

**MINUTES OF THE PUBLIC INFORMATIONAL JOINT MEETING
BRANSON BOARD OF ALDERMEN
AND
TANEY COUNTY COMMISSION
THURSDAY, MAY 2, 2002
6:00 P.M.**

The Board of Aldermen of the City of Branson, Missouri met in a public informational joint meeting with the Taney County Commission in the Council Chambers of the Branson City Hall on May, 2, 2002 at 6:00 p.m. with the following members of the Board and the Commission present.

Mayor Schaefer called the meeting to order for the Branson Board of Aldermen with Dick Gass, Larry Taylor, Ron Huff, Eric Farris, and Bob Warlick present. Stan Barker absent.

Presiding Commissioner Joe Chowning, called the Taney County Commission meeting to order with Don Swan present, and Ron Herschend absent. Presiding Commissioner Chowning stated there was a quorum present and they stood in session for the purpose of taking up the business of the agenda today having to do with the presentation relating to a Convention Center.

Mayor Schaefer stated the official meeting of both the Board of Aldermen and the County Commission was now officially opened. He stated the purpose of the meeting tonight was to hear a Convention Center Proposal by a local developer. Mayor Schaefer also stated he wanted to stress that this meeting does not mean that the City is selecting this developer or changing course on the lakefront project. This is only a public presentation and the elected officials will make no decisions tonight. The Board has an obligation to hear all input from qualified developers, and Mr. Huffman has requested time to make his presentation. However, prior to the request by this developer to make a public presentation, the City has been finalizing a request for proposal, mostly referred to as a RFP. And within two weeks, the City will be releasing a RFP. This developer along with any other developers interested in redevelopment of the waterfront and convention center complex will have to respond to that RFP. The RFP's will have to be evaluated by the City before any developer and their proposal can be selected. Mayor Schaefer explained the rules and procedures for this meeting. Mayor Schaefer then turned the meeting over to Rick Huffman for his presentation.

Rick Huffman with HCW, LLC a development company located in Branson appeared before the Board and the County Commission, providing them with a background synopsis of projects HCW has been involved with in the past. Mr. Huffman indicated that although their company was interested in being a part of the retail section of the lakefront, after consulting with Rick Graf; meeting with Core Development Group, and going through an analysis of the lakefront project, they have come up with a cost that was pretty substantial for the convention center, and so after looking at the financial impact, and the challenges, with the flood plain down there, they started looking for alternative locations in the City to accommodate a convention

center. At that point it came to our attention there was an opportunity possibly to work with Mel Tillis Theater as being a location for the convention center. We looked at it, brought in architects, engineers, studied the infrastructure and decided that it could be potentially a great opportunity. We then worked with the consultant along with a lender out of California and we have reached an agreement with the lender. Mr. Huffman displayed some visuals and schematics of the Tillis Theater converted into a Convention Center, and showed a video of a potential lakefront development.

Bill Yung of Yung Design Group in Branson spoke indicating the one thing Branson does not have is a true entertainment district. Branson has great entertainment, but it lacks an entertainment district, the kind that will allow us to bring in additional markets in the future. Several years ago my firm put together the first real concept for redevelopment for the water, and was viewed by a number of people in town. With this proposal, I think it definitely has merits to the point that it should be seriously considered by the community, and it allows you to have the opportunity to at least make a choice. Mr. Yung then displayed some schematics showing the Tillis Convention Center site, and the downtown entertainment district indicating this is an opportunity to look at it in a different perspective. He then outlined for the Board and audience what the downtown entertainment could perceivably look like and how the Tillis Theater could be altered become a convention center with surface parking, hotel, and retail shops.

Rick Huffman then spoke stating they currently have approximately 240 acres of land either under contract or under option surrounding the Tillis property at this time. He went on to state the Mel Tillis Theater is a 164,000 square foot first class facility with 2700 seats. It has massive corridors that would be great for guest registration, registration for conventions, and exhibitions. The first phase plan is for approximately 93,000 square feet, with an expansion for another 100,000 square feet, and then another one for 50,000 square feet, so we have ample land for these. Usually there are three pretty sides to a convention center and one ugly side for the trucks, loading docks, trash compactors, food and beverage corridors, unloading and loading of trash. Some of the challenges faced when looking at the lakefront site, was how to hide those non-essential items, how to hide the ugly. That was very difficult to do on the lakefront because it is on the water, is a large facility and all five sides (including the roof) needs to look great because of coming down the hill you will want to see something nice. Here we can have only three pretty sides, we can have top units, versus putting them under ground. There is plenty of accessibility to expand this center and the power center will handle the expansion. There is an abundance of car parking and the ability to set up tents outside for car shows, John Deere conventions, and shows like Caterpillar equipment. So we are attract all types of conventions and don't have to turn anything down, indicated Mr. Huffman. Our estimated project cost, not the hotel and not the retail shopping, but the Convention Center and the 100,000 square feet of Exhibition space, 25,000 square feet of ball room space, breakout rooms, its bumping also \$50 million dollars off, with land, theater, everything, soup to nuts. More importantly, this project that we are proposing tonight is to be financed through a mechanism that does not require any City debt. The debt would be burdened more so by the development and not by the City. But we will be asking the City and the County for its help in this project, if it did go forward, with some public funds for infrastructure, such as the widening of Highway 248. We will also be asking the

