US 27 Mixed-Use Development and Student Housing
RFP NKU-12-16
PROJECT GOALS

Plan, Design & Build:

- Quality Mixed-Use Development on US 27 Site 1A
- Construct 500-bed Residence Hall
- Increase # of beds from 2,004 to 3,000 by 2026
- Perform capital renewal of NKU’s existing student housing
COMMITTEE MEMBERS

Sue Hodges Moore
• Senior Vice President of Administration & Finance
• Chair of Committee

Michael Hales
• Chief Financial Officer

Mary Paula Schuh
• Director of Campus & Space Planning

Kimberly Scranage
• Vice President for Enrollment and Degree Management

Amie Slaughter
• Director of University Housing, Interim Assistant Vice President for Student Engagement and Business Operations

Steve Crawford
• Representative, City of Highland Heights

Fred Macke
• Representative, NKU Foundation

Steve Pendery
• Judge/Executive, Campbell County

Consultant – Greg Strickler
Principal, Anderson Strickler – Gaithersburg, MD
Consultant Greg Strickler was retained to advise on the RFP, the selection process and post-RFP negotiations.

- 20 years’ experience
  - Advisor to UK and over 250 other institutions from coast to coast
  - Mission is to help campuses maximize student housing investments
- Mr. Strickler attended all presentation interviews and will be a valuable advisor throughout the lease negotiation process.
PROPOSALS RECEIVED

• Kingsley + Anchor + CIG – Cincinnati, OH
• EdR – Memphis, TN
• Strategic Capital Partners – Indianapolis, IN
• American Campus Communities – Austin, TX
The ACC/Fairmount Team

Your development team.

Student Housing Project
- Architect: SCB
- General Contractor: Shiel Sexton Company
- Financier: RBC Capital Markets
- Financier: PNC Capital Markets

Mixed-Use Project
- Mixed-Use Developer: Fairmount Properties
- Architect: Richard Fleischman + Partners Architects
**Development Approach**

**Defining the NKU project objectives.**

- Create a vibrant, mixed-use development which is supported by NKU and the broader Highland Heights community
- Bolster the on-campus housing experience for increased recruitment and retention benefits
- Maintain overall housing affordability for the NKU students
- Strategically create a housing product life cycle with a stratified rental rate structure
- Generate sufficient cash flow to support development of the new projects

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**Mixed-Use Development**

**Approach**
- Physical embodiment of a larger campus wide strategy for recruitment & retention
- Redefine the role of NKU within the region
- Opportunity to control your destiny!

**Process**
- Atypical within university context
- Collaboration and consensus
- Transparency

**Success Factors**
- Critical mass
- Campus connectivity
- Grow the economic pie
AMERICAN CAMPUS COMMUNITIES
MIXED-USE DEVELOPMENT EXPERIENCE

Downtown Kent

- 200,000 SF mixed-use district & the cornerstone of a $125+ million P3
- University anchored “live-work-shop-dine-play” district
- 2012 NAIPO Mixed-Use Project of the Year
- A true “town-gown” collaboration
- Includes hotel, office, retail, residential, transit & green space

College Town Rochester

- $100 million, 500,000 SF mixed-use development opened in 2014
- 14-acre site owned by the University of Rochester
- Located at the front door to the University & adjacent to its medical center
- Hilton Garden Inn, Barnes & Noble, gourmet market, Class A offices & 1,600-car parking deck
- Complex capital stack/$20 million HUD 108 loan & local, state, county & private funding
Mixed-Use Approach
Mixed-Use Approach

AMERICAN CAMPUS COMMUNITIES
NKU SITE PLAN
AMERICAN CAMPUS COMMUNITIES
NKU MIXED-USE APPROACH
AMERICAN CAMPUS COMMUNITIES
NKU STUDENT HOUSING APPROACH

North Village

Aerial view looking north.
Financial Structures

We do it all.

Collectively, Fairmount and ACC have structured more than $12 billion in mixed-use and student housing transactions using various structures & financing alternatives.
- Traditional bank loans
- Third-party equity
- Tax-exempt, project-based bonds
- Taxable, project-based debt
- General obligation bonds with university ownership
- P3 financing options

A developer-led approach provides the most financial flexibility.
NEXT STEPS AND TIMELINE

Note: some overlap in these phases is anticipated. These timelines are estimates; the durations will depend on our ability to work through issues in a timely way.

- Negotiate Interim Services Agreement (8-12 weeks)
  - Project Definition
  - Activities/Schedule
  - General Provisions
  - Reimbursable Expenses
  - Termination Provisions

- Pre-Development Phase (4-6 months)
  - Market Analysis
  - Financial Analysis
  - Concept Development
  - Draft Final Agreements
    - Ground Lease & Development Agreement
    - Management Agreement
  - Community Outreach

- Development Phase (18-24 months)
  - Execute Final Agreements
  - Construction Documents
  - Construction
  - Marketing