

JICANet Update

Vol X, #66

Nov 15, 2009

Be sure to visit our website at
www.jekyllcitizens.org

Items in This Update

- Report of JIA State Park Authority Board Meeting – Nov 9
- Reminders of Previously Announced Events

Report of Jekyll Island State Park Authority (JISPA) Board Meeting

Record of the Jekyll Island State Park Authority (JISPA) Board Meeting of 9 November 2009, in the Convention Center, as recorded for JICA.

Chairman Bob Krueger brought the meeting to order at 9:30 AM. Board members present were Chris Clark, Buddy DeLoach, Mike Hodges, Sybil Lynn, Ben Porter, and Richard Royal. Also present were Park Authority Executive Director Jones Hooks, legal counsel Brooks Stillwell, and Mike Chatham and Bill Charvat of HHCP Architecture. The audience numbered about 50 persons.

COMMITTEE SESSIONS; CONSERVATION AND PRESERVATION

Chairman Royal introduced an amendment to the Park's Design Guidelines. The purpose of the amendment is to provide for review of new and existing names for facilities in the Park during revitalization. The goal is to avoid duplication and to accurately reflect historic and natural elements of the Park. The Board voted for this first reading of the amendment to the Design Guidelines.

Lucien DeBacker requested that the Historic Preservation Committee review the exterior of Goodyear Cottage, which has been extensively colonized by mildew.

FINANCE COMMITTEE

Chairman Hodges reported that the percentage of October hotel rooms occupied was down to 48% from 52% last year, and room revenue was down \$164,000 from October 2008. Revenue per available room was also down, from about \$60 to \$55. Fiscal year-to-date hotel revenue is down about \$3.1 million compared to 2008. Total revenue for the month of October, 2009, was right at budget (\$1.1 million). Year-to-date, total revenues are \$6.5 million, \$180,000 over that budgeted, but \$141,000 less than in 2008. For October, 2009, expenditures were \$1.2 million, \$90,000 less than budgeted. Expenditures year-to-date total \$5.3 million, \$0.4 million under budget, and \$829,000 less than in 2008. Year-to-date net operating income (NOI) was \$1.2 million, \$680,000 better than the year-to-date NOI of 2008. Director Hooks explained that the positive aspects of the finances are partly due to the conservative approach taken when the budget for FY 2009/10 was prepared.

Chairman Hodges noted that two very good ideas were put forward at the Finance Committee's

meeting on residential-leasing policy. Staff is continuing to research these issues (especially the cap-and-floor question), as is the consultant Bay Area Economics (BAE). The Finance Committee needs time to review the recommendations on the unsettled questions, so another Finance Committee public meeting will be held on 16 November, at 8:30 AM. At this meeting, a decision will be made on the lease-policy recommendation to be presented to the Authority Board for a decision at their December meeting.

Pat Overholt asked for clarification: would the 16 November Finance Committee meeting be open to the public? Answer: yes.

Frank Mirasola requested clarification: does the one-year clock (the time during which Park residents have the option of signing-on to a lease extension to 2089 with a lease rate of 0.4% or 0.2% of land value) start on 1 January 2010, regardless of whether an official lease-extension offer is available for signing? Answer: by the end of the December Authority Board meeting, the business points of the lease offer will be finalized, so the clock can start on 1 January 2010, even though a lease-offer on paper may not be available quite yet. Mirasola asserted that past history suggests that the official lease offer will not become available for signing until some months after January, 2010 (though he added that he felt that the Board had done a good job of bringing forward a reasonable lease-extension offer). Chairman Krueger observed that, if for some unforeseen reason, the Board cannot offer lease extensions to take effect on 1 January, 2011, the Board would change its position on the dates of the one-year decision-clock. Krueger remarked that the residents should be pushing to avoid any delay in the lease-extension offer, since it affects the ability of potential home buyers to obtain mortgages.

Steve Newell pointed out that on the data sheets that Accounting Director Marjorie Johnson had been good enough to prepare for the residential-lease workshop, it stated that under option 1 of the current lease-extension proposal, the homes on the lots with leases that would expire in 2049 would become State property as of the lease-expiration date. (Option 1 involves rejection of the lease extension offers, and retention of the current lease contract.) Newell asked for clarification: would the Park Authority buy the homes on lots with expired leases, or would they simply take the homes? Answer: the homes would simply revert to the possession of the Authority. Legal counsel Stillwell advised that the leases are ground leases, so lessees have the right to construct homes on the leased lots. The assumption of ground leases is that the homes on the lots depreciate over time, and at the end of the time the homes belong to the State. At the termination of the lease, the State owns all improvements on the property.

