

SPACE BASE
CALIFORNIA

City Council Project Review

6 December 2023v4.3

Presented by





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Our Mission

Educate
Entertain
Inspire

- 
1. Teach the science & tell the story of mankind's next great adventure ... a return to the Moon and then onto Mars
 2. Engage a world-wide audience through storytelling
 3. Use Earth Observation to drive a better future for Spaceship Earth
 4. Proposing completely new genre of enriched education & entertainment destination

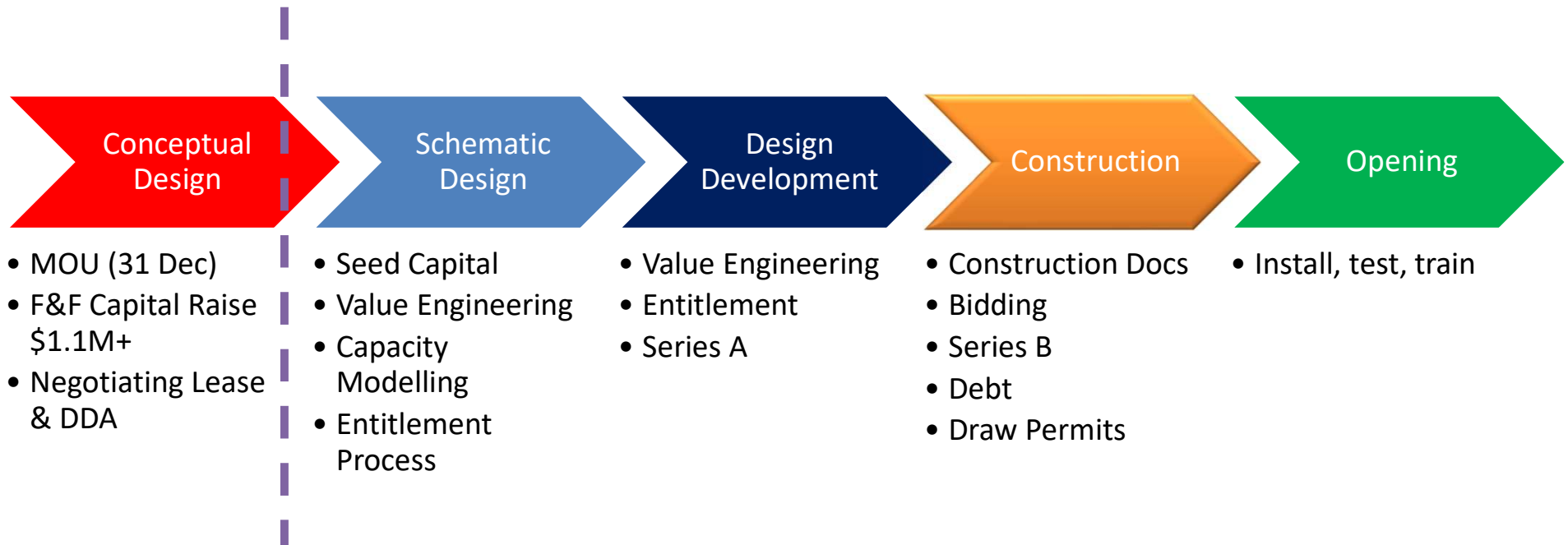


Agenda

- Introduction
- Process Overview
- PFA Report & Lessons Learned
 - Project profitable
 - Length of Stay
 - Demand Sizing
 - Pricing and Revenue
 - Capital Budget & CAPEX Assumptions
- Camp Odyssey & Educational Offering
 - Global Space Opportunity
- Local Questions/Issues
 - What Will It Cost?
 - Benefits to Lompoc
 - NASA/Vandenberg/Local Partners
- City and Investor Risk
 - Potential Failure Scenarios
- Summary & Conclusions



Project Process Overview



Source: PBDV Research. We have just finished the Conceptual Design Stage. This depiction shows a process independent of any required voters' referendum or initiative. F&F: Friends & Family.



