



Georgia World  
Congress Center  
Authority

# BOARD OF GOVERNORS MEETING

July 28, 2020

## Approval of Minutes

June 23, 2020

FINANCIAL

# Financial Update

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**Janet Arsenault**

**Sr. Director of Finance, GWCCA**

# Financial Snapshot – June 2020

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|         | Budget      | Actual      | Variance          |
|---------|-------------|-------------|-------------------|
| Revenue | \$4,367,784 | \$536,831   | ↓ \$3.8M<br>87.7% |
| Expense | \$4,748,142 | \$2,870,866 | ↓ \$1.8M<br>39.5% |

# Financial Snapshot – FY20

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Georgia World  
Congress Center



CENTENNIAL  
OLYMPIC PARK

| NET LOSS          |               |
|-------------------|---------------|
| Projection (3/31) | (\$4,913,271) |
| Projection (6/26) | (\$4,332,298) |
| Actual            | (\$4,312,647) |

Questions?

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# ACVB Forecast Update

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**Mark Vaughan**

**Executive Vice President & Chief Sales Officer, ACVB**



# 2020 HOTEL UPDATE

## OCCUPANCY, ROOM SUPPLY, AND LONG-TERM PACE



# June 2020

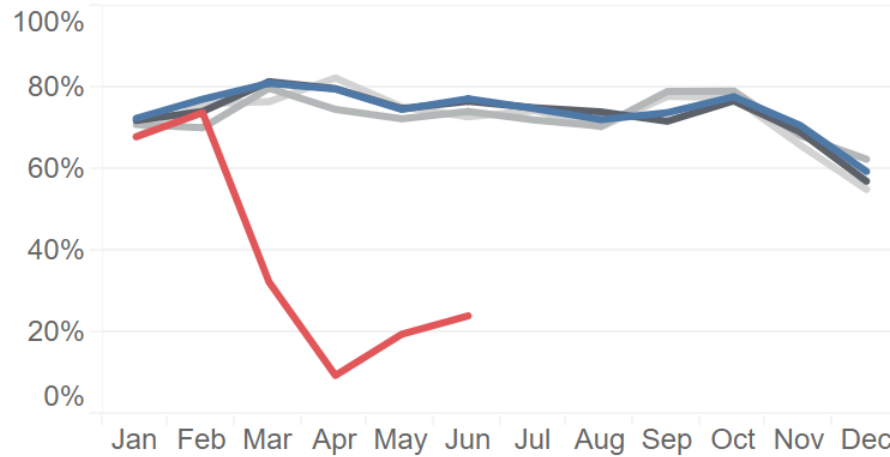
## OCCUPANCY

City of Atlanta

### SINGLE MONTH

# 24%

vs. LY **-53%** **-69%**  
 vs. 5 Yr Avg **-41%** **-63%**  
*raw change* *% change*



