

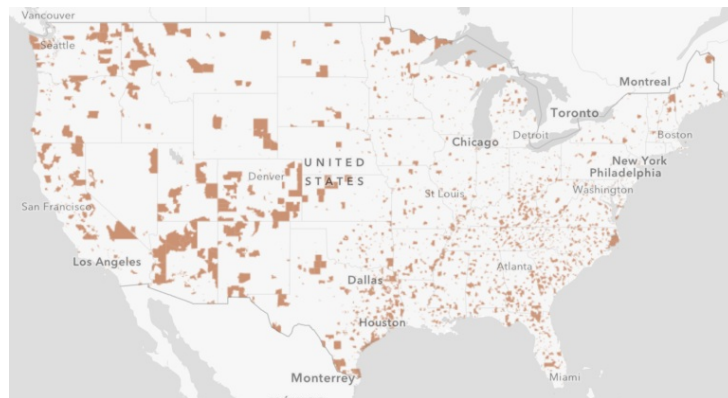


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What Are Opportunity Zones And How Can Schools Benefit?

The Opportunity Zones program is an economic development tool enacted as part of the 2017 Tax Cuts and Jobs Act. The program encourages long-term capital investment in economically distressed communities via substantial federal tax breaks. While colleges and universities are not intended as the main beneficiaries of the program, there is ample opportunity for schools to benefit.



Which schools? Maybe yours. The U.S. Treasury has officially designated **8,767 census tracts** as Opportunity Zones across all 50 states, all territories, and Washington, DC. Per the *Wall Street Journal*, areas dense with students can qualify due to students' low-income status. And indeed, many schools are in, adjacent to, or near an Opportunity Zone. To see if yours is one, [consult this interactive map](#) from think tank Economic Innovation Group.

If your school is in or near an Opportunity Zone, you can partner with investors (including your own alumni) to spur development. Perhaps a workforce housing project could also offer faculty/staff housing. Perhaps new amenities or infrastructure could strengthen town-gown relationships. Perhaps an innovation campus could draw start-ups to the area. So many of the developments that benefit economically distressed communities also benefit schools.

Already, schools are recognizing and exploring this opportunity. The University of Connecticut, for example, recently announced a partnership with the Town of Mansfield and the Connecticut Economic Resource Center, Inc. to attract new business and capital investment; the group recognizes the importance of having a major anchor institution as part of attracting development. In a forthcoming article on the [Higher Ed P3 Resource](#)

Center, we will also detail how the University of Delaware is using an Opportunity Zone to help create a science, technology, and advanced research innovation campus that is revitalizing the entire region. These creative, strategic projects have the chance to lift communities out of their economic distress and bring new energy to campus.

Want to learn more? [Read an expanded version of this article on the Higher Ed P3 Resource Center.](#)

Campus Hotels / Conference Centers—Why, How, And What We See On The Horizon

Why do some schools build hotels / conference centers, and what are the differences between the facilities we see popping up around the country? The current landscape of campus hotels / conference centers is complicated but navigable, and the trends toward partnering with private organizations are worth learning.



As for the *why*, there are at least a dozen reasons schools build hotels / conference centers. The most common among them are as follows:

1. Reinforce or elevate the university brand
2. Provide stakeholders (e.g., students, faculty, alumni, parents, visiting athletes, etc.) with an enhanced experience
3. Free up existing space
4. Provide opportunity for additional or even new activities
5. Generate revenue on underutilized real estate
6. Create the possibility of new academic offerings and hands-on work experience
7. Maximize the ability to achieve the school's mission
8. Improve the campus edge to improve town-gown relationships

As for the *how*, as with any contemporary campus project, hotels / conference centers can happen in a variety of ways. Typically, though, we see one of three ways: (1) the school builds on its own and operates in-house, (2) the school builds on its own and outsources operations, and (3) the school outsources both building and operation. Generally, we see a lot of outsourced operations—regardless of who designed and financed the facility.

From here, we expect to see more and more schools open campus hotels / conference centers. Often the revenue generation opportunity is too great to not explore—especially since the resultant facility can positively impact enrollment, retention, and brand.

We also expect to see the trend toward outsourcing operations to continue, the same way higher education is increasingly curious about partnering with private entities on other parts of campus (e.g., housing, rec centers, student unions, energy, parking). Is there a risk some projects will fail? Yes, indeed some already have. But with a strategic and careful process, the right projects will be undertaken in the right way at the right place and time.

This is an excerpt from a two-part article series hosted on the Higher Ed P3 Resource Center. [Part 1](#) looks at why/how/trends, and [Part 2](#)—coming soon!—offers a case study of California State University, Northridge.

JSU's New Recreation And Fitness Center: A Lightning-fast, Transformational Project

By *Ann Drummie, Elle Carne, and Marcus Huff*

In 2016, Jacksonville State University (JSU) called in B&D to advise on how to best construct and pay for a new state-of-the-art Recreation and Fitness Center. From there, the process flew:

- September 2016 – B&D presents to JSU's Board
- January 2017 – JSU's Board unanimously approves the project
- September 2017 – Groundbreaking
- January 2019 – Ribbon cutting



Not only was this a fast-paced project, it had a lot of moving parts. B&D led the project definition process, managed procurement to determine the right design and construction partners, and navigated the financing structure to confirm the best approach for the school—ultimately a P3 with the JSU Foundation. B&D also provided strategic leadership during the planning process, provided risk and quality management throughout the design and construction processes, and acted as liaison between JSU and the JSU Foundation during construction and close-out.

The \$32M (hard cost), 101,000 ft² facility, which celebrated its formal grand opening on January 28th, will boost JSU's recruitment and retention efforts, and serve as a gathering space for current students. It will also create approximately 150 student jobs, and will be operated by **CENTERS, LLC**, a management company that focuses exclusively on campus recreation for colleges and universities. [Learn more.](#)

What Has B&D Been Up To Recently?

We've been excited to see B&Ders in print. Ryan Jensen and Katelyn Hansen were published in ICMA's *Public Management Magazine*. Their article, "[Navigating Student Housing Challenges](#)," examines three strategies that cities and schools have used to address the conflicts that arise when large student populations infiltrate traditional single-family neighborhoods. Meanwhile Cassia Sookhoo was featured in *Student Housing Business*, discussing [why some schools opt for equity P3s](#) (instead of other deal structures). Her article features multiple industry experts' perspectives.



There's also some good conversations happening on the Higher Ed P3 Resource Center, including a piece by Jim Curtin, AIA, Principal – Campus Environments, Solomon Cordwell Buenz (SCB), called "[Designing for Developers or Universities: What's the Difference?](#)" You can also visit the site to learn more about the [University of South Florida winning Best Education Project at the P3 Awards](#). In the coming weeks, look for new articles about innovation campuses, workforce housing, and hotel / conference centers, among other topics.

Over the past few months we've discussed some of the above topics at conferences. At AOA—the Auxiliary Organizations Association of the California State University System—Matt Bohannon and Kim Wright co-presented "[You think P3s are difficult? How about a P4?](#)" At NACAS, Jeff Turner shared our State of the P3 Industry while Tara Bliss moderated a panel on "[Maximizing Your Contracted Dining Partnership: 360 Review of the Solicitation Process.](#)" Also at NACAS, Matt Bohannon and Andrew Perez co-presented "[Long-Term Financial Planning + Clear Concept + Collaboration = Successful Referendum.](#)" Currently, we're excited for some upcoming conferences, including

SWACUHO, NIRSA, P3C, SACUBO, and P3*EDU.

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

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