



**City of Hamilton**  
**AIRPORT SUB-COMMITTEE**  
**AGENDA**

**Meeting #:** 21-001  
**Date:** April 15, 2021  
**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/InsideCityofHamilton> or Cable 14

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

**Pages**

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|------|---|--|---|
| 1.   | <b>CEREMONIAL ACTIVITIES</b>  |  |   |
| 2.   | <b>APPROVAL OF AGENDA</b>   |  |   |
| 3.   | <b>DECLARATIONS OF INTEREST</b>   |  |   |
| 4.   | <b>APPROVAL OF MINUTES OF PREVIOUS MEETING</b>  |  |   |
| 4.1. | October 15, 2020  |  | 4 |
| 5.   | <b>COMMUNICATIONS</b>   |  |   |
| 6.   | <b>DELEGATION REQUESTS</b>  |  |   |
| 7.   | <b>CONSENT ITEMS</b>  |  |   |
| 7.1. | Annual Auditor's Report on the Annual Schedule of Percentage Rent Computation regarding the John C. Munro Hamilton International Airport (PED21094) (City Wide) |  | 9 |

**8. PRESENTATIONS**

- 8.1. Cathie Puckering, President and CEO, John C. Munro Hamilton International Airport - 2020 Year in Review 17

**9. PUBLIC HEARINGS / DELEGATIONS****10. DISCUSSION ITEMS**

- 10.1. 2021-2022 John C. Munro Hamilton International Airport (HIA) - City of Hamilton Joint Marketing Initiatives (PED21083) (City Wide) (REVISED) 41

**11. MOTIONS****12. NOTICES OF MOTION****13. GENERAL INFORMATION / OTHER BUSINESS****14. PRIVATE AND CONFIDENTIAL**

- 14.1. October 15, 2020 - Closed Minutes

Pursuant to Section 9.1, Sub-sections (a), (c) and (k) of the City's Procedural By-law 21-021; 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

- 14.2. TradePort / City Lease Negotiation Status Update (PED19084(e)) (City Wide)

Pursuant to Section 9.1, Sub-sections (a), (c) and (k) of the City's Procedural By-law 21-021; 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.

14.3. Real Estate and Leasing Matter related to Hamilton International Airport (CM21005) (City Wide)

Pursuant to Section 9.1, Sub-section (c) of the City's Procedural By-law 21-021; and, Section 239(2), Sub-section (c) of the *Ontario Municipal Act, 2001*, as amended, as the subject matters pertain to a proposed or pending acquisition or disposition of land by the municipality or local board.

15. **ADJOURNMENT**



## **AIRPORT SUB-COMMITTEE MINUTES 20-003**

**9:30 a.m.  
October 15, 2020  
Room 264, 2<sup>nd</sup> Floor  
Hamilton City Hall  
71 Main Street West**

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**Present:** Councillor B. Johnson (Co-Chair)  
Mayor F. Eisenberger  
Councillors L. Ferguson (Co-Chair), C. Collins, J.P. Danko,  
J. Partridge, E. Pauls, and M. Pearson

**Regrets:** Councillor T. Whitehead – Personal

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

- 1. 2020-2021 John C. Munro Hamilton International Airport (HIA) - City of Hamilton Joint Marketing Initiatives (PED20180) (City Wide) (Item 9.1)**

**(Pauls/Collins)**

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.

**Result: Motion CARRIED by a vote of 8 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  
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  
YES - Ward 10 Councillor Maria Pearson

**2. Tradeport / City Lease Negotiation Status Update (PED19084(d)) (City Wide)  
(Item 13.2)**

**(Partridge/Pearson)**

- (a) That the direction provided to staff in Closed Session, respecting Report PED19084(d) Tradeport / City Lease Negotiation Status Update, be approved; and
- (b) That Confidential Report PED19084(d), respecting Tradeport / City Lease Negotiation Status Update; confidential information included in Appendix "A"; Appendices "B", "C" and "D", be received and 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  
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  
YES - 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.

**(Pearson/Collins)**

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

**Result: Motion CARRIED by a vote of 6 to 0, as follows:**

YES - Ward 5 Councillor Chad Collins  
NOT PRESENT - 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) September 15, 2020 Minutes (Item 3.1)**

**(Danko/Ferguson)**

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

**Result: Motion CARRIED by a vote of 6 to 0, as follows:**

YES - Ward 5 Councillor Chad Collins  
NOT PRESENT - 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) PRESENTATIONS (Item 8)**

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

Cathie Puckering, President and CEO, John C. Munro Hamilton International Airport, addressed the Committee respecting the 2020 Semi-Annual Report for the John C. Munro Hamilton International Airport, with the aid of a PowerPoint presentation.

**(Eisenberger/Partridge)**

That the presentation from Cathie Puckering, President and CEO, John C. Munro Hamilton International Airport, respecting the 2020 Semi-Annual Report for the John C. Munro Hamilton International Airport, be received.

**Result: Motion CARRIED by a vote of 8 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  
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  
YES - Ward 10 Councillor Maria Pearson

A copy of the presentation is available on the City's website at [www.hamilton.ca](http://www.hamilton.ca) or through the Office of the City Clerk.

**(e) PRIVATE AND CONFIDENTIAL (Item 13)**

**(i) September 15, 2020 Closed Minutes (Item 13.1)**

**(Danko/Pearson)**

- (a) That the Closed Session Minutes of the September 15, 2020 Airport Sub-Committee meeting, be approved as presented; and,
- (b) That the Closed Session Minutes of the September 15, 2020 Airport Sub-Committee meeting, remain confidential.

**Result: Motion CARRIED by a vote of 8 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  
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  
YES - Ward 10 Councillor Maria Pearson

**(ii) Attendance in Closed Session respecting TradePort / City Lease Negotiation Status Update (PED19084(d)) (City Wide)**

**(Ferguson/Eisenberger)**

That Guy Paperalla, Paparella Consulting Services Inc. and the following John C. Munro Hamilton International Airport Staff - Cathie Puckering, Cole Horncastle, Peter Tice, Dina Carlucci and Diana Rasula, be permitted to attend the Closed Session portion of the meeting with respect to Report PED19084(d), Tradeport / City Lease Negotiation Status Update.

