Space Florida Board of Directors
Retreat Agenda

Wednesday, August 18, 2021
1:00 p.m. through 5:00 p.m.
Hyatt Regency Orlando International Airport
9300 Jeff Fuqua Boulevard
Orlando, FL 32827

By Teleconference
Call-in Number: 866-528-2256
Guest Code: 4875556#

Agenda Items	Minutes	
Call to Order		**Lt. Gov. Nuñez**
Roll Call		**Elizabeth Loving**
Welcome & Introductions		**Lt. Gov. Nuñez**
Public Comments		**Lt. Gov. Nuñez**
Agenda Workshop Activities: • **Overview of Advanced Materials** • **Predetermined Working Groups** • **Break** • **Total Group Session**	 **30** **75** **15** **90**	 **Frank and Staff** **Board Members/Facilitator** **Board Members/Facilitator**
Closing Remarks/Adjournment		**Lt. Gov. Nuñez**

Overview of Advanced Materials

Space Florida Advanced Package
Board Retreat Materials
August 18, 2021

Space Florida has the obligation to Florida to foster the growth and development of a sustainable and world leading aerospace industry in this State. To fulfill this purpose, Space Florida must compete for market share and resources while managing and mitigating risks. Space Florida management is seeking Board engagement to validate where to compete, how to compete, and how to execute in the following Topic Areas:

- Markets – What market segment targets would maximize growth and development to sustain world leading industries in the State?

- Resources – How to ensure sustainable access to resources required to fulfill vision, mission, and objectives such as capital, authorities, and talent?

- Business and Governance Model – What opportunities should Space Florida pursue to evolve the existing business and governance model?

A Facilitator and Scribe in addition to Space Florida Management and Staff will be assisting with Board Retreat work efforts scheduled for August 18, 2021. Activities are anticipated to include an overview of management briefings consisting of five (5) organizational data point graphics as referenced below in addition to the advanced materials provided followed by opening the floor for questions to be addressed after each data point. The Board will then be broken into Predetermined Working Groups for analysis of data relative to the above referenced Topic Areas with the intention of idea free flow where the Facilitator and Scribe will compile ideas and themes from the Predetermined Working Groups. The Board engagement will conclude with Total Group Session to discuss and validate strategic ideas and themes.

An Agenda as well as a summary for each of the five (5) data point graphics referenced below are included in the advanced materials package as follows:

1. Retreat Agenda
    - Overview of Advanced Materials
    - Predetermined Working Groups followed by a Break
    - Total Group Session

2. Vision, Mission and Objectives
    - Vision, Mission, Objectives, Strategies and Tactics (VMOST) documents Space Florida's strategic thinking. The VMO portion of the document aligns the organizations VISION to its MISSION and OBJECTIVES (SMART KPI's) for

measuring organizational progress. It is intended that the results of this retreat validate current VMOST themes.

3. Market Segments
    - The graphic identifies the primary market segment targets as well as a depiction of comparative market size and how they relate to one another. The darkening of color on the 2030 depiction reflects the anticipated activity growth over the next ten years. Its results are intended to be applied for the purposes of identification of anticipated growth of market segments, depth concentration for messaging and evaluation of Florida's competitive aerospace market focus.

4. Project Activity Locations
    - Geographic depiction of Space Florida's past, present and anticipated future activities/projects. The document identifies where we have been, where we are and where we anticipate growth to occur relative to aerospace commerce activities within the state. Its results are intended to be applied by the Board in relation to geographic concentrations for marketing and industry positioning.

5. Financial and Business Development Impact
    - The graphic depicts Space Florida's financial and business development operations metrics and impact on the state's economy. The data is trended from financial and operational highlights and the effects on the Florida economy from 2011 to 2030 relative to economic impact. Its results are intended to identify the growth rate needed to pursue Space Florida's goals.

6. Enterprise Risk Management
    - Graphic depiction of Space Florida's Comprehensive Risk Management Assessment (ERM). Risk is defined as impact significance times likelihood of occurrence mapped against Space Florida's effectiveness at managing the risk. Its results are intended to be applied by the Board for the purposes associated with Space Florida's risk management, growth initiatives, business climate and competitive environment.

Markets, Resources, Business and Governance Model strategic direction will drive new pathways for Space Florida of where to compete, how to compete and how to execute. This Board Retreat is intended to generate Board Member engagement, guidance and counsel relative to strategic activities important to the broad statewide industry mission of Space Florida and its future direction.

Space Florida's Governance Policies and Board responsibilities pertaining to strategic leadership and long-term planning and direction necessitates that Board Members process this information utilizing their business acumen, personal experiences, ethics, and judgement to provide comment to this strategic re-set process.

