

STATE *OF THE* AIRPORT

FEBRUARY 2, 2024

STATE *OF THE* AIRPORT

AGENDA

2023 YEAR IN REVIEW

WELCOME & INTRODUCTION

MISSION MOVEMENT

AIRLINE INDUSTRY UPDATE

SYR GROWTH EXPECTATIONS

2024 INITIATIVES

CONNECTIVITY

INNOVATION & TECHNOLOGY

ENHANCING THE CUSTOMER EXPERIENCE WITH CLASS

SAFETY, SECURITY, OPERATIONS

SUSTAINABILITY

ECONOMIC DEVELOPMENT

SRAA™

Syracuse Regional Airport Authority

ANNUAL REPORT

2024

SYRACUSE REGIONAL AIRPORT AUTHORITY

Board Members



Ms. Jo Anne C. Gagliano
CHAIR



Mr. Michael Frame
VICE CHAIR



Dr. Shiu-Kai Chin
FINANCE OFFICER



Mr. Nathaniel J. Stevens



Mr. Nick Paro



Mr. Michael J. Lazar



Mr. Robert Simpson



Ms. Latoya Allen



Mr. Kenneth J. Kinsey



Mr. Thomas Fernandez



Dr. Donna DeSiato



SYRACUSE REGIONAL AIRPORT AUTHORITY

Regional Advisory Board



SYR. AT A GLANCE



OPERATED BY THE
Syracuse Regional Airport Authority
SRAA



2,300
ACRES OF LAND



SHARED USE
airport & only commercial airport
INTEGRATED DRONE OPERATIONS



Annual Operating Budget **\$42M**
SELF-SUSTAINING WITH NO LOCAL TAX FUNDING



OVER 2,500
PEOPLE EMPLOYED AT THE AIRPORT



9 with **30**
AIRLINES **NONSTOP ROUTES**



MISSION MOMENT

The Syracuse Regional Airport Authority serves upstate New York, providing a safe, convenient, seamless passenger experience while enhancing economic opportunity, development and growth in the region.



The background image shows the entrance to Syracuse Hancock International Airport. A large sign in the center reads "Syracuse Hancock International Airport". Above the sign, an airplane is flying in the sky. To the right, a row of flagpoles with various flags is visible. The scene is set in winter with snow on the ground and trees. The entire image is overlaid with a blue gradient and decorative white circles.

2023 Year in Review

Syracuse Hancock
International Airport



Breeze



NEW ROUTES

Breeze to Fort Myers and Breeze to Norfolk





Southwest



EXPANDING ROUTES

Southwest Airlines to **MCO**





DELTA

FRONTIER
AIRLINES



MSP on Delta Air Lines and RSW
on Frontier Airlines

RETURNING ROUTES





BUSIEST YEAR EVER!

Total Traffic

12% GROWTH
2022 vs 2023



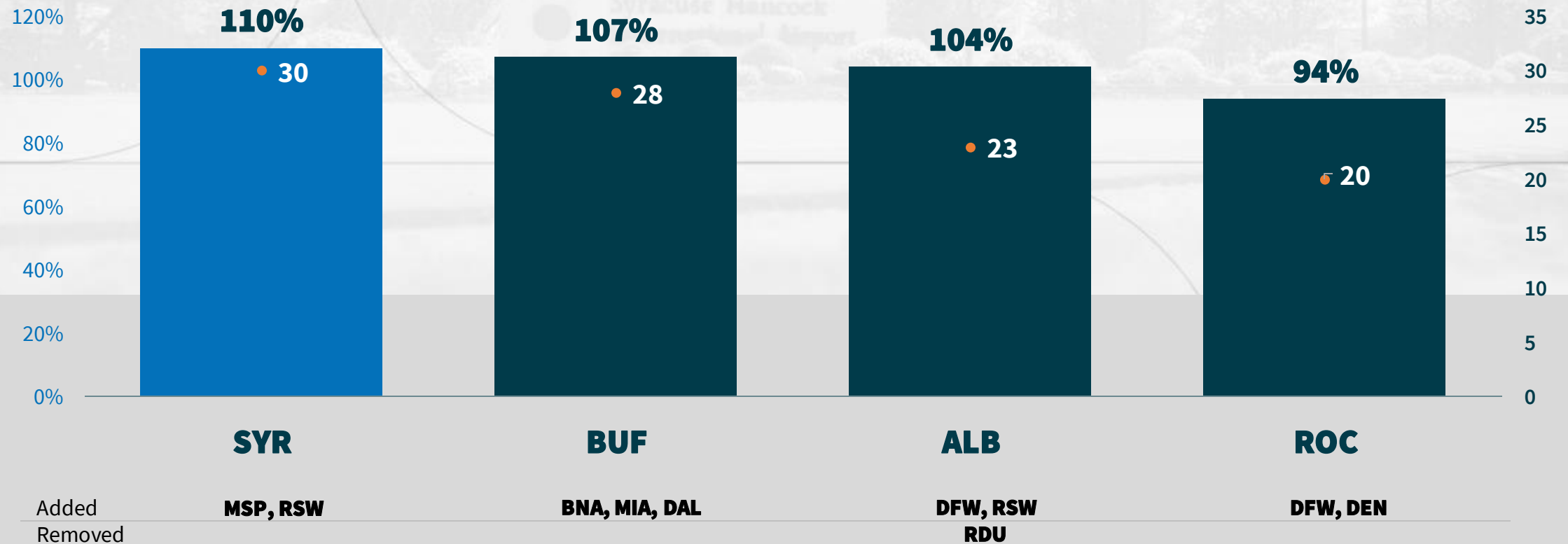
PEER AIRPORT

Comparison

Seat Capacity Change
YE June 2024 vs YE June 2023

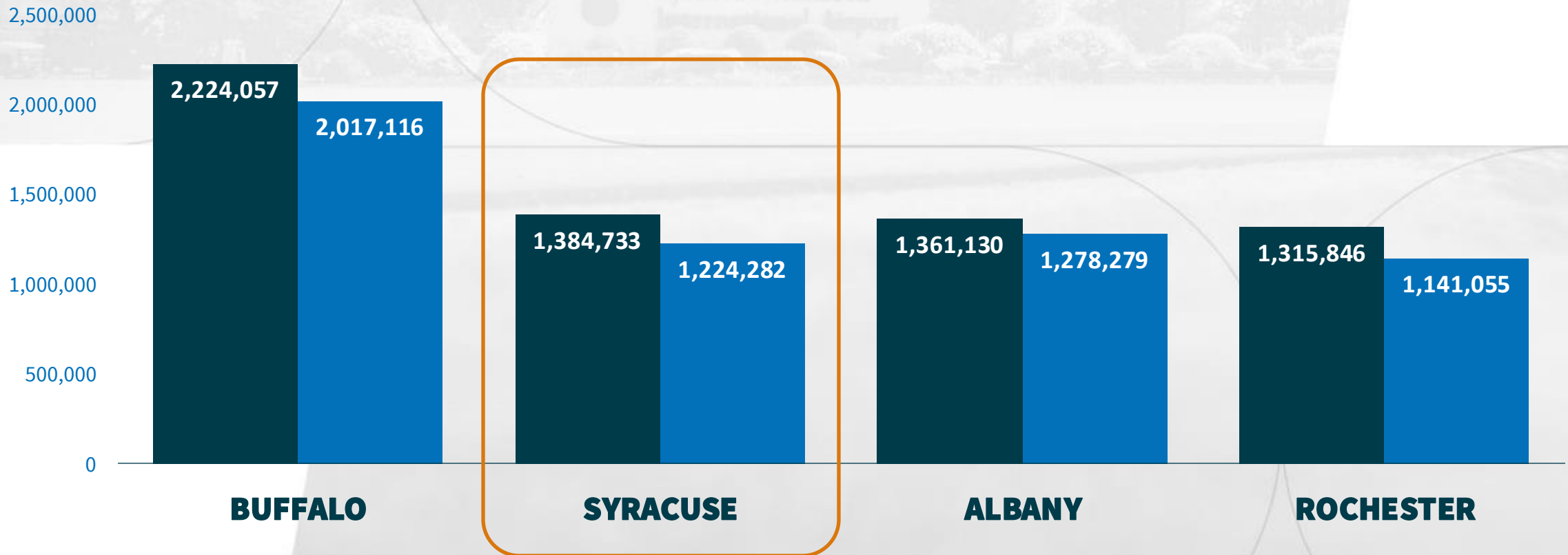
Seat Capacity Change Destinations

Destinations Served
YE June 2024



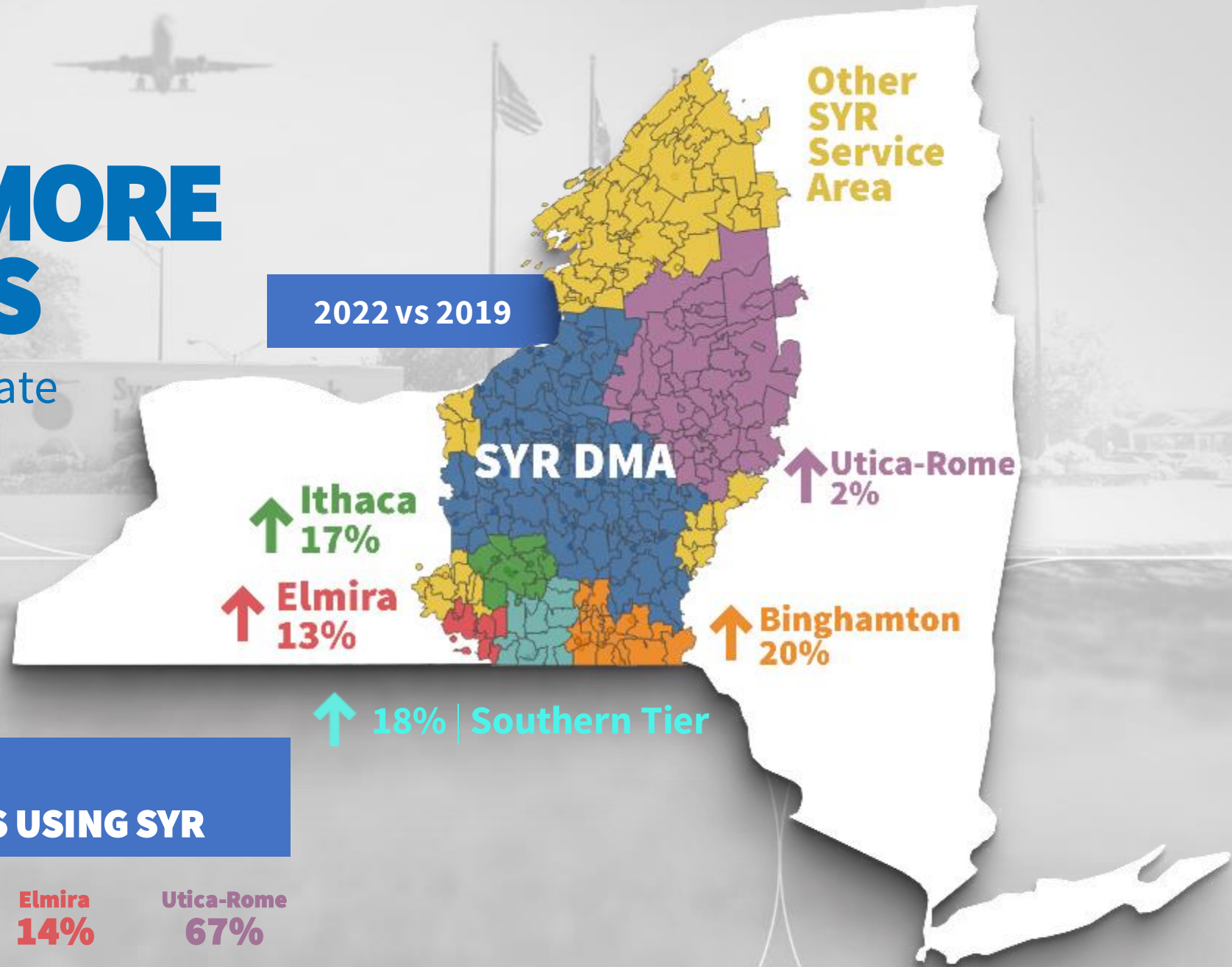
SYR IS NOW THE 4TH BUSIEST AIRPORT IN NEW YORK STATE

