

# VIRGINIA TECH PANEL



**BOB BROYDEN**  
ASSOCIATE VP FOR  
CAPITAL ASSETS AND  
FINANCIAL  
MANAGEMENT



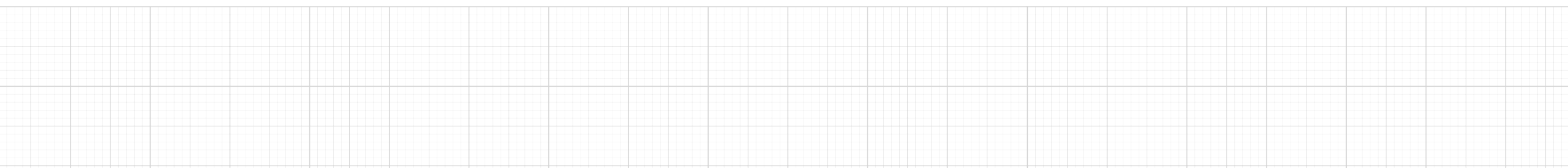
**MICHAEL WALSH**  
INVESTMENT AND DEBT  
MANAGEMENT - VT  
FOUNDATION



**CARRIE WOODRING**  
DIRECTOR OF REAL ESTATE -  
VT FOUNDATION

# Capital Assets and Financial Management

APRIL 15, 2019





# Bob Broyden

- “Double Hokie”, 1987 & 1989
- Been with VT in various finance rolls since 1993
- Serve as Associate Vice President for Capital Assets and Financial Management
- Responsible for capital budgeting, business practices, business planning for new initiatives and commercial-like activities, and data analytics
- Adjunct faculty for Urban Affairs & Planning



# Roles Specific to Real Estate

- Six-Year Capital Outlay Plan
- Funding and acquisition strategy for each new construction, renovations, purchases, and capital leases
- Debt capacity and allocation strategy
- Obtaining state support for projects
- Coordinating the University and Foundation for joint projects



# Facility Assets Snapshot

**Total Gross Square Feet: 11,800,000**

**Buildings Owned: 684**

- Average Age – 43
- Number in Montgomery County – 362
- Number in other places in VA – 322
- Number outside of VA - none

**Buildings Leased: 210**

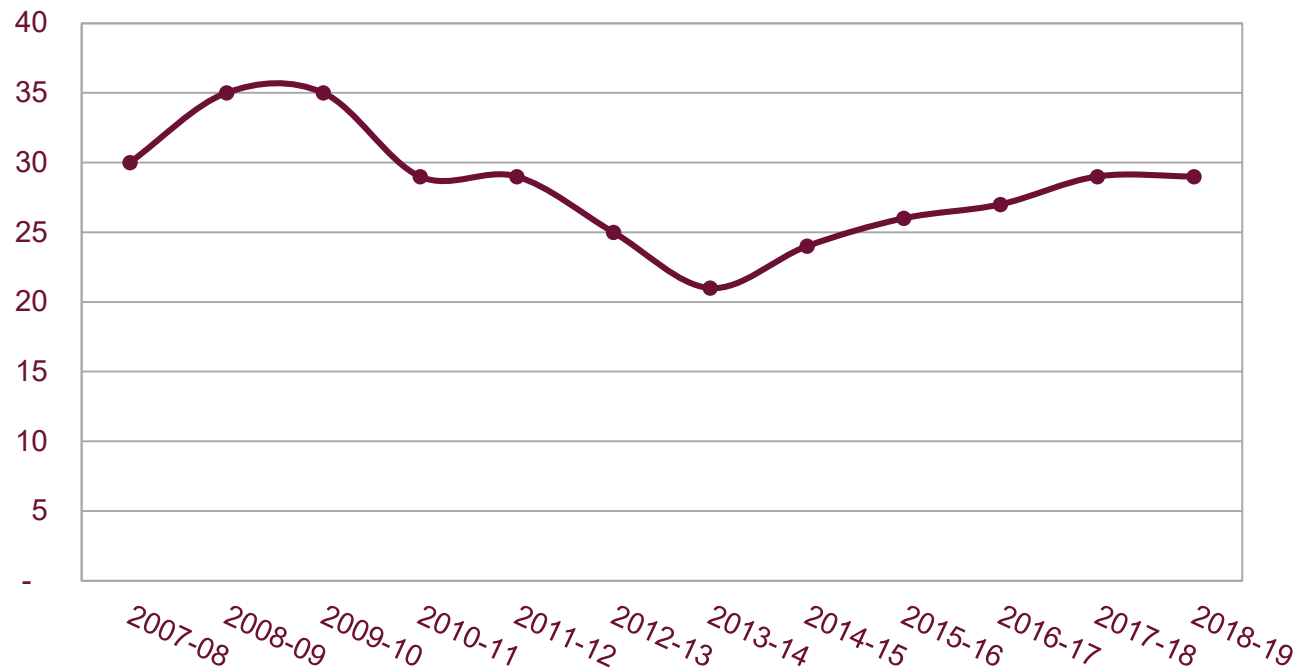
**Acreage: 15,456**

- Montgomery County – 7,028
- Outside Montgomery County – 8,427



# Capital Program

Active Capital Projects per Fiscal Year



# Revenue Sources



- General Fund cash and Debt
- Private Gifts
- Indirect cost recoveries
- Student fees
- Sales and services