**Result: Motion CARRIED by a vote of 8 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  
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  
YES - Ward 10 Councillor Maria Pearson

**(Danko/Collins)**

That Committee move into Closed Session respecting Item 13.2 pursuant to Section 8.1, Sub-sections (a), (c) and (k) of the City's Procedural By-law 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  
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  
YES - Ward 10 Councillor Maria Pearson

**(iii) Tradeport / City Lease Negotiation Status Update (PED19084(d)) (City Wide) (Item 13.2)**

For further disposition of this matter, refer to Item 2.

**(f) ADJOURNMENT (Item 13)**

**(Danko/Pearson)**

That, there being no further business, the Airport Sub-Committee, be adjourned at 12:07 p.m.

**Result: Motion CARRIED by a vote of 6 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  
YES - Ward 10 Councillor Maria Pearson

Respectfully submitted,

Councillor B. Johnson, Co-Chair  
Airport Sub-Committee

Angela McRae  
Legislative Coordinator  
Office of the City Clerk





**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Growth Management Division**

|                           |   |
|---------------------------|---|
| <b>TO:</b>                | Chair and Members<br>Airport Sub-Committee  |
| <b>COMMITTEE DATE:</b>    | April 15, 2021  |
| <b>SUBJECT/REPORT NO:</b> | Annual Auditor's Report on the Annual Schedule of Percentage Rent Computation regarding the John C. Munro Hamilton International Airport (PED21094) (City Wide) |
| <b>WARD(S) AFFECTED:</b>  | City Wide   |
| <b>PREPARED BY:</b>       | Tony Sergi (905) 546-2424 Ext. 2274   |
| <b>SUBMITTED BY:</b>      | Tony Sergi<br>Senior Director, Growth Management<br>Planning and Economic Development Department  |
| <b>SIGNATURE:</b>         |   |

### RECOMMENDATION

That Report PED21094 respecting the 2020 Annual Auditor's Report on the Annual Schedule of Percentage Rent Computation regarding the John C. Munro Hamilton International Airport be received for information.

### EXECUTIVE SUMMARY

The City's external Auditor, KPMG, has been authorized by Council to Conduct an audit on the annual percentage rent computation in the lease Agreement with TradePort International Corporation (TIC) for the operation of the John C. Munro Hamilton International Airport (HIA). The Auditor conducted the audit and reviewed in accordance with the standards of the Canadian Institute of Chartered Accountants. It is the Auditor's opinion that as of December 31, 2020, TIC was in compliance with the criteria established by the relevant sections of the lease for the annual percentage rent computation. The annual total rent paid to the City of Hamilton in 2020 was \$535,012.00.

### Alternatives for Consideration – Not Applicable

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OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: Annual Auditor’s Report on the Annual Schedule of Percentage Rent Computation regarding the John C. Munro Hamilton International Airport (PED21094) (City Wide)- Page 2 of 3**

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**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: N/A

Staffing: N/A

Legal: N/A

**HISTORICAL BACKGROUND**

KPMG, the City’s Auditor, has been retained to conduct the annual audit of the TIC including the annual rent payments to the City of Hamilton. The work commenced upon the completion of the 2020 year-end financial statements of the TIC in the first quarter of 2021. The audit and review is now complete and the final report is attached (see Appendix “A” to Report PED21094) for consideration of the Airport Sub-Committee and Council, and for further direction, if necessary.

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

Head Lease between the City of Hamilton and TradePort International Corporation.

**RELEVANT CONSULTATION**

N/A

**ANALYSIS AND RATIONALE FOR RECOMMENDATION**

Staff have reviewed the Terms of Reference of the work conducted by KPMG. Staff is of the opinion that the Auditor has completed the task in accordance with our view of what is contained in the Terms of Reference, the Lease Agreement and directions of the Airport Sub-Committee and Council.

**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.

**SUBJECT: Annual Auditor's Report on the Annual Schedule of Percentage Rent Computation regarding the John C. Munro Hamilton International Airport (PED21094) (City Wide)- Page 3 of 3**

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**Built Environment and Infrastructure**

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

**Our People and Performance**

Hamiltonians have a high level of trust and confidence in their City government.

**APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" - Year-End Rent Statement

TS/sd

Year-End Rent Statement

**TRADEPORT  
INTERNATIONAL  
CORPORATION**

For the twelve months ended December 31, 2020



KPMG LLP  
Commerce Place  
21 King Street West, Suite 700  
Hamilton Ontario L8P 4W7  
Canada  
Telephone (905) 523-8200  
Fax (905) 523-2222

## INDEPENDENT AUDITORS' REPORT

To the Directors of TradePort International Corporation

### ***Opinion***

We have audited the accompanying Year-end Rent Statement of TradePort International Corporation (the "Company") for the twelve month period ended December 31, 2020, and notes, comprising a summary of significant accounting policies and other explanatory information (Hereinafter referred to as the "rent statement").

In our opinion, the accompanying rent statement for the twelve month period ended December 31, 2020 of the Company is prepared, in all material respects, in accordance with the financial reporting provisions of Article 4 of the lease agreement dated July 19, 1996 between the Company and the City of Hamilton.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Rent Statement***" section of our auditors' report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the rent statement in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Emphasis of Matter – Financial Reporting Framework***

We draw attention to Note 1 in the rent statement, which describes the applicable financial reporting framework.

The rent statement is prepared to assist the Company to meet the requirements of the financial reporting provisions of Article 4 of the lease agreement dated July 19, 1996 between the Company and the City of Hamilton. As a result, the rent statement may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.



### ***Other Matter – Restriction on Use***

Our report is intended solely for the Company and the City of Hamilton and should not be used by other parties.

### ***Responsibilities of Management and Those Charged with Governance for the Rent Statement***

Management is responsible for the preparation of the rent statement in accordance with the financial reporting provisions of Article 4 of the lease agreement dated July 19, 1996 between the Company and the City of Hamilton, and for such internal control as management determines is necessary to enable the preparation of the rent statement that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### ***Auditors' Responsibilities for the Audit of the Rent Statement***

Our objectives are to obtain reasonable assurance about whether the rent statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the rent statement.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the rent statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

March 5, 2021

# TRADEPORT INTERNATIONAL CORPORATION

## YEAR-END RENT STATEMENT

Notes to the Rent Statement

For the twelve month period ended December 31, 2020

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### 1. Basis of accounting:

The accompanying Year-End Rent Statement (the "rent statement") of TradePort International Corporation (the "Company") represents the Company's calculations of gross revenue, base revenue, ground rent and percentage of rent for the twelve month period ended December 31, 2020. The rent statement has been prepared in accordance with the financial reporting provisions of Article 4 of the lease agreement dated July 19, 1996 between the Company and the City of Hamilton (the "Guidelines").

