



GEORGE L. SMITH, II  
GEORGIA WORLD CONGRESS CENTER

# **ANNUAL REPORT**

FISCAL YEAR 1982 - 83



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GEORGIA WORLD CONGRESS CENTER AUTHORITY  
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GEORGIA WORLD CONGRESS CENTER AUTHORITY  
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District 104

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## DIRECTOR'S REPORT

Fiscal year 1982-83 was one during which the Georgia World Congress Center continued to enhance its growing national and international reputation for excellence in the convention and tradeshow industry. In gaining recognition as one of the more popular exhibition and meeting facilities in the United States, the World Congress Center helped elevate the image of the State of Georgia as an inviting and productive environment for business gatherings of all types and sizes.

In addition to accomplishing its goal of generating tax dollars into state and local treasuries and providing jobs in the burgeoning convention service industries, the Congress Center staff expanded efforts aimed at promoting the use of smaller meeting and convention facilities elsewhere in Georgia. These promotional activities will become a full-time pursuit when facility expansion is completed in 1984. Inside the new front entrance of the expanded Congress Center will be a large walk-in area consisting of individual displays promoting convention facilities and tourism accommodations throughout Georgia.

As construction of three new exhibit halls, a corporate conference center, spacious ballroom and 40 additional meeting rooms advanced ahead of schedule, bookings for the expanded Congress Center reached the 85 percent mark through the year 1990. Significantly, the Center has continued to benefit from a trend in which satisfied tradeshow managers left Atlanta only after booking their associations back into the Congress Center for future years and often times booking return engagements sooner than originally anticipated.

With a professional and dedicated staff of 120 employees, the Congress Center ended the year with high marks from show managers in every service category--catering, utility services, housekeeping, setup and security. Based upon an outstanding record as in-house caterer since the Congress Center opened in 1976, Rich's, Incorporated, was awarded a contract renewal by the Georgia World Congress Center Authority.

While solidifying its reputation as a top-rated setting for domestic conventions and trade shows, the Congress Center made steady progress on the international scene. An agreement was reached with the Georgia Department of Industry and Trade to utilize the existing State of Georgia economic development offices in Brussels and Tokyo as sales offices for the Congress Center. A sales brochure was published in English, French and Spanish as a tool for marketing the expanded facility to potential users around the globe. The Congress Center, through its international program agency, the World Congress Institute, became the first facility in the United States to offer custom-designed programs and seminars to associations utilizing the Center's simultaneous translation facilities.



The commitment of the Governor and the General Assembly to maintaining Georgia's leadership position in the convention and tradeshow industry through their support for expansion of the World Congress Center will pay long-term dividends through increased state revenues--tax dollars imported from other states and nations. Plus, while out-of-state residents comprise the bulk of trade show exhibitors and attendees, the past year found an ever-increasing number of Georgia manufacturers and service industries taking advantage of the convenient and economical showcase offered by the Congress Center. Many Georgia businesses, ranging from high technology, manufacturing and agri-business to textiles and service industries, reported success in tapping the purchasing power of the hundreds of thousands of domestic and international buyers attending trade shows.

Despite an economy still recovering from recession, the fiscal year was one of steady, solid growth in operational revenues with rental income increasing by \$227,457 or 11.9 percent in FY 1983 over the previous year and exhibit utility services generating 28.5 percent of total income for the year. It is particularly significant to note net income of 81 percent of the gross revenue was realized from the providing of electrical service, gas connections, compressed air, water and drains. The utility services operation continues to be extremely beneficial in maintaining our national reputation as a facility free of labor problems and exorbitant costs to exhibitors. The Congress Center completed the fiscal year with a net profit, or fund balance carried forward, of \$393,561, up from \$293,899 the previous year.

Of primary importance, the economic impact of the World Congress Center was dramatic. Total attendance for all activities was over 794,000 with more than 360,000 out-of-state visitors for the year. Visitors to conventions and tradeshow in the Congress Center represented an estimated \$255.4 million in direct expenditures, resulting in an economic impact of an estimated \$424.1 million. The State of Georgia realized approximately \$14.7 million in new tax revenues while the City of Atlanta collected more than \$3 million in hotel/motel tax revenue as a direct result of Congress Center activities.



