

GEORGIA

WORLD

CONGRESS

CENTER

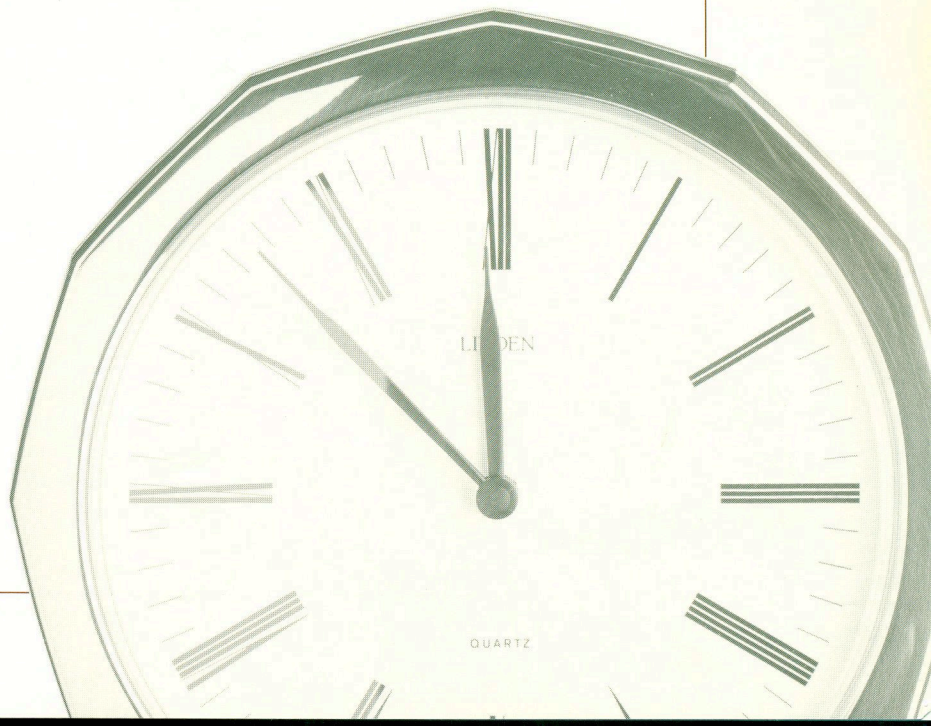
ANNUAL

REPORT

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DIRECTOR'S REPORT

As we enter the final decade of the 20th century, the Georgia World Congress Center can reflect on 14 successful years in the convention and trade show industry. Since opening in 1976, the World Congress Center has served as the centerpiece for Atlanta's growing convention and hospitality industry, attracting over 12 million visitors to our city and state. Furthermore, the world-class facilities have

become a cornerstone of our local economy, pumping millions of dollars into the city as well as the state.

Although not the largest convention center in the country—Chicago's McCormick Place and the Las Vegas Convention Center are first and second respectively—the Georgia World Congress Center continues to have the highest utilization ratio in the industry. Presently, the World

Congress Center is booked at 90% of its practical maximum occupancy for the next five years and 86% through the year 2000.

With such a large number of future commitments, the need for additional exhibit space is compelling. In 1987 a feasibility study conducted by Laventhol and Horwath concluded the Congress Center, if not expanded, could lose events representing between 15 and 20 percent of total occupancy. Presently, there are numerous trade shows that have outgrown our facility, and expansion is essential if we are to maintain our healthy position in the trade show industry.

During the 1990 Georgia Legislature, the World Congress Center was unsuccessful in obtaining funding for Phase III Expansion. Fortunately, while a few have canceled, most of our major clients have remained loyal to Atlanta and continue to hold future space in hopes of legislative approval for expansion in 1991. If approved, the Congress Center will become the second largest convention center in the nation. More importantly, it will allow us to maintain current bookings and to accommodate future growth of our largest clients who utilize the entire facility. In addition, the Congress Center will be able to attract new trade show and convention business, ultimately luring an additional 200,000 to 300,000 attendees each year.



During fiscal year 1989-90, some 1.3 million visitors passed through the Congress Center doors to attend 66 major trade shows, conventions and consumer shows, as well as literally hundreds of smaller corporate events. These events, ranging from elaborate corporate banquets to new product demonstrations, illustrate the diverse use of our meeting space, which can accommodate from 25 to 4,300 people.

The impact of trade shows and conventions on Atlanta and Georgia is enormous. On any given day, a typical convention delegate spends \$214 in the city. This includes everything from shopping and dining to hotel rooms and transportation. During the past year, out-of-town visitors deposited \$613 million in direct new spending, which traveled through the economy to create a total economic impact of more than \$1 billion.

Like most convention centers, serving as an economic catalyst to the state is the Georgia World Congress Center's primary objective. It is also important to note that during fiscal year 1989-90, the Congress Center reported a net operating profit of more than \$5 million, and required no state appropriation for operations. In addition to the economic impact from delegate spending, state sales taxes derived from Congress Center activity topped \$41 million during fiscal year 1989-90.

As more and more visitors come to Georgia each year, it is difficult to put a price tag on the international exposure the state has captured from prestigious events such as the Democratic National

*Events at the GWCC
generated a total
economic impact
of more than
\$1 billion
in FY 89-90.*

Convention. The Georgia Dome will further enhance the status of Atlanta as one of the nation's top three convention sites by offering diverse meeting space to complement the Georgia World Congress Center's exhibition halls. The multi-purpose stadium facility, designed as an extension of the Congress Center, will host a myriad of special events in addition to sports and entertainment activities.

