



**Space Florida
Board of Directors Meeting**

October 21, 2015



Hyatt Regency Orlando International Airport
9300 Jeff Fuqua Boulevard
Orlando, Florida 32827
Room: Kaitak/Mirabel



SPACE FLORIDA BOARD OF DIRECTORS

Governor Rick Scott,
State of Florida

William T. Dymond, Jr., Chairman
President, CEO and Managing Partner
Lowndes, Drosdick, Doster, Kantor & Reed

Jay Beyrouti
President, Monicarla, Ltd.

Jesse Biter
President/CEO, Biter Enterprises, LLC.

Julius D. Davis
President and CEO, Voltair Engineers

Hayden Dempsey
Chair, Florida Governmental Affairs Practice Greenberg Taurig

Danny Gaekwad
CEO, NDS USA Information Technology & MGM Hotels, LLC

Belinda Keiser
Vice Chancellor, Keiser University

Chris Kise
Partner, Foley Lerner

Johnathan Stanton
CEO, NAC Semi & Lema Construction

Brian Lamb
President & CEO, Fifth Third Bank – Tampa Bay

Neal Dunn, MD, FACS
Chairman of the Board, Summit Bank, N.A



SPACE FLORIDA BOARD OF DIRECTORS

AUDIT & ACCOUNTABILITY COMMITTEE

Brian Lamb

President & CEO

Fifth Third Bank – Tampa Bay

Neal Dunn, MD, FACS

Chairman of the Board, Summit Bank, N.A

GOVERNANCE & COMPENSATION COMMITTEE

Jesse Biter

President/CEO

Biter Enterprises, LLC.

Danny Gaekwad

Chief Executive Officer

NDS USA Information Technology & MGM
Hotels, LLC

Belinda Keiser

Vice Chancellor

Keiser University

Draft Minutes of a Regular Meeting of the Space Florida Board of Directors

A regular meeting of the Space Florida Board of Directors was held on August 19, 2015 at the Sawgrass Marriott in Ponte Vedra Beach, Florida.

Board Members Present:

Belinda Keiser
 Lewis Bear (by phone)
 Jay Beyrouti
 Jesse Biter
 Julius Davis
 Hayden Dempsey
 Neal Dunn (by phone)
 Danny Gaekwad
 Jason Steele
 Drew Weatherford (by phone)

Space Florida Senior Management Present:

Frank DiBello
 Howard Haug
 Jim Kuzma
 Denise Swanson

Agenda

- I. Call to Order
- II. Roll Call
- III. Welcome & Introductions
- IV. Public Comments
- V. Business Before the Board
 1. Approval of Minutes
 - a. May 27, 2015
 - b. June 15, 2015
 2. Audit Committee & Governance Committee
 3. Contracts/Business Development/Project Activities
 - a. Project Panther
 - b. Project Expanse
 - c. Department of Economic Opportunity
 - d. Camp Blanding (SRMU) Facility
 - e. SLSL & Exploration Park
 - f. Project SLF
 - g. FY 15 Israel MOU Grant Awards
- VI. President's Report
- VII. Near Term / Upcoming Events
- VIII. Closing Remarks / Adjournment

A quorum being present, the meeting was called to order at 2:31 p.m. EDT.

Welcome & Introductions

Frank DiBello thanked the Board for their attendance and informed the members that Chairman Bill Dymond was unable to attend the meeting. In his absence, a recommendation was made for Board Member Belinda Keiser serve as interim Chairwoman.

Jason Steele made a motion to approve Belinda Keiser as Chairwoman for the August 19, 2015 Board of Directors meeting, which was seconded by Neal Dunn, and approved unanimously.

During the meeting, Florida Secretary of Commerce and President of Enterprise Florida, Bill Johnson addressed and thanked the Members of the Space Florida Board of Directors. In addition, Chairwoman also recognized Mr. Alan Becker, Enterprise Florida's Vice Chairman for his attendance.

Public Comments

There were no public comments

Business Before the Board

Approval of the Minutes

Jay Beyrouti made a motion to approve the minutes of the May 27, 2015 Board of Directors meeting, which was seconded by Hayden Dempsey, and approved unanimously.