Length of Stay

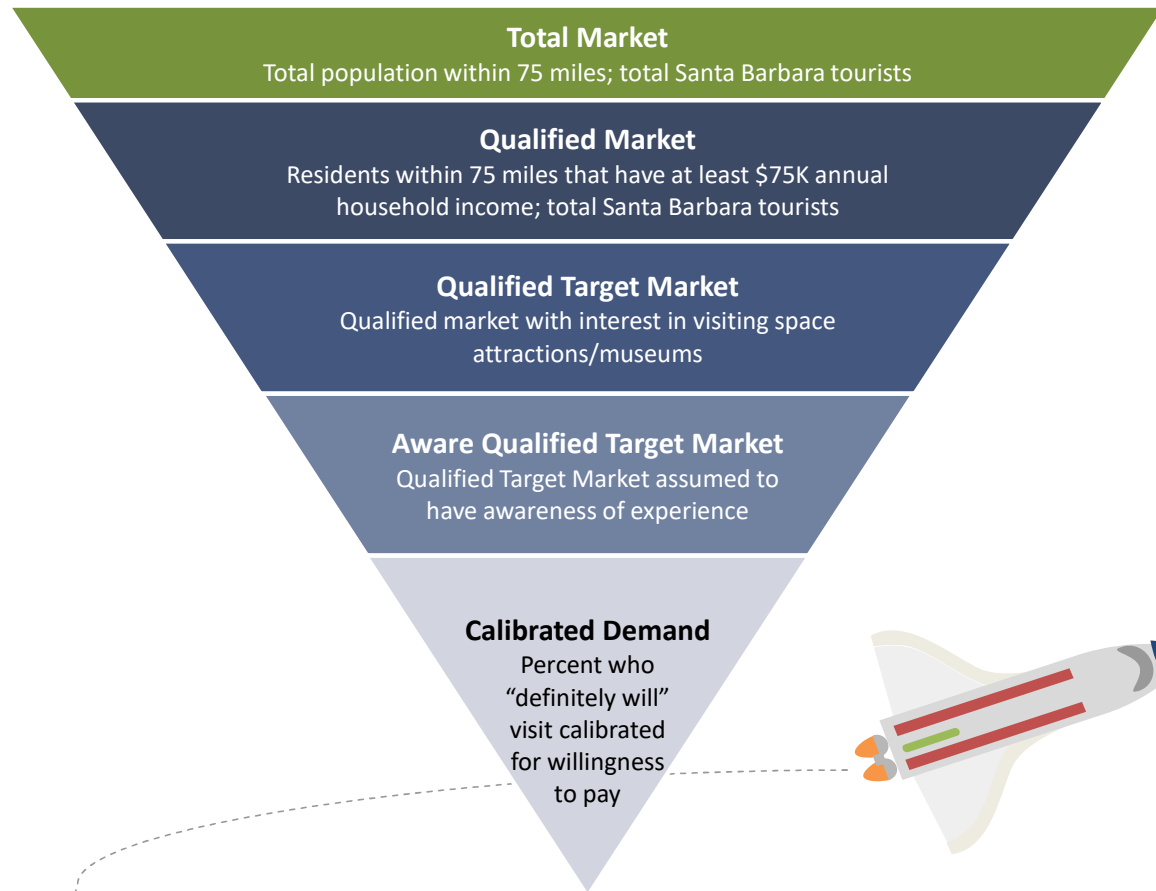
- 1-24 events
- 6-8 hrs
- Capacity modelling in next phase (Schematic Design)
- Our letter has many details

