TUCSON AIRPORT AUTHORITY
TUCSON INTERNATIONAL AIRPORT • RYAN AIRFIELD

AGENDA

TUCSON AIRPORT AUTHORITY|Board of Directors Regular Meeting
Wednesday, March 4, 2026|3:00 P.M.
7250 S. Tucson Blvd. 85756|TAA Board Room

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Tucson Airport Authority (TAA) and to the public, that the **Board of Directors** will hold a meeting, open to the public, on **Wednesday, March 4, 2026, beginning at 3:00 P.M.**

In-Person: The TAA Board Room is on the departure level of the Tucson International Airport terminal and is situated on the second level between the Delta and Southwest ticket counters, and behind the Arroyo Trading Post.

The agenda for the meeting is as follows:

1. CALL TO ORDER | ROLL CALL
- Michael Hammond, Chair
- Phil Swaim, Vice Chair
- Vance Falbaum, Secretary
- Rhonda Piña, Treasurer
- Judy Rich, Director
- Todd Jackson, Director
- Fran Katz, Director
- Ellen Wheeler, Director
- Calline Sanchez, Director
- Tim Overton, Director
- Carol Stewart, Director

2. CONSENT AGENDA
Matters listed under the Consent Agenda are routine and will be enacted by one motion and one vote. There will be no separate discussion of the items on the Consent Agenda, unless removed from the Consent Agenda by the Board Chair, after a request 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 January 26, 2026.

3. BOARD CHAIR REPORT
  a. TAA Advocacy

4. PRESIDENT/CEO REPORT
  a. Industry and TAA Airport Updates
  b. TAA Legislative Priorities
  c. Strategic Plan | Update

5. **DIVISION UPDATES**
The Board may receive a short presentation or ask questions of division representatives based upon material in the Board packet.
   - **a.** Finance and Regulatory Administration | FY26 Financial Update
   - **b.** ASE | Update

6. **EXECUTIVE SESSION**
The Board may vote to go into Executive Session for the following purposes:
   - **a. Environmental Matters**
   The Board will consult with the Executive Vice President/General Counsel, or his designee, for legal advice from TAA attorneys, and discussion and consultation with TAA's attorneys and representatives, to consider its position and instruct its attorneys regarding existing litigation and potential litigation related to existing and future environmental liabilities, investigation, and remediation matters including the Tucson Airport Remediation Project, the Soils Remediation Project, and PFAS related matters as provided in A.R.S. § 38-431.03(A)(3) and (4).

   - **b. Premises Liability Litigation**
   The Board will consult with the Executive Vice President/General Counsel, or his designee, for legal advice from TAA attorneys, and discussion and consultation with TAA attorneys and representatives to consider its position and instruct its attorneys regarding the TAA's position on premises liability litigation, as provided in A.R.S. § 38-431.03(A)(3) and (4).

7. **RETURN FROM EXECUTIVE SESSION**

8. **NEXT MEETING**
Wednesday, May 6, 2026, at 3:00 P.M.|TAA Board Room

9. **ADJOURN**

TUCSON AIRPORT AUTHORITY|Board of Directors Regular Meeting
Monday, January 26, 2026|Approximately 10:24 A.M.
Hacienda del Sol Guest Ranch Resort|Casa Feliz
5501 N. Hacienda del Sol Road, Tucson, AZ 85718

THIS REGULAR MEETING OF THE TUCSON AIRPORT AUTHORITY (TAA) BOARD OF DIRECTORS WAS HELD IN THE CASA FELIZ ROOM OF THE HACIENDA DEL SOL GUEST RANCH RESORT. THE MEETING COMMENCED FOLLOWING ADJOURNMENT OF THE TAA ANNUAL MEETING.

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

Chair Michael Hammond called the meeting to order at 10:24 A.M.

Directors Present: Chair Michael Hammond, Vice Chair Phil Swaim, Secretary Vance Falbaum, Treasure Rhonda Piña, Director Tim Overton, Director Todd Jackson, Director Fran Katz, Director Ellen Wheeler, and Director Carol Stewart.

Directors Absent: Director Judy Rich and Director Calline Sanchez.

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 Operations Chris Deitz, Vice President/Chief Financial Officer Kim Allison, Vice President/Chief Technology Officer Anthony Casella, Vice President of Airport Development Mike N. Williams, Chief Communications Officer Austin Wright, Chief People Officer Kim DeLaTorre, Deputy General Counsel Kim Outlaw Ryan, Associate General Counsel LeCarie Whitfield, IT Customer Support Technicians Hector Lopez and Kris Kmak, and TAA Clerk Carolina Cordova.

2. **ELECTION OF NEW OFFICERS**

Chair Michael Hammond reported that the Nominating Council recommended the following slate of corporate officers for 2026: Vice Chair of the Board Phil Swaim, Secretary Vance Falbaum, and Treasurer Rhonda Piña. Chair Michael Hammond opened the floor for Board discussion. There being no discussion, a motion was made and seconded.

Motion by Director Todd Jackson, seconded by Director Tim Overton, to approve the proposed slate of corporate officers for 2026. The motion carried by the following vote:

Ayes (9) **Hammond, Swaim, Piña, Falbaum, Jackson, Katz, Overton, Wheeler, Stewart**
Nays (0)

3. BOARD TRAINING

Executive Vice President/General Counsel Chris Schmaltz, Deputy General Counsel Kim Outlaw Ryan, and Associate General Counsel LeCarie Whitfield gave a training to the Board, regarding the TAA's corporate structure and governance, the fiduciary responsibilities of the Board of Directors, and compliance with the State law, related to Open Meetings and Public Records. The presentation is made a part of these minutes.

