

JEKYLL ISLAND-STATE PARK AUTHORITY

June 18, 2007

Page 1 of 7

The Jekyll Island State Park Authority Committees met in Public Session on Monday, June 18, 2007, in Beachside Hall at the Jekyll Island Convention Center on Jekyll Island, Georgia.

Members Present: Ben Porter, Chairman
Mike Hodges, Vice Chairman
Ed Boshears, Secretary
Steve Croy
Sam Kellett
Becky Kelley
Bob Krueger
Sybil Lynn
Richard Wood

Legal Counsel Present: George Zier, Sr. Asst. Attorney General
(via telephone conferencing)

Staff Present: Bill Donohue, Executive Director
Laura Bonds, Deputy Director/CFO
Shanna Brain, Executive Assistant
Judy Dressner, Executive Assistant
Diedra Perry, Executive Assistant
Eric Garvey, Director of Marketing
Cornell Harvey, Director of Human Resources
Christa Frangiamore, Dir. Of Conservation
Jim Broadwell, Projects Manager

Various members of the public and press were present.

Chairman Porter called the meeting to order at 9:40 a.m and began with introductions of Lonice Barrett, Aid to the Governor and Bill Lattimore, the newly elected Chairman of the Jekyll Island Foundation Board.

Each Committee was then called upon to discuss activities and provide updates.

Conservation and Preservation Committee: Committee Chair Hodges called upon Christa Frangiamore and John Hunter to provide their various updates. Christa Frangiamore opened discussion with the Conservation Plan draft. She brought to the attention of the board the revised draft of the Conservation plan before them. She advised the Board of the Conservation Plan meeting to be held on June 28th to receive comments on this plan. The comments received will determine how to proceed. It was noted for the benefit of the public a draft of the plan was available on the JIA website. Chairman Hodges suggested the Conservation Committee review the plan and provide feedback.

Christa Frangiamore provided an update on fire management including controlled burn programs and firebreak maintenance for Jekyll. Two grant applications had been made to Georgia Forestry Commission.

John Hunter informed the board the TE Grant application had been submitted.

Mr. Hunter noted he along with Mr. Hodges and Mr. Donohue met with Mr. Herrington, district representative on DOT board on Thursday, June 14. Chairman Hodges thanked Mr. Jimmy Veal for allowing them to meet at the Jekyll Island Beachview Hotel.

Attendance

Call to Order

Conservation/Preservation
Committee

JEKYLL ISLAND-STATE PARK AUTHORITY

June 18, 2007

Page 2 of 7

John Hunter provided a brief discussion on the Historic and Cultural Resources Survey that would be broken into three phases over next few months. He stated there would be a minimal cost incurred, not to exceed \$3000, for mapping software.

John Hunter concluded by announcing the receipt of a \$35,000 National Archives Grant that would be used to catalog the authority's archived records. This grant would require a match equivalent to half of the cost of 1 computer and time from employees.

Committee Chair Hodges called for a motion for the acceptance of the grant; Ms. Becky Kelly seconded the motion. There being no objections, the motion carried.

Chairman Porter and Committee Chair Hodges asked that Jim Broadwell cover the Shore Management Project Request for Proposal. Mr. Broadwell expressed the need for some additional clarification and cost involved.

Mr. Richard Wood expressed concern about inability to get to beach area due to tide, as well as lack of entry and exit points. He requested we move on the Shore Management Project ASAP.

Chairman Porter requested Committee Chair Hodges to look into alternative funding methods for this project. Mr. Donohue referenced self-funding the project. Mr. Krueger asked what time frame the project would require if self funded.

Jim Broadwell shared his experience with a similar project on Sea Island that involved dumping 1.4 million cubic yards of sand. In 1991 they still had 80% of the sand remaining. Their cost was roughly \$7.5 million dollars. The JIA Shore Management project would require 1 million cubic yards of sand that could possibly be obtained from a dredge on the East Coast.

