

Heart of America looks ahead

Cessna 182 and King Air C90B support 6-state network of 12 hotels and 16 restaurants across Upper Midwest.



Michael and Kim Whalen on the ramp at DVN with the Cessna 182 and King Air 90B they rely on to support their growing restaurant and hotel network.

THUNDER BAY

By Mike Potts
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When Davenport IA native Michael Whalen graduated from Harvard Law School in 1978, a bright future in the legal profession lay before him. There was just one problem. While he enjoyed studying law, an intern-

ship with a prestigious Beverly Hills law firm had convinced him that he hated practicing it.

So, just 2 days after taking the Iowa bar exam, Whalen embarked on an altogether different career path—he opened a restaurant.

Of course, there's more to the story than that. Whalen's father owned the building where the new

restaurant would be located and it was something of a distressed property. It had been the site of an earlier restaurant, called Yummy's, but the place wasn't very popular—Whalen says people had taken to calling it "Crummy's"—and before long it had gone out of business.

Whalen's father, whose only role had been as the landlord, was stuck with a place costing him \$8000 a month and no prospects for a tenant. "I said, 'No problem, Dad—I'll open a restaurant,'" Whalen recalls. "He told me I was crazy, but I was 23 years old and was dumb enough to think I could do it."

He had no background in the restaurant business—a notoriously difficult field in which to succeed—"but if you spend 18–20 hrs a day doing something, you can usually figure it out," he says.



The original Yummy's restaurant, which failed, sparking creation of the 1st Iowa Machine Shed, which still operates on this site.



This Hilton Garden Inn in Olatha KS and the Holiday Inn & Suites in West Des Moines IA are typical of the hotel properties Heart of America owns and operates in Iowa, Illinois, Kansas, Minnesota, Nebraska and Wisconsin. A new HoA hotel is under construction in Davenport IA.

And that's pretty much what happened. Michael Whalen and his wife Kim threw themselves wholeheartedly into the business—he as the on-site and ever present manager, she as the accountant—determined to make the business work by dint of sheer will and effort.

They also started with a good idea. Their concept was The Iowa Machine Shed—a restaurant dedicated to the American farmer and decorated with farm tools and implements, some dating back to the late 19th and early 20th centuries. "It's more than just being 'farm themed,'" Whalen says. "We wanted a restaurant that farmers could be proud of. We use only the best beef, pork and poultry. We cook everything from scratch, using fresh ingredients. And we still peel our own potatoes—even today."

Michael Whalen had another goal as well. When he opened, he vowed that one day his restaurant would not only be successful—it would be world famous. It was, he acknowledges, a lofty goal.

Times and conditions were not conducive to a start-up restaurant. It was late 1978, interest rates were at 17% and the economy was down. Perhaps worse, the Iowa winter of 1978–79 was one of the worst on record. Whalen recalls that "it snowed every single Friday." In the restaurant business, he says, snow on Friday is much worse than snow on a Monday or Tuesday.

But, despite the weather, the economy and a less than stellar location, Michael and Kim Whalen, working 18 hrs a day, managed to make the business work. In Mar 1979 they turned their first profit—\$3100. "At that rate," Whalen says, "I figured we would make our investment back in about 35 years."

Fortunately, the profits grew and the payback came quicker than that. Before long they were doing well enough to buy a rundown hotel which was next door to the restaurant. After some renovation, it too began to generate a profit, and the business that would become Heart of America Group was on its way.

Spectacular growth

Today, Heart of America (HoA) is a \$100-million business with 16 restaurants and 12 hotels in 6 major markets—Davenport IA/Moline IL, where it also has its headquarters,

Des Moines IA, Kansas City MO, Milwaukee WI, Omaha NE and St Paul MN.

The 16 restaurants are spread among 3 branded identities, as follows.

The Iowa Machine Shed, now in 6 locations—Davenport (the original), Des Moines, Peewaukee and Appleton WI, Rockford IL and St Elmo MN.

