

HAWAII AERONAUTICS COMMISSION
 Minutes of Regular Meeting
 Monday, April 28, 1952

The regular meeting of the Hawaii Aeronautics Commission was held in the Board Room of the Commission, Overseas Terminal Building, Honolulu Airport, on Monday, April 28, 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. D. W. Edwards, Member (Kauai)
 Mr. David Furtado, Member (Hawaii)
 Mr. Harold W. Rice, Member (MauI)
 Mr. Thomas W. Flynn, Member

Absent were: Mr. O. J. Burnett, Member (on mainland)
 Mr. R. A. Anderson

Attending: Mr. Peyton Harrison, Director, HAC
 Mr. Richard K. Sharpless, Deputy Atty. Gen.
 Mr. C. J. Erenham, Prop. Adm., HAC
 Mr. Spencer Weaver, Spencecliff Corp.
 Mr. Milton Cades, Atty for Mr. Weaver
 Mr. Mark Martin, HAC
 Mr. Cy Gillette, Supt. A & O, HAC
 Mr. C. M. Kee, Asst. Direc., HAC
 Mr. Bo Tong Wat, Accountant, HAC
 Mr. Guy A. Murray, CAA
 Mr. H. K. Graves, PAA
 Mr. T. A. Vierra, Architect
 Mr. Wimberly, Architect
 Mr. Bauer, Architect
 Mr. Stephen Cooke, Trans-Air Hawaii
 Mr. Ford Studebaker, HAL
 Mr. Lee Grubb, HAL
 Mr. Dick Paris, HAL
 Mr. McCraw, TPA
 Mr. Alvin Smith
 Mr. Edward Sylva, Attorney
 Mr. A. Mendonca
 Mr. Leeman

INTER-ISLAND RESTAURANT, HONOLULU AIRPORT: The Chairman explained that Spencecliff Corporation had written a letter to the Commission and would like some matters regarding their occupancy on the Hawaiian Airlines side of Honolulu, straightened out, and that Mr. Spencer Weaver and his attorney, Mr. Milton Cades, were present to discuss the matter.

Mr. Weaver outlined the background of the Inter-Island Coffee Shop, and pointed out that he was presently paying monthly the cost of the building (erected by the HAC) plus 5% of sales. He said that the coffee shop had been opened without a signed lease but with the assurance that one would be forthcoming from the Attorney General's office. When the lease was received, Spencecliff Corporation felt that it contained several discrepancies and requested that corrections be made. Mr. Weaver continued, that at the time Spencecliff exercised its option to renew the lease, he had been informed by Mr. Lee that the lease had never been signed, and at present the HAC was permitting the operation of a small food concession on the inter-island side of the airport on a month to month basis because the HAC's lease with Spencecliff had not been executed. Mr. Weaver expressed the opinion that this was a breach of good faith on the part of the Commission inasmuch as Spencecliff had been conducting business under the proposed form of lease.

Mr. Harrison stated that the only complaint he had received was about competition on the inter-island side of the field in the old NAF area. He continued that the lease with Spencecliff had been drawn up in February 1949 and the area in question (Naval

Air Facility) had not yet been turned over to HAC and therefore the exclusive franchise could not have applied to the area. He added that he had been given specific instructions to have the Attorney General's office check the matter.

To Dr. Sylva's question as to whether or not Mr. Weaver has a lease, Mr. Sharpless of the Attorney General's office stated he had reviewed the matter carefully and felt that, in view of the exchange of correspondence -- which was all he had to go on-- this was a valid lease, although unsigned. With respect to the question of the scope of the concession, Mr. Sharpless said he felt that to be a matter of intention of both parties.

In the course of discussing the exclusiveness of Spencecliff's tenancy, Mr. Weaver explained that Spencecliff Corporation had no objection to Airways Hotel serving meals to its guests in view of the fact that at the time the lease was drawn up Airways Hotel had a dining room for guests in operation.

Mr. Rice expressed the opinion that facilities at the inter-island coffee shop were most inadequate and that he did not think Hawaiian Airlines' guests and employees were being treated fairly in not being given better service. Mr. Weaver agreed the building should be enlarged and pointed out that letters to this effect had been written by Trans-Air Hawaii and Hawaiian Airlines, and a petition signed by more than 300 customers endorsing an enlargement. Mr. Rice said that the inter-island coffee shop facilities should be enlarged and the operator of the lunch counter in the NAF area be requested to vacate upon completion of such alterations.

