

Project Feasibility A<sup>+</sup> Bond Issue/Millage Campaign A<sup>+</sup> Project Management A<sup>+</sup>

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# **Real Estate Strategic Planning Real Solutions to Real Challenges**

Presented to

Michigan Charter School Conference November 8, 2011





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# **Presentation Overview**

- Introduction of the Team
- Planning Considerations
- □ Site Selection Considerations
- Real Estate Considerations
- Due Diligence Considerations
- Next Steps and Questions / Answers



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## Meeting the Needs of Public School Academies

Plante Moran CRESA is a full service real estate consulting firm, affiliated with Plante & Moran, PLLC.

We are business professionals (architects, engineers, CPA's, construction experts), specializing in real estate with a dedicated team focused on the special needs of public school academies. We offer a comprehensive and integrated set of services to meet your needs.

Our work is based on in-depth, up-to-date market knowledge. We apply our knowledge and expertise to allow you to focus on your objectives – teaching kids!





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## **Our Experience**



## Advanced Technology Academy Featuring the Ford Partnership for Advanced Studies



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## **Planning Phase**

- Planning and Analysis
- Student Demographic Analysis
- Financial Modeling
- Real Estate Strategies
- Current Facility Use and Condition Assessment
- Space Programming and Cost Estimating
- Capital Campaign

# **Implementation Phase**

- **Confirmation of Program Budget**
- **Confirmation of Program Schedule**
- RFQ/RFP Development for AE and Contractors
- **Design and Construction Oversight**
- **Gamma** Furniture / Finishes Coordination
- Move Coordination
- Project Close Out



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## □ Programming

- Start with the Financials
  - Review funding sources for Capital Projects
  - Compare leasing to purchase comparison (lease vs. buy analysis)
- Determine space requirements
  - Short-term (current enrollment)
  - Long-term (future grade level considerations)
- Determine building features
  - Number of classrooms, facility location (grade level considerations)

□ Review Demographics



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# Budget

- Determine <u>ALL</u> project costs
  - Purchase / Leasing Costs
  - Soft costs/ professional fees
  - Due Diligence Costs
  - Construction Costs (renovation vs. new construction)
  - Furnishings, Furniture, & Equipment
  - Technology (infrastructure and instructional)
  - Moving and relocation costs

# □ Schedule

- Establish a realistic schedule
  - Allow ample time for due diligence
  - Avoid winter conditions if possible
  - Always Maintain "Plan B" Alternative



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## □ Target Areas

- Demographic Analysis
- Student Scatter-Gram
- Future Growth (grade level considerations)

## □ Market Survey

- Creative Thinking
- Not for Sale Property
- Listed Property
- Comparative Measures, i.e., utilities, zoning, timing

## □ Select Site

- Create Competitive Negotiation
- Due Diligence Process for each site
- Always Maintain "Plan B" Alternative



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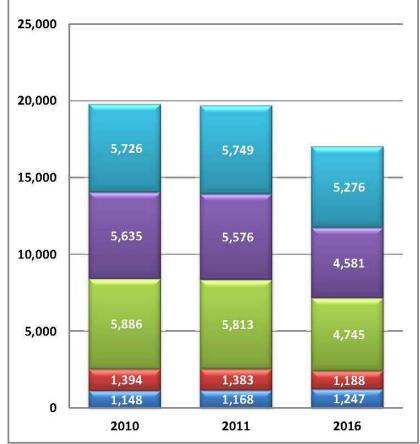
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## Enrollment Review Process

- Demographic Growth/Decline
  - GIS
  - Nielsen-Claritas
  - US Census Bureau
- Core Base Statistical Area
  - Primary Area (District)
  - Comparison #1 (County)
  - Comparison #2 (State)
- Cohort Survival DS 4061

## **Enrolled in Public Schools (K-12)**

Enrolled Public Preprimary: Enrolled Public Grades 1-4: Enrolled Public Grades 9-12: Enrolled Public Kindergarten: Enrolled Public Grades 5-8:





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### School District Data Book 2010-2011 === General Characteristics Profile (Summary) ===

	Primary Area: Comparison Area 1: Comparison Area 2:	County of: State of:	Wayne, MI Michigan	
		Primary Area	Comparison Area 1	Comparison Area 2
CBSA (Metropolitan Area) Code		Detroit-Warren-Livonia, MI	19820	0
County Code (Some Districts)		26163	26163	0
Grade Range (District)		KG - 12	00-00	00-00
Total Persons (1/1/2011)		117,943	1,820,485	9,885,215
Urban Population		97.59%	98.94%	73.28%
White		77.93%	49.84%	75.49%
Black		6.56%	38.39%	13.56%
Asian		10.24%	2.43%	2.35%
Am. Indiana/Alaskan		0.21%	0.36%	0.61%
Other		0.50%	1.71%	1.42%
2 or More Races		1.99%	2.25%	2.28%
Hispanic		2.58%	5.02%	4.28%

