

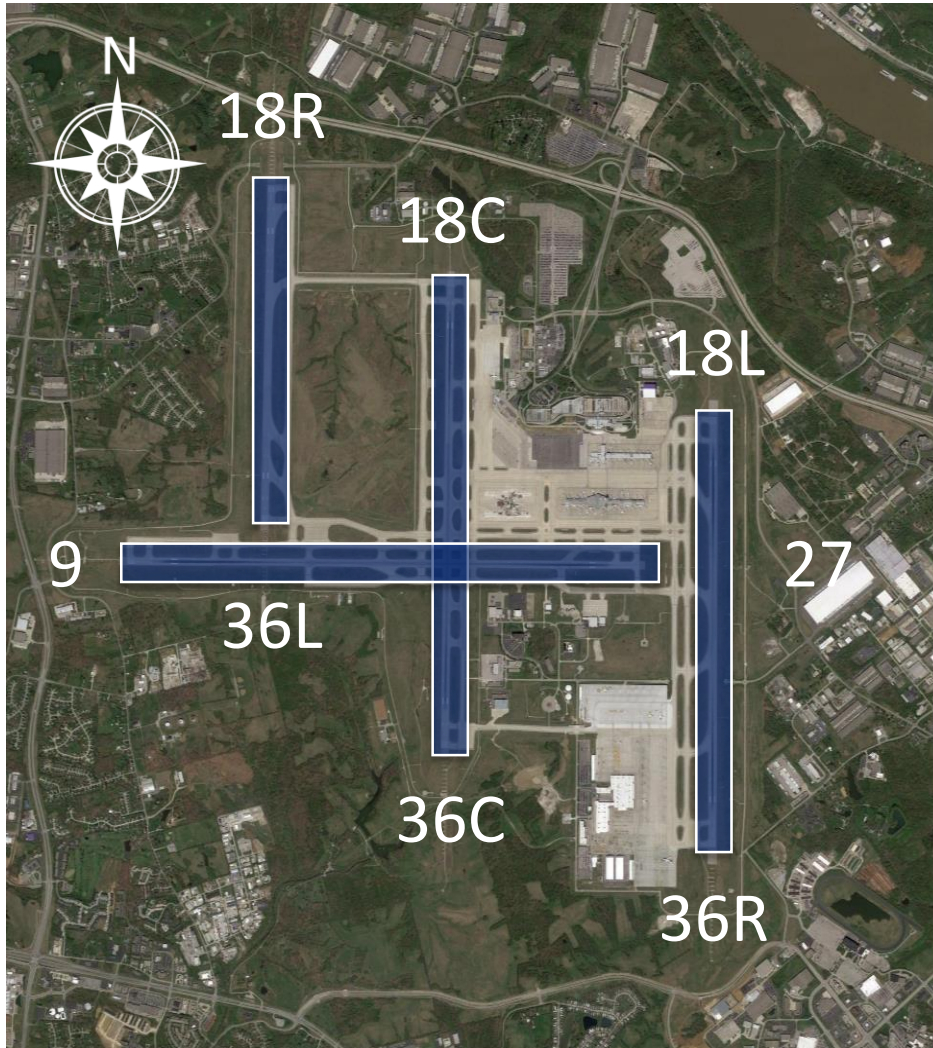
Cincinnati / Northern Kentucky International Airport

**Kentucky General Assembly
Interim Joint Committee on Transportation**

2019 CVG Update

July 19, 2019

Welcome to CVG Airport



CVG encompasses **7,700 acres**.

CVG is larger in land area than the City of Florence (6,572 acres).

Runway 18R/36L:	8,000 ft.
Runway 18C/36C:	11,000' ft.
Runway 18L/36R:	10,000' ft.
Runway 9/27:	12,000' ft.

