

# THE BANKS

## A NEW LANDMARK GATHERING PLACE



PROPOSAL REQUEST NO. 15-0178



December 3, 2015

Mr. Scott Rust  
City of Sioux Falls Purchasing Office  
224 W. Ninth Street  
PO Box 7042  
Sioux Falls, SD 57117-7402



**BY LEVERAGING THE RIVERFRONT TRIANGLE WITH MORE THAN ONE ACRE OF LAND OWNED BY MINNEHAHA PROPERTIES, INC., WE CAN CREATE THE BANKS—A NEW DOWNTOWN GREEN SPACE THAT'S HALF THE SIZE OF FAWICK PARK.**

Dear Mr. Rust and Selection Committee Members:

When the City of Sioux Falls demolished the River Ramp in the spring of 2012, it removed a visual and physical barrier between Downtown and the East Bank of the Big Sioux River. Now, our community has the opportunity to expand on the possibilities created by the absence of that imposing structure. In partnership with the City, Minnehaha Properties, Inc. (MPI) proposes to develop the Riverfront Triangle as an urban park—capturing the unmistakable sense of place in a new hub for activity and reflection along the Big Sioux River.

Our vision is to create a gathering space that is open and welcoming to all. It will be a connector to fuse Downtown and the East Bank, a wayfinding point no matter the time of year. It will allow residents and visitors alike to share in what the River Greenway and Sioux Falls have to offer. Here, a perpetual public park will generate inspiration for people to come together and make memories.

How can we accomplish such a goal? By leveraging the Riverfront Triangle with more than one acre of MPI's own land to create a new green space half the size of Fawick Park. By creating a hub of activities that will reflect the pulse and vibe of our vibrant Downtown. By infusing programmed activities that echo the fabric of our very community—public markets, ice skating, interactive art

and play areas, food trucks, a town square Christmas tree, urban dog park, a unique wedding venue, and a four-season space where all can meet to plan the day's activities in Downtown, East Bank, and the Riverway.

MPI looks forward to working with the City and other community partners to create an "Activities Business Model" that allows this vision to become a reality. We believe so strongly in the possibilities that—in addition to our purchase amount and a separate, one-time gift for future enhancements—we intend to commit an annual subsidy to help support event programming during the park's first decade.

In all, we plan to invest more than \$1.4 million in the Triangle, with no public finance incentives requested for the development. Together, we'll create a true legacy gift for the City of Sioux Falls and its people.

Sincerely,  
Minnehaha Properties, Inc. (MPI)

Philip Johnson  
Team Leader and President

William L. Baker  
Team Leader and Vice President



# PLANNING FOR OUR BEST FUTURE

“Parks are complex elements of a city. They can serve scores of different uses. ... However they work, they act to define the shape and feel of a city and its neighborhoods. They also function as a conscious tool for revitalization.”

— American Planning Association | The City Parks Forum 2002





**Proposal for the City of Sioux Falls  
Riverfront Triangle Development**

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# OVERVIEW

Humans hunger for connection. We want to be a part of something bigger: a family, a community, a movement. We seek these connections not just with one another, but with the land itself. In the Midwest, we understand that more keenly than some. And, that's a good thing. Because when we're faced with an opportunity to redefine the purpose of a place that has its own soul, we do it right.

## THE VISION

We propose to transform the Riverfront Triangle from an underused piece of prime property into a perpetual, public park that lives at the fusion of another triangle—Falls Park, Downtown, and the East Bank of the Big Sioux River. Imagine an urban park that not only is the focal point of the Downtown area for residents and workers, but also features innovative design and activities that make it a destination point for visitors to the city.

Minnehaha Properties, Inc. (MPI) and our design partners propose to develop The Banks as a way to integrate this important space into the broader network of open areas along the River Greenway. The Banks is the missing component at the central heart of the Big Sioux Greenway: an experiential park that offers year-round events, including winter activities never before available in this area.

To preserve accessibility, our plan encompasses ramps and stairs that interconnect streets with a two-level plaza. Redesigning River Road will provide for parking and pedestrian needs alike, all while boosting the capacity to host our goal of at least five city-wide events at The Banks each year.

## THE OPPORTUNITY

MPI is one of several partners who initially came together to plan a larger Downtown development that will add new parking, retail, apartments, and hospitality services such as a boutique-style hotel.

From the beginning, this Downtown landscape also included a core plaza area for the public: MPI committed to preserve a one-acre parcel for public use that adjoins the Riverfront Triangle. MPI, Bender Midwest Development, Inc. and U.S. Hotels & Resort Management outlined a \$42 million investment to give people of all ages a host of new ways to experience the Big Sioux River.





Now, the City has the potential to integrate that private development into its plans for the Riverfront Triangle. Leveraging MPI's property more than doubles the square footage available for public use. Ours is the only proposal that can offer such a public/private partnership creating the best value for the City. A landmark gathering place—open to all—is the only use of the Riverfront Triangle that serves the entire community of Sioux Falls.

Like the master plans for the River Greenway and Downtown, The Banks depends on intentional, thoughtful planning from a larger perspective. All the pieces must work together. We see the phases of The Banks as a functional whole that supports public use and advances the stated goals for Downtown and the River Greenway.

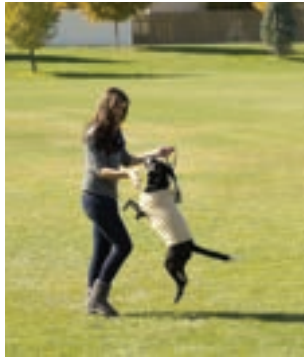
An additional land parcel means more room to strengthen arts, culture, and entertainment; more room to promote economic development; more room to simply be at the Riverfront. When the City asked for input via Facebook in October, the results were dramatic. An overwhelming 85% of the ideas were for a public space. We want to deliver it.

Constructing a residential or office building on the Riverfront Triangle will limit the property's use and enjoyment to a precious and privileged few. We must nurture our city's population, commerce, and culture. MPI commits to partner with the City of Sioux Falls to leave a true legacy gift.

