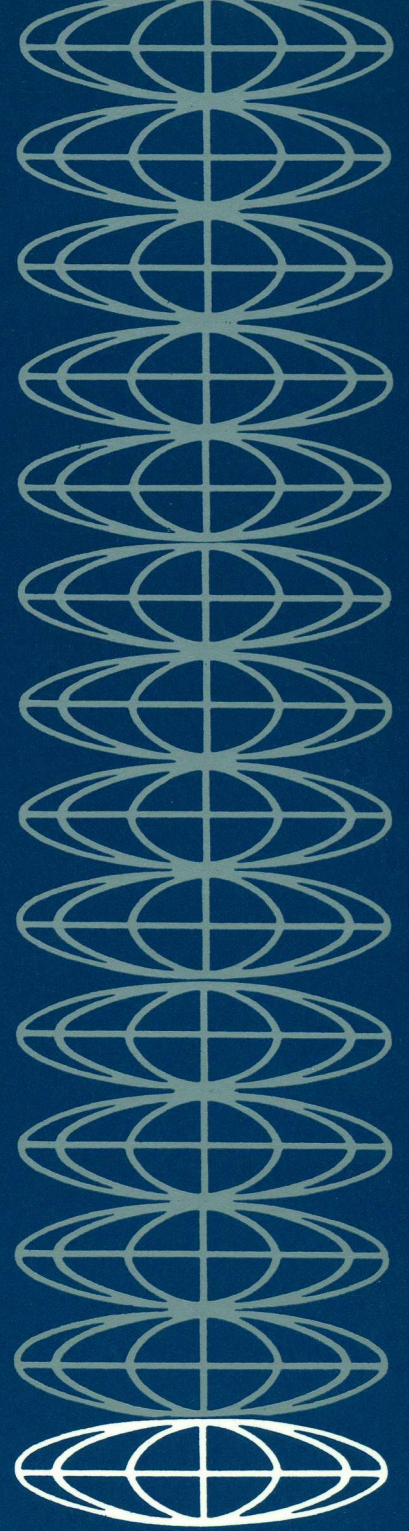


ANNUAL
REPORT
88



GEORGIA
WORLD
CONGRESS
CENTER



TABLE OF CONTENTS

Director's Report	2
Financial Analysis	4
Statement of Income and Expenditures	5
Rental and Exhibit Utility Services Income	6
Food Services Income	7
State of Georgia Economics Benefit Summary	8
Economic Impact of Georgia World Congress Center—Fiscal Year 1987-88 Five Year Summary of Economic Impact	10
Event Attendance	11
Staffing	15
Labor Force Analysis and Affirmative Action	15
GWCC Authority Board of Governors/Legislative Overview Committee	16

EXHIBITS

A. State of Georgia Economic Benefits Graph	8
B. GWCC Sales Graph	12
C. GWCC Functional Flow Chart	14

DIRECTOR'S REPORT

Fiscal year 1987-88 may best be remembered by Atlanta and particularly members of the hospitality industry as the year we geared up for *the* convention. After a 56-member Democratic National Committee chose Atlanta over four competing cities as the site for the 1988 Democratic National Convention, the city and state instantly started planning ways to ready Atlanta for its first national political convention.

The convention is expected to bring 35,000 visitors, between \$40 million and \$60 million in spending and the limelight of international press coverage. While the actual assembly will be held in the Omni Coliseum July 18-21, the Georgia World Congress Center will play host to 15,000 journalists and thousands of other invited guests. Three of the exhibit halls will be utilized for media workspace and the remainder of the facility will be used in an ancillary capacity for general overflow from the convention floor. The presence of the world's press corps in Atlanta will give the city an unprecedented opportunity to increase its exposure around the globe.

The Georgia World Congress Center continues to gain exposure throughout the nation as an innovative leader in the convention/trade show industry. This success is reflected by our consistent occupancy and rebooking rates. The Congress Center is booked at 95% of its practical maximum occupancy for the next five years. Over the next decade, occupancy rates are in excess of 90%.

