

== NOTICE OF MEETING ==

BOARD OF ALDERMEN

Study Session – Thursday, April 5, 2018 – 12:00 p.m.
Council Chambers – Branson City Hall – 110 W. Maddux

AGENDA

- 1) Call to Order.
- 2) Roll Call.
- 3) Administrator's Report.
- 4) Discussion of previous Study Session items.
- 5) Review of April 10, 2018 Agendas.
- 6) Discussion on Net Neutrality.
- 7) Discussion on the Branson Adventures TIF. [Powerpoint]
- 8) Mayor's Report.
- 9) Board of Aldermen requests for agenda items to be placed on future agendas.
- 10) Adjourn.

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Lisa Westfall, City Clerk, 417-337-8522

PREVIOUS ITEMS DISCUSSED AT STUDY SESSIONS

- 1) Presentation on Domestic Animal Code. (Action item)
 - Scheduled for future meeting
- 2) Discussion of Off-Premise Advertising. (Action item)
 - Scheduled for future meeting
- 3) Discussion regarding the future of the 50 Man Statue. (Action item)
 - Scheduled for the April 19, 2018 Study Session
- 4) Update on Change Order Process. (Action item)
 - Scheduled for future meeting
- 5) Discussion regarding Horse Drawn Carriages. (Action item)
 - Scheduled for future meeting
- 6) ~~Discussion of the Capital Audit Findings performed by RSM US LLP for the City of Branson.~~ (One-time item)

NOTICE OF MEETINGS



BOARD OF ALDERMEN

*Regular Meetings – Tuesday, April 10, 2018
6:00 p.m. and Second Meeting Immediately Following
Council Chambers – Branson City Hall – 110 W. Maddux*

BRANSON BOARD OF ALDERMEN AGENDA

April 10, 2018

6:00 p.m.

MEETING CALLED TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

- Ted Martin

ROLL CALL

PUBLIC COMMENT:

To speak during public comment, please sign the speaker sign-up sheet located at the front door of the council chambers prior to the start of the meeting.

CONSENT AGENDA:

- 1) **Approval of Board of Aldermen Minutes:**
 - a) March 22, 2018 Study Session
 - b) March 27, 2018 Regular Meeting
- 2) **Acknowledge Receipt of Minutes:**
 - a) Tree Board meeting of November 1, 2017
- 3) **Final Reading of Bill No. 5316 approving a Memorandum of Understanding between the City of Branson and the Department of Veterans Affairs for Mutual Aid and Police Services and authorizing the Mayor to execute the contract.**
- 4) **Final Reading of Bill No. 5321 amending Chapter 86 Section 86-521 of the Branson Municipal Code pertaining to Seat Belts Required.**
- 5) **Final Reading of Bill No. 5322 amending Chapter 86 Sections 2, 101 and adding 131 of the Branson Municipal Code pertaining to Use of Electronic Wireless Communication Devices.**

- 6) **Final Reading of Bill No. 5323 amending Chapter 66 - Planning and Subdivisions, Chapter 94 - Zoning, and Appendix A – Fee Schedule of the Branson Municipal Code pertaining to Subdivision and Landscape Standards, and the creation of a unified Development Code.**
- 7) **Final Reading of Bill No. 5324 approving a Zoning change from High Density Residential (HDR) to Community Commercial (CC) for the property located at 672 Spring Creek Road.**
- 8) **Final Reading of Bill No. 5325 approving a Zoning change from High Density Residential (HDR) to Community Commercial (CC) for the property located at 664 Spring Creek Road.**
- 9) **Final Reading of Bill No. 5326 repealing Ordinance No. 2005-206 and approving a Zoning change from Planned Development (PD) to Entertainment (ENT) for the property located at 3925 Green Mountain Drive.**
- 10) **Final Reading of Bill No. 5327 approving the contract with Jack Henry and Associates pertaining to Datacenter Co-Location Services for the City of Branson and authorizing the Mayor to execute the documents related thereto.**
- 11) **Final Reading of Bill No. 5328 authorizing the purchase of Cellular Services and Products from Verizon Wireless and authorizing the Mayor to execute the documents related thereto.**
- 12) **Final Reading of Bill No. 5329 of the City of Branson, Missouri, authorizing the Mayor to enter into a Cooperative Agreement with the 76 Entertainment Community Improvement District for cooperative efforts to operate and administer the district, and to operate, maintain, fund, and finance Community Improvement District Improvements.**
- 13) **Final Reading of Bill No. 5330 amending the adopted 2018 Budget for the City of Branson, to adjust monies for various funds.**
- 14) **Final Reading of Bill No. 5331 amending Chapter 2 Section 287 of the Branson Municipal Code pertaining to Liability insurance required for the City.**
- 15) **Final Reading of Bill No. 5332 approving a contract to engage with Robert Handley to serve as the City's Administrative Hearing Officer and authorizing the Mayor to execute the contract.**
- 16) **Final Reading of Bill No. 5333 accepting the proposal of Kimberling City Tire Company, Inc. pertaining to tires, tubes and services and authorizing the Mayor to execute the contract.**

