

Georgia International and Maritime Trade Center Authority

Minutes of the Regular Meeting of the Board of Directors
Wednesday, September 10, 2014

Jasper Board Room, Savannah International Trade & Convention Center

Members present: Baxter, Center, Jackson, Marinelli, Polote, Quattlebaum, Smith and Tollison.

Members absent: Cutter, McAlister, Monsees. **Also present:** Jeff Hewitt (VS), Kevin Duvall (GWCCA), Counsel Tom Gray, Marty Johnston, Mary Mayle (SMN), Lou Phelps (SBJ), GWCCA Counsel Pargen Robertson and SITCC staff Bob Coffey, Ronnie Hickman, Judy Johnson, Fredia Brady, Stephen Hall, Jamie Parks and Gail Terrell.

Chairman Smith convened the meeting at 11:01am and requested a moment of silence in remembrance of September 11, 2001.

Chairman Smith noted a quorum, and asked for approval of July 2014 Minutes and July/August Treasurer's report. Motion Mr. Polote; second Mr. Jackson, approved by voice vote.

Mr. Smith asked for the financial reports. Mr. Hall reported an unfavorable variance to the Center budget for the month, and a favorable variance to budget for year-end. Mr. Hall commented on the new software transition which will be utilized to generate financial reports next month.

Mr. Smith commented on recent communication from Mr. McClintock, SMG Sr. Vice President of Convention Centers with regards to last year's (FYE14) SMG performance bonus and a related F&B payment to the Authority. Mr. Smith asked about any impact on last year's financial results from such payments. Mr. Hall responded that normal accounting procedure would reflect the expense / revenue in the year incurred. Mr. Smith confirmed that SMG's right to a performance bonus was intact in the various contract extensions through March 2014.

Mr. Hall resumed with Water Transportation financials, reporting an unfavorable variance for the month and year-end currently projected to be on budget. Mr. Hall then reported an unfavorable Authority performance for August; and a forecasted unfavorable year-end. Mr. Hall referenced the FY15 Budget Amendment memo enclosed in the board packets which recommends that the Authority amend the FY15 Budget to add \$163,000 in Professional Fees for a market and financial analysis of hotel development and convention center expansion by PKF Hospitality Research LLC. Motion by Mr. Tollison, second Mr. Polote to accept staff recommendation: approved by voice vote.

To Mr. Center's question as to purpose of the PFK study, Mr. Smith replied that the analysis would address feasibility of a stand-alone 300+ hotel on campus; an alternative expansion of the Westin Hotel; potential SITCC expansion, and a strategic look at the convention industry in the City and County.

To Mr. Center's question regarding a \$992k receivable on the Authority Balance Sheet (under 'Assets'), Mr. Hall explained that the item reflects the building's very positive financial performance at FYE2014: while the operating deficit was funded throughout the year, the last two months' results eliminated the operating deficit; and produced the \$992k cash balance, which is payable back to the Authority.

Mr. Smith asked for Counsel's Report. Mr. Gray introduced GWCCA Attorney Pargen Robertson. Mr. Robertson reviewed the HB 60 'Gun Law'. To Mr. Tollison's question, if a licensed holder can enter a private event without a sworn peace officer, Mr. Robertson replied that if all building entrances are being screened and there is no peace officer, a licensed holder can be restricted from entering; however it is not a crime if someone enters the building with a gun. To Mr. Baxter's question regarding an option to call

the police if a licensed carrier forces their way into the building, regardless of the screening process, Mr. Robertson replied to Mr. Baxter's example that an arrest can only be made on the basis of the forced entry. To Mr. Tollison's question whether an off-duty police officer can be considered a certified peace officer, Mr. Robertson replied affirmatively. To Mr. Gray's question if there are two entrances into the building with only one officer posted would that be considered sufficient screening? Mr. Robertson replied affirmatively but there must be screening at each entrance. To Mr. Center's question if a client like Gulfstream is able to designate their event as private with no guns allowed, Mr. Robertson replied that a client can prohibit their attendees, exhibitors etc from bringing a weapon into their licensed space as a condition of registration, membership, or admittance to the event; however, if a gun holder enters the event space, the client can enforce its own sanction, but there is no violation of law as to HB60. Mr. Tollison asked for clarification, commenting that if a client requests no firearms in their event would the building obtain metal detectors? Mr. Coffey replied that if the client wished to screen at its event entrance, Center would provide the security staffing and equipment at client expense. Mr. Robertson commented that 'screening' is not defined in the law; and thereby could consist of metal detectors, 'wanding', pat-downs or observation. Mr. Robertson commented that the law allows weapons to be prohibited at school functions, such as proms, even if there is no screening. Mr. Hall further commented that a person can be approached if they point a gun at someone, since that is a violation of law.

Mr. Smith asked for the Sales and Marketing Report. Ms. Brady noted the tentative bookings in the month of July that recently became definite in the August production report. Ms. Brady cited events such as Tradewinds International LLC-Flower Show, Miller Heiman-2015 Client Summit and Carolina Shows-Christmas Made in the South. Mr. Smith questioned if Gulfstream is booked for 2016 to which Ms. Brady replied that they are currently in contract with increased rental space for additional move-in needs. To Mr. Smith's question regarding final year end room nights for FY14, Ms. Brady confirmed 86,453. Ms. Brady reviewed the Event Statistics report. To Mr. Smith's question as to what makes an event a convention, Ms. Brady replied that an event that produces at least 400 occupied rooms on each of two nights is given convention status. Mr. Smith requested a year-end report of event statistics to be sent to the board.

