Bonseph Helinet = Jet Expansion

Jets were missing from LAWA's Oct. 6, Nov. 17 and Dec. 1, 2022 Reports to the Board of Airport Commissioners



February 10, 2023 by QSWH / Links updated 02/25/2023

This image was **not** included in LAWA's report.

Image Source: Proposal - BONSEPH HELINET LLC - REDEVELOPMENT OF NON-FBO FACILITY 18231 WATERMAN DRIVE VAN NUYS AIRPORT (VNY) September 01, 2021 - page 305 - NOT shown to Public nor in the Report to BOAC

Overview

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1. What is Expansion?

NOTE: these are all issues that could be controlled by Policy (RFP criteria, structure limits, etc) however, despite the existing Master Plan calling for said policy, LAWA failed to complete the existing Master Plan calling for said policy, LAWA failed to complete the existing Master Plan calling for said policy.

Land Acquisition

Not applicable to the Airport, HOWEVER Bonseph Helinet is seeking to acquire more land then currently exists for premises - while not a grand increase, that ambition was not disclosed in LAWA's report but pg 3 of the Report includes an image including the extra land. Did LAWA grant the additional 11,581 SF of ramp space? (NOTE: the desired land used to be part of the premises but was eliminated decades ago.)

mage Source: BONSEPH HELINET LLC - REDEVELOPMENT OF NON-FBO FACILITY 6231 WATERMAN DRIVE VAN NUYS AIRPORT (VNY) September 01, 2021 - pg 50 + 59



Ramp/Taxiways

Ramp Expansions dramatically increase aircraft capacity at VNY, as can expansions to Taxilanes. Expanding ramps adds more work space, and maneuvering and parking space (overnight, daily and extended) for base and transient aircraft alike.

Example: Jet Aviation's ramp dramatically increased jet storage for (then) new FBO.



Hardscape Structure

Changing the Structure of ramps, taxiways, lanes, etc is a **furtive** way to increase types and weights of aircraft at VNY. Investors & LAWA will often cite an "improvement" of an existing ramp, taxiway or taxilane when the change is **really to accommodate larger** and **heavier aircraft**, without the public's awareness. Examples can be found in CEOA reports and developer's plans but NOT necessarily in LAWA's reports to BOAC.

Example: facilitating more volume via ramp/hangars

BUSINESS AVIATIO

Castle & Cooke Plans Major FBO Renovation at Van Nuys

by Matt Thurber - March 27, 2012 (All day)

f in Cooke Aviation is planning a major renovation to its FBO at southern California's Van Nuys Airport, including additional hangar and ramp space. General manager Tony Marlow is here at ABACE (Booth H301) highlighting the planned facility renovations and also encouraging Asia-based aircraft owners and operators to visit Castle & Cooke's eight U.S. West Coast FBOs in Hawaii, Washington and California.

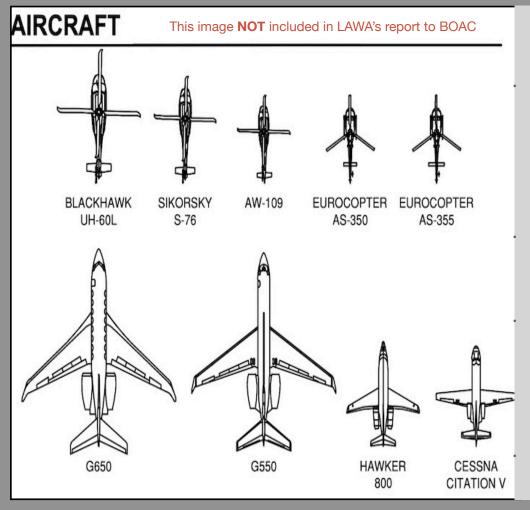
Construction at Van Nuys should begin within the next two weeks and will involve tearing down part of an old hangar. The current 80,000 sq ft (7,432 sq m) of hangar and office space will expand to 125,000 sq ft (11,612 sq m) after construction is completed.

Castle & Cooke will also add new ramp space with easy runway access to accommodate creater numbers of transient aircraft at the Van Nuys FBO.

