



City of Hamilton
AIRPORT SUB-COMMITTEE
AGENDA

Meeting #: 22-001
Date: February 24, 2022
Time: 9:30 a.m.
Location: Due to the COVID-19 and the Closure of City Hall (CC)

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

1. CEREMONIAL ACTIVITIES
2. APPROVAL OF AGENDA
3. DECLARATIONS OF INTEREST
4. APPROVAL OF MINUTES OF PREVIOUS MEETING
 - 4.1. April 15, 2021
5. COMMUNICATIONS
6. DELEGATION REQUESTS
7. CONSENT ITEMS
8. PRESENTATIONS

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- 8.1. Cathie Puckering, President and CEO, John C. Munro Hamilton International Airport - 2021 Year in Review

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9. PUBLIC HEARINGS / DELEGATIONS

10. DISCUSSION ITEMS

- 10.1. 2022 - 2023 John C. Munro Hamilton International Airport - City of Hamilton Joint Marketing Incentives (PED22063) (City Wide)

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11. MOTIONS

12. NOTICES OF MOTION

13. GENERAL INFORMATION / OTHER BUSINESS

14. PRIVATE AND CONFIDENTIAL

- 14.1. April 15, 2021 - 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(f)) (City Wide)

Pursuant to Section 9.1, Sub-sections (c), (j) and (k) of the City's Procedural By-law 21-021; and, Section 239(2), Sub-sections (c), (j), and (k) of the *Ontario Municipal Act, 2001*, as amended, as the subject matter pertains to a proposed or pending acquisition or disposition of land by the municipality or local board; a trade secret or scientific, technical, commercial, or financial information that belongs to the municipality or local board and has monetary value or potential monetary value; 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.

15. ADJOURNMENT



AIRPORT SUB-COMMITTEE

MINUTES 21-001

9:30 a.m.

April 15, 2021

Council Chambers

Hamilton City Hall

71 Main Street West

Present:	Councillor L. Ferguson (Co-Chair) Mayor F. Eisenberger Councillors C. Collins, J.P. Danko, J. Partridge, E. Pauls, and M. Pearson
Regrets:	Councillor B. Johnson – Personal Councillor T. Whitehead – Leave of Absence

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

- 1. Annual Auditor's Report on the Annual Schedule of Percentage Rent Computation regarding the John C. Munro Hamilton International Airport (PED21094) (City Wide) (Item 7.1)**

(Partridge/Eisenberger)

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.

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
YES - Ward 15 Councillor Judi Partridge
NOT PRESENT - Ward 14 Councillor Terry Whitehead
YES - Ward 12 Councillor Lloyd Ferguson
NOT PRESENT - Ward 11 Councillor Brenda Johnson
YES - Ward 10 Councillor Maria Pearson

2. 2021-2022 John C. Munro Hamilton International Airport (HIA) - City of Hamilton Joint Marketing Initiatives (PED21083) (City Wide) (Item 10.1)

(Pearson/Eisenberger)

That the City of Hamilton 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.

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
YES - Ward 15 Councillor Judi Partridge
NOT PRESENT - Ward 14 Councillor Terry Whitehead
YES - Ward 12 Councillor Lloyd Ferguson
NOT PRESENT - Ward 11 Councillor Brenda Johnson
YES - Ward 10 Councillor Maria Pearson

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

(Collins/Partridge)

- (a) That the direction provided to staff in Closed Session be approved and remain confidential; and,
- (b) That Report PED19084(e), respecting the TradePort International Corporation / City Lease Negotiation Status Update and its appendices, 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
YES - Ward 15 Councillor Judi Partridge
NOT PRESENT - Ward 14 Councillor Terry Whitehead
YES - Ward 12 Councillor Lloyd Ferguson
NOT PRESENT - Ward 11 Councillor Brenda Johnson
YES - Ward 10 Councillor Maria Pearson

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

(Pearson/Collins)

- (a) That the direction provided to staff in Closed Session be approved and remain confidential; and,

- (b) That Report CM21005, respecting Real Estate and Leasing Matter related to Hamilton International Airport, 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
YES - Ward 15 Councillor Judi Partridge
NOT PRESENT - Ward 14 Councillor Terry Whitehead
YES - Ward 12 Councillor Lloyd Ferguson
NOT PRESENT - Ward 11 Councillor Brenda Johnson
YES - Ward 10 Councillor Maria Pearson

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 2)

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

(Pearson/Pauls)

That the agenda for the April 15, 2021 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
YES - Ward 15 Councillor Judi Partridge
NOT PRESENT - Ward 14 Councillor Terry Whitehead
YES - Ward 12 Councillor Lloyd Ferguson
NOT PRESENT - Ward 11 Councillor Brenda Johnson
YES - Ward 10 Councillor Maria Pearson

(b) DECLARATIONS OF INTEREST (Item 3)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 4)

(i) October 15, 2020 Minutes (Item 4.1)

(Pearson/Danko)

That the Minutes of the October 15, 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
YES - Ward 15 Councillor Judi Partridge
NOT PRESENT - Ward 14 Councillor Terry Whitehead
YES - Ward 12 Councillor Lloyd Ferguson
NOT PRESENT - 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 Year in Review (Item 8.1)

Cathie Puckering, President and CEO, John C. Munro Hamilton International Airport, addressed the Committee respecting the 2020 Year in Review, with the aid of a PowerPoint presentation. Cathie Puckering introduced Charles Duncan, President of Swoop who addressed the Committee respecting Swoop.

(Pauls/Pearson)

That the presentations from Cathie Puckering, President and CEO, John C. Munro Hamilton International Airport, respecting the 2020 Year in Review, and Charles Duncan, President of Swoop, be received.

