

2019

Y E A R I N R E V I E W

TUCSON AIRPORT AUTHORITY





“ It is clear we have a community that truly loves and appreciates Tucson International Airport (TUS) and Ryan Airfield (RYN).

DANETTE BEWLEY

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LEADERSHIP PERSPECTIVE



It has been another year of positive growth and exciting change for the Tucson Airport Authority. Tucson International Airport (TUS) had another year of airline passenger growth. There was also growth in the airport's annual customer service survey, which reached an astounding 99% satisfaction level. We have an outstanding team at TUS and their customer first approach to doing business is making a big difference in the customer experience.

In July, the Board of Directors voted to promote Danette Bewley from COO to CEO of the TAA. We were extremely fortunate to have a person with more than 30 years of airport experience leading the TAA.

In collaboration with community stakeholders, Sun Corridor, Inc. unveiled a TUS Blueprint mapping out ideas for how the airport can become an even greater economic catalyst for our region. The possibilities are exciting and we are already hearing some positive – and promising – responses.

You can read about the other exciting changes in the Economic Development section of this report. But the most important take-away is that the TAA in 2019 made solid advances, not only benefitting the TAA and its airports but also helping assure our region can look forward to a prosperous future for TUS with the area's largest private employer Raytheon Missile Systems, 162nd Wing of the Arizona Air National Guard at TUS, homegrown aerospace and defense contractor Aerovation and paving the way for new businesses to come to our area.

As you read through the following pages of this Year In Review, you will see that 2019 was a year that sent the TAA onward and upward into the future.

A handwritten signature in black ink that reads "Lisa".

Lisa Lovallo
Chair, TAA Board of Directors



It has been a pleasure to support the Tucson Airport Authority (TAA) as the Interim President/CEO since July, and an honor to accept the position to serve as the permanent President/CEO. Since being appointed to lead the Tucson Airport Authority, I have had the privilege of meeting numerous civic and business partners and community stakeholders and strengthening existing relationships and developing new relationships. It is clear we have a community that truly loves and appreciates Tucson International Airport (TUS) and Ryan Airfield (RYN), and how these assets fit into the goals for regional growth and prosperity. The TAA team shares this passion for the airport system and region, and also shares the vision for economic vitality. We want the airport assets to be an integral part of the region's success.

The TAA is managed by a dedicated team of aviation professionals, who performed their various roles with effectiveness and efficiency during the leadership transition. We managed the airport system with a focus on safety, security and customer service, and continued the journey to develop a 5-year Strategic Plan that will serve as a guiding document once completed and approved by the TAA Board. I am pleased to share that the guiding principles include Commitment to Community, Customer Service, Innovation, Stewardship, Social Consciousness and Accountability. In addition, we pursued economic development opportunities and worked closely with the airlines to add new air service.

Airports are always evolving and our TAA team is excited about the future to be your airport of choice when you fly, and a hub that provides economic activity for businesses and jobs. We know we are all in this together.

Thanks to all that support our region by flying TUS.

Danette Bewley, A.A.E.

President and CEO, Tucson Airport Authority

74
VEHICLES



including shuttle buses, Aircraft
Rescue and Firefighting and
police units, trucks and cars



3,040
gallons
of paint

USED ON AIRFIELD
PAVEMENT IN 2019



2,243,559,000

pounds of aircraft
landed weight
at TUS in 2019;
a 7.9% increase
over 2018



800 ACRES

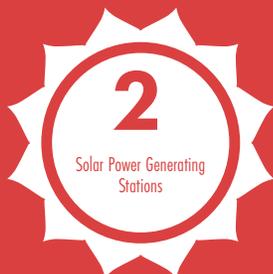
of vegetation mowed around airfield runways
and taxiways at TUS and RYN



