



Hamilton

AIRPORT SUB-COMMITTEE REPORT 18-001

11:00 a.m.

Thursday, May 3, 2018

Room 830

Hamilton City Hall, 71 Main Street West

Present: Councillors L. Ferguson (Chair), C. Collins and T. Whitehead

**Absent with
Regrets:** Councillors M. Pearson (Vice Chair), and B. Johnson – Personal

THE AIRPORT SUB-COMMITTEE PRESENTS REPORT 18-001 AND RESPECTFULLY RECOMMENDS:

- 1. 2017 Annual Auditor's Report on the Annual Schedule of Percentage Rent Computation Regarding the John C. Munro Hamilton International Airport (PED18109) (City Wide) (Item 5.1)**

That Report PED18109 respecting the 2017 Annual Auditor's Report on the Annual Schedule of Percentage Rent Computation Regarding the John C. Munro Hamilton International Airport, be received for information.

- 2. 2017 Year in Review Report respecting the John C. Munro Hamilton International Airport (Item 7.1)**

That the 2017 Year in Review Report respecting the John C. Munro Hamilton International Airport, be received for information.

- 3. 2018 - 2019 John C. Munro Hamilton International Airport - City of Hamilton Joint Marketing Initiatives (PED18110) (City Wide) (Item 8.1)**

That the City of Hamilton allocate \$160,000 from the Airport Joint Marketing Reserve Fund No. 112217, as the City's contribution to the 2018-2019 John C. Munro Hamilton International Airport – City of Hamilton Joint Marketing Initiatives outlined in Report PED18110, attached hereto as Appendix "A" to Report 18-001.

4. 2018 - 2019 Capital Expenditure Request for John C. Munro Hamilton International Airport Update (PED18111) (City Wide) (Item 8.2)

That the City of Hamilton approve and allocate \$266,000 from the Municipal Capital Expenditures Reserve Fund No. 108043 for the 2018 - 2019 Capital Expenditure Request for John C. Munro Hamilton International Airport in Report PED18111, attached hereto as Appendix "B" to Report 18-001.

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 1)

The Clerk advised of the following change to the agenda:

7. PRESENTATIONS

7.1 Cathie Puckering, President and CEO, John C. Munro Hamilton International Airport - 2017 Year in Review Report respecting the John C. Munro Hamilton International Airport

That Item 7.1 be moved up on the agenda to be addressed immediately follow Item 3.1.

The Agenda for the May 3, 2018 meeting of the Airport Sub-Committee was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

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

(i) November 9, 2017 (Item 3.1)

The Minutes of the November 9, 2017 meeting of the Airport Sub-Committee were approved, as presented.

(d) PRESENTATIONS (Item 7)

- (i) Cathie Puckering, President and CEO, John C. Munro Hamilton International Airport - 2017 Year in Review Report respecting the John C. Munro Hamilton International Airport (Item 7.1)**

Cathie Puckering, President and CEO of John C. Munro Hamilton International Airport, addressed the Committee respecting the 2017 Year in Review Report for the John C. Munro Hamilton International Airport, with the aid of a presentation.

The presentation from Cathie Puckering, President and CEO of John C. Munro Hamilton International Airport, respecting the 2017 Year in Review Report for the John C. Munro Hamilton International Airport, was received.

A copy of the presentation is available at www.hamilton.ca.

For disposition of this matter, refer to Item 2.

(f) PRIVATE AND CONFIDENTIAL (Item 12)

- (i) Closed Session Minutes – November 9, 2017 (Item 12.1)**

- (a) The Closed Session Minutes of the November 9, 2017 Airport Sub-Committee, were approved as presented; and
- (b) The Closed Session Minutes of the November 9, 2017 Airport Sub-Committee, remain confidential.

(g) ADJOURNMENT (Item 13)

There being no further business, the Airport Sub-Committee was adjourned at 12:28 p.m.

Respectfully submitted,

Councillor L. Ferguson, Chair
Airport Sub-Committee

Angela McRae
Legislative Coordinator
Office of the City Clerk



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Growth Management Division

TO:	Chair and Members Airport Sub-Committee
COMMITTEE DATE:	May 3, 2018
SUBJECT/REPORT NO:	2018-2019 John C. Munro Hamilton International Airport - City of Hamilton Joint Marketing Initiatives (PED18110) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Guy Paparella (905) 546-2424 Ext. 5807
SUBMITTED BY:	Tony Sergi Senior Director, Growth Management Division Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

That the City of Hamilton allocates \$160,000 from the Airport Joint Marketing Reserve Fund No. 112217 as the City's contribution to the 2018-2019 John C. Munro Hamilton International Airport – City of Hamilton Joint Marketing Initiatives outlined in Report PED18110.

