

**TUCSON AIRPORT AUTHORITY | Board of Directors Regular Meeting
October 6, 2021 | 3:00 p.m. | Remote Participation Only**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Tucson Airport Authority (TAA) and to the public that the **Board of Directors** will hold a meeting open to the public on **Wednesday, October 6, 2021, beginning at 3:00 p.m.** The meeting will be held by video and telephonically via the remote participation platform Webex. A link for members of the public to view the meeting will be posted along with the agenda at the web address below no less than 24 hours prior to the meeting.

<https://www.flytucson.com/taa/public-meeting-information/>

The agenda for the meeting is as follows:

1. CALL TO ORDER | ROLL CALL

- | | |
|--|--|
| <input type="checkbox"/> Bruce Dusenberry, Chair | <input type="checkbox"/> Rob Draper, Director |
| <input type="checkbox"/> Mike Hammond, Vice Chair | <input type="checkbox"/> Judy Rich, Director |
| <input type="checkbox"/> Keri Silvyn, Secretary | <input type="checkbox"/> Phil Swaim, Director |
| <input type="checkbox"/> Bill Assenmacher, Treasurer | <input type="checkbox"/> Todd Jackson, Director |
| <input type="checkbox"/> Taunya Villicana, Director/Immediate Past President | <input type="checkbox"/> Sally Fernandez, Director |

2. CONSENT AGENDA

Matters listed under the Consent Agenda are routine and will be enacted by one motion and one vote. There will be no separate discussion of the items on the Consent Agenda unless removed from the Consent Agenda by the Chairperson after a request of a member of the Board of Directors. If removed from the Consent Agenda, the item(s) will be considered separately and individually.

- a. **APPROVAL OF MINUTES:** Approve the minutes from the Board of Directors Regular Meeting held on September 1, 2021.
- b. **MATHESON FLIGHT EXTENDERS HANGAR LEASE:** Adopt Resolution No. 2021-22 authorizing the President/CEO or her designee(s) to take all actions and to execute all documents necessary to enter a new five-year lease agreement with Matheson Flight Extenders, for the use of Air Cargo Two, Bays One through Three, subject to key business terms.

3. CHAIRPERSON REPORT

- a. TAA and Staff Recognition | New or Promoted Employees, Awards, and Acknowledgments

4. PRESIDENT/CEO REPORT

- a. State of the Industry | Update

5. DISCUSSION/PRESENTATION

- a. **NEW ENTRY MONUMENT SIGN - FINAL DESIGN CONCEPT:** Staff will present to the Board of Directors the final design concept for a new entry monument sign to be constructed at the airport's main entrance south of the intersection of Tucson Boulevard and Corona Road.

6. ACTION ITEMS

- a. **PIMA COUNTY SHERIFF'S DEPARTMENT HANGAR LEASE:** The Board of Directors will consider and may adopt Resolution No. 2021-23 authorizing the President/CEO or her designee(s) to take all actions and to execute all documents necessary to enter a thirty-year ground lease with Pima County, and a budget amendment in the amount of \$1,776,037 to fund a new Capital Improvement Program project to construct an entrance taxiway to accommodate the lease and future developments.
- b. **NEW JET BRIDGE – GATE B6:** The Board of Directors will consider and may adopt Resolution No. 2021-24 authorizing the creation of a new Capital Improvement Program project to furnish and install a new jet bridge at Gate B6.
- c. **BYLAW AMENDMENTS:** The Board of Directors will consider and may adopt Resolution No. 2021-25 amending the Bylaws of the Tucson Airport Authority relating to the nominating process and the term of the Chair of the Board.

7. MEETING SCHEDULE

- a. Discussion on Board meeting schedule for November and December 2021.
- b. Next Meeting: December 8, 2021 | 3:00 p.m. | Remote participation via Webex

8. ADJOURN

**TUCSON AIRPORT AUTHORITY | Board of Directors Regular Meeting
SEPTEMBER 1, 2021 | 3:00 p.m. | Remote Meeting**

THIS BOARD MEETING WAS HELD BY REMOTE PARTICIPATION ONLY, WITH DIRECTORS ATTENDING VIA THE REMOTE PARTICIPATION PLATFORM WEBEX. MEMBERS OF THE PUBLIC WERE PROVIDED A WEBEX LINK AND PHONE NUMBER/CODE INCLUDED IN THE PUBLIC MEETING NOTICE IN ORDER TO ATTEND.

1. CALL TO ORDER | ROLL CALL

Chair Dusenberry called the meeting to order at 3:00 p.m.

Directors Present: Chair Bruce Dusenberry, Vice Chair Mike Hammond, Secretary Keri Silvyn, Treasurer Bill Assenmacher, Director/Immediate Past Chair Taunya Villicana, Director Judy Rich, Director Phil Swaim, Director Todd Jackson, and Director Sally Fernandez

Directors Absent: Director Rob Draper

Others Present: Col. Greg Hoffman, Commander, Arizona Air National Guard, 162nd Mission Support Group

Staff Present: President/Chief Executive Officer Danette Bewley, Executive Vice President/Chief Operating Officer Bruce Goetz, Vice President/Planning and Engineering Mike Smejkal, Vice President/General Counsel Christopher Schmaltz, Vice President/Chief Commercial Officer John Voorhees, Vice President/Chief Financial Officer Kirk Eickhoff, Vice President/Chief People Officer Twyla Salaiz, Deputy General Counsel Kim Ryan, IT Systems Administrator Matt Chandler, and TAA Clerk Byron Jones

2. CONSENT AGENDA

- a. **APPROVAL OF MINUTES:** Approve the minutes from the Board of Directors Regular Meeting held on August 4, 2021.

MOTION BY Treasurer Assenmacher, SECONDED BY Director Swaim, to APPROVE the consent agenda. The motion carried by the following vote:

Ayes 7 Chair Dusenberry, Vice Chair Hammond, Treasurer Assenmacher, Director Villicana, Director Rich, Director Swaim, and Director Jackson

Nays 0

3. CHAIRPERSON REPORT

a. TAA and Staff Recognition | New or Promoted Employees, Awards, and Acknowledgments

Chair Dusenberry announced that the TAA was awarded the Oro Valley Chamber of Commerce's Noteworthy Award for Exceptional Performance for the community relations impact that the TAA and the airport has had in the Oro Valley community. This was a significant achievement as travelers living in areas northwest of Tucson (e.g., Oro Valley, Marana, etc.) tend to fly out of Phoenix. This demonstrates that the TAA is making inroads in these areas.

4. PRESIDENT/CEO REPORT

a. State of the Industry | Update

President/CEO Danette Bewley reported on the following:

- ❑ The shortage of pilots continues to affect the airlines' schedules. This past weekend, American Airlines announced that it would remove some flights between Tucson and Dallas-Forth Worth. Staff believes this is a temporary reduction, and that the airlines are focused on preserving the existing schedules during the holiday season; therefore, the reductions being targeted should occur during the early-November and early December timeframes.
- ❑ Based on the daily departure and seat capacity trends, staff is projecting TUS will have the following daily departures for the remaining months of the year:

September	43
October	46
November	48
December	54

If these numbers hold, the airport will be closing in on the departure levels from prior to the pandemic.

- ❑ Southwest Airlines is reducing many of their flights due to staffing issues. TUS is not one of the airports that has been identified for reductions.
- ❑ In November, American Airlines is reinstating the early-morning flight to Phoenix that was canceled last month. This is due to passenger demand and Phoenix's access to cities across the country.

Director Silvyn joined the meeting at 3:05 p.m.

5. DISCUSSION

a. Strategic Planning Review | Discussion

President/CEO Danette Bewley recapped that the Executive Team shared a high-level vision for Strategic Plan 2.0 at the August 4 Board meeting. With the Board's support and direction, staff continued to build out the concepts, add detail, and add key performance indicators to the plan. The finalized version was included in the agenda packet for the Board's review and consideration. Staff is requesting the Board's support for the strategic initiatives and the investment required through adoption of the FY 2022 budget and capital improvement program.

BOARD COMMENTS:

- ☐ Staff has reacted extremely well during the pandemic. Even though the Strategic Plan is a well-prepared document, the TAA's greatest strength is that it has an active staff that can adapt to almost any situation. Supports adoption of Strategic Plan 2.0.
- ☐ The Strategic Plan was highly informative regarding the technologies (e.g., Glass Door, BambooHR, etc.) that IT and People Operations are implementing. It is a strong document.
- ☐ Supports the document's flexibility to adapt to changing circumstances and priorities.

Director Fernandez joined the meeting at 3:11 p.m.

b. FY 2022 Budget Review | Discussion

VP/CFO Kirk Eickhoff presented a high-level overview of the budget development process and assumptions.

FY 2022 BUDGET HIGHLIGHTS:

- ☐ Strategic Plan 2.0 was the foundation for the FY 2022 budget and capital improvement program. The focus was to ensure that the TAA has the resources in place to meet the plan's strategic objectives during the next four years.
- ☐ The TAA's minimum wage will increase from \$13 per hour to \$15 per hour, and there will be a cost-of-living adjustment.
- ☐ The signatory airline cost per enplanement is budgeted at \$6.02. This is a historical low driven by concessions the TAA has made for its airline partners. This includes reducing fixed rents in the terminal and changing the bag-fee calculations to ensure TUS remains competitive. The airlines were supportive of the budget.
- ☐ Federal rescue funds have enabled the airport system to balance its budget without increasing the landing fees charged to the signatory airlines. Staff is forecasting that \$8M will be required to balance the airport system's budget in FY 2022. Furthermore, an estimated \$27M in rescue funds will carry over to FY 2023 and beyond. The bulk of these funds are allocated to the Airfield Safety Enhancement Program and as a buffer in case assumptions change and the recovery does not continue as predicted.

ATTACHMENT ONE: FY 2022 BUDGET SUMMARY PRESENTATION

6. ACTION ITEMS

a. TAA STRATEGIC PLAN 2.0:

MOTION BY Director Villicana, SECONDED BY Vice Chair Hammond, to ADOPT Resolution No. 2021-17 accepting and supporting the Tucson Airport Authority Strategic Plan 2.0. The motion carried by the following vote:

Ayes 9 Chair Dusenberry, Vice Chair Hammond, Secretary Silvyn, Treasurer Assenmacher, Director Villicana, Director Rich, Director Swaim, Director Jackson, and Director Fernandez

Nays 0

b. TAA FY 2022 BUDGET AND CAPITAL IMPROVEMENT PROGRAM:

MOTION BY Treasurer Assenmacher, SECONDED BY Director Swaim, to ADOPT Resolution No. 2021-18 approving the budget and capital improvement program for the Tucson Airport Authority for the fiscal year beginning October 1, 2021 and ending September 30, 2022. The motion carried by the following vote:

Ayes 9 Chair Dusenberry, Vice Chair Hammond, Secretary Silvyn, Treasurer Assenmacher, Director Villicana, Director Rich, Director Swaim, Director Jackson, and Director Fernandez

Nays 0

c. ANG ECF | TENANT HANGAR REPLACEMENT BUDGET AMENDMENT:

VP/Planning and Engineering Mike Smejkal presented.

The Board approved an \$8.5M program in 2019; however, due to cost escalations driven by supply chain issues and labor shortages, the Guaranteed Maximum Price (GMP) with contingencies has risen to \$10.1M. The GMP includes \$300K in improvements that the TAA has identified as necessary for future development, but the Air National Guard (ANG) does not consider in-kind replacements. Staff is requesting Board approval to expend the additional \$300K from the Maintenance Reserve Fund. Construction is expected to get underway quickly once the budget increase is approved.

Col. Greg Hoffman, Commander, Arizona Air National Guard, 162nd Mission Support Group, expressed appreciation to the Board and the TAA for their partnership. Col. Hoffman noted that the project is included in the Department of Defense's five-year construction program, but it can be brought forward through congressional action. The National Guard Bureau has committed to placing the land acquisition request in the FY 2023 budget proposal. The best-

case scenario is that the TAA could be reimbursed in 2023.

MOTION BY Vice Chair Hammond, SECONDED BY Director Swaim, to ADOPT Resolution No. 2021-19 approving a budget increase to the Air National Guard Entry Control Facility (ANG ECF) – Tenant Replacement Hangar Project from \$8,500,000 to \$10,100,000. The motion carried by the following vote:

Ayes 9 Chair Dusenberry, Vice Chair Hammond, Secretary Silvyn, Treasurer Assenmacher, Director Villicana, Director Rich, Director Swaim, Director Jackson, and Director Fernandez

Nays 0

d. LAND DISPOSAL – ANG ECF:

VP/Planning and Engineering Mike Smejkal presented.

This action is related to item 6.c. Before the land transaction can be completed, the TAA is required to seek a formal release from federal obligations from the Federal Aviation Administration (FAA). This removes the property from the airport's layout plan and allows the TAA to dispose of it. Staff is requesting approval to seek the release from federal obligations and the authority to execute the land transaction once the Air National Guard has the funds available.

MOTION BY Treasurer Assenmacher, SECONDED BY Director Jackson, to ADOPT Resolution No. 2021-20 authorizing the President/CEO or her designee to take all necessary actions to obtain Federal Aviation Administration approval for the release of the Entry Control Facility (ECF) land from federal obligations and to execute the land transaction related to the ECF land and Relocated Hangar. The motion carried by the following vote:

Ayes 9 Chair Dusenberry, Vice Chair Hammond, Secretary Silvyn, Treasurer Assenmacher, Director Villicana, Director Rich, Director Swaim, Director Jackson, and Director Fernandez

Nays 0

e. LAND TRANSACTION – ASE/USAF PARCELS F AND G:

VP/Planning and Engineering Mike Smejkal presented.

The TAA requires an additional buffer/safety zone in Air Force Plant 44 to construct the additional runway called for in the Airfield Safety Enhancement (ASE) Program. Additionally, the Air Force seeks to acquire TAA-owned property located south of the old Hughes Access Road so that they will own all property within their explosive arcs. The TAA

and the Air Force have agreed to the land exchange. In addition, the TAA will pay for the in-kind replacement of bunkers on the property it is acquiring. Staff is requesting approval to seek the release of Parcel G from federal obligations and the authority to execute the land transfers involving Parcels F and G. This is slated to occur in early 2022.

MOTION BY Director Villicana, SECONDED BY Vice Chair Hammond, to ADOPT Resolution No. 2021-21 authorizing the President/CEO or her designee to take all necessary actions to obtain Federal Aviation Administration approval for the release of Parcel G from federal obligations and to execute the land transactions related to Parcels F and G with the United States Air Force (USAF) as part of the Airfield Safety Enhancement (ASE) Program. The motion carried by the following vote:

**Ayes 9 Chair Dusenberry, Vice Chair Hammond, Secretary Silvyn,
Treasurer Assenmacher, Director Villicana, Director Rich,
Director Swaim, Director Jackson, and Director Fernandez**

Nays 0

7. DIVISION UPDATES

a. FINANCE AND ADMINISTRATION:

VP/CFO Kirk Eickhoff presented on the following:

1. July 2021 YTD Financials | Financial Summary/Aviation Activity Report

- ☐ Recovery from the pandemic is continuing through July.
- ☐ The preliminary landed weight and passenger numbers for August are not as favorable, but the overall recovery is still trending upward.
- ☐ Passenger volumes continue to improve and illustrate an accelerated recovery.
- ☐ Operating revenue was favorable to budget due to increases in concession sales and unanticipated tie-down revenues.
- ☐ Expenses were \$500K favorable to budget. This was because of July being the first month the TAA realized the effects of paying down the Public Safety Personnel Retirement System unfunded liabilities.

ATTACHMENT TWO: JULY 2021 FINANCIAL HIGHLIGHTS PRESENTATION

8. NEXT MEETING

Wednesday, October 6, 2021 | 3:00 p.m. | Remote participation via Webex

9. ADJOURN

There being no further business to discuss, Chair Dusenberry adjourned the meeting at 4:00 p.m.

APPROVED BY:

Keri Silvyn, Secretary

Date: _____

Prepared by:

Byron M. Jones, CMC, TAA Clerk

Date: _____

DRAFT

ATTACHMENT ONE

FY 2022 BUDGET SUMMARY PRESENTATION

Presented by: VP/Chief Financial Officer Kirk Eickhoff



FY 2022 Budget Summary

Board of Directors Meeting

September 1, 2021

FY 2022 Budget Goals

Recurring

- Maintain competitive rates and charges
 - Low-cost structure to attract and retain air service
- Determine anticipated resources and balance with short/long-term needs
- Maintain flexibility

Specific to FY2022

- Investment to support Strategic Plan 2.0 (SP2.0)
 - Set foundation for success with SP2.0
- Responsible use of Federal rescue funds (CARES, CRSSA, ARPA)
 - Note: Infrastructure bill in play – if passed will be another \$32.5 million to airport system over next 5 years

FY 2022 Budget Assumptions

Revenue Assumptions

- 91% of pre-COVID passengers/landed weight
- Budgeted for current leases only
- Reinstate minimum annual guarantees for concessionaires (except Rental Cars)

Expense Assumptions

- Personnel initiatives
 - More competitive with market; minimum wage adjustment; COLA
 - To retain and attract talent
 - Add capabilities in key areas (IT, ASD, P&E, Public Safety)
- Anticipated increased planning and engineering fees related to infrastructure development for future tenants
- Robust marketing campaign

FY 2022 Budget Highlights

\$Millions	FY2022 Budget	FY2021 Forecast	FY2021 Budget	FY2020 Actual
Total Revenue (including SA landing fees)	\$ 40.2	\$ 35.7	\$ 31.4	\$ 39.3
Operating Expenses	35.5	32.2	33.8	31.7
Net Operating Income	4.7	3.5	-2.4	7.6
Debt Service & Fund Transfers	-8.1	-7.7	-5.1	-5.2
Net Capital Requirements	-4.7	-2.7	-2.7	-4.7
Federal Rescue Funds Required	<u>\$ (8.1)</u>	<u>\$ (7.0)</u>	<u>\$ (10.2)</u>	<u>\$ (2.3)</u>
Signatory Airline Cost Per Enplanement	\$6.02	\$9.80	\$11.23	\$11.75

- Airlines Airport Affairs Committee (Airlines) reacted positively to the FY2022 Budget.
- The Finance and Risk Management Council unanimously voted to recommend adoption to the Board of Directors.

Rescue Funds Status

Rescue Fund Status

- To date, \$44.5M granted to TAA (CARES, CRSSA, ARPA)
- Expected balance to carry \$27.1M forward to FY 2023 and beyond
- Current projection shows all rescue funds exhausted by 9/30/2024 (largely capital spending)
- New infrastructure bill may add approximately \$32.5 million to the airport system over the next 5 years

FY 2022 Capital Budget Highlights

Major Maintenance - \$4.5M

- Various Airfield Maintenance and Repair Projects
- Various Facility Maintenance and Repair Projects
- Terminal Needs Assessment
- Entry Monument and Landscaping
- Office Configurations for Post-COVID workspaces
- Terminal Needs Assessment
- Fire Station Sound Attenuation

Capital Outlay - \$1.1M

- Rubber and Paint Removal System
- Fleet (vehicle replacements)
- IT Projects (CCTV, EOC)
- AED Replacements
- Art Program

Capital Improvement Program - \$2.0M (local portion)

- ASE Program - \$34.7M, 100% grant funded (FAA, ADOT)
- Design for Access Control System Replacement
- G Service Road Rehabilitation
- Former Control Tower Elevator Modernization (50% ANG funded)

Three projects required ***and received*** signatory airline MII approval: *G Service Road, Control Tower Elevator, and Rubber and Paint removal system.*

FY 2022 Budget Summary

Questions?

