

ENGINEERING  
LANDSCAPE ARCHITECTURE  
LAND PLANNING



**DREAM DESIGN**  
INTERNATIONAL, INC.

CONSTRUCTION OBSERVATION  
REAL ESTATE DEVELOPMENT  
PROPERTY MANAGEMENT

Mr. Mike Schad  
City Attorney  
City of Rapid City  
300 Sixth Street  
Rapid City, SD 57701

January 18, 2010

RE: Release of Rushmore Center Funds for TID 54

Dear Mr. Schad,

Attached herewith is a copy of the list of items that are still pending for the work to complete the infrastructure construction along Luna Street. A meeting was held with City Growth Management, Finance Office, City Attorney staff, and the owners of the property along Luna Street. It was decided that modifications to the existing developer's agreement between HDRK and the City were needed to ensure a release of TIF funds. The modifications are to reflect the attached list. Changes in the agreement will allow the following:

Release all TIF funds but \$51,000 as soon as agreement is modified.  
Release an additional \$31,000 as soon as punch list is complete and the street is accepted by the City.  
Release the last \$20,000 as soon as the last 45 feet is constructed in conjunction with East Anamosa.

Please allow for the reduction of the letter of credit so we can bring a new one in the amount of \$51,000.

Please see the attached spreadsheet for reference. Thank you for your help.

Sincerely,  
DREAM DESIGN INTERNATIONAL, INC.

Hani F. Shafai, PE  
President

CC: Marcia Elkins  
Pauline Sumption  
Ted Johnson  
Don Ward

528 KANSAS CITY STREET, SUITE 4 ♦ RAPID CITY, SOUTH DAKOTA 57701  
PHONE: 605.348.0538 ♦ FAX: 605.348.0545 ♦ DREAMDESIGNINC.COM

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## Hani Shafai

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**From:** Johnson Ted [Ted.Johnson@rcgov.org]  
**Sent:** Wednesday, January 06, 2010 8:13 AM  
**To:** Hani Shafai  
**Cc:** Fisher Vicki; Sumption Pauline; Elkins Marcia; Michelle Schweitzer; Jack Hattervig; Dominicak Bob; Don Ward  
**Subject:** RE: Luna Street Incomplete items..xls

Hani,

Here is an updated copy of your incomplete items list. As of 1.5.10, there are six hydrants which need to be repainted or substantially touched-up to repair the damaged coatings, and the Contractor has replaced the trash rack. Net change is \$2000. I am okay with using the remaining work items, quantities and corresponding costs as shown on the attached list to adjust the retainage. Please let me know if there are comments or need for additional information.

Thanks,

Ted T. Johnson  
Growth Management Department  
605-394-4157 x214  
[ted.johnson@rcgov.org](mailto:ted.johnson@rcgov.org)

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**From:** Hani Shafai [mailto:[hani@dreamdesigninc.com](mailto:hani@dreamdesigninc.com)]  
**Sent:** Monday, January 04, 2010 6:11 PM  
**To:** Johnson Ted  
**Cc:** Fisher Vicki; Sumption Pauline; Elkins Marcia; Michelle Schweitzer; Jack Hattervig; Dominicak Bob; Don Ward  
**Subject:** RE: Luna Street Incomplete items..xls

Attached is a revised copy to reflect the items listed in the punch list. Please review and let me know if you have any comments or changes you wish to see.  
Happy New Year,  
Thanks,

Hani F. Shafai, PE  
President



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Office: 605.348.0538, ext. 16  
Fax: 605.348.0545  
Kansas City Street, Suite 4  
Rapid City, South Dakota 57701  
Email: [hani@dreamdesigninc.com](mailto:hani@dreamdesigninc.com)

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Visit us on the web at: [www.dreamdesigninc.com](http://www.dreamdesigninc.com)

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**From:** Johnson Ted [mailto:[Ted.Johnson@rcgov.org](mailto:Ted.Johnson@rcgov.org)]  
**Sent:** Thursday, December 31, 2009 9:54 AM  
**To:** Hani Shafai  
**Cc:** Fisher Vicki; Sumption Pauline; Elkins Marcia; Michelle Schweitzer; Jack Hattervig; Dominicak Bob  
**Subject:** FW: Luna Street Incomplete items..xls



Hani,

Your estimate of materials quantities and costs to complete the remaining portion of the curb and gutter and paving on Luna Ave appears reasonable. This estimate does not consider any potential costs for completing other remaining work items on the rest of the project. As you may know, the final inspection scheduled for December 22, 2009 was postponed due to inclement weather, therefore, we do not know if all the remaining project improvements are complete and can be accepted by the City.

