

Suffolk Economic Activity Report

2004 Annual Report for the City of Suffolk, Virginia, Department of Economic Development

“ We are excited about the opening of our new facility and also by the opportunity to grow with Suffolk.”

J. Carlton Harwood

General Manager,

Ferguson Enterprises, Inc.



Ferguson builds regional operations center at Northgate Commerce Park.

The nation's largest wholesale distributor of plumbing supplies and pipes, valves and fittings selected Suffolk's Northgate Commerce Park for the location of its new regional sales office and distribution facility.

Ferguson Enterprises, Inc. broke ground in May 2004 for the \$5.4 million 64,000-square-foot building, which will serve as the company's primary Hampton Roads distribution hub. Move-in is scheduled for March 2005.

The office and distribution center will employ 45 people. Ferguson also holds an option on seven additional acres, which will accommodate further expansion.

J. Carlton Harwood, general manager of the new facility, said that Suffolk was their "clear choice" over other areas of Hampton Roads. "Not only does this location give us easy access to major distribution points from Williamsburg to the Carolina border," Harwood said, "but also there is a tremendous growth forecast for the Suffolk area. So we thought that Northgate Commerce Park would be a very strategic location."

Headquartered in Newport News,

Virginia, Ferguson Enterprises has sales in excess of \$5.9 billion and 15,400 associates in more than 900 service centers located in 49 states, the District of Columbia, Puerto Rico, and Mexico.

Northgate Commerce Park, located at Shoulders Hill Road and Nansemond Parkway, just west of I-664, is a master-planned regional commerce park for new and expanding businesses. At full development, it will encompass almost 500 acres, with sites ranging from three acres and up.



Ferguson Enterprises, Inc. invested \$5.4 million in the new 64,000-square-foot regional distribution center and sales office in Northgate Commerce Park.

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Lockheed Martin expands at Bridgeway.

Lockheed Martin, one of the nation's largest defense contractors, has leased 16,000 square feet of office space at Bridgeway Technology Center II in Bridgeway Commerce Park. This new investment provides additional office space to support project teams for the new Lockheed Martin Center for Innovation (C for I), located across the street.

This support center houses a staff of 25 full-time employees and accommodates another 20 to 40 project team members visiting the facility each month, according to Dave Lovato, Lockheed's Manager of Communications.



BECO wins top award.

The Harbour Breeze Professional Center (above), built by BECO Construction, received an Award of Merit for Best New Office Building from the Hampton Roads Association for Commercial Real Estate (HRACRE). The Center is an extension of the popular Harbour Breeze Apartments, as well as the nearby Harbour Breeze Estates.

Suffolk Mayor Bobby Ralph said, "BECO's award-winning building should serve as a model for future office development."

Amadas Coach moves headquarters to Suffolk Industrial Park.

Amadas Coach, outfitter of luxury motorcoaches for sports stars, entertainers and corporations, moved its corporate offices and manufacturing facilities into the 50,000-square-foot shell building in Suffolk Industrial Park.

The 20-year-old company purchased the shell building from the Suffolk Industrial Development Authority as an expansion of its high-end motorcoach manufacturing operations in Moneta, Virginia.

"This project will bring new capital investment of over \$2.5 million to Suffolk and create ten to twelve new jobs within the first twelve months of operation," said Tom O'Grady, Suffolk's Director of Economic Development.

James C. "Jimmy" Adams III, president of Amadas, said that the number of new positions could grow to 30 or 40 with further expansion. Adams noted that the proximity of the

