

CASE STUDY

FINANCING FOR K-12 SCHOOLS

APRIL 4, 2023



\$135,000,000 | GENERAL OBLIGATION BONDS | SERIES 2023

Saint Louis Public Schools | St. Louis, Missouri

Saint Louis Public Schools

Client Profile

The Saint Louis Public School District encompasses approximately 61 square miles and is located entirely within the corporate limits of The City of St. Louis, Missouri. The District operates one of the largest public school systems in the State of Missouri.

The Project

On August 2, 2022, the voters of the District approved the issuance of \$160,000,000 of the Board's general obligation bonds for the purpose of acquiring, constructing, renovating, repairing, improving, furnishing, and equipping school sites, buildings, and related facilities in the District, including but not limited to (1) removing lead paint, fencing, and other hazardous materials at affected schools, (2) upgrading mechanical systems to include replacement

of outdated or obsolete equipment, temperature controls, and duct cleaning to increase ventilation, (3) upgrading building infrastructure by replacing roofs, tuck-pointing, waterproofing, and window replacements, (4) improving security systems to increase student safety by installing fire alarm systems and replacing interior and exterior doors, (5) upgrading technology to modernize classrooms and improve academic performance, (6) improving building conditions by renovating restrooms and other ADA improvements, and (7) increasing learning opportunities by creating outdoor learning spaces and making improvements to playgrounds and athletic fields and facilities.

The Stifel Difference

Stifel assisted the District in receiving an inaugural underlying rating of "AA-" from S&P while also securing a "AA" insured rating based on the bond insurance

policy from Assured Guaranty issued in connection with the Bonds. The District is in the top 25% of all 181 schools with an underlying rating by S&P in Missouri, and only 15 schools are rated higher than the District. Additionally, the bond insurance premium was the lowest the insurance analyst has seen in their 25-year career. The Bonds were structured as serial bonds maturing 2033-2043 with 5% coupons in all years except 2043. The structure allows the District to issue the remaining voter authorization in the coming years with no change to the existing debt service tax rate. The Bonds attracted 92 orders from 36 accounts, which collectively generated more than \$399 million in total orders. The robust demand from a wide cross-section of buyers allowed the District to achieve a true interest cost of 4.043%.

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