



Tucson Airport Authority

Commercial and Industrial Business Implementation Plan

October 1, 2021

Introduction	4
Tucson Airport Authority	4
Airport System General Information.....	5
Tucson International Airport.....	5
Ryan Airfield (RYN).....	5
Strategic Plan	5
FY 2021 – Align and Engage	5
FY 2023 – Dream Big Together.....	5
Desired Outcomes.....	7
Chapter 1: Making the Case for Development	8
Aeronautical Airside Property.....	8
Landside Property	8
TUS and RYN Complementary Operations for Business Development.....	11
Education and Training	12
Flight Training and FBOs	12
Chapter 2: The Land Resources of TUS and RYN	13
TUS The Sonoran Commerce Center.....	13
Sonora North (Retail and Office).....	14
Sonora East (Warehouse and Distribution)	15
Sonora West (Aerospace and Defense)	17
Sonora South (Warehouse and Distribution).....	19
Additional Land Resources near TUS	20
Airside Property Expanding Capacity	21
North Airside Property.....	21
South Airside Property.....	22
Air Cargo Ramp	22
RYN Flight Training and Future Commerce	23
Chapter 3: The Stakeholders in Land Development	26
The Federal Aviation Administration	26
Local Government.....	29
Airlines	29

Chapter 4: Partners in Land Development	31
Sun Corridor Inc (SCI)	31
Real Estate Brokerage	31
Master Developer	32
TAA Staff	32
Chapter 5: Delineating the Plan	33
Conclusion.....	39
Doing Business with the TAA	39

Introduction

Tucson Airport Authority

The Tucson Airport Authority (TAA) was formed in 1948 as an independent, quasi-governmental non-profit corporation pursuant to Arizona state law (A.R.S. §28-8423 *et seq.* – The Airport Statute), and around that same time, entered a long-term lease with the City of Tucson. That lease was subsequently amended, supplemented, and extended through 2098, authorizing the TAA to operate, maintain and develop the Tucson International Airport (TUS). TAA also has a lease with the City of Tucson to operate, maintain and develop Ryan Airfield (RYN), a general aviation reliever airport.

- ➔ TAA has historically been treated as an Arizona political subdivision/public entity and participates in the Arizona State Retirement System and Public Safety Personnel Retirement System.
- ➔ TAA has no taxing authority and receives no direct public support from state and local tax dollars.
- ➔ TAA is subject to Arizona’s open meetings and public records law.

As a nonprofit corporation, TAA is subject to the requirements of the Arizona Non-Profit Corporation Act and governed by the TAA Articles of Incorporation and Bylaws.

TAA’s Bylaws call for active membership of up to 60 individuals who are the residents of TAA’s service areas.

- ➔ The TAA Board of Directors (the Board) consists of no more than eleven and no less than seven TAA Members.
- ➔ The Directors are elected by active TAA Members, typically to staggered terms of up to three consecutive years and may serve a maximum of two successive terms.
- ➔ Directors receive no salary or compensation for their services, but by resolution of the Board may be reimbursed for actual expenses paid or obligated to be paid in connection with services rendered solely for the benefit of the Authority.
- ➔ The Board appoints the President and CEO, who serves at the Board’s pleasure.

The President and CEO is the Chief Executive Officer of TAA and has the responsibility and authority “for the overall operation and management of TAA in accordance with its Mission and within the framework of Board adopted objectives and policies” and has “full responsibility for the management and administration of all TAA activities and operations and shall report to the Board on a regular basis.”

Airport System | General Information

Tucson International Airport

TUS encompasses 8,343 acres and is located eight miles south of the city's central business district. There are 130 separate buildings on the airport complex that provide nearly 2.5 million square feet of space. TAA maintains three runways, Runways 11L-29R, 11R-29L, and 3-21. Runway 11L-29R is the primary runway and generally used by commercial air-carrier service, cargo, and military operations. Runway 11R-29L is used primarily for general aviation aircraft. Runway 3-21 runs perpendicular to, but does not intersect the two parallel runways.

Ryan Airfield (RYN)

RYN was created during World War II as a pilot training base and is located approximately 14 miles west of TUS. RYN covers approximately 1,804 acres and the TAA maintains its three runways, Runways 6R-24L, 6L-24R, and 15-33. RYN accommodates a wide variety of general aviation activity with a manned air traffic control tower, aircraft refueling and service facility, lighted and paved runways, and a restaurant.

Strategic Plan

On August 5, 2021, the TAA Board of Directors approved an ambitious 3-Year Strategic Plan that called for dramatic organizational and process change in response to the unprecedented circumstances that the COVID-19 pandemic caused in 2020. As traditional sources of airport revenue declined during the year, the TAA has sought to bolster its financial position by creating a sustainable path to alternate revenue streams by leveraging the undeveloped land at both TUS and RYN.

FY 2021 – Align and Engage

“By the end of 2021, the TAA team is engaged and understands the Strategic Plan; the organization is aligned by roles and responsibilities; a baseline model for future Airline Use Agreement (AUA) negotiations is developed; a marketing plan focused on earning confidence from travelers is in place; and, as the economy recovers, **business plans and processes are updated that welcome and encourage commercial and industrial development.**”

FY 2022 – Capitalize on Opportunities

“By end of 2022, the TAA has created a foundation for organizational resilience, completed negotiations with the airlines for a new Airline Use Agreement, **selected a partner for commercial and industrial development (partnership plan)**, updated the terminal with permanent post-COVID-19 improvements, and air service has expanded.”

FY 2023 – Dream Big Together

“Coming in to 2023, we have proven our ability to react to challenging external circumstances, refined and upgraded our internal operations and are ready to lift off into a new era of leadership

in our industry and our community. We envision a future state where we break down the barriers and silos that exist internally and externally so that we can all co-create a more compelling future out of the trials of the past. **We create Centers of Excellence within the TAA and with our community and industry partners as platforms to innovate and dream big.** We make connections, collaborate, and ensure that we bring excellence to all endeavors.”

These three themes form the basis for the document that follows – a plan that defines the efforts taken and those to take to prepare the undeveloped land possessed by the TAA at TUS and RYN for the market. This document will expand upon those themes as they relate to the development of TAA land and the marketing of real property for the TAA.

The purpose of this plan is to prescribe a method to bring the real property resources of TAA to market. For those assets not yet developed, the plan will highlight the nature of the resources available and devise a systematic process to market the land as a shovel ready asset. In doing so, the plan will:

1. Identify the community resources and plans that compelled the TAA to investigate the benefit of development.
2. Describe the open land highlighting the desired industries targeted by the TAA for each main parcel of land and determine the priority for development.
3. Describe the processes required to release any restrictions on the land from the regulatory agencies which exercise restrictions on the land and its use. This includes the Federal Aviation Administration (FAA), Environmental Protection Agency (EPA), as well as local government and municipal zoning authorities, specifically the City of Tucson and Pima County.
4. Propose a strategy to develop the land – whether to utilize a master developer, or manage the project internally, or a combination of the two.

On September 1, 2021, the 3-Year Strategic Plan was amended to adjust to the post-pandemic economic reality. However, what remains a pivotal element of the Strategic Plan is land and commercial development. Where the first version of the Strategic Plan focused on task accomplishment and procedural review, the Strategic Plan 2.0 (SP v2.0) emphasizes a broader approach to economic development. In SP v2.0 the TAA staff advocates a cultural shift in the organization and the community that will transform the way the community views the TUS and RYN airports – as centerpieces of regional economic opportunity.

Desired Outcomes

Community Partners

The desired outcomes for the TAA's community partners are a better understanding of the timing of development and the necessary touchpoints between the TAA and the community (particularly municipal authorities) to successfully implement the development strategies prescribed in the plan. Community leaders should be able to synergize strategic efforts to develop infrastructure and offer incentives to match the pace of land development around TUS and RYN. The elected members of the TAA should be able to understand this plan and effectively advocate within their sphere of influence for the economic development of the community.

Potential Business Partners

The desired outcomes for the potential business partner are that they will be familiar with the undeveloped assets possessed by the TAA. The partner will also understand the administrative work required to market the undeveloped land and have their expectations managed regarding the land's availability and restrictions. The business partner should be able to form a strategy of engagement with TAA based on the account of this plan.

TAA Staff

The desired outcomes for the TAA staff are a deep understanding of the actions required by staff to bring the TAA's undeveloped land to market, the priority and pace of land development, and the identification of lines of expense to the airport authority of bringing the land to market.

Chapter 1: Making the Case for Development

The land that TAA owns is expansive and well positioned for significant market development.

There are two basic types of real property owned by an airport:

Aeronautical | Airside Property

Those land parcels and facilities with access to the secure side of the airfield generally dedicated to an aeronautical purpose.

TUS and RYN have several available airside facilities and parcels of land that can be developed for aircraft hangars and other aeronautical purposes. Developing and managing airside property is regulated by the FAA. At TUS and RYN airside land and facilities are immediately available. The land is largely shovel-ready. At TUS and RYN this means the transit infrastructure, utilities, and most legal permissions (zoning, approved FAA clearances and plans...) are already resolved so that a prospective client may build in accordance with the FAA-approved Airport Layout Plan (ALP). Specifics regarding available airside resources will be discussed later in the plan.

Landside Property

The landside property (parcels and facilities that do not have secure airfield access and are often non-aeronautical in nature).

