

Balfour Beatty Capital Group enters into On-Campus Student Housing Public-Private Partnership (PPP) Project

*Balfour Beatty invests approximately \$3.4 million
in tax-exempt bonds issued as part of project financing*

Newtown Square, Pa --- March 5, 2010 --- [Balfour Beatty Capital Group, Inc.](#), announced today that it has entered into a Public-Private Partnership (PPP) with Florida Atlantic University (FAU) for the development and management of new student residential facilities. The new facilities will contain 1,216 beds located on the University's main campus in Boca Raton, Florida. The development and management functions will be performed through joint ventures between affiliates of Balfour Beatty Campus Solutions, LLC (BBCS), and Capstone Development Corp (Capstone). In addition, Balfour Beatty Capital, Inc. has placed an investment in the project through the purchase of \$3.4 million of tax-exempt bonds.

The student housing community will be constructed by Balfour Beatty Construction, LLC and designed by PGAL (Pierce Goodwin Alexander & Linville). The approximately \$123.0 million project is being financed through the issuance of a combination of tax-exempt and Build America Bonds issued by The FAU Finance Corporation. The financing was completed on March 4, 2010, and the facilities are scheduled to be delivered for occupancy in August 2011, prior to the commencement of the 2011 academic year.

The new community, which is designed to achieve LEED Silver certification, will be the first phase of "[Innovation Village](#)," a recreation, residential and retail initiative, programmed to heighten the traditional university experience at FAU. Management responsibilities will be shared by FAU and a joint venture between BBCS and Capstone

On-Campus Management, LLC. Immediately prior to the opening of Innovation Village, the joint venture also will assume management responsibilities with FAU for the University's 2,446 existing on-campus beds.

"This is a great opportunity to build upon the existing traditions of Florida Atlantic University by expanding the on-campus housing options for today's students utilizing the PPP model," said Bruce Robinson, President and CEO, Balfour Beatty Capital Group, Inc. "Balfour Beatty's service companies have a strong collective track record when it comes to student housing development, construction and management that will allow us to help colleges and universities meet their infrastructure demands for current and future students. We are also delighted to be partnering with Capstone for this exciting project. They bring a very impressive resume to this effort and we look forward to a successful partnership."

The housing at Innovation Village will be designated for upper division and graduate students, and include a unit mix of two, three, and four bedroom / two bathroom apartments. The apartments will be fully furnished and feature kitchens equipped with Energy Star appliances, cable TV and access to FAU's network through wired and wireless high speed internet. Additionally, there will be multiple one bedroom / one bathroom apartments designated for resident assistants.

The development will consist of a seven-story building and an eight-story building, together totaling 489,000 square feet. The two buildings will be connected by a courtyard area with green spaces, an outdoor pool, and sand volleyball court. Other community amenities will include a fitness center, convenience store, computer lab, and multipurpose meeting areas.

Robinson concluded, "The utilization of the PPP model is an effective way to introduce private expertise and capital into the public sector, while meeting the current and future needs for housing and infrastructure at colleges and universities and improving overall value."

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About Balfour Beatty Capital Group, Inc.

[\(http://www.bbcgrp.com/\)](http://www.bbcgrp.com/)

Balfour Beatty Capital Group, Inc. specializes in partnering with government entities and high performing public sector firms to implement their strategic plans through a Public-Private Partnership (PPP/P3) model. Through the Company's four divisions, [Balfour Beatty Communities, LLC](#), [Balfour Beatty Capital, Inc.](#), [Balfour Beatty Energy Solutions, LLC](#), and [Balfour Beatty Campus Solutions, LLC](#), it is one of the leading providers of PPP projects in the United States with over 1,000 employees nationwide.

Balfour Beatty Capital Group is a part of Balfour Beatty plc, the largest UK-based international infrastructure group operating in construction services, professional services, support services and infrastructure investments, with a proud and successful history extending back 100 years.

About Balfour Beatty Campus Solutions, LLC

<http://www.bbcampussolutions.com>

Balfour Beatty Campus Solutions, LLC, a subsidiary of Balfour Beatty Capital Group, Inc., provides development, asset/property management and other real estate services to colleges, universities or their affiliated entities with a special focus on projects utilizing a Public-Private Partnership (PPP/P3) model. The company offers an alternative solution for higher education institutions which are looking to bridge the gap between necessary capital plans (academic facilities for faculty, classrooms and labs, athletic spaces as well as wellness centers and improved student housing) and the resources needed to execute these plans.

About Capstone Companies

www.capstonecompanies.com

Capstone Companies, a leader in the student housing industry since 1990, focuses exclusively on student housing development, management, finance coordination, construction, and interior design. Capstone’s cumulative student housing experience, both on and off campus, reflects approximately \$2.9 billion in total project costs and over 58,000 beds. Capstone is honored to have partnered with more colleges and universities than any other firm to date – 57 campuses, constituting over 35,000 beds.

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NOTE TO THE EDITOR ABOUT PUBLIC PRIVATE PARTNERSHIPS:

Public Private Partnerships offer a unique, but effective solution for meeting the housing and infrastructure demands of higher education. According to the [National Council of Public-Private Partnerships](#), under a Public-Private Partnership, a contractual arrangement is formed between public and private-sector partners. In the case of higher education, a college or university may contract with Balfour Beatty Campus Solutions to perform all functions of a project, from designing and constructing new buildings, such as classrooms and housing, to managing operations and facilities.

Public-Private Partnerships allow the college or university to partner with Balfour Beatty Campus Solutions whereby via Balfour Beatty Capital they invest the needed equity for the design, development and construction of the building or facility. Both the Balfour Beatty companies and the higher education institution then share in the resulting revenue. The college or university benefits from a new income stream, improved infrastructure and access to much needed capital, while the private partner brings its experience and expertise to the development, management and operation of the new facilities, while also generating significant revenue from the partnership. For more information, visit www.bbcgrp.com.