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
YES - Ward 15 Councillor Judi Partridge
NOT PRESENT - Ward 14 Councillor Terry Whitehead
YES - Ward 12 Councillor Lloyd Ferguson
NOT PRESENT - Ward 11 Councillor Brenda Johnson
YES - Ward 10 Councillor Maria Pearson

(e) PRIVATE AND CONFIDENTIAL (Item 14)

(i) October 15, 2020 Closed Minutes (Item 14.1)

(Pearson/Danko)

- (a) That the Closed Session Minutes of the October 15, 2020 Airport Sub-Committee meeting, be approved as presented; and,
- (b) That the Closed Session Minutes of the October 15, 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
YES - Ward 15 Councillor Judi Partridge
NOT PRESENT - Ward 14 Councillor Terry Whitehead
YES - Ward 12 Councillor Lloyd Ferguson
NOT PRESENT - Ward 11 Councillor Brenda Johnson
YES - Ward 10 Councillor Maria Pearson

(Pearson/Pauls)

That Committee move into Closed Session respecting Items 14.2 and 14.3 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.

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
YES - Ward 15 Councillor Judi Partridge
NOT PRESENT - Ward 14 Councillor Terry Whitehead
YES - Ward 12 Councillor Lloyd Ferguson
NOT PRESENT - Ward 11 Councillor Brenda Johnson
YES - Ward 10 Councillor Maria Pearson

(iii) TradePort / City Lease Negotiation Status Update (PED19084(e)) (City Wide) (Item 14.2)

For further disposition of this matter, refer to Item 3.

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

For further disposition of this matter, refer to Item 4.

(f) ADJOURNMENT (Item 15)

(Pearson/Pauls)

That, there being no further business, the Airport Sub-Committee, be adjourned at 12:11 p.m.

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
YES - Ward 15 Councillor Judi Partridge
NOT PRESENT - Ward 14 Councillor Terry Whitehead
YES - Ward 12 Councillor Lloyd Ferguson
NOT PRESENT - Ward 11 Councillor Brenda Johnson
YES - Ward 10 Councillor Maria Pearson

Respectfully submitted,

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

Angela McRae
Legislative Coordinator
Office of the City Clerk

Airport Sub-Committee Meeting

February 24, 2022



YEAR IN REVIEW
2021
YEAR IN REVIEW

2021 Highlights



250,019

passengers flying to and from Hamilton International



766m kg

in total landed cargo aircraft billable weight

\$5.1m

in funding received from the Government of Canada to support COVID-19 recovery

\$83.3m

Investment in infrastructure made by TradePort and its partners



3,400+

total jobs created through Airport activity at Hamilton International¹

~90%

of passengers reported a positive Airport experience²



\$40,000+

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

TradePort International Corporation celebrated its

25th anniversary



¹ Source: Hamilton International Economic Impact Study, ICF (commissioned in 2018). Updated assessment in progress with anticipated completion date of early 2022.

² Source: 2021 Customer Satisfaction Survey results (from a total sample of ~4,000 respondents)

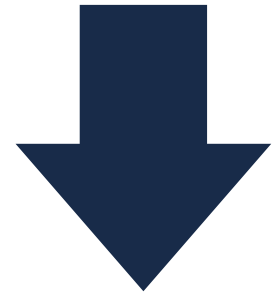
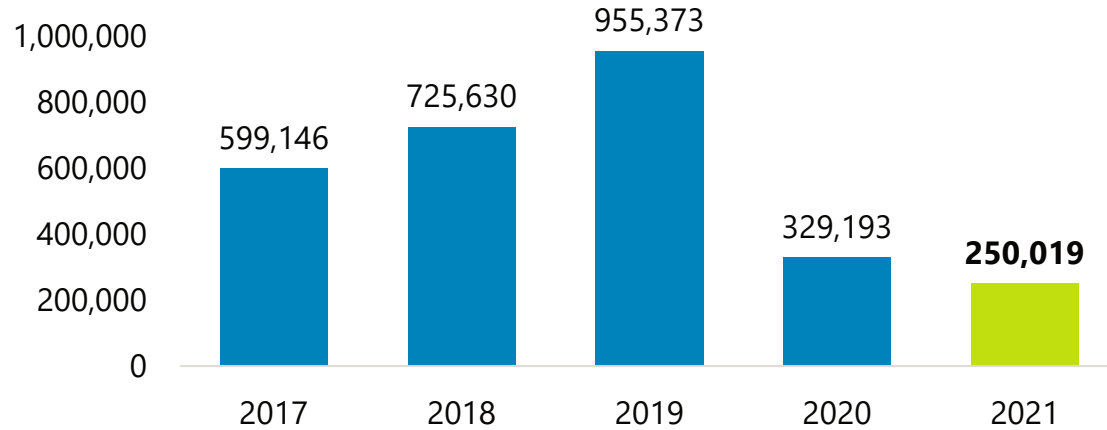
Passenger Operations

Continued impacts from COVID-19 in 2021 with signs of recovery expected in 2022



250,019

passengers flying to/from Hamilton International in 2021



-24% compared to 2020
-66% compared to 2019

- Passenger traffic at Hamilton International had an encouraging comeback in summer travel amid a drop in COVID-19 cases, increased vaccination rates, and a temporary easing of restrictions, however in total, 2021 had significant impacts due to the pandemic.
- International and transborder flights resumed at Hamilton International on November 30 as Transport Canada eased the restriction on international flight arrivals.
- The recovery of international travel continues to be hindered by extensive testing and entry requirements, especially as the Omicron variant began to fuel a surge in cases around the globe.



Passenger Operations

Destinations served from Hamilton International in 2021



- Seasonal Route
- Year-Round Route

Maps are not to scale and show approximate locations only.

