



GEORGE L. SMITH, II
GEORGIA WORLD CONGRESS CENTER

ANNUAL REPORT

FISCAL YEAR 1979-80

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INTRODUCTION

Fiscal year 1979-80 marked completion of the third full fiscal year of operation of the Georgia World Congress Center. The year was most rewarding in terms of continued success in establishing a tradition of excellence on a national and international level. Future commitments of conventions and tradeshow have been confirmed at a record pace and the Congress Center has literally guaranteed near maximum utilization through the year 1990.

On the other side of the coin, the Congress Center felt the pinch of recession and suffered to a certain extent from rapid inflation. Even though the convention and tradeshow industry prospers well during such times, local activities and particularly public consumer shows have indeed declined. A total of four major consumer shows cancelled during the year. Combined with minor reductions in secondary income, particularly food services, the Center required an appropriation of \$350,000 for operations to maintain its level of service throughout the fiscal year.

In addition to the effects of a recessionary economy, the Congress Center had projected FY80 to be a transition year as basic rental rate increases were approved in 1979, effective January 1980. This was the first increase in rental rates since the Center opened in 1976. With contractual agreements made far in advance, additional income from increased rental rates will begin to be significant during the final two quarters of fiscal year 1981. Consequently, the transition period between agreements at the original rates and those at new rates occurred primarily during FY80.

It is pertinent to comment no operating appropriation was requested for FY81, nor is an operating appropriation anticipated for FY82. Consumer shows cancelled in FY80 have been replaced for FY81 and we anticipate an excellent year in all respects.

Of much greater significance than operating profit or loss is the economic impact generated by activities in the Congress Center. From a total attendance in excess of 700,000, legitimate out-of-town visitors numbered 312,000 for the year. These visitors spent an estimated \$115 MILLION NEW DOLLARS in direct expenditures, resulting in an economic impact of an estimated \$259 MILLION DOLLARS. Based upon calculations by the Georgia Economic Forecasting Project, University of Georgia, the State of Georgia realized \$9,932,621 IN NEW TAX REVENUES, while the City of Atlanta realized \$2,060,515 IN HOTEL-MOTEL TAX REVENUES as a direct result of Congress Center activities.

Among the more significant developments in FY80 was approval and funding for preliminary essential steps leading toward proposed expansion of the Center. By way of a brief update, an expansion feasibility study was commissioned in FY79. Results from the study and companion market analysis were extremely positive in support of expansion. Expansion funding, estimated at \$90 million dollars, was requested of the Georgia General Assembly during the 1980 session. Though full approval was not received, the General Assembly authorized \$10 million dollars for acquisition of land and retention of architects to complete full design documents.

This was a most critical appropriation as it allowed expansion to proceed with the essential steps required in calendar year 1980 to maintain a proposed completion schedule of 1984. Thus, should we be successful in receiving construction funding during the 1981 General Assembly, ground breaking for the expansion facility is projected for September, 1981.

It is pertinent to note at this point that 81 major conventions and tradeshow have requested dates in the proposed expansion, pending approval of funds in the coming General Assembly. This represents approximately 150 days of major events per year for 1984 through 1990. Dramatic evidence the expansion would be most successful!

Obviously, fiscal year 1981 will be a pivotal and exciting year. Our short range goals are to continue to battle inflation while maintaining a high level of service to our users. We must also continue to work diligently toward expansion. On a more long term basis, we continue to make inroads in the international market place. We have reached a level of hosting some five or six major international events each year. However, we believe the potential for future international activities is several times our current level.

Complete facts and figures regarding the operations and activities of the Georgia World Congress Center are offered in this annual report. We are extremely proud of the facility and look forward to continued success throughout the coming decade of the 80's.

FINANCIAL ANALYSIS

OVERVIEW:

As discussed briefly in the introduction, FY80 was anticipated to be a transitional year when increased rental rates would not dramatically effect income until contractual agreements incorporating new rates become effective. In addition, continued recession coupled with cancellation of four major public shows created a significant downturn in income compared to the previous year. A decrease in income of \$676,093 from FY79 to FY80 was projected. Recovery to a certain extent was accomplished late in the fiscal year and actual income was \$425,001 less than the previous year.

Conversely, expenses were projected at \$208,291 increase in FY80 over FY79. Even though only a 7% increase in the face of dramatic inflation, we projected our FY80 budget with advance recognition we would be required to operate as fiscally restrictive as possible with the anticipated income decrease. Actual expenses amounted to \$233,230 increase, or about 8%, over the previous year.

An appropriation of \$350,000 for operations was approved in the FY80 supplemental budget. Combined with an upswing in business during the final quarter of the year, the Center ended the year with a balance of \$67,174 carried forward to FY81.

Two additional appropriations were approved during FY80. \$50,000 was authorized for the expansion feasibility study and \$110,000 was approved for upgrading electrical service capacities in the exhibition hall. The latter was necessary to accommodate an International Woodworking Machinery Show and similar heavy machinery shows. Upon upgrading the electrical service, the Woodworking Show committed dates every other year for the next ten years.

Income increases over projections occurred primarily in the major categories of Rent and Exhibit Utility Services. This takes into account revised projections upon cancellation of four public shows. Several smaller shows were booked late in the year, however, the recovery was predominantly from corporate and other meeting facility users rather than exhibit hall users. The Exhibit Utility Services increase can be attributed essentially to the Newspaper Publishers Show in June, a massive machinery show.