Mr. Wood asked about government involvement as it relates to relief in the event of storm damage. Jim Broadwell responded that we should not count on government involvement except in cases where we could validate damage from a hurricane. Mr. Donohue suggested we give attention to the plan in this regard and we make stipulations for being able to make a claim.

Finance Committee: Committee Chair Krueger thanked Laura and Marjorie for all of their hard work on the budget. He referenced a May committee budget workshop held by conference call to review the proposed FY '08 budget. He stated that they looked at increases in fees to offset the large increases in expenses.

Committee Chair Krueger called for a motion to approve the budget. Mr. Croy made motion, was seconded by Mr. Hodges, and motion was approved with no objections.

Committee Chair Krueger went on to say that the Finance Committee would meet quarterly (via Conference Call) to review and make sure that budget is being achieved.

Chairman Porter added that the Board would review changes in fees and cost of operating charges quarterly as needed relative to the revitalization of Jekyll. He stated that the budget is ongoing and will be amended as needed.

Committee Chair Krueger went on to open discussion concerning the Buccaneer Development Agreement. Mr. Krueger stated that the agreement was negotiated late last week, and that it is a development agreement to invest \$90 million for a 300-room hotel and a 120 unit-condo. He then called for J.D. Dell (Trammell Crow) to address the Committee.

Committee Motion

Shore Management Program/RFP

Finance Committee

Committee Motion

Buccaneer Development Agreement

JEKYLL ISLAND-STATE PARK AUTHORITY

June 18, 2007

Page 3 of 7

<p>Mr. Dell further described the concept for the property as a flexible use property with separate parking, fitness center, conference center, full service restaurant, pool area, and a total of 540 hotel rooms when lockout utilized. He urged approval for plan to revitalize site.</p> <p>Chairman Porter stated that he was excited about the concept. Committee Chair Krueger stated that it should be approached as an Economic Development Project. Mr. Croy stated that the project must be a win-win for citizens, investors, and the island. He went on to inquire about the document pertaining to this agreement.</p> <p>Mr. Krueger called for a Motion to approve the project as described in the Project Development Agreement and to authorize the Chairman to execute the agreement upon final approval of the formative agreement by the Authority staff and the Attorney General's office. Mr. Mike Hodges made the motion and it was seconded by Mr. Steve Croy. There being no objection, the motion was carried.</p> <p>Mr. Croy asked what the time frame would be from document execution to operation.</p> <p>Mr. J.D. Dell stated that they would like to commence demolition after the high season and they would like to be up and running by 2 years for high season.</p> <p>Mr. Porter requested status of Oceanside Hotel.</p> <p>Mr. Zier reviewed the proposed assignment and lease assumption by Oceanside Crow LLC an affiliate of Trammell Crow Investment. Mr. Zier stated that he has been informed it would cost approximately \$850,000 to finish current renovations of the Oceanside Hotel property, which makes a total of \$1.5 million. Within 6 years (2013) the ownership propose a major redevelopment of a mixed use hospitality project, and by the 7th year (2014) would be prepared for a financial closing. If fail to do so lease term reverts to current term of 2029.</p> <p>J.D. Dell stated that he wanted to clarify that these are outside dates and they have intention to make proposals long before the 6th and 7th year.</p> <p>Mr. Hodges inquired as to whether it was reasonable or not to get the Buccaneer done and then demolish Oceanside. J.D. Dell responded that that is one option. These are outside window dates and there might be opportunities to accelerate date.</p> <p>Mr. Krueger called for a Motion to approve the project and to authorize the Chairman to execute the agreement upon final approval of the formative agreement by the agency staff and the Attorney General's office. Steve Croy made motion, Sam Kellett seconded, and there being no objections, the motion was carried.</p> <p>Laura Bonds presented a financial update. Ms. Bonds stated that we exceeded our revenue budget for the month of May. She stated that in July staff would request approval of a capital improvement and equipment budget to be funded by the 2007 profits.</p> <p>The floor was opened for public comment to Mr. Frank Marasola. Mr. Marasola addressed the board inquiring about change in parking fee policy.</p> <p>Chairman Porter asked the Finance Committee to review the policy.</p> <p>Chairman Porter called for a ten-minute break at 10:44 a.m.</p>	<p>Committee Motion</p> <p>Committee Motion</p> <p>Financial Update</p> <p>Public Comment</p> <p>Break</p> <p>Reconvened</p>
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JEKYLL ISLAND-STATE PARK AUTHORITY

