
**TUCSON AIRPORT AUTHORITY | Board of Directors Regular Meeting
Monday, January 26, 2026 | Approximately 10:15 A.M.
Hacienda del Sol Guest Ranch Resort | Casa Feliz
5501 N. Hacienda del Sol Road, Tucson, Arizona 85718**

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 Monday, **January 26, 2026, beginning at 10:15 A.M., or shortly following adjournment of the TAA Annual Meeting, which begins at 9:00 A.M.** Directors and the public may attend in person at the aforementioned location.

The agenda for the meeting is as follows:

1. CALL TO ORDER | ROLL CALL

- | | |
|---------------------------|------------------------------|
| ○ Michael Hammond, Chair | ○ *Fran Katz, Director |
| ○ *Phil Swaim, Director | ○ Ellen Wheeler, Director |
| ○ Vance Falbaum, Director | ○ *Calline Sanchez, Director |
| ○ *Rhonda Piña, Director | ○ Tim Overton, Director |
| ○ Judy Rich, Director | ○ *Carol Stewart, Director |
| ○ Todd Jackson, Director | |

***As may be approved by the TAA Membership during the Annual Meeting on January 26, 2026.**

2. ELECTION OF OFFICERS

The Nominating Council, in accordance with the Bylaws, has recommended a slate of corporate officers for 2026. The Board of Directors will consider and may approve a list of corporate officers for 2026.

3. BOARD TRAINING

The TAA Legal Team will present to the Board of Directors training on Arizona Open Meeting Laws, Arizona Public Records Laws, corporate governance, and the fiduciary duties of the Board of Directors for the Tucson Airport Authority.

4. 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 from 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 December 3, 2025.

b. Delegation of Grant and other Financing Authority to the President/CEO for 2026

Adopt Resolution No. 2026-01, delegating authority to the President/CEO or her designee(s) for the application, execution, and delivery of grant agreements, military construction cooperative agreements, and associated intergovernmental agreements.

c. ASE Project Noise Mitigation Program, Verified Complaint to Quiet Title

Adopt Resolution No. 2026-02, approving the engagement of outside counsel to represent TAA in the filing of a quiet title action associated with the acquisition of property under the ASE Project noise mitigation program.

d. 2026 Board of Directors Meeting Schedule

Adopt Resolution No. 2026-03, approving the 2026 Board of Directors meeting schedule and acknowledging the 2027 TAA Annual Meeting date and the initial meeting of the 2027 Board of Directors.

e. Advisory Council Appointments

Adopt Resolution No. 2026-04, approving the Chair of the Board's recommended appointments to the TAA's advisory councils.

5. DIVISION UPDATES

The Board may receive a short presentation or ask questions of division representatives based upon material in the Board packet.

a. Air Service Development

6. ACTION ITEM

The Board will consider and may act on the following items:

a. Parking Management Contract Extension:

The Board will consider and may adopt Resolution No. 2026-05, authorizing the extension of the current Parking Management Agreement, on a month-to-month basis, to complete the RFP to select a terminal parking program manager.

b. JMK Valencia GA Hangar Business Terms

The Board will consider and may adopt Resolution No. 2026-06, approving the delegation of authority to the CEO or her designee, to negotiate and execute an agreement with JMK for a new hangar development.

c. MHIRJ Agreement Extension

The Board will consider and may adopt Resolution No. 2026-07, approving an extension of the current MHIRJ lease agreement.

7. **NEXT MEETING**

DATE AND TIME* | Meeting – TAA Board Room

***As per the meeting schedule that may be adopted by the Board on January 26, 2026.**

8. **ADJOURN**



Organizational and Legal Overview Training

Chris Schmaltz
EVP/General Counsel

Kimberly Ryan
Deputy General Counsel

LC Whitfield
Associate General Counsel

January 26, 2026

Outline

- TAA – a unique legal entity
- Governance
 - Fiduciary duties of Directors
- Arizona Open Meeting & Public Records Law



Unique Legal Entity

- Non-profit corporation under Arizona Law (1948)
- Authorized to exercise governmental powers
- Treated as a 'political subdivision' under Arizona law



Corporate Structure & Governance	TAA	Other “normal” non-profits/for profit corporations
<u>Governing Documents:</u> <ul style="list-style-type: none"> → ARS non-profit statutes → Specific governing authority statutes → Articles of Incorporation & Bylaws → Leases (COT) → Federal obligations for accepting federal money → Airline Use Agreements 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✗ ✓ ✗ ✓/✗ ✗
<u>Board and Council Meetings:</u> <ul style="list-style-type: none"> → Required notice to the public and public meetings 	<ul style="list-style-type: none"> ✓ 	<ul style="list-style-type: none"> ✗
<u>Corporate Records:</u> <ul style="list-style-type: none"> → Records open to the public 	<ul style="list-style-type: none"> ✓ 	<ul style="list-style-type: none"> ✗
<u>Finances:</u> <ul style="list-style-type: none"> → Public access to internal financials → Audits by external regulators (FAA/TSA) 	<ul style="list-style-type: none"> ✓ ✓ 	<ul style="list-style-type: none"> ✗ ✓
<u>Regulating Entities:</u> <ul style="list-style-type: none"> → Federal agencies as both a regulator and source of significant grant funding → Safety and security requirements → Office of the Arizona Attorney General re: OML and Records 	<ul style="list-style-type: none"> ✓ ✓ ✓ 	<ul style="list-style-type: none"> ✗ ✓/✗ ✗
Fiduciary Duties of Care, Loyalty, Obedience	<ul style="list-style-type: none"> ✓ 	<ul style="list-style-type: none"> ✓

Fiduciary Duties of Directors

- **Directors must act:**
 - With the care of an ordinarily prudent person in a like position, under similar circumstances (Duty of Care), and
 - In a manner the Director reasonably believes is in the best interest of the corporation (Duty of Loyalty), and
 - To ensure that the corporation is run in accordance with its mission and applicable law (Duty of Obedience)



Fiduciary Duties – Conflicts of Interest

- **Board adopted Conflict of Interest Policy**
 - In Board portal
 - Will send to all Directors
- **Fiduciary Duty = interests of TAA are paramount**
 - Pause before acting and reach out to Chris, Kim, or LC



