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**TUCSON AIRPORT AUTHORITY | Board of Directors**  
**Wednesday, April 3, 2024 | 3:00 p.m. | [Microsoft Teams](#)**

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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, April 3, 2024, beginning at 3:00 p.m.** Directors and the public may attend in person or virtually.

**In-Person:** The TAA Board Room is on the departure level of the Tucson International Airport terminal and is situated between the Delta and Southwest ticket counters, and behind the Arroyo Trading Post. The address is 7250 South Tucson Boulevard, Tucson, Arizona, 85756.

**Virtual:** Members of the public interested in observing the proceedings may do so through Microsoft Teams. Click [HERE](#) to be taken to the registration form. Upon registering, you will receive an email confirmation containing the hyperlink, telephone number, and access code to join the meeting online or by phone.

The agenda for the meeting is as follows:

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

- |  |   |
|--|---|
| <input type="checkbox"/> Keri Silvyn, Chair        | <input type="checkbox"/> Mike Hammond, Vice Chair |
| <input type="checkbox"/> Phil Swaim, Secretary     | <input type="checkbox"/> Vance Falbaum, Treasurer |
| <input type="checkbox"/> Judy Rich, Director       | <input type="checkbox"/> Todd Jackson, Director   |
| <input type="checkbox"/> Calline Sanchez, Director | <input type="checkbox"/> Fran Katz, Director      |
| <input type="checkbox"/> Rhonda Piña, Director     | <input type="checkbox"/> Ellen Wheeler, 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 Board Chair 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 of the Board of Directors Regular Meeting held on March 6, 2024.

**b. Advisory Council Appointments**

Adopt Resolution No. 2024-07 approving the Chair of the Board's recommended appointments to the TAA's advisory councils.

**3. BOARD CHAIR REPORT**

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

**4. PRESIDENT/CEO REPORT**

State of the Industry | Update

**5. ACTION ITEMS**

**a. Stella ES Ground Lease**

The Board of Directors will consider and may adopt Resolution No. 2024-08 authorizing the President/CEO or her designee(s) to execute a ground lease with Stella ES for approximately 40 acres of TAA-owned non-aeronautical property to construct an energy storage facility, subject to key business terms.

**b. TBM Inc. Facility Lease**

The Board of Directors will consider and may adopt Resolution No. 2024-09 authorizing the President/CEO or her designee(s) to execute a facility lease with TBM, Inc., to include capital improvements to the proposed facility and other key business terms.

**6. DIVISION UPDATES**

At the discretion of the Board Chair, the Board of Directors may receive a short presentation or ask questions of division representatives based upon material in the Board packet.

**a. Finance and Regulatory Administration**

**b. Marketing and Air Service Development**

**7. NEXT MEETING**

Wednesday, June 5, 2024, 3:00 p.m. | Hybrid Meeting – TAA Board Room and Microsoft Teams

**8. ADJOURN**

**TUCSON AIRPORT AUTHORITY | Board of Directors Regular Meeting  
Wednesday, March 6, 2024 | 3:00 p.m. | Microsoft Teams**

**THIS MEETING OF THE TUCSON AIRPORT AUTHORITY (TAA) BOARD OF DIRECTORS 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 Silvyn called the meeting to order at 3:05 p.m.

**Directors Present:** Chair Keri Silvyn, Vice Chair Mike Hammond, Secretary Phil Swaim, Director Todd Jackson, Director Calline Sanchez, Director Fran Katz, Director Rhonda Piña, and Director Ellen Wheeler

**Directors Absent:** Treasurer Vance Falbaum and Director Judy Rich

**Others Present:** Attorney Michael Foy (Salmon Lewis & Weldon, PLC)

**Staff Present:** President/CEO Danette Bewley, Executive Vice President/Chief Operating Officer (COO) Bruce Goetz, Executive Vice President/General Counsel Christopher Schmaltz, Vice President/Chief Revenue Officer (CRO) John Voorhees, Vice President/Chief People Officer (CPO) Twyla Salaiz, Vice President of Airport Development Ken Nichols, Vice President/Chief Financial Officer (CFO) Kim Allison, Vice President/Chief Information Officer (CIO) Anthony Casella, Vice President of Operations Christopher Deitz, Chief Communications Officer Austin Wright, Deputy General Counsel Kim Outlaw Ryan, IT Customer Support Technician Hector Lopez, and TAA Clerk Byron Jones

**2. CONSENT AGENDA**

Approval of Minutes (From January 22, 2024)

**Motion by Secretary Swaim, seconded by Director Katz, to approve the Consent Agenda. The motion carried by the following vote:**

**Ayes (8) Silvyn, Hammond, Swaim, Jackson, Sanchez, Katz, Piña, and Wheeler**

**Nays (0)**

**3. BOARD CHAIR REPORT**

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

Chair Silvyn reported the following:

- ❑ The FAA has expressed concerns about the project scope and the ability of TAA to successfully manage the Airfield Safety Enhancement (ASE) Program with its current organizational structure. To address these concerns, the following organizational changes were announced:
  - Vice President of Airport Ken Nichols will focus on these areas: the ASE Program, planning and environmental services, and large capital programs/special programs.
  - Chief Technology Officer Anthony Casella has been promoted to Vice President/Chief Information Officer. In this role, he will continue to oversee the IT Department as well as the newly formed Project Management Office (PMO). The PMO will be comprised of staff reassigned from Airport Development, and it will coordinate smaller capital programs throughout the organization.
- ❑ The TAA conducted a national search and has selected Christopher Deitz as the new Vice President of Operations. Mr. Deitz comes to TUS from Rapid City, South Dakota; he has over 20 years of airport management experience.

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

##### **State of the Industry | Update**

President/CEO Danette Bewley reported the following:

- ❑ The United States Congress has passed a continuing resolution to fund the government through May 2024. Having the FAA operate through a series of continuing resolutions makes it difficult to plan and fund programs, projects, and initiatives. Next Week, Ms. Bewley, Mr. Schmaltz, and Mr. Wright, will travel to Washington, D.C., to attend the Airports Council International Legislative Conference, during which they will meet with members of the Arizona Delegation to express TAA's support for the pending FAA Reauthorization Bill.
- ❑ The United States Senate Commerce Committee has approved an additional five for long-distance flights to Ronald Reagan Washington National Airport (DCA). How the slots will be assigned is still to be determined, but TAA will continue to advocate for a slot.

Vice President/CRO John Voorhees announced that Mitsubishi Heavy Industries Regional Jet (MHIRJ) will expand its operations at TUS. In the near term, MHIRJ plans to hire 100 skilled tradesmen and several hundred more in the coming years. This will be a significant undertaking given the fierce competition in the industry for workers skilled in airframes and powerplants. TAA is in the process of negotiating lease renewal terms with MHIRJ.



Executive Vice President/COO Bruce Goetz reported that the FAA recently completed its annual Part 139 inspection at TUS. The inspector noted five relatively minor issues which will be easy to correct. He complimented TAA on its record keeping and the overall maintenance of the airfield.

**5. ACTION ITEM**

**Skywest Airlines Hangar Development  
MRO-50 Development Area Construction Improvements**

Vice President/CRO John Voorhees presented.

SkyWest Airlines has, through a series of leases, operated at TUS since 2002. For the past several years, the airline has subleased space from Bombardier (“Building X”) and Mitsubishi Heavy Industries (“Big Blue Hangar”). They now desire to create their own aircraft maintenance, repair, and overhaul (MRO) facility at TUS.

In 2019, SkyWest Airlines proposed “Project Penny,” the construction of a 160,000 square foot hangar and backshop on 14 acres on the site known as MRO-50. In December 2021, the Board of Directors approved a 20-year ground lease to allow the airline to construct the facility. The Board of Directors also approved the expenditure of approximately \$1.76M for roadway improvements to Aeronautical Way. Due to delays, the re-scoping of the project, and project costs which were anticipated but unknown at the time, staff is requesting an additional \$1.54M to fully fund the project, to include improvements that will benefit future development in the area.

**Motion by Vice Chair Hammond, seconded by Director Jackson, to authorize the President/CEO or her designee(s) to adopt Resolution No. 2024-06 authorizing the President/CEO or her designee(s), on behalf of TAA, to contribute approximately \$1,547,167 in combined internal financing and rent credits in support of the Skywest Airlines Hangar Development and future development in the location of the TUS airfield known as MRO-50 Development Area. The motion carried by the following vote:**

**Ayes (8) Silvyn, Hammond, Swaim, Jackson, Sanchez, Katz, Piña, and Wheeler**

**Nays (0)**

**6. DIVISION UPDATES**

**a. Finance and Regulatory Administration**

Vice President/CFO Kim Allison gave an overview of the November 2023 financials and aviation activity.

- ❑ Landed Weight:
  - November was 3.4% above budget (4.8% higher than FY2023).
  - Year-to-date was 0.2% above budget (6.4% higher than FY2023).
- ❑ Passenger Volume:
  - November was 2.8% over budget (9.5% higher than FY2023).
  - Year-to-date was 0.9% below budget (0.1% higher than FY2023).
- ❑ Revenues and Expenses:
  - Year-to-date revenues were approximately \$8.8M.
  - Year-to-date expenses were approximately \$6.6M.
  - Revenues and expenses were both favorable to budget.

**b. Marketing and Air Service Development**

Chief Communications Officer Austin Wright reported the following:

- ❑ TUS finished CY2023 at 3.75M passengers, which is a 10% gain compared to CY2022.
- ❑ Based on information provided by the airlines, March 2024 is projected to be the busiest month since 2008. TUS is projected to service 3.9M passengers during CY2024.
- ❑ Southwest Airlines recently announced that it will add an additional ten daily flights to the Tucson market, to include daily nonstop service to Dallas Love Field (DAL) and increased frequency to Denver (DEN) and Los Angeles (LAX).
- ❑ Air Service Development continues to pursue opportunities to bring international service from Canada and Mexico into the Tucson market.

**c. Airport Development | Airfield Safety Enhancement (ASE) Project Update**

Vice President of Airport Development Ken Nichols reported that the continuing resolution passed by the United States Congress frees up approximately \$6.2M that the FAA can immediately allocate to the ASE Project. TAA is waiting for the FAA to provide information on the next funds the ASE Project may qualify for.

**7. EXECUTIVE SESSION**

**a. President/CEO Employment Contract (pursuant to A.R.S. §§ 38-431.03(A)(1) & (4)).**

**b. Environmental Matters with EPA and ADEQ - Tucson Airport Remediation Project, Soils Remediation Project, PFAS Issues (Pursuant to A.R.S. §§ 38-431(A)(3) & (4).**

**Motion by Secretary Swaim, seconded by Director Wheeler, to convene in executive session for Items 7.a. and 7.b. The motion carried by the following vote:**

**Ayes (8) Silvyn, Hammond, Swaim, Jackson, Sanchez, Katz, Piña, and Wheeler**

**Nays (0)**

The executive session items were considered in reverse order.

Chair Silvyn recessed the public meeting, and the Board of Directors, President/CEO Danette Bewley, Executive Vice President/General Counsel Christopher Schmaltz, Vice President of Airport Development Ken Nichols, and Attorney Michael Foy entered into executive session at 3:09 p.m. for Item 7.b.

Ms. Bewley, Mr. Nichols, and Mr. Foy left the executive session and rejoined the public session at 3:32 p.m.

**8. RETURN FROM EXECUTIVE SESSION**

The executive session adjourned, and Chair Silvyn reconvened the public meeting at 3:46 p.m.

**9. NEXT MEETING**

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

**10. ADJOURN**

There being no further business to discuss, Chair Silvyn adjourned the meeting at 3:47 p.m.

**APPROVED BY:**

**Prepared by:**

\_\_\_\_\_  
Phil Swaim, Secretary

\_\_\_\_\_  
Byron Jones, TAA Clerk

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TUCSON AIRPORT AUTHORITY, INC., APPROVING THE CHAIR OF THE BOARD'S RECOMMENDED APPOINTMENTS AND REAPPOINTMENTS TO THE TAA'S ADVISORY COUNCILS.**

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

The Chair of the Board's recommended appointments and reappointments to the TAA's advisory councils, attached to this resolution and incorporated herein by reference, are approved for the specified terms, pursuant to [Article 10 of the TAA Bylaws](#).

**PASSED AND ADOPTED** by the Board of Directors of the Tucson Airport Authority, Inc., this third day of April, 2024.

\_\_\_\_\_  
Keri Silvyn, Chair of the Board

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Phil Swaim, Secretary

\_\_\_\_\_  
Christopher Schmaltz, Executive Vice  
President and General Counsel

**Tucson Airport Authority Advisory Councils**

(Advisory councils are appointed pursuant to Article 10 of the [Tucson Airport Authority Bylaws](#).)

<b>Audit Council</b>		
The objective of this council, pursuant to the Board-adopted Audit Council Policy, is to advise the TAA Board of Directors in fulfilling its oversight responsibility for the integrity of TAA's financial and operating results, compliance with legal and regulatory requirements related to financial reporting, and the performance of TAA's internal audit function and external auditors. The Audit Council has authority to conduct or authorize special audits and investigations into any matters within its scope of responsibility.		
	<b>Term Start Date</b>	<b>Term End Date</b>
<b>John Parker, Chair</b>	April 6, 2024	April 5, 2026
<b>Taunya Villicaña, Vice Chair</b>	April 6, 2024	April 5, 2026
David Lyons	April 6, 2024	April 5, 2026
Isaac Figueroa	April 6, 2024	April 5, 2026
Cristina Baena	April 6, 2024	April 5, 2026
Nancy McClure	January 22, 2024	January 25, 2026
Amanda Wiggins	April 6, 2024	April 5, 2026

<b>Corporate Governance Council</b>		
The objective of this council is to advise the TAA Board of Directors in fulfilling its oversight responsibility regarding corporate governance, including Board and Membership duties, policies, and practices; TAA Articles of Incorporation; Bylaws; and other significant policies.		
	<b>Term Start Date</b>	<b>Term End Date</b>
<b>Todd Jackson, Chair</b>	April 6, 2024	April 5, 2026
<b>David Hameroff, Vice Chair</b>	April 6, 2024	April 5, 2026
Michael Duran	April 6, 2024	April 5, 2026
Francis Chambers	April 6, 2024	April 5, 2026
Trindy LeForge	April 6, 2024	April 5, 2026
Tim Medcoff	April 6, 2024	April 5, 2026
Teresa Bravo	April 6, 2024	April 5, 2026

**Finance and Risk Management Council | Environmental/Sustainability Sub-Council**

The objective of this council is to advise the TAA Board of Directors in fulfilling its oversight responsibility relating to TAA investment and fund management, debt issuance and management, annual and biennial budgets, annual capital improvement program budget, insurance, and safety and risk management programs.

The objective of the Sub-Council is to advise the TAA Board of Directors in fulfilling its oversight responsibility concerning the ongoing environmental remediation projects and other activities related to the Tucson Airport Area Superfund Site.

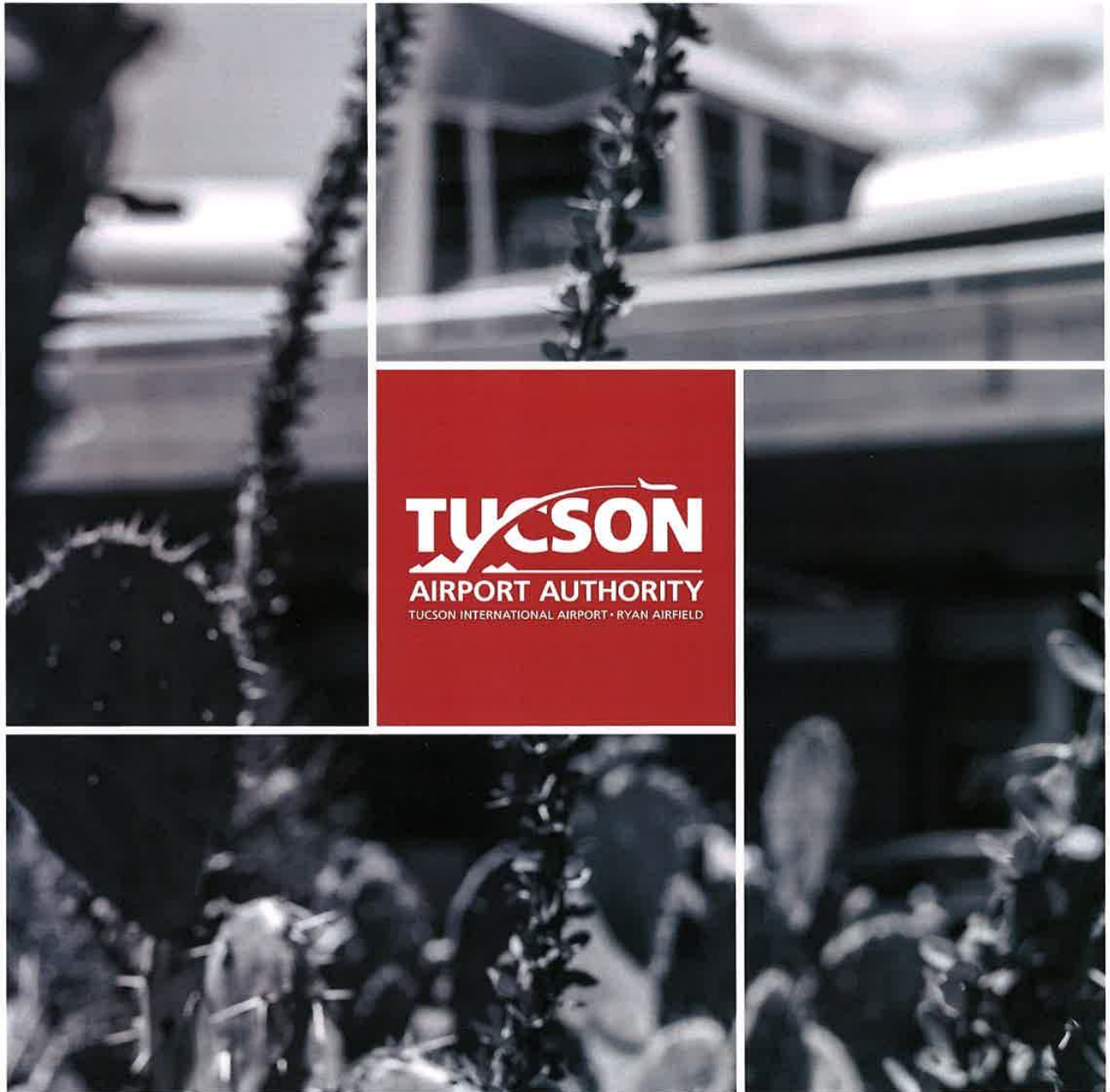
	Term Start Date	Term End Date
<b>Tim Overton, Chair</b>	April 6, 2024	April 5, 2026
<b>Omar Mireles, Vice Chair</b>	April 6, 2024	April 5, 2026
Rob Draper	April 6, 2024	April 5, 2026
Ricardo Platt	April 6, 2024	April 5, 2026
Tony Penn	April 6, 2024	April 5, 2026
Angela Gee	April 6, 2024	April 5, 2026
Lydia Aranda	April 6, 2024	April 5, 2026

**Nominating Council**

The objective of this council, which is set forth in the Bylaws, is to nominate individuals for TAA membership, to nominate TAA Members to serve on the Board of Directors, to nominate a slate of Board Officers and to suggest nominees to fill any vacancies on the Board. Members of this council are selected pursuant to TAA Bylaws.

*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.*

	Term Start Date	Term End Date	Bylaw Requirement
<b>Lisa Lovallo, Chair</b>	April 6, 2024	April 5, 2026	Former director
<b>Brandt Hazen, Vice Chair</b>	January 23, 2023	January 26, 2025	Member
Taunya Villicaña	April 6, 2024	April 5, 2026	Former director
Phil Swaim	April 6, 2024	April 5, 2026	Current director
Carol Stewart	January 23, 2023	January 26, 2025	Member
Rhonda Piña	January 23, 2023	January 26, 2025	Current director
Shaima Namazifard	January 22, 2024	January 25, 2026	Member



# Tucson Airport Authority

TUS Fact Sheet and Policy Needs | 2024



# **Tucson Airport Authority**

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

### **Fact Sheet and Policy Considerations**

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#### **Tucson Airport Authority (TAA) Mission Statement**

Provide a sustainable airport system and constantly pursue initiatives that promote and grow business opportunities.

#### **TAA Vision Statement**

Landing Prosperity in Southern Arizona

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#### **TAA's Responsibilities at TUS and RYN**

TAA operates, maintains, manages, and develops Tucson International Airport (TUS) and Ryan Airfield (RYN) for the benefit of the public and without unjust discrimination or unreasonable fees. Airports are required to be as self-sustaining as possible and must charge fair market rental rates for use of airport property, which includes all airport land, infrastructure, and facilities. TAA must use diligent efforts to promote aviation activities. The quality of its infrastructure and facilities has a direct impact on the experience a customer has and the success of current operations. The quality of the airport systems' infrastructure also directly impacts the airport systems' appeal to aviation related entrepreneurs.

