

Airport Sub-Committee Meeting

February 24, 2022

VANTAGE
AIRPORT GROUP



YEAR IN REVIEW

2021

YEAR IN REVIEW

2021 Highlights



250,019

passengers flying to and from
Hamilton International



766m kg

in total landed cargo
aircraft billable weight

\$5.1m

in funding received from the
Government of Canada to
support COVID-19 recovery

\$83.3m

Investment in infrastructure made
by TradePort and its partners



3,400+

total jobs created
through Airport
activity at Hamilton
International¹

~90%

of passengers
reported a positive
Airport experience²



\$40,000+

of in-kind support and sponsorships to
community partners and events

TradePort International Corporation
celebrated its

25th anniversary



¹ Source: Hamilton International Economic Impact Study, ICF (commissioned in 2018). Updated assessment in progress with anticipated completion date of early 2022.

² Source: 2021 Customer Satisfaction Survey results (from a total sample of ~4,000 respondents)

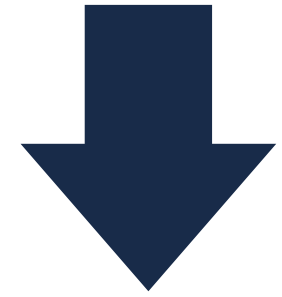
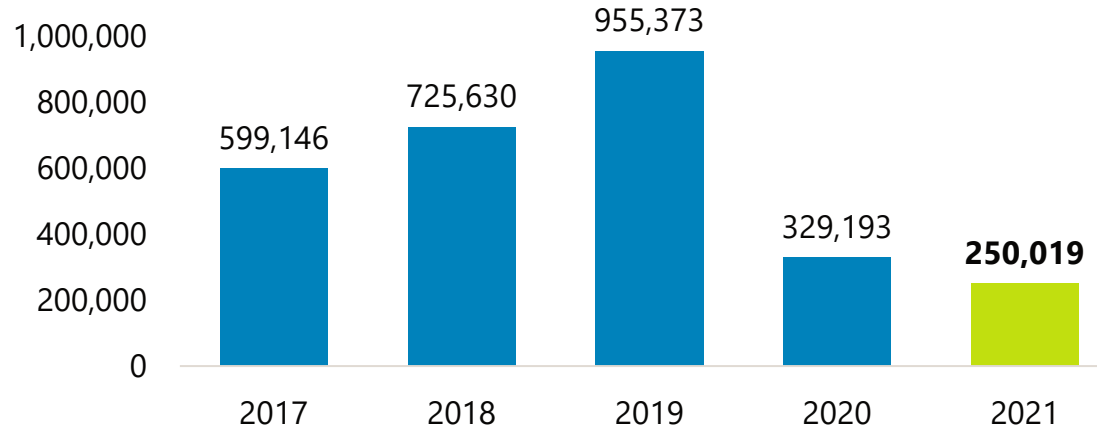
Passenger Operations

Continued impacts from COVID-19 in 2021 with signs of recovery expected in 2022



250,019

passengers flying to/from
Hamilton International in 2021



-24% compared to 2020
-66% compared to 2019

- Passenger traffic at Hamilton International had an encouraging comeback in summer travel amid a drop in COVID-19 cases, increased vaccination rates, and a temporary easing of restrictions, however in total, 2021 had significant impacts due to the pandemic.
- International and transborder flights resumed at Hamilton International on November 30 as Transport Canada eased the restriction on international flight arrivals.
- The recovery of international travel continues to be hindered by extensive testing and entry requirements, especially as the Omicron variant began to fuel a surge in cases around the globe.



Passenger Operations

Destinations served from Hamilton International in 2021



Maps are not to scale and show approximate locations only.