City staff completed a courtesy review of the project on November 9, 2009. During this review, several incomplete or additional work items were noted. I have attached a revised copy of the 11/9/09 courtesy review list showing the outstanding items which did not appear to have been completed on 12/22/09. A few of the items noted on the attached list such as sealing the curb expansion joints, repairing the coating on the fire hydrants, repairing the pavement markings and seeding and mulching cannot be completed during the current winter conditions and may not be completed for several weeks. I believe your incomplete items list should at least include costs for the items on courtesy review list, and as noted previously, we have not completed a final inspection and do not know if there are other outstanding work items which need to be addressed prior to final acceptance.

Please let me know if there are questions or need for additional information.

Thank you,

Ted T. Johnson  
Growth Management Department  
605-394-4157 x214  
[ted.johnson@rcgov.org](mailto:ted.johnson@rcgov.org)

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**From:** Hani Shafai [mailto:[hani@dreamdesigninc.com](mailto:hani@dreamdesigninc.com)]

**Sent:** Tuesday, December 29, 2009 4:17 PM

**To:** Johnson Ted

**Cc:** Fisher Vicki; Sumption Pauline; Elkins Marcia; Michelle Schweitzer; Jack Hattervig

**Subject:** Luna Street Incomplete items.xls

Good Afternoon,

Attached is a copy of the items to be completed on Luna Street. Please review the attached information and let me know if you need any additional information.

Please consider this correspondence as a formal request to reduce the letter of credit and to release the TIF funds other than the balance shown of \$19,224.50.

I am sure the TIF agreement will need to be modified as per our meeting last week.

Thank you for your help and please let me know if you need any additional information.

*HAPPY NEW YEAR*

Hani Shafai

1/18/2010

**LUNA STREET EXTENSION  
RUSHMORE CENTER**

Listed below are the items to be completed on this project

ITEM	QUANTITY	BID UNIT PRICE	TOTAL
CURB & GUTTER, LFT	120	\$ 13.91	\$ 1,669.20
BASE COURSE, TON	118	\$ 14.80	\$ 1,746.40
ASPHALT, TON	80	\$ 80.80	\$ 6,464.00
GRADING, LS	1	\$ 4,000.00	\$ 4,000.00
SEEDING, LS	1	\$ 500.00	\$ 500.00
MOBILIZATION, LS	1	\$ 1,000.00	\$ 1,000.00
<b><u>ADDITIONAL ITEMS</u></b>			
CLEAN MANHOLES, EA	4	\$ 200.00	\$ 800.00
SEAL EXPANSION JOINTS AT CURB, LS	1	\$ 2,000.00	\$ 2,000.00
REPAINT CHIPPED FH, EA	6	\$ 500.00	\$ 3,000.00
PROPERLY TERMINATE CLEANOUT, EA	1	\$ 1,000.00	\$ 1,000.00
RESET CORROSION WIRE, EA	2	\$ 200.00	\$ 400.00
RESET TRACER WIRE, EA	1	\$ 300.00	\$ 300.00
INSTALL TRACER WIRE AT S. FH, EA	1	\$ 400.00	\$ 400.00
REPAIR PAVEMENT MARKEING, LS	1	\$ 4,000.00	\$ 4,000.00
VERIFY FH ARE WITHIN ROW, EA	1	\$ 2,000.00	\$ 2,000.00
STARIGHTEN UP VALVE BOX, EA	1	\$ 300.00	\$ 300.00
WETLAND SEEDING, LS	1	\$ 8,000.00	\$ 8,000.00
ADJUST TRASH RACK, EA	0	\$ 400.00	-
PROVIDE AS BUILT DRAWINGS, EA	1	\$ 3,000.00	\$ 3,000.00
<b>TOTAL</b>			<b>\$ 40,579.60</b>
<b>TOTAL TO BE HELD (25% MORE THAN BID PRICE)</b>			<b>\$ 50,724.50</b>

\$ 15,379.60 Complete Luna Street  
\$ 19,224.50 Luna and 25% addition

**We request the following:**

- 1- Reduce the letter of credit to allow for a balance above
- 2- Release the TIF funds except for the balance shown above.