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**TUCSON AIRPORT AUTHORITY | Board of Directors Regular Meeting  
Wednesday, June 14, 2023 | 3:00 p.m. | TAA Board Room and Microsoft Teams**

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**THIS MEETING OF THE TUCSON AIRPORT AUTHORITY (TAA) BOARD OF DIRECTORS WAS HELD IN A HYBRID MANNER, WITH BOARD MEMBERS PRESENT IN THE TAA BOARD ROOM OR VIRTUALLY VIA MICROSOFT TEAMS. MEMBERS OF THE PUBLIC WERE ABLE TO ATTEND IN PERSON. MEMBERS OF THE PUBLIC WHO COMPLETED A REGISTRATION FORM RECEIVED A LINK TO VIEW THE MEETING VIA MICROSOFT TEAMS OR TO LISTEN TELEPHONICALLY.**

**THE TAA BOARD ROOM IS LOCATED ON THE DEPARTURE LEVEL OF THE TUCSON INTERNATIONAL AIRPORT TERMINAL BETWEEN THE SOUTHWEST AIRLINES AND DELTA AIRLINES TICKET OFFICES, AND BEHIND THE ARROYO TRADING POST. THE ADDRESS IS 7250 SOUTH TUCSON BOULEVARD, TUCSON, ARIZONA, 85756.**

**1. CALL TO ORDER | ROLL CALL**

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

**Directors Present:** Chair Keri Silvyn, Vice Chair Mike Hammond, Treasurer Vance Falbaum, Director/Immediate Past Chair Bruce Dusenberry, Director Judy Rich, Director Todd Jackson, Director Sally Fernandez, Director Calline Sanchez, Director Fran Katz, and Director Rhonda Piña

**Directors Absent:** Secretary Phil Swaim

**Staff Present:** President/CEO Danette Bewley, Executive Vice President/Chief Operating Officer Bruce Goetz, Vice President/General Counsel Chris Schmaltz, Vice President/Chief Revenue Officer John Voorhees, Vice President/Chief People Officer Twyla Salaiz, Vice President of Planning and Engineering Ken Nichols, Vice President/Chief Financial Officer Kim Allison, Deputy General Counsel Kim Outlaw Ryan, Chief Communications Officer Austin Wright, and TAA Clerk Byron Jones

Director Rich arrived at 3:11 p.m.

Director Sanchez arrived at 3:17 p.m.

**2. CONSENT AGENDA**

- a. Approval of Minutes
- b. Appointments to the Nominating Council

**Motion by Director Piña, seconded by Director Dusenberry, to approve the Consent Agenda. The motion carried by the following vote:**

**Ayes (7) Silvyn, Hammond, Falbaum, Dusenberry, Jackson, Katz, and Piña**  
**Nays (0)**

### **3. BOARD CHAIR REPORT**

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

Board Chair Keri Silvyn reported the following:

- Adam Kretschmer’s role was expanded from Director and Custodial Services to Director of Operations and Maintenance. The key change with this promotion is the addition of oversight of airfield operations at TUS and RYN.
- Robert Madrigal has been promoted from Senior Supervisor-Facilities Maintenance to Deputy Director of Maintenance.
- Adam Merrill has been promoted from Airport Duty Manager to Deputy Director of Airside Operations.
- President/CEO Danette Bewley has joined the Arizona Tourism and Lodging Board.
- Chief Communications Officer Austin Wright has joined the Visit Tucson Board.

The Wellness Council of America recently awarded TAA its “Best Practices in Mental/Emotional Well-Being” for businesses under 250 employees. President/CEO Danette Bewley recognized members of the TAA’s Wellness Committee who were present.

### **4. PRESIDENT/CEO REPORT**

a. State of the Industry | Update

President/CEO Danette Bewley reported the following:

- Congress is in the process of crafting the Federal Aviation Administration (FAA) reauthorization bill. TAA is working with the Arizona congressional delegation to include additional language in the bill that is critical to the aviation industry as well as earmarks which will provide adequate and timely funds as implementation of the Airfield Safety Enhancement (ACE) program continues.
- TAA is part of a nine-airport coalition recommending that Congress make exceptions to the Perimeter Rule, which requires that any airports beyond 1,250 miles from DCA (Ronald Reagan Airport) are restricted from flying to DCA. Other airports in the coalition include Spokane, Boise, Reno, Sacramento, San Diego, Albuquerque, and San Antonio.
- Alaska Airlines will resume its nonstop service to Washington’s Paine Field (PAE) on October 1.

- ❑ Southwest Airlines recently announced they will offer nonstop service to Dallas Love Field on peak travel days over the winter holiday season. This will be the first time this route has been served since 2019.

**b. Strategic Plan | Update**

Executive Vice President/COO Bruce Goetz stated that a report providing a detailed update on progress with the Strategic Plan was included in the agenda packet. He highlighted the following from the report:

- ❑ TAA received Section 163 approval from the FAA to proceed with developing some of the land south of the airport (Sonora South Parcel).
- ❑ Last week TAA filed the submittals required by the Transportation Security Administration's (TAA) new cybersecurity directives.

**5. DISCUSSION/PRESENTATION**

**TAA Attrition Trends in an Employee Talent Market**

Vice President/Chief People Officer Twyla Salaiz presented:

- ❑ It is currently an employee's market. There are employee shortages throughout the economy, which means that employees have many opportunities to choose from.
- ❑ The attrition rate between June 2022 and June 2023 was 25.6%, with an average monthly turnover of 2%. There are two types of attrition:

Transitioning (10% of 25.6%)

- One third of the attrition rate is related to custodial staff turnover and is highest in the second and third shifts. TAA is losing custodians who have no experience, and the second and third shifts have less supervisors who have less experience.
- To improve this trend, TAA has created a "lead" position to provide supervisory support 24/7. This gives employees with little experience a pathway to be promoted into a supervisory role.
- People Operations performs site visits to these shifts on a monthly basis.
- Considering requiring six months of experience as a minimum requirement.

