



City of Oregon City

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Staff Report

File Number: 18-275

Agenda Date: 6/20/2018

Status: Consent Agenda

To: City Commission

Agenda #: 8b.

From: Public Works Director John Lewis

File Type: Resolution

SUBJECT:

Settlement Agreement and Mutual Release for 13776 Canyon Court in Oregon City

RECOMMENDED ACTION (Motion):

Authorize the City Manager to execute the Settlement Agreement and Mutual Release between Mr. Frank and Mrs. Susan Bartholomew and the City of Oregon City concerning the lawsuit and issues associated with 13776 Canyon Court.

BACKGROUND:

The Trillium Park Drive area has a history of ground movement and years of geotechnical evaluation. Trillium Park Drive has seen a series of slides and resultant mitigation repairs since 2006. On February 16, 2017, the City responded to a water main break resulting from ongoing landslide activity along Trillium Park Drive. This landslide episode pulled a City owned 8-inch diameter water main apart resulting in high volumes of water flowing up and out of the pipeline trench, displacing trench backfill and surface pavement, and flowing downstream of the slide area. This Trillium Park landslide episode occurred during a wet winter period when groundwater levels were high and the subsurface conditions were saturated.

In the days after the February 16 landslide, the area continued to slide and subside. Problems ensued with other public facilities that were also impacted by the landslide. On February 21, 2017, the City's Building Official responded to concerns that 13776 Canyon Court was showing indications that it, too, was impacted by the landslide. On February 23, the Building Official deemed 13776 Canyon Court a dangerous building and the tenants vacated the home.

On August 2, 2017, the City was notified of a tort claim against the City by the Bartholomews which later resulted in a lawsuit against Oregon City as well as two other insurance companies (Bankers Standard Insurance and Chubb Insurance). The Bartholomews have tentatively settled the lawsuit with their insurance carriers. Pursuant to the terms of this settlement agreement, they are seeking a settlement agreement with the City of Oregon City. The City's liability in this case is low, and this agreement will release the City from any responsibility for the damage to 13776 Canyon Court. The City does have an interest in obtaining the property. Acquisition of this property by the City will accomplish the following: 1) release, acquit, and forever discharge the City from any and all claims arising from the property as related to this landslide; 2) prevent any future residential or commercial development on the site; and 3) provide the City with additional construction access for possible future slide mitigation measures.

Pursuant to the terms of the agreement, the Bartholomews will demolish and remove the wood frame house and structural improvements down to the concrete foundation and then deed the property to the City. In exchange for the property and the building demolition, the City, via CityCounty Insurance, will reimburse Mr. and Mrs. Bartholomew up to ten thousand dollars for building demolition expenses. The final intention is that City resources will be used to obtain appropriate permits for the foundation removal, demolish the concrete foundation, and reestablish a natural slope and landscape.

BUDGET IMPACT:

Amount: \$0

FY(s): N/A

Funding Source: CityCounty Insurance Services (CIS)