

VISION FOR 321 7TH ST., RAPID CITY SD.**11/9/2015**

I have made an offer to purchase the property at 321 7th St. which was previously known as Hooky Jacks, Phatty McGees, and Sports Rock Pizza.

It is a difficult building for any potential owner for the following reasons:

- *The building occupies all of the property and there is only one parking space on it. Thus no use meets zoning requirements.*
- *The building lies next to the railroad tracks*
- *Past use involving many police calls causing negative public perception as well as neighboring businesses' frustration.*
- *The building has been vacant for over a year and continues to fall into dis-repair.*
- *Current owners have not been able to find a buyer in over two years on the market.*
- *Current owners have not been able to find a tenant for any portion of the building in two years of advertising.*



Before



After

Given all of that, It is an amazing property with all of the romantic character a building of that age embodies. Beautiful exposed brick, 2 inch thick wood plank floors, huge, exposed stone footings, fir columns, etc. It has many improvements including an existing wood fired brick pizza oven, fully sprinkled for fire protection, new mechanical systems, an elevator, new electrical systems, new roof as well as being up to code for ADA access and has adequate public restroom facilities to meet two floors of commercial space.

Before I detail my proposal for the use of the building, I would like you to know a bit about my background. I am originally from Rapid City – born and raised – attended SD School of Mines and have a Masters in Civil Engineering. My parents (now passed) are Bruce and Julianne Creamer and part owners in Frontier Ford which later became McKee Ford. My Mother was voted the State “Volunteer of the Year” and helped found the soup kitchen and Church Response.

Most of my career was spent designing and managing the construction of large projects for the Mayo Clinic in Rochester and Jacksonville, FL. The last project I managed was \$350 million dollars. In addition I was responsible for the assessment and purchase of existing properties and leased properties for Mayo.

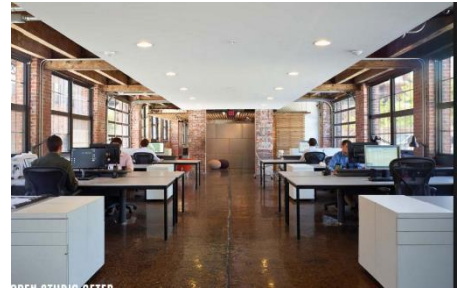


Prior to that I was active-duty with the Public Health Service and designed water and wastewater facilities on Indian Reservations in South Dakota, Arizona, Nevada and California. I was awarded the South Dakota “Young Career Woman of the Year” – early in my career. In recent years I have focused on real estate and investment properties. I own investment properties in MN as well as Rapid City and am licensed in real estate in both MN and SD. I am on the Board of Directors of a regional hospital in Minneapolis and split my time between SD & MN.

I have taken on this project with significant consideration and assessment both by myself and qualified consultants. I will be working with Lee Geiger of Geiger Architecture who did Rapid City Historical Commercial District Plan for the downtown revitalization as well as many other projects in Rapid City.



I see the building as being multi-use. It is 20,000 s.f. with 5000 s.f. on each floor. My plans for the building are to remodel it and lease it. A wide variety of uses would fit well in this building. The 2nd and 3rd floors of the property would work well as office space or residential space. At some point in the future, I will



seek State approval to turn these into condos and sell them and possibly divide the first and basement into commercial condos for sale. These would be creative in design and material choices but would market toward a moderate rental price. A roof-top green space/patio could be constructed for the tenants to use.

Zoning requires that the first floor remain commercial space. I see great potential here for restaurant and/or merchandise uses as well as the potential for office space. If a restaurant tenant is selected, application for a wine/beer license will be pursued. I will initially be pursuing a combination use - not just a restaurant or a coffee shop or even a bookstore - It is a destination, a place you want to "hang out". If you could combine the coziness of an over-stuffed chair, the warmth of a fire, the smell of coffee and home-made caramel rolls on weekend mornings, the tinkle of wine glasses and brick-oven pizzas in the evening alongside a well-worn book, the hum of others visiting with their friends.....you understand the environment and ambiance I am trying to create. It is a place that attracts a wide variety of people during the day time to meet with friends over coffee or for an office meeting with a light lunch, or after work for a glass of wine. It's a place you can go after the movie when you aren't quite ready to end your evening but you don't want to sit at a bar and drink. I also see this as a gathering place for interest groups during weekday evenings or families on weekend mornings for gooey rolls and a newspaper, or students in the afternoon to work on projects and study.....all while consuming gourmet coffee drinks, a sandwich or salad, or wine and stone fired pizza. The books will be wrapped with parchment paper hiding their title and each book purchased will be for a "blind date with a book" where some of the proceeds will go to charity. I am a firm believer in giving back and have many ideas on how to do that.



The basement has never been used other than for storage, but it has great potential for a variety of uses. Running down the center of the floor are massive stone columns from floor to ceiling. Although the space would work well for office space, initially my plan is to have a unique type of "restaurant" that only serves visually exciting, extravagant gourmet deserts as well as desert wines. This will cater to adults and will have an adult atmosphere with shadowy lighting casting off the stone, long satiny drapes, booths that are private and encourage cuddling. I am hoping to have jazz music one night a week. This will only be open in the evening after 4:00 p.m.



At this time, I have not identified the potential renters. Consequently, it is necessary to have back up plans in the event that what I am proposing - is not viable. I am considering an interim rental to a church for the 2nd floor space.

I see the uses I am envisioning, as being supportive to the surrounding businesses and bringing more customers to their doors. I think this is an ideal fit for the antique furniture and flower business across the street and hope that we will be able help grow each other's clientele. Everything I am proposing is neighborhood friendly and will help breathe life into what will otherwise remain a vacant building in the process of decline in a somewhat difficult downtown area, bringing in no sales tax revenue to the City.

I have completed an overview of parking spaces in the immediate neighborhood which shows a substantial number of under-utilized parking spaces. As this is the last significant property to be developed in the area, the available spaces will meet the projected development's needs.

I need the City's partnership in making this a viable location for multiple business owners and home owners.

There is also a cell tower constructed directly behind the building. The lease of this cell tower is being retained by the existing owners.

I'm excited to bring my experience and vision to this project. I look forward to being a business owner in Rapid City as was my family before me and I hope that the City will recognize the hurdles needed to overcome this project and partner with me in making it a success.

Sincerely,

Julie S. Herman

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