



**DATE:** July 8, 2026 (rev 7/1/26)  
**TO:** Charlotte Hoss, City Attorney  
**FROM:** Scott Sanders, Director of Public Works  
**RE:** Settlement Agreement 401 East State Street

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On December 23, 2025, damage occurred to private property at 401 East State Street as part of construction activity related to repair of a watermain break in the immediate area. The City of Rockford moved immediately to effect necessary temporary shoring and waterproofing of the impacted property (completed by DPI Construction). The City has also paid to have professional structural engineering plans prepared for the necessary repairs (completed by Larson and Darby).

We have been in discussion with the property owner, Urban Equity Properties, and mutually agree that a one-time settlement payment from the City of Rockford to cover estimated repair costs, and subsequent release of any future liability associated with the event is the preferable approach to resolving this matter.

A proposed Settlement Agreement amount is based on the following estimates of probable construction costs:

1. Demo of Reinforced Slab:	\$14,262.00
2. Masonry Remove and Reinstall:	\$12,548.00
3. Water Proofing of Reinforced Slab:	\$18,500.00
4. Concrete Repair with Steel Beam Placement:	\$64,500.00
5. HMA Pavement Repair:	\$ 3,500.00
6. Pavement Markings:	\$ 1,835.00
7. Acoustical Ceiling and Drywall Repair:	\$65,200.00
8. Flooring/Carpet Replacement:	\$35,570.01
9. Electrical Repair	\$15,000.00
10. <u>Plan Review/Permit Fees</u>	<u>\$ 357.50</u>

**11. Total:** **\$231,272.51**

A handwritten signature in black ink, appearing to be "S. Sanders", is located at the bottom left of the page.