



Oklahoma Space Industry Development Authority – OSIDA (Agency 34600)

FY 2025 House Budget Hearing Presentation

Craig J. Smith, Executive Director

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The **Oklahoma Space Industry Development Authority (OSIDA)** serves as the Authority to plan spaceport systems and projects in the State of Oklahoma, to promote the development and improvement of space exploration and spaceport facilities, to stimulate the development of space commerce and education, including, but not limited to, the commercialization of the space industry and the development of space related industries, to promote research and development related to space and space related industry and to promote tourism in connection with the foregoing.

Founded in **1999**, this agency now encompasses: **The Oklahoma Air & Space Port and Industrial Park operating at Clinton-Sherman Airport (KCSM) in Burns Flat, OK - - The Oklahoma Aerospace Industrial Complex**

Agency Vision, Mission and Core Values

Vision: The Oklahoma Space Industry Development Authority is resolved to foster a commercial spaceport that will expand and economically develop the aerospace frontier with advanced spacecraft operating facilities and concentrations of aerospace industries in Oklahoma. We will provide clear direction to the futuristic and visionary planning necessary to place Oklahoma in the forefront of national efforts to access space more cheaply and safely. The aggressive business development activities will attract aerospace related industries to our state that will have a positive economic development impact on the future and well-being of all Oklahomans.

Mission: The mission of the Oklahoma Space Industry Development Authority is to be deliberate in the planning and development of spaceport facilities, launch systems and projects, and to successfully promote and stimulate the creation of aerospace commerce and education in Oklahoma. OSIDA promotes the benefits of operating in the state and at the Oklahoma Air and Space Port, including space flight operations, aeronautical research and development; flight testing; unmanned aerial systems research; and aerospace related maintenance, repair, and overhaul

Core Values: As an agency of the State, we value the principles of integrity, professional courtesy, equality, fairness and service to the people of Oklahoma. With these values in mind, rules, policies and procedures have been developed with diligence and prudence to guide our efforts in the interest of the public and to safeguard the resources of the State in our care. As employees, we shall maintain a high degree of professional ethics, ability and job satisfaction to further the economic development of the State. Our objective (goal) is to treat all visitors and companies who come before us as customers who deserve fairness, respect, attention and service. We approach our assignments with a high degree of honesty, teamwork, commitment, hard work, and respect for the individual and with clearly defined objectives. Appointed Directors of the Board will continue to lead the way, not only by example, but also through continuous staff instruction in the highest principles of public service.



Accomplishments

Top accomplishments for 2023 - FY 2024

- 1) Began the systematic implementation of the \$4.25M in federal ARPA-funded projects to repair, refurbish and improve components of the decades old water system, expand the capacity and processing of the aging wastewater system, and installation and expansion of high-speed Internet infrastructure and related services to the airport and airpark and benefitting the surrounding community.
- 2) Initiated development and facility improvement projects utilizing \$27.5M in state PREP funds for major airport repairs including runways, taxiways, and electrical and security improvements as well as investment in airport detection and avoidance technology to enhance airspace safety for aerospace testing and development purposes.
- 3) Embarked on an engineered Terminal Layout Plan to create a forward-looking development plan for airport tenant, hangar development, general aviation, aerospace testing, and space asset locations to overlay with the upcoming FAA-required Airport Layout Plan (ALP).
- 4) Four long-term leases – building upon significant long-term agreements from 2022 that are bringing millions of dollars in outside investment already creating nearly two dozens jobs laying the groundwork for several hundred high paying aerospace jobs by 2026.
- 5) Renewed more than a dozen airpark and airport leases and enacted five short-term, but significant impact leases including Kratos, Boeing, Baseline Sports, and Sports Car Club of America.
- 6) Secured the consulting services of the Artemis Group led by former NASA Administrator and previous U.S. Congressman Jim Bridenstine extending our outreach and strategic development efforts to highlight the capabilities and further develop the space business potential that is possible, and in many areas already available, in the state and at the spaceport.
- 7) Repaired the roof of one of the large hangars and removed asbestos containing material from the boiler rooms on two tenant-leased hangars so that tenant may complete their expansion and remodeling plans for these structures.