Expenditures in major categories were reasonably close to projections. Personal services expense was held to slightly less than projected by placing a freeze on non-essential vacancies as they occurred and restricting part-time labor as much as possible. Regular Operating expenses increased by some \$23,000 over projection primarily due to increased electrical costs generated by heavy exhibit hall usage for exhibits.

Exhibit "A" summarizes projected income and expenditures compared with actual income and expenditures. Note the expense columns reflect the electrical upgrading project and the expansion study.

1979-80 INCOME AND EXPENDITURES
PROJECTED VS ACTUAL

<u>INCOME:</u>	<u>PROJECTED *</u>	<u>ACTUAL</u>
Beginning Balance		\$ 147,294
Rent	\$ 1,229,116	1,372,497
Food Service (Rich's)	192,389	214,438
Exhibit Utility Services	716,840	766,190
Georgia Hall	128,973	116,080
Miscellaneous	96,285	140,246
Federal Grant	<u>29,000</u>	<u>29,000</u>
SUB-TOTAL	\$ 2,414,252	\$ 2,665,344
State Appropriation	<u>510,000</u>	<u>510,000</u>
TOTAL	<u>\$ 2,924,252</u>	<u>\$ 3,322,638</u>
<u>EXPENDITURES:</u>		
Personal Services	\$ 2,045,463	\$ 2,037,485
Regular Operating	780,431	803,208
Equipment	27,635	43,596
Contracts	101,639	92,616
Capital Outlay (Parking)	12,799	4,874
Other	<u>111,122</u>	<u>122,299</u>
SUB-TOTAL	\$ 3,079,089	\$ 3,104,078
Special Project - Upgrade Electrical	110,000	101,386
Special Project - Expansion Study	<u>50,000</u>	<u>50,000</u>
TOTAL	<u>\$ 3,239,089</u>	<u>\$ 3,255,464</u>
<u>BALANCE:</u>		\$ 67,174

*Original projection revised November, 1979

INCOME:

Income realized from operations exceeded revised projections by \$251,092. However, income was down by \$425,001 from the previous year. It is appropriate to note original income projections were developed in November, 1979 when it became apparent substantial economic changes had come into play. A brief analysis of each major source of income follows:

A. RENTALS:

Rental income became one of the most difficult areas to accurately project during the past eighteen months. Normally very predictable, we believe two major developments stemming from the state of the economy in general created significant changes. First, as the economy declined, smaller and less established consumer shows with marginal financial stability fell by the wayside. Specifically, we experienced cancellation of an automobile show, two antique shows and a camper show. Second, even though major tradeshow and conventions remained strong, marginal exhibiting firms either dropped out of shows, or in some cases, went out of business. Consequently, some tradeshow had less exhibit space requirements than originally projected. As show rentals are calculated on the basis of exhibit space utilization, a number of events were charged less rent than anticipated.

Total rental income for FY80 was down \$97,889 from the previous year. Considering the same rental rates were in effect for both years, the drop in rental income was not as dramatic as it might have been if the Congress Center did not have the strong majority of business in the very stable larger national tradeshow.

With the recovery in the last quarter of the year, actual rental income exceeded projections by \$166,189. We believe the recovery will continue through 1981. In retrospect, loss of marginal events may be a blessing in disguise over the long run as we believe events lost were replaced by more stable events.

Exhibit "B" summarizes major event rental income and the combined total for minor events.

RENTAL INCOME 1979-80

MAJOR EVENTS

	<u>AMOUNT</u>
Vocational Industrial Clubs of America	\$ 11,750.00
Atlanta Gift Show	22,062.00
National Office Machine Dealers	21,920.00
Atlanta Craft & Hobby	10,000.00
Specialty Advertising	20,000.00
Bobbin Show	70,459.20
National Business Aircraft	38,500.00
Chrysler	6,470.00
American College of Emergency Physicians	16,750.00
American Academy of Family Physicians	20,800.00
Railway Engineering Maintenance	26,204.00
Southeastern Hospitality & Foodservice	11,104.00
Atlanta International Marine Trades	80,100.00
National Business Forms	7,600.00
Radiological Society of North America	55,500.00
Boy Scouts of America	6,500.00
Society of Neuroscience	15,000.00
Robertson Research	7,000.00
National Audio Visual	21,556.50
Atlanta Gift Show	17,230.50
Atlanta Boat Show	45,000.00
Southeastern Poultry & Egg	63,479.50
World of Wheels	15,396.03
American Orthopaedic Surgeons	54,478.00
World Fair for Technology	12,500.00

MAJOR EVENTSAMOUNT

Technical Association of Pulp & Paper	\$ 34,375.00
Wood Energy	17,462.50
Plastics Fair	17,500.00
Atlanta International Sport & Travel	26,500.00
Association of Operating Room Nurses	52,070.00
National Office Automation	15,755.00
Clark Equipment	2,120.00
AAU Boxing	2,600.00
Association of Supervision & Curriculum Development	19,775.00
Southeastern Hospital Conference	18,720.00
Southeastern Variety Merchandise	10,150.00
Home Show	25,000.00
Bio-Energy	6,160.00
National Solid Wastes	25,950.00
Critical Care Nurses	22,160.00
American Association of Electrical Distributors	13,220.00
American Newspaper Publishers	99,750.00
Southeastern Fabricare	4,032.00
American Water Works	17,400.00
Vocational Industrial Clubs of America	17,625.00
Clinical Pathologists	20,595.00
Soviet USSR	<u>39,773.02</u>

TOTAL MAJOR EVENTS \$ 1,186,052.25

TOTAL MINOR EVENTS 186,444.25

TOTAL RENTAL INCOME \$ 1,372,496.50

B. FOOD SERVICE:

Rich's food service continued to maintain an excellent reputation for quality and service in the convention industry. However, gross sales and net income were extremely disappointing for fiscal year 1980.