June 18, 2007

Page 4 of 7

<p>The Jekyll Island State Park Authority Committee Meetings were reconvened at 10:54 a.m. Chairman Porter called on the Ms. Sybil Lynn for report on the Personnel Committee.</p> <p><u>Personnel Committee:</u> Ms. Sybil Lynn called upon Mr. Cornell Harvey to provide the report on the Personnel Committee.</p> <p>Mr. Harvey began his update by discussing Healthcare. He stated that he was researching alternative healthcare plans for the Authority. He stated that he was waiting on a quote from Blue Cross Blue Shield, and that he had also contact GMA, ACCG, and Southeast GA Health Centers to find out if we were eligible to partner with/come under their healthcare plan.</p> <p>Mr. Harvey then gave a brief overview of three proposed State bills, and those were bills No. 837, 841, 843 all dealing with employee benefits such as Retirement, 401K, and Defined Contributions.</p> <p>Mr. Hodges inquired about how much money was in the State retirement system for JIA and was it transferable. Mr. Harvey stated that he did not have those numbers but that he would find out.</p> <p>Mr. Krueger stated that we should look into new program options that anybody who has worked less than 10 years could participate in while those who have 10 years or greater could continue on in the State system.</p> <p>Mr. Harvey then gave faithful service mentions and stated that the awards would be presented in the all employee meetings. Mr. Porter advised that we continue to report the names of those persons receiving faithful service awards to the board's attention.</p> <p>Mr. Donohue then introduced Ms. Shanna Brain, Executive Assistant, to the board. She was welcomed to the JIA staff by the board. He then referenced the recent Fire Rescues that occurred and corresponding news articles.</p> <p>Mr. Croy was then called upon to provide the Legislative Committee Report.</p> <p><u>Legislative Committee:</u> Committee Chair Croy gave thanks to Mr. Lonice Barrett for his part in the success of House Bill 214. Mr. Hodges then asked what could we expect from the oversight committee. Mr. Croy stated that there would not be much change in the way the Board presently operates and the involvement from the oversight committee would be minimal.</p> <p>Mr. Ed Boshears then stated that he did not feel the Board has thanked the Governor enough for all that he has done in reference to House Bill 214. He stated that the Georgia Conservancy was going to hold a reception at the Villa Mariana and that he would be speaking at this event. He stated that he would publicly thank the governor profusely on behalf of the board.</p> <p>Mr. Porter stated that at a recent meeting with the Governor he did have the opportunity to thank him on behalf of the JIA Board, but felt it appropriate for Mr. Boshears to proceed with his intent to give him thanks at the Georgia Conservancy meeting.</p> <p>Chairman Porter then called for the Marketing Committee report.</p> <p><u>Marketing Committee:</u> Committee Chair Sam Kellett called on Mr. Eric Garvey to provide the marketing committee update.</p>	<p>Personnel Committee</p> <p>Health Care</p> <p>Employee Benefits</p> <p>Faithful Svc. Awards</p> <p>Introduction of new Executive Assistant</p> <p>Personnel Committee</p> <p>Marketing Committee</p>
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JEKYLL ISLAND-STATE PARK AUTHORITY

June 18, 2007

Page 5 of 7

Mr. Garvey informed the committee that there was a softening in business during Memorial Day in part due to the perceived smoke from the fires, but that we were due to be back on track for the Summer Season. He stated that the recent PR focus has been on the Georgia Sea Turtle Center (GSTC). Mr. Garvey stated that he was working with National Media like Good Morning America for the release of Dylan.

