

# Comox Valley Airport Commission Strategic Plan 2008-2012

*July 2007*



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# Introduction



# History

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The Comox Airport was constructed by the Department of National Defence in 1942.

- The Comox Airport is located in the Town of Comox, adjacent to the City of Courtenay.
- The facility was constructed by the Department of National Defence in 1942, and is the only military airport in British Columbia.
- The airport has accommodated a civilian passenger terminal since the 1950s when an agreement was reached with Transport Canada for the establishment of a small air terminal building on a property lease served by a taxiway and an apron. The original air terminal building was built by the Royal Canadian Air Force in 1956.



# Overview

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The Comox Airport is operated by the Comox Valley Airport Commission.

- The Comox Valley Airport Commission (CVAC) was established in 1996 as a non-share capital and not-for-profit organization to operate the civil aviation facilities, including the terminal and apron at Comox Airport.
- The CVAC is unique in that it does not operate or take responsibility for the airfield and its associated systems. These are operated by the Canadian Air Force (CAF) on a continuous 24-hour basis. The CAF collects landing fees for the use of the airfield (military operations have priority).
- Over the last several years, passenger traffic at the airport has grown significantly, rising from 66,000 passengers in 1998 to 238,600 in 2006.
- To accommodate this growth, the CVAC completed the construction of a new civil air terminal building in 2004. The CVAC has a 25-year lease for this land from the Department of National Defence.



# Purpose of the Strategic Plan

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This strategic plan has been developed to help the CVAC and the community focus on key issues over the next five years.

- **The purpose of this strategic plan is to:**

- Update the CVAC's mission, vision, and core values;
- Identify the opportunities and threats facing the organization as well as its major strengths and weaknesses;
- Determine the key strategic issues that must be addressed;
- Develop goals and objectives to address these issues, and guide organizational initiatives between 2008 and 2012; and
- Establish key performance targets to measure performance.

- **The plan was developed at a management retreat on June 16, 2007.**

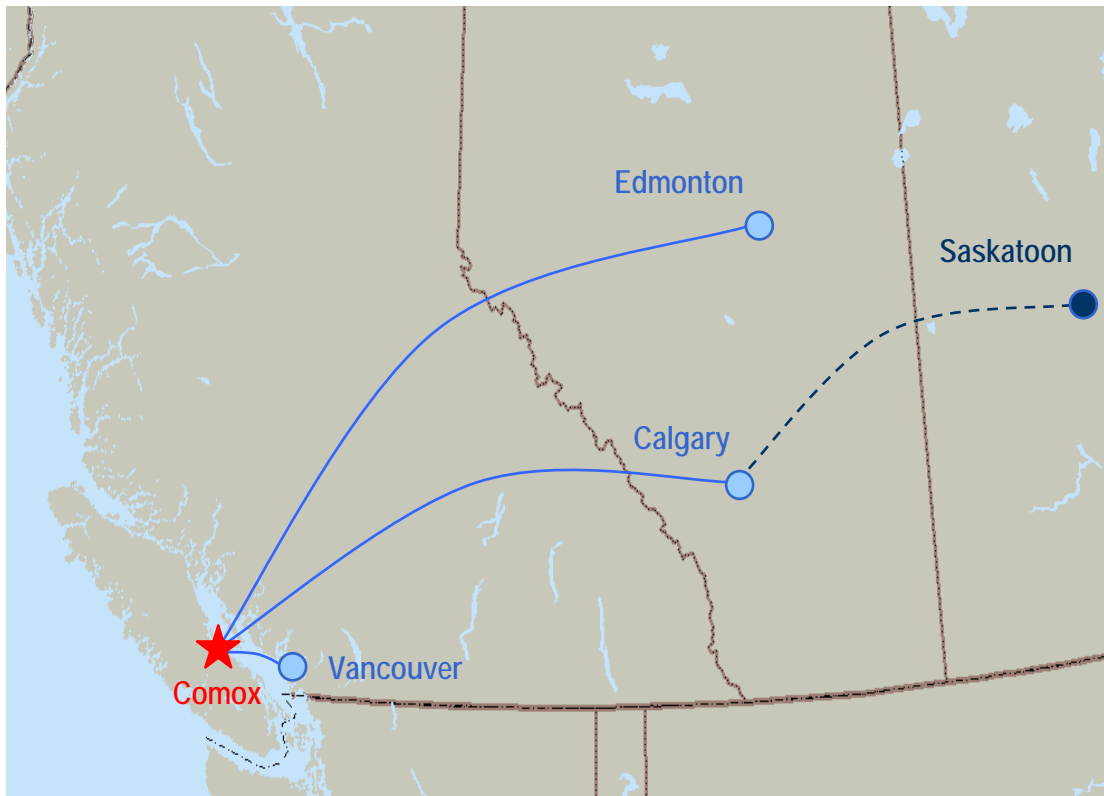
- **The retreat was facilitated by Inter VISTAS Consulting Inc., a firm specialising in strategic planning in the transportation and tourism industries.**

