

## *Medical Office Building*

# *Cash Flowing Asset with Capital Growth Potential*

*Stable Income. Capital Growth. Diversification. Tax Benefits.*

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# Clinical Research Partners: 7110 Forest Ave Richmond, VA

This Property incorporates the opportunity to invest in a Class A Medical Office Building (MOB) located in Richmond Virginia's premier office district. Less than 1/4 mile away are numerous medical facilities that support the regional hospitals.

## Key Points

- Consistent long-term cash flows average over 8% annualized
- Stable tenant base with strong financials
- Recently signed leases extended the terms. WAL = 4.4 years
- Close proximity to three local hospitals
- Growing metro with high income white collar job base
- Recession hedge due to concentration of medical tenants
- Significant tenant improvement reserves accrue annually

Clinical Research Partners is a highly desirable combination of three related medical businesses occupying 23,936 sf along with three Commercial Tenants occupying 7,180 sf.

Total rentable square footage is 31,116 sf.

Recently signed leases have brought rents to market levels; many leases are held by long-term tenants with the largest tenant gradually expanding their space in the property.

Clinical Research Partners represents a solid "Core Investment", producing consistent and growing cash flows over the expected 5-7 year holding period.

The proposition remains an excellent opportunity as a result of its superb location in a vibrant medical district in Richmond's exclusive West End - Glen Forest.





# Clinical Research Partners: 7110 Forest Ave Richmond, VA

## Property Description

**7110 Forest Ave**  
**Richmond, VA 23226**  
**(Henrico County)**

## **Parking Spaces**

Parking lot redone in 2020. 133 on site parking spaces, 5 of which are handicapped.

## **Roof**

Flat with a rubber membrane cover. 45 mil EPDM. Roof replacement cost is a reimbursable expense by the tenants.

## **Lobby**

Carpet, cosmetic renovations in 2019 and 2024. Interior common area stairwell in the lobby and two fire stairwells each located at each end of the building

## **Floor Loads**

The floors can support live loads of 90 pounds per square foot.

## **Ceiling Height**

Slab-to-slab heights are approximately 14 feet with a finished ceiling height of approximately 8'6"- 10'.

## **Restrooms**

There are two restrooms per floor. Restroom floors and walls are finished in ceramic tile along with paint. The first floor restrooms each have one shower and changing room for tenant use.

## Building Features:

- Year Built: 1986
- Steel frame with brick and glass exterior
- Lobbies and common areas fully renovated in 2019 and 2024. All tenant spaces have been renovated since 2019
- One hydraulic elevator
- LED lighting
- Over 90% tenant reimbursement of Operating Expenses



# Photos and Opportunity



- The first floor has 5 office spaces, with 3 dedicated to the medical space

- The second floor has 6 office spaces, with 5 dedicated to the medical space.

• First Floor Tenants:

- Clinical Research Partners (CRP)
- VitaPure (a CRP Company)
- NAI Dominion Commercial R.E.
- Commonwealth Construction Mgt.

Second Floor Tenants:

Clinical Research Partners CRP - Clinical  
Infusion Solutions (CRP)  
Silvercore Consultants

- \* Shared Conference Room. We are reviewing the purposeful re-use of the conference room to provide additional revenue.



# Richmond Demographics and Location



- The Demographics proposition remains strong in the Richmond MSA. Average annual growth has been 2% per year for the past 10 years
- With a population of approximately 1.3 million people Richmond MSA is one of the leading political, financial, and cultural centers in the Southeast United States and serves as the capital of the Commonwealth of Virginia.
- The area is home to leading universities:
  - The University of Richmond
  - Virginia Commonwealth University — a major research university with a comprehensive health center.
  - Virginia State University,
  - Virginia Union University
  - Randolph Macon University are all thriving in the area.
- Overall, Richmond's long standing affordable 6% corporate tax rate, its premier access to 45% of the U.S. population within a one day drive, and the area's affordable cost of living which is 4% lower than the national average, all bode well for the region's future.



