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## Exhibits

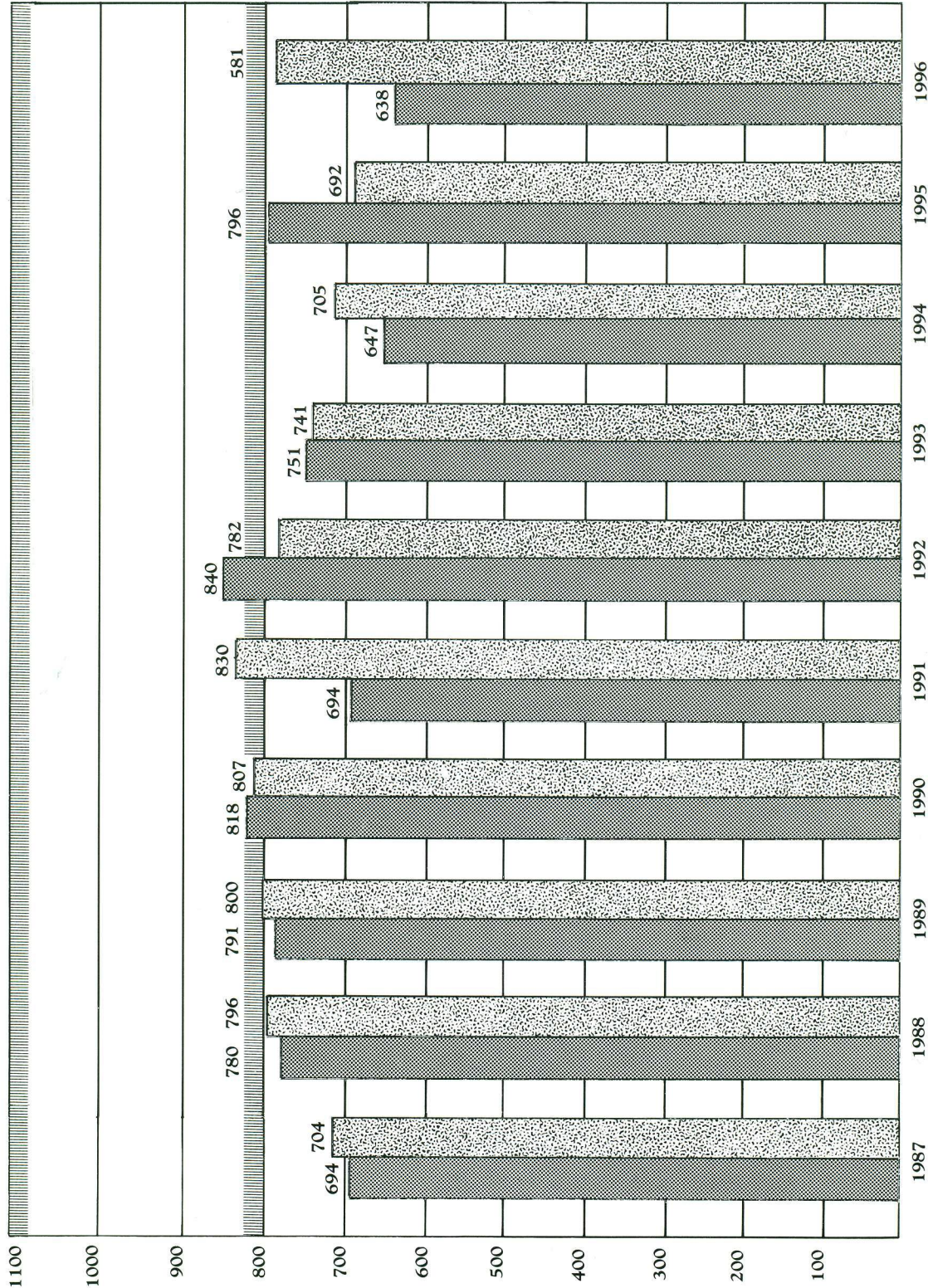
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# GWCC Sales Graph

ABSOLUTE MAXIMUM  
BOOKINGS  
1095

PRACTICAL MAXIMUM  
BOOKINGS  
813

## EXHIBIT A



Original 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.

EXHIBIT HALL DAYS





Fiscal year 1985/86 was the Georgia World Congress Center's first full year of operation with all expansion facilities completed and an exceptionally successful year by all standards. The Center operated at 109% "practical maximum occupancy" in the exhibition halls, equivalent to 81% "absolute occupancy." Record income was generated in every major category while operating expenses were controlled within budget, resulting in a record operating profit. Another measure of success — the rebooking rate, which is indicative of client satisfaction, was over 86%.

