

City Approves Acreage Lease

Lease of four acres of land in the Port Industrial Park to Trans-World Alaska, Inc., has been approved by the Anchorage City Council.

THE COUNCIL agreed last night to add the parcel to approximately 8.5 acres the firm already leases in the industrial area. Life of the new lease will match the 50-year old lease.

First year fee will be one cent per square foot with six cents per square foot or eight percent of the land value assessed after the first year.

The council also instructed the city manager to negotiate the lease with Trans-World rather than calling for competitive bids as recommended by him.

COUNCILMEN George Sullivan and Joe Josephson were opposed to granting a long-term lease and the two, with Richard Albers, felt a competitive bid should be required.

The administration had recommended that the lease contain certain provisions designed to protect the city's interest in the land.

The council approved provisions calling for a plan of permanent developments to be submitted before the lease is granted, that the lessee fill, grade and fence the land within one year and complete permanent structures within five and that appraisals be conducted every five years.

At least 50 per cent of waterborne goods and cargoes destined for storage on the leased land or shipped from there will be handled through the Port of Anchorage. No subleasing will be permitted without approval by the Port Commission and council.

Texaco Ship Sets Record For Arrival

Port of Anchorage officials are predicting that year-round tanker deliveries to the port—considered impossible until now due to winter ice conditions—are fast approaching.

They base the prediction on the arrival this week of the Texaco tanker Texaco California and the comments of the skipper, long-time Alaskan pilot Bill Johnson, on his experience with the Cook Inlet ice and weather.

The year-round deliveries did move a step closer with arrival of the Texaco California—its docking on Wednesday was the latest date yet for a tanker arrival at the city port.

Port officials point out that interestingly enough there have been no real revisions in the type of vessels serving Anchorage in the winter, but the later operations are due rather to developing added experience built up during previous ice operations.

Just two years ago, Sea-Land Service, Inc., pioneered year-round cargo ship service to the Anchorage port—which had previously been considered impossible.

The Texaco California presently holds the tanker arrivals for both early and late arrivals. Its arrival this week was the latest on record for winter months and at the other end of the record it docked at the port this past March 9, the earliest arrival on record.

Captain Johnson said on his arrival this week:

"We found the inlet ice conditions very favorable for passage this late in the year and experienced no difficulties in route or berthing."

When asked to comment on the port's predictions, Johnson said: "With a vessel as large as the Texaco California (12,789 tons and 15,000 horsepower) I feel that winter-time operations in the Inlet are entirely possible." He qualified himself only to this extent, "you would have to take your time and watch wind and tide. I think a vessel should be required to have two radar units and at least one electrically heated window in the pilot house." It should be emphasized however, Capt. Johnson stated, "that this is not an operation for older tankers with limited horsepower."

The Texaco California discharged approximately 150,000 barrels of petroleum. She sailed for her home port Thursday evening.

City Council Studies Port Budget

Following a special Anchorage City Council meeting tonight council members are to consider a proposed budget for the Port of Anchorage in 1967.

Among items of the budget that are expected to get close scrutiny from some of the councilmen are personnel increases and certain allocations for travel and trade promotion.

Under travel, dues and subscriptions, the proposed budget lists \$5,940, most of which (\$4,250) is for travel by the port

director and port commission to meetings outside the state.

ANOTHER \$1,000 is listed for membership in seven organizations, including the Anchorage Petroleum Club, Anchorage Chamber of Commerce and the Inland Empire Waterways Association.

For trade development an additional \$5,000 is listed for travel by staff and commission members to Japan and Korea. Other items under the same heading are \$1,300 for the port director's luncheons and expenses and another \$2,000 for pub-

lishing a new port publicity brochure.

The budget brochure indicates trade promotion is essential if the "terminal" are to become an economic asset. Further, "travel to Japan and Korea, the most promising customers, is recommended."

But the determined manner in which the councilmen have been attempting to eke each extra penny from all department budgets promises close study of the proposed budget increases.

Japan Hints At Rate Cut

Tariffs May Be Sliced For Alaska Shipments

The Port of Anchorage said today there are strong indications that the Trans-Pacific Freight Conference of Japan will lower its tariffs on Alaska-bound shipments.

Capt. A. E. Harned, director of the port, said a revision of freight rates would put Anchorage on a par with other West Coast ports.

In addition, he said, one of Japan's biggest shipping companies, the K Line, has indicated it would publish new tariffs soon which will call for four scheduled steps annually at the Port of Anchorage.

"These two developments are significant and important for the Port of Anchorage," Harned said.

The lower rates, he said, might mean as much as a 10 per cent or 15 per cent reduction on imports from Japan—although the actual reduction still must be determined.

The regular scheduling of freighters by the K Line into Anchorage, Harned said, would mean that for the first time contractors bidding on bids would be able to offer specific arrival dates in Anchorage.