ATTACHMENT TWO

JULY 2022 FINANCIAL HIGHLIGHTS PRESENTATION

Presented by: VP/Chief Financial Officer Kirk Eickhoff

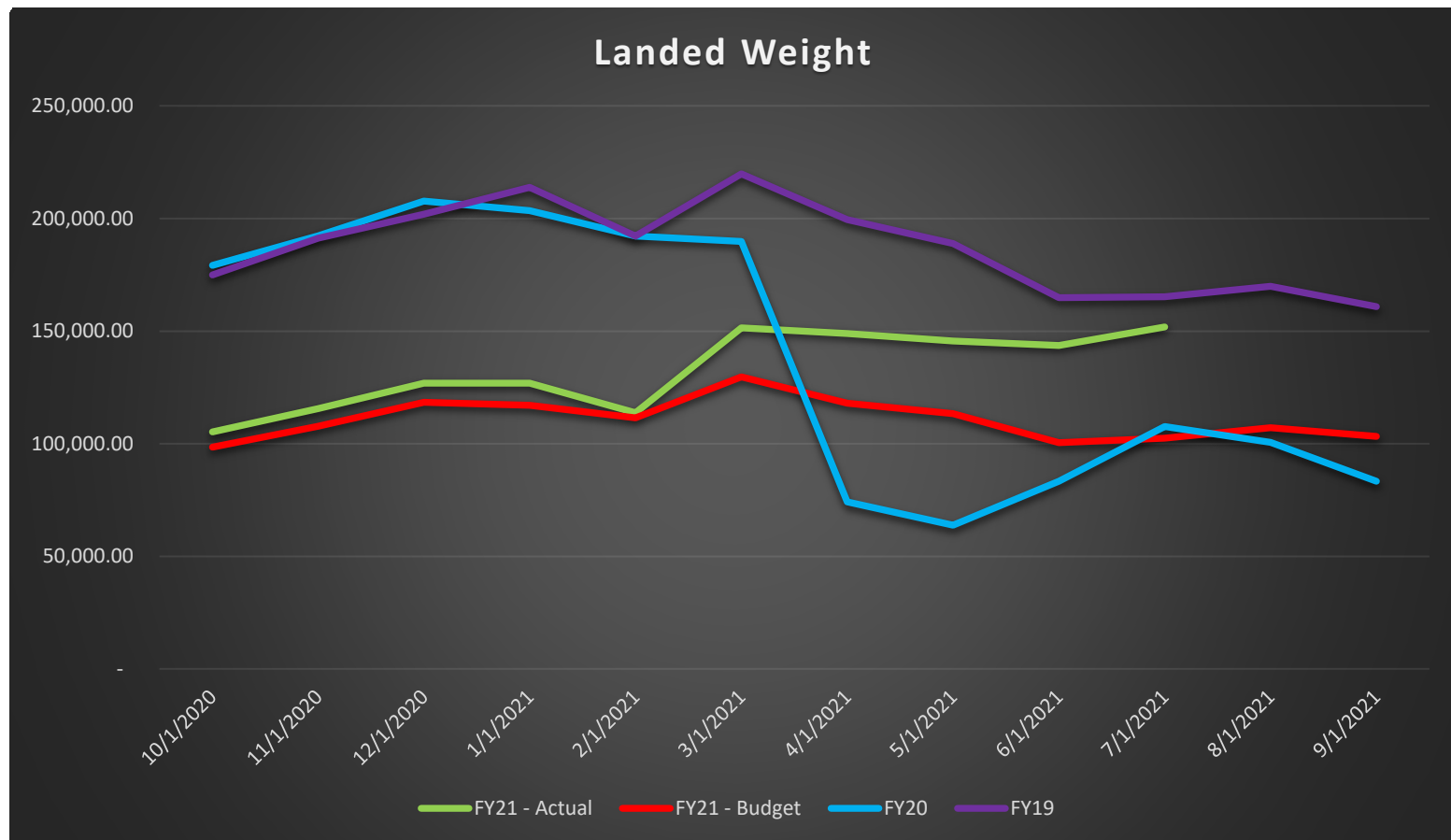


July 2021 Financial Highlights

Board of Directors Meeting

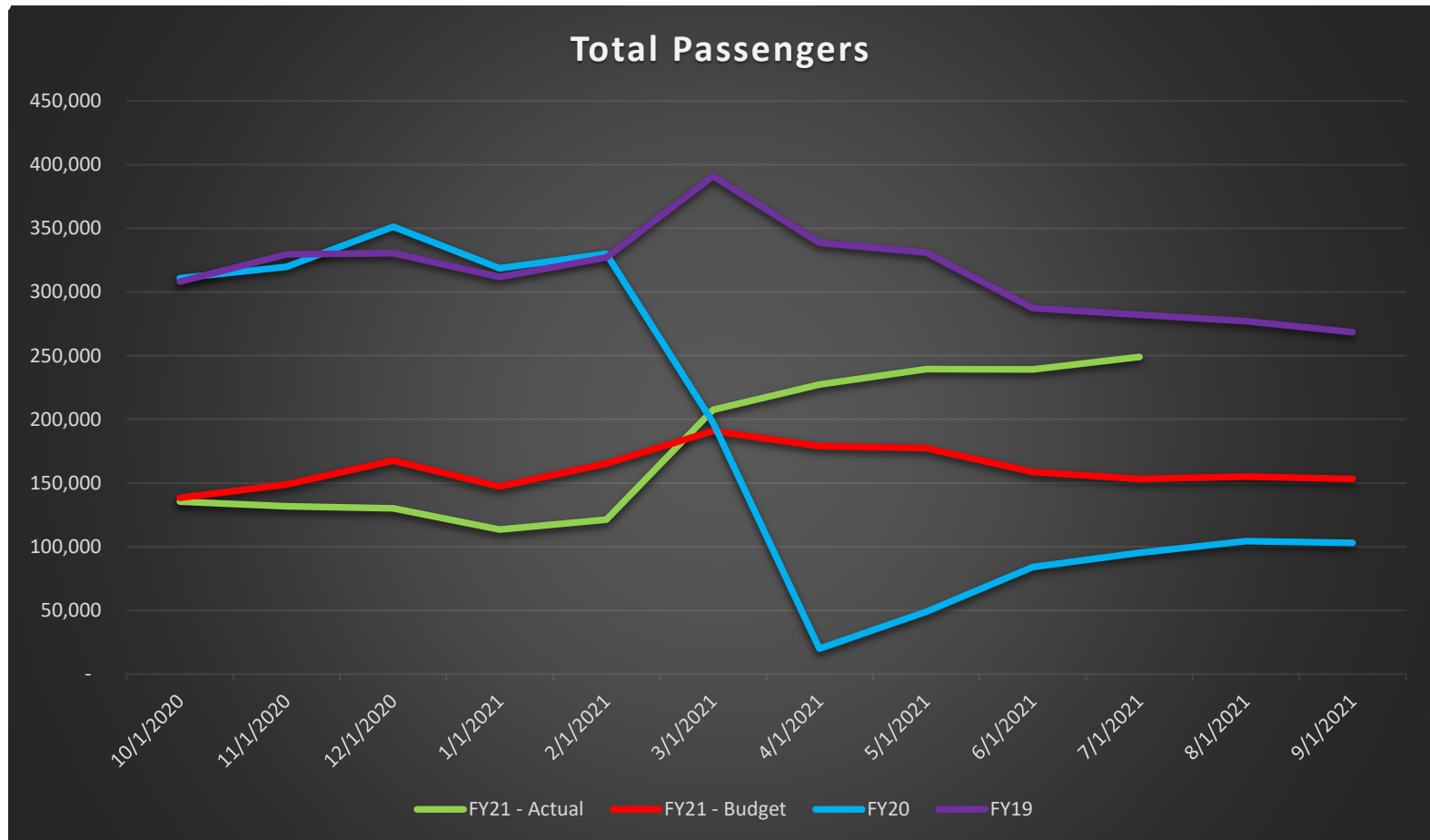
September 1, 2021

July 2021 YTD Operating Statistics



- July Landed Weight is 48.2% greater than budget and 8.1% lower than FY2019
- YTD Landed Weight is 19.0% greater than budget and 30.5% lower than FY2019

July 2021 YTD Operating Statistics



- July Passengers are 62.6% greater than budget and 11.7% lower than FY2019
- YTD Passengers are 10.3% greater than budget and 44.6% lower than FY2019

July 2021 Flight & Passenger Activity

<u>Month</u>	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>
Total Passengers	249,163	95,210	282,200
Average Load Factor	84.3%	48.4%	84.0%
Average Daily Departures	42.2	28.6	47.5
Average Daily Seat Capacity	4,762	3,215	5,322

Ten Months Year-To-Date

Total Passengers	1,794,547	2,076,473	3,237,873
Average Load Factor	70.9%	68.2%	83.8%
Average Daily Seat Capacity	4,202	5,004	6,385

July 2021 Financial Results

(\$ Millions)			Actual vs.		Prior	Current vs.	
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>		<u>Year</u>	<u>Prior Year</u>	
<u>Month</u>							
Operating Revenues	3.3	2.6	0.7	26.9%	2.7	0.6	22.2%
Operating Expenses	2.3	2.8	0.5	17.9%	2.4	0.1	4.2%
Operating Income (Loss)	1.0	(0.2)	1.2		0.3	0.7	
<u>Ten Months Year-To-Date</u>							
Operating Revenues	29.7	26.0	3.7	14.2%	33.2	(3.5)	-10.5%
Operating Expenses	26.2	28.3	2.1	7.4%	26.3	0.1	0.4%
Operating Income	3.5	(2.3)	5.8		6.9	(3.4)	

July 2021 Revenue vs Historical

(\$ Millions)	FY2021		FY2020	FY2019
	<u>Actual</u>	<u>Budget</u>		
<u>Month</u>				
Revenue From Signatory Airlines	\$ 962,591	\$ 906,373	\$ 1,062,059	\$ 1,152,739
Land and Space (not including SAs)	720,580	693,760	741,594	781,412
Concessions	1,399,919	748,823	571,673	1,455,875
Other	270,446	227,726	327,650	343,181
Total	\$ 3,353,536	\$ 2,576,682	\$ 2,702,976	\$ 3,733,207

July 2021 Financial Highlights

Questions?

Date: October 6, 2021

To: TAA Board of Directors
From: John Voorhees, Vice President/Chief Commercial Officer
Re: **Matheson Flight Extenders – New Lease, Air Cargo 2, Bays 1-3**

Background:

Matheson Flight Extenders (Matheson) is in the business of warehousing and distribution of mail. Matheson contracts with the United States Postal Service (USPS) to perform those and associated functions. Matheson currently operates at TUS under a Lease at Air Cargo 1, Bay 5, located at 2600 E. Los Reales Road. Matheson pays gross annual rent of \$40,494 for their 3,600 square foot leasehold.

Matheson has requested to increase their footprint at TUS and relocate to Air Cargo 2, Bays 1-3, located at 2800 E. Airport Drive. Lease of Air Cargo 2, Bays 1-3 would provide Matheson a total of 6,134 square feet. Gross annual rent at Air Cargo 2 would be \$71,400. Matheson desires a five (5) year Lease term beginning October 18, 2021.

Matheson has been a tenant in good standing at TUS since 2008. Matheson provides valuable support and assets for the USPS. Relocating Matheson from Old Air Cargo to New Air Cargo would result in additional rent to TAA of \$154,530 over the five-year term of the proposed Lease.

Strategic Plan | Analysis

The new lease supports our Strategic Plan initiative to expand non-aeronautical revenue. By executing this lease, TAA improves our revenue and provides a larger and better space to bolster our business partner's success. We have offered a sound business solution to Matheson's operational issue.

Cost Analysis:

This lease will result in a \$154,530 increase of rent revenue over the five-year term of the proposed lease.

Recommendation:

TAA management recommends the Board adopt Resolution No. 2021-22 to allow the President/CEO to execute the five (5) year lease with Matheson Flight Extenders for Air Cargo 2, Bays 1-3.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TUCSON AIRPORT AUTHORITY, INC., AUTHORIZING THE PRESIDENT/CEO OR HER DESIGNEE(S) TO TAKE ALL ACTIONS AND TO EXECUTE ALL DOCUMENTS NECESSARY TO ENTER A NEW FIVE-YEAR LEASE AGREEMENT WITH MATHESON FLIGHT EXTENDERS, FOR THE USE OF AIR CARGO TWO, BAYS ONE THROUGH THREE, SUBJECT TO KEY BUSINESS TERMS.

WHEREAS Matheson Flight Extenders (Matheson) has been a tenant in good standing at TUS since 2008 and currently operates a mail distribution and warehousing center under a lease at Air Cargo One, Bay Five, located at 2600 E. Los Reales Road; and

WHEREAS Matheson desires to increase its footprint at TUS by relocating its operations to Air Cargo Two, Bays One through Three, located at 2800 E. Airport Drive under a new five-year lease agreement; and

WHEREAS such relocation will be in furtherance of the TAA's Strategic Plan objective to diversify its revenue portfolio by increasing non-aeronautical revenues while also working "collaboratively for the greater good of...business and community partners"; and

WHEREAS the Board of Directors accepts the staff recommendations as detailed in the Board Memorandum.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TUCSON AIRPORT AUTHORITY, INC., AS FOLLOWS:

The President/CEO or her designee(s) to take all actions and to execute all documents necessary to enter a five-year lease with Matheson Flight Extenders for the use of Air Cargo Two, Bays One through Three, subject to the attached key business terms.

PASSED AND ADOPTED by the Board of Directors of the Tucson Airport Authority, Inc., this sixth day of October, 2021.

Bruce Dusenberry, Chair of the Board

ATTEST:

APPROVED AS TO FORM:

Keri Silvyn, Secretary

Christopher Schmaltz, Vice President and General Counsel

Matheson Flight Extenders
Key Business Terms

Date:	October 6, 2021
Facility Lease Landlord:	Tucson Airport Authority, Inc. (TAA)
Tenant:	Matheson Flight Extenders
Premises:	Air Cargo 2, Bays 1-3, located at 2800 E. Airport Drive
Lease Term:	Five (5) years commencing on October 18, 2021 and terminating on October 17, 2026.
Base Rent:	\$71,400 per annum; \$357,000 total lease value
TAA Approval of Terms:	Lease terms are subject to approval of the TAA's Board of Directors.

NONSTOP for Tucson



By Danette Bewley, A.A.E.
President & CEO
Tucson Airport Authority

AFTER ENDURING 16-PLUS MONTHS OF A WORLDWIDE PANDEMIC THAT AFFECTED ALL SECTORS OF THE AVIATION AND TRAVEL INDUSTRY, TUCSON INTERNATIONAL AIRPORT (TUS) IS SHOWING SIGNS OF RECOVERY. THERE ARE MORE FLIGHTS TAKING OFF TO MORE DESTINATIONS, AND MOST IMPORTANTLY, MORE PASSENGERS ARE RETURNING TO THE SKIES.

The pace of the recovery is happening at a faster rate than expected for TUS. In January and February of 2021, passenger numbers were approximately 40 percent of the 2019 pre-pandemic levels. As of May, passenger numbers nearly doubled and climbed to over 80 percent of what they were in 2019. Better yet, the flights are full. As we forecast forward, we are optimistic that we will recover approximately 90 percent of our pre-pandemic levels in late 2021 and 2022.

While we recover from the pandemic, the Tucson Airport Authority (TAA) continues to make air service development a priority and make the business case that the Southern Arizona region *can* support new flights. Within six weeks, two new air service route announcements were made – Alaska Airlines to Everett, Washington, and Frontier Airlines to Las Vegas.

To help promote air service at TUS and highlight the many aspects an airport contributes to its community, our team has developed and launched a new marketing campaign, “Nonstop for Tucson.” This campaign embodies our commitment to work “nonstop” for the Southern Arizona region. This campaign is not just about air service. “Nonstop for Tucson” means nonstop for safety, security, customer service, and economic development. We want our community to know we are ready for business and will support the region in any way we can. The campaign, which launched at the end of February, has garnered more than 60 million impressions, and has provided us the opportunity to connect with our community through numerous outlets, social and digital media, speaking engagements, and event sponsorships.

Health and Safety Upgrades

The pandemic caused us all to pause and think carefully about the safety and the well-being of ourselves and our loved ones. We understand the importance of earning confidence from all passengers choosing to fly through TUS. For this reason, the TAA invested approximately \$300,000 in health and safety improvements throughout the terminal, including and not limited to:

- UV equipment that sanitizes the handrails of escalators and moving walkways as the handrail cycles
- Toe-tap buttons for elevators to provide a “touchless experience”
- Upgraded HVAC units with the highest level HEPA filtration the system can handle
- All custodial cleaning products are now hospital grade
- New custodial equipment enables staff members to clean larger areas in a reduced amount of time, thereby allowing for more frequent sanitization
- Plexiglass barriers installed at all transaction counters

In addition, we are proud to share that TUS was the fifth airport in the world to earn the Global Biorisk

Advisory Council (GBAC) accreditation for meeting rigorous health and safety standards. Since our accreditation, 71-plus other airports have earned their accreditation, and even more are going through the process.

Airfield Safety Enhancements Program

Outside of the terminal, our team has continued to move forward with the largest project in the TAA’s 73-year history. This approximately \$320-million-dollar airfield project (in today’s dollars), appropriately named the Airfield Safety Enhancement (ASE) Program, will modernize our runway system to meet the latest safety standards established by the Federal Aviation Administration.

The primary focus is to resolve “hotspots” and eliminate runway incursions, which is a major concern at TUS. ASE is divided into four projects and includes the demolition of an existing parallel runway (8,000’ x 75’) and construct a new, relocated parallel runway (11,000’ x 150’) to match our existing main runway. In addition, there will be a new center parallel taxiway, an outer taxiway, and an end-around taxiway to promote safety and further reduce the possibility of runway incursions. There also will be a myriad of geometry changes made. All the projects within the program are at various design stages between 30 percent and 100 percent, depending on the respective phase.

- Construction on the electrical vault on the south end of the airfield has commenced. It is the first major construction milestone in the program and will power the end-around taxiway, the new Taxiway Bravo and Taxiway Charlie, as well as the new runway 12R/30L.
- Due to magnetic variation, the runway numbers will be updated to reflect headings of 12/30 instead of 11/29, along with the many other navigational updates as required by the FAA.

We are optimistic the design and construction progress will allow the program to be completed in the next four years. However, the speed

and efficiency of the construction is contingent on a consistent stream of funding from the FAA through the grant process.

Airport Infrastructure Hearing

Recently, it was my honor to be invited by Sen. Kyrsten Sinema, D-AZ, to represent our industry at the June 23, 2021 hearing held by the Senate Subcommittee on Aviation Safety, Operations, and Innovation. Other panelists included Sean Donahue, CEO, Dallas Fort Worth International Airport; Paul Cullen, Vice President of Real Estate, Southwest Airlines; Paul Rinaldi, President, National Air Traffic Controllers Association; and Dr. Benjamin Miller, The RAND Corporation.

During the hearing, I had the opportunity to highlight the ACI-NA report that identifies \$115 billion in infrastructure needs over the next five years. Furthermore, I made the request that legislators support airport infrastructure by providing \$50 billion in airport funding over the next five years (\$10 billion/year). Generally, all speakers agreed that airport infrastructure funding is necessary to support and allow airports to catch up on deferred projects and keep pace with projects that modernize our infrastructure. The one thing that sparked disagreement was how to fund the airport infrastructure. Airports support modernizing the Passenger Facility Charge (PFC) by \$1 per year over the next four years (to \$8.50), then indexing the PFC to inflation, while airlines suggest alternate methods to finance projects, i.e., additional federal relief funds. It is clear we will have the opportunity to continue the PFC discussion into the future.

It has been a difficult time for airports; however, our industry is strong and resilient, and we are seeing the positive signs of economic recovery. In addition, I feel fortunate to have a forum of other airport professionals to lean on and learn from as we work through various challenges. We will get through this together. <

Date: October 6, 2021

To: TAA Board of Directors
From: John Voorhees, Vice President/Chief Commercial Officer
Re: Pima County Sheriff's Department Hangar Lease
MRO Aeropark Entrance Taxiway Construction Project

Background:

TAA and Pima County have negotiated business terms for the construction of a new Pima County Sheriff's Department (PCSD) Aviation Unit headquarters facility at TUS. Currently the PCSD aviation unit occupies two hangar spaces in the Valencia General Aviation campus. PCSD is replacing its fixed wing aircraft and desires to consolidate its aviation unit in one facility. The facility will be located on the Aeropark 30 MRO campus (near the base of the new ATC Control Tower). Pima County will construct a 15,000 square foot hangar including office space. Pima County will also construct a vehicle parking lot and an aircraft parking apron to support the flight operation.

To provide access to the lease site TAA will need to construct an entrance taxiway that will adjoin Taxiway Charlie. Taxiway Charlie will be designed and built to accommodate up to Group III aircraft so that it can also support additional development west of the Pima County leasehold. Over the past few months there has been considerable interest in the remaining land associated with that parcel. For information, and not related to the Board Action, TAA staff are negotiating with a company that intends to build an MRO facility on the remaining land within the next 18 months. Though negotiations are early, TAA anticipates that this project (or a similar project) will occur within the next 18-24 months.

Strategic Plan | Analysis

The requested action supports the Strategic Plan to increase aeronautical revenue to the airport financial system by leasing this property to Pima County and other potential clients. By completing the entire taxiway construction as one project, TAA will reduce overhead and administrative costs. This will also position TAA's land as "shovel ready" when another business prospect commit to build at TUS.

Cost Analysis:

TAA has proposed a thirty (30) year lease with Pima County for approximately 1.74 acres of green field land. The exact lease area will be finalized as Pima County progresses with their design. The business terms include a lease rate of \$0.36 per square/foot per year an adjustment every two (2) years based on the Consumer Price Index (CPI adjustment). Pending final design, this equates to approximately \$27,041.69 of revenue in the first year of lease. The potential revenue for the undeveloped area to the east if utilizing the same lease rate as Pima County is an additional \$139,870 annually.

The TAA cost to construct the new entrance taxiway to accommodate this lease, and for future developments, is \$1,776,037. TAA staff propose to fund this project by an internal loan from TAA's

Special Reserve fund, which can be amortized over the estimated useful life of the taxiway at a reasonable market-based interest rate. While the additional revenue from the new PCSD hangar will not cover the debt service in total, TAA expects future development projects will yield a positive return on investment.

Recommendation:

TAA management recommends the Board adopt Resolution No. 2021-23 authorizing the President/CEO or her designee to execute a 30-year lease with Pima County consistent with the terms outlined above. TAA management further recommends the Board adopt Resolution No. 2021-23 to adopt a budget amendment adding the CIP project for the Taxiway Charlie Project in the amount of \$1,776,037.

PC Sheriff Lease

MHI
RJ

FAA
ATC



E Aero Park Blvd

Google Earth

Raytheon

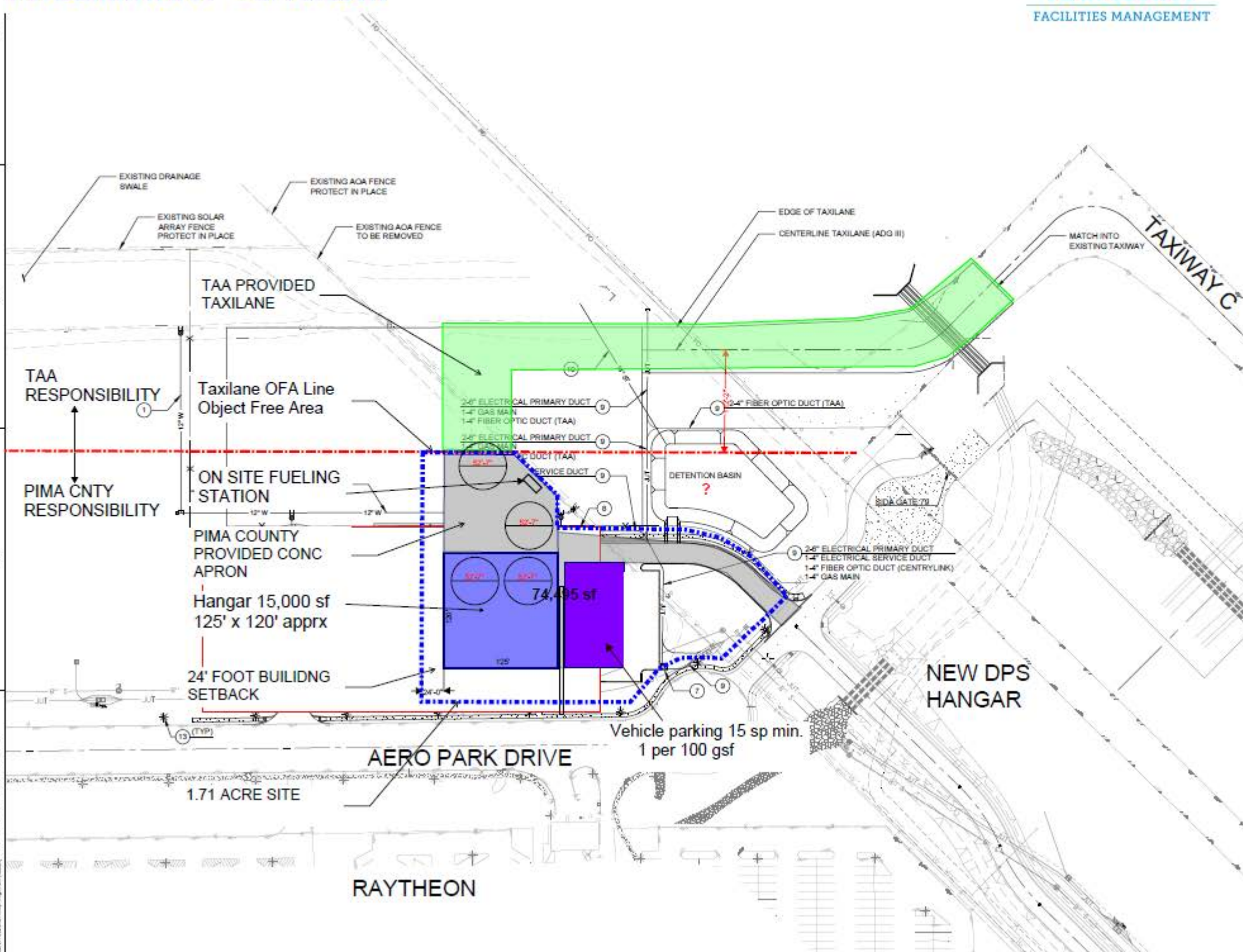


700 ft

PIMA COUNTY - TAA SHERIFF'S HANGAR LEASED AREA PRELIMINARY - 9/13/2021



- 1 NEW WATER MAIN (SIZE AS SHOWN)
- 2 NEW WATER SERVICE LINE WITH METER
- 3 NEW FIRE HYDRANT W/ BOLLARDS PER SD-500
- 4 NEW 4" BCS
- 5 NEW 8" STORM SEWER LINE FROM TRENCH DRAIN
- 6 NEW SAND/OIL SEPARATOR
- 7 NEW ELECTRICAL PME
- 8 NEW ELECTRIC TRANSFORMER
- 9 NEW JOINT UTILITY TRENCH SERVICES AS NOTED
- 10 NEW 18" STORM DRAIN PIPE TO DISCHARGE STRUCTURE
- 11 NEW 4" FIRE SERVICE TO FIRE RISER ROOM
- 12 NEW PRIVATE MANHOLE
- 13 NEW STREET LIGHTING (MATCH SOUTH SIDE)



**PRELIMINARY
NOT FOR
CONSTRUCTION**

Not for permit, pricing or other official purposes. The document has not been reviewed or checked and is for general information or comment only.

