

# City of Watertown

Proposed City Council Agenda

City Hall, 20 N Maple

Watertown, South Dakota

July 7, 2025, 5:30 PM



Page

## 1. CALL TO ORDER

## 2. PRAYER

## 3. PLEDGE OF ALLEGIANCE

## 4. ROLL CALL

## 5. ACTION TO APPROVE THE AGENDA

## 6. OPEN FORUM

## 7. CONSENT AGENDA

- |     |   |         |
|-----|---|---------|
| (a) | Approval of the minutes of the Council meeting held on June 16th, 2025 and June 23rd, 2025.<br><a href="#">City Council - Jun 16 2025 - Minutes</a><br><a href="#">City Council - Jun 23 2025 - Minutes</a>   | 4 - 7   |
| (b) | Approval to write-off uncollectible Ambulance accounts receivable and remit to the collection agency from 6/1/24 thru 1/31/25 in the amount of \$ 61,971.84<br><a href="#">Write off noncollectable ambulance bills</a>   | 8 - 10  |
| (c) | Authorization to transfer the Event Dates of a Weekly Seasonal Event Retail On-Sale License for The Shamrocks & Edelweiss Corp d/b/a Dempsey's Brewery Pub & Restaurant for Thursday Night Live, 225 E Kemp, Downtown Plaza and that portion of Kemp Ave adjacent to Downtown Plaza from June 5th and June 12th, 2025 to July 24th and August 28th, 2025 due to Rain Outs and Rescheduled Events.<br><a href="#">Dempsey's - Weekly Seasonal Event Retail On-Sale License</a> | 11 - 12 |
| (d) | Approval of a Lease Agreement with SkyWest Airlines, Inc., for Public Aircraft Facilities, Exclusive Use Space, and Joint Use of Specified Areas at the Watertown Regional Airport.<br><a href="#">Lease Agreement with SkyWest Airlines, Inc.</a>  | 13 - 23 |
| (e) | Approval of an Amended Ground Lease Agreement at the Watertown Regional Airport, with Pioneer Aviation 2, LLC, in the annual amount of \$11,086.50.<br><a href="#">Amended Ground Lease Agreement with Pioneer Aviation 2, LLC</a>  | 24 - 31 |
| (f) | Approval of bills and payroll and authorization to pay  |         |

## 8. PRESENTATIONS & REPORTS

**9. CONTRACTS & CHANGE ORDERS**

**10. ORDINANCE FIRST READINGS**

**11. OTHER BUSINESS**

- (a) Approval of a Lease Agreement of the Watertown Municipal Event Center between the City of Watertown and Santo Tequila SD LLC 32 - 49  
[Watertown Event Center Lease](#)

**12. PUBLIC HEARINGS & SECOND READINGS**

- (a) Application for a transfer of ownership of a Retail (on-sale) Liquor License and Video Lottery License from WR Capital I LLC d/b/a Minerva's Restaurant & Bar, 1901 9th Avenue SW, E510.5' W 900' S720' less W251.5' N124' & less N98' S596' E64.62' W395' & less H-3 City Lands 36-117-53 & E259' of W900' of N250' of S970' SW1/4 & Ramkota Addn plus Lot 4 & W93.3' of Lot 5 of Turbes Addn to the City of Watertown to Saina Watertown LLC d/b/a Santo Tequila at the same location. 50 - 54  
1. Public Hearing  
2. Council Action  
[Santo Tequila - Liquor](#)
- (b) Application for a transfer of ownership of a Retail (on-off sale) Malt Beverage & SD Farm Wine license and Video Lottery license from WR Capital I LLC d/b/a Minerva's Restaurant & Bar, 1901 9th Avenue SW, E510.5' W 900' S720' less W251.5' N124' & less N98' S596' E64.62' W395' & less H-3 City Lands 36-117-53 & E259' of W900' of N250' of S970' SW1/4 & Ramkota Addn plus Lot 4 & W93.3' of Lot 5 of Turbes Addn to the City of Watertown to Saina Watertown LLC d/b/a Santo Tequila at the same location. 55 - 59  
1. Public Hearing  
2. Council Action  
[Santo Tequila - Malt Beverage](#)
- (c) Second Reading of Ordinance No. 25-07, Amending the Zoning Map of the City of Watertown, SD, for a portion of property to be known as the Replat of Lots 2, 3, and 4 Mancell Second Addition and Lot 5A of Mancell Third Addition from R-1 Single Family Residential District to PUD Planned Unit Development District 60 - 79  
1. Public Hearing  
2. Council Action  
[Ordinance No. 25-07](#)

**13. CITY COUNCIL MEMBER ANNOUNCEMENTS AND INTRODUCTION OF TOPICS FOR FUTURE DISCUSSION**

**14. CITY MANAGER REPORT**

**15. EXECUTIVE SESSION PURSUANT TO SDCL 1-25-2**

**16. ADJOURNMENT**

Kristen Bobzien  
Chief Financial Officer

The City of Watertown, South Dakota does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services. ADA Compliance:

The City of Watertown fully subscribes to the provisions of the Americans with Disabilities Act. If you desire to attend this public meeting and are in need of special accommodations, please notify the City Finance Office 24 hours prior to the meeting so that appropriate auxiliary aids and services are available.

**Watertown**  
**City Council Meeting Minutes**  
**June 16, 2025**

The City Council met in regular session at 5:30 PM in the City Hall Council Chambers, 20 N Maple. Mayor Ried Holien presiding.

Present upon roll call: Alderperson Jurrens, Peters, Schutte, Tupper, Buhler, Danforth and Mayor Holien.

Motion by Tupper, seconded by Buhler, to approve the agenda as presented. Items approved as part of the consent agenda: minutes of the Council meeting held on May 27th, 2025 and June 2nd, 2025; approval of the Election Workers for the School/Municipal Election to be held on June 17th, 2025; a Special Retail On-Sale License to the City of Watertown d/b/a Cattail Crossing Golf Course for the Dakota Tour PRO-AM Golf Tournament at Cattail Crossing Golf Course, 351 S. Lake Drive, from 12:00 PM on Thursday, June 26, 2025 until 9:00 PM on Sunday, June 29, 2025; transfer the Event Date of a Special Event Malt Beverage Retailer's License & Special Event Retail Wine License for the Watertown Area Chamber of Commerce d/b/a Watertown Area Chamber of Commerce for the Wine & Beer Walk, 1 East Kemp Ave, Lots 18-20 & 21-22 & N18' E24' Block 4 Original Plat from Thursday, June 5th, 2025 to Thursday, July 24th, 2025; approval of bid award, via Sourcewell bid, for a new unused Kubota M5-111 Tractor from Eastside Equipment in the amount of \$64,550.64; a Firework Display Contract Service Agreement with RKM Fireworks Company for the 2025 Fireworks Display and authorization to a Pay 50% Down Payment by Special Check as Required by the Contract; a Pyrotechnics or Open Flame Permit Application for Fireworks show display at Premier Softball parking lot on July 3rd, 2025; a Pyrotechnics or Open Flame Permit Application for Fireworks show display at Anza Soccer field on July 4th 2025; authorization for the Interim City Manager to sign the 2025 agreement between SDSU and the City that would allow Watertown Police Department officers to supplement the SDSU Police Department at football games and one music concert fundraiser. Motion Carried.

Mayor Holien called for Open Forum. Nick Phillips of Applied Digital introduced himself to the City Council.

Street Superintendent, Rob Beynon, led a follow-up report and downtown sweeping discussion. No action taken.

Motion by Buhler, seconded by Peters, to approve a Bid Award for Project No. 2523B Sale of Surplus Property 19th Street NE Water Tower Property Southernmost 15' in the Amount of \$6,810 to Lorene Wasland. Motion Carried.

Ordinance No. 25-07, Amending the Zoning Map of the City of Watertown, SD, for a portion of property to be known as the Replat of Lots 2, 3, and 4 Mancell Second Addition and Lot 5A of Mancell Third Addition from R-1 Single Family Residential District to PUD Planned Unit Development District was placed on it first reading and the title was read. Russell Warner spoke in favor of Ordinance No. 25-07 while Ron Deville spoke against. No action taken.

This being the time scheduled for a public hearing on a Special Retail On-Sale License to Watertown Area Chamber of Commerce d/b/a Watertown Area Chamber of Commerce for Cookin' on Kampeska at Stokes



Agenda Item 7.(a) Approval of the minutes of the Council meeting held on...

Thomas City Park, 90 S. Lake Drive, Govt Lot 1, City Lands 22-117-53 Tax Exempt from 4:00 PM on Thursday, July 17th to 11:00 PM on Saturday, July 19th, 2025; the Mayor called for public comment. Hearing no comments from the public; motion by Tupper, seconded by Buhler to approve the license as presented. Motion Carried.

Ordinance No. 25-06, Zoning Text Amendments to Chapter 21.29 Swimming Pools of the Revised Ordinances of the City of Watertown was placed on its second reading and the title was read. This being the time and place for a public hearing on Ordinance No. 25-06, the Mayor called for public comment. Hearing no comments from the public, motion by Schutte, seconded by Peters, to approve Ordinance No. 25-06 as presented. Upon Roll Call Vote: Voting in Favor of Ordinance No. 25-06: Holien, Jurrens and Peters. Voting Against Ordinance No. 25-06: Schutte, Tupper, Buhler and Danforth. Motion Failed.

This being the time and place for a public hearing on Resolution No. 25-15, Vacation of a portion of the public right-of-way of 4th Street SE between 10th Avenue SE and 11th Avenue SE, the Mayor called for public comment. Chris Jacobsen spoke in favor of Resolution No. 25-15. Hearing no further comments from the public, motion by Peters, seconded by Schutte, to approve Resolution No. 25-15 as presented. Motion Carried.

Mayor Holien encouraged the Community to vote at the School / Municipal Election which will be held tomorrow, June 17<sup>th</sup> at the Watertown Civic Arena.

Councilman Tupper stated he will be raising money for this year's Fourth of July Fireworks Display, which will held on July 4<sup>th</sup> at the Anza Soccer Complex starting at 5:30 with inflatables and music. The public shoot will be on July 3<sup>rd</sup> at Premier Softball Field.

Councilman Buhler thanked Councilman Tupper for the work that he does for the Fourth of July Fireworks Display.

Councilman Danforth complimented the New City Hall, stating the building will serve our community well for years to come. Mayor Holien added that the Open House for the New City Hall will be announced at a later time.

Motion by Buhler, seconded by Danforth, to adjourn until 5:30 PM on Monday, July 7<sup>th</sup>, 2025. Motion Carried.

The City of Watertown, South Dakota does not discriminate on the basis of race, color, national origin, sex, religion, age, or disability in employment or the provision of service.

Dated at Watertown, South Dakota, June 16<sup>th</sup>, 2025.

ATTEST:

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Jennifer Collins, Records & Licensing Manager

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Ried Holien, Mayor

**Watertown**  
**City Council Meeting Minutes**  
**June 23, 2025**

The City Council met in regular session at 4:00 PM in the City Hall Council Chambers, 20 N Maple. Mayor Ried Holien presiding.

Present upon roll call: Alderperson Jurrens, Peters, Schutte, Tupper, Buhler and Mayor Holien. Absent: Alderperson Danforth.

Mayor Holien amended the order of the agenda, moving Item 7(c): Conveyance of City Property to Watertown Development Company to be the second item of the agenda and 7(b): Appointment of City Manager and approval of City Manager Employee Contract to be the last item on the agenda.

Motion by Buhler, seconded by Tupper, to approve the agenda as amended. Motion Carried.

Mayor Holien called for Open Forum. Doug Allen addressed the City Council, thanking them for their service to the City of Watertown. Allen also asked the City Council to provide advice to onboarding City Council members in regard to helping the new City Manager be successful.

Motion by Tupper, seconded by Buhler, to approve the results of the City Election held on June 17<sup>th</sup>, 2025 as presented. Motion Carried.

**Mayor (4-year term):**

	Ried Holien	By Nomination
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**Alderperson - At Large (4-year term):**

Michael Heuer	1,089	65.5%
Jason Redemske	<u>573</u>	34.5%
	1,662	

**Alderperson - Ward A (4-year term):**

Byron I. Callies	251	47.6%
Brent Mohrmann	<u>276</u>	52.4%
	527	

**Alderperson - Ward D (4-year term):**

Josh Weyh	85	24.3%
Randy Tupper	123	35.1%
Doug Allen	<u>142</u>	40.6%
	350	

Mayor Holien announced that the City of Watertown will be conveying the Old City Hall Building, located at 23 2<sup>nd</sup> Street NE, to the Watertown Development Company under a contract stating it can only be sold to AirStay Watertown LLC for the purposes of building a hotel on the Old City Hall site. AirStay LLC will be responsible for

Agenda Item 7.(a) Approval of the minutes of the Council meeting held on...

the demolition and disposal of Old City Hall. The closing of the sale between WDC and AirStay will be after September 1<sup>st</sup> to allow the City to fully vacate the building. AirStay LLC will have 24 months to complete construction of the hotel. In addition, AirStay LLC will agree to secure a bond that will pay \$300,000 to the City of Watertown if the hotel is not completed in the agreed upon timeframe. Ownership of the property may revert back to the City if the sale does not occur or construction is not completed within the required timeframe. Motion by Buhler, seconded by Tupper, to approve the conveyance of City Property to the Watertown Development Company. Motion Carried.

Motion by Tupper, seconded by Buhler, to appoint Alan Stager as the new City Manager and to approve the City Manager Employee Contract. Motion Carried.

Councilman Tupper noted that he is actively seeking donations for the Watertown Fourth of July Fireworks Display.

Councilman Buhler congratulated all incoming City Council members and thanked Kristen Bobzien for her work as the Interim City Manager. In addition, Councilman Buhler provided words of advice and encouragement to incoming City Council members.

Motion by Tupper, seconded by Buhler, to adjourn until 5:30 PM on Monday, July 7<sup>th</sup>, 2025. Motion Carried.

The City of Watertown, South Dakota does not discriminate on the basis of race, color, national origin, sex, religion, age, or disability in employment or the provision of service.

Dated at Watertown, South Dakota, June 23<sup>rd</sup>, 2025.

ATTEST:

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Kristen Bobzien, Chief Financial Officer

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Ried Holien, Mayor



# City Council

## Agenda Item

**Subject:** Approval to write-off uncollectible Ambulance accounts receivable and remit to the collection agency from 6/1/24 thru 1/31/25 in the amount of \$ 61,971.84

**Meeting:** City Council - Jul 07 2025 - Outgoing Council

**From:** Alan Stager, City Manager

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### **BACKGROUND INFORMATION:**

These ambulance accounts have been sent to the patient through the billing procedural process (EMS-MC), and have been forwarded information that they will be sent to collections.

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### **FINANCIAL CONSIDERATIONS:**

This is the policy process with uncollected ambulance accounts.

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### **STAFF RECOMMENDATION / SUGGESTED MOTION:**

I move to approve the write-off uncollectible Ambulance accounts receivable and remit to the collection agency from 6/1/24 thru 1/31/25 in the amount of \$ 61,971.84

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### **ATTACHMENT(S):**

[WFR Ambulance collections from 6-1-24 thru 1-31-25](#)

Agenda Item 7.(b) Approval to write-off uncollectible Ambulance accounts...

DoS	Encounter #	Incident #	Balance Due	Last Invoice Sent Date
1/1/2025	25-E11375	20250101-0009	\$111.96	3/31/2025
1/3/2025	25-E16120	20250103-0027	\$278.31	4/6/2025
1/5/2025	25-E15845	20250105-0033	\$895.36	4/7/2025
1/5/2025	25-E15970	20250106-0037	\$1,368.90	5/9/2025
1/7/2025	25-E27303	20250108-0045	\$560.58	4/30/2025
1/8/2025	25-E35913	20250108-0058	\$1,371.00	4/14/2025
1/11/2025	25-E53486	20250111-0089	\$1,383.60	5/9/2025
1/17/2025	25-E101323	20250117-0139	\$111.68	4/30/2025
1/18/2025	25-E101239	20250118-0154	\$1,434.00	5/4/2025
1/19/2025	25-E101090	20250119-0164	\$100.00	5/5/2025
1/19/2025	25-E101162	20250119-0166	\$1,046.20	5/4/2025
1/22/2025	25-E128544	20250122-0194	\$380.72	4/29/2025
1/22/2025	25-E129114	20250122-0188	\$111.68	4/29/2025
1/22/2025	25-E133274	20250122-0189	\$1,387.80	5/11/2025
1/22/2025	25-E134822	20250122-0185	\$1,413.00	5/4/2025
2/7/2025	25-E241983	20250207-0347	\$1,383.60	5/12/2025
2/10/2025	25-E241842	20250210-0369	\$1,406.70	5/12/2025
2/13/2025	25-E306592	20250213-0396	\$1,048.30	5/5/2025
5/22/2024	24-E1547199	20240522-1127	\$112.58	4/20/2025
6/20/2024	24-E415051	20240620-1369	\$95.75	3/31/2025
7/2/2024	24-E462856	20240702-1468	\$1,855.40	4/29/2025
7/22/2024	24-E537030	20240722-1636	\$871.93	5/5/2025
7/23/2024	24-E576281	20240723-1646	\$1,240.48	4/23/2025
8/14/2024	24-E638995	20240814-1844	\$1,021.00	4/6/2025
9/4/2024	24-E725252	20240904-2001	\$1,048.30	4/20/2025
9/4/2024	24-E725256	20240904-1998	\$3,352.00	4/20/2025
9/5/2024	24-E725273	20240905-2006	\$116.84	3/31/2025
9/5/2024	24-E725394	20240905-2007	\$116.10	5/7/2025
9/8/2024	24-E742348	20240908-2029	\$1,042.00	4/27/2025
9/11/2024	24-E770600	20240911-2057	\$1,027.30	1/7/2025
9/18/2024	24-E800251	20240918-2117	\$3,592.80	5/9/2025
9/27/2024	24-E882217	20240927-2190	\$319.04	4/22/2025
10/3/2024	24-E933936	20241003-2240	\$93.05	4/26/2025
10/5/2024	24-E944897	20241005-2268	\$1,942.28	3/31/2025
10/13/2024	24-E977568	20241013-2340	\$1,389.90	3/30/2025
10/13/2024	24-E977612	20241013-2341	\$1,578.90	3/25/2025
10/22/2024	24-E1021382	20241022-2424	\$1,021.00	4/14/2025
10/23/2024	24-E1037083	20241023-2428	\$3,561.30	3/30/2025
10/25/2024	24-E1037033	20241026-2453	\$250.00	4/29/2025
11/2/2024	24-E1082374	20241102-2516	\$1,021.00	4/14/2025
11/5/2024	24-E1116076	20241105-2545	\$1,466.10	3/24/2025
11/12/2024	24-E1136277	20241113-2603	\$3,546.60	4/13/2025
11/22/2024	24-E1212529	20241122-2691	\$50.00	3/30/2025
11/28/2024	24-E1245576	20241128-2749	\$1,966.07	4/30/2025
11/29/2024	24-E1245613	20241129-2757	\$108.25	4/20/2025
12/5/2024	24-E1268540	20241205-2799	\$94.13	3/27/2025

Agenda Item 7.(b) Approval to write-off uncollectible Ambulance accounts...

12/8/2024	24-E1288934	20241208-2830	\$1,390.00	5/6/2025
12/12/2024	24-E1323582	20241212-2863	\$50.00	3/27/2025
12/14/2024	24-E1331900	20241214-2884	\$109.07	4/1/2025
12/15/2024	24-E1331833	20241215-2888	\$102.10	4/2/2025
12/16/2024	24-E1341060	20241216-2895	\$3,618.00	4/12/2025
12/16/2024	24-E1349258	20241216-2894	\$1,042.00	4/21/2025
12/19/2024	24-E1357380	20241219-2918	\$484.20	3/24/2025
12/22/2024	24-E1378362	20241222-2947	\$1,025.20	3/31/2025
12/23/2024	24-E1394200	20241224-2962	\$110.69	3/24/2025
12/26/2024	24-E1409914	20241226-2979	\$50.00	4/16/2025
12/27/2024	24-E1453567	20241227-2993	\$1,021.00	4/20/2025
12/30/2024	24-E1436581	20241230-3011	\$1,480.80	4/19/2025
12/30/2024	24-E1446268	20241230-3016	\$1,413.00	4/4/2025
12/30/2024	24-E1446272	20241230-3019	\$273.50	5/12/2025
12/30/2024	24-E1448423	20241230-3017	\$108.79	4/16/2025

<b>Total for ambulance collections</b>	<b>\$61,971.84</b>
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## City Council

### Agenda Item

**Subject:** Authorization to transfer the Event Dates of a Weekly Seasonal Event Retail On-Sale License for The Shamrocks & Edelweiss Corp d/b/a Dempsey's Brewery Pub & Restaurant for Thursday Night Live, 225 E Kemp, Downtown Plaza and that portion of Kemp Ave adjacent to Downtown Plaza from June 5th and June 12th, 2025 to July 24th and August 28th, 2025 due to Rain Outs and Rescheduled Events.

