

## Official Statement

Mr. Chairman and Members of the Committee, the City of Moberly would like to thank you for this opportunity to meet with you today to share information about the evolution of Project Sugar. We are hopeful that the information we share today will be of value to your committee and in addition to the documentation we will be covering we look forward to answering any questions you may have.

Unfortunately there has been a variety of speculation and rumor about the status of Project Sugar. We have heard everything from the Project funds are all in China to accusations that the City did no due diligence prior to the start of the Project. These types of statements are just not true. What is true is that millions of dollars of new investment in improvements and equipment are at this moment at the Project site in Moberly. What is also true is that the City, DED, the Underwriters and an independent professional valuation and appraisal firm hired by the City all completed overlapping due diligence on the Project, the sucralose market and on the value of the Project security and no doubt so did the sophisticated institutional investors who purchased the bonds.

As you may know, to this point City officials have been constrained in the amount of information that could be made available to the public due to limitations of Confidentiality and Non-Disclosure Agreements, participation in multiple ongoing investigations both state and federal as well as ongoing negotiations with potential substitute users for the facility which have been kept confidential at the prospects request.

Today, however, even though the City has continuing obligations to these agreements as well as any ongoing negotiations it is our intention to share as much information as possible with this Committee in an effort to provide you with a good understanding of the Project. It is our belief based on the facts that we have discovered that there a market exists for this product and that the Project is viable moving forward. Further it is our goal to request this Committee's assistance to reengage all of the organizations that once supported Moberly in our efforts to bring this Project online and to refocus our collective efforts to move this Project forward to create the jobs and investment that are so vital to the success of our great State.

In an effort to provide some context for our discussions today I would like to provide you with a brief timeline as to certain milestones throughout the evolution of the Project:

- March 19, 2010: MAEDC receives an e-mail from DED requesting real estate information for "Project Sugar"
- March 29, 2010: DED sends initial State Incentive Proposal to Communities

- March 30, 2010: Site Selection Consultant Tom Smith with Capital Business Development Associates visits Missouri communities including Moberly and Salisbury
- April 1, 2010: Initial visit with USDA regarding Project Sugar
- April 7, 2010: E-mail from DED to communities that were chosen to move on in the selection process including a project information overview
- April 27, 2010: Mamtek Officials visit Moberly and other Missouri Communities with DED representatives
- April 30, 2010: Mamtek selects Moberly Missouri for the new facility
- May 7, 2010: Mamtek executes a Memorandum of Understanding and an Initial Funding Agreement with Moberly
- May 17, 2010: DED and Moberly receive executed State Proposal from Mamtek
- May 20, 2010: Introductory e-mail to Mamtek regarding Morgan Keegan & their Due Diligence Process
- May 28, 2010: Armstrong Teasdale circulates the first draft of the Preliminary Offering Statement
- June 1, 2010: After a competitive solicitation process the City of Moberly selects Pellegrino & Associates as the professional valuation firm to value the Mamtek IP etc.
- June 17, 2010: Bond rating call with Standard & Poor's
- July 9, 2010: Project Sugar Announcement in Moberly
- July 19, 2010: DED approves \$28 million in Recovery Zone Bonds for Project Sugar
- July 22, 2010: Bond Closing
- July 24, 2010: Mamtek Ceremonial Ground Breaking in Moberly
- July 28, 2010: MDFB approves Missouri Build Application
- October 20, 2010: Site work begins & HR Director Hired
- February 7, 2011: Applications available and the Moberly Career Center
- August 8, 2011: Three more members of the management team hired for a total of 14
- September 1, 2001: Mamtek misses its bond payment

We also feel it is important for the Committee to hear some of the positives of Project Sugar from the last few months to include the following items:

- 14 members of the Mamtek management team were hired. Some of these individuals moved their families from across the Country to Moberly while others were from the Moberly Area. These individuals and families became involved in the community through their involvement in local civic organizations, local Churches and even just the daily employee lunch at the Brick Restaurant.

- Over a dozen engineers and consultants were hired to begin work on Project Sugar and over 100 construction workers were on-site between August of 2010 and September of 2011.
- Dozens of contracts for construction and materials were executed by August of this year, site work was substantially completed and the foundation, floor, exterior walls, and roof of the main building structure had been installed, the exterior processing structure erected, and substantial amounts of processing and manufacturing equipment had been delivered to the site;
- As you can see from the materials [*Slide Show Handout*], millions of dollars of new investment in improvements and equipment are at this moment in evidence at the Project site in Moberly;
- Most importantly, a market continues to exist for this product, as evidenced by the continuing contacts the City has had with potential successor users. One we are convinced that continues to provide an opportunity that, working together, Missouri and the City of Moberly can recognize needed new jobs and investment.

### **Closing Statement**

In closing we would like to again thank the Committee for this opportunity to meet with you today and it is our hope that the information we have shared with the Committee today has helped you to better understand the evolution of Project Sugar. Once again we would like to ask this Committee for your assistance to bring the necessary partners to the table to assist Moberly in our efforts to get this distressed Project back on track. We continue to believe that this Project is viable and as we have shown today there millions of dollars of improvements on site in Moberly as we speak in the form of infrastructure, buildings and equipment. This belief in the viability of the project has been confirmed by a number of potential interested parties looking at the project. Together with the help of this Committee we would like to move forward with our efforts to find a suitable potential substitute user to complete this Project and create the new jobs and investment that are vital to our State's success.