

University-Developer Partnerships: Considerations for Facilities, Construction, and Contracts

Custom Research Brief

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**THE EDUCATION ADVISORY BOARD
WASHINGTON, D.C.**

I. RESEARCH METHODOLOGY

Project Challenge

A member approached the Roundtable with the following questions:

- *What is the stage of the current projects at other institutions (e.g., planning, construction, completed)? If completed, do contacts consider the project a success? What indicators do contacts use to measure this success?*
- *What developer is the institution partnering with?*
- *What is the nature of the contractual relationship between the developer and the institution (e.g., ground lease, commitments to lease space, complete sale of property, etc.)?*
- *What was the primary reason for the development (e.g., quality of life for students, faculty, and staff; community relations; stabilization of the neighborhood; financial returns)?*
- *Is the project projected to or has it produced positive cash flow?*
- *What is the degree of participation and involvement of the institution? What services are provided by the institution (e.g., security, transportation, shared utilities, operating support, discount memberships) and to what extent are these services provided?*
- *Were there any unforeseen developments that changed the nature of the project? If they undertook the project again, what would contacts do differently? What other advice do contacts offer for institutions entering into a development partnership?*

Sources

- Costar Group: Commercial Real Estate Information
- Education Advisory Board's internal and online research libraries (www.educationadvisoryboard.com)
- National Center for Education Statistics (<http://nces.ed.gov/>)

I. RESEARCH METHODOLOGY

Research Parameters

The roundtable interviewed private institutions that have entered or are considering entering into development partnerships.

A Guide to the Institutions Profiled in this Brief				
Institution	Region	Carnegie Classification	Approximate Enrollment (Total / Undergraduate)	Type
University A	Northeast	Research Universities (very high research activity)	8,700 / 6,300	Private University
University B	Midwest	Research Universities (very high research activity)	9,800 / 4,200	Private University
Developer C, Inc. <i>A partner of University C</i>	South	N/A	N/A	Third-party Developer
University C	South	Research Universities (very high research activity)	13,400 / 7,200	Private University
University D	Mid-Atlantic	Research Universities (high research activity)	7,100 / 4,800	Private University
University E	Mid-Atlantic	Master's Colleges and Universities (larger programs)	6,000 / 3,800	Private University
University F	Northeast	Research Universities (very high research activity)	7,700 / 5,100	Private University
University G (University G Health Sciences)	South	Research Universities (high research activity)	7,200 / 4,700 (1,200 in medicine and biological or biomedical sciences)	Private University
Firm H Real Estate Advisors, LLC <i>A partner of institutions in New England</i>	Northeast	N/A	N/A	Third-party Real Estate Firm

II. EXECUTIVE SUMMARY

Key Observations:

- ❖ **Contacts report that most institutions partner with third-party developers when considering constructing buildings that require construction and management expertise or are outside the scope of the university's education and research mission.** Residential and retail space, business innovation space, and executive-quality apartments and office buildings are often attractive options for the financing and expertise that developers can offer.
- ❖ **University C and University B partnered with developers in the construction of mix-use retail and residential developments.** University C and Developer C, Inc. collaborated to develop University Point, housing and retail for university and hospital employees who are unable to afford to live in expensive surrounding area. University B collaborated with Developer B, Ltd. to develop the Campus Plaza, which will invigorate the heart of campus with apartments, restaurants, and shopping venues.
- ❖ **University G Health Sciences partnered with Firm G Science & Technology to repurpose two former manufacturing buildings located in the Research Park G (RPG), the second campus for University G University Medical School.** The new building, University G Biotech Center, will provide additional lab space, offices, a café, and a bank. Firm G Science & Technology offers services in real estate investment and development for research- and healthcare- focused clients.
- ❖ **University A is repurposing eight to ten industrial buildings for biotech research, but contacts report that the university has not yet entered into a partnership with a developer.** Contacts at University A express hesitancy around partnering with a developer for this project because the university administration prefers to control the design of the buildings.
- ❖ **University F partnered with a third-party developer to develop a technical, executive-quality office building.** The university also partnered with developers to build and manage faculty apartments.
- ❖ **Across contact institutions, university administrators strategically retain, sell, or lease property to best satisfy institutional goals (e.g., reserving space for growth; controlling space at the gateway to campus; earning revenue; or providing amenities for students, staff, or faculty).** University B, for example, leases space from developer-owned space in the Campus Plaza. Alternatively, University C owns the property on which University Point is built, and the developer, Developer C, signed a 75-year ground lease.
- ❖ **Contact institutions typically provide more services (e.g., information technology [IT] services, security service, and infrastructure) for developments that are integrated into main campuses.** University B, for example, will provide IT and security services for the Campus Plaza, which houses the university bookstore and is located at the center of campus. At University C, however, the university will sponsor only a shuttle to University Point, which does not house university services.
- ❖ **At most contact institutions, administrators partner with third-party developers without expecting financial returns.** However, some contacts report a mandate to operate with no net losses.
- ❖ **Most contacts report that occupancy and rent prices are the most critical metrics for assessing a development.** Contacts also indicate other important goals that vary with the context of the development (e.g., encouraging residential and retail growth near campus, creating a more vibrant campus atmosphere, and reducing traffic congestion).

