



September 27, 2017

TO: THE DISTRICT BOARD OF TRUSTEES
OF VALENCIA COLLEGE

FROM: SANFORD C. SHUGART
President

RE: DOWNTOWN CAMPUS – FUNDING OF TENANT IMPROVEMENTS

Beginning in the fall of 2019, Valencia and the University of Central Florida will be leasing space in a new building to be constructed within the downtown campus in the area referred to as Creative Village. This building will be home to Valencia's Walt Disney World School of Hospitality and Culinary Arts.

Valencia will be financially responsible for the cost of the Tenant improvements to be constructed within the academic space and restaurant space located on the first floor of the building. The design costs and Tenant improvement costs for both spaces are estimated to total \$14 million, of which the board has already encumbered \$2 million for the advancement of design and initial construction. In addition, of this \$2 million that has been encumbered, the Board approved the College's expenditure of \$836,000 for design services. All Tenant improvement work will be performed on Valencia's behalf through the landlord in accordance with the lease requirements. The landlord has engaged Cannon Design and Baker Barrios for design and Batson-Cook for construction. Milestones and cost review measures will be taken to ensure that the work is completed in an efficient manner to ensure the project remains on time and on budget.

The build out will complete the third floor, which is shared space with UCF, and floors four and five which will be solely occupied by Valencia. The approximately 55,000 square foot leased space will encompass a 4,600 square foot restaurant on the first floor, 6 main kitchens and 1 specialty kitchen, classrooms, shared student space and offices for the staff who will be located on this campus. The project timeline is focused on ensuring that the space can be opened in time for the fall 2019 academic year.

RECOMMENDED ACTION:

The President recommends that the District Board of Trustees of Valencia College approve the expenditure of \$13,164,000 to complete the design and construction of the Tenant Improvements to the leased space in the new building to be constructed within the Creative Village Campus. This amount includes \$1,164,000, representing the remaining funds previously encumbered but unspent for design purposes, and also includes \$12,000,000 to fund fully the remainder of the Tenant Improvements associated with the leased educational space (Source of funds: \$6 million coming from operating funds (Fund 1) and \$6 million from existing capital improvement fee funding (Fund 7)).

President