

S P A C E F L O R I D A



**INVESTMENT COMMITTEE MEETING
Agenda**

**Monday, January 17, 2023
2:00 p.m. EST**

By Teleconference
**Call-in Number: 855-758-1310
Guest Code: 627 763 6389#
Passcode: 567768**

Agenda Items	
Call to Order	Mori Hosseini
Agenda <ul style="list-style-type: none">• Public Comment• Minutes October 19, 2022• Investment Assessments and Project and Contract Activities	Mori Hosseini Mori Hosseini Howard Haug
Closing Remarks	Mori Hosseini

October 19, 2022 Minutes



Draft Minutes of the Space Florida Investment Committee

A Regular meeting of the Space Florida Investment Committee was held by teleconference on October 19, 2022. The meeting was called to order at 2:02 p.m. (EDT).

COMMITTEE MEMBERS PRESENT:

Mori Hosseini (Chair)
Danny Gaekwad
Scott Ross

SPACE FLORIDA STAFF PRESENT:

Frank DiBello	Terrie Ireland
Howard Haug	Desiree Mayfield
Denise Swanson	Ryan Robertson
Ron Lau	Rhonda Rosa
Todd Romberger	

Mori Hosseini thanked the committee members for attending. Mr. Hosseini stated that the meeting is being conducted in accordance with Sunshine and Public Record laws of Florida.

There were no public comments.

Mr. Haug requested review and approval of the July 18, 2022, Investment Committee Minutes.

Danny Gaekwad made a motion to approve the minutes of July 18, 2022, Investment Committee which was seconded by Scott Ross and passed unanimously.

Mr. Haug reviewed with the additional enhancements that were requested by the committee for the Space Florida Investment Policies and Procedures. The Space Florida Investment Policies and Procedures will be brought before the board for adoption in the Investment Committee Report at the November 14, 2022 meeting.

Mr. Haug presented the progress made on the Space Florida Strategic Roadmap and stated that results for 2022 would be presented in early 2023.

Mr. Haug reviewed the proposed business before the board project and contract activities items to be presented at the November 14, 2022, board meeting in conjunction with the following: Project Davinci, Project Constitution, Space Life Sciences Laboratory (SLSL), Launch Landing Facility (LLF) East Area Development, 2021 FDOT Spaceport Program and Project Services Contractors, and 223 Facilities and Subleases.

The committee had discussion and provided advice relative to the business before the board items and had no concerns with the deal related items to be presented to the board at the November 14, 2022 meeting.

CLOSING REMARKS & ADJOURNMENT:

The meeting adjourned at 2:27 p.m. (EDT)

Investment Assessments and Project and Contract Activities



Space Florida Investment Policies and Procedures

Purpose

This document provides guidance regarding investment criteria and portfolio management of Space Florida's investments. The objective of Space Florida's investment criteria and portfolio management policies are to maintain focus on Space Florida's mandate and mission to drive growth of the aerospace industry and to provide a framework that reduces or eliminates deviations or decisions driven by emotional or political factors.

This document establishes governance, return and risk objectives, types of investments, and risk management by Space Florida for the purpose of executing its government mission. In doing so the policy defines:

- 1) The delegation of duties and responsibilities concerning the management of Space Florida investments.
- 2) The criteria for investment and performance.

Through the definition of these elements, the policy serves to inform the Board, staff, clients, stakeholders, and other interested parties that may have an interest in the execution and management of Space Florida's investments. This policy also serves as a review document to guide the ongoing oversight of the management of the organizations' investments procedures and processes.

1) Delegation of Responsibilities

The Board of Directors via its Investment Committee has a direct oversight role regarding all decisions that impact Space Florida's investments. The Board has delegated supervisory responsibility for the management of Space Florida's investments to its' Investment Committee. Specific responsibilities of the various bodies and individuals responsible for the management of investments are set forth below:

Responsibilities of the Board:

The Board shall ensure its responsibilities concerning the management of Space Florida's Investments are fulfilled through appropriate investment structure and management consistent with its policies and procedures. Based on the advice and recommendations of the Investment Committee, the Board shall:

- Select, appoint, and remove members of the Investment Committee.
- Approve investment policies and objectives that reflect the long-term investment-risk orientation of Space Florida's Mission.

