



George L. Smith, II  
Georgia World Congress Center  
**ANNUAL REPORT**  
FISCAL YEAR 1984-1985



# Table of Contents

	Page
Georgia World Congress Center Authority Board of Governors/Legislative Overview Committee .....	2
Director's Report .....	3
Financial Overview	
Rental Income .....	6
Exhibit Utility Services .....	6
Food Service .....	7
State of Georgia — Economic Benefits .....	8
Five Year Event Attendance Summary .....	12
Staffing .....	13
Labor Force Analysis and Affirmative Action .....	14

## List of Exhibits

A. GWCC Sales Graph .....	4
B. Statement of Income and Expenditures .....	5
C. Economic Impact of the Georgia World Congress Center FY 1984-85 .....	9
D. Economic Impact Results — Five Year Summary .....	10
E. Georgia World Congress Center State of Georgia — Economic Benefits Summary .....	11
F. GWCC Functional Flow Chart .....	15



# Georgia World Congress Center Authority

## BOARD OF GOVERNORS

### OFFICERS

#### CHAIRMAN

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President  
Rayloc  
Atlanta, Georgia

#### VICE CHAIRMAN

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The Central Bank  
Swainsboro, Georgia

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President  
J.W. Robinson & Associates, Inc.  
Atlanta, Georgia

#### TREASURER

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Treasurer  
Studio Graphics, Inc.  
Atlanta, Georgia

### MEMBERS

James Brown  
President  
Marketing Services  
Dalton, Georgia

Luke Morgan  
Area Supervisor  
ITT Rayonier  
Eastman, Georgia

I. Owen Funderburg  
President  
Citizen Trust Bank  
Atlanta, Georgia

Don Sands  
President &  
Chief Executive Officer  
Goldkist  
Atlanta, Georgia

Perry Hudson  
State Senator, Retired  
Hapeville, Georgia

### LEGISLATIVE OVERVIEW COMMITTEE

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Representative Lauren McDonald  
Representative Thomas Triplett  
Senator Ed Barker  
Senator Paul C. Broun  
Senator John Foster

District 104  
District 12  
District 128  
District 18  
District 46  
District 50

Macon, Georgia  
Commerce, Georgia  
Savannah, Georgia  
Warner Robins, Georgia  
Athens, Georgia  
Cornelia, Georgia



# Director's Report

Fiscal year 1984-85 was a most unusual year for the Georgia World Congress Center. We expected challenges in balancing construction activity on expansion with a record breaking convention and trade show schedule. We also anticipated "growing pains" in developing staff and procedures to operate our new and expanded facilities as they came on line. Several unexpected adversities were also taken in stride and actually enhanced the satisfaction gained through meeting these challenges.

To begin our fiscal year, on July 4 a train derailment adjacent to the World Congress Center caused extensive damage to the facility. Fortunately, there were no injuries and no interruption of scheduled activities. On a positive note, funds were subsequently approved to eliminate the rail track involved to preclude any similar situation in the future.

In August construction of the sixth and final exhibit hall was completed in time for the massive International Woodworking Machinery Show. Throughout the remaining fall months, we carefully juggled an extremely heavy event schedule to finish construction of meeting facilities while continuing to provide the level of service our clients have come to expect of the World Congress Center.

An early winter dealt another blow in December and January with the most severe cold weather of this century. Sub-freezing temperatures coupled with exposure from incomplete construction resulted in extraordinary freeze damage to plumbing systems as well as pushed our heating systems to their limit.

However, on January 14, 1985, the new Thomas B. Murphy Ballroom was inaugurated with one of the most memorable General Assembly Salutes presented to date. In February the Sidney J. Marcus Auditorium was named in honor of the late State Representative from Fulton County, whose support had been instrumental in expansion of the Georgia World Congress Center. To complete Grand Opening festivities, a black tie gala was held in the Murphy Ballroom in April honoring some 350 national meeting planners as well as state and local dignitaries.

