

AGENDA



Thursday, July 26, 2007

**Law
RECOMMENDATION FOR COUNCIL ACTION****Item No. 20**

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 \$275,000, for a total contract amount not to exceed \$1,300,000.

Amount and Source of Funding: Funding is available in the Fiscal Year 2006-2007 Operating Budget of the Liability Reserve Fund.

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; March 22, 2007, Council approved \$300,000.

Reichhold was the chemical company and owner of land located at 10715 Burnet 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. The City has been utilizing the firm of Kemp Smith, L.L.P. for 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 \$275,000, for a total contract amount not to exceed \$1,300,000.