



GRACE
CHRISTIAN SCHOOL

Grace Christian School

Town of Apex – TEFRA Information

July 8, 2025

Introduction

- Greater Raleigh Area Christian Education, Inc. d/b/a GRACE Christian School (“GRACE”, or the “School”) is an independent coeducational non-denominational Christian classical day school for students from Transitional Kindergarten through 12th grade. For the 2024-25 academic year, the School enrolled 909 students. The School is currently located on two campuses in southwestern Raleigh. GRACE is organized as a North Carolina non-profit corporation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.
- Following an extensive analysis of the School’s programing and growth opportunities, in 2022 GRACE purchased approximately 52 acres of land within the Veridea master planned community in Apex, North Carolina, which land is comprised of two contiguous parcels—one approximately 29.19 acre parcel (the “East Parcel”) and another approximately 23.67 acre parcel (the “West Parcel”). The present street address is 2728 Veridea Parkway in Apex, and the East Parcel and the West Parcel are described in more detail on the slide titled “Project Legal Description.”

Project Overview

- Due to constraints imposed by the fragmented nature of its current campuses, GRACE's leadership believes that building a new, unified campus on the parcels that the School purchased (\$6.0 million in 2022) in the Town of Apex (10 miles away from its existing campuses) is the most prudent path to ensure the continued growth and long-term success of the School. Grace's existing campuses are broken apart—the Upper School campus, Lower School campus, and athletic facilities are all segregated from one another by a major highway and a road that each present a danger to students, as well as contribute to delays with morning drop-off and afternoon pick-up. The School's new campus will unify the Upper and Lower Schools, and though a two-lane road will separate this new academic space from the future athletic facilities, the School believes the crossing is much more traversable for students.
- The new campus is designed to allow for the continued growth of the School (initial construction will provide a capacity of up to 1,250 students) and to improve its programmatic offering through the cross-curricular opportunities provided by unifying the School's academic space across all divisions. Additionally, GRACE believes that the new location will enhance school spirit with much-improved athletics facilities while eliminating lease expense associated with its current facilities. The demography of the chosen site, in the School's view, is highly favorable—the Apex area is affluent, a significant number of current students hail from Apex (approximately 21%), and the area currently faces a dearth of independent school offerings.

