

Harbor acknowledges arbitrators' decision

August 2, 2023



The Crescent City Harbor District (CCHD) voted unanimously to instruct its attorneys to negotiate installment payments to Fashion Blacksmith after the tenant prevailed in an arbitration hearing, this Spring.

On April 20, 2023 the arbitration panel issued an interim award to Fashion Blacksmith in the amount of \$1,298,545 with stipulations the award could be increased if the Harbor does not repair the Fashion building by September 30, and dredge under the syncrolift by October 31, 2023.

On June 5, the panel issued a final award wherein the panel granted Fashion Blacksmith \$134,927 in costs , and attorneys' fees in the amount of \$418,925, with interest on the entire award accruing at seven percent, annually.

On June 13, Fashion Blacksmith filed a petition to confirm the decision in the Superior Court. The Court decision is pending.

The harbor district has declared it may not have adequate financial resources to fully cover the potential expenses of any judgement against the District. CCHD claimed a balance of \$609,712.44 as of August 1.

The harbor seeks court relief to pay the judgement, plus interest in up to ten equal annual installments, per Government Code 970.6.

The harbor claims an unreasonable hardship would result unless an installment arrangement can be negotiated.

The anticipated total judgement exceeds \$1.8 million. Liability insurance is insufficient to cover the debt. The resolution passed 4-0, with commissioner Gerhardt Weber absent from the meeting.

As a side note, commissioners voted a \$10,000 allocation to fund its share of the Tri-Agency Joint Powers Authority, two weeks ago.