Board and President/CEO – Different Roles

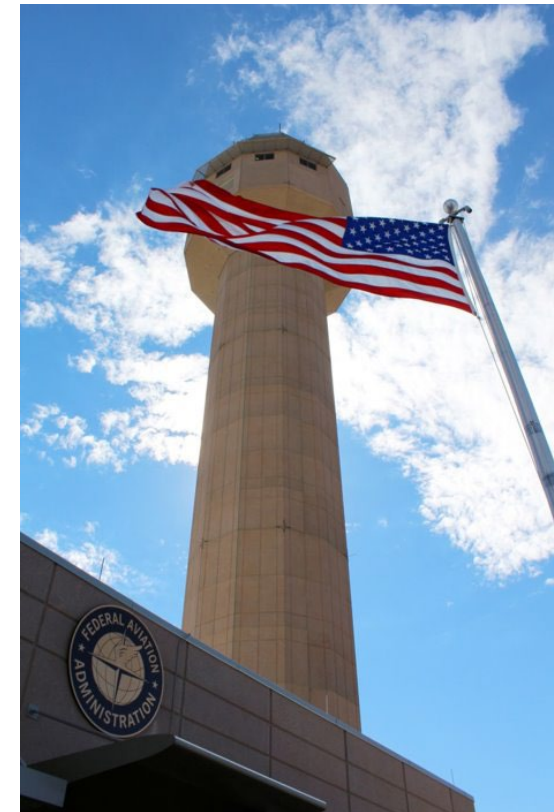
- Board of Directors establishes “objectives and policies” for TAA (see Section 5.3 of Bylaws)
- Board of Directors hires the President/CEO (Id.)
- President/CEO “shall have the responsibility for the overall operation and management of TAA in accordance with its Mission and within the framework of Board adopted objectives and policies” (Id.)
- President/CEO “shall have full responsibility for the management and administration of all TAA activities and operations and shall report to the Board on a regular basis” (Id.)
- Resolution on Delegated Authority (2022)

Resolution on Delegated Authority

- **The following require action by the Board of Directors:**
 - Expenditure of funds in excess of \$500K for unbudgeted non-emergency items
 - Acquisition of new insurance policies exceeding \$500K of the approved budget
 - Land or facility leases for a term longer than 10 years
 - Any fee title sale of TAA real property
 - Institution by TAA of litigation or formal legal proceedings
 - Settlement of litigation or formal legal proceedings (except when covered by insurance or less than \$500K)
 - Contracts for construction or capital improvement projects exceeding 10% of the approved budget for the project or \$500K (whichever is greater)
 - Incurrence of third-party debt
- **Increases in employee benefits exceeding \$500K of the approved budget require action by the Executive Council**

FAA Grant Assurances

- Federal requirements we must follow when accepting federal grant money as memorialized in a grant agreement
- Covenants to keep airports in operation and open for public use
- Restrictions on use of airport revenue
 - Airport revenue cannot be used to subsidize individual tenants, users or for general economic development or community benefit
- Self-sustaining rate structure
- Limitations on use of proceeds from land transactions



Airline Agreements

- Airlines and the passengers they bring to and from the airport provide approximately 65% of all airport revenue
- TAA must maintain and keep all airport facilities in good repair
- “Residual” Agreements – Airlines carry the risk for financially balancing the airport system
- Benefit of the Bargain – more airline risk comes with them having more say on the use of airport money re: large capital projects



Governance

Questions?



Public Entity Requirements

- TAA is subject to Arizona Open Meeting Laws
- Applies to all Regular and Special Board Meetings
- Applies to all Advisory Council Meetings



Open Meetings

"It is the public policy of this state that meetings of public bodies be conducted openly and that notices and agendas be provided for such meetings which contain such information as is reasonably necessary to inform the public of the matters to be discussed or decided. Toward this end, any person or entity charged with the interpretations of this article shall construe this article in favor of open and public meetings."

-ARS Section 38-431.09(A)

Open Meetings

- A “meeting” is any gathering – in person or through technological devices – of a quorum to discuss, propose or take action on TAA business
- Phone calls, emails, texts, etc. among a quorum can be a meeting under the legal definition
- Watch out for “splintering the quorum” or serial communications, e.g., communication from one member to the next sharing information and intent to vote



Open Meetings

What does it mean for meetings to be “Open to the Public”?

- Public allowed to attend and observe
- Properly noticed (more than 24 hours) and agendized (reasonable specificity)
- Discussion limited to those items on the agenda



Open Meetings

Public Meetings- Exception: Executive Sessions – Private/Confidential, not Secret

- 7 statutory authorizations for executive sessions
- Discussions and minutes are confidential and may not be disclosed by participants
- Public is excluded and attendance limited to those who reasonably need to be there for the purpose identified on the agenda
- No voting in ES (including no straw polls or preliminary vote; no calls for consensus)
- All legal actions must occur in the public meeting

Open Meetings

Enforcement and Sanctions

- All action(s) taken at a meeting held in violation of the OML are null and void
- Possible \$500 penalty per violation – assessed personally against Directors
- Costs and attorney fees
- Removal from office (rare)



Public Records

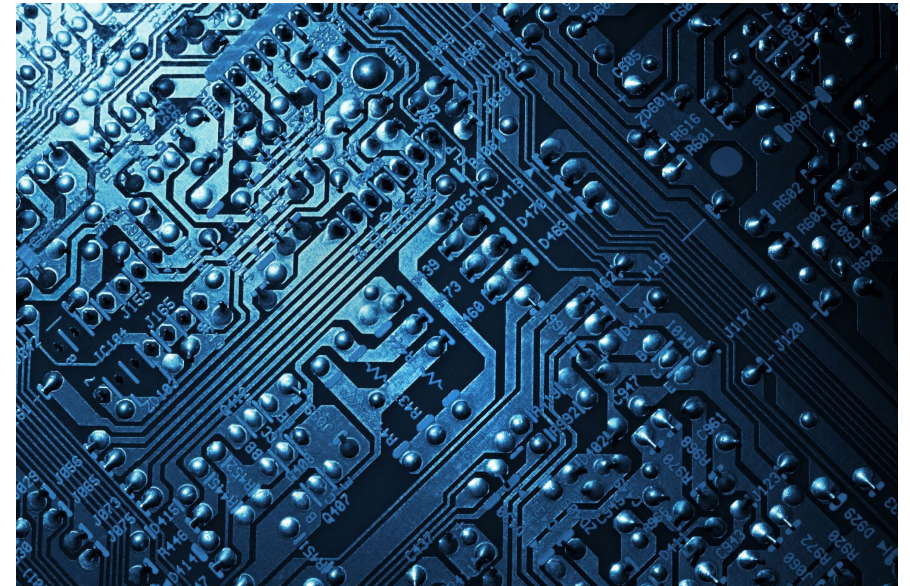
As summarized by the AZ AG:

- Anything created or received by a government agency or employee that relates to public business, including records created or received **in the course of business** (even if on personal computers or devices) is presumed to be a public record



Public Records

- As a Director, **everything** you communicate in your official capacity as a Director about or related to TAA business, REGARDLESS OF DEVICE, is LIKELY subject to public records law
- **Penalties** – all costs associated with failure to comply are paid by TAA





Questions?

