

THE **JET SET**

WINGS FOR EARLY BIRDS

Jet shares allow the super-rich to take to the air with ease

BY CAROL KINO



A NetJets plane soars across the San Francisco sky.

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It's no secret that the people who receive sneak previews of Art Basel Miami Beach are mega-collectors like the financiers Donald Marron and Henry R. Kravis. And these modern-day Medicis come to the fair by private jet. Last year, the private aviation company NetJets flew 150 planes into and out of Miami International and Opa-locka airports throughout the run of Art Basel, said Sandra Gibson, vice president of events for NetJets. That's more than the number of planes the company flew to last year's Super Bowl or Master's Tournament.

Richard Santulli, CEO of NetJets, said that when he started the company in 1986, the mega-collector of today was precisely the client he had in mind. "People will go to an art fair and spend \$9 million on a painting," Santulli said. "If you had to draw up a customer that makes the most sense, it

would be an art collector." (No wonder NetJets has sponsored Art Basel Miami Beach since its beginning in 2002.)

With NetJets, Santulli pioneered the concept of fractional aircraft ownership. Instead of buying a jet outright, owners purchase an interest in a plane based on how many hours they estimate they will fly a year. The smallest share offered is 1/16th, which translates to 50 hours of flying time annually.

Of course, the privilege of partial ownership comes at a price: Interests start at just under \$400,000 for a 1/16th share in a short-haul seven-seater, the Raytheon Hawker 400XP. Add to that management fees of a little over \$6,000 a month, and about \$1,500 an hour for occupied flying time. The cost spikes up considerably for a long-haul 14-



A Gulfstream jet for lease by the hour through JetNetwork.

seater capable of flying from New York to Tokyo. That's one reason the typical NetJets flight, anywhere in the world, is under three hours.

Still, the NetJets concept has become so successful that the company has several competitors. Some, like FlexJet and Flight Options, offer fractional ownership plans; many are charter brokers and

THE JET SET

operators, like Blue Star Jets and JetNetwork, geared to clients who prefer to lease a plane by the hour. (Earlier this year, the actress Eva Longoria flew to the MTV Video Music Awards in Miami aboard a JetNetwork plane.) NetJets is also allied with a leasing company, Marquis Jet, and operates a subsidiary, Executive Jet, that provides management services for those who own planes outright. (In 1998, the company was acquired by Berkshire Hathaway, whose CEO, Warren Buffett, was an early, satisfied client.)

A source who works closely with both NetJets and Art Basel said that the list of collectors who usually travel to the fair by NetJets or some other private plane would include the insurance tycoon Eli Broad; Leonard Riggio, the founder of Barnes & Noble; Irwin M. Jacobs, the former CEO of Qualcomm; the developers Jerry I. Speyer and Harry Macklowe; the philanthropists Beth Rudin deWoody and Brooke Garber Neidich; and the hedge fund kings Daniel Loeb and Steven Cohen. Several Miami collectors, like Martin Margulies, Donald and Mera Rubell, and Carlos and Rosa de la Cruz, fly privately, too. The real estate developer Craig Robins, a former NetJetter who sprang for his own plane last summer, declined to talk via his assistant.

"Name all the top art collectors and you won't find one without a plane," said a New York dealer who did not want to be named. And don't forget the art dealers, like Marc Glimcher, president of PaceWildenstein, Larry Gagosian of the Gagosian galleries and Robert Mnuchin of L&M Arts.

Try getting owners to talk about why they fly private jets, though, and they're likely to take the fifth. "I don't want to comment," said the Miami Beach telecommunications mogul George Lindemann, Jr., even though three sources said he was a frequent private flier. But the Miami collector Norman Braman, an early NetJets owner who went private some years ago, is happy to talk about NetJets. "It's the Cadillac of airplane time leasing," he said. "It's the gold standard. Everyone I know has nothing but good things to say about it."

Glimcher, the New York dealer, said that for many, a private plane is a necessity, not a luxury: It's the only way you can do breakfast with a collector on Captiva, have lunch with another in Key West, get to Miami to attend an artist's museum exhibition opening and dinner, and be back home in New York for bed. "It's not about lifestyle," Glimcher said. "It's today's business reality."

As lifestyles go, however, this one isn't bad. Your average NetJets flier travels in a sleekly designed, predominantly beige cocoon, with leather-covered seats and couches and suede-covered walls. (If you have your own plane, of course, you can do whatever you want. It is said that the former Hollywood super-agent and erstwhile president of the Walt Disney Company, Michael Ovitz, decorates his jet with Warhol and Lichtenstein drawings.)

Most private jet companies say their safety pre-



In Miami, the actress Eva Longoria flashes a big smile and her JetNetwork flight card.



The Miami art collectors Irma and Norman Braman are NetJets fans.

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The table is set for a healthy meal in a JetNetwork airplane.

cautions outstrip those of commercial airlines. As for security, the lead passenger shows a photo ID to the pilot; after that, Santulli said, IDs are "provided by the fact that you know everyone else on board."

NetJets claims it can ready a plane within four to ten hours of your call (some competitors promise to do better) and your car can deliver you straight to the plane door. No need to lock Fido in a crate; he can fly in the cabin. "Pets are listed as passengers on flights," said Lisa Musante, manager of public relations for the company. She notes, however, that

during takeoff, landing and in turbulent air, dogs must occupy their own seats, secured with a seat belt and shoulder harness, or an appropriate dog harness, which NetJets can provide.

But what about the ultimate perk—being able to get into the fair early? Last year, Gibson said, the company entertained 350 NetJets owners at the fair. They were given passes to First Choice, the VIP shopping event that precedes the Vernissage, and invited to a kickoff party in honor of the founder of Art Basel Miami Beach, Sam Keller, on Tuesday night. ■

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