

Pine Bluff Urban Renewal Agency
Called Meeting Minutes
October 3, 2019

The Pine Bluff Urban Renewal Agency (PBURA) held a called meeting on October 3, 2019 at The Baim Law Firm.

The following commissioners were in attendance:

Jimmy Dill, chair
Rita Conley
Lloyd Franklin, Sr.
Travis Martin
Kirby Mouser

Commissioners absent:

None

Others in attendance:

Joni Alexander
Leigh Cockrum
Joseph McCorvey, Director, Pine Bluff Convention Center
Maurice Taggart, Executive Director (ED), PBURA, via conference call
Felix Waller
Mayor Shirley Washington
Ryan Watley

The meeting was called to order at 5:30 p.m. by Commissioner Dill.

ED Taggart introduced Felix Waller, owner/operator of Apex Cinemas.

Mr. Waller thanked the commissioners for inviting him to tonight's meeting and gave a background of himself and his proposal.

Mr. Waller is owner/operator of Apex Cinemas that currently has four cinemas in Oklahoma, New Mexico and Texas. Has just recently signed a contract for the 90,000 square foot Walmart building at the Pines Mall. He came to Pine Bluff because he felt there was an opportunity for a movie theatre here. He began looking at options, working with Ryan, and had some meetings with the Mayor and other community leaders. He had been cautioned on multiple fronts not to come to Pine Bluff because of a declining economy, declining population, all the reasons that people said this would not work. When he came here, one of the things he was impressed with was the city had a detailed structured plan on how they are going to go from point A to point B and are doing something about it. He was impressed with the leaders and multiple boards and people in the city to hear the plan and see it unfolding and has

been encouraged. It became apparent Pine Bluff was a great community for a movie theatre. Right now, it is the only city of its size that he knows of in the United States that does not have a legitimate entertainment experience. It's not bad news but it's good news because that is about to change.

People in Pine Bluff and surrounding areas are deserving of it, longing for it, and he thinks the city of Pine Bluff is losing an enormous amount of sales tax dollars by not having an entertainment venue.

Apex Cinema's vision is clean, fast, friendly and affordable. They have a proven model of having excellence, worked in communities Pine Bluff's size, strong in the community, and raising up leaders. Mr. Waller is training someone now who is preparing, and has signed an agreement, to move to Pine Bluff to be a part of managing the cinema here.

The building is under contract and is 90,000 square feet. The proposed plan is to take 50,000 sq. ft for the cinema. The cinema will be a state-of-the-art theatre with 12 screens, approximately 1400 luxury recliner seats, full bar, arcade, and their model of a self-serve popcorn and drinks. They will hire approximately 45 to 50 people.

With the additional square footage, they will take 25 to 30,000 sq. ft. for a family entertainment experience that would look like a trampoline park; ninja warrior courses for both other kids and younger, rock climbing, laser maze, arcade, etc.

Mr. Waller was just in South Carolina and Georgia and has been meeting with the suppliers for the family entertainment piece, toured their facility, and met with those people. He is also looking at bringing in a franchise called Big Air, one of the best trampoline park franchises. Initially, all the big franchises did not want to come to Pine Bluff; the population wasn't enough, didn't have this or that, etc., but after meeting each other and them understanding his vision, he believes they will agree to come to Pine Bluff.

His timeline:

- Close on the building by end of 2019
- Begin construction early 2020
- Open summer 2020 – both cinema and trampoline park

In Mr. Waller's feasibility study for a cinema, tax revenue projections are \$4M per year. The entertainment experience projections are \$2M per year.

He expects 30 people will be hired for the trampoline park.

Mr. Waller is in process of negotiations with the local Jack N Jill business to manage the trampoline park side of the business. The Mitchner's are excited about this partnership. Nothing is formalized yet.

Mr. Waller was asked what he envisioned in a partnership with the PBURA. He stated he is an advocate for the downtown space, but it became difficult and cumbersome in regard to the theatre piece because the land/space would be land-locked, issues with parking, and the space would allow only six screens. It became apparent with everyone involved on his end that it wouldn't make sense to have two projects. It made more sense to have the combination larger theatre and family entertainment experience.

His request to the PBURA is to help them with the trampoline park equipment side for \$1M. The total project is approximately \$9M.

The PBURA will have to own equipment and lease to an entity. The proposed Resolution states the entertainment equipment would be sold to a future operator in the event he sells the business.

