

**PEASE DEVELOPMENT AUTHORITY
AIRPORT COMMITTEE**

AMENDED AGENDA

Date: May 11, 2015
Time: 6:00 PM
Place: 55 International Drive, Pease International Tradeport

- I. Call to Order (Chairman Preston)
- II. Acceptance of Minutes: November 19, 2014*
- III. Aircraft Sales Proposal — Coastal Aviation Services
Presentation
- IV. Public Comment
- V. Coastal Aviation Services* (Allard)
- VI. Airport Brief Report (Hopper)
- VII. New Business
- VIII. Adjournment
- IX. Press Questions

* Related Materials Attached

** Related Materials Previously Sent

*** Related Material will be Provided Under Separate Cover
Confidential Materials

PEASE DEVELOPMENT AUTHORITY
Airport Committee
November 19, 2014
Minutes

PRESIDING: Robert Preston
PRESENT: Robert Allard, Margaret Lamson
ATTENDING: Mark Byrne, John Bohenko, David Mullen, Bill Hopper, Maria Stowell, Lynn Hinchee, and Additional Members of the Public and PDA Staff Members.

I. Call to Order:

Committee Chair Robert Preston called the meeting to order at 9:15 a.m. in the PDA Board Room, Pease International Tradeport, 55 International Drive, Portsmouth, NH.

II. Acceptance of Minutes:

Director Allard made a motion, and Director Lamson seconded to approve the minutes of August 12, 2013. Disposition: Resolved by unanimous roll call vote, motion carries.

III. Old Business:

No old business.

IV. New Business:

Granite Star, LLC proposal and application: A recess was called by Chairman Preston at 9:20 a.m. Chairman Preston called the meeting back to order 9:40 a.m. and recognized Mr. Byrne. Mr. Byrne explained that he proposed a two-phase project for a new Fixed Base Operator (FBO) focused initially on the full range of services required to meet minimum standards for an FBO, with the medium term goal of expanding into aircraft maintenance for corporate jets. In particular, the maintenance operation would focus on the installation of avionics electronics. Mr. Byrne estimates there are about 4,000 jets that will require upgraded avionics over the next four to five years to meet new standards. Mr. Byrne expressed that this business would be high margin and profitable, and that skilled avionics technicians can be found in the local area due to military downsizing. Avionics maintenance is also not polluting or noisy, and won't generate a large volume of air traffic. Mr. Byrne is knowledgeable about this field of maintenance due to personally flying five different types of jets and fifteen different aircraft altogether, and has supervised avionics installations before.

Chairman Preston asked if Mr. Byrne planned to focus only on jet maintenance, or if he intended to open a flight school? Mr. Byrne responded that he currently has no plans for a flight school. He

expressed that he would rather foster the development of the current flight school at the airport rather than directly compete.

Director Allard asked where the nearest competitor for this type of business was located? Mr. Byrne replied that there is a small company called ProStar in Manchester, NH. Large competitors would be Duncan in Lincoln, NE, and there's another company in Michigan.

Director Lamson asked if Mr. Byrne anticipated a helicopter operation in his business? Mr. Byrne said that a maintenance operation directed at helicopters is not currently in his business plan, especially since there is already a helicopter maintenance facility on the airfield. Mr. Byrne also clarified that he did not imply that his business would generate no noise, but the maintenance his business would perform would not require running aircraft engines. Therefore the amount of noise generated would be significantly less compared to a maintenance operation focused on engine maintenance.

Director Allard asked how many employees Mr. Byrne anticipates hiring? Mr. Byrne believes he will require 10-12 employees for the first phase of his operation. As the business enters the second phase, he will start with hiring a senior electronics technician to help plan that side of the business, and he anticipates hiring an additional six electronics technicians. Mr. Byrne also explained that he has an affiliation with a company that he founded called Longtail Aviation, based in Bermuda. This company operates three Falcon jets and a Boeing 737 "Boeing Business Jet" (BBJ) out of Bermuda. In the US they operate eight corporate jets that are based all around New England. The initial plan is that Longtail Aviation would send their aircraft and technicians to Mr. Byrne's facility and use it as a central location for maintenance. Because Longtail Aviation uses a wide array of different aircraft, it's more efficient for them to send their own technicians rather than have Mr. Byrne hire all the different qualified technicians that might be needed.