### 2. Significant accounting policies:

The significant accounting policies are as follows:

(a) Revenue:

Revenue is recognized on the accrual basis of accounting.

(b) Operating expenses:

Operating expenses are recognized using the accrual basis of accounting, which recognizes expenditures as incurred and measurable as a result of goods or services and the creation of a legal obligation to pay.

(c) Use of estimates:

The preparation of the rent statement in accordance with the Guidelines requires management to make estimates and assumptions that affect the reported amounts of revenue and operating expense during the period. Actual results could differ from those estimates.



# Airport Sub-Committee Meeting

April 15, 2021





# 2020

## YEAR IN REVIEW

An unprecedented year for aviation as COVID-19 cases surged around the globe. Although the pandemic slowed passenger travel, with challenges, came opportunities as cargo and land development propelled the Airport to continue making great progress in 2020 towards its vision.

# 2020 Highlights

Page 19 of 44  
<sup>1</sup> These investments have supported the City's economic development target for adding seven million square feet of new Industrial/Commercial space between 2016 and 2020.  
<sup>2</sup> Phase 2 complete, funded by TradePort International Corporation and Transport Canada's National Trade Corridor Fund  
<sup>3</sup> Source: Hamilton International Economic Impact Study, ICF (Commissioned in 2018).  
<sup>4</sup> Source: 2019 Customer Satisfaction Survey results.



**329,193**

passengers flying to and from Hamilton International



**658m kg**

in total landed cargo aircraft billable weight



**\$20.5m**

capital investment in

**Airfield Rehabilitation & Modernization**<sup>2</sup>



**\$84.1m**

investment in infrastructure made by TradePort and its partners in 2020<sup>1</sup>



**CONTRIBUTED OVER \$252,000**

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



**OVER 3,400**

total jobs created through airport activity at Hamilton International<sup>3</sup>



**OVER 90%**

of passengers reported a positive Airport experience<sup>4</sup>



Hamilton International  
**CELEBRATED 80 years**  
of business

# Airport Operations

## Runway Rehabilitation and Modernization Project Update

- To continue accommodating wide-body long-haul cargo flights into international markets, the **\$20.5m** second phase of the runway project was completed on time and under budget and included the rehabilitation of Runway 12-30 and core taxiways with:
  - Over 105,000 tonnes of asphalt
  - Advanced LED airfield lighting to support sustainable initiatives
  - Construction of Runway End Safety Areas with the 'green initiative' of using repurposed asphalt grindings
- Total cost for the five-year project will be **\$38.8m** with Transport Canada's NTCF contributing \$18.5m and balance funded by TradePort, as part of its capital investment plan
- Project creating 350+ construction jobs, with additional 863 full-time jobs to be created over the five-year period



# Airport Operations

## Health and Safety – A top priority at Hamilton International

In response to the pandemic, the Airport supported public health practices to limit the spread of viruses to **protect travellers, business partners and employees** and **restore confidence in travel**. Measures included:

- ✓ Reinforced and enhanced **cleaning and sanitizing protocols**
  - ✓ Increased frequency of cleaning and disinfecting in high-traffic areas
  - ✓ Treated high-traffic surfaces with an anti-microbial shield
- ✓ Introduction of **policies** for mandatory face masks; limited terminal access to travellers and employees on duty only; and designated terminal access points
- ✓ Installation of additional **signage**, physical distancing floor markers and acrylic **protective barriers** at check-in counters and boarding gates
- ✓ Dedicated COVID-19 web page and social media channels to share health and safety measures in place, important government updates and travel tips



# Passenger Operations

## Unparalleled year as passenger air travel was devastated globally by the pandemic

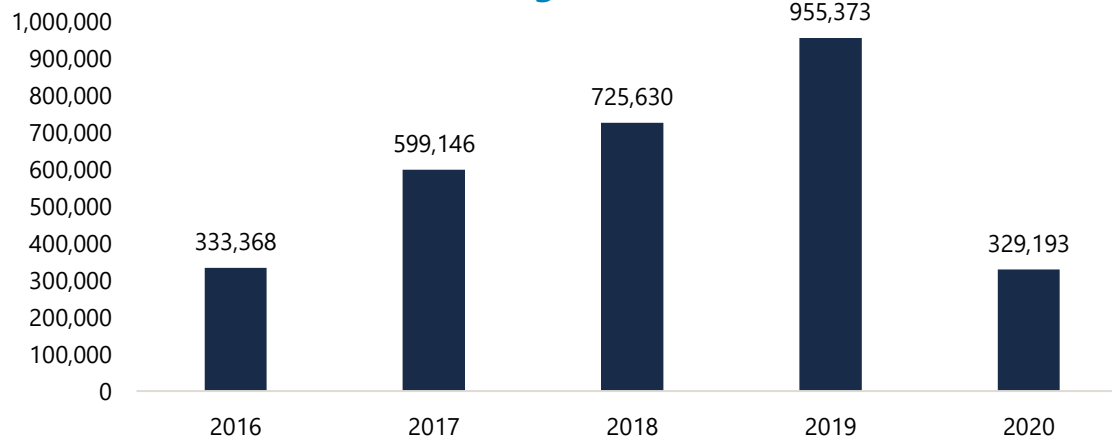
- Following three years of unprecedented growth, the Airport was on track to have its fourth consecutive year of **record-breaking performance before the pandemic was declared**
- As reported cases of COVID-19 began to rapidly increase around the globe, so too did the **travel restrictions** put in place to encourage people to stay at home and limit the spread
- All scheduled international and transborder service was suspended while several domestic routes continued to operate on a **reduced schedule for essential travel purposes**



### 329,193

passengers flying to/from Hamilton International (66% decrease from 2019)

### Passenger Traffic



*As the government continues to address the devastating impacts facing the aviation industry, and as we await the completion of the vaccine roll-out, the Airport remains committed to supporting its partners and restoring its passenger activity levels to effectively position Hamilton International to emerge from the COVID-19 crisis.*

