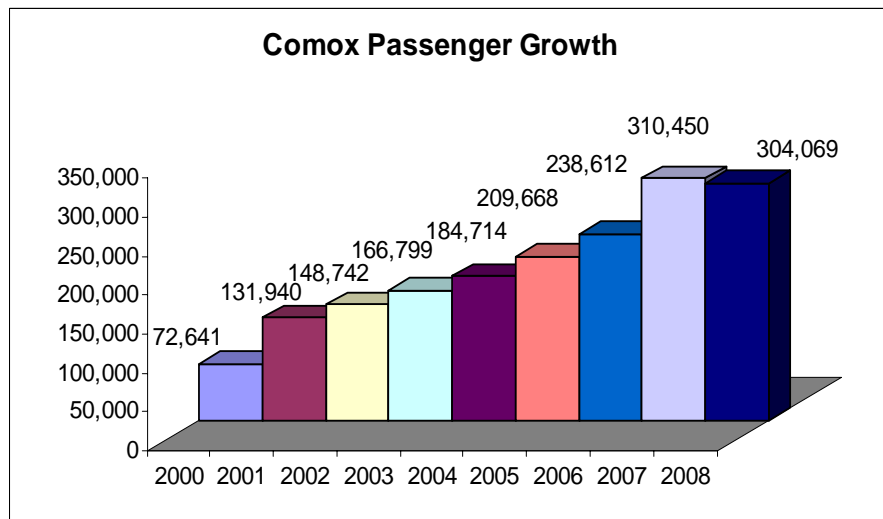




Comox Valley Airport Capital Plan– March 09

Passenger Growth

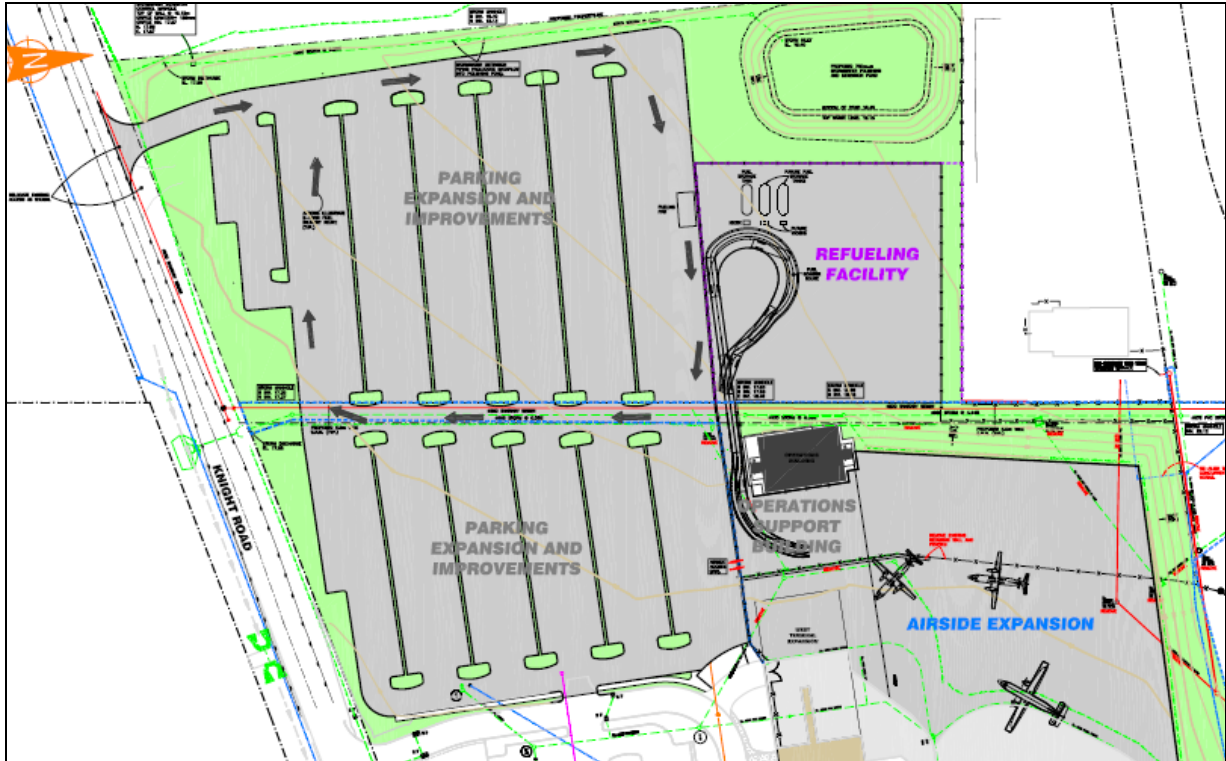
The Comox Valley Airport has experienced very strong passenger growth since the introduction of WestJet service in 2001. Passenger growth has been well ahead of forecast with 2007 numbers increasing by 30%. To plan for future airport infrastructure requirements, CVAC completed an Airport Master Plan in 2007. This document which is available on our website details the infrastructure improvements required through 2026. In response to the phenomenal growth in 2007, CVAC also completed the concept design for a terminal expansion to determine how big the terminal building would need to be and how much it would cost. A business case analysis was also undertaken to support funding for the project. An important part of the terminal building expansion project is the construction of supporting infrastructure and land acquisitions.



CVAC Capital Plan

With the economic downturn, CVAC’s passenger numbers are declining albeit largely due to the loss of Air Canada Jazz service. As such the need for a terminal expansion has been deferred likely for five to ten years. However, the Comox Valley Airport supporting infrastructure is critical to support the growth in the region. Regional airports have been identified as one of the key strategic investment areas that are of interest to government and are being supported by the various infrastructure funding envelopes. CVAC has applied for funding for a \$11.7 million project which would see the construction of an aviation fuel facility, an operations support building, airside development to the west of the current ramp, and additional paved parking to the west of the terminal building. Funding requests have been submitted to the BC Transportation Partnership Program, the Building Canada Fund, and Island Coastal Economic Trust.

Airport Supporting Infrastructure Project



Community Contribution

Most of the funders look for a community contribution toward airport infrastructure projects to be eligible for a 33% contribution level. If the airport is run by a not for profit, a reduced funding level to a maximum of a 25% funding is available. Given the substantial infrastructure requirements of local government to meet the direct needs of the community, CVAC is not asking for a community contribution. CVAC has identified the road improvements from the Inland Island Highway northern connection to the airport as the community contribution to this project. These road improvements are part of the *Smart Growth* strategy currently being developed by the community.

2009 Outlook

With the downturn in the economy, CVAC is forecasting lower passenger growth levels in the next few years. However, the BC economy is well positioned to recover early along with the Alberta economy. WestJet is adding additional capacity at Comox this summer to meet consumer demand making up for the loss of AC Jazz service and suggesting some early signs of an improving economy. CVAC is pursuing the available funding to ensure that the required airport infrastructure is in place to meet the growing needs of the region.