

Georgia World Congress Center Authority

November 2012
Authority Meeting

GWCCA

Sales & Marketing Update

October 2012



Georgia World Congress Center Sales Update

New Business Booked



CheerSport 2015 National Championship



February 2015

Halls B1-B5, C1-C4

70,000

2 Days



National Rifle Association



April 2017

Halls A1-A3, B1-B5

70,000

3 Days



Other GWCC Confirmed Events – October 2012

Name	Date	Locations	Attendance	Show Days
Susan G Komen Atlanta 3- Day	October 2012	A1, A2, A3	2,800	3
NACA American Dream Event	November 2012	C3	3,000	5
GA Jobs for Veterans Employer Breakfast & Career	November 2012	C1, C2	13,000	1
AutoTrader Annual Kickoff Meeting	January 2013	A1, A3	1,000	2
CheerSport Grand Championships	January 2013	C3	10,000	2
National Propane Gas Association	April 2014	A2, A3	3,000	3

Georgia Dome Sales Update

New Business Booked



Dome Confirmed Events – October 2012

<u>Event</u>	<u>Date</u>	<u>Location</u>	<u>Attendance</u>	<u>Days</u>
Presenting Atlanta	October 2012	Dome Exhibit Floor	600	1
Clayton County High School Graduations	May 2013	Half Floor West	12,000	3
Stephenson High School Graduation	May 2013	Half Floor West	7,000	1
Redan High School Graduation	May 2013	Half Floor East	5,000	1
MLK High School Graduation	May 2013	Half Floor West	1,000	1
Southwest DeKalb Graduation	May 2013	Half Floor West	7,000	1



Centennial Olympic Park Sales Update

New Business Booked



Park Confirmed Events – October 2012

<u>Event</u>	<u>Date</u>	<u>Location</u>	<u>Attendance</u>	<u>Days</u>
Sbarro Slice of Italy Tour	October 2012	Reflection Pool Plaza	500	1
Nutlella Spread Promotion	October 2012	Reflection Pool Plaza	500	1
Rite Aid Wellness Fair	November 2012	Reflection Pool Plaza	100	1



CENTENNIAL
OLYMPIC PARK

October 2012 Sales Summary

GWCC

Total Days Booked

21



DOME

Total Days Booked

8



PARK

Total Days Booked

3



Economic Impact – October 2012

Total Impact \$59.2 million

GWCC

SuperCorrExpo

Council for Supply Chain Mgt.