The impact of Georgia World Congress Center activity on the local economy, and resulting tax benefits to the State of Georgia, reached an all time high from an unsurpassed number of out-of-town visitors attending functions in the Center. During the past fiscal year, over one million persons attended events in the World Congress Center. Of this total, 593,740 were out-of-town visitors who spent over \$412 million, creating a \$684 million economic impact and generating almost \$35 million in new tax revenues.

A secondary indicator of economic impact is growth in area hotels. In addition to ten new properties locating around the perimeter, the 1,674 room Marriott Marquis and the 260 room Hotel Ibis opened during the past year in the immediate downtown area.

The fiscal year also resulted in significant progress toward developing sophisticated operational procedures required to manage expanded facilities. The Center has developed automated systems for scheduling, event management and accounting functions. In completing the new Grand Entrance, we have added amenities and guest services promoting local and state-wide attractions as well as other convention facilities throughout Georgia. In addition, we have developed new brochures to market expanded and special meeting facilities; produced a "Meeting Planner's Guide," which could become a new standard for professional event management; and

established Emergency Procedures to formalize plans and responses for maximizing safety and limiting damage in event of an emergency.

During 1985/86, the World Congress Center entered a long-term agreement with BellSouth Systems Technology, Inc., to provide exhibitor and show management telecommunication services throughout the facility. In addition to assuring quality and efficient telephone service, this agreement will allow the GWCC to develop a new profit center.

Today, the Georgia World Congress Center is considered one of the largest and most popular facilities in the nation. We have 640,000 square feet of exhibit space; a superb complement of meeting rooms, including the Thomas B. Murphy Ballroom, Zell Miller Conference Center and Sidney J. Marcus Auditorium; and a qualified staff of 220 professionals dedicated to the highest standards of facility operation.

However, the competition is not idle and each year new and expanded facilities challenge our position. Once again, we are now approaching the saturation point for future exhibit space commitments. Congress Center occupancy ratios are in excess of 97% of the practical maximum for the next five years and 92% for the next decade.

In order to accommodate requirements from existing clients needing additional space as well as requests from new business, the GWCC has initiated a market analysis study to determine the market potential for additional exhibition space totaling 250,000 to 300,000 square feet. We anticipate this study will be completed within the first half of the coming year.

Based upon our success to date and the challenge of the future, we reaffirm our commitment to provide, in our second decade of operation, the best service possible to our clients and the best return possible to our owners — the citizens of Georgia.

**Dan Graveline**





## Financial Analysis

During fiscal year 1985/86, Georgia World Congress Center self-generated income exceeded projections by 20%, producing over \$11 million for a 55% increase over the previous year. Significant gains were anticipated with expansion facilities completed and were achieved in every major category; however, gains in meeting room rental and utility services far surpassed original expectations.

Rental income represents 45% of all self-generated income with utility services accounting for 25% and food service contributing 18%. That portion of hotel/motel tax receipts allocated for GWCC operations represented 8% of Congress Center income. The World Congress Center also received \$638,243 from the State of Georgia.

Operating expenses were held to a 23% increase overall during FY 1985/86, which was within 3% of projections and was necessary to adequately service the increased volume of meeting and exhibit business generated from expansion. Personal services, including salaries, related expense and temporary labor expense, accounted for 61% of all operating expenditures with regular operating expenses consuming 31% of the total. Over 70% of regular operating

expenses can be attributed to dramatically increasing costs for insurance and utilities. Substantial increases in contract expenditures are primarily for escalator/elevator maintenance, which has grown in direct proportion to over twice as many units.

Non-operating expenditures correspond in large part to non-operating revenues. The World Congress Center serves as a conduit for hotel/motel tax funds allocated to the Atlanta Convention and Visitors Bureau. Special projects include a self-amortizing arrangement with advertisers to sponsor a new outdoor electronic sign and other non-operational expenses such as modifications to heating systems in the original exhibition halls.

During 1985/86 the GWCC Authority was able to realize a long-term goal by establishing a Designated Capital Improvement Reserve Fund and increasing the Equipment Reserve Fund established in 1983/84. The Capital Improvement Reserve is essential for continuing to make minor capital improvements to facilities, building maintenance and repair projects and future recarpeting, as well as establishing funds for system malfunctions and major unexpected damages.