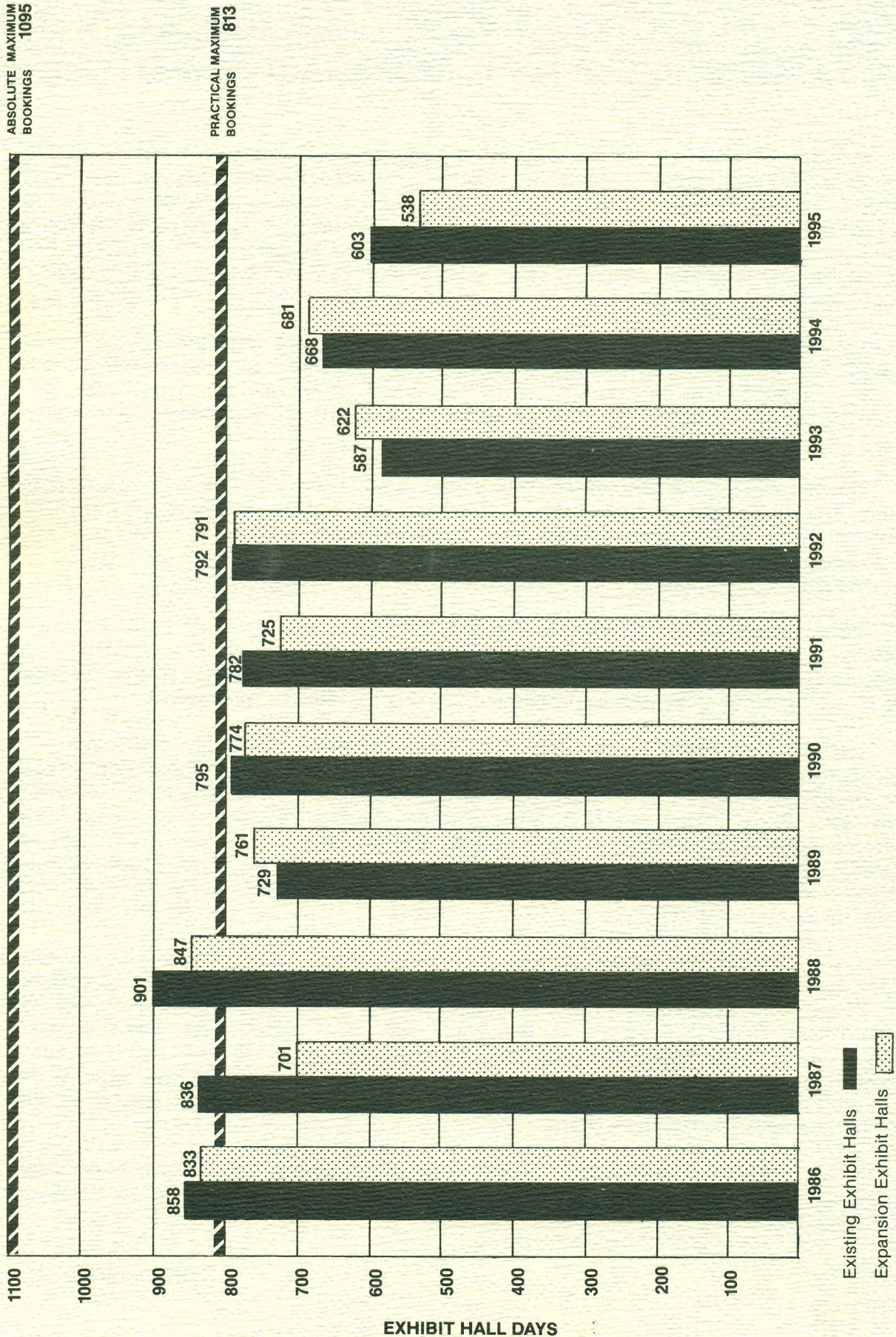
Fiscal 1984-85 was indeed a most memorable year. In addition to the unusual challenges of completing the expansion project, record attendance and economic benefits were generated. Well over one million visitors attended meetings in the World Congress Center during the year. Of these, over 520,000 were out-of-state visitors, an increase of 23% over the previous year. Out-of-town visitors resulted in a total economic impact in excess of **\$610 million**. Total taxes generated are estimated in excess of **\$31 million**, an increase of approximately \$6 million over the previous year.

Future commitments appear to be even more promising. Major convention and trade show reservations approach a 95% level of occupancy through 1990 and are already at a 90% level for the next decade.

