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C-4

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October 18, 2011

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

RECOMMENDATION:

Recommendation to authorize the City Manager to execute a settlement agreement and all other necessary documents to settle a dispute between the City and Indel Engineering dba Marina Shipyard.

DISCUSSION

Two separate disputes recently arose between Indel Engineering dba Marina Shipyard ("Indel") and the City. City and Indel disputed the proper interpretation of certain provisions of a Lease pursuant to which Indel leases certain premises from City. City and Indel also disputed the appropriate amount to be paid by City to Indel for services performed by Indel in connection with a City-owned vessel.

The parties jointly agreed to mediation, and have reached a tentative agreement. City agreed to, among other things, formally recognize certain water areas as part of Indel's leasehold premises in exchange for a \$1,000 monthly increase in base rent, and Indel agreed to decrease its invoice for services performed on the City-owned vessel by approximately \$35,000. The tentative settlement is subject to City Council approval.

The Economic Development and Finance Committee approved the proposed settlement on October 4, 2011.

SUGGESTED ACTION:

Approve recommendation.

Very truly yours,

ROBERT E. SHANNON, City Attorney

By

RICHARD F. ANTHONY,  
Deputy City Attorney

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