

February 9, 2006

Mayor James Shaw, and
Rapid City Common Council Members
City of Rapid City
300 Sixth Street
Rapid City, SD 57701

RE: Possible funding for utility improvements associated with the construction of East Mall Drive between East North Street and Lacrosse Street.

Mayor Shaw and Council Members:

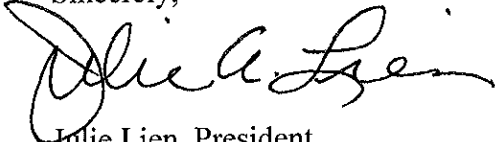
We are currently working with Ferber Engineering Company to complete preliminary engineering efforts for the extension of East Mall Drive between Lacrosse Street and East North Street. We have been working with a real estate developer from Kansas City. We have also been working with Senator Thune and the South Dakota Department of Transportation to secure funding for the street improvements. We believe we have lined up sufficient funds to cover the estimated cost of \$5,073,840.00 to construct East Mall Drive.

Construction of the street will also necessitate construction of major utility infrastructure. These utility improvements will serve not only the property fronting East Mall Drive, but will be sized to accommodate future growth in the area north of the Rushmore Mall. The extension of sanitary sewer will also enable the City to eliminate an existing sewage lift station that serves the Lacrosse Street area north of I-90. The estimated cost for the utility improvements is \$1,296,000.00

It is our understanding that the City of Rapid City has created a fund of money to be used for construction of utility infrastructure projects called the **0.16 Fund**. We are requesting that the City consider funding these utility improvements from the 0.16 Fund. We understand that the fund is to be considered a revolving loan, and would expect that the funds would be repaid from future hookup fees, or other funding alternatives.

We thank you for your consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Julie Lien", written in a cursive style.

Julie Lien, President
FMLC Corporation