
**TUCSON AIRPORT AUTHORITY | Board of Directors Regular Meeting
Monday, January 22, 2024 | Approximately 10:15 a.m.
Hacienda del Sol Guest Ranch Resort | Hacienda Room
5501 N. Hacienda del Sol Road, Tucson, Arizona 85718**

THIS REGULAR MEETING OF THE TUCSON AIRPORT AUTHORITY (TAA) BOARD OF DIRECTORS WAS HELD IN THE HACIENDA ROOM OF THE HACIENDA DEL SOL GUEST RANCH RESORT. THE MEETING BEGAN SHORTLY AFTER ADJOURNMENT OF THE TAA ANNUAL MEETING, WHICH WAS HELD IN THE SAME VENUE.

1. CALL TO ORDER | ROLL CALL

Chair Silvyn called the meeting to order at 10:14 a.m.

Directors Present: Chair Keri Silvyn, Vice Chair Mike Hammond, Secretary Phil Swaim, Treasurer Vance Falbaum, Director Todd Jackson, Director Fran Katz, Director Rhonda Piña, and Director Ellen Wheeler

Directors Absent: Director Judy Rich and Director Calline Sanchez

Others Present: TAA Member Lydia Aranda

Staff Present: President/CEO Danette Bewley, Executive Vice President/Chief Operating Officer Bruce Goetz, Executive Vice President/General Counsel Chris Schmaltz, Vice President/Chief Revenue Officer John Voorhees, Vice President/Chief People Officer Twyla Salaiz, Vice President of Airport Development Ken Nichols, Vice President/Chief Financial Officer Kim Allison, Chief Technology Officer Anthony Casella, Chief Communications Officer Austin Wright, Deputy General Counsel Kim Outlaw Ryan, IT Customer Support Technician Hector Lopez, and TAA Clerk Byron Jones

2. ELECTION OF OFFICERS

TAA Clerk Byron Jones reported that the Nominating Council recommended the following slate of corporate officers for 2024: Vice Chair Mike Hammond, Secretary Phil Swaim, and Treasurer Vance Falbaum. The Council did not make a recommendation for Treasurer. The Council did not have to make a recommendation for Board Chair as Chair Silvyn's term runs through January 2025.

Motion by Chair Silvyn, seconded by Director Katz, to elect as corporate officers for 2024: Director Hammond (Vice Chair), Director Swaim (Secretary), and Director Falbaum (Treasurer). The motion carried by the following vote:

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

Nays (0)

3. BOARD TRAINING | DISCUSSION

Executive Vice President/General Counsel Chris Schmaltz and Deputy General Counsel Kim Outlaw Ryan gave a training to the Board about its corporate governance role, its fiduciary responsibilities, and its obligations under the Arizona Open Meeting Law (OML) and the Arizona Public Records Law.

4. CONSENT AGENDA

- a. Approval of Minutes
- b. Delegation of Grant Authority to the President/CEO for 2024 (Res. No. 2024-01)
- c. 2024 Board of Directors Meeting Schedule (Res. No. 2024-02)
- d. Additional Extension of Rental Car Concessions Contracts (Res. No. 2024-03)
- e. Appointments to Advisory Councils (Res. No. 2024-04)

Motion by Vice Chair Hammond, seconded by Secretary Swaim, to approve the Consent Agenda. The motion carried by the following vote:

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

Nays (0)

5. BOARD CHAIR REPORT

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

Chair Silvyn reported the following:

- The TAA recently hired several new individuals: Property Administrator Alyssa Akin; Communications Specialist Eric Hermenitt; and GIS Specialist Max Meshel.
- Several employees were recently promoted: Laurie Oldford was promoted to Police Sergeant, Morgan Holland was promoted to Police Detective, and Juan Castro was promoted to Police Corporal.
- Director of Properties and Concessions Emin Aydin and Manager of Concessions and Ground Transportation Kathleen Stalter recently earned their United States Airport Professional Program (USAP) designation. The USAP program is training conducted by Airports Council International and covers a full range of current airport management topics, such as leadership

development, business strategy, commercial management, finance, operations, safety, security, and air service.

