

2017

YEAR IN REVIEW

John C. Munro

HAMILTON
INTERNATIONAL AIRPORT

AIRPORT SUB-COMMITTEE
MEETING

May 3, 2018

PURPOSE

1. Introduction
2. Infrastructure
3. Passenger Airline Service
4. Cargo Service
5. Commercial Development
6. Community Impact
7. Growing the Local Economy

HAMILTON INTERNATIONAL AIRPORT

A LOW COST AIRPORT IN AN UNDERSERVED MARKET

Based in the 4th Largest Catchment area in North America and the only alternate airport to Pearson with a 10,000 foot runway



Largest express cargo airport and hub for ecommerce at economic centre of Canada

Positioned to address the recent surge in passenger demand due to new ULCC/LCC services



Strong infrastructure with 24/7 operations and on-site Canada Customs

“HAMILTON’S MUNRO INTERNATIONAL IS NOW CANADA’S FASTEST GROWING AIRPORT”

MEDIA COVERAGE SURROUNDING GROWTH OF YOUR AIRPORT

599,146 passengers flying to and from Hamilton International (2017); **+80% increase from 2016**

Focus city for **ULCC activity** since 2016

499,211,000 kg in total landed cargo aircraft billable weight (2017); **+14% increase from 2016**

#1 in Canada for **overnight express cargo** and **#3** in Canada for **cargo tonnes shipped**, behind Toronto and Vancouver



HAMILTON INTERNATIONAL AIRPORT

STRATEGIC ADVANTAGES IN TODAY'S MARKET PLACE

Key Strategic Location

- Large catchment area in hottest City in Canada
- Strong catchment area to facilitate trade
- Proximity to Toronto
- Road access to key markets
- Largest overnight express airport in Canada
- Available and developable land on and off airport
- Diversified operations with passenger, cargo and commercial land development

Efficient Operations

- 24/7 Unrestricted and uncongested (no curfews)
- 10,000 ft and 6,000 ft runways; viable system as back up airport to GTA and Southern Ontario
- Scalable operations
- On-site Canada Customs and MRO facilities

