

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

STAFF REPORT

EXECUTIVE SUMMARY

Applicant:	Columbia College, Inc. D.B.A Columbia College Hollywood (“Borrower”/“CCH”)	Requested Par Amount:	Not to exceed \$2,135,000
Applicant Description:	The Borrower is a California nonprofit public benefit corporation with the mission to educate students in the art and science of communications and the diverse media of contemporary storytelling within an exploration of the liberal arts. CCH operates Columbia College in Los Angeles and provides associate and bachelors degree programs focusing exclusively on television and filmmaking.		
Type of Financing:	Conduit Tax-exempt Variable Rate Revenue Bonds (“Bonds”).		
Project Description:	(1) finance, refinance or reimburse the Borrower for the costs of construction, improvement, renovation, furnishing, equipping and various improvements to the real property located at Borrower’s campus, including, but not limited to, renovations to a theater and studios, environmental remediation and the construction of additional parking facilities, and the acquisition of equipment and furnishings (collectively, the “Facilities”), and (2) pay certain costs of issuance in connection with the issuance of the Bonds and other related costs (the “Project”).		
Project Site:	The Facilities that will be financed with the Bonds proceeds are located at 18600 and 18618 Oxnard Street, Tarzana, CA 91356, within the City of Los Angeles (Los Angeles County).		
Plan of Finance:	IBank will issue conduit, tax-exempt variable rate revenue bonds in the principal amount not to exceed \$2,135,000 to finance the Project.		
Type of Issue:	Publicly-offered		
Tax Status:	Tax-exempt		
Term:	Not to exceed 30 years.		
Credit Enhancement:	Irrevocable Direct-pay letter of credit from Rabobank, N.A.		
Credit Rating:	Expected rating is AA+ from Fitch Ratings based on the ratings of Rabobank, N.A.		
Fees:	Fee \$1,500; Issuance Fee \$5,338 (Including STO Fee of \$3,000); Annual Fee \$500		
Estimated Sources of Funds:		Estimated Uses of Funds:	
Tax-exempt Bonds-Par Amount	\$2,135,000	Capital Expenditure	\$2,035,000
Borrower Contribution	183,656	Capitalized Interest	100,000
		Costs of Issuance	183,656
TOTAL SOURCES	\$2,318,656	TOTAL USES	\$2,318,656
Financing Team:	Bond Counsel: Kutak Rock LLP Underwriter: BNY Mellon Capital Markets, LLC Financial Advisor: SJ Advisors, Inc. Trustee: The Bank of New York Mellon Trust Company, N.A.		
Public Benefits:	The Project will help resolve existing environmental concerns on the property adjacent to the campus and result in the expansion of parking spaces for students, staff and faculty, from 180 to 305 parking spaces, a 70% increase. The campus onsite parking helps reduce traffic congestion and street parking demand.		
Date of Board Meeting: 4/25/2017	Resolution Number: 17-09	Prepared by: John Belmont, 3/28/2017	

Staff Recommendation: Staff recommends approval of Resolution No. 17-09 authorizing the issuance of Conduit, Tax-exempt Variable Rate Revenue Bonds, in a par amount not to exceed \$2,135,000, for the benefit of Columbia College, Inc. D.B.A Columbia College Hollywood.

BACKGROUND AND HISTORY

Columbia College, Inc., D.B.A. Columbia College Hollywood (“Borrower”/“CCH”), a California non-profit public benefit corporation, is a post-secondary educational institution that educates students in the art and science of communications and the diverse media of the liberal arts. The College was founded in 1952 as a branch campus of the Columbia College in Chicago. The College was originally focused on the television and radio industry. In 1959 the CCH separated from Columbia College in Chicago to operate as an independent, private, nonprofit college. In 1997 the College established its current campus in the historic, former world headquarters of Panavision, a camera and lens manufacturer. The 85,000 square foot campus is located in the San Fernando Valley region of Los Angeles, California.

CCH is accredited by the Western Association of Schools and Colleges Senior College and University Commission and approved to operate by the California Bureau for Private Postsecondary Education.

CCH offers a 2-year Associate of Fine Arts in Cinema and Television and a 4-year Bachelor of Fine Arts degree in Cinema and in Cinema and Television. The curriculum offers hands-on learning experiences and project-based coursework with an industry-based faculty. CCH currently employs 95 faculty and has 360 students enrolled, with an expected increase in enrollment between 400 – 425 students in September 2017, then increasing to over 500 in 2018. The annual tuition for a full-time student is currently \$21,840. The College estimates that 80% of its students receive financial assistance.