It is important to note construction of the Georgia Dome WILL NOT be at the expense of Georgia taxpayers. The stadium's construction is being financed through tax-exempt industrial revenue bonds issued by the Georgia World Congress Center Authority. These bonds will be retired by dedicated streams of revenue that include hotel/motel tax revenues from the City of Atlanta and Fulton County, along with project-generated revenues in the form of executive suite and club seat lease income, professional football revenues, concessions, parking and advertising. The bonds will be

guaranteed by bank letters of credit.

Although in only the very early stages of development, the addition of the Georgia Dome has already proven beneficial in luring celebrated events to Georgia.

In May 1990, National Football League owners selected the Georgia Dome as the site for the 1994 Super Bowl, and the Dome put Atlanta over the edge to win the bid for the 1996 Summer Olympics. The Georgia Dome is the proposed site for two Olympic sporting events, while the adjacent Georgia World Congress Center is scheduled to host six events and serve as the media center for the Olympiad. These two facilities are part of the proposed "Olympic Centre," which includes the Omni Coliseum, Atlanta University Complex and two MARTA rail stations linking the venues to metropolitan Atlanta.

While 1989 represented a most successful year in a decade of growth and development for the Georgia World Congress Center, the final 10 years of the 20th century will undoubtedly bring even greater events to Atlanta and provide new ways to showcase Georgia. By strengthening its reputation as a world-class city, Atlanta will maintain its position as one of the country's premiere convention sites.



FINANCIAL ANALYSIS

Fiscal year 1989-90 marked another record-breaking year for the Georgia World Congress Center. In addition to generating new tax revenues for the state of Georgia in excess of \$41 million, the Congress Center required no state appropriations for internal operations and reported a net profit of \$5,079,069. This net profit culminated from a strong year of major conventions and trade shows, corporate meetings and public consumer shows. The World Congress Center continues to record the highest utilization rate of any major convention center in the nation. All major revenue sources increased as a result of the intensive event schedule.

Income

Gross income rose 14% and totaled a record \$18,331,259. Comprising 43% of all operating income, building rental revenue totaled \$7,344,953. Rental revenue, generated through leasing exhibit halls, meeting rooms, the auditorium and ballroom, increased 9% over the previous year. Trade shows requiring the use of all six exhibit halls provided much of the opportunity for increased revenue. These shows include the American Marine Trade Expo, Bobbin Show, Wholesale Florists Association, National

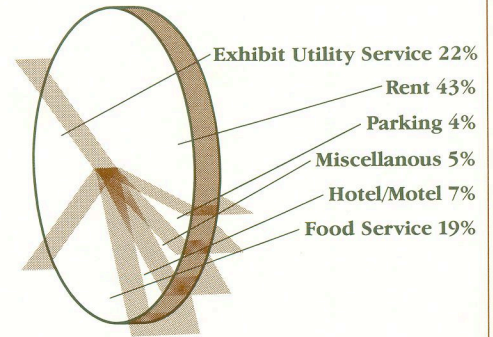
Association of Homebuilders, National Association of Broadcasters, Southeastern Poultry and Egg, The Super Show and COMDEX. However, the increase in total building utilization of simultaneous smaller events, corporate meetings and ballroom functions was also significant in achieving this record rental income level.

Exhibit utility services income and food service income both rose by approximately 5%. Parking revenues increased by 51% as a result of the first full year of parking operation in the south parking deck.

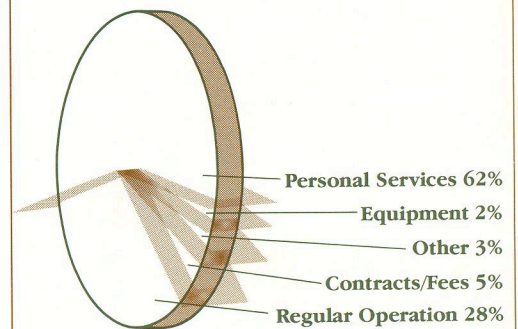
Expenses

Overall operating expenses were 4% less than budgeted and increased only 5.7% over the previous year. Personal services expense represents 62% of total operating costs and increased by 6.7% over the previous year. Regular operating expenses, equipment costs and other expenses remained as initially forecast.

INCOME



EXPENSES



WEEKLY PLANNER

INCOME AND EXPENDITURES STATEMENT

INCOME	FY 1988-89	FY 1989-90
Beginning Adjusted Balance	\$ 733,777	\$ 1,736,267
Rent	6,717,891	7,344,953
Exhibit Utility Services	3,626,599	3,820,333
Food Service (MGR)	3,044,843	3,201,784
Parking	469,551	712,387
Hotel/Motel Tax (GWCC)	1,110,868	1,169,435
Miscellaneous	1,090,887	2,082,367
SUB-TOTAL	\$ 16,060,639	\$ 18,331,259
State of Georgia	0	0
Hotel/Motel Tax (ACVB/ATL88)	10,849,814	10,366,477
Special Projects	592,118	100,000
TOTAL	\$ 27,502,571	\$ 28,797,736
EXPENDITURES		
Personal Services	\$ 7,701,804	\$ 8,218,280
Regular Operating	3,645,018	3,685,522
Equipment	371,995	341,806
Contracts/Fees	520,197	619,007
Other	289,137	373,439
SUB-TOTAL	\$ 12,528,151	\$ 13,238,054
Special Projects	821,499	114,136
Hotel/Motel Tax (ACVB/ATL88)	10,849,814	10,366,477
TOTAL	\$ 24,199,464	\$ 23,718,667
NET PROFIT	\$ 3,303,107	\$ 5,079,069
RESERVE FUNDS	\$ 2,270,000	\$ 5,828,370
FUND BALANCE	\$ 1,766,885	\$ 986,965

RENTAL INCOME

Rental income from exhibit halls, meeting facilities and miscellaneous equipment increased 9%, or \$627,062, in fiscal year 1989-90. Totaling \$7,344,953, rental income represents 48% of all self-generated income for the Georgia World Congress Center. Exhibit space income rose by 12.4%, which can be attributed to greater space requirements by conventions and trade shows experiencing healthy growth. Of the

66 major conventions, trade shows and consumer shows that met at the Congress Center during FY 89-90, approximately 50 shows increased their net square footage.