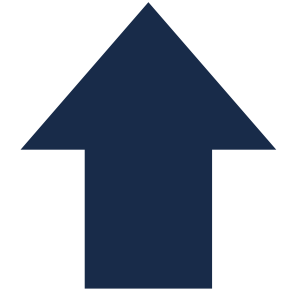
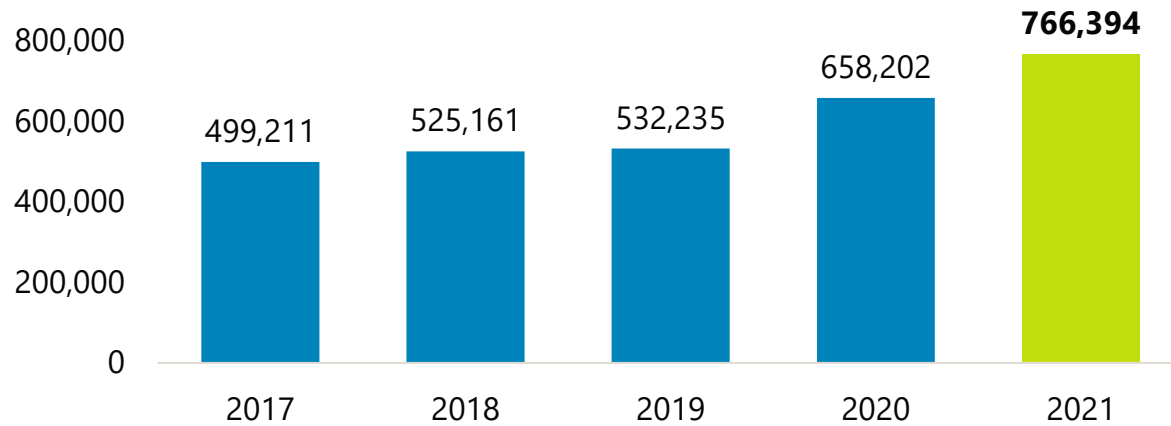
Cargo Operations

YHM is the fastest growing cargo airport in Canada as it continues to position as a gateway for facilitating goods movements across the country and around the globe



766m kg

in total landed cargo aircraft billable weight



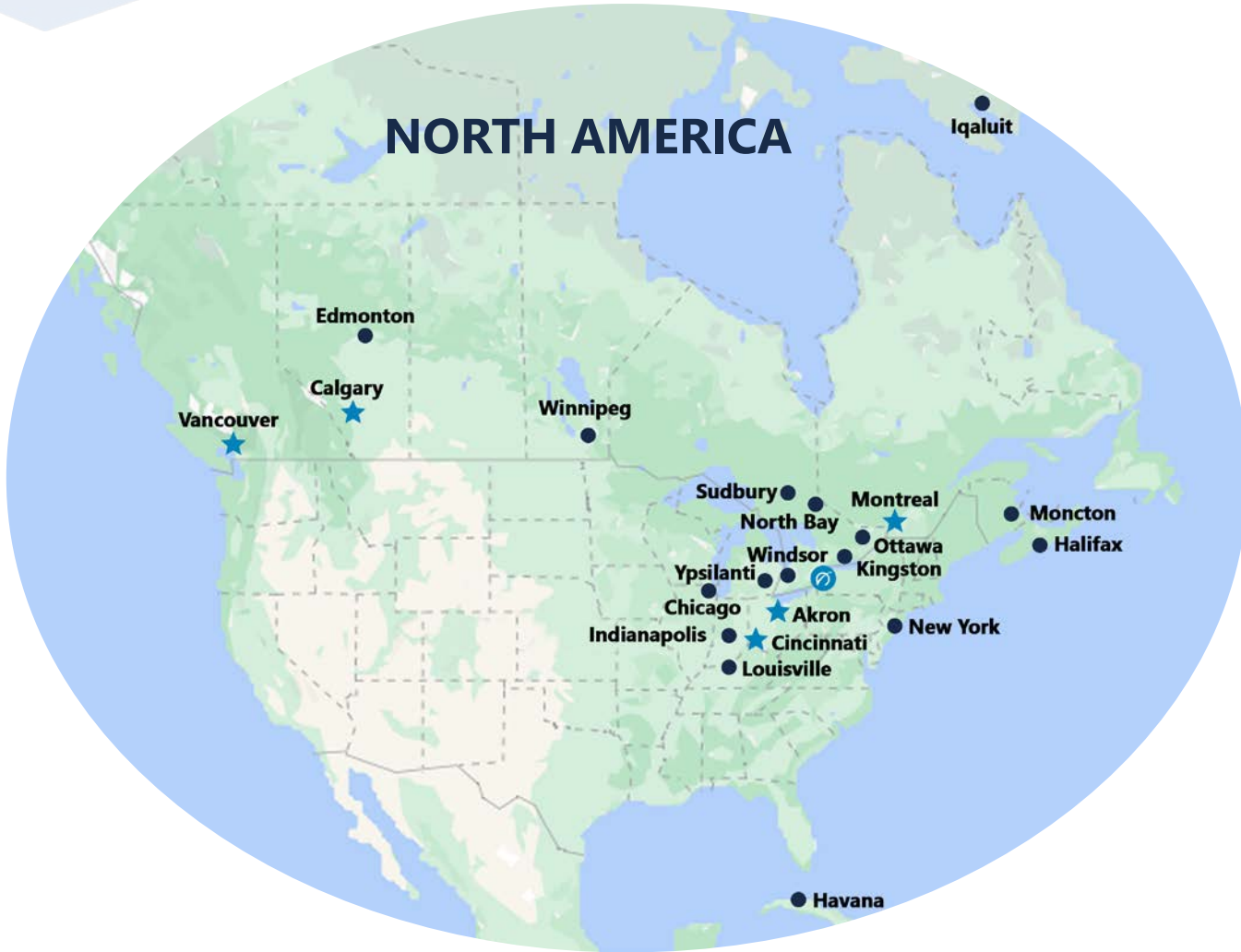
+16% compared to 2020
+44% compared to 2019

- While e-commerce was already growing at Hamilton International before worldwide lockdowns ensued, the pandemic has hastened the expected growth with greater demands on the transportation and logistics sector to support global trade and keep the supply chain moving.
- To support the significant growth of goods movement and volumes of activity at Hamilton International, a dedicated staging area for transport trucks to queue while awaiting access to the loading docks at the Cargo Centre was introduced ahead of the peak holiday shopping season, along with the opening of the new DHL facility.
- Activity in November and December continued to significantly contribute to the Airport's annual results with these two months of increased retail activity and goods movement outperforming 2020 levels by nearly 30%.