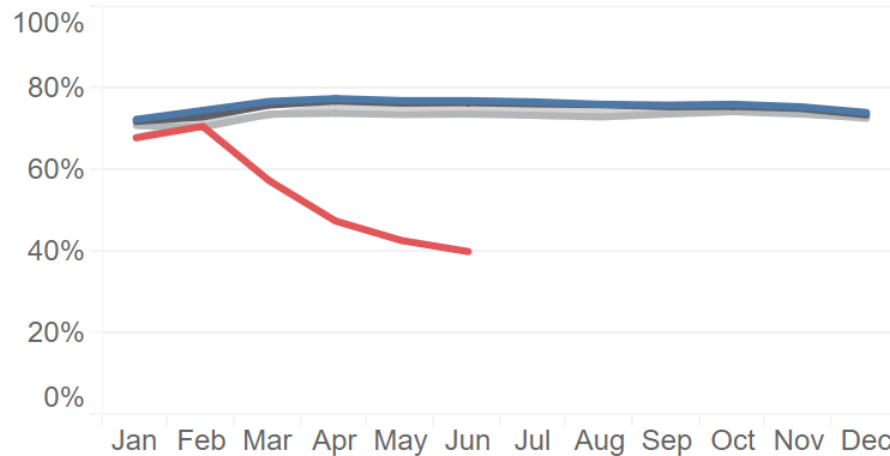
June 2020

|                         | Occ | YoY    | vs. 5 Yr |
|-------------------------|-----|--------|----------|
| Total Atlanta Market    | 44% | -39.6% | -34.8%   |
| Downtown                | 22% | -72.8% | -67.9%   |
| Midtown                 | 23% | -69.0% | -64.4%   |
| Buckhead                | 27% | -65.3% | -60.1%   |
| Airport                 | 40% | -50.1% | -42.5%   |
| Major Convention Hotels | 13% | -84.8% |          |
| GWCC 1-Mile Radius      | 20% | -75.1% | -70.2%   |
| Top 25 Lux & UpUp       | 20% | -75.1% | -70.7%   |

### YEAR TO DATE

# 40%

vs. LY **-37%** **-48%**  
 vs. 5 Yr Avg **-28%** **-42%**  
*raw change* *% change*



