

# Proposal for Allotment of \$57 Million in FCC Auction Proceeds

			<b>Guiding Principles</b>
KVCR Investment			4
Transition & Modernization (see attached)			
UHF-to-VHF Transition	\$	2,445,000	2,3,8,9
Technology Core Modernization		12,517,260	2,3,8,9
Project Contingency		1,037,740	2,3,8,9
Subtotal Transition & Modernization	\$	16,000,000	
Other			9
Media Academy		2,000,000	1,2,8,9
Operations Deficit for Three Years (2017-18, 2018-19, and 2019-20)		5,000,000	2,5,9
Endowment Investment (Building Purchase/Rental Income)		10,000,000	1,2,5,8,9,10
Subtotal Other	1	17,000,000	
Total KVCR Investment		33,000,000	
College Investments			
SBVC		5,000,000	1,2,7,9
CHC		5,000,000	1,2,7,9
Total College Investments*		10,000,000	
SBCCD Investment			
District Office Program Review		1,000,000	1,2,7,9
TESS/Colleges/Non-Credit Investment (Building Purchase/Rental Income)		11,000,000	1,2,6,8,9,10,11,12
<b>Total SBCCD Investment</b>		12,000,000	
SBCCD Expenditure Reimbursement		2,000,000	1,2,4,6,9
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		57,000,000	

<sup>\*</sup>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.

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# 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.
- 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.
- 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.

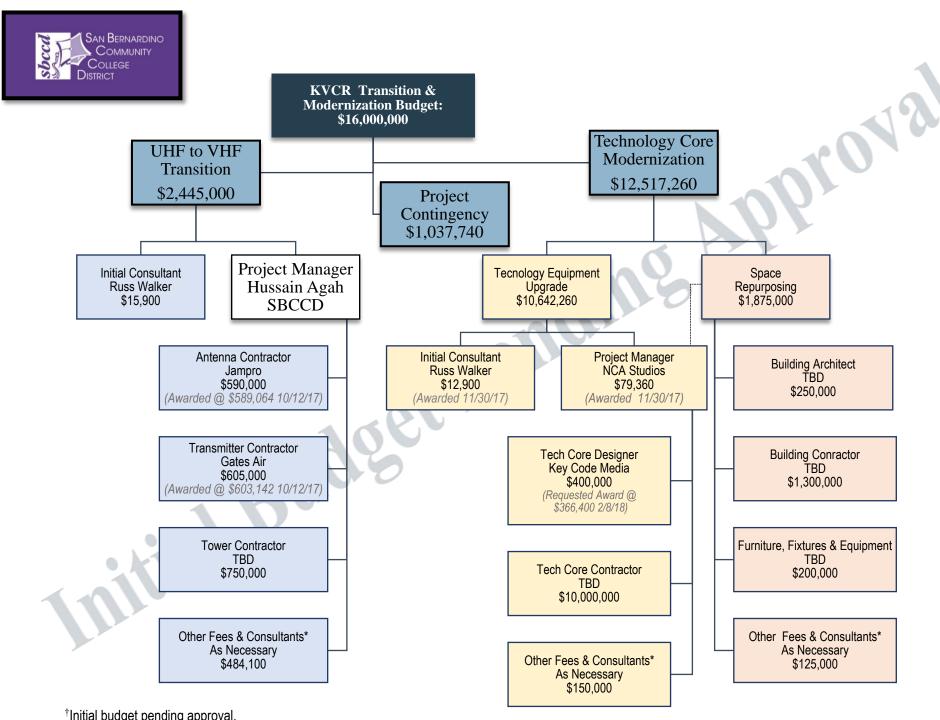
#### **Principal Investment**

- 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.

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<sup>†</sup>Initial budget pending approval.

<sup>\*</sup>Various- attorney, engineer, environmental, inspection, permits, etc.



# **KVCR** Project Update

### **UHF-to-VHF Transition**

	Task	Timeline	E	Estimated Cost
<u> </u>	Antenna Contractor RFP/Award (Jampro) ✓	October 2017 - December 2018	\$	<b>590</b> ,000
Transition	Transmitter Contractor RFP/Award (GatesAir) ✓	October 2017 - December 2018	\$	605,000
UHF to VHF Trai	Tower Contractor RFP/Award	February 2018 - March 2018	\$	750,000
	Tower/Antenna/Transmitter Construction to Occur	March 2018 - December 2018		
	Initial Consultant Cost (Russ Walker) ✓	July 2017 - September 2017	\$	15,900
	Other fees & consultants as Necessary*	March 2017 - June 2019		484,100
		Total Expected Cost	\$	2,445,000

# **Technology Core Modernization Project**

		A A		
		Task	Timeline	Estimated Cost
nent		Initial Consultant Cost (Russ Walker) ✓	October 2017 - November 2017	\$ 12,900
		Project Manager Award (NCA Studio ) ✓	December 2017 - December 2018	\$ <b>79</b> ,360
igi	<u>e</u>	Technology Core RFP/Award (Key Code Media)	January 2018 - February 2018	\$ 400,000
Fechnology Equipment Ungrade	Upgrade	Tecnology Core Design to Occur	February 2018 - June 2018	
	7	Technology Core Contractor RFP/Award	July 2018 - August 2018	\$ 10,000,000
Lech		Tecghnology Core Modernization to Occur	August 2018 - April 2019	
		Other fees & consultants as Necessary*	February 2018 - April 2019	\$ 150,000
	Space Repurposing	Building Architect RFP/Award	February 2018 - March 2018	\$ 250,000
-		Building Design to Occur	March 2018 - August 2018	
		Building Contractor RFP/Award	October 2018	\$ 1,300,000
Ġ		Building Construction to Occur	November 2018 - April 2019	
		Furniture, Fixtures & Equipment Procurement	November 2018 - April 2019	\$ 200,000
		Other fees & consultants as Necessary*	March 2018 - April 2019	\$ 125,000
	(		Total Expected Cost	\$ <b>12,517</b> ,260

## **Project Contingency**

Task	Timeline	Esti	mated Cost
Overall KVCR Transition & Modernization Contingency ~ 7%	October 2017 - April 2019	\$	<b>1,037</b> ,740

TOTAL INITIAL BODGET	TOTAL INITIAL BUDGET <sup>†</sup>	\$	16,000,000
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†Initial Budget Pending Approval