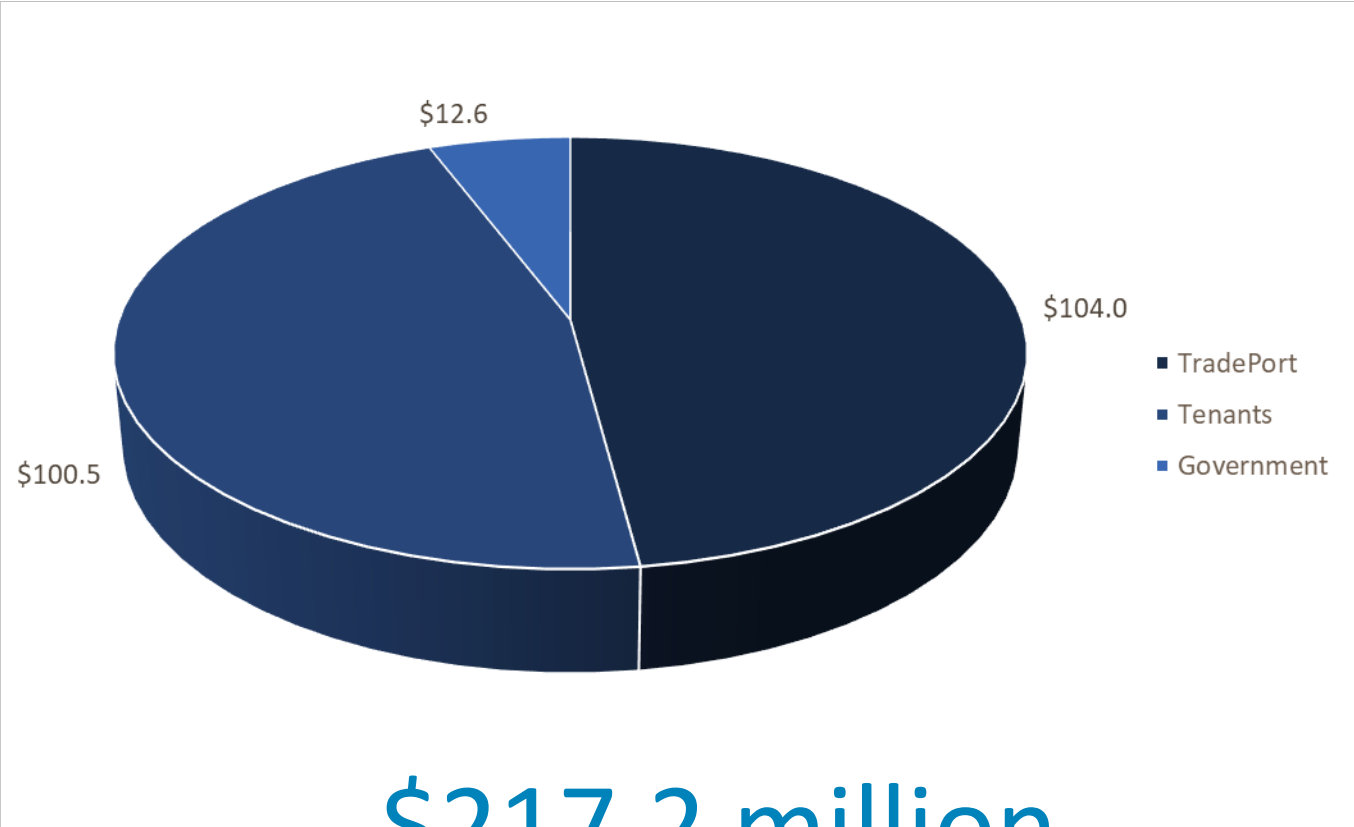
Airline Network Strategy Matrix

Airline's Expected Unit Profitability ↑ Stronger ↓ Weaker	<ul style="list-style-type: none"> • Strong demographics and origination demand • Possibly limited competition • Textbook example - SNA <p>Airlines <u>manage</u> capacity for <u>Segment Margin</u></p>	<ul style="list-style-type: none"> • Significant origination AND destination demand • "Anchor" hub • International Gateway • Textbook example - YYZ <p>Airlines <u>invest</u> capacity:</p> <ul style="list-style-type: none"> • First for Share • Then for Margin