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 four projects for the 2018-2019 project year.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: As of December 31, 2017, there was a balance of \$239,428 in the Airport Joint Marketing Reserve Fund No. 112217. There are more than sufficient funds to allocate the \$160,000 recommended for the 2018-2019 Joint Marketing Initiatives in this Report.

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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.

On December 31, 2017, staff was advised by Finance that there was \$239,428 in the Airport Joint Marketing Reserve Fund No. 112217. Therefore, staff is requesting approval for financial support of the proposed 2018-2019 joint marketing initiatives from same. Future requests for the remaining marketing reserve funds will be forthcoming to Council for approval.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

- John C. Munro Hamilton International Airport Head Lease Agreement; and,
- Corporate Strategic Plan 2016-2025.

RELEVANT CONSULTATION

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

- TradePort International Corporation.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

1. Marketing & Communication Awareness Campaign:

UPDATE: To support commercial passenger service, Airport Awareness Campaigns which promote the destinations available from the Airport were executed. Two campaigns were created, one for the spring / summer program, which began in April and runs through to September, and another for the winter program, which began in October and runs through to March (times are approximate). The Airport worked closely with an agency to develop a creative platform and marketing plan; several marketing mediums were used to promote the Airport throughout the 2016 summer and 2016 / 2017 winter programs, including: digital (online), radio and transit shelter ads, as well as outdoor billboards. Campaigns were focused on the central Hamilton region and extend into surrounding cities, including: Burlington, Niagara and Brantford.

TIMING:

- Summer Campaign (approximate)
 - Campaign Development: February 2016
 - Campaign Duration: April 2016 to September 2016
- Winter Campaign (approximate)
 - Campaign Development: August 2016
 - Campaign Duration: October 2016 to March 2017

COST:

- Summer Campaign: Total Cost = \$295,633
 - Airport Contribution = \$245,633
 - City Contribution = was \$50,000
- Winter Campaign: Total Cost = \$298,097
 - Airport Contribution = \$248,097
 - City Contribution = was \$50,000

AGENCY: Lakestreet Communications

In 2013, HIA selected Lakestreet Communications as the agency to partner with on marketing and communication activities. The partnership with Lakestreet has been successful for both parties and continues for the 2018 year.

This project meets in part the City's obligations as joint marketing initiatives defined in Section 34 of the Head Lease Agreement to promote economic growth and development for the HIA. A total of \$100,000 is being requested by TIC for the City's consideration. This project has been approved for the last five years. TIC has advised

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that should the total cost of this project increase beyond the estimated cost, the City contribution would not be affected.

2. Strategic Marketing and Economic Growth Initiatives:

BRIEF OVERVIEW: TIC intends to retain third party partners to assist with studies that will help drive decisions toward continued strategic planning and growth for the Hamilton International Airport (HIA). Planning for the next five to ten years, these proposed studies will help HIA take strategic steps to support its overall marketing and business attraction, strengthen airline partnerships, and continue to develop HIA land for future growth.

a) Economic Impact Study: The HIA has engaged ICF, a global professional, technology and marketing services firm to assist with the compilation of an Economic Impact Study and analysis. Engagement with ICF will commence in 2018 and will deliver a report that captures the key findings of the impact study, including per-tonnage and per-passenger multipliers that can be used by the HIA for projecting future impacts. The report will include a discussion of methodology and an appendix of detailed findings. Additionally, ICF will compare HIA's direct and total employment to regional metrics, such as the Top 10 Employers.

b) WestJet / Swoop Headquarters Location Engagement: TIC has engaged KPMG, LLP to assist with the compilation of a bid proposal for Swoop Airline, the new ultra-low-cost airline of WestJet. Swoop will commence air service June 20, 2018 and has narrowed its search for a head office location to Hamilton, Abbotsford or Calgary. The engagement for services will include preparation of financial proposals for headquarter options and coordination of the production of a promotional video for John C. Munro Hamilton International Airport. Existing footage from City of Hamilton promotional videos will be utilized to emphasize the value of the City of Hamilton to Swoop employees and to outline the economic benefit to the region. By the end of 2019 the carrier plans to provide 750 local jobs that include 150 administrative staff located in the headquarters office and 600 operational staff to serve its fleet of aircraft.