Regrettable Attrition (6.4% of 25.6%)

- Employees who voluntarily separate from TAA.
- 75% have three years or less with the organization.
- 90% found a different job due to a "better opportunity."
- Some are frustrated with leadership and the rate of cultural change; some believe the cultural change is moving too fast, whereas others believe it is moving too slow.

- ❑ The remainder (9.2% of 25.6%) are retirees or individuals who are not a good fit for the organization.
- ❑ Actions are in place or being put into place to try to retain employees who are leaving due to “regrettable attrition.” The retention strategy is focused on four key areas: Engagement, Gratitude, Career Development, and Proactive Understanding.
  - People Operations is holding “office hours” on a rotating basis for different work areas.
  - TAA is proposing to increase the salary bands in FY 2024 to align with the talent market’s salary changes and attract the best talent.
  - People Operations has launched an all-employee survey focused on engagement with co-workers, leaders, and TAA.
  - Leaders will be held accountable for connecting with their team members and completing all onboarding actions for new hires.

## 6. ACTION ITEMS

Vice President/Chief Revenue Officer John Voorhees presented on items 6.a. and 6.b.

### a. **Rent-a-Car Contract Extensions:**

The current rental car contract expires on July 31, 2023. TAA is currently in the process of negotiating the terms of a new five-year contract with the rental car agencies. Because this change is significant, the rental car agencies requested to extend the current contract on a month-to-month basis—up to six months—while the bid process is ongoing. This will allow them to conduct a financial analysis under the terms of the new contract. TAA seeks to align the contracts with the fiscal year (October 1 to September 30).

There was no board discussion regarding this item.

**Motion by Director Rich, seconded by Vice Chair Hammond, to adopt Resolution No. 2023-11 authorizing the President/CEO (or her designee[s]) to enter into amendments to extend the Rent-A-Car contracts on a month-to-month basis not to exceed a six (6) month period. The motion carried by the following vote:**

**Ayes (9) Silvyn, Hammond, Falbaum, Dusenberry, Rich, Jackson, Sanchez, Katz, and Piña**

**Nays (0)**

**b. Ascent Aviation | New Ground Lease:**

There was no board discussion regarding this item.

**Motion by Director Rich, seconded by Director Katz, to adopt Resolution No. 2023-12 authorizing the President/CEO (or her designee[s]) to execute a new ground lease with Ascent Aviation for the construction of a permanent engine test facility, subject to key business terms. The motion carried by the following vote:**

**Ayes (9) Silvyn, Hammond, Falbaum, Dusenberry, Rich, Jackson, Sanchez, Katz, and Piña**

**Nays (0)**

Due to technical issues, Director Fernandez was unable to participate in the votes for items 6.a. and 6.b.

**7. DIVISION UPDATES**

**a. Finance and Regulatory Administration**

Vice President/CFO Kim Allison reported on the financial and aviation activity results for March 2023 rather than February 2023 as indicated on the agenda.

**February 2023 YTD Financials: Financial Summary | Aviation Activity Report**

Aviation Activity

- Landed weight YTD was 13.1% favorable to budget.
- Load factors YTD were 87.3%.
- Passenger volume YTD was 1.5% below budget but is tracking close to budget.

Financial Results

- Operating revenues YTD were \$22.9M, or 8.5% favorable to budget.
- Operating expenses YTD were \$19.5M, or 0.1% below budget.
- Revenues from the various concession categories were all above budget.

**FY 2023 Financial Statement Audit | Update**

The auditing firm Beach Fleischman is on target to finalize the audit in the coming days. The findings will be presented at the September board meeting.

**b. Planning and Engineering**

Vice President of Planning and Engineering Ken Nichols reported the following:

- ❑ Airfield Safety Enhancement Program | Update
  - Considerable progress has been made on outboard Taxiway Charlie.
  - Staff are communicating with tenants and users to prepare for the long-term shutdown of Runway 11R/29L (general aviation runway) for reconstruction of the new Runway 12R/30L.
- ❑ Discussions with the United States Environmental Protection Agency and the Arizona Department of Environmental Quality regarding Per- and Polyfluorinated Substances (PFAS) | Update
  - The FAA mandated in the past that airports use firefighting foams which contain PFAS. There are fluorine-free (F3) foams currently under development, but they have yet to be approved by the FAA or the U.S. Department of Defense. TAA is being proactive and preparing for the conversion of the firefighting equipment.
  - TAA has met with officials from the U.S. Environmental Protection Agency (EPA) and the Arizona Department of Environmental Quality (ADEQ). Both agencies have expressed interest in TAA's historic use of PFAS and the steps being taken for remediation.
  - TAA is also working with the U.S. Air Force and the City of Tucson. TAA has communicated to all parties that it is committed to being a partner in developing a comprehensive solution.
  - A contractor has been hired to perform a historical analysis on where PFAS has been on the airfield. TAA has also invited the EPA and ADEQ to conduct sampling as well. All these steps are being taken to prepare a workable solution to present to the parties at a future meeting.
  - Staff will keep the Board informed as the process progresses.

**8. NEXT MEETING**

Wednesday, September 6, 2024, 3:00 p.m. | Hybrid Meeting – TAA Board Room and Microsoft Teams

**9. ADJOURN**

There being no further business to discuss, Chair Silvyn adjourned the meeting at 4:21 p.m.

