



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Growth Management Division

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| TO: | Chair and Members Airport Sub-Committee |
| COMMITTEE DATE: | March 29, 2019 |
| SUBJECT/REPORT NO: | 2019-2020 John C. Munro Hamilton International Airport (HIA) - City of Hamilton Joint Marketing Initiatives (PED19086) (City Wide) |
| WARD(S) AFFECTED: | City Wide |
| PREPARED BY: | Guy Paparella (905) 546-2424 Ext. 5807 |
| SUBMITTED BY: | Tony Sergi Senior Director of Growth Management Planning and Economic Development Department |
| SIGNATURE: | |

RECOMMENDATION

That the City of Hamilton approve and allocate \$100,000 from the Airport Joint Marketing Reserve Fund No. 112217 as the City's contribution to the 2019-2020 John C. Munro Hamilton International Airport (HIA) – City of Hamilton Joint Marketing Initiatives outlined in Report PED19086.

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 2019-2020 project year.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: As of December 31, 2018, there was \$380,664 in the Airport Joint Marketing Reserve Fund No. 112217. There are more than sufficient funds to allocate the \$100,000 recommended for the 2019-2020 Joint Marketing Initiatives in this Report.

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.

Staffing: Not Applicable

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, 2018, staff was advised by Finance Division that there was \$380,664 in the Airport Joint Marketing Reserve Fund No. 112217. Therefore, staff is requesting approval for financial support of the proposed 2019-2020 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; and,
- TradePort International Corporation (TIC).

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ANALYSIS AND RATIONALE FOR RECOMMENDATION

There is only one project totaling \$100,000, for the City's consideration as Joint Marketing Initiatives as defined in Section 34 of the Head Lease Agreement to promote economic growth and development for the HIA. TIC or the City have not yet awarded any project listed, consultants have not been retained, and costing amounts are estimates only. TIC has advised that should the total cost of any project increase beyond the estimated cost, the City contribution would not be affected.

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 September, and another for the winter program, which begins in October and runs through to March. 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 online, television and radio ads, outdoor billboards and bus shelters. Campaigns are focused on the central Hamilton area, but may extend to surrounding cities such as Burlington, Brantford and Niagara Region.

Timing

Summer Campaign (approximate):

Campaign Development: March 2019
Campaign Duration: April 2019 to September 2019

Winter Campaign (approximate):

Campaign Development: September 2019
Campaign Duration: October 2019 to March 2020

Estimated Cost*

Summer Campaign:

Total Cost = \$300,000
Airport Contribution = \$250,000
City Contribution = was \$50,000

Winter Campaign:

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| Total Cost | = \$250,000 |
| Airport Contribution | = \$200,000 |
| City Contribution | = \$50,000 |

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

ALTERNATIVES FOR CONSIDERATION

Not Applicable

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

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

Built Environment and Infrastructure

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

APPENDICES AND SCHEDULES ATTACHED

Not Applicable

GP/acs/sd