

Meeting of Board of Directors

Wednesday, May 28, 2003

7:30 a.m. – 9:30 a.m.

County Administration Building Board Room, 3rd Floor
 Grand Rapids, Michigan 49503

A G E N D A

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| Convention
Arena
Authority

John Logie,
Chairman
Lew Chamberlin
Clif Charles
David Frey
Steven Heacock
Birgit Klohs
Joseph Tomaselli | <p>I. Call to Order</p> <p>II. Approval of April 23, 2003 Minutes</p> <p>III. Presentation – Big Daddy’s Doo Wop Sh’Bop Review
Leann Arkema, Rich MacKeigan, Casey Wondergem</p> <p>IV. DeVos Place Construction Update – Erhardt/Hunt</p> <p>V. Presentation and Approval of Fiscal Year 2004 Operating Budgets</p> <ul style="list-style-type: none"> i. SMG – Chris Machuta ii. CAA – Robert White <p>VI. Committee Reports</p> <ul style="list-style-type: none"> a. Building Committee b. Operations Committee <ul style="list-style-type: none"> - CVB Update c. Finance Committee <ul style="list-style-type: none"> i. Approval of Disbursements ii. Approval of SMG April 2003 Financial Reports iii. Approval of CAA April Financial Report iv. Approval of Additional Directors & Officers Liability Insurance Coverage v. Heartside District Parking Study Request <p>VII. Resolution Approving and Authorizing the Execution of DeVos Place Logo Agreement with Hānon McKendry, Inc.</p> | Action

Information

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



Grand Center
 245 Monroe Ave. NW
 Grand Rapids, MI 49503
 616.742.6600
 Fax 616.742.6590



- VIII. SMG Report**
- Facilities Calendar

Information

IX. Other Business

X. Public Comment

XI. Adjournment

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
BOARD OF DIRECTORS MEETING
Wednesday, April 23, 2003**

I. Call to Order

Chairman John Logie called the meeting to order at 7:35 a.m. Chairman Logie presided and Susan Waddell recorded in the absence of Secretary/Treasurer Birgit Klohs. Mayor Logie stated that Attorney Wendt would present a proposed Memorandum of Understanding as an additional agenda item under the Finance Committee report. Mayor Logie will ask for a motion to suspend the rules.

Attendance

Members Present: John Logie, Chairman
Lew Chamberlin
David Frey
Steve Heacock
Joseph Tomaselli

Members Absent: Clif Charles
Birgit Klohs

Staff/Others:	David Czurak	<i>Grand Rapids Business Journal</i>
	Daryl Delabbio	Kent County
	Robert DuHadway	DK Security
	Kurt Kimball	City of Grand Rapids
	Chris Knape	<i>The Grand Rapids Press</i>
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Steve Miller	SMG
	Bill Sewall	Erhardt/Hunt Joint Venture
	Dale Sommers	CAA Owner Representative
	Al Vanderberg	Kent County
	Susan Waddell	CAA
	Jana Wallace	City of Grand Rapids
	Jim Watt	SMG
	Richard Wendt	Dickinson Wright
	Robert White	Kent County
	Steve Wilson	CVB
	Tim Wondergem	Wondergem Consulting

II. Minutes of Prior Meetings

Motion: Mr. Frey, supported by Mr. Tomaselli, moved to approve the Minutes of the March 26, 2003, meetings of the Authority. Motion carried unanimously.

III. DeVos Place Construction Update

Mr. Sewall reported that just six months remain until the grand opening of the exhibit hall. The construction manager is coordinating with the Amway Grand Plaza Hotel to modify public access in preparation for the Welsh Auditorium demolition. Major activities at the Grand Gallery include completion of drywall finishing, painting, and ceiling grid installation in the meeting rooms. The acoustic

wall panel installation is underway. Operable partitions have been installed on two levels of the meeting rooms. The painting subcontractor continues to paint offices, corridors, stairwells, communication closets, and bulkheads on all levels. Installation of the HVAC systems that serve most of the Grand Gallery is nearly complete, along with the framing and hanging of most restroom areas. The concrete subcontractor has completed the Exhibit Hall floor and is working on the truck dock area slab on grade. The mechanical subcontractor has set cooling towers, chillers, and is setting air handling units that serve the Exhibit Hall. Enclosure of the Exhibit Box is complete on the East and West sides. The North elevation is approximately 80% enclosed. Roofing and brick at the dock have begun. Phase 3 work that has been awarded to date is compliant with the overall project budget. Asbestos abatement continues at the Welsh Auditorium and is progressing well.

IV. Committee Reports

Building Committee

Mr. Frey stated that the Committee received a presentation from the City of Grand Rapids Fireworks Task Force. The Task Force prepared a thorough report, which is available for review. Mr. Sommers presented a current financial report. The Phase 1 and 2 guaranteed maximum price of \$118,054,870 included a contractor's contingency of \$3.9 million and an owner's contingency of \$1 million. The contractor's contingency is now \$3.9 and the owner's contingency is now \$890,000. The Phase 3 estimate of \$51,388,350 includes an owner's contingency of \$2,010,475. The owner's contingency has grown due to the bid results of the Phase 3 electrical.

Operations Committee

Mr. Chamberlin reported that the Committee did not meet in April

Mr. Wilson reported that prospective clients are touring the new building weekly. Gordon Food Service will be taking a hard-hat tour next week. The CVB is working with Gordon Food Service to schedule conventions for 2004-2006. Although the CVB has confirmed a dates for the Michigan Landscape Nursery Association, representatives will be in town May 5 for a site inspection because they are so excited to see the building. MTA representatives will be in town on June 6. MTA usually meets in Detroit, and the CVB is working with MTA on a contract for 2006-2008. A July FAM tour for national meeting planners has been scheduled in conjunction with the Muskegon Tall Ships event. The customer service task force is developing a curriculum, which should be completed by May or June.

Finance Committee

Mr. Heacock presented the Finance Committee report.

- a. Approval of Disbursements and Payroll for the Period March 21 – April 14, 2003

Motion: Mr. Heacock, supported by Mr. Frey, moved to approve payment of disbursements and payroll totaling \$8 646,395.49. Motion carried unanimously.

- b. Approval of SMG Financial Statements for the Grand Center and Van Andel Arena

Motion: Mr. Heacock, supported by Mr. Frey, moved to approve the SMG Financial Statements for the Van Andel Arena and Grand Center for the period ended March 31, 2003. Motion carried unanimously.

c. Approval of CAA Preliminary Financial Statements Prepared by Beene Garter LLP

Motion: Mr. Heacock, supported by Mr. Frey, moved to approve the Grand Rapids – Kent County Convention/Arena Authority Financial Statements for the period ended March 31, 2003. Motion carried unanimously.

d. Approval of Directors & Officers Liability Insurance Renewal

Mr. Heacock recommended approval of the directors and officers liability insurance renewal. The current policy expires April 25, 2003. Although staff requested quotes from several companies, only Federal Insurance Company responded. The renewal limit is \$7,000,000 with a \$15,000 deductible and premium of \$17,600, a 14% increase. The renewal proposal is \$2,514/\$1 million and the expiring is \$2,200/\$1 million.

Motion: Mr. Heacock, supported by Mr. Chamberlin, moved to approve the Directors and Officers liability insurance renewal proposal with Federal Insurance Company. Motion carried unanimously.

e. Approval of Memorandum of Understanding Between
Convention/Arena Authority and Grand Action Committee

Motion: Mr. Heacock, supported by Mr. Frey, moved to suspend the rules. Motion carried unanimously.

Attorney Wendt recommended approval of a Memorandum of Understanding between the Convention/Arena Authority and Grand Action with respect to the \$33,000,000 Grand Action contribution to assist with financing the cost of the new convention center. Mr. Wendt explained that approximately \$2 million represents in-kind donations from Grand Action, The Grand Rapids Press, Steelcase, Bay Area Interiors, and S.A. Mormon

Motion: Mr. Heacock, supported by Mr. Tomaselli, moved to approve the Memorandum of Understanding between the Grand Rapids-Kent County Convention/Arena Authority and Grand Action Committee. Abstain: Mr. Frey. Motion carried.

Mayor Logie noted the extraordinary significance of public-private partnerships and acknowledged David Frey and John Canepa for their visions of a new convention center. Mayor Logie acknowledged Steve Heacock for his leadership.

V. SMG Report

Facilities Calendar

Mr. MacKeigan reported that activity at the Van Andel Arena is heating up. Griffins will host two playoff games next Monday and Tuesday. The Heart Ball is next Friday followed by GVSU commencement on Saturday. On Sunday the Zeeland Classis Church will hold two services, with attendance expected to exceed 10,000. Upcoming concerts include Brooks & Dunn, Red Hot Chili Peppers, Big Daddy's Doo Wop Sh'Bop, Tim McGraw, Ringo Starr, Fleetwood Mac, and the Mormon Tabernacle Choir. The Grand Center continues to be busy despite construction. The opera is moving in this weekend for the Marriage of Figaro.

VI. Other Business

The fiscal year 2003-2004 budgets will be on the May agenda.

VII. Public Comments

None.

VIII. Adjournment

There being no other business, the meeting adjourned at 8:15 a.m.

Susan M. Waddell, Recording Secretary



VAN ANDEL ARENA

**OPERATING BUDGET
FISCAL YEAR ENDING JUNE 30, 2004**

Distribution:

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



An SMG Managed Facility

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Budget Highlights
Fiscal Year Ending June 30, 2004

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY 2004 BUDGET	FY 2003 EST/ACT	VAR.
EVENT DAYS/PERFORMANCES	3	4	14	8	15	9	20	16	20	12	9	3	133	145	(12)
ATTENDANCE	24,000	30,000	69,200	50,300	72,000	53,000	93,140	99,500	132,000	77,300	32,800	19,000	752,240	777,899	(25,659)
DIRECT EVENT INCOME															
RENT	93,000	123,000	158,500	157,300	189,900	121,100	237,000	213,900	370,350	145,050	118,500	69,500	1,997,100	1,997,100	
SERVICE INCOME	11,837	(1,448)	(67,186)	(37,656)	(63,305)	(39,752)	(146,461)	(110,142)	(199,810)	(58,991)	(57,440)	8,776	(761,578)	(761,578)	
TOTAL DIRECT EVENT INCOME	104,837	121,552	91,314	119,644	126,595	81,348	90,539	103,758	170,540	86,059	61,060	78,276	1,235,522	1,290,465	(54,943)
ANCILLARY INCOME															
CONCESSIONS	63,000	75,000	113,580	95,900	120,000	105,000	139,585	126,155	195,655	79,500	51,000	42,000	1,206,375	1,206,375	
CATERING	3,150	3,762	15,750	5,458	7,452	7,767	7,574	7,399	9,953	11,722	7,699	2,100	89,786	89,786	
NOVELTIES	25,200	31,500	8,400	23,712	26,880	16,800	14,301	24,444	31,374	16,800	16,380	16,800	252,591	252,591	
VIDEO BOARD	-	-	770	2,710	3,080	4,620	5,390	9,546	9,902	6,292	-	-	42,310	42,310	
TOTAL ANCILLARY INCOME	91,350	110,262	138,500	127,780	157,412	134,187	166,850	167,544	246,884	114,314	75,079	60,900	1,591,062	1,469,063	121,999
TOTAL EVENT INCOME	196,187	231,814	229,814	247,424	284,007	215,535	257,389	271,302	417,424	200,373	136,139	139,176	2,826,584	2,759,528	67,056
OTHER OPERATING INCOME															
LUXURY SEATING	80,417	80,417	80,417	80,417	80,417	80,417	80,417	80,417	80,417	80,417	80,417	80,413	965,000	965,000	
PERMANENT ADVERTISING	43,750	43,750	43,750	43,750	43,750	43,750	43,750	43,750	43,750	43,750	43,750	43,750	525,000	525,000	
INTEREST INCOME	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000	90,000	
TICKET INCENTIVES	20,417	20,417	20,417	20,417	20,417	20,417	20,417	20,417	20,417	20,417	20,417	20,413	245,000	245,000	
MISCELLANEOUS INCOME	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000	90,000	
TOTAL OTHER INCOME	159,584	159,584	159,584	159,584	159,584	159,584	159,584	159,584	159,584	159,584	159,584	159,576	1,915,000	1,850,446	64,554
ADJUSTED GROSS INCOME	355,771	391,398	389,398	407,008	443,591	375,119	416,973	430,886	577,008	359,957	295,723	298,752	4,741,584	4,609,974	131,610
INDIRECT EXPENSES															
EXECUTIVE	8,258	8,258	8,258	8,258	8,258	8,258	8,258	9,758	8,258	8,258	8,258	8,271	100,609	103,892	3,283
FINANCE	15,732	15,732	15,732	15,732	15,732	15,732	15,732	17,232	15,732	15,732	15,732	15,725	190,277	144,984	(45,293)
MARKETING	17,246	17,246	17,246	17,246	17,246	17,246	17,246	18,746	17,246	17,246	17,246	17,247	208,453	193,491	(14,962)
OPERATIONS	98,119	98,119	98,119	98,119	98,119	98,119	98,119	98,119	98,119	98,119	98,119	98,112	1,177,421	1,135,618	(41,803)
BOX OFFICE	9,531	9,531	9,531	9,531	9,531	9,531	9,531	9,531	9,531	9,531	9,531	9,522	114,363	113,748	(615)
LUXURY SEATING	9,832	9,832	9,832	9,832	9,832	9,832	9,832	9,832	9,832	9,832	9,832	9,840	117,992	121,697	3,705
SKYWALK	3,013	3,013	3,013	3,013	3,013	3,013	3,013	3,013	3,013	3,013	3,013	3,003	36,146	33,707	(2,439)
OVERHEAD	111,066	111,066	111,066	111,066	111,066	111,066	111,066	111,066	111,066	111,066	111,066	111,075	1,332,801	1,259,236	(73,565)
TOTAL INDIRECT EXPENSES	272,797	272,797	272,797	272,797	272,797	272,797	272,797	277,297	272,797	272,797	272,797	272,795	3,278,062	3,106,373	(171,689)
NET FACILITY INCOME (LOSS)	82,974	118,601	116,601	134,211	170,794	102,322	144,176	153,589	304,211	87,160	22,926	25,957	1,463,522	1,503,601	(40,079)

SMG - Van Andel Arena
Grand Rapids - Kent County Convention / Arena Authority
Event Summary
Fiscal Year Ending June 30, 2004

