



# The Path to Finding and Funding your Forever Home

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Florida Charter Schools Conference 2022

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We've  
missed  
being  
together



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# Thank you, Charter School leaders

- Education innovators – thank you!
- You get more done with fewer resources than traditional public schools
- You have (too often) a DIY model for facilities, operations, marketing, transportation and more



# Defining a path to your forever home

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Milestones for our talk, your journey

1. Your schools' wants and needs
2. A plan for success
3. Your money options
4. Making the decision
5. Designing your school
6. Let's move!



**Jon Dahlberg**

Senior VP of Business Development & Facilities



**Matthew Gardner**

Client Services Representative

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Every path is  
different



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# 01 Dreaming: your wants (and needs)



## Needs

Understand your wants and dreams *and* your needs for your facility



## Space

An inviting space inside and out which is functional will create a nurturing environment for your school



## Budget

Examine your budget carefully and realistically to ensure long term sustainability

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# Want / Need



## What can we afford?

Remember to consider existing reserves, ongoing % of revenue, fundraising, and funding alternatives.

## Requirements



Academic Mission



Growth plan for attendance



Specialty requirements



Local considerations

## Considerations

Total Space is a combination of what you NEED and what you WANT

NEED is a function of your charter

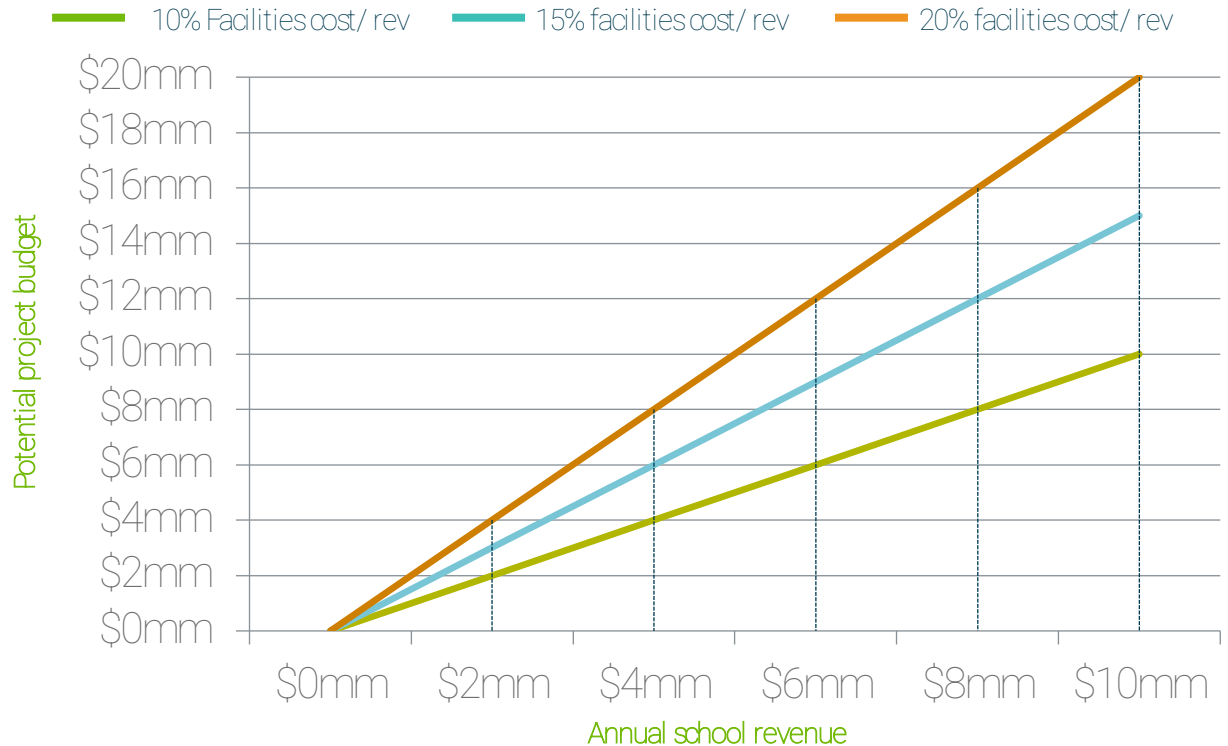
WANT is a function of what you can afford, and your dreams for the future

Make sure you account for bathrooms, hallways, offices and conference rooms

“Curb appeal”, colors, textures, intentional aromas help create a nurturing environment

10-20% of revenue is sustainable

## Facilities budget and your school revenues





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Pick a path  
that will last



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## 02 Plan for success



### Timeline

Set a realistic timeline that minimizes disruption to students and programs



### Prepare

Prepare for setbacks; assume that any renovation project is going to take longer than expected



### List

Make a list of must-have features. Go back to your charter, mission, and board to determine what your facility must have.