# The Current Reality



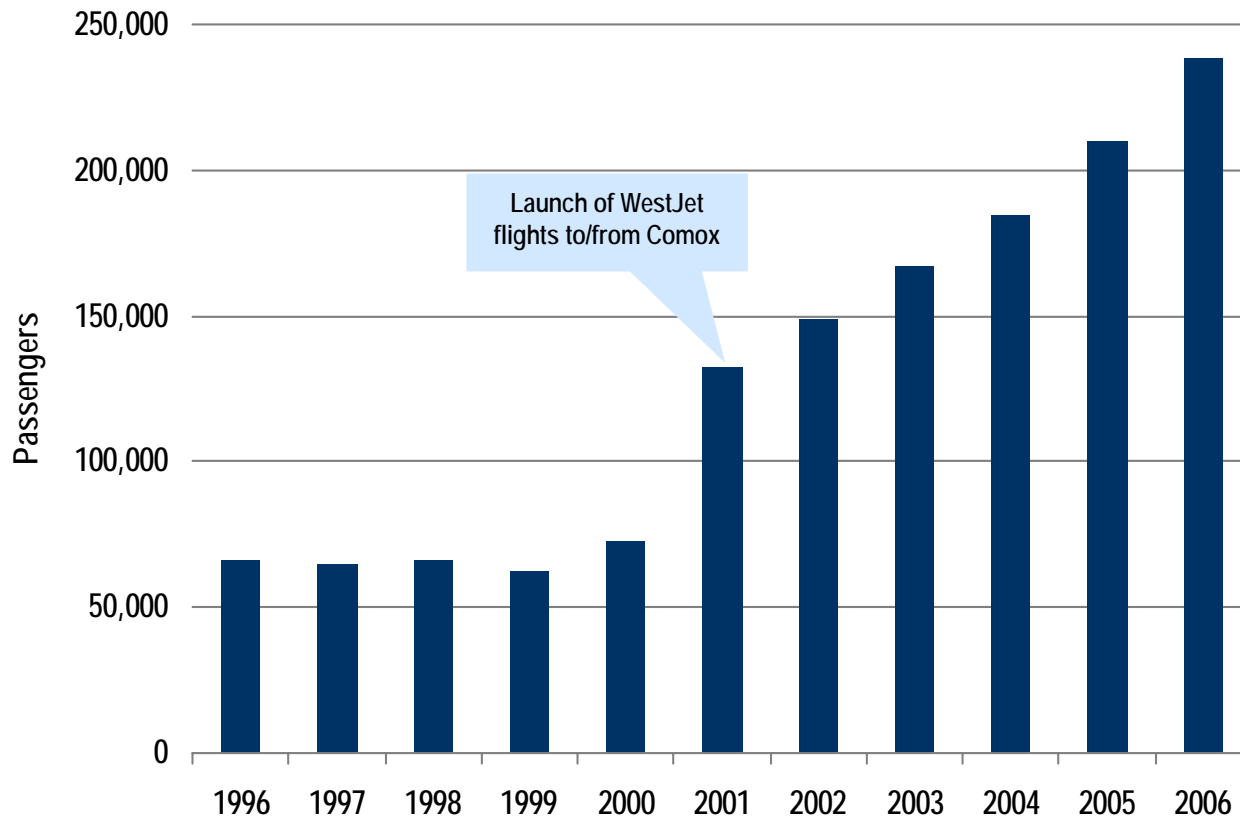
# Air Services

Scheduled 'same-plane' air services at Comox Airport are provided by four airlines to four destinations in Canada.



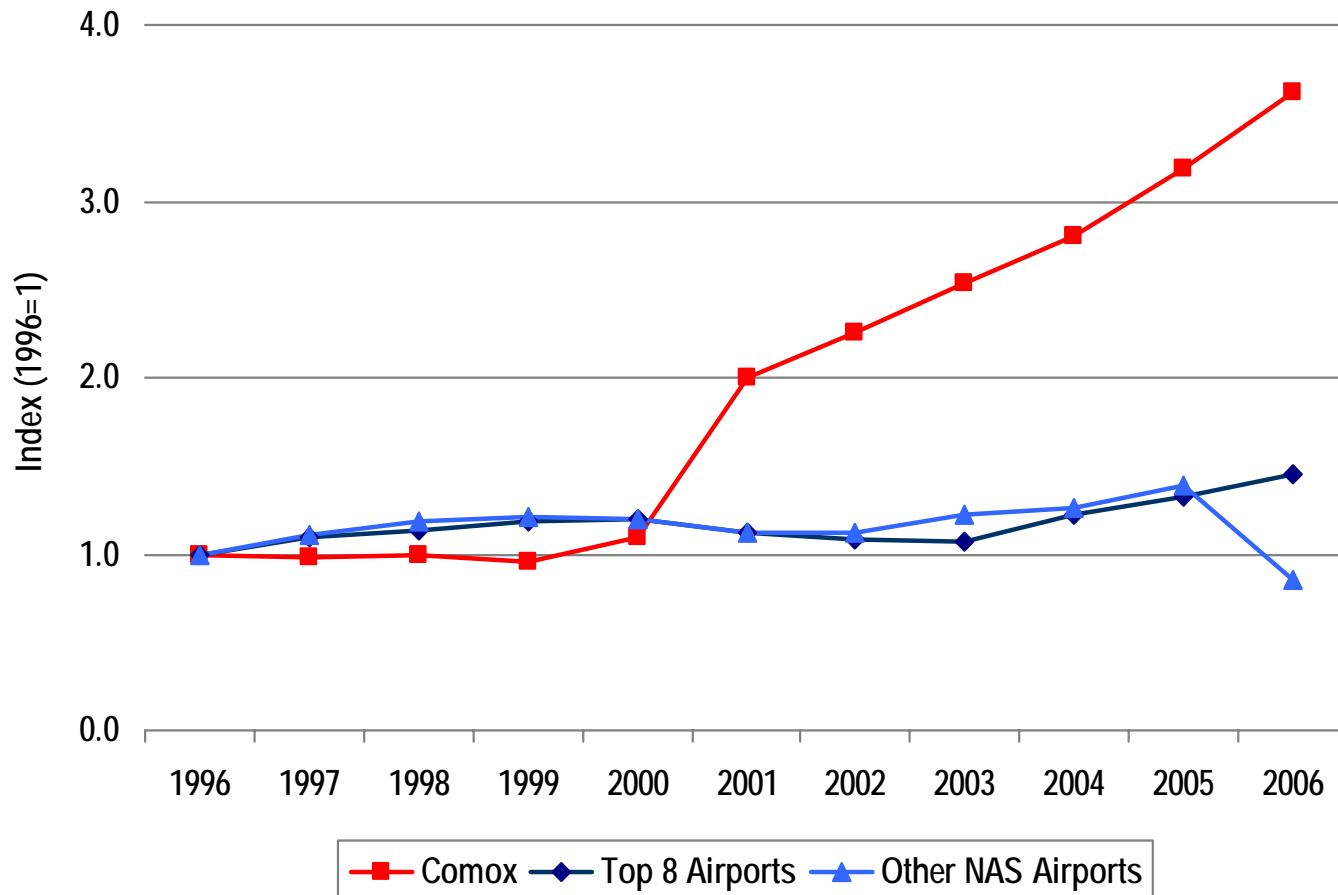
# Passenger Traffic

Passenger traffic at Comox Airport has increased significantly since the introduction of WestJet services in 2001.



