BOARD OF GOVERNORS RETREAT

September 16-17, 2021
Introductions and Overview
Action Item

Approval of Minutes
August 31, 2021
DISCOVER ATLANTA
NEW DEVELOPMENT IN ATLANTA
Cancellations for reasons other than COVID-19 are excluded.
AVERAGE SAFETY PERCEPTIONS OF TRAVEL ACTIVITIES  (MAR 2020 – SEP 2021)

**Question:** At this moment, how safe would you feel doing each type of travel activity?

*(Base: Waves 1-73. All respondents, 1,200+ completed surveys each wave.)*
How much do you agree with the following statement?

Statement: I will be unlikely to attend any conferences or conventions until the coronavirus situation is resolved.

Historical data

- Agree or Strongly agree
- Disagree or Strongly disagree

66.8%
9.3%
15.3%
59.0%
July 2021

OCCUPANCY

SINGLE MONTH

58%

vs. LY  28%  96%
vs. 5 Yr Avg -4%  -7%

YEAR TO DATE

46%

vs. LY  7%  19%
vs. 5 Yr Avg -17%  -27%

City of Atlanta

<table>
<thead>
<tr>
<th></th>
<th>July 2021</th>
<th>Occ</th>
<th>YoY vs. 5 Yr</th>
<th>vs. 5 Yr Avg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Atlanta Market</td>
<td>71%</td>
<td>42%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Downtown</td>
<td>56%</td>
<td>97%</td>
<td>-11%</td>
<td>-1%</td>
</tr>
<tr>
<td>Midtown</td>
<td>57%</td>
<td>132%</td>
<td>-1%</td>
<td></td>
</tr>
<tr>
<td>Buckhead</td>
<td>61%</td>
<td>72%</td>
<td>-6%</td>
<td></td>
</tr>
<tr>
<td>Airport</td>
<td>71%</td>
<td>44%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Major Convention Hotels</td>
<td>53%</td>
<td>168%</td>
<td>-17%</td>
<td></td>
</tr>
<tr>
<td>GWCC 1-Mile Radius</td>
<td>56%</td>
<td>102%</td>
<td>-11%</td>
<td></td>
</tr>
<tr>
<td>Top 25 Lux &amp; UpUp</td>
<td>60%</td>
<td>160%</td>
<td>-7%</td>
<td></td>
</tr>
</tbody>
</table>

Source: STR
### Single Month

**July 2021**

**SINGLE MONTH**

- **$165**
  - vs. LY: $48  **41%**
  - vs. 5 Yr Avg: $17  **12%**

### Year to Date

**$143**

- vs. LY: -$14  **-9%**
- vs. 5 Yr Avg: -$17  **-11%**

### City of Atlanta - July 2021

<table>
<thead>
<tr>
<th></th>
<th>ADR</th>
<th>YoY</th>
<th>vs. 5 Yr Avg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Atlanta Market</td>
<td>$114</td>
<td>41%</td>
<td>9%</td>
</tr>
<tr>
<td>Downtown</td>
<td>$168</td>
<td>49%</td>
<td>15%</td>
</tr>
<tr>
<td>Midtown</td>
<td>$168</td>
<td>36%</td>
<td>10%</td>
</tr>
<tr>
<td>Buckhead</td>
<td>$168</td>
<td>31%</td>
<td>6%</td>
</tr>
<tr>
<td>Airport</td>
<td>$101</td>
<td>31%</td>
<td>5%</td>
</tr>
<tr>
<td>Major Convention Hotels</td>
<td>$164</td>
<td>46%</td>
<td>16%</td>
</tr>
<tr>
<td>GWCC 1-Mile Radius</td>
<td>$168</td>
<td>48%</td>
<td>14%</td>
</tr>
<tr>
<td>Top 25 Lux &amp; UpUp</td>
<td>$229</td>
<td>38%</td>
<td>8%</td>
</tr>
</tbody>
</table>

**Source:** STR
GROUP DEMAND SHARE
July 2021 : 12 Month Trailing

<table>
<thead>
<tr>
<th></th>
<th>Demand</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2021</td>
<td>615 K</td>
<td>6.5%</td>
</tr>
<tr>
<td>July 2020</td>
<td>1.4 M</td>
<td>4.9%</td>
</tr>
<tr>
<td>Change YOY</td>
<td>-56%</td>
<td>133%</td>
</tr>
</tbody>
</table>

© 2021 Mapbox © OpenStreetMap

July 2021
## Long-Term Pace Report

GWCC events, benchmark = 3-year average (2018 – 2020)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definite Room Nights</td>
<td>555,645</td>
<td>790,637</td>
<td>732,200</td>
<td>645,067</td>
<td>179,107</td>
<td>274,559</td>
<td>134,147</td>
<td>162,391</td>
<td>3,473,753</td>
</tr>
<tr>
<td>Pace Targets</td>
<td>605,543</td>
<td>583,445</td>
<td>532,197</td>
<td>416,566</td>
<td>260,498</td>
<td>211,958</td>
<td>181,163</td>
<td>125,888</td>
<td>2,917,258</td>
</tr>
<tr>
<td>Variance</td>
<td>-49,898</td>
<td>207,192</td>
<td>200,003</td>
<td>228,501</td>
<td>-81,391</td>
<td>62,601</td>
<td>-47,016</td>
<td>36,503</td>
<td>556,495</td>
</tr>
<tr>
<td>Consumption Benchmark</td>
<td>606,728</td>
<td>606,728</td>
<td>606,728</td>
<td>606,728</td>
<td>606,728</td>
<td>606,728</td>
<td>606,728</td>
<td>606,728</td>
<td>4,853,824</td>
</tr>
<tr>
<td>Pace Percentage</td>
<td>92%</td>
<td>136%</td>
<td>138%</td>
<td>155%</td>
<td>69%</td>
<td>130%</td>
<td>74%</td>
<td>129%</td>
<td>119%</td>
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<tr>
<td>Total Tentatives</td>
<td>2,658</td>
<td>24,222</td>
<td>22,544</td>
<td>125,015</td>
<td>445,660</td>
<td>387,333</td>
<td>436,738</td>
<td>390,537</td>
<td>1,834,707</td>
</tr>
<tr>
<td>Annual Tentatives</td>
<td>2,658</td>
<td>5,804</td>
<td>14,894</td>
<td>91,669</td>
<td>325,971</td>
<td>320,444</td>
<td>253,257</td>
<td>276,375</td>
<td>1,291,072</td>
</tr>
</tbody>
</table>

### Graph

- **Tentative Room Nights**
- **Definite Room Nights**
- **Pace Targets**

9/10/2020
LARGE GROUPS FOR FUTURE YEARS

5,000+ on Peak
Number of Events

<table>
<thead>
<tr>
<th>Year</th>
<th>Tentative</th>
<th>Tentative Annual</th>
<th>Definite</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td></td>
<td>12</td>
<td>0</td>
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<tr>
<td>2022</td>
<td>20</td>
<td></td>
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<tr>
<td>2023</td>
<td>21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td>17</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>10</td>
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<td></td>
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<tr>
<td>2026</td>
<td>13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2027</td>
<td>5</td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>

Goal: 20

2,500+ on Peak
Room Nights

<table>
<thead>
<tr>
<th>Year</th>
<th>Tentative</th>
<th>Tentative Annual</th>
<th>Definite</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td></td>
<td>500K</td>
<td>0</td>
</tr>
<tr>
<td>2022</td>
<td>500K</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>2023</td>
<td>500K</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>2024</td>
<td>500K</td>
<td></td>
<td>0</td>
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<tr>
<td>2025</td>
<td>500K</td>
<td>500K</td>
<td>0</td>
</tr>
<tr>
<td>2026</td>
<td>500K</td>
<td>500K</td>
<td>0</td>
</tr>
<tr>
<td>2027</td>
<td>500K</td>
<td>500K</td>
<td>0</td>
</tr>
</tbody>
</table>

Goal: 925,000

8/27/2021
2021 INDUSTRY EVENTS

International Association of Venue Managers (IAVM) 
VenueConnect

American Society of Association Executives (ASAE) Community Pop-Up

Large Show Roundtable

International LGBTQ+ Travel Association (IGLTA) annual global convention
UPDATE ATLANTA EVENT IN WASHINGTON, D.C.
UPCOMING INDUSTRY EVENTS

August 2023
American Society of Association Executives (ASAE) annual meeting

July 2024 and July 2029
Global Business Travel Association (GBTA) annual convention
FUTURE EVENTS

- Society of Independent Show Organizers (SISO)
- 2026 FIFA World Cup
- Super Bowl
- NCAA Men’s Final Four
- College Football Playoff National Championship
NEW HOTEL PROPERTIES

- Bellyard West Midtown
- Element Atlanta Buckhead
- Embassy Suites by Hilton Atlanta Midtown
- Epicurean Atlanta (opening September 2021)
- Kimpton Sylvan Hotel
- Marriott Courtyard | Element Midtown (opening October 2021)
- Thompson Buckhead (opening November 2021)
- Wylie Hotel
Overall Crime up by 26% compared to 2020

Vehicle crime, both Auto Theft and Larceny from Vehicles, are driving the crime. Both categories are significantly up compared to either 2020 or 2019.
Reducing Crime – Key Initiatives

These key initiatives are **led or coordinated from the Mayor’s Office** across multiple city departments and key partners.

<table>
<thead>
<tr>
<th>Key Initiative</th>
<th>Status</th>
<th>Link to Key Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Hire 250 Police Officers in FY22</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>2. Expand the Operation Shield Network by 250 Cameras by December 2021</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>3. Build a Public Safety Training Academy, initiating construction in FY22</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>4. Light Up the Night by Adding 10,000 Streetlights by December 2022</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>5. Establish the Mayor’s Office of Violence Reduction and Expand Violence Prevention Program in FY22</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>6. Expand Enforcement of Nuisance Properties, initiated January 2021</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>7. Implementing Justice and Policing Reforms, including a Diversion and Services Center</td>
<td></td>
<td>2</td>
</tr>
</tbody>
</table>
2021 Meetings Marketing

- Heavy emphasis on the significant enhancements taking place on GWCCA’s championship campus utilizing the following channels:
  - Meetings eNewsletter (monthly/bi-monthly)
  - Social (Twitter concentration)
  - LinkedIn strategy to build our sales team authority and strengthen their networks
  - Attendee-focused articles

- The campus development messaging focuses on:
  - Signia by Hilton Atlanta
  - Exhibit Hall BC
  - AYIB Pedestrian Mall & Transportation Depot
  - Centennial Olympic Park expansion
2022 Meetings Marketing

Create awareness and generate excitement among planners, exhibitors and convention attendees (both prospective groups and booked groups) to increase demand and boost attendance to GWCCA campus and Atlanta.

- Robust, multi-year omnichannel campaign targeting meetings professional and attendees via digital, social, activations and other media channels
- Anthemic video highlighting the new hotel, convention campus and overall destination amenities
- Retargeting and geofencing at top conventions
- Activations at ASAE 2022 and other key industry trade shows
QUESTIONS & THANK YOU!

