



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Growth Management Division

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

RECOMMENDATION

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

EXECUTIVE SUMMARY

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

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: As of December 31, 2019, there was a balance of \$284,370 in the Airport Joint Marketing Reserve Fund No. 112217. There are more than sufficient funds to allocate the \$55,000 recommended for the 2020-2021 Joint Marketing Initiatives in Report PED20180.

Staffing: Not Applicable

Legal: Approval of the Joint Marketing Initiatives fulfils one of the City's obligations under Section 34 of the Head Lease Agreement with TIC for the HIA.

HISTORICAL BACKGROUND

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

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

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

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

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

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

RELEVANT CONSULTATION

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

- TradePort International Corporation (TIC).

ANALYSIS AND RATIONALE FOR RECOMMENDATION

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

Project: John C. Munro Hamilton International Airport Land Use Plan Update

Basis of Funding Request:

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

Background and Proponent:

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

Scope:

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

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.

Timeline

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

Cost

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

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

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

ALTERNATIVES FOR CONSIDERATION

Not Applicable

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

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

Built Environment and Infrastructure

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

APPENDICES AND SCHEDULES ATTACHED

Not Applicable

GP/as