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New Industry Resource: A Guide To Higher Education Public-Private Partnerships

Public-private partnerships (“P3s”) have existed in higher education for decades now, but given their complexity and the ever-shifting landscape around them, questions remain. What opportunities do P3s offer? What challenges do they introduce? What are common misconceptions?

To answer these questions and provide the industry with a resource tailored to P3s for higher education specifically, we developed “A Guide to Higher Education Public-Private Partnerships.” The guide is now available on the Higher Ed P3 Resource Center as a free download.

Topics covered include:

- **What P3s are**—and what they’re not
- **A history** of P3s in higher education, dating back to the 1960s
- **The pros/cons** of engaging in a P3—and a big disclaimer about the logic of thinking in pros/cons
- **Development structures**—some background (including a risk transfer spectrum) and a closer look at three structures (with examples and sample organizational charts)
- **Attributes of a good engagement**, including consistency among all properties, intentional design and construction, and a fair and equitable contract/management agreement, among others
- **Common misconceptions**, including ideas surrounding privatization, asset-type limitations, and P3-related job cuts, among others
- **The value of an advisor** when evaluating and embarking on a P3

[Download the guide here](#). We hope it is useful to you, and we welcome your feedback and further questions.



One Of The First 100% Private Equity Structures Of Its

Kind: Lehigh University's P3 Story



By **Cassia Sookhoo**

Path to Prominence is a plan to grow the student population of Lehigh University, a private school in Bethlehem, Pennsylvania, by over 1,000 undergraduate students and 500–800 graduate students. With a two-year live-on requirement, limited off-campus housing options, and 100% of campus beds already full, Lehigh needed more housing to achieve its vision. Given that the university's capacity is tied up in academic facility improvements like a new College of Health facility and a new University

Center, a P3 was the right answer.

B&D served as Lehigh's development advisor, and after completing a value for money exercise and a strategic asset valuation to identify key risk transfers needed to make the project work, the team decided the best move was partnering with a developer capable of delivering a 100% equity-funded project.

In December 2016, the team engaged with 12 development partners. Three were shortlisted and invited to participate in a competitive RFP. Ultimately, EdR was selected based on a variety of key factors that were favorable to Lehigh. A pre-development agreement was signed in July 2017, a 50-year ground lease was signed in March 2018, and **construction is now underway**. Occupancy of the new **SouthSide Commons** is expected in August 2019.

EdR will own, operate, and manage the 426-bed project, including doing all billing and assignments. At the same time, the team worked to preserve Lehigh's decision-making authority for future new construction of university-owned beds on campus. In order to preserve university control over owned and managed beds, a unique development agreement was developed that served both parties' needs. It allowed Lehigh to continue to fill its beds without significant barriers. As part of agreement, B&D helped negotiate various Key Performance Indicators (KPIs) that are commonly used in concessionaire models or performance incentive P3 structures—making this a noteworthy project in the Higher Ed P3 space.

What Has B&D Been Up To Recently?

Great news! **P3 Bulletin** named **B&D a Technical Advisor of the Year finalist (winner TBD)**. We were thrilled to see that the international organization is also considering for its *Best Education Project* award both **Louisiana State University's Nicholson Gateway** and the **University of South Florida's The Village**; we've served as the advisor on both projects.



Meanwhile, the last few months have involved an exciting flurry of conference-related activity for B&D, and we were honored to actively participate in this year's ACUHO-I activities:

- Brad Noyes co-presented "Assessment and Planning Using a Real Estate Perspective: The UNC Story" at the ACUHO-I Conference & Expo
- Carrie Rollman presented at the National Housing Training Institute
- Jeff Turner and Mekenzie Hord presented "State of the Higher Ed P3 Industry: 2017-18 Detailed Report Analysis" at the ACUHO-I Conference & Expo

- Joe Winters presented at the National Housing Training Institute
- Katie Karp co-presented “Public-Private Partnerships: The Relationship Beyond Financial Close” at the ACUHO-I Conference & Expo

ACUHO-I also recognized Brad Noyes with its Corporate Friend Award, thanking him for sharing his knowledge in service of the campus housing profession. Read more in [ACUHO-I's Talking Stick](#).

Also happening these last few months--our Higher Ed P3 Resource Center has been buzzing with activity. Several new pieces are up, including:

- Michael Baird, Managing Director of RBC Capital Markets, “[The Best Vision Is Insight](#)” ([Make Your Market Study Count](#))
- Dr. Scott M. Helfrich, D.Ed., Director of Housing & Residential Programs at Millersville University and the owner of Student Life Consultants, [Understanding the Campus and Third-Party Manager Relationship](#)
- Tonya Neumeier, Vice President of University and Client Relations at COCM, [Managing P3s \(Part 1\)](#)
- Gary Stewart, Assistant Vice President at Cornell University, [Campus-community strategizing: Not nice, but a must](#)
- [New infographic on the Key Ingredients for a Successful P3](#)

Additional excitements:

- [ENR's list of 2018 Top Program Management Firms](#) came out. B&D moved from 34th to 28th place
- The Edvance Foundation called the Higher Education P3 Resource Center “[the best source available for P3 information](#)”
- Jeff Turner was quoted in *Learning by Design*, via SCUP, in an article called “[Not Just Student Housing: The Next Steps in Public-Private Partnerships](#)”
- Tara Bliss was quoted in a *Foodservice Equipment and Supplies* article called “[Today's Gen Z Preferences](#)”

B&D has three quarterly newsletters (Higher Education, K-12, and Venues). [Learn more.](#)

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