

ANCHOR INSTITUTIONS AS CITY BUILDERS



ALEX FELDMAN
MANAGING DIRECTOR, U3 Advisors

U3 ADVISORS WORKS AT THE INTERSECTION OF CAMPUS AND CITY.

WE ADVANCE THE INSTITUTIONAL MISSION THROUGH TRANSFORMATIVE ECONOMIC, REAL ESTATE, AND PROGRAMMATIC, STRATEGIES AND INTERVENTIONS THAT POSITIVELY IMPACT THEIR COMMUNITIES.



An aerial photograph of a densely populated city, likely Madrid, Spain, showing a vast expanse of multi-story buildings with red-tiled roofs. In the background, a modern skyline with tall glass skyscrapers is visible under a clear blue sky. A semi-transparent dark blue rectangular box is centered over the middle of the image, containing white text.

70% OF THE WORLD'S
POPULATION WILL LIVE IN
CITIES BY 2050

AS OUR WORLD BECOMES MORE URBANIZED, ANCHOR INSTITUTIONS — UNIVERSITIES, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS — ARE INCREASINGLY CRITICAL TO THE HEALTH AND SUCCESS OF OUR CITIES AND COMMUNITIES.



...THEY HAVE NOT LED BY EXAMPLE



ANCHORS CAN HAVE A TRANSFORMATIVE IMPACT

PENN IN THE EARLY 1990'S



The Philadelphia Inquirer

Friday, October 31, 1997

Researcher Vladimir Sled was stabbed to death a year ago trying to protect his fiancee

Penn neighborhood remembering murder



UNIVERSITY CITY TODAY





PURCHASERS OF
GOODS & SERVICES



NATIONAL CENTERS OF
RESEARCH



CURATOR &
GENERATOR OF
ARTS & CULTURE



OWNERS OF
REAL ESTATE

ANCHOR INSTITUTIONS

EDS AND MEDS AS
**ECONOMIC
ENGINES**



DESTINATION FOR
STUDENTS



CENTERS OF
EMPLOYMENT



OUTPUTS



GRADUATES



HEALTHCARE



RESEARCH



ASPIRATIONS

GOOD SCHOOLS

SAFE STREETS

AMENITIES & SERVICES

JOB OPPORTUNITIES

PUBLIC SPACES

VARIETY OF HOUSING

HEALTHCARE



OUTPUTS



GRADUATES



HEALTHCARE



RESEARCH

INPUTS

FACULTY
STAFF

STUDENTS

VISITORS

GOODS &
SERVICES

REAL ESTATE



PEOPLE



DOLLARS



PLACE



STRATEGIES

HOUSING
INCENTIVES

BUY LOCAL

HIRE LOCAL

ACTIVATED
REAL ESTATE

COMMUNITY
DEVELOPMENT

INNOVATION
ECONOMY

WHY ANCHORS ARE EFFECTIVE CITY BUILDERS:

PLACE-BASED

Requires the customer and service provider to engage at the same place

PLATFORM

Owens the content and the distribution channels

REAL ESTATE

Controls supply and demand of significant real estate

MISSION-DRIVEN

Driven by mission and not short-term financial goals

SCALE

Often has the capacity to deploy resources at scale

REACH

Has both a local and global reach

ANCHORS AS CITY BUILDERS

CORNELL TECH / NEW YORK, NY
PUBLIC PRIVATE PARTNERSHIP

UNIVERSITY OF MARYLAND COLLEGE PARK / COLLEGE PARK, MD :
CAMPUS EDGE STRATEGY AND DEVELOPMENT

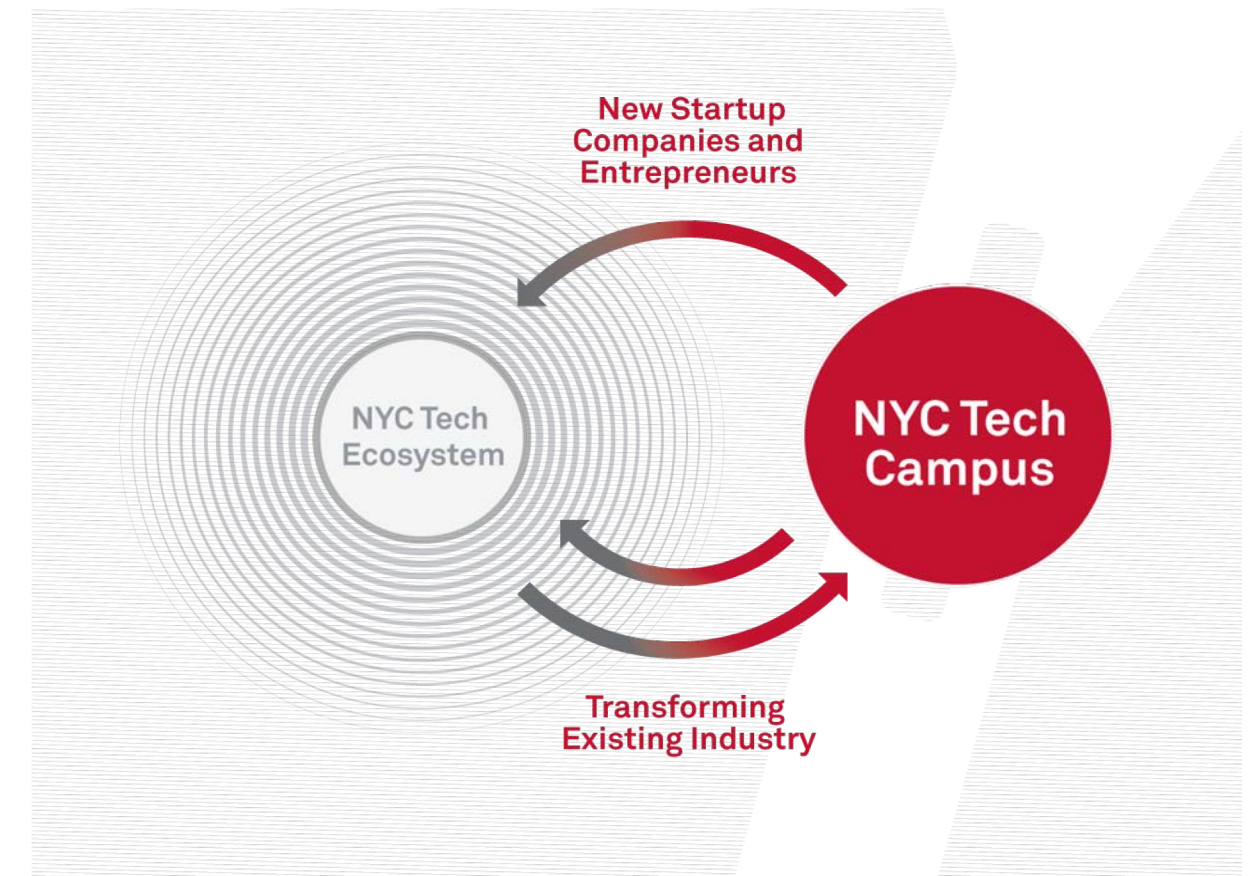
MEMPHIS MEDICAL DISTRICT / MEMPHIS, TN
ANCHOR STRATEGY

The image is a composite of two photographs. The top photograph shows a modern architectural complex with large glass facades and a prominent curved roof structure. A tall, multi-story building is visible in the background. The bottom photograph shows a large, open green lawn where a group of people, including children and adults, are gathered. Some children are playing with a long, colorful kite. The overall scene suggests a vibrant, community-oriented campus environment.

