

AGENDA NOTE – HRPDC EXECUTIVE COMMITTEE MEETING

ITEM #5: POTENTIAL OFFICE RELOCATION

SUBJECT:

Office Space needs for the HRPDC and HRTPO.

BACKGROUND:

In a letter dated January 9, 2015, the HL Development Group submitted an unsolicited proposal to the Joint Hampton Roads Planning District Commission (HRPDC)/Hampton Roads Transportation Planning Organization (HRTPO) Personnel and Budget Committee regarding the relocation of the offices “of the HRPDC and its allied agencies”.

The HRTPO Board discussed this item at the TPO Retreat on May 21, 2015 and recommended the issue be referred back to the Joint Personnel & Budget Committee. For purposes of comparison with the proposal, a fact sheet on The Regional Building is also attached.

Mr. Randy Keaton, HRPDC Interim Executive Director will facilitate a discussion with the Commission.

Attachment 5-A

Attachment 5-B

Note: This item is for informational purposes only.



*Kenneth I. Wright, Chairman
Clyde A. Haulman, Vice-Chair*



*McKinley L. Price, Chairman
Linda T. Johnson, Vice-Chair*

January 21, 2015

Mr. William A. Hudgins
HL Development Service Group
999 Waterside Drive, Suite 1400
Norfolk, Virginia 23510

RE: Relocation of Hampton Roads Planning District Commission/Hampton Roads Transportation Planning Organization

Dear Mr. Hudgins:

We are in receipt of your letter dated January 9, 2015, to Mr. Jack Tuttle concerning the relocation of the Hampton Roads Planning District Commission/Hampton Roads Transportation Planning Organization (HRPDC/HRTPO). Mr. Tuttle provided copies of your letter to the members of the Personnel and Budget Committee at their meeting on January 15, 2015. The Co-Chairs of the Committee, Mayor McKinley Price and Mayor Kenneth Wright, referred the matter to us for review and advice.

We appreciate your interest in the HRPDC/HRTPO. We are in the process of selecting a new Executive Director for the two organizations and will address your proposal once he/she is brought on board.

Sincerely,

Handwritten signature of Randy R. Keaton in black ink.

Randy R. Keaton
Interim Executive Director, HRPDC

Handwritten signature of Camelia Ravanbakht in black ink.

Camelia Ravanbakht, PhD
Interim Executive Director, HRTPO

copy: Mr. Jack Tuttle

MAILED

JAN 21 2015

HRPDC



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January 9, 2015

Mr. Jack Tuttle, Personnel and Budget Committee Representative
Hampton Roads Planning District Commission (HRPDC)
City of Williamsburg, Municipal Building
401 Lafayette Street
Williamsburg, VA 23185-3617

Dear Mr. Tuttle:

I would like to provide you and the Budget Committee an unsolicited proposal for the relocation of the Hampton Roads Planning District Commission and its allied agencies.

Here's why:

Central Location

The current location was central in 1987 when the agency was known as the Southeastern Virginia Planning District Commission serving the Southside. With the expansion of the service district to include the Peninsula Planning District Commission in 1990, the Greenbrier location became no longer central and has been quite a burden for those traveling from the northern part of the region over the last 25 years.

Space Needs

The Regional Building has been modified and expanded on several occasions to meet the growing needs of the Commission. With the addition of the HRTAC responsibilities and staffing, it is clear that the current facility, its meeting facility especially and its limited parking field provide insufficient space for current and future operations.

Collaboration

The Commission could have the ability to co-locate with higher education partners, research partners, modeling and simulation partners, and other transportation agencies thereby creating a synergistic environment that promotes a progressive agenda for the region to consider and advance the critical planning and implementation of eastern Virginia's infrastructure needs.

