

# **NM FINANCE AUTHORITY OVERSIGHT COMMITTEE**

October 1, 2013

**CHRISTINE ANDERSON**  
Executive Director  
New Mexico Spaceport Authority



## **AGENDA**



- **STATUS**
  
- **BUDGET**
  
- **ECONOMIC DEVELOPMENT**

## PHASE 1 COMPLETE



- ✓ Virgin Galactic Gateway to Space
- ✓ 12,000 ft runway
- ✓ Spaceport Operations Center
- ✓ Fuel Storage Depot
- ✓ Wastewater Treatment Plant
- ✓ 1.3M gallon Water Storage Facility and Booster Station
- ✓ Communication/Security System
- ✓ Internal Roads
- ✓ Fencing and Gates
- ✓ Electrical Substation and 7 miles of distribution line
- ✓ Automated Weather Observing System

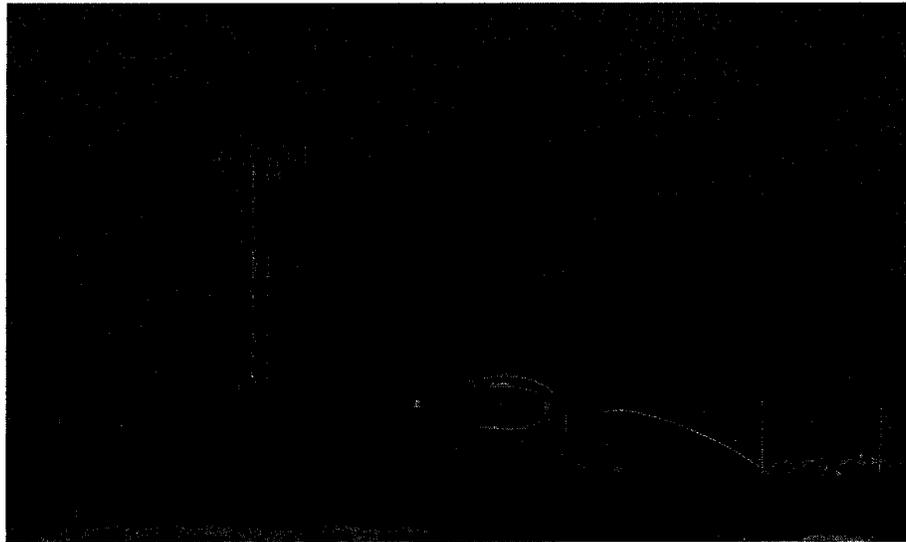
3

## "VIRGIN GALACTIC GATEWAY TO SPACE"



4

## SPACEPORT OPERATIONS CENTER



5

## SPACEPORT AMERICA SELF-CONTAINED "CITY"



FUEL STORAGE DEPOT



12,000 FT SPACEWAY 16-34



WASTEWATER TREATMENT PLANT



1.3M GAL WATER STORAGE &  
BOOSTER STATION



COMMUNICATIONS SYSTEM



AWOS III WEATHER STATION

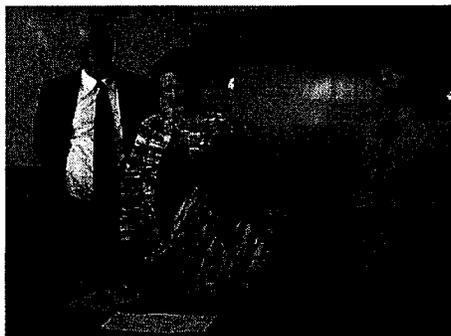
6

## LAUNCH STATUS

## INFORMED CONSENT LEGISLATION

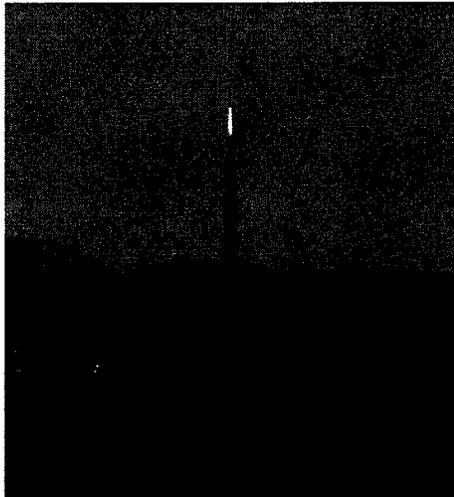


- **LIABILITY PROTECTION FOR SPACE SUPPLY CHAIN AND MANUFACTURERS**
- **FEB 7 - BILL PASSED UNANIMOUSLY THROUGH NM LEGISLATURE**
- **APRIL 2 - GOV. MARTINEZ SIGNED BILL AT SPACEPORT AMERICA**



