

2019 Year in Review

John C. Munro

HAMILTON
INTERNATIONAL AIRPORT

AIRPORT SUB-COMMITTEE MEETING

February 11, 2020



North America's Fastest Growing Airport
ACI 2017 and OAG 2019 (medium-size airport category)

HAMILTON VISION

RECOGNIZED BY THE WORLD AS THE BEST GLOBAL GATEWAY IN CANADA FOR AFFORDABLE TRAVEL AND GOODS MOVEMENT



Canada's **largest overnight express** cargo airport and hub for ecommerce with **21% growth** over 2016



Nearly **tripled** passenger traffic growth as **955,373** passengers travelled through Hamilton in 2019, representing a **187% growth** over 2016



Growth in cargo and passenger traffic **creating demand for support services** such as Maintenance, Repair and Overhaul (MRO) and aerospace manufacturing. **Available land with airside access.**



Collaboration with local **colleges and universities** including **Mohawk College** and **McMaster University** for integrated training programs and workforce planning.



Generates **3,500 jobs** (direct, indirect and induced) creating **\$243m in salaries and wages**, **\$386m in GDP** and **\$1.2b in total economic output** for the region.



ANNUAL REPORTING

Passenger and cargo growth, along with a continued focus on safety, security and compliance with regulations continue to be key drivers for the Airport in reaching its performance targets.

2019 ACCOMPLISHMENTS



Low-Cost

- \$18.5m NTCF Funding
- Increase non-aero revenue by 40%
- Per Passenger parking and concession income increase of 5.4%



Sustainable

- Climate change goal 7.7% reduction achieved to date
- Incorporate sustainable activities into construction projects and business development



Investment

- \$11.6 million in gross investment spend
- Complete Phase 1 of runway rehab
- Expand Baggage system
- Realign East Cargo Road



Experience

- Low-cost terminal modifications
- Implement new food/beverage/retail/ground transportation options
- Obtained three awards



Growth

- Total Passenger +32%
- Cargo revenue increase of 5.4%
- KF Aerospace MRO expansion
- Mohawk College facility
- DHL Sort Expansion
- Create +400 additional jobs
- +\$150 million in investment
- Drive economic activity

955,373
E&D
Passengers

532,235,000
Cargo
MTOW



1 Domestic: Edmonton; Winnipeg; Abbotsford; Halifax; Charlottetown; Moncton; and St. John's
Transborder: Las Vegas; Orlando; Tampa; and Fort Lauderdale
International: Cancun; Montego Bay; and Puerto Vallarta

SWOOP HAS GROWN SUBSTANTIALLY IN ITS FIRST 20 MONTHS

WestJet Group and Hamilton relationship has developed collaboratively and positively



Expanding Network

Total of 14 destinations¹ since June 2018

- Domestic: 4 + 3 new seasonal routes for Summer 2020
- Transborder: 4
- International: 3



Aircraft and Crew Base

- Currently **4 aircraft** (out of 9 total) based in YHM
- Effective June 2020, **5 aircraft** (out of 10 total) based in YHM
- 737-800 aircraft configured with 189 seats
- **Crew base**
- **Training center**

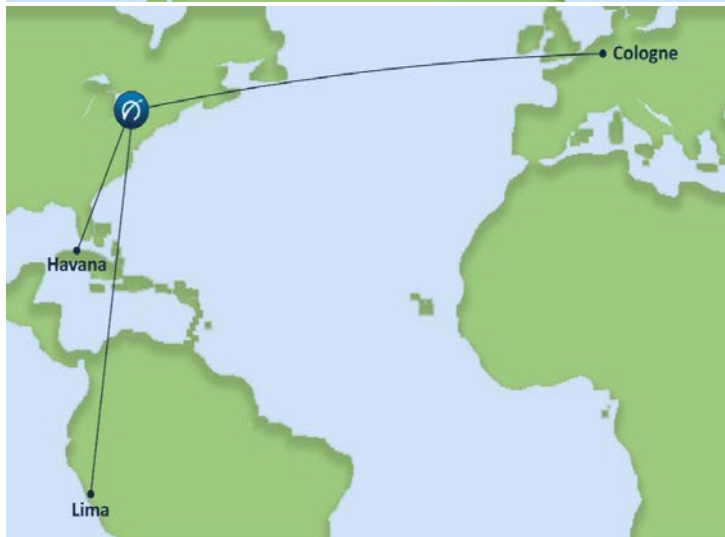


Capacity and Pax Volumes

- **1,330,689 total seats** since June 2018
- **1,062,719 total E/D pax** since June 2018

- Swoop is a Canadian ultra low-cost (ULCC) carrier headquartered in Calgary, AB.
- The ULCC is a venture by WestJet in response to growing competition in the price-sensitive market.
- Launched June 20, 2018 with Hamilton-Abbotsford service.
- Making travel affordable, easy and accessible to all Canadians by keeping costs low, passing the savings onto our travelers and providing a customized experience with low unbundled fares.

