

Debra Thompson

From: Casey Knight <caseyaknight@gmail.com>
Sent: Tuesday, February 6, 2024 4:01 PM
To: Assembly
Subject: Sales of leased land, possible harbor issues work session
Attachments: Knight.Recommendation.about.Wikan.Enterprises.pdf

Dear Assembly,

I am writing to voice my support of the idea, introduced by Bob Martin at the 5 Feb 2024 Assembly meeting, that there be scheduled a work session, crucially involving both the Assembly and the Harbor Board, and at least involving the issue of selling leased land near the Borough waterfront.

Last summer, in the middle of August, the issue of selling the parcel on which Wikan Enterprises stands was brought before the Harbor Board. At that meeting, the HB passed a recommendation on to the Assembly, to the effect that the Assembly should pursue the sale of said parcel to the Wikans, provided that certain further restrictions on the use of that land were put in place. I attach to this email the recommendation, for your convenience, if you haven't read it.

As the member who wrote the recommendation, I emphasized two reasons why the Borough should put restrictions on the use of the land. (1) We don't want a Marine Diesel Shop to turn into a Dockside Chocolate Shoppe, and (2) the Borough wants to discourage leaseholders from applying to buy leased land.

As I understand it, the outcome of the Wikan deal is that no restrictions were put on the sale of that land. For the above reasons, this seems to me to be the wrong result. So be it. We may have taken a step in the wrong direction, but that doesn't mean we can't correct our course.

There should be a frank discussion about how the Borough intends to approach the question of selling-off leased land, especially the land that was designated part of a marine industrial park 40 years ago. This is additionally important, in light of the recent interest in the parcel that lies behind Wikan Enterprises. It appears that we are already on our way down the slippery slope. The Assembly can take the applications case-by-case, but we should try to go about this in a principled way.

If there is no work session, but just a HB meeting around this topic, I worry that the interests and concerns of the HB, the Harbor Department, and harbor rate-payers generally, will be forgotten. What about the possible loss of marine-related services? What about the lost lease revenue to the Harbor Department? Where goes the money from the sale of the leased land?

Perhaps in addition we could discuss the intentions of the Assembly with regard to the proposed \$9 million Papke's landing project, especially with respect to issues pertaining to funding and upkeep. Harbor rate-payers interests are at risk of being forgotten here, too.

Sincerely,

Casey Knight
907-650-7345

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.