REGULAR:

ANNOUNCEMENT OF ELECTION RESULTS

RECOGNITION OF OUTGOING ALDERMAN

ADJOURN

**BRANSON BOARD OF ALDERMEN
AGENDA**

April 10, 2018

Following 6:00 p.m. meeting

OATHS OF OFFICE

MEETING CALLED TO ORDER

ROLL CALL

ELECTION OF ACTING PRESIDENT OF THE BOARD

REGULAR:

- 1) **Report by Leah Chandler about the Branson Chamber of Commerce Year-End 2017 Marketing Report.**
- 2) **Update by Jamie Rouch on 2017 Year-End Financials.**
- 3) **First Reading of Bill No. 5334 approving the renewal of the Contract with Arvest Bank for Purchasing Card Services and authorizing the Mayor to execute the contract.**
- 4) **First Reading of Bill No. 5335 approving Connell Insurance, Inc. for Brokerage Services for the City of Branson's Property, Liability and Workers' Compensation Insurance Coverages and authorizing the Mayor to execute the contract.**

MAYOR/CITY ALDERMEN/CITY ADMINISTRATOR'S REPORTS

ADJOURN

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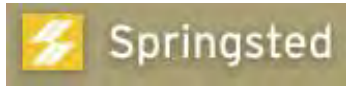
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Lisa Westfall, City Clerk, 417-337-8522

Posted: April 5, 2018

At: _____ By: _____



STAFF AND CONSULTANTS' REPORT TO BOARD OF ALDERMEN

DATE: APRIL 5, 2018

TO: MAYOR BEST AND THE BOARD OF ALDERMEN
FROM: CITY STAFF AND CONSULTANTS
RE: BRANSON ADVENTURES TAX INCREMENT FINANCING PLAN

Project Name: Branson Adventures Tax Increment Financing Plan ("TIF Plan")

Redevelopment Area: The TIF Plan Redevelopment Area consists of approximately 302 acres and is generally bounded to the east by the Henning State Forest, to the south by the City's core entertainment strip, to the west by a future four-loop highway and Table Rock Lake, and to the north by Silver Dollar City.

Brief Summary

The City of Branson, Missouri ("City"), requested proposals from developers for the redevelopment of the Redevelopment Area. The area selected for redevelopment has not been subject to growth or development for a significant period of time (as evidenced by the Blight Study submitted with the TIF Plan). To put itself in a position to identify the best redevelopment plan in today's market to remediate the blight existing in the Redevelopment Area, the City sought competitive proposals from developers interested in developing the Redevelopment Area. Only one developer submitted a proposal or application to undertake the requested redevelopment. This summary provides an analysis of the statutory sufficiency of the proposal submitted by CP Branson, LLC, as well as the recommendations from the City's Tax Increment Financing Commission.

Application Information

In October 2017, CP Branson, LLC ("Applicant") informally shared its draft tax increment financing ("TIF") plan. The TIF Plan was formally filed with the City Clerk on December 8, 2017. After further vetting by City staff and consultants it was discovered that revisions were needed to the TIF Plan to address the proper collection of certain revenues, and to add certain public improvements that had been omitted in the original draft. The Applicant filed a revised draft with the City Clerk on February 20, 2018.

