
**TUCSON AIRPORT AUTHORITY | Board of Directors Regular Meeting
Wednesday, December 7, 2022 | 3:00 p.m. | Virtual Meeting**

THIS BOARD MEETING WAS HELD VIRTUALLY, WITH DIRECTORS ATTENDING VIA MICROSOFT TEAMS OR TELEPHONICALLY. MEMBERS OF THE PUBLIC WHO COMPLETED A REGISTRATION FORM RECEIVED A LINK TO VIEW THE MEETING VIA MICROSOFT TEAMS OR TO LISTEN TELEPHONICALLY.

1. CALL TO ORDER | ROLL CALL

Chair Dusenberry called the meeting to order at 3:01 p.m.

Directors Present: Chair Bruce Dusenberry, Vice Chair Keri Silvyn, Secretary Mike Hammond, Treasurer Phil Swaim, Director Rob Draper, Director Judy Rich, Director Todd Jackson, Director Sally Fernandez, and Director Vance Falbaum

Others Present: Sun Corridor President/CEO Joe Snell and NüPOINT Marketing Regional Vice President Meredith Ford

Staff Present: President/Chief Executive Officer Danette Bewley; Executive Vice President/Chief Operating Officer Bruce Goetz; Vice President/General Counsel Christopher Schmaltz; Vice President/Chief Revenue Officer John Voorhees; Vice President/Planning and Engineering Ken Nichols; Director of Finance Clark Wager; IT Customer Support Technician Randy Janek; and TAA Clerk Byron Jones

2. CONSENT AGENDA

a. APPROVAL OF MINUTES: Approve the minutes of the Board of Directors regular meeting held on September 7, 2022.

b. HILL ENTERPRISES: Adopt Resolution No. 2022-18 authorizing the President/CEO or her designee to execute a contract with Hill Enterprises Inc. for year 4 services.

MOTION BY Director Fernandez, SECONDED BY Secretary Hammond, to APPROVE the consent agenda. The motion carried by the following vote:

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

Nays 0

3. BOARD CHAIR REPORT

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

Chair Dusenberry reported the following:

- Director of Marking, Communications and External Relations Jessie Allen was recognized by the Tucson Hispanic Chamber of Commerce as one of its “Top 40 Under 40” for 2022.
- President/CEO Danette Bewley was elected to a second term as a 162nd Air Guardians board member.
- Police Chief Scott Bader was elected to the steering committee of the Airports Council International Public Safety and Security Working Group.
- Executive Vice President/COO Bruce Goetz started an Airport COO Working Group with several of TUS’s peer airports. The working group’s purpose is to discuss organizational differences and best practices. The group will expand to additional airports in 2023.

4. PRESIDENT/CEO REPORT

- a. State of the Industry | Airport System Update

President/CEO Danette Bewley reported the following:

- TUS ranked 17th among the top 100 US airports in average load factor between March 2022 and August 2022. This confirms that Tucson as a destination market remains strong.
- On November 30, ultra-low-cost carrier Flair Airlines began service to and from several Canadian destinations.
- TUS will have 24% additional seat capacity year-over-year for the 2022 holiday travel season (December 15, 2022, through January 2, 2023). Airlines are reporting load factors in the 80-90% range during Christmas week, and they are expected to be at or near 100% during the peak holiday travel days.

b. Strategic Plan Update | Fiscal Year End 2022

Executive Vice President/COO Bruce Goetz presented a summary of the Strategic Plan update that was included in the agenda packet.

- Many objectives in the plan were accomplished across the organization, particularly under the “Accelerate Performance” strategic initiative.
- Deliverables under “Expand Prosperity” are behind primarily due to the FAA’s (Federal Aviation Administration) lengthy and evolving review process to determine whether land may be released for development.
- Negotiations regarding the new Airline Use Agreement will be re-started in 2023.
- The TAA has hired a sustainability consultant to guide implementation of the Sustainability Master Plan. The working group will hold its first meeting the week of December 12.
- Facility upgrades to the FIS (Federal Inspection Services) were completed.

5. DISCUSSION/PRESENTATION

a. SUN CORRIDOR | UPDATE:

Sun Corridor President/CEO Joe Snell reported on a recent announcement made by American Battery Factory. They have chosen Tucson for their new lithium battery gigifactory, which will serve as their American headquarters. The factory will be located south of Raytheon in the Aerospace Research Park. The \$1.2B, two million sq ft facility is projected to provide a \$3B economic boost to the region. Mr. Snell also reported the following:

Economic Development Trends:

- Economic development has been strong during the past two years. Tucson has replaced all the jobs lost during the pandemic, despite uncertainty about the overall economy, including policies at the federal and state levels which may affect markets and interest rates.
- The aerospace and defense industries will be a key driver going forward in the Tucson market.
- Companies locating to Tucson represent smaller numbers of jobs, but the jobs produce higher wages and require much higher skillsets.

Challenges:

- Additional jobs will create more demand for passenger travel, cargo traffic, as well as an increased demand for commercial properties.

- Lack of infrastructure (e.g., water, wastewater, electricity, roads, etc.) and the availability of shovel-ready sites and build-to-suite facilities continues to be an issue.
- Also of concern is the need to construct a flyover to provide quicker access to the airport without the need to travel through the residential area to the north of the airport.
- Construction of SR 410 (Sonoran Corridor) is needed to provide better access to and movement within the region.

