



Space Florida Board of Director Meeting
January 28, 2016
Contracts for Approval

1. **Project Blue Origin (formerly known as Project Panther):** In conjunction with Blue Origin efforts, Space Florida requests board approval for the following efforts:

Space Florida intends to enter an agreement with Blue Origin to match real property investment made by Blue Origin in Cape Canaveral Air Force Station Space Facility Launch Complex 36 in an amount of up to Eight Million Dollars (\$8,000,000). A dollar for dollar match will be required. The source of these funds is FDOT's Spaceport Improvement Program approved at the October 2015 board meeting.

Space Florida also intends to enter an agreement with Blue Origin to match real property investment made by Blue Origin in Exploration Park Phase 2. Similar to the above referenced item the source of these funds is FDOT's Space Improvement Program and require a dollar for dollar match in an amount of up to Eight Million Four Hundred Thousand Dollars (\$8,400,000). Space Florida requests board approval for the securing of the FDOT funding and the related customer agreement.

Additionally, Space Florida intends to enter an agreement with Blue Origin to provide up to Ten Million Dollars (\$10,000,000) in funding for real property investment at the Cape Canaveral Spaceport. The source of these funds is a Financial Assistance Grant under the Spaceport Improvement Program approved at the October 2015 board meeting and no match is required.

- *Space Florida requests the board action of approving Space Florida to complete negotiations and enter necessary agreements to provide Blue Oriign with funding as described above.*

2. **NASA Exploration Park EUL:** Space Florida requests board ratification of the conveyance of nonmonetary consideration to NASA-KSC pertaining to the title of Exploration Park Infrastructure Improvements in compliance with Space Florida's Enhanced Use Lease (EUL) with NASA-KSC.

Space Florida provided improvements to the property with permanent infrastructure including providing utility services, roadway intersections and improvements to enable the development of the property for lease to third parties. This investment by Space Florida totaled Six Million, Eight Hundred Eighty Seven Thousand, Three Hundred, Ninety Six Dollars (\$6,887,396).

The investment would be conveyed to NASA-KSC as nonmonetary compensation for payment of rent for the use of the property. Specifically, this payment would offset rent payments until 2030. Space Florida management determined that it had completed its



requirements as of the beginning of fiscal year ended June 30, 2015. Negotiations with NASA-KSC on the process and exact amount of consideration were just recently completed. Agreement was reached whereby the conveyance of the nonmonetary consideration would be effective as of July, 2014.

- *Space Florida requests board action to ratify the conveyance of Space Florida's Six Million, Eight Hundred Eighty Seven Thousand, Three Hundred, Ninety Six Dollars (\$6,887,396) investment to NASA-KSC as required by the EUL as nonmonetary consideration as of July 1, 2014.*

3. **Center for the Advancement of Science in Space (CASIS):** During fiscal year ended June 30, 2011 Space Florida entered agreement to provide initial funding to CASIS of approximately One Point Three Million Dollars (\$1.3 Million). The initial funding was restricted by Space Florida to startup expenses. However, CASIS did a very good job of ramping up the effort primarily with NASA funding and was able to preserve a significant portion of the initial funding, approximately one Point One Million Dollars (\$1.1 Million).

CASIS proposed to Space Florida that the funds be redirected to an investment in applied manufacturing capabilities to be based in Florida that would support and expand options for private experiments headed to the International Space Station (ISS). Specifically, CASIS together with Craig Technologies, a for-profit Aerospace and Defense Manufacturing company based in Cape Canaveral will form a venture to which each will contribute investment, along with the redirected funds from Space Florida. CASIS along with Craig Technologies has developed a business and operations plan for the venture. Space Florida has reviewed these plans and has determined that this venture has the probability of producing an increase in economic activity consistent with the initial expectations of the startup funds.

