



UNIVERSITY OF CENTRAL FLORIDA

**Board of Trustees Special Teleconference Meeting  
December 16, 2019  
3 - 4 p.m.**

**President's Boardroom, Millican Hall, 3<sup>rd</sup> Floor  
Call in phone number 800-442-5794, passcode 463796**

**AGENDA**

- |                              |  |
|------------------------------|--|
| 1. Welcome and call to order | Beverly Seay, <i>Chair</i>   |
| 2. Roll Call                 | Karen Monteleone, <i>Assistant Vice President,<br/>Board Relations</i> |
| 3. Public Comment            | Karen Monteleone   |
| 4. New Business              | Chair Seay   |
| BOT - 1                      | Funding of ICAMR, Inc., d/b/a BRIDG                                    |
| 5. Other New Business        | Chair Seay   |
| 6. Adjournment               | Chair Seay   |

**ITEM: BOT-1**

**UCF BOARD OF TRUSTEES**  
*December 16, 2019*

**Title:** Funding of ICAMR, Inc., d/b/a BRIDG

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**Background:**

In 2014, UCF and Osceola County agreed to pursue a project that would offer industry partners and others the opportunity to share equipment and conduct research needed to profitably access the next-generation sensor economy. Originally envisioned as a consortium with corporate and other external memberships and \$125 million in long-term state support, the project included a research and advanced manufacturing facility to be constructed and financed by Osceola County. Construction of the facility was completed in 2017, and the County leased the facility to UCF for a 40-year term. At the end of the term, title to the facility transfers to UCF. In lieu of cash rent, UCF initially agreed to be responsible for payment of all operating expenses of the facility.

In October 2017, UCF entered into a management agreement with BRIDG to operate the facility, including BRIDG paying all facility operating expenses. The project's business plan subsequently changed. The original plan was a model where companies or other external parties would pay membership fees to use the facility to create new intellectual property. That plan evolved into a manufacturing center focused on obtaining grants and contracts for BRIDG to test and package semiconductor chips for federal agencies. While there is potential for future collaboration, UCF's research and academic role in the manufacturing business has been minimal, with few faculty members currently conducting research on-site.

BRIDG is an independent 501(c)(6) corporation, but currently has one representative each from UCF and Osceola County serving on its Board.

Since FY 2016, UCF has invested nearly \$25.7 million of university funds into BRIDG. BRIDG has received \$35 million from the state for operations and tools; that is less than half of the funding BRIDG has requested from the state since FY 2017. Osceola County has committed in excess of \$100 million over 40 years to the project. While BRIDG has received several federal contracts totaling nearly \$30 million this year, the funds paid directly to BRIDG will not have significant impact on creating operating cash for the facility.

BRIDG is experiencing serious financial challenges entering into a new, technically complex business environment, and without immediate investment anticipates running out of unrestricted cash later this month. BRIDG has asked UCF to invest an additional \$5 million into its operations and to help find the best external investors who can help Osceola County achieve its job-creation goals and attract businesses more quickly. UCF management agreed to present the request to the UCF Board of Trustees if certain conditions identified below were met by BRIDG and Osceola County.

**Issues to be Considered:**

Transferring an additional \$5 million to cover BRIDG's operating expenses with the following conditions:

1. Osceola County defers BRIDG's obligation to pay rent for the next 12 months on its office building (\$53,000/month). Osceola County has already agreed to this condition.

2. The BRIDG Board is restructured with the two current BRIDG officers resigning from the Board to be replaced with one appointee each from UCF and Osceola County. The restructured Board would consist of two UCF, two Osceola County, and two private industry appointees.
3. BRIDG management provides a detailed financial plan, acceptable to UCF, to reduce operating expenses and increase revenue sufficient to allow operations to continue as necessary to fulfill existing contracts for the next 12 months until a cash partner/investor can be found.
4. BRIDG pursues direct state funding of \$10 million.
5. UCF or UCF/Osceola retains an outside firm to locate a cash partner/investor within the next 12 months.

**Alternatives to Decision:**

Decline transferring \$5 million toward covering operating expenses and instruct UCF management to work with BRIDG management and Osceola County on an alternative plan, consistent with UCF's obligations under the lease agreement with Osceola County.

**Fiscal Impact and Source of Funding:**

The \$5 million would have to come from reassigning funds from academic and administrative units.

**Recommended Action:**

**Authority for Board of Trustees Action:**

Article IX, section 7 of the Florida Constitution  
Board of Governors Regulation 1.001

**Contract Reviewed/Approved by General Counsel:**

N/A

**Committee Chair or Chairman of the Board approval:**

Chair Beverly Seay has approved adding this item to the agenda.

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**Submitted by:**

W. Scott Cole, Vice President and General Counsel

**Supporting Documentation:**

Attachment A: BRIDG Update dated November 14, 2019  
Attachment B: UCF Research Foundation Cash Summary  
Attachment C: BRIDG Updated Operational Plan  
Attachment D: External Letters of Support

**Facilitators/Presenters:**

Trustee David Walsh  
Vice President and General Counsel Scott Cole

Attachment A

# BRIDG UPDATE

## November 14, 2019

W. Scott Cole

Vice President and General Counsel



## BRIDG Update November 14, 2019

### History

- Mid 2013, UCF, working with the Orlando EDC, began discussions with Sematech to move to Central Florida
  - Called Project Galaxy
  - Sematech was a partnership between the U.S. government and 14 U.S.-based semiconductor manufacturers to solve common manufacturing problems and regain competitiveness in semiconductor industry
  - Business model: Tech companies become members of a consortium to share facilities and IP to create new technologies and products
  - Sematech did not move to Central Florida



## BRIDG Update November 14, 2019

### History

- Early 2014, UCF agreed with Osceola County to pursue a “Sematech-like” project (Project Cassini).
  - Still membership Model
  - Focused on semiconductor chips used in sensors
  - Osceola County, UCF, High Tech Corridor, Enterprise Florida and Orlando EDC all involved
- May 2014 - ICAMR, Inc. (BRIDG) incorporated
  - 501(c)(6) Membership Corporation
- July 2017- UCF and Osceola County signed a development agreement for development/construction of an advanced manufacturing facility
  - Part of 500-acre NeoCity, envisioned as a high-tech hub that would generate jobs for county



## BRIDG Update November 14, 2019

### History

- Osceola issued bonds backed by sales tax receipts to finance construction.
- September 2017- County leased completed facility to UCF (40 years) for \$1 a year in base rent.
  - UCF pays all operational costs
  - Ownership of facility goes to UCF when lease term ends.
- October 2017- UCF signs Management Agreement for BRIDG to operate the facility.



