

# SPACEPORT AMERICA

*3...2...1...Liftoff!*

September 21, 2016

Spaceport America Management Team



**SPACEPORT**AMERICA

# AGENDA

Business Development	Tammara Anderton (VP Business Development)
Aerospace Accomplishments	Dr. Bill Gutman (VP Aerospace Operations)
Ground Operations	Chris Lopez (VP Ground Operations)
Southern Road Update	Chris Lopez (VP Ground Operations)
Financial Review	Zach De Gregorio (Chief Financial Officer)
Economic Analysis	Zach De Gregorio (Chief Financial Officer)

# SPACEPORT AMERICA STATUS:



- 5 permanent aerospace tenants
- 28 vertical launches to date (vertical launch area)
- 5 missions to date (horizontal launch area)
- \$2.3 million in customer revenue in FY16
- 50 full time jobs have been created
- **New business in FY16 grew by 135%**
- **Spaceport is funding 71% of operating expenses in FY17 and 92% in FY18 and will be 100% self funding in FY19**
- **Economic impact in FY16 = 20 million USD!**
- 4-7 additional vertical launches by December 31, 2016
- 2 additional missions by December 31, 2016
- Launched 4 Spaceport America annual signature events
- STEM outreach to over 2,000 6<sup>th</sup> grade students across NM each year



# BUSINESS DEVELOPMENT

**Tammara Anderton**

**VP Business Development**

- DIVERSIFIED APPROACH – TWO AREAS OF FOCUS PROVIDE A STABLE APPROACH TO DELIVER ON THE MISSION OF ECONOMIC DEVELOPMENT.



- AEROSPACE
- NON-AEROSPACE

Seven business segments

# COMMERCIAL SPACEFLIGHT FEDERATION (CSF)

- **INDUSTRY TRADE &  
ADVOCACY ASSOCIATION**

- **70+ MEMBERS**

Spaceflight developers, operators, suppliers and spaceports

- **MISSION**

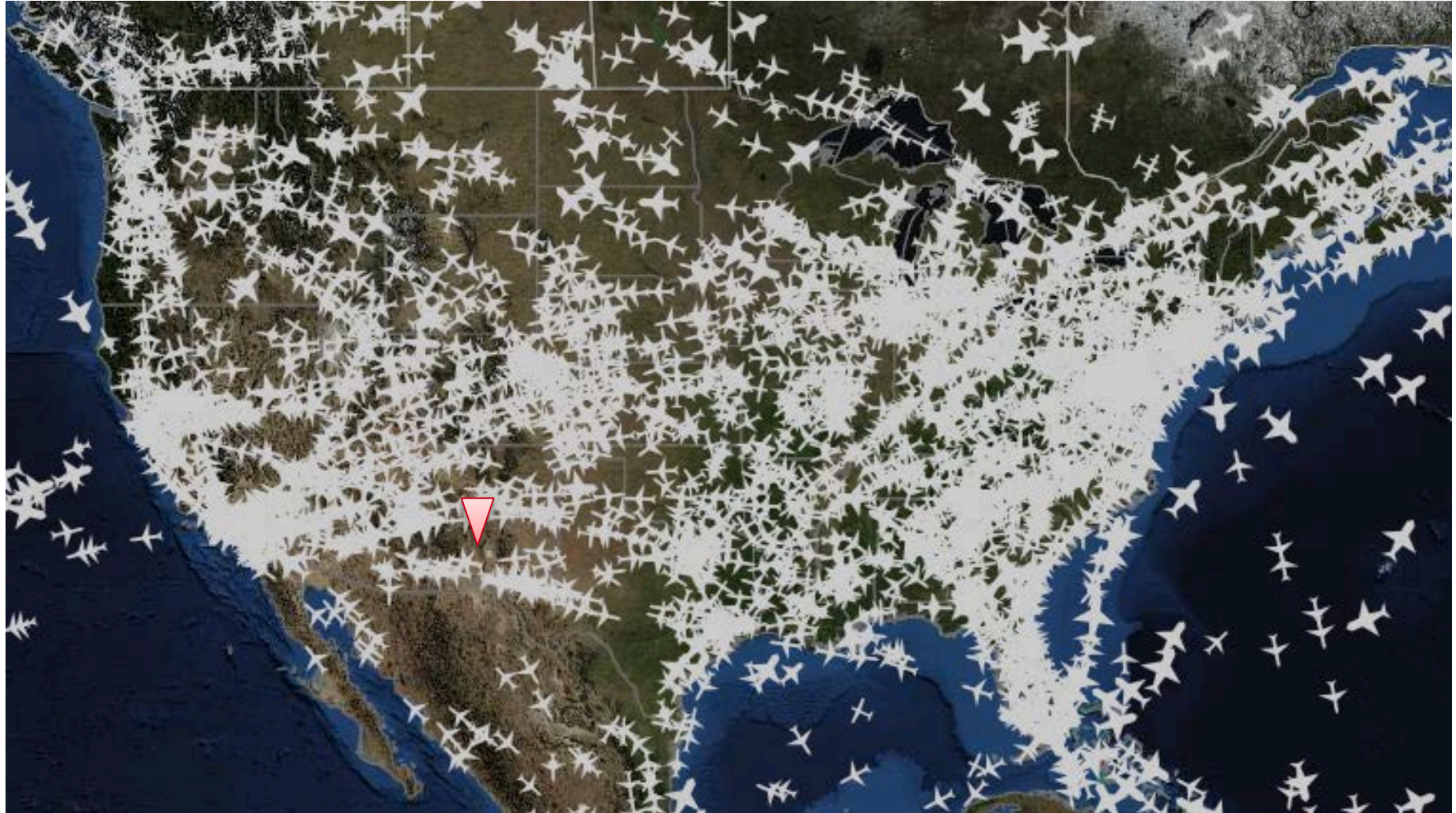
Promote the development of commercial human spaceflight, pursue ever higher levels of safety, and share best practices and expertise throughout the industry.



