

How Innovative Project Delivery Strategies Can Influence Change

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PRESENTATION TEAM



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AGENDA

INTRODUCTIONS

LEARNING OBJECTIVES

PROJECT CONCEPTION/GOALS

IMPLEMENTATION/OUTCOME

OPERATIONAL EFFECTIVENESS



1 LEARNING OBJECTIVES

LEARNING OBJECTIVES

- Discussion of typical conceptual and upfront planning challenges and exercises to efficiently and effectively identify project goals.
- How to reduce energy consumption and operational cost through targeted capital projects and funding strategies
- The ability to solve for deferred maintenance funding gaps and building/operational transition.





2 PROJECT CONCEPTION/ GOALS

TO SUCCEED, THIS PROJECT MUST...

Identifying project success factors builds consensus.
At EMU, we identified the need for a project that:

- Solved for declining enrollment and occupancy rates.
- Addressed deferred maintenance and funding challenges.
- Had an immediate impact on the student experience.
- Analyzed existing housing demand and a right-sized unit mix.
- Provided equity across housing stock.



TO SUCCEED, THIS PROJECT MUST...

Aligning on the institution's strategic goals was the common thread for success. We set out to:

- Deliver long-term sustainable savings on commodities, operations, and maintenance.
- Strengthen the campus energy system for safe, reliable, 24x7 operations.
- Address deferred maintenance and funding challenges.
- Create open lines of communication to leverage the best of both EMU and its private partner from knowledge to operations to execution



ALTERNATIVE PROJECT DELIVERY

Traditional delivery methods would not address funding challenges, and the likelihood of immediate impact would be diminished due to extended design and construction durations.

EMU set out to investigate Public-Private Partnerships and a Master Developer relationship to:

- Advance physical assets and operations to best meet EMU's future campus needs.
- Develop a relationship with a private partner who will be a long-term strategic partner for EMU to advance the University's goals.
- Improve the competitive state of EMU's on-campus housing.
- Maintain affordability for students while enhancing the value proposition.



ALTERNATIVE PROJECT DELIVERY

Key topics that require internal consensus during the planning and partner selection process:

FINANCING

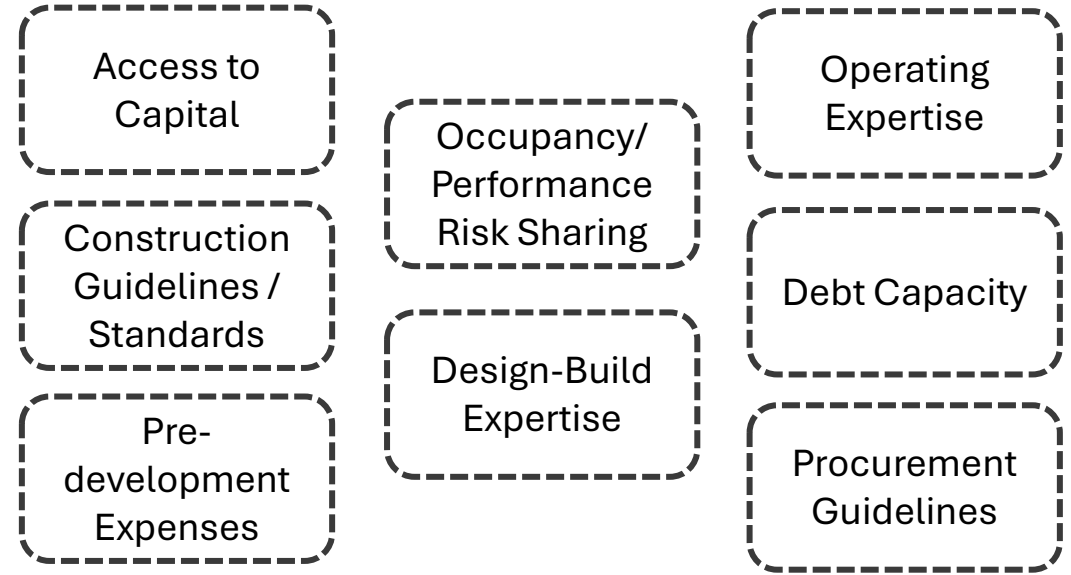
- What are the University's goals related to credit impact and debt capacity preservation?
- How much demand risk (occupancy) does the University want to transfer to the partner?
- What is the University's desired partnership term (number of years)?

PROJECT EXECUTION & OPERATIONS

- What is the University's desired level of control over student rents, residence life, operations, future reinvestment, etc.?
- What is the University's desire for upfront and/or on-going financial participation?
- What is the level of internal and external approval risk?

