

Grimes Asks More Time On Land Pact

Council, Port Board
To Again Consider
Controversial Lease

By BOB MILLER
Times Staff Writer

A controversial lease that was in the mill for nearly a year before it was approved by the City Council last January, is now being reconsidered by the council when it meets Monday night. When it was revealed that the leaseholder wants more time to complete improvements on the land, the council decided to postpone the decision until it has a chance to meet with Grimes.

The final decision on the lease agreement rests with the City Council, which will meet Monday night. Commissioners Bob Logan and Wally Martens clashed briefly during discussion of Grimes' request. Martens, who has always been a strong supporter of Trans-World Alaska, asked Russ Painter, port director, if he saw any reason the request should not be granted.

Logan interjected immediately. He charged that it was a loaded question and Painter should not have to answer the query.

Finally, after some discussion, Painter told the commissioners that he had not met with Grimes nor even talked to him for the past six months.

"I don't profess to be able to give the commission a direct answer to what my recommendation would be until I know all the facts," he said.

Grimes leased the 3 1/2-acre tract last year after the pact finally was ratified by the City Council following a stormy two-hour session. Mayor George Sullivan, then a councilman, cast one of the three ballots against the lease.

Altogether, Trans-World Alaska has leased about 12 acres in the port's industrial park area. In 1963 the firm leased 3 1/2 acres and in 1965 it leased a five-acre tract.

Now Grimes is asking the city to grant him an extension to give him time to complete filling in the lots and construct a chain-link fence.

In addition to the extension of a year, he is asking the city to change the course of a drainage ditch that runs about 50 feet inside the property line of his leased land. The ditch, about six feet across and three feet deep, carries drainage water to the inlet from Cherry Drive on Elmendorf Air Force Base.

In other action, the commission, with Commissioner William O'Neill absent, unanimously agreed to appoint Arne Michaelson acting vice chairman until permanent officers can be elected.

Bob Baum, acting chairman, requested that officers be elected, but the commission decided to wait until after Jan. 1 before holding an election. Baum's appointment on the commission expires Jan. 1.

Baum told the commission that a work session with the City Council has been slated next week. Commissioner Logan objected on the grounds that the commission didn't have anything definite to discuss.

Too Many Cooks At City Port

The Port of Anchorage suffers from an acute illness that is caused by too many cooks stirring the stew. It's been that way for some time now and it doesn't look as if things are going to get any better.

As a city facility, the port falls under the jurisdiction of the mayor and City Council. The council, of course, depends upon city administrators and members of the Port Commission to aid it in governing the port.

The port director must, of course, work closely with members of the Port Commission. He also must work hand in hand with the city manager who is responsible for hiring and firing him.

All this boils down to an administrative mess. The port is, in fact, governed by the city manager, the City Council, the port director and the Port Commission. Nothing with that many administrators can be expected to operate efficiently.

The process is supposed to work basically this way:

If the port director has an idea for improving the port, he takes it to the Port Commission. The commissioners review it and if they like it send it along to the City Council with a recommendation for approval. It goes through the City Manager.

The city manager looks it over

and if he thinks it has merit the recommendation finally gets to the City Council with the okay of the port director, the commission and the city manager. The council then makes the final decision.

If it always worked that smoothly everything would be all right, but most of the time the recommendations and ideas run into hitches that tie them up interminably before any decisions are made.

Then, adding to the overall confusion, is the Port Commission itself. It is composed of five persons named by the mayor and council.

For several years Wally Martens served as chairman of the group and last spring he was re-elected to a two-year term in a secret election. Later, claiming he didn't have enough time to fulfill the duties, he resigned as chairman but remained on the commission. Robert Baum, as vice chairman, became acting chairman.

Now, Baum has said the commission will elect new officers at its Nov. 20 meeting. Presumably, Baum wants to be chairman, but his term expires Jan. 1. Apparently, he is counting on being reappointed.

Besides Baum and Martens, other members of the commission are Bob Logan, William O'Neill and Arne Michaelson.

By Bob Miller
Times Staff Writer

An answer to the port's ills might lie in taking it out from under the jurisdiction of the city and at the same time creating an area-wide Port Authority. Operation of the authority could be much the same as the school district system.

Members of the authority could be elected in area-wide races and the chairman could either be elected as the borough chairman or he could be chosen by the other members.

The authority's budget would be prepared by the Port Authority and submitted to the Borough Assembly for revision and approval. The authority, of course, would be responsible for hiring port staff employees.

Such an idea is not entirely new. Port Commission members in the past have resigned their positions protesting that the City Council has too much power over port matters. Martens has suggested before that the port should be put on an area-wide basis because it serves the economy of the entire area, not just the city.

