

Negotiated Sale Process - 140 E. 10th Street

A Negotiated Sale is a process that facilitates the sale and/or lease of City-owned property. The City of Sioux Falls identifies real estate available for purchase, lease and redevelopment, and the City Planning and Development Services Department (PDS) is the City department authorized to accept applications.

Information pertaining to the site located at 140 E. 10th Street will be listed on the City's website <https://www.siouxfalls.org/business/real-estate>. Any questions associated with the property listing or the Negotiated Sale process should be directed to the Business Development Coordinator for the City, whose contact information is part of the listing.

Proposal

Any party interested in developing the site at 140 E. 10th Street shall notify the Business Development Coordinator of their interest in submitting an application. To submit a formal proposal, interested parties shall submit a completed application, site plan, preliminary building elevations or building rendering, and a detailed scope of work to the Business Development Coordinator. Each proposal must demonstrate the financial ability and experience necessary to complete the purchase/lease and the proposed development.

The City has identified several objectives for the property located at 140 E. 10th Street that should be addressed within any proposal, and include the following:

- Maximize the City's existing investment into the Property
- Development and construction teams shall have experience specific to downtown urban development
- Leverage the site and existing parking to create density, activity, and uses that contribute to the vibrancy of downtown
- Create a mix of uses within the development
- Activate 10th Street frontage and increase connectivity and walkability
- Use quality design and materials that protect the City's existing and long term investment into the Property
- Consistent with the vision within the 2035 Downtown Plan

Beginning in January 2023, the Project Team will begin to review any submitted applications. If more than one party has notified the Business Development Coordinator of their interest in submitting an application for the property at 140 E. 10th Street, and they have not submitted their application by January 2023, the Business Development Coordinator will notify the other parties of the received applications and provide a timeline for which their applications shall be submitted for consideration.

Applications and interviews will be conducted by the following Project Team for the property location 140 E. 10th Street:

- City Council Representative

- Business Development Coordinator
- Director of Planning & Development Services
- Director of Finance
- Director of Public Works
- Public Parking Manager
- Public Parking Advisory Board Representative
- 2035 Downtown Plan Advisory Committee Representative

Following interviews, if the Project Team determines that a proposal best meets the objectives of the project, then an exclusive negotiation phase will commence with the selected proposer and the property will no longer be available for applications. At any point prior to the City entering into the negotiation phase, additional applications can be accepted and interviews granted.

Once the negotiation phase has commenced, City Council will be notified with a list of names of all the applicants and who the Project Team has selected for negotiation. Proposals from the parties not selected are considered proprietary and will not be shared publicly.

Purchase/Lease and Development Agreement

Upon successful negotiation with the selected applicant, a Purchase/Lease and Development Agreement will be finalized. These are contracts that outline all of the commitments of the City and purchaser. Upon completed negotiation of the Purchase/Lease and Development Agreements, the agreements are presented to City Council for consideration and approval. The negotiated sale is not complete until the Purchase/Lease and Development Agreements have been approved by the City Council, signed by all parties, and closing of the sale has occurred. If negotiations are ended for any reason, the City may go back to the other proposals that were submitted or reopen the property listing.

For property that is being considered for sale, the value of the property is established by a market value appraisal prepared by an independent appraiser hired and compensated by the City. Projects that will provide tangible public benefits may be eligible for various forms of financial assistance, such as tax increment financing (TIF) and property tax reduction. Consideration of the purchase/lease price, incentive request, or other request of the proposer will be weighed to determine the best project and offer to the City.