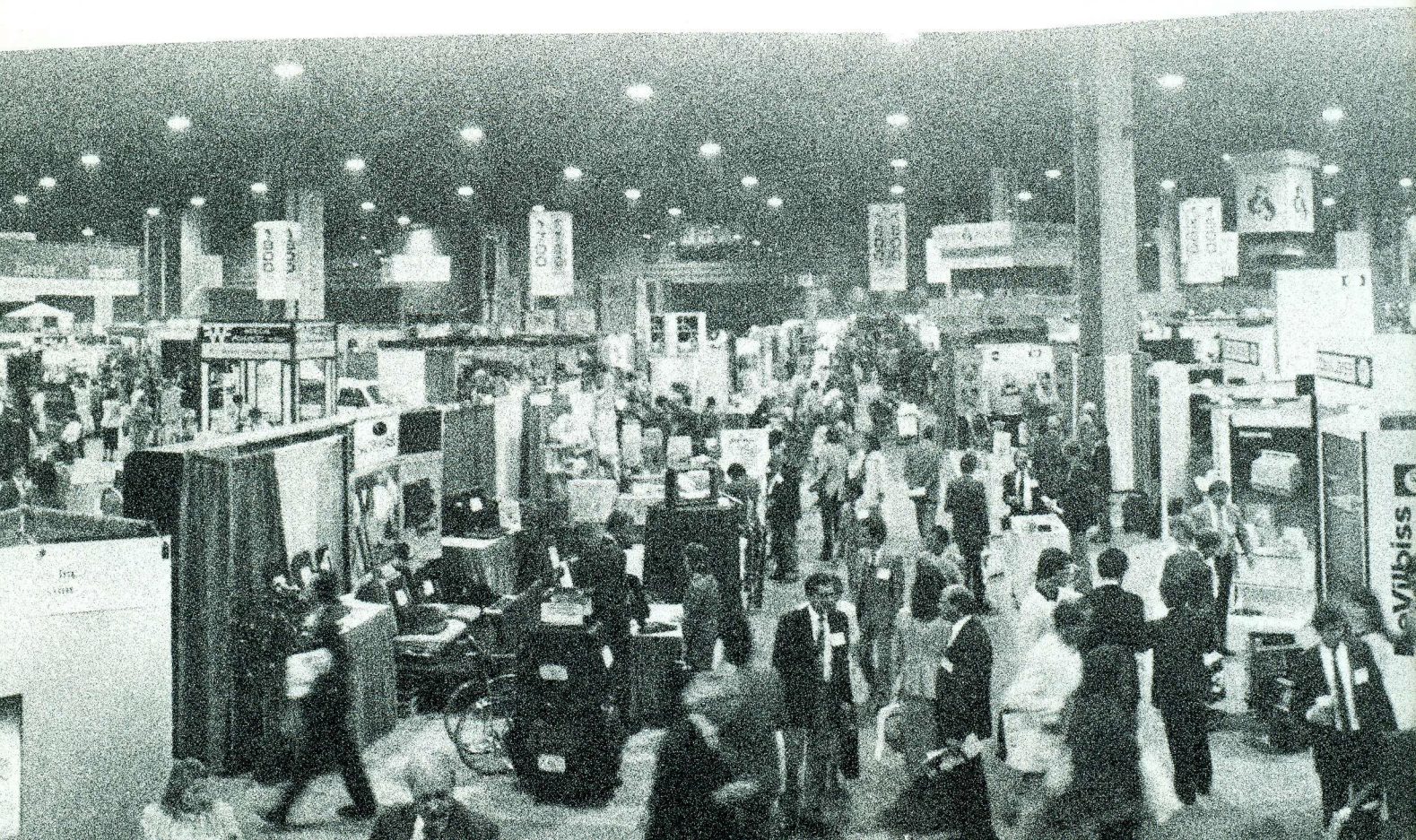
An unsurpassed number of out-of-town visitors attending events in the Georgia World Congress Center resulted in a tremendous economic impact and generated millions of tax dollars for the State of Georgia. In total, over 1.6 million persons attended activities in the World Congress Center. This represents a 7% increase in attendance over the previous year. Of this number, 577,275 were out-of-town visitors who spent over \$525 million, creating an economic impact of over \$871 million and injecting over \$50 million in new tax revenues.

Such evidence is what has fueled the Georgia World Congress Center to proceed with requests for another expansion. In February, The Georgia General

Assembly appropriated \$18 million for land acquisition and design development for the second expansion. Approximately 30 acres of land will be purchased for expanded exhibition space, truck marshalling areas, parking and future expansion developments. The expansion will add approximately 300,000 square feet of exhibition space and will be connected to the three existing exhibit halls in the west building.

When the legislature convenes in 1989, we will request construction funds and if approved, construction on expansion facilities will begin in spring 1989 and be completed by fall of 1991. This expansion will position the Congress Center as the second largest convention/trade show facility in the nation.

More importantly, we will not risk losing our competitive position if expansion is completed in the early 1990s. Two of the Congress Center's largest trade shows have already outgrown our 1.8 million square foot facility. In addition, approximately ten events which are currently booked in the Center have expressed interest in using the expanded



space. Expansion will allow these shows to continue returning to Atlanta and the Congress Center is projected to attract an additional 200,000 visitors each year. Estimated delegate and exhibitor spending attributable to expansion is over \$234 million in 1992. Additional tax revenues from expansion are expected to total \$14 million.

Another project on the horizon is the Georgia Dome, a multi-purpose facility spear-headed by the Georgia Stadium Corporation, which has been responsible for marketing executive suites and club level seats in the proposed domed stadium. Charged with raising 70% of the estimated \$158 million project, Dome officials began their pre-leasing campaign in October by opening an office in the Georgia World Congress Center. Subsequently in March, the Georgia General Assembly appropriated funds for the purchase of land and included in the supplemental budget \$2.8 million to provide for the first year's debt service on the public sector's portion of industrial development bonds required to finance construction of the stadium. In addition, legislation was

approved allowing the World Congress Center Authority to issue such revenue bonds. If the private sector financial package is successfully completed, the 72,000-seat stadium will be built adjacent to and managed by the World Congress Center. It will serve as an important adjunct to our convention center allowing Atlanta to attract major sporting events such as the NCAA tournament and bowl games, as well as large religious conferences, concerts and perhaps even the Olympic Games.

Looking to the future, the potential for further development in the convention and trade show industry appears tremendous for Atlanta, which has established itself as a business and transportation center. With the world's busiest airport averaging 2,200 daily departures, Atlanta's accessibility will continue to be an important key to the city's growth. The addition of MARTA's rapid rail line to Hartsfield International Airport in June makes Atlanta one of a few cities in the country to link the city with the airport via this type of transportation system.

Above-average industry growth nationwide is another factor that contributes to Georgia's success as a convention destination. Findings indicate that exhibit space requirements for trade shows grew 5.8% in 1987. Moreover, the number of exhibiting companies increased 7.2% and professional attendance rose 7%. A Laventhol & Horwath report concludes that the demand for exhibition space at primary convention centers is growing at an average annual rate of 10%.

Fiscal year 1987-88 was indeed a most successful year highlighted by record business activity and continued development toward exciting new horizons. We sincerely appreciate the continued support of the Georgia General Assembly, State and local officials and the business community throughout the State of Georgia.



Dan Graveline



FINANCIAL ANALYSIS

We are pleased to report the Georgia World Congress Center continues to be a sound investment for the State of Georgia, requiring **no state appropriation** for operation.

During fiscal year 1987/88, the World Congress Center generated \$12,817,143 from various revenue producing activities. This was up 16% over the previous year. Net operating profit for the World Congress Center was \$1.3 million and was achieved primarily from healthy trade show growth, gaining more corporate business and booking additional consumer shows.

On another positive note, rent, utility services and food service income all increased over the previous year and exceeded projections by 23%. Rental and exhibit utility services income both increased 10% over last year and food service income escalated a phenomenal 45% over fiscal year 1986/87. Parking revenue, which constitutes a small portion of total income, also increased, rising 39% over the previous year.