Dan Graveline



GWCC SALES GRAPH



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 1983-84</u>	<u>FY 1984-85</u>
Beginning Adjusted Balance	\$ 388,229	\$ 507,591
Rent	2,541,826	3,565,207
Food Service (MGR)	805,522	825,599
Exhibit Utility Services	1,520,176	2,005,971
Georgia Hall	35,032	40,600
Hotel/Motel (GWCC)	216,602	504,025
Miscellaneous	<u>147,192</u>	<u>262,731</u>
SUB-TOTAL	\$5,266,350	\$ 7,204,133
State of Ga. thru Indus. & Trade	485,000	600,000
Insurance Recovery	100,000	437,877
Hotel/Motel Tax (ACVB)	1,083,011	1,512,076
Special Project - Spring Track	-0-	348,000
Construction Acceleration	-0-	424,000
TOTAL	<u>\$7,322,590</u>	<u>\$11,033,677</u>
 <u>EXPENDITURES:</u>		
Personal Services	\$3,429,260	\$ 4,762,708
Regular Operating	1,558,060	2,588,065
Equipment	45,633	52,450
Contracts	89,415	99,917
Other	<u>183,817</u>	<u>342,962</u>
SUB-TOTAL	\$5,306,185	\$ 7,846,102
Special Project- Spring Track	-0-	348,000
Extraordinary Expenses	104,465	402,075
Construction Acceleration	70,000	603,706
Hotel/Motel Tax (ACVB)	<u>1,083,011</u>	<u>1,512,076</u>
TOTAL	<u>\$6,563,661</u>	<u>\$10,711,959</u>
RESERVE -EQUIPMENT & SUPPLY REPLACEMENT	\$ 251,094	\$ -0-
NET PROFIT (LOSS)	<u>\$ 507,835</u>	<u>\$ 321,718</u>



# Rental Income Exhibit Utility Service

Rental income from exhibit halls, meeting facilities and miscellaneous equipment represents fifty percent of all self-generated revenues. Overall rental income increased by \$1,023,381 or forty percent during FY 85. Exhibit space income rose by forty-one percent, which can be attributed to use of expanded facilities and to greater space requirements by shows experiencing healthy to unusually high growth. Meeting room and auditorium rent exceeded all previous years showing a thirty-six percent increase over last year.

	<u>FY 1983-84</u>	<u>FY 1984-85</u>
Exhibit Hall Rent	\$2,257,608	\$3,176,637
Meeting Rooms & Auditorium Rent	217,025	295,051
Miscellaneous Rent	<u>67,193</u>	<u>93,519</u>
<b>TOTAL RENT</b>	<u><b>\$2,541,826</b></u>	<u><b>\$3,565,207</b></u>

Providing electrical service, gas connections, compressed air, water, drains and telephone instruments to exhibitors continues to be one of the Congress Center's most rewarding operations representing twenty-eight percent of all self-generated revenues. Significantly, a NET INCOME of eighty-three percent was realized through utility service.

In addition to generating income, providing in-house utility services has proven extremely helpful in maintaining a reputation as a facility free from labor problems and exorbitant charges to exhibitors. Today, providing in-house utility service is becoming an industry standard, rather than the exception of a decade ago.

	<u>FY 1983-84</u>	<u>FY 1984-85</u>
<u>GROSS INCOME</u>	\$1,520,176	\$2,005,971
<u>EXPENSE</u>		
Labor	\$ 205,630	\$ 237,364
Materials & Supplies	82,816	95,238
<b>TOTAL EXPENSE</b>	<u><b>\$ 288,446</b></u>	<u><b>\$ 332,602</b></u>
<b>NET PROFIT (LOSS)</b>	<u><b>\$1,231,730</b></u>	<u><b>\$1,673,369</b></u>



# Food Service

GWCC Food Service, operated by MGR, Inc., experienced substantial growth (34 percent) in total sales during FY 1984-85. Overall profit increased to a lesser extent due to expenses attributed largely to start-up costs for staffing and opening new facilities.

Figures shown here are operational and do not reflect year-end adjustments to reserve accounts as do figures in the Statement of Income and Expenses.

<u>INCOME</u>	<u>FY 1983-84</u>	<u>FY 1984-85</u>
Food Sales	\$2,523,023	\$3,485,581
Beverage Sales	597,342	667,141
Miscellaneous	<u>55,129</u>	<u>99,192</u>
<b>TOTAL INCOME</b>	<b><u>\$3,175,494</u></b>	<b><u>\$4,251,914</u></b>
 <u>EXPENDITURES:</u>		
Cost of Sales (Product)	\$ 906,626	\$1,131,490
Wages, Salaries & Related	849,323	1,442,514
Other Operating Expense	<u>563,060</u>	<u>808,145</u>
<b>TOTAL EXPENSE</b>	<b><u>\$2,319,009</u></b>	<b><u>\$3,382,149</u></b>
 <u>NET INCOME</u>	 <u>\$ 856,485</u>	 <u>\$ 869,765</u>

## DIVISION OF NET INCOME

MGR	\$ 60,648	\$ 61,976
Georgia World Congress Center	<u>795,837</u>	<u>807,788</u>
	<u>\$ 856,485</u>	<u>\$ 869,764</u>



# State of Georgia Economic Benefits

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The primary objective of the Georgia World Congress Center is to maximize utilization of the facility by major national and international conventions and trade shows, 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.

