



NORTHWEST FLORIDA STATE COLLEGE

Memo

To: Board of Trustees
From: Dr. Devin Stephenson, President
Date: October 18, 2022
Re: Student Housing Update

Since the Board's September meeting, the College has continued to pursue several options for student housing:

1. The College informed Zimmer Development Company of the Board's decision to pursue options in addition to Zimmer, given Zimmer has not been able to secure permanent financing. Zimmer did not object, understanding the timeline, and indicated that it will continue to work with its chosen lender on financing terms. Zimmer has not notified of us any progress as of October 3.
2. In September, the College received a letter of interest from The Jay Odom Group stating their interest in developing student housing and asking for 30-45 days of due diligence. They toured the site on September 29, and the College has provided information on the site, the project, and the market study. The College anticipates more details no later than November 3, which is 45 days from the letter of interest.
3. Finally, the College has discussed with BAF, the current owner of the off-campus apartments that houses our student athletes, options beyond the three-year lease for a set of units for our student athletes. BAF is interested in continuing to have NWFSC students in its units and/or in leasing ground to build student-only housing on the Niceville Campus. BAF did not participate in the initial solicitation because developing new housing is not its primary line of business, but they are interested in a limited project with the College due to their proximity and their existing relationship with the College.

With any of the three options, newly constructed housing would now open in 2024. Unless facts change significantly, the College anticipates housing its student athletes with BAF for the third and final year designated in the current lease agreement. The continuation of the lease with BAF will deplete the funds dedicated to the student housing project from the Foundation's sale to approximately \$1 million.

The College also anticipates that, in any of the three scenarios, scholarships for housing student athletes paid out of Fund 3 Auxiliary Revenues will be at least \$450,000 in 2024 and, under Zimmer's model, up to \$575,000 in 2024 for solely the housing component of the scholarship. The housing scholarships would likely increase annually as students' rent increases. The College intends to offset a portion of the housing scholarship cost through the revenue received by leasing land for the development and is taking the housing scholarship costs into consideration as we move forward with available options.