**APPROVED BY:**

*Phil Swaim*  
[Phil Swaim \(Sep 7, 2023 17:25 PDT\)](#)  
Phil Swaim, Secretary

Date: September 7, 2023

**Prepared by:**

*Byron M. Jones*  
[Byron M. Jones \(Sep 7, 2023 17:16 PDT\)](#)  
Byron M. Jones, CMC, TAA Clerk

Date: September 7, 2023



# Attrition and Retention



# Employee Attrition

## Employee Turnover

How's this calculated?



More ▾

Jun 2022



Jun 2023

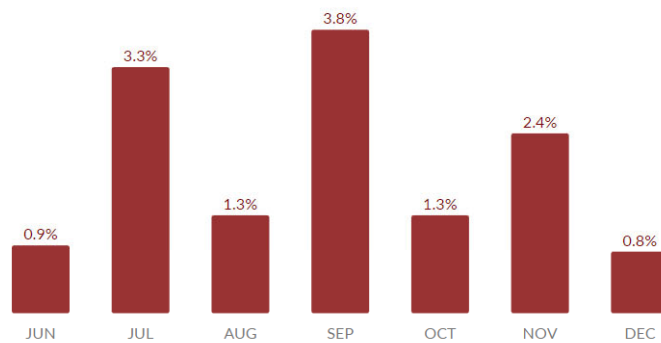


All Employees

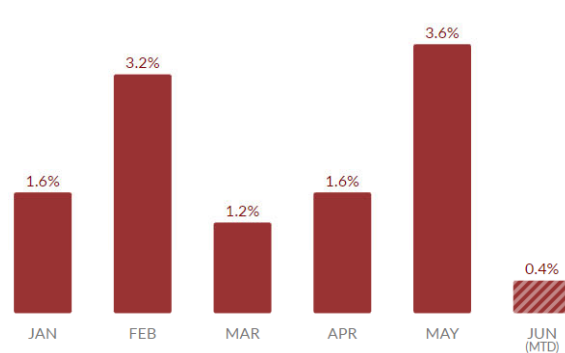


Reset

2022



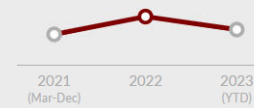
2023



Jun 2022 - Jun 2023

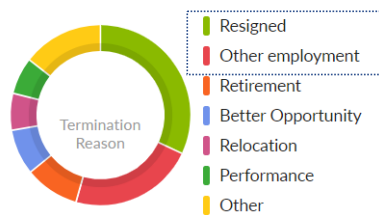
**25.6%** 62 people  
Total Turnover

**2%** 4.8 people  
Average Monthly Turnover



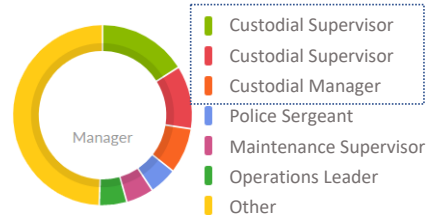
Termination Reason

View Details



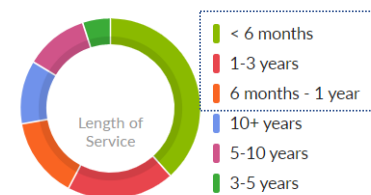
Manager

View Details



Length of Service

View Details



# Understanding Attrition

## Two Types of Attrition to better Understand:

- Transitioning (10% of 25.6%)
  - Losing custodians who have no experience.
  - Attrition happens on 2<sup>nd</sup>/3<sup>rd</sup> shift with less supervisors who have less experience.

**Solutions:**

  - Established a “lead” position to provide supervisory support 24/7.
  - People Ops visits 2<sup>nd</sup> and 3<sup>rd</sup> shift monthly.
  - Consider requiring 6 months experience.
- Regrettable Attrition (6.4% of 25.6%)
  - 75% have 3 years or less experience.
  - 90% found a different job due to a “better opportunity”.
  - Several stated in their exit interview that they were frustrated with leadership within this culture transition and the rate of change.

The remaining 9.2% of 25.6% were retirees or not regrettable

# Retention Strategy

To address the “regrettable attrition the following actions are in place/being put in place to address the current challenges in a highly competitive talent market space

	Employee	All Leaders	Executive Team
<b>Engagement</b>	<ul style="list-style-type: none"> <li>Involve employees when making employee impacting decisions</li> </ul>	<ul style="list-style-type: none"> <li>Hold front line leaders accountable to connect with their team members</li> </ul>	<ul style="list-style-type: none"> <li>Commit to intentional interaction with various teams and areas</li> </ul>
<b>Gratitude</b>	<ul style="list-style-type: none"> <li>Provide formal channels to express gratitude to fellow employees</li> </ul>	<ul style="list-style-type: none"> <li>Provide formal channels to express gratitude to fellow employees</li> </ul>	<ul style="list-style-type: none"> <li>Provide formal channels to express gratitude to fellow employees</li> </ul>
<b>Career Development</b>	<ul style="list-style-type: none"> <li>Career planning for Successors and “Up &amp; Coming” talent</li> </ul>	<ul style="list-style-type: none"> <li>Proactive career planning for “Up &amp; Coming” talent</li> </ul>	<ul style="list-style-type: none"> <li>Succession Planning Actions and identified “Up &amp; Coming” talent</li> </ul>
<b>Proactive Understanding</b>	<ul style="list-style-type: none"> <li>Launch Engagement Survey by July</li> <li>Deploy anonymous Exit Surveys</li> </ul>	<ul style="list-style-type: none"> <li>Regular schedule of “Stay Conversations” between leader</li> </ul>	<ul style="list-style-type: none"> <li>Monitor attrition monthly and review exit survey trends</li> </ul>