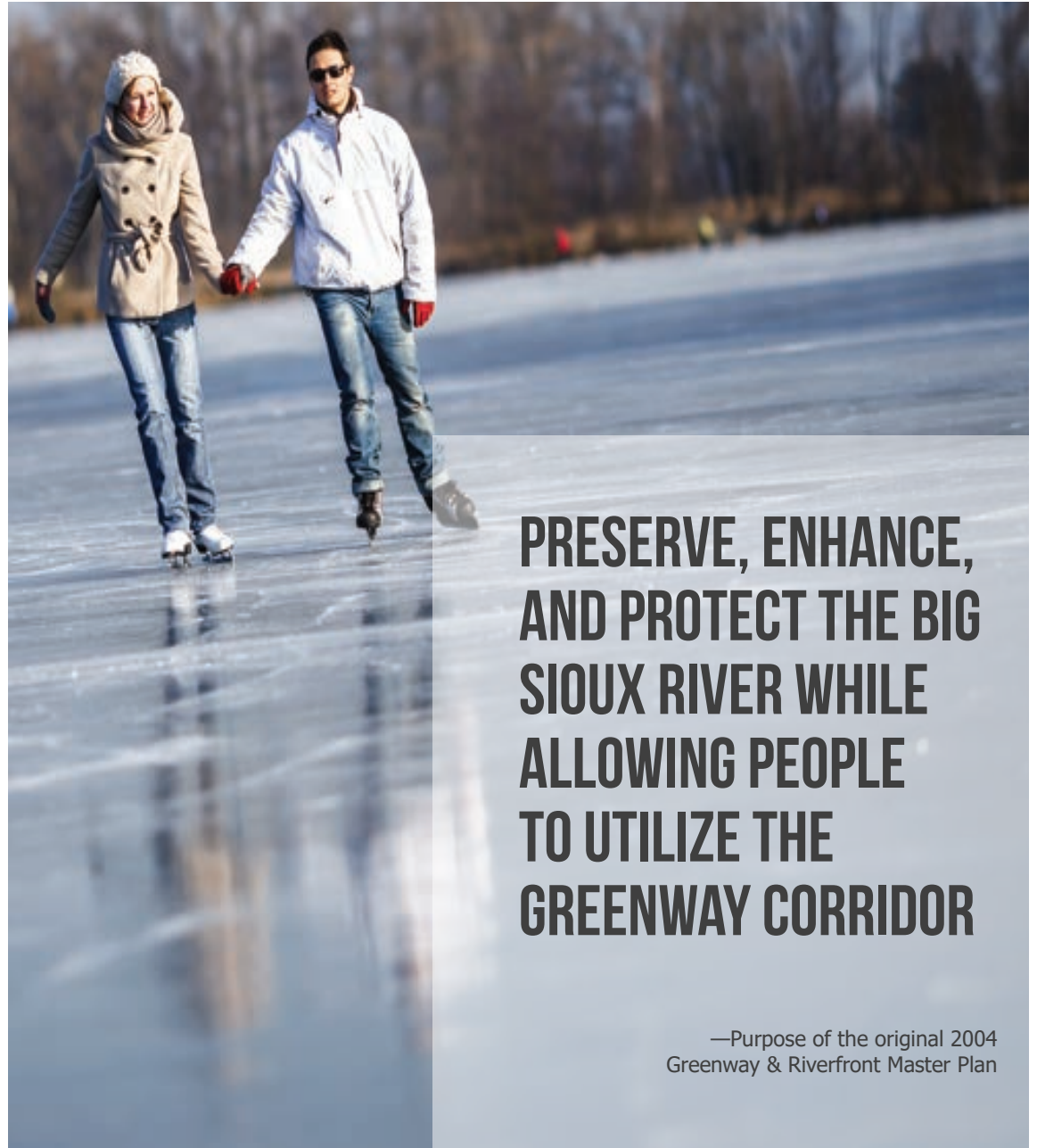
#### **THE ECONOMIC BENEFIT**

Regularly scheduled events will give people an additional reason to come to The Banks and explore all that Downtown has to offer—increasing foot traffic in the business district.

Sioux Falls seeks to attract a knowledge-driven work force, particularly in the Downtown area. These individuals value a sense of place, a 24-hour lifestyle, and beauty in the natural environment. Creating a magnetic urban park will benefit our local economy as new people begin to frequent Downtown. At the same time, it will elevate the quality of the applicant pool for private employers. The growing number and type of Downtown living options makes it more likely that young, mobile professionals will remain to raise their families.



On the other side of the age spectrum, the U.S. Census Bureau projects that roughly 25% of the American population will be age 65 or older by 2050. Advances in medical technology and preventative, wellness-based programs mean these individuals will stay healthier in their 70s and 80s. Scenic beauty, recreation, and social interaction rank high on the list of considerations for mature, affluent Americans in search of the ideal retirement spot. They'll bring with them expendable income. And they will require fewer services from local government during their time in the community than will younger families with school-age children. Developing The Banks will help create a Downtown environment that resonates with this group, too.



## **PRESERVE, ENHANCE, AND PROTECT THE BIG SIOUX RIVER WHILE ALLOWING PEOPLE TO UTILIZE THE GREENWAY CORRIDOR**

—Purpose of the original 2004  
Greenway & Riverfront Master Plan





Photo Courtesy of Main Street Square

### **THE RIVER GREENWAY**

A successful public greenway project cannot happen in an urban environment without the cooperation of private partners. Trails and gathering areas must be developed on privately-held land to access the primary route and to create experiences along the way.

MPI's proposal creates a new activity hub that extends public access points from Fawick Park all the way north to Falls Park—and also provides a needed connection to the East Bank. Our proposed development of The Banks not only aligns with the Greenway & Riverfront Master Plan's update, it upholds the purpose of the original 2004 Master Plan and elevates some of the Top 10 features identified during public meetings held to develop its key concepts. Among them are—

- Providing opportunities for Riverside dining
- Providing a space for an outdoor market
- Creating entertainment areas
- Integrating sculpture into the Downtown area
- Improving the urban River edge



Photo Courtesy of Reistroffer Design | DTSF

### **DOWNTOWN REVITALIZATION**

Our plans for The Banks provide enhanced opportunities for the entire community to experience the beauty and majesty of the Big Sioux River while being part of Downtown's urban revitalization. The remainder of this proposal details how we'll support the 2025 Downtown Plan Vision Statement to make Sioux Falls one of the Midwest's leading cities. In pursuit of that goal, we strive to develop park spaces that will be active year-round, provide connections between Downtown and the River, and continually grow our base of arts, culture, and entertainment as ways to enhance Downtown's vitality.

MPI's strategy to develop the Riverfront Triangle is not only consistent with the vision set forth in the 2025 Downtown Plan, it takes us beyond—to new heights not anticipated by the drafters of the foundation document that has guided us to this point.

# 01/PURCHASE OFFER

In order to successfully implement the development proposal envisioned by Minnehaha Properties, Inc. (MPI), it will be necessary for the City and MPI to agree on the points below.

## THE CITY AND MPI

will agree to jointly develop The Banks in two phases.

## MPI

proposes to purchase the Riverfront Triangle, place appropriate development restrictions upon it, and gift the Riverfront Triangle back to the City's Parks Department. In essence, MPI would purchase the air rights over the site. The intent of the purchase will be to preserve views of the River Greenway system from The Banks, and to provide the City with a source of additional funds to develop the Riverfront Triangle as a public park.

## PHASE I

of The Banks, as outlined in the May 2015 proposal to the City, will be built in conjunction with MPI's plan to reconstruct its existing drive-up banking facility at The First National Bank in Sioux Falls, and to expand private underground parking that serves The First National Bank in Sioux Falls and other tenants of The First National Bank building. It is anticipated that Phase I of construction for The Banks would commence in 2016.

## PHASE II

of The Banks will be built in conjunction with the City's plan to construct the next phase of Downtown River Greenway improvements. It is anticipated that construction would commence in 2017.

## TO ENSURE

the continuity and compatibility of the overall design of The Banks, the City and MPI will jointly establish a design team to develop the final plan for The Banks. MPI and the City would each have three voting members on the design team.

## MPI WILL AGREE

to invest more than \$1.4 million to develop The Banks, and to ensure that future capital enhancements and annual programming take place. MPI requests no public financing incentives for this effort.