KEY PROGRAM ELEMENTS											
Event	Attraction	Description	Location Building #	THRC	Seats / Capacity	Event Range (min)	Ride or Event Duration (min)	Wait & Load Time (min)	Cycle/Dispatch Time (min)	Cumm Running Time (min)	Cumm Running Time (Hrs)
1	Arrive and Park	Arrive and Park	Parking	NA	NA	-	-	-	-	-	-
2	Astronaut Memorial	Astronaut Memorial	#104	NA	NA	5-10	10	-	10	10	0.2
3	Main Entrance	Main Entrance: ticketing, themed welcome, restrooms, guest services, security, first aid, Resupply Shop, Wheelchair or stroller rental	#103	NA	NA	5-15	10	-	10	20	0.3
4	Central Concourse	Central Concourse: linear scaled sculpture of our solar system	#107	NA	NA	5-10	10	-	10	30	0.5
5	Hangar 01: 8,000 SF; Omnidome with COSM Theater; Show 1	Hangar 01: 9,000 SF; Omnidome with COSM Theater (18-m curved dome); Hall of Space Innovations; spacesuit photo op; large lobby for guests waiting entry; pre-produced space exploration & cosmological shows	#108	200	100	15-18	15	15	30	60	1.0
6	Hangar 01: Show 2	Show 2	#108	200	100	15-18	15	15	30	90	1.5
7	Hangar 01 Lobby: 2,400 SF; Hall of Space Innovation	Hangar 01 Lobby: 2,400 SF, Hall of Space Innovation, rotating exhibits from NASA, JPL, space industry; preshow	#108	200	50	5-15	15	-	15	105	1.8
8	Hangar 02: 6,000 SF; Flying Theater;	Hangar 02: 6,000 SF; Flying Theater; motion enhanced; "soaring" large screen tour over future space colonies on Moon or Mars; 4D including wind, aroma, water effects	#109A	120	24	12-15	6	6	12	117	2.0
9-15	Hangar 03: 10,000 SF; Flight Training	Hangar 03: 10,000 SF; Training for Flight includes 3,000 SF atrium; Multiaxis trainers; Topospheres; Personal Flight Simulators; Anti-gravity trainers; etc	#109B	250	125	30-60	15	15	30	147	2.5
16	Hangar 4: 11,000 SF; Nutrition Science Café	Hangar 4: 11,000 SF; Interplanetary Dining; Nutrition Science Café, QSR; BOH Kitchen; 2nd floor Terra Bistro full service dining, special event space; Lift Off Rooftop Bar, VIP section	#110	150	100	25-30	30	10	40	187	3.1
17	VR Microgravity Tower: 3,400 SF	VR Microgravity Tower; 3,400 SF; 140 ft high, deployed for Super Bowl 51; hidden ground floor post-show area; subterranean lunar habitat or NASA Artemis presentation; includes 10 min for after ride story	#115	24	12	18-20	15	15	30	217	3.6
18	Rover Exploration Station (2.5 acres)	Rover Exploration Station: trackless, guest operated surface vehicle; steering, speed control, navigation, communication; portfolio of mission objectives; special night time mission; 4 person capacity	#117	14	8	25-30	15	20	35	252	4.2
19	Explorer Trail Endurance Test: 10 Stations	Explorer Trail Endurance Test: circulation path and adventure course; 10x stations or Training Pods; Gravity Gag stations; Remote Rover Corral; Range & Drone Aviary; The Rendezvous secret meeting place for special events; bonfire & story-telling	#122	53	40	35-40	35	10	45	297	5.0
20	Observation Plaza	Observation Plaza: special event venue, permanent stage, portable bandshells, permanent public restrooms, food truck hookups, hardwired internet access for livestreaming. Community asset for hosting seasonal events, cultural celebrations, music and art festivals, science fairs, robotic competitions, etc.	#124	3,000	3,000	25-30 min or 120+ during special events	25	15	40	337	5.6
21	Drone Aviary	Fly drones	#119	12	6	15-20	15	15	30	367	6.1
22	Rocket launch	Purchase, assemble, launch and recover model rockets (small upcharge)	#120	15	10	25-30	30	10	40	407	6.8
23	Vandenberg Heritage Center	Exhibits of current space contractors and heritage items from the past	#129C	360	120	30	15	5	20	427	7.1
24	Exit Retail: 2,000 SF	Retail: gift shop in main building will offer branded merchandise, keepsakes and apparel. Onsite retail kiosk at the Sim Lab. Option to purchase local goods, crafts, handmade goods.	#106			5-15	10	-	10	437	7.3
SUBTOTAL EXPERIENCE (HRS)						295-400	375	178	553		7.3



PBDV: Our Approach To Demand Sizing

- The first step in estimating the demand for Space Base California, Space Camp and the EarthBase Lodging is establishing the viable Qualified Target Market that can be reasonably penetrated.
- The Qualified Target Market is further refined to demand using stated intent to visit from consumer research, calibrated for likelihood to follow through, and willingness to pay for entry.
- 800+ person survey

