



City Council Agenda Item

City Council Meeting Date: November 16, 2021

TO: Honorable Mayor and Members of the City Council

FROM: Jim Throop, City Manager
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SUBJECT: Approval of a Fourth Amendment to the Memorandum of Understanding with Pale Blue Dot Ventures, Inc., for Potential Sale of Approximately 82 acres of City-owned Property, Including and Adjacent to Ken Adam Park, for Development of a Space Center

Recommendation:

Staff recommends the City Council approve the proposed Fourth Amendment to the Memorandum of Understanding (MOU) (Attachment 1) with Pale Blue Dot Ventures Inc. (PBDV) (Fourth Amendment), which would extend the timelines established by the MOU. If the Fourth Amendment is approved, the proof of completing seed funding and the Concept & Feasibility Study and Experience Design Plan will be due on August 30, 2022, instead of December 8, 2021, and the exclusive negotiations period will end on December 31, 2022, instead of June 6, 2022.

Background and Discussion:

At its meeting of July 16, 2019, the City Council approved the MOU (Attachment 2). At its meeting of April 21, 2020, the City Council approved the first amendment to the MOU (Attachment 3); at its meeting of October 6, 2020, approved the second amendment to the MOU (Attachment 4); and at its meeting of April 6, 2021, approved the third amendment to the MOU (Attachment 5). PBDV has continued actively working to complete all of its obligations set forth in the MOU, as amended, and has now made another request to amend the MOU for additional time.

The first timeline that would be extended by the Fourth Amendment is the date PBDV must provide proof of completing seed funding (\$750,000 with at least \$500,000 in cash) and provide the Concept & Feasibility Study and Experience Design Plan. That deadline is currently December 8, 2021, and would be extended to August 30, 2022.

The second timeline that would be extended is the period within which the City is agreeing to deal exclusively with PBDV regarding the subject property. That time period currently ends on June 6, 2022, and would be extended to December 31, 2022.

As required by the MOU, PBDV has already deposited \$25,000 with the City to cover the City's costs associated with negotiations of a potential disposition and development agreement (Deposit). As did the First Amendment, Second Amendment, and Third Amendment, the Fourth Amendment allows the City to draw from the Deposit to cover the City's legal costs for the preparation of this staff report and the Fourth Amendment.

Fiscal Impact:

The City's legal costs related to the Fourth Amendment would be covered by the Deposit. As stated when the MOU, First Amendment, Second Amendment, and Third Amendment were presented to the City Council for approval, anticipated development of space center facilities in the City would add significantly to the economics of the City's General Fund, as well as the community's businesses. The actual projections for such economic benefits would be part of the *pro forma* provided by PBDV.

Conclusion:

For the above reasons, staff recommends the City Council approve the Fourth Amendment.

Respectfully submitted,

Jim Throop, City Manager



Jeff Malawy, City Attorney

- Attachments: 1) Proposed Fourth Amendment signed on behalf of PBDV
2) MOU
3) First Amendment to MOU
4) Second Amendment to MOU
5) Third Amendment to MOU