



Georgia World
Congress Center
Authority

BOARD OF GOVERNORS RETREAT

September 17, 2020

Introductions and Agenda Overview

Action Items

- Approval of Minutes: August 25, 2020
- Approval of Motorola Agreement

AUTHORITY

Motorola Solutions, Inc. Update to Service Agreement

Paul Guerrucci, Chief of Police
Department of Public Safety, GWCCA

Motorola 2020 and Beyond

Per recommendations from the Board, we went back to Motorola to address contract concerns:

- If there are shorter term options, what do those look like in comparison?
- What is the exact cost of terminating the 10-year contract early, as section 10.3 did not clearly spell out that information?

Motorola Response

Motorola responded with three proposed terms:

- A 10-year agreement totaling \$1,104,528 over the span of the 10 years (includes a 10% discount each year)
- A four-year agreement totaling \$552,431 (no discounts)
- A two-year agreement totaling \$268,362 (no discounts)

Motorola Term Options

10 YEAR COMMITMENT - 10% discount applied to SUA											
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	Total
Adv. Package Maintenance	\$ 20,562	\$ 21,179	\$ 21,815	\$ 22,469	\$ 23,143	\$ 23,837	\$ 24,552	\$ 25,289	\$ 26,048	\$ 26,829	\$ 235,724
SUAll / Network Updates	\$ 48,818	\$ 49,974	\$ 51,165	\$ 52,392	\$ 53,655	\$ 54,957	\$ 56,297	\$ 57,677	\$ 59,099	\$ 60,564	\$ 544,597
Nice Gold Maintenance	\$ 22,266	\$ 25,990	\$ 26,770	\$ 27,573	\$ 28,400	\$ 29,252	\$ 30,130	\$ 31,034	\$ 31,965	\$ 32,924	\$ 286,305
Microwave Maintenance		\$ 3,731	\$ 3,843	\$ 3,958	\$ 4,077	\$ 4,199	\$ 4,325	\$ 4,455	\$ 4,589	\$ 4,726	\$ 37,903
GWCC Total	\$ 91,646	\$ 100,875	\$ 103,592	\$ 106,392	\$ 109,275	\$ 112,246	\$ 115,305	\$ 118,455	\$ 121,700	\$ 125,043	\$ 1,104,528

4 YEAR COMMITMENT					
	2020-2021	2021-2022	2022-2023	2023-2024	Total
Adv. Package Maintenance	\$ 43,402	\$ 44,704	\$ 46,045	\$ 47,427	\$ 181,578
SUAll / Network Updates	\$ 59,982	\$ 60,053	\$ 61,394	\$ 62,776	\$ 244,205
Nice Gold Maintenance	\$ 28,038	\$ 28,038	\$ 28,879	\$ 28,879	\$ 113,835
Microwave Maintenance		\$ 4,145	\$ 4,270	\$ 4,398	\$ 12,813
GWCC Total	\$ 131,422	\$ 136,941	\$ 140,589	\$ 143,479	\$ 552,431

2 YEAR COMMITMENT			
	2020-2021	2021-2022	Total
Adv. Package Maintenance	\$ 43,402	\$ 44,704	\$ 88,106
SUAll / Network Updates	\$ 59,982	\$ 60,053	\$ 120,035
Nice Gold Maintenance	\$ 28,038	\$ 28,038	\$ 56,076
Microwave Maintenance		\$ 4,145	\$ 4,145
GWCC Total	\$ 131,422	\$ 136,940	\$ 268,362

Termination Costs

- Motorola offered a 10% discount per year if we decide to go with the 10-year option.
- In offering that discount, there is a termination fee equal to the previous three years' discounts if GWCCA decides to withdraw from the contract before the 10-year term is completed. (Note: There is no fee on the two- or four-year contracts as there is no discount, however, the yearly cost is higher than the 10-year contract.)
- Section 10.3 has been amended to reflect what that cost is and provides an appendix to the contract that shows the exact calculations.

Termination Costs

10 YEAR COMMITMENT - 10% discount applied to SUA

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10% Discount	\$ 9,165	\$ 10,088	\$ 10,359	\$ 10,639	\$ 10,928	\$ 11,225	\$ 11,531	\$ 11,846	\$ 12,170	\$ 12,504	\$ 110,453

As an example, if GWCCA terminated the contract in 2026-27 (Year 7), the fee would be the previous three years' discounts combined (\$10,639 + \$10,928 + \$11,225 = \$32,792)

Termination Costs

10 YEAR COMMITMENT - 10% discount applied to SUA

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As an example, if GWCCA terminated the contract in 2027-2028 (Year 8), due to the contract cap exception, the fee would be adjusted to $\$12,170 + \$12,504 = \$24,674$

Cost Comparison- first four years

Comparing the first four years' cost of the 10-year contract with the non-discounted four-year contract:

- First four years of 10-year contract total: \$404,505 (includes 10% discount)
- Four-year stand-alone contract: \$552,431
- Four-year savings on 10-year vs four-year contract: \$149,926
- If on a 10-year contract and GWCCA decides to terminate the contract after the first four years:
 - \$ 404,505 plus term fee (\$31,086) = \$435,591 for the four years

Discussion and Questions

Resolution: Motorola Solutions, Inc.

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With this Resolution, the Board essentially would authorize the Executive Director to contract with Motorola Solutions, Inc. for the provision of such services.

Government Affairs Update

Lindsay Strickland

Director of Government Relations, GWCCA

Senator Butch Miller

Legislative Overview Committee Chair, GWCCA

FY21 budget request of \$12M for GWCC roof replacement

- Process
 - August Planning Number (Office of Planning and Budget)
 - September Budget Request and Strategic Plan Submissions (OPB)
- Governor's recommended budget—*NOT included*
- House consideration—**PASSED**
- Senate consideration—**PASSED**
- Governor's final consideration—**SIGNED!**

Capital Outlay Budget FY22 Request

- OPB planning number (*Sept.*): **\$12M**
- GWCCA strategy: **\$25M**
- Request enough funds to complete entire roof replacement project
- Dec 2020/Jan 2021 Governor's FY22 recommendation
- Start the legislative budget process beginning with House hearings

FY21 COVID Relief Efforts

- Appropriation to replenish reserve funds
- Bridge Loan request
- Business Interruption Insurance efforts
- CARES ACT efforts

Legislative Overview Committee

House Members

Rep. Barry Fleming

Rep. Jan Jones

Rep. Butch Parrish

Rep. Terry Rogers (*retiring*)

Rep. Calvin Smyre

Rep. Ron Stephens

Senate Members

Sen. Butch Miller (Chair)

Sen. Brandon Beach

Sen. Frank Ginn

Sen. Steve Gooch

Sen. Harold Jones

Sen. Larry Walker

Senate President Pro Tem Butch Miller

GOVERNMENT



- 2020 Election Season
- 2021 Legislative Session
- Importance of Governmental Relationships

Discussion and Questions

SALES

Sales & Marketing Forecast FY21 and Beyond

Joe Bocherer

Chief Commercial Officer, GWCCA

Kim Allison

Sr. Director of Convention Sales, GWCCA

Rent Confirmed: 5-Year Outlook

SALES

FY	Confirmed	STLY	Variance	3-Year Average	Tentative Funnel	STLY	Variance
2021	\$6,846,253	\$12,204,627	-43%	\$13,349,740	\$2,135,197	\$7,361,683	-70%
2022	\$16,726,838	\$12,754,100	+31%	\$11,799,813	\$8,656,218	\$7,142,211	+21%
2023	\$10,128,258	\$ 7,358,330	+40%	\$10,129,906	\$6,876,988	\$12,290,120	-44%
2024	\$10,571,120	\$ 8,768,669	+21%	\$9,024,990	\$8,719,693	\$12,670,629	-31%
2025	\$8,546,271	\$ 6,212,051	+37%	\$7,062,427	\$9,877,058	\$14,888,577	-33%

Future Production: TAP Pace Room Nights

SALES

Atlanta R/N	2020	2021	2022	2023	2024	2025	2026	2027	Total
Definite Room Nights	236,646	832,696	692,928	615,648	353,342	142,627	260,594	174,547	3,309,028
Pace Targets	718,826	694,208	636,119	464,090	284,038	220,213	167,726	74,891	3,260,111
Variance	(482,180)	138,488	56,809	151,558	69,304	(77,586)	92,868	99,656	48,917
Consumption Benchmark	721,562	721,562	721,562	721,562	721,562	721,562	721,562	721,562	5,772,496
Pace Percentage	33%	120%	109%	133%	124%	65%	155%	233%	102%
Total Demand Room Nights	3,381,060	3,106,499	1,911,593	1,916,686	1,265,840	817,243	656,654	425,609	13,481,184
Lost Room Nights	3,144,414	2,273,803	1,218,665	1,301,038	912,498	674,616	396,060	251,062	10,172,156
Conversion Percentage	7%	27%	36%	32%	28%	17%	40%	41%	25%
Tentative Room Nights	1,455	122,818	55,822	128,250	320,146	495,751	476,150	456,351	2,056,743
Annual Tentative Room Nights	0	13,636	15,314	76,027	262,735	270,437	165,904	119,040	923,093

Industry Trends: Large Show Roundtable



Impact of COVID-19 on Event Attendance – July
Attendee Perspective

FREEMAN

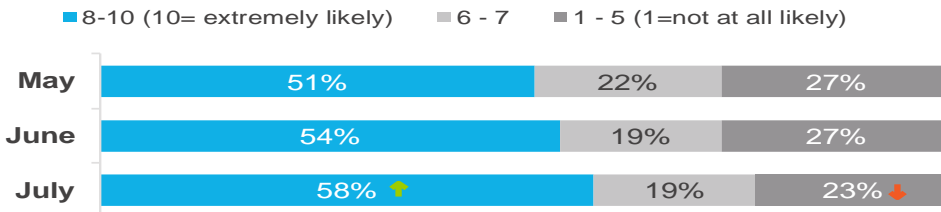
Outlook more negative compared to a month ago; attendance timeline shifted from Spring 2021 to Summer 2021- Highest attendance not expected until Fall 2021 or later

Confidence Index



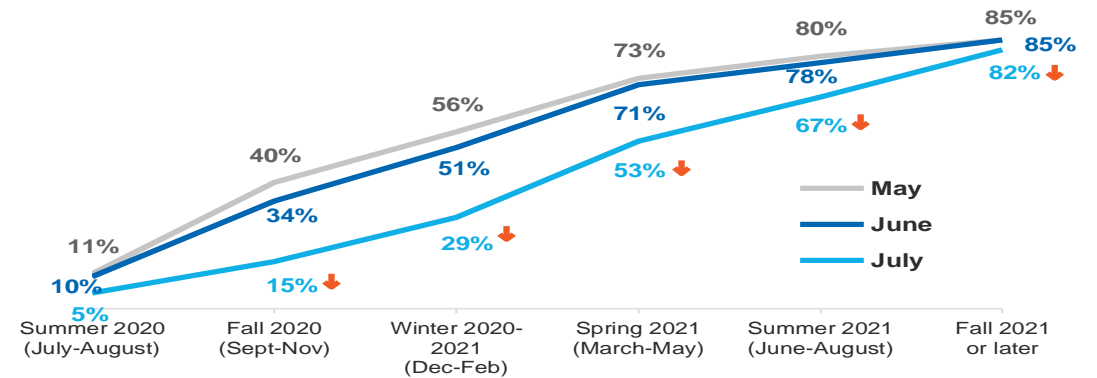
The Confidence Index is calculated with an algorithm using the results of the likelihood of attending and timeframe for attending events. It is expressed on a 0 – 1 scale. An index of 0.9 is desired.

