

AN ORDINANCE TO AUTHORIZE THE MAYOR TO EXECUTE A CONTRACT FOR ECONOMIC DEVELOPMENT PROJECTS AND USE OF THE CITY'S SALES TAX REVENUE AND TOURISM TAX REVENUE FOR SUCH PROJECTS.

WHEREAS, the City of Branson and its citizens pride themselves on the City's world-famous live entertainment shows and tourist attractions;

WHEREAS, the City estimates that in 2021, nearly 10 million people from across the nation visited Branson to vacation with family and friends, however, only an estimated 1 million of those were first time visitors;

WHEREAS, the Board of Aldermen has recognized the need for attracting first-time tourists to the City, has made attracting new tourists to the City a high priority, and has recognized the need for new recreational and entertainment venues that attract an expanded variety of tourists to the City;

WHEREAS, Branson Mill, LLC and Heartland Center, LLC (collectively, the "Applicant") and the City desire to enter into this Sales Tax and Tourism Tax Reimbursement Agreement, attached hereto as Exhibit 1, ("Agreement"), whereby the City will incentivize the Applicant to develop the Projects in the City by providing a sales tax and tourism tax reimbursement for the Development Projects.

WHEREAS, Branson Mill, LLC, or a special purpose entity created by Mr. Rob Phillips, intends to develop an immersive, interactive Disney animation venue, where residents and tourists can experience a celebration of Disney movies, songs, and animation, known as the Disney Immersive Project;

WHEREAS, Heartland Center, LLC, or a special purpose entity between Mr. Rob Phillips and Mammoth Construction principals, intends to develop an indoor/outdoor pickleball, golf, food, and beverage recreational and entertainment venue, where residents and tourists can take part in year-round sporting recreation and entertainment, known as the Mammoth Fieldhouse Project;

WHEREAS, the City and surrounding communities do not currently have entertainment and recreational venues like the Disney Immersive Project and the Mammoth Fieldhouse Project ("Development Projects"), which the Board anticipates to be popular facilities that will attract first-time tourists to the City and encourage such tourists to return to the City in the future;

WHEREAS, the Disney Immersive Project is anticipated to attract first-time tourists to Branson, as it will be the third location in the United States and the closest location of the Disney Immersive Experience for much of the population of the Midwest and the South;

WHEREAS, the Mammoth Fieldhouse Project is anticipated to offer recreational and entertainment options that will keep families and friends coming back time and time again;

WHEREAS, the Board must find that the Agreement utilizes tax revenues for a public purpose, that the use of the tourism tax revenues is for tourism marketing and promotional purposes, and

that the Agreement is entered into for a common service to the City of Branson;

WHEREAS, the Board believes that the Agreement utilizes sales tax and tourism tax revenue for public purposes, which include additional tax revenue to the City, opportunities for residents to work year-round, and expansion of tourist opportunities to attract first-time tourists to the City who will return to the City in the future;

WHEREAS, the City will benefit from first-time tourists to the City, who are likely to patronize hotels, restaurants, other businesses, and other entertainment and recreational venues, which would result in additional tax revenue to the City and other revenue to such businesses;

WHEREAS, the City is in need of entertainment and recreational venues that will operate for the full year, as it is currently not uncommon for venues to lay off employees during the off-season, which results in increased criminal activity within the City;

WHEREAS, the City will benefit from the development of the Disney Immersive Project and the Mammoth Fieldhouse Project, which are projected to provide year-round entertainment and recreational offerings and will likely remain open and fully operational for the entire year and thus will not need to lay off staff or reduce hours in the off-season, which aids in the welfare of the community;

WHEREAS, because venues similar to the Development Projects are not located near the City, the City will benefit from visitors who are seeking out these types of venues and are able to travel to the City;

WHEREAS, Missouri courts have consistently recognized that the Board of Aldermen may determine what a public purpose may be and that public purposes include the safety, happiness, and welfare of the citizens;

WHEREAS, the Board hereby declares that the sales tax and tourism tax revenue pledge for the Development Projects as provided herein will protect and promote the public health, safety, and general welfare of the citizens of the City;

WHEREAS, the Board believes that the use of the tourism tax revenues as described in the Agreement are for the purpose of tourism marketing and promotion of the City;

WHEREAS, the City will be able to market and promote the Development Projects, which will attract tourists to the City to engage in tourist activities and to return to the City in the future;

WHEREAS, the Board believes that the development of the Development Projects is a common service which will provide financial stability to residents who are employed by the Development Projects, opportunities for the City to market and promote itself for first-time tourists, and will further the City's economy, as tourists are expected to visit the City due to the Development Projects and will likely patronize other businesses while in the City and return to the City for future visits;

WHEREAS, the Board believes that the Agreement will further the development of the City's common service, the City's economy, which is essential to provide services to residents and tourists;

WHEREAS, the City is authorized to enter into this Agreement with the Applicant pursuant to the provisions of Section 70.210 et seq. RSMo; and

WHEREAS, the Applicant and the City wish to enter into this Agreement in order to generally describe their respective rights, duties and obligations regarding the construction of the Project.

