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Council Chambers, 4:00 P. M.
Monday, October 27, 1958

Meeting of the Council was held at the Public Utility Auditorium. Present on roll call 8; Anderson, Bratrud, Easterday, Goering, Humiston, Porter, Mayor Hanson and Price. Absent 1, Perdue. Perdue coming in at 4:20 P. M.

It was moved by Mr. Anderson, seconded by Dr. Humiston, that the minutes be approved as submitted.

RESOLUTIONS:

Resolution No. 15518

By Goering:

Approving and accepting the Replat of Tract "E" Portland Avenue 1st Addition located between East "R" and "Q" from East 42nd to 46th Street.

Moved by Mr. Bratrud to adopt, seconded by Mr. Anderson.

Roll call: Ayes 8; Nays 0; Absent 1, Perdue

Mr. Buehler said this was a replat at which the Council held a hearing. At that time there were no objections to the replat. This replat was known as the Salishan Housing Project. The tracings have been signed by the City Attorney and City Engineer and this Resolution and also Resolution No. 15519 authorizing the Mayor and City Clerk to sign the tracings for filing.

Resolution No. 15519

By Hanson:

Roll call: Ayes 8; Nays 0; Absent 1, Perdue

Approving and accepting the Plat of Portland Avenue 2nd Addition located between East 38th and 44th Streets; from "T" to Homestead Avenue, some 1300' east of Portland Avenue.

Moved by Mr. Bratrud to adopt, seconded by Mr. Anderson.

Resolution No. 15520

By Humiston:

Approving and accepting the final plat of the Port of Industrial Park Addition located on the west side of Milwaukee Way between Lincoln Avenue and U. S. 99.

Moved by Mr. Anderson to adopt, seconded by Mr. Bratrud.

Roll call: Ayes 8; Nays 0; Absent 1, Perdue

Mr. Rowlands said this was checked by the Engineering Department and signed and presented for final signature by the Council.

Resolution No. 15521

By Porter:

Authorizing the proper officers of the City to execute and deliver a conditional sale contract to Maurice Spencer and Shirley Spencer, for the sum

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\$650.00 for property located on the west side of South Fawcett Avenue near South 70th Street.

Moved by Mr. Anderson to adopt, seconded by Mr. Bratrud.

Mr. Rowlands pointed out that there was a typographical error in the fifth paragraph of the Resolution that should be corrected -- where it reads "payable \$650.00 in cash" on the third line, should be amended to read "\$130.00 in cash." Moved by Mr. Anderson to amend the Resolution to "\$130.00" instead of "\$650.00"; seconded by Dr. Humiston.

Roll call: Ayes 8; Nays 0; Absent 1, Perdue

Resolution No. 15522

By Porter:

Authorizing the proper officers of the City of Tacoma to execute and deliver a real estate contract to Ray F. Erickson for the sum of \$4,600.00 for property located on the west side of Harmon Street between North 13th and North 15th Streets.

Moved by Mr. Anderson to adopt, seconded by Mr. Bratrud.

Roll call: Ayes 8; Nays 0; Absent 1, Perdue

Resolution No. 15523

By Goering:

Authorizing the proper officers of the City to execute a written contract with the Housing Authority of the City of Tacoma, providing for the Housing Authority to make certain surveys and plans necessary in preparation of the City's Urban Renewal Project.

Moved by Mr. Anderson to adopt, seconded by Mr. Bratrud.

Mr. Rowlands explained at the present time it would take the City at least one year to carry through the planning stage on the Renewal Project on Center Street and that the Housing Authority will be the agent of the City in carrying out these surveys. Later on ^{they} will assist the City in relocating the families. This Resolution takes care of the planning stage, he added.

Roll call: Ayes 8; Nays 0; Absent 1, Perdue

Resolution No. 15524

L I D 5302:

By Bratrud:

Fixing Tuesday, November 25, 1958, at 4:00 P. M. as the date for hearing on L I D 5302 for the construction of a 6-inch cast iron water main in Darien Drive from Frace Street from North 46th to Darien Drive. 376
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Moved by Mr. Humiston to adopt, seconded by Mr. Anderson.

Roll call: Ayes 8; Nays 0; Absent 1, Perdue

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Resolution No. 15525

L I D 2289:

By Humiston:

Fixing Tuesday, November 25, 1958, at 4:00 P. M. as the date for hearing on L I D 2289 for grading and oil mat surface on North 14th Street from Huson to Pearl Street; North 11th from Orchard to Pearl Street, including storm drainage also sidewalks on the south side of North 14th from Huson to Shirley Street.

Moved by Mr. Anderson to adopt, seconded by Mr. Bratrud.

Roll call: Ayes 8; Nays 0; Absent 1, Perdue

Resolution No. 15526

By Humiston:

Awarding contract to International Harvester Company for furnishing one cab-over type Truck Chassis for the sum of \$6,649.57 plus sales tax, less turn-in allowance for one 1949 Dodge Model, making a net bid of \$6,671.22.

Moved by Mr. Bratrud to adopt, seconded by Dr. Humiston.

Roll call: Ayes 8; Nays 0; Absent 1, Perdue

Resolution No. 15527

By Perdue:

Awarding contract to Truck Welding and Equipment Company for the purchase of one Refuse Body for the sum of \$4,560.00 plus sales tax.

Moved by Mr. Anderson to adopt, seconded by Mr. Bratrud.

Mr. Rowlands explained to Council why the lowest bid was not accepted. Mr. Rowlands said the Hydro Push was the bid that was rejected. This firm that manufactures this body is located in Eugene, Oregon, and is made by one man in parts of a machine shop. Each body that is made by this Company is different and the owner said that he was experimenting with it -- and the City felt that they could not afford to buy a truck body that has not been approved as yet and felt that this body would not meet the requirements. The proposal of \$600 more is a body made by the Hercules Gallian Products Company. They are an organization that has been in existence for some year. Roll was then called on the Resolution.