# Passenger Traffic

In fact, Comox Airport has led all Canadian airports in passenger traffic growth since 2001.



# Airport Facilities

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The Comox Airport is endowed with excellent facilities and infrastructure to meet short to medium term needs.

## ■ Runway

- The airport's 10,000 foot concrete runway is the longest on Vancouver Island (this allows for full-load, large aircraft operations).

## ■ Air navigation

- The airport's Instrument Landing System (ILS) provides precise guidance to approaching aircraft.

## ■ Air terminal building

- A new air terminal building was completed in 2004 to accommodate growth in air services and passenger traffic.

## ■ Aircraft parking apron

- The existing apron can handle up to 6 aircraft simultaneously.

# Financial Performance

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The airport has demonstrated strong financial performance in recent years.

- Revenues were roughly \$2.8 million in 2006/07, a 17% increase over the previous fiscal year. Major sources of revenue included terminal fees, airport improvement fees, car and parking concessions, and office rentals.

	2005/06	2006/07
Revenues	\$2,346	\$2,755
Expenses	\$2,076	\$2,482
Difference	\$270	\$272

- During the same period, expenses increased by 20% to almost \$2.5 million. Primary expenses included amortization, wages and benefits, interest and bank charges, marketing, and repairs/maintenance.
- The excess of revenues over expenses in fiscal year 2006/07 was \$272,200, an increase of 0.8%. This surplus will provide critical funding for required capital improvements.

# Economic Impact

The Comox Airport and the region's tourism industry are critical economic engines for the local and provincial economies.

- On-going operations at Comox Airport businesses and the regional tourism industry generate:
  - 11,300 direct jobs (representing 9,100 person years of employment); and
  - \$237 million in wages.

Total Airport and Tourism Economic Impacts in British Columbia

Type of Impact	Jobs	Person Years	Wages (\$ millions)	GDP (\$ millions)	Economic Output (\$ millions)
Direct	11,300	9,100	\$237	\$367	\$701
Indirect	2,600	2,100	\$54	\$140	\$329
Induced	1,200	900	\$25	\$64	\$121
<b>Total</b>	<b>15,100</b>	<b>12,100</b>	<b>\$316</b>	<b>\$571</b>	<b>\$1,151</b>

# Competitive Position

## *Airport Competitors*

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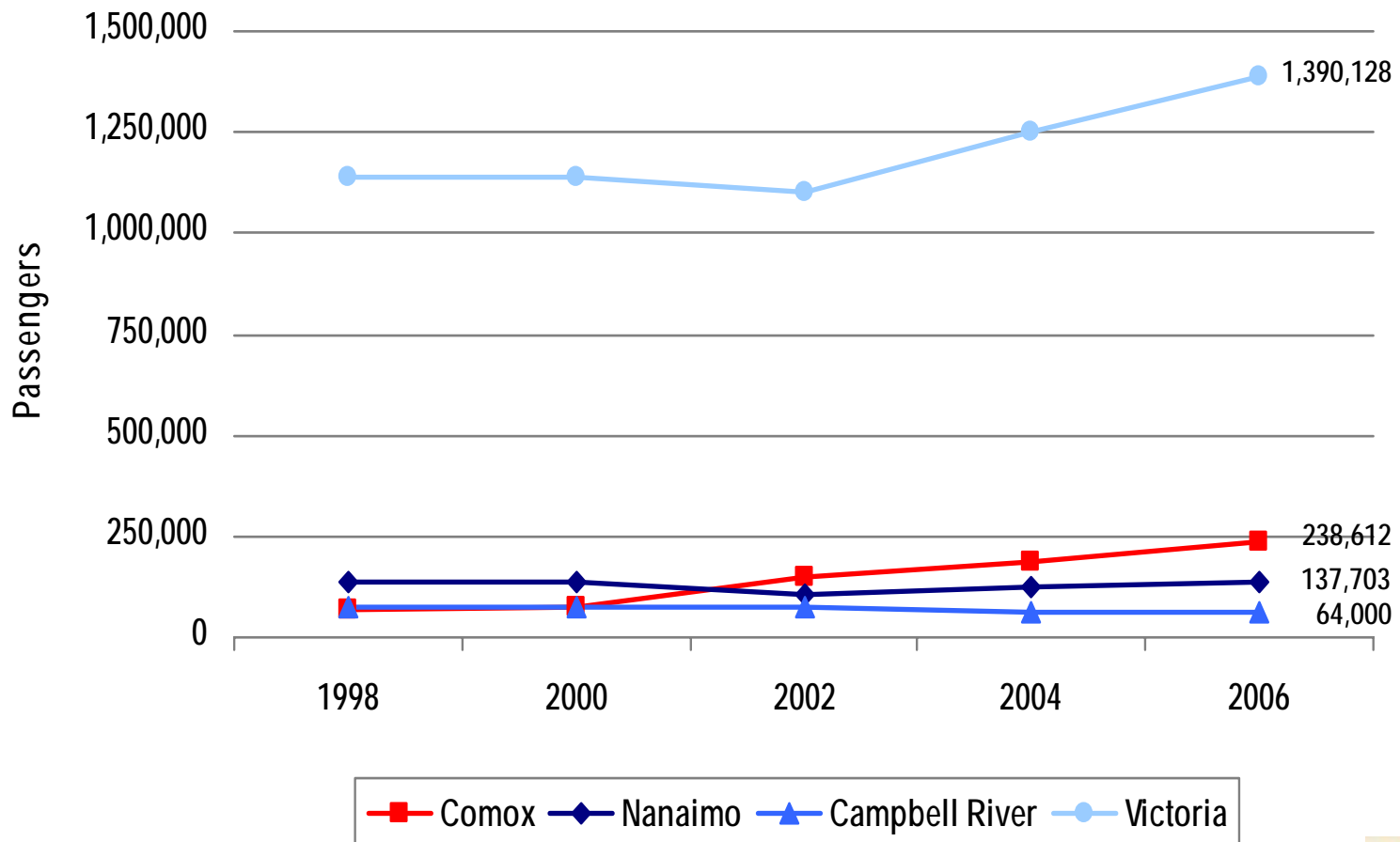
The Comox Airport competes most directly with the following airports on Vancouver Island.



