
CITY OF BRANSON, MISSOURI

**PLAN FOR AN INDUSTRIAL DEVELOPMENT
PROJECT AND COST-BENEFIT ANALYSIS**

FOR THE

BUTTERFLY PALACE EXPANSION PROJECT

SENT: April 18, 2025

I. PURPOSE OF THIS PLAN

The Board of Aldermen of the City of Branson, Missouri (the "City") will consider an ordinance approving this Plan (defined below) and authorizing the issuance by the City of its taxable industrial development revenue bonds in the aggregate principal amount of not to exceed \$11,500,000 (the "Bonds"), to finance costs of a retail development project (the "Project") for R B D Marketing, LLC, or its assignee or designee (the "Company") as more fully described herein. The Bonds will be issued pursuant to the provisions of Sections 100.010 to 100.200 of the Revised Statutes of Missouri, as amended, and Article VI, Section 27(b) of the Missouri Constitution, as amended (collectively, the "Act").

This Plan for an Industrial Development Project and Cost-Benefit Analysis (the "Plan") has been prepared to satisfy requirements of the Act and to analyze the potential costs and benefits, including the related tax impact on all affected taxing jurisdictions, of using industrial development revenue bonds to finance the Project.

II. GENERAL DESCRIPTION OF CHAPTER 100 FINANCINGS

General. The Act authorizes cities, counties, towns, and villages to issue industrial development revenue bonds to finance the purchase, construction, extension and improvement of warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, service facilities that provide interstate commerce, industrial plants, and other commercial facilities. The leasing of residential property for a profit is a commercial undertaking.

Issuance and Sale of Bonds. Revenue bonds issued pursuant to the Act do not require voter approval and are payable solely from revenues received from the project. The municipality issues its bonds and in exchange, the benefited company promises to make payments that are sufficient to pay the principal of and interest on the bonds as they become due. Thus, the municipality merely acts as a conduit for the financing.

Concurrently with the closing of a series of the bonds, the landowner will convey to the municipality title to the property included in the project. At the same time, the municipality will lease the property, including the project, back to the benefited company pursuant to a lease agreement. The lease agreement will require the company, acting on behalf of the municipality, to use the bond proceeds to pay the costs or reimburse the costs of purchasing, constructing, and installing the project, as applicable.

Under the lease agreement, the benefitted company typically: (1) will unconditionally agree to make payments sufficient to pay the principal of and interest on the bonds as they become due; (2) will agree, at its own expense, to maintain the project, to pay all un-abated taxes and assessments with respect to the project, and to maintain adequate insurance; (3) has the right, at its own expense, to make certain additions, modifications or improvements to the project; (4) may assign its interests under the lease agreement or sublease the project while remaining responsible for payments under the lease agreement; (5) will covenant to maintain its corporate existence during the term of the bond issue; and (6) will agree to indemnify the municipality for any liability the municipality might incur as a result of its participation in the transaction.

Property Tax Abatement. Under Article X, Section 6 of the Missouri Constitution and Section 137.100 of the Revised Statutes of Missouri, all property of any political subdivision is exempt from taxation. In a typical transaction, the municipality holds fee title to the project and leases the project to the benefited company. Under this Plan, the Company will agree to make "payments in lieu of taxes" in an amount calculated to equal a portion of the taxes that would be due on the Project were it not for ownership by the City. The payments in lieu of taxes are payable in December of each year and are distributed to the

municipality and to each political subdivision within the boundaries of the Project in the same manner and in the same proportion as property taxes would otherwise be distributed under Missouri law.

