

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF ALDERMEN
CITY OF BRANSON, MISSOURI, DECEMBER 16, 2002**

The Board of Aldermen of the City of Branson, Missouri, met in special session in the Council Chambers of the City Hall on December 16, 2002 at 6:00 p.m. with the following members present:

Mayor Lou Schaefer presiding, Dick Gass, Stan Barker, Larry Taylor, Ron Huff, Eric Farris, and Bob Warlick.

Also in attendance were: Administrator Terry Dody, Assistant Administrator Kevin Faught, City Attorney Deborah Deuster, and City Clerk Sandra Williams, Finance Director Deanna Schlegel, Communications Director Jerry Adams, Jerry Lowther, Ray and Gloria Roderick, Bill Hagler, Helen Hagler, Jim Thomas, Bruce Bowlin of the Branson Independent, Ross Summers, Dave Reynolds, Gary Groman, Jim Thompson, Doug Mason, Janice Kehl, Mark Weisz, Kim McCue, Shannon Justus, Carolyn Wilson, Ray Wilson, Jason Thomas, Jim Brines, Gayla Roten, Lyle McLellon, Cathy McLellon, Earl A. Steward, James E. Barker, Shirley and Wayne Reid, Patty Robbins, Hazel Brittain, and Cliff Sain of the Branson Daily News.

Mayor Schaefer called the special meeting to order with the “Pledge of Allegiance” and Sandra Williams gave the invocation.

Mayor Schaefer then stated the reason for this special meeting was to consider the final reading of Bill No. 2487. Mayor Schaefer outlined the rules to be observed during the meeting.

At this time Mayor Schaefer turned the floor over to Alderman Huff upon his request to make some comments.

Alderman Huff read into the record a response to Jim Thomas’ December 15, 2002 ‘Letter to the Editor’ regarding Branson Landing (Attachment “A”).

<p>Bill No. 2487, an ordinance approving a Technical Services Agreement between HCW Development Company, LLC and the City of Branson relating to the Branson Landing Project, and authorizing the Mayor to enter into the agreement, was read by title by City Clerk Williams. Mayor Schaefer entertained a motion approving the final reading of Bill No. 2487. Alderman Huff made the motion, seconded by Alderman Warlick.</p>	<p>BILL NO. 2487 TECHNICAL SERVICES AGREEMENT HCW DEVELOPMENT ORD. NO. 2002-160</p>
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David Queen of Gilmore and Bell provided an overview of why the City needs a Technical Services Agreement. Mr. Queen addressed the Board stating, “I want to provide a big picture overview of why the City has a Technical Services Contract. The project is a mixed-use development involving a Retail/Commercial Development, the outdoor leisure store, the hotel, lakefront components, and other retail components. Another part of the project

involves City owned City operated Convention Center, and adjacent to that would be a Convention Center Hotel containing at least 300 rooms of 4-star quality. The Convention Center Project is currently under review and at this point it has not been determined whether or not the project is feasible. The retail component project is basically privately owned, built on City land that the City leases to the developer. Based on the proposal made there are many infrastructure type support facilities that are shared between the Convention Center Hotel and the Convention Center such as kitchen facilities and parking facilities to basically spread those costs. That becomes a public/private project with the City having ownership and control but the owner/operator of the Hotel will have to be basically working with the City in the development of that project. The other aspect of this project is how are we going to pay for the Convention Center? To create the Tax Increment Financing District to generate sufficient tax revenues to pay for the debt service association with the Convention Center is the method in which that is to be accomplished. In addition to that, we have received approval from the Missouri General Assembly for a State TIF. That approval qualifies the City to receive up to \$49-million dollars of States Sales Tax. What this Technical Service contract does attempts to bridge us from where we are today to making the kinds of decisions of whether or not you are going to build a Convention Center with a Convention Center Hotel privately built and funded next door to it. It helps us determine whether or not the way it is going to be paid for. Some effort involves the co-operative effort with H.C.W., and that is why we have this contract. That contract protects the City as much as it protects the developer. The contract you have before you basically is designed to make sure the City knows exactly what its maximum exposure is at any given time should it decide it doesn't want to move forward.”

Mr. Queen then indicated he had a list of questions that came from Chris Myers that he wanted to go through to help clear some things up.

