

STONE MOUNTAIN MEMORIAL ASSOCIATION  
DEVELOPMENT AND FINANCE COMMITTEES MEETING  
October 20, 2008

A joint meeting of the Development and Finance Committees of the Stone Mountain Memorial Association was held at 11:00 a.m. on Monday, October 20, 2008, at the Evergreen Conference Center at Stone Mountain Park.

FINANCE COMMITTEE MEMBERS PRESENT

Bill Chappell, Chairman  
Brent Brown  
Greer Johnson  
Mike Pentecost

DEVELOPMENT COMMITTEE MEMBERS PRESENT

Ray S. Smith III, Chairman  
Mark Baxter, SMMA Chair  
Noel Holcomb  
Joan Thomas

OTHERS PRESENT

Carolyn Meadows, SMMA  
Curtis Branscome, C.E.O.  
Bob Cowhig, Director of Planning and Construction  
Gail Durham, Director of Finance and Secretary  
Teri Fields, Assistant Attorney General, Georgia Department of Law

**Call to Order**

The meeting was called to order by Chairman Mark Baxter.

**Discussion of HFEC Funding Request**

Mr. Branscome stated that in September HFEC had asked for SMMA to participate in capital improvements that could not be defined as direct responsibilities of the lessee. SMMA could participate in certain of these projects due to the nature of public accessibility. Examples would be parking lots and water, sewer and other infrastructure. HFEC has also requested that SMMA assist in helping them to finance certain projects like the proposed water park. HFEC requested in a separate letter which has been distributed to Board members prior to this meeting what essentially amounts to temporary rent concessions. These would be in the form of abatement of the CPI rent escalator clause for a determined

amount of time. The lease agreement would have to be amended in order to grant this type of concession.

SMMA had \$9 million in cash and investments at the onset of the lease. Mr. Branscome said that SMMA should consider not having less than \$15 million in cash at this point in time. This cash would secure future operation of the Park if HFEC decides to terminate the lease at any point in time. The cash flow schedule attached in the agenda materials indicates that SMMA can commit up to the \$13 million presented in the HFEC proposal for funding infrastructure and public space projects. This \$13 million would cover the water and sewer infrastructure for the water park, parking lot construction, laser lawn improvements, and a wayfaring system. The type projects are public in nature and SMMA could justify participation in this funding. Mr. Branscome said he would recommend funding this on a project by project basis.

Ms. Thomas said she supports limiting the funding to infrastructure and not providing financing for commercial projects. Ms. Johnson said that if we started financing it would set a precedent. Mr. Baxter stated that some projects should provide a return to SMMA, but other projects more public in nature may not provide a revenue stream. SMMA should be able to make a strong public argument as to why we are funding these projects. The projects should either provide a return or benefit the public. The ballroom, tunnel and the triangle parking lot are good examples of both types of projects.

Mr. Brown said that the Park was purchased in the 1950's to serve as a place of public recreation and as a monument to preserve southern history. Mr. Brown stated that a lot of the original plans brought to SMMA by the HFEC group involved projects designed to support southern history. These projects proved either too costly to develop or were not approved by SMMA. Mr. Brown stated that HFEC's role is to make money and provide SMMA with lease revenue sufficient enough to support the mission. Mr. Brown said one area of the Park showing neglect is the Plantation complex. Mr. Brown said we need to give them enough leeway to generate as much revenue as possible so that we can fulfill our mission as a Park. Mr. Brown said there are examples of ways to preserve southern heritage. An excellent example is Williamsburg, Virginia and the exhibits and demonstrations held there. He stated the Quarry exhibit is a good example of fulfilling this mission. He thinks southern education is an important goal for the Board.

Mr. Chappell asked in light of the discussion, if Mr. Branscome and his staff felt that the relationship with HFEC was a positive one. Mr. Branscome said that he thought HFEC was probably not expecting everything they have asked for, but that the current relationship is a constructive one. Mr. Branscome stated that pursuing the southern education could become a joint initiative with HFEC. Mr. Baxter stated that the Plantation is an excellent place to hold a historical craft or military event. Mr. Baxter suggested that a subcommittee be formed to investigate the types of activities SMMA could support. This committee could report back with their findings in a few months. Mr. Brown said that with their profit making restraints that SMMA may have to take the lead in fulfilling the mission of promoting southern heritage.

Mr. Branscome stated that most people are not interested in static displays. He said to be effective you must tell a story. The Plantation is a static display of buildings and furniture. Mr. Pentecost stated that the Tour of Southern Ghosts is a great example of the type of activity that would entertain as well as educate. Mr. Brown thinks an active plantation with stories and demonstration could generate revenue. Ms. Meadows stated that Williamsburg has interactive demonstrations and educational activities.

Further discussion regarding southern heritage concluded with the decision that special subcommittee of the Development Committee would be appointed to further develop

creative opportunities to further the educational goals. HFEC's involvement in this mission and revenue possibilities would be evaluated.

Mr. Branscome summarized that SMMA's response to HFEC would be that the Board is prepared to commit up to \$13 million for public use type projects and infrastructure. These projects will be evaluated on a case by case basis.

### **Year-to-Date Financial Statements**

Ms. Durham stated that for the nine months ended September 30, 2008 total revenues are \$8.3 million and a little under budget due to low interest rates on investments. Total expenses are about \$4.5 million versus the budget of \$4.8 million. The excess of revenues over expenses is \$1 million at the end of September.

Cash provided from operating activities for the first nine months of 2008 is \$3.5 million and cash used on capital improvements has been \$7.8 million resulting in a net decrease in cash of \$4.2 million. The cash balance at the end of June was \$20.9 million and the Association is in good financial standing.

Meeting adjourned at 12:00 p.m.

Notes taken by  
Gail Durham, Secretary