Mr. Brenham reported that the lunch counter presently operated by Airport Recreation and Shopping Center has a 30 day guarantee and pays 5% of gross income. He commented, however, that the lunch counter was kept open a very short period of time daily and grossed about \$10 a day.

Mr. Pietsch expressed the belief that the matter was one of principle and that Spencecliff Corporation should be consulted regarding the installation of additional facilities.

In reply to the Chairman's question as to the necessity of conducting a private hearing on the matter, Mr. Cades explained that it was not felt that Spencecliff had been treated fairly by the administrators in business matters; also that inasmuch as they had not been informed by the Director that this was a formal lease, they had been prepared to present to the HAC the fact that Spencecliff has operated under the proposed form of lease and that this should be considered rather than the legal question of validity. He continued that he did not gather from anything the Deputy Attorney General said that the lease was not applicable.

At the Director's objection that the lease could not possibly have pertained to the area in question, Mr. Sharpless again explained that the scope of the concession agreement depended on what the parties intended, and this would have to be determined by the HAC.

Mr. Pietsch suggested, in view of the ambiguous language of the lease as written, that a new and proper lease be drawn up. He added that the present lease is, in effect, a lease in perpetuity, and should not continue as such.

Mr. Sharpless suggested that Spencecliff Corporation submit a specific proposition to the Commission as to what they want and let the Commission act upon it.

Mr. Pietsch moved that it be the intent of the Commission that Spencecliff Corporation has the exclusive food concession on the Ewa side of the airport. Motion seconded by Mr. Rice.

Mr. Pietsch's motion was amended by Mr. Furtado to the effect that the Airways Hotel, serving food to its tenants, be excluded from this provision; seconded by Mr. Rice.

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Motion carried on affirmative votes of Messers. Pietsch, Rice and Furtado. Negative votes cast by Messers. Edwards and Honda; Mr. Flynn abstaining.

MR. THOMAS FLYNN was introduced by the Chairman as a new member of the HAC.

MINUTES: The minutes of the regular meeting of the HAC held March 13, 1952 were approved as circulated.

SOUTH POINT AIRPORT, HAWAII: The Director said that Mr. Kee had inspected the field at South Point on the 23d of April and reported it to be in bad condition due to erosion around the edges of the mats, but that it can be put in fairly good condition by a small expenditure. He said that Mr. Beatty of the Hutchinson Plantation has agreed to assist in putting the field in shape, and recommended that \$500 be set up to lace the mats and to do other miscellaneous work.

Mr. Furtado moved to appropriate \$500 for this purpose. Motion seconded by Mr. Edwards and carried.

HILO TERMINAL BUILDING: The Director requested permission to authorize the DPW to proceed with drawing up plans for landscaping the areas surrounding the new Hilo Terminal.

Mr. Furtado moved to approve the Director's request; 2nd by Mr. Pietsch and carried.

GRANT OFFER, HILO TERMINAL: The following resolution was introduced by the Secretary, read in full, considered and adopted:

Resolution Adopting and Approving the Execution of a Grant Agreement between the Territory of Hawaii acting by and through the Hawaii Aeronautics Commission and the United States of America, Civil Aeronautics Administration, Providing for Federal Aid in the Development of, and the Operation and Maintenance of, the General Lyman Field Airport.

Be it resolved by the members of the Hawaii Aeronautics Commission, Territory of Hawaii:

Section 1. That the Hawaii Aeronautics Commission acting on behalf of the Territory of Hawaii shall enter into a Grant Agreement for the purpose of obtaining Federal aid in the development of the General Lyman Field Airport and that such agreement shall be as set forth hereinbelow.

Section 2. That the Director is hereby authorized and directed to execute said Grant Agreement in quintuplet on behalf of the Hawaii Aeronautics Commission, and the Secretary is hereby authorized and directed to impress the official seal of this Commission, and to attest said execution.

Section 3. That the Grant Agreement referred to hereinabove shall be as follows. (See copy in HAC Files.)

