

Failed MO Sweetener Project Misses More Payments

COLUMBIA, Mo. (AP) — Moberly has received only part of a promised payment for a troubled artificial sweetener project in central Missouri.

Bruce Cole, the former CEO of the company behind the project, had said that he would pay Moberly \$250,000 by Monday to offset costs the city faced because of an earlier missed bond payment. Cole promised to give Moberly a plan for restarting the project by Oct. 12 and to make good on a missed \$3.2 million bond payment by Oct. 26.

The Columbia Daily Tribune reported Tuesday that Cole had sent \$45,000 and told city officials that the remainder would come from an international bank.

"There may have been some hang-up there," Moberly Finance Director Greg Hodge said.

Mamtek U.S. Inc. planned to employ several hundred people at the artificial sweetener plant. The city issued \$39 million in industrial development bonds for the project, the state offered more than \$17 million in incentives — though no state funds went to the company — and \$8 million was to come from private investors. However, the plant still is under construction, and the company has laid off its employees. Mamtek also missed a bond payment.

Moberly is about 30 miles north of Columbia and has a population of about 14,000 people. Democratic Gov. Jay Nixon traveled to the city in July 2010 to announce the project and said it could create more than 600 jobs.

The Mamtek project has received attention in recent weeks. Moberly City Manager Andy Morris said last week the city provided documents requested by the Securities and Exchange Commission. UMB Bank, the trustee for the bonds, indicated in a recent filing that it also expected to receive a subpoena.

The attorney general's office has said it is assisting the Randolph County prosecutor to determine if any state criminal or civil laws were violated. A state Senate committee plans to review role of the state Department of Economic Development in the project and has scheduled its first hearing for Wednesday afternoon.

In addition, a member of a state board that provides state incentives for development projects and had awarded some for the Mamtek project called Tuesday for stronger research into proposals that are recommended to receive funding. The St. Louis Post-Dispatch reported that Missouri Lt. Gov. Peter Kinder, who serves on the Missouri Development Finance Board, said board members are

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part-time appointees and that most of their information comes from staff members and the state Department of Economic Development.

"We've got to know that representations being made to us are vetted, that people are being checked out," Kinder said. "We've got to know that we don't have a con man in front of us."

Economic Development Department Director David Kerr declined to comment and said that the agency was focused on salvaging the project.

"I don't want to make any comment that might throw (Mamtek) off track from doing what they've said they'll do," Kerr said.

Kinder, a Republican, is considering running for governor next year against Nixon, a Democrat.

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