



COMMISSION
AGENDA MEMORANDUM

Item No. 8c

ACTION ITEM

Date of Meeting February 9, 2021

DATE: February 1, 2021
TO: Steve Metruck Executive Director
FROM: Pete Ramels, General Counsel
Loren Armstrong, Sr. Port Counsel
Wayne Grotheer, Director, Aviation PMG
SUBJECT: Rental Car Facility Settlement Agreement

Amount Payable to the Port: \$1,500,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a settlement agreement to resolve claims and potential claims arising out of the design and construction of the Consolidated Rental Car Facility.

SUMMARY

The Port asserted pre-litigation design errors and omissions and/or latent defect claims against the design consultants and construction contractors and subcontractors arising out of the design and construction of the Consolidated Rental Car Facility (“CRCF”).

Physical construction of the CRCF commenced on or around June 10, 2008 and was substantially completed on April 16, 2013. The CRCF is and has remained in operation since that time.

The parties first mediated this dispute on August 31, 2020, and then continued to mediate on January 15, 2021, when the parties successfully resolved the dispute pending authorization by the Port Commission. The design and construction firms agreed to pay the Port a total of \$1,500,000. The settlement agreement does not constitute an admission of liability or wrongdoing on the part of any party; rather, the settlement is recommended to avoid the time, expense, disruption, and uncertainty of litigating claims.

This matter was discussed in executive session.

There are no attachments to this memo.