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HRPDC

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Here's the recommendation:

Central Location	Northern Suffolk / Western Portsmouth Intersection of Western Freeway / Interstate 664
Space	Office Space- 15,000 to 20,000 sf day one, with 40,000 sf of growth over time In Place Meeting Space(s) – Abundant pre-function and meeting space is available for most any size large meeting in the adjacent VMASC Center. In addition, the building can be expanded to accommodate a future regional asset, a state of the art, iconic “United Hampton Roads” meeting room. (See attached.) Parking – abundant parking available on site
Collaboration	Virginia Modeling Analysis & Simulation Center and Old Dominion University Likely Centralized location (Greater Harbor View area) for VDOT Regional Offices in the future

Here's the proposal:

	A “United Hampton Roads” statement / solution.
Central Location	VMASC / ODU Campus located where three cities come together Portsmouth, Chesapeake and Suffolk. Equally accessible to Southside & Peninsula Municipalities Equal Regional Public Access to All Citizens Provided
Space	Office Space - MAST One, Class A, 3 story office building. Exposure – Building Signage on Western Freeway Turnkey build-out based on mutually agreed floor plan Year # 1 rent concession to facilitate transition Long Term Lease with Option to Purchase the Building Purchase upon sale of Regional Building Possible

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Collaboration Old Dominion University has indicated a willingness to explore this idea and will be asked to collaborate with us in our ultimate proposal so that we can provide a comprehensive and long-term solution for HRPDC and HRTAC to consider.

A truly unique opportunity is available here, made possible by a variety of circumstances. The Commission has the opportunity to re-position in an orderly, phased fashion— putting in place a highly efficient work space that can accommodate future growth, centrally located within its service district, at economics far below the cost to construct new office and meeting space improvements of this kind.

It is rare to be able to offer 20,000 sf of contiguous office space, some of which is in move-in condition today that could accommodate HRTPO, HRTAC or SPSA immediately. It is equally rare to have an institutional, higher education partner willing to collaborate and support the management of an iconic, state of the art “United Hampton Roads” meeting center.

I should also note the Commission’s extraordinary stewardship of its current location. My understanding is that the Commission owns the building. The opportunity exists to make the move based on a lease, but allow for the sale of the new building to the Commission upon the sale of the Regional Building. Some element of debt would likely need to be put on the new building, but the current credit tenants in the building are paying rent that could be applied to this debt service over time and the Commission could gain again the benefit of ownership and have control over adjacent space as leases roll for future growth and/or occupancy by allied and/or collaborative agencies that can advance a regional agenda.

