

Meeting of Board of Directors

Wednesday, May 25, 2005

* 8:00 a.m. – 9:30 a.m. *

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

A G E N D A

I. Call to Order

II. Approval of April 27, 2005 Minutes

Action

III. Opera Grand Rapids Presentation – John Peter Jeffries

Information

IV. Committee Reports

a. Operations Committee

**i. CAA Charity Event Recommendation
(to be available at meeting)**

Action

ii. CVB Update

b. Finance Committee

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

Action

**ii. Approval of CAA April 2005 Financial
Statements and Disbursements**

Action

**iii. Presentation of SMG Preliminary FY 2006
Operating Budgets - DeVos Place® and Van Andel Arena®**

Information

**iv. Presentation of CAA Preliminary FY 2006
Operating Budget**

Information

**v. Presentation of Proposed Parking Operation
and Maintenance Agreement - DeVos Place®**

Information

V. SMG Report and Facilities Calendars

Information

VI. Public Comment

VII. Next Meeting Date – June 22, 2005

VIII. Adjournment



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

Note New Meeting Time

DEVOS PLACE

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



MINUTES OF THE GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY BOARD OF DIRECTORS MEETING Wednesday, April 27, 2005

I. Call to Order

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

Attendance

Members Present: Steve Heacock, Chairman
Lew Chamberlin
George Heartwell
Birgit Klohs
Joseph Tomaselli

Members Absent: Clif Charles
Gary McInerney

Staff/Others:	David Czurak	<i>Grand Rapids Business Journal</i>
	Jim Day	Kent County
	Daryl Delabbio	Kent County
	George Helmstead	CVB
	Kurt Kimball	City of Grand Rapids
	Chris Knape	<i>The Grand Rapids Press</i>
	James Koslosky	Gerald R. Ford International Airport
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Steve Miller	SMG
	Susan Sherman	Gerald R. Ford International Airport
	Greg Sundstrom	City of Grand Rapids
	Susan Waddell	CAA
	Jana Wallace	City of Grand Rapids
	Jim Watt	SMG
	Richard Wendt	Dickinson Wright
	Robert White	Kent County
	Steve Wilson	CVB

II. Minutes of Prior Meetings

Motion: Mr. Heartwell, supported by Mr. Tomaselli, moved to approve the Minutes of the March 23, 2005, meeting of the Authority. Motion carried unanimously.

III. Airport Master Plan Update

James Koslosky, Director, and Susan Sherman, Marketing & Communications, of Gerald R. Ford International Airport (GRIA) attended the meeting to present the 2004 master plan update. GFIA, owned and operated by the Kent County Department of Aeronautics, became self-supporting in the 1970's through fees, rents, and charges. GFIA provides two air carrier runways, a general aviation runway,

associated taxiways, passenger terminal, fire rescue facility, maintenance facility, air cargo and trade center, and a Foreign Trade Zone. GFIA was one of the few airports in the nation to experience continued growth after September 11, 2001. The unanticipated requirements of new security measures resulted in capacity shortfalls in the terminal. The master plan was updated to take a comprehensive look at future requirements, including new security needs, and recent trends in the airline industry, and the impacts they have on all GFIA facilities.

Master plans promote a continuous planning process with vision and proactive planning, rather than reactive planning, while providing a logical development plan based on current and projected conditions. The master plan will provide a phased and flexible plan that is responsive to short-term and long-term needs. The plan is required to receive federal grant funding.

Components of the master plan included the study design and identification of issues; inventory; surveys and data collection; aviation forecasts; demand capacity and analysis; determination of facility requirements; development of alternatives and concepts; financial feasibility; environmental analysis; implementation plan for development; and the updating of airport layout plan documents.

Mr. Koslosky provided a brief history of the master plan process. The original master plan for the current Cascade site was completed in 1959. Thereafter, the master plan was updated in 1968, 1983, 1992, and 2004. Under a continuous planning process, master plans are reviewed and benchmarked against actual performance. Formal comprehensive master plan updates are completed every seven to ten years.

The master plan update recommends a series of projects to be implemented as the need arises. The three-runway airfield is sufficient to meet the 20-year capacity needs. The master plan update recommends continuing to preserve land on the north side of the airport for the future third air carrier runway. The terminal will be expanded to accommodate new checked-bag screening procedures. Ticketing, bag claim, and concourses will be expanded to meet future growth. A 3,000-space parking garage will be built in front of the terminal. The construction will be extremely disruptive and require shuttle service for about two years. Future air cargo expansion will occur on the east side of the airport. Older general aviation facilities will be redeveloped and expansion will occur along the north and east sides of the airfield.

IV. Committee Reports

Operations Committee

Mr. Chamberlin reported that Joyce Flowers has been hired as the CVB's sales director for the east side of the state. SMG is working on renewal of suites and premium seats. In February, SMG hired a new group sales manager who has had a significant impact on family shows and bringing groups to the arena. After the meeting, the Committee toured DeVos Place® and the building was in full operations. Committee members were able to see meeting rooms being used, set up and load out, and the buzz of human activity in public spaces.

Mr. Wilson reported that, for the first quarter of the year, the CVB was 102% of its goals. The CVB was able to book the American Coal Directors due to the cooperation of SMG and the Amway Grand Plaza to move existing events. The convention will attract 2,000 people and utilize 700 room nights. Mayor Heartwell introduced the CVB to the National Freewill Baptist Association that is looking to book in 2015. The marketing department has developed a new tradeshow lure piece titled "You'll Get Hooked." Both SMG and the CVB will be able to use the piece to market collaboratively. Mr. Helmstead reported that the CVB has 156 groups confirmed for DeVos Place with 57 tentatives on the books.

Finance Committee

The Finance Committee did not meet in April and staff presented the Finance Committee reports.

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

Motion: Mr. Chamberlin, supported by Ms. Klohs, moved to approve the SMG Financial Statements for DeVos Place® and the Van Andel Arena® for the period ended March 31, 2005. Motion carried unanimously.

- b. Approval of CAA Disbursements and Financial Statements

Motion: Ms. Klohs, supported by Mr. Tomaselli, moved to approve the CAA Disbursements and Financial Statements for the period ended March 31, 2005. Motion carried unanimously.

- c. Renewal of Director and Officers Insurance Policy

Motion: Ms. Klohs, supported by Mr. Tomaselli, moved to confirm the action of Chairman Steven Heacock to bind renewal of the directors and officers insurance coverage. Motion carried unanimously.

V. SMG Report

Facilities Calendar

Mr. MacKeigan reported that this summer at the Van Andel Arena® looks slow. The Arena will end the fiscal year with 25 concerts. Mr. Miller reported that the number events at DeVos Place® would exceed the budget. Upcoming events include the Muscular Dystrophy Black & Blue Ball; Merrill footwear meeting; a scrapbook convention; Dora the Explorer; Grease; and Les Miserables.

VI. Committee Appointments

Chairman Heacock announced that he has appointed two additional members to the Finance Committee. Michael P. Freed is Executive Vice President of Corporate Resources & Chief Financial Officer of Spectrum Health. David Hoogendoorn is Managing Partner of Ernest & Young LLP.

VII. Public Comment

None.

VIII. Next Meeting Date

The next CAA Board meeting is Wednesday, May 25, 2005.

IX. Adjournment

There being no other business, the meeting adjourned at 9:15 a.m.

Birgit M. Klohs, Recording Secretary

DEVOS PLACE

DE VOS PLACE

**FINANCIAL STATEMENT
FOR THE PERIOD ENDED APRIL 30, 2005**

Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Glen Mon

Hank Abate

Gary McAneney

John Szudzik

Richard MacKeigan

Chris Machuta




An SMG Managed Facility

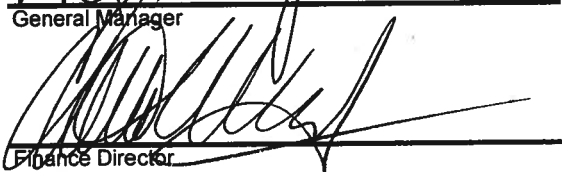
DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2005

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	409	59	468	376	92
ATTENDANCE	530,557	83,400	613,957	670,425	(56,468)
DIRECT EVENT REVENUE	1,732,569	217,526	1,950,095	1,987,844	(37,749)
ANCILLARY REVENUE	1,214,108	135,847	1,349,955	1,092,068	257,887
TOTAL EVENT REVENUE	2,946,677	353,373	3,300,050	3,079,912	220,138
TOTAL OTHER REVENUE	96,530	11,072	107,602	167,000	(59,398)
TOTAL OPERATING REVENUE	3,043,207	364,445	3,407,652	3,246,912	160,740
INDIRECT EXPENSES					
EXECUTIVE	95,731	23,614	119,345	127,132	7,787
FINANCE	177,517	32,501	210,018	201,022	(8,996)
MARKETING	43,283	10,986	54,269	61,260	6,991
OPERATIONS	704,419	215,028	919,447	1,000,395	80,948
EVENT SERVICES	629,934	196,981	826,915	884,638	57,723
BOX OFFICE	69,061	14,267	83,328	85,107	1,779
SALES	114,995	23,187	138,182	135,838	(2,344)
OVERHEAD	1,831,481	347,602	2,179,083	2,140,462	(38,621)
TOTAL OPERATING EXP.	3,666,421	864,166	4,530,587	4,635,854	105,267
NET REVENUE ABOVE EXPENSES	(623,215)	(499,721)	(1,122,935)	(1,388,942)	266,007
CAPITAL					
NET OPERATING REVENUE OVER OPERATING EXPENSES	(623,215)	(499,721)	(1,122,935)	(1,388,942)	266,007

Comments:

DeVos Place performed very consistent with budget for April, and continues to come in ahead of budget year to date. The calendar looks strong for the final two months of the fiscal year, and should allow Devos Place to finish well ahead of original budgeted numbers.


General Manager


Finance Director

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

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

MONTH	April Actual	April Budget	April FY 2004
Number of Events	66	48	50
Attendance	46,753	58,400	40,652
Direct Event Income	\$194,989	\$226,321	\$189,500
Ancillary Income	193,001	158,411	115,906
Other Income	16,303	13,917	13,044
Indirect Expenses	(372,678)	(382,462)	(408,660)
Net Income	<u>\$31,615</u>	<u>\$16,187</u>	<u>(\$90,210)</u>

YTD	YTD 2005 Actual	YTD 2005 Budget	YTD 2004 Prior Year
Number of Events	409	317	303
Attendance	530,557	587,025	498,721
Direct Event Income	\$1,732,569	\$1,770,318	\$1,394,994
Ancillary Income	1,214,108	956,221	769,408
Other Income	96,530	139,170	99,860
Indirect Expenses	(3,666,422)	(3,941,420)	(3,000,645)
Net Income	<u>(\$623,215)</u>	<u>(\$1,075,711)</u>	<u>(\$736,384)</u>

EVENT INCOME

Direct event income came in under budget during the month, however, consistent with the revised forecast.

ANCILLARY INCOME

Ancillary income continues to come in higher than budget, and April was no exception. Catering and Audio Visual income were very strong for the month, however, consistent with the revised forecast.

INDIRECT EXPENSES

Indirect expenses were consistent overall with budget. Personnel expenses came in higher, however, were offset by the savings in utilities for the month.

SMG DeVos Place
Year to Date Event Summary Report
For Month Ended April 30, 2005

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	108	90	100,755	111,850	1,062,440	928,499
Consumer/Gated Shows	54	55	209,198	251,850	903,752	907,926
Devos Performance Hall	121	122	154,052	175,200	556,900	544,818
Ballroom Exclusive	17	15	8,673	7,500	31,102	126,525
Other	109	35	57,879	4,740,625	422,284	218,771
GRAND TOTALS	409	317	530,557	5,287,025	2,976,478	2,726,539

As Percentage of Overall

Convention/Trade Shows	26.41%	28.39%	18.99%	2.12%	35.69%	34.05%
Consumer/Gated Shows	13.20%	17.35%	39.43%	4.76%	30.36%	33.30%
Devos Performance Hall	29.58%	38.49%	29.04%	3.31%	18.71%	19.98%
Ballroom Exclusive	4.16%	4.73%	1.63%	0.14%	1.04%	4.64%
Other	26.65%	11.04%	10.91%	89.67%	14.19%	8.02%

DE VOS PLACE
FACILITY STATEMENT OF INCOME
PERIOD ENDING 04/30/05

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

DIRECT EVENT INCOME						
RENTAL INCOME	207,587	217,825	177,650	1,717,830	1,679,796	1,322,425
SERVICES INCOME	<12,598>	8,496	11,850	14,739	90,522	72,568
TOTAL DIRECT EVENT INCOME	194,989	226,321	189,500	1,732,569	1,770,318	1,394,994
ANCILLARY INCOME						

FOOD & BEVERAGE	62,458	31,320	21,022	391,484	318,834	225,528
NOVELTY	288	2,750	4,361	5,211	13,100	16,034
ELECTRICAL	41,778	64,706	50,364	298,088	301,253	240,052
OTHER ANCILLARY	88,477	59,635	40,159	519,324	323,034	287,794
TOTAL ANCILLARY INCOME	193,001	158,411	115,906	1,214,108	956,221	769,408
TOTAL EVENT INCOME	387,990	384,732	305,406	2,946,677	2,726,539	2,164,402
OTHER OPERATING INCOME	16,303	13,917	13,044	96,530	139,170	99,860
ADJUSTED GROSS INCOME	404,293	398,649	318,450	3,043,207	2,865,709	2,264,262
INDIRECT EXPENSES						
EXECUTIVE	9,604	10,596	10,594	95,731	105,960	109,878
FINANCE	24,562	16,752	18,493	177,517	167,520	141,769
MARKETING	4,071	5,104	4,686	43,283	51,040	41,799
OPERATIONS	94,002	85,074	96,225	704,419	835,240	520,261
EVENT MANAGEMENT	79,420	73,470	106,261	629,934	737,700	503,382
BOX OFFICE	8,740	7,093	7,508	69,061	70,930	61,198
SALES	13,333	11,321	13,122	114,995	113,210	123,469
OVERHEAD	138,945	173,052	151,771	1,831,481	1,859,820	1,498,890
INDIRECT EXPENSES	372,678	382,462	408,660	3,666,422	3,941,420	3,000,645
NET OPERATING INCOME	31,615	16,187	<90,210>	<623,215>	<1,075,711>	<736,384>
OTHER EXPENSES						
NET INCOME (LOSS)	31,615	16,187	<90,210>	<623,215>	<1,075,711>	<736,384>
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DE VOS PLACE
STATEMENT OF SERVICES INCOME
PERIOD ENDING 04/30/05

