

AN AGREEMENT BETWEEN THE CITY OF RAPID CITY AND DR. DUANE PANKRATZ FOR PAYMENT OF OVERSIZE SEWER AND WATER CONSTRUCTION COSTS RELATED TO EGLIN STREET.

THIS AGREEMENT, is made and entered into by and between the CITY OF RAPID CITY, a municipal corporation of the State of South Dakota, located at 300 Sixth Street, Rapid City, South Dakota 57701, herein after referred to as the "City," and DR. DUANE PANKRATZ, an individual, located at 44130 279th Street, Freeman, South Dakota 57029, herein after referred to as "Dr. Pankratz."

WHEREAS, Dr. Pankratz is the owner of real property within the City of Rapid City generally located to the west of North Elk Vale Road and south of Eglin Street and which is legally described as:

The Northeast Quarter, Less LaGrand Subdivision, Less Lots H2, H3 and right-of-way, unplatted, T2N, R8E, Section 33, Black Hills Meridian, Rapid City, Pennington County, State of South Dakota; and

WHEREAS, The State Department of Transportation (SDOT) relocated Eglin Street south across Dr. Panzratz's property when it reconstructed Exit 66 on Interstate 90; and

WHEREAS, there was a City water main that was relocated along with Eglin Street; and

WHEREAS, Dr. Pankratz paid for the cost of relocating the water main; and

WHEREAS, The cost of relocating the water main is normally a City expense; and

WHEREAS, Dr. Pankratz also extended an oversize sewer main in Lowery Lane from Beale Street to the section line on the northern edge of his property; and

WHEREAS, the City has agreed to establish a connection fee to reimburse Dr. Pankratz for the cost of these off-site improvements; and

WHEREAS, Dr. Pankratz constructed oversize sewer mains in Eglin Street as it fronts his property; and

WHEREAS, the City has agreed to pay Dr. Pankratz for the oversize sewer main per the City's usual policy; and

WHEREAS, the utility work was done as part of the SDOT relocation project; and

WHEREAS, City engineering staff has reviewed the payment requests submitted by Dr. Pankratz engineer and has concurred that the amount requested for the abovework is fair and equitable; and

WHEREAS, it is the intent of the parties to memorialize the terms of the payments and the mutual obligations related to the work which was done.

NOW THEREFORE, the parties hereby agree as follows:

1. Dr. Pankratz paid the SDOT for relocating a City water main at the intersection of Lowery Lane and Eglin Street. Dr. Pankratz has submitted invoices for the work done which have been reviewed by City Engineering staff. The City will reimburse Dr. Pankratz \$71,887.21 for this expense.
2. Dr. Pankratz constructed a sewer main in Eglin Street fronting his property. Dr. Pankratz was required to build an 8" main to serve his property. He constructed a sewer main larger than 8" to accommodate future sewer needs to the surrounding area. Engineering staff has reviewed his request and per City policy, the City agrees to reimburse Dr. Pankratz \$15,085.22 for this expense.
3. Dr. Pankratz also constructed an oversize sewer main in Lowery Lane from Beale Street to the northern edge of his property. This main was constructed off-site and will serve several other properties in the area. The City agrees to identify property that benefits from construction of this sewer main. The City agrees to approve a construction fee resolution, in the amount of \$62,298.90, for the cost of constructing this sewer main. The City will collect the fees established in the resolution at such time as any of the benefiting properties request to connect to the City's sanitary sewer system. The fees collected will be paid to Dr. Pankratz to reimburse him for the expense of constructing this sewer main.
4. Upon establishing the construction fee, the City agrees to reimburse Dr. Pankratz the sewer construction fees collected in each year within forty-five (45) days of the end of each calendar year. All fees contemplated in this agreement will be in addition to those which have previously been established or may otherwise exist.
5. By entering into this agreement, the City is not obligating itself to reimburse Dr. Pankratz for the full cost of constructing the off-site sanitary sewer in paragraph 3. The City is only obligating itself to establish a construction fee and pay Dr. Pankratz the amounts actually collected up to the maximum established in paragraph 3. The City's obligation is limited to the amounts actually collected and the City makes no claim that the amount of fees actually collected will be sufficient to pay the entire \$62,298.90.
6. So long as the City pays over the amounts actually collected, Dr. Pankratz agrees to release the City from any and all claims related to the collection and distribution of the construction fees. Dr. Pankratz acknowledges that the establishment and collection of the

fees is to his benefit and but for his agreement to release the City from any and all claims related to there collection and distribution the City would not agree to establish the fees.

7. The parties agree that the terms of this agreement shall be governed by the laws of the State of South Dakota. Any legal action arising out of, or relating to, this agreement shall be brought only in Pennington County, South Dakota, in the circuit court for the Seventh Judicial Circuit.

