

Key Aspects or Questions From The Contract:

- Why are “non-project” parcel development options included in the agreement?
This clause does not give preference to the seller as a developer of the potential public project. This clause only takes effect if there is a portion of the site that is not used for the defined project. The “Project” is an anchor facility and surrounding and supporting mixed-use facilities, that enhances the quality of life and provides significant economic and fiscal impacts for the City. It has been communicated to the seller that the intention is to use the full site for the public project.
- Is \$8,000,000 a fair purchase price?
The parcel of land under contract was purchased by the sellers for \$7,800,000 in 2013. A review of recent transactions in the downtown area reveals that a purchase price of \$25.35 per square foot is consistent with the market. The property was appraised at \$8,000,000 in July of 2024.
- Why is a repurchase option included?
The repurchase option protects the city if there is not public support for the project. The purpose of the sale is for a public investment that creates further economic opportunity for the city. If there is not going to be a public investment, then the sellers would be able to repurchase the property. The city would have five years from the date of closing to break ground.
- Does the seller have final say over the development plans on the parcel under contract?
No, the sellers will receive the Updated Development Plans from the buyer 90 days prior to closing. This is not to get approval from the sellers, but this is to communicate that development plans are in accordance with the contract.
- What due diligence has been completed on the site?
As part of due diligence an ATLA Survey was completed, Phase 1 and 2 ESA reports were completed concurrently as part of the SD Targeted Brownfields Site Assessment program through SD DANR, and a preliminary geotechnical exploration was completed.