

**CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (IBank)
CONDUIT 501 (c)(3) REVENUE BONDS FINANCING**

STAFF REPORT

EXECUTIVE SUMMARY	
Applicant:	The Colburn School (“The Colburn” or “Borrower”)
Par Amount Requested:	Not to exceed \$67,000,000
Applicant Description:	The Colburn is a California nonprofit, public benefit corporation, located in downtown Los Angeles. Founded in 1950, the school provides performing arts and music education to students of all ages and abilities.
Type of Financing:	Conduit Tax-Exempt Variable Rate Revenue Bonds (“Bonds”)
Project Description:	The proceeds of the Bonds will be used to (i) finance the construction of new educational and music facilities (the “Improvements”), (ii) pay capitalized interest on the Bonds, and (iii) pay certain costs in connection with the issuance and sale of the Bonds (collectively, the “Project”).
Potential Project Site:	200 South Grand Avenue, Los Angeles, CA 90012, 130 South Olive Street, Los Angeles, CA 90012 (Los Angeles County)
Plan of Finance:	IBank will lend the proceeds of the Bonds to the Borrower to finance the costs of the Project.
Type of Issue:	Public Offering
Tax Status:	Tax-Exempt
Expected Maturity:	August 1, 2072
Credit Enhancement:	None
Credit Rating:	Expected S&P Rating: A+
IBank Fees:	Application Fee \$3,500; Issuance Fee \$75,000; Initial Annual Fee \$3,000 per year
STO Fee:	Agent for Sale \$8,000 to be paid directly to STO

SOURCES AND USES			
Estimated Sources Funds:		Estimated Uses Funds:	
Tax-Exempt Bond Proceeds	\$67,000,000	Improvements Funds	\$66,000,000
		Costs of Issuance	\$1,000,000
TOTAL SOURCES	\$67,000,000	TOTAL USES	\$67,000,000

FINANCING TEAM	
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Underwriter:	Wells Fargo Bank, N.A.
Remarketing Agent:	Wells Fargo Bank, N.A.
Municipal Advisor:	BLX Group, LLC
Trustee:	Wells Fargo Bank, N.A.
Credit Enhancement:	None
Public Benefits:	<p>The Colburn outreach programs for the Los Angeles community, serve approximately 4,000 students in the community each year, offering full scholarship opportunities, as discussed in more detail herein.</p> <p>The Colburn's Improvements will include a 1,000-seat concert hall, a 200-seat roof-deck garden, a 100-seat convertible dance studio theater, and an outdoor 1,000-seat public performance plaza to serve students, and audience members from Los Angeles and international artists who travel to the city to perform. The Project will enable the Colburn to better address the needs of young students and artists.</p>
Date of Board Meeting:	March 23, 2022
Resolution Number:	22-05
Prepared by:	John Belmont
Date Prepared:	February 11, 2022
Staff Recommendation:	Staff recommends approval of Resolution No. 22-05 authorizing the issuance of Conduit Tax-Exempt Variable Rate Revenue Bonds in an amount not to exceed \$67,000,000 for the benefit of The Colburn School.

BACKGROUND AND HISTORY

The Colburn is a California nonprofit, public benefit corporation, located in downtown Los Angeles. It offers performing arts education to young people early in their lives and provides them with the opportunity to continue their education through professional training and career development.

The Colburn began in 1950 as a preparatory program for the University of Southern California. In 1980 it became an independent community school of the performing arts and was accredited as a non-degree-granting institution by the National Association of Schools of Music. Today the Colburn offers programs in music, dance, voice, and drama to approximately 2,300 students of all ages. The Colburn offers three programs, of which, the Performing Arts and Music Academy are both non-degrees granting programs:

- Performing Arts
- Conservatory of Music
- Music Academy

The Colburn's Performing Arts ("CSPA"), established in 1950, offers lessons and workshops in music, drama, and voice to students of all ages, from toddler to adult. CSPA dance program was combined with the new Dance Academy, The Trudl Zipper Dance Institute in 2017, which has approximately 310 students in ballet, tap, and modern dance programs at pre-professional level.

