APPROVED & ACCEPTED
by City Council
07/20/2026
Maureen Storstad
Maureen Storstad
City Auditor

City of Grand Forks Staff Report

Committee of the Whole – July 13, 2026
City Council – July 20, 2026

Agenda Item: Development Agreement for City Project Nos. 9129 – Sanitary Sewer, 9130 – Watermain, and 9131 - Storm Sewer for Grand Valley 2nd Amendment

Submitted by: Engineering Department, Edward Liberman, PE (Assistant City Engineer)

Staff Recommended Action: Approve Development Agreement with Crary Real Estate and CPS, Ltd. for Grand Valley 2nd Amendment improvements, to be accomplished under City project #9129 – Sanitary Sewer, 9130 – Watermain, and 9131 - Storm Sewer for Grand Valley Development. Authorize staff and City Attorney to do final edits, finalize the agreement and authorize signatures.

Committee Recommended Action: Motion by Berg, second by Fridolfs to move staff recommendation to City Council with a recommendation to approve. Motion carried unanimously.

Council Action: Motion by Berg, second by Fridolfs to approve on consent agenda. Motion carried unanimously.

BACKGROUND:

Crary Real Estate (Developer) has requested to modify and add additional sanitary sewer, watermain, and storm sewer infrastructure at the site of the Grand Valley Development. The proposed infrastructure will serve twelve (12) single-family residential lots along Cades Drive and S. 20th St. These modifications are to accommodate changes resulting from the replat of Lot 1, Block 1 of Grand Valley First Addition. Proposed changes are documented in Amendment 2 to the Grand Valley First Addition Development Plan.

The proposed work includes installation of:

- Sanitary sewer main along S. 20th St, north of Cades Dr to serve four residential lots
- Sanitary sewer and water service lines to 12 residential lots

- Backyard drainage swales and drainage infrastructure to serve 12 residential lots
- Extend watermain, sanitary sewer main and storm sewer mains from Cades Dr north in a utility easement to serve the future development of Block 1 Lot N
- Minor modifications to valves, manholes and street crossing locations to accommodate newly established lot lines and anticipated driveway locations

The Developer is proposing this public infrastructure be constructed using private funds, to be accepted by the City for operation and maintenance. Work is planned to begin as early as 2026.

According to City of Grand Forks Code §18-0908(1)(B), before the contract for any City-constructed facility in any new subdivision will be awarded, the developer must provide the City cash or a negotiable security in the amount of 50% of the costs expected to be special assessed to their properties. In lieu of this, City Code provides an alternative whereby the developer may install watermain and sewer in the subdivision at the developer's own cost. The developer's proposal to privately fund all infrastructure modifications will meet this requirement.

The developer has indicated a preference to use CPS, Ltd. to design the project due to their familiarity with the Grand Valley development. A draft Development Agreement between the City, Crary Real Estate, and CPS Ltd. (attached) formalizes the responsibilities of this work. Summary of key responsibilities as proposed in the draft Development Agreement:

Developer Responsibilities:

a. Privately fund the design and construction of improvements on public right-of-way
    - Project #9129 – Sanitary Sewer
    - Project #9130 – Watermain
    - Project # 9131 - Storm Sewer
b. Obtain all necessary approvals, permits and authorizations necessary for public and private improvements.
c. Construct improvements in accordance with City standards and approved plans and specifications.

City Responsibilities:

a. Provide necessary engineering services on a reimbursable basis as outlined in the proposed Development Agreement.
b. Review and ensure plans meet City standards, as approved by the City Engineer.
c. Inspect installation to ensure compliance and make recommendations for payment.
d. Upon acceptance through a certificate of completion, accept ownership and maintenance of the improvements in right-of-way.

Consideration of these projects at previous Committee of the Whole and City Council meetings includes:

- May 18, 2026 – City Council final approval of the replat of Lot 1, Block 1, Grand Valley First Addition

ANALYSIS AND FINDINGS OF FACT:

- Estimated construction cost for these projects is $260K.
- All project costs will be privately funded by the Developer

- Construction of these projects may begin as early as 2026

SUPPORT MATERIALS:

- Developer Request for Infrastructure, dated June 23, 2026 (1 pg)
- Project Location Map (1 pg)
- Project Limits Map (1 pg)
- Development Agreement (7 pgs)

June 23, 2026

Mr. Christian Danielson, P.E.; City Engineer
City of Grand Forks
255 North 4th Street
Grand Forks, ND 58206-5200

RE: Request for Installation of Infrastructure – Replat of Lot 1, Block 1, Grand Valley First Addition

Dear Mr. Danielson:

On behalf of Crary Real Estate, we respectfully request that the City of Grand Forks proceed with the design and construction of the public infrastructure necessary to serve the referenced addition.