Miscellaneous income, representing 5% of rental income, was generated from guest services in the Entrance Concourse, equipment rental and permanent displays in Georgia Hall.



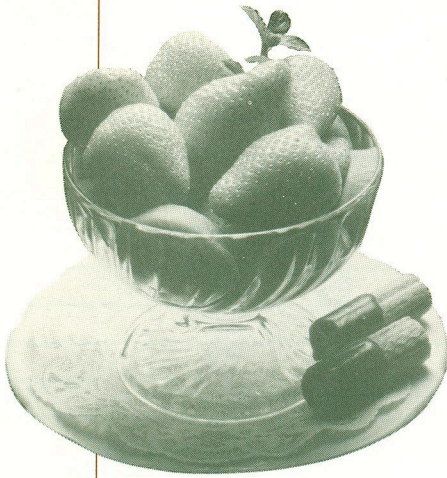
	FY 1988-89	FY 1989-90
Exhibit Hall Rent	\$ 5,614,067	\$ 6,308,638
Meeting Rooms/ Ballroom/Auditorium Conference Center	868,799	746,050
Miscellaneous Rent	235,025	290,265
TOTAL RENT	\$ 6,717,891	\$ 7,344,953

UTILITY SERVICES INCOME

Utility services provided to exhibitors at the Georgia World Congress Center accounted for revenues totaling \$3,820,333 in fiscal year 1989-90. Exceeding last year's gross income by 5%, this revenue includes the supply of electrical service, gas connections, compressed air, water and drains to GWCC exhibitors.

	FY 1988-89	FY 1989-90
GROSS INCOME	\$ 3,626,599	\$ 3,820,333
EXPENSE		
Labor	\$ 667,153	\$ 661,459
Material & Supplies	235,729	282,879
TOTAL EXPENSE	\$ 902,882	\$ 944,338
NET PROFIT	\$ 2,723,717	\$ 2,875,995

FOOD SERVICES INCOME



Food Services by MGR, Inc. has established a reputation for excellence in the convention industry by providing outstanding cuisine and consistently good service during the last 14 years as the exclusive caterer for the Georgia World Congress Center.

With a staff of 120 permanent employees and up to 900 part-time employees, MGR is capable of providing all food service operations for the Center's banquet and meeting rooms, 13 restaurants and concession areas, a full-service restaurant and a bake

shop. MGR also operates an on-site florist and laundry department.

During fiscal year 1989-90, MGR's net income increased 4.2% over the previous year, totaling \$3,546,345. To expand MGR's sales and marketing efforts, two videos were produced during the past year to increase awareness of MGR's comprehensive services, elaborate menus and outstanding food quality.

MGR's commitment to excellent food service continues to bring accolades to the catering operation as well as the Georgia World Congress Center. In a recent independent survey of more than 1,200 meeting planners across the nation, MGR was ranked number 1 in the food service category. For any catered event, MGR provides an extensive menu ranging from French cuisine to local Southern fare and can custom-tailor a menu to fit any client's particular needs.

	<u>FY 1988-89</u>	<u>FY 1989-90</u>
INCOME		
Food Sales	\$ 8,271,077	\$ 8,966,793
Beverage Sales	1,611,732	1,417,395
Miscellaneous	184,962	172,190
TOTAL INCOME	\$ 10,067,771	\$ 10,556,378
EXPENDITURES		
Cost of Sales (Product)	\$ 2,335,339	\$ 2,463,419
Wages, Salaries & Related	2,710,498	2,867,643
Other Operating Expense	1,618,458	1,678,971
TOTAL EXPENSE	\$ 6,664,295	\$ 7,010,033
NET INCOME	\$ 3,403,476	\$ 3,546,345
DIVISION OF NET INCOME		
MGR, Inc.	\$ 320,173	\$ 327,317
Georgia World Congress Center	\$ 3,083,303	\$ 3,219,028