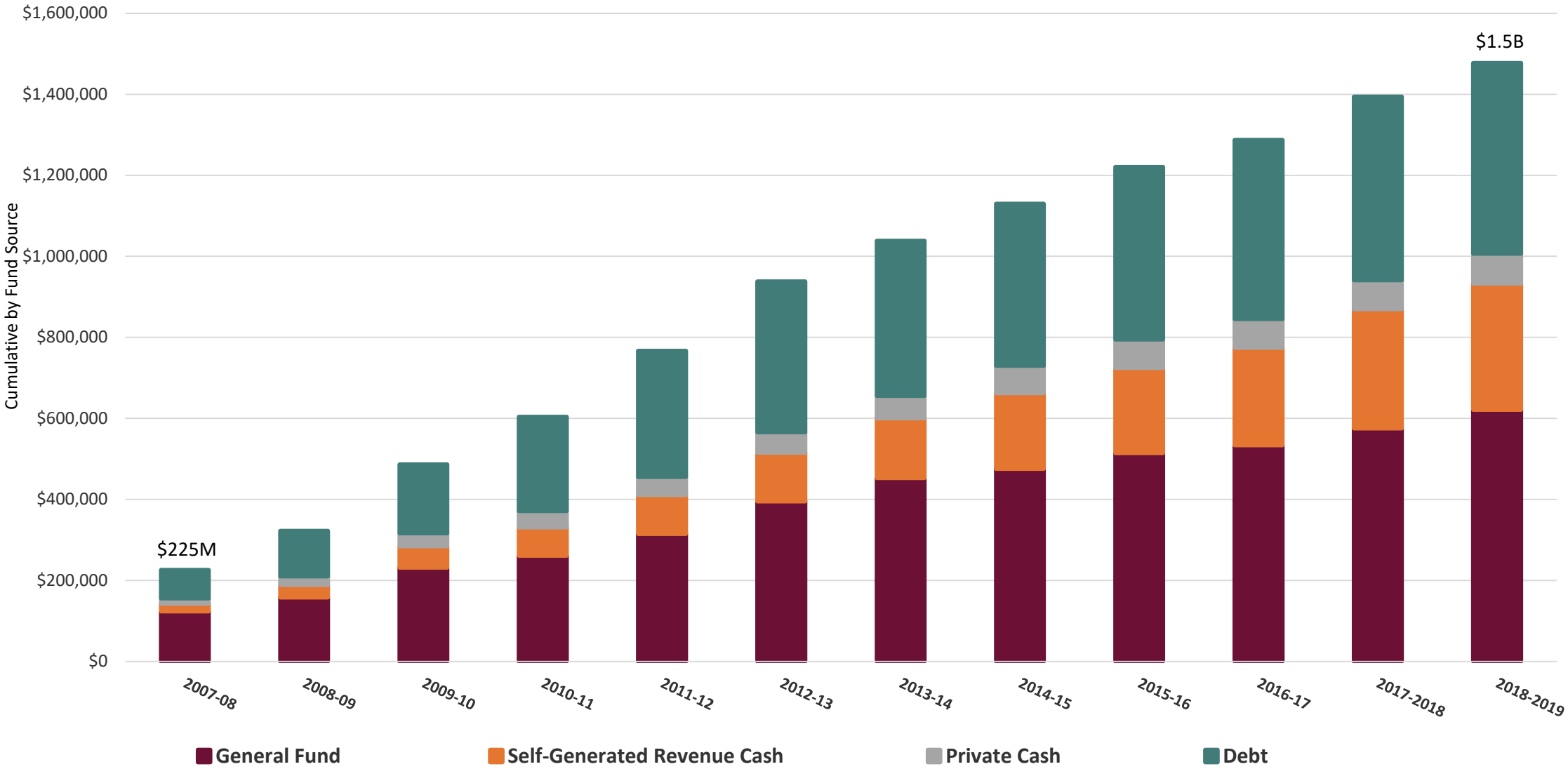


- Tax-exempt Debt
- Taxable Debt
- Commercial Paper
- Capital Leases

# Capital Program Expenditures by Fund Source

## FY2008 through FY2019

### Cumulative Dollars in Thousands

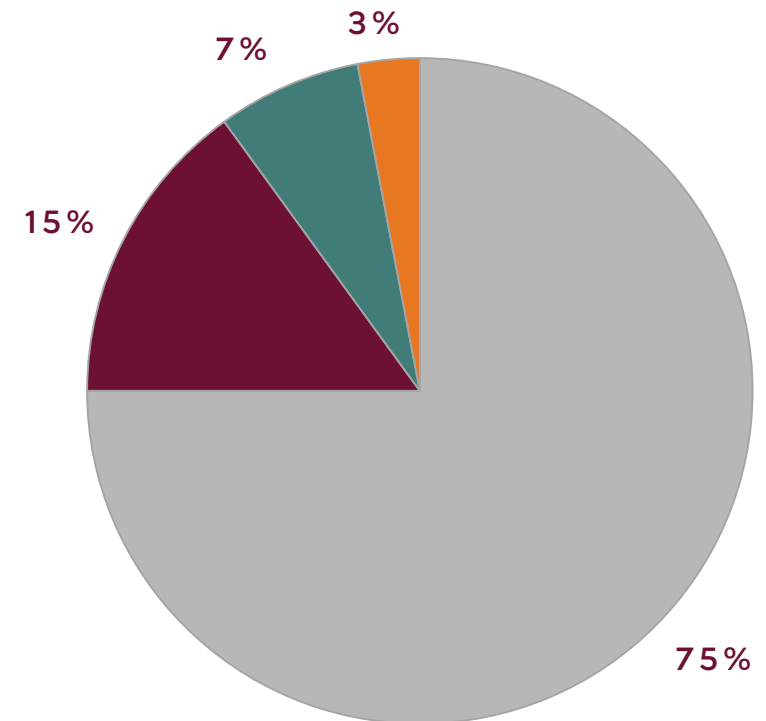






# Procurement Strategies

- DESIGN AND CONSTRUCTION CONTRACTS
- CAPITAL LEASES (VTF)
- PUBLIC-PRIVATE PARTNERSHIP (P3)
- PURCHASE





# Upcoming Projects

## Traditional Campus Delivery

\$=Millions

- New Corps of Cadets Residence Hall \$33
- Corps Leadership & Military Sciences Building \$52
- Student Wellness Improvements \$58
- Intelligent Infrastructure (Hitt Hall & New Dining) \$68
- Holden Hall Renovation & Expansion \$72
- Slusher Hall Renewal \$83
- GBAC Residence Halls \$83
- Data and Decision Sciences \$79
- Innovation Campus - Academic Building \$275




# Upcoming Projects

## Partnership / Capital Leases

\$=Millions

- Turbo Laboratory \$2
- Seafood AREC \$8
- Applied Projects Building \$10
- North End Center 2 (University) \$50
- VTC Health Sciences & Technology \$92



