

# Economic Development

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## 1.0 Demographics and Socio economics

### Population, Age and Households

Taney and Stone Counties are consistently among the fastest growing counties in Missouri. The population doubled between 1990 and 2000, which was directly correlated to the entertainment industry's growth in the City. The City's population has grown by 22% in the last 10 years, compared to 9.9% national growth, according to US Census data.

Table 1. Branson Population History

	1970	1980	1990	2000	2005	2010
<b>Branson</b>	1,916	3,011	3,760	6,050	6,544	7,385
<b>Taney County</b>	13,023	20,467	25,561	39,703	42,943	48,463
<b>% of County Pop.</b>	<b>14.7%</b>	<b>14.7%</b>	<b>14.7%</b>	<b>15.2%</b>	<b>15.2%</b>	<b>15.2%</b>
<b>City Pop. Growth</b>		1,095	749	2,290	494	841
<b>% Growth over 10 Yrs.</b>		57%	25%	61%	8%	13%
<b>% Annual Growth</b>		5.7%	2.5%	6.1%	0.8%	1.3%

Source: Office of Administration: <http://oa.mo.gov/bp/projections/data.htm>,

Assuming the City will continue to make up approximately 15.2% of Taney County's population, the City's population projections for the next 20 years are as follows, according to the Office of Administration. This data suggests that the City will experience a population increase of approximately 3,000 residents through 2030.

Table 2. Branson Population Projections

	2015	2020	2025	2030
<b>Branson</b>	8,226	9,025	9,746	10,368
<b>County</b>	53,982	59,227	63,955	68,041
<b>% of County Pop.</b>	<b>15.2%</b>	<b>15.2%</b>	<b>15.2%</b>	<b>15.2%</b>
<b>City Pop. Growth</b>		799	720	623
<b>Percent Growth</b>		9%	7%	6%

Source: Office of Administration: <http://oa.mo.gov/bp/projections/data.htm>

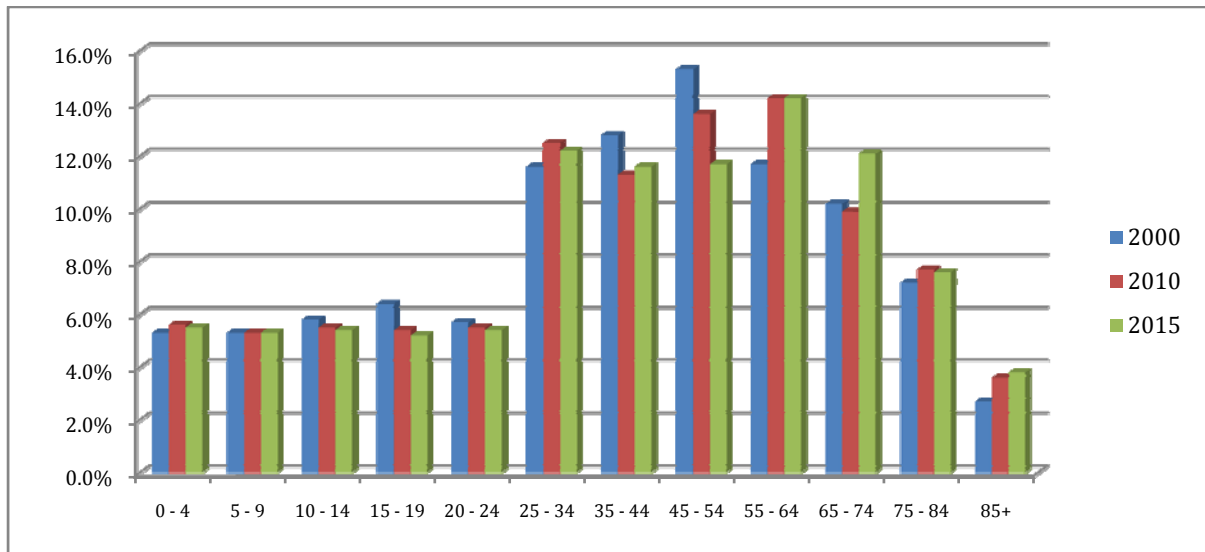
Although the City serves 7,385 residents, the City also caters to an estimated 8 million tourists annually, according to the Branson Lakes Area Chamber of Commerce and Convention and Visitors Bureau. Branson and thane Tri-Lake Area (Taney and Stone counties) are positioned within a day's drive of 30% of the U.S. population, which generates roughly 70,000 visitors per day to Branson.

Table 3. Demographics Summary

	2000	2010	2015
Population	6,050	7,385	8,226
Households	2,701	3,297	3,690
Families	1,660	1,952	2,146
Average Household Size	2.21	2.23	2.24
Owner Occupied Housing Units	43.5%	43.5%	43.5%
Renter Occupied Housing Units	36.7%	34.3%	34.2%
Vacant Housing Units	19.8%	22.2%	22.4%
Median Age	43.0	44.1	44.4

Source: ESRI Business Information

Figure 1. Age Distribution (2000-2015)



Source: ESRI Business Information

### Socioeconomics

Approximately 89% of Branson’s adult population has a high school education or better. Furthermore, some 22% of Branson workers have a bachelor’s degree or better, compared to 25% of workers in the state and 28.1% workers nationally.<sup>1</sup> Roughly 1,700 Taney County residents commute outside the county limits to surrounding counties including Stone, Greene and Christian according to the US Census for full-time employment. Roughly 16,800 travel within Taney County for employment and 2,900 people commute from Stone to Taney County. Similarly, many of the service workers commute into the City during peak tourism months.

<sup>1</sup> ESRI Business Information

Table 4. 2010 Education Attainment, Population 25 Yrs. +

Education Level	% of Branson Population	% of Missouri Population	% of US Population
Less than 9th Grade	2.9%	4.6%	6.3%
9th - 12th Grade, No Diploma	8.0%	8.8%	8.5%
High School Graduate	32.7%	33.3%	29.6%
Some College, No Degree	27.5%	21.4%	19.9%
Associate Degree	6.7%	6.8%	7.7%
Bachelor's Degree	15.0%	15.9%	17.7%
Graduate/Professional Degree	7.2%	9.1%	10.4%

Source: ESRI Business Information, 2000 Census Data

The average household income today is \$56,110 and the per capita income is \$24,948. Both are expected to increase substantially through 2015, 9.5% and 9.1% respectively. Within the last 10 years, the residents who earn \$25,000 or less have decreased by 15%, while at the same time, the residents who earn \$35-50,000 increased by 5.4%. The decrease in individuals making \$25,000 or less suggests these individuals moved out of Branson and/or the wages have increased over time.

