



Utah State Charter School Board

Review of Facilities Contracts or Financing Agreements for Charter Schools

U.C.A. §53G-5-404 (9) provides that “a charter school shall submit any lease, lease purchase agreement or other contract or agreement relating to the charter school’s facilities or financing of the charter school’s facilities to the school’s authorizer and an attorney for review and advice prior to the charter school entering into the lease, agreement or contract.”

To facilitate this statutory requirement, the State Charter School Board (SCSB) provides this policy and procedure.

Facility Review Policy: This review applies to all leases, lease-purchases, facility financing, construction, modification, built-to-suit, or development contracts or agreements of a charter school facility that costs \$50,000 or more per year or 5% of a charter school’s annual budget.

All preliminary approved facility leases, financing contracts, or agreements must be reviewed by the charter school’s authorizer and an independent attorney before it is given final approval, signed, or executed. The SCSB will provide its statutory review and advice of the preliminary approved draft of the lease, contract, or agreement to the charter school’s governing board within fourteen (14) days of receiving this completed form and required documents. Leases, contracts, or agreements cannot be given final approval, signed, or executed until the fourteen (14) day review period is complete.

After the SCSB has provided its review and advice, the charter school’s governing board can meet to give final approval of the preliminary approved draft after discussing the SCSB’s review and advice with the rest of the board.

If there were material or substantial changes to the preliminary approved draft after it was reviewed by the SCSB, then a new form along with the new draft will have to be sent to the charter school’s independent attorney and the SCSB for review and advice.

Bonds: To be compliant with this policy, the bond issuer shall send the bond application memorandum to the SCSB fourteen (14) days before the bonds are authorized by the bond issuer.

A Request for Proposal (RFP) is required for construction, modifications, additions, or development of any charter school facility. You can get free assistance with your RFP from the Utah Division of Purchasing and General Services – Courtesy Posting Services.

<https://purchasing.utah.gov/for-agencies/courtesy-posting-services/>

They provide anywhere from a quick review of your proposal, to a review that ensures compliance with the Utah procurement and administrative code, or they can help with the whole procurement process from the beginning to the end.

Facility Review Procedure: Please complete the form below and send the requested documents to the SCSB, via upload into the Utah Charter Access Point (UCAP) <https://ucap.schools.utah.gov/> no later than fourteen (14) days prior to giving final approval of the lease, contract, or agreement. Provide an explanation for any item that was not completed or uploaded. After completing this word document, please save it as a pdf before uploading it to UCAP.

Charter School Information

Location (Address, City, County):

Grades served:

Charter School open date:

Maximum approved enrollment count:

Most recent or estimated October 1 enrollment count:

Estimated total annual revenue:

Estimated annual revenue/student for this year:

Estimated enrollment for October 1 of next year:

Facility Summary

Developer:

General Contractor:

Other Advisors:

Type of Financing:

Facility square feet:

Land (Acres):

Estimated property taxes for the first, second, and third year:

Was the facility independently appraised?

Name of the appraiser?

Name of the independent attorney that reviewed the lease, contract, or agreement:

Disclose all conflicts of interest between the charter school (which includes the board, staff, business administrator, or management company) and the developer or contractor.

Conflict of interest: is a situation where a person or entity is involved in two relationships competing with each other and serving one interest could involve working against the other.

Financing Summary

Land cost:

Development cost:

Improvements or furnishing cost:

Total cost:

Cost per square foot:

Commencement date:

Monthly payment:

Annual Payment:

First payment due date:

Required debt service reserve requirements:

Total financing duration:

Effective interest rate:

Total fees paid or anticipated to be paid to enter into this lease, contract, or agreement:

Is this lease, contract, or agreement subject to any balloon payments?

Are payments scheduled to increase after the first, second, third, fourth, or fifth year?

If so, by what percentage?

When does the increase start?

Does the lease, contract, or agreement include any concession (these are preferential allowances or rates given by the landlord or developer)?

Facility payment burden percentage (Total annual facility payment divided by total annual revenue):

Financing Covenants

Days cash on hand requirements:

Required debt service coverage ratio:

Prepayment lockout period:

Describe any purchase option clauses:

Purchase option beginning date:

Purchase option as percentage of total cost:

Describe the financial statement reporting requirements:

Describe the enrollment requirements:

Additional Information

Has the preliminary approved draft of the lease, contract, or agreement, along with its associated payment or amortization schedule been uploaded to UCAP?

Have you included a letter from the charter school's independent attorney, who should have no conflicts of interest related to any of the parties in the lease, contract, or agreement, affirming review of the lease, contract, or agreement as required by U.C.A. §53G-5-404 (9);

Have you included governing board meeting minutes showing that the charter school's governing board approved the preliminary draft of the lease, contract, or agreement in an open and noticed meeting (if applicable, minutes should include the reason for going into a closed session and the vote to go into the closed session)?

Have all conflicts of interest between the charter school and the developer or contractor been disclosed?

Additional comments:

This form was completed by (name and title):

The information contained on this form is provided for general informational purposes only. Nothing in this form is intended to be legal, tax, investment, financial, professional, or other advice. Nothing contained in this form shall be construed to be a solicitation, recommendation, endorsement, or offer by the SCSB. All information in this form is of a general nature and does not address the circumstances of any individual or entity. The SCSB does not guarantee the accuracy or completeness of any information and has not independently verified or otherwise investigated all such information.

Any review done by the SCSB provides only non-binding advice as per statute. A review does not grant permission or prohibit a charter school from entering into any lease, contract, or agreement. This review does not serve as an assessment by the SCSB that the agreement is financially sound, legally binding or enforceable. Any decision by a charter school to enter into any lease, contract, or agreement is its own decision. The SCSB does not accept any responsibility or liability for any lease, contract, or agreement entered into by any charter school subsequent to SCSB review or any other lease, contract or agreement not presented to the SCSB for review due to it being outside of the purview of U.C.A. §53G-5-404(9).