Gross sales were down \$484,266, or nearly 22% from the previous year. Net income to the Congress Center was down \$336,099 from the previous year. This represents a 61% reduction in net revenue and was our most significant drop in income from the previous year, exceeding all other areas combined.

Several factors were significant in creating such a dramatic downturn. FY79 included the Chrysler Corporation national new car introduction show. This one event alone produced over \$500,000 gross food and beverage revenue in a two-week period, and resulted in almost \$250,000 profit to the Congress Center. No comparable high volume event occurred in FY80. In addition, food services suffered from the same cancellations of public shows, normally reasonably good food service income producers from concessions.

Of perhaps greater concern than a drop in gross income is the percentage of gross returned to the Center as net income. During FY79, Congress Center food service net income represented 25.4% of gross sales. For FY80, food service income represented 12.7% of gross sales. Obviously, gross sales have a very significant effect on net return as the entire food service operation is predicated upon producing high volume sales. This is an area of concern for both the Congress Center and Rich's.

Exhibit "C" summarizes food service income and expenditures.

RICH'S FOOD SERVICE DIVISION
FINANCIAL SUMMARY

	<u>AMOUNT</u>	<u>PERCENT</u>
<u>INCOME:</u>		
Food Sales	\$ 1,361,138	80.5%
Beverage Sales	<u>328,991</u>	<u>19.5%</u>
TOTAL INCOME	<u>\$ 1,690,129</u>	<u>100.0%</u>
<u>EXPENSES:</u>		
Cost of Sales (Product)	\$ 483,428	28.6%
Wages, Salaries, Taxes & Fringe	636,487	37.7%
Other Operating Expenses	266,617	15.9%
Administration and Management Fees	<u>37,451</u>	<u>2.0%</u>
TOTAL EXPENSES	<u>\$ 1,423,983</u>	<u>84.2%</u>
<u>NET INCOME:</u>	\$ 266,146	15.8%

DIVISION OF NET INCOME:

Rich's (20% of Net)	\$ 51,703	3.1%
Georgia World Congress Center (80% of Net)	<u>214,438</u>	<u>12.7%</u>
	\$ 266,146	15.8%

C. EXHIBIT UTILITY SERVICES:

The providing of electrical service, gas connections, compressed air, water and drains, etc. to exhibitors continues to be one of our most successful operations. Exhibit Utility Services represents by far our most effective method of acquiring income beyond space rental. Approximately 28% of total income was generated through the provision of utility services to exhibitors. It is significant to note NET INCOME OF 82% of gross revenue was realized through this operation.

In addition to income production, the utility services operation continues to be extremely beneficial in maintaining a reputation nationally as a facility free from labor problems and exorbitant costs to exhibitors.

Exhibit "D" summarizes gross income and labor expenditures for the utility services operation. It should be noted that amortization of equipment is not reflected, nor is electrical consumption attributed to exhibitor usage calculated.

EXHIBIT T UTILITY SERVICES
INCOME AND EXPENDITURES REPORT
FISCAL YEAR 1979-80

<u>DATE</u>	<u>MAJOR EVENTS</u>	<u>GROSS INCOME</u>	<u>EXPENDITURES LABOR</u>	<u>NET INCOME</u>
July 79	Atlanta Gift Show	\$ 12,114.20	\$ 2,300.75	\$ 9,813.45
July 79	NOMDA	28,763.26	4,835.88	23,927.38
July 79	VICA	12,393.36	4,103.00	8,290.36
Aug 79	Atlanta Craft & Hobby	5,084.96	838.32	4,246.64
Aug 79	Specialty Advertising	12,691.50	1,203.20	11,488.30
Sept 79	Bobbin Show	116,668.14	22,665.38	94,002.76
Sept 79	Natl. Business Aircraft	22,816.71	2,674.82	20,141.89
Oct 79	Am. College Emergency Physicians	6,081.25	1,142.72	4,938.53
Oct 79	Am. Academy Family Physicians	19,138.42	2,910.44	16,227.98
Oct 79	S.E. Hospitality & Food	12,591.73	2,805.65	9,786.08
Oct 79	REMSA	9,353.62	1,957.30	7,396.32
Oct 79	AIMTE	9,694.78	1,508.01	8,186.77
Nov 79	Society of Neuroscience	6,352.00	585.38	5,766.62
Nov 79	National Business Forms	6,058.00	941.39	5,116.61
Dec 79	RSNA	75,401.31	18,254.90	57,146.41
Jan 80	World of Wheels	2,277.90	429.00	1,848.90
Jan 80	National Audio Visual	25,045.70	3,897.10	21,148.60
Jan 80	Atlanta Gift Show	7,536.50	2,062.21	5,474.29
Jan 80	S.E. Poultry & Egg	26,618.02	6,213.33	20,404.69
Jan 80	Atlanta Boat Show	2,663.00	391.60	2,271.40
Feb 80	Plastics Fair	22,537.00	3,555.72	18,981.28
Feb 80	Am. Orthopaedic Surgeons	21,556.80	4,906.88	16,649.92
Feb 80	World Fair for Technology	5,101.75	972.13	4,129.62
Feb 80	TAPPI	36,211.87	6,832.00	29,379.87
Feb 80	Wood Energy Institute	7,262.45	1,400.96	5,861.49
Mar 80	Sport & Travel	1,760.50	243.37	1,517.13
Mar 80	National Office Automation	16,445.60	2,929.48	13,516.12
Mar 80	Assn. of Operating Rm Nurses	23,196.64	4,415.09	18,781.55
Apr 80	Assn. for Supv. Curriculum Dev.	4,026.69	776.33	3,250.36
Apr 80	S.E. Hospital	14,905.99	1,954.08	12,951.91
Apr 80	S.E. Variety Merchandise	2,954.50	1,008.46	1,946.04
Apr 80	Home Show	8,300.90	1,267.37	7,033.53
Apr 80	Bio-Energy	3,633.50	891.06	2,742.44
May 80	National Solid Wastes	11,018.75	1,606.23	9,412.52
May 80	Am. Assn. Critical Care Nurses	6,900.80	877.79	6,023.01
June 80	Am. Newspaper Publishers Assn.	112,009.66	17,617.97	94,391.69
June 80	Am. Water Works Association	8,995.00	1,393.00	7,602.00
June 80	S.E. Fabricare	4,361.58	600.50	3,761.08
June 80	VICA	21,388.08	2,231.06	19,157.02
	Miscellaneous Events	14,277.62	-0-	14,277.62
	TOTAL	\$ 766,190.04	\$ 137,199.86	\$ 628,990.18

