



GEORGE L. SMITH, II
GEORGIA WORLD CONGRESS CENTER

ANNUAL REPORT

FISCAL YEAR 1983-1984

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Georgia World Congress Center Authority

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Director's Report

Fiscal Year 1983-84 was a most significant year in the relatively brief history of the Georgia World Congress Center. In early November 1983, the initial phase of the World Congress Center expansion project was completed with the opening of new exhibit halls E and F, (215,000 gross square feet), to accommodate the National Spa and Pool Institute Exposition. Some six months later in May 1984, exhibit hall D (90,000 gross square feet), the final expansion exhibit hall, was completed and opened for COMDEX, one of the world's largest computer industry exhibitions.

The balance of the expansion project, including some 40 meeting rooms, a dramatic corporate and international conference center, a massive ballroom facility, entrance concourse and related service space, is scheduled for completion during the coming fiscal year. We anticipate all facilities will be operational by January, 1985.

The past twelve months have been a year of solid growth in virtually all areas. Total attendance at World Congress Center events was 827,370, of which 423,180 were out-of-town visitors, an increase of 62,463 out-of-town visitors over the previous year.

Perhaps a better perspective of total attendance is presented by multiplying out-of-town delegates by an average stay of 4.25 days. The subsequent daily attendance total for FY 83-84 is calculated to be 2,202,655 people.

With a portion of expansion facilities becoming operational in mid-year, income was increased by 26% over the previous year. Of far greater significance, total economic impact is estimated to be \$496,000,000, an increase of some \$70,000,000 over the previous year. Total taxes generated are estimated in excess of \$25,000,000, an increase of \$7,000,000 from the prior year.

The future appears to be even more promising! Major convention and tradeshow commitments for future dates already represent an 85% capacity level of occupancy through 1990 for both current and expanded exhibit halls. Future commitments exceed the 60% level in the early 1990's, with a significant number of major events booked through the year 2000 and beyond.

While Fiscal Year 1983-84 was most rewarding, we look forward with yet greater expectations to completion of the expansion project during the coming year and the challenges of a dynamic growth period.

Exhibit A: Graphically illustrates exhibit hall commitments through the year 1994 in both existing and expanded facilities.

**DAN GRAVELINE
DIRECTOR**

GWCC SALES GRAPH

ABSOLUTE MAXIMUM BOOKINGS 1095

PRACTICAL MAXIMUM BOOKINGS 813



Existing Exhibit Halls ■
Expansion Exhibit Halls ▨

EXPLANATORY NOTES

- (1) "Exhibit Hall Days": 365 days x 3 exhibition halls = 1,095 potential "exhibit hall days" available per year.
- (2) "Practical maximum bookings": Based upon Exhibit Hall Days in full year less deductions for major national holidays, weak seasonal periods in July, August, and December, plus three days per month for scheduling gaps between major shows.

Statement of Income and Expenditures

<u>INCOME:</u>	<u>FY 1982-83</u>	<u>FY 1983-84</u>
Beginning Adjusted Balance	\$ 293,899	\$ 388,229
Rent	2,136,853	2,541,826
Food Service (Rich's)	634,524	805,522
Exhibit Utility Services	1,188,373	1,520,176
Georgia Hall	74,658	35,032
Miscellaneous	<u>136,097</u>	<u>363,794</u>
SUB-TOTAL	\$4,170,505	\$5,266,350
State of Ga. thru I & T	185,500	485,000
Insurance Recovery	-0-	100,000
Hotel-Motel Tax (ACVB)	<u>737,601</u>	<u>1,083,011</u>
TOTAL	<u>\$5,387,505</u>	<u>\$7,322,590</u>
 <u>EXPENDITURES:</u>		
Personal Services	\$2,803,279	\$3,429,260
Regular Operating	1,092,942	1,558,060
Equipment	26,828	45,633
Contracts	54,077	89,415
Other	<u>168,217</u>	<u>183,817</u>
SUB-TOTAL	\$4,145,343	\$5,306,185
Special Project - Printing	31,500	-0-
Special Project - Acceleration on Completion of Hall D	-0-	70,000
Extraordinary Expenses	-0-	104,465
Capital Outlay	79,500	-0-
Hotel-Motel Tax (ACVB)	<u>737,601</u>	<u>1,083,011</u>
TOTAL	<u>\$4,993,944</u>	<u>\$6,563,661</u>
RESERVE - EQUIPMENT & SUPPLY REPLACEMENT	\$ -0-	\$ 251,094
NET PROFIT (LOSS)	<u>\$ 393,561</u>	<u>\$ 507,835</u>

