



STRATEGIC PLAN 3.0

TUCSON AIRPORT AUTHORITY



TUCSON
AIRPORT AUTHORITY
TUCSON INTERNATIONAL AIRPORT • RYAN AIRFIELD





“TAA is pleased to share that the Tucson International Airport has recovered from the pandemic, and is poised for growth, which confirms its importance as a vital economic engine for the Southern Arizona region.”

DANETTE BEWLEY
PRESIDENT/CEO



PRESIDENT/ CEO LETTER



TAA STRATEGIC PLAN 3.0

The Tucson Airport Authority (TAA), a quasi-governmental agency, was formed in 1948 to develop, operate and maintain Tucson International Airport (TUS). In 1951, Ryan Airfield (RYN) was integrated into the TAA organization. The TAA is governed by 60-person membership and an 11-member Board of Directors. The focus of the TAA is safety, security, customer service, and business/economic development.

The Tucson Airport Authority developed Strategic Plan 1.0 which began during the pandemic in 2020 and included initiatives to support the airport system during a challenging and uncertain time, to build a foundation for the future. In 2021, as the pandemic and economic recovery were ongoing, the TAA updated the plan to Strategic Plan 2.0, which was bolder and included several important investment initiatives. The Strategic Plan was once again updated in 2021 to version 2.1, which reflected several accomplishments and updated goals. Now in 2024, it is time to reflect on the accomplishments between 2020 and 2023 and refocus on strategic objectives to update the Strategic Plan.

A few accomplishments include:

Expand Prosperity

- Regularly communicated and coordinated with our airline partners, which were integral in the restoration of flights and to forecasting recovery. Flight restoration reflected a 12% year-over-year increase from 2022 to 2023; the Department of Transportation rated Tucson International Airport (TUS) #4 of the top 75 airports in the nation for year-over-year growth in 2023.

- Framework for a modernized 10-year Airline Use Agreement was completed.
- Expanded “Nonstop” campaign to reach more Tucsonans through commercials, radio, social media, and other platforms to reduce leakage to other airports and increase use of TUS air service options during 2023. In addition, the TAA’s marketing occurred in target cities to support existing and new routes.
- The TAA continued to partner with the FAA to position the TAA land for the commercial market. Nearly 1600 acres were cleared by the FAA, and the TAA executed 14 new leases. This helps diversify the revenue stream and contribute to financial stability.

Accelerate Performance

- Incorporated the Cultural Fundamentals into a refined Performance Management system; 100% of team members have a performance plan that emphasizes excellence in what they do and how they get it done.
- Delivered individual and organizational employee feedback mechanisms and surveys, increasing awareness, and enabling response to strengths and opportunity focus areas.
- Executed an annual market analysis of the Compensation Plan and total rewards, including an updated market study with internal equity adjustments to support attraction and retention of talent.
- Developed and completed a customized business and leadership development program for Directors.

Project Excellence

Project excellence builds on the previous Upgrade to First Class Systems and comprises the following:

- Initiated the construction phase(s) of the critical Airfield Safety Enhancement Program; completed several enabling projects, including the Airfield Electrical Lighting Vault, End-Around Taxiway, demolition of Runway 11R/29L, and began construction on an Outboard Taxiway and relocated Runway 12R/30L.
- Upgraded and Replaced Technology
 - Upgraded and Expanded Lightning Detection System
 - Upgraded and Expanded Electronic Video Information Displays/Paging System
 - Updated Emergency Operations Center Technology
 - Implemented Common Use Gate System
 - Created New Board Portal
 - Improved our Cybersecurity readiness across our Systems
 - Implemented a modernized payroll/ Human Resource Information System (HRIS)
- Completed federally mandated Cyber-Security Plan.
- Launched sustainability planning efforts and captured existing sustainability projects to ensure TAA had a comprehensive list to include in the Sustainability Management Plan.

TAA Champions

- Surveyed the TAA Membership and the Southern Arizona community, respectively, to evaluate value propositions.
- Met frequently with national policymakers, influencing decisions that affected the TAA and the nations' airports.

➤ As a result, many of the TAA's legislative priorities were included in the FAA Reauthorization Act signed into law in May 2024.

- Shared the TAA's legislative priorities with TAA Members to ensuring Members had the latest information and talking points when talking to local, state, and national elected officials.
- Created "Top 3 for Advocacy," which included important talking points for the TAA Membership.