DEVELOPMENT

- How flexible is the University with design and construction standards?
- Does the University have the capacity / resources to execute the Project?



KEYS TO P3 SUCCESS:

- Identifying the need
- Clarity and commitment to institutional objectives
- Identifying a project champion
- Clear decision-making process
- Establishing a realistic schedule
- Leaning into the spirit of collaboration

ALTERNATIVE PROJECT DELIVERY

Campus Energy & Utility Infrastructure delivered with a Master Developer

THE “WHAT”

- EMU’s Master Development engagement meant the University had a long-term partner with a vested interest in helping EMU find and secure the best utility operator.
- The Master Developer could initiate and lead the procurement with the University and the University’s Strategic Advisor (RJA) to improve the vetting process and negotiating process.

THE “WHY”

- The University can leverage this opportunity to invest in strategic initiatives that focus on the core mission of improving student recruitment, retention, and satisfaction.
- This partnership will enable significant investments in University infrastructure with outside capital for 50 years.
- This was an opportunity to implement energy efficiency enhancements to the utility systems and campus infrastructure that would reduce overall energy consumption and utility costs while boosting the University’s current and future sustainability efforts.

PARTNERSHIP BENEFITS SUMMARY

- Effective Risk Transfer (Operations, Development, & Financing)
- Significant avoided cost from Business-as-Usual
- Student Engagement with a Living Laboratory, Student “Shark Tank,” and Real-Time Dashboard
- Operational Excellence in a World-Class Partner
- Reduction in Energy-Use Intensity (in-buildings)
- Addressing Deferred Maintenance Backlog
- Access to Capital for 50 Years
- Flexible Structure to Allow for New Technologies over Time

PROJECT TRANSPARENCY

EMU's Welcome Home initiative set out to become the most transparent and engaging capital project in the University's 175+ year history.

- EMU engaged faculty, staff and student leadership from project conception through occupancy navigating a global pandemic and implementing numerous opportunities for campus feedback.
- The project implemented a comprehensive, phased approach identifying key stakeholder groups:
 - Faculty/staff/administration identified project goals.
 - Residents/student leadership identified project characteristics.



PROJECT REACH

- 10,000+** pageviews of the Welcome Home 2025 website (emich.edu/welcome-home-2025)
- 1,850+** student survey participants
- 140+** faculty/staff participants
- 130+** students that participated in 15 targeted focus groups
- 75+** meetings with Facilities, Planning, & Construction, Housing & Residence Life, and Student Affairs (SA)
- 35+** O&M meetings with FPC, Plant Operations (PO), HRL, SA, and Finance/Administration (FA)
- 20+** staff engagement sessions with Parking, IT, Public Safety, Athletics, Resident Advisors/Resident Directors, Dining, Summer Operations, Admissions, Disability Resource Center
- 15+** Student Senate participants
- 2x** EEFC meetings
- 2x** Deans & Department Heads meetings
- 2x** Faculty Senate Sessions



PROJECT TRANSPARENCY

Constant communication and calibration with campus leaders provided a firm foundation for the partnership.

- In partnership with University leaders (Facilities & Finance), the Project Team provided the Board with consistent updates, project considerations, and opportunities for dialogue and discussion.
- EMU engaged faculty, staff and student leadership throughout the process.
- Facilities teams and input were critical to utility system concepts, plans, discussions with, and engagement of the private partner.





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IMPLEMENTATION/OUTCOME

THE PROJECT



THE PROJECT

The GOAL was to complete all housing renovations and new construction in time for the Fall 2024 academic semester. Benefits and considerations of the overall phasing schedule include:

- More quickly complete all capital improvements to benefit the student experience
- Provide additional opportunities for improvements through cost savings
- Ensure there are enough available beds for students who want to live on campus during the development period
- Better align the diversity of unit-type offerings with student preferences during construction and after completion

Facility Name	Year 1 2022-2023	Year 2 2023-2024	Year 3 2024-2025
Best	Occupied	Occupied	Offline for Residential Use
Buell	Occupied	Occupied	Offline for Residential Use
Downing	Under Renovation	Occupied	Occupied
Phelps	Occupied	Under Renovation	Occupied
Putman	Under Renovation	Occupied	Occupied
Sellers	Occupied	Under Renovation	Occupied
Walton	Under Renovation	Occupied	Occupied
Wise	Occupied	Occupied	Occupied
Hill	Offline for Residential Use	Offline for Residential Use	Offline for Residential Use
Hoyt	Occupied	Occupied	Offline for Residential Use
Pittman	Occupied	Occupied	Offline for Residential Use
601 W Forest	Occupied	Occupied	Occupied
Cornell Court	Occupied	Occupied	Occupied
Villages	Occupied	Occupied	Occupied
Brown Munson	Occupied	Occupied	Offline for Residential Use
Westview Apartments	Offline for Residential Use	Offline for Residential Use	Offline for Residential Use
New Lakeview	Under Construction	Under Construction	Occupied
New Westview	Under Construction	Under Construction	Occupied