Project Summary

To remediate the blighted conditions indicated in the blight study found at [Exhibit 7](#), the TIF Plan proposes the redevelopment of approximately three hundred and two (302) acres of real property as described in the City's request for proposals. The Applicant is proposing to develop currently unimproved land, including the construction of multiple structures and facilities for recreation and entertainment uses, commercial space for uses including, but not limited to, retail, hotel, and restaurant, as well as associated public and private infrastructure, including landscaping, parking, and other amenities.

Specifically, the Applicant is proposing a mixed-use entertainment and hospitality development which will include the following:

- A 350-room Waterpark Resort Hotel with:
 - 100,000 square foot indoor climate-controlled waterpark
 - 55,000 square foot outdoor waterpark
 - 30,000 square feet of meeting and conference spaces
- Additional on-site lodging including 215 themed cabins and a luxury camping facility with 75 permanently fixed rental campers and an 8,000 square foot clubhouse
- A white-water adventure park with rafting course
- An Alpine Adventure Zone, with an alpine coaster, downhill bike course, ropes course, and zipline
- Three other proposed entertainment attractions
- 129,500 square feet of mixed-use dining/retail buildings split amongst eight individual buildings located throughout the site
- 38,000 square feet of sit-down restaurants spread amongst four individual buildings within the development

The Applicant proposes to implement this plan through a single Redevelopment Project implemented in two (2) phases over a period of approximately six (6) years (estimated completion of the project is 2024). As will be discussed in greater detail below, the Applicant intends to pay for this development through private funds expended by the Applicant, including private financing by third-party lenders, TIF assistance, supplemental tax revenues pledged by the City of Branson, and related community improvement and transportation development districts. The Applicant is seeking reimbursement in an amount not exceeding \$115,656,000, which is approximately 25.9% of the estimated total project cost of \$445,940,116. It is important to note that the TIF Plan provides for reimbursement of \$115,656,000 plus financing costs. Financing costs include loan and bond fees as well as interest. It should be understood that all references to Reimbursable Project Costs in this Report are intended to include both the principal amount of \$115,656,000 and financing costs. The proposed Redevelopment Area is depicted on the maps at [Exhibit 2](#), [Exhibit 2A](#), and [Exhibit 2B](#) of the TIF Plan.

Financing Summary

Tax increment financing is generally based on the concept that the redevelopment of a disadvantaged area will result in an incremental increase in tax revenues. A portion of this incremental increase in revenue is captured for the period of time necessary to pay for the incentives required for the redevelopment to occur, which cannot exceed twenty-three (23) years from when

capture of the incremental increase commences. The incremental increase in property tax revenues are distributed as “payments in lieu of taxes,” which are commonly referred to as “PILOTs”. The incremental increases in economic activity taxes (the most common type is sales tax) are commonly referred to as “EATs”. The annual PILOTs and EATs captured by the TIF District are the amount above tax collections within the Redevelopment Area in the year before tax increment financing is activated. This prior year tax level is considered the “base.”

The initial costs of the Redevelopment Project will be borne by the Applicant through private equity and private debt. To the extent that incentive revenues from sources described in Exhibit 4 are generated by the Redevelopment Project, the Applicant is seeking reimbursement of up to approximately \$116 million.

According to Exhibit 4, the Applicant’s approximately \$116 million in reimbursable project costs will be reimbursed from the following “Revenue Sources:”

1. \$79,703,862 in reimbursement from TIF revenue through the customary capture of PILOTs and EATs;
2. \$5,165,168 in reimbursement from the City of Branson’s non-captured portion of sales tax revenues;
3. \$6,342,429 in reimbursement from the City of Branson’s non-captured portion of tourism tax revenues;
4. \$1,972,819 in reimbursement from the City of Branson’s non-captured portion of overnight accommodation sales tax revenues;
5. \$5,190,707 in reimbursement from the City of Branson’s non-captured portion of overnight accommodation tourism tax revenues;
6. \$8,640,508 in reimbursement from the non-captured portion of CID 1% sales tax revenues; and
7. \$8,640,508 in reimbursement from the non-captured portion of TDD 1% sales tax revenues.

Together, Revenue Sources 2, 3, 4 and 5 make up what is referenced in the TIF Plan as the City supplemental TIF – so called because these sources are in addition to the TIF revenues provided by statute.