Challenges

Top Challenges (current & upcoming years)

- 1) Complete the engineering, design, cost-estimates, and contracting and then implement the multi-million dollar planned runway/taxiway repair and improvement project on the fourth largest concrete civilian runway in North America.
- 2) Complete the engineering, design, cost-estimates, and contracting for multi-million dollar planned updates to the airport electronics, lighting systems, all-weather landing system improvements (runway lights, landing assistance systems, and other necessary electrical system repairs).
- 3) Identify, purchase, and install airport-wide network and gate access security system.
- 4) Prepare and equip the spaceport to accommodate the needs of Department of Defense, U.S. Space Force, and commercial companies that have space access needs and capabilities.
- 5) Apportion resources available toward abatement, repair or removal of multiple old buildings on the airport and in the airpark and/or make updates to them, hangars, and the 70-year-old control tower on the airport.
- 6) Allocate funds necessary for unexpected repairs (age and weather-caused), renovations and updates, and other improvements that current repair work and improvement projects are likely to unearth (water projects, too).
- 7) Connect with Oklahoma Department of Aerospace & Aeronautics to secure equipment, technology and operator contract to provide airport surveillance, awareness, detect-and-avoid capabilities delivering an additional layer of safety to attract and retain aerospace research, testing, and development tenants.
- 8) Successfully compete with other spaceports to secure space-access oriented business and companies.



Savings & Efficiencies (Current or Planned)

| Savings or Efficiency Name | Brief description of how savings were achieved | Savings in Unit of Measurement | FY 2023 (Actual \$ Savings) | FY 2024 (Projected \$ Savings) | FY 2025 (Projected \$ Savings) |
|----------------------------|---|--------------------------------|-----------------------------|--------------------------------|--------------------------------|
| N/A | In FY2022, OSIDA opted not to replace a facilities staffer and promoted from within to fill the manager position. | | 78,000 | N/A | N/A |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |



Agency Goals and Key Performance Metrics

| Goal | | Metric | FY 22 Actuals | FY 23 Actuals | FY 24 Target | FY 29 Target |
|------|---|---|---------------|---------------|--------------|--------------|
| 1 | Maintain number one asset – 13,503’ concrete runway 17R/35L | Regular concrete and runway inspections by Air Force and Oklahoma Aeronautics Commission on behalf of the FAA provide data for Airport Engineering team (Delta Airport Services) to formulate and implement a regular maintenance and prevention plan keeping runways safe and usable for USAF, General Aviation, and commercial tenants. | 0 | >\$10,000 | \$8-12M | \$2.1M |
| 2 | Retain tenants and continue outreach efforts to recruit and secure lease and use agreements from aerospace and space-related tenants. | OSIDA currently has five significant aerospace-related leases and there remains capacity for several more as well as capabilities for testing and development. | 3 | 5 | 7 | 10 |
| 3 | Repair roofs and remodel offices and office space in the Air Traffic Control tower building to make them lease-worthy | This 4-story building is the center structure of the airport and has office space available for companies and individuals to lease. Only portions of the first, third, and fourth floor (ATC) are currently leasable. | <\$10,000 | >35,000 | >\$10,000 | 0 |
| 4 | Make needed improvements to water and wastewater system to accommodate increasing capacity | Water system currently has 3 wells capable of about 250,000 gpd at 52 psi. Wastewater system is a lagoon system currently handling 250,000 gpd and capable of 400K gpd. Maintaining | <\$10,000 | | >\$10,000 | <\$10,000 |
| 5 | Continue to utilize 2022 marketing and site readiness study to increase lease and development in the industrial park | All available hangars and some office space in the tower is leased, while the industrial park has six tenants in five structures with four structures and both airport and airpark have land available for lease and development | \$100,000 | | 0 | 0 |



Projects for FY 2024 - 2025

Projects

- 1) Engineer and make necessary repairs and upgrades to water system (ARPA funded).
- 2) Engineer and make necessary repairs and upgrades to wastewater system (ARPA funded)
- 3) Extend high-speed Internet access to developable areas of the airport and airpark to better serve existing tenants as well as attract new ones (ARPA funded)
- 4) Working with our airport engineering firm - outline, contract, and implement necessary and significant runway, taxiway, and apron repair and runway maintenance projects (PREP funded).
- 5) Continue to identify needed improvements and necessary repairs to existing buildings, including the Air Traffic Control tower office building, and remaining hangars (PREP funded).
- 6) Remove buildings that have fallen into disrepair or have dilapidated to the point that they cannot be repaired or restored. (FY'24, FY'25, FY'26) to prepare them for lease and development (PREP funded).
- 7) Build new box hangars for lease to increased number of based aircraft and attract small aerospace businesses (FAA and PREP funded).