Comparison among upstate New York airports (2023 vs. 2022)



CATCHING MORE CUSTOMERS

SYR Catchment Area Update



Current Overall

PERCENTAGE OF TRAVELERS USING SYR

Binghamton
56%

Ithaca
39%

Southern Tier
36%

Elmira
14%

Utica-Rome
67%

Single-Connect Options to **WEST COAST MARKETS**



30% GROWTH
2024 vs 2023

	2022	2023	2024
Hubs providing connections	13	13	14
Single connect destinations	27	31	33
Daily flights	219	232	302

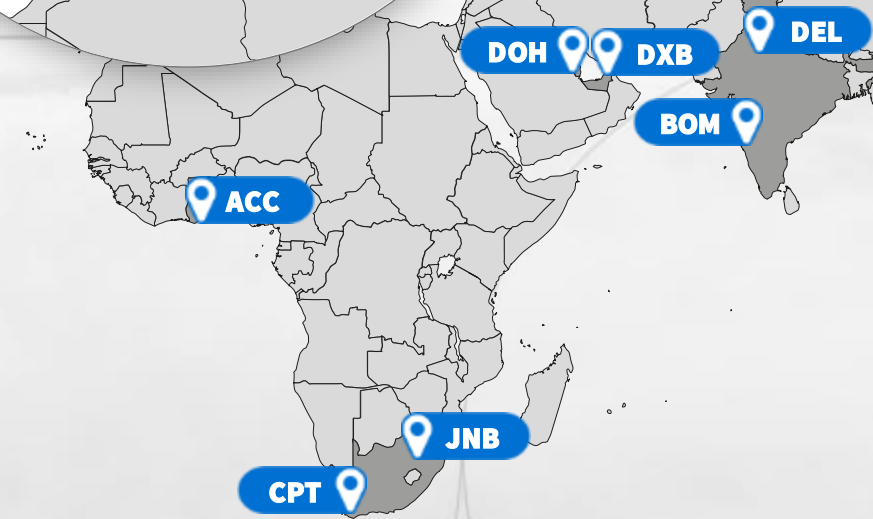
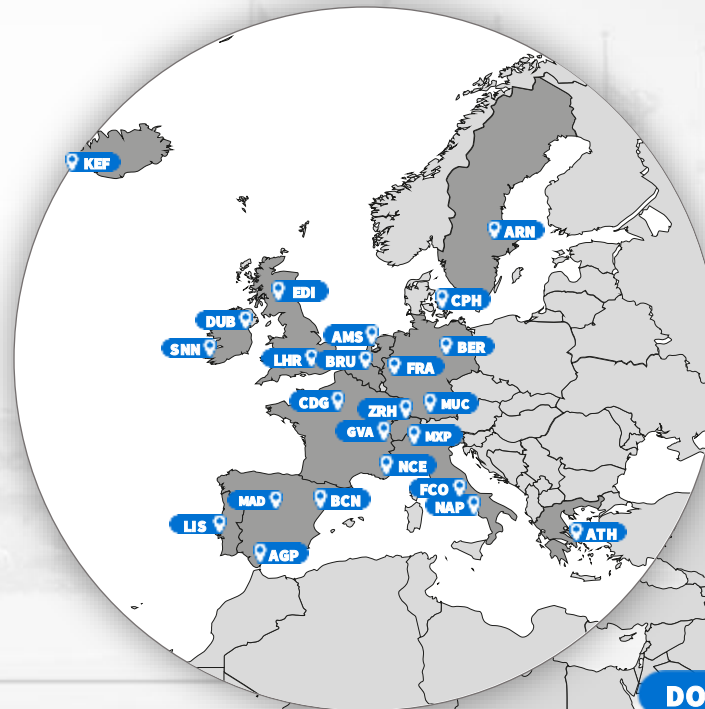
Note: Data based on a Thursday in Diio's defined sample week in July each year. Only markets with roundtrip single connections and low circuitry included; Assumes 30 minute minimum/3 hour maximum connect times.
Source: Innovata schedule data via Cirium.

Single-Connect Options to

TRANSATLANTIC MARKETS

49% GROWTH
2024 vs 2023

	2022	2023	2024
Hubs providing connections	5	5	5
Single connect destinations	21	22	31
Daily flights	41	53	79



Note: Data based on a Thursday in Diio's defined sample week in July each year. Only markets with roundtrip single connections and low circuitry included;
Assumes 90 minute minimum/5 hour maximum connect times.
Source: Innovata schedule data via Cirium.

Single-Connect Options to

TRANSPACIFIC MARKETS

PEK

ICN

HND NRT

PVG

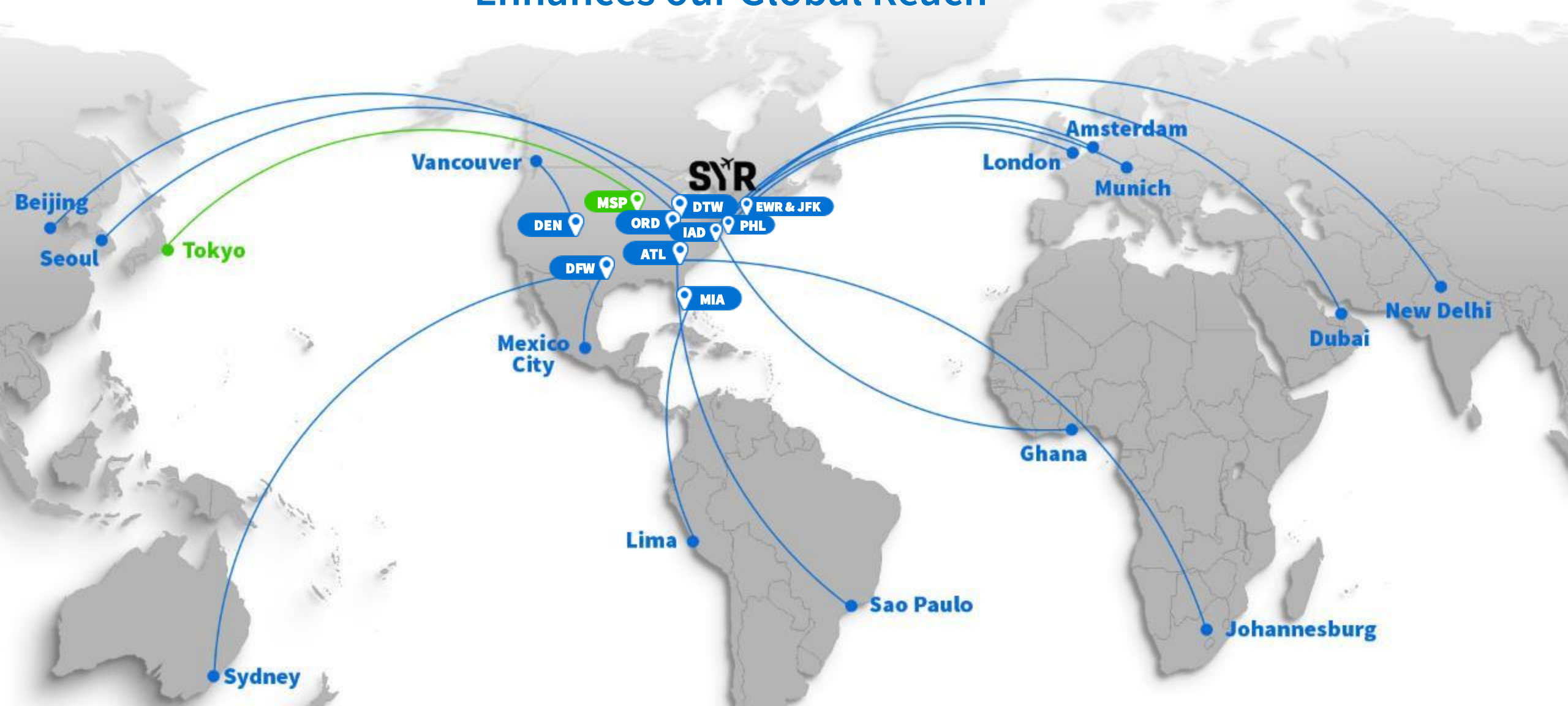
200% GROWTH
2024 vs 2023

	2022	2023	2024
Hubs providing connections	0	2	5
Single connect destinations	0	2	5
Daily flights	0	4	12

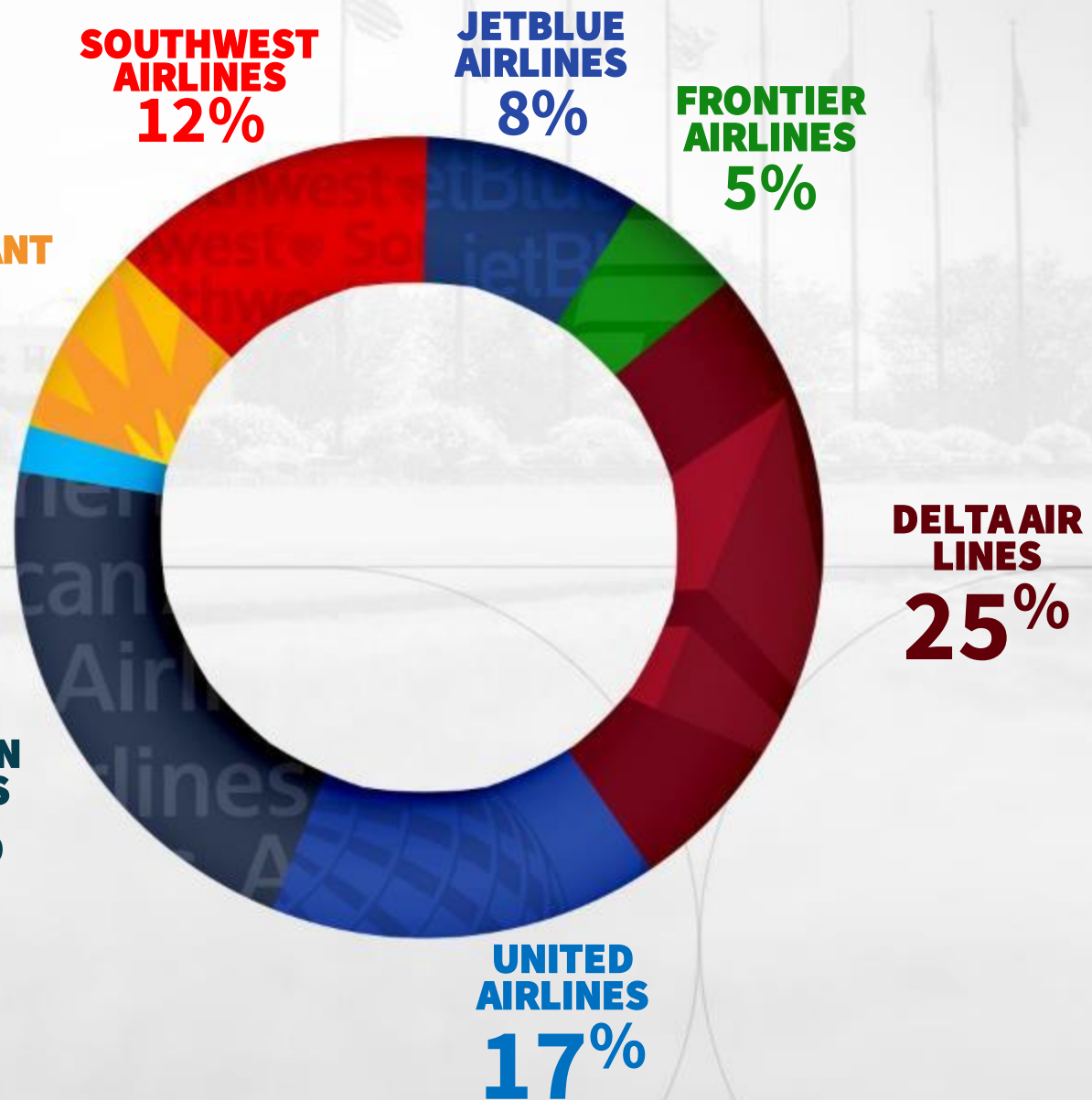
Note: Data based on a Thursday in Diio's defined sample week in July each year. Only markets with roundtrip single connections and low circuitry included; Assumes 90 minute minimum/5 hour maximum connect times. Source: Innovata schedule data via Cirium.