TAA also possesses over 5000 acres of undeveloped landside property between TUS and RYN. These landside resources, though plentiful, are not yet shovel-ready. In many cases the land does not have adequate utility support in the area; municipal zoning is not appropriate for industrial development; or FAA encumbrances prevent the immediate development of the land. Yet, the land is attractive for the commercial market because of its location near major transportation venues – both current and planned. With the concerted effort of the community's partners, the TAA land could yield a sustainable revenue source to bolster the aviation mission of the airport authority and a secondary benefit of economic development for the region.



Figure 1: TUS undeveloped land and potential road network

Figure 1 illustrates the “open land” currently possessed by TAA. The land highlighted in green are those parcels located off airfield and likely to be made available for non-aeronautical purposes - landside. Those parcels of land highlighted by orange are connected to or near the runways at TUS. Thus, they will likely be reserved for some type of aeronautical purpose - airside.

As economic pressures resulting from the softening of passenger travel during CY 2020 force airports to evaluate new strategies for revenue management, airport administrations, like TAA, must leverage all resources to produce diverse and sustainable revenue paths. TAA’s property holds tremendous potential as an alternate revenue source. However, there must be an orderly methodology to market the land. This methodology begins with an evaluation of the efficacy of the land to develop the local economy and bring revenue to the TAA.

Roads and Infrastructure

One major benefit is the land’s position relative to the regional road network and future road expansion plans of the State of Arizona and local municipalities.

The Arizona Department of Transportation (ADOT) is executing a phased approach to bolster the road network surrounding the airport environment. There are three primary road projects that will impact the road network around TUS.

The first is the proposed Sonoran Corridor (SR-410). The project proposes an east-west running highway to connect the two major interstates in southern Arizona (I-10 and I-19). Once complete, the Sonoran Corridor will provide local drivers an expeditious southern route to transport goods to Mexico as well as a southern access to the airport and businesses located south of the City of Tucson. ADOT has concluded a Tier 1 Environmental Impact Study (EIS) for the proposed highway. Though many years from completion, the initial thought is the northern section of SR-410 (the east west running section prior to the southern bend) would be

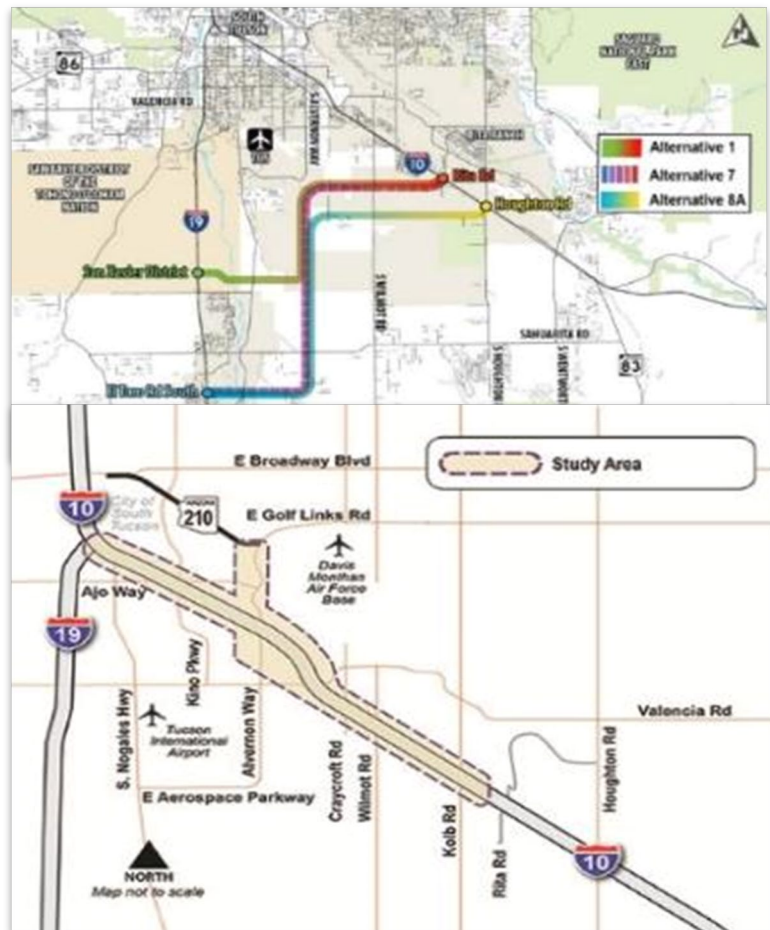


Figure 3: ADOT I-10 Study area

completed first. This effort would bring immediate benefit to the transportation infrastructure south of TUS.

The second major road project affecting the airport environment is the study of potential road improvements to I-10 near Tucson.

According to ADOT:

The Arizona Department of Transportation (ADOT) has prepared an Environmental Assessment (EA) and Design Concept Report (DCR) to study potential improvements to two important corridors that serve the Tucson area:

- Interstate 10 (I-10) from the I-10/Interstate 19 (I-19) interchange to Kolb Road.
- State Route 210 (SR210) (Barraza-Aviation Parkway) from Golf Links Road to a future connection with I-10 along Alvernon Way.

This construction study will lead to safer and more efficient travel along this section of highway which is currently plagued with rush hour bottlenecks.

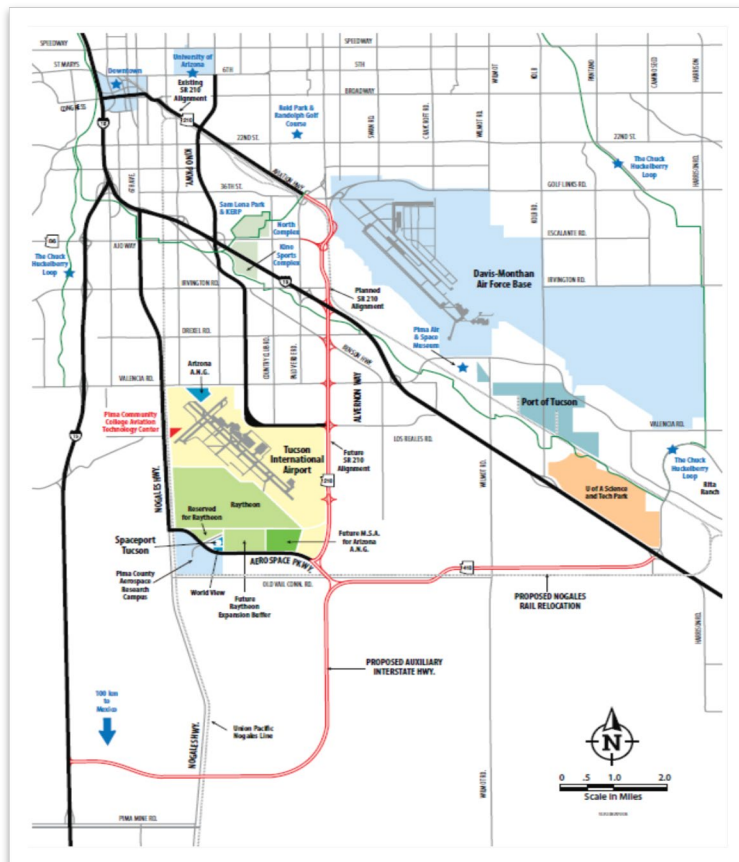


Figure 4: SR 210 to SR 410 (Sonoran Corridor) interchange

The third construction project is a proposal advocated by members of the local community as well as the TAA: It follows the second project initiative to develop a connection from SR-210 to I-10 along the Alvernon Way alignment. This project would continue the SR-210 highway south along the Alvernon Way alignment, through the airport environment. The highway will eventually connect to the proposed Sonoran Corridor (SR-410) along the same Alvernon Way alignment. Extending the highway south of I-10 also provides an opportunity to master plan a dedicated entrance to the airport from the interstate – more to follow on this topic.

The three proposed road projects create a 'regional nexus' for transportation around the TUS airport environment. The TAA land adjacent to these roads will likely be attractive for businesses that are looking to build near major lines of transportation.

TUS and RYN | Complementary Operations for Business Development

The opportunity to develop TUS and RYN land is complemented by government and business operations that enhance the attractiveness of the region for business development:



U.S. Customs and Border Protection

TUS is home to a U.S. Customs and Border Protection (CBP) Port of Entry. The TUS CBP facility is a 24/7 operation. As the designated Port of Entry airport in Arizona, U.S. Customs and Border Protection (CBP) provides a full range of services at Tucson International Airport (TUS), including passenger and cargo processing as well as a Global Entry Enrollment Center. In 2019, CBP at TUS processed more than 2,000 aircraft arrivals and more than \$1.1 billion worth of international merchandise.

The Port of Tucson is a multimodal (rail and truck) facility located about 3 miles from TUS. The facility is located adjacent to the Union Pacific Railroad mainline and I-10. According to the company's website, the Port of Tucson features:



Figure 5: Port of Tucson

- 767 acres of real property designated as 'shovel ready' by City of Tucson and Pima County development services.
- Over 1.7 million square feet of manufacturing, warehousing, and distribution buildings with plenty space to grow.
- 50,000 feet of working rail track with intra-plant switching services being provided by the Port of Tucson.
- Federally designated and activated Foreign Trade Zone which provides certain duty or tax benefits within the park.

The business community surrounding the airport is robust and diverse. Like many airports TUS is bordered by several warehouses and logistics centers. The entire spectrum of aircraft maintenance, repair, and overhaul (MRO) facilities exist on the airfield. Small companies such as Aerovation and large companies like Bombardier thrive on TUS land and have sought to expand their footprint.