— Seasonal Route
— Year-Round Route

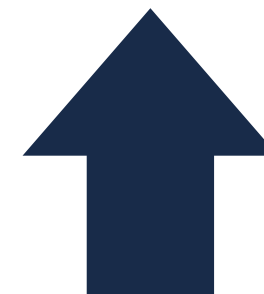
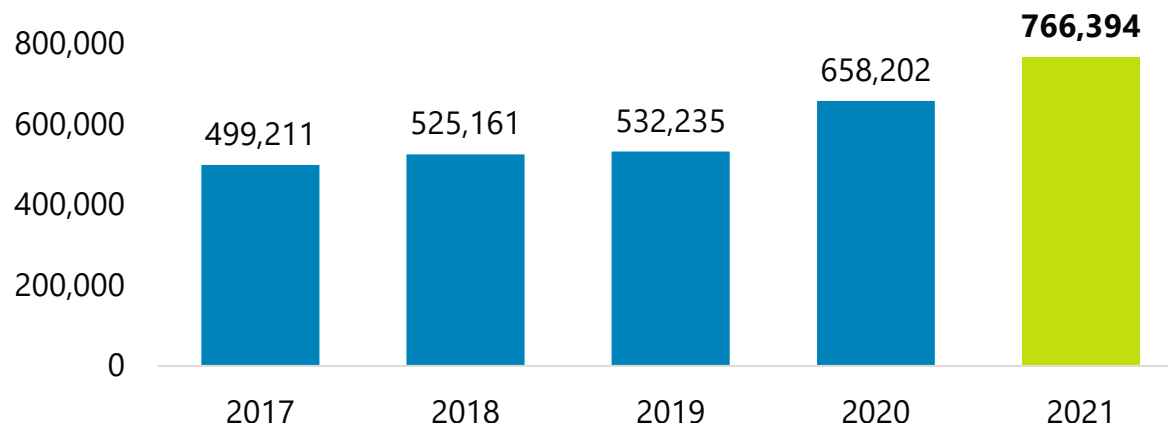
Cargo Operations

YHM is the fastest growing cargo airport in Canada as it continues to position as a gateway for facilitating goods movements across the country and around the globe



766m kg

in total landed cargo
aircraft billable weight



+16% compared to 2020
+44% compared to 2019

- While e-commerce was already growing at Hamilton International before worldwide lockdowns ensued, the pandemic has hastened the expected growth with greater demands on the transportation and logistics sector to support global trade and keep the supply chain moving.
- To support the significant growth of goods movement and volumes of activity at Hamilton International, a dedicated staging area for transport trucks to queue while awaiting access to the loading docks at the Cargo Centre was introduced ahead of the peak holiday shopping season, along with the opening of the new DHL facility.
- Activity in November and December continued to significantly contribute to the Airport's annual results with these two months of increased retail activity and goods movement outperforming 2020 levels by nearly 30%.



Top Cargo Routes

2021 Top 25 Cargo Routes by Movements



Top 5 Routes	
City	Annual Movements
★ Vancouver, BC	1,481
★ Cincinnati, OH	1,414
★ Akron, OH	1,290
★ Calgary, AB	1,279
★ Montreal, QC	1,059

Maps are not to scale and show approximate locations only.

International Route Expansion

Markets added by DHL and operated by Cargojet, further connecting Hamilton to the international network



East Midlands, UK
(New as of Oct 2021)

5 weekly – daily*

London, UK

5 weekly – daily*

*Daily service during peak periods



Leipzig, Germany
(New as of Jan 2022)

4 weekly

Cologne, Germany

1 weekly

Maps are not to scale and show approximate locations only.

Airport Investment and Land Development

Financial investments that focus on driving economic benefits and contributing to workforce development



Mohawk College Centre for Aviation Technology

- Part of KF Aerospace's \$55m investment, featuring a 75,000 square foot purpose-built hangar, classrooms, labs, and specialized shops, including the only Boeing 737 NG Virtual Maintenance Training system in a Canadian college
- Impressive three-story facility is Canada's newest aviation training facility in an innovative learning space that brings all of Mohawk's aviation programs under one roof and with enrolment capacity increased from 175 to 350 students
- Hamilton International was proud to see the Mohawk College Centre for Aviation Technology officially join its evolving skyline with its virtual grand opening event on February 9, 2021.