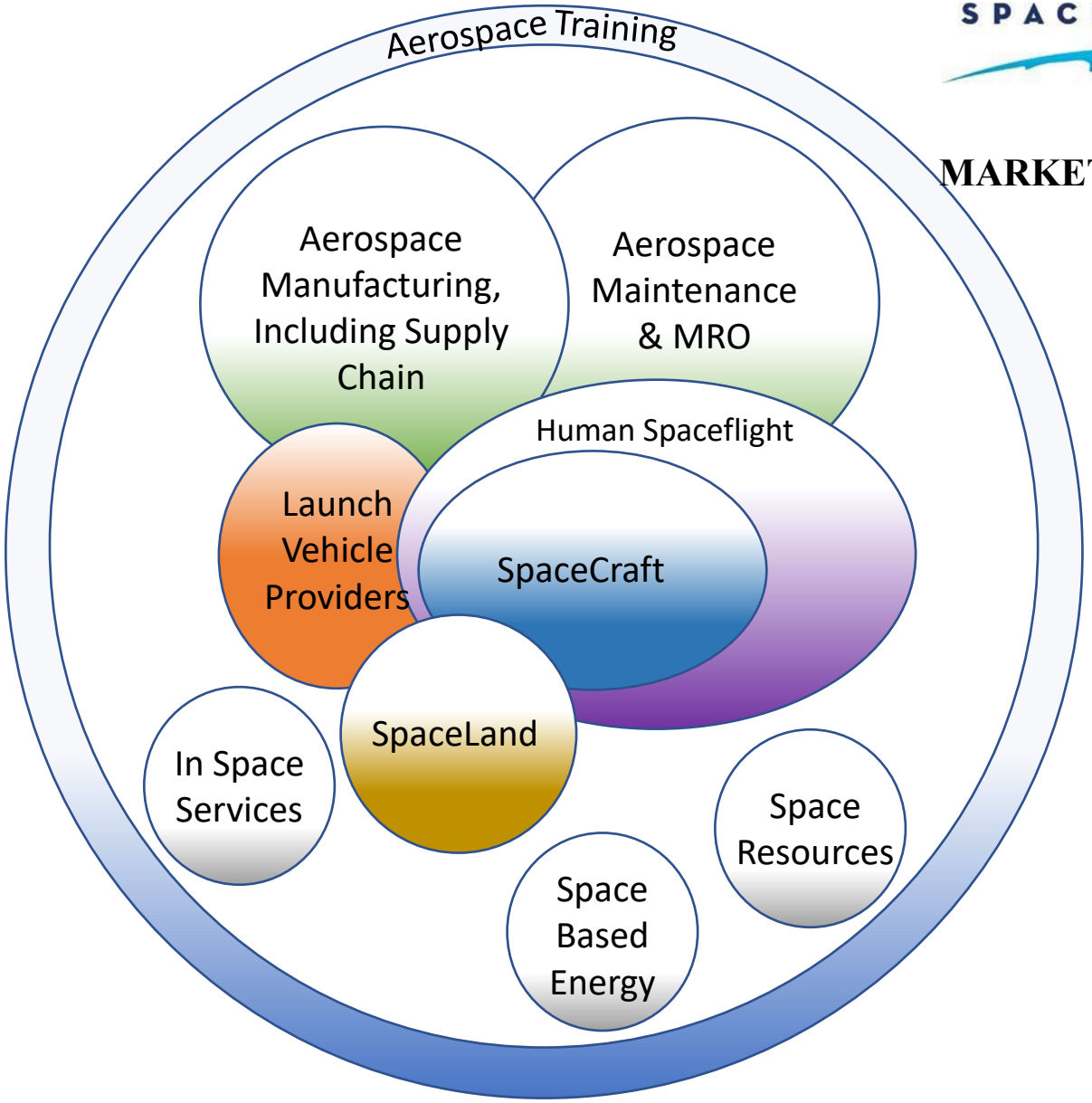
We look forward to seeing you at the upcoming Board Retreat and Board Meeting activities and appreciate your participation.

