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HELIPORTS: **What Works, What Doesn't**



They Will



IN THE MOVIE "FIELD OF DREAMS," A MYSTERIOUS voice tells an Iowa corn farmer, "If you build it, he will come." The farmer plows under part of his crop, builds a baseball field in its place, lights and all, and is considered a lunatic. But one of the strangers this voice brings into his life assures the farmer that the voice was right. "People will come, Ray. People most definitely will come," he says as the camera pans out to a miles-long stream of cars headed their way.

"If you build it, they will come" may be a great premise for a feel-good Hollywood movie. But it's a bad one for a business plan, an even worse idea for a heliport.

That was a fitting metaphor given to the Annapolis Heliport by a 1997 FAA case study. That heliport was built in an office complex, The Power Technology Center, alongside a highway in Annapolis, Md. What was unique about the project is that when it opened in 1991 it included a privately funded, public-use heliport. The heliport was promoted with an artist's rendering, brochures, and press coverage touting the availability of fuel, hangars, and maintenance. There were plans for pilots and passenger lounges and conference rooms. But after six months of operations, activity at the heliport wasn't meeting expectations. Problems developed between management and the property owners and the heliport was closed.

The Annapolis Heliport reopened nine months later with a new FBO. The new management operated a charter service

The design standard for Garland/DFW Heliport's new buildings was that "they look great, be functional, and cost less than a new JetRanger."

Come

Lessons learned from the rise and fall of heliports in the United States.

By Tim McAdams



and had plans to start a scheduled helicopter service. Lacking business experience, the new FBO struggled with low demand and high expenses. After more than two years of losing money, the FBO closed the heliport at the end of 1994.

There are a few areas where public-use heliports easily prosper. New York City is one of them. It has the right geography, economics and level of tourism to create tremendous demand for helicopter services. Despite the many noise complaints and the citizen groups who have tried to stop helicopter activity in the city, the three public-use heliports continue to thrive. Government appreciation of the economic advantage to the city has outweighed public pressure to close the heliports.

How easy is it to duplicate New York City's success in other similar cities? Consider the city of Boston, just a bit more than 200 mi. to the northeast. Massachusetts' capital, it is a major financial hub and a densely populated area with serious road congestion. The local government, through the Massachusetts Aeronautics Commission, is supportive of public heliports. It is another ideal place for heliports to flourish.

Boston's Nashua Street Heliport opened in 1964. Owned and operated by the aeronautics commission, it was centrally located in the West End, with excellent access to the financial district. In 1992, the Metropolitan Boston Heliport System Plan estimated its annual operations—defined as a takeoff or landing—at 2,200.

In 1986, the aeronautics commission licensed the Boston City Heliport as a privately owned, public-use facility.

In South Boston, this second public-use heliport boasted a 6,000-sq.-ft. hangar, a terminal building with rest rooms, a flight planning room and offices. Open 24 hr. a day with plenty of parking, it offered fuel and light maintenance during normal business hours. By 1992, its annual operations had topped 5,800. Noise complaints were virtually nonexistent and the FBO reportedly was profitable.

Today both are closed and Boston has no public-use heliport. The city decided to use the Boston City Heliport's land for a new convention center. Operators and support groups fought in vain to have a heliport included in the city's plan.

Even in a city with no noise complaints, city planners are adopting the view that the public doesn't consider heliports the best use of land. Unfortunately, this seems to be happening more and more. Take Houston. The city had a public-use heliport until officials felt a new convention center parking lot would better serve the public (and generate revenue as opposed to expenses). Detroit had a public-use heliport at its exhibition center. It's now closed. Heliports in other cities have met similar fates.

Reversing this trend would bode well for every sector of the rotorcraft industry. More successful public-use heliports like those in Indianapolis, Philadelphia and Dallas are needed. With public-use heliports so vital to the growth of the industry, real solutions need to be found.

One man who has some answers is Ken Pyatt, president of SKY Helicopters in Garland, Texas. His company created a process for developing and operating successful public-use heliports that he feels is reproducible in almost all areas.



According to Pyatt, the first key is location. Population and demographics need to be considered. The site should be in an area dense with business and activity and good road access, yet situated to mitigate noise impact. It also should fit well with the existing aviation infrastructure.

Next is the involvement and commitment from the local government and the FAA. Local government is the hard part, as the FAA typically supports heliport development that is in compliance with its guidelines. As was the case with Boston, the local government eventually became convinced that the public good was not served enough to warrant supporting the heliport. This is where the industry and individuals interested in developing a heliport must lobby hard, he said, and not just in the beginning, but on a continuous basis. Issues like the value of helicopters in saving lives during natural disasters or medical emergencies should be emphasized. Also, Pyatt said, advocates should point out the value of helicopters in assisting law enforcement with protection of the public. Local governments can also benefit from revenue sources such as fuel flow fees, rent, and property taxes.