Mayor Schaefer then stated there was a TIF Commission meeting at 7:00 p.m., and this special meeting would have to be adjourned until later in the evening when the TIF Commission meeting is done. Alderman Warlick moved to adjourn this meeting until the completion of the TIF Commission meeting scheduled for 7:00 p.m. was over. Motion was seconded by Alderman Farris. Voting aye: Gass, Barker, Taylor, Huff, Farris, and Warlick. Nays: none. Motion carried. Meeting adjourned until later that evening.

Mayor Schaefer reconvened the meeting at 9:15 p.m. and opened the floor up for comments from the audience and the Board.

The first speaker addressing the Board was Jerry Lowther indicating he had several things that worried him about the project and the contract. Mr. Lowther then explained each concern individually which were addressed by either the Mayor, Terry Dody, Rick Graff, David Queen, Deborah Deuster, or Rick Huffman. Additional comments were made by Aldermen Taylor, Farris, and Warlick.

The next person on the Speakers List addressing the Board was Jim Thomas, 3431 W. Hwy. 76. Mr. Thomas indicated that most of his questions were answered in the last few minutes. Mr. Thomas then asked about whether the due-diligence had been completed on H.C.W., LLC.. Finance Director Deanna Schlegel indicated she had checked out H.C.W. and

each one of the partners individually. Mr. Thomas stated it was very satisfying to know that there are personal guarantees in the contract. Alderman Taylor stated the Board members had all looked at the TIF debt to see what was prudent for the City, and they had voted to restructure the debt based on the interest rate and the time period on payment of the money. Alderman Taylor then asked Mr. Thomas if he agreed on that matter? Mr. Thomas replied that he concurred that to restructure now is proper but to get there was improper.

Ray Wilson, 176 Eagle Pointe Drive was the next speaker to address the Board stating “This area was built on the free enterprise system and, what you are doing now is changing our whole economy. City government was never given the responsibility of being in the building and development business. I would like to see the Council take more control over the direction of the City. Let’s put all of the information in the hands of the voters in Wards, I, II and III. Let them decide. I don’t think you should be doing this.”

Aldermen Taylor, Gass, and Huff then responded to Mr. Wilson’s comments.

Gayla Roten informed the Board members and the audience that the Letters of Support on file in the Downtown Branson Main Street Association was never meant to be a study, it is just people within this community that work, live and believe in this project. Everyone is more than welcome to come down and look at the letters. When it went out in the paper we had around 711 documents and now we have close to 1400 documents.

Gary Groman, 230 River Pointe Road, Hollister addressed the Board stating, “The bottom line is, there is nothing that is 100%. Look at this contract, are there potential problems with it? Sure, if somebody wants to find a problem with it; they are there. So, we deal with them when they come up. I see that they get nothing for anything done prior to this contract. I think if a person is going to do work; they should be paid. I’ve read the contract and sure I would have done some things different but who’s to say that I’m right. When we look at the lakefront and we look at the demographics that is designed to appeal to folks. It is something new we need to do as a destination city, and we need to move on. There is no such thing as a perfect contact. I have been very impressed with David Queen and his firm particularly dealing with them in the TIF area. I think you are in pretty good shape.”

Helen Maxwell, 418 Sycamore addressed the Board by reading a prepared statement of her personal comments.

Mayor Schaefer opened the meeting up for comments and questions by the Board members.

Alderman Barker inquired if our 1996 debt was around \$94-million dollars and if it was principally for infrastructure, water, and sewer. Finance Director Deanna Schlegel indicated it was mainly for water, sewer and roads.

Alderman Barker inquired if the water and sewer systems generate enough money to pay for themselves through users fees. Mrs. Schlegel indicated that the water and sewer rates as they are today do not cover even the operating expenses for the water and sewer fund.

Alderman Barker then asked questions of David Queen pertaining to the best type of project, and whether this would be a project for developers or a community development project. Mr. Queen provided replies to Alderman Barker, and also replied to a question by Administrator Dody.

Mayor Schaefer then read the motion on the floor and called for a vote on the final reading of Bill No. 2487. Voting aye: Gass, Barker, Taylor, Huff, Farris, and Warlick. Nays: none. Ordinance No. 2002-160 was duly enacted.

ADJOURN:

Mayor Schaefer entertained a motion to adjourn. Alderman Huff moved to adjourn, seconded by Alderman Farris. Voting aye: Gass, Barker, Taylor, Huff, Farris, and Warlick. Nays: none. Meeting adjourned at 12:05 p.m.