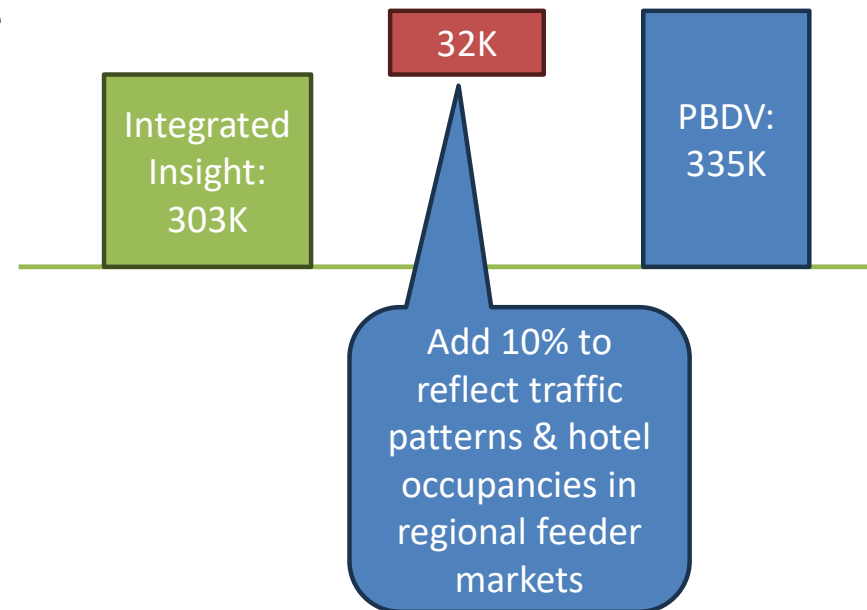




Attendance Projections (Year 3)

- Integrated Insight research supported attendance base case: 303K; intentionally conservative
- Subsequent to the appeal and demand research, PBDV performed additional target market analysis that indicates a potential 10% increase in stabilized attendance
- This was based on travel patterns and hotel occupancies in the regional feeder markets
 - Nearly 26K hotel rooms between Northern Ventura County and San Simeon
 - Another approx. 9K AirBnB, VRBO, private homes, etc.
- Consequently, we've increased our core annual attendance projection from 303K to 335K, a 10% increase over the Integrated Insight's conservative projection

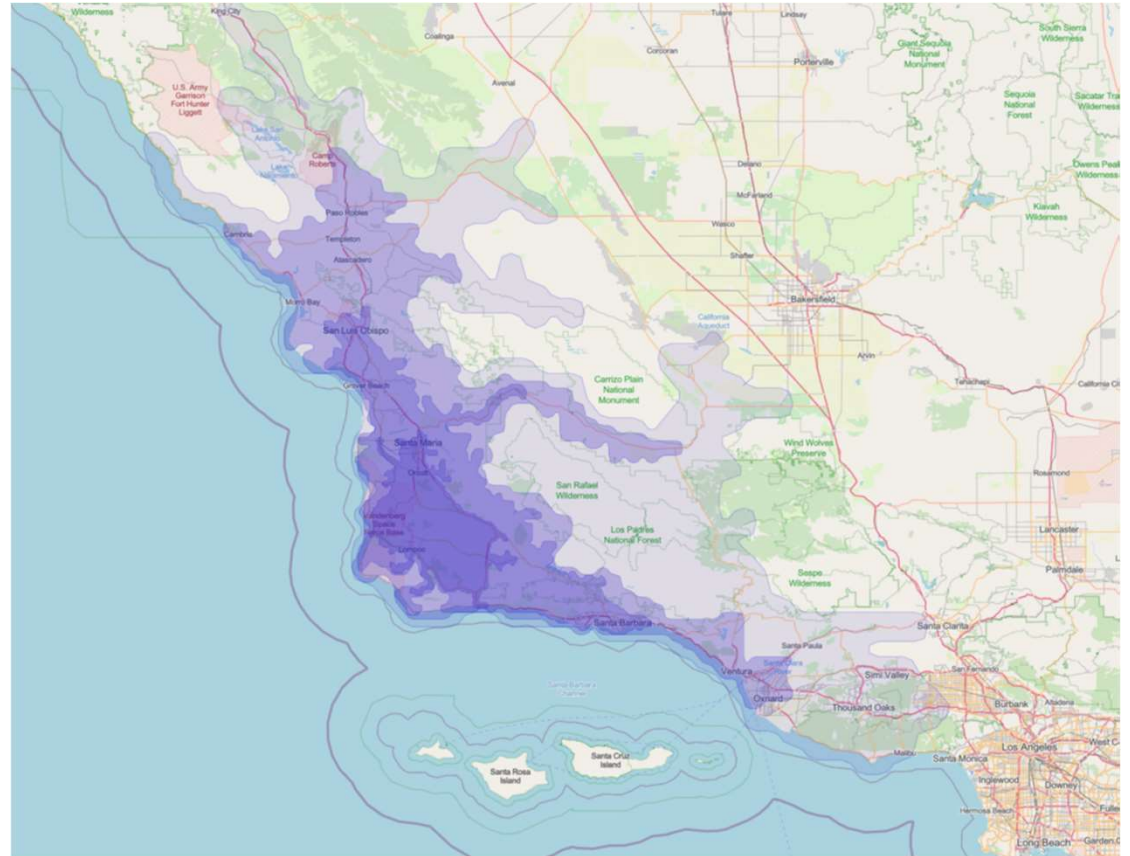
Core Attendance Projections (stabilized year 3)