The requested work includes the installation of wet utility infrastructure, including the required trunk water and sewer infrastructure, as identified in the Development Plan Amendment submitted in conjunction with the plat application. Sanitary services for Lots A-D will be installed with the sanitary sewer main. The remaining water and sewer services will be constructed at the time of home construction.

Also included in the requested work is the addition of a sidewalk as required by Planning and Zoning within the utility and sidewalk easement adjacent to Lot M.

During previous discussions between Ed Liberman, Assistant City Engineer, and Mike Korman of CPS, Ltd., it was our understanding that, due to the short project turnaround time and the current workload and staffing capacity of the City Engineering Department, the City would likely need to retain a consulting engineer through a 3-way agreement to complete the design and related services for these improvements. If a consultant is hired, we would prefer to use CPS, Ltd. to design the project due to their familiarity with the development.

We request that the infrastructure be privately funded. Additionally, we request authorization for Crary Real Estate to solicit quotes and negotiate directly with licensed contractors for the construction of these utilities and paving.

We appreciate the City's consideration of this request and look forward to working cooperatively to advance the project. Should you have any questions or require additional information, please do not hesitate to contact me.

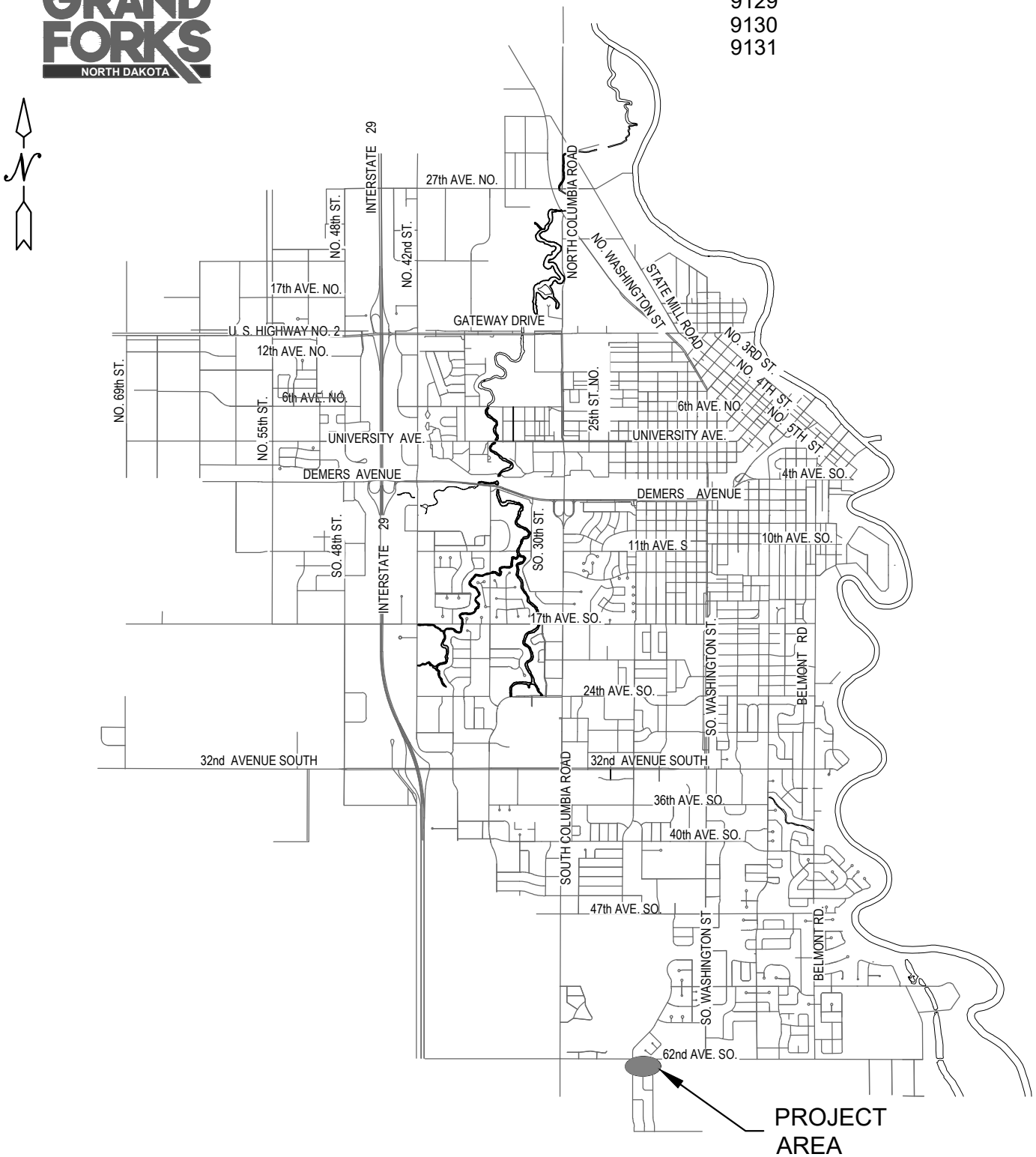
Sincerely,

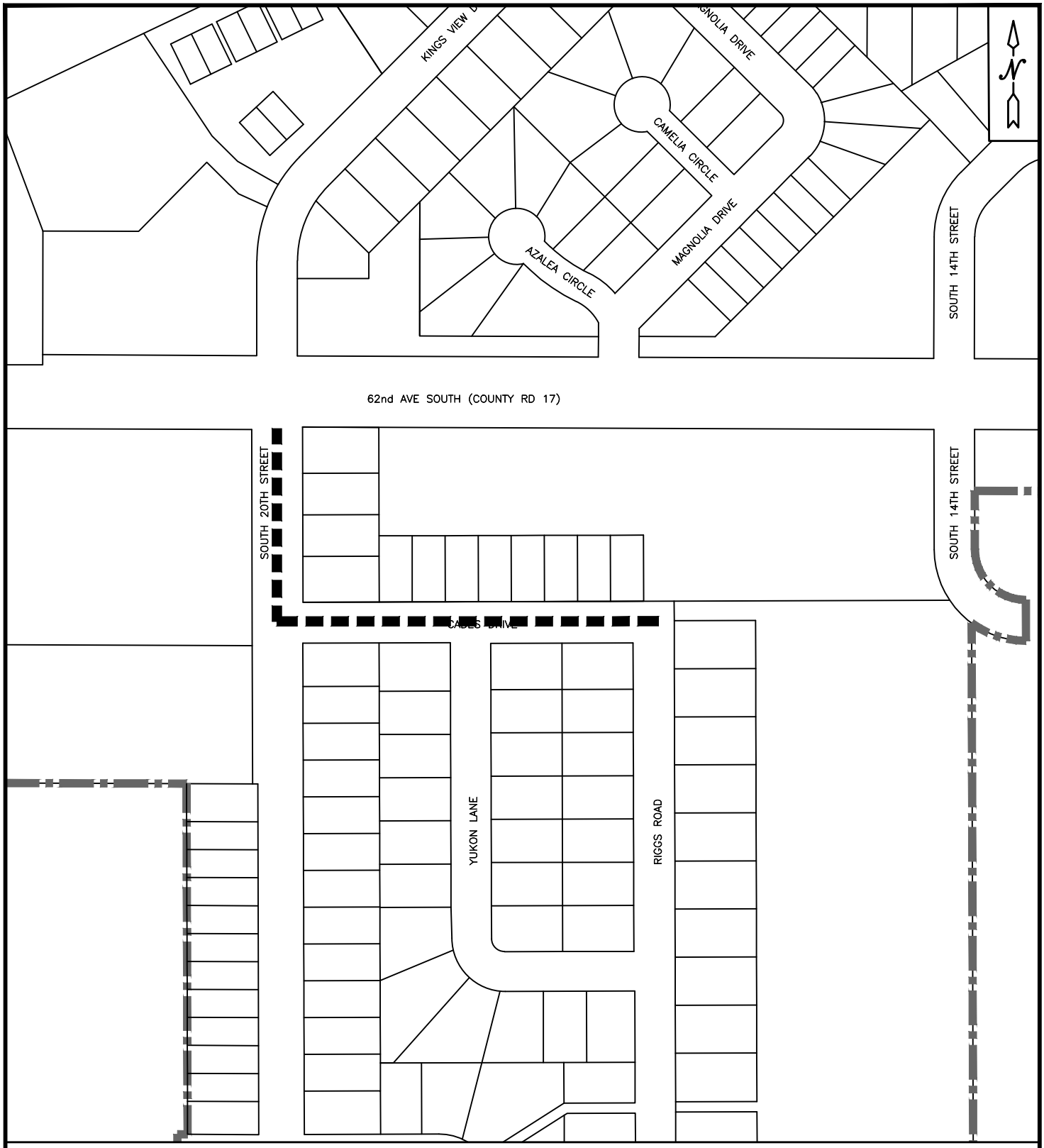
Tim Crary
President

PROJECT LOCATION MAP
GRAND FORKS, NORTH DAKOTA

Sanitary Sewer, Watermain, & Storm Sewer
for Grand Valley 2nd Amendment

PROJECT #	DISTRICT #
9129	
9130	
9131	