## EXPANSION UPDATE

Construction of the Georgia World Congress Center's expansion project began in the spring of 1982, and 45 percent of the work was completed by the end of fiscal year 1983. The general contractor has coordinated his construction schedule with event bookings by the Congress Center's sales staff, permitting a Phase One opening in early November, 1983. First occupancy of new exhibit Halls E and F was scheduled to accommodate the National Swimming Pool Institute.

The expansion project will more than double the Congress Center's current space. An additional 300,000 square feet of exhibition space in three new halls will bring the total available for large national and international tradeshows to 640,000 square feet. The construction of 38 additional meeting rooms of all sizes will bring the total to 70 throughout the facility. A sophisticated corporate conference center for highly specialized meetings, not necessarily requiring exhibition space, is a unique feature of the new expansion concourse. The conference center will offer its users simultaneous interpretation facilities, the most sophisticated audio-visual equipment and teleconferencing capability.

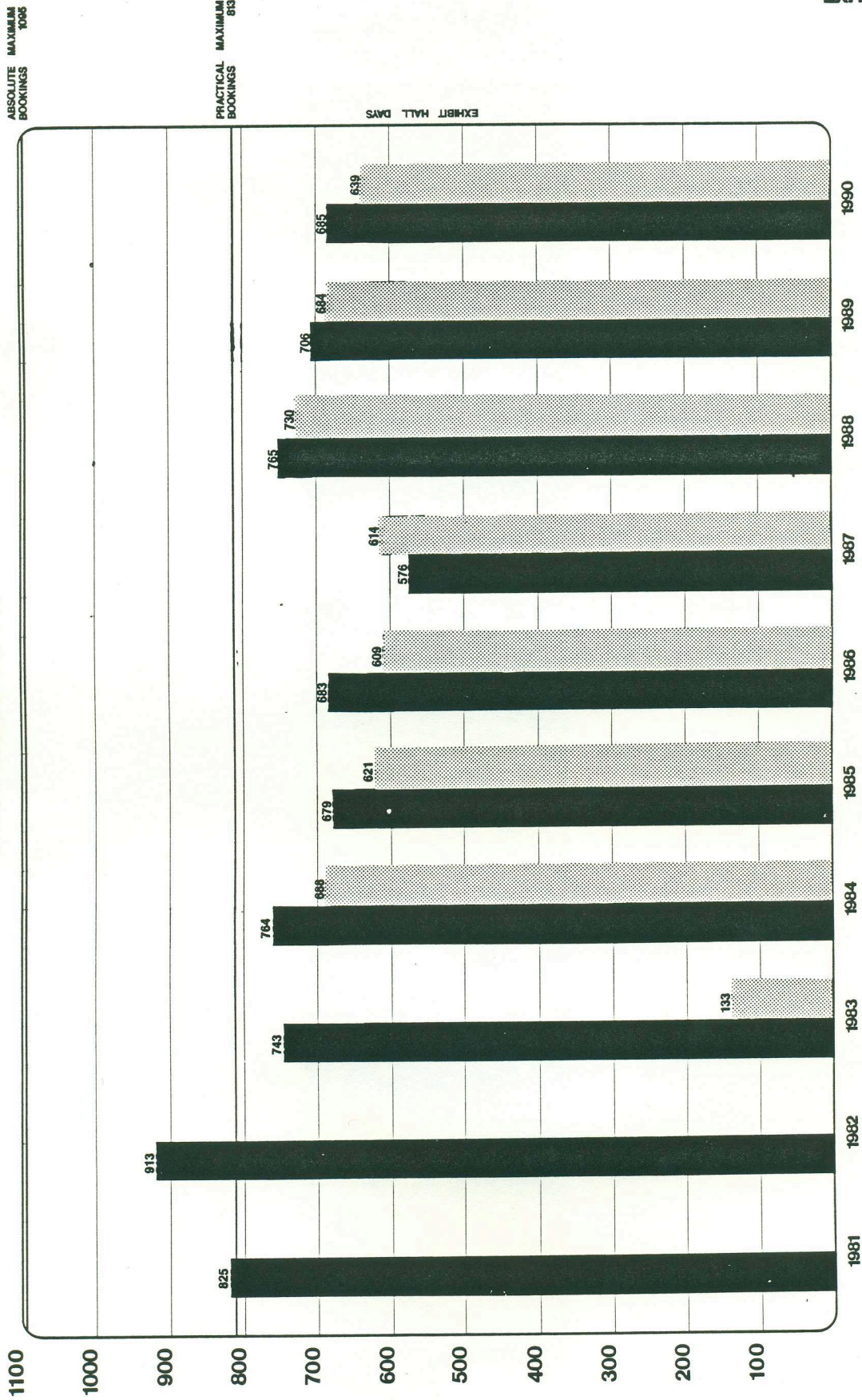
Another significant element of expansion is a 33,000 square-foot ballroom accommodating banquets for 3,300 people or general sessions of 4,500. Prior to expansion, large convention banquets were held in a portion of the existing exhibit hall or simply not held in Atlanta for lack of appropriate facilities. The Congress Center's new ballroom, largest in the Southeast, is designed to serve a market demand existing hotels cannot serve. The ballroom's ability to handle general sessions of up to 4,500 persons will increase the availability of exhibit hall space where many of these sessions have been staged in the past.