Rental Income

Overall rental income increased by \$404,973 or 19 percent in FY 1984 over the previous year. More significantly, exhibit hall income rose by 26 percent, which can be attributed to availability of expanded exhibit facilities beginning in November and to greater space requirements by shows experiencing healthy to unusually high growth. The actual number of major shows during FY 1984 increased only slightly.

Meeting room and auditorium rent reflects a slight decline in FY 1984, primarily due to the fact these areas were committed to major conventions and thus were not available for non-convention users.

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

	<u>FY 1982-83</u>	<u>FY 1983-84</u>
Exhibit Hall Rent	\$1,797,205	\$2,257,608
Meeting Rooms & Auditorium Rent	294,000	217,025
Miscellaneous Rent	<u>45,648</u>	<u>67,193</u>
TOTAL RENT	<u>\$2,136,853</u>	<u>\$2,541,826</u>

Food Service

Georgia World Congress Center Food Service again experienced an excellent year, with sales and profit figures reflecting 20 and 13 percent growth respectively over the previous year.

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 in the Statement of Income and Expenditures.

Fiscal year 1983-84 was the first year of operation under our new food service contract and consequently income to the Georgia World Congress Center from Food Service operations rose by a dramatic 31 percent.

<u>INCOME:</u>	<u>FY 1982-83</u>	<u>FY 1983-84</u>
Food Sales	\$2,126,606	\$2,523,023
Beverage Sales	472,789	597,342
Miscellaneous	<u>50,572</u>	<u>55,129</u>
TOTAL INCOME	<u>\$2,649,967</u>	<u>\$3,175,494</u>
<u>EXPENDITURES:</u>		
Cost of Sales (Product)	\$ 696,658	\$ 906,626
Wages, Salaries & Related	769,219	849,323
Other Operating Expense	<u>424,944</u>	<u>563,060</u>
TOTAL EXPENSE	<u>\$1,890,821</u>	<u>\$2,319,009</u>
<u>NET INCOME</u>	<u>\$ 759,146</u>	<u>\$ 856,485</u>

DIVISION OF NET INCOME:

Rich's	\$ 151,829	\$ 60,648
Georgia World Congress Center	<u>607,317</u>	<u>795,837</u>
	\$ 759,146	\$ 856,485

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 service represents our most effective income producing factor other than space rental. This operation generated 28.9% of our total income for the year. It is particularly significant to note NET INCOME of 81% of 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.

	<u>FY 1982-83</u>	<u>FY 1983-84</u>
<u>GROSS INCOME</u>	\$1,188,373	\$1,520,176
<u>EXPENSE</u>		
Labor	\$ 167,844	\$ 205,630
Materials & Supplies	<u>61,394</u>	<u>82,816</u>
TOTAL EXPENSE	<u>\$ 229,238</u>	<u>\$ 288,446</u>
NET PROFIT (LOSS)	<u>\$ 959,135</u>	<u>\$1,231,730</u>

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 tradeshow, 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 C: offers estimated economic impact figures for FY 1983-84.

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

EXHIBIT E: 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.

Economic Impact of the Georgia World Congress Center Fiscal Year 1983-84

EXHIBIT C

<u>CATEGORY</u>	<u>WORLD CONGRESS CENTER ACTIVITY "NEW DOLLAR IMPACT"</u>	<u>SECONDARY IMPACT</u>	<u>TOTAL ECONOMIC IMPACT</u>
Personal Income	\$ 55,226,840	\$127,129,450	\$182,356,290
Retail Sales	<u>\$243,719,500</u>	<u>\$ 70,302,000</u>	<u>\$314,021,500</u>
TOTAL DOLLARS	\$298,946,340	\$197,431,450	\$496,377,790
Employment	3,312	5,506	8,818
Taxes:			
Retail Sales	\$ 12,185,980	\$ 3,515,100	\$ 15,701,080
Concessions	200,460	---	200,480
Hotel/Motel	4,517,340	---	4,517,340
Personal Income	1,171,910	2,812,100	3,984,020
Corporate Income	<u>261,400</u>	<u>627,240</u>	<u>888,630</u>
TOTAL TAXES	\$ 18,337,080	\$ 6,954,440	\$ 25,291,530