# THE MPI INVESTMENT



Photo courtesy of Main Street Square



**\$1,423,100**

COMMITMENT TO THE CITY

**\$503,100**

TO PURCHASE THE LAND PARCEL—WHICH MPI WILL GIFT BACK TO THE CITY'S PARKS & RECREATION DEPARTMENT

**\$250,000**

GIFTED TO THE CITY FOR OTHER ENHANCEMENTS AND FUTURE CAPITAL IMPROVEMENTS TO THE RIVERFRONT TRIANGLE

**\$420,000**

TO FULLY DEVELOP AN ICE SKATING RINK AT THE BANKS

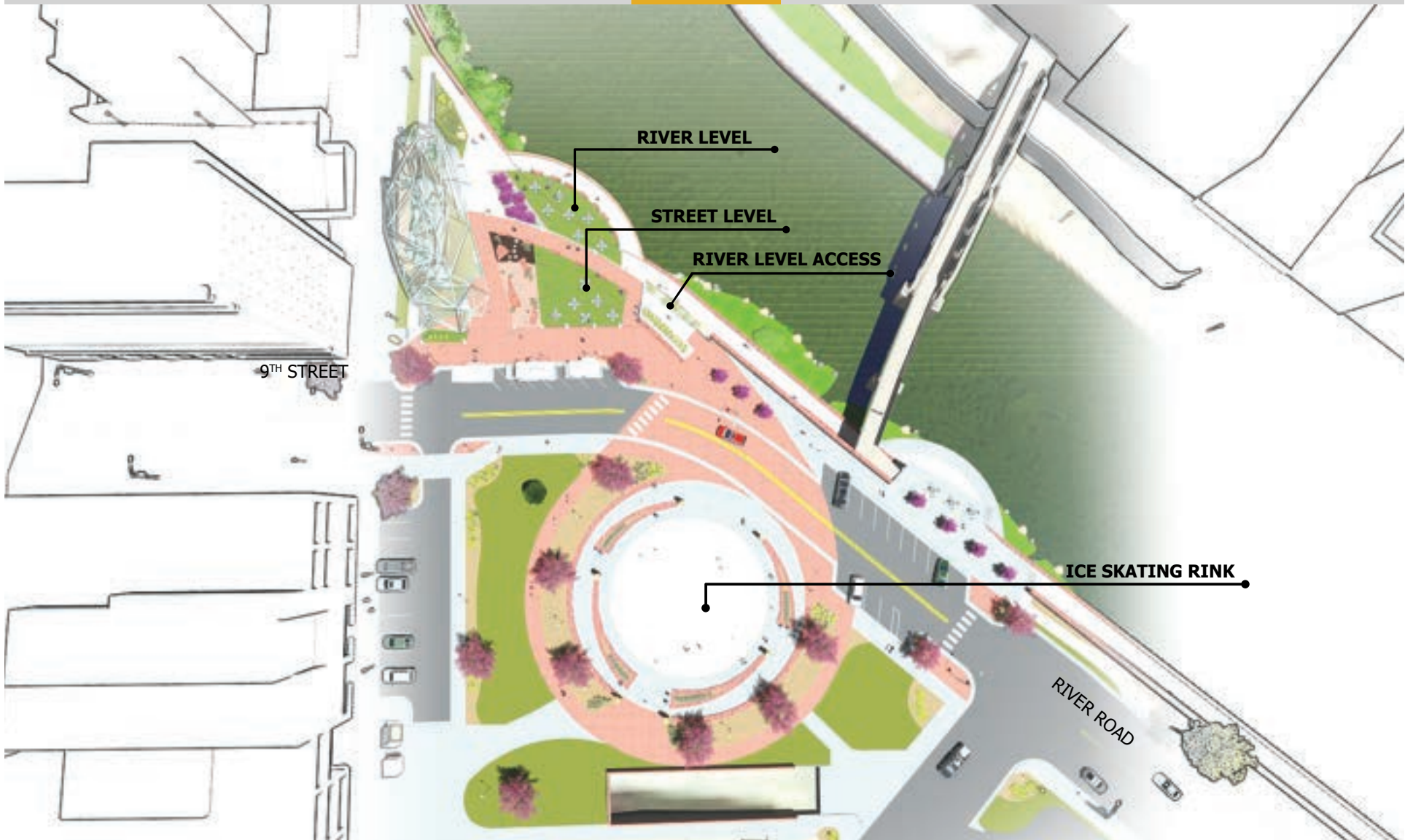
**\$250,000**

DEDICATED OVER 10 YEARS TO PROMOTE EVENTS AND ACTIVITIES AT THE BANKS

**\$0**

SPENT FROM PUBLIC FINANCE INCENTIVES





**Our proposal leverages privately-held land to more than double the space available for public enjoyment along this portion of the West Bank. Redesigning the streetscape and narrowing River Road to two lanes between the Riverfront Triangle and MPI's adjoining lot allows for a more pedestrian-friendly environment. River Road could be entirely closed off to traffic for special events. The Street level ice skating rink on MPI's property will flow seamlessly into the amenities on the Triangle itself.**



# 02/PROPOSED DEVELOPMENT

The City's Greenway & Riverfront Master Plan identified this location as a major access and focal point into the West Bank of the new Greenway development. The site also serves as the primary entrance across the River, to the redeveloping East Bank. Any use of this crucial property must maintain access to the bridge and the trail system in a way that is obvious to the public. The Banks will work in tandem with other activity hubs or "nodes"—such as the Phase 1 amphitheater at Cherapa Place. The Banks will offer unique summer experiences along the River corridor and introduce programmed winter events for the first time along the Greenway.



## A. LANDSCAPING

Under this proposal from Minnehaha Properties, Inc. (MPI), the entire Triangle will be dedicated to preserving River views from Downtown. Combined with the one-acre parcel owned by MPI, The Banks provides numerous public uses of the Greenway—with well-marked pedestrian access.

MPI's landscape architecture design partner, Confluence, was chosen in 2012 to update the City's Greenway & Riverfront Master Plan. Confluence worked with public and private stakeholders to identify issues, build consensus, and facilitate an extensive permitting process. That work secured a FEMA Conditional Letter of Map Revision to ensure that projects would not negatively affect the floodway and adjacent properties. Confluence's continued involvement assures that The Banks will be developed within the Greenway Master Plan's Hydrology Design and current USACE/FEMA approvals. Any variances will be coordinated as necessary.

## B. PROPOSED STRUCTURES

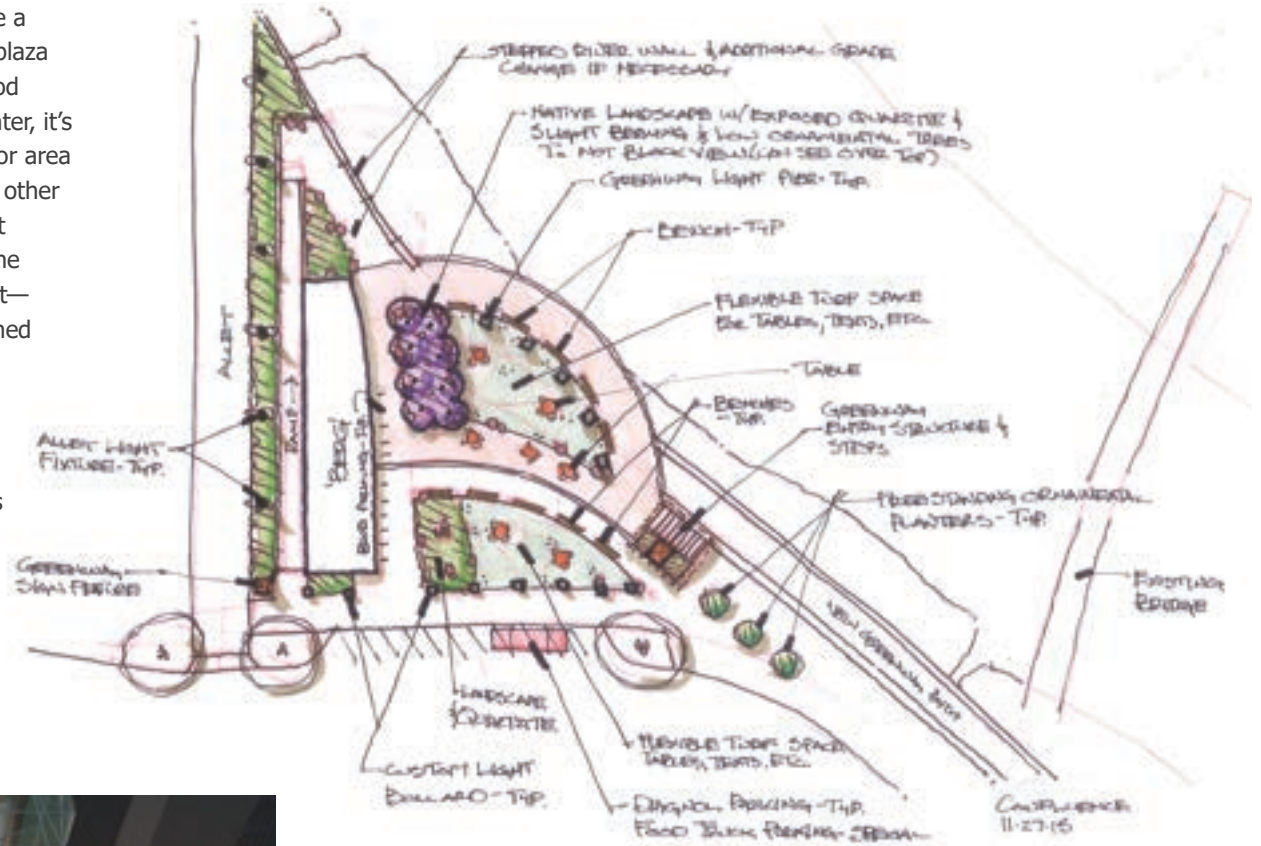
The dramatic changes in elevation from streetscape to the edge of the Triangle parcel inspired MPI's design partners at TSP, Inc. and Confluence to envision a two-level plaza, with a Street level and a River level to engage visitors.

The River level will cantilever over the surface of the water itself, literally placing visitors on the Big Sioux. Its shape will echo the lines of the outdoor space at the Downtown Hilton Garden Inn, visible just to the north along the East Bank. A portion at the River level will be enclosed to create a climate-controlled, protected destination on the bike trail system. Also within this convenient link: public restrooms, storage, support space, and potential for more intimate indoor gatherings with an unrivaled Riverfront perspective. From River level, a glass structure will rise several stories above Street level, housing a bouldering wall for climbing, a conservatory, or art exhibits. It will be a true beacon, visible from all directions to draw people Downtown.

The Street level offers seating and planters that frame a substantial circular feature. In summer, it's a circular plaza with easy access to Downtown businesses, on-site food trucks, and the bridge across to the East Bank. In winter, it's an ice skating rink that is adjacent to a smaller outdoor area capable of hosting the community's Christmas tree or other gatherings. Taken altogether, the Street-level footprint creates a Downtown event grounds to host stand-alone festivals or augment established fare such as Riverfest—which already has spilled over onto Confluence-designed public spaces at Cherapa Place and Raven Industries.

### C. PARKING

The Banks will include more than a dozen on-street (parallel) and off-street parking spots. MPI anticipates the off-street spots will be used for food trucks, mobile vendors, and staging areas during events. MPI's acre of land will include an additional 60 spaces of private, underground parking for The First National Bank and its building's tenants. This substructure will form part of the support system beneath the Street-level plaza on MPI's property.







