

Georgia International and Maritime Trade Center Authority

Minutes of the Regular Meeting of the Board of Directors
Wednesday, June 11, 2014

Staff Lounge, Savannah International Trade & Convention Center

Members present: Baxter, Center, Cutter, Jackson, McAlister, Marinelli, Polote, Quattlebaum and Smith.
Members absent: Bazzard, Monsees and Tollison. **Also present:** Jeff Hewitt, Kevin Duvall (GWCCA), Mark Spadoni, Counsels Tom Gray and Jon Pannell, 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; Mr. Smith noted a quorum, and asked for approval of May 2014 Minutes and Treasurer's report. Approval moved by Mr. Center; second Ms. Quattlebaum, approved by unanimous voice vote.

Mr. Smith asked for the financial reports. Mr. Hall reported a favorable variance to Center budget for May, citing 12 unbudgeted events, and a favorable variance for year-end. Mr. Smith clarified the center's year-end forecasted results. To Mr. Center's question, Mr. Hall clarified that rental credit means no, or reduced, rental charges to client. Mr. Marinelli asked about the types of unbudgeted events in May, to which Mr. Hall offered National Ski Areas Association, Scan Source and wedding events as examples.

Mr. Coffey introduced Mr. Tim Steinhouser, Director of Customer Relations for Gulfstream. Mr. Steinhouser commented on the need for a SITCC expansion and new hotel adjacent to the Trade Center. Mr. Marinelli requested feedback from Mr. Steinhouser with regards to meeting the food requirements and meeting space for a group Gulfstream's size. Mr. Steinhouser commented that Savor Savannah provides 5-star quality food in the convention center area. Mr. Smith questioned if the adequacy of the current Exhibit Hall space for Gulfstream needs to which Mr. Steinhouser commented that although the Exhibit Hall works well, future requirements may well call for additional space. Mr. Smith commented that the Trade Center will continue to look at ways to meet Gulfstream needs.

Mr. Hall resumed the financial reports. Mr. Smith commented on the possibility of FY 2014 to break even at year-end. Mr. Hall reported an unfavorable variance for the month and year-end for Water Transportation. Mr. Hall then reported a favorable Authority performance for May; and a forecasted favorable variance for the year. Mr. Hall also reported favorable hotel-motel tax revenue 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 reported bookings in May, including 4 definites; and noted the recent confirmation of Gulfstream Aerospace – Customer Advisory Board for 2015. Ms. Brady also noted recent definite bookings for the International Association of Emergency Management (IAEM) in 2016, 2019 and 2022. Mr. Marinelli commented on the assistance from Chatham County Emergency Manager Clayton Scott and Mayor Edna Jackson which helped secure IAEM. Ms. Brady also commented on tentative bookings for future Gulfstream for summer and fall 2014. Mr. Center questioned if any other customers similar to Gulfstream have commented on the need for an expansion to which Mr. Smith replied that his question would be discussed during the Chairman's report. Ms. Brady commented that the Pace report was ahead of last year; and room nights exceeded expectations.

Mr. Marinelli commented on the results of the 2013 Savannah Tourism survey compiled for Visit Savannah. The 2013 statistics are in 5 categories: lodging, food & beverage, entertainment, retail and transportation. Visitor spending increased by 11%, visitors increased by 4 ½% with an average length of stay of 2.4 nights. The average age of visitors to Savannah was 41 as compared to 45 in 2010's survey.

Mr. Marinelli also noted that visitation becoming very consistent year-around; and that 2014 is expected to exceed 2013 results based on current pace.

Mr. Center asked if retail contributes to Special Purpose Local Option Sales Tax (SPLOST) revenues, which Mr. Coffey affirmed. Mr. Spadoni commented that lodging contributes as well.

Mr. Smith asked for the Food and Beverage Report. Mr. Parks reviewed SAVOR...Savannah's May results, and replied to Mr. Smith's question that more than \$1 million gross F&B sales is forecasted for June. Mr. Parks cited SAVOR's hard work and dedication over the past few weeks. Mr. Coffey noted valuable assistance from other SAVOR resources during Gulfstream, including an award-winning chef from Tulsa and managers from Jacksonville. To Mr. Smith's question, Mr. Hall stated the duration of the Gulfstream event is 11 days, including move-in/out. Mr. Parks then excused himself to return to the floor.

Mr. Smith asked for the Operations Report. Mr. Hickman commented on the Capital Project updates such as SITCC Technology upgrade and Ballroom Door and Frame replacement and Meeting Room risers.

Mr. Smith asked for the General Manager's Report. Mr. Coffey provided a brief summary of the FY 2015 Operating Budgets, noting no changes had resulted from the Budget Workshop. Mr. Smith asked for a motion to adopt: moved by Mr. Polote, seconded by Mr. McAlister. Approved by unanimous voice vote.

