

MINUTES
GEORGIA WORLD CONGRESS CENTER AUTHORITY
BOARD OF GOVERNORS MEETING
AUTHORITY BOARD ROOM
AUGUST 25, 2015
1:00 p.m.

The following were in attendance:

GWCCA Authority Members

Steve Adams
David Allman
Stan Conway
Brian Daniel
Phil Gingrey
Anne Hennessy
Glenn Hicks
Lee Hunter, Chair
Tim Lowe
Greg O'Bradovich
Bill Rice
Bill Russell
Doug Tollett

Absent

Chris Cumiskey
Bill Jones

GWCCA Legislative Overview Com.

Senator Judson Hill
Senator Butch Miller
Representative Mike Cheokas
Representative Butch Parrish
Representative Terry Rogers
Representative Ron Stephens

GWCC Staff

Kevin Duvall
Jennifer LeMaster
Tabatha Martin
Frank Poe
Pargen Robertson
Carla Sayeh
Patrick Skaggs
Sherrie Spinks
Mark Zimmerman

Dome Staff

Carl Adkins

COP Staff

Joe Skopitz

Levy Restaurants

Steve Potts

Atlanta Convention & Visitors Bureau

Mark Vaughan

Attorney General's Office

Keilani Parker

Bank of New York

None

Atlanta Falcons

None

Office of Planning & Budget

Heather Aquino

Press

None

Guests

Kristophor Anderson, GEFA
Cameron Griffith, Trane US
Bob Johnson, Hannon Armstrong
Franklin Jones, Greenberg Traurig
Julia Karrenbauer, Authority Presents
Phil Lana, Authority Presents
Erica Marshall, Authority Presents,
Rebecca Mobley, Authority Presents
Diana Pope, GSFIC
Mark Schnetzka, Trane US

Chair Hunter called the meeting to order at 1:09 p.m. and introduced the following first-time guests:

Representative Mike Cheokas – New GWCCA Legislative Overview Committee Member
Representative Terry Rogers – New GWCCA Legislative Overview Committee Member
Representative Ron Stephens – New GWCCA Legislative Overview Committee Member
Kristophor Anderson – GEFA
Bob Johnson – Hannon Armstrong

Chair Hunter then asked for a motion to approve the July 28, 2015 meeting minutes.

A motion to approve the July 28, 2015 meeting minutes was made by Glenn Hicks, seconded by Bill Russell, and unanimously approved.

JULY FINANCIAL REPORTS

Chair Hunter called on Sherrie Spinks for the review of the July 2015 financial reports, which are appended and made a part of these minutes. The Board was reminded that July is the first month of the new fiscal year. Therefore, month-end is the same as year-to-date.

GEORGIA WORLD CONGRESS CENTER

The Congress Center projected a net loss of (\$169,438) for the month but had an actual net profit of \$361,052, a positive variance of \$530,490. The increase is due to parking, utility services, and F&B. Operating expenses were \$195,478 under budget due to advertising and promotions and contract engineering expenses which will materialize in future months.

GEORGIA DOME

The Dome projected a net profit of \$30,313,793 for the month, but had an actual net profit of \$29,499,097, a negative variance of \$814,696. The negative variance was due to advertising revenue which is anticipated in future months. Total expenditures were under budget by \$116,279 primarily due to facility maintenance projects postponed due to event scheduling.

CENTENNIAL OLYMPIC PARK

The Park projected a net gain against budget of \$1,758 for the month but had an actual net loss of (\$42,451), a negative variance of \$44,209. Total expenditures were \$7,176 over budget primarily due to completion of additional repair projects.

Hotel/Motel Tax of \$2.38M was 10.18% over budget for the month and is 14.43% ahead of last year at this time.

The following July events resulted in an estimated 256,092 attendees and an estimated economic impact of \$198.6M for the month.

<u>GWCC:</u>	2015 International Convention Peachtree Health & Fitness Expo Primerica V-103 Car & Bike Show American Assoc. for Clinical Chemistry	<u>Dome:</u>	CONCACAF Gold Cup Semi-Finals Drum Corps International
		<u>COP:</u>	4 th of July Celebration

Chair Hunter thanked Ms. Spinks for the reports.

AUTHORITY PRESENTS - FY15 PERFORMANCE

Authority Presents has had a great year. It focused on revenue development, diversity event programming, economic impact, open opportunity dates, and helping existing customers create ancillary events across our campus. Julia Karrenbauer introduced her team (Phil Lana, Erica Marshall, and Rebecca Mobley) and briefed the Board on Authority Presents' (AP) FY15 progress since it was established in the fall of 2015.

FY 15 Highlights:

- Developed local and national partnerships;
- Created new Park rates and booking policies;
- Reinvented Wednesday WindDown business model;
- Created new music and entertainment series in the Park;
- Produced and marketing Kenny Chesney Concert;
- Placed over \$2M in marketing and promotions; and
- Achieved a net operating profit of \$213,720 with an estimated economic impact of \$15.9M.

FY16 Forecast:

- 46 event days;
- Operating Net Revenue of \$1,250,000;
- 2 new major music festivals;
- Focus of GWCC and Savannah opportunities;
- Continue to assist current clients with increasing their campus footprint;
- Continue to develop new opportunities; and
- Taylor Swift concert in October – ticket sales already exceed \$5.1M.

