



# CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-5035

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## MEMORANDUM

TO: City Council, Mayor Alan Hanks

FROM: Robert Ellis, Public Works Director

SUBJECT: Comparison of Public-Private Development Proposals

DATE: July 28, 2009

The following is a side-by-side comparison of the two Public-Private Development proposals received by the City of Rapid City. This comparison relies on the accuracy of the information provided in the applicant's proposal.

**1) A project description including: (i) Proposed uses to be included in the project (commercial, residential, parking or the combination thereof, (ii) the proposed use of the \$2.8 million dollars in the current 2012 plan identified for downtown parking improvements, and (iii) the net number of additional off-street public parking spaces created by the project (currently at 135 stalls) that shall be held in sole ownership of the City.**

a. Residential Plaza Partners, LLC:

- i. 171,500 total square feet, 18,000 square feet of commercial space, 20,000 square feet of office space, 6,000 square feet of conference space, 100 condominium units, and 480 - 605 parking spaces.
- ii. The \$2.8M 2012 funds would be used to design and construct 125 subterranean parking spaces.
- iii. 200 parking stalls for residents of building, 100 parking stalls for employees of building retail units, 180 – 305 parking stalls available to public. It does not appear that any of the parking stalls would be held in sole ownership of the City. This would result in a net loss of 135 city owned parking stalls.

b. St. Joe Investment Group, LLC:

- i. 90,000 total mixed use square feet, 10,000 square feet of retail space, 40,000 square feet of office space, 40,000 square feet of residential space, and 500 – 650 parking spaces.
- ii. The \$2.8M 2012 funds would be used to construct parking spaces.



EQUAL HOUSING  
OPPORTUNITY

EQUAL OPPORTUNITY EMPLOYER

- iii. 150 parking stalls for tenants of building, 350 – 500 parking stalls for the city. It appears the city will be the sole owner of the 350 – 500 parking spaces after a period of 7 years and under terms to be determined later. This would result in a net increase of 215 – 365 city owned parking spaces.

**2) A statement regarding: (i) The concept and sources to be used in financing the project, and (ii) a list including similar projects the applicant had success in obtaining funding for.**

- a. Presidential Plaza Partners, LLC:
  - i. New Market Tax Credits, other available tax credits, unidentified amount of TIF funds, \$2.8M in 2012 funding, dedication of city land, and unidentified amount of private funding.
  - ii. None listed.
- b. St. Joe Investment Group, LLC:
  - i. New Market Tax Credits, developer's equity, private developer/investor capital, unidentified amount of TIF funds, \$2.8M in 2012 funding, and land proceeds.
  - ii. Security National Bank in Sioux Falls, Crane Center in Sioux Falls, Swander's Grocery, Class AAA Rated Medical Building Investment Properties, and "Big Box" Retail Investment Properties.

**3) Concept plans illustrating the proposed development.**

- a. Presidential Plaza Partners, LLC: As previously presented.
- b. St. Joe Investment Group, LLC: As previously presented.

**4) Proposed development schedule.**

- a. Presidential Plaza Partners, LLC: 34 months to complete construction.
- b. St. Joe Investment Group, LLC: 24 months to complete construction.

**5) A list of any public improvements required to be constructed along with the project.**

- a. Presidential Plaza Partners, LLC: None listed.
- b. St. Joe Investment Group, LLC: Listed in the proposal are 350 – 500 public parking spaces, removal of contaminated soils, placement of power lines underground, repair to sidewalks, repair to alley entrance, repair to street, and installation of public plaza.

**6) Would the applicant be requesting any addendums or amendments to the approved TIF?**

- a. Presidential Plaza Partners, LLC: No addendums or amendments noted in proposal.
- b. St. Joe Investment Group, LLC: No addendums or amendments requested "at this time" in proposal. Reallocation may be requested.

**7) Ability to comply with all South Dakota State bid requirements.**

- a. Presidential Plaza Partners, LLC: Applicant claims they can comply.
- b. St. Joe Investment Group, LLC: Applicant claims they can comply through the use of a Construction Manager At Risk process.

**8) Identify any additional potential benefits to the City as a result of creating a public/private partnership.**

- a. Presidential Plaza Partners, LLC: Proposal lists, “revitalization of downtown, new employment opportunities downtown, setting precedence for future growth of downtown, and enhancing downtown’s existing architectural character”.
- b. St. Joe Investment Group, LLC: Proposal lists, “finance and build a standalone facility, participate in a public private partnership, and use of new market tax credits”.