Expanded protections keep NM competitive in commercial space industry

## UP AEROSPACE



- **RECENT SL-7 FLIGHT ON JUNE 21**
- **NASA FLIGHT OPPORTUNITIES PROGRAM**  
First flight to reach space
- **NASA, DoD, FAA, AND NM STUDENT PAYLOADS**
- **NEXT LAUNCH OCT. 9**

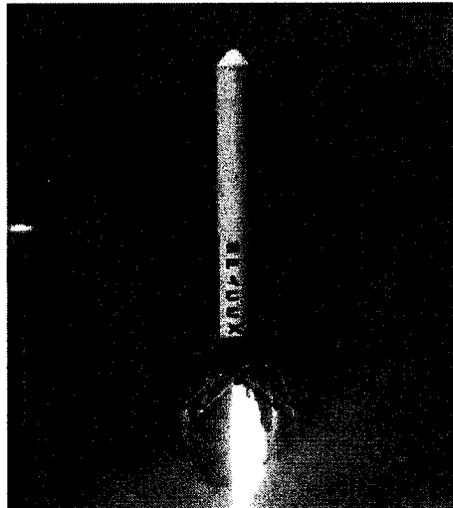
19 Vertical launches to date from Spaceport America

9

## NEW TENANT: SPACEX



- **3 YEAR LEASE (PLUS TWO 1 YEAR OPTIONS) SIGNED APRIL 24 2013**
- **FLIGHT TESTING OF GRASSHOPPER VERTICAL TAKEOFF & LANDING VEHICLE**

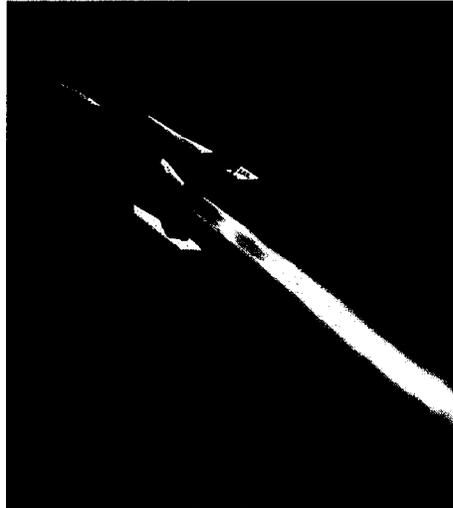


10

## ANCHOR TENANT: VIRGIN GALACTIC



- **VG CONTINUES TESTING IN MOJAVE**
- **SECOND HOT FIRE INTEGRATED ROCKET TEST WITH FEATHER MANEUVER ON SEPT 5 2013**
- **VG CONTINUING GATEWAY FIT-OUT**
- **PREPARING FOR FLIGHTS FROM NM**



11

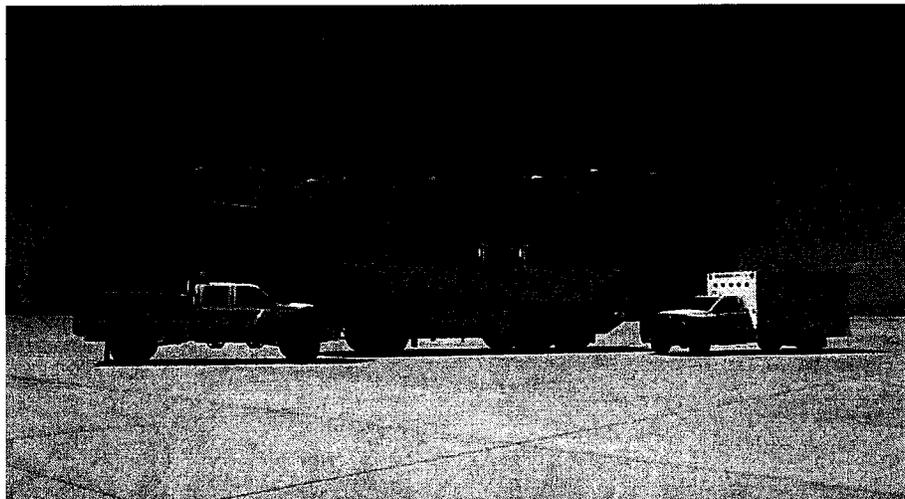
## PHASE 2



- **FAA SPACEPORT LICENSE RE-CERTIFICATION**
- **SPACEPORT OPERATIONS CENTER FIT-OUT**
- **VERTICAL LAUNCH AREA PAD**
- **EMERGENCY RESPONSE VEHICLES**
- **VISITOR EXPERIENCE**
- **SOUTHERN ROAD**