Therefore, we 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." The following exhibits go beyond operational figures to include the State's annual investment and tax benefits resulting from World Congress Center activity.

EXHIBIT C: offers estimated economic impact figures for FY 1984-85.

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 1984-85

<u>CATEGORY</u>	<u>WORLD CONGRESS CENTER ACTIVITY "NEW DOLLAR IMPACT"</u>	<u>SECONDARY IMPACT</u>	<u>TOTAL ECONOMIC IMPACT</u>
Personal Income	\$ 67,929,013	\$156,369,589	\$224,298,602
Retail Sales	<u>299,774,985</u>	<u>86,471,095</u>	<u>386,246,080</u>
TOTAL DOLLARS	<u>\$367,703,998</u>	<u>\$242,840,684</u>	<u>\$610,544,682</u>
Employment	4,067	6,779	10,846
<b>Taxes:</b>			
Retail Sales	\$ 14,988,719	\$ 4,323,585	\$ 19,312,304
Concessions	246,590	-	246,590
Hotel/Motel	5,556,328	-	5,556,328
Personal Income	1,441,449	3,458,896	4,900,345
Corporate Income	<u>321,522</u>	<u>771,493</u>	<u>1,093,015</u>
TOTAL TAXES	<u>\$ 22,554,608</u>	<u>\$ 8,553,974</u>	<u>\$ 31,108,582</u>



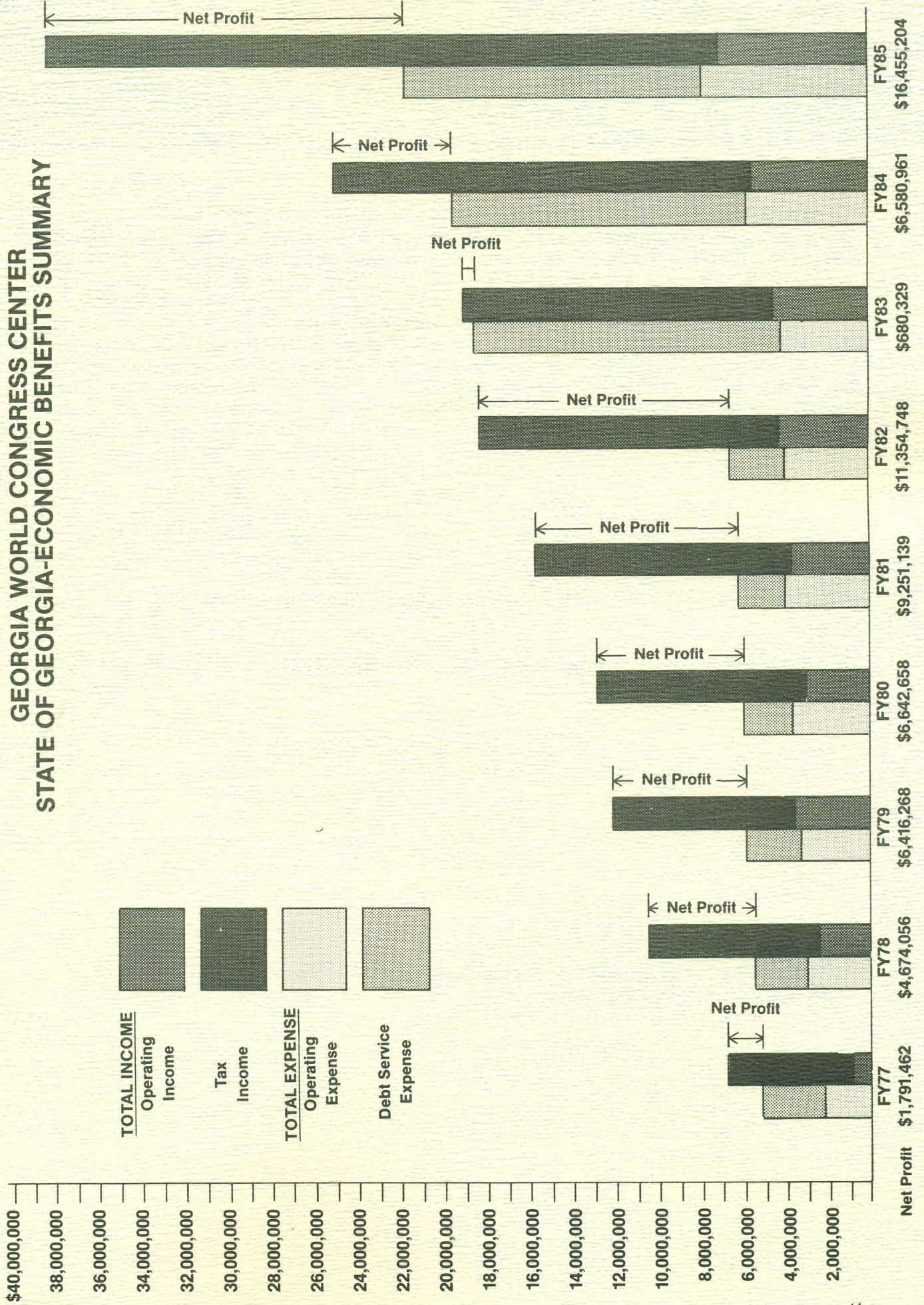
# Economic Impact of the Georgia World Congress Center Five Year Summary