Median Age (2010)	/					
Total Housing Units (2010)	Enrolled School Ag	e Children PK-1	2 (2010)	25,946	403,475	1,904,89
Total Housing Units - Occupied (2010)			na air Cuidhneis ann Ru			
Median Housing Value (2010)	Enrolled in Public	<ol> <li>Statements</li> <li>Statemants</li></ol>		45.89%	68.71%	64.57
Median Household Income (2010)	Enrolled in Privat	e Pre-primary S	chool	54.11%	31.29%	35.43
Average Household Income (2010)	Enrolled in Public	School (K 17)		84.14%	88.54%	89.72
Per Capita Personal Income (2018)		CONTRACTORY AND ADDRESS				
Total Number of Families (2010)	Enrolled in Privat	e School (K-12)		15.86%	11.46%	10.28
Total Number of Household (2010) Average Household Size (2010)	2.61	2.56	2.49			
Median Household Size (2010)	2.78	2.62	2.64			
Median Age of Householder (2010)	49.0	50.2	50.1			
Households with School Age Children	24,564	353,336	1,686,083			
% of Household with School Age Children	54.7%	50.6%	43.6%			
Average # of K-12 children per bousehold Average # of K-12 children per housing unit	1.06	1.14	1.13			
Average # of K-12 children per housing unit Median Year Move interschool District	0.55 2000	0.51 1998	0.44			
Enrolled School Age Children PK-12 (2010) Enrolled in Public Pre-primary School	25,946 45.89%	403,475 68.71%	1,904,896 64,57%			
Enrolled in Private Pre-primary School	45.89%	31.29%	35.43%			
Eprolled in Public School (K-12)	84.14%	88.54%	89.72%			
Enrolled in Private School (K-12)	15.86%	11.46%	10.28%			
Household Educational Attainment (2010)						
Less Than High School (no diploma)	5.67%	16.86%	11.99%			
High School Graduate	19.84%	32.26%	31.38%			
Some College	19.80%	23.47%	23.43%			
Associate's Degree (2 years)	7.58%	6.91%	8.13%			
Bachelor's Degree (4 years)	27.48%	12.59%	15.46%			
Master's Degree	15.43%	5.91%	6.97%			
Doctorate Degree	1.41%	0.64%	0.94%			
Professional Degree	2.79%	1.36%	1.70%			
Employment Profile (2010)						
White Collar Occupations	73.99%	56.69%	59.03%			
Blue Collar Occupations	13.72%	22.95%	23.09%			
Service Occupations	12.29%	20.36%	17.88%			
File=\Pupil Enrollement Projection 10252011.xlsx\General Chars 1b So	ource: Nielsen-Claritas		Copyright 2011			10

