

ZIEGLER INVESTMENT BANKING
CASE STUDYSANTA ROSA
ACADEMY

CLIENT PROFILE

Santa Rosa Academy is a 501(c)(3) corporation that operates a K-12 charter school located in Menifee, California. Founded in 2005, the school has grown from 59 students to nearly 1,600 students today. Santa Rosa enrolls students in three tracks: blue track, the traditional classroom based program; white track, a hybrid program that combines independent study with two days of classroom based instruction per week; and red track, an independent study program with the option of some classroom based instruction.

THE ZIEGLER DIFFERENCE

In 2012, Ziegler underwrote \$24,035,000 of bonds that funded the acquisition of 24 acres of land and costs of constructing a new K-12 campus. Although Santa Rosa was focused on construction of the classroom facilities at the time, it anticipated construction of a gymnasium and athletics fields sometime down the road. Santa Rosa officially moved into its new campus in fall 2013.

After closing the 2012 issue, Ziegler continued to work with Santa Rosa as the school learned to live with its new bond issue. Ziegler assisted with continuing disclosure, as well as helping the school modify its insurance requirements under the bonds—a process that involved reaching out to the investors who owned Santa Rosa's bonds. Additionally, as the school prepared to add new athletics facilities, it turned to Ziegler for guidance on everything from project financial feasibility to understanding the requirement for issuing additional bonds.

Thanks, in part, to its continuing relationship with the school, Ziegler was selected by Santa Rosa in the spring of 2015 to underwrite a bond issue to finance the new athletics facilities. Ziegler assisted Santa Rosa in demonstrating that it met the financial and rating requirements to issue additional debt.

**\$10,420,000**

California Municipal Finance Authority
Charter School Lease Revenue Bonds
(Santa Rosa Academy Project), Series 2015

At the same time, Ziegler, working with Santa Rosa's financial advisor and the rest of the financing team, kept the financing process moving forward to ensure that the school could take full advantage of a favorable market.

With the uncertainty regarding timing of an interest rate hike from the Fed in the late summer of 2015, Santa Rosa hoped to price its bond issue prior to the September Fed meeting. Ziegler met this goal and, thanks to the efforts of its trading desk and bankers, drove a successful pricing. Although the 2015 bonds carried the same rating as the 2012 bonds, Ziegler successfully communicated Santa Rosa's continuing academic, enrollment and financial achievements to investors, significantly reducing the borrowing cost on the 2015 bonds. Additionally, despite the relatively small issue size, Ziegler was able to bring in 7 new investors, which expanded the pool of investors holding Santa Rosa bonds to 12 and also helped drive the borrowing cost down.

“From the standpoint of both the Chief Business Officer of Santa Rosa Academy and a parent of students going to the school, I am appreciative of Ziegler’s efforts to make this bond financing happen. Ultimately, this financing helps SRA to enhance our education program and continue its growth with the extra room that the construction will provide while, at the same time, enhancing our physical education and sports programs. Ziegler’s coordination of the process helped ensure a smooth financing process that met our financing goals and timeline.”

David Graves, CPA
Chief Business Officer
Santa Rosa Academy

This client's experience may not be representative of the experience of other clients, nor is it indicative of future performance or success.

For further information on the outstanding bonds for this issuer, please visit the Electronic Municipal Market Access system at <http://emma.msrb.org>.

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