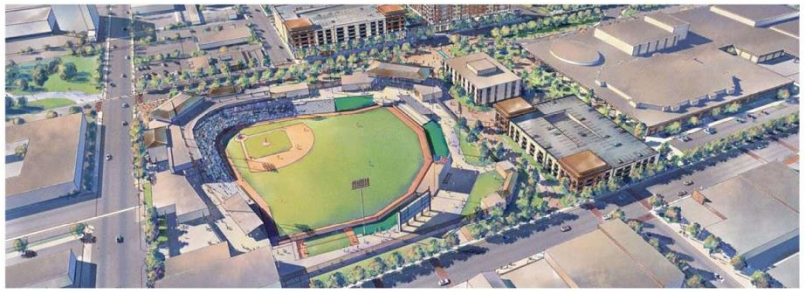
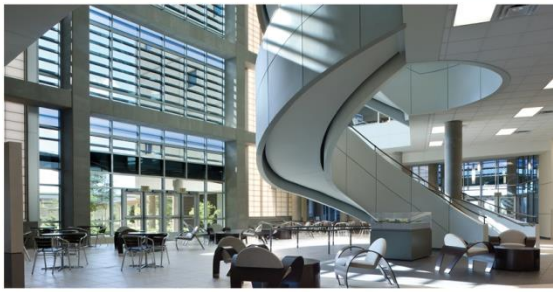


Joplin Project Update

February 10, 2014







Wallace Bajjali
Development Partners, LP

Discussion Overview

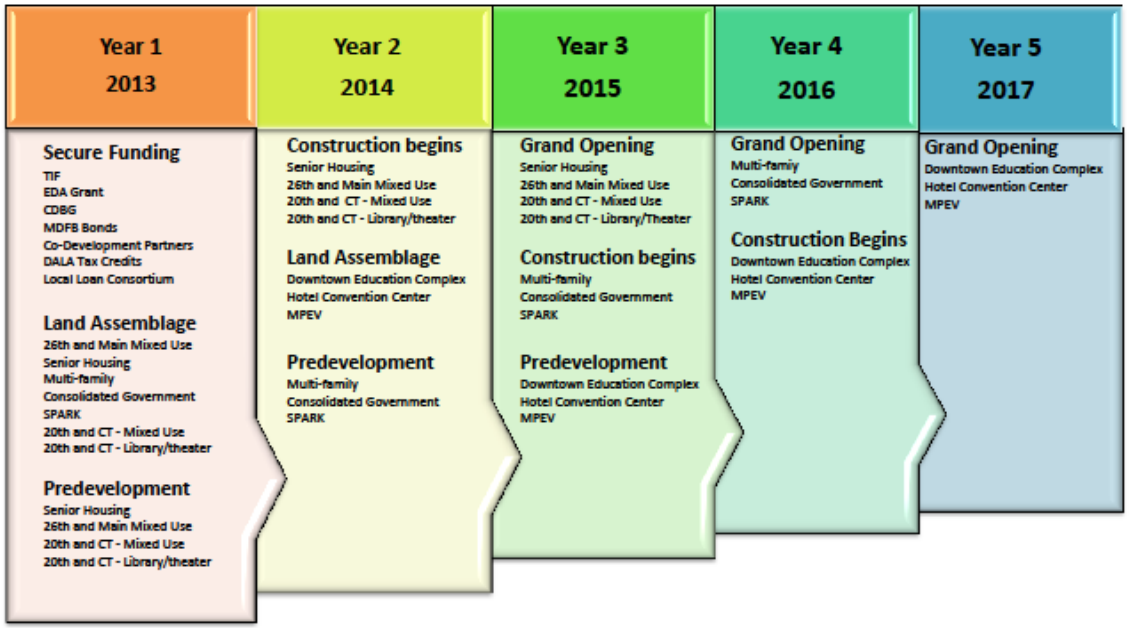
- Where we are to date
- Project updates
- 20th and Connecticut
- The Mercy Project
- Successes
- Joplin Redevelopment Conclusions

Updates

- Last full Council update on August 12, 2013
- This is the 8th update to Council, averaging 1 every 3 months
- Continually update City staff on a weekly basis
- The Council update scheduled for November 11 was postponed
- We will update as often as Council wishes
- Request of Wallace Bajjali for regular frequency

Project Timeline

Joplin Redevelopment
Project Development
5 Year Projection*



*Dates are best estimate and subject to market conditions. All projects pending approval by Joplin City Council and Joplin Redevelopment Corporation.