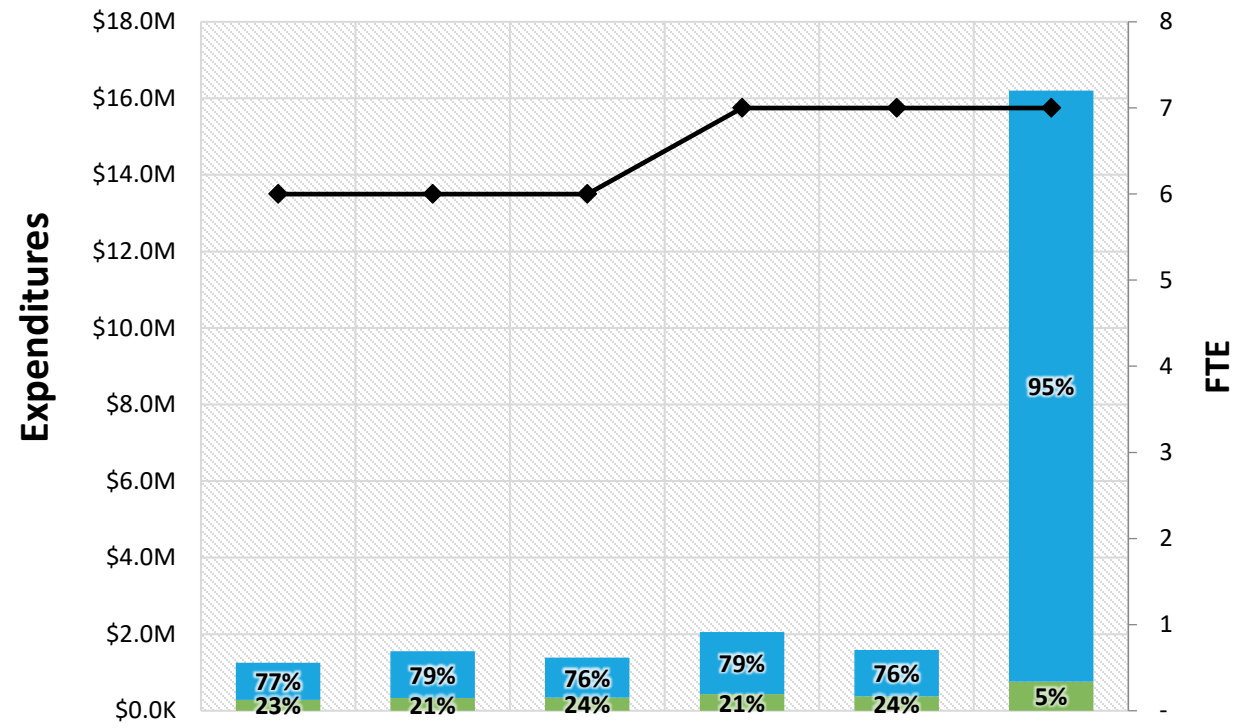


Total Historic Actual Expenditures (FY 2019-23) and Current Year Budget (FY 2024)

Explanation of Significant Changes and Trends

OSIDA budgeted for significant runway repairs and improvements that have been delayed from this Fiscal Year due to engineering and other pre-project requirements, but the plan is to begin those projects by or about Summer 2024 (FY'25).

Historic Actual Expenditures and Current Year Budget



| | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 Budget |
|--------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Appropriated | \$282.8K | \$333.6K | \$337.9K | \$432.3K | \$379.1K | \$763.1K |
| Revolving | \$970.8K | \$1.2M | \$1.1M | \$1.6M | \$1.2M | \$15.4M |
| Federal | | | | | | |
| Total | \$1.3M | \$1.6M | \$1.4M | \$2.1M | \$1.6M | \$16.2M |
| FTE | 6 | 6 | 6 | 7 | 7 | 7 |