**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

Carolina Cordova, TAA Clerk

Date: _____

Date: _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TUCSON AIRPORT AUTHORITY, INC., DELEGATING AUTHORITY TO THE PRESIDENT/CEO OR HER DESIGNEE(S) FOR THE APPLICATION, EXECUTION, AND DELIVERY OF GRANT AGREEMENTS, MILITARY CONSTRUCTION COOPERATIVE AGREEMENTS, AND INTERGOVERNMENTAL AGREEMENTS.

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

1. The President/CEO or her designee(s) are authorized to apply for all available Federal, State, and local jurisdictional grant money (including military construction cooperative agreements or other similar funding agreements) that may be available to fund TAA projects or provide reimbursement for any eligible expenses incurred by the TAA. The President/CEO or her designee(s) are further directed and authorized to act as the TAA's official representative in connection with all applications and associated documents and to provide such information as may be required in connection with such grants.
2. The Board of Directors authorizes and approves the acceptance of all Federal, State, and local grants and hereby authorizes the President/CEO or her designee(s) to execute and to deliver all such grant applications, agreements, and related documents, including, but not limited to, intergovernmental, and military construction cooperative agreements associated and/or related to such grant or funding programs.
3. This delegation of authority shall be effective through January 25, 2027, or one day prior to the date of the first Board of Director's meeting of 2027, whichever is later.

PASSED AND ADOPTED by the Board of Directors of the Tucson Airport Authority, Inc., this twenty-sixth day of January, 2026.

Michael S. Hammond
Chair of the Board

ATTEST:

APPROVED AS TO FORM:

Secretary

Christopher Schmaltz, Executive Vice
President and General Counsel

Date: January 26, 2026

To: TAA Board of Directors
From: Christopher Schmaltz, Executive Vice President/General Counsel
Re: ASE Project Sound Mitigation | Quiet Title Action for acquired property

Background:

On November 28, 2018, the Federal Aviation Administration (“FAA”) issued a Record of Decision (“ROD”) for the Airfield Safety Enhancement (“ASE”) Project for the Tucson International Airport (“TUS”). As part of the ASE Project’s Acquisitions and Residential Relocation component, the Tucson Airport Authority (“TAA”) has acquired, or is in the process of acquiring, certain residential properties identified for sound impact mitigation purposes.

Noise generated by TUS operations has broad impacts on the surrounding community. Addressing this issue is not only a requirement under the ROD and Environmental Impact Study (“EIS”), but also a critical factor the ASE Project’s overall success, operationally and in maintaining community trust. To fulfill these obligations, TAA may acquire property and/or modify land uses within an area significantly affected by increased noise levels (a rise of 1.5 decibels (dB) within the 65 DNL noise contour boundary) resulting from the ASE Project (referred to herein as the “Sound Mitigation Corridor”). Acquiring property or land-use rights within this corridor is essential to implement the sound mitigation plan and complete the ASE Project in compliance with FAA directives and community commitments.

Pursuant to the prior Board authorization on the ASE Project that includes the land acquisition within the Sound Mitigation Corridor, five properties were identified for acquisition; three have already been purchased. One of the acquired properties, 420 E Aragon Rd, Tucson AZ 85756, has a recorded driveway easement for neighboring use and a potentially clouded title. To finalize TAA’s ownership rights, the title must be cleared and the easement extinguished. This requires legal action to Quiet Title pursuant to Arizona Revised Statutes §12-1101 *et seq.*

The Quiet Title action is a standard legal mechanism used to confirm ownership and eliminate encumbrances such as fuzzy boundary lines, old liens/trust deeds that were paid but not released, or to extinguish/limit an easement or right of use that is no longer utilized.

Strategic Plan | Analysis:

The FAA mandates that land adjacent to the airfield be compatible with flight operations to ensure a sustainable airport system. Achieving the ASE Project’s objectives requires commitment to the Strategic Initiative of “Project Excellence.” This includes proactive mitigation of noise impacts associated with the planned expanded airfield operations. A central component of this strategy involves the Sound Mitigation Corridor, which combines targeted property acquisition and adjusted land use controls to reduce residential exposure to changing noise levels caused by

the construction of the new runway. These mitigation measures reflect TAA's ongoing commitment to community engagement, environmental stewardship, and regulatory compliance.

This requested authority to proceed with a Quiet Title action supports the TAA Strategic Plan goals, the goals of the ASE program and TAA's efforts in support of these goals.

Cost Analysis:

The costs of the expected legal expenses associated with the Quiet title action are included within the ASE Noise Mitigation Program budget and 95% (or more) are covered by FAA and ADOT grants that are already in place.

Recommendation:

TAA staff recommends that the TAA Board of Directors authorize the President/CEO or her designee(s) to engage attorney(s) to take all necessary actions on behalf of TAA to perfect title and remove encumbrances, including extinguishing the recorded driveway easement, for the property located at 420 E Aragon Rd, Tucson AZ 85756.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TUCSON AIRPORT AUTHORITY, INC., AUTHORIZING THE PRESIDENT/CEO OR HER DESIGNEE TO TAKE ALL NECESSARY ACTIONS TO PERFECT TITLE AND REMOVE ENCUMBRANCES ON PROPERTY ACQUIRED AS PART OF THE AIRFIELD SAFETY ENHANCEMENT PROJECT SOUND MITIGATION PROGRAM.

WHEREAS the Federal Aviation Administration’s (“FAA”) Record of Decision (“ROD”) for the Airfield Safety Enhancement (“ASE”) Project requires the Tucson Airport Authority (“TAA”) to implement sound mitigation measures to ensure compatible land use adjacent to Tucson International Airport (“TUS”); and

WHEREAS the TAA Board has previously approved the acquisition of residential properties within a designated Sound Mitigation Corridor to implement these measures; and

WHEREAS certain acquired property may contain recorded easements, liens, or other title encumbrances that must be resolved to complete the ASE Project and satisfy FAA compliance obligations; and

WHEREAS it is in the best interest of TAA to ensure that such properties are held in clear title, free from cloud or conflicting property rights.

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

The President/CEO or her designee is hereby authorized to engage attorney(s) to take all necessary actions on behalf of TAA to perfect title and remove encumbrances, including extinguishing the recorded driveway easement, from the property located at 420 E Aragon Rd, Tucson AZ 85756.

PASSED AND ADOPTED by the Board of Directors of the Tucson Airport Authority, Inc., this twenty sixth day of January 2026.

[continues to the next page]

Michael S. Hammond
Chair of the Board

ATTEST:

APPROVED AS TO FORM:

Secretary

Christopher Schmaltz, Executive Vice President
and General Counsel

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TUCSON AIRPORT AUTHORITY, INC., APPROVING THE 2026 BOARD OF DIRECTORS MEETING SCHEDULE AND SETTING THE DATE FOR THE 2027 TAA ANNUAL MEETING AND INITIAL MEETING OF THE 2027 BOARD OF DIRECTORS.