# Competitive Position

## Passenger Traffic

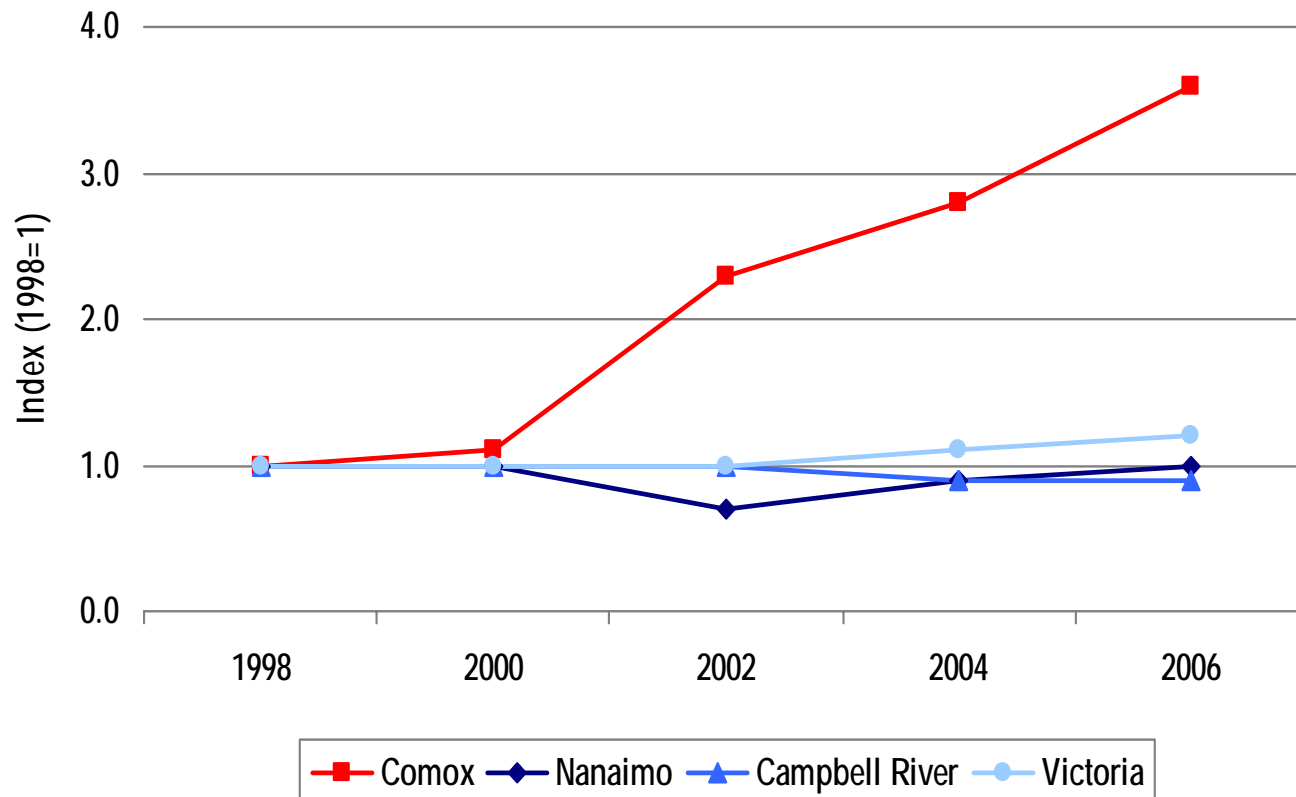
Comox Airport is the second largest airport on the island when measured by passenger traffic.



# Competitive Position

## Passenger Traffic

However, Comox Airport has been growing significantly faster than all other airports on Vancouver Island since 2001.



# Competitive Position

## Air Services

Comox Airport offers consumers one of the most comprehensive air service networks on Vancouver Island, second only to Victoria.

	Comox	Campbell River	Nanaimo	Victoria
Number of Airlines	4	2	1	5
Airlines	Air Canada Jazz, Central Mountain Air, Pacific Coastal Airlines, WestJet	Central Mountain Air, Pacific Coastal Airlines,	Air Canada Jazz	Air Canada, Alaska Airlines, Delta Air Lines, Pacific Coastal Airlines, WestJet
Number of Destinations (including same-plane services)	4	1	1	10
Destinations	Calgary, Saskatoon, Edmonton, Vancouver *	Vancouver **	Vancouver	Burbank, Calgary, Edmonton, Kelowna, Ottawa, Salt Lake City, Seattle/Tacoma, Toronto, Vancouver, Winnipeg
Flights Per Week	120	79	41	327
Seat Capacity Per Week	5,372	2,097	1,968	20,124