WHEREAS, the Board of Aldermen desires to adopt the Ordinance approving the agreement.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF BRANSON, MISSOURI, AS FOLLOWS:

Section 1: The Board of Aldermen hereby finds that the use of sales tax and tourism tax revenues for the Development Projects referenced herein has the following public purposes: a.) to maintain the success of the City's economy, which has historically thrived on tourism, entertainment venues, and recreational venues, and to create additional tax revenue for the City by attracting first-time tourists to the City; b.) to create venues that are anticipated to provide entertainment and recreational options to tourists and residents for the full year, which will aid in ensuring the financial stability of residents who are employed to work at such venues; and c.) to provide an expanded variety of popular entertainment and recreational opportunities to attract new tourists to the City. The Board hereby finds that the safety, happiness, and welfare of the community is a public purpose which will be benefited by the use of the sales tax and tourism tax revenues as referenced herein.

Section 2: The Board of Aldermen hereby finds that the use of the tourism tax revenues for the Development Projects, which will provide opportunities for tourism marketing and promotion, is a tourism marketing and promotional purpose. Such opportunities include the City using the Development Projects in tourism marketing and promotional materials; the Applicant shall report to the City the numbers of visitors to each Development Project and how far the visitors have travelled to the City, which will aid the City in evaluating its tourism marketing and promotional materials and programs. Because the Development Projects are expected to be very popular, the City anticipates that it will market and promote the Development Projects so that first-time tourists will consider the City as a whole for their next day trip or extended family vacation.

Section 3. The Board of Aldermen hereby finds that the Agreement will be entered into for the purposes of planning, development, and construction of common services, which are the Development Projects, which further aids in the development of the City's economy as a common service to residents and tourists. The Development Projects are common services in many aspects, as they may be enjoyed by all residents and tourists of the City, will aid residents in their own financial stability with year-round employment, and will aid the City in the stability of the City's economy with additional revenue generated within the City by first-time tourists to the City. The Development Projects, which are anticipated to be popular, will also provide the City with tourism marketing and promotional opportunities, which will encourage first-time tourists to visit the City. Because the City's economy has historically depended on tourism, this Agreement is further authorized in

consideration that the City's economy is an essential common service for the City's residents and for the continuation of providing services to residents and tourists. Further, the Board finds that the purposes for the Agreement are within the scope of the City's powers. It is within the scope of the powers of the City to provide for economic development and to use its sales tax and tourism tax revenue for the public purposes described within the Agreement, for the City to use its tourism tax revenue for the tourism marketing and promotional opportunities as outlined in the Agreement, and for the City to use the Agreement to incentivize the Applicant to develop and construct the Development Projects in the City of Branson to effectuate these purposes.

Section 4: The Board of Aldermen hereby finds that the sales tax and tourism tax pledge for the Projects as provided herein will protect and promote the public health, safety, and general welfare of the citizens of the City.

Section 5: The Board of Aldermen hereby approves the Sales Tax and Tourism Tax Reimbursement Agreement with Branson Mills, LLC and Heartland Center, LLC for the development of the Disney Immersive Project and Mammoth Fieldhouse Project, in substantial conformity with the terms shown on Exhibit "1" attached hereto, in the amount not to exceed \$10.3 million and incorporated by reference as set out here in full, together with such changes therein as may be approved by the officers of the City executing same which are consistent with the provisions and intent of this legislation and necessary, desirable, convenient, or proper in order to carry out the matters herein authorized. The Mayor, City Administrator, and other appropriate City officials are hereby authorized to execute the Agreement and such additional documents and take any and all actions necessary, desirable, convenient or prudent in order to carry out the intent of this legislation.

Section 6: This ordinance shall be in full force and effect upon and after its passage and approval.

Read, this first time on this _____ day of _____, 20__.

Read, this second time, passed, and truly agreed to by the Board of Aldermen of City of Branson, Missouri this _____ day of _____, 20__.

Larry D. Milton
Mayor

ATTEST:

APPROVED AS TO FORM:

Hillary Briand
City Clerk

City Attorney