CVG: A Regional Jobs Hub

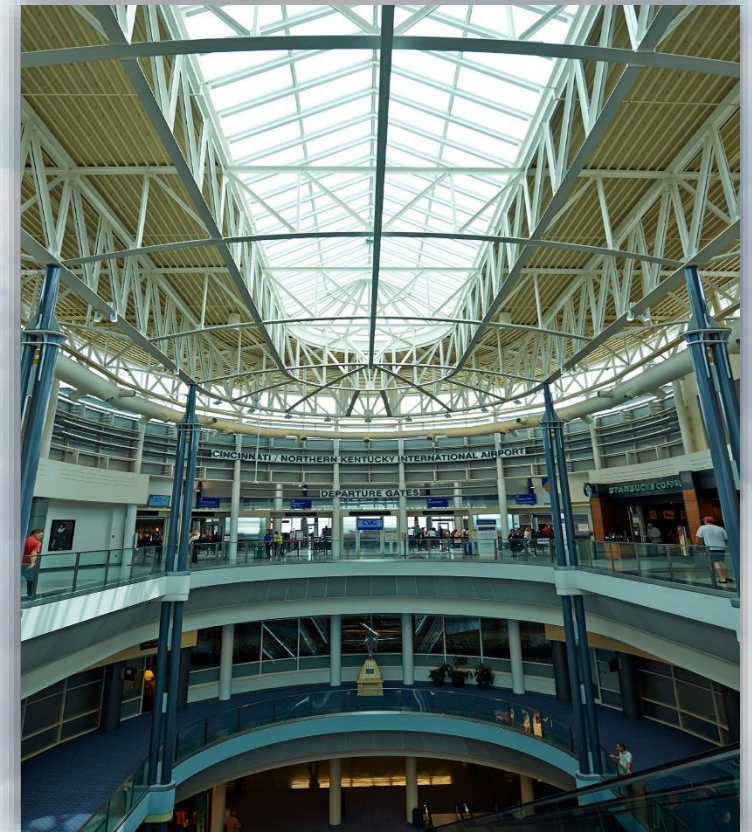
70+ EMPLOYERS ON CAMPUS

14,000+ BADGEHOLDERS

- 52% Kentucky residents
- 38% Ohio residents
- 10% Indiana and other state residents

