



Hamilton

A G E N D A
AIRPORT SUB-COMMITTEE

March 9, 2017, 9:30 a.m.
Room 264, Hamilton City Hall, 71 Main Street West

1. CHANGES TO THE AGENDA

2. DECLARATIONS OF INTEREST

3. APPROVAL OF MINUTES OF PREVIOUS MEETING

3.1 March 23, 2015

4. DELEGATION REQUESTS

4.1 Maurice-Michael Hannah, Protium Metals Inc., respecting the Economic Growth of the John C. Munro International Airport (For March 9, 2017)

5. CONSENT ITEMS

5.1 Annual Auditor's Report on the Annual Schedule of Percentage Rent Computation regarding the John C. Munro Hamilton International Airport (2015) (PED16213) (City Wide)

6. DELEGATIONS

7. PRESENTATIONS

7.1 2015 Year in Review Report Presentation, Vijay Bathija, President and CEO, John C. Munro Hamilton International Airport (to be distributed)

7.2 2016 Year in Review Report Presentation, Vijay Bathija, President and CEO, John C. Munro Hamilton International Airport (to be distributed)

8. DISCUSSION ITEMS

- 8.1 2015-2016 Capital Expenditure Request for John C. Munro Hamilton International Airport Update (PED16212) (City Wide)
- 8.2 Addendum to the 2015-2016 Capital Expenditure Request for John C. Munro Hamilton International Airport Update (PED16212(a)) (City Wide)
- 8.3 2015-2016 John C. Munro Hamilton International Airport - City of Hamilton Joint Marketing Initiatives Update (PED16217) (City Wide)
- 8.4 2016-2017 John C. Munro Hamilton International Airport – City of Hamilton Joint Marketing Initiatives (PED16211) (City Wide)

9. MOTIONS

10. NOTICES OF MOTION

11. GENERAL INFORMATION/OTHER BUSINESS

12. ADJOURNMENT



Hamilton

AIRPORT SUB-COMMITTEE MINUTES 15-001

2:00 p.m.
Monday, March 23, 2015
Room 193
Hamilton City Hall
71 Main Street West

Present: Councillors T. Whitehead (Co-Chair), M. Pearson (Co-Chair), C. Collins

**Absent with
Regrets:** Councillor B. Johnson, L. Ferguson

THE FOLLOWING ITEMS WERE REPORTED TO THE GENERAL ISSUES COMMITTEE FOR CONSIDERATION:

A. SELECTION OF CHAIR

(Collins/Whitehead)

That Councillor L. Ferguson be appointed as Chair of the Airport Sub-Committee for the 2014 – 2018 term of Hamilton City Council.

CARRIED

(Collins/Pearson)

That Councillor M. Pearson be appointed as Vice Chair of the Airport Sub-Committee for the 2014 – 2018 term of Hamilton City Council.

CARRIED

1. 2014 Capital Expenditure Request for John C. Munro Hamilton International Airport (HIA) Update (PED14082(a)) (City Wide) (Item 6.1)

(Pearson/Collins)

That Report PED14082(a) respecting 2014 Capital Expenditure Request for John C. Munro Hamilton International Airport (HIA) Update, be received.

CARRIED

- 2. 2014-2015 John C. Munro Hamilton International Airport (HIA) - City of Hamilton Joint Marketing Initiatives Update (PED14083(a)) (City Wide) (Item 6.2)**

(Collins/Pearson)

That Report PED14083(a) respecting 2014-2015 John C. Munro Hamilton International Airport (HIA) - City of Hamilton Joint Marketing Initiatives Update, be received.

CARRIED

- 3 2015-2016 John C. Munro Hamilton International Airport (HIA) - City of Hamilton Joint Marketing Initiatives (PED15046) (City Wide) (Item 6.3)**

(Pearson/Collins)

That the City of Hamilton allocate approximately \$182,500 from the Airport Joint Marketing Reserve Fund as the City's contribution to the 2015-2016 John C. Munro Hamilton International Airport (HIA) – City of Hamilton Joint Marketing Initiatives outlined in Report PED15046.

