

Notice of Hearing: NA
Date of Hearing: 09/19/17
Date Adopted: 09/19/17
Date Published: 09/23/17
Date Effective: 10/13/17

RESOLUTION NO. 100-17

A RESOLUTION OF THE CITY OF SIOUX FALLS, SD, TO ESTABLISH A PREANNEXATION AGREEMENT WITH PROPERTY OWNERS OF THE 85TH STREET BUSINESS DISTRICT JOINT VENTURE GROUP.

WHEREAS, the City of Sioux Falls, SD, is authorized, pursuant to SDCL 9-4-1.1, to establish an agreement with any landowner specifying the conditions under which the landowner's property may be annexed; and

WHEREAS, current landowners shown on Exhibit A for the 85th Street Business District Joint Venture Group are willing to enter into an Annexation Agreement and/or Development Agreement, provided the general terms of the attached preannexation petition are satisfied, a petition for annexation is signed and submitted to the City of Sioux Falls by the current landowners, and provided that annexation is approved prior to any development; and

WHEREAS, anticipated financial commitments for the development of the 85th Street and I-29 area by the different entities involved are shown on Exhibit B; and

WHEREAS, all parties have been working in good faith efforts to prepare this Preannexation Agreement and agree this document is nonbinding and is dependent upon approved budget appropriations, final development agreements, and successful right-of-way negotiations; and

WHEREAS, the City of Sioux Falls and the current landowners agree to the general terms of the petition for Preannexation Agreement shown on Exhibit C including future annexation stipulations, costs, and potential assessments as will more fully appear in any future Annexation Agreement and/or Development Agreement; and

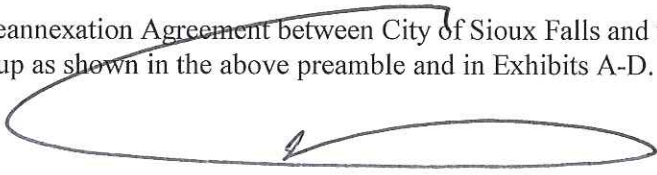
WHEREAS, the total credits provided by the City to specific properties is shown on Exhibit D. These credits will not be available until after current landowners lands are annexed and approved for platting;

WHEREAS, the City of Tea and Lincoln County have resolved to support the premises herein (Exhibits E and F);

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SIOUX FALLS, SD:

The City of Sioux Falls hereby approves the Preannexation Agreement between City of Sioux Falls and the 85th Street Business District Joint Venture Group as shown in the above preamble and in Exhibits A-D.

Date adopted: 09/19/17 .



Mayor

ATTEST:



City Clerk



Exhibit A

The 85th Street Business District Joint Venture Group Current Landowners

The 85th Street Business District Joint Venture Group owns the following:

Map #	Legal Description	Name
Properties Not Currently Annexed into the City of Sioux Falls:		
1	Hagemeyer Tract 1 of the S1/2 of the SE1/4, Section 18, T100N, R50W of the 5th P.M., Lincoln County, SD	85th St Crossing LLC
2	Hagemeyer Tract 2a of the S1/2 of the SE1/4, Section 18, T100N, R50W of the 5th P.M., Lincoln County, SD	
6	Tract 1 in the East 302.68' of West 2284.25' of South 647.51' of the SE1/4, Section 18, T100N, R50W of the 5th P.M., Lincoln County, SD	
3	Hagemeyer Tract 3a of the S1/2 of the SE1/4, Section 18, T100N, R50W of the 5th P.M., Lincoln County, SD	CR Lloyd Associates Inc.
26	N340.30' of S647.61' of E371.73' of the S1/2 of the SE1/4, Section 18, T100N, R50W, Lincoln County, SD	Bentwood Place Inc.
4	Murray Tract 1 of the S1/2 of the SE1/4 Section 18, T100N, R50W of the 5th P.M., Lincoln County, SD	
5	East 302.68' of West 2284.25' of South 647.51' (Except Tract 1) of the SE1/4, Section 18, T100N, R50W of the 5th P.M., Lincoln County, SD	Lloyd, Craig Revocable Tst
7	NE1/4 (Except Lot H-1), Section 19, T100N, R50W of the 5th P.M., Lincoln County, SD	Sonler Prop. & Tallgrass Investments
8	Tract 1, except Lot 1a in Van Deest Tract 1, an addition in the South Half of the Southwest Quarter (S1/2SW1/4) of Section 18, T100, R50W, Lincoln County, SD	RMB85, LLC
9	E. 101.36' of Lot 2, all of Lot 3 and the W. 78.29' Lot 4 of Supreme Acres, together with the South Half of vacated 84th Street abutting the north line thereof, in the S1/2 of the SW1/4 of Section 18, T100, R50W, Lincoln County, SD	
10	Lots 5 and 6 of Erickson's Addition, an Addition in the East 829.23' of the S1/2 of Government Lot 1 in the SW1/4 of Section 18, T100, R50W, Lincoln County, SD	
11	Lot 4 of Erickson's Addition, an addition in the East 829.23' of the South Half of Government Lot 1 in SW1/4 of Section 18, T100, R50W, Lincoln County, SD	
12	Lot 3 of Erickson's Addition East 829.23' of the S1/2 of Government Lot 1 in the SW1/4 of Section 18, T100, R50W, Lincoln County, SD, of Government Lot 1 in SW1/4 of Section 18, T100, R50W, Lincoln County, SD	
13	Lot 1 of Erickson's Addition of Government Lot 1 in SW1/4 of Section 18, T100, R50W, Lincoln County, SD	
14	E. 327.39' of W. 1593.55' of S. 390' of S1/2 of Government Lots 1 & 2 in SW1/4 of Section 18, T100, R50W, Lincoln County, SD	
15	S. 208.71' of E. 208.71' of Lot 5 of Supreme Acres in South Half of the South Half of Government Lots 1 and 2 of the SW1/4 of Section 18, T100, R50W, Lincoln County, SD	
16	E. 101.36' of Lot 2 & All Lot 3 & W. 78.29' Lot 4 of Supreme Acres together with the South Half of vacated 84th Street abutting the north line thereof, in the S1/2 of the SW1/4 of Section 18, T100, R50W, Lincoln County, SD	
17	Government Lots 1 & 2 in NW1/4 (Except S. 10' Rods & Lot H-1 & Tract 1) of Section 19, T100N, R50W of the 5th P.M., Lincoln County, SD	
Properties Already Annexed into the City of Sioux Falls:		
18	NE1/4 (Except RR Row & Lots H-1, H-2, & H-3) of Section 18, T100, R50W of the 5th P.M., Lincoln County, SD	Sanford Health
19	N1/2 of SE1/4 (Except Lot H-1 & H-4) of Section 18, T100, R50W of the 5th P.M., Lincoln County, SD	
21	Tract 2 of Brandt's Addition in NE1/4 of the NW1/4 of Section 17, T100, R50W of the 5th P.M., Lincoln County, SD	Bentwood Place Inc.
20	Lot 1 (Except Lot H-1) of Brandt's Addition in NE1/4 of the NW1/4 of Section 17, T100, R50W of the 5th P.M., Lincoln County, SD	
22	W. 650' (Except N. 1005' & Lot H-1) of the N1/2 of the NW1/4 of Section 17, T100, R50W of the 5th P.M., Lincoln County, SD	
23	W. 1,472' of N1/2 of S1/2 of NW1/2 (Except Lot H-1) of Section 17, T100, R50W of the 5th P.M., Lincoln County, SD	
24	W. 1,472' of S1/2 of S1/2 of NW1/4 & N1/2 of SW1/4 & N. 13' of W. 559' of E. 834' in S1/2 of SW1/4 (Except Lot H-1) of Section 17, T100, R50W of the 5th P.M., Lincoln County, SD	RMB Family, LLC
25	W. 1,472' of NW1/4 (Except Tract 1 of Butzer Addition and West Pointe Estates Addition) of Section 20, T100N, R50W of the 5th P.M., Lincoln County, SD	

