

Suffolk Economic Activity Report 2006

2006 Annual Report for the City of Suffolk, Virginia, Department of Economic Development

“ We’re one of
the few factories that
chose to locate in
Suffolk instead of China.
How many companies
can celebrate the
insourcing of jobs
to the U.S.?”

Peder Sorensen

President

FLEXA Furniture

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FLEXA Furniture opens new U.S. headquarters in Suffolk.



FLEXA Furniture, Inc., Denmark-based innovator in children’s furniture design and construction, opened their new 88,000-square-foot, manufacturing facility and national headquarters at Suffolk



Industrial Park in December 2006. They moved from a 30,000-square-foot facility that was being leased in Wilroy Industrial Park.

David N. Smith, deputy secretary of commerce and trade of the Virginia Economic Development Partnership, welcomed FLEXA to Suffolk on behalf of Gov. Tim Kaine. “Virginia was just named the number one state to do business by *Forbes Magazine*,” Smith said. “FLEXA liked it so much here they decided to put down roots, which really says a lot about the people of Suffolk.”

FLEXA’s president Peder Sorensen cited Suffolk’s strategic location near the Port of Virginia as a key factor in their decision. “We can have a container from the port to Suffolk in a half-hour,” he said.

Suffolk’s pool of skilled workers also influenced the company’s decision according to Sorensen. “Relatively speaking, there’s a good

supply of workers,” he said.

Per Lykke Jensen, CEO of Sales and Marketing of FLEXA Group A/S, noted that his company is “well positioned from a distribution standpoint to service the whole of the East Coast of the United States.”

FLEXA is an innovative manufacturer of modular children’s bedroom furniture using natural wood, non-toxic lacquers, and environmentally friendly processes. Founded in 1972, the company has been in the U.S. market for six years.

FLEXA has three company stores in the United States—Virginia Beach, Hawaii and California. Their sturdy wood bedroom products for children are designed to grow with the child. A simple bed with side rails can be converted into a loft with a desk or fort underneath, a castle bed, and other creative configurations.

“Expansion of existing industry is a key ingredient to our economic development success,” said Suffolk Mayor Linda Johnson, “and we are extremely pleased that FLEXA Furniture will continue its growing profitability in Suffolk.”

EchoStorm expands to Bridgeway III.

EchoStorm, Inc., a leader in the media distribution industry expanded their Suffolk operations to the newly constructed Bridgeway Technology Center III, and will occupy 15,000 square feet of the total 72,000-square-foot building. This project will bring new capital investment of over \$4 million to Suffolk and create 100 highly skilled information technology jobs.

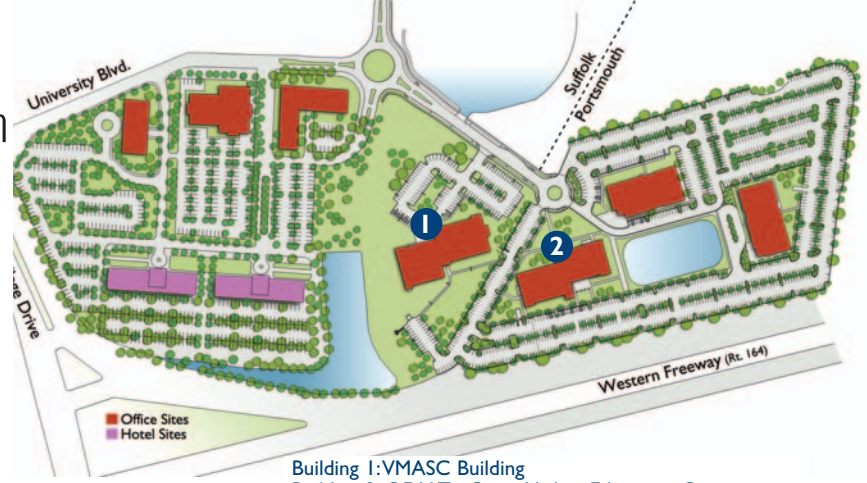
EchoStorm's innovative approach to video data delivery has been deployed by the Department of Defense and is being applied across a range of commercial industries, including entertainment, health care and education, according to David Barton, EchoStorm's president.

Suffolk and Portsmouth Promote Regional Technology Campus.

A 32-acre campus for research, technology and education is being promoted jointly by the cities of Suffolk and Portsmouth, Virginia. The MAST Center (Modeling, Analysis, Simulation Technology) neighbors the United States Joint Forces Command (USJFCOM), a modeling and simulation industry giant and major magnet for the nation's largest defense contractors.