- Occupied
- Under Construction
- Under Renovation
- Offline for Residential Use

THE PROJECT

- Design-Build-Finance-Operate-Maintain
- \$212 million campus housing initiative to provide affordable, quality housing for students
- Seamless integration of facilities services with Housing and Residence Life
- Extensive engagement with the campus community
- Includes an innovative utilities and infrastructure partnership
- 2,350 renovated beds + 700 new beds
- Construction Start: Fall 2022
- Final Delivery: Fall 2024



Innovator Award for
Best Public/Private
Financing Solution,
*Student Housing
Business 2023*



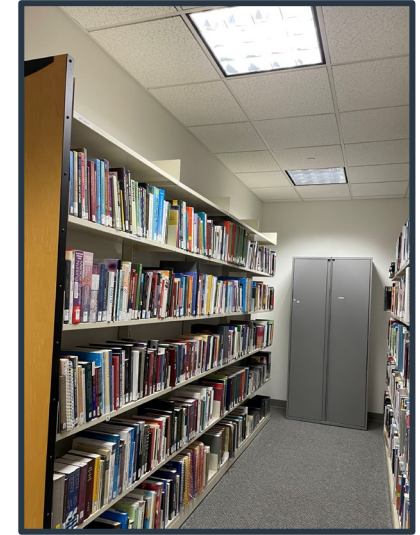
THE PROJECT

Energy Conservation Measures (“ECMs”)

Projects specifically designed to reduce energy consumption per square foot, lowering commodity costs, and increasing EMU’s sustainability efforts.

- 3-year project timeline involving 25+ buildings
- 3 phases to gate the project and ensure targets are achieved or exceeded
- LED lighting retrofits, building automation system installations, optimizations
- KPIs, incentives and penalties, similar to performance savings contracts
 - *Note: EMU’s partner was not permitted “in the ceiling” before scoping, estimating, and beginning construction.*
- Intended goal of improving AASHE STARS rating from Bronze
- 17.5%+ EUI reduction (*on target*)

EMU, the private partner, and its subcontractors **continually coordinate and remain flexible** to prioritize projects and buildings to achieve the EUI reduction for the amount agreed upon when the partnership closed in June 2023.



Halle Library LED Lighting Retrofits



Boiler Replacement Project

THE PROJECT

Immediate Infrastructure Improvements (“ECMs”)

Projects including phased demolition of five outdated residence halls to reduce operational expenses, extending utility lines for future service, and burying utility lines for resiliency and the ability to increase utilization of land for future buildings.

- Abatement and demolition of 5 residence halls
- Reduces annual costs to maintain
- Reroutes utility and communication lines under each building
- Provides greenspace and beautification efforts to improve student, faculty, and staff quality of life
- Reduces strain/load on personnel resources and simplifies distribution of steam and electric from the Central Utility Plant to improve commodity and operational costs



Jones Goddard Demolition Activities



Brown Munson Demolition Activities



5 OPERATIONAL EFFECTIVENESS

OPERATIONS AND MAINTENANCE TRANSITION

To provide a seamless operational transition to a partner and to ensure a high level of quality, the project must:

- Support student success
- Provide a single layer of governance ensuring clear guidelines for day-to-day Operational Teams
- Provide an Operations Director with project responsibility as a single point of contact
- Provide an integrated facility staff maintaining physical assets including housekeeping, maintenance, capital repair and replacement
- Submit monthly operating statements that align with an annual budget developed in collaboration with the university
- Align interests (rather than competing interest) through mutually agreed upon KPIs



OPERATIONAL OBJECTIVES

Management Committee

Campus Leadership

Student Affairs, Housing, Facilities,
Business and Finance

Operational Partner

Business Lead, Operations Director, Asset
Manager, Regional Operations Director

Goal: Meet quarterly to monitor and evaluate performance, approve budgets, rental rates, capital plans and policies, coordinate and resolve issues and challenges



