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September 9, 2009

The Mayor and City Council
City of Rapid City
300 Sixth Street
Rapid City, SD 57701

Re: Discovery Subdivision
Five Year Term on Variance for Non-Conforming Water and Sewer Lines

Dear Honorable Mayor Alan Hanks and Members of the Rapid City Council:

Cabela's is respectfully requesting that Paragraph One of the Covenant Agreement relating to the platting of Discovery Subdivision be eliminated in its entirety. Paragraph One of the Covenant Agreement reads as follows:

"Developer hereby covenants and agrees that the non-conforming water and sewer service lines shall be upgraded to current City standards within five (5) years of the execution of this Covenant Agreement, or upon development of the property, whichever comes first."

Cabela's finds this condition to be extremely detrimental in the development of this property. During this time of economic uncertainty capital markets for real estate development investments have become much more guarded requiring additional time for a thorough due diligence period. Any type of time limit or term to complete infrastructure improvements will only discourage any serious developer from considering this property.

The quicker this property is developed is good for both Cabela's and the City of Rapid City. Please understand Cabela's is aggressively promoting the sale and development of this property and are confident the non-conforming utility and street issues can promptly be resolved. However with a time limit/term on performance we may see this property held by Cabela's with no interest from a developer. Our greatest concern is this area's remains undeveloped and less traveled by visitors and residents.

Cabela's hopes that the Public Works Committee and the City council will both find favor with the request to eliminate Paragraph One of the Covenant Agreement. Cabela's hopes to continue to work with the City of Rapid City for our mutual growth and success.

Sincerely,

Cabela's, Inc.
Mark Nienhueser
Sr. Director Construction/Real Estate