<u>ECONOMIC IMPACT:</u>	<u>FY 1980-81</u>	<u>FY 1981-82</u>	<u>FY 1982-83</u>	<u>FY 1983-84</u>	<u>FY 1984-85</u>
"New Dollars" Generated	\$ 277,280,006	\$ 243,014,243	\$ 255,439,887	\$ 298,946,340	\$ 367,703,998
Total Impact of New Dollars	352,454,500	400,264,002	424,137,931	496,377,790	610,544,682
<u>TAX REVENUES:</u>					
Georgia State Taxes	12,170,043	13,945,866	14,737,312	20,774,190	25,552,254
Atlanta Hotel-Motel Tax	2,710,900	2,938,052	3,088,279	4,517,340	5,556,328
Total Tax Revenues	<u>\$ 14,880,943</u>	<u>\$ 16,883,918</u>	<u>\$ 17,825,591</u>	<u>\$ 25,291,530</u>	<u>\$ 31,108,582</u>



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

EXHIBIT E





# Five Year Event Attendance Summary

Attendance for FY 1984-85 broke the one million mark with 1,066,641 visitors, representing a 29 percent increase over the previous year. Of this total 520,300 were out-of-town visitors, a significant 23 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 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>1980-81</u>	<u>1981-82</u>	<u>1982-83</u>	<u>1983-84</u>	<u>1984-85</u>
TOTAL ATTENDANCE	750,258	794,814	794,557	827,320	1,066,641
"OUT-OF-TOWN" ATTENDANCE	369,479	356,879	360,717	423,180	520,300
* TOTAL DAILY ATTENDANCE	1,951,065	1,954,671	1,966,887	2,202,655	2,757,616

\* "TOTAL DAILY ATTENDANCE" is calculated at 4.25 visits per out-of-town visitor plus one visit for area residents attending seminars or public shows.



# Staffing

As of June 30, 1985, the Georgia World Congress Center had 215 authorized full-time positions, of which 187 were filled, leaving 28 positions to reach full strength for expanded operations. In addition, during the year the Congress Center employed 124,918 man hours of part-time labor, equivalent to approximately 60 full-time personnel at 40 hours per week.

With expanded facilities and staff, our Human Resources personnel and management staff have formalized a professional development program geared to the growing staff at the World Congress Center. We now offer a series of development and training programs to help employees assess their own skills and needs; improve effective communications; set appropriate priorities; improve management skills and techniques; and help employees be more knowledgeable about the World Congress Center and its goals and objectives.

Continuing emphasis on professional development has enabled us to promote employees, which has resulted in relatively low turnover in personnel and allowed our staff to become one of the more effective organizations in the industry. Our success in re-booking 94 percent of the 1984-85 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 an organizational chart depicting the functional flow of the organization.



