

TUCSON AIRPORT AUTHORITY | Board of Directors Regular Meeting
Wednesday, December 3, 2025 | 3:00 P.M. | TAA Board Room and Microsoft Teams

THIS REGULAR MEETING OF THE TUCSON AIRPORT AUTHORITY (TAA) BOARD OF DIRECTORS WAS HELD IN A HYBRID MANNER. BOARD MEMBERS ATTENDED THE MEETING IN PERSON OR VIRTUALLY VIA MICROSOFT TEAMS. MEMBERS OF THE PUBLIC WERE INVITED TO ATTEND IN PERSON.

1. CALL TO ORDER | ROLL CALL

Chair Michael Hammond called the meeting to order at 3:00 P.M.

Directors Present: Chair Michael Hammond, Vice Chair Phil Swaim, Secretary Vance Falbaum (joined the meeting at 3:10 P.M.), Treasure Rhonda Piña (joined via Teams at 3:06 P.M.), Director Tim Overton, Director Todd Jackson, Director Fran Katz (via Teams), Director Calline Sanchez, Director Ellen Wheeler, and Director Keri Silvyn.

Directors Absent: Director Judy Rich

Staff Present: President/CEO Danette Bewley, Executive Vice President/Chief Operations Officer Bruce Goetz, Executive Vice President/General Counsel Chris Schmaltz, Vice President/Chief Revenue Officer John 'Dutch' Voorhees, Vice President/Chief Financial Officer Kim Allison, Chief Communications Officer Austin Wright, Chief People Officer Kim DeLaTorre, Deputy General Counsel Kim Outlaw Ryan, Associate General Counsel LeCarie Whitfield, Deputy Chief of Finance Mary Fowler, IT Customer Support Technician Hector Lopez, and TAA Clerk Carolina Cordova.

2. CONSENT AGENDA

Motion by Director Todd Jackson, seconded by Director Ellen Wheeler, to approve the Consent Agenda. The Motion carried by the following vote:

Ayes (8) Hammond, Swaim, Jackson, Silvyn, Katz, Overton, Sanchez, Wheeler
Nays (0)

3. BOARD CHAIR REPORT

a. TAA Advocacy

- Chair Michael Hammond discussed the ease and convenience of traveling from TUS compared to our Phoenix competitors and the cost savings he noticed when flying through TUS. He encouraged the public and Directors/Members to fly locally through TUS.
- Chair Michael Hammond reported that President/CEO Danette Bewley was re-elected to the Airport Council International – North America Board to serve a 2-year

term. Chair Hammond congratulated President/CEO Danette Bewley and noted how much the TAA is involved in the community.

4. PRESIDENT/CEO REPORT

a. President/CEO Danette Bewley provided an Industry and TAA Airport System update:

- October and November were difficult months for TUS due to the federal government shut down and its unknown duration.
- There was a general decline in passengers making reservations due to the uncertainty of flight cancellations or delays. When the FAA implemented capacity reductions across the top 40 airports nationwide, most airports across the country were also affected by this. Fortunately, TUS flight cancellations averaged only two per day.
- A priority of the TAA was to make sure the federal employees working at TUS remained committed to their role at TUS and were present with positive morale. TAA established a temporary food bank for the federal employees affected by the shutdown period. There were no reported call outs by federal employees at TUS and President/CEO Danette Bewley commended airlines, community partners, and TAA staff for contributing to the food bank supplies.
- In November a United Parcel Service (UPS) MD-11F airplane crashed in Louisville, Kentucky. As a result, UPS, FedEx, Western Global Airlines, and other airlines grounded their MD-11 fleets out of an abundance of caution. This is not likely a major concern as UPS, FedEx and Western Global had few MD-11s as part of their fleets. President/CEO Danette Bewley noted that this highlights the need for attention to the care of aging aircraft and for effective aircraft maintenance.
- The TAA contributed \$7,500 to the Pima Foundation TUS “Wheels Up” for Aviation Scholarship. Local donors such as the Hilman Family Foundation, TAA Member Linda Mazon Gutierrez and her husband Jaime Gutierrez also contributed to the total value of the scholarship. The letter from Pima Foundation indicates funding of the scholarship at \$22,500 with \$17,500 awarded.
- President/CEO Danette Bewley reported that Frontier Airlines has added a fourth destination, Salt Lake City, to begin in January. The Air Service Development team will hold an important meeting with another carrier next week regarding a potential new East Coast destination that they hope to land.