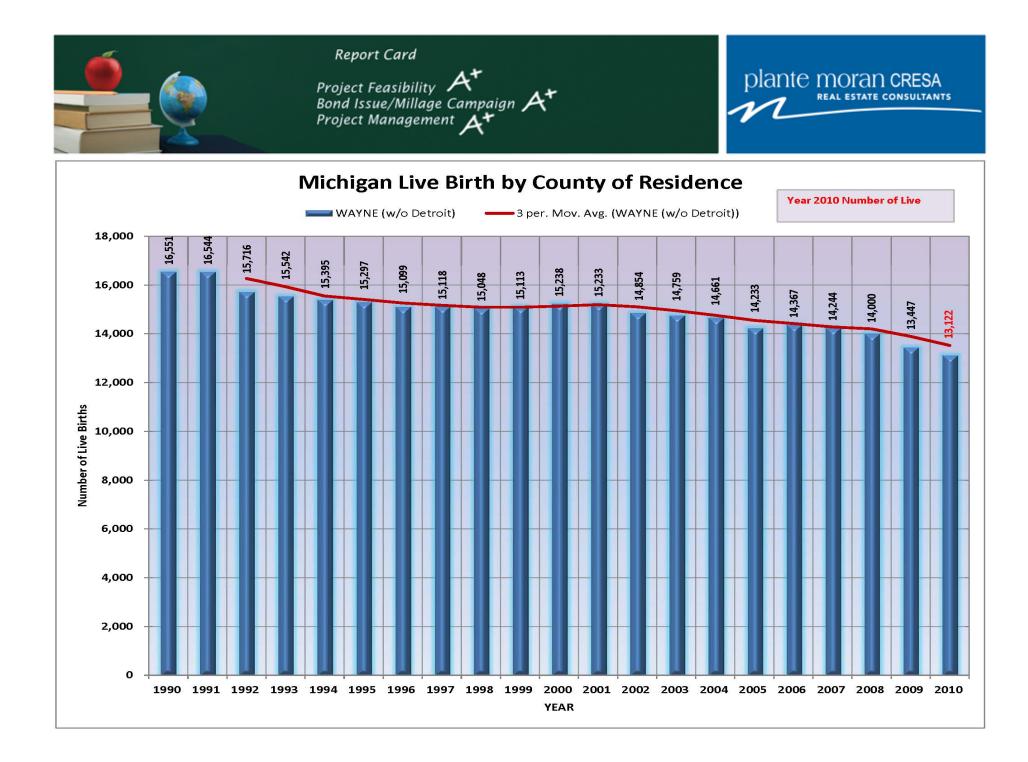


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### Plymouth Canton Community Schools Demographic Trends and Analysis (Summary)