CARRIED

- 4. 2015-2016 Capital Expenditure Request for the John C. Munro Hamilton International Airport (HIA) (PED15047) (City Wide) (Item 6.4)**

(Pearson/Collins)

That the City of Hamilton allocate approximately \$328,000 from the Airport Capital Expenditures for Municipal Services Reserve Fund to install a Storm Water Management Facility at the John C. Munro Hamilton International Airport (HIA) as outlined in Report PED15047.

CARRIED

FOR THE INFORMATION OF THE COMMITTEE:

- (a) CHANGES TO THE AGENDA (Item 1)**

(Pearson/Collins)

That the agenda be approved, as presented.

CARRIED

- (b) DECLARATIONS OF INTEREST (Item 2)**

There were no declarations of interest.

(c) MINUTES (Item 3)

(i) April 11, 2014 (Item 3.1)

(Collins/Pearson)

That the Minutes of the April 11, 2014 meeting of the Airport Sub-Committee be approved, as presented.

CARRIED

(d) CONSENT ITEMS (Item 4)

(i) John C. Munro Hamilton International Airport Supplemental Information to the Year in Review Summary – December 2014 (Item 4.1)

(Collins/Pearson)

That the John C. Munro Hamilton International Airport Supplemental Information to the Year in Review Summary – December 2014, be received.

CARRIED

(e) PRESENTATIONS (Item 5)

(i) Year in Review Presentation –Mr. Frank Scremin, President and CEO, John C. Munro Hamilton International Airport (no copy) (Item 5.1)

Mr. Scremin, President and CEO of John C. Munro Hamilton International Airport, gave a presentation to the Committee. A copy of the presentation was retained by the Clerk.

Mr. Scremin presentation touched upon the following:

- 2014 Highlights
- Infrastructure
 - growth, and renovations
- Financial Investments
- Air Service
 - Cargo and passenger traffic
- Local Economy
 - City Revenue: Taxes & Rent
- Airline Competition
- Decision Making Power
- Service Feeds Major Hubs
- Opportunity for Service
- Passenger Opportunities

The Committee ask questions of Mr. Scremin respecting air passenger traffic, the addition of a second runway, and the possibilities of developing stronger transit links with the Airport.

(Collins/Pearson)

That the presentation by Frank Scremin, President and CEO, John C. Munro Hamilton International Airport, respecting 2014 Year in Review, be received.

CARRIED

(Collins/Pearson)

That the Hamilton Street Railway (HSR) and the Planning and Economic Development Division contact TradePort International Corporation, respecting public transit initiatives with the John C. Monroe Hamilton International Airport.

CARRIED

(ii) Cargojet Presentation- Mr. Jamie Porteous, Executive Vice President (no copy) (Item 5.2)

Mr. Jamie Porteous, Executive Vice President of Cargojet gave a presentation to the Committee. A copy of the presentation was retained by the Clerk.

Mr. Porteous gave an overview of Cargojet's business plans and operations at the Hamilton International Airport. The presentation focused on the relationship that Cargojet shares with Hamilton International Airport including:

- Capital investments
- Employment numbers
- Flights & cargo capacity for 2015

(Collins/Pearson)

That the presentation by Jamie Porteous, Executive Vice President of Cargojet, be received.

CARRIED

(f) DISCUSSION ITEMS (Item 6)

(i) 2015-2016 John C. Munro Hamilton International Airport (HIA) - City of Hamilton Joint Marketing Initiatives (PED15046) (City Wide) (Item 6.3)

The Committee discussed the need for continued marketing initiatives within Hamilton and in the surrounding areas.

Please see item 3 for disposition.

**(ii) 2015-2016 Capital Expenditure Request for the John C. Munro
Hamilton International Airport (HIA) (PED15047) (City Wide) (Item 6.4)**

The Committee discussed the need and costs associated with the development of a storm water management facility to treat aircraft de-icing fluid and tarmac run-off.

Please see item 4 for disposition.

(g) ADJOURNMENT (Item 9)

(Pearson/Collins)

That, there being no further business, the Airport Sub-Committee meeting, be adjourned at 3:45 p.m.