4. CONSENT AGENDA

Chair Michael Hammond opened the floor for Board discussion on approval of the December 3, 2025, Board of Directors Meeting minutes, and to adopt the following Resolutions listed in the Consent Agenda: Resolution No. 2026-01 Delegation of Grant and other Financing Authority to the President/CEO for 2026, Resolution No. 2026-02 ASE Project Noise Mitigation Program, Verified Compliant Quiet Title, Resolution No. 2026-03 2026 Board of Directors Meeting Schedule, and Resolution No. 2026-04 Advisory Council Appointments. There being no discussion, a motion was made and seconded.

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

Ayes (9) **Hammond, Swaim, Piña, Falbaum, Jackson, Katz, Overton, Wheeler, Stewart**
Nays (0)

5. DIVISION UPDATES

CCO Austin Wright provided the following Air Service Development (ASD) Update:
TAA showed a tremendous amount of resilience through the challenges and impacts caused by the Federal government shutdown and capacity numbers are being closely monitored. Vice Chair Phil Swaim asked what the results would be if there were a second potential government shutdown. CCO Austin Wright advised that we may see travel impacts as previously experienced, most likely, a negative impact on TUS. Chair Michael Hammond also asked if there would be any impact to international travel, and CCO Austin Wright advised that international travel is around 10% of TUS travel and would not be as impacted as domestic travel.

Director Rhonda Piña commended President/CEO Danette Bewley and TAA Staff for the action taken during the government shutdown and significant support of the Federal employees. President/CEO Danette Bewley advised that the TAA hospitality and community partners were able to come together and make an impact in aid to the Federal employees. CCO Austin Wright reported a donation of funds from Visit Tucson and emphasized the importance of maintaining relationships with partners to come together in support.

6. **ACTION ITEM**
Chair Michael Hammond called each action item for approval and opened the floor for Board discussion on each item separately. Vice President/Chief Revenue Officer John 'Dutch' Voorhees was present and referred to the memos for each item. After discussion on each item, a motion was made and seconded, before being called for a Board vote.

Motion by Director Vance Falbaum, seconded by Director Todd Jackson, to approve 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. The Motion carried by the following vote:

Ayes (9) Hammond, Swaim, Piña, Falbaum, Jackson, Katz, Overton, Wheeler, Stewart
Nays (0)

Motion by Director Carol Stewart, seconded by Director Tim Overton, to approve 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. The Motion carried by the following vote:

Ayes (9) Hammond, Swaim, Piña, Falbaum, Jackson, Katz, Overton, Wheeler, Stewart
Nays (0)

Motion by Director Rhonda Piña, seconded by Director Ellen Wheeler, to approve Resolution No. 2026-07, approving an extension of the current MHIRJ lease agreement. The Motion carried by the following vote:

Ayes (9) Hammond, Swaim, Piña, Falbaum, Jackson, Katz, Overton, Wheeler, Stewart
Nays (0)

7. **NEXT MEETING**
Wednesday, March 4, 2026, at 3:00 P.M.|TAA Board Room

8. **ADJOURN**
Chair Michael Hammond adjourned the meeting at 11:08 A.M.

APPROVED BY:

____

Vance Falbaum, Secretary

Date: ____________________

Prepared by:

____

Carolina Cordova, TAA Clerk

Date: ____________________

Tucson Airport Authority

Policy Needs | 2026

Tucson Airport Authority (TAA)

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

Tucson Airport Authority (TAA) Mission Statement

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

TAA Vision Statement

Landing Prosperity in Southern Arizona

Policy Considerations

1. **Airfield Safety Enhancement Program Funding**
   TAA's Airfield Safety Enhancement (ASE) Program is at a critical stage. Funding from the FAA is going well; however, the TAA needs a commitment of $100M to complete the program. FAA funding of the project is imperative as we approach completion in the next couple of years. Without federal funding, this safety and standards project cannot be efficiently completed.

   This investment of both federal dollars and local TAA dollars is a significant boost to the local economy, supports excellent, quality high-paying jobs, and delivers on TAA's mission and vision of supporting growth and prosperity in southern Arizona. You can play a key role in delivering this project for Southern Arizona. The modernized airfield is a legacy project for Southern Arizona. We need you to be a huge part of delivering on that legacy.

2. **Firefighting Foam Transition: PFAS Remediation is a Federal Responsibility**
   Congress should provide PFAS liability protection for airports. Airports need comprehensive PFAS related immunity, including both CERCLA liability protection from the federal government, and at the state level, as it has been the federal government that has required commercial service airports to use the substance containing PFAS – it is as simple as that.

   TUS is committed to being an environmentally responsible community partner. We acquired two new fire trucks to transition to PFAS free firefighting foam (TAA costs: approximately $3 million). Remember, the FAA has required TAA to use PFAS containing firefighting foam for decades. The EPA, and others, have threatened TAA with remediation and cleanup costs, all because TAA fulfilled its mission to operate a safe airport for the travelling public under required Federal firefighting regulations.

   Without Federal liability protections and funds to support the transition from PFAS containing firefighting foam to fluorine free foams, costs to airlines and the traveling public will skyrocket. We need action now to provide financial certainty to TUS and all other commercial service airports. This policy problem is not solved with blame; it is solved with action. Please be a part of that solution.

Date: March 4, 2026

To: TAA Board of Directors

From: Bruce Goetz, Executive Vice President/COO

Re: TAA Strategic Plan 3.0 Update| FY26 Q1

In November 2024 the Board of Directors adopted a new update to our Strategic Plan, Version 3.0.

The attached report provides full detail of the progress made for the months of October through December (Q1) 2025. This memo highlights a few specific items for this update.

1. **Accelerate Performance**
   a. TAA People Operations is partnering with leaders from executive team to directors to assess current talent gaps and risks to link learning, development, and talent acquisition priorities. Business Partners are working with business leaders to review team capability and capacity directly related to organizational goals, enabling proactive talent investment and planning decisions. Examples of recent team development outcomes include a team effectiveness workshop and expanded talent acquisition pipelines for hard to fill roles in the Project Management Office.

   b. TAA continues to see positive progress on overall talent retention and acceptance of offers. TAA's workforce stability has been on a positive trend since 2021.