**Meeting:** City Council - Jul 07 2025

**From:** Kristen Bobzien, Interim City Manager/Chief Financial Officer

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#### **BACKGROUND INFORMATION:**

Dempsey's Weekly Seasonal Event Retail On-Sale License for Thursday Night Live was previously approved during the May 19th, 2025 City Council Meeting. Their original application included June 5, 2025 and June 12, 2025. Due to rain-outs, Dempsey's is requesting a transfer of these dates on their license to the rescheduled dates of July 24, 2025 from 3:00 PM to 11:00 PM and August 28, 2025 from 3:00 PM to 11:00 PM.

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#### **FINANCIAL CONSIDERATIONS:**

There are no major financial considerations for this item.

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#### **STAFF RECOMMENDATION / SUGGESTED MOTION:**

I move to approve the transfer of the Event Dates of a Weekly Seasonal Event Retail On-Sale License for The Shamrocks & Edelweiss Corp d/b/a Dempsey's Brewery Pub & Restaurant for Thursday Night Live, 225 E Kemp, Downtown Plaza and that portion of Kemp Ave adjacent to Downtown Plaza from June 5th and June 12th, 2025 to July 24th and August 28th, 2025 due to Rain Outs and Rescheduled Events.

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#### **ATTACHMENT(S):**

[Dempsey's](#)



6/16/2025  
Dempsey's Brewery, Pub, & Restaurant  
127 N Broadway  
Watertown, Sd 57201

To whom it may concern,  
I am requesting to move our Thursday Night Live from June 5, 2025 & June 12, 2025 to July 24, 2025 & August 28, 2025. This is due to rain outs and rescheduled events.

Thank you,

Sean Dempsey





# City Council

## Agenda Item

**Subject:** Approval of a Lease Agreement with SkyWest Airlines, Inc., for Public Aircraft Facilities, Exclusive Use Space, and Joint Use of Specified Areas at the Watertown Regional Airport.

**Meeting:** City Council - Jul 07 2025 - Outgoing Council

**From:** Alan Stager, City Manager

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### **BACKGROUND INFORMATION:**

SkyWest Airlines, Inc. has been awarded the essential air services contract from 1st day of August 2025 until the 31st day of July 2029 at the Watertown Regional Airport.

There are multiple components to this lease agreement, the primary being; public aircraft facility charges (or landing fees), terminal building space, and boarding bridge use.

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### **FINANCIAL CONSIDERATIONS:**

- For the use of public aircraft facilities (landing fees), the lessee is to pay \$1.00 per 1000 pounds over 12,500 pounds with a minimum of \$10.00 per landing.
  - Exclusive use space approximately 1,101 sq ft, which include office space, 2 ticket counters, 1 gate counter, and terminal space at \$30.00 per sq ft per annum.
  - The fee for lessee's use of the passenger boarding bridge and ramp is \$50.00 per use.
  - The fee for lavatory disposal is \$30.00 per use.
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### **OVERSIGHT / PROJECT RESPONSIBILITY:**

Ian Meriwether-Chalfant, Airport Manager

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### **STAFF RECOMMENDATION / SUGGESTED MOTION:**

Staff recommends approval of this lease agreement through the following motion:

I move to approve the Lease Agreement with SkyWest Airlines, Inc., for Public Aircraft Facilities, Exclusive Use Space, and Joint Use of Specified Areas at the Watertown Regional Airport.

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### **ATTACHMENT(S):**

[2025 SkyWest Lease and Airline Operating Agreement](#)

**WATERTOWN REGIONAL AIRPORT  
AIRLINE TRANSPORTATION SYSTEM LEASE AGREEMENT  
WITH SKYWEST AIRLINES, INC**

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of **August, 2025**, by and between the **City of Watertown**, a South Dakota Municipal Corporation, with its principal place of business at 20 N. Maple Street, Watertown, SD 57201 (“CITY”), and **SkyWest Airlines, Inc.**, a Utah corporation, with its principal place of business at 444 South River Road, St. George, UT 84790 (“AIRLINE”).

WITNESSETH:

WHEREAS, Airline and its Affiliates, as defined in Article 6.05, are engaged in the business of air transportation with respect to persons, property, cargo, and mail; and

WHEREAS, the parties desire to enter into an Agreement and Lease for the use of certain premises and facilities at the Watertown Regional Airport;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained in this Agreement, City and Airline do hereby mutually undertake, promise and agree, each for itself and its successors and assigns, as follows:

**ARTICLE 1  
PUBLIC AIRCRAFT FACILITIES**

**1.01 “PUBLIC AIRCRAFT FACILITIES” DEFINED:**

As used herein, the phrase “Public Aircraft Facilities” shall mean (a) public runway; (b) public taxiways; (c) public passenger ramp and apron areas; (d) and extensions or additions to the above and other space or facilities provided by City at the Airport for public and common use by aircraft operators in operations hereinafter authorized to be performed by aircraft operators upon the aforesaid public runways, public taxiways and public passenger ramp and apron areas; but only as and to the extent that they are from time to time provided by City at the Airport for public and common use by aircraft operators.

**1.02 USE OF PUBLIC AIRCRAFT FACILITIES:**

The Airline and its Affiliates shall be entitled to use the Public Aircraft Facilities for the following purposes:

- (a) Public runways for the purpose of landing and taking off of aircraft.
- (b) Public taxiways for the purpose of the ground movement of aircraft.
- (c) Public passenger ramp and apron areas for the purpose of unloading and loading passengers, baggage, freight, mail, supplies, and cargo to and from the aircraft, fueling and other ramp services as is more extensively defined in 1.04 for the purpose of parking mobile equipment while being actively used in connection with ramp operations.
- (d) Training operation of Airlines.
- (e) Any other use normally incidental to the foregoing.

The use of the Public Aircraft Facilities shall be in common with others authorized by City to do so, upon compliance with the reasonable and non-discriminatory terms and conditions (including the payment of

rates, fees and charges) upon which they are made available for such use, and in conformity with the rules and regulations prescribed by City with respect to the use thereof.

**1.03 RATES AND CHARGES FOR THE USE OF PUBLIC AIRCRAFT FACILITIES:**

The rates and charges for use of the Public Aircraft Facilities shall be computed on a basis of one thousand pounds of maximum allowable gross landing weight per landing of such aircraft used at the airport and based on the rates set forth below:

- (a) One Dollar (\$1.00) per thousand pounds over twelve-thousand, five-hundred pounds (12,500 lbs); with a minimum of Ten Dollars (\$10.00) per landing and subject to change on an annual basis.
- (b) The term “maximum allowable gross landing weight” for any aircraft, as used herein, shall be the maximum landing weight approved by the Federal Aviation Administration for landing such aircraft at the Airport, and the carrier shall provide City such “approved maximum gross landing weight” for each aircraft it operates.
- (c) The carrier shall, upon the tenth (10<sup>th</sup>) day of each month, furnish to the Airport Manager a detailed listing of the number of passengers enplaned and deplaned; non-revenue passengers enplaned and deplaned; pound weight of cargo incoming and outgoing; number of landings; and overnight stays during the previous month. Said listing shall show the number of landings by type of aircraft.

Landing fees for the previous month shall be payable no later than the 15<sup>th</sup> of the month.

**1.04 RAMP SERVICES:**

Airline will be permitted to provide or contract with others of its choice to provide ramp services for its own aircraft. Airline may contract with and provide such ramp service as herein defined for other Certified Air Carriers. Airline will be permitted to use the positions on the ramp for the purpose of loading and unloading aircraft and such positions will be at all times under the control of the Airport Manager. No services will be permitted by Airline to aircraft occupying such loading or unloading positions other than those services (herein called “ramp services”) incidental to the immediate preparation of aircraft for scheduled departure, such services to include, among others, fueling, inspection, interior cleaning and non-routine maintenance involving minor repairs and the replacement or adjustment of equipment of an emergency nature or in order to insure the safe departure of the aircraft. Ramp services may be provided at loading and unloading positions in accordance with the rules and regulations of the Airport Manager. Airline shall leave the ramp area used by it for any such purpose in a neat, clean, safe, and orderly condition upon completion of such services.

**1.05 TERM OF USAGE**

Airline shall have the right to use the Public Aircraft Facilities for a term continuing until twelve o’clock, C.D.T., on the 31st day of May 2029, unless cancelled sooner or terminated as hereinafter provided.

**1.06 ADDITIONAL FEES AND CHARGES**

Airline will be permitted to use the Passenger Boarding Bridge and ramp with a fee of Fifty Dollars (\$50.00) per use. City will permit lavatory disposal to Airline at a charge of Thirty Dollars (\$30.00) per use.

## **ARTICLE 2**

### **PREMISES TO WHICH AIRLINE HAS EXCLUSIVE USE**

#### **2.01 EXCLUSIVE USE SPACE**

City leases to Airline the exclusive use of approximately 1,101 square feet of space, which includes office space, two ticket counters, and the gate ticket counter, of space in the Airport Terminal Building as shown on Exhibit A attached hereto and incorporated by this reference.

#### **2.02 UTILITIES AND CLEANING EXPENSE ALLOCATION**

City agrees to provide electricity, heat/air conditioning, water, and janitor service for the space in the Airport Terminal Building rented to Airline for its exclusive use. Foreign Object Debris (FOD) removal on the Airport Terminal Ramp is the responsibility of all personnel employed at the Airport, regardless of their employer. Removal of trash and/or FOD from the designated FOD Buckets on the Airport Terminal Ramp and trash from the Baggage Makeup Area shall be responsibility of Airline's Employees. Airline shall keep and maintain its leased premises as well as the fixtures and appurtenances thereto in a clean, orderly and slightly appearance, and maintain it in as good condition as when leased, normal wear and tear excepted. Airline shall be responsible for routine maintenance on such fixtures and appurtenances.

#### **2.03 RATE FOR EXCLUSIVE USE AREAS**

For both the exclusive use of space in the Airport Terminal Building, Airline shall pay the City a rental fee. Said rental fee shall be computed on the "per square foot (S.F.) annum" basis, payable in twelve (12) equal payments based on the rate of Thirty Dollars and no cents (\$30.00) per sq. ft. per annum for exclusive use space.

#### **2.04 ADVERTISING SIGNS**

No signs or advertising displays shall be painted or shall be constructed or installed without the prior written approval of the Airport Manager.

#### **2.05 AMUSEMENT OR VENDING MACHINES**

No amusement or vending machines of any kind shall be installed or maintained upon said leased premises, nor shall the sale of any food, beverages, or other products be permitted thereon without the consent of the Airport Manager.

#### **2.06 DAMAGE TO PROPERTY**

Airline agrees to repair at its own expense any damage to the exclusively leased premises which is caused by its officers, employees or agents or its operations in and on the exclusively leased premises.

#### **2.07 PAYMENT OF RENT**

The rental payment due under this Article is due and payable by the 15<sup>th</sup> day of each month similar to section 1.03 of this lease.

## **ARTICLE 3**

### **PROVISIONS RELATING TO SPACE IN AIRPORT TERMINAL BUILDING USED IN COMMON WITH OTHERS**

#### **3.01 JOINT USE OF SPECIFIED AREAS**

Airline, its employees and invitees, shall have the right to use in common with others and solely in connection with Airline's business, the baggage claim area, security area, lobby and other facilities in and adjacent to the Airport Terminal Building.

### **3.02 UTILITIES PROVIDED BY LESSOR**

City agrees, at its expense, to furnish heat, air conditioning, lights, water and janitor service for the public space used in common and to keep the public space in common areas in the Airport Terminal Building attractively furnished.

## **ARTICLE 4 TERM OF LEASE**

### **4.01 TERM OF LEASE**

This Agreement and Lease shall be effective beginning the 1<sup>st</sup> day of August, 2025, until the 31<sup>st</sup> day of May, 2029, for Public Aircraft Facilities, Exclusive Use Space, and Joint Use of Specified Areas described herein at the Watertown Regional Airport Terminal Building. Such term coincides with the term set by the Essential Air Service Order issued by the United States Department of Transportation on April 1, 2025, that names Airline as the EAS provider for both Pierre, South Dakota and Watertown, South Dakota (the "EAS Order").

## **ARTICLE 5 FUEL FLOWAGE FEES**

### **5.01 FUEL FLOWAGE FEES**

No charges, other than those herein expressly provided for, will be payable to City by Airline or any of its suppliers for the furnishing of the services provided herein to Airline by City, subject to Fuel Flowage Fees not to exceed \$0.07 per gallon for 100LL and Jet-A fuels and not to exceed \$0.07 for Unleaded and Diesel fuels. Such Fuel Flowage Fee for 100LL and Jet-A fuels will be paid directly to the Fixed Based Operator. Such Fuel Flowage Fee for Unleaded and Diesel fuels will be due and payable to the City. All Fuel Flowage Fees shall be due and payable to respective payees by the 15<sup>th</sup> day of each month similar to section 1.03 of this lease.

## **ARTICLE 6 GENERAL PROVISIONS**

### **6.01 CITY'S RIGHT TO ENTER LEASED PREMISES**

City and its authorized officers and employees and agents shall have the right to enter upon the exclusively leased premises for the purpose of making inspection at such time and upon reasonable notice to Airline as may be reasonable under the circumstances and with as little interruption of Airline's operations as is reasonably practicable.

### **6.02 CITY NOT RESPONSIBLE FOR DAMAGE TO STORED PROPERTY**

City shall have no responsibility for any loss or damage to any property of Airline stored on the Airport, nor shall City be responsible for any loss or damage to any property of Airline located in that portion of the premises under the exclusive control of Airline.

### **6.03 AGREEMENTS WITH THE UNITED STATES:**

This Agreement and Lease is subject and subordinate to the provisions of any agreements between City and the United States, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the transfer of Federal rights or property to City for airport purposes, or to the expenditures of Federal Funds for the extension, expansion, or development of the

Airport in accordance with the provisions of the Airports and Airways Development Act of 1970, as it has been or may be amended from time to time; and

- (a) Airline, its agents and employees will not discriminate against any person or class or persons, by reason or race, color, creed or national origin in providing any services or in the use of any of its facilities provided for the public, in any manner prohibited by Part 15 of the Federal Aviation Regulations. Airline further agrees to comply with such enforcement procedures as the United States might demand that City take in order to comply with the Sponsor's Assurances.
- (b) It is clearly understood by Airline that no right or privilege has been granted which would operate to prevent any person, firm, or corporation operating aircraft on the airport from performing any service, maintenance, and repair on its own aircraft with its own regular employees that it may choose to perform.
- (c) It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right.
- (d) Airline assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR, Part 152, Subpart E.
- (e) Airline assures City that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Airline assures that it will require that its covered sub-organizations provide assurances to Airline that they similarly will undertake affirmative action programs and that will require assurances from their sub-organizations, as required by 14 CFR, Part 152, Subpart E, to the same effect.

#### **6.04 ASSIGNMENT AND SUBLETTING:**

Airline shall not assign or transfer this Agreement and Lease, in whole or in part, or any right or leasehold interest or interests granted to it by this Agreement and Lease, or sublet or otherwise transfer any interest in or to the premises, without the prior written consent of City (which consent will not be unreasonable withheld), however, Airline shall have the right to request the assignment of all or any part of its rights and interests under this Agreement to any affiliated air transportation company, or any successor to its business through merger, consolidation, voluntary sale, or transfer of substantially all of its assets, and the consent of City thereto shall not be unreasonably withheld. Written notice of any such proposed assignment shall be given to City who shall inform Airline, in writing, of its decision on such assignment within forty-five (45) days of receipt.

#### **6.05 AFFILIATE DESIGNATION**

For purposes of this lease, Affiliate is defined as any air transportation company that is (i) a parent or subsidiary of Airline or a corporation that share the same parent as Airline; or (ii) shares an International Air Transportation Association (IATA) flight designator code with Airline; or (iii) otherwise operates under essentially the same trade name as Airline at the Airport and uses essentially the same livery as Airline; provided that no major airline, as such term is defined by the FAA, shall be classified as an Affiliate of another major airline, unless either clause (i) or (iii) above defines the relationship between such airlines at the Airport.

#### **6.06 ACTS BEYOND PARTIES CONTROL**

Neither City nor Airline shall be deemed to be in breach of this Agreement and Lease by reason of failure to perform any of its obligations hereunder if, while and to the extent that such failure is due to embargoes,

shortages of materials, acts of God, acts of the public enemy, acts of superior governmental authority, sabotage, strikes, boycotts, labor disputes, weather conditions, riots, rebellion, and any circumstances for which it is not responsible and which are not within its reasonable control. This provision shall not apply to failures by Airline to pay rents, fees, or other charges, or to make any other money payments whatsoever, required by this Agreement and Lease, except in those cases where provision is made in this Agreement and Lease for the abatement of such rents, fees, charges or payments under such circumstances. This provision shall not prevent either party from exercising its rights of termination herein granted.

**6.07 INDEMNIFICATION:**

Airline shall keep and hold City herein, including the City Council and the City's officers, agents, servants and employees, harmless from any and all costs, liability, damage or expense (including costs of suit and reasonable expenses of legal services) claimed by anyone by reason of injury or death of persons or damage to persons or property sustained in, on or about the demised premises as a proximate result of the acts or omissions of Airline, its agents, servants, or employees, or arising out of any conditions occasioned by the acts or omissions of Airline in its demised premises, or arising out of the operations of Airline upon or about the demised premises, excepting such liability as may be the result of the direct and proximate negligence, acts or omissions of City or its officers, agents, servants or employees while acting in the scope of their official duties, agency or employment; provided, however, that upon the filing of any claim with City for damages arising out of incidents for which Airline herein agrees to hold City harmless, Airline shall have the right to settle, compromise or defend the same. Any final judgment rendered against City for any cause for which Airline is liable hereunder shall be conclusive against Airline as to liability and amount, where the time for appeal therefrom has expired.

No provision within this Agreement shall be construed to create any agency or trustee relationship.

**6.08 INSURANCE PROVIDED BY AIRLINE**

Airline, at its own expense, shall keep in force insurance of the following types and in not less than the following amounts, issued by a company or companies of sound and adequate financial responsibility, insuring Airline and City against all liabilities for accidents arising out of or in connection with Airline's use and occupancy of and operations at the Airport, except when caused by City's negligence alone or jointly with any person other than Airline, its agents, contractors and subcontractors, and shall furnish to City certificates evidencing such insurance, naming City as an additional assured thereunder, subject to the limitations set forth above in respect of City's negligence, to wit:

Aviation Public Liability Limits:

Bodily Injury and Property Damage Combined Single Limit – \$2,000,000 per occurrence

General Liability Limits:

Bodily Injury and Property Damage Combine Single Limit – \$2,000,000 per occurrence

If pursuant to any other agreement between Airline and City, Airline is complying with requirements identical with those of this Section; such compliance shall also serve as compliance with the requirements of this Section.

**6.09 MEANS OF ACCESS:**

City will permit full and unrestricted access by Airline, its passengers, agents, servants, invitees, employees and furnishers of good or services, to and from the Airport and its premises, for all purposes contemplated by this Agreement, by a means of access located outside the boundaries of such premises, whether by roadways, taxiways, corridors, lobbies, hallways, or other means of access.

The use of the means of access specified shall, without exception, be in common with such other persons (including, at the option of City, the general public) as City may authorize or permit, and City may, at any time or times, close, relocate, reconstruct, change, alter, or modify such means of access, either temporarily or permanently, provided, that a reasonable, convenient, and adequate means of ingress and egress is available for the same purposes.