CARRIED

Respectfully submitted,

Councillor T. Whitehead, Co-Chair
Airport Sub-Committee

Christopher Newman
Legislative Coordinator
Office of the City Clerk

Form: Request to Speak to Committee of Council

Submitted on Tuesday, December 6, 2016 - 2:01pm

==Committee Requested==

Committee: Advisory/Sub-Committee

Name of Sub-Committee: Hamilton Airport Sub-Committee

==Requestor Information==

Name of Individual: Maurice-michael Hannah

Name of Organization: Protium Metals Inc

Contact Number: ()

Email Address:

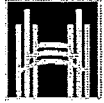
Mailing Address:

Reason(s) for delegation request:

To review Hamilton Airport's projected plans for economic growth over the next 5, 10, 20, 50 and 100 years, To ensure that effective methods for attaining the targeted economic growth have been determined, To ensure that such methods do indeed provide an effective stimulus for Hamilton Airport to produce the expected economic growth for the City of Hamilton and To ensure that the Airport's targeted economic growth will produce the financial recovery of the related infrastructure costs and optimize the city's expected financial return for its budget.


Will you be requesting funds from the City? No

Will you be submitting a formal presentation? No



Hamilton

CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Growth Management Division

TO:	Chair and Members Airport Sub-Committee
COMMITTEE DATE:	November 3, 2016
SUBJECT/REPORT NO:	Annual Auditor's Report on the Annual Schedule of Percentage Rent Computation Regarding the John C. Munro Hamilton International Airport (PED16213) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Guy Paparella (905) 546-2424 Ext. 5807
SUBMITTED BY:	Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

That Report PED16213 respecting the Annual Auditor's Report on the Annual Schedule of Percentage Rent Computation regarding the John C. Munro Hamilton International Airport be received for information.

EXECUTIVE SUMMARY

The City's external Auditor, KPMG, has been authorized by Council to conduct an audit on the annual percentage rent computation in the Lease Agreement with TradePort International Corporation (TIC) for the operation of the John C. Munro Hamilton International Airport (HIA). The Auditor conducted the audit and review in accordance with the standards of the Canadian Institute of Chartered Accountants. It is the Auditor's opinion that as of December 31, 2015, TIC was in compliance with the criteria established by the relevant sections of the Lease Agreement for the annual percentage rent computation. The annual total rent paid to the City of Hamilton in 2015 was \$362,766.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: N/A

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.

SUBJECT: Annual Auditor's Report on the Annual Schedule of Percentage Rent Computation Regarding the John C. Munro Hamilton International Airport (PED16213) (City Wide) - Page 2 of 3

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

KPMG, the City's Auditor, has been retained to conduct the annual audit of TIC including the Annual Rent Payments to the City of Hamilton. The work commenced upon completion of the 2015 year-end financial statements of TIC in the first quarter of 2015. The audit and review is now complete and the final report is attached (see Appendix "A" to Report PED16213) for the consideration of the Airport Sub-Committee and Council, and for further direction, if necessary.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Head Lease between the City of Hamilton and TradePort International Corporation

RELEVANT CONSULTATION

TradePort International Corporation

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Staff has reviewed the Terms of Reference for the work conducted by KPMG. Staff is of the opinion that the Auditor has completed the task in accordance with our view of what is contained in the Terms of Reference, the Lease Agreement and the direction of the Airport Sub-Committee and Council.

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.

SUBJECT: Annual Auditor's Report on the Annual Schedule of Percentage Rent Computation Regarding the John C. Munro Hamilton International Airport (PED16213) (City Wide) - Page 3 of 3

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

Appendix "A" to Report PED16213 – KPMG Statement of Rent – TradePort International Corporation for the twelve months ended December 31, 2015.

GP/acs

Statement of Rent

**TRADEPORT
INTERNATIONAL
CORPORATION**

For the twelve months ended December 31, 2015



KPMG LLP
Box 976
21 King Street West Suite 700
Hamilton ON L8N 3R1

Telephone (905) 523-8200
Telefax (905) 523-2222
www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Directors of TradePort International Corporation

We have audited the accompanying financial information of TradePort International Corporation (the "Company"), which comprises the Company's calculations of gross revenue, base revenue, ground rent and percentage rent for the twelve months ended December 31, 2015 (the "financial information"). The financial information has been prepared by management of the Company based on the airport lease agreement dated July 19, 1996 between the Company and the City of Hamilton.

