

Port Leasing Stirs Split

Commission Objects To Delay on Contract

By CAMERON EDMONDSON
Daily News Staff Writer

A struggle between the Anchorage Port Commission, and the city administration over the leasing of a small tract of land in the industrial park area broke into the open at a Port Commission meeting last night.

COMMISSION Chairman Wallace Martens, asked city in applying for a lease on a property management office Douglas Holmes when a lease on the tract in question would be issued to Trans World Alaska Inc.

Martens stated the lease had been approved three times by the commission who is empowered to make leases with City Council approval.

Holmes indicated the administration is not in favor of the lease as it was drafted on the grounds that it is not in the best interest of the city.

HE FURTHER indicated that the result of an inquiry initiated by Councilman Joe

Josephson following council consideration of the lease, the city attorney is reviewing the lease agreement with an eye toward making further changes.

A revised lease agreement should be ready for consideration by all parties within 10 days, Holmes said.

Commissioner Robert O. Baum asked Holmes if it is not true that the commission is not charged with the responsibility of setting lease terms.

Holmes replied he did not know but there seems to be a conflict between that concept and a directive issued by City Manager Bernard Marsh.

GEORGE GRIMES, president of Trans World Alaska, attended the meeting accompanied by his attorney and offered to answer any questions that may have arisen as a result of the inquiry initiated by Josephson.

Referring to a report regarding certain aspects of transactions between TWA and the city that was prepared

by Holmes, the attorney, Kenneth Jensen, said it contained "glaring errors." He then offered to answer any questions about the report.

Commissioner Rob Logan led off with a question about a portion of the report that said TWA had indicated plans to build sizable storage buildings and an office structure

in applying for a lease on a tract previously obtained from the city in the industrial park. The report indicates the buildings were not erected.

JENSEN replied that the existing lease was not the one that was issued in 1963 and that an intervening earthquake had changed many plans.

Logan also asked about an item in the report that TWA subleased the above lot to another company for three times the rental it pays the city without a review of the sublease by the Port Commission or the City Council.

The attorney said he did not think the point significant as the transaction was apparently reviewed by the port director and the city manager at the time.

On another question as to whether TWA has spent \$12,000 on lot improvement as claimed at the council hearing on the new lease request, Jensen said the expenditure was not a lease requirement but he has records to prove the expenditure.

HOLMES said his report did not deny the money was spent, just that he had no record that it was.

Commissioner Virgil Dean asked Holmes if it wouldn't have been simple to ask Grimes if he had spent the money. There was some discussion of the point but no direct answer.

Baum then said he had no objection to the inquiry but his opinion on approval of a lease on another lot had not changed and proposed an end to the discussion.

Commissioner Logan disagreed, contending the commission should air the matter thoroughly.

BUT CHAIRMAN Martens agreed to end the discussion and adjourned the meeting to other business.

Before leaving the subject however, Logan expressed the view the port's industrial park should be leased on the basis of a master plan and on a large block scale rather than in a piecemeal pattern of small and possibly speculative leases.

He pointed out that it costs an average of \$33,000 an acre to develop land in a port area, which, he said, should tend to discourage speculation.

Painter Gets Port Position Temporarily

H. Russell (Russ) Painter today became acting Director of the Port of Anchorage replacing A. E. Harned who has resigned as port director.

In announcing the temporary appointment, City Manager Bernard Marsh said Painter will fill the vacancy resulting from Harned's decision to begin his terminal leave immediately.

Harned submitted his resignation recently stipulating it become effective by February.

Painter was appointed assistant port director last March 28. Before that time he was Alaska Operations Manager for Consolidated Freightways, Alaska Division.

City Personnel Director Roy Wesley said three formal inquiries have been received thus far in response to advertisements that the position is open.

Ads were placed in "Out-look" publications soon after Harned resigned about a month ago. The publications included Port and Marine News, Pacific Shipper, San Francisco Examiner, Seattle Post-Intelligencer and the Wall Street Journal.

Wesley said.

Following the official portion of the meeting, however, after the two men had left, Sullivan took strong objection to the wording of the letter and suggested perhaps the council should slate a work session to discuss the matter.

"I don't think any commission in the past has acted this way toward the council," he said. "I think perhaps maybe we'd better ask for their resignations."