*Net Income represents 82% of Gross Income.

D. GEORGIA HALL:

Georgia Hall continues to grow and develop. Several major additions during FY80 are quite significant. Georgia Pacific Corporation constructed an extremely elaborate display depicting the wide diversity of the corporation and its product lines. With Georgia Pacific relocating its national headquarters to Georgia, we are extremely pleased with their participation in Georgia Hall.

Lummus International Sales Corporation, a company originating in Georgia and very active in international business, created a most unique Georgia Hall display. A late 19th century model hand operated cotton gin restored to its original condition is the feature of the display.

Georgia Hall is a one of a kind concept which has yet to be duplicated in any other convention facility in the country. However, many of our competitors are becoming aware of the concept and we receive numerous inquiries from facilities interested in attempting to develop a similar permanent industry showcase.

Income from Georgia Hall totaled \$116,080 for FY80, approximately \$12,000 below projections. Nevertheless, we are encouraged by the continued growth and development of permanent displays.

Exhibit "E" lists firms currently participating in Georgia Hall as well as firms providing service booths in selected Georgia Hall areas.

GEORGIA HALL PARTICIPANTSGeorgia Industry: (Level II - Major Displays)

The Coca-Cola Company, U.S.A.
 Garden Services, Inc.
 Georgia Dept. of Industry and Trade
 Georgia Pacific Corporation
 Georgia Ports Authority
 Goodyear Tire and Rubber Company
 Lummus International Sales Corporation
 Modernfold, an American Standard Company
 Southern Bell Telephone and Telegraph

Georgia Hospitality: (Level III - Displays and Kiosks)

American Express Co. Card Division
 Atlanta American Hotel
 Atlanta Rent-A-Booth
 Atlantan Hotel
 Burt's Place
 Cafe Across The Way
 Carey Limousine
 Crossroads Restaurant, Inc.
 Deal Publishing Company, Inc.
 Design South, Inc.
 Fisherman's Cove
 The Great Wall Restaurant
 Hair International
 Holiday Rent-A-Car
 Ichiban
 Insty-Prints of Atlanta
 Ladha Continental Hotel
 Matrix Group, Inc.
 Max' Restaurant, Inc.
 McDonald's System, Inc. (Omni)
 Mimi's Atlanta, Inc.
 Omni Merchant's Association
 Peachtree Motel
 Phipps Plaza Merchant's Association, Inc.
 Pittypat's Porch, Inc.
 Potomac Advertising - Marriott Hotel
 Price Exhibits
 Reggie's British Pub and Restaurant
 South of France

Commercial Booths and Services:

Atlanta Journal and Constitution
 Atlanta Limousine Airport Service
 Delta Airlines, Inc.
 Eastern Airlines, Inc.
 Northwest Orient Airlines, Inc.
 Shoe Shine Stand
 Spirit Rent-A-Car
 U.S. Postal Service

Sponsorships:

Delta Airlines, Inc. (Outdoor computer sign)
Pabst Brewing Company (International Time Clock)
Telview Information Systems (Electronic Directories)

E. PARKING:

Parking income totaled \$26,893, exceeding projections by \$5,244. It is pertinent to note that even though public parking has never developed as a significant source of income due to the location of parking in relation to the entrance to the facility, the parking facilities serve their primary objectives well.

The truck marshalling yard has virtually eliminated the problems of massive traffic jams created in the past by semi-trailer trucks waiting on city streets to gain access to the Center's loading docks.

Perhaps of equal importance, the automobile parking facility continues to provide adequate reserved parking for exhibitor personnel during major events. As these personnel are generally allowed to enter the building directly onto the exhibit floor from the parking facility, they are not faced with the four block walk to the main entrance. Exhibitor parking accounts for virtually all revenues generated from parking.

F. MISCELLANEOUS:

Miscellaneous income represents primarily equipment rental and labor charges. It should be pointed out that labor is a reimbursible expense reflected on operating expenditure accounts, thus is more accurately a recovery of out-of-pocket expense as opposed to true income.