**People Operations Actions:**

- “Office Hours” set up on a rotating basis for different work areas
- Proposed FY24 increase salary band in line with inflation (to be approved by the executive council)
- Launch all employee survey focused on engagement with co-workers, leaders, and TAA
- Hold leaders accountable for connecting with their team members and completing all onboarding actions for new hires



## **Financial Update**

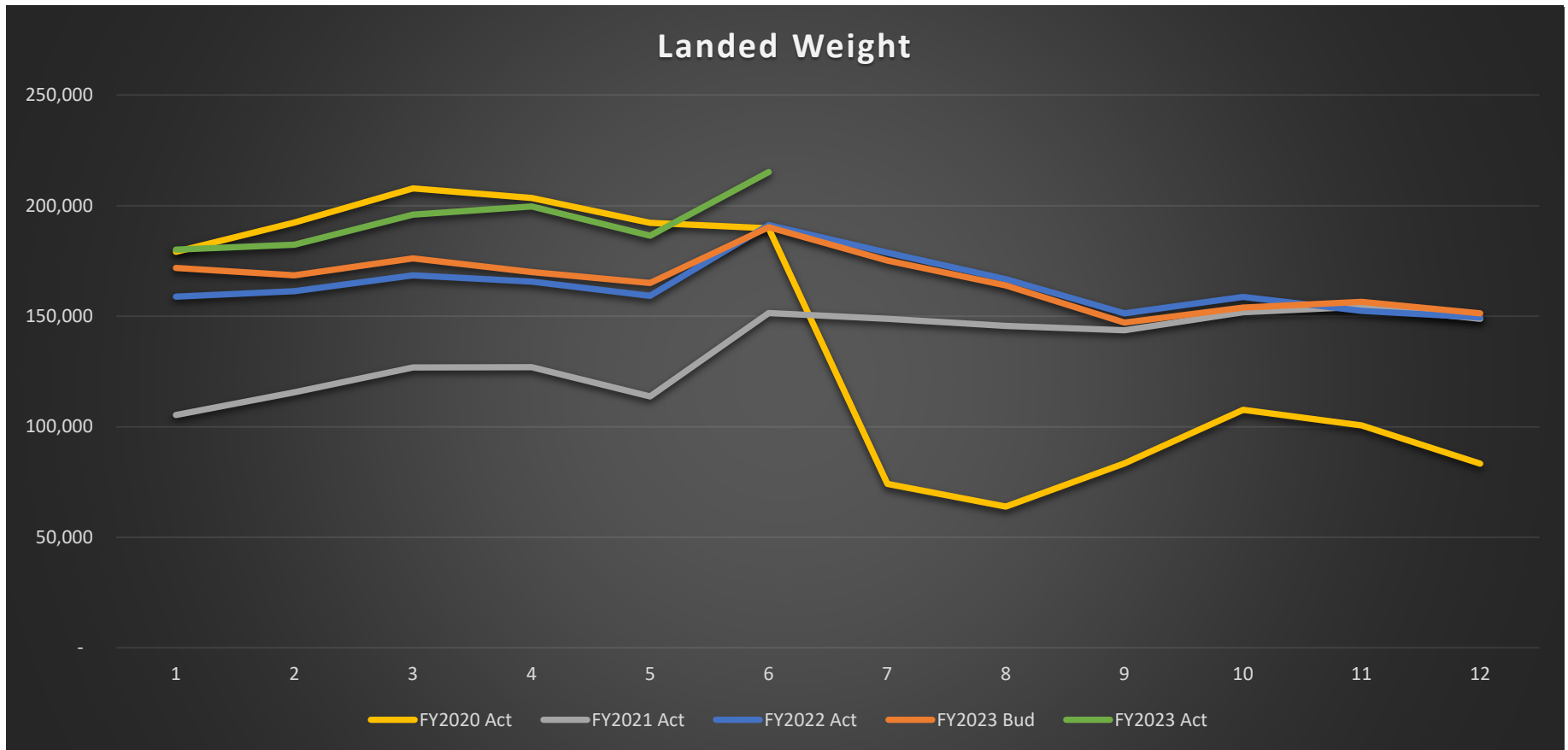
Board of Directors Meeting

June 14, 2023

# March 2023 Operating Highlights

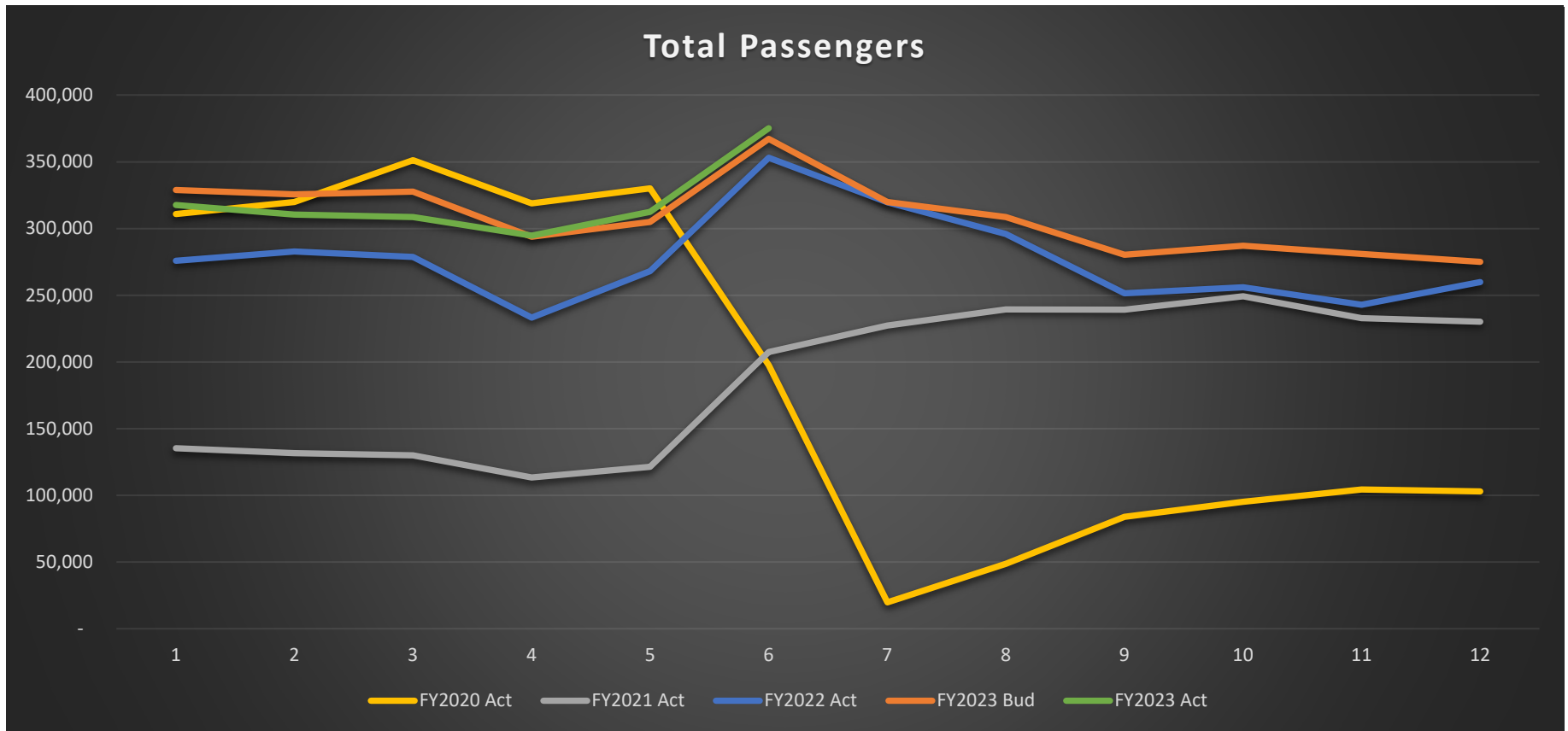
- Aviation Activity
  - Landing Activity in FY23
    - YTD FY23 landed weight was 13.1% favorable to budget
    - March 2023 landed weight 11.3% favorable to budget
  - FY23 Load Factors
    - YTD: 87.3%
    - Month (Mar): 82.5%

# FY 2023 Operating Statistics



- Mar Landed Weight is 13.2% above budget
- YTD Landed Weight is 11.4% above budget and 56.8% higher than FY2021

# FY 2023 Operating Statistics



- Mar passenger volume is 2.1% above budget
- YTD passenger volume is 1.5% below budget and 128.6% higher than FY2021

# March 2023 Flight & Passenger Activity

<u>Month</u>	<u>FY2023</u>	<u>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>
Total Passengers	375,118	353,009	207,454	197,585
Average Load Factor	87.3%	93.6%	68.2%	45.3%
Average Daily Departures	50.4	48.8	42.1	63.2
Average Daily Seat Capacity	7,296	6,435	4,966	7,581
 <u>Six Months Year-To-Date</u>				
Total Passengers	1,918,947	1,691,626	839,379	1,828,753