Councilman Josephson agreed the letter was a little strong, but urged a more cautious approach. "I think Mr. Sullivan's comments are correct to a great degree," he said.

Josephson cited past meetings between councilmen and commissioners designed to promote better understanding between the two groups. "This letter is completely contrary to that understanding," he observed.

He suggested the meetings be resumed as a means of ironing out the differences and no other action be taken. The mayor and councilmen seemed to like the cautious approach and no action was taken on Sullivan's earlier suggestion.

"I think it's a strong letter, too," said Mayor Rasmuson. "I hope we can work things out so we don't get letters like that."

Approval of the lease gives TWA a total of more than 12 acres in the industrial park area. The firm leased three and a half acres in the industrial park area in 1963 and last year obtained another five-acre tract.

The lease was originally requested about 10 months ago, but differences on leasing procedure between the Port Commission and the city administration led to the extensive delay.

The councilmen who opposed the lease cited the life of the lease — 48 years — as too long and expressed the belief the land should have been put up for competitive bids. Sullivan said another objection of his was that land currently being leased by TWA has not been substantially improved since the leases went into effect.

Mayor Elmer Rasmuson also concerned that the land hadn't been put up for bids, said he was voting for the lease, with great reluctance.

At one point, Martens told the councilmen the land had been advertised in the past. We had no corners at all," he said.

Later, Sullivan, looking at Martens, said, "You told me a magazine where the port has placed advertisements."

Martens thought for a moment, then replied, "I don't know where there are none."

According to Port records, Henry Poloff, the first Port director in 1960, was the first to seek a reduction in the then 30 per cent surcharge assessed to Alaska ports. Early efforts

to reduce the rate were unsuccessful, but a major effort was made in 1962. The rate was reduced to 25 per cent, but the rate differential

between Alaska and other ports remained. The rate differential was reduced to 20 per cent, but the rate differential

between Alaska and other ports remained. The rate differential was reduced to 15 per cent, but the rate differential

between Alaska and other ports remained. The rate differential was reduced to 10 per cent, but the rate differential

between Alaska and other ports remained. The rate differential was reduced to 5 per cent, but the rate differential

between Alaska and other ports remained. The rate differential was reduced to 0 per cent, but the rate differential

Anchorage Daily Times Wednesday, Jan. 18, 1967

City Approves Controversial Lease At Port

A power struggle between the Port Commission and the City Council forced its way into the open Tuesday night as councilmen decided to approve a lease to Trans World Alaska, Inc., for a tract of land in the port's industrial park area.

The long-standing controversy over leasing lot 5B with 3.95 acres to TWA ended after nearly two hours of discussion when

the council voted 6-3 to approve the lease which was drawn up by TWA legal advisors and City Attorney Karl Walter Jr.

Councilmen George Sullivan, Joe Josephson and Clifford Groh voted against approval while Mayor Elmer Rasmuson and all other councilmen voted in favor.

During preliminary discussion, councilmen voted 8-1 to reject an amendment by Councilman William Besser, a former member of the Port Commission, that would have modified the lease to eliminate the city manager as the city's representative and give the authority to the Port Commission.

The change was recommended by Port Commission Chairman Wallace E. Martens in a strongly worded letter to the councilmen.

His letter concluded with the suggestion that the Port Commission, he dissolved if the change were not made.

"The Port Commission also feels that if the City Council does not wish to go along with the changes as suggested in this letter that the council amend or rescind ordinance 1460 (which describes Port Commission procedures) and dissolve the Port Commission, for without full compliance with the terms and conditions of this ordinance the Port Commission serves no useful purpose to the City Council and the City of Anchorage," the letter said.

The letter was virtually ignored during the course of the meeting even though Martens and Robert Baum, vice chairman of the commission, were at the meeting.

Following the official portion of the meeting, however, after the two men had left, Sullivan took strong objection to the wording of the letter and suggested perhaps the council should slate a work session to discuss the matter.

"I don't think any commission in the past has acted this way toward the council," he said. "I think perhaps maybe we'd better ask for their resignations."

Councilman Josephson agreed the letter was a little strong, but urged a more cautious approach. "I think Mr. Sullivan's comments are correct to a great degree," he said.

Josephson cited past meetings between councilmen and commissioners designed to promote better understanding between the two groups. "This letter is completely contrary to that understanding," he observed.