c) Traffic Forecast/Strategic Planning: TIC has engaged ICF, a global professional, technology and marketing services firm to assist with the compilation of a traffic forecast and strategic plan. Consultation commenced in 2018 and ICF will deliver a report that includes: a market assessment and review of the Greater Toronto catchment area; a summary of long-term trends in the Canadian air transport market and its impact on the Greater Toronto area airports, in particular HIA; a summary of potential opportunities to grow the traffic base at HIA; a qualitative and quantitative assessment of potential impacts of various scenarios that could negatively impact traffic for a period of time at HIA; and forecast results,

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assumptions and methodology for the base case and all scenarios. ICF will also prepare and deliver a 25-year forecast through 2041, including passengers, aircraft movements, and cargo tonnage.

ESTIMATED COST: TIC is requesting that the City authorize the use of the Joint Marketing Initiatives Fund and contribute 50% or \$60,000 for 2018-2019 engagement costs, TIC will also contribute 50% or \$60,000.

- **Economic Impact Study:** \$50,000 (City Contribution - \$25,000; TIC Contribution \$25,000);*
- **WestJet / Swoop Head Quarters Location Engagement:** \$20,000 (City Contribution - \$10,000; TIC Contribution \$10,000); and,*
- **Traffic Forecast/Strategic Planning:** \$50,000 (City Contribution - \$25,000; TIC Contribution \$25,000).*

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

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.

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

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Hamilton

CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Growth Management Division

TO:	Chair and Members Airport Sub-Committee
COMMITTEE DATE:	May 3, 2018
SUBJECT/REPORT NO:	2018 - 2019 Capital Expenditure Request for John C. Munro Hamilton International Airport Update (PED18111) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Guy Paparella (905) 546-2424 Ext. 5807
SUBMITTED BY:	Tony Sergi Senior Director, Growth Management Division Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

That the City of Hamilton approve and allocate \$266,000 from the Municipal Capital Expenditures Reserve Fund No. 108043 for the 2018 - 2019 Capital Expenditure Request for John C. Munro Hamilton International Airport in Report PED 18111.

EXECUTIVE SUMMARY

In accordance with Section 34 of the John C. Munro Hamilton International Airport (HIA) Head Lease Agreement between the City and TradePort International Corporation (TIC), the City is obliged to allocate funds to the HIA for certain capital expenditures for municipally-related services, as necessary. TIC has requested \$266,000 for the 2018-2019 project year.

Alternatives for Consideration – Not Applicable**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: As of December 31, 2017, there is \$443,595 in the Municipal Capital Expenditures Reserve Fund No. 108043. There are sufficient funds to allocate the \$266,000 being requested for the projects outlined in Report PED18111.

Staffing: N/A

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Legal: Approval of the subject capital expenditures helps fulfil one of the City's obligations under the Head Lease Agreement with TIC.

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.

In 2014, City Council approved Report PED14082, the expenditure of \$275,000 from the Airport Capital Expenditure Reserve Fund for the purpose of installing Water Back-Flow Prevention Valves in accordance with the City's new By-law No. 10-103. In 2015, City Council approved Report PED15047, the expenditure of \$328,000 from the Airport Capital Expenditure Reserve Fund for the purpose of installing a Storm Water Management Facility at the HIA. This Report outlines project updates and additional project funding requests.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

- John C. Munro Hamilton International Airport Head Lease Agreement; and,
- 2016-2025 Corporate Strategic Plan.

RELEVANT CONSULTATION

- TradePort International Corporation (TIC); and,
- Corporate Services Department, Financial Planning and Policy.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The following capital project expenditures are being requested by TIC for the 2018-2019 project year:

a) Creek Flow Meters:

BRIEF OVERVIEW: As the operator of John C. Munro Hamilton International Airport, TradePort is required to measure water quantity throughput at major creeks attached to Airport property as per the Environmental Compliance Certificate held with the Ministry of the Environment.

Current Airport equipment is at the end of its useful life, causing increased maintenance and poor quantity readings from the creeks.

The objective of this request is to replace current flow meters and upgrade current software to improve current quantity reporting processes.

The benefits of such an initiative would be to increase accuracy of water output records from Airport lands, allowing the Airport to accurately monitor discharges.