The Applicant will be reimbursed for eligible redevelopment project costs from the proceeds of revenue bonds payable from project revenues. The sources of revenue proposed for the payment of debt service for these bonds includes statutory TIF (100% of PILOTs and 50% of EATs), City supplemental TIF, a community improvement district (CID) sales tax, and a transportation development district (TDD) sales tax. The boundaries of the CID and TDD will be coterminous with the Redevelopment Area.

The TIF Plan anticipates that a portion of the PILOTs will be declared “surplus” and pass through to the affected taxing entities in proportion to the respective property tax levies. A 25% surplus would be declared in years 11 through 19 of the TIF. A 50% surplus would be declared in years 20 through 23.

Regarding the City supplemental TIF, the Applicant has requested a portion of the City’s EATs generated within the redevelopment project area, but not captured by TIF. This redirection of taxes

can be accomplished through an annual appropriation by the Board of Aldermen. Consideration of this request is based upon: (1) the importance of the Redevelopment Project to the City's entertainment district; and (2) the Applicant's inability to achieve a market rate of return absent such incentives. The Applicant proposes that the Redevelopment Project would seek reimbursement from one-half of the 50% of the City's EATs that are not captured by TIF for a total of 75% of the City's EATs. Additionally, the Applicant proposes for the Redevelopment Project to be reimbursed from 48% of the tourism sales tax imposed on food and beverage sales and retail sales of amusement or attractions that are uncaptured by TIF, for a total of 74% of the revenue produced by this tax. The Applicant is not seeking the redirection of any portion of the non-TIF captured funds applicable to the public safety sales tax or the portion of the tourism tax applicable to tourism promotion.

Additionally, the Applicant requests the redirection of the sales taxes generated by the sale of hotel rooms within the TIF District. The Applicant proposes the capture of 75% of the total revenue from the City's general sales tax and transportation sales tax generated from the sale of hotel rooms. The Applicant proposes the capture of 74% of the total revenue from the City's tourism sales tax generated from the sale of hotel rooms.

The Applicant anticipates that it will obtain private financing or provide other capital to make up the difference between the total redevelopment project costs and all revenues available for reimbursement of reimbursable project costs discussed above.

Eligible redevelopment project costs will be reimbursed from the Revenue Sources as outlined in the Sources and Uses of Funds found in Exhibit 4; provided, however, that in no event shall the aggregate amount of reimbursement from the Revenue Sources exceed the combined line item amounts for those funds as stated in Sources and Uses of Funds in Exhibit 4. Subject to statutory requirements for the use of the incentive funds, the Applicant may shift costs among the line item costs in each column of sources of funds categories; however, the Applicant may not; (a) transfer to line items that are not approved as reimbursable project costs, (b) add to the Developer's Fee, or (c) add to the Contingency line item.

Base-year ad valorem property tax revenues and sales tax revenues will continue to pass through to the taxing jurisdictions affected by this proposed TIF Plan. A full analysis of how the taxing jurisdictions are affected is presented in the Cost-Benefit Analysis provided in Exhibit 12 of the TIF Plan.

The initial total equalized assessed value of the real estate within the Redevelopment Area is \$2,900.00. It is estimated that the total equalized assessed value of the real estate within the Redevelopment Area will be approximately \$56,857,697 upon completion of Project Phase 1 and approximately \$66,938,650 upon completion of Project Phase 2. Therefore, the future increase in equalized assessed value for the Redevelopment Area due to the redevelopment would total approximately \$66,935,750. The sales tax revenue in the Redevelopment Area in 2017, the year prior to the year in which this plan would be adopted, was \$0.

At Exhibit 12, Anderson Analytics, LLC, provides the statutorily required Cost-Benefit Analysis which shows the impact on the affected taxing jurisdictions if the proposed Redevelopment Project is not built and the impact on those same affected taxing jurisdictions if it is built. Table 11 on page 29 of Exhibit 12 compares the total revenues expected by all taxing jurisdictions, cumulatively, if the

proposed project is built. Table 11 estimates that, in aggregate, all taxing jurisdictions would see an increase of approximately \$229,126,079 in revenues over the 23-year period after activation of the redevelopment project if the project is built.

