

34th Street Heliport Operator RFP Briefing

October 22, 2018

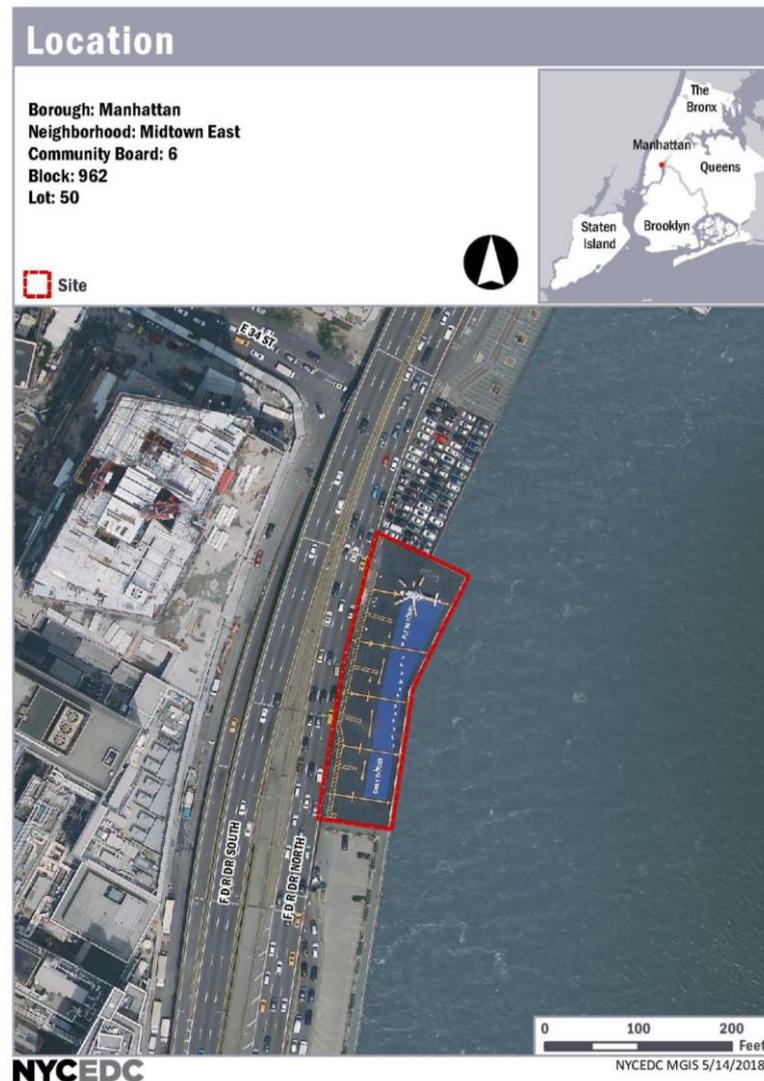


NYCEDC

East 34th Street Heliport Overview

Current Operations

- Operator: Atlantic Aviation
- Term: 09/2005 – 12/2018
- Special Permit Restrictions (renewed 2017):
 - Restricts flights to 8am to 8pm, M-F
 - No weekend operations
 - No tour flights
 - Cap of 28,800 total annual operations (14,400 flights)
- Rent:
 - \$600K minimum guarantee + 25% of Gross Receipts
 - Generates approx. \$1M/yr in revenue



RFP Selection

Released 7/20, two responses received 8/22

		Respondent #1	Respondent #2
Fee Offer (30%)		Strong	Medium
Planned Operations (25%)	Noise Mitigation	<ul style="list-style-type: none"> - Encourage voluntary mitigation routes - Limit helicopter running time to '5 min rule' - Will fund study in compliance with FAA requirements prior to the implementation of any restrictions/pricing on helicopter types 	<ul style="list-style-type: none"> - Encourage voluntary mitigation routes - Investigate holding pattern improvements - Potential proposed discount
	Flight Tracking	<ul style="list-style-type: none"> - Will report routes from pilots filing flight plan (not required by FAA for all flights) - Will report daily helicopter activity - Will work with flight tracking software companies to design monthly report 	<ul style="list-style-type: none"> - Will report routes from pilots filing flight plan (not required by FAA for all flights) - Will report daily helicopter activity - Will work with flight tracking software companies to design monthly report
	Air Quality	Will monitor & report with 3 rd party monitor	Will monitor & report with 3 rd party monitor
Operating Experience (20%)		Operator of 60+ aviation facilities nationally, strong safety record	Operator of two aviation facilities nationally, strong safety record
Financial Capability (15%)		Financially capable	Financially capable
Capital Investment (10%)		\$2M	\$1M