TradePort is currently obtaining quotes from Envirosystems Inc., Hoskin Scientific or Tradewind Scientific to install four (4) upgraded creek flow meters for all major creeks which connect from Airport lands into local water tables as well as upgrading current monitoring software. By upgrading flow meters, it will provide an accurate quantity of water that is discharged from Airport lands, including all pond or tank discharges to sanitary as per the agreement with the MOECC.

TIMING: Summer 2018

ESTIMATED COST: The expected cost for the creek flow meters is approximately \$40,000 (\$40,000 City contribution and \$0 TradePort contribution) and it is expected that TradePort will be unable to generate sufficient revenues from existing and future Airport occupants to recover the capital costs associated with the project for these municipal services.

b) Sanitary Sewer Flow Meters:

BRIEF OVERVIEW: As the operator of John C. Munro Hamilton International Airport, TradePort has committed to provide a first-class facility for all stakeholders. This includes having appropriate infrastructure to maintain and monitor sanitary water discharge from Airport lands to City of Hamilton infrastructure. As per current overstrength agreements, the Airport is allowed to discharge water held in ponds or underground tanks into the City of Hamilton's sanitary sewer system.

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All Airport lands require sanitary sewer connections to the City of Hamilton infrastructure; however, current water discharge into the City's sanitary sewer system is estimated and does not provide an accurate means of measuring water output from Airport lands.

The main objective is to find a solution to measure water output from Airport lands into the City of Hamilton sanitary sewer system using cost effective monitoring equipment.

The benefits of the initiative would be to increase accuracy of water output records from Airport lands, allowing the Airport to accurately monitor discharge as well as increase accuracy of billings from the City of Hamilton.

TradePort is currently obtaining quotes from TBD, WSP or W.M. Groves to install three (3) sanitary flow meters for all sanitary lines which connect from Airport lands into City of Hamilton infrastructure. Note that this does not include the Canadian Warplane Heritage Museum's sanitary sewer system as the Airport is not responsible for this sanitary sewer line. By installing sanitary flow meters, it will provide an accurate quantity of water that is discharged from Airport lands, including all pond or tank discharges to sanitary as per the overstrength agreement.

TIMING: Summer 2018

ESTIMATED COST: The expected cost for the sanitary sewer flow meters is approximately \$50,000 (\$50,000 City contribution and \$0 TradePort contribution) and it is expected that TradePort will be unable to generate sufficient revenues from existing and future Airport occupants to recover the capital costs associated with the project for these municipal services.

c) Storm Water Management Facility:

BRIEF OVERVIEW: In 2015, City Council approved Report PED15047, the expenditure of \$328,000 from the Airport Capital Expenditure Reserve Fund for the purpose of installing a Storm Water Management Facility at the HIA. In 2015-2016, TIC continued with the detailed design work and fabrication of its storm water management facility (Project). The Project is intended to provide sustainable on-site treatment of collected water, provide for discharge to natural bodies of water with adherence to permitted discharge standards and reduce large volumes of water to the City sewer system.

TIC and its consultant Stewart Environmental, LLC met with delays during tendering for the fabrication of the Project. In November 2015 HOAD, Inc. was awarded the fabrication contract and the fabrication of the Project commenced in the Spring of 2016.

UPDATE: In late 2016, TradePort determined that its contractors, Sustainable Water Technologies, Stewart Environmental Consultants, LLC and HOAD, Inc. would be

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unable to complete the fabrication of its storm water management facility (Project). The Project had encountered many delays and the vendor failed to deliver a system within the agreed to terms. The Project was to provide sustainable on-site treatment of collected water, provide for discharge to natural bodies of water with adherence to permitted discharge standards and reduce large volumes of water to the City sewer system. In 2017, TradePort obtained external consultation on potential solutions for the Airport with the intent to issue a Request for Proposal (RFP). The report was received in early 2018 which identified different technologies TradePort could use for the RFP process, with this cost not being shared with the City of Hamilton.

NEXT STEPS: In 2018, TradePort will retender for the selection of a new contractor for the storm water management facility solution, with implementation planned for 2019. This tendering process is to be managed by an environmental consultant being engaged in 2018.

TIMING: RFP process during summer 2018, with installation schedule based on received proposals but planned for 2019.

ESTIMATED COST: The expected total cost for the storm water management facility is currently undetermined. However, the City of Hamilton has committed \$328,000 in 2015 that has not been drawn. TradePort is requesting an additional \$50,000 from the City for consultancy costs to support the RFP and project management components of the initiative.