Top Cargo Routes

2021 Top 25 Cargo Routes by Movements



Top 5 Routes	
City	Annual Movements
★ Vancouver, BC	1,481
★ Cincinnati, OH	1,414
★ Akron, OH	1,290
★ Calgary, AB	1,279
★ Montreal, QC	1,059

Maps are not to scale and show approximate locations only.

International Route Expansion

Markets added by DHL and operated by Cargojet, further connecting Hamilton to the international network



East Midlands, UK
(New as of Oct 2021)
5 weekly – daily*

London, UK
5 weekly – daily*
*Daily service during peak periods



Leipzig, Germany
(New as of Jan 2022)
4 weekly

Cologne, Germany
1 weekly

Maps are not to scale and show approximate locations only.

Airport Investment and Land Development

Financial investments that focus on driving economic benefits and contributing to workforce development



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 enrolment capacity increased from 175 to 350 students
- Hamilton International was proud to see the Mohawk College Centre for Aviation Technology officially join its evolving skyline with its virtual grand opening event on February 9, 2021.



Airport Investment and AEGD Land Development

Focus on driving economic growth, job creation and financial investment

DHL Express International Gateway Facility

- Officially opened the doors to its \$110m International Gateway facility at Hamilton International on September 28
- The 238,000 square foot facility is DHL's largest gateway in Canada (by volume) and four times the size of its previous sort facility at the Airport
- Capacity to process 28,000 packages per hour
- During peak season, previously employed 225 people at its Hamilton facility with the expansion bringing approximately 150 more jobs to the area



Amazon Fulfillment Centre – YHM1

- Construction completed on new 855,000 square foot fulfillment centre in Hamilton adjacent to the Airport
- Opened in January 2022 and creating up to 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



Supporting the City's Land Development

Recent City of Hamilton Economic Development and Shared Successes



ACHIEVED



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

Supported the City's economic development plans, helping it surpass its target for adding **7m ft²** of new Industrial/Commercial space between 2016 and 2020.

2021 Operational Achievements

A culture of regulatory compliance and exceptional customer service



- 15K Work Orders Completed (13K PY)
- 50K Operations Log Entries (27K PY)

Work orders and operations log entries are what our airside and operations centre use as key performance metrics. These statistics show a significant number of tasks completed as well as Airport monitoring.



- 268 Incident Reports (343 PY)

Hamilton International's Operations Centre respond to incidents occurring at the airport. These range in severity and are dealt with on a case-by-case basis.



- 17,502 Species Encountered (35K PY)
- 35% Reduction in wildlife events

Wildlife strikes are an important monitoring tool at the Airport, and aircraft safety is our top priority. Management continue to strive for a reduction in strikes.

Key Achievements		
CBSA Layout Enhancements	High level of customer satisfaction (4.4/5)	Pass Control Improvements
Noise Monitoring Website Improvements	Transition and Implementation of new TC Regulations	Runway Rubber Removal
Off-Airport Development Protocols	New Wildlife Procedures	International Arrivals Testing Location
Regulatory Compliant	ARFF Truck Repairs / TC Notification	ERP Tabletop Exercise

COMMUNITY IMPACT



9500



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.

Carbon Footprint

- Managing carbon footprint by better understanding the Airport's usage of water, electricity and gas, the production of CO₂, as well as waste and recycling management
- Application in progress to ACI-Europe's Airport Carbon Accreditation Program which will have YHM in an industry leading program focused on airport specific goals.