- *Space Florida Management is requesting board approval to complete negotiations with CASIS to redirect the remaining funds as described.*

4. **Project ICE:** Project Ice involves the sale and leaseback agreement of Three Million Five Hundred Thousand Dollars (\$3,500,000) in manufacturing equipment with an aerospace manufacturing company. The company will construct the equipment to be purchased by Space Florida, and Space Florida will lease the equipment back to the company for use in demonstration and commercial manufacturing. Space Florida intends to lend up to One Million Dollars (\$1,000,000) towards the project, with the remaining Two Million Five Hundred Thousand (\$2,500,000) to be secured with a third party commercial lender. Space Florida has solicited proposals from lenders for this effort, which has resulted in the receipt of two viable lending proposals from top-tier commercial banks. The One Million Dollars (\$1,000,000) Space Florida portion would either be used to provide subordinate term debt or provide credit enhancement. The bank's repayment source would come from current and future revenue generated by the company, and Space Florida would have no recourse for repayment of the third party debt.



The company currently has a presence in Florida, and has demonstrated expertise in several key space systems and advanced manufacturing technologies directly related to the equipment in consideration, which will leverage the environment of the International Space Station (ISS) to manufacture a specialized product with a viable terrestrial market. The contemplated arrangement will accelerate the company's time to market for a new product line, enabling the company's continued growth in the State of Florida and the expansion of the commercial utilization of the ISS, which in turn generates additional activity in Florida due to the state's growing role as the "logistics hub" for cargo bound to, and returning from, the ISS.

- *Space Florida requests board approval for management to complete negotiations and enter into agreements with the company and 3rd party commercial lending source as described above.*

5. **Project Odyssey:** Project Odyssey is developing a Lunar Lander Program that will conduct its development and testing in Florida. Space Florida intends to enter an agreement with Odyssey to match real property investment made by Odyssey at Cape Canaveral Air Force Station Space Facility Launch Complex 17 and 18 in an amount of up to One Million Six Hundred Thousand Dollars (\$1,600,000). The source of these funds is FDOT's Spaceport Improvement Program. Space Florida will require a dollar for dollar match from Project Odyssey.

- *Space Florida requests board approval for management to complete negotiations and enter into agreements with the FDOT in the amount of up to One Million Six Hundred Thousand Dollars (\$1,600,000). Space Florida further requests board approval to enter into the customer related agreement.*

6. **Project Sabal:** Space Florida is pursuing Project Sabal, which is evaluating the establishment of a major aerospace presence in Florida. This project is expected to generate approximately 250 jobs and Eighty Million Dollars (\$80,000,000) in initial capital investment, including a manufacturing facility currently estimated at Thirty Six Million Dollars (\$36,000,000). The company has recently expressed interest in pursuing a location which would provide a build-to-suit facility. Space Florida has proposed that the facility would be built, owned and financed by Space Florida, and leased to the company under a long term lease. Due to the proposed use of the facility and possible locations, the project would qualify for match funding of the facility from FDOT in the amount of Seventeen Million, Five Hundred Thousand Dollars (\$17,500,000) based on current project parameters. The balance of funding needed for the facility would be secured from a third party lender and would be secured and serviced through lease payments made by the company. There would be no recourse against Space Florida for repayment of the third party debt. Space Florida is requesting Board approval for management to complete negotiations and enter a Term Sheet



with the company that is intended to serve as the basis for the transaction structure for the project which will be memorialized in mutually binding transaction documents to be entered between Space Florida, Sabal, FDOT, and the third party lender. In conjunction with entering this term sheet, Space Florida is requesting board approval to complete negotiations for long-term lease agreements with Sabal for real and tangible personal property, and to negotiate funding agreements with FDOT and the third-party commercial lender by pledging the leases in a conduit debt structure. Furthermore Space Florida is requesting approval to begin the competitive selection process to procure a contractor for design and construction of the contemplated facility in order to meet the client's required timeline.

- *Management requests board approval for management to complete negotiations and enter the Term Sheet with the company, to complete negotiations on the Long-Term Lease and funding agreements with FDOT and the third party-commercial lender, and to begin the competitive selection process to procure a contractor for the facility design and construction.*