CORNELL TECH: P3 CAMPUS DEVELOPMENT

APPLIED SCIENCES FACILITY IN NYC: BACKGROUND

- Bloomberg administration recognized need for city to materially change economic base
- Identified “Applied Sciences and Engineering” (excluding life sciences) as underinvested
- Competition for modern day land grant
 - 12+ acres plus \$100M for site development and construction
 - Four City-owned sites offered at no cost
- One-year selection process launched in December 2010
- Major interest from top institutions from around the world



PRIVATE ENTERPRISE AND THIRD PARTY DEVELOPER

- Early decision to pursue private partners and outside sources of capital
- Tested market interest via RFEI and RFP process: significant response
- Settled on hybrid development approach
- Forest City Ratner Companies selected as master developer; developer “experts” for select buildings
- Contribution of Cornell land and site development cost as patient equity
- Cornell receives return of invested capital and shares in upside



THIRD PARTY DEVELOPMENT: OVERVIEW OF PHASE I BUILDINGS

ACADEMIC BUILDING

- Owned by Cornell
- Developed on fee basis by Forest City
- 150,000 SF

CORPORATE CO-LOCATION BUILDING

- Owned and developed by Forest City
- 238,000 SF commercial office building Cornell will lease 1/3 for academic space

RESIDENTIAL BUILDING

- Owned by JV of Cornell and developer; developed by JV of the Hudson Companies and the Related Companies
- 256,000 SF apartment building for graduate students, post-doctoral candidates, faculty and staff

HOTEL AND CONFERENCE CENTER

- Flexible use - serving the Cornell community for institutional functions and programs as well as the outside public for general use



UNIVERSITY OF MARYLAND COLLEGE PARK: CAMPUS EDGE DEVELOPMENT



MID-ATLANTIC'S ANCHOR INSTITUTION

38,000 STUDENTS AT THE STATE'S
FLAGSHIP CAMPUS

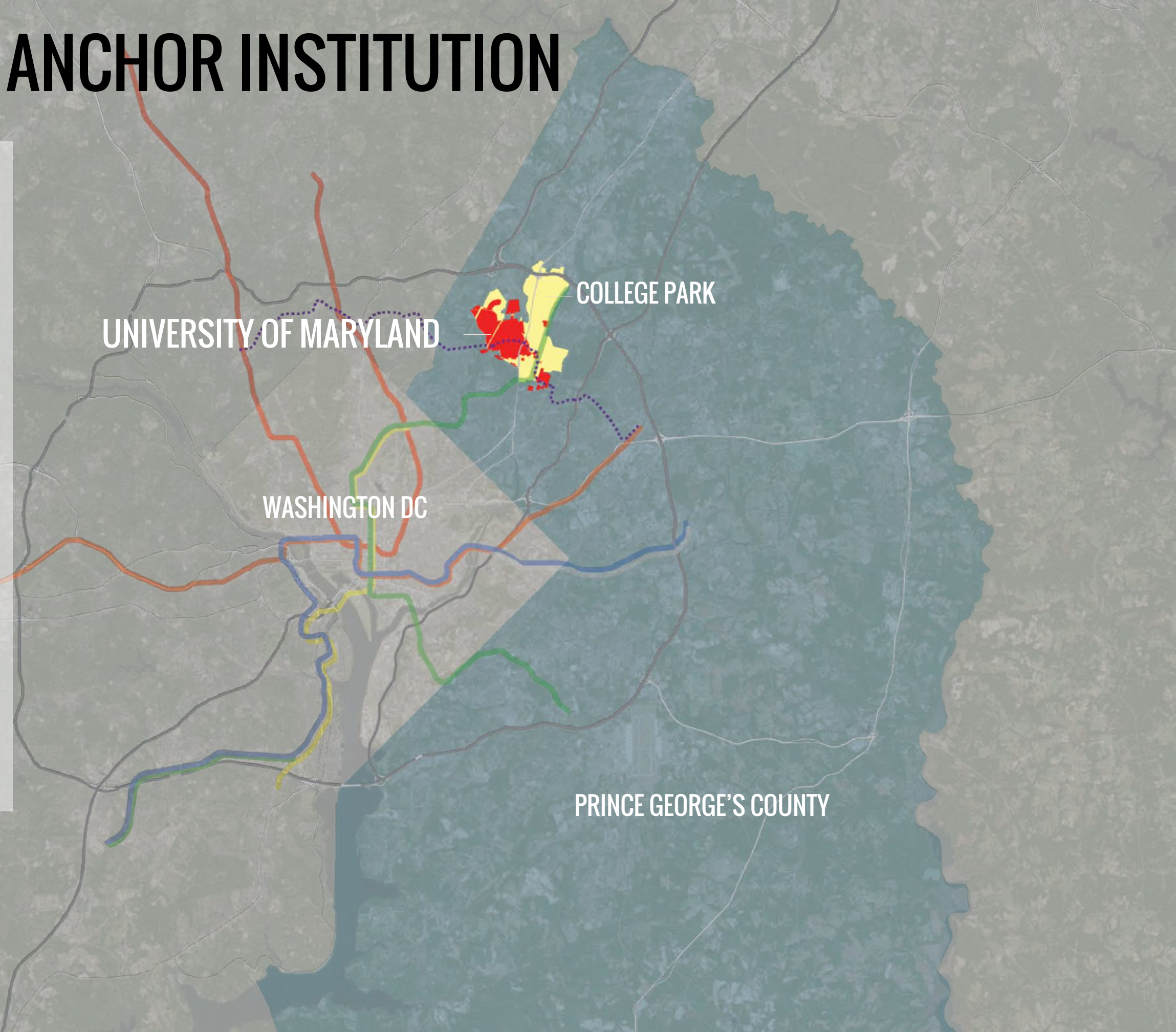
#20 AMONG NATIONAL PUBLIC
UNIVERSITIES (US NEWS AND
WORLD REPORT)

