

**MINUTES
GEORGIA WORLD CONGRESS CENTER AUTHORITY
MAY 31, 2011**

The following were in attendance:

GWCCA Authority Members

David Allman
Taz Anderson
Glenn Hicks
Lee Hunter
Tim Lowe, Chair
Bob Prather
Gary Smith
John Watson

Absent

Jeff Anderson
John Downs
Jim Edenfield
Mike Garrett
Anne Hennessy
Doug Tollett
Dee Yancey

GWCCA Legislative Overview Com.

Sen. Judson Hill
Sen. Chip Rogers
Sen. David Shafer

Rep. Billy Mitchell
Rep. Jimmy Pruett

GWCC Staff

Dale Aiken
Kevin Duvall
Mark Geiger
Jeff Mellin
Frank Poe
Pattsie Rand
Patrick Skaggs
Sherrie Spinks
Mark Zimmerman

Dome Staff

Carl Adkins

COP Staff

Joe Skopitz

Levy Restaurants

Mark Schwab
Scott Sweeney

Atlanta Convention & Visitors Bureau

William Pate

Attorney General's Office

Shannon McGhee

GWCC Legal Counsel

Pargen Robertson

OPB

Chris Jones

Press

Maria Saporta, Atlanta Business Chronicle
Lisa Schoolcraft, Atlanta Business Chronicle
Leon Stafford, AJC

Guests

John O'Hara, Hardin Construction Co.
Will Sellers, Georgia Capitol Associates

Chair Lowe called the meeting to order at 12:35 p.m. The following first time guests were recognized: Senator David Shafer, GWCCA Legislative Overview Committee member; Representative Jimmy Pruett, GWCCA Legislative Overview Committee member; John O'Hara with Hardin Construction Company; and Will Sellers with Georgia Capitol Associates.

Chair Lowe asked for a motion to approve the minutes of the April 26, 2011 meeting.

A motion to approve the April 26, 2011 meeting minutes was made by Glenn Hicks, seconded by Gary Smith, and unanimously approved.

Chair Lowe then called on Pattsie Rand to present the Sales and Marketing Report for April 2011, which is hereby appended and made a part of these minutes.

Five events totaling twenty-nine days, which includes move-in and move-out days, confirmed during April for GWCC.

<u>Event</u>	<u>Date</u>
Monster Energy DUB Show Tour	April 2011
Tarpon Springs High School Band Boosters	October 2011
Reach Ministries	April 2012
True Value	February 2013
True Value	February 2014

No exhibit hall events were cancelled at the GWCC in April 2011.

Twelve new events totaling nineteen days confirmed during April for the Georgia Dome.

<u>Event</u>	<u>Date</u>
GSU Graduation	May 2011
Ethiopian Sports Federation in North America	July 2011
Drum Corp International	July 2011
Metro PCS Kell Classic	August 2011
6 GSU Football Games	September – November 2011

No events were cancelled at the Georgia Dome during the month of April 2011.

Three new events totaling thirteen days confirmed in Centennial Olympic Park during the month of April 2011.

<u>Event</u>	<u>Date</u>
Coke 125 th Anniversary	May 2011
Juvenile Diabetes	October 2011
Light the Night	November 2011
ALS Walk	November 2011

No events cancelled in Centennial Olympic Park during the month of April 2011.

A Summary of the Economic Impact for major events at the Georgia World Congress Center and the Georgia Dome during April was reviewed. New dollars generated by out-of-town visitors were \$73.6 million and estimated total economic impact was \$119 million. Estimated State sales tax generated was \$5 million.

Photographs of the following April 2011 events were reviewed:

GWCC

Big South National Qualifier
Convergence 2011
National Propane Gas Association
DUB Show Tour 2011 Car Show
McDonald's CMOR East
March of Dimes for Babies
Wrestlemania XXVII Axxess

Centennial Olympic Park

Wrestlemania XXVII Walmart Promotional
Earth Day Tree Planting
Purina Incredible Dog Challenge
Silk Soy Milk Promotional
Southern Company Amphitheater Turf Project
Wednesday WindDown
Fourth Saturday Family Fun Day

Georgia Dome

Wrestlemania XXVII
GSU Spring Football Scrimmage
Team Tiger – Sack Childhood Obesity

Chair Lowe thanked Ms. Rand for her report and then called on Sherrie Spinks for the review of the April 2011 financial reports, which are appended and made a part of these minutes.

