



Georgia World  
Congress Center  
Authority

# BOARD OF GOVERNORS MEETING

JUNE 27, 2023

# Action Item

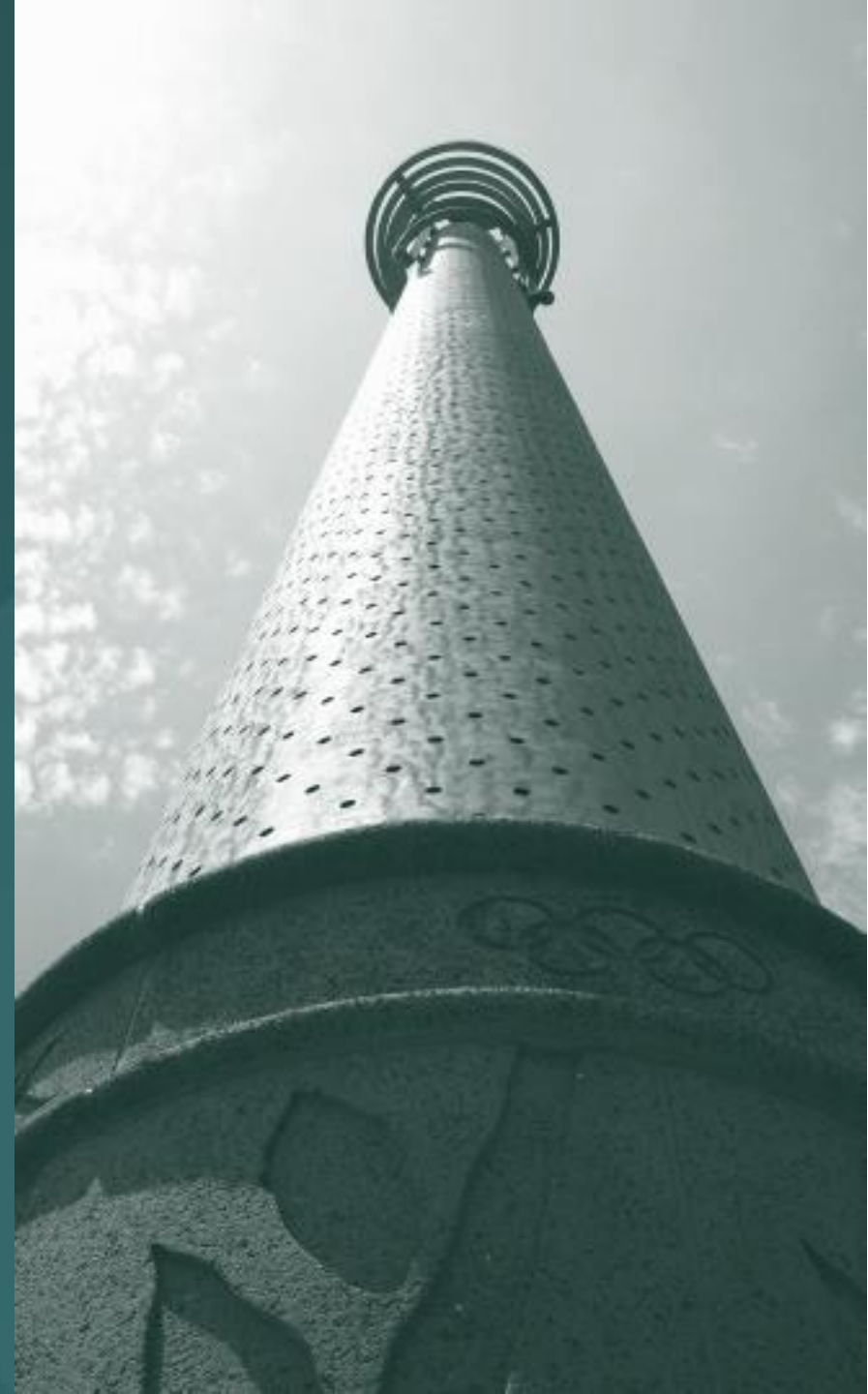
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## Approval of Minutes May 23, 2023



# Financial Update

**Janet Arsenault**  
**Sr. Director of Finance**



# Financial Snapshot: May



Month	Budget	Actual	Variance
Revenue	\$3,517,011	\$5,745,797	↑ \$2.2M 63.4%
Expense	\$3,297,438	\$4,218,060	↑ \$921K 27.9%
Net Profit	\$219,573	\$1,527,737	↑ \$1.3M

# Financial Snapshot: YTD thru May 2023



Month	Budget	Actual	Variance
Revenue	\$41,012,769	\$51,021,579	↑ \$10.0M 24.4%
Expense	\$40,744,510	\$43,792,437	↑ \$3.0M 7.5%
Net Profit	\$268,259	\$7,229,142	↑ \$7.0M

# Questions?



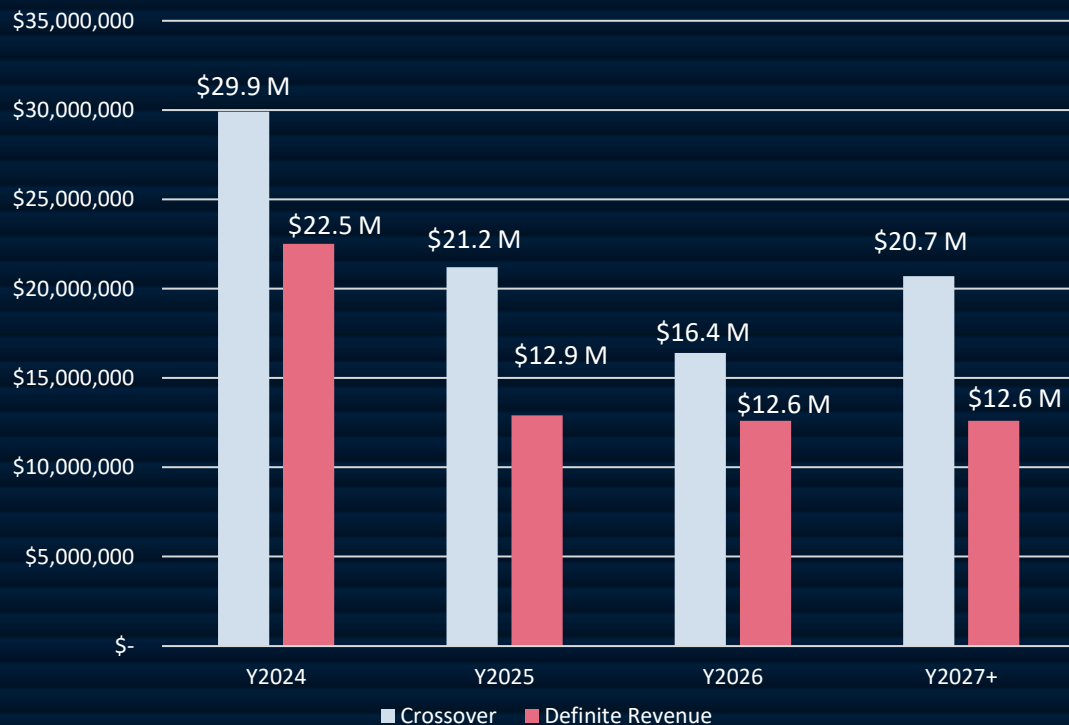
# Signia by Hilton Quarterly Sales Update

**Kyle Stevens**  
Director of Sales & Marketing



# Current Pace and Position of Hotel

Definite vs Year End 2023 Crossover Goals



Total Definite Revenue: \$60.6 M

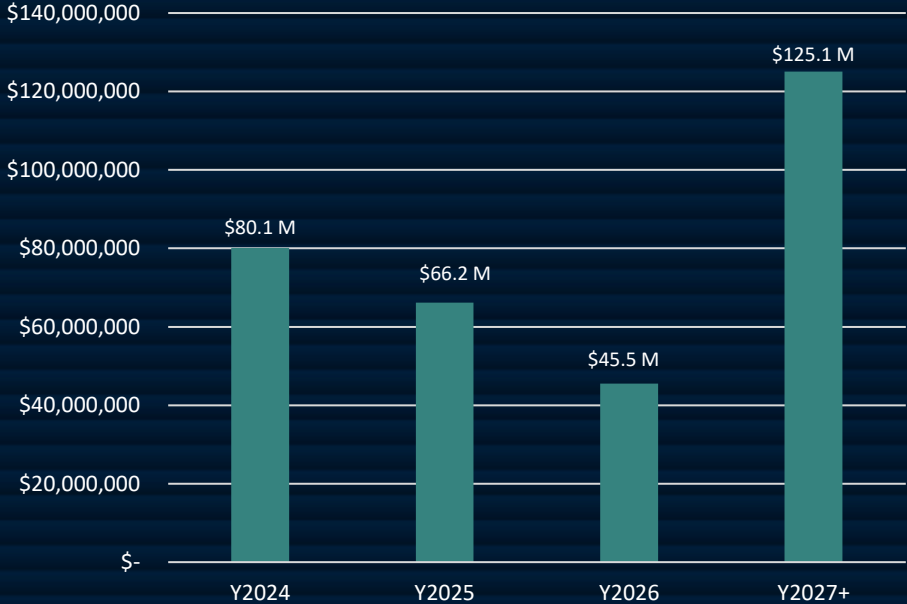
- YTD net production equates to \$11.3 M in group rooms revenue with several days left to quarter end
- QTD, \$4.5 M placed into 2024, \$2.3 M into 2025 and \$3.7 M into 2026 from group rooms revenue
- To date, Food and Beverage capture equates to \$11.1 M with 50% contracted in 2024
- Club Signia interest continues to assist in ADR growth with approximately \$1.2 M in revenue capture to date
- In total, we have contracted \$60.6 M in group rooms revenue through the cycle on 219,000 RN