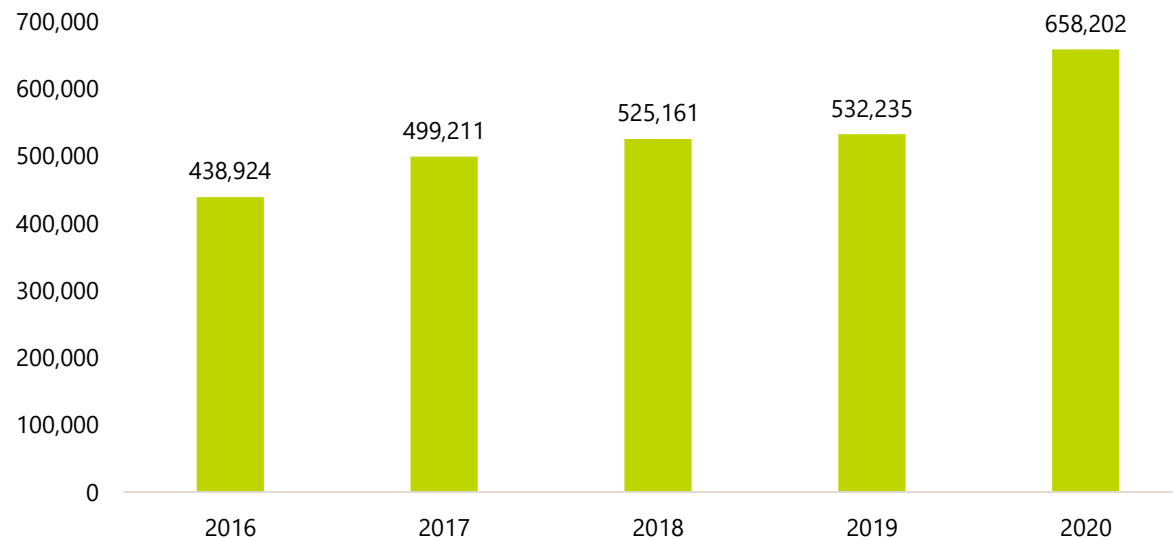
# Cargo Operations

A gateway for facilitating goods movements across the country and around the globe

- **E-commerce sales surged** as most of the population remained at home and gravitated to new online shopping habits
- In 2020, the Airport and its cargo partners experienced **24% growth** compared to the previous year with 658,202,000 kilograms in total cargo aircraft billable weight
- This growth has resulted in **on and off airport facility and land development**



Cargo Aircraft Billable Weight (000s kg)

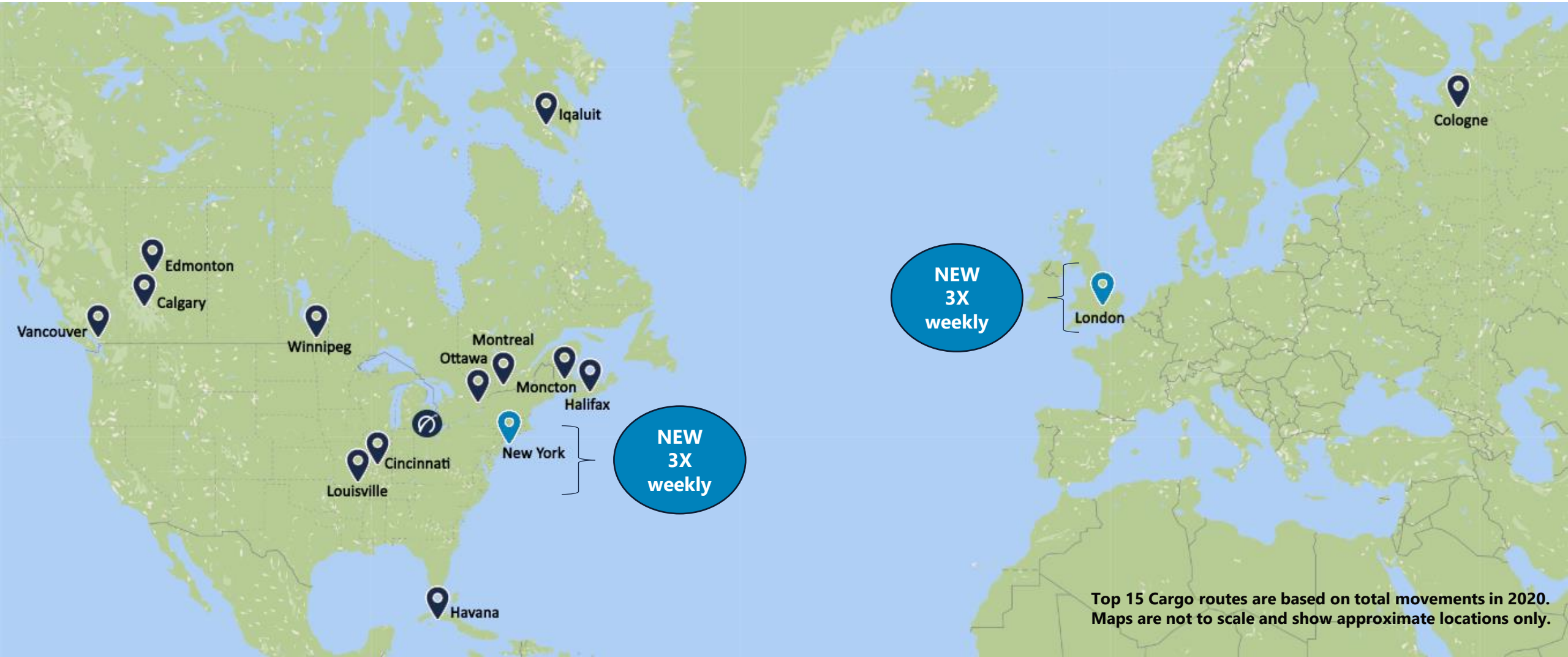


**658m kg**

in total landed cargo aircraft billable weight (24% increase from 2019)

# Cargo Operations

Growth included international route expansion to markets in Europe (London Heathrow) and the US (New York JFK)



Top 15 Cargo routes are based on total movements in 2020. Maps are not to scale and show approximate locations only.



# Cargo Operations

## COVID-19 - Transporting Medical Supplies, PPE and Vaccines

Cargo activity continued to soar with increased demand for a variety of essential medical supplies and personal protective equipment (PPE) needed during the COVID-19 crisis.

