

The Jekyll Island State Park Authority committees met in Public Session on Monday, May 23, 2011 in the Morgan Center on Jekyll Island, GA.

Members Present:     Bob Krueger, Chairman  
                              Steve Croy, Vice Chairman, via speakerphone  
                              Mike Hodges, Secretary  
                              Laura Lanier,  
                              Sybil Lynn,  
                              Richard Royal,  
                              Mark Williams, via speakerphone  
                              Nancy Gallagher, Assistant Attorney General  
                              Brooks Stillwell, Outside Legal Counsel

Staff Present:         Jones Hooks, Executive Director,  
                              Eric Garvey, Chief Communications Officer,  
                              Marjorie Johnson, Chief Accounting Officer,  
                              Ronny Smith, Chief Operations Officer  
                              Jim Broadwell, Projects Manager,  
                              Shanna Brain, Executive Assistant,

Various members of the public and press were present.

Chairman Krueger called the meeting to order at 9:33 a.m.

Chairman Krueger began the meeting by welcoming everyone and calling on Committee Chair Royal to give the Historic Preservation/Conservation Committee update.

*Historic Preservation/Conservation Committee:* Committee Chair Royal announced that it is expected that the Park's Conservation Plan will be presented for consideration by the Park Authority Board at the June Board meeting. The Plan will be posted on the Park's website two weeks prior to the meeting. Dr. Norton provided an update on the Conservation Plan preparation. Sea Turtle Center personnel are planning distribution of cards to hotel guests explaining the Park's Beach Lighting Ordinance. The proposed new terrapin-crossing signs and speed limits were not approved for 2011, but may be for 2012. The terrapin-nesting mounds have been moved for better concealment and effectiveness. The Center is increasing the diversity of its health monitoring of the Park's wildlife – several raccoons and deer have been necropsied. The Conservation Plan Education Subcommittee has met and begun implementation of the education-oriented portions of the Plan. The Center and the Park Authority are working with Will Hicks of DNR to obtain counts of deer, via spotlighting at night. An assessment will also be made of current effects of deer browsing on the Park's flora, as part of the development of a management plan for deer. Ticks are being collected and analyzed to determine the extent of potential transmission of disease agents. It is planned to involve the Southeastern Wildlife Disease Cooperative of UGA to help analyze the health of the Park's deer population.

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Committee Chair Royal noted that Dr. Norton had suggested that the July Board meeting would be the one targeted for submission of the Park's Conservation Plan, whereas the Board had expected a June submission. It was agreed that the Plan should not be rushed to completion, so the July meeting will be the likely target

Finance Committee: Committee Chair Hodges reported total revenue for the month of April of \$1.5 million. Fiscal year-to-date total revenue was \$13.7 million. Net operating cash income for April was \$136,000. Year-to-date net was \$497,000. Mr. Hooks explained that a majority of the change from the previous fiscal year in the expense category was due to operational maintenance items being included in expenditures rather than being listed under the capital category. Also, expenses under repairs to facilities are up due largely to the expenses of changing Blackbeard's Restaurant to Fins on the Beach, and to the Authority's portion of the cost of resurfacing the tennis courts. Committee Chair Hodges noted that total hotel revenue is down from last fiscal year due to the closing of Jekyll Oceanfront Resort. Committee Chair Hodges then asked Ms. Johnson to review the Greeting Station Report. Ms. Johnson quickly reviewed the decal report for the month of April. Committee Chair Hodges then moved on to a brief hotel occupancy report for the month of April and year to date.

Personnel Committee: Committee Chair Lynn called on Mr. Hooks, who introduced the Authority's new legal associate, Chris O'Donnell, who is now working on leasing and other issues. Mr. Hooks also announced the return of Spencer Bookman to the golf-course staff; Mr. Bookman received many compliments on his work during his previous tenure with the Authority. Mr. Hooks then noted that interns have become very important to the Authority's functioning, and asked Dr. Norton, Mr. Hunter and Mr. Gawron to introduce their interns and to give a brief description of the projects they are working on. Following their introductions of interns Dr. Norton then introduced Ms. Jeannie Miller who oversees the Americorps program at the Sea Turtle Center.

