

ZIEGLER INVESTMENT BANKING
CASE STUDYCHRISTIAN
HERITAGE
ACADEMY

CLIENT PROFILE

Christian Heritage Academy (CHA) is a pre-K through 12th grade Christian School located 20 miles north of downtown Chicago with an approximate enrollment of 400 students. The school began in 1983 and operated in a number of locations until securing its current site in 1994. CHA purchased its current 15-acre Northfield campus from a local Catholic order.

The purchase of the school site was originally financed by a short-term seller note, but was later refinanced in 1996 with a Ziegler-underwritten taxable bond issue. As interest rates dropped in 2001, the 1996 Bonds were refinanced in 2001 with tax-exempt bond issue backed by a letter of credit. The letter of credit associated with the 2001 Series Bonds was set to expire in April 2015, and as a result, the school began to seek replacement financing. Due to the reluctance of many banks to provide letters of credit to back bond issues, school leadership sought out a fixed-rate financing option with Ziegler.

THE ZIEGLER DIFFERENCE

The school ultimately chose to partner with Ziegler to underwrite a 25-year fixed-rate, taxable bond issue. Ziegler's unique ability to place certain fixed-rate taxable bond issues at rates sometimes competitive with tax-exempt institutional issues led the school to issue the bonds on a taxable basis as it had almost 20

**\$3,895,000**FIRST MORTGAGE TAXABLE BONDS, SERIES 2015
Christian Heritage Academy | Northfield, IL

years earlier. Using taxable bonds through Ziegler avoided the cost of involving a governmental issuing authority and provided the school with great flexibility to continue to use large portions of the building for religious purposes.

School leadership had worked with Ziegler in the past and recognized the value of the long-term fixed interest rate, and Ziegler's ability to place bonds locally with supporters of the school. Approximately 10% of the 2015 Series Bonds were sold to supporters of the school, allowing a portion of the loan interest paid by the school to be placed directly with its supporters who invested in the bonds.

Proceeds of the 2015 Series Bonds were used to redeem all outstanding 2001 Series Bonds, and to refinance a loan the school incurred to finance an energy efficient lighting renovation completed at the school campus.

"We knew given the interest rate environment that we wanted a long-term fixed rate. Ziegler was able to deliver exactly what we needed, when we needed it."

Ted Magrum
Chief Financial Officer
Christian Heritage Academy

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

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