Table 5. Household Income (2000-2015)

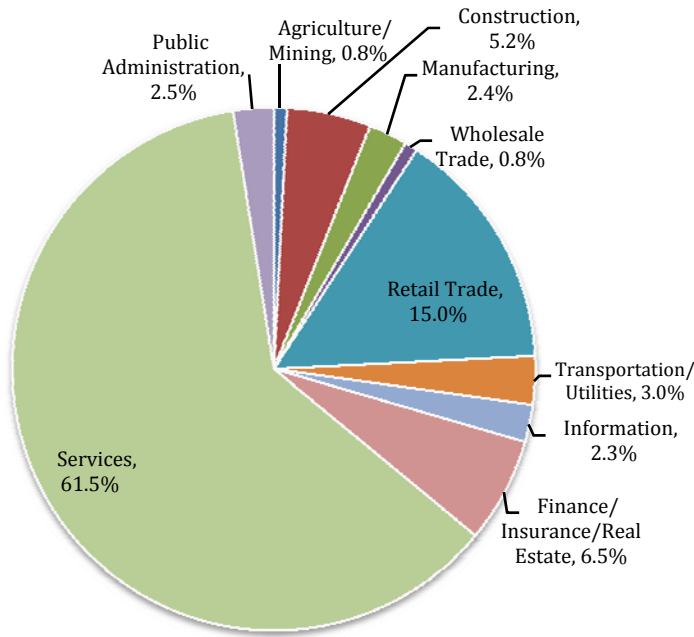
Income	2000	2010	2015
<\$15,000	19.8%	11.5%	9.7%
\$15,000 - \$24,999	18.6%	11.1%	9.2%
\$25,000 - \$34,999	16.3%	14.3%	11.1%
\$35,000 - \$49,999	14.1%	19.5%	18.7%
\$50,000 - \$74,999	16.3%	18.3%	23.1%
\$75,000 - \$99,999	8.0%	14.2%	14.4%
\$100,000 - \$149,999	4.6%	7.5%	9.3%
\$150,000 - \$199,999	1.6%	2.3%	3.0%
\$200,000+	0.6%	1.3%	1.4%
Median Household Income	\$32,414	\$43,439	\$51,180
Average Household Income	\$44,522	\$56,110	\$61,446
Per Capita Income	\$20,461	\$24,948	\$27,251

Source: ESRI Business Information

## Employment

The majority of employment within Branson is service-oriented and a large portion of those jobs are seasonal in nature. Approximately 61.5% of the population contributes towards the dominant entertainment, retail and tourism economy, as seen on Figure 2. Conversely, there are not a lot of full-time employment opportunities for year-round residents. *The team has heard through the one-on-one interview process that there is a desire to diversify to attract other industries that will create professional and technical service jobs for additional year-round employment opportunities, refer to Section 4.0.*

Figure 2. 2010 Employment by Industry, Population 16 Yrs. +



Source: ESRI Business Information

## 2.0 Community Development Trends

This section summarizes patterns and current conditions of residential and commercial real estate as it relates to value, supply, demand and vacancy. First, it is important to note a few trends that affect both residential and commercial property.

*The team has heard through interviews with local developers and real estate brokers, as well as via the responses to survey questions, that a major challenge to redevelopment or infill development is the cost to acquire and assemble land. Individuals believe their land values are higher than they are, which deters prospective buyers. An additional limitation to new construction is the cost to build on the soil conditions that exist in Branson. Constructing on limestone often puts the costs above future revenue potential, making development cost prohibitive.*

There are a many vacant and underutilized commercial and residential properties in Branson that warrant redevelopment or reuse. Infill before growing outward was the priority for 46% of the respondents to the Open House survey (August 2010). The Strategic Destination Plan acknowledges that there is a negative perception of closed businesses along Highway 76.

**RESIDENTIAL**

The table below summarizes real estate movement over the last year, including single-family residential and condominiums, ranging in home value.

*Table 6. Residential Activity- June 2009- June 2010*

	Closed		Current Listings	
Less than \$100,000	297	39%	654	30%
\$100,000 to \$149,999	194	26%	561	25%
\$150,000 to \$199,999	157	21%	427	19%
\$200,000 to \$249,999	62	8%	236	11%
\$250,000 to \$299,999	35	5%	191	9%
\$300,000 to \$499,999	10	1.3%	97	4%
\$500,000 to \$799,999	2	0.3%	27	1%
Over \$800,000	0	0%	14	1%
	<b>757</b>		<b>2,207</b>	

*Source: Gerken and Associates*

*Note: Additional information on the housing conditions and trends in Branson is in the housing white paper.*

**Single-Family Residential**

*According to Gerken and Associates, a local real estate broker, within the last eight months (as of July 2010), one home has sold above \$500,000, two within the last year shown in Table 6. In today’s housing market and similar to elsewhere in the country, homes are sold at much lower prices than a couple of years ago. Charlie Gerken states that \$1 million homes are being sold for \$600,000.*

*According to Gerken and Associates, the primary single family home buyers are retirees. Sixteen percent of the respondents to the open house survey suggested senior housing as one land use he/she would like to see more of in the future.*

*There is also an expressed need amongst many in the community for smaller, single-family homes for lower income employees that do not want to live in multi-family housing. Conceptually, these homes would be considered affordable by national standards. The increase in population to 10,368 by 2030 suggests approximately 1,300 additional homes will be needed to house the new residents, assuming the same household size as today of 2.3 residents per household.*

**Multi-family Residential**

Similar to the rest of the country and due to the economic recession, condominium foreclosures are a significant problem in Branson. Branson is particularly burdened by foreclosures, in comparison to some other cities in the country, because of the vacation destination, second home nature of the Branson real estate market. Job loss across the country has put a strain on primary home financing and, in a lot of cases, has forced individuals to sell or foreclose on their second homes.