Average Load Factor	82.5%	84.0%	59.1%	76.6%
Average Daily Seat Capacity	826	5,563	3,857	6,541
Average Seat Count per Departure	144.8	131.9	117.9	120.0



# YTD 2023 Financial Results

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Actual vs. Budget</u>	
Operating Revenues	\$ 22,990,082	\$ 42,864,610	\$ 19,874,528	53.6%
Operating Expenses	<u>19,524,799</u>	<u>39,128,979</u>	<u>19,604,180</u>	<u>49.9%</u>
Operating Income (Loss)	<u>\$ 3,465,283</u>	<u>\$ 3,735,631</u>	<u>\$ 270,348</u>	

*Financial results for FY23 are unaudited.*

# March 2023 Financial Results

<u>Month</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual vs. Budget</u>		<u>Prior Year (2022)</u>	<u>Current vs. Prior Year</u>		<u>Pre-Covid Mar 2019</u>
Operating Revenues	\$ 4,448,649	\$ 3,820,765	\$ 627,884	16.4%	\$ 4,063,696	\$ 384,953	9.5%	\$ 4,287,039
Operating Expenses	<u>3,224,085</u>	<u>3,261,821</u>	<u>37,736</u>	1.2%	<u>2,751,668</u>	<u>(472,417)</u>	-17.2%	<u>2,197,035</u>
Operating Income (Loss)	<u>\$ 1,224,564</u>	<u>\$ 558,944</u>	<u>\$ 665,620</u>		<u>\$ 1,312,028</u>	<u>\$ (87,464)</u>		<u>\$ 2,090,004</u>
<b><u>Six Months Ended 3/31</u></b>								
Operating Revenues	\$ 22,990,082	\$ 21,188,594	\$ 1,801,488	8.5%	\$ 21,368,419	\$ 1,621,663	7.6%	\$ 23,491,605
Operating Expenses	<u>19,524,799</u>	<u>20,316,396</u>	<u>791,597</u>	3.9%	<u>16,333,454</u>	<u>(3,191,345)</u>	-19.5%	<u>14,298,749</u>
Operating Income	<u>\$ 3,465,283</u>	<u>\$ 872,198</u>	<u>\$ 2,593,085</u>		<u>\$ 5,034,965</u>	<u>\$ (1,569,682)</u>		<u>\$ 9,192,856</u>

