

Facilities Development Glossary for Child Care Providers

This glossary offers a guide to terms commonly encountered in the course of child care facilities development. For organizational purposes, it is divided into the three phases of development: planning, predevelopment and development. Please note that some terms do not fall exclusively into one category. This glossary focuses on the construction process, and excludes most terms associated with financing and operations.

Planning Phase

Planning includes early project activities, including preliminary feasibility analysis, site selection, early architectural work and rough cost estimates. Planning also requires development of a business plan demonstrating operating feasibility for the new facility. This business development component falls outside the scope of this glossary.

Capital Project: Any major facility renovation, addition, or new construction.

Feasibility Analysis: Study of the cash flow, overall desirability and likelihood of success of a project. For child care facilities, feasibility includes a needs assessment and market analysis that is specific to the site under consideration.

Pre-Design: Design stage in which the child care program's space needs are established by the owner and architect, and the project's financial and time requirements are determined.

Schematic Design: Early design stage in which conceptual designs are developed by the architect based on consultation with the child care provider. Schematics take into account zoning codes and regulations, and include rough construction cost estimates.

Site: A plot of ground upon which a building is, has been, or will be located.

Site Analysis: the architect documents site-specific merits, limitations and requirements for a project.

Site Selection: The decision to develop or acquire a specific site, typically secured by a deposit or legal agreement.

Zoning: A County or City law defining the types of use to which properties can be put in specific areas. Prospective sites must be checked to ensure that child care use is permitted.

Zoning Variance: A waiver from one or more terms of a zoning ordinance granted to a property owner (including a lessee or sublessee) by a Planning

Department for a specific parcel of property. Child care centers may be granted zoning variances if sited outside of allowed areas.

Predevelopment and Early Development Phases

Predevelopment activities include the determination of project feasibility through market studies, appraisals, architectural, engineering, financial and legal services, property inspections, title reports, etc. For the purposes of this document, early development activities include securing site control, assembling a development team, obtaining approvals and permits and soliciting and obtaining construction bids.

Agreement of Sale: Known by various names, such as contract of purchase, purchase agreement, or sales agreement according to location or jurisdiction. A contract in which a seller agrees to sell and a buyer agrees to buy, under certain specific terms and conditions spelled out in writing and signed by both parties.

Appraisal: An estimate of a property's fair market value by a licensed professional. Lenders take the appraisal into account when deciding whether or not to make loans, or in determining the loan amount.

As Is: Property sold in its present condition with no warranties made about the plumbing, heating, electrical system or structural condition is said to be sold "as is."

Bid: A formal offer by a contractor, in accordance with specifications for a project, to do all or a phase of the work at a certain price in accordance with the terms and conditions stated in the offer.

Bid Bond: A bond issued by a surety (guarantor) on behalf of a contractor that provides assurance to the recipient of the contractor's bid that, if the bid is accepted, the contractor will execute a contract and provide a performance bond.

Bidding (or Negotiation) Phase: the stage in which bids or negotiated proposals are solicited and obtained and in which contracts are awarded for a construction job.

Bidding Requirements: The procedures and conditions for the submission of bids. The requirements are included in documents, such as the notice to bidders, advertisements for bids, instructions to bidders, invitations to bid, and sample bid forms.

Building Code: Local and State laws that set minimum construction standards. Architects and contractors are responsible for a project's building code compliance.

Building Line or Setback: Distances from the ends and/or sides of a lot beyond which construction may not extend. The building line may be established by a filed plat of subdivision, by restrictions in deeds or leases, by building codes, or by zoning ordinances.

Building Permit: A written permit that must be purchased from the local government by anyone doing construction, remodeling or renovation work on a property. Full construction documents must be submitted to obtain a building permit.

Community Development Block Grant Program (CDBG): HUD funded program that provides eligible metropolitan cities, urban counties (called "entitlement communities"), and state governments covering rural areas with annual direct grants that they can use to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low- and moderate-income persons. CDBG funds are frequently used to finance non-profit child care facility development. Funds are made available through an annual competitive application process.

Contract Documents: Architectural stage in which the final requirements for the work are set forth in detail. These documents are used to finalize the terms of the construction contract.

Design Development: The architectural design stage in which the size and character of a project are further refined and described, including structural, mechanical and electrical systems and materials. Performed by the project architect.

Easement: A right of way giving persons other than the owner limited access to or over a property.

Egress: A means of exit from a building or parcel of land.

Elevation Sheet: The page on the construction drawings that depicts a building or room as if a vertical plane were passed through the structure.

Encroachment: An obstruction, building, or part of a building that intrudes beyond a legal boundary onto neighboring private or public land, or a building extending beyond the building line.

Encumbrance: Anything that imposes a legal burden on title to land such as liens for security purposes, easements, and restrictive covenants.

Fixture: Anything that originally was personal property but which has been attached to real property in such a manner to be regarded by law as part of the real property.

Frontage: The horizontal distance measured along the lot line, when lot line abuts a street right of way.

General Contractor: Contractor responsible for the execution, supervision and overall coordination of a construction project, who may also perform some of the individual construction tasks. Most general contractors are not licensed to perform all specialty trades and must hire subcontractors for such tasks, e.g., electrical, plumbing.