EVENT TYPE	2003 NO of Events	Attendance	Rental Income	Service Income	Concession Income	Catering Income	Novelty Income	Video Board Income	EVENT INCOME FY 2004	EVENT INCOME FY 2003	VARIANCE
Griffins Preseason	-	-	-	-	-	-	-	-	-	-	-
Griffins Regular Season	40	220,000	344,000	(333,000)	300,000	27,280	-	30,800	369,080	364,972	4,108
Griffins Playoffs	-	-	-	-	-	-	-	-	-	18,392	(18,392)
AHL All Star Weekend	2	16,000	20,000	(17,600)	-	-	-	1,628	4,028	-	4,028
Rampage Preseason	-	-	-	-	-	-	-	-	-	-	-
Rampage Regular Season	8	64,000	66,800	(74,307)	-	-	-	6,512	(995)	(5,416)	4,421
Rampage Playoffs	-	-	-	-	-	-	-	-	-	2,633	(2,633)
NHL Preseason	1	10,400	-	2,417	28,080	3,500	-	770	34,767	17,858	16,909
NCAA Hockey Tournament	2	16,000	100,000	(66,000)	32,000	875	-	-	66,875	-	66,875
Professional Volleyball	-	-	-	-	-	-	-	-	-	(399)	399
Professional Wrestling	2	12,000	60,000	(26,570)	24,000	1,224	12,600	-	71,254	89,839	(18,585)
Miscellaneous Sports	1	5,000	7,500	(2,250)	5,000	175	-	-	10,425	-	10,425
College Basketball Tournaments	2	8,000	12,500	4,008	9,000	787	-	-	26,295	19,787	6,508
TOTAL SPORTS	58	351,400	610,800	(513,302)	398,080	33,841	12,600	39,710	581,729	507,666	74,063
Ringling Brothers	8	35,000	82,500	(73,548)	42,000	1,575	-	-	52,527	56,846	(4,319)
Circus - Other	-	-	-	-	-	-	-	-	-	21,829	(21,829)
Harlem Globetrotters	1	5,000	25,000	(9,400)	8,500	175	3,024	-	27,299	36,700	(9,401)
Disney on Ice	8	33,000	95,000	(58,482)	33,825	1,050	-	-	71,393	56,241	15,152
Champions On Ice	-	-	-	-	-	-	-	-	-	43,119	(43,119)
Stars on Ice	1	7,000	30,000	1,545	6,000	612	4,620	-	42,777	38,034	4,743
Monster Trucks	3	13,000	55,000	(23,582)	31,655	525	7,644	900	72,142	74,892	(2,750)
Bulls and Broncs Rodeo	2	12,000	38,000	(25,200)	24,000	385	2,310	400	39,895	45,227	(5,332)
Arenacross	3	8,640	25,800	(24,249)	23,760	525	2,877	-	28,713	36,698	(7,985)
Freestyle Motocross	2	13,000	46,500	(23,582)	31,655	525	7,644	900	63,642	65,503	(1,861)
Professional Bull Riders	2	12,800	62,000	(18,323)	26,400	1,137	6,912	400	78,526	-	78,526
Miscellaneous Family	12	36,000	100,000	(91,700)	36,000	1,574	3,360	-	49,234	61,720	(12,486)
TOTAL FAMILY SHOWS	42	175,440	559,800	(346,521)	263,795	8,083	38,391	2,600	526,148	536,809	(10,661)
Rock	24	192,000	744,000	94,698	504,000	25,200	201,600	-	1,569,498	1,191,544	377,954
Country	-	-	-	-	-	-	-	-	-	91,456	(91,456)
Christian	-	-	-	-	-	-	-	-	-	107,673	(107,673)
TOTAL CONCERTS	24	192,000	744,000	94,698	504,000	25,200	201,600	-	1,569,498	1,390,673	178,825
College Graduation	2	12,000	15,000	2,471	-	437	-	-	17,908	32,907	(14,999)
Promise Keepers	-	-	-	-	-	-	-	-	-	80,079	(80,079)
Religious	-	-	-	-	-	-	-	-	-	92,498	(92,498)
Miscellaneous Banquets	4	6,400	30,000	1,076	18,000	19,600	-	-	68,676	47,845	20,831
Great Lakes Irish Music Festival	-	-	-	-	-	-	-	-	-	4,106	(4,106)
Arway Seminar	3	15,000	37,500	-	22,500	2,625	-	-	62,625	66,726	(4,101)
Rocky Horror Picture Show	-	-	-	-	-	-	-	-	-	195	(195)
Time Out for Women	-	-	-	-	-	-	-	-	-	-	-
TOTAL MISCELLANEOUS	9	33,400	82,500	3,547	40,500	22,662	-	-	149,209	324,356	(175,147)
GRAND TOTAL	133	762,240	1,997,100	(761,578)	1,206,375	89,786	252,591	42,310	2,826,584	2,759,504	67,080

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Indirect Expense Summary
Fiscal Year Ending June 30, 2004

	Budget F/Y 2004	Estimate F/Y 2003	Variance
Salaries	987,828	946,983	(40,845)
Salaries Part - Time	506,200	514,189	7,989
Auto Allowance	10,025	9,325	(700)
Payroll Taxes	128,583	128,429	(154)
Employee Benefits	178,601	157,739	(20,862)
Pension	39,834	27,833	(12,001)
Union Expenses	56,844	39,564	(17,280)
Allocated Salaries	(740,000)	(741,782)	(1,782)
Total Labor Costs	1,167,915	1,082,280	(85,635)
Contracted Security	235,000	211,625	(23,375)
Contracted Cleaning	26,000	25,176	(824)
Meetings	10,200	11,684	1,484
Meals & Entertainment	5,700	7,199	1,499
Dues & Subscriptions	2,500	3,330	830
Professional Fees	26,000	27,750	1,750
Employee Training	12,000	3,000	(9,000)
Printing	30,000	30,443	443
Advertising	36,000	35,894	(106)
Trash Removal	15,000	16,478	1,478
Landscaping	3,500	-	(3,500)
Armored Services	3,600	3,918	318
Exterminating	4,000	2,600	(1,400)
Cleaning	5,400	6,845	1,445
Repairs & Maintenance	128,000	112,140	(15,860)
Supplies	181,100	177,475	(3,625)
Corporate Travel	7,500	2,000	(5,500)
Computer Expenses	65,000	46,197	(18,803)
Marketing Fund	45,000	42,147	(2,853)
Equipment Rental	15,600	15,543	(57)
Bank Service Charges	12,000	9,434	(2,566)
General Liability Insurance	90,269	72,457	(17,812)
Property Insurance	31,000	26,196	(4,804)
Insurance Expense	43,132	41,601	(1,531)
Printing & Stationary	11,000	6,000	(5,000)
Office Supplies	12,000	13,764	1,764
Postage	12,000	11,597	(403)
Parking Expense	19,100	21,420	2,320
Telephone	55,000	52,923	(2,077)
Utilities	769,800	752,041	(17,759)
Management Fee	234,300	275,888	41,588
Incentive Fee	0	-	-
Amortization	0	-	-
Allocated Expenses	(36,554)	(40,672)	(4,118)
Total Materials & Service	2,110,147	2,024,093	(86,054)
Total Indirect Expenses	3,278,062	3,106,373	(171,689)

**SMG - Van Andel Arena / DeVos Place(Grand Center)
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Calculation
Fiscal Year Ending June 30, 2004**

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 the Grand Center 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% for fiscal year 2004.

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 Grand Center 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 \$1,613,541 (Van Andel) and the budgeted figure for the Grand Center.

Below is the calculation for the Base and Incentive Fee's for F/Y 2004 compared to the expected fee for F/Y 2003.

	Arena Budget	Grand Center Budget	Total Budget	FY 2003 Act/Est
Net Revenue above Expenses	1,463,522	(1,598,423)	(134,901)	1,375,379
Benchmark	1,613,541	(1,598,423)	15,118	1,043,839
Excess	(150,019)	-	(150,019)	331,540

Incentive Fee Calculation (Only if above greater than zero)

	Arena Budget	Grand Center Budget	Total Budget	FY 2003 Act/Est
Base Fee	234,300	234,300	468,600	454,950
Incentive Fee				
Revenue	4,741,584	2,380,958	7,122,542	6,695,976
Benchmark Revenue	4,373,495	2,380,958	6,754,453	6,359,769
Projected Revenue Increase	-	-	-	336,207
Incentive Percentage	20%	20%	20%	20%
Total Incentive Fee	-	-	-	67,241
Total SMG Management Fee	234,300	234,300	468,600	522,191

SMG - Van Andel Arena / DeVos Place (Grand Center)
Grand Rapids - Kent County Convention/Arena Authority
Capital Budget
Fiscal Year Ending June 30, 2004

	Project	F/Y 2004	F/Y 2005
{1}	Terrazzo Floor Repair		38,000
{1}	Hydraulic Seating		190,000
	Security System Upgrades	30,000	
	Phone System Upgrades	15,000	
	Ice Deck Cover	100,000	
	Speaker System - Main Entrance	15,000	
	Banquet Refurbishment - Exterior		100,000
{2}	Refinish DeVos Performance Hall Stage Floor		50,000
	Total	160,000	378,000

- {1} The Hydraulic seating project is estimated to come in much higher than the original \$70,000 that was approved as a part of the Fiscal Year 2003 budget. By virtue of the added expense, as well as, the estimated loss at DeVos Place, it was determined that delaying the project was the best option. The terrazzo floor repair was a project that was always intended on being done along with the seating, thus it too will be delayed.
- {2} Stage Floor work has been delayed due to the interior work that is scheduled to be done on DeVos Performance Hall each of the next two years.

**SMG - Van Andel Arena / DeVos Place(Grand Center)
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Calculation
Fiscal Year Ending June 30, 2004**

Position	F/Y 2003	F/Y 2004	Change
General Manager	0.50	1.00	-
Administrative Assistant	0.50	1.00	-
Director of Finance	0.50	1.00	-
Accounting Manager	1.00	2.00	-
Accounting Support	1.50	3.00	1.00
Box Office Manager	0.80	1.00	-
Assistant Box Office Manager	1.00	2.00	-
Premium Seat/Suite	1.00	1.00	-
Box Office Support	1.00	1.00	-
Director of Marketing	0.50	1.00	-
Marketing Manager	1.00	1.00	-
Marketing Support	1.00	1.00	-
Group Sales Manager	1.00	1.00	1.00
Assistant General Manager	0.33	1.00	-
Director of Facilities		1.00	1.00
Maintenance Manager	0.33	-	(1.00)
Maintenance Support	4.00	10.00	5.00
Operations Manager	1.00	2.00	-
Operations Support	9.00	17.00	6.00
Director of Sales {1}	-	1.00	-
Sales Support	-	1.00	-
Director of Event Services	-	1.00	-
Event Coordinators	2.00	6.00	-
Total {2}	27.96	57.00	13.00

{1} Director of Sales started April 1, 2003

{2} Increase is 2.5 Arena and 10.50 Convention

DEVOS PLACE

DE VOS PLACE

**OPERATING BUDGET
FISCAL YEAR ENDING JUNE 30, 2004**

Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Glen Mon

Bob Johnson

Gary McAneney

John Szudzik

Richard MacKeigan

Chris Machuta



An SMG Managed Facility

SMG - DeVos Place (Grand Center)
Grand Rapids - Kent County Convention/Arena Authority
Lead Income Statement
Fiscal Year Ending June 30, 2004

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY 2004 BUDGET	FY 2003 EST/ACT	VAR.
EVENT DAYS/PERFORMANCES	1	9	18	23	31	35	35	36	39	29	26	10	292	328	(36)
ATTENDANCE	500	12,250	24,205	28,150	46,605	74,550	58,405	147,600	80,805	27,550	39,155	17,300	557,075	457,296	99,779
DIRECT EVENT INCOME															
RENT	2,625	19,775	42,975	81,838	111,088	139,050	133,145	324,250	212,055	155,705	78,890	56,380	1,357,776	1,357,776	
SERVICE INCOME	(961)	(466)	6,677	5,972	14,429	11,958	14,896	5,503	(11,120)	(641)	1,421	1,330	48,998	48,998	
TOTAL DIRECT EVENT INCOME	1,664	19,309	49,652	87,810	125,517	151,008	148,041	329,753	200,935	155,064	80,311	57,710	1,406,774	1,468,665	(61,891)
ANCILLARY INCOME															
CONCESSIONS	-	871	1,940	3,323	5,259	7,259	7,981	30,477	27,157	2,324	2,775	2,211	91,617	91,617	
CATERING	-	11	7,501	7,859	866	14,695	13,893	15,981	4,426	11,994	7,448	14,453	99,127	99,127	
NOVELTY	-	-	1,250	750	2,250	1,250	1,250	750	2,000	750	1,250	-	11,500	11,500	
DECORATOR	153	59	3,961	8,466	3,230	102,374	5,227	97,240	34,170	41,862	1,521	9,350	307,613	307,613	
ELECTRICAL	-	-	2,177	3,417	2,646	85,760	4,556	25,795	17,922	27,302	837	5,695	176,107	176,107	
EQUIPMENT	650	2,500	5,150	9,150	8,550	12,600	13,900	15,200	16,370	11,100	9,300	1,750	106,220	106,220	
TOTAL ANCILLARY INCOME	803	3,441	21,979	32,965	22,841	223,938	46,807	185,443	102,045	95,332	23,131	33,459	792,184	495,841	296,343
TOTAL EVENT INCOME	2,467	22,750	71,631	120,775	148,358	374,946	194,848	515,196	302,980	250,396	103,442	91,169	2,198,958	1,964,506	234,452
OTHER OPERATING INCOME															
INTEREST INCOME	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,087	25,000	25,000	
TICKET INCENTIVES	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000	120,000	
INTERNET	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,087	25,000	25,000	
OTHER INCOME	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	12,000	
TOTAL OTHER INCOME	15,166	15,166	15,166	15,166	15,166	15,166	15,166	15,166	15,166	15,166	15,166	15,174	182,000	121,496	60,504
ADJUSTED GROSS INCOME	17,633	37,916	86,797	135,941	163,524	390,112	210,014	530,362	318,146	265,562	118,608	106,343	2,380,958	2,086,002	294,956
INDIRECT EXPENSES															
EXECUTIVE	9,352	9,352	9,352	9,352	9,352	9,352	9,352	9,352	9,352	9,352	9,352	9,336	112,208	101,477	(10,731)
FINANCE	16,559	16,559	16,559	16,559	16,559	16,559	16,559	16,559	16,559	16,559	16,559	16,562	198,711	157,867	(40,844)
MARKETING	6,370	6,370	6,370	6,370	6,370	6,370	6,370	6,370	6,370	6,370	6,370	6,369	76,439	44,735	(31,704)
SALES	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,088	133,188	-	(133,188)
OPERATIONS	62,506	62,506	62,506	62,506	66,666	66,666	66,666	76,666	66,666	66,666	72,666	66,661	799,347	415,943	(383,404)
EVENT SERVICES	50,857	50,857	50,857	50,857	59,857	68,857	68,857	71,857	68,857	68,857	68,857	68,833	748,260	433,713	(314,547)
BOX OFFICE	6,802	6,802	6,802	6,802	6,802	6,802	6,802	6,802	6,802	6,802	6,802	6,822	81,644	74,031	(7,613)
OVERHEAD	83,077	83,077	83,077	96,577	126,827	192,660	238,494	238,494	238,494	175,993	146,827	125,987	1,829,584	1,122,400	(707,184)
TOTAL INDIRECT EXPENSES	246,623	246,623	246,623	260,123	303,533	378,366	424,200	437,200	424,200	361,699	338,533	311,658	3,979,381	2,350,166	(1,629,215)
NET FACILITY INCOME (LOSS)	(228,990)	(208,707)	(159,826)	(124,182)	(140,009)	11,746	(214,186)	93,162	(106,054)	(96,137)	(219,925)	(205,315)	(1,598,423)	(264,164)	(1,334,259)

SMG - DeVos Place (Grand Center)
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
Fiscal Year Ending June 30, 2004