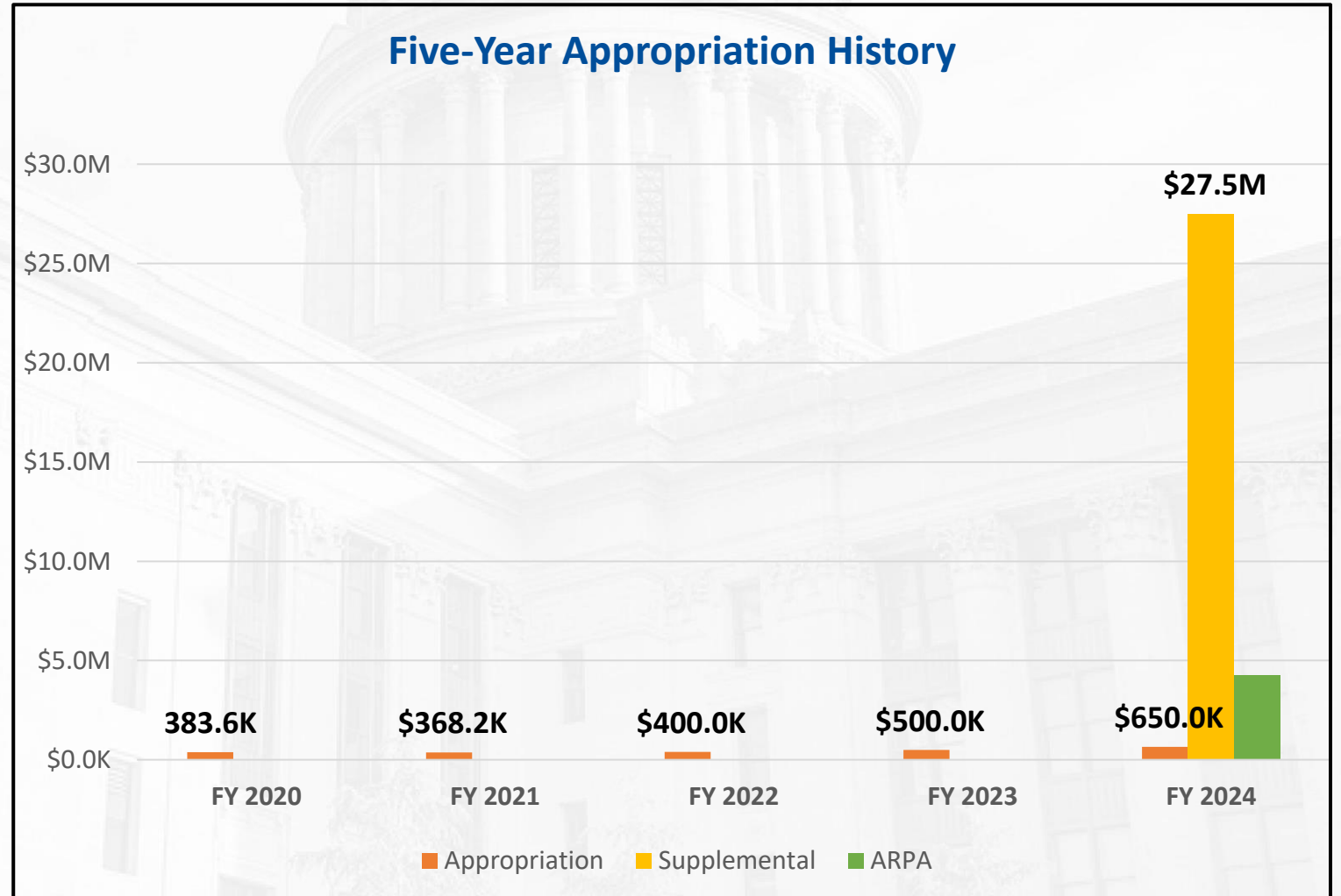


FY 2024 Budgeted Full Time Equivalents (FTE)

| | FY 2024 Budgeted FTE |
|------------------------------------|----------------------|
| Total FTE | 7 |
| Supervisor FTE | 3 |
| Supervisors to Total FTE Ratio (%) | 3:7 |

Appropriation History

| Fiscal Year | Legislated Appropriation (\$) <i>(Include supplemental if applicable.)</i> |
|-------------|---|
| FY 2020 | \$383,599 |
| FY 2021 | \$368,225 |
| FY 2022 | \$400,000 |
| FY 2023 | \$500,000 |
| FY 2024 | \$650,000 |



Financial Resource Analysis

| Carryover | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---|------------|------------|------------|------------|
| Total appropriated carryover amount expended (\$) | \$ 333,606 | \$ 337,897 | \$ 432,271 | \$ 386,922 |

| Historical Cash Balances | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---|-------------|--------------|--------------|---------------|
| Year End Revolving Fund Cash Balances <i>(All Revolving Funds)</i> | \$3,398,235 | \$ 3,112,139 | \$ 2,937,539 | \$ 30,597,815 |

| Class Fund # <i>(Unrestricted only)</i> | Class Fund Name <i>(Unrestricted only)</i> | Current cash balance (\$) |
|--|--|---------------------------|
| # | N/A | \$ |
| # | | \$ |
| # | | \$ |
| # | | \$ |
| # | | \$ |
| # | | \$ |
| | Total Current Unrestricted Fund Cash balance: | \$ |

| Fiscal Year | Agency's plan to deploy unrestricted cash (including amounts): |
|-------------|--|
| FY 2024 | N/A |
| FY 2025 | N/A |
| FY 2026 | N/A |



Unrestricted funds are those that are not limited by state or federal law, rule, regulation, other legally binding method, or donor restriction.