GEORGIA WORLD CONGRESS CENTER

Operating revenue for April was budgeted at \$2,018,420, with actual at \$2,852,724 or \$834,304 **ahead** of forecast. YTD operating revenue is over budget by \$763,433 or 2.87%. Total expenditures were \$158,798 **over** budget for the month and are \$673,509 or 2.54% **under** budget YTD. The Congress Center projected a **net loss** of (\$515,219) but had an actual net profit of \$160,287, a positive variance of \$675,506. YTD the Congress Center projected a net profit of \$41,343 but had an actual profit of \$1,477,285, a positive variance of \$1,435,942.

GWCC Hotel/Motel Tax for July 2010 through April 2011 was \$2,147,284 compared to a budget of \$2,024,675. This is a 6.06% increase over projection.

GEORGIA DOME

Operating revenue for April was **ahead** of forecast by \$286,740. The increase in revenue was due to Wrestlemania, which was budgeted in March but took place in April. YTD revenue is over budget by \$5,034,523 or 9.59%. Operating expenditures were \$310,108 **under** budget for the month. YTD expenditures are **over** budget by \$1,520,103 or 4.22%. The Dome projected a net profit of \$619,733 but had an actual net profit of \$1,216,621 for the month due to revenue and food and beverage for Wrestlemania. YTD the Dome's projected net profit was \$16,505,956; however, actual net profit was \$20,020,376, a positive variance of \$3,514,420.

Hotel/Motel Tax for July 2010 through April 2011 was \$15,161,734 against a budget of \$14,338,822, which is a 5.74% increase over projection.

CENTENNIAL OLYMPIC PARK

April operating revenue was \$132,929 **below** forecast. YTD operating revenue is \$420,766 **below** forecast or 14.30%. Operating expenditures for the month were \$11,934 **over** budget. YTD Park expenses are under budget by \$68,190 or 2.42%. The Park projected a net gain of \$125,628 for the month, but had an actual **net loss** of (\$19,235), which is a negative variance of (\$144,863). YTD the Park projected a net profit against budget of \$120,242 but had an actual **net loss** of (\$232,334), a negative variance of \$352,576.

Chair Lowe thanked Ms. Spinks for her report.

FY 2012 Budgets – Frank Poe

A better than budget FY11 financial performance for the Congress Center and the Georgia Dome is expected. The Congress Center budgeted a \$1.5 million loss but it should end fiscal year 2011 at close to break even. The Dome's net FY11 income has increased by \$1.8 million. The improved financial performance is driven by catering and event utility services for the Congress Center, by the Falcons playoff game and event driven revenues, and continued expense management. FY12 budget is a different picture. The GWCCA Finance Committee met, along with the Employee Compensation Committee, to review the FY11 year-end projections and the FY12 final budget. On the revenue side for FY12, parking rates for the surface lots will increase by \$2 to match the existing \$10 parking deck rate. During the year parking rates across campus will be adjusted from \$12 to \$15 depending on which event is on campus. Based on a Hotel/Motel Tax forecasting model developed by GSU, the ACVB, and the Authority, a growth of 3.1% is projected. FY11 tax growth is 8% year-over-year. On the FY12 expense side, personnel expenses for all three facilities includes a full year's funding of staff positions and a 3% merit pool for all employees that do not participate in the deferred compensation plan. Attorney and bond counsel fees associated with the successor stadium and the College Football Hall of Fame development totaling \$450,000 are included in the GWCC and Dome FY12 budgets. A onetime expense of \$370,000 is included in the GWCC and Dome budgets for the purchase and implementation of a new Venue Software Management program. The current program is twenty plus years old. To enable the Authority to prepare and plan for the future, it is imperative to transition to a new management program that will have ongoing support.

Budget summaries comparing the FY11 budget to the projected FY11 budget to the FY12 budget for each facility were reviewed. Budget summaries are in the Authority notebooks and are appended and made a part of these minutes.