Project No: 181710607
Scale: 1" = 50'
Revision: 01 Sheet 100 of 101
Drawing No: C - 002

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TUCSON AIRPORT AUTHORITY, INC., AUTHORIZING THE PRESIDENT/CEO OR HER DESIGNEE(S) TO TAKE ALL ACTIONS AND TO EXECUTE ALL DOCUMENTS NECESSARY TO EXECUTE A THIRTY-YEAR GROUND LEASE WITH PIMA COUNTY, AND A BUDGET AMENDMENT IN THE AMOUNT OF \$1,776,037 TO FUND A NEW CAPITAL IMPROVEMENT PROGRAM PROJECT TO CONSTRUCT AN ENTRANCE TAXIWAY TO ACCOMMODATE THE LEASE AND FUTURE DEVELOPMENTS.

WHEREAS the Pima County Sheriff's Department (PCSD) is constructing a hangar in an area near the Air Traffic Control tower designated as *Aeropark 30* for the purposes of consolidating its air operations at this new location; and

WHEREAS Pima County desires to enter a thirty-year ground lease with the Tucson Airport Authority (TAA) to commence the building project, and as agreed in the business terms negotiated with the TAA, Pima County will construct an airport apron for its operations, while the TAA will construct a taxiway from the tenant's leasehold to Taxiway Charlie to accommodate Design Group III aircraft; and

WHEREAS the TAA desires to construct all portions of the taxiway under its purview concurrent with the construction of the taxiway for the PCSD project to reduce costs and to standardize construction, as well as to prepare for the presence of parties who have expressed an interest in building additional aeronautical facilities in *Aeropark 30*; and

WHEREAS the Board of Directors accepts the staff recommendations as detailed in the Board Memorandum.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TUCSON AIRPORT AUTHORITY, INC., AS FOLLOWS:

1. The President/CEO or her designee(s) is authorized to take all actions and execute all documents necessary to execute a thirty-year ground lease with Pima County consistent with the terms outlined in the Board Memorandum.
2. A budget amendment in the amount of \$1,776,037 is approved to add a CIP project relating to the construction of an entrance taxiway between the tenant's leasehold and Taxiway Charlie, including future developments, to be funded by an internal loan from the airport system's Special Reserve Fund.

PASSED AND ADOPTED by the Board of Directors of the Tucson Airport Authority, Inc., this sixth day of October, 2021.

Bruce Dusenberry, Chair of the Board

ATTEST:

Keri Silvyn, Secretary

APPROVED AS TO FORM:

Christopher Schmaltz, Vice President and
General Counsel

Date: October 6, 2021

To: TAA Board of Directors
From: Mike Smejkal, V.P. Planning and Engineering
Re: 10120448 – B230 – Furnish & Install a new Jet Bridge for Gate B6

Background:

When American Airlines and US Airways merged in 2013, the two airlines consolidated their TUS operations on the B concourse. To free up the necessary space, United Airlines moved from the B gates to the A gates and removed the jetbridge it owned at Gate B6. At the time no other airline needed to use gate B6 so the TAA did not have the demand to justify installing a new jetbridge.

Currently, TAA owns and maintains 14 of the 16 jetbridges installed at TUS. TAA ownership of the jetbridges gives the airport the flexibility to maximize their use with multiple airlines, either through preferential leases or “per-turn” agreements. TAA recovers the cost of the jetbridges through our rates and charges to the airlines.

Analysis:

Based on recent discussions around air service development, TAA staff believes there is a need to install a jetbridge at gate B6 so that it can be reactivated for use. While TUS has the capability of accommodating additional aircraft and flights at the existing gates, they would either be on a shared basis creating the possibility of airline conflicts or at gates that cannot accommodate full-sized aircraft. Currently, B6 is the only unused gate at the terminal capable of handling a full-sized Boeing or Airbus aircraft. The jetbridge will allow TUS to be immediately ready to attract a new airline or provide an additional gate option for airlines to grow.

Jetbridges have always had a relatively long lead time (5-6 months); however due to recent supply chain issues that timeline is now up to 9 months. Unfortunately, this long lead time does not allow TAA to wait until after the new air service is confirmed to order the new jetbridge.

TAA has received quotes to install a new jetbridge at Gate B6 in the amount of \$791,228. TAA will utilize a special reserve fund loan, amortized over the estimated useful life of the jetbridge to fund the project and as noted above TAA anticipates recovering the cost plus interest as airlines utilize the new gate. The interest rate will be set at the time of the purchase and will be based on market conditions which are based on TAA’s incremental borrowing rate at the time.

Recommendation:

TAA staff recommends that the Board approve a new Capital Improvement Plan (CIP) project in the amount of \$791,228.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TUCSON AIRPORT AUTHORITY, INC., AUTHORIZING THE CREATION OF A NEW CAPITAL IMPROVEMENT PROGRAM PROJECT TO FURNISH AND INSTALL A NEW JET BRIDGE AT GATE B6.

WHEREAS increased gate capacity furthers the Tucson Airport Authority's strategic initiative to "Expand Prosperity" as well as its mission to "Provide a sustainable airport system and constantly pursue initiatives that promote and grow business opportunities" during the post-COVID economic recovery; and

WHEREAS Gate B6 is the only unused gate in the terminal capable of handling a full-sized aircraft, and reactivation of the gate will be a significant asset in attracting a new airline or enabling existing airlines to expand air service; and

WHEREAS the Board of Directors accepts the staff recommendations as detailed in the Board Memorandum.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TUCSON AIRPORT AUTHORITY, INC., AS FOLLOWS:

1. The President/CEO or her designee(s) is authorized to create a new Capital Improvement Program (CIP) project (10120448 – B230) for the purpose of furnishing and installing a new jet bridge at Gate B6.
2. Special Reserve Fund financing, to be paid back to the Fund per the terms set forth in the related memorandum, shall be used to finance the purchase and installation of the new jet bridge in the amount of \$791,228 for the newly created CIP project.

PASSED AND ADOPTED by the Board of Directors of the Tucson Airport Authority, Inc., this sixth day of October, 2021.

Bruce Dusenberry, Chair of the Board

ATTEST:

APPROVED AS TO FORM:

Keri Silvyn, Secretary

Christopher Schmaltz, Vice President and
General Counsel

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TUCSON AIRPORT AUTHORITY, INC., AMENDING THE BYLAWS OF THE TUCSON AIRPORT AUTHORITY RELATING TO THE NOMINATING PROCESS AND THE TERM OF THE CHAIR OF THE BOARD.

WHEREAS Article 9 of the Bylaws of the Tucson Airport Authority (TAA) invests in the Board of Directors the authority to, by a majority vote, amend the Bylaws, such amendments having first been considered by the Corporate Governance Council; and

WHEREAS the Corporate Governance Council, at its meetings on July 6, 2021, and July 19, 2021, voted to recommend to the Board of Directors various amendments to update the Bylaws to reflect current business practices, conform to updates to Arizona law, to clarify and to simplify certain provisions, and to streamline TAA's non-profit organizational processes; and

WHEREAS the Board of Directors, at its meeting on August 4, 2021, considered the proposed amendments but chose to return to the Corporate Governance Council for reconsideration amendments pertaining to the nominating process and the term of the Board Chair; and

WHEREAS the Corporate Governance Council at its meeting on September 28, 2021, reviewed and considered the proposed Bylaw amendments; and

WHEREAS the Corporate Governance Council voted to recommend certain Bylaw amendments to the nominating process and the term of the chair of the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TUCSON AIRPORT AUTHORITY, INC., AS FOLLOWS:

1. The amendments to the Bylaws of the Tucson Airport Authority, Inc., as reflected in the redlined version of the Bylaws adopted on August 4, 2021, attached hereto as Exhibit A, are approved.
2. The Chair is authorized to execute the revised Bylaws of the Tucson Airport Authority, Inc., incorporating all amendments through October 6, 2021, attached hereto as Exhibit B, and incorporated by reference herein.

PASSED AND ADOPTED by the Board of Directors of the Tucson Airport Authority, Inc., this sixth day of October, 2021.

Bruce Dusenberry, Chair of the Board

ATTEST:

Keri Silvyn, Secretary

APPROVED AS TO FORM:

Christopher Schmaltz, Vice President and
General Counsel

EXHIBIT A

Tucson Airport Authority Bylaws
Incorporating all amendments through August 4, 2021

(REDLINED WITH RECOMMENDED AMENDMENTS)

BYLAWS

TUCSON AIRPORT AUTHORITY

Incorporating all amendments through ~~August 4, 2021~~ **OCTOBER 6, 2021**

ARTICLE 1

TITLE, LOCATION, CORPORATE SEAL

Section 1.1 The title of this corporation shall be "TUCSON AIRPORT AUTHORITY, INC." and may be referred to herein as "Authority."

Section 1.2 The principal office of this corporation shall be in or near the City of Tucson, Arizona, but this corporation may have other offices at such places as the Board of Directors shall designate and the business of this corporation may require.

Section 1.3 The corporation shall have a corporate seal which shall be of such form as the Board of Directors may determine. The Board shall determine the custody, number and use of the corporate seal. The seal shall have inscribed on it the name of this corporation and the year of the corporation's creation and the words "Corporate Seal, Arizona." The Board of Directors may change the form and inscription of the seal as they deem appropriate.

ARTICLE 2

MEMBERSHIP

Section 2.1 QUALIFICATIONS AND CLASSIFICATION

2.1.1 The membership of this corporation shall be confined to people who live in and maintain their primary residence in the Tucson International Airport air service area, which includes the general Southern Arizona region, who have repeatedly evidenced their interest in the promotion of air transportation and commerce.

2.1.2 The membership shall be divided into two categories to be known as "Members", and "Emeritus Members."

(a) Members.

(i) A Member shall be entitled to vote at any meeting of Members and at any meeting of a council of which he or she is a member. A Member shall be committed to accept Advisory Council appointments; support the interests of the Authority; not act in conflict with the interests of the Authority; actively participate in Authority activities; make every reasonable effort to attend Council and Membership meetings; support the Tucson Airport Authority in all reasonable ways requested by the Chair of the Board, the President/CEO or the Chair of the Council; and contribute his or her expertise as requested. If a Member does

not meet these membership requirements, the Board of Directors may, by vote of the majority of the membership of the Board of Directors (e.g., if a Board of 9 total directors, 5 votes are required), terminate such person's membership in the Tucson Airport Authority.

(ii) Members will serve for an initial fifteen (15) year term. Any Member may apply to continue as a Member for one successive 5-year term by providing notice to the Chair of the Nominating Council no sooner than April 1 and no later than October 1 in the year preceding the expiration of his or her initial term. Applications for continuing membership shall be considered and voted upon as described in Section 2.2 below.

(iii) Terms of Members and continuing Members shall begin on the date of the annual meeting at which their membership or continuing membership was approved and end after fifteen (15) years for Members, or five (5) additional years for continuing Members, on the day prior to the date their membership or continuing membership was approved.

(iv) Any Member serving on the Board of Directors or an Advisory Council shall have his or her membership term automatically extended (whether the initial term or subsequent term) until completion of his or her service as a Director or Council member.

(b) Emeritus Members.

(i) Members who have completed a minimum of ten (10) years of service may be considered for Emeritus Member status. Emeritus Membership shall be limited to those members who have provided distinguished service to the Authority over a sustained period of time. All applications to be considered for Emeritus Membership must be submitted to the Nominating Council, which will evaluate the application and make an appropriate recommendation to the Board of Directors. Such change in classification requires approval by a majority vote of the Board.

(ii) Emeritus Members will:

(1) be invited to the membership business meetings of the Tucson Airport Authority, but not entitled to vote;

(2) be invited to all Tucson Airport Authority membership social functions;

(3) retain parking privileges at the airport as provided to all TAA members; and

(4) be utilized as invited and, if willing, as consultants to the Tucson Airport Authority on special issues.

(iii) A person who has entered Emeritus Membership classification shall not be counted in the membership limitation provided in Section 2.2.2 hereof.

(iv) Those members designated as “Life Members” as of the date of these Bylaws (November 1, 2017) shall be automatically converted to Emeritus Members without further application or approval. In addition, those members with 15 years or more of service on or prior to January 31, 2018, may apply for Emeritus status directly to the Board as described in the previous version of these Bylaws, provided that such requests are submitted no later than June 1, 2018.

2.1.3 Individuals who are elected officials or high-level employees of any branch or level of government, except for elected officials or employees of indigenous/tribal nations and public educational institutions, are not eligible for TAA Membership. For these bylaws, “high-level” shall mean any position that exercises decision making authority over a significant range of strategic or tactical matters involving that governmental entity or a division/department of that governmental entity. Determinations on whether a person is in such a “high-level” position shall be made by the Nominating Council, on advice from TAA’s General Counsel. Any current TAA member, as of the effective date of the bylaws containing this amendment, who is currently an elected official or high-level government employee retains all rights and privileges under these bylaws as a Member of TAA. However, no current Member who is an elected official or high-level government employee is eligible to serve on the TAA Board of Directors.

Any current Member who becomes an elected official or high-level employee defined above after the effective date of the bylaws containing this amendment shall have their Membership suspended for the period they serve as an elected official or high-level government employee. Suspended Members retain all privileges of Emeritus Members under these Bylaws. Any suspended Member must resign from the Board or any Advisory Council on which they currently serve. The term of their Membership shall be tolled until they no longer are an elected official or a high-level government employee. When their period of service as an elected official or high-level employee ends, the Member shall regain all rights and privileges of a TAA Member under these bylaws as of that date.

Any suspended Member whose active Membership plus tolling period extends for more than ten (10) years is eligible to apply for Emeritus Member status under Section 2.1.2(b).

For purposes of the numerical limitation of Members provided in Section 2.2.2, suspended Members shall be included in the count of total number of Members.

Section 2.2 The election of new and continuing members shall be by secret ballot of the existing Members present in person or by proxy at the annual meeting of members and no one may be considered elected a member if more than one-quarter of the votes cast are negative.

2.2.1 If a Member or Emeritus Member of the Authority in good standing desires to nominate for membership in the Authority a qualified person who is not then a Member, to be voted upon pursuant to the provisions of these bylaws, such Member or Emeritus Member shall nominate the person, pursuant to the process established for such nominations by the Nominating Council, no sooner than April 1 and no later than October 1 in the year preceding each regular annual meeting date. Members who desire to be considered for a Director position

shall submit their application form and materials to the Nominating Council by October 1 in the year preceding each regular annual meeting date.

~~2.2.2 The Nominating Council shall consider all proposed new and continuing members submitted to it by Members in accordance with Section 2.1.2(a)(ii) and Section 2.2.1, and any and all other qualified persons; it shall have the right to reject any or all proposed new or continuing members submitted to it. The Nominating Council shall prepare a written slate of nominees of new and continuing members in the Authority qualified in accordance with the foregoing provisions and such list shall be distributed to the Members along with biographical information regarding each nominee by the same date the list of Director nominations is required to be mailed pursuant to Section 3.5.1 of these Bylaws. The slate of nominees for new and continuing membership shall be voted upon at the annual meeting of Members. The number of nominees submitted at any such meeting, and the number of Members in good standing, shall not exceed 60 in the aggregate. Notwithstanding the foregoing, during a limited transition period, which shall begin in 2017, the total number of Members may temporarily exceed this maximum while reasonable efforts are made to reduce the number of Members to no more than 60. During this transition period, the Nominating Council may continue to make nominations in accordance with this Section, but shall consider the need to reduce the number of Members overall, while continuing to seek out qualified candidates who can best represent and contribute to the ongoing success of TAA.~~ ALL NOMINATIONS FOR NEW OR CONTINUING MEMBERS OF THE AUTHORITY SHALL FOLLOW THE PROCESS DESCRIBED IN SECTIONS 2.2.1 AND 2.2.2. THE NOMINATING COUNCIL SHALL REVIEW AND CONSIDER ALL TIMELY SUBMITTED NEW MEMBERSHIP, CONTINUING MEMBERSHIP, AND DIRECTOR SUBMITTALS. BY NOVEMBER 15 OF EACH YEAR, THE NOMINATING COUNCIL SHALL MAKE ITS RECOMMENDATIONS FOR NEW MEMBERS, CONTINUING MEMBERSHIP, AND DIRECTORS TO THE BOARD OF DIRECTORS FOR THE BOARD'S CONSIDERATION AND ACTION.

NOMINATIONS FOR THE OFFICE OF DIRECTOR MAY ALSO BE SUBMITTED BY WRITTEN PETITIONS SIGNED BY NOT LESS THAN TWENTY-ONE (21) VOTING MEMBERS IN GOOD STANDING; PROVIDED EACH PETITION INCLUDES ALL INFORMATION REQUIRED TO BE SUBMITTED BY MEMBERS FILING A NOMINATION/OR THEIR OWN REQUEST FOR A DIRECTOR POSITION. SUCH PETITIONS MUST BE SUBMITTED TO TAA BY NOVEMBER 15.

THE BOARD OF DIRECTORS SHALL REVIEW THE RECOMMENDATIONS ON NOMINATIONS FOR NEW MEMBERS, CONTINUING MEMBERSHIP, DIRECTOR NOMINATIONS (INCLUDING THOSE SUBMITTED BY PETITION) AND SLATE OF OFFICERS, AND MAY, BY A MAJORITY OF BOARD MEMBERSHIP, VOTE TO DIRECT RECONSIDERATION OF ANY INDIVIDUAL MEMBER OR DIRECTOR NOMINEE BACK TO THE NOMINATING COUNCIL. ANY NOMINEE NOT DIRECTED FOR RECONSIDERATION BY THE BOARD SHALL BE FORWARDED TO THE MEMBERS IN ACCORDANCE WITH SECTION 3.5.1 BELOW.

THE NOMINATING COUNCIL, AT A SPECIAL MEETING SCHEDULED FOR THIS PURPOSE, SHALL RECONSIDER ANY NOMINEE THE BOARD SO DIRECTS, AND BY SIMPLE MAJORITY VOTE, SHALL ACT ON THAT NOMINEE'S NOMINATION. ANY

NOMINEE APPROVED BY THE NOMINATING COUNCIL AFTER RECONSIDERATION SHALL THEN BE FORWARDED TO THE MEMBERS IN ACCORDANCE WITH SECTION 3.5.1 BELOW.

THE MAXIMUM NUMBER OF TAA MEMBERS SHALL BE SIXTY.

ARTICLE 3

MEETINGS OF THE CORPORATION

Section 3.1 ANNUAL MEETING. A meeting of the Members of the corporation shall be held annually on the fourth Monday in January of each year or on such other date in January as is established by a vote of the Board of Directors or by the Chair of the Board, for the purpose of electing Directors and for transaction of such other business as may be brought before the meeting. Such meetings shall be held at the principal office of the corporation or at such other place in Pima County, Arizona, as is reflected in the meeting notice.

3.1.1 NOTICE. Notice of the date, time and location of the annual meeting shall be provided at least twenty-one (21) days prior to the meeting to each Member and Emeritus Member. Notice may be provided via regular mail or electronically or both, at the addresses of each Member and Emeritus Member in the records of the corporation. Failure of a Member and Emeritus Member to receive a notice, or any irregularity in the sending or receiving of such notice, shall not affect the validity of any annual meeting or of any proceedings or actions taken at any such meeting.

Section 3.2 SPECIAL MEETINGS. Special meetings of the Members of the corporation may be held in accordance with Arizona law, including in person, via technological means or a combination thereof. Special meetings may be held when demanded in writing by Members having at least ten percent (10%) of the votes entitled to be cast at such a meeting, when called by the Chair of the Board, or when called by vote of a majority of the members of the Board of Directors. Special meetings shall be valid for all corporate purposes and any action under corporate authority granted to Members under these Bylaws may be taken at such a meeting.

3.2.1 Notice of any special meeting, providing the date, time, manner of holding the meeting, and agenda for the meeting, shall be sent at least twenty-one (21) days prior to the special meeting to each Member via regular mail or electronically or both, at the addresses of each Member in the records of the corporation. Failure of a Member to receive a notice, or any irregularity in the sending or receiving of such notice, shall not affect the validity of any special meeting or of any proceedings or actions taken at any such meeting.

Section 3.3 QUORUM. At any meeting of the Members, those present in person or represented by proxy, if in excess of fifty percent (50%) of the total Membership, shall constitute a quorum for all purposes. If at any meeting insufficient Members are present to constitute a quorum, a majority of the Members present in person and by proxy may adjourn from time to time, without notice other than by announcement at the meeting until enough Members in person

and by proxy to constitute a quorum shall be present; at such time any business may be transacted which might have been transacted at the meeting as originally notified.

Section 3.4 VOTING.

3.4.1 At all meetings of the Members the Members may vote in person or by proxy, and all questions except such questions the manner of deciding which is specially regulated by law or regulation or by contrary provision in these bylaws, shall be determined by a majority vote of the voting Members present in person and by proxy. In the election of Members and of Directors, each voting Member shall be entitled to cast one vote for each position to be filled at the election; not more than one vote may be cast by any Member for any nominee.

Section 3.5 REGULAR ELECTIONS.

3.5.1 The Nominating Council, at its meeting held under Section 2.2.2 above, shall direct the TAA President/CEO, and her/his designees, to compile election materials for all nominees forwarded to the Members for election at the next annual meeting. The election materials shall include ballots for the election, and all materials submitted by a Member or Emeritus Member as part of the nomination packet, or as may be submitted as part of a Director nominating petition.