Figure 6: Raytheon Missile and Defense Systems is headquartered at TUS

Major Manufacturing

In recent years Raytheon has spent \$500M to expand the company's campus to the south of the airport. The company has, in the past, expressed a desire to have its supply chain partners move closer to the Tucson campus. Other large businesses may follow as our current tenants look to expand. TAA should be ready to accommodate that desire.

Education and Training

Pima Community College bases its aviation maintenance school on the TUS west ramp. After receiving a \$15M grant from the State of Arizona the college will double its footprint in the area. This will likewise double throughput for its aviation maintainers-advancing a major need for the community.

Flight Training and FBOs

As airlines fill the void of retiring pilots, companies are poised for business expansion to meet the training needs of the flying industry. TUS and RYN are host to numerous flight training businesses and fixed base operators that serve the general aviation community.

Numerous other tenants and prospective clients have contacted the TAA staff expressing a desire to expand or develop their business on the TAA's property. Even in a time of economic uncertainty, businesses are taking the risk to expand their interests – and they want to do so at TUS and RYN!



Figure 7: Pima Community College Aviation Campus at TUS



Figure 8: Ryan Airfield

The combined benefits of planned road projects and business interests in the area compel the TAA Business and Commercial Development Division (BCD) staff to examine how the TAA's undeveloped land can be leveraged as a strategic resource for economic growth for the airport system and a "Center of Excellence" for southern Arizona.

It is apparent that the airport environment (particularly TUS) offers a compelling picture for commercial development. However, the land must be conditioned to sell. In its present state, the land surrounding TUS and RYN requires some administrative effort before the TAA can reap the benefits of its development.

Staff must determine the 'highest and best use' of this resource.

Chapter 2: The Land Resources of TUS and RYN

TUS | The Sonoran Commerce Center

Most of the TAA's undeveloped land bounds TUS to the east and to the south. Though much of the acreage was purchased using FAA grant funds for the purpose of noise and encroachment mitigation, there are ways the land can be developed for industrial purposes without negatively impacting the flying missions of TUS and RYN.

As a marketing effort the TAA staff have named the overall land mass located near TUS the "Sonoran Commerce Center." The parcels of non-aeronautical TAA land are divided into 4 major sections aptly named: Sonora North, Sonora East, Sonora West, and Sonora South.

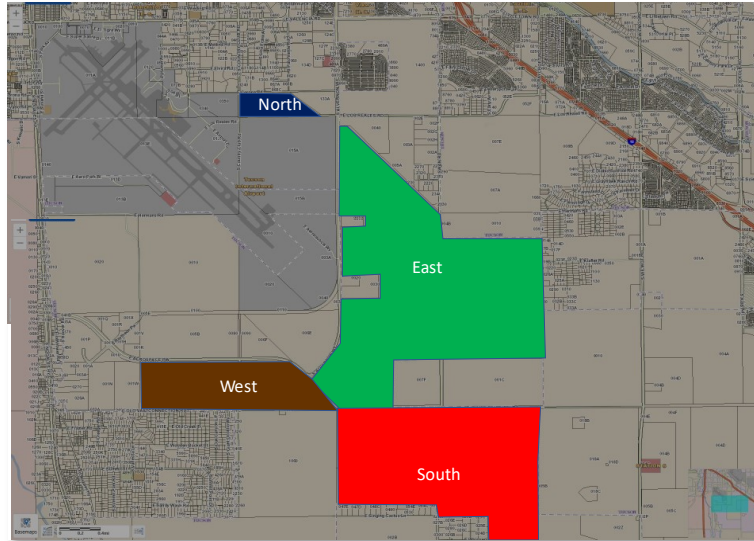


Figure 9: The Sonoran Commerce Center

Likewise, there are four major industries that could be accommodated on the TAA land:



Manufacturing and Supply Chain



Retail and Office Space



Warehouse and Distribution



Aerospace and Defense



...Landing Prosperity in Southern Arizona!

While each parcel could support any or all the above industrial categories, it does appear that the center's location favors development to host a primary industrial focus.

Sonora North (Retail and Office)

Shovel Ready Status: 6 months

Total Acreage:	Approximately 96 acres
Zoning:	I-1 (Light Industrial)
Jurisdiction:	City of Tucson
Utilities:	Water, Electrical, Gas, Sewer, Communications

Sonora North is located to the south of the current industrial district near TUS. Shipping warehouses and corporate distribution centers comprise most of the business in the area.

However, if ADOT moves forward with the road improvements proposed earlier in the document, the SR-210 extension could serve as the long-awaited dedicated entrance to TUS from I-10.



Figure 10: Sonora North

For many airports, the primary entrance features hotels, retail businesses, as well as conference and office space. Sonora North is positioned to accommodate similar growth.

The parcel is zoned for light industrial within the jurisdiction of the City of Tucson. It would be fitting to promote aesthetically pleasing retail and commercial businesses (such as hotels, commercial office space, shopping, and restaurants) along the entrance to the airport. This would offer the traveling public opportunities to shop and dine near the airport and give residents justification to visit the airport environment regardless of their travel plans. The land around an airport's entrance and exit becomes the community's welcome and 'first impression' to travelers. Because the TAA owns the property north of Los Reales Road and leases the land south of Los Reales Road (as part of the TAA's long term TUS lease from the City of Tucson), TAA has the enviable opportunity to 'master plan' a new primary entrance to the facility.



The land was originally part of a larger real estate purchase to provide space for a potential third parallel runway and a relocated passenger terminal. In recent years it has become apparent that air traffic is unlikely to exceed the capacity of the existing two runways, and that construction of a new terminal on the land is equally unlikely. In early 2021, the TAA commissioned a Terminal Siting Study to validate this assumption.

TAA staff may be required seek Federal Aviation Administration (FAA) permission to redesignate the land from its planned aeronautical use to a non-aeronautical use before Sonora North can be made available to the real estate market. Due to market interest TAA staff have already addressed this issue with the FAA Phoenix Area District Office (ADO). Staff is awaiting FAA ADO direction regarding the next steps in adjudicating the land.

Sonora East (Warehouse and Distribution)

Shovel Ready Status: 12-24 months

Total Acreage: Approximately 2973 acres
Zoning: CI-2 (General Industrial), I-2 (Heavy Industrial)
Jurisdiction: Pima County, City of Tucson
Utilities: Water, Electrical, Sewer, Gas, Communications (mostly to the north)

Sonora East is a large land mass bordered to the west by Alvernon Way. Should ADOT's plans for the region become reality, Sonora East will be bounded by the SR-210 extension to the west and SR-410 (the Sonoran Corridor) to the south. These two major roadways make the parcel a prime location for an industry that requires a robust transportation network.

Arizona has experienced tremendous growth of warehouse and distribution space in the past few years. The growth of the e-commerce industry has generated a need for millions of

square feet of storage space. Online shopping platforms face increasing demand for short delivery windows which drives the need for prepositioned goods (particularly for last mile delivery).

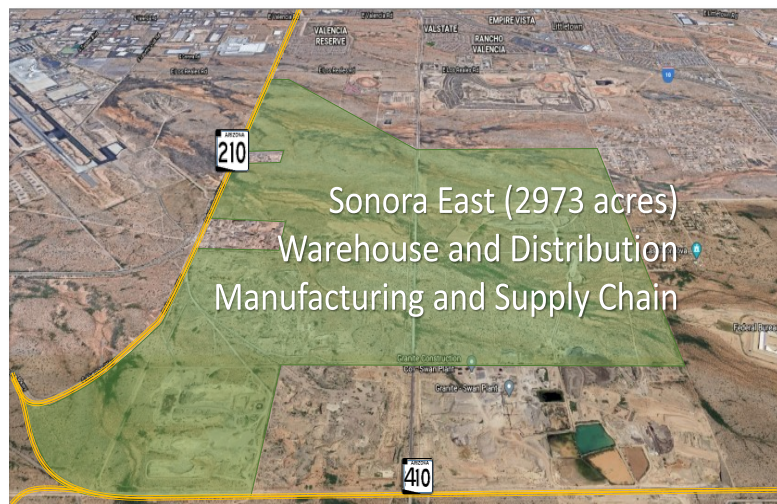


Figure 11: Sonora East

According to a CBRE report:

- GROWTH OF E-COMMERCE HAS EXPLODED with a 140% increase in global e-commerce sales over the past 5 years.

- Mainland China and the U.S. are the biggest e-commerce markets in the world, accounting for 57% of global internet sales.
- GLOBAL 5 YEAR FORECAST is \$1.5 trillion estimated increase in e-commerce sales with 138 sq. m. of additional logistics space required worldwide to support the growth of e-commerce sales.
<https://www.cbre.com/insights/reports/global-e-commerce-outlook-2021>



In Arizona, the manufacturing and ecommerce distribution industries are high demand. Economic Impacts of Commercial Real Estate, 2021 U.S. Edition states, "Arizona is the No. 8 state in the U.S. for contributions to state GDP created by industrial (manufacturing facilities) development, and the No. 8 state for warehouse (e-commerce

distribution facilities) development. Overall, construction and development of Arizona industrial and warehouse, office, and retail created and supported 83,805 related jobs and contributing \$11 billion to the state's economy in 2020."

In the Tucson metropolitan area, the demand for warehouse and industrial construction is at a record setting pace. Cushman and Wakefield's Marketbeat Industrial for Q2 2021 stated:

"Industrial and flex space of all types remained the darling during tumultuous pandemic times and for the foreseeable future, with ecommerce and expanded consumer buying power driving logistics and fulfillment demand and a 5.5% vacancy rate in the market. Construction and home building have driven supplier and contractor activity with 256,000 square feet of positive absorption during the second quarter. Overall market vacancy has remained at a steady level for three consecutive quarters. Limited inventory has been the impetus for speculative and build-to-suit construction by Harsch, Daybreak, and other developers, with opportunity in the spec industrial market in Tucson not seen in recent times. Improved business park sales are at a high point not previously seen, both for small lots for end-users and larger parcels or assemblages for major employers and warehousing operations."

