



City Hall - Status Update

June 6, 2023



Presentation Overview

1. Insurance Policies
2. Proceeds Option
3. Repair Option
4. Extra Expense Coverage
5. Next Steps



Insurance Policies

City has multiple insurance policies that cover City Hall and other properties

- National Flood Insurance Program
- Layered Property Program
 - Property (Flood) Coverage
 - Extra Expense Coverage



City Hall – Proceeds Option

Based on the conservative budget estimate of \$16,000,000 in damage that was presented at the May 16th Commission conference meeting, the potential reimbursement, should the City abandon City Hall, would be less than that amount

The costs associated with the \$16,000,000 estimate are subject to negotiation and portions may be excluded or reduced, depreciation would be applicable to final settlement amount



City Hall – Repair Option

- Costs associated with the \$16,000,000 estimated budget total subject to negotiation
- Costs would not be depreciated if City Hall rehabilitated
- City would be afforded extra costs to repair in accordance with current building codes
- In no case will the total payment exceed the policy limit including extra expenses



City Hall – Extra Expense Coverage

Maximum coverage is **\$5,000,000**

Extra expense means:

“The excess of the total cost necessarily and reasonably charged during the period of restoration of the damaged property chargeable to the operation of the insureds business over and above the total cost that would normally have been incurred to conduct the business during the same period had no loss or damage occurred.”



City Hall – Potential Next Steps

Short Term: Immediate placement of employees into temporary office space and/or work from home; removal of personal items from City Hall; occupy currently owned or leased space; IT relocation of servers offsite



Medium Term: Develop lease agreements to house City employees displaced while City Hall is being rehabilitated or abandoned in favor of rebuilding a new facility; Store and liquidate equipment, furniture and fixtures as appropriate

Long Term: Move back into rehabilitated City Hall (24 months or more) or newly constructed City Hall (36 months or more)