

# 2020 Semi-Annual Report

John C. Munro

**HAMILTON**  
INTERNATIONAL AIRPORT

## AIRPORT SUB-COMMITTEE MEETING

**October 15, 2020**



# SEMI-ANNUAL REPORT

Implication of the pandemic on Airport operations has led to a decrease in passenger traffic. E-commerce growth has benefitted cargo operators, while the Airport continues to focus on safe, secure and compliant operations which are key drivers for the Airport in reaching its performance targets.

# 2020 SEMI-ANNUAL (JUNE) UPDATE



## Low-Cost

- \$18.5m NTCF Funding
- Focus on lowering costs for airport operators
- Monitoring government funding opportunities to support travel and tourism and provide financial support for the aviation sector



## Experience

- Pandemic implementations of plexiglass, social distancing markers, additional hand sanitizers
- Low-cost terminal modifications



## Sustainable

- Climate change goal on target with a current 4% reduction achieved to date
- Incorporated sustainable activities into construction projects and business development



## Cargo Growth

- Cargo revenue increase of 6.5% compared to June YTD
- Continued surge in e-commerce and PPE
- Cargo operating this summer at winter peak
- Panattoni / Amazon expansion to drive increase aeronautical activity



## Investment

- \$12.3 million in gross investment spend up to June 2020
- Phase 2 of runway rehab has expected completion of October 2020
- Realigned East Cargo Road

**227,331**  
June YTD  
E&D  
Passengers  
(51.1%  
Decrease)

**283,063,000**  
June YTD  
Cargo  
MTOW  
(12.4%  
Increase)

**\$155m/400**  
**jobs**  
On-airport  
investments  
by KFA and  
DHL

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# TOP 15 CARGO ROUTES



YHM's top cargo route is Cincinnati (DHL's hub in the US) with 622 movements year to date. Domestic routes continue to represent 70% of top routes. Vancouver is YHM's top domestic route with a significant amount of inbound activity, signaling e-commerce activity from Asia-originating shipments.

Rank	Airport	ICAO Code	Landings	Departures	Total Movements
1	Cincinnati	KCVG	259	363	622
2	Vancouver	CYVR	363	242	605
3	Winnipeg	CYWG	196	312	508
4	Calgary	CYYC	176	270	446
5	Montreal	CYMX	224	124	348
6	Louisville	KSDF	158	158	316
7	Halifax	CYHZ	165	116	281
8	Ottawa	CYOW	124	123	247
9	Moncton	CYQM	4	121	125
10	Edmonton	CYEG	30	61	91
11	Iqaluit	CYFB	79	0	79
12	Heathrow	EGLL	66	0	66
13	La Habana	MUHA	32	32	64
14	Newark	KEWR	21	11	32
15	Cologne	EDDK	26	3	29



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\*Destinations served are based on a sum of 10 aircraft movements (landings/departures) or greater as of July 2020 YTD. Maps are not to scale and show approximate locations only.

# OPPORTUNITIES AND CHALLENGES



- **Aviation sector / government response to Covid-19**
- 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

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## RUNWAY / TAXIWAY CONSTRUCTION

Hamilton International's Airfield Rehabilitation and Modernization project is in year two of the five-year agreement. The 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.

# RUNWAY / TAXIWAY CONSTRUCTION

## 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 2 expected completion by October 2020, with over 105,000 tonnes of asphalt laid over a two year period



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## EAST CARGO ROAD

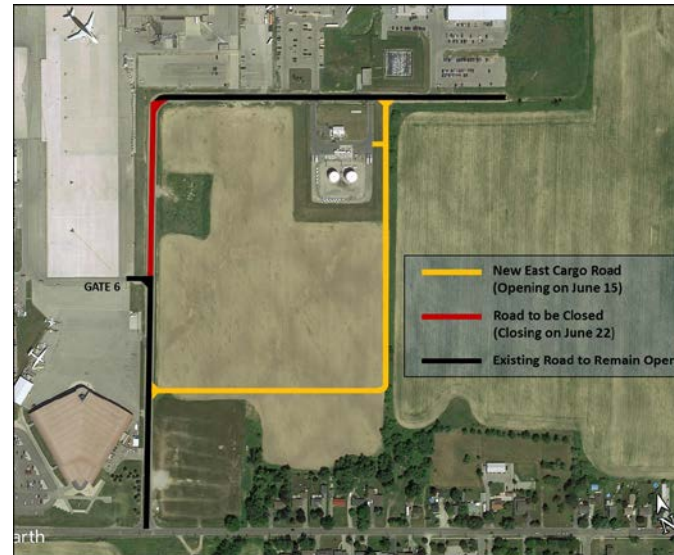
As part of DHL's \$100 million investment for a 200,000 square foot gateway expansion in Hamilton that will grow cargo traffic and generate high value jobs, a realignment to East Cargo Road was required.