*Local real estate brokers say there is a three-year supply of condominiums on the market today. Foreclosed condominiums have depressed the value of the similar real estate in the same building and of similar condominiums products.*

Similarly, the City has stated that within the last 3 years, over 200 multi-family apartment units have been constructed per year. This was in part due to the demand in the market for rental housing products for residents and workers. *According to local brokers, the apartments have a hard time staying profitable as a result of the seasonal nature of the Branson economy.*

In 2010 thus far, 27 duplex buildings (54 units) have been constructed.

**COMMERCIAL**

**Retail**

The retail market data is split into three sub areas: Highway 76, off Highway 76 and Branson Landing. *According to Commercial One Brokers, the following data reflects market data as of July 2010.*

*Table 7. Retail Lease, Land and Vacancy Rates*

Sub-Area	Avg. Lease Rates	Avg. Land Prices	Total SF	Occupied SF	Vacancy
Highway 76 <sup>(4)</sup>	\$18-22 /SF	\$20 /SF <sup>(2)</sup>	282,405	257,502	7.2%
Off Highway 76 <sup>(1)</sup>	\$10-12 /SF <sup>(3)</sup>	\$5-6 /SF <sup>(3)</sup>	1,013,177	802,182	13.9%
Branson Landing	Not Available /SF	NA /SF	430,000	387,000	10.0%

*Source: Commercial One Brokers*

Footnotes:

(1) Includes downtown

(2) Significant variations in sales price (\$7-45/SF) because of topography and location

(3) Prices reflected are along high traffic roads; Lease rates off Hwy. 76 are as low as \$6/SF

(4) The numbers do not include the two outlet malls: Tanger and Factory Merchants

Tanger and Factory Merchants represent additional commercial space, roughly 575,000 square feet, not represented in the table above. The Tanger Outlet mall is 100 percent occupied as of June 2010 and generates \$370 per square foot of revenue in the 300,000 total square feet. Lease rates at Tanger average \$40 per square foot and the outlet targets national retail tenants. The Shoppes Outlet Mall at Branson Meadows is another shopping destination that houses 20 retail tenants, restaurants and a movie theater.

**Office and Industrial**

The office market has a high vacancy rate due to two office buildings that have been constructed within the last three years: Castle Rock, constructed approximately three years ago, and the Manchester 5 building, completed approximately 1.5 years ago, approximately 25,000 and 36,700 square feet respectively.

According to Commercial One Brokers, the following data reflects market data as of July 2010.

Table 8. Office Lease and Vacancy Rates

	Avg. Lease Rates	Avg. Land Prices	Total SF	Occupied SF	Vacancy
Office	\$10-12 /SF	NA /SF	284,000	196,200	30.9%

Source: Commercial One Brokers

The lease rates represented in Table 8 are for shell space, or as-is in existing office buildings, where tenants would pay for their respective improvements. Lease rates for new, finished space average closer to \$16 per square foot.

There is currently no distinction between the different classes of office space. The commercial brokers in the area are in the process of classifying the different types of office – Class A and B. Class A will be characterized by office buildings with amenities and Class B will be older office buildings or retail buildings that have been converted to office space.

In addition, Branson Commerce Park has opened up new business and light industrial park space for existing tenants that want to expand or new users that want to locate in Branson. *According to Commercial One Brokers, historically there has not been a location for light industrial businesses in Branson.* The 200 acres at Branson Commerce Park offers high-end technology and utility connections that can “service any tenant that any big city can service.” There is railroad capacity, although the tenant would have to extend a rail spur three-quarters of a mile, at the Branson Commerce Park if there is a tenant that can justify it.



Commerce Park Site Plan

Commercial One Brokers is also working with an organization to build a 50,000-60,000 square foot spec building for warehouse/flex space to be used as a local incubator. This incubator will provide a location for businesses to start and grow.

*The team has heard criticism from the community, stating that Branson has not offered business or development incentives to potential new tenants that could have located within the City, as opposed to locating elsewhere.*

**LODGING**

Branson Lodging Association manages and markets many of the Branson accommodations including bed and breakfast, cabins, condos/timeshares, hotels and motels. There are roughly 18,800 lodging units available in the City, within 207 lodging facilities. Table 9 highlights Branson’s average occupancy, daily rate and total revenue compared to comparable markets. In addition, Figure 3 illustrates the gap between the room demand versus the lodging supply in Branson and comparable markets. Branson has a total room supply of 3,174,595 and the annual demand for room nights is 1,210,912.

*The community has expressed concern about the visual appearance, quality and number of lodging accommodations along Highway 76. There is an apparent disrepair of many buildings along the strip that need to be revitalized or reused.*

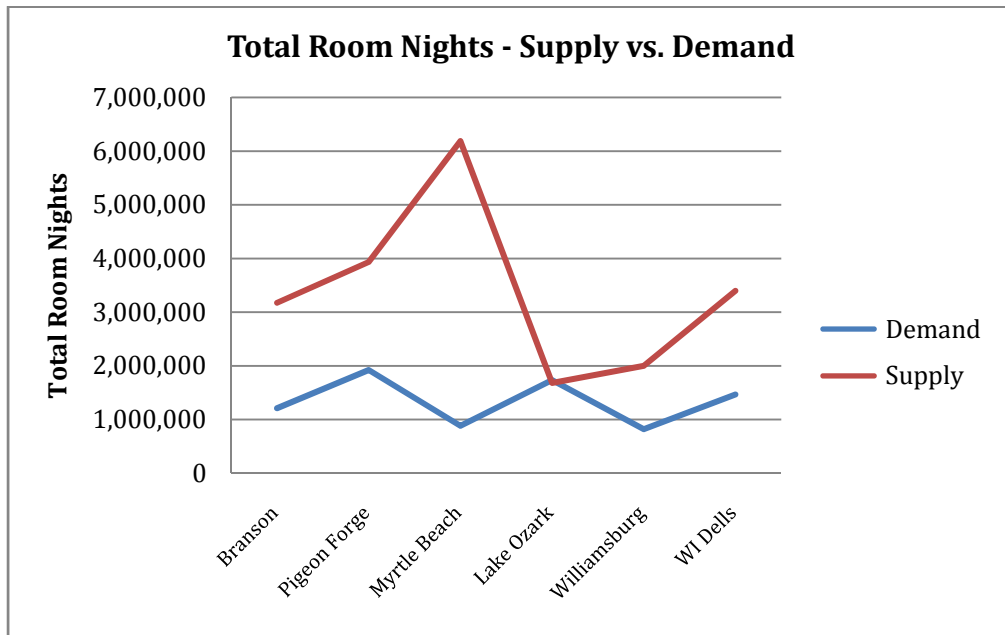
Similarly, during the BLACVB Strategic Destination Plan process, the Tourism Community Enhancement District (TCED) Board defined ‘overbuilding of tourist attractions’ as an issue for the overall tourism experience. The percent change reflects changes from between July 2008 and July 2009. Branson’s total lodging revenue does not reflect the decrease in occupancy because it is the only location in the Smith Travel Research study that experienced an increase in demand (not reflected in this spreadsheet). Between 2008 and 2009 Branson saw a 0.7% increase in demand compared to a decline of 0.2% in Pigeon Forge and 17.7% in Williamsburg.