Feedback, approvals
and oversight

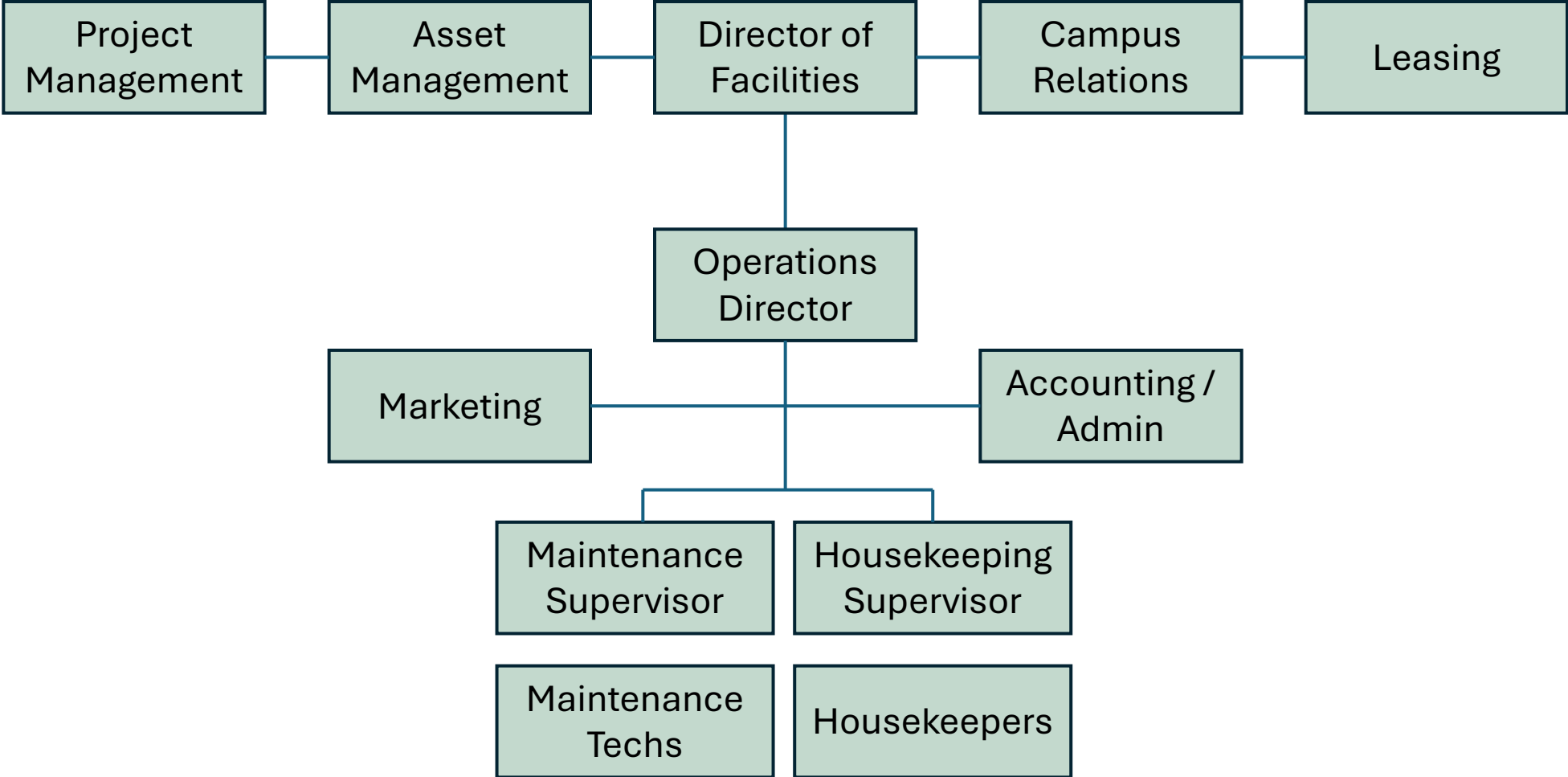


Reporting, updates and
recommendations

Operating Teams

Goal: Execute partnership directives and project scope with the purpose of the health, safety and wellbeing of residents to create a supportive residential experience

OPERATIONAL GOVERNANCE



PROCEDURES AND MONITORING

The project team continuously improves operations and management processes and reviews:

- Student satisfaction surveys
- Facilities condition assessments
- Work orders
- Communication protocols
- Move-in and move-out policies and procedures
- Operational effectiveness
- Capital improvements
- Deferred maintenance



RESIDENT IMPACT

So what does this mean for residents?

- Returning student increase due to nicer facilities
- Greater retention in the halls and apartments
- Refreshed campus—perfect timing to reinvigorate campus life and the student experience
- Campus interest in being in the halls for events, meeting with students, etc.
- Better infrastructure which will result in greater satisfaction (AC and WIFI alone)



UTILITIES IMPACT

Mechanisms within the Campus Energy Partnership

- Contractual language to assist EMU in the procurement of commodities
- Private partner is contractually obligated and incentivized to reduce commodities and operational expenses for the University
- Improving reliability of service and minimizing disruptions
- Potential for island mode further mitigating operational risks



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