

## GRANADA HILLS CHARTER SCHOOL

AUGUST 2021

### CLIENT PROFILE

Granada Hills Charter (GHC) is a charter school located in Los Angeles, California, that began operating in 1960 and later converted to a charter school in 2003. The School is one of the largest single site charters in the country, with approximately 4,700 students enrolled at the grade 9-12 high school. In 2019, the School began operations of a TK-8 program that enrolled approximately 716 students in 2021, with plans to grow that program to approximately 1,600 students. The grade school campus is located approximately one mile from the existing high school campus, and the new campus facility received its Certificate of Occupancy in August 2021.

GHC is well known nationally, as the School has won 8 of the last 10 United States Academic Decathlons, including most recently in 2021. Additionally, the School has produced prominent alumni, including John Elway, Travis Kalnick, Valerie Bertinelli and Ryan Braun, among many others.

### FINANCING OVERVIEW

GHC issued \$13,615,000 par amount Series 2021 Bonds (\$13,410,000 Tax-Exempt Series A and \$205,000 Taxable Series B) that closed on August 4, 2021. Proceeds were primarily used to (1) fund a \$9,935,000 project fund deposit for additional facility improvements at the Devonshire Campus; (2) refund the \$5,440,000 million 2017 Series A Bonds on August 16, 2021; and (3) defease the \$20,000 taxable 2017 Series B Bonds to the July 1, 2022 maturity date.



**\$13,615,000**

California School Finance Authority | School Facility Revenue Bonds, Series 2021 A&B (Taxable)  
Granada Hills Charter Obligated Group

### TRANSACTION HIGHLIGHTS

Early in 2021, the Ziegler banking team identified a cost-saving refunding opportunity for the 2017 bonds, originally issued to facilitate the development of the Devonshire campus. As the 2021 refunding materialized, GHC identified additional improvements for the Devonshire campus that the School included in the financing thus creating greater efficiencies and economies of scale. The Ziegler banking team and trading desk worked diligently to produce one of the historically lowest yields achieved to date in the US Charter School sector (+70 basis points to MMD for the comparable 2048 maturity). Other highlights include:

- Federal Enhancement Grant revenue originated through the California School Finance Authority funded the \$837,500 Reserve Account requirement in its entirety

**GHC** | GRANADA  
HILLS  
CHARTER

*"Ziegler identified a cost-saving opportunity for Granada Hills Charter by refunding our 2017 Bonds, and structured a new money component that provided significant financial benefit and advantageous economies of scale. At the end of the day, Granada Hills Charter saved over \$1.4 million on a net present value basis and financed approximately \$10 million in new money for additional improvements at our newly constructed TK - 8 Devonshire campus. This opportunity would not have been possible without the diligence and expertise of Ziegler and the entire financing team."*

**Tammy Stanton**  
Chief Financial Officer

### ZIEGLER

One North Wacker Drive | Suite 2000  
Chicago, IL 60606

B.C. Ziegler and Company | Member SIPC & FINRA

### CONTACT US

800 366 8899  
askziegler@ziegler.com

 **Ziegler**

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- Standard & Poor's upgraded the school's outlook to "positive" while assigning a BBB- investment grade rating to the 2021 bonds
- The prevailing low interest rate environment, strong Granada Hills Charter credit, and Ziegler targeted marketing plan resulted in historically low yields for the charter school sector
  - o 2048 maturity yield of 1.99%
  - o All-In True Interest rate (including expenses) of 2.64%
  - o Taxable Series B bonds with a 2024 maturity priced to yield 1.48%
- Granada Hills Charter's strong credit attracted significant investor demand from charter school bond Investors in California and across the country.

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/>.

### **ZIEGLER DIFFERENCE**

Ziegler identified the 2021 financing opportunity and led the GHC financing team and the transaction to its successful pricing and closing. Ziegler's engagement was the result of its on-going service to the School where the firm and its Charter School team demonstrated the experience, skills and credentials to successfully finance multiple series of California charter school transactions. The success of Ziegler's rating agency strategy, marketing plan, and pricing schedule is testament to the firm's skills and expertise working with California charter schools.