The 85th Street Business District Joint Venture Group Land Owners

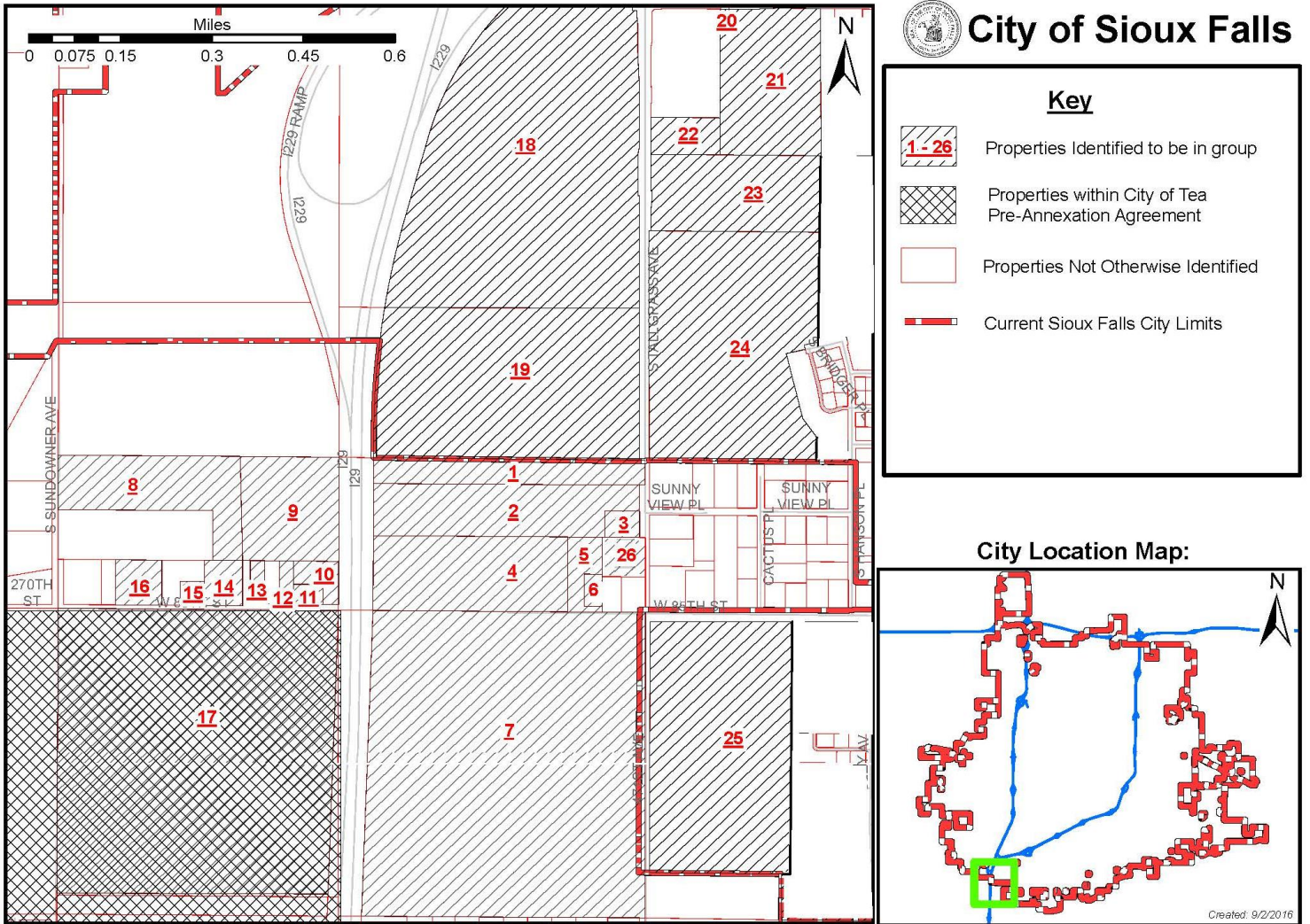


Exhibit B
Entity Commitments and Statements

Entity	Totals
South Dakota Department of Transportation	\$200,000
Lincoln County	\$15,980,000
City of Tea	\$4,252,000
City of Sioux Falls	\$30,202,000
Ownership Group	\$4,000,000
Total:	\$54,634,000

South Dakota Department of Transportation

DOT's statement for the 85th Street and I-29 interchange project is centered on the basis that all the funding commitments from the local government entities are secured and an IJR is approved by Federal Highway Administration (FHWA). The funding commitments include cost (design and construction) not only for the anticipated cost of an interchange but also for the cost to upgrade the other local streets as indicated by the phasing plan included in the 85th Street IJR. Once these two pieces are finalized and in place, SDDOT will commit to administering the interchange project utilizing the local funds committed to the project. This would include placing a project in the State Transportation Improvement Plan (STIP) and/or developmental program for the interchange project, with the anticipated letting date being in line with the time frames of the committed local funds as well as being in line with realistic dates expected to finalize the plans and necessary project certifications (ROW, environmental, etc.). In addition, SDDOT will also schedule a project for the construction of Veterans Parkway (Hwy 100) from I-29 to Louise Avenue utilizing highway funds. This would include adding project(s) in the MPO's Long Range Transportation Plan.

Project	Estimated Contribution
85th Street and I29 Interchange, including tie downs 1/4 mile west and east	\$200,000
Total:	\$200,000

Lincoln County Commitment

A Memorandum of Understanding (MOU) was approved on November 18, 2014, to set Lincoln County's commitment and financial participation in the cost of construction of an interstate interchange near 85th Street and I-29 in Lincoln County between Exit 75 and Exit 73 in the event such interchange is constructed in the future. Participation is contingent upon the county securing appropriate financing that is in accordance with the requirements of SDCL Chapter 7-21 (County Budget and Appropriations) in addition to any other applicable statutory requirements. Lincoln County diligently and in good faith endeavor to procure such financing through the State Infrastructure Bank (SIB) and/or other infrastructure funding mechanisms as Lincoln County deems necessary and prudent. In the event Lincoln County has secured appropriate financing and the SDDOT constructs a new interchange as mentioned previously, Lincoln County agrees to pay the state of South Dakota the amount of fifteen million dollars (\$15,000,000.00), payable over a ten-year period on such terms as are then agreed upon, to offset part of the costs of construction of the new interchange if all applicable requirements are met and approved by FHWA.