Glycol Management

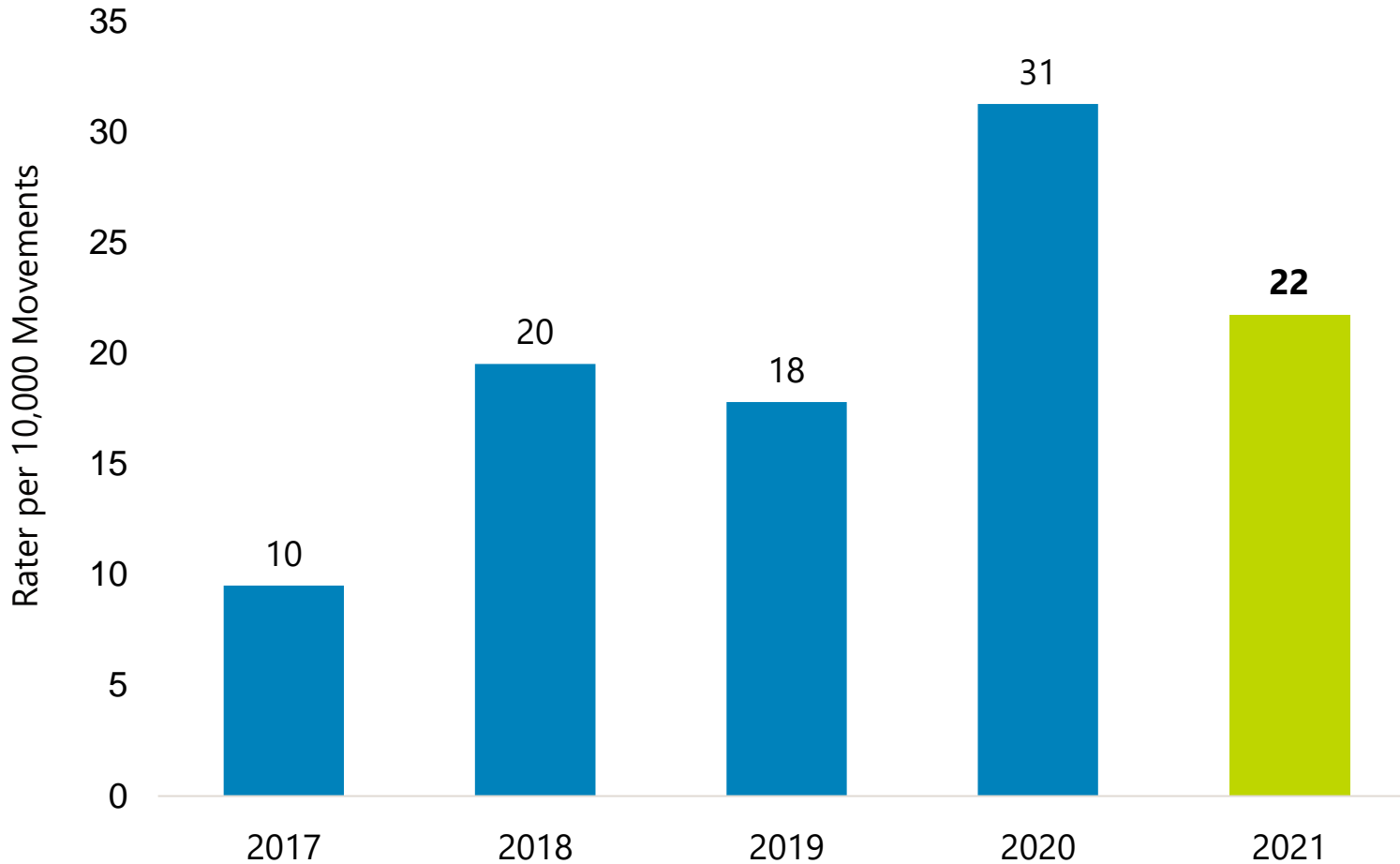
- Managing de-icing/anti-icing solutions sprayed on aircraft to remove or prevent accumulation of snow and/or ice is essential for the safe operation of aircraft during the winter season
- Improved pumping system installed to reduce flow by 42% (maximum of 15 l/s) from sanitary 1, allowing for additional city capacity at pumping station.

Key Environmental Initiatives

- Improve reliability, promote efficiency and reduce greenhouse gas emissions, implemented advanced LED lighting technology on airfield as part of runway project
- Supported Ward 11 through a corporate tree planting initiative

Noise Reporting and Monitoring

Website improvements and a new noise management plan helped decrease the impact on the community with noise complaints reducing by 29%



Decrease in noise reports in 2021 can be attributed to:

- **Completion of Runway 12-30 rehabilitation in 2020;** and
- **Reduced Helicopter Activity** due to government travel restrictions

Community Investment

Over \$40,000 of in-kind support and sponsorships contributed to community partners and events



Liberty for Youth Eagle Ridge
August 23, 2021



Ward 11 Tree Planting
October 22, 2021



Gore Park Remembrance Day Service
November 11, 2021



CityKidz Toy Drive
December 7, 2021

ECONOMIC IMPACT

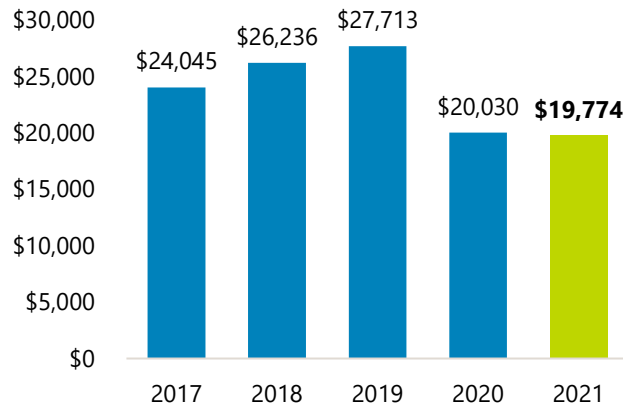


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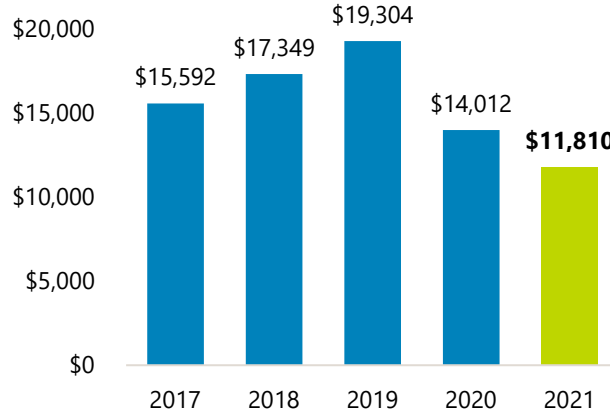
Financial Highlights

Growth in cargo operations, along with the continued focus on cost management were key drivers to reach performance targets

