Strategic

LSE

Plan

La Crosse Regional
AIRPORT

Mead &Hunt

Kim Kenville
Aviation Consulting

CONTENTS

FROM THE DIRECTOR

It is with great excitement that we introduce the La Crosse Regional Airport Strategic Plan. This planning effort included meetings with airport administration, the aviation board, the strategic planning advisory group and all the stakeholders at the airport. In total, there were eight separate focus group meetings with both internal and external stakeholders that utilize the airport. Representation from surrounding communities, Ft. McCoy, general aviation pilots and businesses, along with the terminal tenants and airport employee groups.

Strategic Plan

There will be unexpected opportunities and challenges along the way, and we intend on being flexible and adaptable in our pursuit of success

Five broad initiatives are presented in this plan that our organization will work toward fulfilling. The strategic plan outlines the airport's vision and mission statements together with the core values we will strive to uphold.

The airport is excited to turn our attention toward plan implementation and will take well-thought out, calculated steps toward achievement where it is possible. Defined performance metrics will be used to evaluate our progress for each area of our key initiatives. There will be unexpected opportunities and challenges along the way, and we intend on being flexible and adaptable in our pursuit of success.

We will need each stakeholder group as our partners and we cordially invite you to join us on this journey! Our goal is providing a continued "low stress experience" for our passengers, employees, airport tenants, pilots, the military and citizens of the region.

Executive Summary

The La Crosse Regional Airport (LSE) is an important asset to the 7-Rivers region and western Wisconsin. LSE boasts a modern terminal, expansive airfield, ample property for future development and an ever-increasing passenger base. *In 2018, 194,968 passengers utilized the airport on our two airlines with service to Minneapolis and Chicago, a 9.7% increase over the previous year.* We were pleased to add a third city to our schedule with the addition of service to Detroit as of March 2019. Currently, the airport only captures 27% of passengers traveling to and from our region; with the remainder leaking to surrounding airports.

In a 2015 study, **the Wisconsin Bureau of Aeronautics reported that the Airport was responsible for $53.1 million annual economic output and supported 808 jobs in the region. The Airport proudly supports local business, general aviation, and military operations with easy access to both airside and landside areas of the airport.** Additionally, the airport supports two legacy air carriers and is home to robust general aviation user groups.

The La Crosse Regional Airport has recently increased its marketing and branding awareness within the city and surrounding communities. Branding initiatives include web-based marketing, social media campaigns, #FLYELSIE, and the use of broad base marketing techniques in and around the community explaining the "low stress experience" LSE affords our travelers.

Aviation in the United States is projected to grow in several sectors, particularly passenger enplanements and cargo activity.

Aviation in the United States is projected to grow in several sectors, particularly passenger enplanements and cargo activity. The FAA conservatively expects to see 2-3% annual growth in passenger enplanements and upwards of 5% annual growth in cargo. The general aviation sector is much flatter with pilot hiring being down or stable.

The awareness of a global pilot shortage is encouraging more young people, including those that may have turned to another career, to rejoin the aviation industry. Armed with this information the airport needs to plan for the business of running the airport. This includes the need for the master plan to be completed in 2019 that considers the infrastructure needed for the future.

The Strategic Planning process was conducted simultaneously with the master plan process. These concurrent planning processes provided an opportunity to develop a competitive assessment for the airport, which resulted in the development of this strategic plan.

The Strategic Planning Advisory Group (SPAG) was formed to represent stakeholders from the area and has guided the process. As the planning process began, stakeholder groups were identified, and focus group meetings were held to elicit input from each group.

Running in unison with the airport's master plan and this strategic plan were two other planning initiatives: An Air Service Study and a Highest and Best Land Use Study. The master plan and strategic plan teams utilized the research and findings of those studies and have incorporated the outcomes into the strategic plan.

