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MEMORANDUM

To: Branson TIF Commission
From: Joseph Lauber, Nathan Nickolaus
Date: January 10, 2019
Re: Amendments to TIF Plan

Commission Members:

Attached you will find several documents from the Applicant. They include an amended TIF Plan, an Amended cost benefit analysis, and a memorandum about the same. The Applicants are proposing to substitute these for the original documents. While these will not be part of the official file, we wanted you to have them as soon as possible, and would like you to consider during your deliberations whether they would be beneficial. As explained below, a substitution cannot be made at the present time, however the Applicant will be discussing them during its presentation and we are recommending that the Commission consider making the adoption of these amended documents part of its recommendation to the City.

In the proposed amended TIF Plan the Applicant is providing more justification for the finding of blight; including additional photographs. While the original blight study was, in our opinion, sufficient for the Commission to make a finding of blight, this additional documentation will be welcome.

The Applicant is also proposing to revise Table 2 in the TIF Plan by a more detailed description of the costs and the costs eligible for TIF reimbursement. The original document showed that costs eligible for TIF reimbursement exceeded the maximum reimbursement that the city would permit. Thus, even under the original we could be sure that there were sufficient eligible costs. However the greater detail of the revised Table 2 gives a clearer understanding of just what TIF revenue is to be used for. I have attached a copy of the revised Table 2 to this memo for you.

In addition, the original information provided by the Applicant unfortunately contained a small error. In calculating the area for the property tax base, the Applicant used the a description of Project Area #1 from early discussions which would have been approximately four acres. Ultimately, it was decided that a smaller area of approximately one acre would be sufficient, but the calculations used the earlier four acre figure. This meant that their calculations showed a higher amount of current tax income. The difference is small, since the property value is already low.

However, the proposed correction means that the effected taxing entities would show a greater return from the project moving forward. The cost benefit for the taxing entities was already positive after the first year. This change also requires amendments of some of the other numbers throughout the Plan and the Cost/Benefit Analysis. None of these changes are material in that the conclusions remain the same and we support its adoption.

The Applicant also found a mathematical error in some of the fiscal impact calculations, which it proposes to correct. This also turns out to be very minor and does not change the ultimate conclusions. The fiscal impact was positive originally and would remain so.

I have attached their summary of the changes which the Applicant prepared together with the revised documents. The Applicant's more thorough summary of the changes is also included.

As we indicated above, the timing of these proposed changes to the TIF Plan, it will be necessary to make them after the close of TIF Commission hearing. But since the Applicant is aware of them now, they intend to present this information during the public hearing so that they become a part of the record there. We also recommended that we send this summary as soon as possible so that Commissioners would be aware that these changes are intended and to get your input. Additional written and published notice of the changes will be made after the closes of the TIF Commission hearing, but before the Board of Aldermen consider the TIF Plan proposal. Finally, the proposed resolution will be amended to reflect that adoption of these changes is a condition of the approval, if that is the Commission's desire.

The Applicant's representatives will present information regarding these issues at the public hearing later this week and will be ready to answer questions related to this information.

TABLE 2
ESTIMATED REDEVELOPMENT PROJECT COSTS & ELIGIBLE REIMBURSABLE COSTS
 Aquarium at the Boardwalk Redevelopment Plan
 Branson, MO

Cost Category	Costs	TIF Eligible Expenditures	% of Total Project Cost
Land Acquisition	\$ 684,786	\$ 684,786	1.34%
Partial Demolition of Existing Structures & Improvements	\$ 753,000	\$ 753,000	1.48%
Site Improvement	\$ 2,221,000	\$ 2,221,000	4.36%
Lake	\$ 2,060,000	\$ 2,060,000	4.04%
Building	\$ 9,920,000		19.47%
Main Tank and Additional Tanks	\$ 4,692,000		9.21%
Life Support Systems	\$ 6,662,000		13.08%
Pre-Show	\$ 1,061,000		2.08%
Interactives	\$ 907,000		1.78%
Theming & Graphics	\$ 1,415,000		2.78%
Exterior Theming: Octopus & Aquarium Sign	\$ 2,708,000		5.32%
FF&E, Supplies, Equipment, Fish Acquisition	\$ 4,892,000		9.60%
Construction Contingency	\$ 3,600,000		7.07%
Soft Costs	\$ 9,363,000	\$ 3,788,000	18.38%
Total	\$ 50,938,786	\$ 9,506,786	100%

¹ Soft Costs that are eligible for reimbursement from TIF are costs paid for planning and design services.