

Your students are the future of your charter school.

Are you making plans for a facility that serves their future – and yours?

Call us for help with:

- Acquiring the building that your school currently leases
- Building a new school facility, or improving an existing school
- Refinancing an existing loan to a more favorable rate
- Funding non-building capital needs, such as computers and smartboards

Utah Charter Academies, Inc., d/b/a American Preparatory Academies

West Valley City, Utah

\$11,750,000 Combination Qualified School Construction Bond - New Markets Tax-Credits Financing

\$8,017,250 Qualified School Construction Bonds, Series 2010Q issued through Utah Charter School Finance Authority (Tax-Credit Option), \$525,000 Self-leveraged loan

\$3,207,750 New Markets Tax Credit Proceeds

Utah Charter Academies Inc. (UCA) currently operates two charter school campuses: the Draper Campus in Draper, Utah, and the School for New Americans (SNA) Campus in West Valley City, Utah. The Draper campus opened in 2003, and SNA opened in 2009, and both campuses offer grades K-9 and 570 seats. Demand for UCA's two campuses is substantial, with over 5,000 on the wait list at Draper, and almost 1,500 on the SNA wait list. As a result of this demand, UCA plans to operate a third charter school campus, the Accelerated Charter School, beginning in August of 2011. UCA's curriculum is a classical liberal arts curriculum, following the classical education model of the Trivium. UCA's schools utilize direct instruction combined with the Core Knowledge sequence and Utah State Standards as their academic model.

The SNA campus was begun specifically to serve the large immigrant community residing south of Salt Lake City. Over 70% of the SNA students qualify for Free or Reduced Lunch. In addition to educational services, UCA offers medical services such as health screenings, dental screenings, immunization clinics, as well as adult English and health-related classes. The need of this community is so great that UCA decided its next expansion should serve this community versus the 5,000 students on the Draper waitlist, which is not economically disadvantaged.

This financing funded the acquisition of land and construction of the third campus for the Accelerated Charter School, which will offer grades K-12. UCA had received a \$9 million Qualified School Construction Bond (QSCB) allocation from the State of Utah. The school site was across the street from being in a qualifying census tract for New Markets Tax Credits (NMTC). Given the population to be served, the Buck Financial Advisors team designed a NMTC financing which utilized the Targeted Populations approach and which also used the QSCBs to fund the senior leveraged loan under the NMTC financing. This approach allowed UCA to benefit from two forms of subsidy: NMTC tax-credits and QSCB tax-credits. Goldman Sachs & Co. purchased the QSCBs, and a subsidiary purchased the NMTC equity. Robert W. Baird & Co. served as placement agent for the QSCBs.



For an \$11.75 million financing, UCA will pay net lease payments of about \$600K for the 7-year compliance period. At the end of the 7 years, UCA will need to refinance approximately \$6.65 million of debt from an original amount of \$11.75 million due to the combined subsidies of QSCBs and NMTCs.

Accelerated Charter School will operate at 3636 West 3100 South in West Valley City, Utah

Our facility-finance experts have helped place more than \$700 million in bonds, tax credits, and CDFI funding for charter school facilities nationwide.

Your charter school has special financing needs shaped by unique factors, including your state's funding mechanism, your relationship with your charter authorizer, and the constraints of your charter contract. Whether your charter school is looking to develop a long-term capital plan or seeks a short-term solution to an immediate financing need, the Buck Financial team can tailor a charter-appropriate solution to help you meet your school's specific financial goals. Call us today.

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