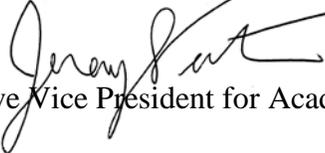




April 26, 2017

TO: Members of the Board of Trustees

FROM: Scott A. Jordan 
Executive Vice President for Administration and Chief Financial Officer

Jeremy Teitelbaum 
Interim Provost and Executive Vice President for Academic Affairs

RE: Project Budget for UConn Bookstore in Downtown Hartford
(Final: \$1,531,000)

RECOMMENDATION:

That the Board of Trustees approve the Final Budget of \$1,531,000 for construction services related to a new retail facility in downtown Hartford that will be used to operate a campus bookstore and café.

RESOLUTION:

“Be it resolved that the Board of Trustees approve the use of \$1,531,000 in University funds provided from the guaranteed Barnes and Noble revenue for the construction of the new downtown Hartford bookstore and café.”

BACKGROUND:

Barnes and Noble (B&N) was selected last year to operate UConn’s bookstores. After considerable due diligence, analysis and negotiation, the retail space at 20 Front Street, Hartford, CT was selected as the site for the bookstore and café, which is located immediately across the street from the new downtown UConn Hartford Campus. UConn will lease the retail facility from FSD Apartments, LLC (“FSD”). FSD is the owner of the facility and an affiliate of HB Nitkin Group, the developer of the main building of the new UConn Hartford campus. The Board previously approved the terms of the lease of the retail space and estimates of the initial construction were included in that resolution.

The full cost of the project is \$3,200,000. UConn’s portion is less than half at \$1,531,000. The final budget is approximately \$500,000 more than the initial estimate due primarily to market conditions, specifically in the electrical and mechanical portions of the bids. FSD is responsible for delivering the leased premises to UConn in agreement upon “vanilla box” conditions. B&N

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will provide \$1 million towards the capital investment, and FSD will contribute \$669,000. UConn is responsible for reimbursing FSD for any additional costs above this amount associated with this work, which will not exceed \$1,531,000. Per our contract with B&N, UConn is guaranteed \$3.5 million of operating funds for the first two years of the contract. In addition, UConn will receive an additional \$1 million in guaranteed operating revenue for the first two years the downtown Hartford store is open. The guaranteed bookstore revenue proceeds will be used to pay UConn's portion of the construction costs for the downtown Hartford bookstore and café.