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	1,246	0	9,538	8,893	0	42,846
Changeover Setup Billed	795	0	58	9,797	0	8,701
Stagehands Billed	127,254	121,200	68,605	735,854	568,615	676,698
Security Billed	18,166	7,995	14,295	144,608	79,815	92,985
Ushers & Tix Takers Billed	12,844	12,100	13,314	106,995	95,225	108,954
Box Office Billed	1,633	1,800	1,400	14,133	14,200	15,700
Ticketing Service Billed	6,653	13,175	21,266	117,418	123,275	168,260
Utilities Billed	0	0	0	0	0	1,575
City Police Fire Billed	1,435	0	2,678	24,942	7,780	21,362
Traffic Control Billed	126	0	4,154	20,861	23,200	31,504
EMT Medical Billed	2,325	1,750	2,988	24,988	20,163	24,860
Cleaning Billed	0	0	50	3,562	0	3,145
Insurance Billed	319	0	75	5,259	0	1,178
Group Sales Commissions Billed	84	0	0	84	0	0
Telephone Billed	6,000	975	5,665	52,205	5,600	29,705
Damages Billed	0	0	0	350	0	2,976
Other Production Billed	1,721	0	3,584	46,945	0	30,556
TOTAL SERVICE INCOME	180,600	158,995	147,669	1,316,892	937,873	1,261,005
Advertising Expense	1,246	0	9,538	9,019	0	41,267
Contracted Changeover Setup Expense	0	0	0	0	0	1,274
Allocated Changeover & Setup Expense	0	0	0	0	0	4,284
Stagehand Wages	117,129	117,564	67,807	674,643	551,557	656,577
Security Wages	0	7,995	0	0	79,815	0
Contracted Security Expense	17,570	0	12,885	134,992	0	87,604
Ushers & T/T Wages	8,991	8,470	9,320	74,896	66,658	75,776
Ticket Sellers Wages	749	1,850	1,244	14,960	11,450	15,260
Ticket Service Charge Expense	2,921	5,270	8,447	28,934	48,673	50,042
Ticket Supplies	0	0	0	5,481	0	0
City Police Fire Expense	1,435	0	2,678	24,880	3,230	21,362
Traffic Control Expense	325	0	4,789	28,747	24,300	36,013
EMT Medical Expense	2,011	1,700	2,625	20,586	19,963	19,268
Production Materials	0	0	0	0	0	492
Cleaning Wages	0	7,650	0	0	41,705	14,146
Contracted Cleaning Expense	36,583	0	12,236	211,049	0	122,625
Contracted Exhibit Expense	0	0	0	0	0	6,000
Insurance Expense	262	0	75	4,127	0	1,283
Allocated Telephone Expense	1,500	0	1,416	13,044	0	7,446
Damage Expense	0	0	0	0	0	2,875
Production Expense	2,477	0	2,761	56,795	0	24,844
TOTAL SERVICE EXPENSE	193,198	150,499	135,819	1,302,153	847,351	1,188,437
NET SERVICE INCOME	<12,598>	8,496	11,850	14,739	90,522	72,568
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DE VOS PLACE
STATEMENT OF FINANCIAL POSITION
PERIOD ENDING 04/30/05

ASSETS

CURRENT ASSETS

CASH	1,942,339
ACCOUNTS RECEIVABLE	1,057,323
PREPAID EXPENSES	62,541

TOTAL CURRENT ASSETS	3,062,203
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FIXED ASSETS

TOTAL ASSETS	3,062,203
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LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	389,196
ACCRUED EXPENSES	91,635
DEFERRED INCOME	13,477
ADVANCED TIX SALES & DEPOSITS	927,082

TOTAL CURRENT LIABILITIES	1,421,390
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EQUITY

FUNDS REMITTED	<350,000>
FUNDING RECEIVED	1,377,761
RETAINED EARNINGS	1,236,267
NET INCOME (LOSS)	<623,215>

TOTAL EQUITY	1,640,813
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TOTAL LIABILITIES & EQUITY	3,062,203
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SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
Month Ended April 30, 2005

Current - Under 30 Days	
Food & Beverage	123,739
Ticketing	58,831
Decorating	35,709
Audio/Visual	54,082
Operating	601,982
 Over 30 Days	 122,300
 Over 60 Days	 45,960
 Over 90 Days	
Donnell Productions	5,736
Paragon Leather	1,696
Saigon Entertainment	5,002
Grinder Promotions	2,286
 Total Accounts Receivable @ 3/31/05	 1,057,323

DE VOS PLACE
INDIRECT EXPENSE SUMMARY
PERIOD ENDING 04/30/05

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	81,767	59,280	76,106	591,677	592,800	567,054
Part-Time	13,994	13,167	18,544	106,676	131,670	111,608
Wages-Trade	157,136	93,547	104,414	972,435	935,470	894,377
Auto Allowance	1,971	0	1,971	19,408	0	19,708
Auto Expense	150	2,121	150	1,500	21,210	1,500
Taxes & Benefits	57,376	43,818	45,145	423,334	438,180	378,558
Less: Allocation/Reimbursement	<149,243>	<79,161>	<99,822>	<940,662>	<791,610>	<929,900>
TOTAL LABOR COSTS	163,151	132,772	146,508	1,174,368	1,327,720	1,042,905
Contracted Security	18,086	19,000	22,319	198,824	190,000	136,533
Contracted Cleaning	1,993	0	0	12,320	0	951
Other Contracted Services	234	200	155	1,976	2,000	1,238
Travel & Entertainment	816	1,626	1,145	8,935	16,260	10,235
Corporate Travel	0	0	0	<221>	0	2,212
Meetings & Conventions	0	1,958	160	14,047	28,080	9,029
Dues & Subscriptions	42	417	0	2,449	4,170	4,643
Employee Training	2,249	833	0	9,894	8,330	0
Computer Expense	3,820	5,417	4,174	68,986	54,170	36,408
Professional Fees	2,160	2,625	1,920	29,173	26,250	44,117
Marketing & Advertising	1,367	2,467	1,135	26,716	24,670	43,319
Box Office Expenses	560	0	<98>	1,011	0	834
Small Equipment	631	0	827	2,794	0	2,739
Trash Removal	4,838	3,000	3,243	20,470	30,000	11,797
Equipment Rental	1,586	500	1,344	10,694	5,000	9,258
Snow Removal	0	0	0	0	0	481
Exterminating	814	500	0	11,083	5,000	1,125
Cleaning	0	3,000	0	0	9,000	0
Construction Costs	0	0	421	2,967	0	24,165
Repairs & Maintenance	24,700	21,721	33,727	164,461	217,210	62,475
Supplies	12,598	19,208	44,736	149,250	192,080	126,267
Bank Service Charges	2,646	750	1,299	12,086	7,500	9,700
Insurance	26,605	16,454	13,518	194,499	164,540	132,991
Licenses & Fees	0	0	0	99	0	1,905
Printing & Stationary	0	1,125	581	1,646	11,250	2,490
Office Supplies	260	625	1,369	9,610	6,250	10,147
Postage	469	417	96	1,735	4,170	1,470
Parking Expense	1,660	1,000	1,252	14,161	10,000	18,497
Telephone Long Distance	7,265	6,000	7,452	61,615	60,000	72,417
Utilities	75,695	121,900	103,440	1,273,101	1,348,300	994,183
Base Fee	19,935	19,780	19,354	199,930	197,800	193,543
Less: Allocated/Reimbursement	<1,500>	<833>	<1,416>	<13,499>	<8,330>	<7,426>
TOTAL MATERIAL AND SERVICES	209,527	249,690	262,153	2,490,812	2,613,700	1,957,741
TOTAL INDIRECT EXPENSES	372,678	382,462	408,660	3,665,180	3,941,420	3,000,645
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SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Capital Expenditures & Management Fee Summary
Fiscal Year Ending June 30, 2005

CAPITAL IMPROVEMENTS

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

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2004 Act/Est
Net Revenue above Expenses	1,436,412	(1,122,935)	313,477	245,318
Benchmark	1,647,957	(1,388,942)	259,015	1,531
Excess	(211,545)	266,007	54,462	243,787

Incentive Fee Calculation (Only if above greater than zero)

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

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



VAN ANDEL ARENA

FINANCIAL STATEMENT FOR THE PERIOD ENDED APRIL 30, 2005

Distribution:

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



An SMG Managed Facility

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

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	112	4	116	117	(1)
ATTENDANCE	610,381	33,076	643,457	709,200	(65,743)
DIRECT EVENT INCOME	1,153,654	64,986	1,218,640	1,278,171	(59,531)
ANCILLARY INCOME	1,323,400	77,869	1,401,269	1,535,524	(134,255)
TOTAL EVENT INCOME	2,477,054	142,855	2,619,909	2,813,695	(193,786)
TOTAL OTHER INCOME	1,795,899	380,100	2,175,999	1,985,000	190,999
TOTAL INCOME	4,272,953	522,955	4,795,908	4,798,695	(2,787)
INDIRECT EXPENSES					
EXECUTIVE	103,755	18,324	122,079	107,510	(14,569)
FINANCE	164,720	31,429	196,149	193,611	(2,538)
MARKETING	193,498	35,634	229,132	229,064	(68)
OPERATIONS	1,088,761	137,638	1,226,399	1,192,081	(34,318)
BOX OFFICE	94,693	15,309	110,002	107,120	(2,882)
LUXURY SEATING	105,530	12,314	117,844	113,597	(4,247)
SKYWALK ADMIN	34,279	6,565	40,844	36,941	(3,903)
OVERHEAD	1,118,505	198,542	1,317,047	1,303,597	(13,450)
TOTAL INDIRECT EXP.	2,903,741	455,755	3,359,496	3,283,521	(75,975)
NET REVENUE ABOVE EXPENSES	1,369,212	67,200	1,436,412	1,515,174	(78,762)
LESS ALLOCATION FOR CAPITAL REPLACEMENT					
NET REVENUE ABOVE EXPENSES AFTER CAPITAL	1,369,212	67,200	1,436,412	1,515,174	(78,762)

Comments:

The Arena had a very successful April hosting 4 very solid selling concerts during the month. The success of April has allowed the Arena to make up the shortfall when compared to year to date budget that the Arena has shown over the past few months. However, the budget calls for 4 concerts to be hosted during the months of May & June with only 2 scheduled, and a third show that has a slight chance of taking place (not included in the forecast).


General Manager


Director of Finance

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED APRIL 30, 2005**

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

MONTH	April Actual	April Budget	April FY 2004
Number of Events	20	10	10
Attendance	122,883	41,000	69,745
Direct Event Income	\$248,750	\$49,256	\$87,074
Ancillary Income	255,826	74,159	159,853
Other Income	188,798	165,416	174,030
Indirect Expenses	(317,959)	(273,002)	(336,251)
Net Income	<u>\$375,415</u>	<u>\$15,829</u>	<u>\$84,706</u>

YTD	YTD 2005 Actual	YTD 2005 Budget	YTD 2004 Prior Year
Number of Events	112	109	113
Attendance	610,381	631,700	632,064
Direct Event Income	\$1,153,654	\$1,107,399	\$980,963
Ancillary Income	1,323,400	1,375,769	1,365,147
Other Income	1,795,899	1,654,160	1,686,782
Indirect Expenses	(2,903,741)	(2,737,520)	(2,628,016)
Net Income	<u>\$1,369,212</u>	<u>\$1,399,808</u>	<u>\$1,404,876</u>

EVENT INCOME

Event income came in above budget due to the combination of 4 well attended concerts and the shifting of Disney on Ice out of January into April (exceeded budgeted expectations).

ANCILLARY INCOME

Ancillary income came in above budget due to hosting more events during the month and the combination of two other factors. The Motley Crue concert hosted during the month set a new gross concession revenue record of over \$98K. In addition, the Griffins concluded their season, and total commission due the team was over accrued during the season.

INDIRECT EXPENSES

Indirect expenses came in a little over budget. Most of the overage is in peronel expenses related to overtime incurred during a very busy last 10 days of the month and an under accrual in March for salaried employees.

VAN ANDEL ARENA
FACILITY STATEMENT OF INCOME
PERIOD ENDING 04/30/05

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

DIRECT EVENT INCOME						
RENTAL INCOME	298,042	108,750	129,532	1,730,391	1,772,100	1,646,609
SERVICES INCOME	<49,291>	<59,494>	<42,458>	<576,736>	<664,701>	<665,646>
	-----	-----	-----	-----	-----	-----
TOTAL DIRECT EVENT INCOME	248,750	49,256	87,074	1,153,654	1,107,399	980,963
	-----	-----	-----	-----	-----	-----
ANCILLARY INCOME						

FOOD & BEVERAGE	226,690	63,737	121,302	1,112,763	1,144,745	1,152,219
NOVELTY	22,081	7,980	33,931	174,027	194,192	174,547
ELECTRICAL	1,240	0	0	1,840	0	0
OTHER ANCILLARY	5,815	2,442	4,620	34,770	36,832	38,382
	-----	-----	-----	-----	-----	-----
TOTAL ANCILLARY INCOME	255,826	74,159	159,853	1,323,400	1,375,769	1,365,147
	-----	-----	-----	-----	-----	-----
TOTAL EVENT INCOME	504,577	123,415	246,927	2,477,055	2,483,168	2,346,110
	-----	-----	-----	-----	-----	-----
OTHER OPERATING INCOME	188,798	165,416	174,030	1,795,899	1,654,160	1,686,782
	-----	-----	-----	-----	-----	-----
ADJUSTED GROSS INCOME	693,374	288,831	420,958	4,272,954	4,137,328	4,032,892
	-----	-----	-----	-----	-----	-----
INDIRECT EXPENSES						
EXECUTIVE	12,130	8,834	12,493	103,755	89,840	97,722
FINANCE	25,053	16,009	16,722	164,720	161,590	132,154
MARKETING	27,448	18,963	20,107	193,498	191,130	160,139
LUXURY SEATING	13,903	9,467	9,962	105,530	94,670	74,392
OPERATIONS	124,258	99,089	140,102	1,088,761	993,890	949,063
BOX OFFICE	14,748	8,928	17,223	94,693	89,280	93,462
SKYWALK ADMINISTRATION	1,111	3,079	2,987	34,279	30,790	33,280
OVERHEAD	99,308	108,633	116,657	1,118,505	1,086,330	1,087,804
	-----	-----	-----	-----	-----	-----
INDIRECT EXPENSES	317,959	273,002	336,251	2,903,741	2,737,520	2,628,016
	-----	-----	-----	-----	-----	-----
NET OPERATING INCOME	375,415	15,829	84,706	1,369,212	1,399,808	1,404,876
	-----	-----	-----	-----	-----	-----
OTHER EXPENSES						
	-----	-----	-----	-----	-----	-----
NET INCOME (LOSS)	375,415	15,829	84,706	1,369,212	1,399,808	1,404,876
	=====	=====	=====	=====	=====	=====

