



Highest and Best Land Use Study

Final Report

La Crosse Regional Airport (LSE)

Normand Landry – December 17, 2017



Introduction

Airport's Parcels Overview



Development Opportunities



4. Retained Concepts

Development Concept	Parcel	Development Concept	Parcel
Warehousing - Distribution Center Development	P1	“The Destination” & Long Term Industrial Development	P5 / P6 / P6B
Office Spaces	P2	Land Remediation for Prairie Sand	P7
Aviation and Aerospace Development	P3 / P3B	Long Term GA and Office Space Development	P8
Commercial Aeronautical and General Aviation Development	P4 / P4B	Aeronautical and Industrial Business Park	P9

P1: Warehousing and Distribution Center Development

Concept Validation and Demand

- Consultation indicated: concept would fit well at the airport + local need for warehousing.
- **Discussions with multiple local businesses:**
 - Logistic Health / Kwik Trip / Central State Warehousing / American Warehousing & Distribution / City Brewery
 - Only Central State Warehousing is looking for development opportunities, and the others encourage this kind of development.
- **Positive location factors:** Close to the highway (ground) and the airport (air), La Crosse is central location in the Midwest.

P1: Warehousing and Distribution Center Development

Concept Layout



P2: Office Space & Hotel Development

Concept Validation and Demand

Office Space

- Most development projects are currently Downtown La Crosse.
- Shortage of developable lots.
- Office vacancy rate in La Crosse is below 4%.

Hotel

- Strong downtown development
- Airport community demand
- The concept fits well in the long term airport development

P2: Office Space Development

Parcel Location



P3: Aviation & Aerospace Development

Concept Validation and Demand

- **Industry survey results:**

- 7 organizations could eventually consider LSE for their expansion projects.
- Even if none of the surveyed companies have current expansion projects, they mentioned that LSE seems to respond to major requirements:
 - ✓ Attractive lease rates
 - ✓ Close to transportation infrastructure (highway)
 - ✓ Good local business environment

P3: Aviation & Aerospace Development

Development Layout



P3: Aviation & Aerospace Development

Development Layout



P4: Commercial Aviation & GA Development

Concept Validation and Demand

- Commercial Aviation Development (P4): Ideal parcel location and logical to pursue commercial aviation considering the neighboring businesses.
- GA (P4B):
 - No waiting list (Airport)
 - New hangar construction aimed at replacing older units
 - The continuation of GA hangar development for those parcels is logical
 - Expected GA growth due to other development concepts
 - Industry Survey: GA market regaining strength

P4: Commercial Aviation and GA Development

P4 Development Layout



P4: Commercial Aviation and GA Development

P4B Development Layout



P5/P6/P6B: The Destination (Waterfront Dev.)



P5/P6/P6B: The Destination (Waterfront Dev.)

Parcels Location



Onalaska Development Projects



P5/P6/P6B: The Destination (Waterfront Dev.)

General Concept Layout



P5/P6/P6B: The Destination (Waterfront Dev.)

List of concepts (with associated validation and demand data)

- **New Marina:** Most marinas are full // Waiting lists.
- **Boat Launch Relocation:** Move further up the Fisherman Road.
- would fit the local demand for sport-oriented activities.
- **Boardwalk:** Would enhance the waterfront development and attract visitors. Year around activities.
- **Cycling Path:** Located beside the boardwalk. Should be linked to other bicycle friendly routes.



P5/P6/P6B: The Destination (Waterfront Dev.)

List of concepts (with associated validation and demand data)

- **Boutiques & Outlets:** Discussions with Preit, Tanger and Simons Property Group.
- **Restaurants:** Would complete the offer // Propose various restaurant types.



EXPLORER
SOLUTIONS

P5/P6/P6B: The Destination (Waterfront Dev.)

List of concepts (with associated validation and demand data)

➤ Entertainment:

- Spa Resort: Focus on the “thermoludic” concept
- Indoor Surf / Indoor Climbing: Nothing similar in the region, would fit the local demand for sport-oriented activities.