**COMMERCIAL  
SPACEFLIGHT  
FEDERATION**

**Spaceport America is a founding, Executive Member of the CSF**

# NATIONAL AIR TRAFFIC



 Spaceport America

# REACH FOR THE STARS CAMPAIGN



# AEROSPACE CUSTOMERS

- VIRGIN GALACTIC
- SPACE X
- UP AEROSPACE
- EXOS AEROSPACE
- VANILLA AEROSPACE
- BOEING
- AND OTHERS IN THE PIPELINE



# DEMAND FOR LONG ENDURANCE UAV TESTING

- IN COLLABORATION WITH NEW MEXICO STATE UNIVERSITY PHYSICAL SCIENCE LABORATORY (NMSU PSL) AND US ARMY WHITE SANDS MISSILE RANGE (WSMR)
- HEIGHTED INTEREST FROM UNMANNED AERIAL VEHICLE (UAV) COMMUNITY DUE TO AIR SPACE



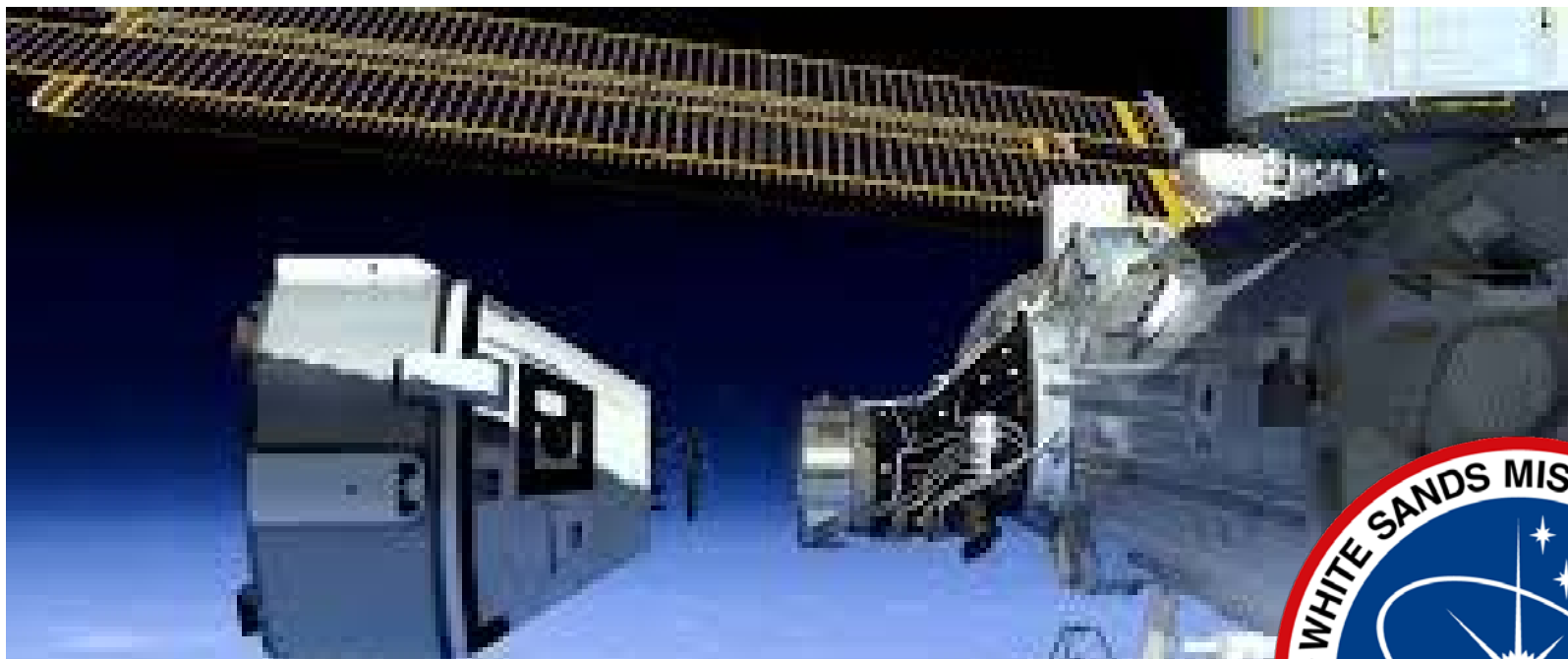
# MARS SCIENTIFIC PARTNERSHIP

- LEADER IN LONG-RANGE TELESCOPIC TRACKING AND IMAGING OF LAUNCH VEHICLES
- EXOS AEROSPACE WILL BE THE FIRST NEW TENANT TO BENEFIT

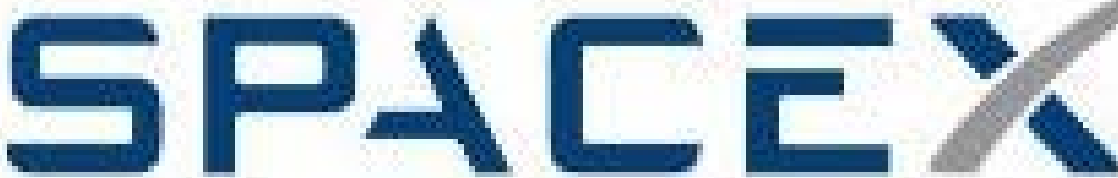


# HIGH VISIBILITY SPACE TESTING PROJECT FOR 2016 - 2017

Working with WSMR and Boeing on multiple drop tests of the new crew transportation capsule for the International Space Station – quote accepted, contract in progress, announcement made



# HAVE JUST RENEWED LEASE FOR ANOTHER YEAR



SPACEX



# GATEWAY TO SPACE EVENT BRAND LAUNCHED JANUARY 2016



GATEWAY TO SPACE™

earth's ultimate space venue™



# NON-AEROSPACE SEGMENTS

- **TOURISM**
- **MERCHANDISE**
- **SPONSORING**
- **FILMS**
- **PHOTO-SHOOTS**
- **SPORTING EVENTS**
- **WEDDINGS**
- **CONCERTS**
- **CORPORATE EVENTS**



PREMIERS IN THEATERS ON  
DECEMBER 21, 2016



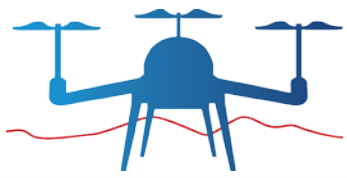
# THE SPACE BETWEEN US

# CHICCO - VIARO STROLLER



VIARO

SPACEPORT AMERICA | NEW MEXICO | USA | EARTH



## **November 11 – 13, 2016**

Welcomes drone pilots, speakers, vendors and spectators to drone racing, drone workshops, fixed-wing demonstrations, drone cinematography and more.

