

Original: 2-18-2019
Revision: 3-16-2020



Business and Operations Plan

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Aviation Board Submittal**

Executive Summary

Product

Soaring Suds Car wash includes a multi-use structure housing service bays for airport car rental operators as well as a public car wash tunnel. Multiple car wash product offerings will be sold including fleet, standard, silver, gold, and platinum washes. Capacity exists for future detailing services within the rental bays. The car wash system operates without personnel in a fully automatic manner for the foreseeable future.

Customers

There are four primary customers targeted for this facility to include car rental agencies, governmental fleet operators, terminal parking customers, and the general public. Capacity exists for additional future customer types.

Purpose

The primary purpose of the proposed facility is to provide car wash services to the four on-site car rental agencies serving the general public. By satisfying this primary purpose the Airport has the opportunity to also provide car wash services in conjunction with the many patrons that utilize the public parking facilities at the Airport as well as to serve local residents and transient traffic in the area. Overall, it is an added amenity to those traveling locally through the La Crosse Regional Airport.

Approval and Funding

This project was authorized by City of La Crosse Common Council Resolution 18-0182, which authorized the project to proceed to bidding and for the facility to be used by the public. The project is being funded through a 2017 bond issuance fully serviced by Airport car rental facility charges (CFC's).

Market Research

Industry

There are many examples throughout the country of car washes being developed in close proximity to airport facilities due to their complimentary land use as well as the high volume of people who are around airport facilities for various purposes. There are only a handful of Airport's that have operated their own car wash facility; however, there are many examples of private parking providers that present these types of services to complement their parking product. The Airport industry is continually looking for creative ways to diversify revenues through land development and ancillary services. Car washes further provide a much-needed service to the general public which complements parking and other Airport related services.

Detailed Description of Customers

There are four primary customers to be served at Soaring Suds Car wash

- Car Rental Agencies – The car rental agencies operate private car rental businesses through an operator's agreement with the Airport. These companies offer car rentals to both transient and local customers. Through the nature of their business they generate thousands of annual car washes, which created the initial demand for this facility. The product offering for the car rental agencies will include a fleet wash package to maintain a very low cost per wash.
- Public Agencies – Several public agencies such as the police department have the need for frequent car washes. The Airport intends to offer fleet pricing for basic wash packages to other governmental agencies.
- Terminal Parkers – Tens of thousands of passengers utilize the airport parking facilities every year. These customers are well positioned to benefit from the car wash service offering which can be combined with the Airport's upcoming rewards program. Additional future services are possible as well such as VIP detailing.
- General Public – The Airport is uniquely positioned off of Interstate 90, near residential neighborhoods, and near an industrial park. This positioning allows for the Airport to serve the general public's car wash needs on French Island. The general public

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consists of both transient drivers transitioning around the Airport as well as local residents.

Advantages

The La Crosse Regional Airport has available land to move forward with this project at a lower cost than if land needed to be acquired. Additionally, the facility construction costs are being funded through car rental facility charge fees for the primary purpose of serving car rental agencies. This funding mechanism provides a lower initial cost to also serve the other customer types with a minimal additional capital investment for the automated wash equipment.

Additional advantages to this operation include:

- Onsite electrician
- Onsite building maintenance engineer
- Onsite mechanic
- Land located near existing road and utility infrastructure
- Management team with existing knowledge of ancillary business operations
- In-house IT and financial support
- Management team consisting of multiple bachelors and advanced business degrees

Regulations

La Crosse Regional Airport will be required to follow all State and Federal regulations concerning the operation of a car wash facility to include any applicable State sales taxes to be collected. The Airport has added the car wash to its existing sellers permit to cover the new address.

Service Line

Product/Service

Services Include:

- Car rental fleet car washes
- Governmental fleet car washes
- Parking user car washes
- Public user car washes
- Bundled car wash
 - 5-wash bundle
 - 10-wash bundle
- Monthly unlimited car wash
 - Unlimited Standard
 - Unlimited Silver
 - Unlimited Gold
 - Unlimited Platinum Lava
- Package types
 - Standard car wash
 - Pre-soak, soft-touch wash, basic foam, spot-free rinse, dry
 - Silver car wash
 - Undercarriage wash, pre-soak, soft-touch wash, basic foam, spot-free rinse, dry
 - Gold car wash
 - Undercarriage wash, tire rim clean, pre-soak, bug prep, soft-touch wash, triple foam, wax, spot-free rinse, dry
 - Platinum Lava car wash
 - Undercarriage wash, tire rim clean, pre-soak, bug prep, soft-touch wash, triple foam, lava, spot-free rinse, dry

Pricing Structure

The following proposed costs are based on current operational cost estimates and may need to be adjusted based on actual cost models upon facility completion.