Roll call: Ayes 9; Nays 0

Resolution No. 15528

L I D 4628:

By Hanson:

Awarding contract to Concrete Construction Company for L I D 4628 in the amount of \$19,289.45.

Moved by Mr. Bratrud, to adopt, seconded by Mr. Anderson.

Roll call: Ayes 9; Nays 0

Resolution No. 15529By Anderson:

Authorizing the proper officers of the City of Tacoma to execute releases of City's interests in the old transmission line right of way easements to Reichhold Chemicals, Inc., and Pennsalt Chemicals Corporation upon the payment by said companies of the costs of constructing the relocated transmission lines upon new easements granted by said companies.

Moved by Mr. Anderson to adopt, seconded by Dr. Humiston.

Mr. Barline said this Resolution was to consummate an agreement that was entered into in 1956 at the time the Reichhold Chemical Company was coming into the City. The City then entered into an agreement with them that at a future date, when they wished, to pay the cost of moving certain transmission lines, that the City would release their easements for return for other easements. At the time Reichhold bought this property, they built a building that was off of the grounds, which did not interfere with the lines, but now they want the transmission lines moved. He said they have agreed to pay the entire cost of the transmission lines. He said by this Resolution they will release any interest that the City might have in crossing that portion of property.

Roll call: Ayes 9; Nays 0

Resolution No. 15530By Easterday:

Authorizing the proper officers of the City of Tacoma to sell to the Pacific Iron and Metal Company, approximately 5,000 lbs. of junk bare, copper for \$1,134.35 and approximately 5,000 lbs. of junk bare and insulated aluminum for \$366.32; also to the Simon Junk Company approximately 20,000 lbs. of junk insulated copper for \$3,400.00.

Moved by Mr. Perdue to adopt, seconded by Mr. Anderson.

Roll call: Ayes 9; Nays 0

FIRST READING OF ORDINANCES:**Ordinance No. 16201**

Authorizing the proper officers of the City to purchase or condemn certain property in King County for the purpose of protecting the City of Tacoma's Water supply in the Green River Watershed.

Mr. Barline said several months ago an ordinance was passed by Council authorizing the City to acquire certain lands in the Green River Watershed, which were lands to be flooded by the Eagle Gorge Dam. In setting this up, after the surveys were made, they found three corners were to be flooded. This Resolution authorizes the City to pick up these three corners.

Ordinance No. 16202

Authorizing and directing the City Attorney to purchase and/or prosecute an action in the Superior Court of the State of Washington for Pierce County, for the purpose of providing a right of way for the facilities necessary to conduct an electrical and power distribution utility in Pierce County, Washington.

ENABLING OF ORDINANCES:

Ordinance No. 16195:

Amending Section 2 of Ordinance No. 15693 pertaining to repayment of temporary loan from the local Improvement Guaranty Fund.

Roll call: Ayes 9; Nays 0

Ordinance No. 16196:

Amending the Official Code relating to zoning by deleting property from Section 13.06.04 and by adding a new section to be known as Section 13.06.050 (1) Located on the N. W. and S. W. corners of East 40th and Spokane Streets to be re-zoned from an R-2 District to an R-3 District.

Roll call: Ayes 9; Nays 0

Ordinance No. 16197:

Vacating the walkway between Dahl Drive and North 11th Street near the west line of Bennett Street.

Roll call: Ayes 9; Nays 0

Ordinance No. 16198:

Providing for the improvement of L I D 4639 for permanent paving and necessary storm drainage in the south end area bounded by South 35th - Pacific Avenue - South 74th Street and Sheridan Avenue.

Mr. Rowlands said he would like to have this Ordinance No. 16198 and 16199 and 16200 set over for one week, November 3, 1958, as the Finance Director and City Attorney are trying to work out the issuance of the bonds from L I D's so that considerable money can be saved. Rather than having to issue a number of \$100 denominations, we would like to issue one for the entire district which would be a considerable saving to the Department, but we want to be sure that the auditors are in agreement with this before we proceed. Mr. Anderson then moved that the Ordinance be set over for one week, seconded by Easterday.

Ordinance No. 16199

An ordinance providing for the improvement of LID 4649 for permanent asphalt paving, concrete curbs and gutters and storm drainage on North 8th Street from Mason Avenue to Stevens, North 11th from Stevens to Mullen, North 11th from Ferdinand to Orchard and North 9th from Mullen to Villard Streets.

Moved by Anderson, seconded by Easterday that this be set over one week, November 3, 1958.

Ordinance No. 16200

Providing for the improvement of LID 4644 for asphalt paving and storm drainage on South 10th to South 15th Street from Cedar to Trafton. 424

Moved by Anderson, seconded by Easterday that this be set over one week, November 3, 1958.

UNFINISHED BUSINESS:

This is the date fixed by Council for hearing on the petition of the West Coast Grocery Company, et al for the vacation of the easterly 60' of East "D" Street between East 15th and East 18th Streets. 461

The notices were posted as required by law and the fee of \$100.00 was paid by the petitioner on July 3, 1958.

Mr. Buehler explained that the Planning Committee recommended the approval of this petition subject to the 310 feet in front of the Oregon-Washington Railroad and Navigation Company be deleted. The Public Works Department asked that this be deleted prior to the final proposals on what might be part of the 15th Street bridge. Therefore, the vacations in front of the West Coast Grocery property has the conditions as set forth by the Public Works, Utilities Department and the Planning Committee have all been submitted to the West Coast Grocery and have no objections to paying the cost of relocation of utilities lines and other things that are necessary.

Mr. Buehler said that it was the recommendation of the Planning Committee that vacations be approved subject to the conditions as set forth that the moving of the Utility line the 310 feet in front of the Oregon-Washington Railroad and Navigation Company property be deleted. And that they pay for the relocating of utilities. It was requested an Ordinance be brought in approving the vacation.

This is the date fixed by Council for the hearing on the petition of William H. Bell, et al for the vacation of the south 20' of Kellogg Street between South Shirley and South Orchards Streets. 496

The notices were posted as required by law and the fee of \$100.00 was paid by the petitioner on July 8, 1958.