Responsibilities of the Investment Committee:

Members of the Investment Committee are held accountable for adherence to procedural prudence, or the process by which decisions are made in respect to the Investment. Members of the Investment Committee are not held accountable for the outcome of specific investments including less than desirable outcomes. In consideration of the foregoing, the Investment Committee is responsible for the development, recommendation, implementation, and maintenance of all policies relative to Space Florida's Investments and shall:



- a) Develop and/or propose policy recommendations to the Board regarding the management of all Space Florida investments.
- b) Review and recommend to the Board Project and Contract Activities proposed by management.
- c) Recommend long-term and short-term investment policies and objectives, including the study and selection of asset classes, determining asset allocation ranges, and setting performance objectives.
- d) Ensure that investments are prudently and effectively managed with the assistance of Space Florida management and any necessary investment consultants and/or other outside service professionals, if any.
- e) Monitor and evaluate the performance of Space Florida management and staff responsible for the management of investments.
- f) Convene regularly to evaluate whether this policy, investment activities, risk management controls and processes continue to be consistent with meeting the goals and objectives set for the management of investments.

Responsibilities of Management:

Management shall be responsible for day-to-day administration and implementation of policies established by the Board and/or the Investment Committee concerning the management of Space Florida's Investments. Specifically, management shall:

- a) Oversee day-to-day operational activities of all investments subject to policies established by the Board and/or the Investment Committee.
- b) Propose Project and Contract Activities to the Committee for review, vetting, and recommendation for Board action.
- c) Regularly meet with any outside service providers to evaluate and assess compliance with investment guidelines, performance, outlook, and investment strategies; monitor asset allocation and rebalance assets, as directed by the Investment Committee and in accordance with approved asset allocation policies, among asset classes and investment styles; and tend to all other matters deemed to be consistent with due diligence with respect to prudent management of Space Florida's investments.
- d) Comply with official accounting and auditing guidelines regarding due diligence and ongoing monitoring of investments.
- e) Prepare and issue periodic status reports to the Board and the Investment Committee. Specifically periodic reports that address:
 - i.) Total quantities and overall quality of investment opportunities.
 - ii.) Assessment of "Qualities of Value" of proposed investment. Disclosing qualities NOT met.
 - iii.) Status of Work-In-Process.

2) Investment Considerations

In accordance with Florida Statutes 331.305 (5) & (6), 331.310(1d) and Space Florida's Vision, Mission, Objectives, Strategies and Tactics (VMOST), the Investment Committee must consider the purposes of managing and investing for Space Florida. ***Space Florida investment assets are held because of its mission activities and not primarily for the purpose of income or profit.*** All individuals responsible for managing and investing must do so in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. In making any decision relative to investment, the following



qualities of value within an investment opportunity should be considered and subject to due diligence. Due diligence meaning investigation, audit, and review to confirm facts, details of a matter, and representations made that a reasonable businessperson would normally expect to take place before entering into an agreement.

Qualities of Value in Considering Investment Opportunities:

- Skilled entrepreneur with team and industry experience (business/company history) (Organizes and operates a business taking on greater than normal risk to do so)
- Clear and achievable Mission or Vision for the entity (helps define and direct the timeline and core competencies and capabilities the entity must develop and hone)
- Problem solving experience (the demonstrated ability to solve, not just debate, real business and technical problems)
- Feasible and effective business model
- Large addressable market with favorable market conditions
- Fair valuation of the entity based on industry and market benchmarks
- Experience and demonstrated ability to handle rejections and keep the business going
- Investors with industry expertise
- Established and effective safety nets and viable exit plan (including a doomsday plan)
- Established and beneficial relationships in the company's niche
- Low competition / high barrier to entry (uniqueness of the entity or offering)
- Detailed business and operations plan with focus on fundamental resources available to an entity (i.e., those resources an entity can fully manage, manipulate, or control) including Human, Information, Financial, Material, and Time
- Time in business (meaning the amount of time a company has engaged (1) in the identification and satisfaction of the desires of its customers, by (2) way of planned and coordinated efforts of employees and team for (3) a reasonable profit available to owners)
- Monthly revenue as indication of a Going Concern; meaning to have the resources to continue making enough money with no immediate concern of liquidation or remain active for the foreseeable future until a show of evidence to the contrary.
- Credit score as an indication of creditworthiness; meaning whether a lender considers an entity willing, able, and responsive enough to make loan payments as agreed until loan is repaid
- Availability and quality of collateral (for leverage)
- Evaluation of the purpose of loan/investment (e.g., use of funds)
- Evaluation of source and use of funds needed to accomplish objectives
- Evaluation of personal information of key individuals including credit history, criminal history, employment roles and responsibilities, professional certificates, citizenship, and other factors
- Evaluation of outstanding loans/debts/obligations of key individuals (personal guarantees or other guarantees)

Guidelines for Investing:

Good investments have a “high probability” of success. Success for Space Florida is achievement of the organizational Vision, Mission, and Objectives as defined in Space Florida's VMOST. Qualities for successful investment that Space Florida intends to demonstrate are: Contrary Thinking, Patience, Composure, Flexibility, and Decisiveness. Successful investment constraints that Space Florida must consistently address are time, risk tolerance, economic conditions; and the ongoing capabilities and



competencies of the target entities' technology, business model, and management (e.g., governance, management team).

Performance Measurements Standards:

The benchmarks to be used to evaluate the performance of the investments will be first and foremost to demonstrate that the investment is enabling Space Florida to fulfill its mission to grow and diversify the aerospace industry in Florida, and, secondarily to meet the performance target of 1.5 times greater than cost (to be determined with the Investment Committee). It is the responsibility of the Investment Committee of the Board of Directors to regularly review the performance of the investments and investment policy guidelines, and report to the Board of Directors annually with updates and recommendations as needed.

Reserve Investment Fund:

The Board of Directors and the Investment Committee are responsible for the establishment of a Reserve Investment Fund (RIF) to: (a) ensure that over the medium-to-long term, sufficient investment return shall be redeemed and reinvested to preserve and grow the RIF as a priority; and (b) provide funds for the annual operating budget in an amount as recommended by the Investment Committee to the full Board for approval. Space Florida may make investments under this policy using a combination of funds from the RIF to leverage up aerospace financing appropriations with the goal of achieving at least a ratio of 1:10 (to be determined by the Investment Committee).

Annually, Space Florida is authorized to withdraw up to 10% (to be determined by the Investment Committee) of the total Fair Value per Governmental Accounting Standards Board (GASB) Statement No. 72 of the RIF for the organization's organic growth purposes. The withdraw percentage is applied to the trailing thirty-six-month Fair Value to smooth fluctuations that may occur in total Fair Value. The dollar amount and timing of any distribution(s) from the investment account will be the responsibility of the Chief Executive Officer and the Treasurer.



INVESTMENT ASSESSMENT
By Chief Investment Officer
Dated: January 2023

PROJECT: VISTA

DESCRIPTION: Management requests approval for authority to negotiate and enter an assignment agreement with Project Vista for leased property at the Melbourne International Airport. The board previously approved the entering of a Term Sheet with the company; however, the project is moving toward completion of definitive documents in lieu of the Term Sheet. The project includes investment currently anticipated to be in the amount of One Hundred Ten Million Dollars (\$110,000,000) for an approximate 175,000 square foot maintenance, repair and overhaul facility and equipment. The project is anticipated to create five hundred (500) jobs with estimated annual wages of Seventy Thousand Dollars (\$70,000).

QUALITIES OF VALUE:

<u>Category:</u>	<u>Met:</u>	<u>Not-Met:</u>
People	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Business Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Favorable Environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Expectation of Success	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Going Concern	<input checked="" type="checkbox"/>	<input type="checkbox"/>

MISSION FULFILLMENT SUMMARY ASSESSMENT:

SUITABLE

UNSUITABLE



INVESTMENT ASSESSMENT
By Chief Investment Officer
Dated: January 2023

PROJECT: STARFIGHTERS, INC.

