



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

October 13, 2015

Rapid City Common Council
300 6th Street
Rapid City, SD 57701

Office of the Mayor

300 Sixth Street

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Dear Councilmembers:

Yesterday, October 12, 2015 I held a press conference indicating my intent to see a separation between Dream Design/Premier Properties and the City of Rapid City as it relates to the Presidents Plaza project at 6th and St. Joseph Street.

The information given to the media yesterday is duplicated in a letter which I also sent to you at the same time. In addition to the press conference information, I have additional information for you as well as a request to proceed on the project.

- Once the geographical limits of each project are identified, City staff will work with the Presidents Plaza group to determine the division of the existing lot for each project: The City will be responsible to build a parking ramp and President's Plaza will be responsible for their building.
- A formal appraisal of the Presidents Plaza location will need to be completed in order to determine the market value of the property.
- The lot to be purchased by the President's Plaza group will have to be deemed surplus then donated to the Economic Development Foundation. The Foundation can then sell the property to President's Plaza using a purchase agreement containing language that will allow the City to reclaim the property in the event the Presidents Plaza project fails to launch.
- We will identify a funding source and initial costs for parking lot design.



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To be perfectly clear, it is my belief and there is evidence to back up the fact that downtown Rapid City needs a parking ramp, regardless of whether the Presidents Plaza project is completed or whether a similar future project is completed at that location. Obviously, the initial size of the ramp will be determined by the progress of the Presidents Plaza building project. At this early stage, we should initiate planning to build a parking ramp of approximately 500 spaces.

Also for clarity sake, there will be no tax increment funding for the President's Plaza project. There is an existing tax increment district that will expire in 2017. This district will provide funding for a portion of the ramp construction. A renewal or redesign of the district is an option and may be needed.

The current President's Plaza committee is qualified and ready to represent the City in this separate, but related project. Those committee members include: Council President Brad Estes, Council Vice President Chad Lewis, Legal and Finance Committee Chairperson Amanda Scott and Public Works Committee Chairperson Charity Doyle.

I am requesting City Council authorization to proceed into the planning stages of this important project. I will keep the council updated as things progress.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Allender", with a long horizontal flourish extending to the right.

Steve Allender
Mayor of Rapid City