Expected attendance:

- 200 Racers
- 100 Cinematography Challenge Participants
- 900 Workshop Participants
- Minimum 1,000 Spectators





# SPACEPORT AMERICA® RELAY RACE



**April 8 – 9, 2017**

Race teams run along the historic El Camino Real de Tierra Adentro trail  
200 mile event starts at El Paso and ends at Spaceport America

Expected attendance:

- 1,200 Runners
- Minimum of 800 Spectators





**March 10 – 12, 2017**

Standing one mile vehicle racing event.

Expected attendance:

- 125 drivers
- Minimum of 400 Spectators



**June 20 – 24, 2017**

International Intercollegiate Rocket Engineering Competition

The world's largest university rocket engineering competition

Expected attendance:

- 800 Participants
- Minimum of 1,300 Spectators



# SIGNATURE EVENTS IMPACT

<u>Event</u>	<u>Date</u>	<u>In-state visitors</u>	<u>Out-of-state visitors</u>	<u>Out-of-state visitors economic impact</u>
SA Drone Summit	Nov 11-13	1,100	1,100	\$280,500
SA Mile	Mar 10-12	263	262	\$66,810
SA Relay Race	April 8-9	1,000	1,000	\$170,000
SA Cup	June 20-24	420	1,680	\$714,000
<b>Totals</b>		<b>2,783</b>	<b>4,042</b>	<b>\$1,231,310</b>

- Assumes per diem rates of \$85/day
- Does not count Spaceport America revenue

**Over a million USD in positive economic impact**

# SCIENCE, TECHNOLOGY, ENGINEERING, AND MATH (STEM) EDUCATION OUTREACH



Dr. Bill Gutman,  
Director of Aerospace Operations

- REAL TIME ONLINE VIRTUAL CLASS AND SPACEPORT TOUR CONDUCTED WITH SIERRA AND DONA ANA COUNTIES PUBLIC MIDDLE SCHOOLS
- REACHED OVER 2000 6<sup>TH</sup> GRADE STUDENTS DURING PAST SCHOOL YEAR
- EXPANDING THE PROGRAM THROUGH **VIRTUAL EDUCATION**

# TUSKEGEE AIRMEN COL ALVIN DREW SPACE CAMP



Unique, live  
educational  
◀ experiences that  
supplement  
curriculum



# ANNUAL RECURRING SPACEPORT AMERICA OPEN HOUSE



- FREE TO THE PUBLIC
- LAST OPEN HOUSE: APRIL 2, 2016  
1700 attendees, 36 planes, 80 Civil Air Patrol
- NEXT OPEN HOUSE OCT 1, 2016



# EARNED MEDIA FOR NEW MEXICO



**SPACEPORT AMERICA HAS  
EARNED**

**\$106,000,000.00\***

**IN EARNED MEDIA FOR NEW  
MEXICO IN THE LAST YEAR**



Earned Media = media related to a company's brand  
that is not directly generated by company paid advertising

