

HAWAII AERONAUTICS COMMISSION
 Regular Monthly Meeting
 Saturday, December 28, 1957

The regular monthly meeting of the Hawaii Aeronautics Commission was called to order by Dr. Francis K. Sylva, Chairman, on Saturday, December 28, 1957, at 10:07 a.m., in the Board Room of the Commission, Overseas Terminal Building, Honolulu International Airport.

A quorum of the Commission was in attendance. (See record of attendance).

GENERAL

MINUTES OF NOVEMBER 30, 1957, MEETING: It was moved by Mr. Edwards, seconded by Mr. Honda, and unanimously

VOTED: to approve the minutes of November 30, 1957, as circulated.

GROUND TRANSPORTATION: Mr. Honda explained that each year the Commission must set a policy for the ensuing year for the ground transportation service licenses.

Mr. Furtado inquired whether the Ground Transportation Committee made a study of the matter. The Chairman stated that this Committee is now defunct and dissolved.

It was moved by Mr. Edwards, seconded by Mr. Honda, and unanimously

VOTED: that the term of the annual licenses for ground transportation service operators (taxi, tours, and u-drives) at the neighbor island airports and the contracts for the three prepaid limousine operators at Honolulu (MacKenzie, Trade Winds, and Hawaiian Limousine) be extended for an additional one-year period ending December 31, 1958, under the existing rates and conditions.

HONOLULU

SCHEDULE OF RATES AND CHARGES: The Chairman stated that the Commission received a supplementary schedule of rates and charges dated December 5, 1957 from the Lockheed Air Terminal, Inc. amending the January 30, 1957 report. These rates and charges, he added, are presented in a very general way and will require further study to determine the more equitable charges for the various sections of the terminal building; such as, departures, arrivals, inter-island, etc. Suggestion was made to refer this matter to the Terminal Planning and Coordinating Committee with instructions to call in the architect, engineer, and aeronautical advisors to determine the rates to be applied to various areas in the new terminal building.

It was moved by Mr. Honda, seconded by Mr. Duponte, and unanimously

VOTED: that the matter be referred to the Terminal Planning and Coordinating Committee for further study and recommendation and report back at the next regular meeting.

Mr. Jack Schreiber, Star-Bulletin Reporter, inquired when these figures are going to be released to the public. The Chairman informed him that the Commission had just voted to refer the matter to the Terminal Planning and Coordinating Committee and when the Committee had called a meeting and had set the rates, the people (tenants and airlines) would be called in. Mr. Schreiber then inquired, "When, at least a month?" The Chairman replied, "I don't know when, but as soon as this Committee meets. It will meet before the next regular meeting and is composed of Oahu members who will call in the Architect, Engineer, DFW, CAA and Frank Der Yuen, our consultant from Lockheed, and some others from the staff and will hold meetings to determine various charges to be applied to various sections." The Chairman added that the airlines are not interested in the general and overall figure that the Commission has received but are interested in the specific figures which they will have to pay for the space they require.

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SPENCECLIFF - SKY ROOM ALTERATIONS: The Director explained that at the last meeting it was decided to refer the matter of the Spencecliff alterations to the Oahu Commissioners for study. The matter was brought to the attention of the Oahu members by the Director by telephone to the effect that Spencecliff agrees to the proposition of their making the addition at their own expense in consideration for continuance of the present rates and charges. He recommended that the Commission accept this proposal and authorize Spencecliff to proceed with the alterations subject to the staff's approval of final plans.

Mr. Honda stated that it is now the policy of this Commission, that whenever a contract or agreement is entered into, for all of the Commissioners to read the copy of the agreement and then authorize the Director to execute same. In view of the fact that this particular document has not yet been presented for study although the Commission agrees in principle on the terms as arrived between Spencecliff and our staff, it cannot take any action. However, in order to expedite the matter, it was suggested by Mr. Honda that the Director be instructed to distribute copies of the proposed contract to the Commissioners as soon as possible.

Mr. Frank Miller of Spencecliff Corporation stated that the proposal was submitted by letter in October and was completely outlined at that time. The Director agreed with Mr. Miller but added that subsequent to that time Mr. Spencer Weaver accepted the proposal and agreed to the document verbally.

Mr. Jack Bentley of the Sky Room asked whether the contract could be executed immediately before the beginning of the busy season ahead and stated it would be greatly appreciated if the Commission could act before the next meeting. Mr. Pietsch inquired why the agreement could not be approved subject to the submission of the final plans and specifications to the Director for approval.

The Chairman stated that this agreement will be under a separate document, a supplementary contract. He suggested that, in view of the numerous pending urgent items, it might be a good idea to call a special meeting. Then, if no special meeting is called, the contract in final form be circulated for approval. The policy has been, he added, that the Commissioners want to see the document in final form before the Director signs it.