Source: https://www.picor.com/wp-content/uploads/2021/08/Tucson_Americas_Alliance_MarketBeat_Industrial_Q22021.pdf

The metropolitan Tucson area may not drive the same demand for construction as the Phoenix valley; however, local real estate companies and developers have already expressed interest in building along Alvernon Way. The proximity of the property to major roads, an airport, and the Port of Tucson make Sonora East a desirable location for manufacturing and logistics construction. With nearly 3000 acres to offer there is plenty of space to construct large facilities to accommodate all types of business to the area.

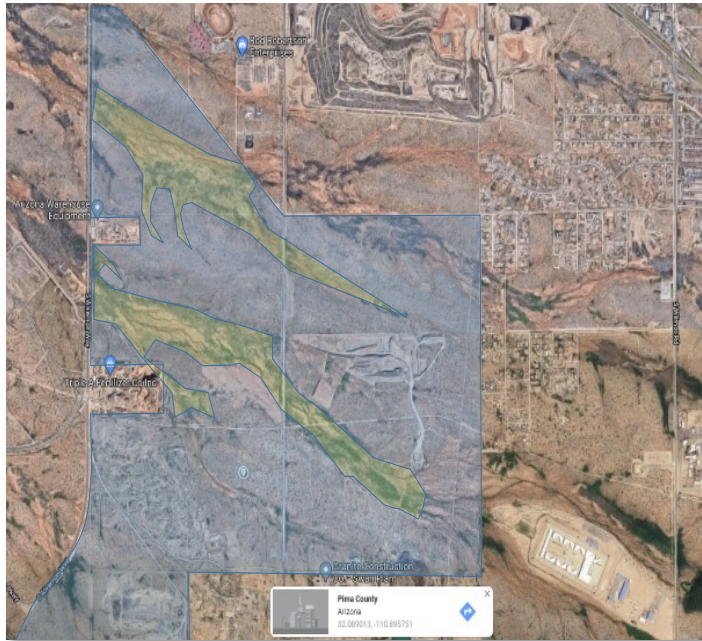


Figure 12: Airport Wash (in green)

Sonora East is a largely level land mass. However, there are some geographic limitations that must be acknowledged.

The “Airport Wash” extends east to west through the parcel. Water flow management will be a key component of site preparation for builders that desire to develop the land. There are also areas of the property that have been mined. Mitigating the elevation differences would not be a large project in this area but a factor to consider as the land is developed.

The infrastructure around Sonora East is being bolstered on the west side of the land mass. The local community supports the development of the land and has been executing projects to enhance the infrastructure capacity in the area. In 2019,

leaders of local municipalities as well as utility providers combined their efforts to produce an economic development “TUS Blueprint” that highlights some of the needed investment. In the document, these leaders acknowledged the need and pledged their support for projects that would make the area more marketable for the community’s benefit.

Like Sonora North, the Sonora East land was purchased with FAA grant funds for an aeronautical purpose. The TAA staff must evaluate the utility of seeking FAA release of obligation for the land as a whole or developing the land in parts to meet business demand.

Sonora East is currently in the jurisdiction of Pima County. However, the City of Tucson has indicated its desire to annex parcels along Alvernon Way. The annexation may spur increased investment in utilities for the area. TAA staff will work with the City of Tucson to ensure that zoning and compatible land use restrictions favor development of the land for non-aeronautical purposes that do not interfere with the airport’s flying operation across the street.

Sonora West (Aerospace and Defense)

Shovel Ready Status: 24-36 months

Total Acreage:	Approximately 560 acres
Zoning:	I-2 (Heavy Industrial), P-I (Park Industrial)
Jurisdiction:	City of Tucson
Utilities:	Water, Electrical, Gas, Sewer, Communications

Sonora West comprises 560+ acres of land located south of TUS. It is bordered to the north by the Raytheon Technologies buffer zone and to the south by the Summit housing development. To the east Alvernon Way (the proposed SR-210 extension) merges with the proposed route of SR-410 (the Sonoran Corridor).

Like Sonora East, the Sonora West property lies adjacent to major thoroughfares which make it attractive for logistics. Additionally, once the Sonoran Corridor has been completed, the parcel will border the much-needed road that will bring employees to the airport environment from the southern townships of Sahuarita and Green Valley. This introduces an opportunity to partner with southern Arizona's largest employer – Raytheon Missile and Defense Systems (Raytheon). The region is enthusiastic about the construction of the Sonoran Corridor. Many of Raytheon's 13,000+ employees live south of the City of Tucson and would utilize the highway during their commute.



Figure 13: Sonora West

Prior to 2020, Raytheon expressed a desire to encourage the company's supply chain partners and similar businesses to move near the defense contractor. Currently, Raytheon employees travel extensively to manage relationships with their defense industry partners. It would be a benefit to the company if their suppliers could move closer to the missile manufacturer's headquarters. Though not yet explored, it stands to reason that there may be efficiencies to exploit if similar businesses were to share resources.



High-tech testing and calibration equipment can be costly. Smaller (startup) companies with similar or complimentary missions could lower their capital costs by collocating and developing joint test centers for common systems or needs. Pima County has, in the past, advocated for an aerospace engine test center as a business community joint venture. Pima County has also provided users access to its Thermatron currently located at the Worldview Company headquarters facility across the street from Sonora West. This was done in a spirit of cooperation to foster business growth in the aerospace technology sector. These are all activities that would be welcome in Sonora West.

Sonora West falls within the jurisdiction of the City of Tucson. It is zoned for heavy industrial use which is optimal for the high-tech manufacturing industry TAA desires to engage at the site. Though located in the jurisdiction of the City of Tucson, Pima County owns a 300-acre parcel to the west of the land. This largely shovel ready land is intended to attract the Aerospace and Defense industry and is aptly named the Aerospace Research Campus. As conditions permit Pima County intends to add a rail siding to the southern portion of the land to branch from the Union Pacific Rail line that forms the land's western boundary. Sonora West could feature an extension of that railroad branch to attract customers with a specific need for rail access.

As the site of a former sand and gravel operation, the Sonora West landscape has been significantly disturbed. It will require a substantial investment to prepare the site for business bed down. TAA has been proactive to evaluate the land for development and enlisted the expertise of an engineering consultant to assess the land's utility. A 2017 engineering report concluded that site development costs to balance the land would be near \$10M. TAA should take a phased approach to rehabilitate this land. As stated earlier, Pima County owns shovel ready land to the west of the TAA property. A coordinated approach with the County to develop Sonora West from west to east would allow for a synergistic and cost-effective approach to develop the land to meet the needs of industry in the area.

Sonora South (Warehouse and Distribution)

Shovel Ready Status: 60+ months

Total Acreage:	Approximately 1931 acres
Zoning:	RH (Rural Homestead)
Jurisdiction:	City of Tucson, Pima County
Utilities:	Water (nearby), Electrical, Sewer, Communications

Sonora South is the final large parcel of undeveloped, non-aeronautical land near TUS. It is bordered to the north by Old Vail Connection Road. This road is the preferred alignment of the proposed Sonoran Corridor (SR-410). Depending on the highway's placement, the northwest corner of the parcel may contain the intersection between SR-210 and SR-410. This would be a key intersection for shipping and distribution in the area. Sonora South, in time, could be a major hub for the warehouse and distribution industry.

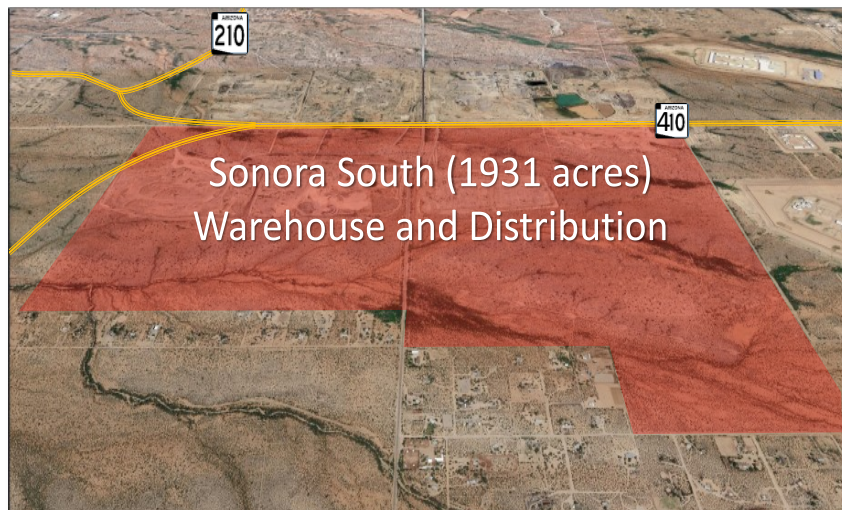


Figure 14: Sonora South



Presently, Sonora South offers limited business utility. Old Vail Connection Road is a small road, unpaved in some areas. Utilities in the area are sparse. Infrastructure plans for the area are ambitious but remain a distant vision. Unlike other parcels where roads and

infrastructure exist and are planned for expansion, Sonora South has very few resources now. Yet, it has the potential to become a center piece of economic development for the TAA once state and local municipalities invest in the area.

