



Georgia World
Congress Center
Authority

BOARD OF GOVERNORS MEETING

February 25, 2020

**TOP
WORK
PLACES**

2020

**The Atlanta
Journal-Constitution**

Approval of Minutes January 28, 2020

FINANCIAL

Financial Update

Janet Arsenault

Sr. Director of Finance

Financial Snapshot – January 2020

FINANCIAL

Profit/
Loss



Georgia World
Congress Center



CENTENNIAL
OLYMPIC PARK

Actual

\$798,039

Budgeted

\$176,527

YTD Actual

\$660,806

Budgeted

(\$1,981,722)



H/M Tax

Actual

\$3.78M

Budget

\$3.84M

<1.61%

FY19

\$3.76M

>0.61%



Customers

(Estimated)

209,668



Economic
Impact

(Estimated)

\$133.5M

Questions?

AUTHORITY

GMP Update

Scott Cannon

Executive Vice President/GM, Skanska USA

Theonie Alicandro

COO and General Counsel, Drew Co.

SKANSKA



Gensler  **walter p moore**
 **ELLIE MAE CONSULTING ENGINEERS, INC.**
Kimley»Horn
Expert. Vers. Experience. Better.
 **THE DREW COMPANY**

GMP Update

February 14, 2020

Bid Package Strategy

Project divided into individual 58 bid packages

Bid packages then subdivided into Site, Podium and Tower

Provided savings by using 2 different firms for Tower & Podium:

- Mechanical
- Plumbing
- Drywall
- Tile
- Doors/Frames/Hardware
- Flooring

Sub and Vendor Participation

.....

**209 Scoped Bids
Received from 14
States + Canada**



- Georgia
- Florida
- Alabama
- Tennessee
- Louisiana
- Kansas
- Nebraska
- Texas
- Canada
- Kentucky
- Pennsylvania
- Massachusetts
- New York
- California
- North Carolina

Level of GMP Docs

- Site and Civil 95% CD
- Foundation Systems 90% CD
- Structural Steel 85% CD
- Concrete Superstructure 85% CD
- Exterior Envelope 75% CD
- Tower Finishes 85% CD
- Remaining Scopes 30% CD

GMP Overview

Project- GWCC Hotel
DRAFT PROJECT VARIANCE CSI FORMAT
2/14/2020

SKANSKA

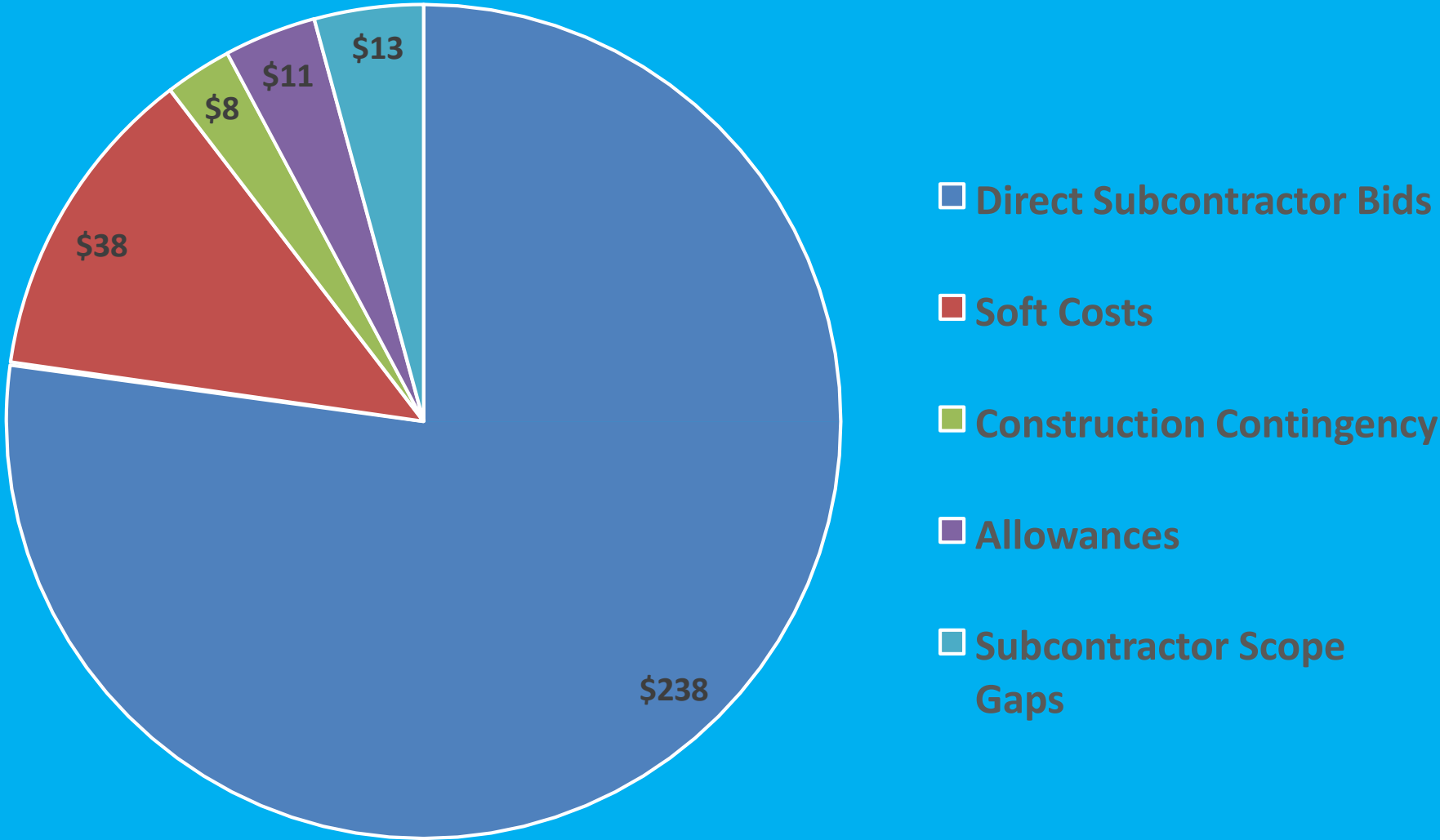


Atlanta, GA

Project Cost Summary

		12-02-19 50% DD Budget	02-14-20 30% CD GMP	Change	Notes
1 Mockups & Testing		\$ 468,000	\$268,000	(\$200,000)	See detail
2 Existing Conditions (Demolition)		\$ 1,781,192	\$1,516,000	(\$265,192)	See detail
3 Concrete		\$ 45,230,317	\$46,444,213	\$1,213,895	See detail
4 Masonry		\$ 1,280,397	\$1,574,805	\$294,408	See detail
5 Metals		\$ 20,429,043	\$20,508,906	\$79,863	See detail
6 Woods & Plastics		\$ 6,970,212	\$6,792,968	(\$177,244)	See detail
7 Thermal and Moisture Protection		\$ 8,973,514	\$8,237,060	(\$736,454)	See detail
8 Openings		\$ 31,839,448	\$30,627,112	(\$1,212,336)	See detail
9 Finishes		\$ 32,924,474	\$40,040,221	\$7,115,747	See detail
10 Specialties		\$ 5,259,492	\$3,842,665	(\$1,416,827)	See detail
11 Equipment		\$ 409,771	\$632,135	\$222,364	See detail
12 Furnishings		\$ 151,725	\$218,842	\$67,117	See detail
13 Special Construction		\$ -		\$0	
14 Conveying Systems		\$ 14,264,525	\$12,672,197	(\$1,592,328)	See detail
21 Fire Suppression		\$ 2,802,692	\$2,415,235	(\$387,457)	See detail
22 Plumbing		\$ 14,680,459	\$15,012,175	\$331,716	See detail
23 HVAC		\$ 25,510,771	\$28,795,080	\$3,284,309	See detail
26 Electrical		\$ 22,118,274	\$26,293,577	\$4,175,304	See detail
27 Communications		\$ 2,495,433	\$2,721,520	\$226,087	See detail
28 Electronic Safety & Security		\$ 973,896	\$1,137,580	\$163,684	See detail
31 Earthwork		\$ 7,765,365	\$8,375,400	\$610,035	See detail
32 Exterior Improvements		\$ 5,087,598	\$4,838,776	(\$248,822)	See detail
33 Utilities		\$ 1,960,908	IN 31 Above	(\$1,960,908)	See detail
Direct Work Subtotal		\$ 253,377,506	\$ 262,964,466	\$9,586,960	
Subcontractor Default Insurance	1.25%	\$ 3,167,219	\$ 3,287,056	\$119,837	% of COW
Design Contingency	0.00%	\$ -	\$ -		Held By Owner
Construction Contingency	3.00%	\$ 7,601,325	\$ 7,888,934	\$287,609	% of COW
General Requirements- Cleaning, etc		\$ 4,176,021	\$ 4,709,398	\$533,377	Revised per new contract requirements
General Conditions		\$ 9,662,794	\$ 10,209,791	\$546,997	Revised per new contract requirements
CCIP Insurance	2.63%	\$ 7,583,120	\$ 7,899,288	\$316,168	% of COW
Builder's Risk Insurance	0.20%	\$ 524,567	\$ -	(\$524,567)	Held By Owner
P&P Bond	0.65%	\$ 1,915,390	\$ 2,003,641	\$88,251	% of COW
Contractor's Fee	3.00%	\$ 8,640,238	\$ 8,978,226	\$337,988	% of COW
Final Cost Reconciliation		\$ 311,640	\$ 311,640	\$0	
Total Construction Cost		\$ 296,959,819	\$ 308,252,440	\$ 11,292,620	