The Colburn's Conservatory of Music, established in 2003, offers Bachelor and Master of Music degrees, Artist's Diploma, Performance Diploma, and Professional Studies Certificates.

The Colburn's Music Academy, established in 2010, provides classes to pre-college, highly gifted students focused on careers in music. The Colburn offers fee-based classes and lessons as well as financial aid and scholarship assistance to students in the programs. The Colburn original facility includes the Herbert Zipper Concert Hall that has been the site of recordings for the Los Angeles Philharmonic Orchestra, the Los Angeles Chamber Orchestra and Southwest Chamber Music.

The Colburn receives a significant amount of its revenues from the Colburn Fund and the Colburn Foundation. At this time, management believes it has adequate reserves to operate The Colburn for the foreseeable future. The Colburn does not rely on any sources of government funding.

The Colburn Current Outstanding IBank Issued Debt

Series	Outstanding Par Amount	Structure	Current Pricing	Tender Date	Call Date	Final Maturity
Series 2015B	\$64,925,000	Floating Rate Notes	SIFMA+1.20%	6/1/2022	4/1/2022	8/1/2037
Series 2019	\$66,060,000	Put Bonds	1.75%	8/1/2026	2/1/2026	8/1/2055
Total	\$130,985,000					

The California Infrastructure and Economic Development Bank Variable Revenue Bonds (The Colburn School) Series 2015A & Series 2015B ("Series 2015A" and "Series 2015B") were issued on May 27, 2015, and their proceeds were used to current refund all of the outstanding California Infrastructure and Economic Development Bank Variable Revenue Bonds (The Colburn School), Series 2008 and purchase and cancel the California Infrastructure and Economic Development Bank Variable Revenue Bonds (The Colburn School), Series 2011 Bonds.

The California Infrastructure and Economic Development Bank Revenue Bonds (The Colburn School), Series 2019 were issued on November 5, 2019 and their proceeds were used to defease and redeem all of

the outstanding Series 2015A Bonds. The 2015B Bonds remain outstanding but will be refunded as part of this transaction from non-IBank sources of financing.

Interest Rate Swap

The Colburn has entered into a swap agreement (the “Swap Agreement”) with Bank of America, N.A., with the notional amount of the \$65 million as of December 31, 2021. The Colburn pays fixed rate of interest and receives floating payments. The Swap Agreement will terminate on August 1, 2037 and requires the Borrower to post collateral under certain circumstances, although no collateral is currently required to be posted. Such collateral would not be available to The Colburn to pay the Bonds.

The California Secretary of State reports active status as of 2/13/2022 for the Borrower.

Current leadership is listed in Appendix A.

PROJECT DESCRIPTION

The Colburn is requesting that IBank issue conduit tax-exempt variable rate revenue bonds to: (i) finance the construction of new educational and performing arts facilities located at 200 South Grand Avenue, Los Angeles, California and/or 130 South Olive Street, Los Angeles, California which includes the area bounded by South Olive Street to the West, West 1st Street to the North, South Hill Street to the East, and West 2nd Street to the South (the “Improvements”), (ii) pay capitalized interest on the Bonds, and (iii) pay certain costs in connection with the issuance and sale of the Bonds.

The Colburn will build a music and dance venue on the last undeveloped privately held parcel in downtown Los Angeles. The Improvements will feature a multi-performance venue and educational facility of approximately 100,000 gross square foot and will include a 1,000-seat natural acoustic concert hall with lobbies, spaces for social gatherings, performance, reception, and rental uses and a 200-seat roof-deck garden to serve performance, reception, and rental uses. The Improvements will be the new home for the Trudi Zipper Dance Institute. A 100-seat convertible dance studio theater will be connected to the main lobby of the concert hall along with five extra-large ballet and tap studios with student services spaces for wellness, physical therapy, music history, gardens, and lockers. An outdoor 1,000-seat public performance plaza connecting Olive and Hill Streets will complete the Improvements.

The estimated cost of the Improvements is \$200 million. The Colburn will pay all project costs beyond the Bonds proceeds with the contributing fundraising campaign funds.