TAA provides all police and firefighting services for the airport system. Accordingly, TAA employs fully certified Police and Fire Department personnel and purchases and maintains the specialized equipment they need to effectively perform their jobs. TAA develops, repairs, and maintains all public buildings, TAA owned roads, and surfaces used for vehicles and aircraft on the airfield, including airfield pavements for taxiways, taxi lanes, runways, safety areas, shoulders and aprons located on airport property.

#### **Economic Development**

TUS plays a vital role in the economic health of Tucson, Pima County, Southern Arizona, and the entire State. The State of Arizona's 2021 Arizona Aviation Economic Impact Study reported that TAA's airport system (TUS and RYN) has a \$8.3 billion economic impact on Arizona. That includes 45,785 jobs, and \$2.5 billion in total compensation to workers on or connected to the airports' activities.

A key element of TAA's Strategic Plan is a focus on the development of TAA's extensive holdings



of non-aeronautical land. The key to that successful initiative is being nimble in response to opportunities that TAA develops or that present themselves to TAA. TAA’s economic development function is intended to improve revenue expansion and diversification, new job creation, and increased entrepreneurial activity. To achieve these results the economic development efforts are focused on TUS’ undeveloped property, and proactively pursue business retention and targeted business recruitment efforts to expand and attract jobs and capital investment to TUS. TUS has both available facilities and strategically positioned sites for corporate decision makers considering locations for expansion, relocation, or consolidation.

**Funding for Airport Operations and Capital Needs**

Airport operations are funded solely through airport user fees and leases. Primary sources of revenue include airline rents and landing fees, concessions (rental car, food, and retail), vehicle parking fees and commercial property rents. Capital development and airport infrastructure are funded through operating revenues, Federal and State airport grants, passenger facility charges and airport revenue bonds. TAA is responsible for all operating and capital budgets and programs. TAA has no taxing authority. No local taxes, other governmental allocations or bonding capacity is used in connection with the Airport to meet any of TAA’s airport system funding needs.

**Capital Investments in the Airport**

TAA’s self-sustaining operation and its economic engine are completely dependent on the excellence of its infrastructure and facilities. Since its inception, TAA has invested heavily in the Airport infrastructure, developing, and paying for the entire existing airfield and terminal complex. Airfield safety, and improved airport infrastructure makes the Airport more attractive to development and entrepreneurs, which translates to more high-quality jobs in the region.

**Policy Considerations**

**1. Additional FAA Airport Improvement Program (AIP) | Entitlement and Discretionary Funding and Infrastructure/Transportation Funding**

AIP grant funding is the primary source of funding for TAA’s infrastructure needs, and that funding must continue and increase to maintain and improve the airport system.

**a. Airfield Safety Enhancement Program**

TAA’s Airfield Safety Enhancement (ASE) Project is an airfield infrastructure project and defined by the FAA as a “safety and standards” project. The Program contains project elements that systematically manage significant modification to the TUS airfield. The project budget is estimated at \$400 million.

TAA broke ground in 2020 and continues to work a phased construction schedule. To date, the FAA has awarded the TAA approximately \$100M through a combination of entitlement and discretionary funding sources. Other funding has been through the State of Arizona and Air National Guard (MILCON).

The current phase of the ASE Program is the demolition, relocation and reconstruction of a parallel runway and supporting infrastructure; this phase is expected to cost \$180M. It is imperative the TAA receive ongoing federal support to continue to build this essential infrastructure and ensure a safe airfield environment. That said, aggressive funding of the project will reflect that priority and allow the TAA to complete this safety project in 4 years. This is in the interest of our stakeholders in Arizona, and the national system of airports of which TUS is a part.

This investment of both federal dollars and local TAA dollars is a significant boost to the local economy, supports excellent, quality jobs, and delivers on TAA's mission and vision of supporting growth and prosperity in southern Arizona. Your support helps TAA succeed in its goals.

**b. Other Needs Beyond ASE**

Since AIP and BIL funding is being used to support the ASE project, TAA also requires additional funding opportunities to address other critical needs of the airport. Those needs do not stop simply because TAA has ASE getting a significant amount of attention and funding. Our stakeholders in southern Arizona, including the travelling public, air cargo providers, and the Arizona Air National Guard 162<sup>nd</sup> Wing, which uses TUS for its training missions, rely on a fully functioning terminal, aprons, taxiways, airport rescue and firefighting (ARFF) unit and equipment and airfield to support everything they use TUS for. Continuing to generate additional funding streams will help address the backlog of aging infrastructure projects at airports.

**i. Terminal Expansion**

The TUS market shows forecasted growth over the next 20+ years, and the existing concourse facilities (gates, operations area, baggage handling, etc.) are either undersized and/or the infrastructure is outdated and cannot meet the future demand. In consultation with the airlines, TUS has been asked to plan for future demand, replace outdated infrastructure, build a new efficient baggage system, and improve the passenger experience. None of this can be accomplished in the present concourse facilities.

The TAA has developed a Terminal Expansion Concept and will apply for a planning grant now (for priority review and funding consideration in FY25). Support of this planning grant is essential to ensure TUS keeps pace with demand and can appropriately serve the needs of travelers in southern Arizona.

**2. Remove the Cap on Passenger Facility Charges (PFC)**

We ask for support of a long-overdue adjustment to the Passenger Facility Charge (PFC) which has not been updated since 2000. Currently the PFC Program allows the collection of PFC fees up to \$4.50 for every eligible passenger at commercial airports controlled by public agencies. PFCs are capped at \$4.50 per flight segment with a maximum of two PFCs charged on a one-way trip or four PFCs on a round trip, for a maximum of \$18 total. Airports use these fees to fund FAA-approved projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition. PFCs are a user fee, which remain local, and directly benefit the users of TUS.

- a. TAA will rely on both PFC and AIP to fund the ASE program for our airfield safety improvements. Our current PFC capacity is allocated for prior and current projects through 2033. An increase in the fee will allow more local money to be available to fulfill the infrastructure needs of TUS.
- b. If comprehensive airport/aviation infrastructure proposals include leveraging a mix of federal and local money, raising, or removing the PFC cap will make additional local funds available to utilize whatever federal funds are part of an infrastructure package.

**3. PFAS Remediation is a Federal Responsibility**

FAA Reauthorization presents an opportunity for the federal government to directly address a looming environment and fiscal tsunami facing airports. That is, PFAS. TUS is committed to being an environmentally responsible community partner. Since the 1970s, the FAA has required that TAA use Aqueous Film Forming Foam (AFFF) that contains PFAS compounds to provide aircraft rescue and firefighting services. While the FAA has approved one source (so far) of fluorine free foam (F3), it has been far too slow. That addresses the ongoing challenge of airport safety AND environmental stewardship that airports are committed to. However, Congress should provide liability protection for airports. This includes programs to dispose of AFFF-containing PFAS, PFAS- containing airport equipment,

and PFAS-containing material, as well as the replacement of firefighting equipment to fully utilize PFAS-free alternatives once approved by the FAA. Airports need CERCLA liability protection from the federal government, as it has been the government that has required airports to use the substance containing PFAS – it is as simple as that.

4. **Continue to Fully Fund the Contract Tower Program**

Ryan Airfield (RYN), a general aviation reliever airport operated by the TAA, is one of over 255 airports that participate in the Contract Tower Program, managed by the Federal Aviation Administration (FAA). The TAA relies on full funding of the Contract Tower Program to continue to operate safely for the benefit of all the users of RYN. We ask you to ensure that the Contract Tower Program is fully funded in the FAA Reauthorization Act.

5. **FAA Implementation of Section 163 of the FAA Reauthorization Act**

FAA Reauthorization is an opportunity to resolve confusion over Section 163 from the previous reauthorization act. What was intended to make it easier for airports to activate and utilize their property for non-aeronautical development at and around the airport has had the opposite effect. Section 163 implementation by the FAA has injected **MORE** delay and uncertainties into the process, instead of allowing airports to be nimbler in responding to economic development opportunities. A clear message from our delegation to the FAA must be sent to act in the spirit and letter of Section 163. That message will be sent by language included in the new Reauthorization to address this issue felt by TAA and other airports around the nation.

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**TUCSON**  
AIRPORT AUTHORITY  
TUCSON INTERNATIONAL AIRPORT • RYAN AIRFIELD

# **Tucson Airport Authority**

## TUS Airfield Safety Enhancement Project

## **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 TUS 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 requires 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 (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 complete; the Arizona Air National Guard installed a Barrier Arresting Kit (BAK) system on Runway 3/21 summer of 2023.
- A magnetic variation adjustment occurred in November 2023; existing runway demarcations and all FAA airspace charts have been adjusted from 11L/29R to 12L/30R and from 3/21 to 4/22 to align with magnetic north.

#### **Work Underway (FY24)**

- New Taxiway Charlie dirt work began; completion is anticipated in early 2024.
- Runway 11R/29L has been taken out of service and demolished to make way for the new, relocated parallel Runway 12R/30L.
- Construction of Runway 12R/30L will begin summer of 2024.
- Land swap with USAF (to relocate Raytheon Earth Covered Magazines) is nearly complete. (Note: This will facilitate Raytheon’s expansion plans).

#### **Future State (FY25+ | Contingent on Committed Federal Funding)**

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





**Funding Needs and Strategy**

The timeline and progress of the remaining ASE Program elements (\$271M) are dependent on the commitment of adequate federal grant funding (\$209.6M) and matched by the TAA’s share (\$51.5M). In addition, the TAA has been fortunate to call ADOT a partner (\$10.3M) in the ASE Program. In close consultation with the FAA, the TAA has mapped out a federal funding strategy to ensure the ASE Program is completed in the next 4 years.

The table below depicts the remaining ASE funding requirements. As noted, FY 2024 and FY 2025 are the most critical in the program. These phases of the project must be constructed in an expedited manner to resume service on the new parallel runway and provide redundancy for airfield operations.

REMAINING ASE PROGRAM FUNDING REQUIREMENTS PROJECTION						
Year	Phase Description	Total Cost	Federal	State	TAA	
FY 2024	New Runway Construction-Phase 1	\$ 90,000,000	\$ 63,151,231	\$ 3,100,000	\$ 23,748,769	
FY 2025	New Runway Construction-Phase 2	\$ 90,000,000	\$ 63,151,231	\$ 3,100,000	\$ 23,748,769	
FY 2026	Roadway and Fencing	\$ 6,000,000	\$ 5,463,600	\$ 268,200	\$ 268,200	
FY 2026	Connecting Taxiways-Phase 1	\$ 33,638,346	\$ 30,631,078	\$ 1,503,634	\$ 1,503,634	
FY 2027	Connecting Taxiways-Phase 2	\$ 32,911,366	\$ 29,969,090	\$ 1,471,138	\$ 1,471,138	
As Programmed	Land Exchange Reimbursement	\$ 19,000,000	\$ 17,301,400	\$ 849,300	\$ 849,300	
<b>Total</b>		<b>\$ 271,549,712</b>	<b>\$ 209,667,630</b>	<b>\$ 10,292,272</b>	<b>\$ 51,589,810</b>	

**Tucson Airport Authority**

The Tucson Airport Authority, certificated operator of Tucson International Airport (TUS) and Ryan Airfield (RYN), is a unique nonprofit created by community business leaders and established by Arizona state charter in 1948. The TAA is not a taxing authority and does not benefit from local tax dollars. Large-scale development, like the Airfield Safety Enhancement Program, relies on grants from the FAA and ADOT, and the revenue earned by the TAA through its business practices to bring projects from concept to reality to better serve the Southern Arizona region.

###



## Airport Priorities Fiscal Year 2025 Appropriations

### U.S. Department of Transportation

- **Provide \$4 Billion for Airport Improvement Program:** Airports urge Congress to appropriate \$4 billion for the Airport Improvement Program in Fiscal Year 2025 – the same amount included in the House and Senate versions of the FAA reauthorization bill. According to the FAA, airports have \$62.4 billion in AIP and BIL-eligible projects – or around \$12.5 annually – through Fiscal Year 2027. Those estimates do not include other non-eligible infrastructure projects and requirements, which increase total airport capital needs to more than \$23 billion annually.
- **Provide Full Funding for Supplemental Discretionary Grants and Congressional Earmarks:** We also urge Congress to provide full funding for AIP supplemental discretionary grants and Congressionally Directed Spending/Community Project Funding. Providing full funding for the traditional AIP account, supplemental discretionary grants, and congressional earmarks would help ensure that airports have the federal resources they need to make necessary repairs, upgrade outdated facilities, and enhance aviation safety.
- **Enhance Aviation Safety by Fully Funding FAA Contract Tower Program:** We urge Congress to fully fund the FAA Contract Tower Program. This successful public-private-partnership allows 264 smaller airports in 46 states to have cost-effective air traffic control services that enhance aviation safety. The benefits of this program have been repeatedly validated by the Department of Transportation’s Office of Inspector General. Without this program, many small airports simply would not have tower operations that enhance aviation safety.
- **Help Small Communities Retain Commercial Air Service:** In recent years, airlines have reduced or eliminated commercial air service to a long list of communities. Congress can help by funding programs that help small communities maintain and attract commercial air service. Specifically, we recommend full funding for the Essential Air Service and Small Community Air Service Development programs. Both help to ensure that people who live in rural and less populated areas have access to our aviation system.



## U.S. Department of Homeland Security

- **Fully Fund TSA LEO Reimbursement Program:** Airports urge Congress to fully fund TSA's law enforcement officer (LEO) reimbursement program. These grants partially reimburse airports for providing LEOs to respond to possible threats during the checkpoint screening process because TSA was unable to deploy a cadre of federal LEOs. The administration has previously proposed to eliminate these annual reimbursements while still requiring airports to provide TSA with law enforcement resources at checkpoints – a proposal that could weaken overall security by forcing airports to divert LEO resources from other security purposes like patrolling public areas.
- **Require TSA to Continue Staffing Exit Lanes:** Despite federal law requiring TSA to permanently monitor exit points from sterile areas where the agency was performing those duties on December 1, 2013, the administration has repeatedly tried to shift these responsibilities to airports. Airports urge Congress to continue to require TSA to staff exit lanes as required by current law and reject any proposal to shift that cost to airports.
- **Reject TSA's Efforts to Shift Aviation Worker Screening Responsibility to Airports:** Last year the TSA issued an Airport Security Program amendment requiring airports to conduct random screening of aviation workers and to use explosive detection screening equipment to meet that requirement. We firmly believe that security screening is a TSA responsibility and that the agency – not airports – should be responsible for screening aviation workers and for purchasing and operating explosives detection equipment. We urge you to reject the administration's plan to shift this responsibility and costs to local airports and to direct the TSA to rescind the explosives detection requirement for airport operators.
- **Fully Fund State and Local-Led Airport Canine Teams:** We urge Congress to continue to fund state and local LEO-handled canine teams. TSA relies on these canine teams to detect explosives or explosive material at airports and at other transportation locations as part of its multi-layered security operations nationwide. Ending reimbursements for this critical program could reduce a visible and highly effective deterrence measure at our nation's airports.
- **Properly Staff TSA Security Checkpoints and CBP Air Ports-of-Entry:** Airports urge Congress to provide TSA and CBP with the resources they need for more officers and new technologies to effectively and efficiently screen increasing volume of travelers, baggage, and cargo at domestic and preclearance airports.
- **End the Diversion of the TSA Aviation Security Fee:** Airports continue to urge Congress to end the diversion of the aviation security fee from TSA security functions. Today, about one-third of revenue from the aviation security fee is diverted for deficit reduction, costing the TSA approximately \$1.6 billion in foregone revenue in 2024. These funds should be used by TSA to proactively respond to evolving security threats against our transportation system, rather than for deficit reduction.



February 23, 2024

The Honorable Sam Graves  
Chair  
Committee on Transportation & Infrastructure  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Rick Larsen  
Ranking Member  
Committee on Transportation & Infrastructure  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Maria Cantwell  
Chair  
Committee on Commerce, Science, and  
Transportation  
United States Senate  
Washington, DC 20510

The Honorable Ted Cruz  
Ranking Member  
Committee on Commerce, Science, and  
Transportation  
United States Senate  
Washington, DC 20510

Dear Chair Graves, Ranking Member Larsen, Chair Cantwell, and Ranking Member Cruz:

On behalf of airports around the country, we would like to thank you for working in a bipartisan way to advance legislation to reauthorize the Federal Aviation Administration and to ensure that we continue to have a safe and efficient aviation system. We are particularly grateful for provisions in the House and Senate versions of the bill that call for increasing federal support to help airports upgrade their facilities and infrastructure to keep up with rising passenger demand.

As you prepare to finalize legislation reauthorizing FAA programs for the next five years, we respectfully ask for your favorable consideration of important reforms included in both bills that would benefit airports of all sizes across the country, as well as the passengers and local communities they serve. The priorities for the airport industry outlined below and in more detail with your staff would ensure sustained infrastructure investment, reduce regulatory burdens for America's airports, support and create good-paying jobs, stimulate the economy, advance important environmental goals, and improve the passenger experience for millions of travelers.

### **AIRPORT INFRASTRUCTURE FUNDING**

According to the FAA's most recent National Plan of Integrated Airport Systems, airports have \$62.4 billion in AIP- and BIL-eligible projects over the 2023-2027 period – nearly \$12.5 billion annually. In recent years, though, airports have received less than half that amount in annual AIP grants. Furthermore, ACI-NA's

latest Airport Infrastructure Needs Study estimates commercial service and general aviation airports have nearly \$151 billion in capital needs through 2028, for AIP-eligible, PFC-eligible, and other necessary projects. Securing additional AIP funding with expanded project eligibility, combined with important reforms to local PFCs, would help all airports close the significant annual gap in infrastructure funding.

***Increase Funding and Reform the Airport Improvement Program.*** As our top priority, airports strongly support provisions in both bills to increase funding for the traditional AIP to \$4 billion annually. We also endorse language in the House-passed bill that would provide \$100 million annually for supplemental discretionary grants. Funding for both would help airports with their enormous infrastructure needs.

Moreover, a package of interrelated AIP reforms in the House bill – including extending eligibility to more capital projects and adjusting funding formulas for both commercial service and general aviation airports – would recalibrate the program to meet the present and future needs of all airports. Additionally, airports support provisions included in the Senate bill that would expand AIP eligibility to projects involving electrical power demand and natural disaster recovery.

***Modernize the Passenger Facility Charge Program.*** Airports support much-needed reforms to the PFC program, including proposals to reduce outdated regulatory requirements on PFC projects. We are also pleased that both bills would take steps toward directing the FAA to fully implement a streamlined implementation process, as called for in Section 121 of the last FAA bill. We look forward to working with you on the final legislation to ensure that we resolve this issue once and for all.

## REGULATORY REFORMS

Airports need help cutting through unnecessary red tape and regulatory burdens imposed by the FAA that are time consuming, delay critical infrastructure projects, and increase costs. As inherently public institutions with a primary goal of serving communities and travelers, airports have every incentive to use federal and local dollars responsibly and to pursue important policy objectives without the need for heavy-handed federal regulation.

***Airport Land Use and the Need for More Flexibility.*** We strongly support provisions in both bills (with a preference for the House version) that call on the FAA to correct its misinterpretation of the airport land use streamlining provisions (section 163) included in the last FAA bill, which has resulted in overly burdensome processes and inhibited airport development. We also support provisions in both bills that would provide additional flexibility for airports to accommodate alternative-delivery and advance-construction methods that can expedite infrastructure projects and reduce costs.

***Unfunded Federal Mandates and Civil Penalties.*** We continue to oppose any new burdensome federal requirements or additional grant assurances on airports – which lead to costly, unfunded federal mandates – as well as any increase in federal penalties on airport operators. We are pleased that the Senate Commerce Committee adopted an amendment earlier this month to eliminate two unnecessary grant assurances in the underlying bill related to general aviation. And we urge you to exclude a Senate proposal from the final bill that would require the TSA and ultimately airports to provide security escorts to lawmakers, other federal officials, and their families and staff when requested.

## ENVIRONMENTAL ISSUES

**Help Airports Make Transition to Fluorine-Free Firefighting Foam.** Airport operators have long prioritized environmental stewardship and back several provisions in both bills. We strongly support provisions in the Senate bill that would help airports transition to fluorine-free firefighting foam (F3) by creating a new grant program for airports to buy new foam and dispose of old foam. The bill also includes a requirement for the FAA to regularly update its national transition plan for airports. We hope you will provide that airports making the transition to F3 now are eligible for funding provided by a final bill to ensure those that are moving expeditiously in this area are not effectively penalized for taking quick action to address PFAS-related concerns in their communities.

**Expand Programs to Help Airports Reduce Emissions.** We support provisions that help airports address community concerns regarding aircraft noise and emissions, in part, by reforming the Voluntary Low Emissions Program; continuing the Zero Emissions Vehicle Infrastructure Pilot Program; and updating noise standards to reflect all relevant laws and regulations. We also support forward-looking plans to develop electric capability and natural disaster resiliency projects at airports.