## D. BUILDING MATERIALS

The Banks will have its own identity. However, continuity of construction and plant materials will provide a visual link to the Downtown Greenway's already-developed scenic hubs and trail sections. The primary concept combines hardscapes and softscapes using the established vocabulary of native quartzite stone, colored concrete, lighting, and signage. MPI's design team intends to introduce new materials from the proposed site structures, using these additional components to highlight various aspects of The Banks' overall character. This technique can be seen in other sections of the Downtown Greenway.

The detailing of materials creates similarities between the public space and the Greenway—namely, form-liner, cast-in-place walls with architectural quartzite stone facing; quartzite wall caps and interpretive signage; and light fixtures that illuminate the Street and River levels alike. Rising from River level to Street level, a glass-paneled structure will reflect the surroundings and enhance the River corridor's indoor options without impeding views for those who choose to remain outside.



## E. CONSTRUCTION TYPE

Architectural structures on the Riverfront Triangle will be Type II construction, in which building elements are of noncombustible materials in accordance with the 2012 IBC (International Building Code). The primary construction at Street and River levels will be cast-in-place concrete. The partition walls in the River level will be reinforced masonry. The beacon-like structure will rise from this River level, featuring an aluminum curtain wall system supported by a steel skeleton. The glazing system at the River level will be reinforced glass panels capable of withstanding flood waters. A potential indoor bouldering wall would take shape as a modular/manufactured climbing-wall panel system, supported by a structural steel superstructure and a concrete foundation system. The sloped, aluminum-framed glazing system around the upper levels will be supported by a structural steel framework.







## F. SPECIAL AMENITIES

The Banks will give the Downtown River Greenway a year-round destination for workers, residents, and visitors to Sioux Falls. The dual-level plaza offers indoor and outdoor programming venues, with a flexible use for the glass-walled beacon that signals The Banks' presence as a hub for public events and active living. During the holidays, an adorned tree will extend Winter Wonderland from Falls Park to the very heart of Downtown. Future enhancements could include sculptures and interactive art, or casting colors within the iconic pinnacle structure to reflect the seasons or commemorate community causes. The mix of offerings includes spaces for more passive ways to spend time, too; whether that's resting along the trails or watching others ice skate and play with man's best friend. On-site parking stations for food trucks will help keep people at The Banks—and Downtown—longer. Imagine sipping coffee or hot chocolate in the winter, enjoying ice cream in the summer, choosing from locally-grown produce at a seasonal Riverfront farmer's market, or attending an outdoor wedding against one of the city's most striking backdrops.







### G. CONSTRUCTION COST | \$6,517,000\*

\*Excludes purchase price, gift for enhancements, and funding for programming

### MPI INVESTMENT | \$7,520,100

#### MPI PARCEL \$6,517,000

Demolition \$250,000

Private Underground Parking \$4,347,000

Beneficial Landscaping \$1,000,000

The First National Bank Drive-up  
Reconstruction \$500,000

Ice Skating Rink \$420,000

**THE BANKS**  
**\$250,000**


Funding for  
Programming at  
the Banks as a  
Cohesive Whole

#### RIVERFRONT TRIANGLE \$753,100

Purchase Price (Parcel Gifted Back to City  
After Placing Appropriate Development  
Restrictions on Land) \$503,100

Gift Dedicated for Enhancements and  
Future Capital Improvements \$250,000

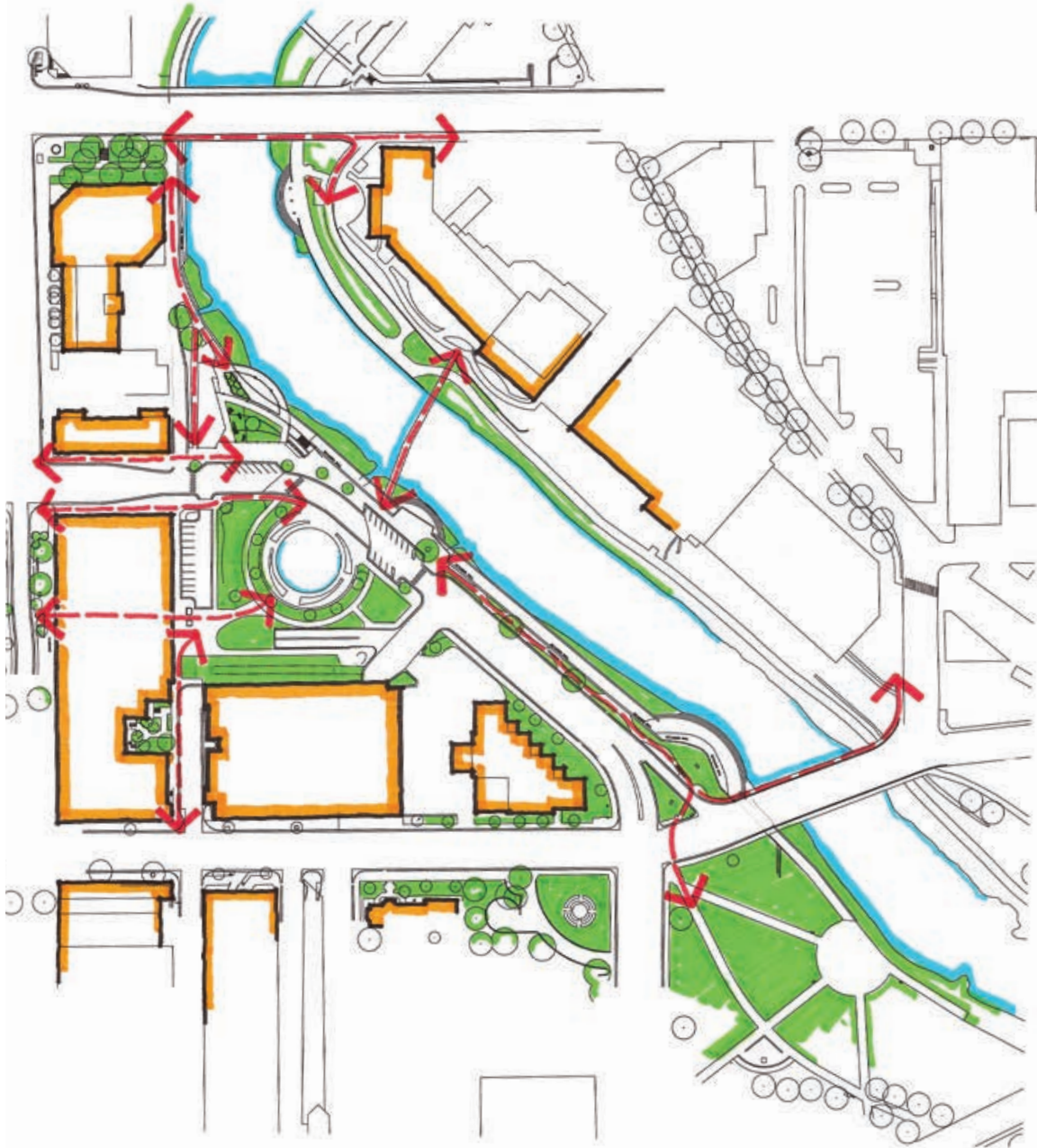




# 2025 SIOUX FALLS DOWNTOWN PLAN VISION STATEMENT:

“By 2025, the community’s vision is that Downtown Sioux Falls will have emerged as one of the most livable, prosperous, and vital central business districts of any Midwest American city.”





# 03/ PRELIMINARY SITE PLAN

Minnehaha Properties, Inc. (MPI) is committed to a project that contributes to Downtown and the River Greenway itself. To fully realize the vision of the Greenway & Riverfront Master Plan, it is vital to link the River's East and West Banks. The Banks' layout creates a new activities hub that draws people from Phillips Avenue and across to the East Bank. A walking path at River level provides ramp and stairway connections to the Street level, preserving access in a way that is crucial to the Downtown plan, as well.



# 04/QUALIFICATIONS

MPI's vision for the The Banks guides the concepts outlined in this proposal for the Riverfront Triangle. MPI will continue to work closely with U.S. Hotel and Resort Management and Bender Midwest Development, Inc. for the already-approved development plan described in our May 2015 Phase I proposal for The Banks. The Riverfront Triangle community-use project represents Phase II of this comprehensive strategy for an even more vibrant West Bank of the Big Sioux River.



## MPI PROJECT TEAM

PHILIP JOHNSON – PRESIDENT

WILLIAM L. BAKER – VICE PRESIDENT

PAUL C. LIVERMORE – VICE PRESIDENT, MPI

STEPHANIE L. GONGOPOULOS – SECRETARY/TREASURER, MPI

MICHAEL JAMISON – PRINCIPAL, TSP, INC.