DiscoverAtlanta.com
Sales & Marketing Forecast FY21 and Beyond

Joe Bocherer
Chief Commercial Officer, GWCCA

Kim Allison
Sr. Director of Convention Sales, GWCCA
What Our Customers are Saying
Large Show Roundtable
Atlanta, August 18 - 19
Some shows are choosing to require proof of vaccines:
1. HIMSS: August 9–13 in Las Vegas
2. HLTH: October 17–20 at the Boston Convention and Exhibition Center
3. American College of Chest Physicians (ACCP’s CHEST Annual Meeting): October 17–20 at Orlando’s Orange County Convention Center

Moving forward, will venue operators and state, municipal, and regional authorities require vaccines? It’s looking like the answer will be YES in some places.

76% of organizers and exhibitors believe vaccines will lead to normalcy for the event industry

Event Producers Safety Requirements:
1. Require masks (70%+)
2. Proof of negative COVID-19 test (20%)
3. Proof of vaccine (20%)
4. Rapid Testing onsite (18%)

Source: Sparks, Pulse Survey April 2021
Industry Feedback & Outlook

Freeman Data
Respondent Snapshot: Deep Dive into August Pulse Survey Data

**Attendee Profile**
- 5,165 Attendee responses
- ±1.4% Margin of error
- 36% of Attendees are executives or C-level
- 15% are International attendees

**Exhibitor Profile**
- 442 Exhibitor responses
- ±4.7% Margin of error
- 43% of Attendees are executives or C-level
- 11% are International attendees
Attendee Return Timeline: Uncertainty Will Impact Attendance at Upcoming Events

Source: Attendee Survey, Exhibitor Survey

Question: U.S. health officials expect everyone will be eligible to be vaccinated by May 2021. When would you expect to attend your next in-person event?
Primary Need for Attendees to Return to In-Person Events: The Event is Held

**Source:** Attendee Survey

**Question:** What is the one thing you would need to see to get you to return to in-person events?

- The event is held: 35%
- CDC or other trusted healthcare professional recommends it is safe to do so: 14%
- Health and safety protocols (e.g. mask mandates): 13%
- Adult (18+) vaccination rate: 11%
- Event not located in a hot spot: 9%
- Other: 17%
Coupling the controllable nature of events + industry vaccination rates, attending an event is no riskier than most normal daily activities
That’s right…
Safer than most daily activities
Rates Vary by Industry Vertical, but are Higher Than US Average

Source: Attendee Survey

Question: Have you been vaccinated?
And let’s not forget, what we do matters.

Pre-pandemic, in-person events contributed almost $400 billion in direct economic impact (or 1.8% of the US GDP) — more than computer and electronic products manufacturing, auto manufacturing, publishing, arts, entertainment, and recreation.
In-Person Events Remain a Critical Channel
GWCCA Sales Deployment

Current Sales Team Structure
## FY22 GWCCA Sales Structure

<table>
<thead>
<tr>
<th>Team</th>
<th>Title</th>
<th>Market</th>
<th>Division/ACVB Partner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joe Bocherer</td>
<td>Chief Commercial Officer</td>
<td>Annuals and VIP clients (IPPE/IWF)</td>
<td>Largest accounts</td>
</tr>
<tr>
<td>Kim Allison</td>
<td>Senior Director, Convention Sales</td>
<td>Annuals, DC market, select accounts in all markets</td>
<td>Over 2500 peak, David McAuley, partner with Joe on Annuals</td>
</tr>
<tr>
<td>TJ Rogers</td>
<td>Senior Sales Manager</td>
<td>Sports, all East Coast (except DC, MD, VA)</td>
<td>Over 600 peak; Zack Laws</td>
</tr>
<tr>
<td>Vince Almoina</td>
<td>Senior Sales Manager</td>
<td>Corporate, Independent Trade Shows, Chicago, and West</td>
<td>Corporate and Trade show (vertical over 600) Chicago and West over 2500/Cindy Moss/Anna Williams/Dave Sukala</td>
</tr>
<tr>
<td>Lidija Ahmetovic</td>
<td>Sales Manager</td>
<td>Film, local events, selected smaller annuals, DC, and Chicago</td>
<td>Film/smaller annuals over 600 peak below 2500 peak. DC and Chicago 600-2499 peak/Phil Gammon/Heather Turner/Angela Hoyt</td>
</tr>
<tr>
<td>Sarah Wilburg</td>
<td>Sales Manager</td>
<td>All events</td>
<td>600 peak and below/Phil Gammon/Nina House</td>
</tr>
<tr>
<td>Dree Porter</td>
<td>Contracts Manager</td>
<td>All contracts, amendments, COI, and payment/invoicing</td>
<td></td>
</tr>
</tbody>
</table>
## Future Production 3-5 Year Outlook as of September 2021

<table>
<thead>
<tr>
<th>FY</th>
<th>Confirmed</th>
<th>STLY</th>
<th>Variance</th>
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</thead>
<tbody>
<tr>
<td>2022</td>
<td>$14,500,623</td>
<td>$16,726,838</td>
<td>-13%</td>
</tr>
<tr>
<td>2023</td>
<td>$13,106,786</td>
<td>$10,128,258</td>
<td>+29%</td>
</tr>
<tr>
<td>2024</td>
<td>$13,960,020</td>
<td>$10,571,120</td>
<td>+32%</td>
</tr>
<tr>
<td>2025</td>
<td>$13,174,711</td>
<td>$8,546,271</td>
<td>+54%</td>
</tr>
<tr>
<td>TOTAL Production 2023-2025</td>
<td>+$10,995,868</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Board of Governors Planning Retreat – September 16-17, 2021
Customer Outlook

➢ **Short-term gains**
  ▪ Clients want to meet
  ▪ Clients are meeting – reduced footprint
  ▪ Optavia, AUVSI, ACS, GLASS BUILD

➢ **We are not alone, but we are at the top!**
  ▪ GWCC continues safely and successfully to support events
  ▪ Every major convention destination is facing some sort of resurgence of cancellations
  ▪ Every destination continues to move forward

➢ **Numbers will grow**
  ▪ Rental does not include in the year for the year
  ▪ Attendance will come back directly correlated with vaccines

➢ **Markets will rebound**
  ▪ Already seeing Associations come back
  ▪ Corporate continues to lag but sends RFPs
  ▪ Sports is back
Technology & Innovation

- 42 Chat
- Concept 3D
- Digital Reader Boards
- Outdoor Digital Boards
- Expanded Camera System
**Instant Answers:** cutting edge A.I. chatbots answer questions in less than 3 seconds, with 95% correct response rate

**Personal Connections:** text is the most immediate, intimate way to connect; 98% open rate so you know your messages are being read

**Meaningful Conversations:** advanced A.I. chatbots create two-way conversations that both elevate your brand and relationships

- Venue Bot
- Conference Bot
- Virtual Event Bot
- Grad Bot
- Exhibit Bot
Concept 3D

- 3D Maps
- 360-Degree Maps
- Virtual Tours
- Wayfinding
- Space Planning
- Virtual Engagement
Digital Reader Boards, Outdoor Digital Boards, Expanded Camera System

- **42” monitors** featuring meeting content and advertising outside every meeting room
- **Four 3-sided boards** replacing planter boxes outside A/B Registration Hall; three outside Building A (East Plaza)
- **Total of 1,000+ cameras** across campus being monitored by GWCCA Public Safety Command Center; moved from machine learning to neural network learning
- Revenue source moving forward
Joint GWCCA / Hilton Sales Office
Questions?
GWCC BOARD RETREAT
Signia by Hilton Atlanta

September 16, 2021
Kyle Stevens
AGENDA

Sales Operations Update

Recruiting, Staffing, and EBO Plan

Pre-Opening Budget

Hilton Worldwide Sales

Guestroom Rate Analysis

Critical Path and Milestone Dates

Questions
Sales Operations Update
SALES OPERATIONS UPDATE

- Training, Development & Administrative Needs
  - Understanding Booking Agreement(s)
  - Creation of Property Information Management Tool
  - Training on New Operating System
- Implementation of Operating System(s)
- Backlogging of Tentative Bookings
- Customer Dialogue and Selling Phase
- Proposals and Contract Execution
- Pace and Production Impact
- Continuation of ACVB, GWCCA & Signia by Hilton Synergies
Recruitment and Diversity & Inclusion Strategic Overview

Stefani Raggio
VP, HR Operations, North America
Our strategy is to leverage and promote diversity and inclusion through a framework of Culture, Talent, and Marketplace initiatives to foster innovation and create a globally competitive business.

**Culture**
We are proud to create a culture where all are welcomed and celebrated.
- Team Member Resource Groups that celebrate our uniqueness and commonalities
- Focused development programs to build robust, diverse talent pipelines
- Inclusion councils that provide oversight and alignment of our initiatives to the overall Hilton Global Diversity and Inclusion framework

**Talent**
We attract, develop, and retain the best and brightest talent in hospitality.
- A commitment to hire diverse candidates at all levels
- Inclusive recruitment, learning, and leadership development programs
- Quarterly reporting of Team Member diversity metrics to improve transparency and drive accountability
- Team Member benefits that support personal and professional growth

**Marketplace**
We engage, support, and create business opportunities in our communities.
- Strategic partnerships with non-profit organizations and marketing campaigns to engage diverse customer segments
- Property ownership for women and ethnic minorities
- A supplier program that procures products and services from diversely owned businesses
- Partnership with ESG (Environmental, Social and Governance) and the Hilton Effect Foundation to support communities around the globe
“Hilton hospitality is a powerful, unifying force that has fueled greater understanding and served as an engine of opportunity for more than a century – for our Guests, Communities, Partners and most of all, our Team Members. We have committed to create the best, most inclusive home for our Team members at Hilton, ensuring they feel welcomed and employed to bring their best selves to work every day.” - Chris Nassetta, President & CEO

RECRUITMENT & SOURCING – OUR COMMITMENT TO DIVERSITY & INCLUSION

External Recruitment
• We establish sourcing pipelines of diverse talent through widespread community partnerships and marketing campaigns geared at attracting the best and brightest talent in hospitality.
• We engage with diversity-focused non-profits, professional organizations, colleges, vocational schools, and universities to attract a diverse candidate pipeline.

Internal Recruitment
• Internal Quarterly Talent Reviews to identify geographically mobile, ethnically and gender diverse key leadership talent.
• Deliberate focus to develop and elevate internal talent through our signature leadership development programs.
• Mentoring programs for ethnically-diverse and women leaders.

Hiring Plan
• Highly coordinated and sequenced hiring of key leadership roles to position hotel for success throughout pre-opening and opening phases.
• Multi-faceted talent sourcing for hourly positions through ongoing cadence of community-based job fairs, large-scale deployment of info sessions and hiring events.