III. OVERVIEW OF PARTNERSHIPS ACROSS CONTACT INSTITUTIONS

Most contacts explain that institutions enter partnerships with third-party developers typically when constructing a facility that is related to—but not essential to—the institution’s primary academic and research responsibilities. Additionally, contacts note that development partnerships can provide space for immediate or future growth. Typical development partnerships highlighted in this report involve the following categories of facilities, which are further examined in this report:

- Mixed-use retail and residence developments
- Business innovation space, especially for biotech companies
- Sophisticated apartments and executive-quality office buildings

Considerations for Entering a Partnership with a Developer

Financing and Assumption of Risk

Some contacts describe this type of partnership as advantageous because developers typically assume responsibility for securing financing for construction. Additionally, developers assume the risk of securing tenants and generating a revenue stream once the building is completed. However, contacts at **University D** acknowledge that the terms of some contracts can shift the risk onto the university. Contacts cite student apartments as one example: if a contract stipulates that the university guarantee occupancy, contacts suggest working directly with a builder rather than through a developer.

Expertise in Design or Management

Additionally, some contacts emphasize that a developer’s expertise in the construction and management of certain types of facilities may exceed that of the university: for example, contacts at **University F** report considering partnering with developers when university leaders identified a need for an executive-quality office building, retail space, or sophisticated apartments for faculty members. Contacts at **University G Health Sciences** explain that they chose to partner with Firm G Science & Technology because the company has a strong record in constructing and managing health sciences buildings, and administrators at the University G University School of Medicine wanted to ensure proper maintenance of new facilities slated for medical school use. Contacts expect the business approach of a private management company will promote timely upkeep.

Community Needs

Contacts at **University D** recommend assessing community members’ retail needs before pursuing a retail development; contacts caution that student retail interests (e.g., coffee shops and pizza parlors) may not generate the revenue required for rent prices in a new development. Contacts at **University G Health Sciences** added a café to a new health sciences building after surveying University G School of Medicine employees and surveying local restaurants about the number of customers required to sustain a healthy business.

III. OVERVIEW OF PARTNERSHIPS ACROSS CONTACT INSTITUTIONS

Overview of Mixed-Used Developments with Retail Space

The table below highlights university-developer partnership projects that offer a mix of retail vendors for students, university employees, or community members. The categories highlighted offer an overview of the development partnership, as defined in the project challenge. Details about development partnerships are discussed further in subsequent sections of this report.

Overview of Mixed-Used Developments at Select Contact Institutions

Category	University C: <i>University Point</i>	University B: <i>the Campus Plaza</i>	University G Health Services: <i>University G Biotech Center</i>
Facilities	Mixed-use residential and retail facilities including apartments and restaurants and retail on the ground level	Mixed-use residential and retail facilities including restaurants, bars, a specialty food store, the university bookstore, and apartments	Office and laboratory space for the University G Medical School and private companies (The building also features a café, bank, and large atrium.)
Developer	Developer C, Inc. with a residential real estate firm as a joint venture partner	Developer B, Ltd.	Firm G Science & Technology
Project Status	Construction began in July 2011.	Retails space will open in January 2012; apartments will be leased in April 2012.	Certificate of occupancy expected for December 2011.
Property Ownership	University C owns property and Developer C, Inc. is committed to a 75-year ground lease.	Developer B, Ltd. purchased one parcel of land from the university with a right of first refusal reserved for the university in the case of sale. The university owns a second parcel of the development site and contracted it to Developer B, Ltd.	A private firm donated two buildings to University G Health Sciences (UGHS). Firm G Science & Technology purchased buildings to develop University G Biotech Center.
University Services	Shuttle: University-funded shuttle will serve University Point.	Security: University Circle, Inc., a community development organization, and the university will collaborate to provide security for the Campus Plaza tenants. IT Services: The University will allow developer to access IT system.	Infrastructure: University G Health Sciences installed storm water management and electricity lines. IT and Security Services: UGHS also provides these services.
University Master Lease	N/A (The university is not bound to lease a portion of the retail space.)	University B is committed to leasing the space for a University Bookstore (sub-contracted to bookstore vendor) and a 12,500-square-foot space which a specialty grocery store will occupy.	University G Health Sciences will master lease 100 percent of the space.