Ground Lease: A lease of land only. Usually the land is leased for a relatively long period of time to a tenant that constructs a building on the property.

Gross Floor Area: Sum of the areas of the several floors of a building, as measured from the exterior faces of the walls, but excluding the areas of fire escapes, unroofed porches or terraces, and areas such as basements and attics exclusively devoted to uses accessory to the operation of the building.

Index Lease: A lease in which the rental amount adjusts according to changes in a price index, commonly the consumer price index.

Landscape Architect: A person trained in the design and development of landscapes and outdoor areas.

Latent Defect: Concealed defect not easily determined from an inspection of the property.

Lowest Qualified Bidder: The bidder who submits the lowest bona fide bid and is considered to be fully responsible and qualified to perform the work for which the bid is submitted.

Net Lease/Triple Net Lease: A lease agreement in which the tenant pays rent plus all taxes, insurance, repairs and other costs – i.e., all expenses related to the operation of the property.

Nonconforming Use: A use of land that lawfully existed before a zoning ordinance that is legally continued after the effective date of the ordinance, even though the use no longer conforms to the new zoning regulations.

Plan View: Architectural drawing of a structure with the view from overhead, looking down.

Project Cost: The total cost of a project including professional compensation, land costs, furnishings and equipment, financing, and other changes as well as construction cost.

Property Inspection: The examination of a building by a licensed inspector to see if its structure is sound and its mechanical systems, such as plumbing and heating, are working.

Raw Land: Land with no improvements.

Right-of-way: The right to cross over or under another person's property for ingress, egress, utility lines, or sewers.

Run with the Land: When easements or restrictions do not expire when ownership is transferred.

Sales Contract: A contract between a buyer and seller which should explain: (1) What the purchase includes, (2) What guarantees exist (3) When the buyer can take property (4) What the closing costs are, and (5) What recourse the parties have if the contract is not fulfilled or if the buyer cannot get a mortgage commitment at the agreed upon time.

Schedule (window, door, mirror): A table on the construction drawings that lists the sizes, quantities and locations of the windows, doors and mirrors.

Site Plan: A plan prepared to scale, showing accurately and with complete dimensioning, the boundaries of a site and the location of all buildings, structures, uses and principal site development features proposed for a specific parcel of land.

Specifications: A narrative list of materials, methods, model numbers, colors, allowances, and other details that supplements the information contained in the construction drawings.

Spot Zoning: Zoning that sets aside certain areas for purposes different from the general area requirements.

Subcontractor: A specialty contractor that a general contractor hires, e.g., plumbers, electricians, etc.

Survey: A drawing or map showing a property's boundaries, any places the property may have been improved or changed, rights of way, and other physical features.

Tenant Improvements: Improvements to land or buildings to meet the needs of tenants. May be new improvements or remodeling, and may be paid for by the landlord, the tenant, or shared. Also referred to as "Leasehold Improvements."

Title: As generally used, the rights of ownership and possession of particular property. In real estate usage, title may refer to the instruments or documents by which a right of ownership is established (title documents), or it may refer to the ownership interest one has in the real estate.


Title Company: A company that specializes in insuring title to property.

Title Insurance: Insurance that compensates the insured a specific amount for any loss caused by defects of title to real estate.

Title Search: A check of public title records to ensure that the seller is the legal owner of the property and that there are no liens or other claims outstanding.

Development and Construction Phases

Development includes the construction process and continues until a Certificate of Occupancy is issued and the building is placed in service.

Acoustical Tile  is a tile that absorbs sound. Acoustical tile is often used in the ceilings of child care facilities.

Application For Payment: The contractor's written request for payment of an amount due for completed portions of the work.

Beam: A load-bearing support that can be made of wood, iron, stone or other strong material.

Bearing Wall: A wall that supports any vertical load in addition to its own weight. Bearing walls are typically not movable during renovations.

Bonus and Penalty Clause: A provision in a construction contract for payment of a bonus to the contractor for completing the work prior to a stipulated date, and a charge against the contractor for failure to complete the work by such stipulated date.

Builder's Risk Insurance: Insurance used to protect builders against fire and special risks while they have buildings under construction.

Building Permit: A written authorization to an applicant for a specific project allowing construction to proceed; granted by an authorized local agency.

Certificate of Occupancy: Official document issued by a local government body stating that a structure meets local zoning and building codes and is ready for use. Community Care Licensing requires a Certificate of Occupancy for issuance of a child care license in a building that has undergone construction or renovation.

Change Order: A form used by a builder to specify changes from the approved original construction plans. Change orders typically increase construction costs, and must be approved by the architect, owner and lender (if applicable).

Completion Bonds: Bonds provided by contractors to lenders to guarantee completion of construction in accordance with plans and specifications.

