Proposal for Allotment of $57 Million in FCC Auction Proceeds

Guiding Principles

1 KVCR INVESTMENT

2 Mandated Transition & Modernization (see attached)

3 UHF-to-VHF Transition $2,445,000
4 Technology Core Modernization 12,517,260
5 Project Contingency 1,037,740

6 Subtotal Transition & Modernization $16,000,000 2,3,8,9

7 Operations Deficit for Three Years (Necessary for Fiscal Independence)

8 (2017-18, 2018-19, 2019-20) $5,000,000 2,5,9

9 TOTAL KVCR INVESTMENT $21,000,000

10 ONE-TIME ALLOTMENT TO COLLEGES†

11 SBVC (69.71%) $6,971,000
12 CHC (30.29%) 3,029,000

13 TOTAL COLLEGE INVESTMENT* $10,000,000 1,2,7,9
14 ONE-TIME ALLOTMENT TO DISTRICT OFFICE $1,000,000 1,2,7,9

15 ESTIMATED SBCCD EXPENDITURE REIMBURSEMENT $2,000,000 1,2,4,6,9

16 TOTAL ALLOCATION CURRENTLY PROPOSED $34,000,000

17 PROPOSED FOR FUTURE CONSIDERATION

18 KVCR Endowment of Building Purchase for Rental Income 10,000,000 1,2,5,8,9,10
19 Media Academy $2,000,000 1,2,8,9
20 Building Purchase for Offsite Campus Center & Rental Income 11,000,000 1,2,6,8,9,10,11,12

21 TOTAL PROPOSED FOR FUTURE CONSIDERATION $23,000,000

22 GRAND TOTAL OF UNALLOCATED FCC AUCTION PROCEEDS $57,000,000

†Based on Resource Allocation Model (www.sbccd.org/bfs/2017-18Budget)

*Colleges also received $20 million in early 2018 as an investment in the Pension Rate Stabilization Trust (STRS/PERS) per FCC Guiding Principles 1,2,6,8,9,10,11, and 12.
Guiding Principles for the FCC Auction Proceeds Strategic Financial Plan

Overarching

1. Our students are our core mission and we will focus our resources on their success.
2. All FCC auction proceeds activity shall be transparent.

One-Time Expenditures

3. SBCCD will use the proceeds as a one-time investment in KVCR for the mandatory transition costs from UHF to VHF over-the-air and current broadcast standards.
4. SBCCD will be reimbursed for all costs related to the FCC auction.
5. One-time fund proceeds should help KVCR reach financial sustainability within a specified, board-approved timeframe.
6. The district unrestricted general fund balance shall be restored to a range of 12-15%.
7. With the exception of items 3-6 above, one-time expenditures shall support the approved program review, and educational and facilities master plans.

Principal Investment

8. Proceeds shall be invested in a manner that serves SBCCD for years to come.
9. Principal amount shall not be used as a resource for ongoing expenditures unless approved by the Board of Trustees.
10. Investments should include real estate and a diversified portfolio.

Revenue Generated from Investments

11. Revenue generated from the investment of proceeds shall help SBCCD meet its strategic goals as established in the comprehensive master plan.
12. Annual revenue amount shall be subject to annual allocation and follow existing collegial consultation and established budget processes.
KVCR Transition & Modernization Budget: $16,000,000

UHF to VHF Transition
$2,445,000
- Initial Consultant
  Russ Walker
  $15,900
- Project Manager
  Hussain Agah
  SBCCD
- Antenna Contractor
  Jampro
  $590,000
  (Awarded @ $589,064 10/12/17)
- Transmitter Contractor
  Gates Air
  $605,000
  (Awarded @ $603,142 10/12/17)
- Tower Contractor
  TBD
  $750,000
- Other Fees & Consultants*
  As Necessary
  $484,100

Project Contingency
$1,037,740
- Initial Consultant
  Russ Walker
  $12,900
  (Awarded 11/30/17)
- Project Manager
  NCA Studios
  $79,360
  (Awarded 11/30/17)
- Tech Core Designer
  Key Code Media
  $400,000
  (Requested Award @ $366,400 2/8/18)
- Tech Core Contractor
  TBD
  $10,000,000
- Other Fees & Consultants*
  As Necessary
  $190,000