The President/CEO shall cause the election materials (including the slate of nominees) to be sent to all Members at least twenty-one (21) days prior to the date of the annual meeting via regular mail or electronically or both, at the addresses of each Member in the records of the corporation. Failure of a Member and Emeritus Member to receive the election materials, or any irregularity in the sending or receiving of such materials, shall not affect the validity of the elections conducted at the annual meeting.

3.5.2 In the event that any nominee shall be unable to serve if elected by the Members (through death, ineligibility, incapacity, resignation, or similar), at any time between the sending of all election materials to the Members and the date of the annual meeting, upon notice to her/him, the President/CEO shall cause a notice to be sent prior to the annual meeting, as soon as is practicable under the circumstances, to all Members of the ineligibility of the nominee to serve if elected by the Members. Prior to the casting of ballots at the annual meeting, the Chair of the Board or the Chair of the Board's designee shall make a reminder announcement as to the inability of the nominee to serve. The election shall proceed with the ballots as were distributed to the Members.

3.5.3 If a nominee who is unable to serve is elected by the Members, that election shall be deemed null and void and the position shall be deemed as vacant, except for any nominee to be a new Director. In that case, the position remains unfilled, and may be filled under the normal nomination process set forth in Section 2.2.1 and 2.2.2.

Section 3.6 ORDER OF BUSINESS. The order of business for all annual meetings shall include (1) a presentation of all proxies held by Members to the Chair of the Board and Secretary for verification; (2) a review of the minutes of the preceding annual meeting (and any special meeting held since the last annual meeting), and action on them; (3) Reports from officers and councils as the Chair of the Board deems necessary or appropriate; (4) Elections and

their results, and (5) any other matter provided on the Agenda sent to Members prior to the annual meeting.

ARTICLE 4

BOARD OF DIRECTORS

Section 4.1 ELIGIBILITY, ELECTION, TERM, NUMBER AND QUALIFICATION AND TERM OF OFFICE.

4.1.1 The Board of Directors shall consist of at least seven (7) and no more than eleven (11) members. The Immediate Past Chair of the Board remains a Director on the Board for one (1) year after her/his term as Chair of the Board expires.

4.1.2 **TERMS.** Each Director shall serve for the term, either one (1), two (2) or three (3) years, as provided for in the action that resulted in their election to Director, either by Member ballot or when filling a Board vacancy. A person may be nominated and approved to serve subsequent successive terms; however, no person may serve for more than six (6) consecutive years on the Board, except if the seventh (7th) consecutive year is to serve as Immediate Past Chair of the Board. Terms shall be staggered in a way to preserve experience and institutional knowledge on the Board.

Section 4.2 VACANCIES. In the case of any vacancy on the Board of Directors caused by death, resignation, disqualification or other reason, the Nominating Council shall recommend one or more nominees to fill the vacancy to the Board of Directors. The remaining Directors may elect a nominee, by majority vote, to fill the vacancy on the Board, to serve only for the period between the election of the nominee to the Board and the next annual meeting.

Section 4.3 REGULAR MEETINGS.

4.3.1 After the adjournment of the annual membership meeting, at the same location if in person, the Board of Directors shall hold its first regular meeting of the year. At that meeting, the Board shall elect its officers and establish the schedule for at least three (3) additional regular Board meetings for the year. Regular meetings shall be held as scheduled unless cancelled by the Chair of the Board by providing notice to the Board more than twenty-four (24) hours prior to the meeting date and time.

4.3.2 Any Director who is absent without being excused by the Chair of the Board of more than fifty percent (50%) of all regular and special board meetings in any calendar year, shall be subject to removal from the Board by a majority vote of the membership of the Board.

Section 4.4 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the Chair of the Board or any three (3) Directors. Such meetings shall be held at the time and at any place within Pima County, Arizona, determined by the party or parties calling such meetings. Notice of each special meeting shall be provided to all Directors as required by

applicable Arizona law, but in no event shall such notice be less than twenty-four (24) hours prior to such meeting.

Section 4.5 QUORUM. A majority of the voting Members of the Board of Directors then serving shall constitute a quorum.

ARTICLE 5

OFFICERS

Section 5.1 The officers of this corporation shall consist of a Chair (of the Board), Vice Chair (of the Board), Secretary and Treasurer. Such officers shall be elected at the first Board meeting held following the annual meeting. The slate of officers to be considered by the Board shall be as approved by the Nominating Council under Section 2.2.2 of these Bylaws.

Section 5.2 The Chair of the Board shall preside at, and in conjunction with the President/CEO, shall set the agenda for all regular meetings of the directors, members, and executive council; shall appoint members of standing and special councils; and shall represent the interests of the Board of Directors when it is not in session. The Chair of the Board may also be designated or referred to as the "Chair, Chairman or Chairwoman of the Board" or any other title that accurately reflects such Officer's duties.

Section 5.3 The President shall be the Chief Executive Officer of the corporation and shall be selected by and shall serve at the pleasure of the Board of Directors. The President/CEO shall have responsibility for the overall operation and management of TAA in accordance with its Mission and within the framework of Board adopted objectives and policies. The President/CEO shall have full responsibility for the management and administration of all TAA activities and operations and shall report to the Board on a regular basis. The President/CEO shall have the authority to act on behalf of the Board of Directors and TAA in all respects except as may be specifically limited from time to time by Resolution of the Board of Directors. During recess of the Board and the Executive Council, the President shall work closely with the Chair of the Board to ensure that the business and affairs of the corporation are conducted within the framework of Board-approved objectives and policies.

Section 5.4 The Vice Chair of the Board shall perform such duties as may be assigned to him or her by the Board of Directors. In the case of the death, disability or absence of the Chair of the Board, the Vice Chair of the Board shall perform and be vested with all of the duties and powers of the Chair of the Board.

Section 5.5 The Secretary shall keep the seal of the corporation and affix the same to all instruments requiring its seal, as may be directed by the Board, the Executive Council, the Chair of the Board, or the President/CEO. The Secretary shall also review and sign the minutes of meetings of Directors and general membership, shall authorize meeting notices to be issued by the President/CEO as required in these bylaws, and shall perform such other duties as may be required by the Board.

Section 5.6 The Treasurer shall be familiar with the financial affairs of TAA and shall chair the Advisory Council that is responsible for the budget. The financial records will be in the custody of the President/CEO and all records shall be maintained at the corporate office of TAA.

~~Section 5.7 Officers shall serve one-year terms. The Chair of the Board shall be limited to a single one-year term except that, in extraordinary circumstances where the continuity of Board leadership would substantially benefit TAA, he or she may be elected to a second consecutive one-year term upon a 2/3 vote of all voting Directors then serving. In the event that a proposed second one-year term of the Chair of the Board would extend beyond the Director's eligibility to serve on the Board as set forth in Section 3.1.2 of these bylaws, the term of the Chair of the Board shall be extended to end at the end of the Director's term as Chair of the Board.~~ THE TERM OF THE CHAIR OF THE BOARD SHALL BE TWO YEARS, WHICH STARTS ON THE DATE OF APPOINTMENT. ALL OTHER OFFICERS SERVE ONE-YEAR TERMS; HOWEVER, A DIRECTOR MAY BE APPOINTED TO SERVE AS AN OFFICER (OTHER THAN CHAIR) FOR MULTIPLE ONE-YEAR TERMS. IF A DIRECTOR'S TERM AS CHAIR WOULD EXTEND BEYOND THE CHAIR'S ELIGIBILITY TO SERVE ON THE BOARD UNDER SECTION 4.1.2 OF THESE BYLAWS, THE TERM OF THE DIRECTOR SHALL BE EXTENDED TO END AT THE END OF THE DIRECTOR'S TERM AS IMMEDIATE PAST CHAIR OF THE BOARD. HOWEVER, THE MAXIMUM TIME ANY ONE PERSON MAY SERVE ON THE BOARD, IN WHATEVER ROLE, SHALL BE 8 YEARS.

ARTICLE 6

VACANCIES IN OFFICE

In the case of the death, disability or resignation of one or more of the officers, the majority of the remaining Directors shall fill the vacancies for the unexpired term. One or more nominees shall be suggested by the Nominating Council to fill each such vacancy.

ARTICLE 7

COMPENSATION OF DIRECTORS, OFFICERS AND MEMBERS

Neither the Directors nor the officers (other than the President/CEO) nor the Members, as such, shall receive any salary or compensation for their services, but by resolution of the Board of Directors may be reimbursed for their actual expenses paid or obligated to be paid in connection with service rendered solely for the benefit of the corporation.

ARTICLE 8

BOOKS, ACCOUNTS AND RECORDS

Section 8.1 This corporation shall keep at its principal office in the State of Arizona records of the meetings of Members and a book showing a true and complete list of all Members, their residences, and books containing a record of the affairs of this corporation.

Section 8.2 The books, accounts and records of this corporation shall be open to the inspection of any member of the Board of Directors at all times in business hours.

Section 8.3 It shall be the duty of the Board of Directors at least once a year and within one hundred twenty (120) days after the close of the fiscal year to cause the books and accounts of the corporation to be examined and audited by a Certified Public Accountant. Thereafter it shall cause a copy of the report of said accountant, or a summary to be mailed to each of the Members of this corporation as part of the annual report of the operations of Tucson Airport Authority, Inc.

ARTICLE 9

AMENDMENT TO BYLAWS

Subject to notice requirements below, any of these bylaws may be altered, amended or repealed by majority vote of the Board of Directors at any regular meeting; or at any special meeting called for the purpose, when all the Directors are present; or by a majority vote of the Members at any regular meeting; or at any special meeting called for the purpose. No bylaw amendment may be acted on by the Board unless it has first been considered by the Corporate Governance Council. The Board of Directors shall, by majority vote, direct the Corporate Governance Council to consider bylaw amendments it deems appropriate and in the best interests of the corporation. If the Corporate Governance Council fails to timely meet to consider a proposed bylaw amendment and make a recommendation to the Board on the proposed bylaw amendment, the Chair of the Board may place the proposed bylaw amendment on the Board's agenda for consideration and action.

ARTICLE 10

APPOINTMENT OF ADVISORY COUNCILS

Section 10.1 The TAA Advisory Councils shall include the Corporate Governance Council, the Nominating Council, the Audit Council, and the Financial Council (to include an environmental/sustainability sub-council) and such other councils as the Chair of the Board may determine is appropriate. No Council shall have an even number of members and shall have not more than seven (7) or less than three (3) Members. The Chair of the Board shall appoint, with the advice and consent of the Board, Members to each council, and the Chair of each Council. The terms of such appointments shall be two (2) years. The Chair of the Board and Vice Chair of the Board may attend and participate in all Council meetings as non-voting members of a Council.

Section 10.2 NOMINATING COUNCIL. The Nominating Council shall consist of seven Members, who will be appointed for up to two (2), two-year terms, and may not serve more than four (4) consecutive years. The Chair of the Nominating Council shall serve two (2) years. The Council roster shall include, two (2) former Directors, two (2) current Directors who are not the Chair of the Nominating Council or Vice Chair of the Nominating Council, and three (3) Members who have never served as Directors. Nominating Council Members are not eligible to be nominated for a first term on the Board of Directors.

ARTICLE 11

EXECUTIVE COUNCIL

The Executive Council will be comprised of the Chair of the Board, Vice Chair of the Board, Secretary, Treasurer and one other board member appointed by the Chair of the Board. The Executive Council may exercise the full authority of the Board of Directors with respect to setting the compensation and benefits for the President/Chief Executive Officer and with respect to such other matters as are specified by the Board of Directors from time to time.

ARTICLE 12

INDEMNIFICATION

The corporation shall and does hereby indemnify and agree to save harmless each director, officer, employee, agent or member of said corporation, who was or is in the future a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director, officer, employee, agent or member of said corporation, or is or was serving at the request of said corporation in any of said capacities, from any damages, costs, expenses, attorney fees, fines and amounts paid in settlement, actually and reasonably incurred, to the extent that such persons may be indemnified under the applicable provisions of the Arizona Revised Statutes pertaining to nonprofit corporations.

THE FOREGOING was approved and adopted on ~~August 4, 2021~~ **OCTOBER 6, 2021**.

Bruce Dusenberry, Chair of the Board

ATTEST:

Keri Silvyn, Secretary

APPROVED AS TO FORM:

Christopher Schmaltz, Vice President and
General Counsel

EXHIBIT B

Tucson Airport Authority Bylaws
Incorporating all amendments through October 6, 2021

(FINAL)

BYLAWS

TUCSON AIRPORT AUTHORITY

Incorporating all amendments through October 6, 2021

ARTICLE 1

TITLE, LOCATION, CORPORATE SEAL

Section 1.1 The title of this corporation shall be "TUCSON AIRPORT AUTHORITY, INC." and may be referred to herein as "Authority."

Section 1.2 The principal office of this corporation shall be in or near the City of Tucson, Arizona, but this corporation may have other offices at such places as the Board of Directors shall designate and the business of this corporation may require.

Section 1.3 The corporation shall have a corporate seal which shall be of such form as the Board of Directors may determine. The Board shall determine the custody, number and use of the corporate seal. The seal shall have inscribed on it the name of this corporation and the year of the corporation's creation and the words "Corporate Seal, Arizona." The Board of Directors may change the form and inscription of the seal as they deem appropriate.

ARTICLE 2

MEMBERSHIP

Section 2.1 QUALIFICATIONS AND CLASSIFICATION

2.1.1 The membership of this corporation shall be confined to people who live in and maintain their primary residence in the Tucson International Airport air service area, which includes the general Southern Arizona region, who have repeatedly evidenced their interest in the promotion of air transportation and commerce.

2.1.2 The membership shall be divided into two categories to be known as "Members", and "Emeritus Members."

(a) Members.

(i) A Member shall be entitled to vote at any meeting of Members and at any meeting of a council of which he or she is a member. A Member shall be committed to accept Advisory Council appointments; support the interests of the Authority; not act in conflict with the interests of the Authority; actively participate in Authority activities; make every reasonable effort to attend Council and Membership meetings; support the Tucson Airport Authority in all reasonable ways requested by the Chair of the Board, the President/CEO or the Chair of the Council; and contribute his or her expertise as requested. If a Member does

not meet these membership requirements, the Board of Directors may, by vote of the majority of the membership of the Board of Directors (e.g., if a Board of 9 total directors, 5 votes are required), terminate such person's membership in the Tucson Airport Authority.

(ii) Members will serve for an initial fifteen (15) year term. Any Member may apply to continue as a Member for one successive 5-year term by providing notice to the Chair of the Nominating Council no sooner than April 1 and no later than October 1 in the year preceding the expiration of his or her initial term. Applications for continuing membership shall be considered and voted upon as described in Section 2.2 below.

(iii) Terms of Members and continuing Members shall begin on the date of the annual meeting at which their membership or continuing membership was approved and end after fifteen (15) years for Members, or five (5) additional years for continuing Members, on the day prior to the date their membership or continuing membership was approved.

(iv) Any Member serving on the Board of Directors or an Advisory Council shall have his or her membership term automatically extended (whether the initial term or subsequent term) until completion of his or her service as a Director or Council member.

(b) Emeritus Members.

(i) Members who have completed a minimum of ten (10) years of service may be considered for Emeritus Member status. Emeritus Membership shall be limited to those members who have provided distinguished service to the Authority over a sustained period of time. All applications to be considered for Emeritus Membership must be submitted to the Nominating Council, which will evaluate the application and make an appropriate recommendation to the Board of Directors. Such change in classification requires approval by a majority vote of the Board.

(ii) Emeritus Members will:

(1) be invited to the membership business meetings of the Tucson Airport Authority, but not entitled to vote;

(2) be invited to all Tucson Airport Authority membership social functions;

(3) retain parking privileges at the airport as provided to all TAA members; and

(4) be utilized as invited and, if willing, as consultants to the Tucson Airport Authority on special issues.

(iii) A person who has entered Emeritus Membership classification shall not be counted in the membership limitation provided in Section 2.2.2 hereof.

(iv) Those members designated as “Life Members” as of the date of these Bylaws (November 1, 2017) shall be automatically converted to Emeritus Members without further application or approval. In addition, those members with 15 years or more of service on or prior to January 31, 2018, may apply for Emeritus status directly to the Board as described in the previous version of these Bylaws, provided that such requests are submitted no later than June 1, 2018.

2.1.3 Individuals who are elected officials or high-level employees of any branch or level of government, except for elected officials or employees of indigenous/tribal nations and public educational institutions, are not eligible for TAA Membership. For these bylaws, “high-level” shall mean any position that exercises decision making authority over a significant range of strategic or tactical matters involving that governmental entity or a division/department of that governmental entity. Determinations on whether a person is in such a “high-level” position shall be made by the Nominating Council, on advice from TAA’s General Counsel. Any current TAA member, as of the effective date of the bylaws containing this amendment, who is currently an elected official or high-level government employee retains all rights and privileges under these bylaws as a Member of TAA. However, no current Member who is an elected official or high-level government employee is eligible to serve on the TAA Board of Directors.

Any current Member who becomes an elected official or high-level employee defined above after the effective date of the bylaws containing this amendment shall have their Membership suspended for the period they serve as an elected official or high-level government employee. Suspended Members retain all privileges of Emeritus Members under these Bylaws. Any suspended Member must resign from the Board or any Advisory Council on which they currently serve. The term of their Membership shall be tolled until they no longer are an elected official or a high-level government employee. When their period of service as an elected official or high-level employee ends, the Member shall regain all rights and privileges of a TAA Member under these bylaws as of that date.

Any suspended Member whose active Membership plus tolling period extends for more than ten (10) years is eligible to apply for Emeritus Member status under Section 2.1.2(b).

For purposes of the numerical limitation of Members provided in Section 2.2.2, suspended Members shall be included in the count of total number of Members.

Section 2.2 The election of new and continuing members shall be by secret ballot of the existing Members present in person or by proxy at the annual meeting of members and no one may be considered elected a member if more than one-quarter of the votes cast are negative.

2.2.1 If a Member or Emeritus Member of the Authority in good standing desires to nominate for membership in the Authority a qualified person who is not then a Member, to be voted upon pursuant to the provisions of these bylaws, such Member or Emeritus Member shall nominate the person, pursuant to the process established for such nominations by the Nominating Council, no sooner than April 1 and no later than October 1 in the year preceding each regular annual meeting date. Members who desire to be considered for a Director position

shall submit their application form and materials to the Nominating Council by October 1 in the year preceding each regular annual meeting date.

2.2.2 All nominations for new or continuing Members of the Authority shall follow the process described in Sections 2.2.1 and 2.2.2. The Nominating Council shall review and consider all timely submitted new membership, continuing membership, and Director submittals. By November 15 of each year, the Nominating Council shall make its recommendations for new members, continuing membership, and Directors to the Board of Directors for the Board's consideration and action.

Nominations for the office of Director may also be submitted by written petitions signed by not less than twenty-one (21) voting Members in good standing; provided each petition includes all information required to be submitted by Members filing a nomination/or their own request for a director position. Such petitions must be submitted to TAA by November 15.

The Board of Directors shall review the recommendations on nominations for new members, continuing membership, Director nominations (including those submitted by petition) and slate of officers, and may, by a majority of Board membership, vote to direct reconsideration of any individual member or director nominee back to the Nominating Council. Any nominee not directed for reconsideration by the Board shall be forwarded to the Members in accordance with Section 3.5.1 below.

The Nominating Council, at a special meeting scheduled for this purpose, shall reconsider any nominee the Board so directs, and by simple majority vote, shall act on that nominee's nomination. Any nominee approved by the Nominating Council after reconsideration shall then be forwarded to the Members in accordance with Section 3.5.1 below.

The maximum number of TAA Members shall be sixty.

ARTICLE 3

MEETINGS OF THE CORPORATION

Section 3.1 ANNUAL MEETING. A meeting of the Members of the corporation shall be held annually on the fourth Monday in January of each year or on such other date in January as is established by a vote of the Board of Directors or by the Chair of the Board, for the purpose of electing Directors and for transaction of such other business as may be brought before the meeting. Such meetings shall be held at the principal office of the corporation or at such other place in Pima County, Arizona, as is reflected in the meeting notice.

3.1.1 NOTICE. Notice of the date, time and location of the annual meeting shall be provided at least twenty-one (21) days prior to the meeting to each Member and Emeritus Member. Notice may be provided via regular mail or electronically or both, at the addresses of each Member and Emeritus Member in the records of the corporation. Failure of a Member and Emeritus Member to receive a notice, or any irregularity in the sending or receiving

of such notice, shall not affect the validity of any annual meeting or of any proceedings or actions taken at any such meeting.

Section 3.2 SPECIAL MEETINGS. Special meetings of the Members of the corporation may be held in accordance with Arizona law, including in person, via technological means or a combination thereof. Special meetings may be held when demanded in writing by Members having at least ten percent (10%) of the votes entitled to be cast at such a meeting, when called by the Chair of the Board, or when called by vote of a majority of the members of the Board of Directors. Special meetings shall be valid for all corporate purposes and any action under corporate authority granted to Members under these Bylaws may be taken at such a meeting.

3.2.1 Notice of any special meeting, providing the date, time, manner of holding the meeting, and agenda for the meeting, shall be sent at least twenty-one (21) days prior to the special meeting to each Member via regular mail or electronically or both, at the addresses of each Member in the records of the corporation. Failure of a Member to receive a notice, or any irregularity in the sending or receiving of such notice, shall not affect the validity of any special meeting or of any proceedings or actions taken at any such meeting.

Section 3.3 QUORUM. At any meeting of the Members, those present in person or represented by proxy, if in excess of fifty percent (50%) of the total Membership, shall constitute a quorum for all purposes. If at any meeting insufficient Members are present to constitute a quorum, a majority of the Members present in person and by proxy may adjourn from time to time, without notice other than by announcement at the meeting until enough Members in person and by proxy to constitute a quorum shall be present; at such time any business may be transacted which might have been transacted at the meeting as originally notified.

Section 3.4 VOTING.

3.4.1 At all meetings of the Members the Members may vote in person or by proxy, and all questions except such questions the manner of deciding which is specially regulated by law or regulation or by contrary provision in these bylaws, shall be determined by a majority vote of the voting Members present in person and by proxy. In the election of Members and of Directors, each voting Member shall be entitled to cast one vote for each position to be filled at the election; not more than one vote may be cast by any Member for any nominee.

Section 3.5 REGULAR ELECTIONS.

3.5.1 The Nominating Council, at its meeting held under Section 2.2.2 above, shall direct the TAA President/CEO, and her/his designees, to compile election materials for all nominees forwarded to the Members for election at the next annual meeting. The election materials shall include ballots for the election, and all materials submitted by a Member or Emeritus Member as part of the nomination packet, or as may be submitted as part of a Director nominating petition.

The President/CEO shall cause the election materials (including the slate of nominees) to be sent to all Members at least twenty-one (21) days prior to the date of the annual meeting via regular mail or electronically or both, at the addresses of each Member in the records of the corporation.

Failure of a Member and Emeritus Member to receive the election materials, or any irregularity in the sending or receiving of such materials, shall not affect the validity of the elections conducted at the annual meeting.