It was recommended that the vacation be granted. It was requested that an Ordinance be brought in approving the vacation.

3. This is the date fixed by Council for the hearing on the petition of D. J. Casey et al for the vacation of property on a portion of 6th Avenue, lying on the south side of 6th Avenue some 1063.24' west of the intersection of Pearl Street and 6th Avenue.

Mr. Buehler explained that at the hearing before the Planning Commission the Public Works Department advised that the City had purchased this property for an improvement on Sixth Avenue for the cost of \$6,365 paid to the property owners after some years. The road was re-designed and it was not necessary to use this property as anticipated. The Planning Commission felt they should not rule on whether the property owners should pay the filing fee of \$100, but that it should be up to the Council to set a policy.

The records have been checked by the attorney's office and it was found that the property owners had taken out building permits to move their homes and accessory buildings. Cost estimates for the property owners involved were: for Mr. Casey \$900, Mr. Wetrick \$900 and Mr. Morton \$600. In this regard it was stated that the \$1900 that Mr. Casey received - \$1700 was for the removal of an existing building and only \$200 was actually paid for the property itself. The Planning Commission felt that the City should dispose of this property but whether it be by a transaction of deed in requesting a sale of this or by vacation as it is now presented, it was left to the City Council to make this decision. It should be pointed out that the City did not pay \$6000 for the property alone but that total was for the property plus costs incurred by the property owners.

The Planning Commission in their unanimous vote recommended that this property be disposed of but left it up to the Council whether they should vacate it under this \$100 filing fee or cancel it, or that it be re-negotiated. Mr. Buehler said the Public Works Department recommended that this not be vacated unless the City could recuperate some of the cost. Although there were no records to show how the property was accessed or appraised. Mayor Hanson said then it's a matter of the City paying for these pieces of property and requiring the property owners to move their buildings. Mayor Hanson asked Mr. Buehler "how much was involved in the moving of the buildings." Mr. Buehler said that was one of the things they could not determine in the appraisal.

Mr. Buehler said although there was a permit taken out for some \$900 or \$1000, it was hard to determine whether that was the actual cost. Mr. Rowlands said in the report from the Planning Commission, it stated that in the case of Mr. Casey's property, a notation was made that Mr. Casey received \$1900 from the City, and \$1700 was for the removal of existing buildings and only \$200 was paid for the property itself. Mr. Rowlands said they were trying to determine what proportion could be earmarked for the land itself on these other two properties, but haven't come up with an actual figure. Robert Abel, attorney, representing Mr. Casey and Mr. Wetrick, said the point he wished the Council to consider is the question as to whether the City can actually sell back the property once that it is vacated for public streets. Inasmuch as it has been some time since this condemnation has been consummated - way back in 1946 - it would be impossible for him to determine what was actually paid to the property owners for the land itself. The property owners not only had to pay for the actual moving of their houses, but also had to move their

flower beds, re-grade their lawns, etc., so they actually came out with nothing other than the cost that the City had given them for the price of the land. He requested that the Council vacate this property and return it to the property owners.

It was moved by Mr. Bratrud and seconded by Mrs. Goering that this be postponed for two weeks.

Mr. Buehler pointed out that as there were no other records to be submitted other than what has been presented at this time, it appeared to him there would be no reason to postpone this. Mr. Porter said inasmuch as there is no way in determining what costs are involved, he could see no reason to postpone action on this.

Mr. Bratrud then withdrew his motion with the consent of the second that the hearing be postponed until two weeks.

Dr. Humiston then moved that the attorney be requested to bring in an Ordinance vacating the property and it was seconded by Mr. Bratrud.

Carried on Roll Call: Ayes 9; Nays 0; Absent 0.

4. City Planning Commission recommending denial of the petition of the Hot Drinks Inc., petition for reclassification from an "R"-5-T Multiple Family Residential-Commercial and Transitional District to a "C-3" Commercial District. (Letter and map from Planning Commission submitted.) 273

Mr. Buehler reported that this petition was heard before the Planning Commission and the request was denied and the time for filing an appeal has elapsed and no appeal has been filed. The Commission had denied this on a vote of 8 to 0, 1 member absent. Dr. Humiston then moved that the Council concur in the recommendation of the Commission in denying the petition. Seconded by Mr. Perdue.

Ayes 9; Nays 0.

5. This is date fixed by Council for the hearing on the petition of the Allied Owners, Inc., for the rezoning of area bounded by proposed freeway on the East; Pine Street on the West; South 43rd on the North and South 48th on the South, from an R-2, R-3 and C-1 District to a C-P-R Regional Shopping Center. 391 447

Mr. Marsico, attorney for the Allied Owners Inc., said that this petition was before the Planning Commission September 16, 1958, at which time the recommendation of the City Planning Commission was that the City Council deny the petition. He said this area was approximately 85 acres in area, at present it is practically uninhabited. With the estimate of one or two houses at the most, there are no utilities, or none of the roads are cut through and the property has laid idle for many years. In the last 12 years there has paid into the Treasury a little over \$4000 for tax purposes. Mr. Marsico pointed out the question before the Council was whether or not their petition can be denied on the basis of public welfare or public necessity. He said we will attempt to prove to you that public necessity and

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public welfare demands that this shopping center be built for the best interest of the people in the City of Tacoma. It is the concensus of the opponents to this petition that if this shopping center is allowed to be built that the downtown area will be blighted. They have taken the position that it is the duty of the Planning Commission and the duty of the City Council to protect them from any competition. He said the question arises what will happen if this center is built, will it destroy the downtown area? Will it become a blight as contended by the opponents. He said in the two arguments before the Planning Commission they did not give one concrete example of any city in the U. S. where the downtown business area was blighted because a shopping center was built on the out-skirts. He pointed out with all the additional shopping centers that Seattle has not blighted the Seattle downtown area, but due to the competition, the businessmen in downtown Seattle began to remodel and expand in fact, the retail sales in downtown Seattle are at new highs. He brought out that Portland is establishing a Lloyd Center within 2 1/2 miles of the downtown area and when they investigated, they found that when the people wanted to build this shopping center, the Planning Commission and the City Council met them with open arms to welcome them to establish the twenty-million-dollar shopping center. Unless Tacoma progresses with the times, they will not be able to keep the very dollars that they have here today. He said this is one of the biggest things that could happen to the City of Tacoma. If someone is willing to come to Tacoma and spend twenty-million dollars to build a shopping center, "let's not turn it down."