# EAST CARGO ROAD

## DHL Gateway Facility

- Joint Airport and City of Hamilton investment, where the project is funded through the Municipal Fund
- Substantial completion of East Cargo Road occurred on June 15, 2020, with no significant impact on tenants.



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## COMMERCIAL DEVELOPMENT

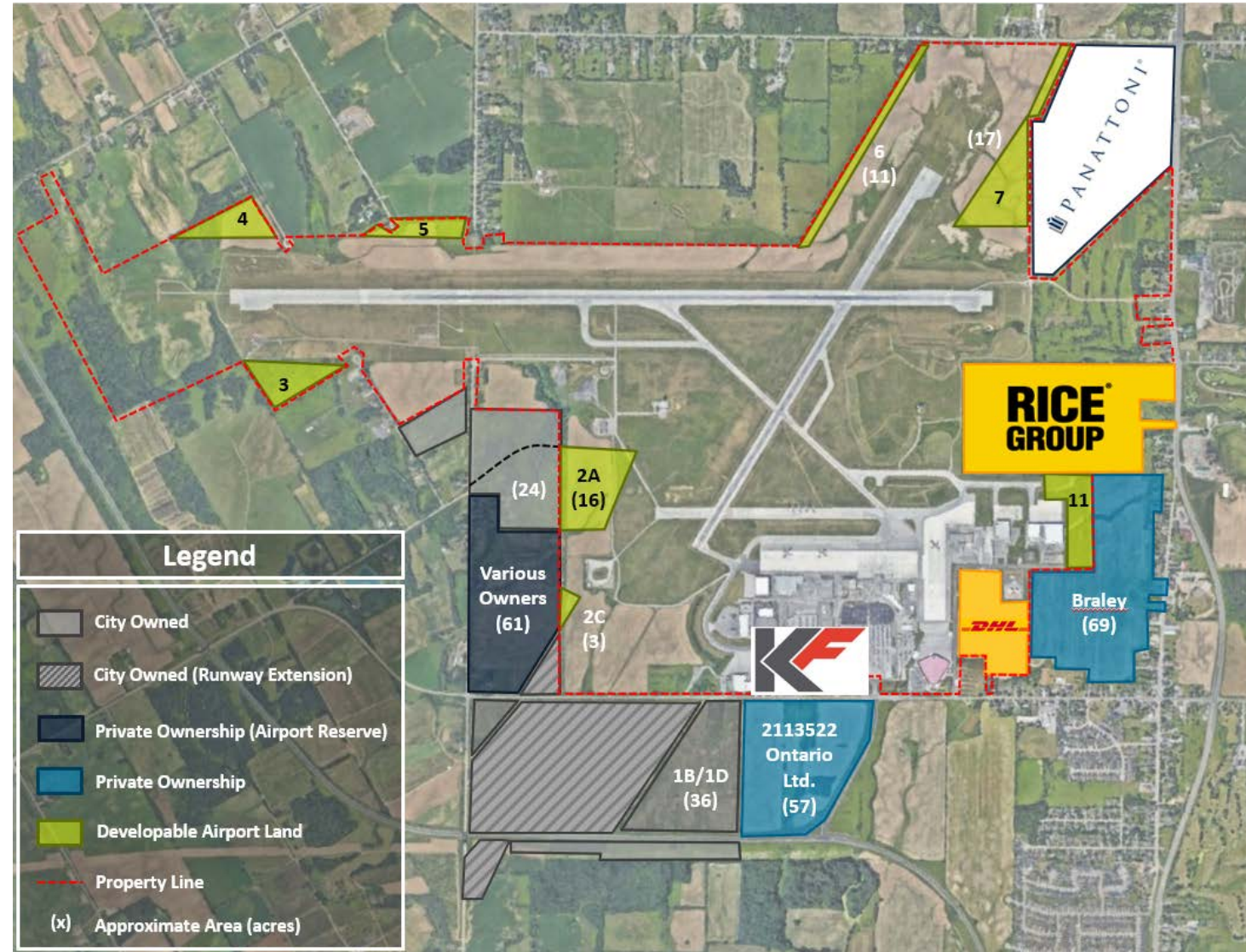
Growth in cargo traffic **creating demand for land and support services** such as Maintenance, Repair and Overhaul (MRO) and aerospace manufacturing. **Lands with airside access and lands adjacent to the Airport are available to be developed** by tenants.