2. **Expand Prosperity**
   a. Revenue per Enplaned Passenger (RPE) – Growth remains strong with concessions RPE increasing 15.41% year over year in FY26 Q1. Parking revenue alone for Q1 increased 21.23% year over year.

   b. General Aviation (GA) - Million Air (FBO) and another private GA client will both start construction soon of 12K SF hangars in the Valencia GA area.

   c. Pratt & Whitney has executed a lease for a new engine test facility. Additionally, they have received their clearance from the FAA to begin work on their new site.

   d. Negotiations are under way with two battery storage companies to lease land in the Sonora East parcel.

   e. Airline Use Agreement – Monthly meetings continue with the airlines with a goal of completing by May 2026.

3. **<u>Project Excellence</u>**
    a. Sustainability: Work is underway to finalize goals and initiatives. Estimated completion of the study is March of 2026.

    b. Technology:
        i. Access Control System – Work to begin soon on camera server and camera installation. Anticipate late Q3 to start access control equipment installation.
        ii. Airport Management System – First module has come online. Establishing timeline for additional modules.

    c. Cyber Security:
        i. Significant progress continues to take place with new hardware and software being implemented to thwart the on-going cybersecurity threats. Highlights include:
            a. Email Security system to block threats such as phishing and malware is complete.
            b. Deploying Password Manager completed.
            c. Installation of Firewalls for OT and IT segmentation is underway.
            d. Critical System Authentication and Access Audit complete - Adjustments are underway to further strengthen security.
            e. IT Privileged Accounts Audit- Measures being implemented to reduce exposure and mitigate potential attack vectors.

    d. Airfield Safety Enhancement Program (ASE) – Cement treated subbase is complete. The concrete batch plant started to arrive in December. Concrete mix designs are being completed and we are targeting March 2026 to begin placing concrete for the new runway. Additionally, work is underway for a Construction Manager At Risk (CMAR) procurement for the final phase of work on runway 12L-30R and associated connectors.

4. **<u>Create TAA External Champions</u>**
    a. Air Service/Airlines:
        i. Frontier launched non stop service to Salt Lake City in January 2026.
        ii. Airline growth has flattened nationwide and airlines are responding by showing national growth projections flattening.
        iii. The TAA has produced two new 30 second commercials including various airport business partners, including Delta Air Lines. These commercials will air over various platforms, including during March Madness Basketball.

b. Advocacy Planning:
   i. The TAA gave the keynote address at the Visit Tucson 'Tourism Trends' event for 2026. The event had over 150 attendees and was an important platform to explain Air Service, while also highlighting the robust partnership between our two groups.
   ii. The TAA continues to attend the Oro Valley Tourism Advisory Commission meetings in an effort to ensure their newly formed Destination Marketing Organization highlights TUS as their airport of choice for regional tourism.

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Strategic Plan 3.0

FY26 Q1 update

Strategic Initiatives

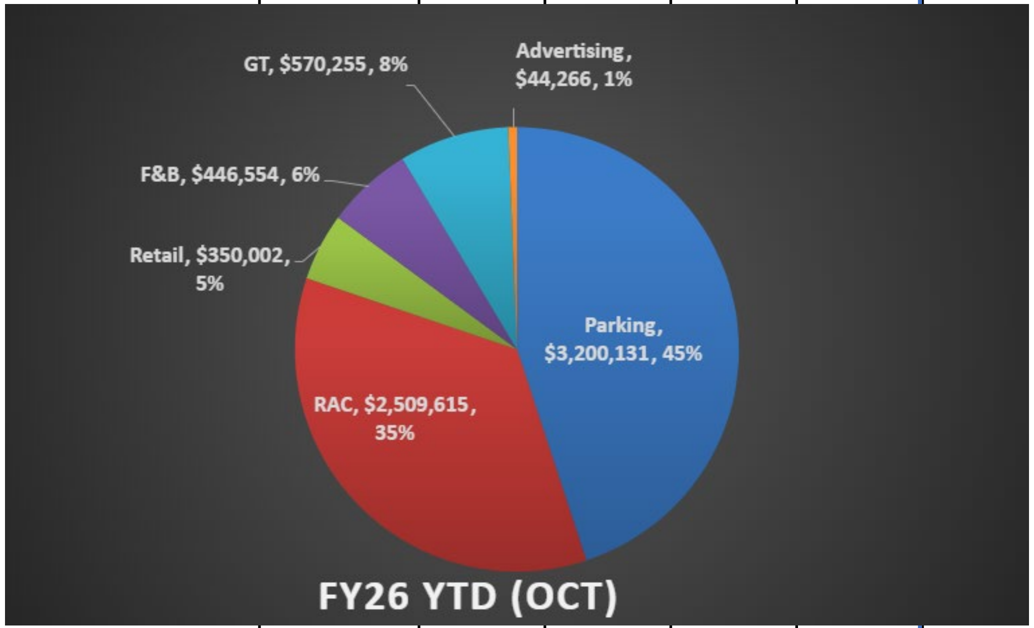
STRATEGIC INITIATIVES

STRATEGIC INITIATIVES

FY2025 – FY2027

	EXPAND PROSPERITY	ACCELERATE PERFORMANCE	PROJECT EXCELLENCE	TAA CHAMPIONS
Continue the Transformational Journey	*Powering Growth*	*Leverage Talent to Support Investments (Projects, Programs, and Initiatives)*	*Modernize Airfield Safety and Terminal Complex*	*Drive the Vision*
The Future is Now	*Invest to Support Economic Demand*	*Energize Leadership for our Workforce of the Future*	*Evolve Innovation and Agility*	*Elevate Advocacy*
The Power of Engagement	*Realize the Benefits of a Connected Community*	*Secure Recognition as Employer of Choice*	*Embed Efficiency and System Reliability*	*Engage Community and Industry Change Makers*

