BOARD OF GOVERNORS MEETING

October 29, 2019
Approval of Minutes
August 27, 2019
September 19, 2019
Financial Update

Janet Arsenault
Sr. Director of Finance
Financial Snapshot – September 2019

Profit/Loss

Actual: ($290,980)

Budgeted: ($529,838)

YTD Actual: ($3,889,089)

Budgeted: ($4,640,656)

H/M Tax

Actual: $1.66M

Budget: $1.76M

FY19: $1.72M

<5.79%

<3.49%

Customers

(Estimated):

345,942

Economic Impact

(Estimated):

$98.1M
FY20 – Q1 Rolling Forecast Update

Year-End Profit / Loss

Budget $2,409,028
Projection $2,413,424
Questions?
Vision 2025 Update

Jennifer LeMaster
Chief Administrative Officer, GWCCA

John Bourke
President, Bourke Associates
The Planning Process

Participatory Strategic Planning Process

- Typically a 2-8 day off-site meeting. Each session lasts approximately 3 hours and includes a context, individual, and small group brainstorming, posting and clustering ideas, naming clusters, and a brief selection.

- Progress Meetings
  - 6-Month
  - 9-Month

- Committing To the One-Year Project Implementation Calendar
  - (Teams Select Projects for the Coming 12 Months)

- Design Meeting
  - Focus Question

- Inventory of Trends
  - (Current-Day Snapshot of National Industry Trends)

- Creating a Practical Vision
  - Visualization (3-5 yrs. Into Future)

- Brainstorming Action Ideas & Developing Strategic Directions
  - (Form Strategic Direction Teams)

- Identifying Underlying Contradictions
  - (Current-Day Realities)
Focus Question

“How will we as stakeholders of GWCCA...

1. Advance our goal to become the #1 convention, sports, and entertainment destination in the world
2. Efficiently deliver a seamless, world-class customer experience
3. Sustain a streamlined, best-in-class organization
4. Effectively, innovatively, and dynamically drive superior operating results amidst market challenges and disruptors

While...

Attracting, developing, and retaining a talented, engaged, empowered workforce that remains clear and focused on our collectively held vision of success?”
Practical Vision

- Maximized Economic Performance
- Recognized as an Employer of Choice
- Enhanced Campus
- Leveraged State-of-the-Art Technology to Maximize Customer Experience
Strategic Directions

Strategic Direction 1: Elevating Our Destination
- Developing and Expanding Our Campus
  - Creating a Destination
  - Clarifying Our Identity
- Building Team Capability
  - Enhancing Organizational Alignment
- Investing in Technology
  - Setting the Standard for Excellence
  - Aligning Resources to Achieve Maintenance Plan
- Expanding In-House Staffing Services
- Promoting New Events
- Exploring Retail Opportunities

Strategic Direction 2: Strengthening Our Team
- Building Team Capability
- Enhancing Organizational Alignment

Strategic Direction 3: Maximizing Operational Excellence
- Investing in Technology
- Setting the Standard for Excellence
- Aligning Resources to Achieve Maintenance Plan

Strategic Direction 4: Diversifying Our Revenue Portfolio
- Expanding In-House Staffing Services
- Promoting New Events
- Exploring Retail Opportunities
Implementation Calendar

Strategic Direction 1
Elevating Our Destination

Strategic Direction 2
Strengthening Our Team

Strategic Direction 3
Maximizing Operational Excellence

Strategic Direction 4
Diversifying Our Revenue Portfolio
Strategic Team Leaders

Strategic Direction 1
Elevating Our Destination

TIM TREFZER
Director, Corporate Social Responsibility

Strategic Direction 2
Strengthening Our Team

HARRIET THOMAS
Manager, Talent Development

Strategic Direction 3
Maximizing Operational Excellence

MARK KOENINGER
Director, Business Intelligence & Process Improvement

Strategic Direction 4
Diversifying Our Revenue Portfolio

ERIK WALDMAN
Director, Strategic Programs
Strategic Direction 1: Key Accomplishments

- **Brand Identity**
  - Style guide, logos

- **Campus Development**
  - Wayfinding

- **Customer Arrival**
  - Red Deck entrance
  - Lower International employee entrance
  - COP Visitors Center

**TIM TREFZER**
Director, CSR
SD1: Brand Identity

Georgia World Congress Center Authority

Centennial Olympic Park

Georgia World Congress Center

Mercedes-Benz Stadium
SD1: Campus Development
SD1: Customer Arrival – Red Deck
SD1: Centennial Olympic Park Visitor Center
SD1: Centennial Olympic Park Visitor Center
Strategic Direction 2: Key Accomplishments

