

NEW PORT DIRECTOR NAMED

Manager Oldland Says Port Debts Won't Hit Coasters

Also Explains Proposed Street, Electrical Bond Issues of \$7.5 Million

Neither the city government nor the taxpayer is obligated to meet interest and principal payments on the \$6.2 million in revenue bonds used to build the port of Anchorage, City Manager Robert Oldland said yesterday.

Oldland's statement came during a question period at the luncheon meeting of the Greater Anchorage Democratic Club in the Penguin Club. He had appeared to explain the city's proposal to sell \$7.5 million in revenue and general obligation bonds for capital improvements.

"THERE IS nothing on the record that the city or the taxpayer is obligated" to meet the port payments, Oldland said. "The port could default on the bond payments and the trustees for the bondholders operate the port for them."

The city's port facility is faced with payment of \$186,000 in interest and \$35,000 in principle Aug. 15.

Unless the port's income improves, "it is unlikely that the port will meet that obligation," Oldland said.

NONPAYMENT of the port revenue bond service "is part of the risk" inherent in revenue bond issues, Oldland pointed out.

"The port is an important part of the Anchorage area," Oldland continued. "It behooves everyone to do everything possible" to promote it.

Oldland observed that the port is in trouble because estimates of expected tonnage were too high in the feasibility studies made before the port was built. The schedule of rates proposed also were too high, he said.

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Half-Million In Revenues Seen At Port

A half-million in annual revenues is hoped for the Port of Anchorage.

Approximately half of this revenue is anticipated from a proposed agreement with Alaska Freight Lines to provide a scheduled carrier to the port.

This revenue figure (from \$225,000 to \$275,000) has been incorrectly reported as \$50,000.

The error was based in a report from the Anchorage city manager in which he said "it can reasonably be expected that the annual revenue accruing to the Port facility from this operation will be increased from an estimated \$225,000 to \$275,000."

PORT officials said the revenue to the port should be increased by this estimated sum. It represents revenue on 100,000 tons of additional cargo which will be shipped to the port and carried by Alaska Freight Lines.

This estimated \$225,000 to \$275,000 will be in addition to the revenue from contract and other carriers serving the port.

Contract and foreign carriers serving the Port of Anchorage last year produced \$257,836 in actual revenue, port officials said.

THERE IS little change in this type of cargo.

Little of this contract and no foreign cargo will revert to Alaska Freight Lines so little reduction in this revenue is anticipated by port officials.

Alaska Freight Lines ships largely by van. Contract and foreign vessels carry largely loose stow cargo.

Higher Port Income Than We Thought

Port Director A. E. Harned today pointed out that annual city port revenues are expected to rise about a quarter of a million dollars if Alaska Freight Lines uses the facilities on a regular basis as tentatively agreed.

The port director corrected a misinterpretation of revenue estimates which resulted in local news reports (including one in the Daily News) that revenues would increase by \$50,000 a year.

THE ERROR stemmed from the phraseology in a memorandum to the City Council from City Manager Robert Oldland. It read in part: "... it can reasonably be expected that the annual revenue accruing to the port facility from this operation will be increased from an estimated \$225,000 to \$275,000."

It was explained that the phrase meant revenues would be increased by from \$225,000 to \$275,000.

The anticipated increases, Harned said, would bring the port "close to breaking even this year."

Port's Own

(Continued from Page 1)

THE PORT'S financial position could be improved if the following were accomplished, Oldland said:

1—Development of a common carrier use of the dock on regular schedule.

2—Adjustment of the military and other federal use of the Army dock so that the city facility is fully used and exploited.

3—Increased use of the port by the oil industry.

PROPOSED in an April 16 bond election are authorizations for sale of three bond issues, Oldland said.

Included are a \$1.5 million electric utility revenue bond issue for installation of a second turbine generator, a \$5 million general obligation bond issue for street and storm sewer improvements over a 5-10 year period, and a \$1 million general obligation bond issue for sanitary sewer improvements over a similar period.

The electric utility issue is needed to enable the electric utility department to meet peak demands through 1965, Oldland said.

FURTHERMORE, Oldland explained, the utility does not have sufficient reserve power, "nor can it purchase this power."

In the generation industry, it is believed a utility "should have a unit in reserve equal to the largest unit in use," Oldland said. At present the city's largest unit is the 15,000-kilowatt turbine generator which went on the line last year.

The city cannot purchase the power from the Chugach Electric Association, Oldland said. The CEA, as a Rural Electrification Administration debtor, has a first obligation to other REA-financed utilities, Oldland said. Therefore, CEA could not contract to sell a firm power supply, he said.

THE STREETS and storm authorization is being requested now to take advantage of an authorized \$522,000 grant from the federal government under the Accelerated Public Works Program, Oldland said.

"In addition, long range programming for street and sanitary sewer improvements beyond 1963 make it desirable that fiscal planning also be projected over a 5-to-10 year period," Oldland said.

Under the street program, about 135 blocks (costing \$1,825,000) of residential paving will be completed, Oldland explained. "There are informal petitions for 230 blocks (total cost, \$2,760,000) and there presently slightly less than 850 blocks (\$10,200,000) exclusive of arterials, that would not be included in the 5-to-10 year program, he said.

THE SANITARY sewer bond authorization is required now to take advantage of the federal grant, Oldland said.

The proposed bond issues would not push the city's indebtedness over the limit placed on it by the city charter, Oldland pointed out. The charter provides that the city may incur general obligations up to 15 per cent of assessed valuation of property in the city. Present ratio of debt to assessed valuation is 6 per cent, Oldland said.