VISION, MISSION AND OBJECTIVES

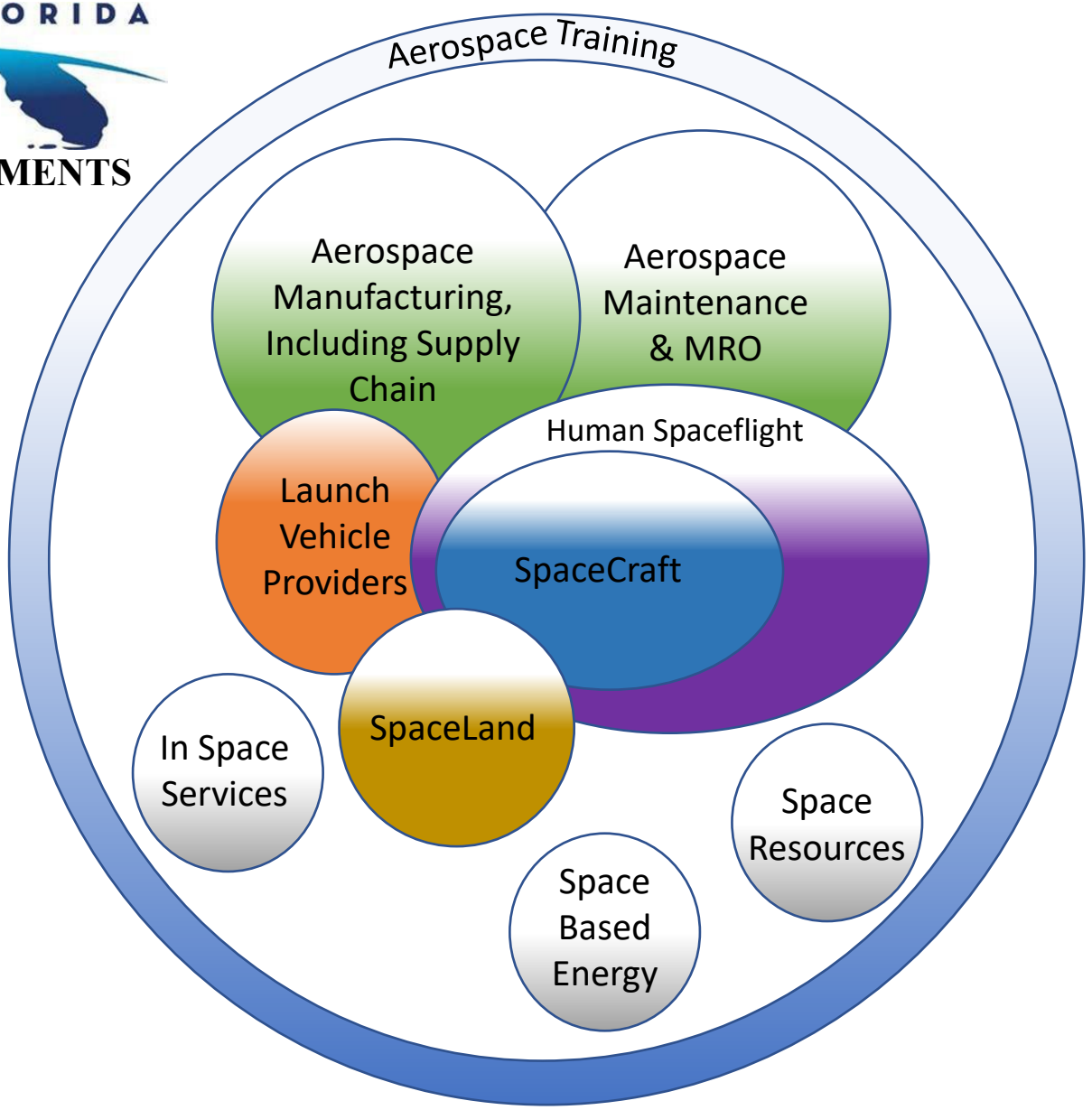
VISION What the future we want looks like for the organization. *"The future is a place where…."*			
Florida is the leading global and interplanetary center for sustainable aerospace commerce.			
MISSION The big areas of change to the status quo. Action oriented. *"We will reach that place by…"*			
Increase Investment Activity in Florida's Aerospace Ecosystem	Maximize Capacity and Capability of Florida's Spaceport System	Accelerate Innovation In Commercial Aerospace Applications	Enable Statewide Aerospace Industry Growth
OBJECTIVES SMART KPI's and metrics to measure our progress. *"How we know when we are there…"*			
• Grow Space Florida's portfolio from $2B to $10B by 2030 • Achieve 2:1 leverage of appropriated funds for deal participation through internal returns by 2030 • 100 companies participating in Space Florida backed capital accelerator programs annually by 2030	• 3x increase in % of Spaceport System Utilized by Commercial Entities by 2030 • Space Florida's Portfolio of Spaceport Assets are Self-Sustaining by 2030 • 100 Annual Launches in Florida by 2030 • 20% of space hardware launched from FL is built or operated in FL by 2030 • Establish Florida ties to one or more elements of in-space infrastructure as expansion of Florida's Spaceport System by 2030	• 100 companies participating in Space Florida backed R&D programs annually by 2030 • Space Florida to enable creation of one or more innovation center(s) to solve industry challenges by 2030	• Establish three or more projects in each of the 8 regions in Florida – Northwest, North Central, Northeast Tampa Bay, Orlando Space Coast, South Central, Southwest, Southeast • Florida ranked 4th or better nationwide in aerospace and defense employment by recognized national publication by 2030

SPACE FLORIDA

MARKET SEGMENTS



2020 - Florida



2030 - Florida

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MARKET SEGMENTS BRIEF

This Organizational Data Point depicts Market Segments defined by Space Florida within Florida. It is provided to identify the market segment framework for use in this effort. The Market Segments are:

1. Aerospace Training (Workforce)
2. Aerospace Manufacturing (Including Supply Chain)
3. Aerospace Maintenance, Repair, and Overhaul (MRO)
4. Spacecraft
5. Launch Vehicle Providers
6. Human Spaceflight
7. Spaceland (e.g., Ground for Launch Facilities)
8. In-Space Services
9. Space Resources
10. Space-Based Energy