Likelihood of Attending In-Person Events



Q. Once B2B in-person events are permitted to occur and the coronavirus threat is under control, how likely would you be to attend an in-person B2B convention or exhibition?

Expected Timeframe of Attending In-Person B2B Events



Q. When do you see yourself attending in-person B2B events again?

Statistically significant difference from last month ↑ ↓

A word cloud of terms related to event planning and risk. The words are arranged in a roughly circular shape, with 'Brand Integrity' and 'Exhibitors' being the largest. Other prominent words include 'Liability', 'Fear', 'Risk', and 'Uncertainty'. Smaller words include 'ROI', 'Corporate Sponsorship', 'Travel Freezes', 'Lack Of Control', 'Dont Know What To Do', 'What Happens After Arrival', 'Afraid To Fly', and 'Hybrid'.

Uncertainty
Brand Integrity
ROI
Risk
Corporate Sponsorship
Travel Freezes
Liability
Fear
Exhibitors
Lack Of Control
Dont Know What To Do
What Happens After Arrival
Afraid To Fly
Hybrid

Customer Loyalty: COVID Impacted Groups

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Rebooked
for a
Future
Year

30

Annuals
Confirming
Next
Rotation

22

GWCC Customer Outlook

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Convention Sales Summary

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- Short Term Pain
- We Are Not Alone
- Solid Future Book of Business
- Customers as Partners
- Markets Will Rebound

Discussion and Questions

GWCCA Financial Update

Terrence Coleman

Director of Accounting, GWCCA

Janet Arsenault

Sr. Director of Finance, GWCCA

Financial Snapshot – August 2020

FINANCIAL



	Budget	Actual	Variance
Revenue	\$1,500,336	\$1,654,224	↑ \$153K 10.3%
Expense	\$3,928,059	\$3,098,452	↓ \$830K 21.1%
Net Loss	(\$2,427,723)	(\$1,444,228)	↓ \$983K 40.5%

FY21 New Revenue Assumptions

- No significant events in first half of the year
- January: IPPE and Boat Show at 50%
- No Parking for MBS events through December
- No traffic management/security for MBS events through December

Updated FY21 Revenue Budget and Forecast Comparison

FINANCIAL

**Original Rental
Budget:
\$11.9M
106 Events**



**Original Other
Revenue Budget:
\$25.3M**



**Original Total
Revenue Budget:
\$37.3M**

**Updated Rental
Forecast:
\$5.8M
50 events**



**Updated Other
Revenue Forecast:
\$17.8M**



**Updated Total
Revenue Forecast:
\$23.7M**

Expense Adjustment Options

FINANCIAL

**Additional
Furloughs**

**Reduce OT,
Temp Help and
Show Labor**

**Reduce Other
Variable Expenses**

Additional Expense Mitigation Results

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**Salary Savings
\$4.4M**

**Fringe Benefit
Savings
\$1.8M**

**Overtime
Reduction
\$532K**

**Temp Help
Reduction
\$2.7M**

**Show Labor
Reduction
\$1.8M**

**Contract SVC
Savings
\$790K**

FY21 Forecast Update

FINANCIAL

	Budget	Updated	Variance
	FY 2021	8/31/2020	
Total Revenue	\$ 37,255,508	\$ 23,673,070	\$ (13,582,438)
Total Expenses	\$ 47,031,821	\$ 33,447,906	\$ (13,583,915)
OPERATING PROFIT(LOSS)	\$ (9,776,313)	\$ (9,774,836)	\$ 1,477

FY22 Forecast Considerations

- Healthy book of business, but a lot of uncertainty remains
- Risk with Food & Beverage, Parking, and Utility Services in particular
- Overall attendance (hybrid virtual and in-person meetings)
- International exhibitors and travel

FY22 Forecast: Best Case Scenario

FINANCIAL

<u>Revenue</u>	
Rental	16,800,000
F&B	4,800,000
Utilities	10,900,000
Parking	6,300,000
H/M	4,345,960
Contract Labor	3,100,000
Telecom/Audio Visual	2,000,000
Advertising/Sponsorship	1,900,000
Other	2,700,000
	52,845,960

<u>Expenses</u>	
Personnel Services	18,000,000
Temp/OT/Show Labor	7,865,000
Operating Expenses	22,000,000
	47,865,000
Net Profit	4,980,960

FY22 Forecast: Contingency Scenario

FINANCIAL

<u>Revenue</u>	
Rental	16,800,000
F&B	3,600,000
Utilities	8,175,000
Parking	4,725,000
H/M	3,950,873
Contract Labor	3,100,000
Telecom/Audio Visual	2,000,000
Advertising/Sponsorship	1,900,000
Other	2,700,000
	46,950,873

<u>Expenses</u>	
Personnel Services	18,000,000
Temp/OT/Show Labor	7,320,000
Operating Expenses	22,000,000
	47,320,000
Net Loss	(369,127)

FY23 Forecast

FINANCIAL

<u>Revenue</u>	
Rental	14,400,000
F&B	5,040,000
Utilities	9,000,000
Parking	6,615,000
H/M	4,563,258
Contract Labor	3,162,000
Telecom/Audio Visual	2,100,000
Advertising/Sponsorship	2,090,000
Other	2,970,000
	49,940,258

<u>Expenses</u>	
Personnel Services	18,900,000
Temp/OT/Show Labor	8,022,300
Operating Expenses	22,660,000
	49,582,300

Net Profit	357,958
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FY24 Forecast

FINANCIAL

<u>Revenue</u>	
Rental	15,700,000
F&B	5,292,000
Utilities	10,400,000
Parking	6,500,000
H/M	4,791,421
Contract Labor	3,225,240
Telecom/Audio Visual	2,205,000
Advertising/Sponsorship	2,299,000
Other	3,267,000
	53,679,661

<u>Expenses</u>	
Personnel Services	19,845,000
Temp/OT/Show Labor	8,262,969
Operating Expenses	23,339,800
	51,447,769

Net Profit	2,231,892
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Discussion and Questions

AUTHORITY

Organizational Report

Jennifer LeMaster

Chief Administrative Officer, GWCCA

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 4.61 OSAT rating.
- In January of 2020 GWCCA had earned 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 including more than 80 events and nearly \$5M in lost revenues.
- For FY21, the economic picture is worse as GWCCA is managing toward a loss of nearly \$10M.

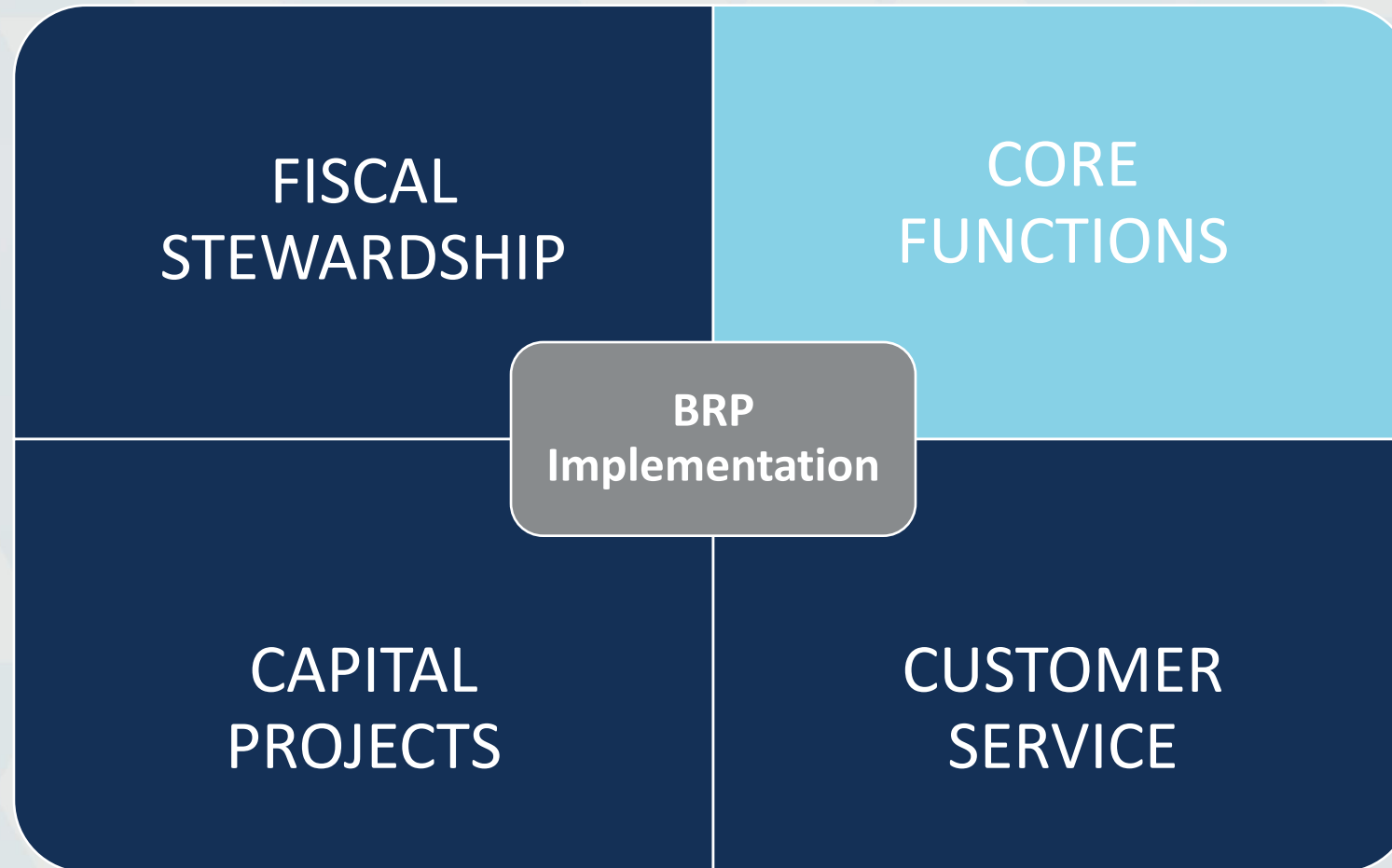
Background cont'd.

