



**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.