

Thinking of pursuing a P3?

# CONSIDER THESE SIX CHALLENGES

From a school's perspective, public-private partnerships ("P3s") can be wildly successful, offering financing, risk transfer, and expertise. But they can also be problematic and extremely challenging. Some of these challenges are avoidable, and the others can be mitigated. Still, any school considering engaging in a P3 should know what they're potentially up against.



1

## LOSS OF CONTROL

Schools might lose some—or a lot of—control over the design, operations, and maintenance of the facility

2

## SHORT-TERM VIEW

Schools can struggle to keep a long-term strategic view with short-term revenue concerns being top of mind



3

## FOCUS ON REVENUE

Spaces that do not produce revenue will be hard to base a P3 around without some kind of balance sheet impact; these spaces will need to be a negotiated subset of a solid revenue-producing project

4

## HIGH STAKES

Given the complicated and high-stakes nature of a P3 engagement, schools will likely need to invest in outside legal and advisory support



5

## UPFRONT WORK

It takes a lot of work up front to get the deal right—more work than most schools are used to doing at the outset of a project

6

## ONGOING ENGAGEMENT

A P3 is not just a transaction, it's a long-term relationship; as a result, a school will need to remain engaged throughout the life of the facility

