

**CONSTRUCTION FEE RESOLUTION FOR RED ROCK ESTATES
SANITARY SEWER LIFT STATION PROJECT No. SS01-1086.**

WHEREAS, Red Rock Development LLC (a/k/a Buntrock-Graziano-Ward Development Co.), a limited liability company organized under the laws of the State of South Dakota, hereinafter referred to as the “Developer,” constructed a sanitary sewer lift station in Red Rock Estates (City Project No. SS01-1086), as shown on Exhibit A, which has been attached hereto and incorporated herein by this reference; and

WHEREAS, in order to accommodate future growth in the area, the City required the Developer to construct the lift station with a larger capacity than the Developer would have otherwise been required to construct to serve its project; and

WHEREAS, City engineering staff has identified the total area that will benefit from construction of this lift station which is shown on Exhibit A; and

WHEREAS, the Developer paid for construction of the lift station in the amount of \$406,950.22; and

WHEREAS, the City’s engineering staff has reviewed the costs associated with constructing the lift station and has determined that \$286,866.54 represents the excess cost to the Developer for constructing the lift station to serve the areas outside its project; and

WHEREAS, SDCL 9-48-15 and Section 13.08.365 of the Rapid City Municipal Code authorize the City Council to require properties benefited by a main or trunk sewer to pay their proportionate share of the cost to construct such sewer by imposing sewer construction fees; and

WHEREAS, The City’s Public Works Director is recommending that the cost of constructing this project be paid by the properties which will benefit from its construction prior to such properties being served by the City’s sewer system; and

WHEREAS, the City’s Public Works Director is recommending the sewer construction fees to the benefiting area shown on Exhibit A be apportioned based on the benefits that accrue to such property, and as such should be established on a per-acre basis. “Benefiting areas” include those properties that will benefit from the sanitary sewer lift station to service the regional area, and do not necessarily directly abut mains connected to the constructed sanitary sewer lift station. Thus, these properties may need to extend additional sewer mains at their cost prior to connecting to this infrastructure; and

WHEREAS, the City Council, having considered the recommendation of the City’s Public Works Director and having made such investigation as it finds necessary, determines that the owners of properties within the benefiting area should pay their proportionate share of the cost to construct this project on a per acre basis.

NOW THEREFORE, BE IT RESOLVED, by the City of Rapid City, that the owners of property in the benefiting area, as shown in Exhibit A, shall be required to pay a proportionate share of the cost of constructing the Red Rock Estates Sanitary Sewer Lift Station Project No. SS01-1086, prior to being allowed to connect to the City's sewer system; and

BE IT FURTHER RESOLVED that the property shown in Exhibit A, as benefiting property, shall pay \$242.95 per acre prior to connection to the City's sewer main; and

BE IT FURTHER RESOLVED that the sewer construction fees collected as established herein shall accrue to the consolidated construction (8914) fund and ultimately be distributed to the Developer per a separate agreement which has been entered into between the City and Developer; and

BE IT FURTHER RESOLVED that such utility construction fees shall remain in effect until such time as the remaining balance of the project costs totaling \$286,866.54 is collected, at which time this Resolution and the utility construction fee shall automatically expire.

BE IT FURTHER RESOLVED that the fee established herein replaces sewer construction fee number 3639-0010 and as such the construction fee for number 3639-0010 is abolished for all future connections in the area in which it was imposed.

Dated this ____ day of _____, 2010.

