

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Policy and Steering Committee on Ways and Means

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**BILL:** CS/CS/SB 1776

**INTRODUCER:** Transportation and Economic Development Appropriations Committee; Commerce Committee; and Senator Altman

**SUBJECT:** Space and Aerospace Infrastructure

**DATE:** April 15, 2010      **REVISED:** \_\_\_\_\_

|    | ANALYST      | STAFF DIRECTOR | REFERENCE   | ACTION           |
|----|--------------|----------------|-------------|------------------|
| 1. | <u>Pugh</u>  | <u>Cooper</u>  | <u>CM</u>   | <b>Fav/CS</b>    |
| 2. | <u>Noble</u> | <u>Noble</u>   | <u>TA</u>   | <b>Fav/CS</b>    |
| 3. | <u>Noble</u> | <u>Coburn</u>  | <u>WPSC</u> | <b>Favorable</b> |
| 4. | _____        | _____          | _____       | _____            |
| 5. | _____        | _____          | _____       | _____            |
| 6. | _____        | _____          | _____       | _____            |

**Please see Section VIII. for Additional Information:**

- A. COMMITTEE SUBSTITUTE.....  Statement of Substantial Changes
- B. AMENDMENTS.....  Technical amendments were recommended
- Amendments were recommended
- Significant amendments were recommended

**I. Summary:**

Space Florida is a legislatively created entity responsible for implementing the state’s aerospace economic development and education policy. It either holds title to, or has leased or licensed, a number of physical infrastructure assets at Kennedy Space Center (KSC) or Cape Canaveral Air Force Station that have revenue-generating potential, but which are in need of modernization.

Chapter 2008-152, Laws of Florida, provided Space Florida with \$14.5 million to renovate one of its launch complexes for commercial spaceflight customers. Approximately \$10.8 million of that appropriation is unspent, and the proviso language associated with that appropriation prevents Space Florida from using the funds for other infrastructure improvements.

CS/SB 1776 amends the proviso language to provide flexibility for Space Florida to spend the remainder of the 2008 appropriation on a variety of infrastructure projects.

CS/SB 1776, which creates s. 331.370, F.S., takes effect upon becoming law.

## II. Present Situation:

Prior to July 1, 2006, Florida had three statutorily created space entities: the Florida Space Authority, the Florida Space Research Institute, and the Florida Aerospace Finance Corporation. Each had its own set of responsibilities; however, there was some overlap in the area of developing commercial space activities.

Chapter 2006-60, Laws of Florida, combined the three existing space entities into one, Space Florida, and substantially rewrote Part III of chapter 331, Florida Statutes. Space Florida's mission encompasses the responsibilities of all of its predecessor entities, but with a current emphasis on economic development.

Among Space Florida's economic development powers is the authority to acquire, own, and operate facilities, launch pads, experimental spaceport facilities, landing areas, ranges, payload assembly and processing buildings, laboratories, aerospace business incubators, launch vehicles, payloads, space flight hardware, and other aerospace-related systems or initiatives, including utilities and educational and cultural initiatives. Space Florida, as an agent of the state, holds title to four aerospace-related infrastructure assets, and has obtained, or is in the process of obtaining, licenses or leases for two others.<sup>1</sup>

For example, Space Florida has agreements with the U.S. Air Force to use two space launch complexes, and has been making improvements to them in recent years in preparation for use by commercial spaceflight companies. Space Launch Complex 36 (SCL-36) is being modernized to launch liquid-fuel rockets, while SLC-46 is being upgraded to launch solid-fuel rockets.

Proviso language associated with Specific Appropriation 2649 of chapter 2008-152, Laws of Florida, provided \$14.5 million to Space Florida specifically to renovate Launch Complex 36 (SLC-36) into a multi-use, multi-vehicle launch facility. The language stated:

“From the funds provided in Specific Appropriation 2649, \$14,500,000 shall be used for Space and Aerospace Infrastructure to make improvements to Launch Complex 36 on the 45th Space Wing property in order to attract new space vehicle testing and launch business to the state.”