	<ul style="list-style-type: none"> • Secondary airports in or near QII airport catchments • Most non-large hubs • Meet no criteria of QI, QII or QIV • Textbook example - YHM <p>Airlines <u>limit</u> capacity to improve yield, or to fund growth elsewhere</p>	<ul style="list-style-type: none"> • Strong destination demand • Adds significant value to network beyond segment performance • Textbook example - MCO <p>Airlines <u>manage</u> capacity for <u>Network Margin</u></p>
	Lower	Higher
	← Strategic Value to Airline →	

Infrastructure

FINANCIAL INVESTMENTS

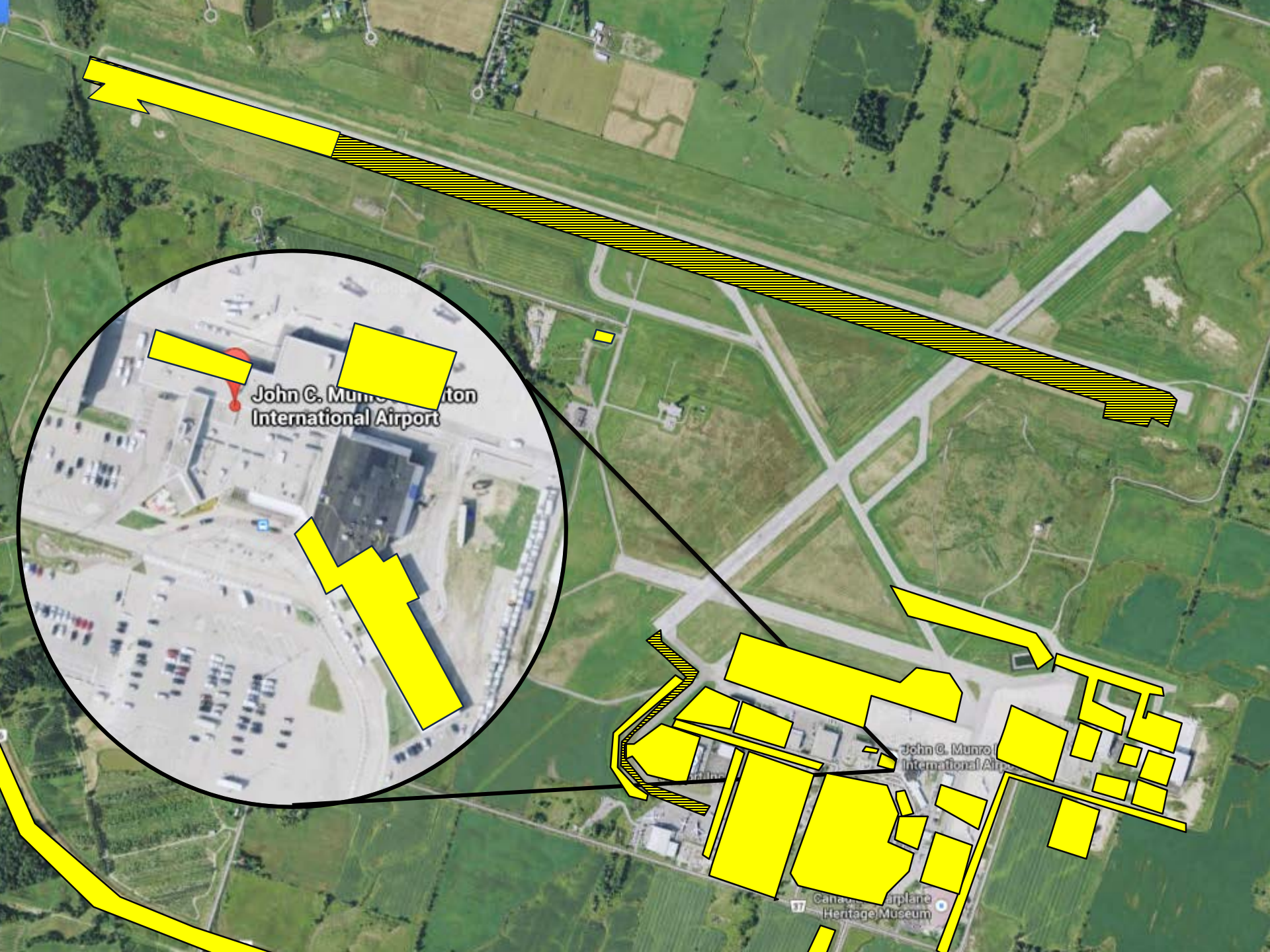
(MILLIONS, 1996-2017)