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EXPENDITURES

Total operating expenditures were very close to projections. Actual expenditures exceeded projected expenditures by \$24,989 or eight-tenths of one percent. The largest variation between projected and actual expenditures was utilities expense, which was \$25,960 more than projected. Quite obviously this amount represents the total difference in actual vs projected expenditures. A brief analysis of major expenditure categories follows:

A. PERSONAL SERVICES:

Expenditures for personal services were virtually as projected, the actual being \$7,978 less than projected. Total personal services expense for FY80 was increased by 8.8% over FY79. This increase is entirely attributable to an across the board cost of living increase of 8.5% awarded all state employees by the Georgia General Assembly, plus an annual merit increase of 3% for which all permanent personnel are eligible. Personnel services expense was held in check by not authorizing the filling of vacancies in non-essential positions for the last two quarters of the fiscal year.

B. OPERATING EXPENSES:

Operating expenses beyond personal services exceeded budget projections by \$32,967 or approximately 3%. Expenditure categories significantly exceeding projections were utilities, \$25,960 over budget, and equipment \$15,961 over budget. Utility expenses were predominantly generated from electrical service provided exhibitors, consequently, usage is dictated by the nature of various events throughout the year.

Equipment Purchases were higher than anticipated essentially due to the necessity for purchasing replacement equipment for both the Housekeeping and Engineering departments.

Exhibit "F" summarizes projected versus actual expenditures in all major operating categories.

1979-80 OPERATING EXPENDITURES
PROJECTED VS ACTUAL

<u>ITEM</u>	<u>PROJECTED</u>	<u>ACTUAL</u>
Utilities	\$ 449,206	\$ 475,166
Equipment	27,635	43,596
Contractual	101,639	92,616
Advertising and Promotion	42,626	28,492
Insurance	47,224	47,264
Communications	45,832	42,164
Supplies and Materials	166,641	176,266
Repair and Maintenance	16,461	18,044
Rent	40,944	40,474
Travel	14,937	22,313
Publications and Printing	14,000	17,935
Per Diem and Fees	35,976	39,794
Other	17,706	17,595
Capital Outlay-Repayment Parking Lot	<u>12,799</u>	<u>4,874</u>
TOTAL	<u>\$1,033,626</u>	<u>\$1,066,593</u>

FINANCIAL - SYNOPSIS FOUR YEARS OF OPERATION

By way of presenting a brief overview of the four years the World Congress Center has been in operation, Exhibit "G" summarizes grand totals for self-generated income, state appropriations, expenditures and economic impact results. We believe the figures to be dramatic in terms of progress and results.

In previous years, economic impact and resulting tax benefits were calculated in house utilizing economic multiplier figures developed by the Department of Revenue. We believe these calculations were reasonably sound in principal and fairly stated total results. However, during FY80, the Georgia Economic Forecasting Project, College of Business Administration, University of Georgia was utilized by the Office of Planning and Budget to verify economic projections developed in the World Congress Center expansion feasibility study.

The Georgia Economic Forecasting Project has developed over the years a highly sophisticated method of evaluating economic benefits from a wide variety of industries. Utilizing econometric models developed through extensive research and programmed into computers, the Forecasting Project offers a much greater in-depth analysis of economic benefits derived from World Congress activities.

As a consequence, we requested the Georgia Economic Forecasting Project estimate the economic impact and resulting benefits for fiscal year 1980 activities. Exhibit "H" is a summary of their results. It is our belief these calculations are far more accurate than methods utilized in past years and it is our intent to request the Forecasting Project analyze our activities on an annual basis.

FINANCIAL SYNOPSIS - FOUR YEARS OF OPERATION
OPERATING INCOME AND EXPENDITURES

	<u>1976-1977</u>	<u>1977-1978</u>	<u>1978-1979</u>	<u>1979-1980</u>
<u>INCOME:</u>				
Generated from Operations	\$ 753,829	\$ 2,197,992	\$ 2,986,664	\$ 2,636,344
State Appropriations-Operations	1,681,451	500,000	-0-	350,000
Other	-0-	-0-	465,681	189,000
TOTAL INCOME	<u>\$ 2,435,280</u>	<u>\$ 2,697,992</u>	<u>\$ 3,452,345</u>	<u>\$ 3,175,344</u>

EXPENSES:

Operating Expense	\$ 1,938,791	\$ 2,706,111	\$ 2,870,798	\$ 3,104,078
Start Up Costs	495,732	-0-	-0-	-0-
Capital Outlay	-0-	-0-	362,000	-0-
Special Projects	-0-	-0-	-0-	151,386
TOTAL EXPENDITURES	<u>\$ 2,434,523</u>	<u>\$ 2,706,111</u>	<u>\$ 3,232,798</u>	<u>\$ 3,255,464</u>

ECONOMIC IMPACT RESULTSATTENDANCE (All Events):

Local	296,691	398,854	440,553	387,804
Out-of-Town	<u>249,380</u>	<u>302,114</u>	<u>393,585</u>	<u>312,850</u>
TOTAL ATTENDANCE	546,071	700,968	834,138	700,654

ECONOMIC IMPACT:

"New Dollars" Generated	\$ 68,579,500	\$ 87,613,060	\$127,521,540	\$ 178,244,970
Dept. of Revenue Multiplier	<u>2.25</u>	<u>2.25</u>	<u>2.25</u>	-- (1)
IMPACT OF NEW DOLLARS	\$ 154,303,875	\$197,129,385	\$286,923,465	\$ 285,801,877

TAX REVENUES:

Georgia State Tax	\$ 4,629,117	\$ 5,913,881	\$ 8,607,704	\$ 9,932,621 (1)
MARTA Tax (1%)	1,543,039	1,971,294	2,869,235	2,858,019 (2)
Atlanta Hotel/Motel Tax	<u>1,152,136</u>	<u>1,455,300</u>	<u>2,244,851</u>	<u>2,060,515</u>
TOTAL TAX REVENUES	\$ 7,324,292	\$ 9,340,475	\$ 13,721,790	\$ 14,851,155

(1) Beginning with FY80, economic impact and resulting tax benefits are calculated by the Georgia Economic Forecasting Project, College of Business Administration, University of Georgia. Prior to FY80 an economic multiplier developed by the Department of Revenue was used in making calculations.