BRIDG Update  
November 14, 2019

## History

- BRIDG is 501(C)(6) membership corporation
- Not controlled by UCF except through management agreement
- BRIDG “employees” (47) are actually UCF employees paid from BRIDG funds
- Board members
  - Chester Kennedy- CEO
  - Don Fisher- Osceola County Manager
  - David Walsh- UCF representative
  - Dave Satoff- CEO
  - Tony DeSimone- Lockheed Martin
  - David Kusuma- Tupperware Corporation
- UCF Research Foundation serves as fiscal agent for BRIDG

## BRIDG Update November 14, 2019

### **Assumptions made at time of agreement:**

- State would appropriate \$25 million per year for 5 years (\$125 million)
- Facility would draw private companies who would **pay membership fee to share clean room and IP generated from use of the facility.**
- Imec (Belgian firm with similar operation) would open an office at NeoCity to encourage U.S. companies to establish a presence at NeoCity
- UCF and Osceola each agreed to pay Imec \$3 million/year for 3 years to open site at NeoCity



## BRIDG Update November 14, 2019

### **Change in Business Plan**

Companies showed very little interest in membership model or sharing IP

- Approximately 2 years ago business plan changed
  - No longer a membership model creating new IP
  - Research/academic role for UCF diminished
  - Focus on obtaining grants and contracts for BRIDG to test and package semiconductor chips for federal agencies, especially military, in a trusted (domestic) fabrication facility (i.e. focus on design, fabrication and testing)



## BRIDG Update November 14, 2019

### Contracts

- IBAS
  - \$20.4 million contract with IBAS for a silicon interposer
  - Committed funding for BRIDG: approximately \$3 million
  - Cost reimbursable. Very little impact on creating operating cash
  
- Air Force (Secure Digital Twin) for \$7.5 Million
  - \$6 million is pass-through to subcontractors
  - Adds very little cash to cover operations

## BRIDG Update November 14, 2019

### Investments in BRIDG to date:

	FY16	FY17	FY18	FY19	FY20	FY21	TOTAL
UCF to BRIDG	-	-	-	5,000,000	3,500,000	-	8,500,000
State Appropriations to BRIDG	-	5,000,000	7,500,000	5,000,000	5,000,000	-	22,500,000
UCF to BRIDG (Support Agreement)	-	2,000,000	-	-	-	-	2,000,000
UCF paid to IMEC via BRIDG (Frame Agreement)	-	3,000,000	3,000,000	3,000,000	N1	N2	9,000,000
UCF paid to Osceola County (Flex Budget) N3	6,157,901	-	-	-	-	-	6,157,901
<b>Total</b>	<b>6,157,901</b>	<b>10,000,000</b>	<b>10,500,000</b>	<b>13,000,000</b>	<b>8,500,000</b>	<b>-</b>	<b>48,157,901</b>

- Total UCF investment: \$25,657,901
- Total State appropriations: \$22,500,000
- Total Osceola investment: Over \$100 Million over 40 years
- UCF and Osceola have not paid final \$3,000,000 payments to IMEC



## BRIDG Update November 14, 2019

### **BRIDG Annual Operating Cash Needs:**

- Historical- approximately \$25 million
- Minimal (and temporary) amount per CEO- \$18 million (no major contracts to service)
- Shortfall after state appropriation: \$13 million
- Anticipate increase back to \$20-\$25+ million/year as DOD contracts are awarded
- Estimate BRIDG needs 2-3 years of external funding before self-supporting



BRIDG Update  
November 14, 2019

**Current Cash Position (as of 11/12/19)**

Cash Summary		
Restricted Cash		\$3,701,070
IMEC		\$3,000,000
Projects		\$701,070
Unrestricted		
Total Cash		\$ 1,594,707
Total Cash		\$ 5,295,777

- Monthly spending-
  - 2019 Fiscal year: \$2 million/Month
  - Expenses have been cut some in past few months
  - Monthly payroll exceeds \$500,000/month
  - Estimate current payables at \$600,000
- Leaves less than 45 days of cash



## BRIDG Update November 14, 2019

### Preliminary Conclusions/Issues

- Long term viability of BRIDG business plan looks favorable
- Anticipate \$12M-\$24M+/year in startup expenses over next 2-3 years
- Continuing costs to become self-sustaining is too high for UCF
- Most viable option is to bring in a strategic investor/partner who can provide cash for start-up phase
  - Anticipate 12 months to find investor
  - Private entity or research university are options



## BRIDG Update November 14, 2019

### **Preliminary Conclusions/Issues**

- UCF strongly supports the efforts of Osceola County to create a successful NeoCity – high tech businesses bringing high tech jobs
- Bringing in a strategic partner is the best, quickest option for reaching that goal.
- Funding from multiple parties (State, Osceola County, UCF) and reduction in expenses could sustain operations until strategic partner is found
- If BOT approves temporary funding at a future meeting, recommend a one-time investment conditioned on participation by county and state and plan to reduce BRIDG expenses
- Retain consultant ASAP to assist with finding strategic partner- Atreg