\$502 MILLION IN ANNUAL
RESEARCH EXPENDITURES

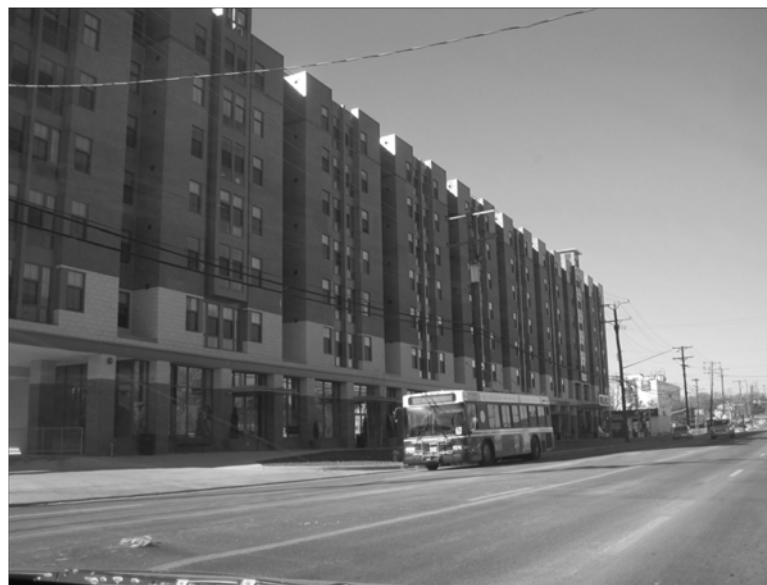
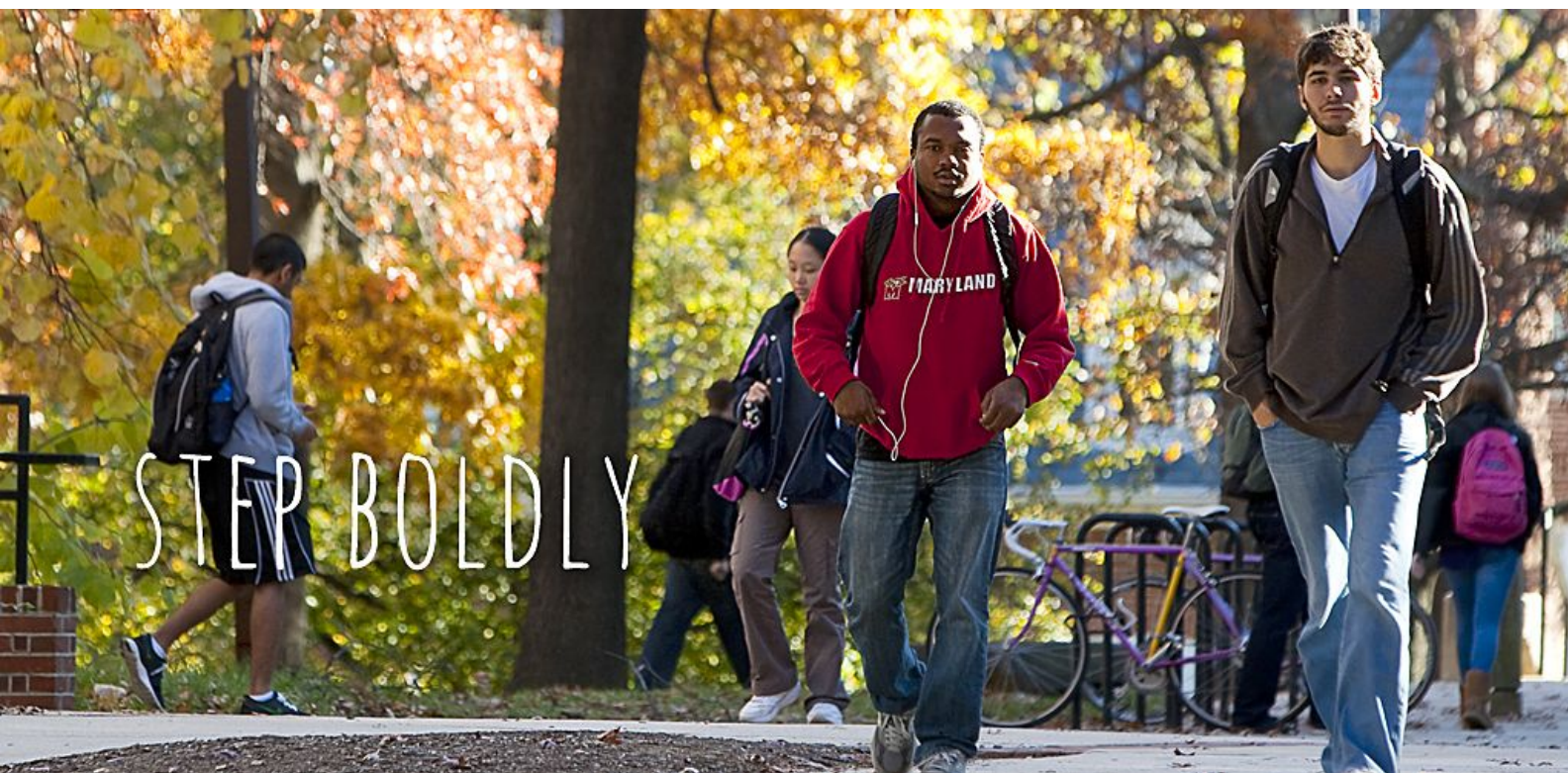
8 MILES FROM WASHINGTON DC

25 MILES FROM BALTIMORE

MEMBER OF THE **BIG 10**



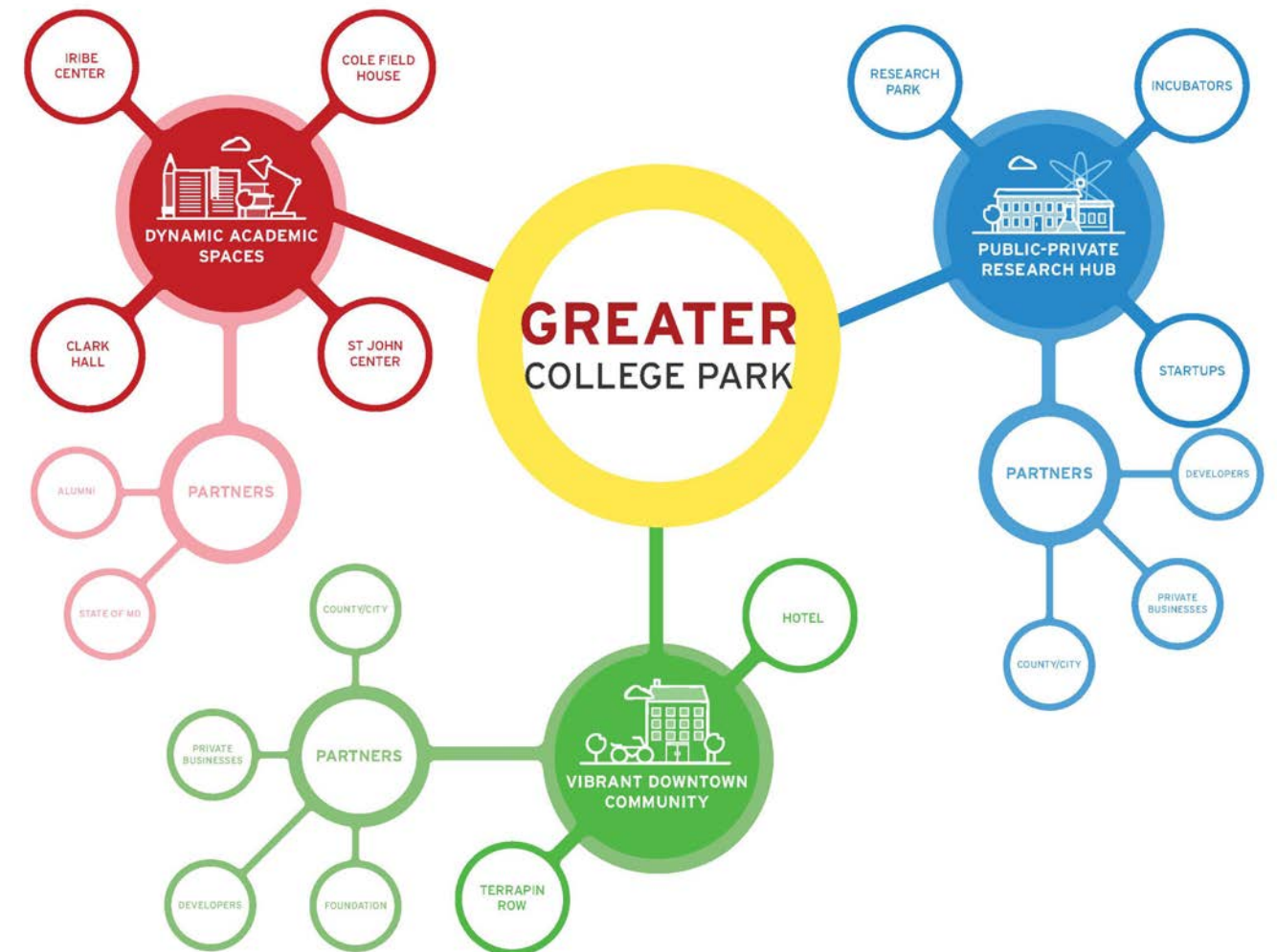
A FEW YEARS AGO



UMD / TERRAPIN DEVELOPMENT COMPANY

Terrapin Development Company is a joint venture real estate and economic development entity created by the **University of Maryland** and **University of Maryland College Park Foundation**.