Mr. Garvey then discussed marketing initiatives like the hotel keycards displaying Summer Wave graphics. He stated that the key cards were being used at Jekyll Island Hotels as well as hotels in Brunswick.

Mr. Garvey was pleased to announce the return of the Rotary Club 6900 meetings to the islands. Contracts are already under works for 2009 and 2010. Mr. Garvey concluded with brief discussions regarding a Strategic Marketing Blueprint and Brand Repositioning. More will be available regarding this at the next board meeting.

Chairman Porter then acknowledged Mr. Bill Irwin, GSTC, and asked him to give us an update.

Mr. Irwin stated that the Grand Opening on Saturday was fantastic! He stated that we should be proud of our outstanding staff. He went on to briefly share on Nick's Orthopedic Surgery conducted by Dr. Marvin Reese. He stated that the community was really pitching in.

Public Private Partnership Committee: Chairman Porter called on Mr. Jim Broadwell to give the status of the RFP Process.

Mr. Jim Broadwell began by stating that he had received 52 requests for copy of the RFP. He stated that a Mandatory Meeting for Proposers/All Interested Parties would take place on June 25, 2007. All interested parties must attend in order to go further in the process.

Mr. Hodges asked what would take place at that meeting. Mr. Broadwell responded that the proposers/interested parties would receive an agenda, that an outline of the process would be presented, the interested parties would then have an opportunity to ask questions, and afterwards they would take a tour of the Island highlighting redevelopment site. Mr. Croy then asked about the qualification process. Mr. Broadwell stated that the qualification of each proposer would be determined during the application process.

Mr. Kellett inquired as to a timeline for the process. Jim Broadwell stated that parties would have to submit their proposal by August 13th, on August 24th the Shortlist would be released and the Evaluation Committee would then interview the shortlist. From this shortlist the finalists would be determined and a decision of who to present to the board made by August 30th.

Mr. Ed Boshears asked who was on the Evaluation Committee. Mr. Donohue responded that the Evaluation Committee was: Mr. Ben Porter, Mr. Bob Krueger, Ms. Laura Bonds, Mr. Jim Broadwell, and himself. Mr. Boshears then inquired as to whether the entire board is a part of the process.

Chairman Porter stated that once there is a shortlist then the Board would be brought into the process. Mr. Broadwell stated that the interviews would be open for the entire board to witness and that the finalists would be recommended to the entire board during the September Board Meeting. Mr. Zier interjected that there will be a final selection committee that will have (2) board members on it. Those board members will conduct the interviews however all board members can attend the interviews. Then when the finalists go before the whole board they will have information to base an approval or disapproval.