Moreover, without exception, no such provisions shall be construed to prevent City from charging the operators of vehicles carrying passengers and property for the privilege of entering upon the Airport or using the roadways in or on the Airport, or soliciting passengers upon the Airport, or otherwise operating on the Airport; and notwithstanding any other provisions of this Agreement and Lease, City reserves the right to make such charges provided that they do not discriminate unreasonably against the operators of vehicles owned or leased and used exclusively for carrying officers, employees, passengers, or property of Airline as contrasted with those of the same class carrying other persons or property.

**6.10 NOTICES TO CITY AND AIRLINE:**

All notices required to be given to City hereunder shall be in writing and shall be sent by certified mail, return receipt requested, to the Airport Manager, 550 Airport Dr., Watertown, South Dakota, 57201; all notices required to be given to Airline hereunder shall be in writing and shall be sent by certified mail, return receipt requested, addressed to SkyWest Airlines, Inc., 444 South River Road, St. George, UT 84790, provided that the parties, or either of them, must designate in writing from time to time any change in mailing address, and may designate the addresses of substitute or supplementary persons in connection with said notices. The effective date of service of any such notices shall be the date such notice is mailed to Airline or said Manager.

**6.11 IMPROVEMENTS BY AIRLINE:**

Airline, subject to City's prior written approval, may install, erect or place in, on or about the Airport any improvements which Airline considers appropriate to the operation of its air transportation system. All such improvements will remain the property of Airline. Airline will have the right, at any time while this Agreement is in effect and for sixty (60) days thereafter, to remove any or all such improvements from the Airport, provided that Airline is not then in default in its payment to City hereunder and that Airline will repair any damage resulting from such removal. Title to all improvements not so removed by Airline will vest in City.

**6.12 ALTERATIONS TO PREMISES:**

Airline may, with the prior written approval of City's Airport Manager, at its own expense install in its exclusively leased premises any fixture or improvement or do or make alterations or do remodeling, germane to the use herein or hereafter granted. Any fixtures, improvements, equipment and other property brought, installed, erected, or placed by Airline in, or about such premises shall be deemed to be personal property and shall be and remain the property of Airline, except as otherwise provided herein, and to remove any or all of its property, subject to Airline's obligation to repair damage, if any, resulting from such removal. All such fixtures, improvements, equipment and other property shall be removed from said premises by the expiration or earlier termination of the letting, reasonable wear and tear excepted, unless City, acting by and through its Airport Manager shall have advised Airline in writing at the time of such installation, or not less than sixty (60) days in advance of such expiration or earlier termination of its willingness to accept title to such fixtures, improvements, equipment, and other property in lieu of restoration of the premises. Said improvements and all alterations thereof and additions thereto, shall in all respects be constructed in accordance with the ordinances and any applicable Rule and Regulation of City, and pursuant to any required building permit to be obtained from City and according to the customary terms and condition thereof.

**6.13 DAMAGE OR DESTRUCTION:**



If any building containing space leased to Airline is damaged by fire or other casualty, and the repair thereof is justified in the reasonable judgment of the Airport Manager after considering existing and contemplated construction programs and such repair can be completed within ninety (90) days from the date on which damage occurred, then City shall repair the building at its own expense, with reasonable diligence, and Airline rental thereof shall be equitably reduced during the period of such repair. If any building shall be damaged by fire or casualty, and the repair thereof is not justified in the reasonable judgment of the Airport Manager after considering existing and contemplated construction programs, then City shall within thirty (30) days give notice thereof to Airline that it does not intend to repair the damage, and the rental of said damaged building shall terminate.

**6.14 AIRPORT RESPONSE CHARGES:**

In any event where the Airport is not responsible to provide a service for or on behalf of Airline as required elsewhere in this agreement, Airline shall pay to the Airport, within twenty (20) days of receipt of invoice, the charges for services and/or response requested by or necessitated by the Airline and provided by Airport Operations and Maintenance Staff, Watertown Fire Rescue Staff, and Watertown Police Department Staff. These charges will be based upon an hourly rate of fifty dollars (\$50.00) per representative. In addition, Airline will be charged for actual cost, material, equipment, contractor invoices plus 10% for Airport administration and overhead charges if Airport services or response is needed.

Should Airline fail to make any repairs for which it is responsible, the Airport shall have the option to make the needed repairs, and Airline shall immediately reimburse the Airport for the total cost of such work. The making of such repairs by the Airport shall in no event be construed as a waiver of Airline's duty to make repairs as provided in this Agreement.

**6.15 TERMINATION BY THE CITY:**

City may terminate this Agreement with thirty (30) days' notice, upon or after any of the following events:

- (a) Airline files a voluntary petition in bankruptcy;
- (b) Airline is adjudicated as bankrupt by a court of competent jurisdiction;
- (c) A court takes jurisdiction of Airline and its assets under the provisions of any Federal reorganization act;
- (d) A receiver of Airline's assets is appointed;
- (e) Airline is divested of its estate herein by other operation of law; or
- (f) Airline defaults under any of its obligations contained herein and fails to remedy such default within sixty (60) days after receipt from the City of notice or remedy same, provided that no notice of termination by the City will be effective if Airline has either:
  - 1. Remedied the default; or
  - 2. Indicated corrective action upon receipt of such notice and such action may require more than sixty (60) days to complete, prior to receiving such notice of termination.

Acceptance by City following a default will not be deemed a waiver of such default. No waiver of a default by the City will constitute a waiver of any other or subsequent default. City may otherwise terminate this Lease Agreement without cause by providing written notice within ninety (90) days prior to the effective date of cancellation.

**6.16 TERMINATION BY AIRLINE:**

Airline, in addition to any right of cancellation or any other rights herein given to Airline, may cancel this lease in its entirety and terminate all or any of its obligations hereunder at any time, by sixty (60) days' written notice, upon or after the happening of any one of the following events:

- (a) The failure or refusal of the Federal Aviation Administration to continue the right of Airline to operate into and from said Airport.
- (b) Issuance by any court of competent jurisdiction of any injunction in any way preventing or restraining the use of said Airport, where such injunction, by its terms, remains in effect for a period of at least thirty (30) days.
- (c) The breach by City of any of the covenants and agreements herein contained and the failure of City to remedy such breach for a period of sixty (60) days after receipt of written notice of the existence of such breach.
- (d) The inability of Airline to use said premises and facilities continuing for a longer period than thirty (30) days, whether due to law or order, rule or regulation or any appropriate governmental authority having jurisdiction over the operations of Airline, or due to war, sabotage, earthquake, or other casualty which is not a result of the negligent acts or negligent omissions of Airline or its employees, or due to the assumption by the United States government or any authorized agency thereof of the maintenance and operation of said Airport and facilities or any substantial part or parts thereof, so as to impair the operations of Airline.
- (e) Any action of the Federal Aviation Administration refusing to permit Airline to operate into, from, or through said Airport such aircraft as Airline may reasonably desire to operate, provided all such aircraft have been approved by the Federal Aviation Administration.
- (f) The reduction, cancellation, or termination of the Essential Air Service Program whether by Airline or by any other governmental entity having jurisdiction over Airline to serve and/or operate under the Essential Air Service Program.

Acceptance by Airline following a default will not be deemed a waiver of such default. No waiver of a default by Airline will constitute a waiver of any other or subsequent default.

**6.17 QUIET ENJOYMENT AND POSSESSION:**

City agrees that on payment of the rentals, fees, and performance of the covenants and agreements on the part of Airline to be performed hereunder, Airline shall peaceably have and enjoy the leased premises and all the rights and privileges of the Airport, its appurtenances and facilities granted herein.

**6.18 OTHER CARRIER AGREEMENTS - RECIPROCITY**

If City grants to any other Certified Air Carrier terms, rights or privileges with respect to the Airport more favorable than those granted herein, the same terms, rights, and privileges will be available to this Airline. Space within the Airport Terminal Building which may be vacated or released by any other Certified Air Carrier shall be open for negotiation.

**6.19 NO HOLDING OVER AFTER TERM OF AGREEMENT**

There shall be no provision for holding over after the term of this agreement provided herein.

**6.20 CONSENTS AND APPROVALS**

Consents and approvals referred to herein (a) will not be unreasonably withheld and (b) will be deemed given unless notice of denial, specifying the reasons, therefore, is given within thirty (30) days after receipt of the request.

**6.21 GOVERNING LAW AND VENUE:**

This Agreement and Lease shall be deemed to have been made in and by construed in accordance with the laws of the State of South Dakota, and Airline hereby submits itself to the personal jurisdiction of the State of South Dakota, agreeing that all disputes arising hereunder shall be in the venue of the Circuit Court for State of South Dakota, Third Judicial Circuit, in the County of Codington.

**6.22 CITY RULES AND REGULATIONS:**

Airline will obey all reasonable rules and regulations of City, provided they are not inconsistent with this Agreement, or other superseding governmental authority, and provided they are consistent with safety and with the rules or procedures prescribed by any competent United States government authority.

**6.23 RESTRICTION OF OPERATIONS:**

If City or Airline’s operations at the Airport are substantially restricted by any governmental or judicial action, either party will have the right, after first providing written notice, to an equitable reduction of any relevant provision of this Agreement until such restriction has been remedied and normal operations are restored.

**6.24 ACKNOWLEDGMENT OF AUTHORITY:**

City and Airline acknowledge they have been authorized to execute this Agreement according to its terms by their respective governing bodies or boards and agree to be bound thereby.

**6.25 INVALIDITY:**

The invalidity of any provision of this Agreement will not affect the other provisions, unless the purpose of the parties in making this Agreement would be thereby frustrated.

**IN WITNESS WHEREOF** the parties hereto have caused this Agreement to be executed as of the date first written above and hereunto set their hand.

CITY OF WATERTOWN

SKYWEST AIRLINES, INC.

\_\_\_\_\_  
\_\_\_\_\_  
City Manager

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

ATTEST:

\_\_\_\_\_  
Kristen Bobzien  
Finance Officer

(SEAL)



# City Council

## Agenda Item

**Subject:** Approval of an Amended Ground Lease Agreement at the Watertown Regional Airport, with Pioneer Agviation 2, LLC, in the annual amount of \$11,086.50.

**Meeting:** City Council - Jul 07 2025 - Outgoing Council

**From:** Alan Stager, City Manager

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### **BACKGROUND INFORMATION:**

City Council previously approved a Ground Lease Agreement with Pioneer Agviation 2, LLC during the May 19th, 2025 City Council meeting. Tenant's lender requested certain language given a loan is being utilized for the construction. Items revised:

- Added Force Majeure Clause
  - Ability to Request of Extension of Building Permit which will not be unreasonably withheld
  - Adding a cure period of 60 days for any "for cause" lease termination
  - Revision of standard terms to coincide with previous leases the City has with similarly situated tenants (e.g. snow removal, written construction specifications provided to Airport Manager)
- 

### **FINANCIAL CONSIDERATIONS:**

N/A

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### **OVERSIGHT / PROJECT RESPONSIBILITY:**

Ian Meriwether-Chalfant, Airport Manager

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### **STAFF RECOMMENDATION / SUGGESTED MOTION:**

Staff recommends approval of this lease agreement through the following motion:

I move to approve the Amended Ground Lease Agreement at the Watertown Regional Airport, with Pioneer Agviation 2, LLC, in the annual amount of \$11,086.50.

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### **ATTACHMENT(S):**

[AIRPORT GROUND LEASE AGREEMENT - Pioneer Agviation 2 - 7.1.25](#)

## **AIRPORT GROUND LEASE AGREEMENT**

This Lease Agreement with an effective date of June 1, 2025 by and between the CITY OF WATERTOWN, a South Dakota municipal corporation, dba Watertown Regional Airport hereinafter collectively “LESSOR,” and PIONEER AGVIATION 2, LLC, a Nebraska limited liability company, “LESSEE.”

WHEREAS, LESSEE desires to operate an agricultural aerial application business at the Watertown Regional Airport;

WHEREAS, LESSOR has constructed a new agricultural operations taxiway that has created space for LESSEE to construct a permanent building and fully comply with all requirements of aerial application businesses operating at the Watertown Regional Airport;

WHEREAS, neither the Federal Aviation Administration has indicated to LESSOR any reason preventing LESSEE’s proposed operations and the location of the same, and LESSOR relies on these verifications in entering into this Lease Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth herein, and for the other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agrees as follows:

1. **Leased Premises.**

LESSOR hereby leases to LESSEE the following described property located at the Watertown Regional Airport, to wit:

APPROXIMATELY 55,432.5 SQUARE FEET OF AIRPORT LAND ABUTTING  
THE NEW AGRICULTURAL OPERATIONS TAXIWAY

upon which LESSEE will operate an aerial application business with a permanent structure and which is depicted on Exhibit A attached hereto and incorporated by reference (the “Leased Premises”).

2. **Term.**

This Lease Agreement shall be for a term of twenty-five (25) years from the Effective Date with the option by LESSEE for renewal for another 10 years provided LESSEE is not in breach of the terms and conditions of this lease at the time that it expires and the parties successfully negotiate a new lease rate; and LESSEE has completed construction of its permanent building associated with Lessee’s business.

3. **Use of Leased Premises by LESSEE.**

- A. LESSEE shall have the right to use the Leased Premises for the following primary activities: loading, unloading, and storage of aerial application substances; maintenance, repair, and storage of aircraft owned or operated by LESSEE; activities necessary and incidental to the aerial application business; and automobile parking. Additional activities may be permitted only with the written approval of LESSOR.
- B. LESSEE has the right of ingress and egress to the Leased Premises on City-owned or leased ground adjacent to the Leased Premises, LESSEE agrees to comply with any Federal Aviation Administration, State or Local security requirements pertaining to the Airport Operations Area in effect during the term of this Lease Agreement. LESSEE shall be responsible for employees, vendors, business invitees and/or contract personnel when they are on the Leased Premises or other airport premises.
- C. LESSEE agrees that access to the aeronautical area, for itself, its agents, guests, or invitees shall be permitted only to individuals possessing a key to the padlocked gate nearest the leased premises.
- D. LESSEE shall be allowed to supply fuel to its own aircraft from sources selected by LESSEE and to deliver said fuel to the Leased Premises. Any fuel delivered to the Leased Premises or stored at the Leased Premises shall meet all applicable City, State, and Federal regulations and insurance shall be provided as hereinafter set forth. In addition, LESSEE agrees to pay LESSOR a fuel flow fee of \$0.07 per gallon for each gallon of fuel brought onto the Leased Premises. Such amount shall be itemized and paid on a yearly basis by May 1<sup>st</sup> of each year of the term. The fuel flow fee may be increased by LESSOR on a yearly basis with thirty days written notice to LESSEE.
- E. LESSEE is required at all times to provide suitable and safe storage and containment of chemical materials, including a suitable and safe area for the loading and unloading of such chemical materials.
- F. LESSEE is solely responsible for arranging and paying for water and electric utility service to the Leased Premises.

4. **LESSEE's Commitment to Build Permanent Structure.**

LESSEE specifically acknowledges that LESSOR is entering into this Lease Agreement based upon LESSEE's commitment to build a permanent building in the year 2025 abutting LESSOR's new agricultural operations taxiway. LESSEE shall complete the permanent building structure by August, 2026. If LESSOR becomes aware the LESSEE no longer intends to construct or fails to complete construction by August, 2026, this Lease Agreement is subject to immediate termination by LESSOR. LESSEE may request an extension of its building permit in accordance with City

rules and regulations regarding same which shall not be unreasonably withheld by LESSOR. LESSEE shall abide by all local building regulations applicable to its project. The LESSEE shall be considered in default if LESSEE fails to complete construction within the designated timeframe under its building permit and shall immediately upon notification by LESSOR, quit and surrender the Leased Premises without any right or recourse. Upon termination of this Agreement for any reason, LESSEE shall remove all personal property and all permanent structures and fixtures shall become the property of the LESSOR.

- A. Written specifications for such construction must be submitted to the Airport Manager and receive written approval prior to construction. All exterior colors utilized on any structure located on the Leased Premises shall be subject to the written approval of the Airport Manager.

This Lease Agreement cannot be terminated by LESSOR except for as specifically set forth in the terms of this Agreement.

5. **Rent.**

LESSEE shall pay as rent for the Leased Premises to Lessor the sum of Twenty Cents (\$.20) per square foot for a total rent payment of ELEVEN THOUSAND EIGHTY-SIX DOLLARS and FIFTY CENTS (\$11,086.50) per year. In addition, LESSEE shall pay for all utilities provided to the Leased Premises in a timely manner. The Rent will increase at a rate of 2% annually on June 1 of each year during the initial Lease term.

Rent will be delinquent if not paid prior to the 1<sup>st</sup> day of June, 2025 and by June 1<sup>st</sup> annually thereafter. Late or unpaid rents will bear a fee of 10% per month from the 1<sup>st</sup> day of each month. Payment of rent will be in legal tender and submitted to the City of Watertown Finance Office, 23 2<sup>nd</sup> St NE, Watertown, SD 57201.

6. **Maintenance of Leased Premises.**

- A. LESSEE shall at all times keep and maintain the Leased Premises, including any incidental or other equipment or appliances installed or used by LESSEE, in a good, safe and serviceable condition of repair and shall maintain all of the same, and the premises in and about them occupied by LESSEE, in a safe, clean and neat condition.
- B. Trash and other waste will be properly disposed of by LESSEE, at LESSEE'S sole expense. LESSEE specifically agrees that it will promptly remove any trash, waste or other debris from the LESSOR'S premises and will not permit the accumulation or storage of any waste or any other type of refuse to occur upon the Leased Premises.
- C. Toxic and hazardous materials stored on the Leased Premises will be stored and disposed of according to applicable local, state and federal laws and regulations.
- D. LESSEE is responsible for all snow removal on the Leased Premises.

7. **Loss and Liability Over and Upon Leased Premises.**

LESSEE shall keep and maintain an insurance policy with a minimum amount of coverage of One Million Dollars (\$1,000,000.00) single limit liability for any one accident or occurrence. The policy shall name LESSOR as an additional named insured.

- A. Certificate covering the described conditions shall be filed at the Watertown Regional Airport within thirty (30) days from the Effective Date of this Lease Agreement. Notice of certificate renewal is required prior to policy expiration, and a new certificate shall be filed within fifteen (15) days.

LESSEE shall, during the term hereof, or any part hereof, hold LESSOR harmless and indemnify it from any and all damages and demands that, may result from negligence of LESSEE, including specifically, but not limited to, personal injury and property damage claims arising out of the use, maintenance, or operation by LESSEE or its employees or agents, of any of the appliances, equipment or operations referred to in this Lease Agreement.

8. **Remedies.**

In the event of default on the part of the LESSEE in any of the obligations or covenants hereunder, LESSOR shall provide LESSEE with a written notice of the breach or default, whereupon LESSEE shall have thirty (30) days to cure the claimed breach or default. In the event of failure of LESSEE to cure any breach of default within thirty (30) days after written notice by LESSOR, then LESSOR may terminate the Lease Agreement and re-enter the Leased Premises. In the event, LESSEE agrees to give quiet and peaceful possession of the Leased Premises to LESSOR, or any part of its agents, provided that the waiver by LESSOR of any default or breach on the part of the LESSEE shall not constitute a waiver of any other or subsequent default hereunder. The remedy stipulated in this paragraph shall be cumulative and in addition to any and all legal remedies that LESSOR may have for default and breach of this Lease Agreement.

9. **Non-Discrimination**

Lessee AGREES THAT IN THE OPERATION AND USE OF THE Leased Premises, the use of the airport, and the conduct of LESSEE at the airport, LESSEE will not, on the grounds of religion, race, color, sex, or national origin, discriminate or permit discriminations against any person or group of persons in any manner prohibited by law and hereby grants LESSOR the right to take such enforcement actions as the Government may direct.