The general contractor has progressed ahead of the original construction schedule established at contract signing. Despite the normal delays due to inclement weather, labor negotiations and change orders, the progress of the work not only has remained ahead of schedule but also continues to remain within budget. The Phase One opening of Halls E and F in November, 1983 will be followed by a grand opening of all new facilities in the early fall of 1984.

EXHIBIT A graphically illustrates facility bookings through 1990 in both the existing and expanded facilities.

EXHIBIT B details progress of the expansion project.

GWCC SALES GRAPH



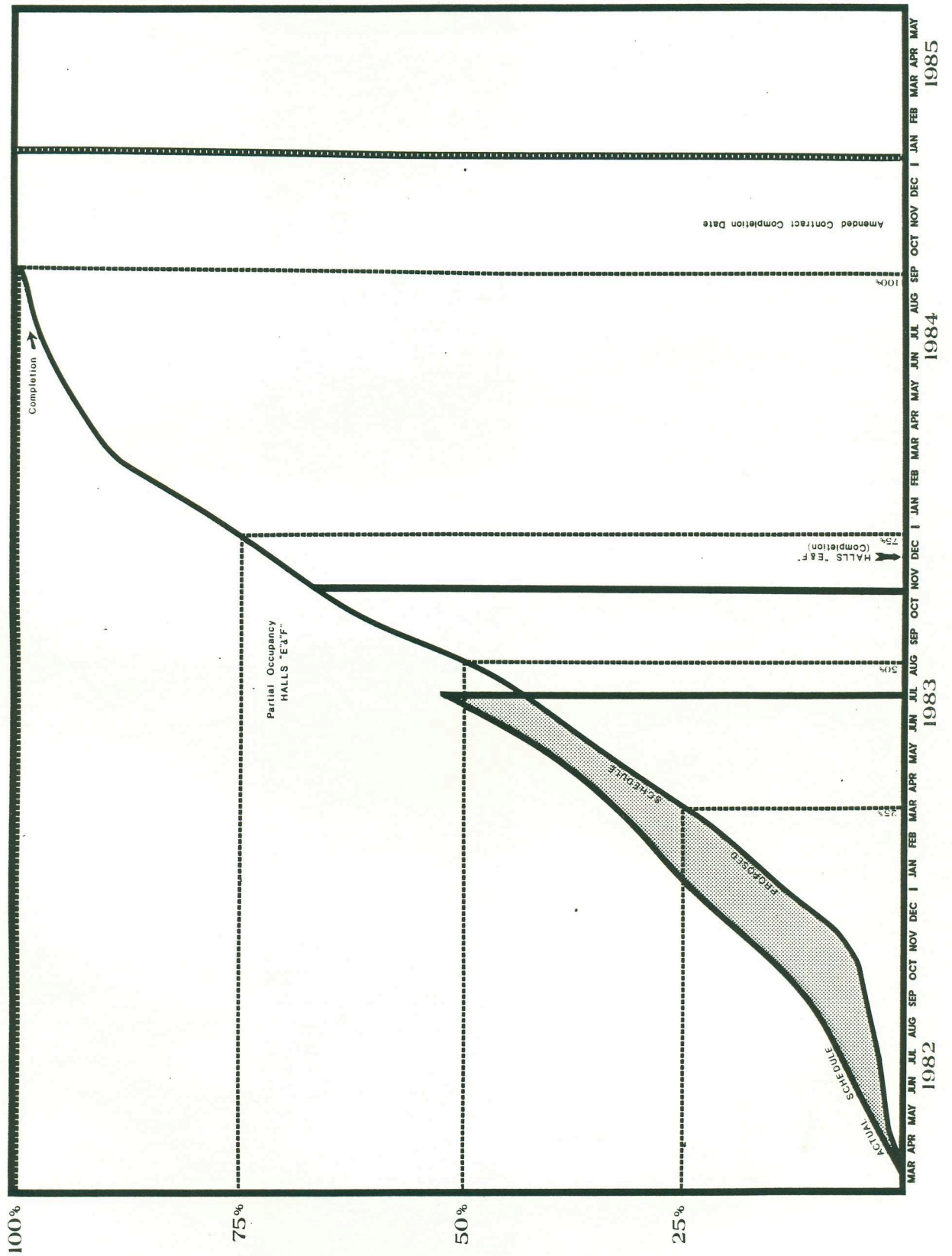
Existing Exhibit Halls  
 Expansion Exhibit Halls

