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Forming a Facilities Team

Finding and securing a facility is one of the largest tasks involved in starting a charter school. Forming a facilities team will maximize your chance for success.

Delegate, Delegate, Delegate

Educators should spend time on education, not on facilities.

The Team

- **Real Estate Broker:** (Head of the team) If used properly, your real estate broker can be used as your in-house Director of Facilities . Make sure the broker has experience with charter schools (this is a must) and understands the needs of your group. If the broker is experienced, he will be able to communicate with the architect, contractor, accountant, developer, and lender. Brokers usually work for free with an exclusive representation agreement and are paid by the landlord/seller of the space that will be leased/purchased.
- **Architect:** An architect is important in evaluating specific sites to determine the exact process it will take to get the building approved for a charter school through the local governing agency. The architect will be instrumental in helping with the layout of the floor plan.
- **Real Estate Developer:** If the school is looking to build a brand new facility, or purchase and re-develop an existing site, a real estate developer can be a great fit.
- **Contractor:** A contractor is important in evaluating specific sites to estimate the cost it will take to improve the space to fit the needs of the school.
- **Lender:** If the school is going to need financing, it is a good idea to speak with a few lenders up front to find out what the school will qualify for.
- **Accountant/Charter Developer:** A consultant who understands the finances for the charter school will need to determine what the charter school can afford in terms of rent and expenses related to the facility space.

Creating a Timeline

You cannot have a charter school without a facility, and you cannot occupy a facility without an approved charter petition.

- By the time you submit your charter petition you should have already located, evaluated, and approached the landlord or seller on a few different sites. Every search is different, but the normal timeframe for this process can be 2–4 months.
- Check with the local city to see if an education use is allowed in the space you are interested in. Within many cities, a Conditional Use Permit (CUP) is required as well as education code building requirements. The charter school should research the timeframe associated with this process.
- Once a CUP is obtained, the tenant will need to start the building permit process if they are going to do tenant improvements
- The building permit process will vary depending on the amount of work required. It will be important to coordinate this work with your consultants.
- During the time that the tenant improvement plans are being reviewed by the governing agency, the school should start the contractor bidding process. The contractor selection process can take a few weeks to complete.
- Once the building permit has been issued the selected contractor can now start the tenant improvement. Minor tenant improvements can easily take 3-6 weeks. Major tenant improvements can take much longer.
- After completion of the improvements, a certificate of occupancy will be issued from the building official.
- Your space is now ready for furniture, fixtures, and teaching supplies.

Identifying Your Need

How many square feet of space will you need?

Step 1 Determine the number of students and their grade levels for year 1, 2, and 3. Use a facilities programming worksheet (**See Exhibit A**).

Step 2 Determine how many students you will have per classroom. Typically, we see 23 to 27 students per classroom.

Step 3 Once you have determined how many core classrooms you will need, multiple the number of classrooms by 750 Sq. Ft (can be larger or smaller).

Step 4 Determine the other rooms you will need - lunch area, offices, gym, faculty room or other auxiliary space.

Step 5 Using the total square footage from Steps 3 & 4, add an additional 15% for hallways, bathrooms and other auxiliary areas.

Step 6 Come up with a space requirement for year 1, 2 and 3, and base your search upon these needs.

Exhibit A

Grade	Year 1	Year 2	Year 3
K-8	0	0	0
9	25	50	75
10	25	50	75
11	25	50	75
12	25	50	75
Totals	100	200	300
	4 classrooms	8 classrooms	12 classrooms

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Identifying Your Need

Additional Room Examples

Special Education	400
Science Room/Labs	1000
Art/Music Rooms	784
Media Center	1440
Computer Lab	1024
Specialty Areas:	
Cafeteria / Multi-Purpose	3600
Lunch Prep.- Warming Kitchen	286
Storage Room-Multi-Purpose	352
Storage Room-PE	364
Locker Rooms	700
PE Office	100
Gym - High School	5400
Student Support Suite:	
Counselor	120
Administration Areas:	
Lobby	600
Open Office (Reception/Office)	150
Reception	150
Principal	192
Asst. Principal	144
Conference Room	250
File Room/Work Room	336
Teachers Room	364
Nurse w/ Restroom	196
Misc. Service Areas:	
Storage/Janitor's Closet	70
Data Room	120
Mech/Elec Room	252

