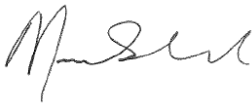




CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

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

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)

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.

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