

Monday, Aug. 20, 1990

PACIFIC BUSINESS NEWS

Thrifty franchise sold

By James Gonser

The local franchise of Thrifty Rent-A-Car this month was sold to Mainland businessmen for an undisclosed amount.

Philip J. Kirley, president of Thrifty in Hawaii, last week said the buyers are a partnership of Bernie Ebberts of Jackson, Miss., and Patrick Flinn of Houston.

Kirley said his company has seven Hawaii locations and about 70 employees. All will be retained by the new owners.

Kirley said the family-run business is being sold

because to grow in the rental-car business in Hawaii takes more capital than the family has to invest. Thrifty had been operated by Kirley, his wife, Pat, and two daughters, Susan and Angie.

Kirley said the new owners plan to expand the fleet and enlarge the company's facilities. The new owners could not be reached for comment.

Thrifty Rent-A-Car has a fleet of 850 cars in Hawaii. It has airport locations at Hilo and Kona on the Big Island, as well as on Maui and Kauai.

Kirley acquired the Thrifty franchise in 1978.

Westin down until early 1993; but golf courses will open soon

KALAPAKI BAY — Although the Westin Kauai will remain closed until early 1993, progress toward re-opening is being made.

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Hemmeter/VMS, the property owner, has designated restoration teams and is developing the construction schedules.

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According to Coco Palms General Manager Byron Moku, the hurricane caused very little structural damage to the property. There was some water and wind damage, with ocean-side areas the most affected by the storm. All structures are still standing at the 39-year-old property, including the thatched-roof cottages, the museum, and the famous wedding chapel. In fact, notes Moku, two weddings took place in the chapel the day after the hurricane, and the last hotel guest checked out four days later. The heaviest damage to Coco Palms occurred in its landscaping and the historic coconut grove. Some of the older trees did not withstand the storm, but most of the grove is still intact and the young trees appear healthy.

"We have much to be thankful for," says Moku. "None of our guests or employees were injured through the hurricane, and everything that makes Coco Palms special is still intact — including its aloha. We say thank you to everyone who is helping

in the recovery process for Coco Palms and the island. The Aloha Spirit is very much in evidence on Kauai."

Moku says it will be some time before final damage assessments are completed, and specific plans for repair and reopening will follow. "The

hotel could be operative before six months time," notes Moku, "but we want to plan and rebuild carefully so Coco Palms comes back better than ever. We will take whatever time is necessary to do it right."

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due to Hurricane Iniki is temporary. We will be returning to Kauai as soon as the island is ready to accept our passengers."

Ferretti continues, "Since we are a self contained operation, we don't have the same requirements that the hotels on the Island of Kauai might have, so we believe it won't take long before we are able to return to our normal schedule."

American Hawaii offers three four- and seven-day inter-island cruises, calling on the Big Island of Hawaii, Maui and Kauai. The revised itineraries until the ships can call on Kauai, include a day and a half at Hilo and a day in Kona.

For more info call 800-765-7000

Reaching out to Japan Exporting flowers, welcoming visitors

By PAUL C. CURTIS

LIHUE — The importance of continually touching bases with the important people in Japan who can



Chris Cook

send free-spending Japanese visitors to the island is not lost on Chris Cook.

During a recent trip to Japan, Cook, an economic development specialist with the county Office of Economic Development, visited Osaka travel agencies to see how they marketed Hawaii and Kauai.

He also gave custom-made "Come to Life on Kauai" coffee mugs to members of the Osaka Hawaii Promotions Committee, of which Mayor Yukimura is a member.

Cook also spent the better part of a day with the Aloha Airlines representative in Osaka, which is Japan's second-largest city (behind Tokyo).

While it's too early to tell if the multi-faceted promotional trip (read on) will pay off in more or new Japanese visitors to Kauai, it has al-

ready resulted in one important visitor to the island.

See Aloha on A-12

The state Senate Tacbian, Fernandez some of the issues

LIHUE — After literally weeks of constant questioning by *Kauai Times* reporters on the issues facing them in this Saturday's Primary Election, both incumbent state Sen. Lehua Fernandez Salling and Democratic challenger Teofilo "Phil" Tacbian responded in writing to a series of questions.