➢ Talent Management Strategy
  ▪ Hire-to-Retire
  ▪ Employment branding

➢ Competency Models
  ▪ Administrative professionals
  ▪ People managers

➢ Workplace Recognition
  ▪ Employer of choice
  ▪ Team member rewards
SD2: Talent Management Strategy
SD2: Competency Models

Administrative Professionals

**Core Competencies**

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cultural</strong></td>
<td>The principle of shared beliefs, integrity, business acumen, and core values.</td>
</tr>
<tr>
<td><strong>Industry Knowledge Technical</strong></td>
<td>The ability to demonstrate knowledge of administrative skills and proficiencies.</td>
</tr>
<tr>
<td><strong>Customer Relations</strong></td>
<td>The practice of hospitality, active listening and responding to meet the needs of internal and external individuals.</td>
</tr>
<tr>
<td><strong>Communication</strong></td>
<td>The exchange of accurate and timely information which leads to understanding.</td>
</tr>
<tr>
<td><strong>Organization</strong></td>
<td>The application of effective processes, initiatives and resources.</td>
</tr>
</tbody>
</table>
SD2: Workplace Recognition

REACH FOR THE S.T.A.R.

The Authority All-Star program is designed to celebrate outstanding team members and is made up of four pillars - Service, Talent, development, Above and Beyond, and Recognition.

TALENT

When you reach a significant career milestone at IHUSA, we celebrate. Our top talent recognition program acknowledges your contributions and elevates the teams with special recognition.

Talent Engagement

Team members who complete professional development goals, skill-specific training or do other points and rewards.

ABOVE & BEYOND

Custom All Star Plan will be awarded to employees who initiate projects, processes, and initiatives that improve our operations and positively impact our guests or our communities.

RECOGNITION

Celebrate significant achievements and appreciate the star players by creating a quick recognition card.
Strategic Direction 3: Key Accomplishments

Strategic Direction 3
Maximizing Operational Excellence

MARK KOENINGER
Director, Business Intelligence & Process Improvement

- Technology Upgrades
  - Appetize point of sale implementation
  - Feedback Now restroom system
  - AI camera system enhancements

- Georgia Tech Capstone Teams

- Material Handling Implementation
SD3: Technology Upgrades

Food

Cleanliness

Safety
SD3: Georgia Tech Capstone Teams

- Equipment Allocation & Optimization
- Profit Maximization
- Traffic Simulation and Analysis (AYIB)
- Energy Optimization Analysis
SD3: Material Handling Implementation
Strategic Direction 4: Key Accomplishments

- **Exploring Retail Opportunities**
  - Kiosk success
  - New retail partnership
  - Green Deck retail study

- **In-house Staffing Implementation**
  - Security
  - Guest Services

- **Show Recovery**
  - Expense reductions and waste diversion
SD4: Exploring Retail Opportunities
SD4: In-House Staffing Implementation
SD4: Show Recovery
Regular Progress Updates
Resolution: SGCCA Management Service Agreement (Amendment)

Pargen Robertson
Legal Counsel, GWCCA
Recall that on March 25, 2014, the Authority executed the Convention Center Management Agreement with the Georgia International and Maritime Trade Center Authority ("GIMTCA"), pursuant to which the Authority essentially was to manage the Savannah International Trade & Convention Center.

That Agreement has been amended once before, on August 10, 2016.
H.B. 525 (2019)

By operation of law effective July 1, 2019:

(1) GIMTCA was dissolved, and the Savannah–Georgia Convention Center Authority (SGCCA) was created;

(2) the Savannah International Trade & Convention Center was renamed the Savannah Convention Center; and

(3) the SGCCA became successor to GIMTCA in all contracts entered into by GIMTCA which were in existence on July 1, 2019 (including but not limited to the Convention Center Management Agreement as previously amended).
With this Resolution, the Board essentially would extend the term of the Savannah Convention Center Management Agreement for a Renewal Term of three (3) additional years, to expire on June 30, 2023.