- **Cargojet** was selected by the Government of Canada to operate over **100 inbound flights from China**, carrying essential medical supplies and PPE destined for the healthcare sector
- Flight missions **financially supported by the Airport** as part of its **in-kind contributions** of over \$252,000 to the community
- December 13 marked a truly historic milestone in Canada's fight against COVID-19 as the **country's first shipment of Pfizer vaccines** arrived aboard a **UPS** flight from Louisville, Kentucky
- Included coordinated efforts with the Canada Border Services Agency to process the shipment and the Premier of Ontario along with the Minister of Public Services and Procurement on-site for the arrival



# Land Development

Focus on driving economic growth, job creation and financial investment

- Land developments in and around the Airport continue to **drive economic benefits and contribute to workforce development in our region**
- Priorities included construction projects designed to meet region's projected demand and **expand capacity to support future growth** in goods movement, passenger air travel and aerospace including MRO operations



## 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 an enrolment capacity increased from 175 to 350 students

# Land Development

Focus on driving economic growth, job creation and financial investment

## DHL Express Gateway Facility

- Significant progress made on its \$110m investment in the construction of its new 230,000 square foot sort facility set to open in May 2021
- DHL's largest gateway facility in Canada and four times the size of its current sort facility at the Airport
- Capacity to process 15,000 packages per hour



## Amazon Fulfillment Centre

- Construction commenced on new 855,000 square foot fulfillment centre in Hamilton adjacent to the Airport
- Anticipated to open in late 2021 and will create more than 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



# Land Development

## City of Hamilton Economic Development



ACHIEVED



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

Supporting the City's economic development plans, helping it surpass its target for adding **7m square feet** of new Industrial/Commercial space between 2016 and 2020.

# Foreign Trade Zone (FTZ) Designation

## Strengthening Hamilton's position as a strategic location for international trade

- The Airport along with the Hamilton Oshawa Port Authority and the City's Economic Development department worked collaboratively to achieve an FTZ designation
- In November 2020, Minister Joly, Minister Tassi and MP Bratina announced Hamilton's designation as the third FTZ Point in Ontario and one of 14 in Canada
- For businesses who rely on the multi-modal connections via air, port, rail and road that the City has to offer, this designation simplifies access to an array of government resources, programs and incentives including direct access to:
  - ✓ Canada Border Services Agency-incentives and programs
  - ✓ Canada Revenue Agency-incentives and programs
  - ✓ Other government agencies such as Transport Canada, Export Development Canada, Innovation, Science and Economic Development Canada, Global Affairs Canada



# COMMUNITY IMPACT

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.





# 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.

### Sustainable Hamilton and Burlington (SHB)

- Managing carbon footprint by better understanding the Airport’s usage of water, electricity and gas, the production of CO<sub>2</sub>, as well as waste and recycling management
- On track to reduce its emissions Intensity Value by 20% to 10.55 tCO<sub>2</sub>e per 1,000 employee hours by 2027 with a cumulative reduction of 7.7% since joining SHB in 2017

### Glycol Management

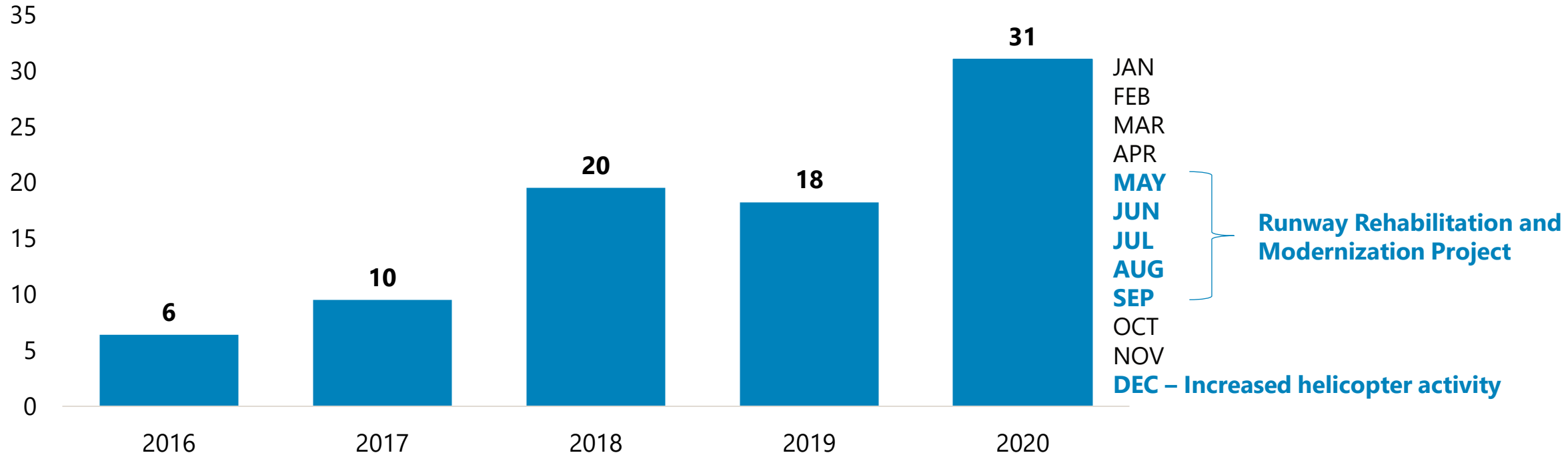
- Managing de-icing/anti-icing solutions sprayed on aircraft to remove or prevent accumulation of snow and/or ice is essential for the safe operation of aircraft during the winter season
- Assessing new solutions for improving the management of used glycol solutions applied to aircraft

### Key Environmental Initiatives

- Sustainable activities incorporated into construction projects using light-emitting diode (LED) retrofitted lighting, lighting sensors and energy-efficient heating, ventilation and AC units
- To improve reliability, promote efficiency and reduce greenhouse gas emissions, implemented advanced LED lighting technology on airfield as part of runway project

# Noise Reports

Rate per 10,000 movements



Increase in noise reports in 2020 can be attributed to:

- **Increased use of the secondary Runway 06-24**, which has an approach over the City of Hamilton, due to runway construction and daily closures on the main 12-30 runway from May to September; and
- **Increased helicopter activity** from Great Lakes Helicopter in December



# Community Investment

Hamilton International was proud to contribute **over \$252,000 of in-kind resources and support** to various community partners and initiatives in 2020 including:

- ✓ Government of Canada flight missions to transport PPE and medical supplies to Canada on Cargojet
- ✓ CityKidz
- ✓ Liberty for Youth
- ✓ Hamilton Chamber of Commerce
- ✓ Binbrook Santa Claus Parade
- ✓ Ward 11 Halloween Scavenger Hunt
- ✓ CKNW Kids' Fund's Pink Shirt Day



