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# M E M O R A N D U M

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**DATE:** April 2, 2007  
**TO:** Mayor Shaw, Council Members  
**FROM:** Theodore J. Vore, PE-LS  
**RE:** Project DR 04-1390 Knollwood Elements 2 & 20 – Requested SDDOT Railroad Land purchase  
**CC:** Dirk Jablonski

Attached please find exhibits showing Knollwood Drainage Basin Elements and the parcel proposed to be purchased. The lands to be purchased would provide the City needed land to construct open channel drainage necessary for the entire Knollwood Drainage Basin. Upon completion of the drainage channel, through the present Railroad Lands, the City may elect to sell the remainder of the property.

Project DR 04-1390 as outlined in the Knollwood Drainage Basin Design Plan (DBDP) is the first phase of a drainage reconstruction project for the Knollwood Drainage Basin. Elements 2 & 20 recommend an open channel that will traverse across, what is presently, South Dakota State Railroad property. The State would not allow the City an easement for an open channel drainage, therefore, the Council voted (9-06-05) to lease the land thus giving the City the first right to purchase. Subsequently the SDDOT Railroad Authority has offered the property for sale to the City. Council authorized a survey and platting of the property and such has been completed. Approval for purchase by the City will initiate the title transfer and the ability for the City to proceed with the Knollwood Elements 2 & 20 completion in 2008, Knollwood Element 3 completion in 2009 and Knollwood Element 5 completion in 2010.

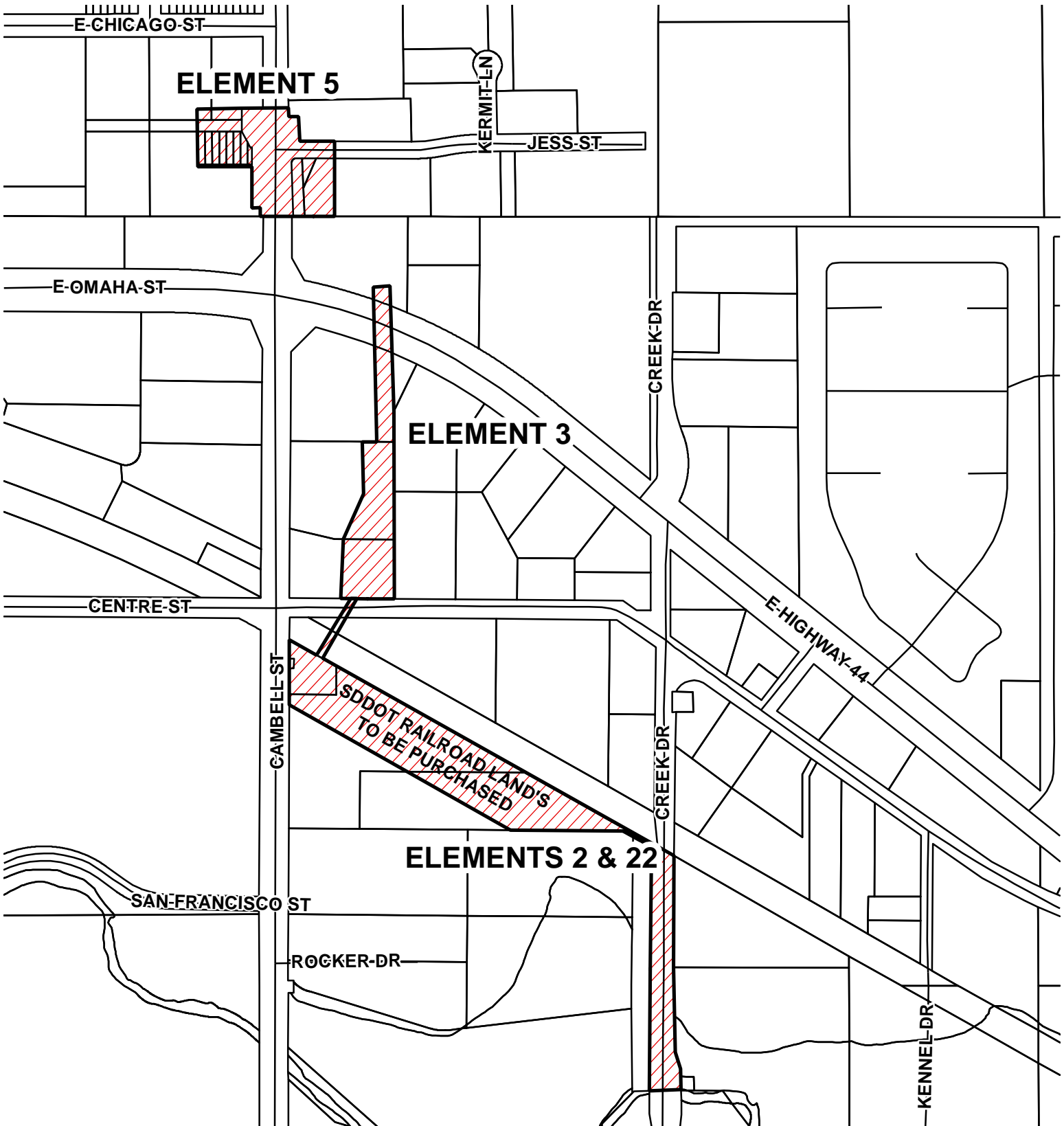
The existing drainage facilities in Elements 5 and 3 are extremely undersized and presently causing flooding of Eagle By-Rite property and property just north of Centre Street.