# Sales Metrics

- Total Prospect & Tentative revenue equates to \$317 M
- \$128 M increase from Q4's Prospect & Tentative revenue

Prospect & Tentative Revenue 2024 – 2027+



Total Prospect & Tentative Revenue: \$317 M



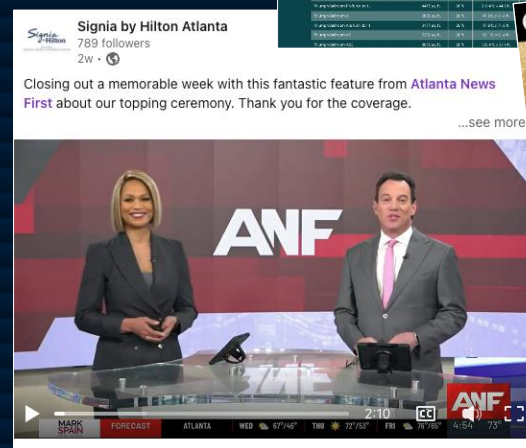
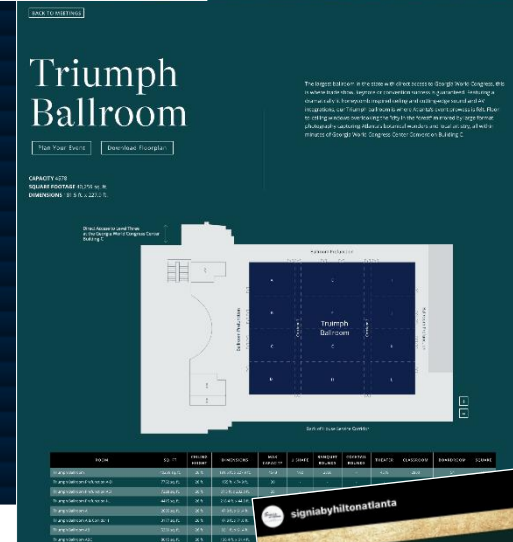
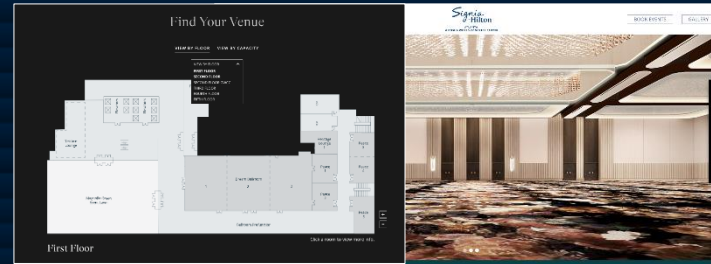
# Sales Update



- Hosted SAM and Corporate Group Sales Leadership Meeting
- Attendance to PCMA, Conference Direct & Helms Briscoe APM, along with Signia Brand activation(s)
- GWCC, Levy and Signia Meeting to review Georgia Ballroom opportunities
- Participated in MCAF Meeting in Orlando, FL
- Brand and Signia by Hilton Atlanta presented to SAM, Corporate Group, Business Travel and Hilton Direct at team meeting
- Attended College Recruitment luncheon for Broward College and Florida International University
- Presented to HWS Technology Team with customer engagement opportunities
- Conducted site tour for Home Depot planning department
- Tradeshow attendance to Hilton Live events in Chicago and San Francisco
- Upcoming visit to Hilton Direct Team in August to promote hotel for short-term availability
- Hosted customer engagement events for Taylor Swift and Beyonce concerts
- Ongoing partnership with GWCC sales team with business analysis, approvals and procedures

# Marketing Update

- Building out M&E pages on the vanity website
- Met with and sent more than six Atlanta marketing agencies through the EBO process.
- Created a presentation to talk with local nonprofits about our community efforts.
- Interviewing Public Relation Agencies that are EBO approved.
- Discussion with local advertisement agency to speak through opportunities in hiring and recruiting talent.
- Beginning dialogue in menu development
- Approval stage for group collateral.
- Implementation of Q9 RFP platform.
- Follow us on Instagram, LinkedIn and Facebook to help grow our social media presence.



**Community Impact**

<p><b>Higher Education</b></p> <p>We have established a solid relationship with Morris Brown College and Georgia State University, both of whom offer strong Hospitality programs to prepare graduates for the hospitality industry.</p>	<p><b>Careers</b></p> <p>In September, we will begin mass hiring for up to 500 jobs and plan to have a thorough social media and advertising plan focusing on the African-American and Latino communities.</p>	<p><b>Local Organizations</b></p> <p>We have hosted several meals to introduce ourselves and the brand to various associations throughout the city, including the Atlanta Black Chambers and the Atlanta Business League.</p>	<p><b>Giving Back</b></p> <p>As incoming stewards of downtown Atlanta and surrounding neighborhoods, we are committed to effecting positive change and welcoming our hospitality through volunteering initiatives.</p>
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# Signia by Hilton Atlanta Executive Committee



Teri Agosta  
General Manager



Delondo Lemon  
Hotel Manager



Adam Richards  
Dir. of Revenue  
Management



Kyle Stevens  
Dir. of Sales &  
Marketing



Jennifer Mowrey  
Dir. of Catering &  
Events



Rachael Pollard  
Dir. of Human  
Resources



Christian Quiñones  
Executive Chef



Jessica Vilches  
Dir. of Finance



Gary Holness  
Dir. of Property  
Operations

# Questions?



# Signia By Hilton Atlanta Development Update

**Theonie Alicandro**  
COO/General Counsel  
Drew Company Atlanta, LLC



# Agenda

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- Construction Update
- 90-Day Lookahead
- Schedule
- Proposed Change Order No. 12
- Preview Change Order No. 13
- Development Budget Update
- Challenges
- Questions

