

City of Hamilton AIRPORT SUB-COMMITTEE AGENDA

Meeting #: 20-003

Date: October 15, 2020

Time: 9:30 a.m.

Location: Due to the COVID-19 and the Closure of City

Hall

All electronic meetings can be viewed at:

City's Website:

https://www.hamilton.ca/council-committee/council-committee-meetings/meetings-and-agendas

City's YouTube Channel:

https://www.youtube.com/user/InsideCityofHa

milton or Cable 14

Angela McRae, Legislative Coordinator (905) 546-2424 Ext. 5987

Pages

- 1. APPROVAL OF AGENDA
- 2. DECLARATIONS OF INTEREST
- 3. APPROVAL OF MINUTES OF PREVIOUS MEETING
 - 3.1. September 15, 2020

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- 4. COMMUNICATIONS
- 5. DELEGATION REQUESTS
- 6. CONSENT ITEMS
- 7. PUBLIC HEARINGS / WRITTEN DELEGATIONS / VIRTUAL DELEGATIONS

8. PRESENTATIONS

8.1. Cathie Puckering, President and CEO, John C. Munro Hamilton International Airport - 2020 Semi-Annual Report respecting the John C. Munro Hamilton International Airport

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9. DISCUSSION ITEMS

9.1. 2020-2021 John C. Munro Hamilton International Airport (HIA) - City of Hamilton Joint Marketing Initiatives (PED20180) (City Wide)

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10. MOTIONS

- 11. NOTICES OF MOTION
- 12. GENERAL INFORMATION / OTHER BUSINESS
- 13. PRIVATE AND CONFIDENTIAL
 - 13.1. September 15, 2020 Closed Minutes

Pursuant to Section 8.1, Sub-sections (a), (c) and (k) of the City's Procedural By-law 18-270; and, Section 239(2), Sub-sections (a), (c) and (k) of the *Ontario Municipal Act*, 2001, as amended, as the subject matters pertain to the security of the property of the municipality or local board; a proposed or pending acquisition or disposition of land by the municipality or local board; and a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board.

13.2. TradePort / City Lease Negotiation Status Update (PED19084(d)) (City Wide)

Procedural By-law 18-270; and, Section 239(2), Sub-sections (a), (c) and (k) of the *Ontario Municipal Act, 2001*, as amended, as the subject matters pertain to the security of the property of the municipality or local board; a proposed or pending acquisition or disposition of land by the municipality or local board; and a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board.

14. ADJOURNMENT



AIRPORT SUB-COMMITTEE MINUTES 20-002

9:30 a.m. September 15, 2020 Council Chambers Hamilton City Hall 71 Main Street West

Present: Councillor L. Ferguson (Co-Chair)

Mayor F. Eisenberger

Councillors B. Johnson (Co-Chair), C. Collins, J.P. Danko, J.

Partridge, E. Pauls, and M. Pearson

Regrets: Councillor T. Whitehead – Personal

THE FOLLOWING ITEMS WERE REFERRED TO THE GENERAL ISSUES COMMITTEE FOR CONSIDERATION:

1. Tradeport / City Lease Negotiation Status Update (PED19084(c)) (City Wide) (Item 12.2)

(Danko/Partridge)

- (a) That the direction provided to staff in Closed Session, be approved; and,
- (b) That all recommendations, appendices and contents of Report PED19084(c), respecting TradePort / City Lease Negotiation Status Update, remain confidential.

Result: Motion CARRIED by a vote of 5 to 0, as follows:

YES - Ward 5 Councillor Chad Collins

NOT PRESENT - Ward 7 Councillor Esther Pauls

YES - Ward 8 Councillor John-Paul Danko

NOT PRESENT - Mayor Fred Eisenberger

YES - Ward 15 Councillor Judi Partridge

NOT PRESENT - Ward 14 Councillor Terry Whitehead

YES - Ward 12 Councillor Lloyd Ferguson

YES - Ward 11 Councillor Brenda Johnson

NOT PRESENT - Ward 10 Councillor Maria Pearson

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 1)

The Committee Clerk advised that there were no changes to the agenda.

(Eisenberger/Pearson)

That the agenda for the September 15, 2020 Airport Sub-Committee meeting be approved, as presented.