County Name & Code State Name	Detroit-Warren-Livonia, Wayne, MI Michigan	МІ		26163 <b>2011 - 2</b>	016						
	2010	2011	2016		Percent						
Total Population	117,553	117,943	109,775	(8,168)	-6.9%						
Median Age	37.9	38.1	40.0	1.9	N/A						
Total Aged 0-5 Years Old	9,519	9,350	7,472	(1,878)	-20.1%						
Total Aged 6-11 Years Old	10,519	10,508	9,259	(1,249)	-11.9%						
Total Aged 12-17 Years Old	9,790	9,839	9,240	(599)	-6.1%						
Total Aged 18-24 Years Old	8,027	8,075	7,676	(399)	-4.9%						
Total Households	45,085	44,928	43,315	(1,613)	-3.6%						
Median Household Size 1 Person Households	2.79 10,920	2.78	2.71 11,851	(0.07)	-2.5% 7.1%						
2 Person Households	10,920	11,062 14,560	13,721	789 (839)	-5.8%						
3 Person Households	6,849	6,788	6,261	(527)	-7.8%						
4 Person Households	8,128	7,963	6,778	(1,185)	-14.9%						
5 Person Households	3,212	3,184	2,962	(222)	-7.0%						
6 Person Households	1,012	1,037	1,240	Enrolled S	chool /	Age Children					
7 or more Person Households	320	334	430								
Median Age of Householder	48.9	49.0	49.8	Enrolled	Public	School (K-12):	19,789	19,689	17,037	(2,652)	-13.5
Families	32,280	31,966	29,427	Enrolled	Private	e School (K-12):	5,082	5.089	4,995	(94)	-1.89
Family, Median Size	3.47 47.5	347	3.46 47.8			CONTRACTOR OFFICE	5,082	5,069	4,995		
Family, Median Age	47.5	47.6	47.8	Enrolled	Public	Preprimary:	1,148	1,168	1,247	79	6.8
Income Profile				Enrolled	Public	Kindergarten:	1,394	1,383	1,188	(195)	-14.19
Total Household Income (Community) Median Household Income	\$ 3,852,311,871 \$ \$ 109,824 \$	3,817,416,745 \$ 110,642 \$				and a second	1,394	1,585	1,188	(192)	-14.13
Average Household Income	\$ 109.824 \$ \$ 119,341 \$	119,421 \$	150,848	Enrolled	Public	Grades 1-4:	5,886	5,813	4,745	(1,068)	-18.49
Per Capita Income	\$ 38,283 \$	37,861 \$	48,116		Dublic	Grades 5-8:	· · · · · · · · · · · · · · · · · · ·		1.1.1. <b>*</b> (2.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1		
Households Earning < \$15K	1,976	1,959	1,622	Enrolled	Public	Grades 5-8:	5,635	5,576	4,581	(995)	-17.82
Households Earning \$15-25K	2,234	2,221	1,673	Enrolled	Public	Grades 9-12:	5,726	5,749	5,276	(473)	-8.29
Households Earning \$25-35K	2,717	2,692	2,066	10201	23.370		5,720	5,7 15	3,270	11101	0.2
Households Earning \$35-50K	4,358	4,311	3,441	(870)	-20.2%						
Households Earning \$50-75K	7,198	7,138	5,836	(1,302)	-18.2%						
Households Earning \$75-100K											
	6,709	6,687	5,689	(998)	-14.9%						
Households Earoing \$100-125K	5,775	5,789	5,371	(418)	-7.2%						
Households Earning \$100-125K Households Larning \$125-150K	5,775 4,596	5,789 4,579	5,371 4,566	(418) (13)	-7.2% -0.3%						
Households Earoing \$100-125K	5,775	5,789	5,371	(418)	-7.2%						
Households Earning \$100-125K Households carning \$125-150K Households Earning \$150-200K Hodseholds Earning \$200K+	5,775 4,596 5,022	5,789 4,579 5,009	5,371 4,566 5,839	(418) (13) 830	-7.2% -0.3% 16.6%						
Households Earping \$100-125K Households Carning \$125-150K Households Earning \$150-200K Horseholds Earning \$200K+ Enrolled School Age Children Enrolled Public School (K-12):	5,775 4,596 5,022	5,789 4,579 5,009	5,371 4,566 5,839	(418) (13) 830	-7.2% -0.3% 16.6%						
Households Earping \$100-125K Households/Farning \$125-150K Households/Farning \$125-150K Households Earning \$200K+ Enrolled School Age Children Enrolled Public School (K-12): Enrolled Physiae School (K-12):	5,775 4,596 5,022 4,500	5,789 4,579 5,009 4,543	5,371 4,566 5,839 7,212	(418) (13) 830 2,669 (2,652) (94)	-7.2% -0.3% 16.6% 58.7%						
Households Eapling 5100-125K Households Faming 512-5130K Households Faming 513-000K Households Earning 5300-000K Enrolled School Age Children Enrolled Public School (K-12) Enrolled Public Prepringer	5,775 4,596 5,021 4,500 19,789 5,082 1,148	5,789 4,579 5,009 4,543 19,689 5,089 1,168	5,371 4,566 5,839 7,212 17,037 4,995 1,247	(418) (13) 830 2,669 (2,652) (94) 79	-7.2% -0.3% 16.6% 58.7% -13.5% -1.8% 6.8%						
Households Earping \$100.125K Households Faming \$125.150K Households Faming \$125.150K Households Earning \$200K+ Enrolled School Age Children Enrolled Public School (K-12): Enrolled Public School (K-12): Enrolled Public Rypergrafen:	5,775 4,596 5,022 4,500 19,789 5,082 1,148 1,148 1,394	5,789 4,579 5,009 4,543 19,689 5,089 1,168 1,383	5,371 4,566 5,839 7,212 17,037 4,995 1,247 1,188	(418) (13) 830 2,669 (2,652) (94) 79 (195)	-7.2% -0.3% 16.6% 58.7% -13.5% -1.8% 6.8% -14.1%						