b. EVP/COO Bruce Goetz provided a Strategic Plan update:

- Regarding the Strategic Initiative of “Accelerate Performance”: A new Leadership Orientation Training was established by Chief People Officer Kim DeLaTorre and the People Operations team to bring all of the TAA directors and above to a baseline standard of leadership excellence at TAA.
- Regarding the Strategic Initiative of “Expanding Prosperity”: EVP/COO Bruce Goetz stated there is a projected 15% year-over-year in revenue growth. Current tenant Million Air has plans for new hangar construction and other work for 2026.

- Regarding the Strategic Initiative of “Project Excellence”: Two big milestone projects underway are upgrades to access control and camera replacement systems. There is around \$4.5 million worth of technology going into those two systems. EVP/COO Bruce Goetz also reported that the IT Department is progressing with cybersecurity enhancements and has implemented new tools designed to capture phishing emails and other cyber threats.
- Chair Michael Hammond asked if there was a national strategy for the cyber security issue. EVP/COO Bruce Goetz answered that TSA issued new regulations 2 years ago in the cyber security realm. TSA conducted an audit of TUS a few months back which assessed vulnerabilities and identified potential remedial actions to be implemented. The TAA passed with flying colors. EVP/COO Bruce Goetz informed the Board that VP/Chief Information Officer Anthony Casella received his ‘secret’ clearance from the government as he is involved in many cybersecurity threat calls, and the TUS is required to report any concerns through the TSA chain of command. President/CEO Danette Bewley and EVP/GC Chris Schmaltz added that the new TSA requirements related to cybersecurity prompted a closer examination as to how TAA contracts with service providers to ensure they comply with TAA cybersecurity standards. President/CEO Danette Bewley stated that service providers must enhance their cyber protections to meet TAA standards, or they will not be working with TAA.
- Further regarding “Project Excellence”: A \$56 million grant from the FAA was awarded, along with a matching grant of about \$2.7 million from the Arizona Department of Transportation for the ASE Project. Along with additional money from the TAA, a contract with Granite Construction was recently signed and it will take just over \$62 million for the next phase of work on the runway, which includes concrete mix design and pouring concrete for the new runway expected to begin in January and February. President/CEO Danette Bewley advised that TAA needs to have the runway completed so that FAA can perform a flight check by April of 2027 to certify the runway.
- Regarding the Strategic Initiative of “TAA Champions”: The Air Service Development team is working with the airlines to expand destinations from TUS and continue to grow the economic impact on the local community and region.

5. ACTION ITEM

a. 2026 TAA Membership Nominations

Chair Michael Hammond provided the opportunity for any discussion on reconsideration of the 2026 TAA actions from the Nominating Council related to new members, continuing members and Board nominees. There being no request for discussion, no action was taken, and the Nominees will be placed on the ballot to be voted upon by the TAA Active membership at the Annual Meeting on January 26, 2026.

6. DIVISION UPDATES

a. VP/CRO John Voorhees provided the following Business and Commercial Development Update:

- It was a very positive and active year for revenue growth with the average Revenue Per Employee Passenger (RPE) for FY25 being 14.68%. This is around a \$2 million revenue increase from concessions. Primary contributors to this increase are longer parking “dwell times,” customer satisfaction with terminal concessions offerings, Rent-a-Car (RAC) long term contracts, and advertising revenue.
- The parking rates increase went into effect in October resulting in a 20% jump in revenue. VP/CRO John Voorhees conservatively estimated a 10-15% increase in parking lot revenue year-over-year due to the increase. Director Todd Jackson inquired whether there was any indication of a drop in numbers after the parking rate increased. VP/CRO John Voorhees reported that it was too early to tell.
- Ground transportation fees for app-based transportation providers like Uber and Lyft and Turo will go up this year. These providers are doing very well and crossed over the six-figure mark in the month of October. Director Keri Silvyn inquired what “Turo” is. VP/CRO John Voorhees and EVP/GC Chris Schmaltz explained that it is a personal vehicle rental app similar to Airbnb for personal vehicles. EVP/GC Chris Schmaltz added that the contracted revenue structure matches the commitment of the rental car company contracts at the airport.
- All the reported aeronautical and non-aeronautical development projects are making positive progress toward completion. VP/CRO John Voorhees emphasized the amount of time it takes for development projects to materialize from initiation to “shovel in the ground.”