# Virginia Tech Foundation Real Estate Portfolio



Carrie Woodring has been with the Virginia Tech Foundation since November 2010 and has over 25 years' experience in real estate. Carrie manages a diverse real estate portfolio which includes office, retail, agricultural, and residential properties. She is a licensed Broker in the Commonwealth of Virginia and has two brokerage firms associated with the Foundation's work. Carrie graduated from Old Dominion University with a BS in Biology and a concentration in Microbiology. She received her Certified Property Manager (CPM) designation from the Institute of Real Estate Management (IREM) in 2009 and is an active member of the IREM Central Virginia Chapter. Carrie resides in Blacksburg, Virginia with her husband and three daughters.

## **Carrie E. Woodring, CPM**

### **Director of Real Estate**

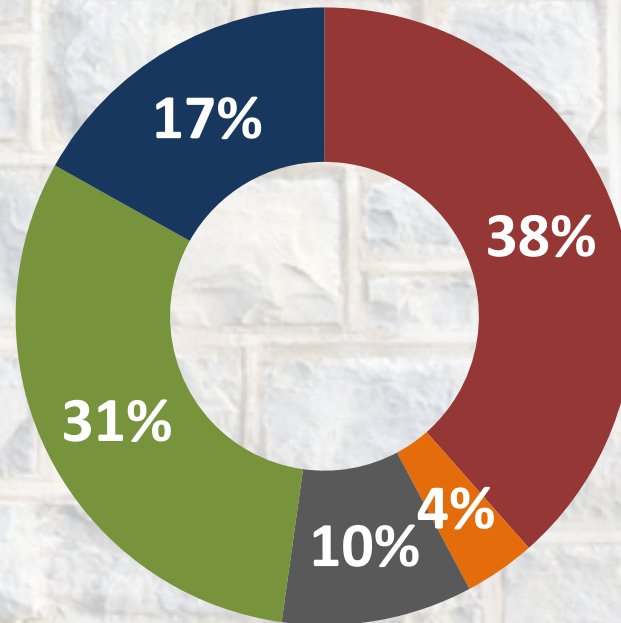
# Real Estate Development & Management

- Accepts real estate donations for the benefit of Virginia Tech.
- Purchases mission-related real estate assets.
- Undertakes construction and/or renovation of foundation-owned property to meet the needs of the university.
- Most property leased by the Foundation to the University on a “neither make nor lose” basis.