- **Georgia World Congress Center:** The Congress Center forecasts a \$4.1 million net operating loss in FY12. The majority of the loss is driven by event mix. Event mix changes from FY11 include sixty-seven exhibit hall events in FY12 versus seventy in FY11, which results in a decrease of 2.4 million square feet of exhibit hall space; exhibit hall occupancy for FY11 is at 32.7% compared to 49.7% in FY11, and hotel room nights for meetings associated with the Congress Center are 750 thousand compared to 1 million. Catering and event utility services will also suffer due to the FY12 event mix. FY12 expenses are driven by three prime factors to include, full funding of 284 positions; cost for new venue management software; and costs for legal support for College Football Hall of Fame project.
- **Georgia Dome:** Considering the ongoing stadium process, this year the Georgia Dome prepared two FY12 budgets, one with full Falcons season events and one without.
 - With the Falcons, rent, catering, and parking revenue will decrease due to changes in the event mix. Wrestlemania, Seventh Day Adventists, and Primerica will not take place in the Dome in FY12. Advertising revenue will increase due to the Falcons marketing plan forecast. Operating expenses increase includes expenditures associated with the NCAA Regional; equipment upgrades for turf installation, variable message boards, and a replacement scrubber; cost for venue management software; and purchase of game tickets from the Falcons.

- Without the Falcons, the removal of ten games will affect rent, catering, parking, Suite/Club Seat license fees and Advertising revenue. Expenses will reflect a reduction in part-time and over-time labor associated with Falcons games. Although, there will be no reduction in full-time staff so the Dome can remain at “21 day ready” for NFL operations should an agreement be reached. The loss of a Falcons season will also be reflected in operating, per diem, fees, and contracts. With the Falcons a net profit of \$4.5 million is projected. Without the Falcons a net loss of (\$1.4) is projected.
- **Centennial Olympic Park:** Revenue for the Park in FY12 reflects nine new events. Catering revenue has decreased due to two large hosted catering events that were held in the Park in FY11 but are not in the FY12 budget. Restaurant (Googie Burger) revenue is projected to increase over the FY11 forecast. The increase is driven by menu adjustments and a new operating profile. A new major event, a benefit concert, is scheduled in FY12. Sponsorship and revenue will both increase significantly. Expenses reflect full staff funding and an increase in per diem/fees associated with the benefit concert and the July 4 Celebration.

A motion to approve the 2012 budgets as presented was made by Glenn Hicks, seconded by Taz Anderson, and unanimously approved.

GWCCA Resolutions

Two resolutions were presented to the Board for approval.

- The first resolution is an administrative resolution related to general obligations bonds approved within the final FY12 State budget for the Congress Center. In the resolution the GWCCA Board recommends the Department of Economic Development Board request Georgia State Financing and Investment Commission (GSFIC) issue \$6,265,000 in general obligation bonds for the purpose of financing projects to improve Building A and expand the Green Lot parking deck.

A motion to approve the resolution requesting the Department of Economic Development request Georgia State Financing and Investment Commission issue \$6,265,000 in State of Georgia General Obligation Bonds to finance some or all of the following projects: 1) Improvements to Building A and 2) Expansion of Green Lot parking deck was made by David Allman, seconded by Lee Hunter, and unanimously approved.

- The second resolution results from action taken at the April 26 GWCCA Stadium Development Committee meeting. This resolution authorizes GWCCA staff to work with the GSFIC to issue a Request for Proposal (RFP) to select underwriter(s) to assist in the structuring and sale of the Authority’s revenue bonds, to review the RFP responses, and based on the responses select a senior managing underwriter(s). This resolution is not authorizing the issuance of debt but to secure advisory of a banking team.

A motion to approve the resolution requesting Georgia State Financing and Investment Commission prepare and issue a Request for Proposal (RFP) to select senior managing underwriter(s); assist in the structuring and sale of Authority revenue bonds; review RFP responses; and based on the responses, select a senior managing underwriter(s), which selection shall be subject to further approval of the Commission was made by Bob Prather, seconded by Gary Smith, and unanimously approved.

A copy of each resolution is appended and made a part of these minutes.

The next GWCCA Board of Governors meeting will be held Tuesday, June 28.

With no further business to discuss, a motion to adjourn was made by Lee Hunter, seconded by Glenn Hicks, and unanimously approved.

RESPECTFULLY SUBMITTED:

APPROVED:

DALE AIKEN
ASSISTANT SECRETARY

ANNE HENNESSY
SECRETARY