

----- Original Message -----

**From:** [Hani Shafai](#)  
**To:** [Council Group](#)  
**Cc:** [Elkins Marcia](#) ; [Ellis Robert](#)  
**Sent:** Monday, August 11, 2008 6:17 PM  
**Subject:** South Rapid City Tax Increment District

Good Afternoon:

Attached is a copy of additional information relating to the above referenced project. This project will do the following:

- 1- Open the area along HWY 16 for development.
- 2- Eliminate the capacity issues with some of the sewer mains in Robbinsdale area.
- 3- Eliminate the maintenance and capacity issues with two existing lift stations.
- 4- Allow the City to recover the already in place connection fees along HWY 16.

The developers are fronting the costs for all components of this TIF. All components are regional in nature and **do not include any developer's** items. The information submitted with this email proves these arguments. This information includes:

- 1- New revised spreadsheet to show the project costs.
- 2- Correspondence dated November 1<sup>st</sup> & 7<sup>th</sup> of 2007 to reflect the developer's share of the lift station.
- 3- Draft agreement drafted by the City to be reviewed and approved by the City Council for the cost sharing of the costs of the lift station.

Based on these documents the following FACTS can be arrived to:

- 1- The draft agreement limits the developer's responsibility to \$400,000 of the costs of the lift station and force main.
- 2- The draft agreement obligates the City to pay the over-sizing of the lift station.
- 3- The proposed TIF requires the developer to pay non-refundable cash in the amount of **\$468,000 instead of the \$400,000 listed in the draft agreement**. This \$468,000 number is based on 30% of the costs for the lift station and force main. The 30% is used because Hyland Park is 120 acres which is near 30% of the basin being served by the lift station.

#### CONCLUSIONS:

The developer is paying more than his fair share of the costs. The developer is fronting the costs for items that are regional and that typically are installed by the City. **Voting against this TIF is voting to commit the tax payers to spending funds that can be paid for by others.**

Please let me know if you need any additional information or call me if you have any questions. I will be out of town on Wednesday and I will be missing the Legal and Finance meeting. I hope to attend the City Council meeting to address any questions you may have.

We thank City staff for help and their open minded and fair approach to this project. As you see from the attached documents they have worked with Dream Design staff to come up with a fair and just solution in doing what is right for the community.

Thank you for the help.

Hani Shafai

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**SOUTH RAPID CITY IMPROVEMENTS  
ESTIMATED PROBABLE COSTS  
COST ALLOCATIONS**

<b>ITEM</b>	<b>TOTAL COST</b>	<b>TIF</b>	<b>HYLAND/CASH</b>
CATRON BLVD. SANITARY SEWER MAIN, LFT	\$ 1,404,000	\$ 1,404,000	\$ -
SEWER FORCE MAIN, LFT	\$ 600,000	\$ 420,000	\$ 180,000
LIFT STATION, LS	\$ 960,000	\$ 672,000	\$ 288,000
TURN LANES, LS	\$ 360,000	\$ 360,000	\$ -
TRAFFIC SIGNAL, LS	\$ 180,000	\$ 180,000	\$ -
ABANDON LIFT STATIONS	\$ 120,000	\$ 120,000	\$ -
<b>TOTAL</b>	<b>\$ 3,624,000</b>	<b>\$ 3,156,000</b>	<b>\$ 468,000</b>

Lift station service area is 395 acres. Hyland Park is 120 acres within the lift station service area

**Tonya Tordsen**

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**From:** Ellis Robert [Robert.Ellis@rcgov.org]  
**Sent:** Thursday, November 08, 2007 4:15 PM  
**To:** Tonya Tordsen; Ellis Robert; Johnson David; Titus Stacey; Elkins Marcia; Dominicak Bob; Bosworth Mary  
**Cc:** Michelle Schweitzer; Greg Barbeauld; Hani Shafai; Fisher Vicki; Scott Sumner; Rich Evans; Bob Drew  
**Subject:** RE: Hyland Crossing Sanitary Sewer/Lift Station Meeting  
**Attachments:** Hyland Crossing Lift Station Dev agreement1.doc

Tonya,

I am in agreement with everything except we prefer the force main coming from the lift station to extend to the west side of Hwy 16 to the existing manhole. I believe your exhibit showed it dumping into a new manhole on the east side of Hwy 16 and gravity flowing to the west side.

Also attached is a **DRAFT** agreement. Please review and provide your comments. In an effort to speed things along I am sending this as a **DRAFT** so that we can begin incorporating your comments before I send it off to our attorneys. Once we get it to the point where we can both agree on it I will send out copies for signatures. Thanks.