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

1. **2026 BOARD OF DIRECTORS MEETING SCHEDULE:** The Board of Directors meeting schedule for calendar year 2026, as presented in the *Notice of Regular Meetings Of The Tucson Airport Authority Board of Directors - 2026*, which is attached to this resolution, incorporated herein by reference, and made a part hereof, is adopted pursuant to § 4.3.1 of the TAA Bylaws. The Executive Vice President and General Counsel is directed to cause the notice to be posted in compliance with A.R.S. § 38-431.02(F).
2. **2027 TAA ANNUAL MEETING:** Pursuant to § 3.1 (ANNUAL MEETING) of the TAA Bylaws, the Board of Directors hereby sets the date of the 2027 TAA Annual Meeting to be Monday, January 25, 2027. The means, time, and place of the Annual Meeting shall be determined by TAA staff in consultation with the Chair of the Board and as reflected in the notice of the Annual Meeting.
3. **INITIAL MEETING OF THE 2027 BOARD OF DIRECTORS:** Pursuant to § 4.3.1 (REGULAR MEETINGS) of the TAA Bylaws, the first meeting of the 2027 Board of Directors shall be held following the 2027 TAA Annual Meeting on Monday, January 25, 2027, at the venue of the Annual Meeting or by means as determined necessary by TAA staff in consultation with the Chair of the Board.

PASSED AND ADOPTED by the Board of Directors of the Tucson Airport Authority, Inc., this twenty-sixth day of January, 2026.

Michael S. Hammond
Chair of the Board

ATTEST:

APPROVED AS TO FORM:

Secretary

Christopher Schmaltz, Executive Vice
President and General Counsel

EXHIBIT A

Notice of Regular Board of Directors Meetings

DRAFT

**NOTICE OF REGULAR MEETINGS OF THE
TUCSON AIRPORT AUTHORITY BOARD OF DIRECTORS - 2026**

Pursuant to [A.R.S. § 38-431.02\(F\)](#), notice is hereby given to the members of the Tucson Airport Authority (TAA) Board of Directors and to the general public that the Board of Directors will hold regular meetings in 2026 beginning at 3:00 p.m. as listed below.

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.

Wednesday, March 4, 2026

Wednesday, May 6, 2026

Wednesday, August 5, 2026

Wednesday, September 2, 2026

Wednesday, December 2, 2026

A copy of the agenda for the meeting will be available on the TAA website (<https://www.flytucson.com/taa/meetings/>) and the public notices display board—located adjacent to the TAA Board Room—no later than twenty-four (24) hours in advance of the meeting.

Dated this 26th day of January 2026.

TUCSON AIRPORT AUTHORITY BOARD OF DIRECTORS

By: _____

Carolina Cordova, TAA Clerk
Office: 520-573-4852
Email: ccordova@flytucson.com

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TUCSON AIRPORT AUTHORITY, INC.,
APPROVING APPOINTMENTS TO CERTAIN TAA 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 new appointments to the TAA's Advisory Councils, attached to this resolution and incorporated herein by reference, are approved for the specified terms as detailed in Exhibit A.

PASSED AND ADOPTED by the Board of Directors of the Tucson Airport Authority, Inc., this twenty-sixth day of January, 2026.

Michael S. Hammond
Chair of the Board

ATTEST:

APPROVED AS TO FORM:

Secretary

Christopher Schmaltz, Executive Vice
President and General Counsel

EXHIBIT A

DRAFT

Tucson Airport Authority Advisory Councils

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

Audit Council

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.

	Term Start Date	Term End Date
Rhonda Piña, Chair	January 26, 2026	January 23, 2028
Isaac Figueroa, Vice Chair	January 26, 2026	January 23, 2028
Rob Elias	January 26, 2026	January 23, 2028
Cristina Baena	January 26, 2026	January 23, 2028
Nancy McClure	January 26, 2026	January 23, 2028
Amanda Wiggins	January 26, 2026	January 23, 2028
Shannon Murphy	January 27, 2025	January 26, 2027

Corporate Governance Council

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.

	Term Start Date	Term End Date
Todd Jackson, Chair	January 26, 2026	January 23, 2028
Tim Medcoff, Vice Chair	January 26, 2026	January 23, 2028
Steve Bossé	January 26, 2026	January 23, 2028
Trindy LeForge	January 26, 2026	January 23, 2028
Teresa Bravo	January 26, 2026	January 23, 2028
Karla Morales	January 27, 2025	January 26, 2027
Francis Chambers	January 26, 2026	January 23, 2028

Financial Council: Finance and Risk Management | 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
Tim Overton, Chair	January 26, 2026	January 23, 2028
Rob Draper, Vice Chair	January 26, 2026	January 23, 2028
Linda Mazon Gutierrez	January 26, 2026	January 23, 2028
Edmund Marquez	January 26, 2026	January 23, 2028
Phil Swaim	January 26, 2026	January 23, 2028
Angela Gee	January 26, 2026	January 23, 2028
Lydia Aranda	January 26, 2026	January 23, 2028

Nominating Council

The objective of this council, which is set forth in the Bylaws, is to nominate individuals for TAA membership and continuing membership, to nominate TAA Members to serve on the Board of Directors, to recommend 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
Brandt Hazen, Chair	January 26, 2026	January 23, 2028	Member
Taunya Villicaña, Vice Chair	January 26, 2026	January 23, 2028	Former Director
Tony Penn	January 26, 2026	January 23, 2028	Member
Shaima Namazifard	January 26, 2026	January 23, 2028	Member
Keri Silvyn	January 26, 2026	January 23, 2028	Former Director
Carol Stewart	January 26, 2026	January 23, 2028	Current Director
Rhonda Piña	January 27, 2025	January 26, 2027	Current Director

Date: January 26, 2026

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

As expected, reductions in capacity in September and October led to reduced passenger activity at TUS. The government shutdown was responsible for an additional several percentage points of reduced demand in November, with trips cancelled or rescheduled, resulting in TUS passenger totals falling short of forecast. For the period November 12-18, 2025, TUS saw 15% less passengers than the same week in 2024 as a direct impact of the government shutdown.

