

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

STAFF REPORT ¹

EXECUTIVE SUMMARY

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| Applicant: | Segerstrom Center for the Arts (“Borrower” or “Segerstrom”) | Par Amount Requested: | Not to exceed \$42,000,000 |
| Applicant Description: | Segerstrom (formerly known as the Orange County Performing Arts Center) is a California nonprofit public benefit corporation organized for the purpose of promoting and developing an interest in, and an appreciation for, arts, music, dance and theater for the residents of Southern California. | | |
| Type of Financing: | Conduit Tax-Exempt Fixed Rate Revenue Refunding Bonds (“Bonds”) | | |
| Project Description: | The proceeds of the Bonds will be used to (i) refund all of the outstanding IBank’s Revenue Refunding Bonds (Segerstrom Center for the Arts) Series 2016 (“2016 Bonds”), and (ii) pay the costs of issuance incurred in connection with the issuance and sale of the Bonds (collectively, the “Project”). | | |
| Project Site: | <u>Orange County</u> 615 Town Center Drive, Costa Mesa, CA 92626 | | |
| 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 Term: | Up to 7/1/2041 | | |
| Credit Enhancement: | None | | |
| Credit Rating: | Expected S&P Global Ratings: A- | | |
| IBank Fees²: | Application Fee \$5,000; Issuance Fee \$36,000; Initial Annual Fee \$6,300 per year | | |
| STO Fee: | Agent For Sale \$8,500 To be paid directly to STO | | |
| Estimated Sources of Funds: | | Estimated Uses of Funds: | |
| Tax-exempt Bonds Proceeds | \$42,000,000 | Refunding 2016 Bonds | \$41,000,000 |
| | | Costs of Issuance | 1,000,000 |
| TOTAL ESTIMATED SOURCES | \$42,000,000 | TOTAL ESTIMATED USES | \$42,000,000 |
| Financing Team: | Bond Counsel: Stradling Yocca Carlson & Rauth Underwriter: Wells Fargo Bank, National Association Underwriter’s Counsel: Hawkins Delafield & Wood LLP Financial Advisor: PFM Financial Advisors Trustee: U.S. Bank Trust Company, National Association IBank Outside Counsel: Law Offices of Leslie M. Lava | | |

¹ The information concerning the Segerstrom Center for the Arts and the Bonds has been provided by Segerstrom. This Report has been prepared in connection with the approval of the Bonds by IBank and does not constitute a recommendation by IBank to purchase the Bonds and should not be used by potential investors in connection with any investment decision with respect to the Bonds.

² The Issuance Fee and Initial Annual Fee are based on the NTE amount and are subject to change based on the final par amount.

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| Public Benefits: | <p>Segerstrom offers active arts-in-education programs. Segerstrom is a cultural center and dynamic town square for the community, accessible to all. Segerstrom represents and elevates historically excluded artists, productions, and audiences by identifying and directly addressing inequities and discrimination at every level of the organization.</p> <p>The 2016 Bonds have scheduled bullet maturity on July 1, 2026. The Refunding is not expected to generate any financial savings but will allow Segerstrom to extend the upcoming maturity of the 2016 Bonds by replacing them with the Bonds with expected maturity in approximately 15 years.</p> | |
| Date of Board Meeting: March 25, 2026 | Resolution Number: 26-04 | Prepared by: Dalibor Zivkovic on 3/4/2026 |
| Staff Recommendation: Staff recommends approval of Resolution No. 26-04 authorizing the issuance of Conduit Tax-Exempt Fixed Rate Revenue Refunding Bonds, in an aggregate principal amount not to exceed \$42,000,000, for the benefit of Segerstrom Center for the Arts. | | |

BACKGROUND AND HISTORY

Background and History:

In the late 1960's, the initial idea and framework of building a concert hall as a world-class venue for performances of the Philharmonic Society of Orange County, Pacific Chorale and Pacific Symphony was formed. In 1979, the Segerstrom Family donated a five-acre parcel of land to establish the Segerstrom Center for the Arts, formerly known as the Orange County Performing Arts Center ("Segerstrom" or the "Center"). Segerstrom was founded by Renée and Henry Segerstrom and opened on September 29, 1986 with a concert in its Segerstrom Hall. Segerstrom's founders determined that the new performing arts complex located in Costa Mesa, California would be established with private funds and government funding would not be solicited or accepted.