Contacts at *University B* offer the following project timeline: The university sent requests for proposals in December 2005, university and community leaders selected a developer partner in June 2006, financing was confirmed in July 2010, and retail space will open in January 2012.

IV. PROFILES OF SELECT FACILITIES

Mixed-Use Developments

University Point Will Provide Affordable, Proximate Housing for *University C* Employees

Contacts at University C explain that most University C and University C Hospital faculty and staff find it difficult to afford to live near the university. As a result, many employees commute by car to the hospital and university campuses, which is not accessible by metropolitan transit authority. With increasing traffic congestion, university administrators hope that University Point will eliminate some need for commuting by car. Contacts stress that university parking

Development intended to alleviate traffic congestion.

officials will not issue University Point renters and homeowners a university parking

permit in order ensure the development helps to improve traffic congestion.

The development's residences and stores will also serve employees of other nearby research facilities: apartments will be available for lease at market price, and a phase two of construction will include townhomes and condominiums. Additionally, contacts at **Developer C** report that new retail space has not opened in the neighborhood in about 20 years, and about 50 percent of retail space was pre-leased as of July 2011.

the Campus Plaza Infuses Retail and Entertainment into the *University B* Campus

At University B, contacts indicate that the institution's main campus lacked a central gathering place featuring restaurants and shopping venues. A desire among university leaders to invigorate the center of campus drove the development of the Campus Plaza, which contacts hope will encourage university employees, hospital employees, and others working in the University Circle district to remain on campus after the work day. The

Food market serves student needs.

Campus Plaza will provide dining and entertainment options, and contacts report that a grocery store

will be an important amenity for students living in newly constructed residence halls called the Village, about 200 feet from the Campus Plaza. When retailers open for business early in 2012, about 90 percent of the retail space will be leased.

University Point (Phase One)

Investment: \$100 million for Phase One

Developer: Developer C with residential real estate firm

Lease: Developer C signed a 75-year ground lease

Residential: 443 apartments

Retail: 80,000 square feet with the following tenants:

- Restaurants and bars will occupy about 30 to 40 percent of the space. Both casual and formal vendors are slated to lease the space, including Ted's Montana Grill.
- Valet Dry Cleaner (cleaning performed off site)
- Clothiers
- Pharmacy
- Spa or Salon

The Campus Plaza at *University B* (Phase One)

Investment: \$45 million for Phase One

Developer: Developer B, Ltd.

Lease: Developer B, Ltd. owns building and property but University B retains a right of first refusal.

Residential: Apartments

University Bookstore: a 22,000-square-foot, two-story facility operated by bookstore vendor

Other Retail: 38,000 square feet open for lease:

- Restaurants and bars
- Specialty retail vendors
- Food market featuring prepared foods (about 12,500 square feet)

IV. PROFILES OF SELECT FACILITIES

Health Science Developments

University G Health Sciences Develops Research Park G

With a medical school outgrowing its campus, University G Health Sciences acquired a tract of land designated as Research Park G (RPG). After developing much of the park's infrastructure, University G Health Sciences is in the process of selling property or leasing property to health sciences or technology businesses, other academic institutions, and private developers. Contacts report that University G Health

Since 2000, PTRP grew from one building to five completed buildings with 550,000 total square feet.

Sciences plans to retain about 25 percent of the 150 acres intended for development (about 55 acres is reserved for green space). Furthermore,

RPG includes one million square feet of former manufacturing buildings, which University G Health Science plans to repurpose.

Since 2000, the medical school has relocated its Department of Physiology and Pharmacology to RPG, and private developers have

purchased buildings from University G Health Sciences or constructed facilities independently.