12

## EMERGENCY RESPONSE VEHICLES



Left to Right: Brush Truck, ARFF, Ambulance, (Pumper on order)

13

## BUSINESS MODEL



### VERTICAL AND HORIZONTAL SPACE LAUNCH

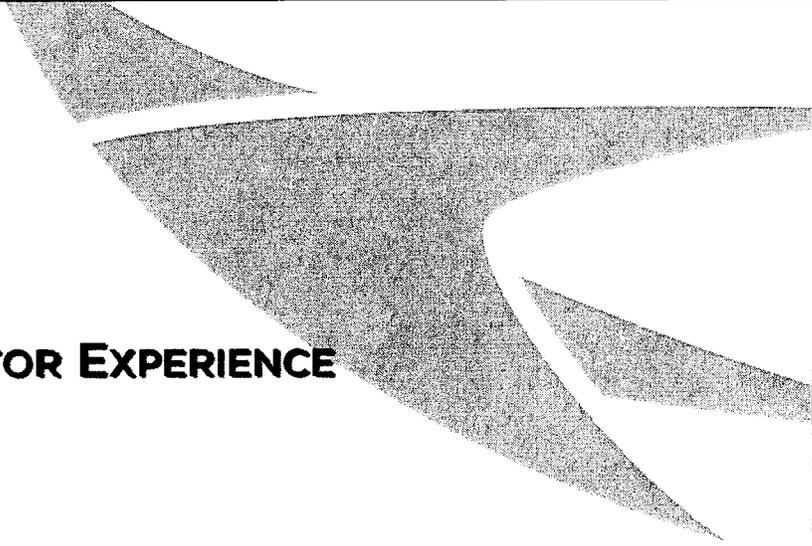


### TOURISM



2 major lines of business – both are needed for long-term success

14

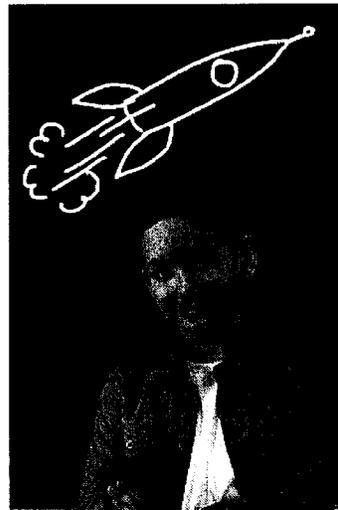


## VISITOR EXPERIENCE

### VISITOR EXPERIENCE (VE) OVERVIEW



- FUN, IMMERSIVE, INTERACTIVE
- SCIENCE, TECHNOLOGY, ENGINEERING & MATH EDUCATIONAL FAMILY EXPERIENCES
- HIGHLY PERSONALIZED
- BROAD INDUSTRY PARTICIPATION
- UNLIKE ANYTHING IN THE WORLD TODAY



## VISITOR EXPERIENCE COMPONENTS



### SPACEPORT VISITOR CENTER

Starting point for Visitor Experience  
6,000 sq.ft. transportation & story hub near highway



### SHUTTLE TRANSPORTATION

Mobile theater  
1-hour inbound / outbound journey to & from Spaceport



### SPACEPORT CENTRAL

26,000 sq.ft. on-site visitor facility  
3D Theater, exhibit hall, interactives, payload processing



### FLIGHTLINE TOUR/GATEWAY TO SPACE

1-hour escorted Spaceport property tour, including  
Virgin Galactic Gateway To Space