Goal	Owner	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Status	Focus Areas	Board Update
Develop Business Intelligence practices to timely track and positively influence airport revenue generation trends	John Voorhees						On Track	➢ **Develop Business Intelligence practices to timely track and positively influence airport revenue generation trends.** ➢ **Begin planning initiatives related to terminal modernization, including enabling projects. Align concessions and parking programs with terminal modernization project.**	➢ The travelling public continues to show strong support for TUS Concessions. Despite a decrease in passenger traffic, every concessions revenue source has increased over the previous fiscal year. Revenue per enplaned passenger (RPE) remains strong growing 15.41% YOY in Q1 FY26 to $14.16. ➢ The TUS parking operation has become the most lucrative concessions revenue source for TAA, comprising 45% of all concession sources. This is largely due to the rate increases which went into effect October 2025. The rate changes have also changed customer behavior as predicted (moving customers from the daily lot to the hourly lot or economy covered lot where there was more capacity). Though revenue is performing well, transactions have decreased (in step with passenger traffic reductions). The rate increase was appropriate and timely to keep TAA revenue on track. Parking revenue growth has averaged 21.23% YOY in Q1 FY26. ➢ Hudson (Retail Prime Concessionaire) has initiated tenant improvements in exchange for two one-year extensions on their contract. These improvements will offer more efficiency to the traveling public. Hudson's revenue remains flat year over year. ➢ Areas (Food and Beverage Prime Concessionaire) continues to outperform its MAG as the company adjusts to new ownership. Areas will seek an extension to their contract as well. TAA staff are mindful of the timing of these contract extensions with the eventual terminal modernization project. ➢ This December BCD partnered with the Marketing team to open a "pop-up" shop near the American Airlines ticket counter. The 3-day operation featured UofA Holiday Bowl merchandise. The idea was a success. Look for more of these opportunities in the future. ➢ The TAA concessions team in partnership with our concessionaires works diligently to provide the traveler a positive experience.



Progress Legend

Overall Goal Timeline	Current Status Within Goal	Goal Complete	Goal Not Started due to timing of priorities

Goal	Owner	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Status	Focus Areas	Board Update
Market/Develop the TAA land to enhance the revenue stream and ensure economic stability	John Voorhees						On Track	➢ **Continue to market/develop the TAA land to enhance the revenue stream and ensure economic stability.**	➢ Million Air is nearing the construction phase of its tenant improvement. They will be constructing a 12K SF hangar and a new apron for additional parking. Also in Valencia GA, JMK Investments will soon begin construction of a 12K SF hangar for storage of a private aircraft. A group of hangar tenants desire to construct an additional group of hangars for 12 tenant aircraft. Negotiations have just begun. ➢ BCD hosted an international delegation from Project Farm. The goal is to reach agreement on terms for a 560-acre development in Sonora West (south of Raytheon). ➢ BCD has begun negotiations with two Battery Electrical Storage System (BESS) companies. Both companies are competing for a TEP interconnection. If successful, these BESS facilities will be located in Sonora East (along Swan Road). ➢ Schnitzer Properties and TAA continue negotiations for a 96-acre development in Sonora North (along Los Reales Road). Both parties are optimistic that a deal can be reached. The request from Schnitzer includes terms, that if agreeable to TAA, would require the FAA to approve a joint venture that includes a non-standard lease length. ➢ Pratt and Whitney continue to plan for the construction of its engine test facility near the MRO-50 property. Planning is slow and the government shutdown paused action on several pending FAA decisions regarding the project. The company is working diligently to get back on timeline. ➢ TAA has ended the brokerage contract with real estate broker Picor to focus on internal team development. TAA is weighing marketing options with Costar and LoopNet.

Progress Legend			
Overall Goal Timeline	Current Status Within Goal	Goal Complete	Goal Not Started due to timing of priorities

Goal	Owner	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Status	Focus Areas	Board Update
Negotiate Airline Use Agreement • **Finalize new AUA into a fully adopted long term agreement between the airlines and the TAA**	Austin Wright						On Track	➢ **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, including enabling project. concessions and parking programs with terminal modernization project.** ➢ **Continue to market/develop the TAA land to enhance the revenue stream and ensure economic stability.**	The AUA agreement was provided in clean draft format to the airlines mid-January 2026. The airlines and the TAA met on January 29th to discuss final areas of interest by either party. We will meet in February to ensure the draft is circulated to airline legal teams. The progress for the AUA over the last year has been remarkable and is nearly final completion and execution. The goal remains to have the new AUA fully executed by all parties in time for an effective date of Oct 1, 2026.
Expand Air Service Development Options • **Continue to focus on capacity growth with existing carriers** • **Work to engage airline partners to add new markets** • **Align marketing efforts with air service initiatives to drive demand at TUS**	Austin Wright						On Track		TAA continues to stay engaged with our airline partners and will have week-long meetings in March at Routes America will all incumbent and prospective carriers. TAA continues to regularly engage with our airline partners and work to ensure the most beneficial schedules for our community. Frontier launched nonstop service to Salt Lake (SLC) in January 2026. Demand has normalized and airlines are responding by showing growth trends that have significantly slowed to match demand. We have produced two new 30 second commercials including various airport business partners, including Delta Air Lines. These commercials will air over various platforms, including during March Madness.

