**Tool Context & Purpose:**
Navigating the facilities process can feel overwhelming, but a disciplined, step-by-step approach will help you stay focused and avoid costly mistakes. Use this checklist to guide your team from vision to decision with confidence.

- **Cut Through the Noise:** Start by recognizing that the facilities process is full of distractions—competing vendors, differing stakeholder opinions, and persuasive lenders and landlords all vying for your attention.
- **Follow the FRED Framework:** Use this clear, digestible path to guide your decisions and set yourself up for success.
- **Apply Your Planning Skills:** Leverage the same strategic planning you excel at in other areas to avoid the costly mistakes that often happen when this process is approached reactively.
- **Assemble Your Team :** Give special focus to building a strong team. This step is critical to navigating the process.

| Step | Action | Criteria for Success | Key Metrics & Definitions |
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| **1. Know your projections.** | Build a reliable, dynamic 5-year forecast. | ☐ Build forecast using conservative assumptions<br>☐ Ensure alignment with key lender metrics<br>☐ Back fundraising targets with a *comprehensive and feasible* fundraising plan | **Days Cash on Hand:**<br>　> 30-45 (small / growing schools)<br>　> 60 (established schools)<br>　> 90 (networks & mature single-sites)<br><br>**Lease + Debt Burden:**<br>*% revenue spent on rent & debt service*<br>　< 12% (Strong)<br>　< 15% (Viable)<br>　< 20% (High-Cost Geographies) |
| **2. Know your project.** | Understand your needs and ensure the facility facilitates the program – not the other way around. | ☐ Identify needs: square feet, location, amenities<br>☐ Establish firm cost limits *within existing forecast*<br>☐ Understand options that might meet your needs: build, rent, buy, refinance, other? | **Lease + Debt Service Coverage:**<br>*(Surplus - (Rent + Debt Service)) / (Rent + Debt Service)*<br>　> 1.2x (Lender Expectation) |
| **3. Identify your blindspots.** | Take stock of your org. assets & review the Framework. What will be challenging? | ☐ Assess your internal real estate and finance capacity<br>☐ Identify which process steps will be most challenging | **Financial Advisor (FA):** Gives advice on financial aspects of project and helps secure funding (debt)<br><br>**Owner's Rep / Project Manager (OR/PM):** Coordinates project & drives accountability to keep it on time and on budget |

| Step | Action | Criteria for Success | Key Metrics & Definitions |
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| **4. Assemble your team.** | Get the right project team in place to crush your blindspots. | ☐ Establish roles / involvement for your school team<br>☐ Engage legal counsel<br>☐ Review FRED School-Aligned Vendor list<br>☐ Engage high-quality FA and/or OR/PM | **Broker:** Helps find a property and negotiate lease or purchase terms<br><br>**Turnkey Developer:** Handles entire project; may serve as landlord |
| **5. Find your site.** | Unleash the hounds (brokers & community connections). Mind your time and money - you'll need it later. | ☐ Update community partners on your search<br>☐ Engage 2 to 3+ brokers<br>☐ Identify site aligned w/ projections and needs | **Buy vs. Rent:** Depends on school circumstances; ownership often produces savings over long-term<br><br>**Pre-Development Loan:** Short-term (<2 years) loan used for costs before construction |
| **6. Fund your project.** | Know your [lending, leasing, and grant] options. Stay tight on *their* process. | ☐ Review FRED Funding Inventory<br>☐ Engage 4+ lenders (if applicable)<br>☐ Meet deadlines and promptly respond to diligence | **Construction Loan:** Short-term (~5 years) loan that covers cost of purchase and construction<br><br>**Perm Loan / Bond:** Long-term – similar to mortgage<br><br>**CDFI:** Mission-driven lender; typically provides short-term loans<br><br>**Equity:** Grants or school cash contributed to project |
| **7. Keep close (enough) to your team. Let them build.** | Plug in for key decisions that affect the school's program and budget, but don't let construction overwhelm you. | ☐ Understand timing and identify key decision-points upfront<br>☐ Establish clear expectations for communication with your project and your internal team<br>☐ Track / complete punch list for key ops items | **Key Items for School Input / Tracking:**<br><br>→ *Design:* Ensure facility facilitates the program<br><br>→ *Budget & Timeline:* Should align with school forecast and Day 1 target |

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| **8. Enjoy your new home – and savings.** | Celebrate with your community! You earned it and it's worth it. | ☐ Make Day 1 special for students, families & staff<br>☐ Host celebration event with community stakeholders | **Ribbon-Cutting:** An event that engages your community and stakeholders to celebrate their new home and themselves |
| **9. Own your compliance.** | Track and meet all lender, landlord, and funder covenants and reporting requirements. | ☐ Designate teammate responsible for compliance<br>☐ Track covenants in your loan and/or lease agreement<br>☐ Track and meet reporting deadlines | **Covenants:** Pre-aligned rules you agree to follow when you borrow (e.g. days cash, enrollment levels)<br><br>**Reporting:** Regular updates you must provide—financials, enrollment, test data, etc.<br><br>**Disclosure:** Info you're legally required to share (bonds) |