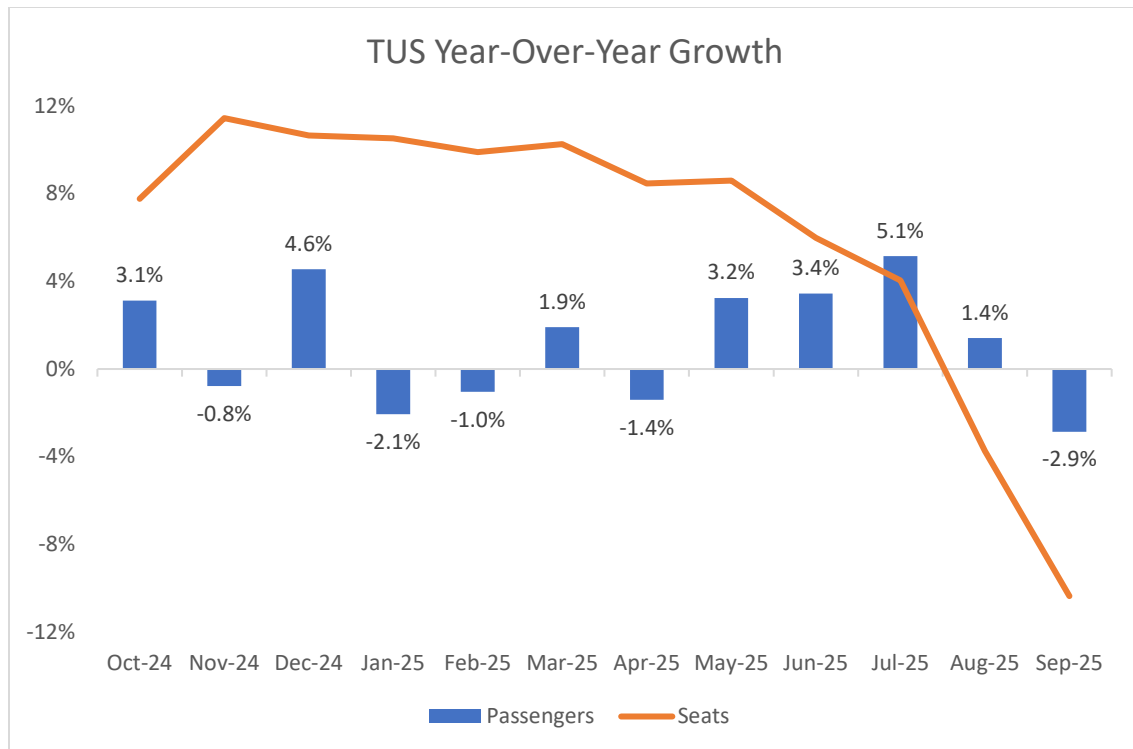
With little domestic growth occurring among the five major US carriers that all serve TUS in the first half of 2026, passenger growth will be muted, and forecasts have been reduced further to very near FY2025 levels. TUS and our close airport peers El Paso and Albuquerque will see net reductions in capacity in the first quarter of 2026.

Frontier is adding Salt Lake City as a seasonal destination to its TUS portfolio beginning January 22, 2026 with twice weekly service.

The TAA is supporting Frontier Airlines' service on the marketing side of our business, as it will be difficult to regain service or attract service from other new entrants if this does not succeed. Early results are mixed.

The TAA continues to work with the University of Arizona to present a business case that will compel them in 2026 to focus on booking from TUS. The university is consolidating their travel bookings into one portal throughout the organization and is seeking agreements with airlines for contract rates. When the all-in cost of a trip is calculated, including transportation cost, time savings to and from the airport and parking cost, TUS should become the answer in most cases.

TAA and Visit Tucson hosted the network planning team of Alaska Airlines in early December. We discussed new route opportunities and demonstrated the attractiveness and uniqueness of our destination. Alaska is in a unique position within the industry to offer point-to-point service beyond their hubs in Seattle, Portland, and San Diego. Other airlines such as Breeze remain focused in the East, where the number of unserved city pairs is greater and distances are shorter, though soon they will need to turn their attention to the western US.



Date: January 26, 2026

To: Board of Directors
From: John Voorhees, Vice President/Chief Revenue Officer
Re: Request to Extend the TUS Parking Management Contract

Background:

TAA conducted a Request for Proposals (RFP) for parking management services in FY 2019. The highest-scoring proposer, ACE Parking, was awarded a contract with an initial term from February 1, 2019, to January 31, 2022. The agreement has since been extended twice and is currently set to expire on January 31, 2026.

The Business and Commercial Development (BCD) Division is currently engaged in a new RFP process to select a vendor for a three to five-year contract to operate the parking facilities at Tucson International Airport (TUS).

The new parking management RFP has been finalized and publicly advertised. The new RFP introduces several significant enhancements aimed at elevating the traveler experience at TUS while increasing parking revenue for TAA. Key additions include an optional valet parking scope, to be implemented if deemed feasible, and a revenue incentive program designed to reward the operator when it delivers exceptional performance in revenue growth.

TAA staff anticipate selecting the new parking operator in January 2026, followed by contract execution shortly thereafter. The current agreement expires January 31, 2026; therefore, BCD requests to extend the current agreement with ACE Parking on a month-to-month basis, not to exceed six (6) months to allow for a minimum of two-month transition period between incumbent and a new vendor, if that becomes necessary.

TAA is committed to delivering exceptional customer service and will require the successful proposer to manage parking operations efficiently and professionally. The successful proposer will require sufficient time to learn the TUS parking operations and systems and hire, train, and onboard or transition staff.

Strategic Plan | Analysis:

This action supports TAA's Strategic Initiative to Expand Prosperity. Extending the current contract on a month-to-month basis, not to exceed six (6) months, will ensure a smooth transition between vendors—particularly if the successful proposer is a new entrant. This will facilitate TAA customers receipt of the high level of service they expect.

ACE Parking has been a reliable and effective business partner and remains in good standing with TAA. ACE Parking is amenable to extending the agreement under the current terms and rates.

Cost Analysis:

Parking revenue at TUS represents a significant portion of TAA's overall operating income. This year parking revenue surpassed \$10,000,000/year for the first time in TAA's recent history. Parking accounts for approximately 40% of concessions revenue and approximately 17% of TAA's total operating revenue.

Under the current agreement, ACE Parking receives a management fee of \$190,000 annually. TAA also reimburses ACE Parking for operating costs, which total approximately \$1.5 million. These funds are budgeted for FY2026 and we do not expect a change to the overall cost in the selection of a vendor under the RFP.

Recommendation:

Staff recommends the Board adopt Resolution No. 2026-05, authorizing the President/CEO or her designee(s), to execute a month-to-month extension of the Parking Management contract for a period not to exceed six (6) months.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TUCSON AIRPORT AUTHORITY, INC., DELEGATING AUTHORITY TO THE PRESIDENT/CEO OR HER DESIGNEE(S) TO EXECUTE A MONTH-TO-MONTH EXTENSION OF THE PARKING MANAGEMENT CONTRACT WITH ACE PARKING, FOR A PERIOD NOT TO EXCEED SIX (6) MONTHS.