*In FY 1985-86 the exhibit halls were utilized at a higher percentage than any other previous year. Pictured is the International Sanitary Supply Association's annual exposition.*





# Statement of Income and Expenditures



<u>INCOME:</u>	<u>FY 1984-85</u>	<u>FY 1985-86</u>
Beginning Adjusted Balance	\$ 507,591	\$ 320,481
Rent	3,565,207	5,042,274
Exhibit Utility Services	2,005,971	2,805,339
Food Service (MGR)	825,599	2,020,188
Parking	44,374	175,280
Hotel/Motel Tax (GWCC)	504,025	895,916
Miscellaneous	258,957	209,051
<b>SUB-TOTAL</b>	\$ 7,204,133	\$11,148,048
State of Georgia	600,000	638,243
Hotel/Motel Tax (ACVB)	1,512,076	2,090,471
Special Projects	1,209,877	228,830
<b>TOTAL</b>	\$11,033,677	\$14,426,073
<b><u>EXPENDITURES:</u></b>		
Personal Services	\$ 4,762,708	\$ 5,859,370
Regular Operating	2,588,065	2,986,605
Equipment	52,450	59,467
Contracts	99,917	326,960
Other	342,962	450,636
<b>SUB-TOTAL</b>	\$ 7,846,102	\$ 9,683,038
Special Projects	1,353,781	393,239
Hotel/Motel Tax (ACVB)	1,512,076	2,090,471
Transfer To Reserve Funds	\$ -0-	\$ 1,348,906
<b>TOTAL</b>	\$10,711,959	\$13,515,654
<b>NET PROFIT</b>	\$ 321,718	\$ 910,419





## Rental and Exhibit Utility Services Income

### Rental Income

The Georgia World Congress Center currently has 640,000 square feet of exhibit space which can accommodate one mammoth exposition or up to six separate shows. This space is most frequently used for trade show and convention exhibits, although it also houses public expositions, large banquets and a variety of general sessions. During 1985/86, exhibit hall rental accounted for 83% of all rental revenue and increased 31% over the previous year. With exhibit halls booked near practical capacity for future years, there will be very little opportunity to increase this sector of rental income through new business.

With expansion meeting facilities completed during the prior year, the World Congress Center offers 72 rooms for groups ranging from 20 to 4,500 people. All are equipped with in-room lighting, sound and technical systems. Predominantly these rooms are used in conjunction with exhibit

hall events for seminars, receptions and show offices. Special facilities such as the ballroom, corporate conference center and auditorium, as well as meeting rooms not reserved for major shows, are rented independently. During 1985/86, the GWCC hosted literally hundreds of independent seminars, conferences, sales meetings, training sessions, exams, banquets, receptions fashion shows and special events in various meeting facilities.

Meeting room rental for the past year increased 131% representing the greatest percentage increase within the rental income category. This increase can be attributed to the availability of additional rooms as well as an aggressive corporate and special markets sales effort.

Miscellaneous rent was generated from equipment rental as well as permanent displays in Georgia Hall and fees for guest service areas.

	<u>FY 1984-85</u>	<u>FY 1985-86</u>
Exhibit Hall Rent	\$3,176,637	\$4,163,956
Meeting Rooms/Ballroom/ Auditorium/Conference Center	295,051	683,022
Miscellaneous Rent	93,519	195,296
<b>TOTAL RENT</b>	<u>\$3,565,207</u>	<u>\$5,042,274</u>

### Utility Services Income

Providing electrical service, gas connections, compressed air, water, steam and drains to exhibitors continues to be one of the Congress Center's most rewarding operations, representing one quarter of all self-generated revenues. Significantly, a NET INCOME of 76% was realized through the utility services operation.

In addition to generating income, providing in-house utility service 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 1984-85</u>	<u>FY 1985-86</u>
GROSS INCOME	\$2,005,971	\$2,805,339
EXPENSE		
Labor	\$ 237,364	\$ 545,082
Materials & Supplies	95,238	126,240
<b>TOTAL EXPENSE</b>	<u>\$ 332,602</u>	<u>\$ 671,322</u>
<b>NET PROFIT</b>	<u>\$1,673,369</u>	<u>\$2,134,017</u>



# Food Services Income



GWCC Food Services, operated by MGR, Inc., provides all food and beverage service in the World Congress Center. In addition to the elegant Terraces Restaurant, over a dozen permanent facilities and countless portable buffets, bars and concessions set-up for major events, MGR specializes in receptions, banquets and special events for groups ranging from 20 to 15,000 persons.

FY 1985/86 was indeed a phenomenal year for Food Services. Total sales increased by 59% while expenses grew only 32% yielding a 153% increase in revenues to the World Congress Center.

