

**MISSION-WEST VALLEY LAND CORPORATION
BOARD OF DIRECTORS**

(It is noted that all members of the Board of Trustees of the West Valley-Mission Community College District are members of this Board and all or a majority of the Trustees may be in attendance at this meeting)

NOTICE OF REGULAR MEETING and AGENDA

September 18, 2012

5:00 p.m.

Campus Center Room 219

Mission College

Santa Clara, California

1. **Call to order/Roll Call**
2. **Approval of the order of the agenda**
3. **Oral communications from the public on items not listed elsewhere on the agenda**
4. **Approval of the minutes of the meeting of August 21, 2012**
5. **Executive Director's Report**

This item may include a report on matters not noticed elsewhere on the agenda. The report may include information regarding the status of the Land Corporation's ground tenants, burrowing owls, construction and/or the general business of the Land Corporation.

6. **Closed Session discussion and possible direction to negotiators**

Negotiations with Lakha Properties – Santa Clara, LLC, regarding issues associated with its ground lease and subtenant leases.

Property: 3101 Mission College Blvd.

Negotiators: Mark Perlberger and Alan Gennis

Negotiating Parties: Lakha Properties – Santa Clara, LLC, and the Land Corporation

Negotiations with QTS, LLC, regarding issues associated with its entitlement process involving the City of Santa Clara as well as issues concerning its Ground Lease

Property: 2805-2807 Mission College Blvd.

Negotiators: Mark Perlberger and Alan Gennis

Negotiating Parties: QTS and the Land Corporation

7. Report out of action taken in Closed Session

8. Review, consideration and possible action to accept the Statement of Revenues, Expenditures and Net Assets of the Land Corporation as of August 31, 2012

This item may include review, consideration and possible action to accept the Statement of Revenues, Expenditures and Net Assets of the Land Corporation as of August 31, 2012.

9. A discussion concerning the possible settlement of litigation over the 49er's stadium financing plan by and between the 49er's and Santa Clara County and its potential impact on the District's need for Land Corporation funding in the coming fiscal years

This item was placed on the agenda at the request of President Heimlich and may involve a discussion as described above.

10. Director's Reports

11. Adjournment

MISSION-WEST VALLEY LAND CORPORATION

Board of Directors
Regular Meeting
Minutes
August 21, 2012

A regular meeting of the Board of Directors of the Mission-West Valley Land Corporation was called to order by President Heimlich at 5:00 p.m. in the Board Room, West Valley College, Saratoga, California

Directors present: Owens, Polk, Heimlich, Grey (5:10 p.m.), Lucas, Stampolis (5:05 pm) and Walsh, Ex-Officio's Schmitt and Jones

Directors absent: Lucas

Others present: Perlberger, Maduli, Slavitt (via phone)

1. Call to order/Roll Call

2. Approval of the order of the agenda

There was a motion by Polk, seconded by Owens, to "approve the order of the agenda as presented." The motion carried unanimously (4-0, with Grey, Lucas and Stampolis absent and not voting).

3. Oral communications from the public on items not listed elsewhere on the agenda

None.

4. Approval of the minutes of the meeting of July 17, 2012

There was a motion by Polk, seconded by Walsh, to "approve the minutes as presented." The motion carried unanimously (4-0, with Grey, Lucas and Stampolis absent and not voting).

5. Executive Director's Report

The Executive Director reported briefly on coordination with tenant QTS on its zoning application to the City.

Adjourned into Closed Session at 5:03 p.m.

6. Closed Session discussion and possible direction to negotiators

Negotiations with Lakha Properties – Santa Clara, LLC, regarding issues associated with its ground lease and subtenant leases.

Property: 3101 Mission College Blvd.

Negotiators: Mark Perlberger and Howard Slavitt

Negotiating Parties: Lakha Properties – Santa Clara, LLC, and the Land Corporation

Reconvened into Open Session at 5:08 p.m.