Additional Land Resources near TUS



Figure 15: Additional Landside Parcels (TAA owned in green)

There are several smaller parcels that border TUS to the north and west. The land located along Valencia Road to the north of the airfield resides at the departure end of runways 29R and 03. As the graphic depicts most of the open land is owned by the City of Tucson (in pink) but leased to the TAA as part of the overall long-term airfield lease. The remaining land (in green) is owned by the TAA and can be developed immediately. Because much of the land resides in the departure corridor of TUS, there are restrictions

regarding compatible land use as well as building height and population density. TAA planners will address those factors as building opportunities present themselves.

Airside Property | Expanding Capacity

TUS and RYN both have available airside parcels in varying states of readiness for market. Most of the TUS parcels are “shovel-ready”. With minor adjustments and some administrative preparation prospective tenants could begin building on TUS property within a few months. The availability of land at RYN depends heavily on the commercial activity proposed. This document will focus on the assets available at TUS and plans to expand capacity at the airport.

TUS airside land can generally be categorized in three segments: the undeveloped land north of the runway environment (including MRO 50), the undeveloped land south of the runway environment (including Aeropark 30), and the Air Cargo ramp.



Figure 16: North Airside Property (with MRO 50 in orange)

North Airside Property

There are several parcels of available land located on the “north” side of the airfield. The largest parcel of available airside real estate is positioned north of the departure end of Runway (RWY) 11L. There are nearly 800 acres of available land in varying states of readiness for airside operations. The land is owned by the City of Tucson but assigned to TAA’s long term lease of TUS. Until recently this

land (highlighted in blue in Figure 16) was designated as a “Special Planning Area” on the TUS Airport Layout Plan. The TAA’s intention was to restrict development of the land in anticipation of constructing a third parallel runway and a new main terminal facility. In 2021, a Terminal Siting Study concluded that the current TUS terminal would meet the needs of the airport in its current location. Internal studies have also revealed that the need to develop a third parallel runway would not be realized in any forecast for the foreseeable future. TAA leadership determined that the highest and best use of the property would be to make it available for airside commercial development.

Like Sonora East, this northern parcel contains the out flow of the Airport Wash and water flow management will need to be addressed in any development plan. The elevation of the parcel varies significantly through the 800+ acres. A large-scale development (such as a single large aircraft ramp) may

require significant earth work to level the property. Smaller, subdivided properties might be able to develop the land with less effort and expense. The size of the parcel yields flexibility. And its position near the RWY 11L/29R make it an attractive property for future development.

Imbedded within the northern parcel (depicted in orange in Figure 16) is the TAA's most shovel-ready property. Named "MRO 50" this set of two 25-acre parcels was developed for the specific purpose of supporting Maintenance, Repair, and Overhaul (MRO) operations at TUS. TAA plans to grow the MRO community at TUS in this area. As demand dictates the MRO campus will expand east, west, and north. Utilities to the property are designed to accommodate a large commercial airside operation.

South Airside Property

The property located on the "south" side of the runway area is much smaller but more easily developed. The 50 acres of available land are level. The property lies adjacent to existing taxiway infrastructure so TAA development costs should be relatively low. Utilities are present at the curb, however, industrial capacity will need to be evaluated for each new business on the property. Aero Park 30 has been advertised as another site for MRO operations. The aircraft modification company Aerovation, Raytheon corporation and the Arizona Department of Public Safety lease land in the area. Prospective tenants include the Pima County Sheriff's Department Aviation Unit as well as other MRO and aircraft modification companies. If these prospects are realized, the south airside land will be filled except for very small parcel sizes.



Figure 17: South Airside Property (with Aero Park 30 in orange)

Air Cargo Ramp

The final airside land resource is the Air Cargo ramp. Recent commercial trends suggest that air cargo space in general has become a high-demand, low-density product nationwide. The TUS Air Cargo ramp is sized appropriately for current cargo operations at the airport. FEDEX operates a single daily flight from



Figure 18: Roll Royce Boeing 747 test aircraft on the TUS Air Cargo Ramp

its facility on the east side of the ramp. Sierra Pacific Airlines provides contract services from the ramp. The Rolls Royce company operates a Boeing 747 engine test bed from the ramp as well. There is space to accommodate additional aircraft parking.

The two Air Cargo buildings located on either side of the ramp have vacancy to accommodate tenant expansion. However, the overall ramp size limits the type (i.e., the

size) of aircraft that can operate from the ramp long term. TAA has been approached by cargo carriers that desire to expand their role in Tucson. If any large-scale operation (or operation using multiple wide body aircraft) established a footprint on the TUS Air Cargo ramp, the facility would be at capacity. There is a need to expand capacity. And TUS has the land to do so.



Figure 19: Air Cargo Ramp Expansion – (in grey)

To the east of the existing Air Cargo Ramp (near the area previously identified as North Airside Property) is land suitable to develop as additional air cargo ramp space. The triangular parcel is nearly 40 acres in size and is adjacent to the current alignment of Country Club Road. To make the best use of the land the TAA staff recommend demolition of the unoccupied Flight Kitchen located on the western boundary of the parcel. Planners have also considered realigning Country Club Road further east to expand the northern section of the land, however, water flow mitigation from the Airport Wash may limit any major change to the development of the area.

RYN | Flight Training and Future Commerce

The Ryan Field is located 9 miles west of the Tucson city limits. There are about 1200 acres of undeveloped land surrounding RYN.

Because of its distance from the City of Tucson, Ryan Field's location is not perceived as lucrative for large-scale commercial development, yet. As residential communities continue to expand in the area, demand for nearby commerce will become more substantial.



Figure 20: Ryan Field

Of note there are 2 parcels set aside for non-aeronautical development. These parcels would likely be developed to support the retail and commercial needs of the population growing nearby.

The parcels designated for airside or aeronautical use are prime growth areas for the general aviation industry and the growing need for flight training. With over 300 days of sunny weather, the State of Arizona has arguably the best weather in the nation for general aviation. Even during the inclement (monsoon) weather seasons in Arizona, much of the day still features visual flight rules (pilot-friendly) weather. Add to the good weather an uncomplicated air traffic control environment – Ryan Field and southern Arizona are among the nation’s best flight training environments.

Due to the COVID-19 pandemic in 2020, commercial airlines furloughed a significant portion of its aviation workforce. Pilot training facilities all but shut down during the crisis nearly stopping the civilian pilot production market. Still more pilots elected to retire rather than face the uncertainty of the economic environment. As passenger travel began to increase in 2021, aircraft and pilot availability could not keep pace. According to global management consultant Oliver Wyman,

“In North America, with an aging pilot population and heavy use of early retirements, the shortage reemerges quickly and is projected to reach over 12,000 pilots by 2023 — 13 percent of total demand.”

<https://www.oliverwyman.com/our-expertise/insights/2021/mar/after-covid-19-aviation-faces-a-pilot-shortage.html>.



Figure 21: Ryan Airfield with undeveloped land parcels highlighted

Airlines have begun recruiting and training pilot candidates in earnest. United Airlines became the first major US airline to create its own flight academy. Other airlines have increased their contract demand. As airlines and pilots demand greater opportunities for training, opportunities open for Ryan Field. In years past, foreign pilot training programs have sought the land and facilities of Ryan Field. Unfortunately, lack of community infrastructure and site preparation requirements generally prevented large scale investment in the site.

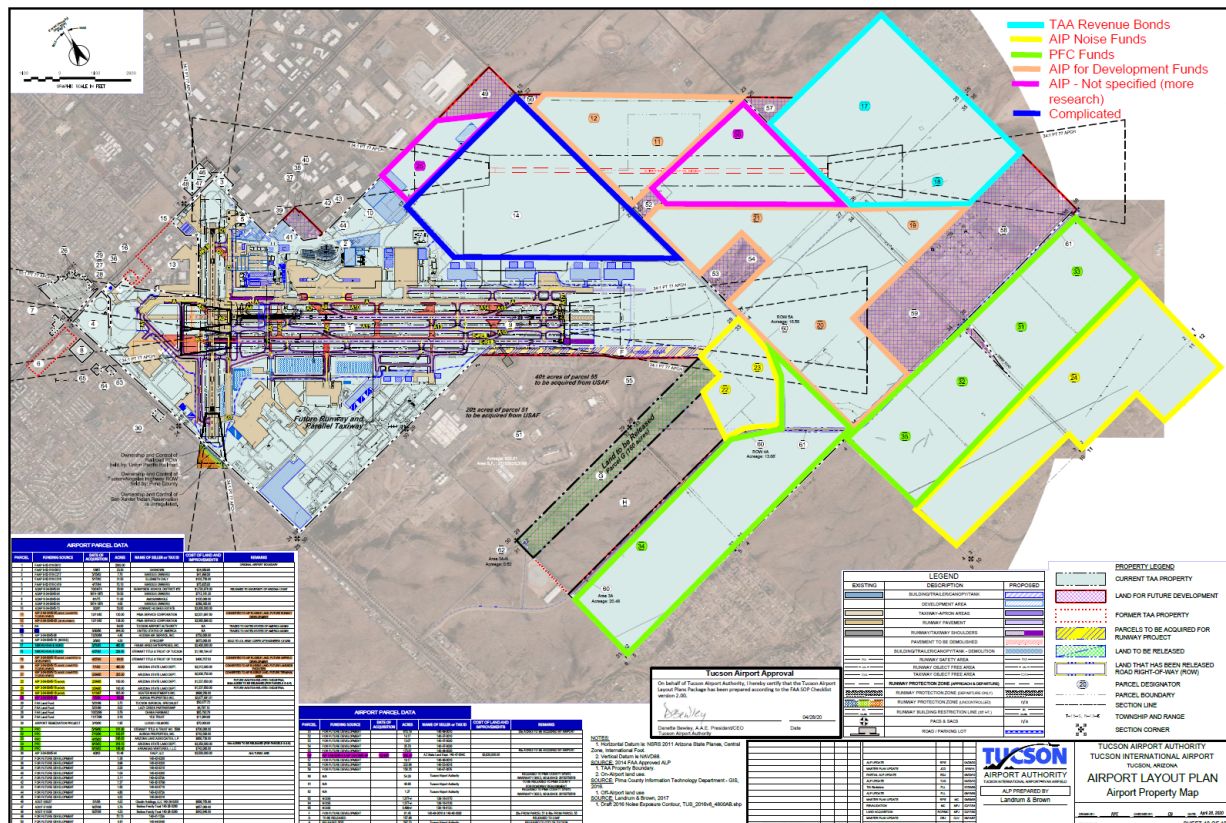
Today RYN hosts several flight training concerns. Infrastructure improvements such as the introduction of wastewater systems on the premises increase the capacity of the airport to sustain major facilities. As the City of Tucson expands to the west, the TAA staff must strike a balance between attracting business to the area that would encourage growth on the airfield and preventing encroachment concerns by developers building housing in the area. Proper community planning and communication is instrumental to deliberately plan the growth of the airport environment near RYN.