# ECONOMIC IMPACT

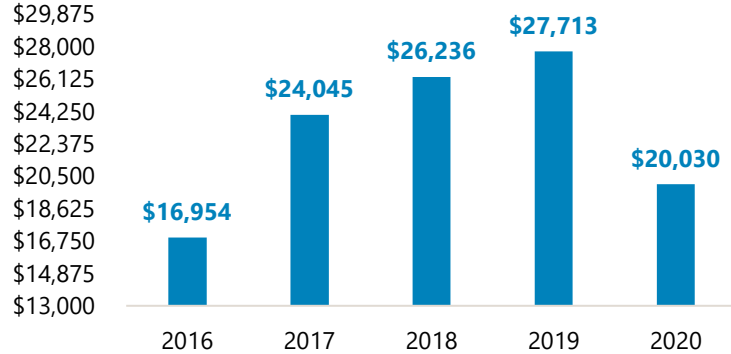
How the COVID-19 pandemic affected Hamilton International's performance targets.



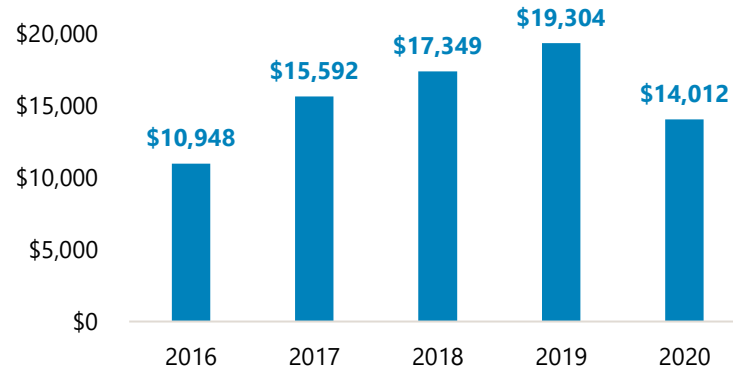
# Financial Highlights

Growth in cargo operations, along with the continued focus on safety, security and compliance with regulations were key drivers to reach performance targets

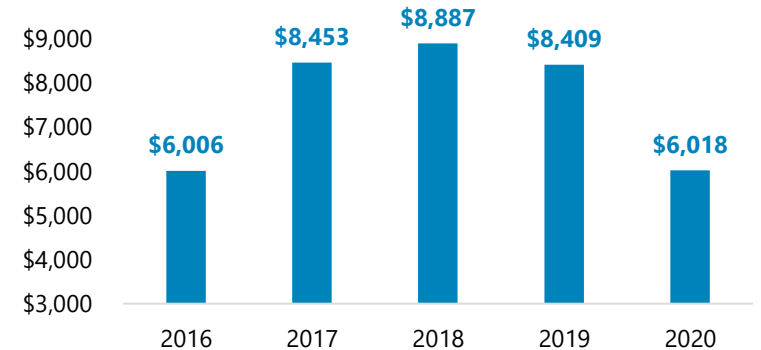
### Revenue (000s)



### Expenses (000s)



### Revenue Over Expenses (000s)



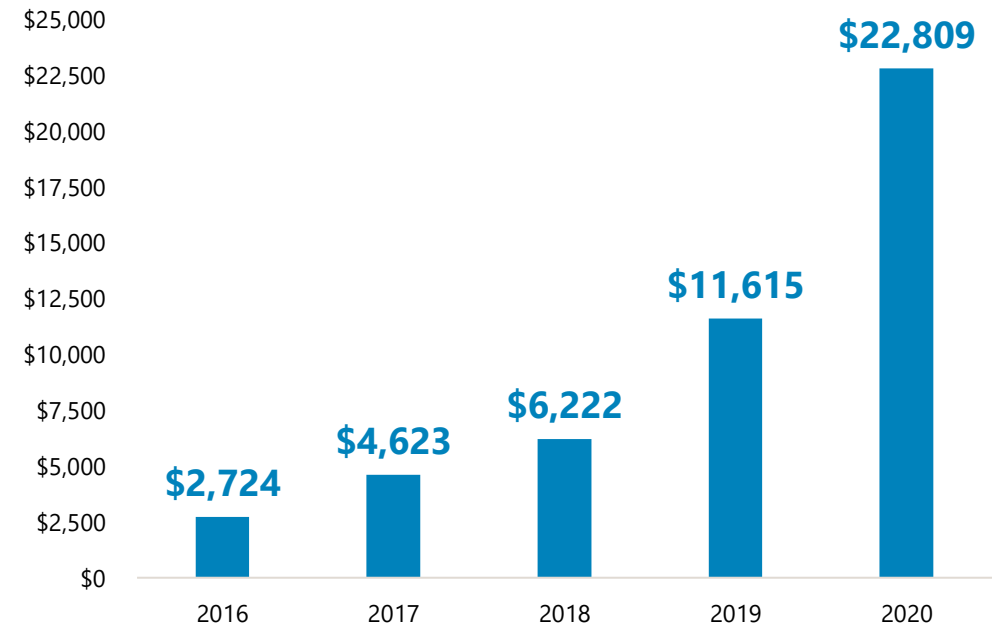
- Main revenue sources include Passenger Operations, Cargo Operations and Commercial Property Rents
- Revenues -28% to prior year due to the impacts of the pandemic
- TradePort quickly enacted guidelines to ensure that only safety, regulatory and essential operating expenses were being incurred to reduce the impacts of the pandemic
- Expenses -27% over prior year 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 -28% over prior year, with revenues exceeding operating expenses by over \$6m

# Capital Investments

To update, maintain and expand capacity for future growth, the Airport reinvested in infrastructure through its capital program of \$22.8m