Mr. Furtado stated possibly the Commission has been too lax in matters of this kind. "My concessionaire, the Skyway Lanai, for some time and up until today, has not executed the lease between the HAC and the Skyway Lanai. I think that these things should be cleared up. These people want a lease and here is another deal. These people want a lease and we should give the Director the authority to execute the document and let him go ahead."

The Assistant Director stated that we have requested our consultants, the Lockheed Air Terminal, Inc., to submit a standard lease form which we received about ten days ago and our attorney is now making certain additions and deletions and the form should be ready in a very few days.

The Chairman inquired whether this was a uniform lease form to which Mr. Walton replied, "yes."

In view of the fact that the Director is now in agreement with Mr. Spencer Weaver in regard to the alteration plans for the Sky Room, it was moved by Mr. Honda, seconded by Mr. Pietsch, and unanimously

VOTED: to authorize Spencecliff to proceed with the final plans and the staff to proceed with the agreement in final form, the agreement to be circularized or submitted to the Commission for approval before execution by the Director.

STAFF REPORT ON AIRCRAFT: The Chairman stated that this matter has been "hanging fire" for a long time and asked the Commission's pleasure on it. Mr. Furtado stated that being a Commissioner from an island

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that has four airports, "I have always felt that it would be very good for the Commission to own an aircraft. From my own personal study," he added, "I know that this expenditure would be very worthwhile; however, since this is quite a sizeable appropriation, I suggest that the Chairman appoint a Committee to make a thorough cost study and report to the Commission for definite action." This matter has been pending too long, he added. It was then moved by Mr. Furtado, seconded by Mr. Pietsch, and unanimously

VOTED: to authorize the Chairman to appoint a committee to be assisted by the staff in evaluating all data available and to come back with a report for the Commission to take definite action.

ADDITIONAL APPRAISER FOR DAMON TRACT: The Chairman stated that we have a request from the Attorney General (who is handling the case for HAC and who has retained a special Deputy Attorney General to assist him in this matter) in connection with the Damon Tract proceedings. The Special Deputy is now making certain requests and in view of the fact that HAC is depending upon the Attorney General to do this job for us, we should go along with him and offer him the "tools" which he requires in this work. Mr. Pietsch stated that since the Attorney General is in charge and has asked for an additional appraiser, the Commission has no alternative but to approve it.

The Chairman suggested that if we are considering the authorization for an additional appraiser, we should also consider the additional engineering help and any other assistance that the Attorney General may need. Mr. Pietsch felt that this was quite broad but made a motion which was seconded by Mr. Honda, who added with Mr. Pietsch's consent, to include also the necessary costs. It was then unanimously

VOTED: to authorize the Director to execute the agreement between the Hawaii Aeronautics Commission and John F. Child for Appraisal of the Damon Tract Area under Condemnation, Civil No. 3234, to authorize any additional engineering help and/or any other assistance needed by the Attorney General in connection with the Damon Tract Condemnation proceedings and also appropriate the necessary costs connected with the above.

DAMON TRACT CONDEMNATION: In accordance with the Attorney General's request, it was moved by Mr. Duponte, seconded by Mr. Pietsch, and unanimously

VOTED: that the Hawaii Aeronautics Commission authorize the deletion of a portion of Kaimana Road as requested by the Attorney General's Office in order that the total land area under condemnation (Damon Tract Condemnation, Civil No. 3234) be less than 69 acres.

There is another request, the Chairman stated, from the Attorney General's Office to allow the property owners of the Damon Tract area limited access (right turn only) at two points on the proposed main entrance road coming into the airport. This matter was discussed with the Attorney General and this would result in a certain amount of traffic that would not be under the control of the Commission. On the other hand, if not allowed, it may result in some additional cost. This matter was discussed at length and since the plan was contemplated to control the entire area (under HAC), it would involve a great deal of regulations and rules, etc.

Mr. Edwards inquired, "Why is it necessary for us to condemn the area and acquire control of it at all if we left others to control and to dictate the traffic regulations? If we don't need to control it, why should we pay for it, especially out of airport funds.?"

It was then moved by Mr. Honda, seconded by Mr. Edwards, and unanimously

VOTED: to disapprove the recommendation of the Attorney General and to proceed with this matter as originally planned.

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MAUI

KAHULUI AIRPORT - NASKA EMERGENCY HOMES LEASE: Mr. Duponte explained that the Director, the Hawaii Housing Authority executive, and himself met on Maui to discuss the matter of the lease, and as a result, an agreement is now in writing and ready for acceptance by the Commission. The Chairman stated that for some time there has been the matter of the sewerage problem, by reason of a complaint filed by the Maui Board of Health, and that matter is still pending.