Marketing Committee: Committee Chair DeLoach then called on Mr. Garvey to give the Marketing Committee update. Mr. Garvey began his report by complimenting his Events team for the work they do, and gave as an example the recent Ninth Annual Turtle Crawl Triathlon, which for the first time was produced solely by the Jekyll Island Authority. Mr. Hooks asked the Board to join him in recognizing and commending Ms. Beth Burnsed who is the Special Events Coordinator for the Authority. Mr. Hooks then noted that 890 athletes from 23 states participated in the triathlon. The event needed many volunteers and all volunteers were under the direction of Ms. Maggie Taylor. Mr. Garvey then showed a graph demonstrating that interest from the public in Jekyll Island is stimulated by the events held on the island.

Mr. Garvey gave information from a recent marketing report by Jekyll Island Authority Sales Director, Mr. Kevin Udell: over a million dollars in group convention sales leads have been generated by Ms. Debbie Webb, the Authority's Atlanta sales representative; the Sea Turtle Symposium has been booked for February 2012; meeting planners are being invited to tour the island to see why they should bring their meetings to Jekyll Island. A group has been hired to shop other convention destinations, to determine how best to market Jekyll Island, and implement best practices.

Mr. Garvey then stated the Park's Dream Wedding Giveaway is now being launched. The lucky couple winning the contest will receive \$72,000 in prizes.

Committee of the Whole: Mr. Hooks described a five-year agreement that has been reached with Young International Beverages. The Jekyll Island Foundation is pursuing this project. Chairman Krueger called for a motion to approve a license agreement between the Jekyll Island Authority and the Jekyll Island Foundation to allow the JIF to license certain trademarks and other "property" to Young International with appropriate provisions and controls for a 5-year period. Mr. Hodges made the motion, seconded by Ms. Lynn, motion passed unanimously.

Mr. Hooks then reviewed a resolution to work with the Coastal Georgia Greenway in its efforts to build a coastal bike trail from the Florida to the South Carolina borders, and including the Jekyll Island State Park bike paths, to be connected by paths along the Jekyll Causeway. Chairman Krueger called for a motion for the Board to sign a resolution of support for the Coastal Georgia Greenway plan. Ms. Lynn made the motion, seconded by Mr. Royal, motion passed unanimously.

The three developers planning to build the two hotels and the retail/condominium center in the new Beach Village gave presentations regarding the status of each of their projects. The main points were:

Jekyll Landmark Associates:

- Full-service, 200-room hotel, located behind the beach dunes.
- Architectural drawings were presented.
- Three hotel brands are strongly interested in this hotel: Hilton, Westin, and Marriott; all three have stated that they are willing to provide financial input into the project. Discussions regarding a financing package have been held with several banks, including very serious negotiations with BB&T, but nothing has been concluded.
- No definite timetable for conclusion of financial negotiations could be offered, but it was suggested that a commitment could be obtained by the end of summer 2011.

Phelps Development and owner/operator Chhatrala Group:

- Limited-Service Hotel.
- Chhatrala representatives recently met with an investor group in Montreal, Canada, to finalize terms of financing for the limited-service hotel.
- Chhatrala has recently obtained a commitment from the Hyatt Place brand to lend its name to the hotel.
- Jones, Lang Lasalle will manage the funding.
- It is expected that about 40% of the project's funding will be received in about 45 days.
- It is planned to try to start construction as early as August, 2011.
- Completion is anticipated around mid-summer, 2012.