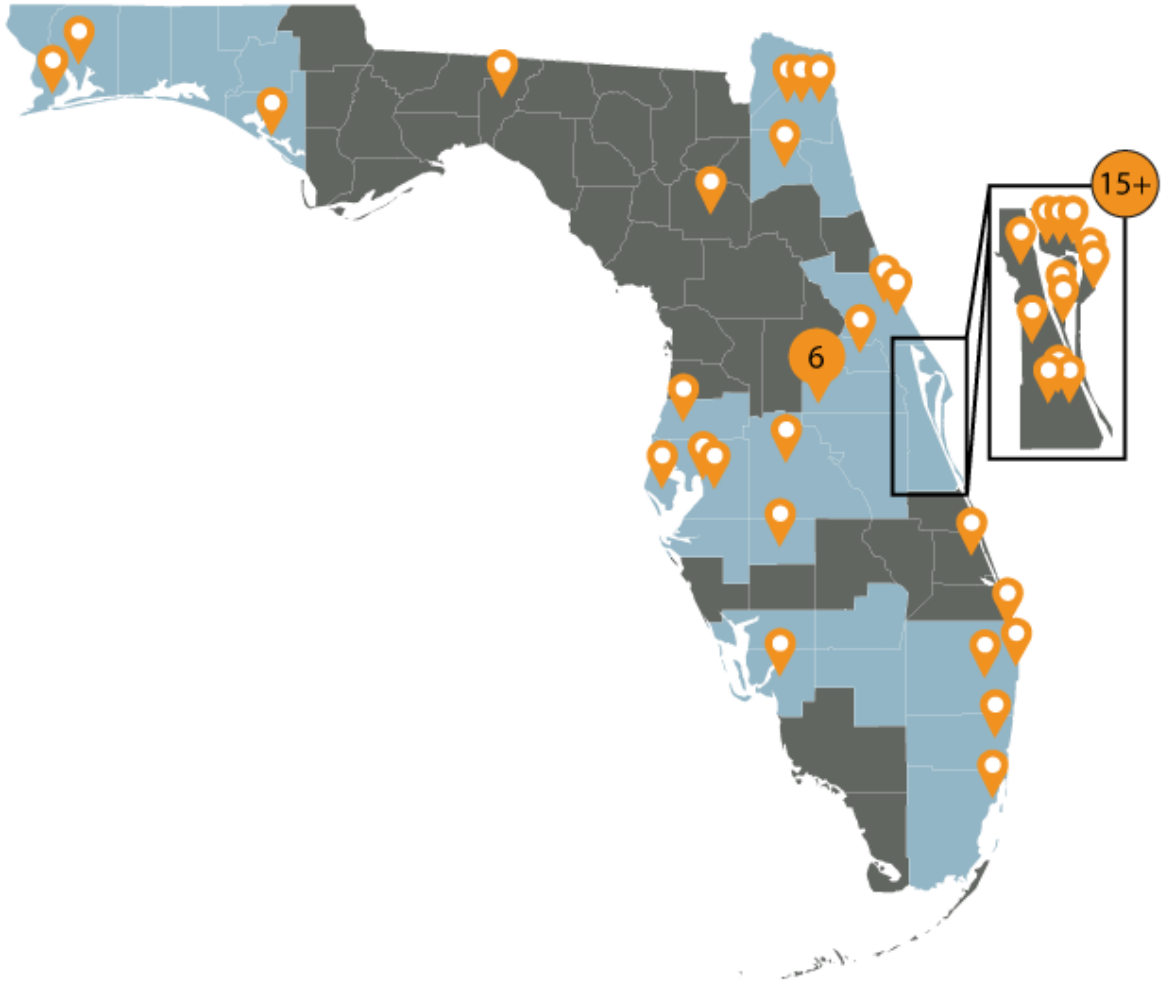
The overall graphic shows the relationship of the markets in the industry and how they relate to each other (i.e., how a segment touches or overlays other segments) and are sized to indicate their estimated respective share within Florida. For example:

- Aerospace Training is an overall skill that is needed by every aspect of the aerospace industry, each area has its own specific needs however each segment desires growth in this area and specifically workforce.
- Aerospace Manufacturing & Aerospace Maintenance & MRO are areas that overlap in skillset and in companies when it comes to some of the larger targets in these markets. Both segments have strong connections into other areas of the aerospace industries, however, they do have their own specializations as well.
- Launch Vehicle Providers/Spacecraft and Human Spaceflight are intertwined and dependent on each other.
- Spaceland (e.g., Ground for Launch Facilities) is dependent on having the providers of the vehicles and spacecraft.
- The three areas at the bottom are within the aerospace industry we see as an area for growth. It is anticipated that these areas continue to grow as productions of a space-based economy and active network of providers that we will continue to help grow and attract in Florida when possible.

Management will continue to review these target market segments and adjust accordingly as the various industries change and grow.

SPACE FLORIDA

GEOGRAPHIC DEPICTION OF PROJECT ACTIVITY LOCATIONS



Locations of Current & Past Projects

Areas of Projected Project Growth

PROJECT ACTIVITY LOCATIONS BRIEF

- As we look at the map regarding growth utilizing Space Florida's toolkit, we can see former, existing or potential projects expanding to all corners of the state. Space Florida has worked diligently to meet with economic development practitioners around the state in helping their understanding of the parameters of Space Florida's toolkit and how it can be deployed to create competitive advantages in their localities.

- In looking at the map, we can see the proliferation of projects throughout the state and not just centering in one location. We are identifying areas of potential growth, and, as you can see from the map, growth areas may be somewhat expected in the major metropolitan areas of Jacksonville, Tampa Bay region, Orlando Metro area, and South Florida. An area that is experiencing a significant increase in activity as it relates to aerospace, is Northwest Florida.

