Presidents Plaza developer asks city leaders for second delay

By Barbara Soderlin and Emilie Rusch

The investment group behind the proposed Presidents Plaza project at Sixth and St. Joseph streets has requested a second extension on its deadline to complete a land transfer deal with the city.

The initial deadline was Feb. 15. That deadline had been pushed back to today. At Wednesday's city Legal & Finance Committee meeting, city attorney Jason Green said the St. Joe Investment Group has requested an extension to June 1.

Green said the land transfer and associated agreements are needed for the $30 million public-private project to move forward.

The developers would receive $2.8 million from the city in exchange for providing city parking spaces. In seven years, the spaces and the land would revert to city ownership.

The committee sent the request to the full city council without a recommendation.

The council will take up the issue at its next meeting, at 7 p.m. Monday. Green said he would contact the developers to make sure a representative is at the meeting to answer questions.

Ward 5 Alderman Aaron Costello expressed concern about this being the developers' second request for an extension.

"The first continuance didn't concern me as much as the second one does," Costello said.

A call to developer Les Kinstad of Legacy Development in Sioux Falls was referred to partner Larry Canfield, also of Sioux Falls, who did not return calls left by the Journal Tuesday and Wednesday.

In February, Kinstad told the Journal he was making progress on leasing, with tenants then committed to more than half the space in the development, which would include retail, office and residential space as well as a public-private parking garage.

He said banks are looking for as high as 80 percent or 85 percent committed occupancy before closing on a loan.

At the time, he said he was still aiming for a March or April groundbreaking.

The project, unveiled in December, is the second attempt at a public-private development at that location, currently a city parking lot.

Rapid City developer Hani Shafai in October 2008 pulled plans for a development there called the Rushmont, citing a poor economic and political environment.

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