"This will be a big factor for contractors working on the Cook Inlet oil developments, for example," Harned said. Japan has been a major supplier of pipe in some of the oil developments in the Inlet and on the Kenai Peninsula.

Harned credited two members of the Anchorage Port Commission—Wally Martens, chairman, and William E. Besser, a member—for presenting the case for lower tariffs to the Trans-Pacific Freight Conference, scheduled Nov. 10-11 in Seattle.

Key Executives Quit City Posts

The resignation of two executives in the city administration were announced today by City Manager Ben Marsh.

Marsh reported that Port Director A. E. Harned and Howard P. Nicholson, chief of the Engineering Division in the Department of Public Works, are leaving.

In a letter to the City Manager, Harned gave only "personal reasons" for resigning and stipulated that the resignation become effective no later than Feb. 1, 1967.

Nicholson resigned to take a position with the Alaska State Housing Authority. As a senior civil engineer, he will lead a

Harned's resignation came at a time when concern seemed to be growing among some city council members that the port has now prospered to the point where more experienced professional management will be required.

One councilman is reported to have said that Harned was a victim of his own success. In the three years of his management of the port it grew into a big business that now calls for more technically skilled management, in the councilman's opinion.

After Harned asked for substantial budget increases for travel to various meetings which he indicated were educational in nature, councilmen meeting in private last week with port directors and discussed the possibility of using the additional money to attract a more qualified director to guide the port through a difficult year with period.

Next year, on completion of a new dock extension to the north of the present facility, the port will have a capacity in excess of need for the first time since the earthquake and rapid growth of the oil industry.

Harned came to the port job on his retirement from the U.S. Coast Guard. He replaced the city's first port director, Henry Roloff, who resigned to become the state's first Commissioner of Economic Development and Planning.

No specific candidates are under consideration, apparently, to replace either Harned or Nicholson.

But Nels O. Kjelstad, director of Public Works, said a replacement will be sought first among the department's engineering staff.

Council Has Edge In Land Dispute

A hotly contested dispute over whether a four-acre tract of industrial park land should be leased under unrestricted conditions to an Alaska importer appears to be heading toward a victory for the City Council—opposing the city's Port Commission.

The commission and the council have been arguing the lease since the land was first applied for nearly 10 months ago by Trans World Alaska Inc., which imports steel and pipe through Union Pipe Inc., a sub-leasee. Trans World Alaska leased 3 1/2-acre tract in the port's industrial park area in 1963, then obtained another 5-acre tract last year. The new tract in question is 3.95 acres, which would give the company more than 12 acres of land in the port area.

However, Douglas Holmes, city property manager, contends Trans World Alaska has not sufficiently developed its present land as "to generate economic benefit to the city as a whole."

"The firm has obtained unrestricted leases on the land," Holmes said, "meaning that the lease is not conditioned upon developing the property. We want to lease our land to people who want to generate economic benefit to the city and provide employment to our residents."

"In addition," he said, "a 12 1/2-acre tract of land would give the firm more and better land than the port itself has."

On the other hand, Wally Martens, port commission chairman, says Trans World Alaska does offer economic benefit to the port.

"The firm is responsible for the movement of all Japanese pipe and steel into the port," he said. "If the facilities were not available, most likely the pipe would not be brought through here."

Martens said the Port Commission approved TWA's request for the lease 10 months ago, but "can't get it out of city hall."

"Some of the questions being asked by the city, such as whether a warehouse has been

