MEMO

To: Robert Ellis, PE

Rapid City Engineer, Public Works

From: Pat Tlustos (By-Pass Development LLC)

Paul J. Bradsky (Wal-East Development Inc.)

Date: August 23, 2007

Re: North Elk Vale Extension (just north of I-90, Exit 61 and north of Mall Dr.)

Please consider this memorandum our formal request for project funding for the overall improvement and extension of North Elk Vale Road to make it a 3-lane asphalt roadway. The justification for this project is as follows:

Elk Vale Road is the only main north-south street in this area of town and is the primary route for most citizens wishing to travel north of I-90. There is discussion of several significant projects along Elk Vale to compliment the many existing homes and businesses that already use this road. By-Pass Development's project plan calls for roughly 140 acres of both general commercial and light industrial lots, many of which are sold with building currently under construction. Wal-East Development Inc. has plans for roughly 215 acres of both general commercial and light industrial development. See Attached Dream Design International LLC 07/27/07 "Seger Crossing Land Use Master Plan." These new business and homes will use Elk Vale as the primary access in and out of our respective developments. There is also discussion of a large municipal soccer complex with adjacent residential homes immediately north of this area... Currently, Elk Vale Road is a narrow two lane roadway in very poor condition. We feel with the added traffic created by the proposed development, including Cabela's, the two lane road will not suffice and that the addition of a third lane would greatly improve safety. Furthermore, the additional traffic will quickly use up any remaining life of the existing road even if it is milled and overlaid. As discussed with Staff, this project would include the installation of sleeves for utilities under the new roadway to service the Wal-East project to the west should they be needed

Each of our development groups would be willing to enter into an agreement with the City of Rapid City to pay 1/3 of the total costs of this project with a not to exceed amount of \$100,000 each (i.e. for a total, combined contribution of \$200,000). Of course, any direct out of pocket cost incurred by either development group in this project's design would be detailed and deducted from each group's respective contribution. These moneys would be available prior to bid letting and upon request from the City of Rapid City.

Wal-East Development Inc.

Paul J. Bradsky

Its: Vice President

By-Pass Development LLC

Pat Tlustos

Its: Member