Households Eapting 5100-125K Households Earning 5125-130K Households Earning 5150-200K Index Households Earning 5100 (K- Enrolled School (K-12): Errolled Physics School (K-12): Errolled Physics Prepringer; Errolled Physics Prepringer; Errolled Physics Grades 1-4:	5,775 4,596 5,021 4,500 19,789 5,082 1,148 1,394 5,886	5,789 4,579 5,009 4,543 19,689 5,089 1,168 1,383 5,813	5,371 4,566 5,839 7,212 17,037 4,995 1,247 1,188 4,745	(418) (13) 830 2,669 (2,652) (94) 79 (195) (1,068)	-7.2% -0.3% 16.6% 58.7% -13.5% -1.8% 6.8% -14.1% -18.4%						
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Households Eapting 5100-125K Households Earning 5125-130K Households Earning 5150-200K Index Households Earning 5100 (K- Enrolled School (K-12): Errolled Physics School (K-12): Errolled Physics Prepringer; Errolled Physics Prepringer; Errolled Physics Grades 1-4:	5,775 4,596 5,097 19,789 5,082 1,148 1,394 5,886 5,635 5,726	5,789 4,579 5,009 4,543 19,689 5,089 1,168 1,383 5,813 5,576 5,749	5,371 4,566 5,839 7,212 17,037 4,995 1,247 1,188 4,745 4,581 5,276	(418) (13) 830 2,669 (2,652) (94) 79 (195) (1,068) (995) (473)	-7.2% -0.3% 16.6% 58.7% -13.5% -1.8% 6.8% -14.1% -18.4% -17.8% -8.2%						
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Households Eapling 5120-025K Households Earning 5120-000K Households Earning 5130-000K Households Earning 5100 000K Enrolled Abolio School (K-12): Enrolled Public Grades 5-8: Enrolled Public Grades 5-9: Enrolled Public Grades 9-12: Enrolled Public Grades 9-12: Enrolled Physite Grades 1-4: Enrolled Physite Grades 1-4:	5,775 4,596 5,00 4,500 19,789 5,082 1,148 1,394 5,885 5,635 5,726 1,409 426 1,010	5,789 4,579 5,009 4,543 19,689 5,089 1,168 1,383 5,813 5,576 5,7749 1,377	5,371 4,566 5,839 7,212 17,037 4,995 1,247 1,188 4,745 4,581 5,276 1,083 518 518 1,159	(418) (13) 830 2,669 (2,652) (44) 79 (195) (1,068) (9955) (473) (294) 84 129	-7.2% -0.3% 16.6% 58.7% -13.5% -1.8% 6.8% -14.1% -18.4% -17.8% -8.2% -21.4% 19.4% 12.5%						
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Households Eapling 5120-025K Households Earning 5120-000K Households Earning 5130-000K Households Earning 5100 000K Enrolled Abolio School (K-12): Enrolled Public Grades 5-8: Enrolled Public Grades 5-9: Enrolled Public Grades 9-12: Enrolled Public Grades 9-12: Enrolled Physite Grades 1-4: Enrolled Physite Grades 1-4:	5,775 4,596 5,00 4,500 19,789 5,082 1,148 1,394 5,885 5,635 5,726 1,409 426 1,010	5,789 4,579 5,009 4,543 19,689 5,089 1,168 1,383 5,813 5,576 5,749 1,377 434 4,030	5,371 4,566 5,839 7,212 17,037 4,995 1,247 1,188 4,745 4,581 5,276 1,083 518 518 1,159	(418) (13) 830 2,669 (2,652) (44) 79 (195) (1,068) (9955) (473) (294) 84 129	-7.2% -0.3% 16.6% 58.7% -13.5% -1.8% 6.8% -14.1% -18.4% -17.8% -8.2% -21.4% 19.4% 12.5%						
Households Eapling 5120-025K Households Eaming 5125-130K Households Eaming 5130-200K Indexholds Eaming 5100 200K Emolled Public School (K-12): Emolled Public Grades 5-8: Emolled Public Grades 5-8: Emolled Public Grades 5-9: Emolled Public Grades 5-9: Emolled Public Grades 5-9: Emolled Public Grades 5-4: Emolled Public Grades 5-8: Emolled Public Grades 5-12:	5,775 4,596 5,091 4,500 19,789 5,082 1,148 1,394 5,635 5,726 1,409 426 1,010 1,341 896	5,789 4,579 5,009 4,543 19,689 5,089 1,168 1,383 5,813 5,576 5,749 1,377 434 1,030 1,335 913	5,371 4,566 5,839 7,212 1,7,037 4,995 1,247 1,188 4,745 4,745 4,581 5,276 1,083 5,18 1,159 1,261 974	(418) (13) 830 2,669 (2,652) (34) 79 (1095) (1068) (995) (473) (294) 84 129 (74) 61	-7.2% -0.3% 16.6% 58.7% -13.5% -1.8% -18.4% -17.8% -2.14% 19.4% 12.5% -5.5% 6.7%						
Households Fagner 5100-125K Households Fagner 5100-125K Households Farning 512-5150K Households Farning 510-200K Horseholds Farning 5100-200K Horseholds Farning 5100-200K Enrolled Public School (K-12): Enrolled Public School (K-12): Enrolled Public Regrammers Enrolled Public Grades 5-8: Enrolled Public Grades 5-8: Enrolled Physite Grades 9-12: Enrolled Private Bragmary: Enrolled Private Grades 5-8: Enrolled Private Gra	5,775 4,596 5,001 4,500 19,789 5,082 1,148 1,394 5,886 5,635 5,726 1,409 426 1,010 1,341 896 4,504	5,789 4,573 5,009 4,543 19,689 5,089 1,168 1,383 5,813 5,576 5,749 1,377 434 1,030 1,335 913 4,545	5,371 4,566 5,839 7,212 17,037 4,995 1,247 1,188 4,743 4,745 4,745 1,083 5,18 1,159 1,261 974 4,289	(418) (13) 830 2,669 (2,652) (94) 79 (195) (1,068) (995) (473) (294) 84 129 (294) 84 129 (74) 61	-7.2% -0.3% 16.6% 58.7% -1.8% -6.8% -14.1% -18.4% -14.1% -18.4% -21.4% 19.4% -5.5% -5.5% -5.6%						