|                         | Occ | YoY  | vs. 5 Yr |
|-------------------------|-----|------|----------|
| Total Atlanta Market    | 47% | -34% | -28.7%   |
| Downtown                | 40% | -50% | -42.2%   |
| Midtown                 | 40% | -47% | -41.0%   |
| Buckhead                | 40% | -47% | -42.2%   |
| Airport                 | 47% | -39% | -33.0%   |
| Major Convention Hotels | 41% | -51% |          |
| GWCC 1-Mile Radius      | 41% | -50% | -42.3%   |
| Top 25 Lux & UpUp       | 41% | -47% | -41.5%   |

2020 2019 2018 2017 2016

Source: STR

# June 2020

YEAR TO DATE

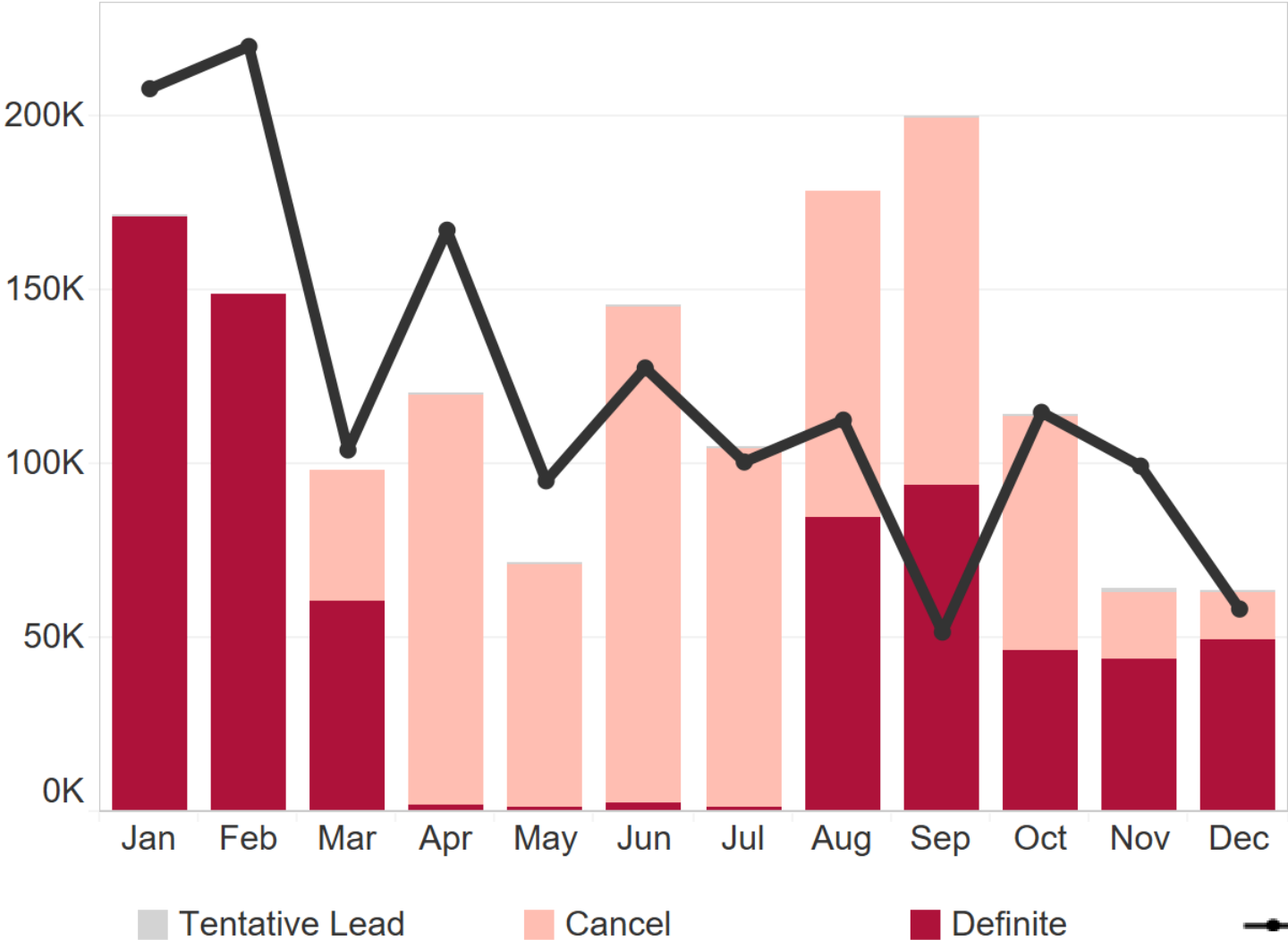
## City of Atlanta vs. Luxury & Upper Upscale Hotels of Top 25 Markets