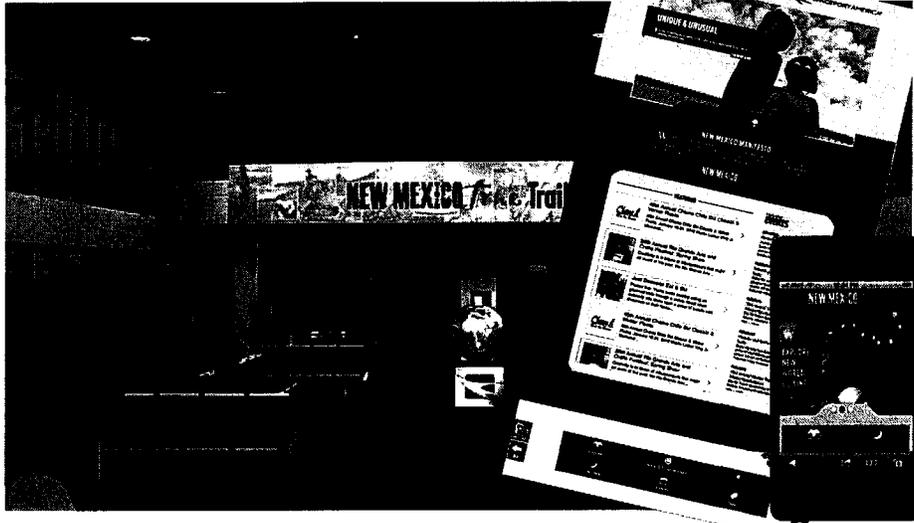
17

## SPACEPORT VISITOR CENTER EXIT 79 IN T OR C



18

## NEW MEXICO TRUE TRAILHEAD



19

## APPROACH TO SPACEPORT CENTRAL ON-SITE AT SPACEPORT



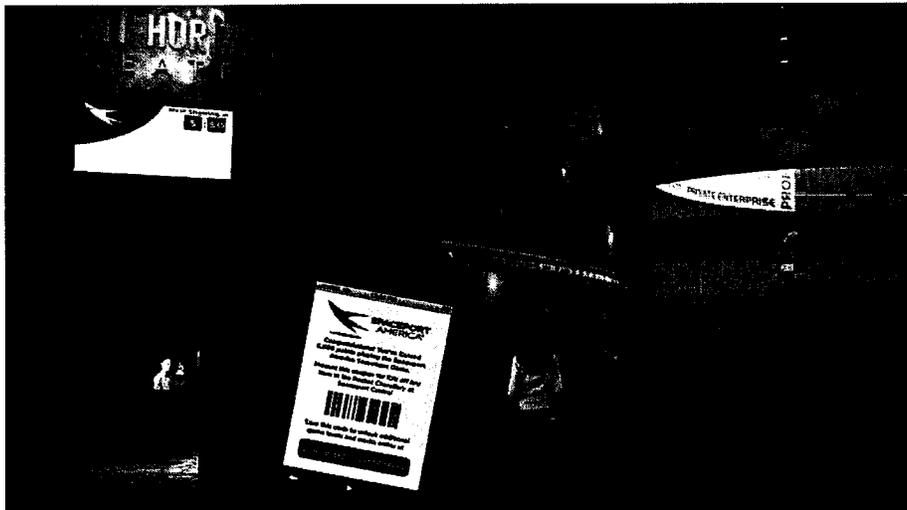
20

# SPACEPORT CENTRAL



21

# SPACEPORT CENTRAL ACTIVITIES



22

## SPACEPORT CENTRAL 3D THEATER



23

## VISITOR EXPERIENCE STATUS



- **NMSA HAS ALREADY FUNDED BUILDING DESIGN AND SHOW CONTENT (INTERIOR) DEVELOPMENT**
- **NMSA OBTAINED STATE BOARD OF FINANCE APPROVAL TO SEEK \$20.8M PRIVATE LOAN FOR CONSTRUCTION OF VISITOR EXPERIENCE BUILDINGS**
- **BANK DISCUSSIONS ON-GOING**

24

## HATCH VISITOR CENTER SITE UPDATE



- **MAY 17, 2012 RFP YIELDED NO VIABLE SITES IN HATCH**
- **NMSA CONTINUES TO LOOK FOR SITES**
- **DISCUSSIONS AND SITE WALKS ON-GOING**

25

## AGENDA



- **STATUS**
- **BUDGET**
- **ECONOMIC DEVELOPMENT**

26

## NMSA TWO BUDGETS



- **CONSTRUCTION / PRE-OPERATIONAL BUDGET**
  - General Fund/Severance Tax Capital Funds
  - Gross Receipts Tax Capital Funds (Doña Ana & Sierra Counties)
- **OPERATIONAL BUDGET\* (DAY TO DAY OPERATIONS)**
  - Appropriated Operational Funds
  - NMSA Revenue
  - GRT Excess Pledged Bond Revenue

\*All funds are non-reverting, per Spaceport Development Act §58-31-1 - §58-31-17

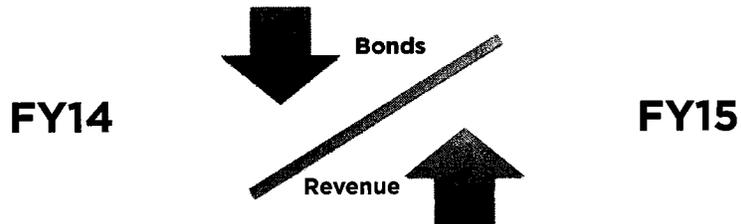
Eventually NMSA will only have one budget: Operational Budget

