

**MINUTES**  
**GWCCA FOOD & BEVERAGE REVIEW COMMITTEE MEETING**  
**July 17, 2012**  
**1:30 p.m.**  
**Sales & Event Services Board Room**

**Committee Members Present:**

**David Allman**  
**Anne Hennessy, Chairman**  
**Glenn Hicks**

**Committee Members Absent:**

**Jeff Anderson**  
**Lee Hunter**  
**Tim Lowe, Ex-Officio**

**Staff/Others Present:**

**Dale Aiken**  
**Kevin Duvall, COO**  
**Mark Geiger, PR**  
**Frank Poe, Executive Director**  
**Pargen Robertson, Legal Counsel**  
**Sherrie Spinks, CFO**

Chair Hennessy called the meeting to order at 1:25 p.m. and asked for a motion to approve the January 26, 2012 meeting minutes.

*A motion to approve the January 26, 2012 meeting minutes was made by David Allman, seconded by Glenn Hicks, and unanimously approved.*

**POURING RIGHTS**

The purpose of today's meeting was to update the Committee on the pouring rights process to date for non-alcoholic beverages at the Congress Center and Park, the Dome's extension of its advertising and pouring rights, and Levy's contract renewal. Kevin Duvall, Joe Skopitz, and Mark Geiger have been leading the pouring rights efforts and have done a great job thus far. A copy of today's presentation, which is appended and made a part of these minutes, was sent to Committee members this morning for review.

The Dome has had a pouring rights deal with Coke for the past twenty years. The Falcons, on behalf of the Dome, are in the final negotiating stage for a five-year contract extension with Coke.

The Congress Center and Park have been talking with Coke since February 2012 regarding the potential of entering into a pouring rights agreement. Levy was instrumental in setting the initial meeting with Coke. In March 2012 we entered into a 120 day exclusive negotiating period. Our last negotiation meeting with Coke was in June 2012. The initial Coke proposal received in March 2012 was a nine-year deal with the Congress Center and the Park together receiving the following revenue for the nine-year period:

Sponsorship	\$2,925,000
Marketing	<u>\$450,000</u>
TOTAL cash investment	\$3,375,000
Plus non-cash investment (equipment)	<u>\$311,889</u>
Total value	\$3,686,889

Coke would receive a \$150,000 meeting room credit per year, including food and beverage.

Our counter offer in May 2012 was for a ten-year deal, split Congress Center and Park revenue, and included the following revenue for the ten-year period:

Sponsorship	\$7,132,500
Marketing	<u>\$500,000</u>
TOTAL cash investment	\$7,632,500
Plus non-cash investment (equipment)	<u>\$311,889</u>
Total value	\$7,944,389

Coke's current proposal, received June 2012, is for a ten-year period, keeps Congress Center and Park revenue separate, and includes the following revenue for the ten-year period:

Sponsorship	\$5,250,000
Marketing	<u>\$500,000</u>
TOTAL cash investment	\$5,750,000
Plus non-cash investment (equipment)	<u>\$311,889</u> (this could double)
Total value	\$6,061,889

Coke would receive a \$150,000 meeting room credit per year, excluding food and beverage.

GWCC and Park rights and inventory that will be included in the program:

- An exclusive non-alcoholic beverage provider
- Marketing and advertising rights and protection
- Interior and exterior signage
- Annual meeting room credit of \$150,000 (excluding F&B)
- Recycling program sponsorship
- Coke will be presenting sponsor of the July 4<sup>th</sup> Celebration and Ice Rink events at the Park
- Consumer activation for Coke

The Marketing and Activation Fund of \$50,000 per year will be used to support GWCC/Park events.

In Summary:

Coke's initial offer (3/2012)	\$3,686,889
GWCCA counter offer (5/2012)	\$7,944,389
Coke's current offer (6/2012)	\$6,061,889

Staff believes the current offer is reasonable and good and recommends its acceptance. Staff also recommends moving toward definitive contract documents.

At the request of the Committee, staff provided a breakdown of comparable convention center rights and inventory values which were presented to Coke to justify GWCC and Park proposed value.

If the Committee accepts staff recommendations, next steps would include the following:

- Request Committee approval to have legal counsel advance the business terms within a contract. Staff would tie off with the Committee prior to the August Board meeting.
- Finalize Coke GWCC/Park inventory request.
- Finalize beverage equipment list with Levy.
- Seek Board approval at August 28, 2012 Board meeting.

Committee expressed concern about how we would handle special events where Coke was not the sponsor. Staff assured the Committee that this was a “top of mind” issue and similar to the Georgia Dome agreement with Coke, this agreement with Coke would contain special limited carve-out language for up to three events for both the Park and GWCC annually that meet the threshold criteria of a defined special event.

The Committee agreed to accept Coca-Cola’s latest proposal and directed staff to move toward a definitive contract.

#### **LEVY CONTRACT UPDATE**

Levy’s six-year contract extension was executed in July 2012. Included in the contract was language addressing annual performance measurements which was not in their previous contract. A copy of the financial and service measurement metric values for each facility was distributed to Committee members for review. These measurements will create a baseline to compare to in the coming years. Levy is excited to be a part of this measurement process.

There being no further business, the meeting adjourned at 2:00 p.m.

Recorded by: Dale Aiken

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Anne Hennessy, Chair