SANITARY SEWER, WATERMAIN, & STORM SEWER FOR GRAND VALLEY 2ND AMENDMENT

LEGEND

PROJECT #

DISTRICT #

PROJECT LIMITS

CITY LIMITS

K:\GGierisch\For Ed\Grand Valley\Project Limits Grand Valley Replat.dwg

3-WAY AGREEMENT FOR DESIGN AND INSTALLATION OF INFRASTRUCTURE IN CITY RIGHT-OF-WAY

THIS AGREEMENT (hereinafter "Agreement"), made on the _____ day of July 2026, between the City of Grand Forks, North Dakota, a municipal corporation (hereinafter the "City"); Crary Real Estate, located at 4551 S. Washington St., Suite G, Grand Forks, ND 58201, (hereinafter "Developer"); and CPS, Ltd., located at 308 2nd Ave N., Ste 101, Grand Forks, ND 58203, (hereinafter "Engineer").

WHEREAS, Developer wishes to enter upon the public streets and right-of-way to construct under private contract and to be privately funded, infrastructure involving this Agreement for property to be developed and offered for sale by the Developer, and

WHEREAS, Developer wishes to engage the Engineer to render certain technical professional services, hereinafter described in connection with the design and administration of certain infrastructure involving this Agreement in City right-of-way and adjacent public property.

WHEREAS, the City wishes to safeguard the public interest in assuring that said design and construction work will be in accord with plans, specifications and requirements of the City and will be completed in a proper and safe manner in accord with said City plans and specifications for said types of work.

NOW THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

1. License to Construct

Upon validation, the City grants to Developer the right, privilege and license to enter upon and construct in the public streets and right-of-ways of the City, project #s:

9129 - "Sanitary Sewer for Grand Valley 2nd Amendment"
9130 - "Watermain for Grand Valley 2nd Amendment"