Hangar Expansions

- Demolishing T-hangars on parcels is demolishing distribution of aircraft diversity and is an action that accommodates hangar expansions to house corporate charter jets.
- Jets **increase** activity by means of charters. Even "privately owned" jets are **chartered out** (see slide 5). **Developments** that tear down 5-6k SF hangars in favor of **overbuilds** (30k+) draw in and facilitate larger aircraft and maintenance activities.





2. Bonseph Helinet Overview

Image Source: Proposal -BONSEPH HELINET LLC - REDEVELOPMENT OF NON-FBO FACILITY 16231 WATERMAN DRIVE

VAN NUYS AIRPORT (VNY) September 01, 2021 - page 58 + 59. ► NOT shown to Public, NOT included in Report.

While the Bonseph Helinet team has asserted the narrative that their operations are for "critical transportation" needs supporting community, that is **not** the whole story **or** what residents are concerned about, MOREOVER organ transports and medical lifts would continue on this site without the egregious expansion, change in master tenant or introduction of **Jets for Charter for non-essential flight.** The ~525 page redevelopment proposal carries the goal of increasing charter operations for **non-essential helicopters**, as well as **introduces jets for charter** (slide 5) where none currently exist and the fact LAWA deliberately hid the jets from their report is suspect.

The project does NOT include critically needed modernization (electrified hangars) but rather is more of just a significant expansion that echos <u>Castagna's other projects</u> (<u>Aerolease</u>) that also eliminated (<u>occasional use</u>) propeller planes in favor of corporate charter jets (IE: Sun Air and Pegasus are 2 subtenant examples).

Per LAWA's report (pg 15), the project's proposed hangar expansions (slide 6) suggested a near quadrupling of existing hangar space (12k or 17k w/ office space increased to 75k SF) to accommodate larger, heavier aircraft (jets), HOWEVER LAWA's initial reports were inaccurate as they did not account for existing portable prop hangars. LAWA's consistent failure to represent all facts is of issue. Based on other expansions of its kind, charter volumes will further increase with this proposal. Click to see another Aerolease Bonseph Group project.

Helicopters currently exist and were **mandated to remain** (slide 13) on the property so the change comes from **expanding** (slide 3) the premises' purpose + services + hangar and maintenance space + aircraft type.

3a. Project Expansion Identified

Aircraft Expansion + Services Expansion

The image at right is taken from pg 63 of the (approx) 525 page Bonseph Helinet proposal. According to Helinet's existing landlord, and from their own website and list of services, Helinet does **not** historically house, charter or service jets (3rd party partnerships were utilized) WHEREAS, **the Report**'s deliberate omission of the Jets for Charter ambition was an **egregious action of deceit from LAWA**. Pg 63 - 10.b. A description of the specific type of business the Proposer intends to operate (paragraph 1), also discloses that Helinet has **20** existing **helicopters**. Jets are **not** included in their fleet description.

• Deception by Omission: LAWA and Tenants may frequently cite private corporate jet "storage" but fail to explain to the public (or City Council offices) that management services includes chartering the jets so the owners of the aircraft can make money and offset their expenses while being offered the personal benefit to "maximize revenue". This perk for millionaires comes at the expense of the masses living in the Valley.

10. Business and Operations Plan

10.b. A description of the specific type of business the Proposer intends to operate.

In addition to owning a fleet of luxurious helicopters, Helinet also offers custom turnkey services for jets and vehicles. Helinet's goal is to make clients' travel needs as seamless as possible by providing all aviation services under one umbrella. Helinet offers private aircraft management with operations under FAA Part 91 or FAA Part 135. Managed aircraft services include:

- operations by Helinet's highly professional staff with an outstanding safety record,
- · monthly accounting and financial reporting,
- · vendor discounts for aircraft maintenance,
- charter sales to maximize revenue.
- 24/7/365 in-house dispatch and flight coordination team with state-of-the-art weather and flight tracking systems,
- in-house aircraft maintenance services performed under Helinet's FAA Part 145 certified repair station, and
- · aircraft and cabin cleaning services

LAWA CC&RR Bonseph Proposal 000000000000000

Image Source: Proposal - BONSEPH HELINET LLC - REDEVELOPMENT OF NON-FBO FACILITY 16231 WATERMAN DRIVE VAN NUYS AIRPORT (VNY) September 01, 2021 - page 63 - NOT shown to public.



