

**MINUTES OF THE PUBLIC MEETING OF THE BOARD OF ALDERMEN
CITY OF BRANSON, MISSOURI, AUGUST 20, 2002
ON THE BRANSON LANDING PROPOSALS**

The Board of Aldermen of the City of Branson, Missouri, met for a Public Meeting in the Council Chambers of the City Hall on August 20, 2002 at 5:30 p.m. with the following members present:

Mayor Pro Tem Ron Huff presiding, Dick Gass, Stan Barker, Larry Taylor, Eric Farris, and Bob Warlick present. Absent: Mayor Lou Schaefer

Mayor Pro Tem Huff called the meeting to order with the “Pledge of Allegiance” and welcomed everyone to the third public meeting on the redevelopment of approximately 72 acres fronting Lake Taneycomo in downtown Branson with consideration of alternate project locations for a convention center. Representatives from each proposal will be given an opportunity to present their proposal to the Board and the public. Each representative will be given 30 minutes to make their presentation and another 30 minutes for questions from the Board and audience. The Board will be given first opportunity to make comments and ask questions after each presentation, then comments and questions from the audience will be heard. The order of the presentations was determined by random drawing and is as follows:

1. Sansone Group
2. HCW Development Co.
3. Native American Group
4. Caswell Group
5. Garfield Corporation
6. Branson Landing LLC

Mayor Pro Tem Huff then turned the floor over to the Sansone Group

SANSONE GROUP

Anthony Sansone, Jr. of St. Louis, Missouri addressed the Board stating he was a principle of Sansone Group and introduced a few of the team members, Doug Johnson, and Mike Thiessen, and gave a brief background of their operation. Mr. Sansone indicated they submitted a proposal on behalf of Galleria on the Lakes, LLC but since then have aligned under a partnership with H.C. W. Development Company on the lakefront project. He then talked about why the Convention Center, Arena and Hotel should be on the main corridor. There is 99 acres behind the Branson Mall which they have under control and

which has access to 1,669 rooms within a half-a-mile radius, 4800 within 1 mile, and 7300 rooms within 1 1/2 miles, 7900 within 2 miles, and within walking distance is the areas largest hotel with 500 rooms. This is very significant, because it is in the “Heart of Branson”, the melting pot is here, the action is here, and can be done without a great deal of infrastructure cost subsidy. It is within ½ mile of Grand Village Mall, around ½ mile to Tanger Mall, and within a mile and a half to the Red Roof Mall, and there is access to many eating establishments. Mr. Sansone then reviewed the road accessibility and ingress and egress to the proposed site for the Convention Center behind the Branson Mall. Mr. Sansone then stated that in summary they were proposing a Convention Center, which will generate approximately \$75-million in direct spending, coupled with a retail center generating between \$140 to \$160-million in sales. Proper planning in scaling of the public facilities should minimize any subsidies that the City may be required to bring. He believes that a Convention Center located within the main core area is the highest and best use of the land. The retail development, and the other possible pooling of revenues make the success quite high.

COMMENTS AND QUESTIONS

Alderman Gass asked if his company owned the land or had an option. Mr. Sansone answered an option.

Alderman Warlick asked if they were proposing using any SIDS or NIDS in the project. Mr. Sansone answered, yes they are investigating all potential financing and subsidized options at this time, but without calculations could not provide detailed amounts.

Alderman Farris inquired about the retail power center, and if the types of development could be disclosed. Mr. Sansone explained they have a lot of retail users they have transacted with in the past on power center developments, and they were talking with them now and can assure everyone they are real prospects and are high-sales generators. We are under contract with Brad Peterson for the Branson Mall real estate, and we hope to do a major asset enhancement to that development.

Alderman Farris asked if they had done a breakdown of what the percentage that’s going to be developed at the City cost, and what portion or percentage is going to be their cost? Mr. Sansone indicated they had done a preliminary breakdown, but there is still a possibility that the owners of the property might offer some concessions which could change the estimates because they are committed to doing what they can to make a Convention Center work for this location. Alderman Farris then asked if they couldn’t talk dollars could they outline the types of things they would look for the City to do. Mike Thiessen indicated he felt what they would be looking for, was some items related to tax abatements, or some tax concessions on the private property and the power center, and then work with the City on any issues related to operational issues for the Convention Center’s portion of the project.