CARGO NETWORK ROUTE MAP



OPPORTUNITIES AND CHALLENGES



- Public Transit to and from the Airport
- Intermodal connectivity
- Highway 403 congestion
- Highway 6 lane constraints and lighting conditions



- Land development opportunity
- AEGD Lands
- City, Province and Federal Government involvement to support investment and job creation



RUNWAY CONSTRUCTION

Hamilton International's Airfield Rehabilitation and Modernization project will create more than **350 construction jobs**, with an additional **863 full-time jobs** to be created over the next five years, representing an additional **\$149 million in labour income**. The Airport anticipates that the NTCF's investment will facilitate approximately **\$2.1B in economic activity** annually.

RUNWAYS

AIRFIELD MODERNIZATION AND REHABILITATION

- \$39 million four-year project to resurface and restore the Airport's two main runways, taxiways and improve lighting systems
- Accommodate larger wide-body aircraft to efficiently and safely move people and goods in a strategic transportation and trade corridor
- National Trade Corridor Fund - \$18.5 million federal contribution awarded June 2019
- Phase 1 completed November 2019





Commercial Development

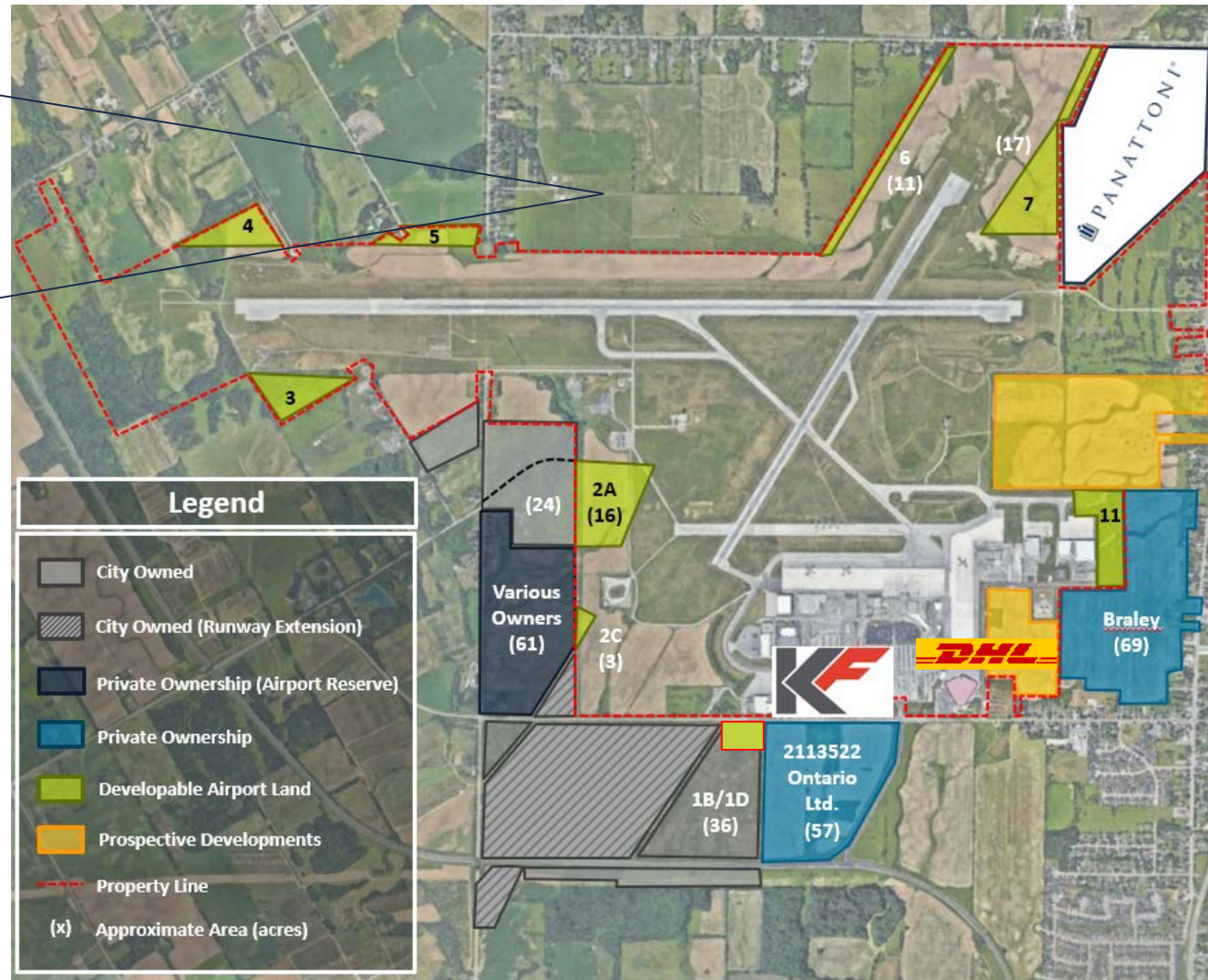
Growth in cargo and passenger traffic **creating demand for support services** such as Maintenance, Repair and Overhaul (MRO) and aerospace manufacturing. **Lands with airside access and lands adjacent** to the Airport are **available to be developed** by tenants.