# LAND DEVELOPMENT

- Rice Group working with the City and Airport on Dedication of 25 Acres of 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 requesting \$55,000 from the Marketing Fund to complete a land use plan update



Airport Employment Growth District



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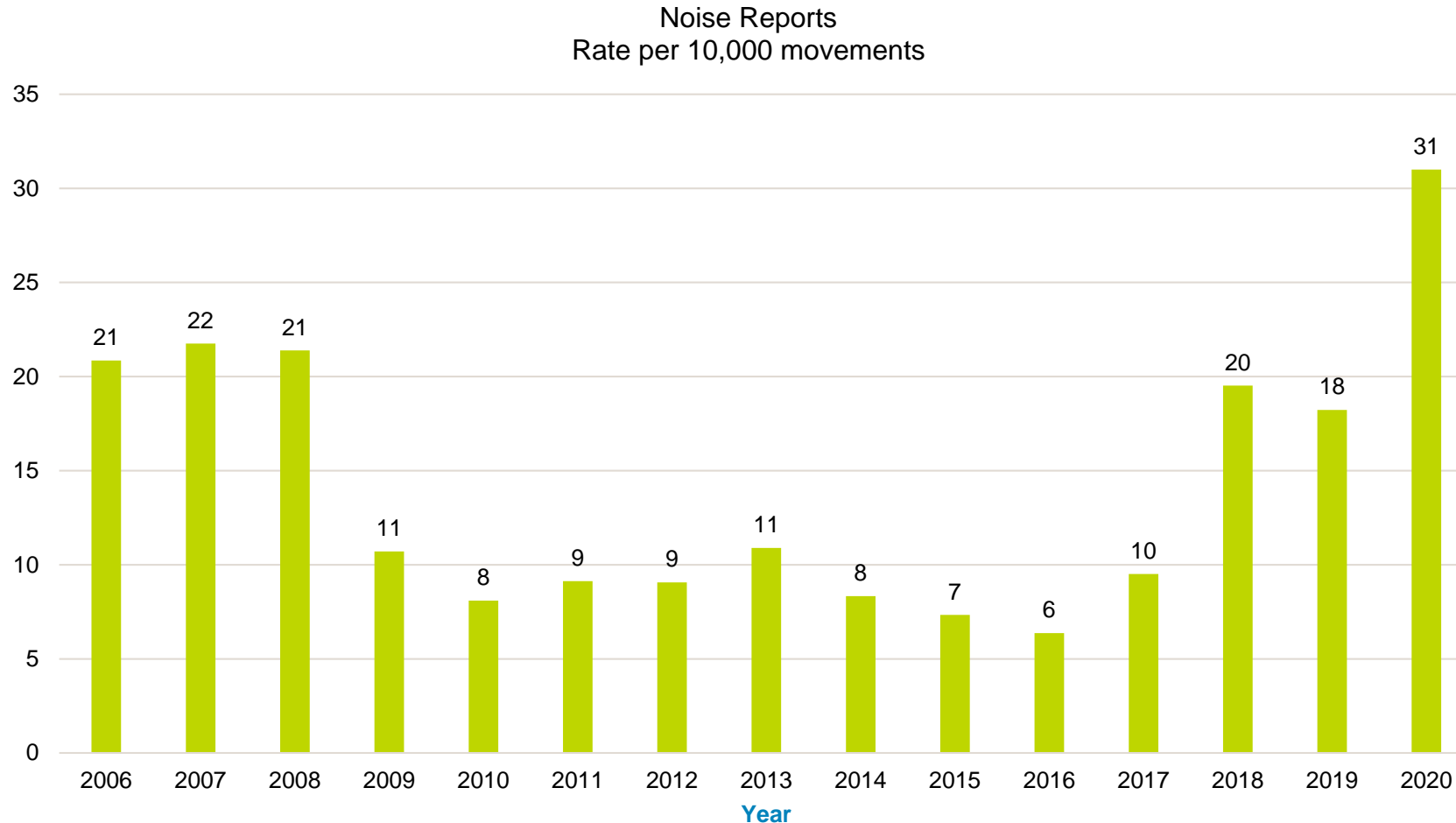


# COMMUNITY IMPACT

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



- YTD 31 noise reports per 10,000 movements in 2020 mainly due to full year of Runway Construction
- Daily closures of Runway 12-30 caused for increased usage of Runway 06-24, which has an approach over the City of Hamilton
- Additional noise reports likely due to a general decrease in total flights affected the ratio, with increased cargo operations, individuals working from home, and flights from the Warplane Heritage Museum