Drainage problem correction must start at Rapid Creek and this purchase will allow these corrections to be implemented.

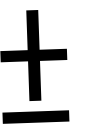
Funds have been budgeted, \$750,000.00, out of fund 8911 (Drainage) for the purchase of said property. The City should be able to recover nearly 100% of the cost of this property from the remaining lands once the channel is constructed.

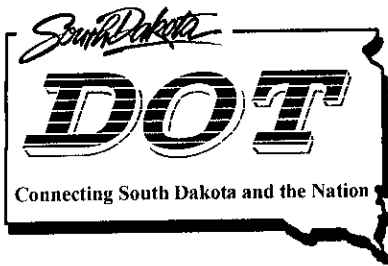
# EXHIBIT "A"

PW041007-13



**KNOLLWOOD ELEMENTS 2 & 20**  
**PROJECT NO. DR04-1390**  
**CIP # 50312**





**Department of Transportation** PW041007-13

**Division of Finance & Management**  
**Office of Local Transportation Programs**  
700 East Broadway Avenue  
Pierre, South Dakota 57501-2586  
OFFICE: 605/773-3574  
FAX: 605/773-3921

March 21, 2007

City of Rapid City  
ATTN: Ted Vore  
300 6<sup>th</sup> Street  
Rapid City SD 57701

RE: Cambell Street Property, Rapid City SD

Dear Mr. Vore:

Last fall the City of Rapid City requested to purchase a parcel of property located east of Cambell Street in Rapid City, SD.

The City prepared the plat and the SD Department of Transportation prepared an appraisal of the parcel. On November 15, 2006, the SD Railroad Board approved the sale of the parcel to the City of Rapid City.

The SDDOT hereby offers for sale to the City of Rapid City a parcel of property east of Cambell Street which includes 4.9987 acres, more or less, for the appraised value of \$490,000. The SDDOT will retain the 100 foot operating rail property.

The legal description of the parcel to be sold is: Tract A located in Section 5, T1N, R8E, B.H.M., Rapid City, Pennington County, South Dakota, formerly Lots 2 (less Lot H1), 4 and 7, of the SW1/4, of the NW1/4, Section 5, T1N, R8E, B.H.M.

If the City of Rapid City wishes to purchase this parcel, please forward a check in the amount of the appraised value of \$490,000 to this office. Upon receipt of the check from the City of Rapid City, we will prepare the necessary Quitclaim Deed and sign the plat. Please indicate to this office the appropriate name to be included on the Quitclaim Deed.

Should you have any questions, please contact my office at 605-773-3222.

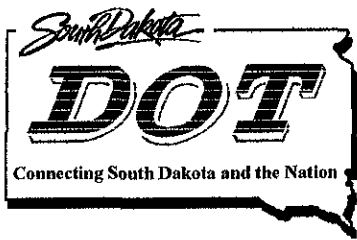
Sincerely,

Nanette Dailey  
Transportation Specialist

**RECEIVED**

MAR 22 2007

RAPID CITY  
PUBLIC WORKS



# Department of Transportation

Division of Fiscal & Public Assistance PW041007-13

## Local Transportation Program

700 E Broadway Avenue  
Pierre, South Dakota 57501-2586  
FAX: 605/773-3921  
Railroads: 605/773-3574

LEASE NO 1572  
AMOUNT DUE \$ 490.000  
REVENUE CODE 608

City of Rapid City  
300 Sixth Street  
Rapid City SD 57701

PLEASE NOTE CHANGES IN ADDRESS  
PLEASE RETURN TOP PORTION WITH REMITTANCE

BILLING DATE 03/21/2007

### RENT BILL FOR LEASE OF STATE-OWNED RAILROAD PROPERTY

LEASE NO 1572

LOCATION Rapid City SD

FOR RENT OF PROPERTY FOR

sale of property east of Cambell Street, Rapid City

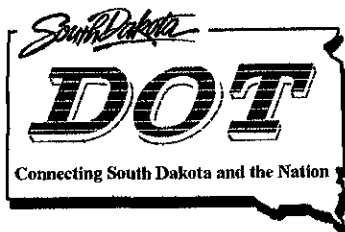
BILLING DATE

FROM  
MO DAY YEAR  
4/1/2007

TO  
MO DAY YEAR

AMOUNT DUE \$ 490,000

INTEREST OF 12% PLUS COST WILL BE CHARGED ON ALL ACCOUNTS 30 DAYS PAST DUE. IN ADDITION AN ADMISTRATIVE CHARGE OF 35% WILL BE ASSESSED ON ALL SUCH ACCOUNTS TURNED OVER TO STATE COLLECTIONS.



Department of Transportation  
Division of Fiscal & Public Assistance  
Office of Air, Rail & Transit  
700 E Broadway Avenue  
Pierre, South Dakota 57501-2586  
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Railroads: 605/773-5037