Management's Responsibility for the Financial Information

Management is responsible for the preparation of the financial information in accordance with the airport lease agreement dated July 19, 1996 between the Company and the City of Hamilton, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial information based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial information of TradePort International Corporation for the year ended December 31, 2015 is prepared, in all material respects, in accordance with the airport lease agreement dated July 19, 1996 between the Company and the City of Hamilton.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to the certification of the financial information, which describes the basis of accounting. The financial information is prepared to assist the Company to comply with the airport lease agreement dated July 19, 1996 between the Company and the City of Hamilton referred to above. As a result, the financial information may not be suitable for another purpose. Our report is intended solely for TradePort International Corporation and the City of Hamilton and should not be distributed to or used by parties other than TradePort International Corporation or the City of Hamilton.

KPMG LLP


Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
April 19, 2016



Hamilton

CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Growth Management Division

TO:	Chair and Members Airport Sub-Committee
COMMITTEE DATE:	November 3, 2016
SUBJECT/REPORT NO:	2015 - 2016 Capital Expenditure Request for John C. Munro Hamilton International Airport Update (PED16212) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Guy Paparella (905) 546-2424 Ext. 5807
SUBMITTED BY:	Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

That the 2015 - 2016 Capital Expenditure Request for John C. Munro Hamilton International Airport Update be received.

EXECUTIVE SUMMARY

In 2014, City Council approved 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 the expenditure of \$328,000 from the Airport Capital Reserve Fund for the purpose of installing a Storm Water Management Facility at the John C. Munro Hamilton International Airport (HIA). This Report outlines progress and updates for these projects.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: N/A

Staffing: N/A

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OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

Legal: N/A

HISTORICAL BACKGROUND

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 progress and updated for these projects.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

TradePort International Corporation (TIC)

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Water Back-Flow Prevention

In early 2014, TIC retained Waterbridge Environmental Solutions to undertake the detailed design of the water back-flow prevention system requirements at the HIA. The system was designed to comply with the City's new By-law No. 10-103 allowing for the appropriate isolation valves on all watermains servicing the HIA property. The estimated cost of the project was \$275,000.

The project was tendered and only one submission was received which exceeded the estimated project cost by 20%. The submission was consequently rejected. A second tender in September 2014 received no submissions.

In late 2014, TIC reviewed the entire tender process and recommended a broader base of bidders from Hamilton, Niagara, London and Halton to be distributed. Another tender in early 2015 was conducted which attracted more submissions on budget.

Submissions were received and reviewed with a commencement date of May 2015. Substantial completion of the project was achieved on December 19, 2015. The estimated project cost remained unchanged at \$275,000 for the City of Hamilton.

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Storm Water Management Facility

In 2015, TIC continued with the detailed design work and fabrication of its storm water management facility (Project). The Project will 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.

The Project is expected to be complete and ready for operation for the 2016 / 2017 winter season.

The cost for the Project to the City of Hamilton remains at \$328,000. Due to the significant expense for this Project, TIC is not requesting a 2016 – 2017 Capital Expenditure.

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

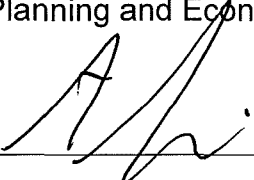
Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

GP/acs



Hamilton

INFORMATION REPORT

TO:	Chair and Members Airport Sub-Committee
COMMITTEE DATE:	March 9, 2017
SUBJECT/REPORT NO:	Addendum to 2015-2016 Capital Expenditure Request for John C. Munro Hamilton International Airport Update (PED16212(a)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Guy Paparella (905) 546-2424 Ext. 5807
SUBMITTED BY:	Tony Sergi Senior Director, Growth Management Planning and Economic Development Department
SIGNATURE:	

Municipal Services Initiatives – 2016/2017 Storm Water Management Facility

Update:

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

Next Steps:

In 2017, TradePort will retender for the selection of a replacement environmental consultant to evaluate options for the treatment of storm water at the Airport. The consultant will advise on the most effective and efficient treatment option for the Airport and its owner, the City of Hamilton. Vantage Airport Group has been engaged to assist in the tendering and selection of the preferred bidder.

