

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF ALDERMEN
CITY OF BRANSON, MISSOURI, JUNE 28, 2004**

The Board of Aldermen of the City of Branson, Missouri, met in special session in the Council Chambers of the City Hall on June 28, 2004 at 3:00 p.m. with the following members present:

Mayor Pro Tem Huff presiding, with Aldermen Dick Gass, Stan Barker, Beverly Martin, David Edie, and Jack Purvis present. Mayor Lou Schaefer absent.

Also in attendance from the City were: City Administrator Terry Dody, City Attorney Dan Wichmer, City Clerk Sandra Williams, Assistant City Administrator Frank Schoneboom, Assistant City Attorney Russ Dempsey, Public Works Director Larry VanGilder, Economic Development Director Mike Rankin, and Finance Director Deanna Schlegel.

Mayor Pro Tem Huff called the meeting to order with the “Pledge of Allegiance”, and thanked everyone for attending. He stated the purpose of this meeting is to consider the request by Ozark Diversified Development, LLC for a proposed Branson Hills Tax Increment Financing Plan, and consideration of the ordinances. He then asked Jim Grice to provide a recap of the plan.

Mr. Grice stated he was from the law firm of Spencer, Fane, Britton, Brown in Kansas City and was here on behalf of the developer Ozark Diversified Development. He then provided a brief overview of the plan. He said the project is set up to be a regional center with regional impact with the preliminary site plans being about 979,000 square feet and to be done in three phases. The first phase is approximately 287,000 square feet with large retail anchors and out-parcel development, phases two and three are similarly configured. Significant sales are projected and the first year’s sales are projected around \$29-million dollars which takes into account Phase I primarily. The total principle amount of the redevelopment project for all three projects is estimated with good faith estimates based upon engineering input of approximately \$119-million dollars; with the estimated reimbursable project costs being approximately \$49-million dollars. The estimated PILOTS and EATS that are projected will be approximately \$30-million dollars for the PILOTS, and about \$107-million dollars for EATS to be generated under the plan.

Mayor Pro Tem Huff stated the Board of Aldermen rules presently state there will be a maximum of fifteen minutes allowed for each side of an issue, and if the Board wants it to be done differently for this meeting, a motion to suspend the rules and to invoke a time limit be made. Mayor Pro Tem Huff then entertained a motion to change the rules. Alderman Edie moved to suspended the rule of fifteen minutes per side, and to limit the question and comment

period to ten minutes per person, seconded by Alderman Purvis. Voting aye: Gass, Barker, Martin, Huff, Edie, and Purvis. Nays: none. Motion carried.

Mayor Pro Tem Huff then asked the Clerk to present the first item on the Agenda.

First Reading of Bill No. 2873, an ordinance of the Board of Aldermen of Branson, Missouri, approving the Branson Hills Tax Increment Financing Plan and authorizing the Redevelopment projects described therein; designating the area described in the Plan as a Redevelopment Area pursuant to the Real Property Tax Increment Redevelopment Act; Making findings with respect thereto; authorizing the use of tax increment financing within the Redevelopment Area upon specific adoption in connection with the implementation of redevelopment projects; designating Ozark Diversified Development, LLC as the developer of the Redevelopment Area; authorizing certain actions by city officials; and containing a severability clause, was read by title by City Clerk Williams. Mayor Pro Tem Huff entertained a motion approving Bill No. 2873 on first reading. Alderman Gass moved to approve the first reading of Bill No. 2873, seconded by Alderwoman Martin. Mayor Pro Tem Huff then asked for any discussion.

**BILL NO. 2873
BRANSON HILLS
TIF FINANCING
PLAN**

William Cummings, Vice-Chairman of the Taney County Regional Sewer District addressed the Board stating he had a letter from the Sewer District Board of Trustees that he would like to read and have entered into the minutes. Mr. Cummings proceeded to read the following statement:

“The Board of Trustees of Taney County Regional Sewer District has serious concerns regarding the Branson Hills Tax Increment Financing Plan. The Plan implemented will divert sales tax monies the voters earmarked for the sewer capital improvements and it will occur without a vote of the people. This diversion of the sales tax monies by the Branson Board of Aldermen is designed to provide financial incentives to corporate retail entrepreneurs to locate in Branson Hills. The Sewer Board understands that economic development is important and we also realize that our lakes and our environment are extremely important to the local economy.

The Branson Hills TIF plan includes an estimate that a minimum of \$49,378,534 will be taken from the future sales taxes to pay for the construction of a shopping mall for the developer. The actual figure is much higher once financing costs are included.

