October 9, 2017

Rapid City Common Council
300 Sixth Street
Rapid City, SD 57701

Re: Request for Land Transfer of City Lot to the Economic Development Foundation

Dear Council Members:

A very unique and exciting opportunity is at hand. When I took office two years ago, one of the items I was briefed on was the proposed new location for Rapid City’s main fire station. The lot, a 4.3 acre light industrial parcel at 108 E. Main St. (on East Boulevard directly to the east of the current main fire station) had been purchased with some capital improvement funds as the future home of the fire department headquarters.

After some discussions with department directors, as well as other community stakeholders, we have decided to continue utilizing the existing location for Fire Station 1. A plan has been conceptualized that will be more efficient and cost effective than rebuilding across the street. Therefore, parcel use for 108 E. Main Street has also been an item of discussion, and I believe any future use should align with the Rapid City Comprehensive Plan and the Downtown Master Plan while renewing interest in connecting the South Dakota School of Mines with Rapid City’s downtown.

I have made it well known among innovators and developers if a fair and appropriate use for the lot were conceived, which also served to accomplish several of the city’s goals, I would ask the Rapid City Common Council to gift, or otherwise provide the use of, the 4.3 acre lot for such a purpose.

Over the last couple of years, ongoing discussions regarding potential uses for the lot occurred. In late 2016 the Rapid City Economic Development Foundation hired a consultant: Strang Inc. to study the feasibility of an innovation related incubator that could provide an intellectual connection between the School of Mines, entrepreneurs and the City of Rapid City. At the same time, the consultant was tasked with reviewing available land parcels in Rapid City in an effort to enhance the greater technology and innovation community. The final report was completed in July 2017 and the company identified the city’s 4.3 acre lot as the prime location for such a development. The justification for their findings can be found in the attached feasibility study executive summary.
At this point, the Rapid City Economic Development Foundation has conceived a business incubator focusing on innovation and technology. The project, which will be implemented in phases, is funded. Mr. Pat Burchill and Mr. Todd Kenner, representing the Rapid City Economic Development Foundation, will be bringing a formal proposal to the City Council in the near future for consideration.

There has been a great deal of planning and preparation leading up to this point. This project is seen by all in the economic development community, as well as those representing the South Dakota School of Mines and Technology, as a win-win and a great example of a public/private partnership. The benefits of retaining more School of Mines intellectual talent and related entrepreneurial efforts will be tremendous for Rapid City. It will fit in nicely with the previous downtown study from Roger Brooks, the current downtown master plan, Rapid City’s comprehensive plan, as well as the goals and best interests of the School of Mines and the community at large.

I am asking your support in transferring the property owned by the City at 108 E. Main Street to the Rapid City Economic Development Foundation specifically for the use described in this letter and also in the attached executive summary.

I intend to place this item for consideration on the October 11th Legal & Finance agenda and the subsequent October 16th City Council agenda.

Please let me know if you have any questions or require further information.

Sincerely,

Steve Allender, Mayor
Rapid City, South Dakota