# Labor Force Analysis & 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	64	66	34	22
Percentage	34%	35%	19%	12%

## 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	513,252	129,057	381,423	133,921
Percentage	44.3%	11.1%	33%	11.6%

Source: Labor Resources Information 1980  
State Department of Labor

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

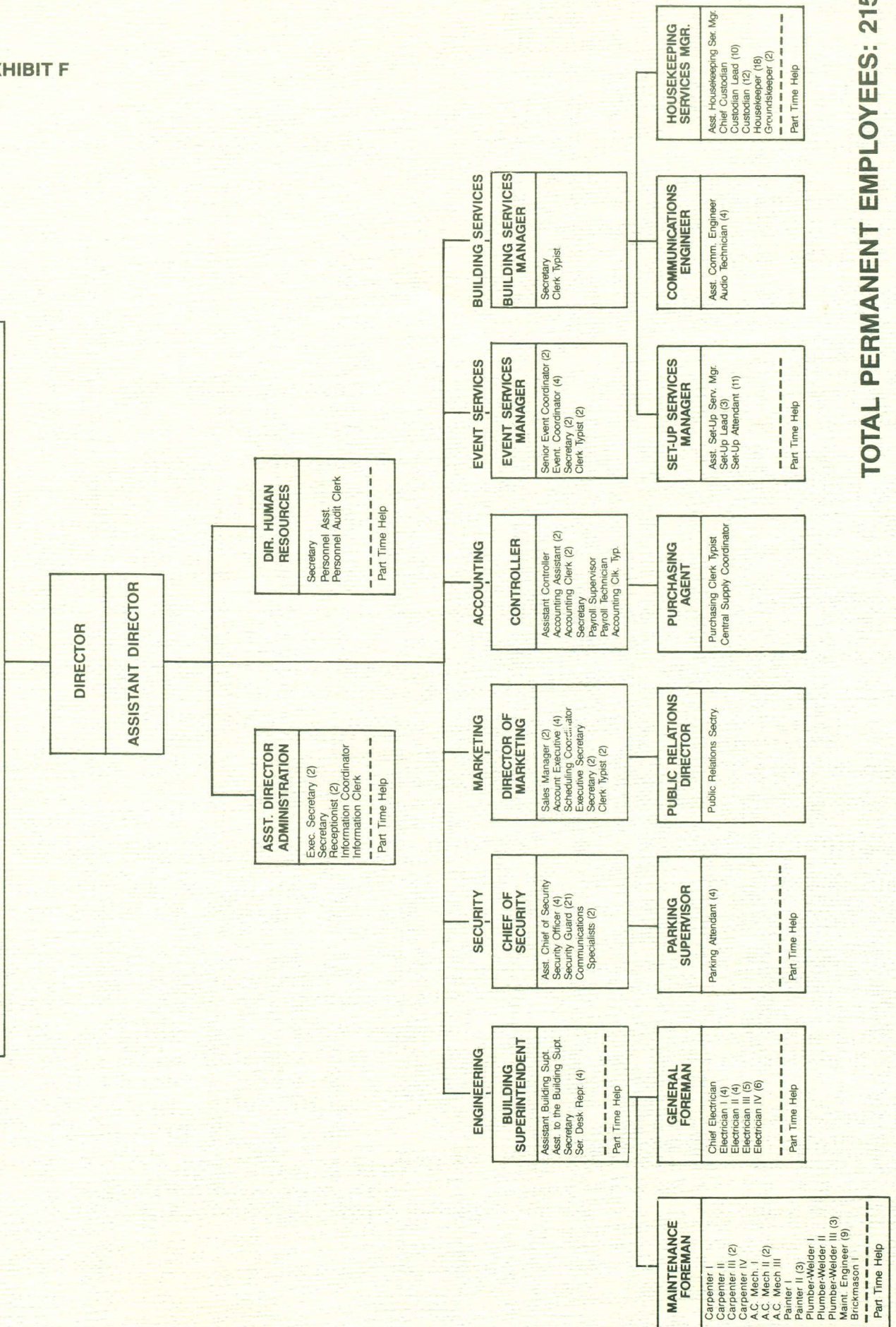
- Officials and Administrators
- Professionals
- Protective Services
- Office and Clerical
- Skilled Craft
- Service Maintenance



# Georgia World Congress Center Functional Flow Chart

## GEORGIA WORLD CONGRESS CENTER AUTHORITY

EXHIBIT F



TOTAL PERMANENT EMPLOYEES: 215



