

COUNCIL CHAMBER: 5:25 P.M.

Thursday, April 17, 1958

2-4
Council convened pursuant to the recess to consider the proposed Resolution regarding the Naval Station. Present on roll call 6: Battin, Bratrud, Goering, Humiston, Perdue and Mayor Anderson. Absent 2, Stojack and Tollefson.

Mayor Anderson explained that at last Monday night's meeting they had asked the City Manager to find out whatever he could regarding the Naval Base. Mayor Anderson asked Mr. Rowlands to report on his findings.

Mr. Rowlands said he would like to have the letter read by the Clerk which was sent to the Council by Mr. Raymond, President of the Port of Tacoma.

"This will constitute a reply to the request of your representative, Councilman Harold Tollefson, for a statement of the Port of Tacoma's thinking on the announced closure of the Tacoma Naval Station and the possible uses to which the Station properties might be put in the future.

It should be said at the outset that at no time has the Port of Tacoma advocated the closure of the Naval Station or the withdrawal of Naval personnel from the area. That decision is for the Navy to make on the merits of the case.

On November 21, 1957, after the Navy announced the planned withdrawal of most of the Reserve Fleet carriers from Tacoma, the Port of Tacoma determined it was time to actively enter the discussion as to the future of the Naval Station itself. On the basis of statements coming to our attention that there would be little need for the Station proper after the carriers were withdrawn in the summer of 1958, the Port of Tacoma asked the Navy for a clarification of its future plans for the Station.

What has transpired since should be still fresh in all of our minds. In essence, the Navy has publicly announced its plan for a gradual closure of the Station during the summer, with final de-activation scheduled for September 30th.

In its concern for the continued productive use of the Station's physical properties, with consequent employment in a period which already finds too many unemployed in our area, the Port of Tacoma has since requested the Navy to permit a conference with the proper Naval Officials at such time as the Navy's plans for the Station were firm. That conference has not been held, although the Assistant Secretary of the Navy for Material advised the Port in a letter dated March 7, 1958, that "a conference at this time would be premature". The Port is awaiting further word on the proposed conference.

In view of the Port's expressed interest in the Station properties, we have frequently been asked what we have in mind for use of the facilities. We can only say that, although we have nothing specific to disclose at this time, the Port's constant contacts with various concerns seeking facilities in Tacoma indicate there is every reasonable expectation of developing payroll producing uses for whatever space the Navy might decide to abandon. We can in no way guarantee a set payroll, but we have every confidence that there would be no difficulty providing occupants with employment substantially in excess of the 270 civilian jobs last reported within the Station."

Mr. Rowlands said Tuesday afternoon he had met with Captain Barrow, and he said that the objective for de-activation of the Naval Station is October 1st, and they are proceeding accordingly, others present were: Captain MacLean, Assistant Manager for the 13th Naval District, Mr. Maurice Raymond, Mr. Fetterhoff, Al Taylor, President of the Chamber of Commerce, several other representatives of the Yards and Docks Division of the Navy, and several more from G. S. A. plus Captain Agnew of the Chamber. I'll try to make this brief, Mr. Rowlands said. First of all,

Captain MacLean reiterated that they had their instructions to cease operations as of October 1st. They've already taken some of the ships up to Bremerton and, of course, this local base has two considerations: (1) Naval operations; (2) Naval Industrial Shipyards. They are more or less the two functions. The mission of Naval operations has been changed and is to be eliminated. At the present time no one knows of any mission which could be performed at the shipyards. The procedure that is being followed is something like this:

The Navy, through its Bureau of Ships, has assigned as its agents the Yards and Docks to process the closing up of the Naval Station and to declare it an "excess". The other services have to review the property, (meaning, the Army, Air Force, Coast Guard, Reserve Units of all types) to see if they have any use for any portion of the property. That is now being done. That was reported by the representative from Yards and Docks. They have already started that procedure. After that has cleared, it goes to the Secretary of Defense. The Secretary of Defense then has to make his final decision as to disposition. After that has been determined, it goes to the Armed Services Committee of both the House and the Senate, which Committee must pass it. At that time it will be turned over to General Services Administration for disposition. Now, if a portion of it has been "earmarked" for another branch of the service, some other Federal Agency, that of course will not be considered for disposition.

"This particular station does come under what is called the "National Security Clause," National Security Division, which means that if the property is sold they will have the opportunity, of course, to have the property revert to the Navy in case of emergency. The individuals or corporations that have operations in the area have 120 days to get the property in shape to be taken over by the Navy. That would prevail. It usually extends for a 20 year period on both the land, the equipment and the buildings--anything that happens to be at the Station. The National Security Clause would be invoked. There had been some misunderstandings as to whether any other use for the base could be put into effect other than shipbuilding. It was explained today very clearly that the Bureau of Ships would have to say any other use which would be compatible with the use of the Naval Station--if there is any other industrial use that would provide acceptable tenants, which more or less left the door open for any operation down there industrialwise, that would reverse the conditions, get its house in order in 120 days so that the property could revert to the Navy in case of emergency."