To Mr. Tollison's question as to the number of attendees at the coming (Oct 5-7) Ocean Exchange conference, Mr. Hall and Mr. Parks replied approximately 350.

Ms. Brady then introduced newly joined team member, Sales Manager, Mallary Taylor. Ms. Brady commented on a collaborative effort by GWCC, Visit Savannah and Trade Center to produce a joint sales and marketing plan. Mr. Smith requested a list of marketing initiatives between GWCCA and the Trade Center. Ms. Brady responded that an outline detailing initiatives for next year will be introduced in October. Ms. Brady distributed a press release announcing the definite booking of The International Association of Emergency Managers (IAEM) annual convention in Savannah, for three of the next six years, filling 11,000 hotel rooms. Mr. Marinelli commented on the key roles Savannah Mayor Edna Jackson and Chatham County Emergency Management Director, Clayton Scott played in securing the convention. Mr. Marinelli also commented that the month of November is changing from an off-peak convention month to a much stronger profile. To Mr. Center's question regarding water ferry transportation collaboration during the IAEM conference, Mr. Marinelli replied that event organizers will be working in conjunction with ferry services during the maximum peak time of events as in the past.

Mr. Coffey mentioned that Visit Savannah and Tourism Leadership Council were recipients of the Governor's Tourism Award for Hospitality Partnership. Mr. Marinelli commented that Savannah will host the Governor Tourism Conference in August/September 2015.

Mr. Smith asked for the Food and Beverage Report. Mr. Parks reviewed SAVOR...Savannah's August results. Mr. Parks reviewed SAVOR's favorable customer feedback from August.

Mr. Smith asked for the Operations Report. Mr. Hickman noted that staff is using new Kaivac machines to deep clean and sanitize the public restrooms, and Capital Program projects including the Technology Upgrade and Ballroom Door and Frame replacement are underway. Mr. Marinelli commented that the 200's meeting rooms were in great condition for the recent SEDA and WTC board meetings.

Mr. Smith asked for the General Manager's Report. Mr. Coffey noted availability of State of the Port Luncheon tickets, to which the GWCCA board has been invited as well. Mr. Coffey provided an update on Parcel 7 – Slip 3 Intermodal project. To Mr. Smith's question, Mr. Coffey confirmed that the project will consist of a passenger waiting shelter for buses and ferry service; and connecting roadways. Mr. Coffey commented that until contributing development in Parcel 7 creates more demand at the intermodal location, it will not be necessary to begin dredging the slip for water ferry operations yet.

Mr. Coffey confirmed that the City's Fire Boat will also be based in the Slip. To Ms. Quattlebaum's question if Parcel 2 would be the location of potential future Westin expansion, Mr. Smith replied affirmatively, that the location is adjacent to and on Westin property.

Under Chairman's Report, Mr. Smith commented that the PKF Study should be completed by early November. Mr. Smith also commented on an upcoming September 23 'summit meeting' with Trade Center Authority, CSX and Starwood (owners of the Westin). Mr. Smith also clarified that the PFK study will include financial models to assess feasibility of a 300 room hotel, with the ability to produce a 20% stabilized return on equity to the owner. Mr. Smith also commented that although not included as part of the study, input from major hotel developers will be solicited.

Mr. Smith then turned to Mr. Duvall for the GWCCA Report. Mr. Duvall commented on the coming annual retreat for the GWCCA board of directors in Savannah on September 24—26. GWCCA board members are appointed by the Governor. The board retreat agenda will also include a Wednesday 9/24 dinner reception catered by Savor...Savannah at Ships of the Sea Museum; the 9/25 State of the Ports Luncheon, and a Friday 9/26 presentation by Mr. Smith and Mr. Coffey on Center and Authority plans. Mr. Duvall commented on a GWCCA goal to employ State Performance Contracting to energy efficiencies and is currently conducting an investment-grade energy audit through TRANE USA. Mr. Duvall noted that LEED application process for GWCCA facilities is nearing completion; and that GWCCA is also working with SITCC on Performance Contracts and LEED applications. Mr. Duvall reaffirmed an aggressive plan is in process for Sales/Marketing initiatives.

Mr. Coffey restated to the board members of upcoming meetings they are welcomed to attend, 9/24 – Ships of the Sea, Board to Board dinner to include Savannah delegation and elected legislators; 9/25 – State of the GA Ports Address; 9/26 – GWCCA Board of Governors update on Trade Center.

Mr. Smith reminded the board members that GWCCA is also utilizing the same consultant as GIMTCA (PKF Hospitality) to analyze Atlanta campus hotel prospects. Mr. Duvall noted that guidance is being sought from PKF and development options for the GA Dome site after it comes down.

Mr. Smith commented that the dynamic Savannah hotel market appears to be stronger than Atlanta's.

Mr. Smith requested any further business; hearing none, Mr. Smith adjourned the meeting at 12:12pm.

Respectfully submitted,


George Jackson, Secretary