This holistic engagement process was instrumental in developing a mission, vision, core values and strategic goals and objectives for the future, #FlyElsie!
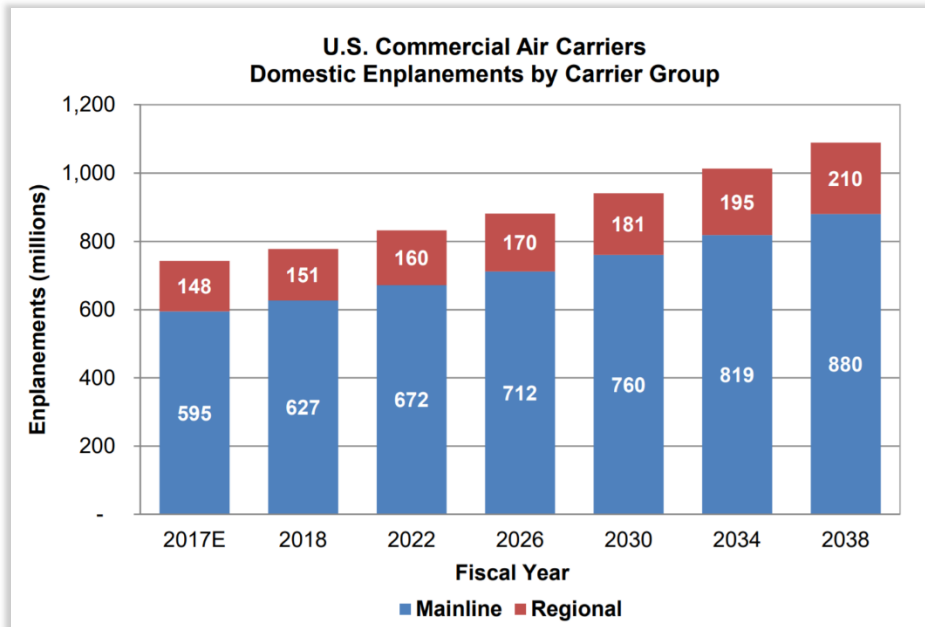
Airport and Industry Overview

Strategic planning has long been a staple planning process in the business community. Recently, many airports have undertaken strategic planning initiatives in addition to their regular infrastructure planning (master planning) recommended by the Federal Aviation Administration.

Increasingly, airports are finding themselves central to many business and economic development decisions and transactions. The FAA encourages all airports to run as self-sufficiently as possible. To meet these increasing business pressures, many airports around the country are embarking on strategic planning processes, in order to meet their business needs and airport infrastructure requirements, especially related to those projects not eligible for financial support from the FAA. Airports find themselves in very competitive times, and the La Crosse Regional Airport is no different, with significant competition coming from nearby airports.

Local competition comes from Rochester International Airport (RST) and Minneapolis-St. Paul International Airport (MSP), both in neighboring Minnesota, along with Madison (MSN) and Milwaukee (MKE) airports in Wisconsin. Air transportation continues to grow in the United States, with FAA estimating in the 2018-2038 Terminal Area Forecast that air travel is growing at 2.3% annually.

The FAA expects "U.S. carrier profitability to remain steady or increase as solid demand fed by an improving economy offsets rising energy and labor costs. Over the long term, we see a competitive and profitable aviation industry characterized by increasing demand for air travel and airfares growing more slowly than inflation, reflecting over the long term a growing U.S. and global economy". (FAA, 2018).