LAND DEVELOPMENT



Airport Employment Growth District

- 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 is self-permitting to simplify and accelerate development



2019/20 WINTER PROGRAM

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2019/2020 WINTER PROGRAM

we fly there.

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2019/20 WINTER PROGRAM
Effective October 2019 to April 2020

Destination	Carrier	Days of Operation	Program Duration
CANADA			
Abbotsford	SWIRL	Daily ¹ except Sat	November - April
Calgary	WESTJET	Daily except Sun	November - January
Edmonton	SWIRL	Daily ² except Sat	November - April
Halifax	SWIRL	Sun, Tue, Thu ³ , Fri	November - April
Winnipeg	SWIRL	Sun, Mon, Tue, Fri	November 17 - December
		Daily except Thu	December - April
UNITED STATES			
Fort Lauderdale	SWIRL	Fri, Sat	November - December
		Mon ³ , Fri, Sat	December - April
Las Vegas	SWIRL	Sun, Mon, Thu, Fri	November - April
Orlando	SWIRL	Mon, Wed, Thu, Sat	October - April
Tampa	SWIRL	Sun, Mon, Wed	October - April
MEXICO/CARIBBEAN			
Cancun	transat	Sat, Tue	December 21 - April 14
	sunwing	Sun	December 15 - April 19
	SWIRL	Tue, Thu, Sat	October - April
Cayo Coco	transat	Sun	December 22 - April 12
Cayo Santa Maria	sunwing	Sun	December 15 - April 19
	sunwing	Fri	December 13 - April 17
Montego Bay	sunwing	Sat	December 14 - April 18
	SWIRL	Sat, Wed	October - April
Puerto Plata	transat	Mon	December 23 - April 13
Puerto Vallarta	SWIRL	Fri, Sun, Wed	October 25 - April 24
Punta Cana	transat	Fri, Sun	December 20 - April 12
	sunwing	Mon, Fri	November 8 - April 17
Varadero	transat	Sat	December 21 - April 11
	sunwing	Sat, Wed	December 14 - April 18

¹ No Wednesday departures on November 20, November 27 or December 4
² No Thursday departures on November 21, November 28 or December 5
³ Monday departures begin December 16

PLEASE NOTE: Schedule subject to change without notice. Please confirm flight dates and times with airline before departure. Outside these dates, please check with the dedicated airline websites for days of operation.

Sign-up for Enews at flyhamilton.ca
facebook.com/HamiltonInternationalAirport
 @flyyhm
 @flyyhm
 Last revised: November 2019

PARKING RATES

Length Of Stay	Terminal Parking Rates
0 to 1/2 hour	\$3.00
1/2 to 1 hour	\$6.00
Each Additional 1/2 hour	\$3.00
Daily Maximum	\$16.50
Weekly Maximum (5 to 7 days)	\$70.00

2019/20 WINTER CAMPAIGN:

WE FLY THERE FROM 'YOUR LOW-COST AIRPORT'



- Whether passengers want to fly to destinations in Canada, Florida, Las Vegas or Mexico/Caribbean...we want customers to know that **we fly there.**
- Continuation of the 'Low-Cost Airport' stamp on all advertisements to reiterate that Hamilton International hosts low-cost carriers and offers parking at low-cost levels.