8. The parties agree this writing constitutes the entire agreement of the parties and that there are no other oral or collateral agreements of any kind except those contained herein. No modification or amendment to this agreement shall be valid, unless evidenced in writing and signed by the parties hereto.

Dated this _____ day of _____, 2009.

Dr. Duane Pankratz

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

On this the _____ day of _____, 2009, before me, the undersigned officer, personally appeared Dr. Duane Pankratz, known to me or satisfactorily proven to be the person whose name is subscribed within instrument and acknowledged that he executed the same for the purposes therein contained.

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

Notary Public, South Dakota
My Commission Expires:

(SEAL)

CITY OF RAPID CITY

Mayor

ATTEST:

Finance Officer

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

On this the _____ day of _____, 2009, before me, the undersigned officer, personally appeared Alan Hanks and James Preston, who acknowledged themselves to be the Mayor and Finance Officer, respectively, of the City of Rapid City, a municipal corporation, 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 the name of the City of Rapid City by themselves as Mayor and Finance Officer.

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

Notary Public, South Dakota
My Commission Expires: _____

(SEAL)

RECEIVED

JAN 07 2009

RAPID CITY
PUBLIC WORKS



DREAM DESIGN INTERNATIONAL, INC.

CIVIL ENGINEERING + LANDSCAPE ARCHITECTURE
LAND DEVELOPMENT + CONSTRUCTION ADMINISTRATION

January 6, 2009

Mr. Robert Ellis
Public Works Director
City of Rapid City
300 Sixth Street
Rapid City, SD 57701

PW021009-08

Re: Connection Fee Request for Lowry Lane

Dear Mr. Ellis:

Attached are the requested costs associated with the installation of an 8" sanitary sewer main along Lowry Lane.

The developer requests that the City establishes a connection fee to recover these costs from the fronting property owners as they connect to this new sanitary sewer line. The total costs to be recovered for this item from the fronting property owners as they connect to sanitary sewer are \$62,298.90

We included the spreadsheet for your file to reflect these costs.

We thank you for your help in this matter. Please contact us if you need any additional information.

Sincerely,
DREAM DESIGN INTERNATIONAL, INC.

Hani Shafai, PE
President

CC: Dale Tech, Engineering Division Manager

X:\400-449\404\Word\Letters\connection fees request City-1-6-09.doc

SANITARY SEWER ALONG LOWRY LANE

ITEM	DESCRIPTION	UNIT	QUANTITY	UNIT COST	TOTAL
CCO	Base Course	Ton	300	\$ 12.00	\$ 3,600.00
CCO	Remove Asphalt	SY	340	\$ 6.00	\$ 2,040.00
CCO	Asphalt Patching	SF	2,800	\$ 3.45	\$ 9,660.00
CCO	Imported Fill	CY	146	\$ 16.50	\$ 2,409.00
28	8" PVC Sewer Pipe	LF	973	\$ 26.30	\$ 25,589.90
48	48" Manhole	EA	5	\$ 3,800.00	\$ 19,000.00
	Subtotal				\$ 62,298.90