JON JACOBSON – PRINCIPAL, CONFLUENCE

JAY RASMUSSEN – VICE PRESIDENT, JOURNEY GROUP



## PHILIP JOHNSON

TEAM LEADER AND PRESIDENT



Mr. Johnson joined The First National Bank in Sioux Falls in 2000. He has more than 30 years of financial experience, and has for the past decade managed bank operations such as real estate activities. His daily responsibilities encompass property acquisition, design, development, leasing, and property management.

## WILLIAM L. BAKER

TEAM LEADER AND VICE PRESIDENT



Mr. Baker began working at The First National Bank in Sioux Falls in 1984, after receiving his MBA. He is responsible for the leadership of the Bank in his multiple roles as Chairman of the Board, President, and CEO.

## STEPHANIE GONGOPOULOS

SECRETARY/TREASURER



Ms. Gongopoulos joined The First National Bank in Sioux Falls in 1998 and oversees the marketing and human resource areas of the Bank. She holds an MBA.

**Paul Livermore, Vice President**



Mr. Livermore is Chief Financial Officer for The First National Bank in Sioux Falls. As a Chartered Financial Analyst, Paul has more than 20 years of experience in financial services. He joined the Bank 12 years ago and holds an MBA.

**Michael Jamison, Principal**



Mr. Jamison is an owner-leader of TSP, an 85-year-old Sioux Falls legacy firm that integrates architecture, engineering, and planning. A Sioux Falls native, he is a registered Professional Engineer and active on the boards of several organizations in the community.

**Jon Jacobson, Principal**



Mr. Jacobson has led the Sioux Falls office since its inception, in 2005. He has been a practicing Landscape Architect for more than two decades. A Sioux Falls native, Mr. Jacobson spent his early career in Des Moines, and his experience in both markets gives him rare insight into Midwest landscape architecture. His greatest passion lies in civic work. He carries specific expertise in park planning and urban design, for which he has won numerous awards.

**Jay Rasmussen, Vice President**



Mr. Rasmussen has been with the Journey Group Companies since 2004. He has extensive experience with complex and mission-critical projects throughout the Midwest and Western states. Mr. Rasmussen brings proven leadership, with more than 25 years of experience in estimating, developing project schedules, efficiently managing projects, assuring quality control, and maintaining acute attention to safety.



# RELEVANT PROJECT EXPERIENCE

MPI has fostered collaborative relationships with design team members from TSP, Inc. and Confluence to provide innovative concepts for The Banks, and with Journey Group to provide construction expertise and services. Collectively, these local experts bring more than 100 years of experience in planning, architecture, landscape architecture, engineering, and built environments. And because these organizations frequently team for large-scale projects, the City of Sioux Falls benefits from a real partnership whose members understand one another's strengths and working processes. Below, we offer a sampling of relevant projects.

## TSP + CONFLUENCE + JOURNEY

Spellerberg Indoor Aquatic Center, City of Sioux Falls, SD  
 Madison Regional Health Replacement Hospital & Clinic, Madison, SD  
 South Dakota State University Foundation Alumni Green, Alumni Center,  
 & University House, Brookings, SD

## TSP + CONFLUENCE

Arrowwood Resort Master Plan, Alexandria, MN  
 Augustana University Froiland Science Complex, Sioux Falls, SD  
 Bridges Bay Resort, Okoboji, IA  
 City of Sioux Falls, SD

- City/County Human Services Center
- Memorial Park Master Plan & Design (including warming house and ice skating rink)
- Veterans Park Master Plan & Design

Dakota Wesleyan University McGovern Library Master Plan & Design, Mitchell, SD  
 Downtown Streetscape, Vermillion, SD  
 Honey Creek Resort State Park, Rathbun Lake, IA  
 McKennan Park Updates & Improvements, Sioux Falls, SD  
 Meadows on the River Master Plan & Park Concept Development, Sioux Falls, SD  
 Poet Corporate Expansion, Sioux Falls, SD  
 Sanford Children's Hospital, Sioux Falls, SD  
 South Dakota Public Universities & Research Center Master Plan, Classroom Building, & GEAR Center, Sioux Falls, SD  
 Southeast Tech Development Plan & Design, Sioux Falls, SD

## CONFLUENCE + JOURNEY

Cherapa Place, Sioux Falls, SD  
 Children's Museum of South Dakota, Brookings, SD

## JOURNEY + TSP

Dakota State University Beacom Institute of Technology, Madison, SD  
 Avera Prairie Center, Sioux Falls, SD  
 Avera Health Corporate Headquarters, Sioux Falls, SD

## TSP

City Space Needs Study & Phased City Hall Renovation, Sioux Falls, SD  
 Main Street Master Plan and Design Concepts for Outlaw Square & Deadwood Commons, Deadwood, SD  
 South Dakota School of Mines & Technology Student Wellness & Recreation Center (with indoor bouldering wall), Rapid City, SD

## CONFLUENCE

City of Sioux Falls Downtown River Greenway Master Plan, Sioux Falls, SD  
 Cedar Rapids Greenways Planning, Flood Recovery, & Design, Cedar Rapids, IA  
 Raven Industries Riverway  
 Sanford Sports Complex Entry Plaza, Sioux Falls, SD  
 South Dakota State University, Brookings, SD

- 2025 Design & Master Plan
- Jackrabbit Green Master Plan
- McCrory Gardens Visitor & Education Center

## JOURNEY

10th Street Parking Ramp Addition, City of Sioux Falls, SD  
 Augustana University Kirkeby Over Stadium, Sioux Falls, SD  
 Dakota State University Trojan Center, Madison, SD  
 South Dakota State University Jackrabbit Grove, Brookings, SD  
 University Center North 2, Sioux Falls, SD  
 University of South Dakota Muenster University Center, Vermillion, SD





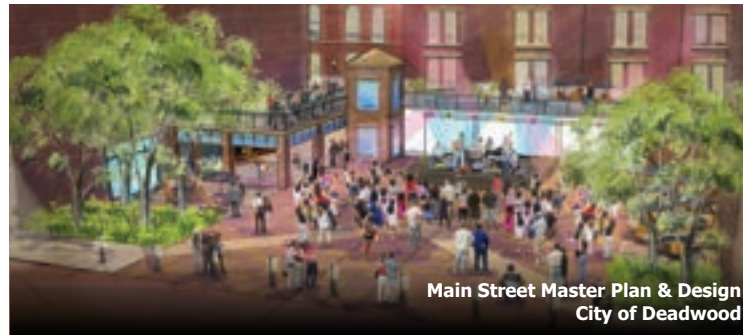
**SDSU Alumni Green  
Brookings, SD**



**South Dakota School of Mines & Technology  
Student Wellness & Recreation Center  
Rapid City, SD**



**Courtesy of Reistroffer Design | DTSF**



**Main Street Master Plan & Design  
City of Deadwood**



**South Dakota Public Universities & Research Center  
Sioux Falls, SD**



**Dakota Wesleyan University  
McGovern Library  
Mitchell, SD**

# 05/STRENGTH OF ORGANIZATION

Minnehaha Properties, Inc. (MPI) is a wholly owned subsidiary of Minnehaha Banshares, Inc. (MBI). MPI has access to significant short- and long-term funding through MBI, which would allow this project to be funded within the existing corporate structure. MBI is a privately held entity with major shareholders living in Sioux Falls.

## THE BANKS: MPI INVESTMENT

<p><b>MPI PARCEL</b> \$6,517,000</p> <p>Demolition \$250,000</p> <p>Private Underground Parking \$4,347,000</p> <p>Beneficial Landscaping \$1,000,000</p> <p>The First National Bank Drive-up Reconstruction \$500,000</p> <p>Ice Skating Rink \$420,000</p>	<p><b>RIVERFRONT TRIANGLE</b> \$753,100</p> <p>Purchase Price (Parcel Gifted Back to City After Securing Air Rights) \$503,100</p> <p>Gift Dedicated for Enhancements and Future Capital Improvements \$250,000</p>	<p><b>THE BANKS</b> \$250,000</p> <p>Funding for Programming at The Banks as a Cohesive Whole</p>
<p><b>TOTAL MPI FUNDING</b> \$7,520,100</p> <p>\$0 in Public Finance Incentives</p>		

## BEYOND THE NUMBERS

The figures at left represent a solid and substantial commitment to develop The Banks for the people of Sioux Falls—with no public finance incentives involved.

### SHORT-TERM EFFECTS

In the short term, the park and its variety of offerings—including potential space for small mobile vendors and food trucks—will encourage more of Downtown’s expanding workforce to stay nearby during their lunch and break. Studies have shown that annually, Americans spend more on lunch and coffee than they do commuting to and from work.