Where We Are To Date

Listing of Projects

PROJECT DESCRIPTION	Initial Budget Estimate*	Initial Completion Date**	Current Status Update: In Process	Planning Process	City Project***	Other Private Sector ****
Land Acquisition	30,000,000	2014	30,000,000			
PRP Housing	40,000,000	2017			40,000,000	
Housing	218,000,000	2017		56,000,000		162,000,000
Senior Transitional Living	35,000,000	2015	34,000,000			
Salvation Army Transitional Housing	2,000,000	2015				2,000,000
Mixed-Use Residential over Retail / Commercial	56,000,000	2015	56,000,000			
Medical Office Building	74,000,000	2017		74,000,000		
Neighborhood Revitalization & Infrastructure	8,000,000	2017			8,000,000	
Library / Theater Complex	20,000,000	2015			25,000,000	
Consolidated Government Office Facility	45,000,000	2016	45,000,000			
SPARK - Performance & Visual Arts Center & Depot	68,000,000	2016		68,000,000		
Downtown Education Complex	73,000,000	2017		73,000,000		
Multi-Purpose Event Venue & Sports Complex	55,000,000	2017			44,416,000	5,300,000
Hotel & Convention Center	70,000,000	2017		70,000,000		
	794,000,000		165,000,000	341,000,000	117,416,000	169,300,000

* Based on July 9, 2012 Council Presentation

** Based on Initial 5-year timeline

*** Joplin Commons - CDBG Funding at $40.416 MM

*** Baseball - Public Sector at $4 MM

**** Baseball - Private Sector at $5.3 MM

**** Salvation Army elected to advance project on their own

**** JRC has elected to not acquire single family lots

Funding Sources To Date

- $8 million Joplin Loan Consortium
- $42 million TIF District
  - $18 million received by City from bond sale used for repayment of Joplin Loan Consortium and land purchases
- $14 million special allocation from state of Missouri
- $20 million EDA grant for library
- $4.2 million DALA tax credits
- $3 million Arvest Bank credit facility to JRC for land purchases

A Transparent Approach

- It is our business practice
- Open door policy in our offices, numerous visits by Joplin citizens
- Public welcome to call, stop by or email questions/concerns
- Many visitors left our office with a better understanding of the task of redevelopment
- Numerous public updates to civic groups and media outlets



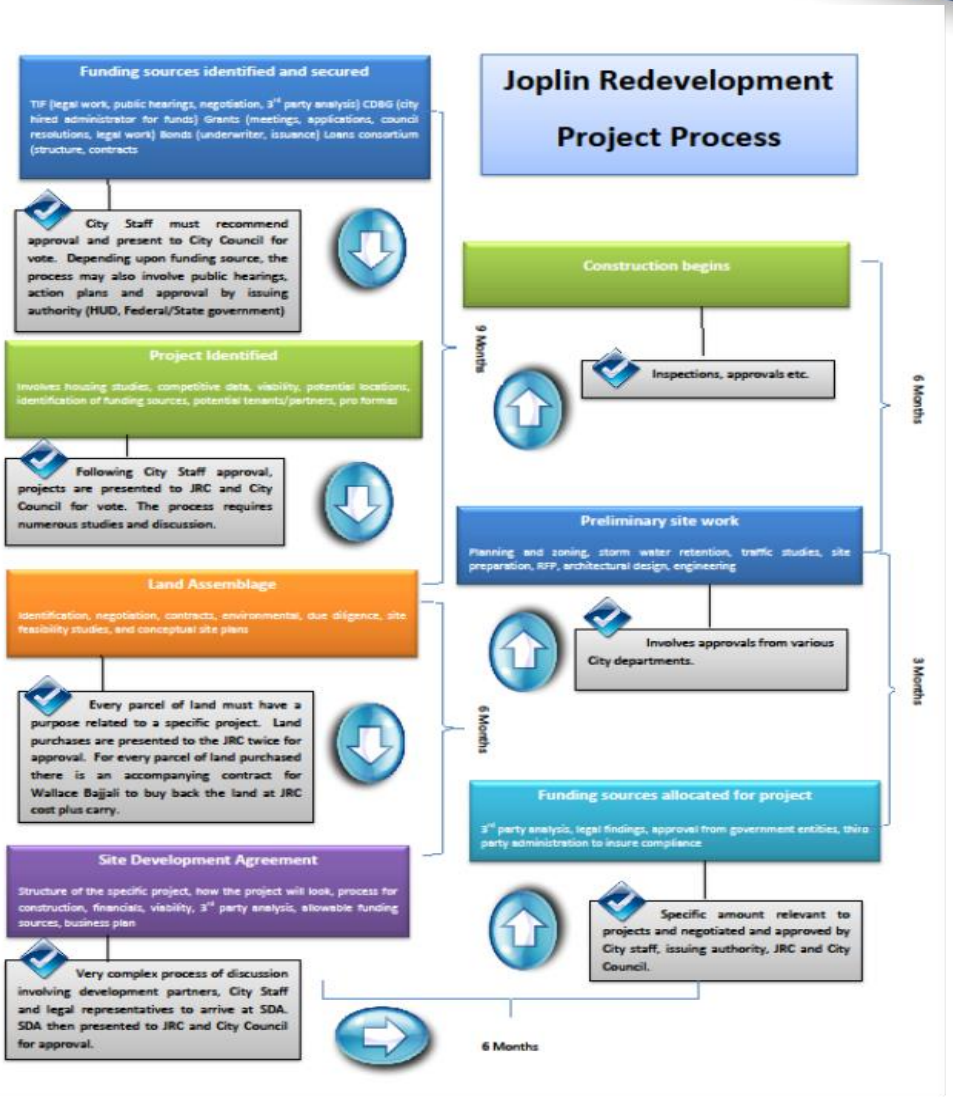
Wallace Bajjali Investment (December 31, 2013)

