FEBRUARY FINANCIAL UPDATE

Janet Arsenault
Sr. Director of Finance
Financial Snapshot – February 2018

Profit/Loss

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budgeted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,038,849</td>
<td>$2,035,095</td>
</tr>
</tbody>
</table>

| Actual YTD | $3,229,299 | Budgeted YTD | ($747,277) |

Customers (Estimated)

- Actual: 212,506
- Budgeted: 212,506

Economic Impact (Estimated)

- Actual: $146.1M
- Budgeted: $146.1M

H/M Tax

- FY17: $4.2M
- Budget: $4.01M

Profit/Loss

- Actual: <0.38%
- Budget: >4.6%
RESOLUTION
HOTEL DEVELOPMENT AGREEMENT
WITH DREW COMPANY, INC.

Pargen Robertson
GWCCA Legal Counsel
Hotel Development Agreement: Background

Under the Site Coordination Agreement executed between the Authority and the Atlanta Falcons Stadium Company, LLC (“StadCo”) dated May 18, 2015, the Authority reserves a right to redevelop a portion not to exceed 60,000 square feet of the Georgia Dome Site (the “Limited Redevelopment Right”).
Hotel Development Agreement: Background

Recall that on October 31, 2017, the Board authorized the Executive Director essentially to communicate notice to StadCo that the Authority intends to exercise its Limited Redevelopment Right under the SCA (and that notice was given at least one year prior to the groundbreaking of the proposed project and contained preliminary drawings and other details about the proposed project).
Hotel Development Agreement: Background

In that October 31, 2017 Resolution the Board also essentially requested approval from GSFIC for the incurrence of debt by the Authority in the form of hotel revenue bonds, the selection of Public Resources Advisory Group as the Authority’s financial advisor, and of the selection of Citigroup Global Markets, Inc. as the lead underwriter of the hotel revenue bonds.
Hotel Development Agreement: Background

Subsequently on November 28, 2017, the Board passed another Resolution which essentially authorized the Executive Director to continue to negotiate and execute with Drew Company, Inc. a proposed Predevelopment Agreement for the Hotel Project.
Hotel Development Agreement: Background

Additionally, that with that November Resolution the Board essentially declared its official intent to reimburse the Authority for Expenditures incurred and paid on or after November 1, 2017 from the proceeds of the Bonds when issued.
Hotel Development Agreement: Essential Terms

Since then, the Authority has continued to negotiate with Drew, and has reached an agreement on the essential material deal terms of a presumptive Development Agreement.

The parties have exchanged draft revisions and have engaged in several lengthy discussion of that written Development Agreement with an eye toward preparing to execute that written agreement.

The following is a summary of the key business terms of that deal.
Hotel Development Agreement: Essential Terms

Scope of Developer’s Services

As the Authority’s fee developer, Drew Company would perform those services listed in Schedule 7.10 of the (DRAFT) Development Agreement.

See Handout.
Hotel Development Agreement: Essential Terms

Developer’s Fee – How Calculated

Drew Company’s fee for performing the development services is computed as follows:

(a) **2.50%** of the Hotel Project Improvements Budget; **plus**

(b) **0.50%** of the Hotel Project Improvements Budget if the project is completed within budget and on schedule.

Provided, however, that the Developer Fee is **capped** at **$9 million**.

DRAFT Development Agreement, §7.1.5.
Hotel Development Agreement: Essential Terms

Developer’s Fee – When Paid

Drew Company’s fee shall be payable as follows:

(a) The Authority shall pay to Drew the sum of $100,000 per month from the date of the Development Agreement up until the hotel revenue bonds are issued, but in an amount not to exceed $1.2 million; and

(b) Once the proceeds from the sale of the hotel revenue bonds are deposited in the Construction Fund (the “Financing Date”), the Developer’s Fee will be calculated based on the Hotel Projects Improvements Budget in the percentages shown in the preceding slide.

Additionally, the parties have discussed a hold-back of 20% of the Developer Fee until final completion.

DRAFT Development Agreement, §7.1.5.
Hotel Development Agreement: Essential Terms

Authority Responsibility Third-Party Expenses

The Authority is responsible to pay third party expenses incurred prior to proceeds from the sale of the hotel revenue bonds being deposited in the Construction Fund (the “Financing Date”).