EACH NEW CONNECTION & RESTORED ROUTE

Enhances our Global Reach



SYR. CAPACITY SHARE BY AIRLINE





CENTER OF EXCELLENCE

AAM Focus





Launched

SRAA POLICE DEPARTMENT





AIRPORT FIRE DEPARTMENT

Of The Year





Centro Launches

BUS SERVICES TO SYR





TSA Checkpoint Upgrades

6th lane and new queueing



ENHANCEMENTS TO CUSTOMER EXPERIENCE



ENHANCEMENTS TO CUSTOMER EXPERIENCE



FlySyracuse.com

Ongoing
**COMMUNITY
OUTREACH**



2023 AIRLINE INDUSTRY

***IN* REVIEW**



William S. Swelbar

Chief Industry Analyst
Swelbar-Zhong Consultancy





SYR Is Fast Becoming More Than The Code For Hancock International Airport



SWELBAR·ZHONG
CONSULTANCY

In 2019:

**Our View Was on 7 Forces at Work Undermining
Airline Service and Consequently Airport Throughput**

1	Consolidation
2	Capacity Deployment Strategies/Wall Street
3	The Cost of Jet Fuel/Saudi's Now Targeting \$80 per barrel
4	Aircraft are Simply Getting Larger
5	The Pilot Supply Issue
6	Air Service Reliability
7	Scope Clause Constraints Resurface – Meaning the Regional Industry Was Likely Its Largest in 2019

Executive Summary

The Flight Path To 2024 – Vector SYR

The 10 years leading up to the Pandemic was the best 10 years in history.

– Airports of all sizes were growing.



On March 11, 2020, COVID-19 was declared a Pandemic.



In April 2020, U.S. airport throughput would fall to 4.9% of the traffic measured by the TSA in April 2019.



There was nothing historical that might provide a playbook to navigate an industry plagued with a pervasive virus.
– Maybe 9/11? In most ways, 9/11's impact on the industry pales in comparison to the Pandemic.

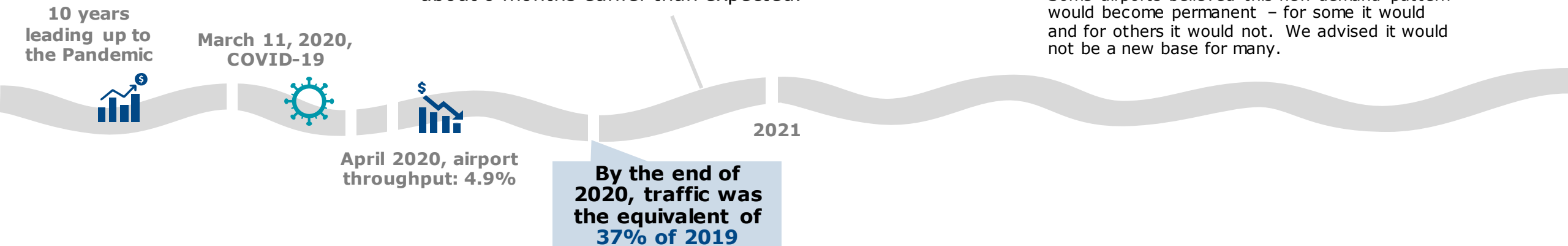
- **Populations began to shift to avoid being in dense metro areas and when travel was considered, it would be to destinations with open space replete with leisure attributes.**



Executive Summary

The Flight Path To 2024 – Vector SYR

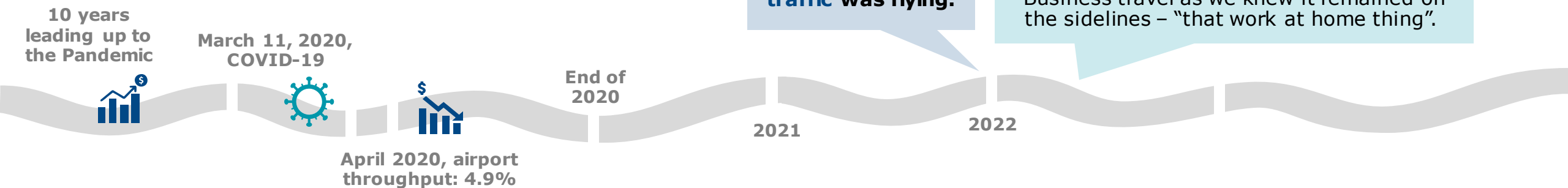
- **Entering 2021, structural considerations were increasingly clear.**
 - Business travel as we knew it would be less.
 - Transoceanic international travel would only occur as individual countries would open their borders – Canada too.
 - As a result of these 2 foundational traffic and revenue sources, the Big 3 would not be in a growth mode until one or both attributes were present.
 - A vaccine would become available about 6 months earlier than expected.
- **Therefore, if airports were to transition to this new marketplace, it would need either the ULCCs or Southwest – OR new entrants Avelo and Breeze.**
 - Southwest would uncharacteristically add 18 points to its route map to create connectivity.
 - There would be revenge travel – or air travel consumers willing to pay most anything to get out of the house – outbound from SYR.
 - Some airports believed this new demand pattern would become permanent – for some it would and for others it would not. We advised it would not be a new base for many.



Executive Summary

The Flight Path To 2024 – Vector SYR

- A pilot and skilled mechanic shortage would precipitate a virtual demise of the regional airline sector. The 50-seaters were always on their way out. The Pandemic-induced shortages would accelerate that fact. Smaller community air service slowly becoming a shadow of its past.



In 2022, international borders on all continents but north Asia would open.

- The network carriers would add service aggressively as their networks are built to carry international passengers (and business travelers too).
- Business travel as we knew it remained on the sidelines – “that work at home thing”.

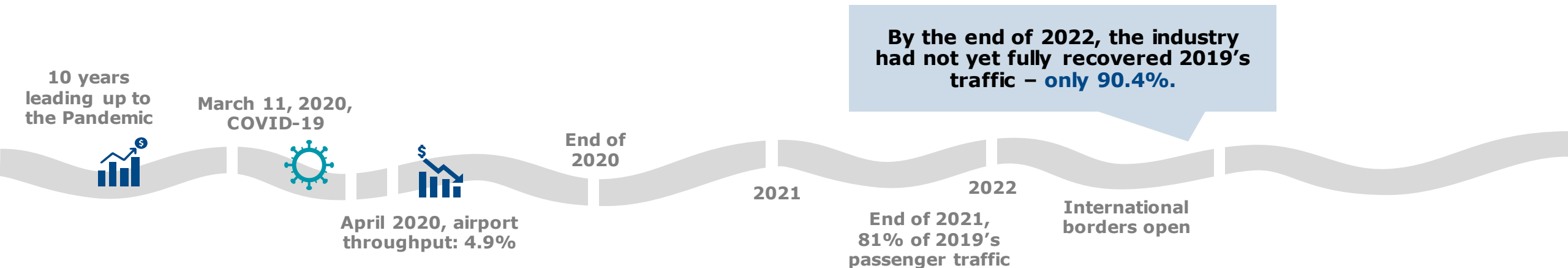
- By mid-2022, the pilot shortage was not only doing damage to the regional sector, the ULCCs struggle to attract new pilots as their pay scales and equipment flown do not offer a commercial pilot the same career path.
- Even Southwest would not be immune. Shortage of workers and technology would contribute to its network meltdown in December 2022.



Executive Summary

The Flight Path To 2024 – Vector SYR

- **Our firm, the Swelbar-Zhong Consultancy thought it would be a good idea to carefully measure the quality of air service at all commercial air service airports around the country.**
 - Traditional approaches would no longer apply. Service between airline sectors would be offering very different types of service that would attract very different air travel consumers that needed to be worked into the equation.
 - For some airports, growing during the Pandemic was thought to be the ultimate victory.
 - Our view remains, if you did not grow in 2023, just how important is your dot on the airline map?



Game On – Capacity Deployment!!

The Pre-Consolidation Terms of Market Fragmentation, Competitive Incursions and Cost Structures Will Reemerge – Albeit Different

There will be many iterations of the game called "Prisoners Dilemma" played.

The game of Prisoners Dilemma was being played. **The prisoner's dilemma presents a situation where two parties, unable to communicate, must each choose between co-operating with the other or not. The highest reward for each party occurs when both parties choose to co-operate. (And that is not likely to happen)**

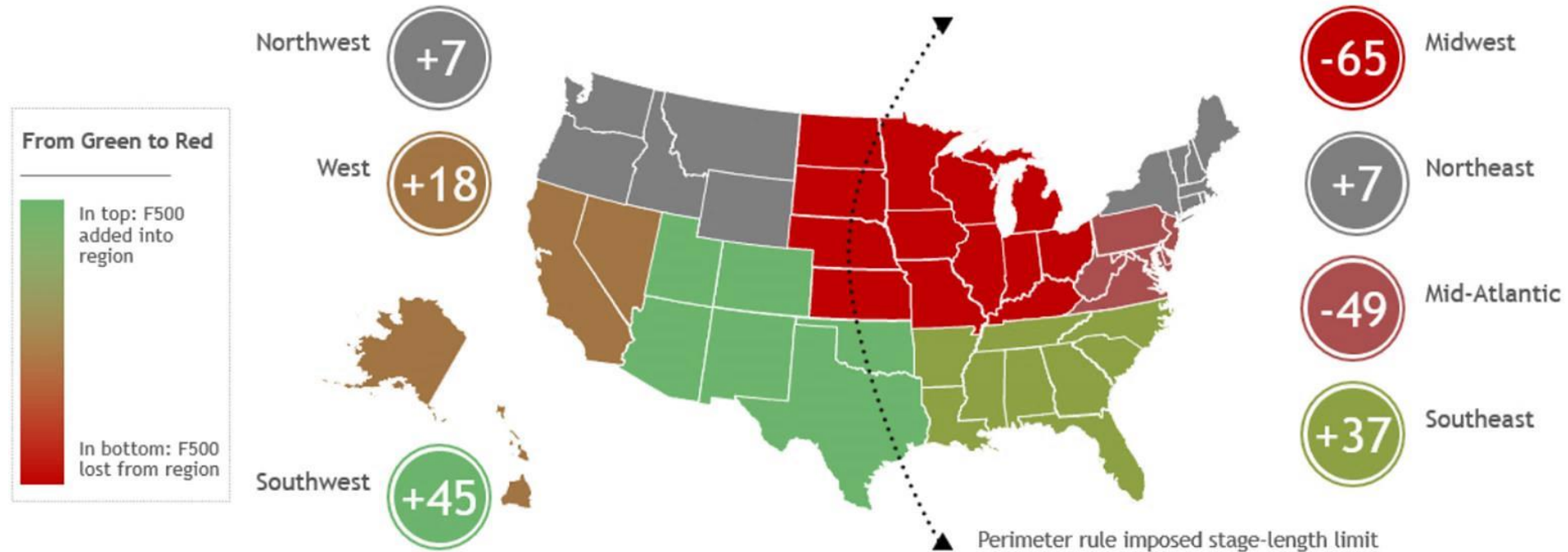
All players can collectively enrich themselves by restricting output (Capacity Discipline). Each carrier individually has an incentive to break from the group and increase output to capture rents away from others.