Creation of such an authority seems to be one way by which the port could grow and expand more readily.

Borough taxes, of course, would have to go up to support the port's operation but city expenses should drop.

Council Gets Utility Fund Budget; Figure Rises \$821,386 Over 1967

By BOB MILLER
Times Staff Writer

Anchorage's utility fund budget totaling \$10,237,427 went into the hands of the City Council at a budget work session Saturday afternoon.

Next year's budget is up \$821,386 over last year's utility expenditures of \$9,416,041.

When added to the administration's original general fund utility budget brings the administration's total city budget requests for 1968 to a record \$20,140,300.

As of today, however, the City Council has trimmed the original \$9.8 million general fund request down to \$8,640,167. That amount, when added to the utility budget, gives a total of \$18,777,594.

Last year the general fund budget was \$7,568,261. Total city expenditures were \$17,004,402, down \$1,873,192 from the estimates for next year.

Estimated expenditures at the Port of Anchorage are down for next year. The municipal terminal budget is down to \$294,100 from \$334,266 and the industrial park budget is down to \$51,870 from \$75,765.

The decrease in expenditures is because of a variety of economy measures instituted by Port Director Russ Painter, according to Assistant City Manager Terry Novak. Painter, who took over the job in February, received the city's mid-year Operation Tightbelt Award.

All the other utilities have

increased next year's expenditures over last year.

Even with an increased budget, though, the refuse utility expects to end 1968 with a total deficit of \$212,000. It is the only city utility which has been operating continually in the red.

The 1968 deficit is tentatively estimated at \$53,200 but the year - end total will be about \$212,000 because of the deficits of past years.

An increase in refuse rates was turned down by the City Council this year but it certainly will go back to the council sometime in 1968. The budget provides for "development of cost accounting and accurate statistics to provide management control and basis for rate structure revisions."

The 1968 budget figures, of course, are in a state of flux because the City Council still is working on revisions.

BUDGET IN BRIEF

1967	1968
Port Municipal Terminal	\$334,266
Port Industrial Park	\$75,765
Telephone Utility	\$3,872,750
Electric Utility	\$3,060,870
Water Utility	\$1,453,710
Refuse Utility	\$618,600
Totals	\$9,416,041

City Outlines Possible Plan On Tidelands

The City of Anchorage has outlined a proposal that it hopes will finally settle the tidelands title suit filed against the city by the federal government over two years ago.

The area in dispute lies along the shoreline from just south of the Port of Anchorage to Bootleggers Cove, at the west end of what would be 11th Avenue if the street extended to the shore.

Under the provisions of the proposal, all land seaward of the mean high water line would belong to the city with the exception of some improved areas immediately north of the mouth of Ship Creek near the terminal yards of the federally-owned Alaska Railroad.

City Atty. Karl Walter Jr., outlining the proposal before the Port Commission Monday night, emphasized that the proposal is tentative. Meetings with the parties involved in the suit will begin in about a month, he estimated.

The federal government filed the suit in May 1965 in U. S. District Court here against the city, the state and leaseholders of the disputed land.

When the court test began the city was claiming title to the shoreline property, bordering the Alaska Railroad right-of-way, under a deed from the state in 1961.

The federal government contended the state had no authority to deed the land to the city. It claimed rights to the narrow strip seaward of the tracks running from the terminal yards toward Spennard.

Just about a month after the suit was filed, the federal government's motion for a preliminary injunction was denied by Judge Raymond E. Plummer.

Under the city proposal, lands that have been leased to private firms by quitclaim deeds from the city would be owned by the U. S. government, subject to the leasehold interest.

Private firms involved are Alaska Aggregate Corp., Tide-water Packing Co., Cook Inlet Tug and Barge Co., Alaska Fish and Farm Products Inc., Union Oil Co. of California and Kaiser Cement and Gypsum Corp.

"Since we've already leased the land on quitclaim deeds, it would be difficult for us to claim ownership," Walter explained.

The proposal stipulates that U. S. title to right-of-way over Ocean Dock Road shall continue as long as the federal government uses the land for construction, operation and maintenance of the Alaska Railroad facilities. Title to the right-of-way would revert to the city when the U. S. government ceases to use the land.

There is also a provision that says the federal government owns the old Army dock facility located at the seaward end of Ocean Dock Road. The proposal, however, stipulates that the dock should be brought up to "first class condition" and if it is not "the easement in the land underlying said dock facility shall thereupon terminate."