PFA Approach to Demand Sizing

- Residential Market
 - Primary A (0-30 min) 43K
 - Primary B (30-60 min) 18K
 - Secondary A (60-90 min) 6K
 - School Groups (0 credit) --
 - Secondary B (90-120m) 3K
 - Subtotal 69K
- Visitor Market
 - Primary Overnight (0-45) 81K
 - 2nd Overnight (45-60) 56K
- TOTAL 207K



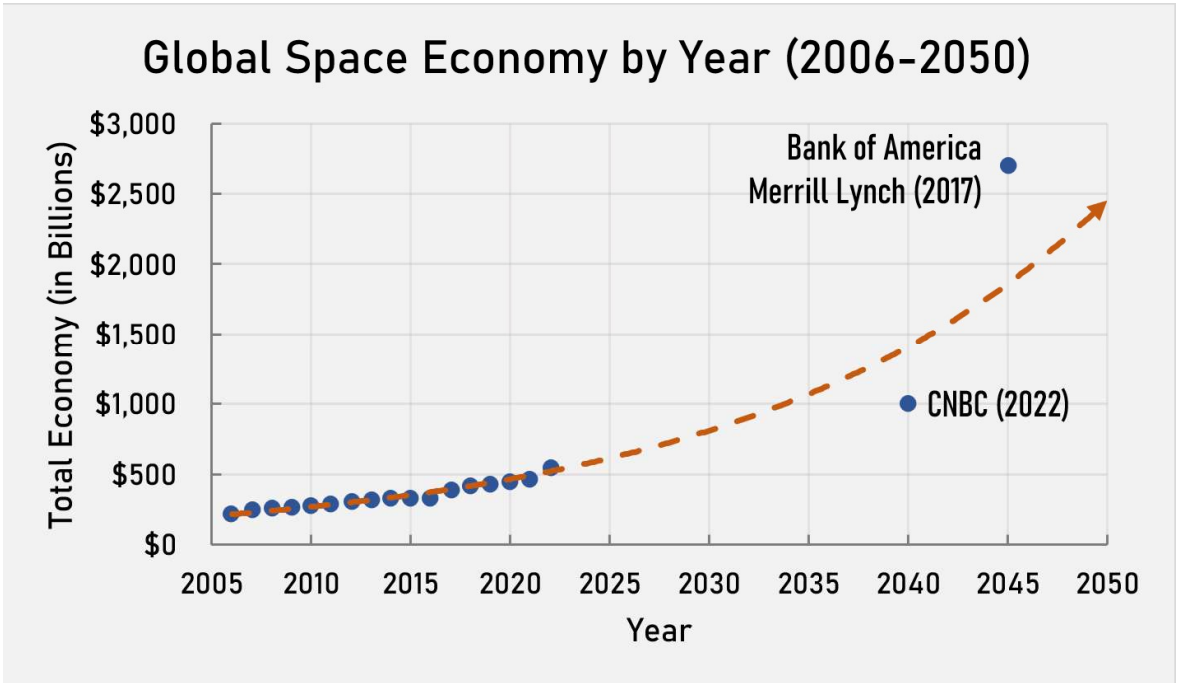
Capital Budgeting & CAPEX

- Typical theme parks spend 6-10% of annual revenues on CAPEX
- We expense 2% revenues to income statement every year
- Capitalize 2% to balance sheet starting year 4
- Will look to increase in year 3 to 4-8% over time



Space Economy Is Booming

- Global space industry is projected to grow nearly 5x by 2050
- There are now 77 government space agencies around the world
- 29 Spaceports in North America
- Many market segments
 - Infrastructure
 - In-Space Services
 - Lunar
 - In-Space R&D & Mfg
 - Manned Spaceflight
 - Space Exploration & Utilization



Source: theSpaceReport.org; BoAML Global Space Primer (Oct 2017); CNBC space industry article





STEM: A Growing National Crisis

The Countries With The Most STEM Graduates

Recent graduates in Science, Technology, Engineering & Mathematics (2016)



