

CITY COUNCIL REGULAR SESSION

Resolution authorizing execution of all documents necessary to implement settlement of the claim brought by Saturn Group LLC in the lawsuit Saturn Group LLC v. City of Bellevue et al. (King County Superior Court Cause No. 20-2-15907-7 SEA).

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EXECUTIVE SUMMARY

This Resolution authorizes settlement of the lawsuit brought by Saturn Group LLC related to a sewer backup into its production facility for \$200,000.

RECOMMENDATION

Move to adopt Resolution No. 9968.

BACKGROUND/ANALYSIS

This case involves a sewer backup into Saturn Group LLC's marijuana products production facility at 2930 Richards Road.

At its March 22 meeting, Council approved Resolution No. 9915 authorizing settlement with the owner of the building, Pat Gamroth, for his damages to the building related to the sewer backup. This matter involves the lawsuit brought by the tenant of the building, Saturn Group LLC for its damages related to its use of the building as a tenant.

On January 30, 2020 O&M received a call about a sewer back-up event at a business at 2930 Richards Road. The building had extensive amounts of effluent back up into multiple finished office/workspaces, two bathrooms, multiple storage rooms, and a large warehouse area sectioned out with storage racks, packaging area, and the manufacturing space for the marijuana production facility. The cause of the back-up was found to be a grease blockage in the City's mainline with subsequent sewage back-up due to the failure of the main to convey flow. Saturn Group LLC incurred losses for destroyed products, lost sales, and clean-up costs.

POLICY & FISCAL IMPACTS

Policy Impact

Pursuant to Bellevue City Code 4.36.030, settlement and payment of claims exceeding \$75,000 requires the authorization of City Council.

Fiscal Impact

The settlement of the claim brought by Saturn Group will require a total payment of \$200,000 by the City. Sufficient funds exist within the City's General Self-Insurance Fund for this payment.

OPTIONS

1. Adopt the Resolution authorizing execution of all documents necessary to implement settlement of the claim brought by Saturn Group LLC in the lawsuit Saturn Group LLC v. City of Bellevue et al. (King County Superior Court Cause No. 20-2-15907-7 SEA).
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

Proposed Resolution No. 9968

AVAILABLE IN COUNCIL LIBRARY

N/A