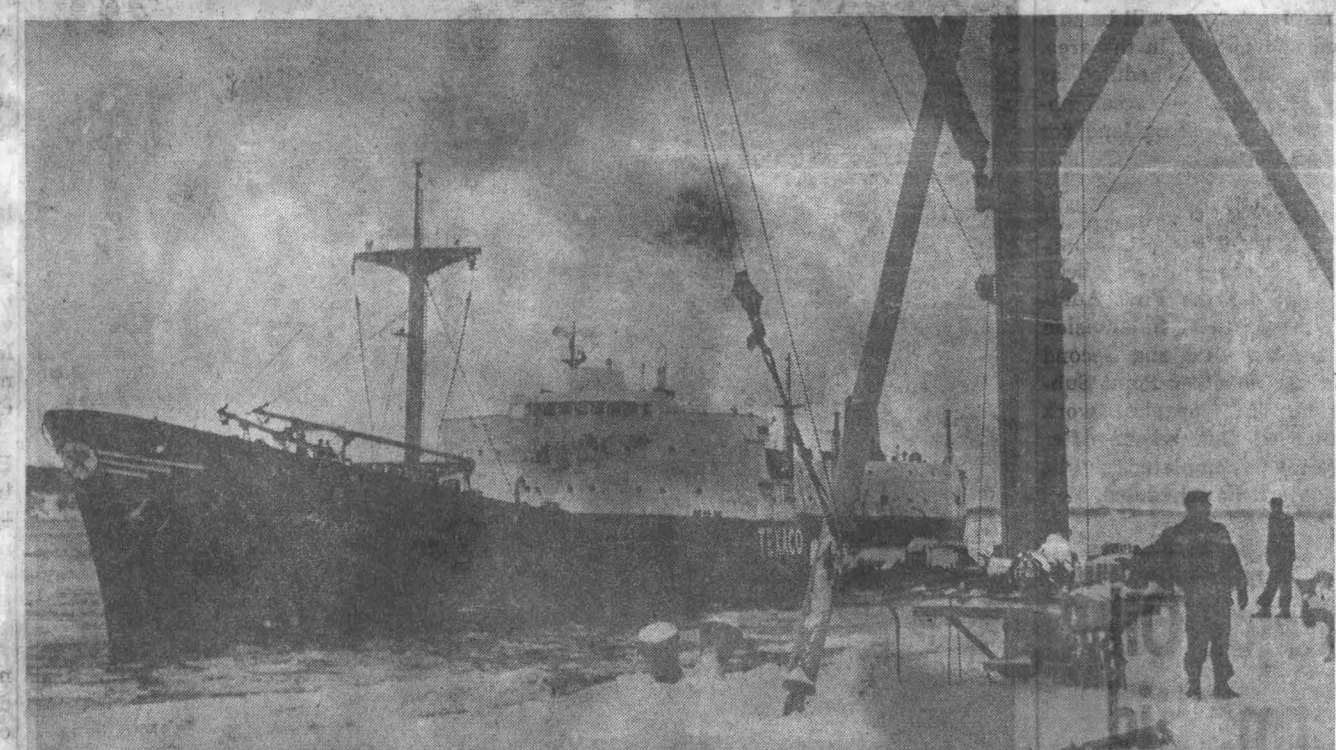
built, is immaterial to the terms of the lease," Martens added. "In addition," he said, "apparently no one else wants the land. We have advertised it, but have been unable to find another lessee. TWA wants it and will pay the fee set down by the city."

Holmes said the yearly rental on the property has been set at 1 per cent of the appraised value of the land the first year, and 5 per cent each additional year. Although a new appraisal is being made now, Holmes said the value is between \$100,000 and \$140,000. The rent is paid in monthly installments to cover

Holmes said the city is preparing a new draft of the lease which will be presented to the port and to Trans World Alaska, detailing new specifications for the lease of the land.

The new draft will be ready in about 10 days, Holmes said, "but it is too soon to say exactly what the terms will be."

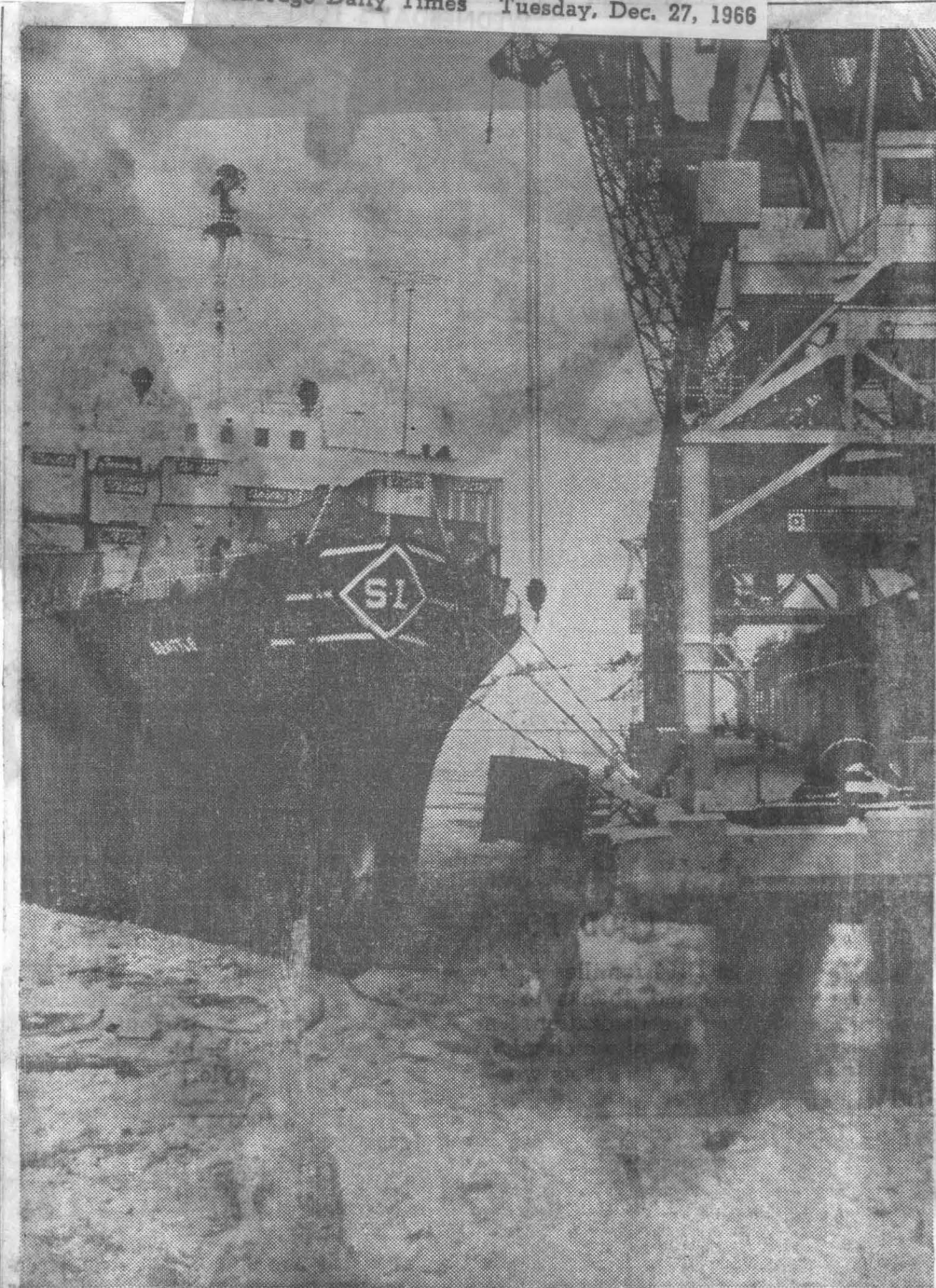
ANCHORAGE, ALASKA, THURSDAY, DECEMBER 22, 1966



