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Press Conference Report

60/65 Development

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The purpose of this press conference is to inform the public that approximately 500 acres North of Highway 60 on Highway 65 is in the process of being rezoned as a mixed-use development.

Project is being proposed by 60/65 Partnership LLC. They will not be the entity that will actually develop and build the project. We will be seeking a large national developer with the resources and experience to take this project and develop it out. We have to have the zoning in place to secure the developer commitment.



The property is uniquely located at the cross-roads of Highway 60 and Highway 65 with more than 120,000 cars per day passing by the proposed development. MODOT has agreed to allow an interchange on Highway 65. For the past 10 years there has been an effort to get an interchange approved to allow access to this site. MODOT has approved the interchange and the timing is ideal to coincide with the 6 lane expansion of Highway 65.

The proposed development density for the 500 acres is as follows:

General Retail development – 1,490,283 sf of possible development

(The Battlefield Mall is approximately 1,100,000 sf on 80 acres)

Office development – 283,576 sf of Office uses

(Hammons Tower is 245,000 sf)

Hotel Development – 300 rooms

Multifamily Units – 174 units

Senior Living Units – 289 units

Single Family Units – 71 homes

When:

This project is 2-3 years from breaking ground. Our current economy does not support additional retail development at this level today, but as the recession ends and the economy begins to recover retail demand will begin and this project is positioned to cater to new national tenants that are not currently in the Springfield Market. Compared with other trade areas similar to Springfield, our market will support another 1,500,000 sq. ft. of new retail tenants. Based on many meetings with national developers and tenants this is the only tract of ground in Springfield that has the traffic count, demographics and potential infrastructure to attract new upscale tenants to our market.

Why Springfield needs this development:

Quality of life for our residents. There is no reason residents of our area should have to travel 3 hours outside the community to shop at retail stores that are not in the market.

Over 6 million visitors to Branson travel past this site each year. Springfield is missing a golden opportunity to capture some of these travelers by offering retail stores that are not in Branson.



In a time when the City is having massive funding issues this development will provide:

The 500 acres currently pays about \$3000 of property taxes per year.

The cost of the infrastructure (interchange, streets, roads and utilities is projected to be about **\$63 million**.

The construction cost of all the development is expected to be **\$400 million** over the years.

Assuming that a modest 40% of the cost of construction is labor, we are projecting that the construction of the infrastructure and the buildings will generate **\$200 million of labor revenue** to the community over ten years.

Assuming that every 1000 square feet of commercial development represents one and a half new jobs, the commercial development potentially represents **2250 new direct jobs** created in the community. Economic Development professionals estimate that for every new direct job created with a development that .46 indirect jobs are created. These are jobs elsewhere in the community which are created to support those new direct jobs. So the number of indirect jobs created would be another **1035 jobs**. The total of direct and indirect jobs created could be near **3285 jobs**.

The Appraised value of the development at completion is expected to exceed **\$442 million** which can generate **\$7.9 million per year** of Property Tax.

Assuming a modest \$275 per sf of retail sales, the gross sales for the development would be **\$412 million per year** which generates over **\$27 million per year** of state, county and local sales tax revenue. **\$11 million of that is local sales tax**.

In calculating the economic impact on the community of a development like this, economists typically total up the total sales tax, property taxes and direct construction costs per year and use a modest **1.85 multiplier**. When this project is 100% complete the combined sales and property tax will be approximately \$35 million and with the 1.85 multiplier, the economic impact of this development could be near **\$66 million per year**.



Without the re-zoning in place it will not be possible to finalize agreements with a joint venture partner to bring this project to market. If we wait to re-zone when the economy is healthy we will have missed our window to do the 2-3 years of background work necessary to time this project correctly.

We are applying for the zoning and annexation in February. The zoning will be a Planned Development which allows for a carefully crafted mixed use development and can add restrictions and conditions which address issues relating to adjacent properties and public infrastructure mandates.

We hope to have the zoning work completed by May of this year.

With this zoning, we will be able to secure a developer to come in and begin their planning effort.

We think that the development could come on line as early as 2012 and take ten years to develop fully.

Key Information:

This is a zoning request at this time. The property is currently zoned single family residential and County agricultural. We will also annex the property that is in the County. Without the interchange, no higher zoning would be possible and conversely, without the commercial zoning, the interchange would not be needed or viable.

In this zoning request, we are establishing the entitlements for the land uses only. With those entitlements there are requirements and limitations relating to the development which are stipulated in the proposed Planned Development.

Key elements of the Planned Development:

- The zoning will not become effective until the interchange with 65 Highway is assured.
- The zoning will require that the development also provide connections to the public roadway system surrounding the property. This includes:
 - A connection east to Farm Road 170 which provides access to Rogersville.
 - A connection west across Mentor Road and down to Lone Pine.



- A connection north to Murphy Road which provides access to Battlefield
- With the completion of the interchange and those connections, this quadrant of town will have much improved circulation and alternative traffic options for residents in the area.
- It is interesting to note that when the traffic study modeled the system as proposed, the traffic on 60 highway actually was reduced as people east of James River would be more likely to use the connection from Farm Road 170 through this development and accessing the interchange than going out to 60 and going through the 60/65 interchange.

As a part of this effort, we first had to secure the ability to gain access to US 65 from MoDOT. We retained the Engineering firm that had done the engineering for the 60/65 interchange work that is just now beginning and they worked closely with MoDOT for several years planning and evaluating options. We modeled the road system to see how the interchange affected the traffic flow on 65 and at interchanges north and south of this interchange. This modeling was done to establish the density of development for the property which would not degrade the traffic conditions on 65. The resulting density proposed for the development is a result of this traffic modeling. MoDOT has now agreed to allow the interchange under the conditions which we have set forth in the Planned Development.

We have just completed another traffic study for the City to show them how that traffic flows through out the surrounding road system and this allows the City to analyze the impacts of that traffic on the system.

As a part of this development, we will also establish a set of guidelines for the property owners which promote the development of these properties as a sustainable development using Best Management Practices and creative ways to minimize the impact of the development on the environment.