- In July, GWCCA reduced-in-force 54 team members and furloughed 104. There are 69 team members assigned to specific projects who salaries and benefits are reimbursed.
- With approximately 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.

Brand Service Promise: To Create Compelling Guest Experiences

Key Influencers Guiding Our Process

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Overview of Process cont'd.

- The enterprise leadership team met in person the past several months identifying our “core functions”.
- The group also read, reviewed the *The Tipping Point*, by Malcom Gladwell; specifically, The Principle of 150 and its association to culture.
- As part of the process, recognized the need to craft a shared definition of the word “critical” as well as what “rent” covers.

Define: *Critical Core Functions*

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

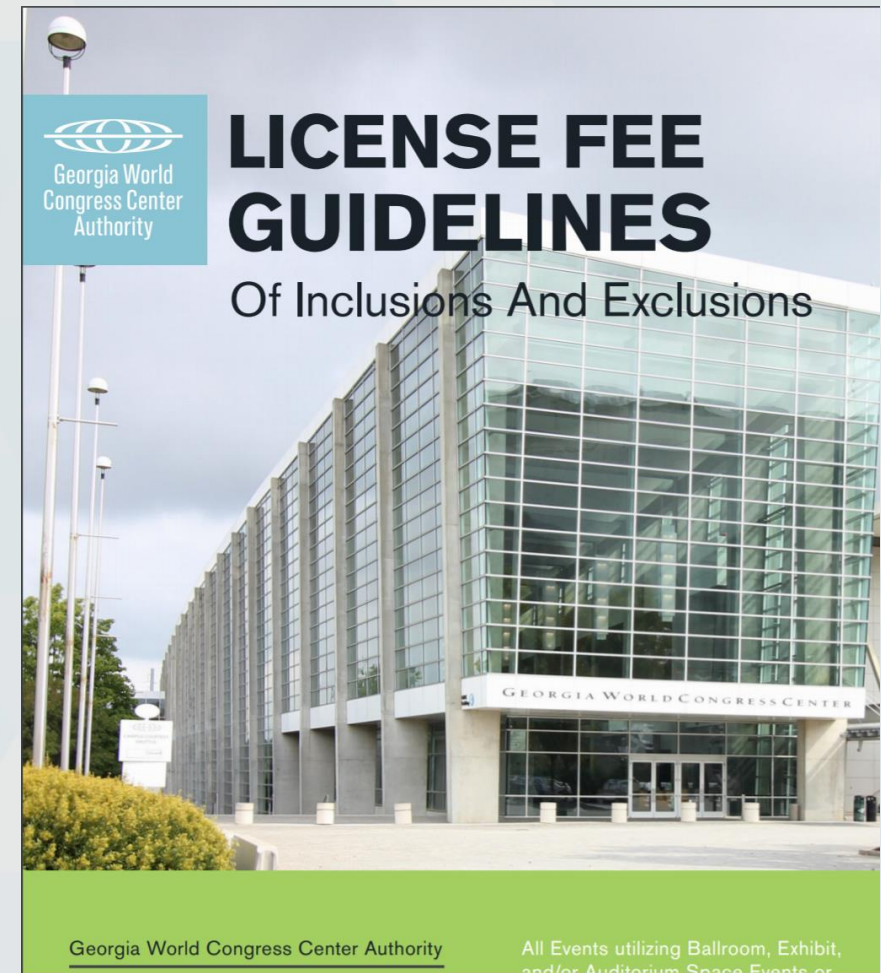
Why do we do what we do?

Define: *What Does Rent Include?*

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Rent Includes:

- Utilities
- Cleaning
- Initial Room Set
- Trash/Recycling
- Internet/Telecommunications
- Exterior Security/Video Monitoring
- Digital and Static Signage



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?

Non-Event Critical Core Functions

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

Event-Related Critical Core Functions

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Function	Team Lead	Focus Areas:
1. Sales Support	Kim Allison & Otto Johnson	ACVB, Hotels, ESCA, Meeting Industry Relations, Site & Space Planning, F&B, Partners, Government Entities, Elected Leaders, Business Leaders, Community Champions, Internal Sales Culture,
2. Event/Exhibitor Services	Melinda Buchanan & Q. Booker	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
3. Infrastructure	Janet Arsenault & Mark Koeninger	HR, Business Office, Legal, Audit, Government, Audit, Warehousing/Inventory Control, Communications/Media Relations

Understandings and Assumptions

- License agreements are unique with high levels of customization
- Events are booked and executed consecutively and simultaneously
- Spatial considerations factor heavily into staffing coverage and complexity
- Supplemental labor is a key part of service delivery

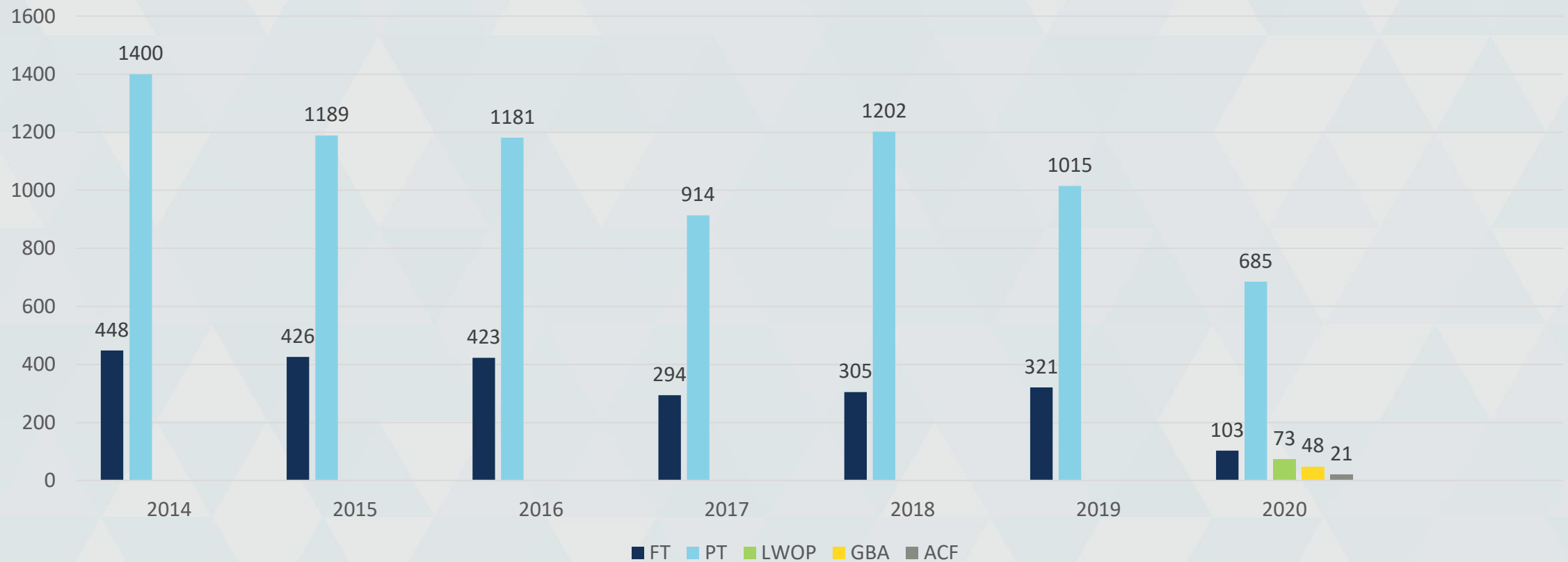
Expenses Related to Core Functions

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	Foundation Model (Events up to 1,000 attendees)			Average Customer Model (Events up to 10,000 attendees)		
	# of FTEs	Salary Costs	Other Costs	# of FTEs	Salary Costs	Other Costs
Administration	3	\$ 621,825	\$ 191,836	5	\$ 803,831	\$ 265,000
Accounting	5	\$ 633,171	\$ 3,682,300	8	\$ 1,207,874	\$ 3,695,000
Purchasing	4	\$ 381,268	\$ 87,000	5	\$ 475,683	\$ 90,000
Human Resources	3	\$ 419,699	\$ 13,000	5	\$ 630,536	\$ 140,000
Communications	1	\$ 166,951	\$ 12,000	4	\$ 434,144	\$ 110,000
Sustainability			\$ 2,900	2	\$ 238,013	\$ 7,300
Sales	5	\$ 610,286	\$ 102,600	11	\$ 979,365	\$ 442,873
Event Services	3	\$ 426,642	\$ 1,500	11	\$ 969,427	\$ 110,000
Prod & Services	1	\$ 93,682	\$ 1,500	3	\$ 186,098	\$ 5,500
Facility Ops	9	\$ 533,328	\$ 326,040	9	\$ 533,328	\$ 3,830,824
Facility Mgmt	17	\$ 1,495,221	\$ 8,881,310	48	\$ 3,316,127	\$10,800,204
IT Services			\$ 2,500,000			\$ 2,500,000
Project Mgmt	4	\$ 482,094	\$ 25,408	5	\$ 562,793	\$ 78,715
Public Safety	27	\$ 2,103,576	\$ 198,430	35	\$ 2,537,356	\$ 198,430
	82	\$ 7,967,742	\$ 16,025,824	151	\$ 12,874,576	\$ 22,273,845
Grand Total		\$ 23,993,566			\$ 35,148,421	

