

**MINUTES**  
**LAKE LANIER ISLANDS DEVELOPMENT AUTHORITY**  
**BOARD OF DIRECTORS MEETING**  
**MAGNOLIA ROOM**  
**LEGACY LODGE AND CONFERENCE CENTER – LAKE LANIER ISLANDS, GEORGIA**

**March 19, 2010 -- 12:30 p.m.**

**BOARD MEMBERS PRESENT:**

Mr. Lonice C. Barrett, Chairman  
Mr. Craig Dowdy  
Mr. Hank Burnham  
Mrs. Dorothy Burns (via telephone)  
Mr. John Gibb  
Mr. Alan Gravel  
Mrs. Connie Hagler (via telephone)  
Mr. John Kieffer  
Mr. Bob Whitley

**STAFF:**

Mr. Bill Donohue  
Mr. Lee Smith  
Ms. Joy Hortman  
Ms. Marilyn Brown

**ABSENT BOARD MEMBER:** All present

**VISITORS:**

Mr. Virgil Williams, Lake Lanier Islands Management Company, LLC  
Mr. Grier Todd, Lake Lanier Islands Management Company, LLC  
Mr. Jody Cooley, representing LLIDA Legal Counsel Samuel L. Oliver, Hulsey, Oliver & Mahar  
Mr. Pedro Rossello, Engineering Strategies, Inc.  
Ms. Cheryl Smith, Georgia Department of Economic Development, Regional Tourism Specialist  
Ms. Stacey Dickson, Lake Lanier Convention and Visitors Bureau

**I.&II. CALL TO ORDER AND APPROVAL OF AGENDA**

Chairman Lonice Barrett called the meeting to order at 12:30 p.m. and asked whether the Agenda required changes; *Mr. Dowdy moved to approve the Agenda with an addition (an item added under “ACTION ITEMS” as “4-a – Consider approval of recommendation to LLIDA Board for a Work Request Authorization for Rochester and Associates (Proposal #3793) to Provide Evaluation, Design, Plans/Specifications and Construction Management of a Proposed Project to Rehabilitate Five Parking Lots on Lake Lanier Islands”;* *Mr. Whitley seconded the motion and it carried unanimously.*

Chairman Barrett commented that he was glad to see Mr. Whitley feeling better, and expressed concern for Joy Hortman, whose father is seriously ill.

**III. APPROVAL OF 1) FEBRUARY 19, 2010 INFRASTRUCTURE COMMITTEE MEETING MINUTES AND 2) FEBRUARY 19, 2010 LLIDA BOARD MEETING MINUTES**

*Mr. Whitley moved to approve Minutes of the February 19, 2010 Infrastructure Committee Meeting and February 19, 2010 LLIDA Board of Directors Meeting as submitted; Mr. Gravel seconded the motion and it passed unanimously.*

**IV. ACTION ITEMS**

Chairman Dowdy of the Infrastructure Committee (IC) reported that the IC had met on Wednesday, March 17 as well as today before the Board meeting and asked that Mr. Donohue discuss the IC Action Items.

**NOTE : All referenced materials were provided to Board members during the meeting.**

1. **Infrastructure Committee Recommendation to approve Change Order #6 to GP's Enterprises for Phase 2 Road Work in the amount of \$34,538.87 to be funded from owner contingency established in Segment 5 Contract**

Mr. Donohue referred to his Memorandum dated March 9, 2010 regarding GP's Enterprises Change Order, three maps showing details, the Change Order #6 itself with accompanying cost breakdown, and Segment 5 Roadway Repair (100' x 12') Cost Estimate.

Regarding two items covered in Change Order #6 [1) Debris Removal and Soil Fill in two areas in Segment 5 and 2) Additional Sidewalk in Segment 2], he explained that two areas filled with tree stumps and other debris had been uncovered in the final stages of road work. He said this material must be removed and filled with soil in order to prepare the land for reconstruction and paving. Also, he described the need for an additional 6' sidewalk in Segment 2 so that guests are able to access amenities without walking in the roadway. He said that the total cost was \$34,538.87 for Change Order #6, and that \$7,500 remained in the Contingency Fund established for this project.