*The New York Times*

**SPACENEWS**

**Ap** Associated Press



**Wallpaper\***  
\*THE STUFF THAT RE

HUFFPOST TRAVEL

**PARABOLIC ARC**



**SPACEPORTAMERICA® NEWSBURST**

# CNBC LAUNCHED SPACE SERIES MISSION: SPACE



**BROADCASTING LIVE FROM SPACEPORT AMERICA ON AUGUST 29, 2016**



# CNBC

LIVE  
SPACEPORT AMERICA, NM

MISSION:  
SPACE

JANE WELLS  
CNBC BUSINESS NEWS

 CNBC



# AEROSPACE ACCOMPLISHMENTS

**Dr. Bill Gutman**

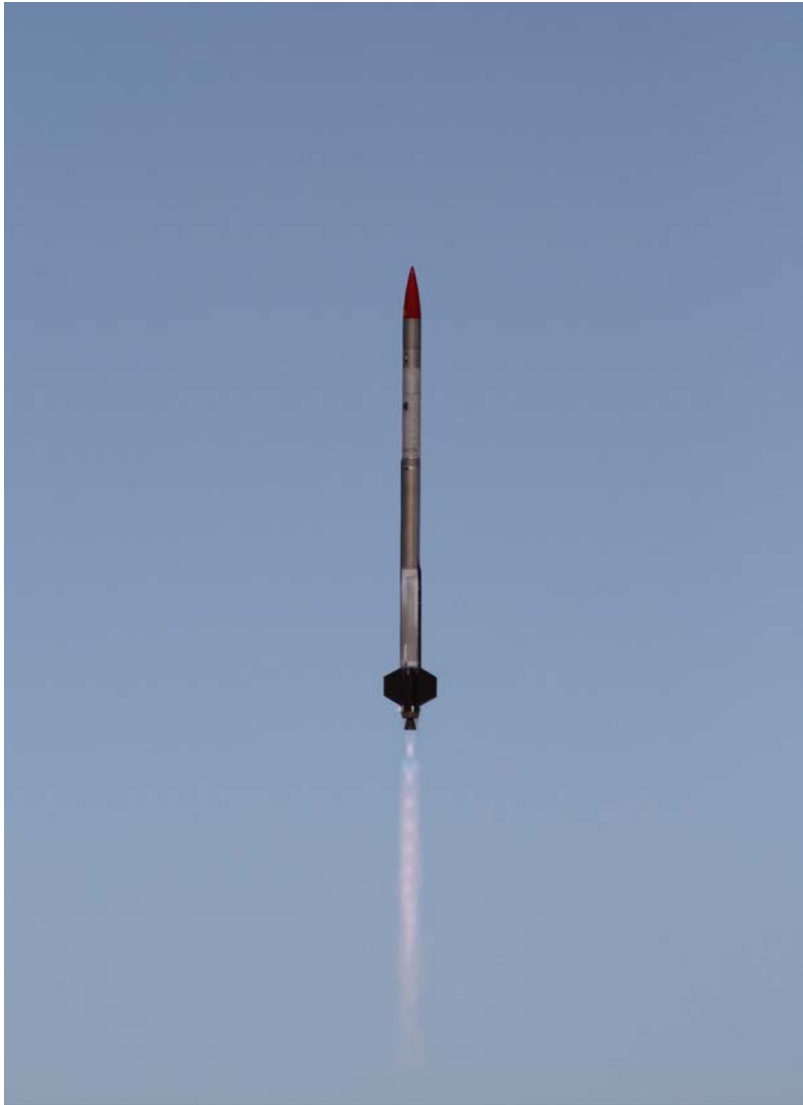
**VP Aerospace Operations**

# CHALLENGE: BUILD A SPACEPORT HERE

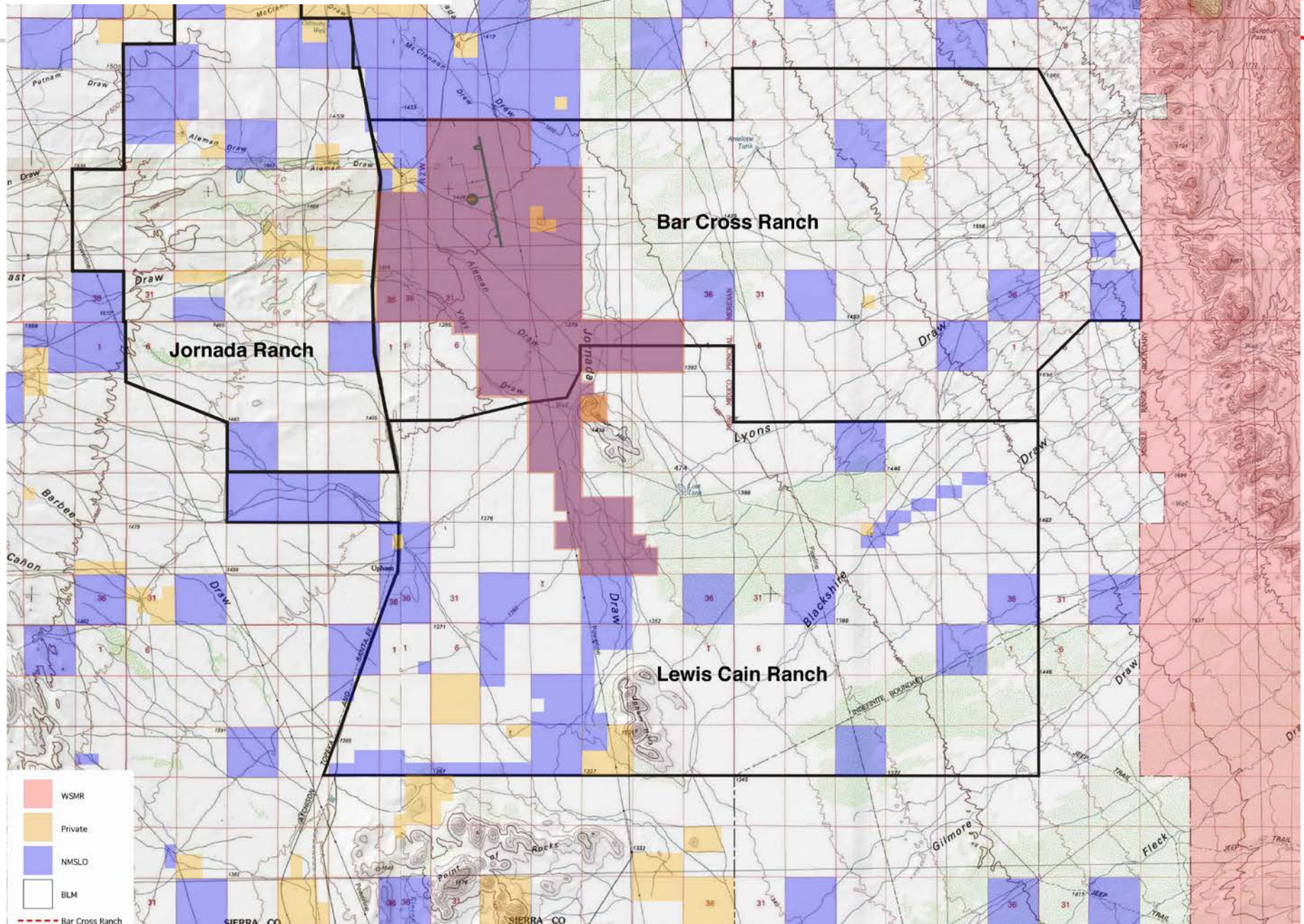
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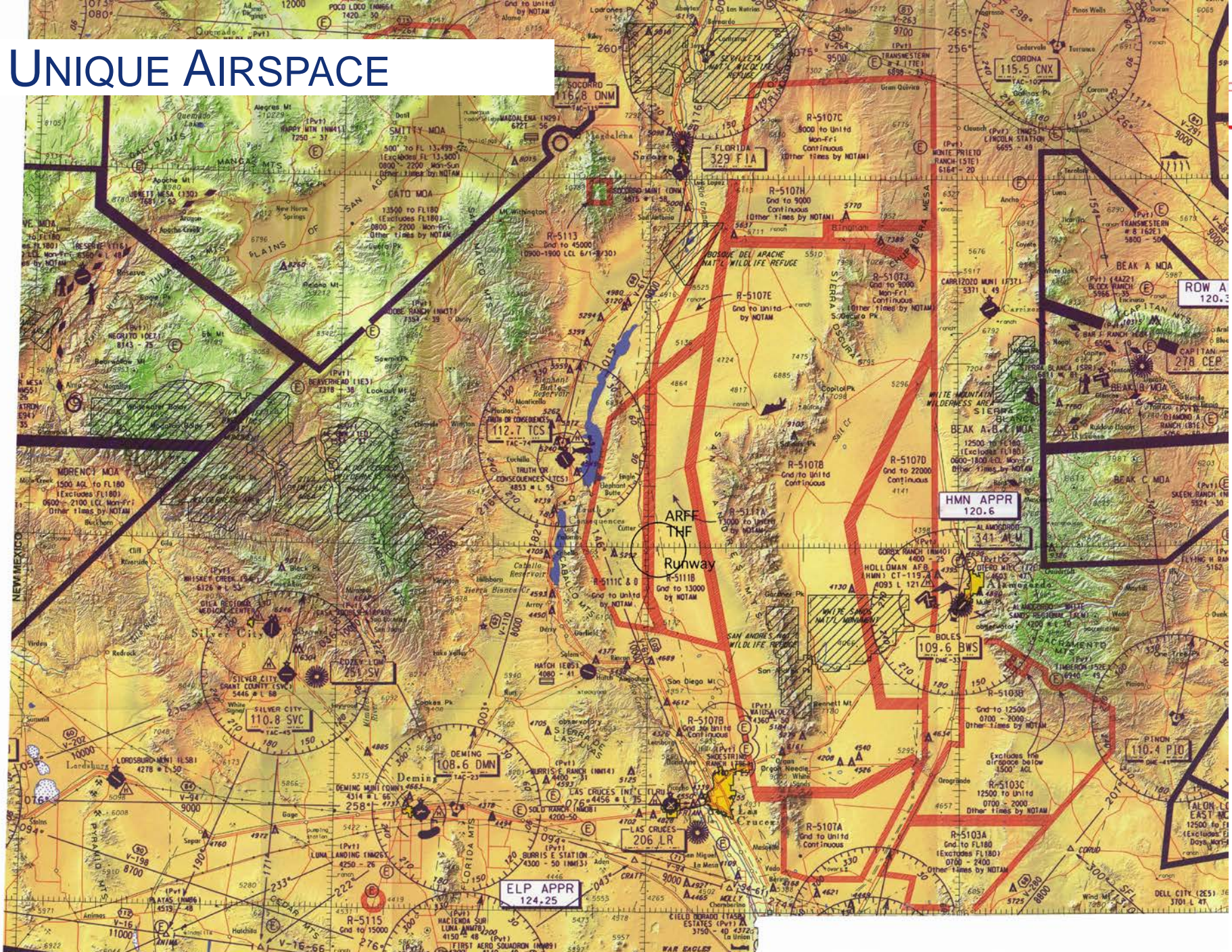
# WHY HERE?