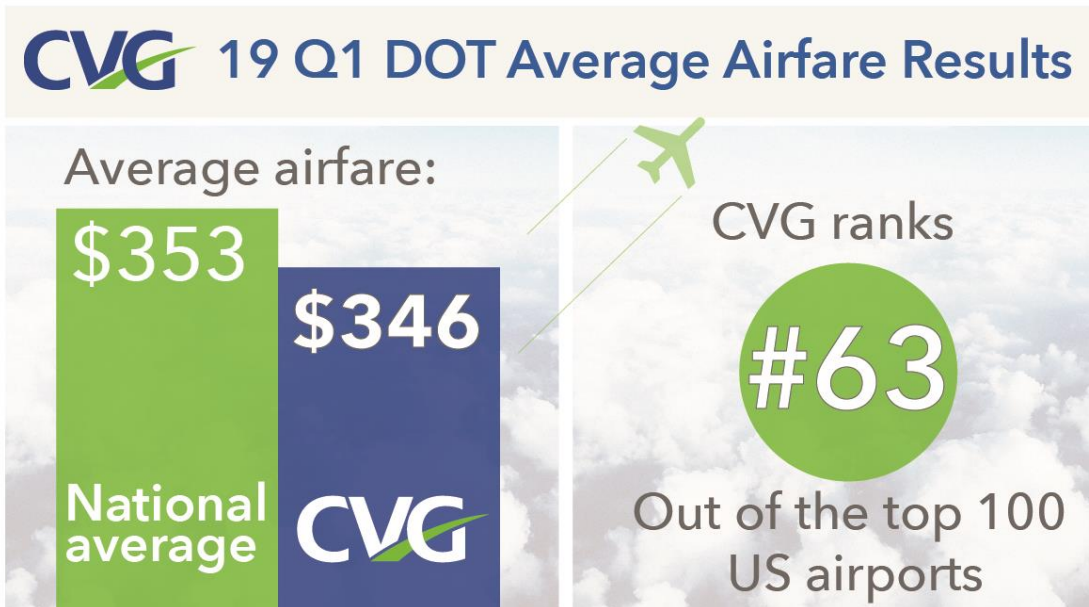
31,000+ TOTAL JOBS SUPPORTED

\$4.4bn ANNUAL ECONOMIC IMPACT



Latest News

- **CVG is serving more local passengers than ever before**
 - The airport set a new all-time local passenger record in June: 426,246 passengers served (local records set 14 of 15 last months)
- **Allegiant launched new service to Norfolk, VA, in June**
- **Just announced this week, according to U.S. DOT rankings, CVG's average airfare is the lowest in the region and the only one to best the national average of \$353**
 - Ranked #63 of top 100 airports



Frontier Announces New Routes from CVG

In June, Frontier Airlines announced new nonstop service to four markets beginning in fall 2019.

- Fort Lauderdale FLL
- Miami MIA
- New Orleans MSY
- Sarasota-Bradenton SRQ

FRONTIER
AIRLINES

Five Strategic Objectives for 2021



TAKE FLIGHT

Grow
Air Service

9,400,000
passengers



GROW BUSINESS

Facilitate Economic
Growth