International Air Cargo

Medtrade

American College of Chest Physicians

H&R Block 2012 Nat'l. Convention

Biomedical Engineering Society

29,692 attendance

New Dollars - \$27.6 million

Economic Impact - \$52.4 million

Sales Tax Generated - \$2.3 million

Dome

GSU vs. New Hampshire

Atlanta Public Schools Homecoming

Falcons vs. Raiders

GSU vs. Villanova

Bands of America Super Regional

86,254 attendance

New Dollars - \$3.6 million

Economic Impact - \$6.8 million

Sales Tax Generated - \$295 thousand

SuperCorrExpo



International Air Cargo



Medtrade



American College of Chest Physicians



Biomedical Engineering Society



GSU vs. New Hampshire



Falcons vs. Oakland Raiders



Falcons vs. Oakland Raiders Tailgate Party in the Park



GSU vs. Villanova



Bands of America Super Regional

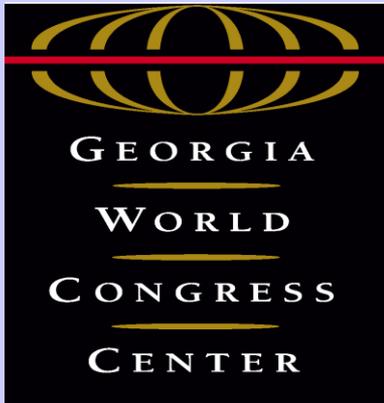


Making Strides Against Breast Cancer



Light the Night





Georgia World Congress Center

October 2012

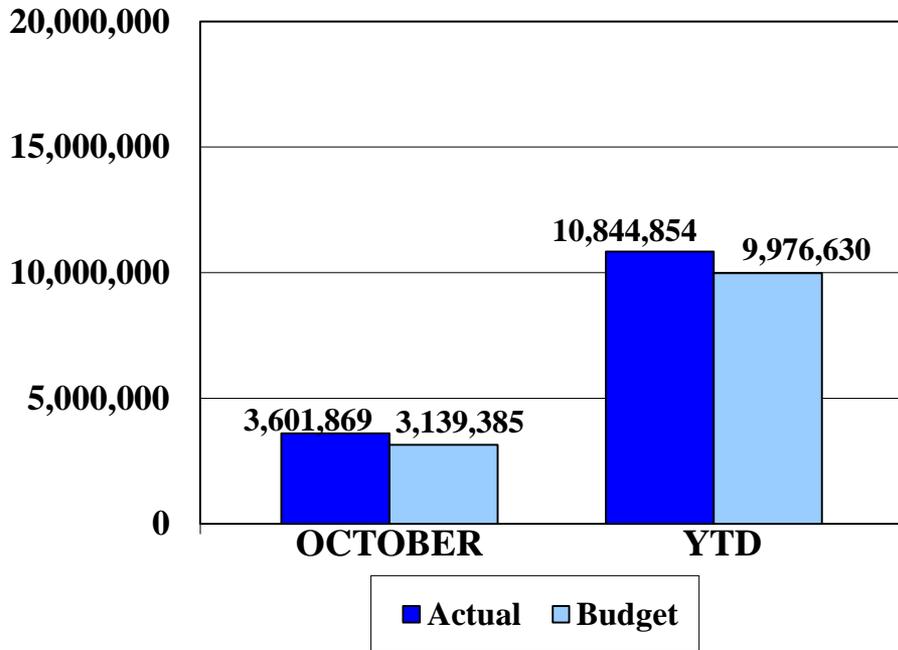
Financial Report

Georgia World Congress Center

October 2012/YTD 2012

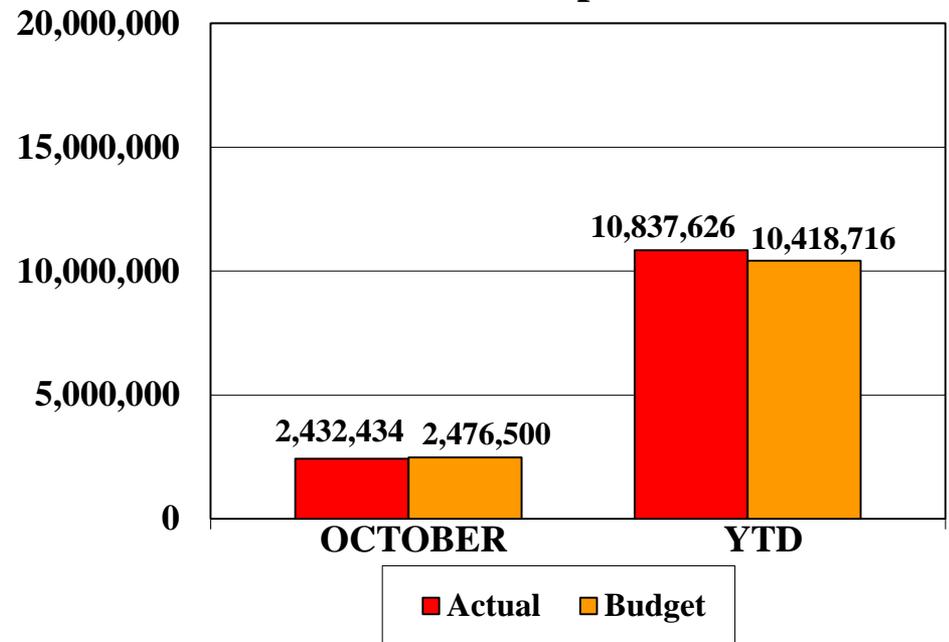
Operating Revenue and Expense

Revenue



October Over Budget \$462,484
YTD Over Budget \$868,224
8.70%

Expense

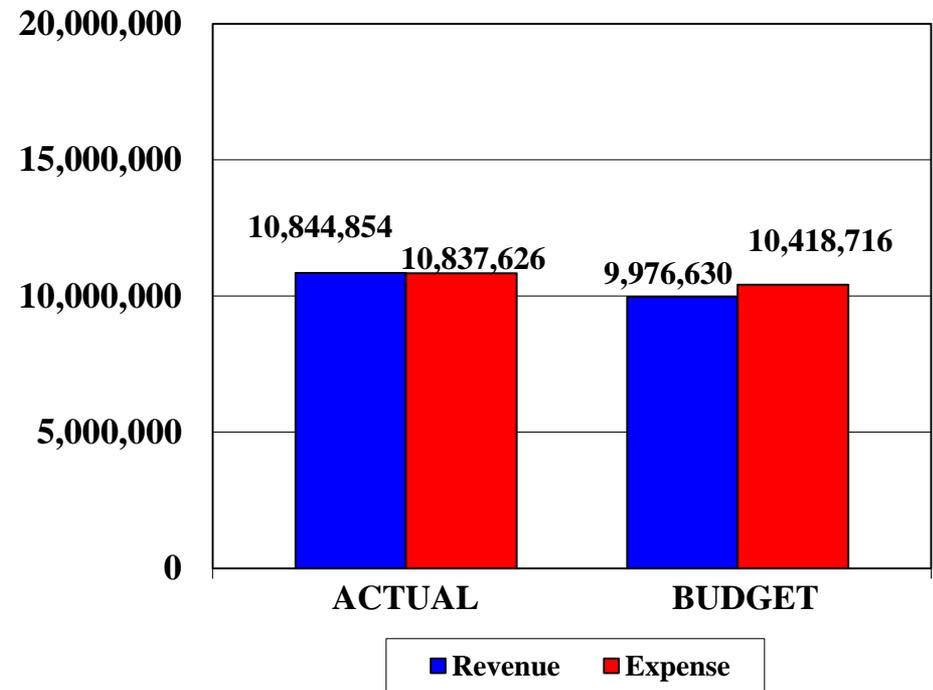
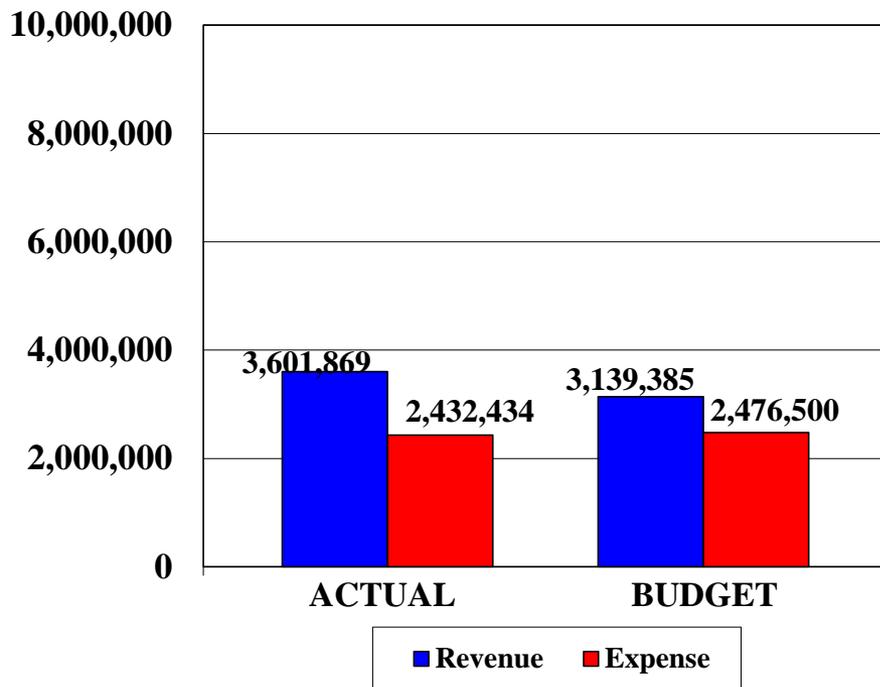


October Under Budget \$44,066
YTD Over Budget \$418,910
4.02%

Georgia World Congress Center October 2012/YTD 2012 Net Operating Profit / Loss

OCTOBER

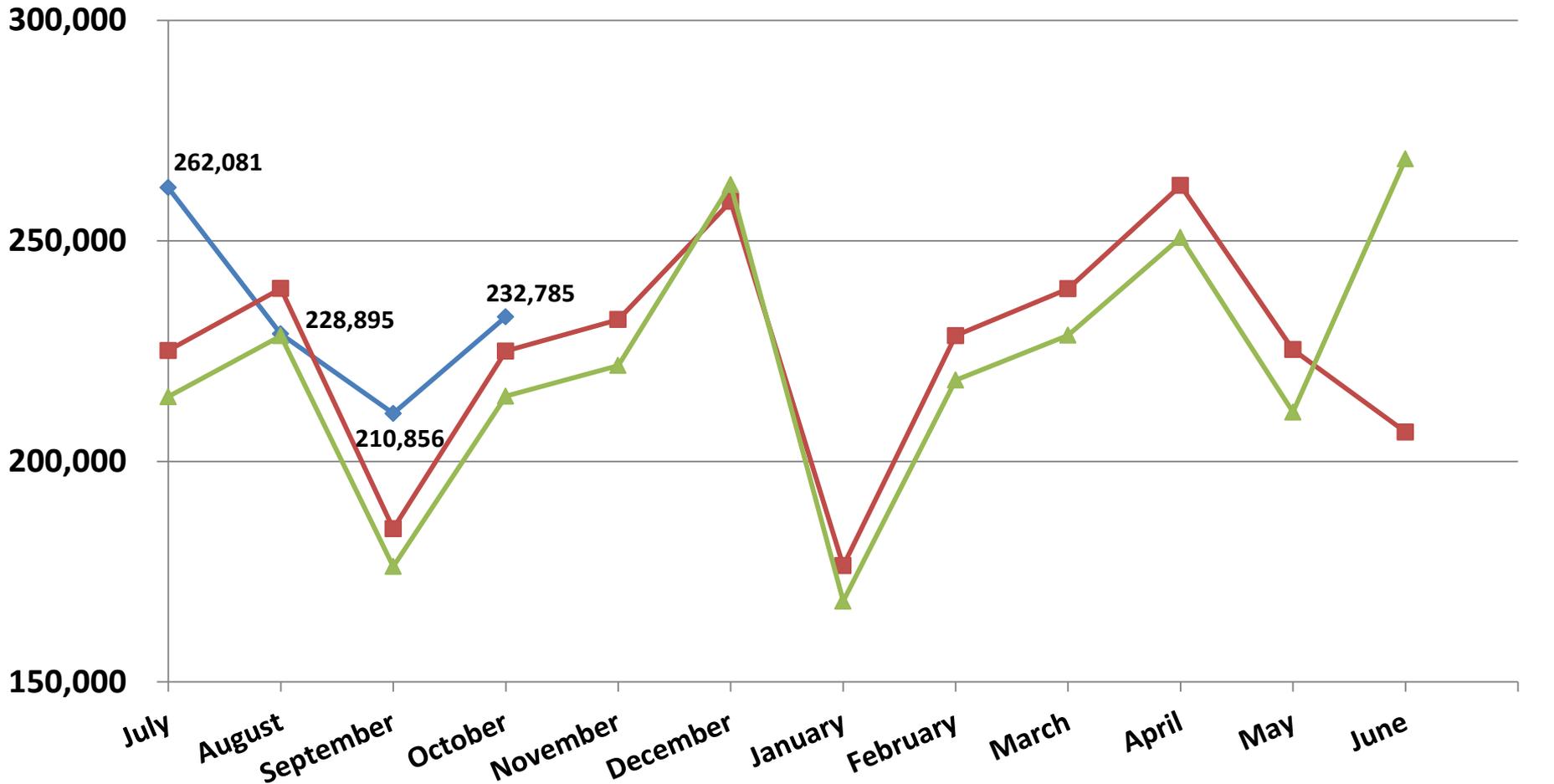
YEAR TO DATE



Projected Net Profit \$662,885
Actual Net Profit \$1,169,435
Variance \$506,550

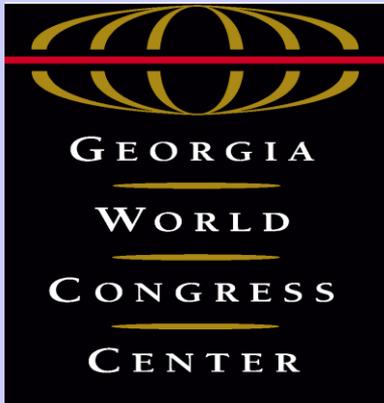
Projected Net Loss \$442,086
Actual Net Profit \$7,228
Variance \$449,314

GWCC Hotel/Motel Tax July thru June FY 2013



ACTUAL \$934,618
BUDGET \$874,097
LAST YEAR \$834,108
 Actual over budget 6.92%
 Actual over last year 12.05%





