



Georgia World
Congress Center
Authority

BOARD OF GOVERNORS MEETING

October 29, 2019

Approval of *Minutes*
August 27, 2019
September 19, 2019

FINANCIAL

Financial Update

Janet Arsenault
Sr. Director of Finance

Financial Snapshot – September 2019

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Profit/
Loss



Georgia World
Congress Center



Actual (\$290,980)

Budgeted (\$529,838)

YTD Actual (\$3,889,089)

Budgeted (\$4,640,656)



H/M Tax

Actual

\$1.66M

Budget

\$1.76M <5.79%

FY19

\$1.72M <3.49%



Customers

(Estimated)

345,942



Economic
Impact

(Estimated)

\$98.1M



Year-End Profit / Loss

Budget	\$2,409,028
Projection	\$2,413,424

Questions?

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Vision 2025 Update

Jennifer LeMaster

Chief Administrative Officer, GWCCA

John Bourke

President, Bourke Associates

The Planning Process

Participatory Strategic Planning Process

Typically a 2-3 day off-site meeting. Each session takes approximately 3 hours, and includes a context, individual, and small group brainstorm, posting and clustering ideas, naming clusters, and a brief reflection.



Takes place 2-4 weeks prior to the off-site meeting, with a small sample of larger planning group.

Leadership Context

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WHY?

What?

How



“How will we as stakeholders of GWCCA...



Advance our goal to become the #1 convention, sports, and entertainment destination in the world



Efficiently deliver a seamless, world-class customer experience



Sustain a streamlined, best-in-class organization



Effectively, *innovatively*, and dynamically drive superior operating results amidst market challenges and disruptors

While...



Attracting, developing, and retaining a talented, engaged, empowered workforce that remains clear and focused on our collectively held vision of success? ”

Practical Vision

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- Maximized Economic Performance
- Recognized as an Employer of Choice
- Enhanced Campus
- Leveraged State-of-the-Art Technology to Maximize Customer Experience



Strategic Directions

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Developing and Expanding Our Campus
Creating a Destination
Clarifying Our Identity

Strategic Direction 1
Elevating Our Destination



Building Team Capability
Enhancing Organizational Alignment

Strategic Direction 2
Strengthening Our Team



Investing in Technology
Setting the Standard for Excellence
Aligning Resources to Achieve Maintenance Plan

Strategic Direction 3
Maximizing Operational Excellence



Expanding In-House Staffing Services
Promoting New Events
Exploring Retail Opportunities

Strategic Direction 4
Diversifying Our Revenue Portfolio

Implementation Calendar

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Strategic Direction 1
Elevating Our Destination

Strategic Direction 2
Strengthening Our Team

Strategic Direction 3
Maximizing Operational
Excellence

Strategic Direction 4
Diversifying Our Revenue
Portfolio



Strategic Team Leaders



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Strategic Direction 1
Elevating Our Destination



TIM TREFZER
Director, Corporate Social Responsibility

Strategic Direction 2
Strengthening Our Team



HARRIET THOMAS
Manager, Talent Development

Strategic Direction 3
Maximizing Operational
Excellence



MARK KOENINGER
Director, Business Intelligence &
Process Improvement

Strategic Direction 4
Diversifying Our Revenue
Portfolio



ERIK WALDMAN
Director, Strategic Programs

Strategic Direction 1: Key Accomplishments

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Strategic Direction 1
Elevating Our Destination



TIM TREFZER
Director, CSR

- **Brand Identity**
 - Style guide, logos
- **Campus Development**
 - Wayfinding
- **Customer Arrival**
 - Red Deck entrance
 - Lower International employee entrance
 - COP Visitors Center