TDC's mission is to create long term value for its members while **transforming Greater College Park** into a **vibrant, diverse and walkable** community that attracts the best faculty and students, and galvanizes entrepreneurs and research cultures.



TERRAPIN DEVELOPMENT COMPANY

DISCOVERY
DISTRICT

Prince
Frederick
Hall

Landmark

City Hall

Terrapin Row

DOWNTOWN
COLLEGE PARK



TRANSFORMING COLLEGE PARK





MEMPHIS MEDICAL DISTRICT: ANCHOR STRATEGY

MEMPHIS MEDICAL DISTRICT

TOTAL STUDENTS

(2014)
7,000

TOTAL EMPLOYEES

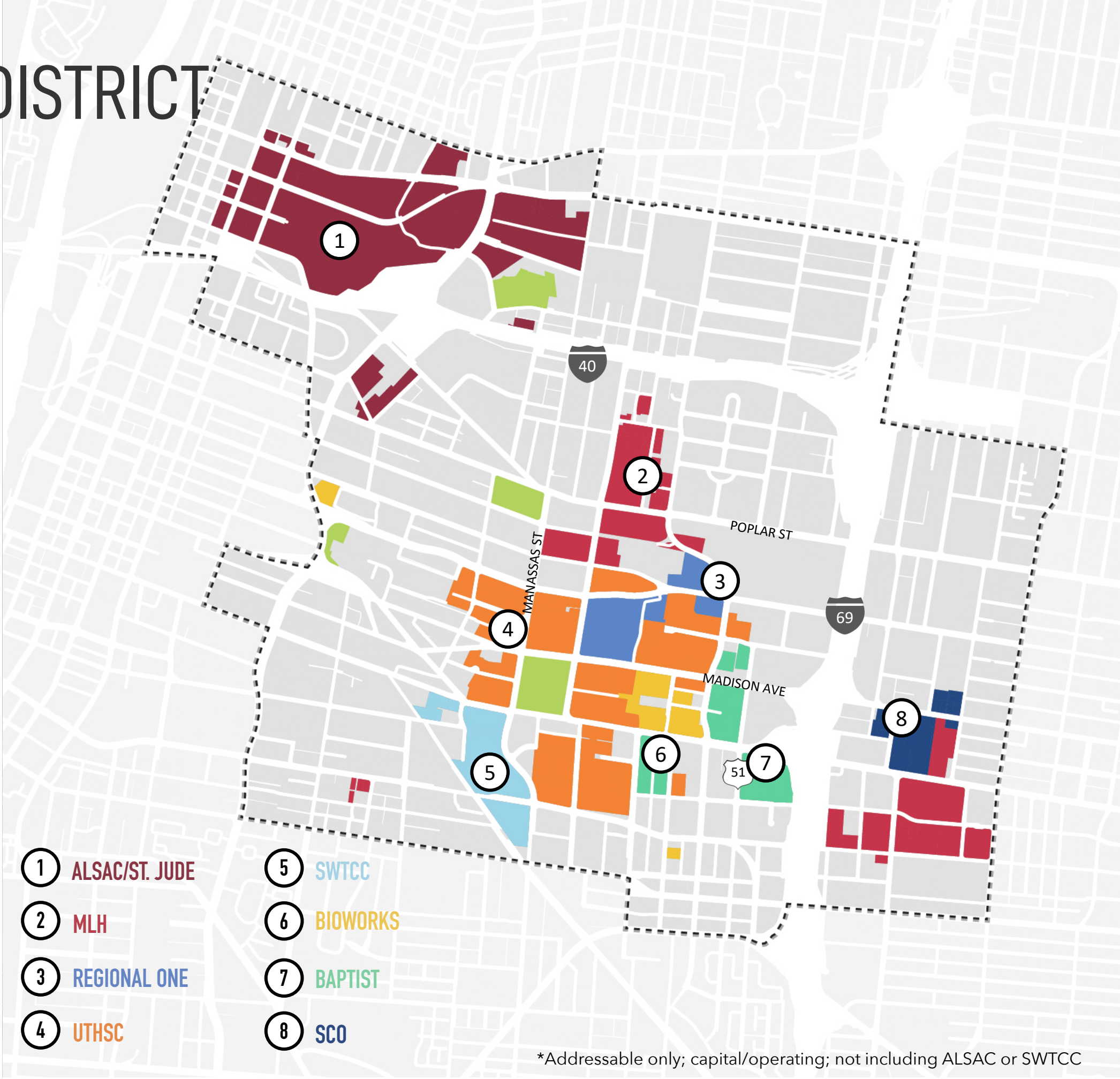
(2014)
15,968

TOTAL PROCUREMENT*

(2014)
\$709M

TOTAL REAL ESTATE

(2014)
250
Acres



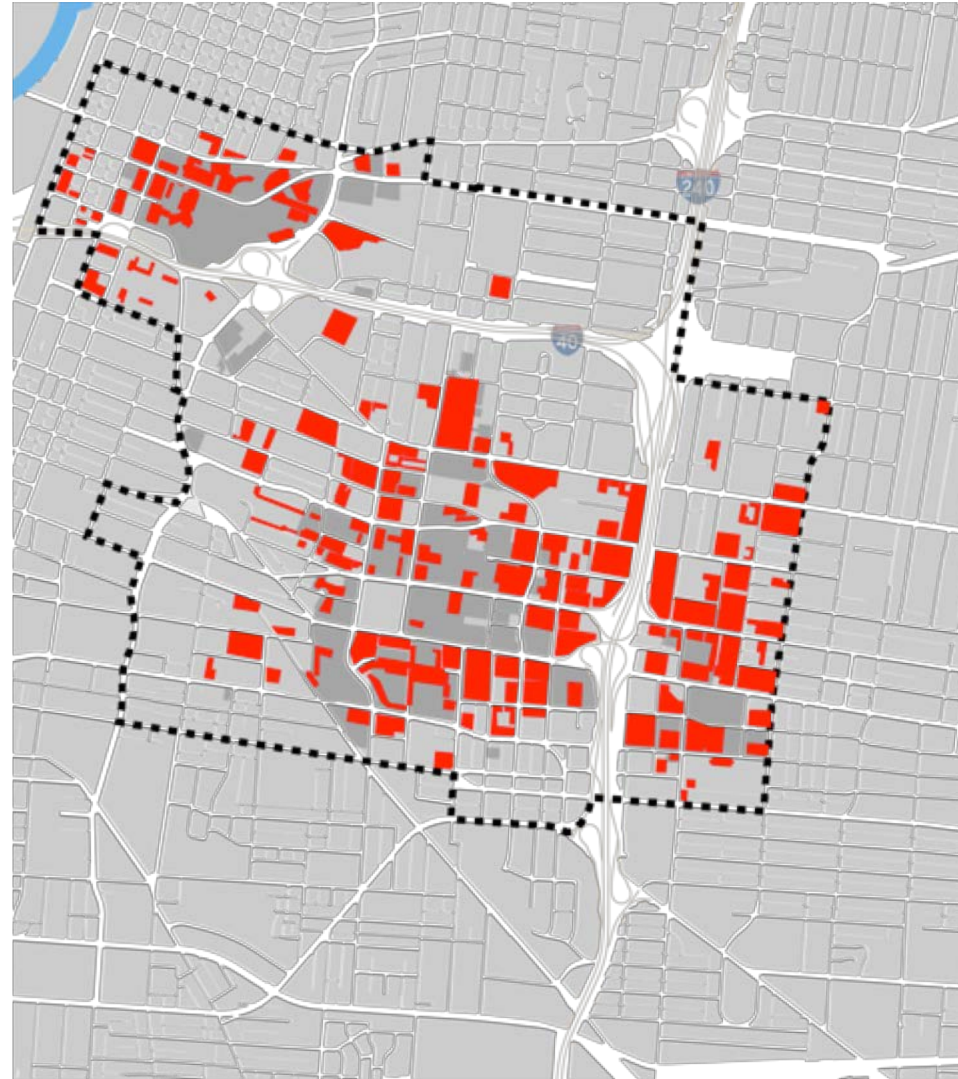
*Addressable only; capital/operating; not including ALSAC or SWTCC