Mr. Sherman Stephens, president of the Allied Owners, Inc., and president of the National Mortgage Company of Seattle, explained the market analysis of the organization. He said their primary business is mortgages. To obtain mortgages, they have to go out in many instances, develop and put together many projects which will develop mortgage business for them. In many instances they go out and get various builders to go in on tracts of land that build homes that will eventually give them mortgages. Mr. Stephens said they were approached as to their interest in developing this area in Tacoma. After they had seen the property they could see nothing but the greatest promise for Tacoma. He said it was necessary in this particular instance to have investors, so together with his associates they establish a company known as Allied Owners, Inc., and for almost three years they have progressed as rapidly as possible trying to put together that project. A project of this size takes considerable time, therefore, it was necessary to make surveys showing whether or not there was a need for this particular type of project, so as to get clients interested. In checking, they found that Tacoma was losing 20% of their retail dollars to Seattle. He said there was a reason for this because Seattle has much larger stores. In many instances people like to go to larger stores to do their shopping. During their surveys, they found that in the surrounding cities, such as Olympia, Bremerton, Grays Harbor, cities there were a great number of people who were shopping other than Seattle. He said there were 85% that indicated they would be willing to shop at this center. He said it was their contention if the people are stopped on the freeway at the shopping center that they would be able to recapture the 20% trade that is going to Seattle. In addition to that it will help the downtown center. As it is now if they go to Seattle to shop, we don't see them in Tacoma, but if they should stop at this center and do not find what they want, they will come downtown to Tacoma to shop. Therefore, they contend that this shopping center will bring and return to Tacoma the good portion of the dollars which is now being lost to Seattle.

Mr. H. Sullivan, manager of the Tradewell Stores, said for the last few years they have been looking for a location for a Tradewell Store and said that this location was suitable and are planning on spending approximately \$200,000 in inventory, fixtures and felt they will have a very successful super market. He said they now have stores in Bellvue, Northgate, and Murien shopping centers at present.

Mr. Leo Leary speaking for the developers, said they had made a survey of the people that lived in the immediate area to determine if they were opposed to this proposed shopping center and there wasn't a single person against it. He said in the market analysis they made interviews with over 900 Tacoma residents asking them two questions. (1) Are you in favor of having a regional shopping center? The answers were: (1) no opinion (7) no and (960) yes. At the same time the question was asked if facilities were available, would you spend more of your money and do more of you shopping in the Metropolitan Tacoma area than they do now. Twenty-five people said they would not change their habits -- 890 said yes, they would. He said by the spontaneous replies, he felt Tacoma could use a project such as this.

Mr. Elmer Horn speaking for labor said he was speaking for the majority of their members. Regardless of what area the members reside in they are in favor of a project of this nature. He said this project would put a lot of people to work, and are not only interested in putting them to work today, but are interested in tomorrow and five and ten years from today. He said labor in general is interested in some thing of this nature. He expressed the hope that the Council would give this matter their sincerest consideration to an issue that is so vital to Tacoma.

Mr. Leary said that in Seattle there are eight shopping centers and with all this, downtown Seattle is doing better than it has ever done before.

Mr. Marsico said there was one point he wanted to bring up which has not been mentioned as far as the regional shopping center was concerned. He said a regional shopping center differs from a community shopping center in the size and the type of the retail stores. He said they will have a department store larger than any in the city of Tacoma for the purpose of capturing the business that is going to other areas. The opinion based upon the Market analysis that the location next to the freeway between the two interchanges is actually an ideal location for a regional shopping center which will have a drawing area of the minimum of fifteen miles and thirty minutes by car. The Planning Commission's figures show there is approximately 330,000 people within this area.

Mr. Horwood stated at the Planning Commission meeting that a regional shopping center should have over 250,000 people to adequately support it.

Mayor Hanson called on Mr. Elskog of the Planning Commission for his views on the matter.

Mr. Alskog said the petition has been before the Planning Commission since last spring -- four public hearings have been held to determine all of the relative facts. The Planning Commission staff has made studies on its own and a competent consultant has been retained by the Planning Commission to study the

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proposal. All the documents relative to this study have been made available to the Council and are on file in the City Clerk's office.

Every effort has been made to approach the question factually and to reach a decision based solely on the facts, as related to general public welfare. The applicants are required by the terms of the ordinance to present a market analysis that will show a need for the zoning requested. They have not shown this need. We have prepared an analysis of Allied Owners, Inc., appeal that shows that not one of the points presented here today can be sustained on a factual basis.

Mr. Bob Green, member of the Planning Commission, reviewed the detailed answers and Planning Commission statement of facts to the allegations of error by Allied Owners, Inc., which was submitted to all Council Members on October 21, 1958, and are on file with the City Clerk.

Mr. Elskog said Mr. Feist, Mr. Pierson and Dr. Dodge of the Planning Commission would in turn present a summary of the main deficiencies in the town center proposal. These deficiencies are also shown graphically on the maps and charts, he added.

Mr. Feist said he would like to talk about market analysis in reference to this petition.

He said that Professor Horwood advised them that such an analysis takes much careful calculation of not only the number of people within the zones of proposed locations, but also data on income levels, average expenditures for food, clothing and other merchandise of those income levels, and the discounting of total available sales according to time and distance from the proposed locations; nearness to other shopping centers. All this must be carefully documented. None of this is so presented in the brochure of Allied Owners, Inc., or in other supplementary material submitted by them. They did present a market analysis; also Mr. Leary presented other material which does not agree in many respects to the original petition such as potential business volume and size of the project. Whether the material submitted by Mr. Leary was to be considered an addition or if it was to replace the original, we have never been able to find out. In any event the original market analysis has never been repudiated. In their market analysis they referred to many surveys. None of these surveys have been substantiated. One survey was that 20% of the business of Tacoma goes to Seattle. When Mr. Hanks, secretary-treasurer of the company, was asked how this figure was obtained, he said there had been no survey but that it was strictly a matter of speech.