REVIEW PROCESS OF THE TIF APPLICATION

To initiate the process for receipt and review of proposals for the remediation of blight in the requested Redevelopment Area, the City, on behalf of the TIF Commission, solicited proposals from developers for plans to redevelop the area and to implement those plans as submitted. As is common with applications of this type, the City received one proposal, which was analyzed for this Report. In accordance with the City's adopted TIF procedures, the Applicant has executed a funding agreement with the City to provide a funding source for costs incurred by the City in reviewing and considering the TIF Plan. The City, on behalf of the TIF Commission, mailed the statutorily required 45-day notice of the TIF Commission public hearing to the affected taxing jurisdictions. Statutorily required notices were also published in both the *Springfield News Leader* and the *Branson Tri-Lakes News* and sent via certified U.S. mail to the affected property owner.

The City's staff and consultants have reviewed the proposed plan and determined it to be consistent with the TIF Act and applicable City policies and requirements.

As part of the City staff's due diligence in reviewing the TIF application, the City engaged Lauber Municipal Law, LLC, the City's special economic development counsel, to advise the City regarding the substantive and procedural issues related to the TIF application and approval process and also to negotiate any redevelopment agreement.

The City also engaged Springsted Inc., independent municipal advisors, as the City's financial advisor. As part of its services related to review of the TIF Plan, Springsted performed an independent "but for" test in the form of an internal rate of return analysis of the TIF Plan by reviewing and analyzing the Applicant's estimated costs and operating revenues. Springsted has determined that the TIF Plan complies with the statutory requirements, including specifically that this project would not likely be undertaken at this time without the requested incentives. This issue is further addressed in the But-For Determination Report contained in your packet.

In order for the TIF Plan to be approved, state statutes require that the Board of Aldermen make the following six (6) findings:

1. The Redevelopment Area on the whole is a blighted area, a conservation area, or an economic development area, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. Such a finding shall include, but not be limited to, a detailed description of the factors that qualify the Redevelopment Area or project pursuant to this subdivision and an affidavit, signed by the developer or developers and submitted with the redevelopment plan, attesting that the provisions of this subdivisions have been met;
2. The redevelopment plan conforms to the comprehensive plan for the development of the municipality as a whole;

3. The estimated dates, which shall not be more than twenty-three (23) years from the adoption of the ordinance approving a redevelopment project within a Redevelopment Area, of completion of any redevelopment project and retirement of obligations incurred to finance redevelopment project costs have been stated, provided that no ordinance approving a redevelopment project shall be adopted later than ten (10) years from the adoption of the ordinance approving the redevelopment plan under which such project is authorized and provided that no property for a redevelopment project shall be acquired by eminent domain later than five (5) years from the adoption of the ordinance approving such redevelopment project;
4. A plan has been developed for relocation assistance for businesses and residences;
5. A cost-benefit analysis showing the economic impact of the plan on each taxing district which is at least partially within the boundaries of the Redevelopment Area. The analysis shall show the impact on the economy if the project is not built, and is built pursuant to the redevelopment plan under consideration. The cost-benefit analysis shall include a fiscal impact study on every affected political subdivision, and sufficient information from the developer for the commission established in Section 99.820, RSMo, to evaluate whether the project as proposed is financially feasible;
6. A finding that the TIF Plan does not include the initial development or development of any gambling establishment.

The TIF Commission held a public hearing on March 5, 2018 to consider the TIF Plan as well as all statements, recommendations, protests, objections, comments and any other evidence presented. At the meeting, by a vote of 7-4, the TIF Commission approved Resolution No. 2018-RT01, which recommended the Board of Aldermen approve of the following: the Branson Adventures TIF Plan, designation of a redevelopment area and redevelopment project therein included, a designation of blight within the redevelopment area, designation of CP Branson, LLC as the developer of this redevelopment project, negotiation of a contract with CP Branson, LLC for implementation of the redevelopment project, and initiation of tax increment financing for the project within the Redevelopment Area.

ANALYSIS OF REQUIRED STATUTORY FINDINGS

FINDING #1 – A finding must be made that the development area on the whole is a blighted area, a conservation area, or an economic development area, and has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without the adoption of tax increment financing.