*Financial results for FY23 are unaudited.*

# March 2023 Operating Revenues

## Operating Revenues

<u>Month</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual vs. Budget</u>	
Landing fees	\$ 267,682	\$ 222,428	\$ 45,254	20.3%
Space rentals	949,601	887,467	62,134	7.0%
Land rent	289,332	304,166	(14,834)	-4.9%
Concession revenue	2,284,249	1,851,520	432,729	23.4%
Reimbursed Services	329,919	266,816	63,103	23.7%
Other Operating Revenue	327,866	288,369	39,497	13.7%
<b>Total operating revenues</b>	<b>\$ 4,448,649</b>	<b>\$ 3,820,766</b>	<b>\$ 627,883</b>	<b>16.4%</b>

*Financial results for FY23 are unaudited.*

# March 2023 Operating Expenses

## Operating Expenses

<u>Month</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual vs. Budget</u>	
Personnel expenses	\$ 2,086,585	\$ 2,046,855	\$ (39,730)	-1.9%
Contractual services	722,637	870,228	147,591	17.0%
Materials and supplies	306,559	198,149	(108,410)	-54.7%
Other operating expenses	108,304	146,589	38,285	26.1%
Total operating expenses	<u>\$ 3,224,085</u>	<u>\$ 3,261,821</u>	<u>\$ 37,736</u>	<u>1.2%</u>

*Financial results for FY23 are unaudited.*

# 2023 YTD Revenue

## Operating Revenues

### YTD

	<u>Actual</u>	<u>Budget</u>	<u>Actual vs. Budget</u>	
Landing fees	\$ 1,444,905	\$ 1,229,776	\$ 215,129	17.5%
Space rentals	5,647,478	5,338,454	309,024	5.8%
Land rent	1,843,909	1,824,999	18,910	1.0%
Concession revenue	10,786,136	9,557,952	1,228,184	12.8%
Reimbursed Services	1,502,839	1,600,894	(98,055)	-6.1%
Other Operating Revenue	1,764,815	1,636,519	128,296	7.8%
Total operating revenues	<u>\$ 22,990,082</u>	<u>\$ 21,188,594</u>	<u>\$ 1,801,488</u>	<u>8.5%</u>

*Financial results for FY23 are unaudited.*

# 2023 YTD Concession Revenue

<u>Account Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Actuals vs. Budget</u>	
Rental Cars	\$ 4,676,967	\$ 4,282,947	\$ 394,021	9.2%
Parking	4,590,077	4,045,661	544,416	13.5%
Ground Transportation	215,813	201,352	14,461	7.2%
Advertising	70,603	62,500	8,103	13.0%
Food & Beverage	253,791	87,149	166,642	191.2%
News & Gifts	516,740	463,547	53,193	11.5%
Transportation Network Company	405,922	363,187	42,736	11.8%
Other	56,224	51,610	4,613	8.9%
<b>Total</b>	<b>\$ 10,786,136</b>	<b>\$ 9,557,952</b>	<b>\$ 1,228,184</b>	<b>12.8%</b>

*Financial results for FY23 are unaudited.*

# 2023 YTD Expenses

## Operating Expenses

### YTD

	<u>Actual</u>	<u>Budget</u>	<u>Actual vs. Budget</u>	
Personnel expenses	\$ 12,728,638	\$ 12,354,574	\$ (374,064)	-3.0%
Contractual services	4,524,772	5,605,779	1,081,007	19.3%
Materials and supplies	1,338,593	1,399,656	61,063	4.4%
Other operating expenses	932,796	956,387	23,591	2.5%
Total operating expenses	<u>\$ 19,524,799</u>	<u>\$ 20,316,396</u>	<u>\$ 791,597</u>	<u>3.9%</u>

*Financial results for FY23 are unaudited.*

# 2023 vs 2022

	<b>2023</b>	<b>2022</b>	<b>2023 vs 2022</b>	
	<b><u>Oct-Mar</u></b>	<b><u>Oct-Mar</u></b>		
<b>Operating Revenues</b>	<b>\$ 22,990,082</b>	<b>\$ 21,368,419</b>	<b>\$ 1,621,663</b>	<b>7.6%</b>
<b>Operating Expenses</b>	<b><u>19,524,799</u></b>	<b><u>16,333,454</u></b>	<b><u>3,191,345</u></b>	<b>19.5%</b>
<b>Operating Income (Loss)</b>	<b><u>\$ 3,465,283</u></b>	<b><u>\$ 5,034,965</u></b>	<b><u>\$ (1,569,682)</u></b>	

*Financial results for FY23 are unaudited.*



# 2023 vs 2019 (Pre-Covid)

	<b>2023</b>	<b>Pre-Covid</b>		
	<b><u>Oct-Mar</u></b>	<b><u>Oct-Mar 2019</u></b>	<b><u>2023 vs 2019</u></b>	
<b>Operating Revenues</b>	<b>\$ 22,990,082</b>	<b>\$ 23,538,494</b>	<b>\$ (548,412)</b>	<b>-2.3%</b>
<b>Operating Expenses</b>	<b><u>19,524,799</u></b>	<b><u>14,298,749</u></b>	<b><u>5,226,050</u></b>	<b>36.5%</b>
<b>Operating Income (Loss)</b>	<b><u>\$ 3,465,283</u></b>	<b><u>\$ 9,239,745</u></b>	<b><u>\$ (5,774,462)</u></b>	