Assets vest 100% to the City at the end of the lease







John C. Munro International Airport

John C. Munro International Airport

Canada Airplane Heritage Museum

Passenger Airline Service

PASSENGER AIRLINES ACTIVITY AT YHM



HOW PASSENGER AIR TRAVEL IS CHANGING

- Passenger operations in Canada have been dominated by two major airlines – Air Canada and WestJet
- As such, passenger growth is dependent on route development of these airlines
- Recent initiatives to position YHM as a base for ULCC operations in Canada
- Supported by attractive incentives and marketing
- Municipal, provincial and federal support – job creation and economic growth

Operations at YHM



Operations Starting June 2018

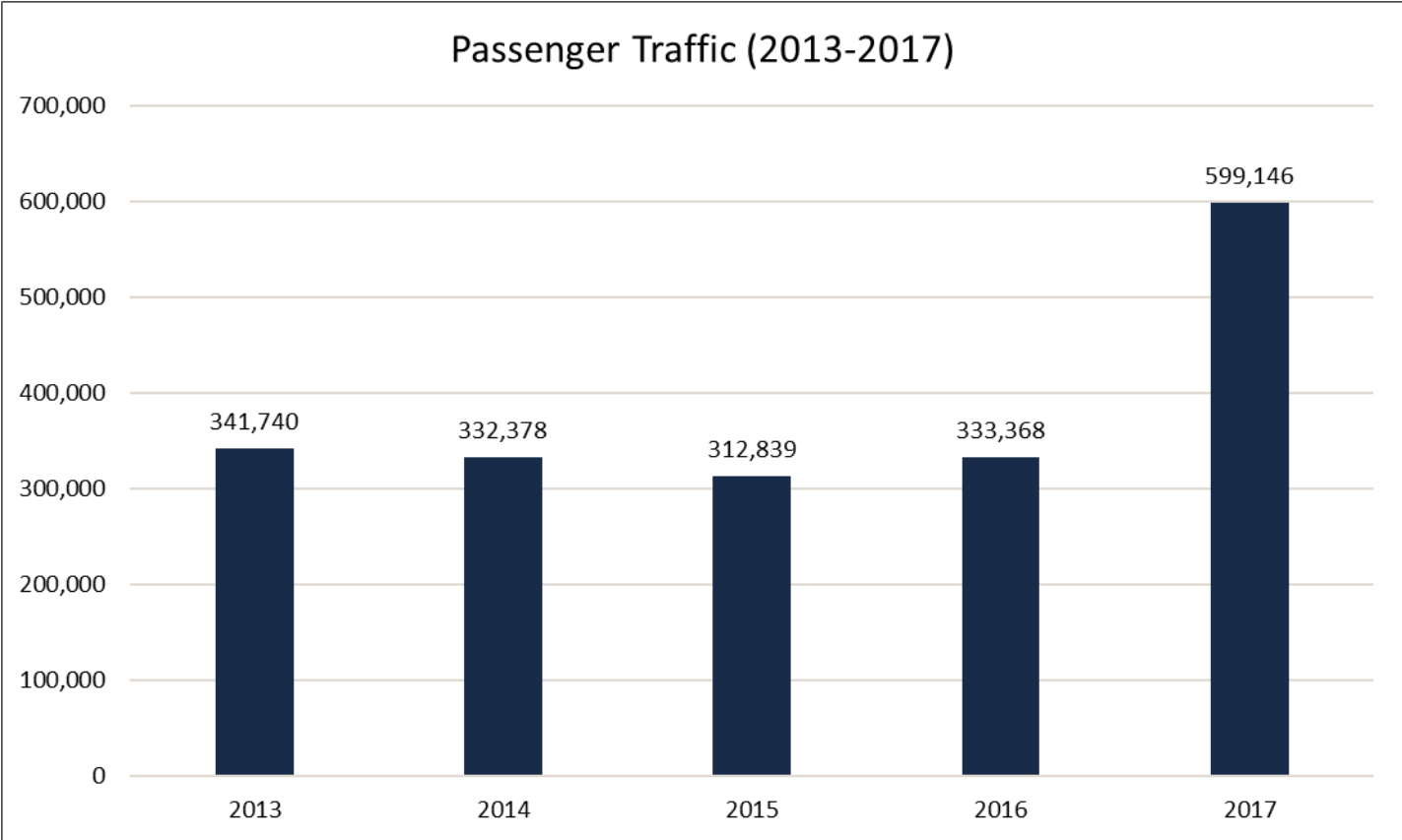


Other Prospects



PASSENGER TRAFFIC

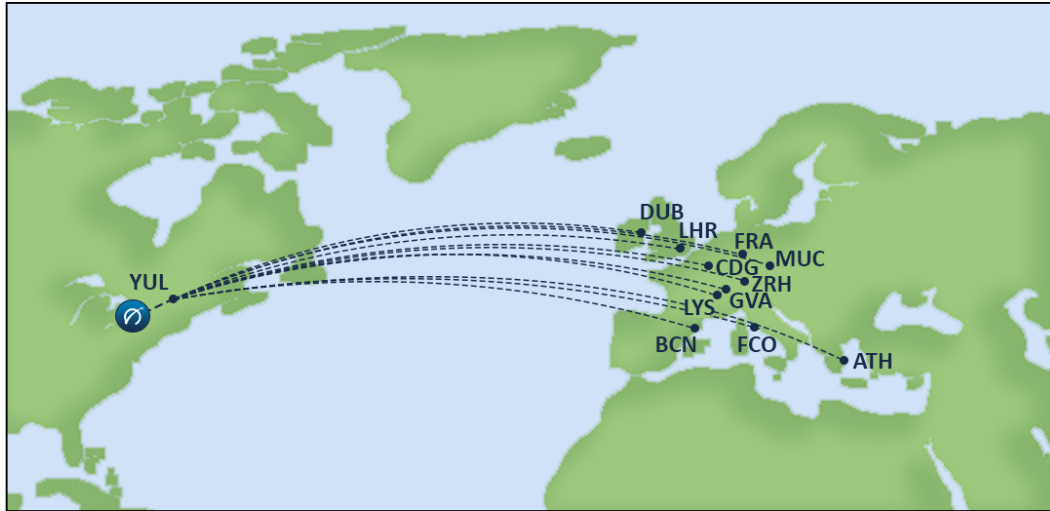
INCREASED TO 599,146



PASSENGER SERVICE



YHM TO MONTREAL AND BEYOND



Air Canada provides twice daily flights to YUL.

This gives passengers travelling from YHM the ability to connect globally to Europe, Asia and beyond through Air Canada's Montreal hub.



YHM TO CALGARY AND BEYOND



WestJet's year round daily flights from YHM to YYC allow passengers from Hamilton to connect to California, Asia and more via Calgary.

