



NORTHWEST FLORIDA STATE COLLEGE

Memo

To: Board of Trustees
From: Dr. Devin Stephenson, President
Date: August 16, 2022
Re: On Campus Student Housing Development

In March, Zimmer Development Corporation bid on the College's on-campus student housing development solicitation, and the Evaluation Committee recommended Zimmer for award. In April, the Board agreed that the land subject to a ground lease would be located on the vacant property to the right of the main entrance to the College off College Boulevard.

Since that time, Zimmer's on-site survey team has visited the site, Zimmer and the College have developed a draft ground lease, and Zimmer has worked with its financing team to ensure both construction and permanent financing for the project. Zimmer has secured construction financing but continues to seek permanent financing for the project. Permanent financing has taken longer due to changes in the lending market for student housing post-COVID, which Zimmer did not anticipate at the time of proposal. Lenders are seeking high security that the debt can be serviced through high occupancy of units.

While the College will not guarantee occupancy or take on any financial obligation for the project, the College has assured Zimmer that its student athletes on athletically related aid will live in the units and has connected Zimmer to local lenders. The College has actively provided data and information to Zimmer to support its financing search, directed Zimmer to local lenders and potential investors who are familiar with the College and the demand for housing in the College's service area, and has offered to speak with Zimmer's chosen lenders to explain the unique operations of a Florida College System institution in Northwest Florida. In July, the College began the second year of housing student athletes off-campus in the BAF-owned units, which are fully paid for through the proceeds of the Foundation's sale of that housing in summer 2021. The College intends to bring the Board in September either another update or, if Zimmer secures financing, a ground lease.