

Georgia International and Maritime Trade Center Authority

Minutes of the Regular Meeting of the Board of Directors
Wednesday, November 13, 2013

Staff Lounge, Savannah International Trade & Convention Center

Members present: Baxter, Center, Jackson, McAlister, Polote, Quattlebaum and Smith. **Members absent:** Bazzard, Cutter, Green, Marinelli, Monsees. **Also present:** GIMTCA Counsels Tom Gray and Jon Pannell, Marc Friday, Howard Helmken, Mary Carr Mayle (SMN), and SITCC staff Bob Coffey, Ronnie Hickman, Fredia Brady, Stephen Hall, Jamie Parks and Gail Terrell.

Chairman Smith convened the meeting at 11:02am.

Mr. Smith noted the absence of a quorum and deferred approval of the minutes and treasurer's report until a quorum is met. Mr. Smith asked Mr. Hall for the October 2013 financial reports.

Mr. Hall reported a favorable variance to the Center budget for the month, and forecasted a favorable year-end. Mr. Hall noted the favorable variance to be a result of short term bookings such as Gulfstream. Mr. Hall reported that Water Transportation shows an unfavorable variance for October; year-end projected to also be slightly unfavorable. Mr. Center asked about Chatham Area Transit (CAT) invoicing for water ferry expenses: Mr. Hall replied that staff normally receives invoices monthly, but none so far this (fiscal) year; and that CAT states invoices are in process and should be received in the near future. Mr. Center questioned the accuracy of the budgeted Water Ferry numbers due to the delay of the invoices to which Mr. Hall replied that the Ferry budget is forecasted on the Ferry's cost per hour. Mr. Coffey commented that only minor variations to forecast should be needed when invoices are received. Mr. Hall reported that the Authority shows a favorable variance for October. Mr. Hall reported favorable hotel/motel tax reports year to date. Mr. Smith questioned if the Hotel/Motel tax revenue was annualized by calendar or fiscal year, to which Mr. Hall replied fiscal year-to-date. Mr. Center asked whether the hotel/motel revenue has increased versus the budgeted amount, which Mr. Smith affirmed. Mr. Smith further explained that the two components that fluctuates hotel/motel revenue are occupancy and room rates. Mr. Center questioned the possibility that since occupancy numbers have increased if that was driving the room rates to be higher to which Mr. Smith replied that although room rates may have increased that did not necessarily mean occupancy increased. Mr. Smith affirmed Mr. Center's comment that increased rates has not had an effect on occupancy. Mr. Hall reported that the Authority's year-end forecast is favorable to budget.

Mr. Smith asked Ms. Brady if additional bookings are expected by fiscal year-end; Ms. Brady cited the potential for 500 additional room nights, not reflected in the current numbers under review. Additional room nights may stem from pending contracts by Nuclear Energy and Scan Source. Ms. Brady also commented on the success of short term bookings and high school proms which include dinner. Mr. Center questioned the business makeup of Nuclear Energy to which Mr. Coffey replied that they are the policy association for the nuclear energy and technology industry, based in Washington DC.

Mr. Smith then noted a quorum, and asked for approval of October 2013 Minutes and Treasurer's report; moved by Mr. Center; seconded by Mr. Baxter and approved by unanimous voice vote.

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 reported 23 bookings in October, including 12 definites. Ms. Brady stated that the Southern Show and Boat Show have recently returned signed contracts. Ms. Brady also commented on the definite bookings of Georgia Bureau of Investigation (GBI) and Illuminating Engineering Society in 2015. Ms. Brady commented on the tentative booking of the Nuclear Energy Institute in 2014 and the recent Gulfstream G650 EIS Meeting to be reflected in next

month's report. Mr. Center asked for guidance on how to interpret the Year-over-Year Pace report to which Mr. Smith replied that the report compares the bookings from the prior year to the current year for both definite and tentative business. Ms. Brady commented that although the overall room night pace reflects a lower number than prior year, there are bookings pending that will increase the current year to be more in line with 2012. Ms. Brady commented that the contract for Rock n Roll Marathon 2014 has been received. Mr. Smith asked what the room night total for FY2013 was; Ms Brady replied 84,859. Ms. Quattlebaum commented on the positive feedback for this year's Rock n Roll registration as compared to last year. Mr. Coffey commented on the late surge during Rock n Roll Friday's registration but that transportation, traffic and parking operations were very smooth. Mr. Hickman commented that 7,000 Rock n Roll registration packets were picked up between 2p and 7p on Thursday, 11,000 on Friday.