## WORKFORCE AND SMALL COMMUNITY PROGRAMS

Considering the enormous air service challenges facing small communities today, we reaffirm our support for modernizing the Essential Air Service and the Small Community Air Service Development programs, which help small communities retain and attract commercial air service. Proposals in both bills to bolster the pipeline of aviation workers will also help increase the number of pilots, mechanics, and aerospace workers that our industry needs.

We also strongly support provisions in the House and Senate bills that would improve the FAA Contract Tower Program by addressing staffing challenges at contract towers and ensuring that controllers have the equipment they need to increase situational awareness and enhance aviation safety.

Thank you for your consideration of these requests. Having a new FAA reauthorization bill completed soon will ensure continuity for our industry. ACI-NA, AAAE, and our member airports look forward to working with you and your staff to implement these and other policies that will greatly benefit the entire airport industry, along with our passengers and local communities.

Sincerely,



Kevin M. Burke  
President and CEO  
Airports Council International – North America



Todd Hauptli  
President and CEO  
American Association of Airport Executives

# A COMMON SENSE APPROACH TO AIR SERVICE AT OUR NATION'S CAPITAL

## Connecting TUS and DCA

SLOTS DCA ACT: Seeking Limited Opportunities To Solve DC Access



Tucson, AZ (TUS) is home to Davis Monthan Air Force Base, Fort Huachuca Army Base, and the Raytheon-RTX. The DC Metro market is our largest unserved nonstop route from TUS.

Now is the time to provide more equitable access to Washington's Reagan National Airport (DCA) and modernize the approach to DCA's slot exemptions for beyond perimeter airports to better align with need—starting with our nation's busiest airports within the Lower 48 whose metropolitan areas remain unserved.

*If customer experience is the focus of the FAA Reauthorization 2023, allocating flying beyond DCA's perimeter to unserved airports maximizes that objective.*

### Providing opportunity. Preserving current service.

Help meet passenger demand at some of our nation's fastest growing airports—many of which are located in metropolitan areas without any nonstop flights to the DC Metro. These airports have:

- Seen above-average recovery in passenger counts since the pandemic
- Have grown significantly since the last beyond perimeter flying opportunities were awarded in 2012
- Many serve state capitals and/or have a large military presence with high demand for business travel to government headquarters surrounding DCA

**SLOTS DCA requests converting less than 10% of the underutilized "Other" slots to additional commercial service.**

**This approach keeps all current commercial air service intact both inside and outside the perimeter and would not cause an increase in noise.**

Of airports that fall outside the perimeter, only NINE of the contiguous US' Top 80 airports for passenger travel are without nonstop service to DCA in their metropolitan areas.

**Many of these have no DC metro service at all—but they do have passenger demand.**



Since 2000, there has been a push by Congressional delegations, airports, community and consumer groups to permit flying to/from DCA. Exemptions to the 1,250-mile limit have been granted in 2000, 2003 and 2012. The SLOTS DCA is a bill to create flight options for unserved air travel consumers flying to/from DCA outside of the legislatively mandated mileage limitation as part of the 2023 FAA Reauthorization.

#### CURRENT IFR SLOT ALLOCATION:

1,080 DAILY IFR SLOTS: 666 AIR CARRIERS / 198 COMMUTER / REGIONAL / 216 OTHER

#### PROPOSED IFR SLOT ALLOCATION:

1,080 DAILY IFR SLOTS: 666 AIR CARRIERS / 198 COMMUTER / REGIONAL / 196 OTHER / 20 CONVERTED OTHER FOR UNDERSERVED COMMUNITIES





## SLOTS DCA ACT: A request based on reason.

AN ANALYSIS DONE USING THE FAA'S OPSNET DATABASE REPORTING OPERATIONS AT DCA BY SECTOR FOUND THE SLOTS DESIGNATED "OTHER" AT DCA ARE GROSSLY UNDERUTILIZED.

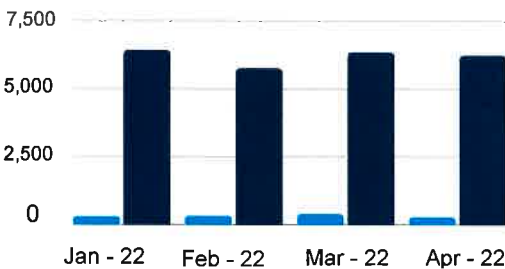
Based on the analysis of utilization, the number of daily slots assigned to GA and the military totaled 78,840 in 2022, but the reported GA and Military operations at DCA in 2022 only totaled 5,270. Meaning 73,570 slots were not utilized in 2022.

Reallocating a small amount of these slots to provide additional commercial service to some of our country's fastest growing metropolitan areas makes sense.

In 2022, only 6.7% of the "Other" Slots at DCA were used by General Aviation (GA) and Military Aircraft



Thus far, 2023 is Seeing Similar Underutilization With Only 5.2% of the Available Slots Used



# 93.3%

of DCA's "Other" Slots Went Unutilized in 2022

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# 94.8%

of DCA's "Other" Slots Were Unused YTD 2023

### THIS APPROACH SATISFIES ALL THE TRANSPORTATION DEPARTMENT'S

1) Flights are beneficial for connecting communities beyond the 1,250-mile perimeter

Not only will nonstop service to DCA for the communities listed above benefit the strong O&D travel between the two destinations, but it would open up one-stop connectivity options up and down the east coast.

2) Flights don't reduce travel options within the perimeter

No slots would be reallocated from existing commercial service, preserving those community's air service

3) Flights don't increase travel delays at DCA

Reallocating existing slots will not increase congestion.

4) Flights increase airline competition in multiple markets

Additional options in these markets increase competition, ultimately decreasing fares for passengers.

**March 14, 2024**

The Honorable Thomas R. Carper  
Chair  
Committee on Environment and Public Works  
United States Senate Washington, D.C. 20510

The Honorable Shelley Moore Capito  
Ranking Member  
Committee on Environment and Public Works  
United States Senate Washington, D.C. 20510

Re: PFAS and Airport Liability Protection

Dear Chairman Carper and Ranking Member Capito:

This letter is to draw your attention to the pressing potentially overwhelming financial and operational challenges facing the Tucson Airport Authority (TAA) in its operation of the Tucson International Airport (TUS) as they relate to the PFAS challenge. TAA is a non-profit corporation under Arizona law formed in 1948, and is independent from any municipality, with no taxing authority. Its operating revenue comes from the funds it raises from airlines, passengers, and tenants at TUS.

TAA, along with every commercial airport in the United States, is heavily regulated by the FAA, including the fact that the FAA has required airports certified to receive commercial passenger service under Part 139 to use aqueous film-forming foam (AFFF) containing PFAS. This is, of course, in the interest of the safety of passengers and crew on commercial aircraft flying to and from commercial service airports like TUS. Pre-2002 AFFF contained a significant percentage of the compound known as PFOS. By definition, newer AFFF foam formulations still contain short-chain PFAS, which may be in the form of precursors that are known to transform in the environment to generate long chain perfluoroalkyl acids such as "PFOA," as terminal end products.

TAA has been on the leading edge of responding to PFAS issues. As soon the FAA allowed it in 2021, <https://www.faa.gov/sites/faa.gov/files/part-139-cert-alert-21-05-Extinguishing-Agent-Requirements.pdf>, TAA stopped spraying AFFF on the ground as part of the Part 139 annual certification process. TAA installed equipment on its AFFF containing fire trucks to allow for the certification testing on the proper mix of water and AFFF without spraying the foam on our airfield. In addition, TAA has engaged proactively with the Environmental Protection Agency (EPA) and Arizona Department of Environmental Quality (ADEQ) and the City of Tucson, to be a community partner on addressing the PFAS challenge by surveying our property for AFFF

discharges and committing to further testing for PFAS on airport property and well sites adjacent to TUS.

TAA is the home of two Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) “Super Fund” sites already. One is a water treatment facility paid for by TAA and operated by the City of Tucson (to treat trichloroethylene (TCE) only), that may be part of the water treatment solution to the PFAS issue found in the aquifer beneath TUS. Both the EPA and ADEQ are already looking to TAA to bear a potentially enormous financial burden of looming costs to address PFAS in the Tucson aquifer utilizing the Tucson Airport Area Remediation Project (TARP) water treatment plant. The unknowns are vast and threaten to overwhelm TAA’s finances (and airlines operating at TAA) for years if not decades to come.

As you know, PFAS is ubiquitous in the environment, with sources well beyond AFFF. [https://www.enviro.wiki/index.php?title=PFAS Sources](https://www.enviro.wiki/index.php?title=PFAS_Sources) Because the federal government mandated airports use AFFF containing PFAS, airports should not bear liability for using these chemicals in good faith to keep the travelling public safe. As the EPA continues its process of designating PFOA and PFOS as hazardous substances under CERCLA, Part 139 airports should be granted a liability exemption, as proposed in S. 1433, the Airport PFAS Liability Protection Act.

Relatedly, there are other issues that airports are facing with transitioning from AFFF to fluorine free foam (F3). There are provisions in S. 1939, the FAA Reauthorization Act of 2023, that will help airports tackle some of these challenges outlined below, but they don’t go far enough. TAA supports sections 626 and 627 of S. 1939 that require updates by the FAA every six months to Congress on the transition plan and authorizes \$350 million to assist airports in their transition to F3. To date the Department of Defense (DOD) has updated the qualified products list (QPL) to include two different firefighting agents, kicking off the process for the military and airports to transition from AFFF to F3. Below are several outstanding issues that remain for TUS:

- **Vehicle and Equipment Cleaning Practices:** Vehicle and equipment cleaning remain significant issues for TUS that is seeking to immediately use F3 in vehicles or equipment that have carried AFFF. The DOD has led research efforts in this topic. TUS is very interested in utilizing the findings and recommendations from these efforts to ensure the practices airports can use are supported by this science-based research. Since U.S. airports are already moving forward with plans to transition from AFFF to F3, it is very important for these findings and recommendations to reach the airport community with all due speed.
- **ARFF Vehicle Proportioning System Modifications:** Existing aircraft rescue and fire-fighting (ARFF) vehicles equipped with fixed orifice plate proportioning systems will require time-consuming and labor-intensive modifications in order to discharge F3 at appropriate concentrations. Retrofitting these vehicles with electronic foam



proportioning (EFP) systems instead offers a more promising and versatile approach for vehicles being modified for F3 use. To speed F3 transition and facilitate future transitions to improved F3 products, these retrofits should be made eligible for AIP grant funding or similar federal financial assistance.

- **Fire Training and Tactics:** The two F3 products currently on the DOD QPL perform differently than AFFF and will necessitate use of different firefighting tactics, post-application monitoring, and foam reapplication. Accordingly, training in the effective use of F3 will be critical for ARFF staff. It will also be key that FAA update regional training centers so that ARFF personnel can be professionally trained.
- **Environmental Remediation at Contaminated Sites:** Even after the transition to F3, there is still the large issue of remediation at contaminated sites. As I noted above, this is an immediate concern for TAA. The federal government should begin to develop a national, coordinated approach to remediation and disposal needs at airports. A piecemeal approach to this challenge is not the correct policy approach to this national problem. Relevant federal agencies should ensure that best practices regarding soil testing, disposal, and remediation are shared and utilized by all stakeholders involved in firefighting. It's a federal problem that demands a federal solution.

TAA has specific, current PFAS issues at TUS. We hope that this tangible tale of these existing issues helps in your consideration of legislative solutions to this significant challenge to the nation. TAA, and other operators of Part 139 airports in the United States, should receive liability protection from PFAS related costs for all the reasons detailed above.

Thank you for your consideration of this request.

Respectfully,



**Danette Bewley, A.A.E.**  
President/CEO  
Tucson Airport Authority

Date: April 3, 2024

**To:** Board of Directors  
**From:** John Voorhees, Vice President/Chief Revenue Officer  
**Re:** Stella ES Terms for Ground Lease of 40-acres

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**Background:**

Stella Energy Solutions (Stella ES) is an energy production and storage company. The company seeks to develop 40-acres of TAA-owned land in Sonora East to store electrical energy for commercial use. Stella ES and TAA have agreed to basic business terms for the lease of 40-acres. The details are provided as Exhibit A.

Stella ES contacted TAA with a request to procure land to establish an energy storage facility near the Tucson Electric Power (TEP) substation located on TAA property. Stella ES is responding to a request for proposal (RFP) from TEP for energy production and storage solutions. The initial request was to develop the land adjacent the TEP Sonoran Substation located in what is known as Sonora South. However, this land has already been committed to development by AES. AES is the company that will develop a 100MW photovoltaic array on TAA's Sonora South land. After a comprehensive search of available TAA land, Stella ES and TAA staff determined that a parcel within Sonora East met the requirements of the company.

The initial plan is to develop up to 40-acres of land to provide suitable capacity and expansion possibility for Stella ES as the company supports TEP. The terms include a six (6) month lease option for Stella ES to accomplish the company's due diligence while awaiting a response from TEP. If Stella ES does not provide the winning bid in the TEP RFP, the terms will become null and void. If Stella ES remains committed to develop the land, TAA will renegotiate terms for an energy storage development independent of the TEP RFP requirements. Given the need for commercial electrical production and the growth of industry in the area, Stella ES expressed a desire to build regardless of the RFP. However, the scope would be changed to meet the immediate needs of Stella ES.

The subject parcel is located along Swan Road, south of the Los Reales landfill. This land cleared the FAA NEPA process last year and is considered "shovel ready." The City of Tucson annexed this parcel last year and the industrial zoning designation of the parcel is a compatible land use for the City of Tucson and the airport. There should be no restrictions to develop the land. Because the nature of the project is an unstaffed facility the only utility requirement will be electricity (though other utilities are nearby). The client will be responsible for nearly all costs and efforts associated with building the site. TAA will be responsible to survey and provide legal description of the subject parcel.

**Strategic Plan | Analysis:**

The proposed development supports the Strategic Plan initiative to Expand Prosperity. Improvements installed will support industrial development in the area. This project supports TAA’s ongoing efforts to diversify revenue for the airport system as staff pursues opportunities to grow non-aeronautical revenue.

**Cost Analysis:**

TAA proposed a twenty (20) year lease (“Initial Term”), and an extension option of two (2) additional periods of five (5) years each. The business terms include a lease rate of \$.60 per square foot / per year with an annual CPI rate adjustment. The projected annual rental revenue is \$104,544. Over the life of the initial term, TAA would realize approximately \$2,090,880 in revenue (not including CPI adjustments).

The TAA is responsible to survey and provide a legal description for the subject parcel. The estimated cost of the work effort is \$6000. This is a normal operational expense and is already included in the TAA FY 24 operating budget.

**Recommendation:**

Adopt Resolution No. 2024-08 authorizing the President/CEO or her designee(s) to execute a ground lease with Stella ES for approximately 40 acres of TAA-owned non-aeronautical property to construct an energy storage facility, subject to key business terms.

**Attachments:**

Resolution No. 2024-08

1. Exhibit A - Key Business Terms
2. Exhibit A of Exhibit A - Site Layout

**Exhibit A: Key Business Terms**



Key Business Terms

<b>Date:</b>	March 4, 2024 (valid for 30 days)
<b>Agreement Type:</b>	Ground Lease
<b>Landlord:</b>	Tucson Airport Authority, Inc. ("TAA" or "Landlord")
<b>Tenant:</b>	Stella ESS ("Tenant")
<b>Premises:</b>	Approximately forty (40)-acre parcel to be developed for Electrical Storage System
<b>Project Description:</b>	Construct an Electrical Storage System ("ESS") (as depicted in Exhibit A). Interconnect with the Tucson Electric Poper ("TEP") grid at the 138 KV Transmission line. Execute ground lease for the subject parcel.
<b>Lease Term:</b>	Six (6) month option period subject to Tenant award of an ESS contract by TEP. If Tenant is awarded the ESS contract by TEP: <ul style="list-style-type: none"> <li>- Initial Term: Twenty (20) years; plus,</li> <li>- Two five (5)-year extensions at TAA's sole discretion.</li> </ul> If Tenant is <u>not</u> awarded the ESS contract by TEP, these terms shall be null and void. Parties may renegotiate different terms. Tenant agrees to make available and transfer to TAA any site related information and documentation it may obtain through its own resources or by 3 <sup>rd</sup> parties, including, site surveys, descriptions, topographies, environmental testing, and other related data.
<b>Rent Commencement Date:</b>	As soon as ESS becomes available for beneficial occupancy or six (6) months after the Lease Commencement Date, whichever is sooner, subject to Lease Term conditions above.
<b>Base Rent:</b>	\$ .60/SF (fee simple) X 1,742,400 SF (10% cap rate) = \$104,544/year (\$8,712/month)
<b>Rate Adjustments:</b>	Rent will be adjusted annually in accordance with the Consumer Price Index. It will never be adjusted downward.
<b>Taxes:</b>	The Tenant will be responsible to pay for all applicable taxes regarding the construction project and other applicable taxes at no cost to TAA.
<b>Site Development:</b>	At no cost to TAA, Tenant will make all improvements at its sole cost and expense which will be subject to Landlord's advance review and written approval of the proposed improvements.  If Tenant intends to make modifications to the Premises. Approval of these modifications is subject to the TAA Tenant Improvement Review Panel (TIRP). No improvements or modifications will be completed prior to a written notice to proceed from the TIRP. <ul style="list-style-type: none"> <li>o Tenant will develop the ESS at Tenant's cost and expense.</li> <li>o Tenant will construct access road(s) to the facility at Tenant's cost and expense.</li> <li>o Tenant will comply with all municipal permitting requirements at Tenant's cost and expense.</li> <li>o Tenant will provide utilities to the site at Tenant's cost and expense.</li> <li>o TAA will provide survey and legal description of site as an Exhibit to the lease document at its cost and expense.</li> </ul>



- TAA will seek all appropriate FAA approvals to facilitate the establishment of the ESS operation.

**MX Responsibilities:**

At no cost to TAA, Tenant will be solely responsible for the maintenance of the Premises and improvements thereon, including ESS, under this agreement.

TAA will be responsible for the maintenance of airport owned surfaces and infrastructure to support the ESS.

**Utilities:**

Tenant shall pay for all utility services supplied to the Premises, including, but not limited to, electricity, gas, water, and data.

**Sample Lease:**

The attached sample is for informational purposes only (see Exhibit B). Actual lease terms offered by TAA may have material differences at TAA's discretion.

**TAA Approval of Terms:**

Lease terms are subject to approval of TAA's Board of Directors.

This proposal represents an expression of interest in pursuing acceptable business terms for which Landlord and Tenant can mutually execute a lease document for the Premises. No legal obligation or liability shall arise between the parties until the execution of a standard Lease agreement that is satisfactory to each party and its counsel. Unless accepted or responded to by Tenant this offer shall expire as of 5:00 p.m. local time, March 20, 2024.

**Agreed and Accepted:**

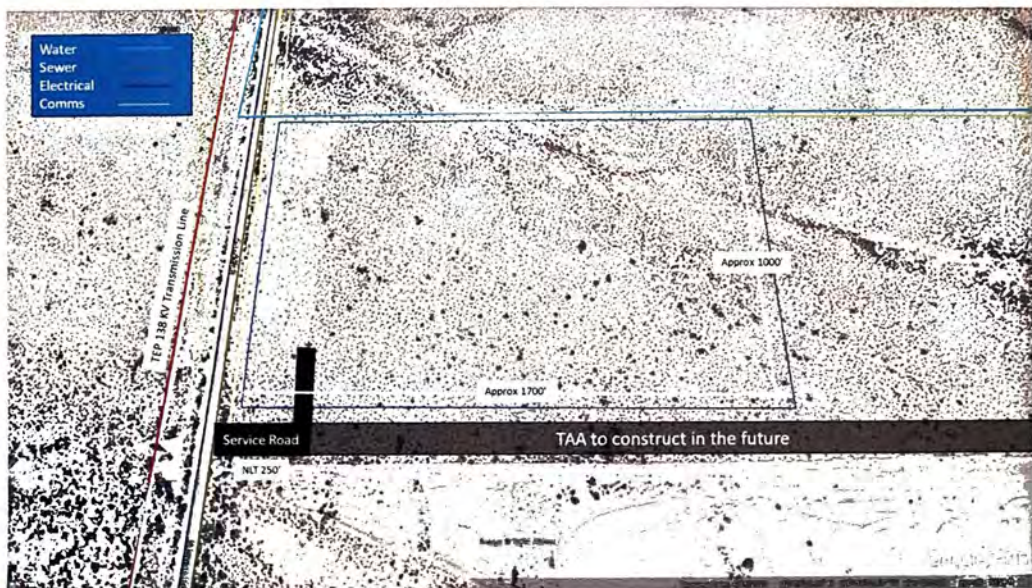
  
\_\_\_\_\_  
Eddie Quinn, SVP Utility Development  
Stella ESS

3/6/2024  
\_\_\_\_\_  
Date





Exhibit A: Site Layout



**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TUCSON AIRPORT AUTHORITY, INC., AUTHORIZING THE PRESIDENT/CEO OR HER DESIGNEE(S) TO EXECUTE A GROUND LEASE WITH STELLA ES FOR APPROXIMATELY 40 ACRES OF TAA-OWNED NON-AERONAUTICAL PROPERTY TO CONSTRUCT AN ENERGY STORAGE FACILITY, SUBJECT TO KEY BUSINESS TERMS.**

**WHEREAS** the Tucson Airport Authority, Inc. (“TAA”), owns approximately 40 acres of land described in *Exhibit A - Key Business Terms* and depicted in *Exhibit A of Exhibit A - Site Layout* of the Board Memorandum, attached to this resolution and incorporated herein by reference; and

**WHEREAS** Stella ES desires to develop the aforementioned property (“Sonora East”) into a commercial use energy storage facility in conjunction with Tucson Electric Power (TEP); and

**WHEREAS** the TAA has determined that the proposed use is compatible with TAA’s goal of diversifying its income portfolio through the addition of non-aeronautical sources of revenue and that the project will support the TAA’s strategic initiative to “Expand Prosperity” for itself and the Southern Arizona region as a whole; 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) is authorized to execute a ground lease with Stella ES for approximately 40 acres of TAA-owned non-aeronautical property to construct an energy storage facility, subject to the key business terms set forth in Exhibit A of the Board Memorandum and depicted in Exhibit A of Exhibit A, as attached to this resolution and incorporated herein by reference.