Blight Designation

Exhibit 7 of the TIF Plan contains a blight study, dated December 7, 2017, prepared by JLL Valuation and Advisory Services, LLC. This study concludes that the proposed Redevelopment Area on the whole meets the TIF statutory requirements for a “blighted area” due to the predominance of blighting factors existing in the proposed Redevelopment Area. Specifically, the blight study states that within the Redevelopment Area there exists, among other factors, defective or inadequate street

design, unsanitary conditions, and obsolete platting. The study further concludes that these blighting factors have resulted in an economic liability in its present condition.

“But For” Test

The “but for” test requires that a finding be made that the proposed Redevelopment Area has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of tax increment financing; i.e., “but for” the use of TIF, the area is not anticipated to be developed.

As required by the TIF statute, Exhibit 14, of the TIF Plan includes the affidavit from the Applicant attesting that the statutory requirements for blight for the area on the whole and the “but for” test have been met, i.e., that the area has not been subject to growth and redevelopment through investment by private enterprise, and without TIF assistance, the projects contemplated by the TIF Plan would not be reasonably expected to occur, and that the project would not be economically viable for the Applicant without such assistance. As previously stated, Springsted has prepared a report regarding this issue that will be provided separately.

TIF Commission and Staff and Consultants Recommendation: the Board of Aldermen should: 1) declare the proposed Redevelopment Area a “Blighted Area” as defined in state statutes; 2) find that the proposed redevelopment area has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without the adoption of tax increment financing, as concluded in the report prepared by Springsted; and 3) find that the Applicant has submitted the required affidavit regarding this issue.

FINDING#2 – A finding must be made that the proposed TIF Plan conforms to the comprehensive plan for the development of the City as a whole.

The City’s comprehensive plan is titled Branson Community Plan 2030, originally adopted in March, 2012. Based on an initial review by City staff, the TIF Plan is consistent with and conforms to the overall intent of the comprehensive plan. Attached to this staff report as Exhibit A is a letter from Joel Hornickel, Director of Branson’s Planning and Development department, stating that the proposed TIF Plan is consistent with the overall intent of the City’s comprehensive plan.

TIF Commission and Staff and Consultants Recommendation: the Board of Aldermen should find that the proposed TIF Plan is in conformance with the City’s Community Plan 2030.

FINDING #3 – A finding must be made that the estimated dates for the completion of projects and retirement of obligations incurred to finance the development do not exceed twenty-three (23) years from the time a redevelopment project is authorized, that no redeveloped project is scheduled to be authorized within ten (10) years after the adopt of the

TIF Plan, and that no property will be secured by eminent domain later than five (5) years from the adoption of the ordinance approving the development project.

At Exhibit 5, the Applicant proposes to begin the remediation of blighted conditions in 2019 and complete construction in 2024. The TIF Plan, at page 18, contemplates that all obligations, if any, funded by TIF revenue will be retired no later than twenty-three (23) years from the adoption of the ordinance approving TIF within a redevelopment project generating TIF revenue to service such obligations, though this term may vary depending on project performance, sales, property valuation, and other variables. At paragraph F on page 26, the TIF Plan stipulates that in no event shall any ordinance approving a redevelopment project be adopted later than ten (10) years from the adoption of the ordinance approving the TIF Plan.

The Applicant owns all of the necessary real property within the Redevelopment Area. No property for a redevelopment project shall be acquired by eminent domain later than five (5) years from adoption of the ordinance approving such redevelopment project, which is addressed in paragraph G on page 26.

TIF Commission and Staff and Consultants Recommendation: the Board of Aldermen should find that the TIF Plan contains information that dates for completion of projects and retirement of obligations incurred to finance the development are not more than twenty-three (23) years from the adoption of the ordinance approving a development project within the development area, that no project is scheduled or permitted to begin more than ten (10) years after the adoption of the ordinance authorizing the TIF Plan, and that the proposed plan meets the statutory requirement regarding the acquisition of property by eminent domain.

FINDING #4 – A finding must be made that a plan has been developed for relocation assistance for businesses and residences.

Exhibit 15 of the TIF Plan includes a relocation plan for businesses and residences within the TIF Plan Redevelopment Area, which satisfies the requirement for this finding. Currently, there are no businesses or residences within the Redevelopment Area that require relocation; despite that, a relocation plan is necessary. The relocation plan complies with Missouri State statutes and the City’s policy for relocation assistance.

TIF Commission and Staff and Consultants Recommendation: the Board of Aldermen should find that the Applicant has developed a plan to provide relocation assistance for businesses and residences affected by the TIF Plan.

