

DRAFT SUPPLEMENTAL ENVIRONMENTAL ASSESSMENT  
PROPOSED MASTER PLAN MODIFICATIONS - LEASING OF  
GOVERNMENT LAND FOR RECREATIONAL AND PRIVATE DEVELOPMENT

MARY ALICE PARK, LAKE SIDNEY LANIER  
CITY OF CUMMING, FORSYTH COUNTY, GEORGIA

**1. INTRODUCTION:**

This supplemental environmental assessment (EA) was prepared utilizing a systematic, interdisciplinary approach integrating the natural and social sciences and the design arts with planning and decision-making. The proposed action and its alternatives are evaluated in multiple contexts for short-term and long-term effects and for adverse and beneficial effects. This assessment indicates the effects on the human environment are well known and do not involve unique or unknown risks. It is not anticipated that this is a precedent-setting action, nor does it represent a decision in principle about any future consideration.

A previous EA was conducted for the proposed development of Mary Alice Park in October 2, 2001, with the proposed hotel/conference center/amphitheatre developments in an upland portion of the site. The development layout has since changed, and no actions have been taken to develop the site since the time of the last EA. A Finding of No Significant Impact (FONSI) was issued on October 2, 2001 associated with the previous EA. This Supplemental EA is intended to update site and activity information since issuance of the previous EA and FONSI.

There will be a public review period for this action prior to the issuance of any Finding. If a FONSI for this Supplemental EA is appropriate, it will be advertised to the public via a Notice of Availability in accordance with 40 Code of Federal Regulations (CFR) 1501.4(e)(1). The mailing will provide a method by which any member of the public can request a copy of the FONSI. The FONSI will be mailed directly to individuals and groups expressing an interest in the project.

a. Location:

This EA relates to Mary Alice Park, which is a 112-acre peninsula in Lake Sidney Lanier and is currently leased by the City of Cumming from the U.S. Army Corps of Engineers (USACE). This 112-acre area will hereafter be referenced as the Project Site in this EA. The Project Site is located about three miles northwest of Buford Dam on the western shore of Lake Lanier, is about 2 miles east of the City of Cumming (downtown), and has recently been annexed into the City of Cumming, Georgia city limits. The property is currently operated as a recreation area and consists of land leased from the USACE located in the Apalachicola-Chattahoochee Flint (ACF) river basin.

The Georgia 400 commercial corridor is the primary artery connecting Mary Alice Park to the Atlanta Metropolitan Statistical Area, and the interstate highway system (I-20, I-75, I-85, and I-285). Mary Alice Park is located approximately 50 miles north of Hartsfield Jackson Atlanta International Airport, which is the busiest airport in the world. The primary access to the Project Site is via Mary Alice Park Road, which has already been approved for upgrades by the City of Cumming. Figure 1, Figure 2, and Figure 3 identify the location of the project and are included in **Appendix A**.

b. Proposed Action:

The proposed action includes approval of an updated Master Development Plan showing removal and relocation of the existing public boat ramp and parking area from the eastern portion of the Project Site to the southern portion of the Project Site, and construction of a hotel/conference center, water park, parking areas, and associated amenities. A public beach will also be constructed at an alternate location to mitigate for the loss of public beach area at the Project Site prior to the open (summer) season, after construction at the Project Site is initiated. The hotel will consist of a five or six story building with 600 rooms and 960 parking spaces. Approximately 300,000 cubic yards of excess fill would be hauled off from the Project Site as part of initial grading activities associated with the proposed developments. This EA was conducted in accordance with the National Environmental Policy Act (NEPA), the Council on Environmental Quality (CEQ) regulations implementing NEPA [40 CFR 1500-1508], and Engineer Regulation 200-2-2. This assessment process used a systematic interdisciplinary approach integrating the natural and social sciences and environmental design arts with planning and decision-making.

c. Project History:

Mary Alice Park has been operated as a park with a beach and boat ramp since around the 1960s to early 1970s. The park was originally maintained by the USACE until a lease agreement was made with the City of Cumming in 2001. At that time, the City of Cumming proposed leasing the park for development of a hotel/conference center, amphitheater, and associated facilities. A Master Plan dated May 15, 2001, and an EA were submitted to the USACE. The USACE issued a FONSI for the proposed lease and subsequent development of Mary Alice Park. A copy of the FONSI and previously approved Master Plan are included in **Appendix B**.

d. Purpose and Need for the Proposed Action:

The proposed hotel/conference center and relocated public boat ramp will help meet the increased recreational demands placed on Lake Sidney Lanier as the population of metro Atlanta grows. A market and economic feasibility study was conducted by PKF Consulting and is included as **Appendix C**. The study indicated that the proposed hotel/conference center possesses the requisite attributes to attract both leisure and group related lodging demand throughout Georgia and the southern region. Based on the market study and past experience with these type developments, it is anticipated that the project will draw visitors from a 300-mile radius from the site. At present, Forsyth County and the City of Cumming does not have a hotel/conference center facility that is able to handle resident and business needs for events such as the annual dinner meeting for the Cumming Forsyth Chamber of Commerce, business conferences, wedding receptions, local high school prom or graduation, or family reunions.

According to the study, population in the Atlanta metropolitan area is projected to increase 62 percent from 2000 to 2030. Additionally, the Atlanta tourism industry appears to have rebounded with 20 million visitors in 2005, up from 18.5 million visitors in 2004. Of those 20 million visitors, 69 percent were leisure travelers, and 31 percent were business travelers.

Further, a Draft Environmental Impact Statement (EIS) for the ACF river basin, dated September 1998 by the USACE, indicated that the estimated population in the Georgia portion of the ACF river basin was 3.637 million people. The report indicated a projected population for the Georgia portion of the ACF river basin at 4.782 million people in 2020, and 6.167 million people in 2050. The report further indicated Lake Sidney Lanier as the most heavily visited reservoir in the ACF river basin with 3.5 million recreational visitor-days in 1995. The recreational use of Lake Sidney Lanier will likely increase as the population of the Georgia portion of the ACF river basin increases.

e. Authority:

The construction of Lake Sidney Lanier (originally the Buford Dam multi-purpose project) was authorized by the Rivers and Harbors Act approved July 24, 1946, Public Law 525, 79<sup>th</sup> Congress, 2<sup>nd</sup> Session. The construction of Buford Dam was completed in 1957 and Lake Sidney Lanier was designated as such by Public Law 56-457, and approved on March 29, 1956. Recreational facilities were authorized by Section 4 of the Flood Control Act of 1944 as amended (Title 10, USC 460d).

The Final EIS for Lake Sidney Lanier (Lanier EIS), dated November 2003 by the USACE, indicated natural, cultural, and developed resources of projects are to be managed in the public interest, providing the public with safe and healthful recreational opportunities while protecting and enhancing resources. Further, the Lanier EIS indicated that provisions under the real estate leasing authority grant, under law, privileges for private exclusive use of Government real property to certain leaseholders. Historically, these leases have been for private club sites, which is consistent with the proposed hotel/conference center developments.

Title 16, United States code, Section 460d, states in pertinent part: “The Chief of Engineers, under the supervision of the Secretary of the Army, is authorized to construct, maintain, and operate public park and recreational facilities at water resources development projects under control of the Department of the Army, to permit the construction of such facilities, by local interest (particularly those to be operated and maintained by such interests), and to permit the maintenance and operation of such facilities by local interest.” “Preference shall be given to Federal, State, or local governmental agencies, and agencies for the use of all or any portion of a project area for any public purpose, when the Secretary of the Army determines such action to be in the public interest, and for such periods of time upon such conditions he may find advisable.”

Pursuant to the Recreation Lakes Act of 1996, Public Law 104-333 ([www.doi.gov/nrls/sec\\_1021.html](http://www.doi.gov/nrls/sec_1021.html)), the President of the United States appointed the National Recreation Lakes Study Commission to review opportunities for enhancing water-based recreation at Federal Lakes. The Commission’s charge, in part, was to “make recommendations on alternatives for enhanced recreation opportunities . . . emphasizing private sector initiatives in

concert with State and local units of government”. The Commission’s recommendations can be found in their report, “Reservoirs of Opportunity” at [www.doe.gove/nrls](http://www.doe.gove/nrls).

By memorandum of November 20, 2000, Major General Hans A. Van Winkle, Deputy Commander for Civil Works, USACE named Lake Sidney Lanier one of thirteen Recreation Demonstration Laboratories. These laboratories are empowered, within existing laws, to test or prototype new ways of doing business that improves products or services through innovative planning, development, implementation, and management of recreation programs or activities.

## **2. ENVIRONMENTAL SETTING WITHOUT THE PROJECT:**

### **a. General Environmental Setting.**

Approximately 112 acres of Mary Alice Park exists above the 1071 National Geodetic Vertical Datum (NGVD) normal pool elevation of Lake Sidney Lanier. About 32 acres are below the 1085 NGVD maximum flood elevation.

Access to the peninsula is via Mary Alice Road, which is a two-lane, asphalt-paved road entering the southern end of the peninsula and generally traversing parallel to the eastern shoreline. Existing parking areas, boat ramp, beach, and restroom facility are located along the eastern portion of the peninsula. A prominent ridge is located through the central portion of the peninsula, with topography sloping from this ridge in all directions toward Lake Sidney Lanier.

The vegetation existing on the western portion of the Project Site and the majority of the northern tip of the peninsula was observed to be significantly different from the vegetation in the middle and eastern portion of the Project Site. In general, the vegetation in western and northern tip of the peninsula was observed to be predominantly mature hardwood forest including yellow-poplar (*Liriodendron tulipifera*), southern red oak (*Quercus falcata*), northern red oak (*Q. rubra*), hickories (*Carya* spp.), and American beech (*Fagus grandifolia*). The vegetation in the middle and eastern portion of the peninsula was observed to mainly consist of mid-successional pine/mixed pine forest including loblolly pine (*Pinus taeda*) and Virginia pine (*Pinus virginiana*). Sweetgum (*Liquidambar styraciflua*), black cherry (*Prunus serotina*), flowering dogwood (*Cornus florida*), Chinese privet (*Ligustrum sinense*), and eastern red cedar (*Juniperus virginiana*) were also observed on the eastern side of the peninsula and bordering the peninsulas eastern shoreline. Photos of the Project Site are included as **Appendix D**.

### **b. Significant Resource Description.**

#### **(1) Water Quality.**

The Georgia Department of Natural Resources (DNR) and the U.S. Environmental Protection Agency share the responsibility of maintaining water quality at Lake Sidney Lanier. Georgia DNR conducts water quality tests at a fixed point just north of Buford Dam and the USACE conducts fecal coliform bacteria at the 23 public beach areas due to the large goose population at Lake Sidney Lanier. At the time of the issuance of the Lanier EIS in November 2003, none of the

public beaches had to be closed due to high concentrations of fecal coliform bacteria at the public beaches.

The Lanier EIS indicated that the overall water quality is considered satisfactory for the designated uses of the reservoir. The areas in the Chattahoochee River and Chestatee River arms of the lake, where the water is shallower, reportedly have the highest levels of turbidity, total suspended solids, chlorophyll a, and nutrient concentrations, while the main body of the lake has the greatest transparency and the lowest fecal coliform counts and nutrient concentrations.

(2) Fishery Resources. Lake Sidney Lanier is a popular recreational fishery. The Draft EIS for the ACF river basin, dated September 1998 by the USACE, indicated six critical fish species in Lake Sidney Lanier. These six species include crappie (*Pomoxis nigromaculatus*), largemouth bass (*Micropterus salmoides*), spotted bass (*Micropterus punctatus*), striped bass (*Morone saxatilis*), walleye (*Sander vitreus*), and white bass (*Morone chrysops*). In addition to the six critical fish species, other important fish species in the project area include sunfish (*Lepomis*), channel catfish (*Ictalurus punctatus*), white catfish (*Ameiurus catus*), and carp (*Cyprinus carpio*). Some species of trout exist in Lake Sidney Lanier and below the Buford Dam in the Chattahoochee River. Trout are also stocked in a “put-and-take” fishery below the Buford Dam by the GDNR. Fishing is one of the major recreational draws of Lake Sidney Lanier.

(3) Wildlife Resources.

The forests near and within the Project Site potentially provide habitat for various types of wildlife species. Typical wildlife species found in the ACF river basin include whitetail deer (*Odocoileus virginianus*), raccoon (*Procyon lotor*), Virginia opossum (*Didelphis virginiana*), wild turkey (*Meleagris gallopavo*), bobwhite quail (*Colinus virginianus*), mourning dove (*Zenaida macroura*), eastern cottontail rabbit (*Sylvilagus floridanus*), and gray squirrel (*Sciurus carolinensis*). Although some of these species are not likely to be present on the Project Site, such as the wild turkey and bobwhite quail, it is still important to note the potential wildlife resources of the area. Several avian species are also found in the Lake Sidney Lanier area. Some common summer species include Canada geese (*Branta canadensis*), great blue herons (*Ardea herodias*), green-backed herons (*Butorides striatus*), kingfishers (*Ceryle alcyon*), and ospreys (*Pandion haliaetus*) are common during the summer. In addition, several herpetofauna and songbird species are likely present as well.

During the on-site field survey of the Project Site, no unusual or protected species were observed on the site. Species observations were limited to common songbirds and gray squirrels. Field indicators of site usage by white-tailed deer, such as rub trees and droppings, were observed.

It is important to maintain the vegetation buffer along the shoreline of the peninsula to provide a functional wildlife habitat and travel corridor. Mitigation strategies regarding the preservation of this buffer may need to be implemented to protect natural resources. Because hunting is not permitted in Mary Alice Park, the wildlife is protected and provides enjoyment for visitors.

(4) Wetlands.

Based on an on-site investigation of the Project Site in January 2007 by qualified wetlands biologists, no wetland areas were identified on the Project Site. The national wetland inventory

(NWI) map of the Project Site did not indicate previously mapped wetland areas on the Project Site. Lake Sidney Lanier is mapped as a palustrine permanently flooded aquatic system, and would be classified as a deep water habitat.

The soil survey map for the Project Site indicated Louisburg, Madison, and Cecil soil series mapped on the Project Site. These soils are not included on either the local or the national hydric soils lists. Copies of the NWI map and soil survey map are included as Figures 4 and 5 in

**Appendix A.**

(5) Endangered Species.

Six at-risk animal species and sixteen at-risk plant species are listed on the Georgia DNR website as occurring in the watershed that includes Lake Sidney Lanier. At-risk species are those that are identified by the U.S. Fish and Wildlife Service (FWS) or the State of Georgia as endangered, threatened, rare, unusual, or candidate species for listing. Federally listed threatened and endangered species are protected under the Endangered Species Act of 1973. This Act was designed to protect critically imperiled species from extinction due to "the consequences of economic growth and development untempered by adequate concern and conservation". The State of Georgia has its own lists of plants and animals (as developed by the Georgia DNR and approved by the legislature) that are considered threatened or endangered and may also be protected under state law. The listed species identified include:

**TABLE – FEDERALLY AND STATE LISTED PROTECTED SPECIES IDENTIFIED IN LAKE SIDNEY LANIER WATERSHED**

<b>ANIMAL SPECIES</b>	<b>FEDERAL STATUS</b>	<b>STATE STATUS</b>
Chattahoochee Crayfish ..... ( <i>Cambarus howardi</i> )	No Federal Status .....	Threatened
Bluestripe shiner ..... ( <i>Cyprinella callitaenia</i> )	Threatened.....	Endangered
Delicate spike..... ( <i>Elliptio arctata</i> )	No Federal Status .....	Endangered
Peregrine falcon ..... ( <i>Falco peregrinus</i> )	No Federal Status .....	Endangered
Shinyrayed pocketbook..... ( <i>amiota subangulata</i> )	Endangered.....	Endangered
Highscale shiner..... ( <i>Notropis hypsilepis</i> )	No Federal Status .....	Threatened

<b>PLANT SPECIES</b>	<b>FEDERAL STATUS</b>	<b>STATE STATUS</b>
Georgia aster ..... ( <i>Aster georgianus</i> )	Candidate .....	No State Status
Biltmore sedge ..... ( <i>Carex biltmoreana</i> )	No Federal Status .....	Threatened

Manhart's sedge ( <i>Carex manhartii</i> )	No Federal Status	Threatened
Pink ladyslipper ( <i>Cypripedium acaule</i> )	No Federal Status	Unusual
Large-flowered yellow ladyslipper ( <i>Cypripedium parviflorum var. pubescens</i> )	No Federal Status	Unusual
Smooth purple coneflower ( <i>Echinacea laevigata</i> )	Endangered	Endangered
Goldenseal ( <i>Hydrastis canadensis</i> )	No Federal Status	Endangered
Small whorled pogonia ( <i>Isotria medeoloides</i> )	Threatened	Threatened
Ozark bunchflower ( <i>Melanthium woodii</i> )	No Federal Status	Rare
Indian olive ( <i>Nestronia umbellula</i> )	No Federal Status	Threatened
Monkeyface orchid ( <i>Platanthera integrilabia</i> )	Candidate	Threatened
Dwarf sumac ( <i>Rhus michauxii</i> )	Endangered	Endangered
Bay starvine ( <i>Schisandra glabra</i> )	No Federal status	Threatened
Florida torreya ( <i>Torreya taxifolia</i> )	Endangered	Endangered
Piedmont barren strawberry ( <i>Waldsteinia lobata</i> )	No Federal Status	Threatened
Eastern turkeybeard ( <i>Xerophyllum asphodeloides</i> )	No Federal Status	Rare

A field investigation was conducted on the property by wildlife and fisheries biologists (Mr. David P. Huetter and Mr. Benjamin R. Stone) with United Consulting in January 2007. Based on the site conditions, habitats observed, and field observations, critical habitat for these six wildlife species and sixteen plant species was not identified on the Project Site.