LAND USE PATTERNS



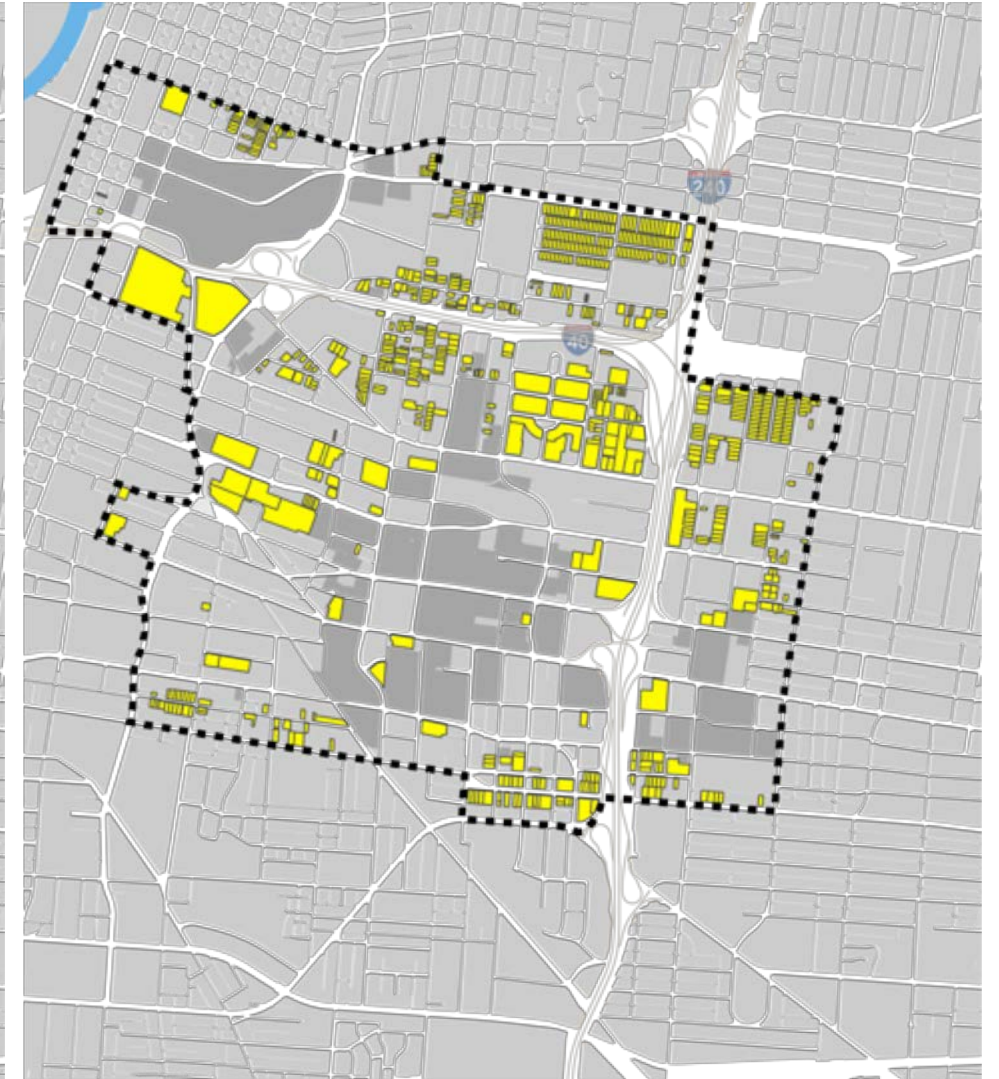
INSTITUTIONAL LAND

50% of land owned by participating institutions



PARKING

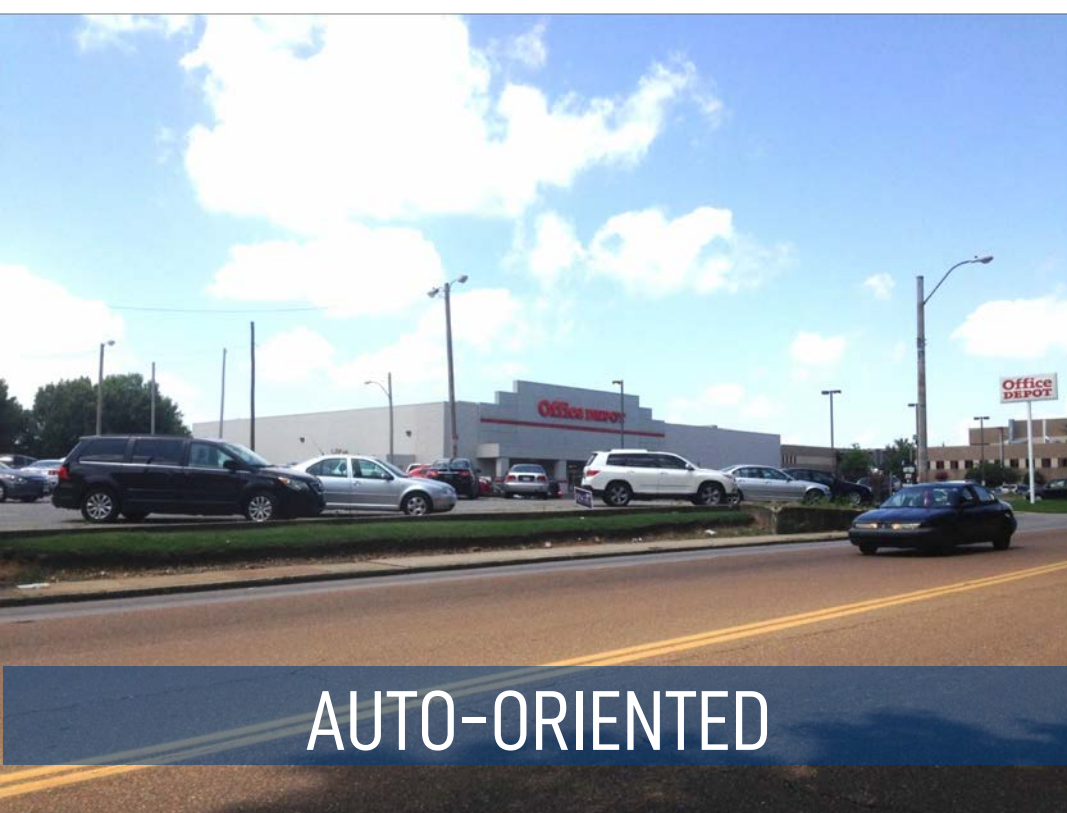
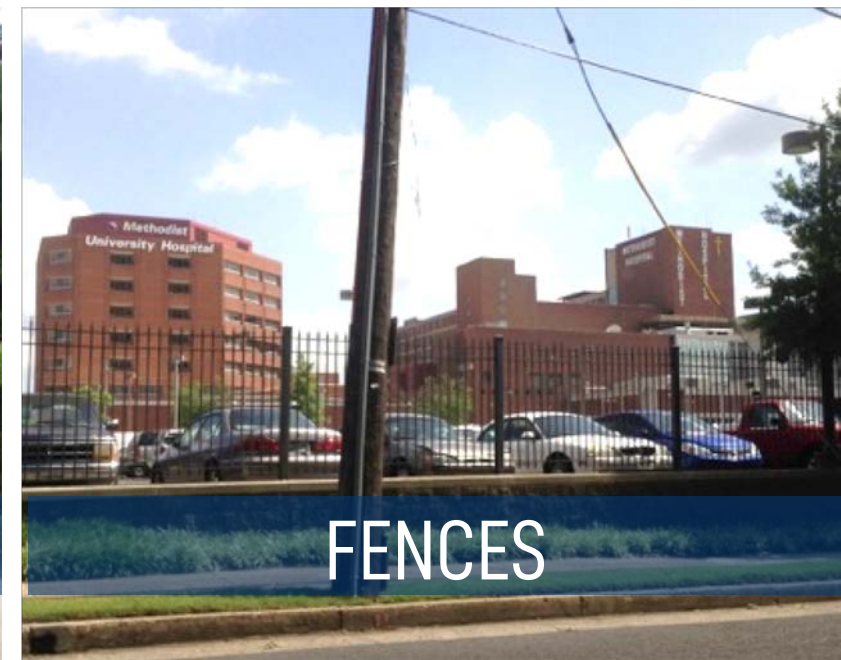
270 acres of commercial and institutional parking within the district