As of December 31, 2013	$3.939 Million
Land Acquisition Fees*	419,000
Pursuit costs reimbursement**	800,000
Net Wallace Bajjali Investment	$2.720 Million

*subject to reimbursement to the City when land is acquired by Wallace Bajjali

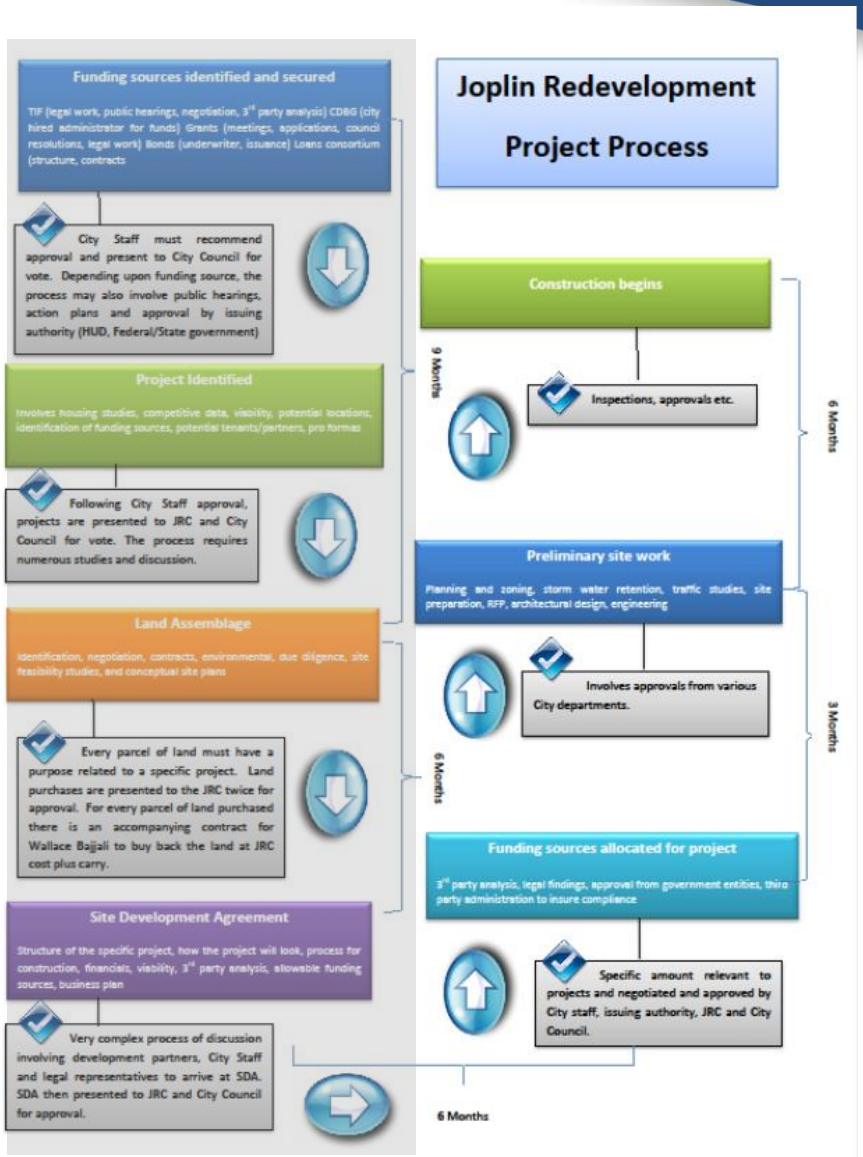
**subject to reimbursement to the City as development occurs

Flowchart for Project Development Public/Private Partnership



Flowchart for Project Development Private

In private development, preliminary work is done before public disclosure of project