In 1998, the Segerstrom family donated another adjacent parcel of land and in 2000, Henry and Renée Segerstrom donated \$40 million to the Borrower to construct a concert hall, a multi-use theater, an educational center, public restaurant and community plaza. The Center includes performance facilities such as the 3,000 seat Segerstrom Hall, 2,000 seat Renée and Henry Segerstrom Concert Hall, 500 seat multi-functional Samueli Theater, 250 seat Judy Morr Theater, and a 46,000 square foot Arts Plaza. The 500 seat Samueli Theater was named in recognition of a \$10 million gift from the Samueli Family Foundation. The Segerstrom Hall and Judy Morr Theater were designed by Charles Lawrence and opened in 1986. The Renée and Henry Segerstrom Concert Hall, Samueli Theater and the Education Center were designed by Cesar Pelli, an architect who has received numerous awards and other honors for his work including the American Institute of Architects Gold Medal in 1995.

In 2014, Segerstrom in collaboration with the American Ballet Theatre (ABT) opened the American Ballet Theatre William J. Gillespie Ballet School (the "Gillespie School"). The Gillespie School combines the resources of ABT, America's National Ballet Company and Segerstrom. William J. Gillespie has been a board member of ABT since 1999.

In 2017, Segerstrom launched Studio D: Arts School for All Abilities, a recreational program specializing in performing arts classes for children and adults with disabilities. Class offerings include dance, music, theater, voice and production art, highlighting self-expression, creativity and peer connection.

In 2017, Segerstrom completed the Julianne and George Argyros Plaza. The plaza is dedicated to the community and offers year-round free performances, festivals and community events.

Each season, Segerstrom presents a broad range of programming for audiences of all ages throughout Orange County and beyond. These programs include international ballet and dance, national tours of top Broadway shows, performances of jazz, cabaret, contemporary artists and theatre companies, classical music, family-friendly programming free performances and many other special events. Segerstrom is also the artistic home to three resident performing arts organizations: Pacific Symphony, the Philharmonic Society of Orange County, and Pacific Chorale. In addition, the Education Center provides educational art programs to students and educators ranging from grade school through college.

The California Secretary of State reports active status for the Borrower. Segerstrom's current leadership is listed in Appendix A.

PROJECT DESCRIPTION

The Borrower is requesting the issuance of the Bonds in an amount not to exceed \$42,000,000 to (i) refund all of the outstanding IBank’s Revenue Refunding Bonds (Segerstrom Center for the Arts) Series 2016 (the “2016 Bonds”), which were issued to refinance certain costs of the construction, equipping and furnishing of certain improvements to Segerstrom Center for the Arts consisting of a concert hall named the Reneé and Henry Segerstrom Concert Hall, with a capacity of approximately 2,000 seats; a multi-purpose theater named the Samueli Theater, with a capacity of approximately 500 seats; an education center; a public restaurant; a private donor room; rehearsal spaces; artist accommodations; a pedestrian plaza; and related and appurtenant facilities all located in the City of Costa Mesa, California, and (ii) pay other expenditures relating to the issuance of the Bonds, including the costs of issuance incurred in connection with the issuance and sale of the Bonds.

IBank Issued Outstanding Debt

The proceeds of the 2016 Bonds, issued on June 28, 2016 were used to refund a portion of the IBank’s Variable Rate Demand Revenue Bonds (Orange County Performing Arts Center) Series 2008D (the “2008D Bonds”) and Series 2011A (the “2011A Bonds”), which were outstanding in the aggregate principal amount of \$51,960,000 at the time of issuance. The proceeds of the 2008D Bonds and the 2011A Bonds were used to refund previously outstanding IBank issued bonds and pay costs of issuance.

Table I displays the highlights of the 2016 Bonds.

The 2016 Bonds were not subject to redemption prior to their maturity date. Segerstrom is refunding the 2016 Bonds due to the upcoming bullet maturity due date of July 1, 2026, and Segerstrom wants to refund the bonds before the maturity date.