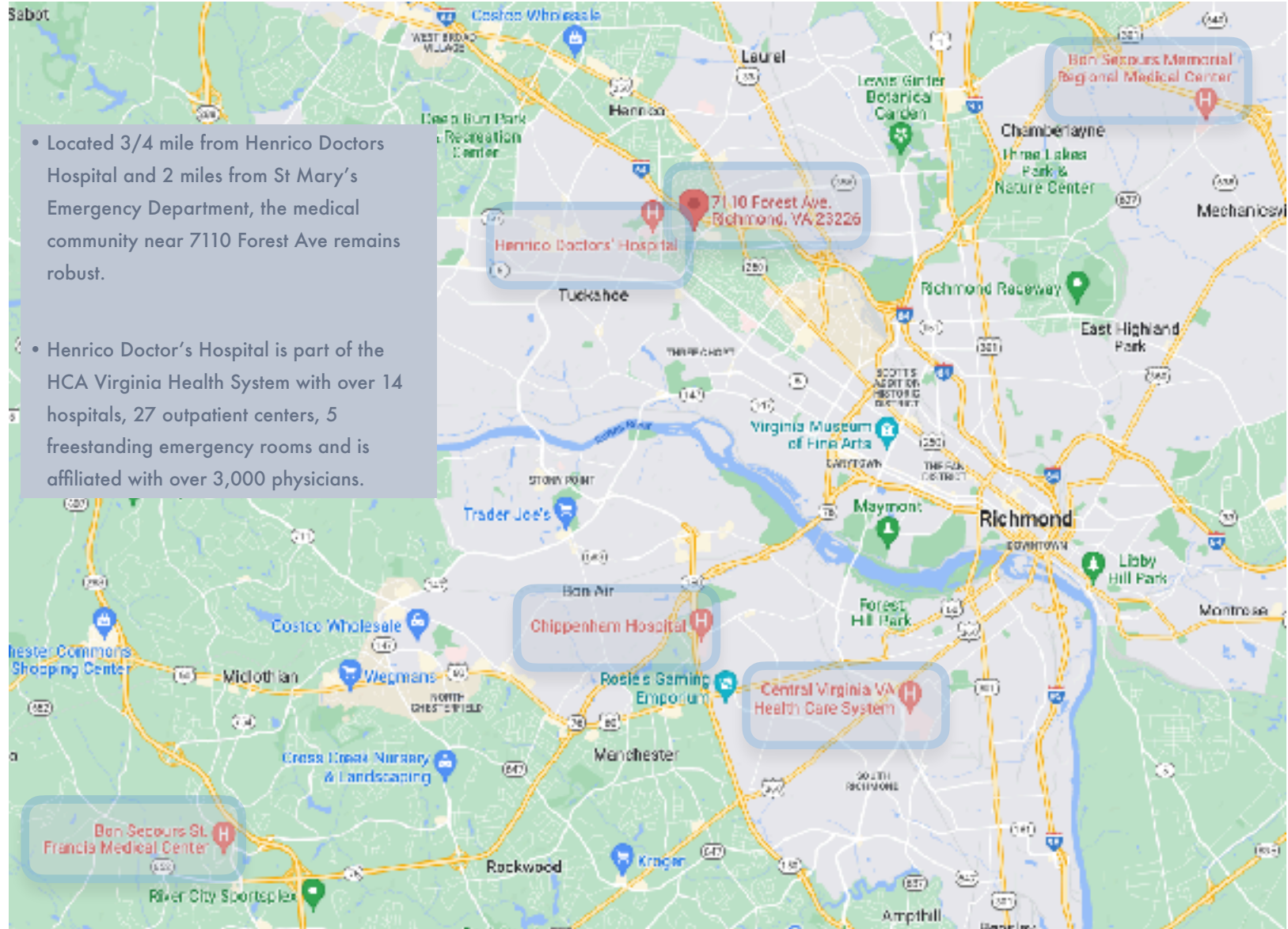
# Photos and Opportunity



- Nestled in the heart of Virginia, Richmond benefits from the Commonwealth being a part of the busy I-95 business corridor and the region's pro-business attitude. Richmond has repeatedly received national recognition in recent years as an excellent place to do business.
- The growing healthcare district supporting Clinical Research Medical Center will continue to attract future investment and allow the area to expand economically.

# Richmond Demographics and Location

- Located 3/4 mile from Henrico Doctors Hospital and 2 miles from St Mary's Emergency Department, the medical community near 7110 Forest Ave remains robust.
- Henrico Doctor's Hospital is part of the HCA Virginia Health System with over 14 hospitals, 27 outpatient centers, 5 freestanding emergency rooms and is affiliated with over 3,000 physicians.





