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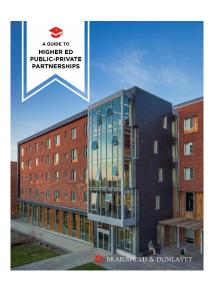




New Industry Resource: A Guide To Higher Education Public-Private Partnerships

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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