The mission of the Taney County Regional Sewer District is to conserve the waters of this County and to protect, maintain, and improve the quality thereof of the public water supplies and the economic, domestic, agricultural, recreational, and other legitimate beneficial uses, and for the enhancement of fish, wildlife and aquatic vegetation and life.

The Branson Hills TIF plan may jeopardize funding for badly needed sewer projects, and adversely affect the mission of the Taney County Regional Sewer District. Therefore, the Sewer Board, in an effort to insure the furtherance of its mission is hereby requesting that you exempt the one-half cent sewer sales tax from the proposed Branson Hills TIF, as you did in the Branson Meadows TIF.”

Harry Styron, 302 Hensley Street, Branson, addressed the Board stating he was appearing on behalf of a client but has many clients who are on both sides of this issue. Mr. Styron indicated he had been asked by Chelsea Property Group, the owner of Branson Meadows Mall, to keep an eye on the City of Branson’s economic development activities. He said he was concerned about this project not because he doubts the legislative ability of the Board of Aldermen to call it a blighted area, but he does question the integrity of such a decision. He also doesn’t think it is ever possible to have a level playing field when there are federal and state statutes that are obviously special interest laws that favor one business or field of business over another. This represents a tremendous use of the redirection of the public’s tax dollars for a particular development and doesn’t think that such a big portion should be redirected. It seems to him that it is an “all or nothing” deal, that there will be development in Branson Hills very soon, with or without this project, and urged the Board to do the prudent thing and not make such a huge commitment.

Dr. Doug Hayter, Walnut Shade and Superintendent of Branson Public Schools addressed the Board saying that on behalf of himself and the school district, we realize that it takes all of us (City-County-School District) working together to develop in the end what we all want and that is Branson to do well, to prosper and to get to the point where we need to be. I think the opportune thing is for the City, the County, the School District, all of us to end up in a place where all of us benefit and where we can all move forward together. Dr. Hayter then presented some brief facts about the Branson School District. He indicated he hoped the City did not end up somewhere where they did not want to be. If it is a good decision then we will all benefit, and knows it is not easy for the Board to decide and wished them the best of luck as they made their decision.

At this time other members from the audience that had previously spoken on June 2, 2004, were Chuck Pennel, Ron Herschend, John Logan, Gary Groman, Steve Redford, and Brad LaCore, voicing questions and concerns and Mr. Grice replied to those questions.

After asking if there was anyone else wishing to speak from the audience and hearing none, Mayor Pro Tem Huff opened the floor for questions and comments from the Board. Alderman Purvis, Huff, Gass, Barker, Edie and Martin, along with Administrator Dody, asked a series of questions of Jim Grice, Counsel for Ozark Diversified Development, LLC, and Rick Huffman of HCW Development, and additional questions were asked of Administrator Dody by members of the Board.

Mayor Pro Tem Huff again opened the floor up for any additional questions or discussion from the audience. Addressing the Board at this time were John Waglin, 1000 Pat Nash Drive, Ron Herschend, Steve Redford, Bob Paulson, John Logan, and Chuck Pennel.

At this time, City Attorney Dan Wichmer requested a five minute recess in order to clarify some language before the Board proceeds. Alderman Gass made the motion to recess for five minutes, seconded by Alderman Barker. Voting aye: Gass, Barker, Martin, Huff, Edie, and Purvis. Nays: none. Motion carried.

Meeting was recessed for five minutes.

Meeting was reconvened at 6:15 p.m.

Mayor Pro Tem Huff asked that Administrator Dody explain the need for the recess. Mr. Dody explained that he wanted to be sure that there was nothing that precluded the complete and full ability to negotiate the development agreement, and had some concerns he wanted the attorneys to address. Mr. Dody then stated our attorney Rick McConnell would explain the minor amendments needed.

Mr. McConnell stated that in Bill No. 2873, Section 5, in the first sentence, delete everything after the comma, after the word “projects”, and substitute “subject to execution of a redevelopment agreement”; and to supplement to Exhibit 8 of the Tax Increment Plan the additional commitments to finance.

Mayor Pro Tem Huff entertained a motion to amend Bill No. 2873 as requested. Alderman Gass moved to delete the remainder of the first sentence in Section 5, and to add the words, “execution of a redevelopment agreement”, and to attach to Exhibit 8 of the Tax Increment Plan, the supplements provided. The motion was seconded by Alderwoman Martin. Voting aye: Gass, Barker, Martin, Huff, Edie, and Purvis. Nays: none. Motion carried.

At this time Alderman Edie stated he had a lot of questions on this, but was going to vote for this today, but before he would vote on the second readings, he would like to see more commitments by the developer, financial commitments, and have a lot of questions answered.