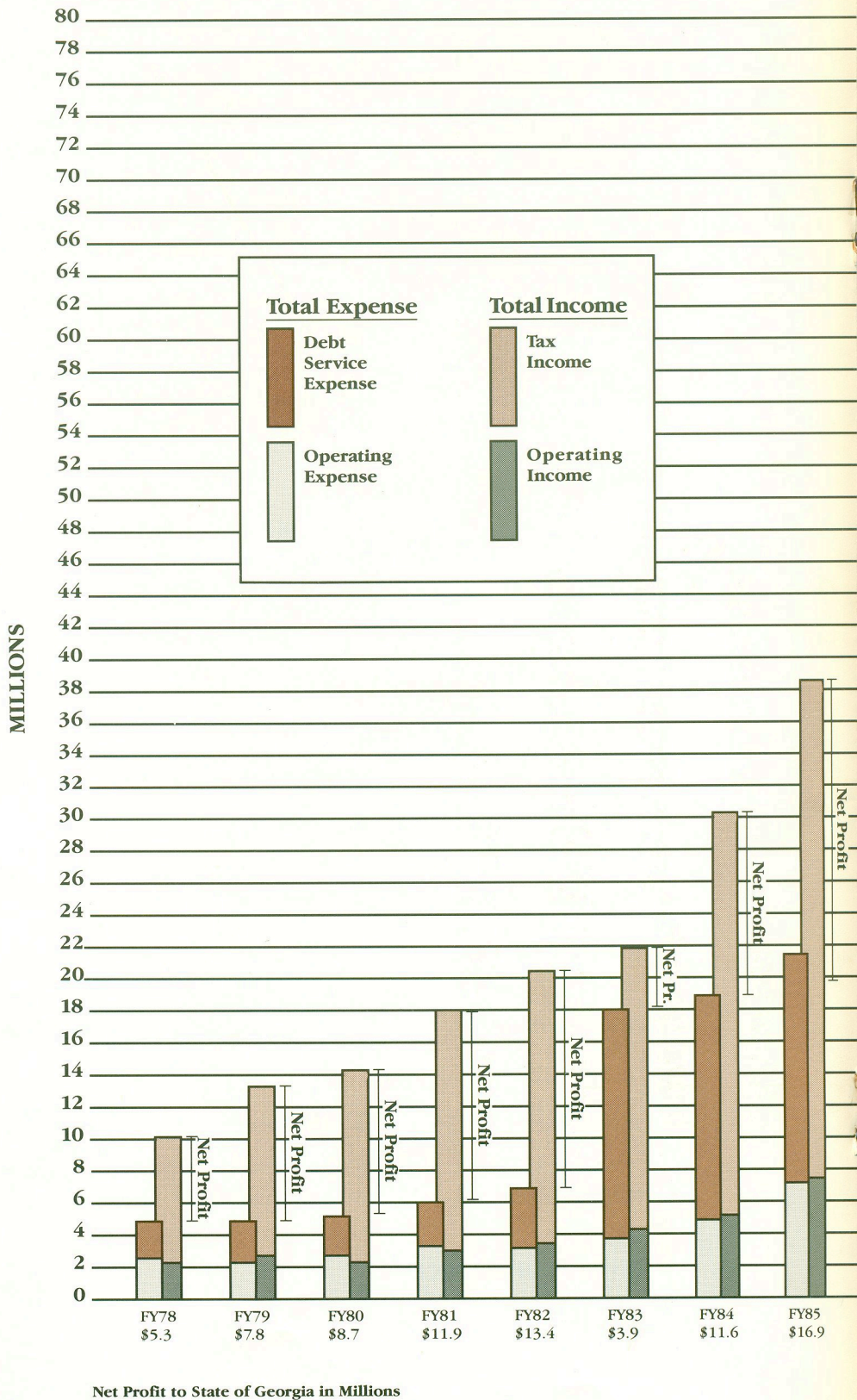
The Georgia World Congress Center is a state authority created to encourage economic development. By attracting out-of-town visitors to conventions and trade shows, the state of Georgia realizes millions of "new dollars" from direct spending as well as income from taxes.

During FY 1989-90, \$613,113,050 "new dollars" were generated from Georgia World Congress Center activity, representing a \$14,601,113 increase over last year. As this money circulated, it created a total economic impact of \$1,017,767,663.