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Winding Road

- 46,000 square feet of commercial operations and 63 lofts.
- First-round construction pricing from Brasfield & Gorrie has come in below the anticipated costs.
- HHCP is working with Winding Road as the retail center plans are drawn up.
- The retail area will consist of three buildings, R1, R2, and R3.
- Each retail building will consist primarily of one story of retail business operations and three stories of office space and loft condominiums.
- Most of the condominiums will be in the beach building.
- Some of the two and three-bedroom condominiums will be lock-off units that can be rented by more than one lessee per rental period.
- The loft lessees will have access to a pool and fitness center.
- Businesses in the retail center will include a copy/mail office, a bank/atm, and restaurants.
- Consideration of sea-turtle conservation will be maintained when designing lighting, and windows will receive tinted glazing, so that interior lighting will not be visible, or have much-reduced visibility on the beach.

Chairman Krueger then asked if the plans for the retail businesses were illustrative only at this point, with no signed contracts. It was noted there are no signed contracts at this point.

- Winding Road has been working with the Coastal Regional Commission's Economic Development Office on an EB5 submission. It was necessary to change the submission recently, due to the inclusion of a non-US investor becoming involved. This submission was 99% complete, and it is expected that the submission will be approved, partly because the retail center is expected to create about 500 jobs. Involvement of the EB5 program is expected to cause delays of some months in project initiation. Discussions are ongoing with investor groups, regarding bridge loans, or joining as partners. Part of the difficulty in obtaining financing agreements is the inclusion of condominiums in the retail center.

Mr. DeLoach inquired about the federal agency involved in the consideration of the EB5 submission. It was stated the Immigration agency is the one involved. Mr. DeLoach then inquired about the likelihood that EB5 visas will be available for the applicant involved in Winding Roads' submission. It was noted there are many more visas available than are issued every year, and the Beach Village project fits the EB5 program requirements perfectly.

Mr. Hooks stated the Authority staff has prepared a Beach Use Ordinance. This ordinance will govern activities such as horseback riding and protection of critical nesting habitat of federally protected sea turtles and shorebirds. This offering of the draft ordinance is not the beginning of a first reading, but an opportunity for further comment and revision. This ordinance is being modeled after those of other beach communities, with input of Karl Burgess of DNR/CRD.

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Chairman Krueger then asked Mr. Hooks to give his report. Mr. Hooks began his report by noting the Board would have a time during the lunch break to take a tour of the Convention Center construction site and by also noting the convention center is at about 40% completion. Mr. Hooks' then continued on with his Executive Directors report which consisted of:

- Amendments have been submitted to Bob Abberger of Trammell Crow for their present 6 month lease with the Authority and we are in the midst of scheduling a meeting with Mr. Abberger to discuss the terms for continuation of their lease.
- We have been attempting to get an update from the Oceanfront Hotels attorney, Bob Foster. At this point, we still have not heard anything beyond that they are continuing to negotiate with interested parties.
- Three firms have been shortlisted for hiring as operators of the new Convention Center: Global Spectrum, SMG, and Venue Works. Their proposals were due on May 31; these will be reviewed, and a recommendation of the successful candidate will then be made to the Board.
- A letter outlining several activities that require permits and or permissions has gone out to all residential owners on the island. This is part of our more aggressive code enforcement efforts.
- On May 10 a meeting with retail merchants from the Beachview shops and Pier Road was held to discuss any issues or concerns they may have as we begin the important summer season. From the discussion it was determined parking concerns was on everyone's list.
- The Waste Management contract is being finalized to begin residential garbage collection on the island. All residents have been notified of this pending change. In addition, Mr. Ronny Smith, answered questions at the May Jekyll Island Citizens Association meeting, and the JICA net has run information on this change. We are working towards the change beginning in July. However, we will send out a final notice to residents once the contract is signed and we have a confirmed beginning date.
- An early season, 2-day promotion online for Summer Waves resulted in a record number of season passes being sold: 4,416.
- We will be expanding our Music and Merlot program in cooperation with the Jekyll Island Foundation this year. There will be three concerts – all different groups and styles – and we are excited about this development. The Atlanta Symphony Ensemble – representing Franklin Pond will be returning in January. There will also be a concert in November and March.
- Thanks to Mr. Gawron and Mr. Hunter, the Moss Cottage restoration project has been completed. The Jekyll Island Garden Club, the State of Georgia Garden Club and the Jekyll Island Foundation all played important roles in the project.
- The Authority's House of Representatives for the Legislative Oversight Committee have been named. Members are: Representatives Roger Lane, Mark Hamilton, and Ann Purcell.
- The Park's Landscape and Maintenance departments helped with United Way's Days of Caring work in Brunswick, and United Way informed Mr. Hooks that the Authority's contribution was invaluable.

