



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 03/07/2023

ITEM NO: 3

DATE: March 3, 2023
TO: Mayor and Town Council
FROM: Gabrielle Whelan, Town Attorney
SUBJECT: Approve the Proposed Shannon Road Litigation Settlement and Release Agreements with the County of Santa Clara, Graniterock Construction, and Uretek; and Approve Revenue and Expenditure Budget Adjustments in the Amount of \$1,565,000 to Recognize the Settlement Proceeds and Authorize Spending for the Shannon Road Repair Capital Project (411-811-008)

RECOMMENDATION:

Staff recommends that the Town Council approve proposed settlement and release agreements with the County of Santa Clara, Graniterock Construction, and Uretek; and approve revenue and expenditure budget adjustments in the amount of \$1,565,000 to recognize the settlement proceeds and authorize spending for the Shannon Road Repair Capital Project (411-811-008).

BACKGROUND:

On January 16, 2018, the Town annexed a portion of Shannon Road ("the Road") from the County of Santa Clara. After annexation, the Town noticed that necessary repairs to the Road had not been made. On March 3, 2022, the Town sued the County of Santa Clara to seek repairs or funding for repairs to the Road. The Town also sued two County contractors, Graniterock Construction and Uretek.

DISCUSSION:

The parties have reached proposed settlements, which will provide for a County payment of \$1.5M to the Town, a payment of \$50,000 from Graniterock Construction to the Town, and a payment of \$15,000 from Uretek to the Town. These funds will be used to make repairs to Shannon Road. In exchange for these payments, the Town will ask the court to dismiss the Town's lawsuit.

Reviewed by: Town Manager, Parks and Public Works Director, and Finance Director

PAGE 2 OF 2

SUBJECT: Shannon Road Litigation – Proposed Settlement Agreements

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CONCLUSION:

Staff recommends that the Town Council approve the proposed settlement and release agreements, authorize the Town Attorney to approve any minor, non-material changes to the agreements, and authorize the Town Manager to execute the agreements on behalf of the Town.

FISCAL IMPACT:

These funds will assist the Town in making repairs to Shannon Road.

CALIFORNIA ENVIRONMENTAL QUALITY ACT:

Approval of these settlement and release agreements is not a project subject to CEQA. In accordance with CEQA Guidelines Section 15301, the Town's repairs to Shannon Road will be categorically exempt from CEQA as improvements to existing facilities.

Attachments:

1. Proposed Settlement Agreement with County of Santa Clara.
2. Proposed Release Agreement with Graniterock Construction
3. Proposed Release Agreement with Uretek