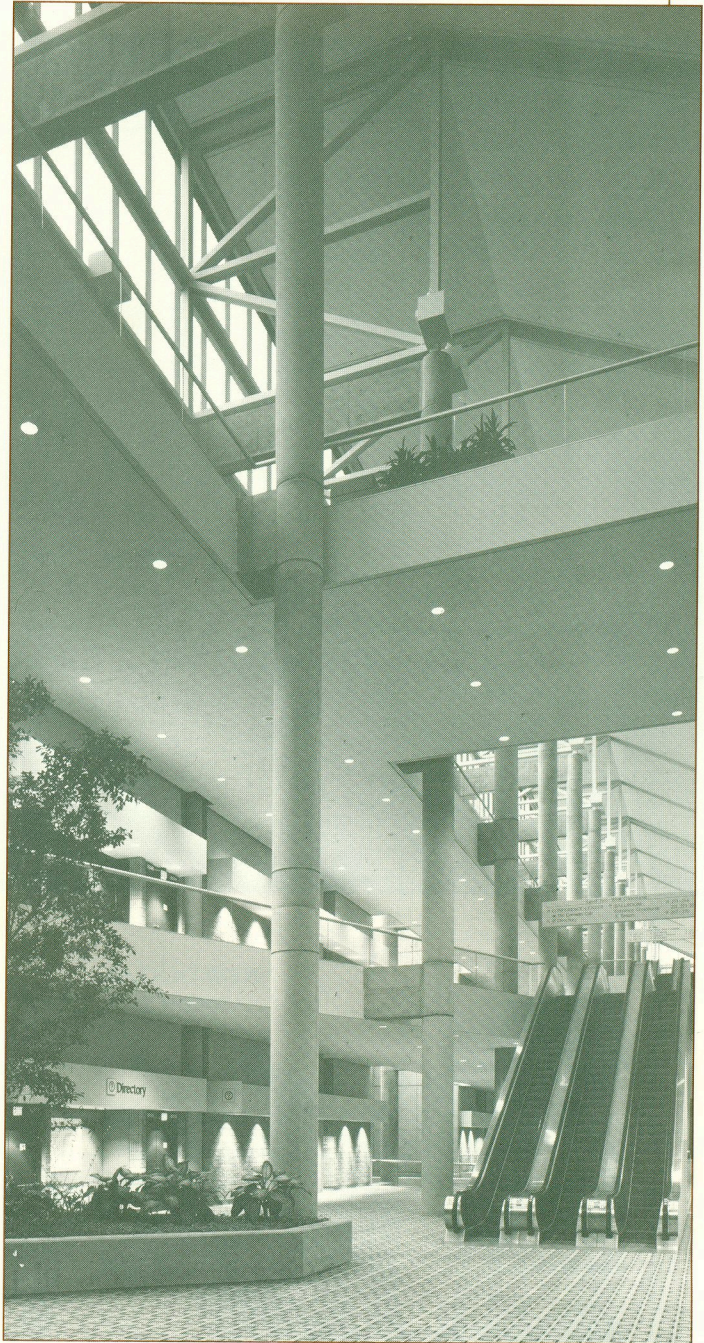
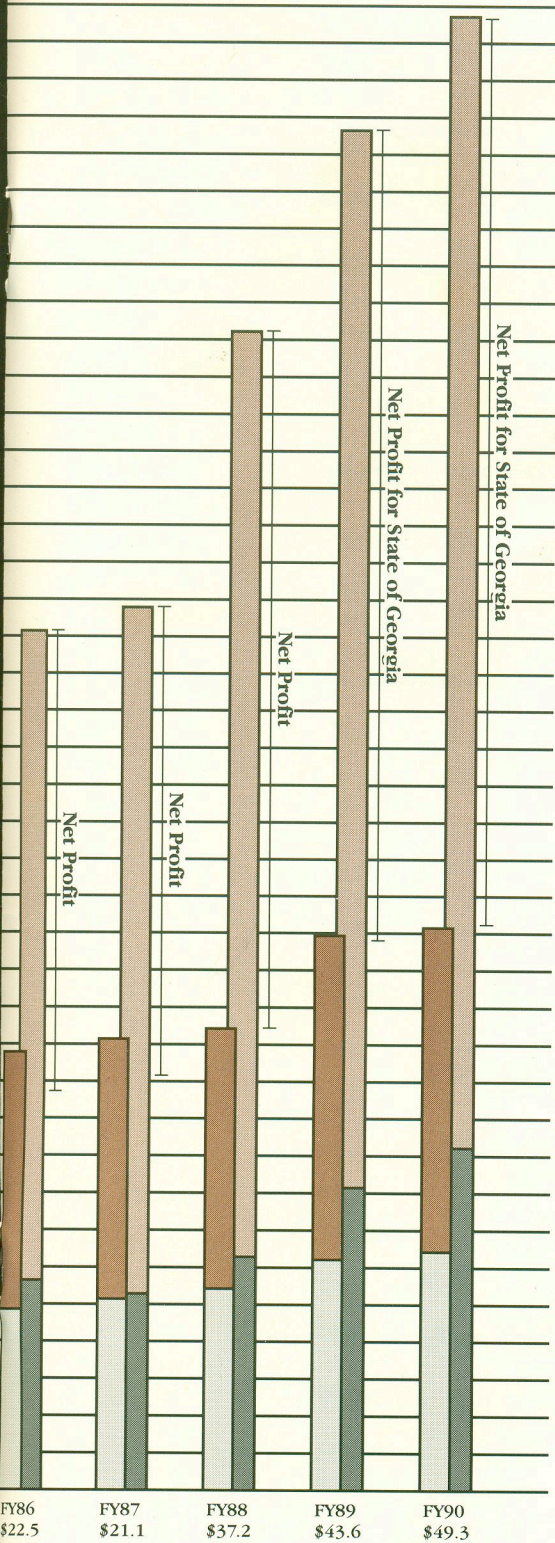
During an average 4.25 day convention or trade show, each out-of-town delegate spends an average of \$214 per day in Atlanta. This amount includes everything from hotel rooms and local transportation to restaurants and shopping.

To calculate the "new dollars" generated by GWCC activity, multiply \$214 (average delegate spending per day) x 4.25 (average delegate stay) x 674,121 (number of FY 89-90 out-of-town delegates). This amount represents the dollar figure that is contributed to the local economy by visitors to the World Congress Center.

The total economic impact is calculated by multiplying the "new dollars" by 2.1 times. This indicates the approximate number of times these "new dollars" generated by the GWCC are turned over in the community to stimulate the economy.



BENEFITS SUMMARY



ECONOMIC IMPACT



*Food Services by
MGR ranked first in
the food service
category of a recent
national survey of
1,200 meeting
planners.*

<u>CATEGORY</u>	<u>"NEW DOLLAR" IMPACT</u>	<u>SECONDARY IMPACT</u>	<u>TOTAL ECONOMIC IMPACT</u>
Personal Income	\$ 113,425,914	\$ 263,148,121	\$ 376,574,035
Retail Sales	499,687,136	141,506,492	641,193,628
TOTAL DOLLARS	\$ 613,113,050	\$ 404,654,613	\$ 1,017,767,663
Employment	5,386	8,779	14,165
TAXES			
Retail Sales	\$ 24,984,357	\$ 7,075,324	\$ 32,059,681
Concessions	299,812	0	299,812
Hotel/Motel	19,734,032	0	19,734,032
Personal Income	2,381,944	5,526,111	7,908,055
Corporate Income	534,665	831,077	1,365,742
TOTAL TAXES	\$ 47,934,810	\$ 13,432,512	\$ 61,367,322

FOUR YEAR ECONOMIC SUMMARY

	<u>FY 1986-87</u>	<u>FY 1987-88</u>	<u>FY 1988-89</u>	<u>FY 1989-90</u>
"New Dollars" Generated	\$ 415,055,028	\$ 525,031,612	\$ 598,511,937	\$ 613,113,050
Total Impact of "New Dollars"	688,991,346	871,552,476	993,529,815	1,017,767,663
TAX REVENUES				
Georgia State Taxes	\$ 28,818,271	\$ 35,674,105	\$ 40,641,806	\$ 41,633,290
Atlanta Hotel/ Motel Tax	6,208,471	14,425,939	16,613,023	19,734,032
TOTAL TAX REVENUES	\$ 35,026,742	\$ 50,100,044	\$ 57,254,829	\$ 61,367,322

*Presently the GWCC
 is booked at 90% of
 its practical
 maximum
 occupancy for the
 next five years and
 at 86% through the
 year 2000.*



EVENT ATTENDANCE

Attendance at events at the Georgia World Congress Center remained strong during fiscal year 1989-90, with a 2.4 percent increase in out-of-town visitors. In total, the Congress Center hosted 66 major trade shows, conventions and consumer shows, attracting 1,265,040 visitors. Some 674,121 out-of-town guests visited the World Congress Center.