He suggested the meetings be resumed as a means of ironing out the differences and no other action be taken. The mayor and councilmen seemed to like the cautious approach and no action was taken on Sullivan's earlier suggestion.

"I think it's a strong letter, too," said Mayor Rasmuson. "I hope we can work things out so we don't get letters like that."

Approval of the lease gives TWA a total of more than 12 acres in the industrial park area. The firm leased three and a half acres in the industrial park area in 1963 and last year obtained another five-acre tract.

The lease was originally requested about 10 months ago, but differences on leasing procedure between the Port Commission and the city administration led to the extensive delay.

The councilmen who opposed the lease cited the life of the lease — 48 years — as too long and expressed the belief the land should have been put up for competitive bids. Sullivan said another objection of his was that land currently being leased by TWA has not been substantially improved since the leases went into effect.

Mayor Elmer Rasmuson also concerned that the land hadn't been put up for bids, said he was voting for the lease, with great reluctance.

At one point, Martens told the councilmen the land had been advertised in the past. We had no corners at all," he said.

Later, Sullivan, looking at Martens, said, "You told me a magazine where the port has placed advertisements."

Martens thought for a moment, then replied, "I don't know where there are none."

According to Port records, Henry Poloff, the first Port director in 1960, was the first to seek a reduction in the then 30 per cent surcharge assessed to Alaska ports. Early efforts

to reduce the rate were unsuccessful, but a major effort was made in 1962. The rate was reduced to 25 per cent, but the rate differential

between Alaska and other ports remained. The rate differential was reduced to 20 per cent, but the rate differential

between Alaska and other ports remained. The rate differential was reduced to 15 per cent, but the rate differential

between Alaska and other ports remained. The rate differential was reduced to 10 per cent, but the rate differential

between Alaska and other ports remained. The rate differential was reduced to 5 per cent, but the rate differential

between Alaska and other ports remained. The rate differential was reduced to 0 per cent, but the rate differential

between Alaska and other ports remained. The rate differential was reduced to 0 per cent, but the rate differential

Daily News, Thursday, January 5, 1967

Painter Gets Port Position Temporarily

H. Russell (Russ) Painter today became acting Director of the Port of Anchorage replacing A. E. Harned who has resigned as port director.

In announcing the temporary appointment, City Manager Bernard Marsh said Painter will fill the vacancy resulting from Harned's decision to begin his terminal leave immediately.

Harned submitted his resignation recently stipulating it become effective by February.

Painter was appointed assistant port director last March 28. Before that time he was Alaska Operations Manager for Consolidated Freightways, Alaska Division.

City Personnel Director Roy Wesley said three formal inquiries have been received thus far in response to advertisements that the position is open.

Ads were placed in "Out-look" publications soon after Harned resigned about a month ago. The publications included Port and Marine News, Pacific Shipper, San Francisco Examiner, Seattle Post-Intelligencer and the Wall Street Journal.

Wesley said.

Following the official portion of the meeting, however, after the two men had left, Sullivan took strong objection to the wording of the letter and suggested perhaps the council should slate a work session to discuss the matter.

"I don't think any commission in the past has acted this way toward the council," he said. "I think perhaps maybe we'd better ask for their resignations."

Councilman Josephson agreed the letter was a little strong, but urged a more cautious approach. "I think Mr. Sullivan's comments are correct to a great degree," he said.

Josephson cited past meetings between councilmen and commissioners designed to promote better understanding between the two groups. "This letter is completely contrary to that understanding," he observed.

He suggested the meetings be resumed as a means of ironing out the differences and no other action be taken. The mayor and councilmen seemed to like the cautious approach and no action was taken on Sullivan's earlier suggestion.

"I think it's a strong letter, too," said Mayor Rasmuson. "I hope we can work things out so we don't get letters like that."

Approval of the lease gives TWA a total of more than 12 acres in the industrial park area. The firm leased three and a half acres in the industrial park area in 1963 and last year obtained another five-acre tract.

The lease was originally requested about 10 months ago, but differences on leasing procedure between the Port Commission and the city administration led to the extensive delay.

The councilmen who opposed the lease cited the life of the lease — 48 years — as too long and expressed the belief the land should have been put up for competitive bids. Sullivan said another objection of his was that land currently being leased by TWA has not been substantially improved since the leases went into effect.