That is more or less the status, Mr. Rowlands said. "It should be pointed out that from the standpoint of the timetable, the G.S.A. thought it might take quite a few months, but Mr. Anderson, of Yards and Docks, who has been the real estate agent in this whole transaction, said that he thought an answer could be had by late August or September of this year. He also felt that by moving along, the House and Senate Committees could dispose of the matter in this session of Congress, otherwise, it would be kicked over till next year."

"Now, from the standpoint of the number of employees at the Station, at the present time we have around 238 civilians. We have about 250 Naval personnel that are in the process of being transferred because the ships are being transferred, that will be washed out. If the Naval Station is closed, as all indications definitely point and were reiterated today very frankly and fully by all Naval people present, that by October 1st, it's going to be closed and the G.S.A. is not in a position to put it up for lease or sale, then that means that you're going to have the Naval Yard closed and probably kept in that condition for sometime until the matter is resolved. They will employ about 25 men. They thought about 25 people will be necessary to take care of maintenance, guard the establishment, and things of that nature. And, also, Captain MacLean made the statement it would probably cost the Government \$250,000 a year just to maintain the closed up Naval Station, doing

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nothing, no competent Navy personnel, and, of course, no equipment. Everyone there seemed to think there was no mission it could be assigned, so with this position, if the Council and the Port and other local agencies want to appear to Congressional Committees to take another look at this and perhaps cause some confusion in their minds as to what needs to be done locally, there is a fair chance that nothing will take place at this stage of progress. You're going to have the Naval Station down there not being used for industrial development maybe for another year or so. That's about the status as of this moment."

Dr. Humiston asked if any light was thrown on the motive of the Navy for closing this station.

Mr. Rowlands explained they were going to transfer some of the ships to Bremerton, and thought they were going to take some to San Diego, and they are going to not only maintain some of them but they are also going to dispose of some, and sell a for scrap. "The point is that they stress the fact that it was an economy move which had been determined on a higher echelon in Washington."

Dr. Humiston said; "Of course it would be one thing if they were just taking this operation and moving it someplace else for the benefit of some other community, but when they are actually cutting the operation out with a significant financial saving to the Navy, that is something else again. Because we not only live in the City of Tacoma, we are all Federal taxpayers too. I mean, was it clean in these discussions that it was one of the other of those two situations?"

Mr. Rowlands said it was made very clean that it was an economy move to eliminate this situation and to have some of the responsibilities now designated here absorbed by other stations. That was the impression I received. It was also pointed out by quite a few of the people present that they felt if the G.S.A. and the Yards and Docks people could move expeditiously that this whole area could be made available for industrial development and they have had several offers already, and, of course, nothing can be done until all the other agencies of the government have had the opportunity to determine whether or not they want the station or parts of the station set aside. Then the balance could be sold or leased. And they prefer to sell it in order to get the money on the tax roll, or to permit industries coming in to pay the business tax, or any other tax, that local authorities or Port authorities have the right to assess. That was pointed out.

Dr. Humiston asked if Mr. Rowlands seemed to have an impression that there was any possibility of the Navy Department reconsidering this?

Mr. Rowlands said "the impression left with me, to be honest, was that the Navy Department would not reconsider it for any type of Naval Operation---that is, they made that very clear for what it's worth."

Mayor Anderson asked if there was any action that Council wished to make? It was, requested I believe, that Council send a Resolution back to Washington to try to maintain the Navy Base on a status quo at least.

Dr. Humiston said; "Mr. Mayor, it might well be that if we were to view this backwards from a couple of years ahead that if Council were not to do this, but were to use what influence they have in keeping constant pressure on G.S.A., the Department of Defense, and on the Armed Services Committee to get them to expedite and get this converted into something that might be available for some other industrial use might actually be a more constructive thing for the Council to do. I mean, if the Navy isn't going to change their mind all we are doing there is fanning the air."

Mr. Rowlands said that was the procedure that was suggested: that is that everything should be done to get this property restored to somebody else so that it can be used for industrial purposes to build up payrolls and provide jobs for our citizens. Mr. Anderson, of Yards & Docks, stated that they were doing everything possible to expedite the processing of requirements to these various departments so that they would have to carry over into the next session of Congress, the final determination will have to be made by the Armed Forces Committee of the House and Senate.

"It was also pointed out, that it was difficult for the present members of the station not to want to try to retain their position that would continue the operation. Obviously they have worked there for some years and they would want to continue their jobs. That was stressed. On the other hand, they had to be realistic about it if the Navy had made up it's mind. The best thing to do would be what Dr. Humiston suggested - Expedite." Mr. Rowlands added.