3b. Project Expansion Identified (con't)

Aircraft Hangar Expansion - from 12,480 SF to 60,000 SF.

- LAWA's **misleading**, **inaccurate** or **selective narrative** in their reports to BOAC are a concern. **The report** (pg 15) claimed the demised premises consisted of 12, 480 SF of existing aircraft hangar space, which is what is quoted above, however, when faced with confrontation on the steep hike in expansion, LAWA was quick to trickle in the SF of portable T and rectangular prop hangars they previously omitted. When LAWA receives pushback from the public, they innately **alter the facts presented** in subsequent reports (IE: Report given to select council offices on 03/15/2023). LAWA's **failure** to produce **consistent facts** is a problem for the city and its citizens.
- The image to the left depicts the proposed Hangar 1 is set back, thus providing
 expected ramp space however, Hangar 2 is limited to a shallow ramp at just over 5k
 SF. Such a shallow ramp is unusual and not a preferred design traditionally because,
 as shown, the lack of ramp puts the aircraft onto an active taxilane as they emerge
 from the hangar.
- This demonstrates an overzealous development that pushes reasonable limits of a premises' boundaries. No less than three Jet Charter hangars utilize that taxilane from the adjacent premises, which is also leased by Curt Castagna (Bonseph Helinet partner) see slide 10. Considering Council members' goals with Motions 22-1125, 22-1127 and 22-1489, is such an overbuild to accommodate more charters in the City's best interest, or would another option be more compatible with communities and the City's long term goals? There was an earlier option available.

3c. Project Expansion Identified (con't) Ramp Expansion

The proposal included an option to acquire an additional 11,581 SF (0.26 acres) in order to accommodate a modest ramp expansion. LAWA eliminated this area from the premises decades ago and failed to identify in their report that the investor sought to acquire it or whether they granted the request, though LAWA did include this image in their report.



Source: Actual Proposal- Bonseph Helinet LLC - REDEVELOPMENT OF NON-FBO FACILITY 16231 WATERMAN DRIVE VAN NUYS AIRPORT (VNY) September 01, 2021 - page 307

4. Double-Standard Exposed -L.A. Charter Section 607(a)

LAWA cited the Charter's **limit of 50 years** on leases as the reason for the <u>July 19, 2021 RFP</u> on the subject premises **HOWEVER**, LAWA's actions led to **substantiated impropriety** claims in the RFP process, and it **exposed** a Double-Standard. A **double-standard** that proves to favor others, including Curt **Castagna** (Aerolease/Aeroplex and part <u>owner in the Bonseph Helinet bid</u>) as seen here:

Aerolease Assoc. VNA-8369

- Comparable to Air Aviation, lessee took over lease from predecessor, the <u>first lease was</u> <u>granted in 1967</u> (CAO File <u>No. 0150-03423-0002</u>)
- Over subsequent years, lessee was granted multiple amendments, with NO competitive process (no RFP), yet he was granted long-term leases now expiring in 2039.
- Aerolease was granted a 72 year lease,
 which creates a double-standard and violates
 the City Charter (if LAWA's current
 interpretation is correct pg3). (CAO File No. 0150-09825-0000)
- Based on this example, there should not have been an RFP released on Air Center's premises, and the current tenant should be retained. One must ask, why didn't the city attorney cite the Charter for this lease?

Clay Lacy VNA-2935

- Clay Lacy's lease commenced March 1981.
- In 2013 the lease was extended another 15-yrs with three 5-yr extensions (30-yr lease). By this date the lease had already been on the property 32 years. Once again, with NO competitive process (no RFP), this conditional lease is set to expire in 2044.
- Clay Lacy was granted a 63 year lease, or 58 years if BOAC exercises the terms permitting denial of the 3rd extension. Either way, this lease violates the City Charter (if LAWA's current interpretation is correct) and creates a liable double-standard. (CAO File No. 0150-08061-0001)
- One must ask again, why didn't the city attorney cite the Charter for this lease?