## 02 Plan



# A written plan is a powerful tool



Involve your entire team

A facility expansion or move will likely involve your entire team!



Learn from other schools

Find out how long it's taken other schools to accomplish similar projects



Revisit your mission

Revisit your mission when making decisions about what is truly critical for your school



Time it for minimal disruption

Assume that any building or renovation project will take longer than expected.



Tip: Download the eBook

Read [The 5 Essential Steps to Facilities Planning](#) for more details on this stage!



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Build a new  
beginning





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# 03 Consider money options



## Options

Know all the options that exist for your charter school, including lesser-used options.



## Pros & Cons

Weigh the pros and cons of each objectively, without bias.



## Evaluate

Evaluate which option is best for your school – now and in the future.

# 03 Types of Money

## You may have more options than you think



Criteria	Cash	Bank	Bond	Long Term Lease	No-Cost Bond Alternative
Cash needed to close	\$7M	\$1.4M+	\$0 – 200K	\$0 – 100K	
Annual cost (example)	\$0	\$350 – 700K	\$600 – 800K	\$630 – 700K	
Underwriting	None	Min 5 yrs. Surplus Assets + Revenue	Min 3 yrs. Debt coverage Surplus Rating?	No minimum Academic success Flexible	Tailored to your needs.
Security interest	None	Real estate + all assets	Real estate + all assets	None	Let's talk together.
Growth options	Cash = Build	Refinance risk Rate risk	10 yr minimum Refinance risk Covenants	Scalable, expandable	
Considerations/ challenges	Reserves?	20% + equity 5-20yr term and amortization	Annual compliance. Transaction costs , "Road show"	100% financing No amortization Buy Out Option	

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Reflect on  
your options



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# 04 Making your decision



## Lease vs. Purchase

Determine whether the best path for your school is a lease or a purchase



## Site

Find the site that's best for your charter school.



## Restrictions

Understand how your school's requirements stack up against local or site restrictions



## 04 Decision

Lease vs. purchase is about control vs. ownership  
Consider:



Management time and expertise



Long-term, local real estate trends



Fluctuations of the broader market



If the building is zoned for education

Note: There will be more time/ expertise required for a bond than a lease



### Tip: Anticipate Zoning Challenges

Consult other successful charter schools, land-use attorneys and experienced consultants in the charter school space.

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Decisions  
invite  
renewal



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# 05 Designing your school



## Mission

Design with your mission in mind and consider what would be most affordable and effective for your mission



## Team

Find a team of professionals who have proven charter school facilities experience and can provide the advice you need.



## Permits

Ask your funding partners, commercial real estate agent, designers, and contractors about the permits that you'll need.

## 05 Design

### Considerations

- Revisit your mission at this stage. What can you do to meet that in your design?
- A good design should have input from all your constituent groups – admin, teachers, students, authorizers, board, etc.
- Consider what would be affordable and effective for your mission and students (today and in the future)
- Choose architecture, engineering, and construction professionals who are experienced in charter schools and who can adapt to your project
- Ask about the permits that you'll need. These are different for renovation vs. rehab vs. new build



Tip: Consider enrollment & costs  
There's no requirement that everything must be done all at once if you have enough room for your students and there's not a significant financial disadvantage.



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Dreams can  
become a  
reality



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# 06 Let's move!



## Project Manager

Decide on a project manager or owner's representative for your charter school



## Communicate

Show your students, families and community videos and pictures of the project progress!



## Move

Create an in-depth plan to smooth the complex transition into your space.