Alderman Warlick asked if a time frame was set up for the project. Mr. Sansone indicated they would begin as soon as the City has the ability to proceed, as they were not looking at phasing. They understood the timetable on the Convention Center is within a 2-year period, and they could certainly work within that time-period.

Alderman Gass asked about how they were planning to handle the marketing, and if their group would manage the convention center. Mr. Thiessen indicated, obviously it is important to have a professional management team. The marketing budget, it all depends on the size of the structure, and they would hire a management firm that has been successful and proven, but might participate in some way.

Mayor Pro Tem Huff inquired if the Sansone Group was going to be able to furnish the specific information needed within a week. Mr. Sansone stated if they could be provided a list of the specific questions he would provide a list of specific responses prior to the next review session.

Administrator Dody inquired if they have looked at what the City's total debt might be for the lakefront, what they anticipate in their area, and what the City's funding capacity would be. Mr. Sansone indicated that Steve Nicholas in St. Louis, who was one of their team members, is going through a complete analysis of those numbers, and they could be provided prior to the next review session.

Rick Renfro, 108 Fern Street, Branson, Missouri indicated his question was on the traffic problem, and how the City was going to handle that much traffic. Mayor Pro Tem Huff stated the city was fully aware of the traffic problems and were working to help alleviate some of those particular spots where we really get into trouble. It is an on-going concern and will be addressed regardless of where the Convention Center winds up.

Dave Shaffer, 299 E. Lake indicated he believed the location was very important, and he thinks everyone needs to keep in mind what does the conventioner need. They need to be able to find what they are here for. If it was the attractions, the restaurants, the theaters, or what things that they came to Branson to see.

Mike Thiessen stated there is a trend that communities and municipalities are seeing which is a function of clustering which tries to utilize existing infrastructure and existing destinations and play off of them. So to move something to the outskirts really defeats the purpose. What you are really looking at is up-selling the small groups that are already coming here. The marketing, while it is going to have an incremental impact, it is not going to be monumental. When you move something away from the economic center you are actually hurting the economic center that exists and creating a competitive nature and in the end you are going to be detrimental to both developments.

Alderman Warlick asked if the Convention Center goes somewhere else, if the power center development goes away. Mr. Sansone answered "No". The power center would certainly be better served with the Convention Center. It creates that much more of a possibility to lure and entice the types of tenants that are needed, but I can't say it goes

away. It lessens the assurance that there will be that type of development without the Convention Center.

John Logan, Lake Shore Drive, Branson asked for a definition of a power center. Mr. Sansone answered power centers were made up of tenants that are substantial in nature, have a particular credit rating, strong sales generators; users that will lure additional users to the development.

Alderman Farris asked if the Sansone Group could also present the financial picture as far as what the County would do in regards to Fall Creek Road infrastructure improvement. Mr. Sansone indicated that what is important is that they be given specific instructions on what is being requested. The particular size and magnitude of the project. For example, is it a 80,000 square foot Convention Center or a 150,000 square foot Convention Center.

Alderman Barker asked about the Arena. Mr. Sansone indicated the Arena would be something they would look at as a phase program. It is not something the community is ready for to date, and we certainly have experience in Arena development. That is something that one has to look at a little bit further in the future. It certainly is something that is right for Branson, and deserves more careful study.

Mayor Pro Tem Huff then turned the floor over to HCW Development Company.

HCW DEVELOPMENT COMPANY

Rick Huffman of H.C.W. Development Company started by indicating who the company was made up of: Sam Catonesse, Mark Williams, and himself. He explained that the company was a development company. He also stated they had created quite a development team for the project which included Crumsic Group out of Wichita, Kansas, a retail leasing company and an investment company; P & P LLC, the hotel developer out of Kansas City; Stonegate Realtors the partner for the Convention Center proponent; Underwater World from Dallas, their aquarium partner; Collateral Mortgage, the financier; and Graff International who has done convention centers all over the world. Fahnstock Company is the investment banker; Hush Neffenburger, legal advisors; J. P. Whygan, realtors out of Wichita; and Global Spectrum, Convention Center managers. One of the building components of Walton Construction, and Killian Construction is Turner Construction; Landscapes Unlimited, a golf course building company; Crawford Architect; Yung Design Group; Ball & Resenberry; and Define, Devon, & Yeager, engineers and architect out of Kansas City.