*Table 9. Lodging Comparison (Branson vs. Competitors) YTD, July 2009*

DESTINATION	Occupancy		ADR		Total Revenue	
		Annual % Change		Annual % Change		Annual % Change
<b>Branson</b>	38.10%	-0.20%	\$71.71	1.00%	\$88,046,314	0.80%
<b>Pigeon Forge</b>	48.90%	1.10%	\$67.60	-1.30%	\$130,010,466	1.10%
<b>Myrtle Beach</b>	51.00%	-8.70%	\$96.42	-7.80%	\$303,924,808	-8.70%
<b>Lake Ozark</b>	52.50%	7.20%	\$72.80	5.30%	\$64,321,186	7.20%
<b>Williamsburg</b>	41.10%	-8.60%	\$83.43	-9.90%	\$68,536,801	-8.60%
<b>Wisconsin Dells</b>	43.20%	-10.80%	\$74.04	2.30%	\$108,621,627	-10.80%

Source: Smith Travel Research via Commercial One Brokers

Figure 3. Total Room Night Comparison- Supply vs. Demand



Source: Smith Travel Research via Commercial One Brokers

### 3.0 Tourism Economy

Situated within a one-day drive of 30% of the U.S. population, Branson and the Tri-Lakes Area (Taney and Stone counties) serve up to 70,000 visitors daily. These visitors pump more than \$2 billion into the local economy annually. Branson has become the focus of international attention as a major entertainment and tourism destination. The reasons are numerous and range from the scenic natural beauty of the area to the star-studded theaters along Highway 76 with their line-up of major recording artists and family-oriented entertainment offerings.

Per information from the BLACVB Chamber, Branson’s seasonality is categorized as follows:

<u>Season</u>	<u>Dates</u>	<u>Busiest Season &amp; Typical Tourist Demographic</u>
• Hot Winter Fun	Jan. – Feb.	Seniors & Empty Nesters
• Ozark Mtn. Spring	March – May	Seniors & Empty Nesters
• Summer	June – Aug.	1. Primarily Families
• Fall	Sept. – Oct.	3. Seniors & Empty Nesters
• Ozark Mtn. Christmas	Nov– Dec.	2. Veterans Homecoming (11/5-11/11- Peak Motorcoach Season)

The following descriptions of the shows, shopping, the convention center and recreational opportunities as provided by City’s economic development department:

#### Shows and Attractions

Branson has over 40 theaters with more than 60,000 theater seats, 207 lodging facilities with more than 18,000 rooms and 200 restaurants with more than 38,000 seats. The theaters host more than 100

shows– breakfast shows, matinees and evening performances round out a full day of entertainment. Country, pop, swing, rock n’ roll, gospel, classical and Broadway-style music and productions join comedy and magic shows to provide visitors a wide array of entertainment choices.

### **Shopping**

Branson’s newest shopping attraction, Branson Landing, opened in 2006. This \$420 million, 95-acre development along Lake Taneycomo has over 100 retail shops with dining, luxury lodging, river walk, town square, marinas, and nightlife in a waterfront setting.

Branson is also home to three outlet shopping malls with more than 200 retailers (Factory Merchants Outlets, the Shoppes at Branson Meadows and Tanger Outlets), as well as the Grand Village and other shopping areas. Shoppers can find contemporary clothing, Ozarks crafts, gift items, housewares, designer shoes, luggage and a myriad of other treasures throughout the year.

Historic Downtown Branson is also a shopping and dining destination. The old-fashioned Dick’s 5 & 10, several boutiques and specialty stores combined with other eateries make the downtown area special.

### **Convention Centers**

Branson’s downtown Convention Center opened in August 2007. The Branson Convention Center provides a powerful incentive for associations, groups and companies to visit Branson. Chateau on the Lake, Big Cedar Lodge, Radisson Hotel Branson and other hotels have facilities for meetings and conventions as well.

### **Recreation**

The Branson/Lakes Area is home to three scenic lakes offering fishing, boating, parasailing, jet skiing, scuba diving and swimming. While the lakes all offer great fishing for novice and professional anglers, each has its specialty. Table Rock Lake offers world-class bass fishing. Lake Taneycomo, with its cold waters, offers superb trout fishing. Bull Shoals Lake is also an angler’s paradise especially for tournament bass fishing.



**Visitor Profile and Trends**

*The following information is based on conversations with and data from the Branson/Lakes Area Conventions and Visitors Bureau.*

- Individual travelers are between 85-90% of the visitors. Individual travelers are those that do not travel with a group. The group market consists of: student travel, meeting and conventions, motor coach (professional group tours), church groups, company and corporate, veterans groups, and sporting events. The group market makes up the remaining 10-15%.