They were both asked their opinions on the proposed Maalo Road Kapaia-to-Wailua Homesteads mauka bypass.

"I am opposed to the Maalo-Kuamoo Road bypass for the following reasons," Tacbian said:

"It will impact Lihue Plantation Company and their operations in that

said John Harder, the county's solid waste coordinator.

It appears that the phenomenally-successful pilot recycling project (centered at the Lihue Recycling Center at the Lihue Shopping Center) and the fledgling pilot composting project at Halehaka Sanitary Landfill, have done both — provided learning opportunities and been successful in diverting tons of waste from the landfills.

The pilot projects are also designed to make unnecessary the need for still more studies on the

area. At a time when Congress is fighting so hard to keep sugar alive in Hawaii, no state official should try to destroy the biggest sugar operation on Kauai and threaten the future of their 500-plus employees.

"It will impact the residents of Wailua Homesteads, who already have to travel extremely-narrow roads with dangerous curves and slopes and utility poles too close to the roadway.

"The traveling public will be exposed to a narrow and dangerous road that is very prone to flood conditions, high drop-offs and sharp curves," he said, referring to Maalo Road.

"The state of Hawaii, as owners of the road, will be subject to great liability risks should any accident occur as the result of deficiencies of the road.

"Putting the road on hold means that the state can at any time continue with plans to build the road. The only solution is to terminate this plan and proceed with plans for a permanent bypass," Tacbian noted.

"I've always believed that our community should have alternatives to relieving our traffic problems," Fernandez Salling said.

"And being Transportation (Committee) chairman (in the Senate) gave me the opportunity to provide one more possible solution



Randal VALENCIANO

*Democratic candidate for
the Kauai County Council*

QUALIFICATIONS:

Educational:

- Waimea High School
Class President
- University of Oregon
Bachelor of Science Degree
Political Science
- University of Washington
School of Law
Juris Doctor Degree

Awards:

- Outstanding Young Men of
America
- Who's Who in American Law

Professional:

- Deputy Public Defender
- Deputy Prosecuting Attorney
- General Partner
Valenciano and
Zenger Law Offices

Endorsed by:

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- HGEA
- AFL-CIO

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3016 Umi St., Lihue, HI 96766*



Teofilo "Phil" Tacbian

State Farm sued for failing to pay

By PETER WOLF

LIHUE — It what is apparently the first suit of its kind to arise as a result of Hurricane Iniki, State Farm Insurance has been sued for recovery of losses and punitive and special damages to be determined at trial.

Gregg Gardiner and Lisa DeRock, of Lihue, have filed a complaint in the Fifth Circuit Court alleging that State Farm was

negligent, failed to exercise proper skills, breached and reformed a contract and made negligent misrepresentations.

Kurt Swinburnson, attorney for Gardiner and DeRock, says that he believes this is the first suit filed against an insurance company for "acting in bad faith."

While State Farm did pay Gardiner and DeRock policy limits for hurricane damage and later for water damage — \$50,000, plus \$3,000 in incidental expenses —

Gardiner alleges that the company failed to deliver on an \$8,000 policy rider specifically for a home computer system.

Gardiner, who is president of Wolf Publishing Company, Inc., says that his home computer system was virtually destroyed by hurricane and rain damage. He places his loss at somewhere near \$17,000.

"It is a matter of principal," Gardiner says, who feels others
See STATE on A-9

HIG calls it quits

By SUE DIXON-STONG

LIHUE — With the demise, last week, of Hawaiian Insurance Group, thousands of Kauai property owners will be in the market for new carriers.

The word from those close to the scene is that buying coverage may not be easy, and it certainly won't be inexpensive.

"Some insurance companies have indicated privately that they will no longer write on Kauai," said Scott Shirai, an HIG spokesman.

Shirai said part of the problem

is Iniki's impact on reinsurance companies, which are used by insurance companies to help cover large losses.