Chapter 3: The Stakeholders in Land Development

Every airport serves several stakeholders. The FAA certainly exercises a great degree of control over the operations and finances of any airport. Local governmental agencies control the zoning and permitting of projects in the airport environment. Finally, through the TUS Airline Use Agreement (an operational agreement between the airport and several of its hosted airlines) the airlines themselves exercise some input over the operation of the airport. The requirements (and desires) of each of these stakeholders must be respected as partners in the development of TUS and RYN land resources.

The Federal Aviation Administration

The FAA regulates nearly every aspect of airport operation including land use and sale. All airports in the National Plan of Integrated Airport Systems are required to draft a Master Plan and an Airport Layout Plan. These plans form the basis for the airport's land use strategy. Changes to the plan or deviations from the plan must be approved by the FAA. TAA now seeks to release some of the TAA's federally obligated land. The process of releasing land for lease or sale can be lengthy and complicated. The process is commonly referred to as land disposal. In the process, the TAA provides a satisfactory reason why the airport is disposing of land it first sought FAA permission (and funding) to purchase.



Since the 1990s, the TAA systematically purchased large parcels of land for future aeronautical purposes and to mitigate the risk of encroachment by the growing population in the airport environment. The FAA granted funds to the TAA to purchase large land parcels through the Airport Improvement Program (AIP). This program is designed to facilitate large projects typically beyond the reach of the local airport's finances. TAA also used Passenger Facility Charges (PFC) to fund land purchases for noise mitigation. This FAA program permits airports to apply a charge to passenger airline tickets to bolster project funds for several reasons. According to FAA.gov, "Airports use these fees to fund FAA-approved projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition." Finally, the TAA used Revenue Bonds to purchase land to support future aeronautical growth at TUS.

As denoted by the Master Plan and Airport Layout Plan, these funding sources have restrictions on their use and are governed by FAA regulations. Whether the TAA chooses to sell or lease its land there are prescribed processes that the FAA requires to release land for development.

The process to sell FAA-obligated land changes depending on the nature of the land's original purchase. Land acquired with non-noise abatement AIP funds or land designated for a specific aeronautical purpose (namely Sonora North and the airside land to the south of it) will require FAA action to release it from its aviation purpose. TAA will be required to draft a white paper explaining why the airport no longer needs this land for an aeronautical purpose. TAA would also be required to submit a change to its ALP (Airport Layout Plan) that illustrates the same. The FAA, in accordance with the National Environmental Policy Act (NEPA) would require the TAA to perform a review of the land. FAA Order 1050.1F prescribes the environmental impact categories that factor into the NEPA review process:

"Environmental impact categories that may be relevant to FAA actions are listed below. These categories are alphabetized below for ease of reference but are not intended to impose an alphabetical order on the FAA's NEPA documents. Detailed guidance on evaluating impacts in these categories is located in the 1050.1F Desk Reference. Construction and secondary (induced) impacts are addressed within the relevant environmental impact category chapters of the FAA 1050.1F Desk Reference. FAA-specific requirements for assessing impacts are highlighted in Appendix B of this Order and discussed in detail in the 1050.1F Desk Reference.

- Air quality
- Biological resources (including fish, wildlife, and plants)
- Climate
- Coastal resources
- Department of Transportation Act, Section 4(f)
- Farmlands
- Hazardous materials, solid waste, and pollution prevention
- Historical, architectural, archeological, and cultural resources
- Land use
- Natural resources and energy supply
- Noise and compatible land use
- Socioeconomics, environmental justice, and children's environmental health and safety risks
- Visual effects (including light emissions)

- *Water resources (including wetlands, floodplains, surface waters, groundwater, and wild and scenic rivers)”*

FAA Order 1050.1F Environmental Impacts: Policies and Procedures

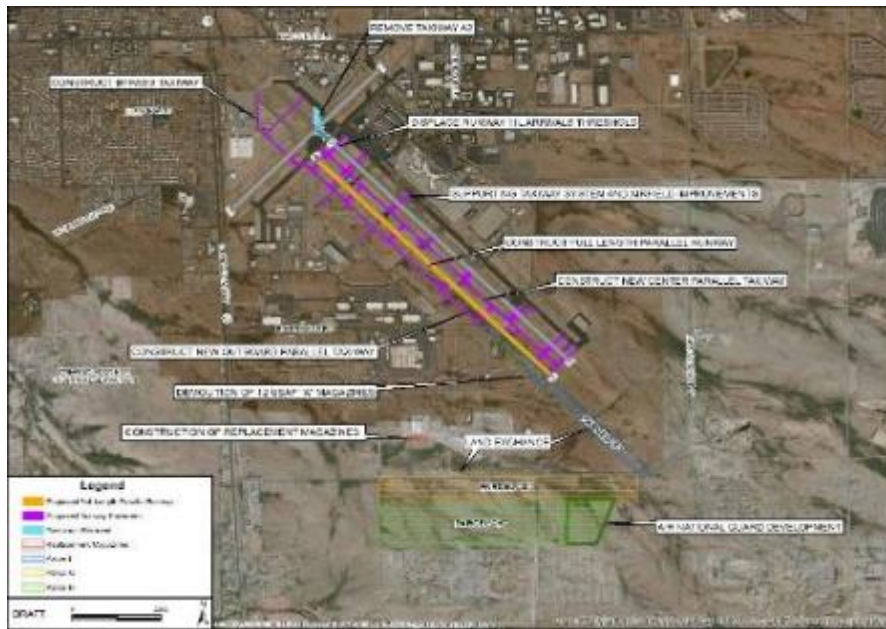


Figure 23: TUS Airfield Safety Enhancement Project - EIS Graphic

While the determination of the scale of review is complex and multifaceted the process is divided into 3 major categories. A Categorical Exclusion (CATEX) occurs when the FAA's action (releasing the land) does not have a significant effect on the human environment. An Environmental Assessment (EA)/Finding of No Significant Impact (FONSI) occurs when a CATEX does not apply. However, the FAA will conduct the analysis to determine whether significant impact could

occur to the environment. This is based largely on the scope and complexity of the construction effort as well as the presence of unique environmental resources in the region of the project. If the analysis results in a FONSI, the process ends and the development process may proceed. If there is a finding of significant impact, the FAA will then proceed with an Environmental Impact Statement (EIS). This is a very rigorous analysis of the impacts of the proposed development. The NEPA process can be quite lengthy and involved (an EIS can take 24 months or more). The timing of this action would be critical in the discussion of managed expectations with business partners. It is believed that most of the proposed activity on TAA owned land would fall into the CATEX or EA processes which could be completed in 6-9 months.

In addition to the environmental process, there are a myriad of other tasks that must be completed prior to the FAA's disposal of land. Most of these tasks can be accomplished in parallel. The land must be appraised to establish Fair Market Value (FMV). The TAA must sell the land at FMV per the FAA's self-sustaining revenue policy. The appraisal analysis and required documentation is also an FAA-governed process. TAA staff estimate that the process would take about 4 months on average. Additionally, most of the TAA's land will require American Land Title Association (ALTA) surveys or land boundary surveys as well. Once these steps are complete the TAA can make a formal request for the FAA to release its land. The FAA request would likely take 3-4 months under ideal circumstances.

If the TAA decides to lease its land or the ALP designates the land as industrial or commercial use the process can be much simpler. Section 163 of the FAA Reauthorization Act of 2018 limits the FAA's authority to decide whether it will retain jurisdiction in the development of a parcel of land:

"1.1. Step 1: Criteria for Determinations under Section 163(d)

Section 163(d) limits the FAA's review and approval authority for ALPs to those portions of ALPs or ALP revisions that affect one of three zones of interest.² FAA retains ALP approval authority for portions of ALPs or ALP revisions that:

- i. Materially impact the safe and efficient operation of aircraft at, to, or from the airport;
- ii. Adversely affect the safety of people or property on the ground adjacent to the airport as a result of aircraft operations; or
- iii. Adversely affect the value of prior Federal investments to a significant extent.