Located at the intersection of Western Freeway (Rt. 164) and College Drive, the MAST Center is scheduled to open in Fall 2007 and will be the new home for the Virginia Modeling, Analysis and Simulation Center (VMASC), an Old Dominion University (ODU) Higher Education Center, and present opportunities for speculative and build-to-suit office space as well as hotel development.

VMASC will occupy a new 60,000-square-foot office building and use computer technology to simulate real-life scenarios for military and commercial applications. In addition, the 50,000-



Building 1: VMASC Building
Building 2: ODU Tri-Cities Higher Education Center

square-foot ODU Tri-Cities Higher Education Center will support a variety of graduate and undergraduate programs, and a Magnet Technology Program for Suffolk Public Schools. The MAST Center will access the National LambdaRail (NLR) communications network, a major initiative of universities and technology companies.

The MAST Center is part of the 150-acre Hampton Roads Crossing mixed-use development, which will include 600 residential units and a lifestyle retail center. The project is being developed by HRC One LLC, a joint venture of HL Development Services Group and The Terry Peterson Companies, in partnership with the cities of Suffolk and Portsmouth.

Suffolk gains 961 new jobs and over \$95 million invested in 2006.

Announcements of Planned Capital Investment and Job Creation.

EXPANDING BUSINESSES	PRODUCT/SERVICE	NEW JOBS	NEW SQ. FT.	ESTIMATED INVESTMENT
1. Unilever/Lipton Tea	Tea Bag Production and Distribution	12	0	\$ 7,200,000
2. Ciba Specialty Chemicals	Chemical Processing	0	0	7,000,000
3. FLEXA Furniture	U.S. HQ and MFG Children's Furniture	30	88,000	6,000,000
4. Echostorm	Media Distribution	100	15,000	4,000,000
5. Bon Secours Health Center	Health Care	25	11,000	3,700,000
6. Duke Automotive Corp.	Automotive Sales	0	0	1,600,000
7. Centex Homes	Regional HQ, Home Builder	45	8,000	1,600,000
8. Bridgeway Business Center	Warehouse/Distribution	0	0	1,500,000
9. Commonwealth Storage Corp.	Warehouse/Distribution	5	0	1,100,000
10. MITRE Group	Modeling and Simulation Services	0	8,000	1,000,000
11. Schwan's	Food Packaging and Distribution	9	5,400	200,000
12. General Dynamics Information Technology	Modeling and Simulation	5	2,300	200,000
NEW BUSINESSES				
13. Bennett's Creek Crossing Shopping Center	Retail	200	114,300	\$12,500,000
14. MAST Center VMASC Building	Modeling and Simulation	40	59,000	12,000,000
15. Harbour View Medical Arts I Building	Office/Medical Building	100	50,000	10,000,000
16. Shingle Creek Storage	Office/Warehouse	50	80,000	4,500,000
17. Suffolk Specialty Shoppes	Retail	30	15,200	3,225,000
18. 1Foot, 2Foot	Foot Care Specialist	10	14,000	2,500,000
19. Pugh Lubricants	Warehouse/Distribution of Petroleum Products	20	39,000	2,500,000
20. Raytheon	Modeling and Simulation	24	22,000	2,500,000
21. Vintage Tavern Restaurant	Restaurant	55	5,800	2,200,000
22. Shoppes on the Village Green	Retail	50	17,000	2,200,000
23. Main Street Jazz Club	Restaurant	24	9,400	1,500,000
24. Premier Fitness	Fitness Center	50	13,000	1,500,000
25. Bronco Federal Credit Union	Bank	10	4,243	1,000,000
26. Royal Fumigation	Shipping Container Fumigation	5	30,000	700,000
27. Western Fumigation	Shipping Container Fumigation	5	21,500	306,000
28. TKC Technology Solutions	Technology Systems Support	23	10,000	300,000
29. Sherwood Lumber	Office for Distribution of Lumber Products	12	2,000	270,000
30. Atlantic Coastal Containers	Shipping Container Repair	5	14,000	200,000
31. Applied Technology Systems	Logistics Management	6	5,000	150,000
32. Mid-Atlantic Production	Audio Installation, Repair and Supply	2	3,000	100,000
33. Fibrex	Manufacturer of Recycled Products	9	10,000	100,000
Total		961	676,143	\$95,351,000

Vintage Tavern serves "seasonally Southern" fare in northern Suffolk.

