

TEDC 2022 CEDA APPLICATION

All Applications Must Be Received by August 19, 2022

The 2022 CEDA nominations will be judged in each of the five categories that have made the most significant contribution to economic development in their community and the State of Texas.

AWARD CATEGORIES

The CEDA will be given to one community from each of the following five population categories: (as currently marketed). Mark the population category for which you are applying.

- Population less than 10,000 _____
- Population 10,001 to 20,000 _____
- Population 20,001 to 50,000 _____
- Population 50,001 to 100,000 X
- Population 100,001 to 250,000 _____
- Population 250,001 and above _____

NOMINATION:

Name of Community: City of Cedar Park _____

TEDC Member Name: Zachary Lopez _____ (individual member, not organization)

Telephone #: 512-401-5026 _____

Email Address: zach.lopez@cedarparktexas.gov _____

Community Population (as currently marketed): 83,159 _____

Application Submitted By: Zachary Lopez _____

Email Address: zach.lopez@cedarparktexas.gov _____

Media Contacts: [optional]

Organization: _____ Contact Name: _____

Email Address: _____

Organization: _____ Contact Name: _____

Email Address: _____

SUBMITTED FOR:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Business Retention | <input type="checkbox"/> Business Attraction |
| <input checked="" type="checkbox"/> Business Expansion | <input type="checkbox"/> Community Involvement |

SUMMARY REVIEW

Please attach a brief description of the economic development efforts and accomplishments of the project or program (specific to the project or program for which you are submitting the application). Within this description, address the awards criteria of innovativeness, transferability, community commitment, measured objectives and secondary benefits. The narrative portion of the application is limited to four (4) conventionally formatted 8.5" x 11" pages. Please also submit up to five (5) digital photographs (jpeg) to amy@texasedc.org. The photos must be submitted with the application form. The photographs will be presented during the CEDA luncheon at the TEDC's 2022 Annual Conference.



CEDAR PARK

ECONOMIC DEVELOPMENT

2022 Community Economic Development Awards Nomination

City of Cedar Park, TX

Project Details

Company: Firefly Aerospace

Jobs: 682 New Full-time employees with an average salary of \$90,000

Facility: 45,000 SF Company Headquarters in Scottsdale Crossing

Move In Date: June 2021

Project History and Background

Firefly Aerospace is an end-to-end space transportation company committed to providing economical and convenient access to space for small payloads through the design, manufacture, and operation of reliable launch and spacecraft vehicles. Founded in Cedar Park in 2014 and a newcomer in the volatile New Space industry, Firefly has endured some challenging times. None more challenging than in 2016 when Firefly declared Chapter 7 bankruptcy.

In Economic Development, it's not difficult to maintain good relations with companies who are thriving and hitting all incentive performance benchmarks. It is another story when the EDO is having to clawback funds from the company and put into a more adversarial position. Through the opening in 2014 to the bankruptcy in 2016, Firefly met four performance measures included in the Type A performance agreement entitling the company to \$859,375 of incentives. After secured and priority claims were paid the Type A Corporation only received a pro rate settlement of \$1,152.57 on our



clawback. Despite this, the office maintained dialogue and communications with the Firefly CEO. The continued dialogue paid off less than three months later when a new investor came along and secured the Firefly intellectual property and some of the key engineers from the original Firefly team. The Economic Development Office engaged with the commercial relator for Firefly and assisted with helping to locate an adequate facility. Fortunately, the original facility was still available and the landlord worked with Firefly on occupying the space.

Ignition

Since the 2017 investment, Firefly has been actively designing and manufacturing its Alpha, a 95-foot long spacecraft and Beta, a 197-foot long spacecraft. The company has also secured numerous contracts for launching payloads. None bigger than a \$93.3 Million contract from NASA to design a lunar lander. The 2023 mission to the moon will carry 10 payloads to the Moon for NASA and several other commercial customers.

Launch

Fast-forward forward to today and Firefly now has a valuation exceeding \$1 Billion and is one of the top employers in Cedar Park at over 200 employees. The company also employs another 50+ in Briggs for its testing facility. As of today, Firefly has an Alpha rocket on the launch pad at Vandenberg Air Force Base for a test flight. As Firefly begins ramp-up on the lunar lander, and prepares for the launch of its Alpha rocket, the company has announced plans to hire an additional 682 employees over a five-year period. To accommodate growth, Firefly secured a lease of a second Cedar Park facility. The second facility is 45,000 SF and accommodates the team tasked with designing the lunar lander for NASA. Firefly moved in to the facility in June 2021.

Community Commitment and Leverage and Measured Objectives



Knowing the potential for Firefly, the economic development office maintains frequent interaction with Firefly and has aggressively incentivized their expansion. These incentives helped to retain Firefly in Cedar Park. The performance agreement requires Firefly to create 682 jobs within ten years, \$6,000,000 in capital investment and a total annual payroll of \$61,380,000. Incentives to firefly included a per-job incentive and a relocation incentive. The per-job incentive is \$4,870 per full-time employee. One of the hurdles that we had to overcome with the retention of Firefly was helping to get Firefly confident that they could successfully recruit rocket scientist to Cedar Park. We worked closely with the Firefly HR team on showcasing the quality of life offerings that we have in Cedar Park. To assist with the recruitment efforts for Firefly we offered a \$10,000 relocation incentive for up to 100 Firefly employees who purchase a home in Cedar Park. We haven't historically been very aggressive with offering relocation incentives to employees of companies. However, it was a critical piece of the incentive package that helped demonstrate to Firefly that we were committed to help make Cedar Park an attractive destination for employees to relocate too. The total value of the performance-based incentives was \$4,321,500. We utilized Impact Datasource to calculate performance measures, and the project had the following performance measures:

- Rate of Return: 11.4%
- Payback Period: 9.1 Yrs

Both measures fall within our incentive criteria.

Secondary Benefits

With average salaries of \$90,000 and 250 current employees, Firefly Aerospace is not only one of our highest paying employers but also one of largest employers in Cedar Park. Additionally, Firefly is one of the largest employers in Cedar Park. The Firefly employees help to support our restaurants and service industries.



In Summary, through maintaining good relations with Firefly during the challenging times, we were able to achieve a big win for Cedar Park. At 682 new jobs, Firefly is set to be the largest employer in Cedar Park and one of the larger employers in Williamson County.

