

# CAREER SUCCESS SCHOOLS PROJECT

MAY 2020

## CLIENT PROFILE

Career Success Schools (“CSS”) is an Arizona nonprofit corporation that was incorporated in 2000 and currently operates 4 charter school campuses in Phoenix, AZ. The schools operate under a 20 year charter contract with the Arizona State Board for Charter Schools that expires in 2035. All four campuses operate as alternative schools, serving an at-risk population, and the three high schools also offer a Dropout Recovery Program (“DRP”) that serves students aged 16-21 who have not received a high school diploma and have not attended school for 30 days.

In 2009 Ziegler underwrote an \$11.2 million issue that financed the cost of acquisition and construction of the new Robert L Duffy High School and refinanced costs associated with two other Career Success Schools campuses.

## TRANSACTION HIGHLIGHTS

At the time the Series 2020 Bonds were issued, CSS owned three of its campuses and leased the fourth, with the lease set to expire July 1, 2020. CSS sought to acquire a facility to replace the leased campus and provide cash flow savings compared with the lease. At the same time, the School hoped to refund the outstanding Series 2009 Bonds to provide further cash flow savings.

In the fall of 2019, CSS found a site that would move the North Campus closer to the other three campuses and increase its visibility with a location right off a major highway. CSS turned to Ziegler to provide financing for the new facility and refund the Series 2009 Bonds.

## THE ZIEGLER DIFFERENCE

Ziegler and CSS began the financing process with a goal of an early 2020 closing. In March 2020, as the financing team prepared to print



**\$16,550,000**

The Industrial Development Authority of the County of Pima  
Education Facilities Revenue and Refunding Bonds  
Career Success Schools Project

an offering document for the new, non-rated issue, the US began shutting schools across the country in response to the COVID-19 pandemic. As the shutdowns expanded to businesses and stay at home orders, concerns about the impact on the US economy caused panic in global markets including the municipal bond market. Ziegler, drawing from experience with prior market crises, advised CSS to temporarily delay the financing but remain ready to move forward on short notice.

By early April, Ziegler’s trading desk began to see growing demand for Charter School debt and advised CSS to print an offering document. Although few charter school financings—and no non-rated charter school issues—had been completed post-COVID-19 except a few direct placements, Ziegler secured investors through a public offering and successfully priced CSS’ bonds. Despite the pandemic, CSS locked in a 1.375% lower rate on the final maturity compared with the Series 2009 bonds and approximately \$108,000 of annual cash flow savings. Furthermore, Ziegler’s experience and aggressive marketing allowed CSS to close before June 1, saving the School \$100,000 on the purchase price of the new campus.



*“The Ziegler Team explained the process from the beginning and met with our leadership team to ensure we had a comprehensive understanding of their strategic approach for a successful bond issue. Shortly after our meeting, the COVID-19 pandemic began impacting all aspects of the transaction. Our project began to look impossible to complete, but with the Ziegler team we kept moving forward. With their experience and knowledge, they made all that uneasiness feel like just another day at the office.*”

*Ziegler’s expertise helped us enter the market with excellent results. We believe that Ziegler made all the difference in CSS moving forward and continuing to carry out our mission and commitment to providing a K-12 education to the most underserved students in our Phoenix Arizona community. We strongly recommend Ziegler; they had our interest first and foremost; they are innovative, anticipate challenges and bring a solution-oriented approach.”*

**-Jean Duffy, CEO/President & Dr. Macklin, Superintendent**

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

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



CAPITAL :: INVESTMENTS :: ADVICE