

**Department of Transportation**  
**Division of Planning & Engineering**  
**Local Government Assistance**  
**700 East Broadway Avenue**  
**Pierre, South Dakota 57501-2586**  
**OFFICE: 605/773-6253**  
**FAX: 605/773-4870**

July 11, 2016

**MEMORANDUM**

**TO:** Michael Behm, Director  
Division of Planning and Engineering

**FROM:** Laurie Schultz, Program Manager  
Office of Administration

A handwritten signature in cursive script that reads "Laurie Schultz".

**SUBJECT: Transportation Commission meeting – July 28, 2016**  
**Consideration of Agri-Business Grant application**

Below is the Agri-Business Grant application that is recommended for consideration by the Transportation Commission at their July 28, 2016 meeting. The application has been reviewed by the South Dakota Department of Agriculture:

- **Moody County**  
The county is requesting \$23, 460 for the improvement of 483<sup>rd</sup> Avenue near Flandreau, SD. The road will serve the Dakota Layers that employs 80 people. The capital investment for the facility is \$6.5 million.

**APPLICATION FOR INDUSTRIAL PARK, AGRI-BUSINESS  
ACCESS, OR  
COMMUNITY ACCESS GRANT FUNDS**

APPLICATION FOR:

INDUSTRIAL PARK/ AGRI-BUSINESS   
(Check one)

COMMUNITY ACCESS

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APPLICANT AND ADDRESS:

(Include unit of government)

Moody County  
101 East Pipestone Avenue  
Flandreau, SD 57028

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PROJECT LOCATION:

483<sup>rd</sup> Avenue from SD Highway 34 south to 234<sup>th</sup> Street – approximately 1 mile.

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PROJECT DESCRIPTION:

Improving approximately 1 mile of 483<sup>rd</sup> Avenue with additional gravel, a new culvert, drain tile, tree removal and reshaping to address drainage concerns to serve the egg laying facility owned and operated by Dakota Layers.

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THE APPLICANT CERTIFIES THAT:

To the best of my knowledge and belief, the information in this application is true and correct. The document has been duly authorized by the governing body of the applicant and the applicant will comply with all appropriate requirements if approved.

<u>Jerry Doyle, Chairman</u>	<u>605-997-3161</u>	<u><i>Jerry Doyle</i></u>	<u>5-17-2016</u>
Name and Title (typed)	Phone	Signature	Date

APPLICATION PREPARED BY:

<u>Ted Haeder, Econ. Dev. Officer</u>	<u>605-882-5115</u>	<u>First District</u>	<u>4-20-2016</u>
Name and Title (typed)	Phone	Representing	Date
<u>Greg Vavra, Program Manager</u>	<u>605-688-4185</u>	<u>SD LTAP</u>	<u>4-20-2016</u>
Name of Consultant (typed)	Phone	Representing	Date

# INDUSTRIAL PARK AND AGRI-BUSINESS ACCESS GRANTS

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## 1. BUSINESSES TO BE SERVED AND PROPOSED EXPANSION PLAN:

Dakota Layers

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## 2. COSTS OF INFRASTRUCTURE

NON PARTICIPATING ITEMS		PARTICIPATING ITEMS	
LAND	0.00	CONSTRUCTION	39,100
UTILITIES	0.00	CONTINGENCIES	
ENGINEERING	0.00		
OTHER	0.00		
<b>TOTAL</b>	<b>0.00</b>	<b>TOTAL</b>	<b>39,100</b>

## 3. FUNDING OF PROJECT

LOCAL	15,640.00
OTHER	0.00
DOT (60 or 80% as per project type)	23,460.00

## 4. TOTAL NUMBER OF NEW FULL TIME EQUIVALENT JOBS TO BE CREATED: (MINIMUM OF 5)

FULL TIME: 5 PART TIME 3

## 5. TOTAL EMPLOYMENT FOR ALL FACILITIES OR DEVELOPMENT: (MINIMUM OF 50 FOR INDUSTRIAL PARKS)

FULL TIME 70 PART TIME 10

6. TOTAL NEW CAPITAL INVESTMENT FOR THE FACILITY: \$6,500,000

7. PROJECT LENGTH: Approximately 1 mile

8. ROW: Is the Right-of-Way dedicated to public use? yes XX no     

9. MAINTENANCE: Who will assume maintenance of the road upon project completion? Dakota Layers and Grovena Township, through a haul road agreement, shall assume maintenance of the road upon project completion.