(See Appendix B--Improvements Photos)

FINANCING STRUCTURE

IBank Term Sheet The Colburn School

Board Meeting Date: March 23, 2022

Par Amount:	Not to exceed \$67,000,000; in one or more tax-exempt series
Type of Offering:	Public Offering
Underwriter:	Wells Fargo Bank, National Association
Credit Enhancement:	None
Expected Credit Rating:	S&P Global Ratings: A+
Interest Rate:	Variable Rate Bonds
Expected Maturity Date*:	August 1, 2072
Collateral:	General Obligation of the Corporation
Expected Closing Date*:	April 26, 2022
Conduit Transaction:	The Bonds are special, limited obligations payable solely from payments made by the Borrower under the transaction documents and IBank shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of IBank for all or any portion of payment to be made pursuant to the Bonds.

*Please note that Expected Maturity Date and Expected Closing Date are subject to change.

Financing Structure

The Bonds will be secured by an Indenture and sold through a public offering pursuant to a Bond Purchase Agreement to Wells Fargo Bank, National Association. The proceeds of the Bonds will be loaned to the Borrower pursuant to a Loan Agreement. The Bonds will be issued in denominations of \$5,000 and any integral multiple of \$5,000 in excess thereof.

The Bonds may bear interest at Index Rates, Daily Rates, Weekly rates, Commercial Paper Rates or Fixed Rates from their date of issuance until July 31, 2027 (the “Initial Index Rate Period”). The Bonds’ initial Index Rate will be based on the SIFMA Index, during which the Bonds will not be supported by any credit enhancements. Final maturity is expected to be 2072, with equal amortization payments in each of the final 10 years.

The Bonds are expected to be designated as “Social Bonds” in accordance with the Social Bonds Principles enacted by the International Capital Market Association (“ICMA”), updated as of June 2021.

COVID-19 Impact on The Colburn

Over the past 2 years, The Colburn has worked on addressing the limitations imposed by COVID-19. The Colburn has adapted to provide remote education and to enable virtual performances by investing where needed to make online teaching and learning possible and effective.

Limited Obligations of IBank

The Bonds are payable solely from and secured solely by the pledge of the Borrower’s payments under the transaction documents. Neither IBank; nor any of the members of its Board of Directors; nor any of its officers or employees; nor any person executing the transaction documents on behalf of IBank shall be personally liable for the Bonds or subject to any personal liability or accountability by reason of the execution thereof. The Bonds are limited obligations of IBank and are not a pledge of the faith and credit of IBank or the State of California or any of its political subdivisions.

PUBLIC BENEFITS

The Colburn outreach programs for the Los Angeles community, serve approximately 4,000 students in the community each year, offering full scholarship opportunities.

In 2003, a full scholarship conservatory became available, removing financial barriers for talented young artists. Scholarship support of \$10 million is awarded annually, including 100% tuition, room, and board for all collegiate programs at the school. The current scholarship program serves over 200 students under 18 years old from the Los Angeles community with full scholarships, and another 125 with partial scholarships, determined by their family’s financial need.

The Colburn’s Improvements will include a 1,000-seat concert hall, a 200-seat roof-deck garden, a 100-seat convertible dance studio theater, and an outdoor 1,000-seat public performance plaza to serve students, and audience members from Los Angeles and international artists who travel to the city to perform. The Colburn’s plans to make the Improvements meet the demand of a range of partner institutions and community stakeholders such as the Los Angeles Philharmonic Orchestra, the Los Angeles Chamber Orchestra and Southwest Chamber Music to serve students, audience members, and international artists who travel to the city to perform. The Project will enable the Colburn to better address the needs of young students and artists.

