



Meeting of Board of Directors

Wednesday, June 22, 2005

* 8:00 a.m. – 9:30 a.m. *

Kent County Board Room, 3rd Floor
Grand Rapids, Michigan 49503

A G E N D A

I. Call to Order

II. Approval of May 25, 2005 Minutes

Action

III. Grand Rapids Symphony Presentation – Melia Tourangeau

Information

IV. Committee Reports

a. Operations Committee

i. CVB Update

b. Finance Committee

i. Approval of SMG May 2005 Financial
Statements - DeVos Place® and Van Andel Arena®

Action

ii. Approval of CAA May 2005 Financial
Statements and Disbursements

Action

iii. SMG FY 2006 Operating Budgets -
DeVos Place® and Van Andel Arena®

Action

iv. CAA FY 2006 Operating Budget

Action

v. Parking Operation and Maintenance
Agreement - DeVos Place®

Action

V. SMG Report and Facilities Calendars

Information

VI. Public Comment

VII. Next Meeting Date – August 24, 2005. The July meeting is canceled.

VIII. Adjournment

Note New Meeting Time



Van Andel Arena®
130 Fulton West
Grand Rapids, MI 49503-2601
616.742.6600
Fax 616.742.6197

DEVOS PLACE

DeVos Place®
303 Monroe Ave. NW
Grand Rapids, MI 49503-2233
616.742.6500
Fax 616.742.6590



**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
BOARD OF DIRECTORS MEETING
Wednesday, May 25, 2005**

I. Call to Order

Chairman Steve Heacock called the meeting to order at 8:05 a.m. Chairman Heacock presided and Secretary/Treasurer Birgit Klohs recorded.

Attendance

Members Present: Steve Heacock, Chairman
 Lew Chamberlin
 Birgit Klohs
 Gary McInerney

Members Absent: Clif Charles
 George Heartwell
 Joseph Tomaselli

Staff/Others:	Henri Boucher	ShowSpan
	David Czurak	<i>Grand Rapids Business Journal</i>
	Jim Day	Kent County
	Daryl Delabbio	Kent County
	George Helmstead	CVB
	John Peter Jeffries	Opera Grand Rapids
	Kurt Kimball	City of Grand Rapids
	Chris Knappe	<i>The Grand Rapids Press</i>
	Janet Korn	CVB
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Bob Mihos	Kent County
	Steve Miller	SMG
	Susan Waddell	CAA
	Jana Wallace	City of Grand Rapids
	Jim Watt	SMG
	Robert White	Kent County
	Steve Wilson	CVB

II. Minutes of Prior Meeting

Motion: Ms. Klohs, supported by Mr. Chamberlin, moved to approve the Minutes of the April 27, 2005, meeting of the Authority. Motion carried unanimously.

III. Opera Grand Rapids

John Peter Jeffries, Executive Director, of Opera Grand Rapids began his presentation with general information about opera companies. There are 140 professional opera companies in North America and Canada that are categorized into four levels by their budget size, with \$1 million annual budget being at

the top of level 4. Opera Grand Rapids would be classified as the “biggest of the small.” For comparison, Chicago, Detroit, and Cleveland are level 1 companies and Indianapolis is level 2.

Opera Grand Rapids is the oldest opera company in Michigan with subscribers in 22 counties. Opera Grand Rapids derives its revenues from ticket sales, grants, fundraising, indirect contributions, program sales, and advertising. Only 30% of expenses go towards administration and fundraising, while 70% ends up on stage. Opera Grand Rapids employs two full-time and three part-time staff members.

Opera Grand Rapids produces its own shows and holds three main stage productions annually. Costumes and staging typically are rented. Principal artists come from all over the world to perform in Grand Rapids. The schedule for the principal artist includes 12 days in the rehearsal hall, four days in the theater, followed by two evening performances. The crews, chorus, and orchestra are local performers.

When Mr. Jeffries came on board almost four years ago, Opera Grand Rapids carried a deficit of about \$400,000. Due to the tragic events of September 11, 2001, the economic downturn, and stock market conditions, the Opera was not able to reduce its deficit and ultimately canceled the season’s last production in 2003. Subsequently, the board and staff met to establish financial stability by: creating an angel fund to reduce debt (over \$390,000 in cash and pledges); getting out of the cycle of using next year’s ticket sales to pay this year’s bills; and creating a process for rigorous financial oversight. A goal was set to build a cash reserve equal to 15% of operating expenses. The Opera revamped its marketing with a new design form, increased fundraising efforts, and reduced administrative and production expenses. At the same time, Opera Grand Rapids increased its educational programs. Last fiscal year, Opera Grand Rapids finished with a surplus.

This year, the financial outlook is even better with a 27% increase in season ticket holders. A gala tribute to Jay and Betty Van Andel net \$170,000 in addition to \$27,000 for the Betty Van Andel Scholarship Fund. The Opera will conclude this fiscal year with a \$30,000 surplus and work towards its goals of raising another \$100,000, building the cash reserve, and concluding its search for a new “home.”

Tickets are on sale now for this season’s productions of Puccini’s Turandot, Bernstein’s West Side Story, and Verdi’s La Traviata. Mr. Jeffries concluded his presentation with special recognition to Rich MacKeigan and SMG for providing the Opera with help and encouragement over the past three difficult years. Mr. Heacock expressed his congratulations and appreciation to Mr. Jeffries and Opera Grand Rapids.

IV. Committee Reports

Operations Committee

Mr. Chamberlin reported that SMG recently scored 94 out of 100 in a recent public liability insurance audit. Summer maintenance is ready to begin at both buildings. SMG staff is setting up the Steelcase business center at DeVos Place®.

The Operations Committee discussed the charity event. Mr. MacKeigan put forward recommendations based on the approved CAA guidelines. Mr. MacKeigan explained that staff members from CAA, SMG, and Wondergem Consulting have been meeting and assessing responses from local nonprofit organizations for their participation in the CAA charity event. A media effort was undertaken to solicit proposals from local nonprofits, and applications were received by twelve entities. These proposals were evaluated based on specific criteria.

Mr. MacKeigan recommended that the CAA partner with three nonprofit organizations for an event in the spring 2006. Commitments of three events, two events, and one event would be extended to the three selected charities. Each year thereafter, solicitations would be extended for a three-event commitment. This would allow three-event commitments to be in place for all of our partners, historical knowledge to be in place, and the charity mix could be evaluated on an annual basis. The three charities would be beneficiaries of the event. Based on the evaluations, Gilda's Club, St. John's Home, and Van Andel Institute Hope on the Hill are the recommendations. Mr. MacKeigan recommended that a three-event opportunity be extended to Gilda's Club, a two-event commitment to St. John's Home, and a one-event commitment to VAI Hope on the Hill.

Motion: Mr. Chamberlin, supported by Ms. Klohs, moved to approve recommendations as presented. Motion carried unanimously.

Mr. Wilson reported that, in conjunction with GVSU and the Van Andel Institute, WJR radio held a live broadcast from the DeVos Place® boardroom. The radio station hosted Paul W. Smith who focused on economic development and tourism. David Frey, Mark Murray, and David Van Andel were interviewed and drop-by guests included Fred Meijer and John Engler. Governor Granholm also phoned-in. Mr. Helmstead reported that 160 conventions have been booked to date. The International Conference of Police Chaplains will be in town July 2007. The CVB has submitted bids for several conventions, and in June will bid on the Lutheran Women Missionary League for 2013.

Ms. Korn presented an update on the CVB websites. The CVB owns seven websites, all with different target audiences:

VisitGrandRapids.org	Leisure Visitors
MeetGrandRapids.com	Meeting Planners
GrandRapidsAttendee.com	Convention Attendees
BringItToGrandRapids.com	Future Hometown Heroes
TourGrandRapids.com	Group Tour Operators
MichigansWestCoast.com	Leisure Visitors
GolfGrandRapids.com	Golfers

Finance Committee

Ms. Klohs presented the Finance Committee reports.

- a. Approval of SMG Financial Statements for DeVos Place® and Van Andel Arena®

Motion: Ms. Klohs, supported by Mr. McInerney, moved to approve the SMG Financial Statements for DeVos Place® and the Van Andel Arena® for the period ended April 30, 2005. Motion carried unanimously.

- b. Approval of CAA Disbursements and Financial Statements

Motion: Ms. Klohs, supported by Mr. Chamberlin, moved to approve the CAA Disbursements and Financial Statements for the period ended April 30, 2005. Motion carried unanimously.

c. Presentation of SMG Preliminary FY 2006 Operating Budgets

Mr. Machuta summarized the proposed facility operating and capital budgets for fiscal year 2006. The Arena budget forecasts 22 concerts, three less than fiscal year 2005. A national synchronized skating event has been added to the budget, along with the NHL red and white hockey game. Due to efficiencies instituted by staff, SMG is hopeful that the utility expenses will stabilize. The budget projects an increase of \$9,555 in net income over fiscal year 2005. The DeVos Place® budget predicts an increase of \$176,000 in event income for conventions and tradeshow. The arts tenants' revenue is expected to decrease by 25% due to lower per date averages and the use of fewer dates. Miscellaneous events will help make up the shortfall, as there will be a significant increase in large and small ballroom events. The budget forecasts a drastic increase in extermination. Staff has noticed that insect and spiders are drawn to the glass. There will be a decrease in utilities due to efficiencies. The budget calls for three new positions for maintenance support, a sales manager, and administrative support. There will be a decrease in contracted security. Repairs and maintenance will increase as maintenance agreements begin to expire. Supplies will decrease because inventory was built-up during the construction stages. The budgets will be brought back to the Board for approval in June.

d. Presentation of CAA Preliminary FY 2006 Administrative Budget

Mr. White presented budget materials summarizing the facility manager budget, CAA operating budget, and a consolidated income statement. The information did not include recommendations concerning capital repair for FY 2006. This data will be submitted under separate cover at the July or August meeting.

The FY 2005 combined facilities budget projected a net available to CAA of \$126,232. This estimate has risen to \$338,477 due to higher operating revenues and lower expenses to be incurred at DeVos Place®. Based on the most recent data available for the administrative portion of the budget, it is projected that the CAA will add almost \$268,000 to its net assets fund balance position at fiscal year end. Excluding funding for capital items, it is anticipated that \$487,049 will be added to net assets during FY 2006. The consolidated income statement shows that the FY 2005 forecast has been revised upward to recognize a \$3 million transfer from the capital account to the operating account, said transfer authorized by the CAA Board in January 2005. The budget projects that the CAA will close FY 2006 with unrestricted net assets approximating \$8.9 million. This would include a minimum operating reserve balance of \$6 million and capital reserve of \$2.9. Additional balances will become available for capital replacement upon final project closeout. The budget will be brought back to the Board for approval in June.

e. Presentation of Proposed Parking Operation and Maintenance Agreement

Mr. White distributed for information only a proposed parking operation and maintenance agreement for the DeVos Place® parking ramp. The CAA and the City previously entered into an 18-month agreement that will expire June 30, 2005. The new agreement is for a three-year term, with the most notable change in Section 12, Collection and Deposit of Receipts and Payment of Department Operating Costs. To increase parking revenues, staff is looking at juror parking, increasing monthly parkers, and possible other uses on non-event days. Contact Mr. White with any comments or revisions before the June meeting.

V. SMG Report

Facilities Calendar

Mr. MacKeigan reported that DeVos Performance Hall would be open this summer after a two-year hiatus. Three shows have been booked already: a comedy show, a gospel show, and the Legends of Love concert. The Arena will host Stevie Nicks on June 24, Tom Petty on June 28, and Veggie Tales in July.

VI. Public Comment

None.

VII. Next Meeting Date

The next CAA Board meeting is Wednesday, June 22, 2005.

VIII. Adjournment

There being no other business, the meeting adjourned at 9:35 a.m.

Birgit M. Klohs, Recording Secretary

DEVOS PLACE

DE VOS PLACE

FINANCIAL STATEMENT
FOR THE PERIOD ENDED MAY 31, 2005

Distribution:

Grand Rapids – Kent County Convention / Arena Authority
Robert White
Glen Mon
Hank Abate
Gary McAneney
John Szudzik
Richard MacKeigan
Chris Machuta




An SMG Managed Facility


DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2005

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	448	20	468	376	92
ATTENDANCE	579,705	34,252	613,957	670,425	(56,468)
DIRECT EVENT REVENUE	1,869,645	80,450	1,950,095	1,987,844	(37,749)
ANCILLARY REVENUE	1,301,330	48,625	1,349,955	1,092,068	257,887
TOTAL EVENT REVENUE	3,170,975	129,075	3,300,050	3,079,912	220,138
TOTAL OTHER REVENUE	106,883	719	107,602	167,000	(59,398)
TOTAL OPERATING REVENUE	3,277,858	129,794	3,407,652	3,246,912	160,740
INDIRECT EXPENSES					
EXECUTIVE	107,756	11,589	119,345	127,132	7,787
FINANCE	194,103	15,915	210,018	201,022	(8,996)
MARKETING	45,684	8,585	54,269	61,260	6,991
OPERATIONS	848,054	71,393	919,447	1,000,395	80,948
EVENT SERVICES	682,918	143,997	826,915	884,638	57,723
BOX OFFICE	74,709	8,619	83,328	85,107	1,779
SALES	123,693	14,489	138,182	135,838	(2,344)
OVERHEAD	1,980,543	166,392	2,146,935	2,140,462	(6,473)
TOTAL OPERATING EXP.	4,057,460	440,979	4,498,439	4,635,854	137,415
NET REVENUE ABOVE EXPENSES	(779,603)	(311,185)	(1,090,787)	(1,388,942)	298,155
CAPITAL					
NET OPERATING REVENUE OVER OPERATING EXPENSES	(779,603)	(311,185)	(1,090,787)	(1,388,942)	298,155

Comments:

DeVos Place performed at expected levels for the month. With only one month remaining in the fiscal year, it is expected that the facility will end around \$300,000 ahead of the original budget.


General Manager


Finance Director

**DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED MAY 31, 2005**

The following schedule summarizes operating results for the current month ending and the YTD ending June 30, 2005, compared to budget and to the prior year:

MONTH	May Actual	May Budget	May FY 2004
Number of Events	39	39	55
Attendance	59,168	51,200	51,678
Direct Event Income	\$137,076	\$141,156	\$127,475
Ancillary Income	87,222	79,132	88,163
Other Income	10,354	13,917	5,742
Indirect Expenses	(391,039)	(361,762)	(417,802)
Net Income	<u>(\$156,388)</u>	<u>(\$127,557)</u>	<u>(\$196,423)</u>

YTD	YTD 2005 Actual	YTD 2005 Budget	YTD 2004 Prior Year
Number of Events	448	356	358
Attendance	579,705	638,225	550,399
Direct Event Income	\$1,869,645	\$1,911,474	\$1,522,469
Ancillary Income	1,301,330	1,035,353	857,571
Other Income	106,883	153,087	105,602
Indirect Expenses	(4,057,462)	(4,303,182)	(3,418,448)
Net Income	<u>(\$779,603)</u>	<u>(\$1,203,268)</u>	<u>(\$932,806)</u>

EVENT INCOME

Event income came in at budgeted levels for the month.

ANCILLARY INCOME

Ancillary income came in a little ahead of budget for the month as electrical revenue generated was higher than expected.

INDIRECT EXPENSES

Indirect expenses came in higher than budget for the month. This was mainly attributed to operational supplies & maintenance as we proceed with summer projects.

DE VOS PLACE
FACILITY STATEMENT OF INCOME
PERIOD ENDING 05/31/05

	CURRENT			YTD		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
EVENT INCOME						
DIRECT EVENT INCOME						
RENTAL INCOME	122,244	134,600	118,067	1,840,074	1,814,396	1,440,492
SERVICES INCOME	14,832	6,556	9,408	29,571	97,078	81,977
TOTAL DIRECT EVENT INCOME	137,076	141,156	127,475	1,869,645	1,911,474	1,522,469
ANCILLARY INCOME						
FOOD & BEVERAGE	35,425	32,160	20,063	426,910	350,994	245,590
NOVELTY	6,410	2,900	2,082	11,622	16,000	18,116
ELECTRICAL	34,143	16,747	26,963	332,231	318,000	267,016
OTHER ANCILLARY	11,243	27,325	39,054	530,567	350,359	326,848
TOTAL ANCILLARY INCOME	87,222	79,132	88,163	1,301,330	1,035,353	857,571
TOTAL EVENT INCOME	224,297	220,288	215,637	3,170,975	2,946,827	2,380,039
OTHER OPERATING INCOME	10,354	13,917	5,742	106,883	153,087	105,602
ADJUSTED GROSS INCOME	234,651	234,205	221,380	3,277,858	3,099,914	2,485,641
INDIRECT EXPENSES						
EXECUTIVE	12,026	10,596	7,932	107,756	116,556	117,809
FINANCE	16,585	16,752	14,701	194,103	184,272	156,470
MARKETING	2,401	5,104	8,031	45,684	56,144	49,830
OPERATIONS	143,636	83,074	126,945	848,054	918,314	647,207
EVENT MANAGEMENT	52,984	73,470	57,461	682,918	811,170	560,843
BOX OFFICE	5,648	7,093	5,248	74,709	78,022	66,446
SALES	8,698	11,321	11,388	123,693	124,531	134,857
OVERHEAD	149,062	154,352	186,097	1,980,543	2,014,172	1,684,986
INDIRECT EXPENSES	391,039	361,762	417,802	4,057,461	4,303,182	3,418,448
NET OPERATING INCOME	<156,388>	<127,557>	<196,423>	<779,603>	<1,203,268>	<932,806>
OTHER EXPENSES						
NET INCOME (LOSS)	<156,388>	<127,557>	<196,423>	<779,603>	<1,203,268>	<932,806>

DE VOS PLACE
STATEMENT OF SERVICES INCOME
PERIOD ENDING 05/31/05

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	53,473	0	21,610	62,365	0	64,457
Changeover Setup Billed	1,272	0	333	11,069	0	9,034
Stagehands Billed	169,407	69,200	149,887	905,260	637,815	826,585
Security Billed	21,385	6,385	11,211	165,993	86,200	104,196
Ushers & Tix Takers Billed	19,963	12,200	14,346	126,958	107,425	123,300
Box Office Billed	1,500	1,700	2,100	15,633	15,900	17,800
Ticketing Service Billed	29,230	12,275	14,541	146,648	135,550	182,801
Utilities Billed	0	0	0	0	0	1,575
City Police Fire Billed	8,570	0	2,730	33,512	7,780	24,092
Traffic Control Billed	0	0	<490>	20,861	23,200	31,014
EMT Medical Billed	3,877	1,472	3,488	28,864	21,635	28,347
Cleaning Billed	0	0	24	3,562	0	3,169
Insurance Billed	1,140	0	363	6,399	0	1,542
Group Sales Commissions Billed	4,940	0	0	5,024	0	0
Telephone Billed	2,775	750	1,650	54,980	6,350	31,355
Damages Billed	0	0	0	350	0	2,976
Other Production Billed	54,958	0	4,991	101,903	0	35,547
TOTAL SERVICE INCOME	372,489	103,982	226,785	1,689,382	1,041,855	1,487,790
Advertising Expense	49,448	0	21,610	58,467	0	62,877
Contracted Changeover Setup Expense	0	0	0	0	0	1,274
Allocated Changeover & Setup Expense	0	0	0	0	0	4,284
Stagehand Wages	159,572	67,124	143,653	834,215	618,681	800,230
Security Wages	0	6,385	0	0	86,200	0
Contracted Security Expense	20,875	0	9,814	155,867	0	97,418
Ushers & T/T Wages	13,974	8,540	10,042	88,871	75,198	85,816
Ticket Sellers Wages	1,160	2,150	727	16,121	13,600	15,988
Ticket Service Charge Expense	13,622	4,910	5,987	42,557	53,583	56,029
Ticket Supplies	0	0	0	5,481	0	0
City Police Fire Expense	8,569	0	2,730	33,449	3,230	24,092
Traffic Control Expense	0	0	0	28,747	24,300	36,013
EMT Medical Expense	2,689	1,422	3,029	23,275	21,385	22,297
Production Materials	0	0	0	0	0	492
Cleaning Wages	0	6,895	0	0	48,600	14,146
Contracted Cleaning Expense	32,796	0	13,586	243,845	0	136,211
Contracted Exhibit Expense	0	0	1,073	0	0	7,073
Insurance Expense	840	0	328	4,967	0	1,611
Allocated Telephone Expense	694	0	450	13,738	0	7,896
Damage Expense	0	0	0	0	0	2,875
Production Expense	53,418	0	4,346	110,213	0	29,190
TOTAL SERVICE EXPENSE	357,658	97,426	217,376	1,659,811	944,777	1,405,813
NET SERVICE INCOME	14,832	6,556	9,408	29,571	97,078	81,977
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SMG DeVos Place
Year to Date Event Summary Report
For Month Ended May 31, 2005