540

EMERGENCY CALLS

responded to by the TAA Fire Department in 2019



2
Solar Power Generating
Stations



130,076

aircraft landings and takeoffs in 2019 at TUS

1,925



PURCHASE
ORDERS
ISSUED
IN 2019



110,022

AIRCRAFT LANDINGS AND TAKEOFFS AT RYAN AIRFIELD IN 2019



TAA POLICE
DEPARTMENT
Reportable Calls for
Service in 2019

3,732

27.4 million

square feet of
pavement inside the
fence at TUS



714 K

TWEET
IMPRESSIONS
IN 2019



1.9 INCHES OF SNOW

fell on February 22, 2019



134,212

GALLONS OF VEHICLE FUEL PUMPED IN 2019

721

FLYTUCSON.COM
customer inquiries answered

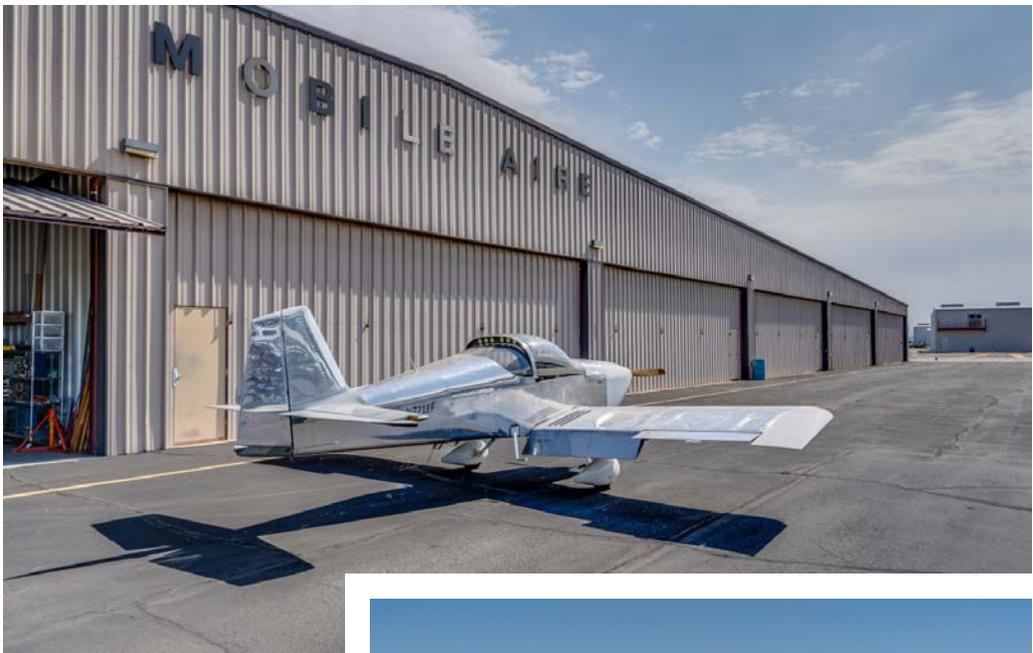


453

AIRFIELD SIGNS AT TUS AND RYN



ECONOMIC DEVELOPMENT



- **Ryan Master Plan:** The TAA is in the process of updating the 2010 Master Plan for Ryan Airfield to re-evaluate the general aviation airport's operations and land-use based on subsequent residential development in the vicinity. The expected completion date of the master plan is early summer 2020.





