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September 18, 2002

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Via Hand Delivery

Rapid City Mayor Jerry Munson
300 Sixth Street
Rapid City, SD 57701

Re: Tax Increment Financing District
Our File No. 02N105

RECEIVED

SEP 19 2002

Rapid City
Planning Department

Dear Mayor Munson:

As you are aware I have been working on behalf of Rod and Norm McKie concerning the creation of the Tax Increment Financing District for the extension of Disk Drive. The TIF Application has been submitted to the Planning Commission and will be considered by them at the meeting on September 26, 2002. If the Planning Commission approves the TIF we are then set to move this matter forward with a Legal and Finance Meeting on October 2 and hopefully for consideration by the City Council by October 7.

As you might recall, when this matter was first considered by the TIF Committee, one of the issues was how one of the adjacent property owners, Larry Henderson, would fund his share of the costs associated with the extension of Disk Drive. I have had discussions concerning this matter with Marcia Elkins as well as Jim Preston and I have had a chance to visit with Mr. Henderson about these matters. As he has vocalized in the past, while he is not as active a supporter and movant as it concerns the pending TIF he does recognize that he will realize some long term benefits associated with it.

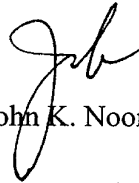
Because of the significant anticipated costs which Mr. Henderson may incur relative to his pro rata share of the costs associated with the extension of Disk Drive we have discussed with City officials the possibility of using Infrastructure Development Partnership Funds (IDPF) money to finance his share of the costs. In conversations with Marcia Elkins about these matters I understand that you are the appropriate individual within City Government to begin the process of obtaining IDPF funds for his share of the costs. I would respectfully request that, to the extent the TIF is approved, Mr. Henderson's share of the Disk Drive extension costs be funded with IDPF monies. As has been acknowledged by several individuals, the Disk Drive extension has been in the plans of the City of Rapid City for the past ten years as it provides an opportunity to

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restrict traffic on Howard Street and hopefully reroute a portion of the traffic which otherwise provides a congestion point off of Howard Street. Certainly, the Disk Drive extension will be a benefit not only to the adjoining property owners but also serve as a catalyst for development and infrastructure improvement for the all of Rapid City. I certainly believe that the public improvements in question certainly fall within the parameters of the resolution which approves the IDPF Guidelines and as such, to the extent you have any questions concerning these matters, please feel free to contact me. As a courtesy, I am providing a copy of this letter to Marcia Elkins as she is the individual with whom I first dealt with concerning these matters.

I look forward to further discussing these matters with you.

Sincerely



John K. Nooney

JKN/mkt

cc: Mr. Larry Henderson
Ms. Marcia Elkins, Planning & Zoning ✓