Progress Legend			
Overall Goal Timeline	Current Status Within Goal	Goal Complete	Goal Not Started due to timing of priorities

TAA QUARTERLY BOARD REPORT

Period Ending December 31, 2025

Goal	Owner	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Status	Focus Areas	Board Update
Evaluate, update, and implement Market-Driven Total Rewards.	Kim DeLaTorre						On Track	➢ **Leverage competitive employment packages to attract and retain top-tier talent as indicated by reductions in regrettable attrition and increased offer acceptance.** ➢ **Update the TAA employment processes and policies in support of the workforce of the future.**	TAA continues to see positive progress on overall talent retention and acceptance of offers. TAA's workforce stability has been on a positive trend since 2021. TAA has developed a list of priority employment processes and policies to be assessed and updated for FY26. To date, TAA launched a policy on shift differential in alignment with the FY26 compensation planning. Bilingual pay policy is being developed.
Increase efficiency and embed People Operations as business partners in the Airport system.	Kim DeLaTorre						On Track	➢ **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.**	TAA People Operations is partnering with leaders from executive team to directors to assess current talent gaps and risks to link learning, development, and talent acquisition priorities. People Business Partners are working with business leaders to review team capability and capacity directly related to organizational goals, enabling proactive talent investment and planning decisions. Examples of recent team development outcomes include a team effectiveness workshop and expanded talent acquisition pipelines for hard to fill roles in the Project Management Office.
Unlock potential through expanded leader driven Performance Management.	Kim DeLaTorre						On Track	➢ **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.**	The FY26 performance management cycle kicked off, with all team members goals loaded in December 2025. TAA People Operations has developed expanded tools and training for Performance Management.
Benchmark and invest in Culture and Team Member Engagement.	Kim DeLaTorre						On Track	➢ **Employ competitive benchmarking for the TAA employee value proposition using data-driven best practices and research for workplaces.**	People Operations continues to research and leverage best practices regarding an expanded survey approach for the organization; and embedding best practices into policy changes, processes, and team member engagement opportunities. Key advancements in this area include, initial benchmarking with external feedback tools, evaluation of stay and exit interview feedback, structured onboarding feedback, and the planning for a broader all-employee survey.

Progress Legend

Overall Goal Timeline | Current Status Within Goal | Goal Complete | Goal Not Started due to timing of priorities

TAA QUARTERLY BOARD REPORT

Period Ending December 31, 2025

Goal	Owner	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Status	Focus Areas	Board Update
ASE Program: Complete Construction and Commissioning of the New Commercial Runway	Mike Williams						On Track	➢ **Continue construction of the ASE Program; deliver project results that meet FAA safety standards and criteria.** ➢ **Continued development of a comprehensive funding strategy for infrastructure improvements; optimize grant funding opportunities in conjunction with appropriate financing.** ➢ **Begin the design of enabling projects that support future concourse modernization; begin construction of enabling projects as grant funding is available and airline support is obtained.**	New taxiway Bravo will have final surface layer completed by April 2026. Markings, signage and lighting remain scheduled pending completion of final paving. Cement Treated Base Course is 100% placed and concrete placement will begin in March 2026. Completion of runway 12R-30L is scheduled for completion and opening in April 2027. Subject to funding for the remaining phases, estimated at approximately $100M, runway 12L-30R is planned for closure in April 2027. CMAR2 (runway 12L-30R) contractor solicitation to be initiated in February 2026. Parcel F security and RTX, Inc fencing public bidding to be initiated in February 2026.
ASE Program: Update City of Tucson and Pima County Zoning Code and Comprehensive Planning Documents to Reflect Airfield Configuration at the Completion of the ASE Program	Mike Williams						Not Started		TAA to begin drafting proposed changes in early CY 2026 for TAA leadership for review and approval. The City of Tucson shared that they do not have capacity to work on the updates to Airport Environs Zones until at least Summer 2026.
Implement Sustainability Management Plan	Mike Williams						On Track	➢ **Completion of review of updated draft plan documents leading to final plan documents**	The drafts of the Sustainability Management Plan (SMP) document and Plan Overview (Executive Summary) have been provided for internal TAA review. Draft reviews are in work and feedback will be provided back to the consultant with a planned final TAA review. Updated SMP completion date is planned by March 2026.
Develop Comprehensive Pavement Management Program	Mike Williams						Complete		Project was completed in December 2024. Pavement maintenance projects are underway.

Progress Legend

Overall Goal Timeline	Current Status Within Goal	Goal Complete	Goal Not Started due to timing of priorities

Goal	Owner	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Status	Focus Areas	Board Update
Scope Enterprise Documentation Strategy	Anthony Casella						On Track	➢ **Steering Committee to be created to gather requirements from departments**	Phase 1 is complete; however, phase 2 will not start until late FY 26 due to the efforts needed to comply with TSA Cyber Security mandates along with the Airport Management System taking priority. Phase 2: • Procure a document management system to manage both digital and paper documents. This system will assist in the retention and deletion of files as well as archiving • Requirements to be defined by departments via the steering committee • Procurement methodology to be defined
TAA Cyber Security Program	Anthony Casella						On Track	➢ **SIEM – Security Information and Event Management system** ➢ **DLP – Data Loss Prevention** ➢ **Network Segmentation** ➢ **LAPS – Local Administrator Password Solution**	To further secure our environment, the following system are in various design/implementation phases: • SIEM solution purchased and is scheduled to be installed • Network Segmentation design complete for OT and IT segmentation, significantly improving the security posture of critical systems. • LAPS – will be implemented 2nd calendar qtr 2026 • DLP – This is a slightly longer implementation cycle since it involves every departments input on how to classify data/files.