#### (6) Historic and Archeological Resources.

In accordance with the guidelines and regulations found in Section 106 of the National Historic Preservation Act of 1966, a limited literature review and research of the Project Site area was conducted to determine if the proposed activity would result in impacts to properties listed on or eligible for listing on the National Register of Historic Places (NRHP). This review was completed by R.S. Webb & Associates (a professional cultural resource management firm) and included review of files at the Georgia Historic Preservation Division (HPD) office and the State Archaeological Site Files.

No NRHP-listed properties or surveyed historic structures are located within one-half mile of the Project Site. Five archeological sites, 9FO189, 9FO190, 9FO191, 9FO192, and 9FO193, are located within the Project Site. Three sites (9FO189, 9FO192, and 9FO193) contain historic and

prehistoric components, one site, 9FO190 is a historical house, and one site, 9FO191, is prehistoric. All five sites are recommended ineligible for inclusion to the NRHP. State and Federal agencies have requested that R.S. Webb & Associates not divulge the locations of archeological sites outside the area of potential effects (APE). No archeological sites are located within the 500 feet APE.

A historic church constituted in 1889, Corinth Baptist Church, and associated cemetery was identified on the southern portion of the peninsula that contains the Project Site, and is considered an out parcel maintained by the church. The church and cemetery will remain undisturbed by this activity. A copy of the file research report is included in **Appendix E**. The archaeological data forms have been intentionally excluded from this report in an effort to minimize disturbance to such sites.

With the exception of a few small tracts to the north, the fee-owned government lands surrounding Lake Sidney Lanier were surveyed for cultural resources between the late 1930s and 1987. These surveys are referenced in Section 3 of the *Final Environmental Impact Statement for the Operation and Maintenance of Lake Sidney Lanier, Georgia*. According to the EIS, no cultural properties were located within the proposed lease area. The results of these surveys were coordinated with the Georgia State Historic Preservation Office (SHPO) as part of the process for completing the *Historic Properties Management Plan for Sidney Lanier Project, Georgia* in March 1997. The Georgia SHPO concurred with the findings and recommendations outlined in that document, and no further coordination is needed for this area. American Indian tribal governments requested in a May 2004 consultation meeting that only those undertakings, which may affect American Indian cultural properties, be coordinated. Because the proposed lease action will not affect any cultural properties, this document will not be coordinated with federally-recognized tribes.

In accordance with the Native American Graves Protection and Repatriation Act of 1990 and 43 CFR 10, the following provision must be observed. In the unlikely event that an inadvertent discovery of previously unknown cultural resources or potential human remains are uncovered during construction, all work must cease, the discovery must be protected, and the Mobile District project manager, the Lake Sidney Lanier project manager, as well as the Georgia State Archaeologist must be contacted immediately.

At the time of the previously approved Master Plan and EA in October 2001, the proposed development of the Mary Alice Park was reportedly reviewed by the Georgia HPD. The review by the HPD concurred that no further surveys of Mary Alice Park were required.

#### (7) Navigation.

Navigation is an authorized purpose of the Buford Dam Project based on its ability to store large quantities of water and provide low flow augmentation for commercial navigation downstream in the Chattahoochee and Flint rivers. Commercial navigation extends to Bainbridge, Georgia on the Flint River and to Columbus, Georgia, and Phenix City, Alabama on the Chattahoochee River. However, navigation on Lake Sidney Lanier is limited to recreational boat traffic. As one of the most heavily visited lakes in the country, recreational traffic is quite heavy at times, particularly holiday weekends. The north end of Mary Alice Park is less than 1/4 mile from Bald

Ridge Marina and the channel followed by boats between the marina and the main body of Lake Sidney Lanier.

(8) Recreation.

Lake Sidney Lanier is a common recreational area for metro Atlanta residents and out of town visitors. Common recreational activities at the lake include water sports, fishing, swimming, and pleasure boating. Based on statistics provided by the City of Cumming, Mary Alice Park received approximately 70,000 visitors during the 2006 season, which runs from April to October. This includes approximately 5,200 vehicles using the boat launch area, and 12,000 vehicles admitted for beach usage. Park usage is not monitored during the off-season.

(10) Vehicular Traffic.

Mary Alice Park Road provides vehicular access to the park. The road extends approximately two miles from Georgia Highway 9 to the entrance of the lease property. Development along the road consists of single-family residential homes and subdivision development. At present, Mary Alice Park Road has been proposed and approved for upgrades to better accommodate the current and future traffic flows.

There are currently 72 private residences along Mary Alice Park Road. One hundred thirteen residences in the Park Shores Subdivision are accessible from Mary Alice Park Road in addition to an alternate route. The Corinth Baptist Church, located on an out-parcel of the southern portion of the Project Site, has about 60 active members that use Mary Alice Park Road between once and twice per week.

The Forsyth County Major Transportation Plan –2006 Update, dated November 2006 and prepared by Carter-Burgess, indicated that the vehicle count for Mary Alice Park Road in 2005 was 2,350 vehicles. The plan projected an estimated vehicular traffic for Mary Alice Park Road to increase to 4,790 vehicles by 2,030.

(11) Hazardous and Toxic Materials.

The proposed lease site and development is located east of existing residential developments. No fuel dock or evidence of contamination or disposal of hazardous substances was observed at Mary Alice Park at the time of the site reconnaissance conducted by Mr. Ben R. Stone and Mr. Chet J. Kosmalski of United Consulting on January 26, 2007.

(12) Other Resources.

The Corinth Baptist Church has two land in-holdings adjacent to the Mary Alice Park access road. Constituted in 1889, the 200-member church occupies 1.22 acres south of the road. The church cemetery is located on 1.72 acres north of the road. When land for the lake was blocked out for purchase, neither site was required for operational purposes and the cost and complexities to relocate the church and cemetery was not warranted. Consequently, both sites, completely surrounded by Government owned land, continue to be operated and maintained by the church.

### **3. DESCRIPTION OF THE RECOMMENDED PLAN:**

At the time of the original EA and subsequent issuance of the FONSI, the proposed development plan was indicated as conceptual and could take any of several probable configurations to accomplish the desired purposes. This Supplemental EA indicates the proposed developments near the shoreline, and includes construction of a hotel/conference center, indoor pool/water park, outdoor pool, and courtesy docks with associated parking areas and amenities. A master plan included in **Appendix F** shows the location of these proposed improvements. The hotel and parking areas are indicated primarily in the east-central portion of the Project Site. The existing boat ramp will also be relocated to the southern portion of the Project Site. Additional seawalls have been proposed to connect seawalls that are currently under construction by the City of Cumming. The proposed master plan indicates that the northern portion of the Project Site would remain as undeveloped wooded land. A natural walking trail would be located through this area and include two small overlook gazebos.

The layout associated with the previously approved EA indicated the development located further from the shoreline in the upland portion of the Project Site. This would have required the clearing of approximately 33 acres of mixed-pine hardwood forested habitat. The current development layout has been concentrated on the eastern shore of the peninsula, to reduce the overall disturbance to the natural forest communities on the peninsula to approximately 25 acres. In particular, the majority of the forest community that will be preserved will be the higher quality, mature upland hardwood forest. A portion of the development area is already cleared and disturbed, and contains the existing beach parking area, boat and trailer parking, and bath house. The project will result in the development of approximately 25 acres. When compared to the previously approved Master Plan, the current plan will disturb about 5 acres less forest area on the peninsula. As the design process continues and additional data are collected, such as soils conditions, construction means, methods and materials, some adjustments to the plan may occur. The overall area of disturbance of the project will remain the same, and the environmental effects will be similar.

### **4. ALTERNATIVES TO THE RECOMMENDED PLAN.**

#### **a. “No Action” Alternative:**

Under the “No Action” alternative, the USACE would deny the request for the private recreational development of Mary Alice Park. The primary advantage of this alternative would be the lack of disturbance to the environment due to initial construction of additional facilities and subsequent recreational use. However, this action would not satisfy the project purpose and would be contrary to the current policy to privatize and expand recreational development. In addition, “No Action” would not allow satisfaction of local social and economic needs for the proposed facilities.

#### **b. The General Development Plan Alternative:**

The general development plan indicates a relocated public boat launching ramp and parking area to the southwestern portion of the Project Site, and a 600-room hotel/conference center development on the eastern central portion of the Project Site. The northern and western portions

of the Project Site would remain as wooded undeveloped land. These additional facilities would provide jobs to the area and help meet the demands of tourists to the rapidly growing metro Atlanta area.

## **5. ENVIRONMENTAL IMPACT OF THE RECOMMENDED PLAN:**

### **a. Biological and Physical Impacts:**

Unavoidable adverse effects would emanate, primarily from construction activities, removal of forest habitat, soil disturbance, and increased human use including noise from vehicle and boating traffic. The Mary Alice Park site was designated for marina purposes in the EIS and Lake Sidney Lanier Master Plan (LSLMP) of September 1987, and these effects were anticipated by those documents.

### **b. Land Use Changes:**

Approximately 25 acres of the entire 112-acre peninsula will be disturbed. Of this 25 acres, approximately 12 acres have previously been disturbed for construction of the roads, parking, and other features associated with the existing Mary Alice Park. The central eastern portion of the Project Site would change from mixed-wooded land to developed and landscaped areas associated with the proposed hotel/conference center, and amenities. The existing public launch area on the eastern portion of the Project Site would be removed and re-vegetated. A new public boat launch ramp and parking area would be constructed at the southern portion of the Project Site. The public beach currently located on the eastern portion of the Project Site will be re-located to an off-site location. The construction of the replacement public beach would be conducted concurrent with the construction of proposed facilities at Mary Alice Park, and would be completed prior to the next summer season to meet the recreational demands of local residents. The LSLMP designates Mary Alice Park for recreational use and development.

### **c. Historic and Archeological Resources:**

There are no sites, eligible for the NRHP existing within Mary Alice Park. The Corinth Baptist Church and cemetery are out-parcels of the proposed project and will not be disturbed. These facilities will not be affected by the proposed development except for construction traffic and activities and increased vehicular traffic on the entrance road generated by the proposed development. Previous consultation was conducted and approval was obtained from the HPD for the development of Mary Alice Park.

### **d. Endangered and Threatened Species:**

Trina Morris, Wildlife Biologist with the Georgia DNR, was contacted to determine if any threatened or endangered species had been identified at the Project Site. Ms. Morris recommended checking the occurrence records for the topographic quarter-quadrangle that the Project Site is located on. The occurrence records indicated a state protected animal species, the Chattahoochee crayfish (*Cambarus howardi*), is located within the quarter-quadrangle that includes the Project Site. The Chattahoochee crayfish is reportedly found in moderate to swiftly flowing streams with rocky or rubble substrate. This type of stream habitat was not observed at Mary Alice Park. It is not anticipated that the proposed modifications to the master plan would significantly impact threatened or endangered species.

A request for consultation was submitted to the FWS and Georgia DNR on August 24, 2007. Ms. Robin Goodloe of the FWS provided a response on August 28, 2007 that the “proposed project isn’t likely to impact listed species”. As of the issuance of this EA, no response has been received from the DNR.

e. Recreation:

Construction of the proposed hotel/conference center will result in few adverse impacts to recreation. While the proposed development would limit access to Mary Alice Park by the general public, the park is not currently used for intensive recreation. The relocated public boat launching ramp and parking area will ensure that the existing recreational boat access to the lake is maintained. In addition, the loss of the public beach at this location will be mitigated with construction of a replacement beach at another nearby park. This beach mitigation will be completed once closure of the beach at Mary Alice occurs and prior to the summer beach season.

Further, the proposed hotel/conference center would provide an attractive venue for local social gatherings, such as weddings and reunions. In general, business meetings would occur during the week, so the hotel would most likely have adequate availability to serve local events on the weekends.

f. Air Quality:

The proposed improvements will not adversely affect the ambient air quality of the area. No release or discharge of contaminants into the air is proposed from construction of the project or from daily operations that would significantly impact the ambient air quality. During construction the presence of construction vehicles may increase air pollutants through emissions. Impacts will occur during the time of construction and will be confined to the immediate project area. Emissions are expected to be short-term in duration and insignificant. Some increases in vehicular emissions will result from the increase in utilization of the area.

Mary Alice Park is located in a non-attainment area for ozone. This means that the all construction activities must conform to the State Implementation Plan prepared under the requirements of the National Ambient Air Quality Standards. Therefore, no long-term adverse impacts to air quality are anticipated as a result of the proposed action.

g. Water Quality:

The proposed development activities associated with this project will be performed in accordance with Sediment and Erosion Control Requirements in Georgia and in a manner to minimize sediment loss to the Lake. Erosion control Best Management Practices (BMPs) will be utilized to minimize sediment loss and impacts to water quality. Hotel and conference center construction could result in a short-term and negligible increase in sedimentation within the lake. However, these potential minor impacts will be minimized by implementation of BMPs as required under the Sediment and Erosion Control Act and Forsyth County development codes. This will include preparation of an erosion and sedimentation control plan, preparation and submittal to the Georgia Environmental Protection Division’s Stormwater Management Program of all certificates, and stormwater monitoring throughout the construction phase. The submission of a

Notice of Intent to begin construction, and a Notice of Termination after each phase of the development will be completed and will also be submitted.

The new developments would be connected to city water and sanitary sewer systems. No septic tanks or leaching fields would be installed. The development will include removal of the existing bathroom facility and associated septic field, which is currently located within or in very close proximity to the 100-foot buffer. Removal of this system and connection of the new bathroom facilities to the municipal system will eliminate current and potential future septic leaching to the lake, which could result in elevated fecal coliform levels.

It is anticipated that sediment and erosion control BMPs will include a combination of temporary and permanent seeding and mulching, silt fence, water quality pond, and other features as required. Further, a natural 100-foot wide riparian buffer will be maintained along the Lake to provide additional filtering of runoff. A portion of the 100-foot buffer that contains existing development will be revegetated. All work performed during construction will be done in a manner which will not interfere with any legitimate water use of the Lake.

h. Wetlands:

Lake Sidney Lanier surrounds the Project Site to the north, east, and west. The Lake edge along the Project Site is well-defined, and no wetlands were identified along the edge of the lake. Further, no wetland areas were identified on the Mary Alice Park peninsula. No wetlands will be disturbed as part of the project. The wetland investigation for this project was conducted by a qualified wetland consultant and consultation with the USACE Regulatory Division should not be necessary.

i. Floodplain Impacts:

A portion of the parking area associated with the relocated public boat launching ramp on the southwestern portion of the Project Site is located within the limits of the 100-year floodplain per Federal Emergency Management Agency Floodplain map panel number 13117C0125C. The hotel/conference center and associated parking lot appear to be located outside the limits of the 100-year floodplain. Any floodplain impacts would require a variance, which would be obtained prior to development. No buildings will be located below the 1085 flood elevation line.

j. Noise Impacts:

Noise would be a limited adverse environmental factor to consider for the proposed construction. Noise from operation of construction equipment would be short-term and end as soon as the proposed project is completed. The majority of post-construction noise would occur from vehicles associated with the hotel/conference center, as well as from the guests themselves. However, due to the relatively isolated location of Mary Alice Park and the placement of the hotel/conference center on the eastern portion of the site adjacent to Lake Sidney Lanier, the additional noise should have minimal impacts.

k. Aesthetics.