If at the end of the Renewal Term SGCCA intends to continue securing management services through a third-party provider, then in the final year SGCCA agrees to negotiate in good faith to attempt to reach an agreement on a new contract or arrangement with GWCCA to renew.
Questions?
Resolution: Public Art Exterior-MBS
Cool Globes (Ratification)

Kevin Duvall
Chief Operating Officer, GWCCA

Scott Jenkins
General Manager, MBS
Cool Globes Atlanta: Overview

- A public art exhibition designed to raise awareness of solutions to climate change
- 30, 5’ diameter globes are exhibited to promote sustainability at the local level
- The exhibition premiered in Chicago in 2007, and has since traveled the world and been translated into 9 languages
Cool Globes Atlanta: Timing

- **Installation:** October 2019
- **October 21:** Press conference
- **Removal:** January 2020
Section 2.8 Public Art. No public art or work of art shall be installed on the Stadium Site outside of the Stadium without the prior written consent of the GWCCA, which may be withheld only based on the reasonable conclusion of the GWCCA that such art is (a) lewd, offensive or immoral, (b) a public or private nuisance or (c) materially inconsistent with the aesthetic theme or appearance of the GWCCA Campus.
Staff Recommendation

- Staff recommends ratification of the Executive Committee action
Questions?
Resolution: CBRE and JLL Letters of Agreement (Ratification)

Kevin Duvall
Chief Operating Officer, GWCCA
Bond Validation Requirements

- Independent market analysis (study) to include a hotel proforma

- Third party construction cost monitor to review independently from Drew the monthly construction draws, change orders that may arise, schedule progress, etc.
Should include:

- Supply and demand
- Competitive set review
- Projected occupancy
- Average daily rate
- Operating margins
Professional fees for this assignment will be based on our current hourly billing rates and the hours required. We estimate they will not exceed $45,000.

Plus any out-of-pocket expenses incurred in the performance of the assignment will be billed at actual cost.

*These fees are covered as a cost of issuance.*
Construction Monitor

Sometimes referred to as an Independent Engineer, the Monitor will serve three primarily roles:

- Prior to closing, will provide a report pronouncing that the budget and schedule for the project are acceptable.
- Post-closing, will be involved in reviewing eligible project fund requisitions on behalf of the Trustee and to confirm that funds remaining are sufficient to complete the project.
- During construction, provide quarterly reports to bondholders (public) on the status of the construction.
Estimated Fees = $152,500

*These fees are covered as part of the cost of bond issuance.*
Staff Recommendation

- Staff recommends ratification of the Executive Committee action
Questions?
Resolution: Hotel Bond

Theonie Alicandro
COO and General Counsel, Drew Co.

Matt Nichols
Partner, King & Spalding LLP
# Project Budget Overview

## Development Cost Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>10/21/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LAND COSTS</strong></td>
<td>$</td>
</tr>
<tr>
<td>Land Costs</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL LAND COSTS</strong></td>
<td>$</td>
</tr>
<tr>
<td><strong>CONSTRUCTION HARD COSTS</strong></td>
<td></td>
</tr>
<tr>
<td>General Contractor/Construction Manager Contract</td>
<td>$ 296,623,580.00</td>
</tr>
<tr>
<td>GA Power</td>
<td>$</td>
</tr>
<tr>
<td>Other Utility Connection Fees</td>
<td>$</td>
</tr>
<tr>
<td>Owners Hard Cost Contingency</td>
<td>$ 17,797,414.80</td>
</tr>
<tr>
<td><strong>TOTAL CONSTRUCTION HARD COSTS</strong></td>
<td>$ 314,420,994.80</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key Count</th>
<th>975</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost per Key</td>
<td>$ 448,151.73</td>
</tr>
<tr>
<td>Land Costs</td>
<td>$ -</td>
</tr>
<tr>
<td>General Contractor/Construction Manager Contract</td>
<td>$ 296,623,580.00</td>
</tr>
<tr>
<td>Other Hard Costs and Contingency</td>
<td>$ 17,797,414.80</td>
</tr>
<tr>
<td>Architectural/Engineering Design</td>
<td>$ 16,775,000.00</td>
</tr>
<tr>
<td>Approvals &amp; Permitting</td>
<td>$ 6,254,544.00</td>
</tr>
<tr>
<td>Project Administration &amp; Overhead</td>
<td>$ 9,000,000.00</td>
</tr>
<tr>
<td>Hotel Costs</td>
<td>$ 87,467,400.00</td>
</tr>
<tr>
<td>Closing Costs</td>
<td>$ 3,030,000.00</td>
</tr>
<tr>
<td>Financing Costs</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$ 436,947,938.80</td>
</tr>
</tbody>
</table>
## Project Budget Overview

