

# Suffolk Economic Activity Report 2007

2007 Annual Report for the City of Suffolk, Virginia, Department of Economic Development

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Roads market. ”

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Rendering of Virginia Regional Commerce Park Building A, 400,000 square feet.

## Two new Suffolk commerce centers to serve Virginia Port.

The busy Port of Virginia is making waves throughout Hampton Roads, and Suffolk's economy is getting a big lift from this rising tide of commerce. Two new port-oriented commerce centers are now under construction with 785,000 square feet of speculative development.

“Our proximity to the port and the availability of land for this use makes Suffolk an attractive location for industrial activity,” said Thomas O’Grady, Suffolk’s director of economic development.

Virginia Regional Commerce Park, at the intersection of U.S. Routes 58 and 460, is designed for distribution, logistics and manufacturing operations. Building A is a 400,000-square-foot multi-tenant structure on 25 acres. It features 32-foot clear ceiling height, 68 dock doors and on-site trailer parking. The entire 4-building complex will offer over 1 million square feet of high quality industrial space. Regional Property Development Corporation is the Charlotte-based developer.

Northwest of downtown Suffolk, near the intersection of Kenyon and Holland Road (Route 58) will be the Virginia Commerce Center,



Rendering of Virginia Commerce Center Building 100, 385,000 square feet.

a master planned 101-acre park designed for office, distribution and light industrial tenants seeking space of 50,000 square feet or more with flexible interior design.

The three-building development will total 1.3 million square feet and represent a total capital investment of \$60 million. Construction is under way on Building 100, with 385,300 square feet.

“Virginia Commerce Center will set a new standard of functionality and design for distribution buildings in Suffolk and all of the Hampton Roads market,” said Tracy A. White, senior vice president of McDonald Development. “The cross-dock layout of Building 100 will give our tenants the flexibility of both front-loading and cross-docking operations, with a substantial number of dock doors for maximum efficiency.”

## SuffolkFirst opens 3rd office.

SuffolkFirst opened its third full-service branch at 3535 Bridge Road in northern Suffolk on October 22, 2007.

Darrell G. Swanigan, president and CEO, said, "SuffolkFirst Bank has been blessed with sound loan and deposit growth since opening in 2003. This solid growth pattern is a result of our loyal customer base and dedicated shareholders. We are encouraged about the consolidation of all bank operations at our new facility, which will result in future cost savings." The new 12,000-square-foot building represents a capital investment of \$4.2 million. Recently, SuffolkFirst introduced to its commercial customers Onsite Remote Deposit Capture, a new digital electronic deposit technology.



## Sentara creates new regional medical campus.

Sentara BelleHarbour, a new comprehensive outpatient medical campus fronting Route 17 near the Bennett's Creek area of northern Suffolk, is scheduled to open in spring 2008. It is the first phase of a 20-acre health complex to be housed in three buildings totaling 180,000 square feet.

First to open will be a three-story, 75,000-square-foot facility offering a full service 24-hour emergency department, advanced diagnostic imaging, laboratory, physical therapy, sport medicine center and physician offices.

"We recognize that residents of northern



Suffolk need and deserve quality health care locally," said Howard Kern, president and chief operating officer of Sentara Healthcare. "Sentara BelleHarbour will offer residents the same noteworthy health care services other communities have come to expect from Sentara in this convenient, new location."

Primary care and specialty physicians will have offices on-site in the first phase to support the medical needs of the emerging residential and business community in that area.

In February 2008, Sentara Obici Hospital opened its new, 22,900-square-foot Ambulatory Surgery Center at 2750 Godwin Boulevard adjacent to the hospital. This new free-standing facility is jointly owned by Sentara and a group of 21 surgeons. Designed for outpatient surgery, the center has two operating rooms, two procedure rooms, receiving, pre-op and recovery areas according to Donna Hertzler, center director. "This new center is designed to meet the surgical needs of our growing community," she said.

