

## **New Mexico Spaceport Authority**

April 27, 2011

10:30 AM

Elephant Butte City Council Hall  
Elephant Butte, NM 87935

The meeting was called to order by Chairman Holdridge at 10:35am.

Pledge of Allegiance

Mayor of Elephant Butte welcomed everybody

Roll call was taken with six members present: quorum confirmed.

Guests and officials present included: NMSA- Chris Anderson, Executive Director; Chad Rabon, Aaron Prescott, Bill Gutman; Virgin Galactic- Julia Tizard, Adam Welles, Bruce Jackson, John Turnipseed; Donna Larsen, Mike Larsen, Rene Romo, Charles Slank, Bill Fiorra, Steve Matier, Tamara Riley, Dawn Garcia, Kathy Vickers, Jim Hayhoe, Paul Arthur, Kent Evans, John Roberts, EDD Counsel, Wade Jackson; WSMR Chief of Staff and NMSA Board Advisor, Dan Hicks.

### **Members Present:**

Rick Holdridge (Chairman)  
David Buchholtz  
Jerry Stagner  
Ben Woods  
Irv Diamond  
Sid Gutierrez  
Scott Krahlung

### **Introductions: Chairman Rick Holdridge**

### **Approval of Agenda:**

Motion: Director Diamond moved to approve the agenda. Director Gutierrez seconded the motion. Motion was unanimously approved; motion carried.

### **Approval of Minutes**

March 8, 2011

Motion: Director Gutierrez moved to approve the NMSA Board minutes for March 8, 2011. Director Woods seconded the motion. Motion was unanimously approved; motion carried

### **Spaceport America Overview Report**

Chris Anderson gave an update. The Visitor Experience Request for Proposals is being prepared and is expected to be released by the end of May. One of the primary goals is for the Visitor Experience to provide an educational, inspirational and fun experience to visitors. Director Gutierrez asked about accommodation for visitors who want to drive out. Chris responded, there is no planned mass parking at the Spaceport due to security issues. Director Gutierrez asked how the visitor contracts would be managed. Chris responded Spaceport staff will manage the contracts. Director Gutierrez suggested that private interest would be a measure of viability, and asked if we had looked at KSC. Aaron Prescott explained that companies such as Delaware North pays NASA up front, then makes the money and reinvests. One aspect of the Visitor Experience contract is for the contractor to assist NMSA in seeking private investors

Director Diamond suggested that the Board have a planning session related to the business plan. NMSA has a preliminary draft business plan and expects to have a polished draft to the Board by the end of June for review and comment.

Archaeological Mitigation- Approximately \$1.2 million is allocated to archaeological mitigation over a three year period. Archaeological mitigation is a requirement of the FAA. The FAA has quarterly reviews with NMSA to ensure all milestones are being accomplished. Over 22 archaeological sites have been identified. Director Gutierrez asked where 1.2 million came from. Chris responded, from Spaceport funds.

Construction Status- Spaceport construction is about 86% complete.

NMSA Budget- The NMSA Office Budget was in \$1.174M in FY 11. The NMSA Office Budget for FY12 is \$500k appropriated funds and an assumed \$200k from Virgin Galactic Lease funding. Director Buchholtz asked if we had authority to prepare a specific budget and deliver to legislature, and if Board was expected to approve office operating budget. Director Woods stated that NMSA budget is a line item in EDD request, and they prepare our request. Director Buchholtz asked if the board has a responsibility to advise/act on budget. Director Woods responded that we could assist in making a case to legislature on NMSA budgetary needs. He stated we have some capability by virtue of being part of EDD. Secretary Barela may be able to make some adjustments depending on language in appropriation. This huge reduction implies that we need detailed discussion within board on implications because they are so drastic. Virgin Galactic lease money will start when CID signs off and other steps are done like FAA approval of the horizontal launch license--likely between January and March. However it is not a good idea to assume that money will be available. Director Stagner also mentioned that permanent power would not be available until October. VG cannot move in until that is available.