# USE ALLOCATION

**1,753,929 Total Square Feet**

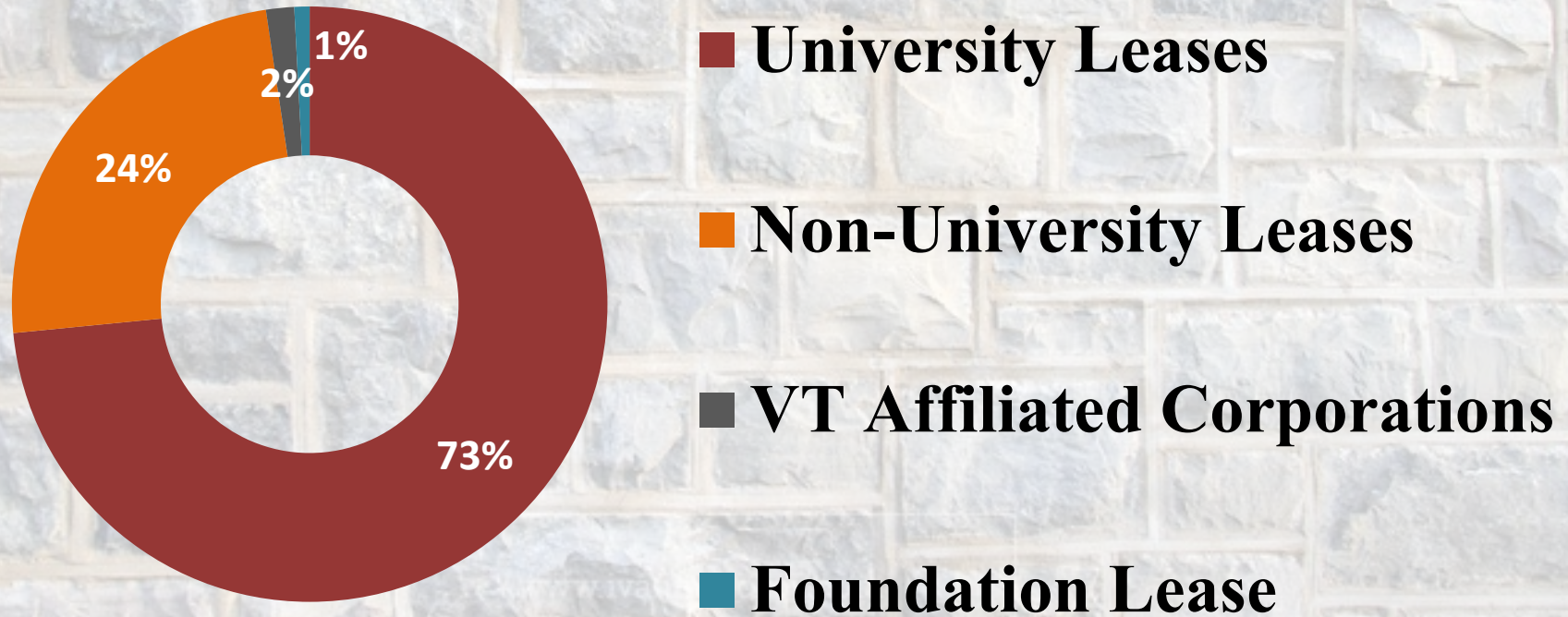
- Office
- Retail
- Academic
- Research
- Other



Includes real estate assets owned/managed by VTF and CRC; FY2017/2018

# TENANT DISTRIBUTION

1,753,929 Total Square Feet





# NORTH END CENTER



## Blacksburg, Virginia

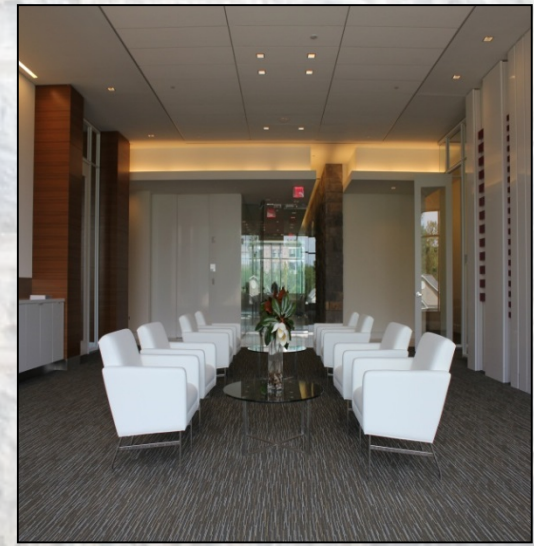
- 3.93 acres of underutilized property
- Acquired in 2010
- Across the street from the university's main campus
- 142,000 sf mixed-use office/retail building and 808 space parking garage to support the building and the Moss Arts Center
- An additional parcel will allow for future growth



# VT RESEARCH CENTER

## Arlington, Virginia

- Class A 144,000 SF building
- Completed 2012
- LEED Gold
- 244 parking spaces
- 12,000 sf first floor retail
  - Philippine Restaurant
  - Stageplate Bistro
- 104,764 sf university
  - Executive Briefing Center
  - Consolidated VT research & NCR operations into one building
- 21,264 sf commercial office
  - VT-ARC



# Washington-Alexandria Architectural Center (WAAC)

## Alexandria, Virginia

- Four academic/office buildings providing studios, a library, shops, darkrooms, computer lab, offices, and classrooms space
- One 23-unit apartment building to accommodate up to 62 students
- All facilities are located within a six block radius within Old Town Alexandria and form an urban campus of historic structures



# GATEWAY CENTER

## Blacksburg, Virginia

- 77,000 sf Class A mixed use building
  - First floor retail
  - Some non-VT related office tenants
  - VTF offices
  - VT Advancement
- 400 space parking garage
- Joint venture with outside developers
- Completed in 2006





# NORTH END

## Blacksburg, Virginia

- Rentable Space: 87,313 SF
  - 43,321 SF Retail
  - 43,992 SF Office
- Acquired in 2009
- VT leases office space
- The property is directly adjacent to the North End Center
- Located across the street from campus
- Income-producing
- Serves as a gateway to the Moss Arts Center



# THE STEGER CENTER FOR INTERNATIONAL SCHOLARSHIP

## Riva San Vitale, Switzerland

- “Villa Maderni”
- Formerly known as Center for European Studies & Architecture (CESA)
- 275 year old building
- Purchased in 1992
- Leased to VT for use as its European campus center and base for operations and support of its programs in the region
- Study abroad programs
- Residential learning
- Recently completed a \$6.5 million renovation to increase space





