



# CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

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January 13, 2014

President's Plaza Development Team  
Pat Hall  
c/o Pat Hall Premier Properties  
632 Main St.  
Rapid City, SD 57701

Hani Shafai  
c/o Dream Design International  
528 Kansas City Street  
Rapid City, SD 57701

Re: President's Plaza

Dear Pat and Hani,

Thank you for inviting me to the meeting with your development team and members of the City Council on Wednesday, January 8<sup>th</sup> to discuss the President's Plaza project. It is my understanding that you are seeking support for an alternative proposal to the use of new market tax credits as a component of this project's financing. My summary of the alternative proposal you made at the meeting is as follows:

- An additional 150 parking spaces would be added to the project, for a total of 500 parking spaces. The convention center space would be removed and the hotel would remain.
- You are requesting an additional \$5 million contribution from the City. This amount would include the \$2 million dollars that Destination Rapid City has committed to improve public parking in the downtown core.

My understanding is that you will submit this proposal in writing to the Council sub-committee on President's Plaza for its consideration and that ultimately it will go to the full City Council for approval. You are also requesting that Public Works staff be instructed to recommend the use of the Destination Rapid City funds for this project. My understanding is that you also plan to pursue New Market Tax Credits at the same time as pursuing the plan outlined above.

Regarding your request to direct Public Works staff to recommend the \$2 million dollars in Destination Rapid City funds be used to finance President's Plaza to the exclusion of other options, I am not going to limit staff's review. The recommendations will be presented to the Public Works Committee on Tuesday, January 28.



EQUAL HOUSING  
OPPORTUNITY

EQUAL OPPORTUNITY EMPLOYER

At this point, I cannot support your request for additional public funding. It is important to recognize the taxpayers are already contributing significantly to the President's Plaza project in at least three ways – the land, the Tax Increment Financing District and the Vision Fund. The agreements in place already give you great flexibility to provide an impressive project for the benefit of the community. If you need additional funds, I encourage you to pursue the additional monies from private funding sources rather than asking the taxpayers for more.

While I cannot support your proposal at this time, I encourage you to submit your request in writing, so it can be fully considered by the President's Plaza Committee and the City Council.

Sincerely,



Sam Kooiker

CC: City Council members