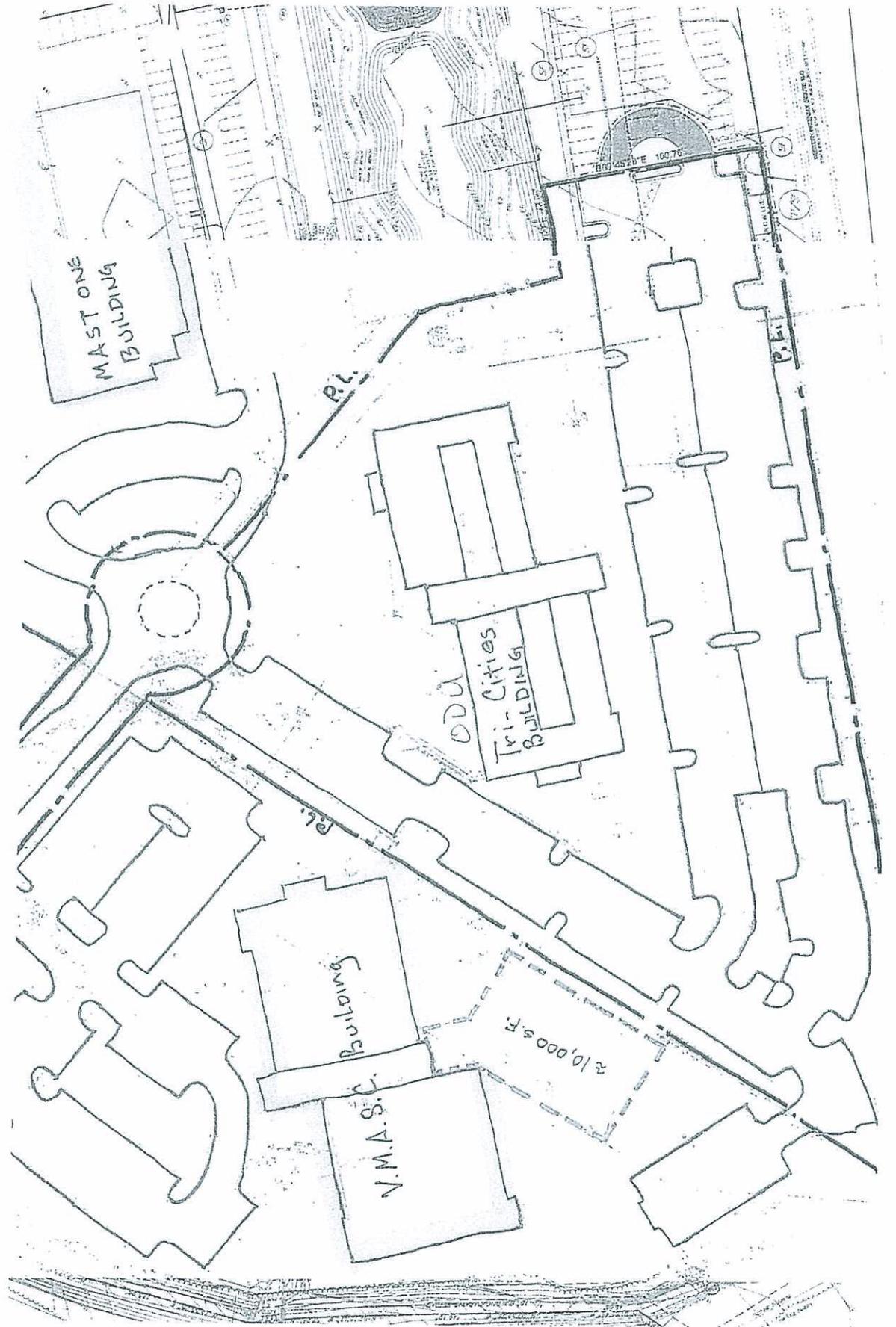
Thank you for allowing me to submit this proposal. I appreciate your consideration.

Sincerely,



William A. Hudgins, President
HL Development Service Group

cc: Camelia Ravanbakht, PhD
Randy Keaton



The Regional Building Fact Sheet

- Current square footage (approximate):
 - HRPDC: 14,200 sq. ft.
 - SPSA: 14,520 sq. ft.
 - Shared Areas: 5,697 sq. ft. (Board Room & break room)
 - Total: 34,417 sq. ft.

- Current tenants:
 - HRPDC/HRTPO (45-49 employees)
 - SPSA (10-15 employees)
 - HRMFFA (1 employee – with administrative support provided by HRPDC)

- Deed for property conveyed to SPSA & SVPDC November 12, 1985.
 - SPSA owned 45% interest in property
 - SVPDC (HRPDC) owned 55% interest in property
 - Occupied building in May 1987

- August 29, 1995 Agreement conveyed SPSA 55% interest in the property & HRPDC 45% interest in property.

- Regional Board Room construction began January 2000; completed September 2000. HRPDC owns 2/3; SPSA 1/3.

- HRPDC portion of Regional Building & Regional Board Room paid off November 15, 2006 (SPSA has also paid off its portion).

- January 19, 2007, HRPDC & SPSA enter into tenants-in-common agreement which outlined:
 - Exclusive and shared areas of property
 - First right of opportunity by SPSA & HRPDC to lease or purchase the other's exclusive areas.

- Late 2010/early 2011 discussions between HRPDC & SPSA Boards and Executive Directors regarding possible sale of SPSA portion to HRPDC with lease back option. Discussions never gained any traction.

- HRPDC office space fully occupied. Unoccupied offices within SPSA space (first floor).