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	120	104	116,755	127,250	1,140,864	1,017,594
Consumer/Gated Shows	57	56	223,698	261,850	923,214	915,626
Devos Performance Hall	131	139	190,865	197,700	606,455	622,574
Ballroom Exclusive	19	20	11,133	10,000	38,102	168,700
Other	121	35	62,274	41,425	462,283	222,333
GRAND TOTALS	448	354	604,725	638,225	3,170,918	2,946,827
As Percentage of Overall						
Convention/Trade Shows	26.79%	29.38%	19.31%	19.94%	35.98%	34.53%
Consumer/Gated Shows	12.72%	15.82%	36.99%	41.03%	29.12%	31.07%
Devos Performance Hall	29.24%	39.27%	31.56%	30.98%	19.13%	21.13%
Ballroom Exclusive	4.24%	5.65%	1.84%	1.57%	1.20%	5.72%
Other	27.01%	9.89%	10.30%	6.49%	14.58%	7.54%

DE VOS PLACE
STATEMENT OF FINANCIAL POSITION
PERIOD ENDING 05/31/05

ASSETS

CURRENT ASSETS

CASH	1,917,962
ACCOUNTS RECEIVABLE	920,419
PREPAID EXPENSES	34,885

TOTAL CURRENT ASSETS	2,873,266

FIXED ASSETS

TOTAL ASSETS	2,873,266
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LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	769,735
ACCRUED EXPENSES	125,035
DEFERRED INCOME	13,477
ADVANCED TIX SALES & DEPOSITS	497,860

TOTAL CURRENT LIABILITIES	1,406,107

EQUITY

FUNDS REMITTED	<450,000>
FUNDING RECEIVED	1,460,495
RETAINED EARNINGS	1,236,267
NET INCOME (LOSS)	<779,603>

TOTAL EQUITY	1,467,159

TOTAL LIABILITIES & EQUITY	2,873,266
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SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
Month Ended May 31, 2005

Current - Under 30 Days	
Food & Beverage	85,425
Ticketing	8,670
Decorating	28,720
Audio/Visual	57,474
Operating	525,571
Over 30 Days	137,985
Over 60 Days	61,854
Over 90 Days	
Donnell Productions	5,736
Paragon Leather	1,696
Saigon Entertainment	5,002
Grinder Promotions	2,286
Total Accounts Receivable @ 5/31/05	920,419

DE VOS PLACE
INDIRECT EXPENSE SUMMARY
PERIOD ENDING 05/31/05

	-CURRENT-			-YTD-		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	56,070	59,280	53,741	647,747	652,080	620,795
Part-Time	12,979	13,167	9,082	119,654	144,837	120,690
Wages-Trade	172,717	93,547	149,393	1,145,152	1,029,017	1,043,770
Auto Allowance	1,971	0	1,971	21,379	0	21,679
Auto Expense	150	2,121	150	1,650	23,331	1,650
Taxes & Benefits	56,439	43,818	50,749	479,774	481,998	429,307
Less: Allocation/Reimbursement	<191,171>	<79,161>	<169,946>	<1,131,834>	<870,771>	<1,099,847>
TOTAL LABOR COSTS	109,154	132,772	95,140	1,283,522	1,460,492	1,138,045
Contracted Security	18,469	19,000	17,861	217,293	209,000	154,393
Contracted Cleaning	1,372	0	12,215	13,692	0	13,165
Other Contracted Services	224	200	155	2,200	2,200	1,393
Travel & Entertainment	1,581	1,626	1,330	10,516	17,886	11,565
Corporate Travel	0	0	0	<221>	0	2,212
Meetings & Conventions	2,701	1,958	814	16,748	30,038	9,843
Dues & Subscriptions	0	417	794	2,449	4,587	5,437
Employee Training	0	833	0	9,894	9,163	0
Computer Expense	4,288	5,417	13,792	73,274	59,587	50,200
Professional Fees	4,374	2,625	1,920	33,547	28,875	46,037
Marketing & Advertising	452	2,467	6,407	27,168	27,137	49,726
Box Office Expenses	<263>	0	<38>	749	0	796
Small Equipment	0	0	0	2,794	0	2,739
Trash Removal	3,571	3,000	2,240	24,041	33,000	14,037
Equipment Rental	1,493	500	521	12,187	5,500	9,779
Landscaping	0	1,000	0	0	1,000	0
Snow Removal	0	0	0	0	0	481
Exterminating	3,335	500	375	14,418	5,500	1,500
Cleaning	0	0	0	0	9,000	0
Construction Costs	0	0	626	2,967	0	24,791
Repairs & Maintenance	21,420	21,721	46,871	185,881	238,931	109,346
Supplies	75,497	19,208	45,266	224,746	211,288	171,533
Bank Service Charges	1,499	750	1,546	13,584	8,250	11,245
Insurance	29,925	16,454	14,841	224,424	180,994	147,832
Licenses & Fees	0	0	0	99	0	1,905
Printing & Stationary	0	1,125	0	1,646	12,375	2,490
Office Supplies	1,136	625	448	10,746	6,875	10,594
Postage	0	417	693	1,735	4,587	2,163
Parking Expense	1,686	1,000	1,683	15,847	11,000	20,181
Telephone Long Distance	7,151	6,000	3,516	68,765	66,000	75,933
Utilities	82,734	103,200	129,882	1,355,835	1,451,500	1,124,065
Base Fee	19,935	19,780	19,354	219,865	217,580	212,898
Less: Allocated/Reimbursement	<694>	<833>	<450>	<14,193>	<9,163>	<7,876>
TOTAL MATERIAL AND SERVICES	281,885	228,990	322,662	2,772,697	2,842,690	2,280,403
TOTAL INDIRECT EXPENSES	391,039	361,762	417,802	4,056,219	4,303,182	3,418,448

SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Capital Expenditures & Management Fee Summary
Fiscal Year Ending June 30, 2005

CAPITAL IMPROVEMENTS

	Budget	Expended	Balance	Project Status
Arena				
Box Office - Electronic Signage	14,000		14,000	Open
Spotlights	125,000		125,000	Open
Security System Upgrades	39,489	39,489	-	Closed
Speaker System - Main Entrance	15,000	9,406	5,594	Closed
Total Arena	193,489	48,895	144,594	
DeVos Place				
Total DeVos Place				
Grand Total Capital Improvements	193,489	48,895	144,594	

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2004 Act/Est
Net Revenue above Expenses	1,436,412	(1,090,787)	345,625	245,318
Benchmark	1,647,957	(1,388,942)	259,015	1,531
Excess	(211,545)	298,155	86,610	243,787

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2004 Act/Est
Base Fee	239,220	239,219	478,439	464,504
Incentive Fee				
Revenue	4,795,908	3,407,652	8,203,560	7,412,186
Benchmark Revenue	4,465,338	3,246,912	7,712,250	6,716,238
Revenue Excess	330,570	160,740	491,310	695,948
Incentive Fee **	66,114	32,148	98,262	139,190
Total SMG Management Fee	305,334	271,367	576,701	603,694

** Incentive fee is 20% of the first \$1 million in excess, 25% of remaining capped at base fee amount.



VAN ANDEL ARENA

**FINANCIAL STATEMENT
FOR THE PERIOD ENDED MAY 31, 2005**

Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Glen Mon

Hank Abate

Gary McAneney

John Szudzik

Richard MacKeigan

Chris Machuta



An SMG Managed Facility

VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2005

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	115	2	117	117	-
ATTENDANCE	631,238	12,219	643,457	709,200	(65,743)
DIRECT EVENT INCOME	1,226,900	21,740	1,248,640	1,278,171	(29,531)
ANCILLARY INCOME	1,370,108	21,161	1,391,269	1,535,524	(144,255)
TOTAL EVENT INCOME	2,597,008	42,901	2,639,909	2,813,695	(173,786)
TOTAL OTHER INCOME	1,991,583	164,416	2,155,999	1,985,000	170,999
TOTAL INCOME	4,588,591	207,317	4,795,908	4,798,695	(2,787)
INDIRECT EXPENSES					
EXECUTIVE	116,165	5,914	122,079	107,510	(14,569)
FINANCE	180,672	15,477	196,149	193,611	(2,538)
MARKETING	212,921	16,211	229,132	229,064	(68)
OPERATIONS	1,195,500	70,899	1,266,399	1,192,081	(74,318)
BOX OFFICE	101,571	8,431	110,002	107,120	(2,882)
LUXURY SEATING	112,402	5,442	117,844	113,597	(4,247)
SKYWALK ADMIN	36,370	4,474	40,844	36,941	(3,903)
OVERHEAD	1,198,293	78,754	1,277,047	1,303,597	26,550
TOTAL INDIRECT EXP.	3,153,894	205,602	3,359,496	3,283,521	(75,975)
NET REVENUE ABOVE EXPENSES	1,434,697	1,715	1,436,412	1,515,174	(78,762)
LESS ALLOCATION FOR CAPITAL REPLACEMENT					
NET REVENUE ABOVE EXPENSES AFTER CAPITAL	1,434,697	1,715	1,436,412	1,515,174	(78,762)

Comments:

The Arena performed ahead of budget for the month due to the combination of a very successful Green Day concert and a savings in indirect expenses. The month of June looks as though the Arena will break even for the month and finish the fiscal year around \$80,000 behind original budget.


General Manager


Director of Finance

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED MAY 31, 2005**

The following schedule summarizes operating results for the current month ending and the YTD ending June 30, 2005, compared to budget and to the prior year:

MONTH	May Actual	May Budget	May FY 2004
Number of Events	3	3	8
Attendance	20,857	19,000	50,558
Direct Event Income	\$73,245	\$80,276	\$155,826
Ancillary Income	46,708	60,060	124,429
Other Income	195,684	165,416	193,411
Indirect Expenses	(250,152)	(273,002)	(293,848)
Net Income	<u>\$65,485</u>	<u>\$32,750</u>	<u>\$179,818</u>

YTD	YTD 2005 Actual	YTD 2005 Budget	YTD 2004 Prior Year
Number of Events	115	112	121
Attendance	631,238	650,700	682,622
Direct Event Income	\$1,226,900	\$1,183,211	\$1,136,789
Ancillary Income	1,370,108	1,435,829	1,489,576
Other Income	1,991,583	1,819,576	1,880,193
Indirect Expenses	(3,153,894)	(3,010,522)	(2,921,863)
Net Income	<u>\$1,434,697</u>	<u>\$1,428,094</u>	<u>\$1,584,695</u>

EVENT INCOME

The Arena performed slightly behind budget for the month. The original budget called for two concerts to be held during the month, and only one was hosted. It should be noted that the Green Day concert was the 2nd highest attended show in Arena history.

ANCILLARY INCOME

Ancillary income fell below expectations for the month due to hosting one less concert. Per caps for the Green Day concert held consistent with expectations for Food & Beverage, and was well above the average for Novelties.

INDIRECT EXPENSES

Indirect expenses came in lower than budget for the month. Most of the savings coming in utilities for the month.

VAN ANDEL ARENA
FACILITY STATEMENT OF INCOME
PERIOD ENDING 05/31/05

	CURRENT			YTD		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
EVENT INCOME						
DIRECT EVENT INCOME						
RENTAL INCOME	60,869	71,500	135,941	1,791,260	1,843,600	1,782,550
SERVICES INCOME	12,377	8,776	19,885	<564,360>	<660,389>	<645,761>
TOTAL DIRECT EVENT INCOME	73,245	80,276	155,826	1,226,900	1,183,211	1,136,789
ANCILLARY INCOME						
FOOD & BEVERAGE	24,128	44,100	87,387	1,136,891	1,188,845	1,239,605
NOVELTY	21,592	15,960	34,541	195,618	210,152	209,087
ELECTRICAL	0	0	0	1,840	0	0
OTHER ANCILLARY	988	0	2,502	35,759	36,832	40,883
TOTAL ANCILLARY INCOME	46,708	60,060	124,429	1,370,108	1,435,829	1,489,576
TOTAL EVENT INCOME	119,954	140,336	280,255	2,597,008	2,619,040	2,626,365
OTHER OPERATING INCOME	195,684	165,416	193,411	1,991,583	1,819,576	1,880,193
ADJUSTED GROSS INCOME	315,637	305,752	473,666	4,588,591	4,438,616	4,506,558
INDIRECT EXPENSES						
EXECUTIVE	12,410	8,834	8,317	116,165	98,674	106,038
FINANCE	15,951	16,009	14,011	180,672	177,599	146,164
MARKETING	19,423	18,963	14,023	212,921	210,093	174,162
LUXURY SEATING	6,872	9,467	6,548	112,402	104,137	80,940
OPERATIONS	106,739	99,089	150,213	1,195,500	1,092,979	1,099,276
BOX OFFICE	6,877	8,928	7,776	101,571	98,208	101,238
SKYWALK ADMINISTRATION	2,091	3,079	4,121	36,370	33,869	37,400
OVERHEAD	79,788	108,633	88,840	1,198,293	1,194,963	1,176,644
INDIRECT EXPENSES	250,152	273,002	293,848	3,153,894	3,010,522	2,921,863
NET OPERATING INCOME	65,485	32,750	179,818	1,434,697	1,428,094	1,584,695
OTHER EXPENSES						
NET INCOME (LOSS)	65,485	32,750	179,818	1,434,697	1,428,094	1,584,695

VAN ANDEL ARENA
STATEMENT OF SERVICES INCOME
PERIOD ENDING 05/31/05

	CURRENT			YEAR TO DATE		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	2,890	0	35,555	334,217	29,000	308,749
Sponsorship Income	0	0	0	27,000	0	0
Labor Billed	990	1,530	2,700	18,818	15,955	16,178
Changeover Setup Billed	9,629	9,300	23,641	134,388	107,900	121,690
Stagehands Billed	18,446	31,000	76,028	436,431	456,900	558,529
Security Billed	12,340	12,600	31,815	169,074	149,500	163,392
Ushers & Tix Takers Billed	5,186	8,450	16,038	103,297	112,200	112,954
Box Office Billed	516	800	1,548	13,083	10,950	8,772
Ticketing Service Billed	1,021	16,000	37,858	117,515	205,850	233,342
Utilities Billed	4,600	0	7,500	20,488	0	14,560
City Police Fire Billed	590	672	2,386	11,744	12,216	11,522
EMT Medical Billed	1,688	1,350	4,207	26,779	18,100	22,022
Cleaning Billed	6,014	8,000	14,280	91,590	101,950	93,424
Group Sales Commissions Billed	0	0	0	11,620	0	2,763
Telephone Billed	2,175	1,600	4,030	25,800	27,785	35,649
Damages Billed	0	0	0	0	0	350
Other Production Billed	4,515	8,000	23,798	199,981	163,800	300,597
TOTAL SERVICE INCOME	70,599	99,302	281,384	1,741,823	1,412,106	2,004,492
Advertising Expense	3,960	0	36,657	372,952	64,000	344,047
Sponsorship Expenses	0	0	0	13,600	0	0
Labor Wages	842	1,301	2,295	15,804	14,021	14,210
Contracted Changeover Setup Expense	6,450	8,455	22,952	265,925	246,104	274,357
Stagehand Wages	17,292	30,285	72,672	438,276	491,054	561,356
Contracted Security Expense	11,696	10,080	32,591	276,530	226,590	269,187
Contracted Ushers & T/T Expense	4,193	6,760	20,057	250,636	264,970	267,188
Ticket Sellers Wages	439	0	1,316	11,120	0	7,127
Ticket Sellers P/R Taxes Bene	0	0	0	0	0	329
Ticket Service Charge Expense	956	16,000	31,640	109,363	236,250	214,181
City Police Fire Expense	590	672	2,386	13,861	15,302	12,342
EMT Medical Expense	1,301	1,173	3,696	30,681	34,798	33,011
Contracted Cleaning Expense	4,359	7,272	17,006	260,482	295,851	262,349
Insurance Expense	0	0	0	0	0	30,542
Allocated Telephone Expense	203	528	1,209	7,170	7,255	11,545
Production Expense	5,944	8,000	17,023	239,783	176,300	348,484
TOTAL SERVICE EXPENSE	58,222	90,526	261,499	2,306,183	2,072,495	2,650,253
NET SERVICE INCOME	12,377	8,776	19,885	<564,360>	<660,389>	<645,761>

VAN ANDEL ARENA
STATEMENT OF FINANCIAL POSITION
PERIOD ENDING 05/31/05

ASSETS

CURRENT ASSETS

CASH	2,984,534
ACCOUNTS RECEIVABLE	1,136,272
PREPAID EXPENSES	128,087

TOTAL CURRENT ASSETS	4,248,893

FIXED ASSETS

TOTAL ASSETS	4,248,893
	=====

LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	1,186,085
ACCRUED EXPENSES	431,480
DEFERRED INCOME	923,982
ADVANCED TIX SALES & DEPOSITS	690,937

TOTAL CURRENT LIABILITIES	3,232,484

EQUITY

FUNDS REMITTED	<2,450,000>
FUNDING RECEIVED	568,343
RETAINED EARNINGS	1,463,368
NET INCOME (LOSS)	1,434,697

TOTAL EQUITY	1,016,408

TOTAL LIABILITIES & EQUITY	4,248,893
	=====

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
Month Ending May 31, 2005

Current - Under 30 Days	
Food & Beverage	106,940
Ticketing	308,000
Merchandise	-
Permanent Advertising	476,417
Operating	125,423
 Over 30 Days	 37,100
 Over 60 Days	 52,740
 Over 90 Days	
Time Out for Women	29,652
 Total Accounts Receivable @ 4/30/05	 1,136,272

VAN ANDEL ARENA
INDIRECT EXPENSE SUMMARY
PERIOD ENDING 05/31/05

	CURRENT			YTD		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	55,387	56,102	48,947	640,605	617,122	554,198
Part-Time	4,348	3,333	4,612	68,775	36,663	66,832
Wages-Trade	52,342	80,733	95,601	786,845	888,063	840,051
Wages-Trade Part-Time	0	0	0	5,219	0	0
Auto Allowance	577	0	577	6,348	0	6,348
Auto Expense	300	985	300	3,300	10,835	3,300
Taxes & Benefits	32,052	34,180	38,791	408,345	375,980	371,027
Less: Allocation/Reimbursement	<34,974>	<70,716>	<90,610>	<658,815>	<777,876>	<744,816>
TOTAL LABOR COSTS	110,031	104,617	98,219	1,260,622	1,150,787	1,096,938
Contracted Security	18,041	19,000	21,485	207,484	209,000	221,660
Contracted Cleaning	2,098	2,292	2,098	25,081	25,212	29,412
Other Contracted Services	314	300	314	4,109	3,300	3,523
Travel & Entertainment	1,129	558	1,114	10,689	6,138	9,158
Corporate Travel	0	625	0	0	6,875	0
Meetings & Conventions	100	350	0	5,239	11,350	1,071
Dues & Subscriptions	1,217	208	0	9,318	2,288	5,990
Employee Training	0	750	0	3,074	8,250	250
Computer Expense	6,289	5,417	2,573	74,000	59,587	52,428
Professional Fees	4,750	2,375	1,875	28,906	26,125	29,547
Marketing & Advertising	2,963	7,500	3,220	65,549	82,500	48,257
Box Office Expenses	2	0	100	<129>	0	<182>
Small Equipment	0	0	0	4,563	0	3,389
Trash Removal	1,165	1,250	2,632	19,906	13,750	21,942
Equipment Rental	1,344	1,300	468	13,786	14,300	12,600
Landscaping	0	292	0	0	3,212	0
Exterminating	248	333	248	2,723	3,663	2,723
Cleaning	0	900	0	4,050	9,900	9,083
Repairs & Maintenance	20,766	9,333	26,669	150,766	102,663	96,463
Supplies	11,342	12,841	44,681	142,361	141,251	152,095
Bank Service Charges	707	1,000	552	7,840	11,000	8,333
Rent Expense	0	0	0	0	0	307
Insurance	7,886	13,269	10,517	147,652	145,959	124,399
Licenses & Fees	0	0	0	0	0	72
Other Taxes	<226>	0	0	<226>	0	0
Printing & Stationary	0	1,750	0	6,029	19,250	4,880
Office Supplies	789	1,000	648	14,227	11,000	12,272
Postage	1,270	1,000	247	11,009	11,000	11,086
Parking Expense	1,978	1,500	2,160	25,275	16,500	23,911
Telephone Long Distance	5,160	3,000	15,144	65,090	33,000	73,779
Utilities	32,910	63,567	40,740	665,624	699,237	693,343
Base Fee	19,935	19,780	19,354	218,704	217,580	212,898
Common Area Expense	<1,855>	<2,730>	0	<32,258>	<30,030>	<27,615>
Less: Allocated/Reimbursement	<203>	<375>	<1,209>	<7,170>	<4,125>	<12,148>
TOTAL MATERIAL AND SERVICES	140,121	168,385	195,629	1,893,272	1,859,735	1,824,925
TOTAL INDIRECT EXPENSES	250,152	273,002	293,848	3,153,894	3,010,522	2,921,863

SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Capital Expenditures & Management Fee Summary
Fiscal Year Ending June 30, 2005

CAPITAL IMPROVEMENTS

	Budget	Expended	Balance	Project Status
Arena				
Box Office - Electronic Signage	14,000		14,000	Open
Spotlights	125,000		125,000	Open
Security System Upgrades	39,489	39,489	-	Closed
Speaker System - Main Entrance	15,000	9,406	5,594	Closed
Total Arena	193,489	48,895	144,594	
DeVos Place				
Total DeVos Place	-	-	-	
Grand Total Capital Improvements	193,489	48,895	144,594	

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2004 Act/Est
Net Revenue above Expenses	1,436,412	(1,090,787)	345,625	245,318
Benchmark	1,647,957	(1,388,942)	259,015	1,531
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	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2004 Act/Est
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Incentive Fee				
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Benchmark Revenue	4,465,338	3,246,912	7,712,250	6,716,238
Revenue Excess	330,570	160,740	491,310	695,948
Incentive Fee **	66,114	32,148	98,262	139,190
Total SMG Management Fee	305,334	271,367	576,701	603,694

** Incentive fee is 20% of the first \$1 million in excess, 25% of remaining capped at base fee amount.

Grand Rapids-Kent County Convention/Arena Authority
Balance Sheet
As of May 31, 2005

Item IV.b.ii.

