

Agreement between
City of Rapid City
And
Robert J. Pesek

This Agreement made this _____ day of _____, 2005, by and between the City of Rapid City, municipal corporation organized under the laws of the State of South Dakota, hereinafter referred to as the "City", and Robert J. Pesek of 831 Mallow Street, Rapid City, South Dakota hereinafter referred to as the "Developer".

WHEREAS, the Developer wishes to develop Lots 19-22 in Block 7 of the Mallow Addition located within the corporate limits of the City, and further the Developer wishes to make connection to the water distribution system of the City; and

WHEREAS, the Developer is required to extend a water main to provide service for his proposed development, and

WHEREAS, the Developer shall pay for the costs to extend the water main, and

WHEREAS, the calculated cost of extending water main is estimated to be \$24,000.00, and

NOW, THEREFORE, in consideration for the mutual promises, covenants and conditions herein contained, it is agreed as follows:

1. The Developer agrees to construct approximately 200 feet of eight (8") inch PVC water main along Mallow Street as per plans prepared by Centerline titled, "Mallow Street Utility Extension (DEV04-711)". The Developer agrees to pay all project costs including engineering, and construction. The cost of which is estimated at \$24,000 per Exhibit "C".
2. Three benefiting properties, that will benefit from the project to extend the water main, have been identified and are shown on Exhibits 'A' and 'B' and are further identified as the Heiser property (lots 23, 24, 25, & 26), the Pesek property (lots 10, 20, 21, & 22), and the Chandler property (lot18).
3. The City further agrees to present a proposed Connection Fee resolution, which would be levied against the identified benefiting properties in the Service Area as shown on Exhibits 'A' and 'B'. Contingent upon Council approval, the Connection Fee for the benefiting properties, other than the Developer, will be collected by the City as such time the property requests a water service tap. After the Developer's project has been completed and accepted by the city, a Resolution to establish the identified Connection Fee area shall be prepared by the City Attorney's office and placed on the Public Works committee for consideration by the City Council.
4. The Connection fee (estimated \$8,000 per property) shall be based on total project cost, which includes engineering fees and construction costs as shown on Exhibit 'C'

(Estimate of Costs). The basis for establishing each benefiting property's share of the project costs shall be accomplished by dividing the actual project cost (determined at the completion of construction), estimated to be approximately \$24,000.00 and dividing this cost by parcels (one of which is Pesek's).

5. Assuming the connection fee resolution is passed by the counsel, the City agrees to collect the above-described connection fees (estimated at \$8,000) from the identified properties (Heiser and Chandler) at the time the properties connect to the water main constructed as part of this project. If connection fees for the benefiting properties are approved and established, developer will be reimbursed his proportional share of costs associated with extending the water main. This amount of reimbursement is ultimately contingent upon the City Council's authority.
6. The Developer agrees to furnish the City Finance Office with a current mailing address and update that address as is needed in order to facilitate disbursement of collected Connection Fees.

This Agreement shall inure to the benefit of and be binding upon the respective parties hereto, their successors and assigns. This Agreement shall take effect upon its execution by the respective parties hereto.

The Developer will save and hold the City harmless from any and all damages resulting from the omission of, or inability of the City to furnish water service as herein provided. This agreement does not bind the City to reimburse Developer for the water extension project. Rather, by this agreement the option of imposing water connection fees upon the identified benefiting properties will be presented to the City Council for consideration.

IN WITNESS WHEREOF the parties hereto have caused this agreement to be executed by their respective duly authorized officers as of the day and year first above written.

CITY OF RAPID CITY

Jim Shaw, Mayor

Robert J. Pesek
831 Mallow Street
Rapid City, SD 57701

ATTEST:

Finance Office
(SEAL)

ATTEST:

(SEAL)