b. CCO Austin Wright provided the following Air Service Development (ASD) Update:

- It is too soon to provide firm numbers on the impact to TAA from the federal government shutdown and CCO Austin Wright expects to provide a clearer update in January.
- Southwest Airlines announced that it will be adding daily nonstops from TUS to PHX. This is positive for TUS as it opens the door to 81 non-stop destinations. Frontier Airlines is expanding as well, adding a fourth non-stop flight to Salt Lake City.
- Capacity is down across the country. Domestic growth is flat, overall, seeing a 12-13% growth rate over the last two years. As we start to see demand normalize for the region, we will see growth rates start to moderate to a national average. TUS is still expecting a 2-3% average growth for the year.
- CCO Austin Wright updated that Frontier Airlines pulled out of Palm Springs airport completely, and this is our closest comparative airport. This tells us that TUS is doing well, and this is because we remain focused on being a low-cost airport. Fare difference compared to other airports is down to \$27, compared to prices of upwards of \$60 years prior.

- CCO Austin Wright reports that they are working closely with BCD on concessions, marketing, and parking promotions. CCO Austin Wright sits on Board of Visit Tucson, and it is a passion point for him to invest money from Visit Tucson's Marketing Fund into air service. This will be of importance as we try to land an East Coast flight.
 - TUS will be meeting with a major airline the following week for a corporate visit. This visit will be primarily about East Coast travel, and Visit Tucson will be at the table discussing how they will be able to support the effort. Secretary Vance Falbaum asked which cities may be considered. CCO Austin Wright directed the question to President/CEO Danette Bewley, who advised that it is John F. Kennedy Airport in New York.
 - In March, CCO Austin Wright and staff will go to the Routes America Conference, which is a week-long Air Service Development conference where you meet with numerous airlines.
 - CCO Austin Wright discussed tapping into the University of Arizona, which has been a huge success for TUS. They are working hard to market toward parents of UA students. TAA is also relaunching Fly Tucson First, which was an initiative from many years ago and the ASD Team is bringing it back.
- c. EVP/COO Bruce Goetz provided the following ASE update:**
- Side-by-side drone videos showing the progression of work on the ASE project from October 2025 to November of 2025 was presented to the Board of Directors.
 - The contractors have almost completed the five-inch-thick Cement Treated Base all the way down the runway. This is a significant milestone in preparation for the concrete pour after the first of the year. The midfield Taxiway Alpha is now within 10% of being completely paved. A concrete batch plant will be erected on the airfield, and in terms of volume, will produce about 80,000 cubic yards of concrete for the project. Secretary Vance Falbaum asked what the difference is between concrete in building homes and this project. President/CEO Danette Bewley and EVP/COO Bruce Goetz responded that the difference is significant considering the regular weight and wear-and-tear on the runway and taxiways from aircraft.
 - The TAA land that contains the existing Raytheon bunkers will be accessible by TAA soon. The replacement bunkers will be completed this month, and it is anticipated that we can start environmental testing in this area in January before demolition of the bunkers for the Runway Safety Area for the new runway.
 - President/CEO Danette Bewley added that we are about one year and half away from finishing the runway itself, and then there is another year to a year and half of work after this to complete the airfield safety updates.
 - The new runway will be an all-GPS approach, compared to the existing runway that has a precision approach. This electronic glide slope antenna is not scheduled to be removed until after the runway is completed. Director Calline Sanchez asked what the best practice would be in terms of having both technologies, and EVP/COO Bruce Goetz advised that the precision approach is rarely required in Tucson due to

the favorable Tucson weather. President/CEO Danette Bewley advised they are working with the FAA to make sure they have the funding they need so as to not postpone the project or create longer project timelines.