EXHIBIT HALLS	2004 NO of Events	Attendance	Rental Income	Service Income	Concession Income	Catering Income	Novelty Income	Decorator Income	Electrical Income	Equipment Income	EVENT INCOME FY 2004	EVENT INCOME FY 2003	VARIANCE
Associations	9	5,900	22,130	(400)	-	4,536	-	2,125	1,809	3,000	33,200	86,144	(52,944)
Agriculture & Farming	1	800	9,800	(653)	141	461	-	2,125	1,474	300	13,378	13,378	13,378
Banking	-	-	-	-	-	-	-	-	-	-	-	14,634	(14,634)
Beauty & Hair Care	2	5,600	12,688	(1,455)	-	3,903	-	3,740	938	1,200	21,014	23,361	(2,347)
Building & Construction	-	-	-	-	-	-	-	-	-	-	-	23,558	(23,558)
Business	5	7,550	32,005	(3,750)	1,765	2,479	-	2,550	2,345	2,000	39,394	-	39,394
Dental	-	-	-	-	-	-	-	-	-	-	-	20,278	(20,278)
Education	12	17,500	74,740	(9,512)	411	2,770	-	27,625	14,706	13,050	123,790	121,505	2,285
Floriculture & Horticulture	3	2,700	40,000	(1,700)	1,765	84	-	6,800	4,020	600	51,569	54,740	(3,171)
Fire & Fire Protection	3	900	11,860	(890)	94	211	-	850	570	750	15,565	24,534	(10,969)
Food Processing & Distribution	4	4,000	34,800	(2,488)	-	4,220	-	18,020	4,020	1,000	59,572	57,016	2,556
Food Service	-	-	-	-	-	-	-	-	-	-	-	7,619	(7,619)
Funeral Industry	-	-	-	-	-	-	-	-	-	-	-	9,934	(9,934)
Government	2	2,000	7,000	(630)	-	5,275	-	170	-	1,750	13,585	13,786	(191)
Insurance	-	-	-	-	-	-	-	-	-	-	-	5,692	(5,692)
Medical & Health Care	5	3,950	11,325	(691)	71	4,747	-	1,530	1,507	700	19,299	11,286	8,013
Petroleum & Gas	3	1,500	34,000	(1,550)	-	1,319	-	9,350	11,055	700	54,874	47,096	7,778
Political	1	800	8,800	90	-	105	-	-	-	900	9,895	3,966	5,929
Religious	4	14,000	31,000	1,520	1,176	12,660	-	8,500	5,025	1,000	60,681	60,681	60,681
Libraries	-	-	-	-	-	-	-	-	-	-	-	12,796	(12,796)
Nursing	-	-	-	-	-	-	-	-	-	-	-	5,006	(5,006)
Restaurant & Food Service	-	-	-	-	-	-	-	-	-	-	-	-	-
Science	-	-	-	-	-	-	-	-	-	-	-	-	-
Toys & Hobbies	-	-	-	-	-	-	-	-	-	-	-	10,598	(10,598)
Water	2	3,000	7,520	(400)	-	1,582	-	2,550	1,675	1,000	14,327	6,344	7,983
Woodworking	2	5,000	-	(1,530)	-	-	-	93,500	80,400	100	172,070	-	172,070
Religious	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc Tradeshow	3	1,400	3,750	(857)	-	3,375	-	1,504	-	1,100	8,872	20,649	(11,777)
TOTAL CONVENTIONS/TRADESHOWS	61	76,500	341,838	(25,396)	5,423	47,687	-	180,339	129,644	29,150	705,265	590,512	128,753
Home & Garden	4	32,000	74,250	688	8,293	-	-	10,200	12,060	1,500	106,981	77,052	29,929
Wedding Shows	3	3,900	14,850	(2,078)	200	-	-	1,275	938	2,250	17,435	13,859	3,576
Sporting Goods & Recreation	4	30,000	59,400	(1,690)	17,647	422	-	11,550	6,700	1,500	95,029	60,520	34,509
Women	4	7,000	19,800	(1,790)	3,882	-	-	3,825	3,685	120	29,522	23,264	6,258
Automotive & Trucking	4	50,000	81,675	3,915	9,412	4,747	-	76,500	7,370	1,000	184,619	111,526	73,093
Craft Show/Sale	3	4,500	5,850	(150)	365	-	-	1,105	1,172	350	8,692	8,545	147
Golf Show	3	13,500	14,850	(1,165)	3,294	53	-	3,400	2,245	400	23,177	25,215	(2,038)
Custom Car Show	3	15,000	32,000	6,250	4,706	105	-	1,700	1,340	1,000	47,101	47,101	47,101
Science	-	-	-	-	-	-	-	-	-	-	-	20,206	(20,206)
Music	4	400	15,840	(226)	1,036	42	-	424	-	3,000	20,116	12,540	7,576
Motorcycles	2	6,000	12,500	(3,175)	2,824	-	-	1,350	335	200	14,044	14,044	14,044
Boat Show	6	18,000	96,525	(3,065)	8,471	316	-	6,800	4,020	1,200	114,327	75,886	38,441
Home Furnishings & Interior	3	1,050	2,625	1,010	118	-	-	265	670	500	6,178	6,178	6,178
Recreational Vehicles	4	7,000	22,275	900	941	168	-	1,190	1,809	-	27,273	20,953	6,320
Supersale	6	16,500	23,800	144	1,036	-	-	81	670	300	26,001	26,001	26,001
Toys & Hobbies	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc. Public Shows	7	14,500	29,125	1,425	1,964	391	-	1,139	837	1,100	35,981	47,386	(11,376)
TOTAL PUBLIC SHOWS	60	219,350	605,265	1,053	64,179	6,224	-	120,274	43,561	14,420	755,476	496,922	258,554
Testing	-	-	-	-	-	-	-	-	-	-	-	138,018	(138,018)
Banquets over 1,000	2	2,500	3,975	(48)	-	3,059	-	170	-	1,850	9,006	16,093	(7,087)
Banquets under 1,000	10	8,550	14,213	(9,644)	-	23,893	-	799	-	4,200	33,461	24,590	8,871
Ethnic Festivals	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate	3	10,750	17,250	(2,947)	-	15,508	-	3,111	670	2,050	35,642	31,148	4,494
Seminars/Amway	7	4,950	14,900	(1,493)	1,529	349	-	42	-	2,850	18,077	40,380	(22,303)
Dances	-	-	-	-	-	-	-	-	-	-	-	-	-
Religious	1	5,500	11,000	2,500	1,176	264	-	-	-	1,000	16,940	16,940	16,940
Seminars & Meetings	6	2,750	10,775	(2,236)	-	283	-	2,278	1,842	2,100	16,012	9,535	6,477
TOTAL OTHER	29	35,000	72,013	(13,868)	2,705	43,238	-	6,400	2,512	14,050	127,138	259,754	(132,616)
TOTAL - EXHIBITION HALL	160	331,250	919,216	(34,211)	72,907	97,227	-	307,613	176,107	67,620	1,591,879	1,357,168	234,711

SMG - DeVos Place (Grand Center)
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
Fiscal Year Ending June 30, 2004

	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 2004	EVENT INCOME FY 2003	VARIANCE
DEVOS HALL/WELSH ARENA	14	14,400	44,650	7,835	1,906	1,160	-	-	-	7,100	62,551	43,017	19,534
GR BALLET	6	7,400	26,925	2,600	729	-	-	-	-	4,250	34,504	32,540	1,964
GR OPERA	48	72,200	96,450	34,620	7,162	-	3,000	-	-	5,400	146,622	150,064	(3,462)
BROADWAY THEATRE GUILD	55	97,875	173,485	18,122	4,457	635	-	-	-	21,400	218,099	206,688	11,411
GR SYMPHONY	19	33,560	97,150	24,032	5,066	105	8,500	-	-	10,450	145,303	163,091	(17,789)
MISC DEVOS EVENTS	-	-	-	-	-	-	-	-	-	-	-	31,898	(31,898)
MISC WELSH EVENTS	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL - DEVOS HALL/WELSH	142	225,825	438,550	87,209	19,310	1,900	11,500	-	-	48,500	607,079	627,318	(20,239)
TOTAL - ALL BUILDINGS	292	657,075	1,357,776	48,998	91,617	99,127	11,500	307,613	176,107	106,220	2,198,958	1,964,506	234,452

SMG - DeVos Place (Grand Center)
Grand Rapids - Kent County Convention/Arena Authority
Indirect Expense Summary
Fiscal Year Ending June 30, 2004

	Budget F/Y 2004	Estimate F/Y 2003	Variance
Salaries - Full Time	1,457,067	777,652	(679,415)
Salaries Part Time	798,094	826,457	28,363
Auto Allowance	27,250	18,251	(8,999)
Payroll Taxes	201,397	148,976	(52,421)
Employee Benefits	315,756	118,590	(197,166)
Pension	50,316	27,164	(23,152)
Union Expenses	65,100	51,854	(13,246)
Allocated Salaries	(1,442,163)	(1,044,727)	397,436
Total Labor Costs	1,472,817	924,217	(548,600)
Contracted Security	135,000	64,794	(70,206)
Meetings	31,000	13,139	(17,861)
Meals & Entertainment	14,500	4,121	(10,379)
Dues & Subscriptions	500	1,269	769
Professional Fees	31,500	29,300	(2,200)
Employee Training	10,000	645	(9,355)
Printing	9,600	1,307	(8,293)
Advertising	20,000	6,725	(13,275)
Trash Removal	30,880	22,000	(8,880)
Landscaping	0	-	-
Armored Services	2,200	2,298	98
Exterminating	14,400	4,388	(10,012)
Cleaning	12,000	-	(12,000)
Construction Costs	38,400	23,767	(14,633)
Repairs & Maintenance	145,000	72,922	(72,078)
Snow Removal	0	-	-
Supplies	176,000	93,062	(82,938)
Corporate Travel	10,000	4,662	(5,338)
Computer Expenses	65,000	46,540	(18,460)
Equipment Rental	6,000	4,737	(1,263)
Bank Service Charges	9,000	9,138	138
General Liability Insurance	62,673	51,473	(11,200)
Property Insurance	100,000	31,341	(68,659)
Insurance Expense	53,445	30,189	(23,256)
Local Taxes	0	-	-
Printing & Stationary	13,500	5,448	(8,052)
Office Supplies	7,500	6,185	(1,315)
Postage	5,000	1,347	(3,653)
Parking Expense	24,000	17,640	(6,360)
Telephone	52,500	35,952	(16,548)
Utilities	1,192,666	600,226	(592,440)
Management Fee	234,300	246,304	12,004
Incentive Fee	0	-	-
Allocated Expenses		(4,970)	-
Total Materials & Service	2,506,564	1,425,949	(1,075,645)
Total Indirect Expenses	3,979,381	2,350,166	(1,624,245)

**SMG - Van Andel Arena / DeVos Place(Grand Center)
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Calculation
Fiscal Year Ending June 30, 2004**

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 the Grand Center 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% for fiscal year 2004.

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 of the same annual increase as stated above for the base fee. The Grand Center 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 \$1,613,541 (Van Andel) and the budgeted figure for the Grand Center.

Below is the calculation for the Base and Incentive Fee's for F/Y 2004 compared to the expected fee for F/Y 2003.

	Arena Budget	Grand Center Budget	Total Budget	FY 2003 Act/Est
Net Revenue above Expenses	1,463,522	(1,598,423)	(134,901)	1,375,379
Benchmark	1,613,541	(1,598,423)	15,118	1,043,839
Excess	(150,019)	-	(150,019)	331,540

Incentive Fee Calculation (Only if above greater than zero)

	Arena Budget	Grand Center Budget	Total Budget	FY 2003 Act/Est
Base Fee	234,300	234,300	468,600	454,950
Incentive Fee				
Revenue	4,741,584	2,380,958	7,122,542	6,695,976
Benchmark Revenue	4,373,495	2,380,958	6,754,453	6,359,769
Projected Revenue Increase	-	-	-	336,207
Incentive Percentage	20%	20%	20%	20%
Total Incentive Fee	-	-	-	67,241
Total SMG Management Fee	234,300	234,300	468,600	522,191

SMG - Van Andel Arena / DeVos Place (Grand Center)
Grand Rapids - Kent County Convention/Arena Authority
Capital Budget
Fiscal Year Ending June 30, 2004

	Project	F/Y 2004	F/Y 2005
{1}	Terrazzo Floor Repair		38,000
{1}	Hydraulic Seating		190,000
	Security System Upgrades	30,000	
	Phone System Upgrades	15,000	
	Ice Deck Cover	100,000	
	Speaker System - Main Entrance	15,000	
	Banquet Refurbishment - Exterior		100,000
{2}	Refinish DeVos Performance Hall Stage Floor		50,000
	Total	160,000	378,000

- {1} The Hydraulic seating project is estimated to come in much higher than the original \$70,000 that was approved as a part of the Fiscal Year 2003 budget. By virtue of the added expense, as well as, the estimated loss at DeVos Place, it was determined that delaying the project was the best option. The terrazzo floor repair was a project that was always intended on being done along with the seating, thus it too will be delayed.
- {2} Stage Floor work has been delayed due to the interior work that is scheduled to be done on DeVos Performance Hall each of the next two years.

**SMG - Van Andel Arena / DeVos Place(Grand Center)
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Calculation
Fiscal Year Ending June 30, 2004**

Position	F/Y 2003	F/Y 2004	Change
General Manager	0.50	1.00	-
Administrative Assistant	0.50	1.00	-
Director of Finance	0.50	1.00	-
Accounting Manager	1.00	2.00	-
Accounting Support	1.50	3.00	1.00
Box Office Manager	0.80	1.00	-
Assistant Box Office Manager	1.00	2.00	-
Premium Seat/Suite	1.00	1.00	-
Box Office Support	1.00	1.00	-
Director of Marketing	0.50	1.00	-
Marketing Manager	1.00	1.00	-
Marketing Support	1.00	1.00	-
Group Sales Manager	1.00	1.00	1.00
Assistant General Manager	0.33	1.00	-
Director of Facilities		1.00	1.00
Maintenance Manager	0.33	-	(1.00)
Maintenance Support	4.00	10.00	5.00
Operations Manager	1.00	2.00	-
Operations Support	9.00	17.00	6.00
Director of Sales {1}	-	1.00	-
Sales Support	-	1.00	-
Director of Event Services	-	1.00	-
Event Coordinators	2.00	6.00	-
Total {2}	27.96	57.00	13.00

{1} Director of Sales started April 1, 2003

{2} Increase is 2.5 Arena and 10.50 Convention



**FISCAL SERVICES DEPARTMENT
MEMORANDUM**

TO: Steven Heacock
Chair CAA - Finance Committee

FROM: Robert White *RW*
Fiscal Services Director

SUBJECT: Convention/Arena Authority Finances
FY2004 Budget Request

DATE: April 30, 2003

The attached material summarizes the administrative costs of the Convention/Arena Authority for the fiscal years ending June 30, 2003 and 2004. This material incorporates the facility operating revenue, expenditures and capital replacement request as submitted by SMG, Facilities Manager.

The first table, attached hereto, summarizes the SMG Facilities budget for FY2003 & 2004. The most recently updated estimate for the current fiscal year (FY2003) discloses a combined facility, net operating income projection that is almost a \$360,000 increase over the original budgetary allowances. The FY2004 combined operating income statement projects a combined (\$135,000) net operating loss. The significant change in financial operating results is driven primarily by the much higher level of facility operating and maintenance expense to be incurred in DeVos Place, which will be offset by only a moderate first year increase in operating revenues.

The second table following this correspondence summarizes the anticipated revenues, expenditures and change in net assets of the Convention/Arena Authority for the current and upcoming (FY2004) fiscal years. Based on the most recent update of revenues available to the administrative portion of the budget, it is projected that the Authority will end the current fiscal year (June 30, 2003) with a net assets balance slightly in excess of \$5 million. The fiscal year 2004 budget request discloses a sharply reduced revenue position. In summary, it is projected that the Authority will end (June 30, 2004) the upcoming fiscal year with a net assets balance of approximately \$3.5 million.

The final table attached, following this cover memorandum, provides a detailed analysis of the operating and capital sub funds maintained by the Convention/Arena Authority. Assuming Authority Board approval of the FY2004 budget request, line items and financial reporting will be provided on a monthly basis in this format to the CAA-Finance Committee.