Should the FAA reach an opinion that the agency has no need to exercise jurisdiction according to Section 163, the land in question can be made immediately available for lease under any existing terms specified in the ALP and Master Plan. The FAA could still invoke the environmental assessment process. The same considerations and timeline would impact the availability of the land. Without an environmental analysis, the process of attaining an FAA section 163 opinion would take approximately 6 weeks.

Local Government

The local government agencies are responsible for zoning and permitting around the TUS and RYN environments. Most of the land being considered for development has the proper zoning to continue the development process. As mentioned earlier, Sonora South is zoned for "Rural Homestead" use. TAA will engage the Pima County Development Services Department and the City of Tucson Planning and Development Services to seek industrial zoning when the need for development manifests. Likewise, much of the land around Ryan Field is zoned as Rural Homestead. Pima County exercises zoning jurisdiction at Ryan Field and has identified non-aeronautical uses as requiring rezoning. At Ryan Field, development will evolve as demand increases. TAA staff believe it may be several years before the demand for commercial development at RYN necessitates action. Nonetheless, the TAA will be proactive to ensure zoning changes are anticipated and addressed early in the development process. In addition to zoning the land properly, there are development restrictions placed on the land near the approach and departure ends of the runways at TUS. Height restrictions as well as land use can complicate the development process. TAA staff have and will continue to review restrictions on the landside parcels located near the runway environment.

Airlines

Finally, the airlines that operate at TUS are stakeholders in the operation of the airport. Through an Airline Use Agreement, the signatory airlines (American, Delta, United, Southwest, and Alaska Airlines) exercise modest oversight of the airport's projects and financial decisions. The TAA staff are sensitive to the fact that local decisions regarding project costs and timing can have a direct impact on the airport's financial

system. Decisions regarding improvements to the airfield are weighed with thought to the cost/benefit to the airlines and the airport system.

Development of landside property at TUS and RYN does not significantly impact the airlines in the context of their use agreement. However, the anticipated revenue received because of long-term lease or property sales will bolster the revenue of the airport system and offset some of the cost of operation at TUS to the airlines.

Many of the revenue generating projects require capital investment by the TAA to facilitate growth at the airfield. On airside projects, supporting taxiway and infrastructure may need to be constructed to develop the land for a future tenant at the airport. Landside site development will depend heavily on the interested tenant and the financial arrangement determined during negotiations. TAA staff do not anticipate a large capital outlay for site development on landside properties. Regardless, TAA will review the costs of large capital investments with the signatory airlines as part of the normal financial review process at the airport.

Chapter 4: Partners in Land Development

Considering all the above, the TAA will need a “whole of community” approach to achieve the highest and best use of TAA’s undeveloped land. The marketing strategy of TAA will depend on the careful use of professional services from the regional economic development firm Sun Corridor Incorporated, Real Estate Brokerages, Master Developers, and TAA’s own internal staff.

Sun Corridor Inc (SCI)

SCI is this region’s economic development company. The mission of Sun Corridor is to increase awareness of southern Arizona’s potential for economic growth, to attract businesses to the region, to facilitate the expansion of existing businesses in the region, and to advocate for projects that will yield further economic growth in southern Arizona.

SCI does not perform real estate transactions and carries no real estate license. Instead, they maintain high-impact relationships with companies in targeted industries, site selectors, government agencies both in Tucson and around the country and a set of strategic alliances designed to create economic opportunity for the organizations that it serves. SCI will often lead business development missions to large metropolitan areas to generate knowledge and interest in southern Arizona and its airport.

The Tucson Airport Authority has contracted services from SCI and relies on their network of business contacts to generate leads for the Authority to leverage into contractual relationships. Having renewed the SCI contract in 2021, the TAA will use its relationship with the firm to target specific industries in accordance with the intended land uses specified in Chapter 2 of this document. SCI works directly with the Arizona Commerce Authority (ACA) to seek and develop business prospects in targeted industries for southern Arizona. TAA will liaise with SCI and the ACA as they cultivate leads with site selectors in a manner that shows TAA’s resources in the most attractive light.

Real Estate Brokerage

The business of airport land development has evolved considerably. There are several real estate companies and have developed specific lines of business that cater to airport land development. Those airports that lack local expertise or capacity to handle large land development projects can solicit the services of a real estate broker specializing in airport land services.

TAA has significant local capability. However, the TAA’s resources are stretched managing the \$350M+ Airfield Safety Enhancement (ASE) Program. Additionally, several companies have expressed interest in TAA-owned land – thus putting further strain on TAA resources to research the needs of the prospective clients before they commit to a construction project. The TAA staff could benefit greatly from a relationship with a real estate broker that could at least handle the marketing, inquiry and administrative efforts of cultivating interested clientele. TAA staff will submit a request for proposal to solicit the services of a real estate brokerage for at least a portion of the Sonoran Commerce Center.

Master Developer

Like real estate brokers there are master developers that specialize in the disposition and sale of airport land. They possess the business relationships and processes that would synergize infrastructure development, site preparation, and marketing efforts. A master developer would purchase the TAA land in parcels that they would then be responsible to develop. There is a risk that once the land is sold that TAA's influence in the development of the land would be mitigated. TAA staff would need to develop agreements (Covenants, Conditions, and Restrictions [CC&Rs]) that would complement the airport environment and not interfere with the airport's operation and development of neighboring TAA land.

Naturally, the revenue benefit of hiring a master developer would be limited as each sale is a one-time infusion of funds. Additionally, the disposal process for each parcel of land sold to a master developer could hinder rapid or near-term expansion. TAA staff will need to prioritize which areas of land would be most conducive for sale to a master developer. There are numerous developers that offer a wide variety of mechanisms to market and develop real property.

TAA staff will evaluate the utility of soliciting a master developer through a competitive process. There are areas in Sonora East and Sonora West that may be conducive to a master development project.

TAA Staff

In some cases, the TAA would prefer to develop the land using internal planning resources. While the TAA will still require the assistance of real estate planners and developers, there are certain parcels where TAA control is very important.

Sonora North is one such parcel. The land is located to the north of Los Reales Road. As stated earlier in the document this road may one day become the future entrance road to the TUS airport terminal. TAA controls the land on either side of the road (through ownership or leasehold) and thus could control the aesthetic appeal of the entrance through stringent control of the property's development. TUS has long desired to develop a visually pleasing entrance to the terminal and Los Reales Road is a key center of gravity to that effort.

To the extent that the TAA can commit resources to the planning and development of desired land parcels or marketing of existing properties the TAA will utilize internal processes to execute this strategy.

Chapter 5: Delineating the Plan

As this document is being prepared the TAA has initiated a second effort Strategic Plan. This Strategic Plan 2.0 has an ambitious growth strategy focused on expanding revenue opportunities, specifically those related to the development of the land around TUS. In light of the discussion above and in order to create a tangible methodology for achieving the TAA's desired effects for land and real property marketing and development, the staff has drafted the following chapter replicating a strategy to task outline format to communicate clearly the expected inputs for success. Note there are currently no due dates for the tasks. The market will dictate much of the timing of execution. Therefore, this chapter is not a checklist of sequential items to complete; instead this list highlights the major actions that need to be taken to chart a path for success. The measures of success (MoS) are key points to consider as decisions are made to commit resources.

- I. Develop landside resources in a systematic methodology that matches market demand and minimizes TAA speculative costs
 - a. Establish a robust marketing strategy to aggressively advertise TUS and RYN landside resources
 - i. Activate a Foreign Trade Zone that incorporates much of TUS available property
 - ii. Engage Sun Corridor with goals and tasks related to high level marketing of TUS and RYN landside assets
 - iii. Align economic development marketing strategies with overall TAA marketing strategic messages and themes such as "Nonstop for Tucson".
 1. Protect the intellectual property of the Sonoran Commerce Center with logo and theme trademarks as soon as possible.
 - iv. Develop outreach materials and notional land development depictions that will cultivate interest in the Sonoran Commerce Center as well as TUS and RYN land assets
 1. Starting with Sonora East, create notional development depictions to excite the local community about growth opportunities, and to generate interest nationally regarding Sonoran Commerce Center land.
 2. Enhance the online presence of TUS and RYN properties with a new website dedicated to TAA economic development opportunities and land disposal process education.
 - v. Create outreach venues within and without the local community to generate interest in TUS and RYN land assets.
 - vi. Invite opportunities to explain TAA's commercial development plans within targeted industries.
 1. Target site selectors for landside asset advertisement.
 2. Create written outreach materials and articles for high level investors, brokers, and developers.