|                | City of Atlanta<br>Value    | Year-over-Year |       | Performance Index |
|----------------|-----------------------------|----------------|-------|-------------------|
|                |                             | Atlanta        | Peers |                   |
| <b>Demand</b>  | 1,577K                      | -53%           | -56%  | 108%              |
| <b>Supply</b>  | 3,936K<br>Per Night: 22,000 | -9%            | -18%  | 111%              |
| Occupancy      | 40%                         | -48%           | -47%  | 98%               |
| RevPAR         | \$64                        | -55%           | -52%  | 93%               |
| <b>Revenue</b> | 253M                        | -59%           | -60%  | 102%              |



# Group Rooms

## by Event Date and Status

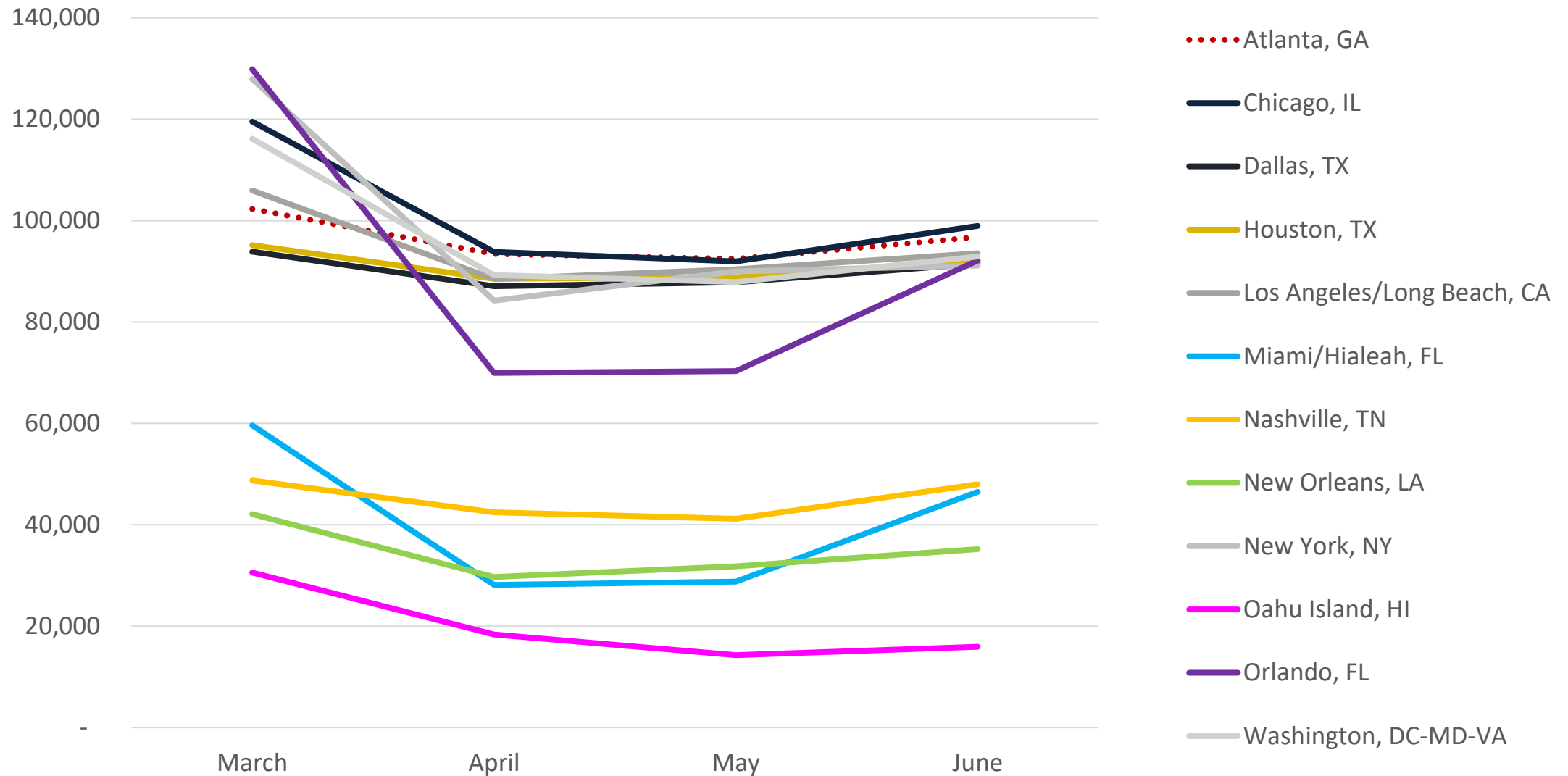


|              | Definite (2020) | Canceled (2020) | Tentative (2020) | Definite (2019)  |
|--------------|-----------------|-----------------|------------------|------------------|
| Jan          | 171,505         | 0               | 0                | 207,950          |
| Feb          | 148,782         | 0               | 0                | 220,085          |
| Mar          | 60,262          | 37,595          | 0                | 104,090          |
| Apr          | 1,873           | 118,419         | 0                | 167,294          |
| May          | 1,410           | 70,111          | 0                | 95,225           |
| Jun          | 2,772           | 142,745         | 0                | 127,671          |
| Jul          | 947             | 104,233         | 0                | 100,652          |
| Aug          | 84,296          | 94,203          | 0                | 112,688          |
| Sep          | 93,862          | 105,585         | 200              | 51,744           |
| Oct          | 46,098          | 68,033          | 100              | 114,919          |
| Nov          | 43,768          | 18,945          | 1,475            | 99,470           |
| Dec          | 49,078          | 14,776          | 0                | 58,373           |
| <b>Total</b> | <b>704,653</b>  | <b>774,645</b>  | <b>1,775</b>     | <b>1,460,161</b> |