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

Cc: Daryl Delabbio
Kurt Kimball

Table 1
Grand Rapids/Kent County Convention Arena Authority
SMG Facilities Budget
Fiscal Year Ending June 30, 2003 & 2004

	<u>FY2003</u>		<u>FY2004</u>
	<u>Budget</u>	<u>Estimate</u>	<u>Requested</u>
VanAndel Arena			
Operating • Revenues	\$ 4,342,671	\$ 4,609,974	\$ 4,741,584
• Expenses - Facilities	(2,875,049)	(2,830,485)	(3,043,762)
- Management Fees	<u>(227,475)</u>	<u>(275,888)</u>	<u>(234,300)</u>
Net Operating Income	<u><u>\$ 1,240,147</u></u>	<u><u>\$ 1,503,601</u></u>	<u><u>\$ 1,463,522</u></u>
DeVos Place			
Operating • Revenues	\$ 1,991,859	\$ 2,086,002	\$ 2,380,958
• Expenses - Facilities	(2,124,356)	(2,103,862)	(3,745,081)
- Management Fees	<u>(227,475)</u>	<u>(246,304)</u>	<u>(234,300)</u>
Net Operating Income	<u><u>\$ (359,972)</u></u>	<u><u>\$ (264,164)</u></u>	<u><u>\$(1,598,423)</u></u>
Net Available to CAA:			
VanAndel Arena	\$ 1,240,147	\$ 1,503,601	\$ 1,463,522
DeVos Place	<u>(359,972)</u>	<u>(264,164)</u>	<u>(1,598,423)</u>
	<u><u>\$ 880,175</u></u>	<u><u>\$ 1,239,437</u></u>	<u><u>\$ (134,901)</u></u>

Table II
Grand Rapids/Kent County Convention Arena Authority
Operating/Capital Replacement Budget
Fiscal Year Ending June 30, 2003 & 2004

	FY2003	FY2004
	<u>Estimate</u>	<u>Requested</u>
Revenues:		
Facility Operation (Net)	\$1,239,437	(\$134,901)
Land Lease	348,471	107,000
Interest on Investments	32,000	32,000
Miscellaneous	6,000	8,000
	<u>1,625,908</u>	<u>12,099</u>
Expenditures:		
Administration	210,013	239,396 ¹
Pedestrian Safety	-	95,000 ²
Capital Replacement	232,798	160,000
Capital Construction	1,000,000	1,000,000
	<u>1,442,811</u>	<u>1,494,396</u>
Net Excess (Deficit)	183,097	(1,482,297)
Net Assets - Beginning of Year	<u>4,817,502</u>	<u>5,000,599</u>
Net Assets - End of Year	<u><u>\$5,000,599</u></u>	<u><u>\$3,518,302</u></u>

FY2004 Budget Notes:

- ¹ The line-item for "Accounting/Audit Services" includes allowances of \$20,000 for Price Waterhouse Coopers audit fee, \$17,245 for bookkeeping services including check writing, payroll processing & monthly financial reports and \$22,000 for City (Jana Wallace) budgeting, financial recordkeeping/reporting, year-end financial statement preparation and investment management (new in FY2004).
- ² City/County/SMG request to fund 36.28% of staffing costs related to Pedestrian Safety/Traffic control at VanAndel Arena and the DeVos Place events in FY2004.

TABLE III
GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY
OPERATING FUND
FY 2003 REVISED BUDGET AND FY 2004 PROPOSED BUDGET
SUBMITTED APRIL 30, 2003

	Administration and Facilities Operations			Capital Replacement		
	FY 2003 Original Budget	FY 2003 Revised Budget	FY 2004 Proposed Budget	FY 2003 Original Budget	FY 2003 Revised Budget	FY 2004 Proposed Budget
REVENUES						
Facility Operations	\$ 2,170,975	\$ 2,591,704	\$ 1,827,565	\$ -	\$ -	\$ -
Land lease	107,772	348,471	107,000	-	-	-
Interest on Investments	34,880	20,000	20,000	25,120	12,000	12,000
Capital Replacement Reserve Trfr	184,418	-	930,402	(184,418)	-	(930,402)
Miscellaneous Revenue	-	6,000	8,000	-	-	-
TOTAL REVENUES	2,498,045	2,966,175	2,892,967	(159,298)	12,000	(918,402)
EXPENDITURES						
Accounting / Auditing Services	25,635	35,900	59,245	-	-	-
Insurance - Property and Liability	33,050	29,100	33,595	-	-	-
Legal Services	33,550	32,000	32,000	-	-	-
Other Contractual Services	43,000	42,000	42,000	-	-	-
Pedestrian Safety	-	-	95,000	-	-	-
Facility Management Fee	-	-	-	-	-	-
Meeting Expense	890	890	890	-	-	-
Supplies	1,350	1,000	1,000	-	-	-
Transfer to Construction Fund	1,000,000	1,000,000	1,000,000	-	-	-
Sub-total Services	1,137,475	1,140,890	1,263,730	-	-	-
Electricity	727,000	758,835	1,031,332	-	-	-
Steam	471,000	525,040	831,834	-	-	-
Water and Sewer	92,800	68,392	99,300	-	-	-
Sub-total Utilities	1,290,800	1,352,267	1,962,466	-	-	-
Building Additions & Improvements	-	-	-	380,200	197,528	45,000
Facility Equipment Acquisition	-	-	-	50,500	35,270	115,000
Sub-total Capital Replacement	-	-	-	430,700	232,798	160,000
Employee Wages	52,240	52,000	53,300	-	-	-
Employee Benefits	17,530	17,123	17,366	-	-	-
Sub-total Payroll	69,770	69,123	70,666	-	-	-
TOTAL EXPENDITURES¹	2,498,045	2,562,280	3,296,862	430,700	232,798	160,000
EXCESS / (DEFICIT) OF FUNDS	\$ -	\$ 403,895	\$ (403,895)	\$ (589,998)	\$ (220,798)	\$ (1,078,402)
FUND BALANCE - beg. of year	3,000,000	3,000,000	3,403,895	1,236,069	1,817,502	1,596,704
Transfer Excess Reserve²	-	-	-	-	-	-
FUND BALANCE - end of year	<u>\$ 3,000,000</u>	<u>\$ 3,403,895</u>	<u>\$ 3,000,000</u>	<u>\$ 646,071</u>	<u>\$ 1,596,704</u>	<u>\$ 518,302</u>

Note 1: Expenditures do not include an allowances for FY 2003 and FY 2004 depreciation expense.

Note 2: Balances in excess of \$3,000,000 minimum required Operating Reserve are transferred to Capital Replacement Reserve

BUILDING COMMITTEE REPORT
To
Grand Rapids-Kent County Convention/Arena Authority
May 28, 2003

Following is a summary of each of the major zones, areas and phases of the project with a narrative of the major work activities in each.

GRAND GALLERY

Bay Area Interiors, our subcontractor has begun to grind the epoxy terrazzo system. They have completed the intricate layout throughout the space. Painting of the overhead exposed structure is complete along with the installation of the snake light. The exterior section of the canopies are now receiving paint and lighting.

In the Meeting Rooms, drywall finishing, painting and ceiling grid installations are complete. The acoustic wall panel installation continues on the walls and on the operable partitions.

H & H, the painting sub continues to paint miscellaneous offices, corridors, stairwells, communication closets and bulkheads on all levels including the lower parking area offices, and is applying finish coats and vinyl wall coverings in these areas as well.

Ceramic tile installations are underway in the Meeting Level and Parking Level Restrooms by Johnson Flooring and Midwest Tile.

Cleveland Construction, Inc., in addition to the Meeting Room grid and drywall work, has completed framing and hanging most restroom areas and is working on elevator lobbies, corridors and back of house support spaces. Andy J. Egan Mechanical Co. and ElecTech are very nearly complete with the HVAC systems that serve most of the Grand Gallery. Testing of the equipment is complete. When utilities are in place the equipment will be run to condition the space this summer.

Overall the Grand Gallery and Meeting spaces remain on track for completion as scheduled.

EXHIBIT HALL

Steel Service Corporation has completed the structural steel erection and detailing and punch list items except touch up paint.

Kent/Tillman LLC, the concrete subcontractor has completed the Exhibit Hall floor slab and the truck dock area slab on grade. Clean up and punch list preparation is underway by Kent/Tillman.

Andy J. Egan Mechanical has set cooling towers, chillers and is setting air handling units that serve the Exhibit Hall. Piping of these units is ongoing. Target Sheet Metal, Inc. is installing the high ductwork in the Exhibit Hall along with the lighting and fire protection subcontractors.

The enclosure of the Exhibit Box is complete on the East side, and West sides. Soffits, trim and column covers will continue on the East and West, while studs and metal panels continue on the North. The north elevation is approximately 95% enclosed. Roofing and brick at the dock are nearly complete.

SITE WORK

Work is planned to begin with the arrival of spring weather along Michigan Street in May, and in front of DeVos Hall in June. These areas, along with the Monroe drop off lane are to be completed the fall of 2003. Planter Wall construction along the West side of the Exhibit Hall began in April.

The site logistics plan for the next phase of work, which commences on June 1, 2003 has been prepared by Erhardt/Hunt and received approval from the adjacent properties (Amway Hotel) and city officials. Implementation of this plan is being carried out as needed, including the construction of a temporary entrance into the Grand Center.

PHASE 3

The "buy-out" of the balance of the project continued through this month with the award of the Phase 2 & 3 Signage Package. The work that has been awarded to date is compliant with the overall project budget including the signage package to Capital Manufacturing.

In the Welsh Auditorium, which is to be fully demolished this summer, asbestos abatement continued this month. Selective demo utility relocation and salvage activities are being planned ahead of mass demo.

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: May 9, 2003

TO: Steve Heacock
Grand Rapids - Kent County Convention / Arena Authority
Finance Committee Chair

FROM: Jana M. Wallace *JMW*
Fiscal Services Analyst

SUBJECT: Monthly Disbursements Report

Attached for your review are the lists of invoices processed for payment during the most recent period. Expenditures for the period are summarized below.

Dates checks were issued	Operating Fund	Construction Fund
April 28, 2003	\$ 27,240.18	\$ 165,584.03
May 14, 2003	110,237.30	3,973,395.34
Payroll – 04/18/2003	1,920.76	--
Payroll – 05/02/2003	1,920.76	--
Disbursements from C/AA Funds	\$ 141,319.00	\$4,138,979.37

Total disbursements for the Grand Rapids - Kent County Convention / Arena Authority during the period April 18 through May 14, 2003, were \$4,280,298.37.

Please call me at 456-4514 if you need additional information.

Attachments

GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY

List of Invoices Processed for Payment on May 14, 2003, as Authorized by the Current Bookkeeping Policy

	Payee	Amount	Invoice Date	Description of materials acquired / services received
Invoices Submitted by Project Manager				
C	Erhardt - Hunt: A Joint Venture	\$ 3,856,563.00	04/30/2003	Progress pmt # 29: Construction - general / masonry / electrical
C	GR-KC C/AA Retainage Account	84,089.00	04/30/2003	Retainage for progress payment # 29
C	J P Gray Consulting Inc	1,662.50	04/30/2003	Project management services - April 2003
C	Jerry G Fellinger, Fire / Secur Sys	600.00	05/02/2003	Security system consulting / meetings - April 2003
C	Materials Testing Consultants Inc	13,724.13	05/07/2003	Construction phase services - April 2003
C	Ottawa County Landfill	2,276.71	04/30/2003	Contaminated soil dumping - April 14 - 30, 2003
C	Sommers, Dale H	14,480.00	04/30/2003	Project management services - April 2003
	Sub-Total - Invoices Submitted by Project Manager	\$ 3,973,395.34		
Invoices Submitted by City Fiscal Services				
O	Arthur J. Gallagher Risk Mgmt Serv	17,600.00	04/23/2003	Directors and officers liability policy first \$7M - 4/25/03-4/25/04
O	Consumers Energy	1,627.16	04/25/2003	Electrical services for Skywalk - April 2003
O	Consumers Energy	35,567.68	04/28/2003	Electrical services for Arena - April 2003
O	Grand Rapids City Treasurer	2,213.69	04/25/2003	Water and sewer services for Arena - April 2003
O	Grand Rapids City Treasurer	14.19	05/01/2003	Water services for Arena - April 2003
O	Grand Rapids City Treasurer	3,409.27	04/24/2003	Water and sewer services for Grand Center - April 2003
O	ICMA Retirement Corporation - 401A	240.00	05/02/2003	Admin mgr's 401A - employer/employee contribs for 05/02/03 payroll
O	ICMA Retirement Corporation - 457	160.00	05/02/2003	Admin manager's 457 - employee contrib for 05/02/03 payroll
O	Kent County Dept of Public Works	1,418.70	04/30/2003	Skywalk steam services - April 2003
O	Kent County Dept of Public Works	25,101.96	04/30/2003	Grand Center steam services - April 2003
O	Kent County Dept of Public Works	22,856.97	04/30/2003	Arena steam services - April 2003
O	Rapid Hot Coffee Service	27.68	04/23/2003	Beverages / snacks for April 23, 2003 board meeting
	Sub-Total - Invoices Submitted by City Fiscal Services	\$ 110,237.30		
	Total Invoices Submitted for Payment from Construction Account	\$ 3,973,395.34		
	Total Invoices Submitted for Payment from Operating Account	\$ 110,237.30		
	Total Invoices Processed for Payment	\$ 4,083,632.64		

C = Convention Center construction related expenses

O = Non-construction / operating expenses

GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY

List of Invoices Processed for Payment on April 28, 2003, as Authorized by the Current Bookkeeping Policy

	Payee	Amount	Invoice Date	Description of materials acquired / services received
Invoices Submitted by Project Manager				
C	Feyen-Zylstra Inc	\$ 20,178.00	04/21/2003	Infrastructure cabling project - copper / fiber cabling
C	Materials Testing Consultants Inc	17,026.35	04/16/2003	Construction phase services - March 2003
C	Midstate Security	120,058.12	04/14/2003	Multiple security systems for Convention Center - payment # 5
C	Nextel Communications	121.38	04/06/2003	Owner's representatives cellular phone charges thru 04/06/2003
C	Ottawa County Landfill	3,227.36	04/12/2003	Contaminated soil dumping - April 1 - 11, 2003
C	Progressive AE	4,972.82	04/11/2003	F & E design services - March 2003
		\$ 165,584.03	Sub-Total - Invoices Submitted by Project Manager	
Invoices Submitted by City Fiscal Services				
O	Accident Fund Company	\$ 730.00	04/09/2003	Worker's compensation insurance 05/23/2003 - 05/23/2004
O	Beene Garter LLP	1,119.00	04/21/2003	Bookkeeping services through April 16, 2003
O	Consumers Energy	25,113.13	04/07/2003	Electrical services for Grand Center - March 2003
O	Priority Health	278.05	04/15/2003	Insurance benefits for administrative manager - May 2003
		\$ 27,240.18	Sub-Total - Invoices Submitted by City Fiscal Services	
		\$ 165,584.03	Total Invoices Submitted for Payment from Construction Account	
		\$ 27,240.18	Total Invoices Submitted for Payment from Operating Account	
		\$ 192,824.21	Total Invoices Submitted for Payment from Authority Funds	

C = Construction related expenses

O = Operating / non-construction expenses



VAN ANDEL ARENA

**FINANCIAL STATEMENT
FOR THE PERIOD ENDED APRIL 30, 2003**

Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Glen Mon

Bob Johnson

Gary McAneney

John Szudzik

Richard MacKeigan

Chris Machuta




An SMG Managed Facility

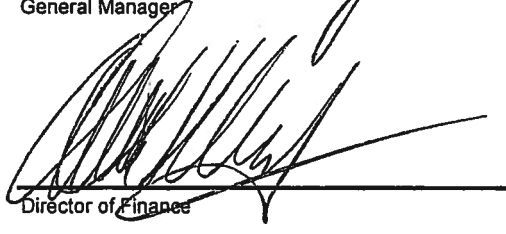
VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2003

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	134	15	149	126	23
ATTENDANCE	676,144	104,600	780,744	772,050	8,694
DIRECT EVENT INCOME	1,113,992	199,864	1,313,856	1,124,723	189,133
ANCILLARY INCOME	1,267,477	222,974	1,490,451	1,302,948	187,503
TOTAL EVENT INCOME	2,381,469	422,838	2,804,307	2,427,671	376,636
TOTAL OTHER INCOME	1,592,365	283,400	1,875,765	1,915,000	(39,235)
TOTAL INCOME	3,973,834	706,238	4,680,072	4,342,671	337,401
INDIRECT EXPENSES					
EXECUTIVE	88,868	14,954	103,822	91,525	(12,297)
FINANCE	119,247	24,946	144,193	166,900	22,707
MARKETING	165,922	30,900	196,822	173,800	(23,022)
OPERATIONS	954,549	186,158	1,140,707	1,081,652	(59,055)
BOX OFFICE	100,051	16,400	116,451	118,100	1,649
LUXURY SEATING	106,233	16,260	122,493	116,530	(5,963)
SKYWALK ADMIN	29,302	4,833	34,135	36,700	2,565
OVERHEAD	1,063,489	205,153	1,268,642	1,317,317	48,675
TOTAL INDIRECT EXP.	2,627,661	499,604	3,127,265	3,102,524	(24,741)
NET REVENUE ABOVE EXPENSES	1,346,173	206,634	1,552,807	1,240,147	312,660
LESS ALLOCATION FOR CAPITAL REPLACEMENT	203,271	74,400	277,671	368,700	91,029
NET REVENUE ABOVE EXPENSES AFTER CAPITAL	1,142,902	132,234	1,275,136	871,447	403,689

Comments:

The Van Andel Arena performed better than the original budgeted expectations. The Arena continues to perform very strong for the fiscal year, and the final two months look to continue that success for a net revenue above expenses in excess of \$1.5 million for the fiscal year.


