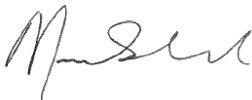




**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
Economic Development Division

<b>TO:</b>	Chair and Members Airport Sub-Committee
<b>COMMITTEE DATE:</b>	April 27, 2023
<b>SUBJECT/REPORT NO:</b>	2023 - 2024 John C. Munro Hamilton International Airport - City of Hamilton Joint Marketing Incentives (PED23121) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Norm Schleeahn (905) 546-2424 Ext. 2669
<b>SUBMITTED BY:</b>	Norm Schleeahn Director, Economic Development Planning and Economic Development Department
<b>SIGNATURE:</b>	

### 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 2023-2024 John C. Munro Hamilton International Airport – City of Hamilton Joint Marketing Initiatives outlined in Report PED23121.

### 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 2023-2024 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 \$276,220.11. There are sufficient funds to allocate the \$100K

recommended for the 2023-2024 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 \$276,220.11 in the Airport Joint Marketing Reserve Fund No. 112217. Therefore, staff is requesting approval for financial support of the proposed 2023-2024 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 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**

Airport Marketing Awareness Campaigns supporting commercial passenger service by promoting destinations for travel to and from the Hamilton International Airport (HIA). In 2023, two overall campaigns will be executed, one focused on the summer travel program that runs from April through July, and the winter program that runs from September through November. The HIA works with a local advertising agency to develop creative campaigns and execute those campaigns across a variety of marketing mediums, including but not limited to digital ads, radio programming, website, social media, onsite activations, and outdoor placements. The 2023 campaign will continue to target audiences in the central Hamilton area and surrounding region for outbound travel, while also leveraging the capabilities of digital and online assets to promote in-bound travel from across Canada, including BC, AB, NS, along with other provincial jurisdictions based on route availabilities.

### **Timing**

#### *Summer Campaign (dates approximate)*

- Campaign Development: March/April 2023
- Campaign Execution: April to July 2023

#### *Winter Campaign (dates approximate)*

- Campaign Development: August 2023
- Campaign Execution: September to November 2023

### **Estimate Cost\***

Summer Campaign Total Cost: \$127,314

- Airport Contribution: \$77,314
- City Contribution: \$50,000

Winter Campaign Total Cost: \$128,110

- Airport Contribution: \$78,110
- City Contribution: \$50,000

*\*Should total costs 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