**U.S. Commercial Air Carriers
Domestic Enplanements by Carrier Group**

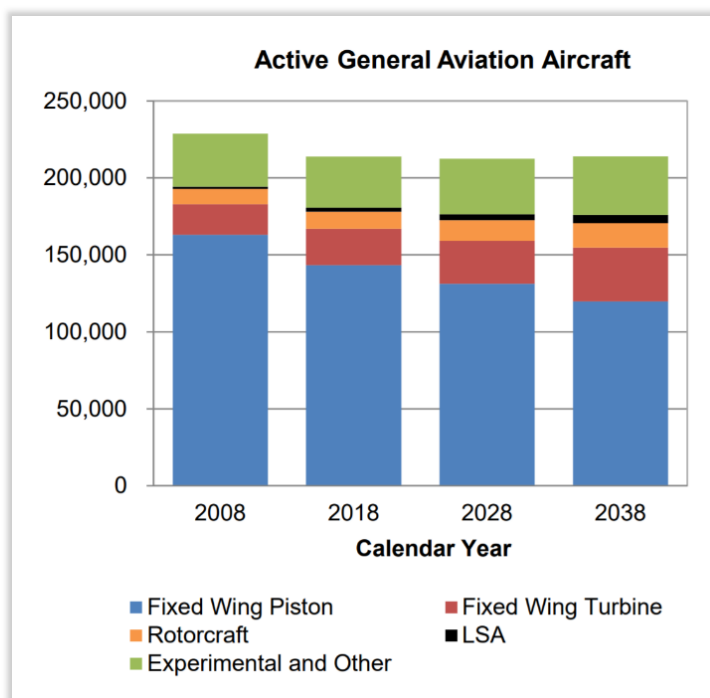| Fiscal Year	Mainline	Regional
2017E	595	148
2018	627	151
2022	672	160
2026	712	170
2030	760	181
2034	819	195
2038	880	210

Source: FAA Terminal Area Forecasts 2018-2038
https://www.faa.gov/data_research/aviation/aerospace_forecasts/media/FY2018-38_FAA_Aerospace_Forecast.pdf

Additionally, the FAA is predicting an increase in the number of mainline and regional passenger enplanements for the next twenty years (see figure on the next page). Currently, LSE is serviced by regional air carrier partners for Delta and American Airlines. This forecasted growth may positively impact the number of air carrier operations which signals the importance of sound strategic business planning and airport infrastructure planning.

The FAA is forecasting increases in cargo, associated with heavy consumer use of online shopping. "Following a 9.5 percent increase in 2017, domestic cargo revenue ton miles (RTMs) are forecast to grow 7.9 percent in 2018 as the U.S. economic recovery accelerates, stimulated in part by the recently passed tax cuts. Between 2017 and 2038, domestic cargo RTMs are forecast to increase at an average annual rate of 1.9 percent" (FAA, 2018).

The FAA has forecasted the national General Aviation (GA) aircraft fleet to remain relatively stable with minor growth occurring due to business aviation and the purchase of turbine aircraft, as shown on the graph at left. Recreational flying has leveled off, as well as the number of certificated pilots in the United States.

However, with the spotlight squarely shining on the shortage of workers for aircraft maintenance, air traffic control and pilots, there is an expected uptick in the number of people entering the field of aviation.

Active General Aviation Aircraft

Legend:
- Fixed Wing Piston
- Fixed Wing Turbine
- Rotorcraft
- LSA
- Experimental and Other

Source: FAA Terminal Area Forecasts 2018-2038

Vision, Mission, and Core Values

The Airport Administration along with the La Crosse Aviation Board worked diligently to develop appropriate and authentic vision and mission statements to guide the airport in the future. The mission statement defines the airport's purpose, while the vision statement is more aspirational. Looking to the future and the airport's role in the region are especially important to the Aviation Board and Airport Administration. Core values support the vision and mission statements and are significant to meeting the day-to-day mission of the airport by serving as a guide to employees, tenants, and the traveling public.

Vision – *Aspiration of the LSE Airport* – To provide our customers with an exceptional experience from curb to sky.

Mission – *Guides the Day-To-Day Operation and Decision Making of the Airport* – We provide safe, modern, friendly and service-oriented aviation facilities to contribute economic growth to the 7-Rivers region and provide a gateway to the world.

Core Values – *The Values that Drive LSE in Creating a Low Stress Experience for Airport Stakeholders and the Region.*

E – **Economically Focused** – the airport is committed to making prudent financial decisions that balance the interests of the airport and its stakeholders.

L – **Locally Minded** – the airport is mindful of its surroundings, and the importance of local stakeholders and their aviation needs.

S – **Safety Centered** – the airport is committed to regulatory compliance providing a safe, secure, and efficient working environment for users, employees, and tenants.

I – **Inclusive Culture** – the airport embraces and respects all stakeholder views and will work as a team for mutual success.