Project	Estimated Contribution
Construction of I-29 and 85th Street Interchange between Exit 75 and Exit 73	\$15,000,000
Tallgrass Avenue: 1/4 mile south of 85th Street to 271st Street (Hwy 106)	\$980,000
Total:	\$15,980,000

City of Tea Commitment

The city of Tea is committed to projects that will support the development of an interchange at 85th Street and I-29. Completion of street projects will depend on a number of things but generally the city of Tea will utilize assessments to construct infrastructure improvements. Any assessments above those amounts identified as qualifying for pre-payment of development fees and within the Tea growth area will be expected to be repaid following normal infrastructure improvements procedures. Street construction phasing should follow those projects as listed on Exhibit F. Note that without an interchange approved at 85th Street and I-29, these projects would either likely be delayed, removed, or changed. Additionally, funding of these projects is based on many different elements and the makeup, amount, or design of these projects may be required to change based on future unknown conditions.

Project	Estimated Contribution
85th Street and Sundowner Avenue Intersection and 85th Street from Sundowner east 1/4 mile (cost share with Sioux Falls)	\$1,250,000
85th Street: Sundowner Avenue to 469th Avenue (Tea/Ellis Road) (cost share with Sioux Falls)	\$1,102,000
85th Street and I29 Interchange, including tie downs 1/4 mile west and east	\$1,000,000
Sundowner Avenue: 85th Street to 1/4 mile south	\$900,000
Total:	\$4,252,000

City of Sioux Falls Commitment

The City of Sioux Falls is committed to the growth and development of the 85th Street and I-29 area. This area is in the future growth area of Sioux Falls and currently has utilities in close proximity to support the continuous growth of this area. Water services are subject, in certain cases, to suitable arrangements with Tea and/or Lincoln County Rural Water System under a 2008 water service agreement. The projects listed in the next two tables summarize the logical expansion of the transportation system to provide necessary infrastructure to have managed growth of this area. Provided there is an approved Interchange Justification Report and a supporting environmental study that allows for the construction of the interchange, the City of Sioux Falls will use sales tax and federal funding as noted to construct the necessary improvements listed in the table below. Projects are dependent on successful right-of-way negotiations. Funding commitments are subject to annual appropriations by the Sioux Falls City Council.

Project	Estimated Contribution
85th Street: Louise Avenue to Tallgrass Avenue	\$5,400,000
Tallgrass Avenue: 1/4 mile south of 69th Street to 85th Street	\$5,400,000
85th Street /Tallgrass Avenue Intersection, 85th St to the west 1/4 mile and Tallgrass to the south 1/4 mile	\$4,700,000
69th Street: East of Tallgrass Avenue to Louise Avenue	\$7,000,000
Sundowner Avenue: 67th Street to 85th Street	\$1,000,000
85th Street and Sundowner Avenue Intersection and 85th Street from Sundowner east 1/4 mile (cost share with Tea)	\$1,250,000
85th Street: Sundowner Avenue to 469th Avenue (Tea/Ellis Road, cost share with Tea)	\$1,102,000
85th Street and I29 Overpass/Interchange, including tie downs 1/4 mile west and east	\$3,750,000
Various Intersection Improvements	\$600,000
Total:	\$30,202,000

City of Sioux Falls Commitment (Continued)

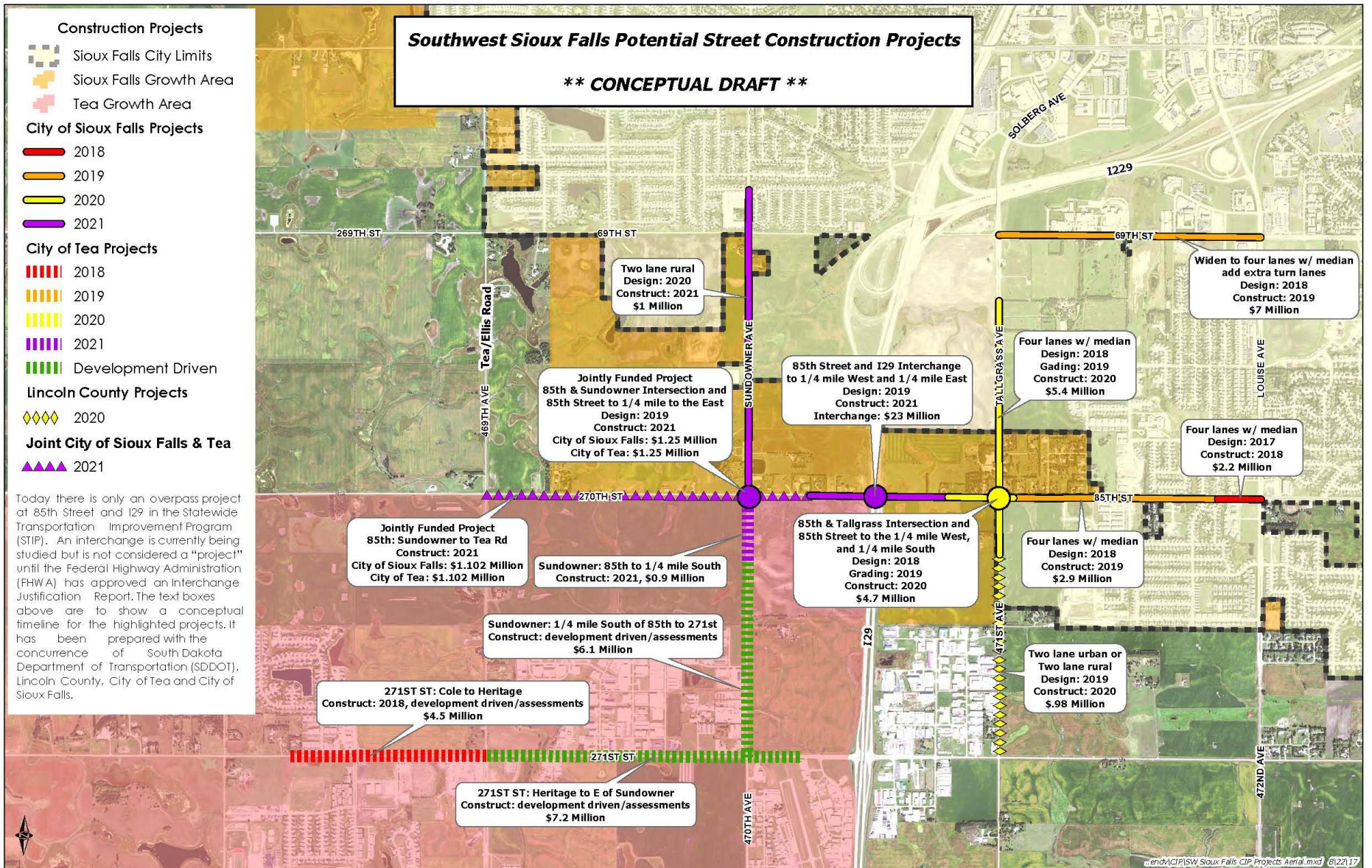
The following is the estimated costs and scheduling of projects for the 85th Street and I-29 Interchange Project:

Project Description	Construct	Sioux Falls						Total Costs
	Year	Total Cost	2017	2018	2019	2020	2021	
85th Street: Louise Avenue to Tallgrass Avenue (not including intersection)	2018–2019	\$5,400,000	\$300,000	\$2,200,000	\$ 2,900,000	\$	\$	\$5,400,000
69th Street: East of Tallgrass Avenue to Louise Avenue	2019	\$7,000,000	\$	\$ 800,000	\$ 6,200,000	\$	\$	\$7,000,000
Tallgrass Avenue: 1/4 mile south of 69th Street to 85th Street	2019-2020	\$5,400,000	\$	\$ 400,000	\$ 1,000,000	\$ 4,000,000	\$	\$5,400,000
85th Street /Tallgrass Avenue Intersection, 85th St to the west 1/4 mile and Tallgrass to the south 1/4 mile	2019-2020	\$4,700,000	\$	\$ 700,000	\$ 1,000,000	\$ 3,000,000	\$	\$4,700,000
Sundowner Avenue: 67th Street to 85th Street	2021	\$1,000,000	\$	\$	\$	\$ 100,000	\$ 900,000	\$1,000,000
85th Street and Sundowner Avenue Intersection and 85th Street from Sundowner east 1/4 mile	2021	\$1,250,000	\$	\$	\$	\$ 200,000	\$1,050,000	\$1,250,000
85th Street: Sundowner Avenue to 469th Avenue (Tea/Ellis Road)	2021	\$1,102,000	\$	\$	\$	\$ 102,000	\$1,000,000	\$1,102,000
85th Street and I-29 Overpass/Interchange, including tie downs 1/4 mile west and east (*STP funds)	2021	\$3,750,000	\$	\$ 150,000	\$ 100,000	*\$ 200,000	*\$3,300,000	\$3,750,000
Various Intersection Improvements	2021	\$600,000	\$	\$	\$	\$ 100,000	\$ 500,000	\$600,000
Total Sioux Falls Investment			\$300,000	\$4,250,000	\$11,200,000	\$7,702,000	\$6,750,000	\$30,202,000

* Includes \$3,500,000.00 of STP Funds

Notes:

The sales tax costs were approved in the 2017–2021 CIP and are subject to change.



85th Street Business District Joint Venture Group Commitment

The ownership group is committed to working toward a full interstate interchange at 85th Street and I-29. This group of individuals and companies has a shared vision of the future of this area and the potential that it holds. This group has provided funding for the IJR for the purpose of providing the justifications needed to construct an interchange at I-29 and 85th Street. The portion of the four million dollars (\$4,000,000.00) provided will be treated accordingly:

The 85th Street Business District Joint Venture Group:

Statement of Commitment: Exhibit A4

Project	Estimated Contribution
85th Street and I-29 Interchange, including tie downs 1/4 mile west and east	\$3,999,999.98
Total:	\$3,999,999.98

The 85th Street Business District Joint Venture Group Contribution Amounts:

Owner	Contribution Amount
85th Street Crossing, LLC (Lloyd)	\$245,444.90
Bentwood Place, Inc. (Benson)	\$805,448.49
Tallgrass Investments, LLC (Hegg)	\$357,241.39
Sonler Properties Partnership (Cutler/Benson)	\$357,241.39
Hadrob, LLC (Sanford Health)	\$756,141.02
Sundowner Investments, LLC (Lemme)	\$827,081.68
RMB Family, LLC (Broin)	\$342,607.17
RMB85, LLC (Broin)	\$308,793.94
Total:	\$3,999,999.98

85th Street Business District Joint Venture Group Properties

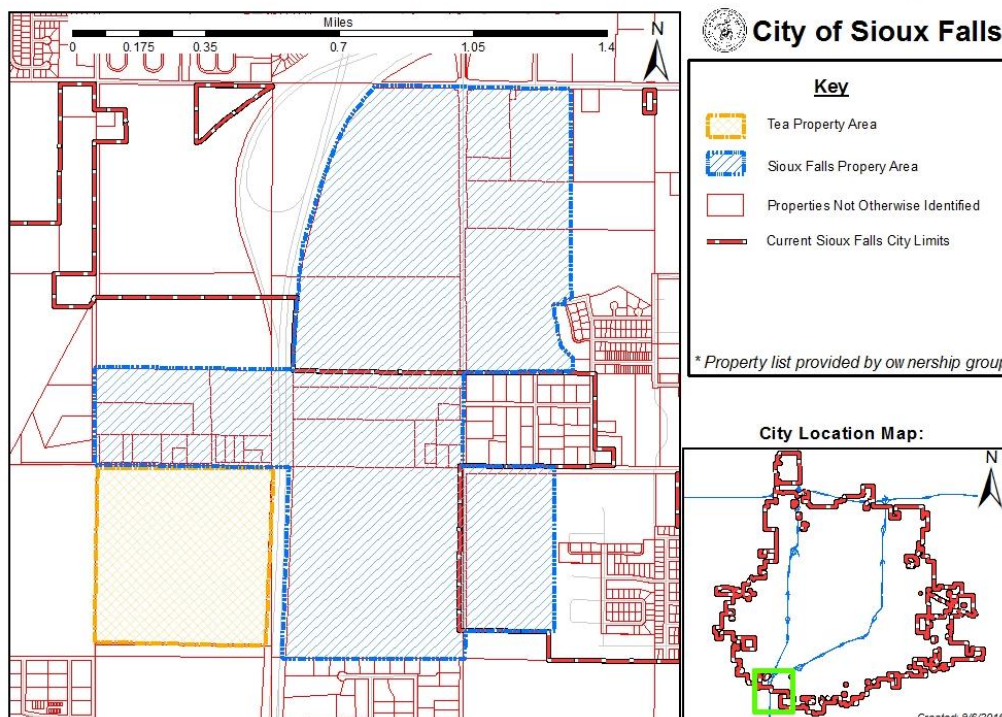


Exhibit C

City of Sioux Falls Pre-Annexation Agreement Specific Items

Acres: 261.13 AC

Existing Zoning: Lincoln County: A-1

Existing Land Use: Agriculture and Rural Residential

2035 Comprehensive Plan Designation(s): Regional Commercial

- 1) **Development Fees.** Once annexation occurs (if not already annexed), the current landowner will be responsible for all other development costs and payment of all other fees associated with plats and/or plan reviews, permits, and inspections as well as filing the requisite surety bonds and compliance with ordinances on subdivision construction improvements. Credit for arterial street platting fees will be given based upon the 85th Street Business District Joint Venture Group contribution amounts listed in Exhibit B and that credit will be available for property identified in Exhibit D as soon as this agreement is effective.
- 2) **Water Services.** As roads are improved from rural/gravel sections to urban sections, water facilities will be extended and improved to a minimum of 16-inch line. The exact size and location of water facilities may vary depending on conditions.
- 3) **Sewer Services.** Sanitary sewer will be extended by land developers as land is developed for urban uses in the area. All owners of property to be developed will bear these costs and the cost for lateral extensions and service lines of reach of the specific properties involved. Available capacity shall be verified at developer's expense. West Side Sanitary Sewer Cost Recovery fees will be due at the time property is platted.
- 4) **Storm Water Drainage Services.** As provided by City ordinance, an annual drainage fee based on current land use will be charged for each parcel once the 85th Street Business District Joint Venture Group is annexed into the city of Sioux Falls. Further, Drainage System Cost Recovery charges will be billed to and paid by the current landowners or developers at the time of platting, and Regional Detention Charges will be charged to developers for lands within a regional BMP watershed. Site approval will include determination of whether developers are required to provide for water quality and detention needs.
- 5) **Zoning.** Once the annexation is effective, the property will be zoned Agriculture (AG). Current landowners will be required to rezone property through the normal City of Sioux Falls rezoning process and in conformance with the 2040 Comprehensive Plan. Land will develop similarly in type and phase as identified in concept here within as "Land Use Scenario." It should be noted that all zoning allocation and site plans from the concept plan should not be considered definitive.
 - a) **Intent.** It is the intent of the ownership group and the City of Sioux Falls that this area will develop into a "Regional Employment Center," as defined by the Shape Sioux Falls 2040 comprehensive plan. Currently, this criteria is an area over 430/380 total acres with no more than 50 percent commercial. The area identified by the ownership group includes approximately 838 total acres.
 - b) If there are land use changes that will create more trips than what the IJR currently shows, a Traffic Impact Study will need to be completed and submitted to the City of Sioux Falls to ensure the street network can accommodate the additional trips.
- 6) **Street Services.** Will be constructed in accordance with Exhibit B.
- 7) **Annexation.** Future voluntary annexation is conditioned upon City Council approval as required by law, funding, the City, and Petitioners and/or their respective successors and/or assigns to agree upon an Annexation Agreement and/or Development Agreement pursuant to SDCL 9-4-1.1 which may include additional fees, costs, and assessments not otherwise stated above which the current landowners will be responsible for.