OTHER PROJECT DATA

PERMITS AND APPROVAL	
Required? Yes	If Yes, Describe: Zoning is in compliance; permits and approvals are under discussion with Director of Planning; Borrower is seeking CEQA exemption.
TEFRA	
Date of TEFRA Publication: 3/16/2022	Publications: Metropolitan News-Enterprise and The Sacramento Bee
Date of TEFRA Hearing: 3/23/2022	Oral/Written Comment: TBD
ELIGIBILITY REVIEW	
Applicants meets all the IBank eligibility criteria? Yes	<ol style="list-style-type: none">1. Project is in the State of California2. The Borrower is capable of meeting the obligations incurred under relevant agreements.3. Payments to be made by the Borrower to IBank under the proposed financing agreements are adequate to pay the current expenses of the IBank in connection with the financing and to make all the scheduled payments.4. The proposed financing is appropriate for the Project.
INDUCEMENT CERTIFICATE	
Completed? N/A	Certificate Number: _____ Date: _____

RECOMMENDATION

Staff recommends approval of Resolution No. 22-05 authorizing the issuance of Conduit Tax-exempt Variable Rate Bonds in an aggregate amount not to exceed \$67,000,000, for the benefit of The Colburn School.

APPENDIX A: GOVERNANCE AND MANAGEMENT

BOARD OF DIRECTORS	
Robert S. Attiyeh, Honorary Life Director	CFO, AMGEN (retired); former director of McKinsey& Company and the Federal Reserve Bank of San Francisco
Daniel L. Avchen, Member	Chairman and CEO, Hammel, Green& Abrahamson Architects & Engineers
Henry Choi, Member	Co-founder of Matiere, member of the Council of Fashion Designers of America (CFDA); classical violinist
David D. Colburn, Vice Chairman of the Board and Chair – Finance and Investment Committees	President, Bixby Bridge Capital, LLC, Manager of several investment partnerships, including Lincolnshire Associates, Ltd.; Tantallon Lenders, LLC; and Miranda Investors, LLC.
Richard W. Colburn, Member	President, RCK Properties, Inc., Henley Management Company and Negaunee Foundation
Alice Coulombe, Member	Former Committee President, Metropolitan Associates; founding member and former chair, Pasadena Arts Commission; forty- year community and civic volunteer
Jennifer Diener, Member	Past president, Directors of the Los Angeles Chamber Orchestra, California Heritage Museum, and Claremont Graduate University
Anthony DiResta, Member	Partner, Holland & Knight
Darren Edwards, Member	Managing Director and Private Wealth Advisor at Morgan Stanley; former Director in the Private Bank at Credit Suisse and Vice President at UBS
Carol Colburn Grigor, Lifetime Chairman Emeritus	Former Chairman, The Colburn School; President, The Colburn Foundation; President, Dunard Fund USA
Greg Guyett, Member	Co-CEO of Global Banking, HSBC; Former President and Chief Operating Officer, East West Bank and East West Bancorp
Carol Henry, Member	Founding member of the LA Opera; leading advocate for chamber music and opera
Catherine Colburn Høgel, M.D., Member	Physician; genetic research studies at Harvard Medical School
Molly Kirk, Member	School parent
Aliza Lesser, Member	Treasurer, WoTIOH (Women of Temple Israel of Hollywood), and Warriors Baseball
Robert E. Lewis, Chair- Business Development Committee	Senior Partner, McKinsey& Company-Los Angeles
Beverly C. Marksbury, Chair- Audit Committee	Community leader and advocate; former president, Pasadena Showcase House for the Arts
Steven F. Matt, Member	Co-founder, President and CEO of MATT Construction
Toby E. Mayman, Honorary Life Director	Executive Director, The Colburn School (retired)
Greg McWilliams, Member	Chief Policy Officer for FivePoint Holdings
Andrew Millstein, Chairman of the Board and Chair – Executive Committee	Executive Producer, Shapeshifter Films

Diane Naegele, Vice Chairman of the Board and Chair – Communications Committee	President, RJN Productions, Inc.
Mahnaz Newman, Member	Former Director, Los Angeles Chamber Orchestra
Ann Ronus, Co-Chair – Community Engagement Advisory Committee	Former Director, Los Angeles Philharmonic
Heinrich Schelbert, M.D., Ph.D, Member	Distinguished Professor Emeritus at David Geffen School of Medicine, UCLA
Harry B. Suh, Chair–Advancement Committee	Private Wealth Advisor and Executive Director, Morgan Stanley in Los Angeles
Keith Terasaki, M.D. Chair – Academic Affairs Committee	Interventional radiologist and Chief of the Diagnostic Imaging Department, Kaiser Permanente
Peter Wardle, Chair – Governance Committee	Partner, Gibson, Dunn& Crutcher
Dylan Yolles, Chair – Investment Committee	Former equity portfolio manager, Capital Group-Los Angeles.

