

EXPLORE ACADEMY

JUNE 2018

CLIENT PROFILE

Explore Academy, now in its fourth year of operations, is an “A” rated, grade 9-12 New Mexico charter high school that has developed a unique college-preparatory academic program based on providing more academic choice to its students. The school currently has an enrollment of 300, with plans to expand to 500 or more over the next several years. Prior to the bond financing, Explore Academy leased its facilities in Albuquerque, New Mexico, and had relocated three times in its first three years of operations before finally settling on its current (and now permanent) site in 2017. Proceeds from the Series 2018 A&B Bonds were used to: (i) finance the costs of acquiring, renovating, expanding, and equipping Explore Academy’s existing campus, (ii) fund a one-year debt service reserve fund, (iii) pay capitalized interest on a portion of the bonds and (iv) fund costs of issuance. The renovations and additions will allow Explore Academy to add junior high grades 6-8, beginning in September 2018, at the same location.

Explore Academy operates a unique program based on providing choices to students. Rather than introduce objectives through longer, semester-based courses, Explore Academy uses month-long seminars to focus on fewer objectives within each learning module. What was previously a semester or yearlong class is now broken up into several smaller seminars that collectively cover the same academic standards. As evidence of the academic rigor of the school’s programs, students must attain a grade of “B” or better to pass a seminar, and, to-date, 100% of Explore Academy’s graduating seniors have gone on to college. Explore Academy provides all students, regardless of background, with an academically challenging



\$9,590,000

Public Finance Authority
Educational Facility Revenue Bonds
(Explore Academy Project) Series 2018A&B

personalized educational experience through the power of student choice, allowing each student to create a personalized and engaging educational pathway in preparation for college.

THE ZIEGLER DIFFERENCE

New Mexico’s laws related to charter schools create several obstacles for those seeking to obtain facility ownership. “We had to work closely with the counsels to devise a structure that complies with New Mexico state law related to charter schools, while at the same time provide adequate security for the investors. It wasn’t enough to match the security provisions of prior New Mexico charter school bonds; we had to react to the latest changes in the State’s interpretations of those laws,” said John Solarczyk, Managing Director at Ziegler. These challenges required Ziegler’s team to devise creative solutions to comply with New Mexico law.

During the initial marketing period, Ziegler’s sales team faced some resistance from investors who believed that the political environment for charter schools in New Mexico had become more challenging. In what was truly a negotiated offering, the Ziegler team developed various options to strengthen investors’ security interests, including strengthened continuing disclosure requirements that will be

monitored through Ziegler Research, and ultimately negotiated terms that attracted three investors to the credit.

The Bonds mature in 30 years, with debt service that is level every year. The Bonds also contain an optional call provision through which Explore Academy can refinance its bonds in the eighth year.

“The Ziegler team was very dedicated to our needs. I was impressed by Ziegler’s ability to negotiate strongly with investors and provide the best possible terms.”

Justin Baiardo
Founder and Principal
Explore 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/>.

ZIEGLER

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