Robert Ellis, PE  
 City Engineer  
 City of Rapid City  
 Public Works/Engineering  
 Ph: (605) 394-4154  
 Fax: (605) 355-3083

-----Original Message-----

**From:** Tonya Tordsen [mailto:Tonyat@dreamdesigninc.com]  
**Sent:** Thursday, November 01, 2007 3:58 PM  
**To:** Ellis Robert; Johnson David; Titus Stacey; Elkins Marcia; Dominicak Bob; Bosworth Mary  
**Cc:** Michelle Schweitzer; Greg Barbeauld; Hani Shafai; Fisher Vicki; Scott Sumner; Rich Evans; Bob Drew  
**Subject:** Hyland Crossing Sanitary Sewer/Lift Station Meeting

Following are notes from the meeting held Oct. 30<sup>th</sup> at 9am for Hyland Crossing's sanitary sewer and lift station.

**Attendees:**

Robert Ellis, Public Works  
 Dave Johnson, Public Works  
 Stacey Titus, Public Works  
 Marcia Elkins, Growth Management  
 Bob Dominicak, Growth Management  
 Mary Bosworth, Growth Management  
 Michelle Schweitzer, Dream Design International, Inc.  
 Tonya Tordsen, Dream Design International, Inc.  
 Greg Barbeauld, Dream Design International, Inc.

**Meeting Scope:**

To discuss City's alternative routing of force main, master plan to provide gravity sewer, and Lift Station design and construction management.

**History:**

DDI submitted design drawings for a preliminary plat for 40 lots of Hyland Crossing on September 28<sup>th</sup>, 2007. The sewer design included gravity sewer that served all lots along new realigned Sammis Trail and the subdivision to a Lift Station located at the southeast end of Castle Bay Road. From the Lift Station, sewer is pumped through an 8" force main through subdivision, to Sammis Trail, along Sammis Trail to Hwy 16 and then north along east side of Hwy 16 to an existing sanitary sewer manhole near Addison Ave.

**Meeting:**

The Public Works department would like to eliminate the proposed force main along the east side of Hwy 16 in lieu of a 10" gravity sewer to be installed within 5 years.

The properties owned by Hagg Brothers, LLC and Frank Commerford will eventually be served by this gravity main.

Public Works would like the Lift Station capacity to be reduced to the attached sewer shed area plus 15% for the full build-out design.

Temporarily, the lift station would pump through a 6" force main through the subdivision, along Sammis Trail, across Hwy 16, and to the existing sanitary sewer manhole at the southwest corner of the Hwy 16 and Moon Meadows intersection.

Since the existing gravity sewer is 8" and 0.4% slope, initially pumps will be sized smaller.

When the future 10" gravity main is in place, then the lift station pumps can be sized to handle the full capacity and the force main will discharge into gravity sewer in Sammis Trail. (see attached)

Public Works wants Hyland Crossing Developer to give City a check for the savings of not installing the force main along Hwy 16.

Public Works wants Sammis Trail gravity sewer to have high point at Hagg's east property line and edge of lift station sewer shed. The gravity line west of high point to hwy 16 will be designed as 8" dry sewer.

Public Works was not aware that most of lift station design was completed and would review the design by DDI. (Robert Ellis called Greg 10-31-07 and said the City would allow DDI's design)

Public Works wants to separate the Lift Station Design from the preliminary plat and manage the bidding and construction administration.

Public Works wants the Hyland Crossing Developer to give the City a \$400,000 check for the design/construction/construction administration of the Lift Station. Any overage costs will be paid by the City.

DDI stressed the importance of a quick schedule to have the lift station running in time for Hyland Crossing phase I.

Also discussed was the location of the 14" water main based on the Master Utility Plan. Public Works stated that the 14" main should follow the arterial (future Brigadoon Way) leaving the site on the south.

The future secondary access will be from the south side of Hyland Crossing to Spring Creek Road.

The City provided information to DDI on the sewer and water connection fees.

Please review the above meeting notes and respond with revisions.

Dream Design will discuss all items with the Hyland Crossing Developers.

We appreciate meeting with all of you.

**Tonya Tordsen, PE**

Project Manager

[tonyat@dreamdesigninc.com](mailto:tonyat@dreamdesigninc.com)

**DREAM DESIGN INTERNATIONAL, INC.**

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8/8/2008

*City Draft Agreement*

PREPARED BY:

STATE OF SOUTH DAKOTA	)	
	)	SS. <b>DEVELOPMENT AGREEMENT</b>
COUNTY OF PENNINGTON	)	

**DEVELOPMENT AGREEMENT BETWEEN THE CITY OF RAPID CITY AND  
HYLAND PARK LLLP, REGARDING THE DESIGN AND CONSTRUCTION OF  
SANITARY SEWER LIFT STATION IMPROVEMENTS FOR THE PROPOSED  
HYLAND CROSSING SUBDIVISION**

This Development Agreement is made and entered into between the City of Rapid City, herein after referred to as the "City," and Hyland Crossing LLLP, herein after referred to as "Hyland".