Officers	
Sel Kardan	President and CEO
Maeesha Merchant	CFO and VP, Business Development
Adrian Daly	DMA, Provost
Linda Cormier	Secretary

APPENDIX B: PROJECT PHOTOS

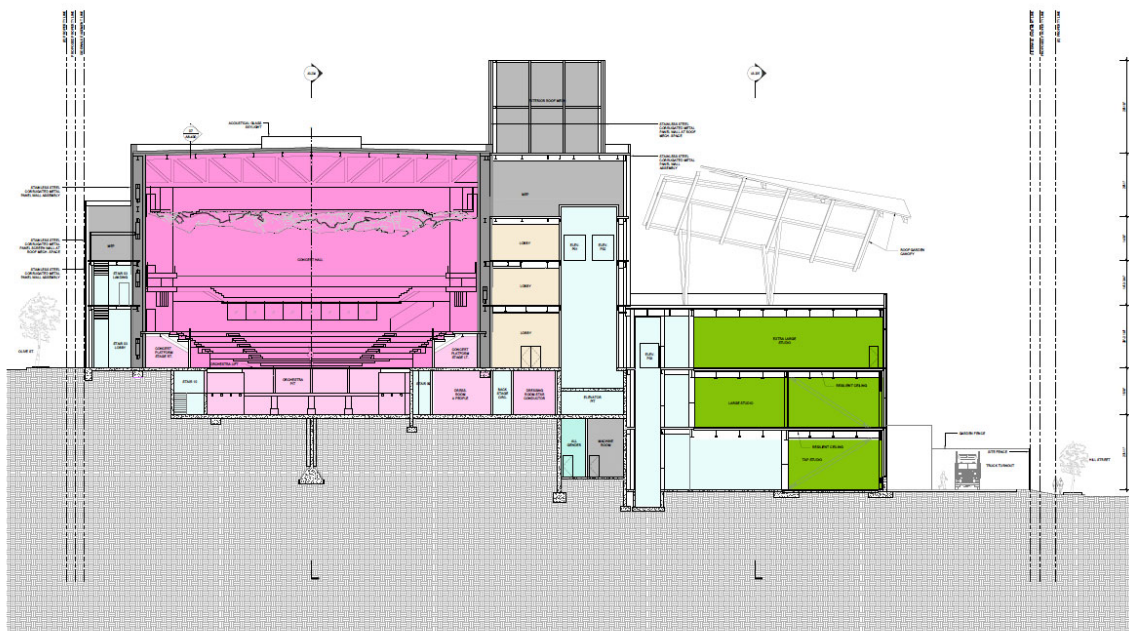


Campus Expansion

Existing Colburn Campus