Dr. Battin said, in general, I am personally very much opposed to the Federal Government in any case owning so much property as it does own. It owns in this country something better than 37% of the entire land value in the country. In the State of Nevada it owns 87% of all the land, and I don't see the government selling any of it. I don't see it coming back and putting it on the tax rolls. The Federal Government doesn't work that way. These people you have been talking to here are thinking in terms of doing the thing up in a businesslike way, but they have not power in making decisions. Frankly, I have no confidence in the upper echelon going along with them, and for that reason insofar as I have any vote, I shall vote asking to keep as much as we've got. That isn't because I consider that an intelligent vote. It isn't because I consider it a businesslike vote. It's because I consider it perhaps the best as much as we can get out of a situation of this kind.

Mr. Perdue said he was wondering about the possibilities of uses that this land could be put to. If you were going to start a business or industry of some kind here you realize that with 120 days' notice at some time you might have to get the thing out of there, I'm afraid that you would never want to locate in that spot. What kind of an industry would want to locate with that provision hanging over its head?

Mr. Rowlands said, that was brought up at the meeting. For example, the Aluminum plants at Spokane, the Reynolds Plant in Portland, and they mentioned another plant in Wenatchee that would go in under these circumstances. And that is why it's important to see that the business which would be compatible to their potential use comes into the area. They have to more or less screen who goes in.

Mr. Perdue said, if they were to take over the Aluminum Plant, for example, they would use it to produce aluminum I suppose which would be a little bit different situation if they had to remove the thing from the property.

Mr. Rowlands said, regardless of what goes in there, even if it were in private hands right now, in times of emergency they could come in there and take over the property. They kept reiterating "no mission," and we talked to Captain Gorham and asked why don't we make this a submarine base. They said that it had been reviewed but that there just wasn't any "mission" for the naval station itself and there was "no mission" for the dock end of it except for a standby installation whenever it was needed. Any they frankly said that it wouldn't lend itself to shipbuilding as much. They thought that other types of industry might come in there more quickly than shipyard development.

Mayor Anderson said, he knew that five or six years ago we had an opportunity to get quite a large manufacturing plant in Tacoma and we couldn't find the space that they needed and they went to Seattle. This particular plant, employs about 200 to 300 men, and it is quite a nice plant over in Seattle now. If we'd had the land on deep water docks, we could have had a plant similar to that. We have the best part of our Port occupied by the Navy Base here, and if there is a possibility for us to get it on the Tax Roll, I think we should do it.

Dr. Humiston said he would hate to see the Council take any action on this resolution unless they are going to pass it because it looks bad to vote it down. He would just as soon leave it as is, he said.

Mayor Anderson said "We do not have the Resolution before us although we are discussing it." Mayor Anderson called on Mr. Val Chamberland who was representing the Naval Base.

Mr. Chamberland said the Council put a good question to the engineers which would be a good question for you to consider here. "Do you know of a government activity anywhere comparable with the huge investment that they have over there being turned over to commercial industry? The gentlemen that Mr. Rowlands talked with this

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morning have no more experience than we have. I would like to leave in your minds that things of this sort are covered by law. That this is not a piece of property that can be given to individuals. It must be sold or leased. The Bureau of Ships, which Mr. Rowlands hasn't mentioned there, where they spelled out in detail, where it has to go as a unit and to ship building or allied industry, or, as he pointed out, approval of the Bureau. They state that this is necessary in their mobilization plan. That is "old talk." Right in our own area we have a perfect example in the Everett Shipyard. That is called the Everett Industrial Yard. This will be called, after October 1st, the Tacoma Industrial Yard. It will be under the same command and handled in the same manner, and if you take a look at the shipyard up there you will see that it has laid there for 12 years with not one penny being produced there. Not one penny has been produced at that yard in 12 years. This is for the mobilization planning and they have so stated that they would be willing to sell it to anybody who would maintain it. So, if the Navy wants it after the de-mobilization it will be in a shipbuilding status. This is what they want. Now, this thing that you are angling for to get it released to the Port of Tacoma so that they can break it up and bring in any type of commercial industry they want in there, and he asked, has that every happened before? And we look back at Kansas City and the East Coast and see whether that has happened. I can probably point out many to you that have been released to communities for commercial use, or something like that, but what you are going to have on you hands in October is a mothball reserve yard and the wheels will start turning to try to find a business and shipbuilding to come in there. I want to point out to you in 1946 that inventory of that yard was valued at \$16,000,000. Now, cutting it completely as low as you can, can you feature the Port of Tacoma finding enough money to buy that yard? Now it cannot be given for private use. It has to be bought. It's got to please this committee Mr. Rowlands spoke of. Now, getting back to our Association, we are primarily interested in keeping some government activity in there in order to keep jobs. We would not be adverse though, in fact we would be with you, if we knew that this could be done as pointed out here, but we know it won't be done. There will be no jobs there. We would just as soon look for private industry as to look for the government. We want jobs here in Tacoma. We do not want a mothball shipyard, and that is what we are fighting for. We have only asked to get a delay because every day that this de-activation goes on makes it more likely that some other government activity will go in there, and if it goes to the stage or where it is mothballed, they will find some other activity similar to this and move into it. Everything we have done we've done for a permanent base. Now, last summer or early fall, before this recession set in, the Navy started reviewing their setup so that they would not have to ask for such a large budget. And they had many activities on their list. I would venture to say that 11 out of 12 received a lot of protest locally to maintain it. Yet, up here was Tacoma who was inviting the Navy to get out so that we can do something with it. Now, I would like our representative to go back there to tell them, that is not the feeling of Tacoma; that this is a Navy town and that the waterfront and the deep harbor spell "Navy Maritime" and we don't want a mothball shipyard here, and we are not going to be so "wishing in the dark", hoping that an act of Congress will turn it over to Tacoma."