Land Use Scenario

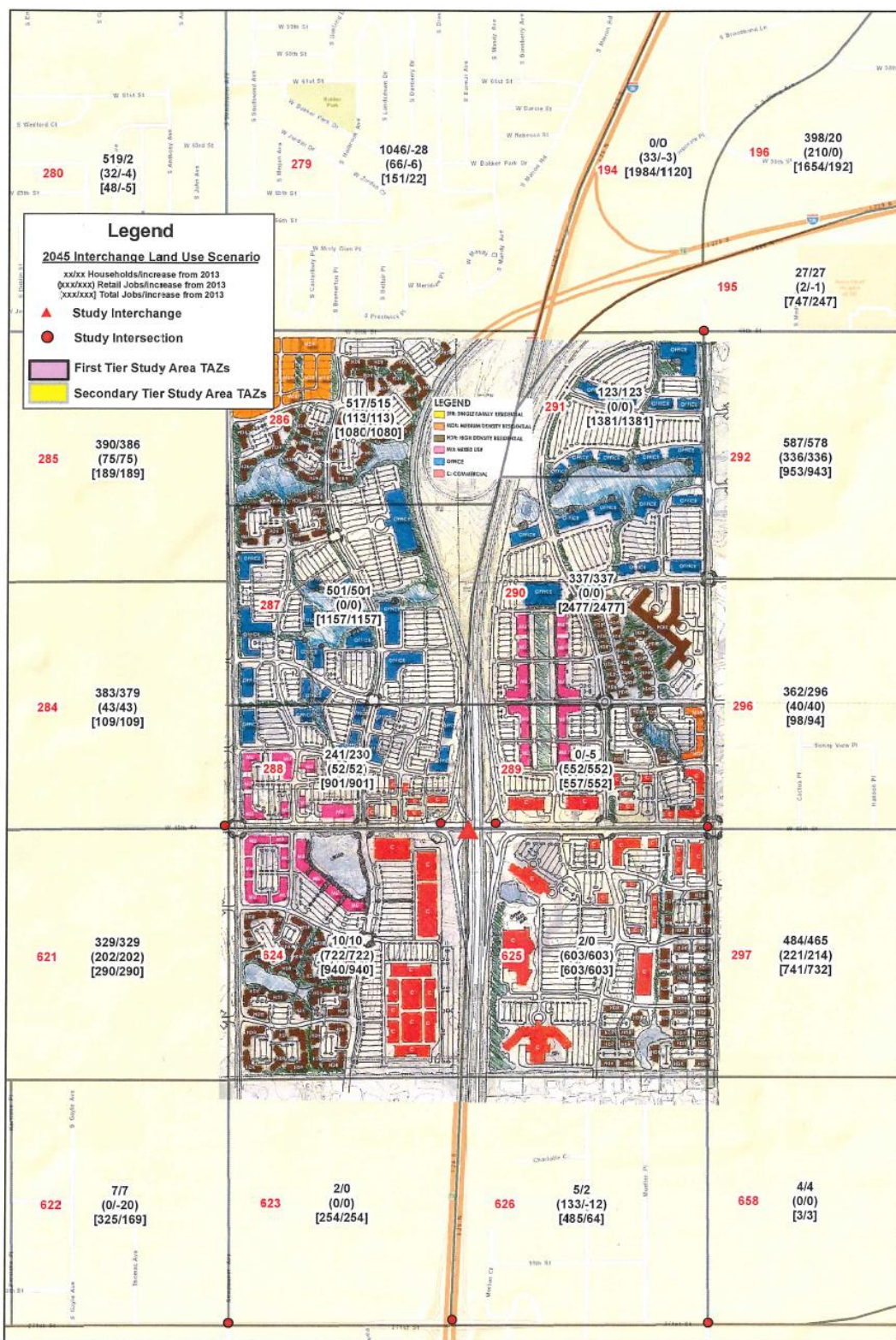


Exhibit D

85th Street Business District Joint Venture Group Applicable Credit Amounts and Areas

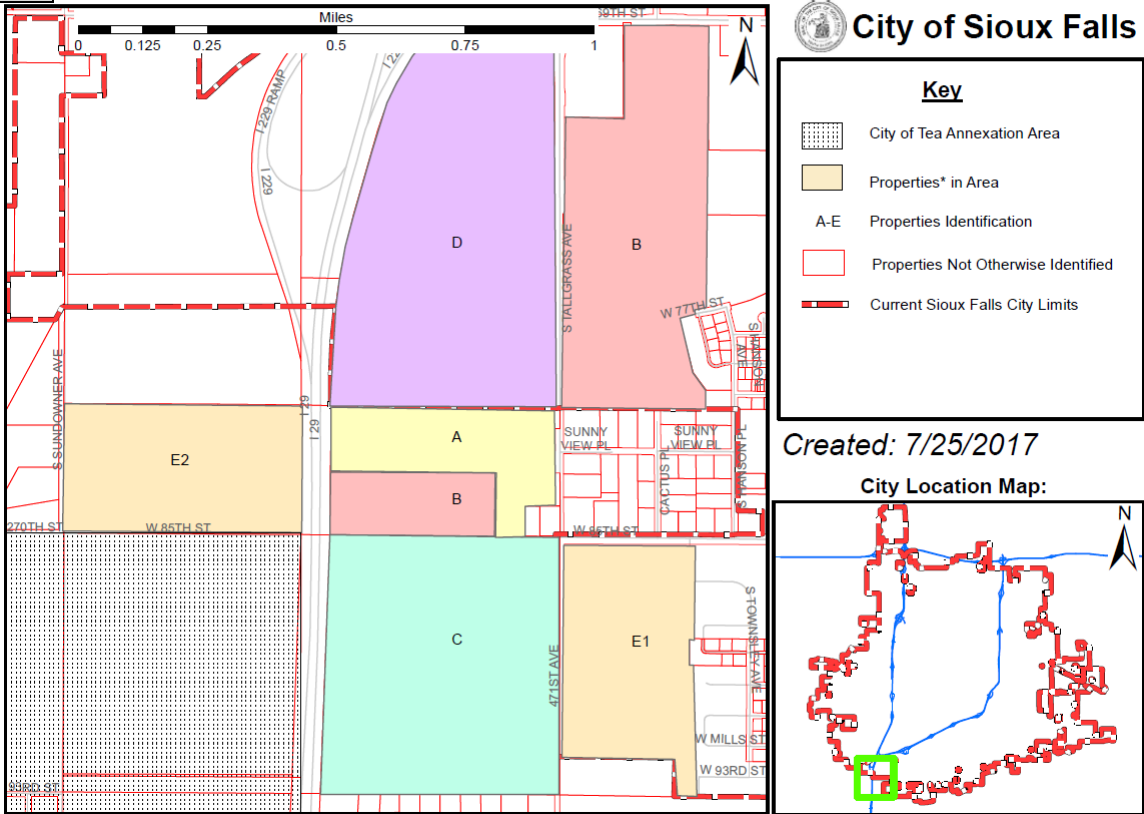
Applicable Credit for City of Sioux Falls Arterial Platting Fees

