

Attachment F

EXHIBIT A – STATEMENT OF WORK

**COST SHARE PROPOSAL TO:
SANTA BARBARA COUNTY
BOARD OF SUPERVISORS**

**FOR:
VAFB MASTER PLAN – PHASE 1**

JANUARY 26, 2021



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ABOUT REACH

REACH is a private sector-led economic impact organization designed to drive action and economic planning across industry sectors, county lines and political aisles. To do that, REACH works with a large and diverse network of civic organizations, private-sector leaders, and government and education partners to drive key initiatives that advance the economic health of the region and the people in it.

The mission of REACH is to increase economic prosperity through big thinking, bold action and regional collaboration in pursuit of a vision that the Central Coast will be a place where current and future generations have the opportunity to thrive.

While a relatively new organization, REACH has demonstrated the benefits of public-private partnership with SLO County over the last 18 months, first with the creation of the REACH 2030 Plan that was developed in 2019 and later in the response to the COVID-19 crisis. REACH marshaled its resources and connections to anticipate and support immediate needs, partnering with SLO County on the development on the San Luis Obispo County START reopening guide.

The work of REACH is guided by a triple-bottom-line approach, balancing social, economic and environmental sustainability with the following principles that guide the work:

1. PEOPLE FIRST

We commit to creating an inclusive economy that raises the standard of living for all.

2. ECONOMIC RESILIENCE

We aim to foster an economy that is diverse, sustainable and not over-reliant on any one sector.

3. THE LONG GAME

We take the long view, working to ensure that future generations have the opportunity to live, work and thrive here.

4. ENVIRONMENTAL STEWARDSHIP

We treasure our natural resources and commit to embedding a sustainability mindset in our systems and decisions.

5. RISE TOGETHER

We rise above competing interests and embrace collaboration in order to

create greater economic prosperity for all.

REACH was established to serve a pressing need across the Central Coast region to build the strategy and partnerships and drive the action needed to support economic expansion and job creation. Initiatives and projects are advanced in partnership with many stakeholders require detailed planning, efficient alignment of effort and resources, and the agility to respond to emerging opportunities. Modeled after successful regional economic development organizations across the country, the role of REACH is to convene and catalyze the ecosystem of partners. REACH does this in the following ways:

1. DRIVE: REACH takes the lead on regional high-impact initiatives requiring multiple stakeholder collaboration.
2. FOSTER: REACH works to convene key target industries with the goal of harnessing accelerated growth opportunities.
3. SUPPORT: REACH supports the efforts of public and nonprofit sectors already doing the work of regional planning and economic development to ensure those efforts are integrated and optimized.
4. MEASURE: REACH utilizes economic data to develop performance measurements that track progress toward our goal of inclusive economic well-being.

REACH 2030

REACH 2030 is an action plan for job creation on the Central Coast, created in partnership with other local government entities, education partners, business representatives, and community organizations across SLO and Santa Barbara Counties with a goal of creating 15,000 new good-paying jobs across the Central Coast by 2030.

The process included data-gathering and analysis, followed by a poll gauging the outlook of the regional workforce. REACH then brought in the expertise of Deloitte, the world's largest consultancy, to help identify ways to unlock economic potential. REACH conducted 5 facilitated engagements with leaders in each part of the region, 2 day-long tactical sessions aimed at amplifying the potential of two major assets, Diablo Canyon and Vandenberg AFB, and an immersive, two-day event with top regional leaders and Gov. Newsom's chief economic and business advisor. Months of research and collaborative engagement were distilled into an action plan that will direct our collective efforts now and over the decade to come with a strategic goal of creating more high-paying jobs for more people for more inclusive economic prosperity. This plan details four comprehensive strategic priorities, six strategic initiatives, and dozens of actions designed to fortify the Central Coast economy by building more economic diversity and resilience into the economy over the mid and long term:

- 1. ACCELERATE JOB GROWTH IN TARGET INDUSTRIES**

By bolstering industry segments, such as aerospace and defense, agritech, technology and energy/clean tech

- 2. CREATE WORLD-CLASS INNOVATION HUBS**

By optimizing Diablo Canyon and Vandenberg Air Force Base as economic engines

- 3. BREAK DOWN BARRIERS TO JOB CREATION**

By addressing housing, transportation, water and related challenges and embracing innovative financing tools

