

HAWAII AERONAUTICS COMMISSION
 Minutes of Regular Meeting
 Monday, June 23, 1952

The regular monthly meeting of the Hawaii Aeronautics Commission was held in the Conference Room of the Commission, Overseas Terminal Building, Honolulu International Airport, on Monday, June 23, 1952, at 1:00 p.m.

Present were: Dr. Francis K. Sylva, Chairman
 Mr. C. J. Pietsch, Jr., Vice Chairman
 Mr. Ralph C. Honda, Secretary
 Mr. R. A. Anderson, Member
 Mr. T. W. Flynn, Member
 Mr. D. W. Edwards, Member (Kauai)
 Mr. H. W. Rice, Member (Maui)
 Mr. David Furtado, Member (Hawaii)
 Mr. O. J. Burnett, Member

Attending: Mr. Peyton Harrison, Director, HAC
 Mr. R. M. Lee, Admin. Asst., HAC
 Mr. M. E. Martin, Supt. A & O, HAC
 Mr. McGuire, United Air Lines
 Mr. Frank Taylor, Northwest Airlines
 Mr. J. V. Dolan, CAA
 Mr. G. W. Roseberry, CAA
 Mr. Arthur Carter, Airport Gift Shop
 Mr. Cy Gillette
 Mr. Ford Studebaker, HAL

TERMINAL BUILDING RENTAL RATES: It was pointed out to the Commission by the Director that rental rates for spaces in the terminal buildings at the various airports were being reviewed.

KAHULUI AIRPORT TITLE: In a discussion of the Kahului Airport Title, the Chairman pointed out to the Commission that H.B. 4511 as signed by the President does not transfer the Airport to the Territory, but merely gives the Secretary of the Navy power to convey the land to the Territory.

TRANSFER OF FUNDS FROM DEFERRED PROJECTS: The Director suggested that funds from deferred projects be transferred to either Kamuela or the Honolulu Airport Terminal project, since these accounts have been inactive and there is no indication of immediate prosecution of the projects; that in the event funds become necessary, the Commission could then appropriate the necessary funds. Mr. Lee indicated deferred projects to be as follows:

<u>Honolulu</u>	
Relocating Maintenance Shops	\$25,000
Water Meters	5,000
<u>Hilo</u>	
Landscaping	5,000
Additional Land	35,000
<u>Puunene</u>	
Resurfacing	25,000
Control Tower	8,000
<u>Molokai</u>	
Resurfacing & Drainage	49,685
<u>Lihue</u>	
Water System	9,000
	<u>\$ 161,685</u>

He suggested that the Commission reserve \$10,000 for Molokai Resurfacing and Drainage, \$9,000 for Lihue Water System and \$5,000 for landscaping Hilo, and that the remaining sum of \$137,685 be made available for other projects.

The Chairman said that this amount should be transferred to the Honolulu Terminal Building project.

Mr. Furtado moved that the sum of \$137,685 be transferred to the Honolulu Terminal Building project, and that \$24,000 be reserved for the three projects suggested by Mr. Lee. Motion seconded by Mr. Edwards and carried.

Minutes, June 23, 1952 -- 2

OVERDRAFTS ON APPROVED PROJECTS: Mr. Lee reported that no appropriations have been made for engineering services provided by the DPW on certain projects and asked that sufficient funds out of the Fuel Tax Fund be set up to cover preliminary engineering and surveys. He pointed out funds needed to be as follows:

<u>Hilo Airport</u>	
Taxiways & Parking Areas	\$2,200
Survey of Drainage, etc.	9,500
<u>Maui County</u>	
Ext. to Lanai	6,000
Ext. to Hana	2,000
<u>Lihue Airport</u>	
Tee Hangars	3,500

Mr. Rice moved that the above listed appropriations be made; seconded by Mr. Edwards and carried.

INTER-ISLAND COFFEE SHOP: Mr. Honda, Chairman of the Finance Committee, reported that the matter of improvements to the coffee shop on the inter-island side of Honolulu Airport had been held up because of Mr. Weaver's absence. The Director said that Mr. Peters estimated that adequate alterations could be made for about \$2500 to \$3000.