Jean Poleszak wondered if the State government really wanted the leases in the State Park to be handled as they are? Mightn't the government not have wanted the lease contracts to be broken prematurely? Mightn't the legislative intent have been that the contracts not be broken, but rather that a brief amendment be added allowing the leases to run to 2049, and then be available for extension upon negotiation with the lessee? Her opinion was that the State does not want the houses in the Park. She felt that we should not be deciding now for the leaseholders 40 years in the future. She suggested that if a vote were taken on the State Senate floor, it would be for halting the current lease-extension policies.

Kay Hoffman observed that there are elderly residents and absentee owners in her neighborhood who

may not understand the current lease-extension proposals. Hoffman noted that the Authority has contacted a wide array of residents as a part of the pro-forma 10-year lease renewals - could this list of contacts be used to widely distribute information about the potential lease-extensions to 2089?

Answer: yes.

Bonnie Newell remarked that she believes that the financial punishment for failing to sign-on to the proposed new lease extensions (a dramatic increase in the annual lease fee from 0.4% or 0.2% of land value, to 5% of land value, an increase of more than 20-fold), is too harshly punitive to the Park's residents. Newell felt that it would be more fair to raise the fee in smaller staggered amounts over a longer time.

PERSONNEL COMMITTEE

Richard Van Iderstyne recognized the dedication of Authority employee Cade Stepp, for his efforts to fix problems that come along for visitors in the Park after Stepp's regular working hours. Tise Eyler added that he had taught an enthusiastic Stepp in high school, and is not now surprised that Stepp became an exemplary employee of the Park Authority.

MARKETING COMMITTEE

Chairman Porter called upon Kevin Runner to come forward for recognition. Marketing Director Eric Garvey announced that Open Table had awarded the Club Hotel's Grand Dining Room with high marks in seven categories of Georgia's best dining facilities. Porter commended Runner's Hotel operation as one of the great jewels of Jekyll Island State Park.

Garvey reported that there has been recent television coverage of some new patients at the Sea Turtle Center, and that upcoming holiday events will get coverage by CNN.

Porter requested of the audience that they pick up copies of the latest BeachScape, (<http://blog.jekyllisland.com/category/beachscape/>) and mail them to friends. He considered the latest issue of BeachScape an exceptional marketing piece for the Park. Director Hooks added that Authority staff has made a concerted effort to improve the image of the Park as portrayed in BeachScape.

Frank Mirasola inquired of Garvey whether he had national figures for hotel occupancy for comparison to those of Jekyll Island State Park? Garvey stated that the Park is down, regarding hotel occupancy, about 14% relative to 2008. He has heard from other southeastern beach travel destinations that they are down 20-30% relative to 2008. Chris Clark noted that State-park lodges are showing occupancy on the order of 50%, in line with the State's hotel industry, about the same as seen in Jekyll Island State Park this year.

James R. James, who was visiting his residential-rental properties in the Park to make annual improvements, inquired about data for residential rentals for comparison to the hotel occupancies, adding that the residential rentals are very important for families? He remarked that the application of a new rental fee of 3% of profits, as proposed for the new lease extensions, is very untimely with regard to the economy. Director Hooks answered that a lot of data has been provided to the Authority on the economic impact of residential rentals, in connection with the proposed new rental-licensing fee.

However, a comparison between hotel and residential rentals has not been performed.

COMMITTEE OF THE WHOLE

The Board approved the new Fats, Oils, and Grease ordinance (waste management from food-service establishments and automotive maintenance facilities) on second reading.

Director Hooks described a proposed new Project Development Agreement (PDA) between the Authority and Jekyll Island Club Hotel (as Jekyll Landmark Associates), for conversion of the Morgan Tennis Center into a provisional convention-center facility. The Club Hotel would invest not less than \$1.5 million, and operate the facility upon its completion. The facility would be operated on behalf of the JISPA as part of a temporary convention center, until the new Convention Center is finished, after which time the Club Hotel would operate the Morgan building privately. The Authority would match the financial input to the project up to \$1.5 million. The matching funds from the Authority will be derived from the general-obligation bond proceeds recently received. The Board approved this PDA.

