

Georgia International and Maritime Trade Center Authority

Minutes of the Regular Meeting of the Board of Directors
Wednesday, July 9, 2014

Jasper Board Room, Savannah International Trade & Convention Center

Members present: Center, Jackson, McAlister, Marinelli, Polote and Smith. **Members absent:** Baxter, Cutter, Bazzard, Monsees, Quattlebaum and Tollison. **Also present:** Jeff Hewitt, Kevin Duvall (GWCCA), Mark Spadoni, Counsels Tom Gray and Jon Pannell, Marty Johnston, Mary Mayle (SMN), Shaun Beard (SMG-SAVOR) and SITCC staff Bob Coffey, Ronnie Hickman, Judy Johnson, Fredia Brady, Stephen Hall, Jamie Parks and Gail Terrell.

Chairman Smith convened the meeting at 11:03am; noted a quorum, and asked for approval of June 2014 Minutes and Treasurer's report. Motion Mr. Polote; second Mr. Jackson, approved by voice vote.

Mr. Smith introduced Mr. Shaun Beard, Senior Vice President of SAVOR by SMG, the Authority's Food & Beverage contractor, who reaffirmed SAVOR's commitment to high standards and profitability.

Mr. Smith asked for the financial reports. Mr. Hall reported a favorable variance to Center budget for June and a rare occurrence for a convention center--positive cash flow for year end. Mr. Smith made special note of this accomplishment, and acknowledged the collaborative joint effort to achieve it. To Mr. Center's question, Mr. Hall replied that an explanation of the 'Professional Fees' item on the GIMTCA financial report would be provided to the board. To Mr. Smith's question, Mr. Hall confirmed that the annual audit by Karp, Ronning and Tindol P.C. would begin in August. Mr. Hall further stated that future audits will be conducted by the State of GA which will bring a savings of \$10k to the Authority.

Mr. Hall resumed with Water Transportation financials, reporting an unfavorable variance for the month and a slightly unfavorable year-end result. Mr. Hall then reported favorable Authority performance for June; and a forecasted favorable year-end variance, noting higher hotel-motel tax collections through April. Mr. Marinelli noted that a strong May and June should also beat the budget for those months.

Mr. Smith asked for Counsel's Report. Mr. Gray commented on a master license agreement being developed with the Westin. Mr. Coffey noted the purpose is to streamline shared bookings, including a single customer contract, similar to the existing Savannah Harbor Conference Center collaboration with Westin. Mr. Spadoni commented on contractual 'back office' adjustments arising from the Center's changing from private to public (State) operation. To Mr. McAlister's question, Mr. Coffey replied that discussions with Westin about placement of a permanent dock in front of the Trade Center would follow completion of the master license agreement.

Mr. Smith asked for the Sales and Marketing Report. Ms. Brady reported bookings in June, including 16 definites; and noted the recent confirmation of Gulfstream Aerospace – LCM Leads & Coordinators Meeting for July 2014. Ms. Brady also noted the tentative booking of SCAD's May 2015 Commencement. Ms. Brady commented that the Pace report was ahead of last year; and room-nights production for the year exceeded budget. To Mr. Center's question, Ms. Brady replied that the Rock n Roll room nights have increased for FY15. Mr. Marinelli commented that Rock n Roll attendees have been extending their stays to two nights plus. Ms. Brady reviewed a new monthly Event Statistics report, including room nights and economic impact. To Mr. Center's question, Ms. Brady, Mr. Coffey and Mr. Smith explained the Direct Economic Impact includes individual local spending, and Overall Economic Impact adds client 'group' expenses such as venue costs, to local spending. Mr. Marinelli confirmed that 'Direct' is visitor spending, and 'Overall' impact is all spending related to the event. To Mr. Center's question, Mr. Coffey replied that the Economic Impact numbers come from a multiplier calculation by the Destination

Management Association International (DMAI), an industry advocacy group. To Mr. Marinelli's request, Mr. Spadoni cited the Liberty Mutual Legends of Golf event to clarify the direct / overall impact scenario.

Ms. Brady commented on the Ga World Congress Center Authority's online marketing collaboration with the Atlanta Business Chronicle, and 2014 accolades for Savannah from KitchenDaily and Conde' Nast.