Opportunistic? or putting a marker down? **The game of RESET the domestic commercial aviation playing field is about to begin. – And the betting favorite are the Big 3, Alaska, and pick 1 or 2 from the ULCCs.**



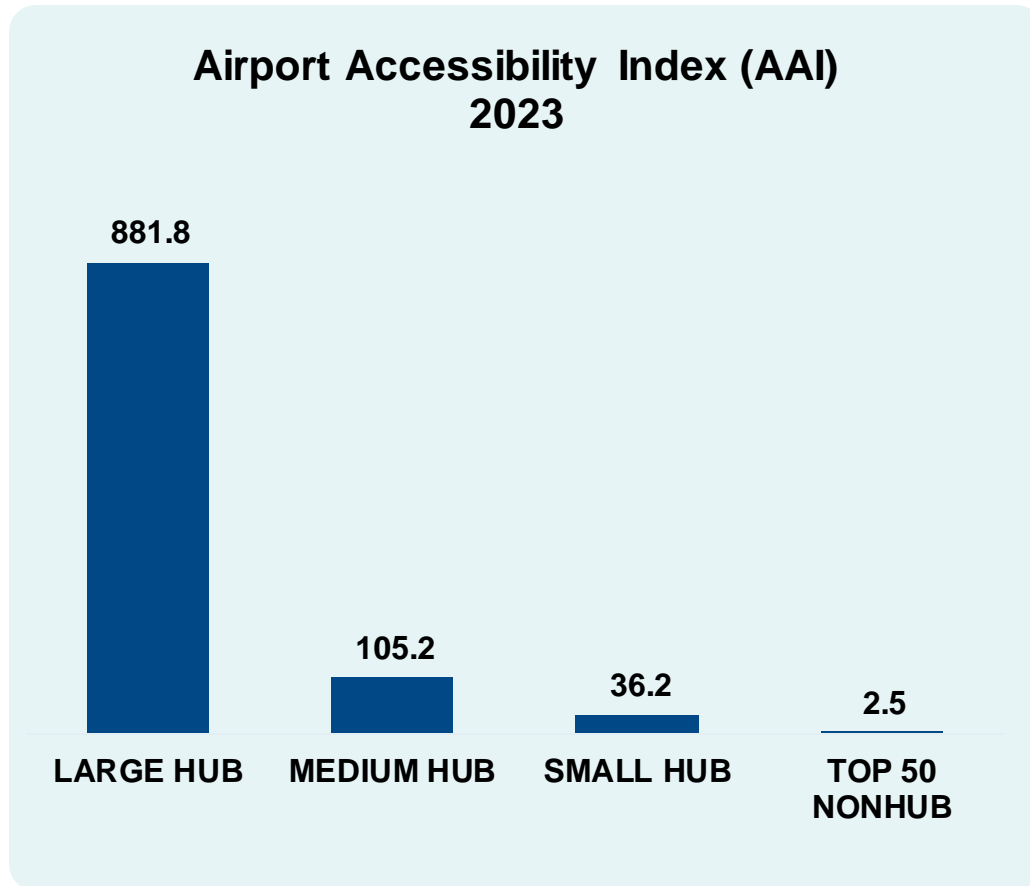
Historically an airport/community/region needed air service to attract new business. Now, if there is no business airlines are much less interested in providing new service!

Changes in the number of Fortune 500 companies in the region from 1966 to 2019

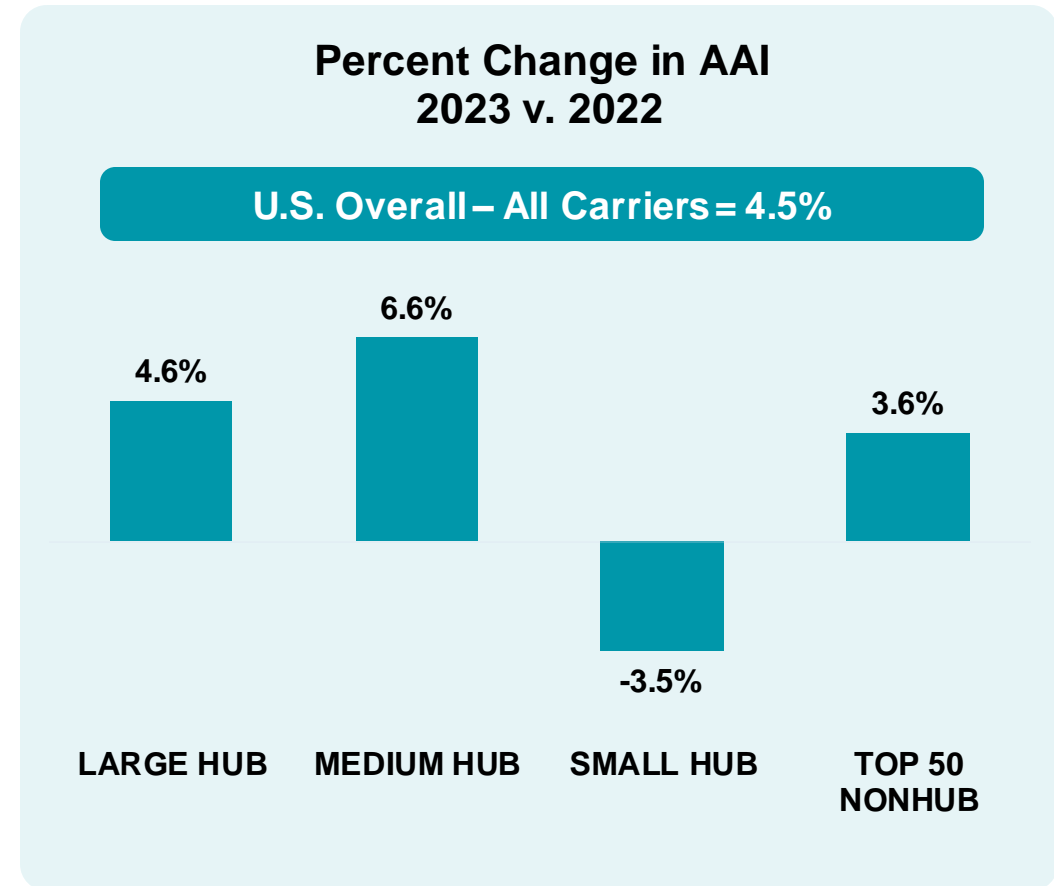


Swelbar-Zhong Consultancy 2nd Annual Measurement of Domestic Air Service Quality Provided by All Airlines in 2023

Airport Accessibility Index (AAI)
2023



Percent Change in AAI
2023 v. 2022



2023 Was Good For SYR As Compared To Top 20 Small Hub Airports

“Follow the Money”.

“Follow the Economic Activity”.

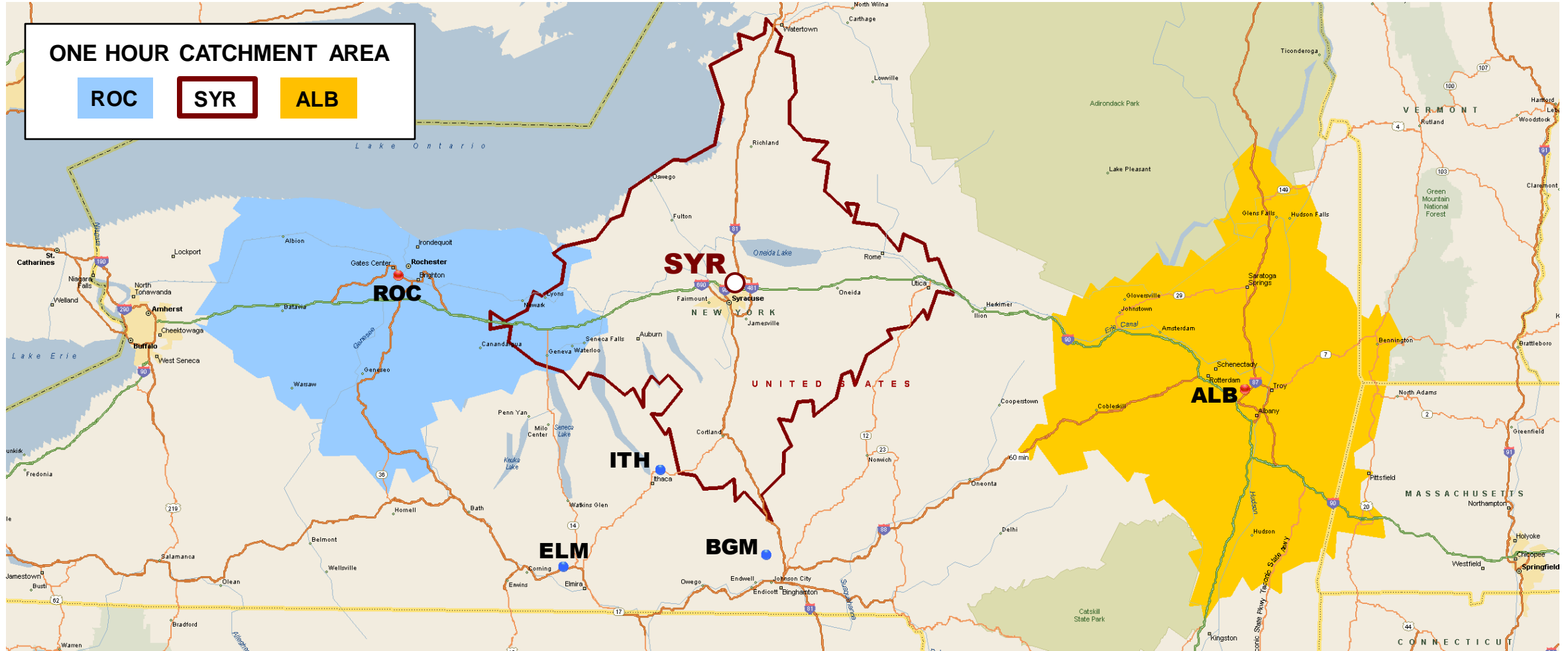
	2019	2022	2023	2023 v. 2022
Louisville	3	3	1	Plus 2
Sarasota	13	1	2	
Myrtle Beach	2	2	3	
Sanford, FL	1	4	4	
Richmond	9	6	5	Plus 1
Savannah	8	5	6	
St. Petersburg, FL	6	7	7	
Buffalo	4	8	8	
Providence	10	9	9	
Grand Rapids	7	10	10	
Oklahoma City	5	11	11	
Ft. Walton Beach, FL	21	13	12	Plus 1
Des Moines	20	17	13	Plus 4
Syracuse	18	18	14	Plus 4
Palm Springs	27	12	15	Plus 3
Punta Gorda	14	14	16	
Phoenix-Mesa	11	15	17	
Tulsa	26	21	18	Plus 3
Knoxville	16	19	19	
Long Beach	25	35	20	Plus 15

In 2024 and Going Forward:

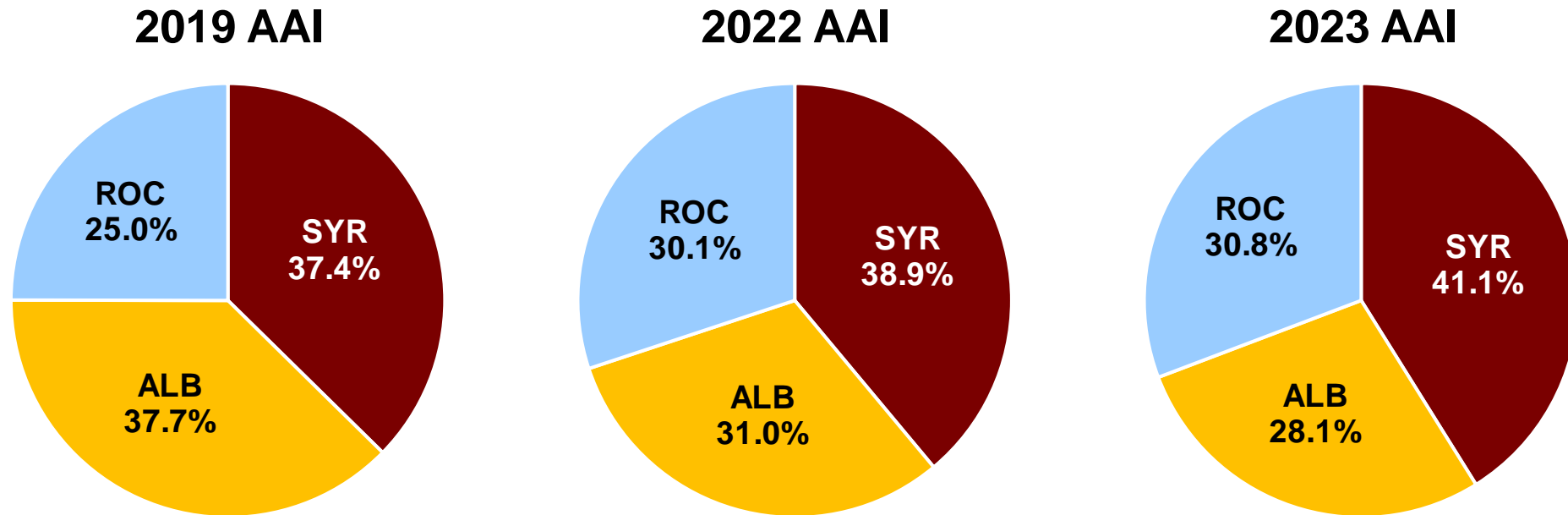
There Are **7** Forces at Work That Are Driven by the Move to Larger Aircraft

1	Larger Aircraft – The Structural Issue Driving Change
2	Network Carriers Making Growth Difficult For The ULCCs
3	Taking the U Out Of ULCC
4	MEGA HUBS Are The Now: ATL, CLT, DFW + DEN
5	Terminal Saturation At Certain Times Of the Day
6	Some Smaller Airports Will Get Bigger – Others Will Not
7	Regionalization Will Become Less Of A Bad Term

One Hour Catchment Area Map

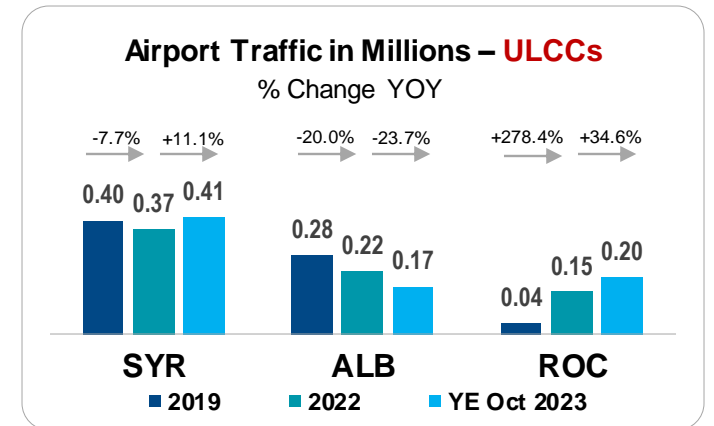
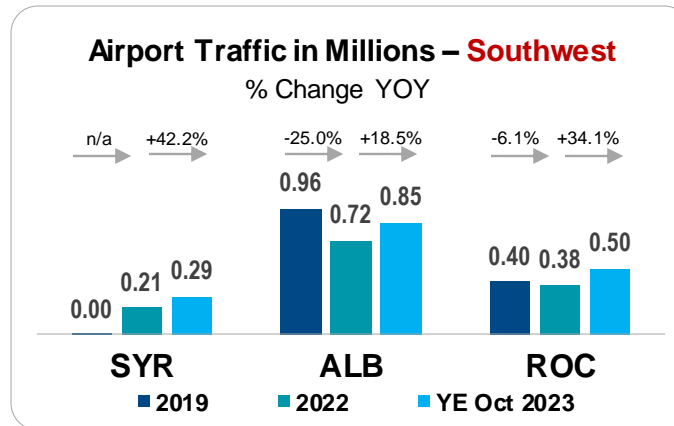
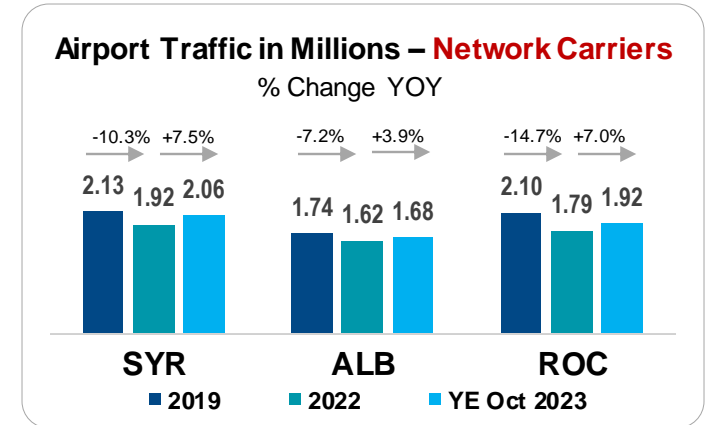
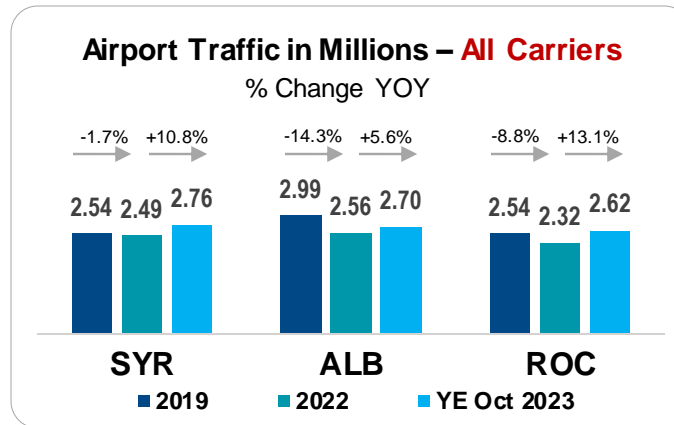
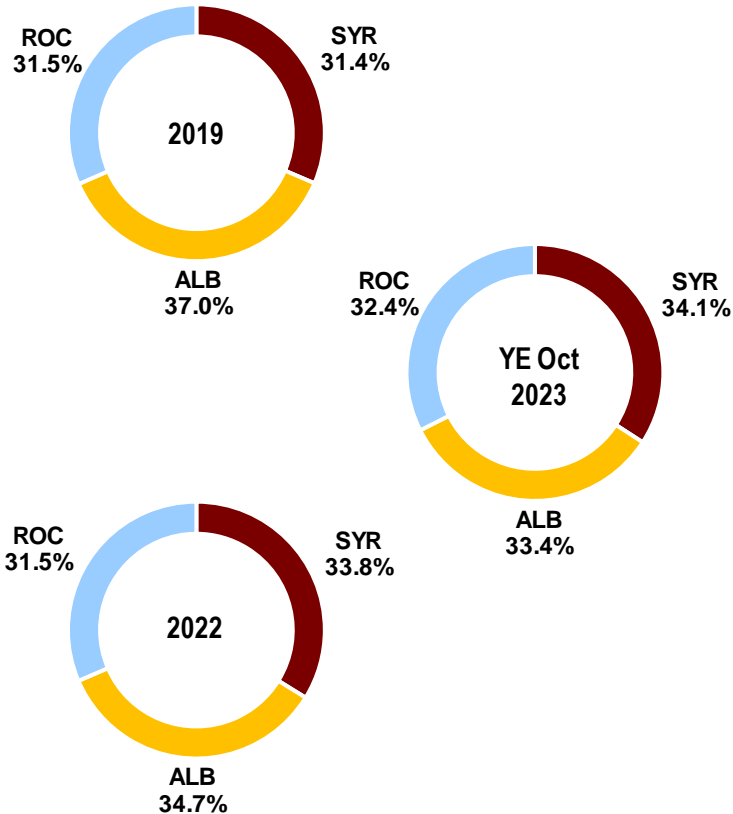


As SYR's Quality Of Air Service Improves Relative To Albany And Rochester ...



Source: Swelbar-Zhong Airport/Air Service Quality Rankings

... So Does SYR's Traffic Generation Among Carrier Sectors -- Enter Southwest



“America's travel industry is changing, and it may mean Minnesotans who used to fly out of smaller airports may now need to drive to a bigger one”

“For some markets, we're gonna need to make choices as to whether we're gonna fly a larger flight, whether we're gonna consolidate the number of operations, but you're never again gonna see the 50-seat aircraft have the level of prominence in the industry. In fact, at Delta, we're just about out of them. I think we have less than 20 that we're flying today. When Delta merged with Northwest in 2009, collectively we had about 1,200 aircraft as a company; 500 of those were 50 seat or smaller aircraft. That's down to almost nothing now today.”

Ed Bastian, Delta Air Lines CEO speaking to ACI-NA Conference in Minneapolis

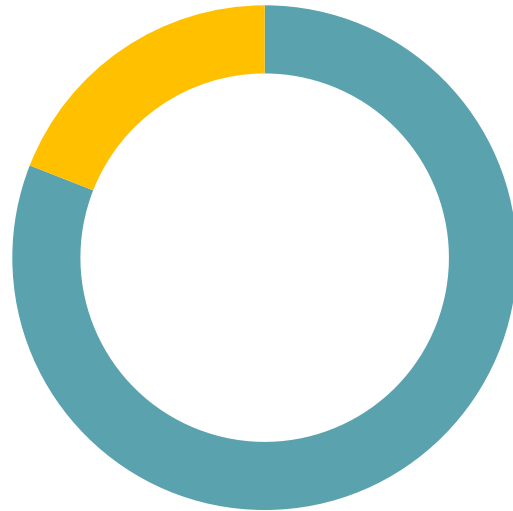


Sometimes An Unintended Consequence Of Government Policy Can Become An Opportunity