© StatistaCharts Source: World Economic Forum

Forbes statista



PISA 2018: The Top Rated Countries

Sum of mean science, reading and mathematics scores from the OECD PISA Results 2018*



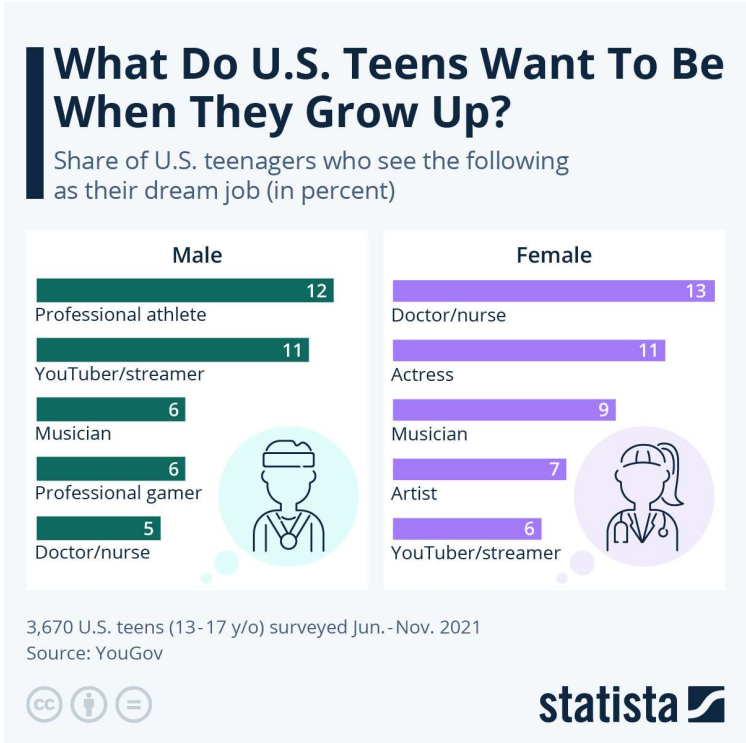
* PISA = Programme for International Student Assessment
 ** Beijing, Shanghai, Jiangsu and Zhejiang

© StatistaCharts Source: OECD

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STEM: Opens a Lifetime of Opportunity



Help us grow the next generation of:

- *Scientists*
- *Engineers*
- *Technicians*
- *Explorers &*
- *Adventurers*





Getting to Our School Attendees

KEY COUNTY OVERVIEW

County (within 2.5-3.5 hr drive)	3rd grade	4th grade	5th grade	6th grade	SUBTOTAL 3-6th grade	7-12th grade	SUBTOTAL 7-12th grades	TOTAL 3rd-12th grades
						est per grade		
Age	8 yrs	9 yrs	10 yrs	12 yrs	8-12 yrs	13-18 yrs	13-18 yrs	8-18 yrs
Santa Barbara	4,948	4,934	4,999	5,013	19,894	4,500	27,000	46,894
San Luis Obispo	2,234	2,268	2,350	2,486	9,338	2,200	13,200	22,538
Ventura	8,877	8,913	9,068	9,233	36,091	8,500	51,000	87,091
Los Angeles (Northern portion)	95,833	97,856	99,594	99,728	393,011	95,000	570,000	963,011
Kern	14,948	15,027	15,009	15,262	60,246	14,500	87,000	147,246
Monterey	5,407	5,450	5,599	5,694	22,150	5,000	30,000	52,150
Madera	2,433	2,397	2,457	2,538	9,825	2,250	13,500	23,325
Fresno	15,369	15,643	15,485	15,976	62,473	14,500	87,000	149,473
TOTALS	150,049	152,488	154,561	155,930	613,028	146,450	878,700	1,491,728
Our Estimated School Group Visits per Year (i.e turnstile clicks)					65,000			65,000
Estimated Market Share of Regional School Population					10.6%			4.4%