Mr. Smith asked for the Food and Beverage Report. Mr. Parks reviewed SAVOR...Savannah's June results, and cited SAVOR's record year in gross sales and net revenue. Mr. Parks also commented on a request from Gulfstream to discuss potential of Catering at their facility. Mr. Parks reviewed SAVOR's feedback program for the month of May.

Mr. Smith asked for the Operations Report. Mr. Hickman commented on the Capital Program updates such as SITCC Technology Upgrade and Ballroom Door and Frame replacement projects.

Mr. Smith asked for the General Manager's Report. Mr. Coffey reviewed the potential installation of a GA Lottery vending kiosk at the Center. Motion by Mr. Center, second Mr Jackson, to a one year trial; Approved by unanimous voice vote. Mr. Coffey provided an update on the CAT Slip 3 Intermodal project to include construction of roadways and a passenger shelter. Mr. Coffey stated that the project was funded by a 2009 grant and must be complete by the end of September in order to satisfy grant terms.

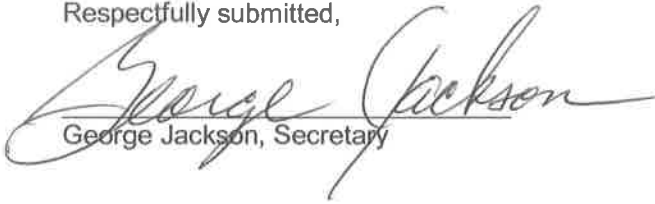
To Mr. Center's question, Mr. Coffey clarified the impact of the new Georgia gun law (HB 60) on the Trade Center. Mr. Coffey stated that unless all public entrances are screened by police, the Trade Center must be an open campus under the law. Mr. Center commented that HB 60 does not address ammunition and asked if ammunition could be prohibited. To Mr. Center's question, Mr. Duvall commented that Atlanta's Centennial Park as an open public space did not have any options under HB60; and GWCC was in the same situation as the Trade Center; while the GA Dome has a screening process in place which does not allow weapons into the facility. To Mr. Marinelli's question, Mr. Duvall replied GWCC has gotten inquiries about the new law, but no business lost. Mr. Coffey stated the Trade Center has received no inquiries to date. To Mr. Smith's question, Mr. Duvall replied that GWCC will be an open campus at this time. To Mr. Smith's question, Mr Coffey replied that private event clients may ask attendees not to bring guns into the event; but as a public building under the law, the Trade Center cannot do the same. Mr. Coffey added that if a client were to request no guns at their event, the expense of the required police screening would be the client's. Mr. Coffey noted that HB 60 was explained at a recent All Staff Meeting. To Mr. Center's question, Mr. Coffey replied that SITCC employees are allowed to bring guns onto property, but must be kept locked in their personal vehicle. Mr. Duvall concurred as to GWCC. To Mr. McAlister's question, Mr. Coffey replied that private facilities may post no guns signage but public facilities cannot. Mr. Duvall noted that local policies cannot supersede the law. Mr. Coffey noted that GWCCA Counsel would be available to brief the board on the evolving legal interpretations of HB60 in September.

Under GWCCA Report, Mr. Duvall complimented the Trade Center for a successful year. Mr. Center commented on his appreciation that the staff at the Trade Center made the transition from SMG to GWCCA. Mr. Duvall commented on more opportunities in the future to work together and grow.

Under Chairman's Report, Mr. Smith commented on the review of the PKF Consulting proposal with regards to a potential convention center hotel; potential building expansion, and general review of the local convention industry. Motion by Mr. Center, second Mr. Polote, to accept the proposal. Discussion followed: to Mr. Marinelli's question, Mr. Smith replied that the project's goal is to determine what can be done to enhance the Trade Center Convention platform. To Mr. McAlister question whether convention center business is declining, Mr. Coffey replied that the convention center business is currently stagnant while the trend of adding / expanding facilities continues: Savannah's advantage lies in existing / pent up demand for a larger facility, while most other destinations are building in hopes that the business will come. Mr. Smith asked for additional questions; hearing none, motion approved by unanimous voice vote.

Mr. Smith requested any further business; Mr. McAlister motioned for no August board meeting; seconded by Mr. Jackson. Approved by unanimous voice vote. Mr. Smith requested any further business; hearing none, Mr. Smith adjourned the meeting at 11:57am.

Respectfully submitted,



George Jackson, Secretary