

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	<b>Development Concept</b>	Parcel
Warehousing -	D1	"The Destination" &	P5 / P6 /
Distribution Center Development	P1	Long Term Industrial Development	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:
  - o 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

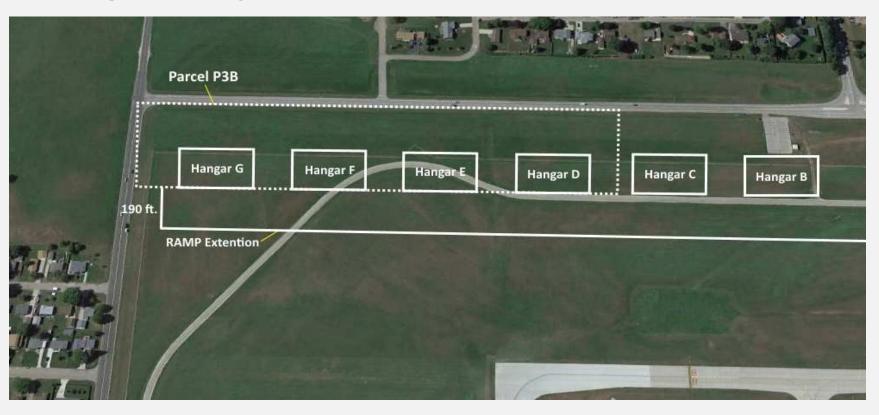
### **Development Layout**





# 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** 









#### **Parcels Location**





# **Onalaska Development Projects**





#### **General Concept Layout**



### 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.











### 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.









### List of concepts (with associated validation and demand data)

#### Entertainment:

- > Spa Resort: Focus on the "thermoludic" concept
- ➤ <u>Indoor Surf / Indoor Climbing:</u> 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

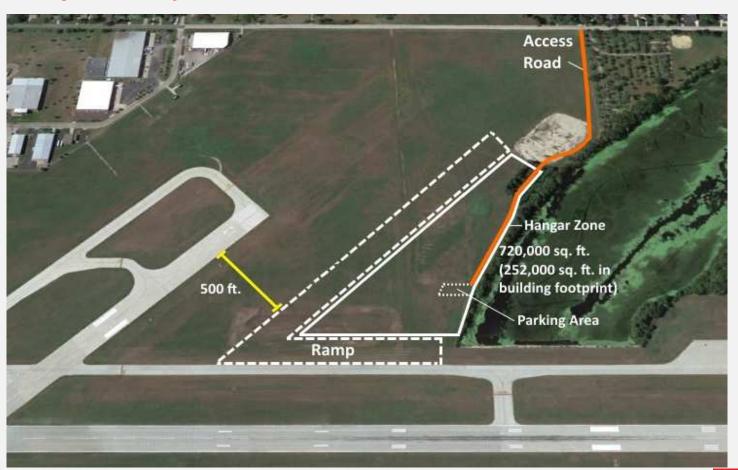
#### **Office Space Development Layout**





## 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

- ➤ <u>P4:</u> One hangar every three (3) years. Total of three (3) hangars over 9 years based on the preliminary layout.
- ➤ <u>P4B:</u> 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	
		Φ0 005 005
P1	Land Lease revenues (Airport)	\$2,885,285
	Taxes revenues (City)	\$22,104,376
P2	Land Lease revenues (Airport)	\$964,005
Γ2	Taxes revenues (City)	\$7,025,457
P3	Land Lease revenues (Airport)	\$2,224,741
Po	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	Land Lease revenues (Airport)	\$1,788,953
B*	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

