



OFFICE OF THE CITY ATTORNEY
Long Beach, California

C-6

ROBERT E. SHANNON
City Attorney

HEATHER A. MAHOOD
Chief Assistant City Attorney

MICHAEL J. MAIS
Assistant City Attorney

January 23, 2007

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and file settlement reached between City of Long Beach and AC Catalina Landing LLC.

DISCUSSION

The settlement arises out of a lawsuit and cross claim between the City of Long Beach and AC Catalina Landing LLC concerning the dredging responsibilities at the Catalina Landing basin and channel, as well as the collection of parking revenues by the City.

The settlement requires AC Catalina to remit all parking fees payable to the City for the years 2004 and 2005 in the amount of \$1,047,897.00. The City will, thereafter, establish an emergency dredging fund using \$1,000,000.00 of the parking fees. It is further agreed that the fund will only be used to dredge the channel in case of an emergency occurring before December 2007, or upon the completion of the maintenance dredging of the channel by the Army Corps of Engineers, whichever comes first. Any remaining funds at that time will revert back to the City. The City will provide AC Catalina with a lease credit of \$600,000.00 against the parking revenue due the City for 2006.

The parties have also agreed to jointly lobby the federal government through 2007 for maintenance dredging of the channel.

The settlement has been reviewed and approved by the City Council on November 14, 2006.

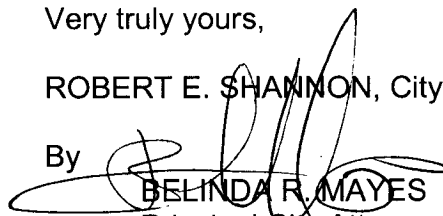
SUGGESTED ACTION:

Approve recommendation.

Very truly yours,

ROBERT E. SHANNON, City Attorney

By


BELINDA R. MAYES
Principal City Attorney

PRINCIPAL DEPUTIES

Barbara D. de Jong
Dominic Holzhaus
Belinda R. Mayes

DEPUTIES

Gary J. Anderson
Richard F. Anthony
Alan D. Bennett
Christina L. Checcl
Randall C. Fudge
Charles M. Gale
Everett L. Glenn
Donna F. Gwin
Monte H. Machit
Lisa Peskay Malmsten
Barry M. Meyers
Cristyl Meyers
Susan C. Oakley
J. Charles Parkin
Howard D. Russell
Carol A. Shaw