



Colorado Charter Schools Annual Conference

February 25-27, 2026
Denver Marriott Tech Center



"If you want to go fast, go alone.
If you want to go far, go together."
— African proverb

2026



PRESENTED BY



(69) Beyond Bonds: Exploring Facility Financing Options for Charter Schools

Eric Duran & Matt DeAngelis, Managing Directors
D.A. Davidson & Co.

Pikes Peak
February 26, 2026 | 1:30 – 2:30 PM
Operations, Funding, and Budgeting



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We make it our priority to advocate for high-quality public charter schools across Colorado.



Be a part of the action.



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Invested in Education

TRUSTED RESOURCE FOR FACILITY FINANCING SINCE 1998

Education and Not For Profit Group

PRESENTERS



Eric Duran, Managing Director
D.A. Davidson & Co.



Lynne Whitney, Controller
Ascent Classical Academy Charter Schools,
Inc.



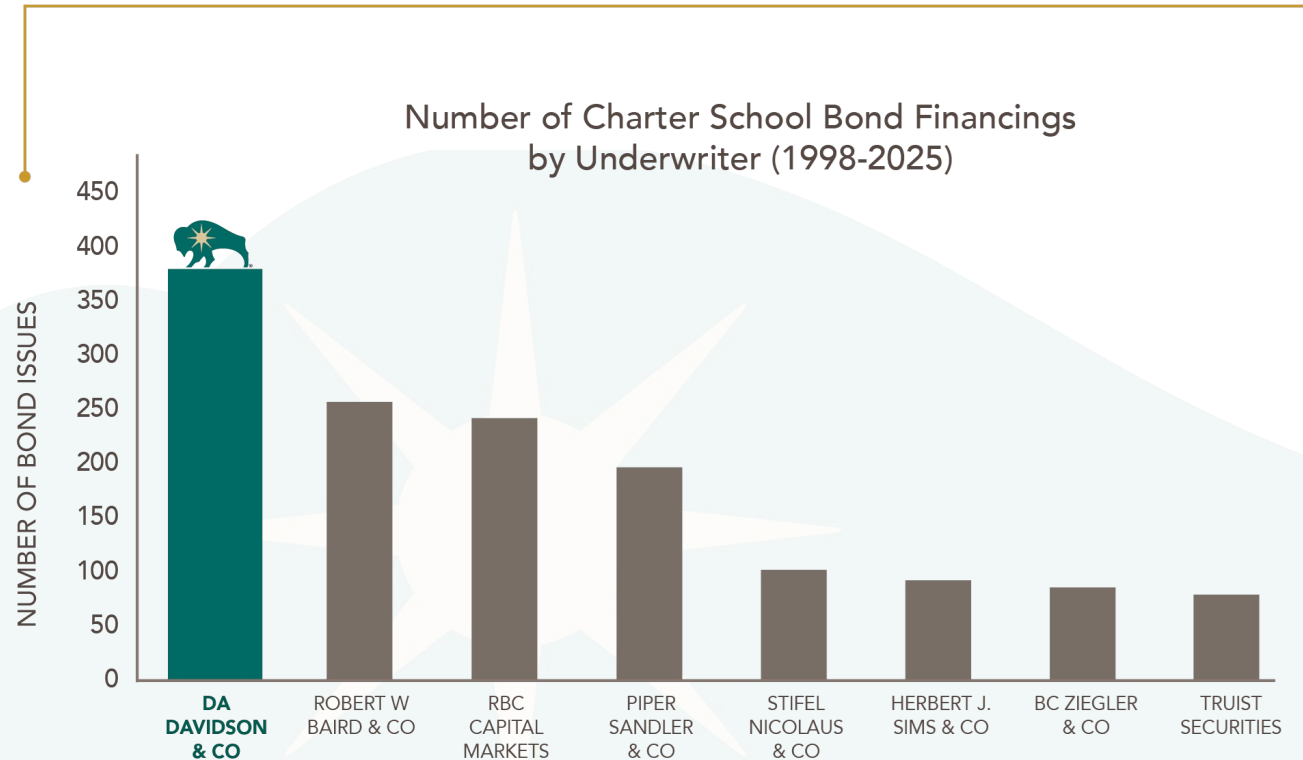
Matt DeAngelis, Managing
Director
D.A. Davidson & Co.