	<u>May 31, 05</u>
ASSETS	
Current Assets	
Checking/Savings	
1020 • Cash - Construction - Max Saver	1,236,702.14
1030 • Cash - Construction	369,858.85
1050 • Operations - Cash	1,269,285.08
9991 • Cash - Retainage	289,501.05
Total Checking/Savings	<u>3,165,347.12</u>
Other Current Assets	
1070 • Kent County - Operating	5,026,082.90
1080 • Kent County - Capital Replicmnt	11,096,195.50
Total Other Current Assets	<u>16,122,278.40</u>
Total Current Assets	19,287,625.52
Fixed Assets	
Vehicles	<u>23,470.00</u>
Total Fixed Assets	<u>23,470.00</u>
TOTAL ASSETS	<u><u>19,311,095.52</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 • Accounts Payable	56,700.92
Total Accounts Payable	<u>56,700.92</u>
Other Current Liabilities	
2200 • Accrued Expenses	69,689.00
9992 • Retainage Payable	289,501.05
Total Other Current Liabilities	<u>359,190.05</u>
Total Current Liabilities	<u>415,890.97</u>
Total Liabilities	415,890.97
Equity	
3000 • Opening Bal Equity	37,652,992.39
Net Income	-18,757,787.84
Total Equity	<u>18,895,204.55</u>
TOTAL LIABILITIES & EQUITY	<u><u>19,311,095.52</u></u>

Note: Negative net income a result of construction expenditures. These will be capitalized at year end and will reverse the negative net income reported.

12:23 PM

06/13/05

Grand Rapids-Kent County Convention/Arena Authority

Reconciliation Detail

1020 - Cash - Construction - Max Saver, Period Ending 05/31/2005

Type	Date	Num	Name	Memo	Clr	Amount	Balance
Beginning Balance							1,233,630.26
Cleared Transactions							
Deposits and Credits - 1 Item							
Deposit	5/31/2005			Interest	X	3,071.88	3,071.88
Total Deposits and Credits						3,071.88	3,071.88
Total Cleared Transactions						3,071.88	3,071.88
Cleared Balance						3,071.88	1,236,702.14
Register Balance as of 05/31/2005						3,071.88	1,236,702.14
Ending Balance						3,071.88	1,236,702.14

12:36 PM

06/13/05

Grand Rapids-Kent County Convention/Arena Authority

Reconciliation Detail

1030 - Cash - Construction, Period Ending 05/31/2005

Type	Date	Num	Name	Memo	Clr	Amount	Balance
Beginning Balance							589,752.60
Cleared Transactions							
Checks and Payments - 7 Items							
Bill Pmt -Check	4/14/2005	2082	Global Computer S...		X	-9,782.02	-9,782.02
Bill Pmt -Check	4/28/2005	2086	HSBC Business Sol...		X	-918.00	-10,700.02
Bill Pmt -Check	4/28/2005	2085	Erhardt-Hunt/Joint ...		X	-174,463.00	-185,163.02
Bill Pmt -Check	5/13/2005	2090	Custer Workplace I...		X	-14,760.18	-199,923.20
Bill Pmt -Check	5/13/2005	2091	Dale H. Sommers		X	-5,880.00	-205,803.20
Bill Pmt -Check	5/27/2005	2093	Midwest Food Equi...		X	-428.00	-206,231.20
Bill Pmt -Check	5/27/2005	2092	Custer Workplace I...		X	-14,622.95	-220,854.15
Total Checks and Payments						-220,854.15	-220,854.15
Deposits and Credits - 2 Items							
Deposit	5/31/2005			Interest	X	1,023.04	1,023.04
Bill Pmt -Check	6/14/2005		Erhardt-Hunt/Joint ...	VOID:	X	0.00	1,023.04
Total Deposits and Credits						1,023.04	1,023.04
Total Cleared Transactions						-219,831.11	-219,831.11
Cleared Balance						-219,831.11	369,921.49
Uncleared Transactions							
Checks and Payments - 1 Item							
Bill Pmt -Check	5/27/2005	2094	Nextel Communicat...			-62.64	-62.64
Total Checks and Payments						-62.64	-62.64
Total Uncleared Transactions						-62.64	-62.64
Register Balance as of 05/31/2005						-219,893.75	369,858.85
New Transactions							
Checks and Payments - 4 Items							
Bill Pmt -Check	6/14/2005	2095	Chic's Frame & Pos...			-1,250.90	-1,250.90
Bill Pmt -Check	6/14/2005	2096	Custom Printers			-1,265.00	-2,515.90
Bill Pmt -Check	6/14/2005	2097	Dale H. Sommers			-3,960.00	-6,475.90
Bill Pmt -Check	6/14/2005	2099	Erhardt-Hunt/Joint ...			-14,190.00	-20,665.90
Total Checks and Payments						-20,665.90	-20,665.90
Total New Transactions						-20,665.90	-20,665.90
Ending Balance						-240,559.65	349,192.95

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06/13/05

Grand Rapids-Kent County Convention/Arena Authority

Reconciliation Detail

1050 - Operations - Cash, Period Ending 05/31/2005

Type	Date	Num	Name	Memo	Amount	Balance
Beginning Balance						944,964.37
Cleared Transactions						
Checks and Payments - 19 Items						
Bill Pmt -Check	4/28/2005	6110	ICMA Retirement Co...		-250.92	-250.92
Bill Pmt -Check	4/28/2005	6111	ICMA Retirement Co...		-50.00	-300.92
Bill Pmt -Check	4/28/2005	6107	Consumers Energy		-56,394.43	-56,695.35
Bill Pmt -Check	4/28/2005	6108	Dickinson Wright PL...		-1,189.40	-57,884.75
Bill Pmt -Check	4/28/2005	6109	Grand Rapids City T...		-10,197.08	-68,081.83
Check	4/29/2005	10102	Susan M. Waddell		-1,383.93	-69,465.76
Bill Pmt -Check	5/13/2005	6113	Accident Fund Comp...		-720.00	-70,185.76
Bill Pmt -Check	5/13/2005	6114	Arthur J. Gallagher &...		-10,288.00	-80,473.76
Check	5/13/2005	10103	Susan M. Waddell		-887.71	-81,341.47
Bill Pmt -Check	5/13/2005	6116	DTE Energy		-1,312.05	-82,653.52
Bill Pmt -Check	5/13/2005	6117	Grand Rapids City T...		-10,564.31	-93,217.83
Bill Pmt -Check	5/13/2005	6118	ICMA Retirement Co...		-501.84	-93,719.67
Bill Pmt -Check	5/13/2005	6119	ICMA Retirement Co...		-100.00	-93,819.67
Bill Pmt -Check	5/13/2005	6120	Kent Count Dept of ...		-45,904.43	-139,724.10
Bill Pmt -Check	5/13/2005	6121	Rapid Hot Coffee Se...		-27.68	-139,751.78
Bill Pmt -Check	5/13/2005	6115	Consumers Energy		-33,331.14	-173,082.92
Check	5/13/2005	10103	Susan M. Waddell		-1,383.93	-174,466.85
Check	5/27/2005	10104	Susan M. Waddell		-1,383.93	-175,850.78
Check	5/27/2005	10104	Susan M. Waddell		-754.30	-176,605.08
Total Checks and Payments					-176,605.08	-176,605.08
Deposits and Credits - 4 Items						
Deposit	5/3/2005		Van Andel Arena land lease-April 2005		9,018.00	9,018.00
Deposit	5/17/2005		Excess cash flow to CAA for VAA-April 2005		500,000.00	509,018.00
Deposit	5/18/2005		Excess cash flow to CAA for DVP-April 2005		100,000.00	609,018.00
Deposit	5/31/2005		Interest		2,720.21	611,738.21
Total Deposits and Credits					611,738.21	611,738.21
Total Cleared Transactions					435,133.13	435,133.13
Cleared Balance					435,133.13	1,380,097.50
Uncleared Transactions						
Checks and Payments - 6 Items						
Bill Pmt -Check	4/28/2005	6112	Priority Health		-398.73	-398.73
Bill Pmt -Check	5/24/2005	6126	ICMA Retirement Co...		-50.00	-448.73
Bill Pmt -Check	5/24/2005	6125	ICMA Retirement Co...		-250.92	-699.65
Bill Pmt -Check	5/24/2005	6124	Grand Rapids City T...		-46,153.94	-46,853.59
Bill Pmt -Check	5/24/2005	6123	Dickinson Wright PL...		-713.00	-47,566.59
Bill Pmt -Check	5/24/2005	6122	Consumers Energy		-63,245.83	-110,812.42
Total Checks and Payments					-110,812.42	-110,812.42
Total Uncleared Transactions					-110,812.42	-110,812.42
Register Balance as of 05/31/2005					324,320.71	1,269,285.08
New Transactions						
Checks and Payments - 12 Items						
Check	6/10/2005	10105	Susan M. Waddell		-859.24	-859.24
Check	6/10/2005	10105	Susan M. Waddell		-1,383.93	-2,243.17
Bill Pmt -Check	6/14/2005	6129	Grand Rapids City T...		-6,729.88	-8,973.05
Bill Pmt -Check	6/14/2005	6131	ICMA Retirement Co...		-50.00	-9,023.05
Bill Pmt -Check	6/14/2005	6132	Kent Count Dept of ...		-25,014.29	-34,037.34
Bill Pmt -Check	6/14/2005	6133	Priority Health		-398.73	-34,436.07
Bill Pmt -Check	6/14/2005	6134	Rapid Hot Coffee Se...		-27.68	-34,463.75
Bill Pmt -Check	6/14/2005	6135	Rick L. Van Sweden ...		-126.00	-34,589.75
Bill Pmt -Check	6/14/2005	6136	Consumers Energy		-21,510.91	-56,100.66
Bill Pmt -Check	6/14/2005	6128	DTE Energy		-600.24	-56,700.90
Bill Pmt -Check	6/14/2005	6127	Consumers Energy		-1,383.87	-58,084.77
Bill Pmt -Check	6/14/2005	6130	ICMA Retirement Co...		-250.92	-58,335.69
Total Checks and Payments					-58,335.69	-58,335.69
Deposits and Credits - 1 Item						
Deposit	6/2/2005		Van Andel Arena land lease-May 2005		28,122.25	28,122.25
Total Deposits and Credits					28,122.25	28,122.25
Total New Transactions					-30,213.44	-30,213.44
Ending Balance					294,107.27	1,239,071.64

12:30 PM

06/13/05

Grand Rapids-Kent County Convention/Arena Authority

Reconciliation Detail

9991 - Cash - Retainage, Period Ending 05/31/2005

Type	Date	Num	Name	Memo	Clr	Amount	Balance
Beginning Balance							332,452.26
Cleared Transactions							
Checks and Payments - 1 Item							
Bill Pmt -Check	4/28/2005	1205	Erhardt-Hunt/Joint ...		X	-43,438.00	-43,438.00
Total Checks and Payments						-43,438.00	-43,438.00
Deposits and Credits - 1 Item							
Deposit	5/31/2005			Interest	X	486.79	486.79
Total Deposits and Credits						486.79	486.79
Total Cleared Transactions						-42,951.21	-42,951.21
Cleared Balance						-42,951.21	289,501.05
Uncleared Transactions							
Deposits and Credits - 1 item							
Deposit	12/14/2004			Deposit			0.00
Total Deposits and Credits						0.00	0.00
Total Uncleared Transactions						0.00	0.00
Register Balance as of 05/31/2005						-42,951.21	289,501.05
New Transactions							
Checks and Payments - 1 Item							
Bill Pmt -Check	6/14/2005	1206	Erhardt-Hunt/Joint ...			-60,000.00	-60,000.00
Total Checks and Payments						-60,000.00	-60,000.00
Total New Transactions						-60,000.00	-60,000.00
Ending Balance						-102,951.21	229,501.05

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06/13/05

Grand Rapids-Kent County Convention/Arena Authority**Reconciliation Detail****1070 · Kent County - Operating, Period Ending 04/30/2005**

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Clr</u>	<u>Amount</u>	<u>Balance</u>
Beginning Balance							5,014,884.34
Cleared Transactions							
Deposits and Credits - 1 Item							
Deposit	4/1/2005			Interest	X	11,198.56	11,198.56
Total Deposits and Credits						11,198.56	11,198.56
Total Cleared Transactions						11,198.56	11,198.56
Cleared Balance						11,198.56	5,026,082.90
Register Balance as of 04/30/2005						11,198.56	5,026,082.90
Ending Balance						11,198.56	5,026,082.90

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06/13/05

Grand Rapids-Kent County Convention/Arena Authority**Reconciliation Detail****1080 · Kent County - Capital Replcmnt, Period Ending 04/30/2005**

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Clr</u>	<u>Amount</u>	<u>Balance</u>
Beginning Balance							11,071,472.19
Cleared Transactions							
Deposits and Credits - 1 Item							
Deposit	4/1/2005			Interest	X	24,723.31	24,723.31
Total Deposits and Credits						24,723.31	24,723.31
Total Cleared Transactions						24,723.31	24,723.31
Cleared Balance						24,723.31	11,096,195.50
Register Balance as of 04/30/2005						24,723.31	11,096,195.50
Ending Balance						<u>24,723.31</u>	<u>11,096,195.50</u>

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06/13/05
Accrual Basis

Grand Rapids-Kent County Convention/Arena Authority
Profit & Loss
July 2004 through May 2005

	<u>Jul '04 - May 05</u>
Income	
4030 · Federal Support	3,528,884.00
4040 · Private Support	2,204,000.00
4500 · Interest on Investments	382,045.16
4530 · Facility Operations	2,900,000.00
4540 · Land Lease	89,903.00
4545 · Parking Revenues	478,834.00
4550 · Miscellaneous Revenue	13,848.00
Total Income	<u>9,597,514.16</u>
Expense	
5000 · Architectural and Engineering	4,142,723.63
5010 · Construction Material Testing	64,760.62
5020 · Construction in Progress-GMP	19,270,696.00
6000 · Professional Services	54,680.92
6050 · Project Mgt/Owner's Rep	192,642.50
6060 · Other Contractual Services	1,919,637.33
6065 · Pedestrian Safety	44,976.91
6068 · Parking Management	196,599.00
6070 · Facility Management Fees	139,190.00
6100 · Other Supplies & Expenses	26,816.70
6200 · Capital Replacement Projects	139,133.25
6300 · Utilities Expense	2,049,836.84
6410 · Interest & Paying Agent Fees	750.00
6500 · DID Assessment	46,153.94
8000 · Personal Services	66,704.36
Total Expense	<u>28,355,302.00</u>
Net Income	<u><u>-18,757,787.84</u></u>

Grand Rapids-Kent County Convention/Arena Authority
Profit & Loss by Fund
July 2004 through May 2005

	Convention Center (Construction)	Admin & Capital Replacement (Operations)	TOTAL
Income			
4030 · Federal Support	3,528,884.00	0.00	3,528,884.00
4040 · Private Support	2,204,000.00	0.00	2,204,000.00
4500 · Interest on Investments	329,019.47	53,025.69	382,045.16
4530 · Facility Operations	0.00	2,900,000.00	2,900,000.00
4540 · Land Lease	0.00	89,903.00	89,903.00
4545 · Parking Revenues	0.00	478,834.00	478,834.00
4550 · Miscellaneous Revenue	600.00	13,248.00	13,848.00
Total Income	6,062,503.47	3,535,010.69	9,597,514.16
Expense			
5000 · Architectural and Engineering	4,142,723.63	0.00	4,142,723.63
5010 · Construction Material Testing	64,760.62	0.00	64,760.62
5020 · Construction in Progress-GMP	19,270,696.00	0.00	19,270,696.00
6000 · Professional Services	350.00	54,330.92	54,680.92
6050 · Project Mgt/Owner's Rep	192,642.50	0.00	192,642.50
6060 · Other Contractual Services	1,898,805.85	20,831.48	1,919,637.33
6065 · Pedestrian Safety	0.00	44,976.91	44,976.91
6068 · Parking Management	0.00	196,599.00	196,599.00
6070 · Facility Management Fees	0.00	139,190.00	139,190.00
6100 · Other Supplies & Expenses	4,260.50	22,556.20	26,816.70
6200 · Capital Replacement Projects	0.00	139,133.25	139,133.25
6300 · Utilities Expense	28,751.55	2,021,085.29	2,049,836.84
6410 · Interest & Paying Agent Fees	0.00	750.00	750.00
6500 · DID Assessment	0.00	46,153.94	46,153.94
8000 · Personal Services	0.00	66,704.36	66,704.36
Total Expense	25,602,990.65	2,752,311.35	28,355,302.00
Net Income	-19,540,487.18	782,699.34	-18,757,787.84

Grand Rapids-Kent County Convention/Arena Authority
Profit & Loss Budget vs. Actual
July 2004 through May 2005

		Admin & Capital Replacement (Operations)			
		Jul '04 - May 05	Budget	\$ Over Budget	% of Budget
Income					
4030 • Federal Support	0.00				
4040 • Private Support	0.00				
4500 • Interest on Investments	53,025.69	20,166.00	32,859.69	262.95%	
4530 • Facility Operations	2,900,000.00	2,208,876.00	691,124.00	131.29%	
4540 • Land Lease	89,903.00	112,750.00	-22,847.00	79.74%	
4545 • Parking Revenues	478,834.00	592,625.00	-113,791.00	80.8%	
4550 • Miscellaneous Revenue	13,248.00	13,750.00	-502.00	96.35%	
Total Income	3,535,010.69	2,948,167.00	586,843.69	119.91%	
Expense					
5000 • Architectural and Engineering	0.00				
5010 • Construction Material Testing	0.00				
5020 • Construction In Progress-GMP	0.00				
6000 • Professional Services					
6001 • Accounting/Auditing Services	41,350.21	56,834.00	-15,483.79	72.76%	
6040 • Legal Services	12,980.71	36,666.00	-23,685.29	35.4%	
Total 6000 • Professional Services	54,330.92	93,500.00	-39,169.08	58.11%	
6050 • Project Mgt/Owner's Rep	0.00				
6060 • Other Contractual Services	20,831.48				
6065 • Pedestrian Safety	44,976.91	78,834.00	-33,857.09	57.05%	
6068 • Parking Management	196,599.00	235,594.00	-38,995.00	83.45%	
6070 • Facility Management Fees	139,190.00				
6100 • Other Supplies & Expenses					
6010 • Bank Fees	0.00				
6020 • Computer Services	349.00				
6030 • Insurance-Property/Liability	19,829.74	18,500.00	1,329.74	107.19%	
6110 • Meeting Expense	628.12	734.00	-105.88	85.58%	
6120 • Supplies	1,465.97	1,009.00	456.97	145.29%	
6130 • Postage/Express	170.00				
6100 • Other Supplies & Expenses - Other	113.37				
Total 6100 • Other Supplies & Expenses	22,556.20	20,243.00	2,313.20	111.43%	
6200 • Capital Replacement Projects	139,133.25	177,364.00	-38,230.75	78.45%	
6300 • Utilities Expense					
6301 • Electricity	1,006,387.18	988,166.00	18,221.18	101.84%	
6310 • Natural Gas	19,902.09	68,750.00	-48,847.91	28.95%	
6320 • Steam	885,184.64	913,962.00	-28,777.36	96.85%	
6330 • Telephone	0.00				
6340 • Water & Sewer	109,611.38	122,284.00	-12,672.62	89.64%	
Total 6300 • Utilities Expense	2,021,085.29	2,093,162.00	-72,076.71	96.56%	
6410 • Interest & Paying Agent Fees	750.00				
6500 • DID Assessment	46,153.94	38,100.00	8,053.94	121.14%	

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Accrual Basis

Grand Rapids-Kent County Convention/Arena Authority
Profit & Loss Budget vs. Actual
July 2004 through May 2005

		Admin & Capital Replacement (Operations)		
	<u>Jul '04 - May 05</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
8000 · Personal Services				
8001 · Employee Wages	48,933.92	49,808.00	-874.08	98.25%
8030 · Employee Benefits	15,679.44	17,356.00	-1,676.56	90.34%
8000 · Personal Services - Other	2,091.00			
Total 8000 · Personal Services	<u>66,704.36</u>	<u>67,164.00</u>	<u>-459.64</u>	<u>99.32%</u>
 Total Expense	 <u>2,752,311.35</u>	 <u>2,803,961.00</u>	 <u>-51,649.65</u>	 <u>98.16%</u>
 Net Income	 <u><u>782,699.34</u></u>	 <u><u>144,206.00</u></u>	 <u><u>638,493.34</u></u>	 <u><u>542.77%</u></u>

DEVOS PLACE

DE VOS PLACE

**OPERATING BUDGET
FOR FISCAL YEAR ENDING JUNE 30, 2006**

*****PROPOSED 6/2/05*****

Distribution:

Grand Rapids – Kent County Convention / Arena Authority
Robert White
Glen Mon
Hank Abate
Gary McAneney
John Szudzik
Richard MacKeigan
Chris Machuta



An SMG Managed Facility

SMG – DeVos Place
Operating Budget – Fiscal Year Ending June 30, 2006

F/Y 2006 marks the first year of complete operation of the expanded Grand Center, now DeVos Place. Expectations for the enclosed operating budget is for an increase in revenues with full operation, however, offset by an increase in indirect expenses. The net effect of the increases in both revenue and expenses will be a small increase in the net loss to the facility overall.