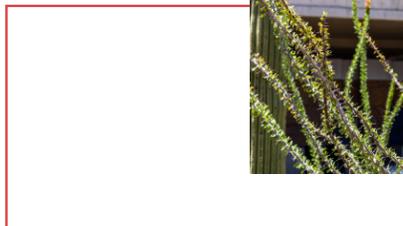
- **Sun Corridor Partnership:** Year two of the three-year partnership with Sun Corridor, Inc., saw a continuing strengthening of TAA's economic development footprint with new prospects for TUS and RYN.
- **TUS Blueprint:** In collaboration with 20 leading community stakeholders, Sun Corridor lead the effort that created a TUS Blueprint with a focus on four areas:
 - » Leveraging airfield access opportunities
 - » Land use planning and development partnership opportunities
 - » Development of targeted industry sectors that best match TUS' assets
 - » Benchmarking national best practices in airport economic development
- **TUS Shovel-Ready Parcels:** Specific Blueprint efforts for TUS focused on three sites with readily available infrastructure:
 - » Two adjacent 25-acre parcels, located on the southeast side of the airfield, and one 29.8-acre parcel, on the southwest side of the airfield are "shovel-ready" for development for aircraft maintenance, repair and overhaul (MRO) operators.
 - » A 550-acre site located along the planned Sonoran Corridor to be developed as a TAA Aerospace and Defense Business Park.
 - » 1,400 acres south of TUS and 600 acres located east of the airport that can be developed as logistics and distribution parks.
- **TAA Strategic Plan:** The TAA, working with the North Highland Group, is in the process of developing a 5-year Strategic Plan to establish new mission and vision statements and guiding principles for how TAA will position itself for the future. The process, which has included input from TAA employees, leadership and the TAA Board of Directors, is expected to be approved by the Board of Directors in 2020.
- **Land Transactions:** In what was a win-win-win, three land transactions were negotiated to benefit the TAA, Raytheon Missile Systems, the Air National Guard and local governments' goals to expand economic development opportunities for aviation and aerospace at TUS. Under the deals, the TAA will acquire 58 acres of land from the U.S. Air Force to be used as a safety area for the airport's new parallel runway (Airfield Safety Enhancement project); the Air Force will acquire 160 acres from the TAA to provide a safety buffer for Raytheon's Plant 44; and local government entities will acquire 290 acres of TAA land for potential future Raytheon expansion and Air National Guard munitions storage facilities.
- **Pilot Training Opportunities:** The TAA pursued recruitment of operators to reopen pilot training facilities at Ryan Airfield to take advantage of renewed interest due to impending commercial airline pilot shortages. One operator was considering a move from TUS to RYN.
- **Building Refurbishment:** The TAA designed and completed total refurbishment of a 63,250 square-foot building at 6900 S. Park Ave., for light industrial uses, with plans to lease to Mesa Airlines and Broward Aviation.