3.5.2 In the event that any nominee shall be unable to serve if elected by the Members (through death, ineligibility, incapacity, resignation, or similar), at any time between the sending of all election materials to the Members and the date of the annual meeting, upon notice to her/him, the President/CEO shall cause a notice to be sent prior to the annual meeting, as soon as is practicable under the circumstances, to all Members of the ineligibility of the nominee to serve if elected by the Members. Prior to the casting of ballots at the annual meeting, the Chair of the Board or the Chair of the Board's designee shall make a reminder announcement as to the inability of the nominee to serve. The election shall proceed with the ballots as were distributed to the Members.

3.5.3 If a nominee who is unable to serve is elected by the Members, that election shall be deemed null and void and the position shall be deemed as vacant, except for any nominee to be a new Director. In that case, the position remains unfilled, and may be filled under the normal nomination process set forth in Section 2.2.1 and 2.2.2.

Section 3.6 ORDER OF BUSINESS. The order of business for all annual meetings shall include (1) a presentation of all proxies held by Members to the Chair of the Board and Secretary for verification; (2) a review of the minutes of the preceding annual meeting (and any special meeting held since the last annual meeting), and action on them; (3) Reports from officers and councils as the Chair of the Board deems necessary or appropriate; (4) Elections and their results, and (5) any other matter provided on the Agenda sent to Members prior to the annual meeting.

ARTICLE 4

BOARD OF DIRECTORS

Section 4.1 ELIGIBILITY, ELECTION, TERM, NUMBER AND QUALIFICATION AND TERM OF OFFICE.

4.1.1 The Board of Directors shall consist of at least seven (7) and no more than eleven (11) members. The Immediate Past Chair of the Board remains a Director on the Board for one (1) year after her/his term as Chair of the Board expires.

4.1.2 TERMS. Each Director shall serve for the term, either one (1), two (2) or three (3) years, as provided for in the action that resulted in their election to Director, either by Member ballot or when filling a Board vacancy. A person may be nominated and approved to serve subsequent successive terms; however, no person may serve for more than six (6) consecutive years on the Board, except if the seventh (7th) consecutive year is to serve as Immediate Past Chair of the Board. Terms shall be staggered in a way to preserve experience and institutional knowledge on the Board.

Section 4.2 VACANCIES. In the case of any vacancy on the Board of Directors caused by death, resignation, disqualification or other reason, the Nominating Council shall recommend one or more nominees to fill the vacancy to the Board of Directors. The remaining Directors may elect a nominee, by majority vote, to fill the vacancy on the Board, to serve only for the period between the election of the nominee to the Board and the next annual meeting.

Section 4.3 REGULAR MEETINGS.

4.3.1 After the adjournment of the annual membership meeting, at the same location if in person, the Board of Directors shall hold its first regular meeting of the year. At that meeting, the Board shall elect its officers and establish the schedule for at least three (3) additional regular Board meetings for the year. Regular meetings shall be held as scheduled unless cancelled by the Chair of the Board by providing notice to the Board more than twenty-four (24) hours prior to the meeting date and time.

4.3.2 Any Director who is absent without being excused by the Chair of the Board of more than fifty percent (50%) of all regular and special board meetings in any calendar year, shall be subject to removal from the Board by a majority vote of the membership of the Board.

Section 4.4 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the Chair of the Board or any three (3) Directors. Such meetings shall be held at the time and at any place within Pima County, Arizona, determined by the party or parties calling such meetings. Notice of each special meeting shall be provided to all Directors as required by applicable Arizona law, but in no event shall such notice be less than twenty-four (24) hours prior to such meeting.

Section 4.5 QUORUM. A majority of the voting Members of the Board of Directors then serving shall constitute a quorum.

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OFFICERS

Section 5.1 The officers of this corporation shall consist of a Chair (of the Board), Vice Chair (of the Board), Secretary and Treasurer. Such officers shall be elected at the first Board meeting held following the annual meeting. The slate of officers to be considered by the Board shall be as approved by the Nominating Council under Section 2.2.2 of these Bylaws.

Section 5.2 The Chair of the Board shall preside at, and in conjunction with the President/CEO, shall set the agenda for all regular meetings of the directors, members, and executive council; shall appoint members of standing and special councils; and shall represent the interests of the Board of Directors when it is not in session. The Chair of the Board may also be designated or referred to as the "Chair, Chairman or Chairwoman of the Board" or any other title that accurately reflects such Officer's duties.

Section 5.3 The President shall be the Chief Executive Officer of the corporation and shall be selected by and shall serve at the pleasure of the Board of Directors. The President/CEO shall have responsibility for the overall operation and management of TAA in accordance with its Mission and within the framework of Board adopted objectives and policies. The President/CEO shall have full responsibility for the management and administration of all TAA activities and operations and shall report to the Board on a regular basis. The President/CEO shall have the authority to act on behalf of the Board of Directors and TAA in all respects except as may be specifically limited from time to time by Resolution of the Board of Directors. During recess of the Board and the Executive Council, the President shall work closely with the Chair of the Board to ensure that the business and affairs of the corporation are conducted within the framework of Board-approved objectives and policies.

Section 5.4 The Vice Chair of the Board shall perform such duties as may be assigned to him or her by the Board of Directors. In the case of the death, disability or absence of the Chair of the Board, the Vice Chair of the Board shall perform and be vested with all of the duties and powers of the Chair of the Board.

Section 5.5 The Secretary shall keep the seal of the corporation and affix the same to all instruments requiring its seal, as may be directed by the Board, the Executive Council, the Chair of the Board, or the President/CEO. The Secretary shall also review and sign the minutes of meetings of Directors and general membership, shall authorize meeting notices to be issued by the President/CEO as required in these bylaws, and shall perform such other duties as may be required by the Board.

Section 5.6 The Treasurer shall be familiar with the financial affairs of TAA and shall chair the Advisory Council that is responsible for the budget. The financial records will be in the custody of the President/CEO and all records shall be maintained at the corporate office of TAA.

Section 5.7 The term of the Chair of the Board shall be two years, which starts on the date of appointment. All other officers serve one-year terms; however, a Director may be appointed to serve as an officer (other than Chair) for multiple one-year terms. If a Director's term as Chair would extend beyond the Chair's eligibility to serve on the Board under section 4.1.2 of these bylaws, the term of the Director shall be extended to end at the end of the Director's term as Immediate Past Chair of the Board. However, the maximum time any one person may serve on the Board, in whatever role, shall be 8 years.

ARTICLE 6

VACANCIES IN OFFICE

In the case of the death, disability or resignation of one or more of the officers, the majority of the remaining Directors shall fill the vacancies for the unexpired term. One or more nominees shall be suggested by the Nominating Council to fill each such vacancy.

ARTICLE 7

COMPENSATION OF DIRECTORS, OFFICERS AND MEMBERS

Neither the Directors nor the officers (other than the President/CEO) nor the Members, as such, shall receive any salary or compensation for their services, but by resolution of the Board of Directors may be reimbursed for their actual expenses paid or obligated to be paid in connection with service rendered solely for the benefit of the corporation.

ARTICLE 8

BOOKS, ACCOUNTS AND RECORDS

Section 8.1 This corporation shall keep at its principal office in the State of Arizona records of the meetings of Members and a book showing a true and complete list of all Members, their residences, and books containing a record of the affairs of this corporation.

Section 8.2 The books, accounts and records of this corporation shall be open to the inspection of any member of the Board of Directors at all times in business hours.

Section 8.3 It shall be the duty of the Board of Directors at least once a year and within one hundred twenty (120) days after the close of the fiscal year to cause the books and accounts of the corporation to be examined and audited by a Certified Public Accountant. Thereafter it shall cause a copy of the report of said accountant, or a summary to be mailed to each of the Members of this corporation as part of the annual report of the operations of Tucson Airport Authority, Inc.

ARTICLE 9

AMENDMENT TO BYLAWS

Subject to notice requirements below, any of these bylaws may be altered, amended or repealed by majority vote of the Board of Directors at any regular meeting; or at any special meeting called for the purpose, when all the Directors are present; or by a majority vote of the Members at any regular meeting; or at any special meeting called for the purpose. No bylaw amendment may be acted on by the Board unless it has first been considered by the Corporate Governance Council. The Board of Directors shall, by majority vote, direct the Corporate Governance Council to consider bylaw amendments it deems appropriate and in the best interests of the corporation. If the Corporate Governance Council fails to timely meet to consider a proposed bylaw amendment and make a recommendation to the Board on the proposed bylaw amendment, the Chair of the Board may place the proposed bylaw amendment on the Board's agenda for consideration and action.

ARTICLE 10

APPOINTMENT OF ADVISORY COUNCILS

Section 10.1 The TAA Advisory Councils shall include the Corporate Governance Council, the Nominating Council, the Audit Council, and the Financial Council (to include an environmental/sustainability sub-council) and such other councils as the Chair of the Board may determine is appropriate. No Council shall have an even number of members and shall have not more than seven (7) or less than three (3) Members. The Chair of the Board shall appoint, with the advice and consent of the Board, Members to each council, and the Chair of each Council. The terms of such appointments shall be two (2) years. The Chair of the Board and Vice Chair of the Board may attend and participate in all Council meetings as non-voting members of a Council.

Section 10.2 NOMINATING COUNCIL. The Nominating Council shall consist of seven Members, who will be appointed for up to two (2), two-year terms, and may not serve more than four (4) consecutive years. The Chair of the Nominating Council shall serve two (2) years. The Council roster shall include, two (2) former Directors, two (2) current Directors who are not the Chair of the Nominating Council or Vice Chair of the Nominating Council, and three (3) Members who have never served as Directors. Nominating Council Members are not eligible to be nominated for a first term on the Board of Directors.

ARTICLE 11

EXECUTIVE COUNCIL

The Executive Council will be comprised of the Chair of the Board, Vice Chair of the Board, Secretary, Treasurer and one other board member appointed by the Chair of the Board. The Executive Council may exercise the full authority of the Board of Directors with respect to setting the compensation and benefits for the President/Chief Executive Officer and with respect to such other matters as are specified by the Board of Directors from time to time.

ARTICLE 12

INDEMNIFICATION

The corporation shall and does hereby indemnify and agree to save harmless each director, officer, employee, agent or member of said corporation, who was or is in the future a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director, officer, employee, agent or member of said corporation, or is or was serving at the request of said corporation in any of said capacities, from any damages, costs, expenses, attorney fees, fines and amounts paid in settlement, actually and reasonably incurred,

to the extent that such persons may be indemnified under the applicable provisions of the Arizona Revised Statutes pertaining to nonprofit corporations.

THE FOREGOING was approved and adopted on October 6, 2021.

Bruce Dusenberry, Chair of the Board

ATTEST:

Keri Silvyn, Secretary

APPROVED AS TO FORM:

Christopher Schmaltz, Vice President and
General Counsel

Date: September 21, 2021

To: TAA Corporate Governance Council

From: Danette Bewley, President/CEO; Chris Schmaltz, VP & General Counsel; Kim Ryan, Deputy General Counsel

Re: Proposed Bylaw Amendments for Consideration by the Corporate Governance Council

Proposed Amendments

1. Amend Section 2.2.2 – (relating to Nominating Council procedures and authority, and timing of recommendations)

Below are 3 options to address the process for the nomination of new members, continuing members, and Board candidacy:

(A)

Delete existing and replace language of Section as follows:

All nominations for new or continuing Members of the Authority shall follow the process described in Sections 2.2.1 and 2.2.2. The Nominating Council shall review and consider all timely submitted new membership, continuing membership, and Director submittals. By November 15 of each year, the Nominating Council shall make its recommendations for new members, continuing membership, and Directors to the Board of Directors for the Board's consideration and action.

Nominations for the office of Director may also be submitted by written petitions signed by not less than twenty-one (21) voting Members in good standing; provided each petition includes all information required to be submitted by Members filing a nomination/or their own request for a director position. Such petitions must be submitted to TAA by November 15.

The Board of Directors shall review the recommendations made on nominations for new members, continuing membership, Director nominations (including those submitted by petition) and slate of officers, and may, by simple majority vote in favor on each nomination, approve a slate of nominees for new members, continuing members, and Directors, including their

proposed terms, to be voted on by the Members at the next annual meeting. The slate of nominees shall be forwarded to the Members in accordance with Section 2.7.1 below.

The maximum number of TAA Members shall be sixty.

(B)

Delete existing and replace language of Section as follows:

All nominations for new or continuing Members of the Authority shall follow the process described in Sections 2.2.1 and 2.2.2. The Nominating Council shall review and consider all timely submitted new membership, continuing membership, and Director submittals. By November 15 of each year, the Nominating Council shall make its recommendations for new members, continuing membership, and Directors to the Board of Directors for the Board's consideration and action.

Nominations for the office of Director may also be submitted by written petitions signed by not less than twenty-one (21) voting Members in good standing; provided each petition includes all information required to be submitted by Members filing a nomination/or their own request for a director position. Such petitions must be submitted to TAA by November 15.

The Board of Directors shall review the recommendations on nominations for new members, continuing membership, Director nominations (including those submitted by petition) and slate of officers, and may, by a majority of Board membership, vote to direct reconsideration of any individual member or director nominee back to the Nominating Council. Any nominee not directed for reconsideration by the Board shall be forwarded to the Members in accordance with Section 2.7.1 below.

The Nominating Council, at a special meeting scheduled for this purpose, shall reconsider any nominee the Board so directs, and by simple majority vote, shall act on that nominee's nomination. Any nominee approved by the Nominating Council after reconsideration shall then be forwarded to the Members in accordance with Section 2.7.1 below.

The maximum number of TAA Members shall be sixty.

(C)

Delete existing and replace language of Section as follows:

All nominations for new or continuing Members of the Authority shall follow the process described in Sections 2.2.1 and 2.2.2. The Nominating Council shall review and consider all timely submitted new membership, continuing membership, and Director submittals. By November 15 of each year, the Nominating Council shall make its recommendations for new members,

continuing membership, and Directors to the Board of Directors for the Board's consideration and action.

Nominations for the office of Director may also be submitted by written petitions signed by not less than twenty-one (21) voting Members in good standing; provided each petition includes all information required to be submitted by Members filing a nomination/or their own request for a director position. Such petitions must be submitted to TAA by November 15.

The Board of Directors shall review the recommendations on nominations for new members, continuing membership, Director nominations (including those submitted by petition) and slate of officers, and may, by a majority of Board membership, vote to disapprove any proposed nominee. Any nominee not disapproved by the Board shall be forwarded to the Members in accordance with Section 2.7.1 below.

The maximum number of TAA Members shall be sixty.

2. Amend Section 4.7 (relating to the term of office of the Chair of the Board)

Delete existing and replace language of Section 4.7 as follows:

The term of the Chair of the Board shall be two years, which starts on the date of appointment. All other officers serve one-year terms; however, a Director may be appointed to serve as an officer (other than Chair) for multiple one-year terms. If a Director's term as Chair would extend beyond the Chair's eligibility to serve on the Board under Section 3.1.2 of these bylaws, the term of the Director shall be extended to end at the end of the Director's term as Immediate Past Chair of the Board. However, the maximum time any one person may serve on the Board, in whatever role, shall be 8 years.

Attachments: Current Bylaws

Date: October 6, 2021

To: TAA Board of Directors

From: Kirk Eickhoff, Vice President/CFO

Re: **Summary of Financial Performance for August 2021**

Financial Performance

- Operating Income before Depreciation and Amortization (MTD & YTD vs budget)
 - Tucson Airport Authority generated operating income before depreciation and amortization of \$834,176 for August 2021, which is \$1,017,109 favorable to budget.
 - Year-to-date, TAA's operating income before depreciation and amortization of \$4,255,454 is favorable to budget by \$6,797,269 due to favorable operating revenues and expenses described below.
- Operating Revenues (MTD & YTD vs budget)
 - Total monthly operating revenue of \$3,468,736 is favorable to budget by \$852,778 or 32.6% and favorable to prior year by \$662,735 or 23.6%. The increase from prior year is largely due to increased concession revenue, driven by a higher than anticipated recovery of passenger volumes. Total monthly operating revenues were down \$56,440 (1.6%) compared to FY 2019 (pre-COVID).
 - Year-to-date operating revenues were greater than budgeted by \$4,550,248 or 15.9%, with favorable variances in all categories. Concession revenues and other operating revenues contributed the largest variances.
 - The favorable variance in concession revenue is largely attributable to higher-than-expected rental car revenues and parking revenues. The variance in other operating revenues is largely attributable to higher-than-expected tie-down fees and customer facility charges.
- Operating Expenses (MTD vs YTD vs budget)
 - In August, total operating expenses were lower than budget by \$164,331, largely due to lower-than-anticipated personnel expenses resulting from TAA's reduced employer contribution requirement to the Arizona Public Safety Personnel Retirement System (PSPRS). The reduction is due to the substantial elimination of the PSPRS pension liability through a one-time lump sum payment in April.
 - Year-to-date operating expenses of \$28,874,982 are favorable to budget by \$2,247,021 or 7.2%. All expense categories were lower than budgeted, with personnel expenses and contractual services driving most of the favorable variance due to timing on maintenance and repair contracts, airport consultant fees, advertising, and a reduction in TAA's public safety pension expense.

FINANCIAL SUMMARY



For the eleven months ending August 31, 2021

**TUCSON AIRPORT AUTHORITY
STATEMENT OF REVENUES , EXPENSES AND
CHANGES IN NET POSITION**

	CURRENT MONTH - August			August 2020	August 2019
	BUDGET	ACTUAL	FAV (UNFAV)	ACTUAL	ACTUAL
OPERATING REVENUES:					
Landing fees	\$ 117,536	\$ 184,239	\$ 66,703	\$ 124,371	\$ 231,772
Space rentals	978,783	996,804	18,021	1,188,379	1,252,289
Land rent	296,440	306,447	10,007	307,629	292,526
Concession revenue	775,673	1,392,047	616,374	613,992	1,299,689
Reimbursed services	261,459	368,882	107,423	364,541	227,259
Other operating revenues	186,067	220,317	34,250	207,089	221,641
Total Operating Revenues	2,615,958	3,468,736	852,778	2,806,001	3,525,176
OPERATING EXPENSES:					
Personnel expenses	1,943,739	1,663,882	279,857	1,891,967	1,635,946
Contractual services	642,261	762,968	(120,707)	531,546	1,122,437
Materials and supplies	123,719	123,436	283	147,674	164,563
Other operating expenses	89,172	84,274	4,898	77,487	74,941
Total Operating Expenses	2,798,891	2,634,560	164,331	2,648,674	2,997,887
NET OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	(182,933)	834,176	1,017,109	157,327	527,289
Depreciation and Amortization	1,579,804	1,599,322	(19,518)	1,548,938	1,542,604
OPERATING INCOME (LOSS)	(1,762,737)	(765,146)	997,591	(1,391,611)	(1,015,315)
NONOPERATING INCOME (EXPENSES)					
Interest Income	76,667	45,999	(30,668)	132,352	390,090
Net increase/(decrease) in fair value of investments	-	(49,735)	(49,735)	(87,267)	243,697
Passenger facility charges	289,679	478,524	188,845	159,679	486,695
Interest expense and fiscal charges	(70,591)	(70,591)	-	(78,028)	(85,244)
Gain/(Loss) on disposition of capital assets	-	-	-	3,349,011	-
Other nonoperating revenues (expenses)	-	2,272,350	2,272,350	752,156	(25)
Total nonoperating revenues (expenses)	295,755	2,676,547	2,380,792	4,227,903	1,035,213
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(1,466,982)	1,911,401	3,378,383	2,836,292	19,898
CAPITAL CONTRIBUTIONS:					
Federal	1,274,806	3,146	(1,271,660)	2,425,823	-
State	52,131	154	(51,977)	119,080	-
Total capital contributions	1,326,937	3,300	(1,323,637)	2,544,903	-
INCREASE (DECREASE) IN NET POSITION	\$ (140,045)	\$ 1,914,701	\$ 2,054,746	\$ 5,381,195	\$ 19,898

TUCSON AIRPORT AUTHORITY
STATEMENT OF REVENUES , EXPENSES AND
CHANGES IN NET POSITION
For the eleven months ending August 31, 2021

	CURRENT YEAR TO DATE			YTD - AUGUST 2020	YTD - AUGUST 2019
	BUDGET	ACTUAL	FAV (UNFAV)	ACTUAL	ACTUAL
OPERATING REVENUES:					
Landing fees	\$ 1,332,425	\$ 1,793,291	\$ 460,866	\$ 1,931,729	\$ 2,850,558
Space rentals	10,769,355	10,984,323	214,968	13,390,682	13,808,334
Land rent	3,260,837	3,395,339	134,502	3,480,897	3,222,379
Concession revenue	8,335,205	11,116,560	2,781,355	11,378,803	17,138,780
Reimbursed services	2,876,044	3,064,021	187,977	3,282,557	2,886,700
Other operating revenues	2,006,322	2,776,902	770,580	2,565,896	2,809,390
Total operating revenues	28,580,188	33,130,436	4,550,248	36,030,564	42,716,141
OPERATING EXPENSES:					
Personnel expenses	21,133,180	20,019,185	1,113,995	20,219,519	19,551,563
Contractual services	7,481,260	6,624,735	856,525	5,978,894	6,398,952
Materials and supplies	1,426,744	1,330,307	96,437	1,655,331	1,375,714
Other operating expenses	1,080,819	900,755	180,064	1,106,469	871,591
Total Operating Expenses	31,122,003	28,874,982	2,247,021	28,960,213	28,197,820
NET OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	(2,541,815)	4,255,454	6,797,269	7,070,351	14,518,321
Depreciation and Amortization	17,292,925	17,462,752	(169,827)	16,942,561	16,735,226
OPERATING INCOME (LOSS)	(19,834,740)	(13,207,298)	6,627,442	(9,872,210)	(2,216,905)
NONOPERATING REVENUES (EXPENSES):					
Interest Income	843,334	437,904	(405,430)	2,276,577	2,911,581
Net increase/(decrease) in fair value of investments	-	(37,918)	(37,918)	103,604	1,787,212
Passenger facility charges	3,327,965	4,035,984	708,019	4,028,641	6,508,726
Interest expense and fiscal charges	(800,983)	(800,983)	-	(882,067)	(991,918)
Gain/(Loss) on disposition of capital assets	-	(22,866)	(22,866)	5,535,611	5,989
Other nonoperating revenues (expenses)	13,982,489	17,904,914	3,922,425	831,171	124,375
Total nonoperating revenues (expenses)	17,352,805	21,517,035	4,164,230	11,893,537	10,345,965
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(2,481,935)	8,309,737	10,791,672	2,021,327	8,129,060
CAPITAL CONTRIBUTIONS:					
Federal	6,821,216	5,644,458	(1,176,758)	11,106,565	2,414,422
State	329,796	612,489	282,693	688,008	91,101
Total capital contributions	7,151,012	6,256,947	(894,065)	11,794,573	2,505,523
INCREASE (DECREASE) IN NET POSITION	\$ 4,669,077	14,566,684	\$ 9,897,607	13,815,900	10,634,583
TOTAL NET POSITION, (BEGINNING)		416,225,900		396,401,145	386,970,849
TOTAL NET POSITION, (ENDING)		\$ 430,792,584		\$ 410,217,045	\$ 397,605,432