Mr. Bratrud asked Mr. Rowlands if this was screened to see if the government would have any use for these facilities.

Mr. Rowlands said this is being done right now. Here was the time-table sent by Mr. Anderson. He felt that all the action could be taken, the clearances made and acted on by the two committees of the House and Senate by late August or September. In other words, he felt the G.S.A., prior to September 30, would be in a position to act as the agent for the disposition of this property. It was also pointed out that it would probably be a negotiated sale, if the sale were possible. One other thing that disturbed a lot of people was that they heard that shipbuilding and loan was necessary for that area, and today they reiterated several times shipbuilding or other acceptable tenants to the Bureau of Ships.

Mr. Bratrud asked why the Council could not pass a Resolution along the lines of where we asked the Navy to withhold the de-activation date until such time as these other governmental agencies had been screened, and for a reasonable length of time to see if something could be done with it and other industries, rather than to leave it in a void area. "I think they are probably right, but the thing is if it is de-activated it may look so attractive to other governmental agencies or to some industry," but ask for an extension of time to at least get those points cleared out of the way.

Mayor Anderson asked what effect would it have on the whole setup if we passed such a Resolution as Mr. Bratrud suggested?

Dr. Battin said this is precisely what's going to happen anyway. I don't see that this suggested request would mean anything except don't do anything until you have come to these particular things.

Mr. Bratrud said if they would withhold their de-activation dates on October 1st until they get the answers from these other governmental agencies maybe they would have them by that time. If they would give us a temporary stay on that de-activation date until all answers are out of the way, then a reasonable length of time 6 or 8 months to get some other industry in there, and if you can't do it then we will wind up with a void area, but at least we might get a stay up to a year so that we can have time to work out something.

Mr. Perdue asked; is this not exactly what you are asking for, "is a postponement of this October deadline of this de-activation?"

Mr. Chamberland said I believe that with this rapid development in our National Defense picture now, which even our experts can't see 6 months ahead, that if we could get this de-activation stopped and the date set from October 1 to the end of the next fiscal year I believe there is an excellent opportunity that other governmental agencies will find use for it.

Mayor Anderson said if we sent a Resolution back there asking them to set the time over it may be that the various governmental agencies like Army, Navy and Coast Guard, and other outfits, would have an opportunity to study whether they can use it or not.

Mr. Rowlands said as I understand Mr. Bratrud's suggestion, he feels that perhaps the date should be set back while the other agencies are determining whether or not they can use it. Mr. Bratrud says he feels it should be kept in operation until we get the answers back from the other governmental agencies; that they be given a year's extension to accomplish these things. If the congressional committees could not get this thing resolved by September 30, then you would want the extension made, he said. Mr. Bratrud said "yes I would like to put some time limit on it."

Mr. Bratrud suggested that the Resolution be drawn up in the following manner: Resolution No. 15306; second... that a... be drawn along...
be quoted.

BY REQUEST OF COUNCIL: Mr. Bratrud and Mr. Perdue work with the Mayor's attorney in compiling this Resolution.

Petitioning and requesting that the Secretary of the Navy through the proper authorities, continue to maintain and operate the U. S. Naval Station at Tacoma, Washington, until such time as said property and facilities comprising said Naval Station can be disposed of or made available for private industrial and business development or use.

Adopted on roll call April 17, 1958
Yeas 5; Nays 0; Absent 3, Humiston, Stojack and Tollefson

Council then adjourned at 6:10 P.M.

Attest: *Frances J. Kuntzhaer*
Acting City Clerk

J. H. Anderson
President of City Council