Georgia Dome

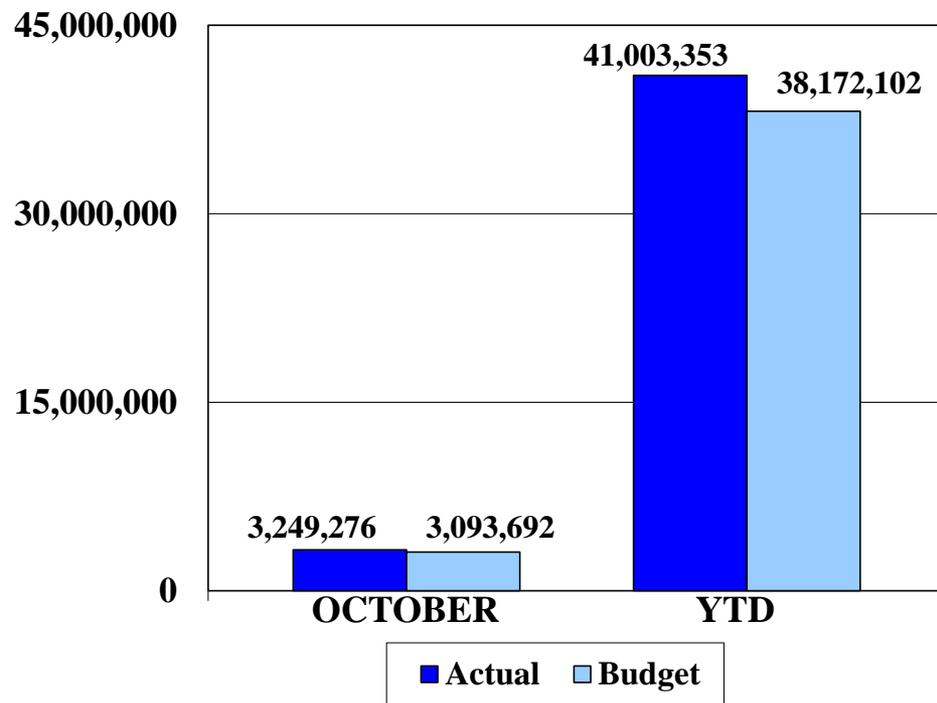
October 2012
Financial Report

Georgia Dome

October 2012/YTD 2012

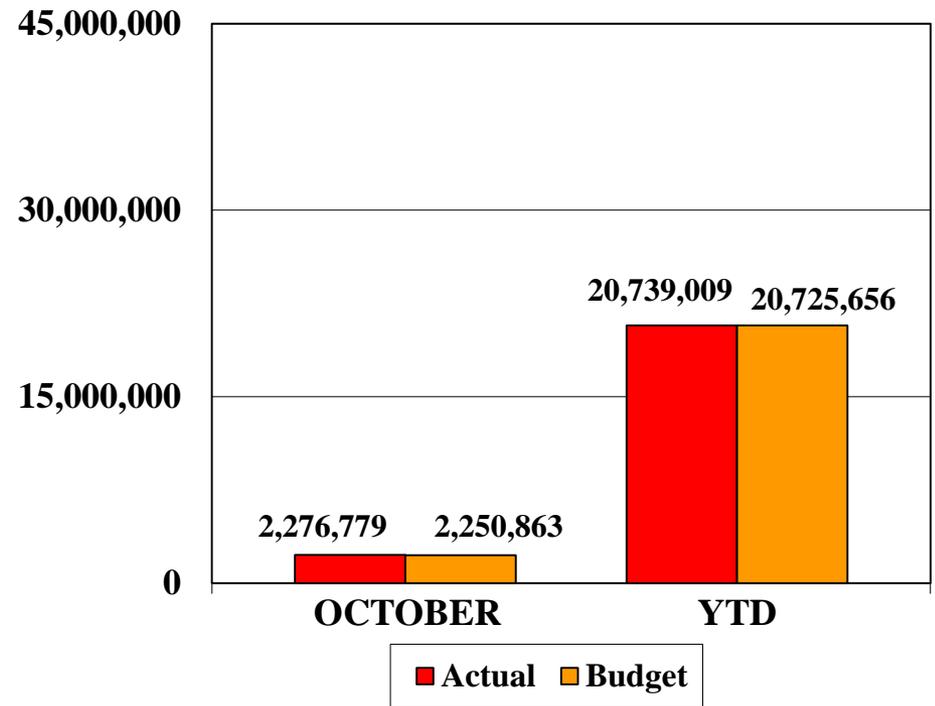
Total Revenue and Expense

Revenue



October Over Budget \$155,584
YTD Over Budget \$2,831,251
7.42%

Expense



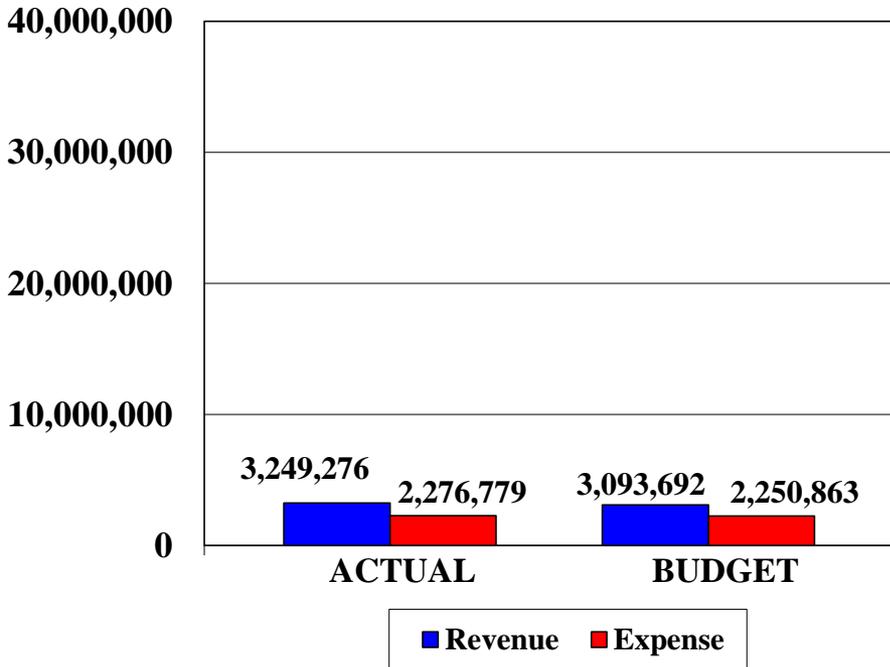
October Over Budget \$25,916
YTD Over Budget \$13,353
0.06%