In addition to regular operating income, \$2,800,000 is shown on the statement page beside State of Georgia. This represents part of the public sector commitment for funding the Georgia Dome. It should be noted that this is a non-operating account through which money was directly appropriated from the State of Georgia. Hotel/Motel sales tax also falls under non-operating revenue. During fiscal year 1987/88, the hotel/motel tax doubled from 3% to 6% to enable Atlanta to host the Democratic National Convention and to increase income for the Atlanta Convention and Visitors Bureau. Non-operating income from hotel/motel taxes corresponds directly to non-operating expenditures. The Georgia World Congress Center merely acts as a "conduit" for hotel/motel tax funds.

Overall operating expenses were within .04% of budget projections, with an increase of 6% over last year. Personal services, which account for 62% of total operating expenditures, rose 11% over fiscal year 1986/87. This increase can be attributed to new staffing and normal payroll increases.

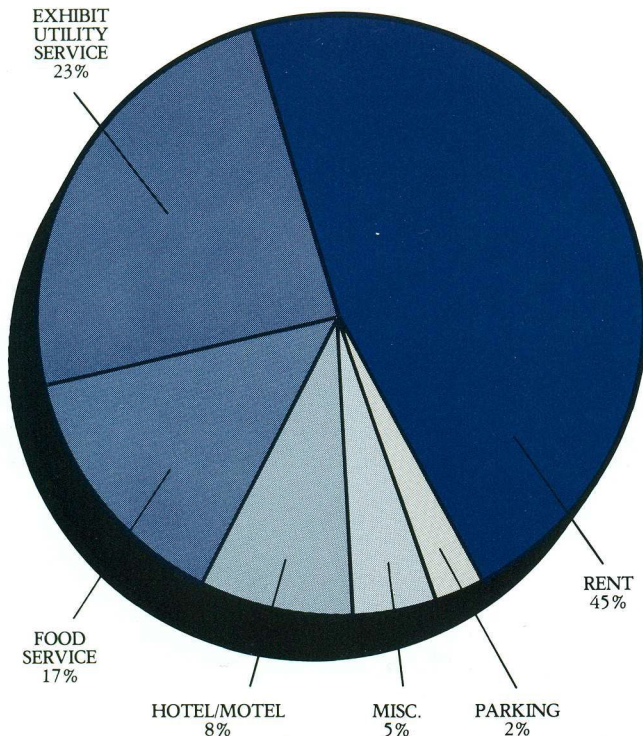
Regular operating expenses decreased over the previous year. Unlike fiscal year 1986/87, the World Congress Center did not have the extra cost of materials and supplies associated with expansion. In addition, regular operating expenses decreased because of energy conservation programs implemented two years ago.

During the past year, the World Congress Center continued its energy management program with Georgia Power Company. Under this program, special rates are established for "off peak" power consumption which when carefully monitored results in substantial savings. Even though energy consumption was high due to increased exhibit hall usage and record-breaking temperatures, actual costs under this program were nearly \$300,000 below original budget estimates.

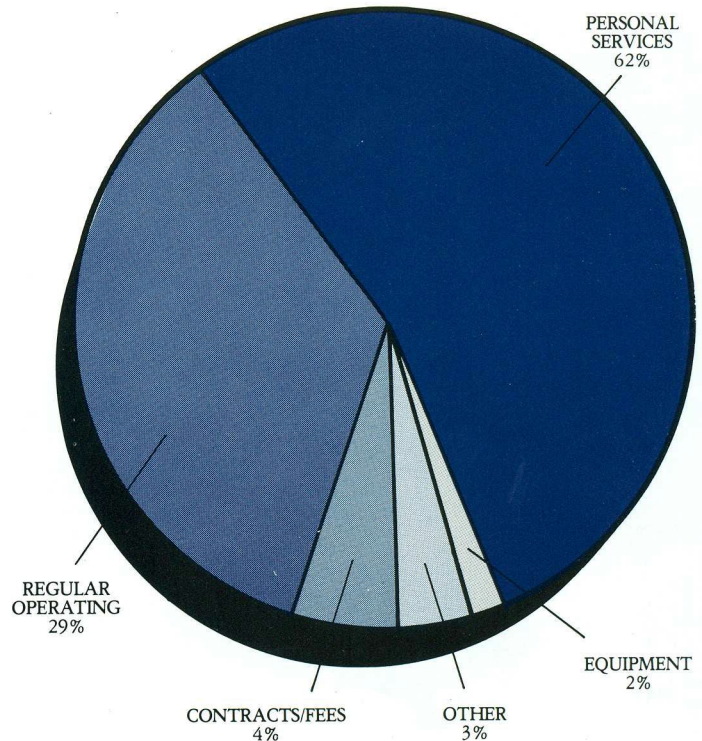
"Other" expenses are categorized by computer and telecommunication costs, as well as leases on equipment, travel and printing expenses.

4

INCOME



EXPENSES



STATEMENT OF INCOME AND EXPENDITURES

INCOME	FY 1986-87	FY 1987-88
Beginning Adjusted Balance	\$ 881,443	\$ 1,091,732
Rent	5,215,994	5,748,529
Exhibit Utility Services	2,628,009	2,893,128
Food Service (MGR)	1,485,834	2,149,147
Parking	240,428	334,489
Hotel/Motel Tax (GWCC)	931,271	1,011,708
Miscellaneous	528,122	680,142
SUB-TOTAL	\$11,029,658	\$12,817,143
State of Georgia	- 0 -	2,800,000
Hotel/Motel Tax (ACVB/ATL88)	2,172,965	9,257,207
Special Projects	191,833	- 0 -
TOTAL	\$13,394,456	\$24,874,350
EXPENDITURES:		
Personal Services	\$ 6,404,264	\$ 7,095,843
Regular Operating	3,527,657	3,305,000
Equipment	123,299	290,321
Contracts/Fees	448,892	409,337
Other	299,756	367,471
SUB-TOTAL	\$10,803,868	\$11,467,972
Special Projects	167,492	2,826,212
Hotel/Motel Tax (ACVB/ATL88)	2,172,965	9,257,207
TOTAL	\$13,144,325	\$23,551,391
NET PROFIT	\$ 250,131	\$ 1,322,959
RESERVE FUNDS	- 0 -	1,730,000
FUND BALANCE	\$ 1,131,574	\$ 684,691

RENTAL INCOME

Building rental income, which totaled over five million dollars, represented 45% of the Center's total operating revenue. A large portion of this revenue came from exhibit hall rental which accounted for 83% of all rental income. Rental of the six exhibition halls showed an 8% increase over the previous year.