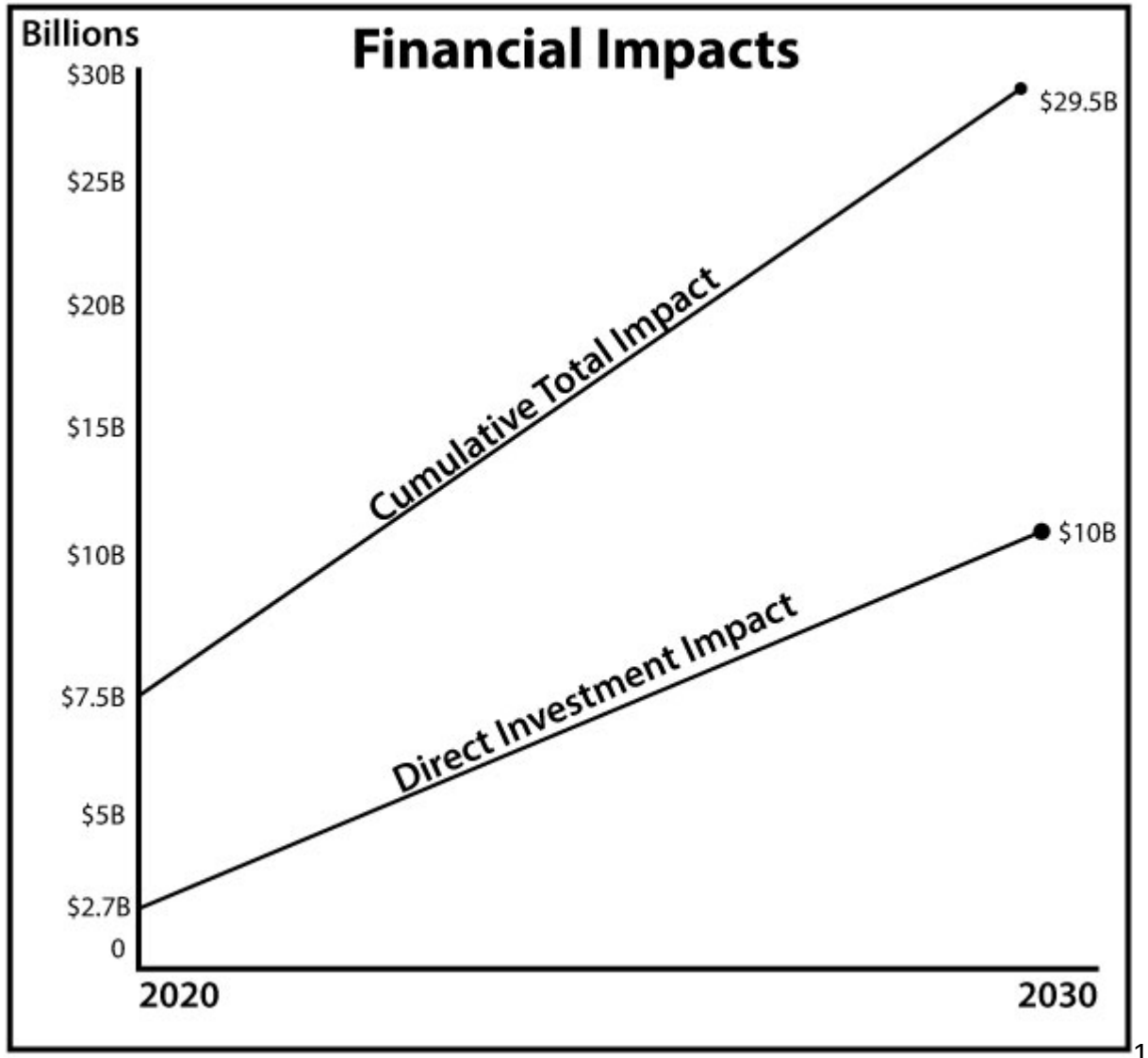
- Space Florida is also ensuring we are working closely with rural communities as well. The rural areas can play a significant role in the growth and strengthening of the aerospace supply chain with companies specializing in component manufacturing for aerospace companies. Ensuring we can support expansion and relocation projects in all areas of the state increases our competitiveness through Florida's ability to deploy Space Florida's toolkit in all 67 counties.