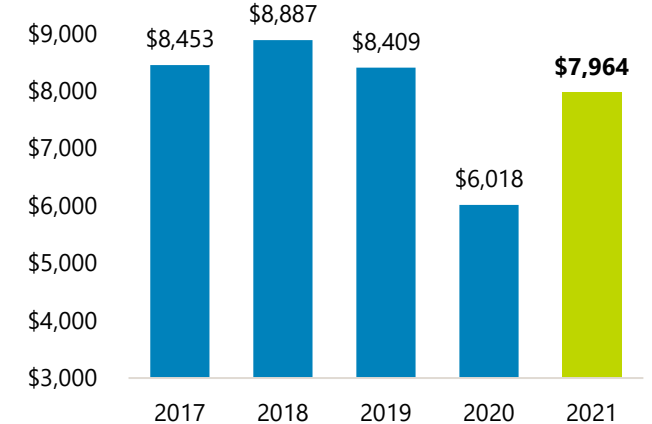
Revenue (000s)



Expenses (000s)



Revenue Over Expenses (000s)



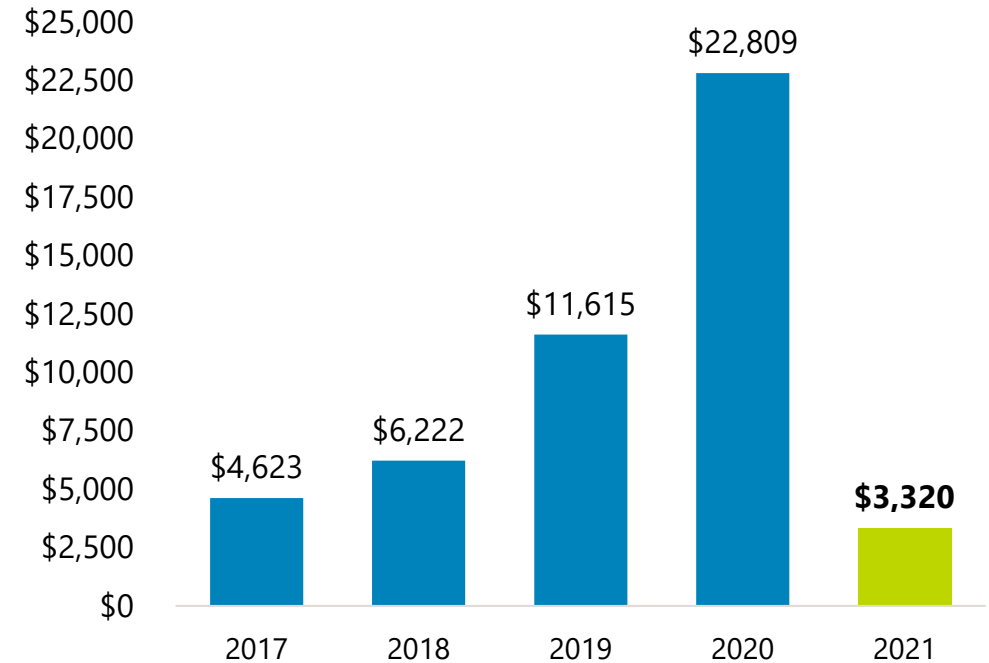
- Main revenue sources include Passenger Operations, Cargo Operations and Commercial Property Rents
- Revenues are **-1%** to prior year due to the ongoing impacts of the COVID-19 pandemic and evolving travel restrictions
- Expenses are **-27%** over prior year and included amounts incurred in the normal course of operations such as amortization, interest cost associated with long-term debt and income tax
- Total revenues over expenses are **32%** over prior year

Capital Investments

TradePort invested \$3.3 million in capital infrastructure to update, maintain and expand capacity for future growth

- Key Projects included Phase II of the Field Electrical Centre replacement, CBSA office improvements, a sanitary pump upgrade as well as planning and design work related to taxiway rehabilitation projects scheduled in 2022.
- 2019 and 2020 Increases were a result of the Runway 12-30 Rehabilitation Project.
- **Since 1996, TradePort and its business partners have invested \$411.1m in infrastructure**

Capital Investment (000s)