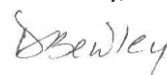
In closing, it is exciting to share that the TAA has fully recovered from the pandemic and is positioned to exceed activity levels reached in the period from 2007 – 2008, a high point for TUS. Furthermore, TUS is poised for growth that may result in the re-classification of the airport from a small-hub commercial service airport to a medium-hub commercial service airport in the coming years.

With an acknowledgment of the progress made between 2020 and 2023, it is once again time to update the Strategic Plan to respond to our current position and to forecast the future position we want to achieve.

I encourage you to support and take part in Strategic Plan 3.0, support your dedicated TAA team and the wonderful airport system it operates, maintains, and develops for our community.

When your airport thrives, your community thrives.

Sincerely,



Danette Bewley
President/CEO



MISSION

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

VISION

Landing Prosperity in Southern Arizona.

GUIDING PRINCIPLES

Who we are and who we want to be. The members of the Executive Team are ambassadors of our culture, and will engage everyone in these expectations.



We deliver results.

- ✂ We manage an airport system where safety, security and customer service are our top priorities.
- ✂ We are accountable. We do what we say we will do.
- ✂ We clearly communicate expectations and listen to make sure others understand and agree with them.
- ✂ We work collaboratively for the greater good of travelers, customers, employees, business and community partners.

We work smart.

- ✂ We are good at what we do, and we learn from each other.
- ✂ We are critical thinkers who anticipate, analyze, prioritize, and act with urgency.
- ✂ We move quickly with what works and commit to continuous improvement.
- ✂ We not only identify problems, we offer solutions.



We are curious.

- ✂ We embrace change, are unafraid to question our assumptions, and use mistakes for learning.
- ✂ We value feedback, growth, agility, and self-improvement.
- ✂ We anticipate future needs and possibilities.
- ✂ We see opportunities others may miss.

We play for the team.

- ✂ Because we care, we contribute to the quality of the lives of our employees and the people we serve.
- ✂ We are transparent and treat everyone with respect and dignity.
- ✂ We are connected. We make sure everyone understands their unique contribution to our overall success.
- ✂ We encourage leadership from everyone.



“The TAA has many exciting projects, programs, and initiatives underway to position the organization and airport system for success.”

DANETTE BEWLEY
PRESIDENT/CEO



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STRATEGIC INITIATIVES



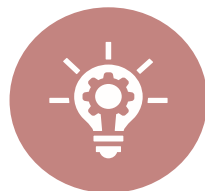
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STRATEGIC INITIATIVES



**EXPAND
PROSPERITY**

FY2025 – FY2027

*Continue the
Transformational
Journey*

Powering Growth

The Future is Now

*Invest to Support Economic
Demand*

*The Power of
Engagement*

*Realize the Benefits of a
Connected Community*

TAA established four “Strategic Initiatives,” or rally cries, intended to build upon themselves each year. Our annual goals and focus areas for the year directly reflect our fiscal year “Rally Cry.”



**ACCELERATE
PERFORMANCE**



**PROJECT
EXCELLENCE**



**TAA
CHAMPIONS**

Leverage Talent to Support Investments (Projects, Programs, and Initiatives)

Modernize Airfield Safety and Terminal Complex

Drive the Vision

Energize Leadership for our Workforce of the Future

Evolve Innovation and Agility

Elevate Advocacy

Secure Recognition as Employer of Choice

Embed Efficiency and System Reliability

Engage Community and Industry Change Makers

EXPAND PROSPERITY



“TUS has worked strategically to restore commercial flights and has exceeded pre-pandemic levels; TUS is poised for additional growth and must actively plan for future demand.”

Austin Wright

Chief Communications Officer

EXPAND PROSPERITY

The TAA's focus is to manage, maintain, operate, and develop TUS and RYN as a self-sustaining airport system that supports the operation with essential investments. To that end, the TAA must expand prosperity through air service development (additional frequency, new entrants) and business development (new leases, and aeronautical and non-aeronautical land development) initiatives.

TUS has recovered from the pandemic with commercial service flights above pre-pandemic levels. Airlines find the TAA's low-cost structure appealing, and discussions are ongoing with various airline stakeholders to increase frequency, add new routes, and with prospective new entrants. In addition, there are land resources at TUS and RYN that are available and will be leveraged through proper federal processes to bring the land to market and increase aeronautical and non-aeronautical revenue.