Georgia Dome

October 2012/YTD 2012

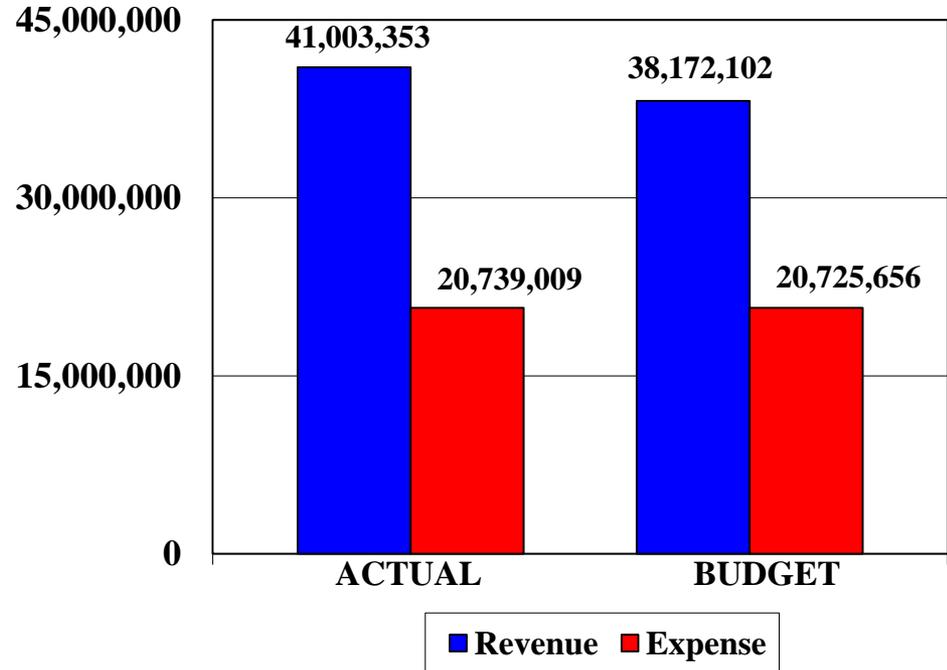
Net Profit / Loss

OCTOBER



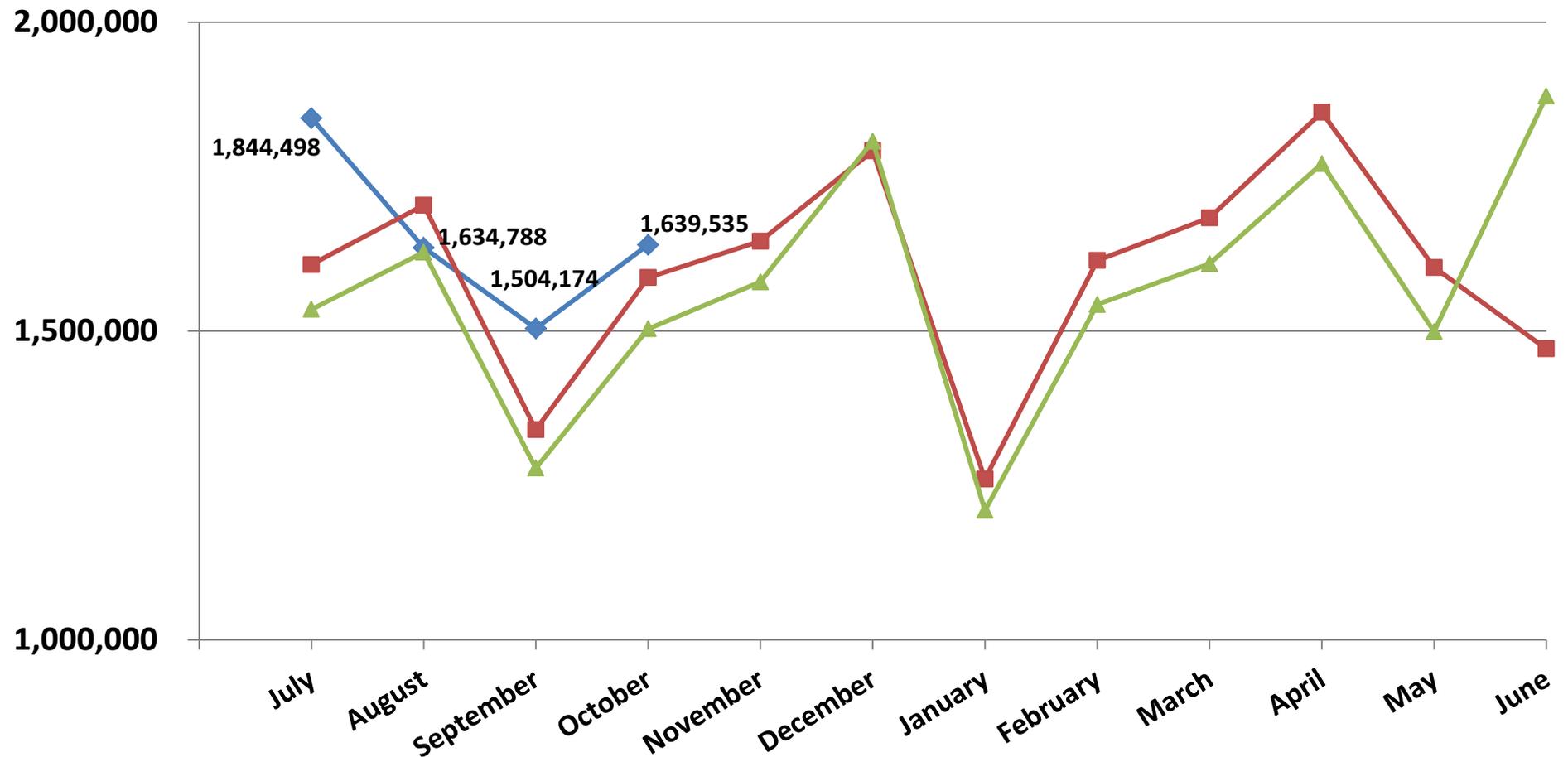
Projected Net Profit \$842,829
Actual Net Profit \$972,497
Variance \$129,668

YEAR TO DATE



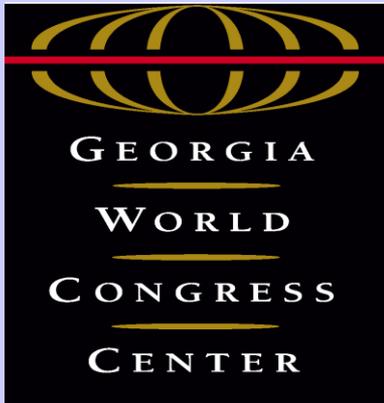
Projected Net Profit \$17,446,446
Actual Net Profit \$20,264,344
Variance \$2,817,898

Georgia Dome Hotel/Motel Tax July thru June FY 2012



ACTUAL \$6,622,995
BUDGET \$6,238,050
LAST YEAR \$5,944,104
 Actual over budget 6.17%
 Actual over last year 11.42%





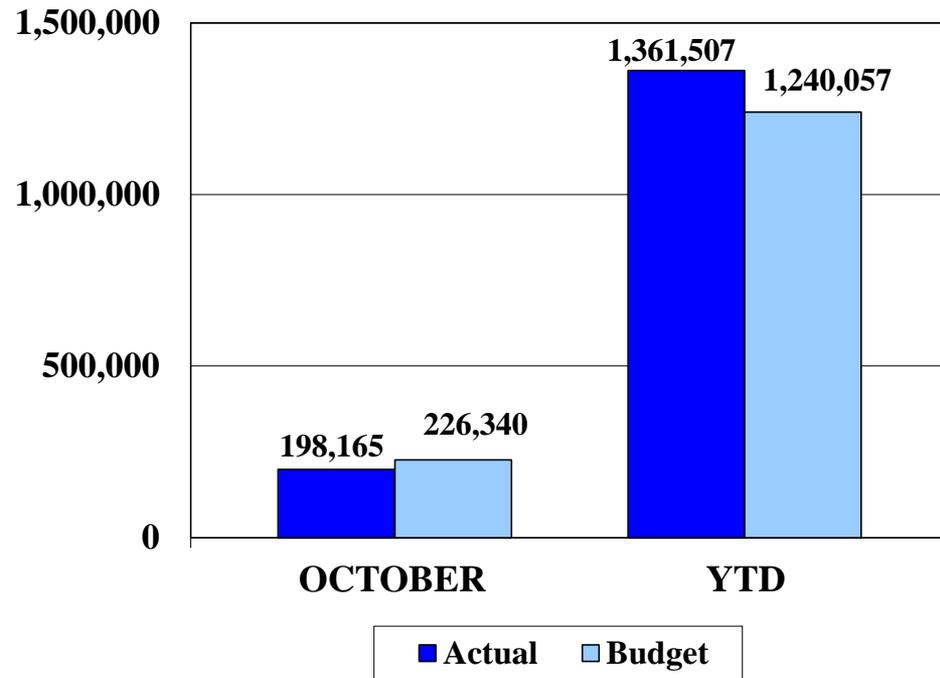
Centennial Olympic Park

October 2012

Financial Report

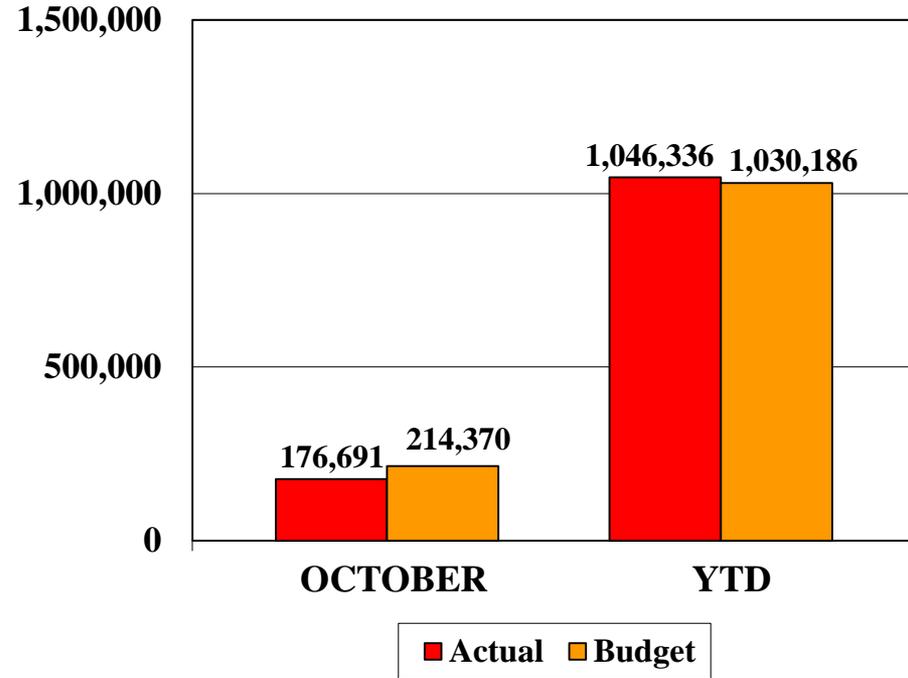
Centennial Olympic Park October 2012/YTD 2012 Total Revenue and Expense