Over the next several months, Space Florida's plans for SLC-36 raised numerous questions about its feasibility, and about Space Florida's apparent inability to find clients, as detailed in a research memorandum prepared by the Florida Office of Program Policy Analysis and Government Accountability.<sup>2</sup> Legislative concerns about the appropriation, a change in leadership at Space Florida, and the Obama Administration's new vision for National Aeronautical Space Administration led to a re-evaluation by Space Florida staff of how the funds should best be spent.

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<sup>1</sup> See the Senate Commerce Committee's Issue Brief 2010-307 entitled “[A Review of Space Florida's Infrastructure Projects](http://www.flsenate.gov/data/Publications/2010/Senate/reports/interim_reports/pdf/2010-307cm.pdf).” Available at [http://www.flsenate.gov/data/Publications/2010/Senate/reports/interim\\_reports/pdf/2010-307cm.pdf](http://www.flsenate.gov/data/Publications/2010/Senate/reports/interim_reports/pdf/2010-307cm.pdf). Last visited Feb. 23, 2010.

<sup>2</sup> “[Review of Space Florida](#),” dated Jan. 30, 2009, is on file with the Senate Commerce Committee.

About \$3.7 million of the \$14.5 million has been spent at SLC-36 to complete about 40 percent of the necessary engineering and design work. Space Florida officials have requested more flexibility in how to use the remaining \$10.8 million.

### III. Effect of Proposed Changes:

Section 1: Creates s. 331.370, F.S., to authorize Space Florida to spend funds appropriated in 2008 for improvements to SLC-36, on improvements to other SLCs and space transportation facilities for the purposes of:

- Attracting new space vehicle testing and launch businesses to Florida;
- Addressing intermodal requirements and impacts of the launch ranges, spaceports, and other space transportation facilities;
- Assisting in the development of joint-use facilities and technology that support aviation and aerospace operations, including high-altitude and suborbital flights and range technology development; and
- Advancing aerospace technology to meet the current and future needs of the commercial space transportation industry in the United States.

At this time,<sup>3</sup> Space Florida plans to spend about \$7 million of the remaining funds to bring the engineering and design work at SLC-36 to 90 percent of completion. About \$3.6 million will be used to match \$1 million in anticipated federal funds to continue making improvements at SLC-46, which Space Florida continues developing into a commercial launch site for solid-fueled rockets.

Section 2: Provides this act takes effect upon becoming law.

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

None.

#### B. Public Records/Open Meetings Issues:

None.

#### C. Trust Funds Restrictions:

None.

### V. Fiscal Impact Statement:

#### A. Tax/Fee Issues:

None.

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<sup>3</sup> Conversation with Frank DiBello, president of Space Florida, on Feb. 23, 2010.

**B. Private Sector Impact:**

Indeterminate, but potentially positive, if Space Florida's initiatives to position the state for commercial spaceflight business are successful. Commercial spaceflight companies may be inclined to launch from Florida, rather than Virginia, New Mexico, or other competitor states, if the appropriate infrastructure is available here. Increased commercial spaceflight business also may create jobs for highly skilled aerospace workers displaced by the retirement of the Space Shuttle program and lengthy hiatus before a successor program begins.

**C. Government Sector Impact:**

Indeterminate to the extent that the proviso associated with Specific Appropriation 2649 of ch. 2008-152, Laws of Florida, does not permit Space Florida to expend the remaining balance, the funds are subject to reversion to the Economic Development Transportation Trust Fund; thus, such funds would be available for appropriation by the Legislature. This bill effectively appropriates such funds to Space Florida to be used for a broader range of projects.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:****A. Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)**CS/CS by Transportation and Economic Development Appropriations on April 6, 2010:**

The committee substitute provides Space Florida with flexibility for the promotion of commercial space flight.

**CS by Commerce Committee on March 3, 2010**

At its March 3, 2010, meeting, the Commerce Committee adopted one amendment, which changed the act's effective date from July 1, 2010, to upon becoming law.

**B. Amendments:**

None.