HILO TERMINAL PLANS: The Director reported that the DPW has been authorized to advertise for bids on the Hilo Terminal but that plans were still in the hands of the DPW for additional corrections directed by CAA. Mr. Murray said he did not think there would be any further delay.

KONA T-HANGARS: The Director reported that the low bidder on the Tee Hangars for Kona was the Island Welding Company at a price of \$22,500, but that only \$20,000 was appropriated for this project. He recommended that these bids be re-advertised.

Mr. Furtado moved to approve the Director's recommendation to have bids re-advertised; seconded by Mr. Honda and carried.

KAHULUI TERMINAL, JANITORIAL POSITIONS: The Director requested authority to establish the positions of one janitor and three janitresses for the Kahului Terminal Building.

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At Mr. Rice's question as to the necessity for setting up 3 janitress positions, Mr. Stuebaker of Hawaiian Airlines recommended, on the basis of Hawaiian Airlines' past experience, that 3 janitresses be considered.

Mr. Rice moved to approve the establishment of the positions of one janitor and three janitresses; seconded by Mr. Pietsch and carried.

KAHULUI REEFERS: The Director reported that, pursuant to instructions of the Commission, estimates for the installation of three new reefers to be installed in the freight terminal at Kahului had been drawn up by himself, Mr. Neilson and Mr. Stuebaker. Total estimated cost of this installation is \$11,183. He continued, that Mr. Stuebaker agrees that a reasonable rent would amortize HAC's investment in 10 years. Having checked this figure with the Hawaiian Tuna Packers, who have had considerable experience in this particular line of work, he found that between 8 and 9 years is a better estimate and 10 years would be rather generous on the Commission's part. Mr. Harrison added that the Finance Committee, having been on Maui prior to this meeting, had looked the situation over.

Mr. Rice pointed out that the question centers around whether or not the Commission will supply reefers and charge rent or whether the airlines should put in their own reefers as in the past.

Mr. Edwards stated that the Commission should consider the fact that if it installs reefers, any inadequacy of the equipment might subject the Commission to damage suits for spoiled products. He added that in addition to this, he would be loath to see the HAC furnish cold storage facilities at airports of the Territory because there would be a tendency to over build to provide for every possible contingency.

It was agreed by both Mr. Stuebaker and Mr. Cooke of Trans-Air Hawaii that it would be impossible to make shippers pay for refrigeration costs. Considering the applicability of Joint Resolution 13, Legislative Session of 1951, regarding possible exemption of rental payments on refrigeration units, Mr. Stuebaker said that J. R. 13 does not specify such service. He continued that if the HAC would install the 3 units at Kahului, Hawaiian Airlines could pay for services received which in turn will amortize the cost, and they would also take all three units with the understanding that other airlines would be accommodated and the cost pro-rated among them. Mr. Stuebaker added that HAL would pay for routine maintenance and electricity, but that replacement of major parts would be the Commission's responsibility.

At Dr. Sylva's question as to which airports would need such extensive units and whether or not HAL's present facilities could be moved from Puunene to Kahului, Mr. Stuebaker replied that neither unit at Puunene was in good enough condition to be moved. As to the matter of refrigeration requirements at airports, he said that Maui is different from other airports in that it handles more perishables, but that the portable type unit could be used at Kamuela and Hilo.

Mr. Rice indicated that if facilities are to be provided for the airlines, the HAC should decide to do so immediately inasmuch as the date of opening for Kahului has been set for May 20th.

Mr. Edwards moved that the Commission go on record as making available the space and housing for such installation at Kahului but that HAC, itself, not install this equipment or cold storage room. Motion seconded by Mr. Pietsch, and carried. Negative votes cast by Messrs. Rice and Honda.

PUBLIC ADDRESS SYSTEM, KAHULUI: The Director reported that installation of a public address system at Kahului would cost approximately \$1,853, and recommended that a round figure of \$2,000 be set up for this purpose.

Mr. Rice moved to approve the Director's recommendation. Motion seconded by Mr. Honda and carried.