# Construction Update



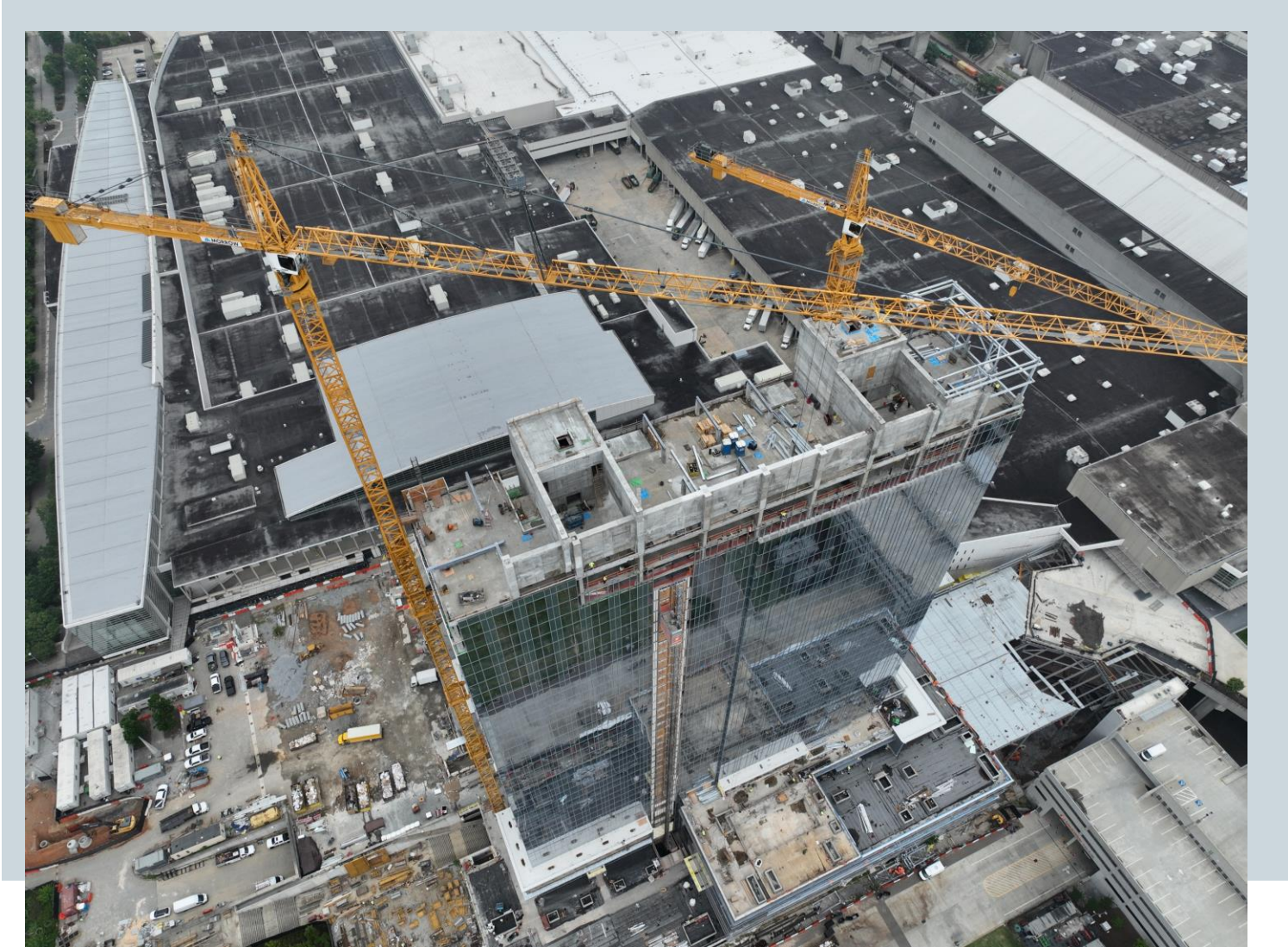
June 2022



June 2023



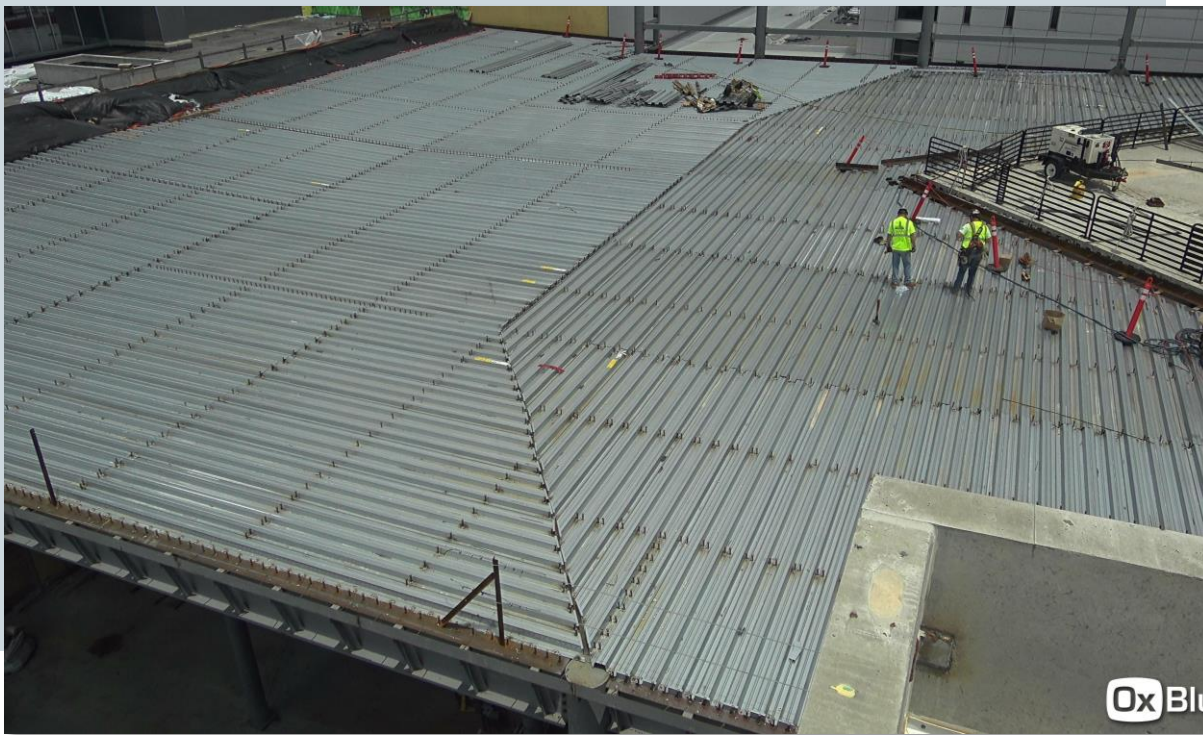
# Construction Update



# Construction Update: AYIB



January 2023



June 2023

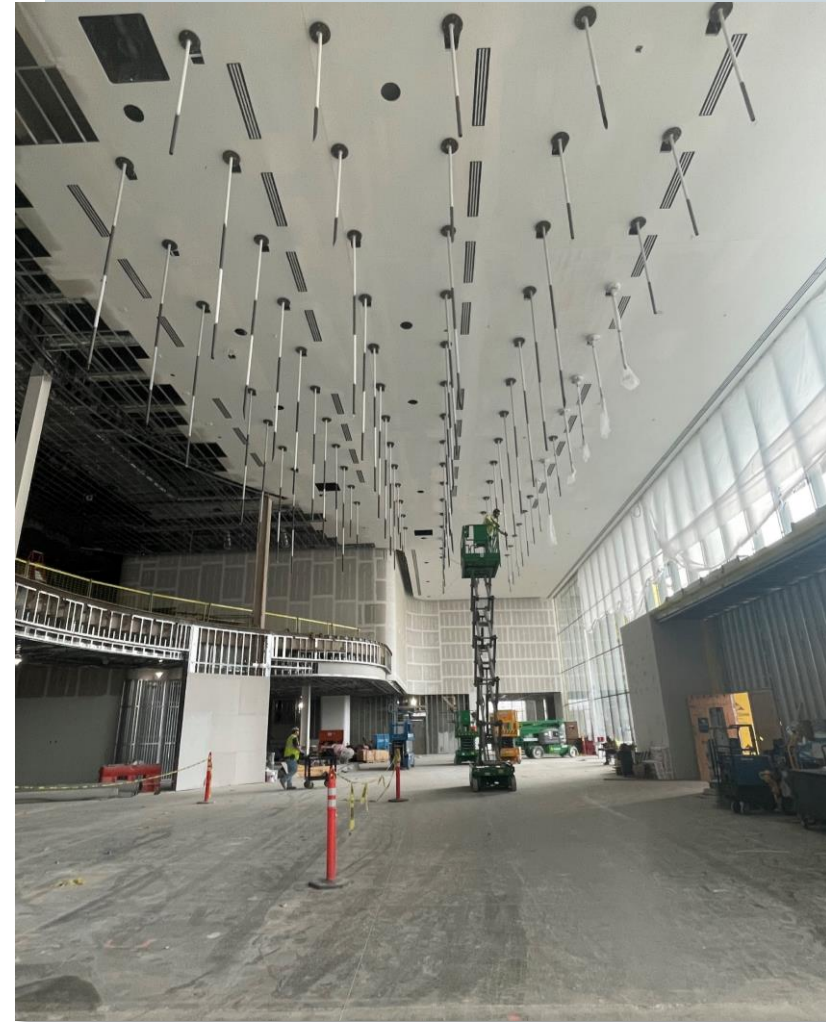
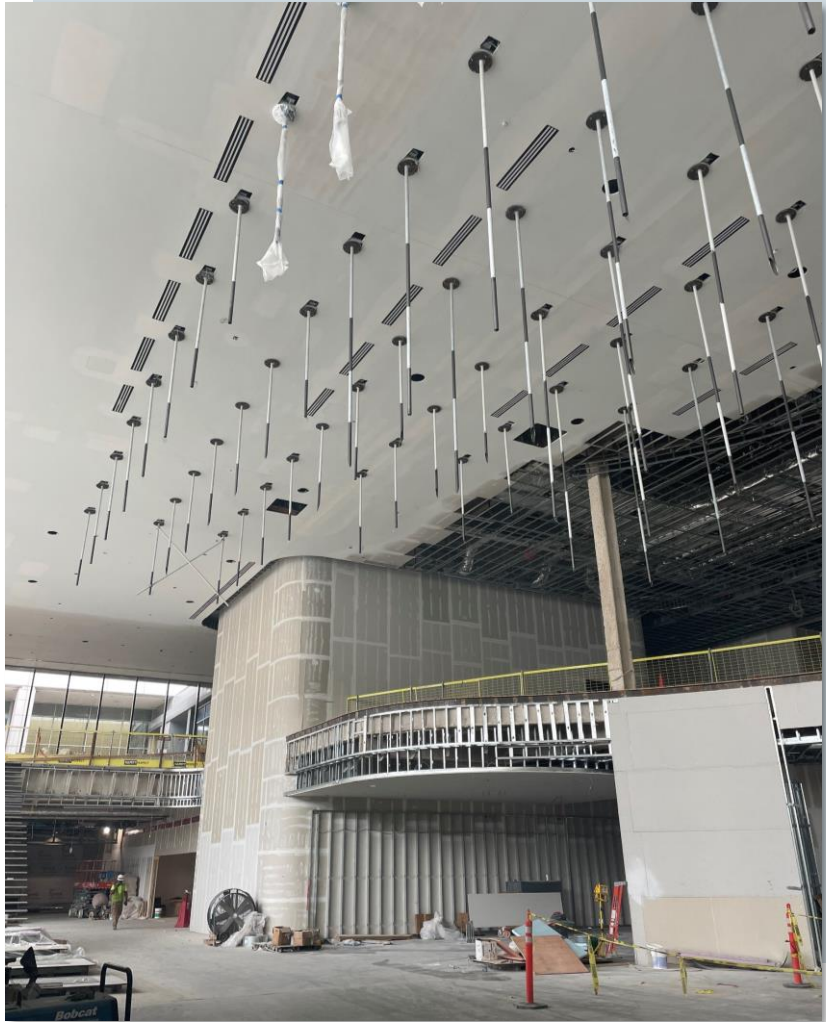
# Construction Update: Loading Dock and AYIB