However, the Authority’s obligation to pay such third party expenses is capped at $5 million ($1.2 million of which is that portion of the Developer Fee which may be paid prior to the Financing Date).

After the Financing Date, third party expenses will be paid from bond proceeds.

DRAFT Development Agreement, § 8.3.
At this time, staff recommends that the Authority move forward also to execute a preliminary, limited scope engagement of Gensler & Associates, the architect member of the team selected in the RFQ/RFP process, for Preliminary Programming, Due Diligence and Conceptual Design Services.

Staff anticipates coming forward at a later date to request board approval for a draft of a more comprehensive agreement for architect services.
With today’s Resolution, the Board essentially would authorize the Executive Director to execute a Development Agreement with Drew essentially in the form attached to the Resolution.

Additionally, the Board essentially would authorize the Executive Director to execute an Agreement for the Remaining Due Diligence and Conceptual Design Services.
QUESTIONS?
SALES UPDATE

Damon Bell
Sr. Director of Convention Sales
## FY 18 Successes / Forecast

### Diamond Jubilee Event – March
- $500K in rent
- $500K in additional spend
- Event booked six weeks out

### Non-Trade Show Business (Q3/Q4)
- Films: Boss Level, A Mel Gibson film
- NFL Retail Summit
- Call of Duty competition
- Jurassic Quest
- Wendy’s March Madness activation
- Atlanta United Fan Fests (new spring business)

<table>
<thead>
<tr>
<th></th>
<th>Ordered Rent</th>
<th>Total Room Nights</th>
<th>F&amp;B Minimum/Contract</th>
<th>Number of Events Booked</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>July-Dec 2017</strong></td>
<td>$16,948,496.73</td>
<td>613,033</td>
<td>$9,531,507.00</td>
<td>160</td>
</tr>
<tr>
<td><strong>July-Dec 2016</strong></td>
<td>$7,683,166.69</td>
<td>264,176</td>
<td>$1,246,501.00</td>
<td>87</td>
</tr>
</tbody>
</table>
## Future Year Wins

<table>
<thead>
<tr>
<th>SHOW</th>
<th>YEARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>SGIA – Specialty Graphics Association</td>
<td>2020, 2023, 2027</td>
</tr>
<tr>
<td>Primerica</td>
<td>2019, 2020</td>
</tr>
<tr>
<td>Citrix ($1.75 million in F&amp;B)</td>
<td>2021</td>
</tr>
<tr>
<td>National Black MBA</td>
<td>2022, 2027</td>
</tr>
<tr>
<td>North American Commercial Vehicle</td>
<td>2021</td>
</tr>
</tbody>
</table>
May 2018: 18-20 month project

C3/C4 AND B4/B5 IMPACT

$1.5 MILLION risk identified
  • Load in/load out time
  • Additional labor fees
  • Spaces out of inventory
  • Relocation of events
### GWCCA Convention Hotel Blocks

**Hotel Revenue and Room Night Potential**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sum of HQ2 Revenue ($229 rate)</th>
<th>Sum of Approx. HQ2 Hotel TRNs (640 pk)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$1,319,040</td>
<td>5,760</td>
</tr>
<tr>
<td>2022</td>
<td>$7,181,440</td>
<td>31,360</td>
</tr>
<tr>
<td>2023</td>
<td>$5,129,600</td>
<td>22,400</td>
</tr>
<tr>
<td>2024</td>
<td>$5,276,160</td>
<td>23,040</td>
</tr>
<tr>
<td>2025</td>
<td>$2,344,960</td>
<td>10,240</td>
</tr>
<tr>
<td>2026</td>
<td>$2,931,200</td>
<td>12,800</td>
</tr>
<tr>
<td>2027</td>
<td>$1,465,600</td>
<td>6,400</td>
</tr>
<tr>
<td>2028</td>
<td>$293,120</td>
<td>1,280</td>
</tr>
<tr>
<td>2029</td>
<td>$732,800</td>
<td>3,200</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>$26,673,920</strong></td>
<td><strong>116,480</strong></td>
</tr>
</tbody>
</table>
QUESTIONS?
GWCCA SURVEY TOOL

Mark Koeninger
Director of Business Intelligence
and Process Improvement
Birdeye Competitor Rankings
Birdeye
Social
Mentions
Introducing Qualtrics iQ: A Predictive Intelligence Engine for the Masses

**Text iQ**
The most actionable insights are often hidden deep in open text responses. With artificial intelligence and natural language processing, Text iQ instantly analyzes it all so you can see what, in customers and employees own words, matters most.