GMP Breakdown (\$M)



QA

Development Budget Draft (Based on GMP Date 01.31.20)

13 February 2020

Proforma Comparison back to 07.29.19 Budget

Category	NTE 07.29.19 a	GMP 01.31.20 b	Adjustments (a-b)
LAND COSTS			
Land Costs			\$-
TOTAL LAND COSTS	\$-	\$-	\$-
CONSTRUCTION HARD COSTS			
General Contractor/Construction Manager Contract /Owner Direct	\$296,623,580.00	\$308,252,440.00	\$11,628,860.00
AYIB Plaza	\$-	\$10,000,000.00	\$10,000,000.00
OWNER Direct Hard Cost	\$-	\$3,138,714.00	\$3,138,714.00
Owner's Hard Cost Contingency	\$17,797,414.80	\$16,107,680.00	\$(1,689,734.80)
TOTAL CONSTRUCTION HARD COSTS	\$314,420,994.80	\$337,498,834.00	\$23,077,839.20
PROJECT SOFT COSTS			
Architectural/Engineering Design			
Architectural & Engineering & Special Consultants	\$16,000,000.00	\$16,841,652.00	\$841,652.00
Engineering Peer Review	\$160,000.00	\$160,000.00	\$-
Geotechnical	\$80,000.00	\$219,155.00	\$139,155.00
Civil Engineering	\$160,000.00	\$159,450.00	\$(50.00)
Traffic Engineering	\$75,000.00	\$32,000.00	\$(43,000.00)
Commissioning	\$-	\$356,440.00	\$356,440.00
Miscellaneous	\$300,000.00	\$1,170,526.00	\$870,526.00
Subtotal, Architectural/Engineering Design	\$16,775,000.00	\$18,939,223.00	\$2,164,223.00
Approvals, Permitting & Soft Cost Contingency			
Owner Development Monitoring Consultant	\$-	\$-	
Permits (Building Permit)	\$-	\$100,000.00	\$100,000.00
Permitting Consultants	\$-	\$25,000.00	\$25,000.00
Owner Soft Cost Contingency	\$6,254,544.00	\$814,474.67	\$(5,440,069.33)
Subtotal, Approvals & Permitting	\$6,254,544.00	\$939,474.67	\$(5,315,069.33)

Category	NTE 07.29.19 a	GMP 01.31.20 b	Adjustments (a-b)
Hotel Costs			
FF&E	\$40,040,000.00	\$45,041,267.53	\$5,001,267.53
OSE (including IT)	\$15,015,000.00	\$19,187,879.61	\$4,172,879.61
Pre-Opening Budget	\$10,010,000.00	\$14,917,571.15	\$4,907,571.15
Working Capital	\$2,002,000.00	\$1,950,000.00	\$(52,000.00)
Technical Services Fee	\$400,400.00	\$400,400.00	\$-
Other	\$-	\$-	\$-
Misc. Contingency	\$20,000,000.00	\$518,039.13	\$(19,481,960.87)
Subtotal, Hotel Costs	\$87,467,400.00	\$82,015,157.42	\$(5,452,242.58)
Project Administration & Overhead			
Developer's Fee	\$9,000,000.00	\$9,000,000.00	\$-
Project Administration & Overhead	\$9,000,000.00	\$9,000,000.00	\$-
Closing Costs			
Legal, Title Insurance and Other Miscellaneous	\$3,030,000.00	\$2,030,000.00	\$(1,000,000.00)
Closing Costs	\$3,030,000.00	\$2,030,000.00	\$(1,000,000.00)
TOTAL PROJECT SOFT COSTS	\$122,526,944.00	\$112,923,855.09	\$(9,603,088.91)
TOTAL HARD AND SOFT COSTS W/OUT FINANCING	\$436,947,938.80	\$450,422,689.09	\$13,474,750.29

GMP Recap Comparison

	NTE .07.29.19 a	GMP 01.31.20 b	Delta (b-a)
Hard Cost	\$296,623,580.00	\$318,252,440.00	\$21,628,860
Owner Direct Hard Cost	\$-	\$3,138,714.00	\$3,138,714
Hard Cost Contingency	\$17,797,414.80	\$16,107,680.00	\$(1,689,735)
Soft	\$96,272,400.00	\$106,542,483.38	\$10,270,083
Soft Cost Contingency	\$26,254,544.00	\$6,381,371.72	\$(19,873,172)
Financing	\$-	\$-	\$-
Total Project Cost w/o Financing	\$436,947,938.80	\$450,422,689.09	\$13,474,750
Total Owner Contingency	\$44,051,958.80	\$22,489,051.72	\$(21,562,907.08)
% Direct Cost	10.1%	5.0%	2

Guaranteed Maximum Price Construction Contract (GMP Agreement)



David C. Jensen
Shareholder, Greenberg Traurig

GMP Agreement

AUTHORITY

CONTRACTOR: Skanska/SG, a Georgia joint venture among Skanska USA Building, Inc. and SG Contracting, Inc. (each jointly and severally liable)

PROJECT: 159 Northside Drive NE, Atlanta, Georgia 30313
Site to be developed as a full-service, minimum 975-room, upper-upscale convention center hotel (under a Hilton flag), as well as related parking facilities and public infrastructure and facilities, amenities, back of house.

ARCHITECT: M. Arthur Gensler Jr. & Associates, Inc.

STATUS: This Contract has been fully negotiated between the parties, including with respect to the GMP Proposal to be incorporated therein. The Contract requires finalization of limited details for exhibits, including the coordination and cooperation agreement with respect to construction activities impacting the Stadium site and finalizing details for the insurance program.