10. **Assignment and Subletting**

This Lease Agreement shall be binding upon the heirs, legal representation and successors in the interest of any of the parties hereto and shall be assignable by the LESSEE only upon first obtaining the written consent of LESSOR and the Leased Premises shall not be sublet except upon



receiving prior written consent of LESSOR. The required consent of the LESSOR shall not be unreasonably withheld. Assignment to a corporation of this Lease Agreement, of which the named LESSEE has the majority of the stock or has effective control of the corporation, shall not be deemed to be an assignment within the meaning of this Lease Agreement, it being the intention of the parties that the LESSEE shall retain, through individual or through a corporate organization, the active management of the Leased Premises. LESSEE, without prior consent of LESSOR, may assign this lease to any department, bureau, corporation, administration, authority, or other instrumentality of the government of the United States or of the state of South Dakota or any South Dakota State or National Bank for the purpose of securing a loan.

11. **Miscellaneous**

- A. This Lease Agreement is non-exclusive, and LESSOR reserves the right to make any other or similar agreements with any person or persons, firms, or corporations, relative to other premises at the Watertown Regional Airport.
- B. The LESSEE shall not allow any mechanic's or materialmen's liens against the airport property of LESSOR.
- C. Either party may terminate this Lease Agreement for cause by giving the other party sixty (60) days' written notice. Both Parties shall have the right to cure any defect stated by the other Party as the basis to terminate the Lease for sixty (60) days from receipt of the written notice. As used herein, "cause" shall be deemed to include the breach, failure, or refusal to comply with any material term, covenant, or provision of this Lease Agreement.
- D. LESSOR has the right to enter and inspect the Leased Premises when deemed necessary. If the Leased Premises falls into a state of disrepair or becomes unsightly, then upon thirty (30) days' written notice, LESSOR has the right to make repairs and the cost shall be paid by LESSEE. The rights hereunder are to be cumulative and in addition to other remedies; and further, LESSOR shall have no obligation to make any repairs, except at its own option.
- E. LESSEE agrees that this Lease Agreement is subordinate to any agreements with the United States Government necessary during time or national defense emergency.
- F. Except as expressly provided herein, LESSEE will abide by all City, State and Federal laws governing the use of said airport, including policies and regulations adopted and as amended from hereafter by LESSOR or the Airport Board regarding LESSEE's operations on airport premises.
- G. Upon termination of this Lease Agreement, for whatever cause, LESSEE shall, within 90 days of such termination, have the right to enter upon Leased Premises for the limited and exclusive purpose of removing any personal property of LESSEE and to restore LESSOR'S property to the condition existing at the time this Lease Agreement was executed.

- H. This Agreement is to be construed and governed under the laws of the State of South Dakota and any disputes shall be resolved in the state court located in Codington County, South Dakota, or the U.S. District Court for the State of South Dakota.
- I. All notices under this agreement shall be in writing and shall be served by personal service or by certified mail, return receipt requested. Any party may notify the other parties of a different address to which notices shall be sent.

As to LESSOR:

City of Watertown  
Attn: Airport Manager  
20 N. Maple Street  
Watertown, SD 57201

At to LESSEE:

Pioneer Agviation 2 LLC  
Attn: Dan Seuer  
1425 Brewster Road  
Holdrege, NE 68949

12. **Public Improvement Infrastructure Payment Clause.** In addition to the Rent and other fees referred to in this Agreement, the LESSEE agrees to pay the cost of its portion of the public improvement infrastructure of sanitary sewer and water, totaling \$107,786.44, over a period of five (5) years. The payments shall be made in equal installments on an annual basis with the first payment of \$21,557.29 due upon execution of this agreement and subsequent annual payments of \$21,557.28 on or before June 1 of each year thereafter until paid in full.

A. Early Termination: In the event that the LESSEE terminates, assigns, or vacates the leased premises prior to the completion of the full five (5) year term, any remaining unpaid balance of the public improvement infrastructure cost shall become immediately due and payable in full upon such termination, assignment, or vacation.

B. Late Payment: If the LESSEE fails to make any payment under this clause when due, such failure shall constitute a default under the lease, and the LESSOR shall have the right to pursue any remedies available under the lease or applicable law, including, but not limited to, the collection of overdue amounts, interest, and late fees.

C. Default: If the LESSEE defaults on any installment payment, the full remaining balance of the public improvement infrastructure shall immediately become due and payable, and the Lessor shall be entitled to exercise any rights and remedies available under the lease or at law.

13. **Continuing Obligation Running With the Land.** LESSEE acknowledges and agrees that all terms and conditions contained herein shall remain a continuing obligation until satisfaction or completion. In the event the LESSOR is required to undertake any action to enforce the terms of this agreement or its building regulations in connection with this agreement, the LESSEE, its heirs, assigns or successors in interest agree the LESSOR may recover its reasonable expenses, including attorney's fees incurred with respect to such action. The LESSEE understands and agrees that the public improvement infrastructure payment is a covenant running with the above-

described leased premises. Furthermore, it is agreed that, as 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 which shall, upon its execution, a notice of this lease and specifically the public improvement infrastructure may be recorded by LESSOR with the Codington County Register of Deeds.

14. **Force Majeure.** Neither Party will be liable for any failure to perform its obligations hereunder, other than payment obligations, due to unforeseen circumstances or causes beyond the Party's reasonable control, including, without limitation, acts of God, war, riot, embargoes, acts of civil or military authorities, acts of terrorism or sabotage, electronic viruses, fire, flood, earthquake, accident, strikes, radiation, inability to secure transportation, failure of communications or electrical lines, facilities, fuel, energy, labor or materials."

15. **Entire Agreement.** This Agreement represents the entire agreement of the parties and no other terms, either written or oral, exist. Any amendments to this Agreement must be in writing and executed by both Parties

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be executed as of the Effective Date.

LESSEE  
PIONEER AGVIATION 2 LLC

LESSOR  
CITY OF WATERTOWN

By: \_\_\_\_\_  
Ryan D. Wells  
Member

\_\_\_\_\_  
Alan Stager  
City Manager

ATTEST:

\_\_\_\_\_  
Kristen Bobzien  
Finance Officer

(SEAL)



# City Council

## Agenda Item

**Subject:** Approval of a Lease Agreement of the Watertown Municipal Event Center between the City of Watertown and Santo Tequila SD LLC

**Meeting:** City Council - Jul 07 2025 - Outgoing Council

**From:** Alan Stager, City Manager

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### **BACKGROUND INFORMATION:**

The Ramkota Hotel was sold and WR Hospitality has notified the City of its intent to terminate the Watertown Event Center Lease. The City is contracting with the new restaurant owner, Santo Tequila LLC to lease the Watertown Event Center and provide uninterrupted services for those who have contracted and reserved to hold their events at the event center moving forward. The transfer of the liquor license is also on today's agenda as a separate item. The new owners plan to retain the current event center staff to allow for a seamless transition.

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### **FINANCIAL CONSIDERATIONS:**

See attached agreement.

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### **STAFF RECOMMENDATION / SUGGESTED MOTION:**

I move to approve the Lease Agreement of the Watertown Municipal Event Center between the City of Watertown and Santo Tequila SD LLC

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### **ATTACHMENT(S):**

[2025 WEC Lease](#)

[Ex. A Leased Premises Area](#)

[Exhibit B Inventory](#)

[WEC Exhibit C Load Bearing Walls](#)

**LEASE OF WATERTOWN MUNICIPAL EVENT CENTER**

THIS LEASE AGREEMENT is made and entered into this 8<sup>th</sup> day of July, 2025, by and between the CITY OF WATERTOWN, SOUTH DAKOTA, a South Dakota municipal corporation (hereinafter "CITY"), and SANTO TEQUILA SD LLC, a South Dakota limited liability company, with its principal business offices located at 2411 SE Sixth Avenue, Aberdeen, SD 57401 (hereinafter "TENANT"), and is subject to the following terms and conditions:

**1. Leased Premises.**

CITY hereby leases to TENANT the real property described as:

Ramkota Addition to the Municipality of Watertown, in the County of Codington, South Dakota and Lot 4 and the West 93.3 feet of Lot 5 of Turbes Addition to the City of Watertown, Codington County, South Dakota, all as depicted on the drawing attached to this Lease Agreement and labeled as Exhibit A.

In addition to the real property leased hereunder, the parties acknowledge and agree that the WEC shall include the current furniture, fixtures and equipment (hereinafter "FF&E") made a part of the WEC. A list of all FF&E is attached as Exhibit B. Unless otherwise stated herein, the FF&E is provided by CITY "AS IS" with no warranty as to condition and use.

**2. Term.**

The term of this Lease Agreement shall be five (5) years, with said term beginning on July 8, 2025. It is further agreed and understood that this Lease Agreement shall automatically renew for 4 (four) subsequent and successive five (5) year terms unless notice of termination has been provided as described herein. It is further understood the CITY shall give TENANT a first right of refusal to lease the WEC at the conclusion of the lease term and renewals described hereunder, under terms then negotiated by CITY.

**3. Rent.**

TENANT shall pay no rent throughout the term and renewals of this lease, but will, in lieu of such rent payment, and as consideration for this Lease Agreement, perform the following valuable services for the benefit of CITY:

- A. TENANT agrees to supervise and direct the general operations of the WEC; and to establish prices, charges and rules of conduct for the WEC.
- B. TENANT shall be responsible for marketing and promotion of the WEC.
- C. TENANT shall supervise and manage, at its own expense, all operations for and within the WEC.
- D. TENANT agrees to employ, at its own expense, all employees necessary to effectively operate the WEC.

- E. TENANT will adopt a schedule of charges for use of the facility, and a schedule of charges for food, beverages, or merchandise, and will collect and retain the proceeds thereof, if any.
- F. TENANT agrees to manage and operate the WEC in a professional and businesslike manner and shall, at all times, maintain an adequate labor force to ensure the proper and efficient operation of the WEC. TENANT further agrees to purchase and install all necessary equipment and supplies in addition to, or replacement of, the equipment and supplies provided by CITY on Exhibit B.

4. **Maintenance and Utilities.**

TENANT will perform all necessary maintenance and cleaning services upon the leased premises at its sole expense. TENANT shall pay all costs, expenses and monthly utility charges necessary to provide gas, water, sewer and electricity to the WEC. TENANT shall pay all costs of trash removal and any other waste disposal.

5. **TENANT's Obligations.**

In addition to those obligations contained in Paragraph 3, *supra*, TENANT agrees to perform the following obligations throughout the term of this Lease Agreement:

- A. TENANT will keep the WEC premises in good repair, including, but not limited to, the following: all fixtures, the WEC parking area, HVAC, all electrical and plumbing components, plantings, weeding, mowing, snow removal, exterior lighting, less normal wear and tear. By way of example, any repairs to the HVAC system shall be the responsibility of TENANT such as a valve replacement, filter replacement, season/regular equipment maintenance and repairs. However, the replacement of a water heater or furnace system shall be the responsibility of CITY and is subject to approval and necessary approved and available appropriations by the City Council.
- B. TENANT agrees it will not encumber or allow any materialman's or mechanic's liens to be attached to the WEC.
- C. Except as otherwise provided in this lease and without assuming liability for payment, TENANT agrees that it will make, or cause to be made, all necessary repairs, maintenance and replacement of any and all portions of the WEC to ensure its proper and continued use and operation, and will not allow any waste or material diminution of the WEC premises to occur due to any failure to perform any maintenance or repair obligation prescribed hereunder. TENANT may, at its option, upon reasonable notice, elect to have CITY perform any particular such maintenance or repairs the cost of which will be billed to, and the responsibility of, TENANT. In addition to 5.A. above, items to be maintained and repaired by TENANT include, but are not limited to: carpet repair, painting, airwalls, pipe leaks/plugs, light replacement, interior window and door repair/replacement, kitchen appliance repairs, and general repairs.
- D. TENANT agrees that the FF&E provided hereunder is the property of CITY and shall remain with the WEC at the conclusion of this Lease. TENANT further agrees and acknowledges that during the term of this Lease, some of those FF&E items identified on Exhibit B will need to be replaced due to damage, attrition, obsolescence or loss. TENANT

hereby agrees that when any item of FF&E needs to be replaced, it will be replaced by TENANT, at its sole expense, with an item that is similar to the original item furnished. Upon expiration of this Lease, TENANT agrees to provide CITY an updated list of all FF&E items then remaining at the WEC. CITY shall have the right to examine such updated list, compare it with Exhibit B, and thereafter require TENANT to provide replacement of any item damaged or lost during the term of the lease.

- E. TENANT agrees it will comply with all laws, ordinances, rules or regulations whether federal, state or local, which are applicable to the maintenance, operation, use and occupancy of the WEC.
- F. TENANT acknowledges that CITY, has a Convention and Visitor's Bureau (CVB), whose executive director promotes the City of Watertown. TENANT agrees that in scheduling events within the WEC, its promoter shall communicate and cooperate with the CVB, and will provide the CVB with updates. TENANT will notify CITY to assist with communication between the TENANT and CVB when necessary. However, the TENANT maintains sole authority and discretion in the scheduling and booking of all events within the WEC.
- G. CITY represents that it has no knowledge of any substance, chemical or waste (collectively, "Hazardous Substance") on the property that is identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation. TENANT shall not introduce or use any such substance on the property in violation of any applicable law. TENANT shall be responsible for, and shall promptly conduct any investigation and remediation as required by any applicable environmental laws, of all spills or other releases of Hazardous Substance, that have occurred or which may occur on the property.

6. **CITY's Obligations.**

- A. CITY covenants and warrants that TENANT shall have the right of quiet enjoyment in the leased premises during the lease term and renewals.
- B. CITY warrants that during the term of this Lease Agreement it will not make or enter, or cause to be made or entered, any other Lease Agreement(s) over or upon the leased premises described herein.
- C. CITY agrees that it will provide any and all necessary assistance to TENANT for the purpose of acquiring and renewing its on-sale alcoholic beverage license(s) and any applicable permits including building permits, conditional uses, variances, and zoning approvals. CITY may issue a City owned liquor license for use by TENANT for the WEC in lieu of TENANT's liquor license being used for its restaurant.
- D. CITY will be responsible for Property Taxes, if any, or payment in lieu of taxes, if any, for the WEC.
- E. CITY will be responsible for necessary repair and replacement of structural components of the WEC including, without limitations, the following: foundations, exterior walls, interior bearing walls, floor slabs, exterior window and door repair and replacement, overhang/canopy to Event Center, landscaping rock, curb/gutter, HVAC equipment and controls replacement, roof, and appliance replacement in the kitchen on the event center

side. All improvements and repairs provided by CITY are subject to City Council approval and available appropriations. See, Exhibit C for location of structural walls. This does not include general maintenance, which at all times, will remain the responsibility of TENANT. CITY shall have no responsibility for any obligation assumed by TENANT in Paragraph 5, *supra*. There shall be no abatement of rent or liability of CITY to TENANT on account of any interference with TENANT'S business with respect to any improvements, alterations or repairs made by CITY to the leased premises. However, that CITY shall not be required to make any repairs occasioned by the act, omission or negligence of TENANT, or TENANT's customers, invitees, agents, contractors, employees, servants, assignees, licensees or concessionaires. If the Premises should become in need of repairs required to be made by CITY hereunder, TENANT shall give prompt written notice thereof to CITY. All maintenance and repairs by CITY is contingent upon available funds and approval, when necessary, of the City Council.

**7. Alterations by TENANT.**

- A. *Non-Structural Alteration.* TENANT shall have the ability to remodel the WEC and make non-structural substitutions, additions, modifications, deletions and improvements from time to time as deemed necessary or desirable; provided, however, that the uses and purposes of the WEC shall not be changed. The costs of any remodeling, substitutions, additions, modifications and improvements shall be paid for solely by TENANT, and any additions, accessions or fixtures added by TENANT shall become the property of CITY. Any non-structural alterations under this Section A shall be presented to the CITY in written form, with proposed detailed plans.
- B. *Structural Alteration.* TENANT shall not make, or cause to be made, any structural alteration, modification or addition in or to the WEC without the express written approval of CITY. Any alterations, improvements, additions or utility installations in or about the leased premises that TENANT shall desire to make shall be presented to CITY in written form, with proposed detailed plans. If CITY shall give its consent to TENANT making such alteration, improvement, addition or utility installation, the consent shall be deemed conditioned upon TENANT acquiring all applicable permits to do so from the applicable governmental agencies, furnishing a copy thereof to CITY prior to the commencement of the work, and compliance by TENANT with all conditions of said permit in a prompt and expeditious manner. All structural alterations, modifications or additions in and to the WEC shall become part of the WEC and property of CITY.
- C. TENANT shall have the right to install interior partitions and create necessary openings in flooring, ceiling and/or walls for the conduct of WEC business with prior approval from the CITY which such approval shall not be unreasonably withheld.

**8. Damage to WEC.**

Without assumption of ultimate responsibility for payment, TENANT shall, subject to unavoidable delay, promptly arrange for repair any injury or damage to the WEC from whatever cause. TENANT further agrees that it will promptly notify CITY of any damage to the WEC, which TENANT estimates at more than Five Thousand Dollars (\$5,000.00).



**9. CITY's Right of Inspection.**

CITY shall retain the right, throughout the lease term, to inspect the leased premises to ensure proper operation and maintenance. Any damage or deterioration of the leased premises shall not be deemed ordinary wear and tear if the same could have been prevented by good maintenance practices by TENANT. CITY additionally shall retain the right to enter the WEC for the purpose of conducting a risk assessment with retained safety consultants or risk management personnel. TENANT hereby expressly agrees to allow CITY to conduct such inspections, upon reasonable notice, and CITY agrees and warrants that any inspection so conducted will, unless otherwise unavoidable, cause no interruption of TENANT's activities. TENANT agrees, without necessarily assuming liability for payment, that any modification or alteration required as a result of any safety inspection conducted hereunder will be completed in a timely manner, and pursuant to specifications provided by the safety consultant or risk management personnel, required by law.

**10. Performance Theater.**

CITY agrees it will be responsible for repair and replacement of all components necessary to operate the performance theater, which shall be deemed to include; stage rigging and drapery, performance lighting system, performance sound system, and related control systems for such lighting and sound systems. TENANT shall be responsible for day-to-day operation of the Performance Theater including, but not limited to, scheduling, leasing, clean-up, and set-up.

Fifty percent (50%) of the income and fees received from operation and/or lease of the Performance Theater shall belong to CITY during the lease term and said funds shall be dedicated and reserved for updates and maintenance of components stated in this Section 10 that are the responsibility of the CITY.

**11. Auditorium Building Fund.**

CITY and TENANT acknowledge that, pursuant to *S.D.C.L. §6-4-1*, CITY may establish an "Auditorium Building Fund," whose revenue is derived from admission to, and use of, the Performance Theater, with said fund to be used for the purpose of remodeling, repair and for the purchase of equipment for the Performance Theater. TENANT agrees that for each event the Performance Theater is used or occupied by any group or organization, CITY shall receive not more than fifty percent (50%) of the amount charged and collected by TENANT for rental of the Performance Theater, as established by TENANT pursuant to Paragraph 3. A., *supra*. Or, in the event individual admission tickets are sold by TENANT or TENANT's Agents for any event held within the Performance Theater, CITY and TENANT agree that not more than 50% of each admission ticket price shall be deposited in the Auditorium Building Fund established by CITY for the limited and exclusive purposes described herein. TENANT agrees to advise any group or organization renting the Performance Theater about this provision, and TENANT further agrees to use its best efforts to ensure compliance with this provision. TENANT will remit to CITY any money retained pursuant to this section not less than once each month during the term of this Lease Agreement. TENANT agrees to provide CITY its list of fees and charges, including any amendments thereto throughout this Lease Agreement to ensure compliance with this material provision. TENANT agrees to provide CITY an annual accounting of all revenue generated from the Performance Theater to ensure compliance with this material provision.

**12. Hold Harmless.**

The TENANT agrees to perform and faithfully to observe and comply with all the conditions, regulations, and provisions prescribed herein and further to indemnify, save and keep harmless the CITY, its officers, agents, and employees of and from all liability, lien, judgment, costs, damages and expense of whatsoever kind, including costs and reasonable attorney's fees, which may in any way be suffered by the CITY or by any of its officers, agents, employees, or which may accrue against or be charged to or recovered from the CITY, to its said officer, agents, or employees by reason of or arising out of the operations of the WEC including all services, concessions, and alcohol sales herein provided for the privileges granted, as aforesaid, or for or on account of any act or thing done or suffered or omitted to be done under the authority, or supposed authority, of such grant. TENANT shall, during the term hereof, or any part hereof, hold CITY harmless and indemnify it from any and all damages and demands that may result from all acts including third-party claims and negligence of TENANT, including specifically, but not limited to, personal injury and property damage claims arising out of or incidental to the use, maintenance or operation by TENANT or his employees or agents, of any of the structures, appliances, equipment or operations referred to in this Agreement.