The Grand

Walt Disney Concert Hall



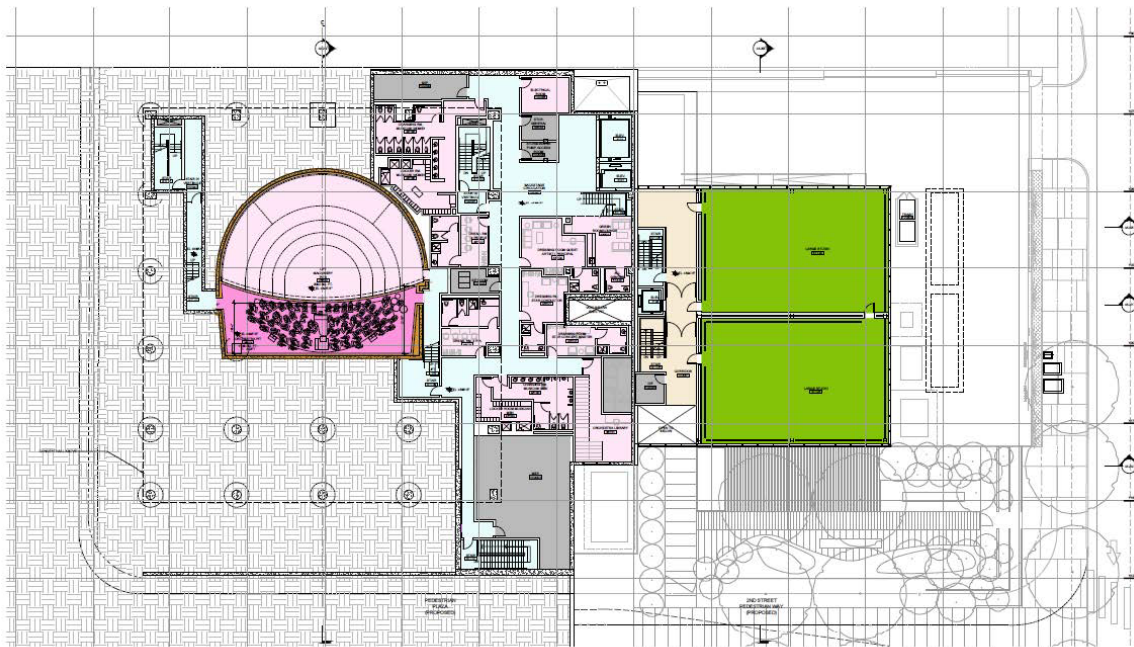
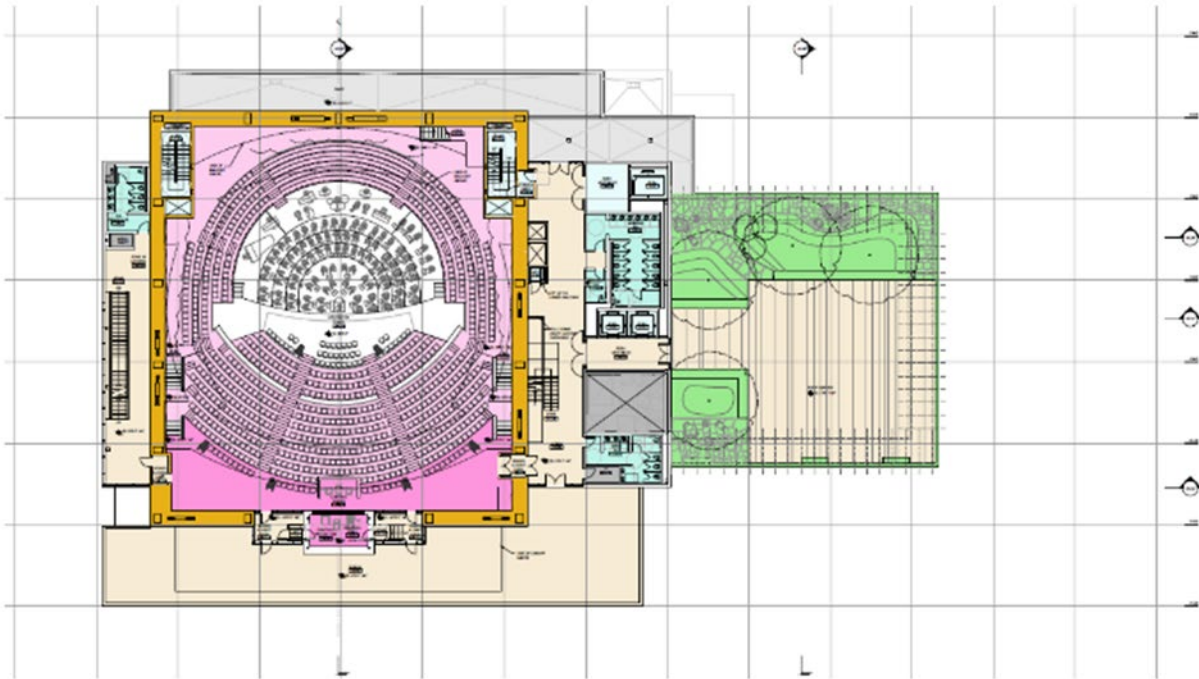
GERHY PARTNERS, LLP
 ARCHITECTS
 1000 N. MICHIGAN AVE., SUITE 1000
 CHICAGO, IL 60611
 TEL: 312.527.1000
 WWW.GERHY.COM