(2) Marta Tax is calculated on the basis of 1% of total impact of new dollars.

Estimated FY80 Economic Impact of the Georgia World Congress Center

<u>Category</u>	<u>Congress Center and Related Activity</u>	<u>Secondary Impact</u>	<u>Total Economic Impact</u>
Personal Income	\$ 35,660,094	\$ 71,914,998	\$ 107,575,092
Retail Sales (Including Hotels)	\$ 142,584,876	\$ 35,641,909	\$ 178,226,785
Employment	2,865	4,289	7,154
Taxes:			
Retail Sales	\$ 5,703,395	\$ 1,425,676	\$ 7,129,071
Sales On Concessions	85,862		85,862
Hotel/Motel	2,060,515		2,060,515
Personal Income	748,862	1,510,215	2,259,077
Corporate Income	190,615	267,996	458,611
Total Taxes	\$ 8,789,249	\$ 3,203,887	\$ 11,993,136

Prepared By: Georgia Economic Forecasting Project, College of Business Administration,
University of Georgia.

STATE OF GEORGIA BALANCE SHEET

The primary objective of the World Congress Center is to maximize utilization of the facility by major national and international conventions and tradeshows, thus attracting hundreds of thousands of out-of-state visitors who will spend their money in Georgia. In essence, we are in the business of "importing" dollars. The resulting private businesses and industries supported by this activity and the overall economic stimulus to the economy of Georgia in general are of top priority, as is accurate reporting of these activities and results.

However, we also believe it important and relevant to present a State of Georgia Economic Balance Sheet as might be prepared for the state to review the very real net profit or loss from an "ownership viewpoint" of analyzing its investment without considering the indirect value and stimulus to the economy.

Exhibit "I" summarizes a State of Georgia economic balance sheet for the four years the Congress Center has been in operation.

STATE OF GEORGIA
ECONOMIC BALANCE SHEET

	<u>1976-1977</u>	<u>1977-1978</u>	<u>1978-1979</u>	<u>1979-1980</u>
<u>INCOME TO STATE OF GEORGIA:</u>				
GWCC Operational Revenue	\$ 753,829	\$ 2,197,992	\$ 3,090,345	\$ 2,636,344
Tax Revenue (Excludes Hotel/ Motel Tax)	6,172,156	7,885,175	11,476,939	12,790,640
TOTAL REVENUE TO STATE	\$ 6,925,985	\$ 10,083,167	\$ 14,567,284	\$ 15,426,984
<u>EXPENSES TO STATE OF GEORGIA:</u>				
GWCC Operational Expense	\$ 2,434,523	\$ 2,706,111	\$ 2,870,798	\$ 3,104,078
Annual Bond Debt Service	2,700,000	2,703,000	2,705,000	2,719,844
TOTAL EXPENSE TO STATE	5,134,523	5,409,111	5,575,798	5,823,922
<u>NET PROFIT TO STATE:</u>	\$ 1,791,462	\$ 4,674,056	\$ 8,991,486	\$ 9,603,062

NOTE: Total profit to date to State Treasury: \$25,060,066.

EVENT ATTENDANCE ANALYSIS

Total attendance figures for fiscal year 1979-80 equaled 700,654 persons. Of the total, 312,850 were "out-of-town" visitors. Both the total attendance and out-of-town visitors attendance were down slightly from the previous year.

It is significant to note that many major groups experienced slight drops in delegate attendance due to economic conditions. This was particularly true of groups with a significant number of members who travel at their personal expense as opposed to company or business expense.

Exhibit "J" offers a complete list of major events and attendance figures for the year.

EVENT ATTENDANCE SUMMARY

EXHIBIT "J"