Revenue for DeVos Place is expected to increase mainly due to the full year availability of both the Ballroom and DeVos Performance Hall. The main categories of increased revenue are banquet events, meetings, and non-arts groups events in the theater. This fiscal year also includes the first return visit of the Midwest Woodworkers show; however, there is some carryover from the incentive payments relating to the 2003 event which will result in the facility not seeing full revenue from this event until the 2008 fiscal year.

Indirect expenses are increasing mainly due to the addition of 3 full-time staff members, an increase in exterminating (full frontage of the river post construction), and higher repairs & maintenance due to the expiration of some warranties on initial operation of equipment. It is expected that F/Y 2006 is the last year that the facility will see a large percentage increase in indirect expenses. The last remaining item that will see large increases will be repairs & maintenance as additional warranties expire, and continued use creating demand in this area. A portion of these increases should be offset in part from savings through efficiencies (i.e. utilities & security) as we gain operational experience of the facility.

Index of enclosed documents is as follows...

Fiscal Year Summary/Index	Page 1
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Service Income Summary	Page 3
Event Summary	Pages 4-5
Indirect Expense Summary	Page 6
Salary Allocation/Position Summary	Page 7
Management Fee Calculation	Page 8

SMG - DeVos Place (Grand Center)
Grand Rapids - Kent County Convention/Arena Authority
Lead Income Statement
Fiscal Year Ending June 30, 2006

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY 2006 BUDGET	FY 2005 EST/ACT	VAR.
EVENT DAYS/PERFORMANCES	23	34	33	62	39	47	42	44	53	40	27	23	467	468	(1)
ATTENDANCE	27,600	25,300	25,300	64,200	45,100	59,325	78,100	120,650	128,200	48,250	27,200	22,800	672,025	613,957	58,068
DIRECT EVENT INCOME	58,850	118,670	89,025	235,800	135,950	177,894	240,200	313,750	319,100	155,750	88,200	50,100	1,983,289	1,917,337	65,952
RENT	1,243	614	868	15,081	7,324	6,323	3,953	29,458	17,639	9,089	3,286	3,960	98,838	32,758	66,080
SERVICE INCOME	60,093	119,284	89,893	250,881	143,274	184,217	244,153	343,208	336,739	164,839	91,486	54,060	2,082,127	1,950,095	132,032
TOTAL DIRECT EVENT INCOME															
ANCILLARY INCOME	3,675	1,875	1,850	4,311	9,162	5,912	14,412	35,436	34,175	5,300	2,912	2,625	121,645	117,847	3,798
CONCESSIONS	29,250	48,450	30,000	53,340	42,645	84,270	25,755	34,500	29,460	20,460	32,655	13,200	443,985	367,295	76,690
CATERING	2,250	2,250	1,500	2,600	2,000	1,200	1,500	3,600	2,750	1,950	1,950	2,000	25,600	17,245	8,355
NOVELTY	4,592	9,520	14,040	34,968	44,608	15,912	28,944	55,768	34,736	26,160	3,712	1,680	274,640	258,630	16,010
DECORATOR	7,350	15,702	13,092	35,102	72,252	28,314	15,876	41,280	62,247	15,267	5,262	3,522	315,266	308,475	6,791
ELECTRICAL	12,750	29,500	22,600	37,300	28,300	28,050	19,100	18,400	18,750	19,050	14,950	10,400	259,150	247,963	11,187
EQUIPMENT	59,867	107,297	83,082	167,621	198,967	163,658	105,587	188,984	181,368	88,987	61,441	33,427	1,440,286	1,317,455	122,831
TOTAL ANCILLARY INCOME															
TOTAL EVENT INCOME	119,960	226,581	172,975	418,502	342,241	347,875	349,740	532,192	518,107	253,826	152,927	87,487	3,522,413	3,267,550	254,863
OTHER OPERATING INCOME	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000	21,450	2,550
INTEREST INCOME	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,663	80,000	73,702	6,298
TICKET INCENTIVES	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000	32,500	9,500
INTERNET	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	12,450	(450)
OTHER INCOME	13,167	13,167	13,167	13,167	13,167	13,167	13,167	13,167	13,167	13,167	13,167	13,163	158,000	140,102	17,898
TOTAL OTHER INCOME															
ADJUSTED GROSS INCOME	133,127	239,748	186,142	431,669	355,408	361,042	362,907	545,359	531,274	266,993	186,094	100,650	3,680,413	3,407,652	272,761
INDIRECT EXPENSES	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,144	133,805	119,345	(14,460)
EXECUTIVE	16,786	16,786	16,786	16,786	16,786	16,786	16,786	16,786	16,786	16,786	16,786	16,780	201,426	210,018	8,592
FINANCE	5,562	5,562	5,562	5,562	5,562	5,562	5,562	5,562	5,562	5,562	5,562	5,561	66,743	66,743	(12,474)
MARKETING	16,254	16,254	16,254	16,254	16,254	16,254	16,254	16,254	16,254	16,254	16,254	16,246	195,040	138,182	(56,858)
SALES	89,784	91,284	88,284	88,284	88,284	91,284	88,284	92,284	88,284	91,284	88,284	88,286	1,073,910	919,447	(154,463)
OPERATIONS	51,316	51,316	51,316	51,316	60,316	69,316	69,316	72,316	69,316	69,316	69,316	162,310	846,786	826,915	(19,871)
EVENT SERVICES	7,093	7,093	7,093	7,093	7,093	7,093	7,093	7,093	7,093	7,093	7,093	7,084	85,107	83,328	(1,779)
BOX OFFICE	131,499	131,999	136,999	161,999	196,999	231,999	277,999	261,999	246,999	171,999	144,999	136,344	2,231,833	2,146,935	(84,898)
OVERHEAD	329,445	331,445	333,445	358,445	402,445	449,445	492,445	483,445	461,445	389,445	359,445	443,755	4,834,650	4,498,439	(336,211)
TOTAL INDIRECT EXPENSES															
NET FACILITY INCOME (LOSS)	(196,318)	(91,697)	(147,303)	73,224	(47,037)	(88,403)	(129,538)	61,914	69,829	(122,452)	(193,351)	(343,105)	(1,154,237)	(1,090,787)	(63,450)

SMG - Devos Place (Grand Center)
Summary of Service Income
Fiscal Year Ending June 30, 2006

Service Income Billed		
Ushers / Ticket Taker	118,950	
Security	161,620	
Traffic Control	18,475	
Fire Marshall/Police	7,700	
EMT	22,932	
Stagehands	755,350	
Box Office Labor	16,400	
Ticket Charges	133,640	
Telephone	31,350	
Total Service Income Billed		1,266,417
 Service Income Expense		
Contracted Cleaning Expense	159,850	
Contracted Traffic Control	25,025	
Fire Marshall/Police	2,800	
Box Office Labor Allocated	18,700	
EMT	22,682	
Stagehands	692,692	
Contracted Security	129,296	
Usher / Ticket Taker Labor Allocated	83,266	
Credit Card Fee's	33,268	
Total Service Income Expense		1,167,579
 Total Net Service Income (Loss)		 98,838

SMG - DeVos Place
Grand Rapids - Kent County Convention/Arts Authority
Event Summary
Fiscal Year Ending June 30, 2006

2006 NO of Events	Attendances	Rental Income	Service Income	Concession Income	Catering Income	Novelty Income	Decorator Income	Electrical Income	Equipment Income	EVENT INCOME FY 2006	EVENT INCOME FY 2005	VARIANCE
EXHIBIT HALLS												
Agriculture & Farming	2	1,000	8,200	(85)	250	600	2,240	1,127	300	13,352	23,046	13,374
Associations	4	6,000	16,000	(375)	875	8,750	4,800	870	2,400	38,320	28,154	(28,154)
Banking	-	-	-	-	-	-	-	-	-	-	40,841	(3,783)
Beauty & Hair Care	4	4,900	15,000	2,745	-	7,500	3,200	4,353	3,850	38,659	12,776	5,732
Building & Construction	2	1,600	10,000	(490)	875	375	6,000	870	800	18,810	18,191	4,874
Business	3	6,000	12,400	105	-	7,800	-	-	750	21,055	47,517	(44,164)
Dental	1	300	1,750	9	-	485	-	600	-	3,333	287,486	(30,746)
Education	24	30,000	152,000	517	1,737	33,315	27,408	17,228	24,500	250,735	27,008	587
Engineering	8	7,800	21,500	-	375	-	2,240	3,480	-	27,895	-	-
Fire & Fire Protection	-	-	-	-	-	-	-	-	-	-	88,187	20,721
Floriculture & Horticulture	6	8,900	63,000	(455)	3,000	825	9,750	11,658	1,100	89,888	204,860	(115,055)
Food Processing & Distribution	8	13,100	97,975	9,350	-	7,125	35,840	17,335	1,700	169,835	11,435	11,435
Furniture Industry	2	1,200	7,400	-	-	375	1,920	1,740	-	11,435	11,080	45,340
Government	5	8,600	30,000	-	-	21,480	3,200	1,740	1,000	68,420	30,860	4,888
Insurance	8	4,600	15,500	60	-	12,300	2,338	4,350	1,500	38,649	49,552	7,432
Landscaping & Gardening	3	7,500	40,000	380	2,500	2,100	11,800	174	150	59,884	42,957	1,389
Libraries	3	1,500	8,500	-	-	375	800	2,127	-	12,002	36,723	1,255
Medical & Health Care	6	4,700	27,600	6	-	450	320	870	3,500	44,326	19,646	2,884
Pharmaceuticals	1	280	1,500	-	-	225	5,280	11,745	250	37,878	17,252	(17,252)
Pharmaceuticals & Gas	2	1,600	19,000	203	-	1,500	3,360	6,220	1,000	22,530	55,822	-
Petroleum & Gas	3	1,400	12,900	-	-	-	-	-	-	55,822	12,724	34,858
Political	-	-	-	-	-	-	-	-	-	-	41,444	(41,444)
Publishing	7	11,500	30,000	-	-	13,950	2,400	4,392	-	47,880	26,147	151,020
Religious	-	-	-	-	-	-	-	-	-	-	89,324	(17,982)
Restaurant & Food Service	-	-	-	-	-	-	-	-	-	-	-	-
Toys & Hobbies	6	5,000	37,820	-	-	-	2,800	8,960	-	47,880	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-
Wine	4	2,000	20,500	-	75	2,775	2,720	6,090	600	32,760	-	-
Woodworking	2	8,000	40,000	-	6,000	7,500	57,420	1,000	1,500	161,020	-	-
Woodworking	2	8,000	40,000	-	6,000	7,500	57,420	1,000	1,500	161,020	-	-
Misc. Tradeshow	9	6,300	30,750	712	-	12,570	9,480	16,289	-	71,331	-	-
TOTAL CONVENTIONS/TRADESHOWS	121	142,500	721,945	12,702	15,312	143,730	181,144	188,005	49,800	1,312,638	1,336,559	178,079
HOUSE & GARDEN	4	28,000	70,000	5,500	10,750	-	7,840	16,660	1,000	110,758	114,224	(3,466)
Wedding Shows	4	6,700	22,200	1,237	1,750	-	2,264	4,178	4,300	35,827	38,133	(2,306)
Sporting Goods & Recreation	4	40,000	75,000	4,997	17,000	825	7,840	8,700	500	114,882	108,859	5,703
Women	3	12,000	16,500	1,250	2,750	105	4,000	8,700	1,000	34,305	38,450	(4,145)
Automotive & Trucking	4	50,000	84,000	13,910	13,000	9,750	30,560	10,440	1,400	163,980	157,168	5,872
Craft Shows/Sale	4	12,750	13,000	822	1,800	-	2,860	970	600	19,332	47,447	(28,165)
Golf Show	3	10,950	25,000	3,570	5,000	-	4,320	4,524	400	42,814	40,217	2,597
Custom Car Show	3	12,900	30,000	2,869	5,882	-	800	870	500	40,701	42,659	(1,957)
Education	-	-	-	-	-	-	-	-	-	-	8,659	(8,659)
Music	2	2,000	6,500	450	500	75	112	870	1,100	9,607	16,331	(6,724)
Motorcycles	-	-	-	-	-	-	-	-	-	-	20,811	(20,811)
Boat Show	5	22,500	108,000	7,860	13,750	-	10,080	8,570	200	149,260	145,800	3,460
Woodworking	-	-	-	-	-	-	-	-	-	-	31,011	(31,011)
Recreational Vehicles	4	20,000	55,000	(50)	1,375	-	960	1,740	-	59,025	51,901	7,124
Supersale	-	-	-	-	-	-	-	-	-	-	-	-
Toys & Hobbies	-	-	-	-	-	-	-	-	-	-	-	-
Misc. Public Shows	-	-	-	-	-	-	-	-	-	-	50,984	(50,984)
TOTAL PUBLIC SHOWS	40	218,600	503,300	41,723	73,237	10,735	71,336	86,120	10,900	779,271	911,452	(132,181)
Testing	2	400	2,250	-	-	-	-	-	-	2,250	2,500	(250)
Benquets over 1,000	2	3,200	5,000	886	-	19,500	382	1,740	12,500	39,618	53,782	(13,964)
Benquets under 1,000	2	700	2,200	225	-	6,150	1,072	1,740	2,000	13,387	62,673	(49,286)
Graduation/Commencement	1	6,500	10,000	60	-	90	-	-	5,000	15,150	5,303	9,847
Corporate	1	4,000	18,000	1,740	26,250	-	1,280	8,090	3,500	59,860	50,891	9,169
Seminars/Workshop	16	12,600	48,400	1,483	20,550	-	2,472	6,960	11,250	91,315	122,213	(30,898)
Demos - College	1	2,000	4,000	160	1,500	-	48	435	500	5,143	11,396	(6,253)
Demos - High School	1	600	1,500	-	75	-	-	-	500	2,075	1,489	579
Seminars & Meetings	72	20,850	83,225	(12,767)	-	48,200	7,616	15,138	62,900	208,412	115,885	90,527
TOTAL OTHER	88	57,050	173,375	(8,413)	125,315	-	12,880	33,103	84,150	432,410	2,473,850	50,588
TOTAL - EXHIBITION HALL	209	412,350	1,400,320	46,012	277,600	-	203,536	287,228	155,850	2,604,518	2,473,850	50,588

SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
Fiscal Year Ending June 30, 2006

	NO OF EVENTS	ATTEN- DANCE	RENTAL INCOME	NET SERVICE INCOME	FOOD AND BEVERAGE INCOME	CATERING INCOME	NOVELTY INCOME	ARTCRAFT INCOME	ELECTRICAL INCOME	EQUIPMENT INCOME	EVENT INCOME FY 2005	VARIANCE
DEVOS PERFORMANCE HALL	18	18,000	54,700	6,730	2,230	-	-	-	-	4,000	67,660	(6,899)
GR BALLE	8	9,000	39,000	6,600	875	-	-	-	-	4,000	50,535	(2,903)
GR OPERA	40	60,000	105,000	22,000	6,875	-	2,500	-	-	4,500	186,374	(45,499)
BROADWAY THEATRE GUILD	51	86,900	162,200	7,739	6,596	1,080	3,600	-	-	17,850	230,839	(31,774)
GR SYMPHONY	28	40,200	133,894	20,572	16,500	-	19,500	-	-	14,300	138,838	65,030
MISC DEVOS EVENTS	5	1,900	5,000	-	-	7,200	-	800	-	1,350	227	14,023
WEDDINGS	15	15,600	33,000	(4,260)	-	76,150	-	5,120	14,832	25,750	18,447	134,145
BALLROOM BANQUET - LARGE	45	15,575	53,175	(6,619)	-	79,755	-	3,380	13,206	28,250	127,839	43,592
BALLROOM BANQUET - SMALL												
TOTAL - DEVOS HALL/BALLROOM	208	259,575	582,789	52,826	33,098	186,185	25,600	9,280	28,038	100,300	988,094	172,045
TOTAL - ALL BUILDINGS	487	872,025	1,953,289	89,838	121,645	443,985	25,600	274,640	315,266	239,150	3,522,413	222,414

SMG - DeVos Place (Grand Center)
Grand Rapids - Kent County Convention/Arena Authority
Indirect Expense Summary
Fiscal Year Ending June 30, 2006

	<u>Budget</u> <u>F/Y 2006</u>	<u>Estimate</u> <u>F/Y 2005</u>	<u>Variance</u>
Salaries - Full Time	1,336,896	1,209,380	(127,516)
Salaries Part Time	842,972	828,805	(14,167)
Auto Allowance	25,450	25,090	(360)
Payroll Taxes	211,271	199,228	(12,043)
Employee Benefits	230,987	208,327	(22,660)
Pension	61,987	57,217	(4,770)
Union Expenses	70,500	68,016	(2,484)
Allocated Salaries	(1,113,946)	(1,087,362)	26,584
Total Labor Costs	1,666,117	1,508,701	(157,416)
Contracted Security	228,000	248,589	20,589
Meetings	32,000	24,120	(7,880)
Meals & Entertainment	14,500	11,918	(2,582)
Dues & Subscriptions	3,600	2,008	(1,592)
Professional Fees	36,000	37,309	1,309
Employee Training	10,000	11,873	1,873
Printing	15,600	1,484	(14,116)
Advertising	25,000	16,231	(8,769)
Trash Removal	30,000	28,954	(1,046)
Landscaping	0	-	-
Armored Services	2,400	2,371	(29)
Exterminating	75,600	13,300	(62,300)
Cleaning	9,000	9,600	600
Construction Costs	0	-	-
Repairs & Maintenance	270,000	212,485	(57,515)
Snow Removal	0	-	-
Supplies	179,000	208,008	29,008
Corporate Travel	5,000	4,895	(105)
Computer Expenses	75,000	82,764	7,764
Equipment Rental	12,000	9,847	(2,153)
Bank Service Charges	12,000	14,476	2,476
General Liability Insurance	81,987	84,104	2,117
Property Insurance	115,000	116,406	1,406
Insurance Expense	42,000	40,120	(1,880)
Local Taxes	0	-	-
Printing & Stationary	11,000	5,893	(5,107)
Office Supplies	9,000	11,532	2,532
Postage	5,000	2,054	(2,946)
Parking Expense	18,000	17,541	(459)
Telephone	72,000	73,919	1,919
Utilities	1,533,450	1,426,568	(106,882)
Management Fee	246,396	239,220	(7,176)
Incentive Fee	0	32,149	32,149
Allocated Expenses	0	-	-
Total Materials & Service	3,168,533	2,989,738	(178,795)
Total Indirect Expenses	4,834,650	4,498,439	(336,211)

SMG - Van Andel Arena / DeVos Place(Grand Center)
Grand Rapids - Kent County Convention/Arena Authority
Full Time Employee Summary & Allocation
Fiscal Year Ending June 30, 2006

Position	F/Y 2005			F/Y 2006			Change
	VAA	DVP	Total	VAA	DVP	Total	
General Manager	0.50	0.50	1.00	0.50	0.50	1.00	-
Administrative Assistant	0.50	0.50	1.00	0.50	0.50	1.00	-
Director of Finance	0.50	0.50	1.00	0.50	0.50	1.00	-
Accounting Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Accounting Support	1.50	1.50	3.00	1.50	1.50	3.00	-
Box Office Manager	0.80	0.20	1.00	0.80	0.20	1.00	-
Assistant Box Office Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Premium Seat/Suite	1.00	-	1.00	1.00	-	1.00	-
Box Office Support	1.00	-	1.00	1.00	-	1.00	-
Director of Marketing	0.50	0.50	1.00	0.50	0.50	1.00	-
Marketing Manager	1.00	-	1.00	1.00	-	1.00	-
Marketing Support	1.00	-	1.00	1.00	-	1.00	-
Group Sales Manager	1.00	-	1.00	1.00	-	1.00	-
Assistant General Manager	0.33	0.67	1.00	0.33	0.67	1.00	-
Director of Facilities	0.33	0.67	1.00	0.33	0.67	1.00	-
Maintenance Support	4.00	6.00	10.00	4.00	7.00	11.00	1.00
Operations Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Operations Support	9.00	8.00	17.00	9.00	8.00	17.00	-
Director of Sales	-	1.00	1.00	-	1.00	1.00	-
Sales Manager	-	-	-	-	1.00	1.00	1.00
Sales Support	-	1.00	1.00	-	1.00	1.00	-
Director of Event Services	-	1.00	1.00	-	1.00	1.00	-
Event Coordinators	2.00	4.00	6.00	2.00	4.00	6.00	-
Receptionist/Admin Support	1.00	-	1.00	1.00	1.00	2.00	1.00
Total	28.96	29.04	58.00	28.96	32.04	61.00	3.00

**SMG - Van Andel Arena / DeVos Place(Grand Center)
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Calculation
Fiscal Year Ending June 30, 2006**

The management fee is broken up into two categories. The base fee and incentive fee.