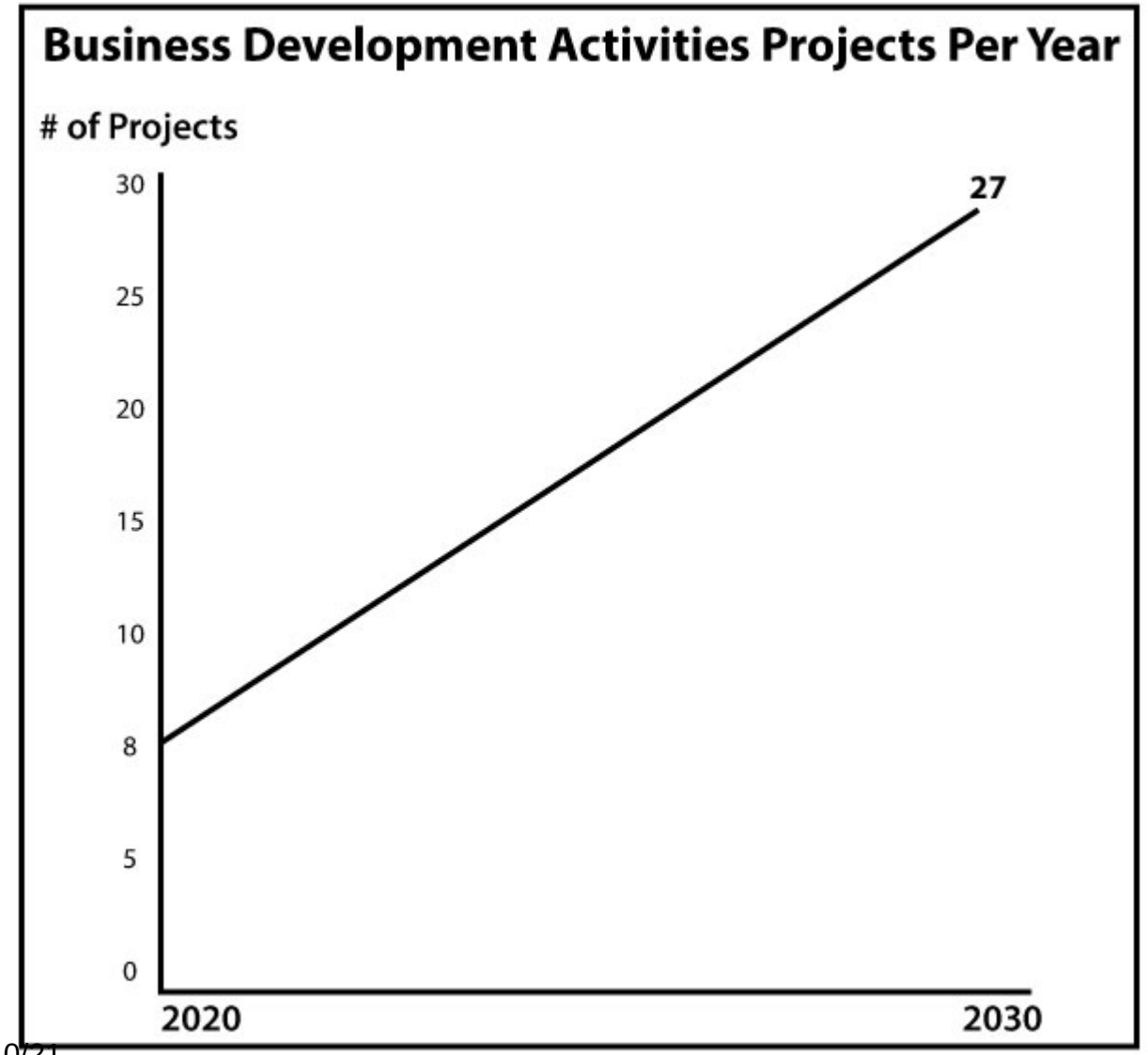
- Current planned activities throughout the state include the following:

    - Working with state and local development partners in rural regions to provide assistance in business expansion and location opportunities.
    - Working with Florida Ports around the state for opportunities related to utilization of Space Florida's tool kit for space related companies targeting specific ports for launch, recovery, and return to Earth activities.
    - Working with economic development organizations as well as continued outreach and education activities with Property Appraiser offices around the state. Property Appraisers play a vital role in the exemption process and their understanding of the Space Florida toolkit and our understanding of how they intend to interpret the statute is key to our approach to projects in individual counties.

SPACE FLORIDA

FINANCIAL AND BUSINESS DEVELOPMENT IMPACT





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FINANCIAL AND BUSINESS DEVELOPMENT IMPACT BRIEF
AUGUST 18, 2021 BOARD RETREAT

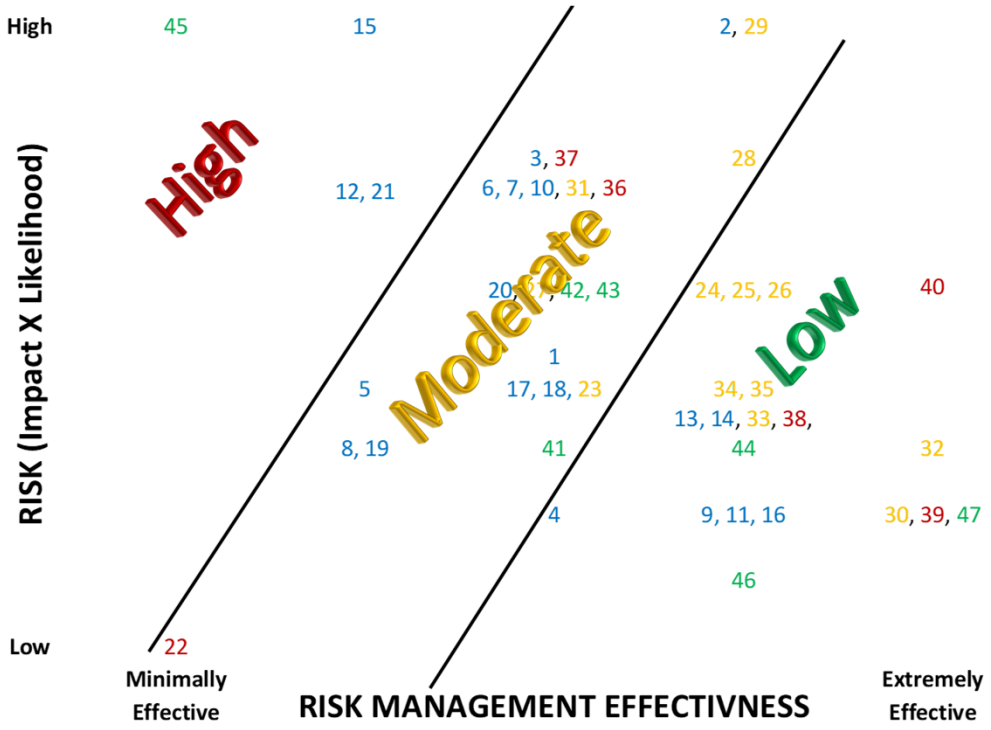
- Two chart Graphic is to provide you with Data Points of the financial impact to the aerospace Industry in Florida, that Space Florida has enabled as of 2020 via two related measurements: Direct Investment Impact (defined as total investment in capital assets along with number of jobs times average annual salaries) and Cumulative Total Impact (defined as Direct Investment Impact, plus indirect investment impact, plus induced investment impact).
- The 2030 Direct Investment Impact Goal was set by Our President, Frank.