III. DESCRIPTION OF THE PARTIES

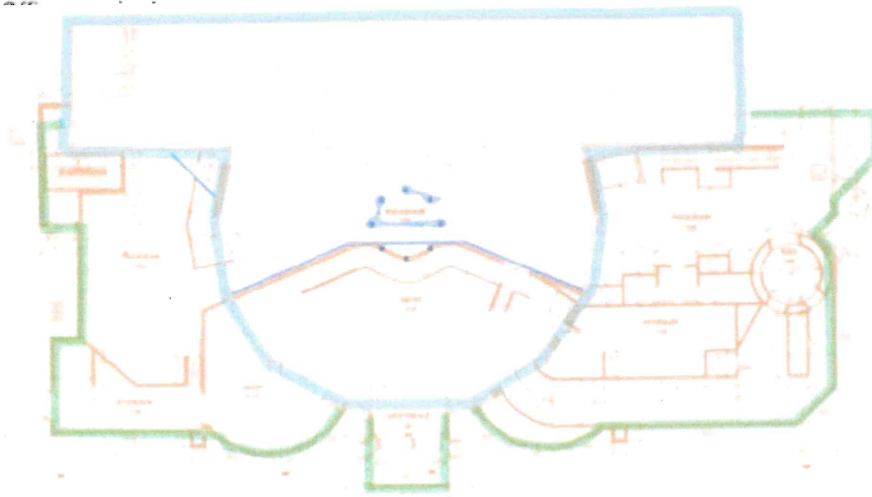
The Company. R B D Marketing, LLC, is a Missouri limited liability company and is the lessor of the Butterly Palace, located in Branson, MO.