Project Updates

Land Acquisition - JRC

- JRC currently owns 51.47 (67 parcels) of land at $8,267,823
- Land acquired for
  - Library/Movie Theater
  - Mixed-use residential over retail
  - Consolidate government building
  - Multi-family residential
  - Senior housing
  - Mercy project

Wallace Bajjali Land Purchase Dates

Wallace Bajjali Contract Purchases-Buybacks						
Property Address	Purchase Price**	Closed Date	Re-purchase date***	Designated Project		
2705 McClelland	$3,071,000.00	3/11/2013	3/11/2014	Sr. Housing		
1712 W 27th	$43,500.00	3/12/2013	3/12/2014	Sr. Housing		
2631 Cunningham	$43,000.00	3/14/2013	3/14/2014	Sr. Housing		
2601 Cunningham	$50,000.00	3/21/2013	3/21/2014	Sr. Housing		
2614 S McCoy	$50,000.00	3/26/2013	3/26/2014	Sr. Housing		
SWC 26th & McCoy	$50,000.00	3/26/2013	3/26/2014	Sr. Housing		
2630 McCoy	$50,000.00	4/1/2013	4/1/2014	Sr. Housing		
2617 Cunningham	$42,000.00	4/2/2013	4/2/2014	Sr. Housing		
1722 W 27th	$52,500.00	4/23/2013	4/23/2014	Sr. Housing		
1301 S Virginia	$495,000.00	5/16/2013	5/16/2014	Post Office		
1907 E 19th	$33,192.00	7/3/2013	7/3/2014	Loft/Retail		
2203 E 20th	$148,247.00	7/3/2013	7/3/2014	Loft/Retail		
1840 Delaware	$25,873.00	7/3/2013	7/3/2014	Loft/Retail		
1830 Delaware	$23,703.00	7/3/2013	7/3/2014	Loft/Retail		
1820 Delaware	$26,475.00	7/3/2013	7/3/2014	Loft/Retail		
1802 Delaware	$35,232.00	7/3/2013	7/3/2014	Loft/Retail		
1811 Delaware	$202,556.00	7/3/2013	7/3/2014	Loft/Retail		
1811.5 Delaware	$183,500.00	7/3/2013	7/3/2014	Loft/Retail		
1825 Carolyn Place	$28,733.00	7/3/2013	7/3/2014	Loft/Retail		
1831 Carolyn Place	$26,503.00	7/3/2013	7/3/2014	Loft/Retail		
1901 Carolyn Place	$35,123.00	7/3/2013	7/3/2014	Loft/Retail		
1921 E 20th	$202,683.00	7/3/2013	7/3/2014	Loft/Retail		
1919 E 20th	$87,305.00	7/3/2013	7/3/2014	Loft/Retail		
2502 S Main	$600,000.00	8/9/2013	8/9/2014	Loft/Retail		
2602 Cunningham	$52,500.00	8/14/2013	8/14/2014	Joplin Villas		
1801 Delaware	$165,742.00	8/14/2103	8/14/2014	Loft/Retail		
1917 Carolyn Place	$115,960.00	8/14/2013	8/14/2014	Loft/Retail		
2411 S Jackson	$212,500.00	8/15/2013	8/15/2014	Medical Off		
1802 W 26th	$765,000.00	8/15/2013	8/15/2104	Joplin Villas		
S Adele/Woodland Hills South	$315,000.00	8/15/2013	8/15/2014	Joplin Villas		
*Mercy	$1,000,000.00	8/26/2013	8/26/2014	Mercy		
*Upon Mercy approval of project, WB will buy the property back.						
** Buybacks will include purchase price plus acquisition costs including any fees to Wallace Bajjali						
*** all contracts have been converted to option agreements per HUD guidelines						

Housing – Multi Family

- A portion of the land has been acquired
- Need to aggregate additional land
- Purchase date for Wallace Bajjali from JRC August 2014
- Co-development partner is Nu Rock



