

# NEW MEXICO FINANCE AUTHORITY OVERSIGHT COMMITTEE

November 26, 2013

CHRISTINE ANDERSON  
Executive Director  
New Mexico Spaceport Authority



## SPACEPORT AMERICA SNAPSHOT



- SPACEPORT AMERICA IS BELOW THE 2007 AUTHORIZED PROJECT TOTAL OF \$225M AT \$212M
- NMSA HAS BEEN PAYING THE MAJORITY OF ITS OPERATIONAL COSTS INCLUDING STATE EMPLOYEE SALARIES FROM REVENUE FOR THE PAST THREE YEARS
- SPACEPORT AMERICA IS HOST TO TWO OF THE LARGEST AND MOST WELL RESPECTED COMMERCIAL SPACE COMPANIES

## AGENDA



- BUDGET
- ECONOMIC DEVELOPMENT
- COMMERCIAL SPACEPORTS

3

## BUDGET



4

## 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**

5

## 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**

6

**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
- **UNENCUMBERED BOND BALANCES AS OF OCT 15 2013**  
Severance Tax Bonds: \$10.0M  
GRT Bonds: \$3.3M

Revenue 100%

7

**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 TO ACCOMMODATE DELAYS**  
Convert some contractual work to FTE  
Slow the pace of expenditures  
Find efficiencies in operations  
Reprogram \$6.9M from southern road (GRT Bonds) for SA pre-ops  
Build road in two phases: Phase 1 \$8.1M, Phase 2: \$6.9M  
Seek \$6.9M capital outlay

8

## FY15 NMSA PROJECTED REVENUE



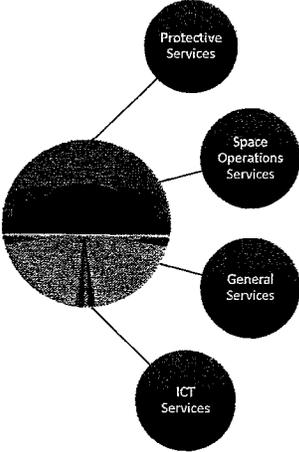
- MAJOR REVENUE
  - VG first operational flights Aug 2014; \$2.2M
  - VG Facilities Lease and Ground Rent; \$1.0M
  - 132,980 Tourists; \$1.6M
  - Excess Pledged Revenue; \$739K
  - Other Launch customers revenue; \$400K
  - Utilities cost share; \$212K
  - Lease of Spaceport for special events; \$150K

9

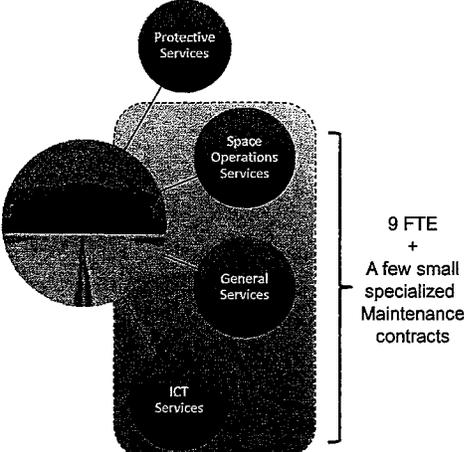
## SPACEPORT PRE-OPERATIONAL SUPPORT



### FY14 Contracted Support



### FY15 Contracted Support



Contractor replacement by FTE saves \$883.1k/year

10

## EXPANSION 9 FTE POSITIONS



- **MAINTENANCE MANAGER / TECHS (5)**  
 Performs routine and specialized maintenance of general equipment, buildings and infrastructure. Develops and maintains policies and procedures.
- **IT MANAGER / SUPPORT (2)**  
 Performs routine and specialized maintenance of IT systems, manages DoIT / CenturyLink relationship, and operates help desk. Develops and maintains policies and procedures.
- **AEROSPACE ENGINEER / FLIGHT OPS (2)**  
 Assists aerospace customers in space and air operations and coordinates with FAA and WSMR. Develops and maintains policies and procedures.