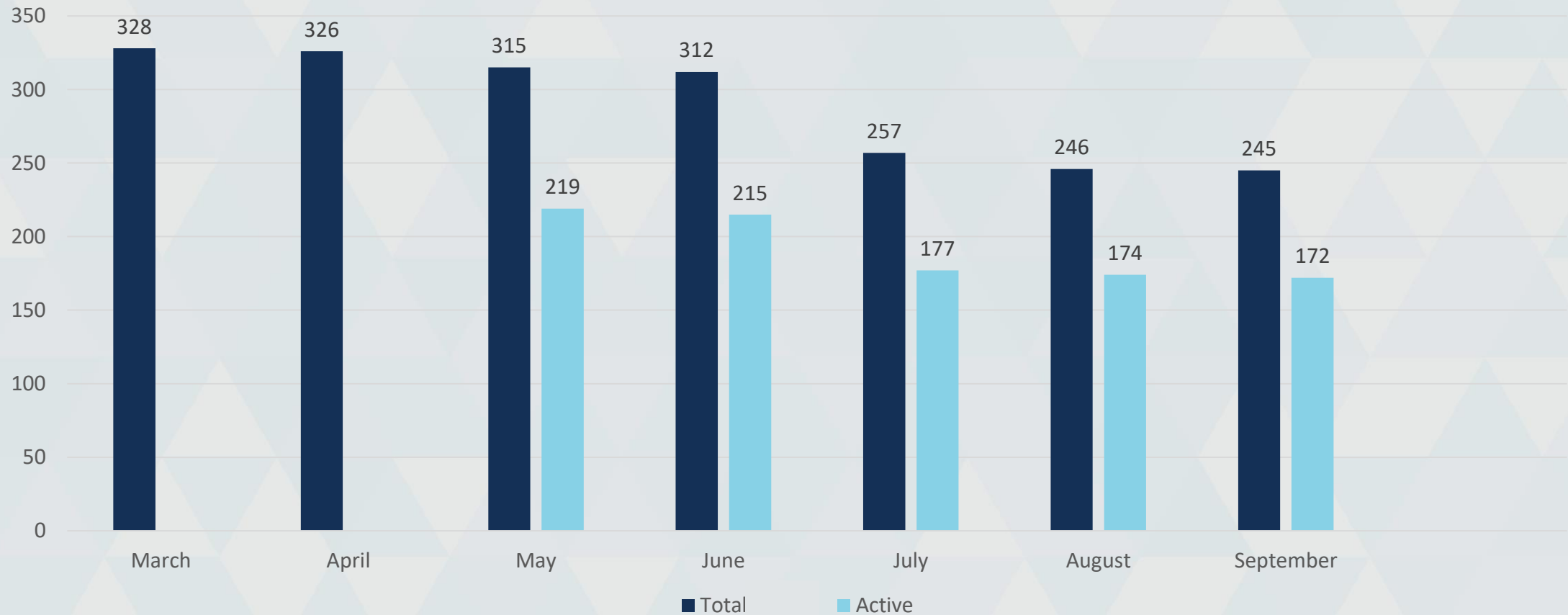
GWCCA Workforce by Category

Historical Headcount 2014 - Current



Workforce by Status

Budgeted Full-Time Workforce



Next Steps

- Develop a Scope of Work for Utility Services, Janitorial Services, and Security Services; release a market solicitation in Q3 to further refine our needs relative to FTEs in these areas.
- Develop and evaluate business case for in-house food services management vs. existing contract with Levy.
- Finance Committee Meeting in November

Discussion and Questions

Hotel Update

Frank Poe

Executive Director, GWCCA

Kevin Duvall

Chief Operating Officer, GWCCA

Overview

- CBRE Market Study Update
- Developer Update
- Legal Update
- Financial Update
- Next Steps

Tim Dick, PhD, MAI, CRE

Senior Director | Asset Management & Investment Services

Co-Leader National Practice

CBRE Hotels Advisory

Sept 17th, 2020

PROPOSED SIGNIA BY HILTON: PHASE I CONCLUSIONS

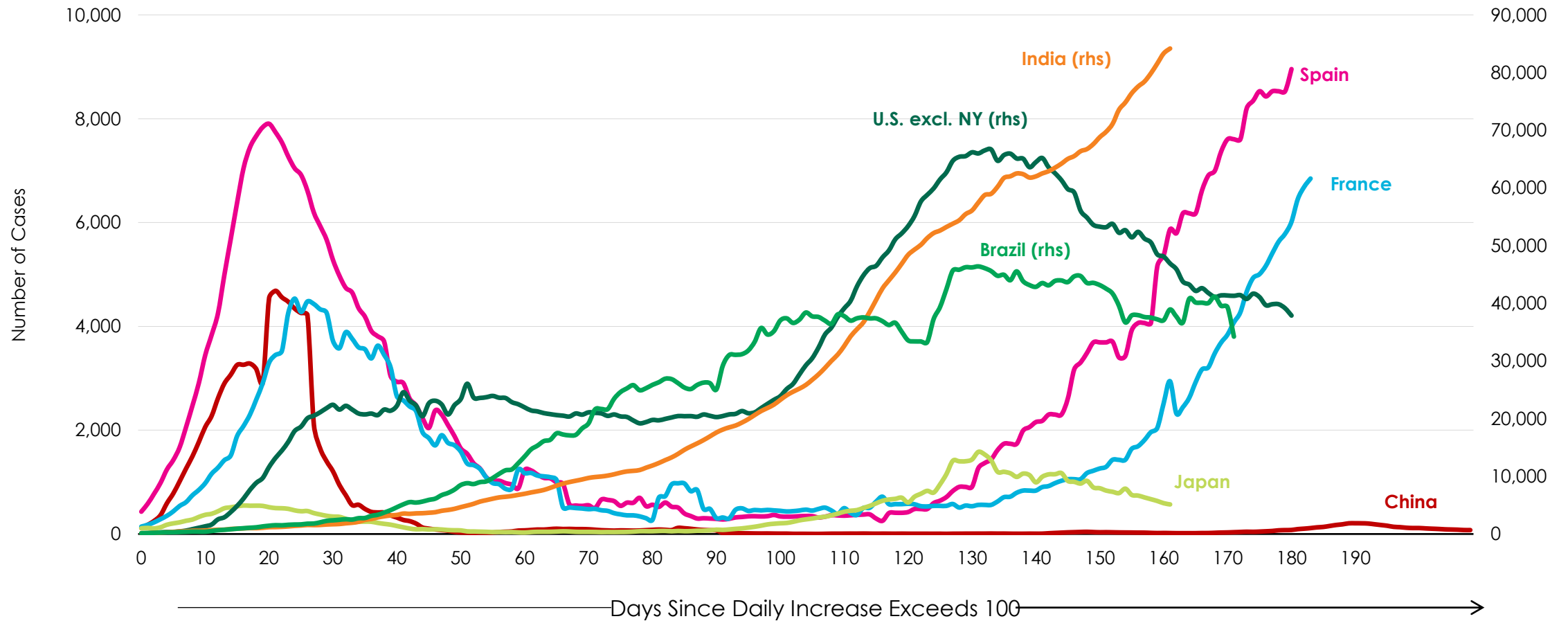
CBRE



Gensler

SECOND WAVE INFECTION AND LOCAL SURGES

Daily new cases in 7-day moving averages

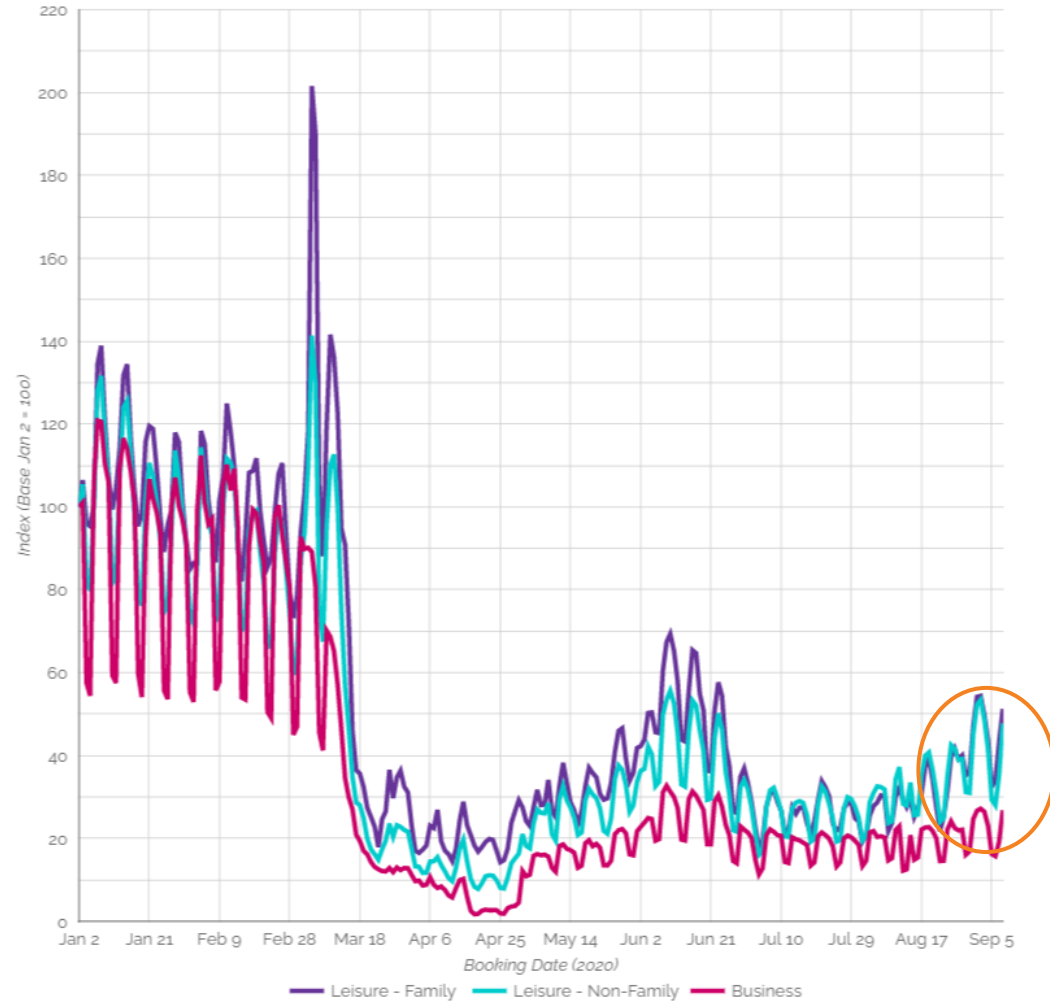


Source: CBRE Research, European Centre for Disease Prevention, COVID Tracking Project, Macrobond, 10 Sep 2020.

Note: Number reported as a 7-day moving average.