Placement & Onboarding
• Weekly placement tracking against hiring action plans for ethnic diversity, gender, disability status, veteran status, etc.
• Robust onboarding of brands orientation, service standards, systems, culture and compliance training to best prepare Team Members to create exceptional guest experiences.
<table>
<thead>
<tr>
<th>Dept</th>
<th>Position</th>
<th>Start Month</th>
<th>Position filled by</th>
<th>Actual Hire Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales/Marketing</td>
<td>Director - Sales &amp; Marketing</td>
<td>7/1/2021</td>
<td>Kyle Stevens</td>
<td>7/12/2021</td>
</tr>
<tr>
<td>Sales/Marketing</td>
<td>Director of Group Sales</td>
<td>9/1/2021</td>
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<td></td>
</tr>
<tr>
<td>Sales/Marketing</td>
<td>Senior Sales Manager</td>
<td>11/1/2021</td>
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</tr>
<tr>
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Marketplace

We engage, support and create business opportunities in our communities.

Diversity is continually promoted within our marketplace through our supplier diversity program, multicultural marketing to diverse customer segments, partnerships with numerous diverse nonprofit organizations, and development of property ownership opportunities for women and ethnic minorities. We partner with key stakeholders to create opportunity in the marketplace for Suppliers, Guests, Communities and Owners.

Through our award-winning supplier diversity program, which began nearly a decade ago, we have cultivated relationships with over 4,900 women-, minority-, veteran-, LGBTQ-, disabled-owned and small businesses in the U.S. In 2020, we sourced from 2,700 Supplier Diversity Program partners, accounting for over $266 million of our supplier spend. We were proud to be named #1 on DiversityInc’s Top Companies for Supplier Diversity list in 2020.*

At the heart of our Corporate Responsibility strategy, Travel with Purpose, is the fundamental belief that any Team Member can make a difference, and that we as individuals, teams, hotels, and a company can positively impact the communities where we live, work, and travel.

*Sr 1 & 2

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SUPPLIER SPOTLIGHT

“I have had the privilege of working with Hilton for several years and even participated on their Diversity panel. I am thrilled to see where our partnership takes us in the future.”

- Amy Manzanares
Senior Vice President, LEO Events

IMPACT AT HILTON. LEO Events has partnered with Hilton for more than five years providing unforgettable conference experiences. Their team is able to create events that are both fully immersive for attendees and reflective of Hilton’s brands and objectives.

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OWNER SPOTLIGHT

“Introducing women and people of color to hotel ownership early on will change the trajectory of their lives.”

- Tracy Prigmore
Hampton Inn Owner/Franchisee

FUN FACT: Founder of “She Has A Deal” - After having a positive experience as a first-time Franchisee at Hilton, Tracy wanted to give back to people of color and women who wish to get into hotel ownership but faced two big challenges: the lack of representation and access to capital. These challenges inspired her to form the She Has a Deal program which includes an annual hotel pitch competition and educational opportunities for aspiring hotel investors.
PRIORITIZING OUR COMMUNITIES

During the pandemic, Hilton delivered the light and warmth of hospitality to those who needed it the most.

A core pillar of the Hilton Effect Foundation is to support our communities during both good and challenging times to ensure they remain strong and resilient for generations to come. As the impact of COVID-19 has continued to broaden globally and cause society to face unprecedented challenges, the Hilton Effect Foundation is investing in grants to support organizations fighting the spread of infection and aiding communities in need.

In 2020, the Hilton Effect Foundation...

Awarded $1 Million in Global COVID-19 community response efforts, including the funding of 23 grants to organizations worldwide to help build stronger and more inclusive communities.

American Express contributed $1 Million to the World Central Kitchen to provide healthy, freshly-prepared meals to the frontline healthcare professionals who are staying at participating Hilton properties in cities across the United States during the COVID-19 pandemic.

Continued to partner with Clean the World to ensure communities who are struggling get the soap and supplies they desperately need. Our funds help with distribution of recycled soap bars and promotion of the power of sanitation and hygiene in stopping the spread of COVID-19.

1 Million Room Nights
We partnered with American Express to donate up to 1 Million Rooms across the United States to frontline medical professionals leading the fight against COVID-19.

We continue to make progress towards our Travel with Purpose 2030 Goals

Travel with Purpose is our commitment to redefine sustainable travel. By 2030, Hilton commits to double our social impact investment and cut our environmental footprint in half.

Click here to watch our Hilton Effect Foundations 2020 Winners video.
Top Employer
Top Supplier Diversity Program
LGBT-Friendly Company
Black EOE Journal Best of the Best, 2020

Top 50 LGBTQ Legacy Leaders
LGBT Business Equality Network (BEG) Pride, 2020

Top 50 Companies for Diversity (#1)
Top Companies for People with Disabilities (#6)
Top Companies for Employee Resource Groups (#8)
Top Companies for Mentoring (#3)
Top Companies for Executive Diversity Councils (#5)
Top Companies for Sponsorship (#7)
Top Companies for Philanthropy (#3)
Top Companies for Veterans (#10)
Top Companies for ESG (#25)
Top Companies for Board of Directors (#6)
Top Companies for Latino Executives (#2)
Top Companies for Asian American Executives (#12)
Top Companies for Native American/Pacific Islander (#3)
DiversityInc, 2021

Best Companies to Work For (#18)
Best CEO for Women (#11)
Fairygodboss, 2020


75 Best Workplaces for Millennials (#6), 2020
75 Best Workplaces for Women (#11), 2020
100 Best Workplaces for Diversity (#15), 2019 Fortune Magazine

Top 50 Companies for Latinos to Work For
LATINA Style, 2021

Recipient of the Secretary of Defense Employer Support Freedom Award, 2020
Freedom Award

Above & Beyond Award
Gary Sinise Foundation, 2020

Companies Committed to Diversity Hiring
Best Places to Work - Employees' Choice (#92), 2020 Top CEOs - Employees' Choice (#79), 2019 Glassdoor

Country/Win the World 2021:
• Argentina (#1)
• Portugal (#4)
• Canada (#1)
• Saudi Arabia (#5)
• China (#1)
• Spain (#7)
• Columbia (#6)
• Turkey (#1)
• France (certified)
• UAE (#5)
• Germany (#11)
• United Kingdom (#1)
• Italy (#5)
• United States (#3)
• Peru (#3)

Best Workplaces for Women (#1), 2020
Best Workplaces for Parents (#2), 2020
Best Workplaces for Diversity (#15), 2020
Best Workplaces for Millennials (#6), 2020
Great Place To Work

Top Employer
Top Supplier Diversity Program
LGBT-Friendly Company
Hispanic Network Best of the Best, 2020

Corporate Equality Index (CEI) rating of 100%
Human Rights Campaign Foundation (HRC), 2021

Top 50 Companies for Latinas to Work For
LATINA Style, 2021

Best for Vets (#11) Best for Vets Index
Military Times, 2020

Military Friendly® Company – Top 10 (#6)
Military Friendly® Employers – GOLD
Military Friendly® Supplier Diversity Program – Top 10 (#5)
Military Friendly® Spouse – designation
Military Friendly® Brands - designation
Military Friendly®, 2021 – Over 5 Billion category

Best of the Best Corporations For Inclusion
National Business Inclusion Consortium, 2020

Leading Disability Employer
National Organization on Disability (NOD) 2020

America’s Top 50 Organizations for Multicultural Business Opportunities
Omnikal Omni 50

Top Veteran Friendly Company Top Supplier Diversity Program
U.S. Veteran Magazine Best of The Best, 2020

Business of Pride 2019 Honoree
Washington Business Journal

Top Employer Top Supplier Diversity Program Top LGBT-Friendly Company
Professional Women’s Magazine Best of the Best, 2020

Award rankings as of 5/19/2021
Recruiting, Staffing and EBO Plan
RECRUITING AND STAFFING

• Current Staffing
  – Director of Sales & Marketing
  – Sales Analyst & Administrator

• Recruiting and Interview Phase
  – Director of Group Sales budgeted 9/1/2021
  – Senior Sales Manager budgeted 11/1/2021
  – (2) Sales Managers budgeted 7/1/2022
  – (4) Senior Sales Managers budgeted 9/1/2022
Hilton is committed to use commercially reasonable efforts to achieve a minimum goal of at least 31% participation by minority or woman owned ("M/FBEs"), and small businesses ("SBEs") in connection with the goods and services to be procured by Hilton as it opens and operates the Signia by Hilton Atlanta.

Hilton will be providing quarterly reports to the GWCCA to report on its progress towards the goal during the pre-opening and post-opening phase of the program.
Hilton will work towards achieving the goal in various ways, including:

Conducting outreach events to educate M/WBEs and SBEs on how to participate

- Host at least two outreach events targeted to Georgia Certified Contractors and Vendors
- Host events in conjunction with the City of Atlanta’s Office of Contract Compliance, the Georgia Minority Supplier Development Council, and the Greater Women's Business Council to reach a broader set of diverse firms and encourage participation

- Communicating opportunities for M/WBEs and SBEs through the hotel’s website
- Reaching out directly to Georgia Certified Contractors and Vendors to request bids
- Giving priority to M/WBEs and SBEs when awarding contracts.
- Setting goals on individual contracts and breaking contracts into smaller pieces to maximize participation by M/WBEs and SBEs
- Working with M/WBEs and SBEs to address barriers to participation (e.g., financing, capacity, insurance) to develop collaborative assistance
**EQUAL BUSINESS OPPORTUNITY PLAN / POST-OPENING**

During the **post-opening phase**, Hilton will work towards this goal by:

- Engaging with its contracted M/WBEs and SBEs to ensure that they are continuing their participation and working with assisting them to resolve concerns

- Continuing outreach to M/WBEs and SBEs to encourage participation

- Actively documenting and monitoring compliance with the overall participation goals
Pre-Opening Budget
### Hilton Worldwide
#### Signia Hilton Atlanta GWCC
#### Preopening Budget

**Number of Months:** 946
**preOpening Date:** January 1, 2023

| Department / Area | PreOpening | Hires/SEEK Budget | Month 1 | Hires/SEEK Budget | Month 2 | Hires/SEEK Budget | Month 3 | Hires/SEEK Budget | Month 4 | Hires/SEEK Budget | Month 5 | Hires/SEEK Budget | Month 6 | Hires/SEEK Budget | Month 7 | Hires/SEEK Budget | Month 8 | Hires/SEEK Budget | Month 9 | Hires/SEEK Budget | Month 10 | Hires/SEEK Budget | Month 11 | Hires/SEEK Budget | Month 12 | Hires/SEEK Budget |
|-------------------|------------|-------------------|---------|-------------------|---------|-------------------|---------|-------------------|---------|-------------------|---------|-------------------|---------|-------------------|---------|-------------------|---------|-------------------|---------|-------------------|---------|-------------------|---------|-------------------|
| **ADMINISTRATIVE & OPERATIONAL** | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Property Maintenance | $1,000,000 | $1,000,000 | $1,000,000 | $1,000,000 | $1,000,000 | $1,000,000 | $1,000,000 | $1,000,000 | $1,000,000 | $1,000,000 | $1,000,000 | $1,000,000 | | | | | | | | | | | | | | |
| Total Facility Management | $600,000 | $600,000 | $600,000 | $600,000 | $600,000 | $600,000 | $600,000 | $600,000 | $600,000 | $600,000 | $600,000 | $600,000 | | | | | | | | | | | | | | |
| **SALES AND MARKETING** | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Marketing & Advertising | $1,800,000 | $1,800,000 | $1,800,000 | $1,800,000 | $1,800,000 | $1,800,000 | $1,800,000 | $1,800,000 | $1,800,000 | $1,800,000 | $1,800,000 | $1,800,000 | | | | | | | | | | | | | | |
| **TOTAL REVENUE** | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | $12,000,000 | $12,000,000 | $12,000,000 | $12,000,000 | $12,000,000 | $12,000,000 | $12,000,000 | $12,000,000 | $12,000,000 | $12,000,000 | $12,000,000 | $12,000,000 | | | | | | | | | | | | | | |

**Costs:**

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*This detail provided in this budget is an estimate only based on information known to date and is subject to change.*
Hilton National Sales
Guestroom Rate Analysis
GUESTROOM RATE ANALYSIS

Citywide Group Rate Strategy

INITIAL CITYWIDE GROUP RATE STRATEGY DEPLOYMENT

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<td>$219</td>
<td>$209</td>
<td>$229</td>
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ATL Comp Set Total Group Rate 2019:
- High: $209.51
- Summer: $164.63
- Fall: $190.37
- Winter: $141.64

ATL Comp Set Estimated Citywide ADR:
- High: $229.51
- Summer: $184.63
- Fall: $210.37
- Winter: $161.64

Citywide ADR Index 2019 Terms:
- High: 110.98
- Summer: 124.80
- Fall: 115.65
- Winter: 138.13

*Does not include Premium Rooms
*This is Citywide Rate Strategy Only
*Citywide ADR is estimated to be $20 above total Group ADR for all markets.
*Blended Seasonal Rates are function of equal weighting by Day of Week.