# Questions



Attachment B

**BRIDG Cash Flow FY 2020**

	<b>7/31/2019</b>	<b>8/31/2019</b>	<b>9/30/2019</b>	<b>10/31/2019</b>	<b>11/30/2019</b>	<b>Total</b>
Beginning Cash Balance	\$ 1,735,936	\$ (2,379,968)	\$ 4,853,544	\$ 4,200,364	\$ 5,300,894	\$ 1,735,936
Revenue (Cash Items)	\$ 1,949	\$ 8,221,765	\$ 265,880	\$ 3,686,219	\$ 341,049	\$ 12,516,862
Reduction/(Increase) in Receivables		\$ (125,000)	\$ 128,621	\$ (1,510)	\$ -	\$ 2,111
Cash in	\$ 1,949	\$ 8,096,765	\$ 394,501	\$ 3,684,709	\$ 341,049	\$ 12,518,973
Expense (No depr, in kind rental exp))	\$ 405,703	\$ 226,396	\$ 622,489	\$ 1,209,597	\$ 177,737	\$ 2,641,922
Labor	\$ 506,842	\$ 504,265	\$ 443,433	\$ 785,347	\$ 308,479	\$ 2,548,366
Equipment Purchases	\$ 11,101	\$ 65,500	\$ 8,538	\$ 444,141	\$ -	\$ 529,280
IMEC	\$ 3,000,000					\$ 3,000,000
Reduction/Increase in Current Liab	\$ 194,207	\$ 67,092	\$ (26,779)	\$ 145,094	\$ 29,992	\$ 409,606
<b>Cash Out</b>	<b>\$ 4,117,853</b>	<b>\$ 863,253</b>	<b>\$ 1,047,681</b>	<b>\$ 2,584,179</b>	<b>\$ 516,208</b>	<b>\$ 9,129,174</b>
Ending Cash Balance	\$ (2,379,968)	\$ 4,853,544	\$ 4,200,364	\$ 5,300,894	\$ 5,125,735	\$ 5,125,735
Cash Increase/Decrease	\$ (4,115,904)	\$ 7,233,512	\$ (653,180)	\$ 1,100,530	\$ (175,159)	\$ 3,389,799

Cash Summary as of 12/12/2019	
Restricted Cash	1,075,846.00
IMEC from Osecola County	-
Projects	1,075,846.00
Unrestricted Cash	325,714.08
<b>Total Cash</b>	<b>1,401,560.08</b>



## Attachment C

# BRIDG Updated Operational Plan

December 9, 2019



## BRIDG Response to UCF Funding Conditions

### **BRIDG will comply to the conditions for the \$5M of additional funding from UCF**

1. Osceola County deferring BRIDG's obligation to pay rent for the next 12 months on the office building (\$53,000/month)
2. BRIDG Board being restructured with the two current officers resigning from the Board and replaced with one appointee each from UCF and Osceola County (So 2 UCF, 2 Osceola County, and 2 private industry)
3. BRIDG Management providing a detailed financial plan, acceptable to UCF, to reduce operating expenses and increase revenue sufficient to allow operations to continue as necessary to fulfill existing contracts for the next 12 months until a cash partner/investor can be found.
4. BRIDG pursuing direct state funding of \$10 million.
5. UCF or UCF/Osceola retaining a firm such as Atreg, Inc. or State Street Partners to locate a cash partner/investor within the next 12 months.

### **BRIDG Response**

1. ***Osceola County deferring BRIDG's obligation to pay rent for the next 12 months on the office building (\$57,000/month; per invoices)***
  - ❖ BRIDG agrees to add these 12 months of lease payments to back end of the lease agreement – scheduled to be reviewed and voted on for approval at upcoming Osceola County Commissioner's meeting
2. ***BRIDG Board being restructured with the two current officers resigning from the Board and replaced with one appointee each from UCF and Osceola County (2 UCF, 2 Osceola County, and 2 private industry)***
  - ❖ Dave will resign as voting member of the Board effective immediately
  - ❖ CEO position (Chester) will support any proposed modifications to the current by-laws relative to the CEO's involvement in the board



## BRIDG Response

### **BRIDG Response**

3. ***BRIDG Management providing a detailed financial plan, acceptable to UCF, to reduce operating expenses and increase revenue sufficient to allow operations to continue as necessary to fulfill existing contracts for the next 12 months until a cash partner/investor can be found.***
  - ❖ Met with each divisional director to review each staff position & expenditure line item to develop minimal budget to cover program needs
    - An updated Operating Plan (Forecast) is included in this package; also includes:
      - Summary of key cost reductions / revisions
      - Overview of new strategic partnership funding additions / reductions
  - ❖ Currently implementing BRIDG management re-organization to focus on existing opportunities vs proactively accelerating growth
  
4. ***BRIDG pursuing direct state funding of \$10 million.***
  - ❖ BRIDG will work with its Board and Florida federal, state, and regional government and industrial network to strongly pursue \$10M of annual direct funding (in addition to preserving the existing recurring \$5M)
    - House Bill for the funding of the additional \$10M has already been filed
    - Providing supporting material for December hearing on the funding bill
  
5. ***UCF or UCF/Osceola retaining a firm such as Atreg, Inc. or State Street Partners to locate a cash partner/investor within the next 12 months.***
  - ❖ BRIDG management will support the Board's decision to engage these parties and the related process
  - ❖ BRIDG will also continue to pursue and proactively provide suggestions for other partners (numerous high-quality options are currently being worked)



# BRIDG Organizational and Operational Changes

## Organizational Reorganization

- **Technology** – re-organized by program focus area Reduced Mgt Cost
  - John Callahan – Physically Unclonable Function devices (PUF); South Korean opportunities; Custom Products; and, Engineering
  - Brian Sapp – Heterogeneous Integration & Emerging Partnerships; Technical Performance and Partnerships - - absorbing more responsibilities
  - Fran Korosec – Digital Twin programs and Information Technologies / MES - - cost savings - avoids program manager hire (~\$200K)
- **Fab and Facilities Ops** – Ankinedu Velaga Increase Revenues
  - Focus on meeting program requirements; and, key activity is to pursue and generate fab processing and lab services revenues
  - Technology focus area directors provide oversight on Fab Ops based upon program requirements, specs, and needs
- **Contracts & Legal, Purchasing, Security, and Admins** – Mandy moved into Director role Key function; No Cost
  - Oversight on contract management; purchasing, logistics, admin staff; facility security (train alternate FSO); Trade Compliance
- **Business Development** Add'l Revenues focus
  - Brett Attaway will focus predominantly on federal programs
  - Transferring resources to Sapp's group to cover Smart Ag and Industry / Strategic Partner business development

## Operational

- **Budget Review and Revisions**
  - Line item review of each division, program, department and account budgets for November 2019 through December 2020
  - Substantial additional budget revisions – very conservative approach taken based upon programs in place or have very high confidence of launching
  - Summary forecast update and changes included in this package