VAN ANDEL ARENA
STATEMENT OF SERVICES INCOME
PERIOD ENDING 04/30/05

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	31,491	0	26,420	331,327	29,000	273,194
Sponsorship Income	2,000	0	0	27,000	0	0
Labor Billed	3,060	1,080	2,385	17,828	14,425	13,478
Changeover Setup Billed	28,516	7,600	17,193	124,759	98,600	98,048
Stagehands Billed	76,318	34,000	64,788	417,985	425,900	482,501
Security Billed	28,688	7,600	25,037	156,734	136,900	131,577
Ushers & Tix Takers Billed	17,270	8,300	14,374	98,111	103,750	96,916
Box Office Billed	1,806	400	710	12,567	10,150	7,224
Ticketing Service Billed	15,260	8,000	31,861	116,494	189,850	195,484
Utilities Billed	7,300	0	1,460	15,888	0	7,060
City Police Fire Billed	2,162	1,008	1,740	11,154	11,208	9,136
EMT Medical Billed	4,665	750	3,018	25,091	16,750	17,815
Cleaning Billed	16,989	5,850	11,380	85,576	93,950	79,144
Group Sales Commissions Billed	7,226	0	515	11,620	0	2,763
Telephone Billed	2,935	1,425	2,789	23,625	26,185	31,619
Damages Billed	0	0	0	0	0	350
Other Production Billed	23,044	4,000	37,498	195,466	155,800	276,799
TOTAL SERVICE INCOME	268,730	80,013	241,167	1,671,224	1,312,468	1,723,108
Advertising Expense	33,746	0	24,181	368,992	64,000	307,390
Sponsorship Expenses	0	0	0	13,600	0	0
Labor Wages	2,601	918	2,027	14,963	12,720	11,915
Contracted Changeover Setup Expense	34,850	23,795	38,578	259,475	237,649	251,405
Stagehand Wages	90,498	33,796	62,156	420,984	460,769	488,684
Contracted Security Expense	44,314	11,820	30,918	264,834	211,710	236,596
Contracted Ushers & T/T Expense	33,568	26,300	30,545	246,444	258,210	247,131
Ticket Sellers Wages	1,535	0	603	10,682	0	5,811
Ticket Sellers P/R Taxes Bene	0	0	0	0	0	329
Ticket Service Charge Expense	14,193	8,000	23,765	108,407	220,250	182,541
City Police Fire Expense	2,162	1,344	560	13,271	14,630	9,956
EMT Medical Expense	5,303	2,552	3,515	29,380	33,625	29,315
Contracted Cleaning Expense	32,467	26,718	30,635	256,123	288,579	245,343
Insurance Expense	0	0	0	0	0	30,542
Allocated Telephone Expense	881	264	806	6,968	6,727	10,336
Production Expense	21,905	4,000	35,337	233,839	168,300	331,461
TOTAL SERVICE EXPENSE	318,021	139,507	283,625	2,247,960	1,977,169	2,388,753
NET SERVICE INCOME	<49,291>	<59,494>	<42,458>	<576,736>	<664,701>	<665,646>

VAN ANDEL ARENA
STATEMENT OF FINANCIAL POSITION
PERIOD ENDING 04/30/05

ASSETS

CURRENT ASSETS

CASH	4,249,254
ACCOUNTS RECEIVABLE	1,517,650
PREPAID EXPENSES	117,649

TOTAL CURRENT ASSETS	5,884,554

FIXED ASSETS

TOTAL ASSETS	5,884,554
	=====

LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	2,046,491
ACCRUED EXPENSES	510,771
DEFERRED INCOME	1,041,281
ADVANCED TIX SALES & DEPOSITS	867,998

TOTAL CURRENT LIABILITIES	4,466,541

EQUITY

FUNDS REMITTED	<1,950,000>
FUNDING RECEIVED	535,433
RETAINED EARNINGS	1,463,368
NET INCOME (LOSS)	1,369,212

TOTAL EQUITY	1,418,013

TOTAL LIABILITIES & EQUITY	5,884,554
	=====

5

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
Month Ending April 30, 2005

Current - Under 30 Days	
Food & Beverage	460,156
Ticketing	279,891
Merchandise	13,123
Permanent Advertising	476,417
Operating	166,282
 Over 30 Days	 78,654
 Over 60 Days	 13,475
 Over 90 Days	
Time Out for Women	29,652
 Total Accounts Receivable @ 4/30/05	 1,517,650

VAN ANDEL ARENA
INDIRECT EXPENSE SUMMARY
PERIOD ENDING 04/30/05

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	81,361	56,102	69,628	585,218	561,020	505,251
Part-Time	10,817	3,333	11,795	64,427	33,330	62,220
Wages-Trade	133,724	80,733	101,986	734,503	807,330	744,449
Wages-Trade Part-Time	0	0	0	5,219	0	0
Auto Allowance	577	0	577	5,771	0	5,771
Auto Expense	300	985	300	3,000	9,850	3,000
Taxes & Benefits	52,825	34,180	42,752	376,293	341,800	332,236
Less: Allocation/Reimbursement	<117,509>	<70,716>	<83,991>	<623,841>	<707,160>	<654,206>
TOTAL LABOR COSTS	162,094	104,617	143,046	1,150,591	1,046,170	998,720
Contracted Security	18,247	19,000	17,795	189,444	190,000	200,175
Contracted Cleaning	2,098	2,292	2,098	22,983	22,920	27,314
Other Contracted Services	314	300	349	3,795	3,000	3,210
Travel & Entertainment	2,282	558	1,200	9,559	5,580	8,043
Corporate Travel	0	625	0	0	6,250	0
Meetings & Conventions	0	350	0	5,139	11,000	1,071
Dues & Subscriptions	756	208	199	8,102	2,080	5,990
Employee Training	2,249	750	0	3,074	7,500	250
Computer Expense	5,424	5,417	5,483	67,710	54,170	49,855
Professional Fees	2,625	2,375	3,535	24,156	23,750	27,672
Marketing & Advertising	7,711	7,500	3,706	62,586	75,000	45,037
Box Office Expenses	107	0	169	<131>	0	<282>
Small Equipment	0	0	0	4,563	0	3,389
Trash Removal	2,604	1,250	3,933	18,741	12,500	19,310
Equipment Rental	1,335	1,300	1,835	12,442	13,000	12,131
Landscaping	0	292	0	0	2,920	0
Exterminating	248	333	495	2,475	3,330	2,475
Cleaning	0	900	0	4,050	9,000	9,083
Repairs & Maintenance	13,098	9,333	16,384	130,000	93,330	69,794
Supplies	9,025	12,841	25,207	131,018	128,410	107,414
Bank Service Charges	1,097	1,000	904	7,133	10,000	7,781
Rent Expense	0	0	0	0	0	307
Insurance	23,861	13,269	11,868	139,766	132,690	113,882
Licenses & Fees	0	0	0	0	0	72
Printing & Stationary	0	1,750	4,880	6,029	17,500	4,880
Office Supplies	1,213	1,000	3,414	13,438	10,000	11,624
Postage	1,242	1,000	707	9,739	10,000	10,839
Parking Expense	4,160	1,500	4,061	23,297	15,000	21,751
Telephone Long Distance	3,636	3,000	11,382	59,929	30,000	58,635
Utilities	34,644	63,567	57,701	632,714	635,670	652,603
Base Fee	19,935	19,780	19,354	198,769	197,800	193,543
Common Area Expense	<1,166>	<2,730>	<2,648>	<30,403>	<27,300>	<27,615>
Less: Allocated/Reimbursement	<881>	<375>	<806>	<6,968>	<3,750>	<10,939>
TOTAL MATERIAL AND SERVICES	155,865	168,385	193,205	1,753,151	1,691,350	1,629,296
TOTAL INDIRECT EXPENSES	317,959	273,002	336,251	2,903,741	2,737,520	2,628,016
=====						

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

CAPITAL IMPROVEMENTS

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

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2004 Act/Est
Net Revenue above Expenses	1,436,412	(1,122,935)	313,477	245,318
Benchmark	1,647,957	(1,388,942)	259,015	1,531
Excess	(211,545)	266,007	54,462	243,787

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2004 Act/Est
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Incentive Fee				
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Benchmark Revenue	4,465,338	3,246,912	7,712,250	6,716,238
Revenue Excess	330,570	160,740	491,310	695,948
Incentive Fee **	66,114	32,148	98,262	139,190
Total SMG Management Fee	305,334	271,367	576,701	603,694

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

Grand Rapids-Kent County Convention/Arena Authority
Balance Sheet
As of April 30, 2005

Item IV.b.ii.

	<u>Apr 30, 05</u>
ASSETS	
Current Assets	
Checking/Savings	
1020 • Cash - Construction - Max Saver	1,233,630.26
1030 • Cash - Construction	404,589.58
1050 • Operations - Cash	875,099.88
9991 • Cash - Retainage	<u>289,014.26</u>
Total Checking/Savings	<u>2,802,333.98</u>
Other Current Assets	
1070 • Kent County - Operating	5,014,884.34
1080 • Kent County - Capital Replcmnt	<u>11,071,472.19</u>
Total Other Current Assets	<u>16,086,356.53</u>
Total Current Assets	<u>18,888,690.51</u>
Fixed Assets	
Vehicles	<u>23,470.00</u>
Total Fixed Assets	<u>23,470.00</u>
TOTAL ASSETS	<u><u>18,912,160.51</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 • Accounts Payable	<u>113,563.57</u>
Total Accounts Payable	<u>113,563.57</u>
Other Current Liabilities	
2200 • Accrued Expenses	69,689.00
9992 • Retainage Payable	<u>289,014.26</u>
Total Other Current Liabilities	<u>358,703.26</u>
Total Current Liabilities	<u>472,266.83</u>
Total Liabilities	<u>472,266.83</u>
Equity	
3000 • Opening Bal Equity	37,652,992.39
Net Income	<u>-19,213,098.71</u>
Total Equity	<u>18,439,893.68</u>
TOTAL LIABILITIES & EQUITY	<u><u>18,912,160.51</u></u>

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

12:08 PM

05/12/05

Grand Rapids-Kent County Convention/Arena Authority**Reconciliation Detail****1020 · Cash - Construction - Max Saver, Period Ending 04/30/2005**

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Clr</u>	<u>Amount</u>	<u>Balance</u>
Beginning Balance							1,230,872.52
Cleared Transactions							
Deposits and Credits - 1 item							
Deposit	4/30/2005			Interest	X	2,757.74	2,757.74
Total Deposits and Credits						2,757.74	2,757.74
Total Cleared Transactions						2,757.74	2,757.74
Cleared Balance						2,757.74	1,233,630.26
Register Balance as of 04/30/2005						2,757.74	1,233,630.26
Ending Balance						<u>2,757.74</u>	<u>1,233,630.26</u>

12:20 PM

05/12/05

Grand Rapids-Kent County Convention/Arena Authority

Reconciliation Detail

1030 - Cash - Construction, Period Ending 04/30/2005

Type	Date	Num	Name	Memo	Clr	Amount	Balance
Beginning Balance							605,131.58
Cleared Transactions							
Checks and Payments - 7 Items							
Bill Pmt -Check	3/14/2005	2076	Jerry G Fellingner		X	-600.00	-600.00
Bill Pmt -Check	3/28/2005	2079	Nextel Communicat...		X	-63.06	-663.06
Bill Pmt -Check	4/14/2005	2083	Midwest Food Equi...		X	-146.50	-809.56
Bill Pmt -Check	4/14/2005	2081	Dale H. Sommers		X	-12,960.00	-13,769.56
Bill Pmt -Check	4/14/2005	2080	Custer Workplace I...		X	-1,265.00	-15,034.56
Bill Pmt -Check	4/14/2005	2084	Nextel Communicat...		X	-62.64	-15,097.20
Bill Pmt -Check	4/28/2005	2087	Jon McDonald		X	-1,500.00	-16,597.20
Total Checks and Payments						-16,597.20	-16,597.20
Deposits and Credits - 1 item							
Deposit	4/30/2005			Interest	X	1,218.22	1,218.22
Total Deposits and Credits						1,218.22	1,218.22
Total Cleared Transactions						-15,378.98	-15,378.98
Cleared Balance						-15,378.98	589,752.60
Uncleared Transactions							
Checks and Payments - 3 items							
Bill Pmt -Check	4/14/2005	2082	Global Computer S...			-9,782.02	-9,782.02
Bill Pmt -Check	4/28/2005	2086	HSBC Business Sol...			-918.00	-10,700.02
Bill Pmt -Check	4/28/2005	2085	Erhardt-Hunt/Joint ...			-174,463.00	-185,163.02
Total Checks and Payments						-185,163.02	-185,163.02
Total Uncleared Transactions						-185,163.02	-185,163.02
Register Balance as of 04/30/2005						-200,542.00	404,589.58
New Transactions							
Checks and Payments - 2 Items							
Bill Pmt -Check	5/13/2005	2090	Custer Workplace I...			-14,760.18	-14,760.18
Bill Pmt -Check	5/13/2005	2091	Dale H. Sommers			-5,880.00	-20,640.18
Total Checks and Payments						-20,640.18	-20,640.18
Total New Transactions						-20,640.18	-20,640.18
Ending Balance						-221,182.18	383,949.40

12:42 PM

05/12/05

Grand Rapids-Kent County Convention/Arena Authority

Reconciliation Detail

1050 - Operations - Cash, Period Ending 04/30/2005

Type	Date	Num	Name	Memo	Clr	Amount	Balance
Beginning Balance							1,163,859.97
Cleared Transactions							
Checks and Payments - 16 items							
Bill Pmt -Check	3/28/2005	6099	Priority Health		X	-398.73	-398.73
Bill Pmt -Check	3/28/2005	6098	ICMA Retirement C...		X	-50.00	-448.73
Bill Pmt -Check	3/28/2005	6097	ICMA Retirement C...		X	-250.92	-699.65
Bill Pmt -Check	3/28/2005	6096	Dickinson Wright P...		X	-728.50	-1,428.15
Check	4/1/2005	10100	Susan M. Waddell		X	-1,383.93	-2,812.08
Check	4/1/2005	10100	Susan M. Waddell		X	-754.30	-3,566.38
Bill Pmt -Check	4/14/2005	6101	DTE Energy		X	-602.96	-4,169.34
Bill Pmt -Check	4/14/2005	6103	ICMA Retirement C...		X	-250.92	-4,420.26
Bill Pmt -Check	4/14/2005	6104	ICMA Retirement C...		X	-50.00	-4,470.26
Bill Pmt -Check	4/14/2005	6106	Rapid Hot Coffee S...		X	-27.68	-4,497.94
Bill Pmt -Check	4/14/2005	6102	Grand Rapids City ...		X	-32,748.25	-37,246.19
Bill Pmt -Check	4/14/2005	6100	Consumers Energy		X	-35,039.72	-72,285.91
Bill Pmt -Check	4/14/2005	6105	Kent Count Dept of ...		X	-154,858.84	-227,144.75
Check	4/15/2005	10101	Susan M. Waddell		X	-884.24	-228,028.99
Check	4/15/2005	10101	Susan M. Waddell		X	-1,383.93	-229,412.92
Check	4/29/2005	10102	Susan M. Waddell		X	-754.30	-230,167.22
Total Checks and Payments						-230,167.22	-230,167.22
Deposits and Credits - 2 items							
Deposit	4/1/2005		Arena parking revenu...		X	9,018.00	9,018.00
Deposit	4/30/2005		Interest		X	2,253.62	11,271.62
Total Deposits and Credits						11,271.62	11,271.62
Total Cleared Transactions						-218,895.60	-218,895.60
Cleared Balance						-218,895.60	944,964.37
Uncleared Transactions							
Checks and Payments - 7 items							
Bill Pmt -Check	4/28/2005	6112	Priority Health			-398.73	-398.73
Bill Pmt -Check	4/28/2005	6111	ICMA Retirement C...			-50.00	-448.73
Bill Pmt -Check	4/28/2005	6110	ICMA Retirement C...			-250.92	-699.65
Bill Pmt -Check	4/28/2005	6109	Grand Rapids City ...			-10,197.08	-10,896.73
Bill Pmt -Check	4/28/2005	6107	Consumers Energy			-56,394.43	-67,291.16
Bill Pmt -Check	4/28/2005	6108	Dickinson Wright P...			-1,189.40	-68,480.56
Check	4/29/2005	10102	Susan M. Waddell			-1,383.93	-69,864.49
Total Checks and Payments						-69,864.49	-69,864.49
Total Uncleared Transactions						-69,864.49	-69,864.49
Register Balance as of 04/30/2005						-288,760.09	875,099.88
New Transactions							
Checks and Payments - 9 items							
Bill Pmt -Check	5/13/2005	6114	Arthur J. Gallagher ...			-10,268.00	-10,268.00
Bill Pmt -Check	5/13/2005	6115	Consumers Energy			-33,331.14	-43,599.14
Bill Pmt -Check	5/13/2005	6117	Grand Rapids City ...			-10,564.31	-54,163.45
Bill Pmt -Check	5/13/2005	6118	ICMA Retirement C...			-501.84	-54,665.29
Bill Pmt -Check	5/13/2005	6119	ICMA Retirement C...			-100.00	-54,765.29
Bill Pmt -Check	5/13/2005	6120	Kent Count Dept of ...			-45,904.43	-100,669.72
Bill Pmt -Check	5/13/2005	6121	Rapid Hot Coffee S...			-27.68	-100,697.40
Bill Pmt -Check	5/13/2005	6113	Accident Fund Com...			-720.00	-101,417.40
Bill Pmt -Check	5/13/2005	6116	DTE Energy			-1,312.05	-102,729.45
Total Checks and Payments						-102,729.45	-102,729.45