**PASSED AND ADOPTED** by the Board of Directors of the Tucson Airport Authority, Inc., this third day of April, 2024.

---

Keri Silvyn, Chair of the Board

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Phil Swaim, Secretary

\_\_\_\_\_  
Christopher Schmaltz, Executive Vice  
President and General Counsel

DRAFT



Date: April 3, 2024

**To:** Board of Directors  
**From:** John Voorhees, Vice President/Chief Revenue Officer  
**Re:** TBM Inc. Facility Lease Business Terms

**Background:**

Last year a TAA tenant approached TAA regarding a potential sub-tenant agreement. In 1998, Aergo TUS, LLC (Aergo) constructed a facility on the air cargo ramp, 2810 East Airport Drive. After successfully operating and subleasing the building for many years the company has struggled to find compatible tenants for the space over the past three (3) years. Aergo hired a real estate broker to advertise and manage the space. TBM Inc. responded to the advertisement. TBM Inc. is an aircraft cargo and logistics company. They have established a presence in southern Arizona. The company's operation will be headquartered in Sierra Vista, and they propose hosting the company's logistics operations at TUS, in the Aergo building.

Aergo has five (5) years remaining on a thirty (30) year ground lease with TAA. The company had originally intended to sublease its property to TBM Inc. However, they could not offer TBM Inc. a lease of sufficient length under the existing term of the Aergo/TAA ground lease. Aergo has agreed to terminate its lease with TAA early to facilitate a direct lease between TAA and TBM Inc. TAA will release Aergo from the remainder of its ground lease contingent upon the successful execution of a facility lease agreement with TBM Inc.

TAA and TBM Inc. have reached a tentative agreement on terms for a fifteen (15) year facility lease of TAA property located at 2810 East Airport Drive. This facility is located on the south end of the eastern air cargo facility (Air Cargo 2). TBM Inc seeks a facility lease to operate from the cargo warehouse and park up to 4 C-130E/H aircraft on the air cargo ramp. TBM Inc. intends to execute extensive tenant improvements to the facility and desires a long-term lease to capitalize the expense. The approximate value of the improvements is \$391,000. TBM Inc. has requested rent credits as a tenant improvement allowance. TAA staff have agreed to the request per the terms attached as Exhibit A.

**Strategic Plan | Analysis:**

This facility lease supports TAA's ongoing effort to Expand Prosperity. The revenue received from the facility lease will be substantially greater than that of the previous ground lease. TAA staff will continue to diversify the airport's revenue sources through competitive pricing and excellent client engagement.

**Cost Analysis:**

There are two primary sources of revenue for this agreement. The facility lease supports an appraised rate of \$11.00/SF/month. This rate equates to \$11,916.67/month or \$143,000.04

annually. The parking agreement complies with TAA's regularly published rates and charges. The expected parking revenue for the four (4) C-130 aircraft is \$4,010.40/month or \$48,124.80 annually. The aircraft parking revenue will change based on the client's parking requirements. The best-case scenario for facility and parking revenue over the fifteen (15) year initial term of the lease is \$2,866,872.60. This revenue does not include expected revenue from administrative fees, fuel flowage, aircraft landing fees, and common area maintenance fees.

The tenant has requested a tenant improvement allowance in the form of rent credits. TAA staff will permit a \$391,000 rent credit in accordance with the stated business terms. In short, TAA will discount the tenant's monthly rent by a maximum amount of \$3000 until the \$391,000 tenant improvement allowance has been expended.

There are two anticipated costs to TAA in this project. Due to deferred maintenance, the rooftop HVAC units will likely need to be replaced. The estimated cost to replace the eight (8) air handlers is approximately \$55,000. TAA will fund the replacement of these units through the TAA Maintenance Reserve Fund in FY25. Additionally, the client was brought to TAA via a broker. In our existing brokerage agreement with Picor, the broker is entitled to a commission based on the value of the initial lease term. The cost of this commission is approximately \$87,000. This will be funded through FY 25 and FY 26 TAA Operations and Maintenance Funds.

**Recommendation:**

Adopt Resolution No. 2024-09 authorizing the President/CEO or her designee(s) to execute a facility lease with TBM, Inc., to include capital improvements to the proposed facility and other key business terms.

**Attachments:**

Resolution No. 2024-09

1. Exhibit A - Key Business Terms
2. Exhibit A of Exhibit A - Site Layout

**Exhibit A: Key Business Terms**



**Key Business Terms – Lease Agreement**

<b>Date:</b>	March 5, 2024
<b>Facility Landlord:</b>	Tucson Airport Authority, Inc. (TAA)
<b>Tenant:</b>	TBM Inc.
<b>Premises:</b>	2810 East Airport Drive 13,000SF office and cargo facility
<b>Lease Term:</b>	15 Years ("Initial Term")
<b>Renewal Options:</b>	One option for an additional five (5) year extension to the Initial Term, subject to renegotiation and a satisfactory lease compliance track record by the Tenant as determined by TAA. Tenant shall provide TAA with an advanced written notice not less than six (6) months prior to the expiration date of the Initial Term of the lease.
<b>Commencement Date:</b>	January 1, 2025, or sooner.
<b>Base Rent:</b>	Base Rent to be \$11,916.67 (\$11.00/SF) per month plus the cost of four aircraft to park on the cargo ramp at the rate of \$4,010.40 (\$1,002.60/aircraft) per month, the applicable percentage rental tax to the City of Tucson (both of which are subject to periodic rate adjustments).
<b>Additional Fees and Charges:</b>	Common area maintenance ("CAM") fees, fuel flowage fees, aircraft landing fees, badging fees, and other applicable fees.
<b>Rent Credit:</b>	TAA will provide Tenant with a tenant improvement ("TI") credit for TAA-approved TI's ("Approved TI") in a form of rent credit up to the maximum amount of \$391,000 ("Maximum TI Credit") which shall be administered as follows: <ul style="list-style-type: none"><li>- Tenant will provide invoices along with proof of payment substantiating the Approved TI's accomplished in order to receive monthly rent credit.</li><li>- Tenant will receive a monthly credit of a maximum of \$3,000 for paid TAA-approved TI. If the amount of work exceeds \$3,000, the credit will carry over to subsequent months.</li><li>- The TAA target completion date for all TI's and associated rent credits is eleven (11) years from the lease commencement date.<ul style="list-style-type: none"><li>o The Tenant will only receive rent credit for the Approved TI's work completed prior to the TAA target completion date.</li></ul></li><li>- Once the Tenant has expended the entire Maximum TI Credit, the monthly rent will automatically revert to then-prevailing Base Rent with no credit deductions for the remainder of the lease term.</li></ul>
<b>Rate Adjustments:</b>	Rent will be adjusted annually according to the Consumer Price Index (CPI). The rate will never be adjusted down.
<b>Security Deposit:</b>	During the term of the Lease, Tenant will provide and maintain a valid contract security in a form acceptable to TAA (e.g., Letter of Credit or Surety Bond) in an amount equivalent to three (3) months' rent and additional fees and charges. TAA reserves its right to require Tenant to provide updated Security Deposit amounts periodically.





**Utilities:**

Tenant will be responsible for payment of all separately metered utilities as well as reimbursement of its proportionate share of any shared utility costs.

**Maintenance Responsibilities:**

Tenant, at Tenant's expense, shall keep the leased premises (including maintenance of exterior entrances, all glass and show window moldings) and all partitions, doors, door jambs, door closers, door hardware, ceilings, walls, floor coverings, concrete slab, fixtures, equipment and appurtenances thereof (including electrical, lighting, heating and plumbing, plumbing fixtures, and any air conditioning system, pipes, vents or other parts of the air conditioning, heating, or plumbing systems which protrude through the roof) in good working order, condition and repair. Tenant shall obtain and keep in full force and effect a maintenance contract for the heating and air conditioning system serving the leased premises.

Landlord shall maintain and repair the structural portions of the leased premises, including the exterior structural walls and the roof, unless such maintenance and repairs are caused in whole or in part by the act, neglect, fault, or omission by Tenant, its agent, servants, employees, invitees, or any damage caused by breaking and entering, in which case Tenant shall make such repairs or undertake such maintenance. Prior to lease commencement, Landlord shall inspect and service the HVAC system to insure it is in good working order.

Premises is to be leased in "as-is, where is", and it shall be maintained by the Tenant in compliance with all environmental laws, rules, and regulations. Tenant may conduct any inspection due diligence at its own discretion, subject to all TAA security and access requirements.

**Site Development:**

Tenant shall make all improvements at its sole cost and expense. Approval of any and all modifications or improvements to the premises are subject to the TAA Tenant Improvement Review Panel (TIRP). No improvements or modifications will be completed prior to a notice to proceed from the TIRP.

**TAA Approval of Terms:**

Lease terms are subject to approval of TAA's Board of Directors.

This proposal represents an expression of interest in pursuing acceptable business terms for which Landlord and Tenant can mutually execute a lease document for the Premises. No legal obligation or liability shall arise between the parties until the execution of a standard Lease agreement that is satisfactory to each party and its counsel. Unless accepted or responded to by Tenant this offer shall expire as of 5:00 p.m. local time, March 31, 2024.

**Agreed and Accepted:**

  
Donald E. Carter, Vanguish Air TBM Inc.

  
March 8, 2023

EXHIBIT A – Site Layout





**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TUCSON AIRPORT AUTHORITY, INC., AUTHORIZING THE PRESIDENT/CEO OR HER DESIGNEE(S) TO EXECUTE A FACILITY LEASE WITH TBM, INC., TO INCLUDE CAPITAL IMPROVEMENTS TO THE PROPOSED FACILITY AND OTHER KEY BUSINESS TERMS.**

**WHEREAS** Aergo, Inc., currently operates a 13,000 square foot office and cargo facility through a 30-year ground lease on Tucson Airport Authority (“TAA”) owned property located at 2810 East Airport Drive, Tucson, Arizona, 85756; and

**WHEREAS** Aergo, Inc., desires to terminate its 30-year ground lease with TAA to permit the execution of a 15-year facility lease between the TAA (landlord) and TBM, Inc. (tenant); and

**WHEREAS** the TAA has determined that the proposed use furthers TAA’s strategic initiative to “Expand Prosperity”, and that the TAA will not only benefit from the lease revenue, but also from the value added by extensive tenant improvements TBM, Inc., proposes to undertake; 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) is authorized to execute a facility lease with TBM, Inc., for the facility located at 2810 East Airport Drive, Tucson, Arizona, 85756, to include capital improvements and key business terms set forth in Exhibit A of the Board Memorandum and depicted in Exhibit A of Exhibit A, as attached to this resolution and incorporated herein by reference.

**PASSED AND ADOPTED** by the Board of Directors of the Tucson Airport Authority, Inc., this third day of April, 2024.

\_\_\_\_\_  
Keri Silvyn, Chair of the Board

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Phil Swaim, Secretary

\_\_\_\_\_  
Christopher Schmaltz, Executive Vice  
President and General Counsel

DRAFT

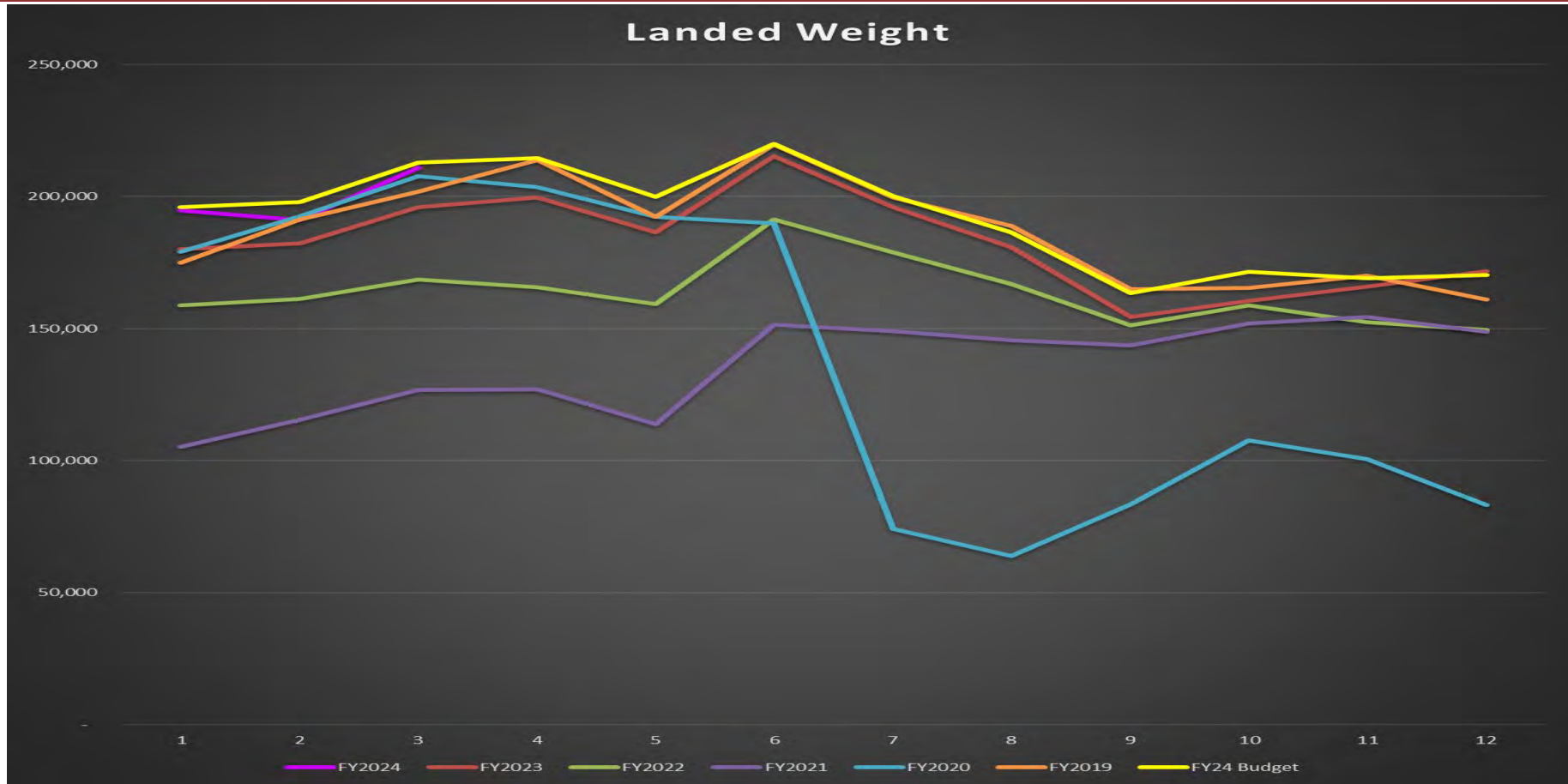


**FY 2024 First Quarter Financial Highlights**

Board of Directors Meeting

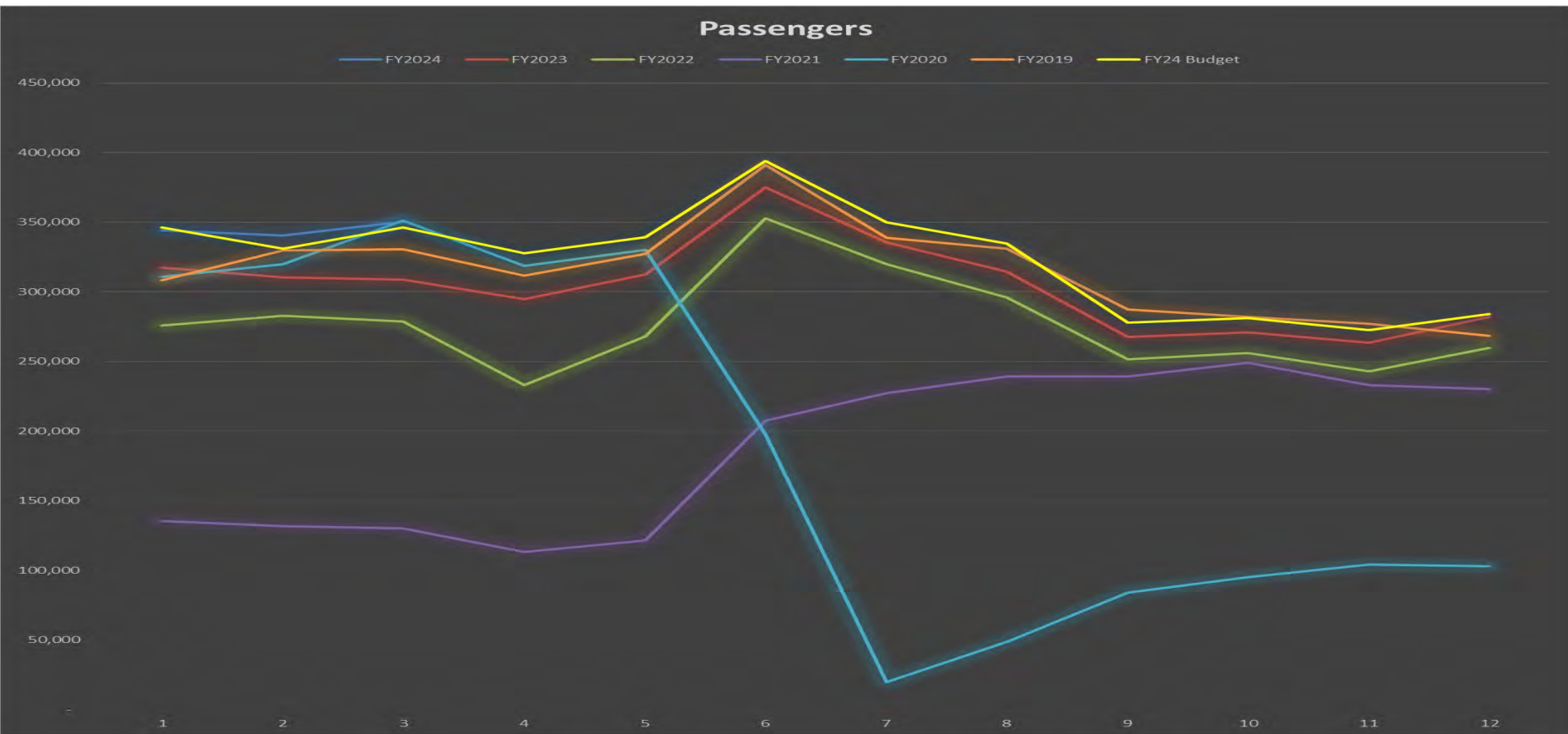
April 3, 2024

# FY 2024 Operating Statistics-Landed Weight



- December Landed Weight is 1.0% under budget, 7.6% higher than FY2023
- YTD Landed Weight is 0.2% below budget, 6.9% higher than FY2023

# FY 2024 Operating Statistics-Passengers



- December passenger volume is 1.2% over budget 13.5% higher than FY2023
- YTD passenger volume is 1.1% over budget, 10.5% higher than FY2023



# December 2023 Flight & Passenger Activity

	<u>FY2024</u>	<u>FY2023</u>	<u>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>
<u>Month</u>						
Total Passengers	350,254	308,616	278,699	130,051	351,298	330,561
Average Load Factor	90.3%	77.6%	85.3%	55.8%	84.9%	81.6%
Average Daily Departures	54.4	48.3	47.1	34.4	58.8	56.3
Average Daily Seat Capacity	6,782	6,661	5,415	3,798	6,720	6,565
<u>Three Months Year-To-Date</u>						
Total Passengers	1,034,916	936,592	837,401	397,140	982,140	968,474
Average Load Factor	92.3%	83.9%	86.7%	61.8%	86.1%	84.6%
Average Daily Seat Capacity	6,473	6,185	5,283	3,496	6,189	6,200
Average Seat Count per Departure	124.7	137.9	115.0	110.3	114.3	116.6