The city has tried for several years to get the old dock facility demolished but the Alaska Railroad maintains that demolition is a responsibility of the U. S. Corps of Engineers and the corps has said it won't touch the crumbling facility until it becomes a navigational hazard.

DAILY NEWS

2—Anchorage Daily News, Thursday, October 12, 1967



FIREMEN STAND BY the unloading of fuel from the Union Oil Company's tanker Santa Maria yesterday at the Port of Anchorage's Petroleum Dock after spraying approximately 300 gallons of water into the inlet to break up gas pockets formed by an apparent gas leak in the tanker. The Santa Maria, which arrived in Anchorage shortly before noon yesterday from San Francisco, is scheduled to complete the unloading of her fuel into Union Oil storage tanks by 1 p.m. today.

Council, Port To Go Ahead With Survey

The City Council and Port Commission, meeting jointly in a work session Wednesday noon, tentatively decided to go ahead with plans for an economic survey that will be necessary if the city is to apply for federal funds to help build a dock extension.

As it stands now, the city plans to ask the Economic Development Administration for a \$1 million grant and seek another million from the Department of Housing and Urban Development. The \$2 million would enable the city to use the \$1.3 million it has on hand for construction of a 600-foot dock extension.

The application for federal funds will have to be accompanied by an economic development study that will show how the dock will aid the entire state in alleviating unemployment and spurring business, said Dick Watts, administrator for federal programs.

Development Research Associates Inc. has offered to do the study for a fee not to exceed \$5,000, Watts said. The study will have to show how cargo that arrives at the port here aids in the development of the rest of the state, he added. Formal action to approve the study will have to come at a business session of the City Council.

Councilmen and commissioners generally agreed that the city plans to proceed with plans for a 600-foot extension at the dock even if the request for federal funds is turned down. It would then be necessary to go back to the voters with another bond issue.

Two previous bond issues totaling \$3.9 million have been approved to get funds for an extension. Construction began last year but the 400-foot extension failed to withstand the winter ice and had to be demolished. About \$2.6 million has been spent so far.

City Atty. Karl Walter indicated that court action may begin sometime in February with the city trying to recover \$2.8 million in damages because of the dock that failed.

The city will be out to recover losses totaling \$1.7 million from Lounsbury, Sleavins and Kelly, the engineering firm that designed the ill-fated dock, and over \$1 million from Swaling-General, the contractors.

Litigation is expected to take about two years to complete not counting time for a possible appeal, Walter said.

LEASE REQUIREMENTS TO BE MET AT PORT

Trans-World Alaska Inc. has withdrawn its request for more time to complete improvements on a three and one-half acre tract the firm leased nearly a year ago in the port's industrial park.

George Grimes, president of the firm, sent a letter to Russ Painter, director of the port, explaining that he had ordered construction of a chain-link fence around the tract. The work began Monday.

Two weeks ago Grimes requested that he be granted more time to finish construction of the fence because he felt further settling of the land might require re-installation next year. According to the lease the fence has to be up by Jan. 31, the same date Grimes must submit development plans to the city.

City Manager Ben Marsh referred the first letter to the Port Commission two weeks ago but Grimes apparently was unaware it was going to be discussed at the meeting. He did not appear to explain his request and the Port Commission delayed action.

"I was distressed to find that my letter of Nov. 11, addressed

to the city manager, was presented on the agenda of the Port Commission without prior notice to me," Grimes wrote in his last letter. "It was particularly distressing that the resultant confusion became newsworthy and the request made to appear as an attempted avoidance on the part of my corporation of its lease responsibilities."

Grimes said he had ordered construction of the fence because he did not consider it to be in the best interest of my corporation to be subjected to further public comment as a result of this unfortunate misunderstanding . . .

He also said construction of the fence would complete the lease requirements for improvements on the land, but Painter told the commission he would have to check with the city attorney to make sure the requirements had been met.

Grimes also has asked the city to inspect a drainage ditch that he says encroaches on his leased property and renders about 20,000 square feet of land unusable.

After reading Grimes' letter, the commission decided no further action will be necessary until Jan. 31, the lease deadline.



COAT OF ICE FOR S.S. ANCHORAGE

"The worst ice conditions I've ever seen" was the way Capt. James Nystrom described his ship's trip into Cook Inlet Sunday. The S.S. Anchorage, a Sea-Land Service, Inc. cargo ship, met with winds up to almost 100 miles-per-hour in the ice-filled inlet, the captain said. Here he takes a look at his ice-coated vessel after it was safely docked at the Port of Anchorage. Capt. Keith Collier, a harbor pilot from Anchorage, boarded the ship early Sunday morning and brought the freighter into port through the ice.