WHAT HAS TO HAPPEN TO GET US FROM WHERE WE ARE TODAY TO THE 2030 GOAL:

- The slope of the Direct Investment Impact line is computed by the volume of projects, their capital Investment, and the number of Jobs and Annual Wages they create to enable the growth needed to meet the goal… this goal requires a 13.99% Compounded Annual Growth Rate (CAGR).
- Cumulative Total Impact by 2030 is the total of the Direct, Indirect, and Induced activity that results from the direct investment impact…..this growth rate is slightly higher than just the Direct Investment Impact at 14.68%.
- The chart graphic to the right titled Business Development Activities Projects Per Year translate the impact growth into an estimated number of projects that have to close per year at an average capital investment amount plus average estimated number of jobs and estimated average annual wage rates.
- This performance index will have to increase from 8 in 2020 to 27 by 2030 a 12.93% compounded annual growth rate. Or stated another way a 3.4 multiple increase.

SPACE FLORIDA

ENTERPRISE RISK MANAGEMENT GRAPHIC DEPICTION



Highest Risk Areas With Lowest Effectiveness

- 45 - Activists (Regulatory/Oversight)
  - Provoke action by criticism
- 15 - Space Force /NASA (Infrastructure)
  - Resistance to change
- 12 - Limiting Regulatory Constraints (Industry)
  - Restrictive regulations impairing growth
- 21 - Political Influence (Competitive)
  - More effective

ENTERPRISE RISK MANAGEMENT BRIEF

- Space Florida's Enterprise Risk Management ("ERM") assessment documents input from our management team as to the business risk environment in which we operate and is used to determine resource allocation and evaluate new risks as they occur.

- The detail that drives the graphic begins with four major categories that are somewhat standard across various industries. The numbered sub-categories and respective descriptions are tailored to Space Florida's Business Environment. As you may recall management periodically updates its assessment using this document and presents the ERM to the Audit & Accountability Committee.

- The entire ERM document that includes worksheets and definition of risk ratings has been provided to you, at the recommendation of the Audit & Accountability Committee, to help you perceive the overall business risk profile for Space Florida as assessed by management.

- The graphic presents defined risk items by their impact significance times their likelihood of occurrence mapped against Space Florida's effectiveness at managing that risk item.

- The Graphic in its entirety is a data point provided to you for this board retreat effort. It depicts that Space Florida currently operates in a moderate to low risk environment with effective to very effective offsets via management of the risk. However, there are a couple of high-risk categories where management is minimally effective due to the genetics of Space Florida. These areas do consume resources and additional significant staff time would be required to move the risk to the right.

- The results are intended to be applied by the board for the purposes associated with Space Florida's operating environment pertaining to risk management, growth initiatives, business climate and competitive environment.

ENTERPRISE RISK MANAGMENT BACKUP DOCUMENTATION

Filename: RiskAssessment SPFL

• Enterprise Risk Management Objectives

- Create and maintain a sustainable program that:
  - Identifies key risks to the Space Florida by considering a spectrum of risk areas
  - Assesses and prioritizes key risks for action, recognizing overall Space Florida strategic direction
  - Develops and implements risk management strategies for top priority risks
  - Monitors and updates risk management strategies as required
  - Communicates risk information and strategies across Space Florida
  - Increase risk awareness and management as part of our culture

CATEGORY/NAME	DESCRIPTION	(Over Next 12 Months) RISK ASSESSMENT Impact	Likelihood	RME
STRATEGIC				
Economy & Locale				
1 Economic cycle	Health of Economy	5	2	3
2 Weather disasters	Hurricanes, Droughts, Freeze	5	4	4
3 State/local business environment	Supportive	4	4	3
4 Federal Budget-Space Components	Stable and Supportive	3	2	3
Stakeholder				
5 Clients	Satisfied, Loyal	3	3	2
6 FDOT	Supportive	5	3	3
7 State & Local leadership	Supportive	5	3	3
8 Federal leadership	Supportive	4	2	2
Industry				
9 New/disruptive technology	Loss of market relevance,	3	2	4
10 Spaceport Management Model	Self sustainable model under development	5	3	3
11 Negative catastrophic events	Taints industry brand	3	2	4
12 Limiting Regulatory Constraints	Restrictive regulations impairing growth	5	3	2
Infrastructure				
13 Required	Unable to support market requirements	4	2	4
14 Replacement	Outdated and aging	4	2	4
15 Space Force/NASA	Resistance to change	5	4	2
Industry Marketplace				
16 Service/product penetration	As expected	3	2	4
17 Market competitor pricing	Lower, Aggressive, Not Comparable	3	3	3
18 Service/product substitution	Better value equation	3	3	3
Industry Mergers & Acquisitions				
19 Change in entity leadership	Change in operations	2	4	2
Competition to Space Florida				
20 Incentives from competition	Greater	4	3	3