Johnny's Italian Steakhouse, a Sinatra/Rat Pack themed "high-end dining experience" with locations in Moline, Des Moines (2), Omaha, Middleton WI, Olathe KS and Peoria IL.

Thunder Bay, featuring a hunting lodge theme, with locations in Davenport, Peewaukee and Rockford.

HoA's hotels are branded to fit their market location and include Comfort Suites, Doubletree, Fairfield Inn, Hilton, Holiday Inn and Sleep Inn. The company has 6 hotels in



Senior VP Damen Trebilcock is responsible for operation of all hotels and restaurants for HoA, as well as all new development and renovations. He says he simply couldn't do his job without the company's airplanes.



Aviation Mgr Gary Lewis in the left seat of HoA's King Air C90B. Lewis frequently operates the King Air single-pilot. He also flies in a 2-man crew with CEO Michael Whalen in the left seat.



Kirk Whalen, vp and general counsel for Heart of America, reviews a document with Receptionist Elizabeth Odum at the company's headquarters office in Moline IL.

Des Moines, 2 in Kansas City, 2 in Milwaukee, 1 in St Paul and the original location in Davenport. A new hotel is under construction at a second location in Davenport and another in Peoria.

Supporting this business is a flight department based at DVN (Davenport IA) and consisting of 2 airplanes—a 1996 Raytheon King Air C90B and a 2000 Cessna 182 Skylane. Later next year or early in 2014 HoA expects to trade its King Air on a new HondaJet.

The structure of HoA's market is particularly well suited to a small, flexible flight department.

"Most of our destination cities are 6 to 8 hrs away by car—and about the same on the airlines by the time

you fly to a hub city and then to your final destination," Whalen says. "With our airplanes, most of the destinations are an hour or so in the King Air, and up to 2 hrs in the Skylane."

Moreover, most destinations are non-airline airports that are close to the facilities Heart of America owns. In the Kansas City market the airport of choice is IXD (New Century, Olathe KS), while in Omaha it's MLE (Millard, Omaha NE). In St Paul it's STP (Downtown, St Paul MN) in the King Air and 21D (Lake Elmo, St Paul MN) in the Cessna. For Milwaukee it's UES (Waukesha WI) and for Madison it's C29 (Middleton WI).

Michael Whalen is no stranger to aviation. He earned a private pilot

certificate in the late 1970s and added multiengine and instrument ratings as he went along. He routinely flies HoA's King Air, but always with another rated pilot aboard to meet insurance requirements and ensure safe operation.

Gary Lewis is aviation manager for HoA and also serves as chief pilot. Lewis says he learned to fly in a Cessna 150 from a private grass strip at Goren MO, taught by a local farmer who warned him to "stay away from tower controlled airports because you'll get in trouble there." Ignoring that advice, he went on to acquire the rest of his ratings at FFL (Fairfield IA), financed through the GI Bill, and landed his first job as a flight instructor and FBO manager at FSW (Fort Madison IA) in 1972.

After building some time, Lewis joined Horizon Airways, a Missouri-based regional carrier operating between IRK (Kirksville MO) and MKC (Downtown, Kansas City MO). In 1975 he relocated to Muscatine IA, where he still lives, to take a corporate flying job with the Grain Processing Corp. Over the next 13 years he flew increasingly complex equipment, advancing from a Beechcraft Baron to, ultimately, a Cessna Citation from the company's base at MUT (Muscatine IA).

Lewis then accepted a position with Carver Aero to manage the FBOs at MUT and DVN. While there he began flying as a contract pilot for operators with airplanes based with Carver. Among them was Heart of America, which had initially based its King Air with Elliott Avi-



Heart of America typically uses its King Air C90B to transport groups of 5 or 6 executives to the restaurants and hotels it operates throughout the Midwest. The King Air is also used for occasional longer trips to locations such as Washington DC.