### PROJECT SOFT COSTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architectural/Engineering Design</td>
<td>$16,000,000.00</td>
</tr>
<tr>
<td>Architectural</td>
<td>$16,000.00</td>
</tr>
<tr>
<td>Engineering Peer Review</td>
<td>$80,000.00</td>
</tr>
<tr>
<td>Civil Engineering</td>
<td>$160,000.00</td>
</tr>
<tr>
<td>Traffic Engineering</td>
<td>$75,000.00</td>
</tr>
<tr>
<td>Commissioning</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$300,000.00</td>
</tr>
<tr>
<td><strong>Subtotal, Architectural/Engineering Design</strong></td>
<td><strong>$16,775,000.00</strong></td>
</tr>
<tr>
<td>Approvals &amp; Permitting</td>
<td>-</td>
</tr>
<tr>
<td>Owner Development Monitoring Consultant</td>
<td>-</td>
</tr>
<tr>
<td>Permits (Building Permit)</td>
<td>-</td>
</tr>
<tr>
<td>Permitting Consultants</td>
<td>-</td>
</tr>
<tr>
<td>Owner Soft Cost Contingency (3%)</td>
<td>$6,254,544.00</td>
</tr>
<tr>
<td><strong>Subtotal, Approvals &amp; Permitting</strong></td>
<td><strong>$6,254,544.00</strong></td>
</tr>
</tbody>
</table>

### Hotel Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>FF&amp;E</td>
<td>$40,040,000.00</td>
</tr>
<tr>
<td>OSE (including IT)</td>
<td>$15,015,000.00</td>
</tr>
<tr>
<td>Pre-Opening Budget</td>
<td>$10,010,000.00</td>
</tr>
<tr>
<td>Working Capital</td>
<td>$2,002,000.00</td>
</tr>
<tr>
<td>Technical Services Fee</td>
<td>$400,400.00</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
</tr>
<tr>
<td>Misc. Contingency</td>
<td>$20,000,000.00</td>
</tr>
<tr>
<td><strong>Subtotal, Hotel Costs</strong></td>
<td><strong>$87,467,400.00</strong></td>
</tr>
</tbody>
</table>

### Project Administration & Overhead

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developer’s Fee</td>
<td>$9,000,000.00</td>
</tr>
<tr>
<td>Project Administration &amp; Overhead</td>
<td>$9,000,000.00</td>
</tr>
</tbody>
</table>

### Closing Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal, Title Insurance and Other Miscellaneous</td>
<td>$3,030,000.00</td>
</tr>
<tr>
<td>Closing Costs</td>
<td>$3,030,000.00</td>
</tr>
</tbody>
</table>

| **TOTAL PROJECT SOFT COSTS**               | **$122,526,944.00** |
| **TOTAL HARD AND SOFT COSTS W/OUT FINANCING** | **$436,947,938.80** |
Schedule: Next 90 Days

- **November 2019**
  - GWCCA adopts bond resolution
  - Finalize QMA
  - Finalize construction contract
  - Gensler completes the 30% construction documents

- **December 2019**
  - Skanska receives 30% construction documents to begin pricing
  - GWCCA Development Committee meeting
  - GWCCA Board of Governors meeting
  - Mid-December Citi submits credit package to rating agency(s)

- **January 2020**
  - GWCCA Board of Governors meeting
  - Skanska GMP due Jan 31

- **February 2020**
  - GWCCA Development Committee meeting – TBD
  - GMP acceptance
  - Final bond parameter approval by GWCCA – TBD
Validation Process Overview

- Establish financial parameters for the bonds
- Formally approve project summary, development budget, and revenue estimates
- Approve the interim line of credit
- Formally request Georgia State Financing and Investment Commission (GSFIC) to approve the offer and sale of the bonds and the interim line of credit
Financial Parameters for the Bonds

- Maximum principal amount: $500 million
- Maximum interest rate: 8.5%
- Maximum annual debt service: $42 million
- Final maturity: 40 years
Project Summary and Revenue Estimate

- Project summary is attached as Exhibit A
- Includes development budget estimate of $436,950,000
GSFIC Approvals

- Offer and sale of the bonds
- Financial parameters
- Credit ratings and method of sale
- Interim line of credit
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2</td>
<td>GSFIC meeting</td>
</tr>
<tr>
<td>Week of December 9</td>
<td>File Petition</td>
</tr>
<tr>
<td>December 19</td>
<td>First Validation Advertisement</td>
</tr>
<tr>
<td>December 26</td>
<td>Second Validation Advertisement</td>
</tr>
<tr>
<td>Week of December 30</td>
<td>Validation Hearing</td>
</tr>
</tbody>
</table>
Subsequent Activities: January - March

- Finalize documents and prepare an offering document
- Obtain credit ratings
- Update CBRE market study as required
- Construction pricing (GMP)
- Print and post the offering document
- Bond marketing
- Investor calls
- Bond pricing (requires special called meeting of GWCCA Board of Governors)
- Closing; obtain proceeds of sale
Questions?
Next Meetings

Expect a called meeting in November &
Regular meeting December 3, 2019