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CITY OF BRANSON

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NEWS RELEASE

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Action taken by Branson Board of Aldermen at July 27, 2010 meeting

SECOND READING AND FINAL PASSAGE BILLS

Street marking material

Aldermen approved a bid of \$44,632 for equipment to install both paint and thermoplastic pavement markings on city streets. Thermoplastic material has an extremely longer life than normal marking paint and should result in significant savings. The company awarded the contract is Ennis Paint of Ennis, Texas.

New water truck for fire department

The Board approved the purchase of a new water transport truck for the fire department. The cost is \$198,500, but 95% of the amount is coming from a federal grant. The city's match share, \$9,850, will be funded through the budgeted Vehicle and Equipment Fund.

REGULAR AGENDA ITEMS (Presentations and 1st Readings)

A hearing was held on an appeal by Paul Dunn and Stephen Lind from the Grand Palace to overturn a denial by the city of a special event permit for an outdoor concert at the Palace August 21.

Board voted unanimously (6-0) to affirm city staff's denial of a special event permit for an outdoor concert on the parking lot of the Grand Palace August 21. The promoters, Dunn and Lind, had appealed the denial by the Branson Planning and Development Department to the Board of Aldermen. The Board's decision followed more than an hour public hearing in which six residents urged the Board to reverse the denial. They said the outdoor concert, expected to attract 6,000 people according to Dunn, would be economically beneficial to other businesses. Only one resident spoke to uphold the denial. Alderman Mike Booth expressed the sentiment of aldermen when he said the Palace parking lot is not suitable for large concerts. "It's the wrong place for this event," he said.

In a related matter, the architect overseeing the reconstruction of the Grand Palace Theater for Dunn today removed himself Tuesday from that project, and the city posted a stop work order on the theater.

Managers of the Branson Convention Center made a quarterly update on the operations and finances of the center

Highlights of the report:

For the second quarter of 2010

Total revenue is down \$158,685 or 11% from what was budgeted (\$1,441,134), but down just \$10,546 or 0.8% from second quarter of 2009.

Event days (days when at least one event held at convention center) totaled 69 compared to 68 in 2009. Revenue per Event Day totaled \$15,751 compared to \$15,458 in 2009 – up 2%.

For the first half of 2010:

Total revenue is \$1,939,668 which is 10% below budget and 1% below 2009 totals.

However, the convention center has lost \$459,000 which is well below projections of \$590,000 and below the losses in 2009 of \$571,000.

Bookings for the convention center remain strong in 2010 – up 18.3% over last year. Since opening in August 2007, the convention center has hosted 385,000 people through June 30 of this year.

Assistant City Finance Director Jamie Rouch will present updated financial report

Rouch told aldermen the city continues in a good financial condition. Overall, governmental revenues are 9% greater than budgeted, and expenditures are 4% less than what was budgeted. For the year, January through June, all revenues have been greater than expenditures by \$300,000.

Sales taxes for the year are up 0.3% and tourism taxes increased 1.5% over last year.

Board postpones bill requiring deposits for new businesses paying tourism tax

Board postponed until August 10 an amendment to the tourism tax ordinance that strengthens the city's ability to collect delinquent taxes. It would require all new tourism taxpaying businesses and any existing businesses that had their business licenses revoked to make a one month tax deposit with the finance department before their business licenses are issued. The minimum deposit would be \$100.

However, aldermen wanted a sunset on the deposit of three to five years. If a business makes tax payments on time for a determined number of consecutive years, the deposit would be refunded. Aldermen postponed the bill so this clause could be included in the bill.

Board allows private banners to promote shows

Aldermen amended the city code to allow banners on private property to promote shows and events happening at their theater or attraction. Currently, the code only allows the name or logo of the business on banners, but does not allow for identifying any specific event or show that may be occurring at the business.

Aldermen approve new lease agreement with Hughes Brothers and Mickey Gilley

For years the city has leased about two acres where the Hughes Brothers Theater sets on Highway 76 to Hughes Entertainment. The lease with Hughes Brothers expires in 2012, and Hughes has requested an extension of an additional 35 years to 2046. Aldermen approved on first reading the following terms of the lease contract:

Up the percentage of all gross revenue paid to the city from 2% to 3% in addition to the base rent of \$25,000 annually. Currently, Hughes pays 2% on all gross revenues up to the first \$500,000 and then 3% on all gross revenues beyond that, plus the \$25,000.

A minimum of \$50,000 was placed on the annual rent due, and this minimum will increase every five years by \$5,000.

Mickey Gilley's lease with the city on four acres on Highway 76 expires in 2021, but Gilley has requested a new 35-year term ending in 2045. Gilley now pays a base rent of \$32,000 annually,

plus 4% on all gross revenues. The new lease agreement would reduce the base rent to \$25,000 and reduce the percentage paid to 3% on gross revenues. This change will make the lease identical to the Hughes Brothers Theater. Also like the Hughes, a minimum of \$50,000 was placed on the annual rent due, and the minimum will increase by \$5,000 every five years.

Board approves reimbursement agreement with county airport

First reading approval was given for a new five-year reimbursement agreement with the Taney County Airport. The current agreement ends in May 2011. The reimbursement amount will be \$10,000 per year for a total not to exceed \$50,000 during the term of the agreement.