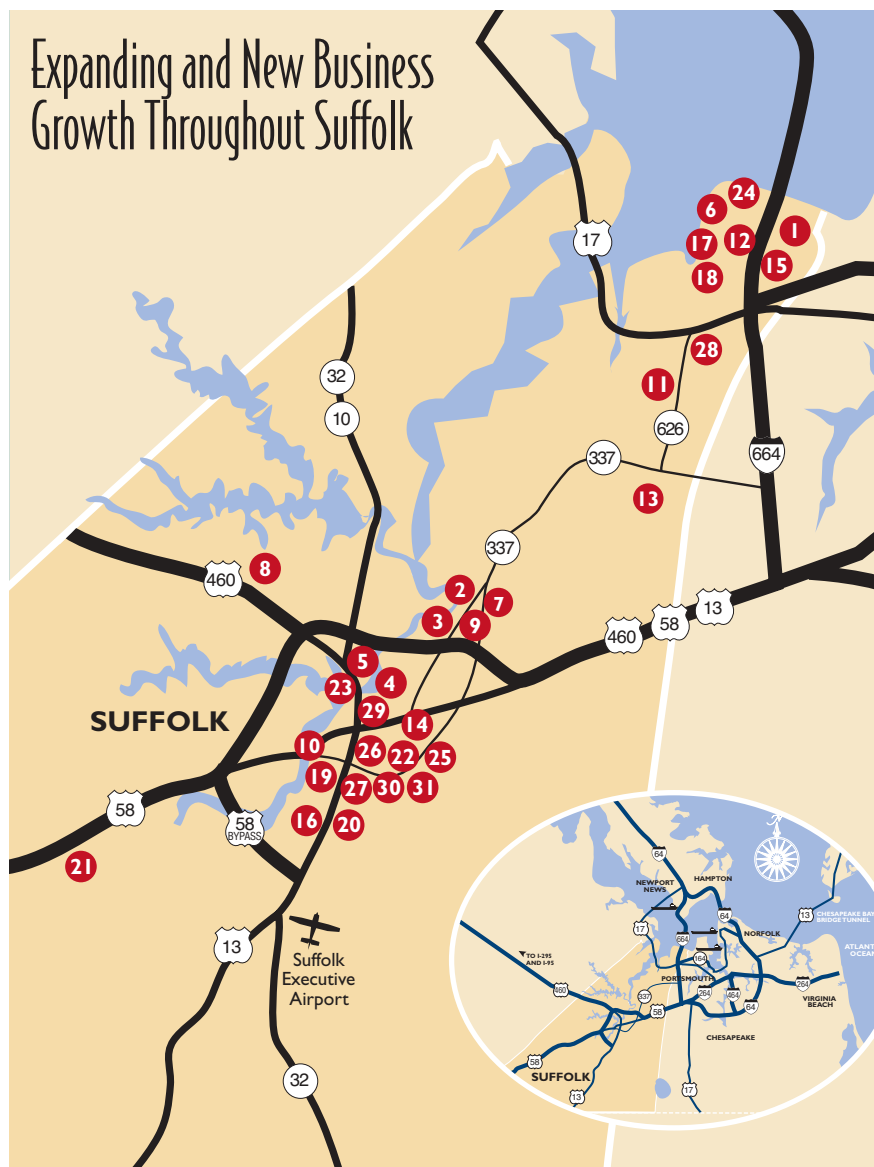


industrial park to Suffolk Executive Airport was one of the reasons he was attracted to the Suffolk location.



"The site not only offers convenient highway access for our motor coaches, but also houses well-established businesses that we have developed supplier relationships with. It just makes sense," Adams said.

Amadas Coach is a sister company of Amadas Industries, Inc., a Suffolk-based manufacturer of specialty farm machinery.



Suffolk gains 680 new jobs

Announcements of Planned Construction

Expanding Businesses

1. Lakeview Technology
2. Ciba Specialty Chem
3. Holiday Ice
4. SuffolkFirst Bank . .
5. Duke Automotive . .
6. Lockheed Martin . .
7. FLEXA Furniture, In
8. Parr Funeral Home
9. Chick Building

New Businesses

10. Suffolk Center for the
11. North Suffolk YMCA
12. Bridgeway Commerce
13. Ferguson Enterprises
14. Luigi Bormioli
15. Bank of America . . .
16. Amadas Coach
17. Science Applications I
18. Overton Office Buildi
19. Farmers Bank
20. Marva Marble and G
21. Evans Distribution Sys
22. Reading Equipment a
23. Newport News Credi
24. Centex Homes
25. Kuehne & Nagel Log
26. Steve C. Taylor, PC an
27. The Addison Group
28. Echostorm
29. Atlantic Capital Grou
30. McEntire Design . . .
31. Coastal Art Inc.

Total

CIBA Specialty Chemicals adds value in Suffolk.