Progress Legend			
Overall Goal Timeline	Current Status Within Goal	Goal Complete	Goal Not Started due to timing of priorities

Goal	Owner	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Status	Focus Areas	Board Update
Implement Airport Management System	Anthony Casella						On Track	➢ **Stakeholder meetings occurring to define requirements and workflows** ➢ **Prioritization of modules based on milestones** ➢ **Part 139, SMS, Lease Management, Assets, Work Orders, etc.**	• First module came online December 31st. • Working on the schedule for remaining modules.
Implement new Financial System	Anthony Casella						Not Started		We do not anticipate starting this until Q3 FY26 at the earliest dependent on Airport Management System module completion.
Install new Access Control System	Anthony Casella						On Track	➢ **Stakeholder meetings occurring to define requirements and workflows** ➢ **Security camera implementation schedule being developed**	• Badge printers have been selected • Components ordered, install to begin 3/2026 • Implementation anticipated 12 months.
Project Management Office (PMO)	Anthony Casella						Complete		• Microsoft Project Web App has been implemented and PMO team members are utilizing to manage their respective projects. • Executive dashboards are complete. High-level real-time tracking of project status • TAA Team member PM training curriculum to be developed • New Project Intake process has been implemented with more efficient automation and decision-making logic

Progress Legend			
Overall Goal Timeline	Current Status Within Goal	Goal Complete	Goal Not Started due to timing of priorities

Strategic Plan 3.0
TAA Champions

TAA QUARTERLY BOARD REPORT
Period Ending December 31, 2025

Goal	Owner	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Status	Focus Areas	Board Update
Leverage the Board of Directors and Membership to be positive voices of advocacy in our community. • **Continue to regularly communicate via Member Advisory and Top 3 for Advocacy the top points where our Member network can expand outreach efforts** • **Support the TAA with efforts that require influence and expertise**	Austin Wright						On Track	➢ **Board and Membership continue to serve as a strategic tool for championing the mission of the TAA.** ➢ **Airline relationships and strategic management of the TAA cost structure 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.**	The TAA presented the Year in Review Video and Book at the Annual Meeting. This video is publicly available and serves as a powerful tool for advocacy. In addition, we continue to communicate on a regular cadence in the Member Advisory and E News, while leveraging all social media platforms for the most up to date information on airport happenings. The TAA continues to engage in our community through partnerships and sponsorships to ensure our message of flying locally with ease is received and applied. The TAA was featured in a special section of Biz Tucson for Winter 2026, highlighting air service, community engagement, and our airport modernization.
Continue Outreach and Partnerships within the Tourism Sector • **Establish key partnership with University of Arizona** • **Leverage tourism partners like Visit Tucson to attract business and air service to the region** • **Maintain our position as an airport that is a community and business partner that is easy to do business with; fostering revenue growth and expansion**	Austin Wright						On Track		The TAA continues to engage in our community through partnerships and sponsorships to ensure our message of flying locally with ease is received and applied. The TAA gave the keynote address at the Visit Tucson 'Tourism Trends' event for 2026. The event had over 150 attendees and was an important platform to explain Air Service, while also highlighting the robust partnership between our two groups. The TAA continues to attend the Oro Valley Tourism Advisory Council meetings in an effort to ensure their DMO highlights TUS as their airport of choice for regional tourism.

Progress Legend

Overall Goal Timeline | Current Status Within Goal | Goal Complete | Goal Not Started due to timing of priorities

TAA QUARTERLY BOARD REPORT

Period Ending December 31, 2025

Goal	Owner	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Status	Focus Areas	Board Update
Leverage Community and Industry Champions to advance the interests of the TAA at a National, Regional, and local level • **Airlines champion TAA because of its cost-effective structure** • **The community values the TAA because of its ease of use and strong economic impact** • **Nationally the TAA is well positioned with legislators to be positioned appropriately for funding and advancement opportunities.**	Austin Wright						On Track	➢ **Board and Membership continue to serve as a strategic tool for championing the mission of the TAA.** ➢ **Airline relationships and strategic management of the TAA cost structure 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.**	We continue to engage regularly with our legislative delegation, most recently supporting state legislation regarding proposed bill, HB2641, a prohibition of PFAS containing firefighting foam. The TAA received 2 new Rosenbauer Panther fire trucks in January, leading the industry in our transition away from PFAS containing fire fighting foam. Those new trucks will be certified for service in the coming months. We continue to share our $10.9 billion annual economic impact number at all public facing presentations. Most recently this was highlighted in Tucson Lifestyle Magazine, as President/CEO Danette Bewley was named a "Woman Visionary."

Progress Legend

Overall Goal Timeline	Current Status Within Goal	Goal Complete	Goal Not Started due to timing of priorities

Date: March 4, 2026

To: Board of Directors

From: Kim Allison, Vice President/Chief Financial Officer

Re: Summary of Financial Performance for First Quarter Fiscal Year 2026

Operating Income before Depreciation and Amortization (Oct-Dec 2025 vs. budget):
Tucson Airport Authority generated net operating income before depreciation and amortization of $5,166,268 for the first quarter of fiscal year 2026, which was $2,290,727 favorable to the budget due to favorable operating revenues and favorable expenses described below.

Operating Revenues (Oct-Dec 2025 vs budget):
FY26 Q1 operating revenues were favorable to the budget by $1,136,634 or 7.4%. Budget estimates were conservative. Parking revenue experienced higher growth year-over-year in Q1 than expected. TAA's Food and Beverage concessionaire experienced revenue increases of about 4% year-over-year due in part to minor price increases. The concessionaire also added seat capacity and convenience measures to enhance the traveling experience.

Although Rental Car gross revenue is down year-over-year for Q1, the new Minimum Annual Guarantee (MAG) increased due to prior success causing TAA's percentage earned revenue to be up slightly year-over-year (.22%).

Operating Expenses (Oct-Dec 2025 vs budget):
FY26 Q1 total operating expenses of $11,386,502 were favorable to the budget by $1,784,163 or 13.5%. Personnel expenses experienced a favorable variance due to a combination of vacancies in open positions and lower than budgeted COLA and merit pay which were directly related to the vacancies. Contributing factors to savings in the budgeting categories in contractual services include parking contract expenses, other professional services, maintenance and repair contracts, and utilities. We saw savings also in the materials and supplies category: software, camera system supplies, and radio supplies. Minor savings were spread across multiple items in the other operating expense category.