(2) "Practical maximum bookings" based upon Exhibit Hall Days in full year less deductions for major national holidays and seasonal periods in July, August, and December, plus three days per month for scheduling gaps between major shows.

EXHIBIT HALL DAYS  
 (1) "days" available per year.



# GEORGIA WORLD CONGRESS CENTER EXPANSION PROGRESS SCHEDULE



STATEMENT OF INCOME AND EXPENDITURES

	<u>FY 1981-82</u>	<u>FY 1982-83</u>
<u>INCOME:</u>		
Beginning Adjusted Balance	\$ 165,538	\$ 293,899
Rent	1,909,396	2,136,853
Food Service (Rich's)	769,037	634,524
Exhibit Utility Services	1,056,755	1,188,373
Georgia Hall	88,165	74,658
Miscellaneous	139,174	136,097
SUB-TOTAL	\$3,962,527	\$4,170,505
State of Ga. thru OPB	7,000	-0-
State of Ga. thru I & T	50,000	185,500
Federal Grant	50,000	-0-
Hotel-Motel Tax (ACVB)	723,298	737,601
TOTAL	<u>\$4,958,363</u>	<u>\$5,387,505</u>
 <u>EXPENDITURES:</u>		
Personal Services	\$2,559,412	\$2,803,279
Regular Operating	1,004,614	1,092,942
Equipment	18,659	26,828
Contracts	83,167	54,077
Other	165,950	168,217
SUB-TOTAL	\$3,831,802	\$4,145,343
Special Project - Printing	7,000	31,500
Special Project - Advertising & Promotion/Expansion	100,000	-0-
Capital Outlay	-0-	79,500
Hotel-Motel Tax (ACVB)	723,298	737,601
TOTAL	<u>\$4,662,100</u>	<u>\$4,993,944</u>
 NET PROFIT (LOSS)	 <u>\$ 296,263</u>	 <u>\$ 393,561</u>



· RENTAL INCOME

	<u>FY 1981-82</u>	<u>FY 1982-83</u>
Exhibit Hall Rent	\$ 1,560,578	\$ 1,797,205
Meeting Rms. & Auditorium Rent	302,990	294,000
Miscellaneous Rent	<u>45,828</u>	<u>45,648</u>
TOTAL RENT	<u>\$ 1,909,396</u>	<u>\$ 2,136,853</u>

Rental income increased by \$227,457 or 11.9% in FY 1983 over the previous year. As the exhibition halls have been booked at virtual maximum capacity for the past few years, the increase was not due to an increase in the number of major shows but was attributable to a rate increase that went into effect January 1, 1983 and an increase in the amount of exhibit space in a comparable number of shows. We believe the dramatic increase in numbers of exhibitors desiring space in tradeshows is significant in terms of gauging the general upturn in the economy. Major tradeshows are feeling the effects of economic recovery and most are showing healthy signs of renewed growth.