During the Congress Center's 14th year of operation, The Super Show topped the list as the event

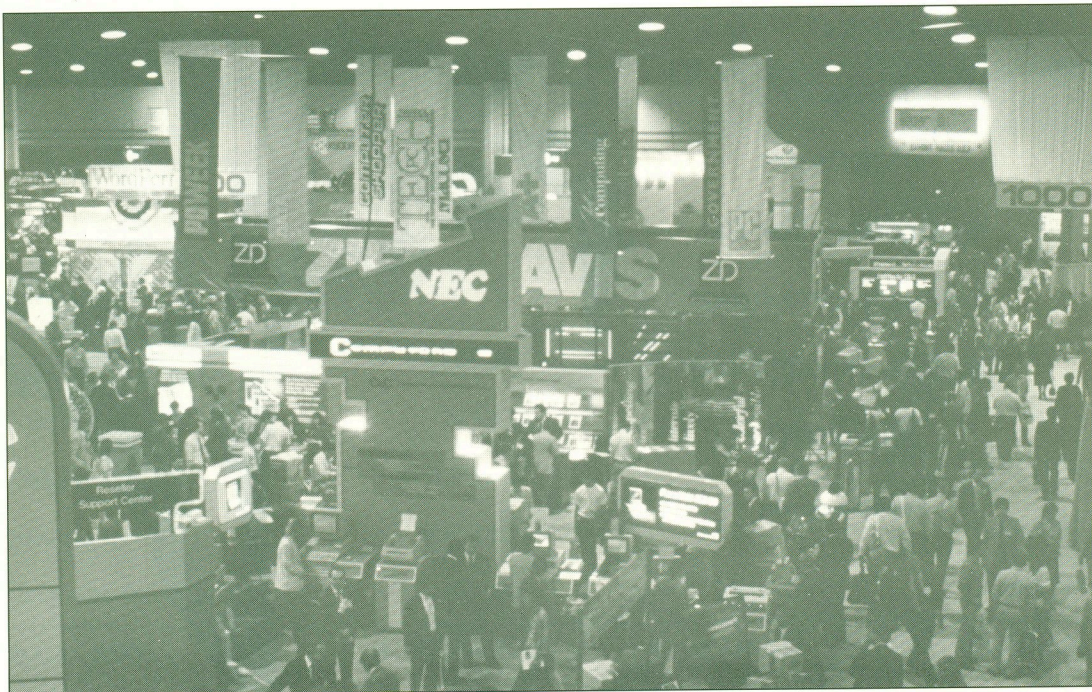
attracting the most people, hosting 83,372 guests. Other trade shows and conventions recording more than 20,000 in attendance during the 1989-90 fiscal year were the National Association of Home Builders, 65,053; COMDEX, 61,250; National Association of Broadcasters, 50,443; A/E/C Systems, 25,000; National Home Health Care, 24,000; Air Conditioning, Heating, and Refrigeration Exposition, 23,600; Bobbin Show/AAMA Convention, 23,086; Southeastern Poultry and Egg Annual Convention,

21,719; and the National Country Collectables Show, 20,000.

Consumer and public shows covered a myriad of topics from gourmet cuisine to cars and boats. The public events drawing the largest attendance were: Boy Scouts of America, 60,000; Atlanta Journal & Constitution International Auto Show, 45,000; Atlanta Home Show - Fall Edition, 40,000; Black Expo of Atlanta, 37,000; U.S. Chefs Open, 34,000; and World of Wheels, 28,300.

	<u>FY 1985-86</u>	<u>FY 1986-87</u>	<u>FY 1987-88</u>	<u>FY 1988-89</u>	<u>FY 1989-90</u>
Attendance	1,091,708	1,343,821	1,622,477	1,302,882	1,265,040
"Out of Town" Attendance	593,740	598,062	577,275	658,067	674,121
Total Daily Attendance	3,021,363	3,287,522	3,498,621	3,441,600	3,455,933