WHEREAS The Tucson Airport Authority (TAA) is currently engaged in several interrelated projects regarding parking management and rental-car services at TUS which require significant allocation of staff time and resources; and

WHEREAS The TAA is committed to delivering exceptional customer service and requires a quality partner to manage parking operations efficiently and professionally. TAA is currently in the selection process to choose a parking management contractor; and

WHEREAS it is in the TAA's best interests to continue the contract with TAA's existing parking management contractor to allow for an adequate transition period between TAA's current contractor and a new vendor, if necessary.

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) are authorized to execute a month-to-month extension of the Parking Management contract with ACE Parking, under the same terms and conditions as the existing contract, for a period not to exceed six (6) months.

PASSED AND ADOPTED by the Board of Directors of the Tucson Airport Authority, Inc., this twenty-sixth day of January, 2026.

[continues to the next page]

Michael S. Hammond
Chair of the Board

ATTEST:

APPROVED AS TO FORM:

Secretary

Christopher Schmaltz, Executive Vice
President and General Counsel

DRAFT

Date: January 26, 2026

To: TAA Board of Directors
From: John Voorhees, Vice President/Chief Revenue Officer
Re: JMK Investment Group Ground Lease Terms

Background:

On October 3, 2025, TAA and JMK Investment Group agreed to terms for a ground lease of approximately 20,083 SF area of land located in Valencia GA. JMK Investment Group will construct a 10,000 SF non-commercial aircraft storage hangar, aircraft apron, and other ancillary improvements.

JMK Investment Group has committed to spending a minimum capital expenditure of \$80 per square foot for the hangar construction.

Strategic Plan | Analysis:

This lease supports TAA's Strategic Initiative to Expand Prosperity by increasing business activity at TUS and generating additional revenue to ensure economic stability.

Cost Analysis:

The ground lease will have a thirty (30) year term. The base rent will be \$.61 per square foot and will be adjusted every two years based on the Consumer Price Index (CPI). The annual revenue for rent will be \$12,250.63. Additional charges include common area maintenance (CAM) fees of \$1,090.08 per year and a pavement reserve fee of \$842.88 per year as may be adjusted by TAA from time to time.

Over the life of the lease term, TAA will generate approximately \$367,518.90 in rent revenue (not including CPI adjustments).

Recommendation:

TAA staff recommends the Board adopt Resolution No. 2026-06 authorizing the President/CEO or her designee(s) to execute a new ground lease with JMK Investment Group, subject to the attached key business terms.

Attachments:

1. Exhibit A: Key Business Terms



Key Business Terms – Hank Nelson Development

Date:	September 29, 2025
Landlord:	Tucson Airport Authority, Inc., an Arizona nonprofit (TAA)
Tenant:	Hank Nelson Development
Premises:	Valencia GA: Land consisting of +/- 20,083 SF as depicted in the Exhibit A
Project Description:	Construct an aircraft storage hangar and apron. The property will include landside vehicle parking and utility connections. Enter into a ground lease for the subject parcel.
Lease Term:	Thirty (30) years from Rent Commencement Date defined below.
Lease Effective Date:	Upon full execution of binding lease agreement by both parties.
Rent	
Commencement Date:	Upon substantial completion of the project and beneficial occupancy of the Premises, but no later than twelve (12) months from the Lease Effective Date.
Base Rent:	$\$0.61/\text{SF} \times 20,083 \text{ SF} = \$12,250.63 / \text{Year} (\$1020.89 / \text{Month})$
Common Area	
Maintenance (CAM):	\$90.84/month (4.4% of \$25,000), subject to future adjustments by TAA.
Pavement Reserve:	\$70.24/month (4.4% of \$19,000), subject to future adjustments by TAA.
Rate Adjustments:	Rent will be adjusted every two years according to the Consumer Price Index (CPI). The rate will never be adjusted downward.
Lease Security:	Tenant will be responsible, at its sole cost, for providing a lease security in an amount equal to three months' of rent and other projected fees and charges, in a form acceptable to the TAA.
Performance Surety:	Tenant will be responsible, at its sole cost, for providing a performance bond to cover the entire cost of the proposed site improvements, in a form acceptable to the TAA.

- Taxes:** The Tenant will be responsible to pay for all applicable taxes regarding the construction project and other applicable taxes at no cost to TAA.
- Site Development:** 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. Approval of these modifications is subject to the TAA Tenant Improvement Review Panel (TIRP) requirements. No improvements or modifications will be completed prior to a written notice to proceed from the TIRP.
- TAA Responsibilities:** FAA-required airport environmental review (NEPA) process.
- Tenant Responsibilities:** Tenant shall construct a hangar building no smaller than 10,000 SF plus associated ramp, landside vehicle parking and other ancillary improvements. Tenant agrees to provide a minimum capital expenditure of \$80/SF based on the hangar building size.
- MX Responsibilities:** Tenant shall, at no expense to TAA, improve, maintain, and repair the Premises, and keep the same in a neat, clean, and safe condition and in compliance with all applicable laws, rules, regulations and orders.
- Utilities:** Tenant shall pay for all utility services supplied to the Premises, including, but not limited to, electricity, gas, water, sewer, and data.
- There is a Tucson Electric Power easement along the eastern boundary of the parcel. There are no other known easements.
- 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 agreed and signed by Tenant, this offer shall expire as of 5:00 p.m. local time, October 31, 2025.



Agreed and Accepted:



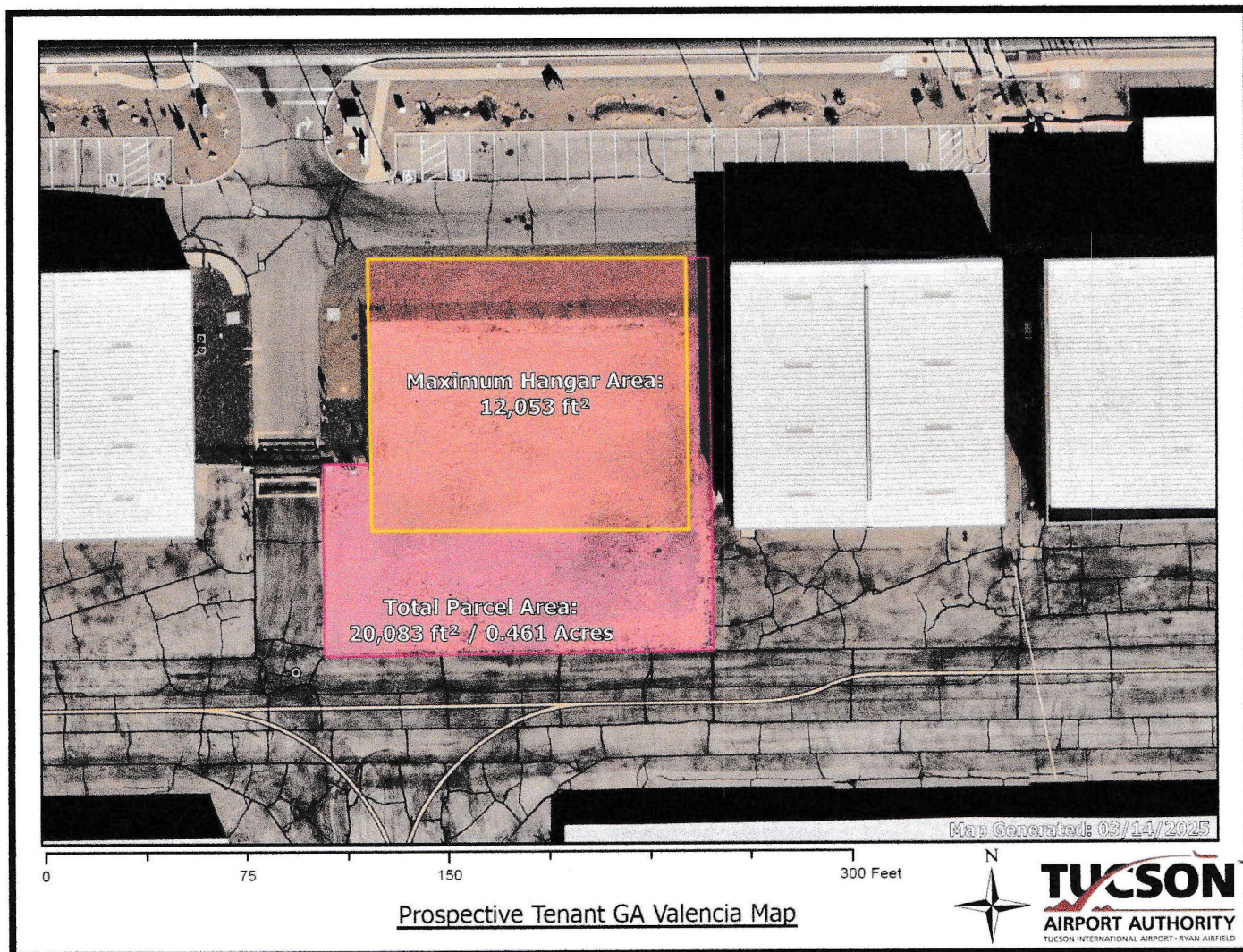
Authorized Signatory

ALEXANDER P. CADOT

10/3/25

Date

EXHIBIT "A": PREMISES



A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TUCSON AIRPORT AUTHORITY, INC., DELEGATING AUTHORITY TO THE PRESIDENT/CEO OR HER DESIGNEE(S) TO EXECUTE A NEW GROUND LEASE WITH JMK INVESTMENT GROUP.

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 new ground lease with JMK Investment Group, subject to material consistency with the key business terms identified in Exhibit A.

PASSED AND ADOPTED by the Board of Directors of the Tucson Airport Authority, Inc., this twenty-sixth day of January, 2026.

Michael S. Hammond
Chair of the Board

ATTEST:

APPROVED AS TO FORM:

Secretary

Christopher Schmaltz, Executive Vice
President and General Counsel

EXHIBIT A

DRAFT

Date:	September 29, 2025
Landlord:	Tucson Airport Authority, Inc., an Arizona nonprofit (TAA)
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Lease Effective Date:	Upon full execution of binding lease agreement by both parties.
Rent	
Commencement Date:	Upon substantial completion of the project and beneficial occupancy of the Premises, but no later than twelve (12) months from the Lease Effective Date.
Base Rent:	$\$0.61/\text{SF} \times 20,083 \text{ SF} = \$12,250.63 / \text{Year} (\$1020.89 / \text{Month})$
Common Area	
Maintenance (CAM):	\$90.84/month (4.4% of \$25,000), subject to future adjustments by TAA.
Pavement Reserve:	\$70.24/month (4.4% of \$19,000), subject to future adjustments by TAA.
Rate Adjustments:	Rent will be adjusted every two years according to the Consumer Price Index (CPI). The rate will never be adjusted downward.
Lease Security:	Tenant will be responsible, at its sole cost, for providing a lease security in an amount equal to three months' of rent and other projected fees and charges, in a form acceptable to the TAA.
Performance Surety:	Tenant will be responsible, at its sole cost, for providing a performance bond to cover the entire cost of the proposed site improvements, in a form acceptable to the TAA.

- Taxes:** The Tenant will be responsible to pay for all applicable taxes regarding the construction project and other applicable taxes at no cost to TAA.
- Site Development:** 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. Approval of these modifications is subject to the TAA Tenant Improvement Review Panel (TIRP) requirements. No improvements or modifications will be completed prior to a written notice to proceed from the TIRP.
- TAA Responsibilities:** FAA-required airport environmental review (NEPA) process.
- Tenant Responsibilities:** Tenant shall construct a hangar building no smaller than 10,000 SF plus associated ramp, landside vehicle parking and other ancillary improvements. Tenant agrees to provide a minimum capital expenditure of \$80/SF based on the hangar building size.
- MX Responsibilities:** Tenant shall, at no expense to TAA, improve, maintain, and repair the Premises, and keep the same in a neat, clean, and safe condition and in compliance with all applicable laws, rules, regulations and orders.
- Utilities:** Tenant shall pay for all utility services supplied to the Premises, including, but not limited to, electricity, gas, water, sewer, and data.
- There is a Tucson Electric Power easement along the eastern boundary of the parcel. There are no other known easements.
- 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.

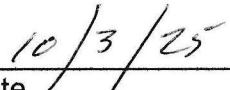
This proposal represents an expression of interest in pursuing acceptable business terms for which Landlord and Tenant can mutually execute a lease document for the Premises. No legal obligation or liability shall arise between the parties until the execution of a standard Lease agreement that is satisfactory to each party and its counsel. Unless agreed and signed by Tenant, this offer shall expire as of 5:00 p.m. local time, October 31, 2025.



