City grants 180-day extension to plaza

By Emilie Rusch
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The Rapid City Council granted a 180-day extension on Tuesday to the developers of Presidents Plaza to provide proof of financing, in light of a major change in leadership in the private development group.

Hani Shafai, president of Rapid City’s Dream Design International, and local Realtor Pat Hall are taking over as lead developers in the St. Joe Investment Group, which has been working on the public-private project at Sixth and St. Joseph streets since 2009.

“It’s like adding a new engine to your car,” said Bryan Vulcan, a member of the

Shafai

The project

Presidents Plaza would include 430 parking spots, as well as 20,000 square feet of retail and office space and 40 loft apartments.

CITY: Development would be built at Sixth and St. Joseph.

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St. Joe Investment Group and president of FourFront Design. “It’s still the same car, only now we have a brand new, high-performance engine powering it.”

The change in leadership comes two weeks after the city council issued an ultimatum to the development group to either provide proof of financing by Feb. 22 or ask for another deadline extension for the $23 million project.

Developers announced in August 2010 that they had secured private financing for the project but did not disclose the name of the lender.

The project will also receive $2.8 million in city Vision 2012 funds in exchange for 350 public parking spaces. Public improvements are eligible for tax increment finance reimbursement.

Vulcan said after an extensive review of the project, the development team decided to make the change and seek out someone with the development experience and “substantial means” that banks are looking for in today’s lending environment.

“With a project of this magnitude, to be fair to all parties involved, we need to give them the adequate time to move forward on financing,” Ward 3 Alderman Bill Waugh said.

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Vision 2012

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“We needed to find someone who could give them that level of assurance,” Vulcan said. “We believe this team can.”

Shafai is a familiar face to the Sixth and St. Joseph project, as well.

He was the lead developer on the first project proposed for that location, the 17-story $48 million Rushmont.

That project died in October 2008, with Shafai citing a “non-conducive political and economic environment.”

Hull and Shafai are also the local developers behind the push to bring a second Walmart Supercenter to town.

As currently proposed, Presidents Plaza would include 430 parking spots, with 350 owned by the city, as well as 20,000 square feet of retail and office space and 40 loft apartments.

Developers acknowledged that could change in the coming months. Aldermen were unanimous in their support for the deadline extension, which was approved for 180 days, instead of the 90 days requested by the developer.

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