27

## FY14 TO FY15 TRANSITION YEAR



- **PRE-OPERATIONS TO OPERATIONS**
- **BONDS TO REVENUE**
- **ASSUMPTIONS**
  - VG flies at SA Aug 2014
  - VE opens at SA Dec 2014



Goal: Spaceport America is self-sustaining

28

## BONDS: \$212M



- **GENERAL FUND/SEVERANCE TAX CAPITAL FUNDS (\$135.6M)**  
Managed by DFA/SBOF
- **GROSS RECEIPTS TAX CAPITAL FUNDS (DOÑA ANA & SIERRA COUNTIES) (\$76.4M)**  
Managed by NMFA
- **UNENCUMBER BOND BALANCES AS OF SEPT 15 2013**  
Severance Tax Bonds: \$9.3M  
GRT Bonds: \$6.7M

29

## OPERATING BUDGET ASSUMPTIONS



- **FY14**  
Feb 2014 - VG starts flight operations at the spaceport  
Dec 2013 - Visitor Experience opens, attracts many tourists
- **FY15**  
Aug 2014 - VG starts flight operations at the spaceport  
Dec 2014 - Visitor Experience opens, attracts many tourists
- **SA MITIGATION MEASURES**  
Convert some contractual work to FTE  
Slow the pace of expenditures  
Find efficiencies in operations  
Reprogram \$6.9M from southern road for SA pre-ops  
Build road in two phases: Phase 1 \$8.1M, Phase 2: \$6.9M  
Seek \$6.9M capital outlay

30

## SPACEPORT SOUTHERN ROAD

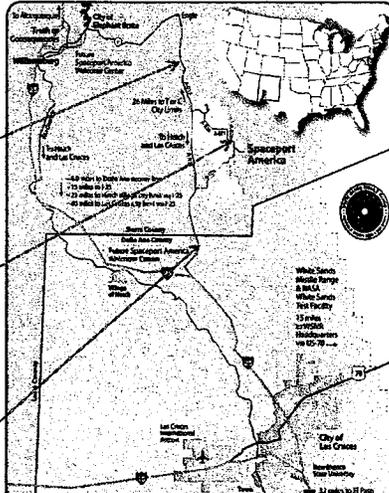


- **TWO ROUTES TO SPACEPORT**  
 Paved northern road from T or C  
 Unpaved southern road from Upham
- **FROM LAS CRUCES:**  
 Northern road takes 2 hrs  
 Southern road takes 50 min

Northern Road

Spaceport America

Southern Road



Southern road critical for Spaceport America success

31

## SOUTHERN ROAD



- **NMSA SIGNED AN MOA WITH DOÑA ANA COUNTY AND SIERRA COUNTY IN SEPT 2010 FOR IMPROVEMENTS TO:**  
 Doña Ana County Roads E-070, E-071 and E-072  
 Sierra County Road A-013
- **NMSA AGREED TO FUND THE CONSTRUCTION AND RELATED NEPA COMPLIANCE; \$12M WAS CARVED OUT OF BUDGET**
- **DOÑA ANA AGREED TO CONSTRUCT THE ROAD**
- **DOÑA ANA AND SIERRA AGREED TO MAINTAIN THE ROAD**

32

## SOUTHERN ROAD



- **NMSA SOUGHT \$3M ADD'L ROAD FUNDS IN FY14; LEGISLATURE APPROVED**
- **DAC AND SC HAVE AGREED TO TWO PHASE APPROACH**
- **PHASE 1**
  - Build two concrete box culverts
  - Elevate the road in a few locations
  - Fence both sides of the road
  - Accommodate CenturyLink cable as needed
- **PHASE 2**
  - Pave road with either chip seal (preferable) or stabilized earth
- **BENEFITS**
  - Allows more local contractors to bid because bond requirement is lower
  - Aligns with Spaceport budget
  - Provides an improved road sooner