# YTD FY2024 Financial Results

	<b>YTD (Oct-Dec) Actual</b>	<b>Total Annual Budget</b>	<b>100.00%</b>
<b>Operating Revenues</b>	<b>\$ 13,127,817</b>	<b>\$ 46,634,174</b>	<b>28.2%</b>
<b>Operating Expenses</b>	<b>9,920,616</b>	<b>44,709,160</b>	<b>22.2%</b>

*December (3<sup>rd</sup> month) / 12 months total = 25%*

*Revenues above 100% = favorable.*

*Expenses below 100% = favorable.*

*Financial results for FY24 are unaudited.* Page 48 of 124

# December 2023 Financial Results

	<u>Budget</u>	<u>Actual</u>	<u>Budget vs Actual</u>		<u>Prior Year (2022)</u>	<u>Current vs. Prior Year</u>	
<b><u>December</u></b>							
Operating Revenues	\$ 4,217,732	\$ 4,304,828	\$ 87,096	2.0%	\$ 3,677,108	\$ 627,720	17.1%
Operating Expenses	3,685,870	3,337,911	347,959	10.4%	3,239,123	\$ 98,788	3.0%
Operating Income (Loss)	<u>\$ 531,862</u>	<u>\$ 966,917</u>	<u>\$ 435,055</u>		<u>\$ 437,985</u>	<u>\$ 528,932</u>	
<b><u>Three Months Ended 12/2023</u></b>							
Operating Revenues	\$ 12,747,875	\$ 13,127,817	\$ 379,942	2.9%	\$ 10,768,058	\$ 2,359,759	21.9%
Operating Expenses	11,756,551	9,920,616	1,835,935	18.5%	9,562,850	\$ 357,766	3.7%
Operating Income	<u>\$ 991,324</u>	<u>\$ 3,207,201</u>	<u>\$ 2,215,877</u>		<u>\$ 1,205,208</u>	<u>\$ 2,001,993</u>	

*Financial results for FY24 are unaudited.*

# December 2023 Operating Revenues

## Operating Revenues

<u>December</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget vs. Actual</u>	
Landing fees	\$ 615,298	\$ 500,510	\$ (114,788)	-22.9%
Space rentals	1,126,228	1,192,931	\$ 66,703	5.6%
Land rent	232,728	312,162	\$ 79,434	25.4%
Concession revenue	1,778,432	1,750,523	\$ (27,909)	-1.6%
Reimbursed Services	231,038	255,358	\$ 24,320	9.5%
Other Operating Revenue	234,008	293,344	\$ 59,336	20.2%
<b>Total operating revenues</b>	<b>\$ 4,217,732</b>	<b>\$ 4,304,828</b>	<b>\$ 87,096</b>	<b>2.0%</b>

*Financial results for FY24 are unaudited. One month results.*

# December 2023 Operating Expenses

## Operating Expenses

### December

	<u>Budget</u>	<u>Actual</u>	<u>Budget vs.</u>	
			<u>Actual</u>	
Personnel expenses	\$ 2,243,337	\$ 2,198,439	\$ 44,898	2.0%
Contractual services	801,008	893,291	\$ (92,283)	-10.3%
Materials and supplies	496,198	204,873	\$ 291,325	142.2%
Other operating expenses	145,327	41,308	\$ 104,019	251.8%
Total operating expenses	<u>\$ 3,685,870</u>	<u>\$ 3,337,911</u>	<u>\$ 347,959</u>	<u>10.4%</u>

*Financial results for FY24 are unaudited. This is only one month. These expenses fluctuate throughout the year and tend to level out as the year progresses.*



# FY2024 YTD Operating Revenue

## Operating Revenues

### YTD

	<u>Budget</u>	<u>Actual</u>	<u>Budget vs. Actual</u>	
Landing fees	\$ 1,216,049	\$ 1,235,352	\$ 19,303	1.6%
Space rentals	3,340,085	3,538,659	\$ 198,574	5.6%
Land rent	934,663	937,594	\$ 2,931	0.3%
Concession revenue	5,705,136	5,825,062	\$ 119,926	2.1%
Reimbursed Services	718,103	675,680	\$ (42,423)	-6.3%
Other Operating Revenue	833,839	915,471	\$ 81,632	8.9%
<b>Total operating revenues</b>	<b><u><u>\$ 12,747,875</u></u></b>	<b><u><u>\$ 13,127,818</u></u></b>	<b><u><u>\$ 379,943</u></u></b>	<b><u><u>2.9%</u></u></b>

*Financial results for FY24 are unaudited. Three months (Oct-Dec)*

# 2024 YTD Concession Revenue

<u>Account Description</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>Budget vs. Actual</u>	
Rental Cars	2,153,068	2,039,617	\$ (113,451)	-5.6%
Parking	2,499,656	2,559,611	\$ 59,955	2.3%
Ground Transportation	106,492	111,298	\$ 4,806	4.3%
Advertising	27,352	37,233	\$ 9,881	26.5%
Food & Beverage	354,136	389,466	\$ 35,330	9.1%
News & Gifts	324,941	351,103	\$ 26,162	7.5%
Transportation Network Company	221,624	285,748	\$ 64,124	22.4%
Peer-to-Peer Car Rental	-	23,437	\$ 23,437	41.3%
Other	\$ 17,866	\$ 27,546	\$ 9,680	0.0%
<b>Total</b>	<b>\$ 5,705,135</b>	<b>\$ 5,825,059</b>	<b>\$ 119,924</b>	<b>2.1%</b>

*Financial results for FY24 are unaudited. Three months (Oct-Dec)*

# FY2024 YTD Operating Expenses

## Operating Expenses

### YTD

	<u>Budget</u>	<u>Actual</u>	<u>Budget vs.</u>	
			<u>Actual</u>	
Personnel expenses	\$ 6,982,197	\$ 6,749,335	\$ 232,862	3.5%
Contractual services	3,052,038	2,358,087	\$ 693,951	29.4%
Materials and supplies	1,308,334	546,369	\$ 761,965	139.5%
Other operating expenses	413,982	266,826	\$ 147,156	55.2%
Total operating expenses	<u>\$ 11,756,551</u>	<u>\$ 9,920,617</u>	<u>\$ 1,835,934</u>	<u>18.5%</u>

*Financial results for FY24 are unaudited. Three months (Oct-Dec)*

# 2024 vs 2023

	<b>FY2024</b> <b><u>YTD (Oct-Dec)</u></b>	<b>FY2023</b> <b><u>Oct-Dec</u></b>	<b><u>2024 vs 2023</u></b>
<b>Operating Revenues</b>	<b>\$ 13,127,817</b>	<b>\$ 10,768,058</b>	<b>21.9%</b>
<b>Operating Expenses</b>	<b>9,920,616</b>	<b>9,562,850</b>	<b>3.7%</b>

*Financial results for FY24 are unaudited.*

Date: April 3, 2024

To: Board of Directors  
From: Kim Allison, Chief Financial Officer  
Re: Summary of Financial Performance for First Quarter 2024

---

**Operating Income before Depreciation and Amortization (YTD vs budget):**

Tucson Airport Authority generated net operating income before depreciation and amortization of \$3,207,201 for the first quarter of FY 2024, which is \$2,215,877 favorable to budget as described in more detail below.

**Operating Revenues (YTD vs budget):**

Year-to-date operating revenue of \$13,127,817 is favorable to budget by \$379,942 or 3.0% and favorable to prior year by \$2,359,759 or 21.9%. The increase from prior year is largely due to increased activity levels in all categories returning to pre-Covid19 pandemic levels.

**Operating Expenses (YTD vs budget):**

In the first quarter of FY2024, total operating expenses were under budget by \$1,835,935 or 15.6%. The favorable variance is largely due to lower-than-budgeted personnel expenses related to vacancy allowance and timing of other expenses. This is expected to level out as the year progresses. Operating expenses were unfavorable to prior year by \$357,766 or 3.7% due to increased personnel costs, contractual services, materials and supplies and other operating expenses. This is largely due in part to a high inflation rate following the Covid19 pandemic. Staffing levels have increased as vacant positions from previous years are being filled and new positions have been created which led to increased personnel costs since last year.

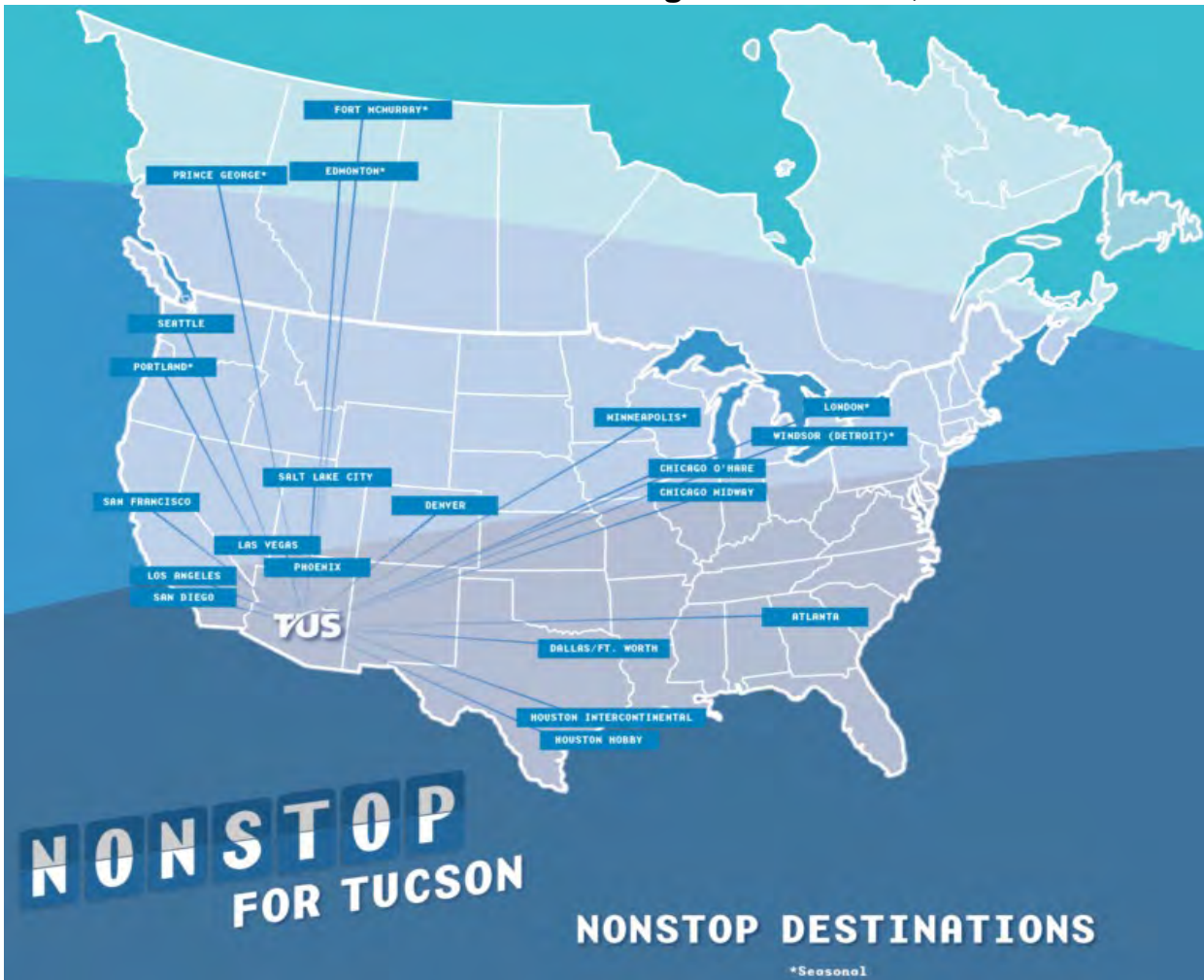


TUCSON AIRPORT AUTHORITY  
TUS PASSENGER ACTIVITY



**AVIATION ACTIVITY REPORTS**  
**Tucson International Airport (TUS)**

For the three months ending December 31, 2023



*Prepared by Tucson Airport Authority  
Finance Department*

**TUCSON AIRPORT AUTHORITY  
TUS PASSENGER ACTIVITY**

**TUCSON AIRPORT AUTHORITY  
TUS ACTIVITY OVERVIEW**

PASSENGERS*				Fiscal YTD		
	Dec-23	Dec-22	% CHANGE	2024	2023	% CHANGE
ENPLANED	189,774	160,205	18.5%	549,500	477,338	15.1%
DEPLANED	160,480	148,411	8.1%	485,416	459,254	5.7%
<b>TOTAL</b>	<b>350,254</b>	<b>308,616</b>	<b>13.5%</b>	<b>1,034,916</b>	<b>936,592</b>	<b>10.5%</b>

\*Passenger figures include non-revenue passengers.

**LANDED WEIGHT\*\***

AIR CARGO	13,671	13,668	0.0%	39,960	39,646	0.8%
AIR CARRIER	197,123	182,269	8.1%	556,819	518,763	7.3%
<b>TOTAL</b>	<b>210,794</b>	<b>195,937</b>	<b>7.6%</b>	<b>596,779</b>	<b>558,409</b>	<b>6.9%</b>

\*\*In thousand pound units.

**FREIGHT (in pounds)**

ENPLANED	2,558,961	2,812,056	-9.0%	7,413,321	8,046,284	-7.9%
DEPLANED	2,559,795	3,100,038	-17.4%	8,262,287	8,711,485	-5.2%
<b>TOTAL</b>	<b>5,118,756</b>	<b>5,912,094</b>	<b>-13.4%</b>	<b>15,675,608</b>	<b>16,757,769</b>	<b>-6.5%</b>

**MAIL (in pounds)**

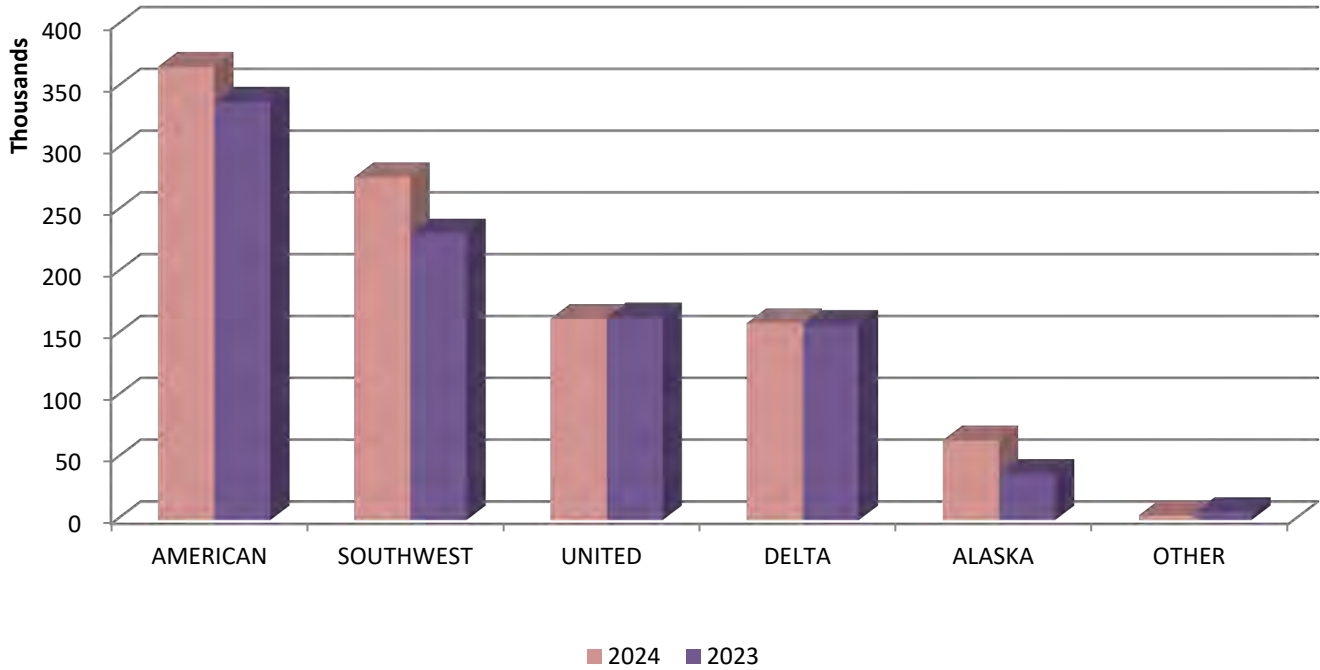
ENPLANED	0	0	0.0%	0	0	0.0%
DEPLANED	0	0	0.0%	0	34	-100.0%
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>34</b>	<b>-100.0%</b>

**AIRCRAFT OPERATIONS**

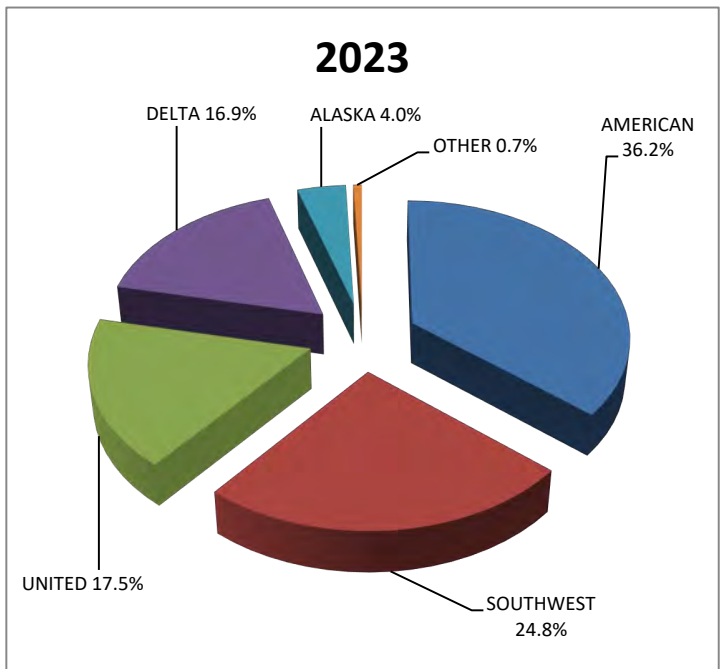
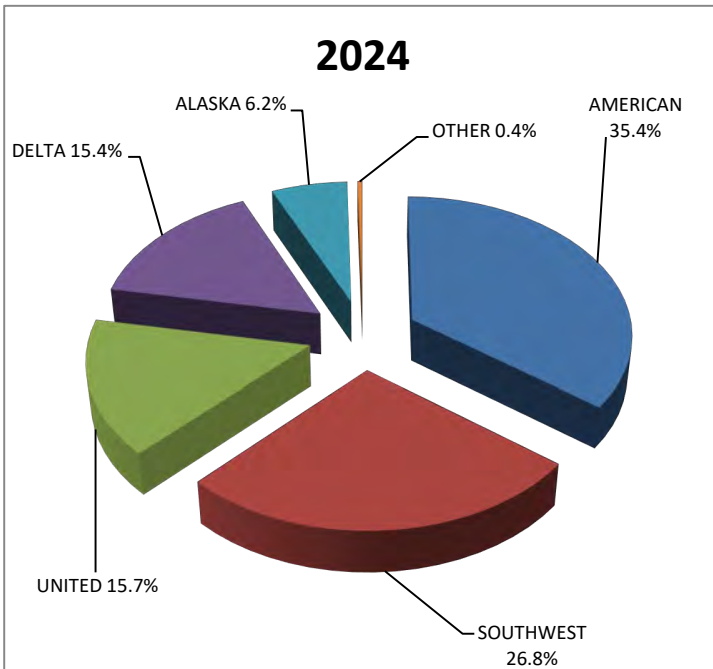
AIR CARRIER	3,595	2,946	22.0%	10,225	8,648	18.2%
AIR TAXI	1,529	1,340	14.1%	4,814	4,416	9.0%
MILITARY	1,253	2,067	-39.4%	4,276	6,575	-35.0%
GENERAL AVIATION	3,076	5,341	-42.4%	12,965	18,037	-28.1%
<b>TOTAL</b>	<b>9,453</b>	<b>11,694</b>	<b>-19.2%</b>	<b>32,280</b>	<b>37,676</b>	<b>-14.3%</b>

