

Georgia International and Maritime Trade Center Authority

Minutes of the Regular Meeting of the Board of Directors
Wednesday, May 14, 2014

Jasper Boardroom, Savannah International Trade & Convention Center

Members present: Baxter, Center, Jackson, McAlister, Marinelli, Polote, Quattlebaum, Tollison and Smith. **Members absent:** Bazzard, Cutter, Monsees. **Also present:** Marc Friday, Michael Owens, Mary Carr Mayle (SMN), Frank Poe and Tim Lowe (GWCCA) Counsel Tom Gray and SITCC staff Bob Coffey, Ronnie Hickman, Fredia Brady, Stephen Hall, Jamie Parks and Gail Terrell.

Chairman Smith convened the meeting at 11:01am; and welcomed new GIMTCA board member, Trip Tollison, President of Savannah Economic Development Authority (SEDA).

Mr. Smith noted a quorum, and asked for approval of March and April 2014 Minutes and Treasurer's report in addition to the Special Board Meeting held March 24 to discuss the GWCCA management agreement: approval moved by Mr. Center; second Mr. Polote, approved by unanimous voice vote.

Mr. Smith asked for the financial reports. Mr. Hall reported a favorable variance to the Center budget for the month, and a favorable variance to budget for year-end. Mr. Hall also noted that the Authority's share of net F&B revenues increased from 70% to 85% changed effective April 1 with the new agreement with SAVOR Catering by SMG, which will result in a more favorable F&B variance. Mr. Hall reported an unfavorable variance for the month for Water Transportation. Mr. Hall noted that CAT invoices have not been received for January thru April; therefore Water Trans expense estimates are based on budget. Mr. Center questioned which account would compensate for any net loss amounts at year-end to which Mr. Smith replied the General Fund (Reserve) account. Ms. Quattlebaum inquired as to the balance in Reserves to which Mr. Smith and Mr. Hall replied approximately \$5 million. Mr. Hall reported an unfavorable forecast for year-end. Mr. Hall then reported a favorable Authority performance for April; and a forecasted favorable variance for the year. Mr. Hall also reported favorable hotel-motel tax revenue year to date. Mr. Center questioned if continued hotel/motel tax favorability would steadily increase the reserves. Mr. Smith commented on potential uses for GIMTCA reserves to study Trade Center expansion or other project which would have the maximum impact on GIMTCA's mission and Chatham County. Mr. Center affirmed that he has reviewed the Civic Master plan for Parcel 7 and Hutchinson Island.

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 April, including 8 definites; and noted the recent confirmation of the Retail Jewelers for 2018. Ms. Brady also commented on the cancellation of the Int'l Assn of Assessing Officers (2019) which chose to meet in 3 hotels in Atlanta v 9 hotels in Savannah. Ms. Brady reviewed the Pace report, noting healthy short-term bookings.

Mr. Smith asked for the Food and Beverage Report. Mr. Parks highlighted the recent successful event of Dancing with the Stars and International Oil Spill Conference of the American Petroleum Institute. Mr. Parks also highlighted the upcoming GA Municipal Association and Gulfstream Operators Conference. Mr. Parks reviewed the Savor...Customer Feedback Report for March, noting a 33% feedback rate for the month and a perfect score of 4.00 on a 4.00 scale. Mr. Parks then reviewed Savor...Savannah's April financials. Mr. Tollison commented on the upcoming SEDA luncheon with Governor Deal as keynote speaker; noting a table was reserved for GIMTCA board members.

