



LEARN A NEW LANGUAGE

What School Leaders Need
to Know About Real Estate
Development and Finance

FCSC + SCS

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WELCOME AND INTRODUCTIONS



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WHY LEARN THE LANGUAGE?

- ✓ Better understanding leads to better questions
- ✓ Better questions lead to better planning and preparation
- ✓ Better planning and preparation leads to better outcomes



KEY TERMS: GETTING YOUR HOUSE IN ORDER

- Review academic performance
 - Sustainable Enrollment
 - Board Buy-In
 - Board decision-making or committee structure
 - Strong 5-year financial model
 - Assessing school finance health
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KEY TERMS: 5-YEAR FINANCIAL PROJECTIONS

Do you have substantial days cash on hand?

Does your model include all assumptions?

Essential Components to include:

Enrollment forecast, projected revenue and expenses, contingency planning.



KEY TERMS: PURCHASE, LEASE, LEASE-PURCHASE

- **To purchase or lease (or lease with purchase option)**
- **Renovation or expansion on existing campus**
- **Turn-key options**
- **Timeline considerations**





KEY TERMS: TYPES OF FINANCING

- **Bonds**
- **Conventional loan**
- **Bridge loan/interim or short-term financing**
- **Lease with option to purchase**

KEY CONSTRUCTION TERMS



CONTRACT TERMS

- Design-Build
- Cost of Work Plus Fee
- Change Order
- Punch List
- Value Engineering
- Owner Direct Purchase



BUDGET & TIMELINE

- Critical Path
- Lead Time (materials)
- Hard Costs/Soft Costs
- Contingency
- GMP
- Retainage



DESIGN & SITE

- Site Plan
- Floor Plan
- Elevation
- HVAC and MEP
- Mobilization/Demobilization



KEY TERMS: AFTER CONSTRUCTION/CLOSING

- **Budget**
 - **Financial Covenants**
 - **Post-Issuance Compliance**
 - **Mandatory and Voluntary Disclosures**
 - **Annual Investor Call**
 - **Reserve**
 - **Capital Needs Assessment**
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QUESTIONS AND DISCUSSION