SD1: Brand Identity

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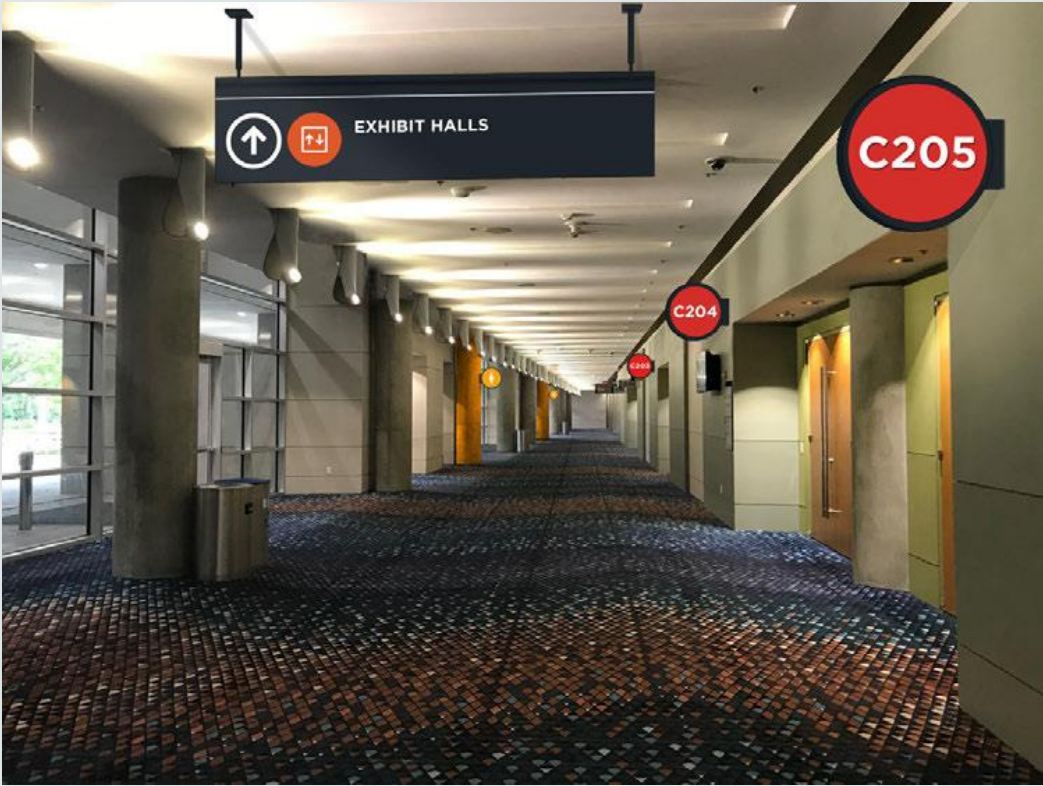


Georgia World
Congress Center



SD1: Campus Development

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SD1: Customer Arrival – Red Deck

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SD1: Centennial Olympic Park Visitor Center

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SD1: Centennial Olympic Park Visitor Center

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Strategic Direction 2: Key Accomplishments

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Strategic Direction 2
Strengthening Our Team



HARRIET THOMAS
Manager,
Talent Development

- **Talent Management Strategy**
 - Hire-to-Retire
 - Employment branding
- **Competency Models**
 - Administrative professionals
 - People managers
- **Workplace Recognition**
 - Employer of choice
 - Team member rewards

SD2: Talent Management Strategy

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A large graphic with a dark blue background. The text 'YOUR AUTHORITY LIFE' is written in large, bold letters. 'YOUR' is white, 'AUTHORITY' is light blue, and 'LIFE' is yellow. Below the text is a white globe icon and the text 'GEORGIA WORLD CONGRESS CENTER AUTHORITY' in a smaller font.

SD2: Competency Models

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Administrative Professionals Core Competencies



CULTURAL

The principle of shared beliefs, integrity, business acumen, and core values.

Be One
Be Honest
Be Stewards
Be Dynamic



INDUSTRY KNOWLEDGE TECHNICAL

The ability to demonstrate knowledge of administrative skills and proficiencies.



CUSTOMER RELATIONS

The practice of hospitality, active listening and responding to meet the needs of internal and external individuals.



COMMUNICATION

The exchange of accurate and timely information which leads to understanding.



ORGANIZATION

The application of effective processes, initiatives and resources.



SD2: Workplace Recognition

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REACH FOR THE S.T.A.R.

The Authority All-Star program is designed to celebrate outstanding team members and is made up of four pillars – Service, Talent development, Above and Beyond, and Recognition.

Start earning points **TODAY!**
Visit **GEORGE** for more details.



