

The Harbor may lose another tenant

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Confusion abounds surrounding the uncertain future of Crescent Seafood. Kurt Hochberg is the owner of this iconic fish market and restaurant, the last remaining fresh fish market and restaurant situated on Marine Way, in the Crescent City Harbor.

Operating since 2006, Hochberg and his staff of between 11-15 have been providing delicious meals and fresh-caught fish in its less than prominent location on Marine Way.

Since 2017, Crescent Seafood has added the restaurant to the fish market. Hochberg has requested a lease for some four years but the Harbor failed to provide the agreement until this past September. Crescent Seafood has been operating for the last four years on a month to month basis. Alas, Harbormaster Tim Petrick has presented a new lease to Hochberg but the Seafood restaurant owner states due to a computer glitch, he's been unable to open and review the document. Hochberg respectfully requested a copy of the physical lease be handed him, with no response from the Harbor. Now, the deadline to acknowledge the new lease has passed. The Triplicate has learned the harbor is demanding a six percent override on all gross receipts and Hochberg must also provide \$4 million in aggregate insurance including liability and interior structure insurance. Hochberg estimates the added insurance costs may exceed \$35,000 per year. To date, Hochberg has been unable to secure a binding quote from any insurance carrier and states passing the costs on to the consumer who support his business is unrealistic and highly inflationary. Hochberg states he's working seven days a week and losing money, barely treading water in keeping his doors open.

Reportedly, Hochberg received the new lease email communication two weeks ago from the Harbor; the lease proposal was a mandate, no negotiation. A September 28 email from Harbormaster Petrick stated, terms

of the new lease are not negotiable. Hochberg, who currently pays \$1400 per month states, the two new demands are untenable and he is mulling over the future of his restaurant/ fish market.

In the wake of the recent arbitration decision awarding Fashion Blacksmith a \$1.9 million award for failing to dredge the inner boat basis, allowing vessels to be elevated and disembarked atop the Fashion pier for needed repairs, one can draw the conclusion the Harbor is seeking to replace lost revenue on the backs of its tenants' base.

Harbor-master Petrick released the following statement:

“The lease terms offered to Crescent Seafood are in line with other leases currently in the Harbor and the leases being offered to prospective tenants. The insurance requirements are not in response to Fashion Blacksmith but are considered market rate in Northern California and below market in California cities.” Petrick denied he stated to owner Hochberg on September 6, (The Harbor) will accept a \$1,000,000 liability insurance policy from him (Hochberg), for the first lease term to be discussed upon

renewal. “ Since that time, he has not responded to my inquiries the lease nor the prior lease expired, September 1,” stated Petrick.

Petrick acknowledges in 2019, the Harbor District amended the lease for Crescent Seafood to remove the revenue sharing position in an attempt to help the restaurant “get its feet under it and build a customer base.” Petrick stated the removal of the six percent revenue sharing was never intended to be permanent but to help a local businessman succeed.

Crescent Seafood's tenancy may be jeopardized by the ability of the Harbor District and the fish market to come to terms.

Harbor revenue continues to be challenged after the exit of Alex Lemus and the dissolution of Solar Power Partners ground lease of the the Harbor's two RV parks.

Commissioners continue to be tight-lipped on the future vision of the harbor and its functionality as a working harbor.