Meeting room and auditorium rent experienced a slight decline in FY 1983, we believe primarily due to the fact most non-convention users of these facilities are local corporate, fraternal, religious and social groups whose members either do not hold as many meetings or seek less expensive space in times of a tight economy.

Miscellaneous rent is predominantly generated through equipment rental and is not directly related to the amount of scheduled activity in the Congress Center.

FOOD SERVICE - RICH'S

<u>INCOME:</u>	<u>FY 1981-82</u>	<u>FY 1982-83</u>
Food Sales	\$2,448,557	\$2,126,606
Beverage Sales	473,583	472,789
Miscellaneous	<u>51,650</u>	<u>50,572</u>
 TOTAL INCOME	 <u>\$2,973,790</u>	 <u>\$2,649,967</u>
<u>EXPENSES:</u>		
Cost of Sales (Product)	\$ 778,267	\$ 696,658
Wages, Salaries & Related	781,967	769,219
Other Operating Expense	<u>472,898</u>	<u>424,944</u>
 TOTAL EXPENSE	 <u>\$2,033,132</u>	 <u>\$1,890,821</u>
<u>NET INCOME</u>	<u>\$ 940,658</u>	<u>\$ 759,146</u>

DIVISION OF NET INCOME:

Rich's (20%)	\$ 188,132	\$ 151,829
Georgia World Congress Center (80%)	<u>752,526</u>	<u>607,317</u>
	<u>\$ 940,658</u>	<u>\$ 759,146</u>

Rich's Food Service, the World Congress Center's caterer, again experienced an excellent year. Although the sales and profit figures reflect a slight decline, final results exceeded every year in the seven-year history of the World Congress Center, with the exception of the record year of 1981-82. Fiscal year 1981-82 produced inflated food service sales due to several exceptionally large and profitable banquets, such as Mary Kay Cosmetics, which grossed \$283,980, the Coca-Cola Company's banquet to unveil a new advertising campaign, \$248,095, and Avon Products with a price tag of \$185,796. Taken in the context of previous normal growth years and considering the one-time financial impact of these mammoth banquets, the last fiscal year saw Rich's Food Service continue as a steady and solid contributor to the World Congress Center's profit picture.

It should be noted the figures shown here are operational figures and do not reflect year-end adjustments to reserve accounts as do the figures indicated in the statement of income and expenditures.

On the basis of Rich's excellent record for quality of food, service and presentation within the convention industry, the Georgia World Congress Center Authority renewed its contract with Rich's Food Service for an additional seven years.



EXHIBIT UTILITY SERVICES

	<u>FY 1981-82</u>	<u>FY 1982-83</u>
<u>GROSS INCOME</u>	\$1,056,755	\$1,188,373
<u>EXPENSE</u>		
Labor	\$ 163,973	\$ 167,844
Materials & Supplies	<u>55,287</u>	<u>61,394</u>
TOTAL EXPENSE	<u>\$ 219,260</u>	<u>\$ 229,238</u>
NET PROFIT (LOSS)	<u>\$ 837,495</u>	<u>\$ 959,135</u>

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 our most effective income producing factor other than space rental. This operation generated 28.5% of our total income for the year. It is particularly significant to note NET INCOME of 81% of the gross revenue was realized through this service.

In addition to generating income, 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.

## STATE OF GEORGIA-ECONOMIC BENEFITS

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 Benefit Report 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 D offers estimated economic impact figures for FY 1982-83.

EXHIBIT E offers a summary of economic impact results for the past five years.