Mr. Lee said that after talking with Mr. Weaver the past Friday (the day he returned from the mainland) on the lease draft, Mr. Weaver suggested to meet with him some time this week to discuss the matter.

Mr. Honda stated that after Mr. Weaver and the staff members had agreed on an alteration plan, it will be studied by the Finance Committee and then presented to the Commission.

TPA ACCOUNT: The Chairman of the Finance Committee reported that a session had been held with Mr. Benz of TPA on TPA's delinquent account, but that no conclusion had been reached.

TPA's delinquency was discussed at some length.

Dr. Sylva stated that regular payments were being made by TPA to the Territorial Tax Office, as well as to the Federal Government, and suggested the possibility of the HAC receiving a portion of the territorial tax payments. He said he would talk the matter over with Mr. Westley of the Tax Office.

After further discussion, Mr. Pietsch moved that the Director attempt to effect with TPA a Promissory Note secured by a second mortgage. Motion seconded by Mr. Anderson and carried.

AIRWAYS HOTEL, LTD: The Chairman reported that although the new tenant of Airways Hotel, Ltd. -- Mr. Adolph Mendonca -- had agreed to pay up all past indebtedness, the HAC have not as yet signed over its interest to the new tenant it held in a Creditor's Agreement and Trust Chattel Mortgage.

Mr. Lee explained that the former Administrative Assistant, on October 19, 1949, assigned without Commission approval to the Credit Bureau of Hawaii, Trustee for the creditors of Airways Hotel, Ltd., the account of Airways Hotel, Ltd. in the amount of \$8,328.47, which was to be paid off by the Trustee on an agreed monthly installment basis.

He continued that Mr. Mendonca had requested that, in consideration of his assumption of all past obligations due the HAC by the Airways Hotel, Ltd. out of business operations at the Honolulu International Airport, the HAC authorize the assignment of any and all rights and benefits and/or claims which it has against the Airways Hotel, Ltd. in the certain Creditor's Agreement dated October 21, 1949 to the Credit Bureau of Hawaii, Trustee, and in the security thereof under the terms of that certain Trust Chattel Mortgage given by Airways Hotel, Ltd. to Alvin A. Smith, Trustee, on September 30, 1949.

Mr. Rice moved to consent to this assignment; seconded by Mr. Pietsch and carried.

Minutes, June 23, 1952 -- 3

DIRECTOR'S TRIP TO MAINLAND: The Director expressed the desire to visit and study six or seven mainland airports in July and follow this by several weeks of vacation.

Mr. Edwards expressed the feeling that it would be in order to set up an appropriation to cover travel and expenses. He moved that the Director be authorized expenses for 14 days official travel time plus transportation to visit several mainland airports, and also to go to Washington to negotiate for a CAA appropriation for the new Honolulu Airport Terminal. Motion seconded by Mr. Honda and carried.

APPROVAL OF MINUTES: The Minutes of the regular meeting held May 26th were approved as circulated.

PROJECT APPLICATION, HILO AIRPORT: Mr. Furtado moved to approve the Project Application for the Hilo Airport, covering Roads, Parking Areas, Aprons, Fences & Utilities; also to set up \$45,000 to match CAA funds out of the Fuel Tax Fund for this purpose. Motion seconded by Mr. Rice and carried.

PROJECT APPLICATION, HILO AIRPORT: Mr. Furtado moved to approve the Project Application for High Intensity Runway Lighting and Standby Electric Power Plant at Hilo Airport. Motion seconded by Mr. Edwards and carried.

HILO TERMINAL, AWARD OF CONTRACT: The Director requested confirmation of verbal approval to award contract for the construction of the Hilo Terminal to S. K. Oda, Ltd. for \$247,953. The Territory's share thereof payable out of the Loan Fund, County of Hawaii. Director's request approved on motion by Mr. Furtado, seconded by Mr. Anderson and carried.

HAWAII NATIONAL GUARD REQUEST FOR USE OF AIRPORT PROPERTY: Mr. Dolan was invited to be heard with regard to the Hawaii National Guard's request that the Governor turn over to the National Guard a certain parcel of land at the Hilo Airport.