The CMBS Loan is a 10 year Interest Only at 5.85% with a final term date of December 2033.



# Appendix - Lease Summary

7110 Forest Ave Rent Roll

Unit(s)	Tenant	Lease Start Date	Lease End Date		Rental Rates(s) PSF Per Delineated Space	
<b>100, 101, 105, 201, 202, 206</b>	CRP Clinical Partners	May 2020	April 2030	17,505.00	\$27.18, \$22.81, \$28.77, \$22.82	Medical
<b>102</b>	Commonwealth Construction	September 2018	May 2028	3,191	\$21.83	Commercial
<b>103</b>	NAI Dominion	May 2020	May 2028	2,096	\$26.10	Commercial
<b>200</b>	Infusion Solutions	September 2023	March 2030	3,545	\$28.33	Medical
<b>203</b>	CRP Partners LLC	April 2020	March 2030	2,886	\$33.20	Medical
<b>204</b>	SilverCore Richmond	February 2014	May 2028	1,893	\$23.04	Commercial
<b>11 Units</b>	5 Tenants			31,116		

77% of the building is occupied by a core medical office tenant incorporating multiple verticals with long-term leases. Lease discounts roll off in Q3 which will allow for improved income for investors

# Pro Forma - Clinical Research Partners

	2025	2026	2027	2028	2029	2030	2031	2032	
INCOME									
Gross Potential Rent	\$809,341	\$833,621	\$858,630	\$884,389	\$910,920	\$938,248	\$966,396	\$995,387	
RUBS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other Income	\$30,158	\$31,063	\$31,995	\$32,955	\$33,944	\$34,962	\$36,011	\$37,451	
Vacancy Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Concessions/Non-Rev	-\$17,589	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Bad Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Short-Term Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
EFFECTIVE GROSS INCOME	\$821,910	\$864,684	\$890,625	\$917,344	\$944,864	\$973,210	\$1,002,406	\$1,018,758	
YoY Increase	10%	5%	3%	3%	3%	3%	3%	2%	
OPERATING EXPENSES									
Payroll	\$9,180	\$9,364	\$9,551	\$9,742	\$9,937	\$10,135	\$10,338	\$10,545	
Contract Services	\$110,466	\$112,675	\$114,929	\$117,227	\$119,572	\$121,963	\$124,403	\$126,891	
Repairs & Maintenance	\$29,442	\$30,031	\$30,632	\$31,244	\$31,869	\$32,507	\$33,157	\$33,820	
Utilities	\$70,870	\$72,287	\$73,733	\$75,207	\$76,712	\$78,246	\$79,811	\$81,407	
Administrative	\$5,088	\$5,190	\$5,293	\$5,399	\$5,507	\$5,617	\$5,730	\$5,844	
Leasing & Marketing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Insurance	\$10,233	\$10,437	\$10,646	\$10,859	\$11,076	\$11,298	\$11,524	\$11,754	
Management Fee	\$38,352	\$39,119	\$39,901	\$40,699	\$41,513	\$42,344	\$43,191	\$44,054	
Property Taxes	\$39,278	\$40,064	\$40,865	\$41,682	\$42,516	\$43,366	\$44,234	\$45,118	
Replacement Reserves	\$26,316	\$26,842	\$27,379	\$27,927	\$28,485	\$29,055	\$29,636	\$30,229	