FINDING #5 – A finding must be made that a cost-benefit analysis has been prepared showing the economic impact of the TIF Plan on each taxing district which is at least partially within the boundaries of the development area, that the analysis shows the impact on the economy if the project is not built, as well as if it is built pursuant to the development plan under consideration, that the cost-benefit analysis includes a fiscal impact study on every affected political subdivision, and that there is sufficient information from the

developer for the TIF Commission to evaluate whether the project as proposed is financially feasible.

The Applicant has submitted a cost-benefit analysis as Exhibit 12 of the TIF Plan, which shows the economic impact of the TIF Plan on taxing jurisdictions and political subdivisions that are at least partially within the boundaries of the proposed Redevelopment Area. State statute requires the analysis to show the impact on the economy if the Redevelopment Project is not built, and the impact if the Redevelopment Project is built in accordance with the proposed TIF Plan. The analysis provided by the Applicant shows the impact on the economy if the Redevelopment Project is not built, or is built in accordance with the proposed TIF Plan being considered for approval on the taxing jurisdictions included. The cost-benefit analysis, together with the direct tax impact analysis submitted as Exhibit 13, includes a fiscal impact study on all of the affected political subdivisions and provides sufficient information to evaluate whether the proposed Redevelopment Project is financially-feasible.

The tables in Exhibit 12 show projected revenues to the taxing entities for the period of 2019 to 2041. These projections assume two scenarios; (1) if the Redevelopment Project is built, and (2) if the Redevelopment Project is not built. For the “built” scenario, the revenues are essentially those projected for the Redevelopment Area if the project is built as proposed by the Applicant.

For the “not built” scenario, ad valorem tax receipts stay at current amounts with no increase assumption. The sales tax revenues are \$0 because there are currently no businesses in the Redevelopment Area that generate sales tax.

The total projected revenues to the taxing entities for the period from 2019 to 2041 under the “built” scenario is \$229,126,079. For the “not built” scenario, the total projected revenues to the taxing entities for this same period is \$3,969. This represents an increase in taxing entity receipts attributable to the project of \$229,122,110.

As previously stated, this is anticipated to be a revenue bond funded TIF project which means that the Applicant will either pay for improvements up front and then request reimbursement for certain reimbursable project costs set forth in the TIF Plan from bond proceeds; or will request the direct payment of certain invoices by the bond trustee from bond proceeds. At Exhibit 6, the Applicant has provided a letter from Ralph DiFiore with Chatsworth Securities, LLC. The letter states that the company will provide its support to finance and carry out the project, subject to standard conditions. Section 99.810.1, RSMo., of the TIF Act requires “evidence of the commitment to finance the project costs.” Recognizing that there are caveats to financing the project, this letter does appear to provide sufficient evidence of Chatsworth’s commitment to finance the project as required under the TIF Act.

The City staff and Springsted have reviewed in detail the overall financial aspects of the proposed TIF Plan and its component Redevelopment Project. This analysis includes the assumptions regarding potential tenants and projected revenues from these uses. Based on the information provided in the TIF Plan and our analysis and review, the City’s staff and consultants believe the Applicant has provided sufficient information in the proposed TIF Plan for the TIF Commission to evaluate the financial feasibility of this plan and its Redevelopment Project.

TIF Commission and Staff and Consultants Recommendation: the Board of Aldermen should find that the Applicant has prepared a cost-benefit analysis showing the economic impact of the TIF Plan on each taxing district which is at least partially within the boundaries of the Redevelopment Area, that the analysis shows the impact on the economy if the project is not built, as well as if it is built pursuant to the development plan under consideration, that the cost-benefit analysis includes a fiscal impact study on every affected political subdivision, and that there is sufficient information for the Board of Aldermen to determine that the project is financially feasible.

FINDING #6 – A finding must be made that the TIF Plan does not include the initial development or redevelopment of any gambling establishment.

A review of the TIF Plan indicates that the initial development or redevelopment of any gambling establishment is **not** included.

TIF Commission and Staff and Consultants Recommendation: the Board of Aldermen should find that the TIF Plan does not include the initial development or redevelopment of any gambling establishment.