**TUCSON AIRPORT AUTHORITY
STATEMENT OF NET POSITION**

ASSETS

CURRENT ASSETS

Unrestricted assets:

Cash and cash equivalents	\$ 13,368,749	\$ 58,312,661
Investments	123,759,631	97,547,915
Accounts receivable, net of allowance for doubtful accounts of \$313,380 and \$210,550 for FY2021 and FY2020, respectively	1,979,385	2,811,992
Accrued interest receivable	207,422	229,146
Grants receivable	2,415,686	401,444
Inventories	377,726	315,260
Prepaid expenses and other assets	791,700	755,190
Total unrestricted current assets	<u>142,900,299</u>	<u>160,373,608</u>

Restricted assets:

Cash and cash equivalents	1,487,788	8,821,354
Investments	22,996,599	15,747,475
Accounts receivable	730,054	322,693
Accrued interest receivable	50,687	54,067
Total restricted current assets	<u>25,265,128</u>	<u>24,945,589</u>

Total current assets

168,165,427 185,319,197

Noncurrent assets:

Unrestricted assets:

Accounts receivable	101,041	304,323
Capital assets		
Not depreciated	146,011,754	133,294,245
Depreciated, net	188,510,156	193,728,288
Net capital assets	<u>334,521,910</u>	<u>327,022,533</u>
Total unrestricted noncurrent assets	<u>334,622,951</u>	<u>327,326,856</u>

Total noncurrent assets

334,622,951 327,326,856

TOTAL ASSETS

502,788,378 512,646,053

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows from pensions	6,091,332	3,992,003
Total deferred outflows of resources	<u>6,091,332</u>	<u>3,992,003</u>

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

\$ 508,879,710 \$ 516,638,056

TUCSON AIRPORT AUTHORITY
STATEMENT OF NET POSITION

LIABILITIES

CURRENT LIABILITIES

Payable from unrestricted assets:

	August-21	August-20
Accounts payable	\$ 837,186	\$ 1,242,963
Accrued expenses	1,533,051	1,886,214
Unearned revenue	2,854,517	2,660,736
Current portion of environmental remediation payable	4,033,109	4,296,517
Current portion of bonds payable:		
Airport Subordinate Lien Revenue Bonds, Series 2018	1,510,000	1,465,000
Total payable from unrestricted assets	<u>10,767,863</u>	<u>11,551,430</u>

Payable from restricted assets

Accrued interest payable:

Airport Subordinate Lien Revenue Bonds, Series 2018	<u>378,755</u>	<u>419,631</u>
	378,755	419,631

Current portion of environmental remediation payable	402,420	149,762
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Total payable from restricted assets	<u>781,175</u>	<u>569,393</u>
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Total current liabilities

11,549,038	12,120,823
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NONCURRENT LIABILITIES

Payable from unrestricted assets

Bonds payable, net of current portion:

Airport Subordinate Lien Revenue Bonds, Series 2018	26,677,609	29,810,271
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Net pension liability	20,684,399	44,126,998
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Environmental Remediation Payable, net of current portion	<u>18,306,912</u>	<u>19,019,746</u>
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Total payable from unrestricted assets	<u>65,668,920</u>	<u>92,957,015</u>
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Total noncurrent liabilities

65,668,920	92,957,015
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TOTAL LIABILITIES

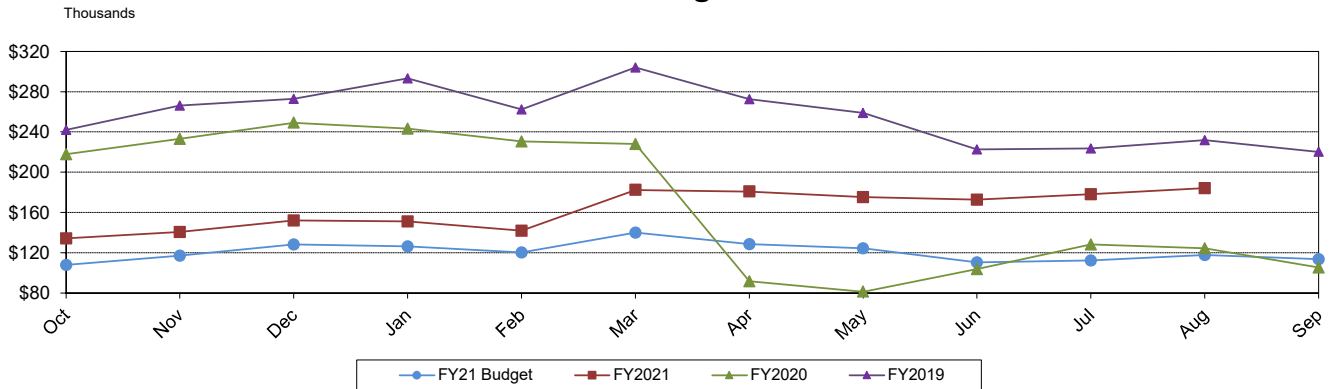
\$ 77,217,958	\$ 105,077,838
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**TUCSON AIRPORT AUTHORITY
STATEMENT OF NET POSITION**

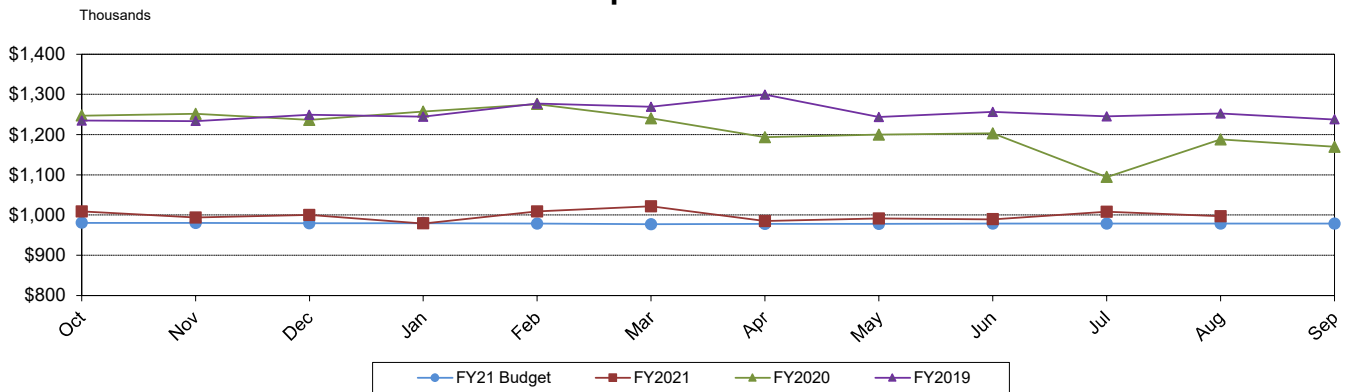
LIABILITIES & NET ASSETS (Con't)

	August-21	August-20
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows from pensions	\$ 869,169	\$ 1,343,173
TOTAL DEFERRED INFLOWS OF RESOURCES	869,169	1,343,173
NET POSITION		
Net Investment in capital assets	306,334,301	295,747,262
Restricted:		
Debt service	1,295,484	1,262,150
Capital projects	23,590,889	23,263,808
	24,886,373	24,525,958
Unrestricted	99,571,910	89,943,825
TOTAL NET POSITION	430,792,584	410,217,045
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 508,879,710	\$ 516,638,056

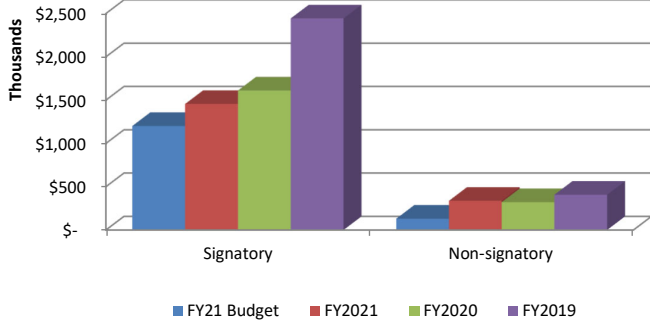
Landing Fees



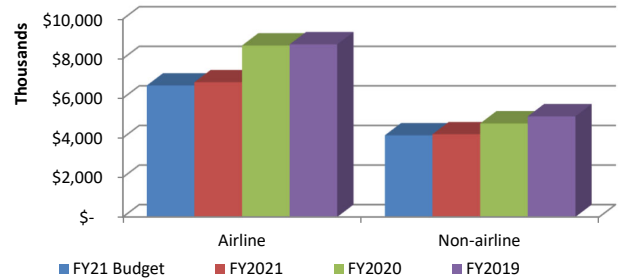
Space Rentals



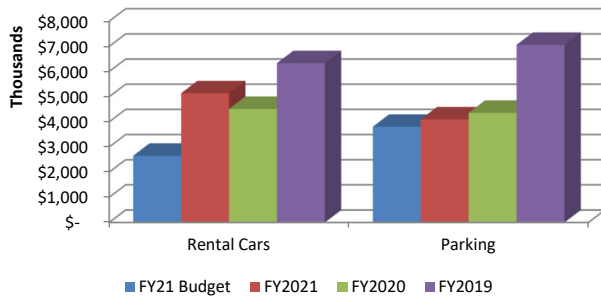
YTD Landing Fees



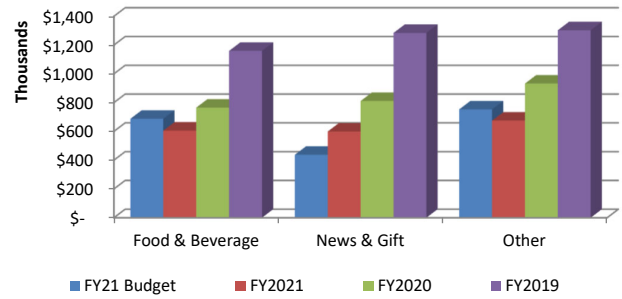
YTD Space Rentals



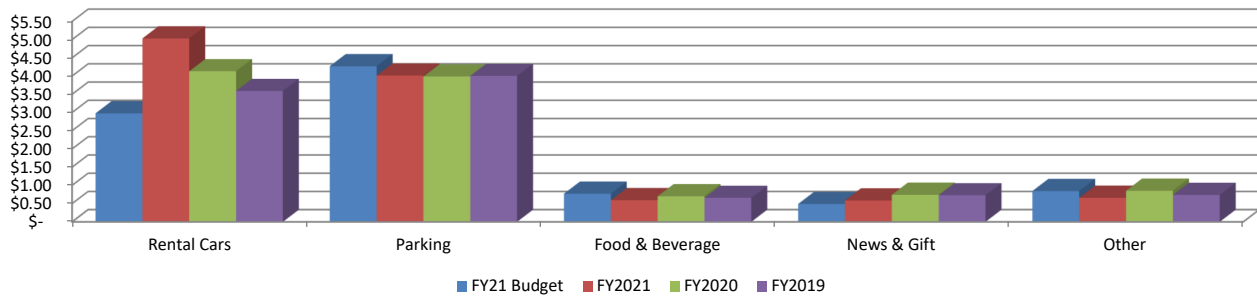
YTD Concession Revenue



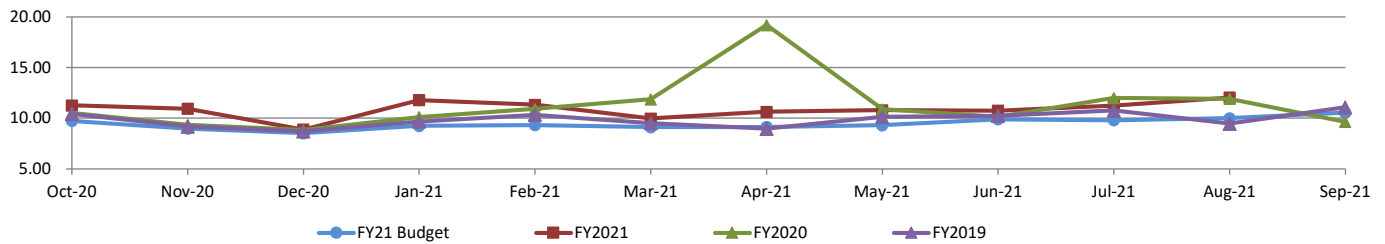
YTD Concession Revenue



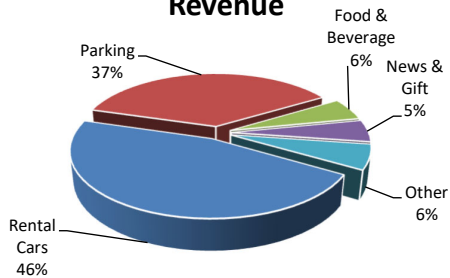
Year-to-Date Concession Revenue per Enplaned Passenger



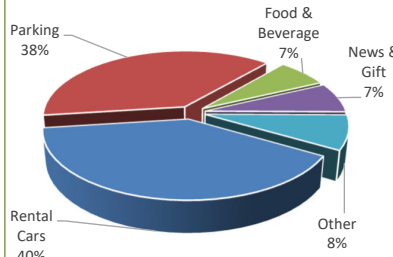
Monthly Concession Revenue per Enplaned Passenger



