



Thursday March 22 2007

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Law
RECOMMENDATION FOR COUNCIL ACTION

ITEM No 5

Subject Approve an amendment to the legal service contract with Kemp Smith L L P for legal counsel regarding City of Austin v Reichhold Inc et al Cause No A 06 CA 0015SS in the U S District Court Western District Austin Division in an amount of \$300 000 for a total contract amount not to exceed \$1 025 000

Amount and Source of Funding Funding in the amount of \$300 000 is available in the Fiscal Year 2006 2007 Operating Budget of the Liability Reserve Fund (Related to item #47)

**Additional Backup
Material**

(click to open)

No Attachments Available

For More Information Anne Morgan Assistant City Attorney 974 2507 Laurie Eiserloh Assistant City Attorney 974 2188

Prior Council Action December 2 2004 Council approved \$150 000 October 27 2005 Council approved \$120 000 May 25 2006 Council approved \$455 000

Reichhold was the chemical company and owner of land located at 10715 Burney Road The City purchased that site for the North Austin Service Center While the City's contractor was clearing the site there was a large explosion that seriously injured a worker In a subsequent investigation a large amount of an explosive benzoyl peroxide was found at the site

The City has expended over \$4 million to remediate the site and the project is not yet completed The City has been utilizing the firm of Kemp Smith L L P for its environmental law expertise in the investigation of the explosion and litigation against Reichhold The purpose of this litigation is to recover all or some of the City's costs related to the site

This request will increase the outside counsel contract by \$300 000 for a total contract amount not to exceed \$1 025 000