E – **Environmentally Conscious** – the airport is committed to being environmentally responsive to the needs of the region.

Hi, I'm Elsie!
Join my adventures
#FlyElsie

Initiatives, Goals, and Strategies

Airport initiatives, goals and strategies were identified and developed based on the history of the LSE airport, the needs of surrounding communities, and the expected future of air transportation. It is important to have a comprehensive and nuanced understanding of the airport and its capabilities to craft a strategic plan with goals that are attainable given the resources available locally. Five key strategic initiatives were identified for the airport. The airport has limited staff and it is assumed these goals will not all be reached simultaneously but incorporated into the day-to day activities and culture of the organization. The chart below presents the key strategic initiatives for the La Crosse Regional Airport.

Key initiatives

1	2	3	4	5
Air Service	Marketing & Community Engagement	Land Development	Facilities	Organization & Financial
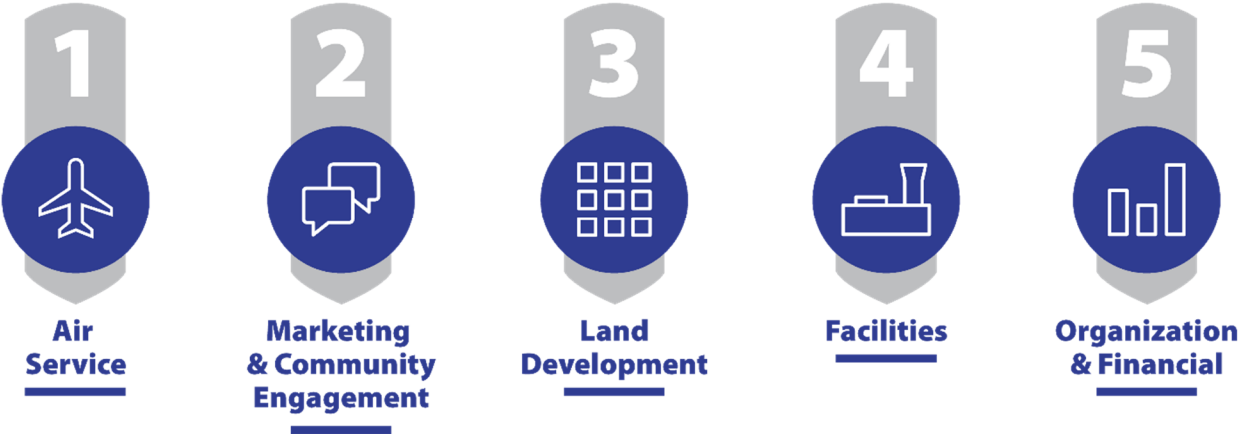
The initiatives illustrated above are uniquely tied to one another. Operating with the airport's core values in mind, LSE will work on strategies identified within each initiative to help the airport reach its goals. Not all goals will be reached instantly or simultaneously—it is a process, and much will be dependent on access to personnel and financial resources. Some goals are dependent on outside variables and/or entities and may be affected by the external environment of the region, state, or national economy.

INITIATIVE	GOALS	STRATEGIES
1 ✈ **Air Service**	*Increase enplanements by expanding the flight schedule by 1 flight.*	Use load factor data (2018= mid 80%) to influence schedule options with current and potential airline partners to expand flight options for LSE
		Communicate with new carriers to encourage market entry (legacy or low cost)
	Reduce the number of passengers that utilize airports other than LSE for travel to and from the region	Continue to build marketing campaign, awareness in community through advertisements, social media, and community presentations
		Work with existing LSE Leaders program to increase business traffic
		Increase involvement and improve relationships with local travel agencies
2 💬 **Marketing & Community Engagement**	*Increase marketing presence and brand recognition*	Continued marketing and branding efforts to build strong community partnerships
		Work with airport stakeholders to uphold high standards of customer service with enhanced training/recognition programs (Elsie)
	Increase strategic partnerships	Consistent Involvement in regional community, civic and military groups
		Develop a tiered system of rewards/incentives for affinity program - LSE Leaders
		Increased presence with local GA groups and educational outreach activities
		Involvement with business aviation and FBO community to increase market share and/or initiate new clients and services
3 ▦ **Land Development**	*Optimize airport revenue (aeronautical and non-aeronautical)*	Identify and rank compatible land uses for potentially available land parcels for the highest and best use of available property (2020)
		Work with local developers to identify potentially interested parties (2020-2021)
		Identify potential FAA restrictions and compliance issues for development (2019-2020)
		Identify local permitting requirements