MGR's performance was not unexpected. The extremely heavy show schedule, which raised all revenue sources, coupled with a once in a lifetime Coca-Cola Centennial, boosted sales to unprecedented and possibly never-to-be-repeated levels.

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



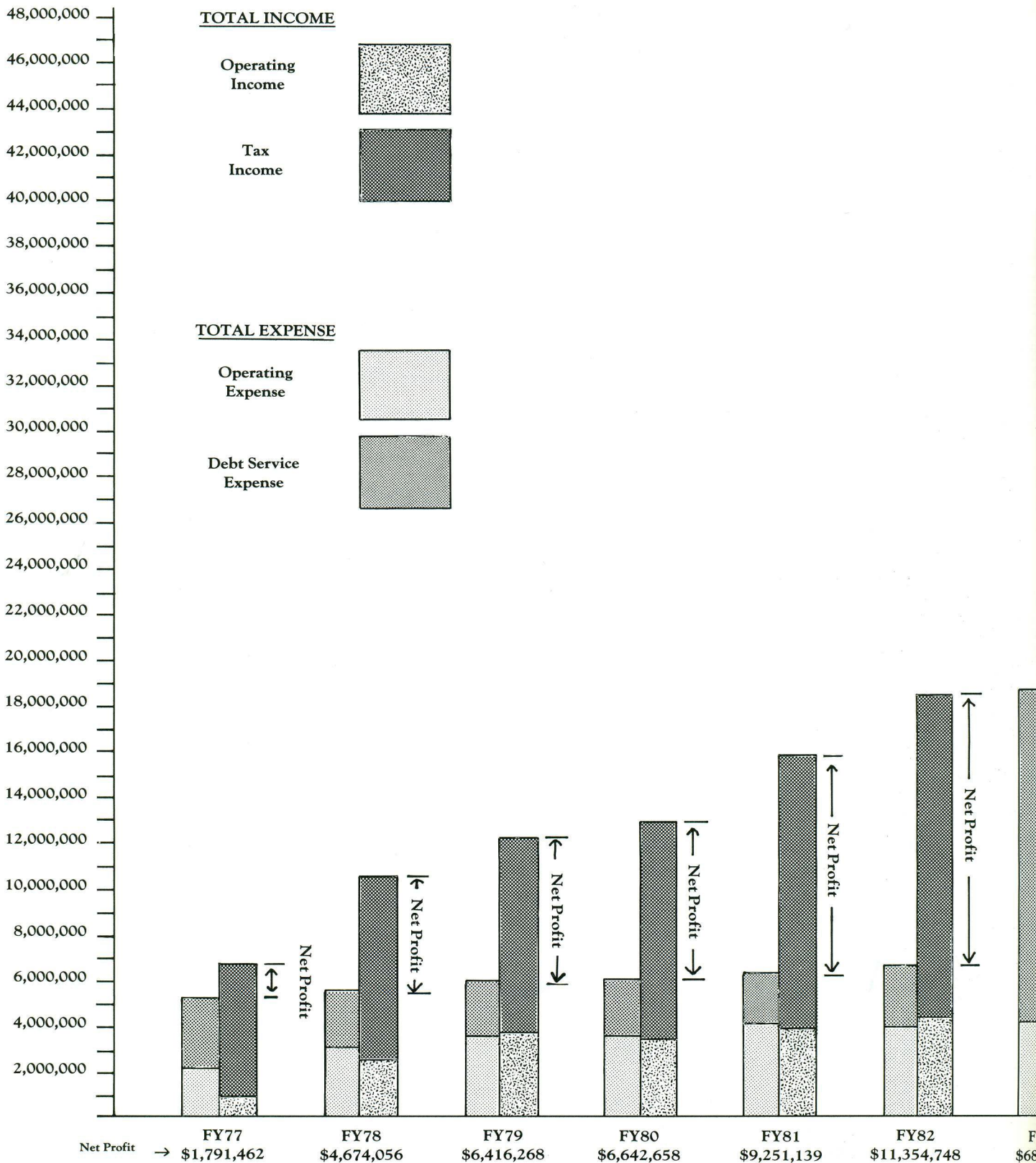
*MGR, Inc. continues to offer a variety of food services through its catering department. Pictured is a 2,000-seat banquet for the American Osteopathic Association.*