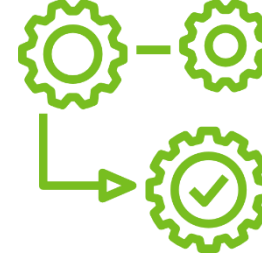
350 acres of land
leased



PROPEL COMMUNITY

Build Meaningful
Partnerships

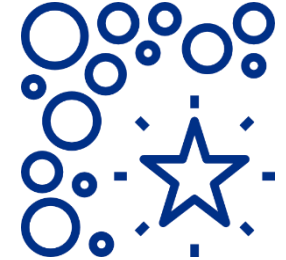
\$5.0bn economic
impact



ELEVATE SERVICES

Deliver Operational
Excellence

Obsolete facilities
demolished;
ConRAC built



GO BEYOND

Differentiate the
CVG Brand

ASQ ranking
superior to peers

Increasing Economic Impact

As of 2016, every year...

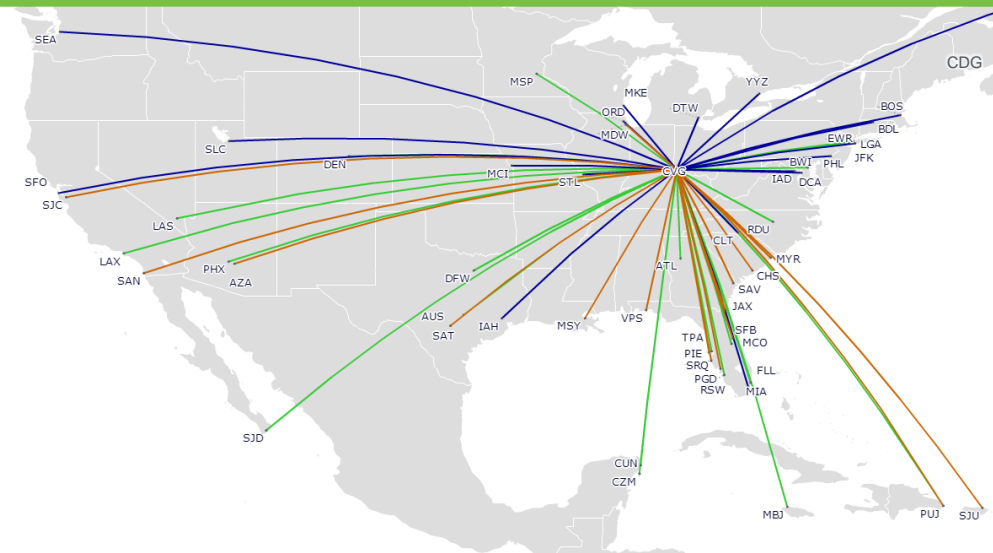
- CVG supports more than \$21 million in income tax revenues for Kentucky and more than \$4 million for Ohio.
- CVG supports more than \$4.4 billion in total annual output in the Cincinnati/Northern Kentucky MSA.
- CVG supports more than 13,500 direct jobs and more than 31,100 total jobs.
- CVG supports more than \$625 million in direct labor income and more than \$1.3 billion in total labor income.
- Air service growth has been driving down fares and therefore contributing to increased passenger volume at CVG.