Additional Notes:
A few revenue items have been conservatively estimated due to timing of reports received from tenants and the internal review processes of all Board packet materials. All amounts presented are unaudited and subject to change.

TUCSON AIRPORT AUTHORITY

TUCSON INTERNATIONAL AIRPORT • RYAN AIRFIELD

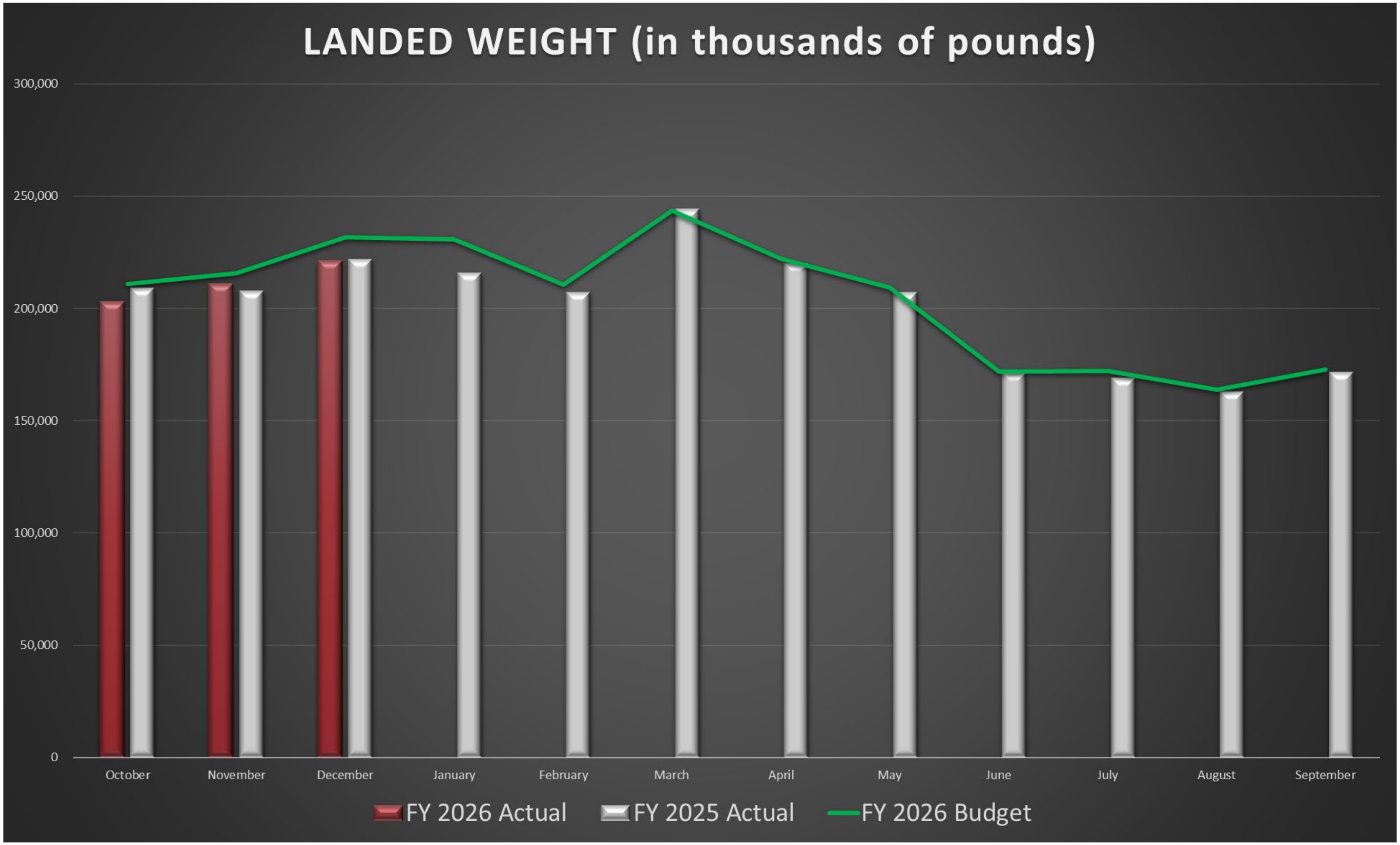
Preliminary

FY 2026 Q1 Financial Highlights (Oct 25-Dec 25)