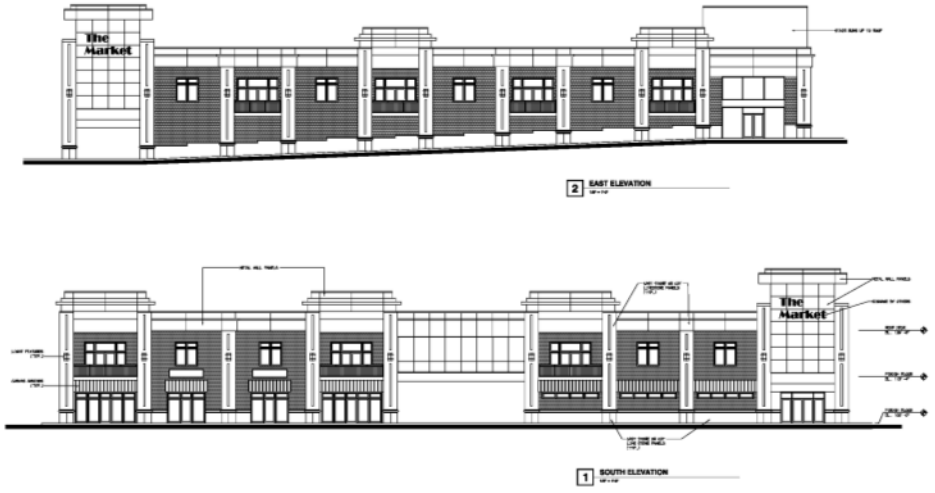


Senior Living – Independent/Assisted Living / Memory Care

- SDA for the entire project approved by JRC and Council on September 3, 2013.
- City staff indicated the HUD required process could involve 7-9 months of environmental assessment before construction could begin
- It was decided to split the Senior's site into two projects: Joplin Villas and Seniors so construction would start sooner
- Final SDA's for Joplin Villas and Seniors are anticipated to be reviewed by JRC February 11 and then upon approval presented to Council on February 18 for final approval

26th and Main

- Purchase date by Wallace Bajjali from JRC August 2014
- User for 2/3rd of site
- Desire to develop without incentives
- Forecast delivery 2015



Medical Office Buildings

- Land has not be acquired to date
- Waiting to see Mercy impact, i.e. location and proximity of surrounding areas
- Observant of market conditions, many medical/dental practices are in temporary locations
- Holding to see if private sector can meet demand
- Delivery forecast 2017

Consolidated Government Office Facility

- Current land assembled
- Additional land negotiated
- Rob O’brian, Former City Manager and Wallace Bajjali conducting ongoing conversations with USPS & others
- Delivery forecast is 2016



SPARK – Performing and Visual Arts Center, Depot Renovation

- Connect2Culture continuing its planning
- Connect2Culture advancing capital campaign
- Critical component is relocation of Post Office
- Museum declined relocation to SPARK site
- Delivery forecast 2016