Currently, the park consists of wooded areas, walking trails, paved entrance road and parking areas, and a public boat ramp and beach. The architectural aesthetic of the proposed hotel has been designed to maintain the natural tree line with building elevations at or below the elevation

of the trees along the western side of the peninsula. The general topography along the western side of the peninsula includes a ridgeline with elevations ranging from 1030 to 1050 feet above mean sea level. This area is forested with 60 to 100-foot tall mature hardwood trees. The only exception to this is a small dip in the topography to an elevation of around 1092. Based on a finished floor elevation of about 1085, and a 5-story structure, the overall height of the building is estimated to be 1157. This proposed building height should not result in a significant visual intrusion to the landscape view of the peninsula. Further, the hotel/conference center were designed using natural materials, such as wood and stone, to create an aesthetically pleasing development that blends with the surrounding undeveloped wooded portions of the Project Site. Landscaped areas would also be maintained around the hotel/conference center for visual appeal.

l. Lights:

Additional lighting would be required for the proposed hotel/conference center. However, as previously stated, due to the relatively isolated location of Mary Alice Park and the placement of the hotel/conference center on the eastern portion of the site adjacent to Lake Sidney Lanier, the additional lighting should have minimal impacts. It is not anticipated that any high-intensity lighting would be required for the proposed developments.

m. Vehicular Traffic:

The proposed master plan developments will result in an increase in traffic along Mary Alice Road. At present, Mary Alice Park Road and the intersection at Highway 9 have been proposed and approved for upgrades to better handle the current and future traffic flows.

n. Prime and Unique Farmland.

There are no prime farmlands or unique agricultural lands located on the Project Site or within the immediate vicinity of the Project Site. Therefore, this project would not require a prime farmland evaluation (United States Department of Agriculture Form 1006) by the Natural Resources Conservation Service.

o. Other Impacts

No other significant environmental impacts were identified, associated with the proposed additional facilities at the Project Site.

p. Socio-Economics

The Lanier EIS dated November, 2003, indicates that the area surrounding Lake Sidney Lanier is rapidly growing in terms of both population and economics. Estimates for the direct and indirect economic effects of Lake Sidney Lanier on Atlanta and the north Georgia area were as high as 5.5 billion dollars a year in one study (Hughes, 2001). The proposed hotel/conference center will help meet the recreational demands of visitors to Lake Lanier. The hotel would also create new jobs within Forsyth County, both during the construction phase and through the operation of the hotel upon completion. The hotel would serve a growing business community in Forsyth County and would be easily accessible from throughout the Atlanta region via Highway Georgia 400.

Based on information provided by the City of Cumming, there have been several incidents and problems with the relatively unrestricted use of the area by the general public. Some of these issues include, vandalism and arson of the gatehouse, theft, graffiti on the sidewalks and

restroom building, and trash as well as general disorderly conduct by patrons of the park. With the construction of the proposed development, there will be an increased presence of employees, managers, security, and others interested in maintaining the appearance and character of the area. This presence should reduce the problems currently being experienced by the City of Cumming and Forsyth County.

q. Environmental Justice and Protection of Children

Executive Order (EO) 12898 of February 11, 1994 requires addressing, as appropriate, disproportionately high and adverse human health or environmental effects of Federal actions on minority and low-income populations. No residential properties will be impacted by the proposed project.

EO 13045 of April 21, 1997 requires, to the extent permitted by law and mission, identifying and assessing environmental health and safety risks to children posed by the proposed action. Potential health and safety risks would be present during the construction activities. As mentioned above, construction equipment may temporarily increase air pollutants through emissions and dust. These emissions are expected to be short-term in duration and insignificant. Further, construction areas will be properly fenced and posted during construction, as required.

r. Hazardous and Toxic Materials.

It is not anticipated that the removal and relocation of the existing public boat ramp, hotel/conference center, water park, parking areas, and associated amenities should result in hazardous or toxic material impacts to the environment.

s. Project Mitigation.

The proposed developments would result in the removal of existing public beach areas located on the eastern portion of the Project Site. Mitigation in the form of the construction of a replacement public beach area at a nearby location is proposed to mitigate for the loss of this resource. The construction of the replacement public beach would be conducted concurrent with the construction of the Project Site developments and prior to the next summer recreational season.

t. Cumulative Impacts

The CEQ defines cumulative effects as “the impact on the environment which results from the incremental impact of the action when added to other past, present, and reasonably foreseeable future actions regardless of what agency or person undertakes such other actions (40 CFR 1408.7).”

The primary impacts of the proposed improvements would include the noise impacts, water quality impacts, and an increase in the recreational use of the resource. The areas surrounding the Project Site consist of residential homes with small private docks, recreational marinas, and undeveloped wooded land. Baldrige Marina is located approximately 0.3 miles west of Mary Alice Park. Foreseeable cumulative impacts to shared resources include an increase in crowding affecting the recreational use of Lake Sidney Lanier, and sediment and noise impacts from proposed and any nearby future development in surrounding areas. At this time, the adjacent property along Mary Alice Road is developed with single-family homes and no development on these adjacent areas is anticipated in the near future. USACE restrictions on the number and type

of development on public lands and sedimentation controls during development would likely minimize the cumulative environmental impacts of proposed and future developments on and around the Project Site.

**6. ANY IRREVERSIBLE OR IRRETRIEVABLE COMMITMENTS WHICH WOULD BE INVOLVED SHOULD THE RECOMMENDED PLAN BE IMPLEMENTED.**

Any irreversible or irretrievable commitments of resources involved in the proposed action have been considered and are either unanticipated at this time, or have been considered and determined to present minor impacts. Development of the park is reversible, and reclamation of the property could be conducted in the future to return the property to natural conditions. Reclamation, if needed, would include removal of the development structures, grading the site back to the pre-existing grades, and re-vegetation of the disturbed areas.

**7. ADVERSE ENVIRONMENTAL EFFECTS WHICH CANNOT BE AVOIDED.** Any adverse environmental effects which cannot be avoided should the recommended project be implemented are expected to be minor individually and cumulatively. These include disturbance from construction activities, removal of forest land, and an increase in human use.

**8. THE RELATIONSHIP BETWEEN LOCAL SHORT-TERM USES OF MAN'S ENVIRONMENT AND MAINTENANCE AND ENHANCEMENT OF LONG-TERM PRODUCTIVITY.**

The proposed project constitutes a short-term use of man's environment, will result in minimal environmental impacts, and is not anticipated to affect long-term productivity. The proposed use of the Project Site is compatible with surrounding uses and other recreational development in the area. The City of Cumming has been intimately involved in the planning and development of Mary Alice Park and conducted public meetings to discuss the development of Mary Alice Park with a conference center and amphitheater. This public involvement was conducted during preparation of the previous EA in 2001. The primary negative feedback on the previous plan was the concern for noise associated with the amphitheater, so that element of the project has been removed. The previously approved Master Plan reportedly did not result in significant public controversy.

**9. COORDINATION.**

- a. U. S. Fish and Wildlife Service
- b. Georgia Department of Natural Resources
- c. Georgia Historic Preservation Division (concurrence previously obtained)
- d. City of Cumming

## **10. REFERENCES.**

Carter-Burgess. Forsyth County Major Transportation Plan – 2006 Update. November, 2006.

Department of the Army, South Atlantic Division, Corps of Engineers. 2004. Final Environmental Impact Statement. Lake Sidney Lanier, Georgia, Operations and Maintenance.

U.S. Army Corps of Engineers, Mobile District. September 1998. Draft Environmental Impact Statement. Water Allocation Table for the Apalachicola-Chattahoochee Flint (ACF) River Basin, Alabama, Florida, and Georgia.

U.S. Fish and Wildlife Service, Listed Species in Chattahoochee River, Upper North Watershed (HUC8: 03130001), February 2007.

U.S. Department of Agriculture, Soil Conservation Service, Soil Survey of Forsyth County, Georgia, 1960.

U.S. Department of the Interior, U.S. Fish and Wildlife Service, National Wetland Inventory Map, Buford, Georgia Quadrangle.

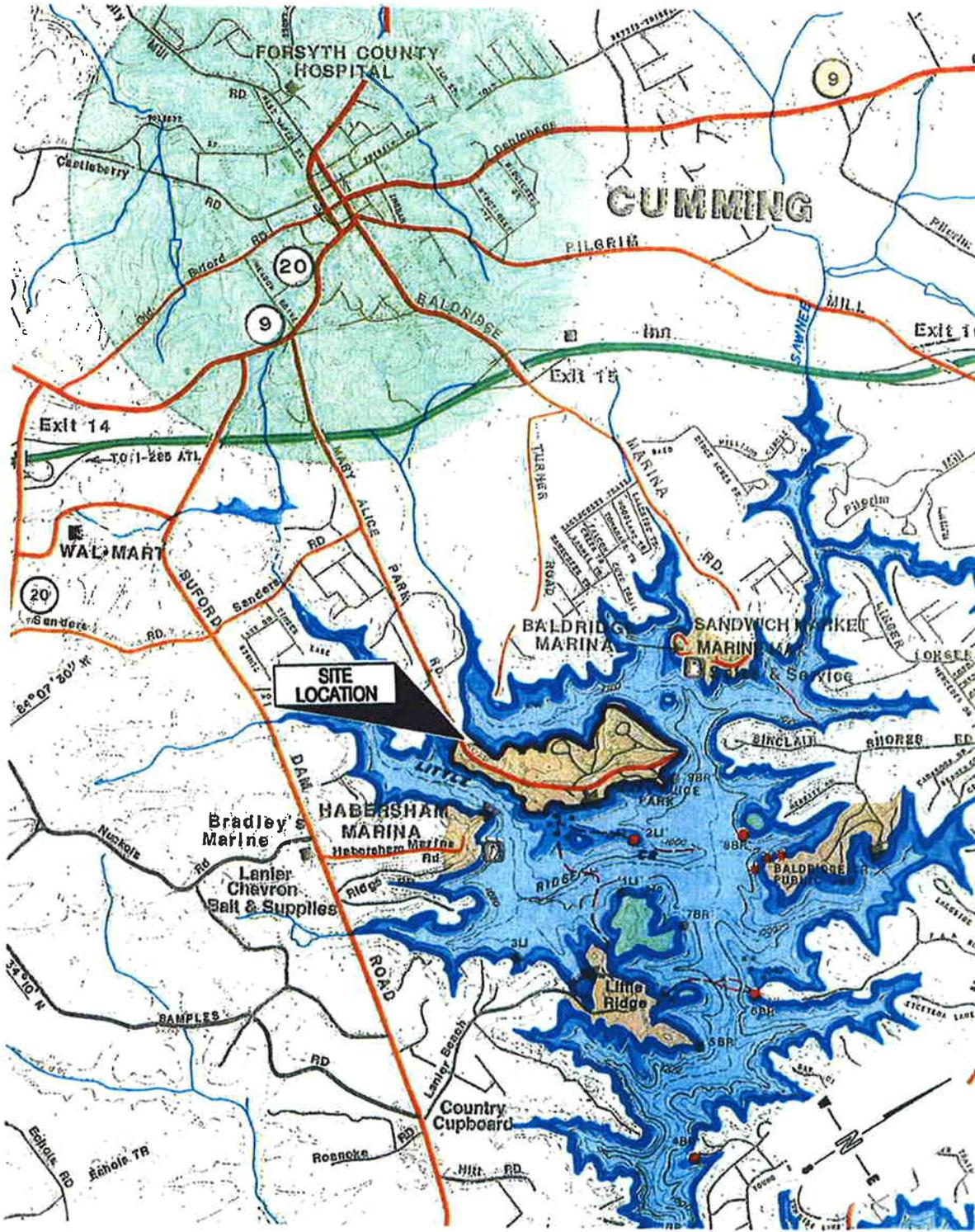
U.S. Geological Survey, 7.5-Minute Series Quadrangle Map, Buford, Georgia, 1964.

Environmental Laboratory. Corps of Engineers Wetlands Delineation Manual, Technical Report Y-87-1, U.S. Army Engineer Waterways Experiment Station, Vicksburg, MS, 1987.

**11. APPENDICES - SUPPORTING DOCUMENTS.**

- A. Maps and Figures
- B. Previously Approved Master Plan and FONSI
- C. Market Analysis Report, PKF Consulting
- D. Site Photographs
- E. Cultural Resource Literature Review
- F. Existing Conditions Plan and Master Plan

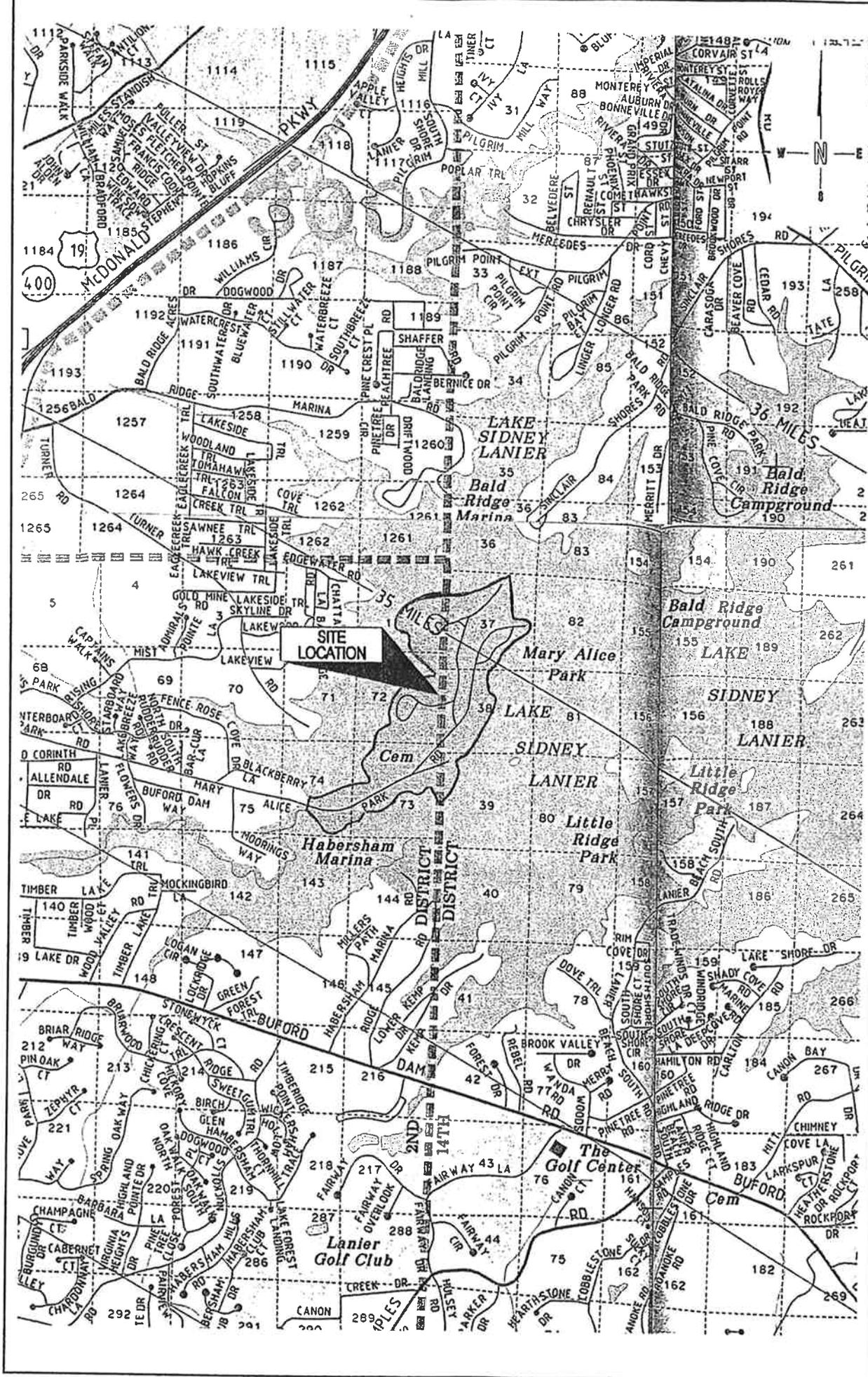
**APPENDIX A - MAPS AND FIGURES**



SCALE:	DATE: 2-Mar-07	PROJECT NO: 2006.2510.02	TITLE: LAKE RECREATION MAP
PREPARED: BRS	CHECKED: <i>PM</i>	REVISIONS:	MARY ALICE PARK DEVELOPMENT
CLIENT: MILLER & MARTIN			UNITED CONSULTING 625 Holcomb Bridge Road, Norcross, GA