Closing:

- TUS is a high priority for future infrastructure development.
- Sun Corridor is spending a lot of time hosting site selectors and influencers. They have developed an aggressive strategy going forward.
- Despite challenges, the future is bright.

b. 2022 TAA MEMBERSHIP SURVEY | RESULTS:

NüPOINT Marketing Regional Vice President Meredith Ford presented a high-level overview of the 2022 TAA Membership Survey, which was conducted online between June and August 2022. The survey's purpose was to gauge the motivators for Active and Emeritus Members, and to assess the Membership's satisfaction with the TAA leadership's level of communication, events, and the nominating process. The results will be used to develop a TAA Advocacy Plan and Value Proposition.

Fifty-one responses were submitted (31 from Active Members and 20 from Emeritus Members). The key takeaways from the survey were as follows:

1. Active Members view advocacy and engagement as key responsibilities of their membership, and many would like to become more involved.
2. Motivation for Members revolves around the "economic driver" aspect of the airport and deployment of new initiatives to bolster visibility in the community.
3. Overall, the majority of surveyed Active and Emeritus Members are satisfied with current TAA operations.

Board Discussion:

- Most of the emeritus members are disengaged from the TAA and the community. Many are well into retirement and do not attend meetings. The pandemic has also affected attendance at events.
- Engaging Members who are not on the Board of Directors is important. This has been a struggle over the years.
- The timing of the survey may have affected the response rate.

6. EXECUTIVE SESSION

MOTION BY Director Falbaum, SECONDED BY Treasurer Swaim, to CONVENE in executive session. The motion carried by the following vote:

Ayes 8 Chair Dusenberry, Vice Chair Silvyn, Secretary Hammond, Treasurer Swaim, Director Draper, Director Jackson, Director Fernandez, and Director Falbaum

Nays 0

Due to technical issues, Director Rich was unable to participate in the vote.

The regular meeting recessed, and the Board of Directors went into executive session at 3:06 p.m.

7. RETURN FROM EXECUTIVE SESSION

The executive session adjourned at 4:52 p.m.

Chair Dusenberry reconvened the regular meeting at 4:53 p.m.

8. ACTION ITEMS

a. 2023 TAA MEMBERSHIP NOMINATIONS:

Vice President/General Counsel Christopher Schmaltz explained that the Board only had to act on Item 8.a. if it choose to re-direct the Nominating Council to reconsider any of the nominations; otherwise, the slate of nominees would automatically be forwarded to a vote of the Membership during the Annual Meeting in January 2023.

There was no discussion by the Board on Item 8.a.

b. REQUESTS FOR EMERITUS MEMBERSHIP:

There was no discussion by the Board on Item 8.b.

MOTION BY Vice Chair Silvyn, SECONDED BY Director Fernandez, to adopt Resolution No. 2022-22 APPROVING requests from certain TAA Members to transition from Member to Emeritus Member. The motion carried by the following vote:

Ayes 8 Chair Dusenberry, Vice Chair Silvyn, Secretary Hammond, Treasurer Swaim, Director Draper, Director Jackson, Director Fernandez, and Director Falbaum

Nays 0

9. DIVISION UPDATES

Executive Team members presented the following division updates:

- **Operations**
 - Crosswind runway 3/21 re-opened on Friday, December 2. It had been non-operational for six months for repairs, including the installation of arresting gear cables, seal coating, and re-striping.
 - Auditors from the Commission on Accreditation for Law Enforcement Agencies (CALEA) were recently onsite and made no material findings.
- **Business and Commercial Development**
 - There has been much interest from national developers regarding development of TAA-owned land. Some have proposed taking the lead on the TAA's behalf to complete steps required by NEPA (National Environmental Policy Act).
 - A tech firm is interested in developing the Sonoran South parcel to use as a source for renewable energy.
 - A company which specializes in air cargo development has expressed interest in developing TAA-owned property.
- **Finance and Regulatory Administration**
 - Completed the FY 2021 ACFR (Annual Comprehensive Financial Report) and re-statement of the FY 2020 ACFR.
 - Work has begun on the FY22 audit with auditing firm BeachFleischmann.
 - Reports summarizing the year-to-date financial performance and year-to-date aviation activity through September 2022 were included in the agenda packet.
- **Planning and Engineering**
 - ASE (Airfield Safety Enhancement) Project:
 - DBB1 (End-Around Taxiway Project) is in Phase 6 of 9.
 - In the process of closing out GMP1 (Electric Vault Project) and recently gave the Notice to Proceed for GMP2 (Outboard Taxiway C Project).
 - Notification letters regarding the EIS (Environmental Impact Statement) have been drafted and will be mailed to homeowners soon. Staff plans to hold homeowner information meetings in February 2023.

10. NEXT MEETING

Monday, January 23, 2023 | Immediately following the TAA Annual Meeting that begins at 9:00 a.m. | Hacienda del Sol Guest Ranch Resort, Hacienda Room | 5501 N. Hacienda del Sol Road, Tucson, Arizona 85718

11. ADJOURN

There being no further business to discuss, Chair Dusenberry adjourned the meeting at 5:14 p.m.

APPROVED BY:

Phil Swaim
[Phil Swaim \(Jan 26, 2023 13:19 MST\)](#)
Phil Swaim, Secretary

Date: January, 26, 2023

Prepared by:

Byron M. Jones
[Byron M. Jones \(Jan 26, 2023 10:00 MST\)](#)
Byron M. Jones, CMC, TAA Clerk

Date: January, 26, 2023