2019 study is now underway!



Passenger Airline Success

- Local passenger volumes have increased by more than 50% in the past three years
 - Average fares have decreased by more than 30% in the same time period
- CVG has been one of the top five fastest-growing airports in the U.S. for the last several years



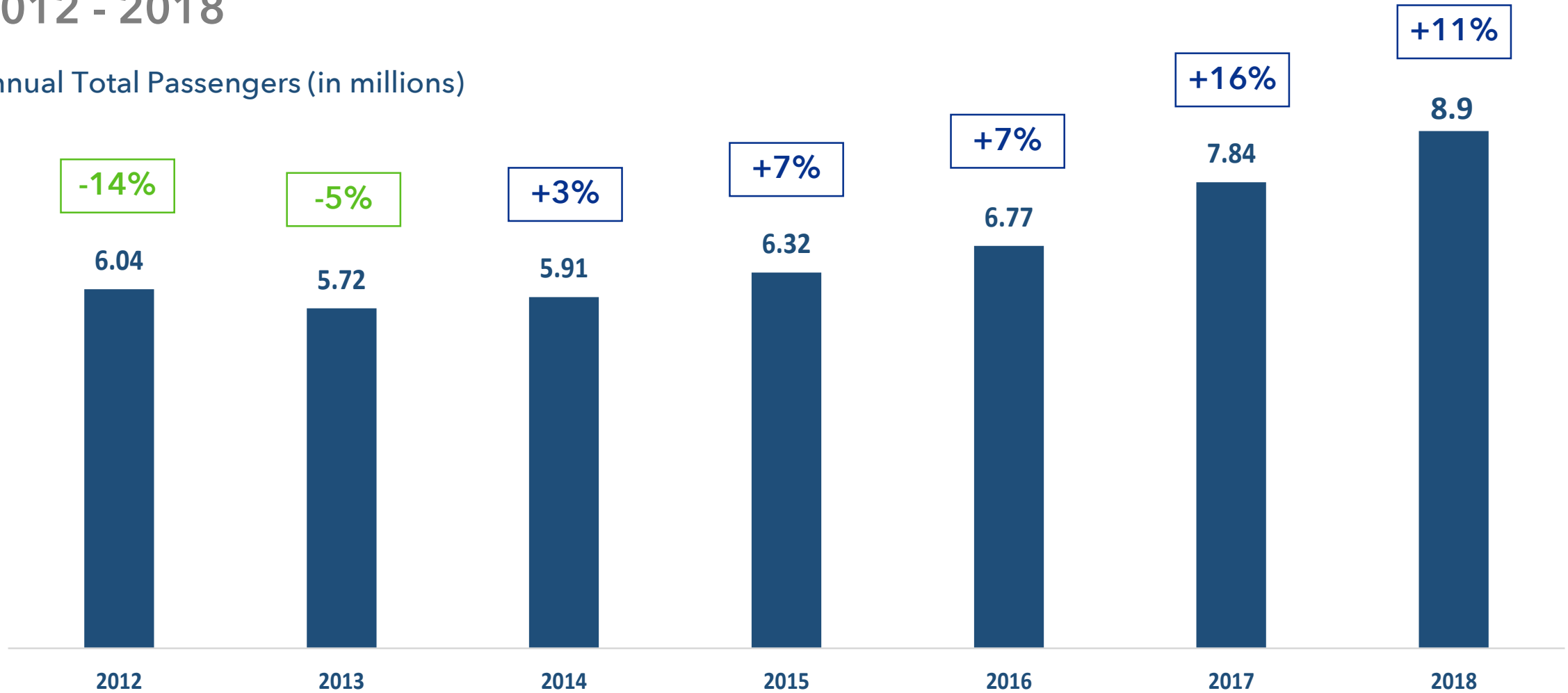
- 50+ non-stop destinations
 - 38 of top 40 markets served non-stop
 - Only OH or KY airport with non-stop transatlantic service (Paris, France)
- 9 passenger airlines
 - Addition of Allegiant, Frontier, and Southwest in the last six years
- Nearly 9mn passengers served
- 90% local travelers