FIG. 1

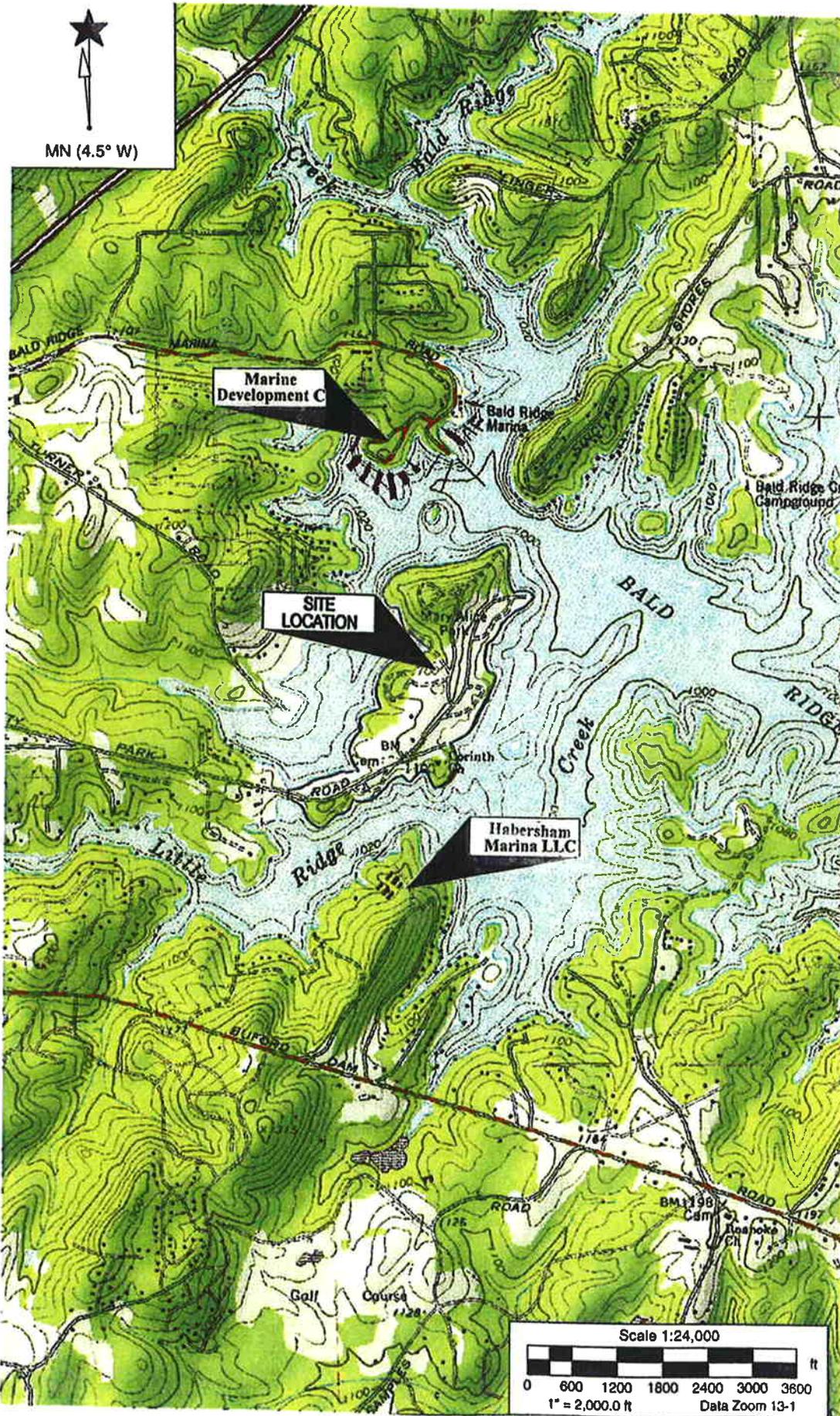




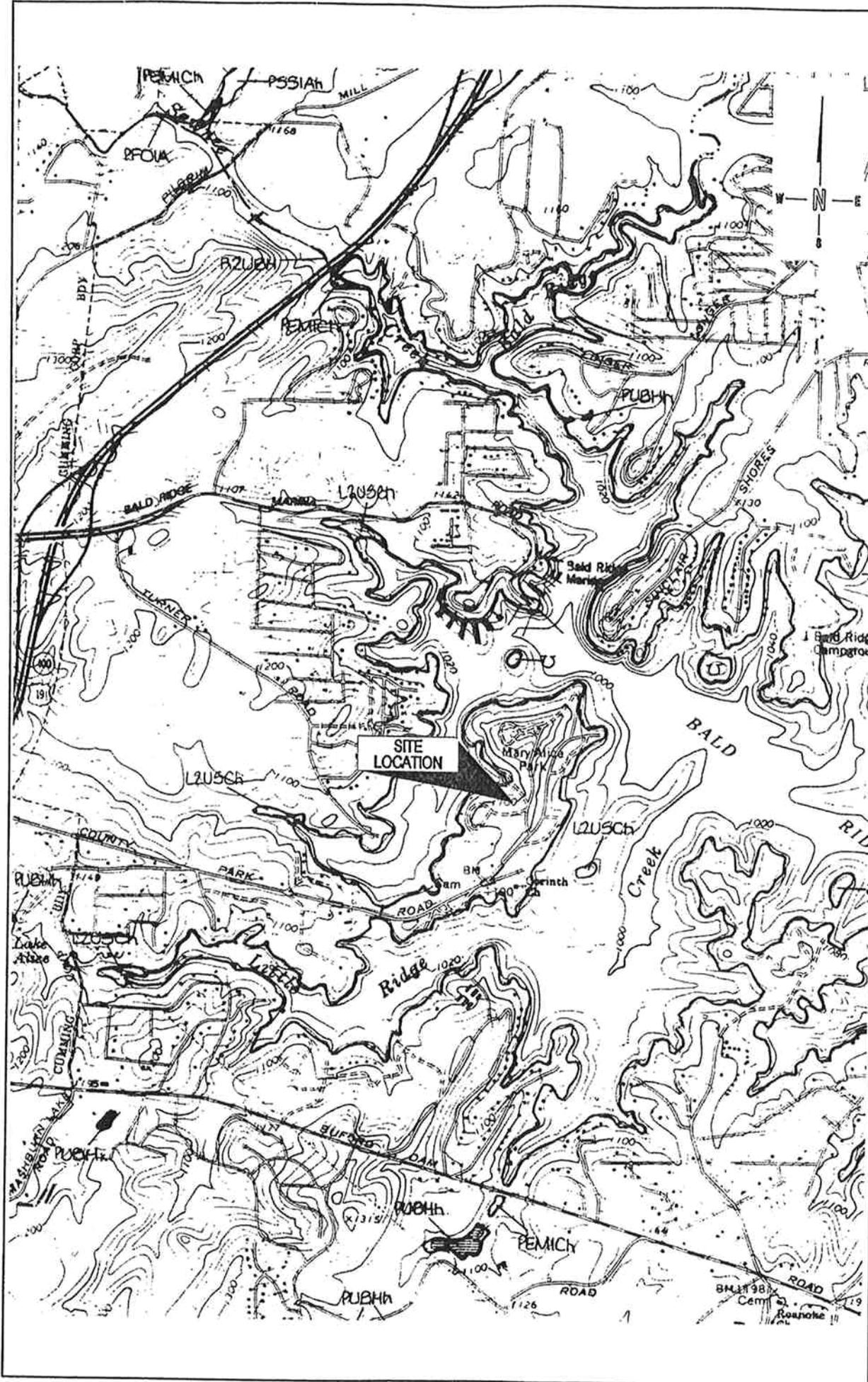
SCALE: 1"=2000'	DATE: 16-Jan-07	PROJECT NO: 2006.2510.01	TITLE: SITE LOCATION MAP
PREPARED: JDH	CHECKED: PK	REVISIONS:	MARY ALICE PARK DEVELOPMENT
CLIENT: MILLER & MARTIN	UNITED CONSULTING 625 Holcomb Bridge Road, Norcross, GA		

FIG. 2





SCALE: 1"=2000'	DATE: 2-Mar-07	PROJECT NO: 2006.2510.02	TITLE: USGS TOPOGRAPHIC MAP
PREPARED: BRS	CHECKED: <i>VM</i>	REVISIONS:	MARY ALICE PARK DEVELOPMENT
CLIENT: MILLER & MARTIN	UNITED CONSULTING 625 Holcomb Bridge Road, Norcross, GA		
			 FIG. 3



SCALE: 1"=2000'	DATE: 16-Jan-07	PROJECT NO: 2006.2510.01	TITLE: NATIONAL WETLAND INVENTORY MAP
PREPARED: JDH	CHECKED: PH	REVISIONS:	MARY ALICE PARK DEVELOPMENT
CLIENT: MILLER & MARTIN	 UNITED CONSULTING 625 Holcomb Bridge Road, Norcross, GA		

FIG.4



SCALE: 1"=1667'

DATE: 16-Jan-07

PROJECT NO: 2006.2510.01

TITLE: SOIL SURVEY MAP

PREPARED: JDH

CHECKED: JH

REVISIONS:

MARY ALICE PARK DEVELOPMENT

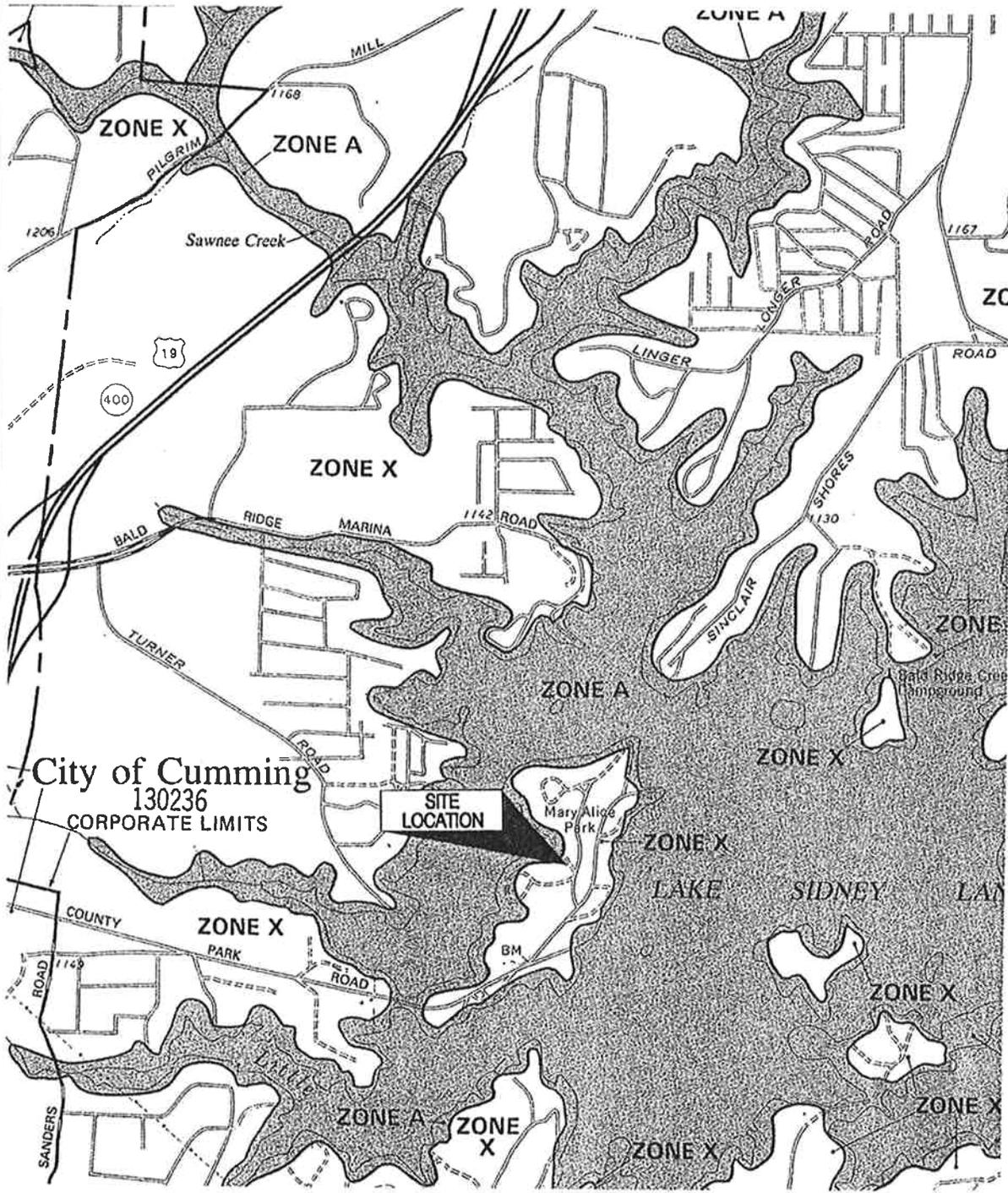
CLIENT:

MILLER & MARTIN

UNITED CONSULTING  
625 Holcomb Bridge Road, Norcross, GA



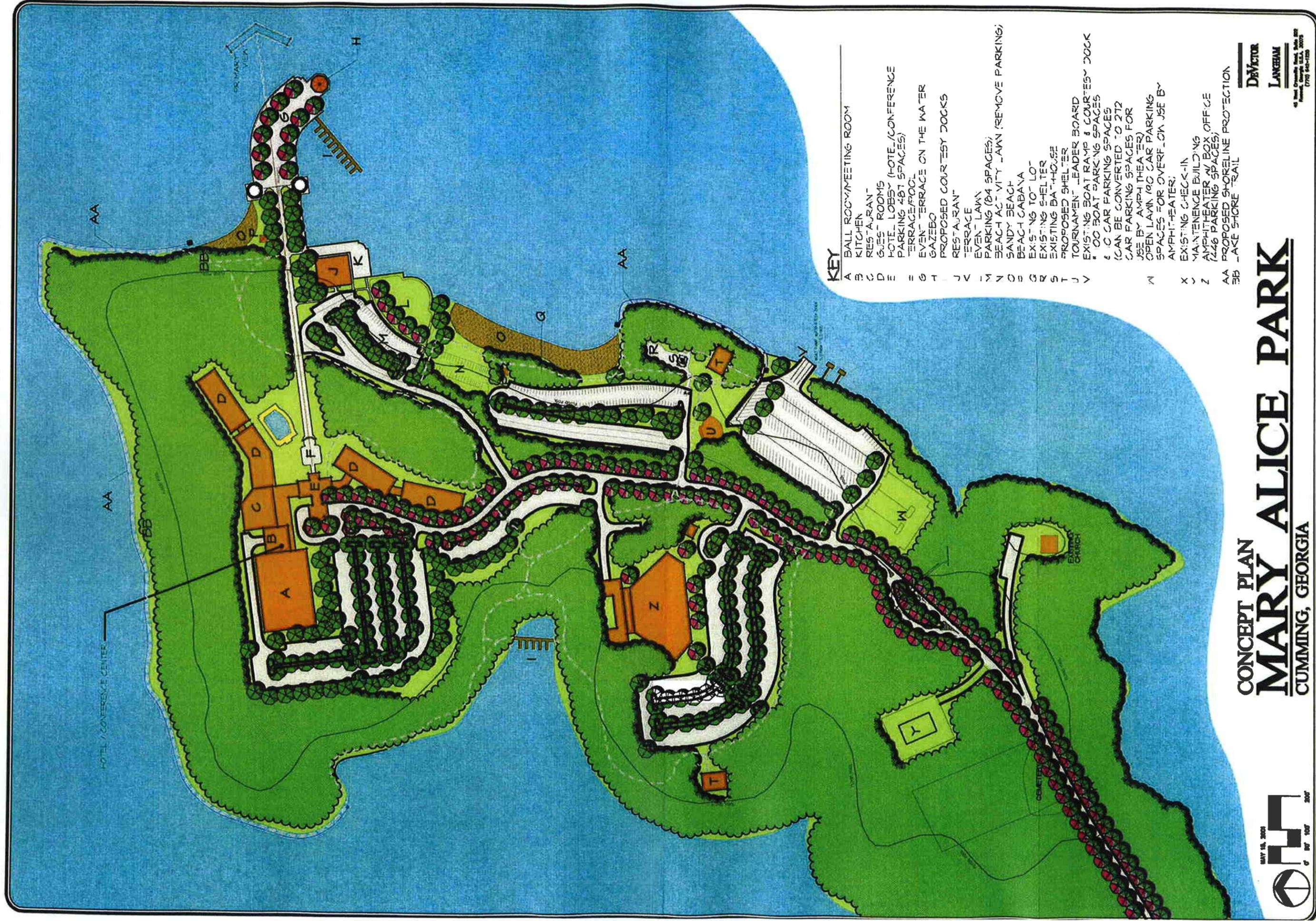
FIG.5



SCALE:	AS SHOWN	DATE:	16-Jan-07	PROJECT NO:	2006.2510.01	TITLE:	FEMA FLOODPLAIN MAP
PREPARED:	JDH	CHECKED:	JH	REVISIONS:		MARY ALICE PARK DEVELOPMENT	
CLIENT:	MILLER & MARTIN			 UNITED CONSULTING 625 Holcomb Bridge Road, Norcross, GA			

FIG. 6

**APPENDIX B – PREVIOUSLY APPROVED MASTER PLAN AND FONSI**



HOTEL / CONFERENCE CENTER

AA

AA

BB

BB

H

AA

G

AA

I

**KEY**

- A BALL ROOM / MEETING ROOM
- B KITCHEN
- C RESTAURANT
- D GUEST ROOMS
- E HOTEL LOBBY (HOTEL / CONFERENCE PARKING 481 SPACES)
- F TERRACE / POOL
- G EVENT TERRACE ON THE WATER
- H GAZEBO
- I PROPOSED COURTESY DOCKS
- J RESTAURANT
- K TERRACE
- L EVENT LAWN
- M PARKING (84 SPACES)
- N BEACH ACTIVITY LAWN (REMOVE PARKING)
- O SANDY BEACH
- P BEACH CABANA
- Q EXISTING 10' LOT
- R EXISTING SHELTER
- S EXISTING BATHHOUSE
- T PROPOSED SHELTER
- U TOURNAMENT LEADER BOARD
- V EXISTING BOAT RAMP & COURTESY DOCK
- W 100 BOAT PARKING SPACES
- X 100 CAR PARKING SPACES (CAN BE CONVERTED TO 212 CAR PARKING SPACES FOR USE BY AMPHITHEATER)
- Y OPEN LAWN / 90 CAR PARKING SPACES FOR OVERLAP USE BY AMPHITHEATER
- Z EXISTING CHECK-IN
- AA MAINTENANCE BUILDING
- BB AMPHITHEATER / BOX OFFICE (246 PARKING SPACES)
- AA PROPOSED SHORELINE PROTECTION
- BB LAKE SHORE TRAIL

CONCEPT PLAN  
**MARY ALICE PARK**  
 CUMMING, GEORGIA

**DeVactor**  
**LANGRISH**  
 4000 Peachtree Road, Suite 200  
 Atlanta, Georgia, U.S.A. 30305  
 (770) 448-1725

## FINDING OF NO SIGNIFICANT IMPACT (FONSI)

### PROPOSED LEASING OF GOVERNMENT PROPERTY FOR RECREATIONAL AND PRIVATE DEVELOPMENT

MARY ALICE PARK, LAKE SIDNEY LANIER  
NEAR CUMMING, FORSYTH COUNTY, GEORGIA

#### 1. PROPOSED ACTION:

The City of Cumming, Georgia, would lease all of the land within Mary Alice Park for further development. In addition, the City would manage, operate, and maintain existing Corps facilities.