# PETE DYE RIVER COURSE

## Radford, Virginia

- 184 acres
- 18 hole golf course along the New River
- Acquired in 2002, re-designed and opened in 2006, new clubhouse opened in 2010
- 20 minutes from campus
- Home course for VT golf teams
- NCAA regional championship held at the course
- 17,000 average rounds per year



# THE HOTEL ROANOKE



## Roanoke, Virginia

- AAA Four Diamond rating – The Hotel and Regency Room
- Hotel gifted to VTF by Norfolk Southern Railroad IN 1989
- VTF undertook a \$28M complete renovation
- City of Roanoke built the conference center
- Hotel aided in the revitalization of downtown Roanoke





# MARION DUPONT SCOTT EQUINE MEDICAL CENTER

## Leesburg, Virginia

- Located in the heart of "horse country" in Leesburg, Virginia
- 200 acre parcel was donated by the Westmoreland Davis Memorial Foundation in 1984
- VT has established a pre-eminent equine health care facility to serve the region



# DEVELOPMENT OPPORTUNITIES

## Mixed-Use Building – Blacksburg, VA, North End

- 5-story mixed use building
- 196,706 SF office space for VT
- Cost:
- 31,870 SF retail space
- Currently in design phase
- Anticipate delivery in December 2021



# DEVELOPMENT OPPORTUNITIES

## Hampton Seafood AREC



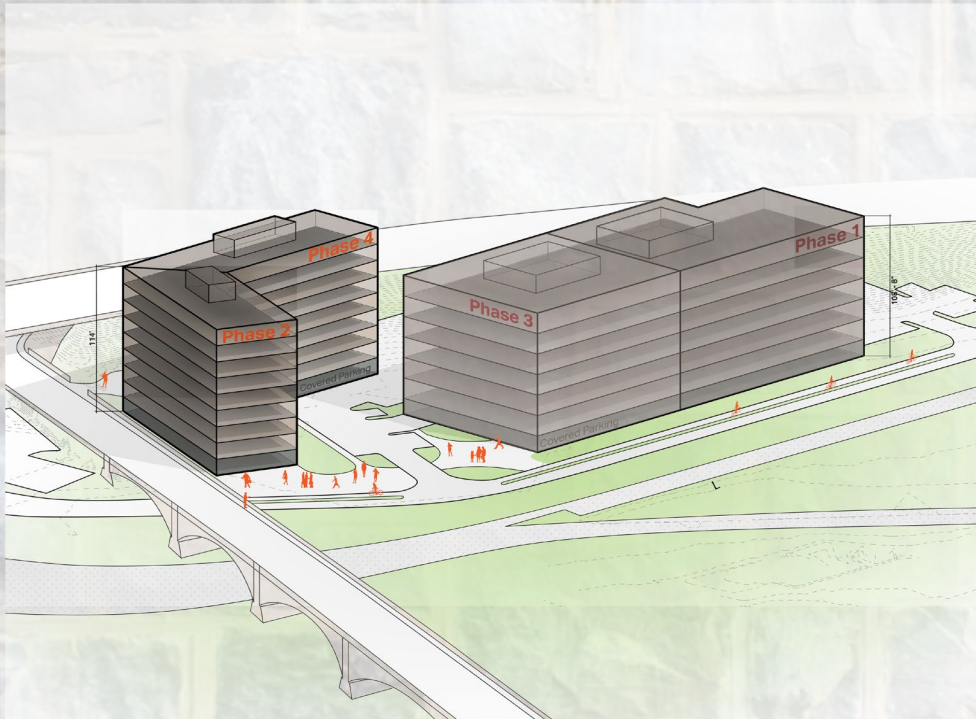
- New 15,000 SF state-of-the-art research facility
- Designed with an emphasis on coastal resiliency
- Part of the City of Hampton's Waterfront Revitalization efforts
- Delivery expected in November 2020

- Funding provided by the Commonwealth of Virginia, Virginia Tech, Virginia Tech Foundation, City of Hampton, and private donations



# DEVELOPMENT OPPORTUNITIES

## Williamson Road, Roanoke, Virginia



AECOM Imagine It. Delivered. | VirginiaTech FOUNDATION

- Proposed Mixed-Use Development
- Anticipated to be Incubator Research Space, Retail, and/or Residential
- Likely to be constructed in phases
- Building to be elevated with parking beneath due to flooding in this area of Roanoke

- Foundation will likely develop site through a Public Private Partnership, Enterprise Zone, or some other sort of joint venture opportunity



# DEVELOPMENT OPPORTUNITIES

## Redevelopment of Existing University Mall



- Ownership transfers to VTF in June, 2023
- Mall consists of 167,961 SF of retail space
- Largest Tenants:
  - VT Math Emporium
  - Volume II Bookstore
  - The Weight Club
- 13.723 acres of prime real estate located adjacent to the Virginia Tech campus
- Zoned General Commercial