Mayor Pro Tem Huff then called for the vote on the first reading of Bill No. 2873 as amended. Voting aye: Gass, Martin, Huff, Edie, and Purvis. Nay: Barker. Motion carried.

First Reading of Bill No. 2874, an ordinance of the Board of Aldermen of Branson, Missouri approving an agreement for implementation of the Branson Hills Tax Increment Financing Plan, and authorizing the Mayor to execute the same, was read by title by City Clerk Williams, and Mayor Pro Tem Huff entertained a motion approving the first reading of the bill. Alderman Purvis made the motion, seconded by Alderwoman Martin. Mayor Pro Tem Huff opened the floor for comments from the audience. Rick McConnell, Counsel for the City, informed the Board that the development agreement

**BILL NO. 2874
AGREEMENT
BRANSON HILLS
TIF**

was not ready for consideration as it is not in substantially the final form and requested that it be withdrawn. At this time, Alderman Purvis withdrew his motion, and Alderwoman Martin withdrew her second. Alderman Purvis then moved to postpone this bill until a future date, and Alderwoman Martin made the second. Voting aye: Gass, Barker, Martin, Huff, Edie, and Purvis. Nays: none. Motion carried.

First Reading of Bill No. 2875, an ordinance of the Board of Aldermen of Branson, Missouri, approving, designating, and implementing Redevelopment Project I of the Branson Hills Tax Increment Financing Plan as a Redevelopment Project and adopting tax increment financing for the area described in the Branson Hills Tax Increment Financing Plan as Redevelopment Project Area I; authorizing certain actions by city officials; and containing a severability clause, was read by title by City Clerk Williams. Mayor Pro Tem Huff entertained a motion to approve the first reading of the bill. Alderman Gass made the motion, seconded by Alderwoman Martin. No discussion. Voting aye: Gass, Martin, Huff, Edie, and Purvis. Nay: Barker. Motion carried.

**BILL NO. 2875
BRANSON HILLS
REDEVELOPMENT
PROJECT I**

First Reading of Bill No. 2876, an ordinance of the Board of Aldermen of Branson, Missouri, approving, designating, and implementing Redevelopment Project II of the Branson Hills Tax Increment Financing Plan as a Redevelopment Project and adopting tax increment financing for the area described in the Branson Hills Tax Increment Financing Plan as Redevelopment Project Area II; authorizing certain actions by city officials; and containing a severability clause, was read by title by City Clerk Williams. Mayor Pro Tem Huff entertained a motion to approve the first reading of the bill. Alderman Purvis made the motion, seconded by Alderwoman Martin. No discussion. Voting aye: Gass, Martin, Huff, Edie, and Purvis. Nay: Barker. Motion carried.

**BILL NO. 2876
BRANSON HILLS
REDEVELOPMENT
PROJECT II**

First Reading of Bill No. 2877, an ordinance of the Board of Aldermen of Branson, Missouri, approving, designating, and implementing Redevelopment Project III of the Branson Hills Tax Increment Financing Plan as a Redevelopment Project and adopting tax increment financing for the area described in the Branson Hills Tax Increment Financing Plan as Redevelopment Project Area II; authorizing certain actions by city officials; and containing a severability clause, was read by title by City Clerk Williams. Mayor Pro Tem Huff entertained a motion to approve the first reading of the bill. Alderman Purvis made the motion, seconded by Alderwoman Martin. No discussion. Voting aye: Gass, Martin, Huff, Edie, and Purvis. Nay: Barker. Motion carried.

**BILL NO. 2877
BRANSON HILLS
REDEVELOPMENT
PROJECT III**

Mayor Pro Tem Huff asked if there was any other matters that a member of the Board of Aldermen would like to come before the Board? Administrator Dody said he would like to ask a question for clarification of the developer. Regarding Alderman Edie's statement on having questions answered regarding financing, it is his understanding that it won't be until after the second reading that the developer is able to even start beginning to work on the financing aspect, and actually not even until the completion of the development agreement. Is that a correct statement, inquired Mr. Dody.

Mr. Grice replied that is a correct statement, that is why the financing commitments that are secured at this time, from the financial institutions and the underwriters who work with the developer, are subject to approval of the TIF.

Administrator Dody said he sensed that was one of Alderman Edie's primary concerns, and he wanted to make sure it was clear, so wanted a clarification. Alderman Edie replied that he was not happy with that but would take that into consideration on the second reading.

ADJOURN:

Mayor Pro Tem Huff then entertained a motion to adjourn. Alderman Purvis made the motion, seconded by Alderwoman Martin. Voting aye: Gass, Barker, Martin, Huff, Edie, and Purvis. Nays: none. Meeting adjourned at 6:32 p.m.