General Manager


Director of Finance

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED APRIL 30, 2003**

The following schedule summarizes operating results for the current month ending and the YTD ending June 30, 2003, compared to budget and to the prior year:

MONTH	April Actual	April Budget	April FY 2002
Number of Events	15	12	
Attendance	56,595	83,750	
Direct Event Income	\$123,690	\$65,311	\$80,866
Ancillary Income	76,104	77,535	116,180
Other Income	166,919	159,584	140,268
Indirect Expenses	(270,695)	(258,834)	(277,681)
Net Income	<u>\$96,018</u>	<u>\$43,596</u>	<u>\$59,633</u>

YTD	YTD 2003 Actual	YTD 2003 Budget	YTD 2002 Prior Year
Number of Events	134	121	
Attendance	676,144	741,950	
Direct Event Income	\$1,113,992	\$1,016,268	\$1,057,696
Ancillary Income	1,267,477	1,226,863	1,329,188
Other Income	1,592,365	1,595,840	1,507,925
Indirect Expenses	(2,627,661)	(2,587,450)	(2,591,077)
Net Income	<u>\$1,346,173</u>	<u>\$1,251,521</u>	<u>\$1,303,732</u>

Less Capital	(\$203,271)	(\$235,700)	(\$69,215)
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Net Income after Capital	<u>\$1,549,444</u>	<u>\$1,487,221</u>	<u>\$1,372,947</u>
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EVENT INCOME

Event income came in better than expected due to the very successful Def Leopard concert and hosting two Griffins playoff games that are not budgeted

ANCILLARY INCOME

Ancillary income came in at expected levels for the month.

INDIRECT EXPENSES

Indirect expenses came in slightly higher than budget.

VAN ANDEL ARENA
FACILITY STATEMENT OF INCOME
PERIOD ENDING 04/30/03

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
<hr/>						
EVENT INCOME						

DIRECT EVENT INCOME						
RENTAL INCOME	142,695	114,017	135,577	1,693,193	1,604,280	1,640,824
SERVICES INCOME	<19,005>	<48,706>	<54,712>	<579,201>	<588,012>	<583,128>
	<hr/>					
TOTAL DIRECT EVENT INCOME	123,690	65,311	80,866	1,113,992	1,016,268	1,057,696
	<hr/>					
ANCILLARY INCOME						

FOOD & BEVERAGE	60,213	62,807	99,048	1,044,811	971,703	1,057,660
NOVELTY	11,270	9,030	12,512	180,082	212,780	230,183
OTHER ANCILLARY	4,620	5,698	4,620	42,584	42,380	41,345
	<hr/>					
TOTAL ANCILLARY INCOME	76,104	77,535	116,180	1,267,477	1,226,863	1,329,188
	<hr/>					
TOTAL EVENT INCOME	199,794	142,846	197,046	2,381,469	2,243,131	2,386,885
	<hr/>					
OTHER OPERATING INCOME	166,919	159,584	140,268	1,592,365	1,595,840	1,507,925
	<hr/>					
ADJUSTED GROSS INCOME	366,713	302,430	337,314	3,973,834	3,838,971	3,894,810
	<hr/>					
INDIRECT EXPENSES						
EXECUTIVE	7,407	7,626	6,255	88,868	76,260	73,729
FINANCE	11,682	13,908	12,437	119,247	139,080	133,416
MARKETING	18,781	14,779	13,497	165,922	146,900	158,978
LUXURY SEATING	8,926	9,710	7,927	106,233	97,100	87,042
OPERATIONS	98,168	90,135	95,049	954,549	901,350	898,517
BOX OFFICE	10,903	9,842	7,158	100,051	98,420	91,590
SKYWALK ADMINISTRATION	2,845	3,058	3,045	29,302	30,580	28,869
OVERHEAD	111,983	109,776	132,314	1,063,489	1,097,760	1,118,936
	<hr/>					
INDIRECT EXPENSES	270,695	258,834	277,681	2,627,661	2,587,450	2,591,077
	<hr/>					
NET OPERATING INCOME	96,018	43,596	59,633	1,346,173	1,251,521	1,303,733
	<hr/>					
OTHER EXPENSES						
OTHER EXPENSE (INCOME)	0	0	0	203,271	0	69,215
	<hr/>					
OTHER EXPENSES	0	0	0	203,271	0	69,215
	<hr/>					
NET INCOME (LOSS)	96,018	43,596	59,633	1,142,902	1,251,521	1,234,518
	<hr/>					
	=====	=====	=====	=====	=====	=====

VAN ANDEL ARENA
STATEMENT OF SERVICES INCOME
PERIOD ENDING 04/30/03

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	39,784	0	19,052	319,884	0	291,208
Sponsorship Income	0	0	0	0	0	37,000
Labor Billed	2,160	2,710	2,070	17,032	19,220	19,418
Changeover Setup Billed	22,588	15,200	20,252	120,333	101,250	129,162
Stagehands Billed	54,087	61,500	56,228	450,883	365,500	410,225
Security Billed	16,386	8,550	19,306	145,510	112,600	175,839
Ushers & Tix Takers Billed	17,060	10,150	9,108	121,464	104,250	129,896
Box Office Billed	387	400	452	8,880	11,950	11,958
Ticketing Service Billed	12,616	7,000	18,866	152,308	152,750	202,448
City Police Fire Billed	3,493	1,008	1,232	14,161	9,072	11,504
EMT Medical Billed	2,687	850	2,938	23,892	9,075	23,835
Production Materials Billed	0	0	0	0	0	205
Cleaning Billed	8,466	11,600	10,560	96,232	101,200	111,993
Insurance Billed	0	0	0	455	0	2,592
Group Sales Commissions Billed	406	0	0	5,565	0	2,891
Telephone Billed	1,760	1,075	2,385	27,680	20,185	24,045
Equipment Rental Billed	0	0	0	770	0	0
Damages Billed	0	0	0	150	0	0
Other Production Billed	41,804	4,000	28,039	353,103	173,250	275,937
TOTAL SERVICE INCOME	223,685	124,043	190,487	1,858,302	1,180,302	1,860,154
Advertising Expense	28,237	0	19,052	299,649	0	319,846
Sponsorship Expenses	0	0	0	0	0	2,800
Labor Wages	1,836	2,304	1,760	14,477	17,012	16,505
Contracted Changeover Setup Expense	28,381	27,658	41,730	254,856	216,867	266,087
Stagehand Wages	51,761	61,388	53,078	473,846	414,021	437,001
Contracted Security Expense	20,136	14,700	29,846	249,934	181,230	252,838
Contracted Ushers & T/T Expense	25,910	23,810	26,804	286,147	255,000	265,375
Ticket Sellers Wages	329	0	384	7,548	0	9,888
Ticket Service Charge Expense	8,558	7,000	7,353	140,601	177,500	179,467
City Police Fire Expense	3,493	1,008	1,232	14,937	11,822	10,104
EMT Medical Expense	2,582	2,087	3,504	30,629	21,906	42,150
Contracted Cleaning Expense	23,725	28,645	34,568	293,289	294,906	293,054
Insurance Expense	0	0	0	11,797	0	9,219
Allocated Telephone Expense	587	149	575	8,231	5,020	5,920
Production Expense	47,157	4,000	25,314	351,560	173,030	333,028
TOTAL SERVICE EXPENSE	242,690	172,749	245,199	2,437,503	1,768,314	2,443,282
NET SERVICE INCOME	<19,005>	<48,706>	<54,712>	<579,201>	<588,012>	<583,128>

VAN ANDEL ARENA
STATEMENT OF FINANCIAL POSITION
PERIOD ENDING 04/30/03

ASSETS

CURRENT ASSETS

CASH	4,722,974
ACCOUNTS RECEIVABLE	1,784,276
PREPAID EXPENSES	125,540

TOTAL CURRENT ASSETS	6,632,790

FIXED ASSETS

TOTAL ASSETS	6,632,790
	=====

LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	770,809
ACCRUED EXPENSES	489,453
DEFERRED INCOME	1,091,640
ADVANCED TIX SALES & DEPOSITS	2,470,201

TOTAL CURRENT LIABILITIES	4,822,103

EQUITY

FUNDS REMITTED	<1,668,275>
FUNDING RECEIVED	511,957
RETAINED EARNINGS	1,824,109
NET INCOME (LOSS)	1,142,895

TOTAL EQUITY	1,810,687

TOTAL LIABILITIES & EQUITY	6,632,790
	=====

VAN ANDEL ARENA
INDIRECT EXPENSE SUMMARY
PERIOD ENDING 04/30/03

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	45,393	47,841	40,669	466,871	478,410	426,742
Part-Time	7,428	3,003	7,223	65,341	29,140	63,474
Wages-Trade	75,510	75,285	73,994	708,553	752,850	665,648
Auto Allowance	777	0	0	3,885	0	0
Auto Expense	0	810	777	3,885	8,100	7,525
Taxes & Benefits	34,828	31,364	26,909	307,342	313,640	246,159
Less: Allocation/Reimbursement	<67,974>	<71,668>	<65,883>	<643,988>	<716,680>	<556,085>
TOTAL LABOR COSTS	95,963	86,635	83,688	911,890	865,460	853,463
Contracted Security	15,667	17,083	16,120	179,446	170,830	163,127
Contracted Cleaning	2,098	2,167	2,017	20,980	21,670	20,174
Other Contracted Services	314	300	314	3,240	3,000	3,350
Travel & Entertainment	281	442	393	8,540	4,420	8,841
Corporate Travel	0	625	0	3,395	6,250	1,884
Meetings & Conventions	22	1,083	358	6,171	10,830	8,414
Dues & Subscriptions	307	108	139	3,360	1,080	3,083
Employee Training	0	1,000	0	1,464	10,000	2,501
Miscellaneous Expense	0	0	0	62	0	0
Computer Expense	4,594	5,417	2,328	37,401	54,170	79,025
Professional Fees	1,500	2,167	3,589	24,210	21,670	25,331
Marketing & Advertising	10,261	8,250	5,231	100,168	82,500	84,817
Box Office Expenses	<20>	0	<1,465>	749	0	172
Small Equipment	2,125	0	0	3,098	0	1,687
Trash Removal	2,383	1,250	2,024	18,990	12,500	14,279
Equipment Rental	1,822	1,300	1,383	15,034	13,000	14,417
Landscaping	0	292	6,696	0	2,920	10,257
Exterminating	248	333	248	2,228	3,330	2,475
Cleaning	0	450	0	8,739	4,500	2,810
Safety Equipment	0	0	0	0	0	248
Repairs & Maintenance	11,729	10,666	12,967	99,808	106,660	74,290
Supplies	16,043	15,091	13,708	159,853	150,910	180,397
Bank Service Charges	1,107	1,000	1,411	7,998	10,000	11,842
Insurance	12,424	11,967	9,183	124,152	119,670	109,426
Licenses & Fees	0	0	0	69	0	0
Other Taxes	0	300	0	0	3,000	69
Printing & Stationary	238	1,917	121	5,644	19,170	5,375
Office Supplies	846	1,000	1,691	11,827	10,000	14,520
Postage	27	1,000	1,142	8,085	10,000	6,790
Parking Expense	1,744	1,592	10	18,046	15,920	16,594
Telephone Long Distance	3,468	4,583	3,061	44,939	45,830	43,878
Utilities	69,660	64,566	65,850	643,297	645,660	635,830
Base Fee	18,956	19,500	18,750	189,563	195,000	187,500
Incentive Fee	0	0	30,000	0	0	30,000
Amortization	0	0	0	0	0	5,737
Common Area Expense	<2,523>	<2,875>	<2,700>	<25,985>	<28,750>	<25,602>
Less: Allocated/Reimbursement	<587>	<375>	<575>	<8,798>	<3,750>	<5,920>
TOTAL MATERIAL AND SERVICES	174,733	172,199	193,993	1,715,771	1,721,990	1,737,615
TOTAL INDIRECT EXPENSES	270,695	258,834	277,681	2,627,661	2,587,450	2,591,077

SMG - Van Andel Arena & Grand Center
Grand Rapids - Kent County Convention/Arena Authority
Capital Expenditures & Management Fee Summary
Fiscal Year Ending June 30, 2003

CAPITAL IMPROVEMENTS				
	Budget	Expended	Balance	Project Status
Arena				
Skywalk Ice Melt System	42,000	20,610	21,390	Closed
Terazzo Floor Repair	38,000		38,000	Delay to F/Y 05
Banquet Room Refurbishment	25,000		25,000	Open
Hydraulic Seating Section	70,000		70,000	Delay to F/Y 05
Hockey Glass	20,000	16,750	3,250	Closed
Safety Nets		67,056	(67,056)	Closed
Floor Maintenance Equipment	18,500	13,992	4,508	Closed
Lobby Duct Painting	35,000	14,140	20,860	Closed
Security Gate System	120,200	70,723	49,477	Closed
Total Arena	368,700	203,271	165,429	
Grand Center				
Refinish DeVos Stage Floor	50,000		50,000	Delay to F/Y 05
Cyclorama for DeVos Stage House	12,000	4,528	7,472	Closed
Total Grand Center	62,000	4,528	57,472	
Grand Total Capital Improvements	430,700	207,798	222,902	

MANAGEMENT FEE SUMMARY

	Arena Estimate	Grand Center Estimate	Total Estimate	FY 2002 Act/Est
Net Revenue above Expenses	1,552,014	(245,335)	1,306,679	1,642,788
Benchmark	1,566,545	(359,972)	1,206,573	1,043,839
Excess	(14,531)	114,637	100,106	598,949

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	Grand Center Estimate	Total Estimate	FY 2002 Act/Est
Base Fee	227,475	227,475	454,950	450,000
Incentive Fee				
Revenue	4,680,072	2,091,554	6,771,626	6,993,519
Benchmark Revenue	4,367,910	1,991,859	6,359,769	5,969,444
Revenue Excess	312,162	99,695	411,857	1,024,075
Incentive Fee **	62,432	19,939	82,371	206,019
Total SMG Management Fee	289,907	247,414	537,321	656,019

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



GRAND CENTER

**FINANCIAL STATEMENT
FOR THE PERIOD ENDED APRIL 30, 2003**

Distribution:

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



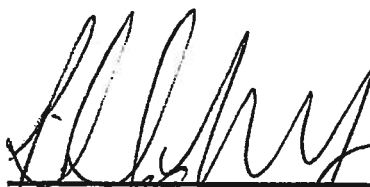
An SMG Managed Facility


GRAND CENTER
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2003

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	305	32	337	305	32
ATTENDANCE	414,030	50,350	464,380	449,307	15,073
DIRECT EVENT REVENUE	1,313,575	150,273	1,463,848	1,297,805	166,043
ANCILLARY REVENUE	471,928	33,871	505,799	491,054	14,745
TOTAL EVENT REVENUE	1,785,503	184,144	1,969,647	1,788,859	180,788
TOTAL OTHER REVENUE	95,621	26,286	121,907	203,000	(81,093)
TOTAL OPERATING REVENUE	1,881,124	210,430	2,091,554	1,991,859	99,695
INDIRECT EXPENSES					
EXECUTIVE	93,334	11,636	104,970	86,064	(18,906)
FINANCE	131,223	26,391	157,614	142,850	(14,764)
MARKETING	45,539	7,794	53,333	146,847	93,514
OPERATIONS	342,720	76,156	418,876	480,979	62,103
EVENT SERVICES	377,356	68,385	445,741	447,613	1,872
BOX OFFICE	61,419	12,496	73,915	57,425	(16,490)
OVERHEAD	882,624	222,311	1,104,935	990,049	(114,886)
TOTAL OPERATING EXP.	1,934,215	425,169	2,359,384	2,351,831	(7,557)
NET REVENUE ABOVE EXPENSES	(53,090)	(214,739)	(267,830)	(359,972)	92,138
CAPITAL	4,528		4,528	62,000	(57,472)
NET OPERATING REVENUE OVER OPERATING EXPENSES	(57,618)	(214,739)	(272,358)	(421,972)	149,610

Comments:

The Grand Center performed below budgeted expectations for the month, however, consistent with revised expectations. The final two months of the fiscal year be slightly below budget, however, the Grand Center will end the fiscal year a little over \$92,000 ahead of the original budget


General Manager


Finance Director

**GRAND CENTER
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED APRIL 30, 2003**

The following schedule summarizes operating results for the current month ending and the YTD ending June 30, 2003, compared to budget and to the prior year:

MONTH	April Actual	April Budget	April FY 2002
Number of Events	29	28	40
Attendance	28,134	31,850	39,619
Direct Event Income	\$147,422	\$154,329	\$159,274
Ancillary Income	54,896	69,453	73,486
Other Income	13,555	16,917	9,686
Indirect Expenses	(225,283)	(196,511)	(213,558)
Net Income	(\$9,410)	\$44,188	\$28,888

YTD	YTD 2003 Actual	YTD 2003 Budget	YTD 2002 Prior Year
Number of Events	305	270	337
Attendance	414,030	392,157	444,265
Direct Event Income	\$1,313,575	\$1,164,526	\$1,324,927
Ancillary Income	471,928	449,904	533,783
Other Income	95,621	169,170	108,552
Indirect Expenses	(1,934,214)	(1,965,110)	(1,787,176)
Net Income	(\$53,090)	(\$181,510)	\$180,086
Less Capital	(\$4,528)		(\$47,841)
Net Income after Capital	(\$57,618)	(\$181,510)	\$132,245

EVENT INCOME

Event income came in below budgeted expectations for the month. This is mainly due to a timing change on events relating to the Women's Show, Opera, and the Spartan Stores Spring meeting. Events held during the month performed at, or above budget.

ANCILLARY INCOME

Ancillary income came in below budget due to same time, as well as, lower than expected spending on Decorating for the events hosted during the month.

INDIRECT EXPENSES

Indirect expenses came in higher than budget for the month. This was mainly due to an increase security presence after the fire, and expenses relating to the new DeVos Place logo.

GRAND CENTER
FACILITY STATEMENT OF INCOME
PERIOD ENDING 04/30/03

	CURRENT			YTD		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
EVENT INCOME						

DIRECT EVENT INCOME						
RENTAL INCOME	141,521	155,200	164,358	1,275,360	1,118,705	1,282,601
SERVICES INCOME	5,902	<871>	<5,084>	38,215	45,821	42,326
TOTAL DIRECT EVENT INCOME	147,422	154,329	159,274	1,313,575	1,164,526	1,324,927
ANCILLARY INCOME						

FOOD & BEVERAGE	12,996	15,613	24,252	162,306	163,395	176,474
NOVELTY	4,990	2,450	5,235	19,551	13,950	35,401
TELECOMMUNICATIONS	0	0	1,085	1,747	0	8,361
ELECTRICAL	8,130	9,150	6,770	22,978	24,500	32,238
OTHER ANCILLARY	28,780	42,240	36,144	265,346	248,059	281,309
TOTAL ANCILLARY INCOME	54,896	69,453	73,486	471,928	449,904	533,783
TOTAL EVENT INCOME	202,318	223,782	232,760	1,785,503	1,614,430	1,858,710
OTHER OPERATING INCOME	13,555	16,917	9,686	95,621	169,170	108,552
ADJUSTED GROSS INCOME	215,873	240,699	242,446	1,881,124	1,783,600	1,967,263
INDIRECT EXPENSES						
EXECUTIVE	12,794	7,172	11,722	93,334	71,720	74,112
FINANCE	12,942	11,904	11,413	131,223	119,040	106,629
MARKETING	12,495	12,236	3,428	45,539	122,360	34,140
OPERATIONS	41,011	40,083	42,718	342,720	400,830	427,186
EVENT MANAGEMENT	46,220	37,826	34,853	377,356	378,260	275,593
BOX OFFICE	6,132	4,785	4,828	61,419	47,850	38,082
OVERHEAD	93,690	82,505	104,596	882,624	825,050	831,435
INDIRECT EXPENSES	225,283	196,511	213,558	1,934,214	1,965,110	1,787,176
NET OPERATING INCOME	<9,410>	44,188	28,888	<53,090>	<181,510>	180,086
OTHER EXPENSES						
OTHER EXPENSE (INCOME)	0	0	0	4,528	0	47,841
OTHER EXPENSES	0	0	0	4,528	0	47,841
NET INCOME (LOSS)	<9,410>	44,188	28,888	<57,618>	<181,510>	132,245
=====	=====	=====	=====	=====	=====	=====

GRAND CENTER
STATEMENT OF SERVICES INCOME
PERIOD ENDING 04/30/03

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	26,701	0	6,257	39,864	0	106,472
Stagehands Billed	54,995	29,400	55,227	585,848	635,800	730,663
Security Billed	8,135	14,520	10,445	76,463	103,050	102,395
Ushers & Tix Takers Billed	9,541	8,355	11,908	112,216	117,300	131,867
Box Office Billed	700	1,400	967	16,050	20,400	23,127
Ticketing Service Billed	12,561	12,250	12,281	124,956	138,800	171,369
Utilities Billed	0	0	0	2,200	0	5,470
City Police Fire Billed	760	0	310	15,523	6,274	19,825
Traffic Control Billed	676	950	1,206	11,561	17,170	18,838
EMT Medical Billed	2,215	2,150	2,285	19,448	18,695	21,809
Cleaning Billed	0	0	296	378	0	2,770
Insurance Billed	0	0	0	2,049	0	1,042
Group Sales Commissions Billed	0	0	0	0	0	889
Telephone Billed	5,281	2,330	640	25,609	11,625	11,244
Damages Billed	0	0	0	193	0	71
Other Production Billed	4,960	0	4,253	32,075	0	63,361
TOTAL SERVICE INCOME	126,524	71,355	106,075	1,064,432	1,069,114	1,411,212
Advertising Expense	24,163	0	6,257	37,346	0	97,315
Stagehand Wages	53,843	28,519	55,307	566,375	616,735	726,429
Security Wages	0	0	0	0	0	7,722
Contracted Security Expense	8,135	14,520	10,445	76,469	103,050	94,838
Ushers & T/T Wages	6,679	5,849	8,336	78,551	82,111	92,307
Ticket Sellers Wages	1,193	1,400	1,026	18,385	16,505	16,532
Ticket Service Charge Expense	5,134	3,413	4,026	35,049	40,598	57,246
City Police Fire Expense	760	0	310	15,218	4,974	19,825
Traffic Control Expense	2,911	3,975	3,110	27,525	33,735	35,972
EMT Medical Expense	1,867	2,150	1,534	14,789	18,695	15,873
Cleaning Wages	10,072	12,400	17,079	120,515	106,890	141,071
Contracted Cleaning Expense	0	0	0	0	0	2,083
Insurance Expense	0	0	0	1,113	0	844
Allocated Telephone Expense	1,320	0	0	5,226	0	0
Production Expense	4,546	0	3,730	29,658	0	60,830
TOTAL SERVICE EXPENSE	120,623	72,226	111,159	1,026,217	1,023,293	1,368,885
NET SERVICE INCOME	5,902	<871>	<5,084>	38,215	45,821	42,326

GRAND CENTER
STATEMENT OF FINANCIAL POSITION
PERIOD ENDING 04/30/03

ASSETS

CURRENT ASSETS

CASH	1,890,636
ACCOUNTS RECEIVABLE	426,304
PREPAID EXPENSES	67,539

TOTAL CURRENT ASSETS	2,384,479

FIXED ASSETS

TOTAL ASSETS	2,384,479
	=====

LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	423,593
ACCRUED EXPENSES	72,900
ADVANCED TIX SALES & DEPOSITS	493,564

TOTAL CURRENT LIABILITIES	990,057

EQUITY

FUNDING RECEIVED	499,191
RETAINED EARNINGS	952,849
NET INCOME (LOSS)	<57,618>

TOTAL EQUITY	1,394,422

TOTAL LIABILITIES & EQUITY	2,384,479
	=====

GRAND CENTER
INDIRECT EXPENSE SUMMARY
PERIOD ENDING 04/30/03

	CURRENT			YTD		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	45,640	46,990	41,200	469,453	469,900	409,424
Part-Time	13,376	11,275	15,999	129,813	112,750	134,283
Wages-Trade	77,551	95,565	79,765	777,204	955,650	919,671
Auto Allowance	1,521	1,816	0	15,208	18,160	0
Auto Expense	0	0	1,521	0	0	14,858
Taxes & Benefits	33,092	30,108	26,334	303,598	301,080	276,529
Less: Allocation/Reimbursement	<86,027>	<110,163>	<92,442>	<926,479>	<1,101,630>	<1,087,893>
TOTAL LABOR COSTS	85,154	75,591	72,377	768,797	755,910	666,872
Contracted Security	14,428	5,000	4,239	63,074	50,000	44,784
Other Contracted Services	186	183	186	1,904	1,830	1,669
Travel & Entertainment	582	792	574	4,106	7,920	5,404
Corporate Travel	0	333	0	651	3,330	1,884
Meetings & Conventions	9	1,613	215	9,872	16,130	9,396
Dues & Subscriptions	108	160	789	953	1,600	1,326
Employee Training	0	833	0	430	8,330	459
Miscellaneous Expense	0	0	0	0	0	66
Computer Expense	5,053	5,417	2,566	36,851	54,170	30,507
Professional Fees	7,223	1,730	4,516	32,511	17,300	17,023
Marketing & Advertising	1,879	1,094	891	12,070	10,940	10,223
Box Office Expenses	40	0	14	591	0	509
Trash Removal	6,701	2,800	1,017	17,779	28,000	11,458
Equipment Rental	486	375	120	5,323	3,750	2,671
Snow Removal	0	0	0	0	0	169
Exterminating	375	368	375	3,675	3,680	4,058
Cleaning	0	1,250	0	0	12,500	613
Construction Costs	0	0	0	2,511	0	1,350
Repairs & Maintenance	4,726	9,013	12,941	64,342	90,130	101,522
Supplies	10,422	13,098	8,688	67,477	130,980	77,282
Bank Service Charges	1,144	750	837	8,113	7,500	10,834
Insurance	9,473	8,380	10,889	99,880	83,800	101,030
Other Taxes	0	300	0	0	3,000	0
Printing & Stationary	238	731	216	238	7,310	1,224
Office Supplies	537	500	698	5,435	5,000	6,329
Postage	238	200	204	731	2,000	1,138
MARKET RESEARCH	0	0	0	2	0	0
Parking Expense	1,576	1,500	3,152	14,656	15,000	19,743
Telephone Long Distance	2,559	2,000	6,102	29,296	20,000	26,837
Utilities	54,511	43,000	41,667	499,191	430,000	416,946
Base Fee	18,956	19,500	18,750	189,562	195,000	187,500
Incentive Fee	0	0	21,535	0	0	26,350
Less: Allocated/Reimbursement	<1,320>	0	0	<5,808>	0	0
TOTAL MATERIAL AND SERVICES	140,130	120,920	141,181	1,165,417	1,209,200	1,120,304
TOTAL INDIRECT EXPENSES	225,283	196,511	213,558	1,934,214	1,965,110	1,787,176
=====						

SMG - Van Andel Arena & Grand Center
Grand Rapids - Kent County Convention/Arena Authority
Capital Expenditures & Management Fee Summary
Fiscal Year Ending June 30, 2003

CAPITAL IMPROVEMENTS

	Budget	Expended	Balance	Project Status
Arena				
Skywalk Ice Melt System	42,000	20,610	21,390	Closed
Terazzo Floor Repair	38,000		38,000	Delay to F/Y 05
Banquet Room Refurbishment	25,000		25,000	Open
Hydraulic Seating Section	70,000		70,000	Delay to F/Y 05
Hockey Glass	20,000	16,750	3,250	Closed
Safety Nets		67,056	(67,056)	Closed
Floor Maintenance Equipment	18,500	13,992	4,508	Closed
Lobby Duct Painting	35,000	14,140	20,860	Closed
Security Gate System	120,200	70,723	49,477	Closed
Total Arena	368,700	203,271	165,429	
Grand Center				
Refinish DeVos Stage Floor	50,000		50,000	Delay to F/Y 05
Cyclorama for DeVos Stage House	12,000	4,528	7,472	Closed
Total Grand Center	62,000	4,528	57,472	
Grand Total Capital Improvements	430,700	207,798	222,902	

MANAGEMENT FEE SUMMARY

	Arena Estimate	Grand Center Estimate	Total Estimate	FY 2002 Act/Est
Net Revenue above Expenses	1,552,014	(245,335)	1,306,679	1,642,788
Benchmark	1,566,545	(359,972)	1,206,573	1,043,839
Excess	(14,531)	114,637	100,106	598,949

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	Grand Center Estimate	Total Estimate	FY 2002 Act/Est
Base Fee	227,475	227,475	454,950	450,000
Incentive Fee				
Revenue	4,680,072	2,091,554	6,771,626	6,993,519
Benchmark Revenue	4,367,910	1,991,859	6,359,769	5,969,444
Revenue Excess	312,162	99,695	411,857	1,024,075
Incentive Fee **	62,432	19,939	82,371	206,019
Total SMG Management Fee	289,907	247,414	537,321	656,019

** 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**

INTERIM FINANCIAL STATEMENTS

Ten Months Ended April 30, 2003



ACCOUNTANTS' REPORT

To the Board of Directors
Grand Rapids - Kent County Convention / Arena Authority
Grand Rapids, Michigan

We have compiled the accompanying statements of net assets and cash receipts and disbursements - budget to actual for the operating account and construction accounts of the Grand Rapids - Kent County Convention / Arena Authority for the ten months ended April 30, 2003, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. These statements do not include the cash receipts and disbursements of the Van Andel Arena and Grand Center which are operated by the Authority. The financial statements presented have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's cash receipts and disbursements. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Beene Garter LLP

May 6, 2003
Grand Rapids, Michigan

BEENE GARTER LLP
50 MONROE NW
SUITE 600
GRAND RAPIDS
MICHIGAN
49503-2679

BUSINESS ADVISORS ► CPAs ► FINANCIAL SERVICES
INTERNATIONALLY KNOWN AS MOORE STEPHENS BEENE GARTER PLC

T 616.235.5200
F 616.235.5285
1.800.824.7882
www.beenegarter.com

INTERIM FINANCIAL STATEMENTS

Statement A

GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY

Statement of Net Assets

April 30, 2003

ASSETS

Current Assets:

	CONSTRUCTION	OPERATING	TOTAL
Cash and Equivalents - Authority	\$ 44,818,838	\$ 1,614,227	\$ 46,433,065
Cash and Equivalents - Facility	-	3,620,013	3,620,013
Receivables, Net	-	1,232,040	1,232,040
Prepaid Expenses	-	117,750	117,750
Contract Rights	-	5,737	5,737
Total Current Assets	44,818,838	6,589,767	51,408,605

Noncurrent Assets:

Capital Assets:

Construction in Progress	56,229,162	3,507	56,232,669
Total Noncurrent Assets	56,229,162	3,507	56,232,669

TOTAL ASSETS

101,048,000	6,593,274	107,641,274
--------------------	------------------	--------------------

LIABILITIES

Current Liabilities:

Accounts Payable	-	643,033	643,033
Accrued Expenses	-	418,296	418,296
Advance Ticket Sales	-	1,079,206	1,079,206
Advance Deposits	-	202,952	202,952
Deferred Facility Income	-	441,506	441,506
TOTAL LIABILITIES	-	2,784,993	2,784,993

NET ASSETS

Invested in Capital Assets	56,229,162	3,507	56,232,669
Fund Balance	44,818,838	3,804,774	48,623,612
TOTAL NET ASSETS	\$ 101,048,000	\$ 3,808,281	\$ 104,856,281



Statement B

GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY Statement of Cash Receipts and Disbursements - Budget to Actual (Operations) From July 1, 2002 to April 30, 2003

	OPERATING ACCOUNT			
	Facilities Operations		Capital Replacement	
	Budget	Actual	Budget	Actual
RECEIPTS				
Facility Operations	\$ 2,170,975	\$ 1,668,275	\$ -	\$ -
Land Lease	107,772	330,669	-	-
Interest on Investments	34,880	16,923	25,120	9,938
Capital Replacement Reserve Transfer	184,418	-	(184,418)	-
Miscellaneous Revenue	-	6,007	-	-
TOTAL RECEIPTS	2,498,045	2,021,873	(159,298)	9,938
DISBURSEMENTS				
Accounting / Auditing Services	25,635	15,700	-	-
Insurance - Property and Liability	33,050	3,999	-	-
Legal Services	33,550	24,302	-	-
Other Contractual Services	43,000	36,984	-	-
Facility Management Fees	-	224,228	-	-
Meeting Expense	890	579	-	-
Supplies	1,350	221	-	-
Transfer to Construction Account	1,000,000	1,000,000	-	-
Sub-total Service Disbursements	1,137,475	1,306,013	-	-
Electricity	727,000	601,750	-	-
Steam	471,000	439,201	-	-
Water and Sewer	92,800	57,089	-	-
Sub-total Utility Disbursements	1,290,800	1,098,040	-	-
Building Additions and Improvements	-	-	380,200	-
Facility Equipment Acquisition	-	-	50,500	-
Sub-total Capital Disbursements	-	-	430,700	-
Employee Wages	52,240	42,000	-	-
Employee Benefits	17,530	13,546	-	-
Sub-total Payroll Disbursements	69,770	55,546	-	-
TOTAL DISBURSEMENTS	2,498,045	2,459,599	430,700	-
Excess / (Deficit) of Funds	\$ -	\$ (437,726)	\$ (589,998)	\$ 9,938
Total Net Assets - Beginning of Year	3,000,000	2,418,567	1,236,069	1,817,502
Total Net Assets - End of Period	\$ 3,000,000	\$ 1,980,841	\$ 646,071	\$ 1,827,440
	See Comments 1 and 2		See Comments 1 and 2	

Comment 1: Facilities Operations and Capital Replacement budgets were approved by the GR-KC Convention / Arena Authority at its regularly scheduled meeting on June 26, 2002.

Comment 2: Facilities Operations and Capital Replacement columns include receipts and disbursements processed by the C/AA. SMG receipts and disbursements are reported separately in the Van Andel Arena and Grand Center financial statements prepared by SMG.

See accountants' report

Statement C

GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY Statement of Cash Receipts and Disbursements - Budget to Actual (Construction) From July 1, 2002 to April 30, 2003

	CONSTRUCTION ACCOUNT			
	Monroe Ave Relocation Budget	Actual	Convention Center Construction Budget	Actual
RECEIPTS				
State of Michigan	\$ -	\$ -	\$ 2,138,974	\$ -
City / County Bldg Authority Capital Contrib.	3,071,036	14,574	52,381,302	56,050,426
Transfer from Operating Fund	-	-	1,000,000	1,000,000
Interest on Investments	55,000	44,358	698,455	680,487
TOTAL RECEIPTS	3,126,036	58,932	56,218,731	57,730,912
DISBURSEMENTS				
Architectural and Engineering Services	1,744,046	-	4,000,000	2,067,716
Construction Material Testing	-	-	600,000	262,419
Construction - GMP Contractor	1,133,925	14,560	47,063,549	52,871,271
Sub-total Contractor Disbursements	2,877,971	14,560	51,663,549	55,201,406
Insurance - Property / Liability	-	-	53,338	77,660
Legal Services	10,000	202	10,000	6,207
Owner's Representatives	-	-	270,870	225,353
Other Contractual Services	238,065	-	4,215,724	524,731
Sub-total Service Disbursements	248,065	202	4,549,932	833,951
Advertising / Promotion / Publicity	-	-	2,500	-
Supplies	-	-	500	-
Postage / Express	-	-	150	-
Telephone	-	-	2,100	1,797
Sub-total Supplies Disbursements	-	-	5,250	1,797
TOTAL DISBURSEMENTS	3,126,036	14,762	56,218,731	56,037,154
Excess / (Deficit) of Funds	\$ -	\$ 44,170	\$ -	\$ 1,693,758
Total Net Assets - Beginning of Year	9,206,790	9,206,790	90,103,282	90,103,282
Total Net Assets - End of Period	\$ 9,206,790	\$ 9,250,960	\$ 90,103,282	\$ 91,797,040
	See Comment		See Comment	

Comment: Convention Center Construction budget was approved by the Grand Rapids - Kent County Convention / Arena Authority at its regularly scheduled meeting on June 26, 2002.



**FISCAL SERVICES DEPARTMENT
MEMORANDUM**

TO: Steve Heacock
Chair Convention/Arena Authority

FROM: Robert White *RW*
Fiscal Services Director

SUBJECT: Directors and Officers Insurance Coverage
"Additional Coverage"

DATE: May 8, 2003

On April 17th, the Finance Committee of the Convention/Arena Authority was presented with a recommended renewal of the directors and officers liability insurance, policy. Prior policies included a \$10 million coverage limit. Continuing coverage, under this policy limitation, was solicited by the County Risk Management Office. One renewal policy with a \$7 million limitation was received. This policy renewal was reviewed and previously approved by the Finance Committee.

Attached you will find a recent communication (April 25, 2003) from the representative of Arthur J. Gallagher to the attention of Phil VanDyke (County Risk Manager). This communication includes a quotation, for the remaining \$3 million excess coverage, which would bring total combined policy limits to the original \$10 million, as originally solicited by the Convention/ Arena Authority. This policy was quoted at \$6,000 plus 2.5% surplus line tax and possibly a State fee (\$100). After conferring with the County's Risk Manager and the Chair of the CAA Finance Committee, I did commit on behalf of the Authority to this policy.

I will submit the attached material to the Finance Committee of the Convention/Arena Authority at its meeting of May 15th, for formal approval. I will be available if there are any questions concerning this memo.

**ARTHUR J. GALLAGHER & CO. OF MICHIGAN, INC.**

IMPORTANT MESSAGE: THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH THIS IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL, AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. IF THE READER IS NOT THE INTENDED RECIPIENT OR THE EMPLOYEE OR AGENT RESPONSIBLE FOR DELIVERING THIS MESSAGE TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US BY TELEPHONE AND RETURN THE ORIGINAL COMMUNICATION TO US AT THE ADDRESS SHOWN TO THE LEFT VIA THE UNITED STATES POSTAL SERVICE. THANK YOU.

Date: Friday, April 25, 2003
To: Phil Van Dyke
County of Kent
Fax # (616)336-3598
From: Patricia E. Klatt, CISR
(616) 233-0916
Pages being transmitted (incl. cover page): 5

Message / Comments:

Re: County of Kent
D & O Excess Liability Quote

Dear Phil:

Believe it or not, we were able to get you a quote for Excess D & O coverage over your current \$7,000,000 limit. The coverage is quoted through Royal Surplus Lines Insurance Company which is a non-admitted carrier with an A- Best Rating. The premium indication is subject to the acceptable completion of various items found at the end of the following proposal.

The premium indication is \$6,000 plus 2.5% surplus lines tax and possibly a state fee. I could not find out today if there would be a fee or not. Typically fees run around \$100 or so.

Please take a minute to look over the following and let us know your thoughts. I am also faxing you an "Authorization to Bind" form. We will need to get back to the carrier ASAP on whether or not we want the coverage. Thanking you in advance for your prompt response.

Grand Rapids-Kent County Convention/Arena Authority

EXCESS DIRECTORS' & OFFICERS' LIABILITY CLAIMS-MADE

Policy Period:	04/25/03 to 04/25/04
Company:	Royal Surplus Lines Insurance Company
A.M. Best's Rating (Edition Date):	A-
Admitted/Non-admitted:	Non-Admitted
Limits:	\$3,000,000 In Excess of \$7,000,000
Insuring Agreements:	
Coverage A	<ul style="list-style-type: none">• Directors' & Officers' Liability• Pay on behalf of the Directors & Officers for losses arising from any claim by reason of any wrongful act
Coverage B	<ul style="list-style-type: none">• Corporate Reimbursement• Pay on behalf of the company for losses arising from any claim by reason of any wrongful act, but only when the company is required or permitted to indemnify the Directors & Officers
Retentions:	\$0 Each director or officer, subject to \$0 Aggregate \$0 Corporate Reimbursement
Coverage:	<ul style="list-style-type: none">• Defense Costs included in Limits of Liability• Worldwide Coverage Territory
Endorsements:	<ul style="list-style-type: none">• Nuclear Energy Liability Exclusion• Pending and Prior Litigation Exclusion• Employment Practices Endorsement• Marital Estate Exclusion• Securities Activities Exclusion• Spousal Liability Coverage• Outside Directorship Endorsement (Charitable)

Grand Rapids-Kent County Convention/Arena Authority

- Service Of Suit Clause
- Schedule of Underlying
- Renewal Wording Exclusion
- Excess Policy Endorsement
- Captive Insurance Company Exclusion (can be deleted subject to a warranty letter stating the Insured does not now or intends to form in the near future a captive)
- Commissions Exclusion (can be deleted subject to completion of a Payments/Commissions Questionnaire)

Indication:

\$6,000 Plus 2.5% tax

Quote Subject To:

1. Acceptable completed, signed and dated original Royal Non-profit Application
2. Copy of underlying binder
3. Complete copy of the underlying policy once available



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The Grand Rapids Press

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Consumers Energy Company

Fred Shell
DTE Energy

Daniel W. Terpsma
Standard Federal Bank

March 14, 2003

Mayor John J. Logie, Chairman
Convention-Arena Authority
Warner Norcross and Judd
111 Lyon NW
Grand Rapids, MI. 49503

Re: Heartside Parking Study

Dear Mayor Logie:

I have helped to spearhead a public-private partnership to examine parking, transportation and access issues in the Heartside neighborhood. In fact, various city staff and in particular, Ms. Pam Ritsema have been valuable contributors to advancing the process to where we are currently.

I am requesting that the Authority help fund the initiative in the amount of \$50,000 and to assist your deliberations, enclosed you will find information describing our tasks. I am forwarding this letter of request and the attachments to you based upon a conversation with the Authority staff. If necessary, I will be happy to meet with you, the staff or the Authority to advance the parking/transportation project and the funding request.

Please do not hesitate to contact me if I can be of any further assistance and I look forward to your response by the end of the month.

Sincerely,


Rick Chapla
Vice President, Urban Redevelopment

HEARTSIDE PARKING AND ACCESS ANALYSIS

March 2003

The View Today....

Development pressures south of Fulton to Wealthy and from Prospect to the US 131 expressway on the west (generally known as the Heartside Neighborhood--see the attached map) caused several meetings during 2002 to discuss what to do if anything about the land use changes underway.

Participants (the Stakeholders) in these meetings organized by the Heartside Business Association and The Right Place, Inc. included representatives from health care (St. Mary's and Mary Free Bed), education (Catholic Secondary Schools, Western Michigan University), entertainment and services (ranging from The Sierra Room to Design +), residential (Dwelling Place) and developers like Rockford Construction. Public officials too, participated in these meetings including staff from the Parking Commission, the Downtown Development Authority, City Planning and the Convention/Arena Authority.

Without exception, all participants agreed that building re-use and new construction infill of vacant properties was a positive activity. Furthermore, all agreed that these positive economic development trends should continue and be encouraged.

However, all parties also agreed that development activities would be accompanied by new automobile parking demands and conflicts unable to be met with existing on and off-street facilities. Somebody had to do something!

What We Decided To Do-Hire a Consultant....

We wrote a "problem statement" and developed a "Request for Proposals" and solicited work proposals from recognized parking consultants. Three companies responded two of which were interviewed and a final selection underway. Assuming public and private funding commitments can be secured in the next 30 days, a contract with Walker Parking Consultants will be authorized by the Grand Rapids City Commission. Attached is the proposed work scope will be completed this year for a cost of approximately \$140,000.

Work Products to Be Provided....

*An inventory and several mapping products will be generated of all public and private parking facilities.

*Stakeholder survey information and analysis relative to parking problems, needs and demands and opportunities.

*Strategies, recommendations, alternatives for parking and transportation improvements based upon:

- An analysis of the current and future parking and transportation demand management conditions in the study area.

- Identification of current parking “problem spots” and strategies and methods for minimizing or eliminating conflicts.
- An analysis of potential land use infill and its impact on access, parking and transportation options.
- Plan options identifying how much parking might be needed where it could be located and when it might need to be available during the next five years.
- Identification of alternative ways to better utilize and provide access to existing parking and transportation systems.
- Identification of options to guide decision-makers for cost effective decisions about current and future transportation and parking needs in the study area.

Because of the size of the Heartside study area, at least 4 subzones of analysis information will be provided in an attempt to match solutions and recommendations to specific geographic problem areas. The participating stakeholders will make the determination of these areas.

What Do We Need From You?....

As a stakeholder, we need you to continue your involvement throughout the consultant work preparation process. This means that you or a representative of your company or institution will be asked to attend periodic progress meetings and provide guidance to the consultant team.

You will be asked to provide information about parking problems, current and future needs. The consultants will ask you for information or existing reports that might be useful to the analysis and recommendation process. We hope you will provide copies of pertinent information or make it available so that it can be copied.

You will be asked to provide reasonable access to your property and parking facilities so that the consultants can determine the number of parking spaces, their utilization and options for improvement. To the fullest extent possible, this activity will be performed using existing data and aerial mapping, but some inspections and site visits will be necessary.

We need your financial support. This public and private parking analysis collaboration will not occur if stakeholder funding is not secured. The City will enter into a contract with Walker Parking Consultants for the full amount of the study and manage payments to the consultant. As the City is billed for completed work, the City will bill the stakeholders and funders of the project for a proportionate share of the contract based upon a letter of intent from each of the funders. Therefore, a letter of intent committing your funding contribution for this project will need to be executed.

Finally, we will need your long-term commitment and assistance in implementing the strategies, actions and recommendations of the parking report. The task is too big for one entity alone to tackle, but together as this public-private partnership unfolds we all can benefit while minimizing our financial cost.

The View of Tomorrow....