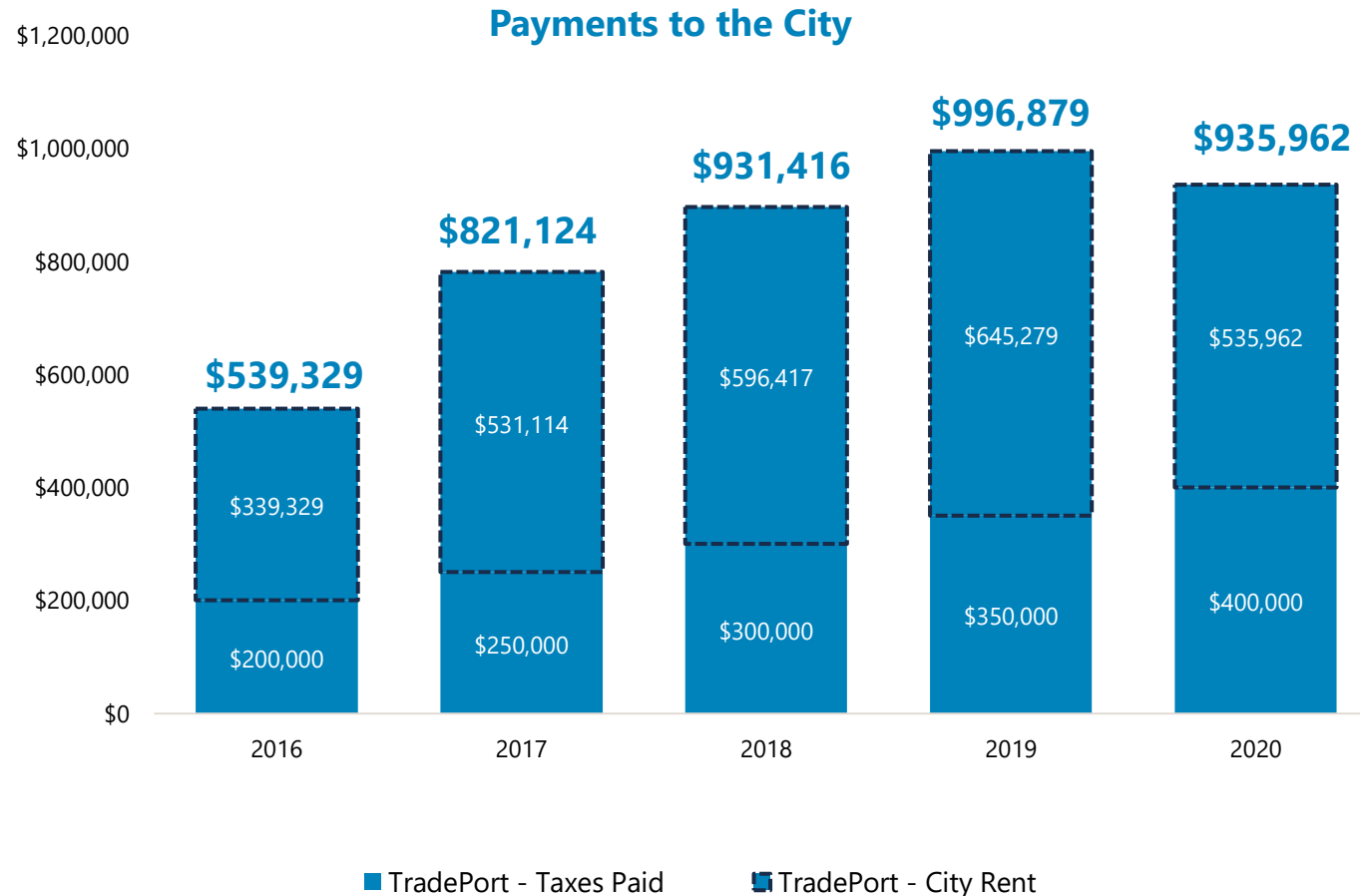
- Investments in 2020 include the Airfield Rehabilitation and Modernization Project, Phase One of the Field Electrical Centre replacement, and the relocation of East Cargo Road.
- **Since 1996, TradePort and its business partners** have invested **\$327.8m in infrastructure** and generated **\$26.2m in additional property tax revenue** for the City of Hamilton.
- Collectively, these Airport investments have supported the City's economic development plans, helping it surpass its target for adding seven million square feet of new Industrial/Commercial space between 2016 and 2020.

Capital Investment (000s)