\$30,000,000 to

Their estimates of sales average from/one hundred and ten million dollars (\$110,000,000) that is 1/3 of the total sales of Pierce County. These estimates when related to total city sales are from three ^{to ten} times greater percentage wise than Northgate.

They claim the center will employ 4000 people. Northgate's total employees is 1200. In reference to the sale potential claim in their market

analysis for all the counties of Western Washington.

Mr. Feist said, only one county was polled by Allied Owners, Inc., and by their own admission that was done by sending out 200 cards. From the reply of these 200 cards they based their sale potential claim for all the counties of Western Washington. This is not a true picture. These are the facts admitted by their president.

Mr. Feist presented a chart showing some of the discrepancies in these figures of their market analysis. Professor Horwood explained the first chart Table of Comparative Data.

Mr. Horwood said he has attempted to bring information from other areas so that the Planning Commission and the City Council might get an idea how centers form elsewhere. Looking over at least 20 of the major centers, we have found that none of them have ever gotten more than 6 1/2 % of the total city retail sales. Northgate gets only 3.3% of the total city retail sales of Seattle. We hardly see how any proposed center in this area can get more than 5 1/2 or 7% of the central city sales. We also made a comparison with Northgate. Knowing how many people live in the area of Northgate and what percentage business is obtained from those people, we converted that to the same number of people living in the distance of the proposed town center in Tacoma and arrived at a figure of what the proposed center will do. This figure is 17 million dollars. Based on a percentage of the entire City's sales doing the same business as Northgate, this center would do about 7 million dollars so we have estimated that the center would do somewhere between 7 and 17 million dollars.

Mayor Hanson asked if the Northgate figures, referred to were based on figures taken at the time the center was planned and built, or after it has been in operation all this time.

Prof. Horwood replied that the study was taken about two years ago, in 1956, and is a percentage of its total customers coming within four miles.

Mayor Hanson asked if there was any study taken on how the population grew up around the center.

Prof. Horwood said they had those figures as of 1954. He added that Northgate is doing somewhat more than 25 million dollars per year. The best estimates we can get is about 32 million dollars per year. This is still a long way from the proposals of Allied Owners, Inc. He concluded by saying that the information supplied by the applicants represents no use of standard procedures in economic analysis and he felt they should be discounted to a considerable extent. He said he had not made a separate market analysis as it would require thousands of dollars to prepare, compared to other analysis made for shopping centers in the country. All we can do for the lack of analysis is to bring in varied experiences from other parts of the country.

Mayor Hanson asked if he knew what problem confronted them in Northgate. Was it a zoning or planning problem or was it a matter of determining whether or not to make the investment.

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Prof. Horwood replied that the market analysis are not generally concerned with the zoning, it simply analyses the buying power in the area; and they examine the number of people, block by block, and find out what their economies are, estimate the value of their homes, then determine through discounts how much money will be spent.

Mayor Hanson asked if he would make an estimate of what a detailed market analysis would cost. Prof. Horwood said from his own knowledge it would run from ten to fifteen or twenty thousand dollars which compared to the cost of the investment is really a small percentage. He said he felt that there would only be one regional shopping center in this area. Studies made, questioned the fact that Tacoma could support a regional shopping center at all, this scale in a City this size. For example, there seems to be some relationship between a City's size and the number of square feet they can support in a regional center. The estimates of the Allied Owners, Inc., are considerably out of scale.

Prof. Horwood said he had merely tried to bring economic facts together; and he felt that for less than a thousand dollars, it would be possible to examine what was happening on ten or twenty centers and get an idea of the feasibility of this project.

Major Hanson asked that in view of the slow growth of population in South King County and North Pierce County, how could Prof. Horwood account for the proposed South Gate Project.

Prof. Horwood replied that there are 850,000 people in Metropolitan King County -- 350,000 people in Metropolitan Pierce County. He would estimate that South Gate would do about the same amount of business that Renton does; approximately 25 million dollars. He added that there will always be a shift of buying power from one area to another. Presumably the Planned Centers are going to get their share of the business, but generally they follow the same scale as the existing commercial shopping centers.

Mayor Hanson asked if in other studies for Planned Centers made was concern expressed, by the existing centers.

Prof. Horwood gave as an example the City of Yonkers experience where a cross town shopping center was allowed. As the result the City of Yonkers lost 10% of its gross retail sales or 16 million dollars to the new center. On the same scale Tacoma would lose 20 million to a new center.

Mayor Hanson asked if he felt that if this shopping center was built in Fife, would it threaten the downtown area of Tacoma.

Prof. Horwood said if it were four miles away it would have an appreciable effect.

Mayor Hanson subsequently mentioned that the Lewis & Clark Commission report about Lloyd Center near Portland, Oregon, was not a very good one, therefore, there would be no effect either of its success or its effect on the

Mr. Pearson of the Planning Commission presented maps showing the Seattle regional center area and Northgate with a circle of four miles radius and a circle of a fifteen mile radius. In the central area shown by the four mile radius, the population is approximately 2,267,000 people. In all experience 75% of the sales of the center would come from that four mile area.

In a similar situation in Tacoma, and in that area 160,000 people are accounted for. That is roughly three miles from the central business district. The larger circle represents 330,000 people all of which have been included in the buying power of the potential center. In conclusion, there is a good area in that map that contains Ft. Lewis and other military establishments that are considered a very poor potential buying power for such a thing as a shopping center because of their own P-X arrangements.

Mr. Pearson concluded that it was difficult to see from this how the shopping center planned to do three times as much business as Northgate.