# Construction Update: Lobby Cured Wall



# Construction Update: Lobby



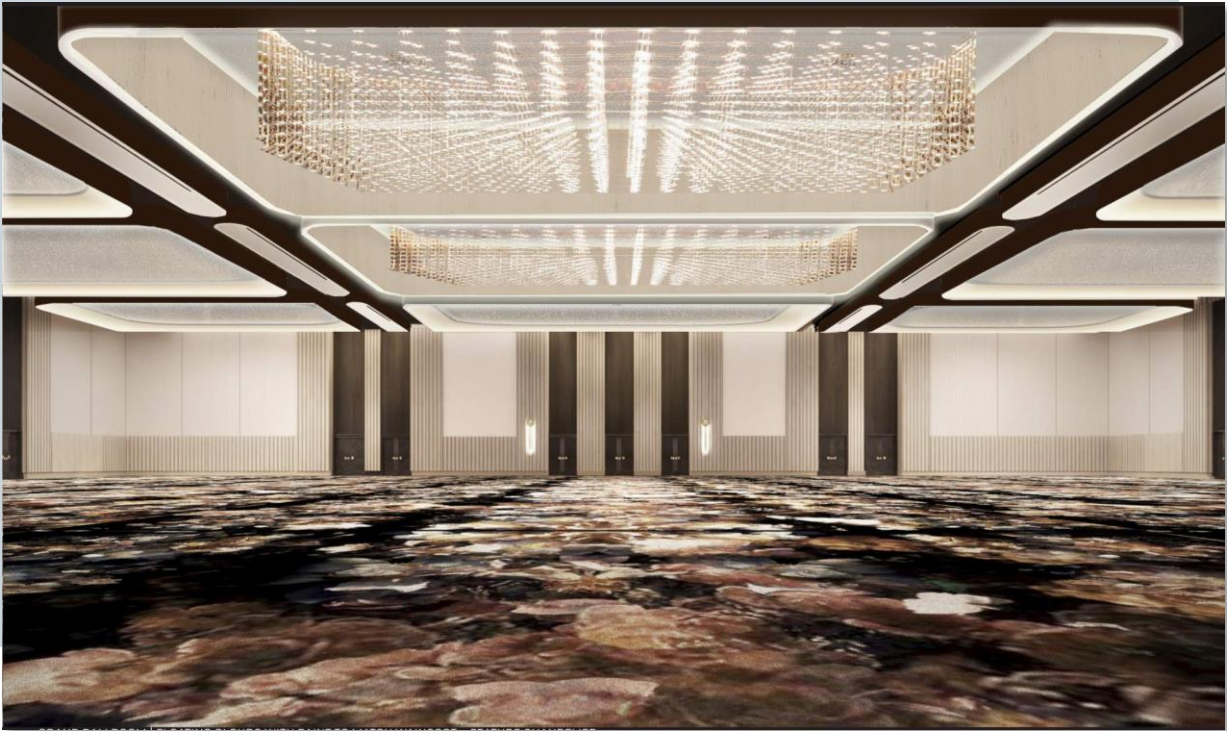
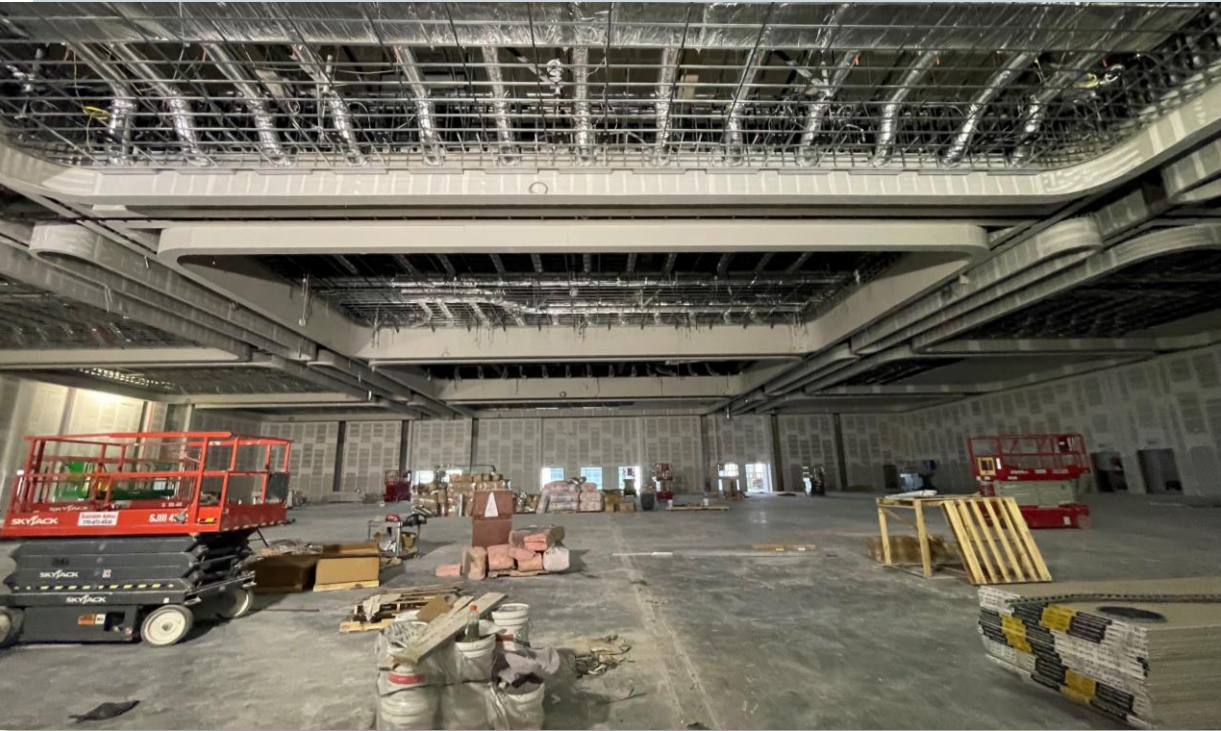
# Construction Update: Lobby Registration