The cost for the Project to the City of Hamilton remains at a new total of \$378,000.

d) PFOS Workplan Request:

BACKGROUND: In 2011, Hamilton International Airport (HIA) was identified as having **Perfluorooctane Sulfonate (PFOS)** contaminated land in a fire training area. This was a result of aqueous film-forming foam (AFFF) used by Transport Canada during its regional fire-fighting training programs prior to the Airport being transferred to the Region (now the City) and being operated by TradePort International Corporation (TradePort).

TradePort has continued to engage in discussions with all levels of government, on a without prejudice basis, to develop a remediation plan for the site to mitigate any adverse off-site impacts. Containment actions were implemented in 2011 to protect surface water movement of PFOS at the Airport and this was effectively monitored until 2015. The City of Hamilton previously approved funding for this project in the amount of \$40,000 towards study work and containment efforts in 2011, on a cost sharing basis with the Airport and without prejudice to the rights of the City and HIA, for the initial risk assessment and report for the purpose of PFOS related remediation.

In 2015, Transport Canada officials committed to proceed with a risk assessment to review off-site PFOS contamination. It will fully fund the risk assessment off-site, on a without prejudice basis, and will engage with the City of Hamilton and HIA when the results are complete in late 2018 / early 2019.

The Provincial Ministry of the Environment and Climate Change (MOECC) understands that the Airport situation was created through the federal government's use of Airport lands prior to the transfer of ownership and management and MOECC will work with Transport Canada and HIA toward a solution that will be beneficial to the environment. TradePort has always taken the position that it is not responsible for the situation but that it will partner, on a without prejudice basis, with all concerned to assess the issue, as a starting point.

ISSUE: The MOECC recently requested that TradePort engage a "Qualified Person", being a person with that designation under the legislation, to monitor onsite PFOS and to provide a workplan by April 30, 2018. This engagement will specify containment and monitoring activities to prevent further surface water discharges of PFOS contamination and to provide an annual report on monitoring activities. This request for monitoring activities is for the unforeseen future.

NEXT STEPS: In 2018, TradePort engaged Dillon Consulting, an environmental consultant, to evaluate and report on monitoring activities, to provide risk management reporting and to develop a work plan to satisfy the recent MOECC request. The consultant will develop and prepare a work plan for the Airport for its submission to the MOECC and it will advise on the most effective and efficient options for the Airport and its owner, the City of Hamilton.

ESTIMATED COST: HIA is requesting that the City authorize the use of the Capital Reserve Fund and contribute \$98,000 for 2018-2019 costs on a without prejudice basis to the rights of the City of Hamilton and Hamilton International Airport Limited and TradePort International Corporation.

Costs are estimated as follows:

- Consultant cost and a qualified person to deliver the risk management report, work plan and response to the MOECC is \$6,000;
- Current and continued government relations and public relations initiatives with all levels of government are \$70,000 (\$48,000 paid in 2017 and \$24,000 expected for 2018);
- Ongoing monitoring and reporting is expected to be \$12,000 per annum; and,
- Storage containerization of PFOS materials is \$8,000 in fixed costs.

e) Mount Hope Community Investment Fund:

At the November 3, 2017 Airport Sub-Committee, there was some informal discussion initiated by Councillor Brenda Johnson about a form of corporate financial contribution by TIC to the Mount Hope community since the HIA has such a significant influence on the area residents. This financial contribution would be made available for community projects such as parks or community centres and other community related initiatives to benefit the residents of Mount Hope. This discussion was taken as direction to City staff and TIC to propose ideas.

As such, TIC has suggested the formulation of a Mount Hope Community Investment Fund which would be funded annually from the Airport Capital Expenditure Reserve Fund. The initial contribution is suggested to be \$30,000. In addition, City staff are suggesting 5% of the Annual Percentage Rent allocated to the Airport Capital Expenditure Reserve Fund be dedicated to the newly formulated Mount Hope Community Investment Fund. Therefore, as an example, if the Annual Percentage Rent paid to the City by TIC is \$600,000, \$150,000 would be allocated to the Airport Capital Expenditure Reserve Fund as per the Head Lease, and \$7,500 would then be dedicated to the Mount Hope Community Investment Fund. This is an item which will be part of the City's proposal for the Lease negotiations later this year.

The grand total of all capital expenditure requests above is \$266,000 for the project year 2018-2019. As there are sufficient funds in the dedicated Reserve Fund and all projects improve and protect the infrastructure assets of the City-owned airport, staff is recommending approval of TIC's requested funding.

ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

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