INITIATIVE SUMMARY:

Airlines

- The TAA enjoys an exceptional partnership with our airline partners and has extended reach and contacts with air carriers who do not yet fly into TUS.
 - The TAA's goal remains to be positioned as a cost-effective airport where airlines can expand service and offer new routes for our community, or new entrants can join to expand our world reach.
 - Our air service focus will continue to be underserved domestic markets and targeted international markets.
- Through a collaborative effort, the TAA has worked diligently to modernize an Airline Use Agreement (AUA) with our air carrier stakeholders. When executed, the AUA provides the TAA economic stability through a 10-year residual agreement, which allows the TAA to focus on major capital development to upgrade and modernize outdated facilities.
- Expand TV, radio, digital, print and billboard marketing to enhance awareness of the airport offerings.

Land Development

- The TAA will continue to work effectively with the FAA, through a complex environmental process, to bring non-aeronautical land to the market over the next several years. These actions support the long-term sustainability of the TAA and airport system and will add value to the community in the form of regional economic development.
 - The TAA will continue to actively pursue business development strategies to develop and market TUS and RYN land to targeted industries.

FY25 - FY27 Focus Areas:

Make business decisions that contribute to the \$8.3-billion-dollar+ economic impact through the following measures:

- Increase air service in underserved key domestic and international markets.
- Develop Business Intelligence practices to timely track and positively influence airport revenue generation trends.
- Begin planning initiatives related to terminal modernization; begin enabling projects. Align concessions and parking programs with terminal modernization project.
- Continue to market/develop the TAA land to enhance the revenue stream and ensure economic stability.

ACCELERATE PERFORMANCE



“We will leverage an engaged, high-performing workforce to achieve our long-term goals.”

Kim DeLaTorre

Chief People Officer



ACCELERATE PERFORMANCE

The TAA recognizes that our team members are at the core of everything we do to support the TAA and the airport system. Accelerating performance defines our unwavering commitment to invest in a culture that drives engagement and rewards excellence. To realize our strategic and operational objectives, we must continuously look inward to attract, engage, activate, and retain critical talent. Previous versions of the strategic plan focused on the service provided by People Operations to manage culture and improve the development of the TAA's team members. Strategic Plan 3.0 reorients this to acknowledge the important role that every team member and leader plays in creating and fostering the culture created by our daily work and behavior.

INITIATIVE SUMMARY:

People Operations will focus on providing partnership that connects organizational priorities to talent resources and solutions within the airport system flow of business. Team members will be empowered, engaged, and recognized for excellence. Leaders will be equipped with data to make informed decisions that unleash the potential of their teams and the organization.

Market-Driven Total Rewards

- Attract and retain top-tier talent through investments in market competitive compensation and benefits.
- Update the TAA employment processes and policies in support of the workforce of the future.

Focus on People Operations

- Realign People Operations as business partner to connect People Operations processes with operational priorities. This refined alignment is designed to proactively support the talent and contribute to the sustainable airport system and business needs of TUS and RYN.

Performance Management

- Leverage the curated process to enhance leader and employee connection. Leaders confidently take responsibility in their role to empower the workforce and reward excellence.
- Focus on clear priorities and goals, clear and meaningful feedback, and a recognition that accountability and follow through on commitments leads to success.

Invest in Culture and Team Member Engagement

- Continue efforts to invest in cultural transformation to be an employer of choice.
- Employ competitive benchmarking for the TAA employee value proposition using data-driven best practices and research for workplaces.

FY25 - FY27 FOCUS AREAS:

- Leverage competitive employment packages to attract and retain top-tier talent as indicated by reductions in regrettable attrition and increased offer acceptance.
- Expand workforce analysis to support organizational priorities, by closely examining team capabilities and capacities, acquiring resilient talent, and utilizing data to support leadership decision-making.
- Continued focus on position specific and behavioral based Performance Management preparing leaders to unlock potential through clear expectations, goals, and consistent feedback to discuss progress.

PROJECT EXCELLENCE



“The critical Airfield Safety Enhancement Program, an FAA safety and standards program, will modernize the airfield and position TUS for long-term success that will meet the aviation needs for decades to come.”

Bruce Goetz

Executive Vice President/COO



PROJECT EXCELLENCE

The TAA has been on a multi-year journey to evaluate and modernize its critical building and facility infrastructure and many information technology infrastructure platforms, business support platforms, and systems at Tucson International Airport and Ryan Airfield. Project excellence builds upon the previous Upgrade to First Class Systems and Efficiencies initiative by instilling a focus on project planning, development, and delivery using the platforms and systems implemented in recent years.

INITIATIVE SUMMARY:

For the TAA to operate the airport system effectively and achieve maximum efficiency, it is necessary to continue efforts to upgrade infrastructure, update systems and processes to accommodate future growth and/or meet federal directives.