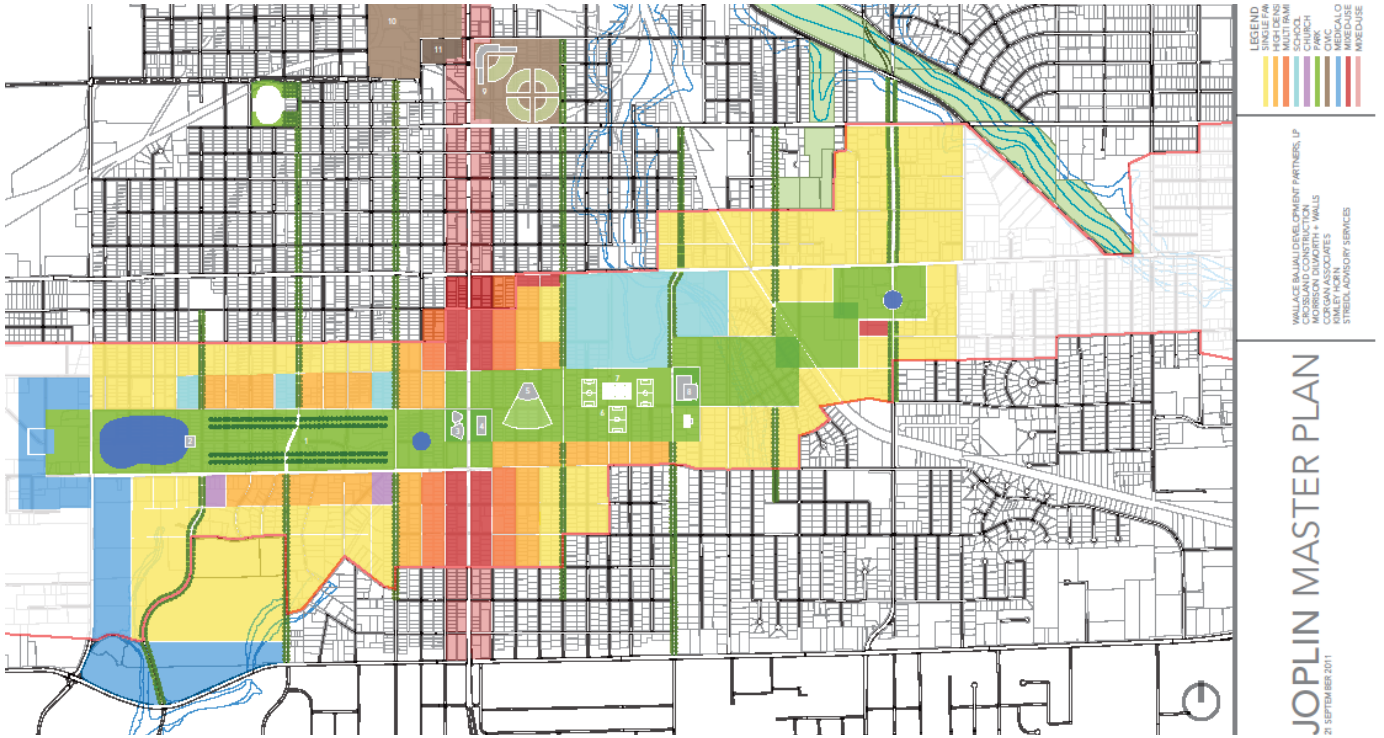
Downtown Education Complex

- KCUMB currently undertaking $60MM expansion on their existing campus
- KCUMB continues Due Diligence on Joplin
- Contacted 7 culinary schools
- Discussion with other possible uses including the Museum
- Delivery forecast is 2017 (or beyond following relocation of library)



Multi Purpose Event Venue & Sports Complex

- Currently being explored by City of Joplin – Professional Baseball and Joplin Commons
- Delivery forecast was 2017



presented to City staff / CART on September 21, 2011.

Hotel & Convention Center

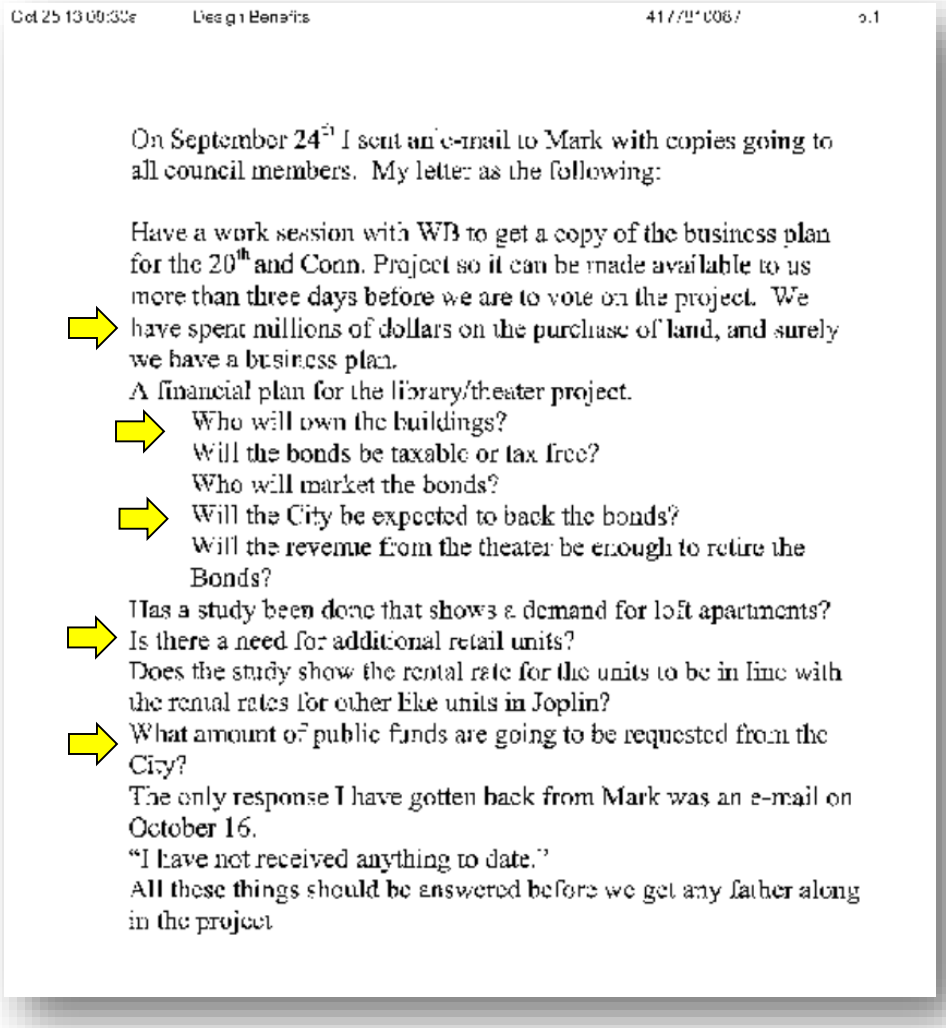
- City is currently looking into creation of TIF for private developer in the area of I44 and Range Line
- Part of the private developer's plan is a hotel and convention center
- Demand does not exist for more than one hotel/convention center in Joplin
- Delivery forecast was 2017

Wallace Bajjali Development Partners, LP

20th and Connecticut

Request from Councilman Scearce

- Received via fax
  on October 25th
- Planned update on November 11th
- Identified 5 categories for discussion
  - Financial Plan
  - Ownership
  - Bonds
  - Loft/retail study
  - Public Funds



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On September 24th I sent an e-mail to Mark with copies going to all council members. My letter as the following:

Have a work session with WB to get a copy of the business plan for the 20th and Conn. Project so it can be made available to us more than three days before we are to vote on the project. We have spent millions of dollars on the purchase of land, and surely we have a business plan.