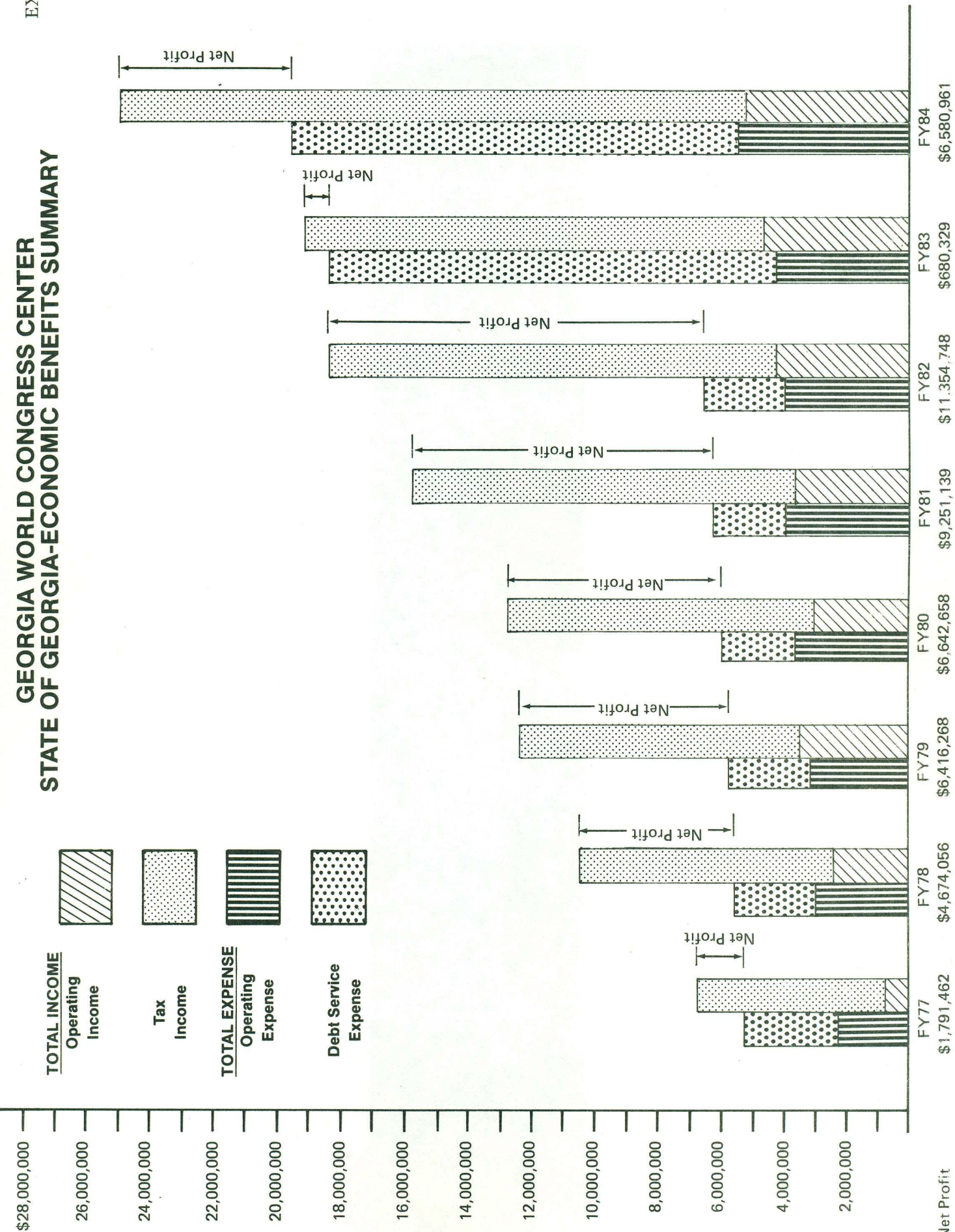
Economic Impact of the Georgia World Congress Center Five Year Summary