Dr. Dodge said that a great deal of time has been spent on the study of this shopping center. There are questions that still are unanswered as far as the Planning Commission is concerned.

1. How does this proposed center plan on doing more business than Northgate with so much less supporting population and lower incomes.
2. How will this center have so much more drawing powers than others throughout the country.
3. How does a small corporation negotiate for a 20 million dollar center as proposed. Who will pay the costs of excessive 300,000 dollar street improvements necessary to handle the traffic of the center. Will the City be able to negotiate successfully with this little known corporation on all other matters of cost and detailed development?
4. Why was this plan presented to the Planning Commission on a take it or leave it basis -- pressure basis without letting the Commission suggest reasonable alternatives. At no time when this argument was going on did they attempt to scale down their proposed center.

These are the questions that haven't been answered and the only thing they we have for the Planning Commission to go on is a brochure in which/over estimated their statements at least ten times. This is the reason the Planning Commission has turned this down. We would like to have these questions answered.

John Newlands, attorney for the Tacoma Building Owners and Managers Association, said they feel that the new center would split Tacoma downtown property owners and put the merchants on trial.

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What we are talking about is a regional shopping center three miles from downtown Tacoma. The downtown Tacoma businessmen do not fear competition. We welcome people who want to invest in Tacoma. There is plenty of space in downtown Tacoma for new businesses. The same can be said for the South Tacoma Business area, Lincoln business area, etc.; they welcome new businesses into their areas. We don't doubt that this shopping center will do business, it will do a lot of business. I'm not saying that it will be a highly successful business as I'm not qualified for that; but I know it will do business and drain off that business from others in this City.

I like to bring to your attention that we are not talking about a community or neighborhood shopping center. We are talking about a regional shopping center; something which we have had no prior experience with; something which is very large which supplies essentially the same facilities as your downtown Tacoma area.

Your planning staff is well aware of this problem. They are interested in progress but they are also interested in thoughtful and considerate progress and not simply in giving the green light to any dream. They have to analyse. This is not a political matter but an economic matter. The Planning Commission has twice denied this petition and I should think that the Council would be very loath to over rule the recommendations of their own experts.

Are existing business centers in the City of Tacoma over-taxed? We all know the answer to that -- they are not. They are capable of handling a lot more business. Is any substantial portion of the public not being served by existing centers? They are not. Is the population of Tacoma increasing as much that increased business facilities are necessary? We submit that it is not. Does downtown business come from existing business centers in Tacoma? The answer to that is yes, according to Prof. Horwood and according to every bit of evidence that we have.

Shopping centers don't create new buying power? What does? Increased population and increased industrial growth brings increased population.

All we are talking about today is cutting up the existing dollar among more people rather than the existing people. He said there has been reference made as to how this proposed center would help the labor situation in Tacoma. He inquired about the situation at the Villa Plaza at the peak of construction and found out that the maximum had been 90 at any single time.

Let's imagine for a minute that everything Mr. Leary and his group said true, do we still want the town site in view of the fact that it is going to draw so much business from the existing areas in Tacoma. Let's consider the people's interest as a whole. They have a huge investment in the downtown Tacoma area in the way of streets, lights, sewers.

Recently the people on the vote of a bond issue approved further investments in downtown Tacoma by way of the pedestrian rights of way and the installation of escalators. They are talking about urban renewal to restore the blighted portions of downtown area. Are we going to forget these things when we

talk of a regional shopping center which is going to supply all of the services of downtown Tacoma. Do we have enough here to support two civic centers. I submit that we do not.

Let us consider the private interest also. As a proper consideration in planning should we not consider the preservation of their interest also? I submit that, that is as much a proper function of planning as it is to serve the needs of the public as the population expands.

Downtown Tacoma is improving. We have two new office buildings that have recently been built or remodeled -- United Pacific and Weyerhaeuser and the New Tacoma Savings and Loans Association Building; we have the expansion of Peoples and Sears department stores. Downtown Tacoma's ills are being cured. The escalators will take care of the problem of the long blocks and the hills in downtown Tacoma. The parking problem admittedly exists.

A true economic analysis was made by the H. H. Ferguson Company. He came up with the recommendations that you are familiar with, and which was proposed and approved by the Citizens' Committee that two self-parking garages accommodating 600 cars be constructed in the downtown area, one adjoining the escalator at 12th Street and one adjoining the escalator at 10th Street. This will permit people to drive in and park their cars themselves, to take an elevator to the Commerce Street level and from there to take an escalator to any part of the City that they want. It should be a tremendous help to Tacoma.

If the proposed town center is put in it just wouldn't be good economical sense for the downtown businessmen to go ahead with this project:

Mr. Newlands said downtown Tacoma is relatively strong but it is operating at a fraction of its capacity. There have been business closures, vacancies which this Council should not further by their action here today.

He said despite further opportunities that have been given to Allied Owners, Inc., to present in detail information that they have been general about in the past, they have passed up the opportunity again. They have talked in general terms about shopping centers being good for the country. They have talked about everything except their own project and exactly who it is that is coming in there, exactly what money is behind it. It's going to be bigger than Northgate and Villa Plaza and only 3 1/2 million dollars while the others cost 20 million dollars. In land size it will be at least twice the size of Villa Plaza. Getting down to practical facts where is the money coming from. First we know we have to have the equity capital -- the down payment. Who has that? Has any one come forward and shown they have the money necessary. Where is the mortgage loan coming from? We have a mortgage broker who would like to go out and try to sell a loan. Can such a loan be obtained for this project. That would be very interesting to know because we have a vote of confidence from people who are going to have their money in it. But we have no evidence that a mortgage loan that is committed. There is no reason why they cannot get a commitment from a loan company and present it to you to prove their ability to go forth with the project. Who are the tenants? Aren't we entitled to know. We are being asked to make an irrevocable decision, as to the future of the City of

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Tacoma in taking 85 acres from a residential area. There is no reason you cannot have bonafide letters of intent that you can check on. He referred to the Community Builders Handbook, published by the Urban Land Institute, 1954 members edition, which brings out the importance of a market analysis. He said I submit that the Council and the Planning Commission has not been presented with the reliable conclusive facts for evaluating the economic justification of this project. Is there any reason why a firm that wants to come to Tacoma won't stand up to commit themselves. I do not know any, he added.