INITIATIVE	GOALS	STRATEGIES
		Engage a property development firm for the development of an Airport Property Development Plan (2023)
4 *Facilities*	*Optimize the efficiency of the airport infrastructure*	Execute the airport's capital improvement program (ACIP) deliberately
		"Right-size" the airfield consistent with FAA and WisDOT BOA requirements
		Develop environmentally sensitive alternatives to promote sustainability
		Define and plan alternatives to reduce airport infrastructure maintenance costs and employee time.
		Actively engage airport stakeholders to ensure infrastructure needs are met
	Maximize use of FAA/WisDOT BOA funds	Plan for safe, efficient, and modern improvements to airport infrastructure
5 *Organization & Financial*	*Maintain financial strength and be cost competitive*	Diversify revenue sources and increase opportunities to capture non-airline operating revenue
		Contain airport costs to ensure competitiveness
	Maintain workforce capabilities through a continuous learning environment	Train and retain employees to reduce turnover and build a capable workforce at all levels of the organization
		Develop competitive compensation package

Implementation Plan

The five initiatives with underlying goals and strategies are further explained in this section. As indicated below, the five areas are tied to one another and achievement may be dependent on outside variables such as airline partners, military operations, and the overall stability of the Aviation industry. The airport will be a strong partner for the region by continuing to create robust transportation options for its citizens.

1. Air Service

Currently, LSE enjoys a relatively high percentage of available seat miles that are filled with revenue generating passengers (2018 = mid 80%) which indicates that there will be slow growth, if any for total passenger enplanements. Additional enplanement growth will likely be attained by adding new markets or additional flight segments and/or utilization of larger aircraft to existing markets, The airport will need to continue to keep close track of all data points pertaining to air service and meet with current and potential air carriers to work towards additional service opportunities.

To realize a measurable increase to the annual total passenger enplanements, the airport can continue to work on decreasing the number of citizens that leave the area to utilize neighboring airports. This process is known as leakage. Continued marketing and work with airline partners for competitive fares may bring those customers back to the local airport.

Continued and expanded business partnerships utilizing the LSE Leaders program, along with building loyalty among the business community should decrease the leakage rate and raise annual enplanement numbers. Working with local travel agency partners will be a priority to keep them apprised of new schedules and flight opportunities as they arise.

The goal for air service is to increase flight options for the traveler. One additional flight in a five-year period may seem low, but the economics of the industry are quite rigorous. For an airline to increase flights into one community, another community may have their flights reduced due to route preferences or pricing. Based on current market forces for the airlines, this growth goal is appropriate.

2. Marketing and Community Engagement

The La Crosse Regional Airport has developed a Marketing and Communications plan independent of the strategic plan. The airport acknowledges a competitive atmosphere locally for air service options. "It remains incredibly important for LSE to invest in strong community partnerships and creative messaging that drives and encourages loyal and consistent business and leisure travel out of LSE" (TerBeest, 2019).

The airport's current Marketing and Communications plan lays out many of its own goals and associated performance metrics listed in this plan that the airport can use in the future... New marketing and messaging campaigns that celebrate aviation and its history in the area will begin to become commonplace. This will mark a new season of marketing for the airport, with new messages, broad engagement with specific tactics, and use of a variety of media. The marketing plan is listed in the strategic plan because it is central to the ongoing success of the airport, but will be implemented by the airport's marketing coordinator and will augment and complement the ongoing air service and land development initiatives and goals for the airport.

3. Land Development

One of the items studied as part of the master plan was the airport's land uses and potential development opportunities. The airport engaged a consulting firm to study the land surrounding the airport and develop a "Highest and Best Land Use" study with recommendations.