After reviewing a map of the Hilo Airport and the area in question, Mr. Dolan stated that the land which the National Guard desires falls within the bounds of the Hilo Airport, as previously laid out by the Commission. He continued that the HAC had committed itself in its Project Application for Hilo Airport that when title was cleared, this parcel of land would become a part of the airport property. Mr. Dolan referred to his letter of June 11th to the Commission on the subject in which he stated:

"It is not believed that the occupancy of the area as generally indicated would have any adverse effect on the present development or operation of the Airport, particularly since both Hawaii Aeronautics Commission and the Hawaii National Guard are territorial bodies and a Use Agreement contingent to the best interest of the airport with the Hawaii National Guard would appear to suffice. However, if any term lease or sale of property is contemplated, a prior written approval must be secured from the CAA."

After further discussion, Mr. Flynn moved to designate the Chairman and the Director to negotiate with the National Guard and report back to the Commission on this problem. Motion seconded by Mr. Furtado and carried.

GRADING OF ENTRANCE, HILO AIRPORT: Mr. Furtado pointed out to the Commission that there are numerous lava holes at the entrance to Hilo Airport and suggested that this area be graded.

Mr. Rice moved to allocate \$3800 out of the Fuel Tax Fund for the grading of the entrance to Hilo Airport; seconded by Mr. Furtado and carried.

Minutes, June 23, 1952 -- 4

KOHALA SUGAR COMPANY REQUEST, UPOLU AIRPORT: The Director reported that Kohala Sugar Company has requested a lease of 23 acres of land adjacent to the Upolu Airport, at the rate of \$6.00 an acre per year. He said that in taking up with the Attorney General's office, the matter as to whether or not the HAC could lease this land, a problem arose in that the Land Department indicated that if the land were not needed by the HAC, it should be turned back to them. He continued that, the land desired being within the boundaries of the area designated for airport purposes, certain restrictions would have to be included in the lease, and added that he was not certain that the Kohala Sugar Company would be interested in leasing the land in view of these restrictions. The Director requested, however, that he be given permission to lease this land to Kohala Sugar Company if the Attorney General's recommendation is favorable.

Mr. Furtado moved to approve leasing this land, at \$6.00 per acre, to the Kohala Sugar Company for 15 years, subject to restrictions covering this airport. Motion seconded by Mr. Edwards and carried.

KONA AIRPORT TEE-HANGARS: The Director reported that the only bid received for Tee-Hangars at Kona was from Isemoto Contracting Company, for amounts as follows: \$23,863 for four (4) Hangars; alternate for three (3) hangars - \$17,898. He pointed out that this bid was higher than the lowest bid previously received at first bidding, and asked permission to look into the possibility of building a single hangar of a size to contain four (4) planes.

Mr. Rice moved that the bid from Isemoto Contracting Company be rejected, and that Mr. Theodore Vierra be requested to draw up plans and specification for a hangar which will hold four (4) planes and to provide, out of the Fuel Tax Fund, the funds necessary to cover this cost. Motion seconded by Mr. Anderson and carried over Mr. Furtado's opposing vote.

KAHULUI AIRPORT OPENING: The Chairman announced that formal opening of Kahului Airport would be held Tuesday, June 24th, and the charter plane carrying Commissioners and guests would leave Honolulu Airport at 9:45 a.m. Mr. Rice said that a short ceremony would be held at the airport and followed by a luncheon.

NATIONAL GUARD MATTERS: Mr. Rice suggested that when Hilo National Guard's request is being discussed, all other National Guard matters be also straightened out. He stated that the National Guard also wants a hangar at Kahului.

Mr. Furtado suggested also that the National Guard's renting out one of the two hangars leased to them, rent free, at Hilo, be taken up with them also.

PROJECT APPLICATION, MOLOKAI DRAINAGE: Mr. Rice moved to approve the Project Application for drainage at Molokai Airport. Motion seconded by Mr. Furtado and carried.

NIGHT WATCHMAN, KAHULUI: The Director stated that in view of the Territory's investment in the Kahului Terminal, it should not be left unattended. He continued that there will be no one on duty at night at the Terminal and suggested that the services of watchmen be engaged.