For instance, in 2001, officials at Los Angeles International Airport, citing the need for more passenger parking, wanted to close the heliport located atop a parking garage. Robinson Helicopter Co., local operator Bravo Aviation, and the Professional Helicopter Pilots Assn. lobbied officials to preserve the heliport. After a long campaign, the airport agreed and the heliport remains open today.

When noise concerns arise, Pyatt said, it should be stressed that industry campaigns like the Helicopter Assn. International's Fly Neighborly program have successfully reduced noise impact levels in many areas. Moreover, helicopter noise is transitory, unlike the constant sounds of a freeway or lawn mower.

Once these issues have been addressed, Pyatt said, operational matters must be considered. A solid business plan needs to be drafted and followed. A heliport is a small business and must be approached as such.

Revenue sources must be identified and realistic expectations incorporated into the plan, he said. Heliports can and should tap as many areas as possible to add to the bottom line. Some of the obvious ones are flight training, charter work, maintenance, contracts like news-gathering, sales of fuel and

pilot and other supplies and office and hangar rent. Without products and services to sell, a business cannot succeed. An effective method of marketing and advertising must be developed and acted upon, Pyatt said.

One of the most critical and overlooked issues is who will manage the business. Many pilots who attempt to run heliports fail. Their passion for flying can make it too difficult to understand or deal with the issues facing a business. A heliport manager must watch costs, completely understand profit and loss statements and their impact and be good at promoting the business and maintaining a good relationship with the local community and government.

Finally, Pyatt said, the heliport owner and developer must understand how to construct office buildings and hangars that will create a return on investment. If all this sounds like the boring tasks of running a small business, he said, that's because that is exactly what it is.

Pyatt should know. SKY Helicopters has operated the Garland/DFW Heliport for almost 15 years. Given the heliport's problematic beginning, his accomplishments demonstrate just how successful applying the proper business techniques can be.

In the mid-1980s, the city of Garland decided to construct a public-use heliport. It applied for and received an FAA Airport Improvement Program grant, then hired a company to develop and operate the heliport on a six-acre site in a 300-acre industrial park. The heliport opened in November 1989 with a temporary terminal building and a small fuel farm.

The projected business activity never materialized, and after only six months the management company ceased operations.

Garland city officials became frustrated and decided to use the property for a different project. But when they attempted to return the grant, the FAA refused to accept it. Terms of the grant required the city to maintain the heliport for 20 years. Garland then hired as heliport manager the operator of a flight school, Heli Tex, at the facility. Pyatt was leasing a Robinson R22 to the flight school and learning to fly when city officials concluded they could no longer justify paying the manager's salary and he decided to get out of the business.

Pyatt believed the heliport could be viable, but it lacked two essential things—a building infrastructure and revenue. He knew that if he could solve

those problems the business would succeed. He designed a business plan with a clause to share revenue with the city. The city granted him a 48-year lease and he started business in December 1992 with one R22. He hired a manager and partner, Connie Fife, for her background in business management. They soon discovered that they had more in common than a passion for their business and she became Connie Pyatt. Working out of a "double-wide" modular building, the first thing Pyatt did was to build a hangar and start a small flight school. Over the next 14 years, SKY Helicopters won the confidence of the city council, steadily grew the business and was twice named to Inc. 500 magazine's annual list of the fastest growing companies in the United States.

Completion of the next step in his business plan came in May 2005, when SKY Helicopters finished construction of a new, privately funded, public terminal and hangar building.

"No airport-style "small-box" construction here," Pyatt said. "The buildings were aesthetically designed with features well suited for a highly visible city environment."

The 6,000-sq.-ft. terminal includes conference rooms, a pilot lounge, and office space for future tenants. The hangar can house up to 40 helicopters. Pyatt said he designed the buildings using a straightforward, design-to-cost model: It should look great, be functional, and cost less than a new JetRanger. He added that growing the heliport has challenges just like any business venture. Regarding the process, he paraphrased Mark Twain: "I once grabbed a cat by the tail and learned 40 percent more about cats than the man who didn't."

The Pyatts' success transcends the balance sheet. They take great pride in creating something that will serve the public good, the helicopter industry, and hopefully inspire others. Pyatt said he wants to see more people develop and open successful heliports. He cautioned that building and operating a public-use heliport is not the road to riches. But if managed right, a public-use heliport can be run profitably, generate a good income, and create one of the best jobs around. ☐