CATEGORY/NAME	DESCRIPTION	RISK ASSESSMENT		
		Impact	Likelihood	RME
21 Political influence	More effective	5	3	2
22 Location selection bias	Con Florida	2	1	1
OPERATIONAL				
Human Resources				
23 Skilled Expertise	Demand causes turnover	3	3	3
24 Compensation	Costs increasing	3	4	4
25 Benefit Costs	Costs increasing, Lower coverage	3	4	4
26 Single point of Expertise	Small team size, interruption to function	4	3	4
27 Resizing	Change in needs	4	3	3
Information Technology				
28 Architecture costs	Increasing to keep current or replace	4	4	4
29 Hacking	Theft of information, service, access	5	4	4
30 Public Record Information	Identified and accessible	3	2	5
31 Confidential Information	Identified and protected	5	3	3
Processes				
32 Accounting	System limits and disaster response	4	2	5
33 Contracts	Documented, approved, compliance	4	2	4
34 Services, Use, and Financing	Priced, billed, collected, booked	3	3	4
35 Fulfillment	Quantity, quality, delivered, accepted	3	3	4
Financial				
Liquidity				
36 Revenue	Effective revenue generation	5	3	3
37 Cost containment	Increasing or less for same cost	4	4	3
38 Fixed infrastructure costs	Demands use of cash	4	2	4
39 Portfolio	Generate performance metrics	3	2	5
Reporting				
40 External, DEO, State requirements	Compliance and Creditable	4	3	5
Compliance				
Regulatory/Oversight				
41 State Executive	Activity reporting, provides directives	4	2	3

CATEGORY/NAME		DESCRIPTION	RISK ASSESSMENT		
			Impact	Likelihood	RME
42	Legislative	Coordinated action	4	3	3
43	Public Officials	Requests outside governance process	4	3	3
44	State and Federal Regulatory Compliance	Reporting and approval requirements	4	2	4
45	Activist	Provoke action by criticism	4	5	1
	Legal				
46	Statute	Still valid not obsolete	2	2	4
47	State contract performance	Increased complexities and requirements	3	2	5

Impact Rating	*Financial Impact*	*Non-Financial Impact considerations (cumulative)*
1- Minimal	<$1,000 in Cash Cost	* Local Media Coverage * State Leadership Notice * Event noticeable but easily managed * Limited impact on operations
2- Minor	$1K-$10K in Cash Cost	* Investigation beyond normal reviews/audits
3- Moderate	$10K-$30K in Cash Cost	* Litigation * Damage or loss of a significant client * Requires major change in business strategy * Requires careful management attention
4- Significant	$30K-$100K in Cash Cost	* Event has severe impact on operational performance and creditability
5- Major	>$100K in Cash Cost	* Criminal investigations * Major change to entity strategy

Likelihood Rating	Description
1- Rare	Risk may occur in exceptional circumstances <20% probability
2- Unlikely	Risk could occur at sometime 20-40% probability
3- Possible	Risk might occur at some time 40-60% probability
4- Likely	Risk will probably occur in most circumstances 60-80% probability
5- Almost Certain	Risk is expected to occur in most circumstances >80% probability

RME Rating	Description
5- Extremely Effective	* Manage all of the causes or effects of the risk * In place management policies, processes, and controls
4- Strong	* Manage the majority of the causes or effects of the risk * Risk management gaps are actively addressed and monitored
3- Moderately Effective	* Manage about half of the causes or effects of the risk * Risk management objectives tend to be known and monitored
2- Limited	* Manage some of the causes or effects of the risk * There are limited formal risk processes * Management somewhat understands the processes and there is at least some ability to comply
1- Minimally Effective	* Manage very few or none of the cause or effect of the risk. * There is little to no focus of the risk * Events tend to managed as they arise (reactive in managing the risk)

Impact times Liklihood RISK						
HIGH	25					
	24					
	23					
	22					
	21					
	20	45	15		2, 29	
	19					
	18					
	17					
	16			3, 37	28	
	15		12, 21	6, 7, 10, 31, 36		
	14					
	13					
	12			20, 27, 42, 43	24, 25, 26	40
	11					
	10			1		
	9		5	17, 18, 23	34, 35	
	8		8, 19	41	13, 14, 33, 38, 44	32
	7					
	6			4	9, 11, 16	30, 39, 47
	5					
	4				46	
	3					
	2	22				
LOW	1					
		1 Minimally Effective	2	3	4	5 Extremely Effective
		RISK MANAGEMENT EFFECTIVESNESS				

1-22 strategic
23-35 operational
36-40 financial
41-47 compliance