Misc Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
TOTAL OPERATING EXPENSES	\$339,224	\$346,009	\$352,929	\$359,988	\$367,187	\$374,531	\$382,022	\$389,662	
% of EGI	41%	40%	40%	39%	39%	38%	38%	38%	
NET OPERATING INCOME	\$482,686	\$518,675	\$537,696	\$557,356	\$577,677	\$598,679	\$620,384	\$629,096	
YoY Increase	17%	7%	4%	4%	4%	4%	4%	1%	
UNLEVERED CASH FLOWS									
Total Costs									
Gross Operational Cash Flows	\$482,686	\$518,675	\$537,696	\$557,356	\$577,677	\$598,679	\$620,384	\$629,096	
Net Sales Price	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,484,932	
BEFORE TAX UNLEVERED CASH FLOW	\$482,686	\$518,675	\$537,696	\$557,356	\$577,677	\$598,679	\$620,384	\$11,114,028	
First Loan									
Debt Service	\$237,672	\$237,672	\$237,672	\$237,672	\$237,672	\$237,672	\$237,672	\$237,672	
Equity Accrued	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Loan Balance	\$3,625,000	\$3,625,000	\$3,625,000	\$3,625,000	\$3,625,000	\$3,625,000	\$3,625,000	\$3,625,000	
GROSS LEVERED CASH FLOW	\$245,014	\$281,003	\$300,024	\$319,684	\$340,005	\$361,007	\$382,712	\$391,424	
LEVERED CASH FLOW									
Cash Flow Reserve	\$ 83,000	\$47,000	\$28,000	\$10,000	\$0	\$0	\$0	\$0	
Gross Operational Cash Flows	\$482,686	\$518,675	\$537,696	\$557,356	\$577,677	\$598,679	\$620,384	\$629,096	
Debt Service	-\$237,672	-\$237,672	-\$237,672	-\$237,672	-\$237,672	-\$237,672	-\$237,672	-\$237,672	
Proceeds from Refinance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net Sales Price	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Loan Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
GROSS LEVERED BEFORE TAX CASH FLOW	\$328,014	\$328,003	\$328,024	\$329,684	\$340,005	\$361,007	\$382,712	\$391,424	
INVESTMENT METRICS									
Operating Cap Rate	4.8%	5.2%	5.4%	5.6%	5.8%	6.0%	6.2%	6.3%	
Refinance Property Value	\$6,033,575	\$6,483,443	\$6,721,198	\$6,966,950	\$7,220,957	\$7,483,484	\$7,754,805	\$7,863,699	
Terminal Property Value	\$8,044,766	\$8,644,591	\$8,961,597	\$9,289,267	\$9,627,943	\$9,977,979	\$10,339,740	\$10,753,776	
Capital Invested	\$4,125,000	\$4,125,000	\$4,125,000	\$4,125,000	\$4,125,000	\$4,125,000	\$4,125,000	\$4,125,000	
Proceeds From Sale	\$294,766	\$894,591	\$1,211,597	\$1,539,267	\$1,877,943	\$2,227,979	\$2,589,740	\$3,003,776	
Project Cash on Cash	8.0%	8.0%	8.0%	8.0%	8.2%	8.8%	9.3%	9.5%	
DSCR	2.03x	2.18x	2.26x	2.35x	2.43x	2.52x	2.61x	2.65x	
Debt Yield	13.3%	14.3%	14.8%	15.4%	15.9%	16.5%	17.1%	17.4%	
Project Level IRR	18%	\$328,014	\$328,003	\$328,024	\$329,684	\$340,005	\$361,007	\$382,712	\$10,645,200

