

Public-Private Partnerships: The Relationship Beyond Financial Close

July 10, 2018

Denver, Colorado



CONFERENCE
& EXPO

Introductions



Andy Johnson, Ed.D.
Director for Operations & Outreach

- ◆ Extensive experience in P3 projects
- ◆ Development of over \$165M in P3 facilities



Katie Karp
Regional Vice President

- ◆ Background in Higher Education Administration & Student Affairs
- ◆ Focus on Planning and Implementation of Student Housing, Student Unions, Recreation Centers, and Mixed-Use Developments



BRAILSFORD & DUNLAVEY



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Learning Outcomes

- ◆ Identify opportunities to improve the pre-closing process to maximize the long-term effectiveness of the partnership
- ◆ Learn more about various deal structures and variations in operations and maintenance responsibility
- ◆ Learn to identify and respond to potential obstacles that may arise during project implementation and after project opening

Setting the Stage

Setting the Stage



University of South Florida

- ◆ Andros Community built in 1963
 - 9 residence halls & 6 ancillary buildings
 - 1,400 students; suite-style configuration
 - Small dining hall, single retail outlet & office space
 - Two-story facility occupied by administrative services
- ◆ \$50+ million in deferred maintenance
- ◆ Lowest cost option in the USF inventory
- ◆ High rate of room transfers

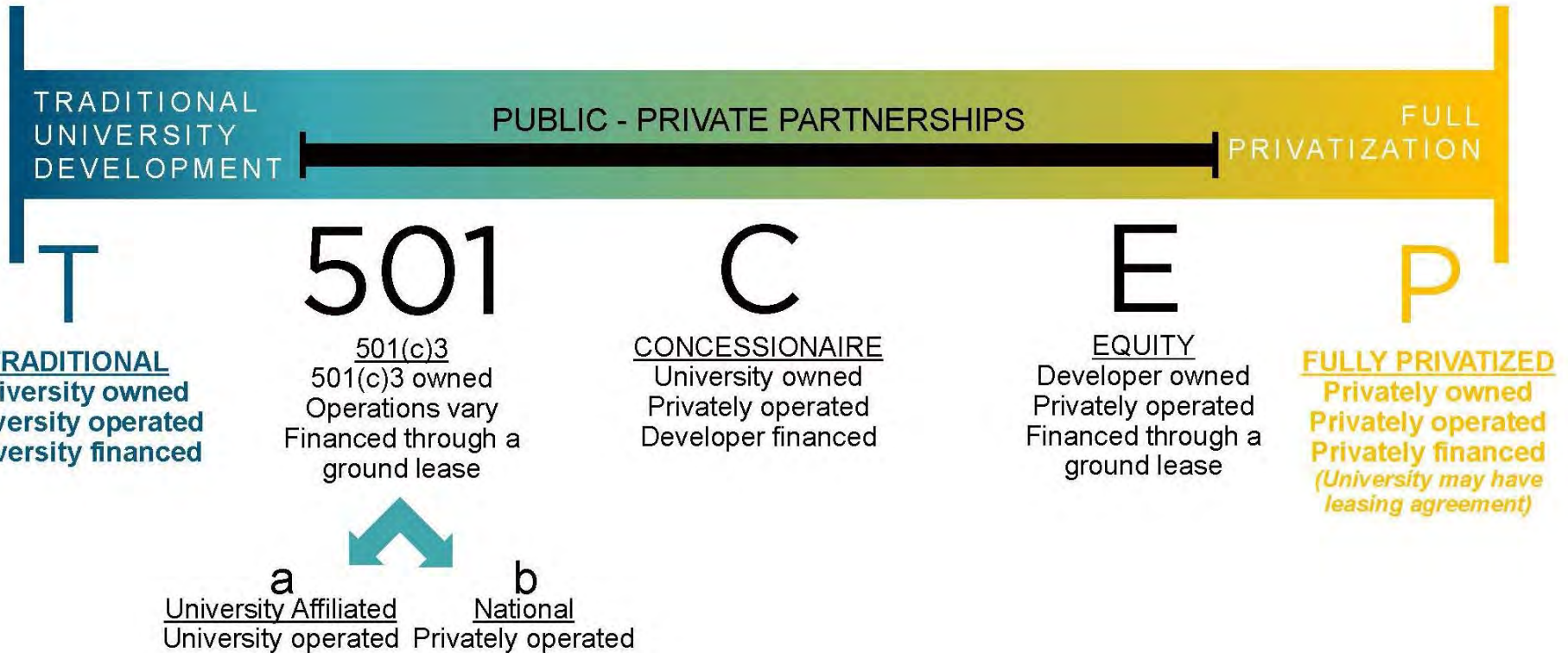


Setting the Stage

- ◆ USF engaged B&D as development advisor in 2014
 - Significant deferred maintenance
 - Increasing unmet housing demand
 - Misalignment of existing facilities with USF's strategic vision
- ◆ Andros property redeveloped into a new residential village
 - Housing
 - Dining
 - Recreation & Wellness
 - Outdoor Activity Space