Request

\$ 62,298.90

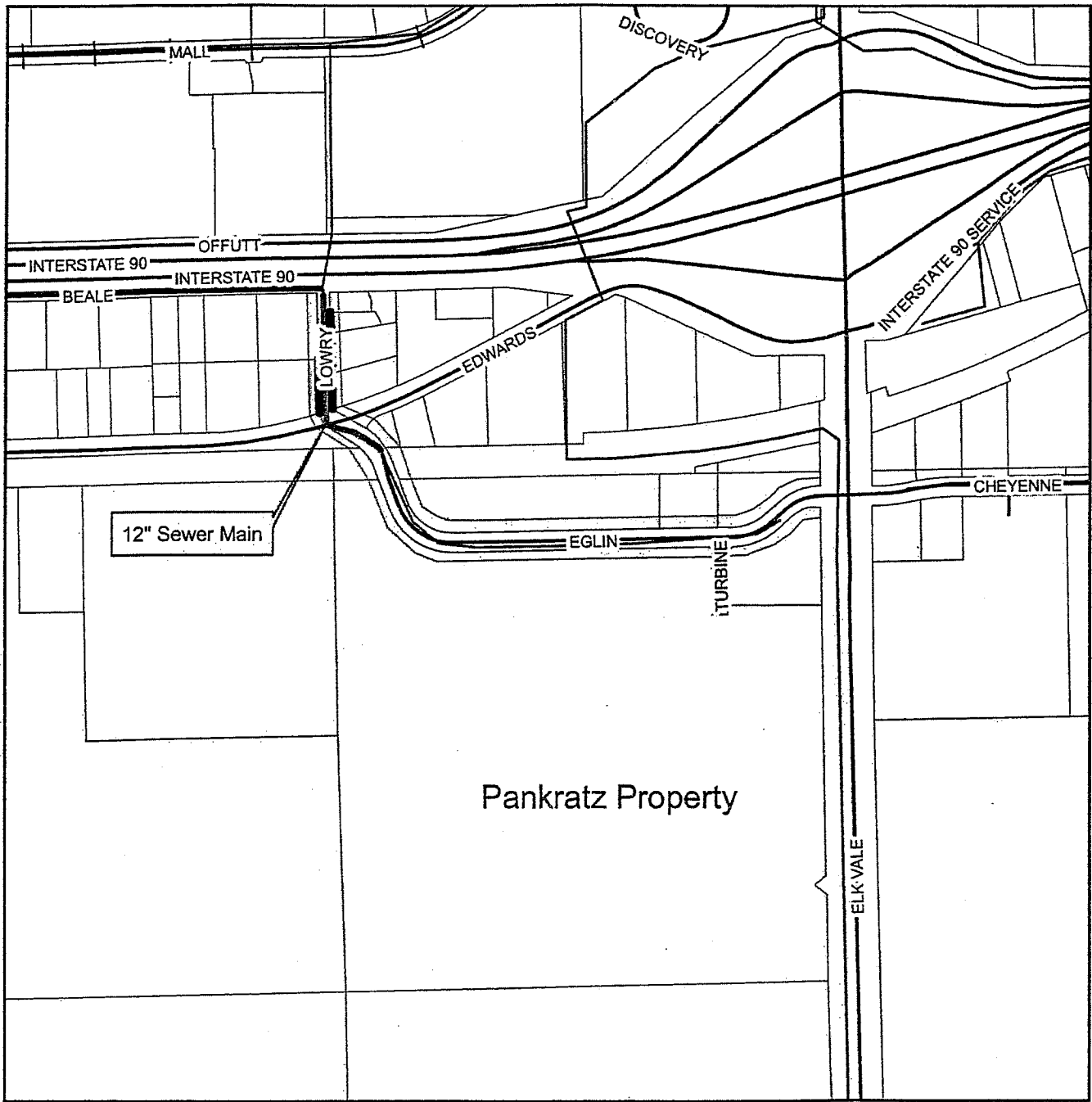
22

Exhibit A

PW021009-06

PW021009-08

PW021009-09



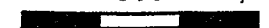
PANKRATZ SEWER MAIN SEWER CONNECTION FEE BENEFITING AREA

Legend

- Benefiting Frontage
- 12" Sewer Main
- Existing Sewer Gravity Main
- Existing Sewer Pressurized Main



0 500 1,000



1 inch = 750 feet

22



CITY OF RAPID CITY

Public Works

300 Sixth Street

Rapid City, SD 57701-2724

Telephone: 605-394-4165

Fax: 605-355-3083

MEMORANDUM

PW021009-06

PW021009-07

TO: City of Rapid City Council and Mayor Alan Hanks

PW021009-08

FROM: Robert Ellis, P.E.
Public Works Director

PW021009-09

SUBJECT: Pankratz - SDDOT Eglin Street Realignment DEV 06-825, P
3230(00)43, DDI No. 05-0404

DATE: February 3, 2009

Dr. Duane Pankratz has requested City of Rapid City reimbursement for water and sewer main installation completed as part of the SDDOT Eglin St. construction project. The documentation submitted by Dream Design International on behalf of Dr. Pankratz has been reviewed and the following conclusions are offered:

1. A sanitary sewer oversize payment of \$15,085.22 appears to be reasonable and falls within the guidelines of the City oversize definition. After the P.O. has been issued staff will prepare a Construction Fee Resolution for Council consideration to potentially recoup this expense.
2. A request to be reimbursed \$71,887.21 for water main reconstruction associated with the new Eglin St./Lowery Lane intersection, which is located north of the DM&E Railroad and offsite of the Pankratz property, has been reviewed and appear reasonable. The costs to complete this work are reasonable and staff recommends Council authorization to prepare a Purchase Order for \$71,887.21 to Dr. Pankratz for water main reconstruction. Staff proposes funding the \$71,887.21 from the water enterprise fund 602/933/4381.
3. A request to present a Sewer Construction Fee Resolution for Council consideration on behalf of Dr. Pankratz has been reviewed and appears reasonable. This resolution is intended to reimburse Dr. Pankratz \$62,298.90 for offsite sewer main improvements north of the DM&E Railroad and offsite of the Pankratz property. The offsite sewer main construction was necessary in order for the Pankratz property to have City sewer service.



EQUAL OPPORTUNITY EMPLOYER

22