33

## FY15 NMSA OPERATIONAL BUDGET

## OPERATING BUDGET (\$K)



- **FY15 ASSUMPTIONS**

VG flights begin in Aug. 2014

Visitor Experience facilities open in Dec. 2014

- **FY15 RECOMMENDED BUDGET**

Category 200: \$1,461.2

Category 300: \$4,408.1

Category 400: \$1,796.8

**TOTAL: \$7,666.1**

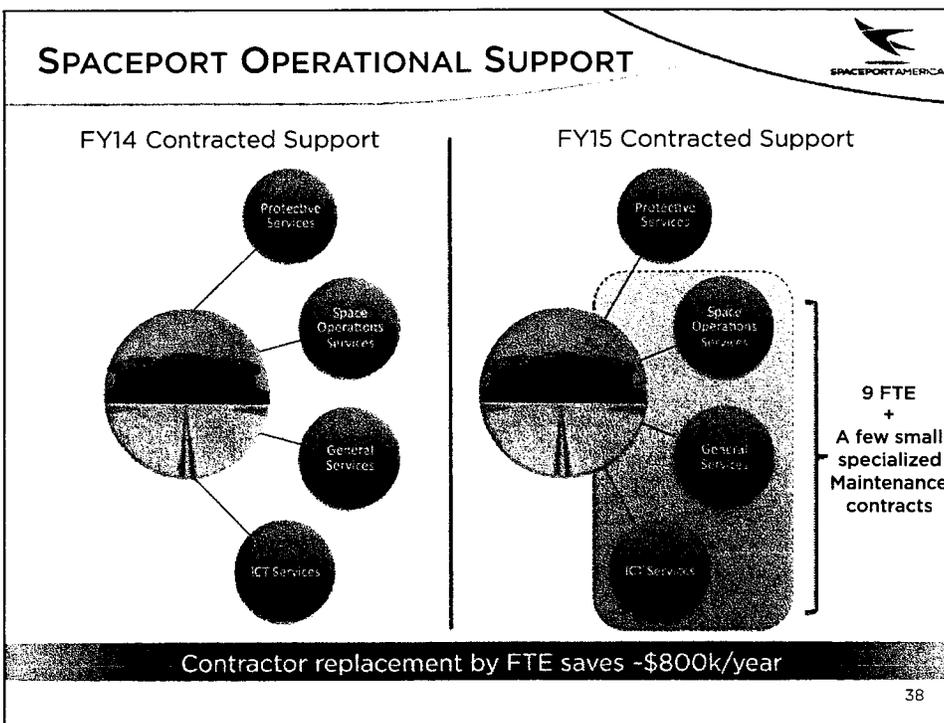
NMSA is requesting flat-line budget (\$459.9k). Revenue covers remainder

35

## FY15 NMSA BUDGETED EXPENSES

FY15 RECOMMENDED BUDGET CATEGORY 200 (PERSONNEL)	
<b>• MAJOR EXPENSES</b>	
Existing Positions (9)	\$652.8
▪ Executive Director	
▪ Chief Financial Officer	
▪ General Counsel	
▪ Technical Operations (2)	
▪ Business Operations	
▪ General Operations	
▪ Admin Operations (2)	
Expansion Classified Positions (9)	\$451.8
▪ Technical Operations (4)	
▪ General Operations (5)	
Benefits (Existing + Expansion)	\$356.6

37



38

## EXPANSION 9 FTE POSITIONS

- MAINTENANCE MANAGER
- MAINTENANCE TECH (4)
- IT MANAGER
- IT SUPPORT
- AEROSPACE ENGINEER
- FLIGHT OPS SPECIALIST

39

## FY15 RECOMMENDED BUDGET CATEGORY 300 (CONTRACTS)

- MAJOR EXPENSES
 

Protective Services	\$2,860.8
▪ 24/7 Fire Protection	
▪ 24/7 Armed Security Protection	
▪ 24/7 Emergency Medical	
Specialty Maintenance Services	\$868.1
▪ Water/Wastewater	
▪ HVAC/Electrical Maintenance	
▪ Hazmat Services	
▪ Fueling Support	
Other Support Services	\$678.2
▪ Audit	
▪ Media/Public Relations	
▪ Legal	
▪ Environmental	

40

### FY15 RECOMMENDED BUDGET CATEGORY 400 (OTHER)



- **MAJOR EXPENSES**

Visitor Facilities Loan Payment	\$790.4
Utilities - Electricity	\$275.4
Rent of Land and Buildings	\$232.4
▪ Rancher Lease Payments	
▪ State Land Office Lease	
DoIT Communications	\$186.1
Property Insurance	\$37.8

### FY15 NMSA PROJECTED REVENUE

**FY15 NMSA OPERATIONAL BUDGET REVENUE**



- **MAJOR REVENUE**
  - VG first operational flights Aug 2014; \$2.2M
  - VG Facilities Lease and Ground Rent; \$1.0M
  - 132,980 Tourists; \$1.6M
  - Excess Pledged Revenue; \$739K
  - Other Launch customers revenue; \$400K
  - Utilities cost share; \$212K
  - Lease of Spaceport for special events; \$150K