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Households Eaprile S100-125K Households Earning S125-130K Households Earning S125-130K In Stanling S125-130K Enrolled Physics School (K-12): Enrolled Physics Grades 1-4: Enrolled Physics Grades 5-8: Enrolled Graduate 5-9: Source 5-9: Enrolled Filter 5-9: Enrolled Filter 5-9: Enrolled Physics Filter 5-9: Enrolled Physi	5,775 4,596 3,09 4,500 19,789 5,062 1,148 1,394 1,394 5,635 5,635 5,726 1,409 4,26 1,010 1,341 895 895 4,504 15,631 15,631 15,632	1,789 4,579 5,009 5,069 5,069 1,168 1,383 5,813 5,813 5,813 5,813 5,874 1,387 1,387 1,387 1,387 1,387 1,315 1,5907 1,5,873 5,007	5,371 4,556 5,839 7,212 17,037 4,997 1,247 1,188 4,745 4,745 4,745 4,745 4,745 1,188 4,745 1,188 4,745 1,159 1,261 974 4,289 14,622 15,593 5,5695	(418) (13) 830 2,669 (2,652) (104) 79 (105) (105) (473) (294) 84 (294) 84 (294) 61 (226) (1,285) 50 (383)	-7.2% -0.3% 16.6% 58.7% -13.5% -18.4% -18.4% -18.4% -18.4% -18.4% -18.4% -21.4% 19.4% 12.5% 6.7% -5.5% 6.7% -5.6% -8.1% 0.3%						
Households Eaprile S100-125K Households Earning S125-150K Households Earning S150-200K Brodles Chool S2 Collect Enrolled Probale School (K-12): Enrolled Probale School (K-12): Enrolled Probale School (K-12): Enrolled Public Preprimary: Enrolled Public Grades 1-4: Enrolled Public Grades 5-8: Enrolled Private Kindergarten: Enrolled Private Kindergarten: Enrolled Private Kindergarten: Enrolled Private Grades 1-4: Enrolled Private Grades 1-4: Enrolled Private Grades 5-8: Enrolled Private Grades 1-2: Enrolled Private Grades 1-2: Bachelor School Graduate Some college Associate's Degree (2 years) Bachelor's Degree (2 years)	5,775 4,596 5,09 4,500 19,789 5,082 1,148 1,394 1,394 5,635 5,635 5,726 1,409 4,06 1,010 1,341 8,96 4,594 15,880 15,881 15,631 6,642 22,220 12,124	1,189 4,579 5,009 4,543 129,689 5,069 5,069 5,069 1,1168 1,383 5,813 5,813 5,874 1,383 5,874 1,383 5,576 5,7749 1,377 4,343 1,010 1,335 9,13 9,13 9,13 9,13 9,13 9,13 9,13 9,13	5,371 4,556 5,839 7,212 17,037 4,995 1,247 1,188 4,245 1,188 4,245 1,188 1,159 1,261 976 4,289 14,622 1,523 5,665 18,860 12,932	(418) (13) 830 2,669 (2,652) (108) (108) (995) (473) (294) (	-7.2% -0.3% 16.6% 58.7% -1.8% 6.8% -1.4.1% -17.8% -21.4% -21.4% -21.4% -21.4% -21.4% -5.5% 6.7% -5.6% -8.1% -6.3% -6.3% -6.3% -6.3%						
Households Earling 5120-025K Households Earling 5125-130K Households Earling 5125-130K Households Earling 5150-200K In School Starling 5100 (K-12): Enrolled Photo Age Children Enrolled Photo Age Children Enrolled Photo Age Children Enrolled Photals Grades 1-4: Enrolled Photals Grades 5-8: Enrolled Photals Grades 5-8: Enrolled Photale	5,775 4,596 5,091 4,500 19,789 5,082 1,748 1,394 1,394 1,394 2,685 5,635 5,726 1,409 426 1,010 1,341 896 4,504 15,631 15,631 15,631 15,631 15,631 15,631 15,632 22,220 12,124 2,182	1,599 4,579 5,009 4,543 1,168 1,168 1,138 5,813 5,576 5,774 1,377 4,343 1,030 1,335 9,13 4,545 15,907 15,877 5,6078 2,033 12,367 2,237 1,131	5,371 4,563 5,869 7,212 12,037 1,247 1,248 4,245 4,245 4,245 1,261 9,74 4,289 1,261 9,74 4,289 1,261 9,74 4,289 1,261 9,74 4,289 1,261 9,74 4,289 1,261 9,74 4,289 1,261 9,74 4,289 1,261 9,74 4,289 1,261 9,74 4,261 9,74 4,261 9,74 4,261 9,74 4,261 9,742 4,276 9,744 4,276 9,744 4,276 9,744 4,276 9,744 4,276 9,744 4,276 9,744 4,276 9,744 4,276 9,744 4,2766 4,27666 4,27666 4,27666 4,27666666666666666666666666666666666666	(418) (13) 830 2,669 (2,652) (47) 79 (109) (109) (473) (473) (473) (473) (473) (473) (474) 61 (256) (1,285) 50 (383) (3,143) 565 293	-7.2% -0.3% 16.6% 58.7% -13.5% -13.5% -14.1% -18.4% -14.1% -18.4% -14.1% -18.4% -21.4% 19.4% -2.14% 19.4% -5.5% -5.6% -8.1% 0.3% -6.3% -14.3% -14.3% -13.5% -13.5% -13.5% -13.5% -13.5% -13.5% -13.5% -13.5% -13.5% -13.5% -13.5% -13.5% -13.5% -13.5% -13.5% -13.5% -13.5% -13.5% -13.5% -14.1% -14.1% -15.5% -13.5% -14.1% -15.5% -14.1% -15.5% -14.1% -15.5% -14.1% -15.5% -14.1% -15.5% -14.1% -15.5% -15.5% -14.1% -15.5% -15.5% -14.1% -15.5% -14.1% -15.5% -14.1% -15.5% -15.5% -14.1% -15.5%	N 201					





