



## City Council Agenda Item

**City Council Meeting Date:** August 16, 2022

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Dean Albro, City Manager  
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Jeff Malawy, City Attorney  
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**SUBJECT:** Approval of a Fifth 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

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### **Recommendation:**

Staff recommends the City Council decide whether to approve the requested Fifth Amendment to the Memorandum of Understanding (MOU) (Attachment 1) with Pale Blue Dot Ventures Inc. (PBDV) (Fifth Amendment), which would extend the timelines established by the MOU.

If the Fifth Amendment is approved:

- the proof of completing seed funding will be due on September 30, 2022, instead of August 30, 2022 (a 30-day extension);
- the Concept & Feasibility Study and Experience Design Plan will be due on November 30, 2022, instead of August 30, 2022 (a 90-day extension);
- the exclusive negotiations period will end on March 31, 2023, instead of December 31, 2022 (a 90-day extension).

### **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); at its meeting of April 6, 2021, approved the third amendment to the MOU (Attachment 5); and at its meeting of November 16, 2021, approved the fourth amendment to the MOU (Attachment 6). PBDV has continued actively working on the project, and has now made another request to amend the MOU for additional time.

The first timeline that would be extended by the Fifth Amendment is the date PBDV must provide proof of completing seed funding (\$750,000 with at least \$500,000 in cash). That deadline is currently August 30, 2022, and would be extended to September 30, 2022.

The second timeline that would be extended is the date PBDV must provide the Concept & Feasibility Study and Experience Design Plan. That deadline is currently August 30, 2022, and would be extended to November 30, 2022.

The third 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 December 31, 2022, and would be extended to March 31, 2023.

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, Third Amendment, and Fourth Amendment, the Fifth 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 Fifth Amendment.

**Fiscal Impact:**

The City's legal costs related to the Fifth Amendment would be covered by the Deposit. As stated when the MOU, First Amendment, Second Amendment, Third Amendment, and Fourth 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:**

The City Council may decide whether to approve the Fifth Amendment requested by PBDV.

Respectfully submitted,

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Dean Albro, City Manager



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Jeff Malawy, City Attorney

- Attachments:
- 1) Proposed Fifth Amendment to MOU, requested by PBDV
  - 2) MOU
  - 3) First Amendment to MOU
  - 4) Second Amendment to MOU
  - 5) Third Amendment to MOU
  - 6) Fourth Amendment to MOU