107 EAS Airports
In The Lower 48



168 Nonhub Airports
In The Lower 48



+

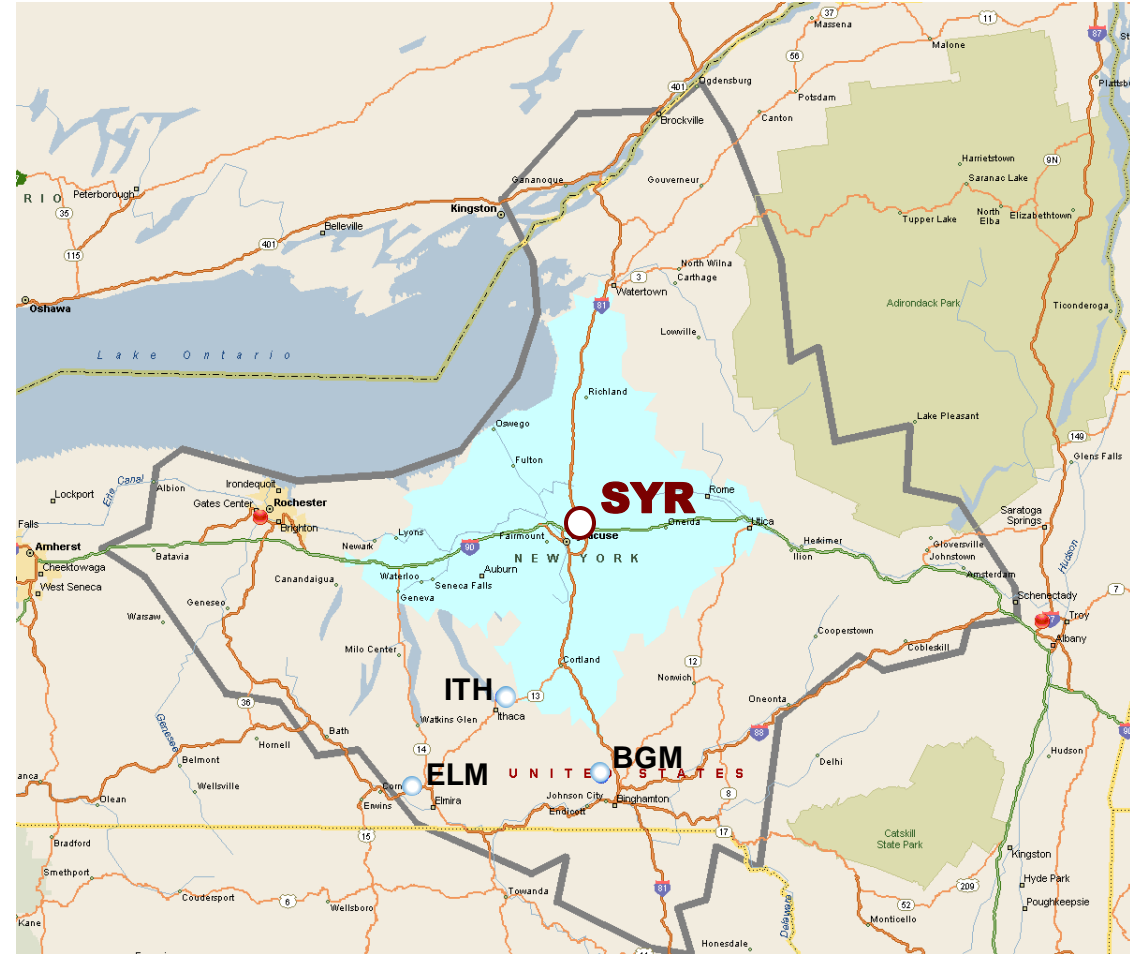
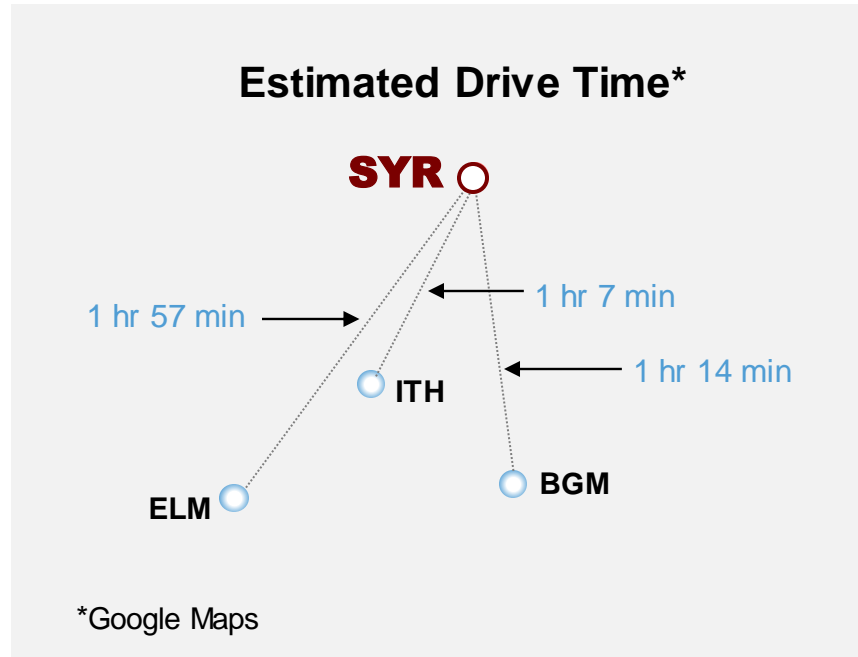
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~~A
Zero-
Sum
Game~~

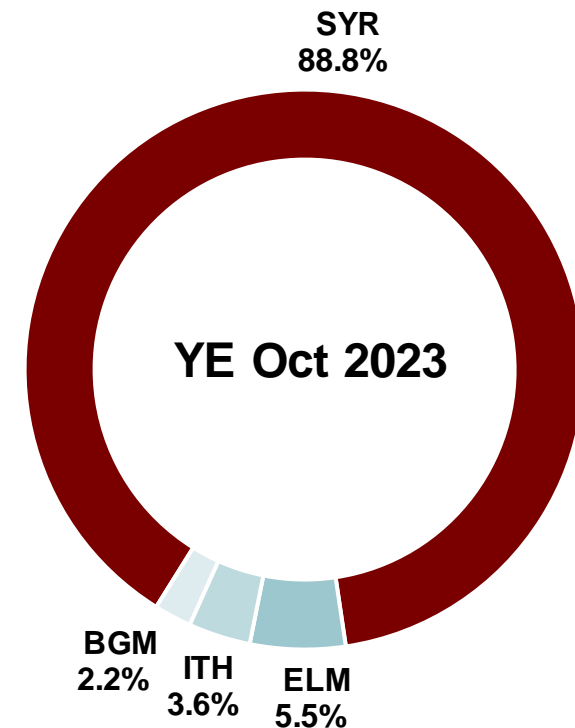
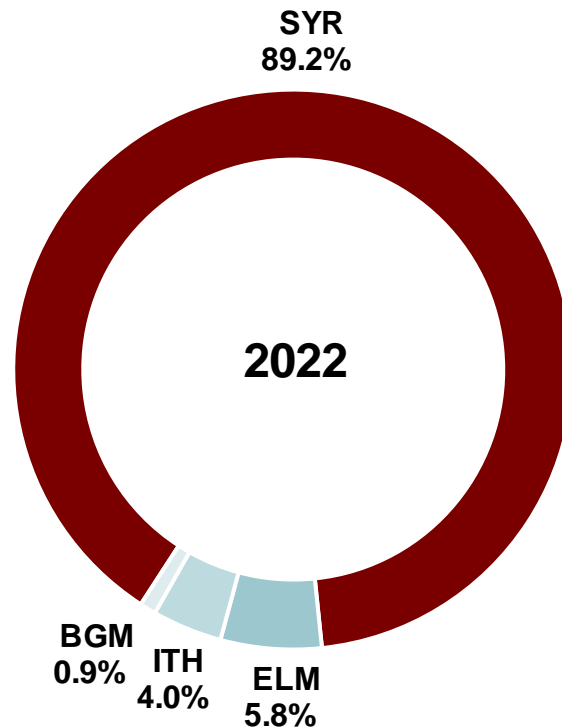
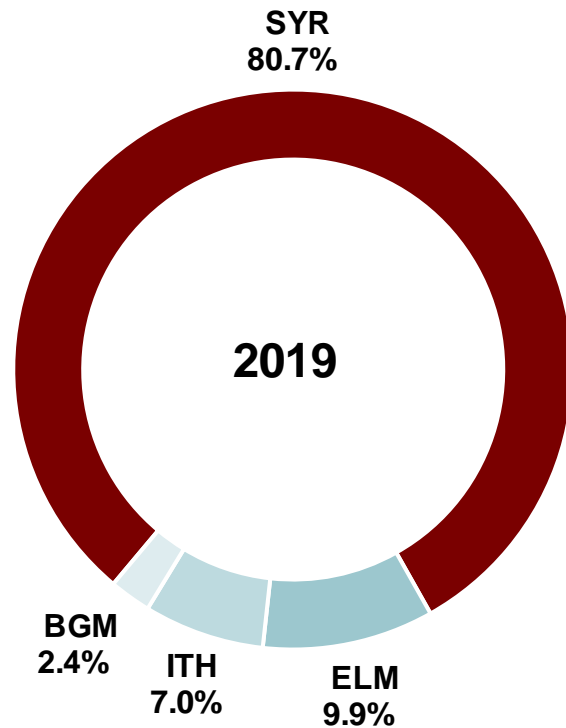
-  Access to At Least One Larger Airport Within 120 Miles
-  No Access to Larger Airport Within 120 Miles

SYR 1 – 2 Hour Catchment Areas

Includes BGM, ITH, and ELM



SYR is the Region's Gateway to the Domestic and International Air Transportation System



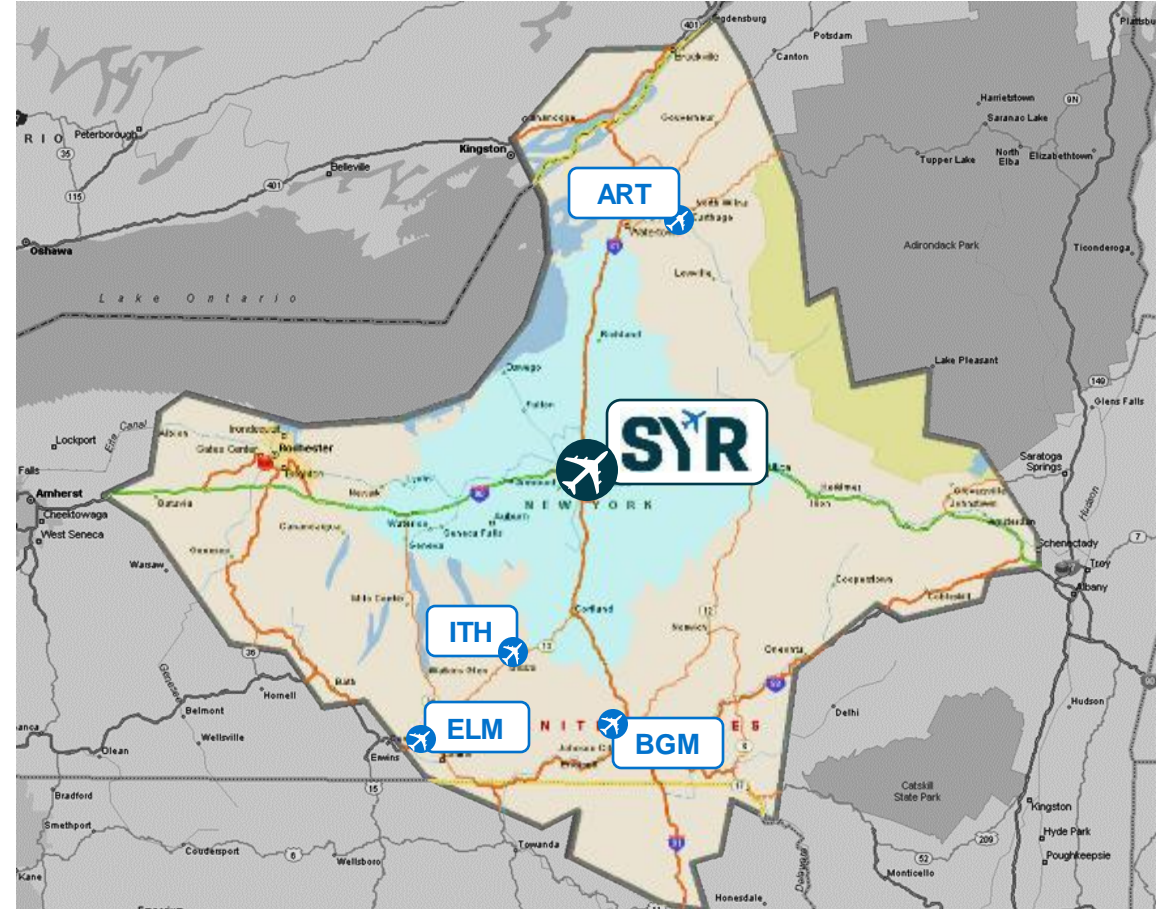
Some Final Thoughts

The Flight Path To 2024 – Vector SYR

- **If an airport did not maintain or improve its relative position in 2023, there should be some question of just how relevant is the airport in the eyes of the service providers.**
 - 2023 has been a good traffic generating year for some – not all.
 - Our forecast is for growth to slow in 2024. ULCC markets will be closely scrutinized.
- **The airlines carrying the traffic will be more the Big 3. Significant market power is now in their hands. They have pilots, mechanics, the ability to pay outsized pay rates, and because of their sheer size the ability to generate significant internal cash flow to fund their growth at the expense of the ULCCs and even Southwest and others.**
 - Maintaining a diverse portfolio of air service providers is critical. SYR has.
- **For some, storm clouds forming – not that they will result in a storm.**
 - The use of larger aircraft is not a trend – It is structural. Structural change requires changed thinking by all.
- **SYR is the code for Hancock International Airport. It serves more than Syracuse.**

To the Stakeholders in the Room

- 20 years ago, this community was served by turboprop aircraft with 30 seats that could fly as far as 400 miles. It only made sense that BGM, ELM, and ITH had more service.
- 30 seats increased to 60 before the Pandemic. Air service levels remained at Hancock. BGM, ELM, and ITH began to lose service.