Agreed and Accepted:



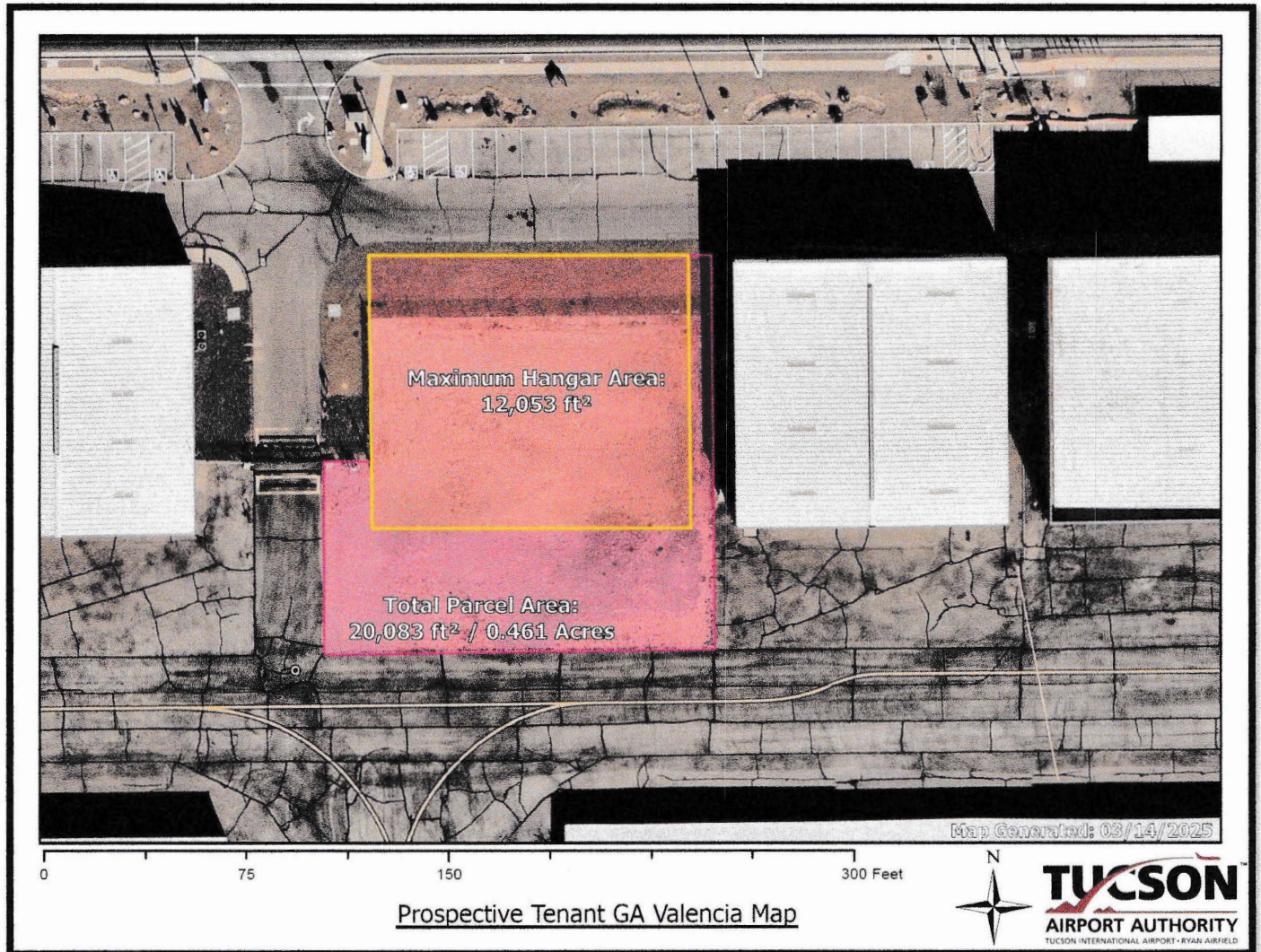
Authorized Signatory



Date

ALEXANDER P. CADOT

EXHIBIT "A": PREMISES



Date: January 26, 2026

To: Board of Directors
From: John Voorhees, Vice President/Chief Revenue Officer
Re: Request to Extend the MHIRJ Contract

Background:

The current contract between TAA and Mitsubishi Heavy Industries Regional Jet (“MHIRJ”), which has been in effect for the past 20 years (formerly under Learjet and Bombardier), through December 31, 2025. The Board had previously authorized a one-year extension while negotiations between TAA and MHIRJ continued.

Although TAA and MHIRJ have agreed upon the key business terms of the ground lease which was approved by the TAA Board during March 2025 meeting, the formal lease agreement negotiations with MHIRJ are still in progress. The delay is primarily attributable to the complexities of the review and approval process within MHIRJ’s multinational (US, Canada, Japan) corporate structure. Each revision requires approval from each national corporate team. Despite these challenges, negotiations are moving forward, and staff are confident that the new lease agreement will be executed in the upcoming months.

Both TAA and MHIRJ agree that an additional one-year extension of the current lease will provide adequate time to finalize the new agreement and prevent any disruption to MHIRJ’s operations at TUS. MHIRJ has paid TAA for January 2026.

Strategic Plan | Analysis:

This action aligns with TAA’s strategic initiative to Expand Prosperity. Extending the MHIRJ contract enables negotiations to progress toward a lease that is advantageous for both TAA and MHIRJ, as both parties remain optimistic that a final agreement is within reach. The extension also mitigates potential risks to TAA’s revenue stream and MHIRJ’s operations, creating the opportunity to finalize comprehensive and mutually beneficial terms.

Cost Analysis:

The rent amount for a one-year extension term will be adjusted for CPI and MHIRJ will pay \$488,447.63/YR. MHIRJ has paid TAA January 2026 rent at the new rate, in anticipation of the approval of the extension.

Recommendation:

Staff recommends the Board adopt Resolution No. 2026-07 authorizing the President/CEO or her designee(s) to extend the current MHIRJ contract by one-year to expire on December 31, 2026.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TUCSON AIRPORT AUTHORITY, INC., DELEGATING AUTHORITY TO THE PRESIDENT/CEO OR HER DESIGNEE(S) TO EXTEND THE CURRENT LEASE WITH MHIRJ BY ONE YEAR, TO EXPIRE ON DECEMBER 31, 2026.

WHEREAS Tucson Airport Authority (TAA) and Mitsubishi Heavy Industries Regional Jet (MHIRJ) have been engaged in negotiations to renew MHIRJ's current lease; and

WHEREAS the negotiations are ongoing and have not yet resulted in a finalized, executable agreement; and

WHEREAS TAA and MHIRJ agree that a one-year extension of the current lease will provide adequate time to finalize the new agreement and prevent any disruption to MHIRJ's operations at TUS; and

WHEREAS maintaining and renewing a lease with a long-standing tenant supports the TAA's strategic initiative to "Expand Prosperity."

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) are authorized to execute an extension of the current lease with MHIRJ beginning January 1, 2026, to terminate on December 31, 2026.

PASSED AND ADOPTED by the Board of Directors of the Tucson Airport Authority, Inc., this twenty-sixth day of January, 2026.

Michael S. Hammond
Chair of the Board

ATTEST:

APPROVED AS TO FORM:

Secretary

Christopher Schmaltz, Executive Vice
President and General Counsel