6. PRESIDENT/CEO REPORT

a. State of the Industry | Update

President/CEO Danette Bewley reported the following:

- ❑ 2023 was an incredible year to celebrate in terms of air service recovery after the pandemic. TUS finished 10% higher than 2022, with nearly 3.8 million passengers travelling through the airport.
- ❑ Passenger volume surpassed pre-pandemic levels in the fourth quarter, indicating that TUS has fully recovered from the pandemic based on that metric.
- ❑ TUS launched new nonstop service to Orange County, California (SNA), while welcoming back pre- pandemic markets such as Dallas Love Field (DAL), Chicago Midway (MDW), Portland, Oregon (PDX, and Everett, Washington (PAE).
- ❑ TAA selected Cat5 as its new insurance broker. TAA Member Brandt Hazen and TAA Member Edmund Marquez served on the section committee and did an awesome job.

b. Strategic Plan | Update

At the discretion of the Chair, this update was postponed to a future meeting.

7. PRESENTATION/DISCUSSION

FAA Compliance Audit – Final Report

Executive Vice President/General Counsel Chris Schmaltz reported that the TAA received a letter from the FAA stating that it considers all of the items they noted during their financial audit as closed. The result was a success for TAA. Mr. Schmaltz concluded by singling out for praise all employees who supplied information during the audit.

8. ACTION ITEMS

New Ground Lease with Ace DevCo NC, LLC (“AES”) [“Project Lasso”]

Vice President/Chief Revenue Officer John Voorhees presented terms for a new ground lease with Ace DevCo, LLC (AES), a solar company, to develop approximately 1,300-acres of TAA-owned land along the Old Vail Connection Road (Sonora South)

for the development of a solar photovoltaic (PV) array. The parcel currently has on infrastructure beyond that of electricity. The lease was the result of an advertisement for bid TAA put out after determining that the land, which contains a TEP (Tucson Electric Power) substation, is ideal for a PV array. AES proved to be the best respondent in terms of the revenue offered and the likelihood of success, with other major locations in the state.

The term of the lease includes a four-year option period, a 25-year operational period, and two optional five-year extensions. During the option period AES will conduct its due diligence (e.g., glare analysis, interconnection with TEP, and environmental surveys), construct the site, and execute its power purchase agreements.

This is a good opportunity to bring in passive income since TAA does not have to commit funds to improve the parcel. TAA will pursue having the parcel rezoned from Rural Homestead to Heavy Industrial to increase its marketability for when the Sun Corridor (State Route 410) is built.

Motion by Vice Chair Hammond, seconded by Treasurer Falbaum, to authorize the President/CEO or her designee(s) to negotiate and execute a ground lease with Ace DevCo NC, LLC (“AES”), in accordance with key business terms. The motion carried by the following vote:

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

Nays (0)

9. DIVISION UPDATES

a. Finance and Regulatory Administration

Vice President/Chief Financial Officer Kim Allison gave an overview of the September 2023 financials and aviation activity.

- Year-to-date landed weight was 10% above budget due mainly to some airlines using larger aircraft.
- Year-to-date passenger volume was 1.3% below budget which was in line with the projections.
- Revenues were 6.5% above budget and operating expenses were 3.1% below budget.

b. Operations | Federal Aviation Administration – Annual FAR Part 139 Inspection

Executive Vice President/Chief Operating Officer Bruce Goetz reported that field personnel were busy preparing for TUS’s annual FAR Part 139 inspection the third

week of February 2024. The Board of Directors will receive a post-inspection update during the board meeting on March 6, 2024.

10. NEXT MEETING

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

11. ADJOURN

There being no further business to discuss, Chair Silvyn adjourned the meeting at 11:17 a.m.

APPROVED BY:

Phil Swaim
[Phil Swaim \(Mar 6, 2024 16:52 MST\)](#)
Phil Swaim, Secretary

Date: March 6, 2024

Prepared by:

Byron Jones
[Byron Jones \(Mar 6, 2024 16:27 MST\)](#)
Byron Jones, TAA Clerk

Date: March 6, 2024