For example, the 2019 high season blended rate of $255 by capturing 5 weekday rates at $269 and 2 weekend rates at $219.
If we decide to adjust the blended seasonal rate, we will need to adjust either the Weekday rate or the Weekend rate.

*This rate strategy assumes new citywide bookings with achieve these rates. Legacy, repeat, annuals are expected to have negative impact on these rates.

*This strategy will elevate the Signia by Hilton rate profile $30-$40 above the greater Atlanta CBD market as well as the sister cities of New Orleans and Houston (See Bubble Chart)
Critical Path and Milestone Dates
CRITICAL PATH AND MILESTONE DATES

Timeline

Signia by Hilton Launches
- Hilton Orlando Bonnet Creek rebrands as the first Signia by Hilton Orlando Bonnet Creek.
  - July 12, 2021

Pro-active Group Pre-Sell & HWS Engagement Begins
- May 2021

Sales Tool Development
- 2021

Website Live
- 2022

Commercial Strategy Evolution
- 2022

Revenue & Catering Teams Onboarded
- 2023

Open for Transient Pre-Sell
- 2023

Ramp-Up Transient Launch Campaigns
- 2023

Photography Shoots Planned
- 2023

Signia by Hilton Atlanta Breaks Ground
- May 2021

PHASE ONE: Establishment Foundation

PHASE TWO: Systems, Strategy & Group Selling

PHASE THREE: Live in Transient Pre-Sell

PHASE FOUR: Hotel Opens

Signia by Hilton Atlanta Opens
- Q1 2024
## Critical Path and Milestone Dates

### Signia by Hilton Atlanta – Georgia World Congress Center

**Opening Date:** 1/2/2024  
**565 Days to Opening**  
**# Rooms:** 970

### Legend
- **On Time/On Schedule:** (green)
- **Past Due/Not Complete:** (red)

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<td>Phase 1: Commercial Launch Plan (Segmentation)</td>
<td>HMS</td>
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<tr>
<td>1</td>
<td>Sales</td>
<td>-27</td>
<td>10/14/2021</td>
<td>Delphi HIC Initial Implementation &amp; Training Plan</td>
<td>HMS Sales</td>
<td>Y</td>
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<tr>
<td>1</td>
<td>RM</td>
<td>-27</td>
<td>10/14/2021</td>
<td>Establish Group Booking Guidelines</td>
<td>HMS Revenue</td>
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</tr>
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<td>2</td>
<td>Sales</td>
<td>-27</td>
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<td>Meeting Broker Set-up</td>
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<td>Sales</td>
<td>-27</td>
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<td>Group Pre-Sell Begins</td>
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<td>2</td>
<td>Sales</td>
<td>-27</td>
<td>10/14/2021</td>
<td>Contract Set-up and Tools</td>
<td>HMS Sales</td>
<td>N</td>
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<td>2</td>
<td>RM</td>
<td>-27</td>
<td>10/14/2021</td>
<td>Develop Hilton Worldwide Sales Engagement Plan</td>
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<td>2</td>
<td>Information Gathering</td>
<td>-26</td>
<td>11/13/2021</td>
<td>Complete PM</td>
<td>Hotel</td>
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<td>Marketing &amp; eCommerce</td>
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<td>Identify Marketing Lead</td>
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<td>Marketing &amp; eCommerce</td>
<td>-26</td>
<td>11/13/2021</td>
<td>Finalize Pre-opening Marketing Plan &amp; Timeline</td>
<td>HMS Marketing</td>
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<td>Marketing &amp; eCommerce</td>
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<td>11/13/2021</td>
<td>Complete Hotel Positioning</td>
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<td>2</td>
<td>All Commercial</td>
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<td>Phase 2: Commercial Launch Plan (Strategy)</td>
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<td>Sales</td>
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<td>11/13/2021</td>
<td>Develop Initial Sales Tools/Materials</td>
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<td>2</td>
<td>eCommerce</td>
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<td>Brand.com Live</td>
<td>ECG Onboarding</td>
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<td>2</td>
<td>Sales</td>
<td>-24</td>
<td>1/2/2022</td>
<td>Special Events and Tradeshow Registration</td>
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<td>RM</td>
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<td>9/9/2022</td>
<td>Director Revenue Management Starts</td>
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<td>Sales</td>
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<td>RM</td>
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<td>Rate Binder Approved &amp; Submitted to GDM</td>
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<td>RM</td>
<td>-14</td>
<td>11/8/2022</td>
<td>RMCC Services Contracted and Signed (if applicable)</td>
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<td>All Commercial</td>
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<td>Sales</td>
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<td>BTS Strategy Established &amp; CARP Process Started</td>
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<td>RM</td>
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<td>7/17/2023</td>
<td>Transient Pricing Strategy Finalized</td>
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<td>3</td>
<td>RM</td>
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<td>7/17/2023</td>
<td>CRS Go Live &amp; Open for pre-sell</td>
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<td>3</td>
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<td>Marketing &amp; eCommerce</td>
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<td>7/6/2023</td>
<td>Ramp-Up Transparent Launch Campaigns</td>
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<td>Marketing &amp; eCommerce</td>
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<td>eCommerce</td>
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<td>Activation of Demand Generation Campaigns (Hilton Advance)</td>
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<td>10/4/2023</td>
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<td>4</td>
<td>OTA</td>
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<td>12/1/2023</td>
<td>OTA Sites Audit</td>
<td>Hotel Revenue</td>
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# CRITICAL PATH AND MILESTONE DATES

## Marketing Launch Timeline
**Signia by Hilton Atlanta - Georgia Word Congress Center**

**Hotel Opening Date:** 1/1/2024

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<th>Channel</th>
<th>Details</th>
<th>2021</th>
<th>2022</th>
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<td><strong>Identity &amp; Assets</strong></td>
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<td></td>
<td>Positioning and Messaging</td>
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<td>Virtual Tour Development &amp; Website</td>
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<td>3D Floor Plans</td>
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<td>Preliminary Sales Collateral &amp; Presentations</td>
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<td>In Language Sites</td>
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<td>Photoshop (Architectural, Lifestyle, 360)</td>
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<td>Video</td>
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<td><strong>Digital Direct</strong></td>
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<td>PPC Ancillary Campaign - Meeting Keywords</td>
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<td>Display/Prospecting Campaign</td>
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<td>PPC - Brand Property, Generic Keywords</td>
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<td>Sponsored Listings</td>
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<td>Hilton Advance Paid Media Programs - PPC, Meta, Re-Targeting, Affiliate</td>
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<td><strong>Third Party</strong></td>
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<td>3rd Party Meeting Sites - Listings &amp; Exposure</td>
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<td>IDS Advertising</td>
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<td>Expedia Travel Ads</td>
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<td>Email Marketing</td>
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<td><strong>Social Media</strong></td>
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<td>Claim Handles/Profiles</td>
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<td>Agency RFP &amp; Selection</td>
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<td></td>
<td>Agency Management - Teaser/Audience Building</td>
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<tr>
<td></td>
<td>Paid Social Media Ads / Boost Posts</td>
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<tr>
<td></td>
<td>Social Media Influencer Campaign</td>
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<td><strong>PR/Comms</strong></td>
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<td>Agency RFP &amp; Selection</td>
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<td>Agency Management</td>
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<td>Media Family/Local Opportunities</td>
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<td><strong>Print/Offline Advertising</strong></td>
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<td>Major Publication Print Advertising</td>
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<td>Out of Home Advertising</td>
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<td><strong>F&amp;B</strong></td>
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<tr>
<td></td>
<td>TripAdvisor</td>
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</tbody>
</table>
QUESTIONS OR COMMENTS
We Are HILTON
We Are HOSPITALITY
Hotel Development Update

Theonie Alicandro
COO and General Counsel, Drew Co.

Austin Bell
Sr. Director and Development Manager
Drew Company Atlanta, LLC
Agenda

- Development Budget Update
- Subcontractor Update
- Sales and Marketing Center Update
- FF&E/OS&E
- Schedule: 30-day/6-month Lookahead
- EBO Plan Recap and Update
### Development Budget: September 2021

<table>
<thead>
<tr>
<th>Description</th>
<th>Development Budget as of 8/31/2021</th>
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<tbody>
<tr>
<td>Revised GMP Hard Cost with Change Order No. 1</td>
<td>$326,603,826</td>
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<tr>
<td>Preconstruction Fee (not in GMP)</td>
<td>$394,170</td>
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<tr>
<td>Owner Direct Hard Cost</td>
<td>$3,283,225</td>
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<td>Hard Cost Contingency</td>
<td>$7,861,559</td>
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<tr>
<td><strong>Total Hard Cost</strong></td>
<td>$338,142,780</td>
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<tr>
<td>Total Soft Cost</td>
<td>$106,266,647</td>
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<tr>
<td>Soft Cost Contingency</td>
<td>$6,013,262</td>
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<tr>
<td><strong>Total Project Cost</strong></td>
<td><strong>$450,422,689</strong></td>
</tr>
<tr>
<td>Total Hard &amp; Soft Cost Contingency</td>
<td>$13,874,821</td>
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</tbody>
</table>

Board of Governors Planning Retreat – September 16-17, 2021
Development Budget Update

- Total Development Budget: $450,422,688
- Total Spend through 8/31/2021: $44,646,055 (consisting of $16,863,110 GWCCA equity pre-closing and $27,782,944 post-closing requisitions)
- Percent Spend through 8/31/2021: 10%
Subcontractor Update

GMP Contract Value
$326,603,826

Committed Costs: $293,665,509 (90%)