11

## FY15 NMSA OPERATIONAL BUDGET (\$K) WITH 9 NEW FTE



SOURCES	Base	Expansion	Total
111 - 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>

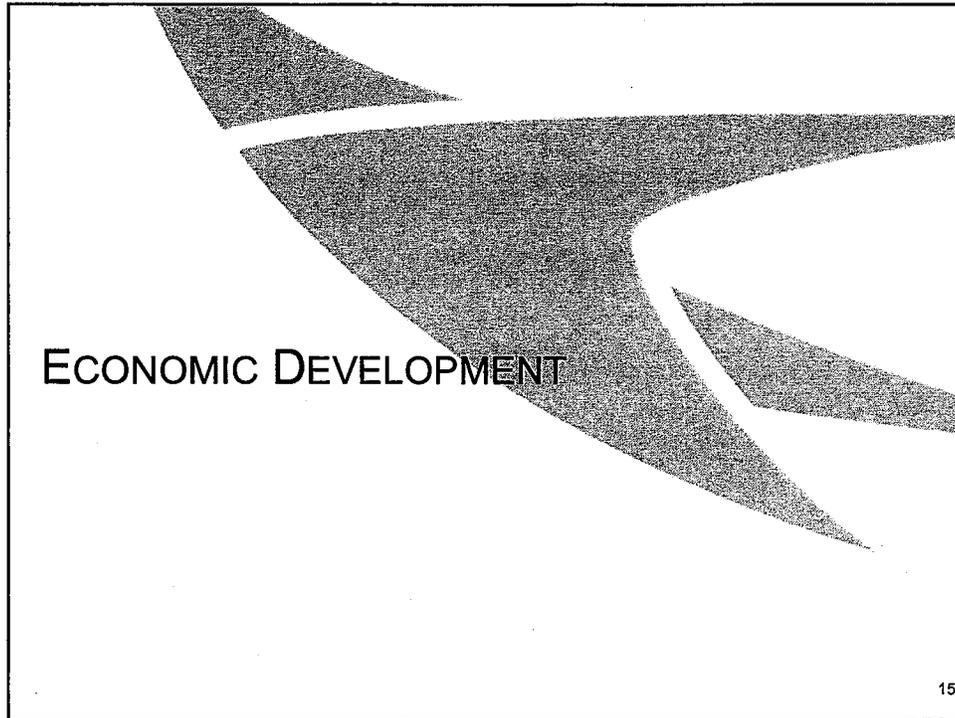
FTE POSITIONS	Base	Expansion	Total
810 - Permanent	9.0	9.0	18.0

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

12

FY15 NMSA OPERATIONAL BUDGET (\$K) WITHOUT 9 FTE			
			
SOURCES	Base	Expansion	Total
111 - General Fund	459.9	883.1	1,343.0
130 - Other Revenue	3,933.5	3,272.7	7,206.2
<b>TOTAL</b>	<b>4,393.4</b>	<b>4,155.8</b>	<b>8,549.2</b>
USES	Base	Expansion	Total
200 - Personal	796.2	0.0	796.2
300 - Contractual	2,252.5	3,703.7	5,956.2
400 - Other	1,344.7	452.1	1,796.8
<b>TOTAL</b>	<b>4,393.4</b>	<b>4,155.8</b>	<b>8,549.2</b>
FTE POSITIONS	Base	Expansion	Total
810 - Permanent	9.0	0.0	9.0
<b>NMSA requesting budget of \$1,343k. Remainder comes from revenue</b>			
13			

FY15 NMSA OPERATIONAL BUDGET (\$K) WITH FTE (RECOMMENDED)			
			
SOURCES	Base	Expansion	Total
111 - 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
<b>NMSA requesting flat-line of \$459.9k. Remainder comes from revenue</b>			
14			



**SPACEPORT ECONOMIC DEVELOPMENT  
PLAN**



- **PRIMARY OBJECTIVE**  
Enable economic growth and jobs in New Mexico by taking advantage of the emerging commercial space industry in and around Spaceport America

**FRAMEWORK**



**TWO TARGET AREAS**  
Aerospace Support Services and Infrastructure  
Tourism and Hospitality Support Services and Infrastructure

**FOUR STEPS**

1. Requirements Identification
2. Gap Analysis
3. Implementation
4. Workforce Development

**Coordinators: NMSA and EDD**

17

**STEP 1 – REQUIREMENTS IDENTIFICATION EXAMPLES**



- IDENTIFYING THE REQUIREMENTS OF SPACEPORT CUSTOMERS IN ORDER TO SUPPORT THEIR OPERATIONAL NEEDS
- AEROSPACE SUPPORT SERVICES AND INFRASTRUCTURE
  - Manufacturing
  - Offline testing facilities
  - Quality control testing capabilities
  - Technical and analytical support
  - Etc.
- TOURISM AND HOSPITALITY SERVICES AND INFRASTRUCTURE
  - Transportation and logistics
  - Accommodation and attractions
  - Southern Spaceport road
  - Etc.

