

Rushmore Plaza Civic Center

Rapid City's Crown Jewel
2012 project

30 years of Entertainment, Education & Economic Development

- Our original 2012 project
- \$24 million to build
- \$200 million to replace
- Hosts 800 events per year
- 1 million visitors each year

Economic Impact

- \$10 million per year in revenue
- Half is ticket sales
- \$2 million payroll
- Only 30% of events are full rate
- 70% is at “non-profit” rate

Economic Impact

- Each visitor spends \$75...
- *\$75 million a year*
- Each visitor spends \$150...
- *\$150 million a year*
- Each visitor spends \$300...
- *\$300 million a year*

Other Option Considered

- Expand & Retrofit existing arena
- Too expensive: \$32 - \$35 million
- Arena would be down for 9 to 12 months
- All we'd have is a new arena

New 5000 – 7000 seat Arena

- Adds 365 new event days
- New hockey team = \$1 million annually
- Other new events = \$1 million annually
- Allows big events to grow:
 - ✓ *BH Stock Show & Rodeo*
 - ✓ *Lakota Nation Invitational*
 - ✓ *BH Home Show*
 - ✓ *Sport Show & Sale*
 - ✓ *Harley-Davidson / Rally Events*

What Happened ?

- enVision Design will be paid \$1.5 million
- enVision recommended two phases from the start
- enVision estimated bids would be right on target, even as late as 12 days before bid opening

\$7 million error

- Estimate on 10/19/06 \$18.4 million
- Low bid on 10/31/06 \$25.1 million

Civic Center Can Pay

- Bond against BBB \$3 million
- Add \$1 to BID \$8 million
- Pre-sell Skyboxes \$3 million
- Naming Rights \$2 million
- New Sign \$2 million
- Smoking \$2 million
- Reserved parking \$2 million
- Restoration fee \$2 million

Civic Center Can Pay

- Bond against BBB \$3 million
- BBB will collect about \$2.5 million in 2007
- Civic Center receives 75% = \$1.875 million
- CVB receives 25% = \$625,000
- Civic Center could pay \$350,000 annually =
\$3 million loan

Civic Center Can Pay

- Add \$1 to BID \$8 million
- Current BID tax is \$2 per night
- Estimated revenue is \$1.2 million
- \$1 additional would raise \$600,000 to fund CVB, instead of the BBB \$\$.
- That in turn would allow the Civic Center to borrow about \$8 million.
- Payment would be about \$625,000 annually, which the Civic Center could now afford.

Civic Center Can Pay

- Pre-sell Skyboxes \$3 million
- 12 skyboxes @ \$30,000 each
- Estimated revenue \$200,000 annually

Civic Center Can Pay

- Naming Rights \$2 million
- Estimated value \$2-to-\$4 million over 10 to 12 years
- Conservative annual revenue \$200,000

Civic Center Can Pay

- New Sign \$2 million
- Perhaps at 5th & Omaha ?
- Estimated annual revenue \$200,000

Civic Center Can Pay

- Smoking \$2 million
- Reinstate smoking for Stock Show bar, Pool tournament and Dart Tournament
- Estimated future annual revenue \$300,000

Civic Center Can Pay

- Reserved parking \$2 million
- About 200 spots available
- \$200,000 per ticket or \$250,000 per vehicle annually

Civic Center Can Pay

- Restoration fee \$2 million
- \$1 added charge per ticket
- Estimated revenue \$200,000 annually

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