Result: Motion CARRIED by a vote of 7 to 0, as follows:

YES - Ward 5 Councillor Chad Collins

YES - Ward 7 Councillor Esther Pauls

YES - Ward 8 Councillor John-Paul Danko

YES - Mayor Fred Eisenberger

NOT PRESENT - Ward 15 Councillor Judi Partridge

NOT PRESENT - Ward 14 Councillor Terry Whitehead

YES - Ward 12 Councillor Lloyd Ferguson

YES - Ward 11 Councillor Brenda Johnson

YES - Ward 10 Councillor Maria Pearson

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)

(i) February 11, 2020 Minutes (Item 3.1)

(Pearson/Johnson)

That the Minutes of the February 11, 2020 meeting of the Airport Sub-Committee be approved, as presented.

Result: Motion CARRIED by a vote of 7 to 0, as follows:

YES - Ward 5 Councillor Chad Collins

YES - Ward 7 Councillor Esther Pauls

YES - Ward 8 Councillor John-Paul Danko

YES - Mayor Fred Eisenberger

NOT PRESENT - Ward 15 Councillor Judi Partridge

NOT PRESENT - Ward 14 Councillor Terry Whitehead

YES - Ward 12 Councillor Lloyd Ferguson

YES - Ward 11 Councillor Brenda Johnson

YES - Ward 10 Councillor Maria Pearson

(d) PRIVATE AND CONFIDENTIAL (Item 12)

(i) February 11, 2020 Closed Minutes (Item 12.1)

(Pearson/Danko)

- (a) That the Closed Session Minutes of the February 11, 2020 Airport Sub-Committee meeting, be approved as presented; and,
- (b) That the Closed Session Minutes of the February 11, 2020 Airport Sub-Committee meeting, remain confidential.

Result: Motion CARRIED by a vote of 7 to 0, as follows:

YES - Ward 5 Councillor Chad Collins

YES - Ward 7 Councillor Esther Pauls

YES - Ward 8 Councillor John-Paul Danko

YES - Mayor Fred Eisenberger

NOT PRESENT - Ward 15 Councillor Judi Partridge

NOT PRESENT - Ward 14 Councillor Terry Whitehead

YES - Ward 12 Councillor Lloyd Ferguson

YES - Ward 11 Councillor Brenda Johnson

YES - Ward 10 Councillor Maria Pearson

(ii) TradePort / City Lease Negotiation Status Update (PED19084(c)) (City Wide)

(Johnson/Collins)

That the City's Consultants be permitted to attend the Closed Session portion of the meeting with respect to Report PED19084(c), Tradeport / City Lease Negotiation Status Update.

Result: Motion CARRIED by a vote of 7 to 0, as follows:

YES - Ward 5 Councillor Chad Collins

YES - Ward 7 Councillor Esther Pauls

YES - Ward 8 Councillor John-Paul Danko

YES - Mayor Fred Eisenberger

NOT PRESENT - Ward 15 Councillor Judi Partridge

NOT PRESENT - Ward 14 Councillor Terry Whitehead

YES - Ward 12 Councillor Lloyd Ferguson

YES - Ward 11 Councillor Brenda Johnson

YES - Ward 10 Councillor Maria Pearson

(Pauls/Pearson)

That Committee moved into Closed Session respecting Item 12.2pursuant to Section 8.1, Sub-sections (a), (c) and (k) of the City's Procedural Bylaw 18-270, as amended; and, Section 239(2), Sub-sections (a), (c), and (k) of the *Ontario Municipal Act, 2001*, as amended, as the subject matter pertains to the security of the property of the municipality or local board; a proposed or pending acquisition or disposition of land by the municipality

or local board; and a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board.

Result: Motion CARRIED by a vote of 7 to 0, as follows:

YES - Ward 5 Councillor Chad Collins

YES - Ward 7 Councillor Esther Pauls

YES - Ward 8 Councillor John-Paul Danko

YES - Mayor Fred Eisenberger

NOT PRESENT - Ward 15 Councillor Judi Partridge

NOT PRESENT - Ward 14 Councillor Terry Whitehead

YES - Ward 12 Councillor Lloyd Ferguson

YES - Ward 11 Councillor Brenda Johnson

YES - Ward 10 Councillor Maria Pearson

(Partridge/Danko)

That the Confidential Presentation provided by the City's Consultants and Staff, respecting Report PED19084(c), TradePort / City Lease Negotiation Status Update, be received.

Result: Motion CARRIED by a vote of 5 to 0, as follows:

YES - Ward 5 Councillor Chad Collins

NOT PRESENT - Ward 7 Councillor Esther Pauls

YES - Ward 8 Councillor John-Paul Danko

NOT PRESENT - Mayor Fred Eisenberger

YES - Ward 15 Councillor Judi Partridge

NOT PRESENT - Ward 14 Councillor Terry Whitehead

YES - Ward 12 Councillor Lloyd Ferguson

YES - Ward 11 Councillor Brenda Johnson

NOT PRESENT - Ward 10 Councillor Maria Pearson

Staff were provided direction in Closed Session.