DESCRIPTION: Management requests approval for authority to negotiate and enter a loan receivable extension agreement with Starfighters, Inc., in the amount of One Million Four Hundred Thirty-Six Thousand Dollars (\$1,436,000).

QUALITIES OF VALUE:

<u>Category:</u>	<u>Met:</u>	<u>Not-Met:</u>
People	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Business Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Favorable Environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Expectation of Success	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Going Concern	<input checked="" type="checkbox"/>	<input type="checkbox"/>

MISSION FULFILLMENT SUMMARY ASSESSMENT:

SUITABLE

UNSUITABLE



INVESTMENT ASSESSMENT
By Chief Investment Officer
Dated: January 2023

PROJECT: QUAG

DESCRIPTION: Management requests approval for authority to negotiate and enter member agreements with “to-be-included” Florida based Universities. The project efforts are intended to accelerate and enhance Florida’s space industry corridor through a nationally recognized Portal for Transport to Space (“Portal”) by way of an intellectual nexus based in Space Florida’s Space Life Sciences Laboratory. The objective is to develop the Portal into a competitive advantage for each member university as well as enhance the capabilities of the State’s Spaceport System with the Portal business structure designed to become a self-sustaining private limited company. Once university members are bound, and project elements defined, management intends to return to the board for approval to formalize and launch the Portal.

QUALITIES OF VALUE:

<u>Category:</u>	<u>Met:</u>	<u>Not-Met:</u>
People	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Business Plan	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Favorable Environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Expectation of Success	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Going Concern	<input type="checkbox"/>	<input checked="" type="checkbox"/>

MISSION FULFILLMENT SUMMARY ASSESSMENT:

- SUITABLE
- UNSUITABLE



INVESTMENT ASSESSMENT
By Chief Investment Officer
Dated: January 2023

PROJECT: RCCOLA

DESCRIPTION: Management requests approval for authority to negotiate and enter a term sheet with two large known participants as the first step for creation of a standalone and separately operated Sensitive Compartmental Information Engineering Center. Initial estimates of the effort include an estimated 50,000 square foot facility with capacity to house several hundred highly skilled employees and up to Four Million Dollars (\$4,000,000) in equipment for networks and workstation investment.

QUALITIES OF VALUE:

<u>Category:</u>	<u>Met:</u>	<u>Not-Met:</u>
People	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Business Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Favorable Environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Expectation of Success	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Going Concern	<input checked="" type="checkbox"/>	<input type="checkbox"/>

MISSION FULFILLMENT SUMMARY ASSESSMENT:

SUITABLE

UNSUITABLE



INVESTMENT ASSESSMENT
By Chief Investment Officer
Dated: January 2023

PROJECT: JAYLOW

DESCRIPTION: Management requests approval for authority to negotiate and enter a memorandum of understanding with Ocean Green Hydrogen to pursue: (1) the development of a clean hydrogen hub in central Florida; (2) Installation of carbon capture utilizations and direct air capture in space and aerospace industrial complexes in Central Florida; and (3) providing reliable, predictable clean hydrogen supply to Central Florida. Space Florida’s role and responsibilities will be to apply its financial capabilities where mission appropriate to: (1) enable a reliable and predictable supply of clean hydrogen to space and aerospace industrial complexes in Florida; and (2) to participate in the development of a clean hydrogen hub in Central Florida as appropriate to its mission.

