

**Minutes from Petersburg Harbor and Ports Advisory Board Regular meeting Thursday, August 17, 2023 at 7:00 pm in the Assembly Chambers.**

1. ROLL CALL The meeting was called to order by Chairman Martin at 7:00 pm.  
Present: Board Members Martin, Roberge, Knight, Murgas, Cardenas and Stromdahl and Liaison Newman.  
Absent: Members Spigelmyre, excused  
Public in attendance: Curt & Kristi Birchell, Jeff Meucci, Hillary MacDonald, Earl Warner, Sheri Wikan, and Bennett McGrath  
Zoom attendance: Kim Randrup and unknown number  
Staff: Harbormaster
2. APPROVAL OF THE MINUTES: The minutes of the June 23, 2023 regular meeting were approved as written.
3. AMENDMENT & APPROVAL OF MEETING AGENDA: Agenda was approved with no additions.
4. PERSONS TO BE HEARD RELATED TO AGENDA:  
Sheri Wikan addressed the Board on behalf of she and her husband John and presented a history of their business, Wikan Enterprises before introducing the application and giving rationale for the purchase of the leased property request listed under New Business A. Ms. Wikan made comments in support of the Member Knights proposed recommendation that was part of the Board packet.  
  
Hillary MacDonald addressed the Board on behalf of she and Earl Warner and presented their plans for continuation of the marine diesel repair business. She reviewed the difficulty in obtaining affordable financing for a building on leased property.  
  
Bennet McGrath addressed the Board in support of the sale of leased property to Wikan Enterprises and suggested the inclusion of restrictive covenants to ensure the property remain marine service oriented.
5. PERSONS TO BE HEARD RELATED TO UNRELATED TO AGENDA: N/A
6. HARBOR MASTER REPORT: Harbormaster Wollen reviewed her written report. The report is attached and made a permanent part of these minutes.
7. UNFINISHED BUSINESS: N/A
8. NEW BUSINESS:
  - A. Wikan Enterprise, Inc. Application to Purchase Borough-Owned Leased Tidelands  
Member Knight made a motion with Member Murgas seconding for the Board to consider the written recommendation attached. In part it reads "A recommendation, from the Harbor Board to the Petersburg Borough Assembly, to grant the land purchase application, filed by Wikan Enterprises, to

purchase the Tidelands parcel they currently lease from the Borough, provided that certain further restrictions, to be agreed upon by the assembly and borough staff, are met.”

Chairman Martin opened the discussion up allowing members to give opinion and ask questions of staff and interested parties. Member Knight read, in part, a written commentary he had provided to explain the recommendation (attached), that includes rationale to support the marine diesel service and repair business and suggest the placement of restrictions on the property that may include 1) a covenant attached to the property itself, 2) satisfaction of a “first-right-of-refusal” agreement between the Borough and any potential owner of the parcel, (3) a change to the Borough zoning code, or(4) something else.

Discussion centered around the positive impact Wikan Enterprises, Inc. has had on the community’s fishing fleet and the importance to keep this vessel support business intact. Discussion also centered around concerns with the process of placing a restrictive covenant upon the property owner including how legally this could be obtained and then enforced. Member Stromdahl gave history to the area’s original property development through the Harbor Enterprise Fund. Member Murgas listed pro’s and con’s of property sale and mentioned experiences with covenants. Harbormaster Wollen cautioned the Board to consider the public planning for this area and all future waterfront projects as related to existing leases. Member Roberge commented upon the unique situation and importance of maintaining a diesel repair business for the community. Chairman Martin expressed concerns related to the actual need for purchase vs. continued lease and the president this sale will set for the 18 existing leases and their particular future plans.

The vote was taken, 4 yays and 2 nays with Roberge, Knight, Murgas, Cardenas voting yay and Martin and Stromdahl nay.

B. Adjournment: The Board adjourned at 8:02 pm.

Date Approved

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**A RECOMMENDATION, FROM THE HARBOR BOARD TO THE PETERSBURG BOROUGH ASSEMBLY, TO GRANT THE LAND PURCHASE APPLICATION, FILED BY WIKAN ENTERPRISES, TO PURCHASE THE TIDELANDS PARCEL THEY CURRENTLY LEASE FROM THE BOROUGH, PROVIDED THAT CERTAIN FURTHER RESTRICTIONS, TO BE AGREED UPON BY THE ASSEMBLY AND BOROUGH STAFF, ARE MET.**

SUBMITTED ON 17 AUGUST 2023 BY CASEY KNIGHT TO THE HARBOR BOARD FOR CONSIDERATION AS A RECOMMENDATION TO CONVEY TO THE PETERSBURG BOROUGH ASSEMBLY.

