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July 21, 2014

Ms. Pauline Sumption, Finance Officer
City of Rapid City
300 Sixth Street
Rapid City, SD 57701

Re: Proposal to Provide Legal Services

Dear Ms. Sumption:

Thank you for the opportunity to be considered to serve as counsel to the City of Rapid City (the "City") in connection with its planned financing of an expansion to the Rushmore Plaza Civic Center (the "Civic Center"). We are pleased to be able to offer to bring our extensive background in South Dakota and stadium financing to bear in this transaction.

Representative South Dakota Experience

As bond counsel to Rapid City for well over 40 years, Dorsey has extensive experience working with the City on sales tax, revenue and lease financings, including the original and all subsequent Civic Center financings, municipal airport, parking facilities, utility projects and more. We understand the opportunities and challenges of issuing debt in South Dakota, from the local control allowed by sales tax ordinances to constitutional and legislative limits and procedural hurdles.

In the last five years, we have provided counsel on approximately \$112 million of City bond issues. In addition, as counsel to over 20 other South Dakota municipalities, Dorsey has, in the last 5 years, acted as bond counsel on over 50 individual issues, close to half of which were either sales tax or certificate of participation lease financings, aggregating over \$150,000,000 in principal amount.

Stadium / Arena Experience

Stadium financings represent unique challenges by virtue of their size; political challenges and potential for litigation; design, construction and land use complexities and potential uses of the stadium for concessions, sponsorships, advertising and naming rights. As the most experienced law firm in stadium finance in the upper midwest, Dorsey has helped develop nearly every major sports facility in Minnesota and has had a hand in national and international development of such facilities. Dorsey lawyers' sports facilities experience includes:

- Advising Minnesota Sports Facilities Authority on development, construction, real estate, public and private finance, environmental, public law, and tax matters related to the new Minnesota Vikings stadium.
- Representing Hennepin County, MN as bond counsel on the issuance of \$350M tax-exempt bonds to finance Target Field, the major league baseball stadium of the Minnesota Twins.

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- Acting as bond counsel to public client with respect to the planning and negotiating of financing for the Target Center, home to the Minnesota Timberwolves.
- Acting as bond counsel and advising on finance and development issues central to the construction of the University of Minnesota, NCAA Division I FBS, TCF Bank Stadium.
- Working on international arena developments including O2 Arena in London (2012 Olympic venue) and the O2 Arenas in Berlin and Hamburg.
- Representing the Salt Lake Olympic Committee in its contractor insolvency proceedings.
- Negotiating a stadium sponsorship agreement, suite license agreement and broadcasting and interactive media agreement as counsel to MLB team.
- Representing various parties in the financing and development of baseball stadiums for official MLB rookie affiliate teams, including fields for the Missoula Osprey (Arizona Diamondbacks) and Billings Mustangs (Cincinnati Reds), as well as a stadium for the St. Paul Saints, a non-MLB professional baseball organization.
- Representing NFL owner, team, and facility owner in the letter-of-credit backed industrial development bond financing of Sun Life Stadium (Joe Robbie Stadium) for the Miami Dolphins.
- Negotiating agreements on behalf of the Ligue de Football Professionnel for use of Red Bull Arena (home of the MLS New York Red Bulls) for the 2012 French Super Cup.
- Advising international general and sub-contractors on work related to the design and/or construction of multiple professional football (soccer) stadiums. Representative projects include Melbourne Rectangular Stadium, home of the Melbourne Storm; Donbass Arena, home of FC Shakhtar Donetsk; and the Southend United FC stadium.
- Representing client in connection with the construction and subsequent expansion of the Minneapolis Convention Center.

Services and fees

We would propose a fee of between \$75-100,000 (depending on actual time spent) for our services as bond counsel, which would include:

- Review and advice as to structuring, including sources of funding and security;
- research as to constitutional, legislative and municipal authorities;
- advice as to compliance with or amendment of City ordinances;
- counseling and drafting in connection with any election proceedings;
- drafting of resolutions, ordinances, and operative documents for bond issuance;

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- analysis of any "private use" concerns with respect to the Civic Center, including review of any proposed sponsorships, naming rights or advertising agreements or policies, management agreements with private operators of any portion of the bond financed property;
- delivery of an opinion as to the tax-exemption of interest on the bonds.

In the event that an election is held with respect to the financing and such election fails, our fee would be limited to no more than \$20,000.

If asked to service as disclosure counsel, our fee would be approximately \$30-40,000, and our services would include drafting the offering document for the Bonds, in cooperation with the City and other parties.

In addition, we would be pleased to offer any of the following services to the City on an hourly rates basis or other negotiated fee basis:

- drafting, review or negotiation of construction, design, engineering, environmental or development agreements;
- drafting, review or negotiation of sponsorship, naming rights or advertising agreements or policies with respect to the Civic Center or ancillary development in the neighborhood of the Civic Center;
- drafting, review or negotiation of any tenant leases.