Capital Projects & Improvements

- Recommended operator has agreed to invest \$2M (majority spent in first 2 years) in heliport to:
 - Improve exterior landscape and hardscape including drainage & install of ADA airside ramp
 - Renovate exterior façade of the two trailers
 - Install noise and air quality monitoring systems
 - Install interior and exterior cameras to maintain better security
 - Upgrade storage sheds and install privacy slats in fence
 - Upgrade lighting and add exterior solar fixtures
 - Upgrade HVAC to more energy efficient system
- Recommended operator will coordinate with the construction of the bike path and allocate any excess of \$2M planned improvements to the project.
- Recommended operator has proposed exploring expansion of heliport into the river, subject to approval and permitting. This is not a condition of the agreement and no specific proposal is yet under review.

Next Steps

- Select Operator: October 2018
- Conclude Negotiations: October 2018
- Review & Approval of Agreement with MOCS/City Law: November 2018
- Public Hearing: December 2018
- Agreement Executed & Registered: January 2019
- New Agreement Begins: March 2019

Additional CB6 Q&A

- **Why does EDC manage the heliport?**

- EDC manages the heliport on behalf of the City through its Maritime Contract; EDC does not lease the heliport from the City.

- **How long are the terms of the special permit and new concession?**

- The Special Permit authorizes a concession for up to 10 years; will require renewal prior to expiration for continued operations of heliport in 2029.
- The new 5 year concession agreement to begin 3/2019; 5-year renewal option in 3/2024

- **How are the flight restrictions and capital improvement commitments enforced?**

- Failure to comply with the special permit or follow through on capital commitments would be grounds for termination of the agreement.

- **What kinds of non-heliport uses are allowed?**

- The Operator is allowed "non-aeronautical uses" outside of operating hours (on weekends and bank holidays). Past events have included: fireworks viewing, fashion shows, photo shoots, and car shows. These uses require prior City approval and we will ensure the CB is notified with ample notice.

Appendix

Limitations on Route Enforcement & Helicopter Prohibiting

National Helicopter Corp. v. City of New York, 952 F. Supp. 1011 (S.D.N.Y. 1997)

Further detailed in the CPC Report C 170158 ZSM (Special Permit) limits authority of City Council in regulation of helicopters.

Special Permit may not:

- Stipulate routes that helicopters must follow when taking off from or approaching the heliport;
- Require markings on helicopters (intended to make helicopters more easily identifiable);
- Prohibit specific types of helicopters at the heliport.

Limitations on Stage Preference

Airport Noise and Capacity Act of 1990

In order to implement restrictions on Stage II aircraft, must:

- Publish proposed restriction 180 days before proposed implementation, and make available for comment:
 - An analysis of costs and benefits;
 - A description of potential alternative measures;
 - A comparison of the costs and benefits between the proposed and alternative measures.

Limitations on Operating Hour Changes

Friends of East Hampton Airport v. Town of East Hampton, 841 F.3d 133 (2nd Cir. 2016).

In response to noise concerns, Town of East Hampton implemented a number of flight restrictions, including:

- A curfew on all aircraft between 11pm and 7am;
- An extended curfew on “noisy aircraft” (defined by the town by Effective Perceived Noise in Decibels) between 8pm and 9am, and;
- A one round trip per week limit on “noisy aircraft.”

November 4, 2016 [decision by Second Circuit Appeals Court](#) enjoins all three laws because Town did not follow proper procedure under ANCA.

Limitations on Preferential Rates

FAA Policy Regarding Airport Rates and Charges

Section 113 of the Federal Aviation Authorization Act of 1994 directs the Secretary of Transportation to publish the standards to be used by the Secretary in determining whether a fee charged to an air carrier is reasonable, in the event of an air carrier complaint.

[Guidance issued in 2013](#) states that:

- Rates must be fair and reasonable and may not unjustly discriminate against aeronautical user groups;
- Airports should consult with aeronautical users in advance of introducing changes, with adequate information (e.g. historic financials, justification, traffic, planning and forecasting, etc.);
- May impose a two-part landing fee consisting of a combination of a per-operation charge and a weight-based charge;
- May include a reasonable environmental cost **to the extent the airport proprietor incurs a corresponding actual expense** (e.g. re: noise abatement measures, includes land acquisition, insulation, etc.) if undertaken as part of a comprehensive and publicly-disclosed airport noise compatibility program.
- Must apply consistent methodology in establishing fees for comparable aeronautical users, which methodology must be applied consistently, with differences determined quantitatively.