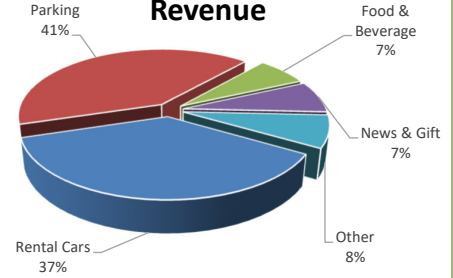
FY-2021 YTD Concession Revenue



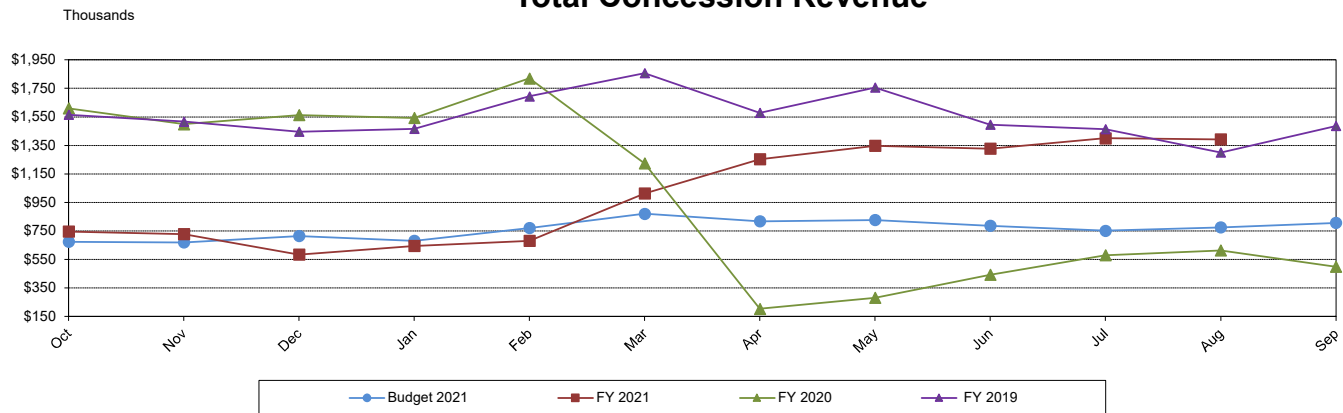
FY-2020 YTD Concession Revenue



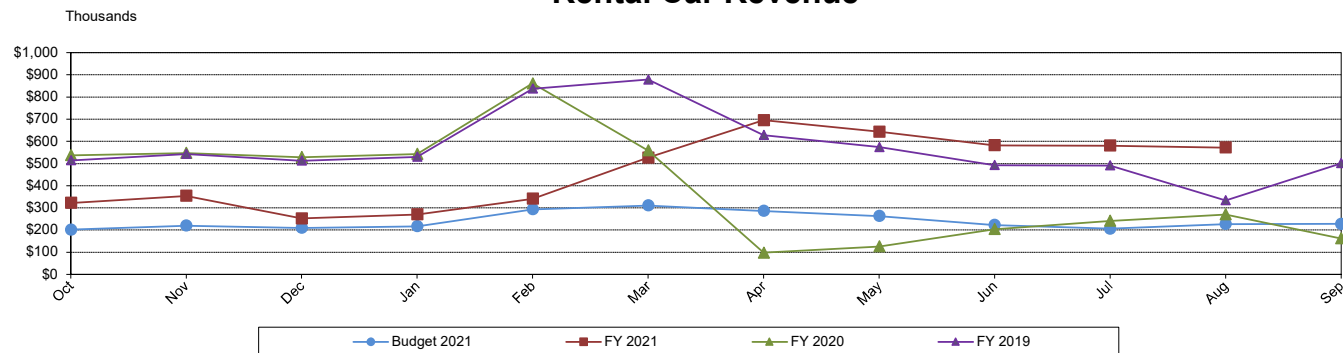
FY-2019 YTD Concession Revenue



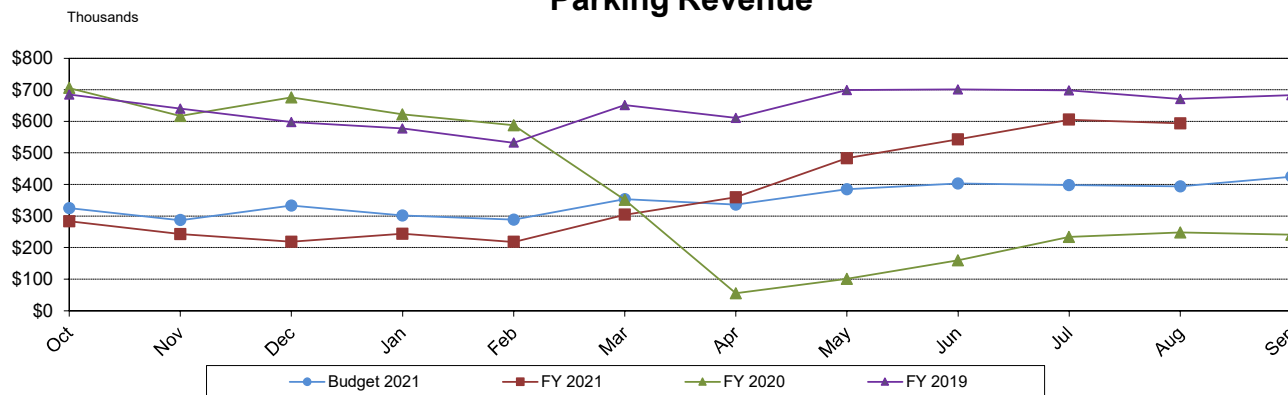
Total Concession Revenue



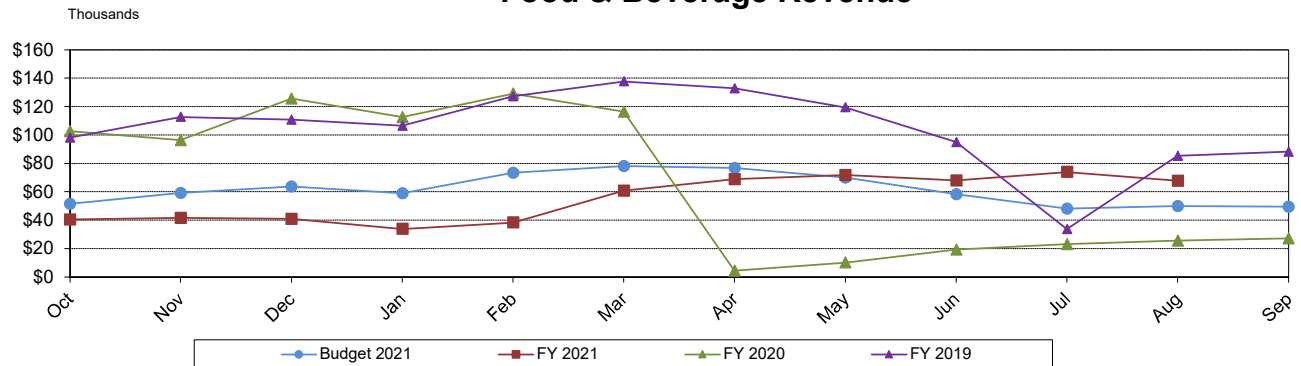
Rental Car Revenue



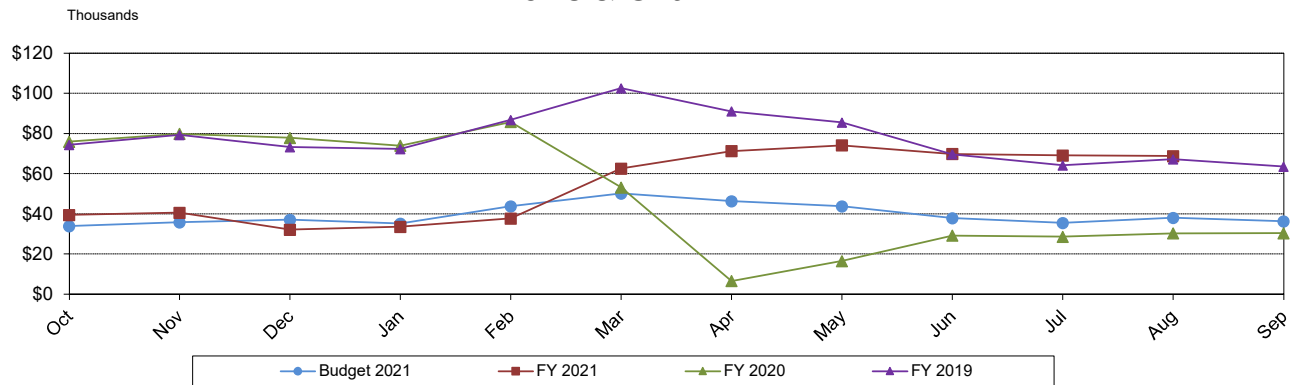
Parking Revenue



Food & Beverage Revenue

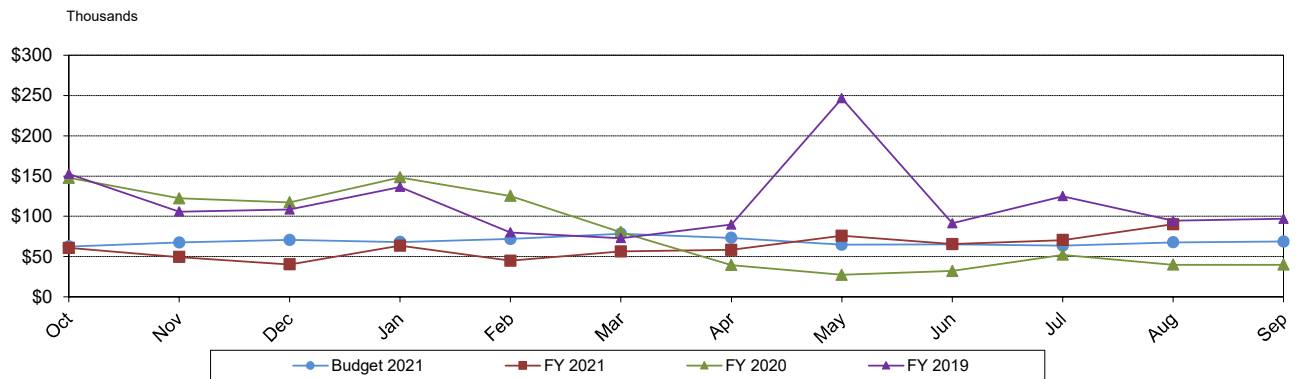


News & Gift*

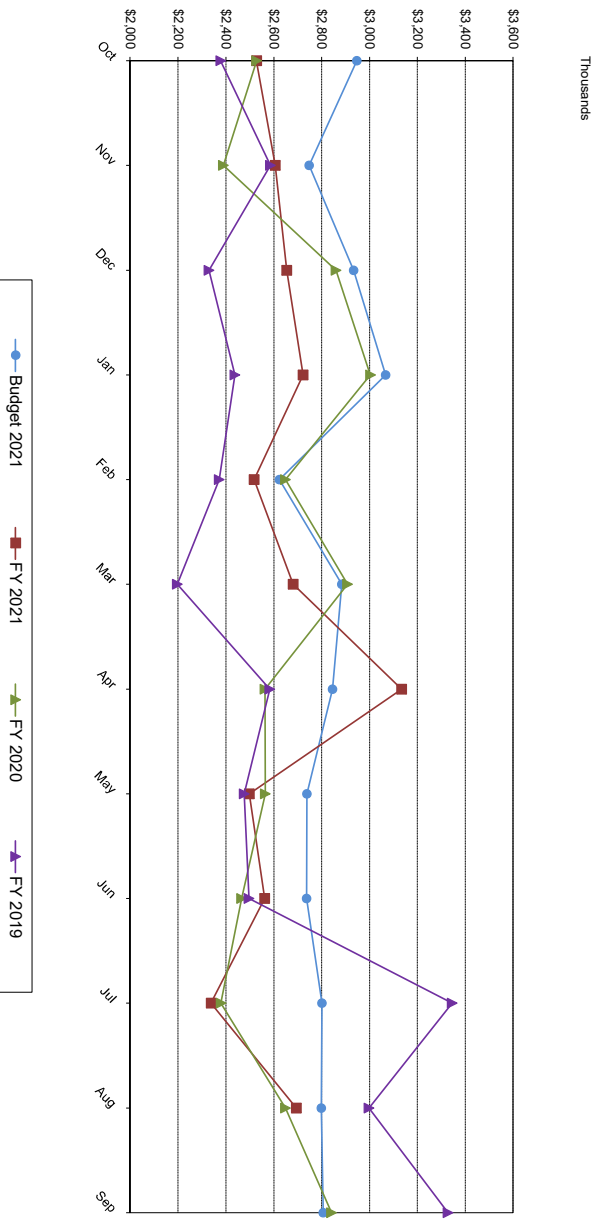


*Hudson News is required to pay the greater of a calculated percent of gross revenue or a monthly minimum guarantee (MAG) of \$117k. However, in light of the impact of COVID -19 on passenger volume, the MAG was suspended in April 2020.

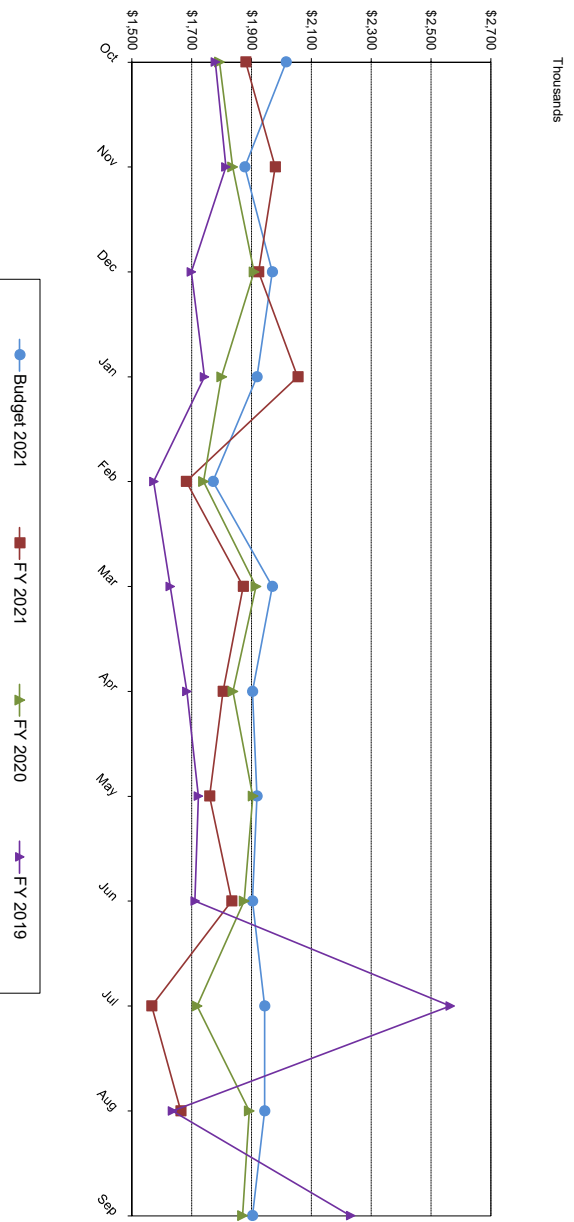
Other Concession Revenue



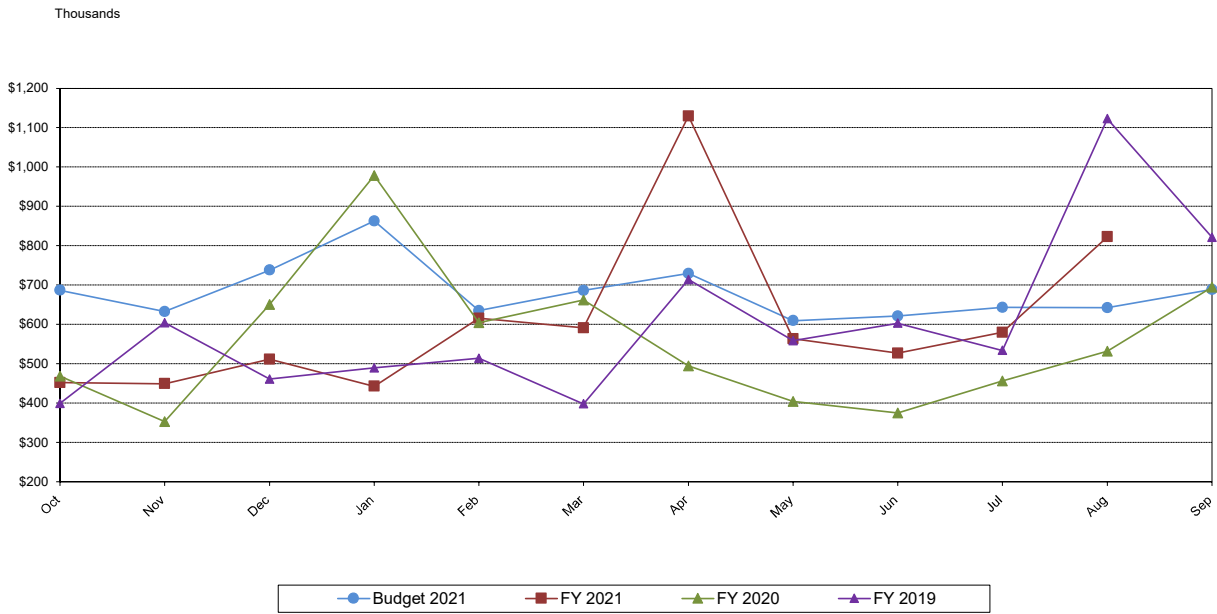
Total Operating Expenses



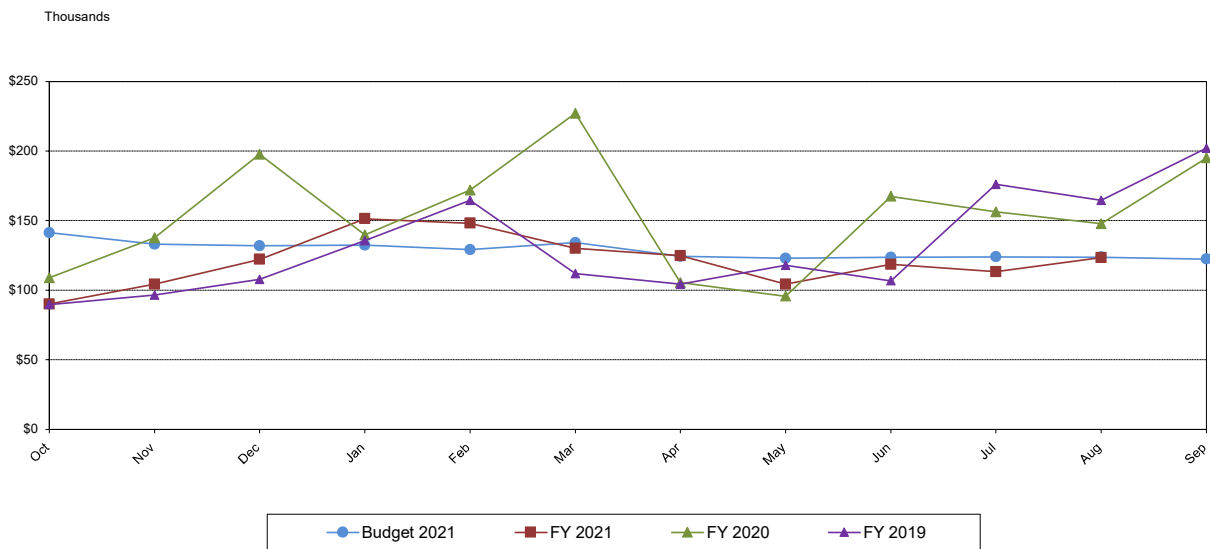
Personnel Expenses



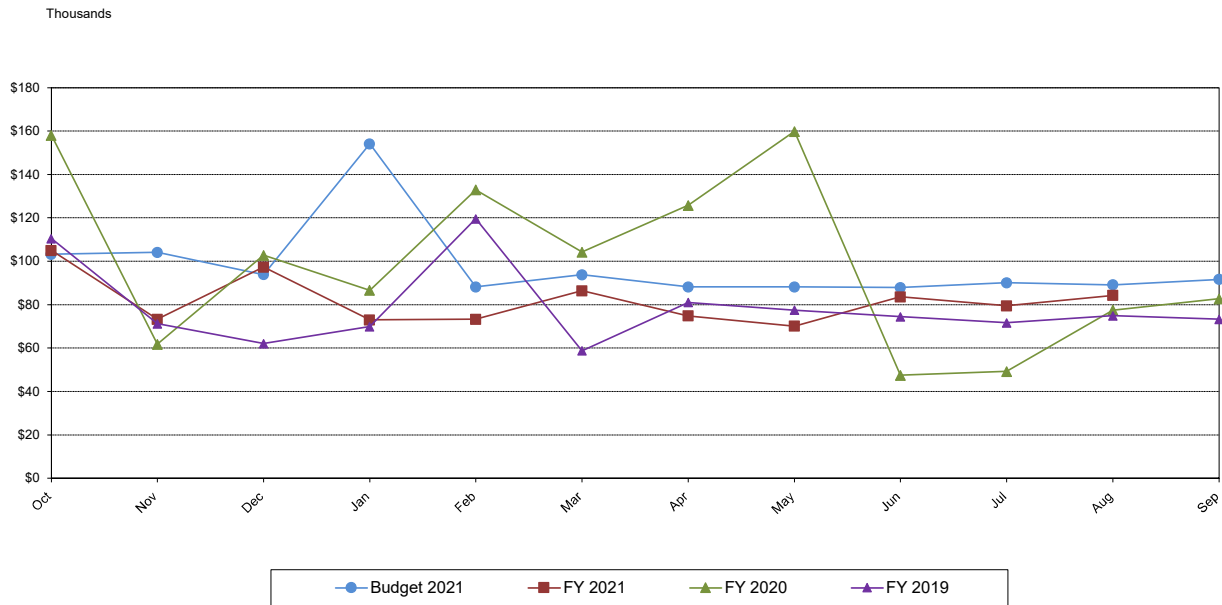
Contractual Services



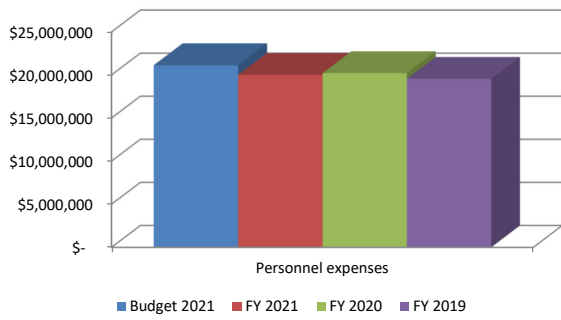
Materials and Supplies



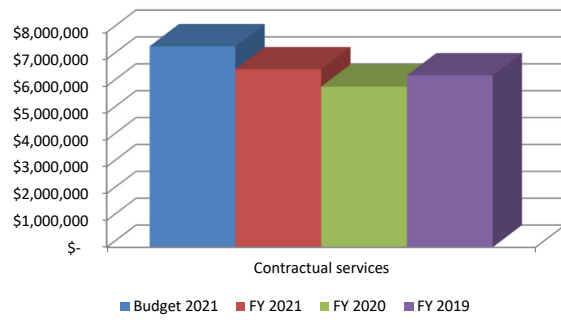
Other Operating Expenses



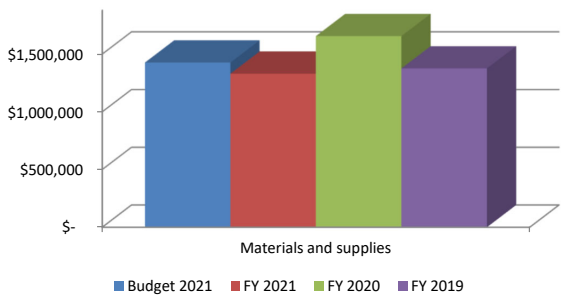
YTD Personnel Expenses



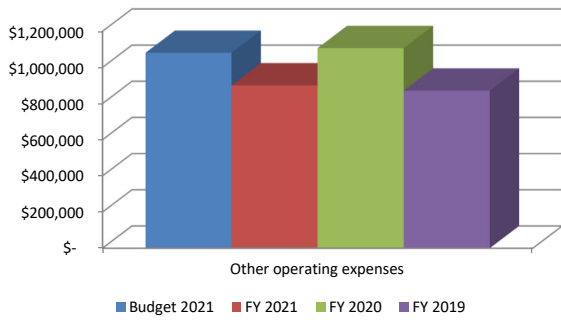
YTD Contractual Services



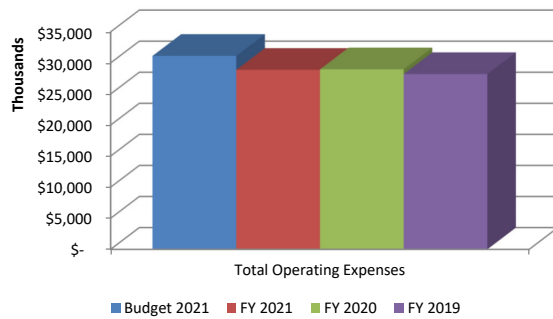
YTD Materials and Supplies



YTD Other Operating Expenses



YTD Total Operating Expenses



Date: September 27, 2021

To: TAA Board of Directors

From: Kirk Eickhoff, Vice President/CFO

Re: **Aviation Activity and Statistics for August 2021**

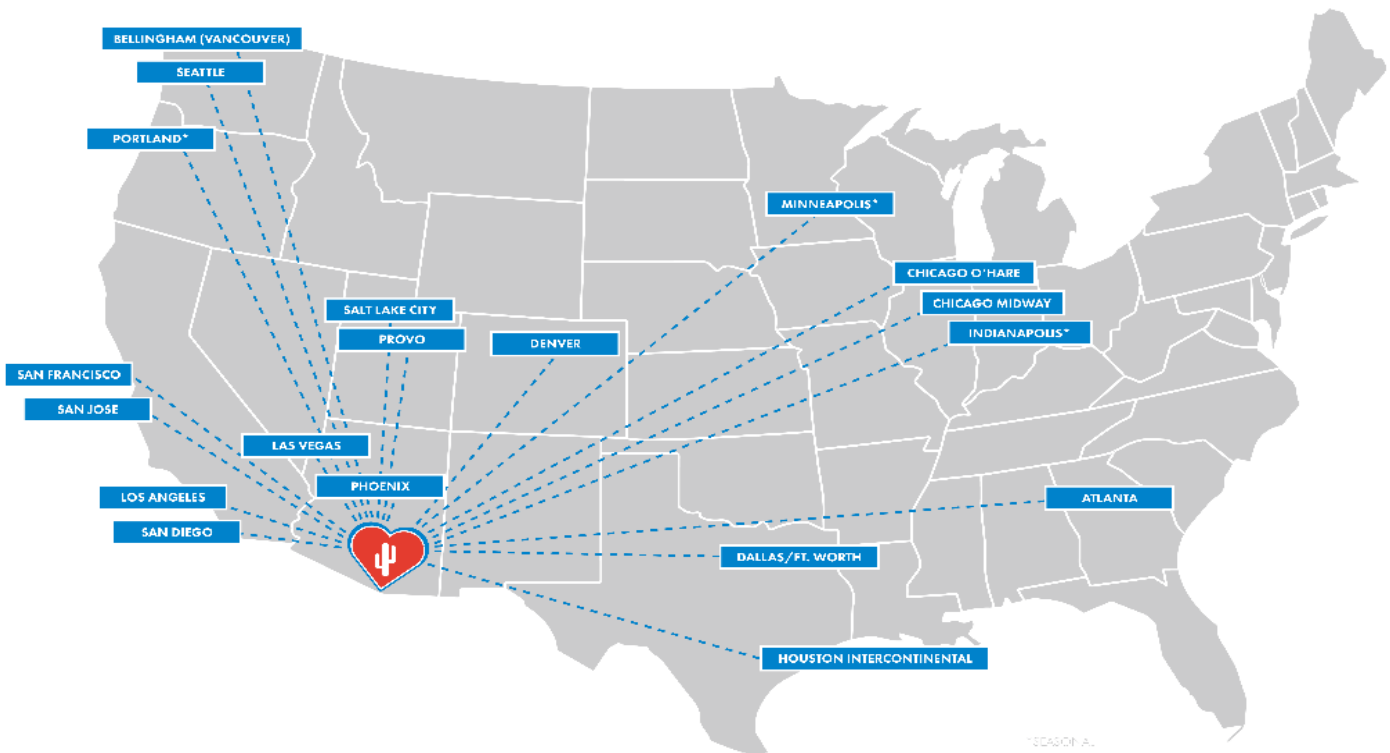
Summary of Operations and Statistics

- Total Passengers (MTD & YTD vs prior year)
 - Total passengers for the month of August 2021 were 123.2% higher than prior year.
 - YTD total passengers were 7.0% lower than prior year.
- Average Daily Scheduled Departures (MTD vs prior year, changes by routes & carrier)
 - The month of August had an average daily departure count of 44, which was 13 higher than prior year.
 - The increase was attributable to service to Atlanta (1), Denver (1), Dallas/Ft. Worth (1), Houston Hobby (1), Houston Bush (1), Los Angeles (3), Chicago O'Hare (2), Phoenix (2), San Diego (1), and Seattle/Tacoma (2) and offset by a decrease of service to Las Vegas (2).
 - Departure increases by carrier included American (6), Delta (4), United (3), and Alaska (1). Departure decreases by carrier included Southwest (1).
- Average Daily Seat capacity (MTD vs prior years)
 - Seat capacity for August 2021 was 56.8% higher than prior year and 10.5% lower than 2019.
- Load Factors (MTD & YTD vs prior years)
 - The load factor for August was 76.2%, which is 23.0% higher than FY2020 and 4.8% lower than FY2019 for the same month.
 - The August year-to-date load factor of 71.5% was 4.1% higher than FY2020 and 12.1% lower than FY2019.
- Aircraft Operations (MTD & YTD vs prior year)
 - Freight, measured in pounds, is 8.3% higher in August compared the same month last year and year-to-date is 7.3% higher than prior year.
 - Total aircraft operations were 46.3% higher than the same month last year, with increases in all categories.
 - Year-to-date operations are 15.3% higher than prior year, with increases air taxi, military and general aviation offset a by decrease in air carrier.

AVIATION ACTIVITY REPORTS

Tucson International Airport (TUS)

For the eleven months ending August 31, 2021



TUCSON AIRPORT AUTHORITY
TUS PASSENGER ACTIVITY

TUCSON AIRPORT AUTHORITY
TUS ACTIVITY OVERVIEW

PASSENGERS*	Fiscal YTD					
	Aug-21	Aug-20	% CHANGE	2021	2020	% CHANGE
ENPLANED	115,644	51,504	124.5%	1,021,096	1,092,233	-6.5%
DEPLANED	117,245	52,859	121.8%	1,006,340	1,088,603	-7.6%
TOTAL	232,889	104,363	123.2%	2,027,436	2,180,836	-7.0%

*Passenger figures include non-revenue passengers.