9131 - "Storm Sewer for Grand Valley 2nd Amendment"

(Hereinafter "Project"). The Project includes design and installation of the following infrastructure systems:

☒ Water main	☒ Storm Sewer	☒ Pavements
☒ Sanitary Sewer	☐ Stormwater Pond	☐ Street Lighting

2. Developer's Representations

Developer understands that the Engineer must be a duly licensed engineer under the laws of the State of North Dakota to perform the professional services contemplated herein. Developer represents and warrants to the City that Engineer is a duly licensed engineer authorized to operate under the laws of the State of North Dakota.

3. Scope of Work

Developer will, through the Engineer prepare plans and specifications and other professional services as mutually agreed upon by the Developer and the Engineer.

The Engineer will prepare and submit to the City Engineer complete detailed plans and specifications (electronic version in .pdf format), estimate of quantities, cost estimate, storm sewer design calculations including hydraulic grade lines, and a bid tabulation (MS Excel format). Plans and specifications shall be in accordance with Grand Forks Standard Construction Specifications dated February 20, 1990, or as amended, and made a part of this Agreement by reference. The plans shall use the NAVD 88 model of vertical datum, and each plan and profile sheet along with the title sheet shall note the vertical datum used. Plans and specifications shall include quantities and disposition of clay and topsoil. No material will be considered surplus until the completion of all public infrastructure or approval by the City Engineer. Plans and specifications must comply with Grand Forks Standard Construction Specifications dated February 20, 1990, or as amended, and be approved by the City Engineer prior to any Project work being completed.