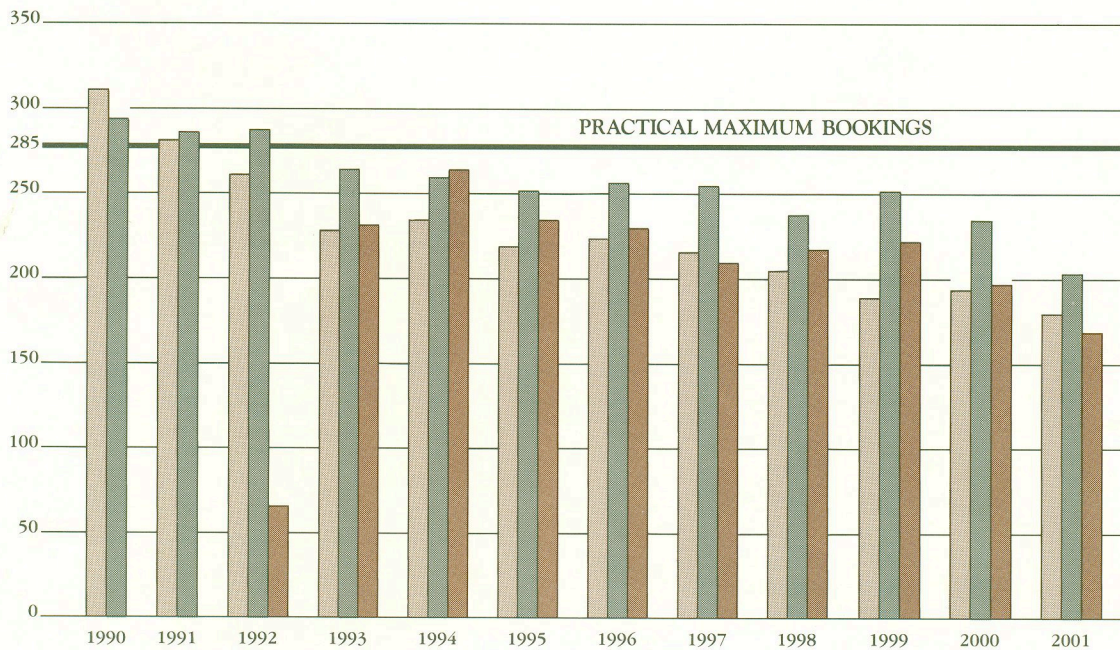
Total Daily Attendance is calculated at 4.25 visits per out-of-town attendee plus one visit for area residents attending seminars or public shows.



GWCC SALES

An "Exhibit Hall Day" is equivalent to all space booked in either exhibit halls ABC, DEF or GH* for one full day.

"Practical Maximum Bookings" are equivalent to all exhibit hall space booked for 285 days. This number takes into account national holidays, weak seasonal periods in July, August and December, plus three days per month for scheduling gaps between major trade shows.



Practical Maximum Bookings = 285 days

Absolute Maximum Bookings = 365 days

■ Exhibit Halls ABC

■ Exhibit Halls DEF

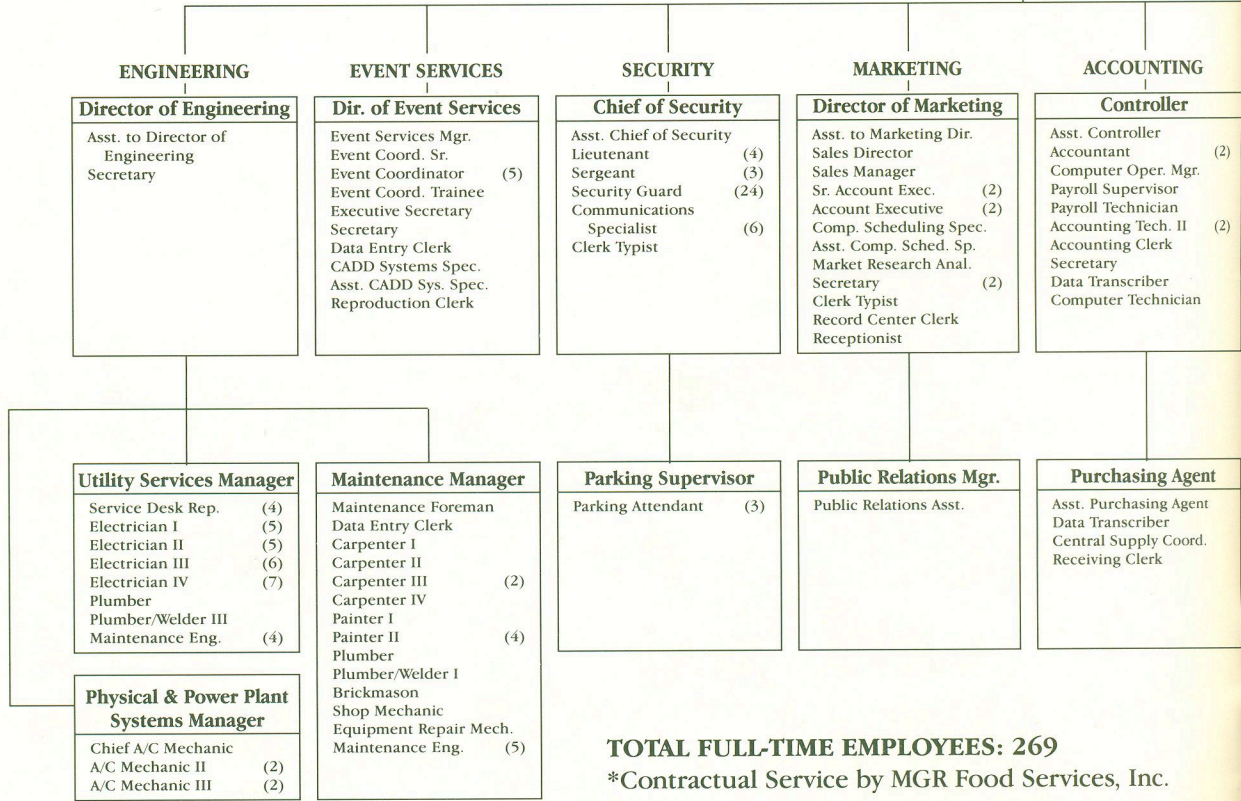
■ Exhibit Halls GH

*Number of days booked for halls G and H reflects bookings August through December 1992.