Revenue



October Under Budget \$28,175
YTD Over Budget \$121,450
9.79%

Expense



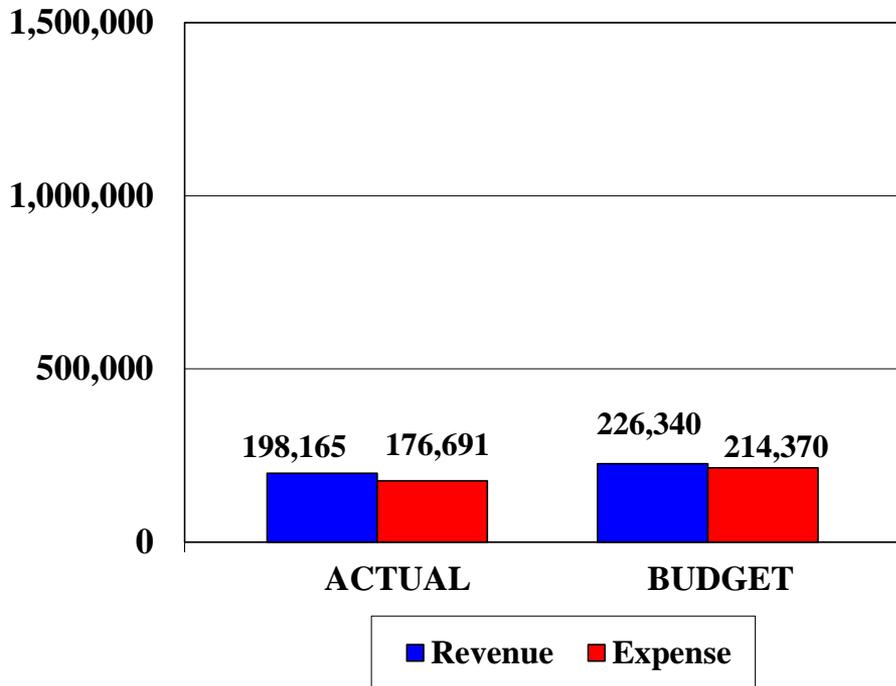
October Under Budget \$37,679
YTD Over Budget \$16,150
1.57%

Centennial Olympic Park

October 2012/YTD 2012

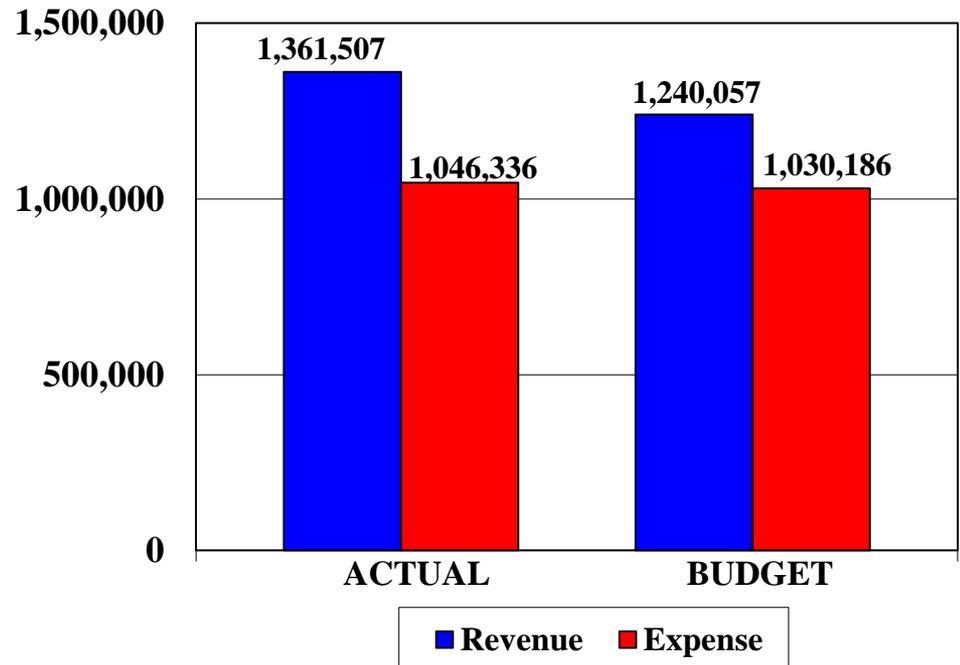
Net Gain / Loss

OCTOBER

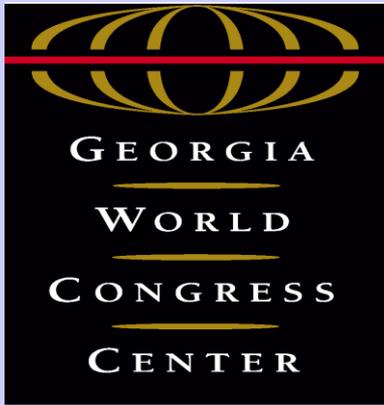


Projected Net Gain \$11,970
Actual Net Gain \$21,474
Variance \$9,504

YEAR TO DATE



Projected Net Gain \$209,871
Actual Net Gain \$315,171
Variance \$105,300



Georgia World Congress Center Authority

ACVB 2013

Business and Financial Plan



Atlanta Convention & Visitors Bureau, Inc.

2013 Business and Financial Plan

2012 Highlights

- Booked 20 citywides > 5,000 peak room nights
- Booked 22 citywides 2,500 – 4,999 peak room nights
 - Room nights booked up 19% year over year to 876,111
- Attendance for city-wide groups is up 13% with 18 of 22 groups exceeding their attendance projection
- Booked three major industry meetings
 - Coalition of Black Meeting Planners – November 2013
 - Collaborate – 2014
 - Rejuvenate – 2016
- Booked five conventions from second tier cities, and 36 tentative groups in the pipeline
- Hosted 850 prospective customers for sites visits and familiarization (FAM) trips
- Renewed our contract with City of East Point for an additional two years, providing \$1,200,000/year.

2012 Highlights-continued

- Launched I AM ATL meeting planner digital campaign in August
- Created ATLFiles, a high quality episodic video campaign targeting ASAE 2012 and 2013 attendees
- Successfully executed 5 consumer co-op campaigns integrating radio, TV, social media, and digital
- Occupancy up 3.4% from 2011 to 67.1% (+17.0% from 2009)
- REVPAR up 8.0% from 2011 (+ 21% from 2009)
- Demand up 2.4% from 2011 (+ 25% from 2009)
- Metro market share of demand in top 25 destinations down slightly to 5.31% from 5.40%

2013 Business Plan – Highlighted Goals

- Increase room night bookings and maximize 1% Convention Marketing Fund
 - Room nights:
 - 1,200,000 room night goal for trade show sales
 - 3% increase in room nights for in-house meetings over year end actual
 - Book 20 citywide conventions >5,000 peak room nights
 - Book 22 citywide conventions 2,500-4,999 room nights
 - 925,000 room nights booked > 2,500 peak nights
 - Leads to increase by 4% over year-end actual
- Achieve 100 percent attendance goal for major citywide conventions
- Increase visibility of Atlanta as one of the top U.S. meeting and travel destinations