**13. Insurance and Subrogation.**

TENANT will provide Commercial General Liability Insurance in an aggregate amount of \$1,000,000.00 with a \$5,000,000.00 umbrella and name CITY as an additional insured on the policy or policies. TENANT may satisfy this requirement by obtaining appropriate endorsement to any master policy of liability insurance TENANT or affiliates may maintain.

TENANT further agrees to maintain fire, wind and extended coverage insurance on all improvements comprising the WEC to the extent of the full insurable value thereof on a replacement cost basis without deduction for depreciation.

TENANT agrees to obtain flood insurance covering the WEC to the extent available under the National Flood Insurance Act.

TENANT shall procure and maintain workmen's compensation insurance issued by a responsible carrier authorized under the laws of the State of South Dakota to insure employers against liability for compensation under the Workmen's Compensation Insurance and Safety Act now or hereafter enacted in South Dakota to cover all persons employed in connection with the WEC.

All policies required under this Section shall name the CITY and TENANT as insureds as their respective interests may appear. All such policies shall contain a provision whereby the policy shall not be canceled without at least thirty (30) days' prior written notice to CITY and TENANT. TENANT will provide CITY with certificates of insurance as evidence of all insurance policies required under this Lease Agreement.

Upon the happening of any loss or damage covered by any such policies from one or more of the causes insured against, TENANT shall make due proof of loss with the insurer and shall hold the net proceeds resulting from any such loss in trust for the benefit of the parties who sustained any loss or damage.

**14. Termination of Lease Agreement.**

Except as otherwise provided herein, this Lease Agreement may be terminated, without any penalty or further liability as follows:

- A. Upon thirty (30) days written notice by either party if the other party materially defaults and/or fails to cure or commence curing such default within that thirty (30) day period, or such longer period as may be required to diligently complete a cure commenced within that thirty (30) day period;
- B. If at any time during the lease term the WEC cannot be used by the public for the purpose for which it was constructed due to any law, ordinance, order, rule, regulation or requirement of any federal, state or local government authority, then TENANT may, at its option, terminate this Lease Agreement effective upon a date therein specified, which date shall not be less than thirty (30) days after such notice is given to the CITY, and all obligations and liabilities of TENANT hereunder shall cease as of such termination date, except for liabilities and obligations which were owed or accrued prior to such termination date.
- C. Upon one hundred and eighty (180) days written notice by either party, with or without cause.

**15. Default.**

Any one of the following shall constitute a Default by TENANT of Lease Agreement unless otherwise cured as prescribed herein:

- A. Upon any notice of cancelation of either the casualty or liability insurance policies required hereunder given to CITY, and TENANT fails to renew such policy within ten (10) days after such written notice is given by CITY to TENANT or prior to date of cancellation of such policy, whichever is later;
- B. If the leasehold interest of TENANT shall be levied upon or attached resulting from legal proceedings and such process shall not be vacated, discharged, or bonded over within thirty (30) days of such levy or attachment.
- C. If TENANT's ability to conduct business in the State of South Dakota expires or is annulled or if TENANT is dissolved or liquidated and reinstatement is time barred.
- D. If TENANT files a petition in bankruptcy, reorganization, or for an arrangement under the Federal Bankruptcy Code, or shall be adjudicated as bankrupt or insolvent, or shall make assignment for the benefit of creditors; or if a petition or answer proposing the adjudication of TENANT as bankrupt or its reorganization shall be filed in any court and such petition or answer shall not be discharged or denied within thirty (30) days after filing thereof, or a receiver, trustee or liquidator of the Tenant or of all or substantially all of the assets of the Tenant shall be appointed in any proceeding brought against the TENANT and shall not be discharged within thirty (30) days after such appointment, or if the TENANT shall consent to or acquiesce in such appointment.

- E. If TENANT fails to observe or perform any other covenant, condition or obligation on its part under this Lease Agreement, and such failure or violation shall continue for a period of thirty (30) days after written notice has been given to TENANT by CITY specifying such failure or violation and requesting that it be remedied.
- F. If TENANT shall assign this Lease or sublet the leased premises in violation of the provisions of this Lease, and if such assignment or sublease is not terminated, rescinded, canceled or satisfied within three (3) days after TENANT has received written notice wherein the specifics of such violation are set forth.

**16. Remedies for Default.**

Whenever any Default as described Section 15, *supra*, shall remain uncured after the expiration of time as set forth in this lease CITY may, at its option, elect any one or more of the following remedies:

- A. CITY may terminate this Lease Agreement and TENANT's rights hereunder by serving notice upon TENANT that CITY elects to terminate this Lease Agreement upon a date specified, which date shall not be less than thirty (30) days after the service of such notice nor more than one hundred eighty (180) days, and this Lease Agreement shall expire on the date so specified with the same force and effect as if that date had been originally fixed as the expiration of the term hereof, and CITY may thereafter lawfully re-enter the leased premises and repossess the same and remove TENANT and those claiming under this Lease Agreement without being liable for damages therefor.
- B. CITY may lawfully re-enter the leased premises or any part thereof and repossess the same and expel TENANT and those claiming under TENANT without being liable for any damages therefor.
- C. CITY may take whatever action at law or in equity that may appear necessary or appropriate to enforce performance and observance of any obligation, agreement or covenant of TENANT herein.

No remedy herein shall be considered exclusive of any other remedy conferred by this Lease Agreement or law, but all such remedies shall be cumulative. Every power and remedy given by this Lease Agreement may be exercised from time to time and as often as may be declared expedient. No delay or omission of CITY or TENANT to exercise any power, right of remedy shall impair any such right or power or be construed to be a waiver thereof. No waiver of any breach of any covenant, agreement or provision of this Lease shall be construed or held to be a waiver of any other breach, covenant, agreement or provision.

CITY shall have the right, but not the obligation, to cure any default of TENANT at TENANT's expense, and enter the WEC for such purpose and take all action thereon as, in the reasonable opinion of CITY, may be necessary or appropriate. Any amount reasonably expended by CITY in curing any default shall be immediately due and payable by TENANT to CITY.

**17. Notices.**

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

If to CITY, to:

City Manager  
City of Watertown  
20 North Maple  
P.O. Box 910  
Watertown, SD 57201

Copy to:

City Attorney  
City of Watertown  
20 North Maple  
P.O. Box 910  
Watertown, SD 57201

If to TENANT, to:

Santo Tequila LLC  
Attn: Reyes Aranda Jr.  
704 S. Highline Place  
Sioux Falls, SD 57110

Copy To:

Santo Tequila LLC  
Attn: Pancho Aranda  
2411 SE Sixth Avenue  
Aberdeen, SD 57401

**18. Assignment and Subletting.**

TENANT may not, in any manner, assign or sublet the WEC premises, or any portion thereof, other than to an affiliate, without first obtaining the written consent of CITY to such assignment.

**19. Miscellaneous.**

- A. This Lease Agreement constitutes the entire agreement and understanding of the parties, and supersedes all offers, negotiations and other agreements. There are no representations or understandings of any kind not set forth herein. Any amendments to this Lease Agreement must be in writing and executed by both parties.
- B. This Lease Agreement shall be construed in accordance with the laws of the State of South Dakota.
- C. If any term of this Lease Agreement is found to be void or invalid, such invalidity shall not affect the remaining terms of this Lease Agreement, which shall continue in full force and effect. The parties shall agree that if any provisions are deemed not enforceable, they shall be deemed modified to the extent necessary to make them enforceable.
- D. The persons who have executed this Lease Agreement represent and warrant that they are duly authorized to execute this Lease Agreement in their representative capacity as indicated.
- E. This Lease Agreement may be executed in any number of counterpart copies, each of which shall be deemed an original, but all of which together shall constitute a single instrument.
- F. Each party agrees to cooperate with the other in executing any documents necessary to

protect its rights or use of the premises. A “Memorandum of Lease” may be recorded in place of this Lease Agreement by either party.

**20. Successors and Assigns.**

This Lease Agreement shall run with the property and shall be binding upon and inure to the benefit of the parties, their respective successors, and assigns.

**CITY:**

**TENANT:**

\_\_\_\_\_  
Alan Stager, City Manager

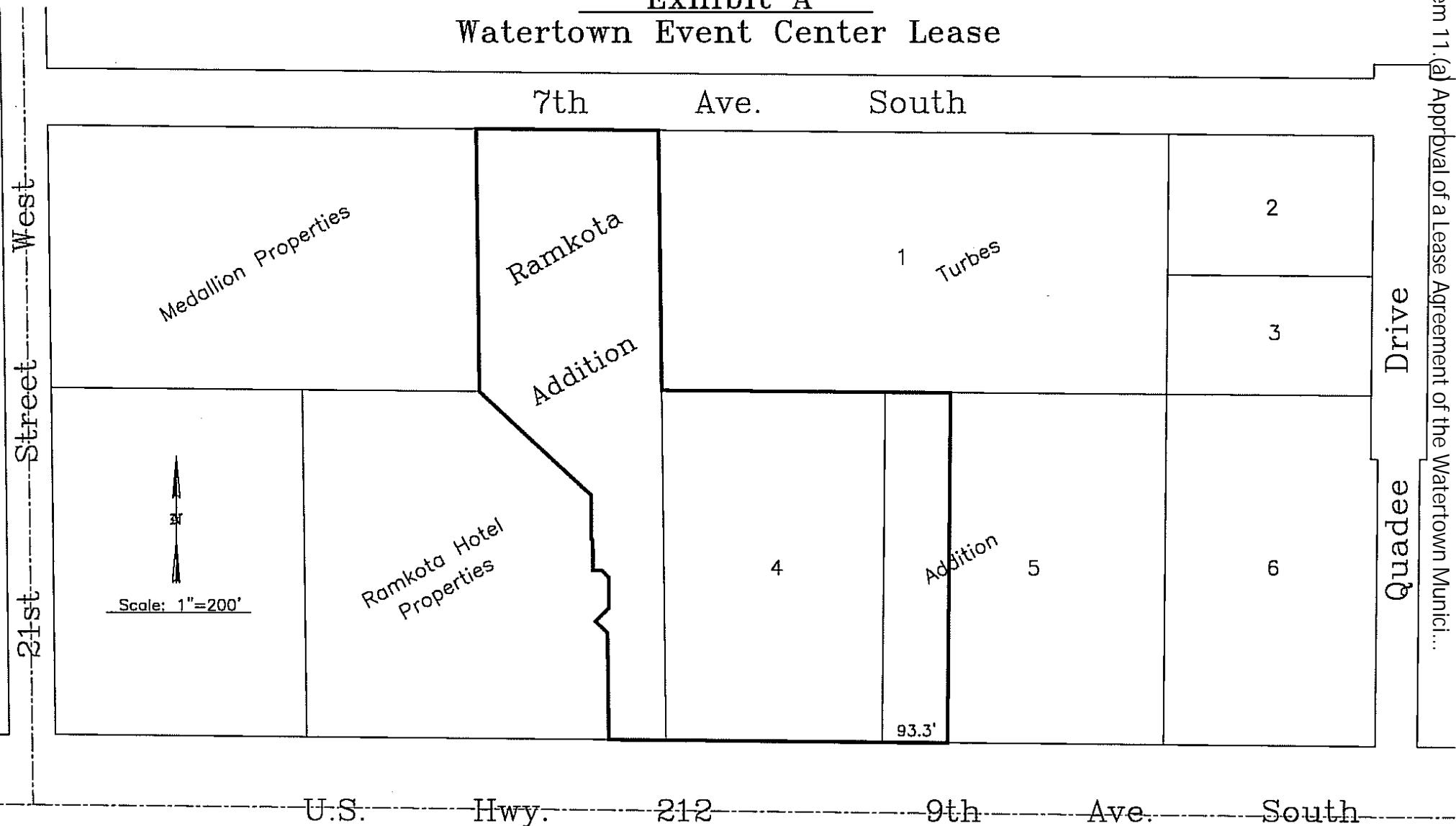
\_\_\_\_\_, Authorized Member

ATTEST:

\_\_\_\_\_  
Kristen Bobzien  
Finance Officer

(SEAL)

Exhibit A  
Watertown Event Center Lease



ITEM - DINNERWARE	QUANTITY	NOTES / DESCRIPTIONS
Champagne Coups	167	
Champagne Flutes	25	
Coffee Cups	737	
Martini	70	
Parfait	474	
Rocks	-	
Small	157	
Large	257	
Water Glasses	943	
Wine Glasses	419	
Coffee Carafes	98	
Water Pitchers	219	
Coffee Saucers	722	
Dessert Plates	477	
Dinner Plates	899	
Dressing/Soup Cups	93	
Salad Plates	911	
Forks	1409	
Knives	-	
Butter	558	
Steak	386	
Spoons	-	
Tea	124	
Soup	104	
Salt & Pepper Shakers	164	

ITEM - FOOD SERVICE	QUANTITY	NOTES / DESCRIPTION
Bowls	-	
Small	17	
Medium	4	
Large	4	
x-large	2	
Miscellaneous	164	
Bread Baskets	-	
Large	6	
Small	53	
Chaffers	-	



Regular	19	
Round	2	
Sauce	2	
Soup	2	
Heat Lamps	2	
Platters	-	
Small Oval	3	
Medium Oval	4	
Large Oval	10	
Large Rectangle	3	
Medium Round	3	
Large Round	5	
Utensils	-	
Ladels	21	
Serving Spoons	48	
Small Tongs	40	
Medium Tongs	66	
Large Tongs	10	

ITEM - TABLES, CHAIRS & DÉCOR	QUANTITY	NOTES / DESCRIPTION
4'	4	
6'	-	
Regular	175	
Skinny	46	
8'	27	
1/2 Rounds	3	
Bar Back	4	
Cocktail	-	
Bases	8	
Short Leg	9	
Tall Leg	11	
Top	12	
Rounds	-	
8 Top	177	
10 Top	12	
Serpentine	7	
Chairs	1217	
Heart Shaped Bowls	38	
Mirror Tiles	-	

Round	27	
Square	29	
Rose Bowls	47	
Oil Candles	-	
Lidded	72	
Tall Round	93	
Oil Lamps	-	
Crystal	25	
Bead Trim	13	
Votives	-	
Lantern	23	
Regular	147	
Round	47	
Small Square	79	
Large Square	20	

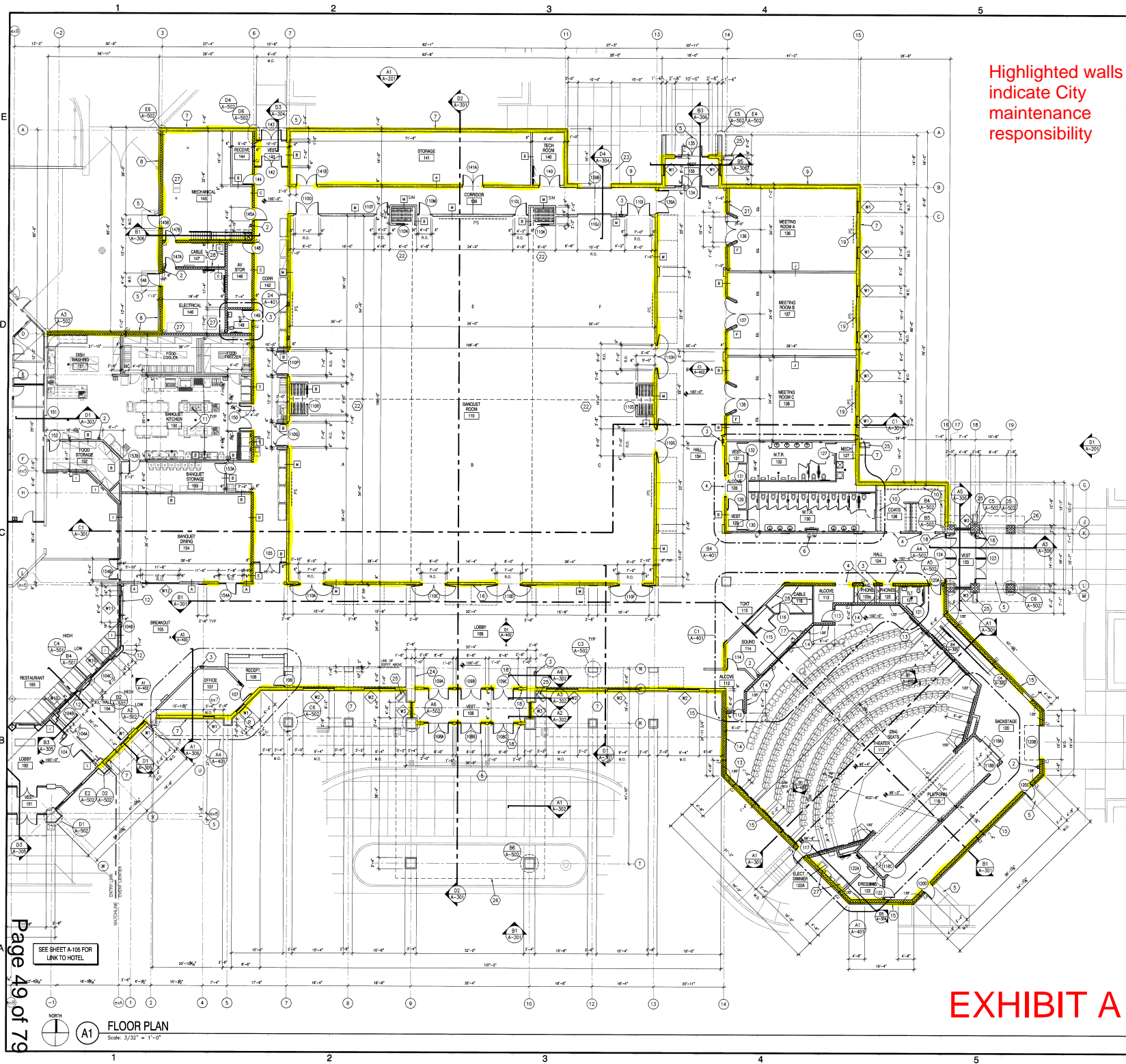
ITEM - MISCELLANEOUS & AV EQUIPMENT		QUANTITY	NOTES / DESCRIPTION
AV Carts		6	
Cords		-	
HDMI		11	
VGA		12	
Projection Screens		-	
Large Built In		2	GLB, Theater
Medium Built In		4	Cottonwood, Marsh, Cattail, Whitewood
Small Built In		3	Prairie, Coteau, Heartland
Portable		4	
Projectors		-	
Large Hanging		2	GLB, Theater
Small Hanging		3	Prairie, Coteau, Heartland
Small Portable		3	
Microphone Cords			
Buzzkill		2	
Rocketfish		4	
Clickers		1	
Microphones			
Handheld		14	8 new, 6 old
Lapel		6	
Podium / Forum		9	+6 forum bases

Microphone Boxes		
Built In Theater	4	
New	4	
Old	4	+4 gator bags
Microphone Cords		
Short	5	
Medium	6	
Long	2	
Microphone Stands	3	
Easels		
Floor	12	
Table	6	
Flipcharts	8	
Whiteboards		
Built In	3	Prairie, Coteau, Heartland
Portable		
Podium	-	
Floor	5	
Table	8	
TVs	2	
Piano	1	
Bar Tubs	-	
Large	10	
Small	4	
Cash Registers	3	
Rolling Bins		
Round	4	
Large Oval	1	
Queen Racks	3	

ITEM - PIPE / DRAPE & STAGE	QUANTITY	NOTES / DESCRIPTION
Poles	-	
3'	87	
8'	77	
10' Telescopic	11	
8' Extendable Crossbars	84	
Bases		
Short	111	
Medium	82	

Agenda Item 11.(a) Approval of a Lease Agreement of the Watertown Municipi...