Mayor Elmer Rasmuson also concerned that the land hadn't been put up for bids, said he was voting for the lease, with great reluctance.

At one point, Martens told the councilmen the land had been advertised in the past. We had no corners at all," he said.

Later, Sullivan, looking at Martens, said, "You told me a magazine where the port has placed advertisements."

Martens thought for a moment, then replied, "I don't know where there are none."

According to Port records, Henry Poloff, the first Port director in 1960, was the first to seek a reduction in the then 30 per cent surcharge assessed to Alaska ports. Early efforts

to reduce the rate were unsuccessful, but a major effort was made in 1962. The rate was reduced to 25 per cent, but the rate differential

between Alaska and other ports remained. The rate differential was reduced to 20 per cent, but the rate differential

between Alaska and other ports remained. The rate differential was reduced to 15 per cent, but the rate differential

between Alaska and other ports remained. The rate differential was reduced to 10 per cent, but the rate differential

between Alaska and other ports remained. The rate differential was reduced to 5 per cent, but the rate differential

between Alaska and other ports remained. The rate differential was reduced to 0 per cent, but the rate differential

between Alaska and other ports remained. The rate differential was reduced to 0 per cent, but the rate differential

Anchorage Daily News, Tuesday, January 10, 1967

Commission Postpones Proposed Lease Action

A special meeting of the Anchorage Port Commission to consider a revised draft of a proposed lease in the Port Industrial Park was postponed last night when the attorney

for the lessee reported he was not prepared to comment.

Kenneth D. Jensen, Trans World Alaska, Inc. attorney, told the commissioners that he only received a copy of the lease revision a few hours before the meeting and had not had time to completely review it.

More important, Jensen said, the proposal of TWA is out of town and has not been able to come with his client on the document.

Jensen asked that the Commission postpone action on the matter until the next regular meeting on Monday and the members agreed.

for the lessee reported he was not prepared to comment.

Kenneth D. Jensen, Trans World Alaska, Inc. attorney, told the commissioners that he only received a copy of the lease revision a few hours before the meeting and had not had time to completely review it.

More important, Jensen said, the proposal of TWA is out of town and has not been able to come with his client on the document.

Jensen asked that the Commission postpone action on the matter until the next regular meeting on Monday and the members agreed.

Jensen asked that the Commission postpone action on the matter until the next regular meeting on Monday and the members agreed.

Jensen asked that the Commission postpone action on the matter until the next regular meeting on Monday and the members agreed.

Jensen asked that the Commission postpone action on the matter until the next regular meeting on Monday and the members agreed.

Jensen asked that the Commission postpone action on the matter until the next regular meeting on Monday and the members agreed.

Jensen asked that the Commission postpone action on the matter until the next regular meeting on Monday and the members agreed.

Jensen asked that the Commission postpone action on the matter until the next regular meeting on Monday and the members agreed.

Jensen asked that the Commission postpone action on the matter until the next regular meeting on Monday and the members agreed.

Jensen asked that the Commission postpone action on the matter until the next regular meeting on Monday and the members agreed.

Jensen asked that the Commission postpone action on the matter until the next regular meeting on Monday and the members agreed.

Jensen asked that the Commission postpone action on the matter until the next regular meeting on Monday and the members agreed.

Jensen asked that the Commission postpone action on the matter until the next regular meeting on Monday and the members agreed.

Jensen asked that the Commission postpone action on the matter until the next regular meeting on Monday and the members agreed.

Anchorage Daily News, Wednesday, January 18, 1967

PROLONGED DEBATE

City Council Approves Lease for Port Tracts

By CAMERON EDMONDSON
Daily News Staff Writer

After prolonged debate, the City Council last night approved a lease to Trans World Alaska Inc. for a tract of city land but failed to fully resolve a conflict of authority that arose over the issue.

BY A VOTE of six to three, the council endorsed an agreement that will permit the importing company to lease the 172,140-square feet of port area industrial park for about 48 years.

In doing so, the council rejected by eight to one an amendment by William Besser that would have modified the agreement to eliminate the city manager as the city's representative and give that authority to the Port Commission instead.