State for assistance of that. We will also be asking for subsidy help from the City and the County on the bonds. Typically convention centers take approximate 5 years to get up and started, where they are not much of a burden. So it takes a little while to get these going and cash flowing. But the CID is a method that will allow the repayment of the debt and possibly the repayment of and City and county subsidy. Mr. Huffman indicated they had calculated it was about a \$50 million dollar savings of debt obligations for the City.

Mr. Bill Hart, appeared to explained that a Community Improvement District (CID) was a unique way that is permitted by Statues of Missouri whereby people who own and live within the defined area can ask the municipality such as Branson and/or the County to declare their property a Community Improvement District. This district has the ability to levy bonds or borrow money and repay those by assessing the property within their district both with regular assessments or special assessments or by property taxes. They can levy user fees or types of fees where people who use the facilities within the district. The way this done is that 50% of the property owners in the district petition the municipality asking that a Community Improvement District be established, and after a Public Hearing, then the municipality could establish the CID. After a Board of Directors is established then bonds can be issued and money are be borrowed. The Board can issue property taxes on the property in the district and also users fees, and those funds are used to repay the bonds, and to provide improvements in the district. This is an opportunity for a convention center and the surround and necessary infrastructure to be constructed by bond money which is generally cheaper, and it is not an obligation of the City.

Mr. Huffman then spoke on the lakefront project. He indicated their proposal was actually two proposals in one. We see the lakefront as an entertainment district, the finest attraction that could ever be built in Branson, and we want to see it developed and developed correctly, stated Mr. Huffman. We are glad the City owns the property, and our proposal to the City will be to sell that property again. It ought to be kept by the City and land leases should be executed on it. There are a great form of payment of a bond issue, and are done all over the United States. That way the City can control that for generations to come in Branson. That is why we feel that it should be done properly but we need to keep the debt. If we keep the debt at \$60 million or below, with the \$32 million already used it leaves almost \$30 million more money that could be spent on the project by the City. We believe that the roads, bridges, town square, and the boardwalk can be done within that budget. Mr. Huffman also stated they knew a developer would be appointed for the project and they would like to put their hat in the ring, at a very low fee of 4% to be the developer for the lakefront project. We want to form a citizens committee along with business owners, especially downtown owners to give us some help, input and ideas. We believe some themers should be hired, we believe in assembling a team of themers, architects, and land planners to put this project together. Whatever is developed down there must pay the \$60 million debt, and create economic stimulus which will create more jobs, more people coming to town, more people coming to downtown.

Mr. Huffman indicated in the first few years there would not be enough revenue to retire to make the bond interest payment, so they would be asking for assistance from the City and the County. They did not anticipate for it to be large but until further study could be done would not be able to say the amount and how long. In closing Mr. Huffman indicated they were still

committed to the lakefront. The only reason they moved the convention facility, was dollars, money and accessibility and flexibility. We think we have taken \$50 million dollars out of the public sector, we still get a convention center with expansion, and we think we can have a viable lakefront.

At this time, Mayor Schaefer called for a recess.

Mayor Schaefer reconvened the meeting and opened the floor for questions by the Board and the Taney County Commissioners. Discussion was held regarding ownership of the theater, additional theaters on lakefront, effect on downtown area, when more financial information would be available, operation of the convention center, amount of marketing and subsidy needed from City and County, whether feasible without the other components which were in the lakefront project, how the Citizen Group would be structured, would the subsidies proved be reimbursed later in the CID financing, could the first five years of CID be interest only, and if there were any plans in the future for a large arena. After questions and discussion by the members of the Board and the Commission, Mayor Schaefer opened the meeting for questions from the audience. Those addressing the Board and Commission with comments or questions were: Bob Glenn, Paul Lentz, Evan Shark, Roger Edney, Dimitri Tsahiridis, Gayla Roten, Ed O'Leary, and Karen Bull.

Mayor Schaefer stated they had received a lot of ideas from the comments and questions and thanked everyone for their input.

Mr. Huffman thanked everyone for listening to their presentation.

Alderman Warlick moved to adjourn the meeting, seconded by Alderman Gass. Voting aye: Gass, Taylor, Huff, Farris, and Warlick. Nays: none. Absent: Barker. Motion carried.

Commissioner Chowning moved to adjourn the Taney County Commissioners, seconded by Commissioner Swan. Both voted aye. Nays: none. Motion carried.

Meeting adjourned.