HOUSING

Fractured and limited housing supply of inconsistent quality

2014 DISTRICT



LIVE & COMMUTE PATTERNS

2.7%

OF EMPLOYEES

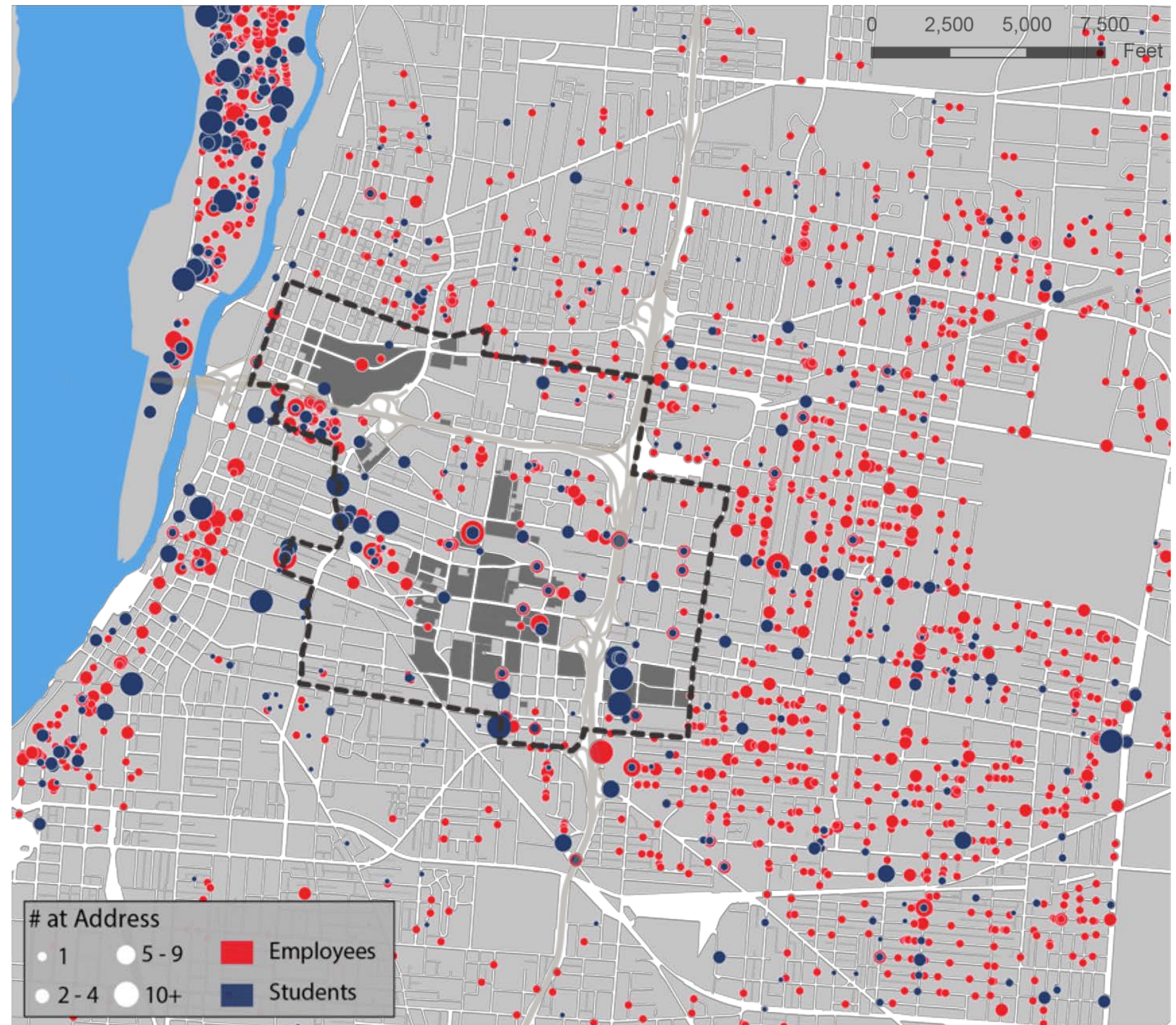
(415)

6%

OF OFF-CAMPUS
STUDENTS

(250)

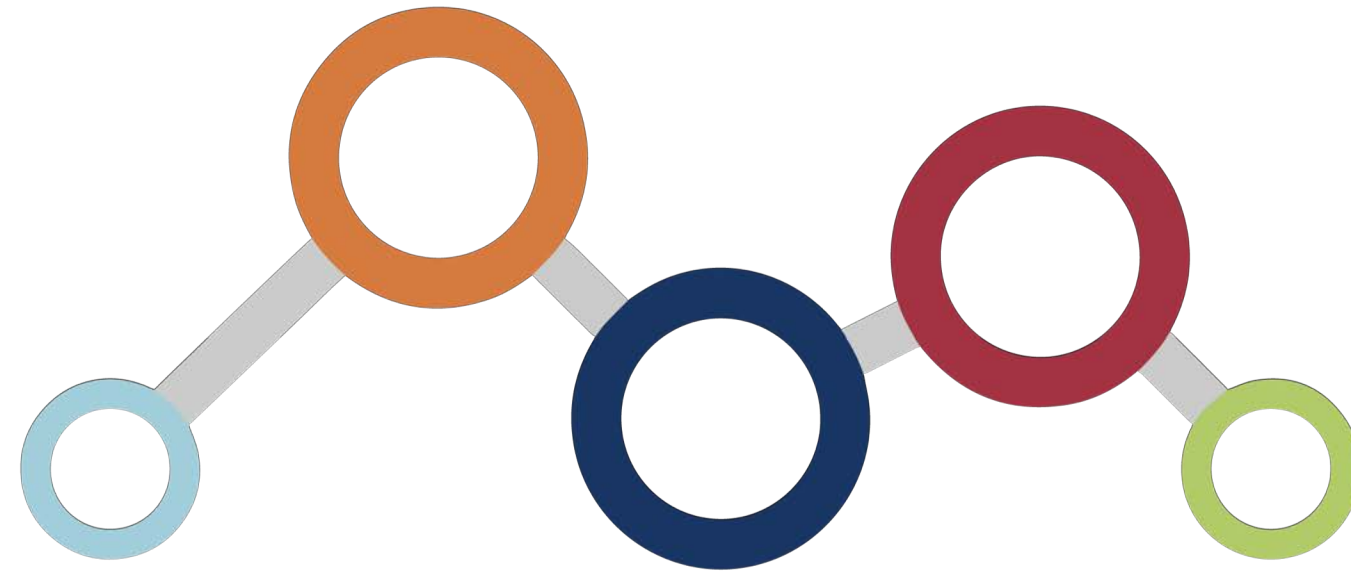
LIVE WITHIN
THE DISTRICT



Source: Institutional Data

FORMING MMDC

Realizing the need in the district, 8 anchor hospitals and universities in Memphis formed a non-profit entity to managed shared initiatives:



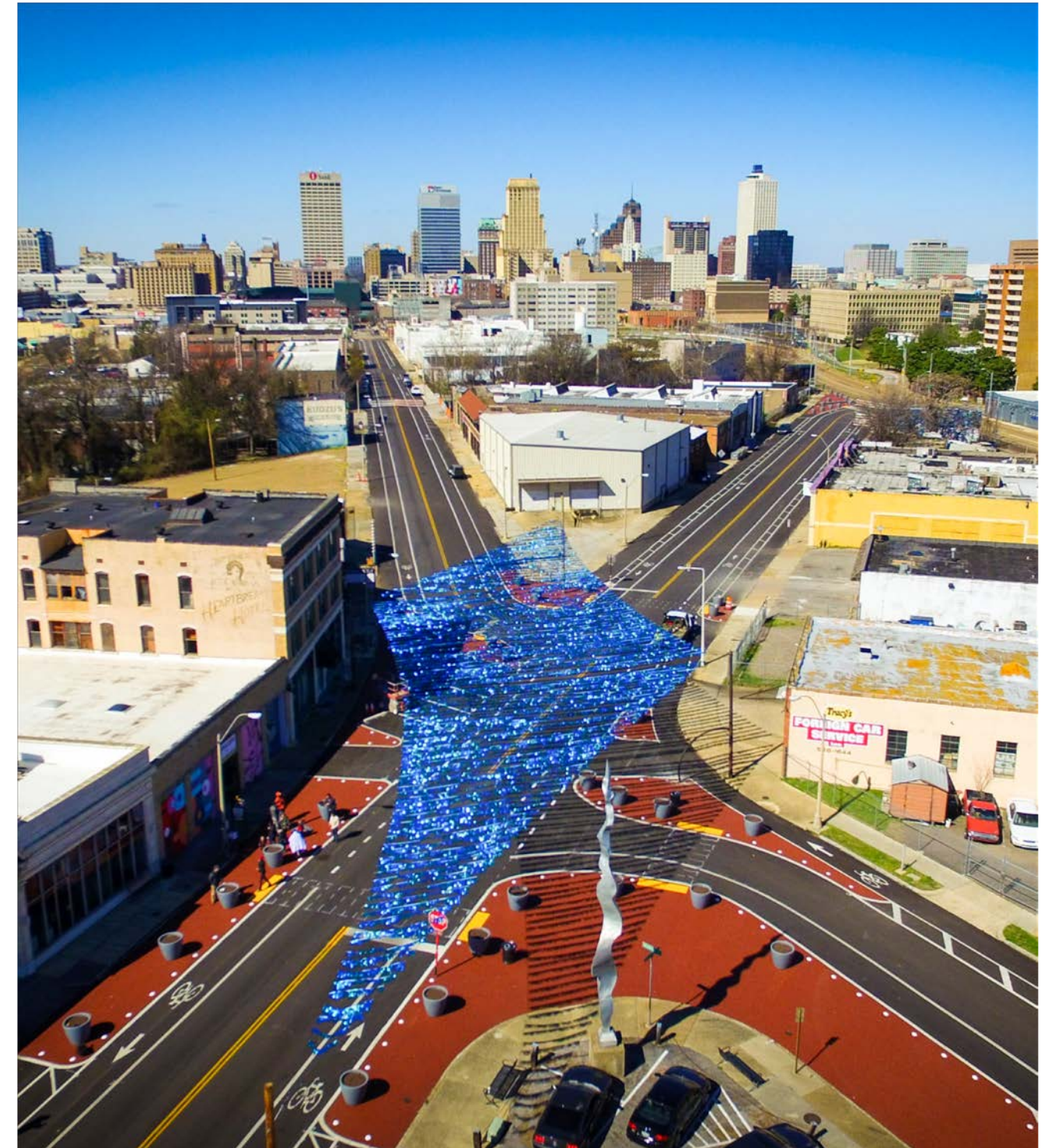
MEMPHIS MEDICAL DISTRICT
COLLABORATIVE

MMDC GOALS

Strengthen the communities between and around the eight major anchor institutions so that they are more **livable, vibrant, and safe**.

PRIORITIES:

- Capture the Value of Major Institutions in the District
- Increase Housing Supply
- Strengthen Commercial Corridors
- Improve Public Life
- Enhance Safety and Security