Director Lamson asked what type of engines are used by the corporate aircraft that would use Mr. Byrne's facility, and would they be louder than the current corporate jets that fly in and out of the airport? He replied that while the Boeing 737 may be a little louder than most corporate jets, the noise generated by most of the aircraft would be comparable to the jets that currently fly at the airport. Director Lamson asked for clarification that the Boeing 737 was anticipated to fly into the airport a couple times a year? Mr. Byrne emphasized that aircraft owners commonly transfer their aircraft from operator to operator, so although Longtail Aviation currently operates that Boeing 737, that could change.

Chairman Preston asked what the use is of the helicopter Mr. Byrne owns? Mr. Byrne answered that the Robinson R66 helicopter he owns is for personal use, as well as currently being chartered by Seacoast Helicopters. He emphasized that it is not the same helicopter used for the tour flights around Portsmouth. Mr. Byrne's helicopter is turbine powered and is used for heavy work by a phone company in the mountains region, and for air taxi. He also said that he only foresees two or three of his four other personal aircraft being based at Portsmouth. Mr. Hopper commented that all of Mr. Byrne's aircraft are latest generation, and are quieter aircraft. He also mentioned that the Boeing 737 being discussed already operates periodically at Pease and is a Stage 3 or 4 aircraft, meaning it is relatively quiet.

Chairman Preston asked Ms. Hinchee if she had any comments or concerns regarding the proposed project? She said she did not. Mr Gardner commented that for the purpose of this committee, what's up for review is if the proposed plan as submitted meets the minimum standards for the operation of an FBO. If it does, then the process moves forward, and once the project has been built, Mr. Mullen and Mr. Hopper will make a determination whether all the appropriate infrastructure and facilities are in place to operate an FBO. Ms. Hinchee added that prior to any construction, there is a review process

including technical advice from experts and comments from the community, however because this is development within the airport zone, it comes before the Board of Directors.

Chairman Preston asked about the list of issues identified for compliance, and whether any of them would be issues? Mr. Gardner explained that a site review has not been done yet, so there may be issues that haven't been identified yet. However, those items that are believed could potentially be issues have been flagged.

Mr. Hopper stated that Mr. Byrne's proposal has been gone over line item by line item, and based on what has been proposed, the project meets minimum standards for a full-service FBO.

Director Allard asked about the current state of the issues regarding the concrete slabs making up the parking aprons? Ms. Stowell responded that those issues have not been completely resolved, there are still large areas of concrete that are swelling. These issues are one of the items that will be addressed once this project enters more detailed design. There has not been extensive design work yet, all that's been provided is a general concept.

Director Allard asked if Mr. Byrne would be responsible for removing the concrete in the area he planned to construct his facility? Mr. Byrne confirmed he would be, and would be pouring new concrete for his facility. He also added that the proposed property lines have been drawn based on the edges of the existing concrete slabs because it's not possible to remove only part of a slab. He feels the concrete making up the ramp in front of the proposed building looks serviceable and would not need to be replaced.

Director Lamson asked about environmental concerns regarding the proposed facility? Mr. Byrne responded that the fuel farm will consist of a concrete pad and five steel double-walled tanks as a prefabricated unit. There will be no external fuel piping.

Director Lamson expressed concern about runoff into the nearby bodies of water, and asked if washing airplanes would be conducted inside the proposed hangar? Mr. Byrne said washing would be done, however all operations would be conducted in compliance with the EPA, including disposing of fuel and oil, use of cleaning agents, and use of deicing fluid. Mr. Byrne did not foresee any significant painting of aircraft being done.

Chairman Preston asked if Mr. Byrne's aircraft would be required to use the designated deicing locations on the airfield? Mr. Hopper confirmed that there are areas designated on the airfield for deicing, and there are stringent requirements in place for deicing and washing operations.

Director Lamson asked Ms. Stowell if this facility would be connected to the oil-water separator? Ms. Stowell first clarified that any washing would have to be performed in a designated wash bay, and any floor drains in the hangar would need to go to the wastewater treatment plant. The other issue brought up, storm water treatment, is dependent on state requirements.