## Suffolk gains 1,194 new jobs and over \$165 million proposed in 2007.

### Announcements of planned capital investment and job creation.

EXPANDING BUSINESSES	PRODUCT/SERVICE	NEW JOBS	NEW SQ. FT.	ESTIMATED INVESTMENT
1. Sentara Obici Hospital Ambulatory Surgical Center	Health Care	12	20,000	\$ 8,000,000
2. Lakeview Medical Center	Medical Office	5	18,933	5,000,000
3. Suffolk First Bank	Banking	2	12,000	4,200,000
4. Vitex Packaging	Specialty Packaging Manufacturing	15	36,000	3,500,000
5. Kraft Rail Project	Rail access to Planters	7	0	3,258,000
6. Laufen Ceramic Tiles	Distribution of Ceramic Tiles	5	30,000	3,100,000
7. Lipton Tea	Tea Bag Production and Distribution	8	0	3,100,000
8. EchoStorm	Rapid Response Media Distribution	100	16,000	2,000,000
9. Parr Funeral Home	Funeral Services and Crematorium	2	10,000	1,400,000
10. Mike Duman Automotive	Auto Sales	0	0	700,000
11. Heritage Woodwork	New Office and Showroom	9	3,425	650,000
12. Applied Research Associates	Information Technology Analysis	0	3,400	250,000
13. Lion Vallen	Distribution of Military Uniforms	6	52,000	234,000
<b>NEW BUSINESSES</b>				
14. Harbour View Station East Shopping Center	Retail Development	450	230,000	30,000,000
15. Virginia Regional Commerce Park - Building A	Warehouse/Distribution Building	0	400,000	24,000,000
16. Virginia Commerce Center One - Building 100	Warehouse/Distribution Building	0	385,000	20,000,000
17. Sentara Bellharbour	Health Care	185	75,000	15,000,000
18. Holiday Inn Express	Hotel	63	72,000	6,000,000
19. Harbour View Professional Center	Office Building	0	46,000	5,000,000
20. Dr. Konicoff Medical Building	Medical Office	20	23,140	5,000,000
21. Bridgeway Executive Center	Office Building	0	24,000	4,800,000
22. River Stone Chophouse	Restaurant	75	13,000	4,600,000
23. Northgate Commerce Center	Office/Flex Buildings	0	36,000	4,500,000
24. Montgomery Lofts	Office Suites	0	10,150	2,000,000
25. Freedom Plaza	Retail Development	152	15,200	3,225,000
26. Suffolk Commerce Center	Office/Flex Building	0	30,000	2,000,000
27. Progressive Distribution	Distribution Center of Automotive Parts	25	87,000	2,000,000
28. CHEP USA	Pallet and Container Pooling Services	5	21,000	500,000
29. Pax Industries	Plastic Polymer Distributor	2	36,000	500,000
30. Astute Electronics	Sales of Electronic Components	4	1,750	250,000
31. Continental Terminals	Distribution	1	19,000	200,000
32. Atmospheric and Environmental Research, Inc. (AER)	Computer Modeling & Simulation	3	2,000	100,000
33. Community Personal Care, Inc.	Health Care	38	1,400	100,000
<b>Total</b>		<b>1,194</b>	<b>1,729,398</b>	<b>\$165,167,000</b>

## M&S firms expand in northern Suffolk.

Two major players in modeling, analysis and simulation technology have plugged into northern Suffolk's "Tech Corridor." Applied Research Associates, Inc. (ARA) and Atmospheric and Environmental Research, Inc. (AER), set up shop in Harbour View Professional Center.

ARA expanded its modeling and simulation division from Raleigh, North Carolina to serve defense-related clients in Hampton Roads with applications such as weapon system design, operational planning, targeting, design of protective structures and training simulators. The company will expand into 3,400 square feet of office space.

In the same building, AER is a provider of environmental research and consulting for government and commercial markets. The company announced the move in September 2007 and said that the Suffolk office will provide a local footprint for M&S initiatives at AER that ultimately lead to improving warfighter training, analysis and experimentation at the U.S. Joint Forces Command.

"By establishing a local office within this modeling and simulation hub, we welcome the opportunity to grow side by side with this technology area," said Cecilia Sze, AER's president and CEO. The new office will be led by Steve Lowe, AER's group manager for modeling and simulation.

