

City Council

Agenda Item

Subject: Approval of a Lease Agreement between the City of Watertown and Pelican Sport Rentals, LLC

Meeting: City Council - May 19 2025

From: Dusty Rodiek, Director of Parks, Recreations & Forestry

BACKGROUND INFORMATION:

The purpose of this Agreement is to allow Pelican Sport Rentals, LLC to operate a recreational outdoor equipment rental service to the general public within designated areas, such as Stokes-Thomas Lake City Park and Jackson Park.

FINANCIAL CONSIDERATIONS:

Contractor agrees to pay the City five percent (5%) of Contractor's gross receipts generated from Contractor's operations.

OVERSIGHT / PROJECT RESPONSIBILITY:

Dusty Rodiek – Parks, Recreation & Forestry Director

STAFF RECOMMENDATION / SUGGESTED MOTION:

I move to approve the lease agreement between the City of Watertown and Pelican Sport Rentals, LLC

ATTACHMENT(S):

[Pelican Sport Rentals agreement](#)

**AGREEMENT FOR RECREATIONAL EQUIPMENT RENTAL SERVICES
BETWEEN THE CITY OF WATERTOWN
AND PELICAN SPORT RENTALS, LLC**

This Agreement is entered into this 1st day of May, 2025, by and between the City of Watertown, South Dakota, acting by and through its Parks, Recreation, and Forestry Department, (hereinafter "City,") and Pelican Sport Rentals, LLC, a South Dakota limited liability company, located at 1240 4th Street NW, Watertown, SD 57201, Phone: (605) 956-2551, hereinafter referred to as "Contractor."

1. PURPOSE

The purpose of this Agreement is to allow Pelican Sport Rentals, LLC to operate a recreational outdoor equipment rental service to the general public within designated areas, such as Stokes-Thomas Lake City Park and Jackson Park, approved by the City of Watertown.

2. TERM

The term of this Agreement shall begin on May 1, 2025, and end on October 1, 2025, unless terminated earlier in accordance with this Agreement.

3. COMPENSATION TO THE CITY

As consideration for the opportunity to operate upon City property, Contractor agrees to pay the City five percent (5%) of Contractor's gross receipts generated from Contractor's operations conducted under this Agreement.

Payments shall be made monthly, due on or before the 15th day of the following month and shall include a copy of its sales tax report to the South Dakota Department of Revenue to confirm the amount of its gross receipts for the preceding month.

Payments shall be remitted to:

City of Watertown
PO Box 910
20 N. Maple Street
Watertown, SD 57201

4. OBLIGATIONS OF CONTRACTOR

- A. Contractor agrees to provide all necessary outdoor equipment for rentals and maintain all equipment in safe and operable condition.
- B. Contractor agrees to maintain all necessary licenses and insurance at its own cost and expense.

- C. Equipment Rental list must be approved by City prior to the start of the term. Any items requiring special licensing shall be obtained at the cost of the Contractor. Contractor agrees to comply with all local, state, and federal laws, ordinances, and regulations related to its activity.
- D. Trash and other wastes generated by Contractor's activities will be properly disposed of by Contractor and Contractor will not permit the accumulation of storage of any waste or any other type of refuse to occur on or upon their designated areas.
- E. Contractor shall at all times keep and maintain the designated area, together with any incidental or other equipment used by Contractor, in a good, clean, safe, and serviceable condition. Temporary placement of a sign shall be allowed on the or about the designated area. City will not be responsible or liable for any theft of or damage to, Contractor's property.
- F. Contractor agrees not to solicit sales directly to consumers and will only rent the equipment upon the designated areas.

5. OBLIGATIONS OF CITY

- A. City warrants that it has the authority to allow Contractor to use the designated areas for the purposes described herein.
- B. Allow Contractor to operate at designated locations and at reasonable hours within City property as mutually agreed upon.
- C. City and all members of the general public shall have right of access over and upon the designated areas at any time for any lawful purpose.
- D. City will provide Contractor with reasonable access to the designated areas.
- E. City will not be responsible to provide storage or services at or near the designated areas for any portable trailer provided by Contractor. Contractor may deliver and remove each night a portable trailer from which to rent outdoor equipment at the designated areas.