Tall	10	
Drapes - Black		
Small	200	
Medium	141	
Large	22	
Drapes - White		
Large	9	
Stage Sections	12	
Stage Stairs	3	+1 w. no railing
Stage Ramp	1	



Highlighted walls  
indicate City  
maintenance  
responsibility

# GENERAL NOTES:

- A. ALL SURFACES DAMAGED DURING DEMOLITION SHALL BE REPAIRED FOR APPLICATION OF NEW FINISHES OR PATCHED TO MATCH EXISTING.
- B. CONTRACTOR SHALL FIELD VERIFY ALL EXISTING CONDITIONS AND DIMENSIONS WHICH ARE TO MATCH EXISTING CONSTRUCTION. CONTACT A/E/ W/ DISCREPANCIES IMMEDIATELY.
- C. SEE SITE, STRUCTURAL, MECHANICAL AND ELECTRICAL FOR ADDITIONAL INFORMATION.
- D. SEE SHEET A-503 FOR WALL TYPES INDICATED BY THIS SYMBOL. [A]
- E. G.C. TO METAL FIRE-TREATED BUILDING FOR ALL GRAB BARS, TUBS, SHOWER, TOILET, ACCESSORIES, COUNTERTOPS, CROCKERS, ETC., SCHEDULE ON SHEET A-402 FOR ADDITIONAL INFORMATION.
- F. FLOOR DRAIN TO BE SET @ 1/2" BELOW FINISH FLOOR - SLOPE FLOOR TO DRAIN - SEE MECHANICAL.
- G. ABBREVIATIONS:  
PS - PROJECTION SCREEN BY A.V. CONTRACTOR  
H. SEE BUILDING ACCESSORIES AND EQUIPMENT SCHEDULE ON SHEET A-402 FOR ADDITIONAL INFORMATION.
- I. ALL DIMENSIONS ARE TO FACE OF METAL STUDS EXCLUDING:  
- 2"x4" COLUMNS ALONG WALLS ARE FINISH DIMENSIONS TO FACE OF CUP. ED.3  
- CMU WALLS ARE NOMINAL THICKNESS OF CMU ONLY.

# KEYNOTES:

1. DEPRESS SLAB ON PLATFORM FOR WOOD FLOOR. VERIFY THICKNESS W/ MANUF. - SEE DETAIL D5/A-503.
2. WALL MOUNTED FIRE EXTINGUISHER (FE) TOP OF EXT. TO BE AT 4'-8" A.F.F.
3. FULLY-RECESSED FIRE EXTINGUISHER CABINET (FEC) - TOP OF CABINET TO BE @ 4'-8" A.F.F.
4. HARDWOOD CASED OPENING - SEE DETAIL D5/A-504.
5. CONCRETE STOOP - SEE STRUCTURAL.
6. WATER COOLER - SEE MECH.
7. WALL SYSTEM:  
- 4" FACE BRICK  
- AIR SPACE  
- 1/2" BUILDING PAPER  
- 5/8" STP. SHEATHING  
- 5" METAL STUDS @ 16" O.C.  
- FULL DEPTH BATT INSULATION  
- POLY VAPOR BARRIER  
- 5/8" TYPE X CUP. ED.
8. WALL SYSTEM:  
- 4" FACE BRICK  
- AIR SPACE  
- 1/2" BUILDING PAPER  
- 5/8" STP. SHEATHING  
- 5" METAL STUDS @ 16" O.C.  
- FULL DEPTH BATT INSULATION  
- POLY VAPOR BARRIER  
- 5/8" TYPE X CUP. ED.
9. WALL SYSTEM:  
- 4" FACE BRICK  
- AIR SPACE  
- 1/2" BUILDING PAPER  
- 5/8" STP. SHEATHING  
- 5" METAL STUDS @ 16" O.C.  
- FULL DEPTH BATT INSULATION  
- POLY VAPOR BARRIER  
- 5/8" TYPE X CUP. ED.
10. DOOR TRICK BY OWNER - G.C. PROVIDE BLOCKING IN WALLS FROM 4'-0" TO 8'-0".
11. KITCHEN EQUIPMENT - SEE EQUIPMENT PLANS.
12. CULTURED STONE OVER LATH AND MORTAR SETTING BED ON TOP SHEATHING AND BUILDING PAPER - SEE DETAILS (ALTERNATE #4).
13. (2) LAYERS 5/8" TYPE X CUP. ED. ON 7/8" METAL FURRING.
14. ACoustical WALL PANELS - SEE SPECS.
15. WALL SYSTEM:  
- 4" FACE BRICK  
- AIR SPACE  
- 1/2" BUILDING PAPER  
- 5/8" STP. SHEATHING  
- 5" METAL STUDS @ 16" O.C.  
- FULL DEPTH BATT INSULATION  
- POLY VAPOR BARRIER  
- 5/8" TYPE X CUP. ED.
16. RECESSED DIRECTORY - SEE SPECS.
17. LADDER TO CANALIA ABOVE.
18. LOCATION OF PAD FOR DOOR OPENING - COORD. W/ ELECT.
19. 4" x 6" SURFACE MOUNTED LECTURE CABINET UNIT UNDER ALTERNATE #2. PROVIDE BLOCKING UNDER BASE BID.
20. EQUIPMENT PAD - COORDINATE SIZE AND LOCATION W/ MECHANICAL OR ELECTRICAL.
21. PROVIDE 12" CLEARANCE IN STUD WALL FOR ROOF DRAIN PIPING.
22. DIMENSIONS MAY CHANGE DEPENDING ON ALTERNATES ACCEPTED. COORDINATE PRIOR TO FRAMING.
23. REINFORCED CONCRETE APRON - SEE SITE DRAWINGS.
24. PROVIDE BLOCKING IN WALL FOR PLUMBING.
25. PRECAST CONCRETE SPRINKLERHEAD - SEE SITE PLANS.
26. DASHED LINE INDICATES CANOPY ABOVE.
27. HOUSEKEEPING PAD - COORD. W/ STRUCTURAL GENERAL NOTES AND W/E DRAWINGS.
28. COVER WALLS W/ 1/4" PLUMBING - PAINT ALL EXPOSED SURFACES WITH FIRE RETARDANT PRIMER.



TSP, Inc.  
1112 N. 13th Ave.  
Sioux Falls, SD 57104  
phone: (605) 336-1800  
fax: (605) 336-0208  
www.tspinc.com

Approval of a Lease Agreement of the Watertown Event Center

CONSULTANTS:

KEYPLAN

DATE: 1/15/03

SIGNATURE: [Signature]

PROJECT TITLE:

WATERTOWN Event Center

Watertown, South Dakota

CD'S 1/15/03 Construction Documents

SP 8/15/02 Site Prep Package

MARK DATE DESCRIPTION

PROJECT NUMBER 0402013.2

COAD FILE 2013-A-102-A01

DRAWN BY: JAN

CHECK BY: GSP

SHEET TITLE:

Floor Plan

A-102



## City Council

### Agenda Item

**Subject:** Application for a transfer of ownership of a Retail (on-sale) Liquor License and Video Lottery License from WR Capital I LLC d/b/a Minerva's Restaurant & Bar, 1901 9th Avenue SW, E510.5' W 900' S720' less W251.5' N124' & less N98' S596' E64.62' W395' & less H-3 City Lands 36-117-53 & E259' of W900' of N250' of S970' SW1/4 & Ramkota Addn plus Lot 4 & W93.3' of Lot 5 of Turbes Addn to the City of Watertown to Saina Watertown LLC d/b/a Santo Tequila at the same location.

**Meeting:** City Council - Jul 07 2025 - Outgoing Council

**From:** Kristen Bobzien, Chief Financial Officer

---

#### **BACKGROUND INFORMATION:**

Fees have been paid and a Notice of Hearing has been published on June 28th, 2025.

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#### **FINANCIAL CONSIDERATIONS:**

Applicant has paid \$150.00 to transfer the license, plus \$50.00 for the Notice of Hearing fee.

---

#### **STAFF RECOMMENDATION / SUGGESTED MOTION:**

I move to approve the application for a transfer of ownership of a Retail (on-sale) Liquor License and Video Lottery License from WR Capital I LLC d/b/a Minerva's Restaurant & Bar, 1901 9th Avenue SW, E510.5' W 900' S720' less W251.5' N124' & less N98' S596' E64.62' W395' & less H-3 City Lands 36-117-53 & E259' of W900' of N250' of S970' SW1/4 & Ramkota Addn plus Lot 4 & W93.3' of Lot 5 of Turbes Addn to the City of Watertown to Saina Watertown LLC d/b/a Santo Tequila at the same location.

---

#### **ATTACHMENT(S):**

[Santo Tequila - Liquor](#)



Date Received \_\_\_\_\_  
Date Issued \_\_\_\_\_

## Uniform Alcoholic Beverage License Application

### A. Owner Name and Address

**Saina Watertown LLC**  
1901 9th Ave SW  
Watertown, SD 57201-4033

Owner's Telephone #: 859-462-6731

### C. Indicate the class of license being applied for (submit separate application for each class of license).

- ☒ Retail (on-sale) Liquor  
☐ Retail (on-sale) Liquor - Restaurant  
☐ Convention Center (on-sale) Liquor  
☐ Package (off-sale) Liquor  
☐ Retail (on-off sale) Wine and Cider  
☐ Retail (on-off sale) Malt Beverage & SD Farm Wine  
☐ Package Delivery  
☐ Hunting Preserve  
☐ Other \_\_\_\_\_

Is this license in active use? ☒ Yes ☐ No

Do you or any officers, directors, partners, or stockholders hold any other alcohol retail, manufacturing, or wholesaler licenses?

☐ Yes ☒ No **If Yes, please list on the back page.**

**G. CERTIFICATE:** The undersigned applicant certifies under the penalties of perjury that all statements provided herein are true and correct; that the said applicant complies with all of the statutory requirements for the class of license being applied for and in addition agrees to permit agents of the Department of Revenue access to the licensed premises and records as provided in SDCL 35-2-2.1, and agrees this application shall constitute a contract between applicant and the State of South Dakota entitling the same or any peace officers to inspect the premises, books and records at any time for the purpose of enforcing the provisions of Title 35 SDCL, as amended.

Date 04-17-2025 Print Name Sachin Chaudhary

Signature \_\_\_\_\_

**H. APPROVAL OF LOCAL GOVERNING BODY** – Notice of hearing was published on 6/28/25. Public hearing on the application was held 7/1/25, not less than SEVEN (7) days after official publication. The governing body by majority vote recommends the approval and granting of this license and certifies that requirements as to location and suitability of premises and applicant have been reviewed and conform to the requirements of local and South Dakota law.

Renewal - no public hearing held ☐

Amount of fee collected with application \$ 200.00

Amount of fee retained \$ 200.00 # 9919, 9920

Forwarded with application \$ 0.00

**For Local Government Use**

(Seal) \_\_\_\_\_  
Mayor or Chairman

If disapproved, endorse reason thereon and return to applicant

### B. Business Name and Address

Lic # RL-6056  
Santo Tequila  
1901 9th Ave SW  
Watertown, SD 57201-4033

Business Telephone #: 605-866-8011

Place of business is located in a municipality? ☒ Yes ☐ No

County: Codington

Do you own or lease this property? ☒ Own ☐ Lease

Are real property taxes paid to date? ☒ Yes ☐ No

### D. Legal description of licensed premise:

**E510.5' W 900' 5720' less W251'5' N124' & less N98' s595'864.62'w395' & less H-3 City Lands 36'117-53 & E259' of W900' of N250' of 5970'SW1/4 & Ramkota Addn plus Lot 4 & W93'3' of Lot 5 of Turbes Addn to**

Have you ever been convicted of a felony? ☐ Yes ☒ No

E. State Sales Tax Number 1042-3287-ST

F. New license ☐ Transfer? (\$150) ☒ Re-issuance ☒

**Transferred (State Use)**

From: \_\_\_\_\_

Sales tax approval \_\_\_\_\_ Date \_\_\_\_\_

**STATE LIQUOR AUTHORITY:**

**APPROVAL** \_\_\_\_\_ **REVIEW** \_\_\_\_\_

Agenda Item 12.(a) Application for a transfer of ownership of a Retail ...  
**Company supplement information**  
**(For corporate/partnership/LP/LLC applicants)**

Name of corporation/partnership/LP LLC Saina Watertown LLC

Address of office and principal place of business of corporation/partnership/LP/LLC 100 4th St SW, Huron, SD 57350

Are all managing officers of this corporation/partnership/LP/LLC of good moral character having never been convicted of a felony? ☒ Yes ☐ No

Name, title of office, occupation and address of each of the officers/owners of the corporation, partnership, LP or LLC:

Name	Office	Address	Occupation
Sachin		100 4th St SW, Huron, SD 57350	Owner
Ashish		718 S Main St, Gretna, VA 24557	Owner

Name of any officers, directors, partners or stockholders of applicant having a financial interest or capital stock in any other alcoholic beverage license:

Name	Type of License, License Number, Financial Interest Held, and Address of Business Location

Where and with whom are all company records kept, such as charter, by-laws, minutes, accounts, notes payable, and notes and accounts receivable, etc?

Saina Watertown LLC , 100 4th St SW, Huron, SD 57350

**With signature the applicant agrees to the following:**

That the applicant company will comply with all provisions of ARSD chapter No. 64:75:02 of the Department of Revenue, relating to the transfer of stock and prior approval of the transfer of such stock by the Secretary of Revenue and violation of any of the provisions of said regulation or failure to comply therewith, whether by the undersigned corporation, partnership/LP/LLC or by any stockholder thereof, or by anyone interested in said company, shall constitute cause for revocation or suspension of any license issued pursuant to and in reliance on this application, or for refusal to renew such license upon expiration thereof.

We the undersigned officers and directors of the applicant company acknowledge that the within supplement application form is true and correct in every respect and that there exists no financial arrangement concerning this or any other alcoholic beverage license than that expressly set forth above. If company stock is to be transferred we ask for approval of such voluntary stock transfer.

Signature of Authorized Officer/Director/Partner

Date



04-17-2025





CITY OF  
**WATERTOWN**  
FINANCE DEPARTMENT

## Video Lottery License Application

Licensing Year:

### License Information:

Applicant/Owner Name (as it will appear on license)	SARNA WATERTOWN LLC
Business Name (as it will appear on license)	SANTO TEQUILA
Business Address	1901 9th AVE SW
City, State, Zip	WATERTOWN, SD 57201
License #	RL-6056
Phone Number	859-462-6731
Email Address	chaudhary.sachin1996@gmail.com
Number of Video Lottery Machines	0
License Fee (\$50.00 per machine/per year)	0

Applicant/Owner Signature

04-17-2025

Date

TO BE COMPLETED BY CITY OF WATERTOWN	
Fee Paid: _____	City Council Approved On _____
Receipt Number: _____ Dated: _____	
License or Permit Number: _____	City Manager _____
	Finance Officer _____

**Submit completed application to:** City Finance Office, Attn: Records/Licensing Manager, PO Box 910, Watertown SD 57201

Phone# (605) 882-6203 • Fax# (605) 882-6218 • licenses@watertownsd.us

*License fee is not refundable.*





# City Council

## Agenda Item

**Subject:** Application for a transfer of ownership of a Retail (on-off sale) Malt Beverage & SD Farm Wine license and Video Lottery license from WR Capital I LLC d/b/a Minerva's Restaurant & Bar, 1901 9th Avenue SW, E510.5' W 900' S720' less W251.5' N124' & less N98' S596' E64.62' W395' & less H-3 City Lands 36-117-53 & E259' of W900' of N250' of S970' SW1/4 & Ramkota Addn plus Lot 4 & W93.3' of Lot 5 of Turbes Addn to the City of Watertown to Saina Watertown LLC d/b/a Santo Tequila at the same location.

**Meeting:** City Council - Jul 07 2025 - Outgoing Council

**From:** Kristen Bobzien, Chief Financial Officer

---

### BACKGROUND INFORMATION:

Fees have been paid and the Notice of Hearing has been published on June 28th, 2025.

---

### FINANCIAL CONSIDERATIONS:

Applicant has paid transfer fees of \$75.00 to the City of Watertown and a one time \$50.00 notice of hearing fee.

---

### STAFF RECOMMENDATION / SUGGESTED MOTION:

I move to approve the application for a transfer of ownership of a Retail (on-off sale) Malt Beverage & SD Farm Wine license and Video Lottery license from WR Capital I LLC d/b/a Minerva's Restaurant & Bar, 1901 9th Avenue SW, E510.5' W 900' S720' less W251.5' N124' & less N98' S596' E64.62' W395' & less H-3 City Lands 36-117-53 & E259' of W900' of N250' of S970' SW1/4 & Ramkota Addn plus Lot 4 & W93.3' of Lot 5 of Turbes Addn to the City of Watertown to Saina Watertown LLC d/b/a Santo Tequila at the same location.

---

### ATTACHMENT(S):

[Santo Tequila - Malt Beverage](#)



Date Received \_\_\_\_\_  
Date Issued \_\_\_\_\_

## Uniform Alcoholic Beverage License Application

### A. Owner Name and Address

**Saina Watertown LLC**  
1901 9th Ave SW  
Watertown, SD 57201-4033

Owner's Telephone #: 859-462-6731

### C. Indicate the class of license being applied for (submit separate application for each class of license).

- ☐ Retail (on-sale) Liquor  
☐ Retail (on-sale) Liquor - Restaurant  
☐ Convention Center (on-sale) Liquor  
☐ Package (off-sale) Liquor  
☐ Retail (on-off sale) Wine and Cider  
☒ Retail (on-off sale) Malt Beverage & SD Farm Wine  
☐ Package Delivery  
☐ Hunting Preserve  
☐ Other \_\_\_\_\_

Is this license in active use? ☒ Yes ☐ No

Do you or any officers, directors, partners, or stockholders hold any other alcohol retail, manufacturing, or wholesaler licenses?

☐ Yes ☒ No **If Yes, please list on the back page.**

### B. Business Name and Address

**Lic # RB-3277**  
Santo Tequila  
1901 9th Ave SW  
Watertown, SD 57201-4033

Business Telephone #: 605-866-8011

Place of business is located in a municipality? ☒ Yes ☐ No  
County: Codington

Do you own or lease this property? ☒ Own ☐ Lease

Are real property taxes paid to date? ☒ Yes ☐ No

### D. Legal description of licensed premise:

**E510.5' W 900' 5720' less W251'5' N124' & less N98' s595'864.62'w395' & less H-3 City Lands 36'117-53 & E259' of W900' of N250' of 5970'SW1/4 & Ramkota Addn plus Lot 4 & W93'3' of Lot 5 of Turbes Addn to**

Have you ever been convicted of a felony? ☐ Yes ☒ No

E. State Sales Tax Number 1042-3287-ST

F. New license ☐ Transfer? (\$150) ☒ Re-issuance ☒

**G. CERTIFICATE:** The undersigned applicant certifies under the penalties of perjury that all statements provided herein are true and correct; that the said applicant complies with all of the statutory requirements for the class of license being applied for and in addition agrees to permit agents of the Department of Revenue access to the licensed premises and records as provided in SDCL 35-2-2.1, and agrees this application shall constitute a contract between applicant and the State of South Dakota entitling the same or any peace officers to inspect the premises, books and records at any time for the purpose of enforcing the provisions of Title 35 SDCL, as amended.

Date 4-17-2025 Print Name Sachin Chaudhary

Signature 

**H. APPROVAL OF LOCAL GOVERNING BODY** – Notice of hearing was published on 6/28/25. Public hearing on the application was held 7/7/25, not less than SEVEN (7) days after official publication. The governing body by majority vote recommends the approval and granting of this license and certifies that requirements as to location and suitability of premises and applicant have been reviewed and conform to the requirements of local and South Dakota law.