WHEREAS, Hyland is the owner of property within the corporate limits of the City which is generally located southeast of the intersection of U.S. Highway 16 and Sammis Trail and legally described as follows:

The West ½ of the Southeast ¼, and the Southeast ¼ of the  
Southeast ¼, of Section 35 T1N, R7E of the Black Hills  
Meridian, Rapid City, Pennington County, State of South  
Dakota; and

WHEREAS, Hyland has submitted an Application for Development Review to the City to obtain approval for a preliminary plat of the property in accordance with Title 16 of the Rapid City Municipal Code; and

WHEREAS, it has been determined that pumping from a central sewage lift station will be required to provide a sewer collection system for the property in accordance with the requirements of Title 16 of the Rapid City Municipal Code ; and

WHEREAS, sewage lift stations are specialized mechanical facilities with potential for significant maintenance and operational costs, and impacts on the overall wastewater collection system operated by the City; and

WHEREAS, as a stipulation of approval of the preliminary plat the City has called for Hyland to enter into an agreement relative to the funding, management, and administration for the design and construction of any wastewater pumping facilities or lift stations that will be necessary to serve the proposed development; and

WHEREAS, the parties wish to memorialize the actions and obligations expected of each of the parties to satisfy preliminary plat stipulations and to facilitate the necessary improvements.

NOW THEREFORE, the parties agree as follows:

1. Hyland will provide services to design the necessary sewage lift station improvements. The design services will be provided by a competent licensed engineering consultant. The design services shall provide complete plans, design documentation, specifications, and contract documents as needed to allow for bidding and construction of the improvements, including all general, mechanical, electrical, and specialty components. The engineering consultant shall employ all such specialists as may be required to evaluate, study, and assist in design for special considerations of the improvements if such professional expertise is not available in the consultant's organization. The improvements shall include all facilities necessary to connect to and receive sewage flows from a gravity sewer manhole located in an existing or proposed public right-of-way or street adjacent to the lift station site, and to discharge to a sewage force main similarly located adjacent to the site. The design and construction of the gravity sewer and force main shall be completed by Hyland in conjunction with the other required subdivision improvements to be administered by the City's Growth Management Department.

The lift station design shall be documented by a design report. The design report, plans, specifications, and other documents shall demonstrate that the design criteria given in Attachment #1 - Lift Station Design Criteria, Proposed Hyland Crossing Addition have been addressed.

The design and bidding documents shall be reviewed by the City prior to authorization for bidding. The review may be performed by either City staff or a third-party engineering consultant contracted by the city. Review comments shall be returned to Hyland's design consultant within 2 weeks of submittal of the design and bidding documents for review. Hyland (through their design consultant) shall also submit necessary information to and obtain approvals from other regulatory authorities having jurisdiction, such as the South Dakota Department of Environment and Natural Resources, or the City of Rapid City Planning Commission. Following receipt of review comments Hyland's design consultant shall incorporate appropriate changes into the documents, or provide other documentation to address the comments, and re-submit the revised documents or additional information to the City. Within 2 weeks of the receipt of a revised submittal, the City shall review the revised documents and either notify Hyland's design consultant of the need for further documentation or revisions, or recommend that the project be authorized by the Common Council of the City to advertise for bids. Costs for planning, design, and document preparation services shall be paid by Hyland outside of this agreement.

2. Hyland's engineering consultant shall enter into a separate agreement with the City to provide engineering services through the bidding, construction, start-up, and acceptance phases of the project. If the City and the design consultant are unable to reach an agreement for the services, or if the design consultant is unable to fulfill the agreement, the

City shall consult with Hyland to select another qualified engineering consultant to provide the necessary services. Costs for the engineering services through the bidding, construction, start-up, and acceptance phases of the project shall be paid for by the City from project funds.

3. After the design and contract documents are complete, the City will place public advertisements for construction bids and receive bids per SDCL § 5-18-3. After review and consultation with Hyland, the bids shall be presented to the Common Council for authorization to award contracts. Following authorization the City shall prepare and issue the construction contract in the City's standard format.