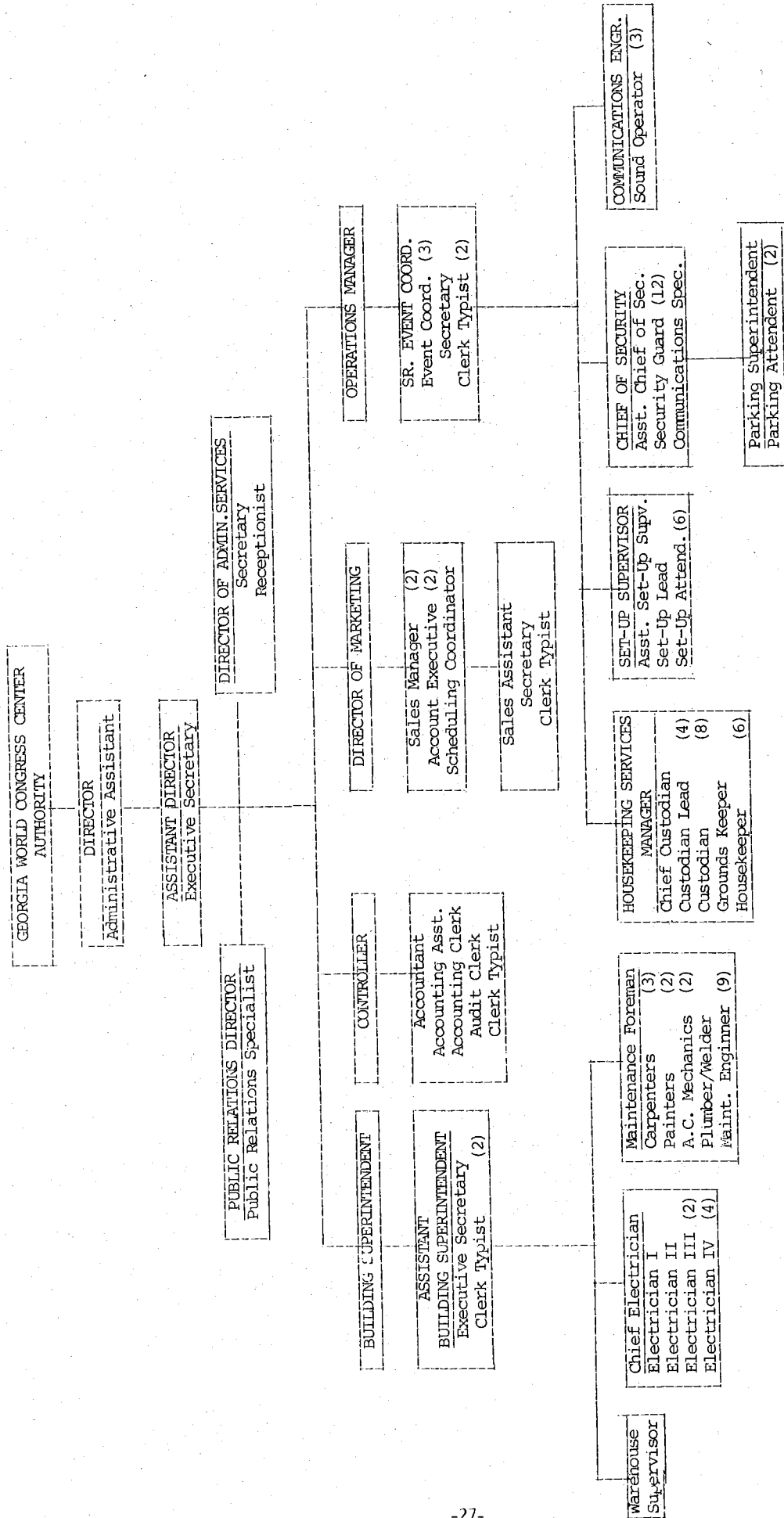
<u>EVENT</u>	<u>TOTAL ATTENDANCE</u>	<u>OUT OF TOWN ATTENDANCE</u>
Atlanta Gift Show	15,000	13,500
NOMDA	7,643	6,878
VICA	11,127	6,014
Atlanta Craft & Hobby	3,300	2,970
Coca-Cola Company	435	392
Specialty Advertising Assn.	3,055	2,749
Soviet Sports Exhibition	13,107	2,620
Executives International	3,000	600
Bobbin Show/AAMA Convention	17,874	16,086
NBAA	9,893	8,903
Chrysler	500	100
Emergency Physicians	2,969	2,672
Family Physicians	8,156	7,340
REMSA	9,200	8,280
SE Hospitality & Foodservice	5,823	5,240
Ducks Unlimited	1,150	230
Atlanta Intl. Marine Trades	6,249	5,624
Society of Neuroscience	5,894	5,304
Nat. Business Forms Assn.	3,000	2,700
Boy Scouts	16,000	1,600
Radiological Society of N.A.	14,015	12,613
World of Wheels	34,621	3,462
National Audio-Visual Assn.	7,349	6,614
Atlanta Gift Show	13,500	12,150
Atlanta Boat Show	84,000	8,400
International Poultry Show	14,000	12,600
Plastics Fair	4,000	3,600
Boy Scouts Banquet	3,460	346
Orthopaedic Surgeons	12,839	11,555
Tech Ex '80	2,979	2,681
TAPPI	7,000	6,300
Atlanta Intl. Sport & Travel	16,385	1,638
Wood Energy Institute	3,738	3,364
NCC Office Automation Conf.	7,662	6,895
Operating Room Nurses	9,960	8,964
Atlanta Square Dance Callers	600	120
Clinical Pathologists	3,125	2,813
Supervision & Curr. Dev.	5,848	5,263
SE Hospital Conference	7,000	6,300
Variety Merchandise	3,400	3,060
Six Flags Band Festival	13,650	12,285
The Home Show	60,000	6,000
Bio-Energy Council	2,123	1,911
National Solid Wastes	3,800	3,420
NAED	3,245	2,920
Wolf Camera	6,000	600
Delta Banquet	1,550	1,395
Georgia Poultry Federation	2,600	2,340
Critical Care Nurses	4,400	3,960
Newspaper Publishers	12,990	11,691
American Water Works	6,500	5,850
SE Fabricare	1,500	1,350
VICA	13,000	6,500
TOTAL	530,214	278,762
MINOR & MISCELLANEOUS	170,440	34,088
GRAND TOTAL	<u>700,654</u>	<u>312,850</u>

STAFFING

As of June 30, 1980, the Georgia World Congress Center has 120 authorized full-time positions. In addition, the Congress Center employed approximately 55,396 man hours of part-time labor during the year. This is equivalent in man hours to approximately 26 full-time personnel at forty (40) hours per week.

The Center continues to place emphasis on professional development and we believe our staff has become one of the most effective organizations in the industry. Our continued success in re-booking well over 80% of all major events can be attributed primarily to the dedication and professionalism of the staff at all levels of the organization.

Exhibit "K" is a current organizational chart depicting the functional flow of the organization.