# QUESTIONS?

**Reynold's Homestead –  
Critz, VA**



**Smith's Landing-  
Blacksburg, VA**



**University Gateway Center –  
Blacksburg, VA**



**WTF Radio -  
Multiple Locations, VA**



**Dairy Barn Relocation -  
Blacksburg, VA**

VT PROGRAM IN  
REAL ESTATE  
Industry Advisory Board

APRIL 15, 2019



# Breaking News

LIVE

breakyourownnews.com

**BREAKING NEWS**

**RUSSIANS HELP UVA WIN**

23:38

TONY BENNET REALLY WANTS TO COACH AT VA TECH



# Background

- **Assistant Treasurer, Office of Investment and Debt Management, since 2016.**
- **Responsible for financing capital projects at both the University and the Foundation.**
- **Liaison to investment banks/underwriters, national and local banks, state officials, and rating agencies.**
- **Professor of Practice, REAL 3044 Financing Real Estate Projects.**

# External Funding Sources Available

- **University**
  - **University Bonds (University General Revenue Pledge, Commonwealth GO, or Virginia College Building Authority)**
  - **Commercial Paper**
  - **Capital Leases (with VTF)**
  - **Lines of Credit**
  - **State Bonds**
  - **Bank Loans**
- **Foundation**
  - **VTF Bonds**
  - **Bank Loans**
  - **Revolving Line of Credit**

# Tax-Exempt Municipal Bonds

- **Our preferred source of capital is the tax-exempt municipal bond market.**
- **The federal government subsidizes the cost of state and local debt by excluding the interest income from federal income taxes.**
- **As a result, we get really cheap financing costs.**

# Virginia Tech Carilion Biomedical Research Institute

## Sources

VCBA 21st Century Bonds	\$ 51,554,000
2017 VCBA Pooled Bond Program	23,793,000
2018 VCBA Pooled Bond Program	4,000,000
Cash	10,349,000
Gifts	2,000,000
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	<b>\$ 91,696,000</b>
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## Uses

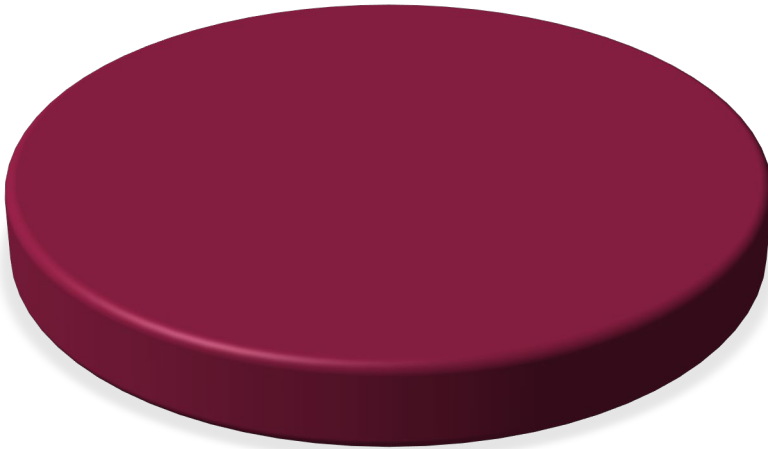
Construction	\$ 73,488,000
FF&E	6,122,000
Design	6,066,000
Land	2,000,000
Other	4,020,000
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	<b>\$ 91,696,000</b>
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# VPI & VTF Debt Portfolio

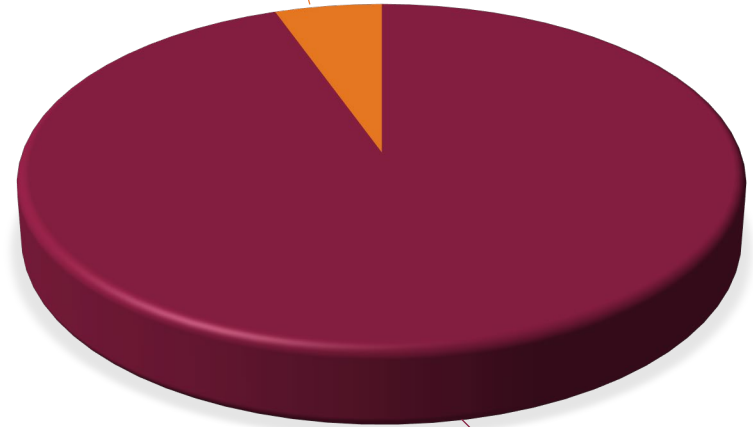
	<u>FY18</u>
University Section 9(c) General Revenue Bonds	\$112.2
University Section 9(d) University Revenue Bonds	55.4
Virginia College Building Authority	215.5
Capital Lease Obligation	67.6
Commercial Paper	15.2
<b>University Total</b>	<u>\$465.9</u>
VTF Public Bond Sales	\$216.1
VTF Bank Loans	18.4
Bank of America Revolving Line of Credit	5.6
<b>Virginia Tech Foundation Total</b>	<u>\$240.2</u>
<b>University and Virginia Tech Foundation Total</b>	<u><u>\$706.2</u></u>