◆ **Developers Construct and Manage Lab and Office Building**

University G Health Sciences partnered with Firm G Science & Technology to develop the new University G Biotech Center building, which will provide additional lab space and offices for the medical school as well as for other businesses to which University G Health Sciences will sublease. Contacts explain that the new building is intended to provide a more dynamic workplace environment for RPG employees. The café at University G Biotech Center, for example, will provide employees with an alternative to driving outside the park campus for a meal or cup of coffee. Additionally, a 10,000-square-foot atrium will provide a place for medical school employees and others working in RPG to gather and meet with colleagues.

◆ **Private Developer is Able to Earn Tax Credits for Historical Preservation**

Contacts explain that Firm G Science & Technology ultimately purchased the 1937 and 1963 manufacturing buildings and retains ownership of the new building because historic preservation tax credits offered by the national park are available only to for-profit, tax-paying institutions. However, under the terms of the agreement with Firm G Science & Technology, by leasing 100 percent of the space, University G Health Sciences recouped those tax credits.

University G Biotech Center At Research Park G (RPG)

Investment: \$87 million

Total Square Footage: 242,000 square feet

Lease: University G Health Sciences leases space from Firm G Science & Technology, which owns building.

Repurposed Space: 1937 and 1963 manufacturing buildings are repurposed and joined.

Developer: Firm G Science & Technology

Office and Lab Space: University G Health Sciences master leases 100 percent of the space in this building. University G Medical School will occupy most offices and labs, although some are intended for sublease to biotech businesses.

Retail Space: A bank and a 5,000-square foot café

IV. PROFILES OF SELECT FACILITIES

University E Develops Clinic Space through Development Partnership

Similarly, contacts at University E report the university's community clinic, University E Clinical Centers, is located at the Tower Square retail center. (University E Clinical Centers partners with the university's graduate programs, providing clinical training experience for graduate students.) Contacts report that the university installed much of the infrastructure, including water, sewage, and fiber optic cabling because the city was unable to provide this infrastructure to the new development.

Tower Square and University E

Developer: Developer E, Inc.
Other Partners: Municipality
Medical Facilities: University E Clinical Centers, which provides audiology, education, psychological, and speech and language services at affordable rates to community members.
Retail: Fresh food market, clothiers, fitness facility, restaurants, and pharmacy

University A Develops Laboratory Space for Lease without a Development Partner

Working independently with designers and builders, University A is developing eight to ten industrial buildings in the River District, an area of the city previously known for its metal manufacturing facilities; contacts report that the university has not yet entered into a partnership with a developer. Contacts explain that the developments in the River District, which will include laboratory, office, and warehouse space, are intended to attract knowledge-based industries (e.g., biotechnology companies) and to enhance the local economy. The university now occupies about 50 percent of the space in repurposed River District buildings and leases the other 50 percent.

University leaders prefer to control building quality and to retain property ownership.

Contacts at University A express hesitancy to partner with a developer for projects in the River District because the university administration prefers to control the design and quality of the buildings in which business leaders and University A faculty and students will require safe and cutting-edge technology. Additionally, contacts explain the University A is strategically purchasing and maintaining ownership of some nearby facilities to secure space for future growth.

IV. PROFILES OF SELECT FACILITIES

Executive-quality Office Buildings

At University F

Administrators at several contact institutions selected to partner with developers when constructing new office buildings. When deliberating the partnership, contacts at University F report considering cash flow in addition to expertise in both the construction and management of a technical, executive-quality office building. University F leaders selected a developer to construct and operate the building that houses the Office of Information Technology and Office of Finance and Treasury.

Administrative Offices

Developer: Massachusetts-based real estate investment trust
Commercial Space: Office of Information Technology and Office of Finance and Treasury
Lease: University F leases the building, and the developer owns the land, managed construction, and manages building operations.

At University D

At University D, contacts are considering repurposing or constructing facilities off campus to house non-student services (e.g., the office of development, the office of advancement, or the office of finance). Contacts explain that the Office of Community and Regional Affairs and performing arts space may also be candidates for off-campus facilities because community members regularly interact with these university services.

Apartment-style Residences at University F

Contacts at University F explain that they chose to partner with a developer for high-end apartments that the university has little experience constructing. One apartment building is intended for faculty and staff and another for visiting scholars teaching or conducting research at University F for short periods of time.