The study studied several parcels of land the airport currently owns and explored possible development alternatives for each parcel. These alternatives accounted for the proximity to the airport and whether FAA would consider the proposed use aeronautical or non-aeronautical.

The Airport will likely undertake land development projects as they opportunities arise, or as commercial land developers seek out the parcels. As part of the strategic plan, the airport should be open to conversations as possibilities are presented. All federal and state aviation guidelines will be adhered to, revenue potential for the airport will be considered, and the pursuit of any opportunities will include collaboration with affected local jurisdictions.

In the near term, the airport should identify and rank which parcels will be available the soonest. The airport can then make local developers aware of the various opportunities and land uses available and determine what types of development will be consistent with airport operations. There is no exact timetable attached to land use development, as it will likely happen organically when the need arises. However, land use planning will enable the airport to be ready when opportunity knocks.

4. Facilities

A goal for the airport is to execute the Capital Improvement Program developed as part of the airport's master plan. Time has been devoted to determining certain projects the airport has identified as critical and non-critical. Based on relevant triggering events the airport will evaluate their needs and initiate projects in a timely manner that is consistent with the overall plan. Coordination between the airport, Wisconsin Bureau of Aeronautics, and FAA Airport District Office will ensue for the consistent development of the airport's infrastructure.

It is important to be deliberate in development, and to "right-size" the airport to its environment and operational levels. Adherence to evolving local, state, and federal environmental regulations is equally important. Regular and consistent engagement with the airport's stakeholders will be a critical part of the development process and will ensure a safe, efficient, and modern airport facility.

5. Organization and Finance

The La Crosse Regional Airport enjoys a dedicated employee base that delivers a high level of customer service. However, with a local low unemployment rate and a competitive marketplace, the airport will have to place emphasis on employee connectedness. Focusing on developing cross-trained employees will help prevent gaps in service for airport tenants, users, and passengers. Working with the City to develop competitive compensation packages should remain a consistent priority.

A highly trained, capable, engaged, and motivated workforce will be maintained through engagement processes, professional development, advancement opportunities, and cross training.

For the airport to maintain a strong financial position it will be important to monitor expenditures with revenue potential. The airport is a primary commercial service airport with close competition for the passenger, and a stagnant general aviation market. Therefore, it will be important to continue to provide a high level of service while containing costs.

Finally, linking the key initiatives and their respective goals and strategies will be important. This can be accomplished through use of performance metrics. Defining important outcomes, whether it be yearly updates or actual data points, is important for all involved. This will indicate the airport's engagement in continued strategic planning and will allow stakeholders, employees, and tenants to become active participants in attaining the airport's strategic goals.

Performance Management

This section of the strategic plan identifies the performance metrics that will be utilized to determine if the airport has met or is meeting its stated strategic goals. It is very important to regularly assess the outcome of the strategies being used to reach the strategic plan goals. If actionable outcomes are measured, the airport can adjust its goals and associated strategies accordingly.

Performance management (PM) has grown out of the business world and filtered to the public sector due to a need for accountability, effectiveness, and efficiency in relation to a limited budget.

The use of performance indicators that allow decision makers to identify solutions to problems more quickly is significant in terms of financial, social, and environmental planning (Pintera, Achim & Gavriletea, 2015).

"If you cannot measure, you cannot control. If you cannot control, you cannot manage. If you cannot manage, you cannot improve and cannot be efficient" (Kuegen & Krahn, 1999 quoted Albu &Albu, 2005: p41).

Performance management is a complex process consisting of:

1) **Building a model of performance for each business separately,**

2) **Data collection,**

3) **Data analysis, and**

4) **Extracting and communicating information.**

Performance metrics or indicators will be utilized to measure the five key strategic initiatives and associated strategic goals. Data will be collected and analyzed to determine whether goals are being attained. As indicated earlier, there may be outside variables that influence goal attainment, and those issues will need to be documented when communicating the outcomes of the strategic plan annually.