6. INSURANCE

Contractor shall keep and maintain general liability insurance in an amount not less than \$1,000,000 per occurrence. Contractor shall provide a certificate of insurance naming the City of Watertown as an additional insured. Contractor shall keep and maintain automobile liability coverage in an amount required under South Dakota law for a vehicle used in performance of this Agreement. The certificate of insurance covering the conditions described herein shall be filed at the Parks, Recreation and Forestry Department within ten (10) days from the start of the term. Notice of certificate renewal is required prior to policy expiration, and a new certificate shall be filed within two (2) days.

7. TERMINATION

Either party may terminate this Agreement without penalty upon 30 days written notice to the other party. Contractor expressly acknowledges that City shall have the immediate right to terminate this Agreement and all rights and privileges conveyed hereunder for any reason. Contractor further agrees, upon termination, to promptly remove any and all of its property from the designated areas and will exercise best efforts, prior to surrender of the designated areas, to restore the designated areas to its original condition.

8. INDEMNIFICATION

Contractor agrees to indemnify, defend, and hold City (its agents, employees, and representatives) harmless against any claim, loss, liability, damage (including reasonable attorney's fees and costs) for any bodily injury, death of any person or damage to real or tangible property relating to the performance of this Agreement including but not limited to, the operations, use or occupancy of the designated areas. Contractor agrees to waive all claims against the City on account of any loss, damage, or injury to Contractor. This waiver is one of the considerations upon which this agreement is granted.

9. EQUAL OPPORTUNITY/NON-DISCRIMINATION

Contractor agrees that in the operation and use of the designated areas, Contractor will not, on the grounds of race, color, or national origin, discriminate or permit discrimination against any person or group of persons in any manner prohibited by law and hereby grants City the right to take such actions to enforce such covenant.

10. ASSIGNMENT

Contractor may not, in any manner, assign or allow a third party to use the designated areas.

11. LIMITATION OF LIABILITY

To the maximum extent permitted by law, in no event shall the City of Watertown be liable for any damages whatsoever (including without limitation, special, incidental, consequential, or indirect damages for personal injury, loss of business profits, business interruption, loss of information, loss of use of equipment, or any other pecuniary loss) arising out of the use of the designated areas even if the City of Watertown has been advised of the possibility of such damages. In any case, the City of Watertown's entire liability under this Agreement shall be limited to the amount actually paid by Contractor to City under this Agreement without regard to whether a claim is based in contract or tort, including negligence.

12. GOVERNING LAW/SEVERABILITY

This Agreement shall be construed in accordance with the laws of the State of South Dakota. If any term of this Agreement is found to be void or invalid, such invalidity shall not affect the remaining terms of this Agreement, which shall continue in full force and effect. The parties agree

that if any provisions are deemed not enforceable, the provision shall be deemed modified to the extent necessary to make them enforceable.

13. NOTICES

All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed given if personally delivered, or sent via certified mail, return receipt requested, to the following addresses:

If to CITY

Dusty Rodiek
Director of Parks, Recreation, and Forestry
City of Watertown
1900 West Kemp Avenue
Watertown, SD 57201

If to Contractor

Reid Homola
Pelican Sport Rentals, LLC
1240 4th Street NW
Watertown, SD 57201

14. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties and supersedes all prior negotiations or agreements, whether written or oral. There are no representations or understandings of any kind not set forth herein. Any amendments to this Agreement must be in writing and executed by both Parties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written and may be executed in any number of counterpart copies, each of which will be deemed an original, but all of which together will constitute a single instrument, including any electronic authorizations such as via DocuSign.

CITY OF WATERTOWN, SOUTH DAKOTA

By: _____

Name:

Title:

Date:

PELICAN SPORT RENTALS, LLC

By: Reid Homola

Name: Reid Homola

Title: Member

Date: 5/1/2025