Mr. Coffey distributed memo regarding the potential installation of a GA Lottery machine at the Trade Center. Mr. Duvall commented that initial results from GWCC shows there is a market and interest. Mr. Center asked who owns the machine, to which Mr. Duvall replied that a 3rd party vendor delivers the machine but it is owned by GA Lottery. Ms. Quattlebaum asked the split of profit to which Mr. Hall replied that GIMTCA would retain 6% of the gross lottery ticket sales. To Mr. Baxter's question, Mr. Hall replied that winning tickets sold at the center would be taken to a retail office or lottery office. Mr. Smith questioned how long the lottery vending machines have been at the GWCC and how much revenue is generated; Mr. Duvall replied he will obtain the information. Mr. Center and Mr. Marinelli commented that the idea may be worth a trial. Mr. Baxter commented on the potential revenue. Mr. Center requested a report on pros and cons of the proposal. Mr. Smith suggested accepting the staff memo as information, to be discussed further at July board meeting. Ms. Cutter requested the information prior to the meeting.

Under GWCCA Report, Mr. Duvall highlighted potential marketing opportunities with GWCC including large digital marquees, interactive kiosks, phone charging stations and targeted advertising. Mr. Duvall commented on a media opportunity for the communications team with regards to social media. Mr. Duvall also commented on upcoming training next month for the Event Services team as well as GWCCA Best in Class customer service training that dovetails with Savannah's existing Professional Pride training.

Under Chairman's Report, Mr. Smith mentioned a GWCCA feasibility study for a potential 800-1000 room hotel and other development options on the Atlanta campus. Mr. Smith suggested a similar approach to reviewing Savannah campus needs in context of the Trade Center's mission and performance; and to look strategically at the whole Savannah convention sector. Mr. Smith asked that a consulting proposal be circulated to board for review and further discussion at the July board meeting. Mr. Center asked if there are other clients in need of more space at the Trade Center to which Mr. Coffey replied that large events such as GA Municipal Association and Association County Commissioners of Georgia need more meeting rooms and exhibit space. Mr. Center asked the length of time needed to expand the Exhibit Hall to which Mr. Polote replied 6-9 months for design and 1 year to build. Mr. Center asked to clarify the costs of the PKF proposal, to which Mr. Smith replied that a feasibility study for hotel development was \$35k, SITCC expansion \$108k, and overall strategic plan \$20k. Mr. Smith noted that the information is for review only; and discussions with Mayor, City Manager, County and other stakeholders are needed. Mr. Smith commented that projected cost for any center expansion to be in the range of \$48 - \$98 million.

Mr. Smith also noted that the potential GWCCA hotel may be a Starwood/Westin; and discussions with Starwood may be appropriate about a potential new hotel on Hutchinson Island. Mr. Smith noted the potential for strong interest in a renewed hotel RFP. Mr. McAlister asked about private/public scenario(s) discussion which Mr. Smith replied that discussion would be part of any RFP development process. Mr.

McAlister asked if precluding the use of tax payer monies from the start would reduce risk of negativity. Mr. Jackson commented that moving forward with the feasibility study should answer that and other key questions. Ms. Cutter stated that any future RFP should clearly state City's and County's stance on any public participation. Mr. Marinelli stated the proposed review is well timed due to Savannah's popularity and appeal to new customers. Mr. Smith stated discussions will be continued at the July board meeting.

Mr. Coffey presented a Letter of Intent from the City Manager to lease a berth for the City's new Fire Boat in Slip 3, and asked for authorization to negotiate a suitable lease for board approval. Move to accept / authorize by Mr. McAlister, seconded by Mr. Polote. Approved by unanimous voice vote.

Mr. Coffey presented a letter from Mr. Smith to City Manager, requesting City grant permission to GIMTCA to remove and replace the damaged (City-owned) City Hall Landing ferry dock; and to convey the replacement dock to CAT to meet federal funding requirements. Mr. Coffey also asked the board to include a request that City convey the old (replaced) dock to GIMTCA so it could be used to berth the City Fire Boat. Moved by Mr. Center and seconded by Mr. Baxter to authorize the Chair to send the letter and the additional request. Approved by unanimous voice vote.

At Mr. Smith's request, Mr. Baxter presented the FY2015 GIMTCA Officer Nominating Committee's recommendation to retain the current slate of officers for the coming fiscal year. Current officers are: Mr. Smith – Chairman, Mr. Polote – Vice Chair, Mr. Monsees – Treasurer and Mr. Jackson – Secretary. Motion by Mr. Baxter; seconded by Mr. Center, to adopt the nominating committee's recommendation. Mr. Smith asked for any additional nominations, hearing none, unanimous voice vote approved.

Mr. Smith requested any further business; hearing none, Mr. Smith adjourned the meeting at 12:18pm.

Respectfully submitted,



George Jackson, Secretary