7. Report out of action taken in Closed Session

Direction given to negotiators, no action taken.

8. Review, consideration and possible action to accept the revised, year-end Statement of Revenues, Expenditures and Net Assets of the Land Corporation as of June 30, 2012

There was a motion by Owens, seconded by Stampolis, to “accept the Statement of Revenues, Expenditures and Net Assets of the Land Corporation as of June 30, 2012.” The motion carried unanimously (5-0, with Grey and Lucas absent and not voting).

9. Review, consideration and possible action to accept the Statement of Revenues, Expenditures and Net Assets of the Land Corporation as of July 31, 2012

There was a motion by Polk, seconded by Owens, to “accept the Statement of Revenues, Expenditures and Net Assets of the Land Corporation as of July 31, 2012.” The motion carried unanimously (5-0, with Grey and Lucas absent and not voting).

10. Review, consideration and possible action to amend the current fiscal year budget to eliminate or confirm the annual contribution to the Endowment Fund/Advancement Foundation as shown

The Executive Director described to the Board its policy to accrue 10% of its income for potential contribution to the Educational Foundation per the

allocation of funds policy. It takes specific action of the Board to contribute and send the money to the Foundation.

President Heimlich welcomed Rob Fernandez, President of the Foundation. Mr. Fernandez discussed the Foundation's investments, policy and performance, and thanked the Land Corporation for its generous support, which has provided for many scholarships.

Chancellor Schmitt spoke to the funding question as well as the future direction of the Foundation and its need for resources to continue growing and producing more support for the District as a whole. He recommended consideration of additional staffing dedicated to the Foundation. That staff may or may not be employed directly by the Foundation or the District. The Land Corporation might be asked to fund such staff. It was agreed that this preliminary concept deserved a more thorough presentation and consideration by the Board at a future meeting.

There was discussion about the concept of growing the "endowment" base of the Foundation and how best to serve and help students given the increasing impacts of the State's anticipated funding cuts. It was noted that contributions to the Foundation would not result in more scholarships being offered immediately. A discussion ensued.

There was a motion by Stampolis, seconded by Heimlich, to "instruct the Executive Director to transfer the 2010-11 fiscal year amount of \$424,321 to the Foundation." Motion passed 4-2, with Owens and Polk voting no, and Lucas absent and not voting)

11. **A discussion concerning the possible settlement of litigation over the 49er's stadium financing plan by and between the 49er's and Santa Clara County and its potential impact on the District's need for Land Corporation funding in the coming fiscal years**

President Heimlich introduced this item. It was noted there is a pending settlement – but that it is not final yet. There was a motion by Heimlich, seconded by Polk, to "continue the item to next month." Motion passed 5-0, with Stampolis and Lucas absent and not voting.

12. **Adjournment by President Heimlich at 5:51 p.m.**

ITEM 8

September 18, 2012

To: Board of Directors
Mission-West Valley Land Corporation

From: Jerry Donnard
Bookkeeper

Subject: Financial Statements

Attached is the financial statement for August 31, 2012.

Please refer to the footnotes for any unusual or unexpected fluctuations in the Monthly or Year-to-Date expenses.

Please contact Mark or me if there are any questions regarding the statement.

Mission West Valley Land Corporation
Statement of Revenues, Expenses and Changes in Fund Balance
Budget vs Actual