In addition to exhibition space

rental, meeting room rental represented 13% of total rental income. The World Congress Center features a 33,000 square foot Ballroom, an Auditorium that seats 1,976 and 70 meeting rooms which offer more than 215,000 square feet of meeting space in the east and west concourses.

In most instances, meeting rooms are utilized in conjunction with exhibit hall events. Further-

more, they can be used separately for conferences, exams, receptions, fashion shows, banquets and special events.

Miscellaneous rent, representing 4% of rental income, was generated from the guest service areas in the Entrance Concourse, equipment rental and permanent displays in Georgia Hall.

	FY 1986-87	FY 1987-88
Exhibit Hall Rent	\$4,400,567	\$4,741,266
Meeting Rooms/Ballroom Auditorium/Conference Center	611,970	757,833
Miscellaneous Rent	203,457	249,430
TOTAL RENT	\$5,215,994	\$5,748,529

6 UTILITY SERVICES INCOME

Revenues from utility services continue to be very profitable for the World Congress Center. In fact, over the past several years, the revenues generated from utility services have amounted to almost one-

third of the total income each year. During FY 1987/88, utility services operation realized a net income of 76% before allocation of overhead.

Providing in-house electrical service, gas, compressed air, steam

and drains continues to be extremely helpful in maintaining a reputation as a facility free from exhibitor installation problems. Also, it ensures that exhibitors will receive the most efficient service possible.

	FY 1986-87	FY 1987-88
GROSS INCOME	\$2,628,009	\$2,893,128
EXPENSE		
Labor	\$ 539,665	\$ 503,675
Materials & Supplies	167,899	188,053
TOTAL EXPENSE	\$ 707,564	\$ 691,728
NET PROFIT	\$1,920,445	\$2,201,400

FOOD SERVICES INCOME

Georgia World Congress Center Food Services, operated by MGR, Inc., provide all food and beverage service in the World Congress Center. In addition to the elegant full-service Terraces Restaurant, over a dozen permanent facilities and countless portable buffets, bars and concession stands are available for major events. MGR specializes in receptions, banquets and special events for groups ranging from 20 to 7,000 persons.

Fiscal year 1987/88 was a year of continued substantial growth for MGR. This year, MGR concentrated heavily on marketing to local corpor-

ate groups and increasing their sales effort in the peripheral market of trade show exhibitors. These efforts enhanced existing sales programs and combined to generate an income level to the World Congress Center in excess of \$2.1 million or 59% over initial projections and 47.6% over last year.

MGR's outstanding reputation for quality of product and service is further enhanced by its position as a trendsetter in the convention industry. MGR prides itself as being unique by offering unexpected niceties within a convention center, such as fresh baked breads and

pastries from its bake shop, bouquets of wild flowers designed by the staff florist, a custom designed "thank you" cake for show management and even the crispest of linens from its in-house laundry. Through these types of programs, MGR is successful in maintaining the best in terms of customer satisfaction and appropriate financial performance.

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.

INCOME	FY 1986-87	FY 1987-88
Food Sales	\$5,377,456	\$6,587,842
Beverage Sales	963,253	1,207,884
Miscellaneous	103,898	156,118
TOTAL INCOME	\$6,444,607	\$7,951,844