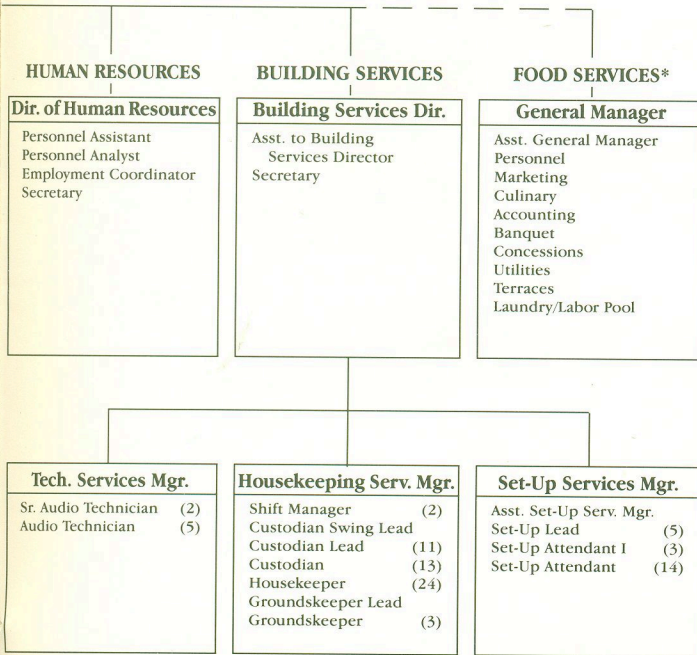
**GEORGIA
WORLD CONGRESS CENTER
AUTHORITY**

ADMINISTRATION

EXECUTIVE DIRECTOR
 General Manager
 Assistant General Manager
 Director of Administration
 Exec. Secretary to Exec. Director
 Executive Secretary
 Secretary (2)
 Guest Services Coordinator
 Tourism Information Coordinator
 Clerk Typist



CENTER ORGANIZATIONAL CHART



BOARD OF GOVERNORS

John E. Aderhold
Chairman and
President
Rayloc
Atlanta, Georgia

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

I. Owen Funderburg
Secretary and
President
Citizen Trust Bank
Atlanta, Georgia

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

Greg Baranco
President
Baranco Pontiac
Decatur, Georgia

Harold A. Dawson
President
Harold A. Dawson Co., Inc.
Atlanta, Georgia

Perry Hudson
State Senator, Retired
Hapeville, Georgia

Bill Jones, III
Vice President
Sea Island Company
Sea Island, Georgia

Paula Lawton-Bevington
Vice President
Servidyne, Inc.
Atlanta, Georgia

LEGISLATIVE OVERVIEW COMMITTEE

Senator Jim Tysinger, Chairman
District 41
Atlanta, Georgia

Senator Paul C. Broun
District 46
Athens, Georgia

Senator John C. Foster
District 50
Cornelia, Georgia

Representative Helen Selman,
Vice Chairman
District 32
Palmetto, Georgia

Representative Roger Byrd
District 153
Hazelhurst, Georgia

Representative Lauren McDonald
District 12
Commerce, Georgia

STAFFING AND LABOR FORCE ANALYSIS

As of June 30, 1990, the Georgia World Congress Center had 269 authorized full-time positions. In addition, the Congress Center utilized 114,870 hours of part-time labor during the previous year, equivalent to approximately 29 full-time personnel at 40 hours per week.

Quality service is a necessity for any trade show and convention facility. The service-oriented attitude of employees at the Georgia World Congress Center, along with the growing number of veteran employees, combine to enhance the Congress Center's status in the industry. During the past year, a total of 25 employees received service awards; 22 employees were honored with five-year service awards while three people received ten-year awards. Next year the Congress Center will present its first 15-year service awards to employees who have worked at the facility since it opened in 1976. Currently 16 people qualify for this honor, and during the next three years, 127 other dedicated employees will receive five

and ten-year service awards.

The World Congress Center prides itself in the high caliber of its staff. In order to maintain a stellar performance level, several training and educational opportunities are available to employees. The Tuition Reimbursement Program, which took effect in July 1989, allows employees to take college and specialized courses. In addition, a Skills Development Program enables support staff to take classes such as business English, business math and typing. In the past year the Congress Center also held seminars for employees such as the Supervisor Training Program, which attracted 35 current and potential supervisors, and a Substance Abuse Training Seminar, which 32 GWCC managers attended.

Reorganization was a key element in the continued growth for the Congress Center during the 1989-90 fiscal year. In September, John K. Smith, formerly the Assistant Director of the World Congress Center, was named the General Manager of the facility, and Khalil Johnson,

formerly the Event Services Director, was named General Manager of the Georgia Dome. In July, the Engineering Department restructured its operation to better serve the needs of the Congress Center in the upcoming decade. Jerry Lewis was named the Director of Engineering, and primary management duties were divided among three newly-created positions: Maintenance Manager, Manager of Physical and Power Plant Systems and Manager of Utility Services.

As Georgia Dome construction progresses toward its August 1992 completion date, the Congress Center has begun developing an organizational structure for the facility. The Human Resources Department has already developed an organizational chart projecting staffing needs, conducted salary surveys of other domed facilities, and started writing job descriptions for projected positions. Recruiting will take place on a staggered basis beginning in early 1992.

Analysis of Current GWCC Work Force

	MALE		FEMALE	
	Caucasian	Minority	Caucasian	Minority
Number	74	98	37	35
Percent	30%	40%	15%	15%

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

	MALE		FEMALE	
	Caucasian	Minority	Caucasian	Minority
Number	513,252	129,057	381,423	133,921
Percent	44.3%	11.1%	33%	11.6%

Source: Labor Resource Information, Georgia Department of Labor