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05/12/05

Grand Rapids-Kent County Convention/Arena Authority**Reconciliation Detail****1050 - Operations - Cash, Period Ending 04/30/2005**

Type	Date	Num	Name	Memo	Clr	Amount	Balance
Deposits and Credits - 1 Item							
Deposit	5/3/2005			Van Andel Arena land...		9,018.00	9,018.00
Total Deposits and Credits						9,018.00	9,018.00
Total New Transactions						-93,711.45	-93,711.45
Ending Balance						-382,471.54	781,388.43

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05/12/05

Grand Rapids-Kent County Convention/Arena Authority**Reconciliation Detail****9991 · Cash - Retainage, Period Ending 04/30/2005**

Type	Date	Num	Name	Memo	Clr	Amount	Balance
Beginning Balance							331,937.04
Cleared Transactions							
Deposits and Credits - 1 item							
Deposit	4/30/2005			Interest	X	515.22	515.22
Total Deposits and Credits						515.22	515.22
Total Cleared Transactions						515.22	515.22
Cleared Balance						515.22	332,452.26
Uncleared Transactions							
Checks and Payments - 1 item							
Bill Pmt -Check	4/28/2005	1205	Erhardt-Hunt/Joint ...			-43,438.00	-43,438.00
Total Checks and Payments						-43,438.00	-43,438.00
Deposits and Credits - 1 item							
Deposit	12/14/2004			Deposit			0.00
Total Deposits and Credits						0.00	0.00
Total Uncleared Transactions						-43,438.00	-43,438.00
Register Balance as of 04/30/2005						-42,922.78	289,014.26
Ending Balance						-42,922.78	289,014.26

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05/12/05

Grand Rapids-Kent County Convention/Arena Authority

Reconciliation Detail

1070 - Kent County - Operating, Period Ending 03/31/2005

Type	Date	Num	Name	Memo	Clr	Amount	Balance
Beginning Balance							5,006,964.16
Cleared Transactions							
Deposits and Credits - 1 Item							
Deposit	3/1/2005			Interest	X	7,920.18	7,920.18
Total Deposits and Credits						7,920.18	7,920.18
Total Cleared Transactions						7,920.18	7,920.18
Cleared Balance						7,920.18	5,014,884.34
Register Balance as of 03/31/2005						7,920.18	5,014,884.34
Ending Balance						7,920.18	5,014,884.34

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05/12/05

Grand Rapids-Kent County Convention/Arena Authority Reconciliation Detail

1080 · Kent County - Capital Replcmnt, Period Ending 03/31/2005

Type	Date	Num	Name	Memo	Clr	Amount	Balance
Beginning Balance							11,048,749.07
Cleared Transactions							
Deposits and Credits - 1 item							
Deposit	3/1/2005			Interest	X	22,723.12	22,723.12
Total Deposits and Credits						22,723.12	22,723.12
Total Cleared Transactions						22,723.12	22,723.12
Cleared Balance						22,723.12	11,071,472.19
Register Balance as of 03/31/2005						22,723.12	11,071,472.19
Ending Balance						22,723.12	11,071,472.19

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05/12/05

Accrual Basis

Grand Rapids-Kent County Convention/Arena Authority

Profit & Loss

July 2004 through April 2005

	<u>Jul '04 - Apr 05</u>
Income	
4030 · Federal Support	3,528,884.00
4040 · Private Support	2,204,000.00
4500 · Interest on Investments	339,308.16
4530 · Facility Operations	2,300,000.00
4540 · Land Lease	80,885.00
4545 · Parking Revenues	478,834.00
4550 · Miscellaneous Revenue	13,848.00
Total Income	8,945,759.16
Expense	
5000 · Architectural and Engineering	4,142,723.63
5010 · Construction Material Testing	64,760.62
5020 · Construction in Progress-GMP	19,270,696.00
6000 · Professional Services	53,834.51
6050 · Project Mgt/Owner's Rep	187,182.50
6060 · Other Contractual Services	1,901,650.48
6065 · Pedestrian Safety	44,976.91
6068 · Parking Management	196,599.00
6070 · Facility Management Fees	139,190.00
6100 · Other Supplies & Expenses	26,789.02
6200 · Capital Replacement Projects	139,133.25
6300 · Utilities Expense	1,929,144.62
6410 · Interest & Paying Agent Fees	750.00
8000 · Personal Services	61,427.33
Total Expense	28,158,857.87
Net Income	<u><u>-19,213,098.71</u></u>

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

	Convention Center (Construction)	Admin & Capital Replacement (Operations)	TOTAL
Income			
4030 • Federal Support	3,528,884.00	0.00	3,528,884.00
4040 • Private Support	2,204,000.00	0.00	2,204,000.00
4500 • Interest on Investments	300,201.24	39,106.92	339,308.16
4530 • Facility Operations	0.00	2,300,000.00	2,300,000.00
4540 • Land Lease	0.00	80,885.00	80,885.00
4545 • Parking Revenues	0.00	478,834.00	478,834.00
4550 • Miscellaneous Revenue	600.00	13,248.00	13,848.00
Total Income	6,033,685.24	2,912,073.92	8,945,759.16
Expense			
5000 • Architectural and Engineering	4,142,723.63	0.00	4,142,723.63
5010 • Construction Material Testing	64,760.62	0.00	64,760.62
5020 • Construction in Progress-GMP	19,270,696.00	0.00	19,270,696.00
6000 • Professional Services			
6001 • Accounting/Auditing Services	0.00	41,216.80	41,216.80
6040 • Legal Services	350.00	12,267.71	12,617.71
Total 6000 • Professional Services	350.00	53,484.51	53,834.51
6050 • Project Mgt/Owner's Rep	186,762.50	0.00	186,762.50
6060 • Other Contractual Services	1,881,239.00	20,831.48	1,902,070.48
6065 • Pedestrian Safety	0.00	44,976.91	44,976.91
6068 • Parking Management	0.00	196,599.00	196,599.00
6070 • Facility Management Fees	0.00	139,190.00	139,190.00
6100 • Other Supplies & Expenses			
6010 • Bank Fees	21.90	0.00	21.90
6020 • Computer Services	0.00	349.00	349.00
6030 • Insurance-Property/Liability	0.00	19,829.74	19,829.74
6110 • Meeting Expense	0.00	600.44	600.44
6120 • Supplies	4,238.60	1,465.97	5,704.57
6130 • Postage/Express	0.00	170.00	170.00
6100 • Other Supplies & Expenses - Other	0.00	113.37	113.37
Total 6100 • Other Supplies & Expenses	4,260.50	22,528.52	26,789.02
6200 • Capital Replacement Projects	0.00	139,133.25	139,133.25
6300 • Utilities Expense			
6301 • Electricity	27,811.33	920,246.57	948,057.90
6310 • Natural Gas	0.00	19,301.85	19,301.85
6320 • Steam	0.00	860,170.35	860,170.35
6330 • Telephone	877.58	0.00	877.58
6340 • Water & Sewer	0.00	100,736.94	100,736.94
Total 6300 • Utilities Expense	28,688.91	1,900,455.71	1,929,144.62
6410 • Interest & Paying Agent Fees	0.00	750.00	750.00

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

	Convention Center (Construction)	Admin & Capital Replacement (Operations)	TOTAL
8000 • Personal Services			
8001 • Employee Wages	0.00	44,751.92	44,751.92
8030 • Employee Benefits	0.00	14,584.41	14,584.41
8000 • Personal Services - Other	0.00	2,091.00	2,091.00
Total 8000 • Personal Services	0.00	61,427.33	61,427.33
Total Expense	25,579,481.16	2,579,376.71	28,158,857.87
Net Income	-19,545,795.92	332,697.21	-19,213,098.71

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

	Admin & Capital Replacement (Operations)			
	<u>Jul '04 - Apr 05</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Income				
4030 · Federal Support	0.00			
4040 · Private Support	0.00			
4500 · Interest on Investments	39,106.92	18,332.00	20,774.92	213.33%
4530 · Facility Operations	2,300,000.00	2,008,070.00	291,930.00	114.54%
4540 · Land Lease	80,885.00	102,500.00	-21,615.00	78.91%
4545 · Parking Revenues	478,834.00	538,750.00	-59,916.00	88.88%
4550 · Miscellaneous Revenue	13,248.00	12,500.00	748.00	105.98%
Total Income	<u>2,912,073.92</u>	<u>2,680,152.00</u>	<u>231,921.92</u>	<u>108.65%</u>
Expense				
5000 · Architectural and Engineering	0.00			
5010 · Construction Material Testing	0.00			
5020 · Construction in Progress-GMP	0.00			
6000 · Professional Services				
6001 · Accounting/Auditing Services	41,216.80	51,668.00	-10,451.20	79.77%
6040 · Legal Services	12,267.71	33,332.00	-21,064.29	36.81%
Total 6000 · Professional Services	<u>53,484.51</u>	<u>85,000.00</u>	<u>-31,515.49</u>	<u>62.92%</u>
6050 · Project Mgt/Owner's Rep	0.00			
6060 · Other Contractual Services	20,831.48			
6065 · Pedestrian Safety	44,976.91	71,668.00	-26,691.09	62.76%
6068 · Parking Management	196,599.00	214,177.00	-17,578.00	91.79%
6070 · Facility Management Fees	139,190.00			
6100 · Other Supplies & Expenses				
6010 · Bank Fees	0.00			
6020 · Computer Services	349.00			
6030 · Insurance-Property/Liability	19,829.74	5,300.00	14,529.74	374.15%
6110 · Meeting Expense	600.44	668.00	-67.56	89.89%
6120 · Supplies	1,465.97	918.00	547.97	159.69%
6130 · Postage/Express	170.00			
6100 · Other Supplies & Expenses - Other	113.37			
Total 6100 · Other Supplies & Expenses	<u>22,528.52</u>	<u>6,886.00</u>	<u>15,642.52</u>	<u>327.16%</u>
6200 · Capital Replacement Projects	139,133.25	161,240.00	-22,106.75	86.29%
6300 · Utilities Expense				
6301 · Electricity	920,246.57	898,332.00	21,914.57	102.44%
6310 · Natural Gas	19,301.85	62,500.00	-43,198.15	30.88%
6320 · Steam	860,170.35	830,874.00	29,296.35	103.53%
6330 · Telephone	0.00			
6340 · Water & Sewer	100,736.94	111,168.00	-10,431.06	90.62%
Total 6300 · Utilities Expense	<u>1,900,455.71</u>	<u>1,902,874.00</u>	<u>-2,418.29</u>	<u>99.87%</u>
6410 · Interest & Paying Agent Fees	750.00			
6500 · DID Assessment	0.00	38,100.00	-38,100.00	0.0%

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

	Admin & Capital Replacement (Operations)			
	<u>Jul '04 - Apr 05</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
8000 · Personal Services				
8001 · Employee Wages	44,751.92	45,280.00	-528.08	98.83%
8030 · Employee Benefits	14,584.41	15,779.00	-1,194.59	92.43%
8000 · Personal Services - Other	2,091.00			
Total 8000 · Personal Services	<u>61,427.33</u>	<u>61,059.00</u>	<u>368.33</u>	<u>100.6%</u>
 Total Expense	 <u>2,579,376.71</u>	 <u>2,541,004.00</u>	 <u>38,372.71</u>	 <u>101.51%</u>
 Net Income	 <u><u>332,697.21</u></u>	 <u><u>139,148.00</u></u>	 <u><u>193,549.21</u></u>	 <u><u>239.1%</u></u>

PRESENTED AS INFORMATION ONLY
DEVOS PLACE

DE VOS PLACE

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

*****PROPOSED 5/19/05*****

Distribution:

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



An SMG Managed Facility

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

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY 2006 BUDGET	FY 2005 EST/ACT	VAR.
EVENT DAYS/PERFORMANCES															
ATTENDANCE	23	34	33	62	39	47	42	44	53	40	27	23	467	468	(1)
	27,600	25,300	25,300	64,200	45,100	59,325	78,100	120,650	128,200	48,250	27,200	22,800	672,025	613,957	58,068
DIRECT EVENT INCOME															
RENT	56,600	116,420	87,525	235,050	134,450	177,144	238,700	311,500	317,600	153,500	86,700	48,600	1,963,789		1,963,789
SERVICE INCOME	3,493	2,864	2,368	15,831	8,824	7,073	5,453	31,708	19,139	11,339	4,786	5,460	118,338		118,338
TOTAL DIRECT EVENT INCOME	60,093	119,284	89,893	250,881	143,274	184,217	244,153	343,208	336,739	164,839	91,486	54,060	2,082,127	1,950,095	132,032
ANCILLARY INCOME															
CONCESSIONS	3,675	1,875	1,850	4,311	9,162	5,912	14,412	35,436	34,175	5,300	2,912	2,625	121,645		121,645
CATERING	29,250	48,450	30,000	53,340	42,645	84,270	25,755	34,500	29,460	20,460	32,655	13,200	443,985		443,985
NOVELTY	2,250	2,250	1,500	2,600	2,000	1,200	1,500	3,600	2,000	2,750	1,950	2,000	25,600		25,600
DECORATOR	4,592	9,520	14,040	34,968	44,608	15,912	28,944	55,768	34,736	26,160	3,712	1,680	274,640		274,640
ELECTRICAL	7,350	15,702	13,092	35,102	72,252	28,314	15,876	41,280	62,247	15,267	5,262	3,522	315,266		315,266
EQUIPMENT	12,750	29,500	22,600	37,300	28,300	28,500	19,100	18,400	18,750	19,050	14,950	10,400	259,150		259,150
TOTAL ANCILLARY INCOME	59,867	107,297	83,082	167,821	198,967	163,658	105,587	188,984	181,368	88,987	61,441	33,427	1,440,286	1,349,955	90,331
TOTAL EVENT INCOME	119,960	226,581	172,975	418,502	342,241	347,875	349,740	532,192	518,107	253,826	152,927	87,487	3,522,413	3,300,050	222,363
OTHER OPERATING INCOME															
INTEREST INCOME	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000		24,000
TICKET INCENTIVES	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,663	80,000		80,000
INTERNET	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000		42,000
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	13,167	13,167	13,167	13,167	13,167	13,167	13,167	13,167	13,167	13,167	13,167	13,163	158,000	107,602	50,398
ADJUSTED GROSS INCOME	133,127	239,748	186,142	431,669	355,408	361,042	362,907	545,359	531,274	266,993	166,094	100,650	3,680,413	3,407,652	272,761
INDIRECT EXPENSES															
EXECUTIVE	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,151	11,144	133,805	119,345	(14,460)
FINANCE	16,857	16,857	16,857	16,857	16,857	16,857	16,857	16,857	16,857	16,857	16,857	16,864	202,291	210,018	7,727
MARKETING	5,562	5,562	5,562	5,562	5,562	5,562	5,562	5,562	5,562	5,562	5,562	5,561	66,743	54,269	(12,474)
SALES	16,254	16,254	16,254	16,254	16,254	16,254	16,254	16,254	16,254	16,254	16,254	16,246	195,040	138,182	(56,858)
OPERATIONS	89,784	91,284	88,284	88,284	88,284	91,284	88,284	92,284	88,284	91,284	88,284	88,286	1,073,910	919,447	(154,463)
EVENT SERVICES	51,316	51,316	51,316	51,316	60,316	69,316	69,316	72,316	69,316	69,316	69,316	162,310	846,786	826,915	(19,871)
BOX OFFICE	7,093	7,093	7,093	7,093	7,093	7,093	7,093	7,093	7,093	7,093	7,093	7,084	85,107	83,328	(1,779)
OVERHEAD	131,499	131,999	136,999	161,999	196,999	231,999	277,999	261,999	246,999	171,999	144,999	136,345	2,231,834	2,179,083	(52,751)
TOTAL INDIRECT EXPENSES	329,516	331,516	333,516	358,516	402,516	449,516	492,516	483,516	461,516	389,516	359,516	443,840	4,835,516	4,530,587	(304,929)
NET FACILITY INCOME (LOSS)	(196,389)	(91,768)	(147,374)	73,153	(47,108)	(88,474)	(129,609)	61,843	69,758	(122,523)	(193,422)	(343,190)	(1,155,103)	(1,122,935)	(32,168)

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

2006	NO of Events	Attendance	Rental Income	Service Income	Concession Income	Catering Income	Novelty Income	Decorator Income	Electrical Income	Equipment Income	EVENT INCOME FY 2006	EVENT INCOME FY 2005	VARIANCE
EXHIBIT HALLS													
Agriculture & Farming	2	1,000	8,200	(65)	220	600	-	2,240	1,827	300	13,352	23,046	13,352
Associations	4	6,000	15,000	(375)	875	8,750	-	4,800	870	2,400	38,320	28,154	(18,154)
Banking	-	-	-	-	-	-	-	-	-	-	-	-	(3,783)
Beauty & Hair Care	4	4,900	15,500	2,745	-	7,500	-	3,200	4,253	3,650	36,850	40,641	5,792
Building & Construction	2	1,600	10,000	(400)	875	375	-	6,080	870	800	16,910	12,778	4,132
Business	3	6,000	12,400	105	-	7,800	-	-	-	750	21,055	16,181	4,874
Dental	1	300	1,750	9	-	465	-	-	609	500	3,333	47,517	(44,184)
Education	24	30,000	152,000	517	1,737	33,315	-	27,408	17,228	24,650	297,685	297,685	(30,745)
Engineering	6	7,800	21,500	-	-	375	-	2,240	3,480	-	27,595	27,008	587
Fire & Fire Protection	-	-	-	-	-	-	-	-	-	-	-	-	-
Floriculture & Horticulture	6	9,900	63,000	(455)	3,000	825	-	9,760	11,658	1,100	88,888	88,187	20,721
Food Processing & Distribution	8	13,100	97,975	9,350	-	7,125	-	35,840	17,835	1,700	189,825	204,860	(15,035)
Furniture Industry	2	1,200	7,400	-	-	375	-	1,920	1,740	-	11,435	11,435	-
Government	6	6,600	30,000	-	-	21,480	-	3,200	1,740	-	86,420	11,080	45,340
Insurance	5	4,400	15,500	80	-	12,300	-	2,336	4,350	1,000	35,546	30,960	4,086
Landscaping & Gardening	3	7,500	40,000	380	2,500	-	-	11,680	174	150	58,984	49,552	7,432
Libraries	3	1,500	8,500	-	-	375	-	800	2,827	-	12,502	12,502	-
Medical & Health Care	8	4,700	27,600	6	-	450	-	3,200	9,870	3,500	44,326	42,957	1,369
Pharmaceuticals	1	200	1,500	-	-	225	-	320	870	-	2,915	2,915	-
Petroleum & Gas	2	1,600	19,000	203	-	1,500	-	5,280	11,745	250	37,978	38,723	1,255
Police	3	1,400	12,850	-	-	-	-	3,360	5,220	1,000	22,530	19,646	2,884
Political	-	-	-	-	-	-	-	-	-	-	-	-	(17,252)
Publishing	-	-	-	-	-	-	-	2,480	4,392	5,000	55,822	-	55,822
Religious	7	11,500	30,000	-	-	13,950	-	-	-	-	-	-	-
Restaurant & Food Service	-	-	-	-	-	-	-	2,800	-	-	47,680	12,724	24,956
Toys & Hobbies	6	5,000	37,820	-	-	-	-	-	6,960	-	-	41,444	(41,444)
Travel	-	-	-	-	-	-	-	2,720	6,000	600	32,760	29,147	3,613
Water	4	2,000	20,900	-	75	2,775	-	40,000	57,420	1,000	151,820	151,820	-
Woodworking	2	8,000	40,000	-	6,000	7,500	-	9,460	16,268	-	71,351	89,324	(17,983)
Misc Tradeshow	9	6,300	30,750	712	-	12,570	-	-	-	-	-	-	-
TOTAL CONVENTIONS/TRADESHOWS	121	142,500	721,845	12,702	15,112	143,730	-	161,144	169,005	48,800	1,312,658	1,138,559	174,079
Home & Garden	4	28,000	70,000	5,506	10,750	-	-	7,840	15,060	1,000	110,758	114,224	(3,466)
Wedding Shows	4	8,700	22,200	1,237	1,750	-	-	2,264	4,176	4,300	35,927	38,133	(2,206)
Sporting Goods & Recreation	4	40,000	75,000	4,897	17,000	825	-	7,840	8,700	500	114,982	109,659	5,323
Women	3	12,000	16,500	1,250	2,750	105	-	4,000	8,700	1,000	34,305	38,450	(4,145)
Automotive & Trucking	4	50,000	84,000	13,910	13,000	9,750	-	30,580	10,440	1,400	163,080	157,168	5,912
Craft Show/Sale	4	13,750	13,000	522	1,800	-	-	2,560	870	500	19,252	47,447	(28,195)
Golf Show	3	10,950	25,000	3,570	5,000	-	-	4,320	4,524	400	42,814	40,217	2,597
Custom Car Show	3	12,900	30,000	2,869	5,522	-	-	800	870	500	40,701	42,658	(1,957)
Education	-	-	-	-	-	-	-	-	-	-	-	-	(8,658)
Music	2	2,000	6,500	450	500	75	-	112	870	1,100	9,607	15,331	(5,724)
Motorcycles	-	-	-	-	-	-	-	-	-	-	-	20,811	(20,811)
Boat Show	5	22,500	108,000	7,660	13,750	-	-	10,080	9,570	200	146,260	145,600	3,660
Woodworking	-	-	-	-	-	-	-	-	-	-	-	-	(31,011)
Recreational Vehicles	4	20,000	55,000	(50)	1,375	-	-	960	1,740	-	59,025	51,901	7,124
Supersale	-	-	-	-	-	-	-	-	-	-	-	-	-
Toys & Hobbies	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc. Public Shows	-	-	-	-	-	-	-	-	-	-	-	-	(50,944)
TOTAL PUBLIC SHOWS	40	216,800	503,300	41,723	73,237	10,785	-	71,336	86,120	10,900	779,271	911,452	(132,181)
Testing	2	400	2,250	-	-	-	-	392	1,740	12,500	2,550	2,900	(290)
Banquets over 1,000	2	3,200	5,000	686	-	19,500	-	1,072	1,740	2,000	39,618	39,618	(13,964)
Banquets under 1,000	1	700	2,200	225	-	6,150	-	1,072	1,740	2,000	13,387	82,673	(48,286)
Graduation/Commencement	2	6,500	10,000	60	-	90	-	1,280	6,090	5,000	16,150	5,303	9,847
Corporate	1	4,000	16,000	1,740	-	26,250	-	2,472	9,590	3,500	59,890	50,891	6,169
Seminars/Workshop	18	12,800	48,500	1,463	-	20,550	-	2,472	9,590	11,250	91,315	122,213	(30,898)
Dances - College	1	2,000	2,500	160	-	1,500	-	48	435	500	5,143	11,396	(6,253)
Dances - High School	1	600	1,500	-	-	75	-	-	-	500	2,075	1,486	579
Seminars & Meetings	72	20,850	83,325	(12,767)	-	48,200	-	7,616	16,138	62,000	206,412	115,885	90,527
TOTAL OTHER	88	51,050	173,375	(8,133)	-	123,315	-	12,860	33,103	98,150	432,410	425,939	6,471
TOTAL - EXHIBITION HALL	259	412,350	1,400,520	46,012	88,348	277,800	-	285,360	287,228	158,850	2,554,319	2,473,950	80,369

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

	NO OF EVENTS	ATTEN- DANCE	RENTAL INCOME	NET SERVICE INCOME	FOOD AND BEVERAGE INCOME	CATERING INCOME	NOVELTY INCOME	ARTCRAFT INCOME	ELECTRICAL INCOME	EQUIPMENT INCOME	EVENT INCOME FY 2006	EVENT INCOME FY 2005	VARIANCE
DE VOS PERFORMANCE HALL	16	16,000	54,700	6,730	2,250	-	-	-	-	4,000	67,880	73,249	(5,369)
GR BALLET	6	9,000	34,000	6,480	875	-	-	-	-	4,500	48,035	50,539	(2,503)
GR OPERA	40	60,000	105,000	22,080	6,875	-	2,500	-	-	4,500	140,875	166,374	(45,499)
BROADWAY THEATRE GUILD	51	86,900	182,200	7,739	6,596	1,080	3,600	-	-	17,650	199,065	230,539	(31,774)
GR SYMPHONY	28	49,200	114,194	40,072	16,500	-	19,500	-	-	14,200	204,466	138,836	65,630
MISC DEVOS EVENTS	5	1,600	5,000	-	-	7,200	-	600	-	1,250	14,250	227	14,023
WEDDINGS	15	15,400	33,000	(4,260)	-	76,150	-	5,120	14,832	25,750	152,592	18,447	134,145
BALLROOM BANQUET - LARGE	45	19,575	53,175	(6,615)	-	79,755	-	3,360	13,206	28,250	171,131	127,539	43,592
BALLROOM BANQUET - SMALL													
TOTAL - DEVOS HALL/BALLROOM	206	259,875	593,299	72,328	33,096	188,185	25,600	9,280	28,038	100,300	995,094	826,049	172,045
TOTAL - ALL BUILDINGS	467	672,025	1,983,789	118,338	121,645	443,985	25,600	274,840	315,266	259,150	3,522,413	3,259,999	222,414

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

	Budget F/Y 2006	Estimate F/Y 2005	Variance
Salaries - Full Time	1,353,804	1,209,380	(144,424)
Salaries Part Time	842,972	828,805	(14,167)
Auto Allowance	23,650	25,090	1,440
Payroll Taxes	212,427	199,228	(13,199)
Employee Benefits	218,467	208,327	(10,140)
Pension	59,108	57,217	(1,891)
Union Expenses	70,500	68,016	(2,484)
Allocated Salaries	(1,113,946)	(1,087,362)	26,584
Total Labor Costs	1,666,982	1,508,701	(158,281)
Contracted Security	228,000	248,589	20,589
Meetings	32,000	24,120	(7,880)
Meals & Entertainment	14,500	11,918	(2,582)
Dues & Subscriptions	3,600	2,008	(1,592)
Professional Fees	36,000	37,309	1,309
Employee Training	10,000	11,873	1,873
Printing	15,600	1,484	(14,116)
Advertising	25,000	16,231	(8,769)
Trash Removal	30,000	28,954	(1,046)
Landscaping	0	-	-
Armored Services	2,400	2,371	(29)
Exterminating	75,600	13,300	(62,300)
Cleaning	9,000	9,600	600
Construction Costs	0	-	-
Repairs & Maintenance	270,000	212,485	(57,515)
Snow Removal	0	-	-
Supplies	179,000	208,008	29,008
Corporate Travel	5,000	4,895	(105)
Computer Expenses	75,000	82,764	7,764
Equipment Rental	12,000	9,847	(2,153)
Bank Service Charges	12,000	14,476	2,476
General Liability Insurance	81,987	84,104	2,117
Property Insurance	115,000	116,406	1,406
Insurance Expense	42,000	40,120	(1,880)
Local Taxes	0	-	-
Printing & Stationary	11,000	5,893	(5,107)
Office Supplies	9,000	11,532	2,532
Postage	5,000	2,054	(2,946)
Parking Expense	18,000	17,541	(459)
Telephone	72,000	73,919	1,919
Utilities	1,533,450	1,426,568	(106,882)
Management Fee	246,397	271,368	24,971
Incentive Fee	0	32,149	32,149
Allocated Expenses	0	-	-
Total Materials & Service	3,168,534	3,021,886	(146,648)
Total Indirect Expenses	4,835,516	4,530,587	(304,929)

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

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

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

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

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

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

SMG is entitled to the incentive fee as calculated above only if the combined Net Revenue above Expenses for the facilities exceeds the total of \$1,648,212 (Van Andel) and the budgeted figure for DeVos Place.

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

	Arena Budget	DeVos Place Budget	Total Budget	FY 2005 Act/Est
Net Revenue above Expenses	1,434,572	(1,388,942)	45,630	313,477
Benchmark	1,648,212	(1,248,902)	399,310	259,015
Excess	(213,640)	(140,040)	(353,680)	54,462

Incentive Fee Calculation (Only if above greater than zero)

	Arena Budget	DeVos Place Budget	Total Budget	FY 2005 Act/Est
Base Fee	244,482	244,482	488,964	478,439
Incentive Fee				
Revenue	4,671,112	3,246,912	7,918,024	8,203,560
Benchmark Revenue	4,563,576	3,246,912	7,810,488	7,712,250
Projected Revenue Increase	-	-	-	491,310
Incentive Percentage	20%	20%	20%	20%
Total Incentive Fee	-	-	-	98,262
Total SMG Management Fee	244,482	244,482	488,964	576,701

**FISCAL SERVICES DEPARTMENT
MEMORANDUM**

TO: Convention/Arena Authority Finance Committee

FROM: Robert White *RW*
Fiscal Services Director

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

DATE: May 18, 2005

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

The Table A, attached hereto, summarizes the SMG Facilities Budget for Fiscal Years 2004 & 2005. The most recently updated estimate for the current fiscal year (FY2005) discloses a combined facility net operating income projection that has improved from the original budgetary allowances. The Fiscal Year 2005 combined Facilities Budget projected a "Net Available to CAA" of \$126,232. The third fiscal quarter updated estimates raise this net available balance to \$338,477 for the current fiscal year. The improved financial results are driven by higher operating revenues and lower operating expenses to be incurred at DeVos Place. The "Net Available to CAA" for Fiscal Year 2006 remains essentially unchanged from current year estimates.