QUALITIES OF VALUE:

<u>Category:</u>	<u>Met:</u>	<u>Not-Met:</u>
People	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Business Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Favorable Environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Expectation of Success	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Going Concern	<input type="checkbox"/>	<input checked="" type="checkbox"/>

MISSION FULFILLMENT SUMMARY ASSESSMENT:

- SUITABLE
- UNSUITABLE



INVESTMENT ASSESSMENT
By Chief Investment Officer
Dated: January 2023

PROJECT: GOOGIE

DESCRIPTION: Management requests approval for authority to negotiate and enter a memorandum of understanding with Eve Holding, Inc., to participate in a Central Florida based effort to launch urban air mobility services beginning in 2026. Efforts include development of a work plan to include participating entities with Space Florida providing initial leadership for to-be-defined topics, and when possible, apply its financial capabilities for development of the proposed ecosystem in a manner similar to its State Spaceport System Authority role and responsibilities.

QUALITIES OF VALUE:

<u>Category:</u>	<u>Met:</u>	<u>Not-Met:</u>
People	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Business Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Favorable Environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Expectation of Success	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Going Concern	<input type="checkbox"/>	<input checked="" type="checkbox"/>

MISSION FULFILLMENT SUMMARY ASSESSMENT:

SUITABLE

UNSUITABLE



INVESTMENT ASSESSMENT
By Chief Investment Officer
Dated: January 2023

**PROJECT: SPACEPORT TRANSPORTATION AND ENERGY COMMON USE INFRASTRUCTURE
PHASE 1 PROJECT WITH SPACE EXPLORATION TECHNOLOGIES, CORP.**

DESCRIPTION: Management requests approval for authority to negotiate and enter agreements with the Florida Department of Transportation (FDOT) and Space Exploration Technologies, Corp., (SpaceX) to support the construction of spaceport transportation & energy common use infrastructure. Phase 1 improvements are to be implemented by SpaceX and consist of roadway improvements. Requested approvals:

Item A: Agreement with FDOT in the amount of up to Six Million Seven Hundred Thousand Dollars (\$6,700,000).

Item B: Agreement with SpaceX in the amount of up to Six Million Seven Hundred Thousand Dollars (\$6,700,000).

QUALITIES OF VALUE:

<u>Category:</u>	<u>Met:</u>	<u>Not-Met:</u>
People	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Business Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Favorable Environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Expectation of Success	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Going Concern	<input checked="" type="checkbox"/>	<input type="checkbox"/>

MISSION FULFILLMENT SUMMARY ASSESSMENT:

SUITABLE

UNSUITABLE



INVESTMENT ASSESSMENT
By Chief Investment Officer
Dated: January 2023

PROJECT: OZ – PHASE 1

DESCRIPTION: Management requests approval for authority to negotiate and enter agreements with FDOT and Project Oz to support the development of new facilities for spacecraft manufacturing and refurbishment at the Space Florida Launch and Landing Facility. Requested approvals:

Item A: Agreement with FDOT in the amount of up to Fourteen Million Dollars (\$14,000,000).

Item B: Agreement with Project Oz in the amount of up to Fourteen Million Dollars (\$14,000,000).

QUALITIES OF VALUE:

<u>Category:</u>	<u>Met:</u>	<u>Not-Met:</u>
People	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Business Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Favorable Environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Expectation of Success	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Going Concern	<input type="checkbox"/>	<input checked="" type="checkbox"/>

MISSION FULFILLMENT SUMMARY ASSESSMENT:

- SUITABLE
- UNSUITABLE



INVESTMENT ASSESSMENT
By Chief Investment Officer
Dated: January 2023

PROJECT: COMET

DESCRIPTION: Management requests approval for authority to negotiate and enter agreements with FDOT and Project Comet to support the development of a payload processing facility at the Space Florida Launch and Landing Facility. Requested approvals:

Item A: Agreement with FDOT in the amount of up to Three Million Two Hundred Thousand Dollars (\$3,200,000).

Item B: Agreement with Project Comet in the amount of up to Three Million Two Hundred Thousand Dollars (\$3,200,000).

QUALITIES OF VALUE:

<u>Category:</u>	<u>Met:</u>	<u>Not-Met:</u>
People	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Business Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Favorable Environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Expectation of Success	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Going Concern	<input checked="" type="checkbox"/>	<input type="checkbox"/>

MISSION FULFILLMENT SUMMARY ASSESSMENT:

- SUITABLE
- UNSUITABLE