18

## STEP 2 – GAP ANALYSIS



- IDENTIFY GAP BETWEEN CUSTOMER REQUIREMENTS AND AVAILABLE SUPPORT SERVICES AND INFRASTRUCTURE
- SHORT-TERM OPTIONS TO FILL THE GAP
  - Import the service
  - Attract new businesses to relocate to New Mexico
- LONG-TERM OPTIONS TO FILL THE GAP
  - Evolve to fill the requirement via educational pipeline

19

## STEP 3 – IMPLEMENTATION



- WORK WITH EXISTING BUSINESSES ON SPECIFIC CAPABILITY ENHANCEMENT, WHERE POSSIBLE
- TARGET SPECIFIC COMPANIES FOR RELOCATION/EXPANSION
- CREATE ECONOMIC DEVELOPMENT PACKAGES FOR RECRUITMENT
- RECRUIT

20

## STEP 4 – WORKFORCE DEVELOPMENT



- WORK WITH EDUCATORS TO ENHANCE CURRICULUM TO FILL SKILL/KNOWLEDGE GAPS
- DEVELOP OPPORTUNITIES FOR UNIVERSITY / SPACEPORT COLLABORATIVE PROJECTS

21

## SCHEDULE



1. REQUIREMENTS IDENTIFICATION  
November 2013 to January 2014
2. GAP ANALYSIS  
February 2014 to May 2014
3. IMPLEMENTATION  
June 2014 to October 2014 ...
4. WORKFORCE DEVELOPMENT  
June 2014 to October 2014 ...

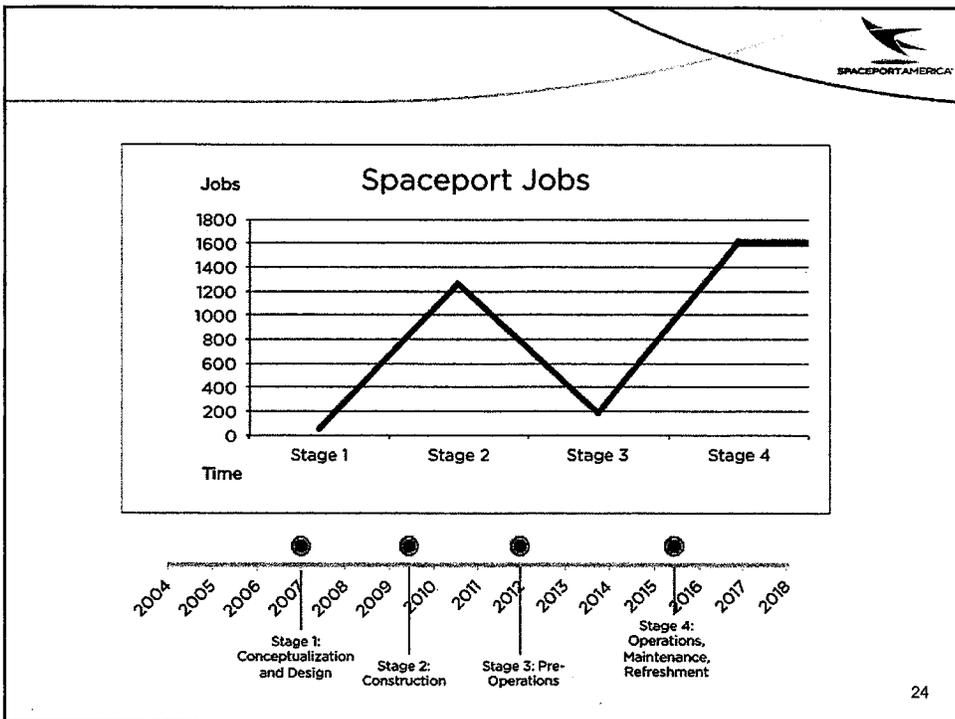
22

## POTENTIAL PARTICIPANTS



- NMSA / EDD COORDINATORS
- DISTRICT 7 SCCOG
- CHAMBERS OF COMMERCE
- NM PARTNERSHIP
- MVEDA
- NMSU / DACC (ENGINEERING & HOSPITALITY)
- NMSU ARROWHEAD CENTER
- UNM (ENGINEERING)
- NM TECH (ENGINEERING)
- BUSINESS LEADERS
- NM TOURISM DEPARTMENT
- LAS CRUCES CONVENTION & VISITORS BUREAU
- SIERRA COUNTY TOURISM BOARD

23



### STAGE 3 JOBS (2013 – 2014)



Employer	Direct Jobs	Indirect Jobs	Indirect Jobs	Total
NMSA	9	13	6	28
Protective Services	20	30	12	62
General Services	5	7	3	16
Technical Services	6	9	4	19
Hospitality Management	7	10	4	22
Other Support Service Contracts	10	15	6	31
Virgin Galactic	5	7	3	16
<b>TOTALS</b>	<b>62</b>	<b>92</b>	<b>38</b>	<b>192</b>