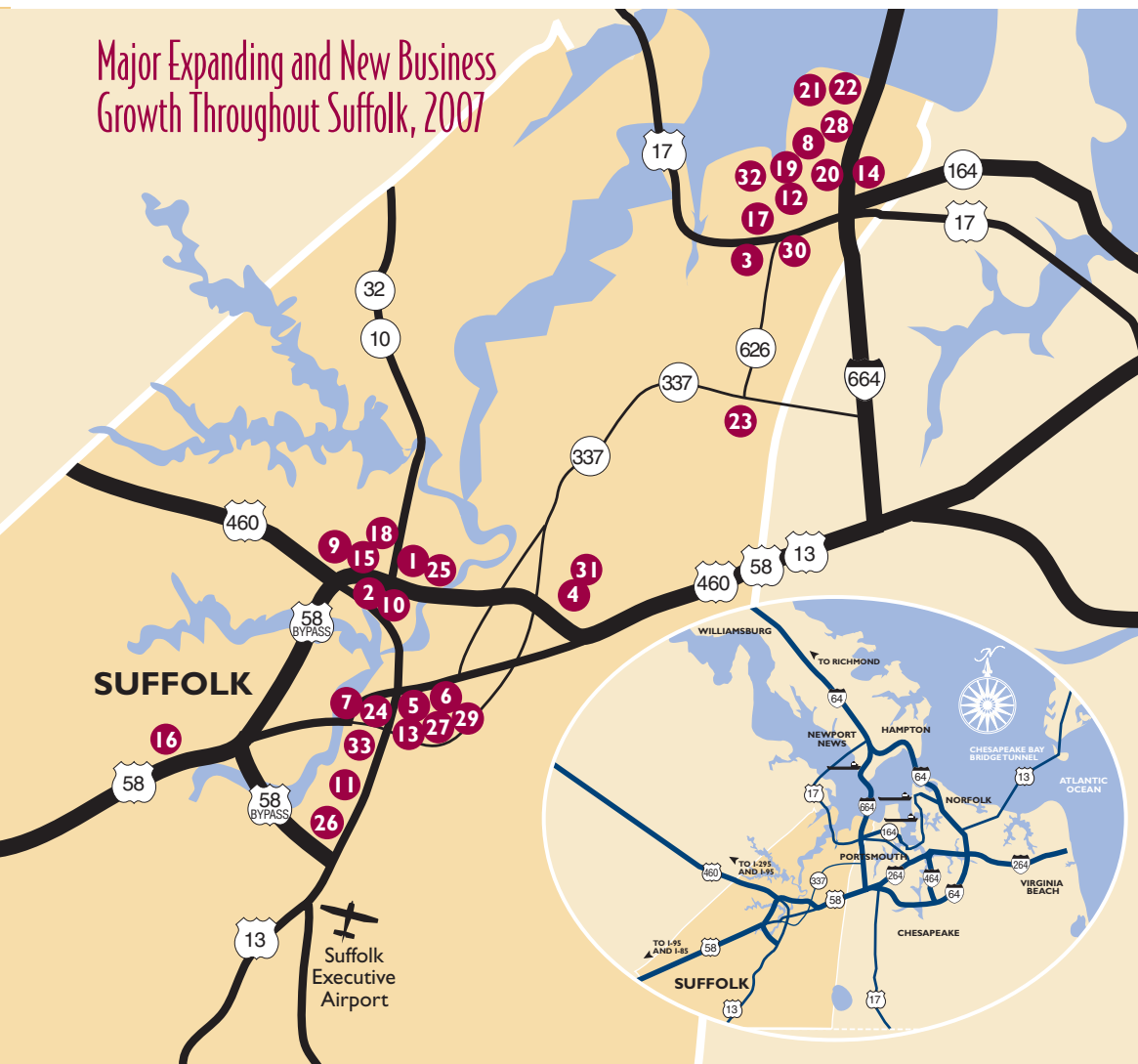


## Retail power center takes off.

With heavyweight anchors like Wal-Mart, Kohl's and Bed Bath & Beyond, northern Suffolk's Harbour View Station East is picking up steam. Bordered by I-664, College Drive and Townpoint Road, the



## Major Expanding and New Business Growth Throughout Suffolk, 2007



230,000-square-foot retail center is expected to be completed in the second quarter of 2008.

"Harbour View is in one of the fastest growing residential areas in all of Virginia," states David Redmond, retail sales and leasing agent for Divaris Real Estate Inc. (DRE). DRE has been assigned the responsibility of leasing Harbour View East, a development of Chicago-based Landonomics Group, who have spearheaded Harbour View's master plan. Small retail space is now available. Contact Redmond at 757-497-2113, or visit [www.Divaris.com](http://www.Divaris.com) for more sales and leasing information.

Employers in northern Suffolk include the U.S. Joint Forces Command, Lockheed Martin's Global Center for Innovation and Bon Secours Medical Center.

Within a ten-mile radius, Harbour View East reaches 350,850 people from 125,490 households with an average household income of \$60,495.

## "Flex Condos" attract owners.

When Mike McHenry broke ground for the new Suffolk Commerce Center in December 2007, he knew it was an idea whose time had come. "This is precisely the type of light industrial product that many business owners have wanted,"



said McHenry, president of Challenger Development. The 30,000-square-foot office and warehouse condominium at Suffolk Industrial Park represents a total capital investment of \$2 million and will offer small businesses the opportunity to own their own facility with a minimum suite size of 2,500 square feet.