AUTHORITY ALL-STAR

SERVICE
When you reach a significant career milestone at GWCCA, we celebrate. The Authority All-Star program acknowledges your contributions over the years with special recognition.

TALENT ENGAGEMENT
Team members who complete professional development goals, skill-specific training or credentialing can earn points and rewards.

ABOVE & BEYOND
Custom All-Star pins will be awarded to team members whose effort, impact, and initiative surpass expectations and positively impact our guests or our customers.

RECOGNITION
Celebrate significant achievements and appreciate the star players at the GWCCA by sending a quick recognition card.



Strategic Direction 3: Key Accomplishments

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Strategic Direction 3
Maximizing Operational
Excellence



MARK KOENINGER
Director, Business Intelligence
& Process Improvement

- **Technology Upgrades**
 - Appetize point of sale implementation
 - Feedback Now restroom system
 - AI camera system enhancements
- **Georgia Tech Capstone Teams**
- **Material Handling Implementation**

SD3: Technology Upgrades

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Food



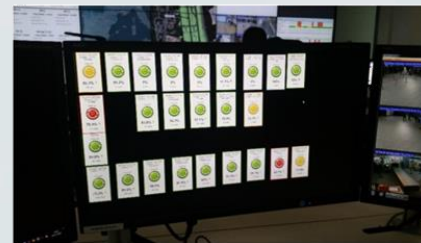
Standard or mini Widget



Smiley only Widget



Alerts Widget



Cleanliness

Safety



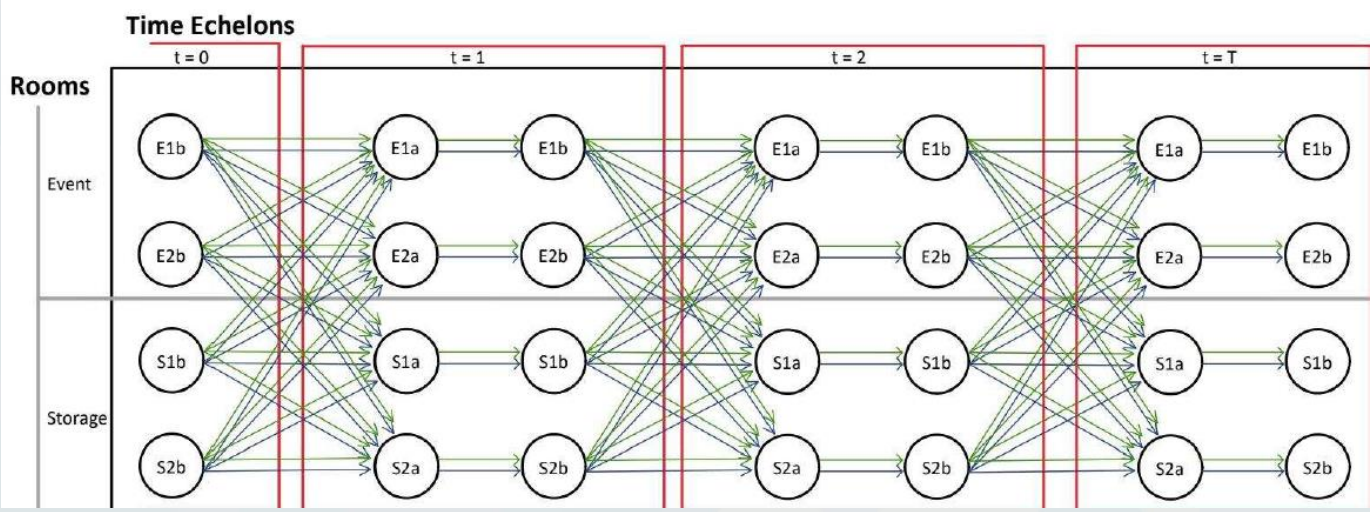
SD3: Georgia Tech Capstone Teams

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- Equipment Allocation & Optimization
- Profit Maximization
- Traffic Simulation and Analysis (AYIB)
- Energy Optimization Analysis

SD3: Material Handling Implementation



Strategic Direction 4: Key Accomplishments

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Strategic Direction 4 Diversifying Our Revenue Portfolio