In March 2004, Ciba Specialty Chemicals began construction of a new 26,000-square-foot administrative sales office, and research, development and technical service laboratory. Employees moved into the new building in late November.

The project brings eight new management jobs to the area. Ciba has been operating in Suffolk since 1998 and employs approximately 430 people at its Wilroy Road plant. The \$3.5 million laboratory and office building will house the North



American headquarters of the water and paper treatment segment.

Bill Leber, Vice President and Director of Ciba's Water and Paper Treatment



CIBA Specialty Chemicals moved into this \$3.5 million laboratory and office building in November, 2004.

Segment, said, "This is an important step for the Suffolk site, its employees and our community. This new building is a showcase for this business unit and improves our ability to provide products, technical support and services to our customers. We also see a benefit in having a venue to welcome site visitors so that our community can see how Ciba adds value in products they use everyday."

"Suffolk was in competition with another state for this project," said Tom O'Grady, Suffolk's Director of Economic Development. "We are extremely pleased that Ciba has chosen to maintain and grow their business in Suffolk."

In 2004, Ciba generated worldwide sales of \$5.7 billion and invested \$232 million in research and development.

2004 Highlights.

JANUARY

- The Baron's Pub opens restaurant in Historic Downtown Suffolk.
- Kelly's Tavern opens near Constant's Wharf.

MARCH

- Ciba Specialty Chemicals breaks ground on administrative and sales offices and R&D labs.
- Lakeview Technology Center breaks ground on office expansion for U.S. JFCOM-Joint Experimentation Lab.

APRIL

- Evans Distribution Systems leases warehouse space for handling and distribution of automotive parts.

MAY

- Amadas Coach purchases the Shell Building in Suffolk Industrial Park.
- Ferguson Enterprises, Inc. breaks ground for office/distribution center.

JULY

- Reading Equipment & Distribution, Inc. leases space at Commonwealth Storage for regional operations center.
- SAIC leases office space at Bridgeway Technology Center II.
- Liberty Property Trust breaks ground for warehouse and light industrial facility.

AUGUST

- The Law Office of Steve C. Taylor and Christian Rights Ministries opens office in Historic Downtown Suffolk.

SEPTEMBER

- McEntire Design, PLLC, purchases and renovates building in Historic Downtown Suffolk.
- U.S. JFCOM opens office expansion.
- Sara Lee Coffee & Tea opens new liquid coffee concentrate manufacturing facility.
- Lockheed Martin leases additional office space at Bridgeway Technology Center II.

OCTOBER

- Pak-AI, USA approved as General Purpose Foreign Trade Zone.
- Restoration begins on the old Suffolk High School, housing new Suffolk Center for Cultural Arts.

NOVEMBER

- Farmer's Bank opens Hillpoint office.
- YMCA plans construction of north Suffolk building.
- Duke Automotive begins construction on Main Street location.

DECEMBER

- Holiday Ice purchases building in Wilroy Industrial Park.

New jobs and over \$78 million invested in 2004.

Capital Investment and Job Creation.	Product/Service	New Jobs	New Sq. Ft.	Investment
...	Office and R & D	200	40,000	\$5,000,000
...	Office and R & D	8	26,000	3,500,000
...	Ice Distribution	15	52,540	3,500,000
...	Bank	8	3,500	2,000,000
...	Automotive sales	4	0	2,000,000
...	Office and R & D	25	16,000	1,500,000
...	Furniture Manufacturing	0	0	1,000,000
...	Funeral Services	2	10,000	900,000
...	Office/Warehouse	0	6,000	250,000
Cultural Arts	Arts and Entertainment	12	62,880	20,500,000
...	Recreational Facility	20	35,000	5,800,000
Center	Warehouse and Light Industrial Building	0	130,000	5,500,000
...	Regional Operations Center	45	64,000	5,400,000
...	Glassware Distribution	10	50,000	3,000,000
...	Bank	12	5,000	2,605,000
...	Custom Manufacturing	12	25,000	2,500,000
International Corp. (SAIC)	Office and R & D	85	23,000	2,000,000
ng	Law	30	12,940	2,000,000
...	Bank	8	2,400	1,500,000
Granite, Inc.	Fabrication and Warehouse/Distribution	5	20,000	1,500,000
Systems	Warehouse/Distribution	25	90,000	1,500,000
and Dist., Inc.	Fabrication and Warehouse/Distribution	20	30,000	1,500,000
t Union	Bank	7	2,450	750,000
...	Office	10	5,000	500,000
istics, Inc.	Warehouse/Distribution	80	123,000	492,000
nd Alliance Legal Group	Law	2	3,800	475,000
...	Marketing and Web Site Development	12	2,200	375,000
...	Software Engineering	10	2,610	300,000
p	Financial Advising and Investing	0	2,941	250,000
...	Architect/Construction Management	8	2,100	130,000
...	Production Art Studio	10	6,100	120,000
		685	854,461	\$78,347,000