Mr. Smith commented on the record booking year in FY 2013 which is on track to be exceeded this FY 2014. Ms. Brady stated that there is an opportunity to exceed the FY2013 bookings due to strong short term bookings. Mr. Smith asked for the annual number of dark days versus event days in the building to which Mr. Coffey replied there are approximately 340 event days annually which is roughly 65% event days throughout the year. Mr. Smith questioned if the building is dark 35% of the year to which Mr. Coffey replied that the 35% would also include event move in/move out. Ms. Brady reviewed revisions to the Convention Center Rental Credit Program Report. Mr. Hall gave a report on the rental credit program and revisions. Mr. Center questioned how the Economic Impact (Individual Spending) column is calculated to which Mr. Hall replied that individual attendee spending average is calculated at \$290 per night. Mr. Center asked about the source for the \$290 figure: Mr. Coffey replied it comes from the Destination Marketing Association International (DMAI), and is used by conferences to determine individual spending by attendees. Ms. Brady stated that it is a calculation used industry wide. Mr. Smith asked what the total hotel/motel tax percentage for the county which is generated by the rental credit program to which Mr. Hall replied that the Authority receives 1/6 of the total. Mr. Center clarified that the overall economic impact includes all groups coming to the Trade Center. Mr. Hall and Mr. Parks emphasized the total economic impact resulting from the rental credit program. Mr. Smith requested a report from Mr. Hall that compiles the total economic impact figures generated by Trade Center events. Ms. Quattlebaum commented that such a report could be noted in the newspaper.

Mr. Smith asked for the Food and Beverage Report. Mr. Parks reviewed Savor...Savannah's Profit and Loss statement for October 2013 and Year-To-Date. Mr. Parks reviewed Savor...Savannah's Customer Feedback Report for September, which had a 43% return rate, and a score of 3.96 of a 4.00 scale.

Mr. Smith asked for the Operations Report. Mr. Hickman highlighted the rehabilitation of the public corridors and upcoming department training. Mr. Hickman reviewed the capital project updates such as the Ballroom Lighting Control System Upgrade and the chillwater pump Variable Frequency Drive Replacement and the Savannah Harbor Conference Center Corridor Project. Mr. Smith questioned the status of the corridor project to which Mr. Hickman replied that the acrylic panels, ceiling grid and fans, light fixtures and new equipment closets have been installed with completion expected at the end of the month. Mr. Hickman commented on the attached Key Operational Metrics to which Mr. Smith requested the addition of year-to-date dark days on the matrix. Mr. Hall confirmed.

Mr. Smith asked for the General Manager's Report. Mr. Coffey commented that a tentative proposed agreement with Dr. Ted Moore has been developed for the Gateway Project. Mr. Coffey commented that clarification of public use of the 'Ship finder' website will need to be obtained. Ms. Quattlebaum questioned any potential cost to which Mr. Coffey replied that there is no cost involved only infrastructure which the Trade Center will provide. Mr. Coffey confirmed the date change for the December board meeting and Trade Center Authority Holiday Luncheon from Wednesday December 11 to Wednesday December 18. Mr. Coffey stated that the retiring County Manager Russ Abolt will be this year's honoree.

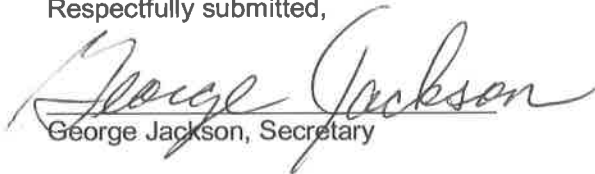
Mr. Smith then commented on the GIMTCA-SMG Management Agreement. Mr. Smith stated the board has received the Georgia World Congress Center Authority (GWCCA) proposal. Mr. Smith stated that the Executive Committee, with Mr. Marinelli invited, has met; and stated that the Executive Committee consensus is to proceed slowly and methodically through the evaluation process. Mr. Smith commented that the Authority intends to think 'outside the box' and stated that the GWCCA does not have a management company. Mr. Smith stated that GWCCA manages the Georgia Dome, Centennial Park and the Phillips Arena themselves. Motion made by Mr. Center to extend the existing GIMTCA-SMG

Management Agreement 90 days through March 31, 2014; seconded by Mr. Baxter and approved by unanimous voice vote. Mr. Center questioned who the GWCCA is. Mr. McAlister commented that past practice has shown that the Trade Center Authority will be sidelined and the Trade Center would be run by the government and the GWCCA. Mr. Smith disagreed and clarified that the Trade Center Authority would remain in place. Mr. Center questioned if the Executive Committee will report their findings for discussion with the entire board to which Mr. Smith replied that a joint decision would be needed. Mr. Smith stated that both SMG and GWCCA proposals need to be reviewed, and that SMG and GWCCA proposals do not match up. Mr. Center questioned if the proposals can be discussed among the entire board, to which Mr. Smith replied that the discussion must meet the Open Meetings Act. Mr. Gray stated that no more than 5 board members (a quorum is 6) can meet without notifying and including the public, in order to remain within the guidelines of the Open Meetings Act.

Mr. Coffey requested confirmation of the Authority's (budgeted) \$5,000 sponsorship of Savannah-Chatham Day in Atlanta. Moved by Mr. Center; seconded by Mr. Baxter and approved by unanimous voice vote.

Mr. Smith requested any further business: and hearing none adjourned the meeting at 11:43am.

Respectfully submitted,


George Jackson, Secretary