**Driver iQ**
Driver iQ automatically bundles, analyzes, and correlates your experience data to prioritize the key drivers of your business and predict the actions that will drive the most business impact. All in an easy to read 2x2 matrix.

**Stats iQ**
Stats iQ enables everyone, from beginners to expert analysts, to uncover meaning in data, identify trends, and produce predictive models without spending days in SPSS or Excel—no training required.
QUESTIONS?
PROJECT UPDATE: CARPET DESIGN/SCHEDULE

Jeff Oden
Director of Project and Program Management

Danielle Trost, tvsdesign
Bobby Moore, Shaw Contract
How We Got Here

- Preliminary planning began in January 2015
- TVS selected to create flooring master plan same year
- Overall flooring budget $6,735,000 with $1.5M Internal Reserves
- September Board approval to enter in contract with Spectra
  - Carpet- $2,245,000
Carpet Selection and Placement

- Carpet Options
  - Broadloom, Carpet Tile, Printed Carpet
- Final Selection
  - Printed Carpet
- Placement
  - Common Areas, Ballrooms, and Auditoriums
  - Total of 82,500 sq yards
Georgia Mountains

Georgia Trees

Georgia Beaches
Mountain Concept Bldg C
<table>
<thead>
<tr>
<th>Trees</th>
<th>Concept</th>
<th>Bldg B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Color Code</th>
<th>Hex Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>252720</td>
<td>#A945</td>
</tr>
<tr>
<td>28239C</td>
<td>#8035A</td>
</tr>
<tr>
<td>2F2F2F</td>
<td>#B72727</td>
</tr>
<tr>
<td>5D483C</td>
<td>#C06639</td>
</tr>
<tr>
<td>472F35</td>
<td>#F13500</td>
</tr>
<tr>
<td>334B30</td>
<td>#8C50B5</td>
</tr>
<tr>
<td>68611B</td>
<td>#C41E3D</td>
</tr>
<tr>
<td>353136</td>
<td>#ADD8E6</td>
</tr>
<tr>
<td>43557D</td>
<td>#DC143C</td>
</tr>
<tr>
<td>0477AA</td>
<td>#662200</td>
</tr>
<tr>
<td>20887C</td>
<td>#B22222</td>
</tr>
<tr>
<td>14574B</td>
<td>#6495B1</td>
</tr>
<tr>
<td>1B7162</td>
<td>#FF0000</td>
</tr>
<tr>
<td>668179</td>
<td>#800000</td>
</tr>
<tr>
<td></td>
<td>#C00000</td>
</tr>
</tbody>
</table>

**Image Description:**
- The image contains a pattern of hexagonal tiles in various colors, possibly representing a design concept or a visual representation of a building. The colors are listed in the table above, with their corresponding hexadecimal codes.
- The image also includes a photograph of trees, indicating a natural element or environmental aspect related to the concept.
- The text "Trees Concept Bldg B" suggests that this pattern is part of a design project or architectural concept related to building B.
Beach Concept
Bldg A
Schedule

- Design approval
- Start installation June/July
- Complete in Jan 2019
Shaw Contract: Who We Are

- World’s largest carpet manufacturer
- More than $4 billion in annual sales
- Innovative design leaders
- Passionate about Sustainability
Georgia Partnership

- Headquartered in Dalton, Georgia
- 3rd largest employer in Georgia
- Approximately 15,800 employees in Georgia
- New carpet tile/resilient manufacturing facilities in North Georgia
- Create Centre in Cartersville, Georgia
- Partnerships with local United Way, particularly United Way of Northwest Georgia
- Community projects with St. Jude’s and Boys and Girls Club
Integration and Custom Studio

- Cost control and cost stability
- Consistency in quality
- On-time production and delivery schedules
- Custom Design Team located at Shaw Create Centre in Cartersville
- Custom Design Team includes a project manager, two designers, an estimator, sample coordinator and support staff
- Partnered with TVS to create custom designs for GWCCA
- Designs will be manufactured in Calhoun, once approved
QUESTIONS?
OPERATING REPORT

Adam J. Straight
Sr. Director of Campus Operations
What We Will Discuss...

