

Pease Development Authority Airport Committee Public Meeting on Monday, May 11

The Pease Development Authority Airport Committee will hold its meeting on Monday, May 11, 2015 at 6:00 p.m. in the Board Room of the PDA Offices, 55 International Drive, Pease International Tradeport. The primary agenda item will be to discuss a proposal by Coastal Aviation Services (a subsidiary of SeaCoast Helicopters, LLC) to sell aircraft. The recommendation vote by the Airport Committee to the Board of Directors will be to verify that the request meets the “Minimum Standards for Commercial and Noncommercial General Aviation Operations.” The minimum standards can be found at the following link: <http://www.peasedev.org/pdf/AirportMinimumStandards.pdf>

For further information, please contact the Authority office at (603) 433-6088.

March 27, 2015

John P. Bohenko, City Manager
City of Portsmouth
One Junkins Avenue
Portsmouth, NH 03801

Re: Information request regarding Seacoast Helicopters

Dear John:

At the request of Councilor Zelita Morgan, you have asked for information regarding a tentatively scheduled meeting of PDA's Airport Committee. As you are aware, the Airport Committee members are Directors Preston, Allard, and Lamson. The pending date and time of the meeting is Monday, May 11, 2015 at 6:30 p.m.

In addition to the initial request, on March 27, 2015 Councilor Morgan requested a response to two questions. Councilor Morgan's e-mail is attached for reference by those copied on this letter.

On or about February 25, 2015, the PDA Airport Manager, following an article published in the Portsmouth Herald (attached for reference), contacted Seacoast Helicopters and Port City Air, our fixed based operator, regarding a joint venture for Aircraft Sales. Specifically, Seacoast Helicopters will become a dealership for the sale of helicopters manufactured by Robinson Helicopter Company, based in Torrance, California. Please note that the term Aircraft means any aeronautical device, including but not limited to helicopters.

It is our present understanding that Port City Air, as a full service fixed based operator, will enter into a subcontractor arrangement with Seacoast Helicopters. PDA will not be a party to any agreement between Seacoast Helicopters and Port City Air. (Salient provisions of the Minimum Standards for Commercial and Noncommercial General Aviation Operators revised to August 16, 2007 are attached for ease of reference.)

The determination to be made by the Airport Committee, based upon the review of the application by Airport staff and the recommendation of the Executive Director, will be whether the application of Seacoast Helicopters to conduct Aircraft Sales meets the minimum service standards set forth in Article 4, Section 4.02 of the Minimum Standards. No approvals are required prior to the Airport Committee meeting.

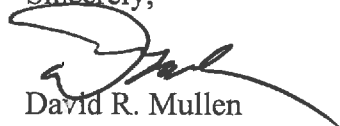
John P. Bohenko, City Manager
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Following a recommendation by the Airport Committee, the request will move to the full Board for action at its regularly scheduled meeting on May 21, 2015.

Also at the Airport Committee meeting, staff anticipates a request by Plane Sense, an Aircraft Fractional Ownership Management Company based at the Airport, or one of its affiliate companies, to conduct an Exempt Flying Club for its employees. The applicable minimum standards to this non-commercial operation are also attached hereto.

If you have any other questions or require any additional information, please let me know.

Sincerely,



David R. Mullen
Executive Director

Enclosures

cc. PDA Board of Directors
Bill Hopper, Airport Manager
Lynn Hinchee, General Counsel

Attachment 1

"E-mail dated March 27, 2015"

Dave Mullen

From: John P. Bohenko [jpbohenko@cityofportsmouth.com]
Sent: Friday, March 27, 2015 7:38 AM
To: Dave Mullen
Subject: Fwd: Helicopter operations

Dave
When you provide me the memo from Lynn could you please also provide the information requested by Zelita Morgan in her email below. Thank you.
John

Begin forwarded message:

From: Councilor Zelita Morgan <morgancitycouncil@gmail.com>
Date: March 27, 2015 at 4:54:36 AM EDT
To: "John P. Bohenko" <jpbohenko@cityofportsmouth.com>
Cc: Bob Lister <RJL603nh@gmail.com>, Jim Splaine <jimsplaineportsmouth@gmail.com>
Subject: Re: Helicopter operations

Hi John

Thanks. While you wait for Mullen with that information, could you please provide me with the following information:

1. Date when the helicopter company initiated discussions with the PDA on this;
2. How far along they are in the process: what approvals they are supposed to obtain and which ones have they got so far.

Thanks,
Zelita

Attachment 2

"Seacoast Helicopters enters the selling business."



By Jeff McMenemy
jmcmenemy@seacoastonline.com

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February 24, 2015 3:11PM

Seacoast Helicopters enters the selling business

PORTSMOUTH — Seacoast Helicopters, the company that angered some downtown residents by using their red helicopters to give tours, is now an official dealership for the Robinson choppers.

Bruce Cultrera, owner of Seacoast Helicopters, announced Tuesday that his company has entered into a joint venture with Port City Air to begin selling and servicing Robinson helicopters.

"It came about from our desire to offer full helicopter services to the Northeast," Cultrera said during an interview Tuesday. "There's actually not another dealership north of Virginia."

Cultrera described the new business — which is called Coastal Aviation Services — as an effort to capture a "market niche" that exists in the industry.

"The way the responsibilities break down is Seacoast Helicopters is responsible for sales and Port City Air is responsible for service," Cultrera said. "That way it's a one-stop shop."

He acknowledged the business is competing "in kind of a narrow market," but he believes there's enough of a demand to be successful.

