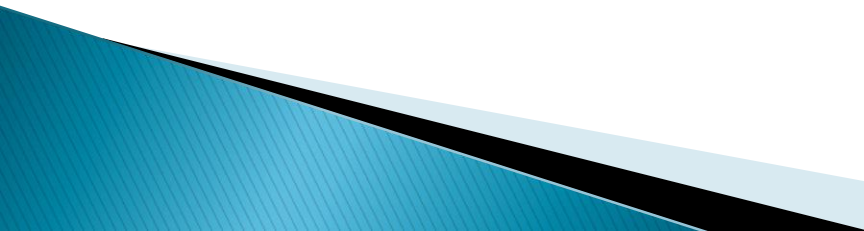


Newbury Park Project

2014 Year-end Report
Conference Executive Committee

Brief History

- ▶ June 8, 1982 – Executive committee voted to conduct a feasibility study to determine best use of NPAA land resources.
 - ▶ Nov. 16, 1982 – Voted to provide academy facilities and an attached elementary school for the Adventist youth of Ventura County. Financial assistance coming from the VOP building investment.
 - ▶ Nov. 1, 1983 – Voted the new school facility be a K–12 school built on “flat pieces of property”.
- 

Brief History – cont.

- ▶ Jan. 10, 1984 – “Voted that the NPAA, Linda Vista Jr. Academy, and the Conejo Valley Elementary School be merged into one K–12 school on a site mutually agreed upon by the constituencies”.
- ▶ Feb. 25–26, 1984 – 55th Constituency Session voted:
 - 1) Executive committee be authorized to develop and implement plans for the best use of NPAA land.
 - 2) Executive committee be authorized to hire consultants and experts to help develop and sell the NPAA land.
 - 3) **85%** of the funds generated from the land to be used for an educational endowment for membership of SCC.

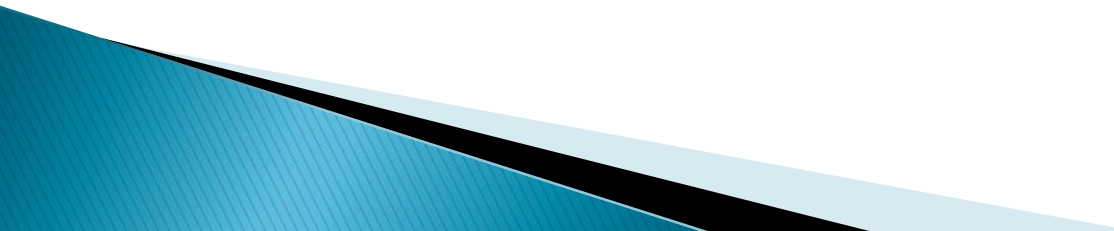
Brief History – cont.

- ▶ 55th Constituency delegates also voted – “the Conference committee be authorized to purchase a mutually-agreed-upon site and build a modest, energy-efficient, K-12 facility that will be owned by the SCC and leased to the Ventura Constituency.”
- ▶ Aug 4, 1984 to June 20, 1989 the Conference bought and sold three different parcels for the new school location. Constituents couldn't agree on the “Beardsley” site location.

Brief History – cont.

- ▶ June 20, 1989 – Executive Committee voted:
 - Locate the 9–12 NPAA on the back 349 acres of the NP land.
 - Conejo Elementary school to also be located on the back 349 acres.
 - Matching funds to Linda Vista school – the same amount as to Conejo Elementary.
 - Ventura Estates to relocate on the back 349 acres.
 - July 2, 1991 – plan presented to include 80 residential units to be added to the development.

Brief History – cont.

- ▶ June 2 1992 – Replacement costs for the schools – \$30M and land sale proceeds – \$40M
 - ▶ May 11, 1993 – Executive committee authorized administration to proceed with the development and sale of the NP land.
 - ▶ Next 4 years spent obtaining entitlements and permits – \$5.5M
 - ▶ April 1, 1997 – Executive committee voted to obtain a \$10M loan from the General Conference for development costs.
- 

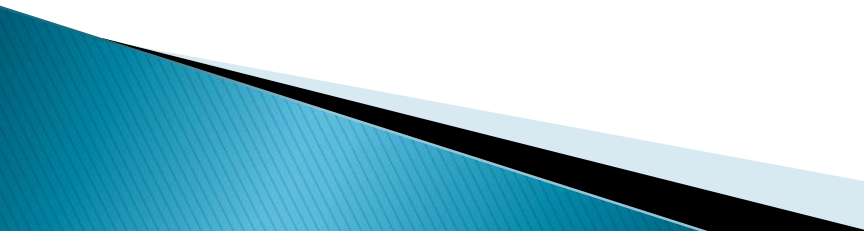
Brief History – cont.

