

1 RESOLUTION NO. o.B. 02-2013

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3 A RESOLUTION OF THE OVERSIGHT BOARD OF  
4 THE CITY OF LONG BEACH AS THE SUCCESSOR  
5 AGENCY TO THE REDEVELOPMENT AGENCY OF THE  
6 CITY OF LONG BEACH AUTHORIZING THE CITY  
7 MANAGER TO EXECUTE A SETTLEMENT AGREEMENT  
8 WITH GREAT AMERICAN INSURANCE COMPANY  
9 AND/OR ARMAND GONZALES, INC. DBA GONZALES  
10 CONSTRUCTION

11  
12 WHEREAS, on March 15, 2010, the former Redevelopment Agency of the  
13 City of Long Beach ("RDA") entered into a construction contract ("Contract") with Armand  
14 Gonzales, Inc. dba Gonzales Construction ("Gonzales") for the construction of Fire  
15 Station 12 and Emergency Resource Center ("Project") located at 1199 East Artesia  
16 Boulevard; and

17 WHEREAS, the City of Long Beach, as Successor Agency to the  
18 Redevelopment Agency of the City of Long Beach ("Successor Agency"), has assumed  
19 all rights and obligations of the RDA under the Contract; and

20 WHEREAS, on November 15, 2011, the RDA declared Gonzales in default  
21 of the contract and made demand upon Great American Insurance Company ("Surety"),  
22 the bonding company for Gonzales, to perform and complete the Project; and

23 WHEREAS, the Successor Agency, Surety, and Gonzales, in an attempt to  
24 complete the Project in a timely and cost-effective manner, agreed to allow Gonzales to  
25 continue work on the Project; and

26 WHEREAS, on June 14, 2012, Gonzales filed a lawsuit against the  
27 Successor Agency alleging breach of contract; and

28 WHEREAS, on October 4, 2012, the City sent a letter to Gonzales declaring

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1 it in default of the terms of the Contract; and

2 WHEREAS, on November 8, 2012, the Successor Agency terminated the  
3 Contract with Gonzales; and

4 WHEREAS, in an attempt to preserve the work already completed and  
5 expedite completion of the Project, it is proposed that the Successor Agency and Surety  
6 enter into a Takeover Agreement; and

7 WHEREAS, to avoid the inconvenience, expense and uncertainty of further  
8 litigation, a Settlement Agreement is proposed to be executed by the Successor Agency  
9 and Gonzales contemporaneously with the Takeover Agreement;

10 NOW, THEREFORE, the Oversight Board of the City of Long Beach as the  
11 Successor Agency to the Redevelopment Agency of the City of Long Beach ("Oversight  
12 Board") resolves as follows:

13 Section 1. Approve the decision of the Successor Agency to authorize  
14 the City Manager to execute (i) a Takeover Agreement with Great American Insurance  
15 Company; and (ii) a Settlement Agreement with Great American Insurance Company  
16 and/or Armand Gonzales, Inc. dba Gonzales Construction.

17 Section 2. This resolution shall take effect immediately upon its adoption  
18 by the Oversight Board, and the City Clerk shall certify the vote adopting this resolution.

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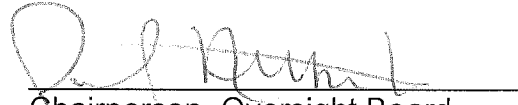
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1 PASSED, APPROVED, and ADOPTED at a meeting of the Oversight Board  
2 of the City of Long Beach as the Successor Agency to the Redevelopment Agency of the  
3 City of Long Beach held this 7 day of January, 2013 by the following vote:

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5 Ayes: Meyer, Netherton, Novak, Powers,  
6 Strickland, Tolentino.

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8 Noes: None.

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11 Absent: Oakley.

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14 Chairperson, Oversight Board

15 APPROVED:

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17 Secretary, Oversight Board

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