FY 2022 Incremental Appropriation Review

| <i>Purpose of appropriation increase / decrease</i> | <i>Amount of increase or decrease (\$)</i> | <i>Included in FY24 appropriation? (Yes/No)</i> | <i>If yes, included in appropriation for same purpose? (Yes/No)</i> | <i>If not included for same purpose, please explain.</i> |
|---|--|---|---|--|
| FY 2022 | | | | |
| Small increase from legislature | \$ 15,344 | YES | | General Operating Expenses |
| | \$ | | | |
| | \$ | | | |
| | \$ | | | |
| | \$ | | | |
| | \$ | | | |
| | \$ | | | |
| | \$ | | | |
| Total adjustment | \$15,344 | | | |



**Do not include SRF / ARPA appropriation increases.*

FY 2023 Incremental Appropriation Review

| <i>Purpose of appropriation increase / decrease</i> | <i>Amount of increase or decrease (\$)</i> | <i>Does this need to be included in your FY 2024 appropriation? (Yes/No)</i> | <i>If yes, included in appropriation for same purpose? (Yes/No)</i> | <i>If not included for same purpose, please explain.</i> |
|---|--|--|---|--|
| FY 2023 | | | | |
| Basic operations and core functions of | \$100,000 | YES | Yes | |
| the Agency to target improvement | \$ | | | |
| projects or unexpected needs | \$ | | | |
| | \$ | | | |
| | \$ | | | |
| | \$ | | | |
| | \$ | | | |
| | \$ | | | |
| Total adjustment | \$100,000 | | | |



**Do not include SRF / ARPA appropriation increases.*

FY 2024 Incremental Appropriation Review

| <i>Purpose of appropriation increase / decrease</i> | <i>Amount of increase or decrease (\$)</i> | <i>Does this need to be included in your FY 2025 appropriation? (Yes/No)</i> | <i>If yes, included in appropriation for same purpose? (Yes/No)</i> | <i>If not included for same purpose, please explain.</i> |
|---|--|--|---|--|
| FY 2024 | | | | |
| Meet Staffing and contract needs | \$150,000 | Yes | Yes | |
| | \$ | | | |
| | \$ | | | |
| | \$ | | | |
| | \$ | | | |
| | \$ | | | |
| | \$ | | | |
| | \$ | | | |
| Total adjustment | \$150,000 | | | |



**Do not include SRF / ARPA appropriation increases.*

Budget & Supplemental Request Summary

| Request Name | | FY 2025 Appropriated Request Amount (\$) {or FY 2024 for Supplementals} | Type of Request: Operating, One-time, or Supplemental |
|--------------|--|--|--|
| 1 | Operational Budget (Appropriation) – This request is to increased responsibilities and to address staffing requirements necessary due to tenant development as well as to fulfil requirements associated with state and federally funded projects. | 900,000 | Tenant growth and associated economic development along with increased reporting requirements related to one-time federal and state funding will require additional support staff. |
| 2 | Outside of existing PREP funds obligated toward runway improvements, airport updates, building renovations and delayed repairs -- one-time funding may be necessary to create space launch assets to include facilities for (rocket) fuel storage, payload processing, site and facility for offloading cargo, power down and servicing, and an agnostic launch pad providing vertical capability. | \$50,000,000 | One-time |
| 3 | | | |
| 4 | | | |
| 5 | | | |



(1) Budget Request

| Budget Request FY25 | |
|--|--|
| Type: Operating | \$ Amount Requested for FY 2025 (Or FY 2024, if supplemental) \$900,000 |
| Operational Budget (Appropriation) – Recent business development and related attentiveness in addition to implementation and required oversight and reporting as part of the historic one-time infusion of PREP and ARPA funds during the September 2022 special session, OSIDA will require an increase in its appropriation to address hires for additional support staff as well as replacing staff due to planned retirements for at least two, maybe three current FTE. | |



(2) Budget Request

| Payload processing and launch facilities | |
|---|---|
| Type: (Operating, One-Time, Supplemental) One-Time | \$ Amount Requested for FY 2025 (Or FY 2024, if supplemental) \$50,000,000 |
| <p>Outside of existing PREP funds obligated toward runway improvements, airport updates, building renovations and delayed repairs -- one-time funding would go toward establishing space launch assets to include facilities for (rocket) fuel storage, payload processing, facility for offloading cargo, power down and servicing, and an agnostic launch pad providing vertical launch capability. Discussions with U.S. Space Force and currently launch capable space companies, general launch site requirements can reportedly be developed for as little as \$50M or as much as \$100M.</p> | |