CITY OF RAPID CITY

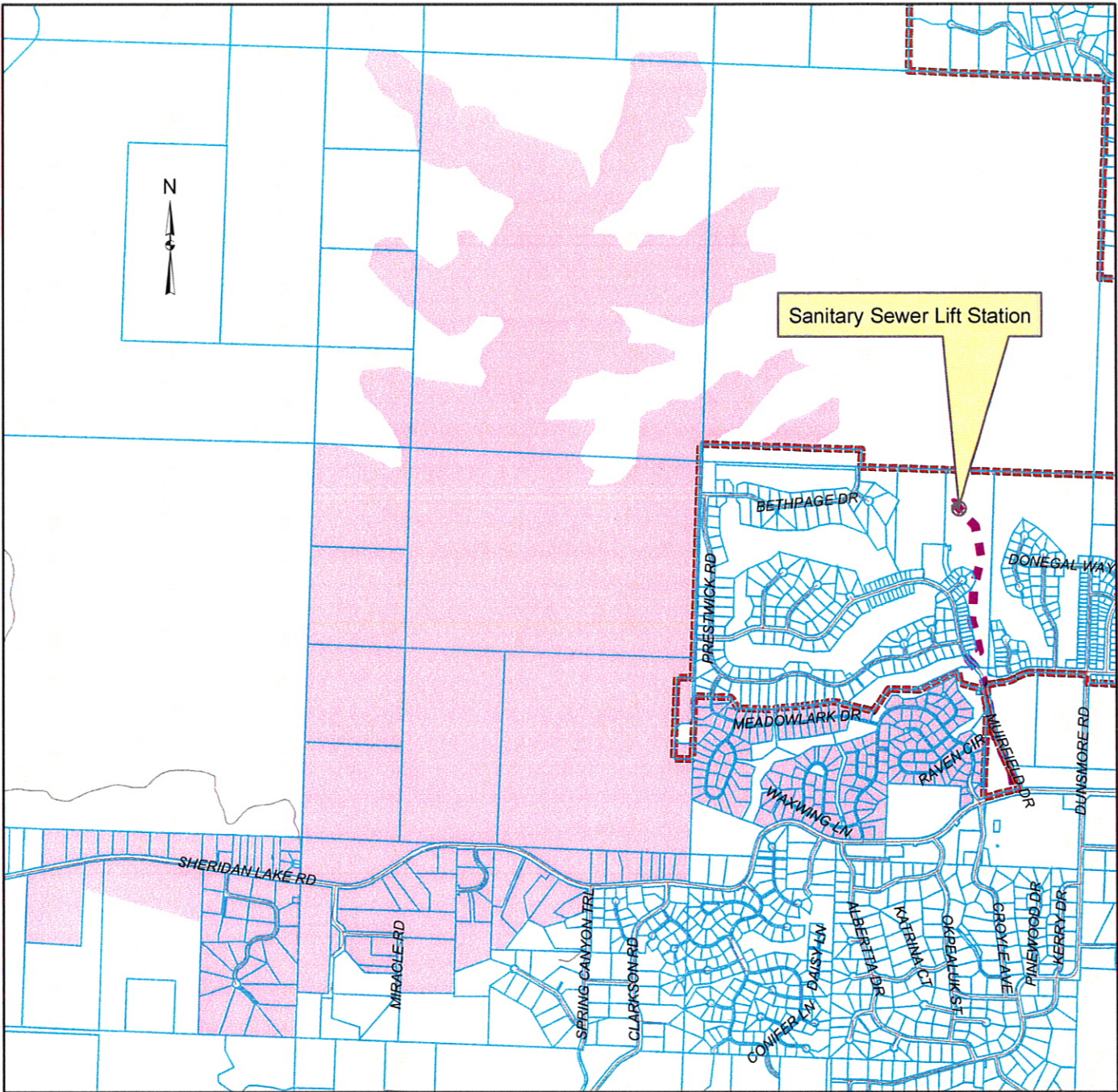
Alan Hanks, Mayor

ATTEST:

Jim Preston, Finance Officer

SEAL

Exhibit A



RED ROCK ESTATES LIFT STATION SEWER CONSTRUCTION FEE BENEFITING AREA

Legend

- Pressurized Sewer Main
- Parcels
- Benefiting Area
- Rapid City Limits

0 1,000 2,000 4,000



Feet Item #14