## 06 Move

# You have options for who help will oversee logistics



Project managers

They typically work for the contractor and focus on keeping the project on schedule and on budget



Owner's representatives

These are independent third-party professionals that look out for your best interests throughout every phase of the project, including site selection, design, construction, and relocation

## The move plan:

- Creating an in-depth plan can help to smooth a complex transition and help your students and staff know what to expect
- Moving is always challenging! If you're relocating to another facility, try to do it during the summer or another significant school break



### Tip: Communicate Often!

Hold an open house and give tours to your students and their families in advance of the school year. Share videos and images!



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Let's go! The  
future is  
now





# Long-term leases and no-cost bond options for forever schools

More information  
[charterschoolcapital.com/facilities](http://charterschoolcapital.com/facilities)

**CHARTER SCHOOL CAPITAL**  
 Facilities Financing Options for Charter Leaders

**ABOUT CHARTER SCHOOL CAPITAL**  
 Working exclusively with charter schools, we measure our success by the number of students we serve and partner with our clients so they can focus on what's most important—educating students.

**LONG-TERM LEASE FINANCING**  
 Our lease product allows schools to access funding through all stages of growth—from start-up to expansion through maturity. Our transparent lease terms mean that there are no artificial incentives to seek refinancing, another benefit. As a long-term partner, our team carefully evaluates each school's unique operation to help them determine the revenue that can be committed to supporting facilities.

**BENEFITS OF LONG-TERM LEASE FINANCING**

- Finances 100% of your total project cost.
- Keeps control of your facilities.
- Enhancements of existing buildings and ground-up construction.
- Ensures long-term affordability.
- Tenant improvements included in financing.
- Customized to school specifications in financing (blended leasing model, traditional, etc.)

**NO-COST BOND ALTERNATIVE**  
 Through our partnership with Wonderful Foundations, our no-cost bond alternative provides a new stream of funding for charter schools and like innovative educators they provide children across the nation. Wonderful becomes the landlord and goes out to the bond market to support the school's lease. For your school, there are a variety of benefits.

**BENEFITS OF THE NO-COST BOND ALTERNATIVE**

- None of the factors that make traditional bonds challenging—no lawyers, no fees, no significant time investment.
- The day after the bonds are issued, the school gets all the benefits of ownership.
- Schools receive annual gifts and access to an additional capital maintenance revenue fund.
- Once the terms of the bond are fulfilled, the school owns their building with no debt and no lease.

**OUR GROWING IMPACT**  
 WE'VE PROVIDED OVER \$2.3 BILLION IN FINANCING  
 TO MORE THAN 100 SCHOOLS NATIONWIDE  
 AND PROUDLY SERVED OVER 1.5 MILLION STUDENTS

**CHARTER SCHOOL CAPITAL**  
 Facilities Financing Options for Charter Leaders

of charter school growth, our Facilities team assists charter leaders in finding long-term lease financing as well as managing leases and facilities development, specifically with charter school properties in order to service a niche market with more than 50 school properties across 16 states.

Every step of the way and answer any questions you may have.

- Sound financial performance
- Lease payment target that's less than 20% of total revenue
- Healthy relationship with school's authority
- Solid and engaged Board of Directors

**CHARTER SCHOOL CAPITAL**  
 We are the nation's leading provider of growth capital and facilities financing to charter schools. For over 30 years, we've put more than \$2.3 billion to work for 100+ charter schools educating more than 1,500,000 students across the country. Our mission is to provide school leaders access to the financial and operational resources necessary for schools and their students. We have 222 NW Columbia, Suite 3500 | Portland, Oregon 97201  
 Phone: 503.227.2100 | 150 First Street, Suite 1000  
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 Our lease and financing services are a California Finance Lenders Law Business #01787026

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Actively helping schools become forever homes



More than  
70 school  
buildings

And growing!



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## A history of service

Charter schools are the innovators in education. We support the charter school leaders through providing a steady, reliable stream of money and other resources, helping them find their forever schools, and filling their school classrooms.

1.8mm

Students and families

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800+

Charter schools

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\$2.3B+

Invested in charter schools' and communities

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“Education is the most powerful  
weapon which you can use to  
change the world”

Nelson Mandela

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# Thank you!



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Facilities



**Matthew Gardner**

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# Moving you forward

Helping you get where you're going.

