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HAND DELIVERED

The Honorable Mayor Jim Shaw
City of Rapid City
600 6th Street
Rapid City, SD 57701

RE: IDPF Loan

Dear Mayor Shaw:

This letter is a request for the City of Rapid City to consider making an Infrastructure Development Partnership Fund (IDPF) loan in the amount of \$1,980,000.00 to me and my wife, Kathryn Johnson. We have come up with amount of a requested loan based on an estimated construction cost of \$1,650,000.00, a 10% contingency of \$165,000.00, and an estimated engineering cost of \$165,000.00. We are aware of the requirements for repayment of the loan with terms of five (5) years no interest; years six to ten (6-10) @1% over prime; paid as parcels are platted based on percentage and the loan fully paid by end of year ten (10).

The purpose of the loan is to finance the cost of grading, plus installation of storm and sanitary sewer lines and extension of the water lines and the road to connect Elk Vale Road to DeGeest Street. It is our opinion that this road construction is very critical to provide better access to the Valley View School, currently under construction. This connection will also allow for commercial development to occur within the areas to be served by this road. It will also provide access for the homeowners in the Big Sky and Valleyridge Subdivisions to Elk Vale, rather than going south to Twilight Drive.

I am available to meet whenever you and your staff wish to discuss this at more length. Thank you for your considerations.

Sincerely,

Doyle D. Estes

DE:ps
cc: Marcia Elkins/Planning Department