Mr. Huffman stated he believed that in their proposal they submitted 37 of the 38 items that was specifically asked for by the City. The lakefront project must be a vibrant area that creates and stimulates economic growth within our community. The Branson Hills Development includes the Convention Center, the Exhibition Center, the 200/300

room Marriott Hotel, the 18-hole golf course and driving range, the retail and commercial development, and the extensive surface parking which is very important, additionally, the condominiums and residential development with roadway and utilities improvements. The new areas can be planned properly to handle traffic patterns, continue growth for residential neighborhoods, retail, and economic development, indicated Mr. Huffman.

David Murphy of Crawford Architects informed the Board they had been challenged by the development team to create a development that starts to build on the premier site, the jewel, the waterfront and future gateway to Branson. To create an integrated development that combines both civic and private components. The civic component is a really unique opportunity to create a signature development that would become the postcard for generations, and we are focusing this on a boardwalk development that would run the length of Lake Taneycomo. At its heart would be a town square that will be the terminus of the extension of Main Street. Some of the program elements in terms of civic events are that it would become the new gathering place for Branson. On the private side we are looking to create people generators. These include the retail developments as well as hotel and residential development. Now we begin to address the traffic issues in a more realistic way, that is people and community friendly. An important part remains, the bridge over Roark Creek, as well as, the extension of Box Car Willie and improvements there. At the heart of this development is the Great Wolf Lodge, and this is a world-class development that has incredible people destination quality. It is a generator of people that fuel the businesses on the water, not only the waterfront but also downtown. It is a facility that is themed and very compatible and complementary to the City of Branson, and its overall outdoors theme that are here today.

Rick Huffman informed the Board that Great Wolf Lodge had signed a Letter of Intent under certain conditions to build a 288-room lodge on the lakefront. They market to children ages 3 to 14 and bring in approximately 400,000 to 500,000 new visitors per year. The water park that is connected to the interior hotel is an \$11-million dollar water park. So the Great Wolf Lodge generates somewhere between 18 to 19 million dollars of new revenue each year to the City.

David Murphy stated that in addition to the Great Wolf Lodge there would be two premier anchors including an aquarium and an outdoor store that is heavily themed with recreational and sporting retail. It will be complimented by specialty retail, which will make up the heart of the development.

Tom Probstle with Crawford Architects addressed the Board regarding a 24-hour destination being created on the waterfront. Mr. Probstle talked about the hour on the hour water demonstration, which people will come from miles around to enjoy it. This spectacular water feature stretches for nearly four blocks.

Rick Huffman informed the Board that one of the things they had looked at was how to have people attracters, and that is why this water feature has been included. It is a digital water show that is 900 feet long and it sprays water 40 to 50 feet in the air to digital music. This is our attractor.

Tom Probstle then talked about the other attracter, which is a themed history of Branson walkway. As you walk down the waterfront, there are plaques and demonstrations in a very interactive presentation. When you get into the evenings there are concerts in the public plaza, and as the conventioners head back to the hotels we have the evening demonstrations on the waterfront. All of this works together to create the 24-hour themed destination.

David Murphy then spoke, stating that Branson Hills was a big opportunity to create another gateway to the city. It would be another signature development that is complimentary to the waterfront as well as the other businesses on the strip and throughout the Branson region. The site has approximately 200 acres and provides excellent access to parking. Their proposal is to develop a shuttle bus service to the Historic Downtown, waterfront, and the strip. This also creates a major complex that includes as part of the 200 acres, a Community Sports Complex for a ball park, recreational sports, competitive sports, swimming pool, etc. More importantly, there is not the cost here that would have been incurred if the Convention Center was put on the waterfront.

Mark Elgion of Stonegate Realty, stated they were involved in numerous golf courses, numerous master plans, communities, golf developments and were very excited to be a part of the H.C.W. team. Jim Pore with Tri-State Realty advisors also addressed the Board. Eric Peterson with Underwater World spoke stating, it is an inside out aquarium, pioneered in 1985 in New Zealand. What that means is you are inside a 7-foot wide 7-foot tall tunnel, and you walk on the journey through the ocean, perhaps 300 to 400 feet and see all of this fantastic fish life all above you.

