Present: Chair L. Ferguson, Vice-Chair M. Pearson  
Councillors B. Johnson, T. Whitehead  

Absent with regrets: Councillor C. Collins – Vacation  

Also Present: R. Male, Acting Treasurer/Director of Financial Services  
T. Sergi, Senior Director of Growth Management  
G. Paparella, Director of Growth Planning  
S. Renshaw, Business Development Consultant  
R. Sabo, Assistant City Solicitor  
J. Spiler, Manager, Capital Budgets and Development  
R. Koroscil, President CEO; C. Puckering, Director of Finance; F. Scremin, Director of Operations, Hamilton International Airport  
A. Grozelle, Legislative Assistant City Clerk’s Office  

THE AIRPORT IMPLEMENTATION TASK FORCE PRESENTS REPORT 11-001 AND RESPECTFULLY RECOMMENDS:  

1. Appointment of Chair and Vice Chair  
   (a) That Councillor Lloyd Ferguson be appointed Chair of the Airport Implementation Task Force for the 2010-2014 term of Council.  
   (b) That Councillor Maria Pearson be appointed Vice Chair of the Airport Implementation Task Force for the 2010-2014 term of Council.
2. **2011-2012 Hamilton International Airport – Hamilton Economic Development Joint Marketing Initiatives (PED11123) (City Wide) (Item 4.1)**

   (a) That $37,050 be allocated as the City’s portion for the 2011-2012 Hamilton International Airport – Hamilton Economic Development joint marketing initiatives.

   (b) That the $37,050 be funded from the Airport Joint Marketing Reserve Fund.


   (a) That the Grant Thornton, Independent Auditors Report on the Annual Schedule of Percentage Rent Computation, be received.

   (b) That staff be directed to report back to the Airport Implementation Task Force with further details on the Annual Schedule of Percentage Rent Computation.

4. **HI Business Survey Report (Wards 11 and 12) (PED 11055) (Added as Item 4.3)**

   That report PED11055 respecting the HI Business Survey, be received.

5. **Reporting Requirements for Hamilton International Airport (December 2010) (Item 5.1)**

   That the reporting requirements for Hamilton International Airport submitted for the six-month period ending December 2010, be received.

6. **Hamilton International Airport 2010 Master Plan Update (Item 5.2)**

   (a) That update respecting the Hamilton International Airport 2010 Master Plan, be received.

   (b) That the Mayor be directed to write to the Honorable Denis Lebel, Minister of Transportation, Infrastructure and Communities, requesting the Ministry be more proactive in taking advantage of already existing airport locations, such as Hamilton International Airport, prior to development and construction of a Pickering airport.
7. City Acquisition of 9879 Airport Road, Hamilton from 1059481 Ontario Limited (George Chuvalo), Described as Part 1, Plan 62R-18409, (PED11121) (Ward 9) (Item 6.1) (Confidential Report Distributed under Separate Cover, Appendix A of Report 11-001)

(a) That an Option to Purchase, executed by 1059481 Ontario Limited (George Chuvalo), scheduled to close on or before August 15, 2011 to purchase the land described as Part of Lot 1, Concession 5, in the former Township of Glanford, now in the City of Hamilton, more particularly described as all of PIN No. 17400-0005(LT), known municipally as 9879 Airport Road, Hamilton, shown on Appendix “A” attached to Report PED11121 be approved and completed at fair market value and charged to Account No. 59259-3620504502;

(b) That the financial details of the acquisition outlined in Appendix “B” attached to Report PED11121, remain confidential until final disposition by Council and the completion of the transaction, and the balance of Report PED11121 remain confidential and not be released as a public document;

(c) That upon approval of the purchase of 9879 Airport Road, the Director of Fleet and Facilities be authorized and directed to take all necessary steps for the demolition of the subject buildings, and that the cost for the demolition and any additional ancillary expenses be charged to Account No. 3620504502;

(d) That Legal Services be authorized to pay the Land Transfer Tax in advance of registering the transfer deed;

(e) That the property remains in the ownership of the City and not vested with the Hamilton International Airport at this time;

(f) That as consideration, the amount of $2.00 paid to the owner pursuant to the agreement, be deducted from the purchase price;

(g) That the Mayor and Clerk be authorized and directed to execute all necessary documents in a form satisfactory to the City Solicitor.

**FOR THE INFORMATION OF THE COMMITTEE:**

(a) **CHANGES TO THE AGENDA**

The Clerk advised of that at the request of staff Items 4.2 and 4.3 would be heard prior to Item 4.1

The agenda was proved, as amended.
(b) DECLARATIONS OF INTEREST (Item 2)

None

(c) Minutes (Item 3)

Clerks Report – June 2, 2011

The Clerks Report of June 2, 2011 was received.