*Mr. Dowdy moved to accept the recommendation of the Infrastructure Committee to approve Change Order #6, as presented, to the GP's Enterprises Contract for Phase 2 Roadwork in the amount of \$34,538.87; Mr. Gravel seconded the motion and it passed unanimously.*

2. **Infrastructure Committee Recommendation to Authorize the Executive Director to execute a Contract with Southern Corrosion, Inc. in the amount of \$296,215.00 for the Lake Lanier Islands Water Tank Rehabilitation Project**

Reference was made to a letter dated February 24, 2010, from Engineering Strategies, Inc. (Mr. Pedro Rossello) regarding bids received for the Lake Lanier Islands Water Tank Rehabilitation Project with accompanying Bid Summary and Tabulation of Bids.

Mr. Donohue said that LLIDA's engineering consultant, Engineering Strategies, Inc. (ESI) had reviewed bid documents and recommended that the bid submitted by Southern Corrosion, Inc. in the amount of \$296,215.00 be accepted. Mr. Rossello of ESI explained the reason for accepting the Alternate Bid was the superior longevity of the exterior coating to be applied to the Water Tank (20 years vs. 12 years).

*Mr. Dowdy moved to accept the recommendation of the Infrastructure Committee to authorize the Executive Director to execute a Contract with Southern Corrosion, Inc. in the amount of \$296,215 for the Lake Lanier Islands Water Tank Rehabilitation Project. Mr. Kieffer seconded the motion and it passed unanimously.*

3. **Infrastructure Committee Recommendation to Authorize the Executive Director to execute a Contract with Strickland & Sons Pipeline, Inc. in the amount of \$179,580.00 for the Demolition of the old LLI Waste Water Treatment Plant**

Mr. Donohue referred to a letter from LLIDA engineering consultant, Engineering Strategies, Inc. (ESI) dated March 9, 2010 recommending that from among eight bidders, the low bidder, Strickland & Sons Pipeline, Inc. be selected to perform the work. Also referenced was a detailed Bid Tabulation sheet. It was noted that after the demolition is complete and all materials are removed and properly disposed of, the site would be restored as a natural area using good quality fill dirt.

*After discussion, Mr. Dowdy moved to accept the recommendation of the Infrastructure Committee to authorize the Executive Director to execute a Contract with Strickland & Sons Pipeline, Inc. in the amount of \$179,580.00 for the Demolition of the old Islands Wastewater Treatment Plant; Mr. Whitley seconded the motion and it passed with Mr. Gravel abstaining.*

4. **Infrastructure Committee Recommendation to Authorize the Executive Director to execute a Contract with Townley Construction, Inc. in the amount of \$476,205.16 for Additional Sewer Work at Lake Lanier Islands**

Reference was made to a number of items: 1) Memorandum from Mr. Donohue dated March 9, 2010; 2) Letter from Engineering Strategies, Inc. (ESI) dated March 9, 2010; 3) Tabulation of Bids for Sanitary Sewer System Improvements (4 pages); 4) Quotation from Townley Construction, Inc. dated March 10, 2010, and 5) Fold-out Map showing areas where sewer lines will be located.

Mr. Donohue's comments included a detailed description of each sewer line shown on the fold-out map, as well as the following points:

-- new gravity sewer lines will replace Pump Stations # 4, #7 and #8

-- "additional sewer work" includes lines as shown on the map provided, as well as installation of a grease trap leading from the hotel to Pump Station 5A

-- reason for grease trap -- new sewer plant membrane would be damaged if OFS (oils, fats, solids) were allowed; also, if recommended threshold for OFS were exceeded, the warranty could be voided

-- Environmental Protection Division (EPD) of Department of Natural Resources (DNR) not only concurred with grease trap installation, but approved it as part of the GEFA loan