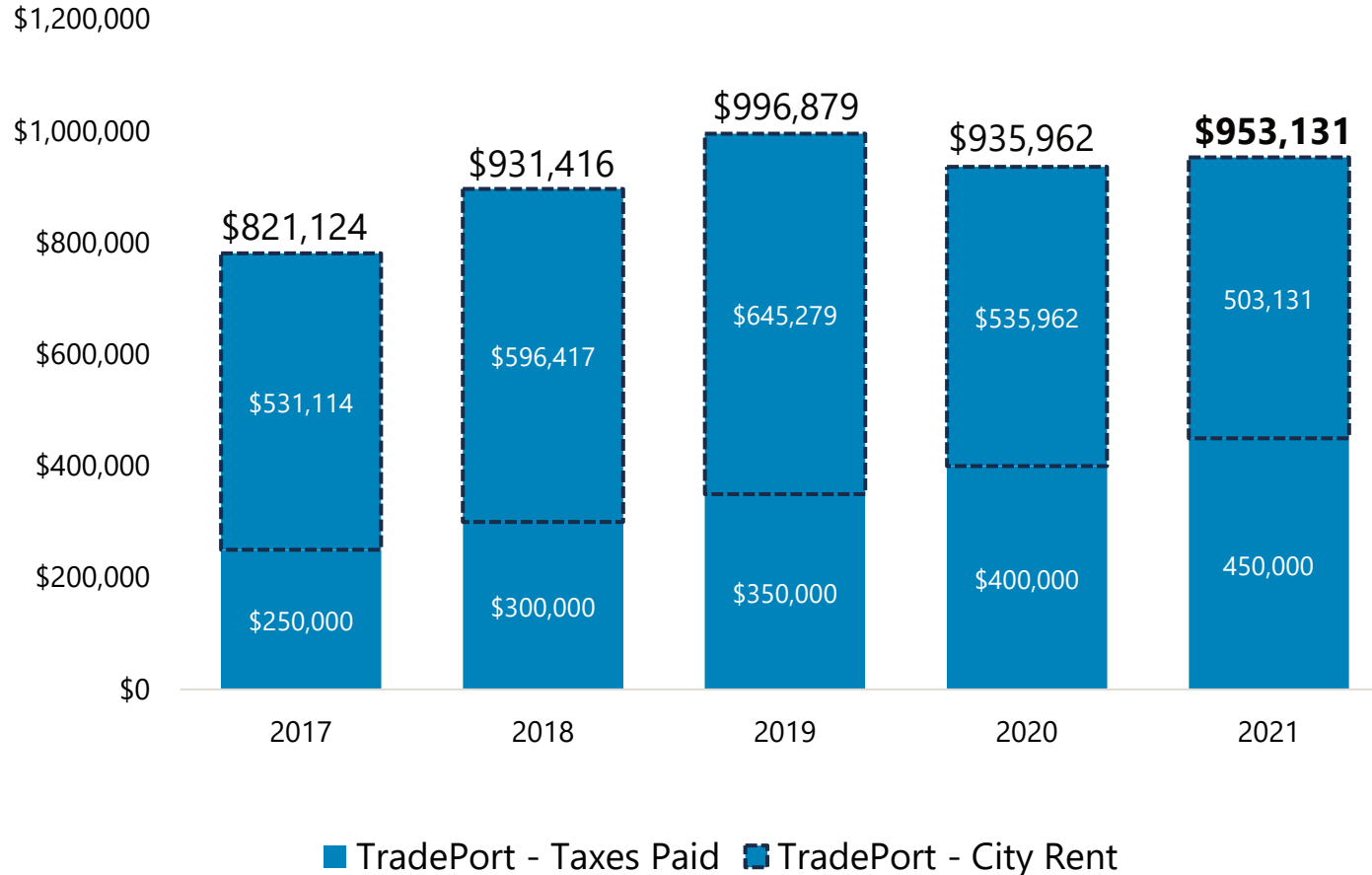
FIELD ELECTRICAL CENTER

Full replacement provides increased reliability and added capacity, powering the Airports airfield.

TradePort - Property Tax and Rent Payments

Stable returns to the City of Hamilton during the pandemic

Payments to the City

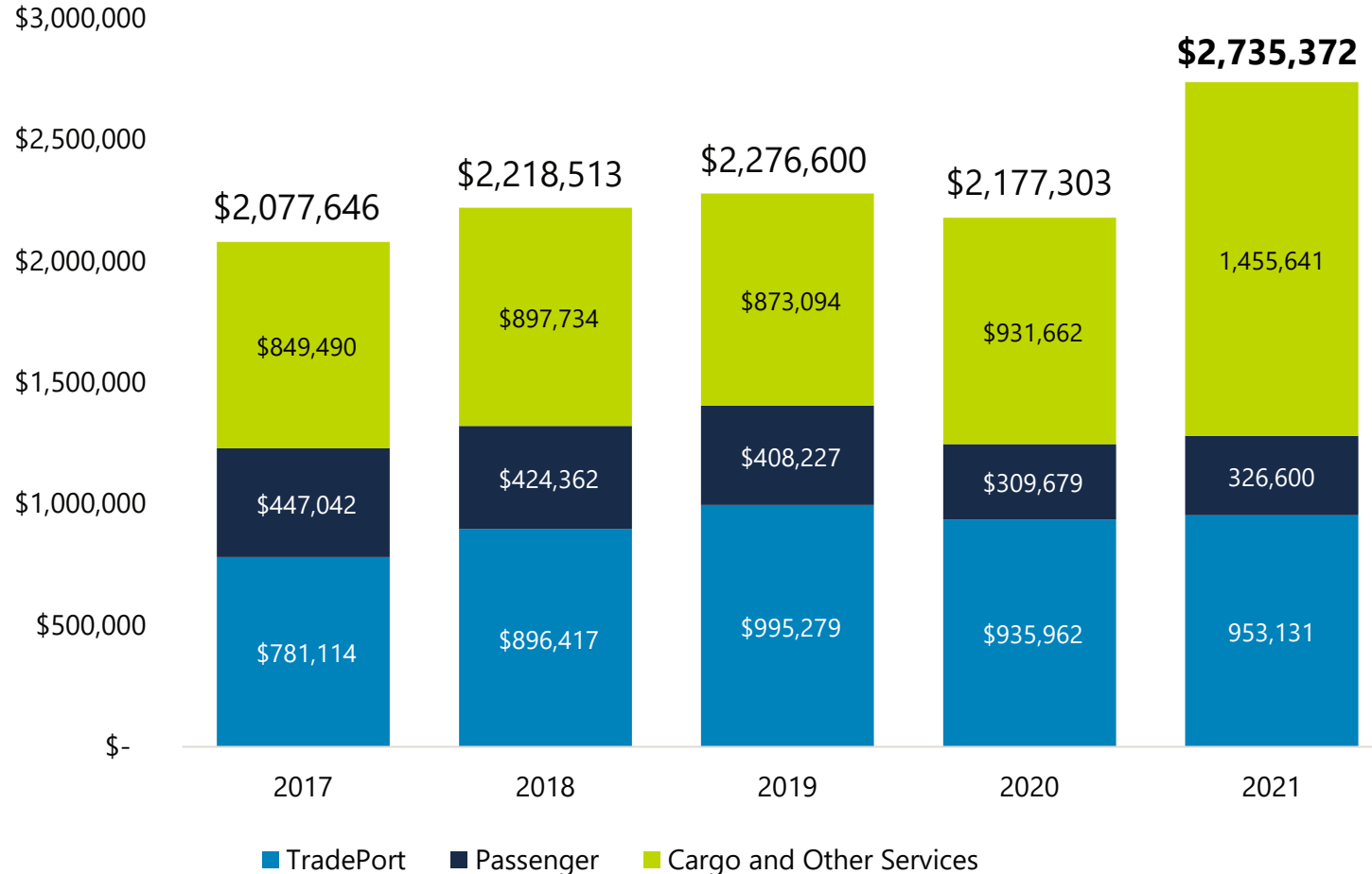


TradePort makes direct payments to the City every year.