Source: STR

# NIGHTLY ROOM SUPPLY

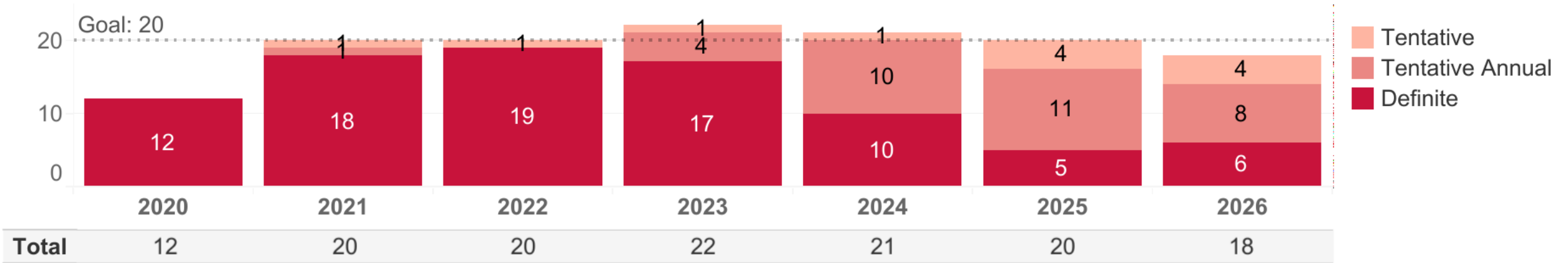
SUBSET OF STR'S TOP 25 MARKETS



# LARGE GROUPS FOR FUTURE YEARS

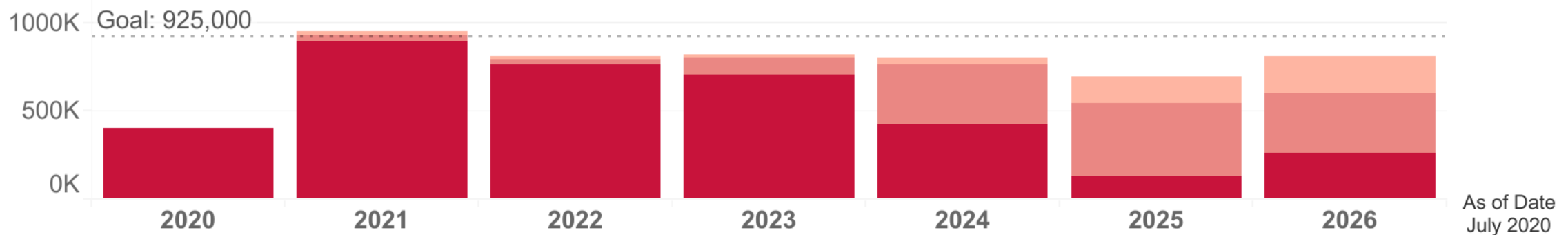
## 5,000+ on Peak

Number of Events



## 2,500+ on Peak

Room Nights



Questions?

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# Organizational Staffing Model Update