Technology Core Modernization
$12,517,260
- Tecnology Equipment Upgrade
  $10,642,260
- Space Repurposing
  $1,875,000
- Building Architect
  TBD
  $250,000
- Building Contractor
  TBD
  $1,300,000
- Furniture, Fixtures & Equipment
  TBD
  $200,000
- Other Fees & Consultants*
  As Necessary
  $125,000

*Various- attorney, engineer, environmental, inspection, permits, etc.

†Initial budget pending approval.
KVCR Project Update

### UHF-to-VHF Transition

<table>
<thead>
<tr>
<th>Task</th>
<th>Timeline</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antenna Contractor RFP/Award (Jampro) ✓</td>
<td>October 2017 - December 2018</td>
<td>$590,000</td>
</tr>
<tr>
<td>Transmitter Contractor RFP/Award (GatesAir) ✓</td>
<td>October 2017 - December 2018</td>
<td>$605,000</td>
</tr>
<tr>
<td>Tower Contractor RFP/Award</td>
<td>February 2018 - March 2018</td>
<td>$750,000</td>
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<tr>
<td>Tower/Antenna/Transmitter Construction to Occur</td>
<td>March 2018 - December 2018</td>
<td>$---</td>
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<tr>
<td>Initial Consultant Cost (Russ Walker) ✓</td>
<td>July 2017 - September 2017</td>
<td>$15,900</td>
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<tr>
<td>Other fees &amp; consultants as Necessary*</td>
<td>March 2017 - June 2019</td>
<td>$484,100</td>
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</table>

**Total Expected Cost** $2,445,000

### Technology Core Modernization Project

<table>
<thead>
<tr>
<th>Task</th>
<th>Timeline</th>
<th>Estimated Cost</th>
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</thead>
<tbody>
<tr>
<td>Initial Consultant Cost (Russ Walker) ✓</td>
<td>October 2017 - November 2017</td>
<td>$12,900</td>
</tr>
<tr>
<td>Project Manager Award (NCA Studio) ✓</td>
<td>December 2017 - December 2018</td>
<td>$79,360</td>
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<tr>
<td>Technology Core RFP/Award (Key Code Media)</td>
<td>January 2018 - February 2018</td>
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<tr>
<td>Technology Core Design to Occur</td>
<td>February 2018 - June 2018</td>
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<tr>
<td>Technology Core Contractor RFP/Award</td>
<td>July 2018 - August 2018</td>
<td>$10,000,000</td>
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<tr>
<td>Technology Core Modernization to Occur</td>
<td>August 2018 - April 2019</td>
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<tr>
<td>Other fees &amp; consultants as Necessary*</td>
<td>February 2018 - April 2019</td>
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<tr>
<td>Building Architect RFP/Award</td>
<td>February 2018 - March 2018</td>
<td>$250,000</td>
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<tr>
<td>Building Design to Occur</td>
<td>March 2018 - August 2018</td>
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</tr>
<tr>
<td>Building Contractor RFP/Award</td>
<td>October 2018</td>
<td>$1,300,000</td>
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<tr>
<td>Building Construction to Occur</td>
<td>November 2018 - April 2019</td>
<td>$---</td>
</tr>
<tr>
<td>Furniture, Fixtures &amp; Equipment Procurement</td>
<td>November 2018 - April 2019</td>
<td>$200,000</td>
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<tr>
<td>Other fees &amp; consultants as Necessary*</td>
<td>March 2018 - April 2019</td>
<td>$125,000</td>
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**Total Expected Cost** $12,517,260

### Project Contingency

<table>
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<tr>
<th>Task</th>
<th>Timeline</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall KVCR Transition &amp; Modernization Contingency - 7%</td>
<td>October 2017 - April 2019</td>
<td>$1,037,740</td>
</tr>
</tbody>
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**TOTAL INITIAL BUDGET** $16,000,000

†Initial Budget Pending Approval