

JEKYLL ISLAND-STATE PARK AUTHORITY

December 19, 2011

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The Jekyll Island State Park Authority committees met in Public Session on Monday, December 19, 2011 in the Morgan Center on Jekyll Island, GA.

Members Present:     Bob Krueger, Chairman  
                              Mike Hodges, Secretary  
                              Steve Croy, Vice Chairman, via speakerphone  
                              Buddy DeLoach  
                              Sybil Lynn  
                              Al Ike  
                              Richard Royal, via speakerphone  
                              Mark Williams, via speakerphone  
                              Nancy Gallagher, Legal Counsel, via speakerphone

Members Absent:     Laura Lanier

Staff Present:         Jones Hooks, Executive Director,  
                              Marjorie Johnson, Chief Accounting Officer  
                              Ronny Smith, Chief Operations Officer  
                              Jim Broadwell, Projects Manager,  
                              John Hunter, Director of Historic Resources  
                              Terry Norton, Director of GSTC  
                              Chris O'Donnell, Legal Associate  
                              Cornell Harvey, Director of Human Resources  
                              Kevin Udell, Director of Sales & Marketing  
                              Jennifer Frost, HR Benefits & Training Coordinator  
                              Debra Ferguson, 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 noting members present via speakerphone.

Historic Preservation/Conservation Committee: Committee Chair Royal began by introducing Dr. Kimberly Andrews, Research Coordinator with the Georgia Sea Turtle Center. Dr. Andrews gave a presentation on Jekyll Island Alligator Census and Behavioral Study. Dr. Andrews presentation consisted of:

- Alligator Social Structure and territoriality
- Maternal Care
- Prey targets and foraging behaviors

- Basking & thermoregulation
- Learned behavior and habituation

Dr. Andrews reported that alligator attacks are rare and avoidable. There have only been twelve (12) attacks in Georgia since 1948, one (1) being fatal. Twenty-three (23) fatalities recorded in the United States, all but one (1) occurred in Florida. One attack on Jekyll Island on the golf course, due to ball retrieval at the waters edge. Alligators are unique to our landscape, should be respected and enjoyed from a distance. Increased interaction with alligators due to freshwater wetlands surface area reduced from 11% in the lower 48 to just 5% due to previous agriculture and habitat conversion. Storm water lagoons are now the prominent freshwater in the landscape.

- Landscape Management - Clogged pipe on Pine Lakes (#5 fairway) was actually alligator in pipe.
- Data-based Management and Conservation - Research initiated on Jekyll Island in March 2011, collaboration between golf and GSTC departments. Gregory Skupien, AmeriCorps Volunteer began the 2011 summer project, he is beginning his masters at the University of Ga, and will be under Dr. Andrews advisement.
- Alligator Census - Objective to determine population abundance and distribution of alligator living on Jekyll Island.
- Study Sites - Thirty-five (35) sites, twenty-three (23) on the golf courses, twelve (12) throughout rest of the Island. Twenty-eight (28) freshwater lagoons and seven (7) brackish/saltwater lagoons. Surveys consisted of both morning and night surveys. Morning surveys determined size and night determined count. We have approximately one-hundred (100) alligators on Jekyll Island. The nine (9) ft. + are the dominant reproductive alligators, we only have a few on the entire island. Majority are three (3) feet and less. Alligators are top predators who populations are managed internally through social competition.
- Behavioral Assessment – objective is to observe alligator’s response to human encroachment and sees overall behavior of alligators living on Jekyll Island. Alligators flee or submerge 62.5%, approach or no response 37.5%. Approach was a slow gradual movement. Alligators have acclimated to our presence with a preference that they retain their fear of humans. Our path forward is to mark/recapture, spatial ecology, lagoon analysis and public education.