# IDEAL LOCATION



# UNIQUE AIRSPACE



# UNIQUE AIRSPACE



= Spaceport America

# U.S. COMMERCIAL SPACEPORTS



- **340+ DAYS OF SUNSHINE**
- **LAUNCHES START AT AN ELEVATION OF 4,600 FT ABOVE SEA LEVEL**
- **NO DAMAGE FROM SALT AIR CORROSION**
- **FIRST PURPOSE BUILT COMMERCIAL SPACEPORT**
- **LOW POPULATION DENSITY**
- **ACCESS TO 6,000 SQ MI OF RESTRICTED AIRSPACE**
- **WE HEAR FROM OUR CUSTOMERS, “THERE IS NO OTHER PLACE LIKE SPACEPORT AMERICA FOR OUR OPERATIONS.”**

# UP AEROSPACE

- RECENT LAUNCH FROM SPACEPORT AMERICA
- HEIGHT: 75 MILES (EDGE OF SPACE IS 62 MILES)
- SPEED: 5439 FT/S (TWICE THE SPEED OF A TYPICAL RIFLE BULLET)
- MICROGRAVITY
- [PLAY VIDEO OF UP LAUNCH – NO COMPUTER GRAPHICS USED]
- [LINK](#)



# ANCHOR TENANT VIRGIN GALACTIC



# VIRGIN GALACTIC PROGRESS

- THE NEW SPACESHIP TWO WAS ROLLED OUT ON FEB 19, 2016
- VG RECEIVED OPERATOR LICENSE FROM FAA
- WHITE KNIGHT HAS PARTICIPATED IN TWO OPERATIONAL TESTS AT SPACEPORT AMERICA IN FY15 AND FY16
- ANTICIPATE CONTINUED TEST FLIGHTS IN FY17
- ANTICIPATE PASSENGER FLIGHTS IN FY18



# SPACESHIP TWO CAPTIVE CARRY

- SUCCESSFUL TEST FLIGHT SEPT 8, 2016  
[PLAY VIDEO OF TEST FLIGHT]





# GROUND OPERATIONS

**Chris Lopez**

**VP Ground Operations**

# GROUND OPERATIONS



- MAINTAIN AND OPERATE A MINIATURE CITY (18,000 ACRES)
- ELECTRICAL
- ADVANCED CLIMATE CONTROL
- WATER
- ELEVATORS
- AUTOMATIC FIRE DETECTION AND PROTECTION
- IT INFRASTRUCTURE, COMMUNICATIONS AND SUPPORT
- CUSTOMER SERVICE
- 24/7 FIRE, MEDICAL, SECURITY TEAMS

# S.A.F.E. TEAM

- **S**ECURITY **A**ND **F**IRE **E**MERGENCY TEAM  
Fire, Medical, and Security teams
- 24/7 EMERGENCY RESPONSE PRESENCE
- REQUIRED TO MEET CUSTOMER EXPECTATIONS
- UNIQUE AIRCRAFT REQUIREMENTS REQUIRE UNIQUE SERVICES, EQUIPMENT, AND TRAINING
- AN HOUR AWAY FROM NEAREST SUPPORT
- MEETS NATIONAL FIRE PROTECTION ASSOCIATION (NFPA) STANDARDS
- TOURISTS AND CUSTOMERS ON SITE 7 DAYS A WEEK
- PROTECTING \$220 MILLION OF STATE ASSETS