CVG Total Passenger Trend

2012 - 2018

Annual Total Passengers (in millions)

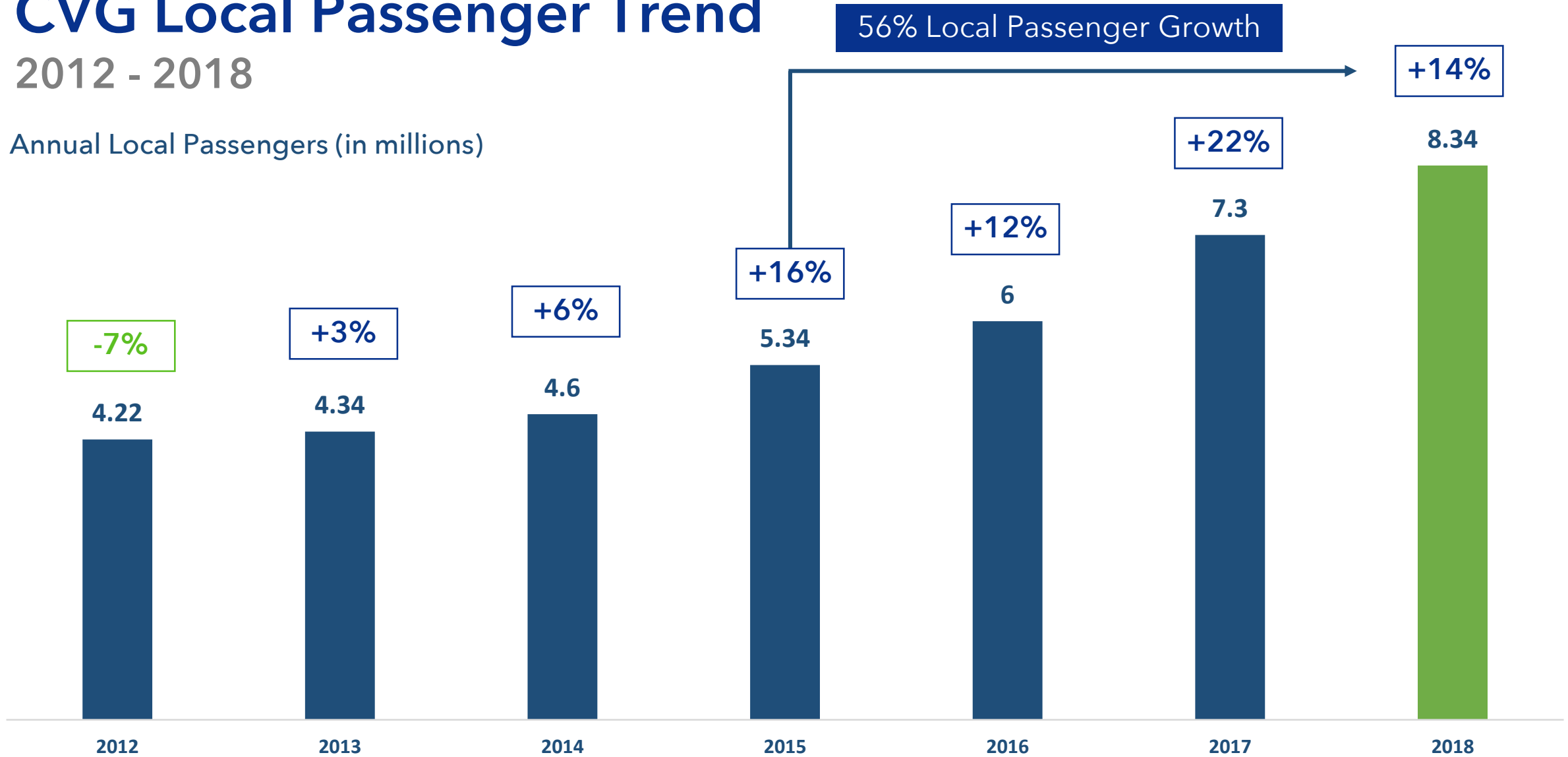


CVG's total passenger volume has grown **38%** since 2015.

CVG Local Passenger Trend

2012 - 2018

Annual Local Passengers (in millions)



CVG's local passenger volume has grown **56%** since 2015.

CVG Air Cargo Success

- CVG is the 8th-largest cargo airport in North America and is the fastest-growing in the U.S.
- Over 1.2mn tons handled in 2018
- Home to one of three DHL Global Super Hubs (second-largest in the world after Leipzig, Germany; other is Hong Kong)
 - Employment at the Hub is up 60% from 2016 (4,200 employees)
 - 96 daily flights (departures/arrivals)
- Home to Amazon Air Hub