Airport Investment and AEGD Land Development

Focus on driving economic growth, job creation and financial investment

DHL Express International Gateway Facility

- Officially opened the doors to its \$110m International Gateway facility at Hamilton International on September 28
- The 238,000 square foot facility is DHL's largest gateway in Canada (by volume) and four times the size of its previous sort facility at the Airport
- Capacity to process 28,000 packages per hour
- During peak season, previously employed 225 people at its Hamilton facility with the expansion bringing approximately 150 more jobs to the area



Amazon Fulfillment Centre – YHM1

- Construction completed on new 855,000 square foot fulfillment centre in Hamilton adjacent to the Airport
- Opened in January 2022 and creating up to 1,500 new fulltime jobs and the need for public transit improvements
- Expansion expected to drive increase in both aeronautical activity and ground transportation needs with an expected 30 daily truck trips



Supporting the City's Land Development

Recent City of Hamilton Economic Development and Shared Successes



sierra

ACHIEVED



Supported the City's economic development plans, helping it surpass its target for adding

7m ft²

of new Industrial/Commercial space between 2016 and 2020.

Add 7 million sq. ft. of new Industrial and Commercial space

2021 Operational Achievements

A culture of regulatory compliance and exceptional customer service



- 15K Work Orders Completed (13K PY)
- 50K Operations Log Entries (27K PY)

Work orders and operations log entries are what our airside and operations centre use as key performance metrics. These statistics show a significant number of tasks completed as well as Airport monitoring.



- 268 Incident Reports (343 PY)

Hamilton International's Operations Centre respond to incidents occurring at the airport. These range in severity and are dealt with on a case-by-case basis.



- 17,502 Species Encountered (35K PY)
- 35% Reduction in wildlife events

Wildlife strikes are an important monitoring tool at the Airport, and aircraft safety is our top priority. Management continue to strive for a reduction in strikes.

Key Achievements

CBSA Layout Enhancements

High level of customer satisfaction (4.4/5)

Pass Control Improvements

Noise Monitoring Website Improvements

Transition and Implementation of new TC Regulations

Runway Rubber Removal

Off-Airport Development Protocols

New Wildlife Procedures

International Arrivals Testing Location

Regulatory Compliant

ARFF Truck Repairs / TC Notification

ERP Tabletop Exercise

COMMUNITY IMPACT



Environmental Management

Committed to protecting the environment and to safeguarding the health of its employees, business partners and the public



Canadian Airports Council (CAC) – Environmental Committee

The Airport continues to review best practices with similar airports to further reduce consumption and greenhouse gas emissions.

Carbon Footprint

- Managing carbon footprint by better understanding the Airport's usage of water, electricity and gas, the production of CO₂, as well as waste and recycling management
- Application in progress to ACI-Europe's Airport Carbon Accreditation Program which will have YHM in an industry leading program focused on airport specific goals.