PROJECTS

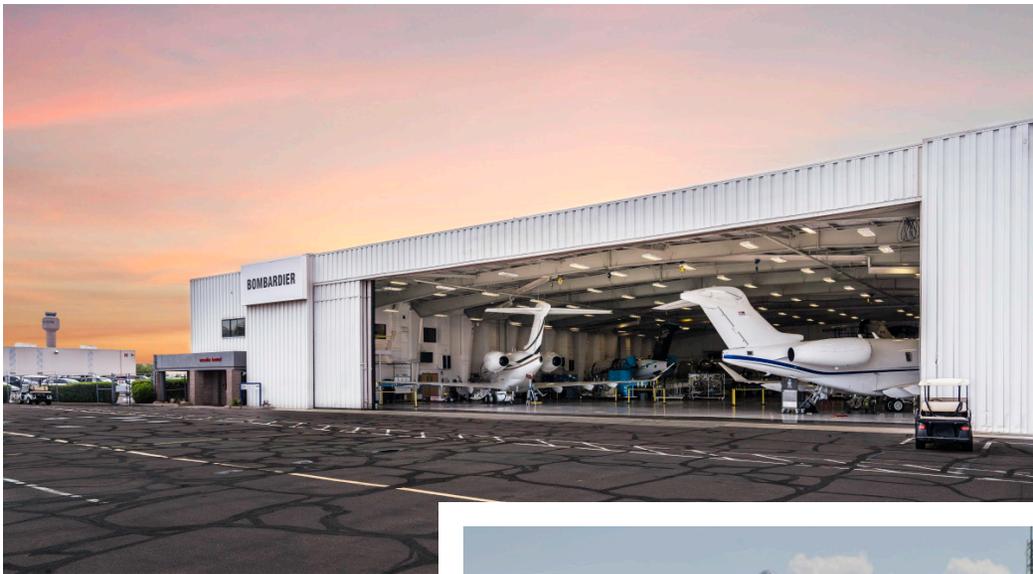




- Green Light on ASE:** After receiving federal approval in what was a record-setting 26-month Environmental Impact Statement (EIS) process, the TAA began work on what will be the largest project in its history. Currently estimated at about \$230 million, the Airfield Safety Enhancement (ASE), an FAA safety and standards project, includes demolition of existing Runway 11R and its relocation and reconstruction as a full-length (11,000 foot) parallel runway, and a taxiway between the two runways, new and realigned taxiways and upgraded navigational aids. Design work started in 2019 and construction is expected to begin by the end of 2020.
- Military Lounge:** The Military Lounge at TUS underwent a complete remodel. Thanks to generous donations of local community members and businesses, which exceeded \$100,000.
- More Restrooms:** Additional restrooms, including family restrooms, were added in the terminal, both pre- and post-security. As a result of community requests, adult-sized diaper changing stations were also installed in the family restrooms.
- Landscaping TUS:** A beautification project began in 2019 with the goal to improve the landscaping across the TUS campus with a focus on the airport's main entryways. The beautification project is expected to continue into 2020.
- Wireless Grows:** Upgraded wifi and additional charging stations are being installed in the terminal. The project will continue into 2020.
- Readying Ryan:** The TAA is working with Pima County and a nearby developer to connect Ryan Airfield into the Pima County Wastewater system. This will allow RYN to prepare for future development that is currently not possible with the existing septic systems.



TENANTS



- **Pima Community College:** The TAA approved a tenant improvement project that allows PCC to double the size of its aviation facility at TUS, a direct employee pipeline to airport tenants. Construction will begin in 2020.

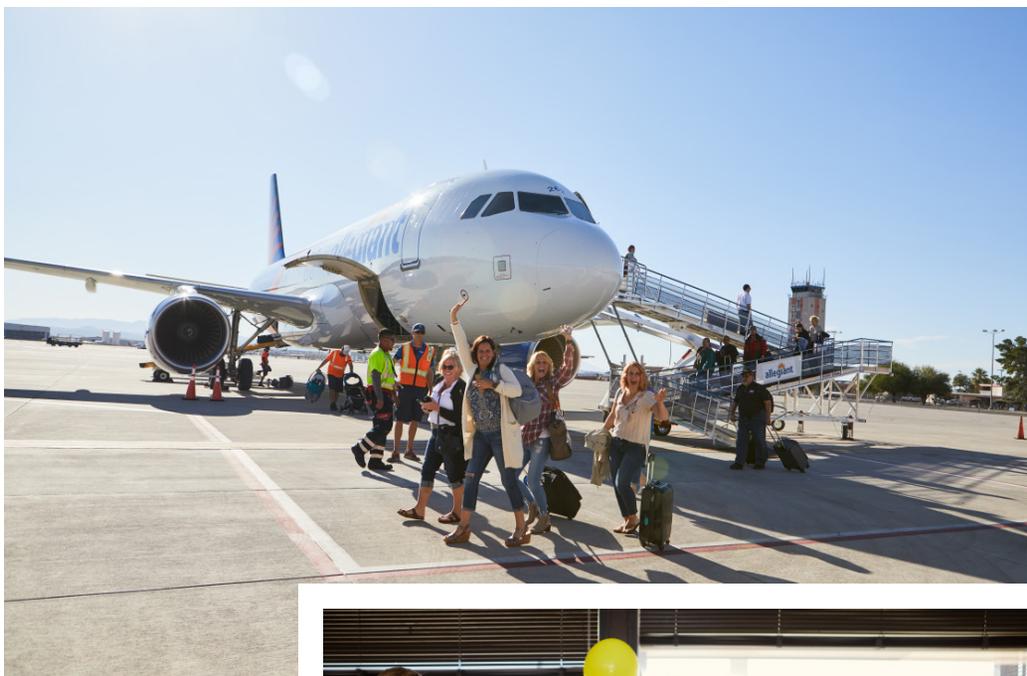
- **Premier Aviation:** Construction of a new fixed-base operator (FBO) facility on Plumer Avenue at TUS is another tenant improvement project development in 2020. The project, Tucson Executive Terminal, will support business and general aviation aircraft.