Director Allard asked when Mr. Byrne expects the facility to be completed and operational? Mr. Byrne said he met with the company he plans to use to build the hangar, and how long it takes to build will be dependent on how difficult it is to acquire steel. It is currently estimated that the facility could be operational nine months after Mr. Byrne signs a lease with the PDA.

Motion:

Director Lamson made a motion and Director Allard seconded **The Pease Development Authority Airport Committee hereby recommends that the PDA Board of Directors authorize the Executive Director to complete negotiations with Granite Star, LLC to:**

1. **execute a Lease on terms and conditions substantially similar to those set forth in the Memorandum of Understanding dated November 14, 2014 attached hereto, including such other terms and conditions as the Executive Director shall deem necessary and appropriate; and**

2. **become a full service Fixed Base Operator in accordance with the Minimum Standards for Commercial and Non-Commercial General Aviation Operators dated August 16, 2007; provided, however, that this authorization shall be subject to the final determination by the Executive Director and Airport Manager that all requirements to become an FBO set forth in the Minimum Standards have been met by Granite Star, LLC prior to commencement of its business operations.**

Discussion:

Chairman Preston commented that it sounds like the proposed facility would be compatible with the existing FBO.

Director Lamson emphasized that the vote is to send the motion to the Board of Directors for review, and does not constitute final approval of the proposal.

Disposition: Resolved by vote:
Director Allard, Director Lamson, Director Preston: Yea
Motion carries.

IV. Public Comments:

No public comments made.

VI. Adjournment:

Chairman Preston asked for a motion to adjourn. Director Allard moved the motion and Director Lamson seconded to **adjourn the meeting at 10:00 a.m.** Disposition: Resolved by unanimous roll call vote, motion carries.

Respectively submitted,



David Mullen, Secretary

MOTION

Director Allard:

The Pease Development Authority's Airport Committee recommends that the PDA Board of Directors find that Coastal Aviation Service's application to provide Limited Service Speciality General Aviation Commercial Operations for the purpose of the sale of Robinson Helicopters at Portsmouth International Airport at Pease meets PDA's Minimum Standards dated November 13, 1997, all in accordance with the memorandum of Kim W. Hopper, Airport Manager, dated May 4, 2015 attached hereto.

N:\RESOLVES\CoastalAviationCommitteevote0515.wpd

Memorandum

To: PDA Airport Committee

From: Kim W. Hopper, A.A.E., Airport Manager



Date: 5/4/2015

Subj: Request to Airport Committee for Coastal Aviation Services

Coastal Aviation Services has submitted a request for aircraft sales at the Portsmouth International Airport at Pease (PSM). After review of the application, staff has determined that the proposal by Coast Aviation Services does meet the Minimum Standards for Commercial and Noncommercial General Aviation Operators for PSM, last revised August 16, 2007.

Coastal Aviation Services is jointly owned by Seacoast Helicopters, LLC and Port City Air, Inc., and is an authorized Robinson Helicopter Sales and Service Center. Coastal Aviation Services will be co-located at 44 Durham Street and 104 Grafton Street.

I request that the Airport Committee recommend to the PDA Board of Directors at its May 18, 2015 meeting, to approve Coast Aviation Services request to provide aircraft sales at the Portsmouth International Airport at Pease. Attached is Coastal Aviation Services request to provide such services.

Please do not hesitate to contact me with any questions.

Attachment

cc: David R. Mullen, Executive Director

Coastal Aviation Services PDA Proposal

Pease Development Authority
Robinson Helicopter Dealership Proposal



AN AUTHORIZED ROBINSON HELICOPTER DEALERSHIP
AND SERVICE CENTER

27 March 2015

Robinson Helicopter Sales and Service

• Portsmouth International Airport • 44 Durham Street, Portsmouth, NH 03801 • 603.373.8743 • www.coastalaviationservices.com

Introduction

Seacoast Helicopters, LLC is a private company located on Portsmouth International Airport at Pease (KPSM) offering helicopter services to student pilots, tourists and charter customers. Seacoast Helicopters utilizes Robinson helicopters for rental, scenic tours, primary and advanced flight instruction using FAA certified flight instructors under FAA Part 61 and FAA Part 141. Seacoast Helicopters also provides Charter and Air Taxi services under FAA Part 135.