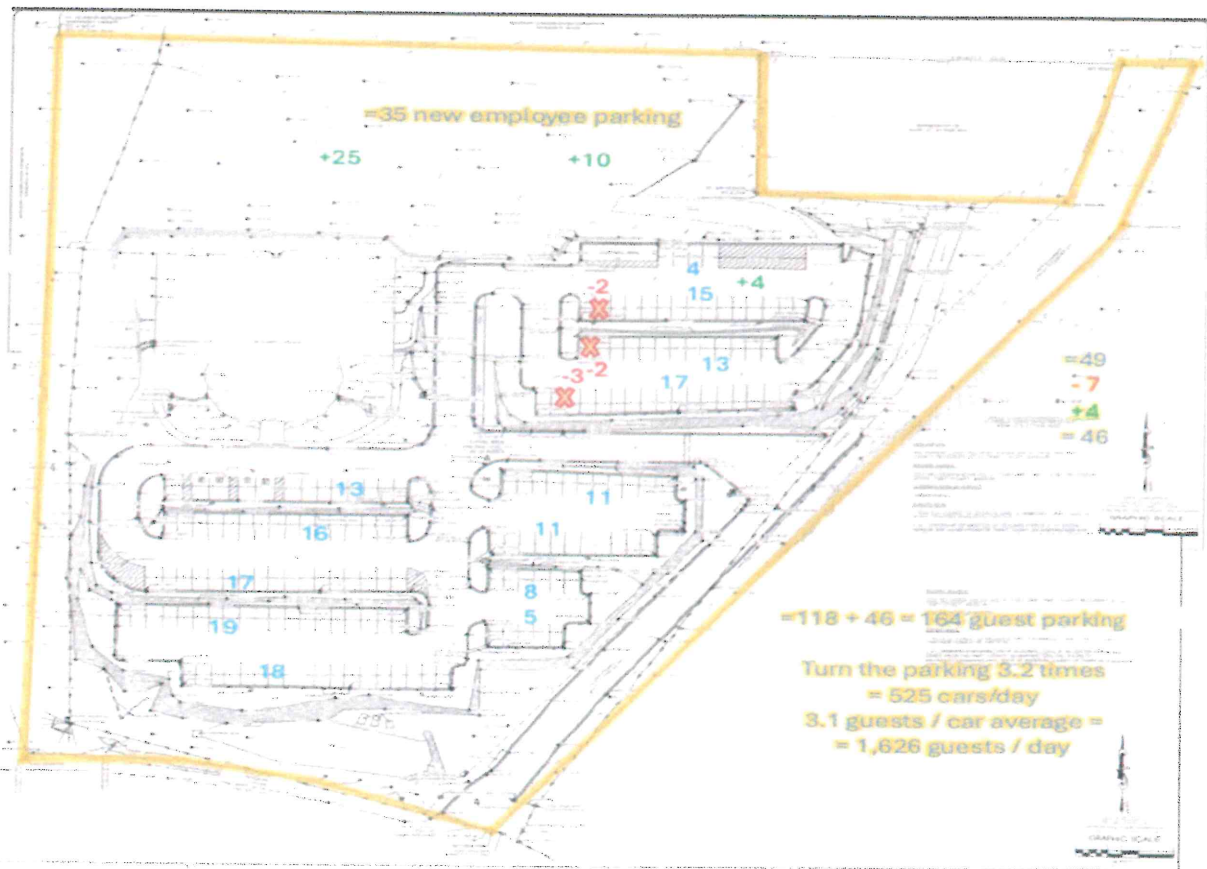
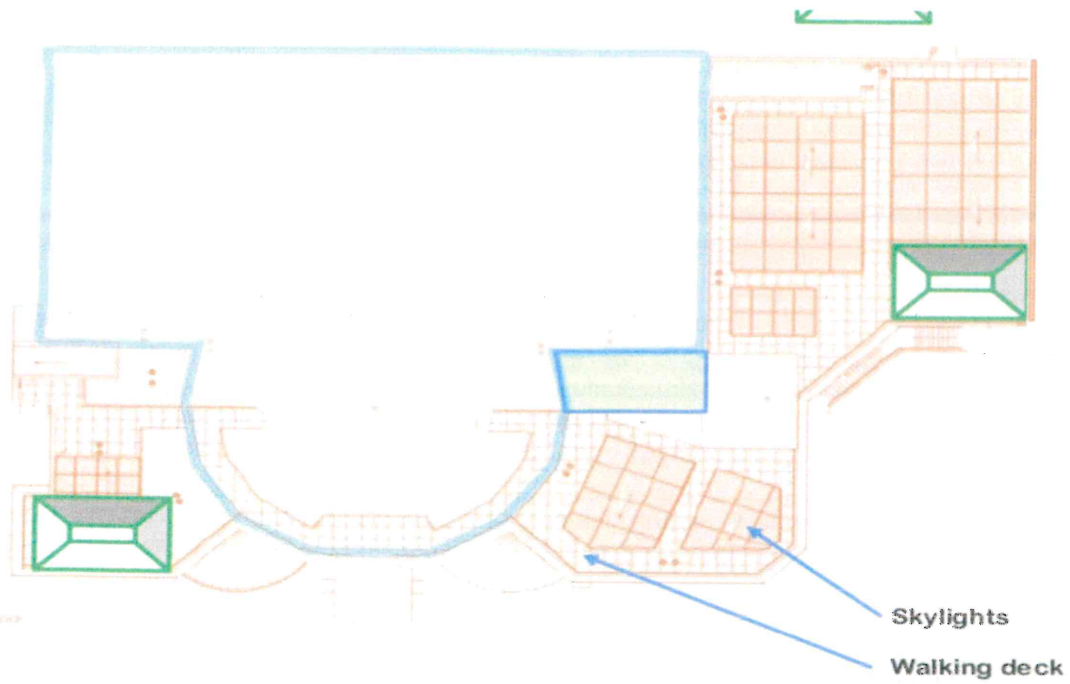
City of Branson, Missouri. The City is a fourth class city and municipal corporation organized and existing under the laws of the State of Missouri. The City is authorized and empowered pursuant to the provisions of the Act to purchase, construct, extend and improve certain projects (as defined in the Act) and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, warehousing and industrial development purposes upon such terms and conditions as the City deems advisable.

IV. REQUIREMENTS OF THE ACT

Description of the Project. The Project to be financed by the Bonds consists of the expansion of Butterfly Palace, along with associated parking, utilities, and other infrastructure improvements. The project will be located on approximately 6.57 acres situated in the northwest of the intersection of HWY 376 and Shepard of the Hills Expressway in Branson, Missouri.

A preliminary site plan is shown below:





Estimate of the Costs of the Project. The Project is expected to cost approximately \$11,500,000. The investments are anticipated to be made in 2025 and 2026, as shown in the attached Cost-Benefit Analysis, although the actual years of investment may vary based on Project implementation.

Source of Funds to be Expended for the Project. The sources of funds to be expended for the Project will be the proceeds of the Bonds in a principal amount not to exceed \$11,500,000 to be issued by the City and purchased by the Company and, if needed, other available funds of the Company. The Bonds will be payable solely from the revenues derived by the City from the lease or other disposition of the Project. The Bonds will not be an indebtedness or general obligation, debt or liability of the City or the State of Missouri.