# S.A.F.E. TEAM-SPECIALIZED TRAINING AND SKILL EXAMPLES

- ARFF-AIRCRAFT RESCUE  
AND FIREFIGHTING
- WILDLAND READINESS



# S.A.F.E. TEAM-SPECIALIZED TRAINING AND SKILL EXAMPLES

- AMBULATORY/EMT RESPONSE



- TRAINING RESPONSE



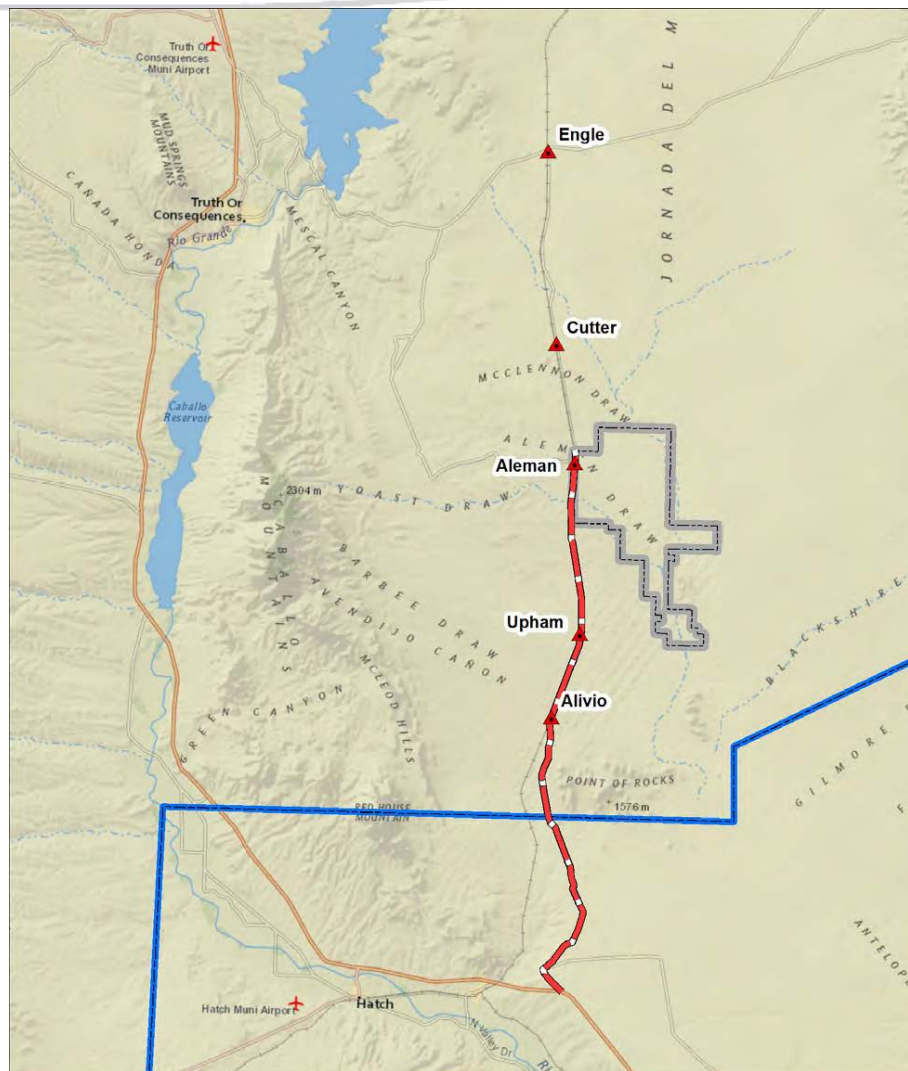
An abstract graphic featuring a light gray road that curves from the bottom left towards the top right. The road is flanked by stylized, layered hills or mountains in shades of gray, creating a sense of depth and perspective. The overall composition is clean and modern, with a focus on geometric shapes and perspective.

# SOUTHERN ROAD

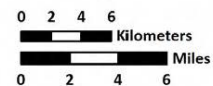
**Chris Lopez**

**VP Ground Operations**

# SOUTHERN ROAD MAP



-  Place names
-  Spaceport Lease
-  "Southern" Road



Data sources: NMRG/S, ESRI, JMRC JMRC 20160603

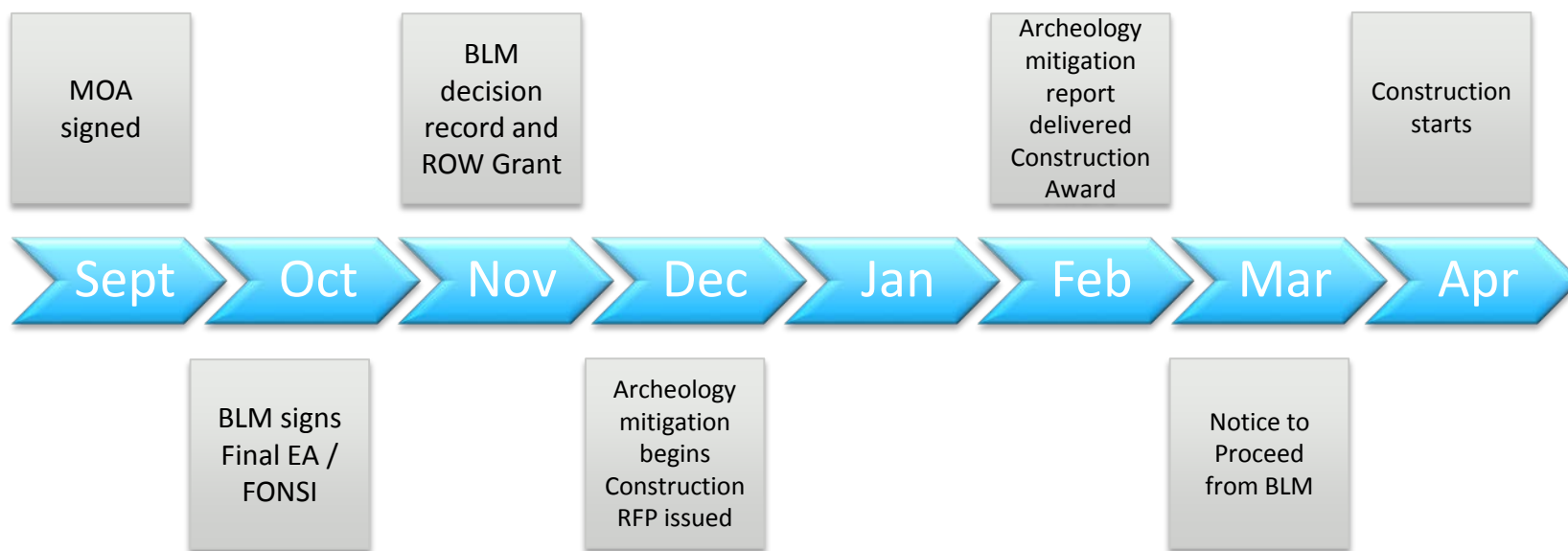
# SOUTHERN ROAD

- 24 MILES TO CONSTRUCT ALL WEATHER ROAD. (60 MIN DRIVE FROM LAS CRUCES)
- DIRT ROAD THAT REQUIRES FOUR WHEEL DRIVE VEHICLES
- CROSSES ARROYOS THAT BECOME IMPASSABLE DURING RAINSTORMS
- 14M IN SEVERANCE TAX BOND FUNDS TO PAVE THE SOUTHERN ROAD
- **MAJOR CONCERN FOR COMPANIES RELOCATING TO NEW MEXICO**