# Construction Update: Club Signia



# Construction Update: Triumph Ballroom





# Construction Update: Lightning Boardroom

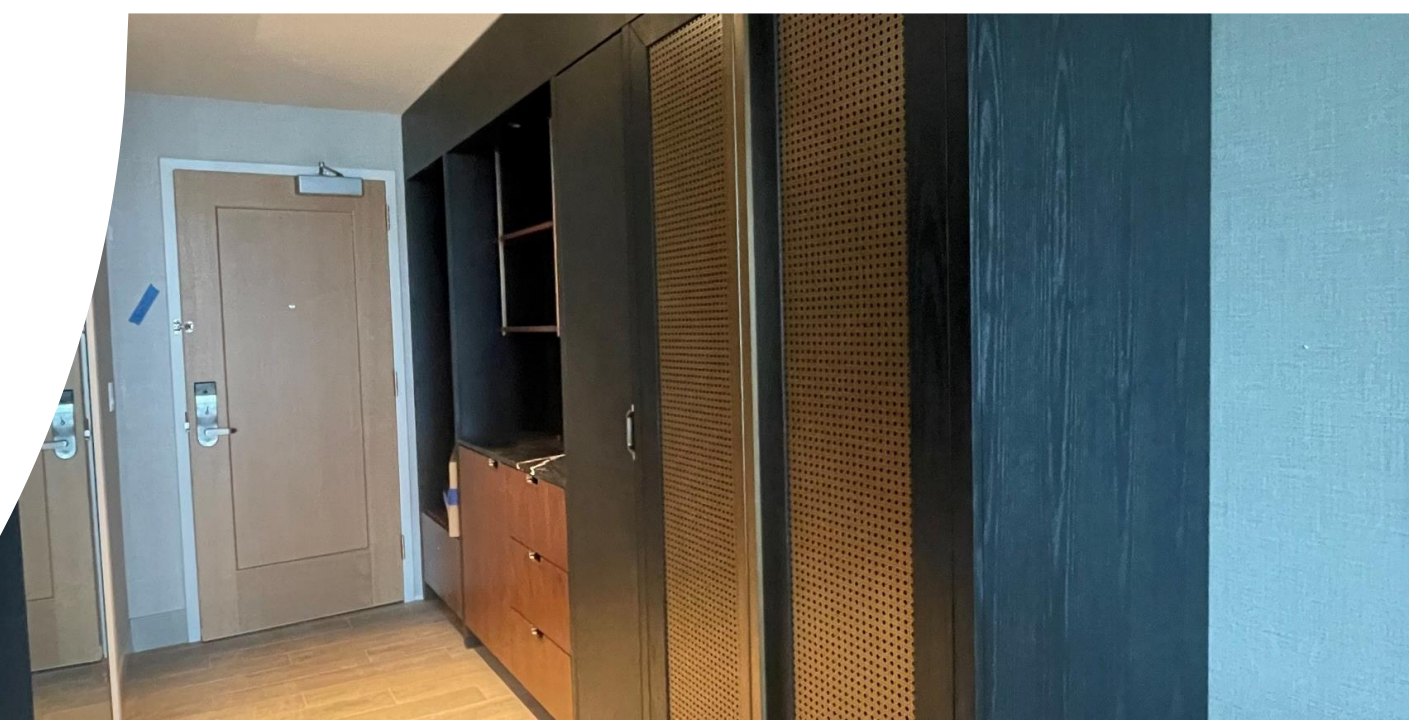


# Construction Update: Capolinea



# 90-Day Outlook

- Commence Installation of Owner Installed FF&E, including Wardrobes, Headboards and Desks
- Continue Guest Tower Interiors, including Tile Work, Wall Covering, Installation of Guestroom Lit Vanity Mirrors, Unit Doors, Vanities and Carpet
- Low-Rise Elevators and Service Elevators
- Completion of Loading Dock
- Finish Work throughout Podium
- Ongoing Installation of Kitchen Equipment
- Completion of AYIB Connection



**174** Days until Substantial  
Completion...

# Schedule

- Per Change Order No. 004, Substantial Completion Date is **Dec. 18, 2023**
- Previously reported tracking one (1) day behind schedule from material shortage issue in May 2022 and eight (8) days of delays due to adverse weather for a total of nine (9) days. **No Change**
- Hilton Milestones and Substantial Completion Date are still intact
- Average number of workers on site per day: 589
- New worker orientations: 2,866
- Schedule reviews being conducted by Chaifetz Consulting, Inc.

# Proposed Change Order No. 12

Scope and coordination issues include:

Kitchen Equipment Changes/ Electrical	North Expansion Joint	Pool Deck Lighting	Passenger Elevator Displays
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Change Order No. 12 totaling \$673,649 will be presented for approval to be executed by Frank Poe to be paid out of Owner's Hard Cost Contingency



# Preview Change Order No. 13

Scope and coordination issues include:

Pool Bar Changes

Market Revisions

Emergency Generator Louvers/Fans



Change Order No. 13 currently estimated at approximately \$400,000 will be presented for approval to be executed by Frank Poe to be paid out of Owner's Hard Cost Contingency



# Development Budget Update: June 2023



	Development Budget as of May 31, 2023
Revised GMP Hard Cost (including CO No. 12)	\$330,489,048
Preconstruction Fee (not in GMP)	\$394,170
Owner Direct Hard Cost	\$3,509,663
Owner's Hard Cost Contingency*	\$3,524,644
<b>Total Hard Cost</b>	<b>\$337,917,524</b>
Total Soft Cost	\$109,478,608
Owner's Soft Cost Contingency	\$3,026,557
<b>Total Project Cost</b>	<b>\$450,422,689</b>
Total Hard & Soft Cost Contingency	\$6,551,201

\*Owner's Hard Cost Contingency decreased from last month in amount of **\$673,649** due to Change Order No. 12.



# Development Budget Update

**\$450,422,688**

Total development budget

**\$316,807,631**

Total spend through 5.31.2023

**70.33%**

Percent spend through  
5.31.2023

# Challenges

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- Maintaining Schedule/Stacking of Work
- Weather
- Variable Cost Events

# Questions?



# Change Order No. 12 Resolution

**Melana Kopman McClatchey**  
Hotel Counsel



# Change Order 12

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NOW THEREFORE BE IT RESOLVED by the Board of Governors of the Geo. L. Smith II Georgia World Congress Center Authority that the Executive Director expressly is authorized, though not required, to take such actions and to execute and deliver such documents as may be necessary or appropriate to effect the execution of the proposed Change Order 12 (which proposed Change Order 12 substantially would be in the form attached hereto as Exhibit A), but only so long as such proposed Change Order 12 complies with the terms and conditions of the Agreement and applicable law and, in the judgment of the Executive Director, is consistent with the corporate purposes and mission of the Authority and the Authority's sound business practices, and that the Secretary or Assistant Secretary of the Authority is hereby authorized to attest the due execution of the Change Order 12 and to affix the seal of the Authority thereto with such amendments and modifications as are approved by the Executive Director, such approval to be conclusively evidenced by the execution and delivery of such document by the Executive Director; and

# Change Order 12

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BE IT FURTHER RESOLVED that the Executive Director and the Secretary or Assistant Secretary are authorized to deliver a copy of this Resolution and to take such other actions and to execute and deliver such other agreements, instruments, or other documents as may be necessary or appropriate to accomplish the foregoing.

# Questions?



# 2023 Junior Achievement Amendment

**Joe Bocherer**  
Chief Commercial Officer

**Pargen Robertson**  
Legal Counsel





# Background

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- Approximately 56,000 sq. ft in Building C utilized for student education;  
34 parking spaces allotted
  - Funded through Chick-fil-A Foundation
- Current agreement: Dec. 21, 2012 – June 30, 2023
  - Monthly rental fee: \$33,333 (\$400K annually)
- New 5-year agreement: July 1, 2023 – June 30, 2028
  - Years 1-3 monthly rental fee: \$35,000 (\$420K annually)
  - Years 4-5 monthly rental fees: \$36,050 (\$432,600 annually)

