

Project Essay

While alternative finance and procurement has been a theme in several SCUP events and publications, more can be done to understand what it means and how well the “alternatives” have performed for university and colleges.

This effort proposes to provide a summary of findings and reference of projects/institutions that correspond to a “taxonomy” while also providing insight to the performance of each type in higher-learning contexts. This will be both useful for understanding the broad spectrum of options as well as finding real-world examples to assist planners and other administrators make decisions.

From SCUP I hope to better understand the similarities and differences between how higher-learning institutions evaluate options for possible use of alternative finance and procurement. Circumstances, levels of expertise, previous experience of officials and senior officials and projected purpose are among the themes of learning.

I also hope to learn more from SCUP colleagues about how the types of alternative financing and procurement have performed, including some insight to how their proponents might do things if presented with another opportunity.

One specific area of potential contribution is in helping to explain the different alternative financing and partnership development models to SCUP members. The creation of a “taxonomy” examining different partnership types including different attributes related to ownership, construction costs and operations, could be helpful for members who are working through understanding the options and trying to pair these to their circumstances.

I believe such a taxonomy could be helpful for officials and private sector participants alike in understanding key issues and leveling some of the differences in experience between those who are participating (eg: institution and developer).

Here is a description of the Project I wish to undertake.

The Project: Comparing options for alternative finance and procurement project delivery approaches for institutions that face similar circumstances. Specifically, dense urban setting, growth pressures and some increasing uncertainty in funding.

The goal: Develop a taxonomy of alternative finance and procurement options, paired with examples and some reflections on how these have performed within the context of urban higher-learning institutions.

Methodology: Literature review of articles and SCUP conference programs to identify projects, trends and identify knowledge gaps. Qualitative interviews with colleagues in a selection of universities that have undertaken a variety of public/private partnerships and public/public partnerships in building construction and/or operations, summarizing findings, identifying trends and gaps. Geographically focused on North America, but could include the UK and/or Australia and Asia depending on available time/resources.

Outcomes: (1) synthesis of options and approaches available (with examples) for addressing similar challenges (2) shareable insights with colleagues in the sector (3) possible performance benchmark for future sector review/discussion.

Deliverables: (1) White paper for SCUP members. (2) Panel discussion on findings. (3) Possible article for public sharing (eg: provincial or state authorities). (4) Internal Ryerson paper for senior decision-makers.

Facing uncertainties of funding and enrollment levels, colleges and universities must continue making decisions about their “bricks and mortar” physical resources.

Some institutions are considering alternative financing and partnership models – but what are the key elements for them to understand, especially in the early stages? More specifically, for urban institutions facing rising land values, enrollment growth pressures, reduced funding and greater pressures to address ballooning deferred maintenance, how might they weigh the “alternative finance” options within their plans for physical resources development and stewardship?

The table below provides a handful of “alternative” practices I am familiar with to which I plan to add to considerably through the project.

Type	Description	Examples
1. Build-Finance	Consortium builds and finances project, following designs supplied by owner. Firm price covers construction and financing risk.	Playing field at the University of Toronto
2. Design-Build-Finance	Similar to #1, but consortium also handles design.	Student residence for George Brown College (Toronto)
3. Design-Build-Finance-Maintain	Like #2 above, but with a long-term maintenance contract.	Emily Carr University (Vancouver) <i>Includes a 30 year contract</i>
4. Developer-owner long-term lease	Purpose-built facility on developer-controlled land, with long-term lease to institution. Likely includes maintenance contract.	
5. Developer leaseback	Purpose-built, on university lands, with project reverting to institution’s control after leaseback term. Likely includes maintenance contract.	ACC residences, Drexel University (Philadelphia)

I plan to apply best practices in higher education planning in at least three ways:

- (i) collaborating with colleagues (within and outside Ryerson University) on initiatives or projects
- (ii) influencing how Ryerson University contributes to Canada’s on-going policy dialogue on the future of higher-learning and;
- (iii) integrating best practices into the real estate development and alternative finance deals that are part of my role at Ryerson.