



## **City of Toledo: Regional Growth, Development & Small Business Enterprise Committee**

January 25, 2021

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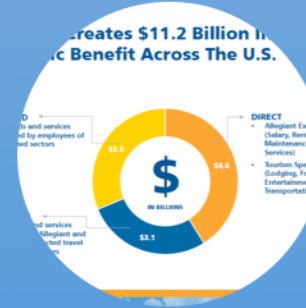
# Campbell-Hill Aviation Group, LLC



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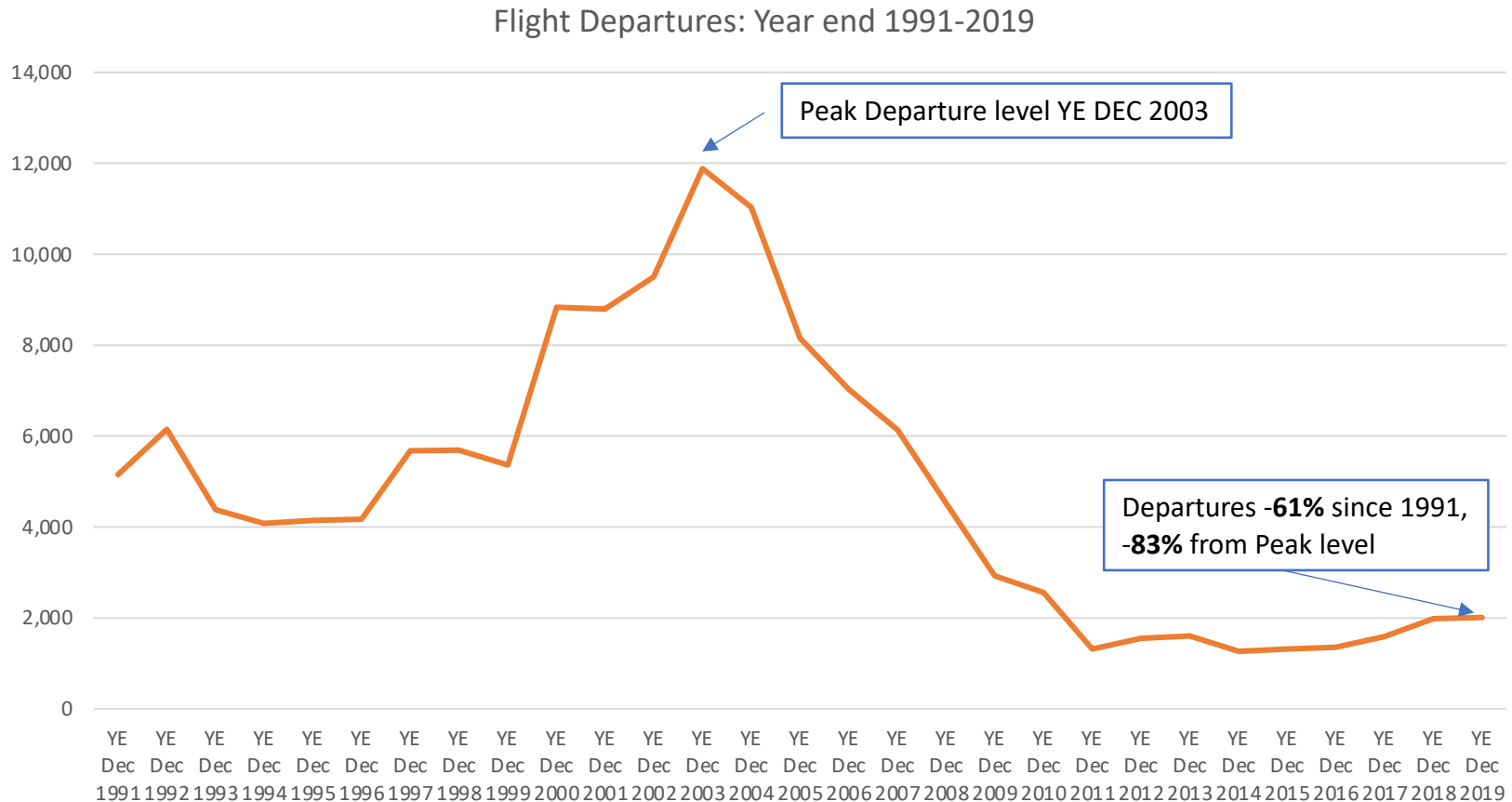
# Consideration of the Toledo Express Study Proposal

