



July 23, 2014

TO: THE DISTRICT BOARD OF TRUSTEES
of Valencia College

FROM: SANFORD C. SHUGART
President

RE: Lease Agreement with Valencia College Foundation for District Office Building

The Valencia College Foundation purchased a 57,680 square foot building in Metrowest, near the West Campus, which it leases to the College. In accordance with the Lease Agreement, the rent amount to be paid by the College reflects a 6.75% return on the Foundation's total cost basis for the amount expended on acquisition of and structural improvements to the building. In addition, the term of the lease shall begin on the Rent Commencement date, the first date the College took occupancy of the District Office Building, and expire after 60 years from this date. The proposed amendments to the terms of the lease agreement, based on the final determination of the Foundation's initial cost basis and the College's actual occupancy date are provided below.

Term: 4/1/2014 (Rent Commencement date) – 4/30/2074

Rent: \$456,461 per year, payable semi-annually on January 1 and July 1 of each year (rent prorated for the initial year and final year)

Cost per Square Foot: \$7.91

RECOMMENDED ACTION:

The President recommends that the Board of Trustees approve the updated lease terms and to amend accordingly the Lease Agreement between the Valencia College Foundation, Inc. and Valencia College, for the lease of the District Office facility.



President