Construction management services will be provided by the City Engineering Department. In the event that the City finds insufficient internal resources to provide said services, the City will allow mutually agreed upon services to be provided by qualified outside consultants. Any consultants providing construction services shall be under the direction of the City Engineer and any payments to the consultant shall be approved by the City prior to payment. The City will coordinate any third-party material testing services. Third party services will be charged back to the Developer as a contractor cost.

Developer, through a contractor licensed under the laws of North Dakota to do said work and approved by the City (hereinafter "Contractor"), will furnish all materials, equipment and labor necessary to perform all the work shown on the plans and specifications and any addendums prepared by the Engineer. Developer will not alter site topography beyond what is documented and approved on the plans and specifications. The Developer will provide video of installed sanitary sewer and storm sewer to the City.

4. Time of Completion

The Project that is the subject of this Agreement shall be completed on or before October 15, 2027.

5. Supervision and Inspection of Work

The City Engineer or their authorized representative shall provide construction inspection on the Project. The City Engineer, or their authorized representative, shall at all times have access to the Project in its preparation and progress. The City Engineer, or their authorized representative, shall review all grades and locations for all work, and no work shall be commenced until the same have been established or approved. The City Engineer, or their authorized representative, shall have the authority to stop the work when such stoppage may in their opinion be necessary to insure the proper execution of this Agreement. The City

Engineer, or their authorized representative, shall also have the authority to reject all work and materials which do not conform to the plans and specifications and to decide all questions which arise in execution of the work.

6. City Engineer's Decision

Regarding all questions concerning the interpretation and compliance with the plans and specifications and the performance and execution of the work called for by same, the decisions of the City Engineer shall be binding upon Developer and its contractors, servants, employees, or agents. All such decisions of the City Engineer shall be final.

7. Payment

Developer will be responsible to pay Engineer for all services rendered in accordance with the separate contract between Developer and Engineer. Engineer waives any right to seek payment from the City in the case of Developer's failure to pay in any circumstance.

The Developer will be responsible to pay Contractor for all contracted work in accordance with the contract between the Developer and Contractor. The number of units contained in the contract are approximate only, and the final payment shall be made for the actual number of units that are incorporated in or made necessary by the work required by the contract. Developer shall withhold payment to Contractor for retainage and liquidated damages as certified in the application for payment prepared by the Engineer.

Developer shall provide a written bid summary to the City within ten business days of the construction contract award and/or amendment and shall provide additional notification following any change orders. In the event Developer fails to provide documentation of a competitively bid contract, City Engineer reserves the right to use the Engineer's Estimate as the basis for determining engineering service fees. Developer will be responsible to pay the City for all services rendered in accordance with provisions contained herein. Payment shall be made within 30 days from date of billing.

8. Ownership of Work-Liens

All Project work furnished or placed in the public streets, alleys, or right-of-way shall become the property of the City. The placing and furnishing of all Project work by the Developer, its contractor, its subcontractors, if any, and by any person, firm, or corporation, as labor or material or otherwise, shall be under the provisions of this Agreement and with the express waiver of the rights to claim against the City, or to make any claims or lien against this Agreement.

9. Warranty

Developer shall file with the City a performance bond and a warranty bond warranting all work against faulty materials and workmanship for a period of two years from the date of the approval of certificate of completion. The bond and all required insurance shall remain in full force and effect for that period. As an acceptable alternative, a contractor may supply the required warranty bond and insurance on behalf of the Developer. A copy of the bond and certificate of insurance with the City as a named insured shall be filed with the City before said license to construct shall be validated. A cover letter or statement on the performance bond shall indicate that the bonding company is aware of the 2-year warranty bond requirements.

10. Written Agreement as Entire Agreement

The making, execution, and delivery of this Agreement by the City, Engineer, and Developer has been induced by no representations, statements, warranties or agreements other than those herein expressed. This Agreement and the aforementioned documents made a part hereof by reference, embodies the entire understanding of the parties; and there are no further or other agreements or understandings, written or oral, in effect between the parties, relating to the subject matter hereof. This Agreement may be amended or modified only by an instrument of equal formality signed by the respective parties.