This Cessna 182 Skylane, acquired about 2 years ago, typically carries groups of 2 or 3 executives to hotel and restaurant sites. Seen on the ramp at DVN where it is based, it replaced an earlier Skylane which was destroyed in a hangar fire.



Dan Whalen is vp of construction for Heart of America. He has overseen the building of most of the company's hotel properties and frequently uses the company's aircraft to visit construction sites.

ation at MLI, but subsequently relocated it to DVN to avoid issues with bridge traffic for the HoA executive passengers who mostly live on the lowa side of the Mississippi River. Whalen says that he liked Lewis's approach to aviation and that Lewis was his preferred pilot.

In 2004 Lewis was contemplating retirement, tired of the daily grind of managing operations at 2 airports. He related his plans to Whalen, adding that another pilot would need to be found to crew his airplane. Whalen countered with an offer for Lewis to join Heart of America as its full-time pilot and aviation manager.

At the time HoA had just the King Air, but was about to add a Cessna 182, in part to support a bid by Michael Whalen to become the Congressman for Iowa's sprawling First District during the 2006 election cycle. The First District extends from Davenport north almost to Minnesota and in places almost as far west as Des Moines, and the 182 was critical in allowing the candidate to run a strong, albeit ultimately unsuccessful campaign.

HoA retained the 182 after the campaign, finding that it provided an excellent low-cost alternative to the King Air when just 1 or 2 executives needed to travel to the company's growing list of business locations.

As aviation manager, Lewis formalized some reporting procedures, including the addition of flight logs and spreadsheets to provide accountability.



Matt Van Landschoot is dir of maintenance for Carver Aero at DVN, where Heart of America's aircraft are based. He performs most of the maintenance on HoA's aircraft.

Collectively, HoA's aircraft logged about 350 hrs last year. Both aircraft are normally flown single-pilot. King Air operations are limited to runways of 3000 ft or more, while the limit for the 182 is at least 2500 ft. All HoA flights must be approved either by CEO Whalen or Senior VP Damen Trebilcock.

Along with Whalen, Trebilcock is one of the most frequent users of the aircraft. He is responsible for operation of all the hotels and restaurants, all new development, renovations, strategic planning and strategy. It's a job that calls for personal visits to the company's various locations on a regular basis.

"I couldn't do this job without the airplanes," he says. "As an example, when we were building the hotel properties in Olathe, we made perhaps 20 trips down there over a 60 to 75-day period. Sometimes we were in negotiations that needed to continue until a deal got done—but at the end of the day, even if it was 8 or 9 o'clock at night, we could still get home to sleep in our own beds."

The airplanes also give him the flexibility to visit multiple locations in a single day. "I can do St Paul in the morning, swing over to Milwaukee in the afternoon and be home in time for dinner," he says. "There's only one way to do that—with a business aircraft."

"The airplane is our tractor," Whalen says. "It's the tool that

allows us to do business efficiently and effectively. We couldn't run this company without it."

Recently, the company added a 2nd pilot in a part-time role. Brian Johnson was actually hired in HoA's IT department with the title of IT technical support/backup pilot. A Davenport native, Johnson started in aviation as a line technician for Carver Aero at DVN when he was 18, before he had ever flown in an airplane.

Johnson went on to study at the University of Dubuque, earning his bachelor of science in flight operations, along with his commercial, multiengine and instrument ratings. Going on to earn his CFI and CFII from Carver Aero at DVN, he began working there as a flight instructor and Part 135 charter pilot. While there he also became acquainted with Lewis, who came to admire Johnson's work ethic and his approach to safe flight operations.

While flying for Carver, Johnson began to study computer technology with New Horizons Computer Center and soon earned Network Plus and Security Plus certifications by CompTIA, a non-profit IT trade association.