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## **Scope of Work**

Dakota Layers and Moody County plan to improve 483<sup>rd</sup> Avenue from SD Highway 34 south to 234<sup>th</sup> Street – a distance of approximately 1 mile. This road serves as the primary access route to the Dakota Layers facility that was constructed in 2015. More than 90,000 dozen eggs are produced every day from the 1.3 million hens housed at the farm. At least four full time employees work at the facility seven days a week.

Truck traffic generated by this facility consists of one feed truck per day, 18 poultry trucks that are travel to the site once every 17 weeks and 75-100 trucks that haul manure in the spring and fall. According to Table 3: Thickness Design Guidance for New or Reconstructed Rural Roads located in Appendix A: Construction Guidelines of the August 2015 edition of the Gravel Roads Construction & Maintenance Guide the suggested minimum gravel layer thickness for this road is 4.5 to 6.5 inches.

Proposed improvements for this project include: installing drain tile, reshaping the road surface and adding 3,400 tons of state spec surface gravel. The aforementioned improvements will improve surface and subsurface drainage and will also add approximately six inches of new gravel to the surface of the road.

Previous improvements made to this one mile stretch of 483<sup>rd</sup> Avenue include: tree removal and installation of a new culvert west of the intersection of 483<sup>rd</sup> Avenue and 234<sup>th</sup> Street. Dakota Layers has also paid for regular grading and additional gravel to improve the condition of the existing road surface.

Dakota Layers will provide matching funds for this project and Moody County has agreed to act as the applicant for this Agri-Business Grant application. Greg Vavra, SD LTAP Program Manager provided initial design recommendations and has agreed to provide construction oversight assistance for this project.

Future maintenance of this road will be the responsibility of Dakota Layers and Grovena Township through a haul road agreement that has been in place since November of 2015.

## **Project Budget**

\$2,500	Reshaping Road Surface
\$23,800	3,400 Tons of State Spec Surface Gravel
\$6,800	Gravel Placement
\$6,000	Drain Tile Installation
\$39,100	Total
\$23,460	60% Agri-Business Grant
\$15,640	40% Local Match

Resolution 2016-05-17-01

**WHEREAS**, it is the desire of Moody County and Dakota Layers to upgrade 483<sup>rd</sup> Avenue from US Highway 34 south to 234<sup>th</sup> Street to better serve area businesses; and

**WHEREAS**, Dakota Layers agrees to provide a 40% local match for street improvement costs, plus pay all engineering and administrative costs associated with said project; and

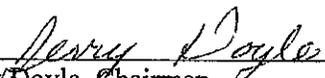
**WHEREAS**, All of the required right-of-way for the construction of the project has been secured; and

**WHEREAS**, Dakota Layers and Grovena Township, through a haul road agreement, agree to maintain the street for its useful life;

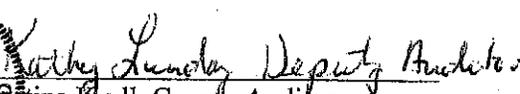
**THEREFORE BE IT RESOLVED**, that the Moody County Commission duly approves the submission of a SD Department of Transportation Agri-Business Grant application requesting 60% of the eligible street construction costs for the project as submitted by the Chairperson of the Moody County Commission on behalf of Moody County;

**THEREFORE BE IT FURTHER RESOLVED**, the Chairperson of the Moody County Commission be authorized to execute the grant application on behalf of Moody County.

Adopted and effective this 17<sup>th</sup> day of May, 2016.