For further disposition of this matter, refer to Item 1.

(e) ADJOURNMENT (Item 13)

(Partridge/Johnson)

That, there being no further business, the Airport Sub-Committee, be adjourned at 12:08 p.m.

Result: Motion CARRIED by a vote of 5 to 0, as follows:

YES - Ward 5 Councillor Chad Collins

NOT PRESENT - Ward 7 Councillor Esther Pauls

YES - Ward 8 Councillor John-Paul Danko

NOT PRESENT - Mayor Fred Eisenberger

YES - Ward 15 Councillor Judi Partridge

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Airport Sub-Committee Minutes 20-002

NOT PRESENT - Ward 14 Councillor Terry Whitehead YES - Ward 12 Councillor Lloyd Ferguson YES - Ward 11 Councillor Brenda Johnson NOT PRESENT - Ward 10 Councillor Maria Pearson

Respectfully submitted,

Councillor L. Ferguson, Co-Chair Airport Sub-Committee

Angela McRae Legislative Coordinator Office of the City Clerk

2020 Semi-Annual Report



AIRPORT SUB-COMMITTEE MEETING

October 15, 2020



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



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

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

- 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)

June YTD
Cargo
MTOW
(12.4%
Increase)

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

HAMILTONAL AIRPORT

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.

	7	Halifax	CYHZ	165	116	281
	8	Ottawa	CYOW	124	123	247
_	9	Moncton	CYQM	4	121	125
2	10	Edmonton	CYEG	30	61	91
t	11	Iqaluit	CYFB	79	0	79
,	12	Heathrow	EGLL	66	0	66
,	13	La Habana	MUHA	32	32	64
1	14	Newark	KEWR	21	11	32
	15	Cologne	EDDK	26	3	29

*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.



amazon



John C. Munro



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





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











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.











COMMERCIAL DEVELOPMENT

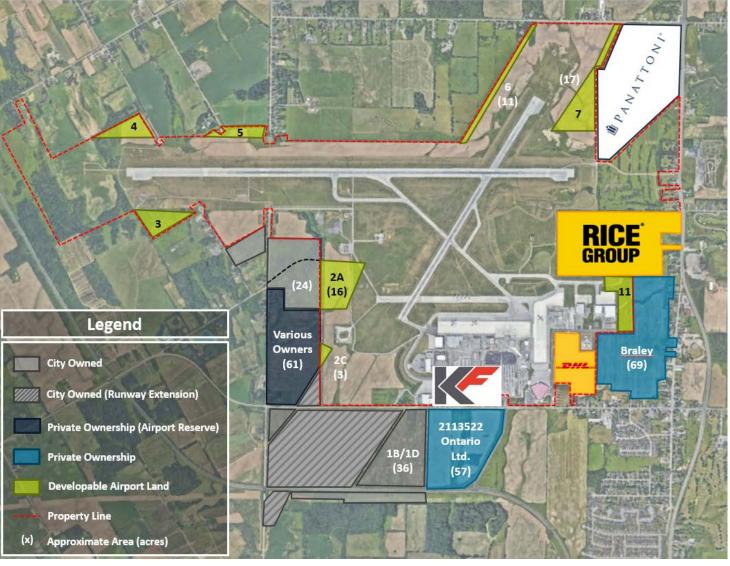
Growth in cargo traffic **creating demand for land and support services** such as Maintenance, Repair and Overhaul (MRO) and aerospace manufacturing. **Lands with airside access** and **lands adjacent** to the Airport are **available to be developed** by tenants.

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



John C. Munro

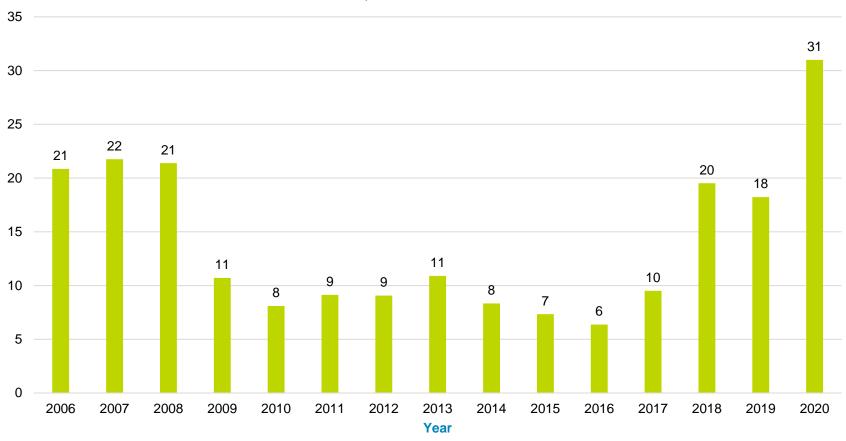




Hamilton International is a **responsible community partner** and **economic engine** that continues to support its neighbours, passengers and partners to better serve the city and surrounding region.