(d) PRESENTATIONS (Item 4)

(i) 2011-2012 Hamilton International Airport – Hamilton Economic Development Joint Marketing Initiatives (PED11123) (City Wide)(Item 4.1)

Sylvia Renshaw, Business Development Consultant provided an overview on the respecting the Joint Marketing Initiatives. Highlights included but were not limited to the following:

- Discussed the joint Marketing initiatives proposed
- Indicate that they are looking to target cargo traffic from South America coming to North America
- Discussed the proposal to update the website
- Indicated that they would move forward to promote passenger traffic
- Indicated that the $37,050 funding commitment by the City would be matched by same amount from Tradeport International

Committee members asked questions of staff highlights included but were not limited to the following:

- Councillor Johnson asked how much money that would leave in the marketing account
- Staff indicated that around $50,000 would be left in the account

- Councillor Johnson asked what consultations they staff and Tradeport had with tourism Hamilton
- Staff indicated that they had not included tourism Hamilton in the consultation yet although could move forward with that
- R. Koroscil indicated that their Director of Marketing sits on the Tourism of Hamilton Board and they enjoy a very close relationship with the organization]
Chair Ferguson questioned the need for outside consultant reports
R. Koroscil indicated that consultant reports are important to Tradeport for creating statistics and numbers to advance a business case that will attract airlines and work to benefit local businesses
Chair Ferguson asked what the cost of the consultant reports was
Staff indicated that the Hi Business Survey Report cost $40,000 which was split between the City of Hamilton and Hamilton International Airport for a cost of $20,000 each.
R. Koroscil indicated that the other consultant Report, Hamilton International Airport 2010 Master Plan Update, was created by the Airport in work with consultants and the City of Hamilton was not involved in funding the report.

On a Motion the update respecting, the 2011-2012 Hamilton International Airport – Hamilton Economic Development Joint Marketing Initiatives, was received.

For further disposition on this item refer to item 2.

(ii) Independent Auditors Report on the Annual Schedule of Percentage Rent Computation – Grant Thornton (Item 4.2)

Staff indicated that Grant Thornton was unable to be in attendance today to discuss the Auditors Report but that they would assist in answering the Task Forces questions if possible.

Committee members asked questions of staff highlights included but were not limited to the following:

- Councillor Ferguson asked for details about the rent computation.
- Staff indicated that the information was included under item 5.1 on the agenda respecting Reporting Requirements for Hamilton International Airport
- Councillor Ferguson asked why the details were presented in a different manner with far less detail than has previously been brought forward to the Task Force
- Staff indicated that the details of the Rent Computation are within the Confidential Auditors report which had not been distributed
- Councillor Whitehead indicated he would like to see a further Report on details of the rent computation
• There was some discussion on staff bring forward a Confidential Report with further details on the rent computation to be discussed in Closed Session

• C. Pukering provided Task Force members with more background to the rent computation

• Pukering indicated under the terms of the lease they are only required to report the in the level of detail included in Item 5.1; however they did provide the Auditors with all the details so they could confirm that the rent computation formula had been adhered to

• Councillor Whitehead indicated that he felt it was a structural issue with the lease where the information doesn’t have to be brought forward

• Legal staff agreed that this is a structural issue within the lease reporting requirements

• R. Koroscil indicated that the rent computation formula is quite prescriptive indicating however he did indicated that the audit results and rent payments are public documents and posted online and can be viewed by the public.

• The Committee Clerk provided clarification that proprietary information regarding businesses was not a reason for a Closed Session discussion under the Municipal Act

For further disposition on this Item refer to Item 3.

(iii) Hi Business Survey Report (Wards 11 and 12)(PED 11055) (Added as Item 4.3)

Brock Dickson and Darren Shocker of Miller Dickson & Blais provide a presentation with the aid of a PowerPoint presentation. Highlights included but were not limited to the following:

• Discussed their survey of local business community and how this was done to identify, enhance and develop opportunities
• Discussed the study processes and consultations
• Indicated that three quarters of the catchment area was in Hamilton however the other quarter consisted of a wider area including Niagara, St. Catherines, etc.
• Indicated that they got a surveyed a wide array of businesses
• The primary response received from businesses was that they were using the airport primarily for passenger services to be followed by cargo
• Discussed how surrounding municipalities Economic Development Departments are using the closeness of Hamilton Airport as an incentive to business
• Discussed the Value Chain Assessment, done as part of the survey
• Discussed how this process identifies individual gaps and areas for opportunities within the community
• Discussed International partnerships and collaborating with other airports
• Discussed the SWOT Analysis
• Provide details around the Proposed Action Objectives

Committee members asked questions of staff highlights included but were not limited to the following:

• Chair Ferguson asked about the recent impacts on the passenger traffic volume and how this would be addressed
• B. Dickson indicated that the larger passenger traffic issue was one part of the study; however the primary focus was the attraction of business and promotion of the airport

• Chair Ferguson asked what the results of the survey were and what steps or action should be taken
• B. Dickson indicated the benefit of the survey approach is that it finds gaps within the local supply chain which can be relayed to Economic Development to work on attracting business to fill these niches
• B. Dickson indicated that the study also identified the possibility of International Development and partnerships and collaborations with other airports

