



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#20-0458

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: July 7, 2020

TITLE: Motion Authorizing Settlement of All Potential Liability Claims of WPRK
Family Trust - \$548,329 - **(Commission District 2)**

Recommendation

It is recommended that the City Commission approve the settlement of all potential liability claims of WPRK Family Trust, as property owner of 901 Ponce de Leon Drive, in the amount of \$548,329.

Background

On December 10, 2019, a City sanitary sewer pipe break caused an overflow in the Rio Vista Neighborhood, which affected nearby property owners and required environmental remediation services, including the cleaning of surfaces, removal of debris, excavation of soil, and replacement of landscaping.

Shortly thereafter on December 12 and 13, approximately 3 inches of rainfall occurred within 48 hours which created a flooding issue at the adjacent property of 901 Ponce de Leon Drive. The amount of outflow going through the by-pass pipe and sewer system was surcharged by the heavy rainfall, and the City's closure of storm drains, and caused the by-pass pipe to flood, resulting in excess water for the pumps to handle. As a result of the combined outflow and rainfall flood from the by-pass pipe, the water tracked the natural topography to drain into the river, which was adjacent to this property, and caused it to significantly pond in excess of six inches. Due to the foregoing contingencies and limited pumping capacity, the interior and exterior of the property was inundated with contaminated flood water, causing substantial damage.

Staff, along with an external adjusting service, reviewed and calculated the costs of environmental remediation services in the amount of \$470,217, personal property damage in the amount of \$41,912, and loss of use in the amount of \$22,500 for a total claim amount of \$534,629.

The contractor for the property owner submitted an estimate for environmental remediation services in the amount of \$483,917, in addition to the personal property

damage and loss of use amounts for a total claim amount of \$548,329, which is a \$13,700 difference.

The difference was reviewed and discussed with the contractor, but based upon the uncertainties of construction and estimated three-month timeframe, and based upon the property owner having to execute a full general release extinguishing all claims against the City, known or unknown, thereby resulting in the property owner accepting all risks of construction, staff recommends settlement of all potential liability claims in the amount of \$548,329, subject to the approval of the City Commission.

Resource Impact

There will be a fiscal impact to the City in the amount of \$548,329.

| <i>Funds available as of June 3, 2020</i> | | | |
|---|--------------------------|--|-----------|
| ACCOUNT NUMBER | INDEX NAME (Program) | CHARACTER CODE/ SUB-OBJECT NAME | AMOUNT |
| 543-INS010101-5113 | Self-Insurance Claims | Non-Operating Expenses /General Liability Claims | \$548,329 |
| TOTAL AMOUNT ► | | | \$548,329 |

Strategic Connections

This item supports the *Press Play Fort Lauderdale 2024 Strategic Plan*, specifically advancing the Internal Support Focus Area:

- Goal 8: Build a leading government organization that manages all resources wisely and sustainably.
- Objective: Maintain financial integrity through sound budgeting practices, prudent fiscal management, cost effective operations, and long-term planning.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are United*.

Attachments

Exhibit 1 – Statement of Loss

Exhibit 2 – City Repair Estimate

Exhibit 3 – Contractor Repair Estimate

Exhibit 4 – Damaged Contents

Exhibit 5 – Property Appraiser Valuation

Prepared by: Matthew Cobb, Human Resources

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