Hayden Dempsey made a motion to approve the minutes of the June 15, 2015 Special Purpose Board of Directors meeting, which was seconded by Jay Beyrouti, and approved unanimously.

Audit and Accountability Report

Denise Swanson reported that the Audit and Accountability Committee met on August 6, 2015 to review and recommend for full Board approval the Fourth Quarter Interim Financial Statements for the period ended June 30, 2015 and the Budget for Fiscal Year 2016. The committee discussed and unanimously approved a reallocation of budget line items to support Equipment Purchases for Project Redline and support of Innovation Coast Awards as reflected in the Fourth Quarter Interim Financial Statements for the period ended June 30, 2015.

During the discussion, Hayden Dempsey asked management to report on metrics and market reach of Space Tourism Marketing at a future date.

Jason Steele made a motion to approve the Fourth Quarter Interim Financial Statements for the period ended June 30, 2015, which was seconded by Jesse Biter, and approved unanimously.

Julius Davis made a motion to approve the Fiscal Year 2016 Budget from July 1, 2015 to June 30, 2016, which was seconded by Hayden Dempsey, and approved unanimously.

Governance and Compensation Report

Howard Haug reported that the Performance Pay Plan Workshop took place on July 24th, 2015, from the recommendation at the May 27, 2015 Board Meeting. Based on feedback from the workshop, updates were incorporated to provide further explanation and detail. Since the distribution of the board package for the August 19, 2015 Board Meeting, three additional modifications were made to enhance certain items. These modifications included two (2) new additions to Appendix 3 to Space Florida's "Compensation and Performance Management Guidelines"; and additional wording to page 29, Section 5, sub-section B.

During the discussion, Board members requested Management to present estimation and funding source for Fiscal Year 2017 and present original estimates against actual payouts at year end. In addition, Hayden Dempsey requested more information regarding pro-ration for retirement.

Jesse Biter made a motion to approve the Performance Pay Plan with guideline additions respective to performance management for implementation for the fiscal year ending June 30, 2017, which was seconded by Danny Gaekwad, and approved unanimously.

Contracts/Business Development/Project Activities

Howard Haug presented the following seven actions items for Board approval:

The first item for approval was related to Project Panther, a company evaluating Florida site selection in conjunction with operational activities including manufacturing and payload processing facilities. At the May 27, 2015 Board meeting, management requested and received Board approval to offer use agreement of property currently held by Space Florida to Project Panther. At this time, efforts for a Manufacturing & Launch Site Project term sheet and related leases and funding source documents are being negotiated. Funding source documents include traditional

lending for facilities and equipment as well as spaceport infrastructure funding (\$8 million) and aviation sector work program funding (\$10 million) from the Florida Department of Transportation (FDOT) and \$8 million from the North Brevard Economic Development Zone (NBEZ). In addition, management anticipates a future need to bring further actions to the board for approval respective to this project.

Jason Steele made a motion to approve management to complete negotiations and enter the Term Sheet, Long-Term Leases, and funding agreements with FDOT and NBEDZ, and to pledge the leases to a lending source, which was seconded by Hayden Dempsey, and approved unanimously.

The second item for approval was related to Project Expanse, a multi-tenant facility located in downtown Pensacola that will house a key supply chain link in the aerospace and aviation industry cluster based in the local area. At the May 27, 2015 meeting, the Board approved management to move forward with the A&E contractor to a set amount of \$99,000 with the remainder of the contract award, approximately \$1.3 million, contingent upon a loan agreement with a lender, signed letters of intent with the tenants and commitments from the investors. Currently, management has received loan offers from local lenders, secured letters of intent for 75% of the facility with 25% of the facility still in competitive negotiations, reached an agreement on an investment and development term sheet with a local-based investment group to provide funding needed to obtain financing and satisfactorily completed title and outstanding agreement(s) searches. Approval of the full A&E contract award to complete the design and engineering services will allow all parties to formalize their commitments. Once commitments are formalized, the project effort will be presented to the board for approval.

Jesse Biter made a motion to approve management to award A&E Contractor an amount of up to \$1,400,000 with the inclusion of \$99,000 already approved to complete the design and engineering services, which was seconded by Julius Davis, and approved unanimously.

