

# TIDEWATER COMMUNITY COLLEGE BOARD

AUGUST 20, 2019  
4:00 P.M.  
STUDENT CENTER  
PORTSMOUTH CAMPUS

TERRI N. THOMPSON, CHAIR  
PRESIDING

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## WORK SESSION

### AGENDA

1. Welcome and Call Meeting to Order
2. Discuss Purpose of Work Session
3. Approval of Action Item on Consent Agenda (All item(s) under the Consent Agenda are enacted by one motion). (Attachment(s))
  - a. Farm Fresh Space Acquisition (**Attached, for action**)
4. Performance-Based Funding – Mr. Curt Aasen
5. Update on Summer Enrollment – Mr. Curt Aasen
6. Financials – Ms. Phyllis Milloy
  - a. Auxiliary Services Update
  - b. Overview of latest Audited Financial Statements
7. Update on Major Gifts Campaign – Mr. Steve Jones
8. Update on Guided Pathways – Dr. Corey McCray
9. Discuss & Adopt Proposed 2019-20 College Board Working Priorities
10. President's Report
  - a. Update on Staff Changes/Interim Appointments
  - b. College Convocation
11. Faculty Senate Motion Update

12. Chair's Report & Announcements

- a. Board Leadership Changes
- b. Board Member Updates
- c. Update on Presidential Search
- d. Information Packet
  - 2019-20 Standing Committees
  - 2019-20 Upcoming Events/Meeting Schedule
  - Updated 2019-20 Board Membership Roster

13. **Adjournment & Dinner**

**TIDEWATER COMMUNITY COLLEGE BOARD**  
**AGENDA ITEM**

MEETING: August 20, 2019  
COMMITTEE: Finance & Facilities Committee  
AGENDA ITEM: Harbor Heights Retail Condo Purchase

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**BACKGROUND:**

Harbor Heights is a sixteen story mixed-use condominium building located in downtown Norfolk. The building is comprised of a three-part Master Condo Association; Retail, Office, and Residential.

The TCC Green District Administration Office occupies the Office Condo space; the VCCS purchased floors 1, 5, and 6 while the TCC Real Estate Foundation purchased floors 2, 3, and 4 and leases them to the college. All combined, TCC uses approximately 80,000 SF of office space in this building. Floors 7 through 16 comprise the Residential Condo space.

The ground floor of the building was the location of an urban grocery store, Farm Fresh. Farm Fresh closed this location in 2010; the space has been empty since this closure. This retail space, along with the 2nd level of the parking deck comprise the Retail Condo.

In March 2018, Chris Sanders from Robinson Development and Teresa Peters with Stanton Partners approached the TCC Real Estate Foundation about the possibility of the REF purchasing the Retail Condo property; see the attached proposal letter. The REF Board voted against pursuing this opportunity.

Recently, the loan on the property came due and the lender (Wells Fargo Bank, NA, as Trustee for Bank of America Commercial Mortgage, Inc.) decided not to extend the owner any refinancing opportunity and has foreclosed on it. The property was auctioned on Monday March 18<sup>th</sup> and the lender, Bank of America, was the winning bidder at \$2.5M. Cushman-Wakefield/Thalhimer is the listing agent.

## DISCUSSION:

This unique one-time opportunity presents many positive points for VCCS/TCC.

1. The ground floor consists of 37,000 SF of space from a former grocery store. All of the fixtures and equipment have been removed.
2. The second level contains 99 parking spaces; TCC currently leases 80 of them at \$50 per space per month. A new owner would likely terminate this lease agreement, forcing the college to lease more spaces from the City of Norfolk at a rate of \$53.75 per space per month. Owning the space would result in a \$63,855 savings to TCC per year.
3. This space will give us road frontage on Busch, Granby, and Monticello and provide a greater presence in downtown Norfolk.
4. The Retail Condo is 1 out of 3 voting entities in the Harbor Heights Master Condo Association. VCCS/TCC would control 2/3 of the votes on the Master Condo board.
5. This added campus space would satisfy our long-term growth need and eliminate the need to construct an addition to the Andrews Building. This will save approximately \$8M-\$10M in State Capital funds, as well as the added benefit of not encroaching on the TCC plaza.

There is a defined process that the College must follow to actually close on the property.

1. The TCC College Board recommends State Board approval to negotiate and enter into a formal purchase agreement with the property owner.
2. The State Board grants permission to the president to enter into a formal purchase agreement with the property owner.
3. A Due Diligence process takes place; each step must be done through the state procurement process. See attached "Approximate Acquisition Time Line."

## STAFF RECOMMENDATION:

That the College Board approve the expenditure of up to \$2.5M from the Auxiliary Services Fund Balance to acquire the first floor and second floor parking spaces of the Harbor Heights property.

## STAFF RESOURCE:

Matthew J. Baumgarten  
Chief Operating Officer, Facilities and Public Safety  
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Phyllis F. Milloy  
Vice President for Finance  
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# STANTON

February 1, 2018

Via email: mbaumgarten@tcc.edu

Matthew J. Baumgarten  
Executive Director of Real Estate Development  
Tidewater Community College  
121 College Place, Suite 624  
Norfolk, VA 23510

RE: Harbor Heights  
Retail Unit

Dear Matt:

Following up on our conversation, I have spoken with the partners of HH Retail LC and they would be willing to sell their property for \$6.5 million. This would include the first level comprised of approximately 37,085 square feet and the second level comprised of 99 parking spaces.

If you would like to pursue a formal contract, please me know and I will have our attorney prepare the documentation.

Sincerely,

HH Retail LC  
By: Stanton Partners, Inc., Manager

*Teresa C. Peters*

Teresa C. Peters  
President