As of August 31, 2012

	Budget (Col A)	Current Month (Col B)	Year to date Actual (Col C)
Revenues			
Ground Lease Revenues			
<i>LAKHA Properties</i>	\$ 950,000	\$ 79,167	\$ 158,333
<i>Sobrato/S-3: Phase I</i>	1,034,451	85,722	171,443
<i>Sobrato/S3: Phase II</i>	701,806	58,484	116,968
<i>Quality Technology</i>	1,117,583	93,132	186,264
<i>General Interest Revenue</i>	36,000		
Gross Revenue	\$ 3,839,840	\$ 316,504	\$ 633,008
Expenses:			
Administrative and Operating Expenses			
<i>Audit & Tax Preparation Services</i>	\$ 12,100		
<i>Office Supplies</i>	500		
<i>Property Taxes</i>	450		
<i>Legal Fees</i>	60,000	4,681	5,483
<i>Financial Services</i>	7,000	608	1,215
<i>Executive Director/Project Manager</i>	84,000	7,000	14,000
<i>WVMCCD Rent Fees (25% of Revenues)</i>	950,960		
Total Administrative and Operating Expenses	\$ 1,115,010	\$ 12,288	\$ 20,698
Scheduled Maintenance			
<i>08/09 Scheduled Maintenance</i>	\$ 8,277	\$ -	\$ 660
<i>09/10 & 10/11 Scheduled Maintenance</i>	220,689	\$ -	\$ 134,938
Total Scheduled Maintenance Expenses	\$ 228,966	\$ -	\$ 135,598
Other Expenses			
<i>District 2012-2013 Budget Support</i>	1,500,000		
Total Other Expenses	\$ 1,500,000	\$ -	\$ -
Excess of Revenues Over Expenses Before Special Project Expenses			
	\$ 995,864	\$ 304,216	\$ 476,711
Special Projects Ongoing			
<i>Marketing</i>	\$ 82,301	\$ -	\$ 23,133
<i>Employee Assistance & Transition Programs</i>	36,249	-	125
<i>Payroll Document Mgmt System</i>	38,220		
Total Special Projects Expenses	\$ 156,770	\$ -	\$ 23,258
Excess of Revenues Over Expenses			
	\$ 839,094	\$ 304,216	\$ 453,453
<i>Current Year Contributions to Endowment Fund</i>			
<i>Assignment of Interest to Endowment</i>	\$ 380,384		
	771		
Total 12-13 Endowment Contribution	\$ 381,155	\$ -	\$ -
Excess of Revenues Over Expenses and Endowment			
	\$ 457,939	\$ 304,216	\$ 453,453

Statement of Changes in Fund Balance

Projected Statement of
Revenues and Expenses
From June 30, 2012

Net Assets June 30, 2012	\$ 8,212,498
less Amortization of Prepaid Expenses	\$ 14,977
	\$ 8,197,521

Restrictions and Designations of Net Assets	
Endowment Fund	\$ 809,461
Land	\$ 16,702
Reserve for Prepaid Commission	\$ 622,733
Contingency Reserve	\$ 1,500,000
Undesignated Fund Balance	\$ 5,248,625

Excess of Revenues over Expenses in 12-13	\$ 839,094
less Amortization of Prepaid Expenses	\$ 14,977
Projected net increase in fund balance	\$ 824,117

Transfer of Endowment to Adv. Foundation

Projected Net Assets June 30, 2013	\$ 9,021,638
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Restrictions and Designations of Net Assets	
Endowment Fund	\$ 1,192,926
Land	\$ 16,702
Reserve for Prepaid Commission	\$ 607,756
Contingency Reserve	\$ 1,500,000
Undesignated Fund Balance	\$ 5,704,255

Current Month Cash Balance:

Month End Checking Acct Balance	\$ 153,324
Month End LAIF Acct Balance	\$ 8,501,953

Previous Month Cash Balance:

Month End Checking Acct Balance	\$ 248,259
Month End LAIF Acct Balance	\$ 8,501,953

