



Legislation Text

File #: 20-547, Version: 1

TO: Mayor and Commissioners
FROM: Duane D'Andrea, Human Resources Director
THROUGH: Jennifer Alvarez, Interim City Manager
DATE: August 11, 2020

TRAIN STATION INSURANCE

Recommended Action:

Motion to approve Option 2 from the Florida League of Cities to rebuild the Historic Train Station Depot that was destroyed by fire on February 25, 2020. Total cost to the City is a \$100,000 deductible pursuant to its property insurance policy.

Background:

The City of Delray Beach Historic Train Station Depot was destroyed by fire on February 25, 2020. An insurance claim was immediately filed with the City's insurance carrier, Florida League of Cities. After a thorough investigation, and in accordance with the City's property insurance policy, the League offered four (4) options to reconcile the claim. Option one (1) offered a cash payout of \$581,707 which includes depreciation and the City's \$100,000 deductible. Option two (2) offered to rebuild the structure with a similar design with like and kind materials. Because the City enjoys "blanket coverage" as part of its property insurance policy, the only cost to the City to rebuild is the \$100,000 deductible that is stipulated in the policy. Options three (3) and four (4) offers rebuilding the structure at an alternate location but does not offer the "blanket coverage" as in Option two (2). This would result in exposure to the City for any additional costs and overages in rebuilding.

City Attorney Review:

City Attorney recommends approval.

Funding Source/Financial Impact:

Funding is available from insurance liability claims account 551130405134551. Funding will be through the 2021 budgeted amount for this account number.

Timing of Request:

For Commission Meeting of August 11, 2020.