EXHIBIT D

<u>ECONOMIC IMPACT:</u>	<u>FY 1979-80</u>	<u>FY 1980-81</u>	<u>FY 1981-82</u>	<u>FY 1982-83</u>	<u>FY 1983-84</u>
"New Dollars" Generated	\$178,244,970	\$277,280,006	\$243,014,243	\$255,439,887	\$298,946,340
Total Impact of New Dollars	285,801,877	352,454,500	400,264,002	424,137,931	496,377,790
<u>TAX REVENUES:</u>					
Georgia State Taxes	9,932,621	12,170,043	13,945,866	14,737,312	20,774,190
Atlanta Hotel-Motel Tax	<u>2,060,515</u>	<u>2,710,900</u>	<u>2,938,052</u>	<u>3,088,279</u>	<u>4,517,340</u>
Total Tax Revenues	<u>11,993,136</u>	<u>14,880,943</u>	<u>16,883,918</u>	<u>17,825,591</u>	<u>25,291,530</u>

GEORGIA WORLD CONGRESS CENTER STATE OF GEORGIA-ECONOMIC BENEFITS SUMMARY

EXHIBIT E



Five Year Event Attendance Summary

Attendance for FY 1983-84 totaled 827,320, representing a 4 percent increase over the previous year. Of this total 423,180 were out-of-town visitors, a significant 18 percent increase from the preceding year.

The dramatic increase in out-of-town visitor attendance can be attributed to economic recovery of the convention industry segment of the national economy, as well as, the availability of expanded exhibit facilities able to handle more and larger shows. With full use of expansion, it is projected that the coming year will reflect a steady growth in the number of out-of-town visitors attending meetings in the Georgia World Congress Center.

	<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>	<u>1982-83</u>	<u>1983-84</u>
TOTAL ATTENDANCE	700,654	750,258	794,814	794,557	827,320
"OUT-OF-TOWN" ATTENDANCE	312,850	369,479	356,879	360,717	423,180
TOTAL DAILY ATTENDANCE	1,717,417	1,951,065	1,954,671	1,966,887	2,202,655

Staffing

As of June 30, 1984, the Georgia World Congress Center had 147 authorized, full-time positions, of which 134 positions were filled, leaving thirteen (13) vacancies. In addition, during the year the Congress Center employed 87,322 man hours of part-time labor, equivalent to approximately 42 full-time personnel at forty (40) hours per week.

To address the requirements of expanded facilities and staff, the Congress Center organizational structure has been "streamlined" as shown in the accompanying Functional Flow Chart and a Department of Human Resources established to insure the hiring, training and development of a professional, service-oriented staff.