"The reinsurance market globally has said, since Iniki, that they now consider Hawaii a hurricane state, meaning that some of them are not going to touch Hawaii," he said. Others will do business here but at perhaps three to four times the cost charged before the hurricane.

With the cost of reinsurance coverage up as well as the need for all insurance companies to begin to recover Iniki losses, premiums will rise and property owners can

be expected to have difficulty even buying insurance, Shirai said.

That forecast was echoed by state Insurance Commissioner Linda Chu Takayama. Consumers can expect to have more difficulty getting insurance as well as higher rates, she said. That's why she is urging HIG policyholders to start shopping around.

Hawaii isn't the only state to fall out of reinsurers' favor. "The reinsurance market in Florida and Hawaii is going to dry up," said William V. Greenspan, executive vice president of the San Fran-
See HAWAIIAN on A-9

Menno a bette

LIHUE — Mennonite Service volunteers have with a concept that could be easier for families waiting to be rebuilt or repaired.

They have designed and temporary wash house containing shower, toilet, basin and hot tank. The structure can be placed on the building site and connected to existing sewer and water. Once work on the house

Kauai into c

By MARY DAUBER

HONOLULU — When flight no. 208 takes off from Airport, landing on Oahu is just a stop for its school-age passengers and their teachers.

Their final destination is space."

Through Dec. 16, nearly 100 Kauai keikis from four elementary schools - Koloa, Wilcox, Kingman, and Hanalei - will travel to Oahu and visit Space Expo '88, an exhibition highlighting space exploration and education at Bishop Museum.

Displays by seven NASA and eleven aerospace companies and international space agencies in Europe, North American and Pacific are featured in the exhibit.

To enable school children from Kauai and other neighbor islands

KAUAI'S BEST READ AND ONLY NATIONAL AWARD WINNING

Expert says Iniki clean-up will usher in economic boom times

Hurricane Iniki, which stormed Hawaii on Friday, Sept. 11, 1992, took its toll on the island of Kauai with damage totals estimated over \$1 billion.

In the following statement, Bank of Hawaii chief economist, David Ramsour, discusses the economic impact of Hurricane Iniki on Hawaii, particularly Kaua'i.

It is always difficult to speak of the economic consequences of a disaster in a detached manner without appearing insensitive, but at the risk of doing so it should be stated at the outset that economic activity in areas affected by Hurricane Iniki will rise considerably in the next few weeks and months above levels that would have been normal. Many income streams will be interrupted for varying lengths of time, but to the extent that new capital flows into affected areas to fund rebuilding, total income levels will probably be higher than otherwise.

Construction activity will experience the most conspicuous acceleration in affected areas, rising to levels many times higher than

normal. The impact of rebuilding efforts will be much larger than that of Hurricane Iwa 10 years ago, which resulted in construction levels on Kaua'i over a period of six months that were as much as 10 times the normal rate. It is clear that both the extent and duration of reconstruction resulting from Iniki on Kaua'i in particular will far exceed those multiples and will last well into 1993.

Construction activity for the entire state in 1992 is now likely to rise above the already surprisingly strong outlook of just under \$4 billion. In view of the probable delays and postponements of many other projects while Kaua'i is being rebuilt, the state could very well see construction rising rather than falling in 1993. This would result in a sustained construction of unusual dimensions for the state.

Although incomes generated by this activity on Kaua'i will exceed normal levels, reconstruction will also involve absolute losses in revenues and wealth for many of the families and firms on the island, and recovery from that will not be complete for several years. Many crop producers have from one to eight years of

recovery to live with, depending upon their product. While most industrial and service establishments can be back in production within a few weeks or months, lost revenue and funds expending in rebuilding will take several years to completely absorb.

Hotel facilities on Kaua'i, which may take up to a year to restore, may suffer losses beyond that period if the perceptions of potential visitors regarding permanent damage are not dispelled. In view of the island's already low visitor activity in 1992, it is not clear what the extent of greater revenue loss may be for 1993. The statewide visitor industry will be more than able to absorb visitors diverted from Kaua'i, and in that sense may benefit to some extent if visitor markets abroad can be convinced of the storm's limited impact.