SERVING YOUR REGION
will become a Planning mindset because aircraft are fast approaching 100 seats and are becoming too big for the BGMs, ELMs, and ITHs on the map.



COMMON SENSE

IT'S NOT ALWAYS ABOUT TRYING TO FIX SOMETHING THAT'S BROKEN. MAYBE IT'S ABOUT STARTING OVER AND CREATING SOMETHING BETTER.



Commercial Realities Are Requiring Regional Thinking





SWELBAR·ZHONG
CONSULTANCY

[Research Lab — Swelbar-Zhong Consultancy](#)
Swelbar-ZhongAir.com/Research-Lab

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2024 *AND* BEYOND

2024 INITIATIVES

- Improving connectivity

- Additional frequencies to existing hubs
- Increase leisure focused capacity
- Improve regional access

- Planning for the future

- Capacity improvements for baggage, parking and utilities
- Project prioritization
- Finalize Master Plan

- Focus on the customer experience

- Minimize impacts during construction
- Increase F&B, retail options

- Position SYR as the AAM & UAS commercial airport leader

- Leverage NUAIR Center of Excellence and recent commercial designation of the corridor
- Provide growth opportunities for local companies; specifically, Genius NY and Tech Garden



NEW AIRLINE

Sun Country Launches First Ever
Regularly Scheduled Flights at
SYR





Breeze

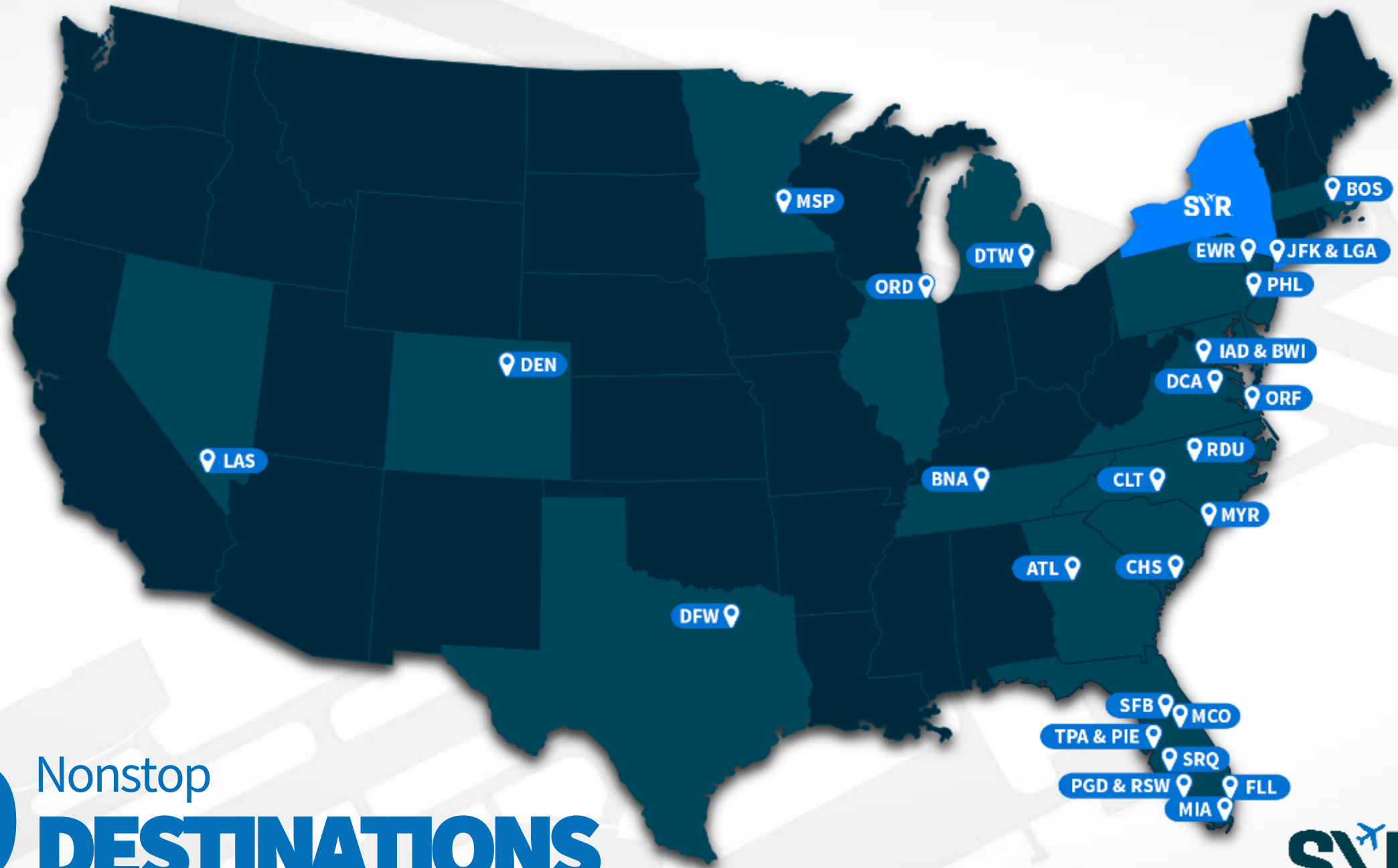
SYR ✈️ RDU

NONSTOP TO RALEIGH-DURHAM

SYR

N C Sta
Shaw
NE

SPEED
LIMIT
35



30 Nonstop DESTINATIONS

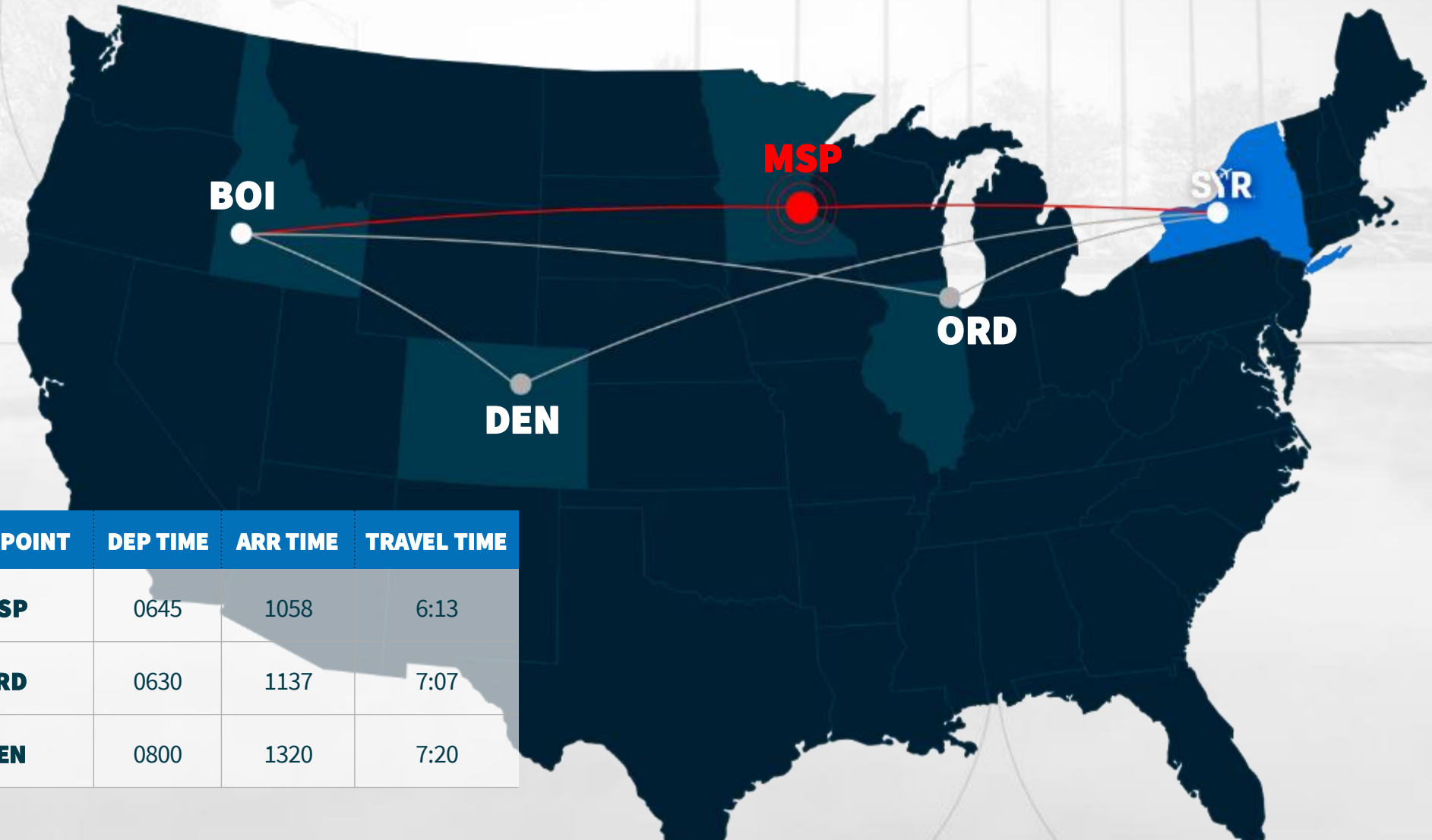





HUBS PROVIDE GLOBAL CONNECTIONS FOR SYR TRAVELERS



VALUE OF CONNECTIVITY

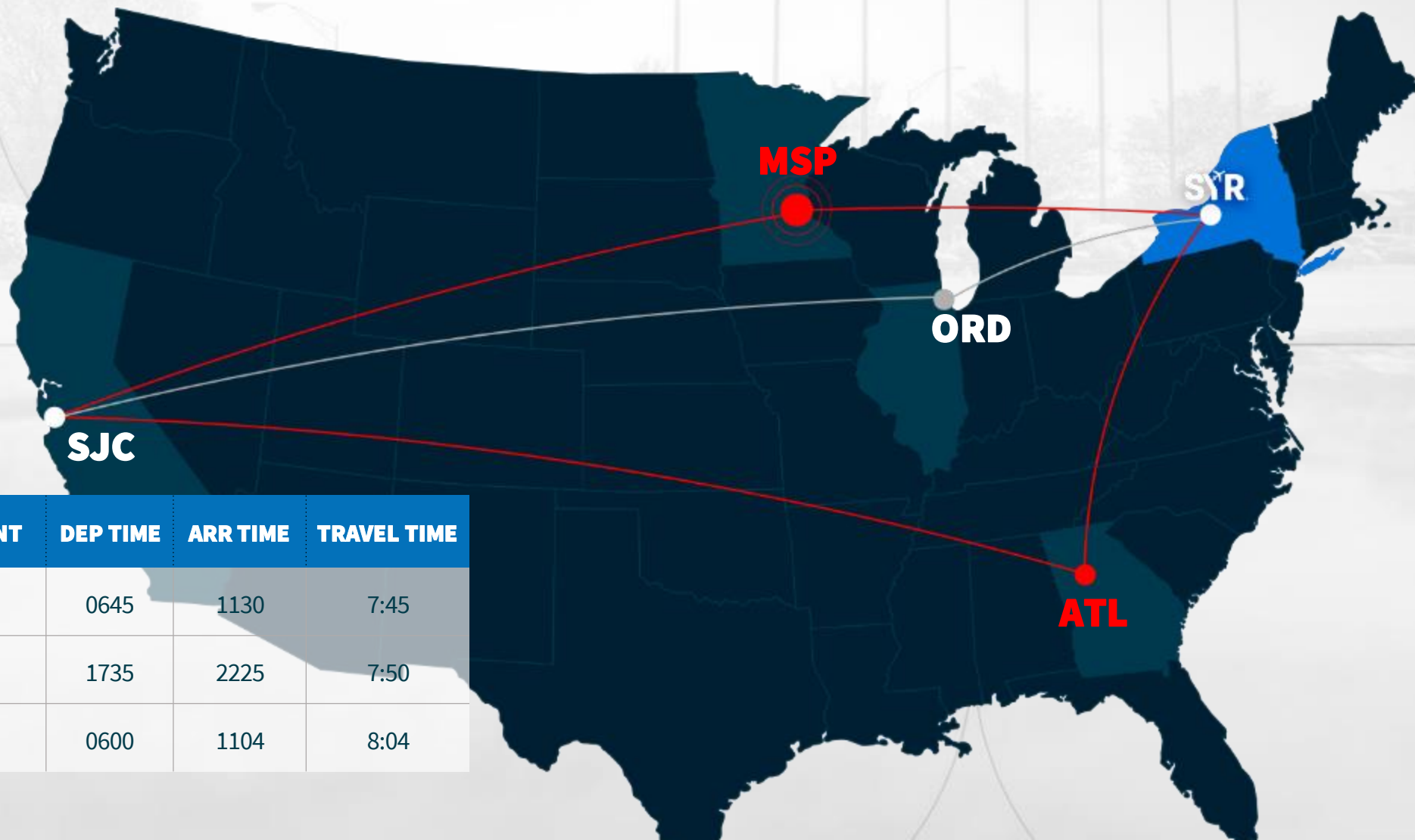
Hub Development





MKT AL	THRU POINT	DEP TIME	ARR TIME	TRAVEL TIME
 DELTA	MSP	0645	1058	6:13
 UNITED	ORD	0630	1137	7:07
 UNITED	DEN	0800	1320	7:20