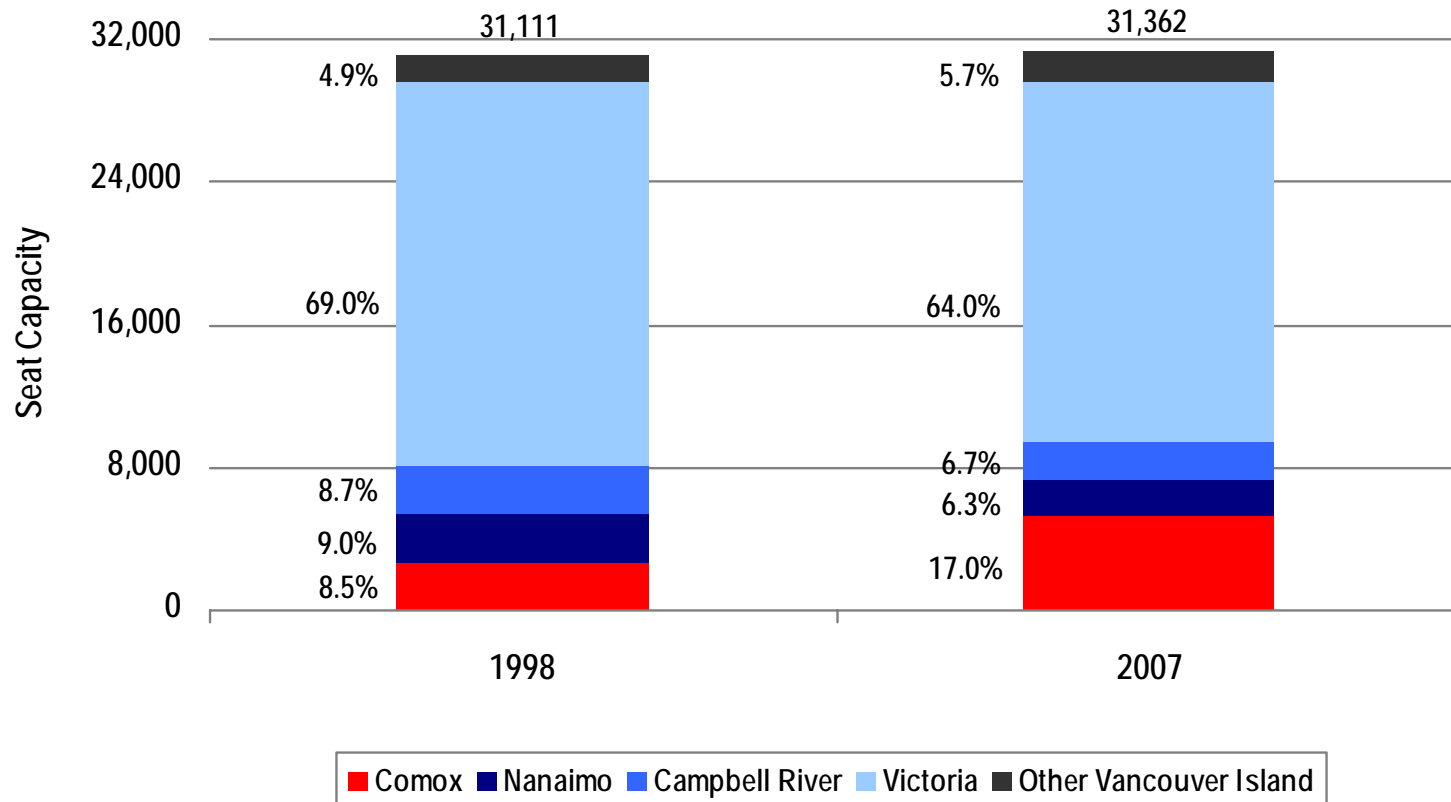
\* Excludes Campbell River

\*\* Excludes Comox

# Competitive Position

## Air Services

Comox's share of Vancouver Island seat capacity doubled between 1998 and 2007.



# Competitive Position

## *Airport Facilities*

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Comox Airport has the longest runway on Vancouver Island which enables it to accommodate full-load, large aircraft operations.

	Comox	Campbell River	Nanaimo	Victoria
Terminal Building	32,300 sq ft	16,200 sq ft	13,200 sq ft	120,000 sq ft
Runways	2	1	1	3
Main Runway Dimensions (Surface)	10,000' x 200' (Concrete)	5,000' x 150' (Asphalt)	5,000' x 200' (Asphalt)	7,000' x 200' (Asphalt)
Instrument Landing System	Yes	Yes	No	Yes