Jenny Whitaker, Head of School, Co-Founder
AXIS International Academy

A PROVEN PARTNER IN CHARTER SCHOOL FINANCING

D.A. Davidson has been focused on the borrowing needs of charter schools since 1998 when we executed our first charter school transaction. As of today, we have executed **383 underwritings** totaling over **\$6.9 billion**.



**Does not include co-managed deals
Source: Refinitiv, EMMA, Bloomberg, MuniOS*

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SECTION 1:

FINANCING OPTIONS AVAILABLE TO CHARTER SCHOOLS



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THE BIG SIX

USDA
Loans

CDFI Loan

Bank
Financing

Lease to
Purchase

Bond
Financing

New
Markets
Tax Credit

LEASE TO PURCHASE

- Type of School
 - Start ups/early-stage schools/replicating schools
- Type of Financing
 - Lease to the school (no ownership upfront)
- Why this approach?
 - Developer identifies site, finances, and builds to suit
- Worth noting
 - Option to purchase at a later date with a premium (years 3 to 5)
- Keep in mind...
 - Most costly option (for profit & not for profit developers)



CDFI LOAN

- Type of School
 - Early stage & mature schools serving low-income students
- Type of Financing
 - Provide both senior (5 to 10 years) and subordinate financing
 - Potentially willing to finance leasehold improvements
- Why this approach?
 - CDFIs (non-profit) provide loans to schools that fit their mission
- Worth noting
 - Loan size may be limited (<\$10M); 80%-90% loan to value
- Keep in mind...
 - Can be a good source of capital for inner city schools



NEW MARKET TAX CREDIT



- Type of School
 - Schools in distressed communities serving high FRL population
- Type of Financing
 - Interest only loan (25%) converts to equity at end of 7 years
- Why this approach?
 - Can make an expensive project feasible (subsidized interest rate)
- Worth noting
 - Limited NMTC allocation available from CDEs, competitive process
- Keep in mind...
 - Complicated legal structures leads to significant upfront fees

USDA LOAN



- Type of School
 - Rural schools (< 50,000 population)
- Type of Financing
 - New money or acquisition up to 40-year permanent financing
- Why this approach?
 - Schools that may not qualify for other types of financing due to location/credit profile are provided access to financing
- Worth noting
 - Below market interest rates, < 4% for 40 years
- Keep in mind...
 - Longest financing process, can take up to 24 months, regionalized with certain states having better offices than others

TAX EXEMPT BOND FINANCING

STARGATE SCHOOL

- Type of School
 - Start up/early-stage schools, mature/replicating schools
- Type of Financing
 - Low risk, long term (30 to 40 years) permanent financing
- Why this approach?
 - Interest rate not subject to taxation = lower interest rate for school
- Worth noting
 - 100% financing = no loan to value/equity
- Keep in mind...
 - Charter schools are eligible prior to first charter renewal



BANK FINANCING



- Type of School
 - Established schools w/ equity (strong cash balances and real estate equity)
- Type of Financing
 - Interim/bridge financing; predominantly tax-exempt loans
- Why this approach?
 - Attractive interest rates due to shorter term (up to 15 years)
- Worth noting
 - Depository relationship is typically required to move to bank
- Keep in mind...
 - Typically subject to loan to value ratio requirement, requiring a significant equity investment by the charter school



SECTION 2: CASE STUDY

AXIS International Academy

Finding the **BEST** Financing
for **Your Forever Home**



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AXIS INTERNATIONAL ACADEMY

AXIS International Academy

Located in Fort Collins, Colorado

\$10,905,000

Charter School Revenue Bonds
Series 2025, "BB" Rated

Issued August 2025

D.A. Davidson Education & Not For Profit Group



Transaction Highlights:

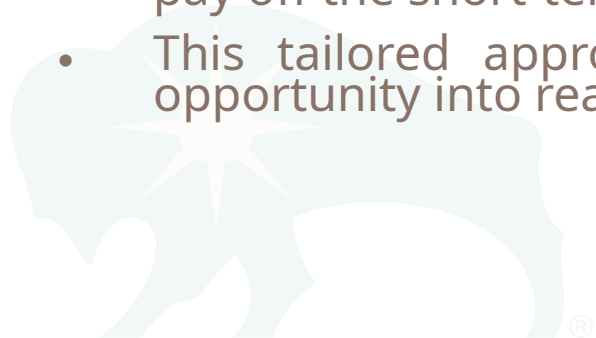
- D.A. Davidson served as Sole Managing Underwriter
- Proceeds used to acquire and construct new facility
- Rated "BB" Stable by S&P
- AXIS contemplated both a short-term bridge structure and a long-term fixed rate structure prior to choosing a long-term financing which aligned with its goals and risk tolerance
- AXIS will vacate its leased facility and move into its new forever home in the Fall of 2026



AXIS INTERNATIONAL ACADEMY

Unique Structure:

- AXIS International Academy was awarded a \$17.3 million Colorado BEST Grant, the only charter school recipient in 2025
- Due to the grant's reimbursement-only structure, AXIS needed upfront capital to acquire the identified real estate and advance its facility plans
- D.A. Davidson partnered closely with the school to design a creative, workable financing solution:
 - Structured \$10.9 million in tax-exempt bonds across two series
 - One series for the required BEST Grant match
 - One series as a short-term bridge for the site acquisition
- AXIS received its grant reimbursement just weeks after closing, enabling the school to pay off the short-term bonds immediately
- This tailored approach solved a complex funding challenge and turned a major opportunity into reality, supporting AXIS's long-term facility vision



SECTION 3: CASE STUDY

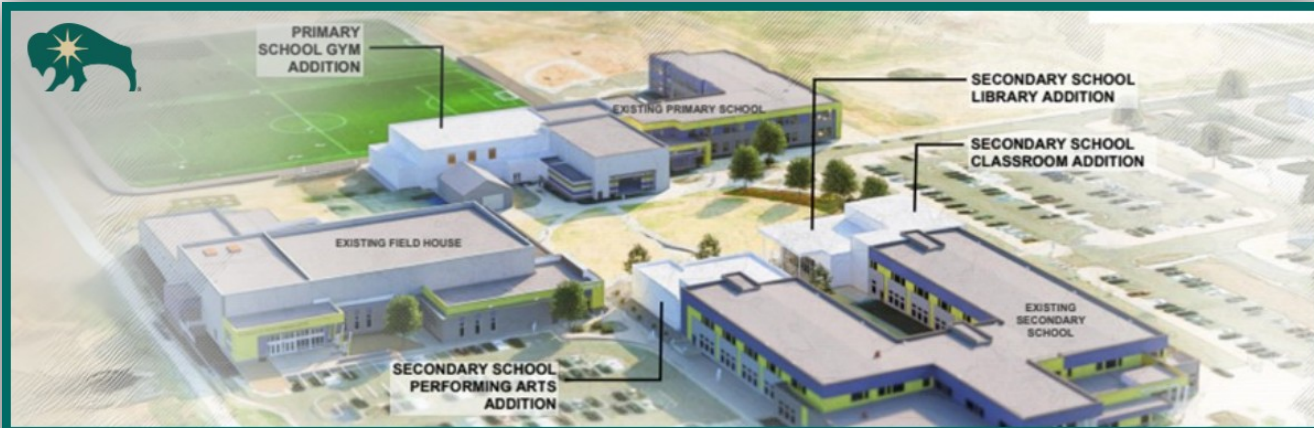
Stargate School

A Bridge to Saving Millions
& Expanding 3 Years
Earlier



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STARGATE SCHOOL



\$21,025,000

Series 2025, Rated "Baa3" (Underlying)
- "Aa3" (Moral Obligation)

