



June 22, 2016

TO: THE DISTRICT BOARD OF TRUSTEES
OF VALENCIA COLLEGE

FROM: SANFORD C. SHUGART
President

RE: Downtown Creative Village Campus – Memorandum of Understanding

In order to begin the process of establishing its presence, along with that of the University of Central Florida, within the emerging Downtown Creative Village Campus, Valencia College seeks to enter into a Memorandum of Understanding (MOU) with Ustler Development, Inc. and KUD International LLC. The MOU will identify the basic parameters of the parties' responsibilities and commitments (which will ultimately be clarified and incorporated in a development agreement) and describe a mutually agreed upon process by which the parties will acquire information and arrive at agreements in furtherance of the development of the student housing/academic center project at the new campus. A portion of this new facility will be leased and built out by Valencia to house academic programs and related uses, and parts of which will be made available to Valencia students, through the University of Central Florida (UCF), for housing, parking, and student support purposes. A summary of the major deal points to be addressed by the MOU is attached.

RECOMMENDED ACTION:

The President recommends that the District Board of Trustees of Valencia College authorize the College to enter into a MOU with Ustler Development, Inc. and KUD International LLC consistent with the deal points specified in the attached Summary of MOU.



President

**The District Board of Trustees of Valencia College, Florida
Downtown Creative Village Campus**

Summary: MOU with Ustler Development, Inc. and KUD International LLC

June 22, 2016

- BACKGROUND:** This MOU is designed to describe the mutually agreed upon process by which the parties will acquire information and arrive at agreements in furtherance of the development of a student housing project at the new UCF/Valencia downtown campus at Creative Village, part of which will be leased by Valencia to house academic programs and related uses, and parts of which will be made available to Valencia students, through the University of Central Florida (UCF), for housing, parking, and student support purposes.
- PARTIES:**
- Lessee:** The District Board of Trustees of Valencia College, Florida (Valencia)
- Lessor:** Ustler Development, Inc. and KUD International LLC (U/K)
- LEASED SPACE:** Approximately 50,000 square feet of space for the Valencia College culinary facility and related space, which may include a ground-floor restaurant and black box performance space. U/K will deliver the space in shell condition; Valencia will be responsible for tenant build out and furniture, fixtures and equipment. Parking for Valencia staff and visitors will be addressed. Valencia to pay for its own utilities (space will be separately metered) and janitorial.
- RENT:** Rent shall be nominal as mutually agreed upon.
- TERM:** Initial term of not less than forty (40) years, plus two ten (10) year extension terms, each of which may be added at the option of Valencia.
- BARGAIN LEASE:** The amount of the difference between the Valencia rent rate and the market rate, as mutually agreed upon, shall be considered a donation to Valencia which may be recognized by the Valencia Foundation as a donation by U/K to Valencia to the extent allowed by federal tax laws and regulations.
- STUDENT HOUSING AND PARKING:** UCF and U/K will enter into a management agreement whereby UCF will manage student housing facilities, with specifications for the allocation of student beds to Valencia students and Valencia good faith efforts to satisfy the allocation as mutually agreed upon by U/K, UCF and Valencia. Parking for Valencia students will be addressed.
- FUTURE AGREEMENTS WITH U/K:** Development Agreement, incorporating and clarifying terms of MOU; Lease (with Work Letter) for buildout and use of space for Valencia culinary facility and related space.