  
\_\_\_\_\_  
Jerry Doyle, Chairman  
Moody County

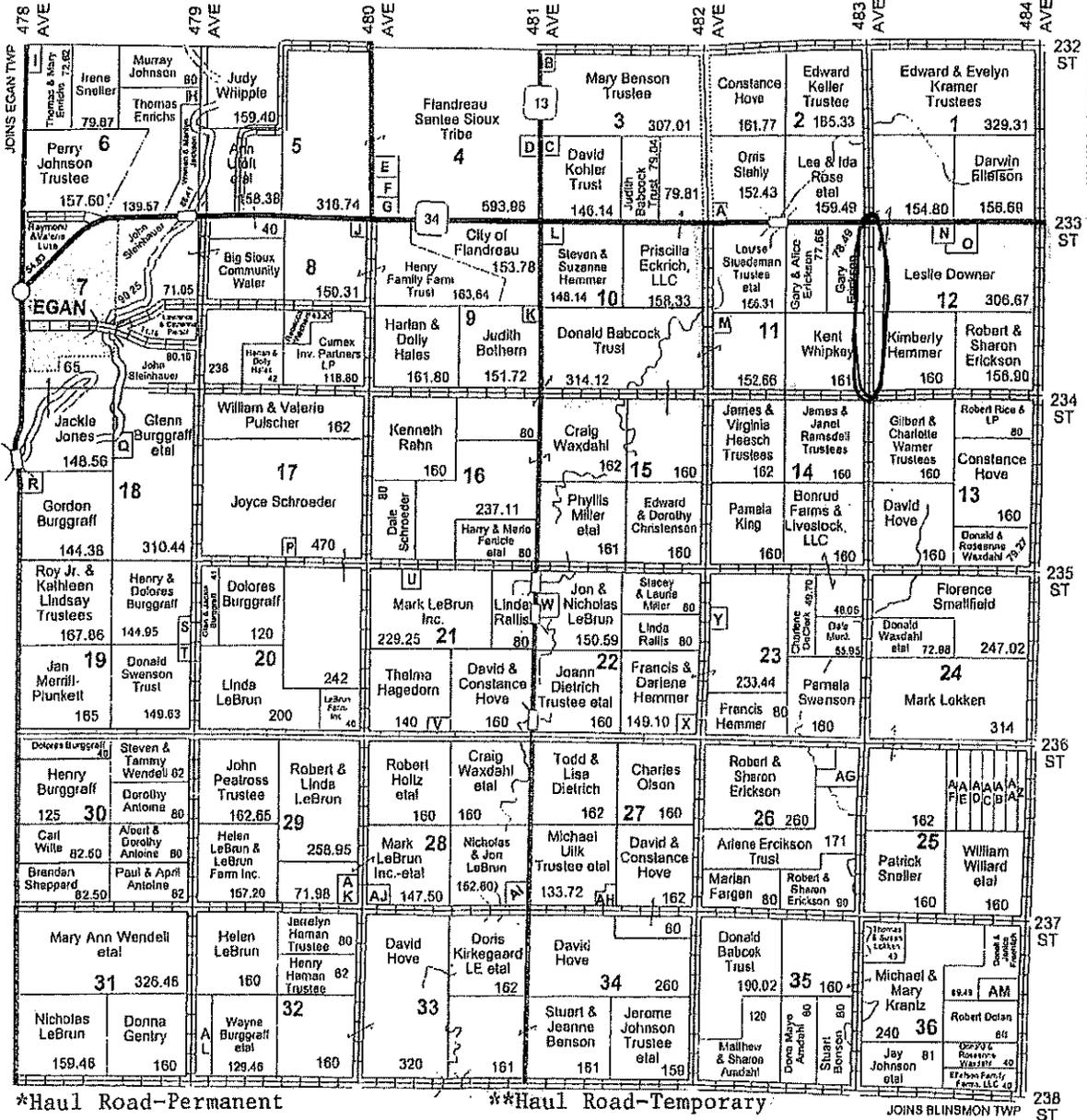
Attest:

  
  