- Visitor Statistics:

	<u>2008</u>	<u>2009</u>	<u>YTD Nov. 2010</u>
○ Spending per Party	\$907	\$944	
○ First-Time Visitor	22.9%	30.7%	25.9%
○ Length of Stay (nights)	4.28	4.58	4.44
○ Families	36.5%	38.5%	37%
○ Average Adult Age	53.7	55.4	56.8
○ Party Size	3.32	4.06	3.1

- Per the BLACVB, roughly 3-4% of 2010 Branson visitors travel by motor coach annually. However, coach travelers are highly concentrated in the fall/Christmas timeframe and see more shows than the typical visitor. Depending upon the season and the industry, the motor coach market, although a small percentage of the total visitor population, remains important to the area.
- Visitors to Branson are most impressed with its variety of activities and amenities, Christian and patriotic values and friendliness.
- Branson’s current visitor expectations are exceeded once they get to Branson but potential visitors however have low expectations.
- Fluctuations in visitors over the last 5 years:
  - + 9% in 2006
  - + 6% in 2007
  - - 3% in 2008
  - - 4% in 2009
- The area’s target markets are:
  - 0-100 Miles- Core Market (15%)
  - 100-300 Miles- Primary Market (25%)
  - 300+ Miles—Outer Market (60%+)
  - 600+ Mile market dropped off dramatically in 2009

Three airlines serve the new Branson Airport- Frontier, Air Trans and Branson Air Express. The Branson airport has opened non-stop leisure air travel to eight new markets including: Milwaukee (Frontier), Denver (Frontier), Atlanta (Air Trans), Orlando (Air Trans), Des-Moines (Branson Air Express), Austin (Branson Air Express), Houston (Branson Air Express) and Chicago (Branson Air Express) at an affordable price, in comparison to flying to Springfield. All of these flights are not available year round and some of those that are available have intermittent service (i.e. Air Trans flights to Orlando only fly on Saturdays). Direct access to the major airline hubs, Atlanta, Denver and Chicago, provide connections to over 50 other destinations across the country. The airport currently has 400,000 passengers annually and *according to Jeff Bourk AAE, Executive Director, expects to maintain 500,000 passengers per year for the foreseeable future.*

- The tourist demographic is changing. World War II generation is attracted to and familiar with the Andy Williams-type of entertainment. Baby Boomers tend to book last minute, are interested in more recreation activities, higher-end dining and shopping. *Some tourism research has suggested Generation X is more recreation focused and may be less interested in affordable, live entertainment.*

## 4.0 Economic Development

### Existing Business

Since tourism is the mainstay of the area’s economy, most of the largest employers are in tourist-related industries.

*Table 10. Major Employers in the Region*

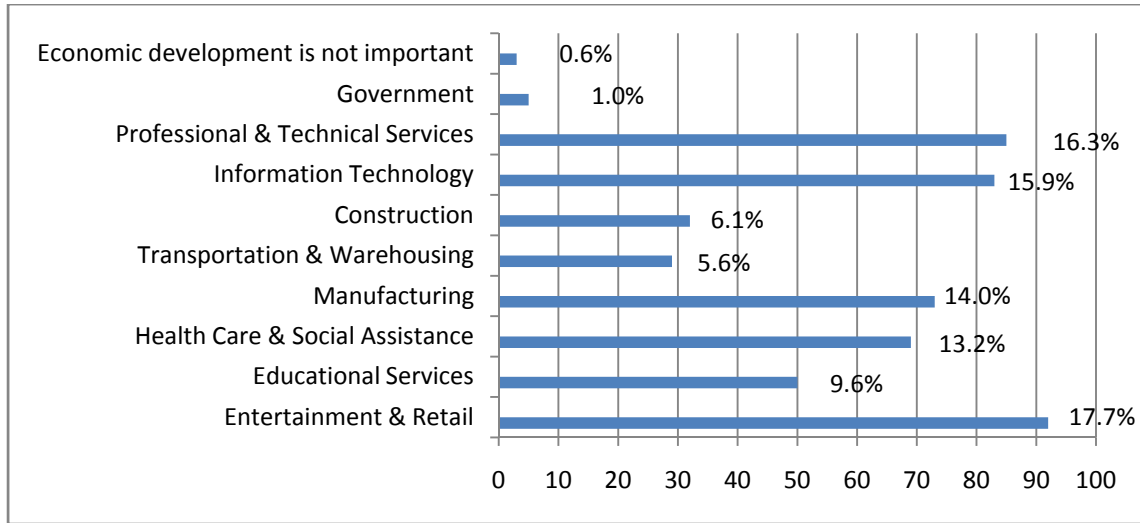
<b>Company</b>	<b>Number of Employees</b>
Herschend Family Entertainment	1,993
Skaggs Community Health Center	1,064
Branson Public Schools	650
Big Cedar Resort	550
Wal-Mart	515
Taney County	297
Wyndham Vacation Resorts	272
College of the Ozarks	266
City of Branson	254
Hilton Hotels / Convention Center	230
Westgate Resorts	228
Hollister School District	218
Chateau on the Lake	204
Sight & Sound Theater	204
Myer Hotels	195
White River Valley Electric CO-OP	165
Target Stores	141
Ozark Mountain Bank	88
Home Depot	81

*Source: City of Branson Economic Development Department*

### New Business

*According to the community, recently polled during a public open house presentation, the top three areas to focus future economic development within the City are: information technology, professional and technical services, entertainment and retail.*