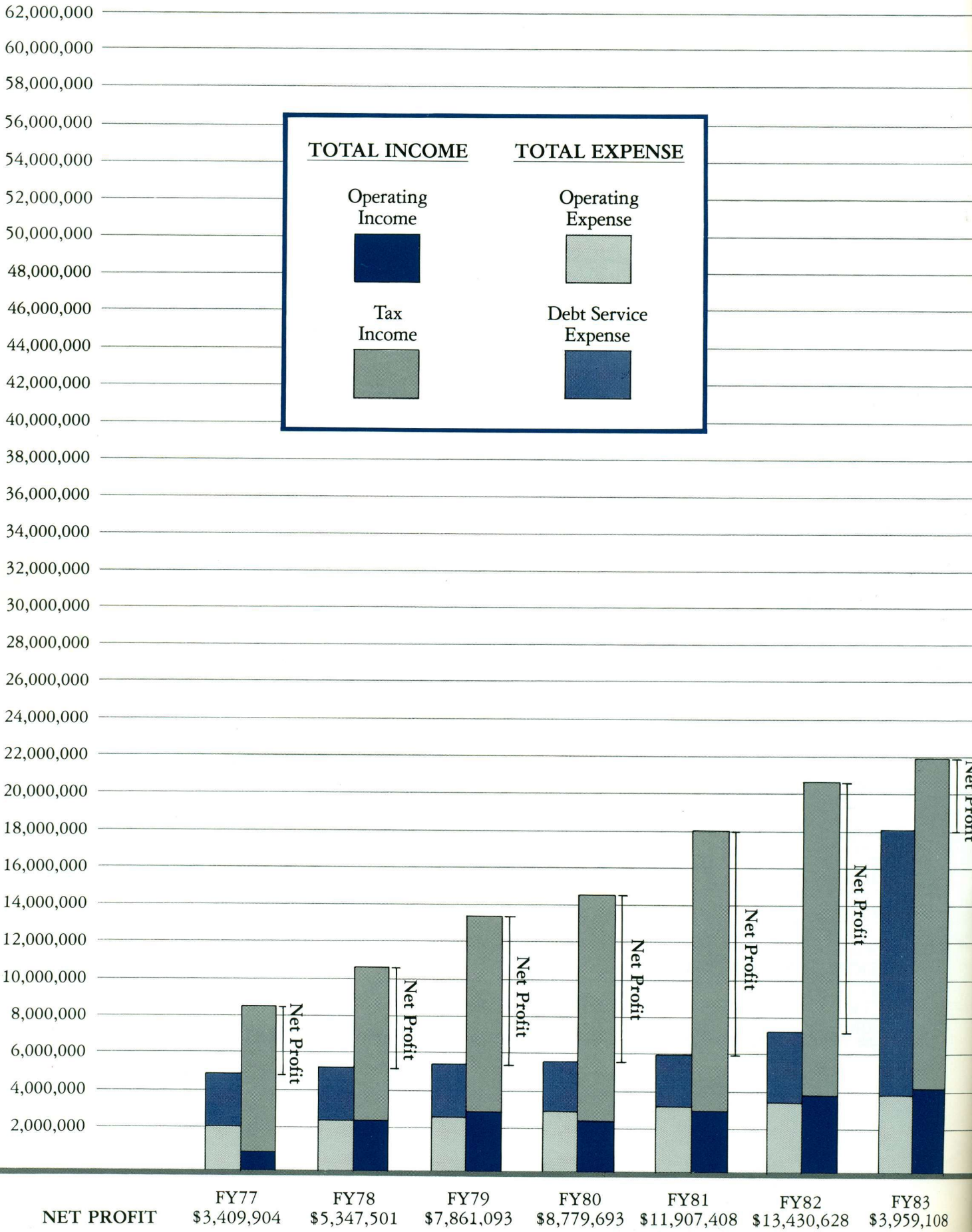
EXPENDITURES

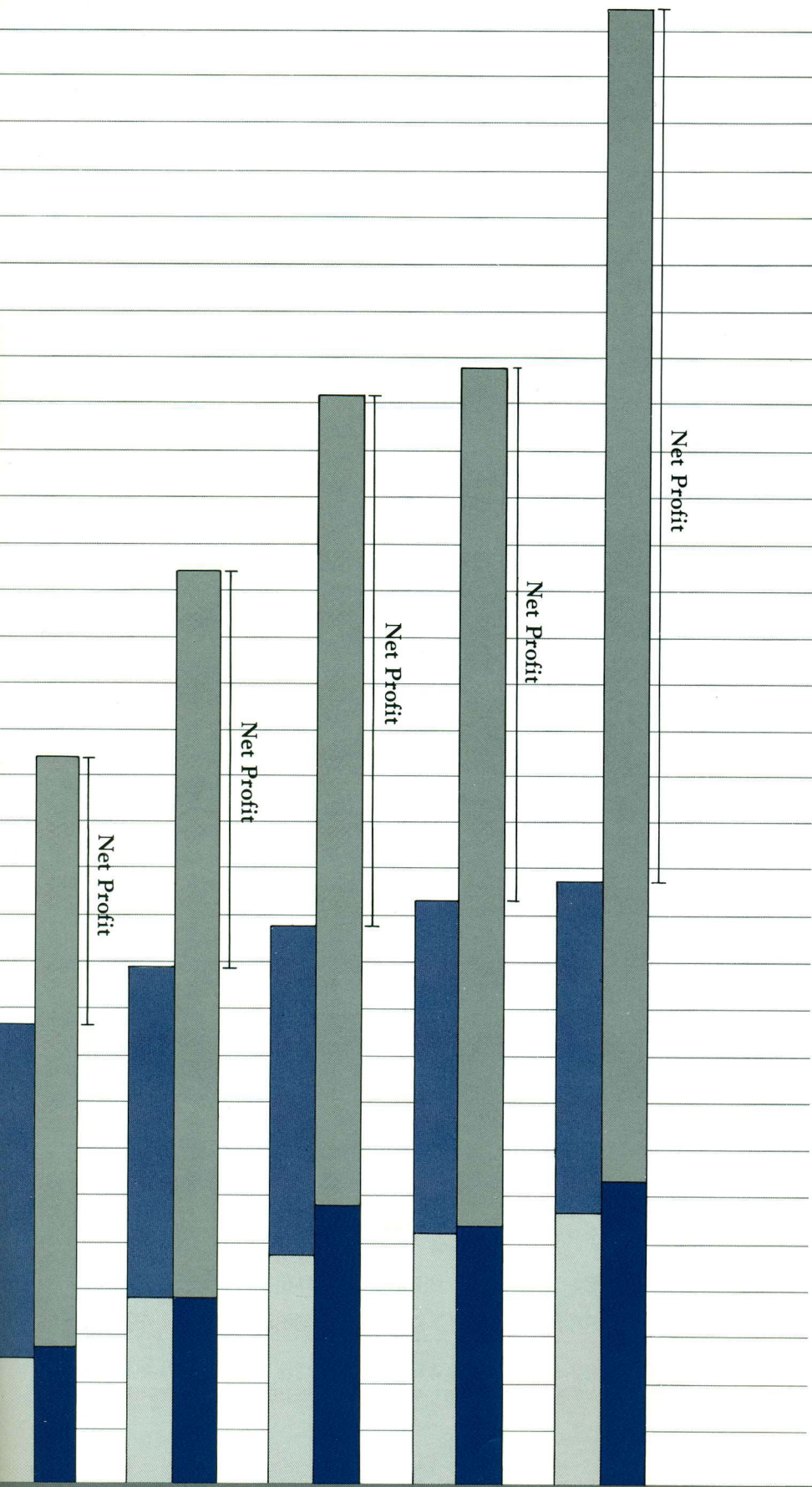
Cost of Sales (Product)	\$1,678,410	\$1,883,273
Wages, Salaries & Related	2,079,235	2,366,924
Other Operating Expense	1,022,529	1,245,533
TOTAL EXPENSE	\$4,780,174	\$5,495,730
NET INCOME	\$1,664,433	\$2,456,114

DIVISION OF NET INCOME

MGR, Inc.	\$ 174,665	\$ 270,611
Georgia World Congress Center	1,489,768	2,185,503
	\$1,664,433	\$2,456,114

STATE OF GEORGIA ECONOMIC BENEFITS SUMMARY





FY84	FY85	FY86	FY87	FY88
\$11,653,301	\$16,983,204	\$22,598,689	\$21,159,806	\$37,214,418

When conventioners come to Atlanta to attend a meeting, convention, trade or consumer show, they contribute to the local economy by spending money on transportation, lodging, food, entertainment, shopping and other services during their stay in Georgia.