Preliminary projections, subject to revision. Annual IRR Projections are based on Projected Dividend Paid



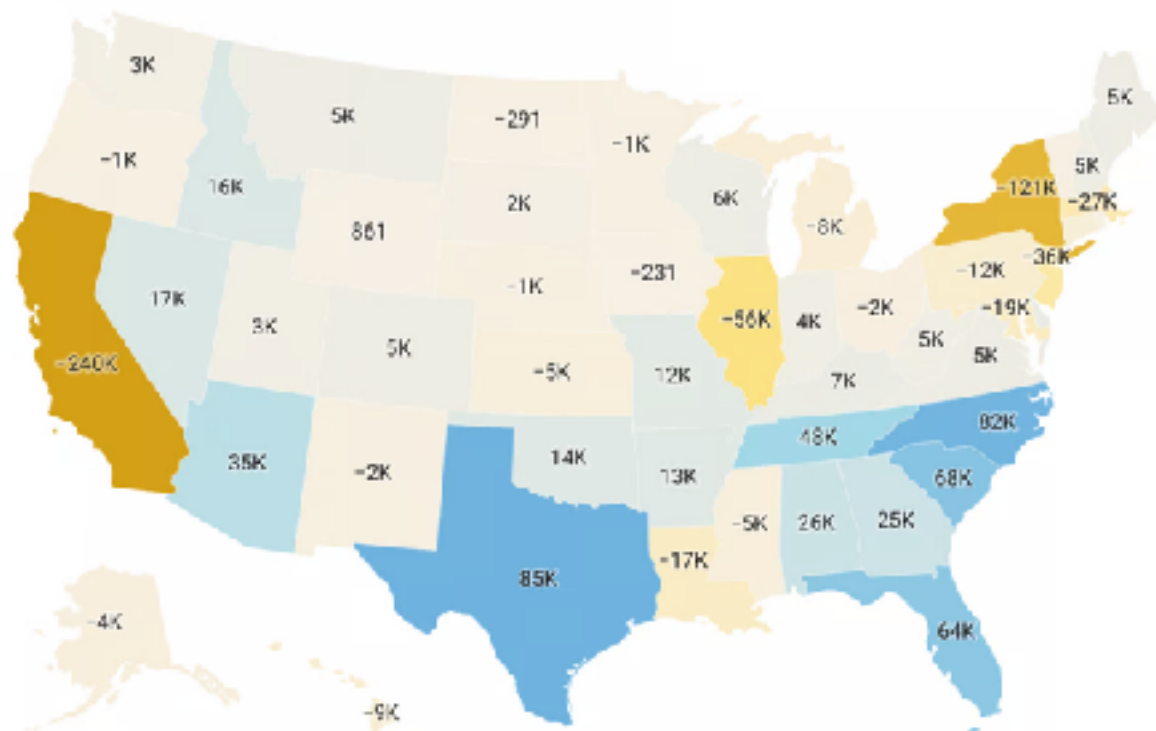
## Appendix - Common Areas



# Appendix - Virginia Net In-Migration

## Where Americans moved in 2024

Net domestic migration shift between July 2023 and July 2024



Net domestic migration is calculated as the difference between the number of Americans moving into a given state (in-migration) and the number of people leaving that state (out-migration) over a specific period.

Map: Meghan Malis • Source: U.S. Census Bureau • Created with Datawrapper

At Tidegate, we focus on MSA's where population growth remains strong. Virginia consistently reflects solid demographic trends.

# Tidegate Team Bios



**Colin P. O'Keeffe, MBA**  
*Principal and Founder*

- Over 25 years of real estate experience in property management, asset management, and development
- Asset manager for over 8,000 multifamily units

Mr. O'Keeffe has over 25 years real estate experience, primarily in the multifamily housing sector. He currently manages and has ownership interest in multifamily units throughout Massachusetts, Rhode Island and Florida. His background includes asset management, acquisition, development, property management, financing and disposition of multifamily assets. Prior to forming Tidegate, he served at Equity Office Properties, Boston Financial, and Bank of America.

Mr. O'Keeffe earned a BA in Economics from the University of Richmond and an MBA from Northeastern University.



**Guy C. Holbrook, IV, CFA®**  
*Principal and Founder*

- 30 years of comprehensive experience investing through major market events and cycles
- Responsible for developing analytical tools for Market Selection Process

Working exclusively in the investment industry since 1987, Mr. Holbrook focuses on portfolio construction, research, and management. He has developed detailed analytical and risk-reduction models to target Tidegate's investment markets. While at Columbia Management, his 10-person portfolio team managed over \$30 billion in assets, and he developed a fixed income fund, growing AUM to \$1 billion.

Mr. Holbrook earned a BA in Economics from Colby College and holds the Chartered Financial Analyst (CFA®) designation.



**C. Warren Skillman**  
*Partner and Managing Director*

- 26 years of portfolio management and equity analysis experience
- Responsible for modeling acquisition targets

Prior to his role as Managing Director at Tidegate Capital, Mr. Skillman was the lead portfolio manager on the Emerging Markets Value strategy with a focus on fundamental equity research. Warren has been in the investment industry since 1993 and has significant experience analyzing securities and credits through both up and down market cycles.

Warren received a BA from Boston College and an MS in finance from the London School of Business. In his spare time he enjoys mountain biking, skiing and preparing for the Nürburgring.



**Jessica Johnson**  
*Regional Property Manager*

Jessica joined TGC Management in June 2020. Her role includes the oversight of Tidegate owned properties in Florida and Ohio with a focus on improving operations and property management. Additionally, she will provide insight regarding best management practices for all Tidegate properties.

Jessica earned a BA from Metropolitan State University and MA in Clinical Psychology from Argosy University.



**Kim Brinn**  
*Office Manager*

Kim joined Tidegate Capital in December 2021. Her role is to work closely with the Principals and provide support with respect to analysis and planning, with a focus on improving performance and database management. Additionally, her technical strengths allow for enhanced reporting and investor communications.

Kim received a BA and an MBA from Clark University.





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Preliminary projections, subject to revision. Real Estate investing involves risk, including complete loss of principal.