- Car rental fleet car wash
 - Standard - \$3.01
 - Silver - \$3.10

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- Gold - \$3.70
- Platinum - \$3.95
- Government/Corporate Fleet car wash
 - Standard - \$4.00
 - Silver - \$6.00
 - Gold - \$8.00
 - Platinum lava - \$10.00
- Public use car wash
 - Standard - \$6.00
 - Silver - \$8.00
 - Gold - \$10.00
 - Platinum Lava- \$12.00
- LSE VIP Rewards Customer car wash
 - Discount of 20% on all individual parker car washes
- Bundle car wash packages
 - 5-Wash Package (20% discount)
 - Standard - \$24.00
 - Silver - \$32.00
 - Gold - \$40.00
 - Platinum Lava- \$48.00
 - 10-Wash Package (30% discount)
 - Standard - \$42.00
 - Silver - \$56.00
 - Gold - \$70.00
 - Platinum Lava- \$84.00
- Monthly unlimited car wash packages
 - Monthly cost per vehicle
 - Taxes added to package cost
 - Available packages:
 - Standard Unlimited - \$14.99
 - Silver Unlimited - \$19.99
 - Gold Unlimited - \$24.99
 - Platinum Laval Unlimited - \$29.99

Location Analysis

The Airport location benefits from various levels of traffic in and around the terminal facility. Direct Airport users account for approximately 20,000 vehicles parked in the terminal parking lot and approximately 25,000-30,000 car rental contracts executed on an annual basis. AADT traffic counts near the terminal facility are 3,700 cars daily or 1.3 million annually. AADT counts on Fanta Reed Road are 6,600 cars daily or 2.4 million annually. AADT counts on the interstate

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near the Airport are 27,700 or 10.1 million annually. Using a conservative estimate of 10% of parked vehicle, 50% of car rental contracts, 1% of near terminal facilities, 0.5% of Fanta Reed traffic, and 0.1% of interstate traffic results in an estimated 144 daily car washes or 52,660 annual car washes. The industry capture rate ranges from 0.1% to 3.9% on average for street traffic. The Airport location does not have significant transient traffic and therefore depends more on ancillary business such as parking and the fact that there are currently no functioning car washes on French Island serving the public. Assuming the Town of Campbell population of 4,362 has approximately 2 cars per household for the 1,982 households, there are approximately 3,964 vehicles. Assuming an average of 1 wash per month per vehicle there are approximately 47,568 (130 per day) additional washes to serve in the local residential jurisdiction.

Potential Future Services

The Airport management team is exploring the possibility of a VIP parking program in which a customer would park their vehicle in the short-term parking lot, deposit their key into an electronic lock in the terminal, and provide their travel details and product order. While on their trip their vehicle would receive a full interior detailing in one of the car wash facility bays and a Platinum Lava exterior wash. Upon their return the customer would then pick up their key in the same electronic box.

Marketing, Sales, and Operations

Growth Strategy

The Airport would grow the use of the car wash organically, through customer discovery and through the Airport's existing and future e-mail and social marketing tools. The primary purpose of the facility is to serve car rental agencies and to provide additional value-added services to the terminal parking patrons. There are no current plans to use paid external marketing for car wash service. The Airport intends for this car wash to complement existing car washes in the region rather than to compete directly with them.

