



TRANSACTIONS - MAY 26, 2020

Harrison Street buys BlackRock's U.S. army energy production facility

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Harrison Street's Social Infrastructure Fund (SIF) has acquired an interest in an energy production system located at the United States Army Medical Command installation in Frederick, Md. The seller was BlackRock's Global Energy & Power Infrastructure Fund (GEPIF).

The Fort Detrick Energy Production Facility supplies steam, chilled water, electricity conditioning services and emergency backup power to U.S. government facilities located at Fort Detrick under a 30-year fixed payment contract that expires in March 2049, according to Harrison Street.

The 1,200-acre Fort Detrick campus houses a number of government agencies dedicated to biomedical research and development. Researchers at Fort Detrick develop vaccines for a variety of diseases such as HIV and cancer.

“Fort Detrick is critical to ensuring the public health and safety of our nation,” said Christopher Merrill, co-founder, chairman and CEO of Harrison Street. “This asset, Harrison Street’s first with a federal government contract counterparty, is reflective of our commitment to investing in critical infrastructure assets and our ability to execute complex transactions amid uncertain environments.”

The facility was developed and is currently asset managed by Keenan Development. Energy Systems Group, a subsidiary of CenterPoint Energy that has operated the facility since 2014, will continue to do so under the agreement. The facility was installed in 2008 and has undergone several significant expansion projects and is scheduled to complete a third phase in 2021.

The acquisition of the Fort Detrick facility marks Harrison Street’s second investment in district energy on behalf of its SIF, following its acquisition of CoolCo, a district energy system that provides chilled water services to the CBD of Cincinnati, in 2019.

Since 2018, SIF has committed approximately \$530 million in equity across 16 assets, including investments in wind, solar and hydro energy; innovation districts; sustainable buildings; and district energy. The social infrastructure strategy has raised \$1.2 billion from domestic and international institutional investors.