GMP Agreement: Pricing Terms

GUARANTEED MAXIMUM PRICE: \$308,252,440

- **Fee:** 3% of Cost of Work, with fee holiday on first \$1.5 million of changes and 2.75% on change costs thereafter
- **General Conditions/General Requirements Costs:** \$10,209,791 based on scheduled rates adopted, auditable only as to units/time, charged as incurred
- **Insurance/Bond Costs:** CCIP Costs 2.63% ; SDI 1.25% of enrolled trades; Bonds 0.65%
- **Contingency:** 3% initially and adjusted for (i) buy-outs, and (ii) step downs per Contract
 - Reduced by 5% upon delivery of 100% Construction Documents
 - Reduced by 5% upon buyout of all subcontracts
 - Reduced by 5% upon completion of the superstructure (“topping-off”)
 - Reduced by 5% upon date that is 90 days prior to earlier of (a) required date for Substantial Completion, or (b) actual Substantial Completion
- **Shared Savings:** 25% up to a cap of \$1,500,000 and subject to timely completion and subject to any remaining Contingency
- **Change Order Fee Dead Band:** \$1,500,000 of cumulative changes
- **Subcontractor Change Markups:** Capped at 15% in aggregate, exclusive of Contractor’s Fee and General Conditions

GMP Summary

Direct Work/Trades:	\$262,964,466
General Conditions	\$ 10,209,791 (Includes approx. \$546,997 for Delay Allowances)
General Requirements	\$ 4,709,398
CCIP	\$ 7,899,288
P&P Bond	\$ 2,003,641
Subcontractor Default Insurance	\$ 3,287,056
Construction Contingency	\$ 7,888,934
Contractor's Fee	\$ 8,978,226
<u>Final Cost Reconciliation</u>	<u>\$ 311,640</u>
GMP	\$ 308,252,440

GMP Agreement: Schedule/Contract Time

- Schedule to be finalized following GMP Amendment – Construction period for Substantial Completion [895] days from commencement of construction and 60 days for punch list
 - Projected start date is April 2020 with projected Substantial Completion October 2022
 - Schedule and the GMP include a 28-day allowance for excusable delays
- Liquidated damages for failing to timely achieve Substantial Completion: \$60,000 per day, capped at Contractor's fee (Fee per initial GMP is \$8,978,226)
 - Liquidated Damages are projected to be adequate to cover approximately 4-5 months of debt service
- Mutual waiver of consequential damages

GMP Agreement: Payment Terms

- Monthly: Applications for Payment submitted last day of a month, payments processed and paid by last day of following month (30-day cycles)
- Payments tied to schedule of values relative to work completed and to be certified by architect
- Progress payments subject to typical deliverables (i.e., progress reporting, waivers, supporting details)
- Final payment subject to audit
- Final payment subject to typical deliverables/close out deliverables (waivers, as-builts, manuals, etc.)
- Late interest at 4% per annum subject to 10-day notice and cure (Georgia Prompt Payment Statute is otherwise 1% per month)
- Payments for off-site stored materials only with Owner's prior approval
- Retainage of 10% to 50% complete (based on GMP billing) and thereafter only if work is not satisfactory; contractor seeking no retainage on general conditions or insurance costs
 - GA Code § 13-10-80
- Authority to have typical withholding rights

GMP Agreement: Completion Conditions

AUTHORITY

SUBSTANTIAL AND FINAL COMPLETION CONDITIONS:

- Substantial Completion: Owner can occupy or utilize the work for its intended use; all systems operational and operating; all approvals, sign-offs, or certifications relating to the work and occupancy attained; only punch list work remains; and architect has certified Substantial Completion
- Final Completion: Substantial Completion plus completion of punch list; all final sign-offs and permits closed out; architect has certified Final Completion

GMP Agreement: Indemnity, Insurance, and Bonds

INSURANCE AND BONDS:

- Project to be insured through a combined coverage package to include as the primary liability coverage a Controlled Insurance Program (CCIP) Contractor to provide Project CCIP; Subcontractor Default Insurance: Assumed approach at this stage, to be finalized
 - Continuation of CCIP and SDI coverages in the event of contract termination to be determined
- Comprehensive Builders Risk coverage by Authority through Zurich with a per occurrence limit of \$552,967,951, assuming \$395,602,454 project value, including a delay in completion aggregate sublimit of \$157,595,497 based on a contract value
- Payment Bond and Performance Bond per Georgia Public Works statutes

INDEMNIFICATION:

- Contractor to indemnify and defend Authority and other contractually required additional insureds from and against claims, damages, losses, and expenses, including but not limited to reasonable attorneys' fees, to the extent arising out of or resulting from performance of the Work, and/or to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable
 - GA Code § 13-8-2(b) permits indemnity except to extent solely caused by indemnities
 - Damage to Work itself is excluded from coverage but would be addressed either by Contract terms, SDI, Subcontractor charge-backs, and/or Builders Risk as appropriate
- Contractor indemnifies and defends Owner Entities from lien claims for which Owner has remitted payment to Contractor; Contractor has affirmative duty to dismiss any such liens/claims - Contractor also providing payment bond

GMP Agreement: Warranty

WARRANTY:

- Contractor's Work to be of good quality and new unless the Contract Documents require or permit otherwise and to conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit
 - Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage
 - All manufacturer and equipment warranties to be issued in name of or be mutually enforceable by Owner

- 1-year call-back period for defective work; Contractor to correct defects within call-back period upon prior notice
 - To extent final payment was less than GMP and there are warranty costs, Owner will contribute such difference (based on pro rata shared savings) to such post completion warranty costs

GMP Agreement: Other

ASSIGNMENT:

- Owner assignment rights to lenders and/or to any other authorized governmental agencies/authorities/bodies

TERMINATION/SUSPENSION:

- For Cause: Either party may terminate upon a material breach upon prior written notice and subject to cure (7-day notice)
- Owner has right to terminate for convenience; in such event, Owner to pay Fee and costs for Work performed, including demobilization; Contractor waives claims for lost profit and other damages

OTHER CONTRACT CONDITIONS:

- Contractor and all Subcontractors (and Sub-Subcontractors) must comply with the EBO Plan, with a minimum goal of at least thirty one percent (31%) participation by M/FBE
- Customary record keeping and reporting; accounting record retention minimum 5 years
- LEED Gold objective
- Stadium Cooperation and Coordination Agreement and Site Logistics Plan

Performance Risk Mitigants

- Joint Venture members are jointly and severally liable - Skanska USA Building Inc. is a well-established and reputable construction company (since 2002) which is an affiliated company within the Skanska Group (\$7.7 billion market cap)
- Performance Bond
- Payment Bond
- SDI coverage for trade defaults
- Contract protections and remedies, including project status reporting and preemptive rights
- Delay damages
- Contractor incentives
- Payment holdback rights and retainage
- Experienced, capable, and solid project team

Resolution

NOW THEREFORE BE IT RESOLVED by the Board of Governors of the Geo. L. Smith II Georgia World Congress Center Authority that the Executive Director expressly is authorized to continue to negotiate with Skanska regarding the terms and conditions of a proposed Contract Between Owner and Contractor for the Hotel Project (“Agreement”) and, in case those negotiations with Skanska are successful, then the Executive Director is authorized, though not required, to take such actions and to execute and deliver such documents as may be necessary or appropriate to effect the execution of the proposed Agreement (which proposed Agreement substantially would be in the form attached hereto as Exhibit A), but only so long as such proposed Agreement complies with applicable law and, in the judgment of the Executive Director, is consistent with the corporate purposes and mission of the Authority and the Authority’s sound business practices.

Action Item

AUTHORITY

Staff recommends approval of the resolution.

Questions?

QMA and Related Agreements

AUTHORITY

Pargen Robertson
Legal Counsel, GWCCA

Nicholas Palmer
Of Counsel
Greenberg Traurig

The Parties

AUTHORITY

OWNER: GEO. L. SMITH II GEORGIA WORLD CONGRESS CENTER AUTHORITY

MANAGER: SIGNIA HOTEL MANAGEMENT LLC

PROJECT: Signia by Hilton

A full-service, minimum 975-room, upper-upscale convention center hotel, as well as related parking facilities and public infrastructure and facilities, amenities, back of house.