Director Hooks described the relationship between the Jekyll Island Foundation and the Jekyll Island State Park Authority. The two organizations operate cooperatively, but without a formal operating agreement. At its October meeting, the Foundation reviewed an operating agreement, and a revision of its bylaws. The operating agreement includes a pledge of overhead provision by the Authority. The agreement includes a definition of purpose for the Foundation: to assist with the conservation, education, and historic-preservation efforts in Jekyll Island State Park. The efforts of the Foundation shall be limited to supporting the pursuits of the Authority. The Authority shall not provide funding for the Foundation unless specific fundings are approved by the Boards of the Authority and the Foundation. The changes to the Foundation bylaws include addition to the Foundation Board of three Authority persons as advisory, non-voting members (the Authority Board Chairman, Vice-Chairman, and Executive Director). The Jekyll Island State Park Authority Board Chairman (or his designee) would represent the Authority in an advisory capacity on the Foundation's Executive, Nominating, and Finance Committees. The JISPA Board approved the new agreement.

Mike Chatham and Bill Charvat of HHCP Architecture presented an update on the forthcoming Great Dunes Park (the beachfront park to be constructed just north of the new Convention Center). See <http://www.jekyllislandauthority.org/Jekyll_Island_Presentation_11_9_2_SM.pdf>. The temporary and the future new permanent Convention Centers were also described by the HHCP gentlemen, and these are also depicted at the web address given in the previous sentence.

Chairman Krueger asked how many construction companies had bid on the opportunity to build Great Dunes Park? Answer: ten to twelve are likely to submit bids.

Mike Hodges wondered about the composition of the hard surfaces in Great Dunes Park? Answer: walkways will be shell/concrete and the parking areas will be asphalt. Because of the multiple greenspace areas in the Park, it was believed that asphalt would be acceptable for the parking. Parking runoff would flow through a treatment filter before running into the marsh to the west.

DIRECTOR'S UPDATE

Director Hooks reported that the Verizon mobile-phone tower is 80% completed. It will be in operation

in December, 2009.

Hooks stated that about 20 owners of residences in the Park have not responded to repeated notices of the need to verify their status as leaseholders, as a part of the 10-year pro-forma renewal process. The Authority will try one more time to obtain a response from these 20 folks.

Hooks noted that the Georgia/Florida football game will be held in Jacksonville for the next six years, so the Authority will attempt to capitalize more effectively on this event, and fill more of the Park's visitation accommodations. Partnering with the University of Georgia Alumni Association may help.

There is also expanded partnering planned with the Jekyll Island Arts Association, in that more and better advertised concerts by the Franklin Pond group are being discussed with the Atlanta Symphony.

Senior Facilities, Director Ronny Smith is working with Georgia Power to conduct an energy-efficiency audit of the Authority's electrically powered activities.

The Authority is having its employees take CPR classes.

The next Town Hall Meeting is scheduled for 18 November, from 5:00 to 6:30 PM, upstairs at Morgan's Grill.

The retail-transitional plan has been presented to the merchants of the Shopping Center. Two sites have been identified for the transitional shopping area: 1) the south end of Blackbeard's parking lot; and 2) the western end of the Golf Course parking lot. The initial discussion session with the merchants was very positive, and further answers to the merchants' questions are being sought. A 2-year transition period is being planned, coinciding with the schedule for construction of the new Convention Center. It is planned to have the transitional retail shops up and running by June of 2010.

CHAIRMAN'S COMMENTS

Chairman Krueger announced that the second round of \$25 million in general-obligation bonds has been sold, at an interest rate of 2.99% (a more favorable rate than the first \$25 million in bond proceeds, which were obtained at a rate of 3.89%).

Ben Porter requested that retiring DNR/CRD Director Susan Shipman (who was in the audience) please stand. He then complimented Shipman as an outstanding, effective (and sometimes appropriately mean, including in interactions with him) leader for Coastal Resources. Chairman Krueger also thanked Shipman for her cooperative working with the Jekyll Island State Park Authority. He looked forward to this relationship continuing under new CRD Director Spud Woodward.

Frank Mirasola remarked that wear-and-tear on the current Convention Center was partially a result of service vehicles working from the beachfront side of the building. Mike Chatham pointed out that the new Convention Center will have a special, concealed service yard behind the building, where all service vehicles will deliver and pick up.