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

Mr. Smith asked for the General Manager's Report. Mr. Coffey reviewed the complimentary letter received from the Association of County Commissioners of Georgia (ACCG). Mr. Center questioned if recycled and non-recycled trash were available during the ACCG conference to which Mr. Coffey replied that bins were placed throughout the building. Mr. Coffey reviewed the FY15 Budget Memo; noting that the Budget workshop is scheduled for May 21 at 8:30am. Mr. Tollison confirmed the date, time and duration of the meeting. Mr. Smith asked the board members to review the budget information and contact him with questions. Mr. Coffey commented on the decrease in FY15 budgeted revenue as compared to the current-year forecast. Mr. Center asked if the Westin has agreed in writing to increase their Water Ferry contribution to which Mr. Coffey replied it was a handshake. Mr. Smith confirmed that he will send a letter to the county to request Water Ferry funding. Mr. Coffey commented on the management transition process, including an exchange of best practices between Trade Center and GA World Congress Center. Mr. Coffey gave an update on the CAT Intermodal Project in Slip 3, highlighting additional roadways and installation of ferry passenger shelter and bus passenger canopies. Mr. Center asked the status of a new Water Ferry passenger shelter: Mr. Coffey responded that the Authority committed a portion of a 2009 grant to the City Hall Landing next to the Hyatt. Mr. Center asked about a time frame for the new shelter: Mr. Coffey stated that City will issue a bid package this summer. Mr. Smith asked if the land for the Slip 3 Intermodal Facility had been dedicated and transferred as approved by the board: Mr. Coffey responded that the property had been carved out of GIMTCA's Parcel 7 lease so Chatham County could in turn deed the property to CAT to satisfy the requirement for local grant match.

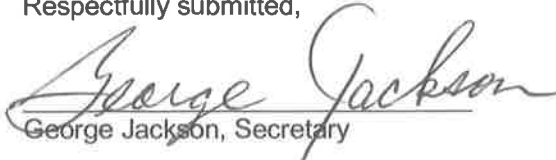
Mr. Smith requested that a report from GWCCA be made a regular agenda item. Mr. Poe commented on the GWCCA transition focus on HR and Payroll systems, with Sales/Marketing/PR as the next focus. Mr. Poe said he would be meeting with Mr. Coffey and Mr. Marinelli following the board meeting. Mr. Smith mentioned attending the April GWCCA board meeting in Atlanta, and recognized Mr. Tim Lowe, GWCCA Board Chairman in the audience. Mr. Smith commented on a coming review of joint GWCCA - SITCC marketing efforts. Mr. Smith mentioned that the GWCCA board's practice is to meet for lunch prior to the board meeting, and requested any feedback from the GIMTCA board to consider the same practice. Mr. Smith discussed strategic initiatives for future board consideration such as: a potential new Trade Center Hotel RFP to replace the agreement between county and developer which lapsed in March; and a GIMTCA process to study potential expansion of the Trade Center. Mr. Coffey reviewed schematics of possible future expansion options which reflect a second ballroom, exhibit hall expansion and additional meeting rooms. Mr. Coffey commented that feedback from the International Oil Spill Conference (IOSC) revealed that although this was the best conference in their history they're unable to return to Savannah due to a lack of hotel rooms near, and enough Exhibit Hall space at the Center. Mr. Coffey said that rough cost estimates for various expansion options range from \$50 to \$100 million. Mr. Marinelli said that any future expansion should be considered with a larger customer base in mind, not just current-existing customers; and that more hotel rooms would be needed as well. Mr. Baxter asked about parking needs, to which Mr. Coffey replied that the cost of any structured parking would be additional to expansion. Mr. Smith commented that GWCCA's expertise would be sought at the proper stage, adding that GWCCA is creating more structured parking as part of the new Falcons stadium development at the Atlanta campus.

Ms. Quattlebaum asked about any forthcoming hotels (besides the Kessler project), to which Mr. Marinelli replied that mainly small, boutique hotels are on the horizon; and mentioned the recent openings of the Homewood Suites, Embassy Suites and The Brice (formerly Mulberry Inn). Mr. Hall asked if the newer hotels were geared to leisure travel versus convention, which Mr. Marinelli affirmed, adding that hotels such as Andaz, Bohemian and Brice are not expected to participate frequently in convention room blocks.

Mr. Smith named the GIMTCA nominating committee for FY15 officers, Ms. Quattlebaum and Mr. Baxter.

Mr. Smith requested any further business to which Ms. Quattlebaum replied that she would be out of the country and unable to attend the scheduled budget workshop on May 21. Mr. Center commented that he would be unable to attend the budget meeting as well; Mr. Smith adjourned the meeting at 11:52am.

Respectfully submitted,


George Jackson, Secretary