-- Any re-plumbing necessary in the hotel would be the responsibility of LLIMC

*Mr. Dowdy moved to accept the recommendation of the Infrastructure Committee to authorize the Executive Director to execute a Contract with Townley Construction, Inc. for additional sewer work as described in the amount of \$476,205.16. Mr. Gravel seconded the motion and it passed unanimously.*

**4-a. Consideration of Approval of Infrastructure Committee Recommendation to LLIDA Board for a Work Request Authorization (Proposal #3793) for Rochester & Associates to Provide Evaluation, Design, Plans/Specifications and Construction Management of a Proposed Project to Rehabilitate Five Parking Lots on Lake Lanier Islands**

Reference was made to handouts provided to Board members: 1) Rochester Proposal #3793; 2) Maps showing location of five parking lots under discussion; 3) Minutes of Board Meeting held in November 2007 regarding parking lot rehabilitation.

Mr. Donohue noted that rehabilitation of five Islands parking lots had been discussed in previous work sessions, and that LLIMC had inquired as to the status of plans for the work. He said that since the work was to be scheduled after sewer related projects were completed, LLIDA could now proceed with parking lot rehabilitation. He explained that Rochester & Associates had performed all necessary survey work, and their fee for these projects would be reduced because of their previous work on the Islands. He said resurfacing was expected to be all that was involved; however, funds were set aside in case erosion control was needed. In discussing the methodology for determining percentages for cost allocations in parking lots, he referred to minutes of the November 29, 2007 meeting, during which action taken had set the formula at 22.2% of cost to LLIMC; 77.8% of cost to LLIDA. It was also noted that in the minutes verbiage when these percentages were implemented, it was stated that there must be confirmation that there were no changes in the use of parking lots where this methodology was applied. It was agreed that LLIDA Legal Counsel would review whether changes had occurred in the use of these five parking lots and whether the original cost allocation formula should be applied.

*Mr. Dowdy moved to accept the recommendation of the Infrastructure Committee to approve the Work Request Authorization (Proposal #3793) for Rochester & Associates to provide evaluation, design, plans/specification and construction management of a proposed project to rehabilitate five parking lots on Lake Lanier Islands at an estimated fee ranging from \$55,000 to \$70,000; Mr. Keiffer seconded the motion and it passed unanimously.*

**5. Infrastructure Committee Recommendation to Authorize the Executive Director to execute Change Orders that are within the original parameters, scope of services and project contingency in previously approved LLIDA construction contracts, and that he provide a report on the matter to the LLIDA Board**

During discussion of the recommendation to authorize the Executive Director to execute Change Orders, among points made were the following:

-- it would be expedient to grant this authority to the Executive Director so long as Change Orders were within the original parameters, scope of services and project contingency in previously approved LLIDA construction contracts

-- other State authorities follow this policy; if the amount exceeds project contingency, Board approval would be required

Mr. Dowdy moved to accept the recommendation of the Infrastructure Committee to authorize the Executive Director to execute Change Orders so long as they are within the original parameters, scope of services and project contingency fund in previously approved LLIDA construction contracts, with the understanding that he provide a report on the matter to the LLIDA Board of Directors. Mr. Kieffer seconded the motion and it passed unanimously.

**6. Consideration of a Request from Lake Lanier Islands Management Company to Approve a Revised Site Plan for Courtesy Docks in the Beach Cove**

Mr. Donohue stated that consistent with the sublease between LLIDA and LLIMC, if LLIMC wished to make changes to components of the previously approved Master Development Plan, the LLIDA Board must review these changes and grant its approval. If LLIDA approval is given, the U. S. Army Corps of Engineers must consider the matter and approve the changes. He asked that Mr. Grier Todd, Chief Operating Officer of LLIMC, present the request.