Table B following this correspondence summarizes the anticipated revenues, expenditures and change in net assets of the CAA for the current and upcoming (FY2006) fiscal years. Based on the most recent data available for the administrative portion of the budget, it is projected that the CAA will add approximately \$267,621 to its "Net Assets" fund balance position at fiscal year end. Excluding funding for capital items in the Fiscal Year 2006 budget, it is anticipated that \$432,049 will be added to "Net Assets" (Fund Balance) during Fiscal Year 2006.

Table C attached hereto provides a "Consolidated Income Statement" for the Convention/Arena Authority covering fiscal years ending June 30, 2005 and 2006. The Fiscal Year 2005 Budget, as originally adopted, forecasted a net income of \$162,463. This forecast has been revised upward to a total as adjusted balance of \$3,267,621. Net income was substantially increased by recognition of a \$3,000,000 transfer from the Capital Account to the Operating Account. This transfer was authorized by the Convention/Arena Authority Board at its January, 2005 meeting.

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

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

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

**Grand Rapids/Kent County Convention Arena Authority
FY2006 Preliminary Budget
May 17, 2005**

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

	<u>FY2005</u>		<u>FY2006</u>
	<u>Budget</u>	<u>Estimate</u>	<u>Requested</u>
VanAndel Arena			
Operating • Revenues	\$ 4,798,695	\$ 4,820,908	\$ 4,840,887
• Expenses - Facilities	(3,046,160)	(3,072,803)	(3,125,438)
- Management Fees	<u>(237,361)</u>	<u>(286,693)</u>	<u>(244,482)</u>
Net Operating Income	<u>\$ 1,515,174</u>	<u>\$ 1,461,412</u>	<u>\$ 1,470,967</u>
DeVos Place			
Operating • Revenues	\$ 3,246,912	\$ 3,407,652	\$ 3,680,413
• Expenses - Facilities	(4,398,493)	(4,261,083)	(4,591,034)
- Management Fees	<u>(237,361)</u>	<u>(269,504)</u>	<u>(244,482)</u>
Net Operating Income	<u>\$ (1,388,942)</u>	<u>\$ (1,122,935)</u>	<u>\$ (1,155,103)</u>
Net Available to CAA:			
VanAndel Arena	\$ 1,515,174	\$ 1,461,412	\$ 1,470,967
DeVos Place	<u>(1,388,942)</u>	<u>(1,122,935)</u>	<u>(1,155,103)</u>
	<u>\$ 126,232</u>	<u>\$ 338,477</u>	<u>\$ 315,864</u>

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

	<u>FY2005</u>		<u>FY2006</u>
	<u>Budget</u>	<u>Estimate</u>	<u>Requested</u>
Revenues:			
SMG Transfers			
Facility Operation (Net)	\$ 126,232	\$ 338,477	\$ 315,864
Utility Reimbursement	<u>2,283,450</u>	<u>2,186,415</u>	<u>2,210,750</u>
	2,409,682	2,524,892	2,526,614
DeVos Place Parking	646,500	445,869	513,500 ⁽¹⁾
Land Lease	123,000	137,406	138,196 ⁽²⁾
Interest on Investments	22,000	40,000	135,000
Miscellaneous	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
	<u>3,216,182</u>	<u>3,163,167</u>	<u>3,328,310</u>
Expenditures:			
Utilities	2,283,450	2,186,415	2,210,750 ⁽³⁾
Parking Management	257,011	240,465	341,900
Pedestrian Safety	86,000	74,371	76,602 ⁽⁴⁾
Administration	233,769	206,400	212,009 ⁽⁵⁾
Capital Repair	<u>193,489</u>	<u>187,895</u>	- ⁽⁶⁾
	<u>3,053,719</u>	<u>2,895,546</u>	<u>2,841,261</u>
Net Excess (Deficit)	<u>\$ 162,463</u>	<u>\$ 267,621</u>	<u>\$ 487,049</u>

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

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

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

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

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

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

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

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

- (5) The administrative portion of the budget provides for staff wages/benefits, accounting/auditing services, liability insurance premiums, legal services, downtown improvement district-special assessments and other miscellaneous. Additional line item detail is provided on a separate schedule.

- (6) The Convention/Arena Authority provides an allowance for Capital Repairs/Improvements/Replacement projects which are not otherwise provided for under the SMG Management Services agreement. The allowance is not included in the Fiscal Year 2006 Budget presently being considered for adoption. A separate subcommittee of the Finance Committee is currently reviewing the long term capital needs of both the VanAndel Arena and DeVos Place Convention Center. A separate report is expected to be delivered to the CAA Finance Committee at its July 2005 meeting.

	Budget	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April EST	May*	June*	Total	EST FY06
Parking Receipts - Daily	\$ 406,692	\$ 2,646	\$ 14,590	\$ 7,305	\$ 16,053	\$ 11,483	\$ 12,951	\$ 24,105	\$ 24,593	\$ 51,727	\$ 22,730	\$ 11,513	\$ 8,922	\$ 208,618	\$ 175,615
Parking Receipts - Monthly	\$ 34,045	\$ 11,173	\$ 5,105	\$ 6,252	\$ 10,023	\$ 1,546	\$ 10,411	\$ 7,114	\$ 5,627	\$ 7,961	\$ 1,721	\$ 7,156	\$ 7,156	\$ 81,245	\$ 87,550
Parking Receipts - Event	\$ 205,763	\$ 194	\$ 2,022	\$ 5,797	\$ 7,595	\$ 12,045	\$ 9,056	\$ 28,166	\$ 30,460	\$ 44,116	\$ 6,385	\$ 7,043	\$ 3,199	\$ 156,078	\$ 156,502
Cash Over/Short	\$ -	\$ -	\$ -	\$ (5)	\$ (8)	\$ -	\$ -	\$ (50)	\$ -	\$ (9)	\$ -	\$ -	\$ -	\$ (72)	\$ -
Total Revenue	\$ 646,500	\$ 14,013	\$ 21,717	\$ 19,349	\$ 33,663	\$ 25,074	\$ 32,418	\$ 59,335	\$ 60,680	\$ 103,795	\$ 30,836	\$ 25,712	\$ 19,277	\$ 445,869	\$ 419,667
Direct Expenses															
Supplies			\$ 1,793					\$ 50	\$ 1,407		\$ 184	\$ 200	\$ 200	\$ 3,834	\$ 5,400
Employee Costs		\$ 11,777	\$ 14,411	\$ 14,255	\$ 15,389	\$ 15,162	\$ 15,302	\$ 23,289	\$ 17,386	\$ 19,397	\$ 17,123	\$ 22,500	\$ 17,500	\$ 203,491	\$ 271,371
Maintenance		\$ 840			\$ 252			\$ 1,390	\$ 357	\$ 934	\$ 2,640	\$ 350	\$ 350	\$ 7,113	\$ 18,000
Equipment Rentals/Lease				\$ 1,621	\$ 714	\$ 899		\$ 830	\$ 2,343	\$ 20		\$ 800	\$ 800	\$ 8,027	\$ 9,588
Contractual														\$ -	\$ 12,000
Small Equipment														\$ -	\$ 500
Total Expenses	\$ 239,011	\$ 11,777	\$ 17,044	\$ 15,876	\$ 16,103	\$ 16,313	\$ 15,302	\$ 25,559	\$ 21,493	\$ 20,351	\$ 19,947	\$ 23,850	\$ 18,850	\$ 222,465	\$ 316,859
Management Fee	\$ 18,000	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 18,000	\$ 25,000
Total Expenses	\$ 13,277	\$ 18,544	\$ 17,376	\$ 17,603	\$ 17,603	\$ 17,813	\$ 16,802	\$ 27,059	\$ 22,993	\$ 21,851	\$ 21,447	\$ 25,350	\$ 20,350	\$ 240,465	\$ 341,859
Monthly Income (Loss)	\$ 736	\$ 3,173	\$ 1,973	\$ 16,060	\$ 7,261	\$ 15,616	\$ 32,276	\$ 37,687	\$ 81,944	\$ 9,389	\$ 362	\$ (1,073)	\$ 205,404	\$ 77,808	\$ 77,808
Estimated Annual Expenses	\$ 257,011	Total Transfer	\$ 205,404												
		Payments													
			\$ 15,485	Check 0500023951	July/August										
			\$ 112,200	Check 0500038520	Sept/Oct/Nov										
			\$ 37,400	Check 0500043460	Dec										
			\$ 37,400	Check 0500050516	Jan										
			\$ 37,400	Check 0500055260	Feb										
			\$ 239,885												
			Under (Over) payment	\$ (34,481)											

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

DeVos Place FY06 Estimate

Revenue

Daily Revenue \$ 233,300

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

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

Event Revenue \$ 178,400

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

Monthly Revenue

Price increase from \$128.00 per month to \$132.00 \$ 101,800

Kent County holds 100 parking cards - these cards are at Operations and Maintenance charge \$40.00 per month for FY05.

Upcoming construction may increase demand for monthly parking. This increase is included in the projection

Currently there are 122 monthly customers, including Kent County

Total Revenue \$ 513,500

Expenses

Employee Costs \$ 271,400

Regular staff 8 hours per day 5 days per week 52 weeks per year - hourly rate \$9.94
Evening staff 8 hours per day 5 days per week 52 weeks per year - hourly rate \$9.94
Additional staffing for events during day, evening, and weekends for 125 events. Includes booth attendants and traffic personnel - hourly rate \$9.94
Portion of evening and weekend break person, portion of special event team leader, and training for new employees. Weekend team leader \$12.10 per hour - personnel rate \$9.94 per hour.

Ten percent of seasonal security staff.

Portion of full time GREIU employee responsible for booth set up and close down at the end of the day.

Portion of GREIU employee responsible for day breaks Monday through Friday

Portion of GREIU maintenance employees for ramp maintenance

Costs include: Wages, social security taxes, and benefits.

Maintenance \$ 18,000

Card Access preventative maintenance (includes card readers, fee computers, gate arms, ticket spitters, and loops cut into the pavement) \$10,000.

Consultant recommended ramp repairs and additional repairs as required.

Contractual \$ 12,000

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

Equipment Rentals and Lease \$ 9,600

Portion of maintenance vehicles and security vehicles allocated to DeVos Place

DeVos Place

FY06 Estimate

Supplies	\$ 5,400
Tickets from the ticket splitter, hang tags (for events), and supplies purchased for use directly at DeVos Place.	
Small Equipment	
Small equipment purchased for use at DeVos place. For example chairs for parking booths	\$ 500
Total Direct Expenses	<u>\$ 316,900</u>
Management Fee - Overhead Allocation	
Current contract provides for a management fee. This pays a portion of the administrative costs associated with DeVos Place.	\$ 25,000
Included in these costs is: parking card billing, collecting funds, posting to the proper accounts, evening audits of occupancy and revenue, card access and revenue equipment programming, telephone calls from current or potential customers, all aspects of purchasing supplies, and employee supervision.	
Total Expenses plus Management Fee	<u>\$ 341,900</u>
Expected Revenue Transfer	<u>\$ 171,600</u>
Anticipated Monthly payments beginning July 2005	<u>\$ 14,300</u>

City of Grand Rapids, Michigan

Auto Parking System Fund

Area No. 2 - Arena/Oakes

Operating Income

Actual - Fiscal Years 2001 - 2004

Estimate Fiscal Year 2005 - 2006

April 20, 2005

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

Operating Revenues:

Monthly*

Event

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

Operating Expenses:

Event Staffing

Snowplow/Landscape

Security

Repair and Maintenance

Supervision/Administration

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

Operating Income

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

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

7% to Other APS Facilities

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

Payments

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

Area 2 FY06 Estimate

Revenue

Event Revenue \$ 71,600

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

Monthly Revenue

Price increase from \$58.75 per month to \$60.50. This is in line with CPI. \$ 122,200

Currently the lot is full of monthly parking customers.

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

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

Total Revenue

\$ 193,800

Expenses

Employee Costs \$ 18,634

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

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

Maintenance \$ 16,300

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

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

Security \$ 6,300

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

Administration \$ 14,300

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

Total Expenses

\$ 55,534

Expected Revenue Transfer

\$ 138,266

Anticipated Monthly payments beginning July 2005

\$ 11,522

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

		FY2005		FY2006
		<u>Budget</u>	<u>Estimate</u>	<u>Request</u>
Operating Revenues:				
Event, Direct	- VanAndel Arena	\$ 1,278,171	\$ 1,243,640	\$ 1,187,222
	- DeVos Place	1,987,844	1,950,095	2,052,492
Ancillary Income	- VanAndel Arena	1,535,524	1,401,269	1,487,665
	- DeVos Place	1,092,068	1,349,955	1,469,921
Other	- VanAndel Arena ⁽¹⁾	1,985,000	2,175,999	2,166,000
	- DeVos Place ⁽¹⁾	167,000	107,602	158,000
	- Parking	769,500	583,275	651,696
		<u>8,815,107</u>	<u>8,811,835</u>	<u>9,172,996</u>
Operating Expenses/Appropriations:				
Facility Management	- VanAndel Arena	3,283,521	3,359,496	3,369,920
	- DeVos Place	4,635,854	4,530,587	4,835,516
Parking		257,011	240,465	341,900
Pedestrian Safety		86,000	74,371	76,602
Capital Repair		193,489	187,895	-
Administrative		233,769	206,400	212,009
		<u>8,689,644</u>	<u>8,599,214</u>	<u>8,835,947</u>
Operating Income (Loss) Before Depreciation		125,463	212,621	337,049
Non-Operating Revenue				
	- Interest & Misc.	37,000	55,000	150,000
	- Transferred From Capital Acct.	-	3,000,000	-
		<u>-</u>	<u>3,000,000</u>	<u>-</u>
Net Income		162,463	3,267,621	487,049
Net Assets, Unrestricted, Beginning of Year		<u>5,156,417</u>	<u>5,156,417</u>	<u>8,424,038</u>
Net Assets, Unrestricted, End of Year		<u>\$ 5,318,880</u>	<u>\$ 8,424,038</u>	<u>\$ 8,911,087</u> ⁽²⁾

Notes:

⁽¹⁾ Premium seating, advertising, other.

⁽²⁾ Including a minimum Operating Reserve of \$6M and an estimated June 30, 2006 Capital Replacement/Improvement Reserve of \$2,911,087.

PARKING OPERATION AND MAINTENANCE AGREEMENT

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

PREMISES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

If to the CAA:

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

If to the City:

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

With a copy to:

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

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

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

Section 16. General Provisions.