COMMUNITY IMPACT – NOISE REPORTS





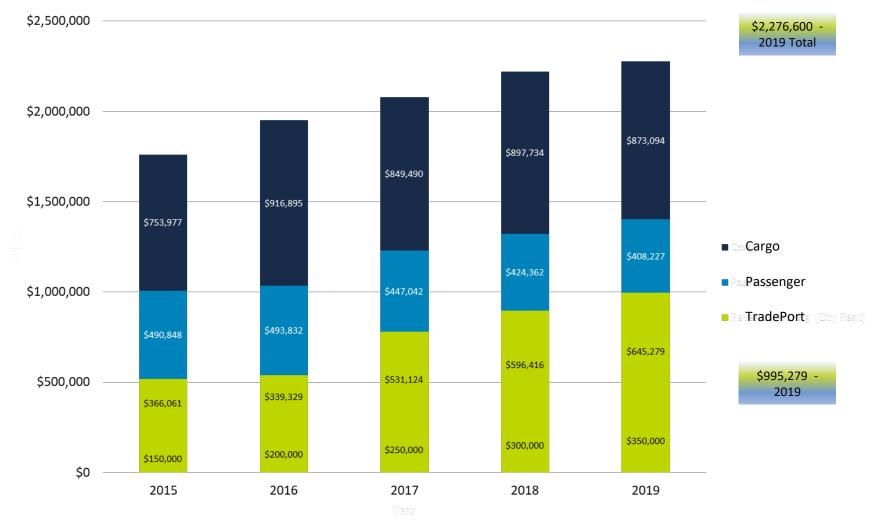
- YTD 31 noise reports per 10,000 movements in 2020 mainly due to full year of Runway Construction
- Daily closures of Runway 12-30 caused for increased usage of Runway 06-24, which has an approach over the City of Hamilton
- Additional noise reports likely due to a general decrease in total flights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





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



THANK YOU



John C. Munro Hamilton International Airport 9300 Airport Road, Suite 2206 Mount Hope, ON LOR 1W0



CITY OF HAMILTON PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT Growth Management Division

ТО:	Chair and Members Airport Sub-Committee
COMMITTEE DATE:	October 15, 2020
SUBJECT/REPORT NO:	2020-2021 John C. Munro Hamilton International Airport (HIA) - City of Hamilton Joint Marketing Initiatives (PED20180) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Guy Paparella (905) 546-2424 Ext. 5807
SUBMITTED BY: SIGNATURE:	Tony Sergi Senior Director of Growth Management Planning and Economic Development Department

RECOMMENDATION

That the City of Hamilton approve and allocate \$55,000 from the Airport Joint Marketing Reserve Fund No. 112217 as the City's contribution to the 2020-2021 John C. Munro Hamilton International Airport – City of Hamilton Joint Marketing Initiatives outlined in Report PED20180.

EXECUTIVE SUMMARY

In accordance with Section 34 of the John C. Munro Hamilton International Airport (HIA) Lease Agreement between the City of Hamilton and TradePort International Corporation (TIC), the City is obliged to allocate monies to the HIA Joint Marketing Initiatives on an annual basis or as necessary. TIC has requested funding for one project for the 2020-2021 project year, namely to complete Airport Land Use Plan.

Alternatives for Consideration – Not Applicable

FINANCIAL - STAFFING - LEGAL IMPLICATIONS

Financial: As of December 31, 2019, there was a balance of \$284,370 in the Airport

Joint Marketing Reserve Fund No. 112217. There are more than

sufficient funds to allocate the \$55,000 recommended for the 2020-2021

Joint Marketing Initiatives in Report PED20180.

SUBJECT: 2020-2021 John C. Munro Hamilton International Airport (HIA) - City of

Hamilton Joint Marketing Initiatives (PED20180) (City Wide) - Page 2

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Staffing: Not Applicable

Legal: Approval of the Joint Marketing Initiatives fulfils one of the City's

obligations under Section 34 of the Head Lease Agreement with TIC for

the HIA.