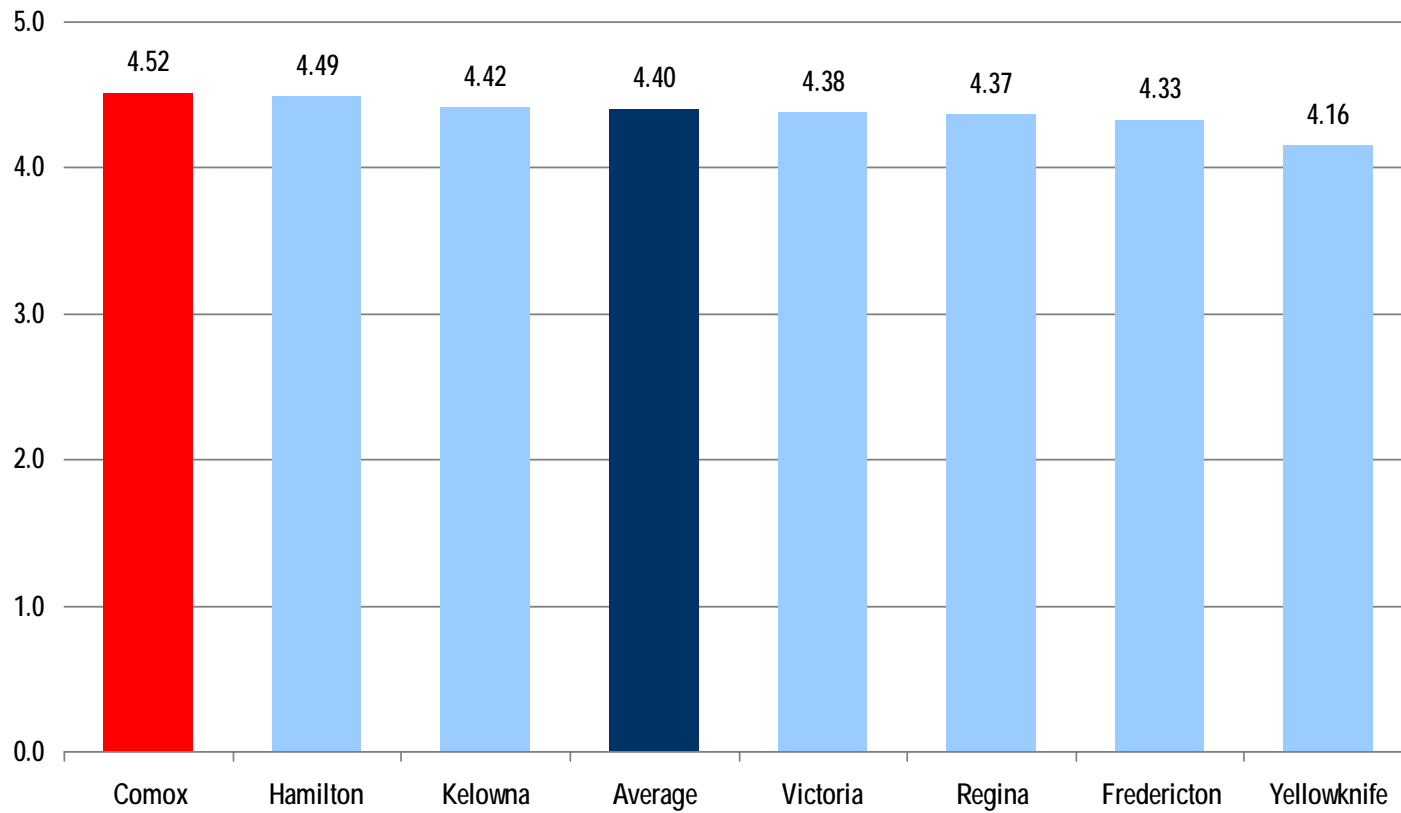


# Competitive Position

## *Customer Satisfaction*

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Comox Airport has the highest satisfaction ranking amongst similar sized airports in Canada (2005 and 2006).



# Strengths and Weaknesses

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## Comox Airport has several strengths and weaknesses.

### Strengths

- **Air service growth**
  - Air services to the airport have increased considerably since 2001.
- **Well-developed airport facilities**
  - Comox possesses well-developed air terminal and runway facilities.
- **Longest runway on Vancouver Island**
  - Enables Comox to accommodate full load, large aircraft operations.
- **24-hour CFR and ATC**
  - Services are equivalent or superior to those at other commercial airports.
- **Strong customer satisfaction**
  - Comox Airport has the highest satisfaction ranking amongst similar sized airports in Canada.
- **Strong mid-island location**
  - The airport possesses a catchment area of over 300,000 people.
- **Financial performance**
  - Comox has demonstrated strong financial performance in recent years.
- **Community support**
  - The airport enjoys strong community support.

### Weaknesses

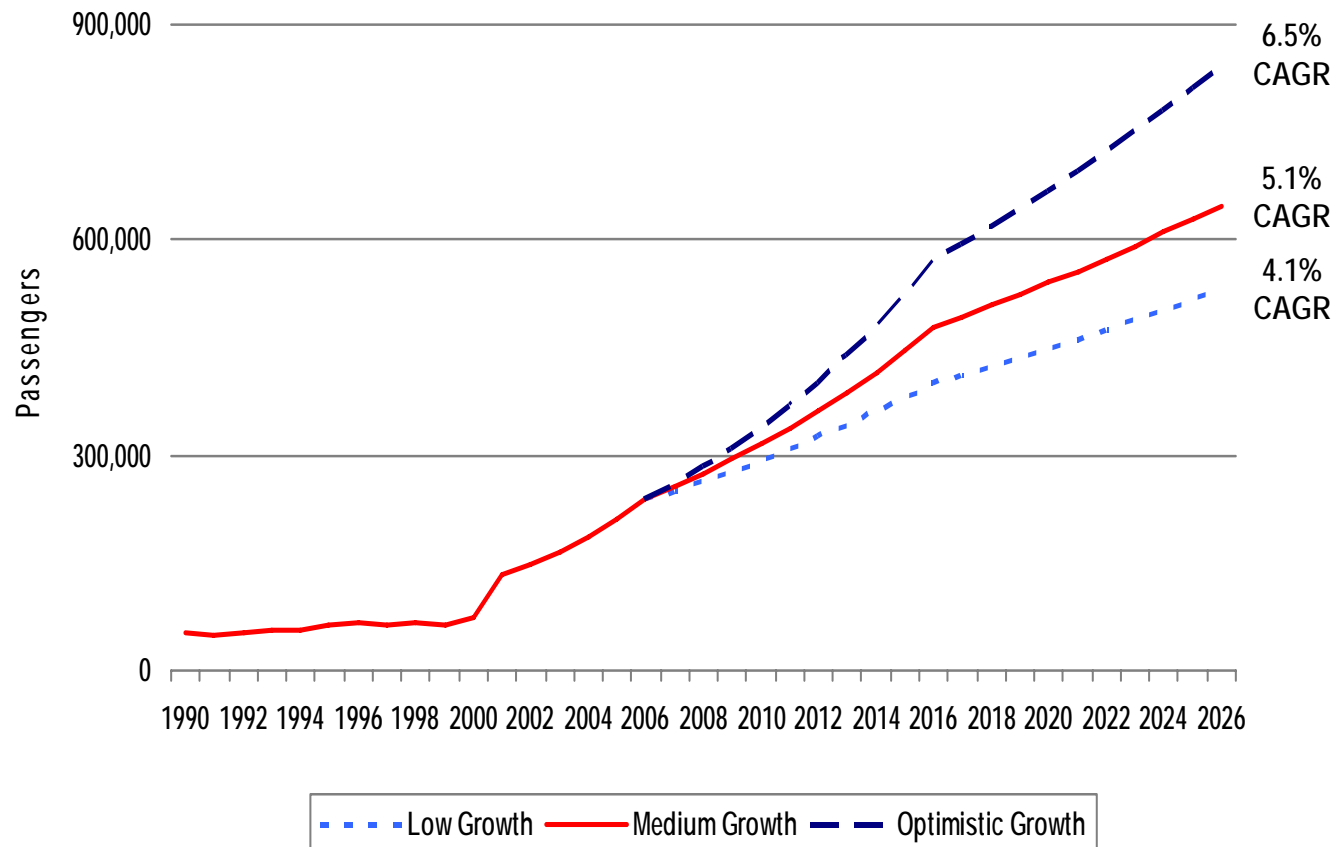
- **Limited scheduled airline operations**
  - Comox offers service to domestic destinations only; most flights to YVR operate to/from the South Terminal which are less convenient than flights to/from the Main Terminal.
- **Limited supply of developable land**
  - The amount of land currently available for future development is very limited.
- **Parking supply**
  - The airport's new parking lot is often at near capacity at peak times and has limited space for expansion.
- **Inability to access ACAP funds**
  - Comox does not qualify for ACAP funding.
- **Poor road connectivity to Inland Island Highway**
  - Currently, all traffic is directed via the Comox Valley Parkway through Courtenay. The northern connection provides a better routing but will require some infrastructure upgrades.
- **CBSA cost recovery**
  - Comox is subject to full CBSA cost recovery which creates a competitive disadvantage.