### Take Away

- CEO is restructuring BRIDG to place more focus on the key programs areas with better-defined accountability
- Organization supports existing programs and related activities coming on line – should continue to provide cost-saving opportunities in near future
- Resources to support new programs will be added when funding becomes available, as opposed to building the organization / operation in advance



## BRIDG Cost Reductions

### Key Budget Reductions for November 2019 through CY2020 (from Q1 Fcst)

➤ Labor cost reductions – staff ramp timing moved out	\$ 3,014K
➤ Debt Service is lower due to loan delays & reduction	\$ 2,525K
➤ License Fees renegotiation and pushed outwards	\$ 2,393K
➤ In-Kind expenditures increased (offset by increased revenues)	+\$ 1,028K
➤ Development Contracts & Other R&D reduced	\$ 880K
➤ Fab / Facilities costs – chemicals, parts, & office rent	\$ 669K
➤ Other – depreciation, consulting, IT, etc.	\$ <u>701K</u>
<b><i>Total Expense Reductions</i></b>	<b>\$ 9,154K</b>
➤ Equipment and installation moved out – cash impact	\$ 3,049K

### Take Away

- This exercise resulted in substantial revisions to the budget based upon the requirement to cover launched program activities only
- Made significant changes to operational costs resulting from negotiations and timing of programs and related expenditures – labor, license fees, R&D, etc.
- Significantly lowers debt service as a result of the budget cuts and timing changes that allowed a reduction and outward shift of loan proceeds
- In-Kind expenditures increased due to donations provided by TEL for the demo center at BRDIG – these expenses are offset by increase revenues
- Plan also pushes the need for some equipment capital (cash) to be moved out – timing will be driven by future program needs for added capability



## Strategic Partnership New Funding Additions / Reductions

- **Osceola County has stepped up with time-sensitive funding**
  - +\$5.1M new funding in the form of a low-interest loan
    - \$3,412K for SUSS toolset (50% discount donation from SUSS)
    - \$ 622K for tool installation
    - \$1,077K for South Korean / LG program
  - +\$0.7M 1-year waiver of rent on the new office building
    - Will be added as an extension to the back-end of the lease
- **UCF is providing highly supportive contributions YTD for FY20**
  - +\$3.5M of additional funding – already in place (October)
  - +\$5.0M available (per discussions) and to be released based upon this review (in plan from UCF or State)
- **SUSS Strategic Partnership**
  - \$3.5M of tool discounts / donations for toolset already agreed to (July)
  - +\$0.9M of demonstration tools
- **TEL Demonstration Center**
  - +\$2.2M addition of TEL ALD Litho program
- **Equipment Lease-Loan Needs / Potential Additional Partner Funding**
  - –\$9.3M of additional reduction to lease line – achieved with funding & expenditure enhancements; assumes debt secured by existing tools

### Take Away

- New UCF & Osceola County funding proposals greatly help BRIDG by providing the needed tools/ops to support key federal and industry programs
- Supply chain companies TEL and SUSS continue to be dedicated to BRIDG with the commitment of an additional \$3.1M of tools to be placed on site
- The dependency upon debt financing has been further reduced from \$22M (original term sheet) down to \$7.7M in this updated forecast



## Summary

- + **Plan reduces BRIDG's focus on growth**
- + **Plan sustains BRIDG operations**
- + **Plan assumes \$5.0M from UCF in Dec 2019**
- + **Plan depends on closing \$7.7 M (of the original \$22M) equipment-based loan in 1Q2020 (or alternative investment)**
- + **Plan eliminates the dependency on UCF's imec pass-through funds for cash management**
- + **The above combination with the \$5.0M in FY2021 recurring state appropriations carries BRIDG through Dec 2020**
- + **Risks to the plan include:**
  - No cash reserve for equipment, facilities issues, or program delays
  - Very lean operations – workload on key employees is significantly increased – maintain morale and health is critical
  - Timing risks with programs and funding
  - Any delays in processing routine agreements will add significant risk