Space Camp Comparison

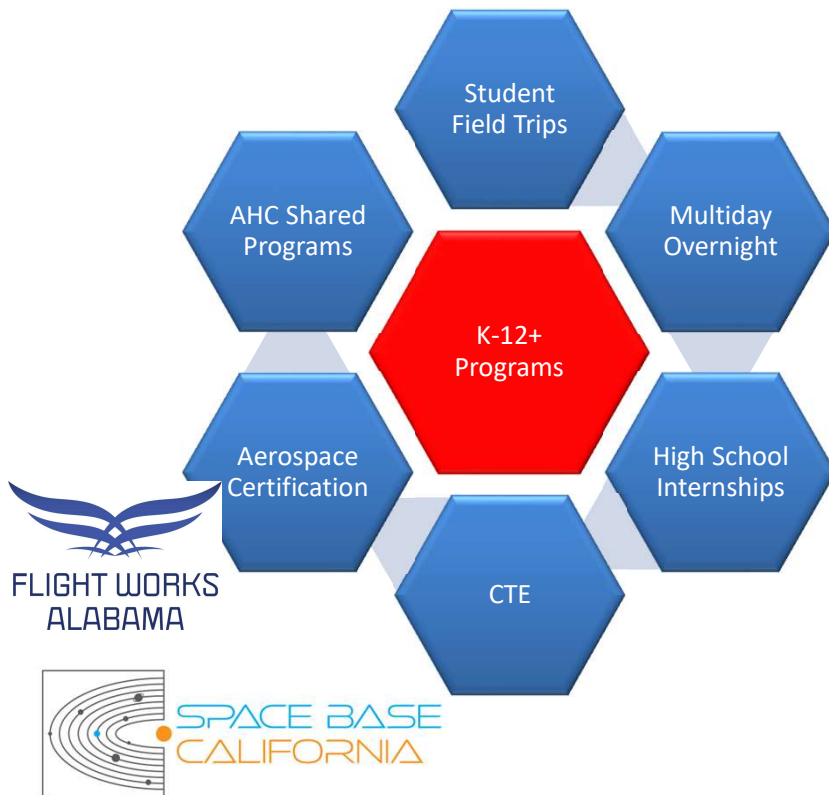
Site	Marquee Price	Yield Price	Per Day	Duration	Type of Experience
Camp Odyssey (Retail)	\$600	\$540	\$180	3 Days 2 Nights	space camp
Camp Odyssey (Education)	\$500	\$450	\$150	3 Days 2 Nights	space camp
AstroCamp (outside LA)	\$2,400	\$2,160	\$309	7 Days 6 Nights	space camp
Space Camp (Huntsville, AL)	\$1,699	\$1,529	\$255	6 Days 5 Nights	space camp
Sky Lake Yosemite	\$4,550	\$4,095	\$293	14 Days 13 Nights	summer camp
Catalina Sea Camp (One Week)	\$2,950	\$2,655	\$379	7 Days 6 Nights	sea camp
ID Tech (near UCLA)	\$1,275	\$1,148	\$230	5 Day 4 Night	code camp



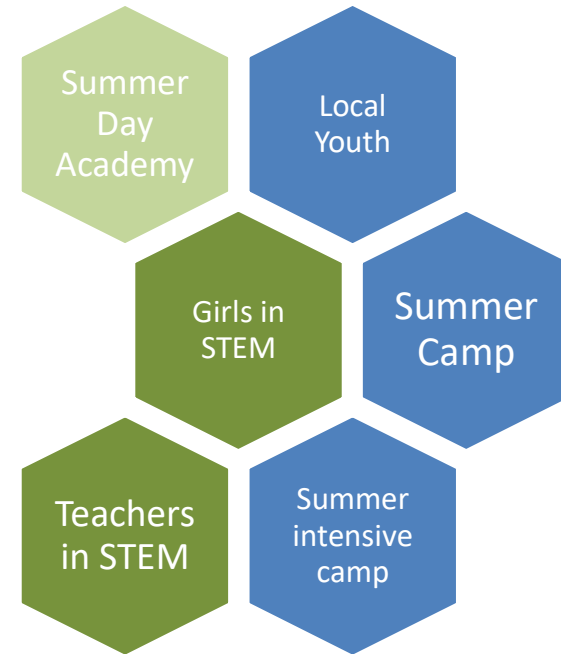


Proposed Educational Offerings

K-12+ Educational Programs (school year)



Student & Adult Summer Programs



AHC: Allan Hancock College; CTE: Career Technical Education



Camp Odyssey- “Preparing For Space”

- Day 1: Flight Test, Rover Course and Rocket Range
- Day 2: The Sim Lab Mission Simulation
- Day 3: Micro Gravity Trainer and Graduation

