



NORTHWEST FLORIDA STATE COLLEGE

Memo

To: Board of Trustees
From: Dr. Devin Stephenson, President
Date: June 20, 2023
Re: South Walton Expansion Update

The South Walton expansion is moving forward with Seacoast continuing to secure financing. Seacoast has engaged borrower's counsel, who is assisting Seacoast to assess bonding and other construction financing, and the College is actively providing the supporting information necessary. Their legislative request received approval for \$9 million and is awaiting the Governor's final approval of the budget. They continue to develop a Triumph Gulf Coast pre-application. The Seaside School Foundation is also engaging with donors for individual donations, and their update on donations is included in your materials. The College will continue to update the Board regularly ahead of the financing deadline in September.

Also included with this update is the existing facilities lease, which runs through June 30, 2024, because it has not been terminated during the period of the expansion. The Lease approved by the Board in 2021 provides, "The Lease shall be for a period of two (2) years commencing July 1, 2021, (through June 30, 2023) and will be renewed annually thereafter. The College and the Lessee may mutually agree to extend the term of the lease for such period and upon such terms as they shall agree. If neither party provides written notice to the other at least 180 days prior to the end of the designated term that the lease shall terminate at the end of the designated term or the end of any renewal term hereunder, this Lease shall automatically be extended for an additional year upon the same terms as the original lease period." The intention for annual renewals was to run the existing facilities lease alongside the expansion, terminating the existing facilities lease at the time that the expansion was open or earlier if the expansion project did not continue. Six months' notice would give Seacoast time to locate different facilities, if necessary. If the Board for any reason (other than breach of the lease by Seacoast) chose to non-renew the existing lease (which concludes on June 30, 2024), the Board must take that action and notify Seacoast six months before the end of the lease, which would be approximately the November 2023 Board meeting.