

# Assessing Your Organization's Program and Facilities Needs

*This worksheet is designed to help organizations clearly lay out their space needs and determine whether they are well-poised to undertake a real estate development project.*

Programs should drive facilities needs, not the other way around. Too many organizations get excited about a building for sale down the street without evaluating if it is the right space for their programs. Therefore, we recommend that the first step in assessing your organization's facilities needs is to clearly define your organization's **program goals** over the next three to five years and develop a facilities plan that will best enable you to achieve these objectives. The list below provides broad categories with questions for your organization to consider before you begin to consider a real estate project.

## Program Goals

Do you anticipate program growth or decline, or other program changes in the next three to five years?

What is the demand for your services? Evaluate trends in economy, demographics and public policy affecting program demand.

What is your organization's current ability to meet this demand? What would you need to change to meet this demand?

What are your organization's short-, medium- and long-term goals?

## Space and Growth Needs

Does your current space meet your organization's present needs? How much space do you currently use? How much space do you need?

Can you consolidate programs from multiple sites into one location? Would this save costs and enhance programs?

If you determined that your organization's programs will change in the next three to five years, what space will the program shifts require? Can your current space accommodate these future needs?

Do your programs require specialized space (e.g., for privacy, flexibility, traffic flow, circulation)?

## Board Commitment

Does your Board participate in the long-term strategic planning process? Are they committed to the organization's short-, medium- and long-term goals defined above? Is there consensus to undertake a real estate development project?

Are Board members willing to provide leadership and support to achieve facilities goals? Are they willing to serve on a facilities planning committee?

Does the Board have experience undertaking a capital campaign? Are they prepared to commit additional time and resources for training, planning and funds solicitation?

Will the Board support taking on debt to finance the project?



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### **Revenue Stream and Financial Stability**

Does your organization have secure revenues that would allow you to cover long-term debt payments (e.g., program fees, government grants and contracts)?

Will your government contracts reimburse you for mortgage principal payments? Interest payments? Depreciation expense?

Are you running large deficits or surpluses at the end of the year?

Are you able to meet expenses on a regular basis?

Are you dipping into unrestricted net assets at the end of the year?

Do you have a source of cash, line of credit or cash reserve to meet timing and cash flow issues?

How your organization answers the questions above will determine if it makes sense to consider a real estate project. It is critical for your organization to be in a stable financial position and to have a strategic vision about future programs before moving ahead with a real estate project. For instance, if your organization's current space cannot accommodate program objectives and you have clearly defined programmatic goals, Board commitment and ample revenue support, then you are well-positioned to proceed with additional analysis for a real estate project.