

# MINUTES

## LAKE LANIER ISLANDS DEVELOPMENT AUTHORITY BOARD OF DIRECTORS MEETING

LEGACY LODGE AND CONFERENCE CENTER – LAKE LANIER ISLANDS, GEORGIA  
MAGNOLIA ROOM

January 15, 2010 –12:45 p.m.

### **BOARD MEMBERS PRESENT:**

Mr. Lonice Barrett, Chairman  
Mr. Craig Dowdy, Vice Chairman  
Mr. Hank Burnham  
Mr. John Gibb  
Mr. Alan C. Gravel  
Mrs. Connie Hagler (via telephone)  
Mr. Robert E. Whitley

### **STAFF:**

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

**ABSENT BOARD MEMBERS:** Mrs. Dorothy Burns and Mr. John Kieffer

**VISITORS:** Mr. Virgil Williams, Lake Lanier Islands Management Company, LLC  
Mr. Michael 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. Chris Clark, Commissioner, Georgia Department of Natural Resources  
Ms. Lauren Curry, Georgia Department of Natural Resources  
Mr. Joe Tanner, Joe Tanner & Associates  
Ms. Cheryl Smith, Georgia Department of Economic Development, Regional Tourism Specialist  
Mr. Dennis Pitts, Office of the Lieutenant Governor  
Mr. Jeff Bauman, Practical Engineering Solutions, Inc. (consultant to Lake Lanier Islands Management Company, LLC)

### **REMARKS BY DEPARTMENT OF NATURAL RESOURCES COMMISSIONER CHRIS CLARK**

Chairman Lonice Barrett welcomed Department of Natural Resources (DNR) Commissioner Chris Clark and Ms. Lauren Curry, DNR Communications Director. Commissioner Clark offered his congratulations on the Islands new state-of-the-art Water Reclamation Facility, and regrets that his schedule prevented him from attending today's dedication ceremony. He said he appreciated the excellent cooperation among LLIDA, LLIMC and DNR. Among his comments were the following:

-- complimented the group on the major improvements on the Islands by the Williams Family and LLIDA

-- expressed appreciation to LLIDA Board for sharing the time and talents of Mr. Bill Donohue with the North Georgia Mountains Authority (NGMA)

-- reported that DNR recently opened one of 18 new “mega ramps” in the State at Laurel Park in Hall County, which has resulted in significant interest in using these sites for tournament events

Mr. Clark discussed the upcoming Forrest L. Wood Bass Fishing Tournament (“FLW”) scheduled for Lake Lanier Islands in August 2010. Among points made were the following:

- expressed appreciation to Hall County officials, the Lake Lanier Convention and Visitors Bureau as well as LLIDA and LLIMC for their assistance in the FLW project; eighty “top anglers” from across the country are expected to compete in the tournament
- FLW is growing into a big business; today it is comparable to where NASCAR was in the early 1990s
- DNR financial contribution to the FLW event during these challenging economic times will reap substantial benefits; the expected economic impact from one August week expected to be approximately \$23 million
- in 2009 when the tournament was held in Alabama the final weigh-in was watched by approximately 24,000 people; this year when the weigh-in is held in Gwinnett County, 100,000 are expected to view the event; FLW will provide approximately \$100,000 in promotional opportunities to the Islands and the State of Georgia
- a youth fishing event will be held simultaneously at Lake Allatoona, for which there are \$2.5 million in prizes

Mr. Clark said DNR is ready to assist in Islands projects in whatever way possible. He thanked the Board for its time and he and Ms. Curry left the group before the meeting was called to order.

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

Chairman Lonice Barrett called the meeting to order at 12:45 p.m. and asked whether the Agenda required changes; *Mr. Whitley moved to approve the Agenda as presented; Mr. Dowdy seconded the motion and it carried unanimously.*

**III. APPROVAL OF 1) NOVEMBER 20, 2009 INFRASTRUCTURE COMMITTEE MEETING MINUTES AND 2) NOVEMBER 20, 2009 LLIDA BOARD MEETING MINUTES**

*Mr. Gibb moved to approve Minutes of the November 20, 2009 Infrastructure Committee Meeting and November 20, 2009 LLIDA Board of Directors Meeting; Mr. Burnham seconded the motion and it passed unanimously.*

#### IV. ACTION ITEMS

Chairman Dowdy of the Infrastructure Committee (IC) asked that Mr. Donohue discuss the IC Action Items.