Table I

| IBank Issued 2016 Bonds | | | | | |
|-------------------------|-------------|---------------------|---------------|-----------------------------|---------------|
| Bond Series | Issued Date | Issue Par Amount | Maturity Date | Current Outstanding Balance | Interest Rate |
| Series 2016 | 6/28/2016 | \$42,000,000 | 7/1/2026 | \$42,000,000 | 5% |
| Total | | \$42,000,000 | | \$42,000,000 | |

Table II displays the other outstanding IBank issued tax-exempt bonds for Segerstrom.

The Series 2017 Bonds were issued on December 28, 2017 to refund all of the outstanding IBank issued Series 2008A Bonds and Series 2008B Bonds and pay costs of issuance. The Series 2017 Bonds are not subject to redemption prior to their final maturity.

The Series 2023 bonds were issued on May 23, 2023 to refund all of the outstanding Series 2016B Bonds and pay costs of issuance. The 2016 Bonds and the Series 2016B Bonds were

two separate bonds issued on different dates in 2016. The 2016 Bonds were issued as single series without any series designation such as “A”.

The Series 2024 Bonds were issued on October 31, 2024 to refund a portion of the Series 2017 Bonds and pay costs of issuance.

Table II

| IBank Issued Outstanding Bonds | | | | | |
|---------------------------------------|-------------------|-------------------------|----------------------|-----------------------------------|----------------------|
| Bond Series | Issue Date | Issue Par Amount | Maturity Date | Current Outstanding Amount | Interest Rate |
| Series 2017 | 12/28/2017 | \$64,000,000 | 1/1/2028 | \$32,000,000 | 5% |
| Series 2023 | 5/23/2023 | \$42,000,000 | 7/1/2030 | \$42,000,000 | 5% |
| Series 2024 | 10/31/2024 | \$28,000,000 | 1/1/2032 | \$28,000,000 | 5% |
| Total | | \$134,000,000 | | \$102,000,000 | |

FINANCING STRUCTURE

IBank Term Sheet

Segerstrom Center for the Arts
Board Meeting Date: 3/25/2026

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|--------------------------------|--|
| Par Amount: | Not to exceed \$42,000,000; in one or more tax-exempt series. |
| Type of Offering: | Public Offering |
| Underwriter: | Wells Fargo Bank, National Association |
| Credit Enhancement: | (Not Expected) |
| Expected Credit Rating: | Standard & Poor's Global Ratings: "A-" |
| Interest Rate*: | Not to exceed 8% per annum |
| Maturity*: | Maximum July 1, 2041 |
| Collateral: | The Borrower's personal property, but only until the IBank's Revenue Refunding Bonds (Segerstrom Center for the Arts) Series 2017 are no longer outstanding. |
| Guaranty: | None |
| Expected Closing Date*: | May 21, 2026 |
| 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 Interest Rate, Maturity, Expected Closing Date are subject to change.

Financing Structure

The Bonds will be issued pursuant to an Indenture, dated as of May 1, 2026 (the “Indenture”), between IBank and U.S. Bank Trust Company, National Association, as trustee. The proceeds of the Bonds will be loaned by IBank to the Borrower pursuant to a Loan Agreement, dated as of May 1, 2026 (the “Loan Agreement”), between IBank and the Borrower. The Bonds will be sold pursuant to a Bond Purchase Contract in a public offering by Wells Fargo Bank, National Association. Interest on the Bonds will be calculated on the basis of a 360-day year and twelve 30-day months and will be payable in arrears each January 1 and July 1, commencing January 1, 2027.

The Bonds will be issued in book-entry only form registered in the name of Cede & Co., a nominee of DTC, as securities depository. The Bonds will be available in denominations of \$5,000 or any integral multiple thereof and will not be subject to redemption prior to their maturity date.