#### 2. ALTERNATIVES CONSIDERED:

a. **"No Action"**: The alternative to the recommended plan is "no action". Under this alternative the government would deny the requested lease of Mary Alice Park to the City of Cumming, Georgia. This would result in no change to the current environment and continue Government expenditures to manage Mary Alice Park for its current use. This alternative would avoid disturbance of the environment through construction and subsequent increased human use. However, "no action" would be inconsistent with current policy to privatize recreational development, where appropriate, and would fail to implement recommendations by the National Recreation Lakes Study Commission. In addition, "no action" would prevent the local community from the social and economic benefits offered by the proposed facilities.

b. **The Recommended Plan**: The City of Cumming, Georgia, would lease all of the land within Mary Alice Park for the purpose of developing the currently unused land into hotel/conference center/amphitheater facilities. In addition, the City would manage, operate, and maintain the existing swimming beach and boat launching facilities.

Work required for the new development would include clearing of about 33 acres, placement of about 88,000 cubic yards of fill in upland areas, construction of up to 500 hotel rooms, construction of a 3,000 seat amphitheater, installation of about 10.5 acres of asphalt paving for parking and drives, and about 5,000 linear feet of shore line stabilization. Open lawn areas will be used for overflow parking.

An assessment was done of the social and economic base in the County and region which might support the proposed development. It concludes that the Mary Alice Park site has the necessary attributes to support the proposed development. It would provide an attractive venue for social and business gatherings and would also create new jobs.

October 2, 2001

**3. FACTORS CONSIDERED IN DETERMINATION THAT NO SUPPLEMENT TO THE EXISTING ENVIRONMENTAL IMPACT STATEMENT IS REQUIRED:**

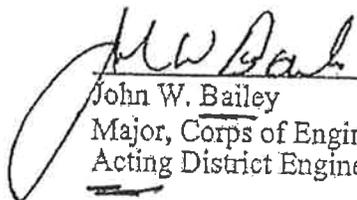
The environmental impacts of the proposed action are insignificant. Coordination under Section 7 of the Endangered Species Act has determined that the proposed development can occur without adversely affecting endangered or threatened species over the long term. No cultural resources or wetlands exist on the site. Use of Best Management Practices (BMP's) would minimize impacts to water quality during construction. The proposed development is consistent with the Lake Sidney Lanier Master Plan and is consistent with recommendations by the National Recreation Lakes Study Commission. *me*

Most negative impacts would be the result of construction and would, therefore, be short-term. Additional vehicular traffic generated by the development would not be sufficient to warrant structural improvements to local roads. The City of Cumming is already either planning or considering improvements to various intersections to improve traffic circulation in the area.

**4. CONCLUSION:**

An evaluation of the attached Environmental Assessment describing the proposed leasing and development of land at Mary Alice Park near Cumming, Georgia, concludes that this action would have no significant impact on the human environment, and that an Environmental Impact Statement is not required.

DATE: 190401

  
\_\_\_\_\_  
John W. Bailey  
Major, Corps of Engineers  
Acting District Engineer

**APPENDIX C – MARKET AND ECONOMIC FEASIBILITY STUDY**

# PKF

## Consulting

3475 Lenox Road  
Suite 720  
Atlanta, GA 30326

Telephone: (404) 842-1150  
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[www.pkfc.com](http://www.pkfc.com)

December 12, 2006

Mr. Patrick O'Donahue  
Vice President Development  
Great Wolf Resorts, Inc.  
122 West Washington Avenue  
Madison, Wisconsin 53703

**Reference: Proposed Great Wolf Resort  
Mary Alice Park – Cumming, Georgia**

Dear Mr. O'Donahue:

We have completed our preliminary review of the Forsyth County, Georgia market area as it relates to the development potential for a Great Wolf Resort (the "Project") at Mary Alice Park on Lake Lanier. In our analysis, we have performed a brief overview of the area to ascertain the market potential for the Project at the subject site. We have also considered the potential benefit to the City of Cumming and Forsyth County that could result upon completion of the Project.

Based on our review of both Forsyth County and the overall Atlanta area, we believe that the site at Mary Alice Park possesses the necessary attributes to potentially support a full service lodging operation typified by Great Wolf Resorts. In addition to potential utilization by visitors to the Forsyth and North Fulton County areas, we believe that the subject site possesses the requisite attributes to attract both leisure and group related lodging demand from throughout Georgia and the southern region.

### INTRODUCTION

It is generally recognized that the relative success of a hotel is influenced by factors that can be broadly categorized as economic, governmental, social, and environmental. Therefore, it is necessary to evaluate the dynamics of these factors within a market to understand their effect on the projected utilization levels of hotel real estate.

## **REGIONAL AND LOCAL OVERVIEW**

The success of the proposed Project will be heavily influenced by management's ability to attract both leisure and group meeting oriented demand emanating from throughout the southern region. The metropolitan area with the most dominant influence on resort-oriented lodging demand for the competitive set that is the subject of this report is the Atlanta Metropolitan Statistical Area ("MSA").

The City of Atlanta, Georgia's state capital, is the financial, commercial, transportation and cultural center of the southeastern United States. Atlanta is the headquarters of the Sixth Federal Reserve District, and includes a concentration of banking, insurance, as well as other financial and service industries to the region. Atlanta's excellent transportation and communications infrastructure has helped the City establish itself as the wholesale and retail hub of the South. Many major and international corporations maintain primary or regional headquarters in the metropolitan area.

*Note: Economy.com provided the following demographic and economic data (the most current available), which we have reviewed and have found to be highly informative concerning the economic outlook for the region in which the proposed Project will compete.*

**UNITED STATES**

**EMPLOYMENT GROWTH RANK**

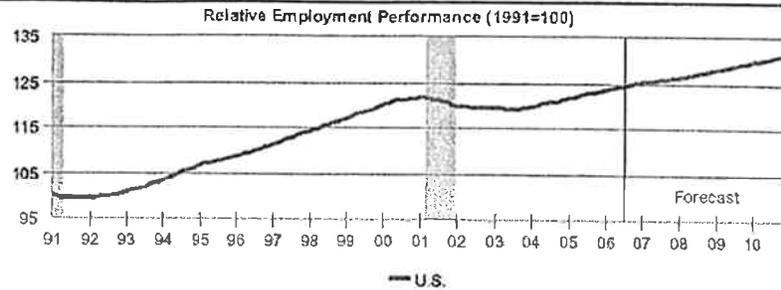
2005-07  
**1.3%**

2005-10  
**1.3%**

**RISK-ADJUSTED RETURN, '05-10**  
**0.61%**

**COST OF DOING BUSINESS**  
U.S. = 100%  
**100%**

**MOODY'S RATING**  
**Aaa**



1999	2000	2001	2002	2003	2004	2005	Indicators	2006	2007	2008	2009	2010
9,470	9,817	9,891	10,049	10,321	10,756	11,135	Gross Domestic Product, C\$B	11,536	11,883	12,267	12,662	13,046
4.5	3.7	0.8	1.6	2.7	4.2	3.5	% Change	3.6	3.0	3.2	3.2	3.0
129.0	131.8	131.8	130.3	130.0	131.4	133.5	Total Employment (Mil)	135.4	136.9	139.3	140.2	142.2
2.4	2.2	0.0	-1.1	-0.3	1.1	1.5	% Change	1.4	1.1	1.0	1.4	1.4
4.2	4.0	4.7	5.8	6.0	5.5	5.1	Unemployment Rate	4.7	4.9	4.8	4.7	4.6
5.1	8.0	3.5	1.8	3.2	5.9	5.4	Personal Income Growth	5.5	5.5	5.2	5.1	5.0
279.0	282.2	285.1	288.0	290.9	293.7	296.4	Population (Mil)	299.1	301.8	304.5	307.2	309.9
1.3	1.2	1.3	1.4	1.5	1.6	1.7	Single-Family Starts (Mil)	1.6	1.4	1.3	1.2	1.2
0.3	0.3	0.3	0.3	0.3	0.3	0.4	Multifamily Starts (Mil)	0.3	0.3	0.3	0.3	0.4
1,279	1,062	2,106	2,836	4,065	2,774	3,116	Mortgage Originations (Bil\$)	2,622	2,271	2,010	2,064	2,166
1,282	1,218	1,452	1,539	1,625	1,563	2,039	Personal Bankruptcies (000)	1,222	1,433	1,522	1,594	1,716
4.6	5.8	3.4	1.6	1.0	1.4	3.1	91-Day Treasury Bill (%)	4.9	4.9	4.6	4.6	4.4
5.6	6.0	5.0	4.6	4.0	4.3	4.3	10-Year Treasury Bond (%)	5.1	5.1	5.3	5.5	5.6

**STRENGTHS & WEAKNESSES**

**STRENGTHS**

- Continued high rate of technological change.
- Broad-based global growth.
- Record corporate profits and pristine corporate balance sheets.

**WEAKNESSES**

- High debt service burdens and negative personal saving rates.
- Skewed income and wealth distribution.
- Large current account deficit.
- Large federal government deficits.

**CURRENT EMPLOYMENT TRENDS**

June 2006 Employment Growth  
% change year ago, 3 mo. MA

**FORECAST RISKS**

**SHORT TERM**   **LONG TERM**

**UPSIDE**

- Labor productivity growth remains strong, supporting strong growth and low inflation.

**DOWNSIDE**

- Another terrorist attack.
- Energy prices continue to rise.
- Consumers pull back under the weight of high debt loads.
- Global investors panic due to widening current account deficit and sell U.S. assets.

**ANALYSIS**

**Recent Performance.** The economy's performance has weakened measurably in recent months. In the second quarter, real GDP growth slipped below trend, to less than 3% at an annualized rate, after growing at an above-trend 4% over the past three years. Underlying inflation has also accelerated, with core consumer price inflation recently breaching the Federal Reserve's 2.5% target.

Slower growth. Higher interest rates and energy prices are weighing on growth. After two years of steady tightening, monetary policy now appears to be somewhat restrictive. The real federal funds rate, as measured by the difference between the 10-year Treasury yield and the funds rate, has inverted. Inversions in the past have been a strong signal that the Federal Reserve has pushed too hard and recessions have often ensued. The signal is not as clear currently given the broader global forces affecting the U.S. bond market, but the curve suggests that policy has turned tight.

The housing market is showing the wear of two years of monetary tightening. Home sales are off sharply since their peak last summer, unsold inventories of homes have soared, prices have gone flat and new home construction is set to decline much further in coming months.

Consumers are feeling the effects of higher energy prices. Vehicle sales are flagging, declining from a near 17 million unit annualized pace in recent years to well below 16.5 million units currently.

All of this is evident in the job market. Average monthly payroll employment gains have weakened from close to 175,000 at the start of the year to no more than 125,000 recently. The falloff is due to sharp turns in construction and retailing from job gains to declines.

Higher inflation. The acceleration in underlying inflation is largely due to more rapid growth in apartment rents. Rents, which were falling as recently as a year ago, are now rising between 5% and 10% in most metropolitan areas. Behind this are higher mortgage rates and the resulting decline in housing affordability and homeownership. Landlords are aggressively raising rents in response to lower vacancies. This is also driving up the measured cost of housing services to homeowners. The Bureau of Labor Statistics uses rents in its calculation of the owners' equivalent rent, the imputed cost to homeowners of renting their homes back to themselves.

It is encouraging that the price surges for energy goods and other commodities have seemingly not affected underlying inflation. Businesses have been able to increase their energy efficiency and absorb their higher material costs, given historically wide profit margins. Consumers have seen little in the way of pass-through.

There is also little evidence that higher labor costs are fueling the pickup in inflation. Labor compensation growth has not appreciably accelerated despite the tighter job market, and productivity growth is strong. Accelerating inflation resulting from heightened labor cost pressures would be a much more worrisome development.

The economy's performance during the coming year will feel a bit uncomfortable, and stagflation fears will at times even intensify, but by the standards of mid-business cycle transitions, this one is shaping up to be rather graceful. There are some obvious risks and the Fed could still make a misstep, but the economy's fundamental strengths seem likely to prevail. Real GDP growth will slow from 3.5% in calendar year 2006 to at best 3% in 2007. Core CPI inflation will peak late this year at just under 3% on a year-over-year basis, and then decelerate back to within target by the middle of next year.

*Mark M. Zandi  
July 2006*

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### SOUTH

EMPLOYMENT GROWTH RANK	RISK-ADJUSTED RETURN, '05-10
2005-07	<b>0.37%</b>
<b>1.7%</b>	COST OF DOING BUSINESS
2005-10	<b>95%</b>
<b>1.7%</b>	COST OF LIVING
	<b>N/A</b>

Relative Employment Performance (1991=100)

								Indicators				
1999	2000	2001	2002	2003	2004	2005		2006	2007	2008	2009	2010
2,857.8	2,929.3	2,976.5	3,041.8	3,128.4	3,275.2	3,403.7	Gross Regional Product, C\$B	3,524.0	3,606.2	3,710.1	3,830.0	3,948.8
41,727	42,706	42,710	42,323	42,244	42,980	43,928	Total Employment ('000)	44,773	45,442	46,124	46,962	47,836
2.3	2.3	0.0	-0.9	-0.2	1.7	2.2	% Change	1.9	1.5	1.5	1.8	1.9
4.1	3.9	4.7	5.7	5.8	5.3	5.0	Unemployment Rate	4.5	4.6	4.5	4.3	4.2
5.3	7.9	4.6	2.2	3.5	6.4	6.1	Personal Income Growth	7.0	6.0	5.7	5.7	5.5
92,580	93,897	95,412	96,382	97,665	99,049	100,511	Population ('000)	101,757	103,038	104,198	105,442	106,713
827.4	781.4	652.0	721.9	723.6	816.9	865.9	Net Migration ('000)	668.6	698.6	574.1	652.3	672.8
521,064	500,461	528,603	576,016	639,833	726,828	797,044	Single-Family Permits	760,048	680,576	634,840	618,047	609,938
192,137	165,622	166,884	177,479	170,345	196,775	200,765	Multifamily Permits	184,646	142,999	154,710	154,097	165,743
190.5	199.9	213.9	225.2	237.5	256.7	289.0	House Price Index (1980Q1 = 100)	319.6	335.3	342.5	347.7	354.7
328,204	289,612	503,463	616,186	923,259	647,606	698,170	Mortgage Originations (\$M)	642,198	590,760	538,621	544,680	563,438
5,585.3	5,884.4	5,892.6	5,640.2	5,610.6	5,748.5	5,853.3	New Vehicle Registrations ('000)	5,798.1	5,639.3	5,596.9	5,594.2	5,633.5
459,503	445,527	508,352	557,607	599,339	594,253	627,229	Personal Bankruptcies	394,621	468,606	514,226	536,074	576,382

#### STRENGTHS & WEAKNESSES

STRENGTHS

- Balanced housing markets in most of the region.
- Strong political base in U.S. Congress.
- Low business costs relative to U.S.
- Strong population growth.