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- The primary difference between the two proposed studies is the question of Governance Structure.
- The Campbell-Hill team will review:
  1. Financial analysis of Toledo Express with a standalone Pro Forma.
  2. Governance Review, Best Practices and potential of alternate structures.
  3. Airport Strategic review of Air Service Development (passenger and cargo), non-aeronautical revenue potential and airport marketing.
  4. Recommendations to improve performance and economic benefits to Toledo.
- The Port of Toledo proposes a Strategic Review comprised of three steps:
  1. A review of financial results and capital deployment to assess the financial health and sustainability of airport operations.
  2. A review of air cargo and industrial development opportunities at TOL.
  3. A complete market assessment and airline-specific review of air service at TOL.

# Toledo Express (TOL) Flight Trends

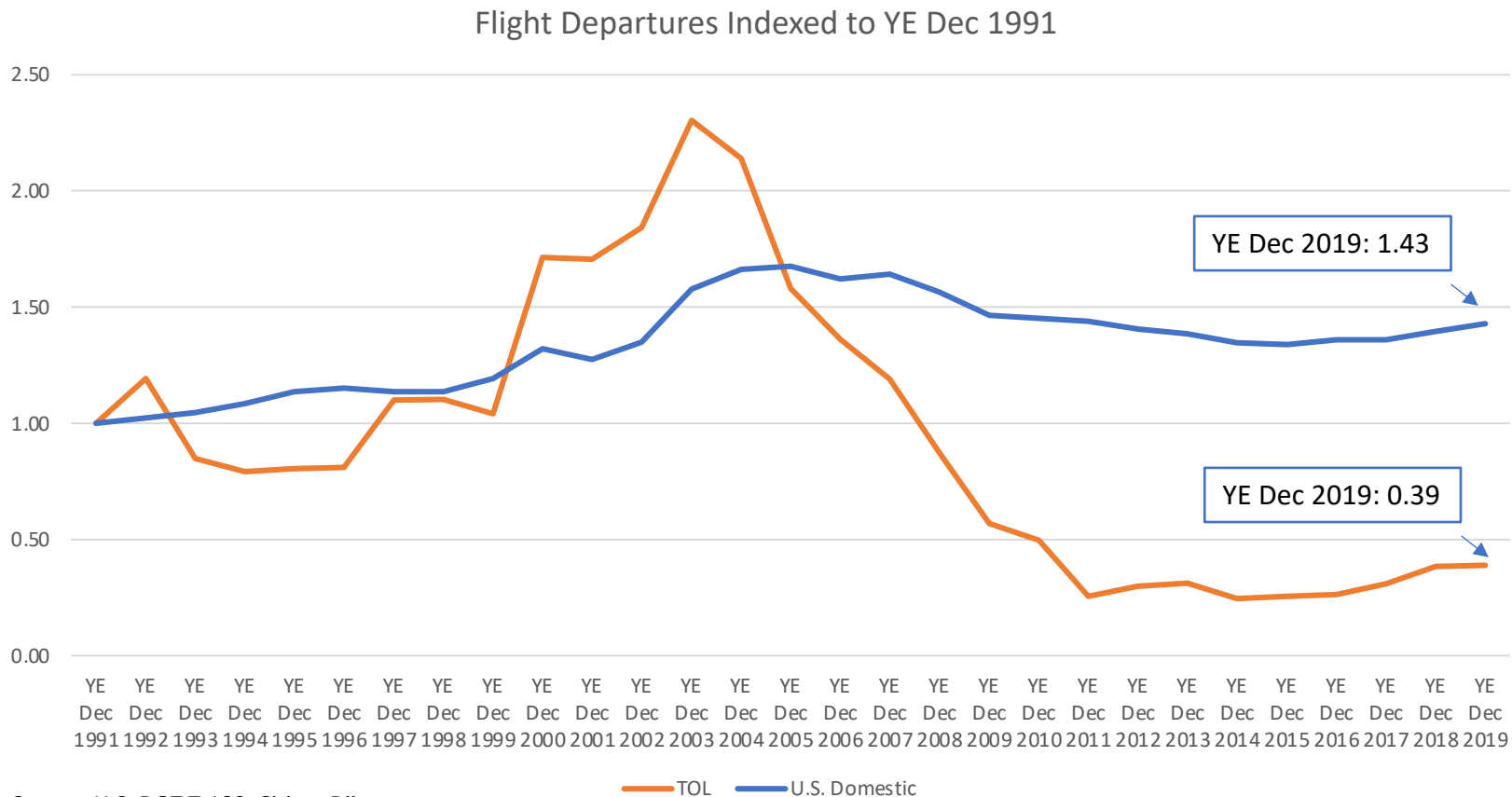
TOL Express ended 2019, a record year for the U.S. airline industry, down 83% from its peak 2003 departure level and down 61% from its 1991 level of departures.