4. The lift station improvements will be located on a parcel of land to be provided by Hyland. The value of this parcel will not be included in the project costs under this agreement. The parcel shall be not less than 10,000 square feet and of adequate size to provide at least a 35 foot front yard, and 25 foot rear and side yards from structures to property lines, as well as to accommodate all site improvements identified in Attachment #1 Design Criteria. Hyland shall prepare and deliver to the City a Warranty Deed transferring title to the lift station lot to the City prior to award of the construction contract for the lift station. Alternatively, the parcel may be conveyed by providing a recorded permanent lift station easement prior to contract award, such easement to carry the stipulation that a lot shall be platted and conveyed to the city as described herein prior to the approval of a final plat of any portion of Hyland's property as described above within 300 feet of the permanent lift station easement.

5. In consideration for construction of the Lift Station facilities, Hyland shall be pay the project costs related to the lift station improvements up to an agreed amount of \$400,000. This sum shall not include the design services, or the value of the property at the lift station site. Prior to award of bids or to any final plat of any portion of Hyland's property as described above, Hyland shall pay to the City the sum of \$300,000. The balance shall be paid upon presentation of documentation from the city showing expenditures made for project costs of additional amounts, in excess of \$300,000, up to the maximum amount of \$400,000. Project Costs may include Construction, Engineering Services for the bidding through the acceptance and start-up phases, testing or surveying services during construction, third-party technical review or consulting services, or utility services to the lift station site (gas, power, telephone, etc.). All such subsequent payments shall be made within 30 days of presentation of invoice and necessary documentation.

6. The City has agreed to allow the force main to be installed from the lift station to discharge to an existing manhole on the West side of U.S. Highway 16, near its intersection with Moon Meadows Road, in lieu of constructing the force main to discharge to the existing sanitary sewer on the East side of Highway 16 adjacent to Old Rodeo Subdivision, North of Addison Avenue. Hyland acknowledges that this discharge location will reduce the capacity of the sewer on the West side of Highway 16 to accommodate future development until the gravity sewer on the East side of Highway 16 is extended to the south. In consideration of the providing the connection at the identified manhole near Moon Meadows Road and U.S. Highway 16, Hyland will pay to the city the sum of \$ \_\_\_\_\_, which sum shall be full compensation to the city for the loss of capacity in the existing sewer line on the West side of

Highway 16. Hyland will have no obligation to further extend off-site sewer improvements in conjunction with the plat of the identified property except as identified herein. The payment of \$\_\_\_\_\_ shall be made to the City prior to the approval of any final plats within the identified property.

7. All of the terms and conditions herein set forth shall extend to and be binding upon the heirs, assigns, or successors in interest of the Developer, and be considered as a covenant running with the above-described property. Furthermore, it is agreed that, in accepting title to the above-described property any grantee, heir, assign, or successor in interest to the undersigned expressly agrees to be bound by the terms of this agreement recorded with the Pennington County Register of Deeds' Office pursuant to the provisions of South Dakota statutes.

8. This document represents the entire agreement of the parties. No other writing is a part of this agreement. All other prior representations, writings, oral statements or negotiations have been merged into this document and are either included herein or intentionally excluded.

9. The parties' rights and obligations under this Agreement shall be governed by, and construed in accordance with, the laws of the State of South Dakota. Any dispute concerning this Agreement shall be venued and litigated in the Circuit Court for the Seventh Judicial Circuit, located in Rapid City, Pennington County, South Dakota.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

CITY OF RAPID CITY

\_\_\_\_\_  
Alan Hanks, Mayor

ATTEST:

\_\_\_\_\_  
Finance Officer

(SEAL)

HYLAND CROSSING LLLP

By: \_\_\_\_\_  
Its: \_\_\_\_\_



STATE OF SOUTH DAKOTA            )  
  )ss.  
COUNTY OF PENNINGTON        )

On this \_\_\_\_ day of \_\_\_\_\_, 2006, before me, the undersigned officer, personally appeared Alan Hanks and James F. Preston, who acknowledged themselves to be the Mayor and Finance Officer, respectively, of the City of Rapid City and that they, as such Mayor and Finance Officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing as such Mayor and Finance Officer of the City of Rapid City.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

[SEAL]

\_\_\_\_\_  
Notary Public, State of South Dakota  
My Commission Expires: \_\_\_\_\_

STATE OF SOUTH DAKOTA            )  
  )ss.  
COUNTY OF PENNINGTON        )

On this \_\_\_\_ day of \_\_\_\_\_, 2007, before me, the undersigned officer, personally appeared \_\_\_\_\_, who acknowledged himself to be the \_\_\_\_\_ of \_\_\_\_\_ and that as such, being duly authorized so to do, executed the foregoing instrument for the purposes herein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

[SEAL]

\_\_\_\_\_  
Notary Public, State of South Dakota  
My Commission Expires: \_\_\_\_\_