DISCOVER CAMPAIGNS WITH 'YOUR LOW-COST AIRPORT' STAMP

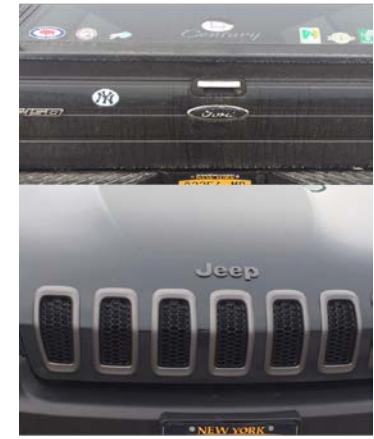
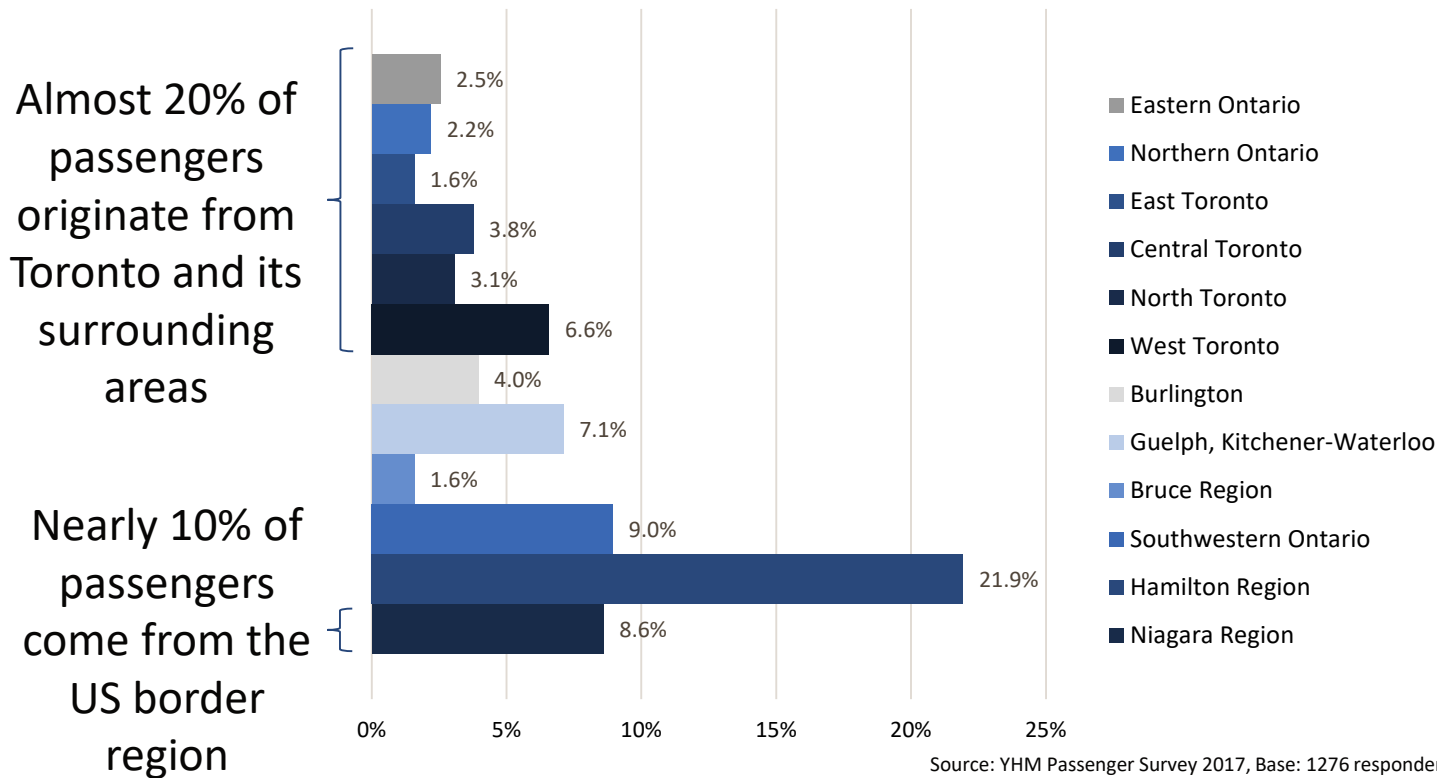


2017 PASSENGER SURVEY RESULTS

HAMILTON IS BECOMING A REGIONAL HUB

The ULCC model is demonstrating appeal and ability to stimulate new market demand