- **Foundation**
  - Organizational structure

- **Creating Metrics**

- **Setting the “Standards”**
  - Operating expense resources

- **Deployment**
Foundation – Organizational Change

- Director positions filled in 60 days
- Re-development
  - Facility Management
  - Facility Operations
- Re-deployment
  - Exterior facilities
  - Resource allocation (contract v. internal staff)
Staffing Adjustments

- We have continued to steadily increase the influx of part-time GWCCA employees.
- We raised the hourly rate for part-time employees from $8.50 to $10/hr. to directly compete with other area employers.
- Since then, we have hired more than 30 part-time employees.
- Each hour shifted from contract to part-time employees saves the Authority $4/hr. (even at the new higher rate).
- With this shift we are getting greater consistency and stronger front of house personnel.
Succession Planning

➢ A clear path
➢ Title alignment
  • Facility Manager
  • Facility Supervisor
  • Operations Specialist
➢ The “want” to excel
  • Employee empowerment/engagement
Internal Growth and Development

- Started as a Painter, now the Facility Manager – Maintenance
- Started as a part-time Set Up Attendant more than 20 years ago, now the Facility Manager – Housekeeping
- Started as a part-time Custodian, now a Campus Operations Administrator
- Started as a Guest Services representative, now an Operations Specialist
- Started as a part-time Set Up Attendant, now the Facility Supervisor – Operations
Staffing Stories

- Started as a Carpenter 3 – now a Facility Supervisor
- Growing from an Administrative Assistant to Work Control Specialist
- We have had multiple internal promotions and “cross-training”:
  - Painter 1 to Lead Painter
  - Carpenter 2 to Carpenter 1
  - Electrician 3 to Painter 2
  - Electrician 3 to Electrician 2
  - Electrician 3 to A/C 2
Creating Metrics – Personnel Labor Hours

**Event Labor Hours**

- Facility Management:
  - August: 2,773.50
  - September: 5,353.00
  - October: 8,552.50
  - November: 6,331.50
  - December: 10,092.75
  - January: 13,739.25

- Facility Operations:
  - August: 8,688.00
  - September: 8,267.00
  - October: 8,267.00
  - November: 8,267.00
  - December: 8,267.00
  - January: 5,873.08

**Non-Event Labor Hours**

- Facility Management:
  - August: 8,728.25
  - September: 5,620.50
  - October: 6,155.00
  - November: 5,452.25
  - December: 4,235.00
  - January: 1,294.50

- Facility Operations:
  - August: 680.25
  - September: 921.75
  - October: 2,053.75
  - November: 1,000.00
  - December: 1,934.00
  - January: 1,934.00
Creating Metrics – Work Control

**Maintenance Work Orders**

- **Percentage**: August: 55%, September: 18%, October: 30%, November: 21%, December: 28%, January: 30%

**Preventative Maintenance Work Orders**

- **Total Closed**: August: 894, September: 548, October: 664, November: 517, December: 636, January: 600
- **Percentage**: August: 35%, September: 66%, October: 56%, November: 75%, December: 43%, January: 49%
Setting the “Standards” - Quality Operating Standards (QOS)

- Strategic Thinking
- Efficiencies Gained
- Delivery of Standards
- Financial Resources
Setting the “Standards”

- SOP Development
  - Every procedure detailed to the standard

- Operational Excellence
  - A guidebook to operating success

- Pro-active Response

- Accountable Measures
  - Individual roadmaps
  - Departmental alignment
The Next Phase...
Deployment - Quality Operating Standards (QOS)

- Implementation Process
  - Operating departments

- Organizational Spread
  - Introduce standards

- Systematic Delivery

- Organizational Benefit
QUESTIONS?
NEXT MEETING

Tuesday, April 24, 2018