At this time Mayor Pro Tem Huff opened the floor for questions and comments from the Board.

Alderman Farris asked for Mr. Holland to walk the Board through the summary he had presented previously and to explain the financial arrangements. Mr. Holland stated it was a financing strategy that essentially has been used a number of times before. It relies on developing economical activity that results in essentially self-supporting financing for the public improvements, which are necessary to provide the gap financing that makes the difference in this type of project being a dream or a reality. With full development, the total incremental revenues from Branson Landing over a 23-year period will be \$223-million dollars. That revenue stream is available to finance bonds, used to fund the Capital Improvements public infrastructure at the Branson Landing site. The bond capacity is \$114-million dollars if we get the full 23-year State TIF financing or conservatively \$105-million if we only get the 13-year which the current State Legislation provides for. The sources include state sales tax, county sales tax, city sales tax, CID sales tax, and of course we also have the Tourism Tax, the Food and Beverage sales tax, and property tax on the private portions of the Branson Landing. We have used only the local TIF through thirteen years, which will generate \$77-million dollars in TIF revenue, which generates a bond capacity of \$42-million dollars. If we are able to expand the Urban Core through

state legislation to include the Convention Center site in 13 years it will generate \$57-million instead of the \$42-million in bond capacity, and if we can go the full 23 years it will generate \$64-million instead of the \$42-million. The sources of incremental revenues for the Convention Center site is County sales tax, City sales tax, SID sales tax, and a CID on the surrounding site that generates tax liens to provide additional security. The Tourism Tax, Food and Beverage Tax and property tax on the private investment. If we use the most conservative projections that we have outlined, the \$105-million in debt capacity for the Branson Landing and \$42-million for the Convention Center, we have a total of \$147-million in debt capacity. If we were able to expand the Urban Core TIF, it would add another \$20-million. We are proposing that you fund public facilities from Bond proceeds of \$27-million for Branson Landing and \$55-million dollars at the Convention Center, a total of \$83-million. The existing \$33-million dollars would also have to be retired from the \$147-million.

Mayor Pro Tem Huff stated he was not sure a 100,000 square foot Convention Center was needed. Would you look at that and see if there is some way we could put a smaller Convention Center facility on the lakefront in addition to your anchors that you have proposed. There are some tremendous advantages to doing that. It will save this City and our taxpayers a lot of money. Marketing the lakefront is going to take far less dollars, and the lakefront offers so much more in terms of an experience. A Branson experience that brings people continues to bring people back and to excite people. It would be a real plus because it would set us apart, and we would be unique. Another important advantage is that the lakefront site would have less impact in our current inventory of motel and hotel rooms in the area. Another thing is that it is going to simplify the TIF process as we control the land. What I have read about the emerging trend in Convention Centers is to put them in some kind of entertainment multi-use district, so that they can feed off of each other. The attractions that you have down there are going to feed off the Convention Center and likewise, the Convention Center will feed off those attractions. It makes it pretty enticing to those that plan meetings and plan conventions. We have got a real unique package that is really going to make us competitive. Mayor Pro Tem Huff then asked for Mr. Huffman's comments.

Mr. Huffman stated they really did look at the lakefront, trying to keep the Convention Center on that location, and pay the bill at the same time. Because 90% of the lakefront is in the flood plain it causes some real problems to develop that property. What it comes down to is if we did flat space parking on the lakefront, the Convention Center and the parking will use up 52 acres of land, and that leaves us very little for retail space, which is what is going to pay the bill. We have thought about that, and if the Board will go buy another 50 acres downtown we will make it work.

Alderman Barker asked if they would be ok to start the lakefront project if the City decided to back up the Convention Center project by a year or two. Mr. Huffman replied, yes, we submitted two projects to give flexibility to the community. If there needs to be more study done on the Convention Center, yes we are ready to immediately proceed with the Branson Landing Project.