Renewal - no public hearing held ☐

Amount of fee collected with application \$ 200.00

Amount of fee retained \$ 125.00 #9923, 9924

Forwarded with application \$ 15.00 #9922

**For Local Government Use**

(Seal) \_\_\_\_\_  
Mayor or Chairman

If disapproved, endorse reason thereon and return to applicant

**Transferred (State Use)**

From: \_\_\_\_\_

Sales tax approval \_\_\_\_\_ Date \_\_\_\_\_

**STATE LIQUOR AUTHORITY:**

**APPROVAL** \_\_\_\_\_ **REVIEW** \_\_\_\_\_

Agenda Item 12.(b) Application for a transfer of ownership and control  
**Company Supplemental Information**  
**(For corporate/partnership/LP/LLC applicants)**

Name of corporation/partnership/LP LLC Saina Watertown LLC

Address of office and principal place of business of corporation/partnership/LP/LLC 100 4th St SW, Huron, SD 57350

Are all managing officers of this corporation/partnership/LP/LLC of good moral character having never been convicted of a felony? ☒ Yes ☐ No

Name, title of office, occupation and address of each of the officers/owners of the corporation, partnership, LP or LLC:

Name	Office	Address	Occupation
Sachin		100 4th St SW, Huron, SD 57350	Owner
Ashish		718 S Main St, Gretna, VA 24557	Owner

Name of any officers, directors, partners or stockholders of applicant having a financial interest or capital stock in any other alcoholic beverage license:

Name	Type of License, License Number, Financial Interest Held, and Address of Business Location

Where and with whom are all company records kept, such as charter, by-laws, minutes, accounts, notes payable, and notes and accounts receivable, etc?

Saina Watertown LLC , 100 4th St SW, Huron, SD 57350

**With signature the applicant agrees to the following:**

That the applicant company will comply with all provisions of ARSD chapter No. 64:75:02 of the Department of Revenue, relating to the transfer of stock and prior approval of the transfer of such stock by the Secretary of Revenue and violation of any of the provisions of said regulation or failure to comply therewith, whether by the undersigned corporation, partnership/LP/LLC or by any stockholder thereof, or by anyone interested in said company, shall constitute cause for revocation or suspension of any license issued pursuant to and in reliance on this application, or for refusal to renew such license upon expiration thereof.

We the undersigned officers and directors of the applicant company acknowledge that the within supplement application form is true and correct in every respect and that there exists no financial arrangement concerning this or any other alcoholic beverage license than that expressly set forth above. If company stock is to be transferred we ask for approval of such voluntary stock transfer.

Signature of Authorized Officer/Director/Partner

Date



04-17-2025





CITY OF  
**WATERTOWN**  
FINANCE DEPARTMENT

## Video Lottery License Application

Licensing Year:

### License Information:

Applicant/Owner Name (as it will appear on license)	SAINA WATERTOWN LLC
Business Name (as it will appear on license)	SANTO TEQUILA
Business Address	1901 9th AVE SW
City, State, Zip	WATERTOWN, SD 57201
License #	RB - 3277
Phone Number	859-462-6731
Email Address	chaudhary.sachin1996@gmail.com
Number of Video Lottery Machines	0
License Fee (\$50.00 per machine/per year)	0

Applicant/Owner Signature

04-17-2025

Date

### TO BE COMPLETED BY CITY OF WATERTOWN

Fee Paid: _____  Receipt Number: _____ Dated: _____  License or Permit Number: _____	City Council Approved On _____  _____ City Manager  _____ Finance Officer
--	---

**Submit completed application to:** City Finance Office, Attn: Records/Licensing Manager, PO Box 910, Watertown SD 57201  
 Phone# (605) 882-6203 • Fax# (605) 882-6218 • licenses@watertownsd.us  
*License fee is not refundable.*





# City Council

## Agenda Item

**Subject:** Second Reading of Ordinance No. 25-07, Amending the Zoning Map of the City of Watertown, SD, for a portion of property to be known as the Replat of Lots 2, 3, and 4 Mancell Second Addition and Lot 5A of Mancell Third Addition from R-1 Single Family Residential District to PUD Planned Unit Development District

**Meeting:** City Council - Jul 07 2025

**From:** Kristen Bobzien, Interim City Manager/Chief Financial Officer

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### BACKGROUND INFORMATION:

Russell Warner, the acting agent for the property owner, Kampsco, LLC, has submitted a petition to rezone a portion of Mancell Second Addition and a portion of Mancell Third Addition. The proposed rezone is tied to the Replat of Lots 2, 3, and 4 of Mancell Second Addition. The replat will consolidate the three lots into Lot 2A, approximately 0.99, and Lot 2B, approximately 2.63 acres. The rezone request pertains to Lot 2B of Mancell Second Addition and Lot 5A of Mancell Third Addition. Combined, the two lots are approximately 3.85 acres of land which meets the minimum size requirement of three acres necessary for a PUD. As shown on the PUD plan, the owners intend to construct two fourplexes on Lot 2B. There will be a total of eight units (two structures with four units each) which will be available for individual ownership through the use of a condominium plat.

The latest rezone petition request to zone the property as R-3 Multi-Family Residential District was recommended for approval by the Planning Commission (6-0) at the May 8, 2025, meeting but was denied by the City Council (2-5) at the June 2, 2025, meeting due to maximum density concerns with being zoned R-3. At the first reading at City Council on May 19, 2025, the idea of a PUD was brought up which is the reason for this application coming forward to memorialize maximum density allowance for the property as presented with this application.

The PUD secures the maximum density allowed for the 3.85 acres (167,706 SF) of property. It also shows that the portion of jurisdictional wetlands will remain undeveloped and that Lot 5A was incorporated for minimum area requirements to petition for a PUD. There is approximately 95,000 SF of developable area. With 8 units, each unit has 11,875 SF of lot area which is less dense than an R-1 Single Family Residential minimum lot size of 9,000 SF.

The Design Review Team has reviewed and approved the proposed PUD Plan and Narrative for Mancell Addition. The PUD guarantees the maximum number of units that can be developed on the property. The structures will comply with ordinance requirements, setbacks and height limitations as the R-1 Single Family Residential District.

The previous owners of Mancell Second Addition petitioned to rezone lots 2-5 of Mancell Second Addition from R-1 Single Family Residential District to C-L Lake Commercial District which was recommended for approval by the Planning Commission (5-2) at the March 9, 2023, meeting. City Council denied the rezone at the April 3, 2023, meeting (0-7) largely due to concerns about the



wetlands and proposed density of the development. A subsequent petition to rezone to a PUD Planned Unit Development was submitted later in 2023. The Planning Commission did not recommend (3-4) approval to City Council of the PUD zoning at the December 7, 2023, meeting. City Council denied the rezoned for the PUD rezone (2-5) at the January 2, 2024, meeting. The PUD proposed around 30 apartment units and 15 sportsman condos along with installing apartments on Lot 5 of Mancell Addition where the wetland areas are located.

The rezone was recommended for approval to City Council at the June 5, 2025, Planning Commission meeting (6-1).

**Facts:**

1. Adjacent Property Zoning Designation:
  - a. North: R-3 Multi-Family Residential District / R-1 Single Family Residential District
  - b. East: R-1 Single Family Residential District / County
  - c. South: County
  - d. West: R-1 Single Family Residential District / County
2. Rezone will extend to the centerline of the adjacent right-of-ways.
3. The property is located within the AE (100-year) flood zone.
4. Cash in lieu for park dedication was collected November 25, 2020, with the Plat of Mancell Addition.
5. Watertown Municipal Utilities collected tapping fees for 2.03 acres of Lot 2 of Mancell Second Addition when the property was annexed in 2020. Additional tapping fees and sanitary sewer cost recovery fees will be assessed at the time of building permit issuance.

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**FINANCIAL CONSIDERATIONS:**

N/A

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**OVERSIGHT / PROJECT RESPONSIBILITY:**

Brandi Hanten, Community Development Manager  
Carla Heuer, Planner

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**STAFF RECOMMENDATION / SUGGESTED MOTION:**

Staff recommends approval of this item through the following motion:

I move to approve Ordinance No. 25-07, Amending the Zoning Map of the City of Watertown, SD, for a portion of property to be known as the Replat of Lots 2, 3, and 4 Mancell Second Addition and Lot 5A of Mancell Third Addition from R-1 Single Family Residential District to PUD Planned Unit Development District.

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**ATTACHMENT(S):**

[Vicinity Map](#)

[Petition to Change Zoning](#)

[Exhibit](#)

[PUD Plans](#)

Agenda Item 12.(c) Second Reading of Ordinance No. 25-07, Amending the Z...

[PUD Narrative](#)

[Wetland Map](#)

[Proposed Replat of Mancell Second Addition](#)

[Recorded Plat of Mancell Second Addition](#)

[Ordinance No. 25-07](#)

# Vicinity Map

0 200 400 800 Feet



Prepared by:  
Colin B. DeJong  
Aason Engineering Company, Inc.  
1022 6<sup>th</sup> St SE  
Watertown, SD 57201  
Phone #: 605-882-2371

**STATE OF SOUTH DAKOTA)**  
:  
**COUNTY OF CODINGTON )**                      **PETITION TO CHANGE ZONING**

**TO THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL OF THE CITY  
OF WATERTOWN, SOUTH DAKOTA:**

1. Your Petitioner(s), Russell Warner, Acting Agent for Kampsco, LLC respectfully request that the following described real property in the City of Watertown, Codington County, South Dakota, be re-zoned from its current designation as "R1 – Single Family Residential District" to "PUD – Planned Unit Development District".

A portion of Lot 2 and all of Lots 3 and 4 of the plat entitled, "Mancell Second Addition to the Municipality of Watertown, in the County of Codington, South Dakota" AND Lot 5A of the plat entitled, "Mancell Third Addition to the Municipality of Watertown, in the County of Codington, South Dakota". Subject parcel contains 3.85 +/- Acres.

Which a portion upon re-platting will be known as Lot 2B Replat of Lots 2, 3 and 4 of Mancell Second Addition to the Municipality of Watertown, in the County of Codington, South Dakota.

2. Petitioner is the owner of record of the above-described real property.
3. The petitioner intends to develop the property.
4. The following Exhibit is attached hereto and is by reference incorporated as part of this Petition:

Exhibit A - A portion of Lot 2 and all of Lots 3 and 4 of the plat entitled, "Mancell Second Addition to the Municipality of Watertown, in the County of Codington, South Dakota" AND Lot 5A of the plat entitled, "Mancell Third Addition to the Municipality of Watertown, in the County of Codington, South Dakota."

WHEREFORE, PETITIONER(S) REQUEST that the City Council of Watertown, South Dakota adopt an ordinance re-zoning the above-referenced real property from its current designation as "R1 Single Family Residential District" to "PUD – Planned Unit Development District".



Dated at Watertown, South Dakota, this 27<sup>th</sup> day of May, 2025.

By: [Signature]  
Acting Agent  
Kampsco, LLC

\_\_\_\_\_  
State of South Dakota)  
)SS:  
County of Codington )

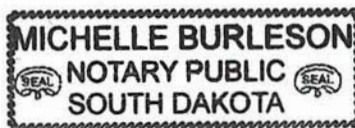
On this the 27<sup>th</sup> day of May, 2025, before me, the undersigned officer, personally appeared Russell Warner, Acting Agent for Kampsco, LLC, known to me or satisfactorily proven to be the person whose name(s) are subscribed to within this instrument and acknowledged that they executed the same for the purposes therein contained.

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

[Signature]  
Notary Public

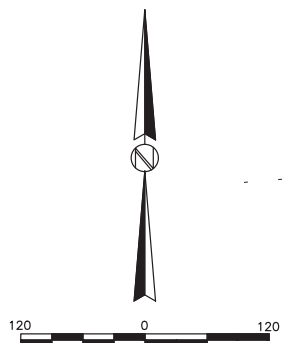
(SEAL)

My Commission Expires: 9-28-2030



# EXHIBIT A

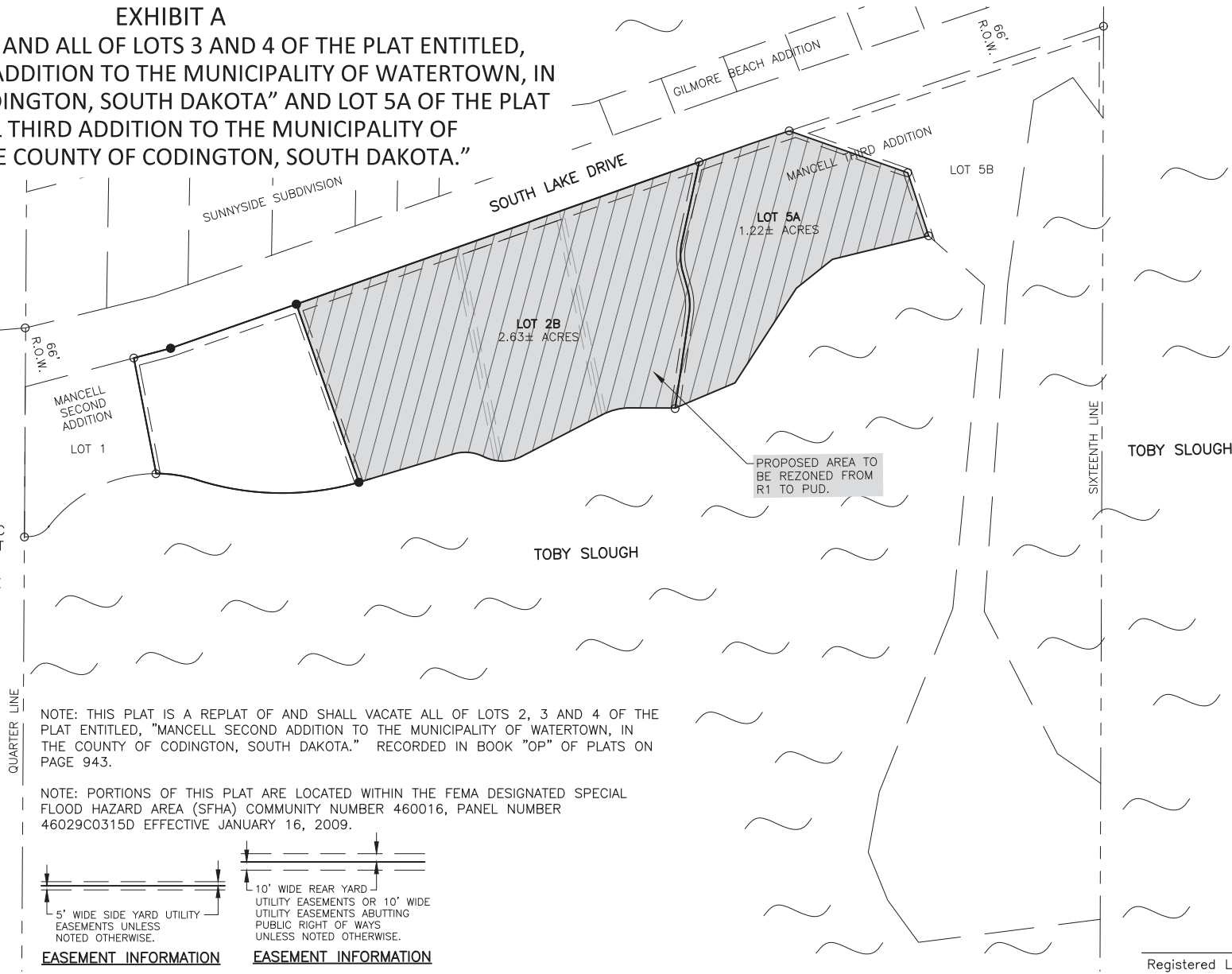
A PORTION OF LOT 2 AND ALL OF LOTS 3 AND 4 OF THE PLAT ENTITLED, "MANCELL SECOND ADDITION TO THE MUNICIPALITY OF WATERTOWN, IN THE COUNTY OF CODINGTON, SOUTH DAKOTA" AND LOT 5A OF THE PLAT ENTITLED, "MANCELL THIRD ADDITION TO THE MUNICIPALITY OF WATERTOWN, IN THE COUNTY OF CODINGTON, SOUTH DAKOTA."



JANUARY 30, 2025  
SCALE: 1"=120'

- MONUMENT RECOVERED
- ½"X18" REBAR W/ PLASTIC CAP STAMPED #11310 SET

NOTE: BEARINGS ARE BASED ON UTM ZONE 14 COORDINATE BASE - WGS 84. GROUND DISTANCES SHOWN.



Prepared By  
AASON ENGINEERING COMPANY, INC.

1022 SIXTH STREET S.E.  
WATERTOWN, SD  
Telephone 605-882-2371

Registered Land Surveyor

PUD PLANS FOR  
MANCELL ADDITION  
WATERTOWN, CODINGTON COUNTY, SOUTH DAKOTA

**OWNER:**  
KAMPSCO, LLC  
CONTACT: RUSSELL WARNER  
2817 15TH Ave SE  
WATERTOWN, SD 57201  
PHONE: (605) 878-2233  
EMAIL: RUSSELL@EASTRIVERUSA.COM

**CIVIL ENGINEER / SURVEYOR:**  
AASON ENGINEERING COMPANY, INC.  
1022 6TH STREET SE  
WATERTOWN, SD 57201  
CONTACT: COLIN DEJONG, LS  
PHONE: (605)882-2371  
EMAIL: COLINDEJONG@IW.NET

- SHEET INDEX**
- 1 TITLE SHEET / VICINITY MAP
  - 2 EXISTING CONDITIONS
  - 3 PROPOSED LAND USE AND STANDARD NOTES

**LEGAL DESCRIPTION**  
A PORTION OF LOT 2 AND ALL OF LOTS 3 AND 4 OF THE PLAT ENTITLED, "MANCELL SECOND ADDITION TO THE MUNICIPALITY OF WATERTOWN, IN THE COUNTY OF CODINGTON, SOUTH DAKOTA;" AND LOT 5A OF THE PLAT ENTITLED, "MANCELL THIRD ADDITION TO THE MUNICIPALITY OF WATERTOWN, IN THE COUNTY OF CODINGTON, SOUTH DAKOTA."