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- The new E-Guides were introduced by Museum Director John Hunter. These electronic hand-held units will permit visitors to the Historic District to perform self-guided tours of the District. The tours are roughly 1 hour 45 minutes long, and are keyed to a map. The rental cost is \$8.

Chairman's Comments:

- Chairman Krueger called upon the Board members to review the draft Beach Use Ordinance, so that it can be revised for first reading at the June Board meeting.
- Chairman Krueger congratulated Phelps Development on their news of financing commitments, and urged the other two Beach Village developers to get their financing in hand.

Chairman Krueger then opened the floor to public comment. Ms. Pat Overholt complimented Winding Road on the quality of their plans, but stated she did not hear stores like IGA and Maxwell's mentioned. Chairman Krueger reminded Ms. Overholt that the plans shown were purely illustrative, and that no contracts with retail businesses have been signed.

Mr. Steve Newell stated he was glad to hear the plans of HHCP for turtle-friendly lighting to be used in the retail-center/condominium buildings, but noted the hotel developers had not mentioned the ordinance. Chairman Krueger assured Mr. Newell that there would be full compliance with the Beach Lighting Ordinance by Beach Village developers. Mr. Hooks noted that the developers in the audience were all nodding their heads in assent.

Mr. Norman Haft was impressed with the presentations, but was disappointed to hear emphasis on condominium construction in the presentation on the retail center. Mr. Haft voiced his concern that the condominiums will be very difficult to sell in today's economic climate. Mr. Haft then noted the projected completion date of the Convention Center and the neighboring retail center did not match. Chairman Krueger stated that the condo units will be hotel-type units that will complement the accommodation facilities in the hotels.

Ms. Gloria Zocchi asked for clarification about the non-US investment involved in the potential financing of the retail center. When a foreign investor puts a certain amount of money into a US project, they qualify for a temporary green card, followed by a permanent green card if ten jobs are created by their investment.

Ms. Mindy Egan noted there are many store closings in the Brunswick area and voiced her concern that the Beach Village projects might not do well in this economic climate. Chairman Krueger countered that significant growth is projected for coastal Georgia and felt that there was no reason to believe that Jekyll would not be included.

There being no further business Chairman Krueger adjourned the meeting at 11:14 a.m.

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Chairman Krueger called to order the Jekyll Island State Park Authority Board meeting at 11:15 a.m.

Minutes: Chairman Krueger called for a motion to approve the minutes of the April 18<sup>th</sup> Board meeting. Mr. DeLoach moved to approve the minutes, seconded by Mr. Royal, motion passed unanimously

Committee of the Whole: The Board approved the Committee of the Whole's motion to approve a license agreement between the Jekyll Island Authority and the Jekyll Island Foundation to allow the JIF to license certain trademarks and other "property" to Young International with appropriate provisions and controls for a 5-year period.

Committee of the Whole: The Board approved the Committee of the Whole's motion to approve a resolution of support for the Coastal Georgia Greenway plan.

Chairman Krueger then reminded the Board there would be a Finance Committee meeting at 1:30 p.m. at the Morgan Center.

There being no additional items to bring before the Board, Chairman Krueger adjourned the meeting at 11:19 a.m.