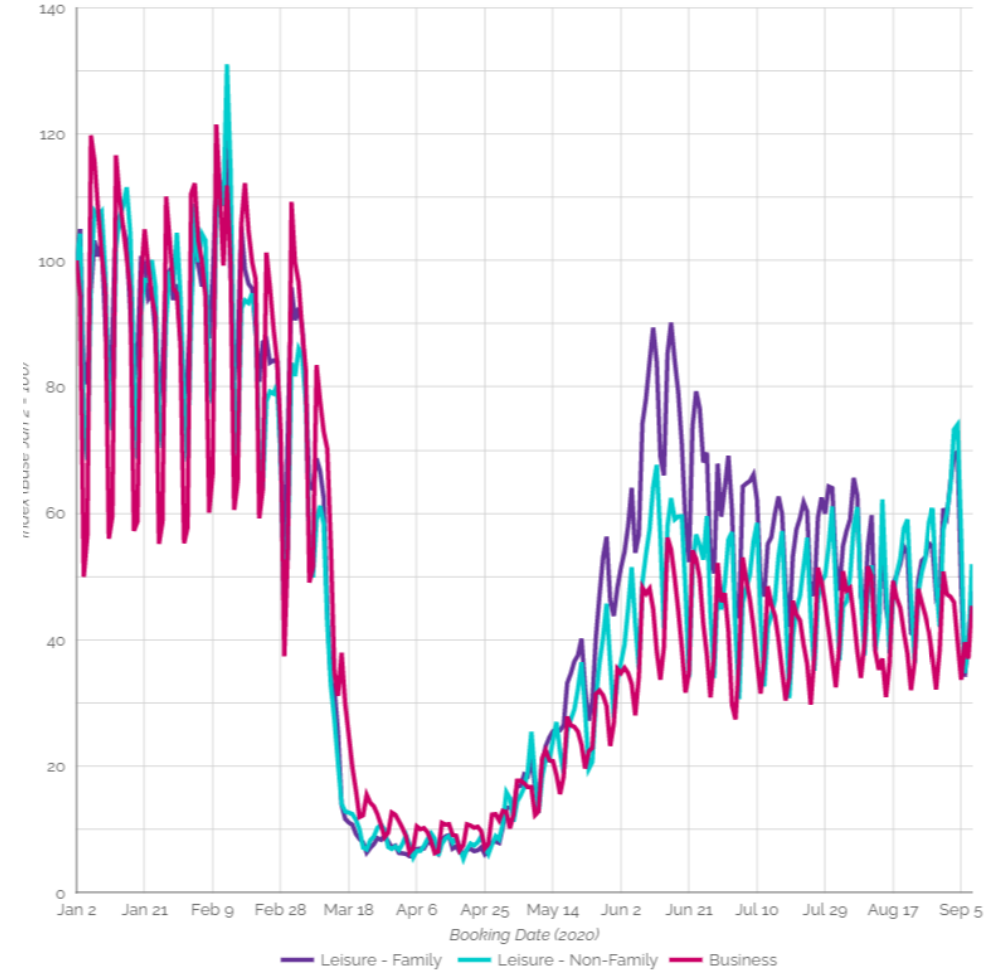
BOOKINGS STABILIZING - AGAIN

ADARA: US Airline Booking Volume



SOURCE: ADARA, 9/10/2020

ADARA: US Hotel Booking Volume



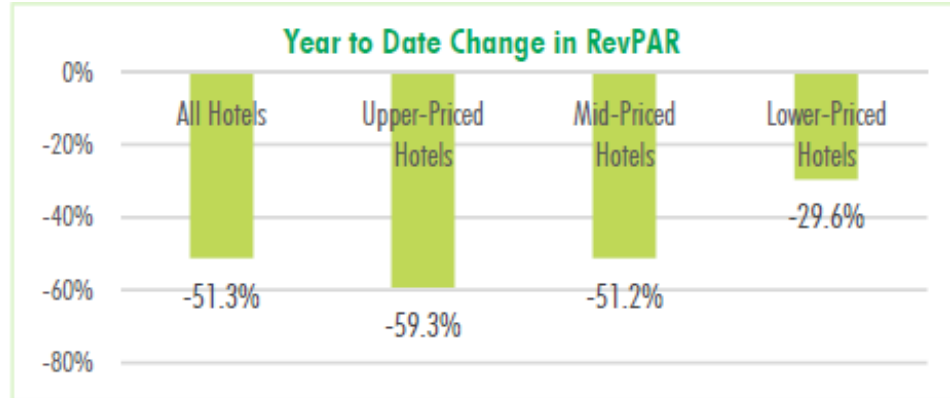
SOURCE: ADARA, 9/10/2020

CBRE HOTELS - BASELINE FORECAST

Year	Occ	ΔOcc	ADR	ΔADR	RevPAR	ΔRevPAR	RevPAR % of 2019
2018	66.4%	-0.4%	\$130.20	2.1%	\$86.51	1.7%	
2019	66.7%	0.4%	\$130.76	0.4%	\$87.22	0.8%	100.0%
2020	39.8%	-40.3%	\$104.10	-20.4%	\$41.46	-52.5%	47.5%
2021	52.3%	31.3%	\$111.89	7.5%	\$58.51	41.1%	67.1%
2022	60.2%	15.0%	\$120.52	7.7%	\$72.50	23.9%	83.1%
2023	65.5%	8.8%	\$128.90	6.9%	\$84.37	16.4%	96.7%
2024	66.6%	1.7%	\$134.12	4.1%	\$89.27	5.8%	102.3%
2025	67.3%	1.1%	\$138.44	3.2%	\$93.15	4.4%	106.8%

Source: CBRE Hotels Research, Kalibri Labs, 8/13/2020 – <https://pip.cbrehotels.com>.

CBRE HOTELS – ATLANTA FORECAST



Annual Performance - Five Year History and Forecast

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2015	70.3%	2.1%	\$102.35	7.0%	\$71.93	9.3%
2016	70.0%	-0.4%	\$108.89	6.4%	\$76.21	6.0%
2017	70.0%	0.1%	\$112.39	3.2%	\$78.72	3.3%
2018	69.2%	-1.2%	\$115.01	2.3%	\$79.59	1.1%
2019	68.5%	-1.0%	\$120.28	4.6%	\$82.45	3.6%
2020F	41.3%	-39.7%	\$92.11	-23.4%	\$38.08	-53.8%
2021F	51.1%	23.7%	\$97.43	5.8%	\$49.83	30.8%
2022F	61.5%	20.3%	\$107.35	10.2%	\$66.06	32.6%
2023F	66.8%	8.6%	\$115.03	7.2%	\$76.85	16.3%
2024F	70.4%	5.4%	\$122.76	6.7%	\$86.47	12.5%

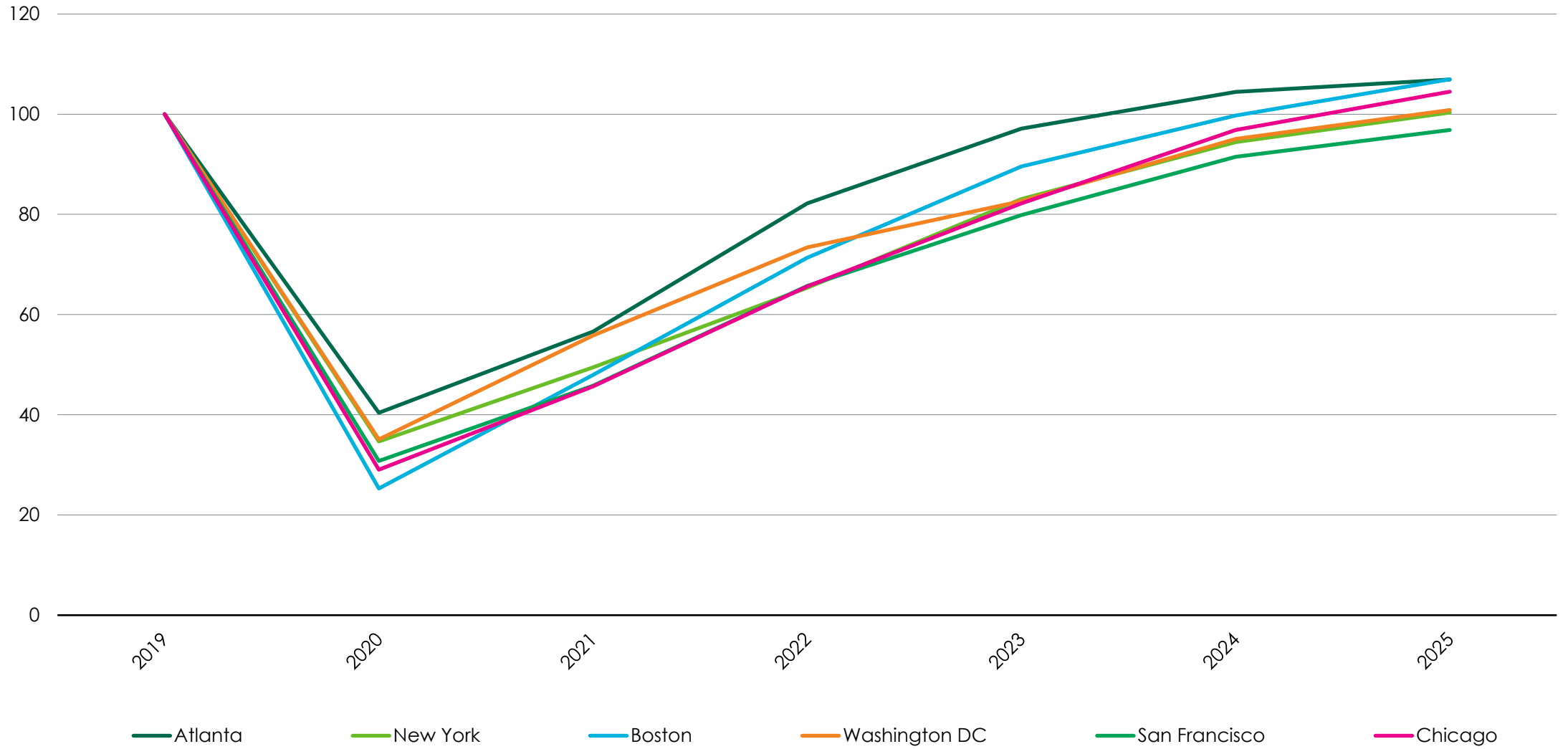
Long Run Averages 2000 to 2019

Occupancy: 63.4%, ADR Change: 1.6%, RevPAR Change: 2.2%

Source: CBRE Hotels Research, Kalibri Labs, 8/13/2020 – <https://pip.cbrehotels.com>.