Uncommitted Costs: $32,938,315 (10%)

Direct Costs: $280,022,155
Subcontractor Agreements Executed: $234,746,744 (84%)

<table>
<thead>
<tr>
<th>Trade</th>
<th>Top Uncommitted Costs</th>
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<tr>
<td>Hardscapes</td>
<td>$3,639,234</td>
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<td>Roofing</td>
<td>$2,375,127</td>
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<td>Operable Walls</td>
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<td>Landscape</td>
<td>$811,405</td>
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<td>Precast Concrete</td>
<td>$708,299</td>
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<tr>
<td>Shower Doors</td>
<td>$559,525</td>
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Board of Governors Planning Retreat – September 16-17, 2021
Sales & Marketing Center

Budget $1,200,000
Confirmed Market Pricing $1,134,251
Completion October 2021

Other Hotel Costs

<table>
<thead>
<tr>
<th>FF&amp;E</th>
<th>$40,830,422</th>
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<tbody>
<tr>
<td>OS&amp;E</td>
<td>$18,684,605 (including IT)</td>
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</tbody>
</table>
Schedule

813 days until Substantial Completion
Construction Updates
Construction Updates
Start Mat Foundations – September to November ’21
Erect Tower Crane 1
Continue Underground Utility Work in Loading Dock
Continue Install Drilled Piers East, Micropiles in Gold Deck and Auger Cast Pile in Podium B
Start CEP MEP Rough-in Level B2

Sept ‘21

Continue Underground Utility Work in Load Dock
Install Subgrade and Base in B2 Loading Dock
Install Steel Level 2
Level 1 Elevated Slab Podium B
Issue Tower Level FF&E Roll-out Specifications

Nov ‘21

Pour Concrete Drives B2 Loading Dock
Install Steel Level 4 Ballroom Service Corridor
Level 2 Conc – Kitchen Podium B
Level B2 Parking – Interior Buildout

Jan ‘21

Start Drilled Piers West
Model Room Review with Hilton
Erect Tower Crane 2
Start Structural Steel – October to May ’22
Under B2 Slab Work

Oct ‘21

Fine Grade B2 Loading Slab
Install Steel Level 3
Elevated Slab B1 Conc – Social Ballroom & Meeting Podium B
Level B1 Parking – Interior Buildout

Dec ‘21

Install Steel Level 4 Ballroom Roof / Long Spans
Level 3 Conc – Meeting Rooms
Framing Level 1 Lobby/Admin/ BOH/Market
Start overhead Rough South Podium B

Feb ‘22

Board of Governors Planning Retreat – September 16-17, 2021
EBO Plan Recap

- Governing contracts for Skanska, Gensler, Drew, and Hilton all contain EBO Plan requirements similar to what GWCCA developed for the Mercedes-Benz Stadium project and is compliant with duties GWCCA owes to City of Atlanta.

- Plan contains requirements that each party use commercially reasonable efforts to develop and implement an equal business opportunity plan for enlisting and monitoring participation of minority and women business enterprises in all business opportunities that relate to the design, construction and operation of the Hotel.

- Information will be included in monthly reports showing progress to GWCCA.

Target 31% Participation of M/WBE Firms
Currently 27%
Subcontractor Outreach Events

Georgia World Congress Center Hotel Information Sessions

December 11, 2019
GWCC, Bldg. A Room 402

February 21, 2021
WebEx

Skanska/SG is changing the face of construction and we want you to join us!
Georgia World Congress Center Hotel Information Session

Contact:
Join Skanska and SG Contracting personnel for an informational session about upcoming contracting opportunities for the Georgia World Congress Center Hotel. We have been rejected.

Topics of discussion:
• GWCC Hotel Project Highlights and Building Opportunities
• How to Tackle the Project
• Tools and Procurement

Where:
Georgia World Congress Center
Room A-402 (Building A, Level 4)
255Andrew Young International Blvd
Atlanta, GA 30313

When:
Wednesday, December 11, 2019
4:00 – 5:00 PM (Registration opens at 3:30)

*Snacks and refreshments will be provided.

*Mattie Barnes, Regional Vice President Diversity Director
mbarnes@builtafrica.com

Please RSVP by December 6th:
https://eventbrite.coworkingatlanta.com
Subcontractor Outreach Events

- Over 110 individuals from M/WBE and diverse firms invited to outreach events
- Over 3,600 of GFE efforts logged and reported in Building Connected
- Preconstruction Team continuing to adjust bid packages for M/WBE firms
- Detailed reports and attendee list of each event available upon request
EBO Plan Next Steps

- Confirm certification status
- Project specific M/WBE training
- Commercially Useful Function audit of M/WBE firms to manage risk
- Finalize project specific diversity plan
- Monitor project for change orders and adjust M/WBE outreach accordingly
- Work with FF&E Coordinator on remaining hotel scopes to maximize participation
Challenges

- Coming out of the ground
- Supply Chain Disruption causing delays, material shortages and escalation
Questions?
Lunch
Executive Session
Property Acquisition

Pargen Robertson
Legal Counsel, GWCCA

Kevin Duvall
Chief Operating Officer, GWCCA
In 2019, State Properties Commission determined to convey to CIM all state property rights in support of the Gulch Development.

Two parcels were excluded at the request of GWCCA to support our on-going traffic management and parking plans for MBS and GWCCA events.

In May/June 2021, CIM approached the State Properties Commission regarding acquiring ownership of the two parcels previously excluded.

State Properties Commission approached GWCCA regarding our interest in transferring these properties to GWCCA for purposes of entering negotiations with CIM to facilitate a sale.
In August, GWCCA sent a letter seeking the assistance and approval of the State Properties Commission to convey the two state-owned parcels adjacent to the Gulch to GWCCA.

The acquisition of Tracts 1 and 2 would support the future strategic operations of the campus; specifically, the acquisition would support traffic control related to Elliot Street plus associated parking impact as a part of negotiations to sell the properties to CIM.

GWCCA would pay $10.00 to the State Properties Commission for these two parcels.

GWCCA would retain all funds associated with the sale as well as ensure we retain control of certain operational needs in support of our traffic management plan and parking needs.
Remnant Parcels
Remnant Parcels
Questions?
A resolution essentially authorizing the executive director to take actions to effect the acquisition of the parcels from the State of Georgia.
Hotel Document Review

Pargen Robertson
Legal Counsel, GWCCA
Qualified Hotel Management Agreement

April 14, 2021

Between Geo. L. Smith II Georgia World Congress Center Authority and Signia Hotel Management LLC
This is a Qualified Management Agreement, drafted in compliance with the Internal Revenue Code essentially to preserve the **tax exempt status** of the revenue bonds utilized to finance construction of the Hotel project. See Qualified Management Agreement, Premises at Paragraph I and Section 2.1.1.

Under this QMA, the Authority, as the Hotel’s “**Owner,**” contracted with Signia Hotel Management, LLC to perform its duties as the Hotel’s “**Manager.**”
Manager’s duties are defined in extensive detail throughout the QMA. See Qualified Management Agreement, Article 2.

Generally, Manager’s responsibility is to “supervise, direct, and control the management, operation and promotion of the Hotel as the agent of Owner and as the exclusive manager and operator of the Hotel during the Operating Term.” Qualified Management Agreement, Section 2.1. This includes a duty essentially to manage “on a day-to-day basis in accordance with the Operating Standard and subject to (the terms and conditions in the QMA).” Qualified Management Agreement, Section 2.1.
Operating Standards. Manager essentially has a duty to operate the Hotel as Owner’s agent subject to availability of **Sufficient Funds** and pursuant to the **Brand Standards** in a prudent and efficient manner. Qualified Management Agreement, Section 2.2. Essentially, the Brand Standards are the guidelines for the **construction**, **design**, **equipping**, **furnishing**, **supplying**, **operating**, **maintaining**, and **marketing** the Hotel under the Signia brand. Qualified Management Agreement, Section 2.2.
NOTE: Generally, once approved initially, the GWCCA may object to changes to the Brand Standards in respect of the design, construction, furnishing, equipping, fit out or decorating (referred to as the “AC&R Brand Standards”) occurring anytime within the first 5 years after opening or the first 7 years after initial approval of what constitutes “Brand Standards.” Qualified Management Agreement, Section 2.20.6.2.

The concept is also referenced in the Technical Services Agreement as the “Brand Freeze.” See Technical Services Agreement, Section 5.4.
Budgets. The Hotel’s Operating Year mirrors the *calendar year*. Qualified Management Agreement, Exhibit A.

At least 60 days before the beginning of each Operating Year, the Manager submits its **Proposed Operating Plan and Budget**, which includes a checklist of required information, including the Capital Budget, the marketing plan, the rate plan, and the revenue, cost and performance-related estimates, as well as other specified information. Qualified Management Agreement, Section 2.20.

The QMA also defines **the schedule and process** for review, approval, and dispute resolution in respect of the Budget (as well as permitted variations). Qualified Management Agreement, Section 2.20.4.
Rates. Essentially, Manager will establish room rates subject to the provisions of the Room Block Agreement (summarized below). Qualified Management Agreement, Section 2.3.
Negotiation of Contracts. Essentially, the QMA provides a procedure by which the Manager will **facilitate the negotiation of contracts** for goods and services, inventory, supplies and consumables, use of banquet and meeting facilities, and other hotel-related matters. The Authority’s “Contract Representative” then will review, under the appropriate standard defined in the QMA, and execute such contracts. Qualified Management Agreement, Section 2.4.
Staffing. Generally, the Manager shall fulfill all aspects of the Hotel’s human resources functions. The Owner has reserved the right to interview and approve the selection of the Hotel’s “Senior Executive Personnel,” which term includes the general manager, the director of finance, the director of sales and marketing, the director of revenue management, and the director of food and beverage. Qualified Management Agreement Section 2.23 and Exhibit A.
Advertising. Manager has control and approval rights over both internal and external advertising, provided however that the Authority has reserved “Clean Campus” rights in respect of exterior advertising for “Special Events.” Qualified Management Agreement, Sections 2.17 and 2.18.

Revenue for Advertising is given unique treatment relative to how other Hotel revenue is handled. All revenue generated by Interior Third-Party Advertisements shall be included in Total Operating Revenue for the Hotel. All revenue generated by Exterior Third-Party Advertisements is to be split essentially as follows: (1) fifty percent goes directly to the Owner and is excluded from Total Operating Revenue; and (2) fifty percent is included in Total Operating Revenue but shall be deposited in the Surplus Revenue Fund held by the Trustee. Qualified Management Agreement, Section 2.17.
The term (duration) of the Qualified Management Agreement essentially is thirty (30) years after opening, with up to three (3) additional Renewal Terms of ten years each which may be exercised by mutual agreement of the parties. Qualified Management Agreement, Section 4.1.1.
Manager’s fee under the QMA shall be calculated as follows. After initial stabilization at year five and after, Manager shall receive a “Base Management Fee” of three percent (3%) (and a reduced percentage in earlier years) of the Total Operating Revenue. Qualified Management Agreement, Section 3.1.3.