Mr. Rice reported that Hawaiian Airlines has been furnishing a night watchman.

Mr. Edwards opposed the idea of hiring watchmen for the Terminal and stated that it would be far better to purchase fire insurance; that in the course of a few years it would prove far less expensive to purchase insurance. He pointed out that there are industrial plants in the territory today where the investment of buildings and store supplies exceeds a million dollars that are not protected by watchmen and are maintained cheaply by buying adequate insurance.

In the course of discussion, Mr. Rice stated that he could transfer one of his laborers for watchman's duty and still be able to maintain the field.

Minutes, June 23, 1952 -- 5

Mr. Furtado moved that the position of two laborers be changed to watchmen.

Mr. Rice suggested, however, that only one night watchman's position be set up.

Mr. Edwards expressed himself as being opposed to establishing the precedent of hiring watchmen for territorial property; and that the police can be expected to give a certain amount of protection. He said, however, that if necessary some work could be carried on at night by a member of the labor force, thereby eliminating the necessity of hiring a watchman.

Mr. Furtado withdrew his previous motion. He then moved that the Kahului laboring force be reassigned so that one laborer is on duty at all times. Motion seconded by Mr. Rice and carried.

ALTERATIONS TO LIHUE TERMINAL BUILDING, AWARD OF CONTRACT: Verbal action awarding contract for alterations to the Lihue Terminal Building to Tharp-Fitzsimmons for \$74,500 was confirmed on motion by Mr. Edwards, seconded by Mr. Furtado and carried.

LIHUE AIRPORT, GASOLINE FACILITIES (KAUAI MARINE & MACHINE WORKS) Mr. Edwards stated that there has been considerable publicity given recently to the lack of gasoline for private aircraft on the outer-island airports, particularly on weekends when regular dealers who could furnish it by tank truck are not available. He continued that an application had been received from the Kauai Marine & Machine Works requesting the right to put in a supply of aviation fuel, partly for his own use and partly for servicing visiting aircraft or anyone else who might need aviation fuel. He continued that the application filed by Mr. C. L. Shannon requests as long a lease as possible on an area 20 ft. by 20 ft. square adjacent to a hangar presently under construction which they will be renting, and specifically requested that the underground installation remain his property with right of removal.

Mr. Edwards moved that Mr. Shannon be granted a 10-year lease with rental in accordance with the rental rate for unimproved land, and that the lease be drawn up so that Mr. Shannon retains title to the installed property, with the right of removal at any time he so desires. Motion seconded by Mr. Anderson and carried.

KAUAI MOTOR TOURS, REQUEST FOR STALLS AT LIHUE AIRPORT: Mr. Edwards reported that he had received a request from Mr. A. H. Achor of Achor's Kauai Motor Tours and Auto Rental Service, to rent 10 of the covered auto stalls at Lihue Airport, to be used for an office and for a service and auto wash rack.

Mr. Edwards moved that the HAC grant Mr. Achor the concession which he requests in his letter; seconded by Mr. Rice.

Mr. Achor explained that at present his operations are divided, and if consolidated, he could operate more economically and give the general public better service. He stated that at present he is renting six stalls and would like to rent four more. He plans that they be utilized for parking of cars, and would like to build a service and auto wash rack in two stalls and use two stalls for storage and office space. He said that it was also his desire to install in front of the area proposed for office space, two gasoline pumps for the use of Kauai Motor Tours vehicles and other vehicles mutually approved by the HAC and KMT, and to bury two gasoline storage tanks at the rear of the office. He requested that improvements be the property of KMT and may be removed by them, providing the building is put back in its original condition.

The question of discriminating against other tour companies was brought up. It was pointed out that the operations of other tour companies were taken care of; also that the four additional stalls requested by KMT are unoccupied.

Mr. Edwards said that one alternative arrangement would be if the Commission would be willing to lease Mr. Achor a small plot of land as an extension to that presently there and permit him to erect his facilities there. He added, however, that there should be one proposal to the mutual advantage of the HAC and KMT.