"Robinson Helicopters are becoming very popular," Cultrera said. "They're very, very economical to operate."

But Cultrera acknowledged the investment by the business partners is substantial.

The estimated cost for the Robinson R22, the smallest of the three models they'll be selling, is \$280,000 "nicely equipped."

The next size up, the R44, will cost roughly \$540,000 and the R66 will cost approximately \$980,000.

"Our plan is to have demo models by this summer," Cultrera said. "We're in the process of buying one of each model as demonstrators."

Seacoast Helicopters already uses each model in its touring and training business, Cultrera said, so anyone interested in buying a new Robinson can "go for a ride" in one of their choppers before ordering a new one.

"It's a risk, just like anything else," Cultrera said about the investment Coastal Aviation Services is making. "Any business that you start there's a certain amount of risk involved. The monetary risk is significantly higher than most small businesses."

The R22 is a two-seater typically used for training, while the R44 is a four-seat helicopter often used for touring. The R66 is a five-seat chopper used as a charter, Cultrera said.

"A comfortable range leaving fuel reserves is close to 300 miles," Cultrera said about the R66. "We can make it to New York and we do it all the time from Portsmouth."

Despite the number of complaints the Pease Development Authority received about Seacoast Helicopters' tours of the downtown, Cultrera says it will be business as usual for the red touring helicopters this year.

"The tour business is going to be pretty much the same as last summer," Cultrera said.

The company actually offers the tours year-round and Cultrera has said repeatedly he believes they help increase tourism in the city.

"Summer is obviously our busy time, but we still do anniversaries, birthdays and special occasions during the winter," Cultrera said.

Seacoast Helicopters is also continuing to work with Great Bay Community College to create a new curriculum for people who want to learn how to fly or service helicopters.

Cultrera hopes they will have their first class of GBCC students "sometime this spring."

Working with GBCC has been "absolutely awesome," Cultrera said, and he is excited about the new flying academy.

"We're a perfect compliment," Cultrera said. "Both of my parents were teachers and teaching is in my blood."



Seacoast Helicopters is entering into a joint venture with Port City Air to begin selling and servicing Robinson helicopters. Photo by Fred Bezuchetne, File

<http://www.seacoastonline.com/article/20150224/NEWS/150229559>

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Attachment 3

"Minimum Standards"

Section 1.02 a.

1.02 DEFINITIONS

As used in these Minimum Standards, the following terms will have the following meanings:

a. "Aircraft" means any aeronautical device including, but not limited to, powered aircraft, gliders, ultra lights, kites, helicopters, gyroscopes, gyro copters, ground effect machines, and balloons.

Section 2.07

2.07 MINIMUM SERVICE STANDARDS-PERMITTED SERVICES

A Full-Service Fixed Base Operator may provide any or all of the permitted services listed in Article 3 and shall be subject to the minimum standards and requirements for Limited Service Specialty Operators set forth in Article 3 of these Minimum Standards.

Article 4

AIRCRAFT SALES

4.01 GENERAL

Any Entity wishing to sell new or used Aircraft shall be required either to (1) enter into a Full-Service Fixed Base Operator agreement and meet the requirements of this class of service provider or (2) enter into a subcontractor arrangement with an Entity that has a valid Full-Service Fixed Base Operator agreement with the Airport.

4.02 MINIMUM SERVICE STANDARDS

If Aircraft sales services are offered by an Entity, that Entity shall meet the following requirements and provide the following services at least 8 hours per day, 5 days per week, and shall offer on-call services on at least one additional day per week.

a. Obtain a sales franchise or dealership agreement with an accredited Aircraft manufacturer, if the sale of new Aircraft is proposed.

b. Employ as many qualified pilots (current and rated) as needed to demonstrate all the models being offered for sale.

c. Establish an inventory of all new and used Aircraft for sale and provide a quarterly inventory report to the Airport Manager stating all Aircraft transactions.

Section 5.03 a.

5.03 FLYING CLUBS

a. Exempt Flying Clubs

A flying club shall be exempt from the requirements of these Minimum Standards if that flying club meets the following conditions. Violation of such conditions shall be grounds for termination of a flying club's exempt status.

1. The flying club must be a non-profit New Hampshire corporation or partnership.
2. Each member of the flying club must be a bona fide owner of the Aircraft or be a member of the corporation or a partner in the partnership operating the flying club.
3. The flying club may not realize a profit from the operation, maintenance, or replacement of its Aircraft.
4. Flying club Aircraft may not be used by other than bona fide members for rental and by no one for commercial operations.
5. Flight instruction may not be given in flying club Aircraft except when such instruction is given by a Commercial Operator based on the Airport authorized to provide flight instruction or by an instructor who does not receive remuneration in any manner for such service.
6. The flying club shall file with the Airport Manager a copy of its bylaws, articles of incorporation, partnership agreement, or other documents supporting its existence; a complete and current list of the flying club's membership including names of officers and directors; evidence that ownership of flying club Aircraft is vested in the flying club; and the operating rules of the flying club. The books and other records of the flying club shall be available for review at any reasonable time by the Airport Manager or his/her representative.
7. Flying club Aircraft must have a current New Hampshire aircraft registration.

Note: A full copy of the "MINIMUM STANDARDS FOR COMMERCIAL AND NONCOMMERCIAL GENERAL AVIATION OPERATORS" may be found at:

www.peasedev.org then go to:

- "About Us"
- "Facilities/Engineering"
- "Land Use Controls"