

IPEDS 2008 Conference: Higher Education and Real Estate

Maximize the Value of the Real Estate Assets of Higher Education Institutions

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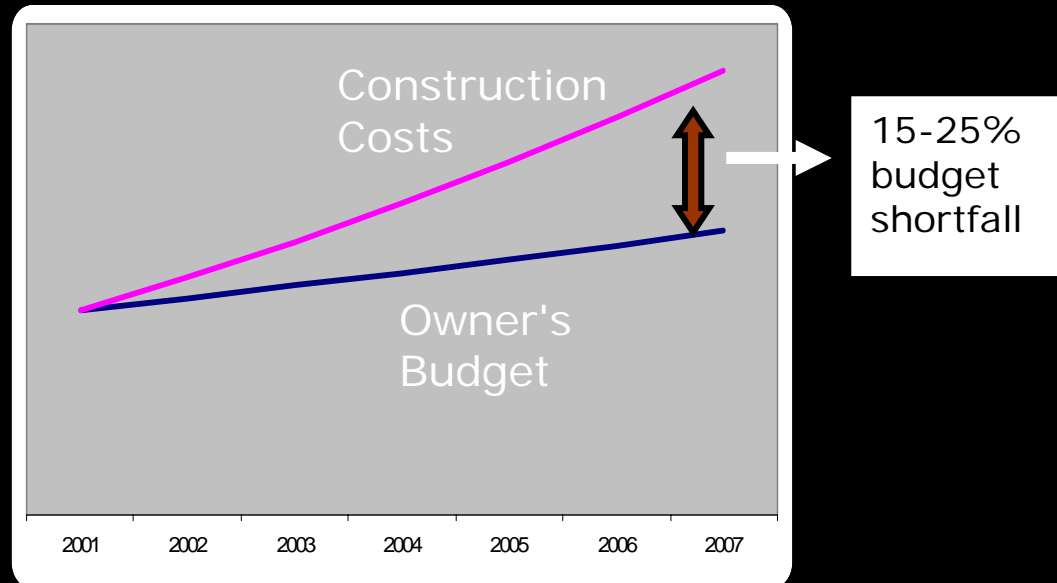
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BRAILSFORD & DUNLAVEY



TRENDS TOWARDS ALTERNATIVE FINANCING & PARTNERSHIPS

- Limited State Financial Support
- Speed of Delivery & Execution
- Increasing Construction Costs
- Allow for greatest expertise
- Community Partnerships



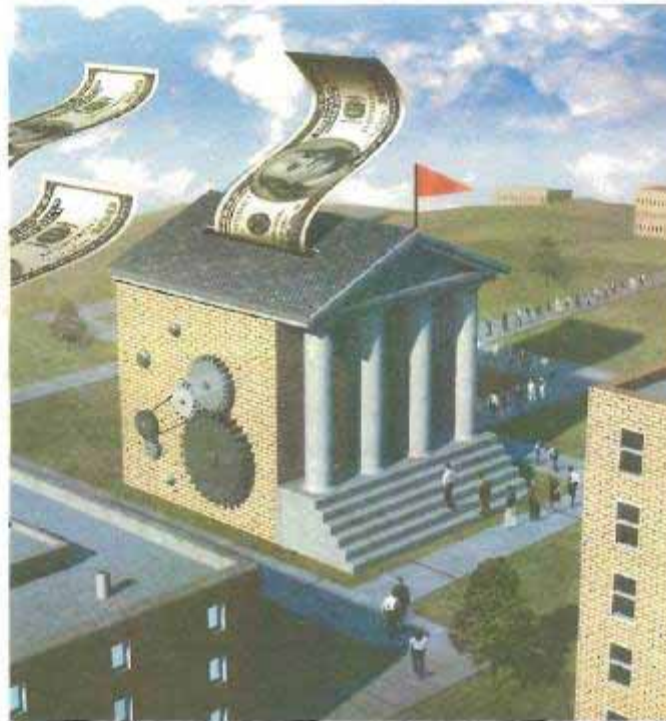
TRENDS TOWARDS ALTERNATIVE FINANCING & PARTNERSHIPS

THE CHRONICLE

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Cities' New Economic Engines



In the Rust Belt and elsewhere, universities are asked to replace dying industries, but the expectations are often unrealistic: A18