COLBURN SCHOOL
 1000 N. MICHIGAN AVE., SUITE 1000
 CHICAGO, IL 60611
 TEL: 312.527.1000
 WWW.GERHY.COM

NO.	DESCRIPTION	DATE
1	ISSUED FOR PERMIT	08/14/12
2	ISSUED FOR CONSTRUCTION	09/10/12
3	ISSUED FOR OCCUPANCY	10/15/12
4	ISSUED FOR AS-BUILT	11/15/12
5	ISSUED FOR ARCHIVE	12/15/12

BUILDING SECTION
 EASTWEST
 THROUGH CONCERT AUDITORIUM

SHEET NO. A3-201
 DATE: 08/14/12
 SCALE: AS SHOWN
 DRAWN BY: [Name]
 CHECKED BY: [Name]



- CONCERT HALL
- DANCE STUDIO
- ADMINISTRATION
- COMMON AREA
- MECHANICAL
- CIRCULATION



GENRY PARTNER, LLP
 ARCHITECTS
 1000 BROADWAY
 SUITE 2000
 NEW YORK, NY 10018
 TEL: 212 692 4000
 WWW.GENRY.COM

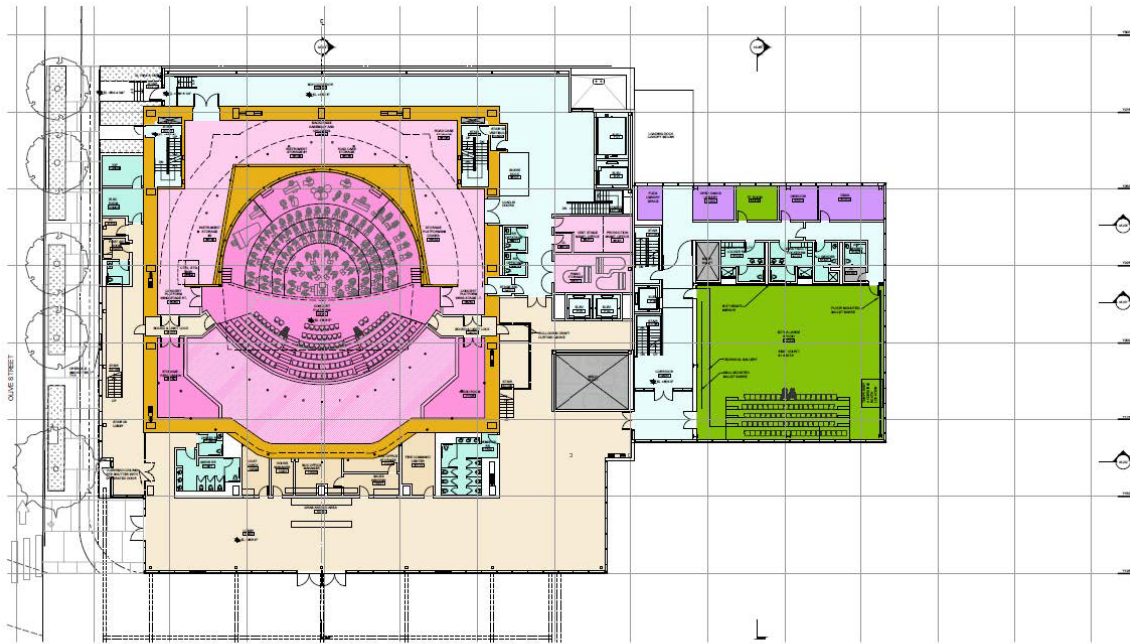
NO.	DESCRIPTION	DATE	BY	CHECKED
1	CONCEPT DESIGN	01/15/10	J. GERRY	M. GERRY
2	SCHEMATIC DESIGN	02/15/10	J. GERRY	M. GERRY
3	PRELIMINARY DESIGN	03/15/10	J. GERRY	M. GERRY
4	FINAL DESIGN	04/15/10	J. GERRY	M. GERRY
5	CONSTRUCTION DOCUMENTS	05/15/10	J. GERRY	M. GERRY