KEY INITIATIVE	GOALS	PERFORMANCE METRICS
1. Air Service	*Increase enplanements by expanding the flight schedule by 1 flight.*	1. Monthly load factor reports 2. Annual passenger enplanements
	Reduce the number of passengers that utilize airports other than LSE for travel to and from the region	1. Monthly load factor reports 2. Periodic leakage studies

KEY INITIATIVE	GOALS	PERFORMANCE METRICS
2. Marketing & Community Engagement	*Increase marketing presence and brand recognition*	1. Increase social media followers 2. Track number of chats via web and time to completion 3. Track total customer service interactions
	Strategic partnerships	1. Track # of community presentations 2. Build tiered rewards for LSE Leaders 3. Track and report # of new partnerships 4. Build military rewards program like LSE Leaders 5. Increase community group memberships by airport board and management and number of outreach opportunities 6. Number of annual general aviation education/outreach events
3. Land Development	*Optimize airport revenue (aeronautical and non-aeronautical)*	1. Compatible parcels identification 2. FAA/local restrictions 3. Property development partnership 4. Potentially interested parties 5. Airport property development plan
4. Facilities	*Optimize the efficiency of the airport infrastructure*	1. Annual Report of the number of projects from ACIP began/completed 2. Reduction in number of runway safety issues/reports 3. Annual Report of the ongoing environmental initiatives/ sustainability review 4. Annual Report of alternatives utilized to reduce airport maintenance and/or infrastructure costs and employee time 5. Track project life cycle time/cost

KEY INITIATIVE	GOALS	PERFORMANCE METRICS
	Maximize use of FAA/WisDOT BOA funds	1. Semi-annual meetings
5. **Organization & Finance**	*Optimize non-airline revenue*	1. Track the growth of non-airline operating revenue per passenger
	Maintain financial strength and be cost competitive	
	Maintain workforce capabilities through a continuous learning environment	1. Professional development opportunities 2. Sustained communication 3. Airport employee handbook

An integral part of any planning process is to have airport stakeholder input, which provides for collaboration, discussion, disagreement, and education. The airport and consulting team convened a Strategic Plan Advisory Group (SPAG), assembled from airport and area stakeholders. This group met several times throughout the process.

Strategic Plan Advisory Group (SPAG)

Members of the Strategic Plan Advisory Group (SPAG) were identified in cooperation with airport administration. These individuals represented organizations with an affiliation to the airport and surrounding communities.

SPAG Member	Affiliation
Charlie Handy	*La Crosse County planner*
Tom Faella/Jackie Eastwood	*La Crosse Area Planning Committee*
Jason Gilman	*City of La Crosse planner*
Bill Blank	*Aviation Board member*
Brian Fukuda	*La Crosse County community development*
Katie Aspenson	*City of Onalaska planner*
Vicki Markussen	*Chamber of Commerce executive director*
Christopher Hanson	*Fort McCoy planner*
Chad Hawkins/Cassie Hanan	*Town of Campbell*
Tim Kabat	*City of La Crosse mayor*
Tim Colgan/Kelly Colgan Hammen	*Colgan Air*
Chris Hardie	*7 Rivers Alliance*
Andrea Trane	*City of La Crosse economic development*
Patti Balacek	*La Crosse Area Development Corporation (LADCO)*
Wendy Hottenstein	*WisDOT Bureau of Aeronautics*

Planning Process

The strategic plan was formulated using the following process, consisting of four primary elements which are highlighted in the Airport Cooperative Research Program (ACRP) Guidebook #20: Airport Strategic Planning.

1. **Competitive Assessment** – an inventory and review of existing airport businesses, operational, property development, and air service frameworks and identification of potential areas of growth.

2. **Stakeholder Engagement** – a series of ongoing meetings with strategic planning work group, along with focus group meetings with 8 different stakeholder groups (terminal tenants, GA tenants, airport employees, area planners, business community, and military).

3. **Vision/Mission/Core Values** – established formal mission and vision statements, along with identification of core values for the airport and its employees.

4. **Implementation** – building upon the internal and external information gathered through the strategic planning process, the airport's goals, objectives, and strategies were identified, and work plans developed.