He said it was pointed out that a large merchandising house would be established in the area but they have not disclosed what firm it is to be.

According to Prof. Horwood, the principal tenant named by Mr. Leary was a large National Merchandising and Mail Order House, but had no supporting documents to show. He said it leads them to believe, "is this a bonafide proposal or is it just a promotion." He said as far as he can see without any convincing evidence, project is not a real one.

In view of the foregoing, we recommend the approval of this planning Commission's recommendation and the rejection of the petition.

Harold Tollofson representing the Retail Trade Bureau, said so much has already been said on this matter by the Planning Commission and Mr. Newlands. They have almost completely covered the position of those who are in favor of affirming the Planning Commission's decision. He said he had in his possession numerous letters and petitions supplied to him and directed to the City Council from retail clerks and union members opposing the proposed regional shopping center, and also has letters from the Kay Street businessmen, South Tacoma businessman and 38th Street businessmen and from several National Stores. The ones from the National Stores indicate they are not interested in locating in this area. The ones from the neighborhood shopping centers are to the effect they are opposed to the regional shopping center and have authorized him to speak for them. He said he will present the letters to the City Council at the close of the meeting. He said this is the third time he has appeared on this matter. He pointed out at the time the zoning ordinance was drawn up and completed by the Planning Department, it was presented to Council and passed in May 26, of 1953, and at that time the Planning Commission and Planning staff knew of the existence of the proposed freeway through Tacoma and how it would affect one particular area. Knowing these things and after careful study by the Planning Commission and the Commissioners, the present Zoning Ordinance was adopted. It has been the principle of the Council as well as the Planning Commission not to change the Zoning Ordinance except where they found that there was some factual errors made or that there had been some circumstances that warranted changes and from time to time would come before the Council. He was sure the Council was aware that many a time the Planning Commission has come before the Council and has stated the City of Tacoma has in existence three times as much commercial zoning as this area requires. Based on such a planning, many many times petitions have been denied. A short time ago the Planning Commission thought that a new avenue should be looked into relative to planning and zoning in the City of Tacoma. As you know there is no need in the general zoning laws to have any market analysis. There is no

requirement that any particular business will go into any particular area as long as they qualify within the various commercial zones. He said the Zoning Ordinance in regard to Planned Shopping Center, Neighborhood and Community Shopping Centers, etc.; contain specific language which make it necessary now, for the first time, for the proponents of any shopping center to submit to the Planning Commission a market analysis and a need for the area for the City, and for the City's general welfare.

This matter has been before the Planning Commission several months and there has been a detailed study by the Commission. Based upon the study, based upon the hearing and the evidence presented it became necessary for the Planning Commission itself to consult experts in the field to determine whether or not the market analysis met the requirements of the Ordinance. It is evident that the proponents of this regional shopping center have failed to meet the requirements of the Ordinance. It is based upon facts that these findings were made and it is only upon the facts that they form their opinions. We are here today to review the findings and facts adduced by the Planning Committee and not to consider new testimony that has been generally submitted at the opening statement.

This is a review of the market analysis and the facts presented at the previous hearings. The only market analysis that they have to go on is that one which has been submitted and which has been shown to be a gross misrepresentation in many instances as to the actual facts with regard to this regional shopping center. They are not speaking about Lloyds of Portland. He said Lloyds of Portland as he understands it, was already an existing commercially zoned area. In this particular area it always has been zoned residential. The future street pattern in that area is based, and studies made, on the fact that it remain residential and there will have to be additional streets in that area when the freeway goes in. The school program has been based upon this area being residential. The highway program for the state and the City to the same effect. Recently a Citizens' Committee was appointed consisting of 200 public spirited people for the development for the future of Tacoma and was positive in their thinking that this area remain residential. At a meeting, he attended, a show of hands was made with regard to how the executive board of the Committee felt relative to the proposed regional shopping center. No vote was taken, but a show of hands made it evident that these public minded citizens wanted to go ahead with the development of the City of Tacoma on the proposed plan of the future development program and not with the plan of that regional shopping center here. He said he thinks if the Council should over-rule the Planning Commission's recommendation, they would in effect not only slap down the Planning Commission but also this fine group of public spirited citizens, who feel that they have made a plan for Tacoma's future growth. During the course of the presentation to the Planning Commission, many general broad statements were made by the proponents and it was extremely difficult to either affirm or deny it but from time to time certain statements were made that were capable of proof or disproof. The first one was the statement that some large department store, such as Frederick and Nelson, without naming Frederick and Nelson and that would be the type of store that would be coming into grab off the trade that would otherwise go to Seattle. They requested that the name be made public. There were many stores named by Mr. Leary that were proven to be false. One was Grayson's. The other one was that he had divulged the name to the president of the Bank of California and that was proven to be false. If you look at the Retail Trade Bureau record, you will find other areas in which allegations made are not founded with fact. Among the other things that

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were brought up were those with regard to the existence of the National Mortgage Company and the Allied Owners, Inc. He said he had written to the Secretary of State and they informed him that they were owing licences for 1958. At the time of the hearing they brought out that Allied Owners, Inc., had not paid its annual license fee which was payable on July 1, 1958, and they were in default and were not qualified to practice in the State of Washington. At that time Mr. Leary reached over to Mr. Marsico and told him that, that had all been taken care of and Mr. Marsico relying upon that statement made the remark to the Planning Commission that it was so disclosed that, that was taken care of.

The next day which was September 17, Mr. Tollefson said he wrote again to the Secretary of State and they were again informed that the annual licence fee had not been paid. He said this is not a large thing, the thing of break consequence but it does disclose the nature of the general statements made by the proponents. He said he hoped the Council would sit here in their review authority, open mindedly listening to the facts as presented and support the hard working Planning Commission which has no ax to grind who are looking out for the welfare of the City. This appeal should not be successful unless the proponents have by clear convincing testimony shown that the Planning Committee was factually and fundamentally in error, and this the proponents have failed to do.

