

Harbor Responds to Debt Dilemma

May 3, 2024



The financial condition of the Crescent City-Del Norte Harbor District is critical.

Allegations by Harbor Commissioner Brian Stone are grim yet valid. In a presentation at last week's Harbor meeting, Comptroller Thomas Zickgraf reported cash reserves starting the new fiscal year, July 1 will be approximately \$1 million, not the \$61,000 on hand as of April 1, alleged by Stone. The comptroller acknowledged the combined annual debt service for the Harbor is overwhelmingly high; \$793,000! (\$531,000 for Fashion Blacksmith and \$262,000 for the USDA Tsunami damage loan). These obligations are multi-years in duration and will have a profound impact on Harbor operations. Every dollar paid to debt service is one less dollar dedicated to CCHD improvements.

Commissioner Stone spoke from the public speakers dais, April 9 claiming District cash flow will be depleted in less than five months. The Comptroller acknowledged the impending red ink but reiterated commissioners will have the balance of the calendar year to address the shortage. At present, District revenue comes up about \$20,000 short of the estimated \$83,000 monthly payroll. Harbormaster Tim Petrick issued the following statement.

“ The District is exploring multiple avenues to address our current budget shortfalls. These include prioritizing revenue-generating projects, continue to access grants and other public funds, partnering with other local public entities on projects, private investment and financing. We are confident that with the support of an actively engaged Commission, professional staff and our contractors like CSS (that) we can guide the District through this process and into growth and profitability.”

The generic verbiage was absent of specifics. The Triplicate awaits details from the Harbormaster and the CCHD on addressing the projected deficit.

In other Harbor news, an RV parks fee increase was unanimously voted in.

For Bayside RV Park, nightly back-in fees will rise from \$40 to \$55, Pull-thru will rise from \$50 to \$65. Long term residents will pay \$500 per month for back-in and \$600 for pull thru tenancy. The new rate schedule will effectuate June 1.

Redwood Harbor Village currently offers dry camping only at \$35 per night.

Commissioners have expressed second thoughts and a reconsideration of an amendment to the Port O'Pints lease. Due to an unanticipated permitting delay by the California Coastal Commission, the tenant requested a delay forbearance on lease payment due April 1 and pushed back to June 1. The action failed by a 2-3 vote. The Commission hoped to review and re-vote the item at the past meeting but were unable to do so because the matter had not been placed on the agenda for the April 16 meeting. The discussion and action was tabled pending appropriate posting for either a Special Meeting or scheduled for the next Regular Meeting in May.

Drama and perceived silliness pervades the last few District meetings. An existing temporary restraining order between Commissioner Stone and Harbor president / Commissioner Harry Adams and a recent Protection Order requested by Harbormaster Tim Petrick against constituent / Bayside RV Park tenant Leonard Franklin continues to add more strife and stress to the already difficult environment at Harbor recent meetings.

The Harbor meets again May 7 at 2pm at the CCHD Conference room located at 101 Citizens Dock Rd.