Property Location (Location on Map)	Contribution Amount
85th Street Crossing, LLC—Lloyd (A)	\$245,444.90
Bentwood Place, Inc.—Benson (B)	\$805,448.49
Tallgrass Investments, LLC—Hegg (C)	\$357,241.39
Sonler Properties Partnership—Cutler/Benson (C)	\$357,241.39
Hadrob, LLC—Sanford Health (D)	\$756,141.02
RMB Family, LLC—Broin (E1—East of I-29)	\$342,607.17
RMB85, LLC—Broin (E2—West of I-29)	\$308,793.94
Total:	\$3,172,918.30

Interstate 29 and 85th Street Area Properties







Applicable Credit for City of Tea Road Assessments

Owner	Contribution Amount
Sundowner Investments, LLC (Lemme)	\$827,081.68
Total:	\$827,081.68



The 85th Street Business District Joint Venture Group Pre-Annexation Agreement




We, the Petitioners, the undersigned landowners for the property located within the properties identified on Exhibit A known as the 85th Street Business District Joint Venture Group, do hereby petition to enter into a Pre-Annexation agreement with the City of Sioux Falls or reaffirm our understanding if already annexed. Upon approval of this petition by the City Council, we agree that the same shall be the Pre-Annexation Agreement between the City of Sioux Falls, and Petitioners. The petition for Pre-Annexation Agreement includes the attached Exhibits A, B, C, and D hereby incorporated herein by this reference. All legal descriptions for consideration with the City of Sioux Falls are within Sections 18 and 19, T100N-R50W, Delapre Township, Lincoln County, SD.

Map #	Legal Description	Name	Signature
1	Hagemeyer Tract 1 of the S1/2 of the SE1/4, Section 18, T100N, R50W, Lincoln County, SD	85th St Crossing LLC	
2	Hagemeyer Tract 2a of the S1/2 of the SE1/4, Section 18, T100N, R50W, Lincoln County, SD		
6	Tract 1 in the East 302.68' of West 2284.25' of South 647.51' of the SE1/4, Section 18, T100N, R50W, Lincoln County, SD		
3	Hagemeyer Tract 3A of the S1/2 of the SE1/4, Section 18, T100N, R50W, Lincoln County, SD	C R Lloyd Associates Inc.	
26	N340.30' of S647.61' of E371.73' of the S1/2 of the SE1/4, Section 18, T100N, R50W, Lincoln County, SD		
4	Murray Tract 1 of the S1/2 of the SE1/4 Section 18, T100N, R50W, Lincoln County, SD	Bentwood Place INC	
5	East 302.68' of West 2284.25' of South 647.51' (Except Tract 1) of the SE1/4, Section 18, T100N, R50W, Lincoln County, SD	Lloyd, Craig Revocable TST	
7	NE1/4 (Except Lot H-1), Section 19, T100N, R50W, Lincoln County, SD	Sonler Prop. & Tallgrass Investments LLC	
8	Tract 1, except Lot 1A in Van Deest Tract 1, an addition in the S1/2 SW1/4 of Section 18, T100, R50W, Lincoln County, SD	RMB85, LLC	
9	The East 101.36' of Lot 2, all of Lot 3 and the West 78.29' of Lot 4 of Supreme Acres, together with the South Half of vacated 84th Street abutting the north line thereof, in the S1/2 of Government Lots 1 and 2 in the SW1/4 of Section 18, T100, R50W, Lincoln County, SD		
10	Lots 5 and 6 of Erickson's Addition, an Addition in the East 829.23' of the S1/2 of Government Lot 1 in the SW1/4 of Section 18, T100, R50W, Lincoln County, SD		
11	Lot 4 of Erickson's Addition, an addition in the East 829.23' of the South Half of Government Lot 1 in SW1/4 of Section 18, T100, R50W, Lincoln County, SD		
12	Lot 3 of Erickson's Addition, East 829.23' of the S1/2 of Government Lot 1 in the SW1/4 of Section 18, T100, R50W, Lincoln County, SD, of Government Lot 1 in SW1/4 of Section 18, T100, R50W, Lincoln County, SD		
13	Lot 1 of Erickson's Addition of Government Lot 1 in SW1/4 of Section 18, T100, R50W, Lincoln County, SD		
14	E. 327.39' of W. 1593.55' of S. 390' of S1/2 of Government Lots 1 & 2 in SW1/4 of Section 18, T100, R50W, Lincoln County, SD		
15	S. 208.71' of E. 208.71' of Lot 5 of Supreme Acres in South Half of the South Half of Government Lots 1 and 2 of the SW1/4 of Section 18, T100, R50W, Lincoln County, SD		
16	E. 101.36' of Lot 2 & All Lot 3 & W. 78.29' Lot 4 of Supreme Acres together with the South Half of vacated 84th Street abutting the north line thereof, in the S1/2 of the SW1/4 of Section 18, T100, R50W, Lincoln County, SD		

We hereby agree and waive our legal rights to oppose any future annexation consistent with this Preannexation petition. Petitioners acknowledge that they have signed this petition freely and voluntarily, that they have the opportunity to be represented and advised by counsel, that they have ascertained and weighed all the facts and circumstances likely to influence their judgment, that they have given due consideration to the provisions contained herein, and that they thoroughly understand and consent to all provisions herein.

The 85th Street Business District Joint Venture Group Existing Annexed Properties Agreement

We, the Petitioners already annexed partners, the undersigned landowners for the property located within the Interchange Justification Report (IJR) area but already annexed into the city of Sioux Falls properties identified on Exhibit A known as the 85th Street Business District Joint Venture Group, do hereby reaffirm our understanding about the general development direction of the 85th Street and Interstate 29 area. Upon approval of this Petition by the City Council, we agree that the same shall be a general understanding agreement between the City of Sioux Falls and Petitioners already annexed partners. The Petition for this agreement includes the attached Exhibits A, B, C, and D hereby incorporated herein by this reference. All legal descriptions for consideration with the City of Sioux Falls are within Sections 18 and 19, T100N, R50W, Delapre Township, Lincoln County, South Dakota.