HISTORICAL BACKGROUND

The Regional Municipality of Hamilton-Wentworth (Region) leased the HIA from Transport Canada in 1987. On July 19, 1996, the Region entered into a 40-year Sub-Lease Agreement with TIC (to be converted to Lease upon transfer) to operate the HIA on its behalf. In December 1996, ownership of the HIA was transferred from Transport Canada to the Region.

Section 4.04 of the Lease Agreement provides for revenue sharing amongst the City and TIC which commenced in 2006. Pursuant to Sections 34.01, 34.02, 34.03 of the Agreement, the City agrees on an annual basis to dedicate no less than 25% of all Percentage Rent received by the City to match but not exceed marketing expenditures of the HIA in the immediately preceding year. In addition, the City agrees on an annual basis to dedicate a further 25% of all Percentage Rent received by the City to fund capital expenditures for municipal services in, on and around the HIA.

To comply with the HIA Lease Agreement, enable efficient use of HIA revenues, and maintain effective review procedures, staff recommended the establishment of separate HIA reserves for the revenues generated by the HIA Lease Agreement, Report PED07077 approved by Council February 28, 2007.

On December 31, 2018, staff was advised by Finance Division that there was \$284,370 in the Airport Joint Marketing Reserve Fund No. 112217. Therefore, staff is requesting approval for financial support of the proposed 2020-2021 Joint Marketing Initiatives from same.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

John C. Munro Hamilton International Airport Head Lease Agreement between TIC and the City of Hamilton.

RELEVANT CONSULTATION

- Planning and Economic Development Department, Economic Development Division;
- Corporate Services Department, Finance and Administration Section; and,

SUBJECT: 2020-2021 John C. Munro Hamilton International Airport (HIA) - City of Hamilton Joint Marketing Initiatives (PED20180) (City Wide) - Page 3 of 4

TradePort International Corporation (TIC).

ANALYSIS AND RATIONALE FOR RECOMMENDATION

There is only one project totaling \$55,000, for the City's consideration as Joint Marketing Initiatives as defined in Section 34 of the Head Lease Agreement to promote economic growth and development for the HIA. TIC or the City have not yet awarded any project listed, consultants have not been retained, and costing amounts are estimates only. TIC has advised that should the total cost of any project increase beyond the estimated cost, the City contribution would not be affected.

Project: John C. Munro Hamilton International Airport Land Use Plan Update Basis of Funding Request:

 The City is obliged to allocate funds for growth projects at the Airport and these funds may be used for the purposes of attracting employment opportunities to Hamilton, along with developing a joint marketing plan for lands surrounding the Airport intended to attract Airport related development.

Background and Proponent:

- As interest in lands surrounding the John C. Munro Hamilton International Airport continues to grow, TradePort is requesting to jointly invest in completing an update to the Land Use Plan; and,
- To date, TradePort has completed an RFP process, and has selected MDX
 Development Strategists as the successful proponent. The contract has not been
 awarded as of yet.

Scope:

- The purpose of the update to the Land Use Plan will be to guide future development in and around the Airport lands in an efficient and cost-effective manner, while recognizing the Airport's and the City's strategic, operational and business objectives; and,
- This technical update to the current Land Use Plan within the current Master Plan
 will focus on land optimization to stimulate economic activity that further
 enhances the Airport's core business and establish the basis for marketing,
 offering and negotiating agreements, including "Through the Fence" agreements.

SUBJECT: 2020-2021 John C. Munro Hamilton International Airport (HIA) - City of Hamilton Joint Marketing Initiatives (PED20180) (City Wide) - Page 4 of 4

Timeline

 Projected timeframe to complete the scope of work is ten weeks after awarding the contract and initiating the project.

Cost

 Total expected cost is \$110,000, which the Airport is requesting 50% from the Airport Joint Marketing Reserve Fund (\$55,000).

Should total project cost increase, City contribution level would not be affected.

Staff are recommending that the City of Hamilton approve and allocate \$55,000 from the Airport Joint Marketing Reserve Fund No. 112217 as the City's contribution to the John C. Munro Hamilton International Airport Land Use Plan Update project outlined in Report PED20180.

ALTERNATIVES FOR CONSIDERATION

Not Applicable

ALIGNMENT TO THE 2016 - 2025 STRATEGIC PLAN

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Built Environment and Infrastructure

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

APPENDICES AND SCHEDULES ATTACHED

Not Applicable

GP/as