From a purely economic standpoint, the next 12 months are likely to see higher than normal production as capital flows into affected areas. A key to longer-term recovery will lie in how well organized and effectively the resources now being harnessed can be put to work in a logistically difficult island setting.

Local airlines are hit hard by Iniki

HONOLULU (AP) — Aloha and Hawaiian airlines say they won't be able to recoup losses from Hurricane Iniki.

The airlines say they lost millions of dollars in revenue and will continue to feel the negative financial effects for months.

Aloha says the hurricane will cause it to lose money this year — the first time in eight years it won't post a profit.

Both airlines say between 20 and 30 percent of their interisland business comes from travel to Kaua'i.

Hawaiian, which has been struggling to recover from serious financial woes, says it lost 35,000 passengers scheduled to fly to Kaua'i since the hurricane struck 13 days ago.

Hawaiian Airlines President John Ueberroth says the hurricane isn't good for Hawaii. "If it's not good for Hawaii, it's not good for us," he said.

Aloha says it spent \$150,000 a day to operate dozens of emergency flights to ferry visitors off the Garden Island in the days after the hurricane.

Lawsuit will complicate recovery of Marcos money

MANILA, Philippines (AP) — Human rights lawyers Friday hailed a U.S. court decision finding Ferdinand Marcos' estate liable for torture as a triumph of civil rights and a warning to national leaders against abusing their citizens.

One prominent lawyer said the decision, reached Thursday by a federal court jury in Honolulu, could lead to similar lawsuits by alleged victims of abuses under Marcos' successor, former President Corazon Aquino.

The jury in Honolulu found that the estate of the late Philippine president was liable for torture and other atrocities committed against political opponents during his 20-year rule, which ended with his ouster in 1986.

A separate trial will be held on how much the estate must pay the plaintiffs. The lawsuit seeks damages of \$2 million for each torture victim and \$3 million for each

message not only to dictators but even to other heads of state ..."

Capulong said some alleged human rights victims were considering filing suit for damages suffered under the Aquino administration. Amnesty International and other human rights organizations said similar abuses continued through Mrs. Aquino's term which ended last June 30.

There was no immediate comment from Marcos' widow, Imelda. She returned from exile in Hawaii last November and finished fifth in the five-member presidential election won by Fidel Ramos.

Ramos served as chief of the national police during the darkest days of the Marcos era.

The judgment could also complicate the Philippine government's efforts to recover Marcos assets that it claims were looted from the country's treasury.

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FROM
**JOANNE
WATANABE**

*To the voters and all of those who worked so hard on my campaign and **ESPECIALLY** to the people of Kauai who have shown such amazing spirit & strength in the wake of Hurricane Iniki. Kauai's wealth is its people. Let's continue to support each other.*

Paid for by Friends of Joanne Watanabe, P.O. Box 117, Waimea, HI 96796

severe, damage to Poipu Bay is relatively not serious," said Akira Iniki's 105-mile-per-hour winds, the winds also brought salt spray, which

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Hotels project tentative opening dates

LIHU'E—Kaua'i's visitor industry is rebuilding and making plans to reopen units and accept visitors after Jan. 1, 1993.

At a meeting of the Kauai Advertising Group (KAG), the association directors reported that while some resorts can open immediately, FEMA officials and insurance employees will be occupying available rooms for the next couple of months.

Many of the properties projecting longer rebuilding times are

using this time not merely to restore facilities to their pre-hurricane state, but to implement additional renovation and refurbishment plans.

The Kauai Advertising Group is also developing the "Kauai Hotline," an 800 number and fax line that will be available to consumers and travel agents for updates on the situation on Kauai. The KAG predicts to have the hotline in place by mid-October.

The Kauai Advertising Group is

a cooperative ad hoc committee made up of the HVB-Kauai Chapter, Kauai County, Royal Coconut Coast Resort Association, Princeville and Hanalei Bay Resort Association, Poipu Beach Resort Association and Kalapaki Bay Resort Association.

Details on the hotline and on the following properties will be updated in the next two weeks.