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KALAUPAPA AIRPORT: The Director reported that an inspection of Kalaupapa had been made last week by Mr. Kee, Mr. Wilson, Mr. Cockett and himself and that some filling of hole and smoothing of the grass runway will be necessary and arrangements for this have been made. He said that it would be highly desirable to lengthen the present strip from 250' to 750' and to widen it from 50' to 60' to permit planes to land on paved area. He recommended that this be done, for an estimated cost of \$16,250.

Mr. Rice moved that an allotment of \$16,250 be set aside from the General Fund appropriation for this purpose. Motion seconded by Mr. Honda and carried.

TICKET COUNTERS, KAHULUI AIRPORT: Mr. Rice moved to allocate \$4,600 for ticket counters to be used by Hawaiian Airlines and TPA at Kahului. Motion seconded by Mr. Flynn and carried.

PASSENGER PARKING AREA, KAHULUI AIRPORT: Mr. Rice suggested that curbing and walkways be built in the parking area at Kahului. He said that the entire job could be done for about \$5,000.

Both Mr. Edwards and Mr. Furtado expressed the opinion that painted lines, as in the case of Honolulu Airport parking area, would be sufficient.

Dr. Sylva suggested that the action be deferred until Mr. Kee has worked up an estimate of cost. The Chairman's suggestion was concurred in by all members present.

PUUNENE LAND: Mr. Rice inquired into the status of the sale of land at Puunene Airport by the Territory. Mr. Murray was not able to make any concrete report on the matter.

TEE-HANGARS, LIHUE: The Director requested confirmation of verbal approval to award contract for construction of Tee-Hangars at Lihue to the Kauai Development Company for \$13,971.

Mr. Edwards moved to confirm verbal approval of award; seconded by Mr. Fietsch and carried.

LIHUE TERMINAL EXTENSION: At Mr. Edwards' inquiry, Mr. Kee reported that plans for the extension to the Lihue Terminal Building would be ready for advertising in a few days.

HONOLULU AIRPORT MASTER PLAN: The Chairman stated that CAA was holding up some \$71,000 pending adoption of a Master Plan for Honolulu Airport, and added that this had to do only with the ground layout.

The proposed Master Plan was reviewed by Architects Vierra, Wimberly and Bauer, Mr. Murray of CAA, and the Commission.

Action deferred pending certain changes and further review by HAC.

AIRWAYS HOTEL, HONOLULU INTERNATIONAL AIRPORT: The Chairman pointed out that the account of Airways Hotel was now \$9,000 in arrears and introduced Mr. Alvin E. Smith, representing Airways Hotel.

Mr. Smith explained that subsequent to the filing of a lien by the Federal Government for taxes, and the attachment of the business of Airways Hotel by the Territorial Tax Office, he had been appointed Attorney-in-Fact to operate the Airways Hotel on behalf of all creditors. He outlined the background of the hotel's operations, stating that it now owed a total of \$42,207.

He reported that he had received an offer from Mr. Adolph Mendonca for the purchase of all physical assets of the hotel, free and unencumbered provided, however, the Commission would grant to Mr. Mendonca a new lease as favorable as the old one. Mr. Smith said that this offer would expire May 1st if not accepted, and that he was asking the Commission's permission to accept this offer, all proceeds of sale to be held in trust subject to final settlement of priority of claims of all creditors.

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Mr. Smith added, for the information of the Commission, that he had been advised by the Federal and Territorial Tax offices that they would be receptive to lifting liens so normal business could be continued.

In the course of discussion the subject of adjacent land rental was brought up by Mr. Edward Sylva, Attorney for Mr. Mendonca. He stated that one of his clients has been paying for adjacent land rental on the understanding that all tenants were to be charged on the same basis, and it had come to his attention that other tenants were not being charged accordingly. Dr. Sylva assured him that the matter would be looked into.

Mr. Pietsch moved that the HAC approve of a new lease for a term of 5 years, and that it contain the same provisions as the old lease with Airways Hotel, on the condition that all delinquencies be brought up to date. He added also that land areas adjacent to the hotel be subject to the same treatment given other tenants. Motion seconded by Mr. Furtado and carried.

AIRPORT ZONING BOARD, ALLOCATION FOR: Mr. Pietsch pointed out that according to law the HAC is to furnish assistance and funds necessary to carry on the activities of the Airport Zoning Board. He moved that \$2800 be allocated for use by the Airport Zoning Board. Motion seconded by Mr. Furtado and carried.