By "importing" these new dollars, the Georgia World Congress Center has become a major source of income for both the city and the state.

Most delegates that visit the World Congress Center are likely to stay an average of 4.25 days and spend approximately \$214 each day.

The numbers shown go beyond operation figures to include the State of Georgia's annual investment and tax benefits resulting from World Congress Center activity.

On the following page, you will note the amount of "new dollars" generated increased from \$415 million in FY 1987/88 to \$525 million for the current year. This dollar amount can be attributed to increased delegate spending per day. According to a report recently produced by Laventhol and Horwath, delegate spending has increased and is now estimated to be \$214.00 per delegate per day. In contrast, a figure of only \$145.00 has been used over the past several years to determine delegate spending.

ECONOMIC IMPACT

FISCAL YEAR 1987-1988

Category	World Congress Center Activity "New Dollar" Impact	Secondary Impact	Total Economic Impact
Personal Income	\$ 97,130,849	\$225,343,567	\$322,474,416
Retail Sales	427,900,763	121,177,297	549,078,060
Total Dollars	\$525,031,612	\$346,520,864	\$871,552,476

Employment	6,202	10,109	16,311
------------	-------	--------	--------

Taxes:

Retail Sales	\$ 21,395,038	\$ 6,058,865	\$ 27,453,903
Concessions	256,740	—	256,740
Hotel/Motel	14,425,939	—	14,425,939
Personal Income	2,039,748	4,732,215	6,771,963
Corporate Income	462,133	729,366	1,191,499
Total Taxes	\$ 38,579,598	\$ 11,520,446	\$ 50,100,044

10

FIVE YEAR SUMMARY

Economic Impact	FY 1983-84	FY 1984-85	FY 1985-86	FY 1986-87	FY 1987-88
"New Dollars" Generated	\$298,946,340	\$367,703,998	\$412,069,680	\$415,055,028	\$525,031,612
Total Impact of New Dollars	\$496,377,790	\$610,544,682	\$684,035,669	\$688,991,346	\$871,552,476
Tax Revenues					
Georgia State Taxes	\$ 20,774,190	\$ 25,552,254	\$ 28,611,699	\$ 28,818,271	\$ 35,674,105
Atl. Hotel/Motel Tax	4,517,340	5,556,328	5,972,774	6,208,471	14,425,939
Total Tax Revenue	\$ 25,291,530	\$ 31,108,582	\$ 34,584,473	\$ 35,026,742	\$ 50,100,044

EVENT ATTENDANCE

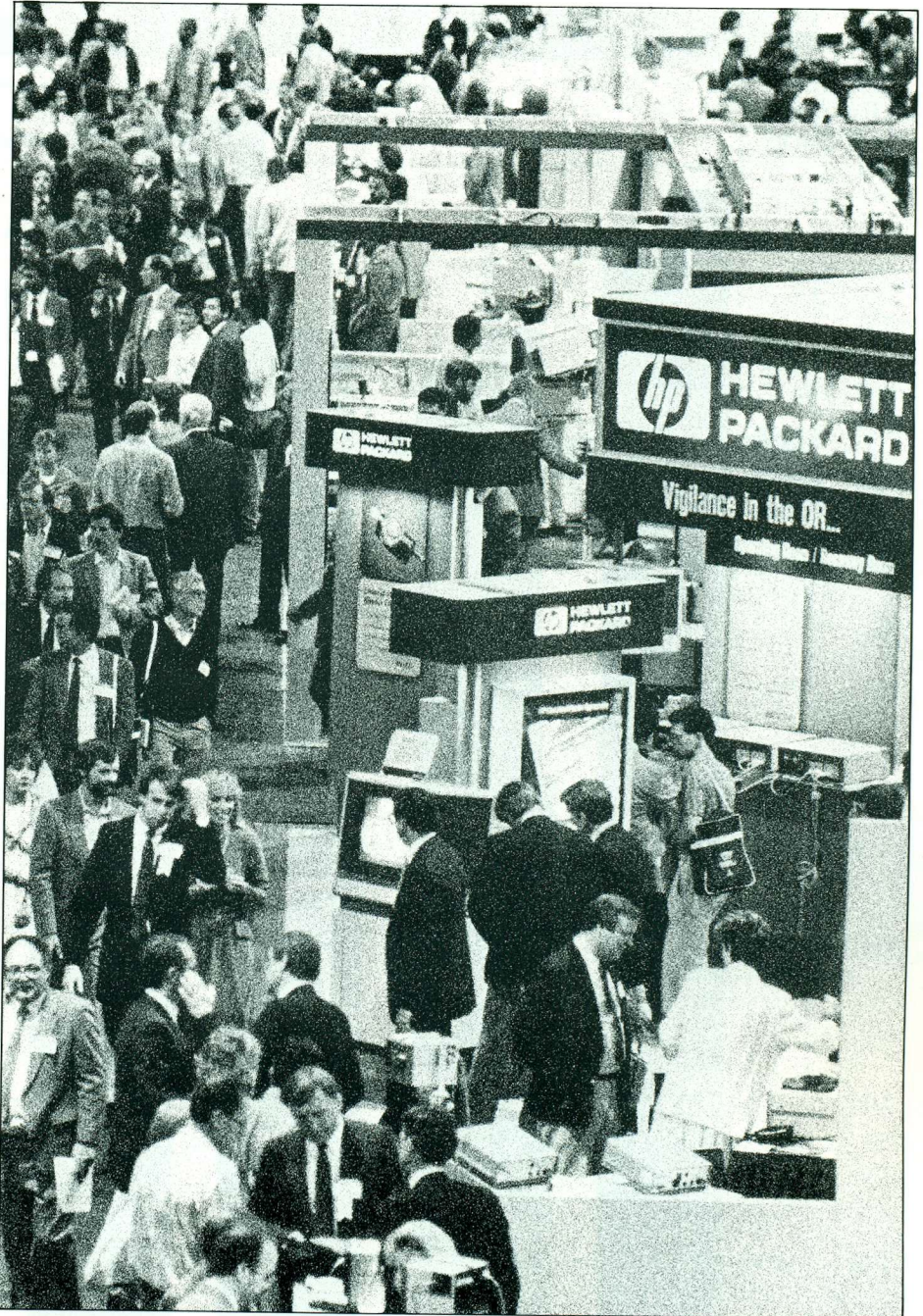
It was a record-breaking year for attendance at the Georgia World Congress Center, increasing 7% over the previous year. In total, 1,622,477 visitors passed through the doors of the World Congress Center. Of this total, 577,275 were out-of-town guests.