Glycol Management

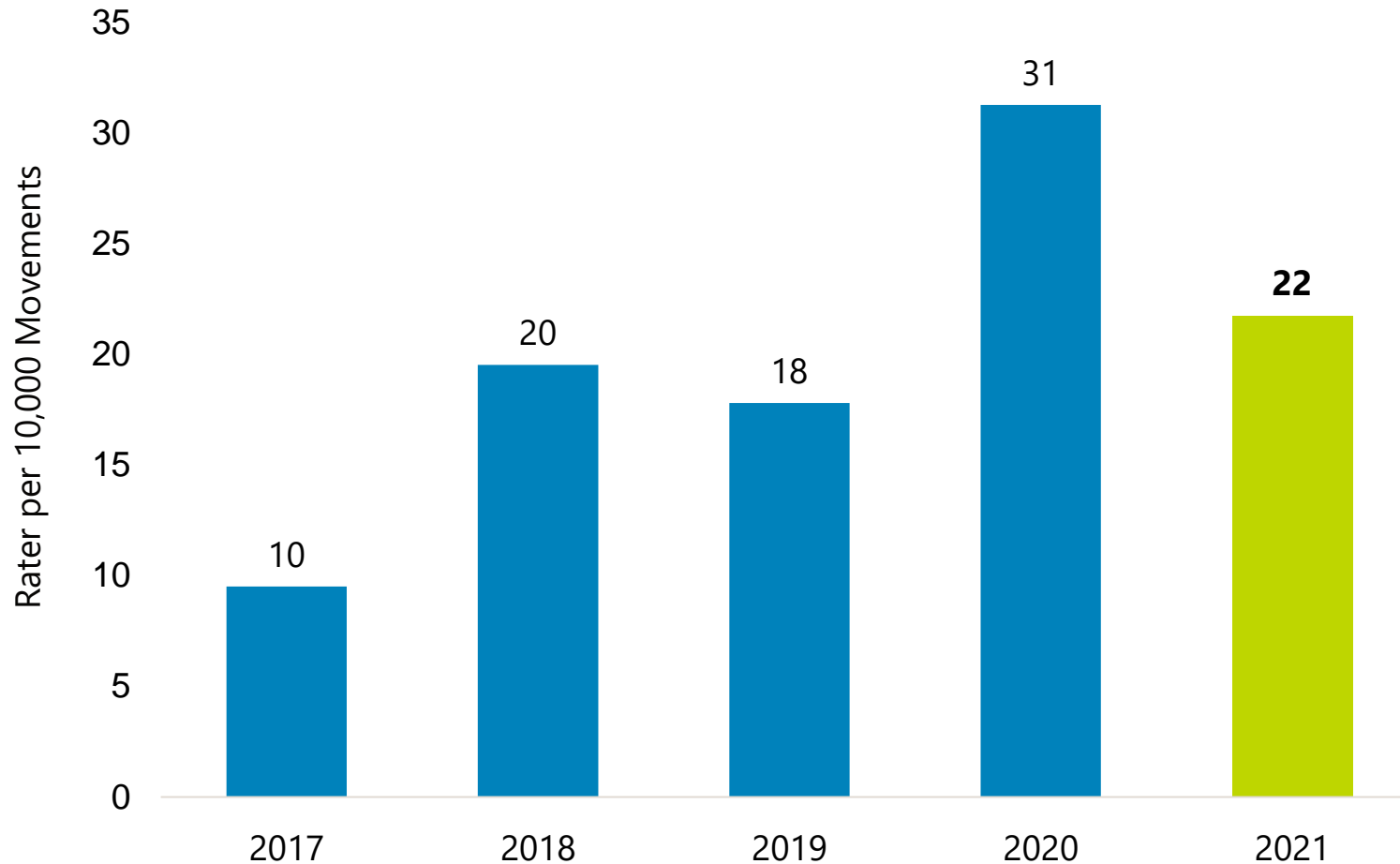
- Managing de-icing/anti-icing solutions sprayed on aircraft to remove or prevent accumulation of snow and/or ice is essential for the safe operation of aircraft during the winter season
- Improved pumping system installed to reduce flow by 42% (maximum of 15 l/s) from sanitary 1, allowing for additional city capacity at pumping station.

Key Environmental Initiatives

- Improve reliability, promote efficiency and reduce greenhouse gas emissions, implemented advanced LED lighting technology on airfield as part of runway project
- Supported Ward 11 through a corporate tree planting initiative

Noise Reporting and Monitoring

Website improvements and a new noise management plan helped decrease the impact on the community with noise complaints reducing by 29%



Decrease in noise reports in 2021 can be attributed to:

- **Completion of Runway 12-30 rehabilitation in 2020;** and
- **Reduced Helicopter Activity** due to government travel restrictions

Community Investment

Over \$40,000 of in-kind support and sponsorships contributed to community partners and events