11. Protection of Public and Work -- Indemnification of the City

Developer or Contractor shall provide and maintain all necessary watchmen, barricades, lights, and warning signs and take all necessary precautions for protection of the public and shall further maintain at all times adequate protection of the work from damage. The Developer and Contractor shall indemnify and defend the City for any and all liability for personal injuries, property damage, including any damage to the contract work, or loss of life or property resulting from, or in any way connected with, the condition or use of the public right-of-way covered or egress therefrom, except liability for personal injuries, property damage or loss of life caused solely by the negligence of the City or its employees while in their capacity as such.

12. Utilities

It shall be the responsibility of Developer, Engineer, or Contractor to familiarize itself with the location of all existing sewer mains, water mains and service lines, gas mains and service lines, telephone cable, power, light, and telephone poles and guys, steam lines, valve boxes, stop boxes, and all utility installations that may be affected in the performance of the work. Developer, Engineer, or Contractor shall notify all utility companies 48 hours prior to any construction affecting said utilities and shall negotiate with said utilities regarding conflicts or changes. Such notification must be in accordance with the procedures required by each utility company, and proof of such notification must be sent to the City Engineer prior to commencement of any construction work that will affect such utilities.

13. Engineering and Supervision Charges

The Developer shall pay to the City a reimbursement for services rendered. Service charges are to be computed as a percentage of total project construction cost, incorporating all change orders. Rate schedule for City and engineering services includes 3% Engineering oversight and 2% construction management. City will invoice the Developer in accordance with the following schedule:

- 3% (Oversight) upon receipt of bids
- 2% (Construction Management) upon substantial construction completion
- Final bill to reconcile actual costs and previous billings, upon project completion

City Engineer reserves the right to hire consultant services in support of City obligations under this agreement; in this instance City will bill actual direct costs for consultant services to the Developer and will reduce the City Engineering services charge proportionately based on level of effort performed. Out-of-pocket direct expenses for materials testing are not included in the billing schedule and will be billed at actual cost. The final billing will be based on actual costs as outlined above.

14. ND Department of Environmental Quality General Construction Permit – Storm Water

Developer shall work with the City Engineering Department to submit a Notice of Intent to obtain coverage under the NPDES General Permit for storm water discharges associated with the Project. A copy of the Storm Water Pollution Prevention Plan shall be submitted to the City prior to the pre-construction meeting.

15. Representations and Warranties of Developer.

Developer has been duly organized under the laws of the State of North Dakota, is duly qualified to transact business in North Dakota, and has the requisite power and authority to enter into and perform this Agreement and the documents and instruments required to be executed and delivered by Developer pursuant hereto. This Agreement has been duly executed and delivered by Developer and is a valid and binding obligation of Developer enforceable in accordance with its terms. This Agreement and the documents and instruments required to be executed and delivered by Developer pursuant hereto have each been duly authorized by all necessary corporate action on the part of Developer and that such execution, delivery and performance does and will not conflict with or result in a violation of Developer's in any judgment, order or decree of any court or arbiter to which Developer is a party, or any agreement to which Developer is subject.

Developer has not (a) made a general assignment for the benefit of creditors, (b) filed any involuntary petition in bankruptcy or suffered the filing of any involuntary petition by Developer's creditors, (c) suffered the appointment of a receiver to take possession of all or substantially all of Developer's assets, (d) suffered the attachment or other judicial seizure of all, or substantially all, of Developer's assets, (e) admitted in writing its inability to pay its debts as they come due, or (f) made an offer of settlement, extension or composition to its creditors generally.

The foregoing representations and warranties are express representations and warranties which the other parties shall be entitled to rely on regardless of any investigation or inquiry made by, or any knowledge of, the other parties. Consummation of this Agreement by the other parties with knowledge of any such breach shall not constitute a waiver or release by Developer of any claims arising out of or in connection with such breach.

