



# **Galion City School District**

## **Various Capital Projects Financed with a Lease Purchase Agreement**



**February 18, 2026**

**Mike Burns, Managing Director**  
**Robert W. Baird & Co.**  
**614-629-6967**  
**[mkburns@rwbaird.com](mailto:mkburns@rwbaird.com)**



# Lease Financing Structure & Process

- Why a Lease Purchase?
  - District's unvoted direct debt limit is only approximately \$285,224
  - Lease is not debt therefore no debt limits apply
  - Subject to annual appropriation by Board
  - School Districts cannot pledge a mortgage on the facilities
    - Ground lease will be required for security
    - Ground Lease will be 5 years longer than Lease Term and will terminate immediately upon payoff of Lease
- A Lease Purchase is Sold as a Competitive Direct Placement
  - No rating or official statement required
  - Ability to lock in interest rates quickly
  - Flexible prepayment options (call options)
- Competitive Direct Placement Process
  - Baird will prepare a term sheet to be reviewed by the District's special legal counsel
  - Baird to send the term sheet to over 50 local, regional and national banks
    - Baird to call or email all banks several times over 2-week period
    - Baird to respond to all financial questions and/or explain lease structure to banks
    - Baird involvement creates competition between banks
  - Baird to prepare bank summary list to be shared with the District

# Example of Bank Summary List



## Bloom-Carroll Local School District, OH

Ground Lease Purchase Agreement, Series 2026

Final Summary of Bank Responses

As of December 16, 2025

Bank		Project Amount	Term	TIC - Bank Interest Rate	Avg. Annual Payment	Bank Counsel Fee	Total Contribution for COI	Call Option
Financing Illustration Shared with District on 11/13		\$5,000,000	10 Years	3.60%	\$601,342	\$4,000	\$82,248	Noncallable
1	Winning Bank	\$5,000,000	10 Years	3.54%	\$599,561	\$5,250	\$82,000	Noncallable
2	Bank 2	\$5,000,000	10 Years	3.71%	\$604,557	\$5,250	\$82,000	12/1/30 at Par
3	Bank 3	\$5,000,000	10 Years	3.82%	\$607,833	\$2,500	\$79,250	12/1/28 - 11/30/29 - 102% 12/1/29 - 11/30/30 - 101% 12/1/30 - FM - 100%
4	Bank 4	\$5,000,000	10 Years	4.00%	\$613,146	\$5,000	\$81,750	102% Year 1 & 2 101% Year 3 & 4 100% starting Year 5
5	Bank 5			4.25%		\$5,000		Callable anytime at Par
6	Bank 6			4.34%		\$6,000		103% until 12/1/27 102% 12/1/27 - 12/1/29 101% 12/1/29 - 12/1/31 100% after 12/1/31
7	Bank 7			5.84%		\$2,000		TBD

- Baird Sent Term Sheet to 66 Local, Regional and National Banks
  - Majority of banks passed for various reasons
  - We always include ALL banks due to specific relationships & bank appetites change
- Bloom-Carroll LSD's Treasurer Decided Which Proposal to Accept

# Hypothetical Financing Illustrations

## 10 Year Term

Scenario:	10 Year Lease Non Prepayable Rate	10 Year Lease Prepayable Rate
<b>Estimated Total Project Costs:</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>
<b>Estimated Annual Lease Payment Beginning in 2026:</b>	<b>\$123,556</b>	<b>\$125,017</b>
<b>Est. True Interest Cost / Bank Rate on Proposed Lease<sup>2</sup>:</b>	<b>3.65%</b>	<b>3.90%</b>
Estimated All-In True Interest Cost on Proposed Lease <sup>1,2</sup> :	4.31%	4.56%
Security:	Annual Appropriation Ground Lease	Annual Appropriation Ground Lease
Tax Status:	Tax-Exempt	Tax-Exempt
Bank Qualification:	Bank Qualified	Bank Qualified
Approximate Pricing Date:	March, 2026	March, 2026
Approximate Closing / Funding Date:	April 1, 2026	April 1, 2026
Final Maturity:	December 1, 2035	December 1, 2035
Official Statement:	Not Required	Not Required
Assumed Rating:	Not Required	Not Required
Insurance:	Not Required	Not Required

# Hypothetical Financing Illustrations

## 15 Year Term

Scenario:	15 Year Lease Non Prepayable Rate	15 Year Lease Prepayable Rate
<b>Estimated Total Project Costs:</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>
<b>Estimated Annual Lease Payment Beginning in 2026:</b>	<b>\$90,118</b>	<b>\$91,632</b>
<b>Est. True Interest Cost / Coupon Rate on Proposed Lease<sup>2</sup>:</b>	<b>3.75%</b>	<b>4.00%</b>
Estimated All-In True Interest Cost on Proposed Lease <sup>1,2</sup> :	4.21%	4.46%
Security:	Annual Appropriation Ground Lease	Annual Appropriation Ground Lease
Tax Status:	Tax-Exempt	Tax-Exempt
Bank Qualification:	Bank Qualified	Bank Qualified
Approximate Pricing Date:	March, 2026	March, 2026
Approximate Closing / Funding Date:	April 1, 2026	April 1, 2026
Final Maturity:	December 1, 2040	December 1, 2040
Official Statement:	Not Required	Not Required
Assumed Rating:	Not Required	Not Required
Insurance:	Not Required	Not Required

# Next Steps

## ▪February

- District to decide to proceed with the Lease
- Baird to prepare preliminary closing schedule and distribution list
- Bond Counsel to prepare bond resolution
- Baird to draft term sheet and send to Bond Counsel for review
- Baird to circulate term sheet to Banks

## ▪March

- Baird to follow up with Banks and answer all questions
- District to pass resolution to proceed with the Lease – ***March 11<sup>th</sup> Board Meeting***
- Baird to receive all proposals and summarize for the District
- District to officially select winning bank and accept proposal for financing
- Bond Counsel to prepare final lease documents
- District to execute documents

## ▪April

- Close and fund the Lease