Place of Residence - Originating Passengers



New York State customers in YHM parking lots



HAMILTON INTERNATIONAL AIRPORT

BOLDLY PREPARING FOR THE FUTURE



Cargo Service

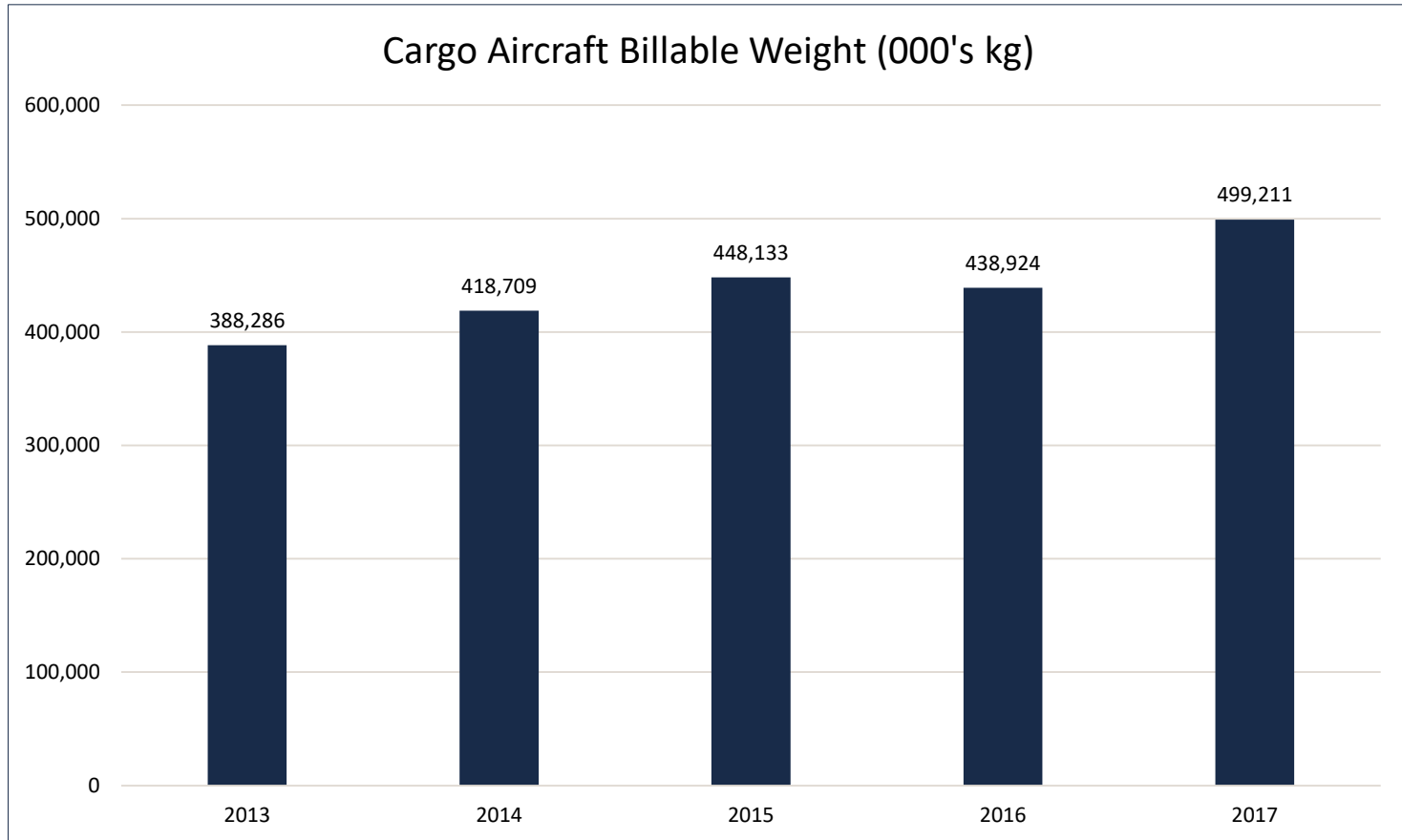
CARGO DEVELOPMENT

LARGEST EXPRESS CARGO AIRPORT AND HUB FOR
ECOMMERCE AT GEOGRAPHIC CENTRE OF CANADA

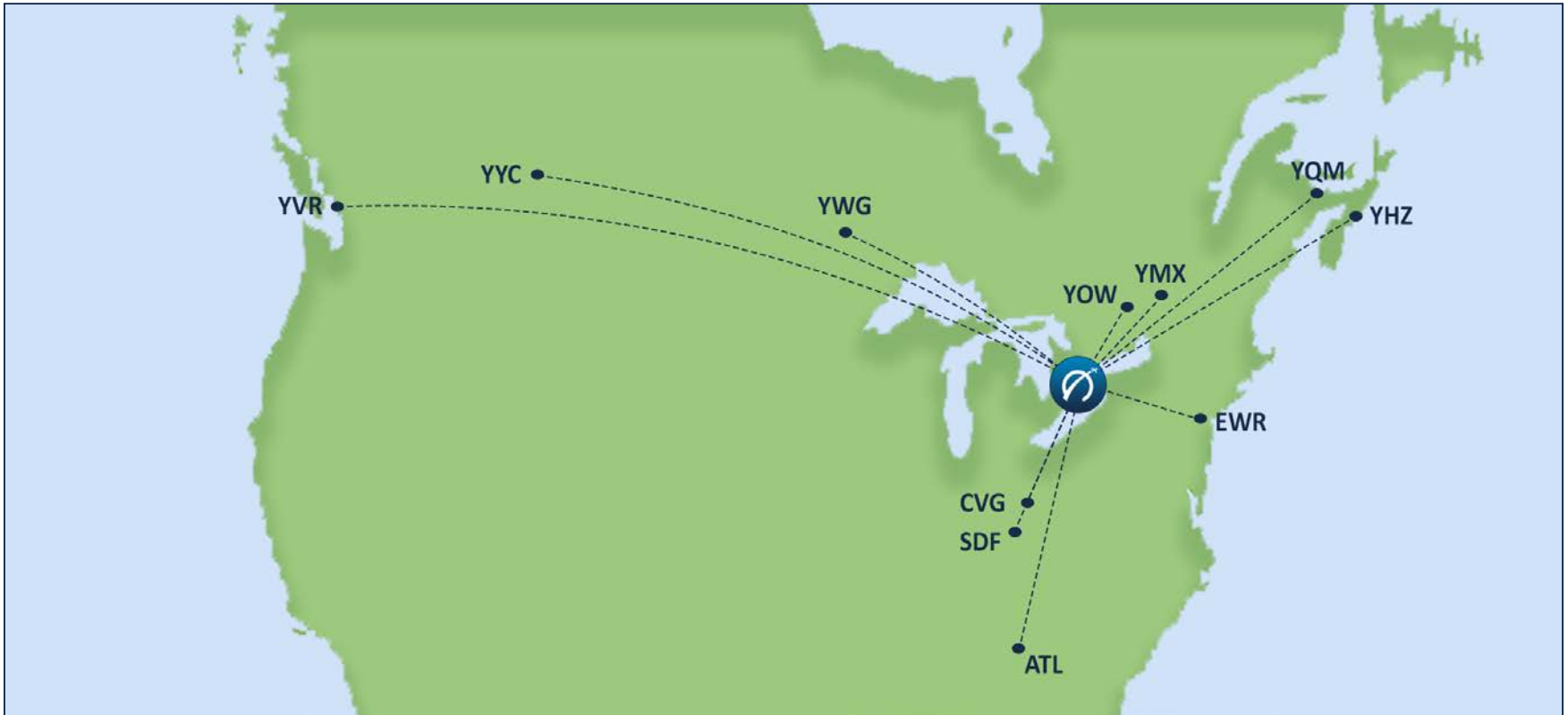


2017 CARGO TRAFFIC

499,211,000 KG



CARGO NETWORK – NORTH AMERICA



YHM provides the vital infrastructure for Canada's cargo network

CARGO NETWORK – INTERNATIONAL





Commercial Development

COMMERCIAL DEVELOPMENT

CAPITALIZING ON AVAILABLE LAND

- Land values are significantly less in the Greater Hamilton Area
- Serviced land available with potential airside access including the future development of adjacent lands
- Prime land parcels available
- Airport Employment Growth District lands
- Airport is self-permitting to simplify and accelerate development



OPPORTUNITIES AND CHALLENGES

- Public Transit to and from the Airport
- Land development opportunity – Airport/City strategies
- Lease term for Airport Occupants
- Widening of Eastbound 403 west of Main Street to enable quick access for B2C Cargo
- Single unlit lane on Highway 6
- Assistance for City, Province and Federal Government incentives for location, job creation
- Perfluorooctane sulfonate
- Lease negotiations