# BRIDG Revised FY20 through CY20 Forecast - Consolidated

	FY2020												FY2021					Cum				
	July	August	September	October	November	December	January	February	March	April	May	June	Total Budget	July	August	September	October		November	December	6-Mths	Cum
<b>Revenue - Funding</b>																						
Government & Academic Funding	24	53	-	-	50	338	1,250	108	158	1,308	1,462	1,957	6,708	2,523	2,548	2,523	5,073	2,523	2,523	17,713	24,421	
Industry Revenues	35	-	201	31	11	71	158	305	210	655	550	990	3,217	816	32	32	1,352	79	79	2,390	5,607	
Public Funding	47	8,049	213	4,217	500	5,000	-	-	-	-	-	-	18,026	5,000	3,000	-	-	-	-	8,000	26,026	
Fab Processing & Lab Service Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fab-Lab-Office Space Lease Revenue	-	-	-	-	4	4	4	4	4	4	4	4	32	12	-	-	-	-	-	12	44	
Other - Revenues & Funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
In-Kind Revenues - Contributions	363	363	363	363	385	1,183	4,929	648	7,255	460	460	499	17,269	2,054	490	490	2,990	490	490	7,004	24,273	
Strategic Alliance Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Revenues	2	(3)	70	14	-	-	-	-	-	-	-	-	83	-	-	-	-	-	-	-	83	
<b>TOTAL REVENUES</b>	\$ 471	\$ 8,461	\$ 848	\$ 4,625	\$ 950	\$ 6,596	\$ 6,341	\$ 1,065	\$ 7,626	\$ 2,427	\$ 2,476	\$ 3,450	\$ 45,336	\$ 10,404	\$ 6,070	\$ 3,045	\$ 9,415	\$ 3,092	\$ 3,092	35,119	80,455	
Loan / Line of Credit Proceeds	-	-	-	-	-	-	5,668	2,007	-	-	-	-	7,675	-	-	-	-	-	-	-	7,675	
<b>TOTAL REVENUES &amp; LOAN PROCEEDS</b>	\$ 471	\$ 8,461	\$ 848	\$ 4,625	\$ 950	\$ 6,596	\$ 12,009	\$ 3,072	\$ 7,626	\$ 2,427	\$ 2,476	\$ 3,450	\$ 53,011	\$ 10,404	\$ 6,070	\$ 3,045	\$ 9,415	\$ 3,092	\$ 3,092	35,119	88,130	
<b>Expenditures</b>																						
Total Consulting	74	134	179	252	129	122	127	137	152	148	148	148	1,749	266	72	72	252	57	57	775	2,523	
Total Dues and Memberships	-	2	2	2	6	2	4	3	4	2	4	2	31	16	4	4	6	4	4	38	69	
Total FAB	(13)	253	99	168	161	172	182	215	186	178	174	174	1,951	480	257	257	712	257	257	2,223	4,174	
Total Facility Expense	495	532	395	752	625	639	625	765	633	625	625	661	7,374	654	645	645	648	645	645	3,880	11,254	
Total Insurance	-	36	25	12	-	-	20	-	8	-	26	-	128	94	-	-	11	-	-	105	232	
Total IT Support	4	114	49	23	144	145	201	218	283	248	194	194	1,817	197	196	196	164	164	164	1,082	2,899	
Total Legal Fees	10	-	30	22	10	10	10	10	10	13	13	13	150	15	15	15	15	15	15	90	240	
Total Management Fees	-	18	24	12	25	25	40	25	25	25	25	75	319	21	21	21	21	21	21	126	445	
Total Marketing	0	0	0	0	-	9	5	-	12	5	-	9	40	19	-	-	16	-	-	34	75	
Total Meals and Entertainment	0	2	1	3	4	4	7	7	7	7	7	7	54	17	7	7	17	7	7	63	117	
Total Office Expenses	6	19	5	19	4	4	4	4	4	4	4	4	80	4	4	4	4	4	4	24	104	
Total Payroll and Benefits	470	465	460	694	577	578	575	619	642	738	738	738	7,293	817	818	836	915	905	905	5,196	12,489	
Total Research & Development	-	-	-	-	-	800	38	196	196	2,948	363	38	4,579	128	38	552	1,538	362	38	2,656	7,235	
Total Service Contracts	84	495	71	396	35	74	38	38	77	31	31	70	1,441	46	26	51	46	26	26	219	1,660	
Total Supplies Expenses	4	23	21	15	19	19	19	19	19	19	19	19	218	20	20	20	20	20	20	119	337	
Total Travel and Meetings	8	21	5	29	33	52	92	54	74	89	64	75	595	144	42	42	182	42	42	493	1,088	
Total Equipment	(78)	-	533	-	250	736	4,719	1,041	4,218	309	300	607	13,432	100	625	500	3,000	-	-	4,225	17,657	
<b>Other Expense</b>																						
Depreciation Expense	173	173	174	187	190	199	255	267	318	321	325	332	2,914	333	341	347	382	382	382	2,168	5,082	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loan Debt Service	-	-	-	-	-	-	108	146	146	146	146	146	838	146	146	146	146	146	146	876	1,714	
Investment Expense	-	-	3	0	4	4	4	4	4	4	4	4	35	4	4	4	4	4	4	24	59	
Other In-Kind Expense	-	-	-	-	22	77	90	137	2,617	40	40	79	3,101	1,634	70	70	2,570	70	70	4,484	7,585	
Other - Non-Operating Expense (flow-through)	3,000	-	-	0	-	3,000	-	-	-	-	-	-	6,000	-	3,000	-	-	-	-	3,000	9,000	
<b>Total Other Expense</b>	\$ 3,173	\$ 173	\$ 177	\$ 187	\$ 216	\$ 3,280	\$ 457	\$ 554	\$ 3,084	\$ 511	\$ 515	\$ 562	\$ 12,889	\$ 2,117	\$ 3,561	\$ 567	\$ 3,102	\$ 602	\$ 602	10,553	23,441	
<b>Total Revenue</b>	471	8,461	848	4,625	950	6,596	6,341	1,065	7,626	2,427	2,476	3,450	45,336	10,404	6,070	3,045	9,415	3,092	3,092	35,119	80,455	
<b>Total Expense</b>	4,316	2,287	1,542	2,587	1,989	5,935	2,444	2,864	5,408	5,599	2,923	2,813	40,707	5,054	5,726	3,288	7,669	3,130	2,806	27,674	68,381	
<b>Net Income/(Loss)</b>	(\$3,844)	\$6,175	(\$694)	\$2,038	(\$1,039)	\$661	\$3,897	(\$1,800)	\$2,218	(\$3,172)	(\$448)	\$637	\$4,629	\$5,350	\$344	(\$243)	\$1,746	(\$38)	\$286	7,444	12,074	
<b>Cash - Ending</b>	(2,380)	4,854	4,023	5,153	3,475	3,407	8,507	7,941	6,259	3,099	2,677	3,038	3,038	8,622	8,682	8,285	7,413	7,758	8,426	8,426	8,426	
imec pass-through funds	0	3,000	0	(0)	0	(3,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net BRIDG Funds in account	(2,380)	1,854	1,023	2,153	475	3,407	8,507	7,941	6,259	3,099	2,677	3,038	3,038	8,622	8,682	8,285	7,413	7,758	8,426	8,426	8,426	

\* Financials based upon most recent information provided by fiscal agent – October YTD actuals 8