# TUCSON AIRPORT AUTHORITY TUS PASSENGER ACTIVITY

## TOTAL PASSENGERS YTD BY AIR CARRIER

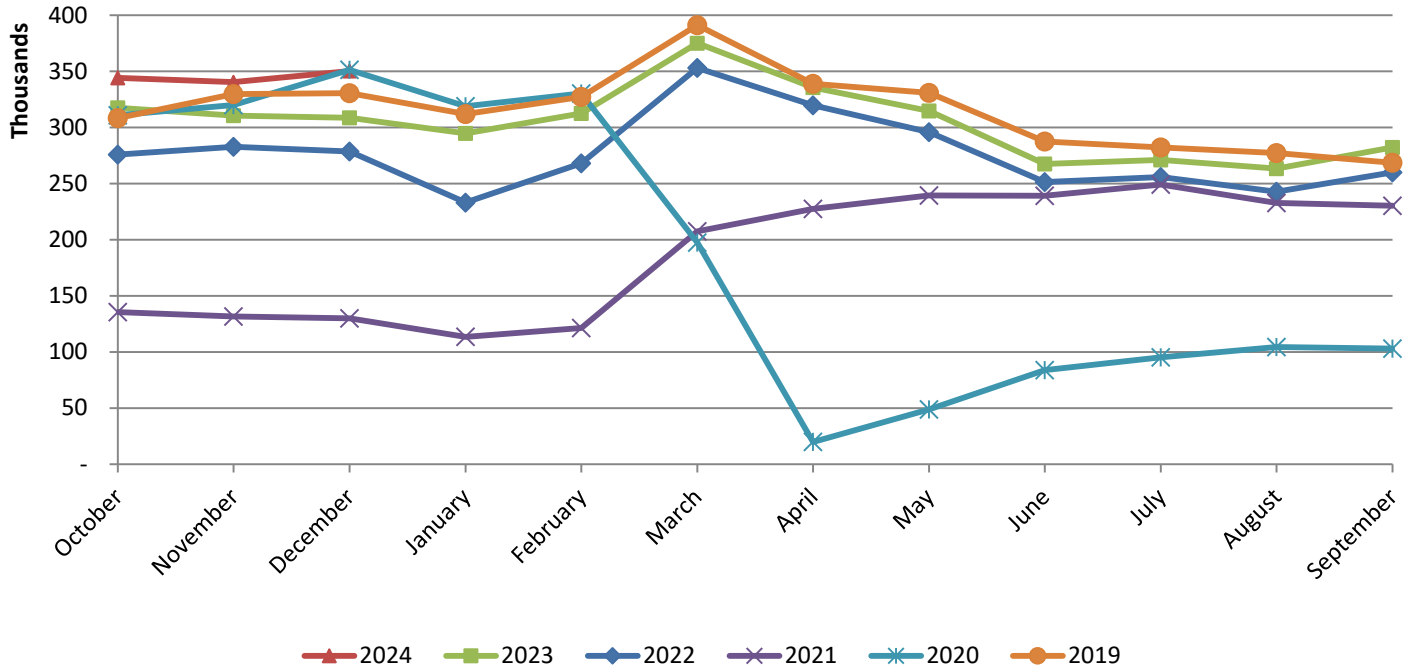


## AIR CARRIER MARKET SHARE

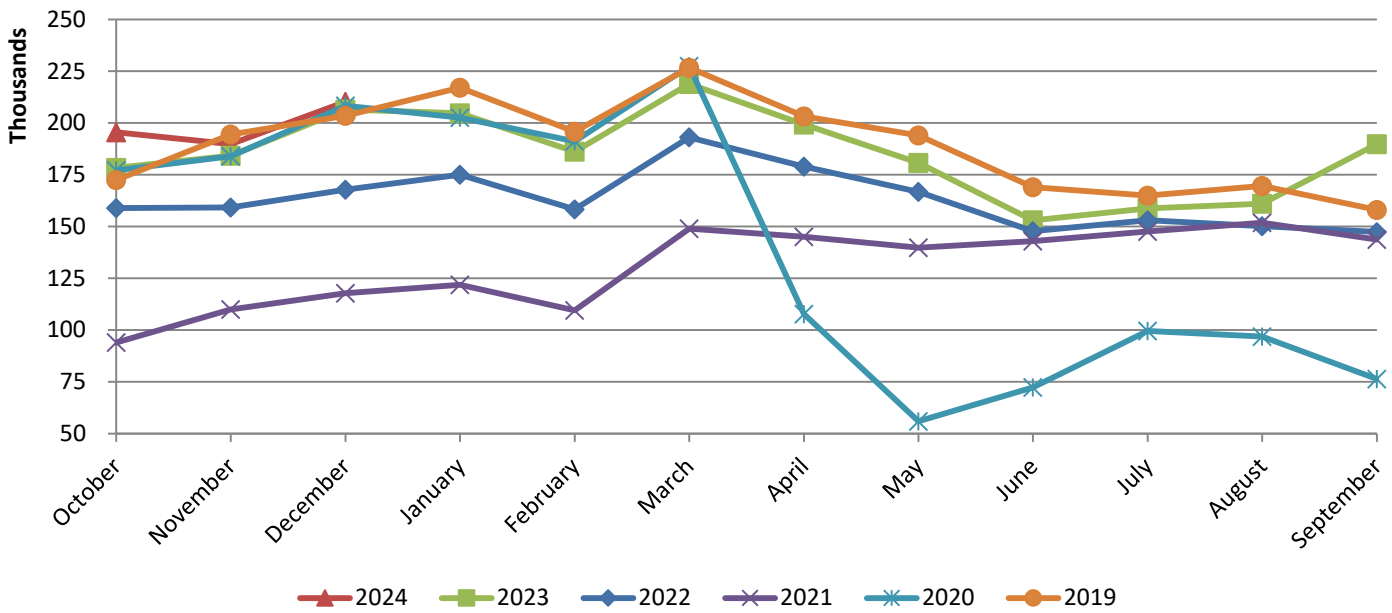


# TUCSON AIRPORT AUTHORITY TUS PASSENGER ACTIVITY

## TOTAL PASSENGERS BY MONTH

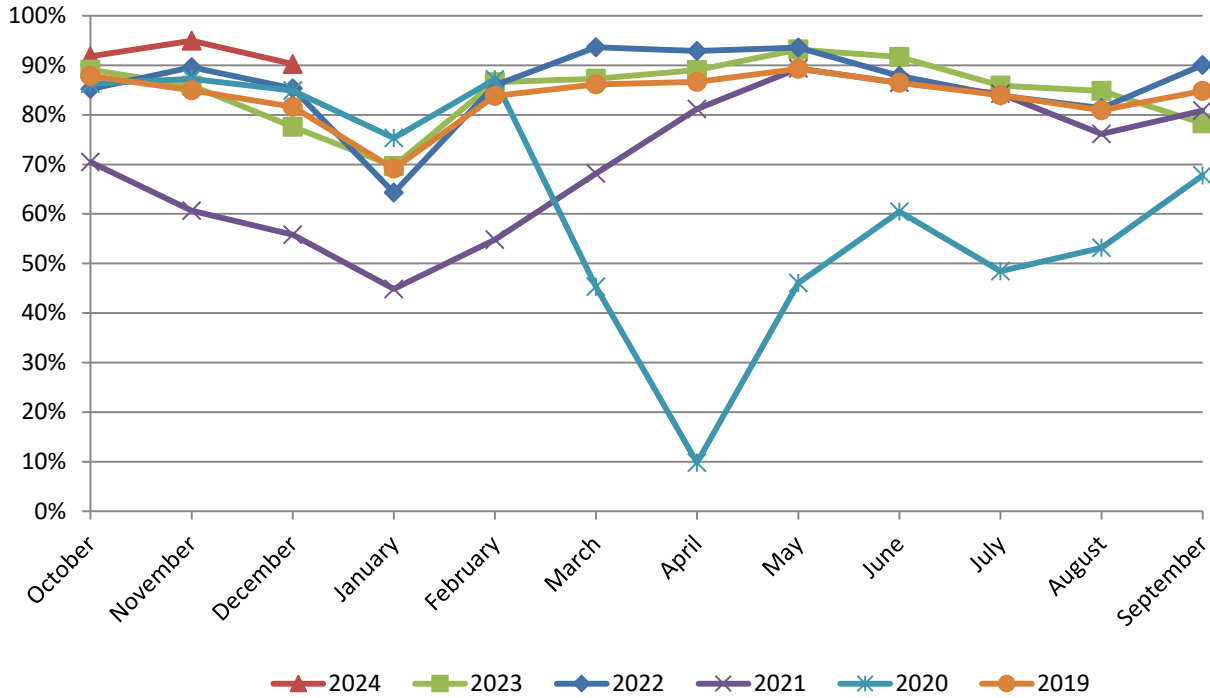


## AVERAGE SEAT CAPACITY PER MONTH



# TUCSON AIRPORT AUTHORITY TUS PASSENGER ACTIVITY

## LOAD FACTORS (TOTAL ENPLANEMENTS / AVAILABLE SEATS)



## MONTHLY FLIGHT SCHEDULE SUMMARY



NONSTOP DESTINATIONS and Airline	Code	Average Daily Departures			Average Daily Seats		
		Current			Current Year	Prior Year	Difference
		Year	Prior Year	Difference			
ATLANTA <i>Delta (2.3)</i>	ATL	2.3	2.4	(0.1)	431	450	(19)
CHICAGO MIDWAY <i>Southwest (.4)</i>	MDW	0.4	0.4	0.0	62	73	(11)
CHICAGO O'HARE <i>American (1.5) United (1)</i>	ORD	2.5	3.0	(0.5)	393	504	(111)
DENVER <i>United (4.0), Southwest (3.3)</i>	DEN	7.3	6.1	1.2	951	860	91
DALLAS/FT WORTH <i>American (5.9)</i>	DFW	5.9	5.9	0.0	1,117	1,115	2
DALLAS LOVE FIELD <i>Southwest (0.3)</i>	DAL	0.3	0.0	0.3	39	0	39
HOUSTON HOBBY <i>Southwest (1)</i>	HOU	1.0	1.0	0.0	152	163	(11)
HOUSTON BUSH <i>United (2)</i>	IAH	2.0	2.9	(0.9)	252	371	(119)
LAS VEGAS <i>Southwest (3.8)</i>	LAS	3.8	2.8	1.0	605	457	148
LOS ANGELES <i>Delta (2.7), American (2.3), Southwest (1.3)</i>	LAX	6.3	6.5	(0.2)	565	627	(62)
LOS ANGELES/SANTA ANA <i>Alaska (0.6)</i>	SNA	0.6	0.0	0.6	44	0	44
MINNEAPOLIS <i>Delta (0.7), Sun Country (0.4)</i>	MSP	1.1	0.8	0.3	178	142	36
PORTLAND <i>Alaska (1.0)</i>	PDX	1.0	1.0	0.0	76	76	0
PHOENIX <i>American (8.5)</i>	PHX	8.5	5.4	3.1	750	767	(17)
SAN DIEGO <i>Southwest (1.9)</i>	SAN	1.9	1.3	0.6	329	191	138
SAN FRANCISCO <i>United (2)</i>	SFO	2.3	2.9	(0.6)	166	191	(25)
SALT LAKE CITY <i>Delta (3)</i>	SLC	3.3	2.8	0.5	240	202	38
SEATTLE/TACOMA <i>Alaska (2), Delta (1)</i>	SEA	3.0	2.0	1.0	356	297	59
SEATTLE/EVERETT <i>Alaska (1.0)</i>	PAE	1.0	0.0	1.0	76	0	76
EDMONTON INTERNATIONAL <i>Flair (.3)</i>	YEG	0.0	0.3	(0.3)	0.0	51.0	(51.0)
FORT McMURRAY INTERNATIONAL <i>Flair (.3)</i>	YMM	0.0	0.3	(0.3)	0.0	45.0	(45.0)
LONDON INTERNATIONAL <i>Flair (.1)</i>	YXU	0.0	0.1	(0.1)	0.0	23.0	(23.0)
PRINCE GEORGE <i>Flair (.2)</i>	YXS	0.0	0.2	(0.2)	0.0	28.0	(28.0)
WINDOR INTERNATIONAL <i>Flair (.2)</i>	YQG	0.0	0.2	(0.2)	0.0	28.0	(28.0)
<b>TOTAL</b>		<b>54.5</b>	<b>48.3</b>	<b>6.2</b>	<b>6,782</b>	<b>6,661</b>	<b>121</b>
<b>SUMMARY</b>		<b>Current</b>	<b>Prior Year</b>	<b>Difference</b>	<b>Current Year</b>	<b>Prior Year</b>	<b>Difference</b>
<b>DOMESTIC</b>		54.5	47.2	15.47%	6,782	6,486	4.56%
<b>INTERNATIONAL</b>		0.0	1.1	100.00%	0.0	175	100.00%
<b>TOTAL</b>		54.5	48.3	12.84%	6,782	6,661	1.82%



Date: April 3, 2024

**To:** Board of Directors  
**From:** Austin Wright, Chief Communications Officer  
**Re:** April 2024 Air Service Development Update

Passenger activity remains robust at TUS. March 2024 was still on track as of this writing to be the busiest month at TUS in 16 years.

TUS has surpassed pre-pandemic passenger levels each month since September 2023. January 2024 continued the trend, with a 9.1% year-over-year increase, making it our busiest January since 2008. TUS saw the 3<sup>rd</sup> most year-over-year growth in January in a group of 14 western US peer airports (Source: Department of Transportation).

**Outbound (2023 vs. 2022, Jan-Nov)**

ABQ	12.3%
LGB	11.7%
<b>TUS</b>	<b>11.7%</b>
ONT	11.4%
FAT	10.8%
PSP	8.9%
TUL	8.6%
BZN	8.4%
COS	8.0%
BOI	6.3%
RNO	5.3%
GEG	4.8%
ELP	4.1%
BUR	-0.9%

We remain focused on exploring all opportunities to bring international passenger service back to TUS, including presenting the TUS business case at airline headquarters. We have requested meetings with five Canadian and Mexican carriers at the ACI Jumpstart business meetings in May.

Six of our seven seasonal routes will be ending by April 15. We will be reviewing performance with the airlines with the objective of extending these seasonal services next winter.

Southwest Airlines has already made the decision to convert our seasonal weekend and holiday service to Dallas-Love Field to daily service next season, beginning October 3. Its Chicago-Midway nonstop was upgraded to year-round, daily service as of March 7. Southwest's passengers at TUS are forecast to be up 11% year-over-year in 2024, notable considering 737MAX delivery delays have caused the airline to reduce system capacity by 2-3% from its original plan this year. TUS has been unaffected.

In addition to our new and restored service, existing destinations which saw significant year-over-year capacity increases in the first quarter were Denver, Las Vegas, Seattle, Dallas-Ft. Worth, San Diego, Chicago-Midway, and Minneapolis/St. Paul.

# Tucson Resident Sentiment

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ANNA BLOUNT  
MARCH 2024





# WHO WE ARE

Established in 1978 as a market research consultancy

Headquartered in Columbus, OH and Toronto, ON

Focused in tourism since 1985

Working with over 150 Destinations and Brands







## AGENDA

- Importance of Residents
- Tourism Support & Promotion
- Economics of Tourism
- Sustainability
- Quality of Life
- Special Events
- Opportunities for Visit Tucson



Longwoods  
INTERNATIONAL

Visit  
TUCSON

## 2024 Tucson Resident Sentiment Study

- This study analyzed the public perceptions of Tucson residents from all sides, including the positives and negatives of economic development, overtourism, and quality of life
- Self-completion survey taken by 679 adults residing in Pima County, including the City of Tucson and Town of Oro Valley.
- In-field January 2024
- U.S. Norms from annual study conducted with Destinations International in July 2023.



# 77%

Tucson survey respondents who  
have no one employed in  
tourism and hospitality in their  
households

# 01

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## Importance of Residents



# Importance of Travel

**70%**

I value making experiences  
over acquiring more  
material belongings

**Strongly agree: 32%**





# Importance of Travel

60%

I appreciate travel more now,  
after experiencing the  
COVID-19 pandemic travel  
limitations/restrictions

Strongly agree: 25%



# Importance of Personal Experience

# 78%

Past visitation/personal experience of destination influences leisure travel planning

Strongly influences: 36%





## Repeat Visitation

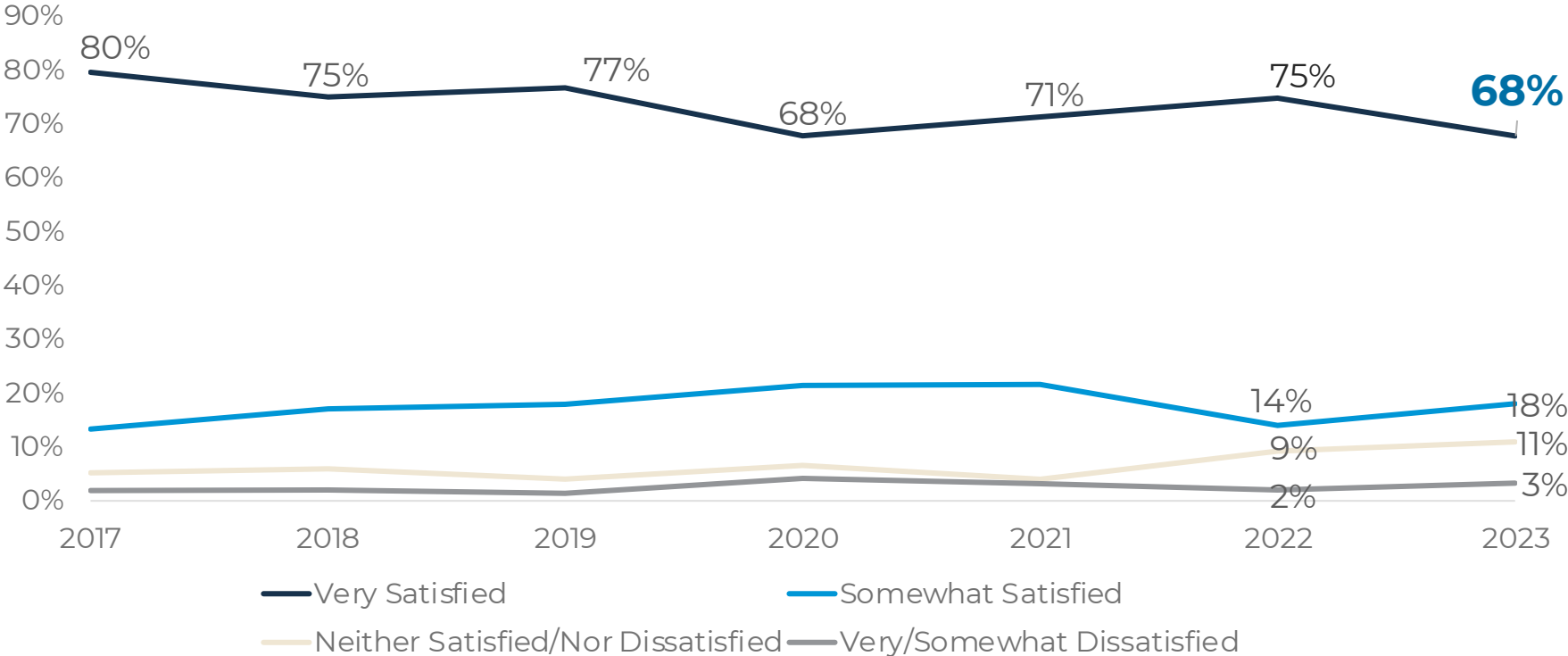
# 77%

of Tucson's 2023 overnight domestic visitors have previously visited the city

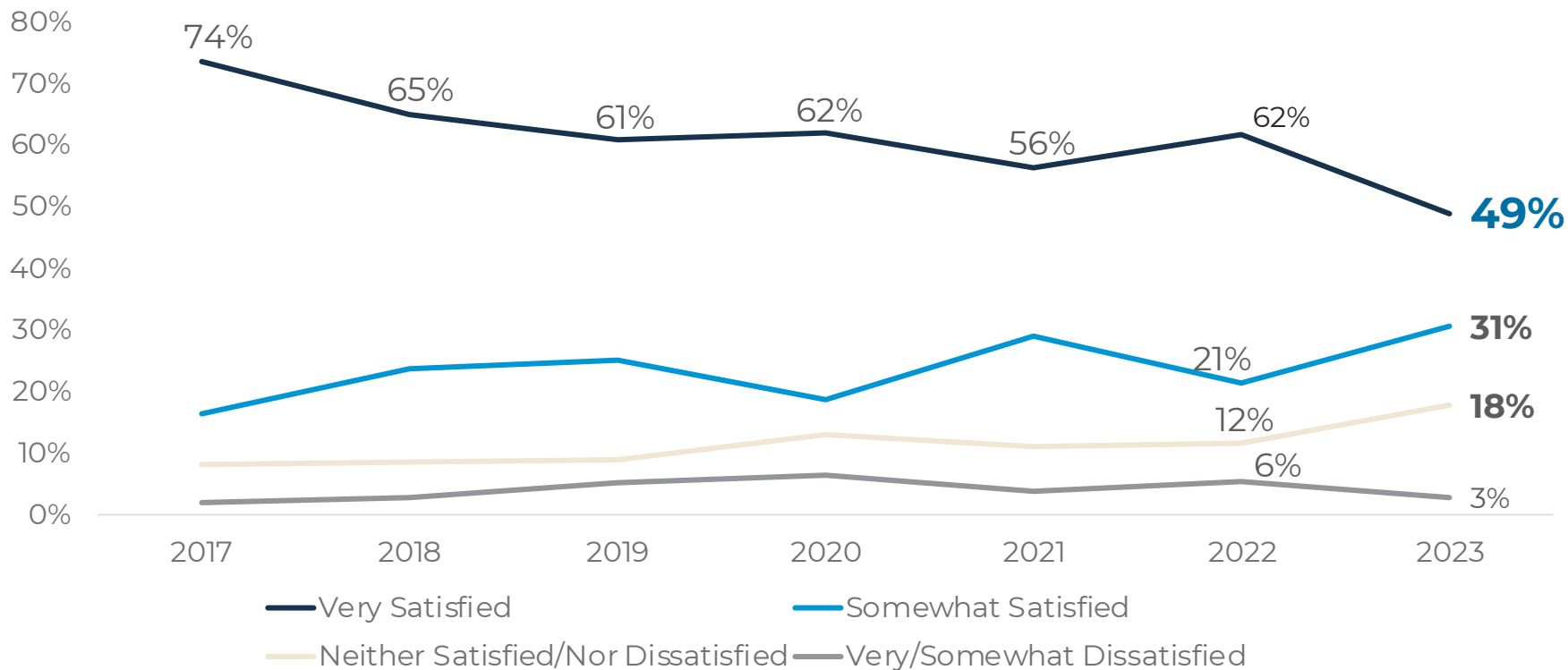
Visited at least twice in the past 12 months: 55%