EXHIBIT F offers a graphic summary of economic benefits for each year the Congress Center has been in operation, and includes NET PROFIT to the State of Georgia by virtue of state tax revenues.



FY 1982-83 ESTIMATED ECONOMIC IMPACT  
OF THE GEORGIA WORLD CONGRESS CENTER

<u>CATEGORY</u>	<u>CONGRESS CENTER &amp; RELATED ACTIVITY</u>	<u>SECONDARY IMPACT</u>	<u>TOTAL ECONOMIC IMPACT</u>
Personal Income	\$ 47,190,587	\$108,627,580	\$155,818,167
Retail Sales (Including Hotels)	\$208,249,300	\$ 60,070,464	\$268,319,764
Employment	2,830	4,705	7,535
Taxes:			
Retail Sales	\$ 8,329,972	\$ 2,402,819	\$ 10,732,791
Sales on Concessions	137,031		137,031
Hotel/Motel	3,088,279		3,088,279
Personal Income	1,001,810	2,306,058	3,307,868
Corporate Income	169,485	390,137	559,622
Total Taxes	\$ 12,726,577	\$ 5,099,014	\$ 17,825,591

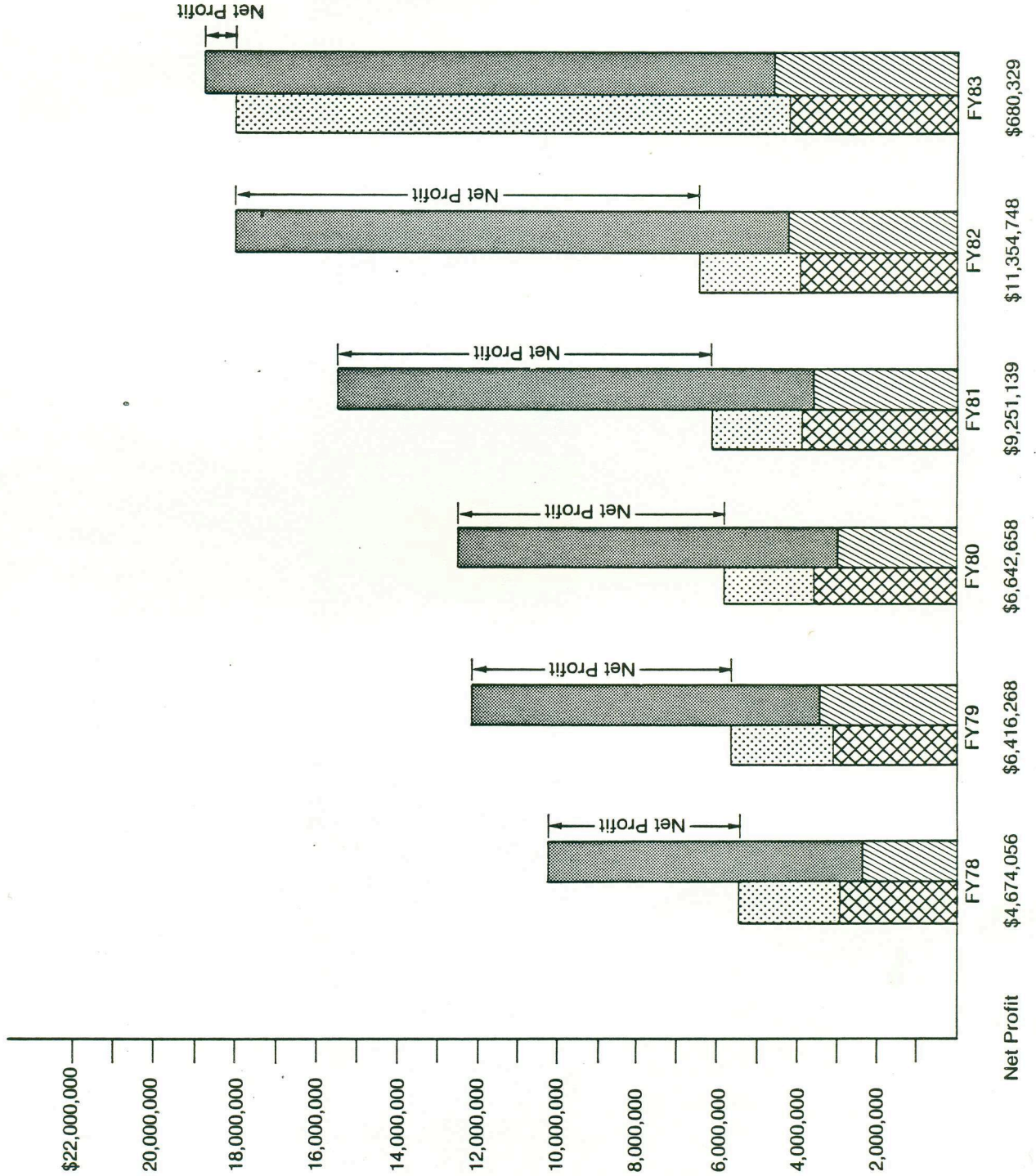
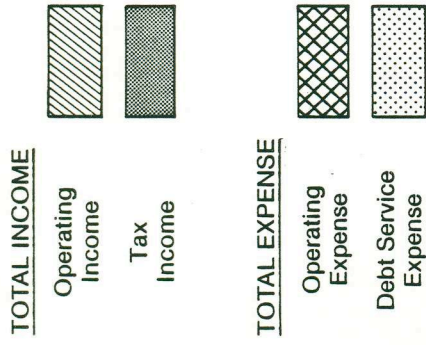
ECONOMIC IMPACT RESULTS  
FIVE YEAR SUMMARY