<u>INCOME</u>	<u>FY 1984-85</u>	<u>FY 1985-86</u>
Food Sales	\$3,485,581	\$5,485,256
Beverage Sales	667,141	1,154,084
Miscellaneous	99,192	116,301
<b>TOTAL INCOME</b>	<u>\$4,251,914</u>	<u>\$6,755,641</u>
 <b><u>EXPENDITURES:</u></b>		
Cost of Sales (Product)	\$1,131,490	\$1,642,301
Wages, Salaries & Related	1,442,514	1,773,409
Other Operating Expense	808,145	1,045,192
<b>TOTAL EXPENSE</b>	<u>\$3,382,149</u>	<u>\$4,460,902</u>
 <b><u>NET INCOME</u></b>	 <u>\$ 869,765</u>	 <u>\$2,294,739</u>
 <b><u>DIVISION OF NET INCOME</u></b>		
MGR, Inc.	\$ 61,977	\$ 254,474
Georgia World Congress Center	807,788	2,040,265
	<u>\$ 869,765</u>	<u>\$2,294,739</u>

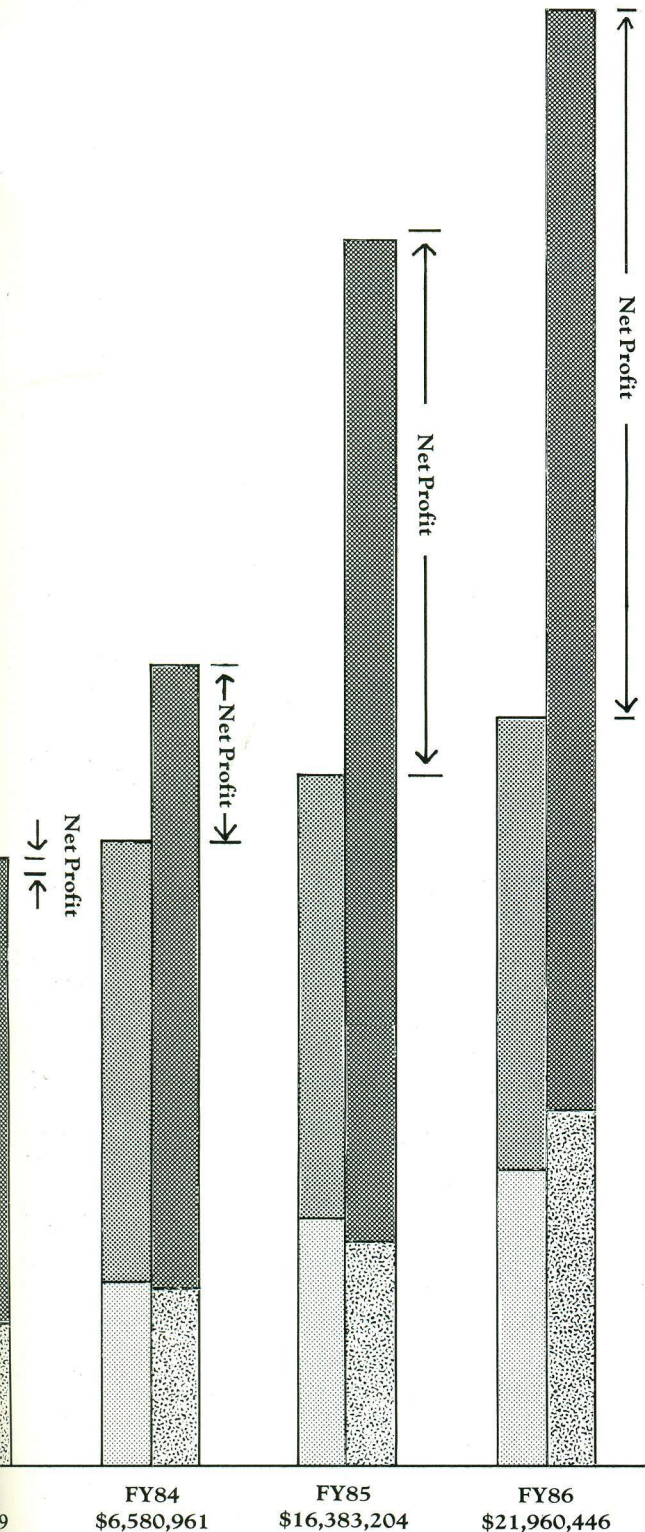




# State of Georgia Economic Benefits Summary







In essence, the Georgia World Congress Center is in the business of "importing" dollars. Our primary objective is to host national and international trade shows and conventions attracting delegates and exhibitors who contribute to the local economy by spending new money. This audience spends money for lodging, food, transportation, entertainment, shopping and other services during their stay in Georgia. In addition to generating literally hundreds of millions of dollars each year, convention and exhibition activity supports thousands of jobs in private businesses within the hospitality industry.