Figure 4. Focus of Future Economic Development

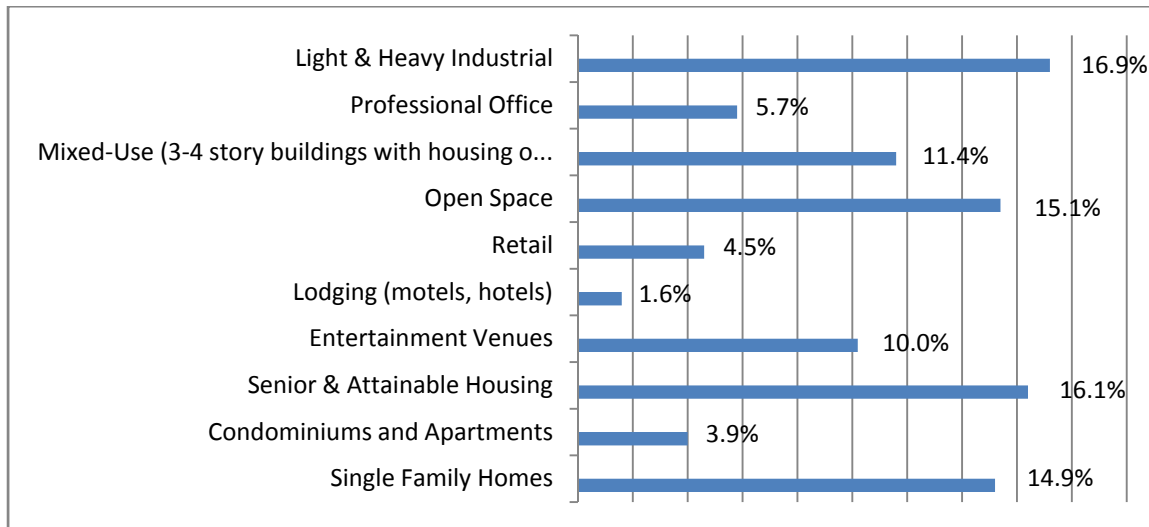


Source: Combined Survey Results- Online and Open House

There is a belief among numerous community members that professional, technical and informational technology jobs, like those at The Mountain, will increase the middle class in Branson and will provide year-round employment opportunities for potential new full-time residents.

In addition, the top community results, when asked what land uses they would like to see more of in the future were: light and heavy industrial, senior and attainable housing, and single-family homes.

Figure 5. Preferred Future Land Uses



Source: Combined Survey Results- Online and Open House

Through the one-on-one interview process, the team heard community interest in increasing light and heavy industrial opportunities as well. The challenge with this proposition is the lack of available flat land and access to major transportation networks that these types of businesses often require or desire. Additional concern that was raised with the professional, technical jobs and industrial jobs is that of

training and skilled workforce. In the employee survey, many expressed an interest in technical and vocational training to be able to have manufacturing and other full-time work.

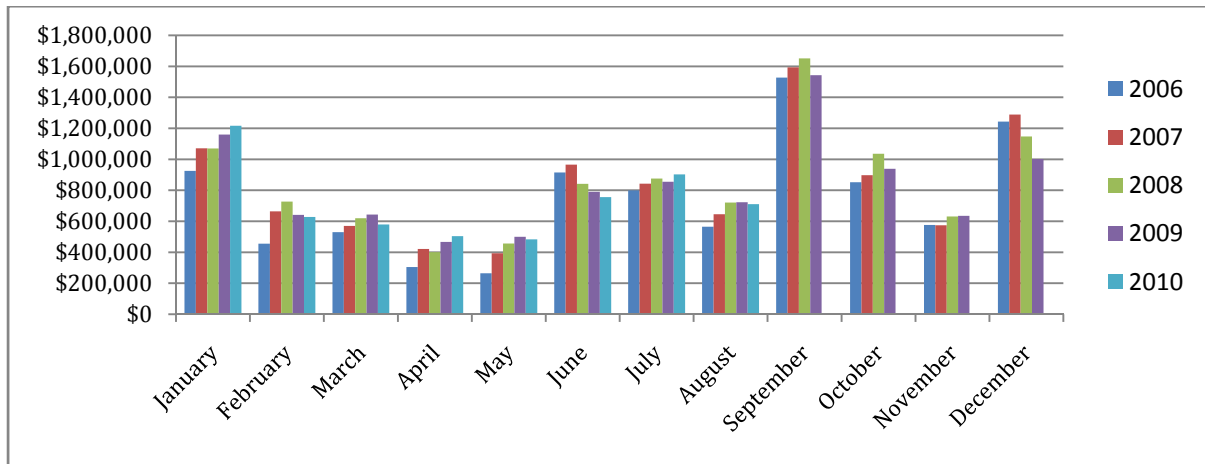
### 5.0 Tax Revenue and Financing Mechanisms

The City is heavily dependent on sales tax and tourism tax. Property tax alone will not provide the services required by the businesses, entertainment and tourists.

#### Sales Taxes

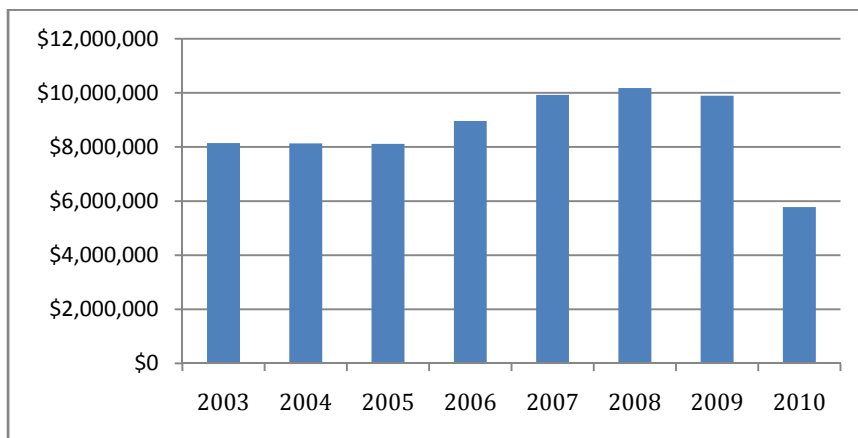
The City of Branson has a general 1.5 percent sales tax on general retail sales. The 1.5 percent sales tax is broken out into: one percent sales tax and a half percent transportation tax that pays for infrastructure improvements. The table below illustrates the performance and fluctuations in the one percent sales tax over the last 5 years. This graph illustrates the cyclical nature of the Branson tourism economy – summer months and the Christmas holiday represent the highest revenue generating times during the year. This tax revenue generated has steadily increased since 2003 and produced \$9.9 million, \$10.2 million, and \$9.9 million respectively for 2007, 2008 and 2009.