Heartside has become “the place” where hundreds of new residents call the neighborhood “their home.” Regional health care and educational institutions provide the bulk of employment opportunities and the majority of those workers walk to work. Increasingly, surface parking lots are transformed into new institutional, educational, commercial and residential building sites. The “Rapid” transit authority provides 24/7 services that too, limits the need for wasteful and expensive surface parking. The City Parking Authority, utilizing sophisticated computer software manages all public and private parking facilities maximizing and matching all available spaces to that needed by the visitors to the neighborhood. The neighborhood thrives.....

Heartside Study-Tentative Approval Timeline

1. Obtain formal financial commitment from stakeholders.	Target Date: April 1, 2003
2. Seek approval from Parking Commission to recommend Walker Parking Consultants as the preferred consultant for the Heartside Parking Study after successful financial commitments from stakeholders have been obtained.	Target Date: April 10, 2003
3. Seek approval from the City Commission of a resolution to enter into a contract with Walker Parking Consultants, and to enter into legally binding Letter of Intent that details financial commitments from the stakeholders.	Target Date: April 21, 2003
4. Gather all financial commitment signatures, Walker Parking Consultant's signature, and submit packet to the Mayor for his signature.	Target Date: May 12, 2003.
5. Distribute signed agreements.	Target Date: May 19, 2003
6. Give Walker the go-ahead to begin the study.	Target Date: May 19, 2003.

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

**RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION
OF DEVOS PLACE LOGO AGREEMENT WITH HANON MCKENDRY,
INC.**

Boardmember _____, supported by Boardmember _____, moved
the adoption of the following resolution:

WHEREAS, the Grand Rapids-Kent County Convention/Arena Authority (the "CAA")
contracted with Hanon McKendry, Inc. ("HMI") to create a logo for DeVos Place; and

WHEREAS, the Board of the CAA previously on February 26, 2003, approved a logo
developed and created by HMI (the "DeVos Place Logo"); and

WHEREAS, the CAA and HMI have set forth in a DeVos Place Logo Agreement (the
"Agreement") the rights of ownership and use of the DeVos Place Logo; and

WHEREAS, the CAA Board desires to approve and authorize the Agreement in the form
presented at this meeting.

RESOLVED:

1. That the Agreement is hereby approved and the Chairperson of the CAA is
authorized and directed to sign the Agreement for and on behalf of the CAA.

2. That all resolutions, parts of resolutions, policies or guidelines 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 _____

RESOLUTION DECLARED ADOPTED.

Dated: May 28, 2003

Susan M. Waddell
Administrative Manager/Recording Secretary

CERTIFICATION

I, the 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 regular meeting held on May 28, 2003, 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: May 28, 2003

Susan M. Waddell
Administrative Manager/Recording Secretary

DEVOS PLACE LOGO AGREEMENT

THIS DEVOS PLACE LOGO AGREEMENT (the "Agreement") made and entered into this _____, 2003, by and between the **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY**, a Michigan statutory authority created pursuant to Act 203 of the Public Acts of Michigan of 1999 (the "CAA") and **HANON MCKENDRY, INC.**, a Michigan corporation ("HMI").

RECITALS

A. The CAA contracted with HMI to create a logo for DeVos Place, the newly renovated, constructed and expanded convention center (including DeVos Hall) owned by the CAA.

B. Representatives of HMI engaged in a development process with a steering committee comprised of representatives of the CAA and others to create a logo for DeVos Place.

C. The steering committee recommended a logo for DeVos Place as depicted on the attached Exhibit A (the "DeVos Place Logo") to the CAA Operations Committee who in turn recommended the DeVos Place Logo to the CAA Board of Directors who approved the DeVos Place Logo on February 26, 2003.

D. The CAA and HMI desire to set forth in this Agreement the rights of ownership and use of the DeVos Place Logo.

NOW, THEREFORE, the CAA and HMI agree as follows:

1. The CAA has sole and exclusive ownership of the DeVos Place Logo and the exclusive right to use, to grant to others the use of, or sell or otherwise transfer an interest in the DeVos Place Logo. Such ownership and rights of the CAA shall be perpetual.
2. HMI acknowledges that it has been compensated for its work in the development and creation of the DeVos Place Logo and that it has no right of ownership or use of the DeVos Place Logo, including, but not limited to, any right to use, to grant to others the right to use, sell or otherwise transfer any interest therein. Whatever rights HMI had, has, or may have in the DeVos Place Logo is hereby irrevocably transferred to the CAA in consideration for the payment it received for the Logo's development and creation.
3. The CAA may register the DeVos Place Logo as a servicemark or trademark or undertake any other registration or filing to protect its ownership and use rights.
4. This Agreement shall bind the parties and their respective successors and assigns.
5. This Agreement shall be construed in all respects in accordance with the laws of the State of Michigan.

6. This Agreement constitutes the entire agreement between the parties and there are no other representations, promises or agreements, oral or written, expressed or implied, between the parties hereto with respect to this Agreement.

7. This Agreement may not be amended, changed, modified, altered, assigned or terminated without the written consent of both the CAA and HMI.

IN WITNESS WHEREOF, the CAA and HMI have caused these presents to be signed as of the date and year first written above.

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

By: _____
John H. Logie, Chairman

HANON MCKENDRY, INC.

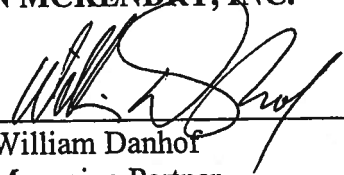
By:  _____
William Danhof
Managing Partner

EXHIBIT A

DEVOS PLACE LOGO

DEVOS PLACE

VAN ANDEL ARENA® WEEKLY

Item VIII

DATE	EVENT	EC	ROOM	TIME	FUNCTION
Wed, May 21	Griffins vs Houston	AH	Arena	6:00 PM 7P-9:30P	Doors Hockey playoff game
Thur, May 22	Griffins vs Houston	MS	Arena	6:00 PM 7P-9:30P	Doors Possible hockey playoff game
Fri, May 23	Tim McGraw	AH	Arena	9:00 AM 2:00 PM 6:30 PM 8P-9:15P 9:15P-9:35P 9:35P-11P 10:30 PM	Load-in Chair set Doors Band's first set Intermission Band's second set Load-out
Sat, May 24	Matchbox twenty	MS	Arena	9:00 AM 1:00 PM 4:00 PM 6:00 PM 7P-7:25P 7:25P-7:40P 7:40P-8:25P 8:25P-8:50P 8:50P-10:45P 10:00 PM	Load-in Chair set Sound check Doors open Maroon 5 Intermission Sugar Ray Intermission Matchbox 20 Load-out
Sun, May 25	Rampage	AH	Arena	2:00 PM 3P-5:30P	Doors Playoff football game
Mon, May 26	Memorial Day Holiday				
Tue, May 27	Available				
Wed, May 28	Available				
Thur, May 29	Available				
Fri, May 30	Available				
Sat, May 31	Available				
Sun, Jun 1	Available				
Mon, Jun 2	Available				
Tue, Jun 3	Davenport University	MS	Arena	7:00 PM	Commencement Ceremony
Wed, Jun 4	Available				
Thur, Jun 5	Quixtar	MS	Arena	8A-10P	Load-in
Fri, Jun 6	Quixtar	MS	Arena	8A-8P 2:00 PM	Load-in continued Chair set
Sat, Jun 7	Quixtar	MS	Arena	9:00 AM 5:00 PM 7P-10:45P 10:30 PM	Rehearsals Doors Show Load-out
Sun, Jun 8	Available				
Mon, Jun 9	Available				
Tue, Jun 10	Available				
Wed, Jun 11	Journey/Styx/REO	MS	Arena	7:00 PM	Performance
Thur, Jun 12	Available				
Fri, Jun 13	Available				
Sat, Jun 14	Fleetwood Mac	AH	Arena	8:00 PM	Performance
Sun, Jun 15	Available				
Mon, Jun 16	Available				
Tue, Jun 17	Available				
Wed, Jun 18	Available				
Thur, Jun 19	Available				
Fri, Jun 20	Available				
Sat, Jun 21	Available				
Sun, Jun 22	Available				

GRAND CENTER WEEKLY - YEAR 2003

DATE	EVENT	ROOM	TIME	FUNCTION	EC	OPERATIONS/CONSTRUCTION
TUES. MAY 20	RIVERDANCE - BTG	DV,B/L	8A-5P 7:30P-10P	MOVE IN CONTINUED PERFORMANCE	ST	AC MOVE OUT OF WH, WA AND OFFICE
WED. MAY 21	RIVERDANCE - BTG	DV,B/L	7:30P-10P	PERFORMANCE	ST	AC MOVE OUT OF WH, WA AND OFFICE
THURS. MAY 22	RIVERDANCE - BTG	DV,B/L	7:30P-10P	PERFORMANCE	ST	AC MOVE OUT OF WH, WA AND OFFICE
FRI. MAY 23	RIVERDANCE - BTG	DV,B/L	8P-10:30P	PERFORMANCE	ST	AC MOVE OUT OF WH, WA AND OFFICE
SAT. MAY 24	RIVERDANCE - BTG	DV,B/L	2P-4:30P 8P-10:30P	PERFORMANCE PERFORMANCE	ST	AC MOVE OUT OF WH, WA AND OFFICE
SUN. MAY 25	RIVERDANCE - BTG	DV,B/L	1P-3:30P 6P-8:30P 8:30P-12:30A	PERFORMANCE PERFORMANCE MOVE OUT	ST	
MON. MAY 26						
TUES. MAY 27	GR CVB ANNUAL MEETING	W/A	3:15P 4P-5P	CLIENT ARRIVES MEETING	MF	
WED. MAY 28	MI CREDIT UNION	GH/	NOON-5P	MOVE IN	MF	
THURS. MAY 29	MI CREDIT UNION	GH,	7A-1P 1P-1:45P 2P-5P 5P-6:30P NOON-4P	VENDOR MOVE IN VENDOR APPRECIATION EXHIBITS GENERAL ATTENDANCE MOVE IN/IA CALL	MF	
FRI. MAY 30	MI CREDIT UNION	W/A GH/	9A-10:15A 3P-5:30P 5:30P-8P 8P-9P 4P-8P	MEETING EXHIBITS VENDOR MOVE OUT CLIENT MOVE OUT REHEARSAL	MF	
SAT. MAY 31	MI CREDIT UNION	W/A GH/	9A 10A-11:30A 6:15P 7P-10:30P	IA CREW MEETING DOORS BANQUET	MF	
SUN. JUNE 1						
MON. JUNE 2	AMWAY CORPORATION	GH,EH/	8A-5P	MOVE IN	MF	
TUES. JUNE 3	AMWAY CORPORATION	GH,EH/	8A-5P	MOVE IN	MF	
WED. JUNE 4	AMWAY CORPORATION	GH,EH/	8A-5P	MOVE IN	MF	
THURS. JUNE 5	AMWAY CORPORATION	GH,EH/	8A-5P	MOVE IN	MF	
FRI. JUNE 6	AMWAY CORPORATION	GH,EH/	8A-6P	MOVE IN	MF	
SAT. JUNE 7	AMWAY CORPORATION	GH,EH/	9A-6P 6P-11P	SHOW MOVE OUT	MF	
SUN. JUNE 8						
MON. JUNE 9						
TUES. JUNE 10						
WED. JUNE 11						
THURS. JUNE 12						
FRI. JUNE 13	BODY, MIND, SPIRIT EXPO	1/3 GH/		MOVE IN	MF	
SAT. JUNE 14	BODY, MIND, SPIRIT EXPO	1/3 GH/		SHOW	MF	
SUN. JUNE 15	BODY, MIND, SPIRIT EXPO	1/3 GH/		SHOW MOVE OUT	MF	
MON. JUNE 16						
TUES. JUNE 17						
WED. JUNE 18	MI FIRE SERVICES EXPO	GH/	8A-8P	MOVE IN	JE	

GRAND CENTER WEEKLY - YEAR 2003

DATE	EVENT	ROOM	TIME	FUNCTION	EC	OPERATIONS/CONSTRUCTION
THURS. JUNE 19	MI FIRE SERVICES EXPO	GH/	8A-10A NOON-7P	SET UP EXHIBITS HAPPY HOUR	JE	
FRI. JUNE 20	MI FIRE SERVICES EXPO	GH/	10A-6P	EXHIBITS	JE	
SAT. JUNE 21	MI FIRE SERVICES EXPO	GH/	10A-6P 6P-9P	EXHIBITS MOVE OUT	JE	
SUN. JUNE 22						
MON. JUNE 23						
TUES. JUNE 24						
WED. JUNE 25						
THURS. JUNE 26	HOWARD AMWAY CONFERENCE	GH/	NOON-5P	MOVE IN	JE	
FRI. JUNE 27	HOWARD AMWAY CONFERENCE	GH/	12:30P-3P 7P 8P-MID	MEETING DOORS GENERAL SESSION	JE	
SAT. JUNE 28	HOWARD AMWAY CONFERENCE	GH/	9:30A-10:15A 10:30A-11:15A NOON 12:30P-5P 7P 7:30P-1A	MEETING MEETING DOORS GENERAL SESSION DOORS GENERAL SESSION	JE	
SUN. JUNE 29	HOWARD AMWAY CONFERENCE	GH/	8A-10A 11:30A NOON-4P 4P	WORSHIP SERVICE DOORS GENERAL SESSION MOVE OUT	JE	
MON. JUNE 30						

Scott Atchison

2251 South Saulk Trail #126

Grand Rapids, MI 49506

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The Walking Tour of Downtown Grand Rapids & City/County Directions/Information Booth

05/28/03

Grand Rapids/Kent County Convention and Arena Authority

7:30 AM Meeting - County Building- 300 Monroe Ave. NW

Re: City/County Directions/Information Booth
RECAP & UPDATE

Ask your self: What does Grand Rapids have that no other city has? At the end of this presentation, ask your self the same question.

Booth - 365 days a year - Information always being updated - "A DAILY PHILOSOPHY"

Location - Northwest corner of Rosa Parks Circles, Infront of McKay Tower

restaurant specials (Daily Menu Matrix - Day and Night DMM), actual copies of the menus so the visitors can see what the restaurants have to offer with prices \$\$\$, maps both walking and driving, walking tour in various languages (need to update walking tour to recently learning the Gillette bridge will be closed for 1 and ½ years), activities in the metropolitan area, Convention information, Taxi-cab stand information, will call for tickets and information packets for arena and convention happenings again 365 days a year

The middle size city that hardly ever sleep's

Questions:

Where is a pay-phone? Where is DeVos Hall? What time does the fireworks start? Why are all those people over there?

What is going on at The VanAndel tonight? Where is a good place to eat or get a drink? Where can I buy a _____ disposable camera? Where can we find some _____? Where is Calder Plaza? How do I get to the airport, the IRS building on Front street & _____? What is there to do today? My kids would like to _____? How do I get a taxi?

Video Camera to show what visitors and tourists (local residents too) are looking for and at: Now is not the time - only 3-5 minutes allocated

FUNDING

DDA Downtown Development Authority, CAA Convention and Arena Authority, City of Grand Rapids, Kent County (Hotel & Motel Tax - PA 263 of 1974), CVB Convention and Visitors Bureau and the Chamber of Commerce. \$250,000 a year - a 365 day a year operation

DDA to build the building and pay utilities, others to donate equal amounts to general Directions & Information Booth Fund (Quarterly Updates and Auditing of books)

I would like to help fill some of the vacant buildings (for lease) with assisting with free exposure.

Weather Beam - "If you are lost and/or need information in Grand Rapids, follow the Weather Beam to the City/County Directions & Information Booth."

Non-Political and Non-Partisan "RePubDeCrat" repubdecrat - I am here to help all - college educated, military veteran, computer literate, historian and ability to speak Spanish

What does Grand Rapids have that no other city has?

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**The Walking Tour of Downtown Grand Rapids &
City/County Directions/Information Booth**

Grand Rapids/Kent County

Convention and Arena Authority Members

Board of Directors

5/28/2003