- Arizona Air National Guard:** In a landmark deal, the TAA ANG, City of Tucson and Aerovation entered into a letter of agreement to allow the ANG to acquire airport property for relocation of the main entrance of the Morris Air National Guard Base to South Park Avenue from Valencia Road. This project will create a safe and secure base entrance and accommodate the proposed new Taiwan Air Force Mission.
- Aerovation:** The TAA Board authorized TAA staff to advance the process and coordinate construction of a new 32,000 square-foot hangar for defense contractor Aerovation. The project is expected to be funded by the Air Force.
- Raytheon Missile Systems:** In October, TUS' largest tenant announced plans to add another 1,000 jobs in Tucson over the next three years bringing the total to more than 13,000. Earlier, in June, parent Raytheon Company and United Technologies Corporation announced an all-stock merger of equals that will create Raytheon Technologies Corp, the nation's second largest defense and aerospace company, behind Boeing. The merger is expected to close during the first half of 2020.
- Mitsubishi Heavy Industries:** In June, the division of Tokyo-based Mitsubishi Group announced an agreement to acquire the regional jet division of Bombardier for \$550 million. The deal, which is expected to close in the second quarter of 2020, includes a maintenance facility at TUS.
- Bombardier:** The Montreal-based company will continue to operate a TUS service facility for business jets. It will continue to manufacture the Global 5500 and 6500 series aircraft, which are the newest models, and entered service at the end of 2019.
- Ascent Aviation:** One of the leading aircraft maintenance, repair and overhaul (MRO) companies in North America, Ascent operates facilities in Southern Arizona; one at TUS and the other at Pinal Airpark in Marana. The company specializes in complete MRO services for narrow-body aircraft manufactured by Boeing and Airbus and regional jets manufactured by Embraer and Bombardier, as well as end-of-life solutions for all types of aircraft, including airframe-parts removals and recycling of scrap-engine parts and airframe hulls. Two notable disassembly projects in 2019 were the last Boeing 747 flown by Delta Air Lines and the first Boeing 777-200, which was flown by United Airlines and is now on display at the Pima Air and Space Museum.
- Hangar Development:** Rio West Development constructed a build-to-suit hangar for the Arizona Department of Public Safety. TAA invested in the infrastructure for the project to encourage further development in the area. The new hangar is located off of Aero Park Boulevard.

AIR SERVICE





- **More Airline Passengers:** 2019 was one of the five biggest years for airline passengers at TUS, with nearly 3.8 million served.
- Passenger numbers grew 5% over 2018 to 3.79 million.
- TUS averaged 60 departures per day with 7,000+ available seats to 20 nonstop destination airports.
- **C Gates Open:** TUS began 2019 with a ribbon-cutting ceremony in January to open the C gates. Located about 300 feet west of the main terminal, the facility offers an option for airlines desiring a different operating cost structure compared to the main terminal. Allegiant immediately began using the C gates and by year's end was offering nonstop flights to Bellingham (Vancouver), Indianapolis and Provo.
- **Indianapolis:** Allegiant announced and launched nonstop Indianapolis seasonal service, as of November 14, making it the third nonstop destination offered by Allegiant at TUS.
- **More Airline Seats:** TUS capacity increases are due mostly to airlines upgauging to larger aircraft or adding more frequent service to existing destinations, such as Delta Air Lines adding a third daily flight to Atlanta, as well as the continued growth of ultra-low cost carriers Allegiant, Frontier and Sun Country.
- **'Leakage' Decline:** A new study performed for the TAA by Voltaire Aviation and released in September showed TUS has a marked reduction in the number of local passengers using Phoenix airports.
 - » TUS retained 67.3% of local traffic, up from 62.6% in 2017. The Phoenix Sky Harbor International Airport (PHX) share of Tucson traffic declined 31.6% and the Mesa Gateway (AZA) share declined 1.3% to 1.1%.
 - » While overall Tucson air travelers increased 4.6% from 2017 to 2019, TUS's growth exceeded that at 10.8% while Tucson travelers using PHX dropped 6% and AZA dropped 14.7%.
 - » TUS one-way fare now averages \$213; \$3 more than the PHX average.
 - » Five zip codes – 85718, 85750, 85704, 85745 and 85710 – account for 23% of the passengers using TUS.
 - » Five zip codes with the most leakage to PHX are 85621 (Nogales), 85653 (Marana), 85648 (Rio Rico), 85742 (Tortolita) and 85739 (SaddleBrooke).