In addition to our experience as noted above, we offer the services of a nationally-recognized expert in federal tax law applicable to municipal bonds, Tom Vander Molen. As a regular panelist at National Association of Bond Lawyers conferences and consultant to *The Bond Buyer*, Tom keeps us abreast of changes in federal law and IRS interpretations and policies. He is also available to answer questions that arise in the course of a transaction, and such services are routinely included in our flat fee structure. He also handles numerous IRS audits and other tax controversies and would be available to assist the City in the unlikely event of an IRS audit.

Primary Team Members (Biographies attached)

- Jennifer Hanson: With Dorsey's public finance department since 2002, Jennifer's experience includes representation of close to 100 municipal clients throughout Minnesota, North and South Dakota in governmental issues; over 30 charter school financings nationwide and close to \$3 billion of health care issuances on behalf of Mayo Clinic, Saint Cloud Hospital, Children's Hospitals and Clinics, Allina Health System, Fairview Health Services, Essentia Health and others. Jennifer has represented the University of Minnesota on the TCF Stadium financing and worked with the cities of St. Cloud, Lakeville, Eden Prairie, Alexandria, and Shoreview and Olmsted County, MN on ice arenas, aquatics centers and other municipal community centers. In South Dakota, she has served as bond counsel on utility, aquatics and community center, city hall, TIF and judgment funding bonds, among others.

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- Lynette Crandall: With Dorsey's public finance department since 2000, Lynette has served as bond or underwriter's counsel on the Vikings, Twins and St. Paul Saints' new stadiums in the past ten years, and also was instrumental in the securing of State financing in the amount of \$585 million for the City of Rochester, Minnesota redevelopment known as the Destination Medical Center, a public-private partnership intended to provide for the planned redevelopment of the City of Rochester. Lynette was previously bond counsel to the State of Minnesota and currently serves as bond counsel to Hennepin County, Minnesota (Minneapolis) as well advising a range of municipal, underwriter and developer clients on tax increment financing, development and bond issuances.

We greatly appreciate the opportunity to submit this proposal and would be happy to provide any further information or discuss any desired changes.

Sincerely,

DORSEY & WHITNEY LLP

By:



Enclosures

Biographies



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Experience

Ms. Hanson's practice focuses on public finance and economic development, particularly in the areas of governmental, health care, housing, education and other nonprofit financing. She has experience advising municipalities, local and state-level economic development authorities and underwriters on tax, securities and municipal law. She has practiced at Dorsey & Whitney LLP since 2002.

Representative Transactions

- \$200,000,000 City of Rochester, Minnesota Health Care Facilities Revenue Bonds (Mayo Clinic), Series 2012
- \$64,880,000 Olmsted County, Minnesota General Obligation Crossover Refunding Bonds, Series 2012A
- The State Board of Education of the State of North Dakota \$9,000,000 North Dakota State College of Science Housing and Auxiliary Facilities Revenue Bonds, Series 2012
- City of Plymouth, Minnesota and Housing and Redevelopment Authority in and for the City of Plymouth Minnesota \$9,935,000 Governmental Housing Project Refunding Bonds (City of Plymouth, Minnesota General Obligation), Series 2012A and \$10,655,000 General Obligation Refunding Bonds, Series 2012A
- \$140,000,000 Montana Facility Finance Authority Health Facilities Revenue Bonds (Billings Clinic Obligated Group), Series 2011
- \$186,975,000 City of St. Cloud, Minnesota Health Care Revenue Bonds, Series 2010 (CentraCare Health System)
- Michigan Finance Authority \$5,785,000 Public School Academy Limited Obligation Revenue Bonds (Hanley International Academy, Inc. Project), Series 2010A; \$2,925,000 Public School Academy Limited Obligation Revenue Bonds (Hanley International Academy, Inc. Project), Series 2010B (Federally Taxable – Academy Qualified School Construction Municipal Obligation); \$165,000 Public School Academy Limited Obligation Revenue Bonds (Hanley International Academy, Inc. Project), Series 2010C (Federally Taxable)
- Southern Minnesota Municipal Power Agency \$67,990,000 Power Supply System Revenue Bonds, Taxable Series 2010A (Issuer Subsidy—Build America Bonds); \$7,010,000 Power Supply System Revenue Bonds, Series 2010B (Tax-Exempt)
- \$7,700,000 Capital Trust Agency Tax-Exempt and Taxable Revenue Bonds (Miami Community Charter School Project), Series 2010AB

- Itasca County, Minnesota \$6,155,000 Revenue Bonds (Charles K. Blandin Foundation), Series 2010
- \$46,800,000 Moffat County, Colorado Variable Rate Demand Pollution Control Refunding Revenue Bonds (Tri-State Generation and Transmission Association, Inc. Project), Series 2009

Admissions

- Minnesota

Education

University of Michigan Law School
J.D., 2002
cum laude

Harvard University
A.B., History and Literature, 1997
magna cum laude

Attorney Articles

- Deadline Approaching for Disclosure of Continuing Disclosure Violations, July 16, 2014
- Minnesota Legislature Creates New Bonding Authority for OPEB Liabilities, May 20, 2008