AFFIRMATIVE ACTION

Throughout the process of initial recruiting and professional development of what has proven to be an effective and efficient staff, equal employment and affirmative action objectives have been of high priority.

During fiscal year 1980, the Congress Center's affirmative action program and reporting procedures were considerably refined. We have continued to make good progress toward established affirmative action goals and have set additional goals and objectives for fiscal year 1981.

Complete copies of our affirmative action program are available through the World Congress Center administrative office.

Exhibit "L" offers a summary of the World Congress Center work force compared to the metropolitan Atlanta area work force.

Exhibit "M" provides an analysis of the Center's work force by occupational category.

GEORGIA WORLD CONGRESS CENTER
SUMMARY OF WORK FORCE COMPARED TO METROPOLITAN AREA

JUNE 30, 1980

I GEORGIA WORLD CONGRESS WORK FORCE: (June 30, 1980)

	<u>MALE</u>		<u>FEMALE</u>		<u>TOTAL</u>
	<u>CAUCASIAN</u>	<u>MINORITY</u>	<u>CAUCASIAN</u>	<u>MINORITY</u>	
<u>NUMBER</u>	40	38	18	8	104
<u>PERCENTAGE</u>	38.5%	36.5%	17.3%	7.7%	100%

II METROPOLITAN ATLANTA AREA WORK FORCE:*

	<u>MALE</u>		<u>FEMALE</u>		<u>TOTAL</u>
	<u>CAUCASIAN</u>	<u>MINORITY</u>	<u>CAUCASIAN</u>	<u>MINORITY</u>	
<u>NUMBER</u>	475,927	88,575	291,188	81,798	937,488
<u>PERCENTAGE</u>	50.8%	9.4%	31.1%	8.7%	100%

*SOURCE: LABOR RESOURCE INFORMATION for AFFIRMATIVE ACTION PROGRAMS 1980
 Prepared by the State Department of Labor

GEORGIA WORLD CONGRESS CENTER
WORK FORCE ANALYSIS BY OCCUPATIONAL CATEGORY

JUNE 30, 1980

<u>OCCUPATIONAL CATEGORY</u>	<u>Caucasian</u>	<u>Minority</u>	<u>Caucasian</u>	<u>Minority</u>	<u>TOTAL</u>
OFFICIALS AND ADMINISTRATORS	1 100%	0 0	0 0	0 0	1 100%
PROFESSIONALS	4 26.7%	3 20%	7 46.6%	1 6.7%	15 100%
PROTECTIVE SERVICES	8 53%	6 40%	1 7%	0 0	15 100%
OFFICE AND CLERICAL	0 0	2 12.5%	10 62.5%	4 25%	16 100%
SKILLED CRAFTS	25 78%	7 22%	0 0	0 0	32 100%
BUILDING SERVICE MAINTENANCE	2 7.6%	21 80.7%	0 0	3 11.5%	26 100%

SUMMARY

Fiscal year 1980 was a successful year for the Georgia World Congress Center, particularly in consideration of the economy in general. Even though gross income was down from the previous year by a disappointing 13%, operating costs were held to an increase of only 8% over the previous year. With double digit inflation, we can only be pleased with cost controls. Perhaps more significantly, we experienced significant income recovery, particularly during the final quarter of the fiscal year. All indications point to continued recovery and we anticipate significant income increases for fiscal year 1981. Of course, the transitional period between old and new rate schedules will also positively effect income during the last two quarters of FY81.

The year was most successful in accomplishing our primary objective of providing economic stimulus. New dollars generated were approximately \$178 MILLION DOLLARS, which in turn generated a total economic impact of an estimated \$285 MILLION DOLLARS.

Fiscal year 1980 further established the World Congress Center in the national and international convention and tradeshow marketplace. Major activities held in the Center continue to reschedule at an 80% rate. This high rate of success in repeat business is unquestionably the cornerstone for insured success for the facility in the long range future.

Progress toward ultimate expansion was most significant in FY80. Approximately 120 major events have been interested in securing future dates in the Congress Center and have been unable to do so with the near maximum schedule of commitments currently on the books through 1990. It is our firm conviction the Center must be expanded as soon as feasible if we are to maintain our position in the marketplace.

The 1980 General Assembly appropriated \$10 million dollars to proceed toward expansion on a timetable projecting completion in early 1984. This initial appropriation provides for necessary land acquisition to secure the expansion site and also authorized the retention of architects to complete construction bid ready design documents. We anticipate land acquisition will be completed in early 1981. The architects are working toward a June 1981 design completion date.

In order to be successful in meeting an early 1984 completion date, expansion construction must begin in the fall of 1981. Consequently, the 1981 General Assembly will be unquestionably the most critical period in the relatively brief history of the World Congress Center. Construction funds for expansion will be requested of the 1981 General Assembly. Without approval, expansion would be delayed at very best until 1985.

As of June 30, 1980, approximately 80 major conventions and tradeshow have requested tentative space in the proposed expansion, pending approval of construction funds during the 81 General Assembly. Many of our major competitors are underway with new or expanded facilities. Notably, New York, New Orleans and San Francisco have new facilities in progress. Atlantic City, Dallas, Los Angeles and Anaheim are expanding. Should the World Congress Center be delayed, much of its potential business will unquestionably make long range commitments to other facilities. Consequently, FY81 is a most critical year indeed.

The coming year will provide many answers to the future success of the Georgia World Congress Center. The opportunities for expansion are tremendously exciting and we are confident the Georgia General Assembly will review our funding request with a keen awareness of its significance.