43

**FY15 NMSA OPERATIONAL BUDGET (\$K)**



SOURCES	Base	Expansion	Total
III - General Fund	459.9	0.0	459.9
130 - Other Revenue	3,933.5	3,272.7	7,206.2
<b>TOTAL</b>	<b>4,393.4</b>	<b>3,272.7</b>	<b>7,666.1</b>

USES	Base	Expansion	Total
200 - Personal	796.2	665.0	1,461.2
300 - Contractual	2,252.5	2,155.6	4,408.1
400 - Other	1,344.7	452.1	1,796.8
<b>TOTAL</b>	<b>4,393.4</b>	<b>3,272.7</b>	<b>7,666.1</b>

FTE POSITIONS	Base	Expansion	Total
810 - Permanent	9.0	9.0	18.0

NMSA requesting flat-line of \$459.9k. Remainder comes from revenue

44

## AGENDA



- STATUS
- BUDGET
- ECONOMIC DEVELOPMENT

45

**MEDIA/OUTREACH/MARKETING**

## NMSA MARKETING / OUTREACH ACTIVITY



- Conference participation
- Commercial Spaceflight Federation Member
- Direct solicitation
- Speaking engagements
- Public Tours with Follow the Sun
- Monthly media tours (Executive Director)
- Monthly newsletters
- Media Interviews
- Marketing collateral: booth, website, merchandise

47

## PUBLIC ENGAGEMENTS -- PAST 12 MONTHS



- FAA COMMERCIAL SPACE CONFERENCE
- AIAA MANAGEMENT TECHNICAL COMMITTEE
- USAF SMC TEST WING
- NM PROFESSIONAL AEROSPACE CONTRACTORS ASSOCIATION BRIEFING FOR INDUSTRY
- LAS CRUCES ECONOMIC FORUM
- LAS CRUCES CHAMBER OF COMMERCE
- ALBUQUERQUE BAR ASSOCIATION
- ALBUQUERQUE ROTARY
- ALAMOGORDO ROTARY
- ALAMOGORDO FORUM
- NAJOP BRIEFING AND TOUR
- INTERNATIONAL COUNCIL ON SYSTEMS ENGINEERING
- NM ASSOCIATION OF COUNTIES
- SOUTH CENTRAL COUNCIL OF GOVERNMENTS
- RIO RANCHO MEN'S METHODIST GROUP
- LOS ALAMOS NATIONAL LABORATORY ENGINEERS WEEK
- ARMED FORCED DAEDALIONS CHAPTER, KIRTLAND AFB
- FRIENDS OF CAPITALISM, SANTA FE
- NM ASSOCIATION OF CHAMBER EXECUTIVES
- DC-X 20TH ANNIVERSARY
- NM AVIATION AEROSPACE CAREER EXPO
- ISPCS SPACE CONFERENCE



48

**MEDIA INTERVIEWS****-- PAST 12 MONTHS**

- ASSOCIATED PRESS (3)
- FOX NEWS (NATIONAL) (1)
- BBC TV NEWS (UK INTERNATIONAL) (1)
- NEW YORK MAGAZINE (1)
- USA TODAY (1)
- WIRED MAGAZINE (1)
- SET TV I-WALKER TRAVEL (TAIWAN) (1)
- RTV (RUSSIA) (1)
- TF1 TV (FRANCE) (1)
- SPACE.COM (1)
- SPACENEWS.COM (1)
- GLOBAL NEWS: 9 x 16 (1)
- ALBUQUERQUE JOURNAL (2)
- LAS CRUCES BULLETIN (2)
- LAS CRUCES SUN-NEWS (4)
- SIERRA COUNTY SENTINEL (1)
- T OR C HERALD (2)
- KRQE TV (CBS) ABQ (2)
- KOAT TV (ABC) ABQ (1)
- KFOX TV (FOX) EP/LC (3)
- KTSM TV (NBC) EP/LC (4)
- KSFR FM (NPR) SF (5)
- KDBC TV (CBS) EP/LC (2)
- BEIO TV NEWS (1)
- KVIA TV (ABC) EP/LC (3)
- KSL TV (NBC) SALT LAKE (1)
- KUPR FM ALAMOGORDO
- KKOB AM ABQ (2)
- NEWS NEW MEXICO RADIO SHOW (1)
- GROUP TOUR MAGAZINE (1)
- HEISE NEWSPAPER PUBLISHING GROUP (GERMANY) (1)
- JANE'S AIRPORT REVIEW (UK) (1)
- NEW MEXICO WATCHDOG (1)
- FAULT LINES NEWS DOC. AL JAZEERA AMERICA TV (1)
- SWISS ENGINEERING MAGAZINE (1)
- NEUE ZUERCHER ZEITUNG (GERMANY) (1)
- EOS MAGAZINE (NETHERLANDS) (1)

