Background and Introduction:

The Austin Straubel International Airport Development Committee is one of four economic development committees created in March 2012 by Brown County Executive Troy Streckenbach to focus on core county infrastructures to meet the increasing needs of area businesses while also assisting in attraction of new companies to the area.

Austin Straubel International Airport must begin the process of evolving its existing business model, which relies strictly on passenger flow to financially sustain itself. The airline industry is no longer focused on passenger volume, but instead on revenue volume per passenger. Accordingly, the airport must further diversify its revenue streams in order to remain sustainable as the airline industry moves forward, carrying fewer passengers, thereby reducing airport revenue. The airport must begin to look at other sources of revenue to remain financially viable by developing a comprehensive strategic plan.

Within the above context, this committee undertook development of a comprehensive business plan to attract new business enterprises to the airport in the retail, commercial, industrial, and aeronautical sectors that will compliment surrounding communities while providing sustainable revenue streams for the continued financial health of Austin Straubel International Airport. A long-term strategic plan should encompass the following three points to ensure sustainable future development:

1.) Utilization of available outlying properties through leasing and development thereby creating long-term income streams based on property values.
2.) Development of niche aviation businesses based on exploitation of airport location such as the current initiative to develop a Federal Inspection Station.
3.) Continued efforts at increasing public understanding of the economic value of the airport to the community with the ultimate goal of establishing an air service development fund.

The scope of this committee’s efforts and their findings and recommendations contained in this “white paper” address the first of these three issues. The committee was comprised of a broad cross-section of business, municipal, and technical communities and included: Dr. Bruce Bressler – Jet Air; Todd DeVillers – RE Commercial; Allison Swanson – Village of Ashwaubenon; Alan Timmerman – Jet Air; Chuck Lamine – Brown County Planning and Land Services Department; Ed Delgado – Oneida Nation; Elaine Willman – Village of Hobart; Gail Garrity-Reed – FACC-PTAC; Jim Christensen – Modern Plastics; Joanie Buckley – Oneida Nation; John Reed – Austin Straubel International Airport; Judy Knudesen – UW Extension; Lisa Harmann – Advance; Mike Aubinger – Village of Ashwaubenon; Tom Miller – Austin Straubel International Airport; Tom Janssen – Mead & Hunt; Troy Streckenbach – Brown County Executive.

Current Conditions:

Current trends within the airline industry are driving increased competition among communities for air service. Included among the factors driving this increased competition are: airline bankruptcies, mergers, capacity declines, hub restructuring, and downsizing of airline fleet equipment. In recent times, air service out of Austin Straubel International Airport has been adversely impacted by many of these overall factors affecting nationwide air travel including a 27% year-over-year capacity decline. From a more local perspective, air service from Green Bay has also been significantly impacted. These trends are expected to continue into the foreseeable future and, consequently, airports need to consider generating increased revenues from non-aeronautical sources.
Austin Straubel International Airport is an enterprise fund of the Brown County government and, as such, does not derive revenues from the county tax levy and operates as a business, which requires it to generate its own revenue to maintain that status. Currently, 35% of Austin Straubel’s total revenues is obtained from the various aspects of air travel and passenger usage. The last non-aeronautical development generating lease revenues for the airport was the Wingate Inn.

During the course of developing the 2012 update to the Austin Straubel International Airport Master Plan to address aviation demand for the next 20 years, 427 acres of currently undeveloped land was identified as non-aeronautical use lands (See Attachment 1).

The sole focus of this airport development committee was to research each of the parcels comprising this acreage and develop high-level, but actionable business plans for development that would result in revenue generation from this undeveloped non-aeronautical acreage.
Study Details:

As a starting point, the areas designated for non-aeronautical uses cannot, in any way, conflict with long-term aviation requirements and, consequently, a number of considered proposals and alternatives were shared with FAA representatives for their comment and input. Further, future airport development must be done in a manner consistent with the land use plans; zoning requirements; and comprehensive plans adopted by the Villages of Ashwaubenon, Hobart, and Oneida Nation.

The map included as Attachment #2 clearly delineates the airport property, categorized as available undeveloped non-aeronautical parcels along with associated wetlands as identified in the Wisconsin DNR Wetlands Inventory Map.
Utilizing this map, the committee discussed a number of issues related to the best potential use of each of these parcels and the following summarizes the identified designations for each of the parcels:

- Retail development was identified as the best use for parcels approximate to the intersection of Highway 172 and Packerland Drive. These parcels include: N14, N15, N16, N17, and N18.
- Office and Professional development was identified as the best use for parcels approximate to Highway 172 and Pine Tree Road. These parcels include N1, N2, N3, and N4.
- Light industrial development was identified as the best use for parcels abutting Pine Tree Road and on the airport proper. These parcels include N5, N6, N7, N8, N10, N11, N12, and N13.