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Experience

Lynnette Slater Crandall, a leading expert on economic development tools and public-private development projects, is a partner at Dorsey & Whitney LLP, Chair of the Firm's Public-Private Project Development practice group, member of the Public Finance and Legislative practice groups, and Chair of the Political Law subgroup. Lynnette's experience working in the public and private sectors has given her unique insight into spotting the business needs of her clients, and helping to bridge the communication gap that often occurs between corporate and governmental entities. As a lobbyist, Lynnette understands the political sensitivities that almost always surround large, high-profile public-private partnerships. Her practice involves assisting clients with not only the legal intricacies of complex development projects and bond financings, but also the strategies to address the related business and political challenges.

Lynnette's Public-Private Project Development practice includes some of the most innovative public-private development projects in the region and the country. Financing strategies include tax increment, tax abatement, value-capture, tax and jobs credits, redevelopment/assessment zones and districts, federal/state/local grant and loan programs, and tax-exempt and tax-favored bonds and notes, among others. Lynnette represents government entities, private owners and tenants, and investors and lenders in negotiating development agreements, leases, loan and grant agreements, naming and sponsorship rights agreements, and related documents.

Lynnette's Public Finance practice includes acting as bond counsel, underwriter's counsel, issuer's counsel and borrower's counsel in traditional state and municipal financings, industrial development bond financings, health care financings, and economic development financings; as well as drafting and advocating legislation relating to municipal finance. Financings range from tax-exempt, to taxable, to tax credit and other tax-favored obligations.

Her Legislative practice includes advocacy for a wide variety of clients in regulatory and legislative matters with state agencies and legislatures, cities and counties, and special purpose governmental entities.

Lynnette's Political Law practice includes advising for-profit and not-for-profit corporations, trade associations, candidates and committees on state and federal campaign finance and election laws, lobbyist regulations, political action committee formation and compliance, ballot initiatives, pay-to-play restrictions, government ethics and gift ban laws, and related political law matters.

Representative Engagements

- Counsel to the Minnesota Sports Facility Authority, the public entity that will own and operate the \$1 billion plus People's Stadium, which will serve as the future home of the Minnesota Vikings.
- Counsel to Mayo Clinic in the passage of the Destination Medical Center (DMC) legislation signed into law in May 2013 as part of the omnibus tax bill. DMC will help fund the public infrastructure required to

- keep pace with an estimated \$5 billion in private investment by Mayo Clinic and other private entities over the next 20 years, all aimed at securing Rochester's and Minnesota's position as a global medical destination.
- Bond counsel to Hennepin County, issuer of over \$350 million tax-exempt bonds to finance Target Field, the major league baseball stadium of the Minnesota Twins. Bonds were issued under a Master Indenture in several tranches and both fixed and variable rate series.
 - Counsel to County, Regional Rail Authority and Housing and Redevelopment Authority for Target Field Station, a private development-oriented, multi-modal transit hub.
 - Counsel to joint venture Transit Improvement Board, which funds urban transit infrastructure improvements, including light rail and commuter rail, on a multi-jurisdictional basis.
 - Underwriter's counsel on Recovery Zone Facility Revenue Bonds issued to finance the Radisson Blu Mall of America hotel facility in connection with taxable corporate debt financing.
 - Bond counsel to the State of Minnesota in a \$600,000,000 General Obligation Certificates of Indebtedness (Line of Credit) for cash flow borrowing needs.
 - Counsel to various clients on innovative appropriation bond and lease revenue note financings, including a national investment banking firm on \$656,220,000 General Fund Appropriation Bonds issued by the State of Minnesota to refinance a higher-cost tobacco securitization.

Admissions

- Minnesota

Honors

- Named a "Top Woman in Business" by Minneapolis/St. Paul Business Journal
- Named a "Top Woman in Finance" by Finance & Commerce
- Listed as a "Rising Star" by Minnesota Super Lawyers
- Hubert H. Humphrey Public Policy Fellow

Education

University of Iowa
B.A., Journalism & Mass Communications with Political Science emphasis, 1991

William Mitchell College of Law
J.D., 2000
magna cum laude, William Mitchell Law Review

Professional Activities

- University of Minnesota Law School, Adjunct Professor
- National Association of Bond Lawyers, Bond Attorneys Workshop Steering Committee Member
- Minnesota Women in Public Finance, Founding Member
- Minnesota Institute of Public Finance, Board Member
- Economic Development Association of Minnesota
- Minnesota Government Relations Council
- Minnesota & Hennepin County Bar Associations
- Minnesota Women Lawyers
- National Association of Women Lawyers

- American Bar Association

Attorney Articles

- State Funded Projects in Minnesota Now Require Use of "American-made steel", July 1, 2014
- Important Changes Under MN Data Practices Act for Public/Private Contracts for Government Functions, June 18, 2014