Faculty and Staff Housing

Developer: New York-based real estate consulting and development firm
Residences: Apartments
Lease: Developer entered into a ground lease; University F owns the land.
Developer Responsibilities: Developer will construct, own, and operate the facilities.

V. CONTRACT TERMS AND FINANCIAL OUTCOMES

Navigating Property Ownership and Leasing

Across contact institutions, university administrators strategically retain, sell, or lease property to best satisfy institutional goals (e.g., reserving space for growth, controlling space at the gateway of campus, earning revenue, or providing amenities for students, staff, or faculty). **University B**, for example, leases space from developer-owned space in the Campus Plaza. Alternatively, **University C**, owns the property on which University Point is built, and the developer, Developer C, signed a 75-year ground lease.

Considerations for Purchasing Property

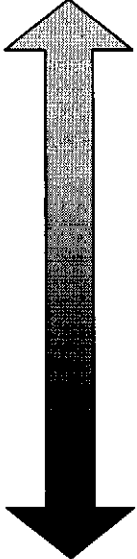
Both **University G Health Sciences** and **University F** purchased new campuses to accommodate future growth (e.g., Research Park G). Contacts report a variety of methods through which each institution can develop these campuses:

- Developing and managing facilities independently (i.e., the university owns all construction and management contracts)
- Developing facilities independently but contracting a third-party firm to manage facilities
- Leasing property (e.g., ground lease) to a third-party developer for construction *with* or *without* an agreement to lease back space
- Selling property to a private developer *with* or *without* an intention to lease space (space is open to outside organizations or firms)

Define Covenants

Contacts at **University G Health Sciences** explain that the institution intends to pursue all of the methods listed above in developing the Research Park G, although with every lease or sale of property, the new owner or tenant agrees to certain covenants governing aesthetic and design (e.g., guidelines for style of sidewalk, landscaping, lampposts).

Institutional Commitments to Master Leases

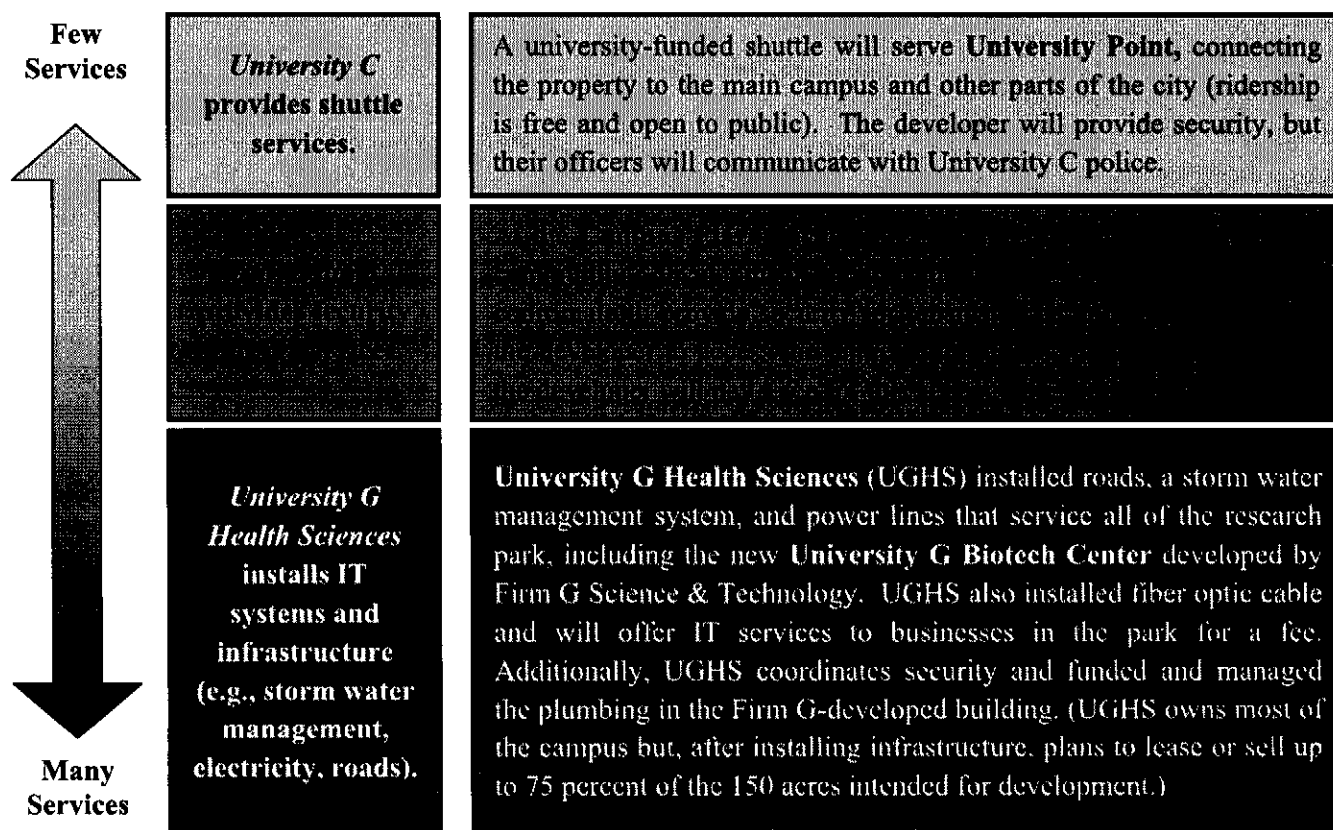
<p>Not Committed to Lease</p>  <p>Heavily Committed to Lease</p>	<p><i>University C does not sign a master lease.</i></p>	<p>Developer C and partner residential real estate firm will secure tenants and manage the retail and residential facilities, respectively.</p>
	<p><i>University G Health Sciences (UGHS) leases back all building space from developer, Firm G Science & Technology.</i></p>	<p>In the development of the University G Biotech Center building specifically, a private firm donated two 1937 and 1963 manufacturing buildings to UGHS. The developer, Firm G Science & Technology ultimately purchased the manufacturing buildings, repurposing them and incorporating them into the new development. UGHS now leases one hundred percent of the space in the refurbished development from Firm G Science & Technology. Contacts report that UGHS plans to use some space for the medical school and sublease other spaces to private companies.</p>