# TradePort - Property Tax and Rent Payments

Payments of \$935k to the City based on revenue and operating income

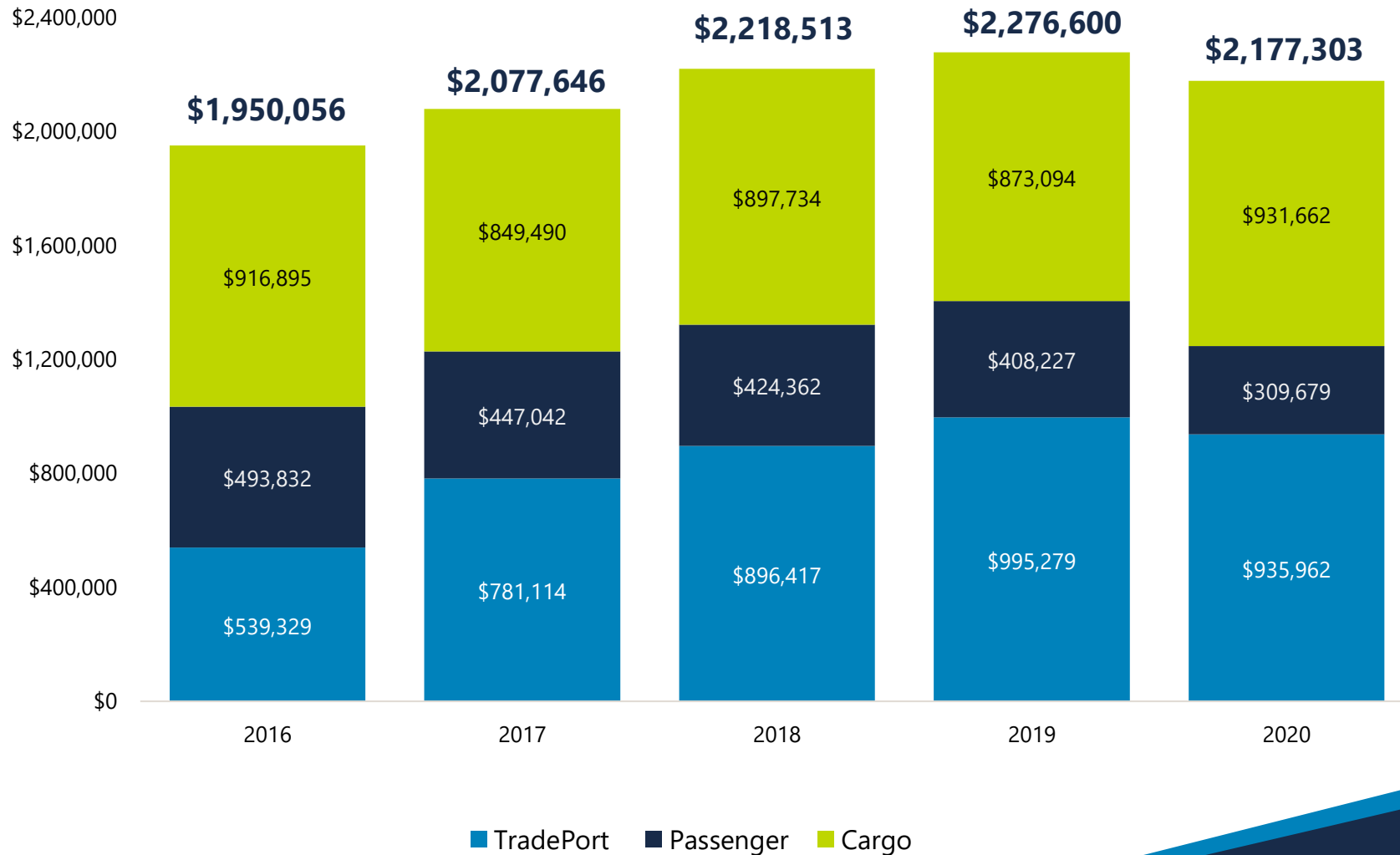


TradePort makes direct payments to the City every year.

For the year ending December 31, 2020, rent, assessment tax and other fees was **\$935,962**

# Payments – TradePort and Tenants

Payments to the City of over \$2.1m when combining rent and property tax paid by TradePort with property taxes paid directly to the City by Airport tenants



# LOOKING **AHEAD** TO



Continued focus on cargo and land development plans will remain foundational to the Airport's plans in 2021 in parallel with attention on safe recovery efforts to rebuild passenger activity. Priorities shared with the City will include support toward land development planning and ground transportation improvements to connect employees and customers with the City and the region.

John C. Munro

# HAMILTON

INTERNATIONAL AIRPORT

**JOHN C. MUNRO HAMILTON INTERNATIONAL AIRPORT**

9300 Airport Road, Suite 2206

Mount Hope ON L0R 1W0

[www.flyhamilton.ca](http://www.flyhamilton.ca)







**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Growth Management Division**

|                           |  |
|---------------------------|--|
| <b>TO:</b>                | Chair and Members<br>Airport Sub-Committee   |
| <b>COMMITTEE DATE:</b>    | April 15, 2021   |
| <b>SUBJECT/REPORT NO:</b> | 2021-2022 John C. Munro Hamilton International Airport (HIA) - City of Hamilton Joint Marketing Initiatives (PED21083) (City Wide) |
| <b>WARD(S) AFFECTED:</b>  | City Wide  |
| <b>PREPARED BY:</b>       | Tony Sergi (905) 546-2424 Ext. 2274  |
| <b>SUBMITTED BY:</b>      | Tony Sergi<br>Senior Director of Growth Management<br>Planning and Economic Development Department                                 |
| <b>SIGNATURE:</b>         |  |

### RECOMMENDATION

That the City of Hamilton approve and allocate \$400,312 from the Airport Joint Marketing Reserve Fund No. 112217 as the City's contribution to the 2021-2022 John C. Munro Hamilton International Airport – City of Hamilton Joint Marketing Initiatives outlined in Report PED21083.

### 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 three programs for 2021-2022.

### *Alternatives for Consideration – Not Applicable*

### FINANCIAL – STAFFING – LEGAL IMPLICATIONS

**Financial:** As of March 30, 2021, there was a balance of \$400,312 in the Airport Joint Marketing Reserve Fund No. 112217. As the requested funding of \$430,000 exceeds the available funding the City will only commit to the

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*OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.*

**SUBJECT: 2021-2022 John C. Munro Hamilton International Airport (HIA) - City of Hamilton Joint Marketing Initiatives (PED21083) (City Wide) - Page 2 of 4**

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upset limit of \$400,312 for the 2021 Joint Marketing Initiatives in Report PED21083.

**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 March 30, 2021 staff was advised by Finance Division that there was \$400,312 in the Airport Joint Marketing Reserve Fund No. 112217. Therefore, staff is requesting approval for financial support of the proposed 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.

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**SUBJECT: 2021-2022 John C. Munro Hamilton International Airport (HIA) - City of Hamilton Joint Marketing Initiatives (PED21083) (City Wide) - Page 3 of 4**

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**RELEVANT CONSULTATION**

- Planning and Economic Development Department, Economic Development Division;
- Corporate Services Department, Finance and Administration Section; and,
- TradePort International Corporation (TIC).

**ANALYSIS AND RATIONALE FOR RECOMMENDATION**

There are three project/programs totaling \$870,000 with 50% funding request of \$430,000 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 has advised that these are estimates only as the programs have not commenced. TIC has advised that should the total cost of any project increase beyond the estimated cost; the City contribution would not be affected as it is capped at \$400,312 based on the available funds in the reserve.

**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:**

- COVID-19 has decimated passenger travel globally and specifically at the John C. Munro Hamilton International Airport. TradePort is requesting through the Joint Marketing Fund to establish a targeted marketing in the Greater Toronto Hamilton Area and establish a fixed price/rent guarantee to reduce airline cost while passenger demand is negatively impacted by travel restrictions and quarantine rules.

**Scope and Cost:**

- The Price Guarantee program will be focused on promotional programs to attract and provide growth incentives – projected budget \$360,000;
- The Rent Guarantee program will be applied to the Air Terminal occupancy charge waiver – projected budget \$245,000; and,

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**SUBJECT: 2021-2022 John C. Munro Hamilton International Airport (HIA) - City of Hamilton Joint Marketing Initiatives (PED21083) (City Wide) - Page 4 of 4**

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- The summer Marketing Campaign will entail website development, data analysis, marketing expenses to support and develop air carrier and passenger destination programs – projected cost \$265,000.

Total expected cost is \$870,000, which the Airport is requesting 50% from the Airport Joint Marketing Reserve Fund \$430,000. The City's commitment will be capped at \$400,312 based on the available funds in Joint Marketing Reserve.

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

Staff are recommending that the City of Hamilton approve and allocate \$400,312 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 PED21083.

#### **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

TS/sd

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