

PRESIDENT'S PLAZA, LLC.

528 Kansas City Street, Rapid City, SD 57701

March 10, 2014

Pauline Sumption
City of Rapid City
300 6th Street
Rapid City, SD 57701

Re: President's Plaza

Dear Pauline:

Thank you for your letter of March 6, 2014. A little background is in order. The current discussions regarding a possible contribution of additional cash to the Project originated in response to a request by some members of the Council asking what it would take to get the project under construction on an expedited basis following the public comments suggesting that the Project does not qualify for NMT credits, which greatly jeopardizes chances they can be obtained. As you know, what has been discussed is an additional cash contribution by the City in the amount of \$5,000,000 (including Destination Rapid City funds) in exchange for a commitment to construct an additional 150 parking spaces and an accelerated schedule. This \$5,000,000 will be used as part of the funding of the city owned public parking ramp and none of this \$5,000,000 will be used for the construction of the private structure.

On the topic of feasibility, suffice it to say that experienced Lenders conduct an exhaustive review over months and months with stringent conditions before putting their dollars on the line to finance a project of this magnitude. Lenders don't lend, general contractors don't contract and tenants don't commit unless they are convinced a project is feasible. To suggest that the City or an auditor hired by the City can conduct a feasibility review on any meaningful, expedited basis without any established criteria doesn't make sense. Unfortunately, these discussions have drug out and more and more new conditions continue to arise, of which the current request is just one, leading President's Plaza to the conclusion that no agreement will ever be reached. For that reason, President's Plaza considers the current discussions terminated and will proceed under the terms of the current contracts.

Sincerely,
PRESIDENT'S PLAZA, LLC.



Hani Shafai, PE



Patrick R. Hall

cc: Mayor Sam Kooiker
City Council
City Attorney