

BELLE CHASSE ACADEMY

OCTOBER 2019

CLIENT PROFILE

Belle Chasse Academy (the “Academy”) is a Louisiana not-for-profit corporation organized and operated exclusively for educational purposes, specifically the operation of a public charter K-8 school, located in Belle Chasse, Louisiana, on the Naval Air Station, Joint Reserve Base, New Orleans in Plaquemines Parish, Louisiana.

The Academy is the first charter school in Louisiana established on a military installation. The Academy currently serves approximately 900 students in kindergarten through 8th grade, whose families reside in all five parishes of the greater New Orleans area. The Academy offers a basic curriculum in language arts, reading, mathematics, and science, supplemented with classes in foreign language and physical education as well as an expectation that 8th graders will complete 24 hours of community service. Through the implementation of research-based curriculum, the Academy addresses unique needs of military children, including offerings of counseling, pre- and after-school programs and other specialized programs. This responsibility includes fostering continuity in educational objectives between the Academy and civilian and Department of Defense schools through the establishment of coordination techniques between these institutions and promoting a seamless transfer of students in and out of the Academy as the military-employed parents of pupils are transferred to other bases or transition into civilian life.

Belle Chasse Educational Foundation (the “Foundation”) issued the Series 2011 Bonds for \$20.725 million to finance construction, furnishing, improving and equipping of school improvements, including a fine arts building and classroom expansion of the facilities of Academy, and to refinance an outstanding loan incurred to finance the original construction of Academy. Previously, Ziegler underwrote these bonds, which was the first tax-exempt revenue bond issued by a charter school in Louisiana.



\$19,322,000

Bank Direct Purchase | Placement Agent

THE ZIEGLER DIFFERENCE

Clients of Ziegler benefit from long-term relationships in which Ziegler provides ongoing support to meet their evolving financing needs. As part of Ziegler’s ongoing discussions with the governing bodies of the Foundation and Academy, Ziegler learned of their desire to eliminate continuing disclosure requirements, ongoing expenses, and investor and rating agency calls associated with a traditional bond issue. As such, the governing bodies of the Foundation and Academy determined that it was in their interest to refund the Series 2011 Bonds and engaged Ziegler to execute this financing as placement agent.

Ziegler continuously seeks to find innovative and creative solutions to suit the financing needs of our clients. After advanced refundings were prohibited by the passage of the Tax Cuts and Jobs Act in December 2017, the bonds were no longer advance-refundable on a traditional tax-exempt basis because the optional redemption date does not occur until May 1st, 2021. Because of these items, leadership expressed its interest in replacing the Series 2011 Bonds with a direct bank loan.

Given 8-year relationship that Ziegler had cultivated with the Academy and Foundation, Ziegler was already knowledgeable of the credit strengths and weaknesses of the Academy’s management, operations, and finances. As placement agent, Ziegler reached out to multiple regional and national banks and ultimately chose a specialty lender that

offered not only competitive interest rates, but also more flexible continuing disclosure provisions.

While Ziegler obtained approval for a Cinderella refunding structure, the Foundation ultimately chose a taxable structure because of bond counsel concerns with local approval and for a streamlined closing process. In addition to all the advantages afforded by a bank loan, this transaction ultimately allowed the Foundation to take advantage of historically low interest rates and lock in cash flow savings of approximately \$170,000 per year.

“I’ve worked with Ziegler in the past on our Series 2011 Bonds. We thought strategically that a bank loan was a better fit for us. Ziegler helped us meet this goal as placement agent. We view them not only as a bond underwriter, but also a solid placement agent to meet our financing needs.”

Michael Rocks
Director of Operations

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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