# BRIDG Revised FY20 through CY20 Forecast - Expenditures

													FY2020						FY2021		
	July	August	September	October	November	December	January	February	March	April	May	June	Total Budget	July	August	September	October	November	December	6-Mths	Cum
<b>Expenditures</b>																					
Total Consulting	74	134	179	252	129	122	127	137	152	148	148	148	1,749	266	72	72	252	57	57	775	2,523
Total Dues and Memberships	-	2	2	2	6	2	4	3	4	2	4	2	31	16	4	4	6	4	4	38	69
Total FAB	(13)	253	99	168	161	172	182	215	186	178	174	174	1,951	480	257	257	712	257	257	2,223	4,174
Total Facility Expense	495	532	395	752	625	639	625	765	633	625	625	661	7,374	654	645	645	648	645	645	3,880	11,254
Total Insurance	-	36	25	12	-	-	20	-	-	8	-	26	128	94	-	-	11	-	-	105	232
Total IT Support	4	114	49	23	144	145	201	218	283	248	194	194	1,817	197	196	196	164	164	164	1,082	2,899
Total Legal Fees	10	-	30	22	10	10	10	10	10	13	13	13	150	15	15	15	15	15	15	90	240
Total Management Fees	-	18	24	12	25	25	40	25	25	25	25	75	319	21	21	21	21	21	21	126	445
Total Marketing	0	0	0	0	-	9	5	-	12	5	-	9	40	19	-	-	16	-	-	34	75
Total Meals and Entertainment	0	2	1	3	4	4	7	7	7	7	7	7	54	17	7	7	17	7	7	63	117
Total Office Expenses	6	19	5	19	4	4	4	4	4	4	4	4	80	4	4	4	4	4	4	24	104
Total Payroll and Benefits	470	465	460	694	577	578	575	619	642	738	738	738	7,293	817	818	836	915	905	905	5,196	12,489
Total Research & Development	-	-	-	-	-	800	38	196	196	2,948	363	38	4,579	128	38	552	1,538	362	38	2,656	7,235
Total Service Contracts	84	495	71	396	35	74	38	38	77	31	31	70	1,441	46	26	51	46	26	26	219	1,660
Total Supplies Expenses	4	23	21	15	19	19	19	19	19	19	19	19	218	20	20	20	20	20	20	119	337
Total Travel and Meetings	8	21	5	29	33	52	92	54	74	89	64	75	595	144	42	42	182	42	42	493	1,088
Total Equipment	(78)	-	533	-	250	736	4,719	1,041	4,218	309	300	607	13,432	100	625	500	3,000	-	-	4,225	17,657
<b>Other Expense</b>																					
Depreciation Expense	173	173	174	187	190	199	255	267	318	321	325	332	2,914	333	341	347	382	382	382	2,168	5,082
Loan Debt Service					-	-	108	146	146	146	146	146	838	146	146	146	146	146	146	876	1,714
Investment Expense			3	0	4	4	4	4	4	4	4	4	35	4	4	4	4	4	4	24	59
Other In-Kind Expense					22	77	90	137	2,617	40	40	79	3,101	1,634	70	70	2,570	70	70	4,484	7,585
Other - Non-Operating Expense (flow-through)	3,000			0	-	3,000	-	-	-	-	-	-	6,000	-	3,000	-	-	-	-	3,000	9,000
<b>Total Other Expense</b>	<b>\$ 3,173</b>	<b>\$ 173</b>	<b>\$ 177</b>	<b>\$ 187</b>	<b>\$ 216</b>	<b>\$ 3,280</b>	<b>\$ 457</b>	<b>\$ 554</b>	<b>\$ 3,084</b>	<b>\$ 511</b>	<b>\$ 515</b>	<b>\$ 562</b>	<b>\$ 12,889</b>	<b>\$ 2,117</b>	<b>\$ 3,561</b>	<b>\$ 567</b>	<b>\$ 3,102</b>	<b>\$ 602</b>	<b>\$ 602</b>	<b>10,553</b>	<b>23,441</b>
<b>Total Revenue</b>	471	8,461	848	4,625	950	6,596	6,341	1,065	7,626	2,427	2,476	3,450	45,336	10,404	6,070	3,045	9,415	3,092	3,092	35,119	80,455
<b>Total Expense</b>	4,316	2,287	1,542	2,587	1,989	5,935	2,444	2,864	5,408	5,599	2,923	2,813	40,707	5,054	5,726	3,288	7,669	3,130	2,806	27,674	68,381
<b>Net Income/(Loss)</b>	<b>(\$3,844)</b>	<b>\$6,175</b>	<b>(\$694)</b>	<b>\$2,038</b>	<b>(\$1,039)</b>	<b>\$661</b>	<b>\$3,897</b>	<b>(\$1,800)</b>	<b>\$2,218</b>	<b>(\$3,172)</b>	<b>(\$448)</b>	<b>\$637</b>	<b>\$4,629</b>	<b>\$5,350</b>	<b>\$344</b>	<b>(\$243)</b>	<b>\$1,746</b>	<b>(\$38)</b>	<b>\$286</b>	<b>7,444</b>	<b>12,074</b>

\* Financials based upon most recent information provided by fiscal agent – October YTD actuals 10



# BRIDG Revised FY20 through CY20 Forecast – Cash Flow

	FY2020												FY2021								
	July	August	September	October	November	December	January	February	March	April	May	June	Total Budget	July	August	September	October	November	December	6-Mths	Cum
<b>Cash - Beginning</b>	1,736	(2,380)	4,854	4,023	5,153	3,475	3,407	8,507	7,941	6,259	3,099	2,677	1,736	3,038	8,622	8,682	8,285	7,413	7,758	3,038	1,736
Funding - Public / Private - net	471	8,461	848	4,625	950	6,596	6,341	1,065	7,626	2,427	2,476	3,450	45,336	10,404	6,070	3,045	9,415	3,092	3,092	35,119	80,455
Total Expenditures	4,316	2,287	1,542	2,587	1,989	5,935	2,444	2,864	5,408	5,599	2,923	2,813	40,707	5,054	5,726	3,288	7,669	3,130	2,806	27,674	68,381
Net Income	(3,844)	6,175	(694)	2,038	(1,039)	661	3,897	(1,800)	2,218	(3,172)	(448)	637	4,629	5,350	344	(243)	1,746	(38)	286	7,444	12,074
Loan Proceeds	0	0	0	0	0	0	5,668	2,007	0	0	0	0	7,675	0	0	0	0	0	0	-	7,675
Ops Offsets: Receivables	0	-125	-137	-215	0	0	0	0	0	0	0	0	(476)	0	0	0	0	0	0	-	(476)
Ops Offsets: Payables - inc invoices & pcard	-367	1,011	359	-239	-579	-193	0	0	0	0	0	0	(7)	0	0	0	0	0	0	-	(7)
Invest Offsets: Equipment	-78	0	-533	-642	-250	-736	-4,719	-1,041	-4,218	-309	-300	-607	(13,432)	-100	-625	-500	-3,000	0	0	(4,225)	(17,657)
Invest Offsets: Accumulated Depr	173	173	174	187	190	199	255	267	318	321	325	332	2,914	333	341	347	382	382	382	2,168	5,082
Donated Facility & Furnishings													-							-	-
Working Capital / Other													-							-	-
Net Change	(4,116)	7,234	(831)	1,130	(1,678)	(69)	5,101	(566)	(1,682)	(3,160)	(423)	362	1,303	5,584	59	(397)	(872)	344	668	5,388	6,690
<b>Cash - Ending</b>	(2,380)	4,854	4,023	5,153	3,475	3,407	8,507	7,941	6,259	3,099	2,677	3,038	3,038	8,622	8,682	8,285	7,413	7,758	8,426	8,426	8,426
<i>imec pass-through funds</i>	0	3,000	0	(0)	0	(3,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Net BRIDG Funds in account</i>	(2,380)	1,854	1,023	2,153	475	3,407	8,507	7,941	6,259	3,099	2,677	3,038	3,038	8,622	8,682	8,285	7,413	7,758	8,426	8,426	8,426