WEAKNESSES

- Globalization is reducing the South's competitive advantage.
- Workforce quality still lags in many parts of the region.
- Low per capita income and rising debt-service burdens.

#### ANALYSIS

Recent Performance. The pace of economic growth in the South is holding steady, in distinct contrast to the slowing U.S. economy. The stability is indicated by labor market conditions in which job growth at midyear is just slightly weaker than the rate of growth in January. Further, the unemployment rate is holding steady. The second quarter saw additional strength in the Carolinas, where job growth accelerated, but this was offset by some slowdown in Georgia and Florida. The Carolinas are now among the fastest growing states in the region, joining Florida and Texas in the top tier.

Industry. Industrial production growth also is outpacing the U.S. average, although this is not translating into job gains, as manufacturing employment is falling and hours worked per week in southern manufacturing industries have held steady since January. Southern manufacturing is becoming more productive as it shifts from nondurables to durable goods production, leading to improved income gains. But even here, an acceleration seen in average hourly earnings in manufacturing last year largely disappeared in this year's first half.

More broadly, however, across all industries, growth of wage and salary income per worker has outpaced the national average, indicating a healthy economy and improving productivity. This is reflected in rising consumer confidence throughout the South in the second quarter according to the Conference Board's survey.

Housing. The housing market is holding steady throughout much of the region outside of Florida. In particular, house prices accelerated in the second quarter in the Southwest, driven in part by a shift in investor interest away from the high-priced markets in Florida and the West Coast toward Texas metropolitan areas. Permits issued for residential construction did falter in the second quarter, indicating a slower pace of construction in this year's second half, although the slowdown is concentrated primarily in Florida. Housing markets are supported by population growth in the region that is more than twice that of the rest of the country combined, and by housing markets that are largely in balance in terms of supply and price, again excluding Florida.

Gulf recovery. The faster rate of recovery on the Mississippi coast versus New Orleans is evident by several measures. Residential construction permits, for example, have surged in Gulfport and Biloxi to a level about one-third higher than normal over the past several years. Yet in New Orleans, permit issuance remains below the average of the period between 2003 and when the hurricanes hit last year.

Employment gains also are most steady through mid-2006 on the Mississippi coast, although it is most evident in Pascagoula, which had less damage than did Gulfport. The situation is similar in Louisiana, where job growth remains strong in Baton Rouge; New Orleans's payroll employment has actually fallen in recent months, back to its year-end estimate. Admittedly, the BLS's employment estimates for the damaged areas are fraught with uncertainty and there is likely a lot of off-the-books employment related to cleanup and repairs, but the broad trends do indicate that the worst hit areas are still struggling mightily and nearby metropolitan areas not directly hit by the storms are seeing gains from relocating households and businesses.

The near-term outlook is stable for the region, which faces less risk from higher interest rates and oil prices than does the rest of the country. Energy exploration and development favors Texas and the Southwest. Homebuilding may likely avoid any correction outside of Florida and could even accelerate on the Atlantic coast given the accelerating economy there. Risks are concentrated in Florida and northern Virginia due to overbuilt housing markets.

Steven G. Cochran  
July 2006

#### CURRENT EMPLOYMENT TRENDS

June 2006 Employment Growth  
% change year ago, 3 mo. MA

#### FORECAST RISKS

SHORT TERM ↓
LONG TERM ↑

UPSIDE

- Baby-boom generation retires earlier than expected, supporting housing and services.
- Tech-based Industries and auto parts and assembly plants revitalize metro areas.
- Defense spending accelerates in light of global conflicts.

DOWNSIDE

- Loss of manufacturing Industries accelerates.
- Intra-regional migration drains rural counties, stresses urban areas.

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## ATLANTA

**EMPLOYMENT GROWTH RANK**  
2005-07  
**89**  
2nd quintile

2005-10  
**59**  
1st quintile

**LIFE CYCLE PHASE**  
Growth/Mature

**VITALITY**  
22  
1st quintile

**COST OF DOING BUSINESS**  
U.S. = 100%  
**96%**

**COST OF LIVING**  
U.S. = 100%  
**97%**

### Relative Employment Performance (1991=100)

DataBuffer® MSA code: MATL

						2004 2005		Indicators						
1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010			
170.4	176.5	160.4	181.4	164.1	192.9	202.2	211.0	218.1	226.0	234.7	244.0	Gross Metro Product, C\$B		
7.7	3.6	2.2	0.6	1.5	4.8	4.8	4.4	3.4	3.8	3.8	4.0	% Change		
2,228.4	2,269.6	2,301.5	2,258.8	2,236.9	2,268.5	2,337.6	2,394.8	2,436.7	2,482.1	2,538.1	2,601.7	Total Employment (000)		
4.7	2.8	0.5	-1.9	-1.0	1.4	3.0	2.4	1.8	1.9	2.3	2.6	% Change		
3.0	3.1	3.6	4.9	4.8	4.6	5.1	4.5	4.0	3.8	3.6	3.6	Unemployment Rate		
8.1	10.5	4.4	1.2	2.5	5.7	7.0	7.7	6.7	6.0	5.9	6.0	Personal Income Growth		
4,142.6	4,281.6	4,427.9	4,550.7	4,675.4	4,796.3	4,917.7	5,030.2	5,137.8	5,240.4	5,344.0	5,451.1	Population (000)		
49,619	48,055	49,980	51,887	55,035	57,316	61,558	57,431	58,490	55,903	56,173	55,774	Single-Family Permits		
12,799	17,523	16,905	16,476	11,344	16,691	11,303	15,937	20,600	22,322	22,804	23,997	Multifamily Permits		
123.3	130.8	138.8	146.2	152.0	158.6	166.8	173.6	180.5	187.4	194.8	202.7	Existing Home Price (\$Ths)		
27,873	24,354	47,649	53,632	78,618	50,247	54,821	49,663	45,906	42,820	44,044	46,188	Mortgage Originations (\$Mil)		
84.2	82.7	74.2	55.8	52.9	53.1	71.2	61.7	55.9	49.8	50.0	52.5	Net Migration (000)		
26,206	26,661	31,724	35,395	39,542	37,797	43,800	19,168	24,333	25,273	25,613	27,457	Personal Bankruptcies		

### STRENGTHS & WEAKNESSES

**STRENGTHS**

- Diverse economy.
- Strong in-migration and population growth.
- Transportation, distribution, and cultural center.

**WEAKNESSES**

- Overtaxed infrastructure.
- Weakness in key industries, telecom and airlines.
- Mounting problems associated with suburban sprawl.

### ANALYSIS

**Recent Performance.** Atlanta continues to add jobs at a faster pace than the nation despite a definite deceleration. While payroll growth in most industries far exceeds the national trend, office-using employment has seen noticeably slower growth, due mostly to weak performance in business and professional services. Also, construction employment has seen declines in recent months, contributing a fair share to the overall deceleration. Despite weakness in these two sectors, the still strong employment growth has led to three months of steady declines in the unemployment rate; at 4.4%, ATL's rate rests below the national figure.

Since ATL's house-price appreciation was tame compared to hot spots nationwide, the metro area has only seen a mild turndown in the housing market. While house-price appreciation has slightly slowed, home sales are still increasing and starts are holding steady.

**Headquarters.** While ATL's ability to attract headquarters has greatly helped growth over the past decade, hits to several of these key employers are taking a toll. Most recently, the announcement that US Airways is looking to take over Delta creates serious risks for this sector's employment going forward. While no announcements concerning the future of ATL's headquarters employment numbers have been offered, certainly the cost-cutting measures of the proposed merger would include serious cutbacks in ATL, with important multiplier effects on consumer-driven industries. In other M&A news, the Bell South-AT&T final approval vote has been delayed again, and the changing face of Congress may lead to more strings being placed on the final approval. One bright spot on the headquarters front comes from Newell Rubbermaid, which announced plans to build a new headquarters building and more than double its current employment.

**Tourism.** ATL's tourism industry shows strong potential for growth as the city devel-

**ops** beyond its already substantial ability to draw in visitors for conferences. The aquarium has proved a bigger draw than expected in its first year, and the opening of the new World of Coke Museum in May 2007 will help keep momentum strong. The proposed Civil Rights Museum will strengthen ATL's draw as well. Because of the increasing attractiveness of ATL as a tourist destination, hotel occupancy rates and average revenue per room are up, and a number of new hotels are being built.

**Development.** Foreign visitors, whose numbers have been increasing greatly, list shopping as their preferred activity, and the development of the "Midtown Mile" will only help bring in these tourists as the "12th & Midtown" project features plans for the city's first flagship shopping area, with 150,000 square feet of multi-level upscale retail space, in addition to 500 hotel rooms and 600 residences. Moreover, downtown will see a resurgence as a whole neighborhood is being developed near Centennial Olympic park, including 3,000 residential units and three large office buildings. Long commute times have made moving into the city more attractive and this increase of residential options will help revitalize the city's core, as well as help continue to attract in-migration from other more expensive urban areas such as New York and Los Angeles.

Low costs of doing business and high affordability relative to other urban areas remain the keys to Atlanta's ability to ride out bumps in the road caused by hits to major employers. While the proposed Delta takeover creates serious risks for the economy, the metro area's diversity and current development steam will keep ATL on track. Although ATL will see decelerating growth over the coming year, the metro area will continue to outperform the nation over the forecast horizon.

*Rebecca Seweryn*  
November 2006

### CURRENT EMPLOYMENT TRENDS

October 2006 Employment Growth  
% change year ago, 3 mo. MA

### FORECAST RISKS

SHORT TERM ↓ LONG TERM ↑ RISK-ADJUSTED RETURN, 05-10 **0.92%**

**UPSIDE**

- Rapid in-migration resumes.
- A new round of corporate headquarters relocations boosts office market.
- New development opportunities spur revitalization.

**DOWNSIDE**

- Congestion reduces appeal for expanding businesses and migrants.
- US Airways' takeover of Delta goes through.
- Manufacturing employment nosedives.

### EMPLOYMENT & INDUSTRY

#### TOP EMPLOYERS

Emory University	21,787
Delta Air Lines	19,235
Public Supermarkets	16,855
Kroger Company	15,500
BellSouth Corporation	15,500
Wal-Mart Stores Inc.	14,700
The Home Depot	13,184
United Parcel Service	10,530
Wellstar Health Systems	10,112
SunTrust Banks Inc.	7,769
Lockheed Martin Aeronautics	7,531
IBM Corporation	7,500
Northside Hospital	7,100
Georgia Institute of Technology	7,075
Wachovia Corporation	6,000
Turner Broadcasting Systems Inc.	5,959
Cox Enterprises	5,606
The Southern Company	5,490
AT&T Corporation	5,200
Waffle House	5,200

Source: Metro Atlanta Chamber of Commerce, March 2006

#### INDUSTRIAL DIVERSITY

Most Diverse (U.S.)

Least Diverse

#### EMPLOYMENT VOLATILITY DUE TO U.S. FLUCTUATIONS RELATIVE TO U.S.

### MIGRATION FLOWS

Into Atlanta, GA	Number of Migrants	Median Income
New York, NY	8,283	24,245
Chicago, IL	3,223	33,804
Los Angeles, CA	3,057	25,907
Gainesville, GA	2,745	27,457
Fort Lauderdale, FL	2,736	29,207
Washington, DC	2,630	31,207
Athens, GA	2,223	22,031
Orlando, FL	2,226	36,000
Tampa, FL	2,215	31,152
Miami, FL	2,172	21,937
<b>Total Immigration</b>	<b>210,435</b>	<b>24,310</b>

From Atlanta, GA	Number of Migrants	Median Income
Gainesville, GA	3,814	32,537
New York, NY	2,453	24,971
Tampa, FL	2,262	37,441
Washington, DC	2,027	37,448
Jacksonville, FL	1,865	39,997
Orlando, FL	1,811	32,255
Athens, GA	1,781	22,164
Chicago, IL	1,669	27,850
Charlotte, NC	1,532	42,898
Fort Lauderdale, FL	1,462	26,881
<b>Total Outmigration</b>	<b>145,896</b>	<b>27,956</b>

<b>Net Migration</b>	<b>64,539</b>	<b>-3,646</b>
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#### Net Migration, ATL

	2002	2003	2004	2005
Domestic	28,105	24,664	27,428	47,719
Foreign	29,696	28,247	25,711	23,498
<b>Total</b>	<b>55,801</b>	<b>52,911</b>	<b>53,137</b>	<b>71,217</b>

Source: IRS (top), 2005; Census Bureau, 2005

### COMPARATIVE EMPLOYMENT AND INCOME

Sector	% of Total Employment			Average Annual Earnings		
	ATL	GA	US	ATL	GA	US
Construction	5.7%	5.2%	5.5%	\$49,924	\$39,951	\$45,244
Manufacturing	7.6%	11.2%	10.7%	\$67,775	\$55,423	\$65,673
Durable	52.0%	46.2%	62.9%	nd	\$58,070	\$67,102
Nondurable	47.4%	53.8%	37.1%	nd	\$53,207	\$63,325
Transportation/Utilities	5.2%	4.5%	3.7%	nd	\$59,640	\$54,428
Wholesale Trade	6.7%	5.3%	4.3%	\$76,113	\$65,898	\$62,643
Retail Trade	11.0%	11.5%	11.4%	\$29,644	\$26,090	\$26,652
Information	3.8%	2.9%	2.3%	\$104,045	\$90,080	\$79,678
Financial Activities	6.7%	5.6%	8.1%	\$56,255	\$45,531	\$51,729
Prof. and Bus. Services	16.6%	13.3%	12.6%	\$52,187	\$45,064	\$49,211
Educ. and Health Services	9.9%	10.6%	13.0%	\$42,853	\$40,109	\$39,829
Leisure and Hosp. Services	9.3%	9.3%	9.6%	\$20,473	\$17,978	\$19,370
Other Services	4.1%	3.9%	4.0%	\$24,055	\$21,344	\$22,940
Government	13.2%	18.2%	16.3%	\$52,575	\$49,375	\$53,033

Sources: Percent of total employment - Moody's Economy.com & BLS, 2005; Average annual earnings - BEA, 2004

### HOUSE PRICES

— ATL — U.S.