2013 Business Plan Highlights

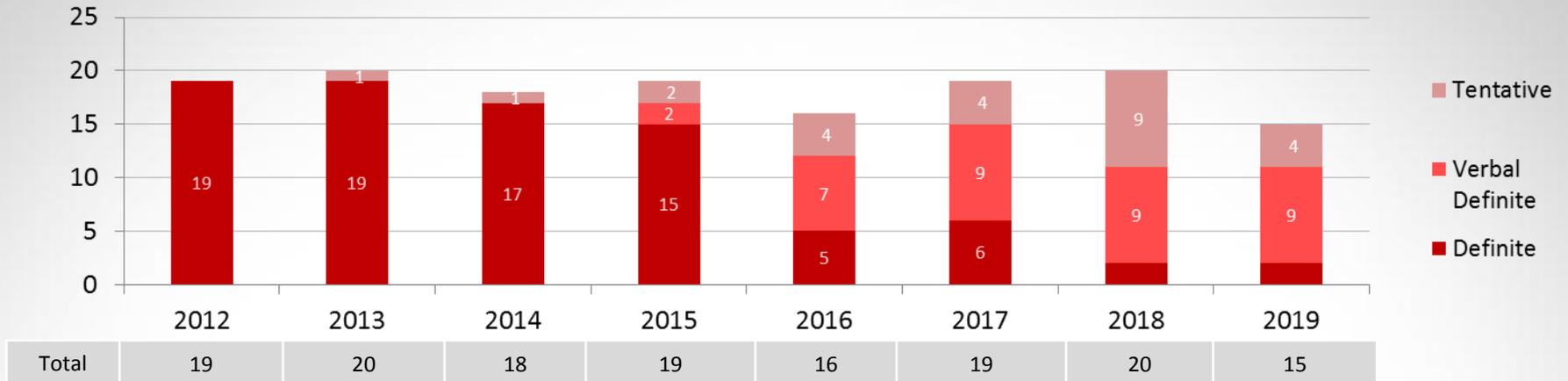
All new or significant ramp up in focus

- Maximize opportunity with ASAE 2013 in Atlanta
- Utilize ACVB/GWCC offering to acquire five additional conventions from second tier cities
- Celebrate ACVB/hospitality industry's 100th anniversary through year-long programming
- Maximize regional partnerships/alliances focusing on international visitation
- I am ATL, meeting planner campaign, to continue with increased visibility over 2012 and to expand into the consumer market
- Provide Sales with enhanced collateral and tools
 - Meeting planner and destination videos
 - Redesigned meetings website
 - Develop online bid books
 - Partner with EventSphere to influence attendance of midsize groups

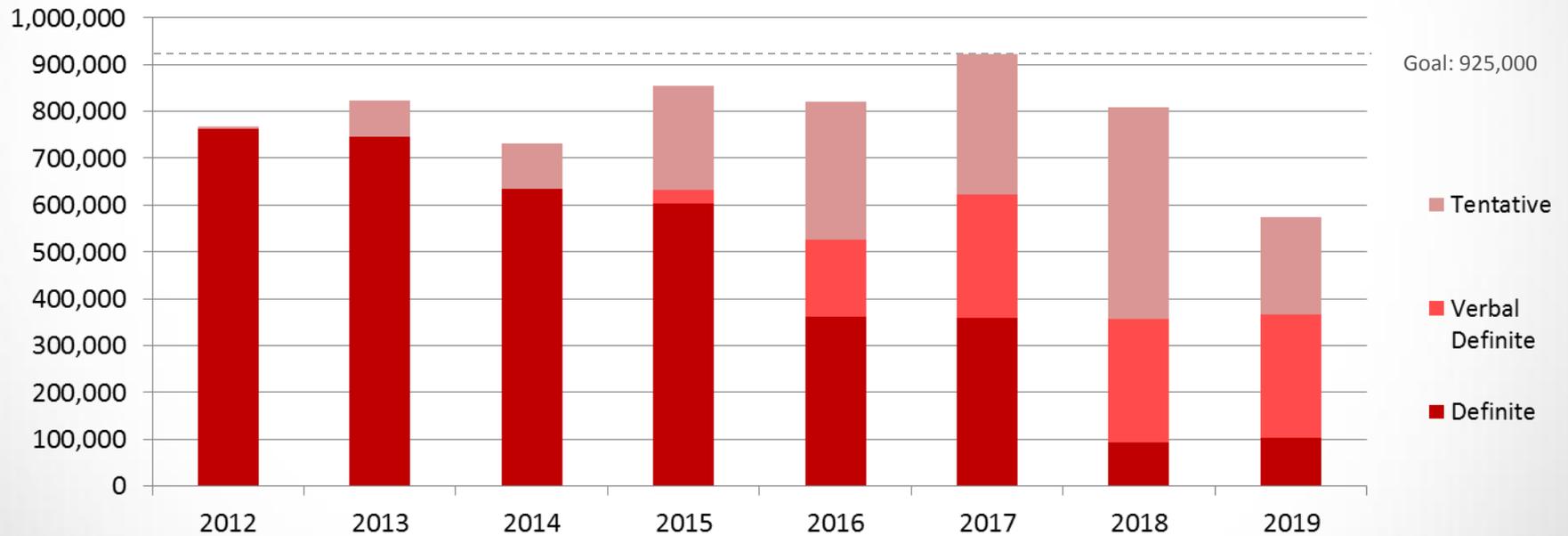
Business Environment Looking Ahead

- City will host 19 citywide conventions/events > 5,000 peak room nights; 90,500 room-nights over our 7-year average.
- PKF is forecasting the metro Atlanta market to grow 1.5% in occupancy and 4.7% in REVPAR for 2013.
- Trade show attendance continues to strengthen; however, not yet to pre-recession levels.
- Transient business travel and short term meetings are holding steady
- Pricing pressure continues as convention centers expand and new convention hotels in competitor destinations are developed

Meetings, 5000+ on Peak



Room Nights, 2500+ on Peak





2013 Financial Plan Points

- 2.1% growth in total revenue.
 - Private sector revenue up 5.25%
 - Public sector revenue up 1%.
 - City of Atlanta hotel taxes up 2.5%
 - City of East Point hotel flat after accounting
- Payroll and related expenses, for ACVB only, up 6.3%
 - 3% merit increase pool,
 - Reinstatement of 401k match after 4 year hiatus
 - Annual increase in group health
- Operating expenses, direct promotional expenses and expenses for capital assets are relatively

2013 Summary Budget

	2013 Budget	2012 Forecast
Total revenue	\$ 26,984,516	\$26,426,800
Total expense	26,833,969	26,231,406
Excess(deficiency)	\$ 150,547	\$ 195,394

Total Public Sector Revenue

	2013 Budget	2012 Forecast
Georgia World Congress Center-Atlanta	\$ 10,147,510	\$ 9,899,576
Georgia World Congress Center-Fulton Co	36,000	69,186
Atlanta Convention Marketing Fund - 80%	5,154,291	5,017,313
Atlanta Convention Marketing Fund - 20%	1,288,573	1,254,232
City of East Point	1,200,731	1,485,924
<hr/> Total Public Sector Revenue	<hr/> \$ 17,827,105	<hr/> \$17,726,231

Total Private Sector Revenue

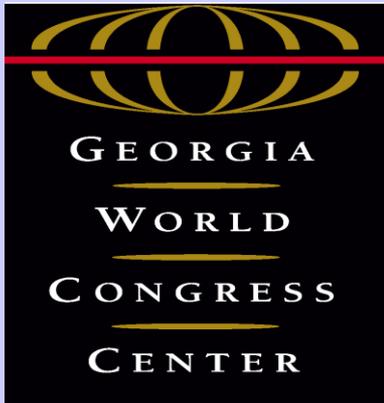
Annual meeting/HHOF/HBN	\$ 91,000	\$ 96,375
Contributed services	3,215,000	2,814,684
Co-op cash support	1,290,000	1,295,203
Grants/sponsorships	15,000	9,000
Internet revenue	1,178,725	1,160,090
Membership dues	1,528,011	1,523,373
Membership services	20,000	15,970
Other revenue	363,000	395,234
Publication ad revenue	1,456,675	1,390,640
Total private sector revenue	\$ 9,157,411	\$ 8,700,569

Total Expense

	2013 Budget	2012 Forecast
Direct promotional expense	\$ 11,097,744	\$11,108,323
Expense against capital assets	1,543,000	1,601,548
Other operating expense	882,360	841,576
Payroll and related expense	8,156,574	7,662,646
Transfer to ACMF reserve	5,154,291	5,017,313
Total expense	\$ 26,833,969	\$26,231,406

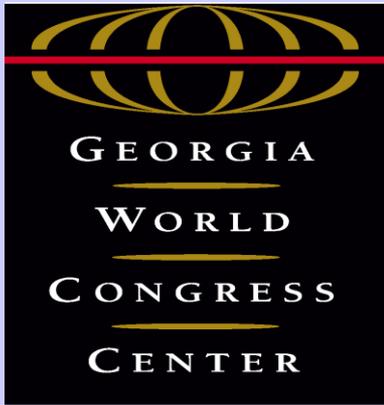
Total Budget by Corporate Entity

	2013 Revenue	2013 Expense
Atlanta Convention & Visitors Bureau, Inc.	\$ 22,804,116	\$22,778,276
ACVB Enterprises, LTD	2,683,400	2,615,693
ACVB Foundation, Inc.	1,497,000	1,440,000
	<hr/>	<hr/>
	\$ 26,984,516	\$26,833,969