The following provides the committee’s investigations and evaluations for each of these three identified sectors as well as some general findings that have application to all undeveloped airport parcels:

**General Findings:**

- Because the airport property was purchased using federal aviation funds, none of the airport parcels can be sold for development, but with approval of the FAA can be leased.
- Additionally, the FAA has placed height restrictions and other use limitations on various parcels that will be identified in following sections.
- Tax Increment Financing (TIF) was explored as an option to finance infrastructure and to potentially provide other development incentives. Two specific options were discussed and the committee obtained the following legal opinions of Brown County’s Corporation Counsel:
  - If Brown County leases airport land to a private interest who constructs a building taxed as personal property pursuant to Wisconsin statute 66.1105(2) (L), the personal property tax revenue can be captured for TIF purposes as the statute defines “taxable property” to mean all real and personal taxable property located in a tax incremental district.
If Brown County constructs a building on airport property and leases both the land and building to a private interest, Brown County, as the owner of non-taxable property by contractual agreement can utilize some of the lease revenue to provide an in-lieu of tax payment toward increment for TIF purposes as long as there is a separate payment in lieu of tax (PILOT) agreement in addition to the lease agreement between the private interest and the municipality in which the TIF resides.

Based on this opinion from corporation counsel it appears that either extension of one of the existing TIFs or creation of a new TIF by either Hobart or Ashwaubenon could be effectively utilized to attract new business development to these parcels.

**Retail Sector Findings:**

- Attachment 3 provides the SWOT analysis conducted by the committee on the parcels identified as comprising the retail sector and based on this analysis the group identified the following potential developments within this sector.
- Parcel N15 comprising 10 acres would be a prime location for a gas station complex not only due to its size but also its location. This parcel does have a designated AE Floodway and Chuck Lamine of the Brown County Planning and Land Services Department recommends that a wetlands delineation be completed for approval by the Wisconsin DNR along with a storm water management plan to be approved by the Village of Ashwaubenon to fully develop this property. If the drainage way running north to south through the parcel is determined, as expected by the Village of Ashwaubenon to be a drainage way rather than a navigable stream, then its relocation could be addressed by the previously suggested storm water management plan.. In summary, these actions will not only add additional land for development, but also make the entire property more desirable for development.
  - The Brown County Highway Department has agreed on the potential installation of a full access crossing for this parcel that both increases accessibility and enhances property attractiveness.
- Parcel N16 comprising 14 acres provides the best opportunity for retail development that could include a grocery store approximating 65,000 sq. ft.; a smaller in-line strip mall; and an out-building lot for a potential restaurant. Attachment 4 provides a high level site plan for this overall development on parcel N16.
  - Based on discussions with WISDOT, site specific ITE traffic rates based on the proposed development for this site will be need to be generated in order to provide DOT with projected traffic counts, which they will base their decision on whether to allow right in/ right out access from STH 172 to this parcel, which will enhance its attractiveness.
- Parcel N17 comprising 23 acres is essentially wetlands that would require remediation or trade-out before any development could be considered on this site.
- Parcels N14, N18, and N19 comprising 12 acres in aggregate would be more suited to office and professional developments than retail so they will be discussed in this more appropriate section.

**Office and Professional Sector Findings:**

- The FAA has requested that no further action be taken in regards to development on parcels N1-N4 previously identified by the committee as desirable for office and
professional developments until Austin Straubel International Airport’s Master Plan Update has been reviewed and accepted.

- This leaves parcels N14, N18, and N19 previously part of the retail sector for future development of office and professional facilities.

**Industrial Sector Findings:**

- For the reasons previously stated, development considerations for Parcel N5 have been put on hold by the FAA until acceptance of the airport master plan update.
- Attachment 5 provides the SWOT analysis conducted by the committee for the light industrial sector, which identifies a number of strong points such as access to interstate highways, location in a foreign trade zone, and location on the airport along with a number of weaknesses including the fact that the land is undeveloped and there is currently no marketing plan for the properties.
- The light industrial sector was identified by the committee as including parcels N6, N7, N8, N9, N10, N11, N12, and N13 abutting Pine Tree Road and on the airport proper. These parcels comprise --- acres of undeveloped land for light industrial development opportunities.
  - Parcel N13 along with N14 (part of the office and professional sector) was considered by the committee as a possible location for a multi-family development. It was determined that this would not be allowed by the FAA

**Conclusions and Recommendations:**

Beginning its task on April 30, 2012, the Austin Straubel International Airport development Committee conducted 11 individual meetings, concluding in January 2013 resulting in the following conclusions and recommendations:

- Pursue development of a more detailed market analysis to further refine efforts to recruit compatible business to the sites identified in each of the three sectors (retail, light industrial, office/professional).
- When the detailed market analysis plan has been completed, create marketing materials designed to most closely aligned with selection criteria for businesses in each of the three identified sectors.
- Upon completion of the two bullet points above, begin an active business attraction campaign to identify and recruit businesses within each of the identified sectors.
- Pursue planning or other grant opportunities for detailed market analysis plan; market assessment; or target marketing opportunities.
- For the sector identified as light industrial (manufacturing) pursue the Wisconsin Certified Site Program designation to increase airport readiness for development opportunities and to improve the marketability of these sites.
- Pursue approvals of the FAA, Village of Ashwaubenon, Village of Hobart, and Oneida Nation for proposed uses through amendments to their comprehensive plans and zoning ordinances.
- Pursue potential consideration of the Village of Hobart and the Village of Ashwaubenon for establishment of Tax Increment Financing (TIF) districts to provide necessary infrastructure improvements or business incentive financing.
- Develop a capital improvements plan to determine what, if any, infrastructure improvements would be necessary for development of the identified sites.