*Financial results for FY23 are unaudited.*

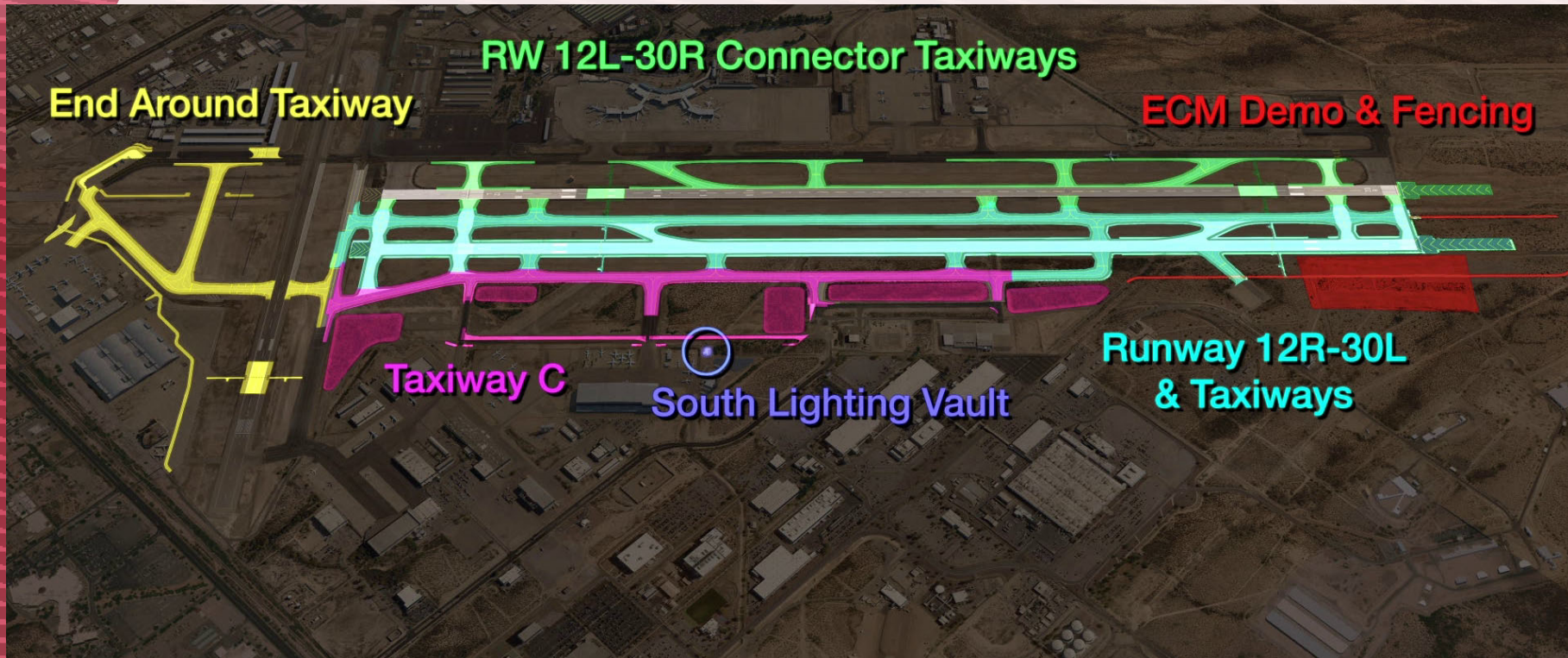
# Finance Update

Questions?

# ***ASE Program***



# ASE Program





# Tucson Airport Authority

TUS Airfield Safety Enhancement Project | Federal Funding Needs

## **Tucson Airport Authority**

### **Operator of Tucson International Airport (TUS) and Ryan Airfield (RYN)**

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#### **Airfield Safety Enhancement (ASE) Program at TUS**

The Airfield Safety Enhancement (ASE) Program is the most critical safety project for the Tucson Airport Authority (TAA), operator of Tucson International Airport (TUS). The multi-year \$400+ million program of projects (in 2023 dollars) will transform the airfield layout at TUS to meet the latest safety standards established by the Federal Aviation Administration (FAA). ASE eliminates “hot spots,” (areas that cause confusion for pilots), and demolishes and relocates a runway to increase space between the two parallel runways and minimize “wrong surface landings.” ASE is designed to enhance airfield safety, with a primary focus to eliminate runway incursions; TUS is included in the FAA’s Runway Incursion Mitigation (RIM) Program and considered a high priority project for the FAA.

Work on ASE began in 2012 and required more than 10 years of planning, environmental approval, and design. Construction of enabling projects began in 2021. The largest project in the program is a new commercial runway, which is not currently funded. With adequate levels of federal funding, construction of the final project in the program can be complete in 4 years.

The ASE Program is complex and required additional land to meet federal regulations. The TAA worked in close coordination with the following stakeholders: FAA, Arizona Air National Guard 162<sup>nd</sup> Wing, City of Tucson, Pima County, Raytheon, U.S. Air Force, and U.S. Army Corps of Engineers.

#### **Work Completed/Currently Underway (FY23):**

- New airfield electrical vault installed.
- The End-Around Taxiway achieved substantial completion; this phase will ensure safe aircraft movement for airfield users from the south side of the airfield to the north side of the airfield when Runway 11R/29L is taken out of service for demolition.
- New Taxiways Foxtrot, Golf and Delta-3 are complete.
- The Arizona Air National Guard Arm/De-Arm Pad is nearly complete; the Arizona Air National Guard will install a Barrier Arresting Kit (BAK) system on Runway 3/21 summer of 2023.