Air Center Aviation Tenant blindsided by RFP

- Comparable to Aerolease, lessee took over lease from predecessor, the first lease was granted in 1967 (LAA-1188) to <u>Sky Cruisers Developing Company</u>. Existing tenant has only held lease on premises for 35 years.
- Over the years, LAWA promised lessee -in writing that he would be granted a long term lease. (Email Exhibits provided in the VNY Development report, and "Protest" filed 08/10/2022)
- In 2017 lessee states Castagna approached him to partner on a development for this premises, Air Center declined. So what happened between 2017 and 2018 when LAWA suddenly did a 180° pivot and insisted that the premises be subjected to an RFP despite **not** adhering to equal interpretation of the Charter in Castagna's own lease VNA-8369? LAWA applied a liable double-standard. Why?
- One must ask, why did the city attorney cite the Charter for this lease but not the others? Was the City Attorney solicited by LAWA to dictate a RFP for these premises after Castagna expressed interest in the property? NOTE: City Council should educate themselves on the impropriety of the RFP process with this premises.

5. BREAKING POLICY & PRECEDENT

- LACK OF VISION: The May 25, 2018 Executive Committee (EC) / Deputy Committee (DC)
 Request Form (seen at right) demonstrates a lack of vision for the subject premises see #5.
- BROKEN POLICY: In section 5. LAWA acknowledges that other airports would have granted Air Center (existing tenant) a long term lease as Air Center did produce multiple capital investment plans that met LAWA's requirements, WHERAS in LAWA's policy outlined in the 2012 "VNY Airport Proposed Real Estate Redevelopment Plan", Section:
 "Management Focus Going Forward", pg 7, fifth bullet states: "Institute a better program for expired/expiring leases Extensions where desired investment is proposed/warranted".

 THEREFORE, LAWA's cited obstacles raise a red flag:
 - (a) joining the Daily Drive parcels with the Waterman parcel was never flushed out nor proved to be a viable obstacle as it was **not** a viable option.
 - (b) BREAKING PRECEDENT: the solicited interpretation of the Charter's 50 year Rule contradicted precedent (see slide 8).
- BROKEN POLICY: Section 7 of the form at right demonstrates LAWA broke policy when they failed to involve VNY CAC (community) with the anticipated RFP process.
 - Was LAWA's decision to alienate community over the anticipated RFP process what motivated LAWA to lie in their initial October 6, 2022 Report (pg 3) to BOAC where they falsely claimed to have done outreach to VNY CAC over the intent for the RFP?

EC/DC DECISION REQUEST FORM



3. What decision is requested?

This request is to amend the Lease with Air Center extending the term by eighteen months to expire on June 30, 2020.

The proposed Lease extension will provide Lawa sufficient time to initiate a competitive process for the future development of the site after assessing helicopter operations among the stakeholders, and defer additional redevelopment so as not to impact potential County Fire Department and scheduled Taxiway rehabilitation projects.

 How does this item help LAWA achieve its strategic plan goals? Be specific and include metrics and a reference to an action step. (Not all items will be related to action plans.)

This item advances Strategic Plan Objective 4A by maintaining revenue sources and operating sustainably.

5. How have other airports or similar entities handled this issue?

Air Center has a storied history of short term leases even though it requested a long term development lease many years prior. Interim control ordinances, the Van Nuys Redevelopment Plan to assemble smaller parcels into larger ones, the City Charter 50-year rule have not been favorable to negotiating a long term redevelopment lease with Air Center. Other airports have not incurred the same issues and most likely would have granted a long term lease with appropriate capital investment for redevelopment.

This supports LAWA treated Air Center Aviation with bias, and Precedent refutes the 50-yr excuse.

6. Timeline: When is the decision needed and why? What is the impact of not getting the decision on this date?

The Lease will expire on December 31, 2018 if the term is not extended. There may not be enough time to issue an RFP for the site not knowing the future of the adjacent 7-acre parcel and whether, if negotiations for the 7-acres site fail, the two sites should be combined.