# Looking to the Future



# Passenger Traffic Projections

Comox Airport is projected to handle 478,000 passengers by 2016, and 646,000 passengers by 2026.



# Airport Facility Issues

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In order to accommodate these projected traffic levels, several issues must be addressed.

## ■ Air terminal building

- Additional expansion will be required to accommodate long-haul international air services (e.g. check-in areas, holdroom, international arrivals facility, etc.).

## ■ Parking

- The existing lot is reaching capacity during busy periods. It is estimated that in 10-20 years, over 1,200 stalls will be required.
- There is no more space is available to accommodate additional parking expansion.

## ■ Apron

- Provides little flexibility to accommodate other civilian aviation activities (e.g. corporate aviation, cargo aircraft parking, etc.).
- There is limited opportunity to expand existing apron.

## ■ Taxiways

- Lengthy taxiing distance to threshold of Runway 30.



# Airport Facility Issues

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## ■ Fuel

- The Department of National Defence has indicated that the CVAC will be required to provide fuel services to all civilian aircraft in the near future.

## ■ Commercial development

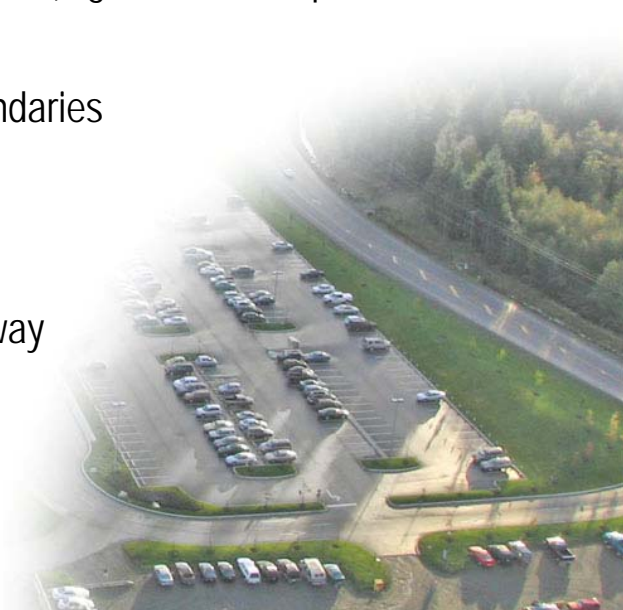
- There is no opportunity to support on-site commercial development (e.g. car rental facilities, warehousing, etc.).

## ■ CVAC land (Area G)

- The current CVAC site cannot accommodate additional development (e.g. current and planned air terminal building complex occupies entire site).
- Very little opportunity exists to expand lease area within DND boundaries (e.g. airfield configuration and topography limiting factors).

## ■ Road connectivity

- Currently, there is only one connector from the Inland Island Highway to the community and the airport.
- Upgrades to the northern routing would provide better access for the community and the airport.



# Potential Strategies

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There are several strategies which the Comox Airport could pursue to address these issues.

## ■ Land expansion/acquisition

- Additional land is needed to accommodate the growth of groundside activities (e.g. parking, commercial facilities, etc.).

## ■ Apron and taxiways

- The airport could negotiate a common use/co-management agreement with the DND for adjacent aprons.
- The CVAC could also establish a potential partnership with the DND for expansion/upgrades to airside infrastructure (e.g. Taxiway F).

## ■ Ground connectivity

- Collaborate with local and provincial governments to improve road connectivity to the airport.



# Potential Strategies

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## ■ Air Terminal Building

- The airport could pursue a staged expansion plan. This would defer a large capital outlay until international services are secured.

## ■ Parking

- The ability to secure additional land will dictate the airport's strategy for long-term parking expansion (e.g. surface parking, parkade, etc.).

## ■ Other Services

- The CVAC could establish partnerships with private/community interests for development of commercial infrastructure at the airport (e.g. air cargo terminal, car rental facility, etc.).



# 5-Year Financial Projections

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Detailed financial projections have been developed for the airport over the next 5-years.

- Revenues are projected to increase to \$5.2 million (90% increase over 2006/07).
- Expenses are projected to increase to \$3.5 million (42% increase over 2006/07).
- Excess of revenues over expenses is projected to increase to \$1.7 million (529% increase over 2006/07).