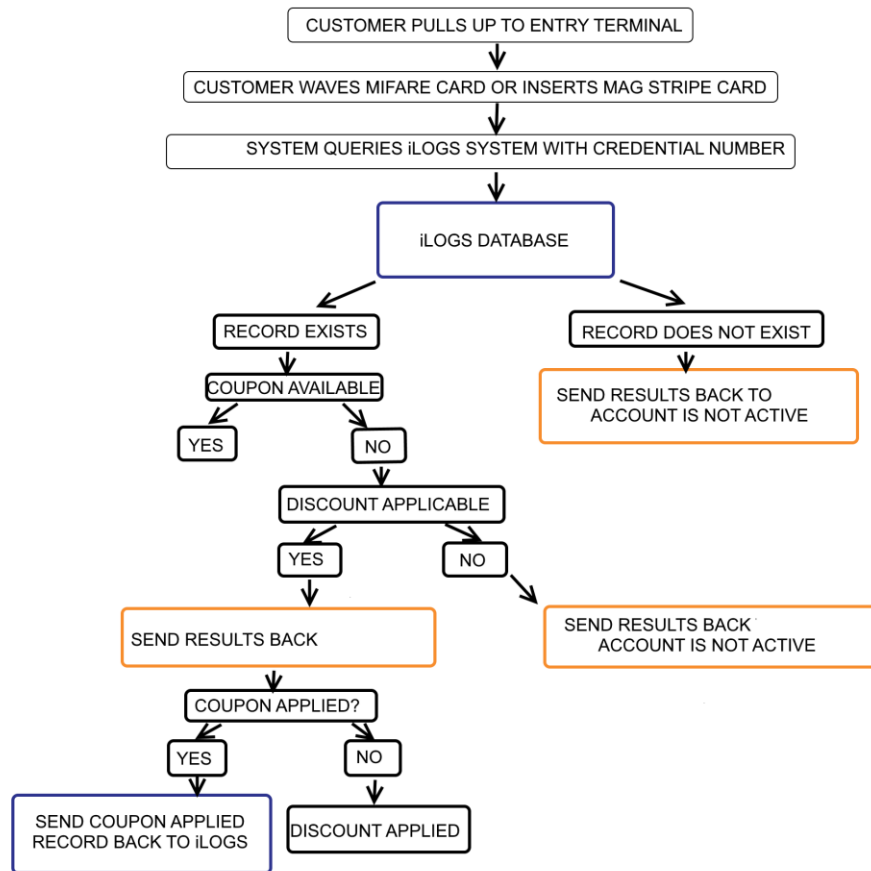
Product Information and Sales

A product website will be setup to convey available product information including packages, discounts, use instructions, and other pertinent information. The website will also include e-commerce solutions for the purchase of card packages and monthly parking packages. A mobile app will also be available for customer ease of use.

Car wash sales will occur at the touch-screen point-of-sale terminals in the car wash queue. Monthly use purchases can be made at the Airport Administrative. In the case of monthly unlimited use purchases require an RFID tag system. A small RFID tag must be attached to each vehicles windshield which will be read upon entering the pay lane. Multi-wash packages will be dispensed via an access code of pre-loaded card.

Cross-Product Integration

The Airport management team is exploring cross platform integration between the proposed car wash system and the parking system to provide a seamless user experience for couponing and other uses. The primary purpose of this integration is for the expansion of the Airport parking rewards program through additional value-added services such as the car wash packages which will be offered at a 20% discount for LSE VIP Rewards members. The following flow chart details how this integration may work.



Branding

The La Crosse Regional Airport logo combined with the Soaring Suds Car Wash name has been determined to best match the existing airport brand image with the new car wash brand offering. This will ensure that both products are considered as part of the entire Airport experience.