Lewis Bear declared a conflict of interest and abstained from voting on this Board action item.

The third item for approval was related to the Florida Department of Economic Opportunity. Recent legislative action and Governor approval for the State's budget for the current Fiscal year of July 1, 2015 to June 30, 2016 resulted in total funding for Space Florida of \$17,500,000 based on the following appropriations: \$10 million for Space Florida Operations; \$1 million for Israel MOU; \$1.5 million for Space Tourism Marketing Effort; and \$5 million for financing-related efforts, of which \$2.5 million may be used for operations and management of the Shuttle Landing Facility.

Hayden Dempsey made a motion to approve management negotiations and entering the related contracts associated with the securing of funding with the Department of Economic Opportunity and related contract activities in the amount of up to \$17,500,000 for Fiscal Year 2016 appropriations, which was seconded by Jason Steele, and approved unanimously.

The fourth item for approval was related to Camp Blanding Solid Rocket Motor Storage Facility (SRMU). The facility is currently fully leased by United Launch Alliance (ULA). Space Florida has renewed and negotiated the Camp Blanding SRMU Use Permit with the State of Florida Armory Board for up to a twelve (12) year term and requested ratification by the board. Additionally, management requested approval for the 9th renewal option of 10 with ULA and approval for Fiscal Year 2016 premise fees, operations and maintenance, utilities and service commodity needs associated with the premises.

Jason Steele made a motion to approve ratification of the Use Permit agreement with the State of Florida Armory Board, approve for FY 2016 premise fees, operations and maintenance, utilities, and service commodity needs associated with the premises, and additionally approve management negotiations with United Launch Alliance for the exercise of renewal option #09 out of 10 associated with the ULA Lease agreement, which was seconded by Jay Beyrouiti and approved unanimously.

The fifth item for approval was related to Space Florida operations of the Space Life Sciences Lab (SLSL) and Exploration Park. The SLSL is an inherited facility that has been converted from a single tenant (NASA) to a multi-user facility in order to begin generating revenue. Management anticipates total contract costs for Fiscal Year 2016 to be approximately \$2.2 million dollars for premise fees, operations and maintenance, utilities, and property

management and service commodity needs associated with the Lab and Park. Additionally, management requested approval for Fiscal Year 2016 tenant subleases for the Lab.

Jesse Biter made a motion to approve management negotiations and entering agreements associated with the Space Life Sciences Lab and Exploration Park activities for premise fees, operations and maintenance, utilities, property management and service commodity needs at terms and conditions to be negotiated for FY 2016 and additionally approve management negotiations with tenant related subleases associated with the Space Life sciences Lab Premises for FY 2016, which was seconded by Hayden Dempsey, and approved unanimously.

The sixth item for approval was related to the Shuttle Landing Facility and transition activities underway. On June 23, 2015, Space Florida began commercial operations and management of the Horizontal Launch and Landing Facility. To support operations during the transition period and prepare for solicitation and competitive process for a comprehensive longer term agreement, Space Florida intends to enter a 12 month agreement with AECOM, the current support team at the SLF. This expense was included in the initial forecast needed to fund operations as approved at the June 15, 2015 meeting. Solicitation for a longer term operator is planned for the April-May 2016 timeframe to allow selection, negotiation and changeover of the operations team during September 2016.

Danny Gaekwad made a motion to approve management negotiations and entering agreements with AECOM, the current operations support provider in the amount of up to \$1,500,000 for fiscal year 2016, which was seconded by Jesse Biter, and approved unanimously.

The seventh and final item for approval related to the FY15 Israel MOU Grant Awards. In October 2013, Governor Scott entered into a bilateral Memorandum of Understanding with the State of Israel to encourage bilateral cooperation in industrial research and development, enabling the creation of the Space Florida-Israel Innovation Partnership. The Space Florida funding for the partnership is provided by an annual \$1 million, five year recurring appropriation. At the May 21, 2014 meeting, the board approved fiscal year 2015 Space Florida- Israel Innovation Partnership appropriations. In conjunction with the Space Florida Call for Projects for the Florida-Israel Innovation Partnership, seven qualified joint proposals from Florida for-profit companies were received. Four (4) proposals were awarded as follows: General Capacitor (\$399,999), Lockheed Martin (\$250,000), Cella Energy (\$321,000) and MicrogRx (\$200,000).