Source: OFHEO, 1987Q1=100, NSA

### LEADING INDUSTRIES

NAICS Industry	Employees (000)
GVSL State & Local Government	262.3
5613 Employment Services	95.5
7221 Full-Service Restaurants	86.2
7222 Limited-Service Eating Places	71.0
6221 General Medical and Surgical Hospitals	50.2
GVF Federal Government	46.2
5511 Management of Companies and Enterprises	41.0
4451 Grocery Stores	40.8
4811 Scheduled Air Transportation	37.1
2382 Building Equipment Contractors	37.0
5617 Services to Buildings and Dwellings	36.3
6211 Offices of Physicians	33.4
5415 Computer Systems Design and Related Svcs.	33.4
4251 Wholesale Elect. Markets & Agents & Brokers	31.0
4521 Department Stores	30.8

High-tech employment	123.7
As % of total employment	5.2

Source: BLS, Moody's Economy.com, 2005

### PER CAPITA INCOME

■ ATL ■ GA ■ US

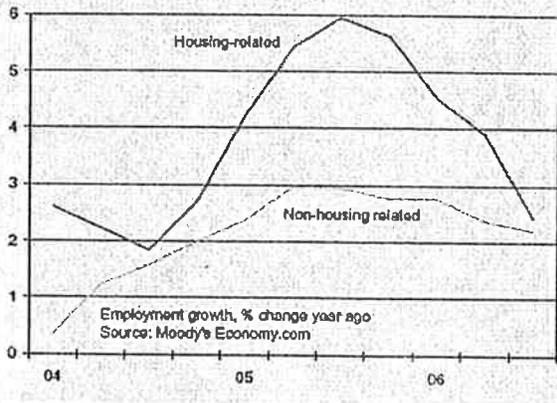
Source: Bureau of Economic Analysis, 2004

### CREDIT QUALITY

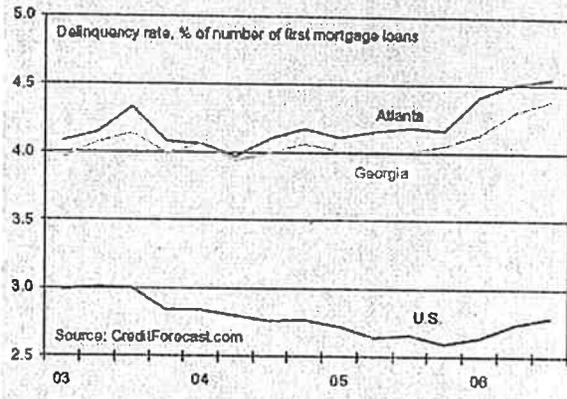
MOODY'S RATING	COUNTY <b>Aa3</b>
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## Atlanta

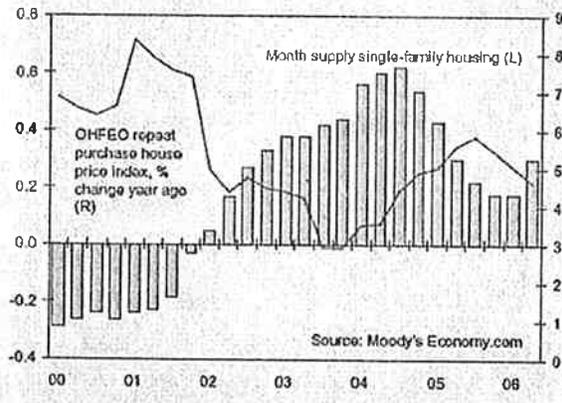
**Housing-Related Employment Falling in Line**



**Mortgage Delinquencies Predict Even More Foreclosures**

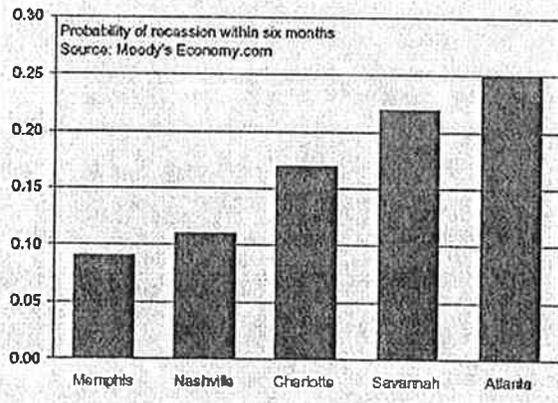


**Atlanta Only Seeing Slight Moderation in Housing Market**

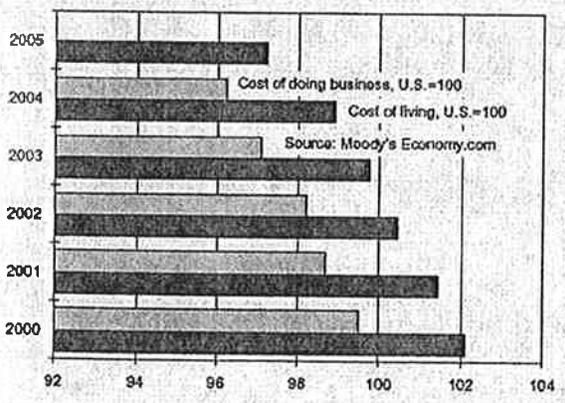


ATL placed in the top three metro areas for highest foreclosure rates in the first and second quarter 2006. Pension plan restructuring as part of Delta's bankruptcy proceedings, as well as the resetting of adjustable rate mortgages and corporate layoffs, fuel this trend. Rising delinquency rates on mortgages and the closing of the Ford Hapeville plant provide convincing evidence that the problem will not resolve itself in the near term. While strong prospects for the housing market placed ATL on Business 2.0's list of top ten places to buy, the aforementioned problems also placed ATL on the magazine's top ten places to cash in on foreclosed properties.

**Atlanta Faces Higher Recession Risk Than Neighbors**



**Atlanta Improves Attractiveness on Multiple Fronts.**



The risk of recession in ATL is noticeably higher than in neighboring metro areas, and the nation overall. Although ATL has been outperforming the nation, significant risks have arisen. The Ford plant closure, deteriorating credit quality, expected job losses due to BRAC recommendations, effects of the possible Delta merger, and future cuts at UPS are all on the list of significant risks to the ATL economy, which combine with the slowdown in employment growth to raise worries for the metro area. However, strong population growth and the relative insulation from the housing market correction keep the overall probability of recession comfortably low.

One of the major developments in the metro area in the decades ahead is the continued expansion of Atlanta's population. Much of region's population growth has occurred in the suburban and exurban counties of Atlanta's twenty-county MSA. Cheaper and larger plots of land, escapism from City living, and the desire for more traditional residential communities resulted in the development of burgeoning towns far from the City center. However, as traffic congestion levels escalated over the past decade, and commute times lengthened for non-City residents, as well as the growing demographic of empty-nest Baby Boomers and single professionals, more and more Atlantans have moved back into the City.

Specifically, the Atlanta Regional Commission projects a 62% increase in population from 2000 to 2030 over the metro area. Many estimates expect the metro population to exceed six million by 2030. With relatively low labor costs, a highly educated workforce, and a pro-business local government, Atlanta should remain an attractive City for new businesses and residents.

### **Tourism and Related Activities**

As the Southeast's largest metropolitan area, Atlanta provides a significant number of opportunities for leisure and entertainment. The hosting of the 1996 Olympic Summer Games, the 1994 and 2000 Super Bowls and the Major League Baseball World Series in 1991, 1992, 1995, 1996 and 1999 has attracted attention to Atlanta as a destination for leisure travel. Attractions such as professional sports, Six Flags Over Georgia Amusement Park, White Water Park (a theme water park), Stone Mountain Park, The King Center, Underground Atlanta, the newly developed Atlanta Aquarium, and numerous outdoor activities and festivals help to generate year-round tourism in Atlanta. As a follow-up to the 1996 Olympic Summer Games, Atlanta has already been successful in attracting other national and international sporting events, including the NCAA Tournament Mens Final Four and championship games held at the Georgia Dome in March and April 2002 as well as this coming year, 2007.

Atlanta's tourism industry appears to have rebounded significantly since the recent downturn in visitors over the past few years. The Atlanta Convention & Visitors Bureau determined that approximately 20 million visitors traveled to metro Atlanta in 2005, up from 18.5 million in 2004. The majority of visitors, 85 percent, were from out of the state. Of the 20 million visitors, 69 percent were leisure travelers and 31 percent were business travelers.

Recently, two tourist-related improvements have occurred in downtown, which have furthered the revitalization of this area of the City:

1. The Georgia Aquarium opened in November 2005 on a nine-acre site adjacent to the under-construction new World of Coke Museum and Centennial Olympic Park. Syska Hennessy Group Cambridge was awarded the design contract for the \$300 million project, and the Marcus Foundation provided the majority of the funding. The facility comprises 400,000 square feet of aquatic exhibit space and

over five million gallons of water, making it the world's largest aquarium. The aquarium attracted a reported 3.4 million visitors during its first year of operation.

2. The World of Coca-Cola Atlanta will move from its Underground Atlanta location to a site adjacent to Centennial Olympic Park and is slated to open in the summer of 2007. The current museum consists of visually stimulating images, designs, and chronology of Coke. Guests engage in a 30-minute guided tour of the facility that includes sampling of Coke products from around the globe. The new facility if planned to be four times the size of the existing Museum.

## Conclusions

The outlook for the continued growth and development of the regional market area to be served by the proposed Project is very favorable. Expectations for the consistent quality growth throughout the Atlanta MSA in specific portend attractive market conditions for resorts competing for leisure and group-related demand. This has positive implications for the proposed Project because of the subject sites' proximity to Atlanta and the regional transportation infrastructure contained therein.

## AREA AND NEIGHBORHOOD REVIEW

Mary Alice Park is located in Forsyth County in the northern reaches of the Atlanta Metropolitan Statistical Area ("MSA").

- Forsyth County is currently the twelfth fastest growing county in the United States, achieved a population of approximately 126,000 people in 2005 (26 percent higher than the year 2000).
- Per the Georgia Department of Labor, the population of Forsyth County is estimated to increase to 146,000 by 2010. Factors contributing to this growth include: the county's attractive supply of developable land; access to resources, including adequate water and sewer service; low tax rates; proximity to Lake Lanier and its recreational amenities; and proximity to North Fulton County/Alpharetta, one of the fastest growing commercial areas in the Atlanta MSA during the past decade.
- Forsyth County offers some of the highest quality housing at very affordable prices in the metropolitan Atlanta area. The median sales price in 2005 for a Forsyth County home was \$286,652.
- Forsyth County is home to an impressive base of major companies, including Siemens Energy and Automation, Tyson Foods, Scientific Games (headquarters), BP Amoco Polymers Group (headquarters), L3 Communication Display Systems, United Parcel Service Data Center, The AXA/Equitable Training Center, Johnson Controls, Bell South Entertainment, Fisher Scientific, Alltel, Champion Computers, Radiant

Systems, Smart Corporation, Continental Plastics, and Baptist Medical Center.

- Major firms located in nearby Alpharetta include ADP, Nortel, Alltel, Equifax, Imnet, General Electric, Lucent Technologies, E\*Trade, AT&T, MCI WorldCom, Radiant Systems, Choicepoint, Aetna US Healthcare, State Farm, Sun Microsystems, Ryder Systems, and HBO & Company. Over 25 percent of Forsyth County's workforce is employed in Fulton County.

## **SITE CHARACTERISTICS**

Mary Alice Park offers an attractive location on Lake Lanier. Highlights of the site location are as follows.

- The 112-acre Mary Alice Park is located along the western shore of Lake Lanier and is accessed from Georgia 400 via Georgia State Highway 20 to Sanders Road to Mary Alice Park Road West. Georgia 400 is the primary commercial artery that connects the site area to the balance of the Atlanta MSA and the interstate highway system (I-20, 75, 85 and 285) that intersects therein. Highway access to the Project is roughly comparable to the majority of existing operations that will comprise the subject's competitive set. Overall, the site is conveniently located on the western side of Lake Lanier, close to the Georgia 400 commercial corridor. Direct access could also be enhanced by the planned development of a new interchange at Mary Alice Park Road and Georgia 400.
- Mary Alice Park is located approximately fifty miles north of Hartsfield Jackson Atlanta International Airport, the busiest airport in the world.
- Lake Lanier covers 38,000 acres in Forsyth, Gwinnett, Hall, Dawson, and Lumpkin Counties. Created by the US Army Corp of Engineers in 1950, Lake Lanier is a popular recreation site for Atlanta area residents, attracting nearly seven million visitors per year.
- Mary Alice Park is situated on a peninsula, offering attractive frontage along Lake Lanier. Existing facilities include a public beach, bathhouse, boat ramp, RV campground, picnic shelter, and playground.
- The proposed Project would be located at the tip of the peninsula in Mary Alice Park, and will offer panoramic views of Lake Lanier. The aesthetics of the site provide a setting conducive for a destination resort operations.

## HOTEL MARKET ANALYSIS

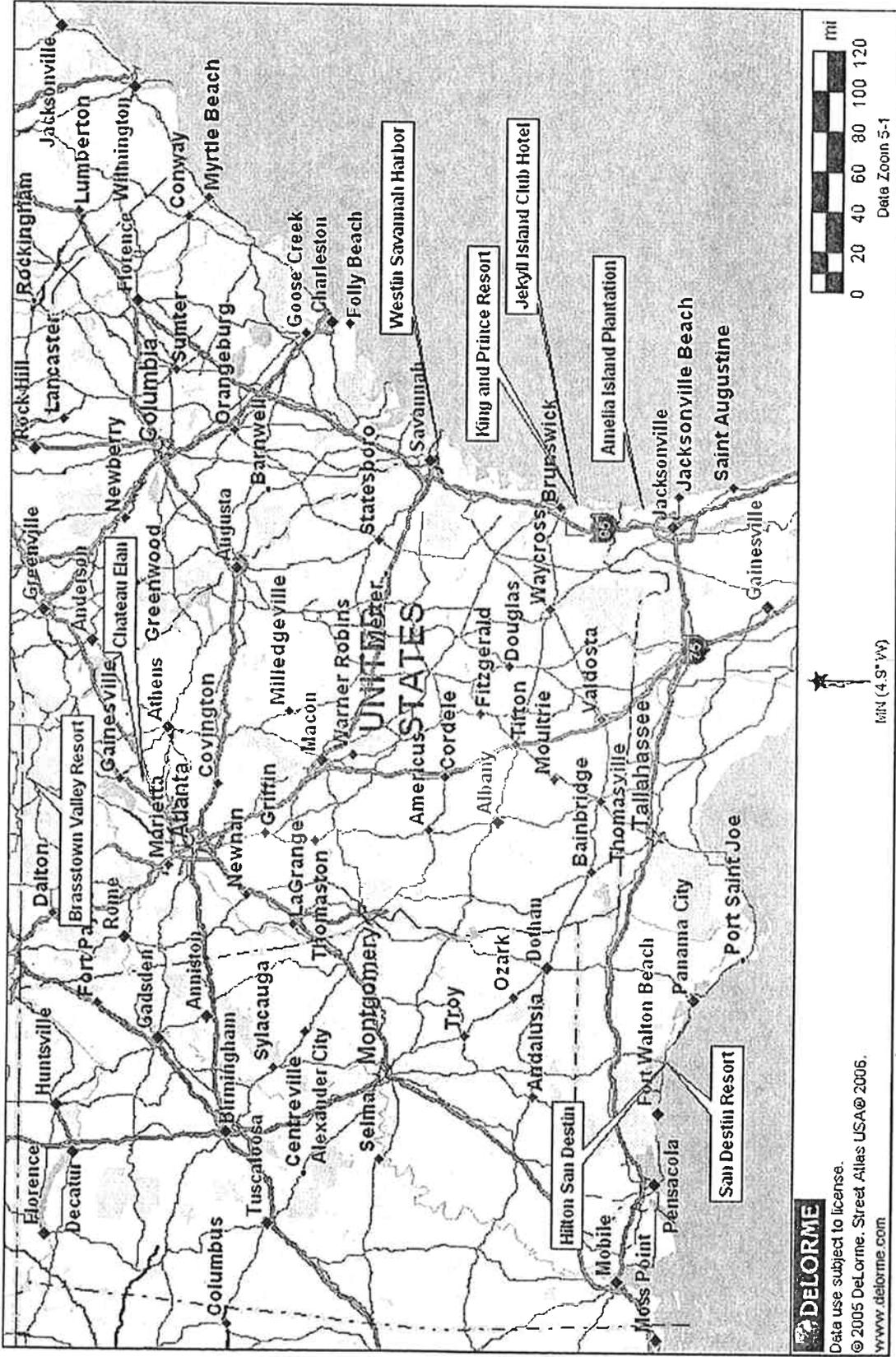
### Competitive Supply

The majority of competitive hotels are regionally focused destination resorts with extensive facilities, attracting leisure travelers, professional trade and state associations and corporate groups. While none offer all of the types of amenities typical found in a Great Wolf Resort, their performance illustrates the level of existing support in the region for high quality resort operations. Collectively, these hotels contain a total of 2,137 guestrooms. The selection of the competitive supply was based on location, age and condition, facilities and amenities, room rate structure, and market orientation. In general, these hotels are full-service properties, which cater to commercial and leisure transient and/or group-related demand, and their facilities are summarized in the table on the following page. The map on the second following page illustrates the location of these properties relative to Atlanta.

Competitive Set Profile															
Rooms No.	Year Built	Total	Meeting Space (sq. ft.)		Ballroom	Outlets	F&B	Spa	Pool	Golf	Beachfront	Occ	Performance (2005)		
			Sq. ft.	per									ADR	Leisure Group	
<b>Primary Competition</b>															
598	1984	32,000	54	'10,000	7	Y	Y	Y	Y	Y	Y	65 - 70%	\$175 - 180	35%	65%
362	2001	49,000	135	11,165	5	Y	Y	Y	Y	Y	Y	65 - 70%	\$170 - 175	35%	65%
186	1947	10,000	54	2,880	2	N	N	Y	Y	N	Y	65 - 70%	\$170 - 175	40%	60%
134	1996	8,536	64	3,872	3	N	N	Y	Y	Y	Y	65 - 70%	\$145 - 150	40%	60%
157	1996	8,500	54	2,500	4	N	N	Y	Y	Y	Y	65 - 70%	\$150 - 155	45%	55%
297	2001	25,000	84	6,136	8	Y	Y	Y	Y	Y	Y	65 - 70%	\$155 - 160	40%	60%
403	1999	16,300	40	11,500	4	Y	Y	Y	Y	Y	Y	60 - 65%	\$170 - 175	35%	65%
<b>305</b>	<b>1989</b>	<b>21,334</b>	<b>70</b>		<b>N/A</b>	<b>67.2%</b>	<b>\$167.67</b>	<b>37%</b>	<b>63%</b>						

Source: PKF Consulting, individual property management & website

### Competitive Set Map



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Historical Market Performance

The following table presents a summary of the historical market performance of the selected competitive hotels over the five-year period 2001 to 2005 and year-to-date through October 2006.