CONCLUSION

City staff, and its legal and financial consultants, all conclude that the TIF Plan generally provides sufficient information to demonstrate that the statutorily required six findings have been met; as such the TIF Commission recommended to the Board of Aldermen, through Resolution No. 2018-RT01, that the proposed TIF Plan and the associated redevelopment area, redevelopment project area, redevelopment project, developer, and other designations be approved.

EXHIBIT A

PLANNING & DEVELOPMENT DEPARTMENT

PLANNING & ZONING | BUILDING PERMITS | SIGN PERMITS | CODE ENFORCEMENT



CP Branson, LLC
Attn: David Cushman
500 West Main St.
Ste. 205A
Branson, MO 65616

RE: Branson Adventures TIF Plan/Project London

Dear Mr. Cushman,

As requested, please let this letter serve as the official response from the City of Branson ("City") regarding confirmation that the Branson Adventures TIF Plan ("TIF Plan") conforms to the City's comprehensive plan for the development of the City as a whole.

The Redevelopment Area as defined by the TIF Plan is comprised of real property which is all within the corporate boundaries of the City. Utilizing the City's comprehensive plan, known as the Community Plan 2030, as a guide for reviewing the TIF Plan, we have determined there are numerous goals, policies, and actions that are in alignment. Additionally, the Community Plan 2030's Preferred Land Use Plan, which depicts land uses as they are expected to exist in 2030, depicts the Redevelopment Area as Mixed-Use. Because the TIF Plan calls for the redevelopment of the included properties to provide a mixture of retail, residential in the form of lodging, restaurants, and recreational uses, the Branson Adventures TIF Plan is consistent with the overall intent of the Community Plan 2030.

As such, it is the City's position that the TIF Plan conforms to the City's comprehensive plan for the development of the City as a whole.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joel Hornickel", enclosed within a blue oval.

Joel Hornickel
Director



BRANSON ADVENTURES TAX INCREMENT FINANCING PLAN BUT-FOR DETERMINATION REPORT

Presented by
Tom Kaleko, Executive Vice President
Tom Denaway, Vice President
April 5, 2018

Is a public incentive needed for this project?

- Compliance with Missouri Statute 99.810
- Reflective of only the specific development scenario presented
- Can the project generate a reasonable profit without the requested incentive within current marketplace and time?

Study results are estimates from which actual results will vary

Report conclusions based on developer's anticipated net income from the project

1. Examine developer's pro forma for reasonableness of cost and operating income assumptions
2. Project the developer's profit without incentive
 - Measured as unleveraged Internal Rate of Return (IRR)
3. Compare without incentive IRR to recent similar projects
4. Perform sensitivity analysis
 - What if costs were lower?
 - What if revenues were higher?

Project return without assistance is below market range

Internal Rate of Return	
Without Assistance	7.41%
Market Range	7.79% - 18.06%

- From *RealtyRates.com Investor Survey*, Third Quarter 2017
- Average of 12.74%
- Benchmark for our analysis – developer's with assistance return of 11.41%

Sensitivity analysis

Adjustments to Developer's Without Assistance Pro Forma	Variance from Developer's With Assistance Return
(a) Land lease reduced by 50%	3.56% below
(b) Attractions cost reduced by 20% and revenue increased by 20%	2.53% below
(a) & (b)	2.08% below
(a) & (b) All other costs reduced by 11% All other revenue increased by 11%	0.07% above

But-For Determination conclusions

The proposed project would not occur on this site without a public incentive based upon:

- Blight Study prepared by JLL Valuation & Advisory Services
- Affidavit signed by the Applicant
- Our But-For Determination

Negotiated safeguards addressing project costs and revenues

Executed Term Sheet between City and Developer provides a mechanism allowing for an adjustment in the amount of assistance based on:

- Guaranteed Maximum Price construction contracts secured by the Developer and necessary for issuance of debt
- Public assistance revenue projection study prepared by third party for issuance of debt

Assistance amount will be the lessor of; the current request, or the amount necessary to achieve a maximum developer return of 15%

THANK YOU

Springsted Incorporated
9229 Ward Parkway, Suite 104
Kansas City, Missouri 64114

Tom Kaleko, Executive Vice President
tkaleko@springsted.com
816-333-7294

Tom Denaway, Vice President
tdenaway@springsted.com
651-223-3075