Mr. Todd discussed LLIMC's request for approval of a revised site plan for Beach Cove Courtesy Docks. Reference was made to his letter to LLIDA dated March 11, 2010, as well as five pages showing location and construction details. During discussion, the following were among points made

-- Both the U.S. Army Corps of Engineers and the Georgia Department of Natural Resources have indicated no objections to these revisions

-- Proposed Dock A would serve Lake House and Summit House guests, with 12 to 18 slips; changes would be made to locations of the "keep out" buoy line designation and the "no wake" designation

-- Proposed Dock B (24 slips) would serve the Beach and Water Park, including a restaurant

-- If approved, both docks are expected to be completed and open by April 27

Mr. Keiffer moved that approval be granted to Lake Lanier Islands Management Company, LLC's revised site plan for Courtesy Docks in Beach Cove as described; Mr. Gravel seconded the motion and it carried unanimously.

**7. Consideration of a Request from Lake Lanier Islands Management Company to Approve a Maintenance Review/Material Modification to the Approved Lakehouse Boat Dock**

Mr. Grier Todd referred to his letter dated March 11, 2010 regarding Maintenance Review/Material Modification to an existing improvement, as well as 5 attachments: 2 maps showing location, one illustration and 2 pages depicting plans for the proposed structure. Among comments were the following:

-- proposed structure would be a wedding venue to be known as the "Venetian Wedding Pier" with a capacity for 125 to 150 people

-- there would be no boat access to this Boat Dock except for the gondola carrying the bride during wedding ceremonies; existing sidewalk would be used

Mr. Burnham moved to approve the proposed material modification to the approved Lakehouse Boat Dock as presented; Mr. Gibb seconded the motion and it passed unanimously.

## V. APPROVAL OF FINANCIAL REPORT

Reference was made to the January 2010 Financial Report. Mr. Donohue reported there were no unusual items in this month's financial information; LLIDA continues to be within its operating budget.

Mr. Dowdy moved to approve the January 2010 Financial Report as submitted; Mr. Kieffer seconded the motion and it passed unanimously.

## VI. DISCUSSION ITEMS

### 1. Report by Legal Counsel (Mr. Jody Cooley representing Mr. Sam Oliver)

Mr. Cooley provided an update on LLIDA Legal Counsel Sam Oliver's health. He reported that Sam had undergone a successful bone marrow transplant at Emory University Hospital and had been discharged earlier than expected and is currently in isolation at home. He said that Sam has done remarkably well, his prognosis is splendid and he anticipates being back in the office in April.

### 2. Report by Executive Director (Bill Donohue)

Mr. Bill Donohue referred to his Monthly Report dated March 12, 2010, copies of which were provided to Board members. Among points made by Mr. Donohue were:

-- Office Relocation – plans are to move into new location on March 30

-- Phase 2 Road Project – work continues on Segment 5; paving expected to be finished in Segments 5, 3 and 2 by last week in March

-- Pump Stations – Phase 2 contract has been closed out

-- Water Reclamation Facility (WRF) -- nearly all punch list items completed; LLIDA working with Choate Construction and ESI to finalize open items before closing contract

-- Referenced Environmental Protection Division (EPD) Project Inspection Report dated March 16, 2010, showing a positive evaluation

-- Some new signs are in place; additional signs will be installed after paving/sidewalks complete; rock bases expected to be completed by end of March

- Water valve replacement project is complete; water tank work will begin soon
- Fiberoptic service is being implemented throughout the Islands by AT&T – so far, at their expense
- LLIDA summer projects include assembling web site content and historical records organization, possibly by college students

3. **Report by Chief Operating Officer, Lake Lanier Islands Management Company, LLC (Grier Todd)**

Mr. Grier Todd's report on Lake Lanier Islands Management Company, LLC, activities included the following points:

- January 2010 was a good month; met budget in both January and February
- Revenue Audit has been provided to LLIDA Board of Directors
- Seasonal Job Fair scheduled for March 27; expect to hire 300 seasonal workers for the summer
- "Georgia Grown/Georgia Made" Farmers Market Project is proceeding well;
  - meeting held last week with representatives from throughout Georgia to make plans for these product sales events, offerings will consist of all Georgia made crafts or products and Georgia grown produce, to be held on Saturdays during the summer at Presentation Point;
  - Stacey Dickson and Cheryl Smith are key members of the team organizing the project;
  - thanked LLIDA's Bill Donohue and Governor's Office staff for input
- Parking Decals are expiring and new "Partnership Cards" will be provided to Board; this is part of the Islands new "Partnership" program which includes a "fast access" gate automatically opened with this special card
- Press release regarding new Wedding Venues will soon be distributed
- Outdoor Boat Show scheduled for May 15-16 simultaneously with Water Park Opening
- Concert featuring a well-known singer planned for May 23 to benefit Children's Health Care of Atlanta
- thanked Bill Donohue for a lead on a fundraising "Make-A-Wish Foundation" golf tournament in June which will attract national press coverage

## **VII. PUBLIC COMMENTS**

Chairman Barrett recognized Mrs. Stacey Dickson and Mrs. Cheryl Smith. He asked whether they had any announcements and thanked them for attending today's meeting.

### **1. Remarks by Mr. Virgil Williams of Lake Lanier Islands Management Company, LLC**

Chairman Barrett welcomed Mr. Virgil Williams of Lake Lanier Islands Management Company, LLC (LLIMC), who had asked to address the group. Mr. Williams thanked Chairman Barrett and the Board. He referred to his letter dated March 18, 2010 to Chairman Barrett regarding a request to review the current lease payment structure. Among subjects discussed by Mr. Williams were the following:

- The Williams Family (LLIMC) has been involved in the Islands operation for approximately 4.5 years
  - have enjoyed 100% cooperation from LLIDA, the Governor, Lieutenant Governor, Hall County and everyone involved in the project from the very beginning
  - the Family continues to be enthusiastic and motivated to make LLI a first rate resort in Georgia and the Southeast
  
- Three "setbacks" were discussed in some detail: 1) complexity and implications of hotel and infrastructure construction and its impact on business; 2) low lake level/drought and 3) poor economy (September 2008) with conditions more adverse than any since the Great Depression
  
- Even under these conditions, LLIMC expected to do well but it did not happen; and in 2008 and 2009, revenues were below expectations; budgets and expectations were lowered; now, seeing some "sunshine" in future bookings and January and February were good months
  
- Wedding Business currently behind but when marketing program is underway and new venues open, it will improve
  - "Something Blue" wedding planning service to open on April 15
  
- New facilities tour for Board may be offered in May

As indicated in his letter regarding a lease payment study, Mr. Williams asked the Board to consider lease payment restructuring. He said that LLIMC is looking for a short term arrangement where funds could be used for new revenue producing facilities that would result in an improved future economic return.

Chairman Barrett expressed his appreciation for Mr. Williams' passion and enthusiasm, and noted that improvements made by the Williams Family and LLIMC have been outstanding. He proposed that a small committee be formed to study LLIDA's options through which the Authority could participate in responsible cooperative efforts with its partner, LLIMC. He suggested that it be composed of the Executive Director, Legal Counsel, and Board Members Messrs. Alan Gravel, John Kieffer and Bob Whitley, with Mr. Whitley as Chairman, and that its recommendations be reported to the Board at a future meeting.

Mr. Dowdy moved to approve the Study Committee as proposed and that it be composed of the Executive Director, Legal Counsel, Board Members Messrs. Alan Gravel, John Kieffer, and Bob Whitley, with Mr. Whitley serving as Chairman, and that it be charged with the task of identifying LLIDA's range of options through which the Authority could participate in responsible cooperative efforts with its partner, Lake Lanier Islands Management Company, LLC, and further, to report its recommendations to the Board at a subsequent meeting. Mr. Gibb seconded the motion and it passed unanimously.

Mr. Gibb commented that he was certain a mutually beneficial arrangement could be worked out with Mr. Williams, and that he supported the concept 100%.

### **VIII. ADJOURNMENT**

There being no further business, the meeting was properly adjourned at 2:00 p.m.

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Lonice Barrett  
Chairman  
Lake Lanier Islands Development Authority

These Minutes were recorded and transcribed by

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Marilyn Brown  
Assistant Secretary  
Lake Lanier Islands Development Authority