Issued July 2025
D.A. Davidson Education & Not For Profit Group

**STARGATE
SCHOOL**

Transaction Highlights:

- D.A. Davidson served as Sole Managing Underwriter
- Proceeds funded a new Performing Arts Center, Gymnasium, Library, Secondary School Addition
- Bonds issued on parity with Stargate's 2018 Bonds
- Moody's affirmed "Baa3" underlying rating
- Qualified for the Colorado Moral Obligation Program, enhancing rating to "Aa3"



STARGATE SCHOOL

Project Background:

- Stargate was included in Adams 12 Five Star School District's 2024 successful bond election
- School is scheduled to receive its share of district bond funds in 2028
- Construction inflation rising up to 12% annually, making delay significantly more costly

Financing Challenge:

- Large cost escalation projected if construction waited until 2028
- School requested an affordable way to begin construction asap
- D.A. Davidson evaluated multiple financing options – bank financing and bond financing

Innovative Solution:

- Structured a short-term bridge financing via the 2025 Bond issuance
- Maintained investment grade rating
- Unique 3-year par call to align with expected 2028 district fund allocation

Outcome & Benefits:

- School expects to redeem the 2025 Bonds with district funds in 2028
- Enabled construction to begin nearly three years earlier than waiting for 2028 funds
- Avoided millions in additional inflation-driven construction costs
- Provides students access to facilities much sooner

SECTION 4: CASE STUDY

Fort Collins Montessori
School

Bridge to Bank Financing



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FORT COLLINS MONTESSORI SCHOOL

Transaction Highlights:

- Long-term public market transaction contemplated first – BB rating achieved – interest rates increased so we pivoted to a short-term bank structure
- Bank loan placed with Columbia Bank (formerly Umpqua Bank)
- Proceeds used to refinance the Schools Series 2022 Bonds prior to balloon maturity
- 10-year term, 30-year maturity, 7-year par call
- True Interest Cost – 5.22%



FORT COLLIN MONTESSORI SCHOOL

Series 2019 – Short Term Bonds:
Proceeds used to acquire the campus and construct Phase 1 of the campus

Series 2025 – Bank Loan: Proceeds used to refinance the Series 2022 Bonds prior to maturity



Series 2022 – Short Term Bonds:
Proceeds used to refinance the Series 2019 Bonds and fund construction of Phase 2 of the campus



SECTION 5: CASE STUDY

Liberty Common School

Phased Growth in the Moral
Ob Program



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LIBERTY COMMON SCHOOL



Transaction Highlights:

- D.A. Davidson served as Sole Managing Underwriter
- Proceeds used to refinance Series 2014 and Series 2015 Bonds, acquire Aristotle Campus, acquire and construct new Middle School Campus adjacent to Plato Campus
- S&P affirmed "BBB-" underlying rating despite increased leverage
- Qualified for the Colorado Moral Obligation Program, enhancing rating to "A+"
- Bond insurance added during marketing – S&P "AA" insured rating



LIBERTY COMMON SCHOOL

Financing Structure:

- 40-year final maturity, appealing to a broad investor base
- Achieved a 4.6% effective fixed interest rate
- Strong demand across a wide range of investors

Relationship & Legacy:

- D.A. Davidson's first-ever charter school client
- Liberty Common financing was the first charter school bond issuance in Colorado (1998), helping establish the charter financing market statewide and nationally
- Phased facility growth keeping demand high and cost of capital low
- Liberty Common continues to rank among the top-performing public schools in Colorado and nationally





QUESTIONS?

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D.A. Davidson & Co. has served separately as either a financial advisor or underwriter to charter schools and as such receives compensation for services.



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WE LOOK FORWARD TO WORKING WITH YOU.

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Your
feedback
helps us all
move forward
together**



**Colorado League of
Charter Schools**

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