\* Financials based upon most recent information provided by fiscal agent – October YTD actuals

## Take Away

- Cost reductions, savings, and implemented cost controls reflected in this package combined with the additional \$5M in December from UCF; \$5.8M in December from Osceola County for equipment and rent rescheduling; and, \$7.7M from a loan closing in 1Q CY21  
**will sustain BRIDG operations through CY2020 assuming only baseline FY21 State appropriations**
- Requested supplemental State appropriations will accelerate and expand the growth and impact of BRIDG

Attachment D

*\*Distributed via email on November 12, 2019.*

Subject: Siemens/BRIDG Partnership

November 8, 2019

Board of Trustees / Board Chair Beverly Seay  
Board of Trustees / David Walsh  
Interim President Dr. Thad Seymour  
University of Central Florida  
4000 Central Florida Blvd.  
Orlando, Florida, 32816

Subject: Siemens Support of BRIDG

Dear Chair Seay, Trustee Walsh, and Interim President Seymour:

In January 2018, Siemens Industry Software Inc. (“Siemens”), formerly Siemens Product Lifecycle Management Software Inc., announced a partnership with BRIDG to drive the development of Digital Twin technologies for the semiconductor industry by providing our software portfolio to enable BRIDG’s operational capability.

Our in-kind software grant valued at more than \$30M, creates an important milestone—the first ever digital enterprise implementation in the semiconductor industry at the BRIDG facility located at NeoCity in Osceola County, FL. In addition, we have partnered with BRIDG on a pending contract with the US Air Force Research Laboratory related to secure semiconductor design and production built on top of the Siemens Digital Twin platform.

We understand that the University of Central Florida is reprioritizing its efforts and is considering a change with its relationship with BRIDG. As noted above, BRIDG has strategic importance with Siemens’ plans for Digital Twin in the semiconductor industry. We decided as a business to make an investment in BRIDG because we believe they are a driver in our industry. Just like our substantial investments with Digital Twin and other initiatives with UCF, our investment in BRIDG illustrates Siemens’ commitment to working with the Florida’s 23 county High Tech Corridor on research and development that can help accelerate innovation and manufacturing. With that said, we strongly encourage UCF to continue its support of BRIDG.

Sincerely,



**Rob Rudder**

Vice President | Siemens Digital Industries Software  
Electronics, Consumer Products & Retail,  
Semiconductor and Life Science Industries  
Office: 704-227-6600  
Mobile: 980-309-7634  
[robert.rudder@siemens.com](mailto:robert.rudder@siemens.com)  
[www.sw.siemens.com](http://www.sw.siemens.com)

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November 8, 2019

Board of Trustees / Chairwoman Beverly Seay  
Board of Trustees / David Walsh  
Interim President Dr. Thad Seymour  
University of Central Florida  
4000 Central Florida Blvd.  
Orlando, Florida, 32816

Dear Chairwoman Seay, President Seymour, and Mr. Walsh:

I'm writing to highly urge you to continue your support and investment in BRIDG. As a world leader in nano and digital technologies, we were the first of hopefully many organizations attracted to NeoCity based on the strong commitment from both Osceola County and the University of Central Florida.

As an organization that collaborates with both industry and academia, our partnership with UCF and BRIDG is what continues to make this a valuable place to expand our global footprint in the U.S. Your continued support of BRIDG is vital to leveraging the tremendous local and state investments that have already been made and to our collective efforts toward economic diversification and elevating UCF and the region as a leader in technology.

As a result of the Central Florida community partners' decision to stand up BRIDG, imec has invested significantly in building operations and teams here at NeoCity, which includes several research projects, PhD students, professors, and graduates from UCF's technology schools. Today, we have more than 30 fulltime staff members at imec USA and actively engage with UCF researchers and students in support of substantial projects important to our state, such as python detection technology. A key component of our business growth strategy is the infrastructure that BRIDG provides, which greatly influenced our decision to expand and directly impacts our future success plans.

I hope you will continue your support for BRIDG as you consider UCF's priorities for future growth and sustainment.

With regards,

A handwritten signature in black ink that reads "Bert Gyselinckx". The signature is written in a cursive, flowing style.

Bert Gyselinckx  
Managing Director imec USA

## THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA

817 Bill Beck Boulevard • Kissimmee • Florida 34744-4492  
Phone: 407-870-4600 • Fax: 407-870-4010 • [www.osceolaschools.net](http://www.osceolaschools.net)

### SCHOOL BOARD MEMBERS

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District 3 – Tim Welsheyer  
407-361-0235  
District 4 – Clarence Thacker – Chair  
407-870-4009  
District 5 – Ricky Booth  
407-870-4009



Superintendent of Schools  
Dr. Debra P. Pace

November 12, 2019

### Via U.S. Mail

University of Central Florida  
Attn: Board of Trustees / Board Chair Beverly Seay  
Board of Trustees / David Walsh  
Interim President Dr. Thad Seymour  
4000 Central Florida Blvd.  
Orlando, Florida, 32816

Dear Chair Seay, Trustee Walsh, and Interim President Seymour:

This letter is being sent to demonstrate the School District of Osceola County's strong support for BRIDG.