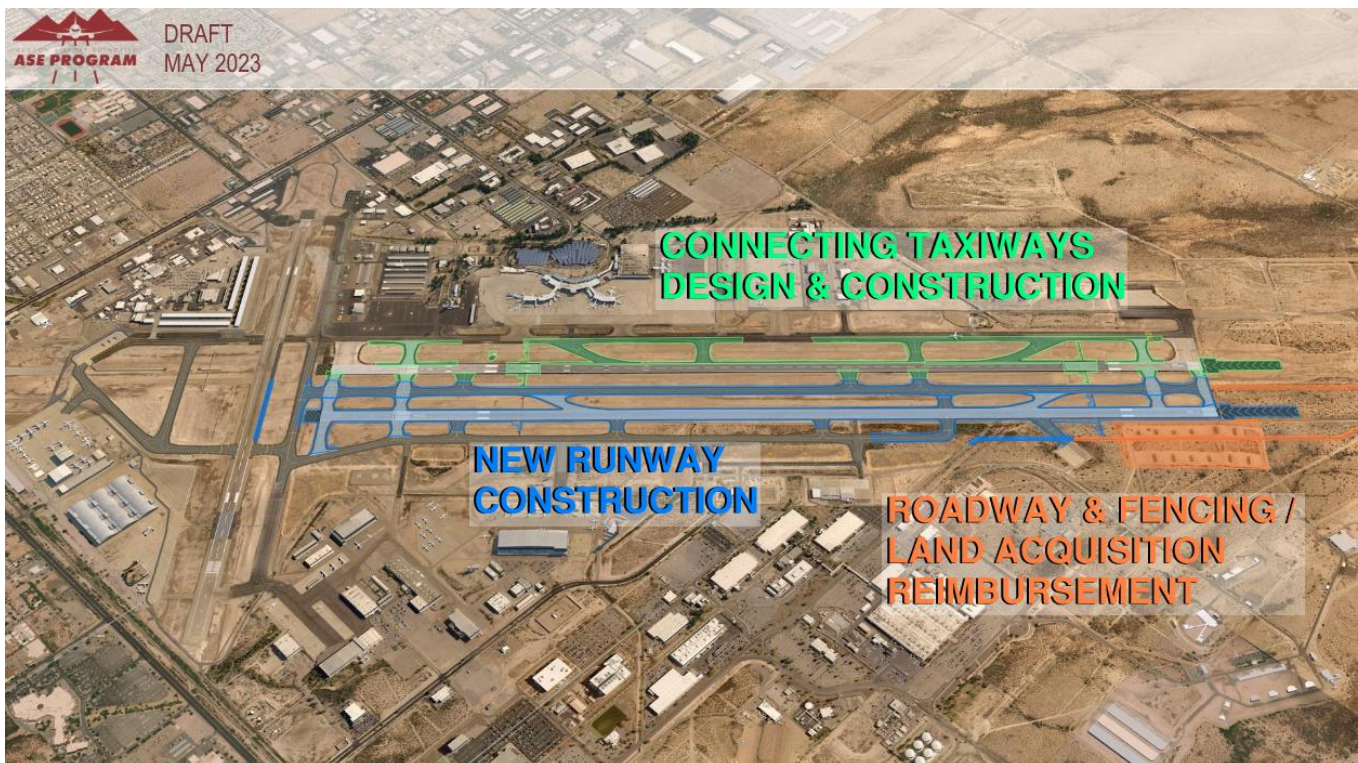
- New Taxiway Charlie dirt work has begun; completion is anticipated in February 2024.
- Land swap with USAF (to relocate Raytheon Earth Covered Magazines) is nearly complete.

#### Future State (FY24)

- A magnetic variation adjustment will occur in November 2023; existing runway demarcations and all FAA airspace charts will be adjusted from 11L/29R to 12L/30R and from 3/21 to 4/22 to align with magnetic north.
- With committed federal funding, Runway 11R/29L will be taken out of service and demolished to make way for new parallel Runway 12R/30L.
- With committed federal funding, construction of Runway 12R/30L will begin.

#### Future State (FY25 and beyond)

- Construction of roadways and fencing after relocation of the Raytheon Earth Covered Magazines.
- Construction of connecting taxiways for the new runway system.



### Funding Needs

The timeline and progress of ASE is dependent on the commitment of adequate federal grant funding, which will be matched with TAA funds (matching share), as appropriate.

The table below depicts the remaining ASE funding requirements. As noted, FY 2024 is the most critical in the program. This phase of the project must be constructed as quickly as possible to resume service on the new parallel runway and provide redundancy for airfield operations. It is desirable to also get reimbursed in FY 2024 for the significant upfront costs that TAA will incur for the land exchange and design of the new runway.

<b>REMAINING ASE PROGRAM FUNDING REQUIREMENTS PROJECTION</b>					
<u>Year</u>	<u>Phase Description</u>	<u>Total Cost</u>	<u>Federal</u>	<u>State</u>	<u>TAA</u>
FY 2024	New Runway Construction	\$ 180,000,000	\$ 163,908,000	\$ -	\$ 16,092,000
FY 2025	Roadway and Fencing	\$ 6,000,000	\$ 5,463,600	\$ 268,200	\$ 268,200
FY 2026	Connecting Taxiways	\$ 65,000,000	\$ 59,189,000	\$ -	\$ 5,811,000
As Programmed	Land Exchange Reimbursement	\$ 16,000,000	\$ 14,569,600	\$ 715,200	\$ 715,200
As Programmed	Design Reimbursement	\$ 3,200,000	\$ 2,913,920	\$ 143,040	\$ 143,040
<b>Total</b>		<b>\$ 270,200,000</b>	<b>\$ 246,044,120</b>	<b>\$ 1,126,440</b>	<b>\$ 23,029,440</b>

As a unique nonprofit created and developed by community business leaders and established by Arizona state charter in 1948, the TAA accepts zero local tax dollars. Large-scale development like ASE relies on grants from the FAA and the revenue earned by the TAA through its business practices to bring projects from concept to reality.

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