\_\_\_\_\_  
Kristina Krull, County Auditor  
Moody County

ATTACHMENT "A"  
**GROVENA TWP**  
 LAND OWNER

T 106 N

R 48 W



\*Haul Road-Permanent

\*\*Haul Road-Temporary

JOINS BLINSMON TWP

**Small Tracts**

- Section 7 A Lee & Amelia Doyle - 6.06
- Section 3 B Kent & Brenda Whipkey - 14.64
- Section C Emmett & Karen Gundvaldsen - 9.51
- Section 4 D David & Audrey Gaspar - 8.03
- Section E Clayton Remschler - 18.60
- Section F William Iverson - 5
- Section G William McFarland - 10.08
- Section 6 H Judy Whipple - 5.69
- Section I Becky Cramer - 5.51
- Section 8 J John & Barbara Ockenga - 6.50
- Section 9 K Marlin & Debra Schreengost - 6.20
- Section 10 L John Hammer - 12.37
- Section 11 M Jeremy Haugen et al - 7.34
- Section 12 N Mitchell & Dorothy Smith - 5
- Section O James & Rita Pawley - 5.77

- Section 17 P Dale & Becky Schroeder - 10
- Section 18 Q John Warburg - 9.26
- Section R Lisa Johnson - 9.26
- Section 19 S Glenn & Jackie Burggraff - 17.05
- Section T Jan Christiansen - 10.37
- Section 21 U Mark Myers - 10.75
- Section 22 V Thomas & Laura Hagedorn - 22
- Section 22 W Craig & Margaret Waxdahl - 13.4E
- Section X Exemplar Genetics, LLC - 10.50
- Section 22 Y Jessa & Karl Anderson - 8.5E
- Section 23 Z Sheila Fargen - 20
- AA James Fargen - 20
- AB Joan Fargen - 20
- AC William Fargen - 20
- AD Gregory Fargen - 20
- AE William Fargen - 30
- AF James Fargen et al - 30

- Section 26 AG Thomas Lokken Trustee - 41.87
- Section 27 AH Michael & Dawn Uik - 20.26
- Section 28 AI Jan & Tricia LeBrun - 8.20
- Section 29 AJ Jon & Tricia LeBrun - 13.60
- Section 29 AK Jon & Tricia LeBrun - 16
- Section 32 AL Frank & Lynda Burggraff - 32.54
- Section 36 AM William & Pam Lutter - 31.01

R 50 W	R 49 W	R 48 W	R 47 W
ELMORE	ELMVIEW	SPANG	MAID
		CLARK	UNION
		FLANDREAU	
		GRAND	LOVE
		BLINSMON	ALBERT

MOODY COUNTY ROD Gail Meyer-Deelstra  
Doc #160074 Recorded 01/22/2016 @ 3:30 PM  
MISC AGREE # Pages: 7  
Total Fees: \$30.00  
Transfer Tax: \$0.00

Prepared by: Jay M. Leibel  
Issenhuth & Leibel, LLP  
PO Box 28  
Madison, SD 57042  
(605) 256-9161



(Reserved for Register of Deeds)

**AGREEMENT FOR USE AND RESTORATION OF HAUL ROAD**

THIS AGREEMENT entered into by and between DAKOTA LAYERS, LLP, a limited liability company of the State of South Dakota, hereinafter referred to as the "Dakota Layers" of 306 S. Veterans, Flandreau, South Dakota, 57028-1246 and GROVENA TOWNSHIP, a political subdivision of the State of South Dakota, of Moody County, South Dakota, hereafter referred to as the "Township" as follows:

WHEREAS, Dakota Layers plans to construct and operate a confinement facility to raise poultry including but not limited to chickens and plans to use township roads during the construction period and for operation of the facility after completion. Items will be transported including but not limited to products, equipment, materials, and/or supplies over township roads; and

WHEREAS, the Townships and Dakota Layers anticipate that as a result of Dakota Layers' use of the township roads, accelerated deterioration or wear requiring the necessity of additional maintenance may occur. Thus repairs or improvements will be required and additional maintenance expense will be incurred by the Township; and

WHEREAS, the Township is responsible for constructing, altering, improving, and maintaining township roads under the supervision and direction of its Board of Supervisors; and

WHEREAS, the Township does not have the assets or resources necessary to adequately maintain the roads in the proper condition for public safety.

NOW THEREFORE, in consideration of the terms, conditions, and covenants contained herein it is mutually agreed as follows:

1. PURPOSE:

This Haul Route Agreement shall be completed for existing, new, and expanded hauling operations that may cause accelerated deterioration of township roads. These hauling operations shall include but not be limited to: owner, contractor, subcontractors and

employees.