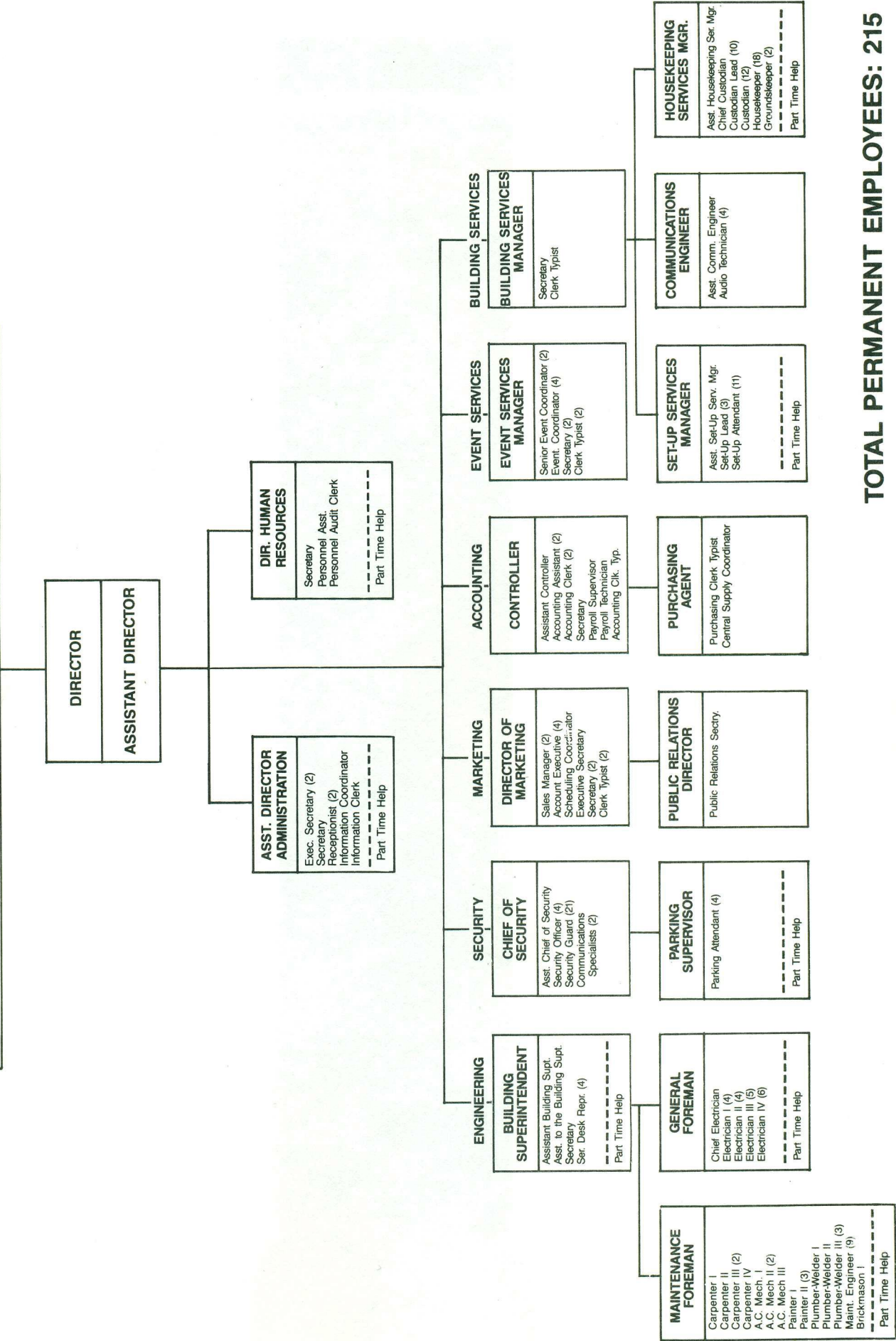
Continuing emphasis on professional development has resulted in relatively low turnover in personnel and allowed our staff to become one of the most effective organizations in the industry. Our success in re-booking 94 percent of the 1983/84 major events and well over 80 percent of all major events can be attributed to the dedication and professionalism of the staff at all levels.

EXHIBIT F is the revised organizational chart depicting the functional flow of the organization.

Georgia World Congress Center Functional Flow Chart

EXHIBIT F

GEORGIA WORLD CONGRESS CENTER AUTHORITY



TOTAL PERMANENT EMPLOYEES: 215

Labor Force Analysis and Affirmative Action Objectives

An objective of the Georgia World Congress Center's Affirmative Action Program is to maintain parity of minorities and women with the Metropolitan Atlanta Area Labor Force in each occupational category and level within each category.

ANALYSIS OF CURRENT WORK FORCE GEORGIA WORLD CONGRESS CENTER

	<u>MALE</u>		<u>FEMALE</u>	
	<u>CAUCASIAN</u>	<u>MINORITY</u>	<u>CAUCASIAN</u>	<u>MINORITY</u>
Number	50	48	24	12
Percentage	37%	36%	18%	9%

ANALYSIS OF METROPOLITAN ATLANTA AREA WORK FORCE

	<u>MALE</u>		<u>FEMALE</u>	
	<u>CAUCASIAN</u>	<u>MINORITY</u>	<u>CAUCASIAN</u>	<u>MINORITY</u>
Number	476,517	87,985	290,598	82,388
Percentage	50.8%	9.4%	31%	8.8%

Source: Labor Resources Information 1980
State Department of Labor

The Georgia World Congress Center's work force is divided into six (6) occupational categories as defined by the Federal Equal Employment Opportunity Commission:

- Officials and Administrators
- Professionals
- Protective Services
- Office and Clerical
- Skilled Craft
- Service Maintenance