MARKETING AND ADVERTISING

36.5M
DIGITAL IMPRESSIONS



Cost-effective digital media activities are helping track consumer awareness and demonstrate that Hamilton International Airport ads have reached a sizeable audience with over 36.5M digital impressions in 2019.

15K
SOCIAL MEDIA FOLLOWERS



Social media audience of over 15K followers on Facebook, Twitter and Instagram as of December 31 (a 20% increase since 2018 year end).

KEY MARKETS

As of December 31, flyhamilton.ca website analytics indicate growth in website activity from the Airport's five key markets:

HAMILTON +22% TORONTO +45% MISSISSAUGA +50%
BURLINGTON +28% KITCHENER +19%

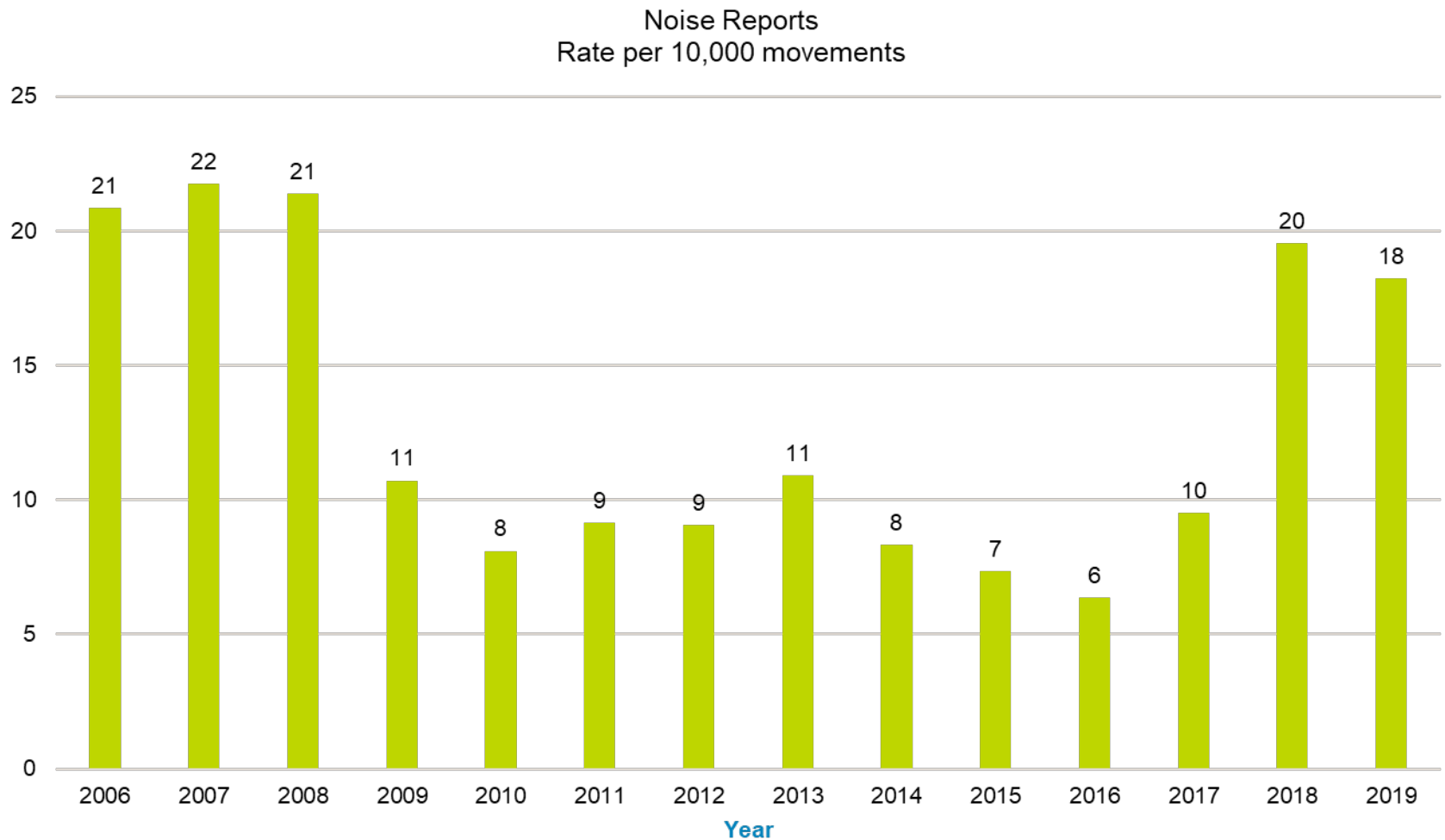
Continued focus on key origin markets in ad campaigns where geo-targeting exists.