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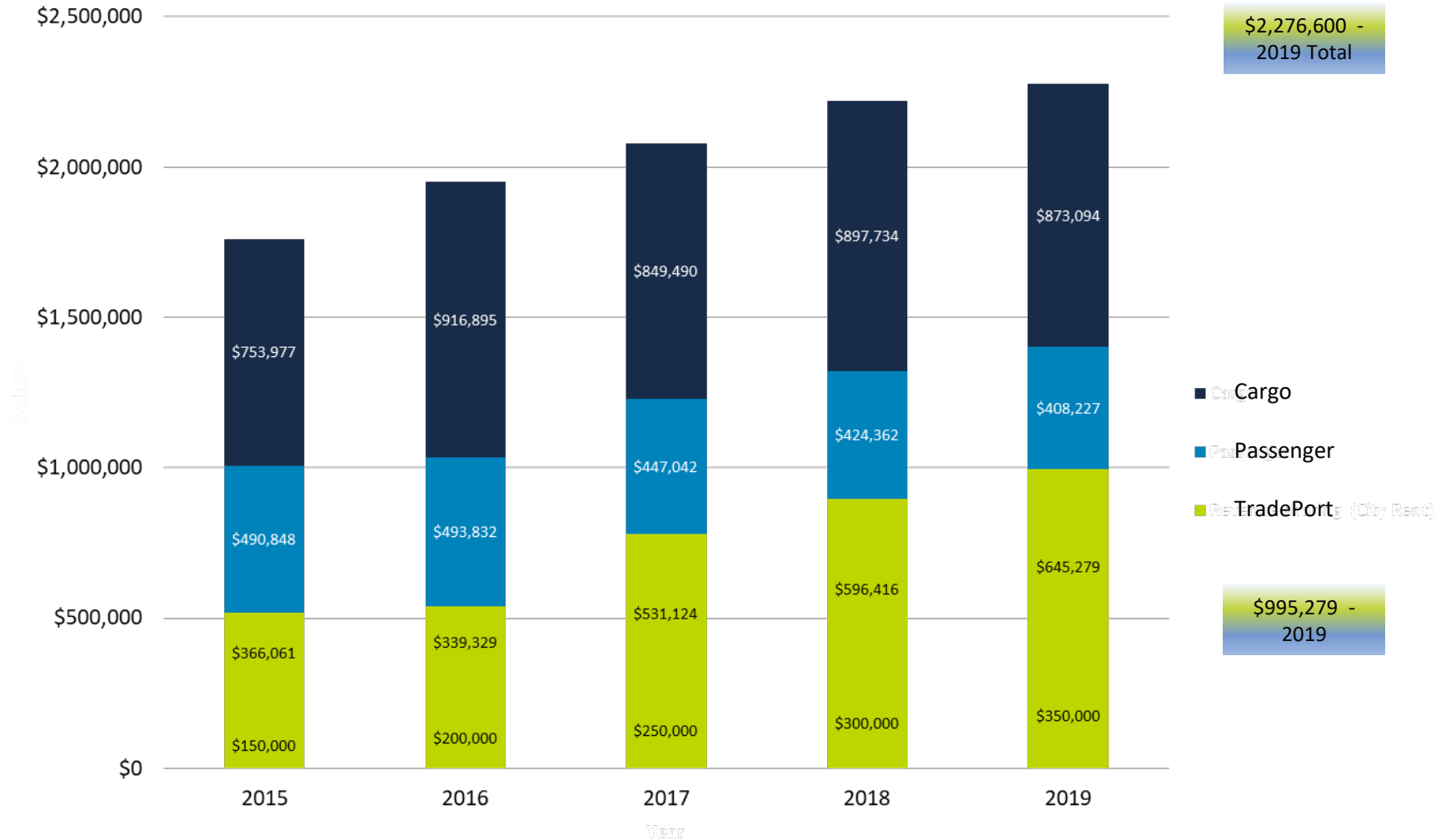
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# ECONOMIC IMPACT

Impact of the pandemic on 2020 payments.

# PROPERTY TAX AND REVENUE



## 2020 Updates

- 2020 Tax Assessment Fee of \$400,000 paid in January 2020
- Beginning March 2020, due to the pandemic and forecast uncertainty, payment for remainder of 2020 based on 2016 payment of \$339,000
- Likely to overperform that target
- Base % increase from 1% to 2.25% in 2020 as per Lease Agreement
- Airport payment will be updated in December 2020, January 2021 with actual

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# THANK YOU

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