The Borrower’s payment obligations under the Loan Agreement are unconditional obligations of the Borrower, and as long as the Series 2017 Bonds are outstanding, are secured by a lien on certain revenues of the Borrower pursuant to the Fifth Amended and Restated Security Agreement, dated the date of delivery of the Bonds (the “Security Agreement”), executed by the Borrower in favor of U.S. Bank Trust Company, National Association, as collateral agent (the “Collateral Agent”). Under the Security Agreement, the Borrower creates a security interest in the Collateral, consisting of the Borrower’s (i) gross revenues, cash, investments, endowments, general intangibles and certain contract rights, and all gifts and donations, cash, investments and other contributions, of any type, excluding Restricted Property (as defined in the Indenture), (ii) all deposit and/or securities accounts maintained by the Borrower which do not hold any Restricted Property, and (iii) security interests and supporting obligations with respect to any of the foregoing.

If the Series 2017 Bonds are no longer outstanding, by their terms, the Security Agreement and other related security documents will terminate, and, upon request of the Borrower, the Collateral Agent will release its liens and security interest under the Security Agreement, without the consent of IBank or the Bondholders. Thereafter, no security interest in the Borrower’s Collateral would be available to secure the Borrower’s obligations under the Loan Agreement.

The Bonds will be secured on a parity basis with the Borrower’s other IBank issued debt, consisting of the Series 2017 Bonds, Series 2023 Bonds and the Series 2024 Bonds. The Borrower may not issue any additional parity debt except for the purposes of defeasing any current or subsequent parity debt and/or to provide credit enhancement and/or liquidity support for current or subsequent parity debt, as long as the Series 2017 Bonds are outstanding.

There will be no reserve fund with respect to the Bonds.

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. IBank has no taxing powers.

PUBLIC BENEFITS

Seegerstrom offers active arts-in-education programs. Seegerstrom is a cultural center and dynamic town square for the community, accessible to all. Seegerstrom represents and elevates historically excluded artists, productions, and audiences by identifying and directly addressing inequities and discrimination at every level of the organization.

The 2016 Bonds have scheduled bullet maturity on July 1, 2026. The Refunding is not expected to generate any financial savings but will allow Seegerstrom to extend the upcoming maturity of the 2016 Bonds by replacing them with the Bonds with expected maturity in approximately 15 years.

OTHER PROJECT DATA

| PERMITS AND APPROVAL | |
|---|---|
| Required? | <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES, Describe: |
| TEFRA | |
| Date of TEFRA Publication: | 3/16/2026 |
| Publications: | Publications: IBank Website, https://ibank.ca.gov |
| Date of TEFRA Hearing: | 3/24/2026 |
| Oral/Written Comments: | <input type="checkbox"/> NO <input type="checkbox"/> YES, Explain: None as of the date this report was prepared. |
| ELIGIBILITY REVIEW | |
| Applicant meets all of the IBank eligibility criteria? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO | <ol style="list-style-type: none"> 1. Project is in the State of California. 2. 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? | <input type="checkbox"/> NO <input type="checkbox"/> YES Certificate No.: <input checked="" type="checkbox"/> N/A Date: |

RECOMMENDATION

Staff recommends approval of Resolution No. 26-04 authorizing the issuance of Conduit Tax-Exempt Fixed Rate Revenue Refunding Bonds, in an aggregate amount not to exceed \$42,000,000, for the benefit of Seegerstrom Center for the Arts.

APPENDIX A: GOVERNANCE AND MANAGEMENT

BOARD OF DIRECTORS

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| John Phelan*, Chairman of the Board | Retired Executive Vice President, Capital Group Companies Irvine, CA |
| Stewart R. Smith *, Treasurer, Chair, Finance Committee | President, Kinsmith Financial Corp. Corona Del Mar, CA |
| Sally S. Crockett *, Secretary | Community Volunteer Newport Coast, CA |
| John L. Ginger*, First Vice Chair | CEO, J Ginger Masonry Laguna Beach, CA |
| Mark C. Perry*, Second Vice Chair | Executive Vice Chairman, Global Commercial Banking Bank of America Merrill Lynch Balboa Island, CA |
| Jane Fujishige Yada*, Third Vice Chair | Harbor Field Holdings, LLC Tustin, CA |
| Molly Jolly*, Chair, Audit Committee | Senior VP, Finance and Admin., Los Angeles Angels Villa Park, CA |
| Karla Kraft*, Chair, Board Development | Partner, Stradling Yocca Carlson & Rauth Corona Del Mar, CA |
| Jim Mazzo*, Member at Large | Executive Chairman, Neorotech Pharmaceuticals Laguna Beach, CA |
| William F. Meehan*, Chair, Long Range Planning EDI & Governance Committee | Partner, Rutan & Tucker, Newport Beach, CA |
| Ethan F. Morgan*, Chair, Center Fund Committee | Managing Director, Private Bank, J.P. Morgan Newport Beach, CA |
| Rick J. Muth*, Chair, Facilities Committee | President, ORCO Block & Hardscape Newport Beach, CA |
| Samuel Tang*, Chair Investment Committee | Managing Partner, TriGuard Management LLC Corona Del Mar, CA |
| Gaddi Vasquez*, Chair, Education Committee | Retired, Sr. Vice President Government Affairs, Edison International & Southern CA Edison Orange, CA |
| Julia A. Argyros | Argyros Family Foundation Newport Beach, CA |