# Resolution

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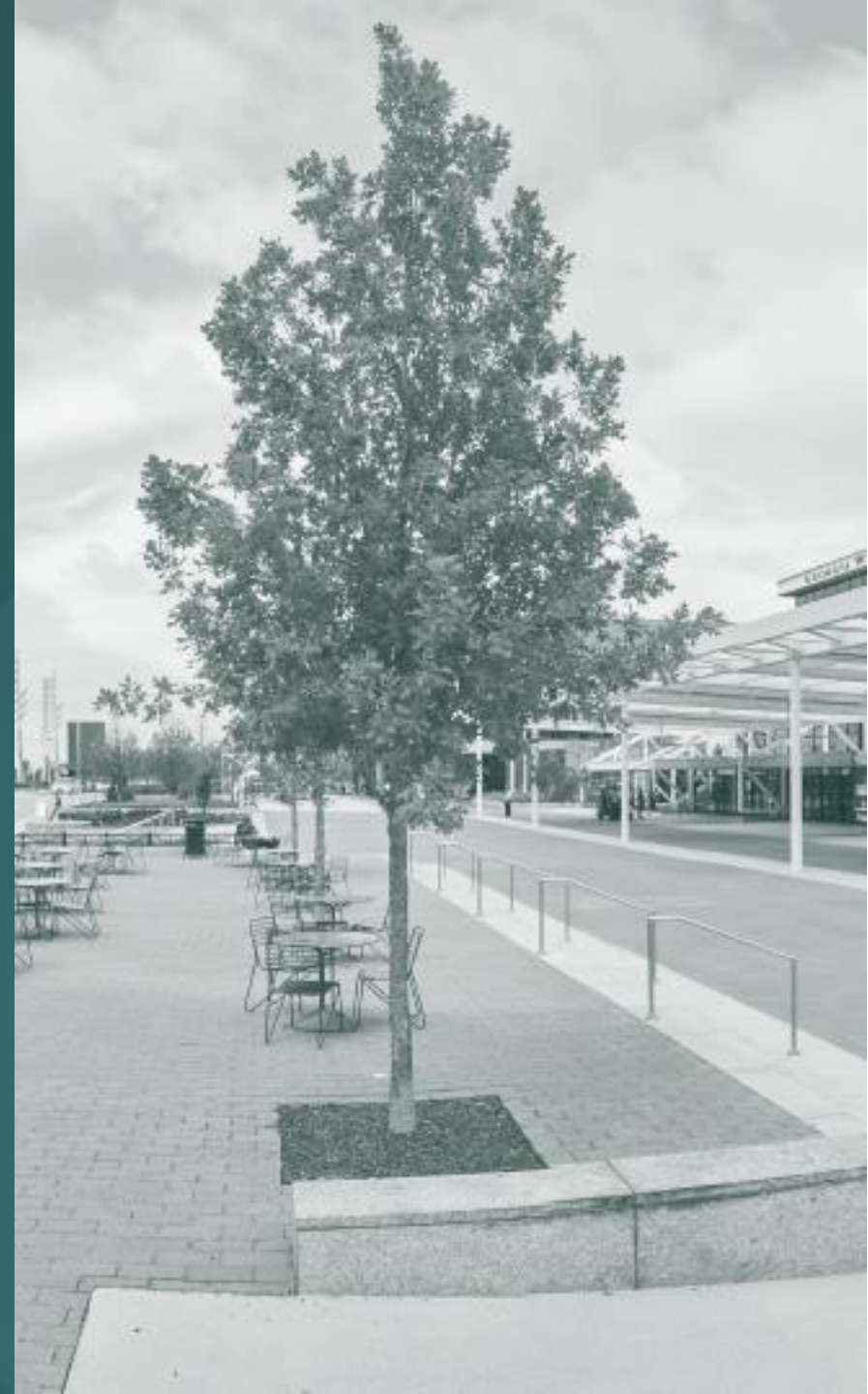
THEREFORE, BE IT RESOLVED by the Board of Governors of the Geo. L. Smith II Georgia World Congress Center Authority that the Executive Director expressly is authorized to continue to negotiate with Junior Achievement regarding the terms and conditions of a proposed amendment to the existing license agreement for Junior Achievement's use of specified facilities and space in the Center, pursuant to which proposed amendment Junior Achievement's license term would be extended to June 30, 2028. Moreover, in case those negotiations are successful, then the Executive Director is authorized, though not required, to take such actions and to execute and deliver such documents, substantially in the form attached hereto as Exhibit A, but only so long as such amendment complies with applicable law and, in the judgment of the Executive Director, is consistent with the corporate purposes and mission of the Authority and the Authority's sound business practices.

# Questions?



# Terrazzo Floor Restoration Service

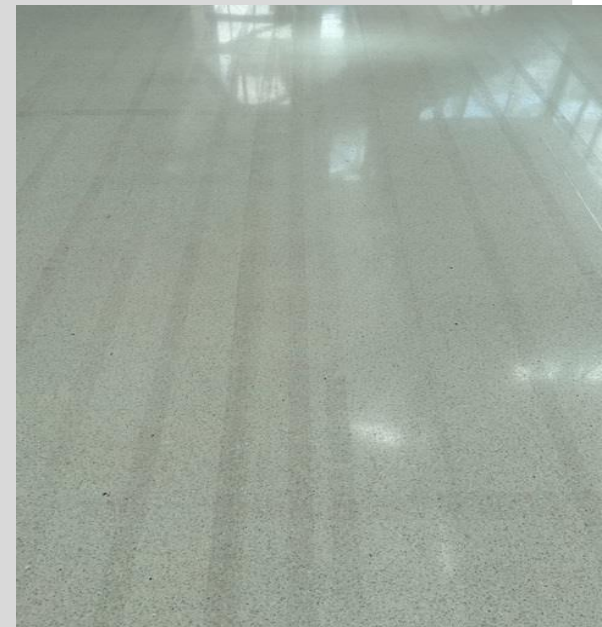
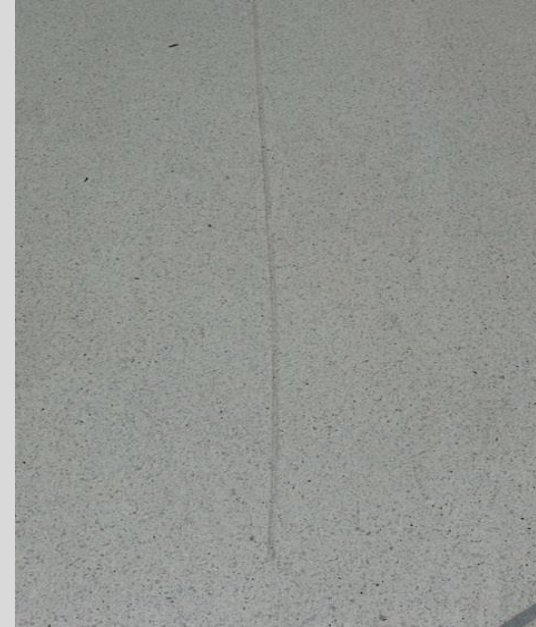
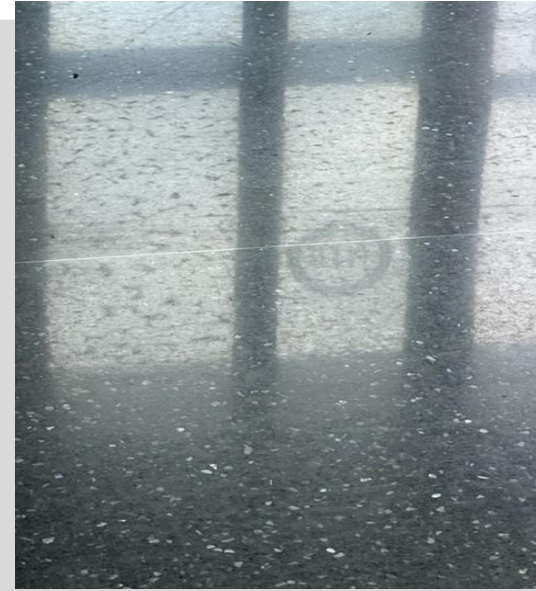
**Chris Chadwick**  
Director of Operations



# Project Highlights

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- Installed in 2017 with wax sealing
- Under performing – acrylic coating easily shows stains, uneven wear, and scuff marks
- Hazy finish/poor light reflection
- High maintenance costs due to daily scuff and stain removal and periodic stripping and recoating



# Project Highlights

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- Strip all existing acrylic wax coating to a natural finish
- Natural finish is most resistant finish to scuffs, tape residue, and stains
- Natural finish has consistent shine and provides sharp light reflection
- Lowest maintenance cost



# Project Highlights

- Intent to Award issued to SOLID Surface Care, Inc.
- SOLID completed similar restoration at Atlanta Hartsfield Jackson International Airport; currently holds maintenance contract
- 7-step restoration process:
  - 3-step grinding using diamond pads
  - 1-step honing
  - 3-step polishing
- Project duration: 20-25 weeks
- Quality Assurance: meticulous measurements are taken to ensure exact gloss level specifications are achieved across the entire surface
- Environmental Impact: all stone slurry is removed from site and recycled at the SOLID facility
- Restoration cost: \$684,872 (\$8.65/sq. ft.); American Recovery Plan Act (ARPA) funded



# Questions?





# Terrazzo Floor Restoration Service Agreement

**Pargen Robertson**  
Legal Counsel



# Resolution

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BE IT FURTHER RESOLVED that the Executive Director is authorized to take any and all actions, to execute and deliver any and all documents, agreements, certificates and instruments and to take any and all steps deemed by the Executive Director to be necessary or desirable to consummate the execution of an agreement for such goods and services and to carry out the purpose and intent of the foregoing resolution, and all actions heretofore taken in furtherance thereof are hereby ratified and confirmed in all respects.