	<u>FY 1978-79</u>	<u>FY 1979-80</u>	<u>FY 1980-81</u>	<u>FY 1981-82</u>	<u>FY 1982-83</u>
<u>ECONOMIC IMPACT:</u>					
"New Dollars" Generated	\$ 189,089,100	\$ 178,244,970	\$ 227,280,006	\$ 243,014,243	\$ 255,439,887
Total Impact of New Dollars	257,616,113	285,801,877	352,454,500	400,264,002	424,137,931
<u>TAX REVENUES:</u>					
Georgia State Taxes	\$ 8,901,722	\$ 9,932,621	\$ 12,170,043	\$ 13,945,866	\$ 14,737,312
Atlanta Hotel-Motel Tax	<u>1,516,335</u>	<u>2,060,515</u>	<u>2,710,900</u>	<u>2,938,052</u>	<u>3,088,279</u>
Total Tax Revenues	<u>\$ 10,418,057</u>	<u>\$ 11,993,136</u>	<u>\$ 14,880,943</u>	<u>\$ 16,883,918</u>	<u>\$ 17,825,591</u>



**GEORGIA WORLD CONGRESS CENTER  
STATE OF GEORGIA-ECONOMIC BENEFITS SUMMARY**

EXHIBIT F



Net Profit

FIVE YEAR EVENT ATTENDANCE SUMMARY

	<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>	<u>1982-83</u>
TOTAL ATTENDANCE	834,138	700,654	750,258	794,814	794,557
"OUT-OF-TOWN" ATTENDANCE	393,585	312,850	369,479	356,879	360,717

Attendance for FY 1982-83 totaled 794,557, almost mirroring the attendance level of the previous year. Of this total 360,717 were out-of-town visitors, a slight increase of 3,838 from the preceding year.

The small increase in out-of-town visitors attendance is attributed to a slow but steady recovery of the convention industry segment of the national economy. With a continuing rise in national economic indicators, it is expected that the coming year will find corporations sending greater numbers of delegates to their conventions and tradeshow.



## STAFFING

As of June 30, 1983, the Georgia World Congress Center had 120 authorized full-time positions. In addition, the Congress Center employed approximately 56,418 man hours of part-time labor during the year. This is equivalent in man hours to approximately 27 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 G is a current organizational chart depicting the functional flow of the organization.

GEORGIA WORLD CONGRESS CENTER - FUNCTIONAL FLOW CHART