Georgia World Congress Center Authority

Falcons Agreement –
Amendment to
“Senior Loan Limit”



Georgia World Congress Center Authority

CCLD Contract Extension Resolution

Technology

Purpose

1. Illustrate industry trends as it pertains to event technology
2. Explain challenges in meeting customer requirements for future events
 - A. Infrastructure
 - B. Cost
 - C. Timeframe
3. Propose solution to upgrade Authority's event network

I. Technology Trends in the Event Industry

Technology Trends

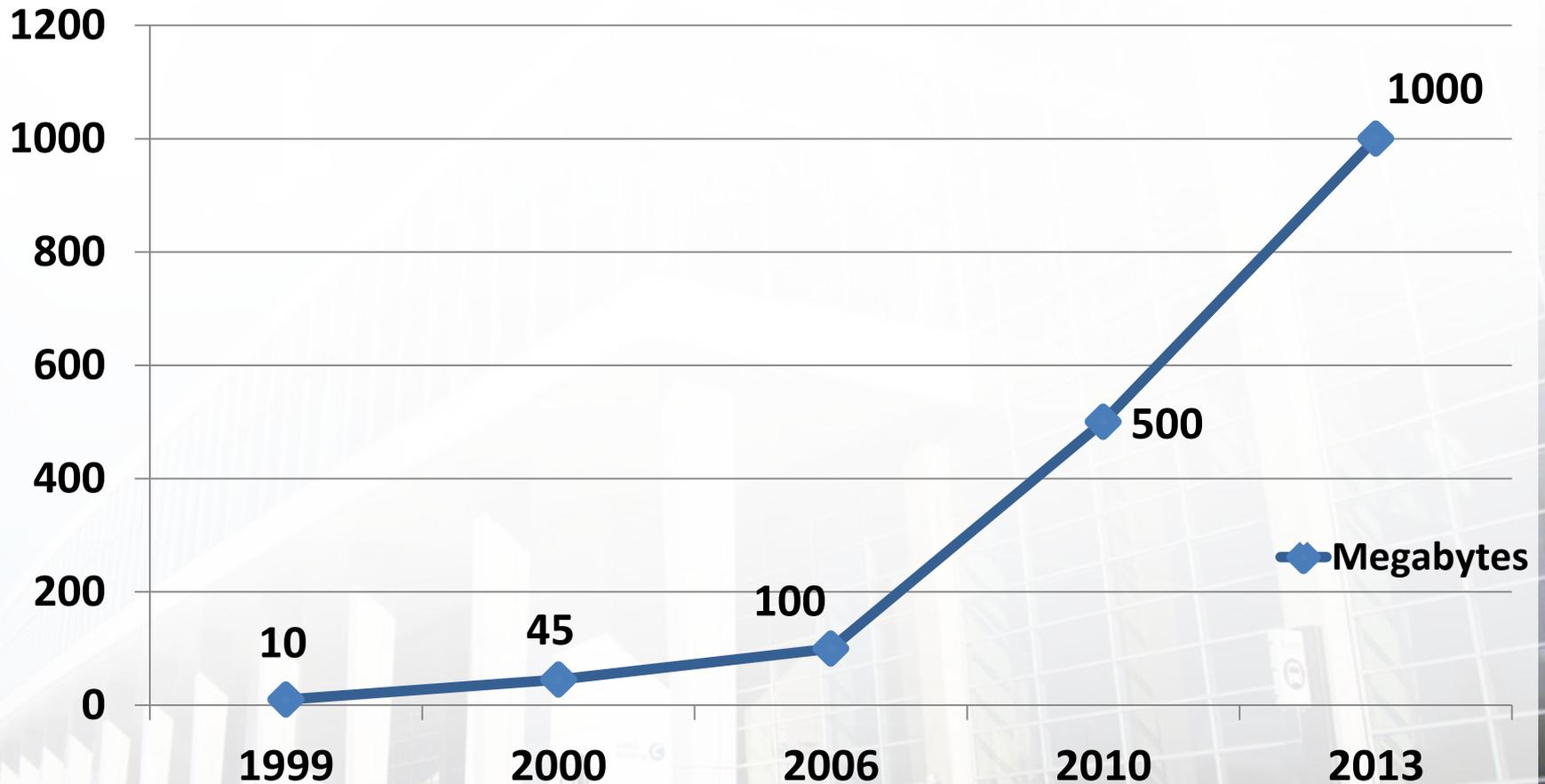


- Increasing demand for
 - External bandwidth
 - Internal network capacity (throughput)
- Wi-Fi provided free to attendees

**Microsoft Convergence & MGX 2010 Events utilized bandwidth of 70MB. Microsoft MGX 2012 utilized bandwidth of 500MB.*

Microsoft MGX 2013 has requested bandwidth requirement of 700MB representing a 10 fold increase in 3 years.

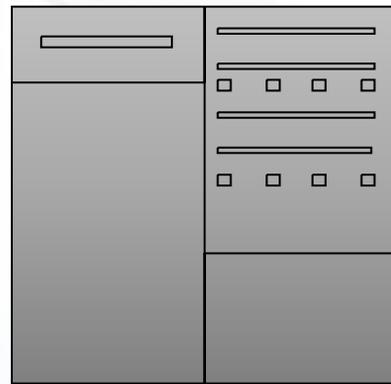
External Bandwidth



Internal Network Capacity

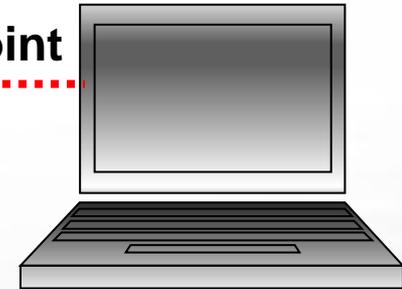
- Transfer of data across the INTERNAL network
 - Presentations
 - Training Materials
 - Video
 - Speaker networks

Content Distribution



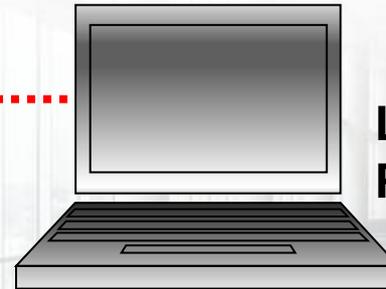
**Media Server
Room A401**

PowerPoint



Room B403

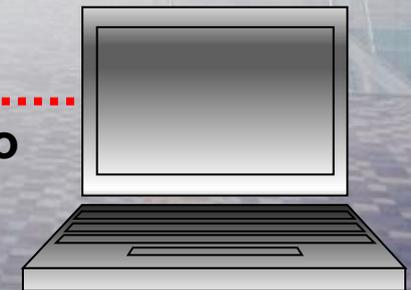
**Live
Presentation**



Room B402

Streaming Video

Room C301



**Fiber, Copper &
Network
Switches**

Wi-Fi Free to Attendees



- Increasing demand for Wi-Fi to be provided free to event attendees

Anaheim

Boston

Chicago

Dallas

Denver

Houston

Las Vegas

Orange County

New Orleans

San Diego





II. Challenges

Network Infrastructure

- Current network infrastructure unable to meet demands of upcoming hi-tech events
 - Replace fiber & copper and install new network electronics
 - Six month, \$1.5M project

Infrastructure Component	Existing Throughput	Required Throughput
Copper	100 MB	1 GB
Fiber	1 GB	10 GB
Network Switches	1 GB	10 GB

Value of High Tech Events

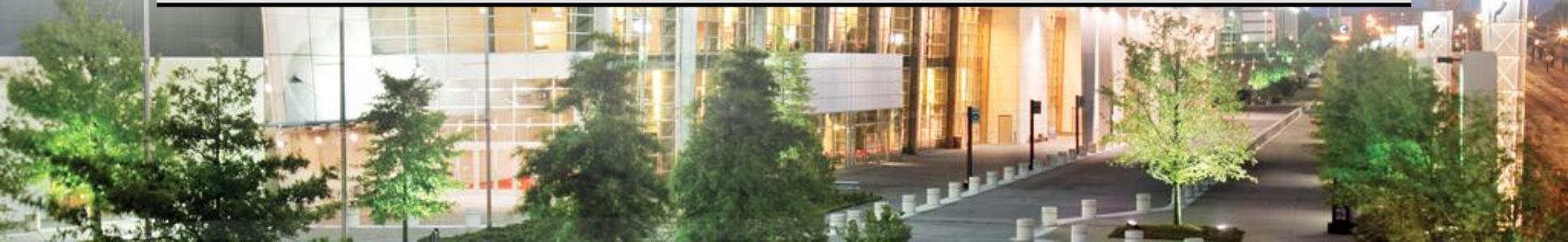


Event Date	Event Name	Total Authority Revenue
June 2007	International Society for Technology in Education (ISTE)	\$1,161,373
July 2008	MGX	\$3,175,322
July 2009	MGX	\$2,732,127
April 2010	MGX Convergence	\$2,003,295
July 2010	MGX	\$2,286,397
April 2011	MGX Convergence	\$1,807,669
May 2011	MGX Tech Ed	\$3,377,715
July 2012	MGX	<u>\$3,286,472</u>
	Total:	\$19,830,370