**Schedule for
Restriction on reserves for endowment
effective 6/30/00**

	Contributions	Additions/ Interest	Cumulative Balance	LAIF interest rate	Endowment Transfers
Jun 2000					
Beginning Balance	\$325,450				
Sep 2000		\$5,264	\$330,714	6.47% Actual	
Dec 2000		\$5,391	\$336,105	6.52% Actual	
Mar 2001		\$5,176	\$341,281	6.16% Actual	
Jun 2001		\$4,539	\$345,820	5.32% Actual	
Sep 2001		\$3,865	\$349,684	4.47% Actual	
Dec 2001		\$3,077	\$352,762	3.52% Actual	
Mar 2002		\$2,610	\$355,372	2.96% Actual	
Jun 2002	\$372,772	\$2,443	\$730,587	2.75% Actual	\$11,995
Sep 2002		\$4,804	\$735,391	2.63% Actual	
Dec 2002		\$4,247	\$739,638	2.31% Actual	
Mar 2003		\$3,661	\$743,299	1.98% Actual	
Jun 2003	\$402,746	\$3,289	\$1,149,334	1.77% Actual	\$16,001
Sep 2003		\$4,684	\$1,154,018	1.63% Actual	
Dec 2003		\$4,501	\$1,158,518	1.56% Actual	
Mar 2004	\$332,912	\$4,258	\$1,495,688	1.47% Actual	
Jun 2004	\$357,445	\$5,384	\$1,858,517	1.44% Actual	\$18,826
Sep 2004		\$7,759	\$1,866,277	1.67% Actual	
Dec 2004		\$9,331	\$1,875,608	2.00% Actual	
Mar 2005		\$11,160	\$1,886,768	2.38% Actual	
Jun 2005	\$358,231	\$13,443	\$2,258,442	2.85% Actual	\$41,694
Sep 2005		\$17,955	\$2,276,397	3.18% Actual	
Dec 2005		\$20,658	\$2,297,055	3.63% Actual	
Mar 2006		\$23,143	\$2,320,198	4.03% Actual	
Jun 2006	\$381,977	\$26,276	\$2,728,451	4.53% Actual	\$88,032
Sep 2006		\$33,628	\$2,762,079	4.93% Actual	
Dec 2006		\$35,286	\$2,797,365	5.11% Actual	
Mar 2007		\$36,156	\$2,833,521	5.17% Actual	
Jun 2007	\$426,809	\$37,048	\$3,297,378	5.23% Actual	\$142,118
Sep 2007		\$43,196	\$3,340,574	5.24% Actual	
Dec 2007		\$41,423	\$3,381,997	4.96% Actual	
Mar 2008		\$35,342	\$3,417,339	4.18% Actual	
Jun 2008	\$440,632	\$26,570	\$3,884,540	3.11% Actual	\$146,530
Sep 2008		\$26,900	\$3,911,441	2.77% Actual	
Dec 2008		\$24,838	\$3,936,278	2.54% Actual	
Mar 2009		\$18,796	\$3,955,074	1.91% Actual	6/18/2009
Jun 2009	\$450,341	\$14,930	\$535,806	1.51% Actual	\$85,464 \$3,884,540
Sep 2009		\$1,206	\$537,011	0.90% Actual	
Dec 2009		\$806	\$537,817	0.60% Actual	2/1/2010
Mar 2010		\$753	\$2,764	0.56% Actual	\$535,806
Jun 2010	\$458,214	\$4	\$460,982	0.56% Actual	\$2,768
Sep 2010		\$588	\$461,569	0.51% Actual	10/15/2010
Dec 2010		\$531	\$1,118	0.46% Actual	\$460,982
Mar 2011		\$1	\$1,119	0.51% Actual	
Jun 2011	\$423,201	\$1	\$424,321	0.48% Actual	\$1,121
Sep 2011		\$403	\$424,724	0.38% Actual	\$4,881,328
Dec 2011		\$403	\$425,127	0.38% Actual	
Mar 2012		\$404	\$425,531	0.38% Actual	
Jun 2012	\$383,546	\$383	\$809,461	0.36% Actual	\$1,593
Sep 2012		\$769	\$810,230	0.38% Estimate	
Dec 2012		\$770	\$811,000	0.38% Estimate	
Mar 2013		\$770	\$811,770	0.38% Estimate	
Jun 2013	\$380,384	\$771	\$1,192,926	0.38% Estimate	\$3,080