

Lease Aide

SEPTEMBER 2010

Market News and Commercial Real Estate Strategy for Charter Schools

Planning, Designing & Building Schools

Highlights from the August Charter School Workshop presented by the Advisory Services Group of NorthMarq, Lunning Wende Associates, Inc. and Flannery Construction

Why Hire an Experienced Charter School Development Team for a Lease Renewal, Relocation or Purchase?

- You are guaranteed a thorough due-diligence process.
- You secure a properly negotiated project.
- You have access to resources that will save you time and money.
- You invest more money in your students and less in your facility.

Hire Charter School Experts and Take a 3-Pronged Approach

- Real Estate Advisor
- Architect
- Construction Advisor

Follow a Tenant Representation Process

- Planning
 - o Develop Decision Criteria
 - o Communication
- Narrow Options
 - o Evaluate
- Secure Location
 - o Negotiate
 - o Deliver Space

Securing Financing

- Your development team should be aware of financing resources for any project, whether it's a lease renewal, relocation or a purchase. Having access to these connections is an important component in the process.
- Your development team should also be knowledgeable on how the MN Department of Education funds charter schools. Being fluent with this is necessary for any project to be successful.

Selecting a Site

- It is important to evaluate your school's operation by completing a charter school questionnaire. This data will help drive your decision criteria and identify your priorities.*

*We have a customized list of questions available upon request

Gaining Site Control

- Your development team will create a summary of real estate options after a thorough search and highlight how each site ranks against your decision criteria. This will help guide you to identifying the pros and cons of each site.

Identify Design Criteria for Your Space

Your development team will expose you to design considerations for new sites and remodeling projects.

- **Universal Design**
Equitable, flexible, adaptable and appropriate
- **Sustainable Design**
High performance and enduring environments
- **Educational Methods**
Fitting the school's philosophy and approach

Obtaining Approvals

Your development team should know the requirements of third-party reviews.

- Neighborhood Boards
- Planning and Zoning Authorities
- Building and Life Safety Codes
- Department of Health
- Department of Education
- Financing Agencies

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Managing the Construction Project

- Your development team should follow proper bidding negotiations for the overall project cost.
- Your development team should manage the entire construction process as well as maintain budget and schedule.
- The outcome of this process will deliver a project closeout that meets or exceeds expectations.

The Advisory Services Group of NorthMarq is a team of experienced charter school facilities specialists. Our goal is to help charter schools invest more money in their students and less in their facility. We deliver commercial real estate solutions covering strategic planning, facility search, lease/renewal negotiation, property acquisition/disposition, and move management.
www.advisoryservicesmn.com

Bob Lunning and Scott Wende are principals with Lunning Wende Associates, an architecture and planning firm with offices in St. Paul. Lunning Wende programs, plans and designs facilities for K-12 and higher education. Employing a participatory planning approach, Bob and Scott assist charter schools from site selection and space programming through design and construction.
www.lunningwende.com

Flannery Construction is a 35 year old general contractor based in St. Paul with areas of high competence and track records to match in:

- Occupied multi-family rehabs and multi-family new construction
- Green (LEED) new construction and energy efficiency retrofits
- Historic preservation
- Commercial build-outs
- Healthcare facilities

www.flanneryconstruction.com

FACILITIES PLANNING TIDBITS

The following are comments collected from the 2010 National Charter Schools Conference that took place this summer in Chicago. These comments are according to the 21st Century School Fund.

- Teachers are more likely to stay in schools with a high quality facility.
- Better facilities = improved attendance and fewer behavioral incidents.
- Students in high quality facilities outperform their peers in lesser-quality facilities by 3-7% on standardized tests.

COMMERCIAL REAL ESTATE MARKET UPDATE

- Market is bottoming out; look for a bounce-back late 2011.
- 30% state holdback is making charter schools riskier tenants. If this continues into a stronger market, facility options will reduce further.
- Credit markets are likely on the path to improve, but will remain constrained.

ADVISORY SERVICES GROUP

Our services include:

- Lease/Renewal Negotiations
- Sublease Excess Space
- Project Management
- Property Acquisition
- Property Disposition
- Strategic Planning



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