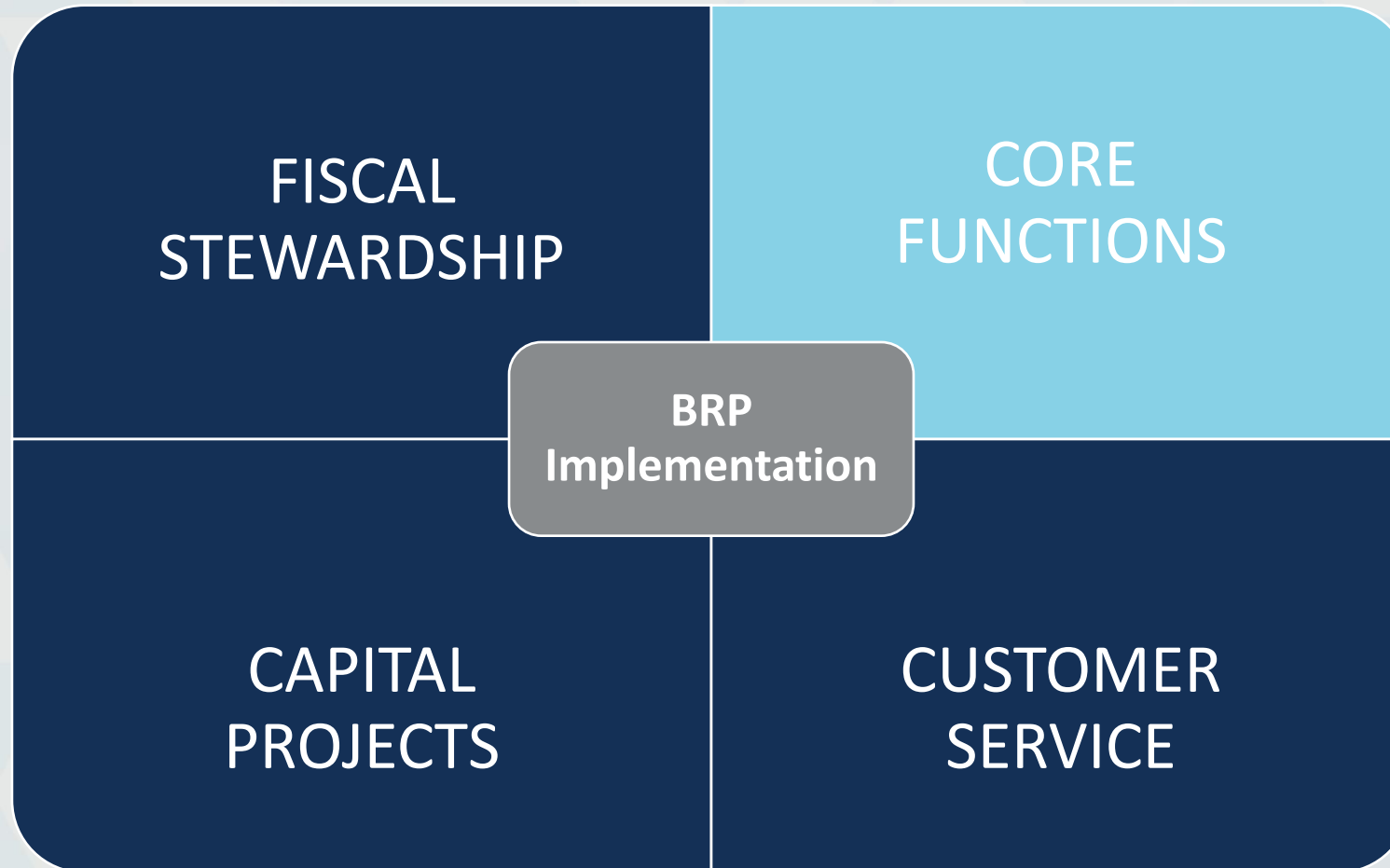
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**Jennifer LeMaster**

**Chief Administrative Officer, GWCCA**

# Key Influencers Guiding Our Process

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# Background

- Before the onset of COVID-19, GWCCA had built a workforce comprised of passionate, competent, and dedicated professionals who had set a new benchmark for customer service with a combined 4.6 OSAT rating and designation as an “Employer of Choice” among large companies in the Atlanta-metro area by the *Atlanta Journal-Constitution*.
- From March 13 until June 30, 2020, GWCCA sustained catastrophic economic losses. For FY21, the economic picture is worse as GWCCA will manage toward a loss of nearly \$10M.
- In July, GWCCA implemented a significant reduction-in-force. With about 100 team members remaining in active full-time status, GWCCA must architect a path forward that delivers on its brand service promise and keeps the enterprise viable long term.

# Background cont'd.

- The enterprise leadership team met on July 8 for a full-day facilitated session to “brain dump” everything they could around what “core functions” are currently part of GWCCA. As part of the process, we recognized the need to craft a shared definition of the word “critical”.
- On July 15 the team engaged in group dialogue around four **Non-Event Critical Core Functions**. Team leaders began the process of identifying the specific elements of each as well as the number of FTEs that would be needed to support each element. Over the following 7 days teams continued refining the insights and expertise and developed a report assigning a cost to each function. The aggregate of which correlates to the baseline cost to operate GWCCA.

# Background cont'd.

- Reports were submitted on July 23 and final review of the consolidated information was presented on July 27.
- On Aug. 5, the group will turn its focus toward **Event-Related Critical Core Functions** split into three component parts and begin meeting in focused work sessions of 2-hour increments.

# Define *Critical...*

**Critical Core Functions:** Services which meet the minimum practical expectations of the customer in order to remain competitive in the marketplace and drive overall profitability.

