

TEJANO CENTER FOR COMMUNITY CONCERNS

OCTOBER 2019

CLIENT PROFILE

Tejano Center for Community Concerns Inc. (TCCC) operates the Raul Yzaguirre School for Success (RYSS), an open-enrollment charter school that primarily serves economically disadvantaged students. TCCC is a community support organization with the mission to develop education, social, health, and community institutions that empower families to transform their lives. TCCC operates an annual budget in excess of \$17 million and employs more than 200 personnel in the greater Houston and Brownsville areas. Current enrollment is approximately 1,330 students. The TCCC administration and board of directors remain committed to the vision and hope of its early pioneers by offering of the following programs, in addition to RYSS:

- Affordable Housing Program
- Adult Education Program
- Youth Shelter and Foster Care Program
- Juvenile Justice Diversion Program
- Baylor College of Medicine Teen Health Clinic
- VOCA—Victims of Crime Act Outreach and Support Program

These wraparound support services include adult/parent education, affordable housing, youth shelter-child placing agency, youth empowerment-juvenile justice programs, and RYSS. RYSS operates three campuses in Houston, including the Elite STEM Primary Academy, Houston STEM and Early College Middle School, and Houston T-STEM and Early College High School. Additionally, RYSS operates a fourth campus, the Brownsville Raul Yzaguirre STEM Scholars Preparatory, in Brownsville, Texas. RYSS is core to the overall organization and accounts for the vast majority of TCCC's total revenues.

Ziegler recognized that the Arlington Higher Education Finance Corporation (Raul Yzaguirre School for Success Houston Campus and Brownsville Campus Project), Series 2009A Bonds



\$25,000,000

Bank Direct Purchase | Placement Agent

(the “Series 2009A Bonds”) had very high interest rates, including 9.250% on the tax-exempt term bond maturing in 2038. This was wasting hundreds of thousands of dollars every year for TCCC. The Series 2009A bonds were currently callable starting in February 15, 2018. Ziegler sent an unsolicited proposal to TCCC's financial advisor and won as placement agent in response to TCCC's RFP.

In addition to refinancing the Series 2009A Bonds, TCCC had other needs as well, including funding the replacement of its HVAC system and refinancing an existing note.

THE ZIEGLER DIFFERENCE

As placement agent, Ziegler began discussions with regional and national banks that had deep relationships with Ziegler. Multiple investment banks had unsuccessfully tried to find an investor prior to Ziegler's engagement. However, Ziegler's investment banking team spent time to understand not only TCCC's operations, but also the heart of the organization and its mission to empower families and transform their lives. Ziegler informed potential investors on the experience, skills and credentials of TCCC and found a tax-exempt specialty lender that offered very competitive terms.

Working closely with TCCC and its financial advisor, Ziegler guided the transaction to a successful closing. Ziegler managed discussions among the specialty lender, financial advisor, and TCCC to craft the plan of finance with TCCC's long-term interest in mind. The plan

of finance dictates that TCCC will attempt to achieve an investment grade underlying rating within 3 years, allowing TCCC to qualify for the Texas Permanent School Fund “AAA” rating in the future. The success of Ziegler's marketing plan and transaction execution demonstrates not only expertise of Texas charter schools, but also a firm commitment to the community.

The financing ultimately resulted in over \$11.74 million in total cash flow savings, or approximately \$618,000 annually over the next 19 years. Net present value savings totaled \$7.15 million, or 31.94% of refunded bonds.

“Ziegler did an absolutely wonderful job managing our transaction and communicating our credit strengths to a specialized lender that offered us very competitive terms. Our interest rate has been cut nearly in half. This transaction has saved Tejano hundreds of thousands of dollars that can now be dedicated to our mission of supporting our communities and families.”

Dr. Adriana Tamez
President & CEO

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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