V. CONTRACT TERMS AND FINANCIAL OUTCOMES

University B Navigates Contract with Bookstore Vendor

Contacts at University B explain that university administrators negotiated the terms of the university's master lease of the bookstore space in the Campus Plaza with plans to contract bookstore management to bookstore vendor. After negotiating the fee payable to the university with Barnes & Noble (i.e., the rent owed for using university-leased space in the Campus Plaza), university administrators agreed to lease 22,000 square feet for the bookstore. However, contacts report that Barnes & Noble could not afford the asking rent for the bookstore space; University B administrators will pay the difference to the developer, Developer B, Ltd. Contacts explain that anchoring the retail space in the Campus Plaza is worth paying the difference between the fee received from Barnes & Noble and the rent the university pays Developer B, Ltd. because leaders at University B are committed to securing occupants for the Campus Plaza retail space, ensuring a vibrant campus center.

Defining the Institution's Commitment to Providing Services



Insight about University-provided Services from *Firm H Real Estate Advisors, LLC*

Contacts at **Firm H Real Estate Advisors, LLC** explain that in urban settings like Boston the university's offering access to property usually positions the institution well when negotiating a development partnership. For retail space, contacts recommend focusing the negotiation on the best ground lease terms without committing to providing services (assuming that the university does not plan to locate administrative offices, student services, the bookstore, or other university services in the new development). Additionally, contacts report that most development partnerships, especially involving ground leases, target property that is on the campus perimeter or separated from campus altogether.

V. CONTRACT TERMS AND FINANCIAL OUTCOMES

Recommendations for Structuring Contracts

1. Hire a Real Estate Financial Advisory Firm

University F administrators hired a New York -based real estate financial advisory firm. Contacts explain that firm representatives helped to define considerations and identify priorities for various potential development projects. With expert knowledge of the real estate market, the firm also helped University F negotiate terms of contracts with developers.

2. Conduct Financial Analysis of Developers' Project Gains

Contacts at Firm H Real Estate Advisors recommend that institutions conduct a financial analysis of a development's projected construction and maintenance costs as well as projected revenue. In doing so, institution leaders can better understand a developer's anticipated performance (i.e., the anticipated results of entering into a contract with the university, especially the projected revenues).

