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CANYON-AGASSI CHARTER SCHOOL FACILITIES FUND CELEBRATES FIRST INVESTMENT, IN KIPP PHILADELPHIA ELEMENTARY ACADEMY

The innovative Fund acquired and converted a former warehouse facility in Philadelphia's Allegheny West community to give the charter school a long-term home

PHILADELPHIA (Jan. 24, 2012) – Marking the first in a series of investments to promote the growth of high-achieving charter schools across the nation, leaders from the Canyon-Agassi Charter School Facilities Fund (CACSFF) joined executives from KIPP Philadelphia Schools and Mayor Michael Nutter today to celebrate the official grand opening of KIPP Philadelphia Elementary Academy – the first KIPP K-4 elementary school to locate in the city.

Located in Philadelphia's underserved Allegheny West community, KIPP Philadelphia Elementary Academy serves approximately 150 students in grades K-2, with plans to grow to 500 students in grades K-4 by the 2014-2015 school year. KIPP Philadelphia Elementary Academy opened in 2010 in leased temporary space. In order to gain stability and serve even more families in North Philadelphia, school officials partnered with CACSFF to identify, renovate, and lease a property to house the school through its expansion years.

CACSFF acquired the former warehouse facility located at 2409 West Westmoreland Street and converted the site into a colorful two-story school in a 30,000-square-foot main building and a separate 3,400 square-foot building. Together they will house 23 classrooms, a multipurpose room and office space. The project marks the first investment by CACSFF, an innovative real estate fund that provides much-needed capital to allow operators of best-in-class charter schools to secure permanent, high-quality school facilities.

"From the beginning, our goal has been to provide top-tier charter school operators with access to great facilities, and let them focus on what they do best: educating children," said Bobby Turner, CACSFF Co-Managing Partner and Chairman and CEO of Canyon Capital Realty Advisors. "Philadelphia's Allegheny West neighborhood is a great place for us to start. This is a diverse community in need of high-performing public schools, and it has the political and civic leadership necessary to make the school successful," he said.

The only fund of its kind in the United States, CACSFF was created in 2011 as a joint venture between Canyon Capital Realty Advisors (CCRA) and Agassi Ventures (AV) to facilitate the development of school sites in urban communities across the United States. The partnership combines CCRA's and AV's substantial resources, development expertise and passion for educational excellence to assist the

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charter school community in securing academically friendly, environmentally sustainable school facilities for students and teachers. Charter schools are growing at a 14.5 percent annual rate, and operators routinely cite securing suitable learning facilities as one of their greatest challenges.

“By financing quality school facilities, we are breaking down one of the biggest barriers facing charter school operators like KIPP Philadelphia Schools, and empowering these organizations to reach more students looking for alternatives to traditional public schools,” said Andre Agassi, CACSFF Co-Managing Partner, CEO of Agassi Ventures and founder of the Andre Agassi College Preparatory Academy. “We are thrilled to be in Philadelphia today celebrating our first success story.”

“Today’s celebration of this beautiful new KIPP Philadelphia facility represents a significant step toward providing new educational opportunities to our children,” said Philadelphia Mayor Michael Nutter. “KIPP schools are celebrated for achieving results with some of our city’s young people. We welcome KIPP’s first Philadelphia elementary school, and we applaud the efforts of the Canyon-Agassi Charter School Facilities Fund and KIPP Philadelphia for their commitment to education and to this community.”

KIPP, the Knowledge is Power Program, is a national network of free, open-enrollment public schools dedicated to preparing students in underserved communities for success in college and life. KIPP currently operates 109 schools in 20 states and the District of Columbia, enrolling more than 32,000 students.

Founded by CEO Marc Mannella, KIPP Philadelphia Schools received its initial charter in 2003 and now operates four schools that serve students from kindergarten through grade 10. Eventually, KIPP Philadelphia Schools plans to grow to 10 schools – including two high schools, four middle schools and four elementary schools – serving approximately 4,400 students in two clusters.

“We are so thankful for Canyon-Agassi’s commitment to supporting high-performing charter schools by investing in one of our biggest areas of need – facilities. At KIPP Philadelphia, we are working to ensure that all of our schools have a permanent home in a facility that provides the safety, comfort, and resources that our students, families, and teachers deserve. We are looking forward to laying down roots here in Allegheny West and working collaboratively with all of the other schools and organizations that are helping to bring transformative change to this community,” said KIPP Philadelphia Schools CEO Marc Mannella.

CACSFF’S goal over the next four to five years is to help facilitate the development of more than 75 urban school sites for best-in-class charter school operators, creating new seats for approximately 40,000-50,000 students. The fund’s second school site – in Milwaukee, Wisconsin – will be announced later this year.

The fund has the backing of a world-class group of institutional investors who share CACSFF’s commitment to effecting positive societal change while pursuing positive financial returns. Anchor investors include Citi, Intel Capital, and the Ewing Marion Kauffman Foundation.

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“Citi is proud to be the largest investor in the Canyon-Agassi Charter School Facilities Fund and to play a lead role in providing the necessary resources and expertise to create a facility in which students can learn and grow,” said William J. Mills, CEO of North America for Citi. “Citi has a long record of partnering with community groups in Philadelphia, with Mayor Nutter, and with KIPP nationwide, and we are pleased to once again be part of a team working to close the achievement gap for students here in Philadelphia.”

In addition to providing high-performing charter school operators such as KIPP Philadelphia Schools with high-quality facilities at affordable lease rates, the fund provides charter school operators the opportunity to purchase their schools once they reach full occupancy. To this end, CACSFF will help operators obtain permanent financing to purchase their properties using New Market Tax Credits, tax-exempt bond offerings, or funding from the U.S. Treasury’s Community Development Financial Institutions Fund.

“There is a shortfall in the education that our children are receiving, particularly in underserved urban areas across the country,” said CACSFF CEO Glenn Pierce. “Successful charter schools like KIPP Philadelphia Elementary Academy are a meaningful part of the solution, and CACSFF is providing an effective, sustainable and market-driven mechanism to enable these schools to reach more and more children each year.”

About Canyon-Agassi Charter School Facilities Fund

The Canyon-Agassi Charter School Facilities Fund is the nation’s first market-driven real estate fund designed to accelerate growth of high-performing charter schools and provide educational opportunities for 40,000-50,000 underserved students while simultaneously targeting market-rate financial returns for socially responsible investors. The Canyon-Agassi Charter School Facilities Fund is managed by Canyon-Agassi Realty Advisors, and is a partnership between an affiliate of Canyon Capital Realty Advisors LLC and Agassi Ventures, LLC.

About KIPP Philadelphia

KIPP Philadelphia Schools is a network of free open-enrollment public charter schools. As part of the acclaimed national KIPP network of charter schools, KIPP features an extended day, week, and year and a relentless commitment to preparing underserved students for college. Founded in 2003 by Marc Mannella, KIPP Philadelphia Schools has consistently proved that zip code does not define destiny. Over 95% of students enrolled in KIPP schools are African American or Hispanic/Latino, and more than 80 percent qualify for the federal free and reduced-price meals program. To date, over 85 percent of students who have graduated from KIPP middle schools have matriculated to college. KIPP currently operates 4 schools in Philadelphia and has plans to grow to 10 schools serving 4,400 students by 2016. For more information, visit www.kippphiladelphia.org.

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