Update on GSTC

Public/Private
Partnership Committee

JEKYLL ISLAND-STATE PARK AUTHORITY

June 18, 2007

Page 6 of 7

<p>Mr. Boshears reiterated that the Board could attend any of the meetings that they wanted to. Mr. Zier confirmed that to be correct. Mr. Donohue confirmed that the dates for those meetings have not been set, however Mr. Broadwell will circulate proposed meeting dates.</p> <p>Mr. Zier stated that Mr. Bleakly would be circulating Evaluation Sheets by which to judge finalists by. Mr. Boshears then asked when the legal documents between the Authority and the proposed partner would be prepared. Mr. Zier stated this would take place after the finalist has been selected. He said that negotiations would have to take place. He stated that putting this agreement together would take some time to do.</p> <p>Mr. Boshears then suggested that Mr. Stillwell be brought in during the process of preparing contract or agreement. He further stated that he was concerned about whether we explore every possible question that could be raised about the agreement. He further stated that we would not want a fiasco like that of which happened in Macon.</p> <p>Chairman Porter stated that his comments were noted.</p> <p><u>Committee of the Whole:</u> Chairman Porter then called to order the Committee of the Whole and asked Mr. Donohue to give his report.</p> <p>Mr. Donohue briefly pointed out items in the report to include the status of the wave pool. He then pointed out the Initiative to Protect Jekyll Island, a survey by Ms. Egan included in the board packets. He encouraged the board to complete. Mr. Donohue reminded the board to complete the Personal Financial Disclosure Form due on July 1. This form could be accessed through the Ethics Commission website. Mr. Donohue concluded his report with a reference to an article in USA Today on the Georgia Sea Turtle Center.</p> <p>The floor was opened for public comment.</p> <p>Mr. Van Hart addressed the board regarding the Historic District needing a boost and parking more accessible to stores.</p> <p>Chairman Porter called on Mr. Bill Lattimore to briefly talk about the partnership between the Foundation and the Authority. Mr. Lattimore mentioned new fundraising projects that could be used in part to fund or offset administrative costs of the foundation.</p> <p>Chairman Porter called upon Mr. Patton and Jason Smith (Buccaneer & Oceanside) to address the Board. Mr. Patton stated that they have set up a program that will take a portion of the proceeds from each 2-night stay to benefit the Georgia Sea Turtle Center. Mr. Patton anticipates that over the summer this contribution will amount to over \$10,000.</p> <p>Chairman Porter called for a recess for lunch at 11:59am.</p> <p>Chairman Porter called the meeting of the Jekyll Island Authority Board to order at 12:35pm.</p> <p><u>Approval of Minutes:</u> Chairman Porter asked for a motion to approve the minutes for the May 14th, 2007 board meeting. With no discussion, Ms. Becky Kelley made the motion to approve the minutes as presented, Ms. Sybil Lynn seconded the motion, and with no objections the motion carried.</p> <p><u>Conservation/Preservation Committee:</u> Chair Hodges made a motion to approve a \$35K grant from the National Archives that would allow Jekyll Island Authority to inventory all JIA records and enter them into our archival database. With no discussion and no objections, the motion passed.</p> <p><u>Finance Committee:</u> Chair Krueger made a motion to approve the FY '08 Operating Budget. With no discussion and with no objections, the motion passed.</p>	<p>Committee of the Whole</p> <p>Public Comment</p> <p>Bill Lattimore</p> <p>Mr. Patton Jason Smith</p> <p>Adjourned</p> <p>JIA Board Meeting Called to Order</p> <p>Buccaneer & Oceanside</p> <p>Motion Approved</p> <p>Motion Approved</p> <p>Motion Approved</p> <p>Motion Approved</p>
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JEKYLL ISLAND-STATE PARK AUTHORITY

June 18, 2007

Page 7 of 7

Chair Krueger made a motion to approve the Buccaneer PDA. With no discussion and with no objections, the motion passed.

Chair Krueger made a motion to approve the Oceanside Lease Assignment. With no discussion and with no objections, the motion passed.

Chairman Porter then allowed public comments: Mr. Dennis Pemberton gave an update to the ongoing litigations concerning the Georgia Coast Inn. He petitioned the board for patience. Mr. Keith Sebade with SouthEast LandCo, LLC asked to be heard on the same subject.

Chairman Porter then asked Mr. George Zier about proceeding with Default. Mr. Zier stated that they could now proceed.

Chairman Porter then allowed public comments from Mr. Keith Sebadey. Mr. Sebade stated his comments regarding the Georgia Coast Inn litigations.

Chairman Porter then called for a Motion to Proceed with Default on the Georgia Coast Inn. With no discussion and with no objections, the motion passed.

Chairman Porter then allowed a presentation by Cindy McDonald and Dan Dickerson, owner of the Rah Bar and Latitude 31 Restaurant, for a donation in the amount of \$1206.00. Chairman Porter thanked them for their donation.

Chairman Porter adjourned the meeting at 12:47 p.m.

ATTEST:

APPROVED:

William A. Donohue
Executive Director

Ben Porter
Chairman of the Board

Public Comment

Public Comment

Motion Approved

Presentation of
Donation

Meeting Adjourned