MMDC PROGRAMS

REAL ESTATE

Development
Support

TRANSFORMATIVE PROJECTS

Anchor
Programs

Programming &
Events

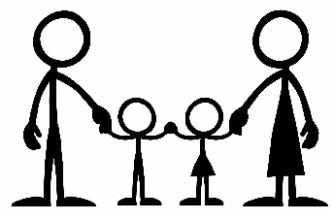
FOUNDATION

Clean & Green

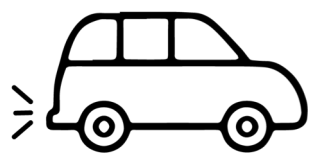
Safety & security

Placemaking

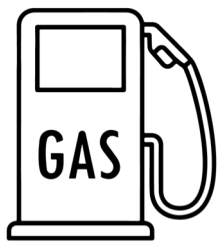
LIVE LOCAL



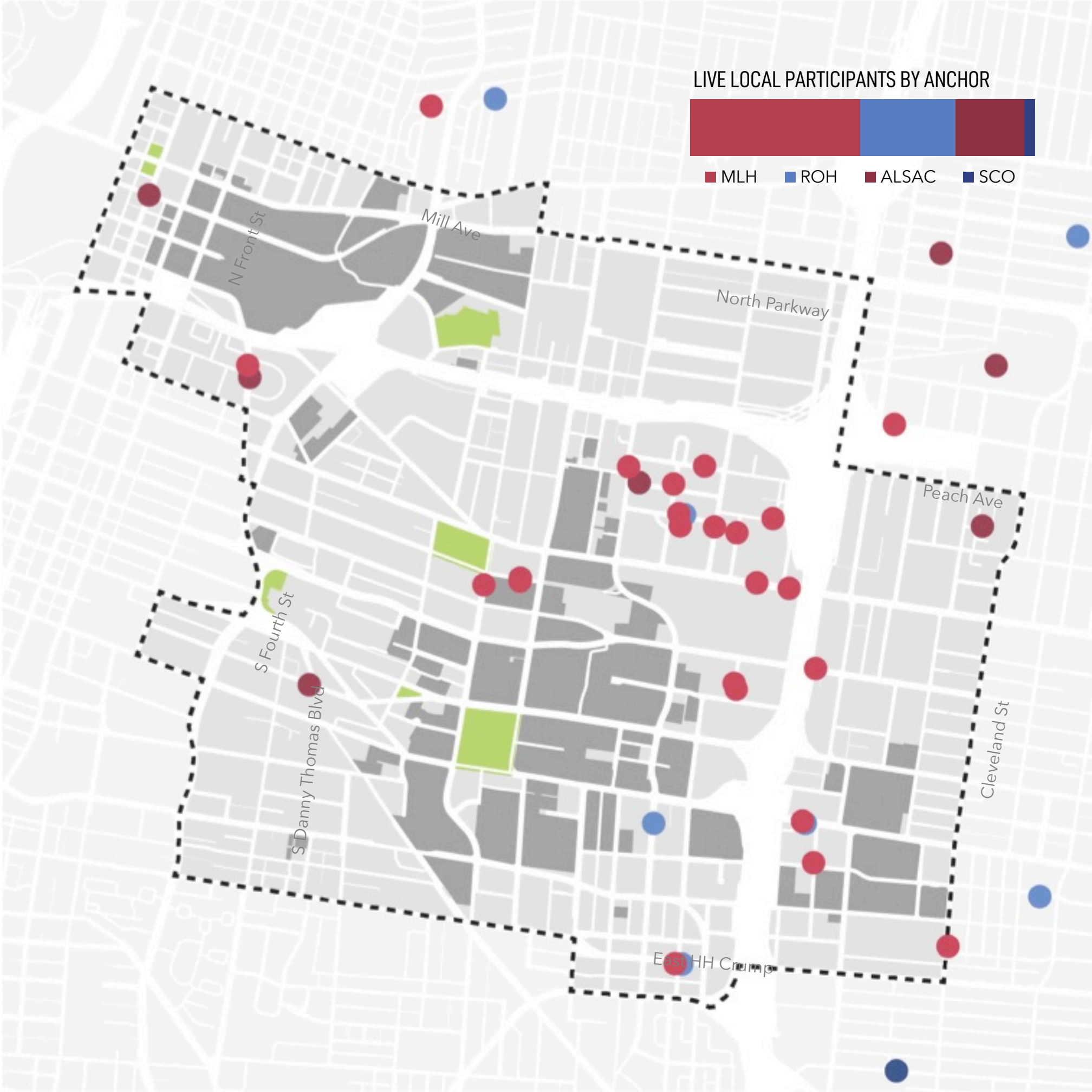
Attracted & Retained
130 Residents



Reduced Daily
Commute Hours By
60 Minutes
(Daily Commute Per Participant)



Reduced Annual
Commute Costs By
\$250,000



BUY LOCAL

CHANGES IN NON MEDICAL SPEND

Change Between 2014-2018
Not including Major Construction/Medical

LOCAL

+\$22.4M (+1%)

Spent with Local HQ

DIVERSITY

+\$8.5M (+2.1%)

Spent with Diverse Businesses

COUNCIL

(last year only)

5/10

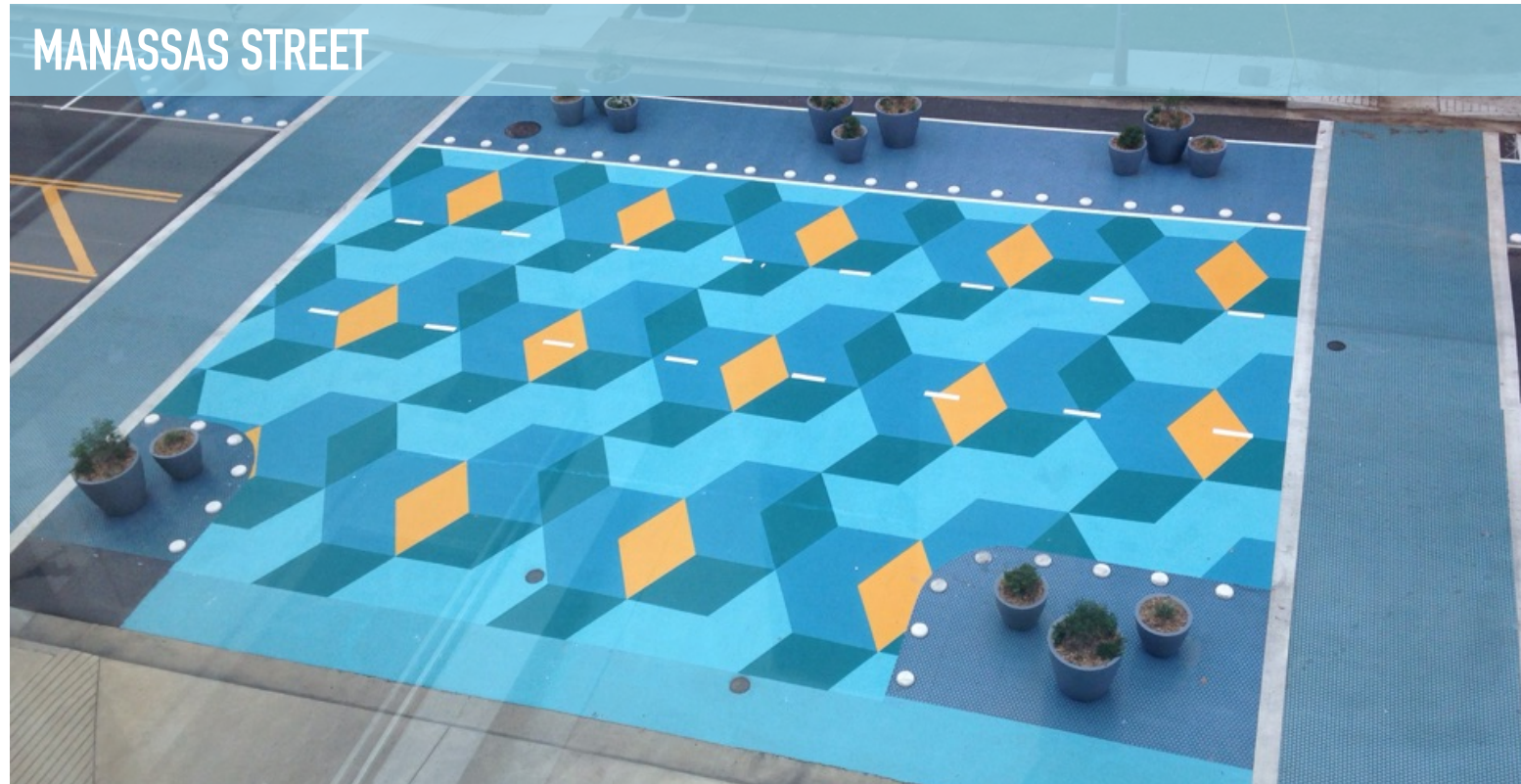
Businesses
Utilized / Pursued

\$3.1M

Volume of
Spend



PUBLIC SPACES



PROGRAMMING & MARKETING

DONUTS AT DAYLIGHT



MLK DAY OF SERVICE



FREEWHEEL



HSP OUTDOOR SPIN CLASS



YAPPY HOUR



DALI STRING QUARTET @ EDGE ALLEY



COMMUNITY & ECONOMIC DEVELOPMENT



PHILIP ASHLEY CHOCOLATE



SPINCULT – CYCLING STUDIO



SHAB CHIC MARKETPLACE



LEO EVENTS HEADQUARTERS



WONDER / CO-WORK / CREATE



LOS COMALES



BABY GRAND CREATIVE



PKM ARCHITECTS

REAL ESTATE AND COMMUNITY DEVELOPMENT



ANCHOR INSTITUTIONS' ROLE

ECONOMIC CATALYST

UNIVERSITIES CAN BE CRITICAL PLAYERS IN SUPPORTING PHYSICAL, ECONOMIC, AND SOCIAL IMPACT IN THEIR COMMUNITIES THROUGH CONTROLLING KEY DEMAND DRIVERS

MISSION DRIVEN

ANCHOR INSTITUTIONS ARE WELL POSITIONED TO MAKE THIS IMPACT BECAUSE THEY ARE DEEPLY ROOTED IN THEIR PLACE THROUGH THEIR HISTORY AND MISSION,

COMMUNITY PARTNER

UNIVERSITIES CANNOT DO THIS WORK ALONE - THEY NEED TO WORK IN PARTNERSHIP WITH OTHER ANCHOR INSTITUTIONS, GOVERNMENT, PHILANTHROPY AND NON-GOVERNMENTAL ORGANIZATIONS

VISIONARY LEADER

ANCHORS CAN TAKE ON CRITICAL CITY BUILDING TASKS - BUT LEADERSHIP AND COMMITMENT MUST BE INFUSED THROUGHOUT THE "DNA" OF THE INSTITUTION

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