For the year ending December 31, 2021, rent, assessment tax and other fees was **\$953k**.

TradePort and Tenants Payments

Over **\$2.7m** combined rent and property tax paid in 2021; property taxes paid directly to the City by Airport tenants, this is an increase of over **\$550k** over 2020



Increase in property taxes directly paid to the City of Hamilton by Airport tenants in "Cargo and Other Services" increased by over \$500k which can largely be attributed to Mohawk College and KF Aerospace taking occupancy of new facilities.

Since 1996, Airport properties have generated **\$28.5m in additional property tax revenue** for the City of Hamilton.

Joint Marketing Initiatives



9500

Joint Marketing Initiatives

Marketing reserve funds play an important role to support the success of commercial passenger service from Hamilton (Section 34)

- Marketing and awareness campaigns promote the destinations available from the Airport, with an added focus on new routes.
- The Airport works closely with a local agency to develop a creative platform and marketing plan.
- Several marketing mediums are used to promote the Airport, some of which include digital online, radio ads, and outdoor billboards.
- Campaigns are centered on the Hamilton area while also factoring in digital online advertising to promote inbound travel from BC, AB, MB, NS, PEI and NB.

Summer Campaign (April - June 2022)

Total Cost	\$133,000
Airport Contribution	\$ 83,000
City Contribution	\$ 50,000

Winter Campaign (September - November 2022)

Total Cost	\$143,200
Airport Contribution	\$ 93,200
City Contribution	\$ 50,000

2022 - Looking Ahead

As an **economic engine**, the Airport continues to generate positive economic impacts and jobs during a challenging climate, while it looks ahead to build on opportunities in 2022 and beyond



**Canada's largest overnight
express cargo airport**

**International gateway for
affordable travel**

As an economic engine, Hamilton International will continue to play a critical role as our region starts to recover from the challenges of the COVID-19 pandemic.

With the gradual easing of travel restrictions sparking optimism and an upsurge in passenger confidence, along with the steady growth of goods movement, Hamilton International is optimistic to see an uptick in 2022, moving the Airport closer to recovery and seizing new growth opportunities that will deliver meaningful benefits to the City of Hamilton.

John C. Munro

HAMILTON

INTERNATIONAL AIRPORT

JOHN C. MUNRO HAMILTON INTERNATIONAL AIRPORT

9300 Airport Road, Suite 2206

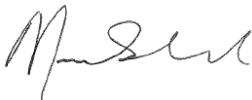
Mount Hope ON L0R 1W0

www.flyhamilton.ca





CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO:	Chair and Members Airport Sub-Committee
COMMITTEE DATE:	February 24, 2022
SUBJECT/REPORT NO:	2022 - 2023 John C. Munro Hamilton International Airport - City of Hamilton Joint Marketing Incentives (PED22063) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Norm Schleeahn (905) 546-2424 Ext. 2669
SUBMITTED BY:	Norm Schleeahn Director Economic Development Department
SIGNATURE:	

RECOMMENDATION

That the City of Hamilton approve and allocate \$100K, from the Airport Joint Marketing Reserve Fund No. 112217 as the City's contribution to the 2022-2023 John C. Munro Hamilton International Airport – City of Hamilton Joint Marketing Initiatives outlined in Report PED22063.

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 2022-2023 project year.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The Airport Joint Marketing Reserve Fund No. 112217 has a current balance of \$136,986.33. There are sufficient funds to allocate the \$100K

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: 2022 - 2023 John C. Munro Hamilton International Airport - City of Hamilton Joint Marketing Incentives (22063) (City Wide) - Page 2 of 4

recommended for the 2022-2023 Joint Marketing Initiatives in this Report.

Staffing: N/A

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

Staff was advised by Finance that there is a current balance of \$136,986.33 in the Airport Joint Marketing Reserve Fund No. 112217. Therefore, staff is requesting approval for financial support of the proposed 2022-2023 joint marketing initiatives from same.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

John C. Munro Hamilton International Airport Head Lease Agreement

RELEVANT CONSULTATION

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

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ANALYSIS AND RATIONALE FOR RECOMMENDATION

There are two campaigns core to the promotion of two distinct periods for promoting the summer season and the fall/winter season which would require \$100K, 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.

General Marketing and Awareness Campaign

To support commercial passenger service, Airport Awareness Campaigns promote the destinations available from the HIA. Two campaigns are created, one for the summer program, which begins in April and runs through to June, and another for the winter program, which begins in September and runs through to November. The HIA works closely with an agency to develop a creative platform and marketing plan. A number of marketing mediums are used to promote the HIA, some of which include digital online and radio ads, outdoor billboards. Campaigns are focused on the central Hamilton area while also factoring in digital online advertising to promote inbound travel from BC, AB, MB, NS, PEI and NB.

Timing

Summer Campaign (approximate)

- Campaign Development: March 2022
- Campaign Duration: April 2022 to June 2022

Winter Campaign (approximate)

- Campaign Development: August 2022
- Campaign Duration: September to November 2022

Estimated Cost*

Summer Campaign: Total Cost = \$133K

- Airport Contribution = \$83K
- City Contribution = \$50K

Winter Campaign: Total Cost = \$143,200

- Airport Contribution = \$93,200
- City Contribution = \$50K

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

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ALTERNATIVES FOR CONSIDERATION

N/A

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

N/A