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SUBJECT: Addendum to 2015-2016 Capital Expenditure Request for John C. Munro Hamilton International Airport Update (PED16212(a)) (City Wide) - Page 2 of 2

Timing:

Management is confident that following the selection of a qualified and local consultant and fabricator, that a solution for the Airport's storm water treatment will be implemented prior to the expiry of the Ministry of Environment's Certificate of Approval issued in 2016.

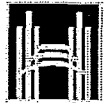
Interim Measures:

TradePort will continue using the current procedures to ensure compliance with the Sewer Use By-law through regular testing prior to discharge. Additional flushing of the sanitary sewer lines will continue and will be monitored for effectiveness, and increased, if required. Vented covers are being installed on site to reduce gasses in the sanitary sewer lines. The City has been discussing the issue with individual homeowners as complaints surface, and have been successful at explaining homeowner's responsibilities with private plumbing. Additionally, smoke testing was conducted by the City that identified a number of properties on Airport Road that have private plumbing issues, and notices were sent. Smoke testing will occur again on Homestead Drive, and the City and TradePort will provide information to the community regarding the management of sanitary discharges from the Airport.

Estimated Cost:

The City of Hamilton previously approved funding in the amount of \$328,000 towards the cost of the Project (City of Hamilton Capital Expenditure Fund) and no funds have been advanced to date. The cost for the preliminary work with the original providers has been incurred by the Airport. When an alternate solution is chosen, TradePort will provide the City of Hamilton with an update for its consideration of Capital Municipal Fund contribution for the Project.


GP:as



Hamilton

CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Growth Management Division

8.3

TO:	Chair and Members Airport Sub-Committee
COMMITTEE DATE:	November 3, 2016
SUBJECT/REPORT NO:	2015 - 2016 John C. Munro Hamilton International Airport - City of Hamilton Joint Marketing Initiatives Update (PED16217) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Guy Paparella (905) 546-2424 Ext. 5807
SUBMITTED BY:	Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

That the 2015 - 2016 John C. Munro Hamilton International Airport - City of Hamilton Joint Marketing Initiatives Update be received.

EXECUTIVE SUMMARY

In 2015, City Council approved six Joint Marketing Initiatives to be completed. This Report outlines a summary of each project which has been completed.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: N/A

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

In 2015, City Council approved six Joint Marketing Initiatives to be completed at a total cost of \$182,000 including:

1. General Marketing and Airport Awareness Campaign;
2. Customer Appreciation Program;
3. Airport Employment Growth District (AEGD) / Airport Marketing and Communications Campaign;
4. Regional Travel Agent Visits and Engagement;
5. Search Engine Optimization; and,
6. Increased Marketing and Communication Awareness Budget as a Result of New Service Announcement to Calgary.

This Report outlines a summary of each project which has been completed.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

TradePort International Corporation (TIC)

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The following information updates are provided for each of the six projects approved last year in report PED15046.

1. General Marketing and Airport Awareness Campaign

Update

Tradeport International Corporation (TIC) executed two campaigns, aligned with its summer and winter seasonal service. Through both campaigns, TIC worked with Lakestreet Communications based on past experience, the firm's strength in media buying and close relationships with a local design agency. TIC launched the summer marketing campaign in April 2015 and the winter marketing campaign in October 2015. Both campaigns featured a combination of paid for marketing mediums including: outdoor billboards, online and radio ads. These activities were further complimented by social and traditional media and promotion via the John C. Munro Hamilton International Airport (HIA) website and microsite.

Timing and Financial Contribution

Summer Campaign Duration - April 2015 to September 2015
City Contribution - \$45,000 as approved

Winter Campaign Duration - October 2015 to March 2016
City Contribution - \$40,000 as approved

2. Customer Appreciation Program

Update

TIC has held Customer Appreciation Events to thank its passengers for choosing to fly from Hamilton. During these events Airport surveys were also administered to understand passenger demographics, overall Airport experience and gain insight into desired destinations. This information will be used to improve the existing Airport facilities / infrastructure, better focus marketing efforts and develop new air service activities.