- 4. PREPARE RESIDENTS FOR THE JOBS OF TODAY AND TOMORROW**

By aligning educational and workforce opportunities

The full plan can be viewed at:

https://reachcentralcoast.org/wp-content/uploads/2020/07/REACH2030_ActionPlan.pdf

PROPOSAL:

Vandenberg Air Force Base Master Plan Cost Share Proposal

BACKGROUND:

In July 2020, a Memorandum of Understanding was signed between REACH, the 30th Space Wing, United States Space Force, the Governor's Office of Business and Economic Development (GoBiz), Cal Poly San Luis Obispo and strategy consultant Deloitte Consulting, LLC. These participants agreed to the voluntary cooperation in clarifying goals and objectives of the plan for commercial space industry and enterprises at Vandenberg Air Force Base (VAFB) and the surrounding regional economy; facilitating the regional economic growth through addition of high-quality commercial space industry employment; providing for national security strategic interests through the increased resilience of VAFB assured access to space mission architecture.

Prior to the signing of the MOU, a Phase 0 Interim Report on the VAFB Master Plan was issued on February 28, 2020 to key stakeholder groups. According to the report, prepared by Deloitte consultants:

“To formulate our vision for the future, we performed in-depth analysis of the current state of the space economy and market segments; the launch services industry; and the various types of economic, industrial base, and capability development within the United States as of early 2020. Through an alignment of these three primary dimensions and subsequent discussions with launch services operators, industry specialists, and former ranger officers, we have developed a series of insights to determine “where” and “how” to play in order to develop a more robust and sustainable space industry presence within the Central Coast Region.”

The VAFB Master Plan was presented to the County Board of Supervisors on August 25, 2020 by Colonel Anthony Mastalir of the 30th Space Wing and REACH. Colonel Mastalir acknowledged that VAFB is an opportunity-rich space enterprise environment, and there was a need to engage with other federal agencies, state or local governments, universities, or other entities to capitalize on the 30th Space Wing's existing capabilities. He called it the “Perfect Storm” for commercial space and touched on the Commercial Space Zone, where there is potential to carve out a portion of the base for exclusive use of commercial space entities.

The Board of Supervisors expressed interest in supporting the Master Plan project in a letter to the MOU Participants dated September 2, 2020 and inquired about potential participation in the MOU.

Addendum to the memorandum of understanding:

The Participants of the MOU invited the County to join the Master Plan project through an addendum that includes commitment and effort towards the success of the Master Plan as it is co-developed.

Proposed partnership:

REACH is a 501(c)(3) economic impact organization that was founded to unite the Central Coast region under a common vision, strategy and action plan to support the vitality of the region and is well positioned to support the entirety of Santa Barbara County as a full two county (San Luis Obispo and Santa Barbara) economic development organization.

VAFB master plan project (January 2021)

REACH proposes a January start for the high-impact, near-term project to create a Master Plan that charts the course to expanding the commercial space industry in Santa Barbara County and Vandenberg Air Force Base (VAFB). This Master Plan project is exciting and meaningful for Santa Barbara County prosperity, and it has the engagement and support of the full Board of Supervisors. Moving forward on Commercial Space Industry/VAFB Master Plan will serve to demonstrate value and partnership through an economic development pilot project under a rapid timeline. The primary deliverable of the project would be an in-depth Ecosystem, Stakeholder and Industry Assessment, that includes an economic impact analysis of the current and future impacts of VAFB on Santa Barbara County. Phase 1 deliverables are needed to qualify for federal and state funding of Phase 2 of the Master Plan.

VAFB COMMERCIAL SPACE EXPANSION MASTER PLAN

OBJECTIVE

Our objective is to understand how to align Federal, State, Local, commercial, and academic entities on a future vision for VAFB's commercial space activities that drives new economic growth, partnership opportunities, and social value for the Central Coast and state of California.

PURPOSE

To develop an integrated master plan for commercial space opportunities that will help identify important priorities and requirements at Vandenberg Air Force Base to spur the growth of the commercial space industry on the Central Coast and across California.

TIMELINE

12 Weeks (January 2021 – March 2021)

RATIONALE

The entire board has been briefed, engaged and supports the work of VAFB, and has shown a desire to be a deeper project partner. This first step will allow SB County to be a leader on this Master Plan project by signing the Addendum to the MOU and becoming a Participant on the project team. By partnering and delivering a tangible outcome it will allow REACH and SB County to develop a short-term win to demonstrate the value of partnerships on strategic initiatives broadly.