### ONGOING INFLUENCE

Regularly-scheduled downtown events at The Banks will create an expectation of activity as residents and visitors recognize the available options. As outlined earlier in this proposal, MPI will commit initial funding to help establish at least five new, annual events at The Banks. Based on data generated by the Sioux Falls Convention and Visitors Bureau, we estimate that a single, one-day event drawing 4,000 people could have an economic impact of nearly \$400,000.

Multiplied five-fold across the calendar year, the projected impact rises to more than \$1.9 million annually. It is reasonable to anticipate these events could grow over time, becoming regional draws that attract overnight stays from out-of-town guests. In this scenario, the economic impact increases significantly.

# ECONOMIC IMPACT OF EVENTS HELD AT THE BANKS

	One Day Event/No Overnight	»	One Day Event / One Night Hotel Stay
● Total Attendance	3,000	»	3,000
● Children Attending	750	»	750
● Adults Attending	2,250	»	2,250
● Project Economic Impact	\$294,000	»	\$498,750

	One Day Event/No Overnight	»	One Day Event / One Night Hotel Stay
● Total Attendance	4,000	»	4,000
● Children Attending	1,000	»	1,000
● Adults Attending	3,000	»	3,000
● Project Economic Impact	\$392,000	»	\$665,000

	One Day Event/No Overnight	»	One Day Event / One Night Hotel Stay
● Total Attendance	5,000	»	5,000
● Children Attending	1,250	»	1,250
● Adults Attending	3,750	»	3,750
● Project Economic Impact	\$490,000	»	\$782,500

Assumptions based on information from the Sioux Falls Convention and Visitors Bureau. Economic impact is defined as the average daily amount that a person attending an event at The Banks would spend for food, entertainment, gas and the purchase of novelty items. The average adult will spend \$112 per day and the average child will spend \$56 per day.

## LASTING INVESTMENTS

An even longer-term vision of The Banks’ economic impact must consider that urban parks enhance downtown property values, attract up-and-coming workers to the city’s core, and encourage young families and active retirees alike to live downtown. But, how do we evaluate such far-reaching effects?

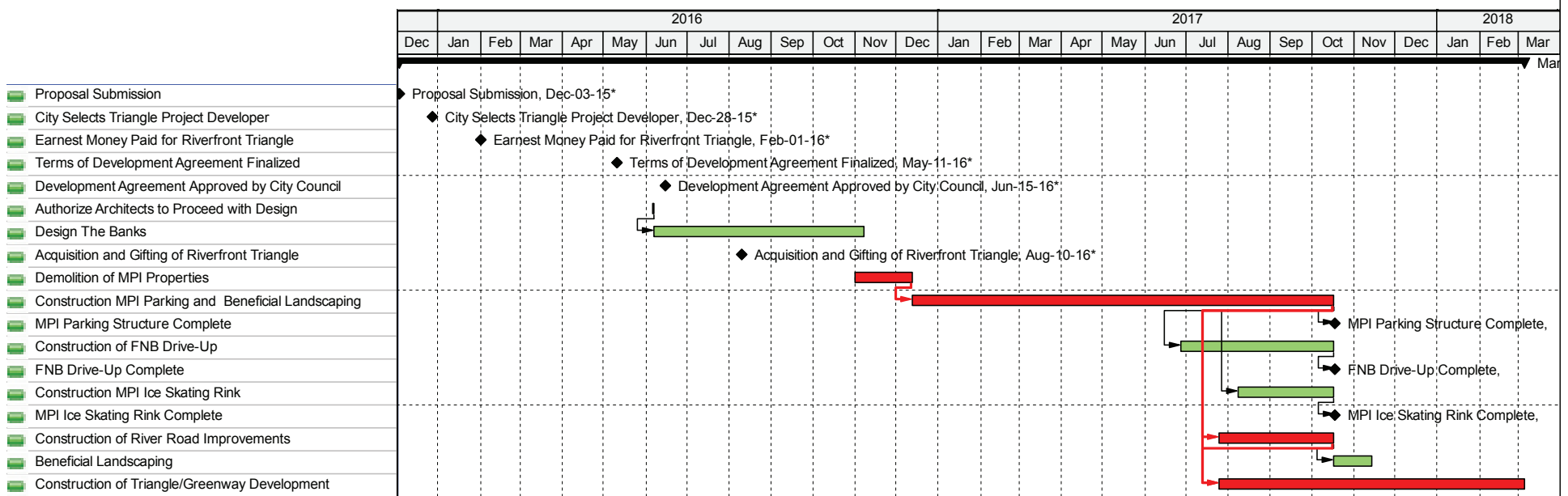
Communities have tried to answer that question for more than 100 years, according to a City Parks Forum briefing paper published in 2003 by the American Planning Association (APA). Not surprisingly, a key topic of interest was the relationship between urban parks and surrounding property values. An early study of New York City’s Central Park revealed that property values increased by more than \$209 million during the park’s first two decades. Similar research projects of green spaces in other major U.S. cities also have shown that investments in urban parks have a long-term positive impact on surrounding property values.

It is realistic to assume that The Banks will spur area developers to seek new opportunities in the downtown area. All this combines to make the promise of The Banks an important part of our city’s economic development strategy for the future.



# 06/PRELIMINARY PROJECT SCHEDULE

MPI, together with our design and construction partners, offer this potential project schedule to illustrate how The Banks realistically can take shape alongside the next phase of the Greenway & Riverfront Master Plan.





# 07/ASSURANCES

**Minnehaha Properties, Inc. (MPI) provides the following assurances, as laid forth in the Request For Proposal issued by the City of Sioux Falls.**

## **COMPLIANCE WITH CITY RFP AND THE GREENWAY & RIVERFRONT MASTER PLAN**

Minnehaha Properties, Inc. (MPI) will comply with all provisions in the Request for Proposal (RFP) issued by the City of Sioux Falls. Furthermore, the concepts advanced in this proposal conform to the 2004 Greenway & Riverfront Master Plan. Site layout, special amenities, and other features are designed to encourage pedestrian access. MPI believes our proposed use is most compatible with and complementary to the unique character of the adjacent Greenway. MPI also recognizes that River Greenway construction must be completed prior to or coincide with private development construction on the property.

## **AUTHORIZED SIGNORS**

The Authorized Signors for MPI are as follows. The City of Sioux Falls may contact these Authorized Signors with any questions or requests for additional information regarding this proposal—

Mr. Philip Johnson, President  
Minnehaha Properties, Inc.  
100 S. Phillips Avenue  
Sioux Falls, SD 57104  
(605) 782-4011  
pfjohnson@fnbsf.com

Mr. William L. Baker, Vice President  
Minnehaha Properties, Inc.  
100 S. Phillips Avenue  
Sioux Falls, SD 57104  
(605) 335-5149  
wlbaker@fnbsf.com



Photo Courtesy of DTSP

## **POTENTIAL CONFLICTS OF INTEREST**

In the interest of open and transparent progress toward a productive, public/private partnership, MPI provides the following details—

- An affiliate of MPI provides financial services to the City of Sioux Falls.
- TSP, Inc. provides architectural services to the City of Sioux Falls.
- Confluence has provided landscape architectural services to the City of Sioux Falls.
- Journey Group provides construction contracting services to the City of Sioux Falls.



CITY USE ONLY	
Agreement No. _____	Dept. No. and MOU _____
P.O. No. _____	Attorney _____
CIP No. _____	Finance _____
Project _____	City Engineer _____

**Offer to Purchase Real Estate from City**

1. Subject to the conditions herein stated, Minnehaha Properties, Inc. (the "Buyer"), hereby offers to purchase from the City of Sioux Falls, SD (the "City"), the following property located at 120 E. 9<sup>th</sup> St., Sioux Falls, in Minnehaha County, SD:

Legal: Tract Twenty-Five (25), Southwest Quarter (SW1/4) (Riverfront Parkway) 16-101-49 Sioux Falls City unplatted [legal description to be determined by platting prior to closing]

2. The Buyer offers to purchase the property for Five Hundred Three Thousand One Hundred Dollars and no/100 Dollars (\$503,100.00).

3. The City shall convey to the Buyer marketable title subject to reservations, easements, and encumbrances now of record against the property. If this offer is accepted, the City will pay all costs that are necessary, in the title company's opinion, to vest in the Buyer a valid and satisfactory title to the real estate.

4. The Buyer will pay for the real estate, without interest thereon, upon conveyance to the Buyer of title to the property.

5. This offer to purchase shall remain in force until the effective date of an ordinance of the City approving this sale. If the ordinance is not approved, this offer shall be considered withdrawn by the Buyer, and any deposit shall be refunded.

