

Ivy Classical Academy (ACE Alabama) deal summary

On August 16, 2024, the social impact team closed a deal in the Ecofin Sustainable and Social Impact Term Fund. Ivy Classical Academy (“Ivy”) is a new, public charter school in Prattville, Alabama opening in late August, 2024. In its first year, it will serve 640 students in grades K-5 and grow by one grade each year until it becomes a K-12 program. Only grades K-8 are contemplated in the initial financing, as the capacity of the two buildings will be capped at around 950 students. An additional building(s) will be needed to add grades 9-12, and the school already has an option to purchase adjacent buildings. The School’s charter is authorized by Elmore County School District, with an initial charter term of 5-years. The property is about a 15-minute drive northwest of Montgomery and located directly west of Interstate 65 and north of Highway 82, making it easily accessible – especially for families traveling outside of Prattville. There are no schools of choice within five miles of the School. Ivy Classical will be the first no-cost classical school in the area. Prior to opening, the School had 899 enrollment applicants, which is approximately 260 students in excess of its first-year enrollment cap. The school is managed by American Classical Education Foundation, which has close ties with Hillsdale College, one of the strongest sources of resources for classical education.

The senior secured bond financing will be used to acquire and renovate two existing buildings, equip classrooms, and provide capitalized interest during ramp-up. ACE Foundation will also be contributing a \$300,000 debt service reserve fund as additional security. This is the first of two scheduled fundings.



Investment details

Series 2024A

- **Investment type:** Debt, Senior Tax-Exempt Bonds
- **Par Value:** \$4,270,000.00
- **Cost:** \$4,056,500.00
- **Tax status:** Tax-Exempt
- **Maturity date:** July 1, 2034
- **Yield to worst:** 8.86%
- **Cash yield:** 8.53%

Investment details

Series 2024B

- **Investment type:** Debt, Senior Taxable Bonds
- **Par Value:** \$660,000.00
- **Cost:** \$660,000.00
- **Tax status:** Taxable
- **Maturity date:** July 1, 2034
- **Yield to worst:** 12.00%
- **Cash yield:** 12.00%

Disclaimer

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