Lucien DeBacker recommended that the Valdosta summer-theater group be invited to return to Jekyll Island State Park. Chairman Krueger responded that he and Director Hooks had recently toured the Amphitheater, with just that goal in mind.

DeBacker also asked legal counsel Stillwell whether, in 2048, he could call the movers and have his house moved? Answer: I'm not sure what the lease says about that, but it is possible that you could move your house.

Dr. Ralph Tillman noted that he had read in the Atlanta Journal & Constitution that Linger Longer might block access to parts of the beach of Jekyll Island State Park. Tillman stated his opposition to any restriction of public beach access by private developers. Chairman Krueger had not heard of any such plan to restrict beach access. Tillman asserted that he would strongly object to any such restriction, and might lead a "Tea Party" demonstration against it.

Clay Smith inquired about the beach access from the new Beach Deck to be constructed in Great Dunes Park? Answer: it will be a rebuilt version of the current beach-access walkway, and we are seeking a Shore Protection Permit for it. Smith also requested a number for the defibrillators currently available in the Park? Answer: one in the golf shop, one in the Convention Center, and one in Flash Foods (by Joanie Hesterberg). Smith suggested that these locations be widely advertised.

Jean Poleszak wondered about the number of parking spaces in the area of the new Convention Center? Answer: 195 in Great Dunes Park, 477 in the Convention Center lots, 100 some in the overflow lots along Ben Fortson Parkway, and more spots in the Beach Village. The total number of spots in the entire Beach Village area comes to some 1,200. Poleszak recommended that asphalt not be used in the Great Dunes Park.

Ron Willnow made a point of the fact that not much has been heard from Linger Longer Jekyll (LLJ) at the last several Authority Board meetings. Chairman Krueger responded that contract finalization with LLJ is going forward, and this will be presented at the December Board meeting.

Howard Sculthorpe wondered whether the conventions of folks driving RVs will have enough parking space at the new Convention Center? Answer: the lots are designed to accommodate large vehicles (buses and RVs). Sculthorpe also suggested that local residents may be able to help with locating the 20 residents who have not yet responded regarding verifying leaseholder status.

Sandy Cerrato asked whether there would be only the one Beach Deck access walkway to the beach in the Great Dunes Park? Answer: yes, but only at first; other access walks will be added. Cerrato reminded the HHCP personnel that with only one access walkway, visitors will be tempted to walk across the ecologically sensitive sand dunes.

Mindy Egan recounted a story about a visiting family from France with little children. The family related to Egan that they had been to many beaches in Europe, but they had heard from friends that if they wanted their children to see a beautiful, natural beach, they should visit Jekyll Island State Park. Egan pointed to the Authority's advertising their prime goal of ecological conservation, and HHCP's goal of avoiding a tall, boxlike building in the new Convention Center, and recommended that the current Design Guidelines of the Park be revised so that no tall, 5- to 6-story hotels or timeshare buildings, rising above the tree canopy, could be built in the Park. The Park's current Design Guidelines allow taller buildings than those of other Glynn County locales. Bringing the Park's height restrictions down would coincide much better with HHCP's goal of making the Park's buildings blend into the natural setting of the Park.

Kay Hoffman recommended to HHCP that they strongly consider using native plants in Great Dunes

Park. Mike Chatham responded that HHCP is trying to preserve all standing, native plants, and to introduce additional native plants in the Park wherever it makes sense.

Respectfully submitted, Steven Y. Newell, Jekyll Island Citizens Association

Reminders of Previously Announced Events

- JIA Finance Committee meeting to finalize residential lease proposal. Monday, Nov 16, 8:30 am, Convention Center. Meeting is open to the public.
- Blood Drive Thursday, Nov 19, 1:00 - 6:00 pm, Convention Center. Avoid waiting in line by calling 635-2866 to schedule a time.
- Garden Club Bake Sale and Lions Club Annual Cheese Sale, Nov 21, 9:00 am - 5:00 pm, JI Shopping Center.
- JIAA Pottery Guild annual Holiday Sale, Sat Nov 28, 10:00 am – 4:00 pm, Guild Annex in the JI Shopping Center

---and that's the news from Jekyll Island where history lives, nature abounds and we keep informed!!
Darrell Davidson, Interim JICANet Editor

JICANet Updates are distributed periodically by the Jekyll Island Citizens Association to its members and interested parties. To subscribe or unsubscribe send an email to jicanet@jekyllcitizens.org.