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| Bart Asner | Retired Healthcare Executive Newport Beach, CA |
| Jesse Bagley | CEO, PeopleSpace Anaheim Hills, CA |
| Marta S. Bhathal | RAJ Capital Management Newport Beach, CA |
| Louise Bryson | Retired San Marino, CA |
| Mark Chan | COO, Wincome Group Newport Beach, CA |
| Sandra Segerstrom Daniels | Managing Partner, C. J. Segerstrom & Sons Newport Coast, CA |
| James A. Driscoll | Martlet Asset Management Newport Beach, CA |
| Jackie Glass | Officer/Trustee, Kling Family Foundation Newport Beach, CA |
| Andra Greene Ellingson | Mediator and Arbitrator, Phillips ADR Enterprises Irvine, CA |
| Carole Haes Landon | Retired Business Owner Newport Beach, CA |
| Wendy Hales | Executive Director, Argyros Family Foundation Newport Beach, CA |
| Betty Huang | Director, Huang Family Foundation Newport Beach, CA |
| Roger T. Kirwan | Chairman & CEO, Woodside Credit Newport Coast, CA |
| Harmon Kong, Chair, Building Committee | Founding Principal, Apriem Advisors, Foothill Ranch, CA |
| Shanaz Langson | Investment Building Group Newport Beach, CA |
| Kate Levering-Jahangiri | Retired Actor Newport Beach, CA |
| Walter Parsadayan | Retired Business Owner Newport Coast, CA |
| Maria Rigatti | Executive Vice President and CFO, Edison International Laguna Hills, CA |
| Holly Breaux Schwartz | Executive Vice President, Strategic Asset Management Ladera Ranch, CA |

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| Elizabeth Segerstrom | Co-Managing Partner, C. J. Segerstrom & Sons Newport Beach, CA |
| Ginger Siedschlag | Retired Tech Executive Irvine, CA |
| Connie Spenuzza | Author and Director Spenuzza-Velastegui Family Foundation Dana Point, CA |
| John E. Stratman Jr. | Senior Director, Kaiser Permanente Orange County Coto De Caza, CA |
| Kelly Thompson | Ascent Private Capital of US Bank La Jolla, CA |
| Laura Vanderhook | Community Volunteer Newport Beach, CA |
| Jaynine Warner | Community Volunteer; Former Professional Airline Pilot Laguna Beach, CA |
| Timothy L. Strader, Honorary Lifetime Director Emeritus | Chairman, Starpointe Ventures Newport Beach, CA |
| Anthony A. Allen, Director Emeritus | Chairman, Tava Development Company Corona Del Mar, CA |
| Lawrence M. Higby, Director Emeritus | Former CEO, Apria Healthcare Newport Beach, CA |
| David H. Troob, Director Emeritus | Retired CEO, Geneva Group Newport Beach, CA |
| Patricia L. Poss, Director Emeritus | In Memoriam |
| Carol L. Wilken, Director Emeritus | In Memoriam |

* Member of the Executive Committee

OFFICERS

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|-------------|-------------------------|
| Casey Reitz | President & CEO |
| John Phelan | Chairman of the Board |
| Brian Finck | Chief Financial Officer |
| Seila Heng | Controller |