QMA: Material Items Agreed to with Hilton

AUTHORITY

TERM SHEET MATTERS

- Management and other Fees
- Areas of Protection
- Term of Agreement
- Key Money (\$25 Million)
- FF&E Reserve contributions
- Owner Performance Termination rights
- Owner approval of certain Key Personnel

QMA: Material Items Agreed to with Hilton

QMA

- Concession Agreements / Space Leases. All to be in Owner's name, signed by Owner and subject to Owner's approval.
- Hotel Parking Vendors. Owner to have consultation and approval rights with respect to third-party parking vendor.
- Licenses and Permits. Manager to obtain.
- Competitive Bidding. Parties have agreed to Manager standard practices with input from Owner.
- Use of Funds and Reserves. Parties have agreed to terms of Indenture, Operating Expense and other Reserve requirements/minimums, priority of distributions, etc.
- Letter of Credit Repayment. Parties have agreed to terms of repayment and priority of funding in waterfall
- Treatment After No Bonds Outstanding. Non-recourse liability for Owner the entire Term (regardless of whether Bonds remain outstanding).

QMA: Material Items Agreed to with Hilton

➤ Clean Campus Provisions

- Special Events. Manager has agreed to dimming, exclusive advertising, marketing, group contract addendum language, and other material clean campus obligations and rights.
- Non-Special Events. Manager has agreed to permit marketing by a Competitor or use of Competitor's name related thereto, provided that for Non-Special Events within the Hotel, Manager's consent would be required.

➤ Equal Business Opportunity (EBO) Plan: Open items remain.

➤ Indemnification Procedures and Litigation Control. Parties have agreed to a process that has also been approved by the Attorney General.

QMA: Material Items Agreed to with Hilton

- Owner's access to certain Key Employees. Key Employees to be available to Owner at all reasonable times, provided (i) Owner shall endeavor in good faith to provide prior notice to the general manager (even, if informally), (ii) any such meeting shall not unreasonably disrupt the operations of the Hotel, and (iii) Owner shall conduct such meetings in accordance with professional business practices.
- Lockout for Brand Standard Changes. Subject to 5-year lockout period from Opening Date for changes that would otherwise be required due to modifications to Brand Standards after approval under the Technical Services Agreement (other than Critical Brand Standards), but in no event to exceed 7 years from the date of such approval.
- Insurance. Owner shall obtain and maintain insurance in accordance with the terms of the Brand Standards.
- Budget Variances. Hilton must adhere to annual budget, subject to expressly permitted deviations or other items expressly set forth in the agreement.
- Contracts with Related Parties. / No Conflicts of Interest. Manager shall not enter into any contract, as a result of which Manager, or any Affiliate of Manager, receives, any Direct or Indirect Profit.

QMA: Material Items Agreed to with Hilton

- Amendments to QMA. Manager entitled to reject a proposed amendment if it would change their economics, but they will not also have the right to unilaterally terminate the QMA. Also, Manager will not be in default if the parties are unable to agree upon an amendment or an amendment causes violation of IRS Regs.
- Establishment of Rates. Methodology to be approved as part of Annual Plan and IRS Regs to be cited.
- Signatory to Contracts. Owner “contract representative” to sign all contracts on behalf of Owner.
- Hotel Consultant. If a Consultant is hired for one of the three enumerated reasons (proposed budget shows coverage ratio won't be met, coverage ratio is not met for trailing four quarters, or coverage ratio is not met as shown on the audited financial statements), then the Hotel pays for it. Otherwise, it would be an Owner expense.
- Debt Service Coverage Requirement. Required DSCR is 1.2x annual debt service.
- Direct or Indirect Profit. No 5% carveout.

Room Block Agreement: Material Items Agreed to with Hilton

- Definition of City-Wide Event. An event requiring (i) at least 2,500 guest rooms on peak in at least 3 hotels, and (ii) at least 100,000 gross square feet of Convention Center space utilized for one day or more while the event is being held.
- Maximum Event Room Block. 80% of inventory for 36+ months out. 50% inventory for 24-35 months out.
- Hilton “Free-Sell”. Manager will have free sale of rooms (i) for dates less than 24 months out, (ii) “Load-in/Load-Out Days” for events utilizing at least 80% of Convention Center space, and (iii) on any day that the Convention Center cannot accommodate a City-Wide Event because less than 100,000 square feet of meeting and/or exhibit space is available.
- Meeting Space Rates/TGCC Minimum. Use of the meeting space would be contingent on the group agreeing to a catering contribution equal to at least the average group catering contribution per group room night over the trailing 3 years (a “TGCC Minimum”). If the group is not willing to commit to the TGCC minimum, then they will be required to pay additional meeting room rental revenues equal to at least 40% of the estimated TGCC revenue.

Room Block Agreement: Material Items Agreed to with Hilton

➤ Permitted Rates.

- Include in the forecasts and budgets a range of “Permitted Rates” for rooms booked for City-Wide Events. The Permitted Rates would be set annually and will be applicable for the following calendar year (Jan. 1 through December 31).
- The range will be established for each season (high, mid, low etc.) and will be further broken down based on weekend vs. weekday within each season.
- The range for each season (and for weekend vs. weekday within each season) will be a 10% premium (on the low end) and 35% premium (on the high-end) above the avg. comp set group rates during each applicable season (and for weekend vs. weekday within each season) over the trailing 12 months.
- Quoted rates for groups would be increased between 2% to 5% per year up to the arrival date.
- Hilton would not be permitted to object to a rate required by the GWCCA for the applicable City-Wide Event under the Room Block Agreement if the rate falls within the above-referenced parameters.
- Suite Rooms and Signia Club Rooms will not be subject to the above-referenced Permitted Rate parameters and will be priced in accordance with Hilton’s standard pricing policies. Furthermore, Manager will have the ability to price 30% of the designated room block for upgraded room type inventory, based on availability, at an increased rate, which maybe in excess of the 10%-35% premium range. Upgraded room type inventory is rooms within the Hotel that have comparably better characteristics (such as higher floors, better locations or better views) than the typical room in the Hotel.

Room Block Agreement: Material Items Agreed to with Hilton

AUTHORITY

- Treatment of Overbooking. Owner may designate up to 12 “No-Walk Groups” per year. In the event of any overbooking, attendees of a No-Walk Group would not be “walked” to another property and have priority over all other guests.
- Prior Room Block History (Credit History/Guaranty Requirements for Groups). Owner has agreed to permit Manager to request credit/group event history and recommend and consult with Owner regarding the inclusion of security deposit or other related requirements in the offer, all of which would be subject to Owner’s approval.
- Reporting of Event Nights. On a monthly basis, the Manager shall provide to Owner a five-year rolling report of (i) committed Event Nights, (ii) committed event nights for Hotel In-House Group Events not subject to the Maximum Event Room Block, and (iii) projected group average daily rates.
- No Termination. Hilton may not terminate the agreement upon Owner default or for any other reason (may only pursue damages/remedies at law).

Questions?

Resolution

NOW THEREFORE BE IT RESOLVED by the Board of Governors of the Geo. L. Smith II Georgia World Congress Center Authority that the Executive Director expressly is authorized to continue to negotiate with Signia Hotel Management, LLC regarding the terms and conditions of a proposed Qualified Management Agreement and, in case those negotiations with Signia Hotel Management LLC are successful, then the Executive Director is authorized, though not required, to take such actions and to execute and deliver such documents as may be necessary or appropriate to effect the Qualified Management Agreement (which Qualified Management Agreement would be in substantially the same form as the copy attached hereto as Exhibit A), but only so long as such Qualified Management Agreement complies with applicable law and, in the judgment of the Executive Director, is consistent with the corporate purposes and mission of the Authority and the Authority's sound business practices.

Resolution continued

BE IT FURTHER RESOLVED by the Board of Governors of the Geo. L. Smith II Georgia World Congress Center Authority that the Executive Director expressly is authorized to continue to negotiate with Signia Hotel Management, LLC regarding the terms and conditions of a proposed Room Block Agreement and, in case those negotiations with Signia Hotel Management LLC are successful, then the Executive Director is authorized, though not required, to take such actions and to execute and deliver such documents as may be necessary or appropriate to effect the Room Block Agreement (which Room Block Agreement would be in substantially the same form as the copy attached hereto as Exhibit B), but only so long as such Room Block Agreement complies with applicable law and, in the judgment of the Executive Director, is consistent with the corporate purposes and mission of the Authority and the Authority's sound business practices.