# Satisfaction with Overall Tucson Overnight Trip Experience



# Satisfaction with Tucson Overnight Trip Friendliness of People



# Your Residents Want To Be Brand Ambassadors





80%

Visiting other places gives me  
a greater appreciation for  
my local area

West norm: 61%  
U.S. norm: 56%



91%

I look forward to showing off this area when friends and family visit

West norm: 57%  
U.S. norm: 53%

90%

I recommend local tourist sites to people who are visiting my area

West norm: 52%  
U.S. norm: 49%

# Tucson Residents – Engagement with Tourism



84%

I'm proud of what this area offers tourists

West norm: 58%  
U.S. norm: 53%

83%

I welcome tourists to this area

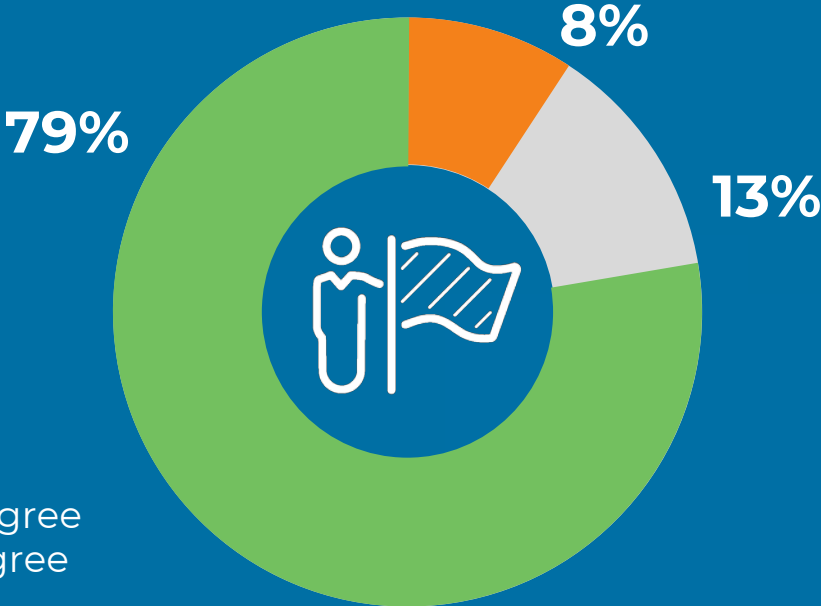
West norm: 57%  
U.S. norm: 56%



# Tucson Residents – Engagement with Tourism



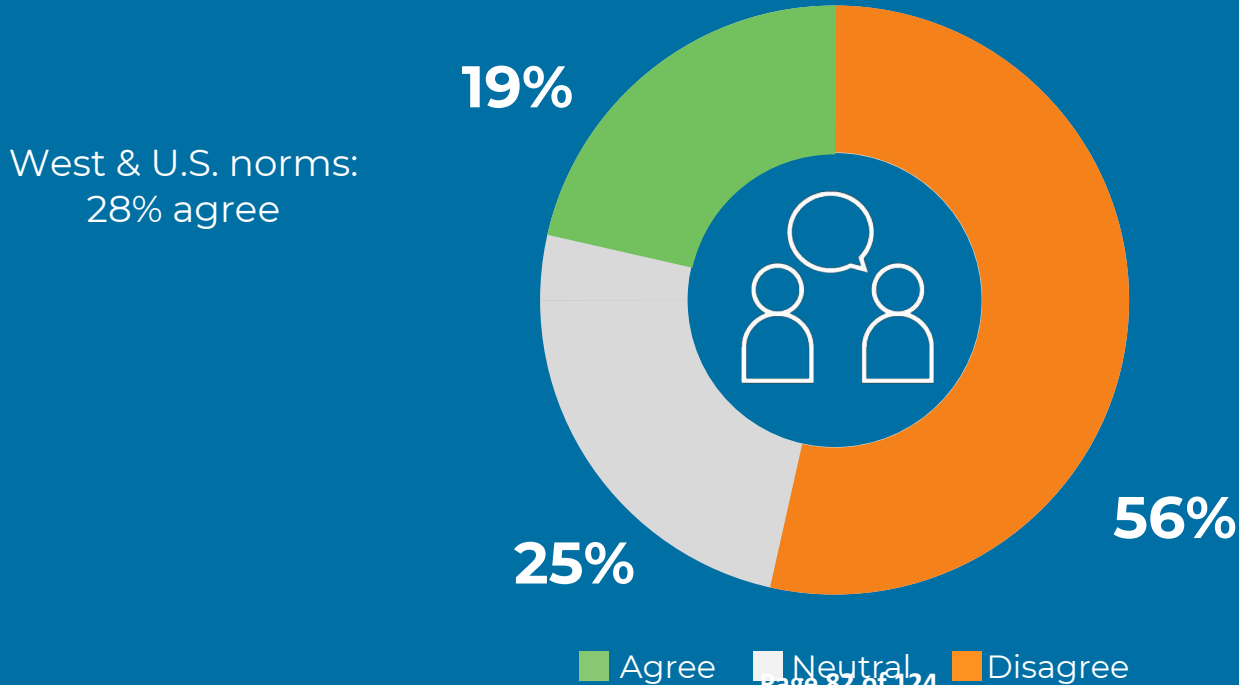
## I feel I am an ambassador for this area even among tourists I don't know



West norm: 37% agree  
U.S. norm: 34% agree

Agree Neutral Disagree

## Residents are consulted when major tourism development takes place in this area



**77%**

**We need planned and controlled  
tourism development**

**West norm: 58%**  
**U.S. norm: 56%**

# Keeping the Community Informed



Tendency to **oversimplify** social groups and **underestimate** how much correct information about tourism is being shared.

# Keeping the Community Informed



Establishing as many connections with **various social circles** in your community as possible is **time consuming**, but **essential** for any efforts to bring residents on board with tourism

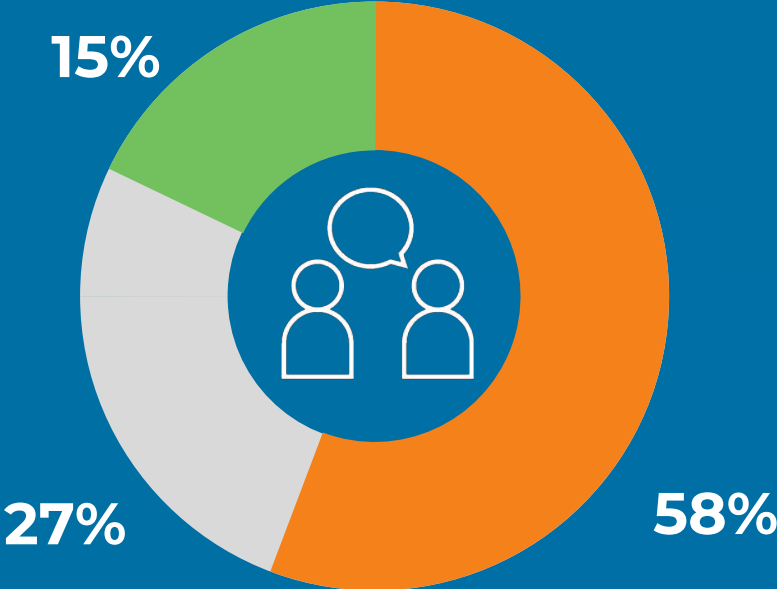






## Tourism development is happening too fast in this area

West norm: 30% agree  
U.S. norm: 27% agree

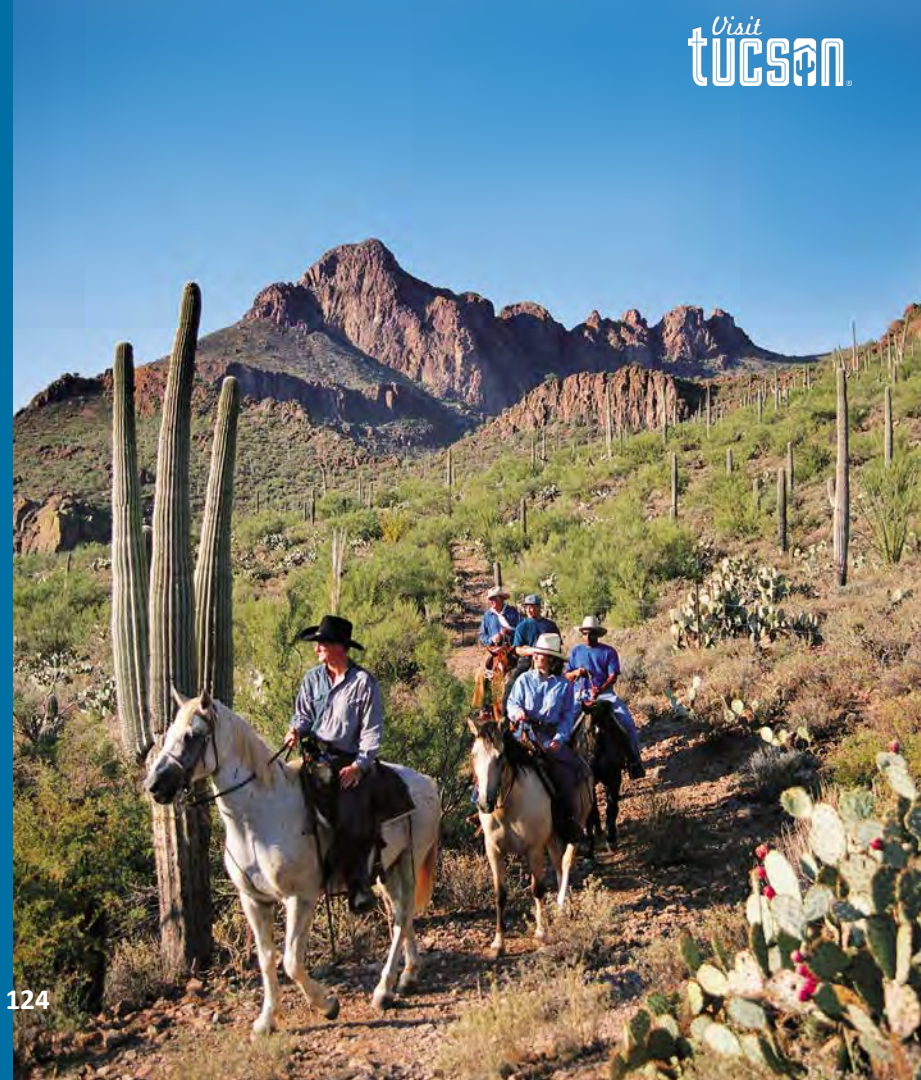


Agree Neutral Disagree

# 02

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## Tourism Support & Promotion



**83%**

Overall, I think tourism is good for my local area

West norm: 62%  
U.S. norm: 61%

**82%**

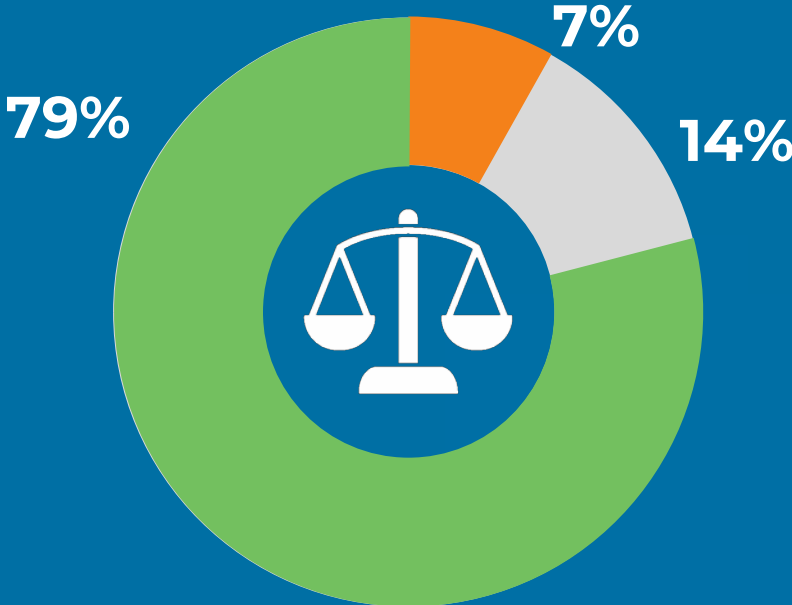
I care about the success of the tourism industry in my local area

West norm: 57%  
U.S. norm: 55%

# Tucson Residents - Tourism Support



In general, the positive benefits of tourism outweigh the negative impacts



West & U.S. norms:  
60% agree

Agree Neutral Disagree



# 76%

My local area benefits from a strong tourism industry

West norm: 57%  
U.S. norm: 51%



# Tucson Residents – Tourism Growth



82%

I believe tourism should be encouraged here

West & U.S. norms: 62%

80%

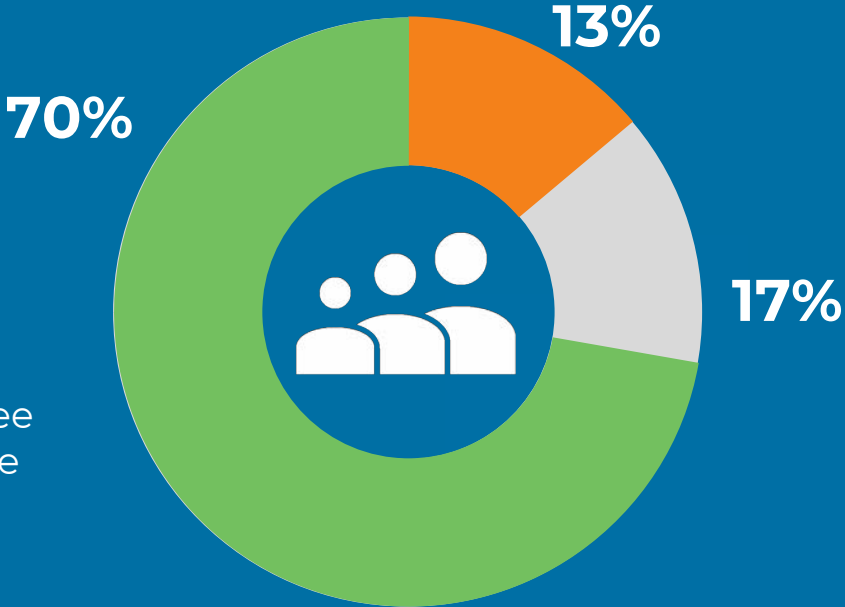
I support tourism growth

West norm: 64%  
U.S. norm: 62%

# Tucson Residents - Tourism Growth



## I would like to see more tourists coming to my area



West norm: 53% agree  
U.S. norm: 52% agree

Agree Neutral Disagree

# Tucson Residents – Tourism Growth



69%

We should develop/host more major events to attract tourists to our area

West norm: 50%  
U.S. norm: 52%

64%

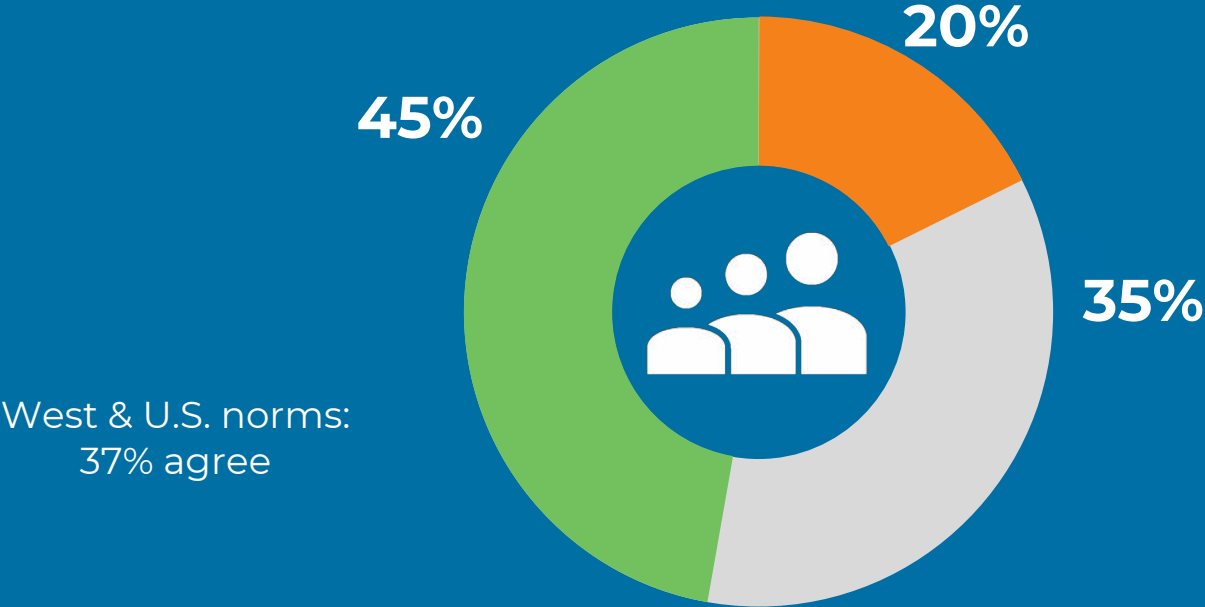
I support building new tourism facilities that will attract visitors to this area

West norm: 51%  
U.S. norm: 52%

# Tucson Residents – Tourism Promotion



## My local government is doing a good job at promoting tourism to this area





# Tucson Residents – Tourism Promotion

59%

My local government should support/help fund the promotion of tourism with hotel/lodging taxes

Disagree: 16%

44%

Hotel/lodging taxes should be used to help pay for local services, not to promote more tourism

Disagree: 27%

West norm: 51% agree



62%

**DISAGREE:** We don't need the local government to promote tourism – we have such a great area that people will come anyway

**Agree: 15%**



# 03

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## Economics of Tourism





# Tucson Residents – Economy

**83%**

Tourism is important to my local economy

U.S. norm: 54%

**76%**

Tourism encourages investment in our local economy

U.S. norm: 53%

**71%**

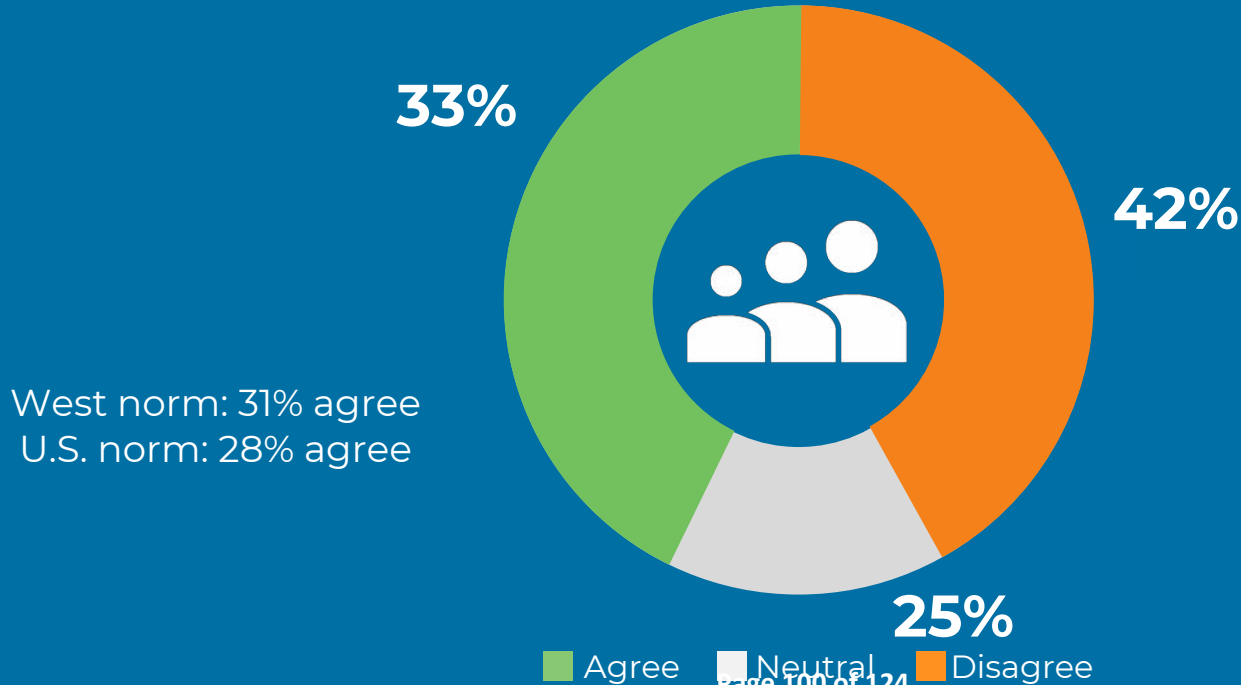
Tourism attracts new businesses to our local area