Source: U.S. DOT T-100, Cirium Diio

# TOL Performance Indexed To U.S. Domestic

The U.S. Domestic Market has experienced steady annual growth since 1991 with limited interruptions, most notably the attacks of September 11, 2001 and the Great Recession in 2008-2009.



# Toledo Express Service Has Stalled

Since 2012 Toledo has only a single network carrier and one ULCC. This limited service makes TOL vulnerable, particularly for loss of the American Airlines hub network connectivity.

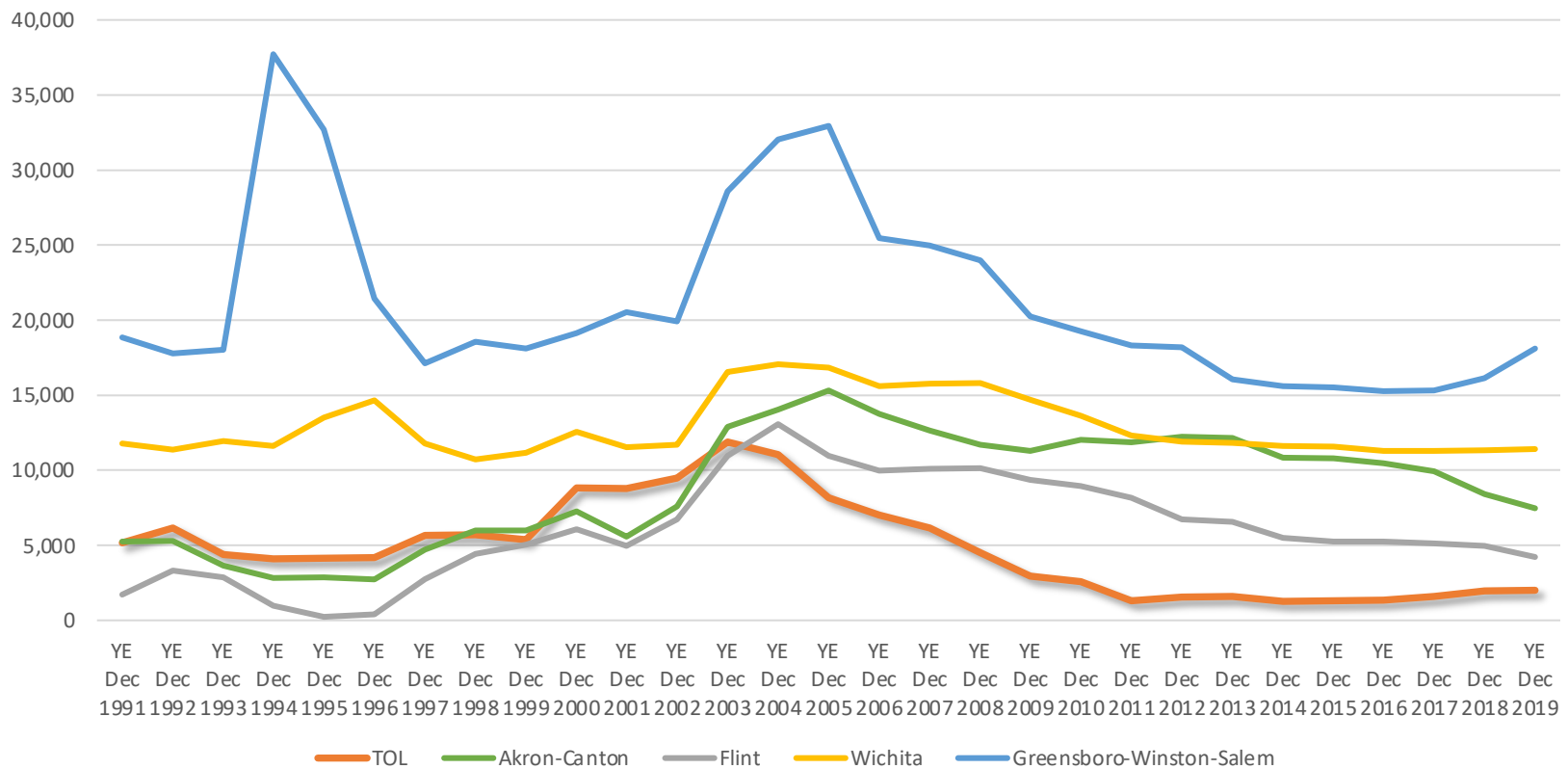


Source: U.S. DOT T-100, Cirium Diio

# TOL Performance Relative to Similar Markets

A quick assessment of TOL departure performance against similar markets, **Akron-Canton** and **Flint** in terms of proximity to major hubs, as well as **Wichita** and **Greensboro** being markets with similarly sized MSA populations and proximity to large hub airports demonstrates that TOL is underperforming its peers.