Action Item

AUTHORITY

Staff recommends approval of the resolution.

Questions?

AUTHORITY

Financial Update

William M. Corrado

**Director, Head of Real Estate Group
Public Finance Department, Citi**

February 13, 2020



Georgia World Congress Center Authority

Headquarters Hotel – Updated Debt Sizing Analysis with Revised Budget

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Key Financing Assumptions

Item	Assumptions and Structure
Project Cost	<ul style="list-style-type: none"> Total project cost of \$450,422,689 (see page 2) and 33 months of project draws
Key Dates	<ul style="list-style-type: none"> Delivery: 3/18/2020 Hotel Opening: 10/1/2022 10-Year Par Call Date: 10/1/2029 Final Maturity: 10/1/2052
Hotel-Based Revenues	<ul style="list-style-type: none"> Primary source of funding: Adjusted EBITDA Less Replacement Reserve using the CBRE Market Study <ul style="list-style-type: none"> Assumes that revenues and expenses grow at 2.0% annually after fiscal year 2032
Hilton Key Money / Authority Equity	<ul style="list-style-type: none"> <u>Key Money</u>: \$25.0 million of upfront funding to be used to pay for a portion of the costs related to the construction of the Hotel <u>Authority Equity</u>: \$55.0 million of upfront funding to be used to pay for a portion of the costs related to the construction of the Hotel
Debt Service Reserve Funds Requirement	<ul style="list-style-type: none"> The Reserve Requirement is equal to the “least of three” tax test (currently maximum annual debt service) and sized separately by lien; Letters of Credit initially satisfy the Reserve Requirement, with excess revenues used to fund the First Tier and Second Tier Debt Service Reserve Funds to replace the Letters of Credit In addition, a Supplemental Reserve Fund equal to maximum annual debt service is funded through excess revenues
Hilton Letters of Credit	<ul style="list-style-type: none"> Letters of Credit for the First Tier and Second Tier Debt Service Reserve Fund <ul style="list-style-type: none"> Maximum value of \$35 million and maximum term of 10 years Cost of the Letters of Credit: 0.50% of the undrawn balance, annually To ensure repayment, 75% of surplus revenues are allocated to repay the Letters of Credit
Operating Expense Reserve Requirement	<ul style="list-style-type: none"> \$5,000,000 is funded from cash flows in operating year 1 <ul style="list-style-type: none"> Beginning after operating year 1, the balance will be increased annually using the CPI (assumes 2% for modeling purposes)
Capitalized Interest	<ul style="list-style-type: none"> Capitalized interest through 4/1/2023 (6 months past Hotel completion)
Interest Earnings	<ul style="list-style-type: none"> The Project Fund and the Capitalized Interest Fund are both net funded, assuming interest earnings of 1.55% annually
Security and Structure	<ul style="list-style-type: none"> The First Tier Bonds and Second Tier Bonds are structured with level debt service after Hotel stabilization <ul style="list-style-type: none"> <u>Series 2020A First Tier Bonds</u>: Minimum of 3.00x coverage from 2026 Income Available for Debt Service <u>Series 2020B Second Tier Bonds</u>: Sized to fund the remaining project costs

Development Budget and Drawdown Schedule

The proposed \$450.4 million budget and the 33-month drawdown schedule are provided below.

Date	FY	Months	Beginning Balance	Deposit(s) from Bond Proceeds	Application of Upfront GWCCA Equity	Key Money Deposit (1)	Interest Earnings at 1.55%	Total Project Fund Withdrawals (2)	Ending Balance
Total:				\$ 363,257,084	\$ 55,000,000	\$ 25,000,000	\$ 7,165,605	(\$ 450,422,689)	
3/18/20	2020		-	363,257,084	-	-	-	(19,383,106)	343,873,978
4/1/20	2020	1	343,873,978	-	3,124,184	-	192,474	(3,124,184)	344,066,452
5/1/20	2020	2	344,066,452	-	5,042,139	-	444,419	(5,042,139)	344,510,871
6/1/20	2020	3	344,510,871	-	9,214,893	-	444,993	(9,214,893)	344,955,864
7/1/20	2020	4	344,955,864	-	11,648,020	-	445,568	(11,648,020)	345,401,432
8/1/20	2020	5	345,401,432	-	11,025,973	-	446,144	(11,025,973)	345,847,576
9/1/20	2020	6	345,847,576	-	12,395,984	-	446,720	(12,395,984)	346,294,295
10/1/20	2020	7	346,294,295	-	2,548,807	-	447,297	(13,006,705)	336,283,694
11/1/20	2021	8	336,283,694	-	-	-	434,366	(12,991,603)	323,726,457
12/1/20	2021	9	323,726,457	-	-	-	418,147	(12,686,751)	311,457,853
1/1/21	2021	10	311,457,853	-	-	-	402,300	(16,286,255)	295,573,897
2/1/21	2021	11	295,573,897	-	-	-	381,783	(17,145,939)	278,809,741
3/1/21	2021	12	278,809,741	-	-	-	360,129	(15,167,373)	264,002,497
4/1/21	2021	13	264,002,497	-	-	-	341,003	(15,719,782)	248,623,719
5/1/21	2021	14	248,623,719	-	-	-	321,139	(16,118,555)	232,826,303
6/1/21	2021	15	232,826,303	-	-	-	300,734	(19,921,572)	213,205,465
7/1/21	2021	16	213,205,465	-	-	-	275,390	(25,630,781)	187,850,074
8/1/21	2021	17	187,850,074	-	-	-	242,640	(28,939,267)	159,153,447
9/1/21	2021	18	159,153,447	-	-	-	205,573	(29,847,033)	129,511,987
10/1/21	2021	19	129,511,987	-	-	-	167,286	(28,354,078)	101,325,195
11/1/21	2022	20	101,325,195	-	-	-	130,878	(24,460,404)	76,995,670
12/1/21	2022	21	76,995,670	-	-	-	99,453	(18,166,005)	58,929,118
1/1/22	2022	22	58,929,118	-	-	-	76,117	(13,777,799)	45,227,435
2/1/22	2022	23	45,227,435	-	-	-	58,419	(12,793,836)	32,492,018
3/1/22	2022	24	32,492,018	-	-	-	41,969	(11,634,652)	20,899,335
4/1/22	2022	25	20,899,335	-	-	-	26,995	(10,343,417)	10,582,913
5/1/22	2022	26	10,582,913	-	-	986,575	13,670	(11,583,157)	-
6/1/22	2022	27	-	-	-	9,984,647	-	(9,984,647)	-
7/1/22	2022	28	-	-	-	5,547,947	-	(5,547,947)	-
8/1/22	2022	29	-	-	-	3,642,102	-	(3,642,102)	-
9/1/22	2022	30	-	-	-	1,582,681	-	(1,582,681)	-
10/1/22	2022	31	-	-	-	419,963	-	(419,963)	-
11/1/22	2023	32	-	-	-	245,285	-	(245,285)	-
12/1/22	2023	33	-	-	-	2,590,800	-	(2,590,800)	-

(1) The Key Money is applied to the last remaining Project Fund draws.

(2) Provided by Drew Company and Skanska as of 2/13/2020. Preliminary, subject to change.