Map #	Legal Description	Name	Signature
18	NE1/4 (Except RR Row & Lots H-1, H-2, & H-3) of Section 18, T100, R50W of the 5th P.M., Lincoln County, South Dakota	Sanford Health	
19	N1/2 of SE1/4 (Except Lot H-1 & H-4) of Section 18, T100, R50W of the 5th P.M., Lincoln County, South Dakota		
21	Tract 2 of Brandt's Addition in NE1/4 of the NW1/4 of Section 17, T100, R50W of the 5th P.M., Lincoln County, South Dakota	Bentwood Place, INC.	
20	Lot 1 (Except Lot H-1) of Brandt's Addition in NE1/4 of the NW1/4 of Section 17, T100, R50W of the 5th P.M., Lincoln County, South Dakota		
22	W. 650' (Except N. 1005' & Lot H-1) of the N1/2 of the NW1/4 of Section 17, T100, R50W of the 5th P.M., Lincoln County, South Dakota		
23	[W. 1,472' of] N1/2 of S1/2 of NW1/2 (Except Lot H-1) of Section 17, T100, R50W of the 5th P.M., Lincoln County, South Dakota		
24	[W. 1,472' of] S1/2 of S1/2 of NW1/ & N1/2 of SW1/4 & N. 13' of W. 559' of E. 834' in S1/2 of SW1/4 (Except Lot H-1) of Section 17, T100, R50W of the 5th P.M., Lincoln County, South Dakota	RMB Family, LLC	
25	[W. 1,472' of] NW1/4 (Except Tract 1 of Butzer Addition and West Pointe Estates Addition) of Section 20, T100N, R50W of the 5th P.M., Lincoln County, South Dakota		

We hereby agree and consistent with the conditions and standards held within this Pre-Annexation petition. Petitioners acknowledge that they have signed this petition freely and voluntarily, that they have the opportunity to be represented and advised by counsel, that they have ascertained and weighed all the facts and circumstances likely to influence their judgment, that they have given due consideration to the provisions contained herein, and that they thoroughly understand and consent to all provisions herein.

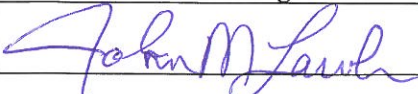
Exhibit E

Tea Community Support For Associated Infrastructure Improvements with the 85th Street Business District Annexation Agreement and Example of Tea Developer Assurance Agreement

City of Tea Preannexation Agreement Specific Items

- 1) **Development Process.** Once annexation occurs (if not already annexed), the current landowner will be responsible for all other development costs and payment of all other fees associated with plats and/or plan reviews, permits, and inspections as well as filing the requisite surety bonds and compliance with ordinances on subdivision construction improvements. The amount placed by Sundowner Investments LLC with the 85th Street Business District Joint Venture Group will count toward the street assessments (to include water and sewer) that Sundowner Investment LLC group is responsible for along 85th Street and Sundowner Avenue. The city of Tea standard Development Agreement document will be used with Sundowner Investment LLC group and executed through the city of Tea council. A copy of the standard developer's agreement is attached.
- 2) **Water Services.** As roads are improved from rural/gravel sections to urban sections, water facilities will be extended as identified in the city of Tea's water master plan. The exact size and location of water facilities may vary depending on conditions. Water main costs will be recaptured through direct assessment or cost recovery.
- 3) **Sewer Services.** Sanitary sewer trunk line extensions can be completed by land developers or by the city of Tea depending on the locations and time in which they are installed or as specified in the developer's agreement. All owners of property to be developed within the service basin will bear these costs and the cost for lateral extensions and service lines of reach of the specific properties involved.
- 4) **Zoning.** Once the annexation is effective, the property will be zoned Agriculture (AG) or remain in its current zoning use. Current landowners will be required to rezone property through the normal city of Tea rezoning process and in conformance with the latest version of the comprehensive plan. Land will develop similarly in type and phase as identified in concept here within as "Land Use Scenario." The city of Tea will be responsible for the rezoning approval.
- 5) **Street Services.** Will be constructed in accordance with Exhibit B.
- 6) **Annexation.** Future voluntary annexation is conditioned upon City Council approval as required by law, funding, the City, and Petitioners and/or their respective successors and/or assigns to agree upon an Annexation Agreement and/or Development Agreement pursuant to SDCL 9-4-1.1 which may include additional fees, costs, and assessments not otherwise stated above which the current landowners will be responsible for.

The city of Tea is committed to building a portion of the infrastructure improvements as appropriate and generally identified within this document.

Representative	Title and Name	Signature
City of Tea	Mayor John Lawler	

We hereby agree with the conditions and standards held within this Preannexation petition. We acknowledge that they have signed this petition freely and voluntarily, that they have the opportunity to be represented and advised by counsel, that they have ascertained and weighed all the facts and circumstances likely to influence their judgment, that they have given due consideration to the provisions contained herein, and that they thoroughly understand and consent to all provisions herein.

City of Tea Developer Assurance Agreement

*Developer Assurance Agreement
(Platting Jurisdiction)*

This Agreement, made and entered into on _____ by and between the City of Tea, a municipal corporation, in the State of South Dakota (*the "City"*) by and through its Mayor and Members of the City Common Council (*the "Governing Body"*) and the _____ (*"Owner/Developer"*).

For and in consideration of the mutual covenants contained herein, it is agreed as follows:

1. **Definitions.** The following words shall have the meaning set forth hereafter, unless the context clearly indicates otherwise:
 - (a) **Act** means South Dakota Codified Laws Title 9 and Chapter 11-5.
 - (b) **City** means the City of Tea;
 - (c) **Developer** means the person listed above;
 - (d) **Owner** means the person or persons listed above;
 - (e) **Person** means an individual, partnership, corporation or other legal entity;
 - (f) **Development** means the property listed on Exhibit A attached hereto which the Owner and Developer wish to plat and develop.
 - (g) **Homeowner Association** means the agreement attached hereto that is responsible for the maintenance of streets, water, sewer and property.

2. **Contract Restrictions on Use of Land.** This Agreement is made pursuant to and in accordance with the provisions of SDCL §§11-5-1 and 11-5-2. Pursuant to Act provisions, the Owner contractually regulates and restricts the construction or use of the land as provided herein.

3. **Purpose of this Agreement.** That a purpose of this Agreement is to provide assurances and conditions upon which the Developer can develop the land and public improvements in accordance with the subdivision ordinances of the City. A copy of the Zoning and Subdivision Ordinances are on file in the Planning and Zoning Office or can be found online at www.teasd.com.
4. The Developer and Owner have or intend to file with the City a Plat. A Plat application and checklist can be found on the City website. The Lincoln County Treasure and Director of Equalization must sign the plat prior to City approval.
5. It is agreed and understood by the Developer as follows:
 - (a) That the Developer will follow all design standards of the City. A hard copy is on file in the Planning & Zoning Office or the City website;
 - (b) That the Developer will cooperate and communicate with the City engineer;
 - (c) The Developer agrees to provide for the maintenance of all public streets, public common open space, public recreational facilities, storm water and drainage system, including retention ponds and detention areas, sanitary sewer and water main in the development until such time as the City accepts the public improvement by resolution or ordinance;
 - The City will remove snow as soon as the road opens for public use.
 - Drainage channels with longitudinal slopes of 0.1% to 0.5% shall line the channel with concrete. 0.51% - 0.75% shall line with sod and 0.76 and up shall utilize sod or seeding. This includes channels inside and outside of detention areas.
 - City of Tea will not take over the responsibility of mitigated wetlands within a detention area. After USACE has made full approval the City would then consider those areas.
 - Detention areas will be accessible and easily maintained when accepted by the City of Tea. The City may require up to 30 feet on the perimeter of the pond site in order to provide maintenance and access. Berm constructed of material that allows for the weight of equipment used to clean and maintain around the pipe ends.
 - The City may require an additional 30 feet on each side of a drainage way for maintenance and access.
 - Slopes from the berm to access areas around the pipe within the pond shall not be greater than 10:1.
 - Flat sections of concrete shall be placed to a width of 6' in front of pipes within the pond so they can be cleaned on a regular basis.
 - (d) That the Developer will pay all expenses with respect to the Development;
 - (e) The Developer agrees to maintain streets, lots, detention and public open spaces free of debris and weeds throughout the development until a building permit is issued on that lot or the City accepts the public improvement; and

- (f) The Developer agrees to provide a Letter of Credit or escrow for the final lift of asphalt.
- The final lift shall not exceed 18 months or 50% of the residential lots developed, whichever comes first, from the time the first lift of asphalt is completed. A one year warranty on the street surface and two years on utilities is effective from the time of acceptance by the City. No additional phases or plats will be approved until all development construction requirements are met.
 - No final lift of asphalt will be installed within the first year without City Council approval.
- (g) The Developer agrees at the time of _____ re-construction, the total project costs will be divided into the frontage linear footage and assessed accordingly. Land sold before reconstruction will require approval from future land owner of pending assessment prior to platting.
- (h) The Developer agrees at the time of _____ Street construction, the total project costs will be divided into the frontage linear footage and assessed accordingly.