Chairman Krueger thanked Dr. Andrews for her presentation and opened the floor for questions. Dr. Ike asked Dr. Andrews to speak on the dangers of not only the front of the alligator, but the tail end as well. Main muscle power is in the base of their tails. Bite force, they have a lot of downward pressure, cannot lift their mouth up. Mr. Hooks asked Dr. Andrews about not feeding the wildlife and mentioned an article in Beachscape. Mr. Hooks also asked Dr. Andrews to speak on her work she completed in South Carolina. We do have a problem on the Island with feeding of alligators. Strategizing on broad wildlife management, in South Carolina, her work, behavioral dissociation consisted of catching the animal and processing for measurements and tagging. Management approaches and public education is the key to the feeding issues. Mr. Deloach asked if it is illegal to feed alligators. They have been de-listed, but under Federal regulations the American Crocodile is protected, alligators fall under this umbrella of protection. Dr. Andrews

confirmed it is illegal to feed alligators or harass them. Dr. Ike asked about signage on Jekyll. We do have signage by the picnic area, but Dr. Andrews opinion is that signage works just the opposite. Studies have shown that signage can increase feedings due to public lack of knowledge and thinking that would be interesting to do. Dr. Andrews would like to promote positive wildlife programs and not have a list of no's. Mr. DeLoach inquired about reproductive capabilities; Dr. Andrews stated alligators achieve reproductive capability around 4-5 years of age, but competition between larger males. Chairman Krueger asked what is the length of time to reach nine (9) feet in length or greater. Dr. Andrews stated a variety of factors including food availability, but generally are thirty to fifty (30-50) years old when reaching this length. Female alligators plateau at around nine (9) feet, but males can grow much larger based on location/environment.

Chairman Krueger asked if any members of the audience had any questions. Frank Mirasola asked how long can they stay in salt water. Dr. Andrews replied not for a long period of time, as they are foraging. Also, inquired about the alligator at the airport, Dr. Andrews stated the alligator is going back and forth between the lagoon and the marsh. Dr. Andrews presentation concluded with Chairman Krueger thanking her and the audience.

Finance Committee: Committee Chair Hodges began his report by reviewing the financials for the month of November (attached). Revenue for the month of November was \$938,987, \$72K over budget. Year-to-date total revenue was \$7.860M, \$148K under budget. Net operating cash loss for November was \$170,818K, \$225K favorable over budget. Net operating cash income for the year to date was \$843,787K, \$104K over budget. Committee Chair Hodges then asked Ms. Johnson to review the Greeting Station Report. Ms. Johnson briefly reviewed the decal report for the month of November and noted total revenues down 12% from previous fiscal year. Decal sales down 30% primarily due to 20<sup>th</sup> Century Fox not renewing 150 annual passes. Daily parking passes sales down 6% for the month and 24% for the year. Daily traffic count down 6% from last year, decal traffic count down 5% from last November. Committee Chair Hodges then moved on to a brief hotel occupancy report for the month of November and year to date.

Personnel Committee: Committee Chair Lynn called on Mr. Harvey for the Personnel Committee update. Mr. Harvey introduced Jenna Frost, HR Benefits and Training Coordinator. Mr. Hooks stated this was a position the board approved in this years budget and mentioned that Ms. Frost had been with JIA since September and was working diligently on implementing our new programs. Ms. Frost presented the Employee Recognition Program and the Employee Wellness Program. Mr. Hooks mentioned that this Employee Recognition Program will ensure all outstanding employees are recognized, not just front line employees. Mr. Hooks stated the transition to healthy snacks had already begun with our recent All Staff Meeting. Chairman Krueger asked what is the financial penalty imposed to tobacco users and who mandates. The surcharge is \$80 per month, mandated by the State. Mr. Harvey concluded the personnel committee presentation. No comments or questions from the members of the audience.

Legislative Committee: No report. Chairman Krueger acknowledged Committee Chair Croy.

Marketing Committee:

Committee Chair DeLoach introduced Kevin Udell, Director of Sales & Marketing to present the Marketing/Sales update in the absence of Eric Garvey, Chief Communications Officer. Mr. Garvey is recuperating from hip replacement surgery. Kevin Udell's presentation consisted of:

- Groups Booked in December 2011 – 11
- Room Nights – 5,043
- Economic Impact - \$1,366,653K
- Booking Pace 2012 thru 2015
- 2011 Meeting Planner FAM Update
  - 21 Bookings
  - Total Room Nights – 13,070
  - Total Economic Impact - \$3,675,410
  - Testimonials

Mr. Hooks mentioned that during calendar year 2011 there were a total of twenty-two (22) groups. Chairman Krueger stated the numbers look very promising and wished Eric a speedy recovery.