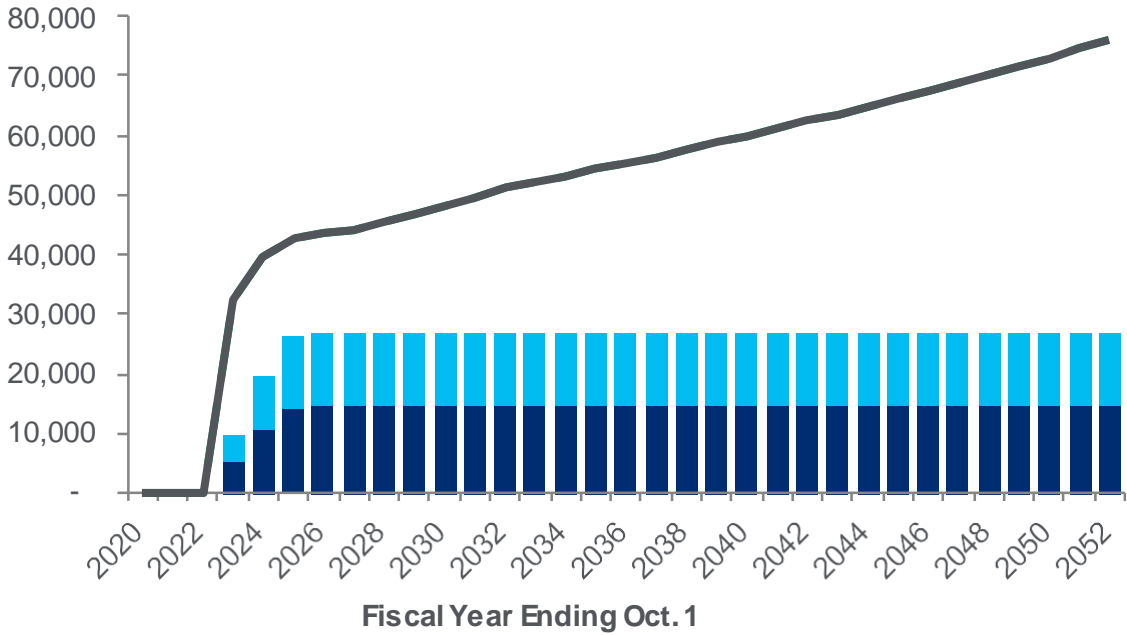
Sources and Uses of Funds

SOURCES:	First Tier Bonds (Series 2020A)	Second Tier Bonds (Series 2020B)	Other Sources	Aggregate
Current Interest Bonds	\$ 215,495,000	\$ 191,485,000	-	\$ 406,980,000
Capital Appreciation Bonds	-	-	-	-
Total Par Amount	\$ 215,495,000	\$ 191,485,000	-	\$ 406,980,000
Premium / Original Issue Discount	22,075,982	-	-	22,075,982
Key Money	-	-	\$ 25,000,000	25,000,000
Upfront GWCCA Equity	-	-	55,000,000	55,000,000
2021-2023 GWCCA Equity (for Capitalized Interest)	-	-	-	-
Total	\$ 237,570,982	\$ 191,485,000	\$ 80,000,000	\$ 509,055,982
USES:	First Tier Bonds (Series 2020A)	Second Tier Bonds (Series 2020B)	Other Sources	Aggregate
Total Project Costs	\$ 201,247,642	\$ 162,009,441	\$ 80,000,000	\$ 450,422,689
Less: Interest Earnings on Project Fund				(7,165,605)
Deposit to Project Fund (1)				\$ 443,257,084
Other Funds	-	-	-	-
Aggregate Deposit to Project Fund	\$ 201,247,642	\$ 162,009,441	\$ 80,000,000	\$ 443,257,084
Capitalized Letter of Credit Fee Account	179,834	159,797	-	339,632
Deposit to Capitalized Interest Fund (1)	31,833,606	25,485,055	-	57,318,660
Deposit to Debt Service Reserve Fund (2)	-	-	-	-
Deposit to Operating Expense Reserve Fund	-	-	-	-
Costs of Issuance / Underwriter's Discount	4,309,900	3,829,700	-	8,139,600
Contingency	-	1,007	-	1,007
Total	\$ 237,570,982	\$ 191,485,000	\$ 80,000,000	\$ 509,055,982

(1) The Project Fund and the Capitalized Interest Fund are both net funded, assuming interest earnings of 1.55%. Preliminary, subject to change.

(2) The Reserve Requirements will initially be satisfied via the Hilton Letters of Credit. The Debt Service Reserve Funds will be funded from surplus cash flows after Hotel opening.

Illustration of Annual Debt Service (\$'000s)



- Minimum debt service coverage ratio of 3.00x for First Tier Bonds
- Minimum debt service coverage ratio of 1.61x for Second Tier Bonds

Preliminary, subject to change.

Financial Projections (\$000s, Years 1-15)

The table below summarizes the preliminary projected flow of funds based upon the adjusted CBRE pro forma.

Operating Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Fiscal Year Beginning (October 1)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Fiscal Year Ending (October 1)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
EBITDA Less Replacement Reserve (Grows at 2.0% Annually After 2032)	32,597	37,736	41,684	42,390	42,898	44,202	45,489	46,884	48,263	49,741	50,736	51,751	52,786	53,841	54,918
Plus: Additional Management Fee Add-Back	-	1,913	1,119	1,167	1,222	1,259	1,296	1,335	1,375	1,417	1,445	1,474	1,504	1,534	1,564
Adjusted EBITDA Less Replacement Reserve (1)	32,597	39,649	42,803	43,557	44,120	45,461	46,785	48,219	49,638	51,158	52,181	53,225	54,289	55,375	56,483
Less: Working Capital Holdback (2)	-	40	41	42	42	43	44	45	46	47	48	49	50	51	52
Net Revenues	32,597	39,609	42,762	43,515	44,078	45,418	46,741	48,174	49,592	51,111	52,133	53,176	54,240	55,324	56,431
Owner Administrative Expenses															
DSRF LOC Fee (0.50%): Calculated Using the Outstanding LOC Balance	134	134	100	44	-	-	-	-	-	-	-	-	-	-	-
Other Administrative Expenses	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
Income Available for Debt Service	32,438	39,450	42,637	43,446	44,053	45,393	46,716	48,149	49,567	51,086	52,108	53,151	54,215	55,299	56,406
First Tier Bond Debt Service															
First Tier Bond Debt Service Fund	5,387	10,775	14,210	14,483	14,479	14,486	14,482	14,482	14,481	14,484	14,479	14,481	14,485	14,484	14,478
First Tier Bond Debt Service Reserve Fund: (Deposit) / Withdrawal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Available After First Tier Bonds	27,051	28,675	28,427	28,963	29,574	30,907	32,234	33,667	35,086	36,602	37,630	38,670	39,730	40,816	41,928
Second Tier Bond Debt Service															
Second Tier Bond Debt Service Fund	4,313	8,626	12,291	12,294	12,291	12,293	12,294	12,293	12,294	12,292	12,295	12,290	12,295	12,294	12,293
Second Tier Bond Debt Service Reserve Fund: (Deposit) / Withdrawal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Available After Second Tier Bonds	22,738	20,049	16,136	16,669	17,282	18,614	19,941	21,374	22,792	24,311	25,334	26,380	27,435	28,522	29,635
Operating Expense Reserve Fund															
Operating Expense Reserve Fund Deposit (3)	5,000	100	102	104	106	108	110	113	115	117	120	122	124	127	129
Cash Available for Reserves and Other Deposits	17,738	19,949	16,034	16,565	17,176	18,506	19,830	21,261	22,677	24,193	25,215	26,258	27,311	28,395	29,506
Other Deposits															
Subordinate Management Fee Fund	887	1,027	1,119	1,167	1,222	1,259	1,296	1,335	1,375	1,417	1,445	1,474	1,504	1,534	1,564
Subordinate FF&E Reserve Fund (4% beginning after 2026)	-	-	-	-	4,888	5,036	5,185	5,342	5,501	5,667	5,781	5,896	6,014	6,134	6,257
Supplemental Reserve Fund (4)	16,851	9,930	-	-	-	-	-	-	-	-	-	-	-	-	-
Letter of Credit Reduction Fund - 75.0% of Available Revenues (4)	-	6,745	11,187	8,852	-	-	-	-	-	-	-	-	-	-	-
Annual Excess to Surplus Revenue Fund	-	2,248	3,729	6,546	11,066	12,212	13,349	14,584	15,801	17,110	17,989	18,888	19,794	20,727	21,684
Primary Reserve Funds															
Debt Service Reserve Fund Balance - LOC	26,784	20,039	8,852	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Reserve Fund Balance - Cash	-	6,745	17,932	26,784	26,784	26,784	26,784	26,784	26,784	26,784	26,784	26,784	26,784	26,784	26,784
Supplemental Reserve Fund Balance	16,851	26,781	26,781	26,781	26,781	26,781	26,781	26,781	26,781	26,781	26,781	26,781	26,781	26,781	26,781
Total Primary Reserve Funds	43,635	53,564	53,564	53,564	53,564	53,564	53,564	53,564	53,564	53,564	53,564	53,564	53,564	53,564	53,564
Other Reserve Funds															
Operating Expense Reserve Fund Balance	5,000	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975	6,095	6,217	6,341	6,468	6,597
Senior FF&E Reserve Fund Balance (5)	887	2,940	6,296	10,965	17,075	23,369	29,850	36,527	43,403	50,487	57,713	65,083	72,600	80,268	88,090
Subordinate FF&E Reserve Fund Balance (5)	-	-	-	-	4,888	9,924	15,109	20,450	25,951	31,618	37,399	43,295	49,309	55,443	61,700
Total Debt Service															
First Tier Bonds	5,387	10,775	14,210	14,483	14,479	14,486	14,482	14,482	14,481	14,484	14,479	14,481	14,485	14,484	14,478
First Tier Bonds and Second Tier Bonds	9,700	19,401	26,501	26,777	26,770	26,779	26,775	26,775	26,776	26,775	26,774	26,771	26,779	26,778	26,771
Debt Service Coverage															
First Tier Bonds (6)	6.02x	3.66x	3.00x	3.00x	3.04x	3.13x	3.23x	3.32x	3.42x	3.53x	3.60x	3.67x	3.74x	3.82x	3.90x
First Tier Bonds and Second Tier Bonds (6)	3.34x	2.03x	1.61x	1.62x	1.65x	1.70x	1.74x	1.80x	1.85x	1.91x	1.95x	1.99x	2.02x	2.07x	2.11x