Mr. Edwards stated that it would seem that if we leave them without a written agreement, and if the sewer problem became urgent and we would have to do something very expensive to meet the requirements of the Maui Board of Health, then we would simply have to say to these people, "We are sorry, you will have to vacate because we could not bring this sewer improvement up to meet the requirements of the Maui Board of Health. In all fairness, if we give them the right to occupy the property and we collect rent for it, we would then require that they take care of their proportionate share of the sewer problem." After much discussion, the Director suggested that he be allowed to have this proposed lease modified to include Mr. Edwards' suggestion that if the Maui Board of Health insists on additional sewerage improvement, to require tenants under the lease to pay for their proportionate share.

It was then moved by Mr. Duponte, seconded by Mr. Edwards, and unanimously

VOTED: that the lease for the NASKA Emergency Homes (contract between the Hawaii Aeronautics Commission and the Hawaii Housing Authority for one year beginning November 1, 1957), be approved subject to the modification that the HHA be required to pay their proportionate share for all sewerage improvements (if necessitated by reason of requirement by the Maui Board of Health) and that the Director be authorized to execute said lease on behalf of the Commission after the said modification.

HAWAII

GENERAL LYMAN FIELD - REPAINTING AND REPAIRS TO TERMINAL BUILDING: The Chairman stated that since this item was not on the agenda, he asked that the Director explain the request.

The Director stated that he circulated a memorandum to the Commission in compliance with a previous request regarding the painting and repairs to the Terminal Building at Hilo. He stated that this work was included in the 1957 operating budget and an amount of \$6,000 was allotted by the Commission. The project was separated into two parts-- Item A, Repainting of the Terminal Building and Item B, Repairs to the Roof Decks of the Terminal Building. However, the lowest bids received (tabulated by the Department of Public Works) are in excess of the allotted amount and additional funds will be required. In view of the necessity of the work, he added, to which the Commissioner from Hawaii will attest, it is recommended that the contracts for this work be awarded to the respective low bidders and the additional funds of \$2,650 be appropriated.

In view of the above, it was moved by Mr. Furtado, seconded by Mr. Duponte, and unanimously

VOTED: that the contracts for this work be awarded to the respective low bidders (Item A, S. K. Oda, Ltd.; and Item B, Honolulu Painting Company) and that the additional funds of \$2,650 be appropriated to accomplish same.

GENERAL LYMAN FIELD - REQUEST FOR SPACE PERMIT: Mr. Furtado stated that he received a request and asked permission of the Chairman to have the Secretary read the following letter:

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"Hilo, Hawaii
December 23, 1957

Mr. A. P. Storrs, Director
Hawaii Aeronautics Commission
Territory of Hawaii
Honolulu International Airport
Honolulu 17, Hawaii

Dear Sir:

I would like to request a space permit for 18,750 square feet of land located on General Lyman Field, Hilo, Hawaii, as shown on the enclosed diagram.

The purpose of the requested land will be for retailing cut flowers, plants, and if demand should arise, fresh eggs, meats and vegetables.

Enclosed is a rough sketch of the proposed building which will cost approximately SEVEN THOUSAND DOLLARS (\$7,000.00) to construct. The construction of the building will conform with the Territorial Building Code, also I feel it will be an addition to the beauty of the airport and furnish faster and better service to the traveling public.

Because of the limited time that military personnel have on their frequent visits here, I feel that this business located at the airport proper will furnish a much better service. It has been noted during the various seasonal holidays that the local retailers have been unable to fill the necessary requirements of the military, due to their overload of orders and the lack of time to make rush order deliveries.

All affirmative cooperation regarding this request will be sincerely appreciated.

Very truly yours,

/s/ H. M. Spivey
H. M. SPIVEY"

Mr. Furtado explained that Mr. Spivey has been a liaison man for military flights to Hilo and the local operation at KMC and other places. Mr. Spivey claims that he can make money and is asking for a 30-day permit and is willing to invest \$7,000. I want to assure the Commission that he's not going to run a meat market or an egg retail place; it's mostly for cut flowers and plants and he will service the military. The Director, who has been closely associated with this type of traffic, he added, has told me that it is a desired service by the military. Mr. Furtado inquired whether there would be a possibility of giving these people, say possibly a 5-year lease and a concession, at the going ground rental and eventually get a percentage of the gross after they get a chance to amortize this. He then directed the question to the Deputy Attorney General.

Mr. Andrew Lee, Deputy Attorney General, answered, "First, in regard to retailing of eggs, meat and vegetables--it is probably objectionable because it has no connection with airline needs. However, when you get to retailing of cut flowers, it would be very similar to our present floral concession--we have several on the airports."

Mr. Furtado then asked Mr. Lee, "Can we give them a right--a concession--for cut flowers, plants and servicing of military personnel and others as far as their shopping needs are required?" Mr. Lee replied, "As far as the cut flowers are concerned, there would be no objection, but the granting of a concession under a 5-year lease is generally put out for public bid."