Additionally, Manager shall be paid a “Subordinate Management Fee” equal to one percent (1%) of Total Operating Revenue so long as the “Subordinated Fee Hurdle” is achieved. Essentially, the Subordinated Fee Hurdle is achieved if and when EBITDA Less Replacement Reserve exceeds $34,000,000.00. Qualified Management Agreement, Section 3.1.3.
Pre-Opening Services Agreement

April 14, 2021

Between Geo. L. Smith II Georgia World Congress Center Authority and Signia Hotel Management LLC
Essentially, the Pre-Opening Services Agreement provides that the GWCCA, as “Owner,” has contracted with Signia Hotel Management, LLC, as the “Pre-Opening Manager,” to perform certain pre-opening services in respect of the Hotel. Pre-Opening Services Agreement, Recitals.

The parties have agreed to a Pre-Opening Budget including cost estimates for all pre-opening expenses including personnel costs, training, sales and promotion, and promotion of the Hotel. Pre-Opening Services Agreement, Section 2 and Exhibit B.
The Pre-Opening Manager is contracted to provide several services to prepare the Hotel for opening, including:

(i) Preparing and implementing a plan for **sales promotion**;
(ii) Implement programs **to secure reservations**;
(iii) Implement programs to secure and consummate arrangements with **concessionaires, licensees, tenants and others**;
(iv) **Recruit and train** Hotel Personnel;
(v) **Test the proposed operations** of the Hotel by prepping and service;
(vi) Assist in obtaining **liquor licenses** and other licenses and permits; and
(vii) Other pre-opening matters. See Pre-Opening Services Agreement, Section 3.
Essentially, the Pre-Opening Manager is to receive a total fee of $200,000, spread in equal payments over a thirty-month period leading up to the Opening of the Hotel. Pre-Opening Services Agreement, Section 5.

All Pre-Opening Expenses agreed upon in the Pre-Opening Budget essentially will be paid by the Owner. Pre-Opening Services Agreement, Section 5 and Exhibit B.
Technical Services Agreement

April 14, 2021

Between Geo. L. Smith II Georgia World Congress Center Authority and Signia Hotel Management LLC
Essentially, the Technical Services Agreement provides that Signia Hotel Management LLC, as the “Consultant,” will advise the GWCCA, as the “Owner,” in respect of approving and acknowledging the GWCCA’s **compliance with the “Brand Standards”** in connection with architectural aspects, engineering, interior design, and construction of the Hotel.
Affirmative Duties Placed on Owner

Under the Technical Services Agreement, the GWCCA agrees essentially to cause all phases of the Hotel to be *planned, designed, developed, constructed, engineered, furnished, fixture, equipped, decorated* and *completed* in accordance with the *Technical Services Agreement*, the *Brand Standards*, and the *Legal Requirements*. See Technical Services Agreement, Section 4.1.

Owner also has the affirmative duty to construct model hotel guest rooms for each typical King and Double/Queen room type, subject to Brand Standards and Consultant’s approval. Technical Services Agreement, Section 4.5.
 Approval Procedures

Under the Technical Services Agreement, all materials, actions or matters requiring the review and approval of the Consultant, including but not limited to plans and specifications, design, level of finishes, the model room, FF&E, OS&E, and all other matters subject to review by the Consultant, are reviewed and approved pursuant to a defined procedure. Technical Services Agreement, Section 5.

Generally, Consultant has fifteen days to approve or disapprove Review Matters (and then an additional five days after receipt of a second notice requesting approval). Technical Services Agreement, Section 5.
For services under the Technical Services Agreement, Consultant shall be paid a total fee of $200,000.00, to be spread over 30 equal monthly installments in the 30 months leading up to the Opening Date. Technical Services Agreement, Section 7.
Room Block & Meeting Space Agreement

April 14, 2021

Between Geo. L. Smith II Georgia World Congress Center Authority and Signia Hotel Management LLC
With the Room Block & Meeting Space Agreement, the Authority required Manager to enter into an agreement pursuant to which specific percentages of the Hotel’s guest rooms and suites would be reserved for specific periods of time for attendees, participants and planners of conventions and/or trade shows at the Center. Room Block Agreement, Recitals at Item 5.
The Authority and Manager agreed to cooperate and have required meetings, but as a general rule, Manager is required to reserve rooms for use by Potential Convention Center Customers, any given day up to the applicable Required Room Block Size corresponding to the applicable Booking Period. Room Block Agreement, Section 2.1.

The term “Potential Convention Center Customers” means anyone who is planning or coordinating a City-Wide Event for which Hotel rooms are sought to be booked pursuant to the Room Block Agreement. Room Block Agreement, Section 1.02.
The “**Required Room Block Size**” is defined as the applicable number of rooms and Hotel Meeting Facilities in each Booking Period for which Manager is required to reserve for Potential Convention Center Customers as show in column “B” in the following table. Room Block Agreement, Section 1.02.

The applicable **Booking Period** means those period of time in Column A, above.
## Booking Rights (cont’d.)

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Booking Period as defined by the number of months in Advance of the City-Wide Event that Potential Convention Center Customer requests a Hotel room block</td>
<td>Rooms and Hotel Meeting Facilities Available Under Room Block Agreement for City-Wide Events</td>
</tr>
<tr>
<td>36+</td>
<td>80% of the rooms and Hotel Meeting Facilities on any particular night</td>
</tr>
<tr>
<td>24-35</td>
<td>50% of the rooms and Hotel Meeting Facilities on any particular night</td>
</tr>
<tr>
<td>Less than 24</td>
<td>0% of the rooms and Hotel Meeting Facilities on any particular night</td>
</tr>
</tbody>
</table>

Board of Governors Planning Retreat – September 16-17, 2021
The Room Block Agreement defines the procedures to be followed for all bookings, including details about how the price quotes are communicated and bookings finalized, and how the parties will handle insufficient room availability. Room Block Agreement, Section 2.03.

As a general rule (subject to specified exceptions including a max number per year), the Authority may designate a Potential Convention Center Customer as “no-walk group” (a “No-Walk Group”). In the event a Room Block Contract is signed with a No-Walk Group, Manager will not be permitted to “walk” a Hotel guest that will be occupying a room reserved under a Room Block Contract executed with such No-Walk Group. Room Block Agreement, Section 2.03.
Pricing

The Room Block Agreement also defines the procedures to determine pricing for room blocks. Room Block Agreement, Section 3.01.

The Manager’s Initial Projected Event Block Rate Schedule and each Manager’s Subsequent Projected Event Block Rate Schedule will include a range of varying group rates (as applicable for a period, the “Range of Rates”) for room type and for periods within each applicable calendar year to account for seasonality and day of the week (e.g., Midweek, Weekend). The methodology in determining the ranges is defined in the Agreement. Room Block Agreement, Section 3.01.
By specified dates, the Manager will provide to the GWCCA a schedule of the projected Range of Rates, and this shall be included as part of the Proposed Operating Plan and Budget. The GWCCA will be permitted to review and confirm that Manager has calculated the Manager’s Subsequent Projected Event Block Rate Schedule correctly. Room Block Agreement, Section 3.01.
Suites and “Signia Club Rooms” will not be subject to the above-referenced Range of Rates parameters and will be priced in accordance with Manager’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 are 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, Section 3.01.
Convention Center Georgia
Ballroom Agreement

April 14, 2021

Between Geo. L. Smith II Georgia World Congress Center Authority and Signia Hotel Management LLC
With the Convention Center Georgia Ballroom Agreement, the GWCCA and Signia Hotel Management LLC (as “Manager”) agreed essentially that the 26,000 square foot Georgia Ballroom (located in Building C of the Georgia World Congress Center) would be made available for Hotel use subject to the terms and conditions of that agreement. Georgia Ballroom Agreement, Recitals Item 6.
Georgia Ballroom Commitment

The Georgia Ballroom is reserved for use by “Potential Hotel In-House Customers” (i) on any given day during the applicable “Georgia Ballroom Holdback Period” to the extent the Georgia Ballroom has not otherwise been booked by the GWCCA without otherwise violating the terms of this Agreement and (ii) on any given day that is a Hotel Free Sell Day. Georgia Ballroom Agreement, Section 2.01.

“Potential Hotel In-House Customers” essentially means customers who are planning or coordinating an event being booked at the Hotel, and who seek to utilize the Georgia Ballroom.

“Georgia Ballroom Holdback Period” essentially means any period of time that is less than 24 months in advance of an event for which the customer seeks to use the Georgia Ballroom.

“Hotel Free Sell Day” essentially means any day in which 80% of the Convention Center’s exhibit hall space in Buildings B and C and the BC Hall in the aggregate are booked and the Georgia Ballroom has not otherwise been booked.
GWCCA always can book the Georgia Ballroom in connection with a City-Wide Event except to the extent the Georgia Ballroom has, on the applicable date(s), already been reserved for use by a Potential Hotel In-House Customer pursuant to (i) Section 2.01(a), (ii) the other terms of this Agreement, or (iii) with the express approval of the GWCCA;
GWCCA will not, without Manager’s approval, book the Georgia Ballroom for event that is a not a City-Wide Event **except:**

If the Georgia Ballroom has not otherwise been reserved for a Potential Hotel In-House Customer pursuant to the terms of this Agreement, **the GWCCA will be permitted**, at any time, to book the Georgia Ballroom in connection with a Convention Center event on any given day:

- that is **more than twenty-four (24) months after the date of booking** provided that prior to making such booking, the GWCCA will discuss the proposed booking with Manager and consider any concerns or objections Manager may have with the proposed booking in good faith (it being acknowledged, however, that the GWCCA will be permitted to make such booking over Manager’s concerns or objections);

- that is twenty-four (24) months **or less** after the date of booking and for which the GWCCA determines that a GWCCA-Designated Ballroom Event is to occur; provided that (1) the GWCCA may not reserve the Georgia Ballroom for **more than six (6) GWCCA-Designated Ballroom Events** during any Operating Year and (2) the GWCCA may not reserve the Georgia Ballroom for more than **twelve (12) days in the aggregate** during any Operating Year in connection with any such GWCCA-Designated Ballroom Events; or

- that is twenty-four (24) months or less after the date of booking and is a **Convention Center Free Sell Day**.
Booking Procedures and Pricing Parameters

A “Convention Center Free Sell Day” means any day in which there are 500 or more confirmed room nights booked at the Hotel. Georgia Ballroom Agreement, Section 2.03.

The Agreement defines a procedure pursuant to which the Manager communicates bookings to the Authority for execution after negotiating with the Customer. See Georgia Ballroom Agreement, Section 2.03.

Manager and the Authority essentially shall collaborate in good faith and agree on pricing, provided that Manager is allowed defined ranges of variations. Georgia Ballroom Agreement, Section 2.03.
The Agreement provides essentially that the Hotel shall receive a twenty percent (20%) commission on all Georgia Ballroom Revenues, and such commissions will be considered Total Operating Revenues of the Hotel. Georgia Ballroom Agreement, Section 3.02.

For purposes of this provision, “Georgia Ballroom Revenues” means all F&B and room rental generated at the Georgia Ballroom by a Hotel In-House Customer. Georgia Ballroom Agreement, Section 1.02.
Questions?
Asset Management

Joe Bocherer
Chief Commercial Officer, GWCCA

Kevin Duvall
Chief Operating Officer, GWCCA
What is the Role of Hotel Asset Management?