Improvements Required and Method of Payment (Owner/Developer--D, Special Assessment--SA, Not Required--NR):
TABLE INSET:

Improvements Required	Responsibility of Payment	Comments
<i>STREETS</i>		
_____ Street re-construction	_____	Cost Share with Property owner to the south.
_____ Street Improvements	_____	Urban Section Road with sidewalk
_____	_____	
Grading and Graveling	_____	Subgrade shall be compacted to 95% Standard Protor, a minimum of 6" of gravel shall be placed below asphalt pavement.

Curb and Gutter	_____	6" Sioux Falls type barrier Curb and Gutter shall be used.
Paving	_____	Minimum of 4" asphalt section, Asphalt shall conform to SDDOT Spec's for class G.
Other	_____	
UTILITIES		
Street Lighting	_____	Owner to coordinate with utility companies for development Lighting.
Water System	_____	City of Tea Standards – 8" minimum size.
Sanitary Sewer System	_____	City of Tea Standards – 8" minimum size.
Heritage Parkway and 9 th Street Sewer Mains		City of Tea will pay for over-sizing.
DRAINAGE		
Storm Sewer	_____	Construct to City of Tea Design Standards. See specific discussion on detention included in this agreement.
Drainageways	_____	Maintenance of the Floodplain/drainage ways will be responsibility of current owner.
Lot Grading	_____	
On Site Detention	_____	Current owner to maintain on site detention until accepted by the City.
Subdivision Sump Pump Collection System	_____	Section 902 (C)
Other	_____	

Park/Open Space Dedication	_____	Land donated with park land purchase.
Multi-Use Trail	_____	City will pay for over-sizing of standard sidewalk 4 & 5'.

6. It is agreed and understood that if there is a failure to follow the City's Design Standards, Ordinances or subdivision regulations, that the City can deny building permits for the Development until such failures or violations are cured.

7. Any portion of the development which might be considered a public type improvement, if the property had been subdivided and the streets dedicated to the City, shall conform to minimum specifications as called for in the Subdivision Ordinance of the Municipal Code of the City of Tea, as to size, quality of materials, height, and strength of improvements. For the purpose of the foregoing, the following shall be considered a "public type" improvement: roadways, sidewalks, curbs and gutters, storm sewer systems, water lines, fire hydrants, and sanitary sewers. Roadways, sidewalks and curb and gutters shall be located in Development. In the event private streets, sidewalks, or other private utilities are employed in developing the Development, in addition to such improvements conforming to the City Ordinances as provided in the preceding sentence, the Developer shall not permit occupancy and the City shall not issue occupancy permits for any buildings or portions thereof until such private improvements are fully completed to serve the developed area; provided, however, that the City may waive this provision in its entirety or as to portions of the improvements upon the Developer delivering to the City in a form and content agreeable to the City one of the following placing the City in an assured position to complete the improvements: a cash escrow, an irrevocable letter of credit issued by a financial institution, or a performance bond with an acceptable licensed insurance company as surety.

8. This Agreement shall be binding upon the parties to it, their respective grantees, successors, assigns or lessees for a full term of years commencing, as of the date of this Agreement, provided by statute and to the extent permitted thereby and for such further term as may subsequently be authorized by law. It is here agreed that if the Premises is annexed to the City of Tea and if any of the terms of this Agreement are challenged in any court proceeding, then the period of time during which such litigation is pending shall not be included in the calculation of said year term.

9. Upon a breach of this Agreement, any of the parties in any court of competent jurisdiction, by action or proceeding at law or in equity, may secure the specific performance of the covenants and agreements herein contained, may be awarded damages for failure of performance of both, or may obtain rescission, disconnection, and damages for repudiation or material failure of performance. Before any failure of any party to this Agreement to perform its obligations under this Agreement, the party claiming such failure shall notify, in writing, the party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the satisfaction of the complaining party within 5 days of the receipt of such notice.

10. The parties agree that this Agreement and any exhibits attached to it may be amended only by the mutual consent of the parties in writing.

OWNER

CITY OF TEA

Name _____

Mayor

Name

ATTEST:

Finance Officer

Name

DEVELOPER

Name & Title

STATE OF SOUTH DAKOTA,
COUNTY OF LINCOLN, ss.:

On this _____ day of _____, 20__ personally appeared before me

_____,
to me known to be the person(s) described in and who executed the within and foregoing instrument, and acknowledged that he/she signed the same as his/her voluntary act and deed, for the uses and purposes therein mentioned.

Witness my hand and official seal hereto affixed this _____ day of _____, _____.

Notary Public in and for the State of South Dakota.

My commission expires _____.

ATTACHMENTS:

1. Covenants
2. Letter of Credit
3. Roadway Acceptance Checklist
4. Street Warranty

EXHIBIT A
FINAL APPROVED DEVELOPMENT PLAN

Exhibit F

2016 Lincoln County Resolution 1605-19

RESOLUTION 1605-19

WHEREAS, LINCOLN COUNTY desires the construction and improvement of the future I-29/85th Street interchange and has pledged \$15 million towards completion of the project through a Memorandum of Understanding with the South Dakota Department of Transportation (SDDOT); and

WHEREAS, LINCOLN COUNTY receives an annual allocation of approximately \$270,000 of federal Surface Transportation Block Grant Program (STBGP) funds from SDDOT; and

WHEREAS, LINCOLN COUNTY has a current balance in their STP account including the 2016 allocation, of \$931,955 in federal funds; and

WHEREAS, LINCOLN COUNTY wishes to accumulate this balance in order to show good faith efforts towards its future funding commitments for the I-29/85th Street interchange project; and

WHEREAS, LINCOLN COUNTY wishes to utilize future annual allocations for other road improvement purposes;

NOW THEREFORE BE IT RESOLVED that SDDOT hereby is authorized to hold the current STBGP account balance of \$931,955, to be used for the future I-29/85th Street Interchange along with 18.05% state matching funds; and

BE IT FURTHER RESOLVED that SDDOT will pay the annual allocation in 2017 and subsequent years, including the 9.025% state match, to LINCOLN COUNTY, unless requested otherwise by LINCOLN COUNTY.

Vote of Commissioners/Council: Yes 5 No

Dated at Canton, South Dakota, on May 3, 2016



Auditor

Marlene Sweetow

Michael Payne

Chairman