ERIK WALDMAN
Director, Strategic Programs

- **Exploring Retail Opportunities**
 - Kiosk success
 - New retail partnership
 - Green Deck retail study
- **In-house Staffing Implementation**
 - Security
 - Guest Services
- **Show Recovery**
 - Expense reductions and waste diversion

SD4: Exploring Retail Opportunities

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SD4: In-House Staffing Implementation

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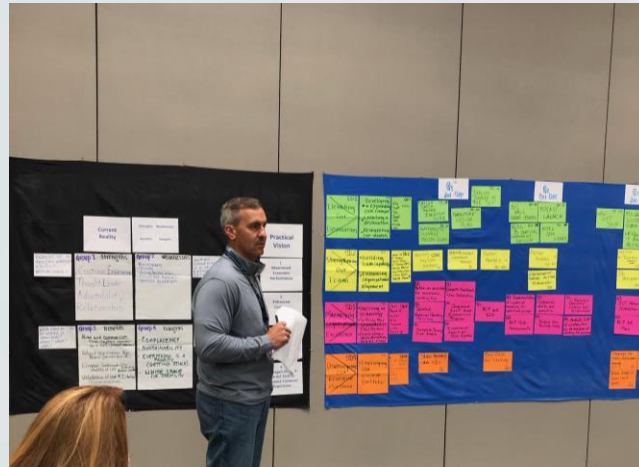
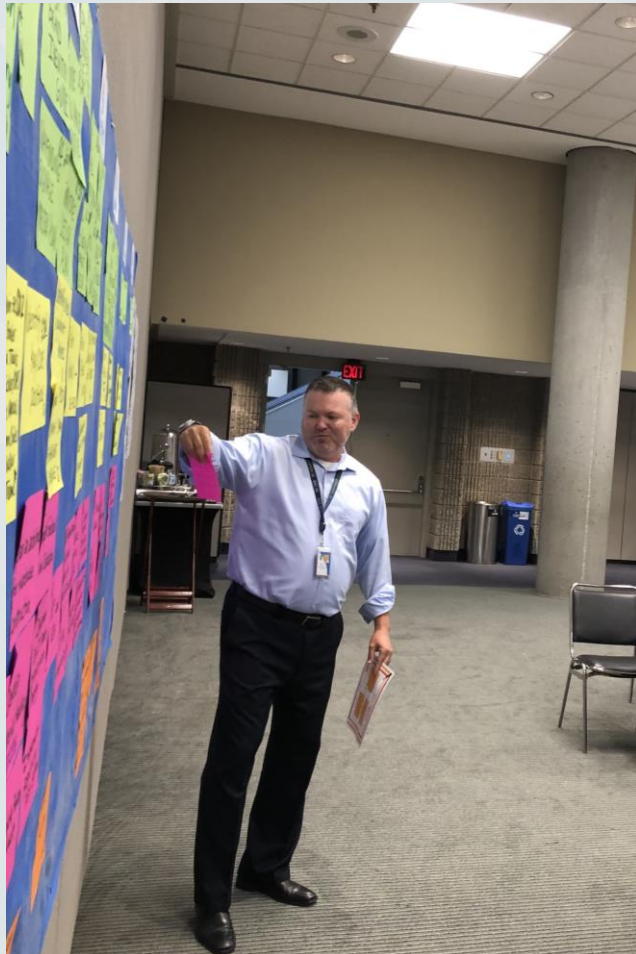
SD4: Show Recovery

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Regular Progress Updates

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Thank You



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Resolution: SGCCA Management Service Agreement (Amendment)

Pargen Robertson
Legal Counsel, GWCCA

SECOND AMENDMENT TO SAVANNAH CONVENTION CENTER MANAGEMENT AGREEMENT

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Recall that on March 25, 2014, the Authority executed the Convention Center Management Agreement with the Georgia International and Maritime Trade Center Authority ("GIMTCA"), pursuant to which the Authority essentially was to manage the Savannah International Trade & Convention Center.

That Agreement has been amended once before, on August 10, 2016.