Upcoming High-Tech Events



Event Date	Event Name	Projected Authority Revenue
June 2013	MGX	\$2,264,316
March 2014	Microsoft Convergence	\$1,773,176
June 2014	Microsoft Tech Ed	\$3,674,697
June 2014	International Society for Technology in Education	\$1,503,075
July 2014	MGX	\$3,546,520
March 2015	Microsoft Convergence	<u>\$1,773,176</u>
	Total:	\$14,534,960

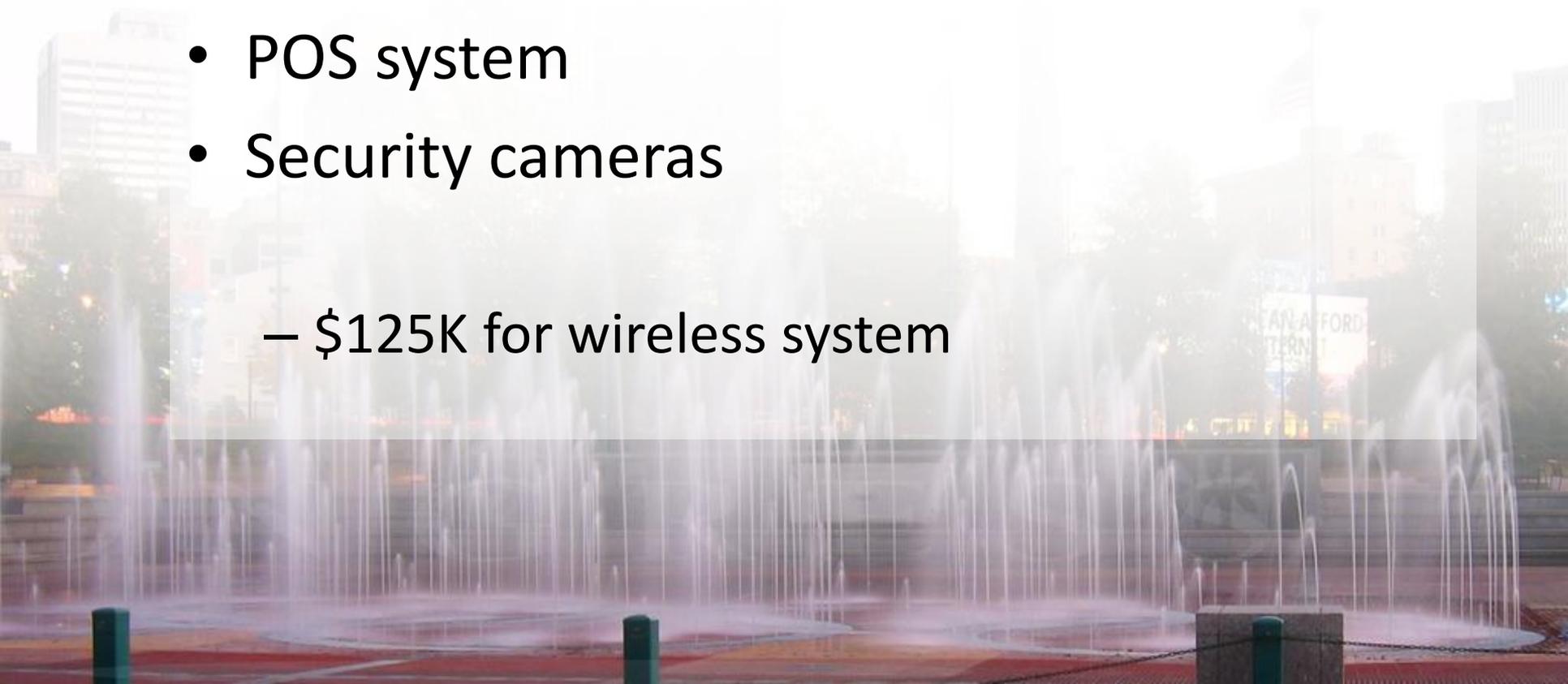


Centennial Park



Wireless in the Park

- Expansion of Wi-Fi offering for visitors
 - POS system
 - Security cameras
- \$125K for wireless system



Summary

1. \$1.5M in infrastructure upgrades at GWCC
 - Copper & Fiber Replacement
 - New network electronics
2. \$125K for wireless system at Centennial Park
 - Network connectivity for cameras
 - Public Wi-Fi access



III. Solution

CCLD Investment



1. \$1.5M – network system upgrades
 2. \$125K – wireless system in Centennial Park
 3. \$500K – GWCC Wi-Fi system upgrade in 2015
 4. CCLD will increase commission rates beginning January 1, 2013
- 7 year contract extension through December 2021 (Excludes NSP)

Investment: \$2.125M

Commissions



Year	Minimum Event Commission	DAS Commission
2001-2007*	15%	15%
2008-2012	20%	20%
2012	20%	80%

*DAS installed in 2004.



Proposed Commissions



Event Revenue	Event Commission Rate	DAS Commission Rate
Up to \$3.5M	25%	80%
\$3.5M-\$4M	30%	80%
\$4M-\$4.5M	34%	80%
\$4.5M-\$6M	38%	80%
\$6M+	40%	80%

Increased commission rate on sales above event revenue targets. Current tiered structure begins at \$4M.



IV. Industry Comps

Industry Comparison



Facility	Investment	Commission Structure	DAS Revenue
Anaheim	\$2M over 25 years	33% \$2.5M Gross Revenue	\$99K/Year
Charlotte	\$1M	25% \$500K Gross Revenue	\$82K/Year
Dallas		30% \$1.5M Gross Revenue	N/A
GWCCA	\$2.125M (future) \$4.35M (since 2002)	25%-40% \$3.1M Gross Revenue	\$461K/Year (80% commission)
Las Vegas	\$4.0M (since 1998)	37%-to \$9M 40%-over \$9M \$9.3M Gross Revenue	N/A
Orlando	\$850K	36.5% -to \$6M 37.5%- 39.5% - \$6M to \$8.5M Additional 1% - > \$8.5M \$5.8M Gross Revenue	\$215K/Year
San Diego		30% \$5.5M Gross Revenue	N/A

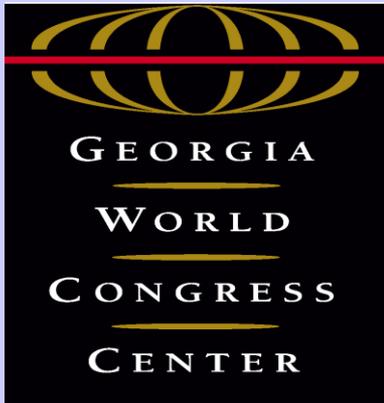
Recommendation



- Staff recommends extension of CCLD's contract through 2021. To include:
 - \$2.125M infrastructure investment
 - New commission structure
 - Reviewed/Approved - Board Executive Committee November 19, 2012

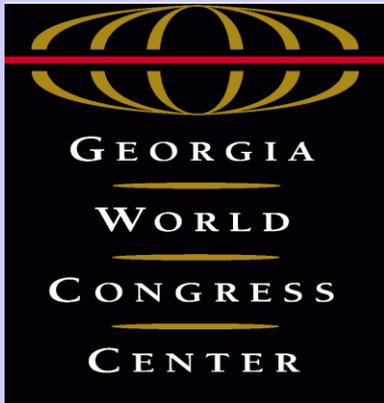


Questions?



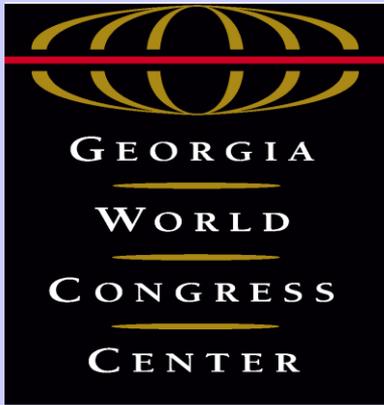
Georgia World Congress Center Authority

GWCCA Nominating Committee



Georgia World Congress Center Authority

2013 GWCCA Board Meeting Schedule



Georgia World Congress Center Authority

November 2012
Authority Meeting