Liberty for Youth Eagle Ridge
August 23, 2021



Ward 11 Tree Planting
October 22, 2021



Gore Park Remembrance Day Service
November 11, 2021



CityKidz Toy Drive
December 7, 2021

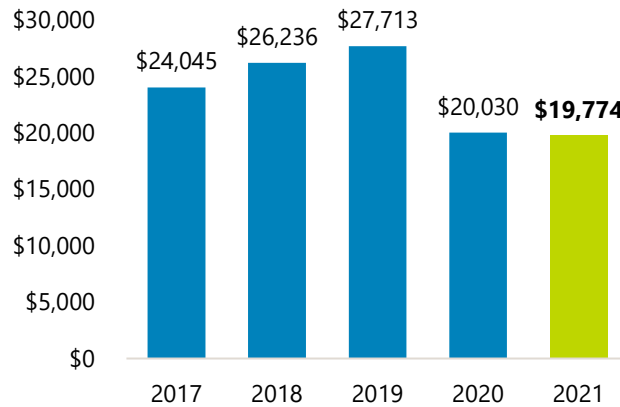
ECONOMIC IMPACT



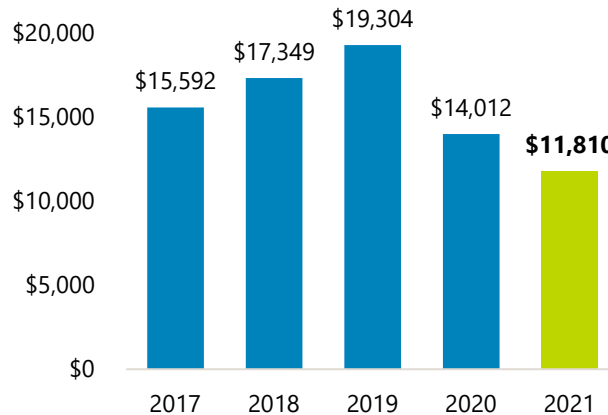
Financial Highlights

Growth in cargo operations, along with the continued focus on cost management were key drivers to reach performance targets

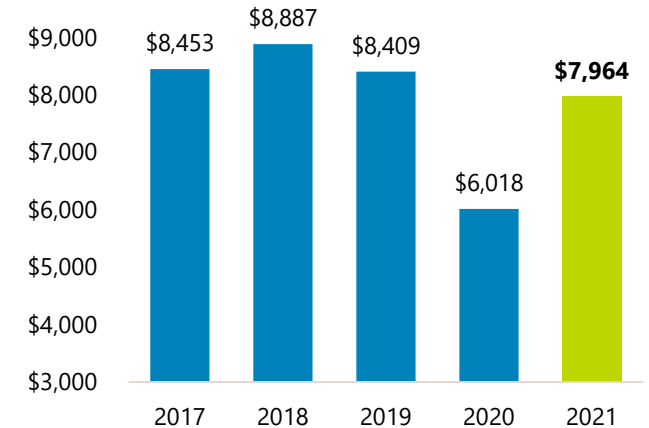
Revenue (000s)



Expenses (000s)



Revenue Over Expenses (000s)



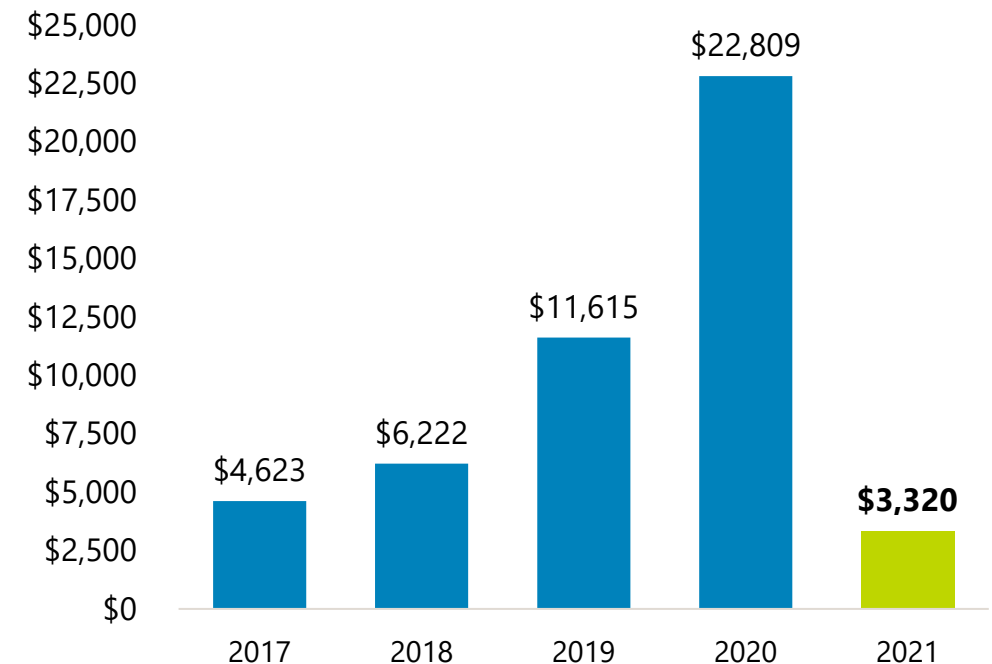
- Main revenue sources include Passenger Operations, Cargo Operations and Commercial Property Rents
- Revenues are **-1%** to prior year due to the ongoing impacts of the COVID-19 pandemic and evolving travel restrictions
- Expenses are **-27%** over prior year and included amounts incurred in the normal course of operations such as amortization, interest cost associated with long-term debt and income tax
- Total revenues over expenses are **32%** over prior year