P5/P6/P6B: Aeronautical Development

Development Zone



P5/P6/P6B: Aeronautical Development

Concept Layout



P7: Considerations

No development concepts

Two (2) main reasons:

- 1) Remote location, wetlands, Sand Prairie limit any development
- 2) Discussions with DNR:
 - Limited development opportunities
 - Need to consider rare animals and vegetation



P8: Long Term GA Development & Office Space

Office Space Development Layout



P8: Long Term GA Development & Office Space

GA Development Layout



P9: Aeronautical & Industrial Development

Parcel Location



P9: Aeronautical & Industrial Development

Concept Validation and Demand

- Except for the International Business Park, which has only seven (7) remaining vacant lots for a total of 12.53 available acres, there are no other industrial lot available for development in the La Crosse area
- Discussions with local economic development agencies comments:
 - Great location
 - The lack of shovel-ready lots will become problematic soon. Strong competition in Onalaska and West Salem.

P9: Aeronautical & Industrial Development

Development Concept Layout



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Development Approach

P1 – Warehousing and Distribution Center

- On-demand basis
- One warehouse / Distribution Center every three (3) years. Total of three (3) buildings considering preliminary layout.
- Commercial Development: Half of the parcel on year 5 and the other half on year 10.

P2 – Office Space and Hotel

- On-demand basis
- Based on the marketing + Development efforts, both buildings could be erected at Years 5.

P3/P3B – Aviation and Aerospace Development

- On-demand basis
- One 40,000 sq. ft. hangar every 5 years. Total of three (3) hangars over 15 years based on the preliminary layout.

Development Approach

P4 & P4B – Commercial Aviation and GA Development

- **P4:** One hangar every three (3) years. Total of three (3) hangars over 9 years based on the preliminary layout.
- **P4B:** One hangar every two (2) years. Total of four (4) hangars over 8 years based on the preliminary layout.

P5/P6/P6B – The Destination

- Half of the development on year 5 (140,000 sq. ft.) of buildings
- The other half would be implemented every two (2) years over 10 years (28,000 sq. ft. per subsequent phase)

P8 – Long Term GA Development and Office Space

- Alternative and long term development sites after P2 and P4B.
- Planning based on airport vision and selection of sites.
- **Office buildings:** First at year 10/second at year 15 (continue P2).
- **GA Hangars:** First 15,000 sq. ft. of development at Year 15 plus another 15,000 sq. ft. at Year 18.

Development Approach

P9 – Commercial Aviation and GA Development

- On-demand basis
- Focus on the aeronautical industry (complementary to P3 and P3B).
- First building on Year 3 and the four (4) subsequent every three (3) years (total of 5 buildings at Year 15)

20-Year Financial Projections

REVENUES		
P1	Land Lease revenues (Airport)	\$2,885,285
	Taxes revenues (City)	\$22,104,376
P2	Land Lease revenues (Airport)	\$964,005
	Taxes revenues (City)	\$7,025,457
P3	Land Lease revenues (Airport)	\$2,224,741
	Taxes revenues (City)	\$5,680,950
P4	Land Lease revenues (Airport)	\$559,317
	Taxes revenues (City)	\$1,912,958
P4B	Hangar Lease revenues (Airport)	\$663,844
	Taxes revenues (City)	\$2,739,048
P5/P6/P6 B*	Land Lease revenues (Airport)	\$1,788,953
	Taxes revenues (City)	\$21,014,824
P8	Land Lease revenues (Airport)	\$497,317
	Taxes revenues (City)	\$3,668,442
P9	Land Lease revenues (Airport)	\$1,297,537
	Taxes revenues (City)	\$11,724,910

Projected Revenues:

- **Total potential revenues: \$86,751,965.**

- **Airport Land Lease: \$10,881 (12% of total)**
- **City Tax Revenues: \$75,870,965 (87.5% of total)**

Projected Expenses:

- **Total capital expenses: \$29,486,226**

Projected Profits:

- **Pre-Tax Profit: \$57,265,739**