Minutes, June 23, 1952 -- 6

Mr. Edwards withdrew his previous motion and made the following motion: That the Commission approve the leasing of this property to Mr. Achor, terms and conditions to be worked out with the administrative staff in conformity with established rates, with adequate protection for the HAC in all terms of the lease; the lease to be for a term of 5 years. Motion seconded by Mr. Rice.

Mr. Honda asked what would be done if someone needed a stall. It was pointed out that if the Commission had need for a stall he would be willing to give up a stall to the Commission.

The motion was carried unanimously.

ADDITIONS TO LIHUE TERMINAL, ENGINEERING COST: Mr. Edwards said that the cost of additions to the Lihue Terminal had exceeded the original estimates which were prepared approximately two years ago and it is now found that an additional \$22,500 is needed to cover engineering expenses plus the increased cost of the contract itself. He pointed out that the original estimate was \$65,000 to cover the whole project and that, due to various delays, the best contract price the HAC could get on a considerably reduced building plan turned out to be \$74,500 and that there is need for an additional \$10,000 for contract extras and engineering and inspection costs while the contract is being prosecuted.

Mr. Edwards moved that the HAC appropriate an additional \$22,500 to cover these items. Motion seconded by Mr. Honda and carried.

Source of Funds -- Contract \$74,500.00

General Fund	Act 153	SLH 1945	G 7166.3	\$ 81.83
	Act 23	SLH 1947	G 7168.1	15,885.68
Loan Fund	Act 18	SSLH 1949	L 7178.4	39,532.49
Airport Fuel				
Tax Fund	Act 32	SLH 1947	S 7161	<u>19,000.00</u>
				\$74,500.00
Extras	Act 32	SLH 1947	S 7161	8,000.00
Engineering	Act 32	SLH 1947	S 7161	<u>5,000.00</u>
				<u>\$87,500.00</u>

HONOLULU INTERNATIONAL AIRPORT, PROJECT APPLICATION: Mr. Flynn moved to approve the Project Application for Medium Intensity Lighting of Runway 4L and Taxiways, for the Honolulu International Airport. Motion seconded by Mr. Furtado and carried.

NAF AREAS, HONOLULU AIRPORT: The Chairman stated that heretofore the Commission adopted a policy to not grant leases to tenants in the NAF areas at Honolulu Airport, but that the Commission had received a request from Jackson College for a school in the area and they would like a lease.

Mr. Flynn moved that the former policy (adopted on August 27, 1951) of not granting leases in the NAF Area be rescinded; seconded by Mr. Honda and carried.

LEASE ON BUILDING #62, BAPTIST CHURCH: Mr. Flynn moved that a lease be granted to the Baptist Church in the NAF Area, to be subject to termination by reason of the Navy taking back the airport. Motion seconded by Mr. Burnett and carried.

PAVILION FOR LEI SELLERS: The Director reported that the lei sellers had requested that a pavilion be built at the rear of the present lei stalls in which to make leis, inasmuch as the huts are not large enough for this purpose. The Director said that he and Mr. Peters estimated \$1,000 would cover this. He recommended that this be done.

Minutes, June 23, 1952 — 7

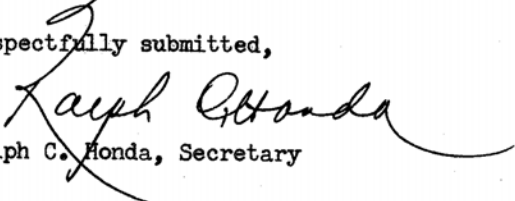
Mr. Furtado moved that \$2,000 be allocated out of the Fuel Tax Fund to construct the pavilion recommended, and that the structure be in keeping with the design of the lei huts. Motion seconded by Mr. Honda and carried.

RE-ELECTION OF OFFICERS: Dr. Sylva stated that, having served for two years in the capacity of Chairman of the Commission, he would like to be relieved of the duties of this office.

Mr. Flynn moved that all officers be re-elected and the Secretary instructed to cast a unanimous ballot. Motion seconded by Mr. Anderson and carried over opposing votes of the Chairman and Secretary.

ADJOURNMENT: The meeting was adjourned at 3:15 p.m.

Respectfully submitted,


Ralph C. Honda, Secretary