3. Seek opportunities to engage credible industry leads at in-person events.
 - MoS 1.** A marketing strategy is developed that matches resources with demand.
 - MoS 2.** TAA economic development marketing strategies are synergistically aligned with the overall themes of TAA's TUS marketing strategy.
 - MoS 3.** Professional outreach materials generate interest and inform the business community of TUS and RYN business opportunities.
 - MoS 4.** National level industry as well as local community is informed of economic development activities and opportunities with TAA.
 - b. Develop Sonora North as an office, retail, or upscale industrial park.
 - i. Influence parcel development to accommodate a future, aesthetically pleasing alternate entrance to the TUS terminal.
 1. Plan sufficient setbacks for Los Reales Road to accommodate expansion, signage, and monuments for terminal entrance.
 2. Develop CC&Rs that determine the desired look for the entrance.
 3. Ensure utility capacity is sufficient for commercial growth in Sonora North; specifically, growth for several smaller businesses and aesthetic "upgrades" to enhance the appeal of the property on the Los Reales side. - MoS 1.** Sonora North is developed to accommodate future expansion plans.
 - MoS 2.** Sonora North is developed with an aesthetically pleasing frontage along Los Reales Road.
 - MoS 3.** Sonora North has appropriate utility capacity to accommodate business needs as well as frontage upgrades to Los Reales Road. - ii. Target industries that complement the desired appeal of a commercial airport entrance.
 1. Use multiple sources of outreach to solicit interest in developing businesses that meet the aesthetic look desired by the TAA.
 2. Use Sun Corridor and local developers to enhance outreach capability. - MoS 1.** TAA staff effectively establishes an outreach process to target desired businesses for investment at Sonora North.
 - MoS 2.** TAA leverages works through Sun Corridor to develop business leads for desired business investment at Sonora North.
- iii. Advocate for infrastructure projects that enhance the accessibility of TUS from Interstate 10.
 1. Re-propose the Joint City-County-Airport ADOT letter that advocates the extension of SR-210 south of the Interstate 10 connection.
 2. Develop plans to expand Los Reales Road into a parkway with minimal intersections.- MoS 1.** ADOT responds to the joint letter regarding the extension of SR-210 south of Interstate 10.
- MoS 2.** A master plan for the development of Los Reales road as a secondary airport terminal entrance is drafted.

- iv. Seek FAA approval to reclassify the parcel to a non-aviation use in a timely manner.

- 1. Seek Section 163 opinion on land use.
 - 2. Ensure environmental analysis planning is accomplished in parallel to other planning processes as conditions permit.

MoS 1. FAA Section 163 opinion is sought for all TAA properties.

MoS 2. TAA synchronizes all NEPA processes to meet business demand for marketable property.

- c. Develop Sonora East as a logistics, and manufacturing business center.

- i. Execute planning required for parcel to become “shovel ready”.

- 1. Survey property boundaries.
 - 2. Perform appraisals on parcels being considered for development.
 - 3. Seek FAA disposal for predetermined southern portions of parcel.

MoS 1. TAA has sufficient shovel ready land to meet market demand.

MoS 2. TAA and FAA work systematically to make land available to market.

- ii. Expand existing infrastructure to accommodate the large utility requirements of industrial manufacturing and logistics.

- 1. Determine capacity of each utility for Sonora East.
 - 2. Ascertain future utility plan expansion from public utilities.

MoS 1. No projects are rejected due to utility capacity.

MoS 2. Monthly airport environs meeting is folded into a larger process of utility improvement in area.

- iii. Advocate for infrastructure projects that enhance the accessibility of TUS from Interstate 10.

- 1. Re-propose the Joint City-County-Airport ADOT letter that advocates the extension of SR-210 south of the Interstate 10 connection.
 - 2. Develop plans to expand Alvernon Way into a multilane parkway with minimal intersections, and suitable for heavy vehicle traffic.

MoS 1. ADOT responds to the joint letter regarding the extension of SR-210 south of Interstate 10.

MoS 2. A plan for the development of Alvernon Way into a major throughfare added as a branch to this plan.

- iv. Solicit developers for Sonora East.

- 1. Determine a 200-acre (or greater) parcel suitable for development/marketing under Real Estate Brokerage.
 - 2. Determine a 200-acre (or greater) parcel suitable for development/marketing under a Master Developer.
 - 3. Determine parcel suitable for development/marketing by TAA directly. Within Sonora East that property is the northern most part of the parcel.

MoS 1. TAA releases RFPs for a Master Developer within 6 months of plan release.

MoS 2. TAA release RFP for a Real Estate Brokers within 6 months of plan release.

- MoS 3.** TAA works with Sun Corridor Inc to market select parcels of land internally.
- d. Develop Sonora West as a high technology manufacturing business center focused primarily on the aerospace and defense industry.
- i. Execute planning required for parcel to become “shovel ready”.
 1. Perform systematic grading and drainage to level the land in 50-acre increments each year – as demand dictates.
 2. Survey property boundaries.
 3. Perform appraisals on parcels being considered for development.
 4. Seek FAA disposal for portions of parcel best suited for sale.
- MoS 1.** TAA has sufficient shovel ready land to meet market demand.
- MoS 2.** TAA and FAA work systematically to make land available to market.
- ii. Ensure existing infrastructure can accommodate the large utility requirements of industrial manufacturing.
1. Determine capacity of each utility for Sonora West.
 2. Ascertain future utility plan expansion from public utilities.
- MoS 1.** No projects are rejected due to utility capacity.
- MoS 2.** Monthly airport environs meeting is folded into a larger process of utility improvement in area.
- iii. Develop a branch plan to determine the need and the process for creating railroad access to the Sonora West parcel.
- MoS 1.** The need for railroad access on TAA property is assessed for future economic development projects.
- iv. Solicit developers for Sonora West.
1. Determine the need to market the property with a Real Estate Broker or Master Developer.
 2. Determine parcel suitable for development/marketing by TAA directly.
- MoS 1.** Branch plan drafted to develop Sonora West property as determined by market conditions.
- e. Develop Sonora South as a logistics and distribution center that aligns with the proposed Sonoran Corridor.
- i. Execute planning required for parcel to become “shovel ready”.
 1. Survey property boundaries.
 2. Perform appraisals on parcels being considered for development.
 3. Seek FAA disposal for portions of parcel best suited for sale.
 4. Acquire appropriate zoning for land use.
- MoS 1.** TAA has sufficient shovel ready land to meet market demand.
- MoS 2.** TAA and FAA work systematically to make land available to market.
- MoS 3.** Sonora South is zoned for appropriate land use.
- ii. Determine final alignment of Sonoran Corridor and potential use of TAA land.

1. Determine the TAA position regarding Sonora Corridor's alignment on or near TAA land.
 2. Advocate for extension of SR-210 south of I-10 interchange along the Alvernon Way alignment as it intersects the Sonoran Corridor.
 - MoS 1.** TAA is imbedded in the planning process for the Sonoran Corridor.
 - iii. Develop commercial grade infrastructure access to Sonora South.
 1. Leverage monthly airport infrastructure meetings to communicate infrastructure needs in area as business case manifests.**MoS 1.** Community stakeholders anticipate infrastructure needs and synthesize planning efforts for all utilities.
- II. Develop Airside resources as Centers of Excellence in anticipation of increased business activity in air cargo, light Maintenance, Repair, Overhaul (MRO) and aircraft manufacturing.
 - a. Market TUS airside land targeting air cargo, light MRO, and high-tech manufacturing.
 - i. Develop outreach materials and events that highlight the benefits, resources, and incentives available at TUS.
 - ii. Leverage Sun Corridor relationship to cultivate credible industry leads.**MoS 1.** TUS Airside land is expanded to anticipate growth of key lines of business.
 - b. Develop airside land to meet the growing needs of the air cargo and MRO lines of business
 - i. Expand air cargo capacity to meet the anticipated market demand.
 1. Determine the inputs required to initiate construction of additional air cargo ramp space.
 2. Identify the location and configuration of the expanded air cargo ramp.
 3. Forecast infrastructure requirements for Resource Allocation Program (RAP) budget.**MoS 1.** Air cargo capacity is planned to meet demand within the fiscal constraints of the TAA.
 - ii. Expand airside capacity for new MRO or aircraft manufacturing businesses.
 1. Master plan the design of an expanded MRO campus north of the existing MRO 50 campus.**MoS 1.** TAA solicits a master developer for the MRO campus at TUS.
 - iii. Engage the Area District Office of the FAA regarding plans to expand airside capacity.
 1. Seek grant funding opportunities to construct ramps and supporting infrastructure for incoming projects.
 2. Update the Airport Layout Plan and Master Plan as appropriate.**MoS 1.** TUS air cargo capacity is developed ahead of logistics and distribution growth in the region.
 - MoS 2.** The airside land north of the MRO 50 campus is developed to maximize access for manufacturing and MRO business opportunities.
 - MoS 3.** The ADO is aware and engaged with the development of airside land at TUS.

- c. Develop RYN airside land as a Flight Training and general aviation hub.
 - i. Bolster Infrastructure to accommodate commercial growth.
 - 1. Enhance sewer capacity to accommodate anticipated training dormitory need.
 - 2. Ensure utility infrastructure accommodates future industrial needs.
 - 3. Ensure current plans for infrastructure upgrades and accommodations are consistent with economic development activities.
- MoS 1.** RYN is positioned to meet growing demand for flight training, particularly a residence flight school.

Conclusion

The TAA is well positioned for significant growth. The land assets and infrastructure provide a steady source of secondary revenue. The market appears ripe for land development. However, the process of bringing the available resources to the market must be managed prudently to mitigate unnecessary speculative expense. The TAA should take a conservative approach toward investment, understanding that demand for real estate should be the primary driver for development. There are abundant professional resources that can aid in the process of marketing and developing the Sonoran Commerce Center and other TAA land. TAA should employ a blend of brokers, developers, and internal expertise to yield an all-source compliment of land development expertise. Finally, the development and marketing of TAA resources as community economic development assets takes a community approach. A deliberate process of including all stakeholders (private, public, local, and national) is essential to the successful implementation of this plan.

Doing Business with the TAA

The TAA stands ready and eager to accommodate the business needs of local, national, and even international industry. This plan is the precursor to a Request for Proposal for Real Estate Broker services and perhaps Master Developer services. The TAA planning staff also needs professional services to develop marketing materials and high-fidelity planning products. If you would like to do business with the TAA or would like to register your business as a potential vendor, please view our website: <https://www.flytucson.com/taa/business/>. It is under the tab “Doing Business with TAA”. Or call (520) 573-8100.