COMMUNITY



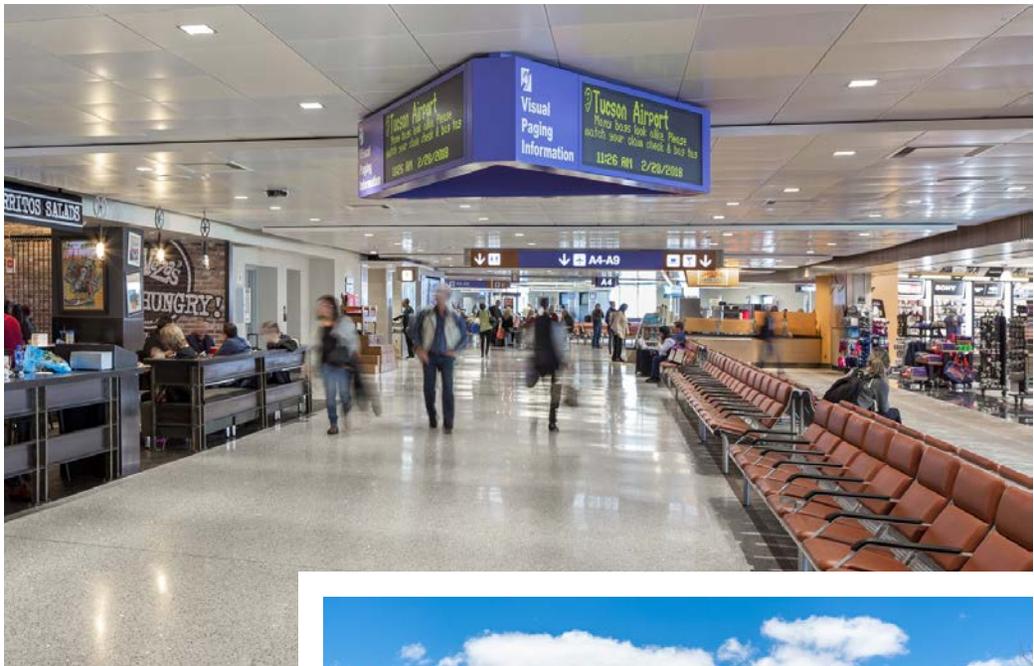
- **Advanced Life Support:** The Tucson Airport Authority Fire Department (TAAFD) in 2019 upgraded its services and now can provide Advanced Life Support (ALS) to those in need. Newly hired TAAFD Paramedics can now administer medications as well as provide advanced skills.
- **Hosting Airport Execs:** Over the summer, TUS was the host airport for the SWAAAE Summer Conference. The conference yielded the highest attendance and revenue for this summer conference in SWAAAE's history. As a part of this effort, TAA played a part in providing school supplies and a check for \$1,500 to the Sunnyside Foundation.