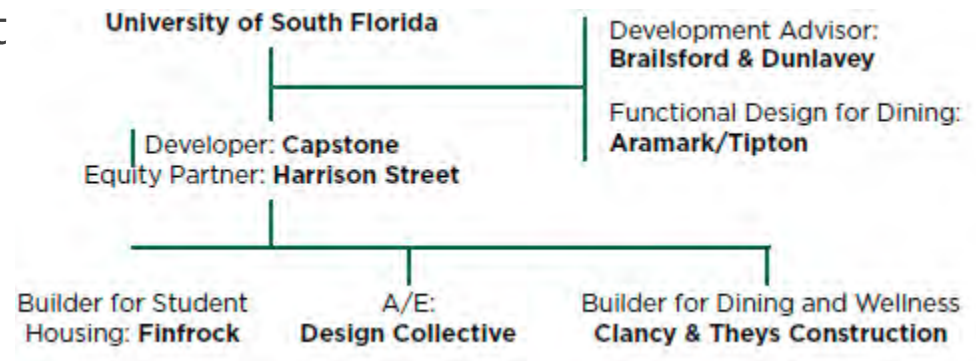
Setting the Stage



Setting the Stage

2014

- ◆ Launched an ITN to build at least 2,000 replacement beds, a dining facility, and a wellness center
- ◆ USF, in partnership with B&D, conducted concurrent negotiations with two firms
- ◆ Capstone Development Partners with Harrison Street awarded development of new campus-edge neighborhood

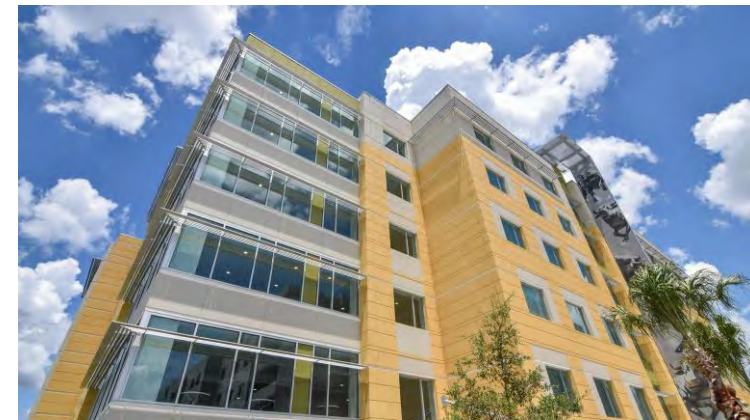


Setting the Stage

2015

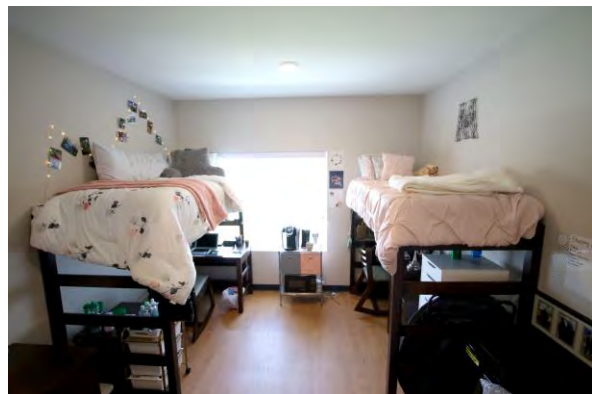
2017

- ◆ Demolition for Phase I of The Village began in May 2015
- ◆ Phase I delivered for Fall 2017, including:
 - 856 residential beds in mix of traditional and suite-style units
 - 21,000 GSF dining facility
 - 15,000 GSF wellness center



Setting the Stage

2017



Setting the Stage

2018

- ◆ Phase II delivery expected Fall 2018
 - Remaining 1,300 beds
 - Two retail venues