Construction Contract: - A legal document that specifies the what-when-where-how-how much and by whom in a construction project. A good construction contract will include:

1. The contractor's registration number.
2. A statement of work quality such as 'Standard Practices of the Trades' or 'According to Manufacturers Specifications'.
3. A set of blueprints or construction drawings.
4. A construction timetable including starting and completion dates.
5. A set of specifications.
6. A fixed price for the work, or a time and materials formula.
7. A payment schedule.
8. Any allowances.
9. A clause which outlines how any disputes will be resolved.
10. A written warrantee.
 - a. **Fixed price contract:** A contract with a set price for the work.
 - b. **Time and materials contract:** A contract that specifies a price for different elements of the work such as cost per hour of labor, overhead, profit, etc. A contract which may not have a maximum price, or may state a 'price not to exceed'.

Contingency Allowance: A sum designated to cover unpredictable or unforeseen construction items.

Contract Administration: The process by which the work performed by contractors is monitored by the architect.

Draw: Scheduled payment on a construction loan. Typically issued at selected construction milestones throughout the building process.

Ducts: The heating system. Usually round or rectangular metal pipes installed for distributing air from the furnace to rooms in a building.

Final Completion: The completion of work and all contract requirements by the contractor.

Final Inspection: The final review of the project by the architect prior to issuing a final certificate for payment.

Foundation: The supporting portion of a structure below the first floor construction, or below grade, including the footings.

Framing: Lumber used for the structural members of a building, such as studs, joists, and rafters.

General Conditions: The part of the construction contract that sets forth the rights, responsibilities, and relationships of the parties involved.

General Liability Insurance: A broad form of liability insurance covering claims for bodily injury and property damage which combines under one policy coverage for all liability exposures on a blanket basis and automatically covers new and unknown hazards that may develop; automatically includes contractual liability coverage for certain types of contracts.

Grade: The level of the ground at the structure foundation

Hardware: All of the "metal" fittings that go into the facility when it is near completion, e.g., door knobs, cabinet handles, door closers, etc.

HVAC: Heating, Ventilation, and Air Conditioning system.

Inspection: When a building is constructed or renovated it must be inspected and signed off by an inspector from the local government to confirm that all work is code-compliant.

Insulation: Any material high in resistance to heat transmission that, when placed in the walls, ceiling, or floors of a structure, will reduce the rate of heat flow.

Liability Insurance: Insurance a contractor buys as protection in case someone is hurt or damage is caused during the construction period.

Liquidated Damages: A specified sum of money agreed upon by contracting parties that will be received by the other or others if one of the parties commits a breach of the contract. In a construction contract liquidated damages usually are specified as a fixed sum per day for failure to complete the work within a specified time.

Manufacturer's Specifications: The written installation and/or maintenance instructions which are developed by the manufacturer of a product and which may have to be followed in order to maintain the product warranty.

Mechanic's Lien: The right of an unpaid contractor, subcontractor or materials supplier to file a lien against property to recover the amount due to him/her.

Millwork: All building materials made of finished wood and manufactured in millwork plants. Includes all doors, window and door frames, blinds, mantels, panel work, stairway components, moldings, and interior trim. Does not include flooring, ceiling, or siding.

Modular Buildings: Factory-made buildings constructed to State, Local or Regional codes that are fabricated in sectioned units that are then transported to the site for assembly. Modular buildings typically cost less than conventional construction.

Notice To Proceed: Written communication issued by the owner to the contractor authorizing him to proceed with the work and establishing the date of commencement of the work.

Payment Schedule: A pre-agreed upon schedule of payments to a contractor, usually based upon the amount of work completed. There may also be a temporary 'retainer' (5-10% of the total cost of the job) at the end of the contract for correcting any small items which have not been completed or repaired.

Penalty Clause: A provision in a contract that provides for a reduction in the amount otherwise payable to a contractor as a penalty for failure to meet deadlines or for failure of the project to meet contract specifications.

Performance Bond: An amount of money (usually 10% of the total price of a job) that a contractor must put on deposit as an insurance policy that guarantees the contractors' proper and timely completion of a project or job.

Plumbing Stack: A plumbing vent pipe that penetrates the roof.

Plumbing Waste Line: Pipe used to collect and drain sewage waste.

Post-Contract Phase: Architectural stage in which assistance in an owner's use and occupancy of a project is provided by the architect.

Punch List: A final list of construction discrepancies that need to be corrected by the contractor; drawn up by owner and architect.

Podium: A low wall serving as a foundation or terrace wall; often used to refer to the base of multistory buildings.

Radiant Heating: A method of heating, usually consisting of a forced hot water system with pipes placed in the floor, wall, or ceiling. Radiant floor heating is often used in infant centers.

Retaining Wall: A structure that holds back a slope and prevents erosion.

Retention: Amount withheld from billings until final and satisfactory project completion

Schedule of Values: A tool used by the design and construction industries to break down a construction cost estimate into understandable separate items of work

Value Engineering (VE): A process of analyzing the cost versus the value of alternative materials, equipment, and systems to lower the total cost of construction. Typically performed by the contractor with guidance from the architect and owner.

Warranty: In construction there are two general types of warranties. The manufacturer of a product such as roofing material or an appliance provides one. The second is a warranty for the labor. For example, a roofing contract may include a 20 year material warranty and a 5 year labor warranty.