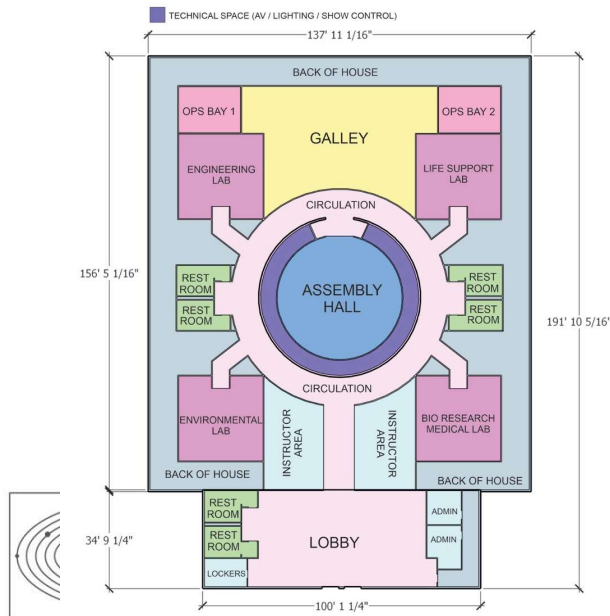
Program Includes:

- Facilitated Instruction in Sim Lab
 - Engineering, Life Support,
 - Environmental, Bio Research Labs
- Meals
- Overnight Lodging in THE HAB Module
- Odyssey Crew Shirt
- Transportation to all destinations
- Certificate of completion & Mission Patch
- All activity materials and supplies

Elementary
Middle School
High School

Family Groups

Adult Groups





Tentative Pricing & Revenue

- Kids: 0-3 yrs Free
- Children: 3-16 30-40% discount
- Adults: 16+ \$77 marquee price discounted to \$58
- Residents:
 - 30-40% reduction
 - Free entry days: 1 per quarter (4x per year)
 - Annual Family Pass
- Educational Foundation: Vouchers for school districts



Benefits to Lompoc



- ~350 jobs, plus another 50 seasonal jobs
- \$40M annual business
- \$4-5M tax uplift ($\$4\text{M}/\text{yr} * 20 \text{ yrs} = \80M)
- Increase in Lompoc Valley home values
- Increase in hotel occupancy
- Spread utility costs (water, sewer, electric, etc.) over wider base
- Become clear gateway to west coast space industry (Rocket Town)
- Educational impact for local schools



Working with Local Partners

- Hangar 1: 9,000 SF Omnidome; *Hall of Space Innovation*, rotating exhibits from NASA, JPL, space industry, etc.
- Allan Hancock College: intern opportunities
- Vandenberg: sensitive site so access limited; nonetheless, will pursue potential tours if demand warrants and USSF agreeable
- Vandenberg Heritage Center: history & artifacts
- Observation Plaza: special event venue; permanent stage, portable bandshells, food truck hookups; permanent bathrooms; seasonal celebrations
- Plan has 12+ expansion footprints: approach space infrastructure companies, NASA, Cal Poly, UCSB, CalTech, Silicon Valley, etc.



Other Expansion Locations

- Lompoc: “Galactic HQ”, our “Creative Castle”
- Other opportunities emerging
 - 29 Spaceports in North America
 - Texas
 - Greece
 - Virginia
 - Scotland
 - Sweden



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City & Investor Risk

1. Key investor catalysts and milestones:
 - Lease/DDA
 - Entitlement
2. Suppose unable to gain traction & raise capital (15-18 months)
 - Land left undisturbed (except office trailer; Geotech samplings)
 - Then return land to City
3. During construction & build-out
 - Construction lender covenants
 - Will hire Owners Rep & Project Management companies
4. After opening: attendance and/or revenue disappointing
 - Voluntary debt restructuring
 - Notice of default
 - Lenders take control (hire A&M, Alix Partners, FTI Consulting, etc.)
 - Lenders want to maximize recovery; equity holders wiped out
 - Lenders hire dedicated team to run property in relative short term (e.g. Delaware North, SeaWorld, Merlin Entertainment, Six Flags, etc.)
 - Property likely remains open under new management & then sold
5. Risk remains with investors





Conclusion & Summary

- Central Coast market has its peculiarities
- SLO Hotels still missing (~2,500 rooms)
 - Adds another 21K attendees
 - Moves from 207K → 228K
 - Still only considering 60-min drive
- Camp Odyssey key demographic
 - Projecting 65K
- Length of Stay:
 - We project 6-8 hours
 - Will adjust capacity/program as necessary
- Risk stays with investors
- Valuable 2nd Opinion
 - Helps refine the project
 - Many opportunities to adjust program
- Start-up company in Lompoc
- Questions?

