

## Coffee business gives Portsmouth warehouse a buzz

A warehouse in PortCentre Commerce Park is percolating with new business.

Massimo Zanetti Beverage, USA, the nation's 3rd largest coffee distributor and producer of Chock full o'Nuts, Hills Brothers, Chase and Sanborn and other private-label coffees, has moved its U.S. headquarters and most of its distribution to the former Dan River Inc. warehouse near downtown. The facility will house the company's Logistics, Sales and Administrative support teams.

In January, the company began operations, and soon 80 to 90 million pounds of coffee, mostly in metal 3-pound cans, will be shipped out of Portsmouth annually utilizing state-of-the-art warehouse technology. Proximity to the port and to the company's Suffolk roasting plant where the coffee is produced, were key factors in selecting the Portsmouth facility.

The privately-owned company consolidated distribution facilities in New Jersey, Houston and Richmond and signed a long-term lease for the 228,500 square-foot warehouse at the entrance to PortCentre Commerce Park just off Interstate 264.

In addition to leasing the facility, Massimo Zanetti will occupy 6.5 acres of the former Washington Park site adjacent to the facility for the staging of their distribution vehicles.

Massimo Zanetti Beverage USA, a division of the Italian coffee giant Segafredo Zanetti Group, purchased the coffee business from Sara Lee in 2005. The company has nine plants worldwide with over 3,000 employees and produces over 1.5 million bags of roasted coffee worldwide each year.

The company will invest more than \$1 million in upgrades, shipping technology and repairs to the building. The move results in 160 new jobs and approximately \$155,000 in new business and property and tax revenue for Portsmouth.



Winter/Spring  
2007

# New Holiday Inn coming to Downtown Portsmouth

A 4.0-acre site, located just off Interstate 264 at the entrance to PortCentre Commerce Park in downtown, will be the site of a new full-service Holiday Inn hotel.

Local hotelier Jay Barot will purchase the land from the Economic Development Authority and begin construction on a five-story, 120-room Holiday Inn in spring 2007. The new hotel and restaurant are projected to open in summer 2008 and will be owned and operated by a new entity, Old Towne Hospitality, LLC. Barot's, company JMD Enterprises, operates a number of hotels in Hampton Roads.

This will be the third new hotel in downtown Portsmouth in seven years, a major boost to tourism and business travel.

## Wi-Fi is a modern convenience in historic Downtown Portsmouth

Free Wireless Internet or "Wi-Fi" is now available along the downtown waterfront and along High Street up to Effingham Street.

The new service is intended to promote Portsmouth and to drive tourists and residents to downtown's restaurants, shops and attractions through advertisements and links to the city's tourism page. It also allows laptop users to check email and browse the Internet without being tied to one spot.

According to Lynn Lochen, Director of the city's Convention and Visitor's Bureau, the wireless connection is especially important in reaching boaters docked at two downtown marinas who might not otherwise venture too far away from the marina.

The City of Portsmouth contracted with 7 Cities Communications of Norfolk to provide the advertiser-supported service.

## New downtown park dedicated

In October, city officials and representatives of Columbia Gas of Virginia dedicated a new 3.1-acre public park in downtown.

Fort Nelson Park, located outside Naval Medical Center, Portsmouth, the oldest naval hospital in the country, is the northern anchor of the city's Path of History, a collection of monuments along the waterfront.



Columbia Gas developed the park, which features newly planted grass and trees, brick walkways, local history placards and Navy and Coast Guard artifacts, on the site of a Civil War-era gas plant. The company owns the land, but leases the site to the city.

# Spotlight on Lindab, Inc.

Portsmouth is home to Lindab, the world's largest manufacturer of round sheet metal ductwork. The manufacturer has operations in over 23 countries, and Portsmouth hosts the company's North American headquarters. Lindab is regarded as the industry leader in the U.S. and its products can be seen in such high profile jobs as the Pentagon, Ford Field (home of the last Superbowl), Heinz Field (home of the last Superbowl champions - the Pittsburgh Steelers), and the new Virginia Beach Convention Center. Because of their consistency, quality, and the fact that they are one of the few operations with a national reach, many national retail and restaurant chains specify Lindab as their source for ductwork. Go into any Gap store, Old Navy, or Chipotle restaurant and look up. There you will see a Lindab product.



attractive to contractors involved in redevelopment. In fact the surge in downtown revitalization among old warehouse districts has made Lindab's product the first choice for many developers active in converting industrial warehouses to upscale loft apartments and condos.

More recently Lindab's products have begun serving the residential markets. The company has a new product, a system called HV2, which it markets under the Gustafson brand name. The system is geared for high velocity air conditioning systems and is integrated into products sold by Unico and SpacePak. It is ideal for retrofitting older and historic homes

as it is designed to fit into the small areas between walls and floors in older homes without interfering with the construction or historical integrity of the houses. The product has been so successful it has been used in *Country Living Magazine's* 2007 House of the Year. How ironic that the system used in older and historic homes is manufactured in Portsmouth, a city dating back to 1752 with six historic districts!

*Special thanks to Jeff Whealton, marketing manager with Lindab.*

One big selling point to the product line is the fact that it is self sealing - a feature that eliminates the need to apply mastic or duct tape to seal the joints making the product ideal for exposed ductwork applications. Exposed ductwork is popular among national retailers and restaurants and is especially



## Mainline Safety Relocation Project

Residents of western Portsmouth were briefed at two community meetings about a plan to relocate 4.5 miles of Commonwealth Rail Line's West Norfolk spur from densely populated areas of Portsmouth and Chesapeake to the Western Freeway (Route 164) Rail Corridor through the cities of Portsmouth and Chesapeake.