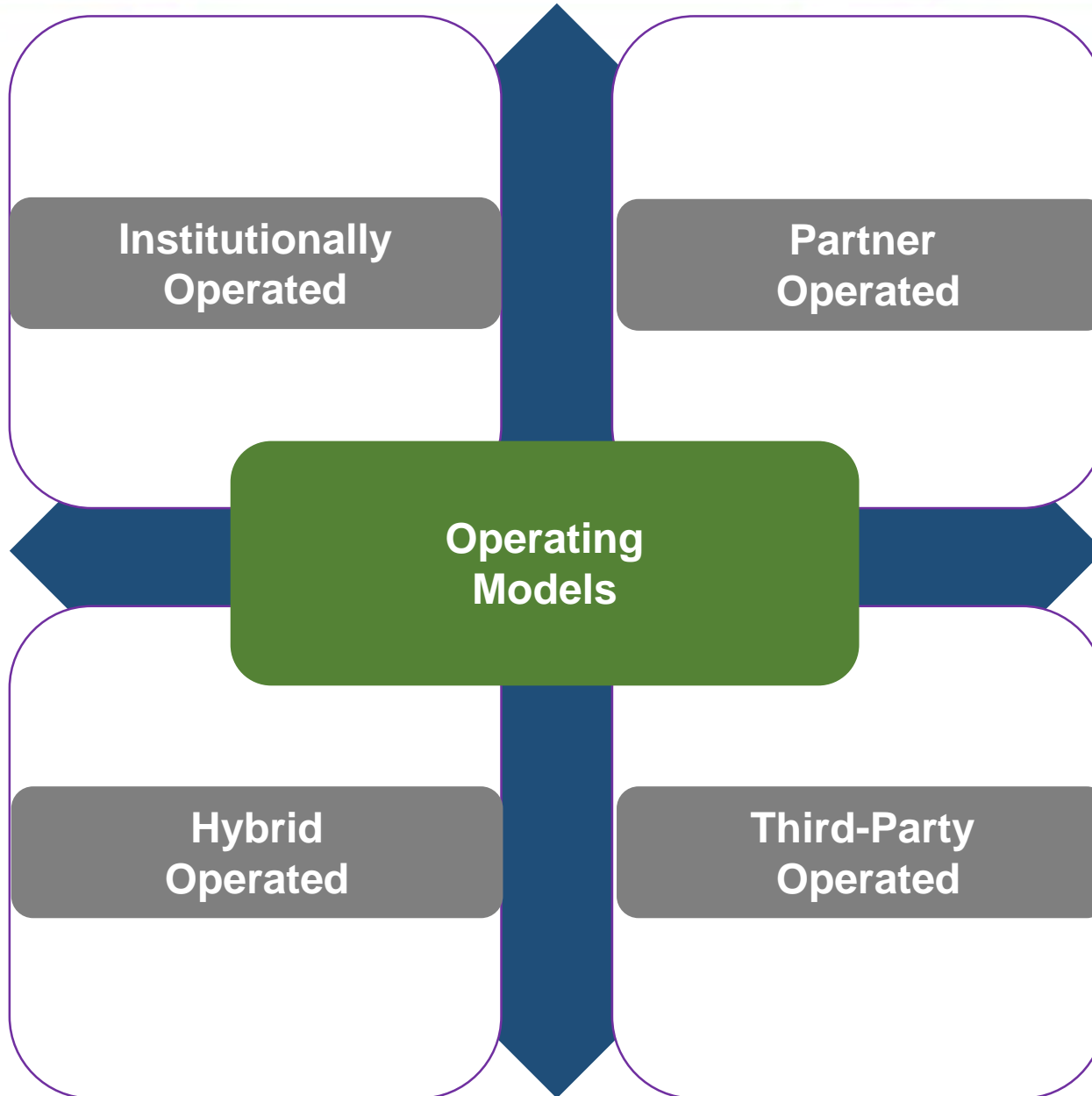
After the Award

After the Award

Key Ingredients for a Successful P3

- ✓ **Stated Commitment to Strategic Mission**
- ✓ **Project Champion & Key Stakeholder Alignment/Support**
- ✓ **Clear Definition of Project Framework**
 - » *Essential Facility Need*
 - » *Project Feasibility*
 - » *Identification and Definition of Funding Gap*
 - » *Institutional Risk Profile*
- ✓ **Organized, Fair, Transparent Procurement Process**
- ✓ **Partnership-Oriented Rather than Transaction-Focused**
- ✓ **Advisors & Expertise from Initial Stages through Implementation**

After the Award



After the Award

- ◆ How can a strong relationship begin to be established during negotiations?
 - Build a relationship
 - Understand priorities of both the institution AND the partner
 - Stakeholders vs. project team
 - Navigate roles, responsibilities, procedures, priorities and politics

After the Award

- ◆ How can a strong relationship begin to be established during negotiations?
 - Understand that knowledge-sharing and education will be needed on both ends
 - Acknowledge the institution's limits
 - Know your math! Know your data!
 - Be an advocate!
 - Telling the Story

After the Award

- ◆ What are lessons learned regarding the design and construction process?
 - Understand design vs. operating reality
 - Rely on your partners
 - Communicate regularly to EVERYONE!
 - Crisis management is our specialty (but annoys others after a while)

After the Award

- ◆ How to you continue to manage expectations both within the internally and with the selected partner?
 - Trust the process
 - Be prepared to continue to educate and reassure
 - Be transparent
 - Share challenges or concerns and offer solutions
 - Work with partner to determine the best way to ensure ongoing communication and collaboration

Resources

Resources

- ◆ ACUHO-I
 - P3 Task Force
 - Body of Knowledge
 - Core Competencies
 - Campus Housing Management
- ◆ Industry Partners
 - P3 Resource Center

www.p3resourcecenter.com

Discussion

Discussion

- ◆ What are some examples of challenges that were overcome through the partnership that you established?

Discussion



DISCUSSION