As you may be aware, the School District has made a \$15M investment in standing up NeoCity Academy, located no more than a few hundred yards away from BRIDG, in order to support the future STEM workforce needs in NeoCity and Central Florida. Because of BRIDG and the investments made in NeoCity the School District decided to move forward with the establishment of this school no more than 3 years ago. Fast forward to today, NeoCity Academy had its grand opening at the start of this school year.

We fully support the long-term vision of growing a high tech and high wage workforce in our region. At the heart of the long-term vision is BRIDG. We have viewed BRIDG as a catalyst for economic development in our region. Our students have benefited from our association with BRIDG, whether that be through nanotechnology programs we jointly host, or regular tours of BRIDG that our students participate in, or the opportunity our students have in being inspired by BRIDG's engineers and scientists.

It has come to our attention that the University of Central Florida may be making decisions on how it prioritizes projects in which it supports. The School District of Osceola County is encouraging you to continue to support BRIDG and stay the course the University embarked upon in 2014 when the Osceola Board of County Commissioners and the UCF Board of Trustees agreed to launch BRIDG.

Respectfully,

  
Clarence Thacker  
Board Chair

  
Dr. Debra Pace  
Superintendent



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Tel: 407-944-5000  
www.tohowater.com

November 12, 2019

Dear Chairwoman Seay, President Seymour, and Trustee Walsh:

Toho Water Authority (Toho) is writing to encourage you to continue your support and investment in BRIDG.

Toho is investing significantly in building its infrastructure at NeoCity, including \$3.2 million for a highly specialized ultra-pure water and acid waste neutralization facilities and \$47.7 million for an on-site alternative water supply reservoir, production facility and distribution system underway within the NeoCity. The financial commitment of \$50.9M into BRIDG and NeoCity by the Toho Water Authority Board of Supervisors was based in large part by UCF's commitment to the project. That commitment was for UCF to lease the Center for Neovation and operate that facility for 40 years and in turn engage BRIDG to maintain and operate the facility. The advanced treatment system was put in place by Toho Water at a cost in excess of 3 million dollars alone. BRIDG is the party that maintains this system. Again, the trust and investment was made out of a belief that UCF would stand up to its commitment.

Toho is the largest provider of water, wastewater, and reclaimed water services in Osceola County, serving over 100,000 customers in Kissimmee, Poinciana, and unincorporated areas of Osceola County. Established for the sole purpose of providing regional stewardship over water resources in Osceola County, we stand strong and unwavering in our support of BRIDG and believe that BRIDG is a key catalyst to positively impacting our region's economic transformation. Your continued support of BRIDG is vital to leveraging the tremendous local and state investments that have already been made and contributes greatly to our collective efforts toward economic diversification..

Joining with our partners across the region and state, I commend the University for making the bold decision to be a visionary founder in standing up the BRIDG infrastructure and strongly urge you to continue the support provided to this invaluable organization. With your continued support, the opportunities for business as a result of BRIDG will be substantial. Without UCF's support, the momentum that has been building to fruition over the years and the success of our mutual investments will be jeopardized. Each and every partner is critical at this juncture and we encourage you to continue your full support and investment in the partnership that is BRIDG.

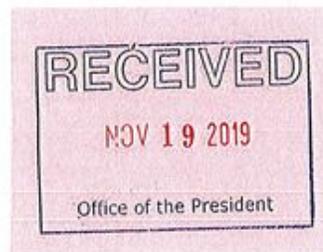
With regards,

Clarence L. Thacker  
Chairman, Board of Supervisors  
Toho Water Authority

cc: Scott Cole, Chief Counsel, University of Central Florida ([scott.cole@ucf.edu](mailto:scott.cole@ucf.edu))

CLT/ncd

**Congress of the United States**  
**Washington, DC 20515**



November 13, 2019

Dr. Thaddeus Seymour, Jr.  
Interim President  
University of Central Florida  
P.O. Box 160002  
Millican Hall, Room 308  
Orlando, FL 32816-0002

Ms. Beverly Seay  
Chair, Board of Trustees  
University of Central Florida  
Office of Board Relations  
P.O. Box 160002  
Orlando, FL 32816-0002

Dear Dr. Seymour and Chair Seay:

As a founding supporter, the University of Central Florida (UCF), together with Osceola County and the Florida High Tech Corridor Council, have made it possible for BRIDG to become a reality and begin the shift of bringing the microelectronics sector to Florida. In order to retain the leading edge for our warfighters, we must take the necessary steps to increase domestic development and manufacturing capacity for critical emerging technologies.

Because of UCF's continued support, BRIDG is well positioned to provide the Department of Defense (DoD) with this critical, next generation technology that will strengthen national security and cyber resiliency for the United States defense industrial base. This effort has received strong bipartisan support in Congress. In the past month, the Department of Defense's Industrial Base Analysis and Sustainment office awarded BRIDG its first major federal defense contract. The contract is estimated to yield more than \$20 million to provide a new technology for next generation microelectronic multi-chip systems that will strengthen national security and cyber resiliency for the United States defense industrial base. Congress has received advance notification of another significant contract which is expected to be awarded early next week whereby BRIDG will serve as the prime contractor for an effort that is considered a vital element of securing the microelectronics supply chain. This contract is further recognition that BRIDG and its Public Private Partnership with Osceola County and UCF are bringing the right structure and capabilities to support DoD and the broader defense related industrial base.

Since the opening of the state-of-the-art, 109,000-square-foot advanced manufacturing facility, BRIDG has acquired high-tech 200mm wafer-processing tools to enable researchers to push the limits of advanced sensors, optics, photonics and advanced-system miniaturization manufacturing in order to offer industry solutions for next-generation nanoscale production. It is through the investments made by UCF along

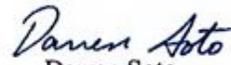
with state and local government, which have provided BRIDG the opportunity to be the ideal candidate to meet the needs of our national security enterprise.

We applaud the leadership displayed by the University of Central Florida through its support in establishing BRIDG. We appreciate your efforts as it grows into the disrupter our microelectronics industry needs to transform the defense industrial base.

Sincerely,



Marco Rubio  
U.S. Senator



Darren Soto  
Member of Congress