



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

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December 26, 2013

VIA EMAIL & U.S. MAIL

Mr. Edward C. Carpenter
Attorney at Law
P.O. Box 290
Rapid City, SD 57709

Dear Ed,

I am receipt of your December 18th letter insisting that Mayor Kooiker "cease and desist" having direct contact with Steve Baker of Dakota's America or any other potential funding source for the President's Plaza project. You further state that the Mayor's actions could be considered an improper interference in your client's business relations. Your effort to dissuade the Mayor from asking questions about an important component of this project's funding is troubling. While I understand that it would be your client's desire that all information regarding New Market Tax Credits come through them, the Mayor is concerned that the information he has been receiving from Mr. Shafai is less than accurate and based on what he is hearing the chances of this project receiving tax credits is much less likely than your clients have previously acknowledged to the Mayor, the members of the City Council, or the public. These concerns are what prompted the Mayor to contact Mr. Baker directly.

I have reviewed the communications between the Mayor and Mr. Baker and in my opinion your client will have a difficult time proving any sort of tortuous interference with a business relationship. Your clients currently have no agreements with Dakotas America the Mayor could interfere with, at least none the City is aware of. A review of the correspondence shows the Mayor was not advocating against your client, or trying to convince Dakotas America not to fund the project, he was simply trying to determine the likelihood of the project receiving tax credits. He was prompted to do so by statements your client made which were inconsistent with previous conversations he had with Mr. Baker. He even included your clients on the communication, hardly the hallmark of a tortuous interference claim.

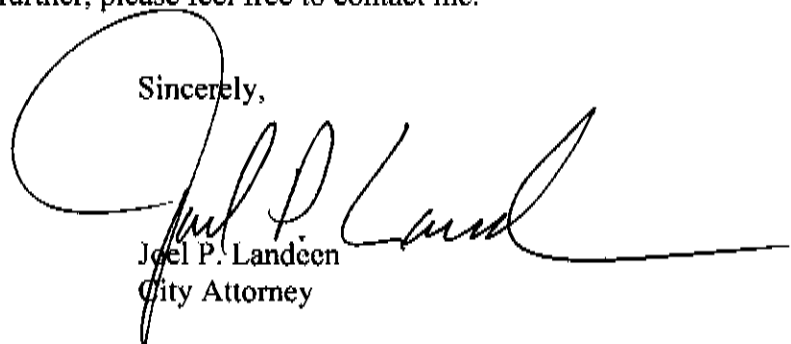
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New Market Tax Credits are paid for by the tax payers. Dakotas America, and every other Community Development Entity, is given the responsibility by the federal government to ensure that millions of dollars in taxpayer money is spent for the purpose it was intended. In addition to the millions of dollars in tax credits your clients are receiving, they are also receiving millions of dollars in City funds. It is galling to suggest the Mayor cannot ask questions regarding a project for which the City has made a multi-million dollar commitment, or seek unbiased opinions from the representative of an entity that is responsible for distributing public funds.

The agreement between your clients and the City has been approved and at this time the Mayor does not have any further questions of Mr. Baker. However, the Mayor is still concerned about the ability of this project to obtain New Market Tax Credits as a component of its funding. The City is a partner with your client in this project and has a right to have accurate information on the project's funding. In the future if the Mayor has questions regarding the funding he will continue to ask them and if he believes he will get a more honest appraisal of the situation from someone other than your client he reserves the right to ask them.

Since you have essentially threatened a lawsuit if the Mayor does not comply with your request, I will be providing the City Council with your communication and this response along with the emails between the Mayor and Mr. Baker. If you have any questions about this matter or if you wish to discuss this further, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Joel P. Landeen", is written over the typed name and title. The signature is fluid and cursive, with a large loop at the beginning.

Joel P. Landeen
City Attorney

JPL/map