PORT DIRECTOR — Capt. A. E. Harned, present chief of staff for the 17th Coast Guard District in Juneau, has accepted the post of Anchorage port director. Capt. Harned is now arranging for his retirement from the service and is expected to assume the city position March 1.

Coast Guard Chief Of Staff Accepts Long-Vacant Job

Coast Guard Capt. A. E. Harned of Juneau has accepted the position of port director and is expected to assume the post March 1, City Manager Robert Oldland disclosed today.

Capt. Harned is presently chief of staff for Rear Adm. V. D. Shields, commandant of the 17th Coast Guard District, headquartered in Juneau. He is now taking steps to retire from the service, Oldland said.

A 1933 graduate of the Coast Guard Academy and a native of Maryland, Capt. Harned is 52. The bulk of his experience has been in aviation and air-sea rescue.

THE FUTURE port director recently commanded the largest and most active of the Coast Guard's air stations, that at Elizabeth City, N.C. He has been in Juneau since 1962.

Oldland said Capt. Harned in his present position has worked with a \$10 million operational budget.

The city manager said the starting salary agreed to by Capt. Harned was set at \$15,180 annually. There is no contract, Oldland said.

CAPT. HARNED will succeed H. Henry Roloff, who resigned the port directorship last summer to become head of the state Department of Economic Development and Planning.

Harned is married and has four children. Two of them, sons 14 and 11, will move to Anchorage with Harned and his wife. He has two daughters who are now living away from home.

In 1940 Capt. Harned was commended for a mercy flight which at the time set a record for distance. He flew a flying boat 1,100 miles and made a night landing to rescue some merchant seamen in distress at sea off San Salvador.

CAPT. HARNED graduated from the Naval Air Academy in Pensacola, Fla. in 1933.

As chief of staff for the Coast Guard district in Juneau Capt. Harned has been overseer of marine inspection and is familiar with marine operations, Oldland said.

Mrs. Harned recently accompanied her husband to Anchorage during negotiations with the city, Oldland said.

New Port Director Takes Post Monday

A. E. Harned, new director of the Port of Anchorage, said today he will assume the duties of the post Monday.

Harned, who retired as a Captain in the U.S. Coast Guard in Juneau Feb. 28, arrived here yesterday after a "whirlwind tour" visiting relatives Outside.

The new port director said he has discussed the problems of his new job only briefly with Port Commission Chairman Harold Strandberg and former port director Henry Roloff.

"But I wouldn't have taken the job if I didn't think the port had a great potential," Harned declared.

He will spend the remainder of this week "getting organized," Harned said and begin full-time work next week.

Harned said his wife and two sons will remain in Juneau until completion of the school year. They will join him here next fall after a vacation visit with relatives in the southern states.



A. E. HARNED

New Director of Port Arrives in Anchorage

The city's new port director, former Coast Guard Capt. A. E. Harned, arrived in Anchorage last night to familiarize himself with the post he will assume Monday morning.

"I'm just getting settled this week," Harned said today. He said he will attend meetings with city staff members and officials throughout the week.

HARNED ARRIVED from New York late last night after visiting relatives in the lower states. He said it will be several months before his family joins him here.

"I haven't made an adequate review of the port situation yet," Harned said, explaining, "I had a full time job with the Coast Guard." His resignation from the service was effective Feb. 28.

"I talked to Harold Strandberg (former port director) about the port, and I must say I'm enthusiastic about its future," Harned said.

"FROM THE plans mentioned to me, I can't help but think I'm riding the crest of a wave — so much time and energy have gone into long range planning," he added.

The new port director said possible solutions to the more immediate problem of meeting bond debt payments in August have not been discussed with him.



A. E. HARNED

Freight Line Asks Port Improvements

The Port of Anchorage has been asked to provide improvements, estimated to cost about \$36,000, by representatives of Alaska Freight Lines.

The shipping firm is considering a proposal under terms of which it would provide regular service to the port. Alaska Freight Lines has asked for use of facilities which include approximately 1,200 square feet of office space at the port.

Cost of providing office space is estimated at \$15,600 by A. E. Harned, port director. Harned said the firm will pay \$125 a month rent for the space.

An eventual five acres of open storage, lighted and supervised by a night watchman, also has been requested.

THE PORT IS considering initial development of two acres. Cost of fill and development is estimated at about \$8,000 an acre.

The open storage area can be increased in size as fill becomes available, Harned said.

A truck scale, estimated to cost about \$9,000, also has been requested. Initial outlay for the scale is \$4,500.

The municipal light and power department has estimated that 10 lights are required to cover the open storage area. Cost is \$150 per light. This cost could be amortized by a monthly pay-

Anchorage Daily Times
Tuesday, April 30, 1963

Port Will Seek Money To Fill Area

The Anchorage port commission will seek a loan from the Anchorage City Council tonight to develop five acres of fill in the port area.

The commission, meeting yesterday, stressed the need for the additional fill area for storage.

Commission members propose to fill an area adjacent to the storage space set aside for use by Alaska Freight Lines. The addition of the proposed five acres will double the open storage area now available at the port.

Proposed use for the land is oil drilling pipe storage. Cost of preparing the storage area is set at \$20,000.

The commission will ask the council to lend the port city money on a five year contract at two per cent.

Commission members feel lease and rental income from the additional storage will permit the port to pay off the loan in about two years.

The Anchorage Daily News
Tuesday, April 2, 1963