Committee of the Whole: Chairman Krueger introduced Mike Chatham, of HHCP. Mr. Chatham introduced interior designer Jennifer Nichols Kennedy, of TJNJ Partners. She proceeded to present an update on the finishes for the Convention Center. She noted that the finishes were approved one year ago, so she is presenting the final furnishing and upholstery selections. Upholsteries reflect the use of natural patterns with blue and green representing Oceanside and Marshside. All furniture and material choices are extremely durable and reliable. Dr. Ike inquired as to the life span of the furniture. Ms. Kennedy stated the furniture has a life-time warranty, but will easily hold up for ten (10) years or more. Ms. Kennedy recommended building into the budget year ten (10) upholstery updates/changes. Furniture installation will commence at the end of March.

Chairman Krueger asked Mr. Hooks to update the Board on the SMG Contract status. Mr. Hooks noted the key points under negotiation with SMG:

- **Pre-Opening Period:** Beginning January 1, 2012, JIA will be responsible for the annual payroll burden for the position of General Manager. The General Manager will be the only employee of SMG during the Pre-Opening Period until such time as JIA and SMG agree on the addition and timing of additional employees.
- **Contract Term:** Five years beginning July 1, 2012 with Pre-Opening period beginning January 1, 2012. JIA has the option to terminate at the end of the third year without cause. In addition, there are provisions for early termination should SMG be in default for various management or financial reasons as explicitly detailed in the agreement. The Agreement will automatically renew for an additional five year term provided neither party serves written notice of cancellation on or before April 1, 2017.

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- **SMG Fee and Incentive Reward:** SMG will receive a Fixed Operator Fee of \$95,000.00 for the first year of the Agreement. In years 2 through 5, a Consumer Price Index adjustment capped at 2% will be applied to the Fixed Operator Fee. An Incentive Reward may be earned by SMG in the amount of 25% of Revenues received in excess of an agreed upon benchmark determined by JIA and SMG no later than June 30, 2012. This benchmark will be revised each year prior to the commencement of each new operating year. This incentive arrangement is in full compliance with the IRS regulations and procedures.

Mr. Hooks introduced Chris O'Donnell, to further discuss terms of the contract including termination. Mr. O'Donnell stated there will be quarterly meetings to review performance and financial results. The result of this can trigger a default procedure. Termination points are clearly defined in the contract. Per IRS regulations, the management agreement is cancellable after the end of the third year of the operating term.

Mr. Hooks briefly reviewed estimated Group Convention Center Business and Local/Single Day Convention Center Business and an analysis of similar centers that SMG operates in other areas. These documents were provided in the Board Packet (attached). In summary, Mr. O'Donnell thanked Nancy Gallagher and the Attorney Generals Office for their support. In conclusion, Mr. Hooks stated that we are not satisfied with a possible Convention Center operations loss and challenge our sales team to increase bookings from 70 to 90 for 2012. Mr. Hodges inquired as to the proposed incentive reward. Mr. Hooks and Mr. O'Donnell stated revenue benchmarks still to be negotiated and qualitative factors must be addressed. Mr. Hooks stated that we are not ready to recommend moving forward with approval of the SMG contract at this time.

Chairman Krueger asked Mr. Hooks to discuss Final Naming Recommendations for the Convention Center and Village.

- Roads - Schematics presented of the village naming "Main Street" and "Convention Way".
- Convention Center – "Jekyll Island Convention Center"
- Interior Rooms – "Atlantic Hall" -Main ballroom/exhibit hall  
"Oceanside Meeting Rooms" – Rooms 1-5  
"Marshside Meeting Rooms" – Rooms 7-11  
"Ben G. Porter Veranda" – Room 6 (Signature room)
- Park Structure - "Gazebo", Great Dunes Park

Chairman Krueger addressed the committee and briefly discussed his recommendation for changing the Ben G. Porter Veranda to the Ben G. Porter Oceanside Salon. He reviewed the definition of a salon. Chairman Krueger called for a motion to revise the recommendation for the Ben G. Porter signature room. Mr. Hodges moved to approve, seconded by Ms. Lynn, motion passed unanimously. Since the Convention Center naming and Village Naming is an action item, Chairman Krueger called for a committee motion to approve the names as revised, Mr. Hodges moved to approve, Mr. DeLoach seconded, unanimously approved. Dr. Ike stated that he is in favor to approve, but could Main Street be re-named in the future if a more creative name was suggested. Chairman Krueger commented that we would be moving forward with these names, but discussion could occur in the future if warranted.