Moving Phase 1 forward now, in January 2021, will be a key step in building a deeper relationship with Santa Barbara County and provide a key and tangible deliverable, which will lay a strong foundation for a broader economic development partnership. Additionally, we have momentum amongst stakeholders and private industry, and there are peripheral opportunities, such as advocating for infrastructure funding in the 2022 NDAA.

ACTIVITIES

The Master Plan project is a multi-stakeholder, multi-phase project with the following proposed funding partners:

Phase 0 – REACH (complete)

Phase 1 – Santa Barbara County

Phase 2 – State Government; Federal Government

PROJECT APPROACH

Our approach to the objective is to produce a master plan that advances the region's competitiveness in the space technology ecosystem. To do this, we will examine multiple space technology ecosystem scenarios centered around Vandenberg Air Force Base (VAFB) and develop a master plan for growing the local and regional presence of ecosystem actors. Identified space technology ecosystems to be examined include those related to launch

services, space situational awareness, range and network technologies, and satellite manufacturing and integration – all current focal or operational areas of VAFB.

The rationale for an ecosystem (e.g. launch services or space situational awareness) versus a traditional cluster development (e.g. all aerospace and defense or all satellite manufacturing) is based on the fact that the impact of space technologies is widely diffused throughout the larger national economy and the region has unique competitive advantages (e.g. an active national security launch range) and specific limiting factors (e.g. lack of a diverse manufacturing workforce).

Driving the formulation of the optimized ecosystem examined within the master plan are seven primary focus areas each with their own specific issues and questions. The seven focus areas are:

1. Full Regional Assessment of Space Activities and Supporting Infrastructure
2. Lessons from Other Clusters and Industries
3. Stakeholder Engagement
4. Implications for the United States Air Force and U.S. Department of Defense
5. Implications for the Region
6. Funding and Financing Models
7. Implementation Recommendations

We will approach the production of the master plan by dividing our activities into the following work streams, the outputs of which will be delivered to the Client within the specified deliverables outlined within this document. For each workstream, our analysis will include the following questions or activities:

1. Phase 0 - Project Initiation Work

Complete – Funded by REACH

Initiate written document modeled after Space Florida's 2017 Cape Canaveral Spaceport Master Plan, including, but not limited to:

- a. Project Vision Development
 - i. Develop a clear vision of a commercialized region and base that addresses:

- What capacities are needed at VAFB and regionally to compete for and meet forecasted demand?
- What industry trends and operational areas should the region centralize around (launch, space domain awareness, etc.)?
- What options or scenarios for commercial incentivization exist already within the region (fence-line move, lease terms, entitlement changes, talent and working locations, etc)?
- Common infrastructure projects
- Vision for regional development (10-year horizon) guided by industry trends, regional assets, other potential opportunities

b. Action Plan and Funding Assessment

- i. Identify possible additional funding sources (public, private, and government)
- ii. Create a plan for funding project workstreams via additional funding sources
- iii. Create pitch and briefing decks for identified stakeholder groups

2. Phase 1: Ecosystem, Stakeholder, and Industry Assessment

Santa Barbara County Cost Share

Deliver a written document(s) to the County and other MOU Participants prepared on Phase 1 section of Master Plan with acknowledgement of deliverable funded by Santa Barbara County as a cost share contribution to the Master Plan.

a. Economic Impact Analysis

- i. Assess current and future economic impact of the direct, indirect and induced impacts of VAFB on Santa Barbara County and the region broadly
- ii. Analysis will serve as baseline for Phase 2 future state analysis, which will forecast various growth scenarios, based on our partners' vision for commercial space industry growth

b. Regional Capabilities Assessment

- i. What kinds of assets, facilities, and activities currently exist within the region and how do they currently support the commercial space industry? What potential gaps does the region have?

- ii. What kinds of assets, facilities, and activities currently exist within the region and how do they currently support space-related government contracts?
- iii. Who are the essential strategic partners within the region and what role do they play?
- iv. Who are the stakeholders within the region and what kind of linking mechanisms exist to service them?
- v. What is the anticipated space transport / launch market demand?
- c. Lessons from Other Clusters and Industries
 - i. What other aerospace cluster economic development initiatives exist within the United States?
 - ii. What other space ecosystem development initiatives exist within the United States?
 - iii. How do the region and Western Range activities compare to the identified existing clusters and ecosystems?
 - iv. What best practices from identified aerospace cluster development initiatives are relevant to the development of the region
- d. Space Industry Assessment
 - i. What current trends or needs could an expanded ecosystem centered around VAFB address?
- e. Stakeholder Identification
 - i. What are the potential partners required for ecosystem development?
 - ii. What are the integrated roles and responsibilities of ecosystem partners?
 - iii. How should identified stakeholders be engaged and what roles should they play advancing the ecosystem?
 - iv. What is required to charter and sustain a VAFB Spaceport Steering Committee?
- f. Needs and Interests of Stakeholders
 - i. What are the needs for a deliberate, organized, and expanded regional cluster within Central California to support the increased development of activities related to or supported by VAFB?
 - ii. Will additional offerings or capabilities created within the ecosystem or the region resonate with the commercial space industry?