(1) Values may not match CBRE totals due to rounding.

(2) \$2 million deposit is funded upfront in the Hotel Budget; adjusted

annually with the CPI Index beginning after operating year 1.

(3) Funded in operating year 1; adjusted annually with the CPI Index.

(4) Funded to maximum annual debt service (MADS) for all liens.

(5) Assumes no withdrawals.

(6) "Income Available for Debt Service."

Preliminary, subject to change.

Financial Projections (\$000s, Years 16-30)

The table below summarizes the preliminary projected flow of funds based upon the adjusted CBRE pro forma.

Operating Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Fiscal Year Beginning (October 1)	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Fiscal Year Ending (October 1)	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
EBITDA Less Replacement Reserve (Grows at 2.0% Annually After 2032)	56,016	57,137	58,280	59,445	60,634	61,847	63,084	64,345	65,632	66,945	68,284	69,649	71,042	72,463	73,913
Plus: Additional Management Fee Add-Back	1,596	1,628	1,660	1,693	1,727	1,762	1,797	1,833	1,870	1,907	1,945	1,984	2,024	2,064	2,106
Adjusted EBITDA Less Replacement Reserve (1)	57,612	58,764	59,940	61,139	62,361	63,609	64,881	66,178	67,502	68,852	70,229	71,634	73,066	74,528	76,018
Less: Working Capital Holdback (2)	53	54	55	56	57	58	59	61	62	63	64	66	67	68	70
Net Revenues	57,559	58,711	59,885	61,083	62,304	63,550	64,821	66,118	67,440	68,789	70,165	71,568	72,999	74,459	75,948
Owner Administrative Expenses															
DSRF LOC Fee (0.50%): Calculated Using the Outstanding LOC Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Administrative Expenses	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
Income Available for Debt Service	57,534	58,686	59,860	61,058	62,279	63,525	64,796	66,093	67,415	68,764	70,140	71,543	72,974	74,434	75,923
First Tier Bond Debt Service															
First Tier Bond Debt Service Fund	14,486	14,483	14,482	14,478	14,485	14,481	14,482	14,480	14,485	14,480	14,485	14,483	14,482	14,481	14,480
First Tier Bond Debt Service Reserve Fund: (Deposit) / Withdrawal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Available After First Tier Bonds	43,048	44,203	45,378	46,580	47,794	49,044	50,315	51,613	52,930	54,284	55,655	57,060	58,493	59,953	61,444
Second Tier Bond Debt Service															
Second Tier Bond Debt Service Fund	12,291	12,293	12,293	12,297	12,292	12,292	12,293	12,293	12,295	12,293	12,296	12,293	12,293	12,290	12,298
Second Tier Bond Debt Service Reserve Fund: (Deposit) / Withdrawal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Available After Second Tier Bonds	30,757	31,910	33,085	34,283	35,503	36,752	38,022	39,320	40,635	41,991	43,359	44,768	46,200	47,663	49,146
Operating Expense Reserve Fund															
Operating Expense Reserve Fund Deposit (3)	132	135	137	140	143	146	149	152	155	158	161	164	167	171	174
Cash Available for Reserves and Other Deposits	30,625	31,775	32,948	34,143	35,360	36,606	37,873	39,169	40,481	41,833	43,198	44,604	46,033	47,493	48,972
Other Deposits															
Subordinate Management Fee Fund	1,596	1,627	1,660	1,693	1,727	1,762	1,797	1,833	1,869	1,907	1,945	1,984	2,024	2,064	2,105
Subordinate FF&E Reserve Fund (4% beginning after 2026)	6,382	6,510	6,640	6,773	6,908	7,046	7,187	7,331	7,478	7,627	7,780	7,935	8,094	8,256	8,421
Supplemental Reserve Fund (4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Letter of Credit Reduction Fund - 75.0% of Available Revenues (4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Annual Excess to Surplus Revenue Fund	22,647	23,638	24,648	25,677	26,725	27,798	28,889	30,005	31,134	32,299	33,473	34,684	35,915	37,173	38,446
Primary Reserve Funds															
Debt Service Reserve Fund Balance - LOC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Reserve Fund Balance - Cash	26,784	26,784	26,784	26,784	26,784	26,784	26,784	26,784	26,784	26,784	26,784	26,784	26,784	26,784	26,784
Supplemental Reserve Fund Balance	26,781	26,781	26,781	26,781	26,781	26,781	26,781	26,781	26,781	26,781	26,781	26,781	26,781	26,781	26,781
Total Primary Reserve Funds	53,564	53,564	53,564	53,564	53,564	53,564	53,564	53,564	53,564	53,564	53,564	53,564	53,564	53,564	53,564
Other Reserve Funds															
Operating Expense Reserve Fund Balance	6,729	6,864	7,001	7,141	7,284	7,430	7,578	7,730	7,884	8,042	8,203	8,367	8,534	8,705	8,879
Senior FF&E Reserve Fund Balance (5)	96,067	104,205	112,505	120,971	129,606	138,414	147,398	156,562	165,910	175,444	185,169	195,088	205,206	215,526	226,052
Subordinate FF&E Reserve Fund Balance (5)	68,082	74,592	81,232	88,005	94,913	101,959	109,147	116,478	123,955	131,583	139,362	147,298	155,392	163,648	172,069
Total Debt Service															
First Tier Bonds	14,486	14,483	14,482	14,478	14,485	14,481	14,482	14,480	14,485	14,480	14,485	14,483	14,482	14,481	14,480
First Tier Bonds and Second Tier Bonds	26,777	26,776	26,775	26,774	26,776	26,773	26,775	26,773	26,780	26,773	26,781	26,775	26,774	26,771	26,777
Debt Service Coverage															
First Tier Bonds (6)	3.97x	4.05x	4.13x	4.22x	4.30x	4.39x	4.47x	4.56x	4.65x	4.75x	4.84x	4.94x	5.04x	5.14x	5.24x
First Tier Bonds and Second Tier Bonds (6) with the CPI Index	2.15x	2.19x	2.24x	2.28x	2.33x	2.37x	2.42x	2.47x	2.52x	2.57x	2.62x	2.67x	2.73x	2.78x	2.84x

(4) Funds may not match core debt service (MBS) for all liens.
(5) Assumed to grow with levels.
(6) Assumed to be cash deposit upfront in the Hotel Budget; adjusted to cash available for debt service after operating year 1.