6. The following items are reserved to the City. They shall be removed from the real estate prior to the date the Buyer takes physical possession of the premises. The items to be retained by City are as follows: None

7. Time is of the essence as to this instrument. This offer shall terminate if it is not approved by ordinance of the City. If the City cannot furnish the Buyer proof of valid and satisfactory fee title for the property on or before April 30, 2016, at closing, the Buyer may, without damage or costs, withdraw this offer.

Prepared by: City Engineering Office  
City of Sioux Falls  
224 West Ninth Street  
P.O. Box 7402  
Sioux Falls, SD 57117-7402  
Phone: 605-367-6601

8. Title Company closing date will be on or before April 30, 2016. The City will pay all closing costs related to closing fee and one half of the title insurance policy cost. The Buyer shall pay the Minnehaha County Register of Deeds' recording fee for the deed. The Buyer hereby submits with this offer a certified check, cashier's check, bank draft, business check, or personal check in the amount of ten (10) percent of the purchase price for Fifty Thousand Three Hundred Ten Dollars and no/100 Dollars (\$50,310.00), payable to the title company for deposit with the title company listed above. The Buyer will be required to use certified funds for the closing. If Buyer fails to complete transaction, the deposit will not be refunded and the title company is authorized to issue payment in the amount of the deposit to the City.

10. Executed on the 2<sup>nd</sup> day of December, 2015.

MINNEHAHA PROPERTIES, INC.

Signature:   
By: Philip F. Johnson  
Its: President  
100 South Phillips Avenue  
Sioux Falls, SD 57104

STATE OF SOUTH DAKOTA )  
 ) SS  
COUNTY OF MINNEHAHA )

On this 2nd day of December, 2015, before me, the undersigned officer, personally appeared Philip F. Johnson, who acknowledged himself to be the President of MINNEHAHA PROPERTIES, INC., a corporation, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

In witness whereof, I hereunto set my hand and official seal.



  
Notary Public—State of SD  
My Commission Expires: 10-4-2016

Prepared by: City Engineering Office  
City of Sioux Falls  
224 West Ninth Street  
P.O. Box 7402  
Sioux Falls, SD 57117-7402  
Phone: 605-367-6601

**PROPOSER'S AFFIDAVIT**

STATE OF SOUTH DAKOTA )  
 : SS  
 COUNTY OF MINNEHAHA )

Philip F. Johnson, being first duly sworn, on his oath, deposes and states as follows:

1. I am making this Affidavit upon information which I know to be accurate and correct.
2. I am the President of Minnehaha Properties, Inc., a South Dakota corporation ("MPI").
3. MPI is, this date, submitting the attached proposal for development of the Riverfront Triangle located at 120 E. 9<sup>th</sup> St., Sioux Falls, South Dakota.
4. MPI's proposal satisfies the requirements established by the City of Sioux Falls in its Request for Proposals for the Riverfront Triangle Request No. 15-0178 ("RFP").
5. I hereby certify that MPI will comply with all provisions contained within the RFP.
6. I hereby further certify that, to the best of my knowledge, MPI's proposal complies with:
  - the laws of the State of South Dakota; and
  - all applicable local, state, and federal laws, codes, and regulations; and
  - all terms, conditions and requirements set forth in the RFP.
7. MPI's proposal was independently arrived at without collusion.
8. The offer contained in MPI's proposal materials will remain open and valid for the period indicated in the RFP.
9. Further, your Affiant saith not.

MINNEHAHA PROPERTIES, INC.

  
 By: Philip F. Johnson  
 Its: President

Subscribed and sworn to before me this  
2<sup>nd</sup> day of December, 2015.

  
 Notary Public - South Dakota  
 My Commission Expires 5-21-17

(SEAL)

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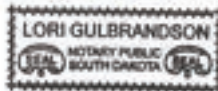


Photo Courtesy of Reistroffer Design | DTSF



## BROKER'S PRICE OPINION



**120 East 9<sup>th</sup> Street**  
Sioux Falls, South Dakota

December 2, 2015

Prepared by:  
**Michael Bender, CCIM, SIOR**  
Bender Commercial Real Estate Services  
122 South Phillips Avenue, Suite 350  
Sioux Falls, South Dakota 57104  
(605) 336-7600  
E-mail: michael@benderco.com



### PROPERTY INFORMATION

**120 East 9<sup>th</sup> Street**  
**Sioux Falls, South Dakota**

<b>OWNER OF RECORD:</b>	City of Sioux Falls
<b>LEGAL DESCRIPTION:</b>	Tract 25 SW 1/4 (River Front Parkway) 16-101-49 Sioux Falls City Unplatted, Minnehaha County, South Dakota
<b>PROPERTY ID#:</b>	53867
<b>LOT SIZE:</b>	33,350 square feet (0.77 acre)
<b>CURRENT USE:</b>	Vacant Land
<b>CURRENT ZONING:</b>	DTPUD – Downtown PUD (mixed use)
<b>REAL ESTATE TAXES:</b>	N/A
<b>ASSESSED VALUATIONS:</b>	N/A

**PROPERTY DESCRIPTION:** The subject property is a parcel of land located a half a block east of Phillips Avenue along 9<sup>th</sup> Street. The property is bordered by the Big Sioux River on the east and north boundary, an alley on the west boundary and 9<sup>th</sup> Street to the south. The property is located in the core of downtown Sioux Falls. The parcel is 33,350 square feet, however the entire parcel is not useable or buildable. The below aerial, provided by the City of Sioux Falls, shows what is determined to be useable (depicted in yellow). Based on our calculations, approximately 16,770 square feet of the parcel is useable.





**PROPERTY PRICE OPINION  
120 East 9<sup>th</sup> Street**

This price determination is a Broker's Price Opinion and not an appraisal. While South Dakota licensed real estate brokers have a broad expertise on fair market value and use the same basic approaches in determining price, they are not licensed appraisers nor are they held to same strict standards required of appraisers.

Basic to the definition of market price is the presumption that well-informed potential purchasers of real estate will consider all of the logical alternatives open to them when determining the price they would pay for a specific real property. The three most obvious alternatives to the outright purchase of the subject property are: (1) build a property that could produce the same utility as the subject; (2) acquire an existing property that could serve as a substitute for the subject since it provides the same utility; or (3) acquire a property that produces the same income stream with the same risk as the subject. These alternatives represent the basis for the three approaches to estimating a fair market price. Therefore, the three approaches are:

- 1.) Cost Approach
- 2.) Market Comparison Approach
- 3.) Income/Capitalization Approach

As the subject property is parcel of land, the cost and income/capitalization approaches will not be used to determine a price in this analysis.

In the **Market Comparison Approach**, an estimate of price is obtained by comparing the subject property with recent sales of comparable properties. No two parcels of real estate are exactly alike, so each comparable property must be compared to the subject property and the sales price must be adjusted for any dissimilar features. The comparable transaction used in this report is from Bender Commercial's internal database and confirmed with the Minnehaha and Lincoln County Equalization Offices. The price estimation using the market comparison approach is as follows:

**Comparable Land Transactions:**

**Sale Transaction #1 – 500 South Minnesota Avenue**

37,920 square feet @ \$17.80/sq. ft. in April 2013

Located on the southwest corner of 13<sup>th</sup> Street and Minnesota Avenue on the western boundary of downtown Sioux Falls.

Location/Access Comparison: Inferior – 20% credit – based on subject's downtown location  
 Parcel Size Comparison: Useable Size is larger – 10% credit  
 Development Potential Comparison: Inferior – 20% credit – property had existing structures that needed to be removed before new development could begin

Sale Date Adjustment: 5% credit  
 Zoning/Use Comparison: Comparable  
 Adjustment to Subject: 55% credit or \$27.59/sq. ft.

**Sale Transaction #2 – 14<sup>th</sup> Street and 2<sup>nd</sup> Avenue**

47,400 square feet @ \$20.36/sq. ft. in May 2014

Located on the northwest corner of 14<sup>th</sup> Street and 2<sup>nd</sup> Avenue on the southern boundary of downtown Sioux Falls.

Location/Access Comparison: Inferior – 15% credit – based on subject's downtown location  
 Parcel Size Comparison: Useable size is larger – 10% credit  
 Development Potential Comparison: Inferior – 30% credit – property had existing structures that needed to be removed before new development could begin as well as dirt work

Sale Date Adjustment: 2.5% credit  
 Zoning/Use Comparison: Comparable  
 Adjustment to Subject: 57.5% credit or \$32.07/sq. ft.

**Sale Transaction #3 – 512 S. Spring Avenue**

33,715 square feet @ \$14.68/sq. ft. in November 2002

Located on the southeast corner of 13<sup>th</sup> Street and Spring Avenue, west of Minnesota Avenue (not in downtown sector)

Location/Access Comparison: Inferior – 35% credit – not located in downtown sector  
 Parcel Size Comparison: Useable size is larger – 5% credit  
 Development Potential Comparison: Inferior – 30% credit – property had existing structures that needed to be removed before new development could begin

Zoning/Use Comparison: 20% credit – residential/multi-family zoning/use – subject is mixed use  
 Sale Date Adjustment: 5% credit  
 Adjustment to Subject: 90% credit or \$28.65/sq. ft.

