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COMMISSION

AGENDA MEMORANDUM Item No. 8d

ACTION ITEM Date of Meeting June 27, 2023

DATE: June 27, 2023

TO: Steve Metruck, Executive Director

FROM: Pete Ramels, General Counsel

Loren Armstrong, Senior Port Counsel

SUBJECT: Commission Authorization to Execute a Settlement Agreement to Recover Insured Repair and Replacement Costs

Amount payable to the Port: \$4,200,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a settlement agreement with the Port's insurer, which will pay the Port \$4,200,000 to recover costs associated with the central terminal glass curtain wall following construction at STIA.

SUMMARY

Between 2003 and 2005 construction took place of an approximately 30-foot cable-supported glass curtain wall at STIA. After construction was complete, seven glass panels cracked in this curtain wall. After investigating the damage and estimating repair costs, the Port filed a claim under its policy, which the insurer denied. The Port and insurer mediated the dispute over several days and have negotiated a settlement.

Under the proposed settlement agreement, the Port will receive \$4,200,000 in exchange for a release and indemnity for any such future costs. This will settle the matter without resorting to the further time and expense of litigation, and promptly pay the Port a reasonable amount for recovery.

This matter was discussed in privileged attorney-client communications. There are no attachments to this memo.

Template revised September 22, 2016.