# SOUTHERN ROAD SCHEDULE

- CONSTRUCTION STARTS APRIL 2017
- CONSTRUCTION EXPECTED TO TAKE ONE YEAR



MOA = Memorandum of Agreement  
ROW = Right of Way  
BLM = Bureau of Land Management

EA = Environmental Assessment  
FONSI = Finding of No Significant Impact  
RFP = Request for Proposal

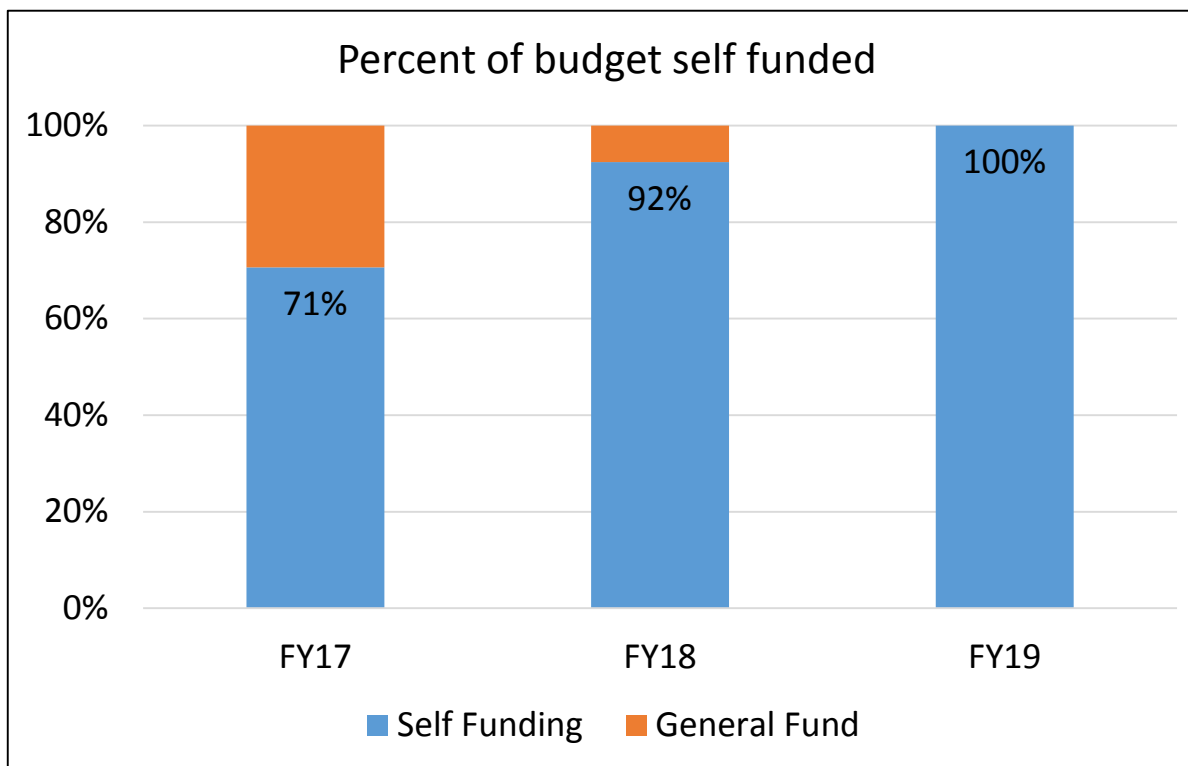


# FINANCIAL REVIEW

**Zach De Gregorio**

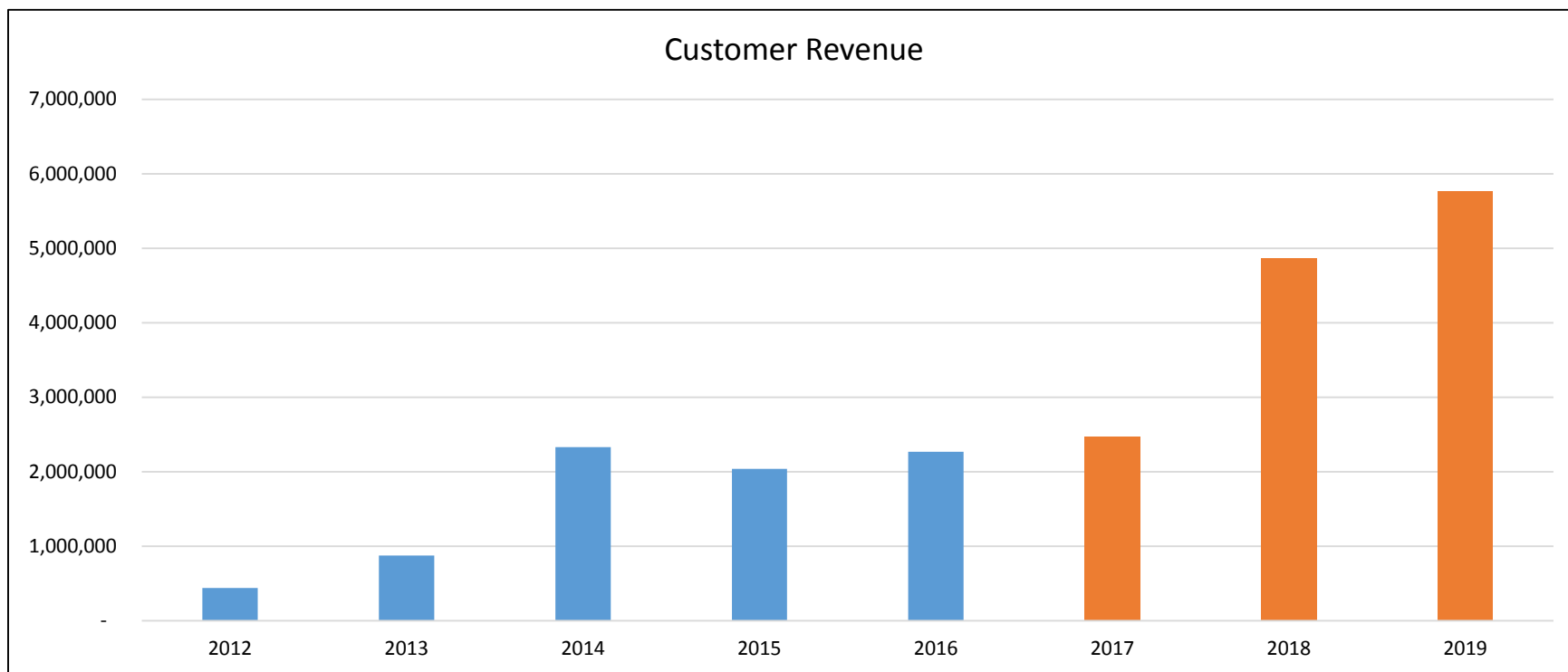
**Chief Financial Officer**

# SELF FUNDING IN FY19



- SPACEPORT AMERICA ANTICIPATES SELF FUNDING OPERATIONS 100% IN FY19 DUE TO INCREASED CUSTOMERS ACTIVITIES

# CUSTOMER REVENUES



- VIRGIN GALACTIC STARTS PAYING RENT IN FY13
- VIRGIN GALACTIC CRASH IN OCT 2014 (FY15)
- REVENUES INCREASE IN FY16 (DIVERSIFICATION STRATEGY STARTS PAYING OFF)
- VIRGIN GALACTIC RENT INCREASES STARTING IN FY18

# FY17 OPERATING BUDGET (CURRENT)

SOURCES	
General Fund	444,000
Special Appropriation	1,200,000
Other Revenues	3,056,000
Fund Balance	900,000
<b>Total Sources</b>	<b>5,600,000</b>

USES	
200 - Personnel	1,600,000
300 - Contractual	2,100,000
400 - Other	1,900,000
<b>Total Uses</b>	<b>5,600,000</b>

- FIGURES DO NOT INCLUDE 1M OF FEMA FUNDS TO REPAIR STORM DAMAGE IN FY14

# FY18 OPERATING BUDGET (PROPOSED)

SOURCES	
General Fund Transfer	444,000
Special Appropriation	0
Other Revenues	5,456,000
Fund Balance	0
<b>Total Sources</b>	<b>5,900,000</b>

USES	
200 - Personnel	1,800,000
300 - Contractual	2,353,800
400 - Other	1,746,200
<b>Total Uses</b>	<b>5,900,000</b>

- REQUEST FROM GENERAL FUND REMAINS FLAT
- 92% OF OPERATING BUDGET IS SELF-FUNDED

# BUDGET ASSUMPTIONS

<b>FY17</b>	<ul style="list-style-type: none"><li>• Virgin Galactic performs test flights at Spaceport America</li><li>• New aerospace tenants begin flight operations</li><li>• NMSA begins holding 4 annually recurring events per year</li><li>• NMSA signs additional aerospace customers</li></ul>
<b>FY18</b>	<ul style="list-style-type: none"><li>• Virgin Galactic begins commercial flights</li><li>• Virgin Galactic annual lease payments increase from \$1M to \$3M</li><li>• Visitor Experience attendance increases due to flight activity</li><li>• NMSA continues 4 annually recurring events per year</li><li>• NMSA signs additional aerospace customers</li><li>• NMSA receives a flat appropriation</li></ul>