Jekyll Oceanfront Hotel, LLC – Update Presentation – Chairman Krueger introduced Mr. Dave Curtis. Mr. Curtis announced that Westin will be the new 200 room hotel. The franchise agreement was signed on Friday, December 16, 2011. Mr. Curtis introduced Mr. Ed Leuzarder,

Vice President of Development with Starwood Hotels & Resorts. The Westin brand will complement the new Convention Center through worldwide marketing and a global sales team that will develop leads and opportunities for the convention center. Chairman Krueger was very pleased with the Westin brand announcement and felt Westin will enhance the Jekyll experience. Mr. Curtis stated that finalization of construction drawings will begin in the New Year, with plans to break ground being the summer 2012. He projected a 16 month construction timeline.

Entrance Monitoring/Camera System – Mr. Hooks stated in the board packet is a memo outlining the bids. Total of 11 bids received; 3 being considered. Mr. Hooks recommends postponing award until systems for the Convention Center are in place to allow further review for possible coordination of savings. This is to ensure all systems can work together from a technical standpoint. No new RFP will be needed, bids are good for 60 days. No objections from board members.

Jekyll Island Collection Booth and Related Road Work – Three bids received:

- Douglas Electrical & Plumbing Company of Douglas, GA \$2,234,596.00
- Poppell – Eller, Inc. of Brunswick, GA \$1,949,880.68
- Seaboard Construction Company of Brunswick, GA \$1,665,128.79

Staff's recommendation is to award the project to Seaboard once final value engineering has been determined. Mr. Broadwell stated the engineers estimate was approximately \$1.6M which is in line with Seaboard Construction Company bid. Chairman Krueger called for a motion, Dr. Ike moved to approve Seaboard Construction Company bid of no more than \$1,665,128.79. Seconded by Mr. Hodges, unanimously approved.

Ordinance Project Standardization Changes – Second Reading/Adoption – Mr. O'Donnell stated this was introduced at last month's board meeting. All ordinance changes were posted on the Authority website at 3:00 p.m. on December 19, 2011 and no comments have been received to date. Chairman Krueger called for a motion to adopt the second reading, motion and second, unanimously approved.

Chairman Krueger called on Mr. Hooks for his report. Mr. Hooks then proceeded to give his revitalization projects update. Items in his update included:

- Beach Village/Convention Center/Balance of Great Dunes Park - Overall current progress is approximately 79% complete.
- Retail/Mixed Use Village – We are still waiting to hear from the EB5 program, all fees due JIA are current.
- Limited Service Hotel - The full financing term sheet was signed by The Chhatrala Group on December 14, 2011. Escrow has been arranged. Expect design development submission by December 31, 2011.
- Full Service Hotel – Announcement of Westin made today. Also, all fees due JIA are current.
- Entry Corridor – Reviewed earlier in meeting.

- Riverview Drive Bike Path – Construction 40% complete.

Mr. Hooks next discussed his Executive Directors report.