Port City Air, Inc. is a Full-Service Fixed Base Operator (FBO) also located at KPSM that offers aircraft maintenance and service under FAA Part 145, avionics sales and service, fuel, charter support and based and transient aircraft hangarage.

GENERAL (Article 4.01)

Through a Joint Venture Agreement, Coastal Aviation Services has been created, legally organized and is jointly owned by Seacoast Helicopters, LLC and Port City Air, Inc. Coastal Aviation Services is an Authorized Robinson Helicopter Sales and Service Center, offering Robinson Helicopter Sales as well as Robinson Helicopter maintenance, service and repair. Coastal Aviation Services is co-located with Seacoast Helicopter, LLC at 44 Durham Street, Portsmouth, NH 03801. Repair, maintenance and service will be performed at Port City Air, Inc. at 104 Grafton Drive, Portsmouth, NH 03801.

MINIMUM SERVICE STANDARDS (Article 4.02)

Hours of Operation:

Coastal Aviation Services is open for business 7 days a week from 8 AM until 6 PM and is on-call on an as needed basis outside of those hours. Customer demonstration flights will be conducted largely on-airport or on cross-country flights away from downtown Portsmouth.

Sales Franchise:

Coastal Aviation Services holds a preliminary Dealership and Service Center Agreement from Robinson Helicopter Company. Once this application is approved by the PDA Board of Directors, Robinson Helicopter Company will lift the preliminary status and grant Coastal Aviation Services an unconditional Dealership and Service Center Agreement. Once granted a Dealership and Service Center Agreement by Robinson Helicopter Company, the sales territory of Coastal Aviation Services is world-wide. FOB for all new helicopters is Torrance, California at the Robinson Helicopter Company manufacturing plant. All new helicopters are delivered to Coastal Aviation Services (or their customers) in Torrance. The aircraft is then ferried from Torrance, California directly to the customers' home/preferred base, airport, heliport or helipad where delivery is completed. Except in the case of a local customer, new helicopters are not brought back to KPSM.

Pilots Available:

Coastal Aviation Services employs 3 FAA Certified Commercial rotorcraft pilots, all with a rating of Certified Flight Instrument Instructor (CFII). With this cadre of pilots on staff, Coastal Aviation Services is able to provide demonstrations and demo flights for all 3 models of Robinson Helicopters.

Robinson Helicopter Sales and Service

Coastal Aviation Services PDA Proposal

Aircraft Inventory:

Coastal Aviation Services owns 2 used helicopters (an R22 Beta II and an R44 Raven II) and anticipates delivery of 3 new helicopters (one R22 Beta II, one R44 Raven II and one R66 Turbine) by mid-summer, due to the long lead times associated with new helicopter orders.

Coastal Aviation Services will provide a quarterly inventory report to the Airport Manager documenting all aircraft transactions.

Robinson Helicopter Sales and Service

• Portsmouth International Airport • 44 Durham Street, Portsmouth, NH 03801 • 603.373.8743 • www.coastalaviationservices.com



AN AUTHORIZED ROBINSON HELICOPTER DEALERSHIP
AND SERVICE CENTER

6 May 2015

David Mullen
Pease Development Authority
55 International Drive
Portsmouth, NH 03801

Subject: Coastal Aviation Services Robinson Helicopter Dealership

Dear Dave,

This letter is to document that Port City Air, Inc. (a valid Full-Service Fixed Base Operator) and Seacoast Helicopters, LLC (a Limited-Service Specialty Operator) have formed a joint venture doing business as "Coastal Aviation Services" for the express purpose of selling and servicing Robinson Helicopters. The two companies have also have entered into a legally binding contractual arrangement that has been signed by the company principals.

Bruce Cultrera
President & CEO
Seacoast Helicopters, LLC

Robert Jesurum
President
Port City Air, Inc.

Robinson Helicopter Sales and Service

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