Alderman Barker then asked what they had in mind for the retailers who would be coming in. We have several letters of intent from restaurants, which our goal is about 11 or 12, replied Mr. Huffman. Mr. Barker stated he would really like to see the focus on some retail that is different, unique or more exotic, so not to take away from what is already there. They would not be directly competing with businesses that we have in the downtown area. Mr. Huffman answered they were planning on tenants that are different, more upscale clothing stores, different types of food, some chain restaurants, a little more unique, more boutique to create that unique feeling. The awnings, copper roofs and brick are very expensive, and the tenants have to have a high grossing retail store in order to even move into the structure.

Alderman Warlick asked about what type of a plan they had to ensure the City ends up with a seamless downtown. There is an allocation of money to redo Main Street as you come into the downtown area for street-scaping, because we believe that the theme has to be carried through to the lakefront. Also we would like to meet with the Downtown Association to discuss the possibility of an overlaying SID, answered Mr. Huffman.

Alderman Gass asked how much support they felt they could get from the State to help us out on this project. Mr. Huffman answered they felt very confident about the State. They have spoken about the project to Governor Holden and have had conversations with Joe Driskill, State Economic Advisor. Jack Holland also stated they have talked with Mr. Driskill on numerous occasions about this specific project, and he was very encouraging.

Alderman Farris asked how Mr. Sansone joining the group enhanced the project. Mr. Sansone's strengths are in the retail sector which is about a 120,000 square foot area. He would be involved in leasing the space, helping the facades and dealing with the tenants, answer Mr. Huffman.

Alderman Farris asked if the floating structure (Dimitri's) would be moved and docked in a different location and continue as part of the development. We are looking at putting in down by the marina. We are trying to incorporate it into the outdoor store and marina and lease it out as a seafood type restaurant, but there are no definite plans yet, answered Mr. Huffman.

Alderman Taylor asked if the \$223-million was basically 90% of the total expected revenue over the 23-year period. Mr. Holland answered that was right. It gives Branson a bonding capacity of \$100-million at 6%. Mr. Taylor said that on the Branson Landing, we have the bonding capacity of \$114-million and on the Branson Hills we have \$27-million plus our additional \$33-million, so we have excess bonding capacity, and asked if he was correct. Mr. Holland answered yes.

Alderman Taylor then asked how a business such as Great Wolf Lodge was going to be able to obtain their funding. Mr. Holland replied any funding for those types of facilities would have to come after the City's funding of the infrastructure, the Convention Center, and the repaying of the existing land acquisition funding. Conceivably, the

combined use of some of those funds could range from \$10-million to \$30-million, depending on the final configuration of those that locate there.

Alderman Taylor asked what commitments were they expecting from the City. Mr. Holland answered that hasn't been negotiated yet, but there is no doubt that they will ask for some type of dedication of revenue from their increased economic activity to fill in the gap. Alderman Taylor then asked if there would be an assessment for shortages. Mr. Huffman stated that was correct, there would actually be a property tax lien that will abate to the extent that the sales tax from the SID district is sufficient to cover, and what that gives you is additional security beyond just the sales generated.

Administrator Dody asked if for example Great Wolf Lodge would accept any revenues they wanted to receive from the TIF dollars generated, being subordinate to the City's. Mr. Holland answered yes. Mr. Dody then asked if the City issued the Bonds for Great Wolf Lodge, would they buy those bonds. Mr. Holland again answered yes; they would and have done that in other developments around the country, so there would be no recourse against the City if that revenue stream was insufficient. They would in fact know and understand that if the revenue stream did not materialize as the buyers of the bonds, there would be no debt service being paid back to them, inquired Mr. Dody. Mr. Holland replied "exactly".

Mayor Pro Tem Huff asked if the same structure would be expected of the outdoor retailer and the aquarium. Mr. Holland replied, yes they would.

Alderman Gass inquired who negotiates, and how does the City fit into the negotiations. Mr. Holland answered; the City would be involved directly with the negotiations. Once you select a development team, then the City and the development team work together and negotiate the agreements, along with the State.