The California Secretary of State reports active status for the Borrower. Current leadership is listed in Appendix A.

PROJECT DESCRIPTION

The Borrower is requesting the issuance of conduit tax-exempt variable rate revenue bonds in a par amount not to exceed \$2,135,000 to (1) finance, refinance or reimburse the Borrower for, the costs of construction, improvement, renovation, furnishing, equipping and various improvements to the real property located at Borrower’s campus, including, but not limited to, renovations to a theater and studios, environmental remediation and the construction of additional parking facilities, and the acquisition of equipment and furnishings (collectively, the “Facilities”), and (2) pay certain costs of issuance in connection with the issuance of the Bonds and other related costs.

The majority of the Bonds proceeds will be used for environmental remediation after demolition of the 18600 Oxnard Building, renovation of the main theater, surfacing and resurfacing parking lots, purchasing equipment for the New BFA Animation Program, rehabilitation of the television studio and the general facility, and upgrading motion picture equipment.

Previous IBank Financing:

Bond Issue	Par Amount	Current Outstanding as of 12/31/2016	Purpose
Series 2010	\$5,240,000	\$4,565,000	The bond proceeds, issued by IBank, were used to refinance a portion of existing debt used to finance the cost of acquiring, constructing, rehabilitating, improving, equipping and general development of the Borrower's facilities.

On October 14, 2010, IBank issued its Variable Rate Demand Revenue Bonds (Columbia College Hollywood Project), Series 2010 in an aggregate principal amount equal to \$5,240,000 (the “2010

Bonds”), pursuant to the Indenture of Trust, dated as of October 1, 2010, by and between IBank and The Bank of New York Mellon Trust Company, N. A., as trustee (the “2010 Indenture”). The proceeds of the 2010 Bonds were used to (i) refinance a portion of the cost of acquiring, constructing, rehabilitating, improving, equipping and general development of the Borrower's facilities located at 18600 and 18618 Oxnard Street, Tarzana, California 91356 and (ii) pay certain costs of issuance and credit enhancement costs in connection with the Series 2010 Bonds. The Series 2010 Bonds were secured by an irrevocable direct-pay letter of credit issued by Rabobank, N.A.

(See Appendix B--Project Photos).

**IBank Term Sheet
Columbia College
Date: April 25, 2017**

Par Amount:	Up to \$2,135,000; in one or more series.
Type of Offering:	Public Offering
Underwriter:	BNY Mellon Capital Markets, LLC
Credit Enhancement:	Irrevocable Direct Pay Letter of Credit from Rabobank, N.A.
Expected Credit Rating:	AA+ rating from Fitch
Interest *:	Variable interest rates subject to adjustment as set forth in the Indenture.
Maturity:	In no case greater than 30 years.
Expected Closing Date*:	May 8, 2017
Collateral:	As set forth in the Indenture.
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 and Closing Date are subject to change.

Financing Structure

IBank will issue conduit, tax-exempt variable rate revenue bonds in the principal amount not to exceed \$2,135,000 and sell the Bonds to the Bank of New York Mellon Capital Markets, LLC through public offering. The payment of principal of and interest on and purchase price of the Bonds will be supported with an irrevocable direct pay letter of credit ("Letter of Credit") from Rabobank, N.A. ("Bank"). The Bank is expected to have a Fitch credit rating of AA+.

The Bonds will be issued pursuant to a First Supplement to the 2010 Indenture, will be offered pursuant to an Official Statement, and sold pursuant to a Purchase Contract. The proceeds will be loaned to the Borrower pursuant to a First Amendment to Loan Agreement. The Bonds will be subject to a Remarketing Agreement.

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.

General Benefits

CCH prepares students for a career in the film and television industries (“Industry”) which significantly contributes to the economy of Los Angeles and California. For over half a century, CCH graduates have been able to join the Industry and build successful careers. Approximately 70% of the graduates find work in the Industry within 6 months of receiving a degree. The College achieved the highest accreditation in 2014 from WASC Senior College and University Commission. The College expects an increase in student enrollment from 360 current students to 400-425 students in September 2017.

CCH’s hands-on and practical method of instructions on various educational programs prepares its students to apply for and enjoy various internship opportunities such as film internships with the Academy of Motion Picture Arts and Sciences (“Academy”). The Academy grants funds to CCH to support paid film internships for six to eight students annually.

