

COSTS : SAMPLE BUDGET

Shawn McCormack



PROJECT BUDGET COMPONENTS

Summary	Components	Example
Project Acquisition	Due Diligence	1%
	Closing Costs	1%
	Purchase Price	
Soft Costs	Architecture and Engineering	
	Entitlements	
	Legal	
		Proj Mgmt Fee
	Direct Project Costs	Contingency
	Insurance	
	Inspections	
	Admin Exps	
Hard Costs	New Construction	
	Onsite Improvements	
	Off-Site Improvements:	Traffic
	General Conditions/Liability	
	Construction Contingency	

Summary	SF	Max Students	Cost Per
Elementary and Middle School (K-8)	66,500	750	\$ 22,667
TOTAL BUILDING Square Footage	66,500		\$ 256
Gross Land Area	304,920	7.0 acres	\$ 8.20
Total Square Footage	371,420		

TOTAL PROJECT FUND		%	Cost Per Sq.
Acquisition Costs	2,500,000	15%	\$ 38
Hard Costs	12,000,000	71%	\$ 180
Soft Costs	2,500,000	15%	\$ 38
SUB-TOTAL PROJECT COSTS	17,000,000	100%	\$ 256
<i>First Year's Rent</i>	0	0%	
TOTAL PROJECT COSTS	17,000,000	100%	\$ 256

Costs for New Construction	\$ per Sq Ft
Florida	\$185-\$205
Texas	\$185-\$190
Washington DC	\$350-\$400
New York	\$400-\$450
New Jersey	\$200-\$210
Idaho	\$155-\$165

Predevelopment Budget:

- Acquisition Due Diligence
- Portion of Soft Costs
 - Architecture, Engineering, and Entitlements

PROJECT BUDGET CONSIDERATIONS

Timing of costs:

- Deposits and extension fees for acquisition
 - Who is responsible? When are deposits non-refundable?
- Financing in place at closing
- Interest-only period during construction
 - Capitalized interest part of project budget
- Lease/debt payments start when Certificate of Occupancy is received

Budgeting Risks:

- Enrollment drives the budget process! (Phasing for growth)
- Changes in design/construction delays impact timeline
- Entitlements different by city, county, and state
 - Zoning and Permitting
- Off-site improvements could add significant costs
 - Traffic mitigation
- How much contingency do you need?
 - Lenders may require a certain amount

Additional Considerations:

- Lease vs. debt payments
 - What is applied to principal?
 - Budget for depreciation?
- Purchase price structure
 - Total Project Cost + Premium
 - Fair Market Value
- Project Management/Developer Fees
- Comparing project budgets for developers
 - Total cash outlay through take-out plan
 - Annual lease payments
 - Capitalized interest/rent
 - Total purchase price
- Out of scope costs - Is it in the budget?
 - Fixtures, Furniture, and Equipment
 - IT infrastructure
 - Playground structures

{PRESENTERS}



buildinghope

Shawn McCormack
Building Hope
smccormack@bhope.org
726.888.6990 x1014



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