

John C. Munro

HAMILTON
INTERNATIONAL AIRPORT

2012 YEAR IN REVIEW

General Issues Committee

August 12, 2013

AGENDA

- Strategic Focus
- Financial Performance
- Capital Investment
- Activity Highlights
- Customer Service
- Giving Back
- Airport Operations
- PFOS Update
- Funding Initiatives

STRATEGIC FOCUS

VISION

*To be the **Airport of Choice** in Southern Ontario for passengers, goods movement, airlines and service partners.*

5-Year Objectives

1. Passenger Service Retention & Development
2. Cargo Service Retention & Development
3. Non-Aeronautical Revenue Development
4. Operational Excellence
5. Infrastructure Development

FINANCIAL PERFORMANCE

	2012	2011	YOY Change
REVENUE	\$14.6 million	\$14.1 million	+3%
EXPENSES	\$11.7 million	\$12.3 million	-5%
NET INCOME	\$2.9 million	\$1.8 million	+57%
CITY RENT PAYMENT	\$290,000	\$168,000	+71%

CAPITAL INVESTMENTS

Capital Investments in 2012 = \$3 million

Reconstruction and rehabilitation
of airfield surfaces

Lighting efficiency program

Fleet renewals

Above ground fuel storage system

Relocation of administration
offices

Terminal washroom renovations

Projected 2013 Capital Investment = \$3.5 million

Rebranding & Terminal Signage Programs

Hangar Road and Runway Reconstruction

Cargo Cross Dock Project Definition Report

ACTIVITY HIGHLIGHTS

Passenger

351,491 passengers in 2012 (+5.7% v. 2011)

Bearskin introduced weekly service (07/2012)

Transat added flights to Santa Clara (02/2013)

Cargo

398M kg's landed weight in 2012 (-7.4% v. 2011)

Increased international service

Canada largest intermodal freighter gateway

General Aviation

Mohawk College : Aviation Maintenance

Technician, Aircraft Structures and Avionics

Golden Horseshoe Aviation flight training

CUSTOMER SERVICE

92% rate the Airport excellent or good

95% are likely to recommend Hamilton International

97% find getting to Hamilton International convenient & stress-free

2012 Initiatives	2013 Initiatives
Ambassador Program	Ambassador Program
Free WIFI	Enhance Food and Beverage
Lounge Seating	Customer Appreciation Weeks

GIVING BACK

\$209 million
direct benefit to the City

Since 1996:

\$179 million in investments

\$30 million through property taxes, revenue sharing, eliminated costs

2,876
jobs created

2,876 person years of employment created by activity at Hamilton International*

Economic output in excess of **\$469 million***

\$195,000
donations & gifts in kind

Goal: provide a **minimum value** equivalent to **1% of operating income** to social community programs each year. **Exceeded in 2012.**

*Hamilton Airport Employment Growth District – Phase 2 Economic Impact Study, August 2009

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AIRPORT OPERATIONS

Hamilton International Airport is committed to protecting the environment and to safeguarding the health of its employees, business partners and the general public

Noise

Noise concerns have reduced by 75% since 2008

Environmental

Lighting upgrade program projected to reduce consumption in the ATB by approximately 50%

Safety

Completion of Safety Management System
Full 3rd Party Quality Assurance Audit Conducted

PFOS UPDATE

Phase I Report

complete and submitted
to MOE

Delineation of contaminated area
Pilot testing of remediation methods
Preliminary risk assessment

MOE Review

MOE Standards Branch to review risk assessment
Confirm remediation methods are acceptable and
establish appropriate clean-up targets

Transport Canada involvement

Dialogue continues with the Federal
government respecting its role in the
remediation process

FUNDING INITIATIVES

Cargo Facility

Federal & Ontario Governments provided \$8 million to fund a new facility (01/2013)

Project Update:

Preliminary design and preparation of Project Definition Report is underway

Targeting construction to begin in late fall 2013

Construction timeframe is approximately 9 months

Execution of agreement with City of Hamilton and TradePort in process

LEASE AGREEMENT STATUS

Lease Term

Existing term is 40 years

Lease commenced in 1996, expires in 2036 with rights for renewal

Extension Term

Current lease allows for the negotiation of a replacement lease with a term of up to 40 years

TradePort can initiate after June 30, 2016

Critical for Future Investment

New investment requires the ability to depreciate initial outlay over the lease term

Current lease limits terms to 2036

QUESTIONS?

THANK YOU

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