# VPI FY 2018 Allocation

100% Fixed

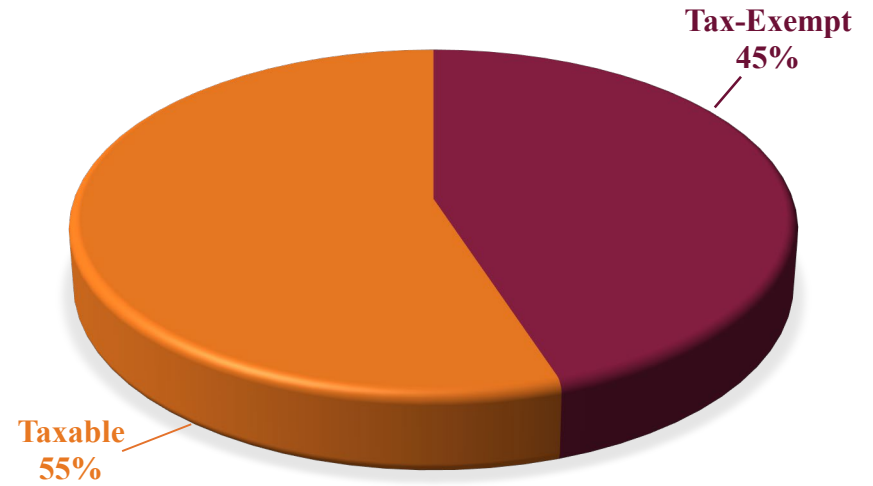
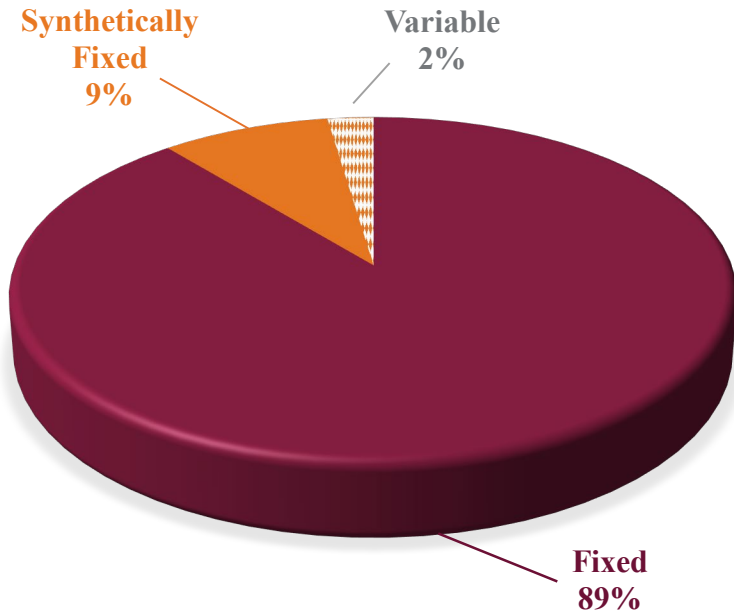