Attendance figures represent not only conventioners attending major events, but also visitors attending smaller functions which attract social, cultural and business groups.

During fiscal year 1987/88, 71 major trade shows, conventions and public shows were hosted. In addition, over 480 food functions, smaller seminars and meetings were held in the facility.

A number of events attracted from 20,000 to 80,000 attendees. These include the Elks' 123rd Annual Grand Lodge Convention; Bobbin Show/AAMA Convention; National Home Health Care Show; American Academy of Orthopaedic Surgeons; The Super Show; American College of Cardiology; COMDEX; American Newspaper Publishers Association Technical Exposition and Conference; and International Music and Sound Exposition.

Many of the public expositions drew record crowds also. The Boy Scouts Show on November 21 attracted 86,000 to the Congress Center and the five-day, inaugural International Flower Show boasted over 150,000 in attendance.

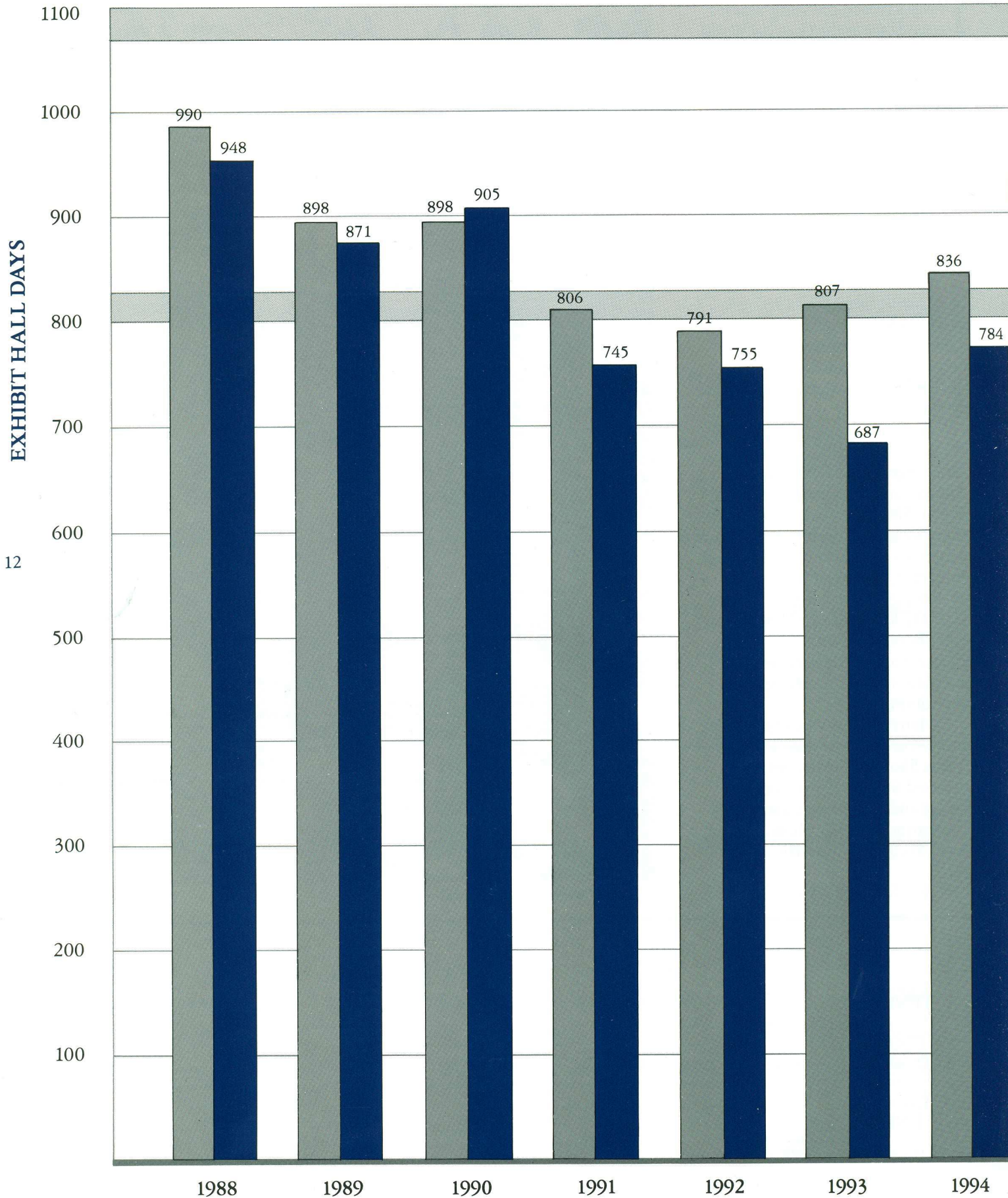


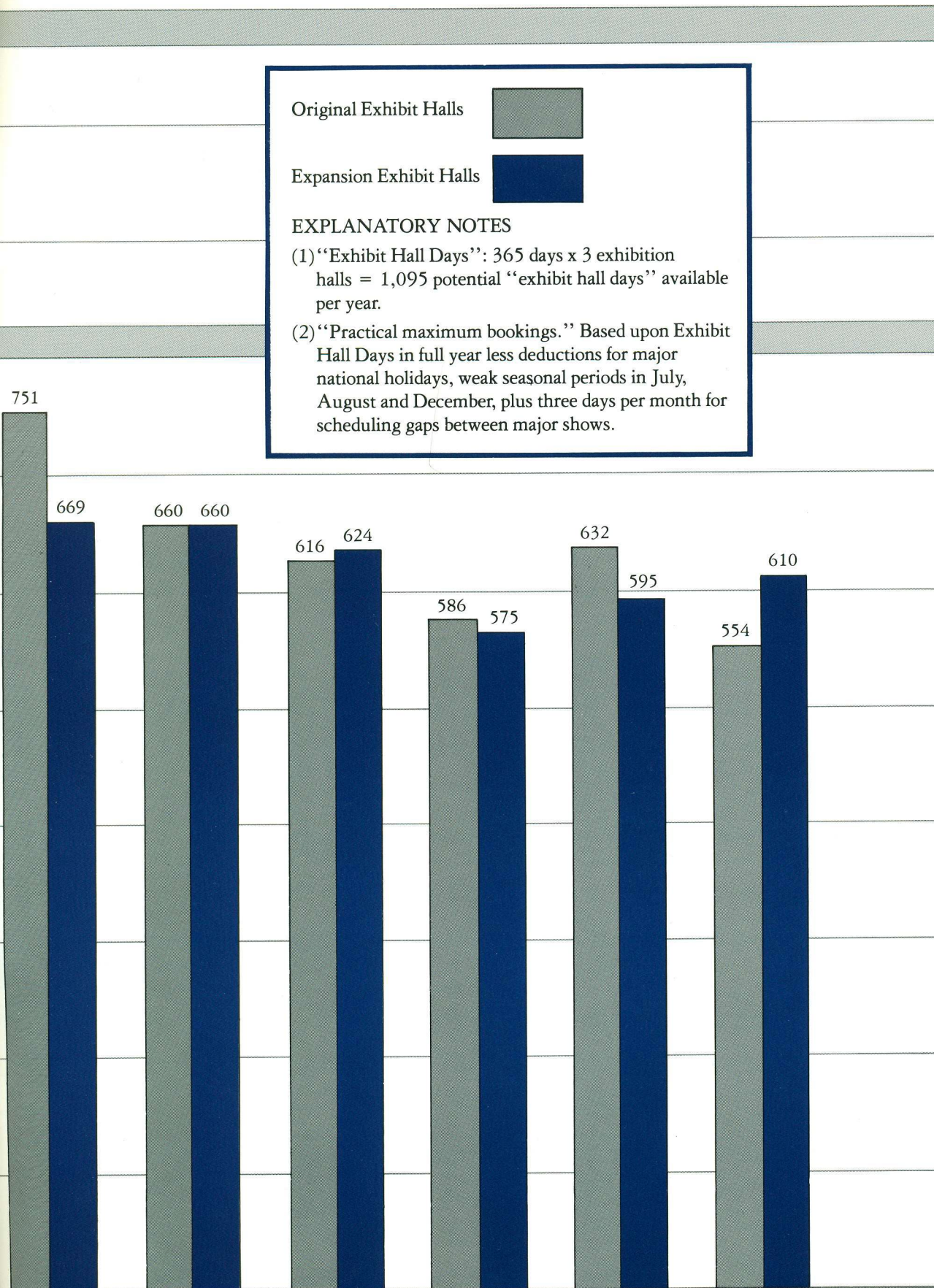
11

	FY 1983-84	FY 1984-85	FY 1985-86	FY 1986-87	FY 1987-88
ATTENDANCE	827,320	1,066,641	1,091,708	1,343,821	1,622,477
"OUT OF TOWN" ATTENDANCE	423,180	520,300	593,740	598,062	577,275
TOTAL DAILY ATTENDANCE	2,202,655	2,757,616	3,021,363	3,287,522	3,498,621