U.S. norm: 52%

Page 99 of 124

# Tucson Residents - Economy

My household standard of living is higher because of the money tourists spend here



# 62%

**Without the tax revenues we get from tourists, we would have to pay higher state and local taxes for government programs and services**

**West norm: 46%**

**U.S. norm: 44%**



# Tucson Residents – Tourism Employment



**62%**

Tourism helps to recruit workforce to our local area

West norm: 48%  
U.S. norm: 46%

**55%**

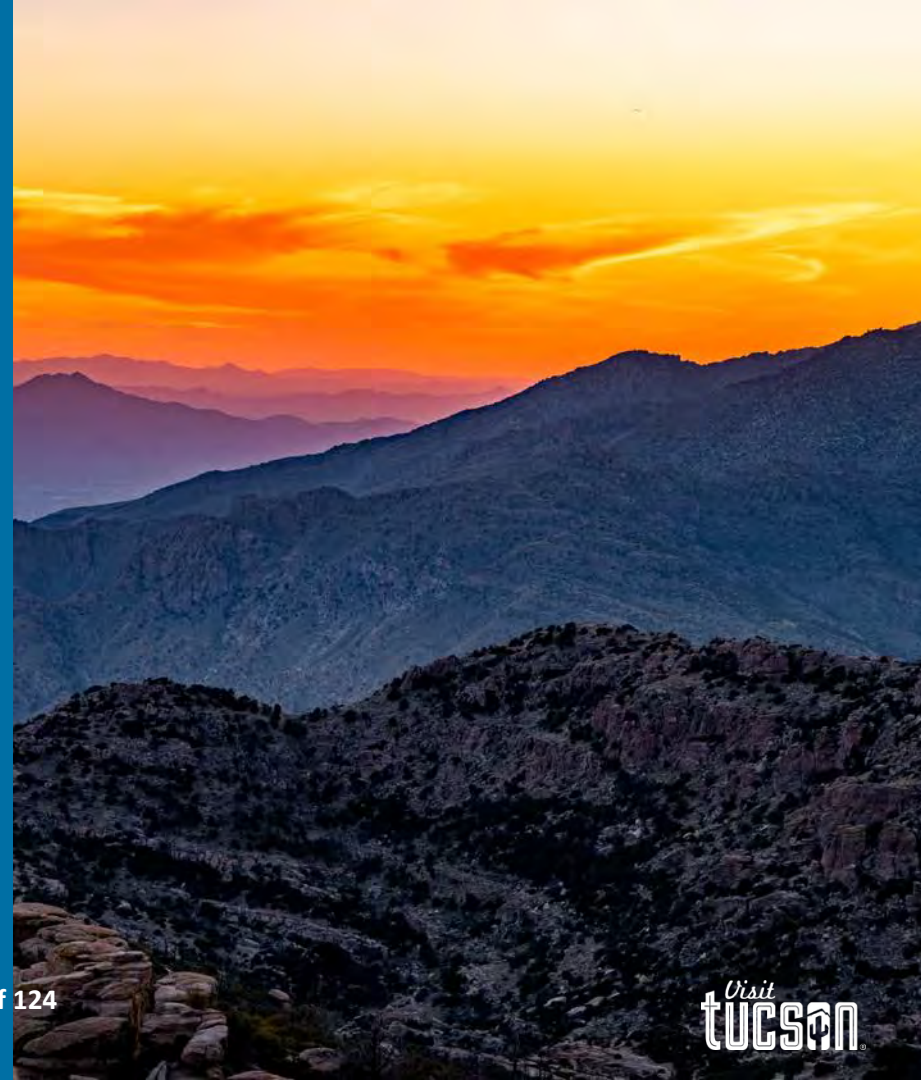
There are jobs in the tourism industry with desirable pay and benefits

West norm: 47%  
U.S. norm: 45%

# 04

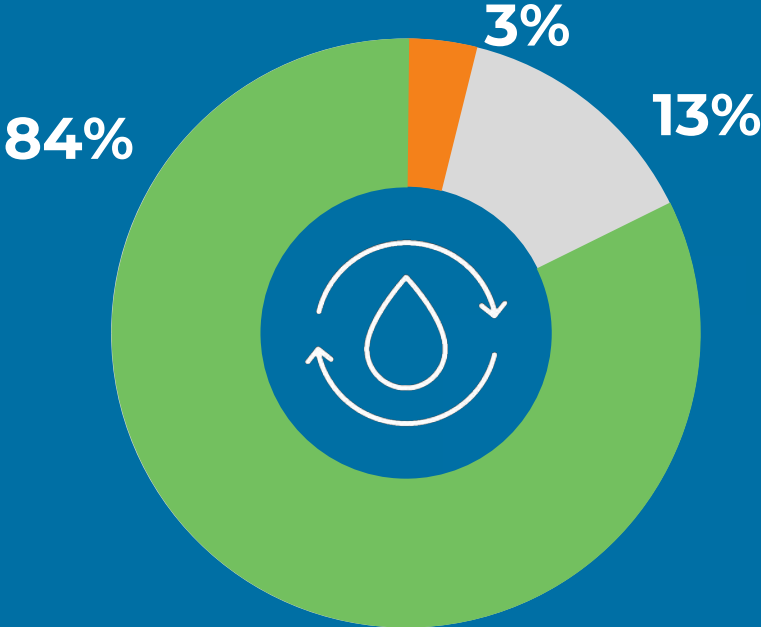
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## Sustainability



# Tucson Residents - Sustainability

The region should have a long-term (3+ years) sustainability tourism plan or strategy



Agree Neutral Disagree

84%

Water conservation should  
be a priority for tourism  
businesses

Disagree: 4%



62%

Tourism can help the environment as local governments and people seek to protect sensitive and scenic areas

West & U.S. norms: 41%

61%

Tourism is a good alternative to more environmentally-damaging development

West norm: 43%

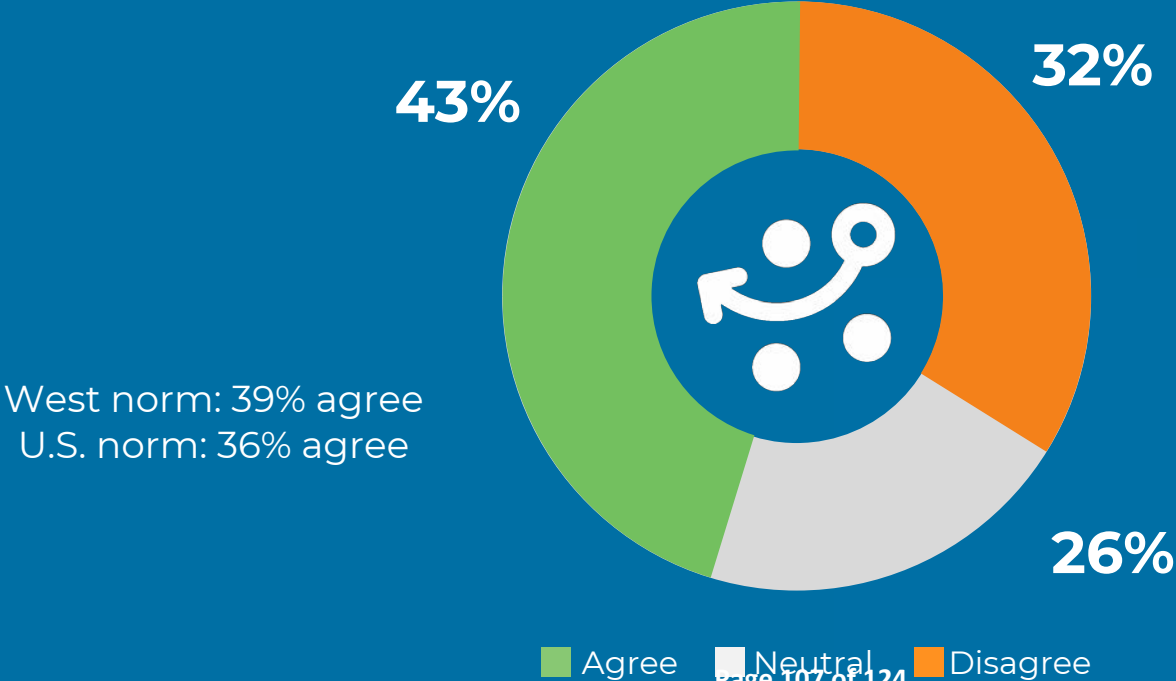
U.S. norm: 42%



# Tucson Residents – Sustainability



## The tourism industry values sustainability and our natural resources



**26%**

Overcrowding by tourists is spoiling our natural areas

West norm: 41%  
U.S. norm: 34%

**26%**

Overbuilding of tourism-related businesses is spoiling our natural areas

West norm: 41%  
U.S. norm: 35%

# 69%

**Tourism supports the preservation of local culture and protects the community's authenticity**

**West norm: 50%**  
**U.S. norm: 51%**

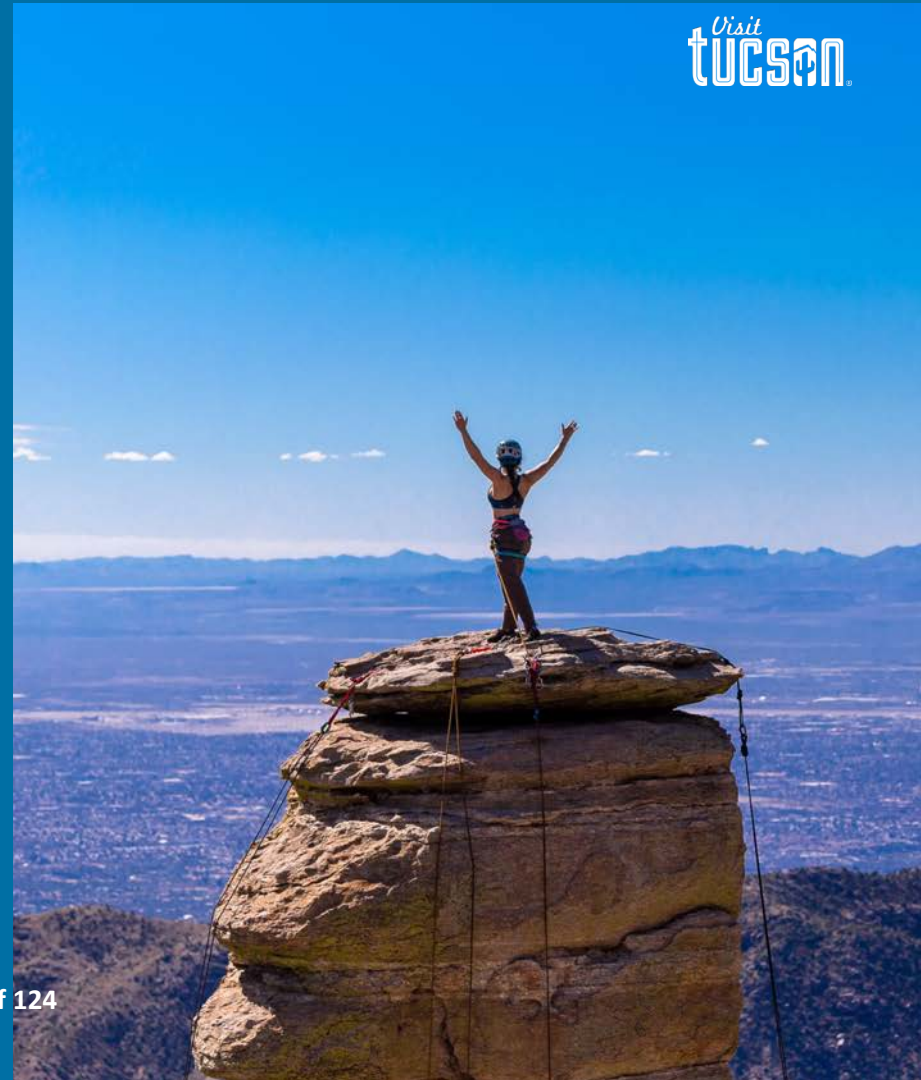




# 05

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## Quality of Life



# Tucson Residents – Quality of Life



**72%**

Dining opportunities are better here as a result of tourism

U.S. norm: 48%

**54%**

Shopping opportunities are better here as a result of tourism

U.S. norm: 43%

**62%**

I have more recreational opportunities (places to go and things to do) because of tourism in this area

U.S. norm: 45%



49%

Quality of life in my local area  
has improved because of  
increased tourism

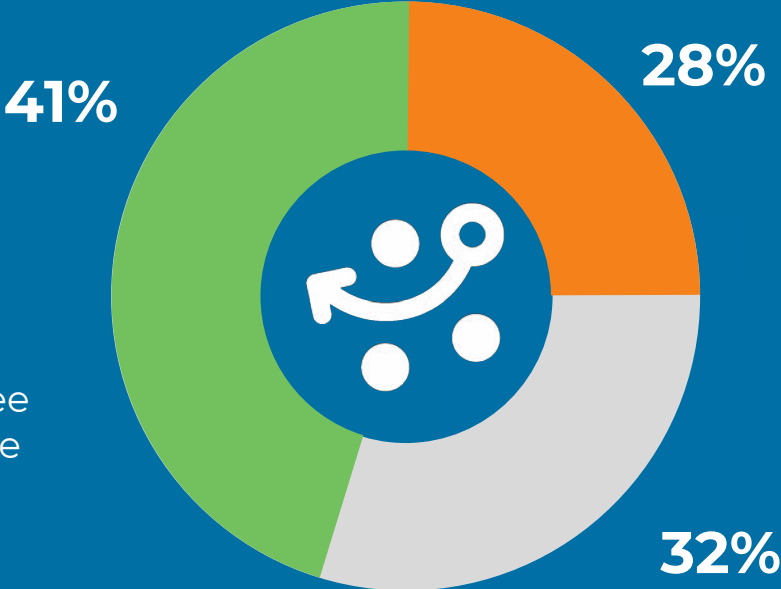
West norm: 42%

U.S. norm: 39%

# Tucson Residents – Quality of Life



The quality of public services has improved due to more tourism here



West norm: 41% agree  
U.S. norm: 40% agree

Agree Neutral Disagree

**53%**

Tourists add to traffic congestion and parking problems here

West norm: 55%  
U.S. norm: 48%

**29%**

Attractions and leisure facilities are becoming overcrowded because of more tourists

West norm: 45%  
U.S. norm: 39%

51%

**DISAGREE:** Uncontrolled tourism growth is jeopardizing our heritage and culture

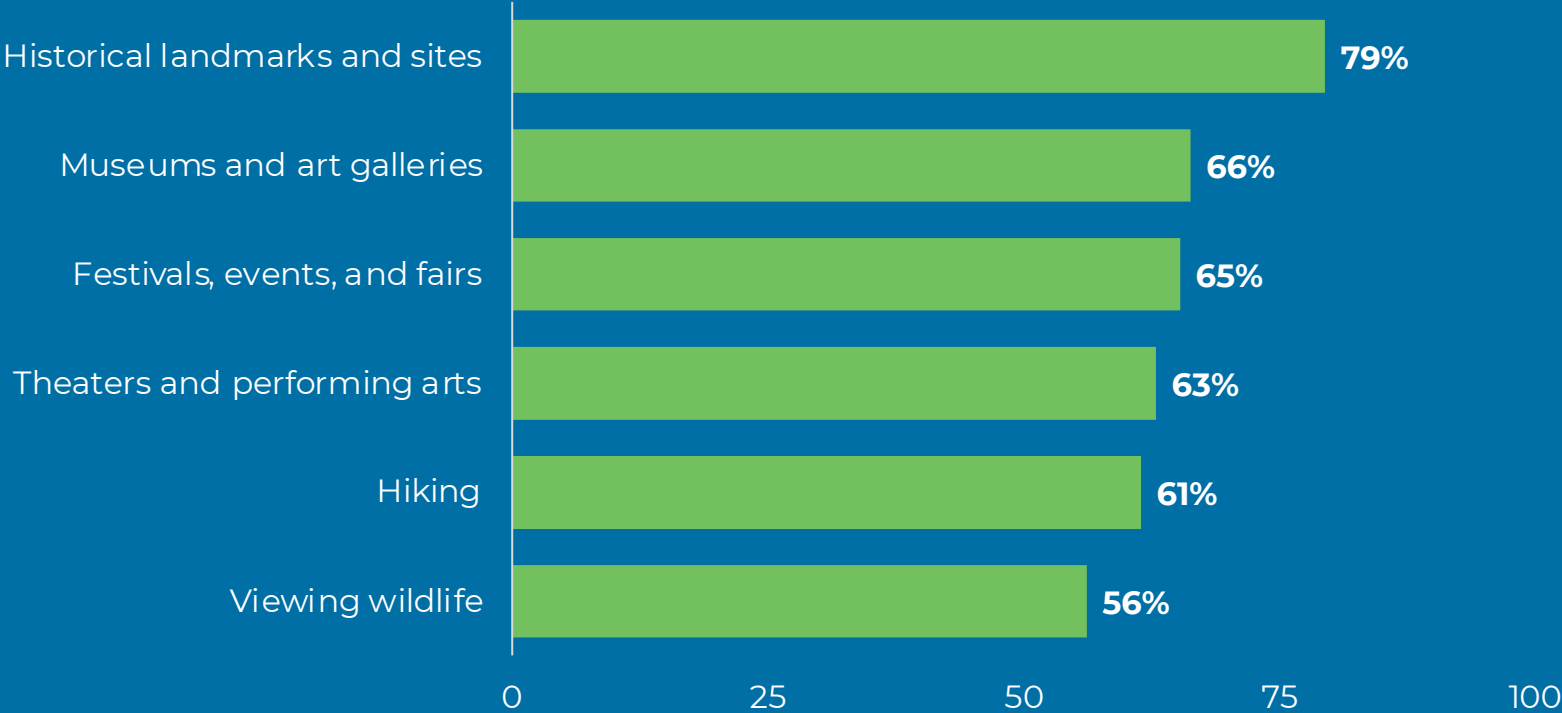
West norm: 42%  
U.S. norm: 46%

78%

**DISAGREE:** Tourism has caused an increase in crime and social problems like alcohol and drug use in the area

Agree: 7%

# Tucson Residents – Support Public Funds for Recreational Amenities





# 06

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## Special Events



# Tucson Residents – Sporting Events



**79%**

Hosting sporting events provides exposure to my community

U.S. norm: 60%

**83%**

I support hosting outdoor sporting events in my community

U.S. norm: 59%

**76%**

Hosting sporting events in my community creates opportunities for local participation

U.S. norm: 58%

Page 118 of 124





# 79%

I support hosting college and professional sporting events in my community

West norm: 58%

U.S. norm: 59%

# Tucson Residents – Sports Events



**80%**

Hosting youth and amateur sporting events benefits the local economy

West norm: 58%  
U.S. norm: 60%

**73%**

Hosting youth and amateur sporting events improves the quality of life in my community

West norm: 54%  
U.S. norm: 56%

# Tucson Residents – Festivals



**86%**

Festivals benefit the local economy

Disagree: 3%

**83%**

Festivals enhance the image of Tucson

Disagree: 5%

**72%**

Festivals help improve the quality of life in Tucson

Disagree: 8%

Page 121 of 124



**55%**

**Festivals increase the traffic  
congestion and parking  
problems in Tucson**

**Disagree: 17%**

# Opportunities for Visit Tucson

- Residents are your brand ambassadors and partners for continued tourism success and growth - inform/engage/seek input from them more regularly
- Expand ambassador program to connect with broader community
- Events are universally appealing – support new events that are of interest to visitors and residents alike
- Sustainability is essential to for the future strength of tourism in Tucson – launch program and share with community at large, not just partner businesses



# Thank You!

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longwoods-intl.com



arblount