Capital Investments

TradePort invested \$3.3 million in capital infrastructure to update, maintain and expand capacity for future growth

- Key Projects included Phase II of the Field Electrical Centre replacement, CBSA office improvements, a sanitary pump upgrade as well as planning and design work related to taxiway rehabilitation projects scheduled in 2022.
- 2019 and 2020 Increases were a result of the Runway 12-30 Rehabilitation Project.
- **Since 1996, TradePort and its business partners have invested \$411.1m in infrastructure**

Capital Investment (000s)





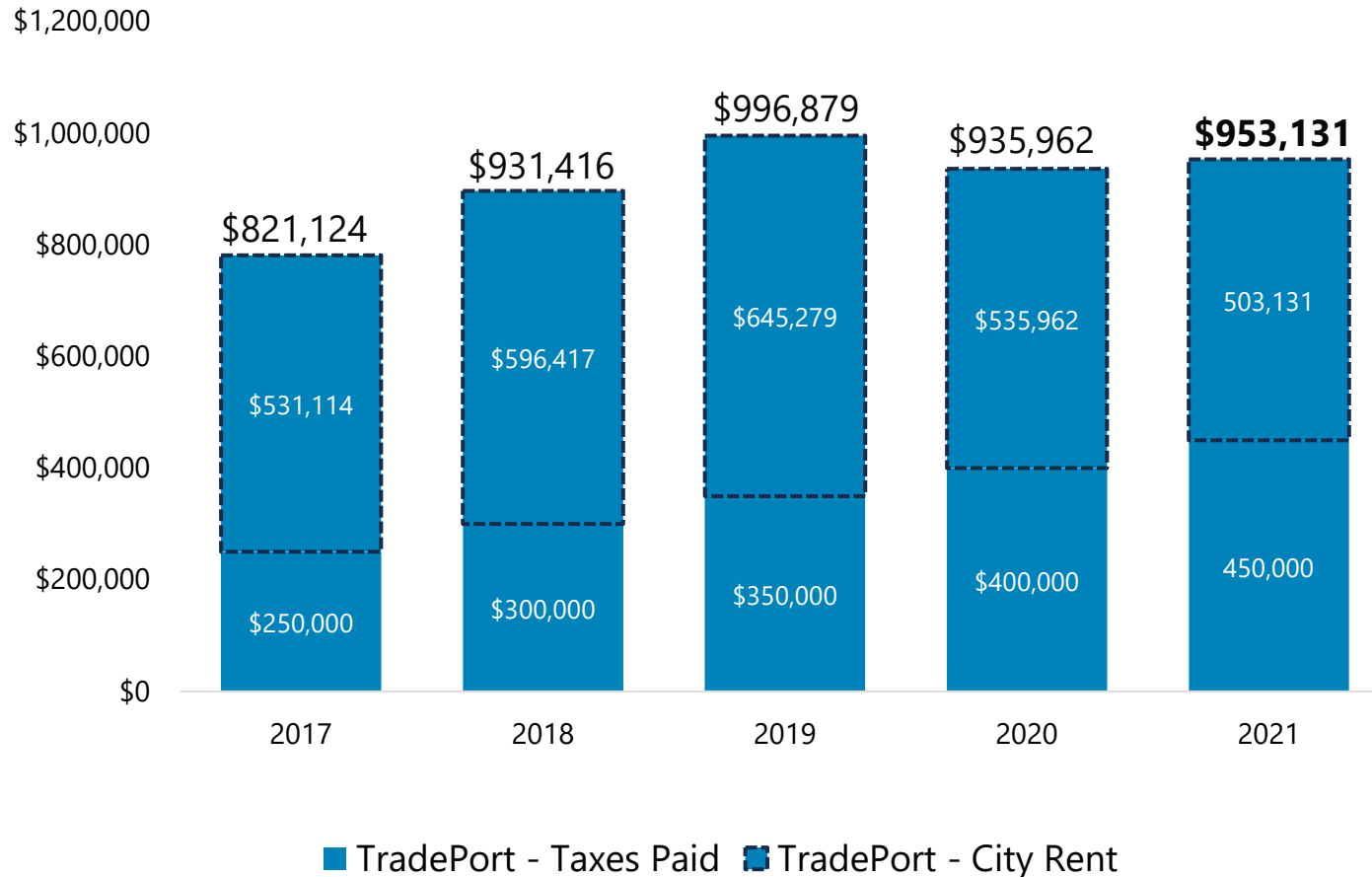
FIELD ELECTRICAL CENTER

Full replacement provides increased reliability and added capacity, powering the Airport's airfield.

