

To avoid the Panama Canal, Relativity Space may move some operations to Texas

Although Baytown does not have any historical affinity with aerospace, its location on the water offers far more straightforward access to Relativity's test facilities in Mississippi and its launch site in Florida. There are other benefits. The cost of living in the region is far lower than Southern California, and due to the location of Johnson Space Center just 20 miles away, there is a reservoir of space talent in the region.

A spokesperson for Relativity Space did not confirm the move.

"As we scale Terran R production to meet growing customer demand, we are exploring options to expand our manufacturing capabilities," the spokesperson said. "Our focus is on ensuring we have the right footprint to achieve the production cadence required to serve our customers."

Texas space is on the rise

For logistics and other reasons, Relativity has been evaluating locations across several states that border the Gulf of Mexico, including Texas, over recent years, multiple sources said. The company is expected to continue operating its large "Wormhole" factory in Long Beach, California, which is more than 1 million square feet in size. A second factory in Texas would likely be used to build propellant tanks and assemble stages for testing in Mississippi and launch in Florida.

The addition of a second factory in Texas would underscore the investment to which Schmidt appears committed to making Relativity a major player in US launch.

It is unclear whether state or local officials have provided any incentives to Relativity for relocating a significant chunk of its manufacturing operations to Texas. Last year the state legislature created the Texas Space Commission and provided \$350 million in funding to support commercial space operations. In February the commission awarded the first of these grants, valued at \$47.7 million, to five companies with Texas-based operations: Starlab Space, Intuitive Machines, Firefly Aerospace, SpaceX, and Blue Origin.

A leading figure behind the commission is State Rep. Greg Bonnen, whose district includes Johnson Space Center. Bonnen has signaled that the commission is a long-term project by the state to ensure its economic prosperity in the 21st century by continuing to grow existing businesses in Texas, but also to attract new companies to the state.

SpaceX and Firefly already manufacture rockets in Texas. Adding Relativity Space would be a significant coup for a state that, only a decade ago, was known primarily in space for being the home of NASA's human spaceflight activities.

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