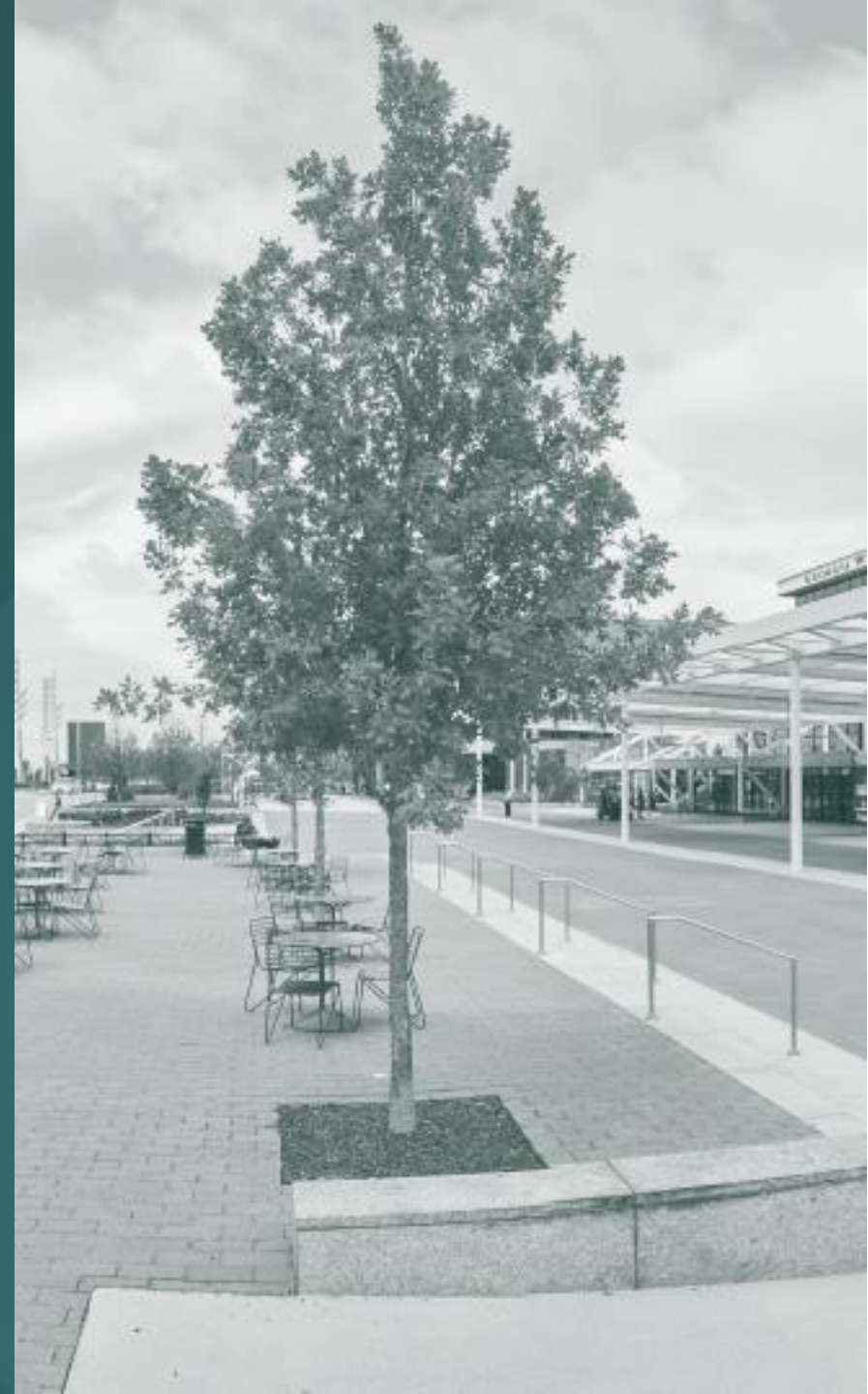
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# Questions?



# Building C Cooling Tower Refurbishment

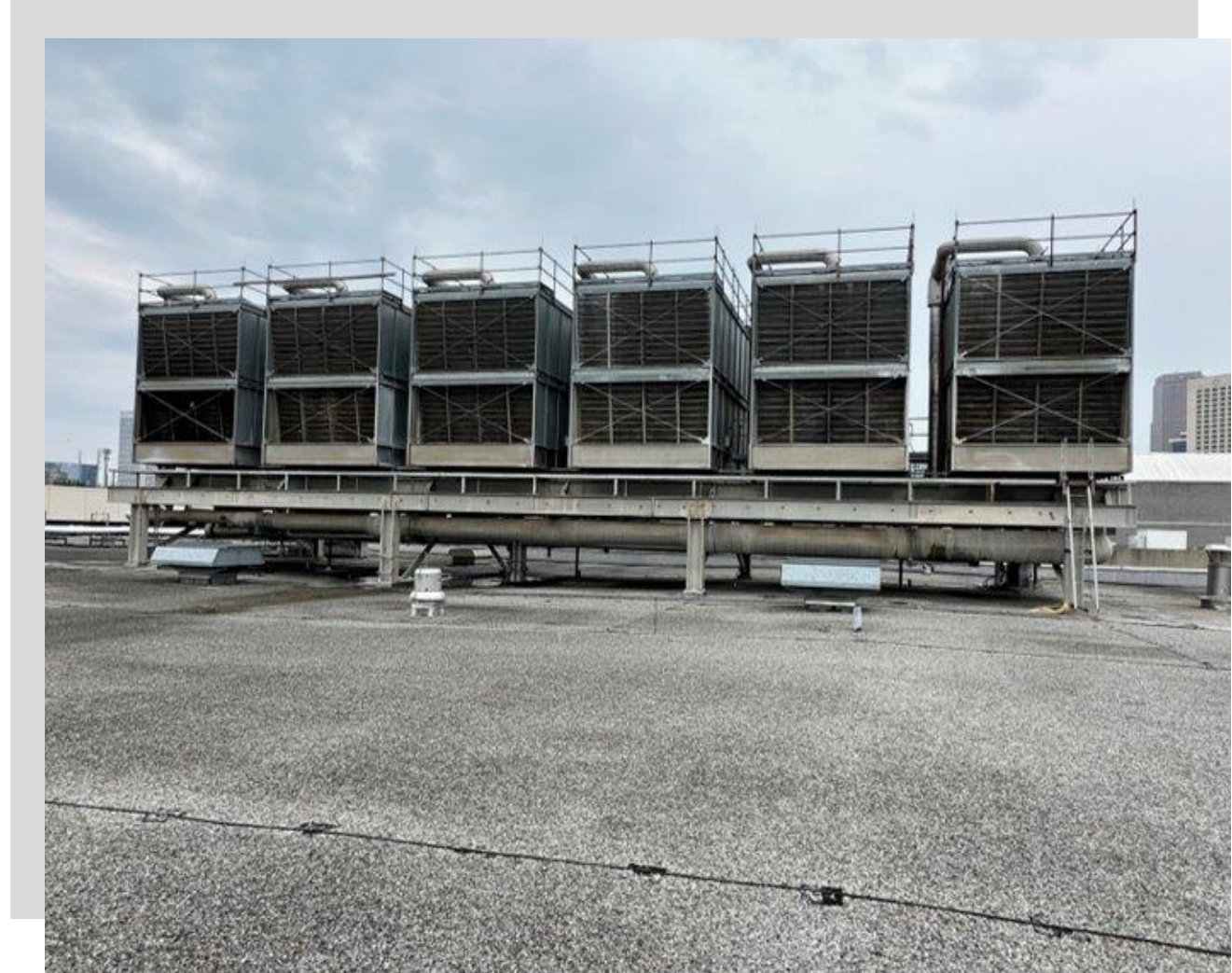
**Billy Miller**  
Director of Facility Management



# Project Highlights

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- Functioning since 2002
  - Units are 21+ years old
  - Expected life cycle is 15 – 20 years
- Role of the Cooling Tower



# Project Highlights

## ➤ Galvanized Hot Deck

- Supplies hot water to the cooling tower
- Hot deck is rotting away
- Stainless steel has a longer life span

## ➤ Control Valves

- Controls water to each tower; 1 per tower
- Needs replacement due to age and damage from weather



# Project Highlights

## ➤ Air Louvers

- Louvers and media work together to create even air flow to eject heat to the atmosphere
- Louvers have deteriorated

## ➤ Fill Media

- Cools water; allowing for greater evaporation rate
- Support brackets needs coating to stop further erosion



# Procurement: Bid Process

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- Listed on Georgia Procurement Registry ([www.doas.ga.gov](http://www.doas.ga.gov)) for a minimum of 15 calendar days
- Mandatory pre-bid meeting with three (3) vendors
- Only one vendor, HVH, submitted a bid
- Refurbish Cost: \$985,934; American Recovery Plan Act (ARPA) funded
- Staff recommends awarding contract to HVH



# Questions?



# Building C Cooling Tower Refurbishment Agreement

Pargen Robertson  
Legal Counsel



# Resolution

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# Questions?



