

LEARNING GATE COMMUNITY SCHOOL

JUNE 2018

CLIENT PROFILE

Learning Gate Community School is a Florida non-profit organization incorporated in 1998, and received its first charter in 2000. The school now maintains two campuses, with an enrollment of 782 students in grades K-8. Learning Gate's mission is to prepare students to successfully participate in their family, school, community, and workplace through an education program that promotes academic excellence.

Learning Gate Community School operates a unique program focusing on learning in a team environment, which improves social and emotional intelligence as students learn to value diversity and the individual strengths of others. Learning Gate's motto: "Nature is our Best Teacher" personifies the natural spirit of the school. Students learn the symbiotic relationships between their community and that of their natural environment by using local resources as well as participating in community service. Through its unique and effective teaching style, the school has been able to maintain an "A" rating by the State of Florida for the last four years.

TRANSACTION HIGHLIGHTS

Proceeds from the Series 2018 A&B Bonds will be used toward (i) refunding the outstanding Series 2007A Bonds in the principal amount of \$6,320,000, (ii) repayment of an existing loan of the Borrower, the proceeds of which were used to finance the acquisition of four acres currently operated by the Borrower as a middle school (iii) financing various routine capital and major projects including exterior and interior building improvements, sidewalk widening improvements, computer and internet network wiring improvements, routine air conditioning and HVAC equipment purchases, landscaping and well improvements, septic system replacement, security camera and monitoring system installation, and recreational area improvements, and (iv) fund the Series 2018 Reserve Fund and pay the costs of issuance of the Series 2018 A&B Bonds.



\$9,130,000

Florida Development Finance Corporation, Educational Facility Revenue and Refunding Bonds
Learning Gate Community School Project

The loan was structured with tax-exempt fixed coupons maturing in 2031, 2038, and 2048, as well as a taxable piece, which matures in 2021.

THE ZIEGLER DIFFERENCE

Ziegler's client-centric approach and unparalleled investor relationships led to the successful pricing and closing of this transaction. In an effort to attain the best pricing outcome possible, Ziegler encouraged Learning Gate to apply for a rating from Moody's. Ziegler assisted Learning Gate's management team in demonstrating the financial strength, academic excellence, and unique curriculum of the School, which ultimately resulted in Learning Gate attaining a rating of "Baa3". Achieving this rating made Learning Gate the first single-site charter school in Florida and only single-site charter school rated by Moody's to reach investment grade.

After effectively conveying the strengths and story of the school to Moody's, Ziegler sought to do the same with investor community. After a two-week marketing period, Ziegler successfully priced the issue to attain a yield of 4.29% on the 2048 final maturity. This pricing execution resulted in a spread of +135bps to the "AAA" MMD, one of the tightest spreads of similar issuances in the last two years. This spread was tighter than the most recent investment grade charter pricings in Florida, both of which were for schools that enroll over 2,000 students and maintain liquidity north of 200 days' cash on hand.

Ziegler was able to attain this competitive spread due to decades of industry experience,

market leadership, and long-term investor relationships, which our sales and trading desk have built with not only Tier 1 and 2 investors, but also Tier 3 and 4. By marketing across all tiers, Ziegler was able to attract heavy investor interest resulting in total orders of \$44,350,000 (4.86x oversubscribed). The issuance was also designed to give Learning Gate the flexibility to call their debt in as soon as seven years.

"The Ziegler Team led the entire financing process and made it go pretty seamless for Learning Gate staff and administrators. It all resulted in a credit rating that was much higher than Learning Gate had hoped for and final interest rates that were significantly lower than Learning Gate had budgeted for."

John Zdanowicz
Board Treasurer

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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