TRENDS TOWARDS ALTERNATIVE FINANCING & PARTNERSHIPS

- Less defined campus edges
- Off-campus university bookstores make for strong anchors
- College towns potentially incubate new business
- Student population accounts for 20% of the market*
- Successful college towns consists of high-end national (30%) as well as local merchants (70%)*



*Source: Ayers Saint Gross

MARSHALL UNIVERSITY – WELLNESS CENTER & STUDENT HOUSING



- Initial RFP for design services
- Revised RFP Issued for full development services including:
 - Health/Wellness Center
 - Student Housing
- Campus/state limited debt capacity
- Developer led process
- 120,000 gsf Wellness Center
- ~780 beds of housing

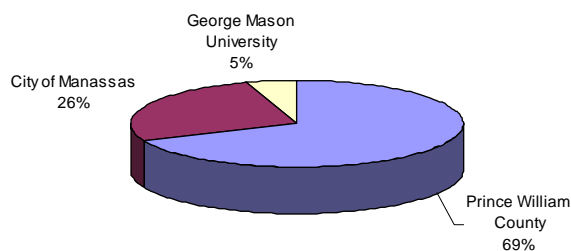


Option A1 - View From Campus Between New Student Housing

GEORGE MASON UNIVERSITY – FREEDOM CENTER



FY 2004 Usage



- Limited Recreational Facilities in Prince William County
- Tri-partite Agreement with George Mason U, city of Manassas, and Prince William County
- Facility covers operating costs plus a portion of debt service
- Remaining debt service split based on usage
- Over 600k users a year
- Over 5,000 members, 7,000 memberships
- Discussing an expansion
- New Performing Arts Center looking at similar operating model

CURRENT SITUATION

- Considerable loss of regional manufacturing jobs
- Suburban development causing decline of boroughs as commercial hubs
- Changing demographics, “graying” population
- Fragile downtown Lewisburg with independent retail
- Rising threats to a Heartland Region core community



TOWN – GOWN DYNAMICS

- Increasing competition for high school graduates
- Increasingly sophisticated student and faculty/staff quality of life expectations
- Universities expected to look beyond campus

- Courting of the “creative class”
- Diversity of sports, cultural, and learning activities
- Building a “creative ecosystem” to attract 21st century jobs and workers

First Initiative: Neighborhood Improvement Projects



CURRENT NEIGHBORHOOD PROJECTS



- Main Street & Elm Street Grants
- Streetscape and Façade Improvements (1)



- 7th Street Reconstruction (2)



***Second Initiative: Magnifying
Neighborhood Improvements***

UNIVERSITY VILLAGE OBJECTIVES

- Strengthen Recruitment
- Enhance the Neighborhood
- Create Market Street Link
- Define a University Gateway
- Improve Community Relations
- Clarify Faculty / Student Housing Options
- Complement existing retail on Market Street