The base fee started with the new contract in F/Y 2002 as \$450,000 split evenly between DeVos Place and Van Andel Arena. This fee is subject to an annual increase based on the change in the CPI-U. This budget assumes that the increase will be 3.0% for fiscal year 2006.

The incentive fee is based on benchmark revenues for each of the two facilities. The Van Andel Arena benchmark is based on the number set in the SMG Managerial Contract which is subject to the same annual increase as stated above for the base fee. The DeVos Place benchmark is equal to the budgeted total gross revenue for each fiscal year. The incentive fee based on a percentage of the combined revenues in excess of the combined benchmark. SMG receives 20% of the first \$1 million and 25% above that. In no fiscal year can the incentive fee exceed that of the base fee.

SMG is entitled to the incentive fee as calculated above only if the combined Net Revenue above Expenses for the facilities exceeds the total of \$1,697,396 (Van Andel) and the budgeted figure for DeVos Place.

Below is the calculation for the Base and Incentive Fee's for F/Y 2006 compared to the expected fee for F/Y 2005.

	Arena Budget	DeVos Place Budget	Total Budget	FY 2005 Act/Est
Net Revenue above Expenses	1,462,923	(1,154,237)	308,686	313,477
Benchmark	1,697,396	(1,154,237)	543,159	259,015
Excess	(234,473)	-	(234,473)	54,462

Incentive Fee Calculation (Only if above greater than zero)

	Arena Budget	DeVos Place Budget	Total Budget	FY 2005 Act/Est
Base Fee	246,396	246,396	492,792	478,439
Incentive Fee				
Revenue	4,840,887	3,680,413	8,521,300	8,203,560
Benchmark Revenue	4,599,298	3,680,413	8,279,711	7,712,250
Projected Revenue Increase	-	-	-	491,310
Incentive Percentage	20%	20%	20%	20%
Total Incentive Fee	-	-	-	98,262
Total SMG Management Fee	246,396	246,396	492,792	576,701



VAN ANDEL ARENA

**OPERATING BUDGET
FOR FISCAL YEAR ENDING JUNE 30, 2006**

*****PROPOSED 6/2/05*****

Distribution:

Grand Rapids – Kent County Convention / Arena Authority
Robert White
Glen Mon
Hank Abate
Gary McAneney
John Szudzik
Richard MacKeigan
Chris Machuta



An SMG Managed Facility

SMG – Van Andel Arena
Operating Budget – Fiscal Year Ending June 30, 2006

F/Y 2006 marks the 10th fiscal year of the Van Andel Arena. Both revenues and expenses are expected to hold fairly constant from the previous couple of fiscal years, with the Arena expected to finish the year with revenues budgeted at \$1.46 million higher than expenses.

Revenue for Van Andel Arena is expected to show a slight increase over the past fiscal year. The facility is expected to show an overall increase in events, however, a decrease in concerts held during the year. While the number of concerts is expected to decrease, revenue generated from the fewer concerts is budgeted to hold consistent as ancillary income for F/Y 2005 concerts fell below the Arena's historical averages.

Indirect expenses are budgeted to hold consistent with past fiscal years, with no material increase/decrease expected in any one line item.

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Salary Allocation/Position Summary	Page 6
Management Fee Calculation	Page 7

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Budget Highlights
Fiscal Year Ending June 30, 2006

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY 2006 BUDGET	FY 2005 EST/ACT	VAR.
EVENT DAYS/PERFORMANCES	3	2	12	5	14	10	13	19	18	18	4	5	123	116	7
ATTENDANCE	14,000	16,000	59,400	32,500	71,000	66,000	69,500	108,500	113,500	103,500	24,500	31,000	709,400	643,457	65,943
DIRECT EVENT INCOME	68,000	64,000	181,000	90,250	213,500	156,000	203,250	237,250	281,500	190,750	96,500	114,000	1,896,000	1,864,718	31,282
RENT	(27,156)	7,892	(88,509)	(17,083)	(63,256)	(36,526)	(108,979)	(127,524)	(130,010)	(109,240)	10,321	(18,708)	(708,778)	(946,078)	(62,700)
SERVICE INCOME	40,844	71,892	92,491	73,167	150,244	119,474	94,271	109,726	151,490	81,510	106,821	95,292	1,187,222	1,218,640	(31,418)
TOTAL DIRECT EVENT INCOME															
ANCILLARY INCOME	27,500	40,000	114,080	64,750	126,500	109,500	126,250	152,750	166,000	98,750	46,000	62,500	1,134,580	1,076,210	58,370
CONCESSIONS	3,150	2,100	7,262	4,146	11,215	7,679	7,048	8,274	9,306	6,647	2,800	2,975	72,602	70,987	1,615
CATERING	14,300	15,400	15,400	15,400	36,300	23,100	17,193	33,000	27,808	7,700	17,600	15,400	238,601	213,222	25,379
NOVELTIES	-	-	1,170	2,310	3,080	4,620	5,390	9,118	9,902	6,292	-	-	41,882	40,850	1,032
VIDEO BOARD	44,950	57,500	137,912	86,606	177,095	144,899	155,881	203,142	213,016	119,389	66,400	80,875	1,487,665	1,401,269	86,396
TOTAL ANCILLARY INCOME															
TOTAL EVENT INCOME	85,794	129,392	230,403	159,773	327,339	264,373	250,152	312,868	364,506	200,899	173,221	176,167	2,674,887	2,619,909	54,978
OTHER OPERATING INCOME	95,833	95,833	95,833	95,833	95,833	95,833	95,833	95,833	95,833	95,833	95,833	95,833	1,150,000	1,202,690	(52,690)
LUXURY SEATING	47,917	47,917	47,917	47,917	47,917	47,917	47,917	47,917	47,917	47,917	47,917	47,917	575,000	562,400	12,600
PERMANENT ADVERTISING	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000	34,745	1,255
INTEREST INCOME	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	330,000	312,400	17,600
TICKET INCENTIVES	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	75,000	63,764	11,236
MISCELLANEOUS INCOME	180,500	180,500	180,500	180,500	180,500	180,500	180,500	180,500	180,500	180,500	180,500	180,500	2,166,000	2,175,999	(9,999)
TOTAL OTHER INCOME															
ADJUSTED GROSS INCOME	266,294	309,892	410,903	340,273	507,839	444,873	430,652	493,368	545,006	381,399	353,721	356,667	4,840,887	4,795,908	44,979
INDIRECT EXPENSES	9,612	9,612	9,612	9,612	9,612	9,612	9,612	11,112	9,612	9,612	9,612	9,612	116,853	122,079	5,226
EXECUTIVE	16,273	16,273	16,273	16,273	16,273	16,273	16,273	17,773	16,273	16,273	16,273	16,273	196,780	196,149	(631)
FINANCE	19,612	19,612	19,612	19,612	19,612	19,612	19,612	21,112	19,612	19,612	19,612	19,605	236,837	229,132	(7,705)
MARKETING	102,319	102,319	102,319	102,319	102,319	102,319	102,319	105,319	102,319	102,319	102,319	102,325	1,230,834	1,226,399	(4,435)
OPERATIONS	9,043	9,043	9,043	9,043	9,043	9,043	9,043	9,043	9,043	9,043	9,043	9,034	108,507	110,002	1,495
BOX OFFICE	9,602	9,602	9,602	9,602	9,602	9,602	9,602	9,602	9,602	9,602	9,602	9,600	115,222	117,844	2,622
LUXURY SEATING	3,322	3,322	3,322	3,322	3,322	3,322	3,322	3,322	3,322	3,322	3,322	3,314	39,856	40,844	988
SKYWALK	111,090	111,090	111,090	111,090	111,090	111,090	111,090	111,090	111,090	111,090	111,090	111,085	1,333,075	1,317,047	(16,028)
OVERHEAD	280,873	280,873	280,873	280,873	280,873	280,873	280,873	288,373	280,873	280,873	280,873	280,861	3,377,964	3,359,496	(18,468)
TOTAL INDIRECT EXPENSES	(14,579)	29,019	130,030	59,400	226,966	164,000	149,779	204,995	264,133	100,526	72,948	75,806	1,462,923	1,436,412	26,511
NET FACILITY INCOME (LOSS)															

SMG - Van Andel Arena
Summary of Service Income
Fiscal Year Ending June 30, 2006

Service Income Billed		
Stagehands	424,600	
Maintenance Labor	14,940	
Changeover	102,350	
Security	143,700	
Ushers / Ticket Takers	109,200	
Receptionist	1,915	
Box Office Labor	10,550	
Box Office Ticket Charges	205,350	
Fire Marshall	12,780	
EMT	19,125	
Custodial	97,100	
Telephone	24,810	
Other Miscellaneous Billed	100,800	
Total Service Income Billed		1,267,220
Service Income Expense		
Stagehands	469,505	
Maintenance Labor Allocated	14,535	
Contracted Changeover	252,152	
Contracted Security	238,050	
Contracted Ushers / Ticket Takers	279,470	
Receptionist	2,195	
Credit Card Fee's	235,500	
Fire Marshall	17,874	
EMT	36,949	
Contracted Custodial	307,069	
Telephone Allocated	7,593	
Other Miscellaneous Expense	115,100	
Total Service Income Expense		1,975,992
Total Net Service Income (Loss)		(708,772)

SMG - Van Andel Arena
Grand Rapids - Kent County Convention / Arena Authority
Event Summary
Fiscal Year Ending June 30, 2006

EVENT TYPE	2006 NO of Events	Attendance	Rental Income	Service Income	Concession Income	Catering Income	Novelty Income	Video Board Income	EVENT INCOME FY 2006	EVENT INCOME FY 2005	VARIANCE
Griffins Regular Season	40	220,000	350,000	(333,000)	330,000	27,280	-	30,800	405,080	398,219	6,861
Griffins Playoffs	-	-	-	-	-	-	-	-	-	-	-
AHL All Star Weekend	-	-	-	-	-	-	-	-	-	-	-
Rampage Regular Season	8	64,000	68,000	(74,307)	-	-	-	6,512	205	32,283	(32,078)
Rampage Playoffs	-	-	-	-	-	-	-	-	-	-	-
NHL Preseason	1	10,400	-	2,417	28,080	3,500	-	770	34,767	130,481	34,767
NCAA Hockey Tournament	-	-	-	-	-	-	-	-	-	60,816	(130,481)
NBA Preseason	-	-	-	-	-	-	-	-	-	-	-
Professional Wrestling	1	5,000	25,000	(14,700)	12,500	350	6,600	-	29,750	29,750	29,750
Synchronized Skating	4	20,000	50,000	(28,282)	22,500	875	4,400	1,200	49,693	49,693	49,693
High School Basketball	1	4,000	32,000	(22,850)	5,000	175	-	-	14,325	16,594	(2,269)
College Basketball Tournaments	2	8,000	12,500	4,008	9,000	787	-	-	26,295	24,101	2,194
TOTAL SPORTS	57	331,400	537,500	(467,714)	407,080	32,967	11,000	39,282	560,115	662,494	(102,379)
Ringling Brothers	8	30,000	85,000	(73,548)	42,000	1,575	-	-	55,027	26,425	28,602
Harlem Globetrotters	1	9,000	50,000	(9,400)	16,000	437	6,600	-	63,637	59,908	3,729
Disney on Ice	8	35,000	82,000	(45,282)	37,500	1,750	-	-	75,968	71,904	4,064
Stars on Ice	1	5,500	25,000	1,545	6,000	700	2,200	-	35,445	39,057	(3,612)
Champions on Ice	1	5,500	25,000	1,545	6,000	700	2,200	-	35,445	35,445	35,445
Monster Trucks	4	18,000	45,000	(29,282)	32,500	525	13,200	900	62,843	58,131	4,712
Bulls and Bronco Rodeo	2	8,000	42,000	(21,400)	18,000	525	2,200	400	41,725	42,793	(1,068)
Arenacross	3	10,000	28,000	(22,399)	27,500	612	2,893	-	36,606	36,412	194
Freestyle Motocross	2	16,000	55,000	(23,582)	36,000	525	8,008	900	76,851	46,155	30,696
Professional Bull Riders	2	11,000	64,000	(21,323)	24,000	1,137	7,700	400	75,914	81,195	(5,281)
Miscellaneous Family	6	18,000	81,000	(62,202)	19,500	6,300	13,200	-	57,788	40,268	17,530
TOTAL FAMILY SHOWS	38	166,000	582,000	(305,328)	265,000	14,786	59,201	2,600	617,259	502,248	115,011
Rock	22	176,000	704,000	86,806	440,000	23,100	169,400	-	1,423,306	1,442,852	(19,546)
Country	-	-	-	-	-	-	-	-	-	-	-
Christian	-	-	-	-	-	-	-	-	-	-	-
TOTAL CONCERTS	22	176,000	704,000	86,806	440,000	23,100	169,400	-	1,423,306	1,442,852	(19,546)
College Graduation	3	21,000	22,500	4,058	-	874	-	-	27,432	35,335	(7,903)
Miscellaneous Banquets	-	-	-	-	-	-	-	-	-	1,980	(1,980)
Convention	3	15,000	50,000	(26,600)	22,500	875	-	-	46,775	-	46,775
TOTAL MISCELLANEOUS	6	36,000	72,500	(22,542)	22,500	1,749	-	-	74,207	37,315	36,892
GRAND TOTAL	123	709,400	1,895,000	(708,778)	1,134,580	72,602	238,601	41,882	2,674,887	2,644,909	29,978

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Indirect Expense Summary
Fiscal Year Ending June 30, 2006

	Budget F/Y 2006	Estimate F/Y 2005	Variance
Salaries	1,195,150	1,184,178	(10,972)
Salaries Part - Time	480,000	483,062	3,062
Auto Allowance	11,825	10,525	(1,300)
Payroll Taxes	122,537	121,723	(814)
Employee Benefits	180,338	166,102	(14,236)
Pension	43,524	34,868	(8,656)
Union Expenses	50,000	36,517	(13,483)
Allocated Salaries	(777,541)	(762,153)	15,388
Total Labor Costs	1,305,833	1,274,822	(31,011)
Contracted Security	228,000	227,333	(667)
Contracted Cleaning	30,000	24,660	(5,340)
Meetings	11,700	6,642	(5,058)
Meals & Entertainment	10,300	8,371	(1,929)
Dues & Subscriptions	2,500	9,466	6,966
Professional Fees	31,000	28,696	(2,304)
Employee Training	9,000	3,689	(5,311)
Printing	22,000	13,502	(8,498)
Advertising	44,000	38,365	(5,635)
Trash Removal	18,000	19,489	1,489
Landscaping	0	-	-
Armored Services	3,600	3,852	252
Exterminating	3,600	2,970	(630)
Cleaning	10,800	4,860	(5,940)
Repairs & Maintenance	112,000	103,694	(8,306)
Supplies	154,100	149,258	(4,842)
Corporate Travel	7,500	6,240	(1,260)
Computer Expenses	65,000	58,996	(6,004)
Marketing Fund	38,000	44,436	6,436
Equipment Rental	15,000	14,930	(70)
Bank Service Charges	9,000	8,560	(440)
General Liability Insurance	110,547	99,815	(10,732)
Property Insurance	32,000	29,528	(2,472)
Insurance Expense	43,132	25,482	(17,650)
Printing & Stationary	11,000	824	(10,176)
Office Supplies	12,000	15,976	3,976
Postage	12,000	11,687	(313)
Parking Expense	24,000	27,926	3,926
Telephone	60,000	71,896	11,896
Utilities	735,800	759,848	24,048
Management Fee	246,396	239,220	(7,176)
Incentive Fee	0	66,114	66,114
Amortization	0	-	-
Allocated Expenses	(39,844)	(41,651)	(1,807)
Total Materials & Service	2,072,131	2,084,674	12,543
Total Indirect Expenses	3,377,964	3,359,496	(18,468)

SMG - Van Andel Arena / DeVos Place(Grand Center)
Grand Rapids - Kent County Convention/Arena Authority
Full Time Employee Summary & Allocation
Fiscal Year Ending June 30, 2006

Position	F/Y 2005			F/Y 2006			Change
	VAA	DVP	Total	VAA	DVP	Total	
General Manager	0.50	0.50	1.00	0.50	0.50	1.00	-
Administrative Assistant	0.50	0.50	1.00	0.50	0.50	1.00	-
Director of Finance	0.50	0.50	1.00	0.50	0.50	1.00	-
Accounting Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Accounting Support	1.50	1.50	3.00	1.50	1.50	3.00	-
Box Office Manager	0.80	0.20	1.00	0.80	0.20	1.00	-
Assistant Box Office Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Premium Seat/Suite	1.00	-	1.00	1.00	-	1.00	-
Box Office Support	1.00	-	1.00	1.00	-	1.00	-
Director of Marketing	0.50	0.50	1.00	0.50	0.50	1.00	-
Marketing Manager	1.00	-	1.00	1.00	-	1.00	-
Marketing Support	1.00	-	1.00	1.00	-	1.00	-
Group Sales Manager	1.00	-	1.00	1.00	-	1.00	-
Assistant General Manager	0.33	0.67	1.00	0.33	0.67	1.00	-
Director of Facilities	0.33	0.67	1.00	0.33	0.67	1.00	-
Maintenance Support	4.00	6.00	10.00	4.00	7.00	11.00	1.00
Operations Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Operations Support	9.00	8.00	17.00	9.00	8.00	17.00	-
Director of Sales	-	1.00	1.00	-	1.00	1.00	-
Sales Manager					1.00	1.00	1.00
Sales Support	-	1.00	1.00	-	1.00	1.00	-
Director of Event Services	-	1.00	1.00	-	1.00	1.00	-
Event Coordinators	2.00	4.00	6.00	2.00	4.00	6.00	-
Receptionist/Admin Support	1.00		1.00	1.00	1.00	2.00	1.00
Total	28.96	29.04	58.00	28.96	32.04	61.00	3.00

**SMG - Van Andel Arena / DeVos Place(Grand Center)
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Calculation
Fiscal Year Ending June 30, 2006**

The management fee is broken up into two categories. The base fee and incentive fee.

The base fee started with the new contract in F/Y 2002 as \$450,000 split evenly between DeVos Place and Van Andel Arena. This fee is subject to an annual increase based on the change in the CPI-U. This budget assumes that the increase will be 3.0% for fiscal year 2006.

The incentive fee is based on benchmark revenues for each of the two facilities. The Van Andel Arena benchmark is based on the number set in the SMG Managerial Contract which is subject to the same annual increase as stated above for the base fee. The DeVos Place benchmark is equal to the budgeted total gross revenue for each fiscal year. The incentive fee based on a percentage of the combined revenues in excess of the combined benchmark. SMG receives 20% of the first \$1 million and 25% above that. In no fiscal year can the incentive fee exceed that of the base fee.

SMG is entitled to the incentive fee as calculated above only if the combined Net Revenue above Expenses for the facilities exceeds the total of \$1,697,396 (Van Andel) and the budgeted figure for DeVos Place.

Below is the calculation for the Base and Incentive Fee's for F/Y 2006 compared to the expected fee for F/Y 2005.

	Arena Budget	DeVos Place Budget	Total Budget	FY 2005 Act/Est
Net Revenue above Expenses	1,462,923	(1,154,237)	308,686	313,477
Benchmark	1,697,396	(1,154,237)	543,159	259,015
Excess	(234,473)	-	(234,473)	54,462

Incentive Fee Calculation (Only if above greater than zero)

	Arena Budget	DeVos Place Budget	Total Budget	FY 2005 Act/Est
Base Fee	246,396	246,396	492,792	478,439
Incentive Fee				
Revenue	4,840,887	3,680,413	8,521,300	8,203,560
Benchmark Revenue	4,599,298	3,680,413	8,279,711	7,712,250
Projected Revenue Increase	-	-	-	491,310
Incentive Percentage	20%	20%	20%	20%
Total Incentive Fee	-	-	-	98,262
Total SMG Management Fee	246,396	246,396	492,792	576,701



FISCAL SERVICES DEPARTMENT
MEMORANDUM

TO: Convention/Arena Authority Finance Committee

FROM: Robert White *RJW*
Fiscal Services Director

SUBJECT: Convention/Arena Authority (CAA)
FY2006 Budget Request

DATE: June 3, 2005

The attached material summarizes the Facility Manager Budget, CAA Operating Budget and a Consolidated Income Statement for Fiscal Years ending June 30, 2004 and 2005. This material does not include staff recommendations concerning Capital Repair/Improvement/Replacement items for Fiscal Year 2006. This material will be submitted under separate cover at the July 21, 2005 Finance Committee meeting.