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

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

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

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

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

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

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

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

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

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

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

Steven R. Heacock, Chairman

CITY OF GRAND RAPIDS

George K. Heartwell, Mayor

Attest:

Mary Therese Hegarty, City Clerk

EXHIBIT A

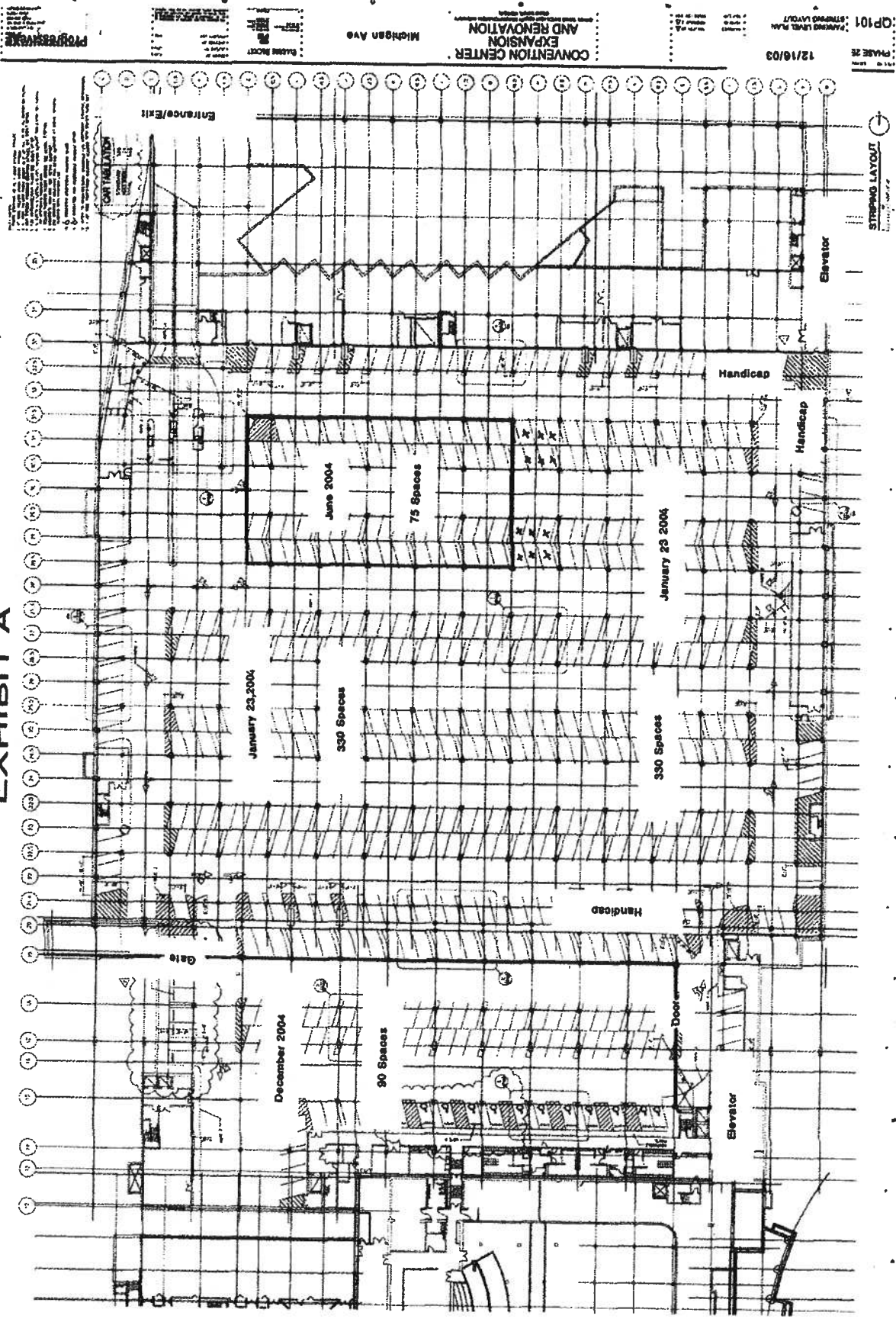
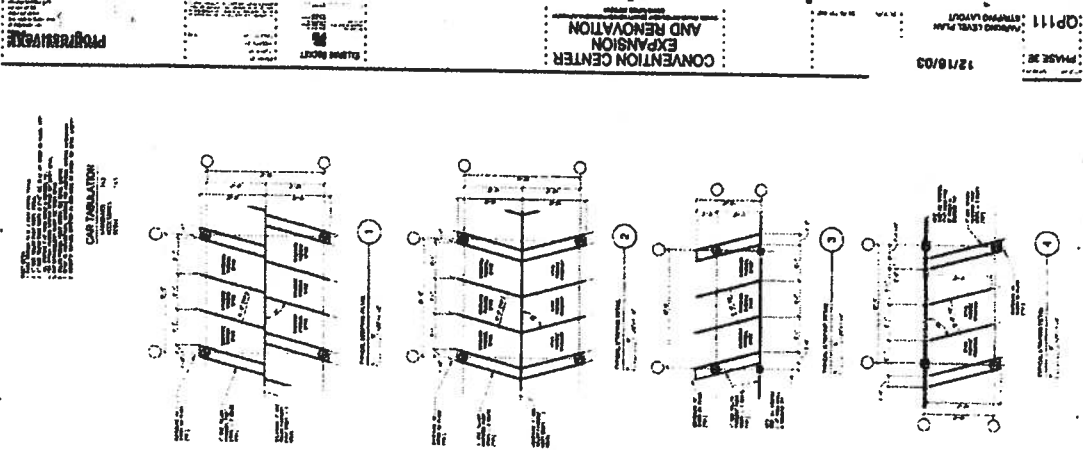
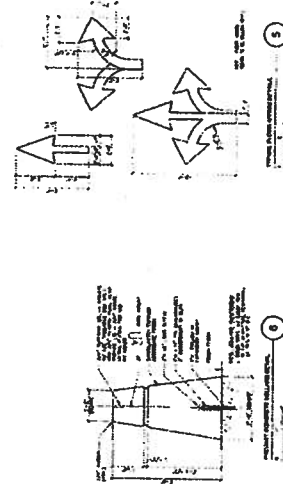
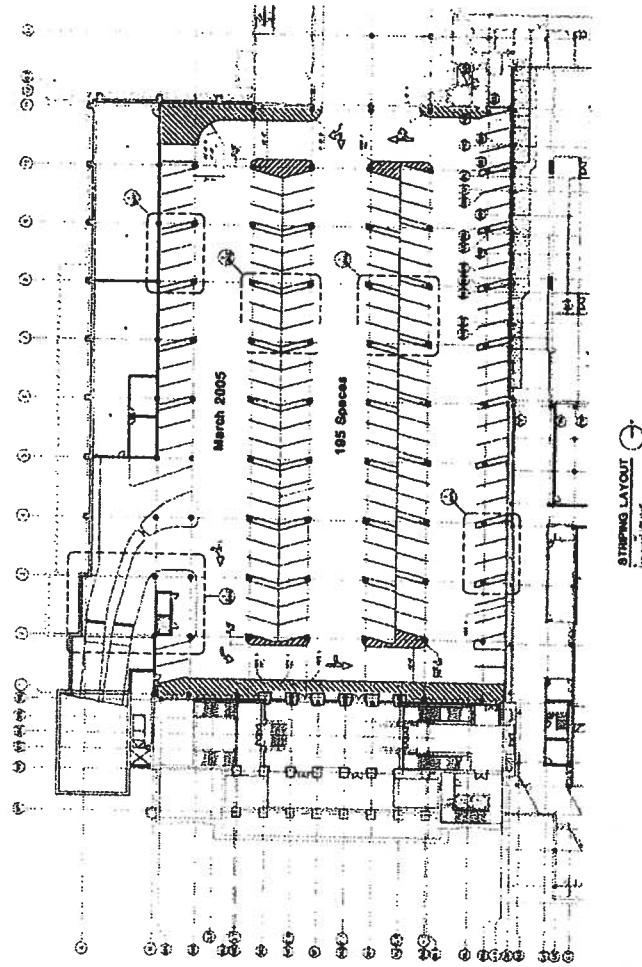


EXHIBIT A Page 2



VAN ANDEL ARENA® WEEKLY
(Revised)

Item V

DATE	EVENT	EC	MOD	ROOM	TIME	FUNCTION
Wed, May 18	Available					
Thur, May 19	Rampage	CL	STEVE	Arena	6P-9P	Season ticket holder party
Fri, May 20	Available					
Sat, May 21	Rampage vs Los Angeles	AH	KEN	Arena	6:30 PM 7:30P-10P 10P-10:20P	Doors Football game Post-game autographs
	Rampage	MW		Banquet A/B	1:00 PM 6:30P-7:30P	Set-up School night t-shirt/hot dog redemption
Sun, May 22	Available					
Mon, May 23	Available					
Tue, May 24	Available					
Wed, May 25	Available					
Thur, May 26	Available					
Fri, May 27	Available					
Sat, May 28	Available					
Sun, May 29	Available					
Mon, May 30	Closed – Memorial Day					
Tue, May 31	Available					
Wed, Jun 1	Available					
Thur, Jun 2	Centerplate	MW		Banquet A	4:00 PM 6P-8P	Set-up Meeting
Fri, Jun 3	Available					
Sat, Jun 4	Available					
Sun, Jun 5	SMG			Millenium Park	11:30A-4P	Company outing
Mon, Jun 6	Available					
Tue, Jun 7	Available					
Wed, Jun 8	Available					
Thur, Jun 9	Available					
Fri, Jun 10	Available					
Sat, Jun 11	Available					
Sun, Jun 12	Available					
Mon, Jun 13	Available					
Tue, Jun 14	Available					
Wed, Jun 15	Available					
Thur, Jun 16	Available					
Fri, Jun 17	Available					
Sat, Jun 18	Available					
Sun, Jun 19	Available					

JUNE 2005

DATE	EVENT	ROOM	TIME	FUNCTION	EC	HOUSE STAFF	EMT'S	POLICE	SECURITY
WED. JUNE 1	GVSU ENRICHMENT DINNER	BALL A-C	8:00AM	BANQUET	MJ	Coatcheck 5:00pm-12:00pm			Welsh Lobby Grand Gallery
	MERRELL FOOTWEAR SALES MEETING	BALL D O A-H G A-F RO A-F BOARDROOM	8:00am-6:00pm	SETUP SETUP SETUP SETUP	MJ				Grand Gallery Welsh Lobby
THURS. JUNE 2	BILL ENGVALL	DV	1P-5P 7:30P - 9:15P 9:30P-11:30P	MOVE IN PERFORMANCE (NO INTERMISSION) MOVE OUT	AK	1 SUPERVISOR 1 COAT CHECK 6 TIX TAKERS 10 USHERS 6P-10P	2 EMT 6PM - 10PM	2 TRAFFIC ON MONROE 6:30P-10P	1 SUPERVISOR 1 BACKSTAGE 1 STAGE DOOR 1 ROAM 1 ORCH 1 MEZZ 1 BALC 6P-10P
	MERRELL FOOTWEAR SALES MEETING	BALL C-D O A-H G A-F RO A-F BOARDROOM	8:00AM-10:00PM	DINNER MEETING MEETING MEETING	MJ				Grand Gallery Welsh Lobby
FRI. JUNE 3	MERRELL FOOTWEAR SALES MEETING	BALL C-D O A-H G A-F RO A-F BOARDROOM	8:00AM-10:00PM	DINNER MEETING MEETING MEETING	MJ				Grand Gallery Welsh Lobby
SAT. JUNE 4	MERRELL FOOTWEAR SALES MEETING	O A-H G A-F RO A-F BOARDROOM	8:00AM-5:00PM	MEETING MEETING MEETING	MJ				Grand Gallery Welsh Lobby
SUN. JUNE 5	SMG SUMMER OUTING	BOARDROOM							
MON. JUNE 6		MILLENNIUM PARK							
TUES. JUNE 7	GREASE	DV	8:00AM-5:00PM 7:30PM-10:00PM	MOVE IN PERFORMANCE	AF	1 SUPERVISOR 1 COAT CHECK 6 TIX TAKERS 10 USHERS 6P-10P	2 EMT 6PM - 10:30PM	2 TRAFIC ON MONROE 6:30P-10P 1 FIREWATCH	1 STAGE DOOR 7:30A-11P 1 FOH 6P-10:30P
	WYOMING COSTCO PERSPECTIVE	G A	12:00PM 1:00PM-5:00PM 3:00PM-3:15PM 2:00PM-8:00PM	CLIENT ARRIVAL/ ROOM SETUP MEETING BREAK MOVE IN	MJ				Grand Gallery
WED. JUNE 8	THE SPRING MANAGEMENT INFORMATION SHOW	BALL D			KB	0	0	0	
	GREASE	DV	7:30PM-10:00PM 10:00PM-2:00AM	PERFORMANCE MOVE OUT	AF	1 SUPERVISOR 1 COAT CHECK 6 TIX TAKERS 10 USHERS 6P-10P	2 EMT 6PM - 10:30PM	2 TRAFIC ON MONROE 6:30P-10P 1 FIREWATCH	1 STAGE DOOR 4P-12A 1 FOH 6P-10:30P
	WYOMING COSTCO PERSPECTIVE	G A	7:00AM 8:00AM-12:00PM 10:00AM-10:15AM 7:00AM-6:00PM	CLIENT ARRIVAL ROOM SETUP MEETING BREAK MEETING	MJ				Grand Gallery
THURS. JUNE 9	THE SPRING MANAGEMENT INFORMATION SHOW	BALL D / G A-F			KB	0	0	0	