## 2. DEFINITIONS

- a. Additional Maintenance. "Additional Maintenance" means grading, graveling, reshaping, repair, and/or modification performed on township roads in excess of the same operations performed as routine maintenance by the Township.
- b. Township Road means a street, road, or other public way, including shoulders, and right-of-way designated for the purpose of vehicular traffic and under the jurisdiction of the Township.
- c. Haul Road. "Permanent" means any Township road, bridge, or other structure which is used on a routine or consistent basis for transporting items including but not limited to products, equipment, materials and/or supplies and as a result incurs deterioration.
- d. Haul Road. "Temporary" means any Township road, bridge or other structure which is used on a temporary basis during construction of the facility and for transporting items including but not limited to products, equipment, materials and/or supplies and as a result incurs deterioration.
- e. Haul Route means the system of haul roads between a source site and the destination and/or the source site and the nearest major intersection as determined by the Township.
- f. Improvements mean roadway improvements required by the Township because of the Dakota Layers' use of the haul road.

## 3. GENERAL AGREEMENT AS TO ROAD USE:

Dakota Layers understands and agrees that, although the haul roads covered by this Agreement are on the Township Road System and are subject to normal traffic use Dakota Layers, by virtue of its use of the road as a haul route, assumes responsibility for additional maintenance and signing costs on such roads resulting from its use of such roads as a haul route.

The Township hereby agrees to Dakota Layers' use of the haul roads, both permanent and temporary, as shown on the attached map "A" and described in paragraphs 4.A. and B., covered by the Agreement subject to the conditions contained herein. Dakota Layers shall be responsible for obtaining any other permits or licenses which the Township or any other governmental entity may be required to operate or move its vehicles on county or state roads. This Agreement shall not serve to relieve any operator of a Dakota Layers' vehicle from complying with applicable speed limits, weight restrictions, or other posted restrictions.

Any improvements to or widening of the road necessitated by Dakota Layers' operations, including modification of roadway approaches to accommodate transport vehicles, shall be considered incidental to the hauling performed, shall be made at the Dakota Layers' sole expense unless otherwise authorized in an addendum to this Agreement. Any such improvement shall be authorized by Township permit prior to any construction or modification commencing.

4. TERMS:

- A. The "Haul Road-Permanent" is described as the township road running north and south for one and one-half (1 ½) miles identified as 483<sup>rd</sup> Avenue bordered on the north by 233<sup>rd</sup> Street (also known as SD Highway 34) and on the east by the West Half (W1/2) of Section 12 and on the west by the East Half of Section 11, then continuing to south one-half (1/2) mile bordered on the north by 234<sup>th</sup> Street, bordered on the west by the Northeast Quarter (NE1/4) of Section 14, and bordered on the east by the Northwest Quarter (NE1/4) of Section 13; and the township road running east and west identified as 234<sup>th</sup> Street from 483<sup>rd</sup> Avenue running one-half (1/2) mile west bordered on the north by the Southeast Quarter (SE1/4) of Section 11 and bordered on the south by the Northeast Quarter of Section 14, all in Township 106 North, (Grovena Township) Range 48, West of the 5<sup>th</sup> P.M., Moody County, South Dakota. Said road described in this paragraph is identified as the "Haul Road-Permanent".
- B. The "Haul Road-Temporary" is described as the township roads running north and south identified as 484<sup>th</sup> Avenue bordered on the north by 233<sup>rd</sup> Street (a/k/a South Dakota Highway 34) and bordered on the south by 234<sup>th</sup> Street (total length 1 mile); further identified as bordered on the west by the East Half of Section 12; the township road running east and west identified as 234<sup>th</sup> Street bordered on the west by 481<sup>st</sup> Avenue and on the east by 484<sup>th</sup> Avenue (3 miles), and bordered on the north by the South Half of Sections 10, 11 and 12 and bordered on the south by the North Half of Sections 15, 14 and 13; and the township road running north and south identified as 482<sup>nd</sup> Avenue bordered on the east by the West Half of Section 11 and bordered on the west by the East Half of Section 10, Grovena Township, Moody County, South Dakota. Said road described in this paragraph is identified as the "Haul Road-Temporary".
- C. The Township shall maintain the Haul Roads identified hereinabove in paragraphs A and B at the same level of maintenance as may be determined from time to time as other roads within the township of in the same designation including but not limited to blading, graveling and snow removal as required.
- D. Dakota Layers shall be responsible for any costs associated with extraordinary maintenance and graveling, specifically additional blading, graveling, or snow removal done by the Township over and above the customary maintenance done on other roads in the same designation.