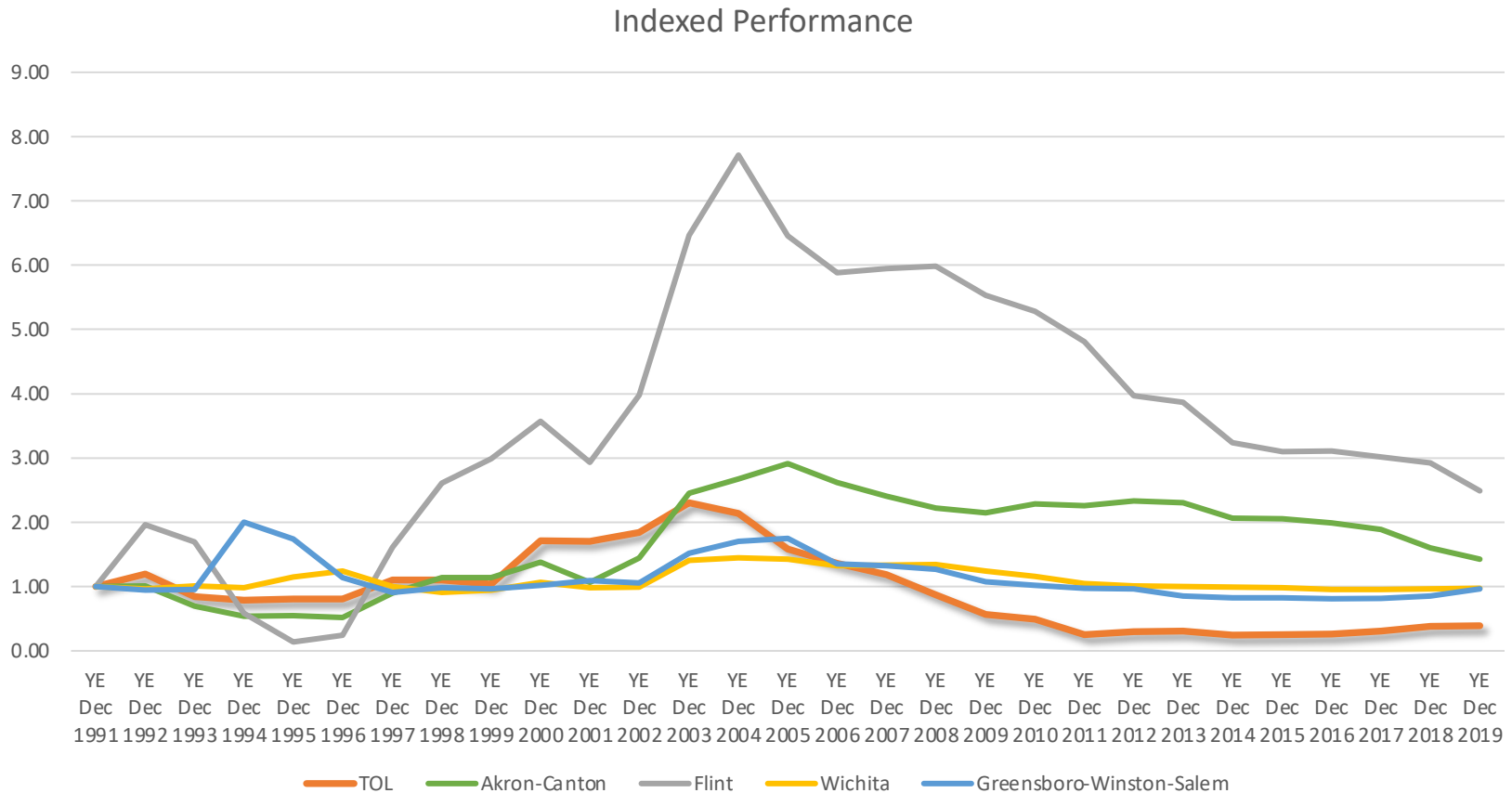
TOL Flight Trends v Comparable Markets



Source: U.S. DOT T-100, Cirium Diio

# TOL Performance Indexed To Peer Airports

When similarly indexed to its peer airport performance, TOL Express has just 39% of the departures it had in 1991 whereas its peers are flat to up more than double 1991 levels (Flint).











Source: U.S. DOT T-100, Cirium Diio



# TOL Peer Airports Have Diverse Competition

All peer airports have service from each of the three major U.S. network carriers (AA, DL, UA) to at least one of their Global Hubs

Airline	Akron/Canton, OH (CAK)	Flint, MI (FNT)	Greensboro, NC (GSO)	Toledo, OH (TOL)	Wichita, KS (ICT)
 American Airlines	CLT (5x), DCA (1x), LGA (1x), ORD (2x)	CLT (1x), ORD (3x)	CLT (9x), DCA (3x), DFW (3x), LGA (3x), MIA (3x), ORD (2x), PHL (2x)	CLT (2x), ORD (3x)	DFW (6x), ORD (3x), PHX (1s)
 Alaska Airlines					SEA (1x)
 DELTA	ATL (3x)	ATL (3x)	ATL (8x), DTW (3x), LGA (4x)		ATL (3x), MSP (3x)
 FRONTIER					DEN (1s)
 allegiant®		FLL (1s), PGD (1s), PIE (1s), SFB (1s), SRQ (1s)	PIE (1s), SFB (1s)	PGD (1s), PIE (1s), SFB (1s), VPS (1s)	AZA (1s), LAS (1s), LAX (1s), SFB (1s), VPS (1s)
 spirit™ LESS MONEY. MORE GO.	MCO (1x), RSW (1s), TPA (1s)		FLL (1s), MCO (1x), TPA (1x)		
 UNITED	EWR (2x), IAH (1x), ORD (4x)	ORD (3x)	EWR (4x), IAD (3x), IAH (1s), ORD (3x)		DEN (4x), IAH (4x), ORD (4x)
 Southwest					LAS (1x), PHX (1x), STL (2x)

Source: Scheduled service for March 2021 as of January 20, 2021, Cirium Diio

# Consideration of the Toledo Express Study Proposal

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- The Campbell-Hill Aviation Group team:
  - Kevin Healy – Campbell-Hill Aviation Group, LLC
  - Steve Grossman – SG Airports
  - Kristie VanAuken – KVA Consulting
  - Rachel Trinder – Trinder Aviation & Aerospace
- Campbell-Hill provides objective third-party expertise and analysis, particularly with regard the question of Governance Structure.
- The airport has severely underperformed U.S. domestic trends as well as peer airport performance.
  
- The question for the City Council:

***Can a new or revised governance model better position Toledo Express for improved performance and ability to attract new opportunities?***