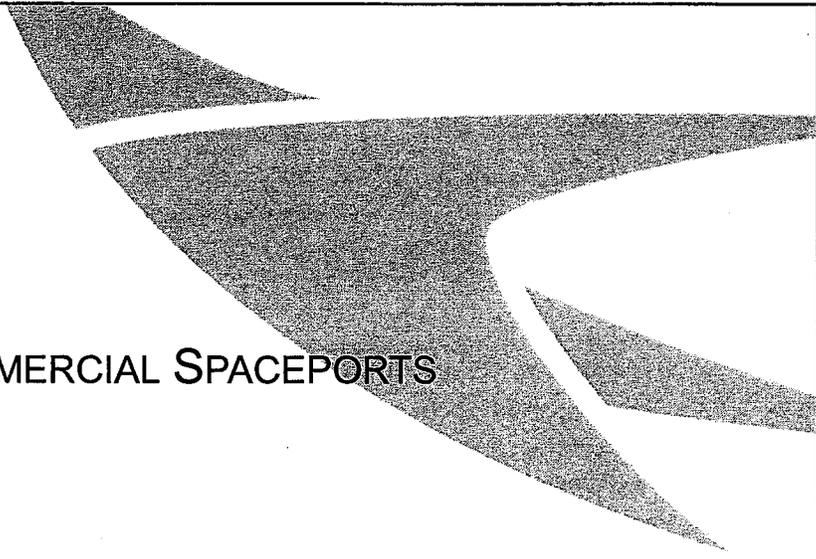
25

### STAGE 4 JOBS (2015 – 2018)



Employer	Direct Jobs	Indirect Jobs	Indirect Jobs	Total
NMSA	18	27	11	56
Protective Services	25	37	16	78
Hospitality Management	60	89	37	186
Other Support Service Contracts	30	44	19	93
Virgin Galactic	150	222	93	465
SpaceX	50	74	31	155
Other Tenant	25	37	16	78
Additional Indirect Tourism		514		514
<b>TOTALS</b>	<b>358</b>	<b>1044</b>	<b>222</b>	<b>1624</b>

26



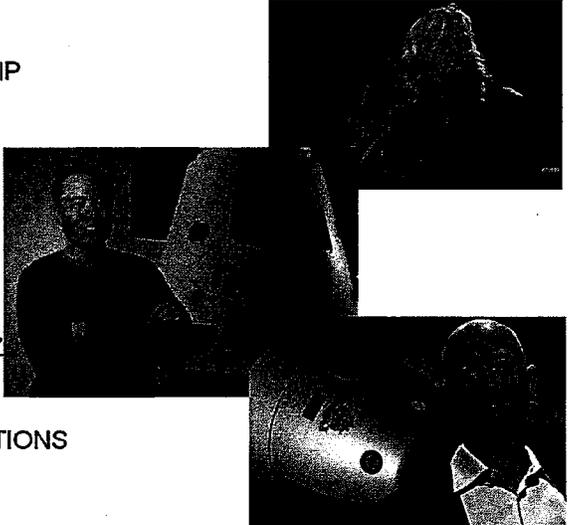
# COMMERCIAL SPACEPORTS

27

## "NEW SPACE" INDUSTRY



- VISIONARY LEADERSHIP
- ENTREPRENEURIAL
- TIME TO MARKET
- AGILE "NEW" ORGANIZ
- STREAMLINED OPERATIONS

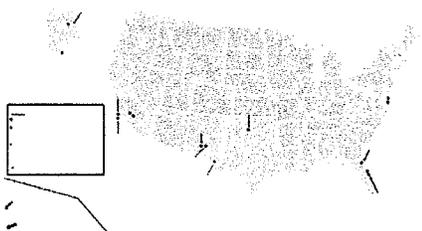


28

## GROWTH IN U.S. COMMERCIAL SPACEPORTS



- **TO DATE (8)**
  - Spaceport America
  - Spaceport Florida
  - Mid-Atlantic Regional Spaceport
  - California Spaceport
  - Oklahoma Spaceport
  - Mojave Spaceport
  - Kodiak Launch Complex
  - Cecil Field Spaceport
- **PROPOSED**
  - Front Range Airport, Colorado
  - Midland Airport, Texas
  - Titusville Airport, Florida
  - South Texas Spaceport
  - Spaceport Alabama
  - Hawaii Spaceport
  - Wisconsin Spaceport
  - Spaceport Indiana
  - Spaceport Washington
  - Chugwater Spaceport
  - Spaceport Georgia



TODAY



The Year 2113?

