



CITY OF RAPID CITY

Engineering Division

300 Sixth Street
 Rapid City, SD 57701-2724
 Telephone: 605-394-5377- 227
 FAX: 605-394-6636
 Douglas Adelman
 doug.adelman@rcgov.org

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RE: Fairmont Blvd/Hwy 16 Intersection Improvement Project ST03-1251.

Dear Mr. Riddle,

Thank you for taking time to meet with City Staff last month. In this letter I would like to review some of our previous discussions with the goal of getting this project back on track. We have currently postponed bidding this project until we obtain the necessary right-of-way and until we agree on a cost sharing agreement with you.

During our March meeting you mentioned the desire to vacate 14,000 square feet (55'x255') of Hwy 16 right-of-way in the southwest quadrant of the intersection. After staff review, we conclude that vacating this could be problematic. Additional private expansion this far east would result in a very steep slope down to the existing drainage ditch, and would make maintenance of this drainage channel significantly more difficult.

When the City agreed to the vacation of 17,000 square feet of Hwy 16 right-of-way in the northwest corner, it was with the understanding that Ridco would donate what would be needed to construct this project. The City considers your donation of 1,680 square feet of right-of-way to be a "part of the deal" in the recent vacation of 17,000 square feet of Hwy 16 right-of-way which accommodated your parking lot and sign.

During our meeting in March, a significant amount of time was spent questioning the City regarding percent of trips assigned to your hotel and manufacturing facility. If you have a different cost sharing percentage to propose (other than the big goose egg), we would certainly like to review it. As we said during the meeting, the projected traffic volumes are estimates for the future and don't reflect existing traffic volumes. If we considered existing volumes only, your "share" of the traffic would be 100%. The relative traffic volumes are of primary importance, since the cost sharing is based on an estimate of future traffic volumes attributable to your development, compared to the total projected traffic volume.



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As developers of the Ridco Jewelry outlet and factory and the Motel, your "share" of the total projected traffic volume was estimated to be 16.9%. If projected volumes were recalculated assuming the proposed restaurant area is not developed, then your percentage would increase to 19.2%.

The projected traffic volumes assumed full build out for a proposed apartment and proposed office complexes. The dwelling units (284 dwelling units) and square footages (3 story buildings totaling 115,200 square feet) used to estimate traffic volumes for these land uses are upper bound estimates. The projected traffic volumes also assume that Fairmont Road is connected with Tower Road in the future. This assumed extension of Fairmont is estimated to contribute 83 projected trips during the PM peak hour (from Tower Road traffic and from additional residential development to the west). If this assumed Fairmont connection to Tower Road does not occur, then your actual future portion of the total projected volumes would increase another 3%. In short, the assumptions made to estimate your future portion of total Fairmont traffic, appear to work out in your favor. Your actual proportion of total future traffic will likely exceed this current estimate of 16.9%.

The engineer's estimate for the roadway improvements at this intersection indicates a total construction cost of \$113,977.50. Subtracting \$7,101.00 of non-essential work, the construction cost would be \$106,876.50. This includes \$10,110.50 of essential work on your property to install a new storm inlet and a new south curb line for your parking lot. As discussed in our meeting, the City does not pay for construction on private property. Subtracting the \$10,110.50 required for work on your property leaves \$96,766 worth of construction within the proposed public right-of-way. I would propose that your 16.9% (based on traffic volumes) be applied to this remaining roadway improvement project cost ($0.169 \times \$96,766 = \$16,353.45$). Your total share in the cost would include \$10,110.50 of private improvements, plus \$16,353.45 of public improvements for a total of \$26,464. Subtracting a portion (\$5668.50 per CETEC estimate) of your cost of widening Fairmont to the west, results in an estimated net cost to you of \$20,795.50

We want this project to go forward to provide pedestrian access at the intersection of Fairmont Blvd and Hwy 16, and to align the intersection in the east/west direction. We also believe cost sharing is appropriate for the following reasons:

- 1) The need for these improvements was identified during the development review process when the hotel was proposed.
- 2) The project would directly benefit your businesses by improving safety and ease of access between your businesses on Fairmont Blvd and Hwy 16, and by providing pedestrian access across Hwy 16 for your customers and employees.

In summary, the City is asking for the following:

- 1) Donation of 1681 square feet of right of way along the north side of Fairmont.
- 2) Cost sharing including:
 - a) All costs related to construction outside the proposed right-of-way
 - b) 16.9% of the construction cost within the public right-of-way.

This results in an estimated total net cost to you of \$20,795.50 (after deducting for previous work completed to widen Fairmont)

I realize this is the same request made in my previous letter. Our last meeting led me to believe there may be two areas of further discussion:

- 1) The extensive discussion that occurred regarding your portion of the total trips led me to believe that perhaps you would be willing to participate at a lower cost sharing percentage.
- 2) I wanted to clarify our expectation that the right-of-way for this project would be donated to the City as a partial exchange for the previous vacation of a much larger area of Hwy 16 right-of-way.

We would like to bid this project soon with a project completion date in October, 2003. I am hoping we can agree on a cost sharing plan in the near future. Please contact me with any questions, or if you would like to meet again to discuss this further. Your continued cooperation is sincerely appreciated and will enable this project to proceed.

Douglas Adelman, P.E., Project Manager, Traffic

cc: Randy Nelson, Dave Lafrance