This exhibit goes beyond operational figures to include the State of Georgia's annual investment and tax benefits resulting from World Congress Center activity. Only through understanding this very real net profit or loss from the State's "ownership perspective," can one fully understand the significance of World Congress Center activities.

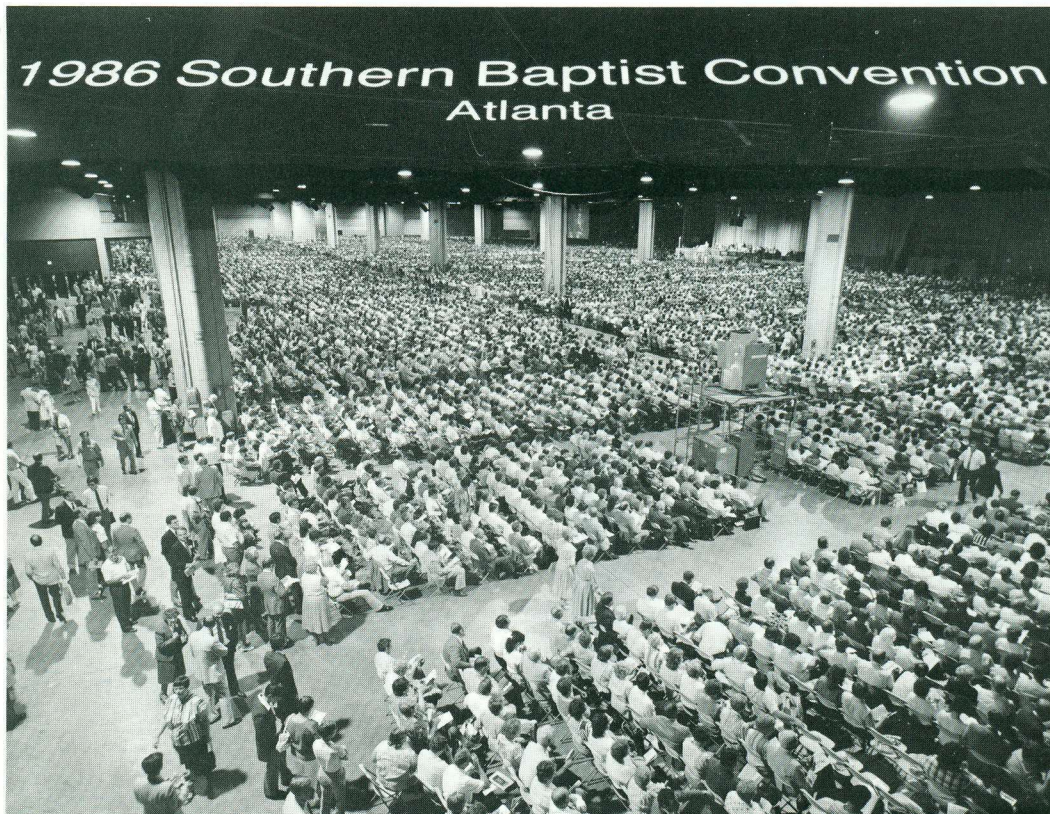
**EXHIBIT B**





## Economic Impact of the Georgia World Congress Center Fiscal Year 1986

<u>CATEGORY</u>	<u>WORLD CONGRESS CENTER ACTIVITY "NEW DOLLAR IMPACT"</u>	<u>SECONDARY IMPACT</u>	<u>TOTAL ECONOMIC IMPACT</u>
Personal Income	\$ 77,053,680	\$174,811,349	\$251,865,029
Retail Sales	<u>335,016,000</u>	<u>97,154,640</u>	<u>432,170,640</u>
TOTAL DOLLARS	\$412,069,680	\$271,965,989	\$684,035,669
Employment	4,740	7,732	12,472
TAXES:			
Retail Sales	\$ 16,750,800	\$ 4,857,732	\$ 21,608,532
Concessions	276,875	—	276,875
Hotel/Motel	5,972,774	—	5,972,774
Personal Income	1,636,423	3,866,827	5,503,250
Corporate Income	<u>356,423</u>	<u>866,619</u>	<u>1,223,042</u>
TOTAL TAXES	<u>\$ 24,993,295</u>	<u>\$ 9,591,178</u>	<u>\$ 34,584,473</u>



*Fiscal year 1985-86 was a record year for the number of large gatherings held in the GWCC. In June, over 40,000 attended the Southern Baptist Convention.*



# Five Year Summary



## Event Attendance

During 1985/86, over one million people attended some 55 trade shows and conventions, eleven large public expositions and literally hundreds of small meetings and food functions. Of this total, 593,740 were out-of-town visitors, a significant 14% increase over the preceding year.