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Project Feasibility A<sup>+</sup> Bond Issue/Millage Campaign A<sup>+</sup> Project Management A<sup>+</sup> plante moran CRESA REAL ESTATE CONSULTANTS

PHASE	CRITICAL ISSUES	COMMENTS
Planning	Budget/Schedule	Engage buyer's agent for transaction and planning
		Include all costs, i.e. due diligence, soft cost, fees, equipment furniture, moving, etc.
Site Selection	Parent/Student Convenience	Ingress/Egress
Maximum exposure		
Real Estate Transaction	Hard Money Soft Money	If possible, negotiate a due diligence period with no hard money
	Leverage	Option multiple parcels
Due Diligence (Dirt)	Phase I	Minor contamination adds substantial time to overall project schedule

Project Feasibility A<sup>+</sup> Bond Issue/Millage Campaign A<sup>+</sup> Project Management A<sup>+</sup> plante moran CRESA REAL ESTATE CONSULTANTS

PHASE	CRITICAL ISSUES	COMMENTS
Due Diligence (Dirt)	Surveys	Easements and encroachments need to be clearly identified
	Easements	Not all easements are recorded. Utilities have "prescriptive easement" rights
	Land Splits	Special survey needed – ACT 132
Due Diligence (Planning)	Utilities	Determine storm issues as soon as possible
	Municipal Requirements	Meet with County officials
Due Diligence		
(Site Plan)	Special Land Use	Usually required by Approval Municipality for drop
areas		



Project Feasibility A Bond Issue/Millage Campaign A Project Management A 

## Real Estate Transaction Trends

- Undeveloped land difficult to identify/obtain in urban areas
- Increase in vacant space has created favorable lease rates
- Institution growth has created the need to remain undisclosed during purchase option negotiations
- Soft real estate market allows flexibility with property owners





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## □ Real Estate Transaction

- Disclosed/Undisclosed
  - Determine which is better for your approach

## Draft Lease/Purchase Agreement

- Use legal council that has a real estate background
- Negotiations
- Hard money Seller retains even if transaction does not complete
- Soft money Money is returned to purchaser
- Due Diligence/Extensions
  - Provide relief or extension if due diligence items show additional testing or review is required.
- Closing





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## Due Diligence - Dirt

- Environmental
  - Phase I (must include ACM, PCB's, and lead)
- Surveys
  - Boundary Survey
  - Topographical Survey
  - ALTA Survey
- Soil Reports
  - Defines design for foundations, parking lots, playgrounds, etc.

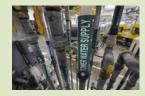




Project Feasibility A<sup>+</sup> Bond Issue/Millage Campaign A<sup>+</sup> Project Management A<sup>+</sup>

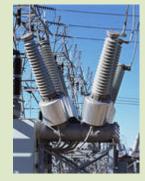
## □ Due Diligence – Site Planning

- Utilities
  - Gas
  - Electric
  - Sewer
  - Water
  - Technology
- Building Envelope
  - Right of Ways (ROW)
  - Setbacks
  - Curb Cuts
  - Parking Requirements
  - Signage
- Easements
  - Public vs. private.