- ▶ May 12, 1998 – Voted to develop a plan that will insure NPAA up to \$485,000/year as the current school-generated income is lost due to the property divestment. – Voted to approve the plan as presented to Executive Committee.
- ▶ The NP Project was begun under the Ventura County regulations.
- ▶ Later Newbury Park was annexed into the City of Thousand Oaks and was under the City's regulations which were more restrictive.
- ▶ It has been a very difficult process in working with the City of Thousand Oaks due to internal city politics regarding a strong “no growth” attitude among a majority of City Council members.

Brief History – cont.

- ▶ July 31, 2002 – Voted to hire Ridgewood Associates as Developer of the NP Project.
- ▶ 2002–2008 – Ridgewood worked with City of Thousand Oaks to:
 - Eliminate 101 freeway improvements (\$15 M savings),
 - Revise SP 13 roadway improvements (\$4 M savings);
 - Relocate fire station site (\$2 M savings);
 - Wendy overpass – expenses to buyers (\$2.3 M savings)
 - Conejo Adventist Elementary new construction;
 - Costco processing and approvals
 - North Campus proposals from Shapell, New Urban West, Generations;

Brief History – cont

- ▶ **2006–2011** – collapse of the residential and commercial real estate markets. Very few reasonable commercial real estate buyers available.
 - ▶ **2009** – Costco withdrew after City approvals due to costs and market factors.
 - ▶ **2010–2011** – processed Lowe’s application. Lowe’s withdrew after City approvals due to internal financial issues relating to market factors.
 - ▶ **2012–2013** – commercial real estate market beginning to recover and qualified buyers are interested in the property.
 - ▶ **2014** – negotiations ongoing with Lowe’s; Sam’s Club, Costco and City Ventures.
 - ▶ **2015** – Lowe’s moving forward; Sam’s, Costco and City Ventures have fallen out. Looking at alternative uses for the North Campus.
- 

NP Project Financial Report

▶ As of December 31, 2014	
◦ Income – Net Land sales	\$42,297,233
– Expenses – Development	<u>(\$39,128,876)</u>
Net Gain from Dev	\$3,168,357
– Interest expense	(\$16,844,455)
– Other expenses non-dev.	
– Properties bought & sold	(\$518,039)
– NP Academy	(\$8,657,886)
– Conejo Elementary	<u>(\$1,429,078)</u>
	<u>(\$10,605,003)</u>
– Net loss 12-31-2014	(\$24,281,101)

NP Project Financial Report – cont.

▶ Income/Costs to Complete Project:	
◦ Net Income – land sales	\$37,872,000
◦ Expenses –	<u>(\$7,892,335)</u>
◦ Gain on Completion	\$29,979,665
◦ Project balance 12-31-2014	<u>(\$24,281,101)</u>
◦ Gain on Completion	<u>\$29,979,665</u>
◦ Projected Net Gain	\$5,698,564

NP Project Financial Report – cont.

CASH FLOW

◦ Net Income – land sales		\$37,872,000
◦ Expenses –		<u>(\$7,892,335)</u>
◦ Projected Remaining Cash Flow		\$29,979,665
◦ Conference Debt		
• Union	(\$9, 687,261)	
• GC	(\$8,670,000)	
• Conf Adv	<u>(\$12,792,898)</u>	
• Total Conf Debt		<u>(\$31,150,159)</u>

Cash Deficit (\$1,170,494)

BUT LOOK . . .

Remaining Assets and benefits:

Conejo Elementary (pd)	\$7,175,516
NP Academy	<u>\$6,042,776</u>
TOTAL	\$13,218,272

NP Project Financial Report– cont.

- ▶ Internal advances will not be paid in full.
- ▶ No Educational Endowment, but
- ▶ All external loans and expenses will be paid.
- ▶ As of today:
 - Lowe's has signed an agreement on the VE Site. Escrow is scheduled to close later this year.
 - Looking at several new options for North Campus.
 - Project Report presented at each Executive Committee and each Asset Management Committee.

NP Project Report

- ▶ We are almost done with the Ventura Estates site and continue working on the North Campus sale and development.
 - ▶ Please pray for God to impress the buyers.
 - ▶ We will rejoice when this project is completed!
 - ▶ Questions?
- 