Amazon Air Hub

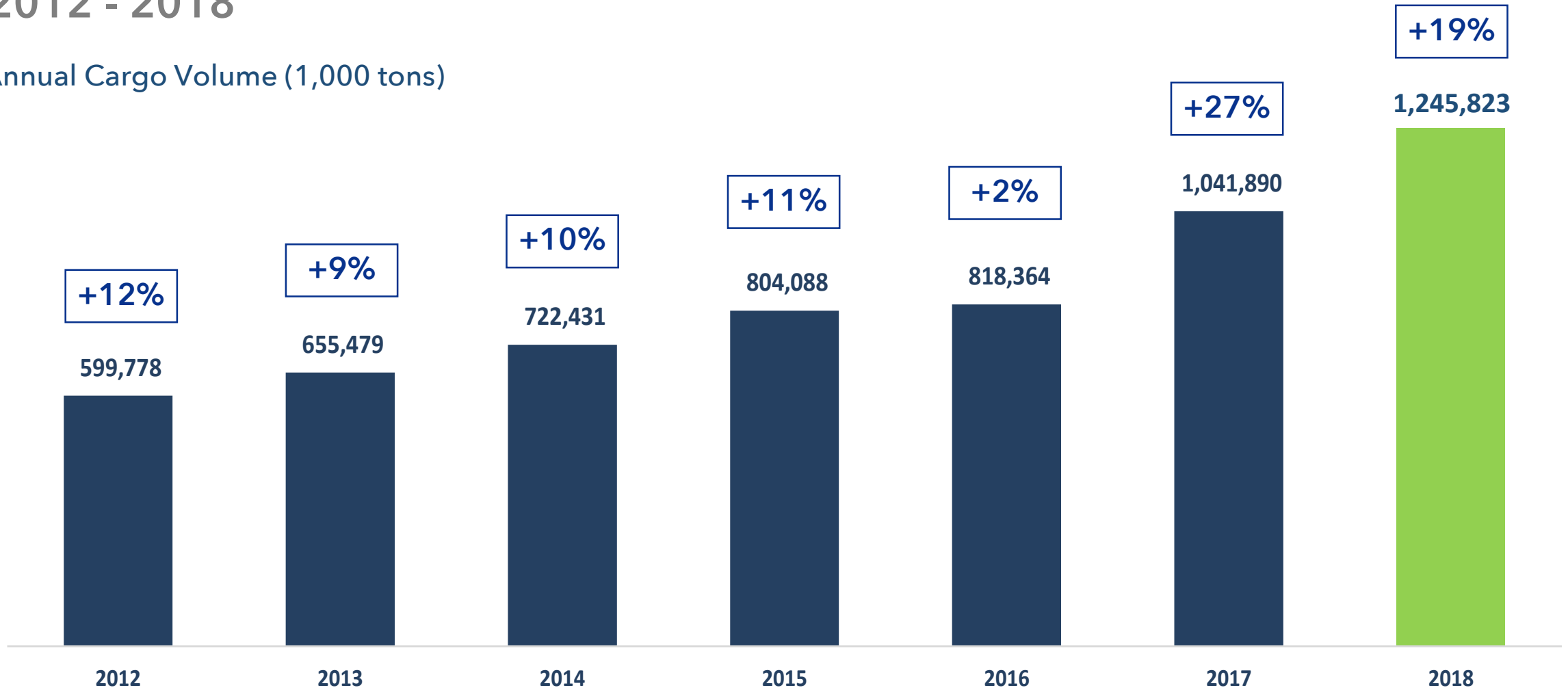


- Announced January 2017
 - Represents a \$1.5bn investment
 - Projected to create 2,000 jobs at initial opening
- Partnership with DHL began May 2017 (flights began)
- Groundbreaking/kickoff event in May 2019
- Phase I scheduled completion Q3 2021

CVG Cargo Tonnage Trend

2012 - 2018

Annual Cargo Volume (1,000 tons)



CVG is the **8th largest cargo airport** in North America. We project 2019 to set a new record.



Aeronautical / Non-Aeronautical Development

1 Dermody I

Wayfair – Completed 2016
225 employees

2 Dermody II

Distribution Center – Completed 2017
140 employees

3 Hemmer

Bosch – Completed 2017
150 employees

4 Van Trust I

DB Schenker – Completed 2018
580 employees

5 Van Trust II

Wayfair – Completed 2018
~260 employees

6 Van Trust III

GE – Under Const.
~175 employees

7* Lynxs

FEAM Hangar – Under Const.
~200 employees

8* Aeroterm

Common Use Cargo – Under Const.
~100 employees

Amazon South Site*

~3,000,000 sf of floor area
~2,000 employees (2021)