**WHEREAS**, the type of marine diesel engine services provided by Wikan Enterprises are essential to maintaining a working waterfront in Petersburg; **AND**

**WHEREAS**, there are presently barely enough diesel mechanic services in Petersburg to meet the demands of the fleet, both commercial and non-commercial; **AND**

**WHEREAS**, the commercial fishing fleet is a primary driver of the economy of Petersburg; **AND**

**WHEREAS**, the non-commercial fishing fleet is also an economic and recreational force in Petersburg; **AND**

**WHEREAS**, generally, it is in the best interests of the community, and therefore is incumbent upon the community government, to support its primary economic and recreational activities;

**THEREFORE BE IT RECOMMENDED**, by the Harbor Board to the Assembly, to grant the land purchase application filed by Wikan Enterprises; **BUT**

**WHEREAS**, the Borough seeks to maintain an appropriate amount of control over, and income from, said parcel of land; **AND**

**WHEREAS**, the Borough seeks to maintain an appropriate amount of control over, and income from, similar parcels of leased land; **AND**

**WHEREAS**, Borough staff are worried about the possibility of a slippery slope, where a landslide of further similar applications to purchase leased land might come before the Borough; **AND**

**WHEREAS**, if such a landslide occurred, it might not be in the long-term best interests of the Borough, for a variety of reasons; **AND**

**WHEREAS**, the current regime of using land-leases to control the use of waterfront land does not prevent said land from being used for purposes unrelated to the marine industry (as witnessed by the coffee shop, automotive garage, and school bus depot adjacent the parcel in question (all of which, it is important to recognize, do provide valuable public services)); **AND**

**WHEREAS**, appropriate restrictions on the use of the parcel in question could help to maintain control over, and income from, said parcel; **AND** might help prevent a landslide of further similar applications; **AND** can prevent the parcel from being used for purposes unrelated to the marine industry, if so-desired;

**BE IT FURTHER RECOMMENDED**, by the Harbor Board to the Assembly, to place appropriate restrictions on the use of the parcel in question, in the form of some legal action taken at or before the granting of the application; **BUT**

**IT IS NOT RECOMMENDED**, by the Harbor Board to the Assembly, as to the exact form such action should take; **HOWEVER**

**BE IT SUGGESTED**, by the Harbor Board, that the Assembly consult the Borough attorney, as well as other Borough staff, as to whether the restriction in question should be either (1) a covenant attached to the property itself, (2) satisfaction of a “first-right-of-refusal” agreement between the Borough and any potential owner of the parcel, (3) a change to the Borough zoning code, or (4) something else.

### ***Commentary***

My goal in this recommendation is to ease a tension between what seem to be two opposing viewpoints.

First is the truth that Wikan Enterprises, under no circumstances, should be allowed to go out of existence without passing on the torch as they see fit. I believe that it would be a gross error for the Borough to stand by while one of the most important services for Petersburg’s fleet is whittled down to just one diesel mechanic shop. The current situation, with both Wikan’s and Luhr’s shops, is barely enough as it is. The community is nothing without a thriving waterfront, and you can’t have a thriving waterfront without tradesmen to service it.

The second viewpoint, one rightly held by Borough staff, is that the Borough should have an appropriate amount of control over its waterfront. It is a public space, and so the Borough, as agent of the public, should have a say in what happens there. This includes an appropriate amount of control over land that is waterfront-adjacent.

These come into conflict because the Borough would apparently lose control over the parcel, if the parcel were no longer under lease, and owned by another party.

Here you have my best attempt to resolve the tension between the two viewpoints. But, because I’m not a lawyer, or realtor, or otherwise qualified, I merely wave my hands at the form a “restriction on the use of the parcel” might take. You might somehow attach a covenant to the deed to the land, proclaiming it to be for marine-industrial use only. You might try a sales agreement that guarantees the Borough a “first-right-of-refusal” in perpetuity: where every time the parcel passes on, the Borough has an opportunity to buy it back. You might change the Borough code to maintain some sort of control over the parcel in question or even over other similar parcels, should they ever be sold.

This raises bigger issues than what I believe is the Harbor Board’s place to comment on. What is legally the best alternative among the three suggested; or should the Borough pursue some other legal avenue? Exactly how far should the Borough go in maintaining control over public space? How much should be left to private enterprise?

My own view is that public government should try to support the public good at least by providing a structure under which it can flourish. I think that we should alter this structure just a bit to help flourishing of Petersburg’s waterfront.