Park ticketed events revenue review from FY12 actual to FY16 projected:

FY12	(\$53,589)
FY13	\$99,929
FY14	(\$9,000)
FY15	\$364,232
FY16	\$800,000 (projected)

GUARANTEED ENERGY SAVINGS PERFORMANCE CONTRACTING RESOLUTION

The Board received a thorough briefing on the proposed Energy Savings Performance Contracting project at the April 2015 Board meeting. At that time, the Board charged staff to present project funding options to the GWCCA Finance Committee for approval. Staff met with the Finance Committee yesterday and received their support to advance the project funding to the Board for action. As a reminder, the funds generated from the energy savings would cover the cost of campus capital improvements. The financing costs of the equipment are guaranteed by the vendor (Trane). The project would be managed by GEFA (Georgia Environmental Finance Authority) for GSFIC (Georgia State Finance and Investment Commission). Staff has worked over the past four to five months with a team of experts to secure a financing solution for the capital projects.

The total cost of the eight identified energy conservation projects with the best potential savings is \$28,429,733 with a proposed first year savings of \$2,547,695. Over the life of the financing, proposed savings would be in excess of \$40M.

In April 2015, GEFA submitted term sheets to the four pre-qualified banks to determine the best financing rate. Their first two submittals resulted in no responses to finance the project. In June, GEFA and GSFIC approved adding additional financial institutions to the pool and a term sheet was issued again to the original four banking institutions plus an additional five. Hannon Armstrong responded positively to the request. Reasons why the other eight institutions did not respond included: Authority financing is taxable, length of terms (15-17 years), unable to meet State requirement that a lien could not be placed on the equipment in the event of a default, and Authority's credit (is dependent on campus events for revenue and do not receive annual legislative appropriations for operations and therefore, is not backed/guaranteed by the State).

In response to the State's statute prohibiting assigning a security interest in the financed equipment, the team determined that the best path to satisfy the credit concerns was to utilize our intergovernmental agreement with the Department of Economic Development as signatory to the agreement with Trane and Hannon Armstrong.

At this time, Bob Johnson with Hannon Armstrong provided the Board with an overview of their company and the seemingly great fit this this project.

Next steps moving forward include:

- Board approval to move forward;
- Finalize all contract documents;
- GEFA approval – August 25, 2015;
- GSFIC Board approval – September 2, 2015;
- Department of Economic Development Board approval – date to be determined;
- Lock rate, execute contracts, and begin work.

Staff recommends that pursuant to the Intergovernmental Agreement between the Authority and the Department of Economic Development (DEcD), the Board of Governors of the Authority requests that the DEcD Board of Director enter into a Guaranteed Energy Savings Performance Agreement with Trane and Hannon Armstrong for improvements to Authority facilities.

At this time, a Resolution authorizing the GWCCA Board of Governors request the DEcD Board and DEcD execute the following documents was presented for action.

- The Guaranteed Energy Savings Performance Contract (with Trane U.S., Inc.);
- The Installment Purchase Agreement (with Trane U.S., Inc.); and
- The Escrow Agreement (with Trane U.S., Inc. and the Escrow Agent).

It was noted that this process has been reviewed with the Governor's Office and it is in alignment with the program.

Chair Hunter asked for a motion to approve the Resolution as presented.

A motion to approve the Resolution authorizing A) the Department of Economic Development and its Board of Directors to execute the Contract and Agreements listed below; and B) the Executive Director to execute and deliver all documents, agreements, certificates, and instruments to effectuate the Guaranteed Energy Savings Performance Contract was made by Doug Tollett, seconded by Stan Conway, and unanimously approved.

GWCCA PERSONNEL COMMITTEE REPORT

The Personnel Committee which consists of David Allman, Steve Adams, Brian Daniel, Glenn Hicks (Chair), Lee Hunter (Ex-Officio), Bill Rice, and Bill Russell met on August 25, 2015 to review the Authority's FY15 performance and the Executive Director's FY15 annual performance evaluation. After reviewing the facility and staff year-end performance reports, the Committee recommends approval of the budgeted 3% merit pool.

At this time Chair Lowe asked for a motion to move into Executive Session to receive the GWCCA Personnel Committee report.

A motion to move into Executive Session for the purpose of discussing and deliberating upon the employment, compensation, and periodic evaluation and rating of a public officer or employee under O.C.G.A. 50-14-3(b)(2) was made by Tim Lowe, seconded by Bill Russell, and unanimously approved.

The regular GWCCA Board of Governors meeting reconvened at 1:32 p.m. At this time Chair Hunter asked for a motion to approve the three Personnel Committee recommendations.

A motion to adopt the GWCCA Personnel Committee recommendations listed below was made by Tim Lowe, seconded by Doug Tollett, and unanimously approved.

- 1) Approve implementing the budgeted 3% merit based pool.*
- 2) Award the Executive Director, as per his contract, an Annual Performance-Based Compensation of \$55,000 for his successful FY15 performance.*
- 3) Approve a 3.0% increase in the Executive Director's base salary effective July 1, 2015.*

The next meeting which is the Board Planning Retreat is scheduled for Wednesday, September 23, and Thursday, September 24, at Burge in Mansfield, Georgia.

With no further business to discuss, a motion to adjourn was made by Bill Russell, seconded by Stan Conway, and unanimously approved.

RESPECTFULLY SUBMITTED:

DALE AIKEN
ASSISTANT SECRETARY

BILL RUSSELL
SECRETARY