HONOLULU AIRPORT-HICKAM AFB, TAXIWAY TIE-IN: The Director requested confirmation of verbal approval of his action in depositing with the Army Engineers \$74,000 for construction of the taxiway tie-in with HICKAM AFB. He stated that CAA expects to participate in this project on a 50-50 basis.

Mr. Furtado moved to confirm verbal approval; seconded by Mr. Edwards and carried.

PROJECT APPLICATION, TAXIWAY EXTENSION, HONOLULU AIRPORT: The following resolution was introduced by the Secretary, read in full, considered and adopted:

Resolution Adopting and Approving the Execution of the Sponsor's Assurance Agreement To Be Submitted to the Administrator of Civil Aeronautics, U. S. Department of Commerce, to Obtain Federal Aid in the Development of the Honolulu International Airport.

Be it resolved by the Hawaii Aeronautics Commission of the Territory of Hawaii:

SECTION 1. That the Hawaii Aeronautics Commission acting on behalf of the Territory of Hawaii shall enter into a Sponsor's Assurance Agreement for the purpose of obtaining Federal aid in the development of the Honolulu International Airport and that such agreement shall be as set forth hereinbelow.

SECTION 2. That the Director is hereby authorized and directed to execute said Sponsor's Assurance Agreement in quadruplicate on behalf of the Hawaii Aeronautics Commission, and the Secretary is hereby authorized and directed to impress the official seal of this Commission and to attest said execution.

SECTION 3. That the Sponsor's Assurance Agreement referred to hereinabove shall be as follows: (See copy in HAC Files).

✓ RENTAL, LEI VENDORS' STANDS: The Director recommended that \$20.00 per month rental for each lei vendor's stand be established, pursuant to his letter to the Commission outlining cost of maintenance.

Motion approving Director's recommendation by Mr. Furtado, seconded by Mr. Pietsch and carried.

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HAWAII BAPTIST FOUNDATION: The Director reported that the Hawaii Baptist Foundation desires a 5-year lease with option for 5 year renewal on four buildings recently turned over to the HAC by the Navy -- this to bring in additional revenue of approximately \$500 monthly.

Mr. Rice moved to grant the Hawaii Baptist Foundation a 5-year lease with option for 5 year renewal covering the four buildings presently occupied by them. Motion seconded by Mr. Pietsch and carried.

STATISTICAL ASSISTANCE: The Director requested authority to contract for the services of a qualified man or firm to gather statistics, prepare annual and other reports on projects proposed and undertaken and progress made by the HAC.

Mr. Honda moved that the Director proceed with this plan and submit his recommendation at the next meeting. Motion seconded by Mr. Pietsch and carried.

PRIVATE FLYING: Mr. Elmer Leehman introduced himself to the Commission as representing the Aircraft Owners and Pilots Association of Hawaii and stated that he was appearing before the HAC to present several recommendations of the AOPAH and ask the Commission's cooperation in carrying through these recommendations. Mr. Leehman recommended that the HAC: (1) Make an investigation of the availability of fuel for small 'planes on outside islands and devise some method of providing same; (2) Seriously consider reopening Haleiwa and, if necessary, closing Kipapa (He said that Bellows Field is restricted in a sense.); (3) Seriously think of beginning a program to promote aviation of all types; and (4) Seriously consider building Tee Hangars at Honolulu Airport.

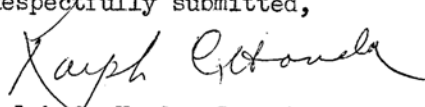
Mr. Leehman offered full assistance of his organization.

Dr. Sylva suggested that Mr. Leehman work with Mr. Mark Martin on the preparation of a plan or proposition for presentation to the Commission.

INTER-ISLAND COFFEE SHOP: Mr. Weaver recalled to the Commission's attention the fact that plans for remodeling of the Inter-Island Coffee Shop include a small cocktail lounge and bar, to which the HAC has not objected; also, that Spencecliff Corporation requested permission to apply for a liquor license a year ago.

ADJOURNMENT: The meeting was adjourned at 4:20 P.M.

Respectfully submitted,


Ralph C. Honda, Secretary