Historical Market Performance of the Competitive Supply									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	Average Daily Rate	Percent Change	REVPAR	Percent Change
2001	780,005	N/A	490,399	N/A	62.9%	\$154.23	N/A	\$96.97	N/A
2002	780,005	0.0%	492,942	0.5%	63.2%	156.36	1.4%	98.81	1.9%
2003	780,005	0.0%	512,517	4.0%	65.7%	160.75	2.8%	105.62	6.9%
2004	782,142	0.3%	505,536	-1.4%	64.6%	166.04	3.3%	107.32	1.6%
2005	780,005	-0.3%	524,055	3.7%	67.2%	167.67	1.0%	112.65	5.0%
CAAG	0.0%		1.7%			2.1%		3.8%	
05' YTD Oct	650,065	N/A	456,469	N/A	70.2%	\$171.86	N/A	\$120.68	N/A
06' YTD Oct	650,065	0.0%	474,365	3.9%	73.0%	177.21	3.1%	129.31	7.2%

Source: PKF Consulting, Smith Travel Research

As indicated, the annual supply of available rooms has remained unchanged (the variation 2004 and 2005 reflects the impact of the leap year).

Accommodated lodging demand increased at a 1.7-percent compound average annual growth rate (CAAGR), although demand grew 3.7 percent in 2005 and has increased another 3.9 percent through the first ten months of this year. The impact of the U.S. economic recession and tragic events of 9/11 in 2001 resulted in lower levels of discretionary leisure and corporate group travel in 2002. Many state and professional trade associations experienced budgetary restrictions, resulting in less frequent trips and lower attendance at meetings. The enhanced appeal of drive-to resort destinations brought on by airport-related travel inconvenience stimulated strong demand growth in 2003. A slowing of the Atlanta economy in 2004 resulted in lower demand levels that year.

As a result of the previously described trends in lodging supply and demand in the market, occupancy increased from a low of 62.9 percent in 2001 to a high of 67.2 percent in 2005. Given the favorable levels of demand growth realized through the first ten months of this year, we estimate that the competitive set occupancy will be approximately 69.5 percent in 2006

The market Average Daily Rate ('ADR') increased at a 2.1-percent CAAGR from 2001 through 2005, as ADRs improved between 1.0 percent and 3.3 percent annually. Average daily rate is up 3.1 percent as of year-to-date October 2006 compared to the same period last year, due principally to the improvement in the U.S. economy. We expect ADR levels to begin increasing at stronger rates over the next three to five years as occupancy levels reach their peak and property managers exert pricing leverage in the face of limited new resort supply growth around the region.

As a result of the foregoing discussion of occupancy and ADR trends, the market achieved a 3.8-percent CAAGR in RevPAR from 2001 through 2005, with strong gains realized in both 2003 and 2005, as well as through the first ten months of this year. RevPAR levels have increased consistently year-over-year, and we expect above-average levels of growth for the foreseeable future as supply and demand conditions throughout the region remain in balance.

*Demand Segmentation*

The mix of demand within the competitive set of hotels is estimated to be primarily group (much of which is related to state associations in Georgia and tour and travel), and leisure demand. The group segment typically commands lower room rates in return for a larger number of hotel rooms. The leisure segment is generally more rate-sensitive, with a tendency toward weekend and holiday occupancy. The months of March and July represent peak periods, while December and January are non-peak months. The estimate of demand segmentation for the competitive market in 2005 is summarized below.

<b>Competitive Market 2005 Mix of Demand</b>		
<b>Market Segment</b>	<b>Room Nights</b>	<b>Ratio</b>
Corporate	-	0%
Leisure	194,900	37%
Group	329,200	63%
<b>Total</b>	<b>524,000</b>	<b>100%</b>

Source: PKF Consulting

***Future Supply Additions***

The only project that we are aware of in the region that could be considered directly competitive is the recently completed 150-room lodge at Callaway Gardens in Pine Mountain, Georgia. The lodge, which opened in mid November of this year and is situated proximate to the Southern Pine Conference Center, will significantly enhance the competitive appeal of Callaway Gardens to meeting planners.

The owners of Lake Lanier Islands closed the former Renaissance Pine Isle Resort in November 2005 and have yet to announce their plans for replacing this property. As planning for the subject Project continue to evolve, and because of the proximity of Lake Lanier Islands, the activities at Lake Lanier Islands should be monitored closely.

There are no other new hotel projects under construction or planned that would be expected to have an influence on the defined competitive set of hotels. The subject Project and competitive market hotels represent principally high-quality destination-style resorts with extensive facilities. These types of lodging

establishments are very expensive to construct, and the most recent economic situation generally has not been conducive for additional resort development in most U.S. markets.

Projected Future Supply and Demand

Over the past five years, accommodated demand within the defined competitive set of hotels increased at a CAAGR of 1.7 percent; however, demand grew by 3.7 percent in 2005 and by another 3.9 percent year-to-date through October. Based on our analysis of the market, we project market-wide occupancy to increase to 69.5 percent by year end 2006. The absorption of the new Callaway Gardens facility will likely result in a slight decline in occupancy in 2007, but favorable increases are expected in 2008 and 2009. Allowing for a three year planning and development horizon, we anticipate that market conditions by 2010 be even stronger than those that exist today, thus suggesting additional support for the proposed Project.

**COMMUNITY IMPACT**

The development of a Great Wolf Resort at Mary Alice Park presents an excellent opportunity to provide an attractive destination for leisure travelers and group meeting attendees alike. Potential benefits to the community include the following:

- The Project would serve a growing business community in Forsyth County. Proximate to Georgia 400, the Project would be easily accessible from throughout the Atlanta region.
- The site is also easily accessible from Hartsfield Jackson Atlanta International Airport approximately fifty miles south of Cumming. The Project would attract leisure travelers and groups from throughout the southern region, benefiting businesses throughout the community.
- The Project will offer an attractive venue for local social gatherings, such as weddings and reunions. In general, business meetings occur during the week, so the hotel would most likely have adequate availability to serve local events on the weekends.
- The Project will create new jobs within Forsyth County, both during the construction phase and through the operation of the Project upon completion.

\*\*\*\*\*

This letter is for your internal use only in evaluating the subject development opportunity. It may also be included with your planned submission to the Army

Corps of Engineers. Our opinions and conclusions are subject to the assumption that the proposed Project will be operated in an efficient and professional manner.

We appreciate the opportunity to be of service. Should you have any questions or comments, or would care to discuss any facets of this report, please contact us.

*PKF Consulting, Inc.*

**APPENDIX D - SITE PHOTOGRAPHS**



Photo # 1. Photo of bath house on eastern central portion of the Project Site

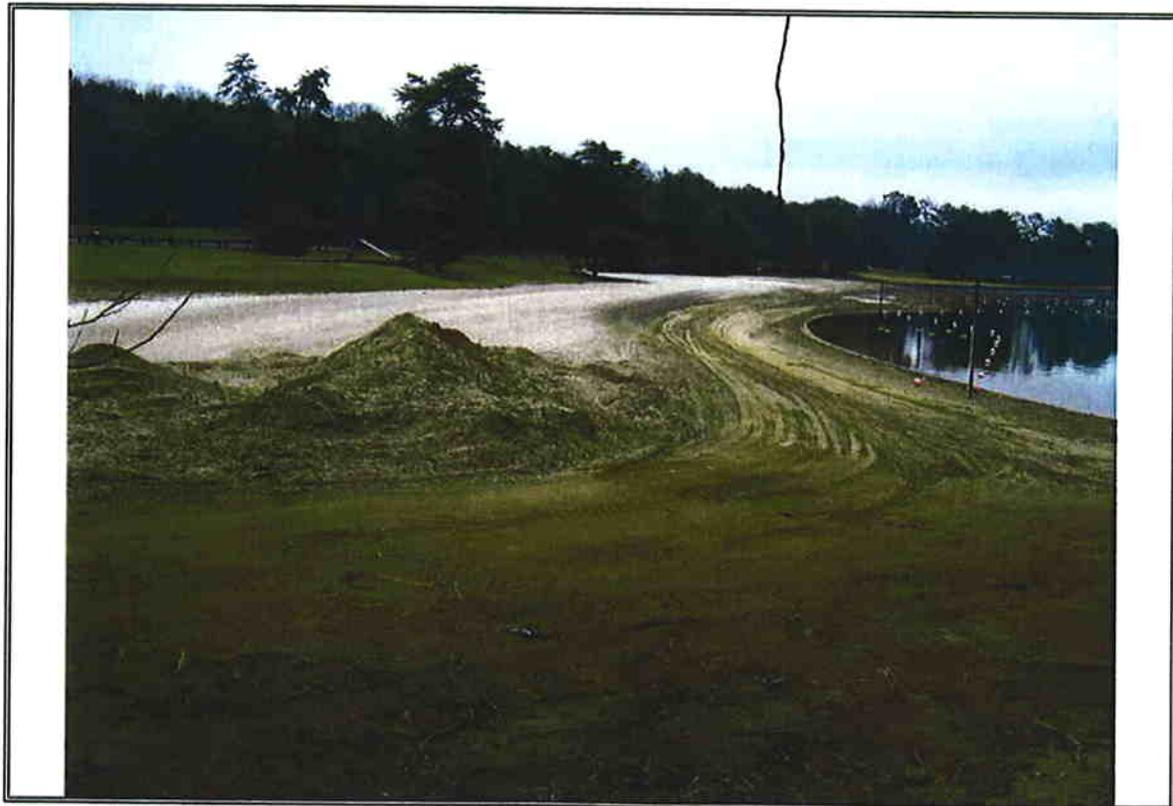


Photo # 2. View of beach on eastern central portion of the Project Site



**Photo # 3. View of burnt trees on the northeastern portion of the Project Site**



**Photo # 4. View of beach along northern end of the Project Site**



Photo # 5. View of main entrance to Mary Alice Park



Photo # 6. View of vegetation on western portion of the Project Site

**APPENDIX E - CULTURAL RESOURCE REVIEW**

# R.S. Webb & Associates

*Cultural Resource Management Consultants*  
2800 Holly Springs Parkway, Suite 200 • P.O. Drawer 1319  
Holly Springs, Georgia 30142  
Phone: 770-345-0706 • Fax: 770-345-0707

January 23, 2007

Mr. Ben Stone  
United Consulting  
625 Holcomb Bridge Road  
Norcross, Georgia 30071

**Subject: Results of Literature Review**  
**Proposed Mary Alice Park Development Site, Forsyth County, Georgia**  
**R.S. Webb & Associates No. 06-085-040**  
**United Consulting P.O. No. 60638**

Dear Mr. Stone:

## BACKGROUND

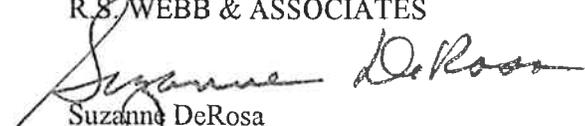
R.S. Webb & Associates (RSWA), a professional cultural resources management firm, conducted a literature review of the proposed Mary Alice Park development site in Forsyth County, Georgia. This review was conducted at the request of and based upon locational information provided by United Consulting. RSWA's literature and records search included the National Register of Historic Places (NRHP), the Forsyth County historic structures survey files, and the Georgia Archeological Site File. The results of this assessment are presented below, along with a map of the project area and the location of any previously recorded historic properties and/or archeological sites (Figure 1).

## RESULTS

A review of NRHP files and Forsyth County historic structure survey files and maps indicate there are no NRHP-listed properties or state-recognized historic structures within 0.5 mile of the project area. Five archeological sites, 9FO189, 9FO190, 9FO191, 9FO192, and 9FO193, are located within the project area (Figure 1; Attachment A). Three sites (9FO189, 9FO192, and 9FO193) contain historic and prehistoric components, one site, 9FO190, is an historic house site, and one site, 9FO191, is prehistoric. All five sites are recommended ineligible for inclusion to the NRHP. State and Federal agencies have requested that RSWA not divulge the locations of archeological sites outside the area of potential effects (APE). No archeological sites are located within the 500 feet APE.

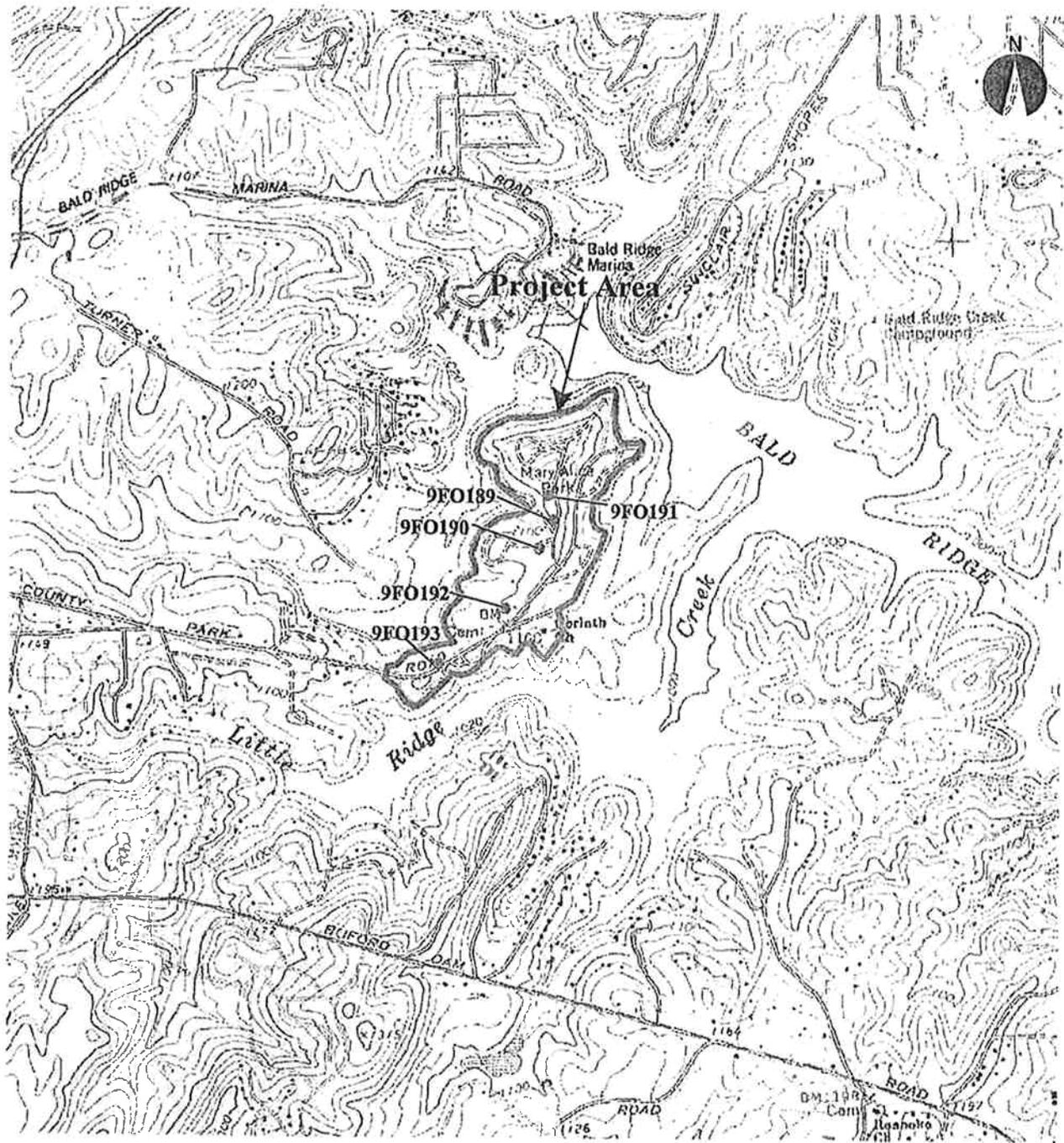
Please contact Steve Webb at 770-345-0706 if you have any questions concerning our findings or if we can assist you in any way. We appreciate the opportunity to work with United Consulting on this project.

Sincerely,  
R.S. WEBB & ASSOCIATES

  
Suzanne DeRosa  
Senior Archeologist

  
Robert S. Webb  
Principal Archeologist

Enclosures: Figure 1  
Attachment A



● Previously Recorded Archeological Site

Map Source: 7.5 Minute USGS Quadrangle  
Buford Dam, Georgia (1993)



Figure 1 Previously Recorded Cultural Resources in the Vicinity of the Project Area

**APPENDIX F – EXISTING FEATURES MAP AND MASTER PLAN**