Table 11. Monthly 1% Sales Tax History (2006-2010)



Source: City of Branson

Table 12. Annual 1% Sales Tax History (2006-2009)



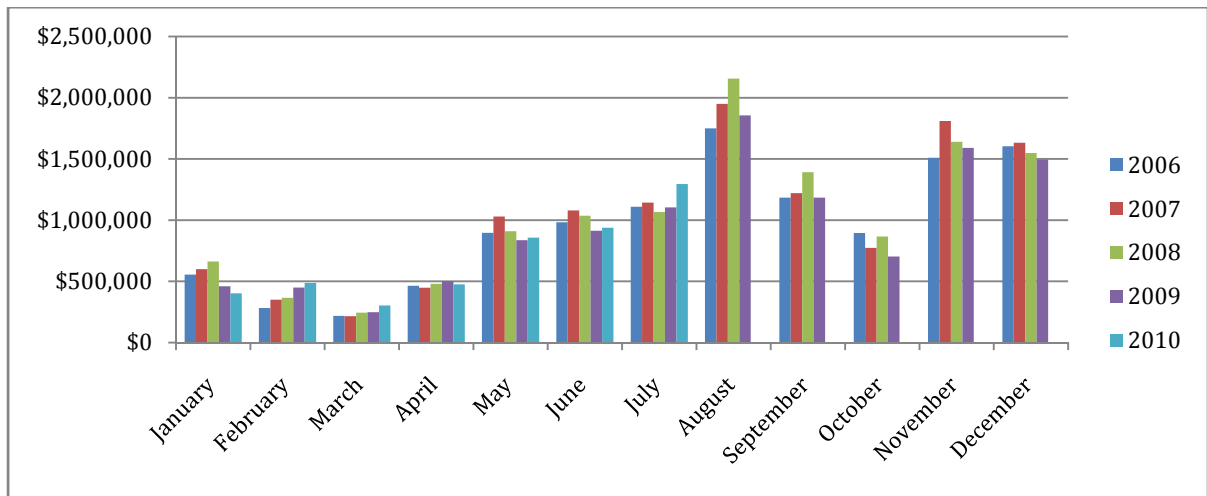
Note: 2010 revenue includes taxes collected between January and July.

**Tourism Tax**

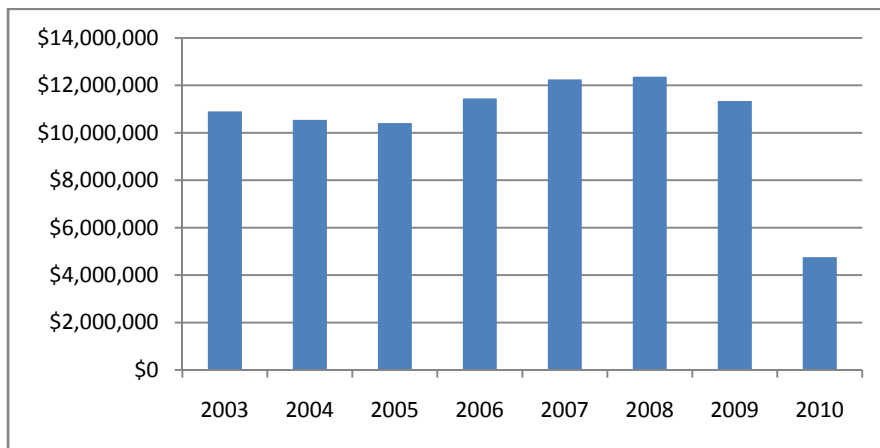
The City assesses the 1.5 percent sales tax, plus a 4.0 percent tourism tax on tourism-related businesses like hotels, attractions and restaurants. Seventy-five percent of the tourism tax pays for infrastructure improvements and the remaining twenty-five percent of tax is paid to the BLACVB for area-wide marketing. By legislation, these CVB monies cannot be used for product development or to attract new businesses to Branson. The tourism tax decreased \$1 million from 2008 to 2009, totaling \$11.3 million, down from \$12.3 million.

The table on the next page illustrates the performance and fluctuations in the City’s tourism tax over the last 5 years.

*Table 13. Monthly 4% Tourism Tax History (2006-2009)*



*Table 14. Annual 4% Tourism Tax History (2006-2009)*



*Note: 2010 revenue includes taxes collected between January and July.*

A regional Tourism Community Enhancement District (TCED) exists that encompasses most of the City of Branson, all of the Village at Indian Point and portions of both Taney and Stone Counties. The district assesses a one percent tax on retail and some tourism-related purchases and activities. According to the Missouri Department of Revenue, the income generated from this tax is collected, paid and administered by the District, managed by a board of seven members and executed by the BLACVB, to promote tourism in the Branson/Lakes area. The TCED tax contributes considerably more annually to area-wide marketing than the City’s tourism tax revenue (typically \$7 million in comparison to the City’s \$2.1 million).

**Property Taxes**

Property taxes in Branson make up a very small portion of the City’s revenue. According to the City of Branson, commercial and industrial real property is assessed at 32% of market value. Residential property is assessed at 19% of market value. Taney County tax levies per hundred dollars on total assessed valuation.

Taney County	0.00
Branson R-4 Schools	3.45
Taney Co. Health	0.1404
Taney Co. Handicapped	0.0907
City of Branson	0.5155
State of Missouri	0.0300
<b>Total</b>	<b>4.2266</b>

**Corporate Income Taxes**

The tax rate for corporations is 6.25% applied to Missouri taxable income. In addition, Missouri allows 50% of federal income tax payments to be deducted before computing taxable income. Using the deduction, a corporation with a taxable income of \$1 million would have a Missouri effective tax rate of only 5.2% (Source: City of Branson Economic Development).

Certain tax credits may be applied. For more information about the incentives offered by the state of Missouri, visit the Missouri Department of Economic Development at [www.ded.mo.gov](http://www.ded.mo.gov).

**Special Improvement Districts**

Two of Branson’s major shopping centers, Branson Landing and Branson Hills, have special improvement district sales taxes. The tax revenue from these two districts contribute towards the pay back of the bonds used to build the two developments.

Special Districts within the City include:

- Historic Downtown Branson Community Improvement District (CID)
- Branson Hills CID
- Branson Hills Infrastructure CID
- Branson Landing Transportation Development District (TDD)
- Commerce Park CID

## 6.0 Plans in Place

### Branson 2020 Strategic Plan

The Strategic Plan – Branson 2020, completed in June 2010, outlined the aspirations for Branson in 10 years. Those goals that relate to economic development include:

- The City will have a more diversified business environment (The Mountain is developed and Commerce Park is full)
- The airport will have a significant increase in the number of flights.

