

Georgia International and Maritime Trade Center Authority

Minutes of the Regular Meeting of the Board of Directors
Wednesday, June 10, 2015

Jasper Board Room, Savannah International Trade & Convention Center

Members present: Baxter, Center, Cook, Jackson, Marinelli, Polote, Quattlebaum and Smith. **Members absent:** Cutter, McAlister, Sanders and Tollison. **Also present:** Counsel Tom Gray, Jeff Hewitt, Marty Johnston, Lou Phelps (SBJ), Marc Friday, Dr. Ted Moore, Michael Owens, Ed Sanders, Hays Clark (Crescent), Sherrie Spinks (GWCCA) and SITCC staff Bob Coffey, Stephen Hall, Ronnie Hickman, Judy Johnson, Fredia Brady, Jamie Parks and Gail Terrell.

Chairman Smith convened the meeting at 11:03am.

Chairman Smith noted a quorum, and asked for approval of May 2015 Minutes and Treasurer's report. Motion Mr. Polote; second Mr. Center, approved by voice vote.

Mr. Smith opened the meeting with the presentation by Dr. Ted Moore and Mr. Hays Clark, VP and GM of Crescent Towing Savannah, of the tug boat model *Savannah*, loaned by Crescent Towing.

Mr. Smith asked for the financial reports. Mr. Hall reported a favorable variance to the Center budget for May, and a favorable variance to budget for year-end. Mr. Hall reported an unfavorable month and an unfavorable year-end projection for Water Transportation. Mr. Hall continued with the Authority's financials, noting a favorable performance for May; and a forecasted favorable year-end, noting also favorable hotel/motel taxes year to date.

Mr. Smith asked for Counsel's Report. Mr. Gray responded no report at this time.

Mr. Smith asked for the Sales and Marketing Report. Ms. Brady noted 12 definite bookings for May and 16 tentative event bookings including Barbizon USA. To Mr. Center's question regarding any attendance expected from Presidential candidates for the upcoming Southern Legislative Conference in July 2015, Mr. Marinelli replied that no candidates were expected; however, several Governors would likely attend the conference. Ms. Brady reviewed the year over year booking ('Pace') report and event statistics.

Mr. Smith asked for the Food and Beverage Report. Mr. Parks reviewed SAVOR's May financials and introduced a new report detailing SAVOR Savannah's Gross to Net. To Mr. Marinelli's question with regards to SAVOR Savannah's financial numbers as compared to other similar sized SMG facilities, Mr. Parks commented that SAVOR Savannah's net percentage was stronger partly due to a leaner staff operations as compared to other SMG SAVOR facilities. To Mr. Marinelli's question with regards to SAVOR experiencing longer or shorter lead times, Mr. Parks commented on shorter lead times for non-convention center bookings and overall strong revenue across-the-board throughout SAVOR. Mr. Parks reviewed the favorable customer feedback from April; and the monthly service statistics by event type.

Mr. Smith asked for the Operations Report. Mr. Hickman noted Capital Program updates, including Ballroom door & frame project, new kitchen Fryer and the rebuild of Chiller #1 by contractor Boen Mechanical. Mr. Hickman also noted new part-time and full-time hires in the Security department. To Mr. Jackson's question regarding the potential use of solar heating panels, Mr. Hickman stated that the amount of electricity used during conventions and other large scale events could not be generated with solar panels. Mr. Hickman noted acquisition of solar hot water heaters in the upcoming capital budget.

Mr. Smith commented on a recent report by staff to the board which recaps the financial effects of GWCCA versus prior management. One benefit has been a lower rate and electric savings through the State of Georgia.

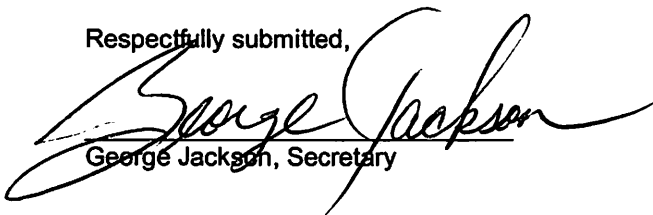
Mr. Smith asked for the GWCCA report. Ms. Spinks provided an update on the RFQ process for the proposed Atlanta campus convention hotel, noting that the Hotel RFP is anticipated to be released in July with responses due in August/September. To Mr. Marinelli's question, Ms. Spinks commented that the consultants are recommending an 800 – 1200 room hotel. Mr. Jackson commented on the proposed development of time share properties on Hutchinson Island (at "the silos") as noted in the newspaper.

Mr. Smith asked for the General Manager's Report. Mr. Coffey gave a brief overview of the revised Preliminary Operating Budgets for FY 2016. Mr. Smith commented on GWCCA incentives to surpass the budget. Motion by Mr. Center to approve the 2016 Operating Budget; second by Mr. Baxter and approved by voice vote.

Mr. Smith commented on the executive session following the May board meeting, which was held to discuss potential options to develop a 300 room hotel on Hutchinson Island as well as monitoring the Westin's efforts to expand. Mr. Smith stated that the executive committee met with consultant, Bill Moeckel of Moeckel & Company who is familiar with the Savannah and Charleston markets. Mr. Smith commented that he has known Mr. Moeckel for many years and has a great deal of experience in this industry. Mr. Baxter and Mr. Center commented on Mr. Moeckel's impressive qualifications. Ms. Quattlebaum voiced concerns on the consultant cost and the duration of the process to which Mr. Smith commented that the consultant can be cancelled upon written notice. Mr. Smith informed the board that the goal is to work toward a package that can be presented in time for the Governor's 2017 budget and legislative session. To Mr. Jackson's question whether a signed agreement to develop a hotel would mean the consultant's fee is then paid by the developer and not the Authority, Mr. Smith agreed. To Mr. Marinelli's question regarding Mr. Moeckel's role in the expansion of Trade Center, Mr. Smith commented that although Mr. Moeckel is in agreement with a Trade Center expansion, the main focus will be the potential to develop a 300 room hotel. Motion by Mr. Center to work with consultant Bill Moeckel; second by Ms. Quattlebaum and approved by voice vote. Mr. Smith commented that he will appoint a nominating committee to report back at next month's July board meeting. Mr. Coffey brought the City's transportation and parking agreement to Mr. Smith's attention for signature.

Mr. Smith requested any further business; hearing none, Mr. Smith adjourned the meeting at 11:55am.

Respectfully submitted,



George Jackson, Secretary