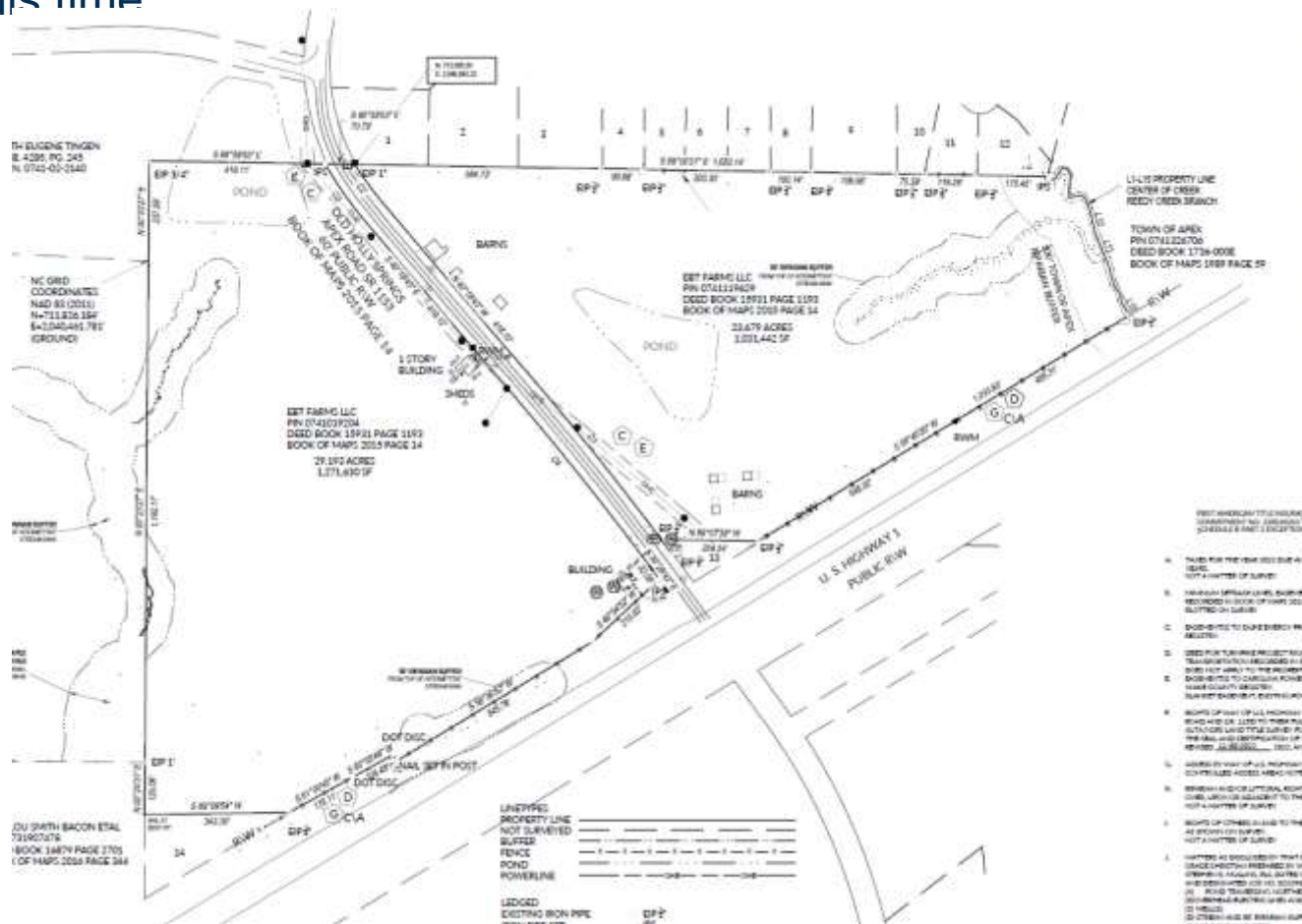
Project Overview

- GRACE's leadership selected the 52-acre property off Veridea Parkway in Apex as the site of the new campus. GRACE has engaged Little Diversified Architectural Consulting as Architect and NEMA Management as owner's representative. The School is currently in the process of finalizing a guaranteed maximum price contract with Clancy & Theys Construction Company. While preliminary site work has begun, construction is expected to begin in August 2025 and conclude in April 2027. The total project cost is anticipated to be approximately \$90.6 million, including contingency. The site is outlined in yellow in the schematic below.



Project Legal Description

- The East Parcel and the West Parcel are depicted in the 2022 survey below. Both the East Parcel and the West Parcel are bounded on the south by U.S. Highway 1, and are separated from one another by Veridea Parkway. Construction of the new campus will occur on the East Parcel. The School does not anticipate development of the West Parcel at this time



Project Renderings



Project Renderings



Project Renderings



Proposed Financing

- The School is an organization authorized under Section 501(c)(3) of the Internal Revenue Code and is permitted to finance the Project with tax-exempt bonds. By financing with tax-exempt bonds, the School will save over \$40,000,000 in debt service payments rather than financing through traditional banking methods.
- To issue tax-exempt bonds, the School has elected to do the financing through a conduit issuer, the National Finance Authority (the “Issuer”), a body politic and corporate, created and existing under the laws of the State of New Hampshire.
- The revenue bonds are expected to be issued by the Issuer in a maximum amount not to exceed \$135,000,000 (the “Bonds”).
- The proceeds of the Bonds will be loaned to the School and used to (1) finance and refinance the acquisition, relocation and construction of the School’s new campus (collectively, the “Project”) and (2) pay certain fees and costs associated with the issuance of the Bonds. The School will repay the Bonds via repayments to the Issuer on the loan.
- The Project will be owned and operated by the School.
- The Bonds are expected to mature in approximately 40 years from the date of issuance.
- As part of the tax-exempt financing requirements using a conduit issuer, the School is subject to the Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”) requirements (cont.).

TEFRA Requirements

- Section 147(f) of the Internal Revenue Code provides that a Private Activity Bond may not be tax-exempt unless the Issue of the Bonds receives public approval by the applicable elected representative following a public hearing for which reasonable public notice was provided.
 - A notice of a TEFRA hearing, which, under the Treasury Regulations, must be published one time, at least seven days prior to the TEFRA hearing, in a newspaper of general circulation in the geographical jurisdiction of the Issuer of the tax-exempt bonds and in any “host jurisdiction”. The notice was published in the News and Observer on August 3rd.
 - The Town is the host jurisdiction because it is the geographic jurisdiction which contains the site of the Project.
- The public hearing is required to give the public an opportunity to comment on the proposed private activity bond issue and the Project to be located within the Town.
- The Town Council is also asked to provide approval for the issuance of the Bonds by the Authority (the Issuer) to finance the improvements to the School.
 - Importantly, this approval in no way obligates or involves the Town, Wake County or the State, in the debt itself, it is merely satisfying IRS regulations to provide the public in the Town awareness of the project and to allow the public to comment on the Project.
- The Town Council’s approval of the issuance of the Bonds and the financing of the Project is solely for purposes of Section 147(f) of the Code and shall not be construed as approval of the Project for any other purpose including, but not limited to, zoning, land use, permitting or any other aspect of the Project that may require approval by the Town or any department of the Town.