Governor's Point in northern Suffolk now has a world-class restaurant to complement its upscale, English-style garden villages inspired by Colonial Williamsburg. Developers Brian and Teresa Mullins



partnered with restaurateurs Sam McGann of The Blue Point restaurant in Duck, North Carolina and Cindy Day McGann, Executive Director of the Chesapeake Bay Wine Classic Foundation, to turn the Vintage Tavern from a vision into reality in April 2006. "We are passionate about our Southern culture, and the opening of Vintage Tavern is, in every way, a dream realized," said Brian Mullins. "We wanted to create a special place with local flavor where residents would feel at home, at the same time offering visitors the distinctive taste of Southern cuisine and hospitality." For information, call 757-238-8808 or visit VintageTavernVirginia.com

Raytheon moves to Suffolk's "SIM City."

Raytheon Company has joined other high-tech heavies in northern Suffolk with this Netcentric Integration and Experimentation Center linking other Raytheon labs with their customers. Raytheon provides computer modeling, simulation and imaging services for the United States and the North Atlantic Treaty Organization (NATO) military services. The 22,000-square-foot facility is located in the Bridgeway Tech Center I Office Building in Bridgeway Commerce Park.

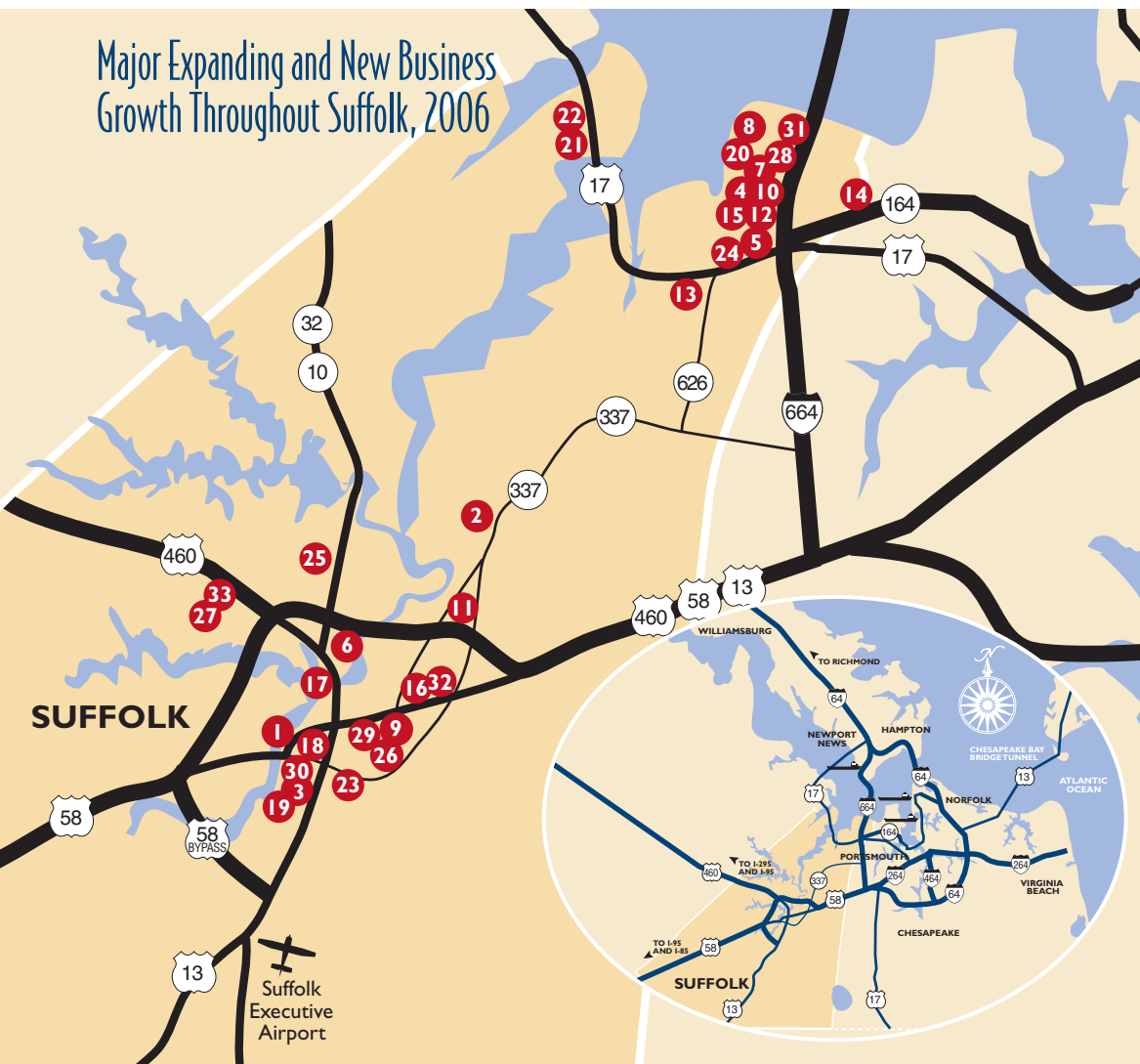


MITRE expands and Celebrates 25 years of service.

MITRE Corporation recently expanded its Suffolk office from 6,000 square feet to 16,000 square feet in the Bridgeway Technology Center I Office Building. This facility has been specifically designed to support MITRE virtual outreach, to host industry and government interchange, and to provide a premier work environment. With 25 years of service to the Hampton Roads military community, MITRE works across all aspects of the United States Joint Forces Command (USJFCOM). MITRE Corporation is a not-for-profit organization chartered to work in the public interest. In Hampton Roads, MITRE handles the Department of Defense Command, Control, Communications and Intelligence.



Major Expanding and New Business Growth Throughout Suffolk, 2006



New Workforce Development Center opens doors of opportunity.

In February 2006, the City of Suffolk Workforce Development Center opened with the mission of helping

citizens with the resources necessary to promote a more meaningful and productive way of life. More than

300 people visit the center each month, according to Michelle Lachtara, center coordinator.

"We assist clients with career planning, job searching, education, economic support and training," Lachtara said. Located at 157 North Main Street, across from the Godwin Courts Building, the Workforce Development Center provides free or low-cost services to both employers and job seekers in a "one-stop employment and training environment."