VALUE OF CONNECTIVITY

Hub Development



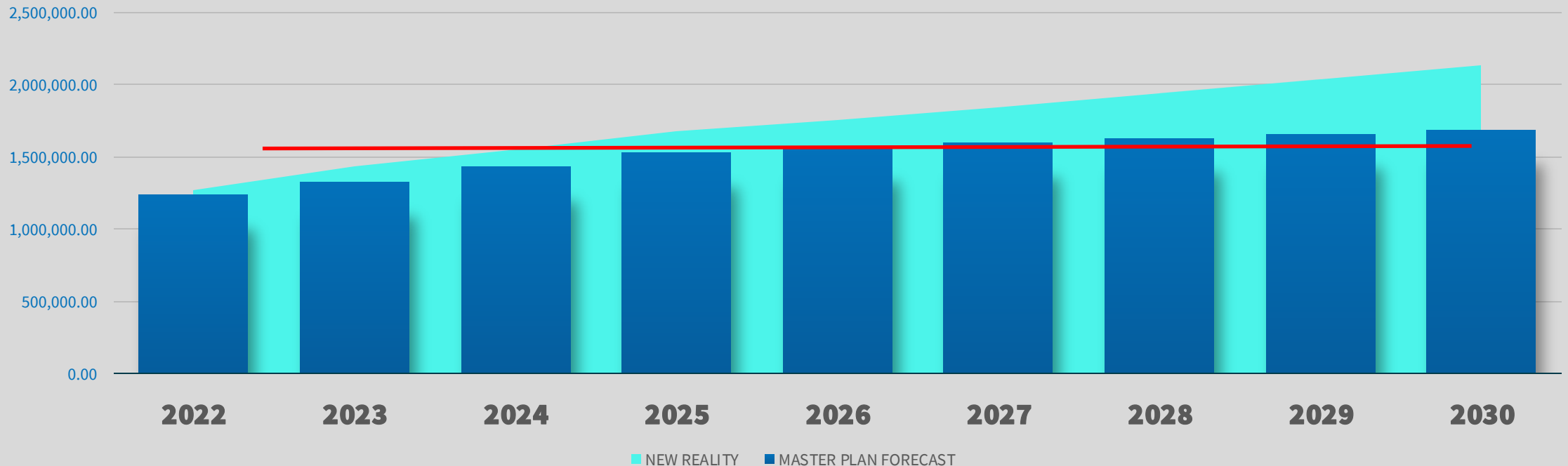
MKT AL	THRU POINT	DEP TIME	ARR TIME	TRAVEL TIME
 DELTA	MSP	0645	1130	7:45
UNITED 	ORD	1735	2225	7:50
 DELTA	ATL	0600	1104	8:04

NEW REALITY:

2025 is the New 2030

1,658,615
2025

1,669,385
2030



2030 INVESTMENT ESTIMATES

AREA	CURRENT	PRIMARY FUNDING
Airfield	\$73,817,735.15	FAA
Airport Support	\$5,851,248.11	FAA/SRAA
Cargo	\$9,143,990.54	Private (P3)
Energy	\$400,000.00	SRAA
General & Business Aviation	\$78,948,319.45	Private (P3)/SRAA
Landside (parking and roadways)	\$264,528,765.40	SRAA
Terminal	\$663,883,278.88	Federal/State/ SRAA
Grand Total	\$1,096,573,337.53	
Cargo AAM	\$ 16,393,062.78	Private (P3)/SRAA
GAAAM	\$ 21,774,345.20	Private (P3)/SRAA
Grand Total	\$ 38,167,407.98	

TERMINAL CONSTRAINTS

TERMINAL EXPANSION REQUIREMENTS	CURRENT	2026
Ticketing Lobby	15,760 SF	-2,940 SF
Public Circulation Areas	119,333 SF	59,733 SF
Outbound Baggage Systems and Makeup Areas	39,425 SF	-19,550 SF
Passenger Security Screening Checkpoint	23,644 SF	-10,556 SF
Federal Inspections Services (FIS)	12,688 SF	-25,012 SF
Gate Area	18,942 SF	-30,558 SF
Baggage Claim Area	23,900 SF	-14,700 SF
Concessions Areas	21,897 SF	1,997 SF
Restrooms	14,500 SF	-3,300 SF
Airport and Tenant Support Spaces	66,690 SF	-6,610 SF
Terminal Building Support & Other Users Space	49,920 SF	5,720 SF
TOTAL TERMINAL BUILDING	407,700 SF	-45,776 SF

NORTH TERMINAL EXPANSION

FUNDING: NY State Upstate Airport Economic & Revitalization Competition, SRAA

ARCHITECT: Corgan & Associates

EXPECTED COMPLETION: January 2025



Syracuse Hancock International Airport

DELTA

DELTA

Gate 22/23
Holdroom Bumpout
1980SF

Concession

UNITED

UNITED

SRAA
Syracuse Regional
Airport Authority

SRAA
Syracuse Regional
Airport Authority

GATE 27
HOLDROOM EXPANSION
2800SF

NEW FEDERAL INSPECTION STATION

FUNDING: NY State Upstate Airport Economic & Revitalization Competition, SRAA

ARCHITECT: Corgan & Associates

EXPECTED COMPLETION: January 2025



SOUTH CONCOURSE EXPANSION



ARCHITECT:
Corgan & Associates

FUNDING: SRAA,
Passenger Facility
Charges

**EXPECTED
COMPLETION:**
September 2025

NEW CONCESSIONS COMING

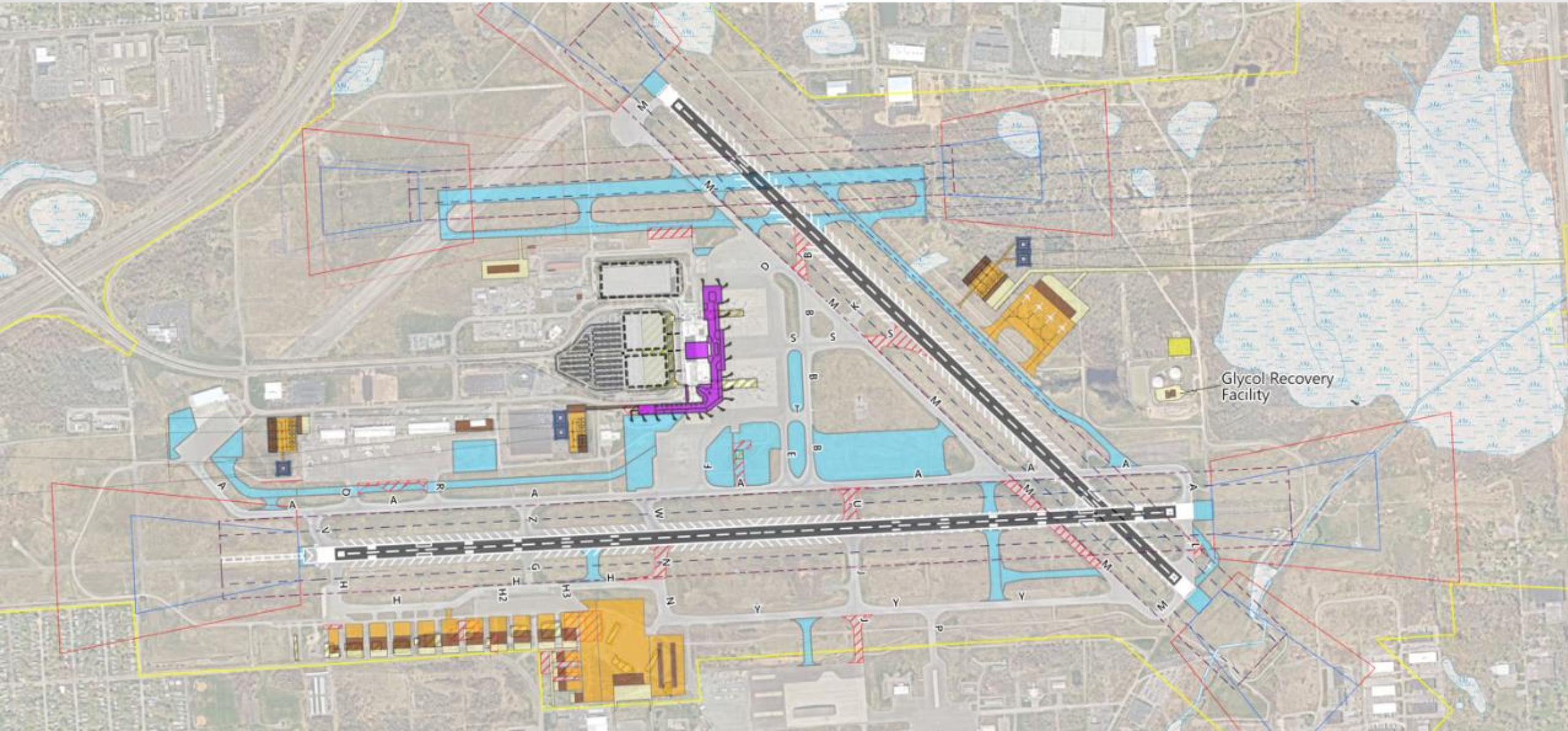
GIDEONTOAL
Management Services



LANDSIDE REDEVELOPMENT



The Future SYR!



AIR SERVICE DEVELOPMENT STRATEGY

2024 Focus

SHORT-TERM (2023 - 2025)

INCREASED FREQUENCIES AND BANK CONNECTIONS

- Increase frequency and timing to key network hubs
- Increase efficient connections to underserved markets
- Expand duration of seasonal routes

NEW ROUTE OPPORTUNITIES

Increase leisure focused capacity
Improve regional access

- Expand access to strategic hubs to improve capacity & connectivity to the west

LONG-TERM (2025 - Beyond)

INCREASE CAPACITY

- Establish new network connections via unserved banks
- Add additional service to existing, high-demand markets

NEW ROUTE OPPORTUNITIES

- Seasonal international charter opportunities
- Establish service to U.S. Preclearance airports
- Expanded leisure & LCC/ULCC destinations

CONNECT WITH SYR.



Syracuse Airport
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Syracuse Hancock International Airport official account. Account monitored Mon-Fri 7a-4p. Please contact airline or vendor directly outside of these hours.

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