A financial plan for the library/theater project.

Who will own the buildings?
Will the bonds be taxable or tax free?
Who will market the bonds?
Will the City be expected to back the bonds?
Will the revenue from the theater be enough to retire the Bonds?

Has a study been done that shows a demand for loft apartments?
Is there a need for additional retail units?
Does the study show the rental rate for the units to be in line with the rental rates for other like units in Joplin?
What amount of public funds are going to be requested from the City?

The only response I have gotten back from Mark was an e-mail on October 16.

"I have not received anything to date."

All these things should be answered before we get any father along in the project

A Business Plan is a deliverable of the Site Development Agreement

- Confidentiality prohibits early release of strategic plan
- Site Development Agreement is required for all projects
- Encompasses all information including:
  - Detailed summary of the project
  - Parties involved in project and their roles
  - Funding mechanisms
  - Pro-forma
  - Projections
  - City's participation in the agreement (funds)

Site Development Agreement
Process for Submission and Approval

- Form of Site Development Agreement negotiated and agreed upon by City Attorney, City Council, JRC and Wallace Bajjali Team
- Once agreement is reached then submitted to JRC for review and approval
- Upon JRC approval, presented to City Council for review and approval
- Process is designed to provide ample review time

Joplin Towne Square

- The complexity of the project dictates thorough process and involvement of numerous stake holders and multiple decision trees
- We were proud to work with City staff to secure the $20MM EDA grant
- Process determination for public bidding/ownership to determine what to bid
- Two projects
  - Library is a City of Joplin project administered by City staff
  - Mixed-Use – Theater-Residential-Retail – A Wallace Bajjali/Four States Development project

Joplin Library Project

- EDA approval was based on certain assumptions
- Wallace Bajjali committed to complete this project without relying on the full faith and credit of the City and without raising taxes
- Wallace Bajjali presented several capital alternatives for review
- Currently investigating various options relative to the movie theater and library structure
- Continues as two separate projects: Joplin Library project and loft over retail/mixed-use/movie theater project

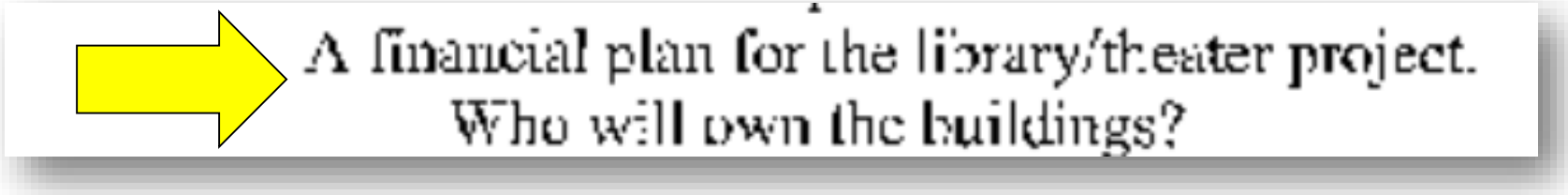
Proposed Project Specifications

13,000 sq ft Restaurant Space
61,228 sq ft Retail/Medical office
60,000 sq ft Theater
134,228 sq ft Total Office / Retail

372 Parking spaces for retail and office use
340 Parking spaces for Theater
30 Garage parking spaces for apartment use
30 Regular parking space for apartment use
768 total project parking spaces

28 Loft Residential Rental Units

Councilman Scearce Request



- Library will be owned by the City of Joplin
- Mixed-Use Retail owned by Wallace Bajjali/Four States Development
- Movie Theater to be owned by Wallace Bajjali/Four States Development subject to lease of theater

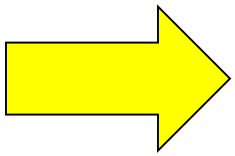
Proposed Financial Plan for Joplin

- Proposed capital structure:
  - TIF funds $ 4.5 MM
  - City land $ 0.5 MM
  - EDA grant $20.0 MM

  TOTAL: $25.0 MM

- Library pro forma cash flow completed and validated
- Movie theatre pro forma cash flow completed and validated
- Vetting of theater operator completed

Councilman Scearce Request



Will the bonds be taxable or tax free?
Who will market the bonds?
Will the City be expected to back the bonds?
Will the revenue from the theater be enough to retire the Bonds?