Market Recovery: Upper Priced Hotels Demand Index

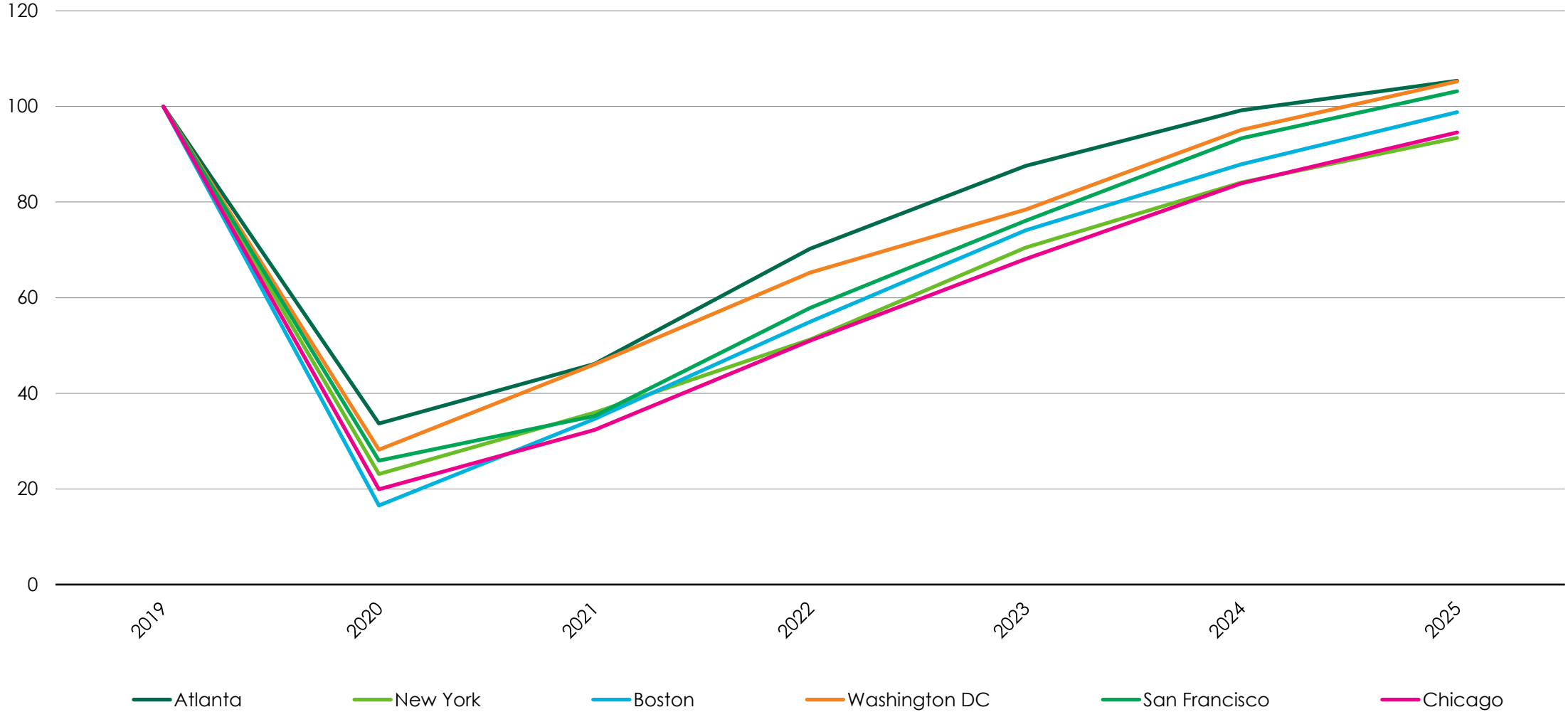


Source: CBRE Hotels Research,
* Indexed to 2019



Market Recovery: Upper Priced Hotels

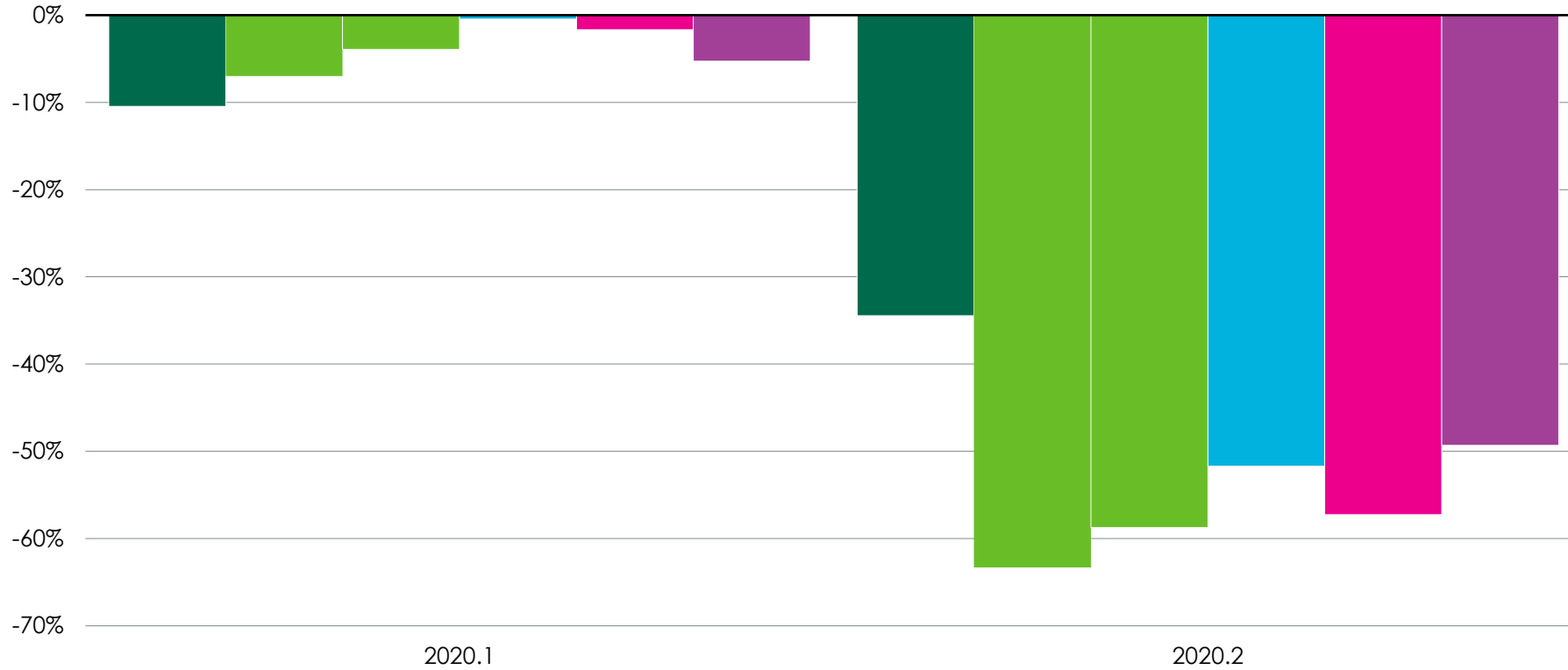
RevPAR Index



Source: CBRE Hotels Research,
* Indexed to 2019

Group ADR Percent Change Q1 versus Q2 2020

ADR Percent Change



■ Atlanta ■ New York ■ Boston ■ Chicago ■ San Francisco ■ WashingtonDC

Source: CBRE Hotels Research, Kalibri Labs Q2 2020
 Notes: ADR derived by Group GDS Booking Channel

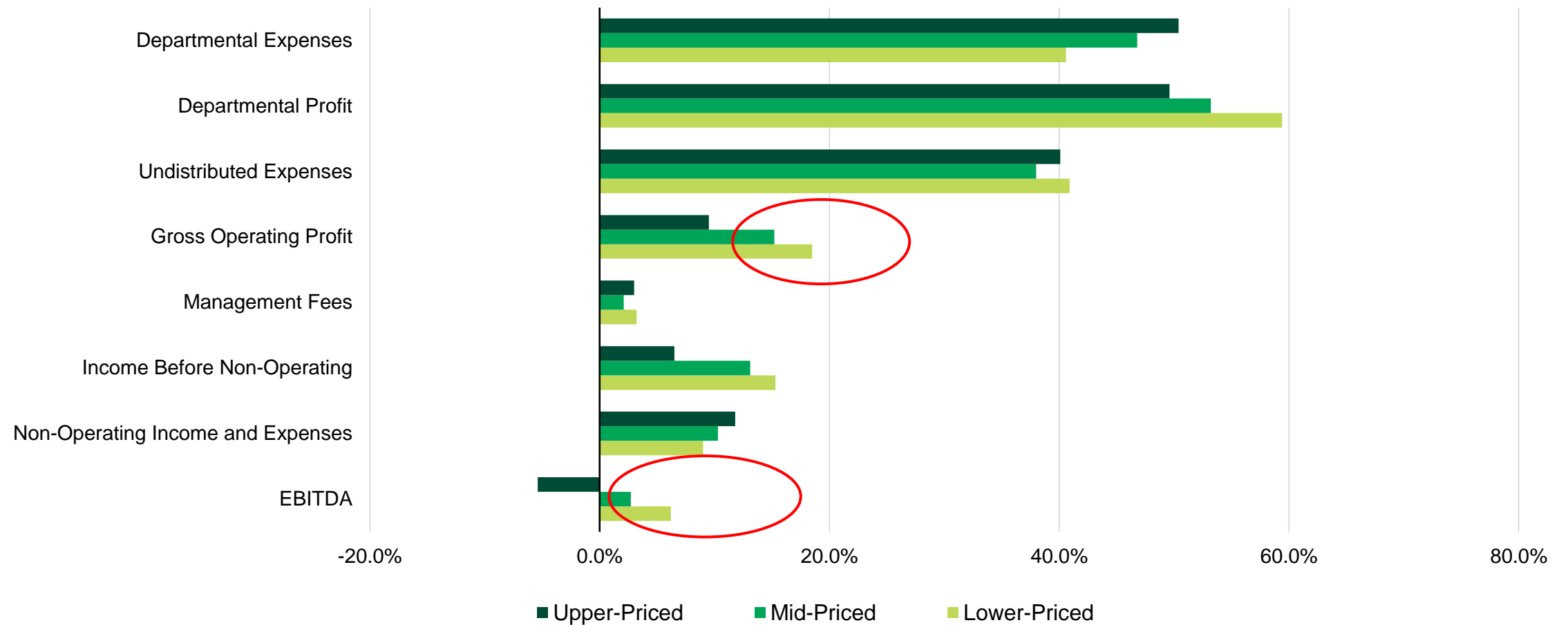
CBRE HOTELS – REVPAR FORECAST BY SCENARIO

Year	Baseline Scenario	RevPAR % of 2019	Downside Scenario	RevPAR % of 2019	Upside Scenario	RevPAR % of 2019
2018	\$86.51		\$86.51		\$86.51	
2019	\$87.22	100.0%	\$87.22	100.0%	\$87.22	100.0%
2020	\$41.46	47.5%	\$40.06	45.9%	\$42.96	49.3%
2021	\$58.51	67.1%	\$49.91	57.2%	\$63.18	72.7%
2022	\$72.50	83.1%	\$60.13	68.9%	\$76.08	87.2%
2023	\$84.37	96.7%	\$72.19	82.8%	\$87.87	101.9%
2024	\$89.27	102.3%	\$79.11	90.7%	\$92.47	106.0%
2025	\$93.15	106.8%	\$85.20	97.7%	\$96.11	110.2%

Source: CBRE Hotels Research, Kalibri Labs, Aug 13, 2020, <https://pip.cbrehotels.com>.