The Table A, attached hereto, summarizes the SMG Facilities Budget for Fiscal Years 2004 & 2005. The most recently updated estimate for the current fiscal year (FY2005) discloses a combined facility net operating income projection that has improved from the original budgetary allowances. The Fiscal Year 2005 combined Facilities Budget projected a "Net Available to CAA" of \$126,232. The third fiscal quarter updated estimates raise this net available balance to \$345,625 for the current fiscal year. The improved financial results are driven by higher operating revenues and lower operating expenses to be incurred at DeVos Place. The "Net Available to CAA" for Fiscal Year 2006 remains essentially unchanged from current year estimates.

Table B following this correspondence summarizes the anticipated revenues, expenditures and change in net assets of the CAA for the current and upcoming (FY2006) fiscal years. Based on the most recent data available for the administrative portion of the budget, it is projected that the CAA will add approximately \$274,769 to its "Net Assets" fund balance position at fiscal year end. Excluding funding for capital items in the Fiscal Year 2006 budget, it is anticipated that \$479,871 will be added to "Net Assets" (Fund Balance) during Fiscal Year 2006.

Table C attached hereto provides a "Consolidated Income Statement" for the Convention/Arena Authority covering fiscal years ending June 30, 2005 and 2006. The Fiscal Year 2005 Budget, as originally adopted, forecasted a net income of \$162,463. This forecast has been revised upward to a total as adjusted balance of \$3,274,769. Net income was substantially increased by recognition of a \$3,000,000 transfer from the Capital Account to the Operating Account. This transfer was authorized by the Convention/Arena Authority Board at its January, 2005 meeting.

At that time, the Board amended the Sources and Uses of Funds Statement related to its Capital Construction Budget. As a part of that amendment, it was determined that, the original contribution from the operating reserve was no longer deemed necessary.

On the basis of these budgetary estimates, it is expected that the Authority will close its Fiscal Year 2006 activities with a "Net Assets – Unrestricted Balance" approximating \$8.9 million. This would include a recommended minimum operating reserve balance of \$6 million and a Capital/Repair/Replacement/Improvement Reserve of \$2.9 million. It is anticipated that additional balances will become available, to supplement the capital replacement reserve, upon final project closeout of the DeVos Place construction budget. Recommendations concerning closeout balances will be made at the Convention/Arena Authority – Finance Committee meeting scheduled for July 21, 2005.

Sue Waddell, Jan Wallace and I participated in preparation of the attached recommendations. We are available to answer any questions that may arise pertaining to this material

Grand Rapids/Kent County Convention Arena Authority
FY2006 Preliminary Budget
June 2, 2005

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Grand Rapids/Kent County Convention Arena Authority
SMG Facilities Budget
Fiscal Years Ending June 30, 2005 & 2006

	<u>FY2005</u>		<u>FY2006</u>
	<u>Budget</u>	<u>Estimate</u>	<u>Requested</u>
VanAndel Arena			
Operating • Revenues	\$ 4,798,695	\$ 4,795,908	\$ 4,840,887
• Expenses - Facilities	(3,046,160)	(3,054,162)	(3,131,568)
- Management Fees	<u>(237,361)</u>	<u>(305,334)</u>	<u>(246,396)</u>
Net Operating Income	<u>\$ 1,515,174</u>	<u>\$ 1,436,412</u>	<u>\$ 1,462,923</u>
DeVos Place			
Operating • Revenues	\$ 3,246,912	\$ 3,407,652	\$ 3,680,413
• Expenses - Facilities	(4,398,493)	(4,227,070)	(4,588,254)
- Management Fees	<u>(237,361)</u>	<u>(271,369)</u>	<u>(246,396)</u>
Net Operating Income	<u>\$ (1,388,942)</u>	<u>\$ (1,090,787)</u>	<u>\$ (1,154,237)</u>
Net Available to CAA:			
VanAndel Arena	\$ 1,515,174	\$ 1,436,412	\$ 1,462,923
DeVos Place	<u>(1,388,942)</u>	<u>(1,090,787)</u>	<u>(1,154,237)</u>
	<u>\$ 126,232</u>	<u>\$ 345,625</u>	<u>\$ 308,686</u>

Grand Rapids/Kent County Convention Arena Authority
Operating/Capital Replacement Budget
Fiscal Years Ending June 30, 2004 & 2005

	<u>FY2005</u>		<u>FY2006</u>
	<u>Budget</u>	<u>Estimate</u>	<u>Requested</u>
Revenues:			
SMG Transfers			
Facility Operation (Net)	\$ 126,232	\$ 345,625	\$ 308,686
Utility Reimbursement	<u>2,283,450</u>	<u>2,186,415</u>	<u>2,210,750</u>
	2,409,682	2,532,040	2,519,436
DeVos Place Parking	646,500	445,869	513,500 ⁽¹⁾
Land Lease	123,000	137,406	138,196 ⁽²⁾
Interest on Investments	22,000	40,000	135,000
Miscellaneous	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
	<u>3,216,182</u>	<u>3,170,315</u>	<u>3,321,132</u>
Expenditures:			
Utilities	2,283,450	2,186,415	2,210,750 ⁽³⁾
Parking Management	257,011	240,465	341,900
Pedestrian Safety	86,000	74,371	76,602 ⁽⁴⁾
Administration	233,769	206,400	212,009 ⁽⁵⁾
Capital Repair	<u>193,489</u>	<u>187,895</u>	<u>-</u> ⁽⁶⁾
	<u>3,053,719</u>	<u>2,895,546</u>	<u>2,841,261</u>
 Net Excess (Deficit)	 <u>\$ 162,463</u>	 <u>\$ 274,769</u>	 <u>\$ 479,871</u>

Grand Rapids/Kent County Convention Arena Authority
Detail of Expenditure Estimates
Fiscal Years Ending June 30, 2005 & 2006

	<u>FY2005</u>		<u>FY2006</u>
	<u>Budget</u>	<u>Estimate</u>	<u>Request</u>
Utilities			
Electricity	\$1,078,000	\$1,104,558	\$1,093,500
Steam	997,050	957,103	941,850
Water/Sewer	133,400	97,854	143,400
Gas	75,000	26,900	32,000
	<u>\$2,283,450</u>	<u>\$2,186,415</u>	<u>\$2,210,750</u>
 Wages	 54,336	 54,336	 56,509
Benefits	18,933	17,296	17,566
Accounting/Audit Services	62,000	46,884	38,200
Legal Services	40,000	20,000	30,000
DID Assessment	38,100	46,154	47,034
Insurance Premiums	18,500	19,830	20,800
Meetings/Supplies	1,900	1,900	1,900
	<u>\$233,769</u>	<u>\$206,400</u>	<u>\$212,009</u>

Grand Rapids/Kent County Convention Arena Authority
Operating/Capital Replacement Budget
Notes to Financial Statement for Fiscal Year 2006

- (1) The Authority presently has a "Parking Operation and Maintenance Agreement" with the City of Grand Rapids which expires on June 30, 2005. The "Operating Agreement" entered into between the CAA and the City of Grand Rapids, on March 29, 2000, provides under Article VI that, "It is agreed that all parking facilities constituting a portion of the Convention Center shall be operated by the City's parking system...". Staff will be bring forth, under a separate Board agenda item, a proposed new contract with the City of Grand Rapids which would provide for operation of the parking facility through June 30, 2008.

The Facility first became available for use on January 23, 2004 with 330 spaces. The entire facility, totaling 690 spaces, became available for use on January 31, 2005. The estimated Fiscal Year 2006 user rates are noted as follows:

	<u>Fiscal Year 2005</u>	<u>Fiscal Year 2006 (est.)</u>
Monthly	\$128.00	\$132.00
Monthly/Gov't/SMG	40.00	40.00
Half Hour	0.95	1.00
Daily	8.75	9.00
Event	6.25	6.50

- (2) In November 2002, the Authority entered into a "Parking Operation and Maintenance Agreement" with the City of Grand Rapids for a 149 space surface parking lot located immediately south of the VanAndel Arena. The term of this contract runs through June 30, 2010. The City-Auto Parking System pays the Convention Arena Authority a "Usage Fee" which is adjusted each year, at Fiscal Year end, based on actual revenues and expenses generated by the facility.
- (3) The Authority pays all the steam, electricity, natural gas and water/sewer bills for the VanAndel Arena and DeVos Place.
- (4) The Arena Authority participates with the City-Auto Parking System and City-Downtown Development Authority in funding of "Pedestrian Safety" during events at the VanAndel Arena and DeVos Place. The total proposed budget for this activity during Fiscal Year 2006 approximates \$211,000. Based on a formula previously approved by the parties, the Convention/Arena Authority assumes a liability for 36.28% of the cost. The budget allowance proposed for Fiscal Year 2006 constitutes a not to exceed balance.

Grand Rapids/Kent County Convention Arena Authority
Operating/Capital Replacement Budget
Notes to Financial Statement for Fiscal Year 2006

- (5) The administrative portion of the budget provides for staff wages/benefits, accounting/auditing services, liability insurance premiums, legal services, downtown improvement district-special assessments and other miscellaneous. Additional line item detail is provided on a separate schedule.
- (6) The Convention/Arena Authority provides an allowance for Capital Repairs/Improvements/Replacement projects which are not otherwise provided for under the SMG Management Services agreement. The allowance is not included in the Fiscal Year 2006 Budget presently being considered for adoption. A separate subcommittee of the Finance Committee is currently reviewing the long term capital needs of both the VanAndel Arena and DeVos Place Convention Center. A separate report is expected to be delivered to the CAA Finance Committee at its July 2005 meeting.

	Budget	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April EST	May*	June*	Total	EST FY06
Parking Receipts - Daily	\$ 406,692	\$ 2,646	\$ 14,590	\$ 7,305	\$ 16,053	\$ 11,483	\$ 12,951	\$ 24,105	\$ 24,593	\$ 51,727	\$ 22,730	\$ 11,513	\$ 8,922	\$ 208,618	\$ 175,615
Parking Receipts - Monthly	\$ 34,045	\$ 11,173	\$ 5,105	\$ 6,252	\$ 10,023	\$ 1,546	\$ 10,411	\$ 7,114	\$ 5,627	\$ 7,961	\$ 1,721	\$ 7,156	\$ 7,156	\$ 81,245	\$ 87,550
Parking Receipts - Event	\$ 205,763	\$ 194	\$ 2,022	\$ 5,797	\$ 7,595	\$ 12,045	\$ 9,056	\$ 28,168	\$ 30,460	\$ 44,116	\$ 6,385	\$ 7,043	\$ 3,199	\$ 156,078	\$ 156,502
Cash Over/Short	\$ -	\$ -	\$ -	\$ (5)	\$ (8)	\$ -	\$ -	\$ (50)	\$ -	\$ (9)	\$ -	\$ -	\$ -	\$ (72)	\$ -
Total Revenue	\$ 646,500	\$ 14,013	\$ 21,717	\$ 19,349	\$ 33,663	\$ 25,074	\$ 32,418	\$ 59,335	\$ 60,680	\$ 103,795	\$ 30,836	\$ 25,712	\$ 19,277	\$ 445,869	\$ 419,667
Direct Expenses															
Supplies		\$ 1,793						\$ 50	\$ 1,407		\$ 184	\$ 200	\$ 200	\$ 3,834	\$ 5,400
Employee Costs	\$ 11,777	\$ 14,411	\$ 14,255	\$ 15,389	\$ 15,162	\$ 15,302	\$ 15,302	\$ 23,289	\$ 17,386	\$ 19,397	\$ 17,123	\$ 22,500	\$ 17,500	\$ 203,491	\$ 271,371
Maintenance		\$ 840			\$ 252			\$ 1,390	\$ 357	\$ 934	\$ 2,640	\$ 350	\$ 350	\$ 7,113	\$ 18,000
Equipment Rentals/Lease			\$ 1,621	\$ 714	\$ 899			\$ 830	\$ 2,343	\$ 20		\$ 800	\$ 800	\$ 8,027	\$ 9,588
Contractual														\$ -	\$ 12,000
Small Equipment														\$ -	\$ 500
Total Expenses	\$ 239,011	\$ 11,777	\$ 17,044	\$ 15,876	\$ 16,103	\$ 16,313	\$ 15,302	\$ 25,559	\$ 21,493	\$ 20,351	\$ 19,947	\$ 23,850	\$ 18,850	\$ 222,465	\$ 316,859
Management Fee	\$ 18,000	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 18,000	\$ 25,000
Total Expenses	\$ 13,277	\$ 18,544	\$ 17,376	\$ 17,603	\$ 17,813	\$ 16,802	\$ 27,059	\$ 22,993	\$ 21,851	\$ 21,447	\$ 21,447	\$ 25,350	\$ 20,350	\$ 240,465	\$ 341,859
Monthly Income (Loss)	\$ 736	\$ 3,173	\$ 1,973	\$ 18,060	\$ 7,281	\$ 15,816	\$ 32,276	\$ 37,687	\$ 81,944	\$ 9,389	\$ 382	\$ (1,073)	\$ (1,073)	\$ 205,404	\$ 77,806

*Estimate
April revenue numbers
should remain stable -
expenses may not all be
recorded yet.

DeVos Place FY06 Estimate

Revenue

Daily Revenue

\$ 233,300

Price increase from .95 to \$1.00 per half hour and from \$8.75 to \$9.00 all day
Actual revenue from July 04 through January 05 increasing volume by 20% plus price increase. All parking spaces were opened in February 2005.
February 05 to Estimated June 05 increasing volume by 5% plus price increase

Analysis of time tickets indicate that 45% of daily customers pay the daily maximum rate.

Event Revenue

\$ 178,400

Price increase from \$6.25 per vehicle to \$6.50 per vehicle
Actual revenue from July 04 through January 05 increasing volume by 40% plus price increase. All parking spaces were opened in February 2005.
February 05 to Estimated June 05 increasing volume by 10% plus price increase
This revenue estimate equates to 27,446 vehicles

Monthly Revenue

\$ 101,800

Price increase from \$128.00 per month to \$132.00
Kent County holds 100 parking cards - these cards are at Operations and Maintenance charge \$40.00 per month for FY05.
Upcoming construction may increase demand for monthly parking. This increase is included in the projection
Currently there are 122 monthly customers, including Kent County

Total Revenue

\$ 513,500

Expenses

Employee Costs

\$ 271,400

Regular staff 8 hours per day 5 days per week 52 weeks per year - hourly rate \$9.94
Evening staff 8 hours per day 5 days per week 52 weeks per year - hourly rate \$9.94
Additional staffing for events during day, evening, and weekends for 125 events. Includes booth attendants and traffic personnel - hourly rate \$9.94
Portion of evening and weekend break person, portion of special event team leader, and training for new employees. Weekend team leader \$12.10 per hour - personnel rate \$9.94 per hour.
Ten percent of seasonal security staff.
Portion of full time GREIU employee responsible for booth set up and close down at the end of the day.
Portion of GREIU employee responsible for day breaks Monday through Friday
Portion of GREIU maintenance employees for ramp maintenance
Costs include: Wages, social security taxes, and benefits.

Maintenance

\$ 18,000

Card Access preventative maintenance (includes card readers, fee computers, gate arms, ticket splitters, and loops cut into the pavement) \$10,000.
Consultant recommended ramp repairs and additional repairs as required.

Contractual

\$ 12,000

FY06 is a ramp inspection year. All components of the ramp will be inspected for safety and structural integrity.

Equipment Rentals and Lease

\$ 9,600

Portion of maintenance vehicles and security vehicles allocated to DeVos Place

DeVos Place FY06 Estimate

Supplies

\$ 5,400

Tickets from the ticket splitter, hang tags (for events), and supplies purchased for use directly at DeVos Place.

Small Equipment

Small equipment purchased for use at DeVos place. For example chairs for parking booths

\$ 500

Total Direct Expenses

\$ 316,900

Management Fee - Overhead Allocation

Current contract provides for a management fee. This pays a portion of the administrative costs associated with DeVos Place.

\$ 25,000

Included in these costs is: parking card billing, collecting funds, posting to the proper accounts, evening audits of occupancy and revenue, card access and revenue equipment programming, telephone calls from current or potential customers, all aspects of purchasing supplies, and employee supervision.

Total Expenses plus Management Fee

\$ 341,900

Expected Revenue Transfer

\$ 171,600

Anticipated Monthly payments beginning July 2005

\$ 14,300

City of Grand Rapids, Michigan

Auto Parking System Fund

Area No. 2 - Arena/Oakes

Operating Income

Actual - Fiscal Years 2001 - 2004

Estimate Fiscal Year 2005 - 2006

April 20, 2005

FY01	Actual			Original		Final		
	FY02	FY03	FY04	Estimated	FY05	Estimate	FY05	Estimate FY06

Operating Revenues:

Monthly*

Event

\$105,009	\$	106,689	\$	107,656	\$	120,004	\$	122,404	\$	118,615	\$	122,173
\$81,468	\$	57,155	\$	67,179	\$	48,577	\$	48,577	\$	71,577	\$	71,577
\$186,477	\$	163,844	\$	174,835	\$	168,581	\$	170,981	\$	190,191	\$	193,750

Operating Expenses:

Event Staffing

Snowplow/Landscape

Security

Repair and Maintenance

Supervision/Administration

\$16,013	\$	14,803	\$	18,802	\$	18,604	\$	19,534	\$	16,940	\$	18,634
\$5,279	\$	14,003	\$	6,169	\$	3,162	\$	3,320	\$	3,656	\$	3,766
\$7,126	\$	7,131	\$	6,620	\$	6,123	\$	6,429	\$	6,122	\$	6,305
\$6,087	\$	5,745	\$	9,771	\$	17,146	\$	18,003	\$	12,179	\$	12,545
\$16,429	\$	16,046	\$	13,497	\$	14,740	\$	15,477	\$	13,887	\$	14,304
\$50,934	\$	57,728	\$	54,859	\$	59,775	\$	62,763	\$	52,785	\$	55,554

Operating Income

\$135,543	\$	106,116	\$	119,976	\$	108,806	\$	108,218	\$	137,406	\$	138,196
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*Monthly Pass Revenue Allocation

\$112,913	\$	114,719	\$	115,759	\$	118,074	\$	131,618	\$	127,543	\$	131,369
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93% to Area No. 2

7% to Other APS Facilities

\$105,009	\$	106,689	\$	107,656	\$	109,809	\$	122,405	\$	118,615	\$	122,173
\$7,904	\$	8,030	\$	8,103	\$	8,265	\$	9,213	\$	8,928	\$	9,196

Payments

7/21/2004	852675	\$	9,876.00	July
7/29/2004	853687	\$	9,876.00	August

Area 2 FY06 Estimate

Revenue

Event Revenue

\$ 71,600

Price to remain at \$7.00 per vehicle. This price was increased from \$6.25 to \$7.00 per vehicle for FY05. This equates to 10,229 event vehicles.

Monthly Revenue

\$ 122,200

Price increase from \$58.75 per month to \$60.50. This is in line with CPI.

Currently the lot is full of monthly parking customers.

The contract for Area 2 utilizes a 93% revenue calculation for transfer purposes. Total revenue will be \$131,400.

The lot has 181 parking cards generating revenue for 149 spaces.

Total Revenue

\$ 193,800

Expenses

Employee Costs

\$ 18,634

Estimated staffing for an increase of 11 - of 10% events over prior year to 121 events.

Staff rate is estimated at 11 hours per event at \$14 per hour. This time includes the facility staff plus a portion of the team leader. The rate includes employer social security.

Maintenance

\$ 16,300

Card Access preventative maintenance (includes card readers, fee computers, gate arms, ticket spitters, and loops cut into the pavement) \$10,000. Additional repairs as required
Total GRPS snow removal bill x 4.9% for the estimated number of plowed spaces located in Area 2

GRPS landscape charges for DASH South x percent of parking spaces in Area 2 as a portion of DASH South

Security

\$ 6,300

Total security for GRPS system x percent of parking spaces in Area 2 as a portion of entire GRPS supply

Administration

\$ 14,300

Administrative costs for GRPS less depreciation x percent of parking spaces in Area 2 as a portion of entire GRPS supply

Total Expenses

\$ 55,534

Expected Revenue Transfer

\$ 138,266

Anticipated Monthly payments beginning July 2005

\$ 11,522

Grand Rapids/Kent County Convention Arena Authority
Consolidated Income Statement
Fiscal Years Ending June 30, 2005 & 2006

		FY2005		FY2006
		<u>Budget</u>	<u>Estimate</u>	<u>Request</u>
Operating Revenues:				
Event, Direct	- VanAndel Arena	\$ 1,278,171	\$ 1,218,640	\$ 1,187,222
	- DeVos Place	1,987,844	1,950,095	2,082,127
Ancillary Income	- VanAndel Arena	1,535,524	1,401,269	1,487,665
	- DeVos Place	1,092,068	1,317,455	1,440,286
Other	- VanAndel Arena ⁽¹⁾	1,985,000	2,175,999	2,166,000
	- DeVos Place ⁽¹⁾	167,000	140,102	158,000
	- Parking	769,500	583,275	651,696
		<u>8,815,107</u>	<u>8,786,835</u>	<u>9,172,996</u>
Operating Expenses/Appropriations:				
Facility Management	- VanAndel Arena	3,283,521	3,359,496	3,377,964
	- DeVos Place	4,635,854	4,498,439	4,834,650
Parking		257,011	240,465	341,900
Pedestrian Safety		86,000	74,371	76,602
Capital Repair		193,489	187,895	-
Administrative		233,769	206,400	212,009
		<u>8,689,644</u>	<u>8,567,066</u>	<u>8,843,125</u>
Operating Income (Loss) Before Depreciation		125,463	219,769	329,871
Non-Operating Revenue				
	- Interest & Misc.	37,000	55,000	150,000
	- Transferred From Capital Acct.	-	3,000,000	-
Net Income		162,463	3,274,769	479,871
Net Assets, Unrestricted, Beginning of Year		<u>5,156,417</u>	<u>5,156,417</u>	<u>8,431,186</u>
Net Assets, Unrestricted, End of Year		<u>\$ 5,318,880</u>	<u>\$ 8,431,186</u>	<u>\$ 8,911,057</u> ⁽²⁾

Notes:

⁽¹⁾ Premium seating, advertising, other.