Jesse Biter made a motion to approve management to enter 2015 awards in conjunction with the Florida-Israeli Aerospace Research and Development program as described, which was seconded by Danny Gaekwad, and approved unanimously.

President's Report

Mr. DiBello gave the President's report that included an industry update with market trends and forecasts, status on major projects with spaceport development, capital formation, the Space Florida-Israel Innovation Partnership program, and a review of Space Florida's fiscal year 2015 Performance and fiscal year 2016 Budget Plan.

Near Term / Upcoming Events

Upcoming events include the Commercial Spaceflight Federation meeting in Washington, DC from September 22-23, 2015; Space Technology and Investment Forum in San Francisco, CA from September 29-30, 2015; World Satellite Business Week Summit for Satellite Finance in Paris, France from September 14-17, 2015; International Symposium for Personal and Commercial Spaceflight (ISPCS) in Las Cruces, NM from October 7-8; and the 66th International Astronautical Congress (IAC) in Jerusalem, Israel from October 12-16, 2015.

The next scheduled Space Florida Board of Directors meeting will take place on Wednesday, October 21, 2015 at the Hyatt Regency Orlando International Airport in Orlando, Florida.

Closing Remarks and Adjournment

With there being no further business, Jay Beyrouiti made a motion to adjourn the August 19, 2015 Space Florida Board of Directors meeting, which was seconded by Danny Gaekwad, and approved unanimously.

The meeting adjourned at 4:32 p.m. EDT.

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BOARD OF DIRECTORS MEETING

August 19, 2015

I, Frank DiBello, the undersigned President of Space Florida, do certify and declare that the attached is an accurate copy of the Minutes as approved by the Board of Directors of Space Florida in accordance with the Bylaws, and recorded in the minutes of the meeting of the Board of Directors held on August 19, 2015, and not subsequently amended or modified.

Frank A. DiBello, President

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**Space Florida Board of Director Meeting
October 21, 2015
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 a Sub-license Agreement for the use of Launch Complex 36 with Blue Origin. The sub-licensing of the Premises will be in “as-is” condition without any representation or warranty by Space Florida concerning its condition and without any obligation on the part of Space Florida to make any alterations, repairs or additions. The Term is subject to the Master License with the Air Force and is currently effective through November 14, 2019, but shall automatically extend upon renewal of the Master license or shall terminate if Blue Origin enters into a lease directly with the Air Force or the Master License is terminated. Blue Origin will be responsible to pay all costs associated with operations and maintenance, and all routine protection and capital repair for the components they intend to use at launch complex 36

Additionally, Space Florida intends to enter a Sub-lease Agreement for Exploration Park Phase 2 with Blue Origin. Blue Origin will sublease approximately 139 acres of land which it intends to develop with ground infrastructure improvements and facilities. The initial term of the agreement will run until December 31, 2030 with ten (10) year renewal periods to end no later than December 31, 2065. Base rent to be paid by Blue Origin will be “Fair Market Lease Value” and “Escalation thereof” as determined by NASA offset by “in-kind” value of the completed ground infrastructure improvements that add long term value to the property as determined by NASA. Blue Origin will be responsible for all operating expenses associated with their share of the Phase 2.

- *Space Florida requests board approval for management to complete negotiations and enter into the Sub-license for Launch Complex 36 and the Sub-lease for Exploration Park Phase 2 with Blue Origin as described.*

2. **Project SLF:** As discussed at the August 19, 2015 Board Meeting, Space Florida and NASA entered into the premise agreement associated with the Shuttle Landing Facility (SLF) transition on June 23, 2015. In conjunction with approval received at the August 19, 2015 Board Meeting related to AECOM/URS, the parties were unable to come to terms. Space Florida requests approval to proceed with The Washington Consulting Group for Air Traffic Control Tower Operations and Airfield Services and CSS-Dynamac for Operations and Maintenance and related planning activities associated with SLF transition activities and operational support to the premises.

- *Space Florida requests board approval for management negotiations and entering agreements with The Washington Consulting Group and CSS-Dynamac in the amount of up to \$1,800,000 for fiscal year 2016.*