U.S. HOTEL PERFORMANCE BY CHAIN-SCALE GROUPS BASED ON PROJECTED 2020 ANNUAL OCCUPANCY LEVEL

Percent of Total Operating Revenue by Chain-Scale Groups



Note: Upper-Price (Luxury, Upper-Upscale), Mid-Priced (Upscale, Upper-Midscale), Lower-Priced (Midscale, Economy)

Source: CBRE, Trends® in the Hotel Industry, Sample of hotels reporting occupancy proximate to 2020 forecast for respective chain-scale, May

COMPETITIVE SUPPLY

COMPETITIVE SUPPLY SIGNIA HOTEL GEORGIA WORLD CONGRESS CENTER ATLANTA, GA

HOTEL	ROOMS	2019			2019 MARKET SEGMENTATION			REVPAR PENETRATION
		OCCUPANCY	ADR	REVPAR	CORPORATE	GROUP	LEISURE	
Westin Peachtree Plaza Atlanta	1,073	75%-80%	\$160-\$165	\$130-\$135	30%	50%	20%	95%-100%
Hilton Atlanta	1,249	75%-80%	\$155-\$160	\$120-\$125	30%	50%	20%	85%-90%
The American Hotel Atlanta Downtown a DoubleTree by Hilton	315	80%-85%	\$170-\$175	\$140-\$145	40%	30%	30%	100%-105%
Ritz-Carlton Atlanta	444	75%-80%	\$255-\$260	\$200-\$205	35%	35%	30%	145%-150%
Sheraton Atlanta Hotel	763	75%-80%	\$135-\$140	\$100-\$105	45%	25%	30%	75%-80%
Hyatt Regency Atlanta	1,260	80%-85%	\$170-\$175	\$140-\$145	20%	60%	20%	100%-105%
Omni Hotel @ CNN Center	1,067	70%-75%	\$180-\$185	\$130-\$135	20%	65%	15%	95%-100%
Marriott Atlanta Marquis	1,663	80%-85%	\$165-\$170	\$140-\$145	25%	55%	20%	100%-105%
Embassy Suites by Hilton Atlanta @ Centennial Olympic Park	<u>321</u>	<u>80%-85%</u>	<u>\$170-\$175</u>	<u>\$140-\$145</u>	<u>40%</u>	<u>40%</u>	<u>20%</u>	100%-105%
TOTALS/AVERAGES	8,155	79.5%	\$170.85	\$135.83	28.5%	50.2%	21.2%	

HOTEL	FAIR MARKET SHARE	2019 MARKET PENETRATION				2019 MARKET PENETRATION AS A % OF FMS			
		TOTAL	CORPORATE	GROUP	LEISURE	TOTAL	CORPORATE	GROUP	LEISURE
Westin Peachtree Plaza Atlanta	13.2%	13.2%	13.9%	13.1%	12.4%	100.3%	105.4%	99.8%	94.5%
Hilton Atlanta	15.3%	15.1%	15.8%	15.0%	14.2%	98.4%	103.4%	97.9%	92.7%
The American Hotel Atlanta Downtown a DoubleTree by Hilton	3.9%	4.0%	5.6%	2.4%	5.7%	103.9%	145.7%	62.1%	146.9%
Ritz-Carlton Atlanta	5.4%	5.4%	6.6%	3.7%	7.6%	98.6%	120.9%	68.7%	139.4%
Sheraton Atlanta Hotel	9.4%	8.9%	14.0%	4.4%	12.5%	94.7%	149.4%	47.1%	133.9%
Hyatt Regency Atlanta	15.5%	16.1%	11.3%	19.2%	15.1%	103.9%	72.8%	124.1%	97.9%
Omni Hotel @ CNN Center	13.1%	11.9%	8.4%	15.4%	8.4%	91.2%	63.9%	118.0%	64.4%
Marriott Atlanta Marquis	20.4%	21.4%	18.8%	23.5%	20.2%	105.0%	92.0%	115.0%	99.0%
Embassy Suites by Hilton Atlanta @ Centennial Olympic Park	3.9%	4.1%	5.7%	3.3%	3.9%	103.9%	145.7%	82.8%	97.9%

Source: CBRE and properties concerned

HISTORICAL PERFORMANCE OF THE COMPETITIVE SET

HISTORICAL PERFORMANCE ATLANTA, GA COMPETITIVE SET

YEAR	OCCUPANCY	% CHANGE	ADR	% CHANGE	REV PAR	% CHANGE	SUPPLY	% CHANGE	DEMAND	% CHANGE
2014	71.10%	-	\$143.67	-	\$102.08	-	2,970,005	-	2,110,230	-
2015	73.00%	2.7%	\$149.61	4.1%	\$109.28	7.1%	2,970,005	0.0%	2,169,321	2.8%
2016	75.10%	2.9%	\$157.56	5.3%	\$118.28	8.2%	2,970,097	0.0%	2,229,618	2.8%
2017	75.00%	-0.1%	\$160.46	1.8%	\$120.32	1.7%	2,973,198	0.1%	2,229,419	0.0%
2018	77.30%	3.1%	\$162.98	1.6%	\$126.02	4.7%	2,973,655	0.0%	2,299,160	3.1%
2019	79.10%	2.3%	\$171.79	5.4%	\$135.92	7.9%	2,976,575	0.1%	2,355,115	2.4%
YTD PRIOR YEAR	83.50%	-	\$184.28	-	\$153.83	-	1,476,055	-	1,232,127	-
YTD CURRENT YEAR	41.10%	-50.8%	\$170.72	-7.4%	\$70.23	-54.3%	1,217,999	-17.5%	501,022	-59.3%

ESTIMATED GROWTH IN TOTAL DEMAND

ESTIMATED GROWTH IN TOTAL DEMAND SIGNIA HOTEL GEORGIA WORLD CONGRESS CENTER ATLANTA, GA

YEAR	CORPORATE		GROUP		LEISURE		TOTAL	
	NIGHTS	GROWTH %	NIGHTS	GROWTH %	NIGHTS	GROWTH %	NIGHTS	GROWTH %
2019	729,600	-	1,272,400	-	581,400	-	2,583,400	-
2020	291,800	-60.0%	445,300	-65.0%	232,500	-60.0%	969,600	-62.5%
2021	408,600	40.0%	601,200	35.0%	337,200	45.0%	1,347,000	38.9%
2022	596,500	46.0%	841,700	40.0%	499,000	48.0%	1,937,200	43.8%
2023	683,300	14.6%	1,132,300	34.5%	555,900	11.4%	2,371,500	22.4%
2024	737,700	8.0%	1,317,500	16.4%	585,600	5.3%	2,640,800	11.4%
2025	745,000	1.0%	1,330,200	1.0%	591,400	1.0%	2,666,600	1.0%
2026	752,400	1.0%	1,343,100	1.0%	597,300	1.0%	2,692,800	1.0%
2027	759,800	1.0%	1,356,100	1.0%	603,300	1.0%	2,719,200	1.0%

ESTIMATED MARKET PENETRATION

ESTIMATED MARKET PENETRATION SIGNIA HOTEL GEORGIA WORLD CONGRESS CENTER ATLANTA, GA

	2024	2025	2026	2027	2028
CORPORATE					
MARKET AREA ACCOMMODATED DEMAND	711,200	718,200	725,400	732,500	732,500
SUBJECT'S CAPTURE PERCENTAGE	5.53%	5.90%	5.90%	5.94%	5.94%
ROOM NIGHTS CAPTURED	39,300	42,400	42,800	43,500	43,500
PENETRATION AS A PERCENTAGE OF FAIR MARKET SHARE	51.79%	55.29%	55.29%	55.64%	55.64%
GROUP					
MARKET AREA ACCOMMODATED DEMAND	1,276,300	1,288,700	1,301,100	1,313,700	1,313,700
SUBJECT'S CAPTURE PERCENTAGE	12.34%	13.78%	14.31%	14.35%	14.35%
ROOM NIGHTS CAPTURED	157,500	177,500	186,200	188,500	188,500
PENETRATION AS A PERCENTAGE OF FAIR MARKET SHARE	115.52%	128.99%	133.99%	134.36%	134.36%
LEISURE					
MARKET AREA ACCOMMODATED DEMAND	542,400	547,700	553,200	558,700	558,700
SUBJECT'S CAPTURE PERCENTAGE	6.37%	6.62%	6.85%	6.88%	6.88%
ROOM NIGHTS CAPTURED	34,500	36,300	37,900	38,400	38,400
PENETRATION AS A PERCENTAGE OF FAIR MARKET SHARE	59.62%	62.01%	64.14%	64.40%	64.40%
TOTAL					
MARKET AREA ACCOMMODATED DEMAND	2,529,900	2,554,700	2,579,700	2,605,000	2,605,000
SUBJECT'S CAPTURE PERCENTAGE	9.14%	10.03%	10.35%	10.38%	10.38%
ROOM NIGHTS CAPTURED	231,300	256,200	266,900	270,500	270,500
PENETRATION AS A PERCENTAGE OF FAIR MARKET SHARE	85.62%	93.91%	96.88%	97.22%	97.22%
MARKET SEGMENTATION					
CORPORATE	17.0%	16.5%	16.0%	16.1%	16.1%
GROUP	68.1%	69.3%	69.8%	69.7%	69.7%
LEISURE	14.9%	14.2%	14.2%	14.2%	14.2%
TOTAL	100.0%	100.00%	100.00%	100.00%	100.00%
PROJECTED OCCUPANCY					
	65%	72%	75%	76%	76%
PROJECTED ADR	\$208.00	\$218.75	\$227.75	\$236.00	\$243.00
PROJECTED REVPAR	\$135.19	\$157.48	\$170.81	\$179.38	\$184.70

PROJECTED CASH FLOW FROM OPERATIONS – INFLATED DOLLARS

SIGNIA HOTEL GEORGIA WORLD CONGRESS CENTER
ATLANTA, GA
PROJECTED CASH FLOW FROM OPERATIONS BEFORE
DEBT SERVICE AND INCOME TAXES
EXPRESSED IN THOUSANDS OF INFLATED DOLLARS