Some of the more populous gatherings attracting out-of-town visitors were the National Fancy Food and Confection Show; National Baptist Convention;

Bobbin Show/AAMA Convention; The Super Show, sponsored by Sporting Goods Manufacturer's Association; Comdex; Southern Baptist Conference; International Poultry and Egg Association; World of Concrete; and American College of Cardiology.

Major consumer and public shows included boat, automobile and home shows as well as the Atlanta Area Council Boy Scouts of America Annual Scout Show.

	<u>FY 1981-82</u>	<u>FY 1982-83</u>	<u>FY 1983-84</u>	<u>FY 1984-85</u>	<u>FY 1985-86</u>
ATTENDANCE	794,814	794,557	827,320	1,066,641	1,091,708
"OUT-OF-TOWN" ATTENDANCE	356,879	360,717	423,180	520,300	593,740
TOTAL DAILY ATTENDANCE	1,954,671	1,966,887	2,202,655	2,757,616	3,021,363

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

## Economic Impact

<u>ECONOMIC IMPACT:</u>	<u>FY 1981-82</u>	<u>FY 1982-83</u>	<u>FY 1983-84</u>	<u>FY 1984-85</u>	<u>FY 1985-86</u>
"New Dollars" Generated	\$243,014,243	\$255,439,887	\$298,946,340	\$367,703,998	\$412,069,680
Total Impact of New Dollars	400,264,002	424,137,931	496,377,790	610,544,682	684,035,669
<u>TAX REVENUES:</u>					
Georgia State Taxes	13,945,866	14,737,312	20,774,190	25,552,254	28,611,699
Atlanta Hotel-Motel Tax	<u>2,938,052</u>	<u>3,088,279</u>	<u>4,517,340</u>	<u>5,556,328</u>	<u>5,972,774</u>
Total Tax Revenues	<u>\$ 16,883,918</u>	<u>\$ 17,825,591</u>	<u>\$ 25,291,530</u>	<u>\$ 31,108,582</u>	<u>\$ 34,584,473</u>



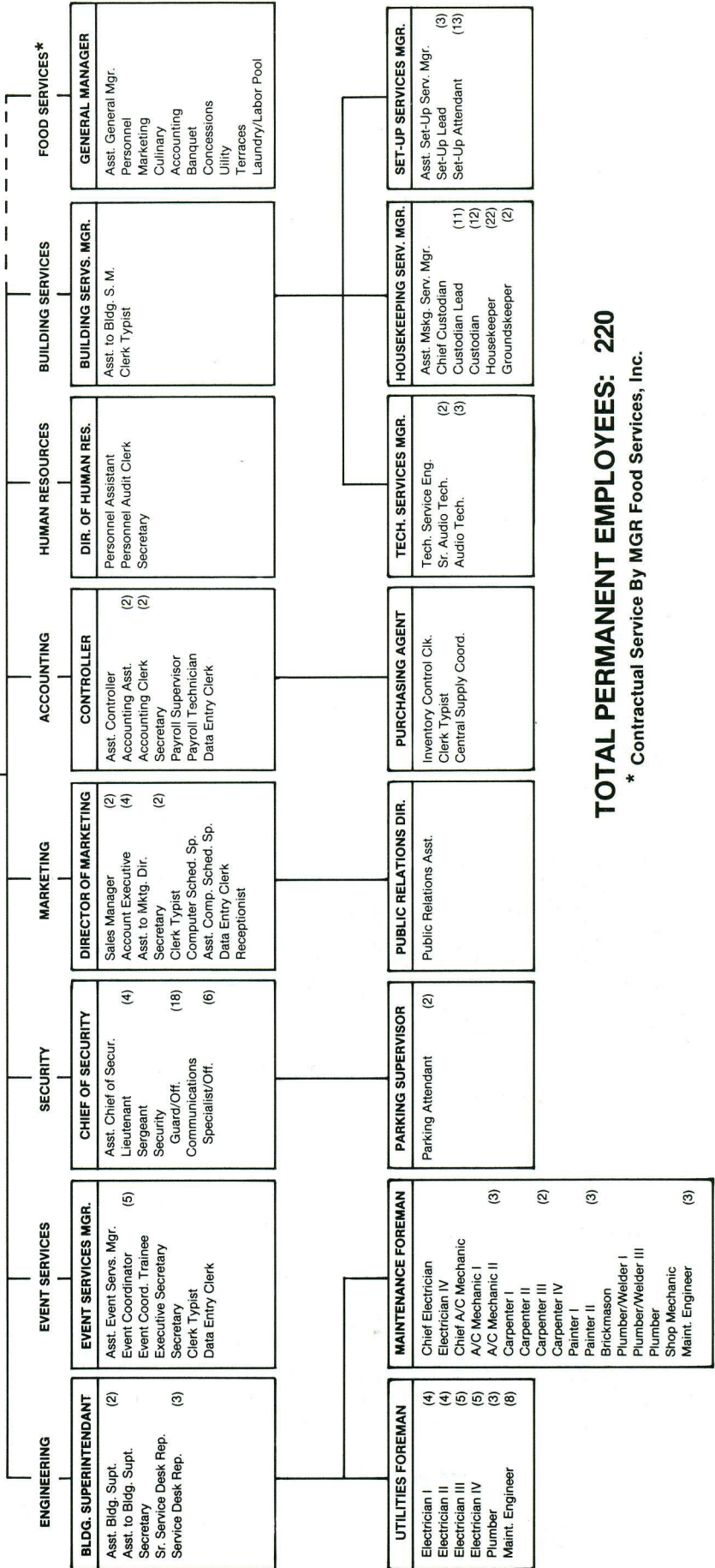
# Georgia World Congress Center Functional Flow Chart