Questions?

AUTHORITY

Schedule to Bond Closing

Theonie Alicandro
COO and General Counsel, Drew Co.

Schedule

- Public rating – week of 3/9/20
- Launch transaction – week of 3/16/20
- 3 weeks to market
- Pricing – week of 4/6/20
- Closing – week of 4/20/20
- NTP will be issued right after closing
- Skanska commencement of construction 10 days after NTP issued

Questions?

AUTHORITY

Falcons/AMBSE Brokerage Agreement/Rate Card Update

Joe Bocherer

Chief Commercial Officer, GWCCA

Mace Aluia

Vice President, Corporate Partnership Sales
AMB Sports & Entertainment

Pursuant to the Comprehensive Booking Policy, MBS is to provide a rate card for GWCCA events annually by March 1

Pursuant to the Advertising Brokerage Agreement, the Team agreed as follows.

On or before February 1 each year, Broker shall submit to the Authority, for the Authority's approval in its sole and absolute discretion, (1) proposed License Fee rate schedules for Advertising Contracts; (2) projected Sponsor Revenues . . .; and (3) projected Broker Commissions . . . This Section 3.5 shall not prohibit Broker negotiating with Advertisers based on Licensee Fees which vary from the License Fee rate schedule approved by the Authority, but no Advertising Contract between the Authority and the Advertiser shall become effective unless the Authority approves the License Fee contained therein.

Advertising Brokerage Agreement, Section 3.5.

Annual Advertising Rates

Element

FY20 Annual Rate

Proposed FY21 Annual Rate

(3% increase)

Static Exterior

East Plaza	\$51,250	\$52,787
International Plaza/Red Deck	\$333,125	\$343,118
Magnum Parking Deck (Silver Deck)	\$128,125	\$131,968
Marietta Parking Deck (Green Deck)	\$76,875	\$79,181
Blue Parking Lot	\$128,750	\$132,612

Digital Signage Exterior

East Plaza BB/10 second ad 120 sec loop	\$24,600	\$25,338
TMBR BB/10 second ad 120 sec loop	\$30,750	\$31,672
Marietta BB/10 second ad 120 sec loop	\$36,900	\$38,007

Static Interior

Vehicle Placement	\$36,900	\$38,007
Mamava Nursing Stations (2)	\$40,000	\$41,200
Fuel-Rod Stations (total of 8)	\$24,000	\$24,720

Digital Signage Interior

5 LED Video Walls/10 – second ad 180 sec loop	\$61,500	\$63,345
57 single monitors/10 – second ad 180 sec loop	\$61,500	\$63,345

FY21 Goals

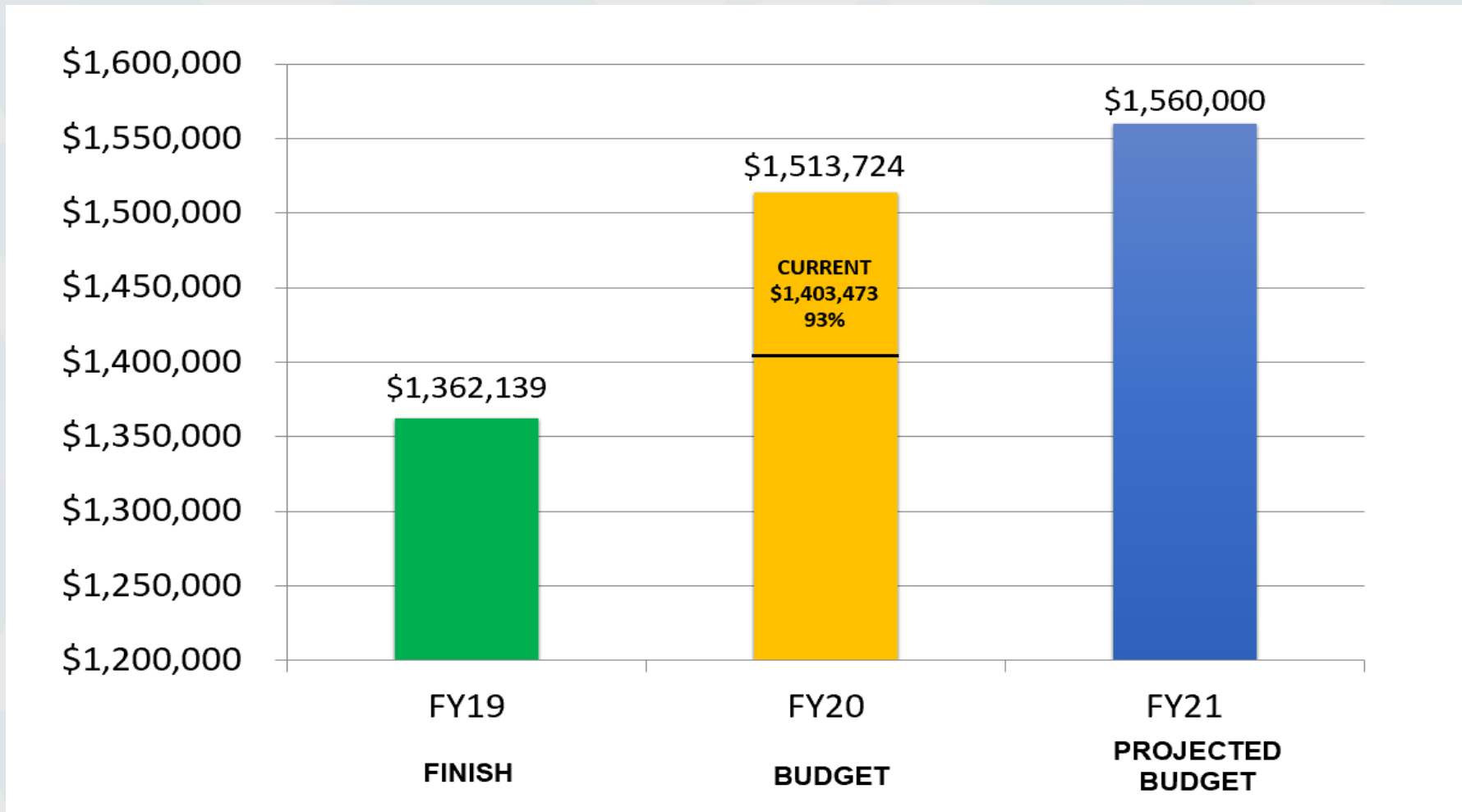
- Revenue increase of 3% (Over FY20)
- Generate \$241,752 in new business

FY21 Business Objectives

- New Business Categories: theme parks, real estate, legal, telecom, airline/automotive, beer, wine and spirits, restaurants, retail, state safety initiatives, insurance, banking, fast food, office supply
- Inventory focus: parking decks, International Plaza elevator bank, nursing stations, and FuelRod stations

FY19 – FY21 Projected Budget

AUTHORITY



FY21 Projected Gross Annual Signage

AUTHORITY

Contracted Revenue Pre-Brokerage	\$ 655,796
Contracted Revenue Post-Brokerage	\$ 602,452
Expected Renewals	\$ 60,000
<u>Projected New Business</u>	<u>\$ 241,752</u>
FY21 TOTAL	\$1,560,000

**projected commission of \$271, 261 on gross sales*

FY21 Mercedes-Benz Stadium Event Rates

- Event day rental fee: \$250,000
- Each additional load-in and load-out day: \$50,000
- Tickets are subject to ticket fees
- Client pays all expenses (i.e. security, video board use, lights, etc.)
- AMBSE retains all food and beverage

Questions?

AUTHORITY

Next Scheduled Board Meeting

March 31, 2020