Timing and Financial Contribution

Year round
City Contribution - \$5,000 as approved

3. AEGD / Airport Marketing and Communications Campaign

Update

With the AEGD boundary being finalized it is critical to begin marketing the area in order to develop the lands. A key benefit in marketing the area is promoting the infrastructure surrounding the AEGD, including HIA. In keeping with our partnership with HIA, it is essential that we work together in promoting both the lands for development as well as the HIA itself. Considering the size and scope of the project, it is essential to provide the most accurate and up to date information possible. In order to promote this project to investors, whether local or international, we must be able to provide information relevant to the individual investor at various stages.

After careful consideration of the scope, the size and the volume of information, and being cognizant of costs, it would be most efficient and economical to purchase the necessary software; ArcGIS for Server (Enterprise System) and produce marketing materials in-house. ArcGIS Server Software will be purchased

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in Q1 of 2017. Purchasing the software allows the City to create numerous customized marketing tools in-house rather than obtaining a third party who would bill each customized tool at a substantially higher cost. These marketing tools and materials would be web based, easy to use, mobile friendly products that would also allow for analytic data to be produced. Products would include mobile applications, interactive web based maps, interactive web based search tools, and interactive web based presentations. These applications could be expanded to the whole of the City on the Invest in Hamilton website.

Timing and Financial Contribution

ArcGIS Server Software to be purchased Q1 2017
City Contribution - \$20,000 as approved

4. Regional Travel Agent Visits

Update

Throughout 2015 and 2016, TIC executed visits to approximately 50 agencies in the region to provide information on the HIA and upcoming services. Promotional items and print materials were provided during the visits.

Timing and Financial Contribution

Regional Agent Visits - Q2, Q3, and Q4
City Contribution - \$2,500 as approved

5. Search Engine Optimization

Update

Throughout 2015 and 2016, TIC ran regular search engine optimization programs to ensure the HIA website appeared high on search engine result searches. Imagination Plus managed this program on behalf of TIC.

Timing and Financial Contribution

Year round
City Contribution - \$7,500 as approved.

6. Increased Marketing and Communication Awareness Budget as a Result of New Service Announcement to Calgary

Update

Additional marketing activities had been planned in light of Air Canada's recent announcement of daily service to Calgary. The Airport had initiated spending of these funds before it was advised by Air Canada service would be deferred. The majority of these funds were cancelled, however due to timing a small value of these funds could not be recovered.

Timing and Financial Contribution

Summer

Proposed City Contribution - \$42,500

Winter

Proposed City Contribution - \$20,000

Actual City Contribution - \$6,000 (summer and winter combined)

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.

GP/acs



Hamilton

CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Growth Management Division

Table with 2 columns: Field Name and Content. Fields include TO, COMMITTEE DATE, SUBJECT/REPORT NO, WARD(S) AFFECTED, PREPARED BY, SUBMITTED BY, and SIGNATURE.

RECOMMENDATION

That the City of Hamilton allocate \$100,000 from the Airport Joint Marketing Reserve Fund No. 112217 as the City's contribution to the 2016-2017 John C. Munro Hamilton International Airport - City of Hamilton Joint Marketing Initiatives outlined in Report PED16211.

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 2016-2017 project year.

Alternatives for Consideration - Not Applicable

FINANCIAL - STAFFING - LEGAL IMPLICATIONS

Financial: As of August 31, 2016, there was \$193,066 in the Airport Joint Marketing Reserve Fund No. 112217. There are more than sufficient funds to allocate the \$100,000 recommended for the 2016-2017 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.

On August 31, 2016, staff was advised by Finance that there was \$193,066 in the Airport Joint Marketing Reserve Fund No. 112217. Therefore, staff is requesting approval for financial support of the proposed 2016-2017 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

RELEVANT CONSULTATION

Planning and Economic Development Department, Economic Development Division
Corporate Services Department, Finance and Administration Section
TradePort International Corporation

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: February 2016

Campaign Duration: April 2016 to September 2016

Winter Campaign (approximate)

Campaign Development: August 2016

Campaign Duration: October 2016 to March 2017

Estimated Cost*

Summer Campaign: Total Cost = \$300,000

Airport Contribution = \$250,000

City Contribution = was \$50,000

Winter Campaign: Total Cost = \$250,000

Airport Contribution = \$200,000

City Contribution = \$50,000

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

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.

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.

GP/acs