NMSA Audit- Director Diamond gave a briefing on the independent FY 10 audit that is ordered annually by NMSA. There was one deficiency on the previous

audit. Bonds were not being tracked properly. Specifically, for the Gross Receipts Tax bonds, NMSA needed to send a copy of transactions to EDD. This has been accomplished. The audit firm, Meyners, has been acquired by Gunderson. Most likely Gunderson will provide the independent audit for FY11. Mr Diamond stated that NMSA has an independent audit each year and that he felt there was no need for any additional audits. The audit last year cost \$18k. If any Board member has questions, call Director Diamond. Director Buchholtz commended Director Diamond for his work, and would like to see quarterly reports. Final draft of audit report was delivered in December, after a complete review by State Auditor. Chris noted that NMSA is planning on hiring a full time accountant and that quarterly reports will be provided to the Board at that time.

Contractor Payments- Chris noted that due to the Administration change and thus new staff changes, contractor payments have been slowed. Over ten contractors have not been paid for several months. One subcontractor walked off the job. The issue is being rectified and the plan is to have contractor payments caught up by mid -May.

GRT Bond Collections. A FY10 and FY11 Gross Receipts Tax Bond Collection Summary was presented. Director Gutierrez asked if we had a feedback on how the educational part of the GRT is being spent and how successful it is. Director Krahlung indicated that the Doña Ana County Commission receives annual reports on expenditures. Chairman Holdridge asked if NMSA has the authority to get a financial report on educational money. Director Krahlung responded, no. Director Gutierrez asked If NMSA had the responsibility to govern GRT money. Director Krahlung explained that the tax district board and the counties have that responsibility.

Spaceport Safety-Liability Coverage-Wade Jackson gave a brief on liability coverage for board members and employees. Director Buchholtz asked if this came from the tort claims act. Wade Jackson responded, yes. Director Buchholtz asked for written rules. Wade Jackson will provide.

Government Conduct and Financial Disclosure Act- Wade Jackson gave a briefing on the Government Conduct and Financial Disclosure Act.

Virgin Galactic Status- Julia Tizzard from Virgin Galactic gave an update on Virgin Galactic's progress. Director Gutierrez had a question on the highest G-force: .4 front to back, 3.2 upon launch, and 6 on re-entry. Director Buchholtz asked how this compares to a roller coaster, which are capped at 2.5-3 G's. Director Holdridge asked how many VG staff people would be on site in one day- -60 people, not including additional support. VG will start to bring people in as lease payments begin.

### **Public Comment-**

John Roberts would like clarification on what VG is doing on hotels. Jules responded –cannot say much, but does believe local capacity is enough. Steve Matier asked about engine testing and permitting. Rob Spence had a question about the latest amendment in the Operational RFPs. Chris did not think we should answer the question because we were past the formal deadline. Wade Jackson, EDD Counsel agreed. Jim Hayoe stated there needs to be a community discussion prior to the Visitor Experience RFP release Paul Arthur was concerned that 2002 WSMR MOA needs updating. Dan Hicks, Chief of Staff of WSMR commented that the WSMR/ NMSA had been updated in December 2010.

Chairman Holdridge –actions – Begin planning for off-site meeting. Director Buchholtz reiterated that it is vital the board get background information early before the next board meeting. He reminded the staff to look to them for policy decisions and guidance. Director Stagner had a question for Aaron regarding restrictions in flood zone for welcome center. Aaron responded, this will be considered in the site selection.

Next meeting is a special meeting seeking Board approval of a contract award. Special Meeting will be for the approval of the Systems Integration Package. May 3, 2:30pm in Las Cruces.

**Next Regular Meeting-** June 15, 2011-Las Cruces

### Adjourn

Director Diamond moved to adjourn the meeting. Director Stagner seconded the motion and the motion was unanimously approved.

Approved:   
Rick Holdridge, Chairman

Date: 