CALIFORNIA ARRIVED in Anchorage at noon Wednesday and the event was noteworthy in that it was the last oil tanker of the year to call at the port and the latest any tanker has challenged the Cook Inlet ice. Although cargo ships are serving the port year-round, tankers

have shunned the upper inlet during the coldest winter months. The Texaco California is shown breasting an incoming tide as she maneuvers up to the city's petroleum dock.

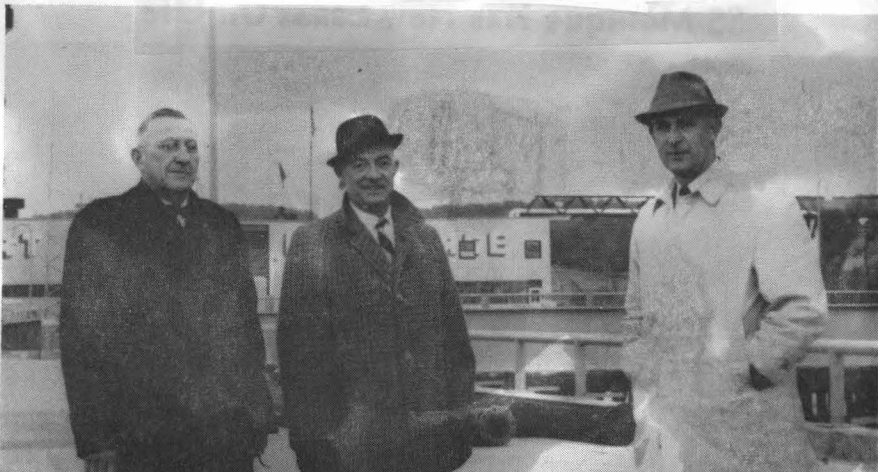
(Daily Newsphoto)



FREIGHTER DOCKS THROUGH ICE

The SS Sea Otter, a 500-foot van-ship owned by Sea Land Freight Service Inc., made port at Anchorage Monday through the ice-clogged Cook Inlet. The vessel and a sister van-ship, the SS Anchorage, are armored so they can operate through the inlet ice throughout the winter. The large bucket, seen here, between the ship and dock is lowered by a crane to clear ice away from the dock so the vessel can draw alongside.

MARINE DIGEST NOVEMBER 19, 1966



Admiral Karo Visits Port of Anchorage

ANCHORAGE — A visitor to the Port of Anchorage recently was Vice Adm. H. Arnold Karo, deputy administrator of Environmental Science Services Administration. He is seen here with Capt. A. E. Harned, director of the Port of Anchorage and Cmdr. Eugene W. Richards, Alaska field director of the Coast and Geodetic Survey, ESSA. The admiral was inspecting the area, including recently installed tide gauge equipment located at the port's new petroleum terminal.