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Mr. Furtado then inquired of Mr. Dolan what CAA would have to say about this. Mr. Dolan replied that since this is a surplus airport, any permit or lease within the airport boundary must be reviewed by CAA. However, he added, for concession similar to what you have in this building, we don't generally participate. This is the usual procedure for the leasing of aeronautical property for other than aeronautical purposes--I do not think that it will be necessary for us to review it.

After much discussion, it was moved by Mr. Honda that this matter be referred to the staff for study and negotiation and report back to the next meeting. Motion died due to lack of second.

Mr. Furtado stated that his idea was for approval in principle to allow the selling of cut flowers and plants and the details to be worked out later. Mr. Honda felt and re-stated that his motion was for further study and did not include approval in principle.

Mr. Pietsch felt that it was a good idea to study the matter further. Mr. Honda reiterated that he was in favor of this type of business but felt that the Commission should be sure about making the right move and wanted to be open-minded about the matter.

Mr. Edwards stated that a possible point that was being overlooked was that if we should give him this 30-day space permit and he does not have a definite period over which to amortize his building, tax-wise, and otherwise, he will discover that he is in a very unfavorable situation and this Commission will shortly be approached then on the basis of sympathy of the great injustice we are doing, of the building he built, etc. I believe, he added, that it would be unwise to permit anyone to enter into such an agreement without fully recognizing the hazards involved. He should be made fully aware of this, and completely informed and while he himself might be willing to go ahead, I think it unwise of this Commission to enter into an agreement in any way that took advantage of him and not look into the probability of having to give him the lease a little later on. I think that it would be better to give him the lease to begin with.

Mr. Pietsch stated that this type of thing should not be brought up on the spur of the moment. I realize, he stated, that possibly things are handed to the Commissioners from the neighbor islands at the last moment, but nevertheless, this is just the type of thing we should make a staff decision on. In view of the above, Mr. Furtado moved, which was seconded by Mr. Honda, and unanimously

VOTED: to refer the matter to the staff for further study and recommendation.

HONOLULU

HONOLULU INTERNATIONAL AIRPORT - CARTER'S GIFT SHOP: The Chairman inquired whether there was any further business.

The Director stated that he wanted to report that Carter's Camera and Gift Shop in October had made a proposal to do alterations at their own expense to enlarge their facilities at the terminal building in Honolulu.

After study, the staff felt that it was not desirable to present the Commission with the proposition because it would specifically encroach on other concessionaires and the arrangement was not practical at this time. He added, I want to take the opportunity at this time to say that Mr. Carter, when we finally answered, in good nature accepted the decision and stated that he then would like to have permission to refurbish the present place with new shelves and displays, put in new furnishings and things which he thought would be better for the business.

The Chairman thanked the Director for his report.

ADJOURNMENT: There being no further business, the meeting was adjourned at 10:58 a.m.

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ATTENDANCE:

Hawaii Aeronautics Commission

Present: Dr. Francis K. Sylva, Chairman
 Mr. Dorsey W. Edwards, Vice Chairman (Kauai)
 Mr. Ralph C. Honda, Secretary
 Mr. David Furtado, Vice Secretary (Hawaii)
 Mr. George Kobayashi, Member
 Mr. Charles J. Pietsch, Jr., Member
 Mr. Lionel V. Duponte, Member (Maui)

Absent: Mr. Joseph V. Hodgson, Member
 Mr. Emory Bronte, Member

In attendance: Mr. A. P. Storrs, Director of Aeronautics
 Mr. R. M. Walton, Assistant Director
 Mr. D. Lee Grubb, Hawaiian Airlines, Ltd.
 Mr. Jack Bentley, Sky Room
 Mr. Frank Miller, Spencecliff Corporation
 Mr. Ira Mercer, Radio-Television Corporation
 Mr. Clyde Carlstrand, Civil Aeronautics Administration
 Mr. Wallace T. Waterhouse, Murrayair, Ltd.
 Mrs. Lois James, Self
 Major W. H. Maxwell, Base Operations Office, Hickam
 Air Force Base
 Mr. John V. Dolan, Civil Aeronautics Administration
 Mr. Clem Akina, Jr., Hawaiian Airlines, Ltd.
 Mr. Jack Tobin, Hawaiian Airlines, Ltd.
 Mr. G. W. Werstlein, Hawaiian Aircraft Sales, Ltd.
 Mr. Art Carter, Airport Gift Shop
 Mr. W. Carson, United Air Lines
 Mr. Jack Schreiber, Honolulu Star-Bulletin
 Mr. Ken Wetherell, Qantas
 Mr. Mark E. Martin, HAC
 Mr. Andrew Lee, HAC
 Mr. Bo Tong Wat, HAC

Respectfully submitted,



Ralph C. Honda, Secretary