EXHIBIT C

## GEORGIA WORLD CONGRESS CENTER AUTHORITY

### ADMINISTRATION

<b>EXECUTIVE DIRECTOR</b>
Assistant Director Assistant Director-Administration Administrative Assistant Executive Secretary (2) Secretary Information Coordinator Tourism Information Coordinator



**TOTAL PERMANENT EMPLOYEES: 220**

\* Contractual Service By MGR Food Services, Inc.





As of June 30, 1986 the Georgia World Congress Center had 220 authorized full-time positions, of which 199 were filled, leaving 21 positions to reach full strength. In addition, during the year the Congress Center utilized 120,623 man-hours of part-time labor, equivalent to approximately 58 full-time personnel at 40 hours per week.

Now that the expanded facility is in full operation, Human Resources personnel and management are in the process of fine tuning policies and procedures and professional development for our growing staff. Two of our operating departments have been reorganized, which will provide state-of-the-art service to our clients while providing career development for employees.

The Communications Department was reorganized and retitled Technical Services due to the growth of its capabilities. These

professionals are capable of handling a wide range of production requirements and complex audio/visual needs of clients.

The Event Services Department has added an Assistant Manager and has restructured the way events are coordinated. This new concept has assisted in the overall quality of service to clients and provided an enhanced opportunity for career advancement for employees.

Emphasis on professional development is an on-going process for our management staff which will result in low turnover, dedicated service and ensure the effectiveness of our organization within the industry.

Exhibit C is an organizational chart depicting the functional flow of the organization.



*Over 1,216 full and part-time employees were needed to carry out the final plans for a successful Coca-Cola Centennial.*





## Labor Force Analysis and Affirmative Action

### ANALYSIS OF CURRENT GEORGIA WORLD CONGRESS CENTER WORK FORCE

	<u>MALE</u>		<u>FEMALE</u>	
	<u>CAUCASIAN</u>	<u>MINORITY</u>	<u>CAUCASIAN</u>	<u>MINORITY</u>
Number	67	72	33	27
Percentage	34%	36%	16%	14%

The long-range goal of the World Congress Center's Affirmative Action Program is to achieve parity with the Metropolitan Atlanta Area Labor Force in each occupational category and at various levels within each category.

### 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 Resource Information 1980  
State Department of Labor

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

Officials and Administrators  
Professionals  
Protective Services  
Office and Clerical  
Skilled Craft  
Building Services Maintenance



# Georgia World Congress Center Authority



## BOARD OF GOVERNORS

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Atlanta, Georgia

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Chief Executive Officer  
The Central Bank  
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Area Supervisor  
ITT Rayonier  
Eastman, Georgia

### **Don W. Sands**

President and Chief Executive Officer  
Goldkist  
Atlanta, Georgia

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Macon, Georgia

### **Representative Lauren McDonald**

District 12  
Commerce, Georgia

### **Representative Thomas Triplett**

District 128  
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