- E. Extraordinary maintenance and graveling shall be determined by comparing the maintenance and graveling required for the Haul Road to the maintenance and graveling required for other township roads of the same designation. In other words, the Township shall maintain and gravel the roads on the same schedule as the other Township roads of the same designation. To the extent additional maintenance and graveling is required, Dakota Layers shall be responsible for those costs.
- F. Unless Dakota Layers received prior written authorization from the Township, any extraordinary maintenance and graveling shall be done by and through the Township contractor and shall meet Township specifications. The Township agrees to designate one of its supervisors as the contact person for Dakota Layers to call seeking authorization to improve, repair and maintain any portion of the Roads. The Township agrees to promptly schedule a special meeting of the Board of Supervisors to consider any of Dakota Layers' requests, and to thereafter promptly report back its decision to Dakota Layers through the designated contact person.
- G. The Township will bill Dakota Layers each month for any costs Dakota Layers is responsible for under the terms of this Agreement. Dakota Layers shall reimburse Township within ten (10) days of receipt of the bill. If Dakota Layers fails to promptly make payment interest shall accrue at the rate of eighteen (18%) percent per annum, or the rate charged by the contractor to the Township, whichever is more.
- H. Dakota Layers acknowledges, to the extent already provided for by law, Dakota Layers shall be responsible for any and all damage to the road or road right-of-way caused by trucks, semis or other vehicles conducting business with Dakota Layers. However, no unique standard or obligation not otherwise provided for by law is created by this acknowledgment.
- I. The Township shall be responsible for all ordinary snow removal on the above described Haul road on the same basis as provided to the remainder of the Township by the contractor of the Township. Any additional snow removal shall be at Dakota Layers' expense. No snow removed by Dakota Layers shall be placed within the Township right of way.
- J. The Township shall be responsible for supervision of traffic and law enforcement upon said Township roads including but not limited to any conditions of the roads which require closure of the roads to protect the public safety and to preserve said roads from destruction.
- ~~K. The Township will not impose load limits or speed limits, at this time, as there are restrictions through Moody County. However, the Township reserves the right to establish load limits and/or speed limits if the same becomes necessary for public safety.~~
- L. It is agreed by and between the parties herein to encourage all vehicles traveling upon said roads to drive in a safe and courteous manner giving full consideration to the

rights and needs of others to use these roads.

M. This Agreement is entered into by the parties is based upon current circumstances, and the anticipated use of the haul road by Dakota Layers during and following construction. Depending upon actual traffic patterns after construction, and future use of the haul roads by Dakota Layers and other third parties, this Agreement shall be open to modification to the extent future circumstances may warrant, either by agreement of the parties, or by a Court of competent jurisdiction. However, before seeking judicial modification of the Agreement which addresses the circumstances as they then exist.

This agreement is binding upon the heirs, executors, successors, assignees of interest to the parties herein.

IN WITNESS WHEREOF, the parties hereto executed this Haul Route Agreement on the 3<sup>rd</sup> day of November, 2015.

DAKOTA LAYERS, LLP.

By [Signature]  
It's Vice President

ATTEST:

[Signature]  
It's Witness

GROVENA TOWNSHIP, MOODY COUNTY

By [Signature]  
It's Chairman

ATTEST:

[Signature]  
Clerk

STATE OF SOUTH DAKOTA )  
: SS  
COUNTY OF )

On this the 3<sup>rd</sup> day of November, 2015, before me, the undersigned officer personally appeared Jann Ramsdell and \_\_\_\_\_ who acknowledged themselves to be Members of Dakota Layers, LLP. a limited liability company of the State of South Dakota, and that they, as such Members being so authorized to do, executed the foregoing instrument by signing the name of Dakota Layers, LLP. by themselves as Members thereof.