• Councillor Whitehead asked about the global opportunities
• B. Dickson indicated that there the gaps in supply chains allows for the creation of international or national relationships

• Councillor Whitehead asked about the London and Kitchener Airports
• B. Dickson indicated that the Hamilton Airport has a compelling and unique business case although they did examine the surrounding airports as part of this study

• R. Koroscil indicated that the Hamilton Airport has to be viewed in the correct context with their competitors.
• R. Koroscil used the example of the Kitchener and Waterloo Airport which is subsidized by the area tax payers at a rate of $6.6 million a year, this funding means they can run the airport at a loss and attract airliners and passenger traffic
• R. Koroscil indicated that for obvious reasons the City of Hamilton has not pursued a model like Kitchener Waterloo; however the difference
should be remembered when discussing the competitive positioning of the airports

• R. Koroscil indicated that they are doing a good job on the cargo side however the passenger side has struggled.

• R. Koroscil Indicated that there are issues outside of there control as there are a limited amount of airlines in Canada and when any new airliner comes to the Hamilton airport often Air Canada will return and provide service until they are no longer competitive.
• R. Koroscil indicated that then for business reasons Air Canada would pull the planes from Hamilton and move them back to Toronto where they are assured a higher level of passenger traffic.
• R. Koroscil indicated that they are very active in building relationships with airliners and are bound and determined to continuing forward to expand passenger services. Indicating that there are numerous efforts going on.
• R. Koroscil discussed that another factor in the passenger traffic issue is that the economy hasn't fully covered from the recession

• R. Koroscil discussed that maintenance services in Hamilton are very large and there have been a number of positive advances in the City of Hamilton’s Economic Development
• R. Koroscil indicated that the Airport Employment Growth District when it moves forward will be a big advantage to the Airport

• R. Koroscil proposed that the City had a role to play and could make it a City policy to fly out of the Hamilton Airport.

• Chair Ferguson asked if they moved the fuel farm so that Kelowna could build a new hanger
• R. Koroscil indicated that they are moving forward on that although right now in that area there is work going on for Purolator which when finished may prove a greater attraction to Kelowna
• Councillor Johnson indicated that she had a discussion regarding Kelowna and it dealt around Development Charges she indicated that the Economic Development Department had assisted in this

• Chair Ferguson asked for details on how Orange is moving forward
• F. Scremin indicated that the development has been slower than expected they were expect in Spring of 2011 however now it is looking like it will be in early 2012
• Discussed how this centre will act as their flagship area base
• Councillor Johnson asked if we could lose the control tower at Hamilton Airport because of low numbers.

• R. Koroscil indicated that they are working with Mohawk to get a flight school adding however that they are working with Navigation Canada on the matter and hope to get the flight numbers up in the very near future.

On a Motion the presentation respecting report PED11055, Hi Business Survey, was received.

For further disposition on this item refer to item 4.

(e) OTHER BUSINESS (Item 5)

(i) Hamilton International Airport 2010 Master Plan Update (Item 5.2)

Committee members asked several questions highlights included but were not limited to the following:

• Chair Ferguson asked what the Master Plan is for the extension of runway 624
• R. Koroscil indicated that they have asked the federal and provincial government for the money and hopeful that the project will move forward in the near future
• R. Koroscil indicated that when cross winds are to high they have to send airplanes to another airport
• Airport staff indicated that last winter they had to send half a dozen flights to other airports and lengthening runway 624 would make the Hamilton Airport would increase it’s reliability and make the airport more desirable to business

• Councillor Whitehead asked if the runway should be lengthened sooner to encourage business development
• R. Koroscil indicated that it would remove a large obstacle and the sooner the work could be done the better from a business perspective
• Councillor Pearson asked about the possibility of a Pickering airport
• R. Koroscil indicated that there was a needs assessment report recently released by Transport Canada indicated that an airport in Pickering would be needed in the future
• R. Koroscil indicated that the needs assessment report indicated that there is capacity at the City of Hamilton Airport for over seven million passengers
• R. Koroscil has indicated that he has been in contact with Transport Canada to try to see what can be done to motivate them to use the existing capacity in Hamilton prior to moving forward with the Pickering site

For further disposition on this item refer to item 6

(e) PRIVATE AND CONFIDENTIAL (Item 6)

On a Motion the Task Force moved into Closed Session at 11:06 a.m. pursuant to Section 8.1(c) of the City’s Procedural By-law and the Municipal Act as the subject pertains to a proposed or pending acquisition or disposition of land for City purposes respecting a request for potential property acquisition.

On a Motion the Committee reconvene in Open Session at 11:17 a.m.

For further disposition on this Item refer to Item 7

(f) ADJOURNMENT (Item 7)

There being no further business, the meeting adjourned at 11:19 a.m.

Respectfully submitted

Councillor Lloyd Ferguson, Chair
Airport Implementation Task Force

Andy Grozelle
Legislative Assistant
July 20, 2011