49

**MEDIA TOURS****-- PAST 12 MONTHS**

- ASSOCIATED PRESS
- ALBUQUERQUE JOURNAL
- LAS CRUCES SUN-NEWS
- LAS CRUCES BULLETIN
- KFOX TV (FOX) EP/LC
- KTSM TV (NBC) EP/LC
- KVIA TV (ABC) EP/LC
- KFOX TV (FOX) EP/LC
- KOB TV (NBC) ABQ
- BBC NEWS (UK INTERNATIONAL)
- FOX NEWS (NATIONAL)
- SWEDISH PUBLIC TELEVISION, SVT
- GLOBAL NEWS: 9 x 16 (CANADA)
- KBS (KOREAN BROADCASTING SYSTEM)
- AL JAZEERA TV
- BELO TV NEWS GROUP (10 STATIONS IN U.S.)
- ABC NEWS 7 (KVIA)
- SET TV I-WALKER TRAVEL (TAIWAN)
- WIRED MAGAZINE
- NEW MEXICO MAGAZINE
- FRENCH FT1 TV
- ICON MAGAZINE
- DISCOVERY CHANNEL
- SMITHSONIAN MAGAZINE

50

**MEDIA VISITS BY COUNTRY**



- AUSTRALIA
- CANADA
- COLUMBIA
- FRANCE
- GERMANY
- ITALY
- JAPAN
- KOREA
- MEXICO
- NETHERLANDS
- NORWAY
- POLAND
- RUSSIA
- SPAIN
- SWEDEN
- SWITZERLAND
- TAIWAN
- UNITED KINGDOM

51

**SA SPONSORSHIPS**



- NMSA, ASSISTED BY TEAM IDEAS, IS SEEKING SPONSORS
- NAMING SPONSORS FOR VARIOUS ASSETS; EXAMPLES:
  - Visitor Center
  - Spaceport Central
  - 3D Theater
  - Observation Deck

52

## ECONOMIC IMPACT



- **CONTRIBUTIONS TO DATE**  
 GRT paid by NMSA: -\$11M  
 Doña Ana & Sierra Spaceport GRT (25%) to local Education: -\$8M  
 Jobs to New Mexicans: >1300
- **PROJECTED JOBS**  
 Mid-term (FY15 - FY16) est. 567 jobs  
 Far-term (FY17 - FY18) est. 1804 jobs

Check [www.SpaceportAmerica.com](http://www.SpaceportAmerica.com) for announcements

53

## STRATEGIC BUSINESS PLAN STATUS

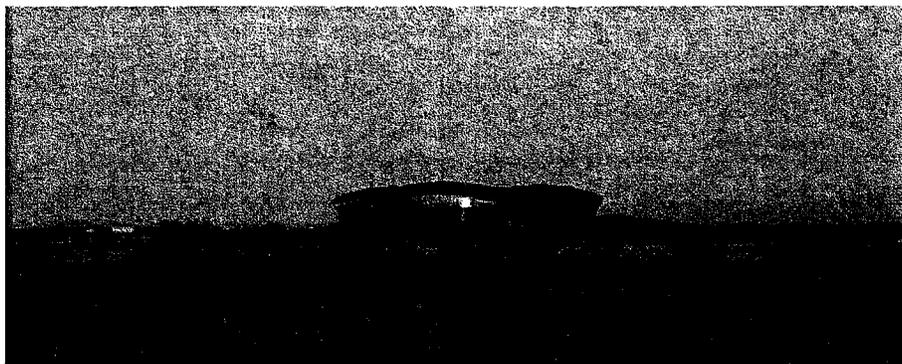


- AT LEAST ONE NEW TENANT BY 2015**  
 SpaceX
- SPACE FLIGHT INFORMED CONSENT**  
 Signed April 2013
- **HOST FOUR AIR FORCE R&D FLIGHTS BY 4Q 2014**  
 3 flights so far with UP Aerospace
- **HOST FIVE NASA R&D FLIGHTS BY 2Q 2014**  
 4 flights so far with Armadillo and UP Aerospace
- NASA SPACE ACT AGREEMENT IN 2013**  
 Signed January 2013
- **GROW TO 3000 VISITORS IN 2013**  
 Over 2100 visitors so far in 2013

NMSA making steady progress on 2012 Strategic Plan

54

**QUESTIONS?**



**[WWW.SPACEPORTAMERICA.COM](http://WWW.SPACEPORTAMERICA.COM)**

**MONTHLY NEWSLETTER SIGN-UP IN THE FOOTER OF HOMEPAGE**

55