 Stakeholders: Which stakeholders, if any, must be involved? Which divisions or stakeholders are impacted, and how? Provide written comments from external stakeholders; copies of emails are acceptable.

Commercial Development Group – Project Manager VNY Management Community – via Citizens Advisory Council (CAC)

NO community stakeholder comments are included with this decision because LAWA refused to notify impacted stakeholders.

Air Center Aviation, Inc. - current Tenant ← LAWA failed to advise tenant of 2021 RFP release

6. ELIMINATING DIVERSITY

ELIMINATING TENANT DIVERSITY:

Monopolies at VNY (a) reduce/eliminate options for "good neighbor" compatibility with existing communities, (b) contradict intent of Fair Competition, and (c) have resulted in disproportionate jet charter activity at VNY - related Motions 22-1125, 22-1127 and 22-1489. This proposal would create a monopoly on the NE corner of VNY - as depicted by image. (Helinet not included in the monopoly controversy as they already exist on premises.)

• ELIMINATING AIRCRAFT DIVERSITY: Castagna already eliminated (occasional use) prop plane diversity with his Aerolease East development (red outline in image) in favor of corporate charter jets. He proposes to do the same with the Bonseph Helinet lease. (Helicopters do not add to diversity here because they already exist on the RFP premises (yellow) as well as adjacent properties (red + LA County Fire helicopters - not shown).





7. Public Deception - slides 11 + 12

- This powerpoint includes six (6) different images from the undisclosed Bonseph Helinet Proposal that clearly demonstrate the Jet expansion; yet LAWA failed to include a single one of the images in their report. When Bonseph Helinet's representatives found out a community group exposed the deceit, reports say that they were quick to contact select Valley council offices trying to manipulate a narrative suggesting all the Jets were (just) for organ transport, despite the lease not reflecting such a claim, and Helinet's own business model and website promotion not supporting such an assertion.
- LAWA's <u>report to BOAC</u> only included one (1) image "depicting" jets (Image A shown at left) and it was low-resolution (as copied here). Do the jets grab your attention in Image A at first glance?
- LAWA's report omitted acknowledgement that the project would **replace** occasional use prop planes with **corporate jets available for charter**. Eliminating aircraft diversity on a premises transforms the operations away from the City's community compatibility goal.
- LAWA's report does not use the word Jet once in description of the property's proposed operations. Instead they opted to use the ambiguous phrase "aeronautical use of manned aircraft" (Lease: Section 3.1)
- Castagna stated that BOAC's approval was "crucial" to Helinet's employment and operations, including medical lifts, but that was a manipulation. Helinet's operations would continue on the premises regardless of this project MOREOVER, this proposal enhances charter activity and not specifically organ or medical lift operations which appear to have been used as a distraction over the introduction of Jet Charters.







8. Impropriety Concerns

Administrative Code Sec. 10.17 Competitive Proposals Preferred

Except as otherwise provided by ordinance, in all cases where bids are not required by the Charter, competitive proposals or bids shall be obtained as far as reasonably practicable and compatible with the City's interests. In all cases, a public record of these proposals and agreements shall be kept. The right to reject any and all proposals or bids shall be reserved in all cases.

VNAA - One Bidder Advantage?

- As seen in the screenshot below, LAWA reported that it provided "outreach" to "potential proposers" thru the VNAA (pg3) HOWEVER, members of the VNAA, including the existing tenant on the premises subject to the RFP, confirmed that VNAA President, Curt Castagna, never shared the information with the membership WHEREAS, Castagna's partnership (Bonseph Helinet) appears to have had an early advantage in the process and (not coincidentally) was the ONLY bidder despite numerous interested parties see: "Non-Competitive RFP"—>
- Castagna himself alluded to participation in the RFP process as early as 2018 during his 12/01/2022 public comment, this despite the RFP not being released until 2021 so, did Bonseph Helinet have a 3 yr advantage or an influence on the RFP process? LAWA failed to comply with a writ petition to produce communication records for verification.

Prior to releasing the RFP, LAWA conducted an outreach campaign to notify local stakeholders and potential proposers, such as the VNY Citizens Advisory Council and the Van Nuys Airport Association, of the intent to proceed with a competitive soliticitation for the opportunity to lease the premises.

