

EXHIBIT C

ORDINANCE No. 180278

*Pay claim of George and Marietta Spada. (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. George and Marietta Spada, through Mark McClanahan, their attorney, have filed a lawsuit against the City for damages they suffered during and after the flood of 1996 to a lot they own in SW Portland.
2. The claim has been investigated by the Risk Management Division and the City Attorney. Investigation indicates there is risk the City may be found liable. Therefore, in order to avoid the risk of a large jury award, and potential exposure to claimants' attorney fees, it is prudent to compromise the claim at this time.
3. The Risk Management Division recommends the claim be compromised for \$450,000, subject to the claimants providing the City with a release in a form to be approved by the City Attorney. BES will pay \$300,000 of the claim settlement out of its operations fund. Risk will pay the balance, \$150,000, from the Insurance and Claims fund. As part of the negotiated settlement of the Spada lawsuit the City will receive the Spada lot located on SW Council Crest Drive and McDonnell Terrace, and this land will become City property.
4. BES should be authorized to re-sell the property, with two-thirds of any proceeds returning to BES, and one-third to Risk Management, in proportion to their respective contributions to the settlement of this claim.

NOW, THEREFORE, the Council directs:

- a. The Mayor and the Auditor are hereby authorized to draw and deliver a check in the amount of \$450,000, made payable to George Spada and Marietta Spada and Mark C. McClanahan.
- b. The Risk Management Division will execute a payment authorization in the amount set forth in sub-paragraph (a) above. \$150,000 shall be chargeable to the Risk Insurance and Claims Fund, and \$300,000 to the Sewer Fund.
- c. The Director of the Bureau of Environmental Services is authorized to accept on behalf of the City title to the property, and thereafter on behalf of the City to sell and convey title to the property, with two-thirds of the proceeds remaining with BES and one-third returned to Risk Management. The Director is authorized to execute on behalf of the City all documents necessary to carry out

the provisions of this Ordinance, once they have been approved as to form by the City Attorney.

Section 2. The Council declares that an emergency exists in order to avoid undue and costly delay in settling this claim; therefore, this Ordinance shall be in force and effect from and after its passage by the Council.

Passed by the Council, June 28, 2006
Mayor Tom Potter
Mark M. Stairiker
MMS:gh
June 9, 2006

GARY BLACKMER
Auditor of the City of Portland
By /S/ Colleen Phillips
Deputy