TradePort - Property Tax and Rent Payments

Stable returns to the City of Hamilton during the pandemic

Payments to the City

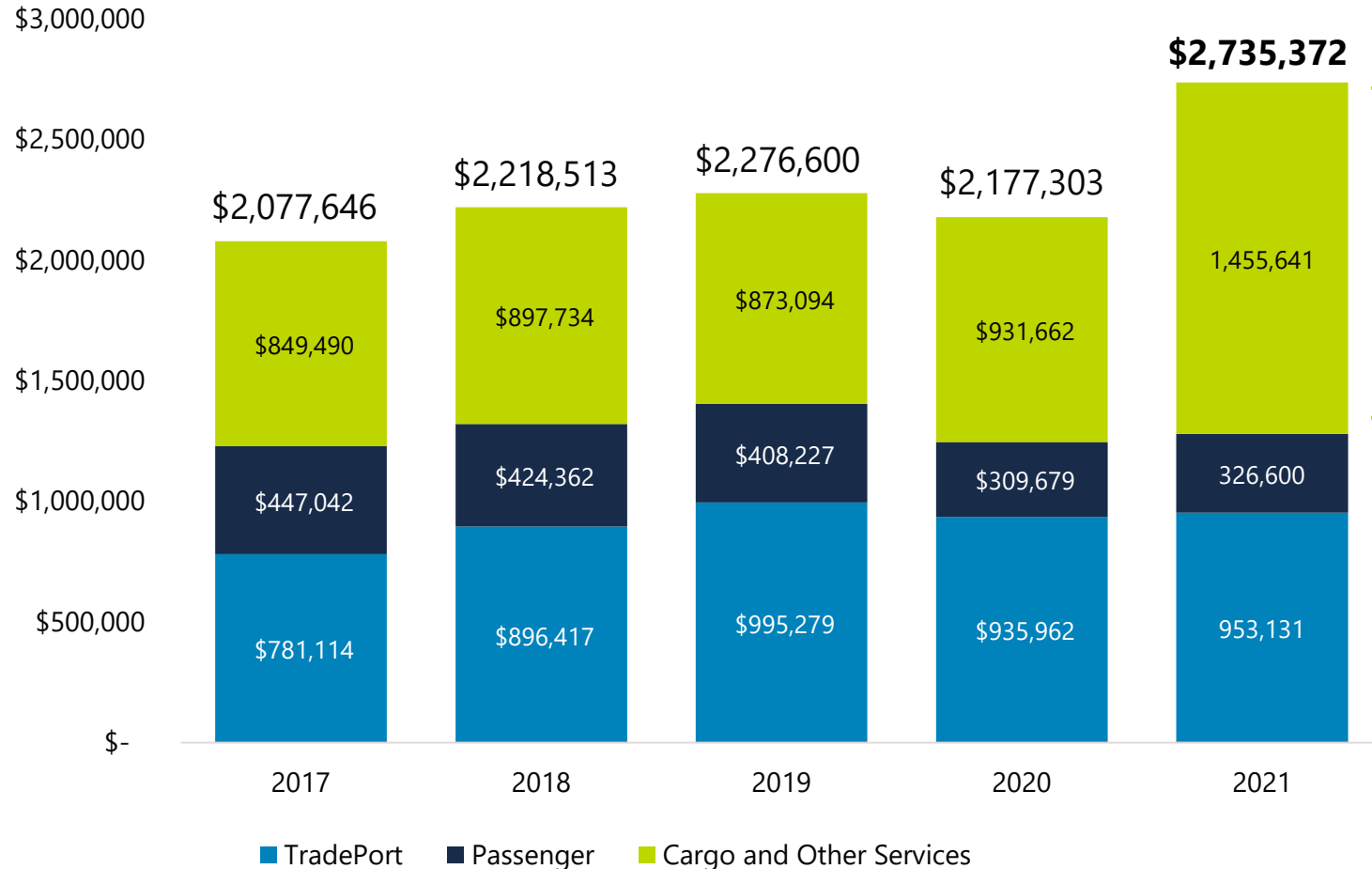


TradePort makes direct payments to the City every year.

For the year ending December 31, 2021, rent, assessment tax and other fees was **\$953k**.

TradePort and Tenants Payments

Over **\$2.7m** combined rent and property tax paid in 2021; property taxes paid directly to the City by Airport tenants, this is an increase of over **\$550k** over 2020



Increase in property taxes directly paid to the City of Hamilton by Airport tenants in "Cargo and Other Services" increased by over \$500k which can largely be attributed to Mohawk College and KF Aerospace taking occupancy of new facilities.

Since 1996, Airport properties have generated **\$28.5m in additional property tax revenue** for the City of Hamilton.

Joint Marketing Initiatives



Joint Marketing Initiatives

Marketing reserve funds play an important role to support the success of commercial passenger service from Hamilton (Section 34)

- Marketing and awareness campaigns promote the destinations available from the Airport, with an added focus on new routes.
- The Airport works closely with a local agency to develop a creative platform and marketing plan.
- Several marketing mediums are used to promote the Airport, some of which include digital online, radio ads, and outdoor billboards.
- Campaigns are centered on the Hamilton area while also factoring in digital online advertising to promote inbound travel from BC, AB, MB, NS, PEI and NB.

Summer Campaign (April - June 2022)

Total Cost	\$133,000
Airport Contribution	\$ 83,000
City Contribution	\$ 50,000

Winter Campaign (September - November 2022)

Total Cost	\$143,200
Airport Contribution	\$ 93,200
City Contribution	\$ 50,000

2022 - Looking Ahead

As an **economic engine**, the Airport continues to generate positive economic impacts and jobs during a challenging climate, while it looks ahead to build on opportunities in 2022 and beyond



**Canada's largest overnight
express cargo airport**

**International gateway for
affordable travel**

As an economic engine, Hamilton International will continue to play a critical role as our region starts to recover from the challenges of the COVID-19 pandemic.

With the gradual easing of travel restrictions sparking optimism and an upsurge in passenger confidence, along with the steady growth of goods movement, Hamilton International is optimistic to see an uptick in 2022, moving the Airport closer to recovery and seizing new growth opportunities that will deliver meaningful benefits to the City of Hamilton.

John C. Munro

HAMILTON

INTERNATIONAL AIRPORT

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