3. Phase 2: Analysis and Recommendations for Consideration
State + Federal Cost Share

a. Implications for the Region

- i. What additional kinds of assets, facilities, and activities should the region pursue to attract additional commercial entities and government contracts?
- ii. What additional strategic partners are required to increase the region's competitiveness?
- iii. What are the geographical boundaries of a competitive commercial space region in Central California and what entities are included within those boundaries?
- iv. What government facilities and operations exist within the identified boundaries and what role can they play in increasing the competitiveness of the proposed ecosystem?
- v. What is the outcome for the region from the creation/expansion of space activities within the region?

b. Implications for Government

- i. How are the interests of other mission-oriented, space-focused government agencies such as NASA, the Department of Commerce, and the DoD (beyond USAF), impacted by the modernization of the Western Range, increased supporting regional infrastructure and activities, and an improved national and commercial spaceport?

c. Funding and Financing Model Considerations

- i. What opportunities exist for process improvement and permit acceleration?
- ii. What potential federal and state tax incentives exist or should be considered?
- iii. How can state and/or federal legislation related to policy/regulations/funding increase the investment and competitiveness of California's only spaceport?
- iv. What existing investment plans for the range and region can be aligned, leverage, or aggregated to support master plan development?
- v. What private sector funding partners are required to support master

plan development?

DELIVERABLES

Phase 1 of the VAFB Master Plan project will be produced by REACH in coordination with other MOU Participants with the following benefits to Santa Barbara County:

- 1- Integrate Santa Barbara County as a part of the project team in addition to Go-Biz, Cal Poly, VAFB, and Deloitte.
 - i. Include County Admin representative for core project team
 - ii. Provide ongoing activities including: Robust stakeholder communications with local community + key stakeholders and support for leadership (state, Federal) presentations/interactions

- 2- Santa Barbara County contributes Phase 1 of the plan for project.
 - i. Deliver a written document to the County and other MOU Participants on Phase 1 section of Master Plan with acknowledgement of deliverable funded by Santa Barbara County.
 - ii. Conduct a Phase 1 close-out briefing with Admin, Board of Supervisors
 - iii. REACH and MOU Participants work together on communications plan to showcase deliverables (reporting back to board, press releases, etc.)
 - iv. Large public event hosted by REACH in partnership with MOU Participants showcasing Phase 1 deliverables including economic impact analysis, and industry Economic Impact Analysis, Industry Engagement, and Regional Planning.

- 3- Provide a near term deliverable that will impact decisions by government and industry on potential investment into Santa Barbara County
 - i. Accelerated timeline to allow deliverable in 12 weeks.
 - ii. There is momentum on project from industry, and this will allow deeper engagement and planning for potential commercial zone.

PROJECT COSTS

The total Project costs for Phase 1 and 2 total \$650,000. The County's cost share of \$200,000 to fund work and deliverables related to the Phase 1 Assessment will help identify important

priorities and requirements at VAFB to spur the growth of the commercial space industry on the Central Coast and California, supporting the public purpose of economic expansion on the California Central Coast. The Phase 1 Assessment will be used to obtain state and federal funding for work related to Phase 2 analysis and considerations totaling \$450,000.

Total Project Cost: \$650,000

Santa Barbara County: \$200,000

- \$70,000 for REACH: Project management and administration, stakeholder engagement, community outreach and industry engagement.
- \$100,000 for Deloitte: Market analysis, research and technical writing
- \$30,000 for Cal Poly: Economic Impact Analysis, research and technical writing

Other Funding Participants: REACH, State Government, Federal Government

Payment for services is due half (50%) upon approval of agreement and remaining half (50%) upon completion of Phase 1 and receipt of deliverables to the County and other MOU Participants.

Payment can be sent to P.O. Box 13201, San Luis Obispo, 93401.

Tax ID: 83-2082676