**Sale Transaction #4 – 601 North Phillips Avenue**

83,853 square feet @ \$12.59/sq. ft. in December 2012

Located along Phillips Avenue between 3<sup>rd</sup> and 4<sup>th</sup> Streets in northern portion of Sioux Falls downtown sector along the "Phillips to the Falls" route.

Location/Access Comparison: Inferior – 30% credit – based on subject's downtown location  
 Parcel Size Comparison: Useable size is larger – 25% credit  
 Development Potential Comparison: Inferior – 30% credit – property had existing structures that needed to be removed before new development could begin  
 Zoning/Use Comparison: 25% credit – residential/multi-family zoning/use – subject is mixed use  
 Sale Date Adjustment: 5% credit  
 Adjustment to Subject: 115% credit or \$27.07/sq. ft.



Based on the above comparable sale transactions and the current condition of the Sioux Falls commercial real estate market, the estimated price using the market comparison approach is as follows:

**Subject Property:**

120 East 9<sup>th</sup> Street: 16,770 useable sq. ft. @ \$30.00/sq. ft. = \$503,100.00

Rounded to \$503,300.00

**Disclaimer**

This price analysis is a Broker's Price Opinion of Value and not an appraisal. While South Dakota licensed real estate brokers have a broad expertise on fair market value and use the same basic approaches in determining value, they are not licensed appraisers nor are they held to the same strict standards required of appraisers.

The information included in this report has been compiled by BENDER COMMERCIAL REAL ESTATE SERVICES and is deemed reliable, but not guaranteed.

Please refer questions to Michael Bender at BENDER COMMERCIAL REAL ESTATE SERVICES, 122 South Phillips Avenue, Suite 350, Sioux Falls, South Dakota 57104; telephone 605-336-7600



December 2, 2015

Mr. William L. Baker  
Mr. Phillip Johnson  
c/o Minnehaha Properties, Inc  
100 S. Phillips Avenue  
Sioux Falls, South Dakota  
57117

Gentlemen:

Over the past several months, I have had the opportunity of working with Minnehaha Properties, Inc. to help develop a new vision for downtown Sioux Falls; one that creates new economic generators for the continued revitalization of the downtown area and one that creates new ways for the public to enjoy the magnificence of the Big Sioux River.

The first phase of the new vision for Downtown Sioux Falls was endorsed by the City of Sioux Falls in June and is moving forward toward realization. When the first phase is complete, a new hotel, apartments, retail uses and a 600 car parking facility will be added to the downtown core.

The second phase of the vision which is set forth in MPI's response to the City's Request for Proposals for the Riverfront Triangle property is truly game changing for the downtown area. Your proposal to create a "perpetual public" park that will allow residents and visitors the opportunity to experience the River Greenway is a key step forward in the continuing revitalization of the downtown area. The development of the park will provide a focal point for downtown that will draw visitors and enhance economic development efforts for years to come.

If there is any way that the Bender Companies can assist you in your effort to bring the park to a reality please don't hesitate to contact me.

Sincerely,

Michael S. Bender

Bender Midwest Development, Inc. • 122 South Phillips Avenue, Suite 350 • Sioux Falls, South Dakota 57104 • Phone (605) 336-7600 • Fax (605) 332-1100



5111 W SINCORE DRIVE - SIOUX FALLS, SD 57107 - T: 605-334-2377 - F: 605-334-8480 - WWW.USHOTEL-RESORT.COM

December 2, 2015

Mr. William L. Baker  
Mr. Phillip Johnson  
c/o Minnehaha Properties, Inc.  
100 South Phillips Avenue  
Sioux Falls, SD 57117

Gentlemen:

U.S. Hotel and Resort Management, Inc. became a member of The Banks redevelopment team because we believe in the potential of downtown Sioux Falls and we welcomed an opportunity to be a part of a team that was seeking new and innovative ways to enhance our community.

The proposal that Minnehaha Properties, Inc. is submitting for the redevelopment of the Riverfront Triangle property as a "perpetual public park," one that is open to visitors and residents year round, is a classic example of innovation and maximization of resources. The park will draw people to the downtown area and will be an important new element to the downtown landscape.

Successful cities continually seek ways to enhance their downtown areas. Your proposal for the redevelopment of the Riverfront Triangle will certainly enhance our downtown for generations to come.

If there is any way that U.S. Hotel and Resort Management, Inc. can assist you in bringing the park to reality, please don't hesitate to contact us.

Sincerely,

U.S. HOTEL & RESORT MANAGEMENT, INC.

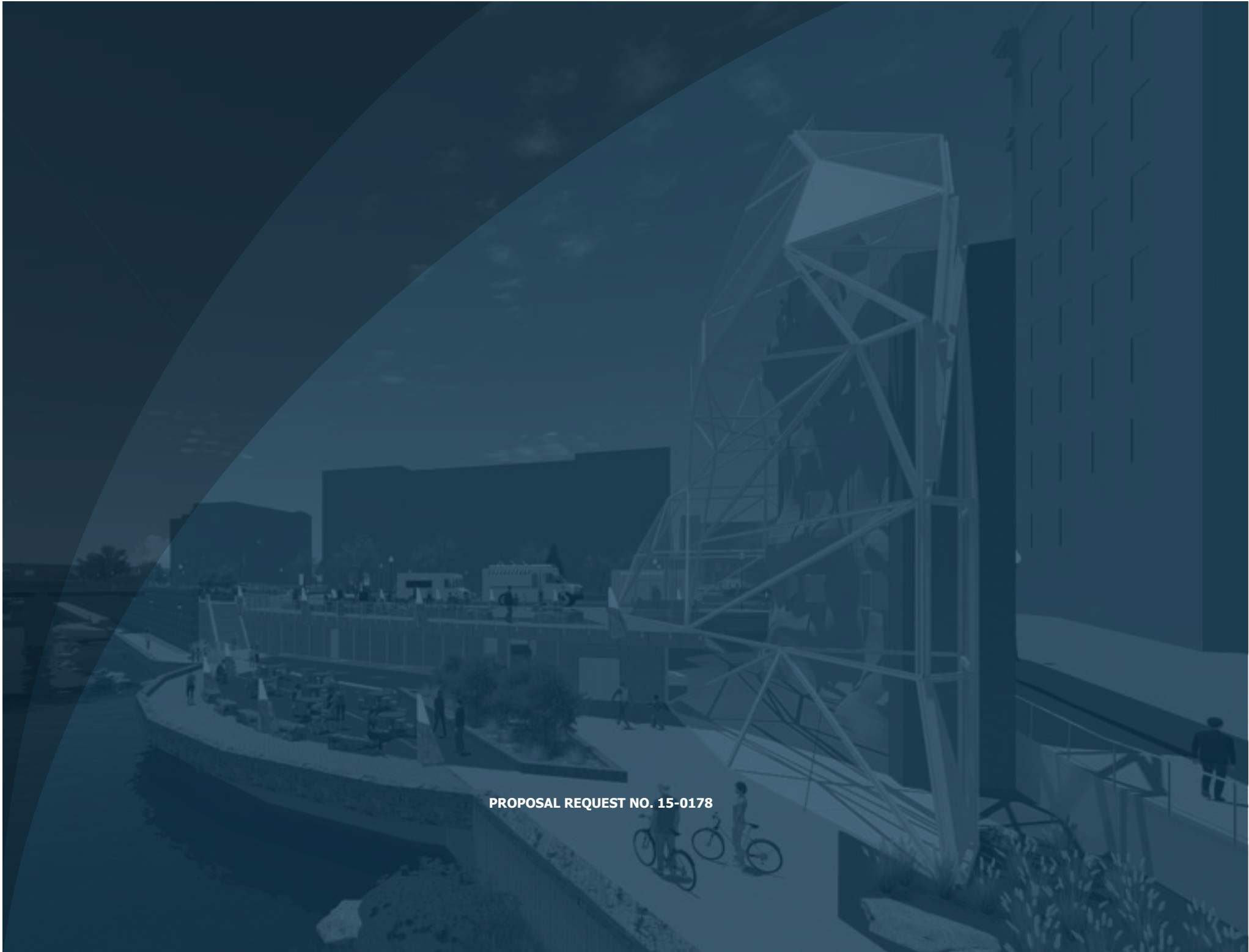
Gregory Schjodt  
CEO

020808P









PROPOSAL REQUEST NO. 15-0178