PUD PLAN OF  
MANCELL ADDITION  
WATERTOWN, SD

DATE: MAY 21, 2025  
SCALE:  
DRAWN BY: CBD  
JOB NO.: -  
SHEET 1 OF 3



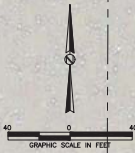


## EXISTING CONDITIONS

SCALE:

JOB NO.: -

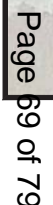
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PROPOSED LAND USE

SHEET 3 OF 3



## **MANCELL ADDITION WATERTOWN, SD**

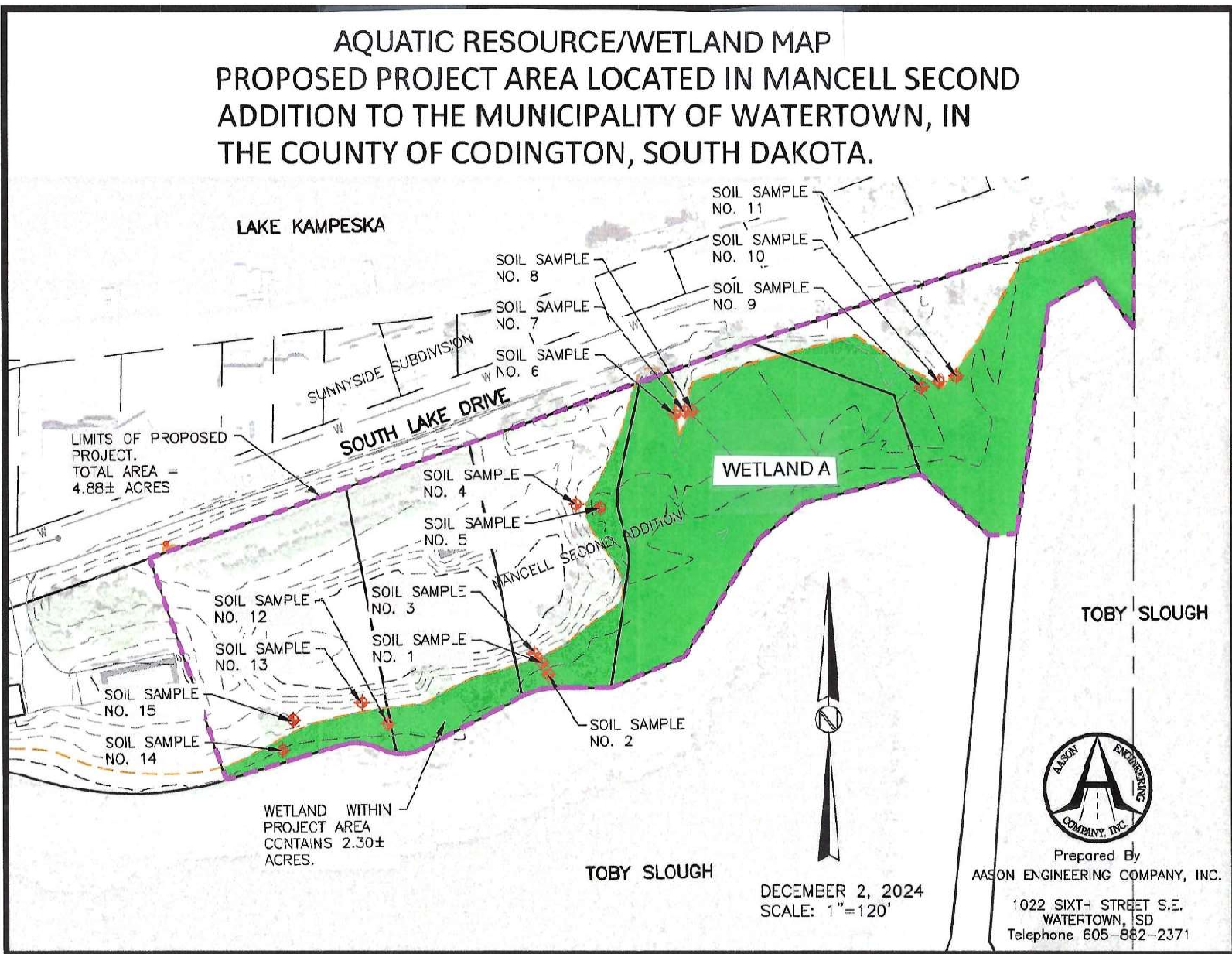
### **SUMMARY OF THE PLANNED UNIT DEVELOPMENT OBJECTIVES**

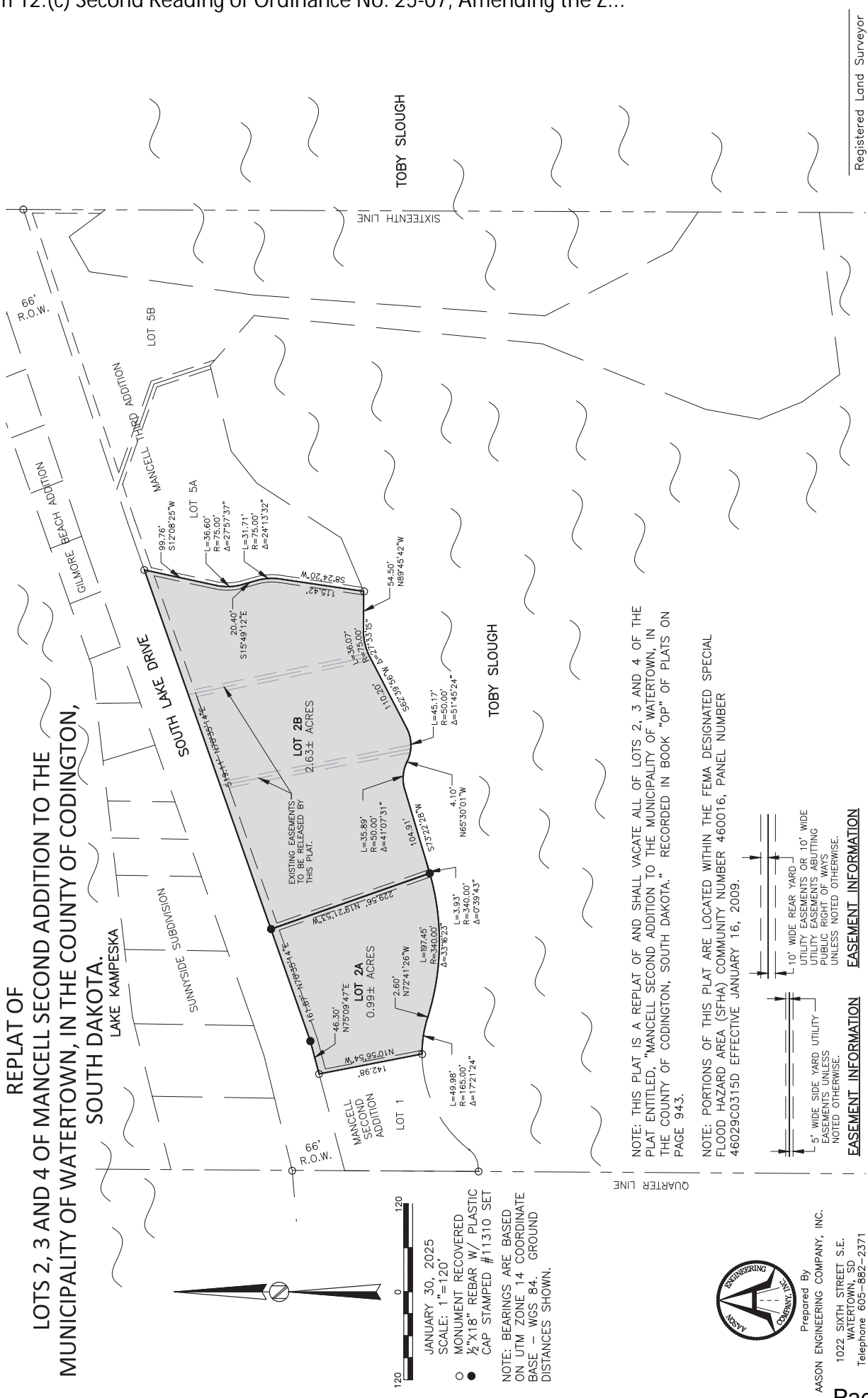
Mancell Addition is a proposed four-plex development along South Lake Drive in Watertown, SD. The Developer is proposing this Planned Unit Development to restrict the potential for permitted and conditional uses that are normally allowed within the City's R3 – Multi-Family Residential District. Below is a summary of the proposed setbacks, parking and landscaping requirements and restrictive covenants for the Planned Unit Development:

- **SETBACKS AND PERMITTED USES**
  - Setback distances shall match the requirements set forth in the City of Watertown, SD ordinances for R3 – Multi-Family Residential District.
  - Permitted uses shall include the following:
    - Four-Plex's with a maximum height that shall not exceed 35' which is the maximum height allowed in the R1 – Single Family District. Total number of units is 8, 4 per building.
    - Accessory Structures as regulated by ordinance no. 21.1002
- **PROPOSED PARKING AREA AND UTILITIES AND PROPOSED AMENITIES**
  - Sanitary and Water services shall be provided from the existing mains within South Lake Drive.
  - Parking areas shall match the requirements set forth in the City of Watertown, SD ordinances for multi-family units.
  - Any accessory structure and exterior amenity shall be owned and maintained by the home owners association.
- **RESTRICTIVE COVENANTS AND PROPOSED DENSITY**
  - No structure or building shall exceed 35 feet in height;
  - All trash cans or dumpsters serving the premises shall be in a screened enclosure as required by the City of Watertown, SD ordinances;
  - The existing outlet channel shall be kept in predeveloped condition.
- **TYPE AND CHARACTER OF BUILDINGS / LOTS**

- The proposed buildings shall have a uniform appearance within the development and the neighboring properties. Trees and native plant landscaping will be planted within and around the proposed improvements and meet the requirements of Chapter 21.73 of the Watertown, SD City Ordinances.
- Screening with trees, bushes and other plantings is intended to be installed along the north side of the project to provide a buffer to the R3 zoned property across South Lake Drive.







**PROPRIETOR'S CERTIFICATE**


We, Jered M. Mancell and Tina M. Mancell, husband and wife, as joint tenants with full right of survivorship, and not as tenants in common, owner of all that part of Gov't Lot 5, Section 31, Township 117 North, Range 53 West of the 5<sup>th</sup> P.M., Codington County, South Dakota, lying South of the Highway (South Lake Drive) as now established across said Lot, hereby certify that we have caused the above described property to be surveyed and platted into a parcel of land hereafter to be known as:

**"Mancell Second Addition to the Municipality of Watertown, in the County of Codington, South Dakota,"**

And that we have caused the same to be platted as shown on the accompanying plat. We further certify that the development of this land shall conform to all existing applicable zoning, subdivision and erosion and sediment control regulations.

In witness whereof we have caused these presents to be executed this 18<sup>th</sup> day of November, 2020.

  
Jered M. Mancell

  
Tina M. Mancell

\*\*\*\*\*

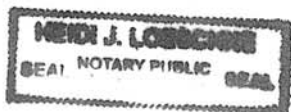
State of South Dakota)

) ss

County of Codington)

On this the 18<sup>th</sup> day of November, 2021, before me, the undersigned officer, personally appeared Jared M. Mancell and Tina M. Mancell, known to me or satisfactorily proven to be the people whose names are subscribed to the within instrument and who acknowledged that they executed the foregoing instrument for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.



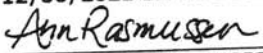
  
Notary Public, South Dakota

My Commission Expires: 11/23/23



INSTRUMENT NO. 202107441 Pages: 5  
BOOK: OP PLAT  
PAGE: 943

12/30/2021 1:34:00 PM

  
ANN RASMUSSEN, REGISTER OF DEEDS  
CODINGTON COUNTY, SOUTH DAKOTA  
Recording Fee: 60.00  
Return To: REGISTER OF DEEDS

**COPY**

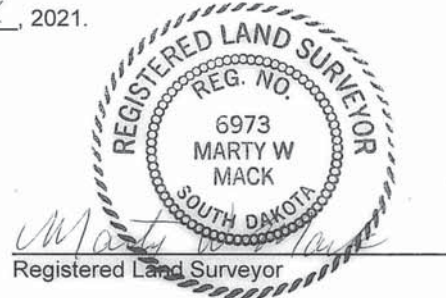


SURVEYOR'S CERTIFICATE

I, Marty W. Mack, a Registered Land Surveyor in the State of South Dakota, do hereby certify that at the instance and request of Jered M. Mancell and Tina M. Mancell, husband and wife, owners of the above described property, did on or before November 17, 2021, survey the parcel of land as shown on the accompanying plat.

I further certify that the said plat is a true and correct representation of the said parcel as surveyed and platted by me.

I hereby set my hand this 17<sup>th</sup> day of NOVEMBER, 2021.



STREET AUTHORITY'S CERTIFICATE

Having the authority to do so; I hereby approve access for the lots included in this plat onto the adjoining right of way to South Lake Drive. All access locations to be determined at building permit issuance

Dated this 22<sup>nd</sup> day of December, 2021.

Justin Reles  
City Engineer, Watertown, South Dakota

CITY PLAN COMMISSION RECOMMENDATION

Resolution No. 2021-55

The aforementioned plat has been duly examined and it appears that said plat is in all respects lawful and proper and entitled to approval. It is hereby recommended for approval by the Watertown City Plan Commission on this 29<sup>th</sup> day of December, 2021

Jeffrey Bink  
Chairman  
Watertown City Plan Commission

Resolution No. 21-06

Be it resolved by the City Council of Watertown, South Dakota, having viewed this plat and having received a recommendation from the Watertown City Plan Commission, does hereby approve this plat of "**Mancell Second Addition to the Municipality of Watertown, in the County of Codington, South Dakota,**" and the City Finance Officer is hereby directed to endorse on such plat a copy of this resolution and certify the same thereon.

The above and foregoing resolution was duly passed and adopted.

Dated at Watertown, South Dakota, this 30<sup>th</sup> day of December, 2021.

Attest:

[Signature]  
Finance Officer  
City of Watertown

[Signature]  
Mayor  
City of Watertown

\*\*\*\*\*

**CITY FINANCE OFFICER'S CERTIFICATE**

I, Kristen Bobzein, the duly appointed, qualified City Finance Officer of the City of Watertown, South Dakota, hereby certify that all special assessments, which are liens upon any land depicted and described in this plat, as shown by the records in my office on this 30<sup>th</sup> day of December, 2021, have been paid in full.

[Signature]  
Kristen Bobzein  
City Finance Officer


\*\*\*\*\*

**TREASURER'S CERTIFICATE**

I hereby certify that I am the duly elected, qualified, and acting Treasurer of Codington County, South Dakota, and hereby certify that all taxes which would, if not paid, be liens upon any of the land depicted and described in this plat, as shown by the records in my office have been paid in full.

Dated this 30<sup>th</sup> day of December, 2020 A.D. [Signature]  
2021

[Signature]  
Treasurer,  
Codington County, South Dakota





DIRECTOR OF EQUALIZATION'S CERTIFICATE

I hereby certify that I have received copy of the attached plat and has been filed in my office.

Dated this 30 day of December, 2021 A.D.

Sarah Tesch  
Director of Equalization,  
Codington County, South Dakota

\*\*\*\*\*

REGISTER OF DEED'S CERTIFICATE

I hereby certify that I have received and have

FILED FOR RECORD this 30<sup>th</sup> day of December, 2021 A.D. at 1:34 O'clock P. M.

and duly recorded in Book OP Page 943 of Plat Books.

Ann Rasmussen  
Register of Deeds,  
Codington County, South Dakota

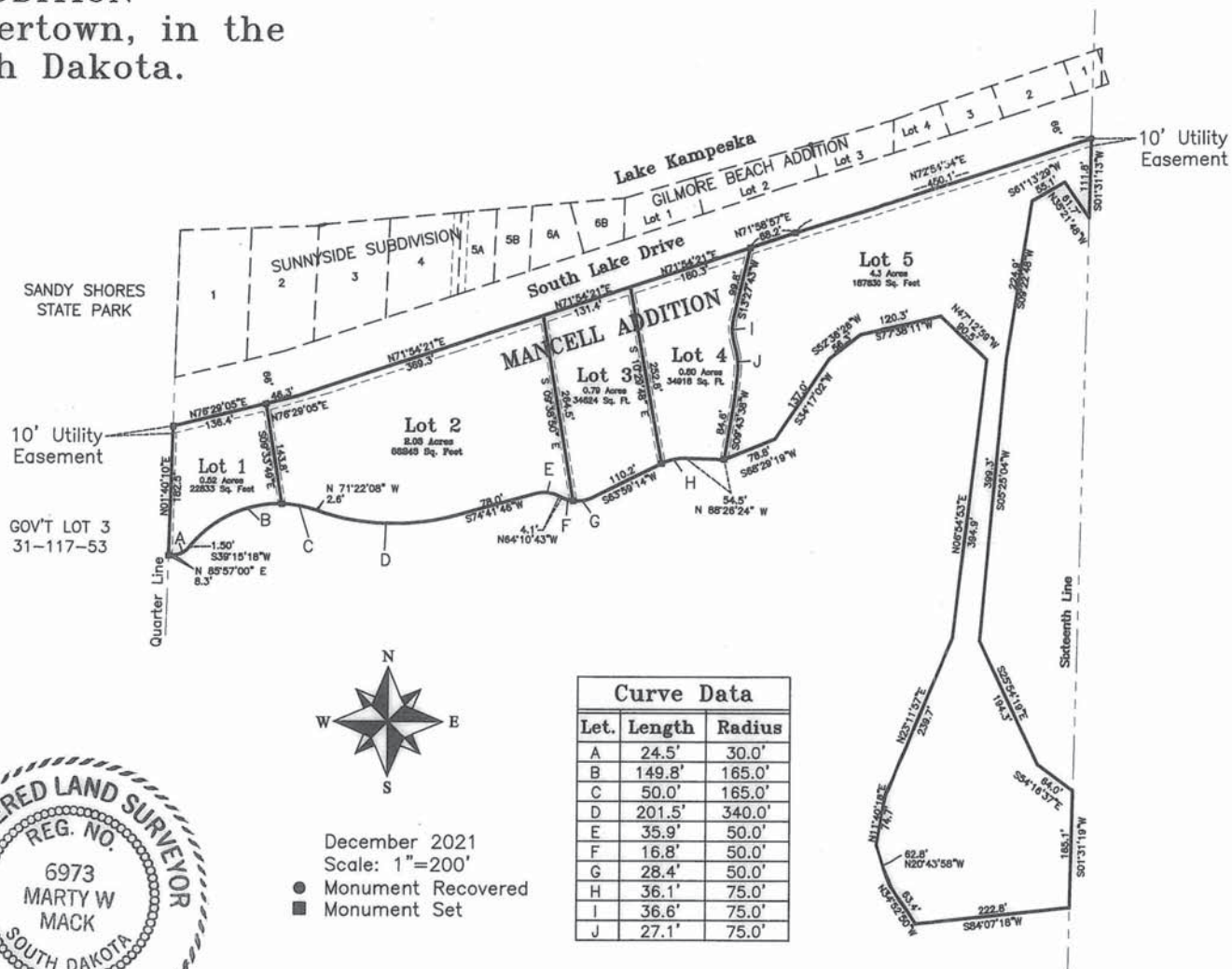
# MANCELL SECOND ADDITION to the Municipality of Watertown, in the County of Codington, South Dakota.

Mancell Second Addition shall vacate the plat of Mancell Addition recorded on December 1, 2020 at 3 P.M., in Book OP of plats, page 844 in the Office of the Register of Deeds, Codington County, South Dakota.

Revised Ordinances, City of Watertown  
Title 24: Subdivision of Land

Portions of this plat are located within the FEMA designated Special Flood Hazard Area (SFHA) Community Number 460016, Panel Number 46029C0315D effective 1/16/2009.

Check FEMA Flood Map Service Center for revisions to Panels.

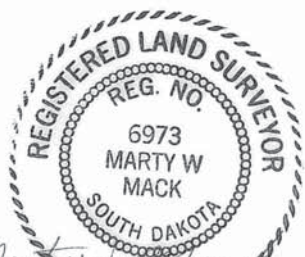


December 2021  
Scale: 1"=200'  
● Monument Recovered  
■ Monument Set

Curve Data		
Let.	Length	Radius
A	24.5'	30.0'
B	149.8'	165.0'
C	50.0'	165.0'
D	201.5'	340.0'
E	35.9'	50.0'
F	16.8'	50.0'
G	28.4'	50.0'
H	36.1'	75.0'
I	36.6'	75.0'
J	27.1'	75.0'

**MACK**  
Land Surveying LLC

Cell: (605) 880-3108 • Phone: (605) 878-2007  
808 South Maple • Watertown, SD 57201  
macklandsurveying@gmail.com



*Marty W. Mack*  
Registered Land Surveyor

**ORDINANCE NO. 25-07**

**Petition to Amend Zoning District Boundaries by Rezoning a Portion of Mancell Second Addition from R-1 Single Family Residential District to PUD Planned Unit Development District**

**BE IT ORDAINED** by the City of Watertown, upon examination of the Petition to Change Zoning by Russell Warner, acting agent for Kampsco, LLC., the owner of real property described as:

*A portion of Lot 2 and all of Lots 3 and 4 of the plat entitled, "Mancell Second Addition to the Municipality of Watertown, in the County of Codington, South Dakota" AND Lot 5A of the plat entitled, "Mancell Third Addition to the Municipality of Watertown, in the County of Codington, South Dakota".*

*Which a portion upon re-platting will be known as Lot 2B Replat of Lots 2, 3 and 4 of Mancell Second Addition to the Municipality of Watertown, in the County of Codington, South Dakota.*

and based on the report and recommendation of the City Planning Commission in its Ordinance No. 25-07, that the property be, and is hereby, rezoned from the existing designation of *R-1 Single Family Residential District*, pursuant to Watertown Revised Ordinance §21.14 to *PUD Planned Unit Development*, pursuant to Watertown Revised Ordinance §21.38.

**BE IT FURTHER ORDAINED** that the new zoning designation referenced above be extended and applied to the centerline of the adjacent public right-of-ways.

**BE IT FURTHER ORDAINED** that the zoning map of the City of Watertown be so amended.

The above and foregoing Ordinance was moved for adoption by Alderperson \_\_\_\_\_, seconded by Alderperson \_\_\_\_\_, and upon voice vote motion carried, whereupon the Mayor declared the Ordinance duly passed and adopted.

I certify that Ordinance No. 25-07 was published in the Watertown Public Opinion, the official newspaper of said City, on this \_\_\_\_ day of \_\_\_\_\_, 2025.

Kristen Bobzien, Chief Financial Officer

First Reading: Monday, June 16, 2025  
Second Reading: Monday, July 7, 2025  
Published: Saturday, July 12, 2025  
Effective: Wednesday, August 6, 2025

City of Watertown

Attest:

\_\_\_\_\_  
Kristen Bobzien  
Chief Financial Officer

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Ried Holien  
Mayor