Alderman Taylor stated, "We're all concerned about the development of the lakefront and the surrounding businesses and how Branson is going to be affected by this project. What we are wanting additional people and demographics to come to Branson and to experience Branson. What I am hearing is that the ability to pay and to fund this is under this plan, it's more advantageous to fund this with a Convention Center located outside of the lakefront property, because it generates more revenue on a continuous on-going basis and gives us more stability in the bonding market. I think Branson needs to start thinking about the growth aspects of where we are in Branson. How are we going to handle our growth in ten years from now? I'm seeing that the Branson Hills area may be an area that is best suited for the growth we want in Branson."

Mayor Pro Tem Huff then opened the floor for questions and comments from the audience.

Ray Wilson, 176 Eagle Point Dr., Branson, addressed the Board saying, "As you know I've been a critic of this project from the word go. Suddenly we're faced with a very liberal thinking group of people that think they can change Branson. I'm very much

against you putting public dollars into private pockets. It appears to me there is people sitting out here that have businesses that you're talking about competing with. If we are going to put a bunch of bars and strip joints and everything down on the lakefront, we are cutting off our noses. And this gentleman talked about doing 24/7 with the lakefront. What we are talking about? Where are all these people are going? Is it that they want our money? They want our tax dollars to help support the development."

Roger Edney, 155 Lakeshore Drive, Blue Eye, Mo., addressed the Board stating, "We all know that malls have pretty well destroyed all the downtowns of America, and I don't want to see that happen in Branson. I think the Council needs to have a cornerstone of any approval for these projects so the downtown will not be harmed in any way, shape or form. I think that should be the cornerstone of any of these projects."

Gary Groman, Hollister, Mo., addressed the Board stating, "What I've heard proposed here tonight, is one of the most exciting things I have ever heard for the lakefront. It seems like it is going to generate an awful lot of revenue, and it is going to bring an awful lot of people into Branson. If you can have a lakefront that is going to bring people in and still have the flexibility to build a Convention Center what more do you want. We wouldn't be where we are today if it wasn't for the action the City and the County and the State in providing infrastructure, so because they are asking for infrastructure, so what. We provided infrastructure for everything from the beginning."

Jim Hall, Airport Road, Branson addressed the Board stating, "I have two properties downtown that I have tied up my life and my families lives future. No one came to my business and asked any opinions in this survey, and I don't think anyone went to any of the others either, from downtown. I don't think that we need to put a lot of competition for the individual that has stuck their life on the line for downtown properties. I would like to know, what happened to the plans for the Convention Center to be on the lakefront that was approved in the first place. I don't think we need a 100,000 seat facility. The water will bring people back again and again because of the unique properties. I do believe that the Convention Center needs to go downtown even at a much smaller scale. If it was approve in the beginning, I don't know why it can't be approved now."

Mayor Pro Tem Huff declared a five-minute break, and then the next Group would be Native American Group.

NATIVE AMERICAN GROUP

Mayor Pro Tem Huff reconvened the meeting and turned the floor over to Native American Group.

Mike Munniger of Native American Group stated that 15 years ago he met John Dietrich, Chairman of Native American Group and has worked on various projects all across the United States with him during these past years. He introduced team members Brice Hill with Sunday Development Sun, one of the largest contracting management

companies in the United States; Jack Holland of Fahnestock & Company is our financial person; Morrison Brown is the architect, and Lowell Thomas, Vice-President of Nabholz Construction. Mr. Munninger then turned the floor over to Mr. Thomas.

Lowell Thomas stated that Nabholz was very glad to be a part of the Native American Group of Arizona, and would try to keep the presentation as short as possible. Mr. Thomas indicated they felt the Convention Center belongs down on the waterfront, because we know the conventioners typically don't drive to the convention, and the younger tourists and conventioners are going to want to have everything right there. Mr. Thomas stated as part of the team they have Brian Holt from Journagan Construction and Steve Gray of Anderson Engineering.

Mr. Munninger indicated their vision for the project deals with flexible design alternative. We envision this as a Master Plan concept presentation and expect the City of Branson to grow into in the future. One of the concepts is to develop a brand new Branson Landing Plaza, a floating stage. A lot of the ambience that has been said we are in agreement with. In responding to the community expectations, we fully expect to deal with retailers, hotelier people, and theater and performance people and finalize the scope of work that was published in the original RFP. Along with our design concept, we incorporated a major resort/hotel, a destination RV Park, retail and commercial space. We feel the project has two main aspects: a 100,000 square foot or less multi-purpose building, which would directly involve Branson and the downtown development. We think it is imperative that the City, not only establish how they want to have ownership throughout the Branson Landing project, but that the City also retains ownership. Keep the project simple, stated Mr. Munninger.