Source: LAWA's 10/06/2022 BOAC report

Non-Competitive RFP

- The RFP read that to be a "responsive bid", the proposer must accommodate helicopter operations specifically. Helinet is the only existing subtenant providing helicopter operations on the premises.
- LAWA failed to provide or facilitate access to critical information required for competitive bidders to construct
 a "plan detailing the Proposer's approach to accommodating the existing subtenants". Per the RFP, all
 subtenants, other than Helinet, could be displaced so Helinet's criteria was required for a competitive bid.
- The "Protest" (08/10/2022) filed against this RFP process includes email communications from Helinet owner, Kathryn Purwin, citing her refusal to cooperate with competing bidders in order for them to meet the RFP's requirements. Two potential bidders cited this as a reason that the RFP only produced one (1) bid, that of Castagna and Purwin's partnership with Bonseph AKA: Bonseph Helinet. NOTE: (Castagna) Aerolease and Bonseph already have an existing partnership on other projects (Aerolease Bonseph Group).
- LAWA's abrupt and last minute action of removing the obstacle / requirement (09/24/2021) just 4 days after
 Purwin's (Helinet) email was exposed, demonstrates a blatant non-competitive bias in the RFP process, and
 supports claims of LAWA's impropriety. LAWA's late corrective action failed to provide competitors reasonable
 time to construct a plan given a mere 27 day deadline extension. The "catered" (tainted) RFP had provided an
 unfair advantage to the sole bidder, Bonseph Helinet.

D. EXISTING OCCUPANTS ON THE PROPERTY

Proposers must provide a plan detailing the Proposer's approach to accommodating the existing subtenants on the site or the assistance that will be provided to those subtenants to vacate the site.

If Proposer does not intend to be the end-user, then the proposal must provide a list of the proposed rental rates the Proposer will charge prospective or existing occupants during the property lease up.

Proposers are encouraged, and will be evaluated on their ability, to accommodate aviation businesses on the site. The continuation of helicopter uses on this site must also be part of the proposal.

Source: pg 5 - RFP FOR LEASE NON-FBO AVIATION FACILITY, 16231 Waterman Drive at VNY, Release Date: Monday, July 19, 2

9. City's Options

- (A) ACCEPT the proposal and increase jet charter activity... but does this option contradict the City's long-term goals?
- (B) REJECT the proposal and request another RFP process begin but with the Airport Plan objectives in mind (IE: community compatibility, including cumulative impact consideration) WHEREAS, RFP policy shall first be established to:
 - (i) stipulate limitations on hangar/ramp size and ramp structure in order for bids to be considered responsive,
 - (ii) development plans must improve the premises power capacity to support electrical infrastructure for electrified hangars and terminals whether for immediate use or near future use as the airport ensures such modernization on the entire property.
- (C) REJECT the proposal citing acknowledgment that the City Attorney's endorsed RFP process was honored HOWEVER, City Council found the sole bid was not in the best interest of the City THEREFORE, LAWA shall be compelled to honor prior written promises by granting a long-term lease with the existing tenant providing the last capital investment submitted by the Existing Tenant is viable and can be realized with the same considerations as reflected in (B).
- (D) REJECT the proposal citing that: Introducing jet charter activity on a premises that does not currently host such activity is **not** in the best interest of the city; And move forward with placing a **moratorium** on further aviation developments and leases until a new Airport Plan has been implemented. **NOTE:** LAWA themselves acknowledged to Senator Stern's office (Feb. 2023) that **VNY is self-sustaining**, therefore there is no economic consequence to passing a moratorium.

After Thoughts?

Questions?

Observation Area is inconsequential - Ask me.

Tainted + Non-Competitive RFP - Ask me for *further* details.

Alternate Proposals Available - Ask me.

Critically flawed CEQA process being exploited by Investors - Ask me.

Alleged deception found on Castagna's 2005 CEQA report - Ask me.

Another double-standard RE: Helinet - 2014 RFP - Ask me.

A <u>fifth form of Expansion</u> is Expanding to more FBO Services - Ask me.