	2023/24		2024/25		2025/26		2026/27		2027/28	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Revenues:										
Rooms	\$48,110	54.0%	\$56,044	54.7%	\$60,786	54.4%	\$63,838	54.7%	\$65,732	53.8%
Food and Beverage	33,494	37.6	38,113	37.2	42,071	37.6	43,553	37.3	46,861	38.4
Miscellaneous Income	940	1.1	1,061	1.0	1,134	1.0	1,182	1.0	1,217	1.0
Minor Operated Departments	6,556	7.4	7,315	7.1	7,783	7.0	8,103	6.9	8,346	6.8
	<u>89,101</u>	<u>100.0</u>	<u>102,532</u>	<u>100.0</u>	<u>111,774</u>	<u>100.0</u>	<u>116,676</u>	<u>100.0</u>	<u>122,156</u>	<u>100.0</u>
Departmental Expenses:										
Rooms	10,566	22.0	12,118	21.6	13,135	21.6	13,592	21.3	14,000	21.3
Food and Beverage	19,843	59.2	21,442	56.3	23,007	54.7	23,685	54.4	25,080	53.5
Minor Operated Departments	4,097	62.5	4,572	62.5	4,865	62.5	5,065	62.5	5,216	62.5
	<u>34,507</u>	<u>38.7</u>	<u>38,132</u>	<u>37.2</u>	<u>41,006</u>	<u>36.7</u>	<u>42,342</u>	<u>36.3</u>	<u>44,296</u>	<u>36.3</u>
Departmental Expenses:										
	<u>34,507</u>	<u>38.7</u>	<u>38,132</u>	<u>37.2</u>	<u>41,006</u>	<u>36.7</u>	<u>42,342</u>	<u>36.3</u>	<u>44,296</u>	<u>36.3</u>
Gross Operating Income										
	<u>54,594</u>	<u>61.3</u>	<u>64,400</u>	<u>62.8</u>	<u>70,768</u>	<u>63.3</u>	<u>74,334</u>	<u>63.7</u>	<u>77,860</u>	<u>63.7</u>
Undistributed Operating Expenses:										
Administrative and General	5,479	6.1	5,786	5.6	6,041	5.4	6,242	5.3	6,455	5.3
Information & Technology	1,064	1.2	1,123	1.1	1,173	1.0	1,212	1.0	1,253	1.0
Management Fees	912	1.0	1,574	1.5	2,286	2.0	2,984	2.6	3,748	3.1
Franchise Fees	1,924	2.2	2,242	2.2	2,431	2.2	2,554	2.2	2,629	2.2
Marketing	5,319	6.0	5,617	5.5	5,865	5.2	6,060	5.2	6,267	5.1
Utility Costs	3,036	3.4	3,233	3.2	3,377	3.0	3,495	3.0	3,599	2.9
Property Operation and Maintenance	3,011	3.4	3,214	3.1	3,374	3.0	3,491	3.0	3,616	3.0
	<u>20,745</u>	<u>23.3</u>	<u>22,788</u>	<u>22.2</u>	<u>24,547</u>	<u>22.0</u>	<u>26,037</u>	<u>22.3</u>	<u>27,570</u>	<u>22.6</u>
Incentive Management Fees										
	<u>0</u>	<u>0.0</u>	<u>1,916</u>	<u>1.9</u>	<u>1,118</u>	<u>1.0</u>	<u>1,167</u>	<u>1.0</u>	<u>1,222</u>	<u>1.0</u>
Cash Flow From Operations Before Fixed Charges										
	<u>33,849</u>	<u>38.0</u>	<u>39,695</u>	<u>38.7</u>	<u>45,103</u>	<u>40.4</u>	<u>47,131</u>	<u>40.4</u>	<u>49,069</u>	<u>40.2</u>
Fixed Charges:										
Insurance	457	0.5	471	0.5	485	0.4	499	0.4	514	0.4
	<u>457</u>	<u>0.5</u>	<u>471</u>	<u>0.5</u>	<u>485</u>	<u>0.4</u>	<u>499</u>	<u>0.4</u>	<u>514</u>	<u>0.4</u>
Cash Flow From Operations Before Reserve For Replacement of Fixed Assets										
	<u>33,392</u>	<u>37.5</u>	<u>39,225</u>	<u>38.3</u>	<u>44,618</u>	<u>39.9</u>	<u>46,631</u>	<u>40.0</u>	<u>48,555</u>	<u>39.7</u>
Reserve For Replacement of Fixed Assets										
	<u>891</u>	<u>1.0</u>	<u>2,051</u>	<u>2.0</u>	<u>3,353</u>	<u>3.0</u>	<u>4,667</u>	<u>4.0</u>	<u>6,108</u>	<u>5.0</u>
Cash Flow From Operations Before Debt Service and Income Taxes										
	<u>\$32,501</u>	<u>36.5%</u>	<u>\$37,174</u>	<u>36.3%</u>	<u>\$41,265</u>	<u>36.9%</u>	<u>\$41,964</u>	<u>36.0%</u>	<u>\$42,447</u>	<u>34.7%</u>
Statistics:										
Number of Rooms	975		975		975		975		975	
Percentage of Occupancy	65%		72%		75%		76%		76%	
Average Daily Rate	\$208.00		\$218.75		\$227.75		\$236.00		\$243.00	
Occupied Rooms	231,300		256,200		266,900		270,500		270,500	

Notes:
- Percentages of departmental expenses are to departmental revenue; all other percentages are to total revenue.
- Totals may not add due to rounding.

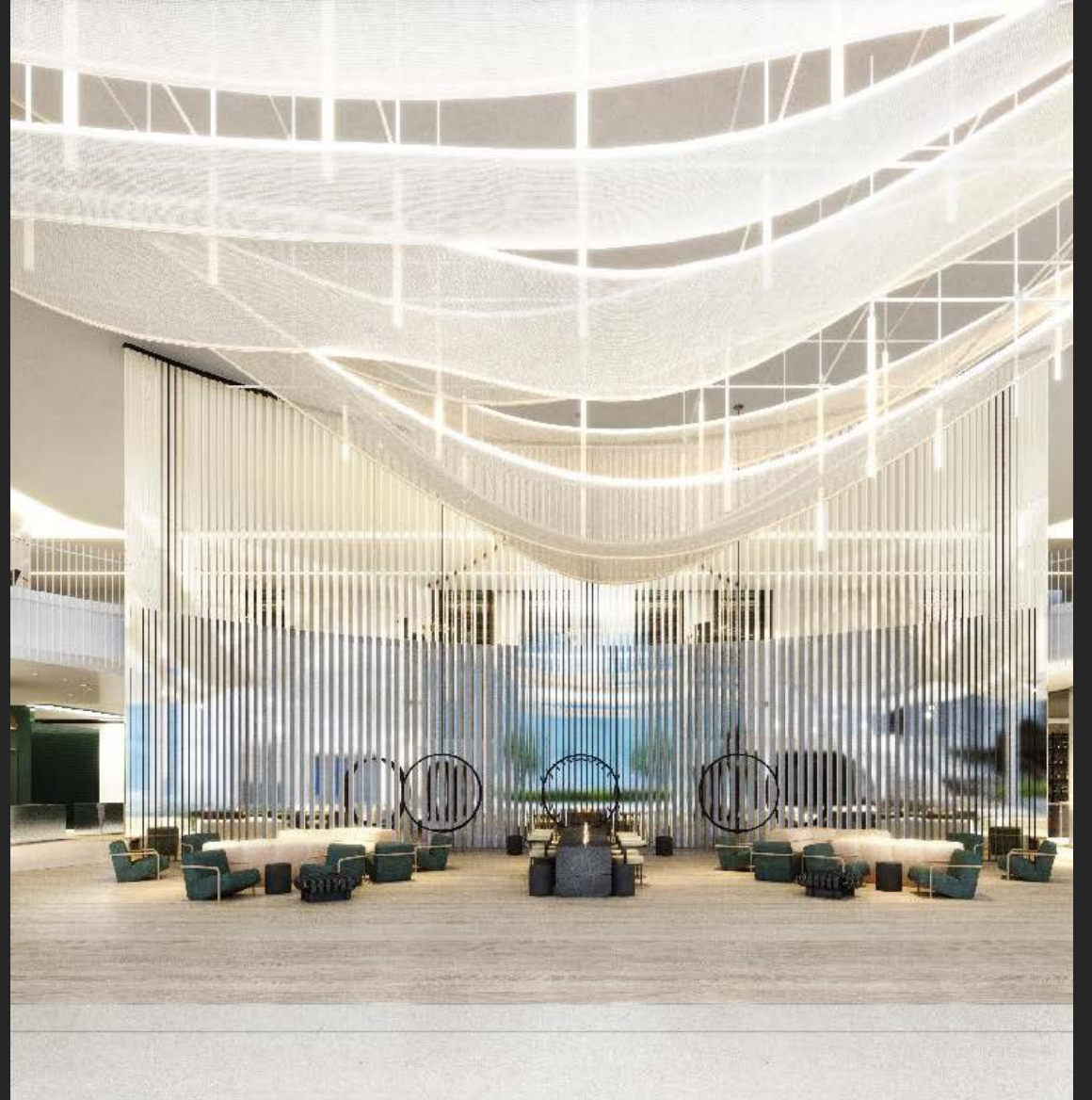
Developer Update

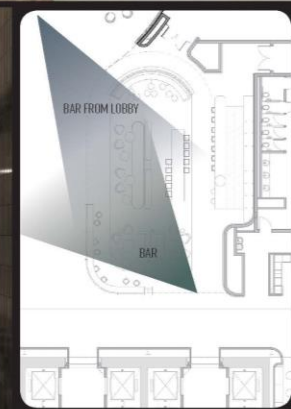
Theonie Alicandro
COO and General Counsel
Drew Company

- Guaranteed Maximum Price (Skanska) update
- Operator (Hilton) update
- Design (Gensler) update



LOBBY LOUNGE





signia by hilton |



DS WITH PAINT TO MATCH WAINSCOT + FEATURE CHANDELIERS

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Pargen Robertson
General Counsel, GWCCA

Kevin Duvall
Chief Operating Officer, GWCCA

Theonie Alicandro
COO and General Counsel
Drew Company

GWCC Analysis as of 8/21

SCENARIO	1A	2A
Key Money for	Construction	Reserves
Interest Rates	Current Market	Current Market
Par Amount	\$456,080,000	\$480,525,000
Minimum Coverage	1.38x	1.31x
LOC Repaid	Operating Year 7	Operating Year 6

Next Steps

For the ability to finance the project, it will take approximately 60 days to conclude the following activities in order to close the transaction:

- Legal documentation finish up
- JLL bring down letter
- Hilton proforma
- GMP update
- Complete market study
- S&P approval and rating, plus Citi marketing process

Discussion and Questions

AUTHORITY

Next Scheduled Meeting

October 27, 2020