

PROJECT BASICS

Type:

Real Estate – Charter School

Total Development Cost:

\$15.7 million

LISC New Markets Tax Credit Allocation:

\$15 million

PROJECT STAKEHOLDERS

LISC Program:

Chicago, IL

Investor:

JPMorgan Chase

Lender:

JPMorgan Chase, LISC

Developer:

UNO Marquez Campus, Inc.

COMMUNITY NEED

- **15.7% Poverty Rate**
- **Unemployment rate 2.09 times the National Average**
- **Family income 64.0% of the area median**
- **Hot Zone**
- **Medically Underserved Area**
- **TIF District**

COMMUNITY IMPACT

- **58,150 SF Community Space**
- **11 Permanent Jobs Created at UNO JAMS**
- **126 Permanent Jobs Created at the 3 New Schools**
- **575 Students Served at Marquez**
- **7,446 students served at the 3 New Schools**
- **94% of Students Served are Low-Income**

Project Snapshot:

- The project consists of the purchase of the fee interest in the Marquez School facility. The Marquez School is an existing K-8 school owned by United Neighborhood Organization [UNO] and operated by UNO Charter School Network [UCSN].
- The proceeds will be used to refinance approximately \$12.1 million of \$62.0 million in debt that has come due and has been extended to January 5, 2012.
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- The original loan of \$65.0 million was provided jointly to UNO and UCSN in 2008 by a syndicate of banks led by Cole Taylor and MB Financial ("Lending Group"). This loan was provided to take out \$25.0 million in bond debt and provide \$40.0 million in capital for the construction of new schools to be owned by UNO and for tenant improvements for schools that UCSN leases from the Archdiocese of Chicago.



Project Background:

- The UNO Charter School Network (UCSN) was established in 1998 to relieve overcrowding and provide quality educational opportunities in Chicago's Hispanic neighborhoods. UCSN operates nine schools under a single charter that serve 4,416, predominantly Hispanic, students. UNO is the largest Hispanic organization in the region, serving over 20,000 individuals annually in the areas of education, parent involvement, health care, immigration, leadership and economic development.
- UNO Janitorial & Maintenance Service (UNO JAMS), a separate company related to UNO, provides all the janitorial and maintenance services to UNO schools. UNO JAMS hires directly from the Hispanic communities that UNO serves. In an industry where turnover is relatively high, UNO JAMS is able to retain a loyal and committed workforce by providing a positive and constructive environment that offers potential for personal growth.
- The Marquez Campus is LEED Gold certified. At the other schools, the maintenance staff utilizes green products to clean all of the buildings. In addition, energy audits were commissioned recently to determine what capital improvements could be introduced that could generate savings in utility costs to offset the costs of the capital improvements.

Leveraging Solutions through New Markets Tax Credits (NMTC):

- The outstanding balance of the loan to UNO and UCSN is \$62.0 million which has come due and has been extended through January 5, 2012. If this loan was not refinanced and went into default, the school facilities could be at risk and forced to close. Without the NMTC financing, it was unlikely that the entire \$62.0 million could be refinanced, which could have a negative impact on UCSN's overall long-term viability.
- \$15 million in NMTC allocation authority provided a custom product featuring non-traditional/favorable terms included: below-market interest rate; lower than standard origination fees, higher than standard loan-to-value ratio, longer than standard amortization period, longer than standard interest-only payment period and lower, standard loan loss reserve and nontraditional forms of collateral.