CCH also opens up the campus for community activities and events to organizations such as, Tarzana Neighborhood Council, Tarzana Planning Commission, Tarzana Improvement Association, and the City of Los Angeles. Students and staff do volunteer work at the San Fernando Valley Arts & Cultural Center and participate in other charitable activities.

Project Benefits

The Project will permanently resolve existing environmental concerns of elevated concentrations of volatile organic compounds (VOC’s) found in the soil, soil vapor and groundwater. The VOC contamination was a side effect of industrial manufacturing operations at the former Bodycote Thermal Processing Facility that used to be located at 18600 Oxnard Street. The 18600 Oxnard Building adjacent to the campus will be demolished and the land will undergo environmental remediation to eliminate potential environmental issues.

The addition of new on-site parking space and resurfacing of the existing parking space will help reduce traffic congestion and street parking demand. The Project will result in the expansion of parking spaces by an estimated 70% for students, staff and faculty, and will reduce CCH’s use of community resources.

The improvements to the facility will also enhance the CCH’s ability to attract donors, increase its national profile, and gain recognition as a leading liberal arts college in Los Angeles.

OTHER PROJECT DATA

PERMITS AND APPROVAL	
Required?	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, Describe: All approvals have been obtained.
TEFRA	
Date of TEFRA Publication:	April 5, 2017
Publications:	<i>The Daily Recorder</i> and Metropolitan News-Enterprise
Date of TEFRA Hearing:	April 19, 2017
Oral/Written Comments:	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES, Explain:
ELIGIBILITY REVIEW	
Applicant meets all of 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 refinancing 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. 17-09 authorizing the issuance of Conduit Tax-exempt Revenue Bonds in an aggregate amount not to exceed \$2,135,000 for the benefit of Columbia College, Inc. D.B.A. Columbia College Hollywood.

BOARD OF TRUSTEES

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William Smith	President and CEO
Richard Crowe	Chief Financial Officer
Patrick Olmstead	Vice President, Operations

COLUMBIA COLLEGE HOLLYWOOD MAIN CAMPUS
18618 OXNARD STREET

PHOTOGRAPHS OF THE SUBJECT



Front (north) elevation of subject, as seen looking south from Oxnard Street



Driveway entrance to subject site, as viewed from Oxnard Street

PHOTOGRAPHS OF THE SUBJECT



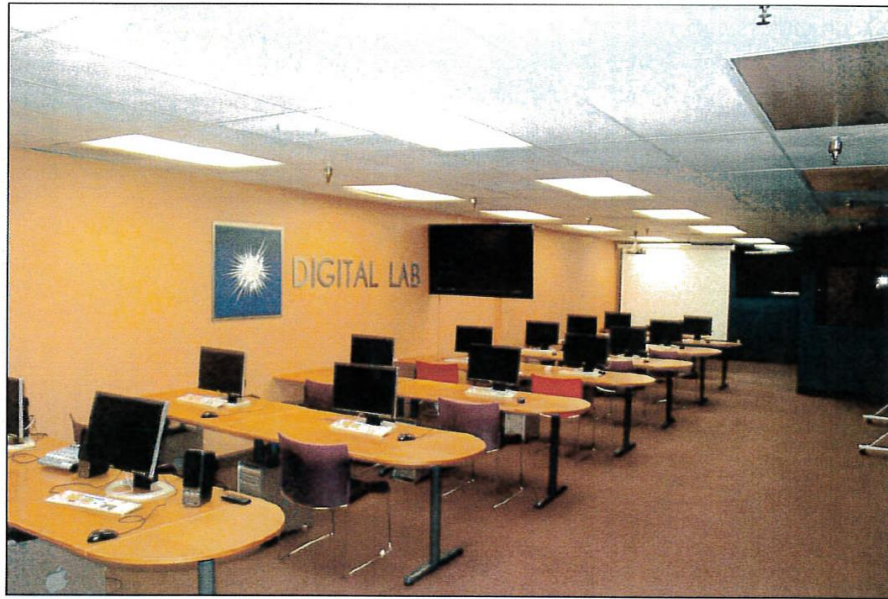
Subject's west elevation, as seen looking southeast from parking lot entrance



South elevation of subject, as viewed from parking lot

18618 OXNARD STREET

PHOTOGRAPHS OF THE SUBJECT



Digital lab on upper level



Student art room, which is located on upper level