JUNE 2005

DATE	EVENT	ROOM	TIME	FUNCTION	EC	HOUSE STAFF	EMT'S	POLICE	SECURITY
FRI. JUNE 10	CITY MANAGER'S TOP MANAGEMENT MEETING	O A	8:30AM 9:00AM 10:30AM	REFRESHMENTS MEETING BEGINS MEETING ENDS	MJ				
SAT. JUNE 11	QUIXSTAR CONNECTIONS	BALL A, pre-funct RO A-D	8:00AM-12:00PM 12:00PM-10:00PM	LOAD-IN GENERAL SESSION	KB	0	0	0	
SUN. JUNE 12									
MON. JUNE 13									
TUES. JUNE 14	ISG TRAINING	G A	7:00AM-4:00PM	MEETING					
WED. JUNE 15	TRIVALENT GROUP	G A	8:00AM-6:00PM	MEETING	AF	0	0	0	Grand Gallery
THURS. JUNE 16									
FRI. JUNE 17	AMERICAN LEGION DEPT. OF MI CONVENTION	BALL C	8:00am-5:00pm	MEETING	MJ				Grand Gallery
SAT. JUNE 18	AMERICAN LEGION DEPT. OF MI CONVENTION	BALL C	8:00am-5:00pm	MEETING	MJ				Grand Gallery
	SECRETS OF A WOMAN- WHEN GOOD GIRLS GO BAD	DV	1P-5P 7:30P-10P 10P-2A	MOVE IN PERFORMANCE MOVE OUT	AF	1 SUPERVISOR 1 COAT CHECK 6 TIX TAKERS 10 USHERS 6P-10:30P	2 EMT 6PM - 11PM	2 TRAFFIC ON MONROE 6:30P-10:30P	1 DOCK 1 STAGE DOOR 12P-2A 1 SUPERVISOR 2 FOH 6P-11P Grand Gallery
SUN. JUNE 19	AMERICAN LEGION DEPT. OF MI CONVENTION	BALL C	8:00am-5:00pm	MEETING	MJ				Grand Gallery
MON. JUNE 20	PETER PAN	DV	6P-10P	MOVE IN	AK	0	0	0	1 STAGE DOOR STARTING 4PM UNTIL 5/26
TUES. JUNE 21	PETER PAN	DV RECITAL RM DV	8A-5P TBD 7:30P-10:00PM	MOVE IN PIT REHEARSAL PERFORMANCE	AK	1 SUPERVISOR 1 COAT CHECK 6 TIX TAKERS 10 USHERS 6P-10:30P	2 EMT 6PM - 10:30PM	2 TRAFIC ON MONROE 6:30P-10P 1 FIREWATCH	1 FOH 6P-10:30P Grand Gallery Welsh Lobby
WED. JUNE 22	WEINGARTEN WEDDING	BALL C-D BALL C-D-FUNC PATIO RO A DV	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 7:30P-10P	DINNER RECEPTION GENERAL SESSION RECEPTION PERFORMANCE	AF	0	0	0	1 FOH 6P-10:30P
	PETER PAN				AK	1 SUPERVISOR 1 COAT CHECK 6 TIX TAKERS 10 USHERS 6P-10:30P	2 EMT 6PM - 10:30PM	2 TRAFIC ON MONROE 6:30P-10P 1 FIREWATCH	1 FOH 6P-10:30P
	PFIZER LEADERSHIP	G A	8:00AM-5:00PM	MEETING	KB	0	0	0	
THURS. JUNE 23	PETER PAN	DV	2P-4:30P 7:30P-10P	PERFORMANCE PERFORMANCE	AK	1 SUPERVISOR 1 COAT CHECK 6 TIX TAKERS 10 USHERS 12:30P-5P 6P-10:30P	2 EMT 12:30P-5P & 6PM - 10:30PM	2 TRAFIC ON MONROE 2P-4:30P 6:30P-10P 1 FIREWATCH	1 FOH 12:30P-10:30P
FRI. JUNE 24	PETER PAN	DV	8P	PERFORMANCE	AK	1 SUPERVISOR 1 COAT CHECK	2 EMT 6:30P-11P	2 TRAFIC ON MONROE	1 FOH 6:30P-11P

JUNE 2005

DATE	EVENT	ROOM	TIME	FUNCTION	EC	HOUSE STAFF	EMT'S	POLICE	SECURITY
SAT. JUNE 25	PETER PAN	DV	2P-4:30P 8P-10:30P	PERFORMANCE PERFORMANCE	AK	6 TIX TAKERS 10 USHERS 6:30P-11P 1 SUPERVISOR 1 COAT CHECK 6 TIX TAKERS 10 USHERS 12:30P-5P 6:30P-11P	2 EMT 12:30P-5P & 6:30PM - 11PM	7P-10:30P 1 FIREWATCH 2 TRAFIC ON MONROE 2P-4:30P 7P-10:30P 1 FIREWATCH	1 FOH 12:30P-11P
	KORTE WEDDING	BALL C		WEDDING RECEPTION	AF	0	0	0	Grand Gallery Welsh Lobby
SUN. JUNE 26	PETER PAN	DV	3P-5:30P 5:30P-10:30P	PERFORMANCE MOVE OUT	AK	1 SUPERVISOR 1 COAT CHECK 6 TIX TAKERS 10 USHERS 1:30P-6P	2 EMT 1:30P-6P	2 TRAFIC ON MONROE 2P-5:30P 1 FIREWATCH	1 FOH 1:30P-6P
MON. JUNE 27									
TUES. JUNE 28									
WED. JUNE 29									
THURS. JUNE 30	GRABILL ENTERPRISES	BALL A-B	8:00AM-5:00PM	MOVE IN	KB				

GRAND RAPIDS COMPLEX

ARENA

MAY 2005
20 - FRI
21 - SAT Rampage [D]
22 - SUN
23 - MON
24 - TUE
25 - WED
26 - THU
27 - FRI
28 - SAT
29 - SUN
30 - MON
31 - TUE
JUN 2005
01 - WED Cirque [T]
02 - THU Cirque [T]
03 - FRI Cirque [T]
04 - SAT
05 - SUN
06 - MON
07 - TUE
08 - WED
09 - THU
10 - FRI
11 - SAT
12 - SUN
13 - MON
14 - TUE
15 - WED
16 - THU
17 - FRI
18 - SAT
19 - SUN
20 - MON
21 - TUE STEVIE [T]
22 - WED STEVIE [T]
23 - THU STEVIE [T]
24 - FRI STEVIE [T]
25 - SAT STEVIE [T]
26 - SUN STEVIE [T]
27 - MON
28 - TUE PEITY [D]
29 - WED
30 - THU
JUL 2005
01 - FRI
02 - SAT
03 - SUN
04 - MON
05 - TUE
06 - WED JOURNEY [T]
07 - THU
08 - FRI
09 - SAT
10 - SUN
11 - MON

GRAND RAPIDS COMPLEX

ARENA

JUL. 2005	-----
12 - TUE	JOURNEY [T]
13 - WED	JOURNEY [T]
14 - THU	JOURNEY [T]
15 - FRI	
16 - SAT	Veggie [D]
17 - SUN	
18 - MON	
19 - TUE	JOURNEY [T]
20 - WED	HEUFF [D]
21 - THU	
22 - FRI	
23 - SAT	
24 - SUN	
25 - MON	
26 - TUE	
27 - WED	
28 - THU	
29 - FRI	
30 - SAT	
31 - SUN	Motivate [T]
AUG 2005	
01 - MON	Motivate [T]
02 - TUE	Motivate [T]
03 - WED	Motivate [T]
04 - THU	
05 - FRI	Apregon [T]
06 - SAT	
07 - SUN	
08 - MON	
09 - TUE	
10 - WED	
11 - THU	
12 - FRI	KClarkso [S] Clay A [T]
13 - SAT	
14 - SUN	
15 - MON	
16 - TUE	Clarkson [T]
17 - WED	
18 - THU	
19 - FRI	
20 - SAT	
21 - SUN	
22 - MON	
23 - TUE	
24 - WED	
25 - THU	GRSHF [T]
26 - FRI	
27 - SAT	
28 - SUN	3 Doors [T]
29 - MON	
30 - TUE	
31 - WED	Idol [T]
SEP 2005	
01 - THU	RockShow [T]

GRAND RAPIDS COMPLEX

ARENA

SEP 2005	-----	
02 - FRI	RockShow	[T]
03 - SAT	RockShow	[T]
04 - SUN		
05 - MON		
06 - TUE		
07 - WED		
08 - THU		
09 - FRI		
10 - SAT		
11 - SUN		
12 - MON	+ RBBB	[T]
13 - TUE	+ RBBB	[T]
14 - WED	RBBB	[T]
15 - THU	RBBB	[T]
16 - FRI	RBBB	[T]
17 - SAT	RBBB	[T]
18 - SUN	RBBB	[T]
19 - MON		
20 - TUE	TPerry	[T]
21 - WED	TPerry	[T]
22 - THU	+ PBR	[T]
23 - FRI	PBR	[T]
24 - SAT	PBR	[T]
25 - SUN	- PBR	[T]
26 - MON	- PBR	[T]
27 - TUE	Destiny	[T]
28 - WED		
29 - THU	AEG	[T]
30 - FRI	RTravis	[T]
OCT 2005		
01 - SAT	RTravis	[T]
02 - SUN		
03 - MON		
04 - TUE		
05 - WED		
06 - THU	Weezer	[T]
07 - FRI	MontGent	[T]
	Muller	[S]
08 - SAT	MontGent	[T]
	Muller	[S]
09 - SUN		
10 - MON	Weezer	[T]
11 - TUE		
12 - WED		
13 - THU		
14 - FRI		
15 - SAT	Griffins	[T] (1:00AM)
16 - SUN		
17 - MON		
18 - TUE		
19 - WED		
20 - THU	Griffins	[T] (1:00AM)
	MontGent	[S]
21 - FRI	MontGent	[T]
22 - SAT	Griffins	[T] (1:00AM)

GRAND RAPIDS COMPLEX

ARENA

OCT 2005	-----
	MontGent [S]
23 - SUN	MontGent [T]
24 - MON	
25 - TUE	
26 - WED	
27 - THU	Griffins [S] (3:00PM)
	BONJOVI [T]
28 - FRI	Griffins [S]
	BONJOVI [T]
29 - SAT	Griffins [S] (1:00AM)
	BONJOVI [T]
30 - SUN	BONJOVI [T]
31 - MON	BONJOVI [T]
NOV 2005	
01 - TUE	BONJOVI [T]
02 - WED	BONJOVI [T]
03 - THU	BRKS&DN [T]
04 - FRI	Griffins [S] (3:00PM)
	BRKS&DN [T]
05 - SAT	Griffins [S] (1:00AM)
	BRKS&DN [T]
06 - SUN	BRKS&DN [T]
	KUrban [S]
07 - MON	
08 - TUE	
09 - WED	
10 - THU	DTales [T]
11 - FRI	DTales [T]
12 - SAT	DTales [T]
13 - SUN	DTales [T]
14 - MON	
15 - TUE	Griffins [S] (4:00PM)
16 - WED	
17 - THU	Griffins [S] (3:00PM)
18 - FRI	BONJOVI [T]
	Griffins [S] (1:00AM)
19 - SAT	BONJOVI [T]
20 - SUN	BONJOVI [T]
21 - MON	
22 - TUE	
23 - WED	B-ball C [D] (6:00PM)
24 - THU	
25 - FRI	B-ball C [D] (8:00AM)
26 - SAT	B-ball C [D] (6:00PM)
	Griffins [S] (1:00AM)
27 - SUN	
28 - MON	WWE Raw [T]
29 - TUE	
30 - WED	CHAPMAN [T]
DEC 2005	
01 - THU	BigRich [T]
02 - FRI	BigRich [T]
	Griffins [S] (3:00PM)
03 - SAT	Griffins [S] (1:00AM)
04 - SUN	BigRich [T]

GRAND RAPIDS COMPLEX

ARENA

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DEC 2005
05 - MON
06 - TUE
07 - WED    Griffins [S] (1:00AM)
08 - THU
09 - FRI
10 - SAT    GVSU [S] (12:00PM)
             Griffins [S] (1:00AM)
11 - SUN    TSO [D]
12 - MON    TSO [D]
13 - TUE
14 - WED
15 - THU
16 - FRI    Griffins [T] (3:00PM)
17 - SAT    Griffins [T]
18 - SUN
19 - MON
20 - TUE
21 - WED
22 - THU
23 - FRI    Griffins [T] (1:00AM)
24 - SAT
25 - SUN
26 - MON
27 - TUE
28 - WED    Griffins [T] (3:00PM)
29 - THU    Griffins [T]
30 - FRI    Griffins [T]
31 - SAT    Griffins [T] (1:00AM)
JAN 2006
01 - SUN
02 - MON
03 - TUE
04 - WED    + ARENACR [T]
05 - THU    + ARENACR [T]
06 - FRI    ARENACR [T]
07 - SAT    ARENACR [T]
08 - SUN    ARENACR [T]
09 - MON    - ARENACR [T]
10 - TUE
11 - WED    Griffins [T] (1:00AM)
12 - THU
13 - FRI    Griffins [T] (3:00PM)
14 - SAT    Griffins [T] (1:00AM)
15 - SUN
16 - MON
17 - TUE
18 - WED
19 - THU
20 - FRI    Griffins [S] (3:00PM)
             GLORIES [T]
21 - SAT    Griffins [S] (1:00AM)
             GLORIES [T]
22 - SUN    GLORIES [T]
23 - MON
24 - TUE

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GRAND RAPIDS COMPLEX

ARENA

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

GRAND RAPIDS COMPLEX

ARENA

MAR 2006		
11 - SAT	Freestyl	[T]
12 - SUN	Freestyl	[T]
13 - MON		
14 - TUE		
15 - WED	Griffins	[T] (3:00PM)
16 - THU	Griffins	[T]
17 - FRI	Griffins	[T]
18 - SAT	Griffins	[T]
19 - SUN	Griffins	[T] (1:00AM)
20 - MON		
21 - TUE		
22 - WED	Griffins	[T] (3:00PM)
23 - THU	Griffins	[T] (1:00AM)
24 - FRI	Stars	[D]
25 - SAT	Griffins	[T] (3:00PM)
26 - SUN	Griffins	[T] (1:00AM)
27 - MON		
28 - TUE	+ DISNEY	[D]
29 - WED	+ DISNEY	[D]
30 - THU	DISNEY	[D]
31 - FRI	DISNEY	[D]
APR 2006		
01 - SAT	- DISNEY	[D]
02 - SUN	- DISNEY	[D]
03 - MON		
04 - TUE		
05 - WED		
06 - THU		
07 - FRI	Griffins	[T] (3:00PM)
08 - SAT	Griffins	[T] (1:00AM)
09 - SUN		
10 - MON		
11 - TUE		
12 - WED		
13 - THU		
14 - FRI	Griffins	[T] (3:00PM)
15 - SAT	Griffins	[T] (1:00AM)
16 - SUN		
17 - MON		
18 - TUE		
19 - WED		
20 - THU		
21 - FRI		
22 - SAT		
23 - SUN		
24 - MON		
25 - TUE		
26 - WED		
27 - THU		
28 - FRI	GAITHER	[T]
29 - SAT	GVSU Ccm	[C]
30 - SUN		
MAY 2006		
01 - MON		
02 - TUE	Davenport	[D]

GRAND RAPIDS COMPLEX

ARENA

MAY 2006

03 - WED
04 - THU
05 - FRI
06 - SAT
07 - SUN
08 - MON CHAMPION [T]
09 - TUE
10 - WED
11 - THU
12 - FRI GATHER [T]
13 - SAT
14 - SUN
15 - MON
16 - TUE
17 - WED
18 - THU
19 - FRI
20 - SAT
21 - SUN
22 - MON
23 - TUE
24 - WED
25 - THU
26 - FRI
27 - SAT
28 - SUN
29 - MON
30 - TUE
31 - WED

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

M E M O R A N D U M

TO: Grand Rapids-Kent County Convention/Arena Authority

FROM: Dale H. Sommers

DATE: May 18, 2005

SUBJECT: Update of DeVos Place Expansion Closeout

Over the last 30 days the following have been completed:

- 1. Numerous punch list and closeout items of miscellaneous nature completed**
- 2. Worked with landscaper to complete outside site work (trees, scrubs, mulch)**
- 3. Met with Bob White to review cash flow till end of project, minimal payments left**
- 4. Completed roof repair issues**
- 5. LED lights in Ballroom now scheduled to be installed last week of May**
- 6. Office furniture for Sue's Office installed and complete**
- 7. Furniture for Business Center being installed today May 18**
- 8. 2 items remain on punch list, 3 inspections remain**
- 9. Rails for river walk installed**

Next 30 days hope to complete final items, which include (LED lights in Ballroom, replacement of pavers on river side, landscaping, and other warranty work). Closeout/wrap up continues to progress well. If complete in June, final retainage will be paid and account closed.

Met with Construction Manager on May 17, they will have final billings to me for approval by June 8, 2005.

Goal is to have the project complete and closed out by June 30, 2005.

If you have any questions feel free to contact me.

Dale H. Sommers