16. Representations and Warranties of Engineer.

Engineer has been duly organized under the laws of the State of North Dakota, is duly qualified to transact business in North Dakota, and has the requisite power and authority to enter into and perform this Agreement and the documents and instruments required to be executed and delivered by Engineer pursuant hereto. This Agreement has been duly executed and delivered by Engineer and is a valid and binding obligation of Engineer enforceable in accordance with its terms. This Agreement and the documents and instruments required to be executed and delivered by Engineer pursuant hereto have each been duly authorized by all necessary corporate action on the part of Engineer and that such execution, delivery and performance does and will not conflict with or result in a violation of Engineer's in any judgment, order or decree of any court or arbiter to which Engineer is a party, or any agreement to which Engineer is subject.

Engineer has not (a) made a general assignment for the benefit of creditors, (b) filed any involuntary petition in bankruptcy or suffered the filing of any involuntary petition by Engineer's creditors, (c) suffered the appointment of a receiver to take possession of all or substantially all of Engineer's assets, (d) suffered the attachment or other judicial seizure of all, or substantially all, of Engineer's assets, (e) admitted in writing its inability to pay its debts as they come due, or (f) made an offer of settlement, extension or composition to its creditors generally.

The foregoing representations and warranties are express representations and warranties which the other parties shall be entitled to rely on regardless of any investigation or inquiry made by, or any knowledge of, the other parties. Consummation of this Agreement by the other parties with knowledge of any such breach shall not constitute a waiver or release by Engineer of any claims arising out of or in connection with such breach.

17. Representations and Warranties of the City.

The City has been duly organized under the laws of the State of North Dakota, is duly qualified to transact business in North Dakota, and has the requisite power and authority to enter into and perform this Agreement and the documents and instruments required to be executed and delivered by the City pursuant hereto. This Agreement has been duly executed and delivered by the City and is a valid and binding obligation of the City enforceable in accordance with its terms. This Agreement and the documents and instruments required to be executed and delivered by the City pursuant hereto have each been duly authorized by all necessary corporate action on the part of the City and that such execution, delivery and performance does and will not conflict with or result in a violation of the City's in any judgment, order or decree of any court or arbiter to which the City is a party, or any agreement to which the City is subject.

The City has not (a) made a general assignment for the benefit of creditors, (b) filed any involuntary petition in bankruptcy or suffered the filing of any involuntary petition by the City's creditors, (c) suffered the appointment of a receiver to take possession of all or substantially all of the City's assets, (d) suffered the attachment or other judicial seizure of all, or substantially all, of the City's assets, (e) admitted in writing its inability to pay its debts as they come due, or (f) made an offer of settlement, extension or composition to its creditors generally.

The foregoing representations and warranties are express representations and warranties which the other parties shall be entitled to rely on regardless of any investigation or inquiry made by, or any knowledge of, the other parties. Consummation of this Agreement by the other parties with knowledge of any such breach shall not constitute a waiver or release by the City of any claims arising out of or in connection with such breach.

18. Successors And Assigns.

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party may assign its rights or obligations hereunder, including by operation of law, without the prior written consent of the other parties. No assignment shall relieve the assigning party of any of its obligations hereunder.

19. Governing Law.

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of North Dakota applicable to agreements to be performed in North Dakota. Venue for any dispute arising from the breach or enforcement of any term in this Agreement shall be proper in the District Court for the County of Grand Forks, North Dakota.

20. Severability.

If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the parties hereto shall negotiate in good

faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

21. Headings And Captions.

The headings and captions of the paragraphs and sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

22. Default and Remedies.

The occurrence of any of the following shall constitute an event of default: (1) a party to this Agreement fails to observe or perform any of his/her obligations provided for herein; (2) a party to this Agreement files a petition in bankruptcy or an application for any other relief under any provision of the Bankruptcy Act is filed by or against a party; (3) a party to this Agreement makes an assignment for the benefit of creditors; or (4) a receiver is appointed for the assets or affairs of a party to this Agreement.

If an event of default occurs, this Agreement shall be terminated immediately and the non-defaulting party may pursue any and all available remedies for damages, costs, expenses and fees, including attorneys' fees, arising from or related to such event of default.

In witness thereof, the parties have executed this Agreement at Grand Forks, North Dakota, the day and year first written above.

CITY OF GRAND FORKS

By: _____

Brandon Bochenski
Mayor

By: _____

Tim Crary
Crary Real Estate (Developer)

Attest: _____

Maureen Storstad
City Auditor

By: _____

Mike Korman
CPS, Ltd. (Engineer)