SECOND AMENDMENT TO SAVANNAH CONVENTION CENTER MANAGEMENT AGREEMENT

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H.B. 525 (2019)

By operation of law effective July 1, 2019:

- (1) GIMTCA was dissolved, and the Savannah-Georgia Convention Center Authority (SGCCA) was created;
- (2) the Savannah International Trade & Convention Center was renamed the Savannah Convention Center; and
- (3) the SGCCA **became successor to GIMTCA in all contracts entered into by GIMTCA which were in existence on July 1, 2019** (including but not limited to the Convention Center Management Agreement as previously amended).

SECOND AMENDMENT TO SAVANNAH CONVENTION CENTER MANAGEMENT AGREEMENT

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With this Resolution, the Board essentially would extend the term of the Savannah Convention Center Management Agreement for a Renewal Term of three (3) additional years, to expire on June 30, 2023.

If at the end of the Renewal Term SGCCA intends to continue securing management services through a third-party provider, then in the final year SGCCA agrees to negotiate in good faith to attempt to reach an agreement on a new contract or arrangement with GWCCA to renew.

Questions?

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Resolution: Public Art Exterior-MBS Cool Globes (Ratification)

Kevin Duvall

Chief Operating Officer, GWCCA

Scott Jenkins

General Manager, MBS

Cool Globes Atlanta: Overview

- A public art exhibition designed to raise awareness of solutions to climate change
- 30, 5' diameter globes are exhibited to promote sustainability at the local level
- The exhibition premiered in Chicago in 2007, and has since traveled the world and been translated into 9 languages



Cool Globes Atlanta: Timing

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- Installation: October 2019
- October 21: Press conference
- Removal: January 2020



Section 2.8 Public Art. No public art or work of art shall be installed on the Stadium Site outside of the Stadium without the prior written consent of the GWCCA, which may be withheld only based on the reasonable conclusion of the GWCCA that such art is (a) lewd, offensive or immoral, (b) a public or private nuisance or (c) materially inconsistent with the aesthetic theme or appearance of the GWCCA Campus.

Staff Recommendation

AUTHORITY

- Staff recommends ratification of the Executive Committee action

Questions?

AUTHORITY

Resolution: CBRE and JLL Letters of Agreement (Ratification)

Kevin Duvall
Chief Operating Officer, GWCCA

Bond Validation Requirements

- Independent market analysis (study) to include a hotel proforma
- Third party construction cost monitor to review independently from Drew the monthly construction draws, change orders that may arise, schedule progress, etc.

Should include:

- Supply and demand
- Competitive set review
- Projected occupancy
- Average daily rate
- Operating margins

- Professional fees for this assignment will be based on our current hourly billing rates and the hours required. We estimate they will not exceed \$45,000.
- Plus any out-of-pocket expenses incurred in the performance of the assignment will be billed at actual cost.

These fees are covered as a cost of issuance.

Sometimes referred to as an Independent Engineer, the Monitor will serve three primary roles:

- Prior to closing, will provide a report pronouncing that the budget and schedule for the project are acceptable.
- Post-closing, will be involved in reviewing eligible project fund requisitions on behalf of the Trustee and to confirm that funds remaining are sufficient to complete the project.
- During construction, provide quarterly reports to bondholders (public) on the status of the construction.

3.0 Fees and Other Charges

Estimated Fees = \$152,500

These fees are covered as part of the cost of bond issuance.

Staff Recommendation

AUTHORITY

- Staff recommends ratification of the Executive Committee action

Questions?

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Resolution: Hotel Bond

Theonie Alicandro
COO and General Counsel, Drew Co.

Matt Nichols
Partner, King & Spalding LLP

Project Budget Overview

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Development Cost Summary	
Key Count:	975
Cost per Key	\$ 448,151.73
Land Costs	\$ -
General Contractor/Construction Manager Contract	\$ 296,623,580.00
Other Hard Costs and Contingency	\$ 17,797,414.80
Architectural/Engineering Design	\$ 16,775,000.00
Approvals & Permitting	\$ 6,254,544.00
Project Administration & Overhead	\$ 9,000,000.00
Hotel Costs	\$ 87,467,400.00
Closing Costs	\$ 3,030,000.00
Financing Costs	\$ -
Total	\$ 436,947,938.80