The plan also provided some strategies that are related to economic development, listed in order of priority:

- Ensure the success of the Convention Center and the benefits to the entire City
- Build and equip facilities for sports
- Identify the proper incentives to attract businesses to Branson
- Attract technology, software, corporate and office markets
- Develop the active retiree workforce
- Optimize the housing mix
- Expand hospital/medical market to serve the vast majority of the needs of the local market
- Increase aggressiveness in pursuing initiatives
- Better leverage local creative talents and assets
- Expand the data center market- Mountain
- Draw quality talent for shows and attractions
- Continue to make marketing resources available to meet the need
- Participate in new national trends

### Strategic Destination Plan

The Strategic Destination Plan commissioned by the BLACVB and completed in June 2010 provides some strategies that are related to economic development and improving the tourism experience:

- Enhance visitor entertainment development (renewal/modernization focus on theaters and other built/natural attractions providing unique, quality, engaging and integrated “storytelling” experiences)
- Continue visitor infrastructure improvements (new roadways/streetscaping, gateways, wayfinding navigation and other “first impressions” upgrading)
- Invest in workforce and visitor host orientation and training (sufficient and quality pool of professionals to deliver on destination brand and achieve personal satisfaction)
- Opportunities from a visitor perspective:
  - Property site and building codes enforcement
  - Visitor experience renewal focus
  - Retirement location potential
  - Air Traffic Expansion

- Sports event and SMERF/reunions potential
- Reward existing visitation through repeat and referral recognition incentives

### **Capital Improvements Plan**

The Capital Improvement plan for years 2010-2014 identify the following items related to tourism:

- New Nature Center Parking Lot
- Orthophotography Update
- Christmas Lighting
- Cooper Creek Operational Improvements
- Meadows Water Treatment Plant Expansion

### **Common Thread Project Structure**

The Common Thread Project Structure, completed in the summer of 1995, provided some goals related to economic development and tourism. The Committee selected to explore economic development had the following recommendations:

- The City should lead the way in an intergovernmental effort to form a regional economic development corporation. The goal of this organization should be the further development of a 12-month economy in the Branson area. Efforts at economic expansion should focus both on traditional industry as well as tourism-related enterprises. The corporation should:
  - Act as an independent entity but should represent both Taney and Stone Counties. Funding should be secured by sponsors (at a minimum), Stone and Taney County, the City of Branson, and the BLACC.
  - Have a Board of Directors, appointed by the organizations participating in the funding of the agency.
  - Act as a facilitator between governmental entities to ensure that appropriate infrastructure (roads, water, sewer) is installed to allow appropriate development to take place.
  - Have paid staff member to oversee the corporation's operations.
  - Focus on attracting industries that add to the diversity of the area's economic base and that are environmentally friendly. The corporation staff should maintain statistics on the area to distribute to potential developers.

It should be noted that the formation of an economic development corporation has been attempted in the past as a result of the Common Thread Project Structure. The group was known as BREDA but has since disbanded.

## **7.0 Opportunities and Challenges**

Through the process of researching the existing economic development conditions, interviewing community members as well as polling the local community through various means, the team has developed a list of opportunities and constraints for Branson's future.

## Opportunities

1. Diversify the entertainment offerings within the City in a way that complements existing shows and attractions. Cultivation and support for an enhanced entertainment product offering (per the SDP).
2. Establish a formal economic development plan. One that includes strategies to incentivize businesses to locate in Branson. Businesses such as:
  - a. technology businesses
  - b. commercial business park
  - c. light industrial/manufacturing industries
  - d. niche businesses
  - e. retail stores for residents, not only those that have a regional draw, such as furniture stores
3. Develop the City's sports marketing campaign to attract families year round. This may require expansion of existing recreational facilities.
4. Revitalize Highway 76. Incentivize owners to reinvest in their properties and encourage redevelopment of underutilized sites.
5. Aim to attract a college and/or vocational training programs that will educate younger Branson residents, will draw people from the region and that could supply the workforce to new professional and technical employment opportunities.
6. Support additional four star lodging accommodations, similar to the Hilton. Surveys conducted by the Visitors Bureau show that the tourists today are willing to spend more money on hotels and shows than they once were.
7. Market Branson as a retirement community for empty nesters.
8. Support the healthcare industry and Skaggs as a community economic engine. The hospital provides high-quality services to the area and generates a significant amount of revenue for the City.
9. Capitalize on and expand The Mountain as the high-tech driver in Branson by identifying and targeting complementary businesses.
10. Promote an economically viable Branson Airport, as an efficient means to access Branson, would enhance economic development.
11. Protect and enhance the natural beauty of Branson for residents and visitors to ensure the area continues to be a destination for its natural assets and that the environment persists as an economic driver.

## Challenges

1. There is a lack of high-tech skilled workforce within Branson that would attract the desired technology businesses.
2. The amount of flat land available to construct light and heavy industrial uses in Branson is limited.
3. Limited transportation network (i.e. railroad, industrial sites in proximity to interstates, etc.) that light and heavy industrial users often require or desire.
4. The cost to construct utility services is reportedly so high that businesses go elsewhere (outside the Ozark Mountain region).
5. There is a challenge in overcoming the wide-spread misconception that Branson only caters to an elderly demographic.
6. The City's Economic Development Department and the Chamber of Commerce have limited capacity to outreach to new businesses.

**Sources:**

- MERIC. <http://www.missourieconomy.org/>
- Office of Administration: <http://oa.mo.gov/bp/projections/data.htm>
- City of Branson: <http://www.cityofbranson.org/ecodev/index.htm>
- Chamber of Commerce: <http://www.bransonchamber.com/public/demographics.php>
- Census: <http://quickfacts.census.gov/qfd/states/29/29213.html>
- Missouri Dept. of Elementary & Secondary Education. <http://dese.mo.gov/>
- City Data: <http://www.city-data.com/zip/65616.html>
- Department of Labor: <http://www.labor.mo.gov/>