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

- 1. Infrastructure Committee Recommendation to approve Change Orders #15, #16, #17, #19 and #20 to Choate Construction Contract for the completion of new Water Reclamation Facility in the amount of \$33,992 to be funded from owner contingency established in contract**

Mr. Donohue referred to his Memorandum dated January 11, 2010 regarding Choate Contract Change Orders for the Water Reclamation Facility (WRF), as well as the Contract Budget Summary and individual Change Orders. It was noted that the Memorandum listed and summarized each of the Change Orders. He explained that several additional needs had developed, and among points made were the following:

Change Order #15 – Although not on original GE plans, additional wiring was required in order to transmit signals between cyclic valves and membrane to the master control panel at a cost of \$4,420; Change Order recommended by LLIDA engineers, Engineering Strategies, Inc. (ESI)

Change Order #16 – Furniture for the WRF office at a cost of \$6,098 was the subject of this Change Order

Change Order #17 – Start-up chemicals required for WRF start-up at a cost of \$2,758

Change Order #19 – Because of low flow and cold temperatures, some freezing in the lines had been experienced; heat trace and insulation for exposed scum and waste activated sludge (“WAS”) to prevent recurrence was recommended at a cost of \$15,297

Change Order #20 – Additional laboratory equipment (\$5,419) was required for the new facility; ESI concurred with the request.

Mr. Donohue also reported that Engineering Strategies, Inc. (ESI) had submitted a punch list of items to Choate to be completed within two weeks. He said work is progressing on completing the list, and will be reviewed item by item next week. Also, he explained that Change Order #18 involved an unresolved issue with Choate’s painting contractor and would be considered later.

Mr. Dowdy moved to approve Change Orders #15, #16, #17, #19 and #20 to the Choate Construction Contract for the completion of the new Water Reclamation Facility in the amount of approximately \$34,000; Mr. Burnham seconded the motion. The motion passed with five in favor and one abstention by Mr. Gibb.

**2. Infrastructure Committee Recommendation re Change Order #14 to GP's Enterprises Contract for Additional Costs incurred in Construction Segments 1 and 6 due to unforeseen underground utility conditions in the amount of \$102,821.60**

Reference was made to the Memorandum dated January 11, 2010, from Mr. Donohue regarding Change Order #14 in GP's Enterprises (GPE) Contract as well as the Change Order itself. Mr. Donohue recalled that during the April 2009 Board meeting, photos of certain underground utilities experienced during road construction had been provided, and these utilities issues required GPE to bring in additional work crews. He said at that time GPE advised LLIDA that they believed they had a claim for unforeseen conditions. He said GPE later submitted a claim in the amount of \$231,000 for additional costs resulting from unforeseen underground conditions encountered during construction of Segments 1 and 6 of Phase 2 Road Improvements. He said the claim had been reviewed by Rochester and Associates as required in the contract, as well as by the Georgia State Financing and Investment Commission (GSFIC), and a settlement was negotiated in the amount of \$102,821.60. He added that the spreadsheet provided to the Board during the November 20, 2009 meeting included \$100,000 for the claim, so the settlement was slightly over the budgeted amount.

Mr. Dowdy moved to accept the recommendation of the Infrastructure Committee to approve Change Order #14 in GP's Enterprises Contract in the amount of \$102,821.60 to be funded from the project contingency established for the Phase 2 Road Project, with the condition that the final settlement document be prepared by LLIDA attorneys and signed by the other side; Mr. Gravel seconded the motion and it carried unanimously.

Chairman Barrett asked that Mr. Donohue review the Action Item relating to the Agreement between LLIDA and the Lake Lanier Convention and Visitors Bureau (LLCVB).

**3. Consideration of Modification to Agreement for Services between the Lake Lanier Islands Development Authority (LLIDA) and the Lake Lanier Convention and Visitors Bureau (LLCVB)**

Mr. Donohue referred to the Modification to Agreement for Services between LLIDA and LLCVB. He noted that the agreement's terms, conditions and funding level remained identical to the current agreement, and this document extends its term for three years (July 1, 2010 through June 30, 2013). He said that annual funds of \$100,000 from the LLIDA Hotel-Motel Tax revenues are used by LLCVB to advertise and promote Lake Lanier Islands. Also, it was noted that the official name of the bureau has been changed from Gainesville/Hall County Convention and Visitors Bureau to Lake Lanier Convention and Visitors Bureau.

Mr. Burnham moved to approve the Modification to Agreement for Services between the Lake Lanier Islands Development Authority and the Lake Lanier Convention and Visitors Bureau as presented; Mr. Dowdy seconded the motion and it passed unanimously.

**4. Consideration of Request from Lake Lanier Islands Management Company (LLIMC) for Modified Payment Schedule for 2010 Rent**

Mr. Donohue referred to a letter (with an attached proposed payment schedule) from Lake Lanier Islands Management Company (LLIMC) dated January 11, 2010 requesting a temporary change in the schedule for 2010 lease payments to LLIDA. He said a meeting had been held with LLIMC in December to discuss future plans and projects as well as financial challenges in operating the Islands. He said that among reasons for this request were recent economic conditions and the seasonal nature of the property. He explained that LLIMC would like to implement plans for construction of several new revenue producing projects (such as wedding venues) during the low visitation winter months, and that such projects could be funded with portions of revenues that would ordinarily be paid to LLIDA as rent.

Mr. Donohue discussed the spreadsheet showing the proposed payment schedule, and said there would be no negative impact on LLIDA in terms of the Authority's financial obligations. He said the net impact was that the total rent payment would not change, and it would be desirable to support LLIDA's partner in this manner.