Category	10/21/2019
LAND COSTS	\$ -
Land Costs	
TOTAL LAND COSTS	\$ -
CONSTRUCTION HARD COSTS	
General Contractor/Construction Manager Contract	\$ 296,623,580.00
GA Power	\$ -
Other Utility Connection Fees	\$ -
Owners Hard Cost Contingency	\$ 17,797,414.80
TOTAL CONSTRUCTION HARD COSTS	\$ 314,420,994.80

Project Budget Overview

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PROJECT SOFT COSTS	
Architectural/Engineering Design	
Architectural	\$ 16,000,000.00
Engineering Peer Review	\$ 160,000.00
Geotechnical	\$ 80,000.00
Civil Engineering	\$ 160,000.00
Traffic Engineering	\$ 75,000.00
Commissioning	\$ -
Miscellaneous	\$ 300,000.00
Subtotal, Architectural/Engineering Design	\$ 16,775,000.00
Approvals & Permitting	
Owner Development Monitoring Consultant	\$ -
Permits (Building Permit)	\$ -
Permitting Consultants	\$ -
Owner Soft Cost Contingency (3%)	\$ 6,254,544.00
Subtotal, Approvals & Permitting	\$ 6,254,544.00

Hotel Costs	
FF&E	\$ 40,040,000.00
OSE (including IT)	\$ 15,015,000.00
Pre-Opening Budget	\$ 10,010,000.00
Working Capital	\$ 2,002,000.00
Technical Services Fee	\$ 400,400.00
Other	\$ -
Misc. Contingency	\$ 20,000,000.00
Subtotal, Hotel Costs	\$ 87,467,400.00
Project Administration & Overhead	
Developer's Fee	\$ 9,000,000.00
Project Administration & Overhead	\$ 9,000,000.00
Closing Costs	
Legal, Title Insurance and Other Miscellaneous	\$ 3,030,000.00
Closing Costs	\$ 3,030,000.00
TOTAL PROJECT SOFT COSTS	\$ 122,526,944.00
TOTAL HARD AND SOFT COSTS W/OUT FINANCING	\$ 436,947,938.80

Schedule: Next 90 Days

- November 2019
 - GWCCA adopts bond resolution
 - Finalize QMA
 - Finalize construction contract
 - Gensler completes the 30% construction documents
- December 2019
 - Skanska receives 30% construction documents to begin pricing
 - GWCCA Development Committee meeting
 - GWCCA Board of Governors meeting
 - Mid-December Citi submits credit package to rating agency(s)
- January 2020
 - GWCCA Board of Governors meeting
 - Skanska GMP due Jan 31
- February 2020
 - GWCCA Development Committee meeting - TBD
 - GMP acceptance
 - Final bond parameter approval by GWCCA - TBD

Validation Process Overview

- Establish financial parameters for the bonds
- Formally approve project summary, development budget, and revenue estimates
- Approve the interim line of credit
- Formally request Georgia State Financing and Investment Commission (GSFIC) to approve the offer and sale of the bonds and the interim line of credit

Financial Parameters for the Bonds

- Maximum principal amount: \$500 million
- Maximum interest rate: 8.5%
- Maximum annual debt service: \$42 million
- Final maturity: 40 years

Project Summary and Revenue Estimate

- Project summary is attached as Exhibit A
- Includes development budget estimate of \$436,950,000

GSFIC Approvals

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- Offer and sale of the bonds
- Financial parameters
- Credit ratings and method of sale
- Interim line of credit

Calendar

December 2	GSFIC meeting
Week of December 9	File Petition
December 19	First Validation Advertisement
December 26	Second Validation Advertisement
Week of December 30	Validation Hearing

Subsequent Activities: January - March

- Finalize documents and prepare an offering document
- Obtain credit ratings
- Update CBRE market study as required
- Construction pricing (GMP)
- Print and post the offering document
- Bond marketing
- Investor calls
- Bond pricing (requires special called meeting of GWCCA Board of Governors)
- Closing; obtain proceeds of sale

Questions?

Next Meetings

Expect a called meeting in November
&

Regular meeting December 3, 2019