"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.

GWCC SALES GRAPH





1095
ABSOLUTE
MAXIMUM
BOOKINGS

813
PRACTICAL
MAXIMUM
BOOKINGS

GEORGIA WORLD CONGRESS CENTER AUTHORITY



16

BOARD OF GOVERNORS

John E. Aderhold, Chairman
President
Rayloc
Atlanta, Georgia

James S. Livingston, Vice Chairman
Chief Executive Officer
The Central Bank
Swainsboro, Georgia

Joseph W. Robinson, Sr., Secretary
President
J.W. Robinson & Associates, Inc.
Atlanta, Georgia

Emily May Richards, Treasurer
President
The Richards Group, P.C.
Atlanta, Georgia

I. Owen Funderburg
President
Citizens Trust Bank
Atlanta, Georgia

Perry Hudson
State Senator, Retired
Hapeville, Georgia

Luke H. Morgan
Area Supervisor
ITT Rayonier
Eastman, Georgia

Don W. Sands
President and Chief Executive Officer
Goldkist
Atlanta, Georgia

Jack H. Cole
President
Cook & Ingle Plastics, Inc.
Chatsworth, Georgia

LEGISLATIVE OVERVIEW COMMITTEE

Senator Jim Tysinger, Chairman
District 41
Atlanta, Georgia

**Representative Tom Triplett,
Vice Chairman**
District 128
Savannah, Georgia

Representative Lauren McDonald
District 12
Commerce, Georgia

Representative Kenneth Waldrep
District 80
Forsyth, Georgia

Senator Paul C. Broun
District 46
Athens, Georgia

Senator John C. Foster
District 50
Cornelia, Georgia



Georgia World Congress Center
285 International Blvd., N.W.
Atlanta, Georgia 30313-1591
(404) 656-7600