

ATTACHMENT #1



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Juneau International
Airport

COASTAL HELICOPTERS, INC.

LOCATED ON THE JUNEAU AIRPORT
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Coastal Helicopters is asking the airport to renew the lease for the current area of operations for 5 years. We have been operating in the same area of the Juneau Airport under the same lease with numerous amendments since 1998. The current 5 year extension expires June 30, 2011. When Coastal Helicopters first signed the 5 year lease we were operating 6 helicopters. Since then we have invested well over \$100,000 in improvements to the area, increased the size of the lease and are now operating a fleet of 11 helicopters. We wish to continue to operate on the Juneau Airport. The current master plan (1999) is tentatively scheduled for review and modification beginning 2013, if this process goes smoothly; I am guessing we are looking at no less than 2 years before a final plan comes off the press. At this point any major construction plans will need to be engineered, designed, modified and then put into action. Again I am guessing at no less than 2 years to have a facility or area that may or may not be suitable for the safe and efficient operation of helicopters.

March 09, 2010 I had a meeting with the airport manager, the airport board chairman and the airport administrative officer. During this meeting we discussed the need for some repairs to the concrete pad that Coastal installed in 1998, the estimated costs of those repairs are between \$20,000 and \$25,000. I would much rather amortize the repair costs over a 5 year period instead of the 2 year renewal the airport staff is proposing. In addition to the repair to the concrete Coastal has taken measures to reduce the possibility of FOD to my helicopters from the accumulation of sand and dust from the winter piles of snow around the leased area. This is an annual problem that is being addressed constantly; in the past 2 years we have seeded the area West of the leased tie downs to control the dust and debris.

The 2 year lease term put forth by the airport staff is an arbitrary decision based on the assumption of a completed master plan update and the construction of an appropriate alternate location. The current master plan has provisions for a helicopter consolidation on the North East corner of the airport property, to date there are no facilities or suitable plans for a facility that could safely accommodate the number of helicopters or the number of operations needed to support the helicopter industry in Juneau. The current location Coastal operates is not an ideal area; the ideal area would not have vehicles driving behind running helicopters where every year there are NUMEROUS close calls. The ideal area would not be in the middle of the airport where I

have to escort my customers through an out building or escort my passengers from a street accessible hangar hundreds of yards away. For Coastal the best and most logical location would be the West end of the airport, away from the majority of the fixed wing traffic, street accessible and away from the majority of the vehicle traffic on the airport. This area would be separated from other helicopter operators so we can improve the efficiency and increase the safety of operations.

In section 12 of the lease that Coastal Helicopters has with the Juneau Airport there is protection for the airport and the lessee. If the new master plan makes it plausible for the operator to move to equivalent (surface) space on the airport, Coastal Helicopters would be required under the terms of the lease to move. The wording of this section allows for negotiations.

I am requesting a 5 year extension on my current lease area. We plan our helicopter maintenance and capital expense budgets for five years. A 5 year extension to my current lease is, in real estate terms, a short term lease. Currently there are no plans in place from the airport master plan or other airport modification plan that are scheduled to occur inside the proposed 5 year extension term.