Constant's Wharf reborn with new Hilton Garden Inn, conference center, marina and public park.

Suffolk's downtown renaissance advanced by quantum leaps in 2004 as construction neared completion on the riverfront hotel, conference center, marina and public park complex.

Keith Alexander, a veteran hotel executive and General Manager of the new facility, sees Suffolk as a major growth area for both business and tourism. "This will serve to keep the people and the lodging business in Suffolk, plus attract outside associations, companies, government contractors and tour groups," Alexander said.



Interior décor will incorporate historic Suffolk artwork and furnishings. Signature Hilton amenities include wireless high-speed Internet access, a 24-hour pantry, refrigerators and microwaves in all rooms, and an indoor pool and spa. The conference center features 14,000 square feet of flexible meeting space.

The complex is being developed through a partnership of the Suffolk Industrial Development Authority and Stormont Noble Development Group with financing provided by Towne Bank. Grand opening is planned for spring 2005.

SAIC moves division to Bridgeway to serve military clients.

Science Applications International Corporation (SAIC), a leading national defense contractor, has occupied 23,000 square feet of office space at Bridgeway Technology Center II located in Bridgeway Commerce Park. The project brings new capital investment of over \$2 million and will accommodate over 80 employees when the installation is fully staffed.

According to Charles Venable, Operations Manager, SAIC moved personnel from Hampton and other locations to Suffolk, to bring them closer to their major customer, the U.S. Joint Forces Command (USJFCOM).

"We are benefiting from co-location with our customer as well as our support staff," Venable said.

SAIC is the largest employee-owned research and engineering company in the United States, providing information technology, systems integration and e-solutions to commercial and government customers. The office features a "secure conference room" for classified meetings and a 1,900-square-foot laboratory, which will serve as a principal network portal for U.S. Armed Forces to conduct concept experimentation, testing and training.

Plans are underway for Bridgeway Technology Center III by building developer Continental Properties. It will be the third of six planned office buildings totaling more than one-half million square feet in Bridgeway Commerce Park.



Science Applications International Corporation (SAIC), moved part of its Hampton Roads staff to this 23,000-square-foot office in Bridgeway Technology Center II to better serve its military customers.

Downtown dining choices grow in 2004.

New downtown restaurants opening in 2004 have given classic old buildings a new lease on life, while retaining Suffolk's historic charm. Stephen and Margaret Gellas purchased the former Nansmond Drug Company building on North Main Street and creatively transformed it into Pisces Seafood Restaurant. Specializing in fresh seafood and offering a raw bar, Pisces opened in October 2004. "Traffic has been good," Margaret Gellas said. "We saw what was happening here, and we really wanted to be a part of it."



Above: Pisces Seafood Restaurant, in historic downtown Suffolk. Right top: Casablanca Mexican Cuisine, in Harbour View in north Suffolk. Right bottom: Java 149, in historic downtown Suffolk.

A short walk up Main Street is a good cup of coffee at Java 149. Brian Jones and his brother and sister-in-law, Jeff and Heather Jones, are partners in the business. "We want it to be a cross between Starbucks and Central Perk," Heather said.

Suffolk developers Mickey Garcia and Ernest Hefferon are renovating the former Crystal Restaurant on West Washington Street with plans to open another new restaurant.

Suffolk Mayor Bobby Ralph said that the opening of the new downtown restaurants "brings a uniqueness to Suffolk that we haven't seen before."

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It's a good time to be in Suffolk