# Non-Event Critical Core Functions

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| <b>Function</b>             | <b>Team Lead/Co-Lead</b>          | <b>Focus Areas Include:</b>                                                                                              |
|-----------------------------|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| <b>Facility Systems</b>     | Billy Miller/Dominic Bruno        | Life Safety, HVAC, Technology, Utilities, Vertical Circulation, Reporting                                                |
| <b>Facility Maintenance</b> | Jeff Oden/Harriet Thomas          | Cleaning, Electrical, Carpentry, Paint Shop, Masonry, HVAC, Plumbing, Landscaping, Repairs, Equipment, Reporting         |
| <b>Facility Security</b>    | Paul Guerrucci/<br>Holly Richmond | Access Control, Emergency Management, EOC/Cameras, Interior Bldg. Patrol, Exterior Patrol, COP Patrol, Dispatch, Systems |
| <b>Support Services</b>     | Terrence Coleman/<br>Tim Trefzer  | Financial Management, Human Capital, Communications, Supply Chain, Contractual Relationships                             |

# Event-Related Critical Core Functions

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| Function                     | Team Lead | Sample Focus Areas:                                                                                                                                                                                                                                         |
|------------------------------|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sales Support                |           | ACVB, Hotels, ESCA, Meeting Industry Relations,                                                                                                                                                                                                             |
| Event/<br>Exhibitor Services |           | Utilities, Public Safety/Traffic Management, Security, Medical, Set-up, Bag-check, Show-cleaning (what is GWCCA vs. Client Responsibility), Food Services, Parking, IT, AV/Rigging, Equipment (Tables, chairs, staging, etc.), Waste Management & Recycling |
| Infrastructure               |           | HR, Business Office, Legal, Audit, Government, Audit, Warehousing/Inventory Control, Communications/Media Relations                                                                                                                                         |

# Non-Essential Functions

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| Function             | Team Lead | Focus Area                                                                                                                                |
|----------------------|-----------|-------------------------------------------------------------------------------------------------------------------------------------------|
| Event Development    |           | Live Music, Food & Wine Festivals, Destination Marketing                                                                                  |
| Community Engagement |           | Atlanta Community Food Bank, Atlanta Mission, Bee Downtown, Westside Works,                                                               |
| College Partnerships |           | GSU School of Hospitality, GT Innovation Lab, SCAD Partner Projects,                                                                      |
| Amenities            |           | Team Medical, Fitness Center, Bridge Point, Engagement, Business Travel for Professional Growth/Networking, Special Events & Celebrations |

# Questions for All Core Functions

- Why are we doing these things?
- Can any of these services be done more efficiently at less cost? If not, why not?
- How does each service support our goal to maximize:
  - Efficiency
  - Compliance
  - Liability
  - Quality Workforce
- What are the profitability objectives for each activity?
- What assumptions have made about the profitability?
- Are we pricing correctly?
- Are exclusive categories as profitable as we believe?



Questions?

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# Action Item: General Obligation Bond Resolution 2020

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**Pargen Robertson**  
Legal Counsel, GWCCA

# General Obligation Bond Resolution

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Background. Recall that pursuant to a 1974 Intergovernmental Agreement, the Georgia World Congress Center Authority essentially operates its facilities as agent of the Georgia Department of Economic Development.

# General Obligation Bond Resolution

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This session the General Assembly passed an act appropriating the aggregate amount of **\$12 million** for GWCCA projects.

# General Obligation Bond Resolution

Mechanically, the procedure at this stage is a two-step process:

1. The GWCCA Board of Governors would make a request to the Department of Economic Development (“DEcD”). That is the purpose of today’s action.
2. The Department of Economic Development (“DEcD”), in turn, then would make a request that the Georgia State Financing and Investment Commission (“GSFIC”) issue these general obligation bonds.

Questions?

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# Personnel Committee Report

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**Glenn Hicks**

**Vice Chair, GWCCA Board of Governors**

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# Executive Session: Personnel

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# Next Scheduled Board Meeting

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August 25, 2020