Space		Sq. Ft.	Total Sq. Ft.
Classrooms	12	750	9000
Computer Lab	1	1500	1500
Cafeteria/Multi-purpose	1	3000	3000
Offices	2	144	288
Counselors Office	1	144	144
Teacher Break room	1	364	364
			14,296
Hallways / Bathrooms		Add 15%	2,144
Year 3 Total			16,440

Our Suggestion

- Work with a broker who specializes in educational facilities. They have the knowledge and tools already in place to research your exact criteria.
- Working with a residential broker or other commercial real estate brokers is not recommended. They are not equipped with the knowledge to meet your specialized needs.

How to Search on Your Own

- **Call on Leasing/For Sale Signs:** Be aware when you talk to the broker listed on the sign. They represent the owner and will put the interest of the owner before the interest of the school. The school will most likely need to bring in someone who represents them at some point to negotiate the deal points of the agreement. Check with the city early in the process with the city to make sure the a charter school is allowed to occupy the space.
- **Existing Facilities in the Neighborhood:** Check with current community facilities such as your local YMCA, churches, and other non-competing schools.
- **Search Engines:** Craigslist and Google are good starting points.
- **Talk to the City:** City planners may know of leasing opportunities.
- **Involve the Parents:** Be prepared to spend a lot of time evaluating sites that will not work.

Evaluating the Results

Identify what properties are real possibilities and what properties are not.

Zoning

- Every property will be zoned commercial, residential, industrial, agriculture, open space, or some variation thereof.
- Every zone has uses that are allowed by right, conditionally permitted or not permitted.
- Most properties will require a Conditional Use Permit (CUP) to allow for an educational use.
- A zone change, or a variance from a specific zone, is a very lengthy process that can take over a year depending on the site. If you are looking to lease a property that requires a zone change or variance, you may want to look for alternative sites.

Occupancy Permit

- When a building is constructed, a certificate of occupancy is issued by the building official assigned to the property.
- The certificate of occupancy will state what type of use the building is constructed for.
- Designations are usually shown by B-Business, **E-Educational**, F-Industrial, H-Hazardous, I-Institutional, M-Mercantile, and R-Residential.
- Under the E Occupancy there are usually occupancies for E-1, E-2 and E-3
- Some requirements of E-1 occupancy can be:
 - 6' hallways
 - 5' stairways, if more than 50 students
 - 3' doorways
 - +1000 S.F. classrooms need two or more doors
 - Drinking fountains on each floor
 - Fire alarm system
 - Fire sprinkler systems
 - Elevator for 2 story facilities
 - K-2 must be on ground level

Evaluating the Results

Along with the zoning and occupancy permit, the current condition of the space will need to be evaluated. How much will it cost to improve the space to meet your needs and to qualify for an E occupancy permit?

First Step

- Who will be paying for the tenant improvements - you or the landlord?
- For a short term lease (less than 5-years), the tenant usually pays for the majority of the tenant improvement costs. It will not be viable for the landlord to expend the upfront capital.
 - **Example** If there is \$250,000 in tenant improvements costs and the landlord will only be receiving a total of \$200,000 in rent over the term of the lease, the landlord will not even be able to recover his upfront cost.

Second step (if the landlord is not paying for all improvements)

- With the help of an architect and contractor, you will need to come up with an estimate of cost. It is important to use a contractor and architect who specialize in educational facilities.
- Is the landlord requesting that the space be returned to its original condition once the lease is complete? If so, you will need to get an estimate of cost for this as well.
- Can the landlord pay for the improvements up front and amortize the cost over the term of the lease? This may be a viable option to lower upfront capital costs.

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Disclaimer

Although we believe everything in this package to be correct and true, we advise that you contact your legal counsel prior to moving forward with the leasing of a space for a charter school. Furthermore, InSite Charter School Services makes no representation or warranty regarding the information contained in this presentation.