

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

Guiding Principles

KVCR Investment		
Transition & Modernization (<i>see attached</i>)		
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		
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	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
Total SBCCD Investment	12,000,000	
SBCCD Expenditure Reimbursement	2,000,000	1,2,4,6,9
Total Investment	\$ 57,000,000	

*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

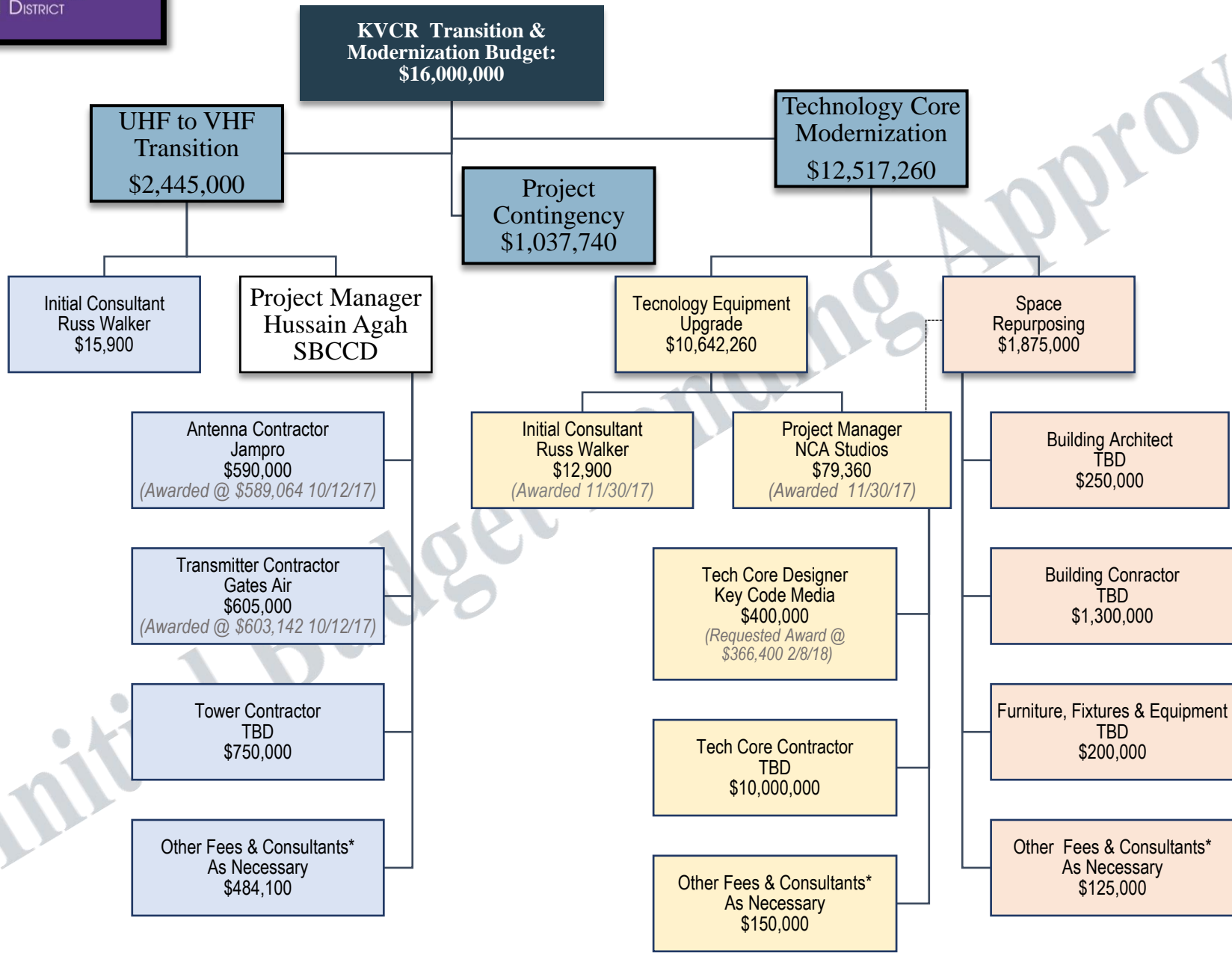
3. SBCCD will use the proceeds as a one-time investment in KVCR for the mandatory transition costs from UHF to VHF over-the-air and current broadcast standards.
4. SBCCD will be reimbursed for all costs related to the FCC auction.
5. One-time fund proceeds should help KVCR reach financial sustainability 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.



†Initial budget pending approval.

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

KVCR Project Update

UHF-to-VHF Transition

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

Technology Core Modernization Project

	Task	Timeline	Estimated Cost
Technology Equipment Upgrade	Initial Consultant Cost (<i>Russ Walker</i>) ✓	October 2017 - November 2017	\$ 12,900
	Project Manager Award (<i>NCA Studio</i>) ✓	December 2017 - December 2018	\$ 79,360
	Technology Core RFP/Award (<i>Key Code Media</i>)	January 2018 - February 2018	\$ 400,000
	Technology Core Design to Occur	February 2018 - June 2018	---
	Technology Core Contractor RFP/Award	July 2018 - August 2018	\$ 10,000,000
	Technology 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
	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			\$ 12,517,260

Project Contingency

Task	Timeline	Estimated Cost
Overall KVCR Transition & Modernization Contingency ~ 7%	October 2017 - April 2019	\$ 1,037,740

TOTAL INITIAL BUDGET† \$ 16,000,000

†Initial Budget Pending Approval