- **GROSS RECEIPTS TAX BONDS**

Total amount of funds were spent by 12/30/2015

- **SEVERANCE TAX BONDS**

14M in funds available in Severance Tax Bonds assigned to Southern Road project



# ECONOMIC DEVELOPMENT IMPACT FOR NEW MEXICO

**Zach De Gregorio**  
**Chief Financial Officer**

# ECONOMIC IMPACT (FY16)

- FY16 INVESTMENT FROM NM GENERAL FUND \$944K
- FY16 ECONOMIC IMPACT \$20.8M
- **EVERY DOLLAR INVESTED HAS 20X RETURN**

FY16 NM State Investment		FY16 Economic Impact	
NM General Fund	944,000	Commercial Space Industry (Spaceport and other companies)	11,021,000
		Non-aerospace Spaceport Business	1,089,000
		Tourism	1,798,000
		Additional Taxes Earned	861,000
		Indirect Purchases in NM Businesses	3,852,000
		Investment in STEM Education	2,200,000
<b>Total</b>	<b>944,000</b>	<b>Total</b>	<b>20,821,000</b>

- ASSUMPTIONS BASED OFF CONSERVATIVE ECONOMIC MODEL USED BY THE ECONOMIC DEVELOPMENT DEPARTMENT (EDD)

# SPACEPORT AMERICA AEROSPACE CUSTOMERS IMPACT (FY16)

- AEROSPACE CUSTOMER DIRECT SPEND 11M
- 0.3X MULTIPLIER FOR INDIRECT SPEND 3.2M
- ADDITIONAL NM TAX REVENUE 700K
- 50 FULL TIME JOBS (SPACEPORT AMERICA AND VIRGIN GALACTIC)

## Aerospace NM Direct Spend by Source



# SPACEPORT AMERICA

## NON-AEROSPACE BUSINESS (FY16)

- **FILM AND COMMERCIAL SHOOTS DIRECT SPEND 1.1M**  
Film Shoot “The Space Between Us”  
Commercial photo shoot “Chicco Strollers”
- **0.3X MULTIPLIER  
FOR INDIRECT  
SPEND 325K**



# SPACEPORT AMERICA TOURISM (FY16)

- **TOUR OPERATORS DIRECT SPEND 1M**

Follow the Sun - Spaceport America Tour Operator

Ted Turner Expedition – Niche market Tour Operator

Visitor Center opened June 26, 2015

- **0.3X MULTIPLIER**

FOR INDIRECT  
SPEND 302K

- **MEALS AND  
HOTELS 790K**



# SIGN UP FOR THE NEWSBURST

- BI-WEEKLY UPDATES SENT DIRECTLY TO YOUR EMAIL
- SIGN UP AT [SPACEPORTAMERICA.COM](http://SPACEPORTAMERICA.COM)



An aerial photograph of a dry, hilly landscape. A dark, winding river or stream flows through the center of the image. The terrain is characterized by brown and tan soil, with some green vegetation visible on the left side. The background shows a blue sky and a distant horizon line.

**Are you ready for the Journey?**