The vote thus decided the question of conflict between the commission and the city manager in a negative manner only and debate preceding the vote seemed to restrict the issue to the lease in question.

IGNORED in the decision was a memorandum request from Port Commission Chairman Wallace E. Martens that, in effect, asked the council to side with the port commission or dissolve it.

Councilman Elmer Rasmuson, voted against the lease largely because he said the lease is too long and should have been put up for competitive bids.

Also opposing the lease because of the non-competitive nature was Councilman George Sullivan.

Councilman Clifford Groh also opposed the lease but did not specify his objections.

IN VOTING for the contract, Mayor Elmer Rasmuson said he was doing so "with great reluctance." He agreed the term is too long and the lot should have been offered for bids but said he was acting to support the Port Commission and because the council had previously approved leasing the lot to TWA.

In declaring his approval, Councilman Ron Rettig described the lessee, TWA, as "pawns in a rather childish undertaking."

The lease calls for TWA to than nine months in the making and has undergone three revisions during that time. It became a complex issue when some officials apparently concluded it was a land grab for speculative purposes by TWA.

When the lease was subsequently revised, presumably in an attempt to preclude such a possibility, the matter then became an issue over whether lease-making power belongs to the port commission or the city manager.

T release calls for TWA to make certain improvements on the land which is not now usable and, in return, get a rent reduction for the first year. After five years the annual rental can be renegotiated upward but not downward.

IN ANOTHER contract agreement, the council approved a proposed Muldoon area fire protection contract but without a clause added by the borough administration.

Councilman C. A. Hostetter, who is also a member of the Borough Assembly, pointed out that the clause was added after the agreement was approved by the assembly.

The clause called for the

city to keep an accounting of revenue from a two mill tax levy and make an annual report to the borough government on how the money was spent.

Action on a third contract was deferred when the question of the length of the agreement could not immediately resolved.

TABLED until an answer can be obtained was a preferential use agreement for the city dock by Sea-Land Service Inc.

The agreement would give the company's vessels preference rights in docking for 10 additional trips above the regular contract that provides for 52 dockings a year. In exchange, the company would pay the city \$10,000 for the preference.

Objections were raised to making any such agreement on a long-term basis as possibly detrimental to the city.

Anchorage Daily Times

Thursday, Dec. 8, 1966



CAPT. HARNED Leaves Port Post

Marsh Says Vacant Spot 'Hard To Fill'

By BOB MILLER
Times Staff Writer

Capt. A. E. Harned, director of the Port of Anchorage since 1963, has resigned his position, City Manager Ben Marsh said today.

Harned's resignation was submitted by letter to Marsh, who accepted it early today. The resignation is to be effective not later than Feb. 1.

Harned told the Times he was resigning for "personal reasons" and indicated that his plans for the future are "undecided."

"He indicated, however, that he will be remaining in the state," Marsh said. "I retired from the Coast Guard to stay in Alaska and I still have the same desire," he said.

"It has been a wonderful experience working with the members of the Anchorage Port Commission and the city administration to make the port what it is today," Harned said in his letter of resignation. "I feel that the Port of Anchorage has a great future."

Transportation is vitally important to the growth of our trade area," he continued. "and I sincerely hope that the present administration will continue to support an aggressive port development program."

"Capt. Harned will be missed by the city and he'll be hard to replace," Marsh said, pointing out that cities always have difficulty hiring port directors.

The city manager said Harned took over the reins of the port when the facility had a deficit of \$127,000. At present the facility has a retaining balance of \$200,000 and by the end of 1967 it is estimated the amount will have risen to \$265,000.

"This operation has gone into the black under Capt. Harned's operation," Marsh said. "He served as director during a critical period of the port's expansion."

The Port Commission met Wednesday afternoon to discuss the resignation. Members voted unanimously to express regret at Harned's decision and wish him luck in the future.

"Capt. Harned has been a tremendous asset during the last three years at the port and the entire commission regrets that he's leaving," said Wallace Martens, chairman of the Port Commission.

Port officials announced earlier today that another record was set at the port when for the first time in the facility's history the tonnage went over a million tons.

By the end of this month, officials estimated that the tonnage will reach 1,400,000 tons compared to 922,000 tons last year.

City Personnel Director Roy Wesley has been instructed by the city manager to begin advertising immediately in trade publications and journals for a new port director.

The job