Community Impact

SPONSORSHIPS



John C. Munro

HAMILTON
INTERNATIONAL AIRPORT

Airport Sub-Committee Meeting, May 2018

2017 COMMUNITY INVESTMENT/INVOLVEMENT

City Kidz



Sunshine Foundation's DreamLift



Community Sponsorships



Supercrawl



Shoreline Cleanup



2017 CELEBRATIONS

LAV Monument Ceremony



Flair Air's First Birthday



Minister Garneau Tour



WestJet's 12 Flights of Christmas



Canadian Airports Safety Week 2017



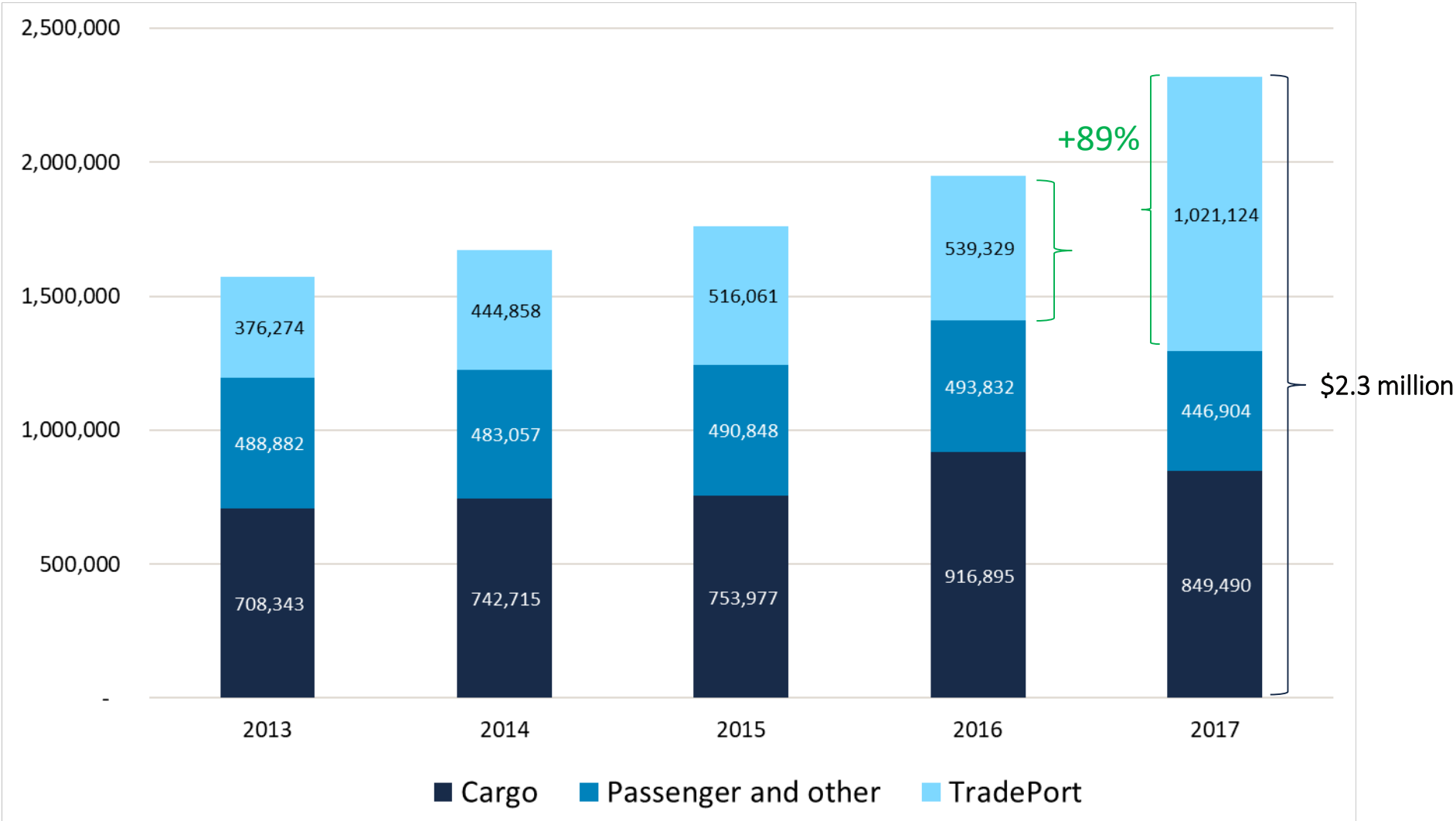
WestJet Inaugural Flight to Las Vegas



A large blue parallelogram shape is positioned on the right side of a white background. The parallelogram is tilted, with its top and bottom edges parallel to each other and slanted relative to the horizontal. The text 'Growing the Local Economy' is written in white, bold, sans-serif font in the bottom-left corner of the blue area.

**Growing the Local
Economy**

REVENUE SHARING - TAXES & RENT



2017 HIGHLIGHTS



**OVER
2,800**

total jobs created
through Airport
activity at Hamilton
International



**OVER
90%**

of passengers
reported a positive
Airport experience



**OVER
226 hours**

contributed by Airport staff to
community organizations and events



262.3M

in direct financial benefit to
the City of Hamilton since 1996



14% increase

in total landed cargo aircraft billable weight



**80%
increase**

in passengers flying to and
from Hamilton International

THANK YOU

John C. Munro

HAMILTON
INTERNATIONAL AIRPORT

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FLYHAMILTON.CA