d. VP/CFO Kim Allison provided the following Finance update:

- Preliminary results for FY25 show that TAA operating revenues are 2.7% over projected revenues. We are 8.7% under in projected expenses.
- In reviewing the revenue budget, VP/CFO Kim Allison stated that the variances should be viewed in total rather than the variances within the individual line items. VP/CFO Kim Allison anticipates the Concession Revenue information becoming more detailed in the coming years.
- VP/CFO Kim reported that TAA was approximately \$4.2 million under projected expenses for the period. Director Calline Sanchez inquired what controlled the contractual expenses and EVP/COO Bruce Goetz assisted by answering that these expenses do not always get used in the time projected, but that TAA's budget is prepared if those expenses are needed.

e. CPO Kim DeLaTorre provided the following People Operations update:

- CPO Kim DeLaTorre provided data on TAA's attrition success, that TAA's attrition had improved for a variety of reasons. CPO Kim DeLaTorre noted that what drives this is TAA's response to the competitive job market, investing in our leadership, targeted investment into developing staff into leaders, and successful performance management processes.
- Director Keri Silvyn commended VP/CFO Kim Allison, and CPO Kim DeLaTorre, and all the TAA staff for the performance and hard work done. She stated leadership starts at the top and positively spoke of the staff.

f. EVP/GC Chris Schmaltz provided the following Legal Services update:

- EVP/General Counsel Chris Schmaltz introduced TAA's new Associate General Counsel, LeCarie "LC" Whitfield, adding a third attorney to TAA's legal division.
- EVP/General Counsel Chris Schmaltz reminded the Board of the settlement agreement with the EPA on PFAS on the airfield. The Remedial Investigation ("RI") work has begun and is conducted to gather data from the soil and water on the presence of PFAS material on and under TUS. Deputy Chief of CERCLE/NEPA Programs Becca Cammock is the center of the storm now, managing all the moving parts to this operation. Subcontractors are drilling new monitoring wells now. In addition to the 25 new monitoring wells, they will be sampling over 150 existing wells. The schedule for well drilling was slowed by the federal government shutdown because of required FAA approvals of drilling rigs on the airfield after safety reviews.
- This phase of the RI will cost approximately \$2.7 million, paid for from insurance reserve funds dedicated by TAA to environmental costs, that will not hit the airport

system rate base. Director Ellen Wheeler asked if some of the monitoring systems are off site, and EVP/General Counsel Chris Schmaltz confirmed that there are a handful of monitoring wells offsite that will be also tested under the TAA RI. Director Tim Overton also asked if other wells from different companies may be related to this, and EVP/General Counsel Chris Schmaltz said yes, other companies' wells are related.

- The Board was reminded that the treated water from the TARP plant is non-detect for PFAS, as reflected in the City of Tucson data.

7. EXECUTIVE SESSION

Motion by Director Silvyn, seconded by Director Overton, to go into Executive Session. Executive Session entered at 4:24 P.M. The Motion carried by the following vote:

Ayes (10) Hammond, Swaim, Falbaum, Piña, Jackson, Silvyn, Katz, Overton, Sanchez, Wheeler

Nays (0)

8. RETURN TO REGULAR SESSION

The Board of Directors returned to regular session at 5:11 P.M.

9. NEXT MEETING

Monday, January 26, 2026, immediately following the TAA Annual Meeting, which begins at 9:00 A.M. | Hacienda Del Sol Guest Ranch Resort, 5501 N. Hacienda Del Sol Rd. Tucson, AZ 85718, Casa Feliz Room.

10. ADJOURN

Chair Hammond adjourned the meeting at 5:13 P.M.


APPROVED BY:

Prepared by:



Vance Falbaum, Secretary

Date: 1/26/26



Carolina Cordova, TAA Clerk

Date: 1/26/26