TAA Board of Directors

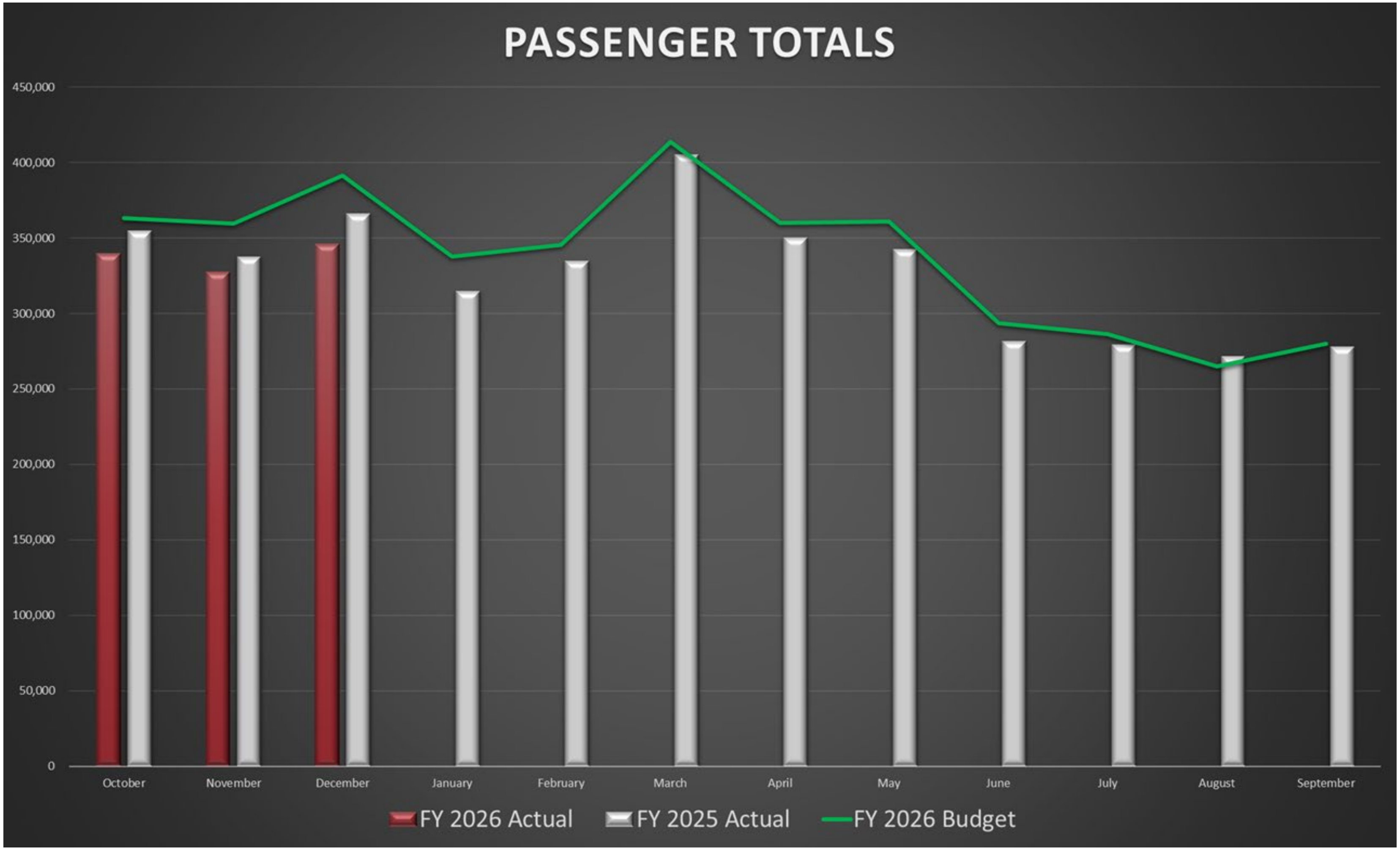
March 4, 2026

Oct - Dec FY 2026 Operating Statistics-Landed Weight



- December 2025 (FY 26) Landed Weight is **4.5% lower** than budget, **0.29% lower** than December 2024 (FY 25)
- FY 2026 Landed Weight is **3.5% lower** than budget, **0.53% lower** than FY 2025

Oct - Dec FY 2026 Operating Statistics-Passengers



- December 2025 passenger volume is **11.6% lower** than budget, **5.5% lower** than December 2024
- FY 2026 passenger volume is **9.0% lower** than budget, **4.3% lower** than FY 2025

YTD FY2026 Financial Results

		YTD (Oct-Dec) Actual		Total Annual Budget	Q1 = 25%
Operating Revenues	$	16,552,770	$	61,464,542	26.9%
Operating Expenses		11,386,502		49,860,133	22.8%

Financial results for FY 2026 have been conservatively estimated and are unaudited. See subsequent slides for additional information.

Q1 = 25% of Fiscal Total

FY 2026 YTD Operating Revenue

YTD	Actual	Budget	Actual vs. Budget	
Landing fees	$ 2,184,986	$ 1,888,531	$ 296,455	15.7%
Space rentals	4,253,492	4,077,995	$ 175,497	4.3%
Land rent	1,159,319	1,158,362	$ 957	0.1%
Concession revenue	7,151,272	6,564,803	$ 586,469	8.9%
Reimbursed Services	831,286	859,300	$ (28,014)	-3.3%
Other Operating Revenue	972,414	867,144	$ 105,270	12.1%
Total operating revenues	$ 16,552,770	$ 15,416,136	$ 1,136,634	7.4%

Financial results for FY26 are unaudited.

FY 2026 YTD Concession Revenue

Account Description	YTD Actual	YTD Budget	Budget vs. Actual	
Rental Cars	$ 2,432,329	$ 2,291,509	$ 140,820	6.1%
Parking	3,252,204	2,975,250	276,954	9.3%
Ground Transportation	117,103	116,931	171	0.1%
Advertising	49,065	45,000	4,065	9.0%
Food & Beverage	437,063	372,633	64,429	17.3%
News & Gifts	350,000	362,404	(12,404)	-3.4%
Transportation Network Company	440,418	334,863	105,555	31.5%
Peer-to-Peer Car Rental	34,249	27,879	6,370	22.8%
Employee Parking	38,000	37,800	200	0.5%
Vending Machines	310	-	310	0.0%
GA Percent Rent - FBO Million Air	532	532	-	0.0%
Total	$ 7,151,272	$ 6,564,803	$ 586,469	8.9%

Financial results for FY 2026 are unaudited.

FY 2026 YTD Operating Expenses

YTD	Actual	Budget	Budget vs. Actual	
Personnel expenses	$ 7,763,146	$ 8,665,664	$ 902,518	10.4%
Contractual services	2,380,838	2,796,485	$ 415,647	14.9%
Materials and supplies	825,489	1,224,109	$ 398,620	32.6%
Other operating expenses	417,029	484,407	$ 67,378	13.9%
Total operating expenses	$ 11,386,502	$ 13,170,665	$ 1,784,163	13.5%

Financial results for FY 2026 are unaudited.