Statement of the Terms Upon Which the Project is to be Leased or Otherwise Disposed of by the City. The City will hold title to the Project site under the Chapter 100 transactions. The City will lease the Project to the Company for lease payments equal to the principal and interest payments on the Bonds. Under the terms of the lease agreement with the City, the Company will have the option to purchase the Project at any time and will have the obligation to purchase the Project at the termination of the lease.

Affected Taxing Districts. The Branson R-4 School District is the school district, Taney County, Missouri is the county, the City is the city. There is no fire or ambulance district affected by the Project. There is no community college district affected by the Project. The Cost-Benefit Analysis attached hereto for the Project identifies all other taxing districts affected by the Project.

Assessed Valuation. The most recent equalized assessed valuation of the real property and personal property of the Project site is \$761,010 (2024). The estimated total equalized assessed valuation of the real property at the Project site after development of the Project is \$1,250,402.

Payments in Lieu of Taxes. If this Plan is approved by the Board of Aldermen, the City intends to issue the Bonds in 2027. The Company will make payments in lieu of taxes ("PILOTS") for the Project as follows: (1) prior to and during construction, the amount calculated to equal the taxes that would have been due on the unimproved land were it in private ownership, and (2) from and after completion of construction, for a period of 25 years, a fixed PILOT which totals the projected property taxes absent the Project occurring.

The total PILOT payments are estimated in the Cost-Benefit Analysis attached hereto. The actual Project implementation and abatement timing may vary from what is shown in the Cost-Benefit Analysis. PILOT payments will be distributed to the taxing jurisdictions by or at the direction of the City.

Cost-Benefit Analysis. In compliance with Section 100.050.2(3) of the Revised Statutes of Missouri, this Plan has been prepared to show the costs and benefits to the City and to other taxing jurisdictions affected by the Project. This Plan does not attempt to quantify the overall economic impact of the Project. The tax rates used in this Plan reflect the rates in effect for the tax year 2024. The actual years and PILOT amounts may vary based on Project implementation.

V. SALES AND USE TAX EXEMPTION

Sales and Use Tax Exemption on Construction Materials. Qualified building materials purchased for the construction of the Project are expected to be exempt from sales and use tax pursuant to the provisions of Section 144.062 of the Revised Statutes of Missouri and the underlying Bond documents upon delivery of a project exemption certificate by the City to the Company. For purposes of determining the impact of the sales and use tax exemptions for the qualified building materials on the affected taxing jurisdictions, it is assumed that the total amount of qualified building materials purchased will be

\$3,655,380 and that the situs of sale for the purchases will be as follows: 8% within the City, 25% within Taney County but outside the City, 25% within Missouri but outside Taney County, and 42% outside Missouri. Please note that any variance in these assumptions will alter the fiscal impact of the sales and use tax exemptions on the affected taxing jurisdictions.

Based on the assumptions set forth above, the fiscal impact on the affected taxing jurisdictions of the sales and use tax exemptions for qualified building materials is as follows:

Est. Construction Budget*	\$ 9,138,450
Est. Materials Percentage	40.00%
Est. Materials Cost	\$ 3,655,380
Total Sales and Use Tax Rate	9.350%
Est. Sales and Use Tax Savings	\$ 228,690

City Sales and Use Tax Rate	2.000%
County Sales Tax Rate	1.875%
State Sales and Use Tax Rate	4.225%
Special Sales Taxes	1.250%
	9.350%
Est. Allocation of Material Purchases:	
Branson	8.00%
Missouri (outside Branson)^	50.00%
Outside Missouri	42.00%

Branson Sales Tax Savings	\$ 5,849
Branson Use Tax Savings	\$ 30,705
Total Branson Sales and Use Tax	\$ 36,554
County Sales Tax Savings	\$ 22,618
State Sales and Use Tax Savings	\$ 154,440
Special Sales Tax Savings	\$ 15,078
Branson % of Total Savings	15.98%

^50% of sales in MO outside City are assumed to be subject to County and Special Sales Taxes

*Includes costs of expansion, roof replacement, and parking.

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