Community Impact

Hamilton International is a **responsible community partner** and **economic engine** that continues to support its neighbours, passengers and partners to better serve the city and surrounding region.

COMMUNITY IMPACT – NOISE REPORTS



HSR BUS SERVICE SURVEY

*Sample size= 63



Date	Overview
May 2019	<p>Gauged overall satisfaction levels and transit needs of Airport employees and customers using the HSR A-Line Bus Service:</p> <ul style="list-style-type: none"> 62% - need to extend hours to accommodate early morning and late evening 20% - need weekend service 16% - additional bus stops and/or shelters are required <p>3:30AM STAFF & PAX ARRIVE</p> <p>4AM AIRPORT ACTIVITY</p> <p>5:30AM FIRST BUS ARRIVES</p> <p>7:30PM LAST BUS DEPARTS</p> <p>8PM AIRPORT ACTIVITY</p> <p>8PM to 2AM FLIGHT ARRIVALS, STAFF GO HOME</p>
September 2019	<ul style="list-style-type: none"> New stop has been positioned at Centre and Airport Roads Increased frequency during evening hours <ul style="list-style-type: none"> ✓ 1 additional trip downtown (now 32 trips) ✓ 2 additional trips to the Mountain Transit Centre (now 6 trips) Continued surveying and customer satisfaction to be reported
February 2020	<ul style="list-style-type: none"> Awaiting feedback from City of Hamilton officials

TAKE ACTION ON CLIMATE CHANGE



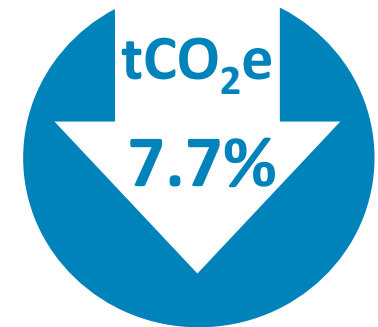
As a member of Sustainable Hamilton and Burlington (SHB) since 2017, Hamilton International is committed to a collaborative approach to manage the Airport's carbon footprint. Focus areas include:

Established Ten-Year Goal

- Reduce total Carbon-dioxide equivalent (tCO₂e) by 20%
- Measurement - intensity factor for green house gases/total employee hours
- Lighting, HVAC, Sensors

SHB Five-Step Process:

- ✓ M1: On-boarding - **Complete**
- ✓ M2: Setting a Baseline Year - **Complete**
- ✓ M3: Target setting - **Complete**
- ❑ M4: Action Planning – In process (2017-2027)
- ❑ M5: Review and reevaluate (targets and action plan) – next steps



Year to Date Results

The Airport is reviewing best practices with similar airports through Canadian Airport Alliance Environmental Sustainability Committee and **monitoring major partner activities.**

KEY ENVIRONMENTAL INITIATIVES (2017-2022)



Natural Gas



Electricity



Fleet Gasoline and
Diesel Consumption



Monitoring Airline
Partner Activities

- ✓ LED lighting installed in the vehicle parking areas and throughout the terminal building
- ✓ Energy efficient air-conditioning units installed in the air terminal building
- ✓ Lighting sensors used throughout terminal– lights turn off when areas are inactive
- ✓ Re-using earth works from construction of Airport projects, KF Aerospace and Airfield Runway and Modernization projects.
- ☐ Airfield Lighting LED project (estimated completion by 2021)





Economic Impact

Facilitation of trade, tourism and investment, while generating **~3,500 jobs** (direct, indirect and induced) creating **\$243 million in salaries and wages, \$386 million in GDP, \$1.2 billion in total economic output** for the region. Considerable investment in commercial development by tenants will result in the creation of new and permanent jobs in aerospace, construction, academia and more.