Lewis learned that HoA was looking for a computer technician and encouraged Johnson to apply, thinking that his piloting skills would enhance his value to the company. It has. With a 2nd pilot on staff, the



Brian Johnson performs IT functions and also serves as the back-up pilot. He says the 2 skill sets are particularly valuable when he needs to handle IT problems on-site at locations away from his Moline IL office.



A HondaJet is scheduled to replace HoA's King Air later this year or in early 2014. CEO Michael Whalen notes that this one already carries an N-number ending in his company's initials—HA.

flight department can dispatch both aircraft simultaneously when travel requirements dictate.

"It works out great in the IT department," Johnson says, "because with all of our locations, if one of them has an IT problem, the IT director and I can jump in an airplane and get there really quick."

Lewis, who has logged more than 16,500 hrs in his career, attends annual King Air recurrency training at SimCom in Orlando FL. His CFI rating is current and he provides biennial flight reviews to Whalen and Johnson.

Maintenance

Maintenance for Heart of America's aircraft is performed by Carver Aero's DVN facility, where the aircraft are based.

Matt Van Landschoot is director of maintenance for Carver. A native of Davenport, he joined the US Army in 1983. There he was introduced to aviation maintenance, working on Grumman OV1 Mohawks. Returning to civilian life after 6 years, he enrolled at Hawkeye Institute of Technology in Waterloo IA, where he graduated in 1992 with an A&P license. He joined Carver Aero as a line technician, and was moved to the shop 6 months later. He was named to his current position in 2011.

Van Landschoot also maintains 3 other King Airs based at Carver—a 350, a 200 and another 90. He received initial King Air maintenance training at the FlightSafety Intl

facility in Wichita KS, and attends recurrent King Air classes at CAE SimuFlite in Dallas TX every 2 years.

HoA's King Air is maintained on a 4-phase inspection program, with 2 phases performed every year. The program is in accordance with Hawker Beechcraft factory standards and procedures. Most of the work is performed at Carver, including routine scheduled and unscheduled maintenance, SBs and compliance with most ADs.

Work that is beyond the scope of the Carver shop is sent to Emery Air at RFD (Rockford IL), an authorized Hawker Beechcraft service facility. Lewis cites the 10-year King Air wing bolt AD, accomplished on the HoA King Air about 2 years ago, as an example of work sent to Emery. Occasionally, an Emery technician will be dispatched to assist Van Landschoot on site at DVN.

With just over 2900 hrs on the airframe, the King Air is several years from requiring engine overhauls, based on current utilization. Lewis says he expects the aircraft to be traded in on HoA's pending HondaJet before an engine overhaul is due.

The 182 is maintained to Cessna factory standards on an annual program. Van Landschoot installed a factory-remanufactured Lycoming IO540 late last year, along with prop and governor overhauls when the aircraft was at the 1900-hr mark.

Avionics work for both aircraft is sent to the Elliot facility in DSM (Des Moines IA).

With its growing chain of hotels and restaurants, it's clear that Heart

of America has become a hugely successful operation. But when Michael Whalen opened his first restaurant in 1978, one of his goals was to become famous.

Recently, he says, he discovered conclusive evidence that, yes, his Iowa Machine Shed brand is famous. It was on a trip to Spain, when in a restaurant in Madrid one evening, he and Kim happened to engage in conversation with diners at the adjacent table who turned out to be from Brazil. The Brazilians asked the Whalens what part of America they came from. Of course, Michael and Kim said they were from Iowa.

"It turns out the Brazilians were in the pork business and they'd just come from the World Pork Expo in Moline," Whalen relates. "And they said, 'While we were there we went to the most wonderful restaurant—it was called The Iowa Machine Shed. Have you ever heard of that?'"

"And that's when I knew that, if we could travel to Spain and meet people from Brazil who knew and raved about our restaurant, we had achieved our goal. Clearly, we are famous." ✈



Mike Potts is an aviation consultant and freelance writer. He worked in corporate communications for Beech and Raytheon Aircraft between 1979 and 1997.