He has not tried to partner with the Saracen Cinema 8 owners. Mr. Waller tried to work with Mrs. Vu from the beginning and it was a very difficult situation. He was in the theatre today to tour, look at the venue and talk with the operators. He stated that is not the kind of experience he would like his name on or partner with. He is not out to run them out of business, but they will be able to provide a different type of service. He also does not want to be tied to the mall in any capacity. The building he is looking at has its own area, access, etc.

Mr. Waller's business structure is an LLC. He has formed Pine Bluff Digital Entertainment, LLC. The trade name is Apex Cinemas but each location he has has a separate LLC. The land, facility, equipment will be the assets held by the LLC. Liability insurance would be carried so that no one outside the LLC would be held liable.

Leigh Cockrum read the proposed Resolution.

Questions such as "If a trampoline became inoperable and Mr. Waller replaces it, who would own it? The LLC or the PBURA?" According to Mr. Waller, the trampolines have a long depreciation life. This question as well as others will be covered in the contract.

The Commissioners stated they are not in the business of putting anyone out of business.

Commissioner Dill asked Alderperson Alexander what her thoughts were about the Saracen Cinema 8. She stated Mrs. Vu still owns the theater; Okorie Ezieme is the chief financial officer and Steven Mays, Jr. is the chief operating officer and only operate the theatre. Alexander went to the theatre and said she would enjoy going to it but not as an only option. The theatre smelled clean, like cleaner – not supposed to smell that way, and there were crockpots on the counter at the concession stand. She felt like it was a "mom and pop" version of a movie theatre. With the direction that Pine Bluff is going in right now, she feels we can step up our game. Ezieme and Mays have good intentions, but she doesn't think they have any movie theatre operation experience. The theatre has been cleaned but nothing has been upgraded.

The Resolution is structure for incentivizing the entertainment side and not the cinema piece.

Commissioner Franklin stated he would like to review the feasibility study.

The LLC has a single member, Mr. Waller, who also manages the LLC. Mr. Waller purchased his first theatre about six and a half years ago in his local town. He completely renovated the theatre, added additional screens, new concessions, party rooms, and renovated the outside. Each location purchased since then has been renovated and expanded.

The Mayor stated Mr. Waller was also interested in rescuing the mall when he first came to Pine Bluff. Mrs. Vu would not reason with Mr. Waller and would not come off the \$7.7M she wants for the mall. Other investors have tried to purchase the mall, but Mrs. Vu won't come down off of her price.

Mayor Washington also stated Ezieme and Mays, Jr. talked to her about the theatre. She felt that they would not do much to better the theatre and they never asked for any dollars from the city.

Dr. Watley stated they never asked for dollars from GFPB either, but they did ask for dollars for housing. They said they didn't want to use their operating capital for housing investments.

Contingencies will be written out during the negotiation phase and all the PBURA is doing now with the approval of the Resolution is to engage in the negotiations.

Commission Mouser made a MOTION to approve the Resolution to enter into negotiations with Pine Bluff Digital Entertainment, LLC. The motion was seconded by Commissioner Conley and was APPROVED.

Commissioner Dill expressed his appreciation of Mr. Waller in taking a leap of faith in Pine Bluff and putting his money into our community.

ED Taggart reminded the commissioners that the condition of the Plaza Hotel is one of the main issues for not getting events at the convention center.

Joseph McCorvey, Pine Bluff Convention Center Director, distributed a copy of The Pine Bluff Commercial's article entitled "Facelift: McCorvey hopes upgrades will help draw attractions to PBCC."

Cockrum read the Resolution to authorize the purchase and transfer of the Plaza Hotel and Suites.

Commissioner Mouser made a MOTION to approve the Resolution to authorize the purchase and transfer of the Plaza Hotel and Suites. The motion was seconded by Commissioner Martin and was APPROVED.

The Civic Auditorium Complex Commission and the Advertising & Promotion Commissions will need to pass resolutions related to the hotel.

Chairman Dill stated the PBURA will purchase the hotel, transfer the title to the Civic Auditorium Complex Commission, per the Resolution.

ED Taggart stated that WER Architects should be providing a report to us in the next week on the condition of the three Main Street buildings.

ED Taggart stated the survey on the 3.2 acres between Pine and Walnut has been started.

The housing RFQ deadline is approaching and has received some good responses. Taggart has some meetings scheduled next week with some of the responders.

The AG opinion should be coming pretty soon.

There being no further business, the meeting was adjourned.

No one had public comments to make.

/s/ Leigh Cockrum
Leigh Cockrum
Recorder

/s/ Wm. Kirby Mouser
W. Kirby Mouser
Secretary