

NWFSC Special Foundation Board of Directors Meeting  
March 16, 2021 8:00 a.m.  
Morell Room 302, SSC, Niceville Campus

**Directors Present:**

Eric Aden	Jonathan Ochs
Bo Arnold	J.D. Peacock
Wayne Campbell	Rhonda Skipper
Cindy Frakes	Ken Wampler
Heather Kilbey	Cecil Williams
Gordon King	Stephen Wolfrom
Donald Litke	Alan Wood
Jeff McInnis	

**Directors Present via Zoom Teleconference**

Steve Rhodes  
Hu Ross  
Steve Wills

**Staff Present:**

Shiri Brandenburg	Kira Magruder
Kelly Copeland	Carla Reinlie
Cristie Kedroski	

**Others Present:**

Mike Chesser	Jeanette Shires
Gloria Frazier	Devin Stephenson
Deidre Price	Randy White
Whitney Rutherford	

**Call to order:**

Mr. Peacock called the meeting to order at 8:01 a.m.

**Welcome Board Members and Guests:**

Mr. Peacock welcomed board members and guests.

**Approval of Teleconference:**

Members Steven Rhodes, Hu Ross, and Steve Wills were present via Zoom teleconference. **No objection to members participating via teleconference.**

**Approval of Agenda:**

Approval of agenda. **Motion to approve agenda, Ken Wampler, Second; Cecil Williams. Motion carried unanimously.**

**Sale and Leaseback of College Apartments:**

Mr. Ochs stated the March 16<sup>th</sup> Special Meeting of the Foundation was called in order to review and discuss the current offer from Lurin Multi-Family Acquisition Group, LLC.

**Background of College Courtyard Apartments:**

Mr. Ochs provided a brief background on the College Courtyard Apartments including purchase date, purchase price, how the units are currently being used, and yearly expenditures associated with property management.

**Background on the Foundation's Decision to Sell the College Courtyard Apartments:**

Mr. Ochs gave a brief overview on the Foundation's decision to sell. In November 2019 the College expressed interest in developing on-campus housing. An appraisal was completed on the College Apartments in January 2020 and as a follow-up, a reserve study was completed in July 2020. Based on the appraisal and reserve study, in January 2021 the Foundation Finance Committee released a Request for Information (RFI) to seek professional real estate consulting and property listing services. Five RFI's were received, and based on a competitive scoring process, ERA American Real Estate ("ERA") was selected as the brokerage firm to represent the Foundation. The College Apartments were listed for sale in February 2021 at a list price of \$6.8 million.

**Progress on Offers for College Apartments:**

Mr. Ochs stated as of March 11<sup>th</sup> there have been four offers to purchase the College Courtyard Apartments. Lurin initially submitted a Letter of Intent, without Leaseback terms, for \$6.8 million. Through negotiations, the Foundation, the College, and Lurin reduced their principle terms to a draft Purchase Agreement with Leaseback Addendum.

**Offer Presented for Discussion at this Meeting:**

Mr. Ochs presented the draft Purchase Agreement and Leaseback Addendum for the property sale and leaseback of 32 units. The details of the agreement were discussed at length by board members.

**Allocation of Revenue from the Sale of the College Apartments:**

Mr. Ochs presented the revenue allocation from the sale to cover any closing costs allocated to the Seller, payoff of Foundation's internal loan, and dedicating remaining funds to cover the three-year leaseback for athlete housing including the cost of utilities for three years. The remaining profit, following reconciliation of the closing costs, internal loan, and leaseback, plus the current Raider Housing fund balance will be dedicated to future student housing initiatives. Ms. Kilby mentioned that only one year of utilities was represented in staff calculations and that it should be three years, making the total amount needed for student housing during the leaseback period is approximately \$1.3 million. This profit is estimated at approximately \$1.65 million based on the aforementioned figures.

**Recommendation:**

The Northwest Florida State College Foundation Board agrees to:

- (a) adopt the terms of the Purchase Agreement, Leaseback Addendum, and Incorporated Rider with Lurin Multi-Family Acquisition Group, LLC, for sale of the College Apartments.
- (b) authorize the Executive Director of the Foundation and Secretary to the Board of Directors to sign the Purchase Agreement, Leaseback Addendum, and Incorporated Rider following receipt of a signed copy from Lurin Multi-Family Acquisition Group, LLC.
- (c) authorize the Executive Director of the Foundation and Secretary to the Board of Directors to make necessary amendments to the Purchase Agreement, Leaseback Addendum, and Incorporated Rider, except for amendments to the principle terms that are outlined in section V of this memorandum.

- (d) allocate profits from the sale to pay closing costs, the internal loan, and the three-year leaseback expenses with all remaining funds provided to the college to support future residential housing needs of the institution.

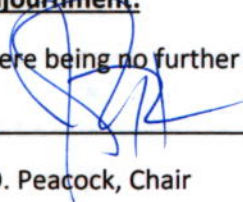
Member Cindy Frakes recused herself. **Motion to approve recommendation and corrected allocation of revenue, C. Jeff McInnis, Second; Cecil Williams. Motion carried unanimously.**

**Announcement:**

Next regularly scheduled Board meeting is May 5, 2021 at 8:00 a.m.

**Adjournment:**

There being no further business, the meeting adjourned at 9:43 a.m.

  
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J.D. Peacock, Chair

5-5-21  
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Date

  
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Cristie Kedroski, Secretary

5-5-21  
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Date