Regarding financing, we have a letter of commitment from Fahnestock & Company, we can bring the money to the table, and Jack Fahnestock and the City, along with private sub-developers are going to be able to work out what is best for the City. Mr. Munninger and Lowell Thomas then outlined the experience the companies have had in the past.

Mayor Pro Tem Huff then opened the floor for questions by the Aldermen.

Alderman Barker asked if they could elaborate on how they arrived at the profitability figures of the Convention Center they had presented. Lowell Thomas indicated the figures came from Frank Lusso of Global Spectrum and stated they were based on the first full year of operations, not a start up year. They were based on a flexible Arena or Event Center that would accommodate a wide range of activities.

Alderman Farris asked what the Native American Groups opinion was to our position opposing the expansion of gaming in Branson. Lowell Thomas stated there was never any mention of gaming in the RFP. We have no plans for gaming. It's never been an issue relative to our proposal at all. I personally wouldn't, stated Mr. Thomas. Brian Holt of Journagan Construction stated that they had addressed that issue with Mr. Dietrich's and his partner, and he is very much opposed to gaming in Branson. That is not a part of the plan, if we thought that was we would not want to be a part of this team.

Alderman Farris asked if they had considered the use of the floating structure known as Dimitri's. It has been considered but has not been discussed among the team, it's important to take advantage of all assets that are available. It makes sense to try to implement that structure.

Alderman Taylor asked if in their master plan that they are proposing, does the City maintain ownership of all of the facilities, and how would the facilities be pay for? The reply was they were proposing the City maintain control, which may not be ownership. It is with TIF and Revenue Sharing and CID's with the State. The City's side would be \$47.3 million.

Mayor Pro Tem Huff asked if the Native American Group would have any equity in the resort/hotel and the retail portion of the project, and had they been in contact with any of the hotel people. It was answered that the possibility exists that they would be involved in the retail, but it was not their mainstay. They had been in contact with hotel groups and the overall response was they would actively pursue their own marketing study.

Mayor Pro Tem Huff opened the floor up for questions and comments from the audience. Hearing none, he then turned the floor over to the Chaswell Group.

CHASWELL GROUP

Ray Braswell, appeared for the Chaswell Group by first saying that he had a huge degree of respect for this City Council. There is not an alderman here that has not been very receptive to me, open to me, given me any answers that I wanted, and there was a reason why he said that because some people were going to be uncomfortable with what he further had to say. Mr. Braswell stated his presentation was about logic, not hype. Hype is what you got the last time. Retail, entertainment is things that you have now, you have to be careful that you don't create a lot of new entertainment that will take away from what is here and not really add new tax revenues. You need to change the demographic profile of the people who come here, and you should go back to your first plan, which was a Convention Center. It was a brilliant plan. It is the right thing for the long-term future of Branson. It is a brilliant plan and you have lost that focus because of hype, excitement, drawings, pictures, and retailers. Where you put that convention center will be doubly important. If you put it in the wrong place, because 50 years from now it will be the right place, you will have so grossly handicapped yourself to market that convention that it will become a nightmare for you. Mr. Braswell stated "you are going to pay for the Convention Center, you are going to pay for the infrastructure, you are going to pay for the management team that manages, and you are going to pay the developer a fee to do all of this for you." It is very important to pick the right place, and there are two things you need to look at. 1) What does the conventioneer want? They want to come to the heart of the activity, not to a remote location. The conventioneer doesn't want to bring their family and have them stay in the main part of Branson, and then be at a Convention Center out away from them. Focus on where it should be. 2) You are paying for this Convention