NO.	DESCRIPTION	DATE	BY	CHECKED
1	CONCEPT DESIGN	01/15/10	J. GERRY	M. GERRY
2	SCHEMATIC DESIGN	02/15/10	J. GERRY	M. GERRY
3	PRELIMINARY DESIGN	03/15/10	J. GERRY	M. GERRY
4	FINAL DESIGN	04/15/10	J. GERRY	M. GERRY
5	CONSTRUCTION DOCUMENTS	05/15/10	J. GERRY	M. GERRY

LEVEL 02
FLOOR PLAN
 EL. +339'-0"

DATE: 05/15/10
 DRAWN BY: J. GERRY
 CHECKED BY: M. GERRY
 SCALE: AS SHOWN

A2-102



CONCERT HALL
 DANCE SCHOOL
 ADMINISTRATION
 COMMON AREA
 MECHANICAL
 CIRCULATION



GENRY PARTNERS, LLP
 ARCHITECTS
 1000 WEST 10TH AVENUE
 SUITE 1000
 DENVER, CO 80202
 TEL: 303.733.1000
 WWW.GENRY.COM

NO.	DESCRIPTION	DATE	BY	CHKD.
1	ISSUED FOR PERMITTING	08/14/2018	JG	ML
2	ISSUED FOR CONSTRUCTION	08/14/2018	JG	ML
3	ISSUED FOR CONSTRUCTION	08/14/2018	JG	ML
4	ISSUED FOR CONSTRUCTION	08/14/2018	JG	ML
5	ISSUED FOR CONSTRUCTION	08/14/2018	JG	ML
6	ISSUED FOR CONSTRUCTION	08/14/2018	JG	ML
7	ISSUED FOR CONSTRUCTION	08/14/2018	JG	ML
8	ISSUED FOR CONSTRUCTION	08/14/2018	JG	ML
9	ISSUED FOR CONSTRUCTION	08/14/2018	JG	ML
10	ISSUED FOR CONSTRUCTION	08/14/2018	JG	ML

**COLBURN CAMPUS
 EXPANSION**
 100 East 10th Street
 DENVER, CO 80202

NO.	DESCRIPTION	DATE	BY	CHKD.
1	ISSUED FOR PERMITTING	08/14/2018	JG	ML
2	ISSUED FOR CONSTRUCTION	08/14/2018	JG	ML
3	ISSUED FOR CONSTRUCTION	08/14/2018	JG	ML
4	ISSUED FOR CONSTRUCTION	08/14/2018	JG	ML
5	ISSUED FOR CONSTRUCTION	08/14/2018	JG	ML
6	ISSUED FOR CONSTRUCTION	08/14/2018	JG	ML
7	ISSUED FOR CONSTRUCTION	08/14/2018	JG	ML
8	ISSUED FOR CONSTRUCTION	08/14/2018	JG	ML
9	ISSUED FOR CONSTRUCTION	08/14/2018	JG	ML
10	ISSUED FOR CONSTRUCTION	08/14/2018	JG	ML

1. 100% DEVELOPMENTAL PLAN FOR CONSTRUCTION PERMITTING
 2. 100% DEVELOPMENTAL PLAN FOR CONSTRUCTION PERMITTING

**LEVEL 03
 FLOOR PLAN
 EL. +353'-0"**

DATE: 08/14/2018
 DRAWN BY: JG
 CHECKED BY: ML
 PROJECT NO.: 18-001
 SHEET NO.: A2-103

A2-103