⁽²⁾ Including a minimum Operating Reserve of \$6M and an estimated June 30, 2006 Capital Replacement/Improvement Reserve of \$2,911,057.

**GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY**

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF
PARKING OPERATION AND MAINTENANCE AGREEMENT
RELATED TO DEVOS PLACE**

Boardmember _____, supported by Boardmember _____,

moved the adoption of the following resolution:

WHEREAS, the Grand Rapids-Kent County Convention/Arena Authority (the "CAA") is the owner of DeVos Place which includes 690 parking spaces located in its lower level; and

WHEREAS, at the time of formation of the CAA, the County of Kent (the "County") and the City of Grand Rapids (the "City") as the forming entities entered into an Operating Agreement dated as of March 29, 2000 (the "Operating Agreement"), related to DeVos Place which provides that (a) all parking facilities located within DeVos Place are to be operated by the City's Parking System under the direction of the CAA with net revenues after the deduction of operating expenses belonging to the CAA and (b) the CAA shall make available to the County and the City parking spaces at DeVos Place at a cost equal to a pro rata share of operating expenses; and

WHEREAS, the CAA and the City desire to enter into a 3-year agreement related to the parking facilities in DeVos Place as set forth above.

RESOLVED:

1. That the Parking Operation and Maintenance Agreement between the CAA and the City (the "Agreement") related to the parking facilities at DeVos Place in the form presented at this meeting is approved and the Chairman of the CAA is authorized and directed to execute said Agreement for and on behalf of the CAA in the form presented or with such minor changes

as are not materially adverse to the CAA and as shall be approved as to form by the CAA's legal counsel.

2. That all resolutions or parts of resolutions in conflict herewith shall be, and the same are hereby, rescinded to the extent of such conflict.

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

Dated: June 22, 2005

Susan M. Waddell
Administrative Manager/Recording Secretary

CERTIFICATION

I, the undersigned duly qualified and acting Administrative Manager/Recording Secretary of the Grand Rapids-Kent County Convention/Arena Authority (the "CAA"), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the CAA Board at a special meeting held on June 22, 2005, and that public notice of said meeting was given pursuant to and in compliance with Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: June 22, 2005

Susan M. Waddell
Administrative Manager/Recording Secretary

PARKING OPERATION AND MAINTENANCE AGREEMENT

THIS PARKING OPERATION AND MAINTENANCE AGREEMENT (the "Agreement") is made this ____ day of _____, 2005, by and between the **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY**, a Michigan statutory authority (the "CAA" or "Authority"), and the **CITY OF GRAND RAPIDS**, a Michigan municipal corporation (the "City").

PREMISES

A. The CAA controls the operation of DeVos Place, a performing arts/convention/entertainment facility located at 303 Monroe Avenue, N.W., in the City (the "Convention Center"), including 690 parking spaces located in the lower level of the Convention Center identified on Exhibit A attached hereto (the "Parking Spaces").

B. The Operating Agreement dated as of March 29, 2000 (the "Operating Agreement"), between the County of Kent (the "County") and the City related to the Convention Center provides that (a) "all parking facilities constituting a portion of the Convention Center shall be operated by the City's Parking System under the direction of the Authority with any net income in a fiscal year of the Authority, after deduction of operating expenses, belong to the Authority" and (b) "the Authority shall make available to the County and the City, for employees and other users the parking spaces in the Convention Center parking facilities at a cost equal to a pro rata share of operating expenses."

C. The CAA and the City previously entered into a Parking Operation and Maintenance Agreement dated January 2004, related to the Parking Spaces during the phase-in period of such Parking Spaces which expires June 30, 2005.

D. The CAA and the City desire to enter into this Agreement setting forth (a) the terms and conditions for the continued operation and maintenance of the Parking Spaces and (b) the basis for providing, including the determination of cost, the Parking Spaces to the County and the City.

NOW, THEREFORE, in consideration of the mutual promises set forth below, the parties agree as follows:

Section 1. Operation and Maintenance of Parking Spaces. Subject to the terms and conditions of this Agreement, the City, through its Parking Services Department (the "Department"), shall be responsible for the operation and maintenance of the Parking Spaces.

Section 2. Parking Control Equipment. The CAA shall at its cost be responsible for providing, replacing and upgrading at each entry/exit to the Parking Spaces parking control equipment compatible with the City's Automobile Parking System (the "System") and, where required, attendant booths of the same or similar quality as booths located in City-owned parking ramps within the System. The City shall be responsible for the maintenance of such parking control equipment and attendant booths. In this regard, the City currently maintains its parking control equipment throughout the System pursuant to a maintenance agreement with an outside vendor. The City will include the Convention Center Parking Spaces parking control equipment

in such maintenance agreement and any future maintenance agreements and pass such additional costs on to the CAA as an operational cost which the CAA agrees to pay.

Section 3. Conditions of Operation and Maintenance. The operation and maintenance of the Parking Spaces by the Department shall be subject to the following conditions:

- (a) Unless otherwise agreed by the CAA and the City, the Department shall be responsible for providing:
 - 1. Attendant staffing as and to the level mutually determined necessary by the CAA's Owner's Representative and the Department.
 - 2. Security/customer service "red car" patrol at the same level provided to parking lots and ramps in the System during those times that the Parking Spaces are available for public monthly pass, daily in/out or special event use. It is understood that the CAA has installed and will maintain and monitor security cameras throughout the area of the Parking Spaces as a part of the Convention Center's overall security system.
 - 3. Supervision of Department personnel performing services related to the Parking Spaces and administrative services including management and accounting services.
 - 4. Routine maintenance, including striping as required, semi-annual wash down, cleaning and sweeping as needed on a regular basis, but excludes the changing of light bulbs, resurfacing, structural repairs, repair of damage caused by users, replacement of parking control equipment and repair and replacement of attendant booths.
- (b) The level of operation and maintenance provided shall, except as otherwise provided in this Agreement, be equal to that provided by the Department to City-owned ramps operated and maintained by the Department.

Section 4. Utilities. The CAA shall be responsible for furnishing and paying for utilities related to the space occupied by the Parking Spaces, including electricity for lighting and parking control equipment and electric and telephone lines for attendant booths.

Section 5. Hours of Operation. The CAA's Owner's Representative shall determine the hours of operation of the Parking Spaces for both event and non-event days.

Section 6. City and County Use of Parking Spaces. Pursuant to the terms of the Operating Agreement, the CAA is required to make the Parking Spaces available to the County and the City for employees and other users on a prepaid monthly pass basis. When such spaces are requested by the County or the City, the Department shall work with the CAA to facilitate making the requested spaces available. Unless otherwise mutually agreed by the City and CAA, the City agrees that it will maintain from time to time at the Government Center Parking Ramp

located across Monroe Avenue from the Convention Center (the "Government Center Ramp") as daily/special event spaces (without in and out privileges) parking spaces of an equal number to the number of spaces that have moved from the Government Center Ramp to the Parking Spaces at the request of the City.

Section 7. Monthly Parking Passes. Except for the monthly parking passes required to be made available to the City and County pursuant to Section 6 hereof, the total number of monthly parking passes issued at any one time for the Parking Spaces shall be approved by the CAA's Owner's Representative.

Section 8. Establishment of Parking Rates. Rates charged for use of the Parking Spaces, except those made available to the County and City pursuant to Section 6 hereof, shall be (a) as determined from time to time by the City Parking Commission and the City Commission in conjunction with the Department's annual facilities study update after receiving input from the CAA's Owners' Representative, and (b) as finally approved by the CAA's Owner's Representative provided, however, such (i) prepaid daily maximum rate shall not be less than 80% of the similar rate charged at the Government Center Ramp and (ii) the prepaid monthly pass rate and special event rates shall not be less than those similar rates charged at the Government Center Ramp unless the CAA and the City otherwise mutually agree.

Section 9. Establishment of Parking Rates for County and City Use. In accordance with the provisions of the Operating Agreement, parking spaces made available to the County and City pursuant to Section 6 hereof are to be provided at a cost equal to the pro rata share of the operating expenses of the Parking Spaces used by the County and City. The Department shall determine such cost annually in conjunction with its annual facilities update. Costs to be incorporated in the rate established for the County and the City shall include the Department's operating costs, including a reasonable management fee related to the Parking Spaces (the "Department Operating Costs") and a pro rata share of operation and maintenance incurred by the CAA in connection with the Parking Spaces such as a pro rata share of utility costs, elevator maintenance, insurance premiums and building security and those maintenance costs related to the Parking Spaces separately billed by the Department to the CAA. (collectively, with the Department Operating Costs, the "Parking Spaces Operating Costs"). For each fiscal year during the term of this Agreement beginning with the fiscal year commencing July 1, 2005, the rate established for the City and the County (the "CC Rate") shall be determined based on estimated costs for such fiscal year plus an upward or downward adjustment to reflect the recovery of actual costs versus estimated costs for the prior fiscal year (the "Adjustment"). The CC Rate for the County and City shall be determined by dividing the total number of monthly passes for the Parking Spaces issued by the Department at the time of such determination (but such number shall never be less than the number of Parking Spaces) into the Parking Spaces Operating Costs plus or minus the Adjustment for such fiscal year. The Department shall make available to the CAA's Owner's Representative the calculation of such Rate for review and approval prior to the implementation of such CC Rate. It is understood that for the purpose of determining the CC Rate, Parking Spaces Operating Costs will not be allocated to daily in/out parkers and event parkers.

Section 10. Preparation and Approval of Annual Budget. The Department shall prepare and submit to the CAA's Owner's Representative for approval an operating cost budget

for the Parking Spaces for the ensuing fiscal year. Except for the fiscal year beginning July 1, 2005 (which budget shall be submitted at least 30 days prior to the beginning of the fiscal year), budgets shall be submitted at least 60 days prior to a fiscal year.

Section 11. Review of Procedures for Establishing Parking Rates and Other Matters. The CAA through its Owner's Representative and the City through the Department agree to meet to review the procedures used to establish rates pursuant to Sections 8 and 9 hereof and, if based on such review, it is mutually agreed to revise such procedures, to amend this Agreement to reflect such revisions. In addition, the CAA through its Owner's Representative and the Department agree to communicate regularly as necessary concerning the levels of operation and maintenance service provided for the Parking Spaces and to meet and review such levels of service on an annual basis.

Section 12. Collection and Deposit of Receipts and Payment of Department Operating Costs. The Department shall bill and collect all revenues for the Parking Spaces based on rates established pursuant to Sections 8 and 9 hereof and cause any such receipts generated from hourly, daily or event collections to be deposited daily in a CAA bank account pursuant to written instructions from the CAA's Owner's Representative. Bill receipts generated from credit card, validation accounts and monthly card holder fees will be accounted for on a monthly basis and subtracted from the monthly operating costs billing invoices. The Department shall bill the CAA for Department Operating Costs on a calendar month basis. The billing invoice shall contain "line item" detail and documentation verifying such Department Operating Costs shall be promptly made available by the Department to the CAA's Owner's Representative upon request. The CAA shall pay such invoices within 30 days of their receipt. If the CAA has any questions regarding an invoice, it shall promptly notify the Department and the CAA's Owner's Representative and the Department shall promptly meet to resolve such questions and make any required adjustments in the invoice.

Section 13. Term. The Agreement shall be for a term commencing on July 1, 2005, and ending June 30, 2008, subject to the right of either party to terminate the Agreement early on July 1 of any year by giving written notice to the other party at least one year prior to the termination date.

Section 14. Indemnification. The City shall indemnify the CAA and its officers, boardmembers, employees and agents (the "CAA Indemnified Parties" or "CAA Indemnified Party") against, and save the CAA Indemnified Parties harmless from, any and all liabilities, obligations, damages, penalties, costs and expenses, including reasonable attorneys fees, paid or incurred by the CAA Indemnified Parties and arising from the City's or the City's invitees use of the Parking Spaces except such as arise from the willful acts or negligence of the CAA Indemnified Parties. If any action or proceeding is brought against a CAA Indemnified Party, by reason of any such claim, the City will, upon written notice from the CAA Indemnified Party, at the City's expense, resist or defend such action or proceeding by counsel approved by the CAA Indemnified Party in writing. In providing the indemnification set forth above, the City is not waiving any defenses otherwise available to it by law; provided such defenses are also available to, and asserted by, the City for the CAA Indemnified Parties. The City shall not be responsible for the indemnification obligations set forth above with respect to any CAA Indemnified Party to

the extent that a CAA Indemnified Party has waived a defense which was otherwise available to it by law.

The CAA shall indemnify the City and its officers, commissioners, employees and agents (the "City Indemnified Parties" or "City Indemnified Party") against and save the City Indemnified Parties harmless from any and all liabilities, obligations, damages, penalties, costs and expenses, including reasonable attorneys fees, paid or incurred by the City Indemnified Parties and arising from the CAA's and the CAA's invitees use and occupancy of the Parking Spaces except such as arise from the willful acts or negligence of the City Indemnified Parties. If any action or proceeding is brought against a City Indemnified Party by reason of any such claim, the CAA will upon written notice from the City Indemnified Party, at the CAA's expense, resist or defend such action or proceeding by counsel approved by the City Indemnified Party in writing. In providing the indemnification set forth above, the CAA is not waiving any defenses otherwise available to it by law; provided such defenses are also available to, and asserted by, the CAA for the City Indemnified Parties. The CAA shall not be responsible for the indemnification obligations set forth above with respect to any City Indemnified Party to the extent that a City Indemnified Party has waived a defense which was otherwise available to it by law.

Section 15. Notices. All notices and other communications to be given pursuant to this Agreement shall be given in writing and delivered personally, by certified or registered mail (return receipt requested, postage prepaid) or by facsimile to the appropriate party at its address or facsimile set forth below:

If to the CAA: Grand Rapids-Kent County Convention/Arena
 Authority
 303 Monroe Avenue, N.W.
 Grand Rapids, Michigan 49503
 Attention: Administrative Manager
 Facsimile Number: (616) 742-6197

If to the City: City of Grand Rapids
 6th Floor, City Hall
 300 Monroe Avenue, N.W.
 Grand Rapids, Michigan 49503
 Attention: City Manager
 Facsimile Number: (616) 456-3166

With a copy to: City of Grand Rapids
 Parking Services Department
 50 Ottawa Avenue, N.W.
 P.O. Box 1968
 Grand Rapids, Michigan 49501-1968
 Attention: Parking Services Director
 Facsimile Number: (616) 456-4322

Either party may change its designated address/facsimile number by delivery of written notice of the change to the other party. Notices shall be deemed effective upon actual receipt.

Actual receipt of facsimile transmissions shall be presumed based upon the transmitting party's receipt of a confirmation of transmission.

Section 16. General Provisions.

(a) This Agreement constitutes the entire agreement between the CAA and the City related to the subject matter hereof, i.e., the operation and maintenance of the Parking Spaces, and may be modified or amended in whole or in part from time to time only by mutual written agreement of the CAA and the City.

(b) As used in this Agreement the term "Owner's Representative" shall mean the general manager of the Convention Center or such other person as shall be designated to the Department by the CAA in writing.

(c) This Agreement shall be interpreted in accordance with the laws of the State of Michigan.

(d) Nothing in this Agreement is intended by the parties hereto to create, nor shall anything in it be construed as creating, any obligations to, or rights in, any party not a signatory to this Agreement that would not exist independent of this Agreement.

(e) If any particular portion of this Agreement is rendered invalid, illegal, unenforceable or otherwise of no effect, the remaining provisions of this Agreement shall remain in full force and effect so that the essence and intent of this Agreement is preserved.

(f) A failure of either party to give notice or insist upon the immediate performance of any right that it has under this Agreement shall not constitute a waiver of that right or any other right under this Agreement.

(g) The section headings of this Agreement are for convenience only and shall not be considered a part of the substance of this Agreement or affect the interpretations of this Agreement.

(h) This Agreement shall not be assigned, transferred or conveyed by either party without the prior written consent of the other party.

(i) The City shall act solely as an independent contractor with respect to the operation and maintenance of the Parking Spaces. The relationship of the City and the CAA under this Agreement shall in no way be construed to create a joint venture or partnership, or to constitute either party as an agent or employee of the other for any purpose.

IN WITNESS WHEREOF, the parties have signed this Agreement on the day first written above.

**GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY**

Steven R. Heacock, Chairman

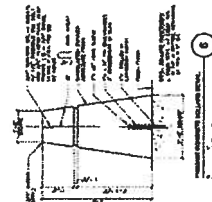
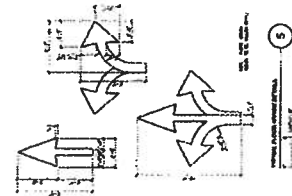
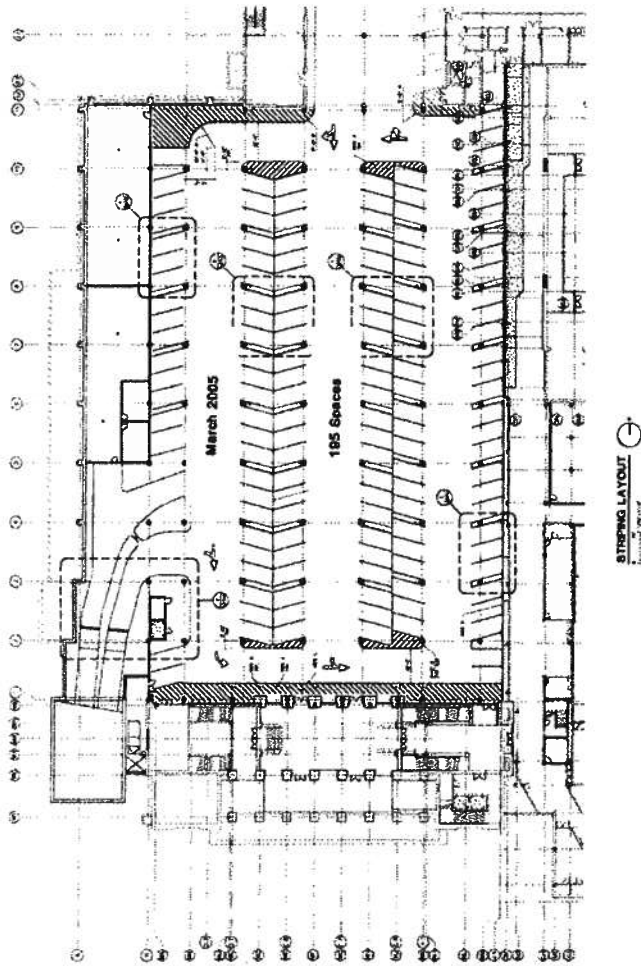
CITY OF GRAND RAPIDS

George K. Heartwell, Mayor

Attest:

Mary Therese Hegarty, City Clerk

EXHIBIT A Page 2



VAN ANDEL ARENA® WEEKLY
(Revised)

Item V

DATE	EVENT	EC	MOD	ROOM	TIME	FUNCTION
Wed, Jun 15	Griffins	CL		Banquet A/B	6:00 AM 11:30A-1:30P	Set-up Griffins season ticket holder luncheon
Thur, Jun 16	Available					
Fri, Jun 17	Available					
Sat, Jun 18	Available					
Sun, Jun 19	Available					
Mon, Jun 20	Stevie Nicks	AH		Arena	8:00 AM	Possible load-in/rehearsal
	Stevie Nicks	MW		Banquet C/D	6:00 AM 8:30A-9:30P	Set-up Crew catering
	SMG	MW		Banquet B	7:00 AM 8A-1P	Set-up CPR Recertification class
Tue, Jun 21	Stevie Nicks	AH		Arena	8:00 AM	Load-in/Rehearsal
	Stevie Nicks	MW		Banquet C/D	6:00 AM 8:30A-9:30P	Set-up Crew catering
Wed, Jun 22	Stevie Nicks	AH		Arena	9:00 AM	Rehearsal
	Stevie Nicks	MW		Banquet C/D	8:30A-9:30P	Crew catering
Thur, Jun 23	Stevie Nicks	AH		Arena	9:00 AM	Rehearsal
	Stevie Nicks	MW		Banquet C/D	8:30A-9:30P	Crew catering
Fri, Jun 24	Stevie Nicks	AH	STEVE	Arena	8:00 PM	Performance
	Stevie Nicks	MW		Banquet C/D	8:30A-9:30P	Crew catering
Sat, Jun 25	Available					
Sun, Jun 26	Available					
Mon, Jun 27	Available					
Tue, Jun 28	Tom Petty	CL	CHRIS	Arena	6:00 PM 7:00 PM	Doors Performance
Wed, Jun 29	Available					
Thur, Jun 30	Available					
Fri, Jul 1	Closed – SMG Holiday					
Sat, Jul 2	Available					
Sun, Jul 3	Available					
Mon, Jul 4	Closed – SMG Holiday					
Tue, Jul 5	Available					
Wed, Jul 6	Available					
Thur, Jul 7	Available					
Fri, Jul 8	Available					
Sat, Jul 9	Available					
Sun, Jul 10	Available					
Mon, Jul 11	Available					
Tue, Jul 12	SMG	MW		Banquet A	6:00 AM 9A-10A	Set-up SMG All Staff Meeting
Wed, Jul 13	SMG	MW		Banquet B	7:00 AM 8A-12N 1P-5P	Set-up CPR Recertification class CPR Recertification class
Thur, Jul 14	Available					
Fri, Jul 15	Available					
Sat, Jul 16	Veggie Tales	AH		Arena	2:00 PM 6:00 PM	Performance Performance
Sun, Jul 17	Available					