Car Wash Logo



Airport Logo

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Operations and Maintenance

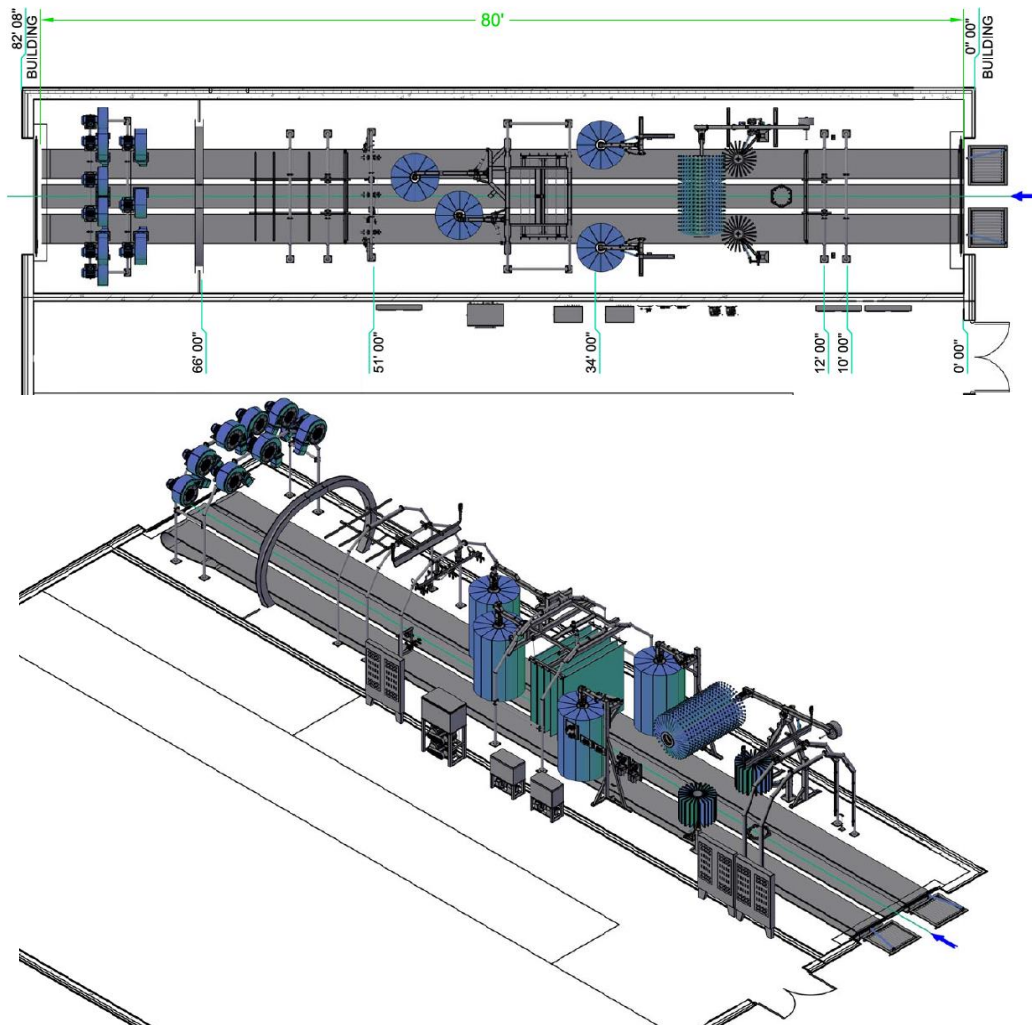
The car wash is operated by the Airport Administration team which includes the Airport Director, Deputy Airport Director, Marketing and Communications Manager, and the Administrative Coordinator. The Deputy Airport Director is responsible for day-to-day management of the facility to include business functions. The Administrative Coordinator oversees customer service and product offerings. The Marketing and Communications Manager manages consumer outreach, marketing, and communications. The Airport Director ensures overall business unit oversight. At the present time, the car wash operation is not staffed with personnel at the entrances as the system is fully automated. The existing parking attendant staff will assist with ensuring orderly functioning of the entry systems. At some point in the future, additional staff may be added as part of a joint parking/car wash customer service or management team.

Maintenance of the facility is primarily the responsibility of the internal Airport team consisting of an electrician, building maintenance engineer, and a mechanic. A service contract will also be in place for long-term maintenance, chemical supplies, and major repairs. In the event of major mechanical failure, the system will be offline until repaired. In the event of customer service issues or mechanical issues a service line will be provided for direct access to the Airport Operations team which is staffed 24/7.

Building, System and Functionality

Tunnel System

The Airport installed an 80' AVW conveyor belt car wash system capable of handling over 70 cars per hour at a processing rate of 4-5 cars at any given time resulting in an approximately 4-minute car wash. Unlike chain driven tunnel systems this proposed system will utilize roller free belt conveyors which provide a better user experience and less maintenance than traditional systems. This is the only belt conveyor car wash system in the La Crosse/Onalaska area.



AVW 80' Conveyor System

Point-of-Sale System

The Airport utilizes Unitec Portal+ point-of-sale technology to enhance the customer experience. The Unitec Portal+ pay station utilizes a 22” touch-screen display to provide an intuitive experience to the end user. Cash and credit/debit cards are accepted at the pay station. A canopy system will provide the end user coverage from precipitation or inclement weather while utilizing the system. A single lane setup is expandable to a second lane in the future. In the case of future personnel placement an employee point-of-sale terminal can be purchased and installed in the available space near the left entry lane.



Sample Pay Station

Building

The building location was selected to maximize visibility to Airport Road, provide ease of access for parking patrons, and provide public entry and exit without having to transgress the terminal loop road. The proposed location will minimize traffic issues while ensuring ease of use for the car rental agencies. The proposed location does have limited queuing space which resulted in the implementation of a dual entry lane setup. Additionally, approximately 50 parking spaces in the long-term parking lot were lost. The Airport may regain these spaces at a future date by redoing the layout of the parking lot.