

At Harbor, lack of disclosure raises more questions than answers

October 7, 2023



At the recent Crescent City Harbor Commission meeting, Comptroller Thomas Zickergraf conducted his periodic presentation on Harbor finances. Zickergraf shared the current balance of the combined harbor balances is \$509,118 as of mid-September. The figure represents an \$111,000 decrease from last year. Zickergraf reported \$324,000 is enroute to the CCHD from various grants but the CCHD is still missing the \$252,000 from Renewable Energy Capital and principal Alex Lemus from income derived from the ground-lease on the two closed harbor RV parks.

Understandably, the financial figures can be easily misunderstood but the failure to explain the problem to the public is troubling. The Harbor District is a public agency and it obligated to keep the public well-informed.

The Lemus group and the CCHD are apparently in a legal squabble on who pays who and how much.

When it came time for public questions and comments, The TriPLICATE editor asked relevant questions about the status of this closed session item, and it took a little more than the three minute per questioner time frame. Commissioner Brian Stone interrupted the editor's public inquiry and complained the questioning exceeded the 180-second discourse and was delaying the meeting's agenda. The TriPLICATE editor asked the following questions before the Stone interruption:

- When does the commission plan to discuss the nature of the misunderstanding with Renewable Energy Capital? Harbormaster Tim Petrick attempted to answer this question but was cut off by Stone's interruption.

- Have Harbor attorneys Best, Best and Krieger been compensated for their defense of the Fashion Blacksmith arbitration hearing?

- Fashion Blacksmith awaits Superior Court certification of its \$1.2 million arbitration victory over the Harbor District.

Petrick finally disclosed to the public, the CCHD \$1 million liability policy (less the \$10,000 deductible) has paid the Best, Best and Kreiger and related consulting attorneys for legal efforts, during the four-day arbitration hearing.

The harbor declined to reveal the fees derived to compensate the harbor's legal team from the harbor's insurance carrier.

Many other questions remain hidden in the dark corners of the long-standing item within the closed session closet. Questions include:

- Will the Harbor fix the substandard Fashion Blacksmith building? Arbitrators ordered repairs on the building by September 30. No work has been conducted by the CCHD, to date and the seven percent penalty will now begin. The public has no knowledge on the harbor's intent.
- Will the Harbor continue its unsuccessful efforts to dredge the inner Harbor by October 31, as ordered by the arbitration panel? Again, the public has no knowledge of harbor intent.

Commissioners meet Tuesday, October 2, at 2 p.m. at 101 Citizens Dock Road.