■ ROYAL COCONUT COAST
(East Kauai)

The following properties will be

operational when power is restored (either by generator or electric cables), probably within one to two weeks, as reported by Chris Chang, executive director of the Royal Coconut Coast Resort Association;

Hotel Coral Reef, Poipu Kai,
Kapaa Shores, Mokihana, Kauai
Coconut Beach Hotel, Islander on
the Beach, Plantation Hale, Kauai
Resort, Hale Lihue, Aston Kauai
Beach Villas, and Tip Top

Kauai Hilton is currently operating and the Wailua Bay View will

open Oct. 30. Information was not available on Coco Palms. Kaua'i BeachBoy still had no definite opening date.

■ **PRINCEVILLE (North Kauai)**
Tani Bova, director of corporate communications and marketing, Princeville Resort Corporation reported that Princeville Hotel will open in the first half of 1993. Eighteen holes of the Makai Course will open for play to the public in the next two weeks.

Princeville Airport is open and

accommodating Aloha Island Air flights on a limited basis.

Hanalei Bay Resort - Open mid-January; restaurant and lounge open

immediately.

■ POIPU

Margy Parker, executive director, Poipu Beach Resort Association reported that the Hyatt Regency Kaua'i plans to reopen between Dec. 15 and Jan. 1. The hotel suf-

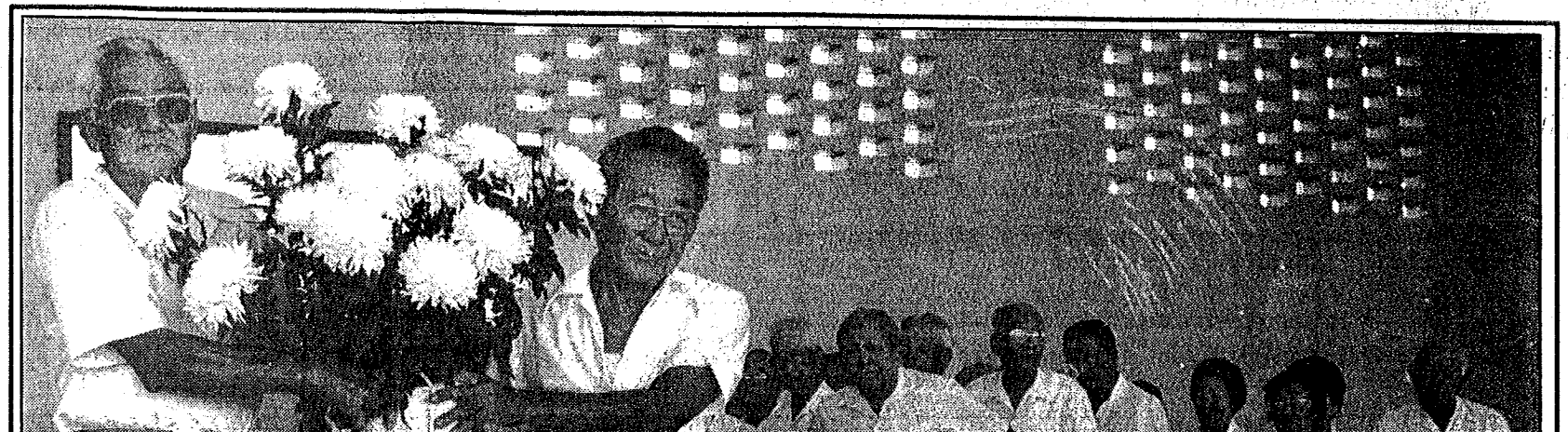
(See Hotels on Page 2)

HHC gives break to homesteaders

The Hawaiian Homes Commission has agreed to postpone mortgage payments for lessees statewide who have suffered major losses from Hurricane Iniki.

The decision will allow qualified native Hawaiian homesteaders to postpone payments for six months.

the workers themselves need to repair their own homes and put their lives back together," said HHC chair Hoaliku Drake. "We hope to alleviate their concerns about making mortgage payments, so the people can concentrate on the task of rebuilding their island."



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