I submit that this Council overwhelmingly support the findings and the decision of the Planning Commission and affirm its decision.

Mr. Marsico said if Mr. Tollefson will write to the Secretary of State, he will find that they have paid their license fee. He read a letter from Herman N. Fink Realtor, Los Angeles, address 10 Allied Owners stating that they understand that their company is developing a shopping center to be located at Washington near 43rd Street. They said they represented Grayson-Robinson Stores, one of the largest women's and children's chain apparel stores in the country and were interested in locating in the center, and asked that they send plot plans and statistical data information as to what leases have been signed and other information pertinent to such a shopping center. This letter was filed with the Clerk. He said the purpose of reading this letter was if Grayson were committed on a lease whereby they could not go to any other location in the City of Tacoma, they acted in good faith and not in an attempt in any matter to mislead the Council or the City Planning Commission.

Mr. Marsico asked Prof. Horwood if they are out of line in saying, considering the freeway, that is going to be built, interchanges that are shown on the map if he thinks they are out of line in saying they have a potential of roughly fifteen miles. Mr. Horwood said he thought they were. He said the center sales are not here on the freeway as a source of patronage, and convenience for some people but it doesn't have the great effect on overall usage of the center. Mr. Leary stressed the fact that the availability of land does not control the location of a shopping center. It is the merchants who are willing to invest. Their money in inventory who designate what sections are good and what sections are bad. And with the advent of the freeway it is looked up as a good location. He said the merchants who were coming there want customers, not just land and it is because these customers say we want

adjacent buildings and want quick access and plenty of parking, is the reason they selected this area. He said he feels if the people want it the Council should exceed to their wishes.

Mr. Tollefson brought in that the reason this area was not developed before was because the area itself would not stand the sewer services and it became necessary for a bond issue to make that area available for development, now, that area is available for a development. Mr. Tollefson said these developers are coming in on the ordinance as it is drawn and basing their right on that ordinance which is the law of the City. If they're not going to come in under that ordinance, then they should attack it as unconstitutional and come in under a zoning ordinance. They cannot come in under both.

Mr. Tony Ricono said that he felt there was a lot of emphasis placed on rumors that this center will virtually ruin our urban downtown area. According to National Magazine, "What parking means to business and what effect regional shopping centers have on existing urban downtown areas" one fact was pointed out and that the downtown urban area is not a one hundred percent retail trading area. In other words, people go downtown for banking, attorneys, medical reasons, etc. The retail area in downtown area has been exploited. The new buildings built are not of the retail type. Are we going to sit by and let Villa Plaza benefit from the laxity of Tacoma in developing a regional shopping area.

Mr. Porter then moved to grant the request of the petitioners, Allied Owners, Inc., and re-zone the property in question, seconded by Mr. Easterday.

Mr. Easterday said that there is a lot of money being spent in Tacoma for improvements. He mentioned that in this proposed shopping center the improvements would be paid for by private money rather than by taxing the public.

Dr. Humiston cited the ordinance under which the City operates and said that he was convinced the Planning Commission had not acted capriciously, therefore, he intended to vote "no" on Mr. Porter's motion.

Mayor Hanson then asked for a motion to postpone action for two weeks, as he said, he had about an hour of questions left. No action was taken on Mr. Porter's motion to grant the petitioners' request.

Mr. Anderson then moved to postpone action on the petition for two weeks (until November 10), seconded by Mr. Bratrud. Ayes 8, Nays 1; Mrs. Goering.

ITEMS RECEIVED FOR FILING IN THE OFFICE OF THE CITY CLERK:

Report from the Water Division for the month of September 30, 1958.

Report from the Belt Line Division for the month of September 30, 1958.

Report from the Tacoma Transit System for September 1958 and 1957 and 9 months, 1958 and 1957.

COMMENTS BY MEMBERS OF THE CITY COUNCIL:

Dr. Humiston said he has been concerned over some of the advertising in the newspapers on the Civil Service Proposition. He said these articles give the impression that Mr. Rowlands is in favor of the proposition, and he would like to know if this is true.

Mr. Rowlands said the proposed changes came up about five weeks ago during a Council meeting. At that time, he said, it was pointed out, there were several propositions coming up and some of the Union representatives asked my opinion on the propositions and I said I thought it was the "lesser of the two evils." The request initially came from Councilman Anderson to prepare a Resolution. This was prepared in conjunction with Mr. Kettler and Marshall McCormick. He said he felt this in no way indicated that he was in favor of the proposed proposition. He said no one had talked to him about the advertisements. In fact, he said, he has been out of town the past week.

Dr. Humiston said he felt it was important to clear this up. Actually it is a policy matter which belongs to City Council and the voters now. He felt it was unfair tactics to indicate through this advertising that Mr. Rowlands is in favor of the proposed amendment when it is not true.

Mr. Anderson said he had asked Mr. Rowlands to draw up the resolution so it could be presented to Council. He felt that it was unfair to implicate Mr. Rowlands when he was only doing his job.

Mayor Hanson said that it would be a good idea to discuss this policy question as to the position of the Manager. Are we to assume then that Mr. Rowlands is taking no position on this particular issue but making it clear that you have not taken a position for it.

Mr. Anderson replied that he believed that was the position a City Manager had to take. When he starts taking a position on political issues, he added, he no longer belongs as City Manager.

Mr. Perdue said he would like to mention that the advertisements have also been misleading as to the Council's position. They state that the Council is behind this proposed change but the Council voted by a split decision to put it on the ballot. He felt that implication, therefore, is false.

Mrs. Price said she felt that the newspapers would correct this situation in the next editions.

Moved by Mr. Easterday that the meeting be adjourned; seconded by Dr. Humiston.

Attest: Josephine Metter
City Clerk

Ben Hanson
Mayor