- Road Closures: The present detour to the south end will continue until Tuesday 27<sup>th</sup>. All traffic destined for the South End of Island, including the Days Inn, Hampton Inn and Soccer Complex, will be re-routed using South Riverview Drive. On December 28<sup>th</sup> Ben Fortson Parkway will operate as a one lane road starting east of the Historic Bike Trail and continuing along south Beachview Drive to the Days Inn. The new Beach Village roundabout on Ben Fortson Parkway, leading to South Beachview Drive will open for traffic beginning Monday January 16<sup>th</sup>. North Beachview Drive from Ben Fortson parkway to Shell Road will continue to be closed due to construction. This roadway is anticipated to open by the end of January.
- Great Dunes Park South – Working on the final specs, expect to have them and cost estimates at the January Board meeting.
- Convention Center - We are making plans now for publically opening the new Convention Center in May. We plan to have a detailed opening schedule. The Georgia Rural Water Association will be the first convention in the new center beginning the weekend of May 20, 2012 and continue into the following week.
- Golf Courses – Comments have been made via email and in person that our golf courses are in the best shape they have been in for several years. A guest of the island wrote they have been coming to Jekyll for over 40 years to golf and this year the courses are in the best shape since 1970, especially Oleander. I commend our golf course maintenance group, and wanted the Board to be aware of the positive comments.
- 2012 Residential Rental License Applications - As of December 15, we have received 230. These licenses are being issued daily.
- Jekyll Island Seafood Company - On December 14, the Transportation Committee of the Atlanta City Council approved recommendations from the Atlanta Airport Commission regarding new vendor contracts for the airport. Those approved included the Jekyll Island Seafood Company restaurant. A new restaurant concept developed by Global Concessions. This restaurant will be located in the new International concourse. Consideration by the full City Council is expected on January 3.
- Coffee Table Book - As of December 15, 2011, we have sold 1,394 books, including 50 to International Auto Processing for their clients. A bookstore in downtown Brunswick has sold 75 books.
- Health Inspections - McCormick's and Fins both received a score of 99. When MMI came in Blackbeard's, score was 80. Score has continued to improve from 95 to 97 and now 99.

- Ben Fortson Entrance and Riverview Intersection – Greeting station, also known as the toll booth. Recommended change being brought to the board. Mr. Hooks asked Mike Chatham to review the proposed change. Originally proposed a roundabout, the new configuration allows a relaxed entrance to the island, without having to make an immediate decision which way to travel. The proposed change also has enhanced landscaping, lighting and signage. Roundabout is signature element to the Beach Village and did not want to promote confusion with two roundabouts. Cost is less expensive than roundabout, estimated \$900K as opposed to \$1.2M.

Chairman's Comments:

Chairman Krueger expressed his pleasure with the progress being made, the reservation activity and the Westin brand being introduced to Jekyll Island. Stated that the new entrance works well and looking forward to it all coming to fruition.

Chairman Krueger then opened the floor for public comments. Mr. Dave Curtis expressed his concern in the naming of "Convention Center Way". He respectfully asked the name to be changed to "OceanWay". Chairman Krueger and the board will take under consideration. Mr. Curtis then stated he was not aware nor understood the proposed new entrance. He stated that he and Mr. Kevin Runner would need time to process the change and organize his comments. Chairman Krueger stated Mr. Curtis's position on the entrance is so noted.

Frank Mirasola, a resident, reinforced the comments made by Mr. Hooks and loves the coffee table book. He stated he was disappointed in the naming proposals. He thought that the naming should be based on historical figures as used by the Jekyll Club Hotel and that the Ben G. Porter room should be named for former JIA Chairman, Tom Lewis. Chairman Krueger thanked him for his comments.

There being no further business Chairman Krueger adjourned the meeting at 11:44 a.m. and wished everyone a Merry Christmas and a Happy New Year.

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Chairman Krueger called to order the Jekyll Island State Park Authority Board meeting at 12:00 p.m.

Minutes: Chairman Krueger called for a motion to approve the minutes of the November 14 Board meeting. Dr. Ike brought to the attention of the board that the minutes were dated August instead of November. So noted and Mr. Hodges moved to approve the amended minutes, seconded by Ms. Lynn, unanimously approved.

Committee of the Whole: The Board approved the Committee of the Whole's motion to re-approve the Convention Center interiors. This is an affirmation of the presentation earlier today. Committee action, no second required, unanimously approved.

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Committee of the Whole: SMG Contract – no action required at this time.

Committee of the Whole: Convention Center and Village Naming – Committee action, no second required, unanimously approved. Chairman Krueger asked Mr. Hooks and Mr. Broadwell to study the names and to make a recommendation at the January board meeting.

Committee of the Whole: Entrance Monitoring/Camera System – no action required at this time.

Committee of the Whole: Jekyll Island Collection Booth and Related Road Work - Committee action, no second required, unanimously approved.

Committee of the Whole: Ordinance Project Changes – Second Reading/Adoption -Committee action, no second required, unanimously approved.

There being no additional items to bring before the Board, Chairman Krueger adjourned the meeting at 12:11 p.m.