29

## CURRENT U.S. SPACEPORTS





30

NON-FEDERAL FAA-LICENSED LAUNCH SITES			
<u>Launch Site</u>	<u>Operator</u>	<u>State</u>	<u>License First Issued</u>
Kodiak Launch Complex	AK Aerospace Development Corp.	AK	1998
California Spaceport	Spaceport Systems International	CA	1996
Mid-Atl. Regional Spaceport	VA Commercial Spaceflight Authority	VA	1997
Cape Canaveral Spaceport	Space Florida	FL	1999
Mojave Air & Space Port	East Kern Airport District	CA	2004
Oklahoma Spaceport	OK Space Industry Development Authority	OK	2006
Cecil Airport	Jacksonville Aviation Authority	FL	2010
Spaceport America	NM Spaceport Authority	NM	2008

NON-FEDERAL FAA-LICENSED LAUNCH SITES				
<u>Launch Site</u>	<u>Charter</u>	<u>Location</u>	<u>Funding</u>	<u>Acreage</u>
Kodiak Launch Complex	Public corporation of AK, within AK Department of Military and Veteran's affairs. Associated with U of AK.	Public lands of AK	AK state budget	3717, 7,000 intermittent exclusion zone
California Spaceport	Private. Subsidiary of Exelis, Inc.	Lease from Vandenberg AFB, 1995-2020.	Federal contracts with DoD, Intelligence Community, NASA, and FAA.	100 approx.
Mid-Atlantic Regional Spaceport	Political subdivision of the Commonwealth of VA (state agency).	Lease from NASA Wallops Flight Facility.	VA state budget	1,500, approx.
Cape Canaveral Spaceport	Public corporation of FL.	Lease from KSC/Cape Canaveral Air Force Station.	FL state budget	845 planned for Shiloh location
Mojave Air & Space Port	Public Charter under California Airport District law.	Mojave Air and Space Port (CA state lands).	Self-supporting with a limited ability to issue emergency bonds.	200 approx., 3,300 available for development
Oklahoma Spaceport	State agency.	Clinton-Sherman Airpark owned by OSIDA.	OK state budget and may issue bonds.	1,700
Cecil Airport	Public corporation of FL.	Cecil Airport (Owned by Florida).	Self-supporting with ability to issue capital bonds	6,000
Spaceport America	State agency.	Public lands of NM via lease from State Land Office.	Tax bonds but goal to be self-supporting by 2017.	18,000

## COMPETITIVE STANDING

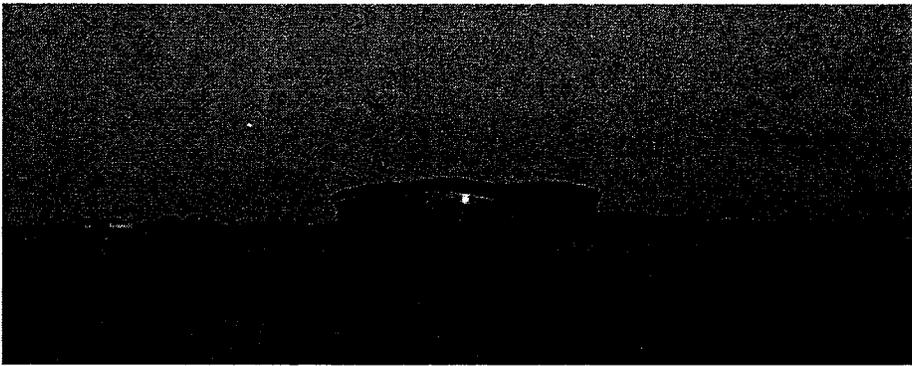


- **ONLY "PURPOSE-BUILT" COMMERCIAL SPACEPORT**  
All others are based on federal ranges, naval air stations, airports, etc.
- **LEADER IN SUBORBITAL TARGET MARKET**  
Only suborbital site with FAA-licensed launches in the last year  
Top vertical launch company (SpaceX)  
Top horizontal launch company (Virgin Galactic)
- **BEST COMBINATION OF AIRSPACE, POPULATION DENSITY, WEATHER, FEDERAL ASSETS**
- **3 OF 8 SPACEPORTS ARE FULLY REVENUE SELF-SUPPORTING**  
Spaceport America will be the 4<sup>th</sup>

**Spaceport America is a showcase of the future; Best inland launch location**

33

## QUESTIONS?



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

MONTHLY NEWSLETTER SIGN-UP IN THE FOOTER OF HOMEPAGE

34

