

SPECIAL COUNCIL MEETING  
CITY OF EXCELSIOR SPRINGS  
EXCELSIOR SPRINGS, MISSOURI  
OCTOBER 26, 2010

The Excelsior Springs City Council of the City of Excelsior Springs, Missouri met in a Special Session at 6:00 PM Tuesday, October 26, 2010 in the Council Chambers of the Hall of Waters Building. The meeting was called to order by Mayor Carolyn Schutte.

The opening prayer was given by local businessman Bob Gerdes.

Mayor Schutte lead the Council in the Pledge of Allegiance to the Flag.

Roll Call of Members: Present: Mayor Schutte, Mayor Pro-Tem Buckman, Councilman Fousek,  
Councilman Parker and Councilman Nelson.

Absent: None

DISCUSSION OF ISSUANCE OF \$4,600,000 RECOVERY ZONE FACILITY BONDS FOR THE ELMS HOTEL: (Tape #1 A1-A600, B1-B600, Tape #2 A1-A345).

Mayor Schutte opened the meeting up for discussion on the issuance of \$4,600,000 Recovery Zone Facility Bonds for the Elms Hotel. She stated that the City and the Elms are on a time frame for this project. Everything needs to be pulled together by November 15, 2010. The bonds need to be issued and closed by December 31, 2010.

Marco Marzocchi, General Counsel for the Widewaters Group, Inc. addressed the Council. He stated he appreciated the Council calling this Special Meeting tonight and appreciated the time and effort the City has given to this project. Marco stated there is an old saying that the best thing to do is the right thing, the second best thing to do is the wrong thing, and the last best thing to do is to do nothing. Marco stated that "status-quo" for the Elms is not acceptable and not where they want to go. He further stated that he is here to answer questions, but will turn the meeting over to Korb Maxwell, Attorney at Law, Polsinelli-Shughart.

Korb Maxwell walked the Council through a "Financing Term Sheet". He is asking the City to enter into partnership with the Elms Hotel with the annual Appropriation Pledge for any remaining debt service shortfall. He stated that Widewaters has substantial equity in the property and they will continue to keep the Elms up and operating. He asked the Council, "Are we going to be dancing partners"?

Bill Holstein, representing the Elms Hotel, stated that from the beginning they felt the Elms could get a loan to purchase the hotel and make renovations. This deal fell through. The Elms needs to make renovations as outlined in Phase I and with the City's help can make it happen. He stated there is a lot of work that needs to be done to the infrastructure, the computer systems, the lobby, the Spa, Convention Areas and guest and reservations. He further stated that the Spa is a big attraction at the Hotel.

Missouri State Representative Bob Nance stated the Elms had worked hard for three years to obtain private financing. He further stated that the Elms is important to Excelsior Springs.

Eric Busick, Manager of the Elms Hotel, stated the building continues to deteriorate. He stated that in 2007 they held 72 weddings and in 2009 they held 90 weddings.

Councilman Parker stated he has enjoyed the presentations and no one wants this more than he does.

Mayor Pro-Tem Buckman stated that we all want it.

Councilman Nelson stated the Council wants this done and will make every effort to go forward.

Councilman Fousek stated that as a Historian, he has always loved the history of the Elms. He also stated that what this Council does now will affect future Councils. We should all work together.

Keith Montague stated he would like to see the plans for the Hotel and Spa.

Ginger Nelson, resident, business owner and member of the Downtown Excelsior Partnership, stated that 50% of customers she has at her business comes from the Elms. She encourages the Council to approve the Elms request.

Theresa Henson, resident, stated the Elms need the renovations and she supports Widewaters.

Marco Marzocchi thanked Representative Nance for his support. He also stated there are only so many shopping days left and asked the Council if his group needs to come back. Mayor Schutte stated the Council will go into closed session tonight and she will call him later this evening to let him know.

RECOVERY ZONE DESIGNATION – ORDINANCE #10-10-05: (Tape A346-A436)

Mayor Schutte read by title the First Reading of Ordinance #10-10-05.

Mayor Pro-Tem Buckman made a motion to place on Second Reading Ordinance #10-10-05, designating a Recovery Zone. Motion was seconded by Councilman Fousek.

Roll Call of Votes: Ayes: Fousek, Nelson, Parker, Buckman, Schutte

Nays: None, motion carried.

Mayor Schutte read by title the Second Reading of Ordinance #10-10-05.

Councilman Nelson made a motion to approve Ordinance #10-10-05, designating a Recovery Zone. Motion was seconded by Councilman Fousek.

Roll Call of Votes: Ayes: Nelson, Parker, Fousek, Buckman, Schutte

Nays: None, motion carried.

Ordinance #10-10-05 passed and approved October 26, 2010.

With no further business at hand, Mayor Schutte called for a motion to adjourn and go into closed session.

Councilman Nelson made a motion to adjourn the Special Meeting and go into closed session pursuant to Missouri State Statutes 610.021 (1) Legal. Motion was seconded by Mayor Pro-Tem Buckman.

Roll Call of Votes: Ayes: Parker, Fousek, Nelson, Buckman, Schutte

Nays: None, motion carried.

Special Meeting adjourned at 7:16 PM.

ATTEST:

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CAROLYN SCHUTTE, MAYOR

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FRANCES SMITH, CITY CLERK

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