- To ensure the property reaches its full potential so that it can create increased returns in the long term or be sold at the peak of its real estate value
- To drive asset maximization across all functions of the hotel
- To bridge the knowledge gap between operator and owner/stakeholders
- To act as a liaison between operator and owner in resolving potential tensions
Functions of an Asset Manager

- **Analysis/Reporting**
  - Interpretation of operating results—weekly, monthly, quarterly, annually
  - Assess performance related to goals/budget
  - Short/Long Term strategy
  - Benchmark hotel against best-in-class performance

- **Inspections**
  - Perform property inspections on cleanliness, service, preventative maintenance, F&B

- **Contractual Management**
  - Brand Relations
  - Participate in procurement process/accountability to EBO
  - All brand/owner contracts and agreements are upheld and executed properly

- **Strategy**
  - Participate in development of strategic plans with hotel leadership
  - Renovation/CapEx planning
  - Sales & Marketing goal development
  - Revenue Management strategy oversight
  - Anticipate hotel and market disruptors
The Trust Indenture clearly provides that the Authority may contract with an Asset Manager:

“Asset Manager. The Authority may hire or cause to be hired an Asset Manager to assist the Authority in overseeing the operations of the Hotel for the benefit of and on behalf of the Authority and the Trustee.

The duties of any Asset Manager will include, but are not limited to, the following:

(i) reviewing all reports required to be delivered by the Manager pursuant to the Management Agreement;
(ii) providing reports to the Authority on a monthly basis summarizing the Asset Manager’s findings for the preceding month regarding the Manager’s compliance with the Management Agreement;
(iii) approving the list of possible replacement Hotel Consultants supplied by the Manager; and
(iv) commenting on the recommendations submitted by any Hotel Consultant. Notwithstanding anything contained herein or in the Management Agreement to the contrary, the Asset Manager shall not have any additional or different rights with respect to the Manager, the Hotel or any part thereof than the Authority has.”

Trust Indenture, Section 7.24(e).

And we know that the fees of the Asset Manager may be paid from the Administrative Fee Fund. Trust Indenture, Section 5.14.
Hilton Americas – Houston

- Opened in December 2003 at 1,200 rooms; Houston's largest hotel is connected to the George R. Brown Convention Center
- Hilton Americas-Houston features more than 91,000 square feet of flexible meeting space, including a 40,000-square-foot ballroom, 26,000-square-foot ballroom, and 30 versatile meeting rooms
- Other features include an onsite FedEx Business Center, restaurant, lobby lounge, Starbucks, and a fitness center/spa with a 75-foot infinity pool and oversized whirlpool
Scope of Services

1. Monthly Review – Consultant will review the financial and operating reports prepared by Hotel operator and prepare a written report

2. Management Meetings – Consultant will meet with Hotel’s management team to discuss performance and opportunities for improvement

3. Sales & Marketing – Consultant will review and comment on the overall sales and marketing effort

4. Annual Budget – Consultant will review and comment on Hotel’s annual Operating Plan and Budget (monthly P&L, cash flow, etc.) and Capital Budget

Board of Governors Planning Retreat – September 16-17, 2021
5. Annual – Consultant will analyze and comment on hotel’s share of Centralized Services expenses and compliance with Hotel Operating Agreement requirements

6. Hotel Committee/Board Meetings – Consultant will attend HFC Hotel Committee and/or Board meetings

7. Other:
   - Hiring of Executive Team
   - Execution of Service Contracts
   - Capital Expenditure Recommendations
McCormick Place – Chicago

- McCormick Place convention center is surrounded by a campus and the growing McCormick Square community; as the area continues to expand, McCormick Place is headed into a new era

- Includes several hotel options, including Hyatt Regency McCormick Place and Marriott Marquis Chicago
The 800-room Hyatt Regency McCormick Place opened June 1998; CHM served as the asset manager and Authority’s advisor from 1998 to 2006.

In 2006, the decision was made to develop and establish an in-house asset management function.

In 2012, MPEA renovated and expanded Hyatt Regency McCormick Place into a 1,262-room hotel with a conference center.

In 2013, MPEA issued an RFP to, among other things, retain a hotel asset management consultant to routinely review the Hotel’s operation and performance and report its findings and recommendations to key personnel within the Authority’s staff (the "Services"). Those services included the Hyatt Regency plus the new 1,200 room headquarters hotel that ultimately opened in 2017 as a Marriot Marquis.
Scope of Services

1. In tandem with Authority and the Hotel Operator's senior staff, develop strategies to enhance the operational and financial performance of the property.

2. Monitor Hotel operating performance on a monthly basis and attend monthly meetings to provide relative reports.

3. Evaluate Hotel operations to ensure compliance with the Hotel management agreement.

4. Ensure compliance of Hotel operations in accordance with the MPEA's bond indenture.

5. Provide information on the Hotel's performance quarterly to the Authority's CFO and other designated staff members.

6. Review performance indicator reports produced by the Hotel, including the "Occupancy Report" and compare these statistics to those of the competitive set of hotels as defined in the Hotel Management Agreement.

7. Evaluate chain and other Hotel Operator's affiliate companies' allocations for accuracy, appropriateness and cost benefits.
Scope of Services

8. Determine whether the stated mission, goals, and objectives of the Hotel Operator's management team are compatible with those stated by the Authority; assess the effectiveness of these planning tools

9. Review and comment on annual three-year plan projection, long-range budget and performance projections

10. Evaluate the cost effectiveness of marketing and sales initiatives

11. Review and evaluate capital expenditure plans making recommendations to Authority staff regarding proposed capital expenditures and property repositioning

12. Prepare occupancy, Average Daily Rate, and RevPAR reports throughout the month showing daily results and month-to-date results as compared to the budget and current forecast

13. Periodically prepare a five-year analysis of hotel markets including, but not limited to, projected rates, occupancy, RevPAR, market share, and any other pertinent information

14. Maintain open communication and a positive and collegial relationship with the Hotel's senior staff
Companies Providing Asset Management Services Generally

- CBRE
- CHMWarnick
- HVS
- hotelAVE
- Horwath HTL
- JLL
- Pyramid Asset Management
- Peck Consulting
GWCCA is an instrumentality of state government and, as such, is subject to legal restrictions in respect of its ability to delegate certain responsibilities assigned to it by law and its execution of contracts generally. The Qualified Management Agreement (QMA) contemplates these restrictions.

For example, under the QMA, there are defined procedures for the execution of written agreements related to Hotel operations. Essentially, the Authority’s designated staff-member (the Owner’s “Contract Representative”) reviews under defined standards of review, approves, and executes concession agreements, banquet and meeting facility contracts, equipment leases, contracts for the sale of goods and services, supplies, inventory and consumables, contracts for health and safety systems maintenance, telephone, cleaning, elevator and boiler maintenance, air conditioning maintenance, and others. See Qualified Management Agreement, Section 2.4.

Restrictions and requirements related to purchasing and contracting found in O.C.G.A. Title 50, related to governmental Code of Ethics and Conflicts of Interest found in O.C.G.A. Title 45, and other restrictions and requirements under federal and state law affect the Authority’s dealings on all such matters.
Staff Recommendation: Hybrid Approach

- Scope/expand existing GWCCA leadership roles to deliver an in-house team asset management approach, managing the following assets and disciplines:
  - Legal matters: non delegable (in house or AG office only)
  - Contract executions: non delegable to 3rd party
  - Procurement: EBO responsibilities
  - Operating strategies: sales & revenue management (include Georgia Ballroom and Room Block Agreements), overall customer service, preventative maintenance programs
  - Accounting oversight
  - GWCCA campus brand messaging/joint marketing
  - Campus public safety logistics

- Supplemented by 3rd party consulting services related to the following:
  - CapEx programs
  - Brand standard conflicts/disputes/waivers
  - Annual budget preparation and mid-year review
  - Industry benchmarking
Why the Hybrid Approach?

- Beyond the non-delegable constraints, GWCCA has a model that exists today and is adaptable to the Signia by Hilton relationship: the MBS Site Coordination Agreement and the Working Committee.

- The Committee was formed with key disciplines between GWCCA and MBS teams to bring a level of internal accountability and continuity to daily business activity across campus.

- The teams work together in the following areas:
  - CapEx review and approvals
  - Operational expense budget approvals
  - Sales strategy for campus

- In addition, the hybrid approach is less about the potential cost savings, but more about trust, cohesiveness, one team/strategy (GWCCA and Hilton), and streamlining a strong relationship moving forward to maximize the potential of this asset and the overall success of the campus.
Gain alignment from Board to advance development of the hybrid approach

Build out a detailed plan of operation, including organizational chart, scope of roles, cadence with Hilton etc.

Bring concept to Development Committee in October for feedback and approval

Bring finalized concept to November/December Board meeting for final approval
Questions?
Surplus Revenue Fund

Frank Poe
Executive Director, GWCCA

Kevin Duvall
Chief Operating Officer, GWCCA
Overview

- History/background
- Indenture flow of funds
- Citi’s forecast
- Policy development
History/Background

In focusing on the development of an Authority-owned hotel, staff considered the hotel would offer the following:

- Be an additional asset to support the maximized utilization of the campus
- Ensure financial long-term benefit to the Authority
- Enable the Authority to self fund future capital projects
- Established and increased GWCCA bonding capacity
- Part of the Falcons negotiations for the carve out of footprint
Section 5.05 Flow of Funds

(a) Prior to the first Waterfall Distribution Date, on each Interest Payment Date, the Trustee will make the transfers to the First Tier Debt Service Account and the Second Tier Debt Service Account from the 2021A Capitalized Interest Account and the 2021B Capitalized Interest Account, respectively, to provide for the payment of interest coming due on the Bonds on such Interest Payment Date.