- **Sonoran Corridor:** The TAA continued to work closely with local and state government jurisdictions on development of the Sonoran Corridor, a multilevel, multistep, multiyear economic development initiative of land, mainly south and east of TUS that aims to be a regional economic catalyst.
- **Going to the Dogs:** The TAA Police Department has three K-9 teams that are a part of the TSA Explosive Detection Canine Program, and are trained by the Department of Defense. Along with daily training, the teams are called upon to clear aircraft, cargo while sweeping airport properties. TAAPD K-9 teams support the Pima County Regional Bomb Squad among other regional agencies. This year the three teams have been called out more than 25 times to assist in calls to locate firearms used during the commission of a crime or to clear buildings of suspicious objects.
- **99% Customer Satisfaction:** The 2019 Customer Service Survey of TUS passengers show 99% satisfaction by passengers using the airport. Since the inception of the surveys in 2012, satisfaction has remained above 90%.
- **TAA Partners:** TAA partnered with the University of Arizona, University of Arizona Alumni Association, University of Arizona Student Unions and Bookstores, Tucson Roadrunners Hockey and FC Tucson Soccer throughout the year in different venues to relay the Fly Tucson message.
- **TAA Team Helps:** The Airport Employee Community Effort (AECE) Committee and TAA employees promoted more than 10 events to raise more than \$15,300 in 2019.
 - » AECE and TAAFD raised more than \$2,500 to purchase 40 food boxes for local families during the holidays.
 - » The TAAFD hosted a toy drive resulting in hundreds of toys being collected to support Adopt-a-Family and other local organizations within the airport's neighboring area.
 - » TAA hosted an airport wide school supply drive and collected more than two carts full of school supplies for Rivera Elementary School in the Sunnyside Unified School District.
 - » The TAAFD raised more than \$800 for Special Olympics of Southern Arizona at the Fuel of Dreams event. Police and traffic officers, along with Special Olympic athletes, fueled up vehicles and cleaned windshields.
- **It's Hot in the Summer:** In an effort to warn arriving passengers about the dangers of extreme heat advisories in the region, the TAAFD handed out water to passengers and reminded them to stay hydrated as they venture to their destinations.
- **Art Exhibits:** The five galleries inside the TUS terminal hosted 22 exhibits in 2019 featuring more than 200 artists from Southern Arizona and northern Sonora.

INTO THE FUTURE





- Airfield Safety:** With the design of the Airfield Safety Enhancement project underway, TAA plans to begin construction by the end of 2020 with completion in about 4-5 years, depending on state and federal funding.
- Relocating Ground Transportation:** In an effort to consolidate the multiple Ground Transportation options taken by passengers upon arrival at TUS, options are being evaluated to relocate all of these services to the front of the terminal in one focused area.
- Extending Country Club:** In 2020, the TAA plans to begin the design to extend Country Club Road on the TUS campus to provide access to shovel-ready sites for economic development in the southeast area of the airfield. The new road will align and connect with the existing Country Club Road south of Valencia Road.
- Future Terminal:** To understand future needs, the TAA is planning to begin a study for an airline passenger terminal. A significant outcome of the study will be a recommendation on whether, when and where the airport may need to construct a new terminal.
- New Signage:** A new signage and interactive wayfinding program along TUS roadway entrances and inside the terminal will begin to take shape in 2020. Inside the terminal, new electronic videoboards will be installed to welcome visitors coming from both the A and B concourses to baggage claim.



2019

TAA BOARD OF DIRECTORS



CHAIR
Lisa Lovallo
Vice President and Market Manager
Cox Southern Arizona



VICE CHAIR
Taunya Villicana
Co-Founder/CEO
Affinity Wealth Management Arizona



SECRETARY
Bruce L. Dusenberry
President
Horizon Moving Systems



TREASURER
Katherine R. Ward
Principal
GV Strategic Advisors



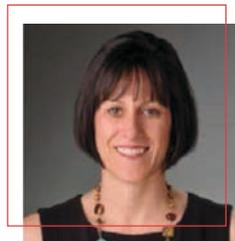
DIRECTOR
William Assenmacher
CEO
CAID Industries, Incorporated



DIRECTOR
Rob Draper
Dealer Principal & General Manager
O'Rielly Motor Co. & O'Rielly Chevrolet, Inc.



DIRECTOR
Judy Rich
President and CEO
TMC HealthCare and Tucson Medical Center



DIRECTOR
Keri L. Silvyn
Partner
Lazarus, Silvyn and Bangs, P.C.

2019

TAA EXECUTIVE TEAM



Danette Bewley, A.A.E.
President and CEO



Dick Gruentzel, C.M.
Vice President of Administration
and Finance/CFO



John Ivanoff
Senior Director of Public Safety/Acting Vice
President of Operations/COO



Chris Schmaltz, C.M.
General Counsel



Mike Smejkal, A.A.E., PE
Vice President of Planning
and Engineering



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