Mr. Donohue said that LLIDA Legal Counsel (Messrs. Jody Cooley and Sam Oliver) believed the change could be implemented without an amendment to the lease between LLIDA and LLIMC. Mr. Cooley stressed that the changed schedule could be approved only as a temporary measure, and that if it were extended beyond one year, in all likelihood a lease amendment would be required.

Chairman Barrett asked whether Mr. Virgil Williams would like to address the matter. Among Mr. Williams' points were the following:

-- explained the basis for the proposed temporary payment schedule, and stated that the monies withheld during the first and second quarter would be paid in the third and fourth quarters

-- He asked that LLIDA consider the way the Islands operates – there is an eight-month season peaking in July/August, during four winter months income is less and because of fewer visitors this is the ideal time to construct venues for new activities

-- described plans for three new programs: 1) Weddings; 2) Special Events and 3) Partnership Programs

-- LLIMC money will be invested in these programs in the next 90 days regardless of whether the payment schedule is changed

Mr. Gravel moved to approve the temporary change in the LLIMC payment schedule specifying that it be limited to one year only and that the specific amounts of payments be negotiated and rounded to even numbers; Mr. Burnham seconded the motion.

Among points made by Board members during discussion were:

-- the numbers in the proposed payment schedule were based on 2009 revenues; there should be a more accurate projection of bookings on which the payments are based

-- although the concept has merit, there was concern with the legality in terms of the lease

-- it was suggested that an amendment to the lease would be preferable to this temporary change in the payment schedule

Mr. Williams asked that his request for a temporary payment schedule change be withdrawn, and stated that possibly in the future a request for an amendment to the lease to modify the LLIMC rent payments would be submitted to LLIDA.

Mr. Gravel withdrew his motion to approve the temporary change in the LLIMC payment schedule.

Mr. Dowdy noted that based on legal questions related to the proposed temporary payment schedule change as requested by LLIMC, Mr. Williams had withdrawn his request and Mr. Gravel withdrew his motion on the matter.

It was stated that even if an amendment were approved and submitted today, there would be a six-month approval process since a considerable number of steps are involved; i.e., it is an extremely time consuming process.

## V. APPROVAL OF FINANCIAL REPORT

Reference was made to the October 2009 and November 2009 Financial Reports, copies of which were provided to Board members. Mr. Gibb moved to approve the October 2009 and November 2009 Financial Reports as submitted; Mr. Dowdy seconded the motion and it passed unanimously.

## VI. DISCUSSION ITEMS

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

Chairman Barrett first asked for an update on Sam Oliver's condition. (Mr. Oliver was diagnosed with acute leukemia in October 2009 and spent the month of December at Emory University Hospital undergoing chemotherapy.) Mr. Cooley reported that Mr. Oliver is now between chemotherapy treatments, is feeling much better and had been in the office recently. He said that the leukemia was now in remission and a bone marrow donor was located with a transplant scheduled for February 19.

He said that other than items discussed earlier in the meeting, he had only one additional report: In answer to a question from Mr. Dowdy as to whether LLIDA has authority to contribute to the FLW Fishing Tournament scheduled for the Islands in August 2010, it had been determined that such a contribution was acceptable under both Georgia statute and the lease.

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

Mr. Bill Donohue referred to his Monthly Report dated January 15, 2010, copies of which were provided to Board members. Also distributed during the meeting was an Improvement Projects Update. Among points made by Mr. Donohue were:

- the Authority has set aside \$100,000 to be used for the FLW fishing tournament; however, no action is required at this time
- Phase 2 Road Project – work has begun on Segment 5 and expected to be finished by end of March; pavers/sidewalks being completed in Segments 2 and 3
- Pump Station 2 – work has begun
- Lanier Construction had low bid on water control valve replacement project at Islands Entrance

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

Mr. Grier Todd expressed appreciation to the LLIDA Board for its support during 2009. He said LLIMC is excited about the Hall County Commission recommending a name change for the road leading into the Islands. He said since portions of the road are called “Friendship Road” and others known as “Holiday Road” and State Road 347, the new name of “Lanier Islands Parkway” was suggested in order to reduce confusion for visitors. It was noted that the new name would give the Islands excellent identity; “Lanier Islands Parkway” would start at the 985 intersection and end at the Islands Front Gate. He said a vote on the matter by the Commission is expected on January 28.

It was also suggested that the current directional signage outside the Islands needs to be larger and more visible; Mr. Todd replied that these changes are in the works, including changes in Islands signage on 985.

**VII. PUBLIC COMMENTS -- None**

**VIII. ADJOURNMENT**

There being no further business, the meeting was properly adjourned at 2:20 p.m.

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Lonice Barrett  
Chairman  
Lake Lanier Islands Development Authority

These Minutes were recorded and transcribed by

\_\_\_\_\_  
Marilyn Brown  
Assistant Secretary  
Lake Lanier Islands Development Authority