# Elevator and Escalator Preventative Maintenance & Service Program

**Billy Miller**  
Director of Facility Management



# Contract Highlights

- Bids submitted by KONE, Inc. and Premier Elevator
  - Recommended vendor: KONE, Inc.
- Service program includes
  - Service for 120 units
    - 53 elevators
    - 67 escalators
    - 7 ADA lifts
  - 160 hours per week
  - Preventive maintenance
  - Equipment repairs
  - Required equipment testing



# Contract Highlights: \$1,038,000

## Preventative Maintenance

- Systematic Examination
- Cleaning
- Lubrication
- Adjustment

## Equipment Repairs

- Maintenance
- Adjustment
- Replacement
- Repair Services

## Required Equipment Testing

- Monthly elevator intercoms/phones
- Yearly no-load, low speed test
- Counterweight safeties and buffers
- Annual test of operating and safety devices on escalators

# KONE Non-Contract Hourly Rates

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- Event stand-by coverage
- After-hours emergency service calls
- Holiday work



# Procurement: Bid Process

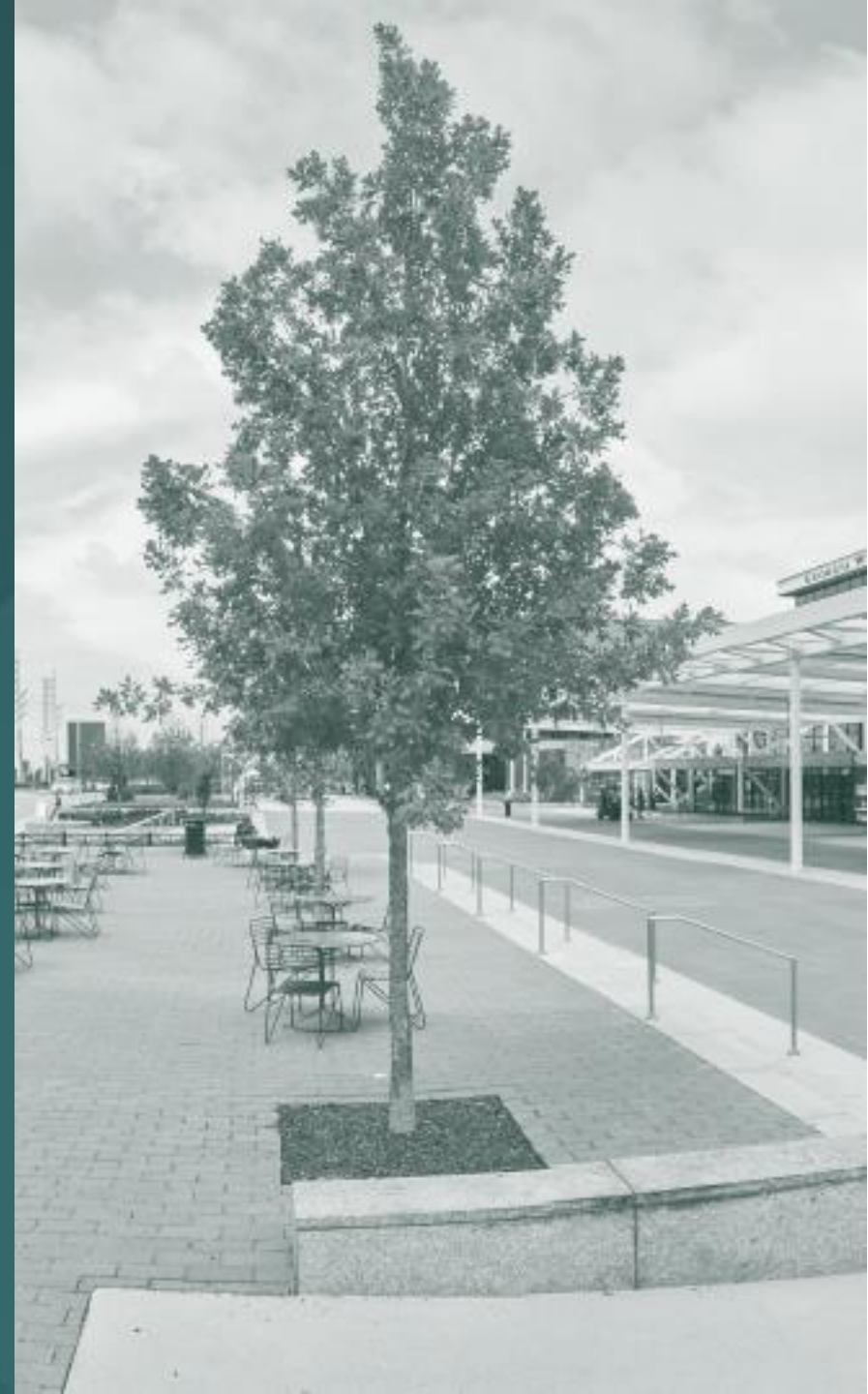
- Listed on Georgia Procurement Registry ([www.doas.ga](http://www.doas.ga)) for a minimum of 15 calendar days
- Mandatory pre-bid meeting with three (3) vendors
  - KONE incumbent
- Two (2) vendors submitted bids
- Second vendor was \$65,000 per month higher than KONE proposal
- Staff recommends awarding agreement to KONE; proposal was within budget

# Questions?



# **KONE Elevator and Escalator Maintenance Contract Agreement**

**Pargen Robertson  
Legal Counsel**



# Resolution

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BE IT FURTHER RESOLVED that the Executive Director is authorized to take any and all actions, to execute and deliver any and all documents, agreements, certificates and instruments and to take any and all steps deemed by the Executive Director to be necessary or desirable to consummate the execution of an agreement for such services and to carry out the purpose and intent of the foregoing resolution, and all actions heretofore taken in furtherance thereof are hereby ratified and confirmed in all respects.

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# Questions?

An aerial night view of a city, likely Atlanta, Georgia, featuring a large crowd gathered in a park area with several tall, illuminated columns. In the background, a city skyline is visible with numerous lit-up buildings and a prominent Ferris wheel on the right side. The sky is filled with colorful fireworks in shades of red, green, and white.

SATURDAY, JULY 1<sup>ST</sup>

YOU ARE INVITED TO A SPECIAL WATCH PARTY  
AT THE OMNI HOTEL



Georgia World  
Congress Center  
Authority

# EXECUTIVE SESSION



# Compliance Update

Melana Kopman McClatchey  
Hotel Counsel





## Compliance Procedures and Asset Management for GWCCA Hotel Policy

### ➤ Reports to Board of Governors and Executive Committee

- No less frequently than once annually...Hotel Counsel shall provide a report to the Executive Committee and Board regarding all findings in respect of compliance by GWCCA, Hotel Manager, and Hotel Developer of their legal and contractual duties...
- Hotel Counsel shall report on behalf of the Policy Committee to the Board...on any matters discussed during the Policy Committee meetings

### ➤ Training

- Hotel Counsel shall perform training for GWCCA staff who handle Hotel-related matters and Hotel staff at least annually, but also on a periodic basis. Additionally, Hotel Counsel shall perform training for such new employees during the onboarding process. Training shall consist of the following topics: contracts, procurement, and compliance with all other requirements attendant to the operation of a state government project. Additional topics may be added to the training program at the professional discretion of Hotel Counsel.

# Compliance Update

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## **I. Issues of Compliance**

- A. Qualified Management Agreement
  - i. Contracts
  - ii. Selection of Hilton Personnel
- B. Training
- C. Insurance Review and Procurement
- D. Drew Development Agreement
- E. Technical Services Agreement

## **II. Policy Committee Topics**

- A. Marketing, Topping Off Ceremony and Grand Opening planning, OS&E Budget, Sales Update, Contracts, Hiring of Hotel Personnel, Communication Process

# Questions?

Next Meeting

July 25, 2023



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**THANK YOU**