- There are no bonds

Councilman Scearce Request

Has a study been done that shows a demand for loft apartments?
Is there a need for additional retail units?
Does the study show the rental rate for the units to be in line with the rental rates for other like units in Joplin?

- Most recent study by Gross & Associates
- Market study to be determined in connection with SDA submission



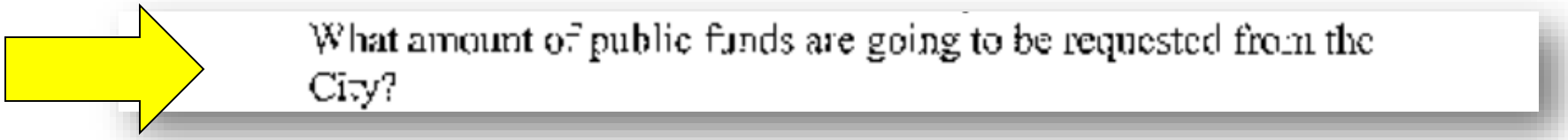
Gross and Associates
Project Feasibility Report

- Loft development is one of the hottest and fastest growing segments of the multi-family real estate development markets nationwide
- Current occupancy rate for Joplin market is in the high 90% with some of the lofts on a waiting list
- Some current loft developments are income/age restricted
- *"…the occupancy rate and demand observed indicates the area market can and will support more quality lofts."*

Loft Apartment Rental Rates

- Loft vs. conventional apartments
- Most loft developments have a larger square foot living area, better amenities than a conventional apartment
- Two entirely different markets
- Loft tenants are usually higher income professionals, empty nesters etc. whom desire a conveniently located residence to work, shopping and entertainment

Councilman Scearce Request



- Public Funds – Library
  - $4.5MM TIF (voted on and approved by TIF Commission and City Council for redevelopment)
  - $20MM EDA Grant (Federal Grant approved for library project)
  - $ 0.5MM City land value
- None of the public funds are appropriated from the City's General Fund

Theatre Operator – The Q Cinemas

- Nearly 60 years combined experience in the theatre industry
- Developed the first all stadium seating 24-screen theater
- Overseen 100+ building projects worldwide
- Experience in multiple large scale mixed use projects
- Current theatre ownership in Tulsa area



Theatre As A Community Asset

- Customized programming flexibility allows for unique integration with community programming
- Large auditorium with stage for live community events
- Partner with local schools and library for lecture series
- Movie screens for special needs groups
- Educational films to accommodate local schools
- Support for non-profit groups – fundraising
- Host Chamber meetings and conferences
- The most technologically advanced theatre in the region

Community Benefits to Theatre Operation

- The City is not at risk, facility will be operated by independent theatre management team
- City and Wallace Bajjali will be conducting numerous traffic studies to alleviate potential traffic concerns
- Noise control a part of design of facility and site
- Working with Joplin Police CPTED officers in all facets of site development
- Historically property value adjacent to similar facilities have increased in value
- The entire project with additional amenities will encourage patrons to cross-pollinate events

Theatre Economic Impact Assessment

• Primary job creation	97
• Indirect/induced job creation	23
• Total job creation	120

• Direct annual economic output	$ 5.0MM
• Indirect/induced annual economic output	$ 2.3MM
• Total annual economic output	$ 7.3MM

- Economic Impact Assessment to be determined in connection with SDA submission

Source: Dr. John Groesbeck, Dean – Robert W. Plaster School of Business MSSU

The Mercy Project

- Wallace Bajjali engaged by Mercy January 2013
- Public input to determine best option for site
- Discovery/science center was selected as ideal amenity





Successes To Date

- Worked with City Staff to structure the TIF District which was approved by Council on December 28, 2012
- Acquired over 50 acres of land
- Created and implemented JRC Business Plan and Policies and Procedures for land acquisition
- Structured and negotiated the Joplin Loan Consortium of 8 local community banks to fund initial land acquisition
- Worked with City Attorney and testified in Jefferson City to assist in securing a state grant of $14 MM to fund infrastructure improvement
- Worked along City Staff to negotiate with EDA to secure a $20 MM grant to fund the library project
- The proposed Principal Reduction Plan has been replaced by the enhance housing program offered by the City – JHAP
- Identified the DALA tax credit program that awarded JRC over $4MM
- The JRC now holds over $8MM in real estate, free and clear

Joplin Redevelopment Conclusion

- Additional Wallace Bajjali Resources
- Frequently Asked Questions
  - Why has no dirt moved?
  - Commercial building are unoccupied, why build more?
  - Private development over public/private partnerships?
- Joplin Globe survey

Joplin Redevelopment Conclusion

- Wallace Bajjali committed to complete this project without relying on the full faith and credit of the City and without raising taxes
- Wallace Bajjali committed to be a “pay for performance” developer
- We Are Joplin ….