"The concept of buying light industrial space in order to increase the value of a business has been widely accepted throughout the country for some time and has recently been adopted across Hampton Roads," said McHenry. "This is an excellent opportunity for business owners to significantly reduce their overall operating costs and to build lasting value in their businesses."

Marlyn Development announced their plans for the development of 120,000 square feet of office/flex condo buildings to be known as Northgate Commerce Center at Northgate Commerce Park. The first phase will include three buildings totaling approximately 36,000 square feet. They will invest approximately \$4.5 million in the first phase with a total capital investment of \$8 million when the project is completed.

Cheyney Cole, vice president of development says, "This is a stellar location for this type of project, and will be supported by numerous small businesses looking to serve the rapidly growing residential and commercial development in Suffolk and the surrounding area."

## Lipton and VPG grow in innovation.

Unilever Lipton and Vitex Packaging Group (VPG) are two innovators in their fields. Both call Suffolk home, and both have recently expanded their operations. The global tea icon continues to reinvent the popular beverage, and VPG develops new ways to wrap up everything from teabags to pouches.

In November 2007, Lipton geared up to produce the company's newest tea product, "Lipton-To-Go Stix," a zero calorie, sugar free iced tea mix in convenient packets. New high speed equipment turns out 1,000 single-serving "Stix" per minute in six flavors. Suffolk plant manager Ted Narozny added 8 employees to run the operation which represents a \$3.1 million investment. "Demand for the product is in the double digits," Narozny said.

VPG is adding 10,000 square feet of production and warehouse space, \$1.5 million of printing and conversion equipment and approximately 15 manufacturing jobs. "The expansion in Suffolk is being made in an effort to centralize our operations and provide our customers with improved products, service and delivery," said Tim Hare, VPG president and CEO. The Suffolk operations employ 140 people that are based within several facilities totaling 74,000 square feet.



## Hot ideas ignite explosive growth.

EchoStorm Worldwide LLC, a joint venture between Earl Industries LLC and EchoStorm, Inc., grew its workforce from 65 to 100 employees and opened new offices in Washington, D.C., San Francisco and London, to keep pace with its growth. The expansion means that EchoStorm is one of the largest tenants in Bridgeway Technology Center—second only to Lockheed Martin Corporation. The Bridgeway Technology Center is the heart of the Suffolk Technology Corridor. The company invested \$2 million in its 16,000-square-foot expansion.

EchoStorm invented a suite of groundbreaking media management solutions that have already proven their value in military applications. The expansion will help the company to capitalize on the growing need among industries to store, analyze, and send out large quantities of video, images and other data rapidly with an easy-to-use, flexible, high-quality and secure solution.

For information about EchoStorm Worldwide LLC, visit [www.echostorm.net](http://www.echostorm.net).

## Historically hip lofts.

Developers Marcus Pollard and Mickey Garcia envisioned a higher purpose for two historic Suffolk buildings. The former Montgomery Ward department store on North Main Street and the former Thomas



Montgomery Lofts interior.

Jefferson School on Finney Avenue at Clay Street have received a new lease on life. The resurgence of downtown along with the look and lifestyle of an earlier era inspired the transformation of these old buildings into highly desirable living spaces. And today, they have become the "lofts"—the Montgomery Lofts and the Jefferson School Lofts. Pollard created 13 residential and two commercial units. In the Jefferson School Lofts, Garcia built 16 loft apartments, retaining many of the original architectural features. Each unit is designed to be a SOHO, or "small home or office," where tenants can live and work. Pollard invested \$4 million in his project and Garcia \$4.2 million.

For information visit their websites at [www.TJLofts.com](http://www.TJLofts.com) and [www.SuffolkLofts.com](http://www.SuffolkLofts.com).



Jefferson School Lofts.

## Dining soars to new heights.

Set to open in early 2008, the River Stone



Chophouse on Harbour View Boulevard at College Drive is like no other dining establishment in the region. Design touches reveal the influence of Frank Lloyd Wright, with wood, stone and glass. Built on a grand scale with 13,000 square feet of multi-level space and a bar with its soaring 22-foot ceiling, the landmark structure will accommodate up to 250 for corporate meetings or private events. A conference room fully wired with state of the art video and sound systems also has an adjacent private dining room. Owners Brian and Teresa Mullins and their partners Sam and Cindy McGann are no strangers to the restaurant scene, as they are also the proprietors of the upscale Vintage Tavern at Governor's Pointe. The food? They promise the best steaks, chops and seafood with wines to match. For information, call 757-238-8808 or visit [www.riverstonechophouse.com](http://www.riverstonechophouse.com).