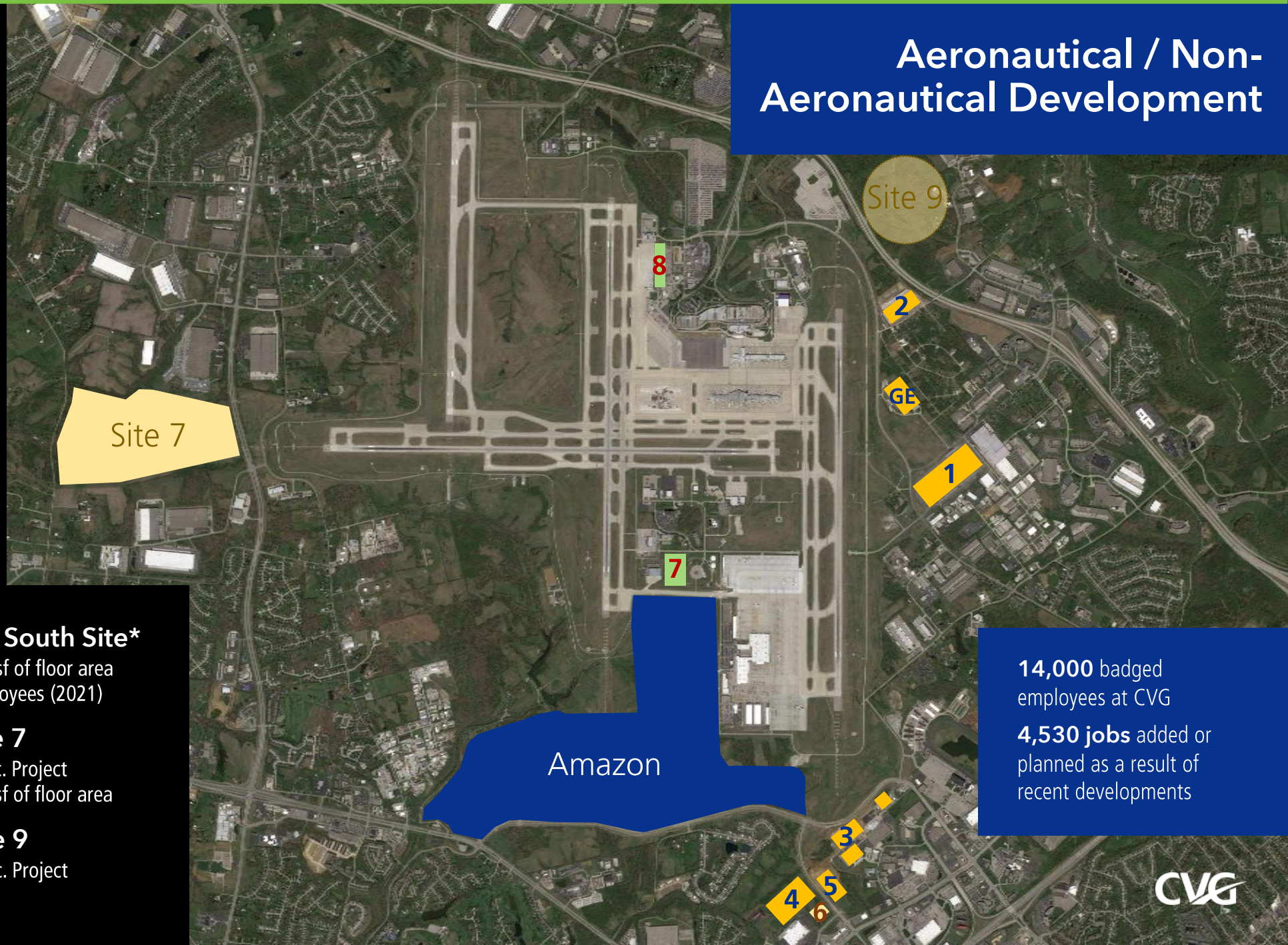
CVG Site 7

Planned Spec. Project
~2,400,000 sf of floor area

CVG Site 9

Planned Spec. Project

*Aeronautical development



14,000 badged
employees at CVG

4,530 jobs added or
planned as a result of
recent developments

CVG

Aircraft Maintenance Facility Development



- Lynxs broke ground on an aircraft maintenance hangar for FEAM in fall 2018
- \$19mn facility will be 103,000 sf
- FEAM Aero employs about 100 aircraft mechanics at CVG today
- Facility construction will create ~100 new, permanent jobs with annual salaries starting at \$65,000-70,000 annually

Common Use Cargo Facility Development

- Construction on a common use cargo building by Aeroterm began in 2019
- Facility will be anchored by FedEx, who has two aircraft based out of CVG



A group of people, including men and women, are standing on an airfield. They are wearing high-visibility yellow safety vests. In the background, a large yellow DHL cargo plane is visible. The scene is outdoors on a clear day.

CVG Workforce Challenges

Employment Growth

- CVG is a regional jobs hub with hundreds of jobs being added in the last several years; thousands more expected in coming years

Employer Concerns

- Recruiting / available labor force
- Transportation / public transit
- Security environment
- Pipeline of future employees
 - Student and family awareness of good-paying aviation careers

CVG Strategic Workforce Collaborative



OWNER/OPERATOR



FEDERAL GOV'T

FAA, TSA, CBP



AIRLINES

Passenger and Cargo



**GROUND
TRANSPORTATION**

Parking, Rental Cars, etc.



CONCESSIONS

Hospitality and Retail



**TERMINAL
OPERATIONS**

On Approach



Increasing supporting infrastructure investment in region



Addressing artificial barriers to airport business growth and innovation



Tackling regional/state workforce development challenges



Thank You!

Candace S. McGraw
Chief Executive Officer