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**Request for City Council Committee Action  
From the City Attorney's Office**

Date: April 2, 2003  
To: Ways & Means/Budget Committee  
Referral to: None

**Subject:** Claims of Rosenthal Furniture

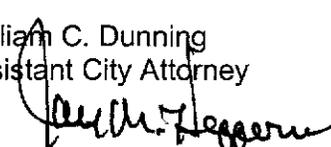
**Recommendation:** That the claims for flood damage to real estate be settled by payment of \$67,275.00 to Rosenthal Furniture from Fund/Org. 690 150 1500 6660.

**Previous Directives:** None

Prepared by: William C. Dunning  
Assistant City Attorney

Phone: 673-2473

Approved by:

  
Jay M. Heffern  
City Attorney

Presenter in Committee: Jay M. Heffern, City Attorney

**Financial Impact** (Check those that apply) .

- No financial impact - or - Action is within current department budget.  
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain): Payment of \$67,275.00 from Fund /Org. 690 150 1500 6660
- Request provided to the Budget Office when provided to the Committee Coordinator

**Community Impact:**

City Goals: Build Community

**Background/Supporting Information**

In connection with light rail construction, the Public Works Department blocked a storm sewer catch basin with concrete near Rosenthal Furniture, a store located at 22-5<sup>th</sup> St. North. Shortly after Public Works completed the project, a torrential rainfall occurred that resulted in localized flooding. Water invaded the basement of the store and caused damage.

The flooding resulted in construction costs to Rosenthal of \$19,875.00, carpet replacement cost of \$11,947.00, and business and payroll expenses of \$11,000 which has been compromised to \$5,500.00. Additionally, damaged sold merchandise was valued at \$10,313.00 and damaged inventory was valued at \$9,100.87. The claimant would forego any further claim in compromise.

Mr. Gil Warnacutt investigated the claims and has recommended settlement. Because the amount of the settlement exceeds the limit for consideration by the Claims Committee, our office has been asked to review the matter and make a recommendation to your committee. I would concur with Mr. Warnacutt in recommending settlement in the amount of \$67,275.00.