LANDED WEIGHT**

AIR CARGO	13,411	13,146	2.0%	149,273	149,699	-0.3%
AIR CARRIER	140,884	87,438	61.1%	1,334,917	1,444,922	-7.6%
TOTAL	154,295	100,584	53.4%	1,484,190	1,594,621	-6.9%

**In thousand pound units.

FREIGHT (in pounds)

ENPLANED	2,461,433	2,456,912	0.2%	28,704,527	27,827,777	3.2%
DEPLANED	2,964,832	2,551,979	16.2%	33,337,119	30,018,046	11.1%
TOTAL	5,426,265	5,008,891	8.3%	62,041,646	57,845,823	7.3%

MAIL (in pounds)

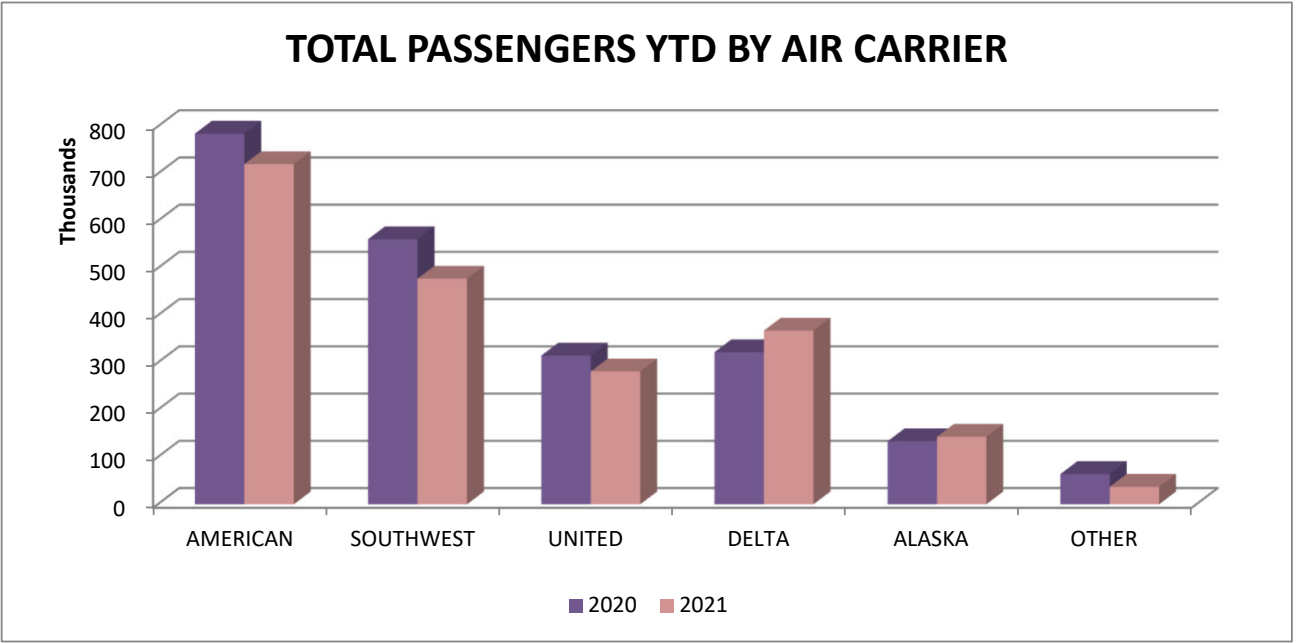
ENPLANED	149	0	0.0%	172	1,557	-89.0%
DEPLANED	130	990	-86.9%	79,330	10,190	678.5%
TOTAL	279	990	-71.8%	79,502	11,747	576.8%

AIRCRAFT OPERATIONS

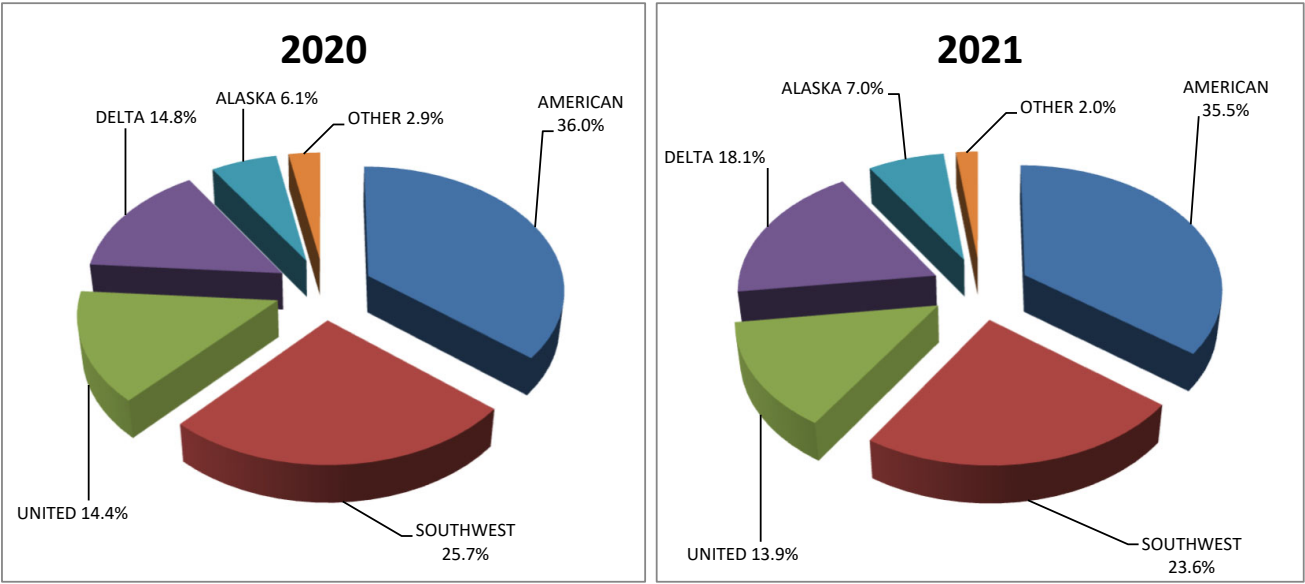
AIR CARRIER	2,517	1,662	51.4%	25,134	27,278	-7.9%
AIR TAXI	1,546	1,119	38.2%	15,950	13,331	19.6%
MILITARY	1,556	1,349	15.3%	18,748	15,241	23.0%
GENERAL AVIATION	6,687	4,284	56.1%	70,026	56,770	23.4%
TOTAL	12,306	8,414	46.3%	129,858	112,620	15.3%

TUCSON AIRPORT AUTHORITY

TUS PASSENGER ACTIVITY



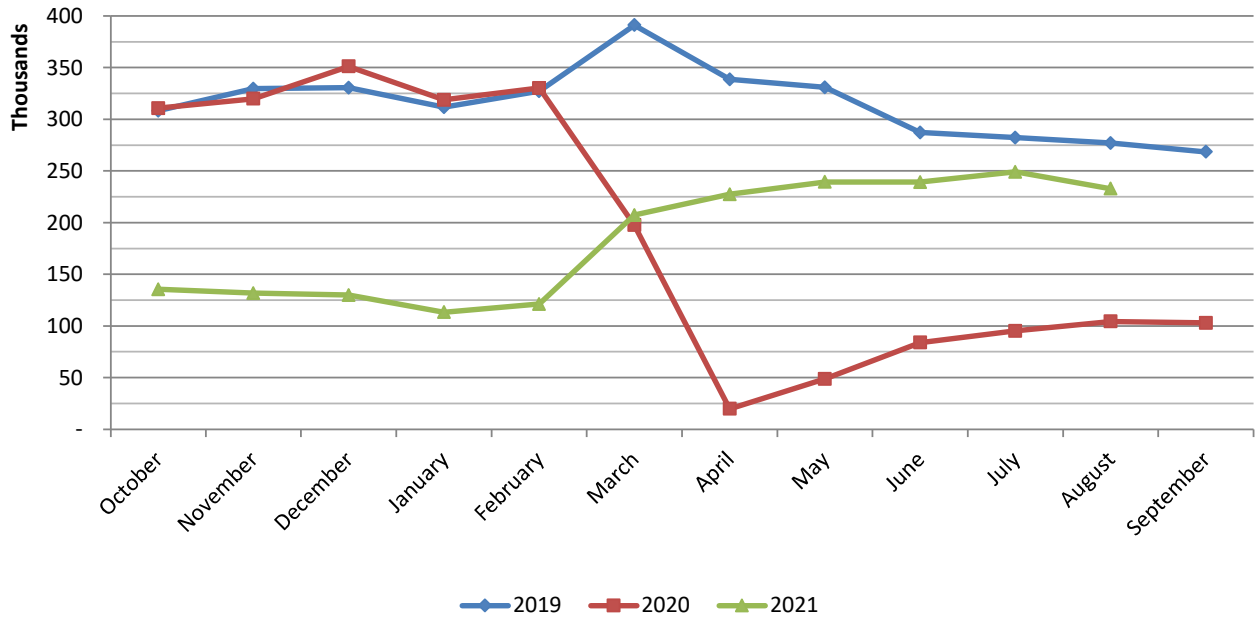
AIR CARRIER MARKET SHARE



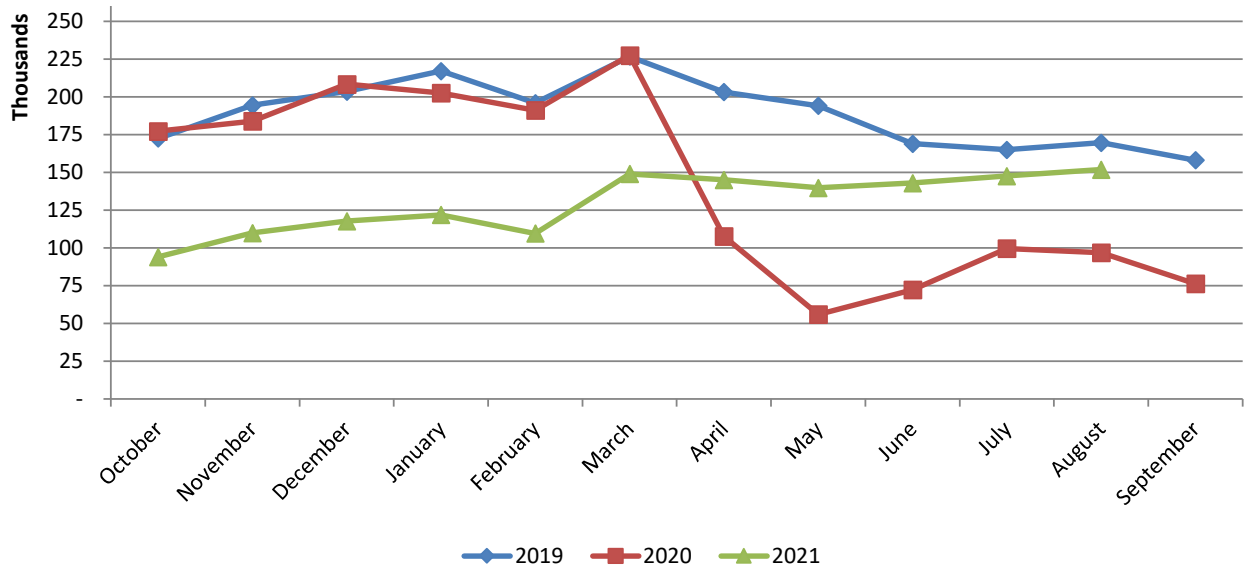
TUCSON AIRPORT AUTHORITY

TUS PASSENGER ACTIVITY

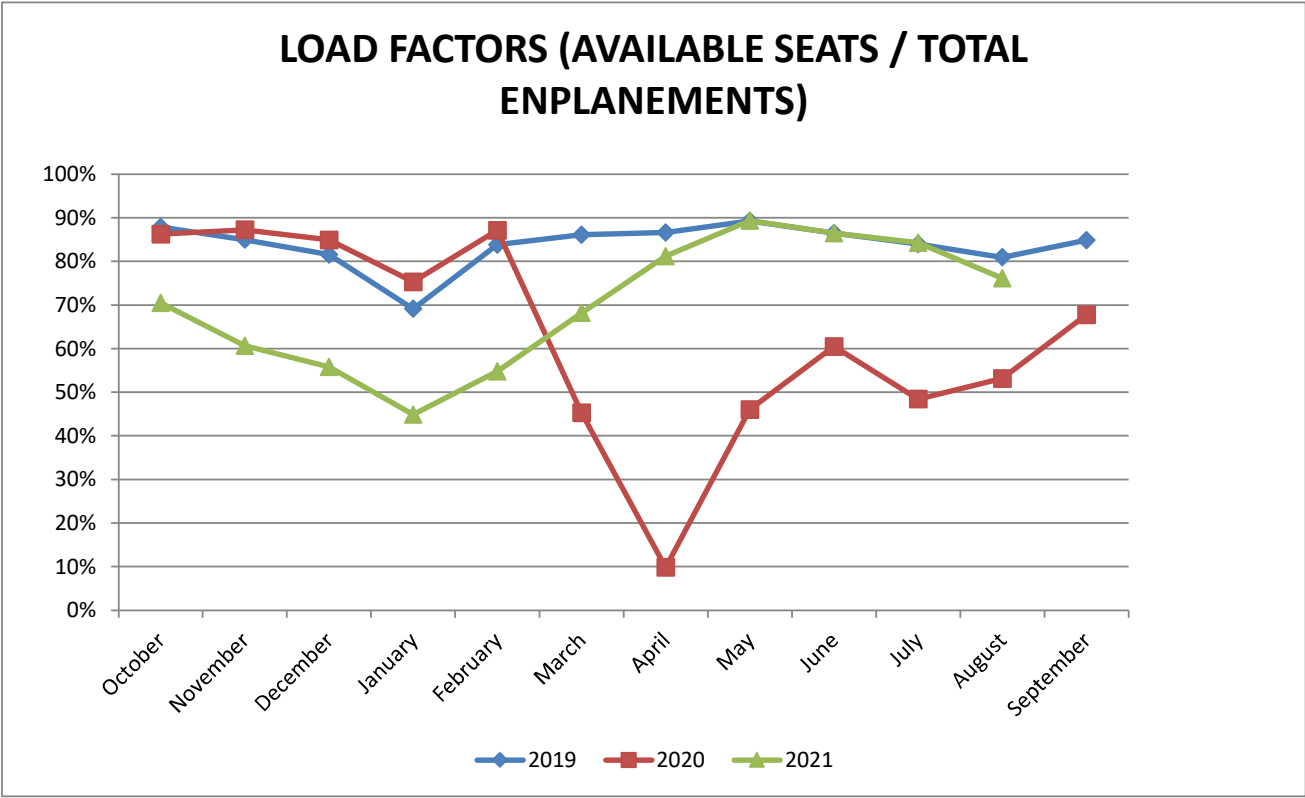
TOTAL PASSENGERS BY MONTH



AVERAGE SEAT CAPACITY PER MONTH



**TUCSON AIRPORT AUTHORITY
TUS PASSENGER ACTIVITY**



TUCSON AIRPORT AUTHORITY

TUS PASSENGER ACTIVITY

TUS MONTHLY FLIGHT SCHEDULE SUMMARY

NONSTOP DESTINATIONS and Airline	Code	Average Daily Departures			Average Daily Seats		
		Current Year	Prior Year	Difference	Current Year	Prior Year	Difference
ATLANTA <i>Delta (1.7)</i>	ATL	1.7	1.0	0.7	327	191	136
DENVER <i>United (4), Southwest (2), Frontier (.1)</i>	DEN	6.1	5.2	0.9	536	676	(140)
DALLAS/FT WORTH <i>American (6.3)</i>	DFW	6.3	5.2	1.1	1,075	802	273
HOUSTON HOBBY <i>Southwest (1)</i>	HOU	1.0	0.0	1.0	161	0	161
HOUSTON BUSH <i>United (2)</i>	IAH	2.0	1.9	0.1	152	145	7
LAS VEGAS <i>Southwest (2), Allegiant (.2), frontier (.2)</i>	LAS	2.4	3.8	(1.4)	370	563	(193)
LOS ANGELES <i>Delta (3), American (2.4) Southwest (1)</i>	LAX	6.4	3.0	3.4	547	311	236
CHICAGO MIDWAY <i>Southwest (1)</i>	MDW	1.0	1.0	0.0	143	143	0
CHICAGO O'HARE <i>American (1.9), United (1)</i>	ORD	2.9	0.6	2.3	326	74	252
PHOENIX <i>American (4.7)</i>	PHX	4.7	3.0	1.7	405	228	177
PROVO <i>Allegiant (0.2)</i>	PVU	0.2	0.2	0.0	30	28	2
SAN DIEGO <i>Southwest (.9)</i>	SAN	0.9	0.0	0.9	139	0	139
SEATTLE/TACOMA <i>Alaska (2) Delta (1.0)</i>	SEA	3.0	1.0	2.0	362	76	286
SAN FRANCISCO <i>United (2)</i>	SFO	2.0	2.0	0.0	100	104	(4)
SALT LAKE CITY <i>Delta (3)</i>	SLC	3.0	3.0	0.0	228	210	18
TOTAL		43.6	30.9	12.7	4,901	3,551	1,350

Date: October 6, 2021

To: TAA Board of Directors
From: Jessie Allen, Director of Communications and External Relations
Re: Communications & Marketing Update

Nonstop for Tucson Campaign:

The 'Nonstop for Tucson' campaign continues to garner positive feedback from the community. Our team is currently working with our consultant to begin the process of updating the commercial, radio script and visual assets.

The campaign is currently being advertised in the following venues:

- :30 second commercials on television programming, including live sports.
- Transit campaign on Sun Tran and Sun Link (streetcar)
- Billboards in Pinal County (near Eloy)
- Digital ads on travel sites and social media
- Radio ads throughout local stations and Pandora
- Various print publications, including BizTucson

In the Media:

Noteworthy analytics for the last half of August and first part of September:

- Twitter (September 1-23) | 27.4k impressions
- Facebook | engagement remains above 3% for posts, 350.5k people reached
- Instagram | reached more than 81.9k accounts, content interactions increased 32%
- Media mentions | 799 media mentions for August, \$92.6k in advertising value equivalency (AVE) which is the value on earned media coverage.

Local and national news outlets had an interest in the following stories:

- KGUN9 | [TUS nears pre-pandemic levels](#)
- KGUN/KOLD | [Los Reales Construction](#)
- Daily Star | [9/11 Coverage](#)
- Several outlets | [Red Cross Volunteers fly from TUS to help those affected by hurricane](#)
- [Senator Kyrsten Sinema hosts roundtable discussion at TUS](#)

Community Involvement and Recognition:

- The TAA was a sponsor of the Sahuarita State of the Town and has signed up to sponsor the Oro Valley State of the Town. We continue to partner with our regional partners to support their initiatives as a community sponsor.
- On the 20th anniversary of September 11, members of the TAA team delivered food to the TSA, TAA Police Department, TAA Fire Department, TUS Airport Communications Center (ACC), air

traffic controllers at TUS and RYN and the 162nd Wing alert detachment located at Davis-Monthan AFB. A letter of recognition was also sent to General Butler at the 162nd Wing, signed by Danette Bewley.

- The TAA has added numerous permanent pieces to our art collection. All the purchased pieces are from local Southern Arizona artists. We have partnered with Pima Community College, local galleries, and artists to share the temporary exhibit submission forms for the 2022 calendar year.
- We sincerely thank and appreciate American Legion Post 36 for their donation of numerous cases of water for the TUS Military Lounge; they will begin monthly donations of water and food to the lounge.
- Vaccines are still available for any member of the community and passengers arriving or departing TUS on Mondays and Fridays between 11:30 a.m. and 2:30 p.m. Testing continues every day of the week between 7:30 a.m. and 4:00 p.m.

Warm Welcome Volunteers

Five of our Warm Welcome Volunteers are officially badged and trained. For the first time, volunteers at TUS will be able to greet the passengers as soon as they step off the plane. Like programs at other airports, TUS volunteers will now be able to assist passengers every step of the way from the concourses, through baggage claim and out of the terminal.

Date: October 6, 2021

To: TAA Board of Directors
From: Dave Hatfield, Senior Director of Air Service Development
Re: **October 2021 TUS Air Service Update**

Airlines Increase Capacity Around Holidays
(... but only around the holidays)

Airlines once again are tweaking schedules and making adjustments just weeks ahead of flight dates. It's not to the extent it happened during the early days of the pandemic in 2020 and for Tucson International Airport (TUS) it only amounts to a flight or two a day, about 2% of the daily total.

At TUS, the impact in November and December will be fewer flights the first two weeks of each month with more robust schedules around the holidays in both months. The airport will still be short of the pre-pandemic average of 60 flights per day but there are days when as many as 57 departures are scheduled.

More importantly, airlines are using larger aircraft. Seat capacity around Thanksgiving will be within 1% of what it was in 2019. Even more promising, scheduled capacity the last two weeks of December is up 9.7% compared to 2019.

However, due to reduced schedules in early November and December, total capacity at TUS remains about 15% below 2019 for both months.

Oakland Nonstops Return

Southwest Airlines is resuming its nonstop flights between TUS and Oakland, Sundays-Fridays, starting January 17, 2022. You will recall that Southwest launched these flights in March 2021 but bookings were initially slow, so they were cut after about 2½ months. By the time the flights ended they were booking to almost 80% of capacity in spite of the pandemic.

We have been successful in persuading Southwest to reinstate the flights, but we need Tucson passengers to respond if we expect it to remain on the schedule.

Prior to the reinstatement, Southwest will operate special nonstop TUS-OAK flights around the holidays November 23, 24, 28 and 29; December 23 and 26-30; and January 2 and 3.

Travel Takeaway

Consider flying on a busy day. The old advice about looking for airfare bargains on slower travel days is, well, old advice. Airlines have become adept at day-of-week scheduling and fewer flights are scheduled on days when there are not as many passengers. In a typical week, more flights are scheduled on Sundays, Mondays, Thursdays and Fridays.

Around the holidays, Thanksgiving Day used to be known as a day for half-full flights and airfare bargains. If you are considering flying this Thanksgiving Day, there won't be as many chances to score a bargain airfare because there won't be as many flights. From TUS there are only 33 departing flights on Thanksgiving Day and 15 of them – almost half – are scheduled to depart between 6 and 9 a.m.

All 19 Nonstop Destinations Return

New and returning nonstop flights for Thanksgiving:

- **Everett, Washington**, on the north side of Seattle, starts November 19 on Alaska Airlines. This is an alternative airport for travelers going to or coming from the northern suburbs of Seattle and Puget Sound region. It's a smaller airport with a three-year-old state-of-the-art terminal allowing travelers quick and low stress access in and out.
- **Indianapolis** nonstop flights return November 18 on Allegiant. The flights operate on Thursdays and Sundays with an additional flight on Tuesday, November 23. This has been our best Allegiant destination and this winter it will be our only Allegiant destination.
- **Portland, Oregon**, daily nonstop flights resume November 19 on Alaska Airlines.

New and returning flights coming in December:

- **Minneapolis-St. Paul** nonstop flights return December 8 on Sun Country Airlines. They will operate on Thursdays and Sundays with additional flights on Tuesdays, December 21 and 28. (As a reminder, Delta Air Lines suspended its flights this year from Minneapolis to several destinations, including Tucson, due to a shortage of flight crews.)

All totaled, TUS will be served with nonstop flights to/from 19 destination airports:

Atlanta (Delta)	Houston Intercontinental (United)	Phoenix (American)
Chicago Midway (Southwest)	Indianapolis (Allegiant)	Portland (Alaska)
Chicago O'Hare (American, United)	Las Vegas (Frontier, Southwest)	Salt Lake City (Delta)
Dallas/Fort Worth (American)	Los Angeles (American, Delta, Southwest)	San Diego (Southwest)
Denver (Southwest, United)	Minneapolis (Sun Country)	San Francisco (United)
Everett, Washington (Alaska)	Oakland (Southwest)	Seattle (Alaska, Delta)
Houston Hobby (Southwest)		