(b) On each Waterfall Distribution Date, after receiving the deposit required in Section 5.04 hereof to the Revenue Fund, the Trustee shall make the deposits, transfers or payments indicated below from amounts then on deposit in the Revenue Fund in the priority listed below (including curing any deficiency in deposits, transfers or payments required in prior months), the requirements of each Fund, deposit, transfer or payment to be fully satisfied, leaving no deficiencies, prior to any deposit, transfer or payment later in priority, unless as otherwise specifically provided below:
### Section 5.05 Flow of Funds

| 1<sup>st</sup> | Rebate fund               |
| 2<sup>nd</sup> | Insurance Premium fund    |
| 3<sup>rd</sup> | Senior FF&E Reserve fund  |
| 4<sup>th</sup> | Administrative Fee fund   |
| 5<sup>th</sup> | First Tier Debt Service Account of the Debt Service Fund |
| 6<sup>th</sup> | First Tier Debt Service Reserve Fund |
| 7<sup>th</sup> | Second Tier Debt Service Account of the Debt Service Fund |
| 8<sup>th</sup> | Second Tier Debt Service Reserve fund |
| 9<sup>th</sup> | Operating Expense Reserve fund |
| 10<sup>th</sup> | Subordinate Management Fee fund |
| 11<sup>th</sup> | Subordinate FF&E Reserve fund |
| 12<sup>th</sup> | Senior Supplemental Reserve fund |
| 13<sup>th</sup> | Subordinate Supplement Reserve fund |
| 14<sup>th</sup> | Letter of Credit Reduction fund |
| 15<sup>th</sup> | To Authority              |
| 16<sup>th</sup> | Surplus Revenue fund      |
Section 5.05 Flow of Funds

Third, to the Senior FF&E Reserve Fund, an amount which together with moneys otherwise transferred to such Fund will equal but not exceed the Senior FF&E Reserve Set Aside Amount accrued but not paid through the preceding month;

$52,516,000 (first 10 years)
Projected Subordinate FF&E Reserve Fund

Section 5.05 Flow of Funds

Eleventh, to the Subordinate FF&E Reserve Fund, an amount which together with moneys otherwise transferred to such Fund will equal but not exceed the Subordinate FF &E Set Aside Amount accrued but not paid through the preceding month:

$183,947,371 (30 years) (Equal to 4.0% of Total Operating Revenues in operating year 4 and thereafter)
Section 5.05 Flow of Funds

Sixteenth, to the Surplus Revenue Fund, the balance, if any, of moneys remaining in the Revenue Fund after making the transfers required by clauses First through Fifteenth above; provided that any amounts transferred to the Surplus Revenue Fund shall be distributed in accordance with the provisions of Section 5.17 hereof.
Section 5.17. Surplus Revenue Fund

(a) Amounts credited to the Surplus Revenue Fund shall be used and applied for the following purposes and in the following order of priority:

(i) to the payment of any unbudgeted Emergency Expenses or unbudgeted Capital Expenses necessary to comply with Legal Requirements;

(ii) to pay Administrative Expenses and other expenses in the nature of administrative expenses which the Authority is required to pay pursuant to this Indenture or the Management Agreement and for which amounts on deposit in the Administrative Expense Fund are insufficient;

(iii) to make transfers to the First Tier Debt Service Account required by Section 5.06(a) hereof;

(iv) to make transfers to the First Tier Debt Service Reserve Fund in the amount required to restore its balance to the First Tier Debt Service Reserve Fund Requirement;

(v) to make transfers to the Second Tier Debt Service Account required by Section 5.06(b) hereof;

(vi) to make transfers to the Second Tier Debt Service Reserve Fund in the amount required to restore its balance to the Second Tier Debt Service Reserve Fund Requirement;

(vii) to make transfers to the Operating Expense Reserve Fund in the amount required to restore its balance to the Operating Expense Reserve Requirement;
(viii) to make transfers to the Subordinate FF&E Reserve Fund;

(ix) to make transfers to the Subordinate Management Fee Fund in the amount required to be maintained pursuant to Section 5.18;

(x) to make transfers to the Senior Supplemental Reserve Fund in the amount required to restore its balance to the Senior Supplemental Reserve Fund Requirement;

(xi) to make transfers to the Subordinate Supplemental Reserve Fund in the amount required to restore its balance to the Subordinate Supplemental Reserve Fund Requirement; and

(xii) to make any other payments required to be made by the Authority pursuant to the express terms of the Management Agreement.

(b) In addition to the purposes specified in subsection (a) above, so long as (1) the Additional Bonds Debt Service Coverage Ratio with respect to Second Tier Bonds for the preceding Fiscal Year was not less than 1.25:1.00 and (2) the Projected Additional Bonds Debt Service Coverage Ratio for the Second Tier Bonds is not less than 1.25:1:00, the Authority may use amounts in the Surplus Revenue Fund, in its sole and absolute discretion, for the following purposes:

(i) to optionally redeem Bonds in accordance with Section 4.02 hereof; and

(ii) to withdraw such funds and apply them to any lawful corporate purpose of the Authority.
### Projected Annual Excess to Surplus Revenue Fund

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024 - 2034</td>
<td>$ 101,400,889</td>
</tr>
<tr>
<td>2035 - 2044</td>
<td>$ 212,339,662</td>
</tr>
<tr>
<td>2045 - 2054</td>
<td>$ 408,754,221</td>
</tr>
<tr>
<td>Total</td>
<td>$ 722,524,772</td>
</tr>
</tbody>
</table>
Develop and adopt a board policy that confirms the priorities for the surplus revenue fund from the hotel.
Staff Recommended Approach

Pursuant to Section 5.17. (b) (ii) to withdraw such funds and apply them to any lawful corporate purpose of the Authority.

Staff has considered the following:

- Hotel reserve beyond those identified in the “flow of funds”
- GWCC operational reserve
- GWCC CapEx, Major Maintenance & Repairs (MMR) reserve
- Other Post Employment Benefits (OPEB)
Next Steps

Based upon feedback received to the proposed approach, develop and finalize a proposed surplus revenue fund policy for the full Board of Governors to adopt within the next six months.
Questions?
Adjourn Day 1
GWCCA Financial Forecast

Janet Arsenault
Sr. Director of Finance, GWCCA
FY22 Observations

- **Space Rental Revenue**
  - Original budget: $13,950,359
  - $1.8 million in cancellations
  - $870K in newly added space rental revenue ($366K for July/August)
  - Current forecast: $14.5 million

- **Parking**
  - Cancellations: $118K
  - Exceeding budget by $700K due to wash in 1st quarter

- **Food & Beverage**
  - Cancellations: $530K
  - Exceeding budget by $263K due to wash in 1st quarter
Revenue Mix FY17 – FY20

- Rental, 24%
- Food/Beverage, 15%
- Utilities, 16%
- Parking, 14%
- Hotel/Motel Tax, 11%
- Contract Labor, 4%
- Land Lease, 4%
- Advert/Sponsorship, 3%
- Telecom/Audio Visual, 4%
- Other, 5%

Board of Governors Planning Retreat – September 16-17, 2021
Revenue Mix FY23 – FY25

- Telecom/Audio Visual, 5%
- Advert/Sponsorship, 4%
- Other, 3%
- Contract Labor, 6%
- Hotel/Motel Tax, 15%
- Parking, 14%
- Food/Beverage, 9%
- Rental, 30%
- Utilities, 13%
FY23 – FY25 Forecast Assumptions: Revenue

- Space Rental: $13-14 million in Notice of Intent-Confirmed
- Food & Beverage: lower attendance in FY23; slow recovery FY24-FY25
- Utilities: $5-6 million base with $500K-$1 million anticipated upside
- Parking: $5-6 million base with $1-2 million anticipated upside
- Hotel/Motel Tax: AirBNB tax included
- Contract Labor: 10% increase for FY23 and minimal increases thereafter
### FY23 Forecast

#### Revenue

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental</td>
<td>14,106,787</td>
</tr>
<tr>
<td>F&amp;B</td>
<td>3,606,516</td>
</tr>
<tr>
<td>Utilities</td>
<td>6,175,271</td>
</tr>
<tr>
<td>Parking</td>
<td>6,221,718</td>
</tr>
<tr>
<td>H/M</td>
<td>6,752,325</td>
</tr>
<tr>
<td>Contract Labor</td>
<td>3,141,785</td>
</tr>
<tr>
<td>Telecom/Audio Visual</td>
<td>2,505,705</td>
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<tr>
<td>Advert/Sponsorship</td>
<td>1,945,680</td>
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<tr>
<td>Other</td>
<td>1,146,823</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>45,602,609</strong></td>
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</table>

#### Expenses

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>19,326,260</td>
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<tr>
<td>Temp/OT/Show Labor</td>
<td>2,225,809</td>
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<tr>
<td>Operating Expenses</td>
<td>23,162,994</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>44,715,063</strong></td>
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</tbody>
</table>

#### Net Profit

- **887,546**

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*Board of Governors Planning Retreat – September 16-17, 2021*
# FY24 Forecast

<table>
<thead>
<tr>
<th>Revenue</th>
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</thead>
<tbody>
<tr>
<td>Rental</td>
<td>15,460,020</td>
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<tr>
<td>F&amp;B</td>
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<td>Utilities</td>
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<td>Parking</td>
<td>6,801,738</td>
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<td>H/M</td>
<td>7,613,515</td>
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<tr>
<td>Contract Labor</td>
<td>3,204,620</td>
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<tr>
<td>Telecom/Audio Visual</td>
<td>2,510,330</td>
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<tr>
<td>Advert/Sponsorship</td>
<td>2,240,330</td>
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<tr>
<td>Other</td>
<td>1,261,505</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>49,793,650</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>21,258,886</td>
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<tr>
<td>Temp/OT/Show Labor</td>
<td>2,337,099</td>
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<tr>
<td>Operating Expenses</td>
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<td><strong>Total Expenses</strong></td>
<td><strong>47,917,129</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Net Profit</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>1,876,521</strong></td>
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## FY25 Forecast

### Revenue

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Rental</td>
<td>15,174,712</td>
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<tr>
<td>F&amp;B</td>
<td>5,513,953</td>
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<tr>
<td>Utilities</td>
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<td>Parking</td>
<td>7,676,925</td>
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<td>H/M</td>
<td>7,994,191</td>
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<tr>
<td>Contract Labor</td>
<td>3,268,713</td>
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<tr>
<td>Telecom/Audio Visual</td>
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<tr>
<td>Advert/Sponsorship</td>
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<td>Other</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>52,156,352</strong></td>
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### Expenses

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>22,747,008</td>
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<tr>
<td>Temp/OT/Show Labor</td>
<td>2,407,212</td>
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<tr>
<td>Operating Expenses</td>
<td>25,050,778</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>50,204,998</strong></td>
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</tbody>
</table>

### Net Profit

| Net Profit                          | 1,951,354 |
Historical and Forecasted Revenue/Expenses

<table>
<thead>
<tr>
<th>FY17 Actual</th>
<th>FY18 Actual</th>
<th>FY19 Actual</th>
<th>FY20 Actual</th>
<th>FY21 Actual</th>
<th>FY22 Budget</th>
<th>FY23 Forecast</th>
<th>FY24 Forecast</th>
<th>FY25 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>50,562,856</td>
<td>56,021,460</td>
<td>67,959,817</td>
<td>45,672,153</td>
<td>22,251,384</td>
<td>40,721,455</td>
<td>45,602,509</td>
<td>49,793,650</td>
<td>52,156,352</td>
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<tr>
<td>47,139,104</td>
<td>52,258,254</td>
<td>60,125,272</td>
<td>49,984,801</td>
<td>29,363,913</td>
<td>40,650,057</td>
<td>44,715,063</td>
<td>47,917,129</td>
<td>50,204,998</td>
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<tr>
<td>3,663,752</td>
<td>3,783,206</td>
<td>7,834,545</td>
<td>(4,312,648)</td>
<td>(7,112,529)</td>
<td>71,368</td>
<td>887,546</td>
<td>1,876,521</td>
<td>1,951,354</td>
</tr>
</tbody>
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Board of Governors Planning Retreat – September 16-17, 2021
Discussion & Questions
Savannah Convention Center Expansion Update

Sherrie Spinks
General Manager, SCC
Questions?
Next Scheduled Meeting

October 26, 2021