LEWISBURG NEIGHBORHOOD STUDY AREA



MARKET ANALYSIS CONTEXT



Study Area

- 82 Owners
- 181 Parcels
- 36 Acres

Primary Area

- 53 Owners
- 126 Parcels
- 29 Acres

PROCESS

Community Market

Campus Market

Demand and
Supply
Analysis

Market Feasibility

Preliminary Program

Pro Forma,
Project Uses

Financial Feasibility

Project Concept

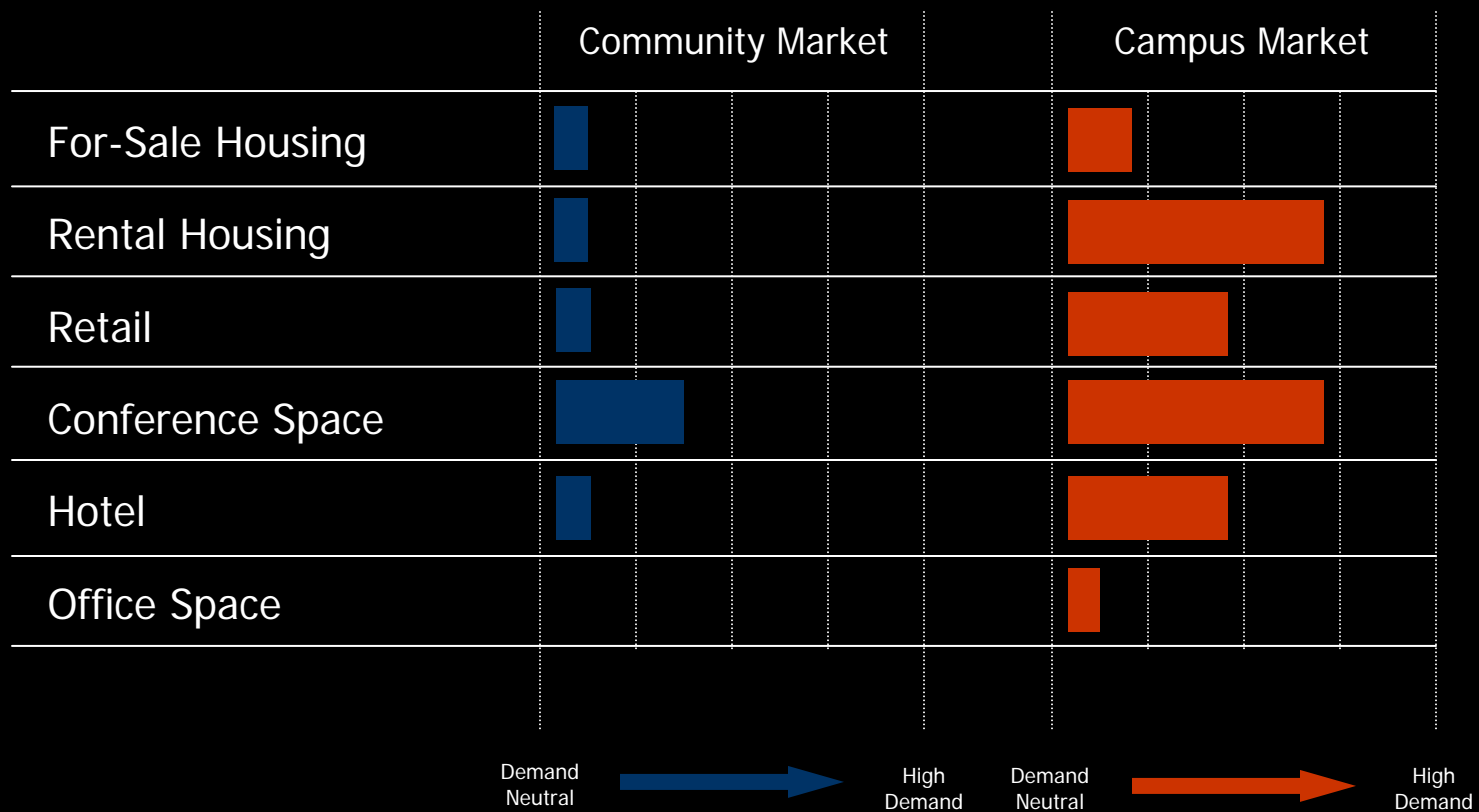
Project Sources,
Project Participants

**Financing Mechanism,
Development Structure**

Implementation Strategy

OUTCOMES

Neighborhood Real Estate Product Drivers



CASE STUDY → Rochester Institute of Technology



RIT COLLEGETOWN - VIEWPOINT 1



Park Point at RIT

Project Drivers

- Create a new front door to campus.
- Increase the sense of community by developing a collegetown on campus.
- Generate revenue for the campus.

Project Statistics

- \$85 Million Mixed Use Development
- 67 Acres
- 67,000 GLA of Retail (100% leased)
- 300 Student Apartments (920 Beds)
(Over 75% leased)

Ownership / Management Structure

- Ground Lease with developer (Wilmorite)
- United Realty Management Company manages the housing.

CASE STUDY → Rochester Institute of Technology



RIT COLLEGETOWN - VIEWPOINT 2

Park Point at RIT

Retail Concepts

- 40k GSF RIT Book Store (B&N)
- Clothing
- Salon/Spa
- Convenience
- Cellular
- Fitness Center

Restaurant Concepts

- Sports Bar
- Pizza
- Coffee
- Asian / Sushi

Lessons Learned

- Wetlands Issue Created Significant Delays
- College wanted more retail/apparel but no demand