JULY 2005

DATE	EVENT	ROOM	TIME	FUNCTION	EC	HOUSE STAFF	EMT'S	POLICE	SECURITY
FRI. JULY 1	SMG OFFICES CLOSED (REPLACING NEW YEAR'S EVE)								
	CASH-FLOW GENERATOR WHITNEY EDUCATION GROUP	MON A-D	9:00AM-7:00PM	GENERAL SESSION	KG	0	0	0	
	GRABILL ENTERPRISES	BALL A-B	8:00AM-5:00PM 5:00PM-12:00AM	LOADIN MEETING	KB	0	0	0	
SAT. JULY 2	LEGENDS OF LOVE TOUR	DV	8 AM - 6 PM 8 PM - 11 PM 11 PM	MOVE-IN PERFORMANCE MOVE-OUT	AK				
	GRABILL ENTERPRISES	BALL A-B	10:00AM-2:00PM 4:00PM-12:00AM	MEETING MEETING	KB	0	0	0	
	CASH-FLOW GENERATOR WHITNEY EDUCATION GROUP	MON A-D	9:00AM-5:00AM	GENERAL SESSION	KB	0	0	0	
SUN. JULY 3	GRABILL ENTERPRISES	BALL A-B	8:30AM-12PM 12PM-4:00PM	MEETING LOAD OUT	KB	0	0	0	
MON. JULY 4	SMG OFFICE CLOSED INDEPENDENCE DAY								
TUES. JULY 5									
WED. JULY 6									
THURS. JULY 7									
FRI. JULY 8	CITY MANAGER'S TOP MANAGEMENT MEETING	O A	8:30AM 9:00AM 10:30AM	REFRESHMENTS MEETING BEGINS MEETING ENDS	KG	0	0	0	
SAT. JULY 9									
SUN. JULY 10	STAPLES INC	G A-B	12:00PM-8:00PM	MEETING	KG	0	0		
MON. JULY 11									
TUES. JULY 12									
WED. JULY 13									
THURS. JULY 14									
FRI. JULY 15									
SAT. JULY 16	LOWERY WEDDING	BALLROOM CD P-FUNC BALLROOM CD	9:00AM-12:00PM 5:00PM 5:30PM 6:30PM 7:00PM 12:00PM	CLIENT ARRIVAL/SETUP GUEST ARRIVAL RECEPTION TOAST- ANNOUNCEMENT DINNER DEPARTURE	KG	0	0	0	1 GRAND GALLERY 1 ALCOHOL MONITOR
	BOAR'S HEAD PROVISIONS CO. 100 YEAR ANNIVERSARY	BALL A-B	12:00PM 5:30PM 6:30PM 7:30PM 11:30PM	BANQUET REGISTRATION PRESENTATION DINNER FINISHED	MJ	POSSIBLY COATCHECK 5-10PM	0	0	1 WELSH LOBBY 1 ALCOHOL MONITOR
SUN. JULY 17	ODL	G E-F	1:00PM-5:00PM	PRODUCTION LOADIN	KG	0	0	0	

JULY 2005

DATE	EVENT	ROOM	TIME	FUNCTION	EC	HOUSE STAFF	EMT'S	POLICE	SECURITY
MON. JULY 18	ODL	G E-F RO A-B RO C-E BALL A	8:00AM-5:00PM	GENERAL SESSION LUNCH BREAKOUT ROOMS SETUP	KG	0	0	0	
TUES. JULY 19	2005 QUIXTAR-NEW PLATINUM SEMINAR	BALL A		GENERAL SESSION SET UP					
	2005 QUIXTAR-NEW PLATINUM SEMINAR	BALL A BALL B PRE-FUNCT BALL C RO A-C BOARD O A-H		REGISTRATION BANQUET BREAKOUT ROOM HOSPITALITY BREAKOUT ROOM					
WED. JULY 20	2005 QUIXTAR-NEW PLATINUM SEMINAR	G E-F BALL A BALL B PRE-FUNCT		PICTURES GENERAL SESSION EXHIBITS EXHIBITS					
	ACCU BITE DENTAL SUPPLY	BALL C-D	8:00AM -5:00PM	MOVE IN	KG/ AF	SERVICE DESK 8am - 5pm	0	0	LYON DOCK
THURS. JULY 21	ACCU BITE DENTAL SUPPLY	BALL C-D BOARDROOM RO A-B	8:00AM -5:00PM	EXHIBITS MEETINGS	KG/ AF	0	0	0	WELSH LOBBY GRAND GALLERY
FRI. JULY 22	ACCU BITE DENTAL SUPPLY	BALL C-D BOARDROOM RO A-F	8:00AM -5:00PM	EXHIBITS MEETINGS	KG/ AF	0	0	0	WELSH LOBBY GRAND GALLERY
SAT. JULY 23	ACCU BITE DENTAL SUPPLY	BALL C-D BOARDROOM RO A-B	8:00AM -5:00PM	EXHIBITS MEETINGS	KG/ AF	0	0	0	WELSH LOBBY GRAND GALLERY
SUN. JULY 24	ACCU BITE DENTAL SUPPLY	BALL C-D BOARDROOM RO A-B	8:00AM -5:00PM	MEETINGS	KG/ AF	0	0	0	WELSH LOBBY GRAND GALLERY
MON. JULY 25									
TUES. JULY 26									
WED. JULY 27	GREAT AMERICAN SCRAPBOOK SHOW	BALL B	8:00AM-8:00PM	SETUP	MJ	SERVICE DESK? 9:00AM- 5:00PM	0	0	1 GRAND GALLERY 1 MICHIGAN DOCK
	EATON CORPORATION MEETING	BALL C	8:00AM-12PM	SETUP	KG	0	0	0	
THURS. JULY 28	GREAT AMERICAN SCRAPBOOK SHOW	BALL B G A G B-F BALL D	7:00AM-6:00PM 10AM-10PM	EXHIBIT MEETING BREAKOUT ROOM	MJ	SERVICE DESK 8:00AM-6:00PM		0	1 GRAND GALLERY 1 WELSH LOBBY 2 LYON DOCK
	EATON CORPORATION MEETING	BALL C	8:00AM-6:00PM	MEETING	KG	0	0	0	

JULY 2005

[illegible]

GRAND RAPIDS COMPLEX

ARENA

JUL 2005

01 - FRI
02 - SAT
03 - SUN
04 - MON
05 - TUE
06 - WED CONCERT [T]
07 - THU
08 - FRI
09 - SAT
10 - SUN
11 - MON
12 - TUE CONCERT [T]
13 - WED CONCERT [T]
14 - THU CONCERT [T]
15 - FRI
16 - SAT FAMILY S [D]
17 - SUN
18 - MON
19 - TUE CONCERT [T]
20 - WED CONCERT [D]
21 - THU
22 - FRI
23 - SAT
24 - SUN
25 - MON
26 - TUE
27 - WED
28 - THU
29 - FRI
30 - SAT
31 - SUN MEETINGS [D]
AUG 2005
01 - MON MEETINGS [D]
02 - TUE MEETINGS [D]
03 - WED CONCERT [D]
04 - THU
05 - FRI CONCERT [T]
06 - SAT
07 - SUN
08 - MON
09 - TUE
10 - WED
11 - THU
12 - FRI CONCERT [S]
CONCERT [T]
13 - SAT CONCERT [T]
14 - SUN CONCERT [T]
15 - MON
16 - TUE CONCERT [T]
17 - WED
18 - THU
19 - FRI
20 - SAT
21 - SUN
22 - MON

GRAND RAPIDS COMPLEX

ARENA

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AUG 2005 -----
23 - TUE
24 - WED
25 - THU    BANQUET [T]
26 - FRI
27 - SAT
28 - SUN    CONCERT [D]
29 - MON
30 - TUE
31 - WED    CONCERT [T]
SEP 2005
01 - THU    CONCERT [T]
02 - FRI    CONCERT [T]
03 - SAT    CONCERT [T]
04 - SUN
05 - MON
06 - TUE
07 - WED
08 - THU
09 - FRI
10 - SAT
11 - SUN
12 - MON    + FAMILY S [T]
13 - TUE    + FAMILY S [T]
14 - WED    FAMILY S [T]
15 - THU    FAMILY S [T]
16 - FRI    FAMILY S [T]
17 - SAT    FAMILY S [T]
18 - SUN    FAMILY S [T]
19 - MON
20 - TUE    PERFORMI [T]
21 - WED    PERFORMI [T]
22 - THU    + FAMILY S [T]
23 - FRI    FAMILY S [T]
24 - SAT    FAMILY S [T]
25 - SUN    - FAMILY S [T]
26 - MON    - FAMILY S [T]
27 - TUE    CONCERT [T]
28 - WED    CONCERT [T]
29 - THU    CONCERT [T]
30 - FRI
OCT 2005
01 - SAT    CONCERT [D]
02 - SUN
03 - MON
04 - TUE
05 - WED
06 - THU    CONCERT [T]
07 - FRI    CONCERT [T]
                CONCERT [S]
08 - SAT    CONCERT [T]
                CONCERT [S]
09 - SUN
10 - MON    CONCERT [T]
11 - TUE
12 - WED

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GRAND RAPIDS COMPLEX

ARENA

OCT 2005	-----	
13 - THU		
14 - FRI		
15 - SAT	SPORTS	[T] (1:00AM)
16 - SUN		
17 - MON		
18 - TUE		
19 - WED		
20 - THU	SPORTS	[T] (1:00AM)
	CONCERT	[S]
21 - FRI	CONCERT	[T]
22 - SAT	SPORTS	[T] (1:00AM)
	CONCERT	[S]
23 - SUN	CONCERT	[T]
24 - MON		
25 - TUE		
26 - WED		
27 - THU	SPORTS	[S] (3:00PM)
	CONCERT	[T]
28 - FRI	SPORTS	[S]
	CONCERT	[T]
29 - SAT	SPORTS	[S] (1:00AM)
	CONCERT	[T]
30 - SUN	CONCERT	[T]
31 - MON	CONCERT	[T]
NOV 2005		
01 - TUE	CONCERT	[T]
02 - WED	CONCERT	[T]
	CONCERT	[S]
03 - THU	CONCERT	[T]
04 - FRI	SPORTS	[S] (3:00PM)
	CONCERT	[T]
05 - SAT	SPORTS	[S] (1:00AM)
	CONCERT	[T]
06 - SUN	CONCERT	[T]
	CONCERT	[S]
07 - MON		
08 - TUE		
09 - WED		
10 - THU	FAMILY S	[T]
11 - FRI	FAMILY S	[T]
12 - SAT	FAMILY S	[T]
13 - SUN	FAMILY S	[T]
14 - MON		
15 - TUE	SPORTS	[D] (4:00PM)
16 - WED		
17 - THU	SPORTS	[S] (3:00PM)
18 - FRI	CONCERT	[T]
	SPORTS	[S] (1:00AM)
19 - SAT	SPORTS	[S]
	CONCERT	[T]
20 - SUN	CONCERT	[T]
21 - MON		
22 - TUE		
23 - WED	SPORTS	[D] (6:00PM)
24 - THU		

GRAND RAPIDS COMPLEX

ARENA

NOV 2005

25 - FRI	SPORTS	[D]	(9:00AM)
26 - SAT	SPORTS	[D]	(6:00PM)
	SPORTS	[S]	(1:00AM)

27 - SUN

28 - MON SPORTS [T]

29 - TUE

30 - WED CONCERT [T]

DEC 2005

01 - THU CONCERT [T]

02 - FRI CONCERT [T]

SPORTS [S] (3:00PM)

03 - SAT SPORTS [S] (1:00AM)

04 - SUN CONCERT [T]

05 - MON

06 - TUE

07 - WED SPORTS [S] (1:00AM)

08 - THU

09 - FRI

10 - SAT IN-HOUSE [S] (12:00PM)

SPORTS [S] (1:00AM)

11 - SUN CONCERT [D]

12 - MON CONCERT [D]

13 - TUE

14 - WED

15 - THU

16 - FRI SPORTS [T] (3:00PM)

17 - SAT SPORTS [T]

18 - SUN

19 - MON

20 - TUE

21 - WED

22 - THU

23 - FRI SPORTS [T] (1:00AM)

24 - SAT

25 - SUN

26 - MON

27 - TUE

28 - WED SPORTS [T] (3:00PM)

29 - THU SPORTS [T]

30 - FRI SPORTS [T]

31 - SAT SPORTS [T] (1:00AM)

JAN 2006

01 - SUN

02 - MON

03 - TUE

04 - WED + FAMILY S [T]

05 - THU + FAMILY S [T]

06 - FRI FAMILY S [T]

07 - SAT FAMILY S [T]

08 - SUN FAMILY S [T]

09 - MON - FAMILY S [T]

10 - TUE

11 - WED SPORTS [T] (1:00AM)

12 - THU

13 - FRI SPORTS [T] (3:00PM)

GRAND RAPIDS COMPLEX

ARENA

JAN 2006	-----	
14 - SAT	SPORTS	[T] (1:00AM)
15 - SUN		
16 - MON		
17 - TUE		
18 - WED		
19 - THU		
20 - FRI	SPORTS	[S] (3:00PM)
	FAMILY S	[T]
21 - SAT	SPORTS	[S] (1:00PM)
	FAMILY S	[T]
22 - SUN	FAMILY S	[T]
23 - MON	SPORTS	[T]
24 - TUE		
25 - WED		
26 - THU	+ FAMILY S	[T]
27 - FRI	FAMILY S	[T]
	FAMILY S	[S]
28 - SAT	FAMILY S	[T]
	FAMILY S	[S]
29 - SUN	FAMILY S	[T]
	FAMILY S	[S]
30 - MON	- FAMILY S	[T]
31 - TUE		
FEB 2006		
01 - WED		
02 - THU	SPORTS	[T] (3:00PM)
03 - FRI	SPORTS	[S]
	FAMILY S	[T]
04 - SAT	SPORTS	[S] (1:00AM)
	FAMILY S	[T]
05 - SUN	FAMILY S	[T]
06 - MON		
07 - TUE		
08 - WED		
09 - THU		
10 - FRI	SPORTS	[S] (1:00AM)
	FAMILY S	[T]
11 - SAT	SPORTS	[S] (1:00AM)
	FAMILY S	[T]
12 - SUN	SPORTS	[S] (1:00AM)
	FAMILY S	[T]
13 - MON		
14 - TUE		
15 - WED		
16 - THU		
17 - FRI	SPORTS	[T] (3:00PM)
18 - SAT	SPORTS	[T]
19 - SUN	SPORTS	[T] (1:00AM)
20 - MON	FAMILY S	[D]
21 - TUE	FAMILY S	[D]
22 - WED	FAMILY S	[D]
23 - THU	FAMILY S	[D]
24 - FRI	FAMILY S	[D]
25 - SAT	FAMILY S	[D]
26 - SUN	FAMILY S	[D]

GRAND RAPIDS COMPLEX

ARENA

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FEB 2006 -----
27 - MON
28 - TUE
MAR 2006
01 - WED    SPORTS    [T] (1:00AM)
02 - THU    FAMILY S [T]
03 - FRI    FAMILY S [T]
04 - SAT    FAMILY S [T]
05 - SUN    SPORTS    [T] (1:00AM)
06 - MON
07 - TUE
08 - WED    SPORTS    [T] (1:00AM)
09 - THU    FAMILY S [T]
10 - FRI    FAMILY S [T]
11 - SAT    FAMILY S [T]
12 - SUN    FAMILY S [T]
13 - MON
14 - TUE
15 - WED    SPORTS    [T] (3:00PM)
16 - THU    SPORTS    [T]
17 - FRI    SPORTS    [T]
18 - SAT    SPORTS    [T]
19 - SUN    SPORTS    [T] (1:00AM)
20 - MON
21 - TUE
22 - WED    SPORTS    [T] (3:00PM)
23 - THU    SPORTS    [T] (1:00AM)
24 - FRI    FAMILY S [D]
25 - SAT    SPORTS    [T] (3:00PM)
26 - SUN    SPORTS    [T] (1:00AM)
27 - MON
28 - TUE    + FAMILY S [D]
29 - WED    + FAMILY S [D]
30 - THU    FAMILY S [D]
31 - FRI    FAMILY S [D]
APR 2006
01 - SAT    - FAMILY S [D]
02 - SUN    - FAMILY S [D]
03 - MON
04 - TUE
05 - WED
06 - THU
07 - FRI    SPORTS    [T] (3:00PM)
08 - SAT    SPORTS    [T] (1:00AM)
09 - SUN
10 - MON
11 - TUE
12 - WED
13 - THU
14 - FRI    SPORTS    [T] (3:00PM)
15 - SAT    SPORTS    [T] (1:00AM)
16 - SUN
17 - MON
18 - TUE
19 - WED
20 - THU

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GRAND RAPIDS COMPLEX

ARENA

APR 2006

21 - FRI
22 - SAT
23 - SUN
24 - MON
25 - TUE
26 - WED
27 - THU
28 - FRI CONCERT [CT]
29 - SAT IN-HOUSE [CO]
30 - SUN
MAY 2006
01 - MON
02 - TUE SPECIAL [CD]
03 - WED
04 - THU
05 - FRI
06 - SAT
07 - SUN
08 - MON FAMILY S [CT]
09 - TUE
10 - WED
11 - THU
12 - FRI CONCERT [CT]
13 - SAT
14 - SUN
15 - MON
16 - TUE
17 - WED
18 - THU
19 - FRI
20 - SAT
21 - SUN
22 - MON
23 - TUE
24 - WED
25 - THU
26 - FRI
27 - SAT
28 - SUN
29 - MON
30 - TUE
31 - WED
JUN 2006
01 - THU
02 - FRI
03 - SAT
04 - SUN
05 - MON
06 - TUE
07 - WED
08 - THU
09 - FRI
10 - SAT
11 - SUN
12 - MON

GRAND RAPIDS COMPLEX

ARENA

JUN 2006

13 - TUE

14 - WED

15 - THU

16 - FRI

17 - SAT

18 - SUN

19 - MON

20 - TUE

21 - WED

22 - THU

23 - FRI

24 - SAT

25 - SUN

26 - MON

27 - TUE

28 - WED

29 - THU

30 - FRI

JUL 2006

01 - SAT

02 - SUN

03 - MON

04 - TUE

05 - WED

06 - THU

07 - FRI

08 - SAT

09 - SUN

10 - MON

11 - TUE

12 - WED

13 - THU

14 - FRI

15 - SAT

16 - SUN

17 - MON

18 - TUE

19 - WED

20 - THU

21 - FRI

22 - SAT

23 - SUN

24 - MON

25 - TUE

26 - WED

27 - THU

28 - FRI

29 - SAT

30 - SUN

31 - MON

Dale H. Sommers
Owner Representative
Grand Rapids-Kent County Convention/Arena Authority

M E M O R A N D U M

TO: Grand Rapids-Kent County Convention/Arena Authority

FROM: Dale H. Sommers

DATE: June 16, 2005

SUBJECT: Final Update of DeVos Place Expansion Closeout

Over the last 30 days the following have been completed:

- 1. Numerous punch list and closeout items of miscellaneous nature completed**
- 2. Worked with landscaper to complete outside site work (trees, scrubs, mulch)**
- 3. Completed roof repair issues**
- 4. LED lights in Ballroom have been installed and operate as of June 8, 2005**
- 5. 2 items remain that are warranty related that will be addressed June 20 & 27 (replace 5 pavers and Naturalite to repair section of Grand Gallery glass)**
- 6. Met with DDA and City Park Officials on rails for river walk; concerns addressed**

Met with Construction Manager and have approved final billing for payment on June 14, 2005. Last retainage payment was also approved and will be paid on June 14, 2005.

Have received letter from Construction Manager for closeout of Retainage account with all funds going to him. Have approved this letter and Sue will process after June 14, 2005.

Have two (2) invoices to process on June 28, 2005 (Nextel Bill and final Owner Rep Invoice).

You may consider DeVos Place Project closed.

If you have any questions feel free to contact me.

Dale H. Sommers