Taxable  
5%

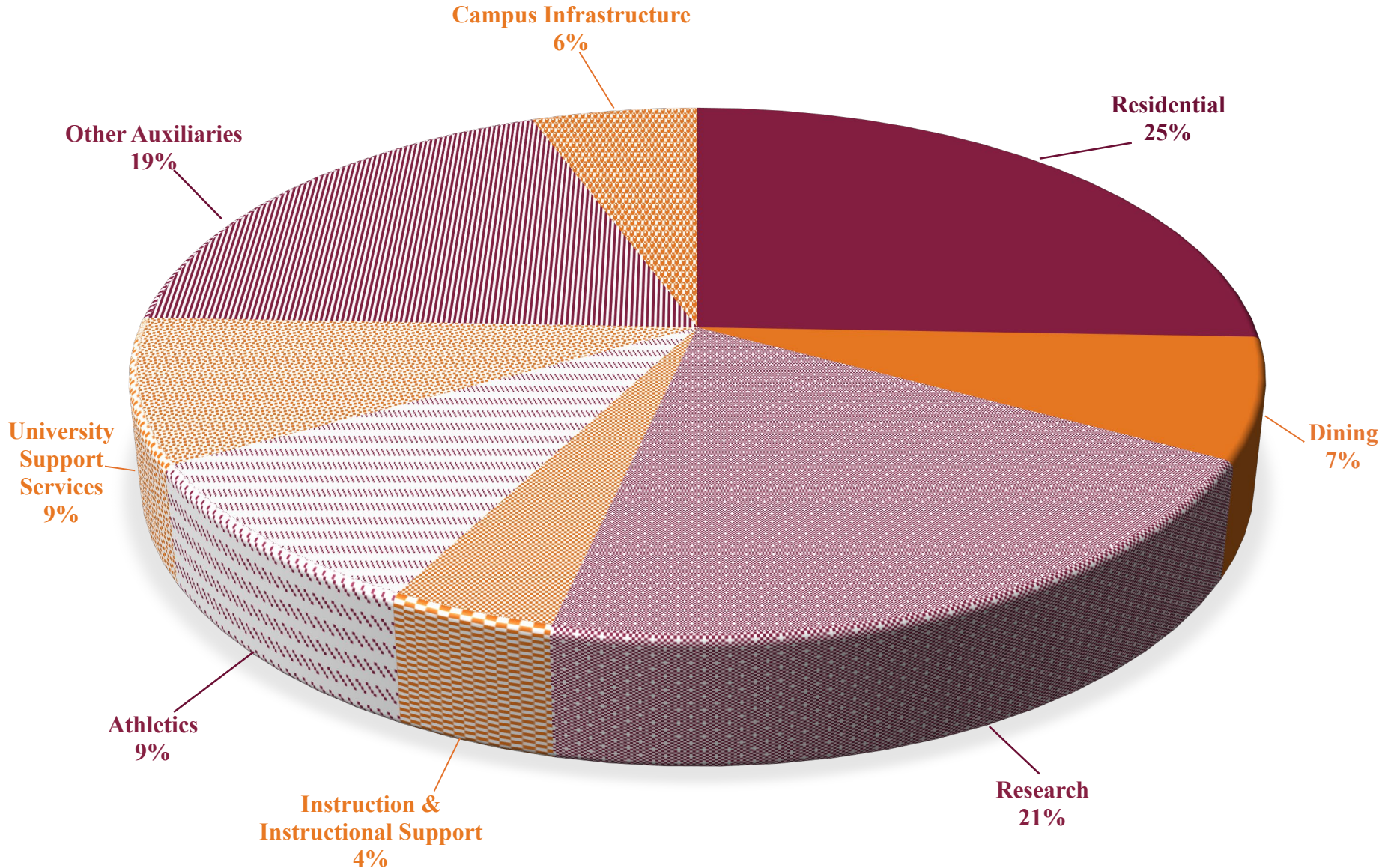


Tax Exempt  
95%

# VTF FY 2018 Allocation

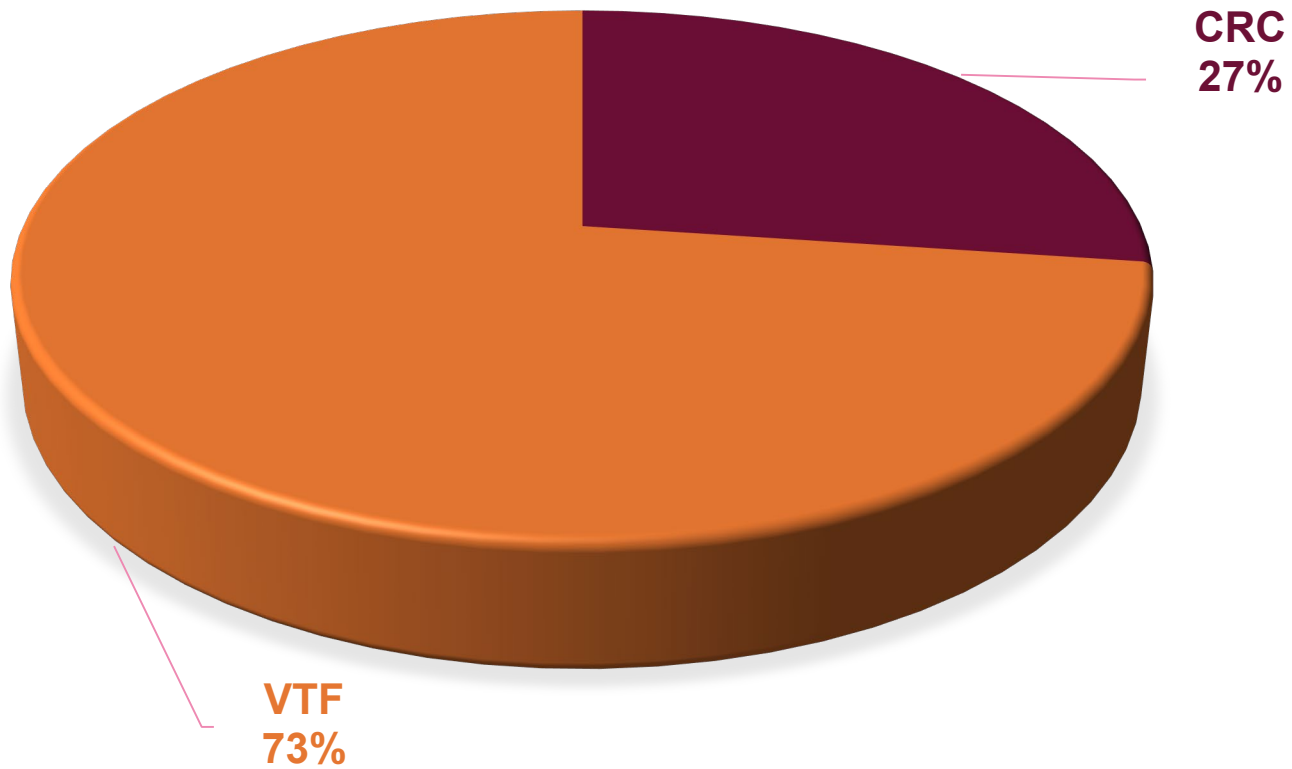


# VPI FY 2018 Debt By User





# VTF FY 2018 Debt By User



# VPI Six-Year Plan

<b>Debt Issued (FY)</b>	<b>Amount to be Financed</b>
<b>2019</b>	<b>\$ 27,863,000</b>
<b>2020</b>	<b>105,994,000</b>
<b>2021</b>	<b>54,140,000</b>
<b>2022</b>	<b>205,936,000</b>
<b>2023</b>	<b>177,000,000</b>
<b>2024</b>	<b>96,000,000</b>
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	<b>\$ 666,933,000</b>
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# VPI Pro-forma Debt Capacity