ECONOMIC IMPACT STUDY HIGHLIGHTS



Hamilton International
generates nearly

3,500 jobs

(direct, indirect & induced)



The Airport has seen a

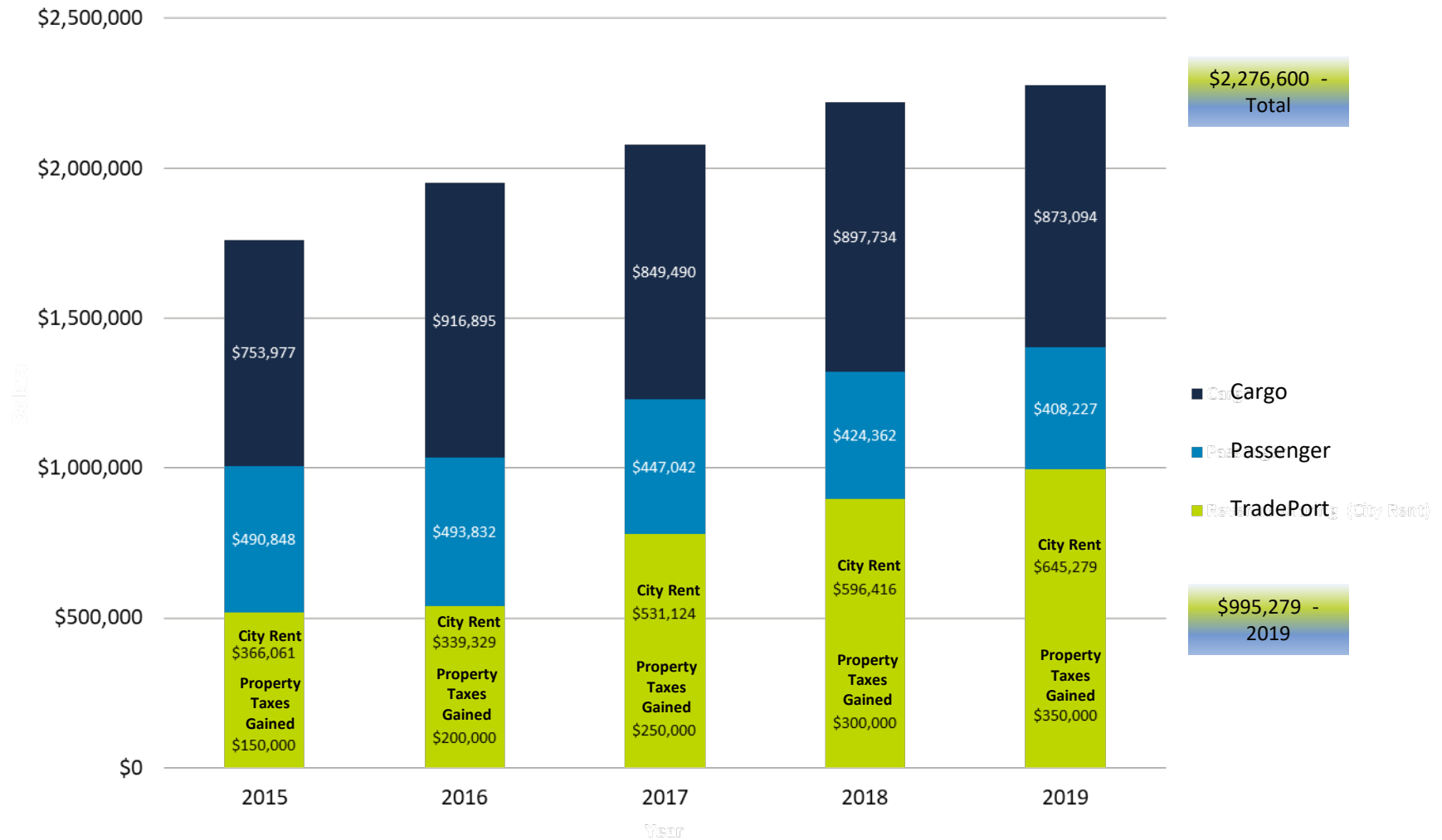
25% increase

(or +800) jobs created since 2013

Direct employment of 2,300 jobs associated with Hamilton International could even be considered as ranking the Airport as the **ninth largest employer** in the City of Hamilton



PROPERTY TAX AND REVENUE



THANK YOU

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INTERNATIONAL AIRPORT

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