Airfield Safety Enhancement (ASE) Program

- The ASE Program is the largest program in the TAA's history with an estimated cost of \$400M. Enabling projects completed since ground-breaking in 2019 include construction of an airfield lighting vault, multiple taxiways, major drainage improvements, and demolition of a parallel runway. Work to be completed includes construction of a replacement parallel runway, improvements to the existing parallel runway, and construction of several taxiways connecting both runways.
 - The TAA's focus is to continue to deliver the program for the benefit of the airport's commercial, general aviation, and military users.

Information Technology

- Cyber Security Program | The TAA has completed a Cyber Implementation Plan as part of multiple TSA mandates. However, this is a complex program with a myriad of systems being upgraded to secure our environment and protect critical TAA and employee data.
 - The TAA's focus is the continued implementation of new systems over the next few years.
- Common Use Technology | Airlines have requested access to the TAA gates (non-leased gates) to support their increased operations at TUS. The TAA began the implementation of common use technology which allows all airlines to use shared gates when required during their increased flight volume.
 - The TAA's focus is to continue this effort and complete the identified phases over the next few years.
- Access Control System (ACS) | The TAA has completed phase 1 of a multi-phase access control system replacement at TUS. This new ACS will have more integration to other systems to increase safety and security at TUS.
 - The TAA's focus is to begin Phase 2 of this project in FY25.

- Parking and Revenue Control System (PARCS) | The TAA will replace the aging parking management system with a modern system, making it easier for passengers to find and reserve parking spots at TUS.
 - The TAA's focus is to complete this project in FY25.
- Airport Management System (AMS) | The TAA will procure a new software platform that will combine numerous disparate software applications into a single platform with interconnected modules. Example modules include:
 - Safety Management System
 - Part 139, ARFF and Fueling Inspections
 - Work Order Management
 - Lease Management with Tenant Portal
 - Gate Management

Terminal Modernization

- In 2023, the TAA completed a Terminal Needs Assessment. This identified deficiencies in the terminal complex, including the outbound baggage handling system, the number of gates needed to support future demand, inadequate concourse size, and several other critical infrastructure elements. In response, the TAA met with our airline partners to discuss the present state of the terminal and a phased approach to plan for a modernized facility that meets forecasted needs.
 - Over the next few years, our focus is to optimize grant opportunities, and design and construct enabling infrastructure projects.
 - Begin the design process for future concourse modernization, as resources allow and in coordination with the airlines.

Note: Pictures are concept renderings, not a final design.



FY25 - FY27 FOCUS AREAS:

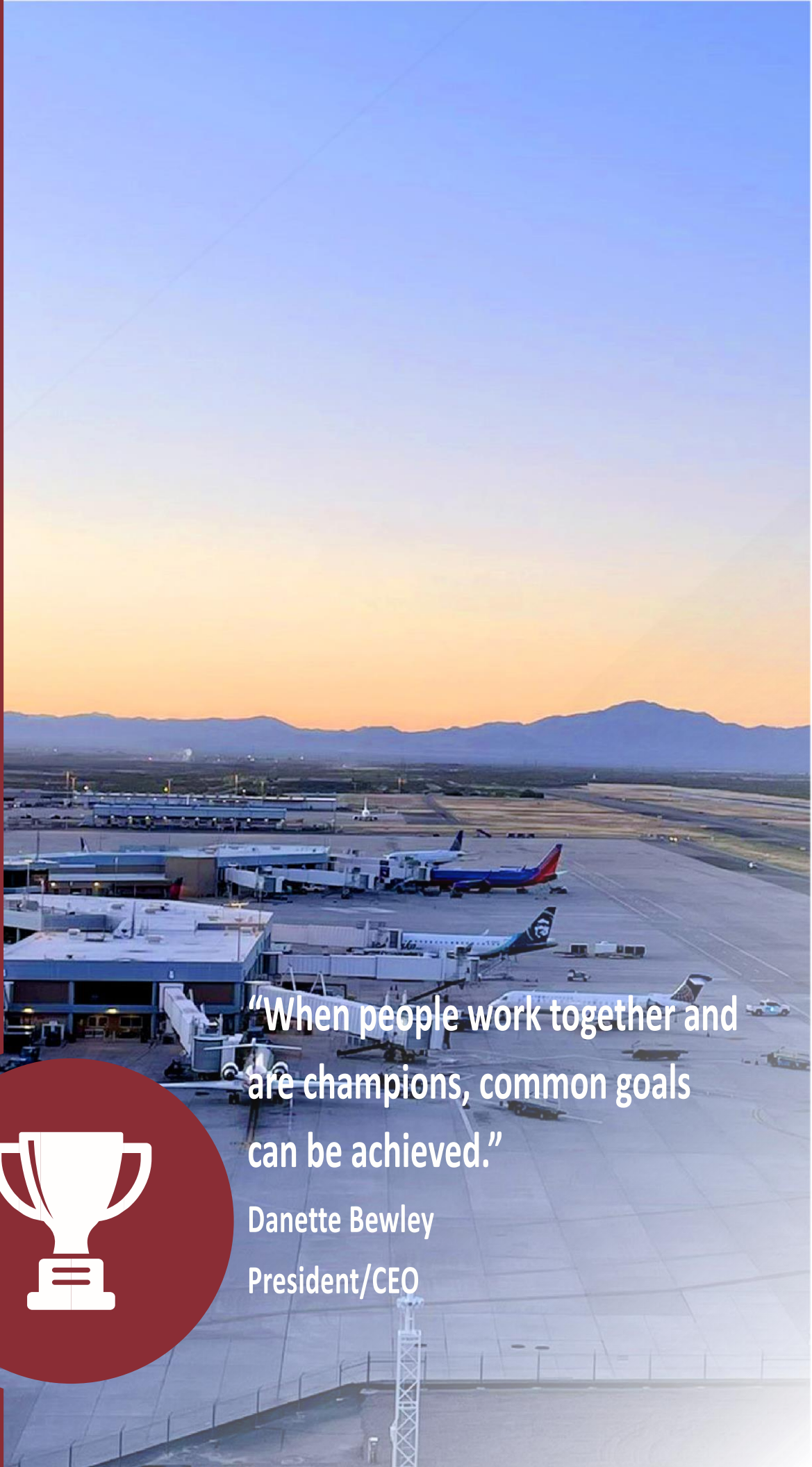
- Complete Information Technology initiatives.
- Develop a comprehensive funding strategy for infrastructure improvements including optimization of grant funding opportunities in conjunction with appropriate financing.
- Continue implementation of the Airfield Safety Enhancement Program (estimated completion of ASE is FY28, depending on grant funding).
- Begin design for future concourse modernization and associated projects.

TAA CHAMPIONS



“When people work together and are champions, common goals can be achieved.”

Danette Bewley
President/CEO



TAA CHAMPIONS

The goal of this strategic initiative is to activate the TAA Membership to become champions for the TAA and the airport system and the economic assets that it operates for the benefit of the Southern Arizona region. Through an Advocacy Plan, the TAA provided information and different ways to engage and support the TAA through effective messaging. The TAA also reinforced relationships with our airline partners, while establishing key partnerships within the tourism sector, including Visit Tucson, the Arizona Tourism, Lodging and Sports Authority, the Southern Arizona Sports, Tourism, and Film Authority, and the UA Athletics Department.

INITIATIVE SUMMARY:

- **Board and Member Engagement**
 - Leverage Member networks to expand outreach efforts.
 - Communications of 'Top 3 for Advocacy'.
 - Support the TAA with efforts that require influence and expertise (legislative priorities, etc.).

- **Community and Industry Champions**
 - Industry Outcomes
 - Airlines champion the TAA because of its cost-efficient business structure, positive performance data, ease of access to decision-makers that result in increased air service and revenue.
 - Federal agencies support and champion critical infrastructure projects that enhance the airport system, and further support the operational needs of our tenants, passengers, customers, and users, through grant opportunities.

 - Regional Outcomes
 - Community and business leader outreach and engagement
 - The TAA strategically partnered with local Chambers of Commerce and regional media partners to ensure the TAA's messaging resonates in the business community. Targeting key decision makers is critical to ensure business travel remains at TUS.

 - National Outcomes
 - Legislators
 - The TAA legislative team and Membership regularly meet with elected officials on a local, state, and federal level to ensure our legislative initiatives for our airport and nation's airport system are top of mind.

FY25 - FY27 FOCUS AREAS:

- Board and Membership external engagement will continually expand as they serve as impactful voices in our community and serve as a strategic tool for championing the mission of the TAA.
- Airline relationships and strategic management of TAA costs will have a positive result in increased air service, and a higher revenue yield for the TAA.
- TAA is recognized as an industry leader, positioning TUS as a top performing airport to allow for future growth and prosperity.