Center, so it better generate revenues to support who has built this City. It can't be put in a location that doesn't support the people that helped put this together. That is irresponsible. It is the wrong thing to do. Where do I want to go if I'm a conventioneer? Walking distance to the Radisson Hotel, to the Grand Palace, to the Grand Village shopping center, and to Thousand Hills golf course. The Convention Center is a \$30-million dollar project and the City of Branson has to float bonds to get it paid back by revenues they received. Who would do the hotel? Star-Wood Hotels own the Radisson, Sheratons, Weston's, the largest hotel organization in the world will do this project, indicated Mr. Braswell. Mr. Braswell then advised that the City should postpone the picking of the team for the Branson Landing development for a month or two. Get some expert advice and then pick Huffman if they wanted – that was the way to do it. Mr. Braswell stated he has been to Ripley's Aquarium in South Carolina and in Gatlinburg and they are beyond anything that you have ever seen here tonight. It is the number one aquarium most visited in North America, and they would like to come here, but needs the City of Branson to take a run at them to try to get them to come here, indicated Mr. Braswell. There is some incredible elements down here that can be preserved if it is done right, and it won't be preserved by somebody that is running around to make a buck.

Mayor Pro Tem Huff opened the floor for questions or comments by the Aldermen.

Alderman Gass asked how the huge semi trucks were going to be able to get in and out. Mr. Braswell answered he did not have it all worked out but there are ways to do that. The City just needs to come to grips with the fact that there is traffic here. It can be solved, learn the back way, different routes. Mr. Braswell also indicated it would take \$1 or \$1 ½ million dollars to market the Convention Center.

Alderman Farris asked if Mr. Braswell either owned or had an option to control that land behind the Grand Palace. Mr. Braswell answered the Hall family owns the property, and they asked him to come in and help them.

Mayor Pro Tem Huff asked what size of a Convention Center they were considering. Mr. Braswell answered 100,000 square feet, but we also believe 85,000 square feet would make a good size Convention Center here, with expansion capabilities.

Mayor Pro Tem Huff asked if they were proposing two hotels, the Radisson and another. Mr. Braswell answered absolutely, but not right now. Four years from now would be the time to look at a Convention Hotel.

Mayor Pro Tem Huff stated that Mr. Huffman had mentioned a Great Wolf Lodge and ADR of 200-plus and asked if that is feasible for Branson. Mr. Braswell answered yes he did believe it was feasible; there will be enough discerning travelers if it is not too big to pay that money.

Alderman Taylor asked about the equity position of the Hall Family. Mr. Braswell answered that basically, they put in the land and they get a return out of this property as it makes money, so they are going to have a vested interest to help make that happen.

Mayor Pro Tem Huff opened the floor for questions and comments from the audience.

John Logan addressed the Board stating he had a problem with something that is not indigenous to the Ozarks, and can't see salt-water fish swimming around on Lake Taneycomo.

Dave Shaffer, 299 E. Lake Street, Branson, spoke stating he thinks this makes sense. Talk about holding down cost, getting people where they want to be, and having somebody that really makes sense, that you can work along with. Something that seems to be the best location you can pick for the conventioner, for the person coming to Branson. The traffic problems will get solved, but first you have to be successful, indicated Mr. Shaffer.

After having no other comments from the audience, Mayor Pro Tem Huff opened the floor for the Garfield Corporation.

GARFIELD CORPORATION

Jerry Klint of Core Program Development stated that the Garfield Development Team had a conflict and has chosen not to do a presentation tonight.

Mayor Pro Tem Huff then moved to the final presenter Branson Landing, LLC.

BRANSON LANDING, LLC

John Lightner, Attorney informed the Board he had been asked to come on behalf of Branson Landing LLC to inform the Board Branson Landing was not participating in the RFP process because it was their position that they are already the developer. Therefore, this proceeding is improper procedurally, and because of the position they continue to take, they are the developer and they will defend that position in the lawsuit. Therefore, they cannot be a part of this RFP process. But still invite the opportunity to set down and work out the details on the existing process, stated Mr. Lightner.

Mayor Pro Tem Huff stated he wanted to inform everyone that the next Public Meeting would be in one week, Tuesday, August 27, 2002, and we will hear from the Review Team, and they will give us an update on their findings.

ADJOURN

Mayor Pro Tem Huff entertained a motion to adjourn. Alderman Gass made the motion, seconded by Alderman Taylor. Voting aye: Gass, Barker, Taylor, Huff, Farris, and Warlick. Nays: none. Absent: Schaefer. Meeting adjourned at 9:15 p.m.