Income Statements (000's)

	2007/8	2008/09	2009/10	2010/11	2011/12
Revenues	\$2,823,511	\$3,103,887	\$4,527,867	\$4,971,330	\$5,235,379
Expenses	\$2,770,347	\$3,089,996	\$3,370,672	\$3,434,684	\$3,522,061
Difference	\$53,164	\$13,891	\$1,157,194	\$1,536,646	\$1,713,319

**Key Assumptions:**

(1) Assumes continuation of Mexico charter service during forecast period

(2) Assumes transborder services by 2008/09

# Opportunities and Threats

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The airport faces several opportunities and threats.

## Opportunities

- **WestJet growth on Vancouver Island**
  - New routes/services could be initiated by WestJet from Comox to domestic destinations.
- **Transborder and international services**
  - New U.S. and European services could be initiated by various carriers.
- **Expanded terminal and airside facilities**
  - Provide an opportunity to accommodate new air services.
- **Regional tourism and business growth**
  - Tourism is expected to grow at high levels.
- **Become tourism gateway for Central/North Vancouver Island**
  - Comox could become the preferred tourism gateway for Vancouver Island.
- **Increase air cargo traffic**
  - Comox possesses international air cargo potential.

## Threats

- **Competing airports**
  - Several nearby airports compete with Comox for island traffic.
- **Developments at other island airports**
  - Island traffic continues to be fragmented.
- **Economic downturns**
  - Economic downturns will reduce travel demand and traffic.
- **Risk of war and terrorism**
  - Traffic is adversely affected when passenger security is a concern.

# Moving Forward



# Mission, Vision, and Core Values

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The airport's mission and vision have been updated, and core values have been developed.

## *Vision*

*To be Vancouver Island's preferred gateway*

## *Mission*

*To operate safe, secure and efficient civil aviation facilities and services which consistently exceed the expectations of our customers and communities*

## *Core Values*

- Safety:* We ensure that the safety and security of our customers, staff, facilities and environment is a primary concern in all aspects of doing business.
- Quality:* We are motivated by customer expectations in providing quality facilities and services in a customer sensitive and service driven manner.
- Accountability:* We are accountable for all our actions including financial management and we demonstrate integrity in our business relations, utilization of resources, treatment of our customers and staff, and in the general conduct of our business.
- Economic Development:* We work to support the economic development of the region.

# Key Strategic Issues

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A number of key strategic issues must be addressed in order for the Comox Airport to achieve its vision.

■ The key strategic issues include:

- Expanding facilities to accommodate future growth;
- Expanding air services (particularly transborder and international);
- Remaining financially viable and cost competitive; and
- Working closely with the community and airport stakeholders.



# 5-Year Performance Targets

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The following targets have been established to measure the Comox Airport's overall performance in 2012.

	2006 Actual Performance	2012 Performance Target
Passengers	238,612	400,000
Destinations (including same-plane services)	6	10
% Available Cash	41%	49%
Customer Satisfaction Ranking	4.5	4.5
Share of Island Passengers	13%	17%

# Goals

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Four strategic goals were developed to achieve the Comox Airport's new vision.



# Goal 1 – Airport Facilities

Goal #1 - Provide facilities that address current and future demands of customers					
Objectives	2008	2009	2010	2011	2012
<input type="checkbox"/> (a) Extend lease with DND	■				
<input type="checkbox"/> (b) Complete new master plan for the airport to identify long term land and terminal requirements	■				
<input type="checkbox"/> (c) Pursue new provisioning capabilities	■	■			
<input type="checkbox"/> (d) Work with local and provincial governments to improve road network and access		■	■	■	
<input type="checkbox"/> (e) Maintain program to continuously improve customer service	■	■	■	■	■
<input type="checkbox"/> (f) Pursue new technology initiatives to improve efficiency and service (kiosks, wireless, etc.)	■	■	■	■	■

# Goal 2 – Regional Development

Goal #2 - Promote and foster regional development and community pride					
Objectives	2008	2009	2010	2011	2012
<input type="checkbox"/> (a) Undertake cooperative advocacy program					
<input type="checkbox"/> (b) Actively participate in and support regional tourism and economic development					
<input type="checkbox"/> (c) Continue to partner with the tourism industry to develop, package and sell regional tourism products					
<input type="checkbox"/> (d) Increase media exposure (press releases, media news stories, etc.)					
<input type="checkbox"/> (e) Conduct presentations to community organisations					
<input type="checkbox"/> (f) Work with regional partners to develop and implement an evaluation tool to assess the social, environmental, and economic impacts of different development options					

# Goal 3 – Air Service Development

Goal #3 - Expand air services					
Objectives	2008	2009	2010	2011	2012
<input type="checkbox"/> (a) Work with existing scheduled carriers to expand operations at Comox Valley Airport					
<input type="checkbox"/> (b) Work with new scheduled carriers to establish operations at Comox Valley Airport					
<input type="checkbox"/> (c) Implement a complementary air service development program to attract other domestic airlines					
<input type="checkbox"/> (d) Develop transborder scheduled air services to a hub airport					
<input type="checkbox"/> (e) Pursue and expand charter services					
<input type="checkbox"/> (f) Encourage the development of ground transportation services to Comox Valley Airport					
<input type="checkbox"/> (g) Pursue potential air cargo opportunities					

# Goal 4 – Financial Viability

Goal #4 - Remain financially viable and cost competitive					
Objectives	2008	2009	2010	2011	2012
<input type="checkbox"/> (a) Maintain clear and accountable financial policy guidelines					
<input type="checkbox"/> (b) Establish financial parameters for overall operational and capital requirements					
<input type="checkbox"/> (c) Establish on-going advocacy campaign to secure available funding for capital improvements					
<input type="checkbox"/> (d) Meet requirements of the Canada Airports Act when it comes into effect					