3. Establish Basic Information about the Development Project

Contacts at University F suggest reviewing a check list of basic questions before entering an agreement with a third-party developer and before defining terms of the contract:

Defining Project Characteristics and Decision Factors: Sample Check List

- ✓ What type of facility is in question?
- ✓ Who is occupying (university, third party, or both)?
- ✓ What is the budget?
- ✓ What is the schedule for occupancy?
- ✓ What is the location?
- ✓ Who is going to hold contracts (e.g., pre design contract, construction contract, and management contract)?
- ✓ What type of contract will be used (e.g., AIA standard contract or customized contract)?
- ✓ What is the construction methodology?
- ✓ What staffing is required for planning and design, construction, and operating the facility?
- ✓ Who is going to own the land and the building?
- ✓ How can we finance (e.g., through tax exempt debt, taxable debt, University F equity, a 501(c)(3) organization, or a private third-party firm?)

4. Methodically Select a Development Partner

Contacts at University G Health Services stress that methodically evaluating potential developers is a critical step in the development process. Contacts advise considering a developer's understanding of the tax credit market, financial backing and transparency about financing, and expertise in facility types. Contacts at University B cite partnering with a local developer because university leaders' wish to ensure local retail was represented at the Campus Plaza.

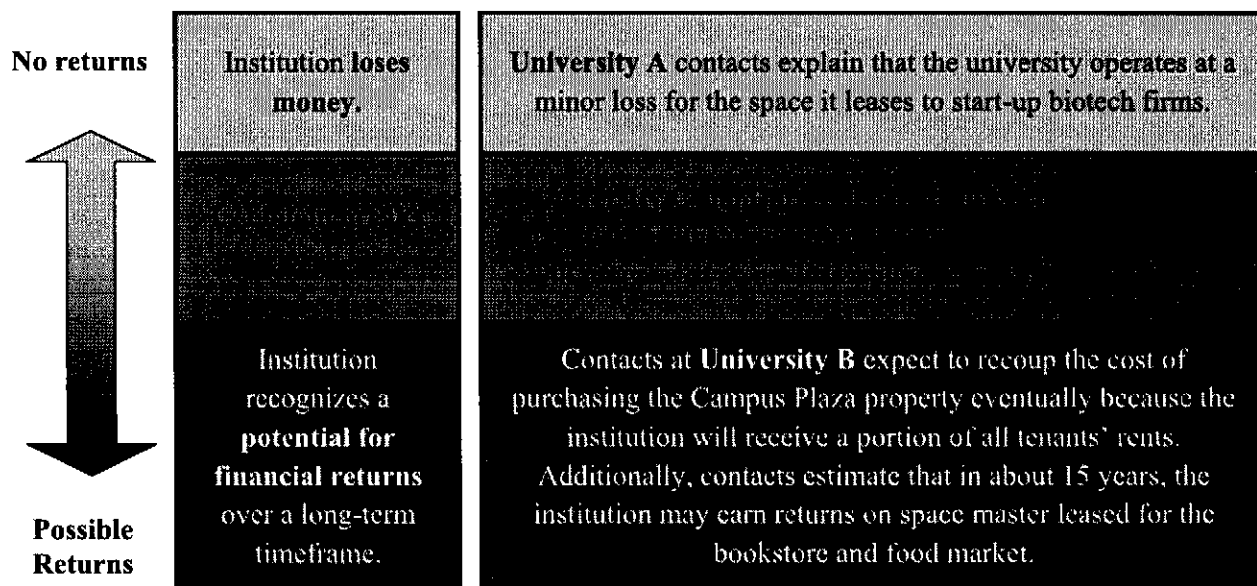
V. CONTRACT TERMS AND FINANCIAL OUTCOMES

Expectations for Positive Financial Returns

✗ No Financial Returns Expected through Development Partnerships

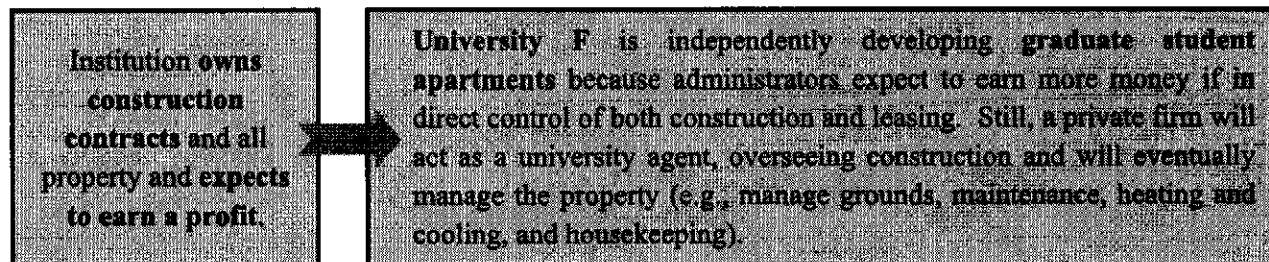
At most contact institutions, universities partner with third-party developers without expecting financial returns. However, some contacts report a mandate to operate with no net losses. In both circumstances, the goals for the development project are not financial but are as follows:

- Accommodate future institutional growth
- Foster knowledge-based industry in the area
- Create a vibrant campus atmosphere
- Provide faculty and staff housing near to the university campus
- Provide space for experiential education (e.g., clinical training space for graduate students or incubator space for faculty or student research and business school projects)
- Improve the economic viability for new or existing businesses near campus
- Serve community members' needs for retail, services, or residences
- Serve students' needs for retail, services, or residences



✓ Financial Returns Expected for Developing Property Independently

University F contacts identify a development project for which the university decided to proceed independently, contracting directly with the builder. Still, university administrators contracted with a private firm to manage the construction and, when completed, the building itself.



V. CONTRACT TERMS AND FINANCIAL OUTCOMES

Recommendations for Earning Positive Financial Return

Contacts recommend establishing priorities for a project early with a developer. If the institutional goal is to generate revenue via a development project, contacts at **University B** suggest asking the developer to seek tenants which are best suited to afford the highest rent. Additionally, **Firm H Real Estate Advisors** suggest that a joint venture (as opposed to

ground leasing property to a developer) allows an institution to gain a greater portion of the revenue while also retaining greater control of the project, albeit assuming more risk.

Facilities that Generate Profits

Contacts at **Firm H Real Estate Advisors** suggest, based on experience in the Boston area, offices, national banks, and chain restaurants.

Recommendations for Breaking Even

When the goal is to provide the amenities that best suit student, faculty, or staff needs, contacts recommend that all stakeholders are fully committed to this aim (rather than the aim of earning a profit).

“When aiming to break even while still best meeting institutional needs, financial leaders should ask not ‘what makes the most financial sense?’ but ‘what makes enough financial sense?’”

— Roundtable Interview

V. ASSESSMENT AND IMPLEMENTATION ADVICE

Metrics for Success

Most contacts report the following metrics for success: **occupancy and price of rent.**

Additional Metrics for Mixed-Use Residential and Retail Developments

- ❖ **New residents attracted to the area:** contacts at **University B** note that they will deem the Campus Plaza a success if students and employees use the space, thereby attracting independent housing developments to the area.
- ❖ **Decreased traffic congestion:** contacts at **University C** explain that improved traffic flow will indicate success at University Point.
- ❖ **Environmental stewardship:** contacts at **University C** report that progressive environmental management and sustainability are additional metrics valuable to the university and surrounding community members.
- ❖ **Educational development:** contacts at **University E** explain that development projects should serve the educational needs of students.
- ❖ **Neighborhood economic viability:** contacts at **University A** and **University E** note that developments should improve conditions for existing and new businesses in the area.

Goals for *University G Health Sciences' Research Park*

Contacts at University G Health Sciences share the institution's goals for the research park:

- ❖ Create local jobs
- ❖ Generate \$152 million in property tax for the 6 million square feet of space planned for development
- ❖ Provide new space for medical school growth cost-effectively, allowing the phasing out of old buildings
- ❖ Help University G Health Sciences recruit and retain top-quality faculty

Implementation Advice

1. Involve Community Members Early in the Planning Process

Several contacts advise involving community members early, even in the pre-planning process. Contacts at **University C** recommend meeting with neighborhood association presidents regularly and establishing strict design guidelines to assure community members that current and future developments will feature consistent, agreed-upon designs.

2. Designate a Single Point of Contact for Development-related Questions

Contacts at **University B** recommend that a single university staff member or third-party consultant manage communication with both the developer and the community. Ideally, the developer will also designate a liaison with the university.

3. Maintain a Positive Relationship with the Municipality

Contacts at **University D** observe that a good working relationship with the municipality is critical for navigating zoning laws and real estate tax.

PROFESSIONAL SERVICES NOTE

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