Exhibit 3-1. Strategic planning elements and best practices.
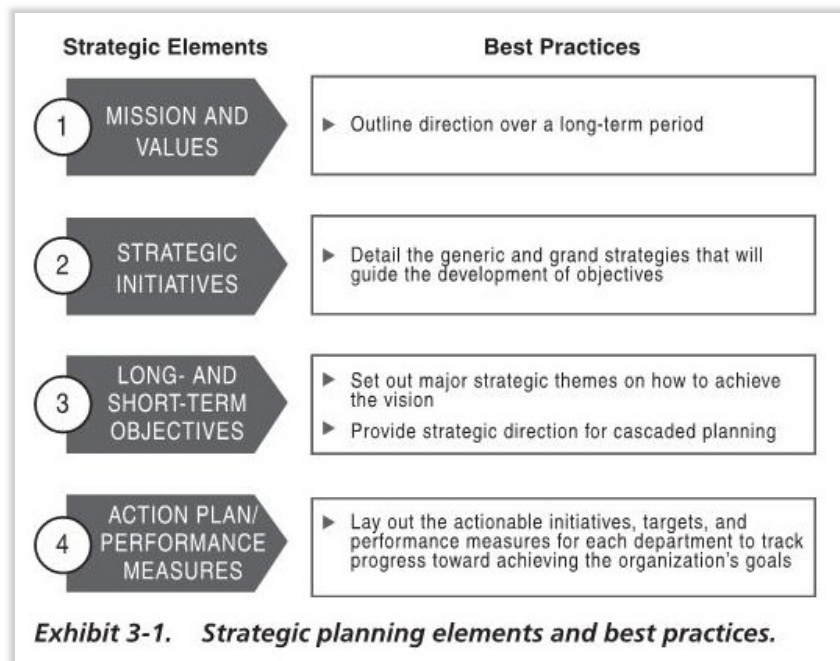
Source: ACRP Report 20

There were 8 individual stakeholder groups identified and focus group meetings were scheduled over a two-day period to solicit feedback and share information. This allows for collaboration and assists in the formulation of the airport's SWOT (strengths, weaknesses, opportunities, threats) matrix.

As the SWOT analysis was developed, this allowed for issues identified to drive the airport's goals and strategies along with the formulation of airport vision, mission statements, and core values.

Users
- Concessionaires
- Airlines
- Tenants
- Fixed Base Operators
- Pilots
- Hangar Owners

Key Stakeholders
- Airport Customers
- Passengers
- Community
- Neighbors
- General Public

Advocacy Industry Groups
- American Association of Airport Executives
- Airports Council International
- National Association of State Aviation Officials
- Aircraft Owners and Pilots Association
- National Business Aviation Association

Regulators/Government Partners
- Federal Aviation Administration
- Transportation Security Administration
- State Aviation Agency
- Local Agencies

Airport Management and Staff
Policy-making Board
Airport Owner

Source: ACRP Report 58

Stakeholder Focus Groups

- Chamber/Business Community
- Airport Administration
- Terminal Tenants
- Airport Ops & Maintenance
- City/County/Area Planners
- General Aviation Users
- Business Aviation & Contract Tower
- Fixed Base Operator

The following chart outlines the SPAG meeting schedule and how the strategic plan progressed throughout the year.

March 28, 2018	May 22-23, 2018	August 21, 2018	December 19, 2018 & March 13, 2019
• SPAG Meeting #1 • Strategic Plan Process • Scope, Goals, Stakeholder Engagement, Vision, Mission, Core Values, and SWOT • Explorer Solutions Land Use Study	• Focus Group Meetings • 8 groups - up to 30 people per group • Discussion leading to SWOT, Vision, Mission, Core Values, and Strategic Goals	• SPAG Meeting #2 • Focus Group Updates • SWOT Matrix • Vision, Mission, Core Values, and Strategic Goals • Air Service Study • GA User Study	• SPAG Meeting #3 • Aviation Board Meeting • Present Mission, Vision, Core Values, and Strategic Goals

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Strategic Plan

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