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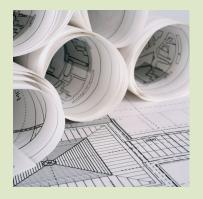




Project Feasibility A<sup>+</sup> Bond Issue/Millage Campaign A Project Management A<sup>+</sup> plante moran CRESA REAL ESTATE CONSULTANTS

## Due Diligence – Building Planning

- Conceptual Site and Building Plans
  - Engage civil engineer and/or architect
  - Set meeting with Municipal Planner and Engineer
  - Review facility with BCC and BFS
- Site Plan Approval Documents
  - Pre-treatment of storm water
  - More municipalities shifting costs to end-users
  - Fewer curb cuts being allowed
  - Updated parking requirements
  - Signage
- Site Plan Approval
  - Obtain approval prior to developing full set of documents
  - Always Maintain "Plan B" Alternative



Project Feasibility Bond Issue/Millage Campaign 🖌 Project Management

## Recap of Presentation Goals and Objectives

## Planning Considerations

- Have you reviewed your School's financials to ensure long term success?
- Have you identified the "right" site/facility to meet educational goals?
- Have you reviewed the demographics in relation to the site/facility?
- Will the facility attract and retain students (and parents)?
- Have you established an appropriate budget and schedule?
- **Real Estate Considerations** 
  - Does the Lease vs. Buy model fit your School's financial goals? ٠
  - Have you leveraged the market place to ensure the lowest qualified price?
  - Have you accounted for all costs for the transaction?
- **Due Diligence Considerations** 

  - Have you secured site plan approval? Are there items that will make the project "unfeasible" in costs or time? Have you established a "Plan B?"



Project Feasibility A<sup>+</sup> Bond Issue/Millage Campaign A<sup>+</sup> Project Management A<sup>+</sup> plante moran CRESA REAL ESTATE CONSULTANTS

# **Questions / Answers**

Project Feasibility A Bond Issue/Millage Campaign A Project Management A plante moran CRESA

Paul R. Wills, AIA, NCARB has a diverse background with over 18 years experience in the design and construction fields with particular emphasis within the public sector. Paul joined Plante Moran CRESA in 2001 and is very effective in assisting clients with defining the parameters of a project and the delivery method that best meets the owner's needs, assisting with selection of design and construction team members, working with legal counsel to develop favorable contracts, and monitoring project progress from pre-planning through completion.

Paul has worked on successful education capital initiatives and projects totaling over \$600 million. In addition to his educational sector experience, he has assisted numerous public sector clients across Michigan and Ohio on over 100 facility projects involving building assessments, conceptual programming, bonding approval, and building construction for school facilities, libraries and recreation centers.

### **Education:**

Paul received his Bachelor of Science degree in Architecture from Lawrence Technological University in 1996 and his Masters of Architecture in 1997.

### **Certifications:**

Paul became a Licensed Architect in 2001. He is a member of the American Institute of Architects and is certified by the National Council of Architectural Registration Boards.



Paul R. Wills, AIA, NCARB, LEED AP

Partner

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Project Feasibility A Bond Issue/Millage Campaign A Project Management A

Ben brings a highly analytical perspective and commercial and institutional real estate thought leadership to a distinguished list of clients across multiple areas. He has extensive experience and expertise in wide array of commercial real estate matters with a particular focus on real estate investment and development, tax credit and incentive procurement, project capital structuring, senior living development, real estate portfolio planning, project feasibility analysis, and asset positioning.

Ben has developed and implemented strategic real estate solutions for corporate, institutional, and investor clients. Ben has overseen in excess of \$700 million in real estate development and investment transactions, and has successfully negotiated and procured over \$75 million in tax credits and incentives throughout the country, in addition to overseeing the development and financial structuring of a number of significant real estate developments.

Ben's background consists of both real estate advisory and development work involving a variety of complex transactions. In this capacity, he has deep expertise in real estate development financial analysis and structuring, debt and equity procurement, lease and purchase negotiations, project due diligence and entitlement, and real estate investment strategy. This background enables Ben to understand real estate from multiple perspectives, adding significant value to a wide variety of client engagements and transactions.

### **Education:**

Ben graduated with honors from the University of Michigan with a Bachelor of Arts and a Master's Degree in Urban Planning (M.U.P.)

### Memberships:

He is a Board Member for United Way Leadership Next, a member of the United Way's Campaign Cabinet, and a member of the Detroit Athletic Club Community Outreach Committee.



Ben Smith Senior Associate (248) 223.3275 benjamin.smith@plantemoran.com

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