Eleven Suffolk companies are volunteering their time in 2007 to introduce area students not only to job opportunities but also to what companies will expect of them when they enter the workforce.

The center offers a fully equipped computer lab, conference room, and two training rooms. For more information call 757-923-5290.



Jazz restaurant hits high note.

Formerly a carriage-maker's shop, the 1886-era, three-story building in downtown Suffolk has undergone a jazzy transformation. The old red bricks are crisply dressed in black and white, with a wide awning giving the appearance of piano keys. The Main Street Jazz Restaurant opened January 2006 to great fanfare. Proprietors Horace Balmer and Sherwin Turner, longtime friends and jazz buffs,

launched the ambitious venture after finding few jazz venues in the region. "Suffolk is now becoming the place to come for dinner and entertainment," Turner said. Local and national jazz talents are showcased, along with New Orleans style cuisine. For more information, call 757-923-JAZZ or visit MainStreetJazzRest.com.



New downtown tenant puts best foot forward.

Don't let the authentic 1920s theatre marque fool you. The "happy feet" inside the former Chadwick Theatre on North Main Street are produced by a full-service podiatry clinic called 1Foot 2Foot.

The 6,000-square-foot complex, headed by Dr. Matthew C. Dairman, a Board Certified Podiatrist, encompasses every aspect of foot and lower extremity care, including podiatry, an on-site medical spa, shoe store, and an independent physical therapy gym. According to Dairman, it's the first of its kind anywhere.

"It's been my dream since med school," said Dairman who serves on the active staffs of four area hospitals. "We established 1Foot 2Foot to fulfill the need for quality and personable podiatric care in the Hampton Roads/Suffolk Community, using a combination of the latest medical technology and good old-fashioned patient care," Dairman said. Call 757-934-0768 or visit 1Foot2Foot.com for more details.



Premier Fitness to open in Harbour View.

Premier Fitness is opening a new 13,000-square-foot facility on Champions Way off Harbour View Boulevard in northern Suffolk. The company is leasing one of four new office buildings being constructed by BECO, LLC. This represents an investment of approximately \$1.5 million, and will create 50 new jobs.

Brian Cavanaugh, president and CEO of Premier Fitness, said, "We are

custom designing our club to bring our members the ultimate fitness experience and satisfaction."

Suffolk Mayor Linda Johnson said, "Premier Fitness will be an excellent compliment to the surrounding neighborhoods and companies in the Harbour View area. This new facility will certainly enhance the wonderful quality of life of our citizens."

Premier Fitness plans to open in early spring 2007. For information, call 1-888-399-8586 or visit PremierFitnessUSA.com.



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It's a good time to be in Suffolk