Route 164 and Interstate 664 were originally built to accommodate double-stack container trains and a dual set of tracks in their medians. With the relocation of the rail line, this corridor can serve APM Terminals' new \$500 million terminal currently under construction as well as the planned \$2.1 billion Craney Island Marine Terminal.

Relocating the rail will also implement essential safety measures related to the at-grade crossings currently used by motorists and pedestrians; limit the noise levels and pollution emissions from automobiles idling at rail crossings and from trains passing through neighborhoods; divert containerized cargo traffic away from regional highways reducing congestion; allow commercial trains to travel at faster speeds, therefore delivering cargo to their destinations more efficiently; and foster economic growth by supporting operations at the new APM Terminals and future Craney Island Terminal.

The relocation of the rail line is expected to be complete by December 31, 2009. For more information, please visit the Commonwealth Railway Mainline Safety Relocation Project web site: [www.vpa-engineering.net/rail\\_project](http://www.vpa-engineering.net/rail_project).



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# Retail Grand Openings in Midtown



Photography by Steve Budman Photography  
Courtesy of HBA Architecture & Interior Design

Bayside Harley-Davidson held a grand opening of its new 30,000 square foot store on Frederick Blvd. and I-264 in March 2006. The dealership originally opened on High Street in 1998 and is ranked among the top 10 nationally. In October 2006, HBA Architects & Interior Design received the First Honor award for the project in the Best Commercial/Retail Building 20,000-100,000 SF category at the 2006 Excellence in Design Awards sponsored by the Hampton Roads Association for Commercial Real Estate (HRACRE).

City officials and Wal-Mart representatives celebrated the grand opening of Portsmouth's first super center in Midtown, on January 19, 2007. The 204,000 square foot store, complete with groceries, general merchandise, gardening supplies and pharmaceuticals, is the new anchor in Midtown's redevelopment initiative. A new IHOP restaurant across from Wal-Mart held a grand opening celebration on October 18, 2006.



## 2006 Economic Activity Report

### NEW BUSINESSES

COMPANY NAME	DESCRIPTION	NEW JOBS	NEW SF	INVESTMENT
ODU Tri-Cities Center Building	Higher Education	20	54,000	\$10,500,000
MAST One Office Building	Speculative Office Building	0	60,000	\$11,500,000
Capital Industrial Supply	Industrial Equipment Supply	10	10,000	\$300,000
Chesapeake Bay Cabinet Co.	Kitchen & Bath Cabinets	30	21,000	\$1,500,000
Claymore Sieck Wholesale Florist	Wholesale Florist Distribution	45	18,000	\$770,000
Air Condition Specialists	HVAC Contractor	10	3,440	\$330,000
Synergy Flow Systems	Submarine Fittings Manufacturer	2	10,000	\$100,000
Tidewater Coffee	Coffee Distribution	8	7,600	\$410,000
GTI Systems	Government Contractor	20	17,000	\$300,000
Massimo Zanetti Beverage USA	U.S. Headquarters/Coffee Distribution	160	228,500	\$3,200,000
	<b>SUBTOTAL</b>	<b>305</b>	<b>429,540</b>	<b>\$28,910,000</b>

### EXPANDING BUSINESSES

COMPANY NAME	DESCRIPTION	NEW JOBS	NEW SF	INVESTMENT
Maritime Solutions	Boat Repair	0	6,540	\$310,000
Superior Marble & Stone	Natural Marble Wholesaler	0	10,000	\$500,000
Dow Management	Property Management	0	6,650	\$235,000
Weeks Marine Service	Marine Contractor/Designer	57	10,000	\$269,760
	<b>SUBTOTAL</b>	<b>57</b>	<b>33,190</b>	<b>\$1,314,760</b>
	<b>GRAND TOTAL</b>	<b>362</b>	<b>462,730</b>	<b>\$30,224,760</b>

# Business Education & Networking Events

2006 has been a busy year for Portsmouth Economic Development's Existing Business Program. Since the beginning of the year, the department has hosted a series of free business seminars for both new and existing businesses on a variety of topics including: Marketing Myths & Realities, Marketing on a Budget/Public Relations; The Importance of Client Maintenance, Customer Service Training for Frontline Personnel, How to Start a Business in Virginia, Virginia Small Business Financing Authority Loan Products, Basics of Starting a Small Business, Business Succession, What is an Entrepreneur? And Are You One? Owning a Franchise, and Hurricane Preparedness. Economic Development also co-sponsored Visual Merchandising Today!, a seminar with the Retail Alliance.

In April, Economic Development hosted its second annual Job Fair at the Renaissance Portsmouth Hotel and Waterfront Conference Center. A total of 26 companies participated in the fair, which was open to anyone seeking employment in Portsmouth and the surrounding region.

In May, the department hosted its annual Business Appreciation Event in conjunction with the Commonwealth of Virginia's weeklong celebration. The event was held at the new Bayside Harley-Davidson location on Frederick Blvd. Approximately 100 business owners, city staff and guests attended.

Most recently, the department hosted a Woman Business Owner Symposium. The event's theme was "Building Strategic Relationships" and featured sessions on how to do business with the government and private industry as well as a session on business financing.

For more information about the Existing Business Program or events hosted by Economic Development, call (757) 393-8804 or [www.portsmouthvaed.com](http://www.portsmouthvaed.com).

## Portsmouth Businesses In the News...

- o Congratulations to Dory Wilgus, Owner/President of **US Flag & Signal** on being named the 2006 Entrepreneurial Woman of the Year by the Southeast Chapter of the National Association of Women Business Owners (NAWBO). The company was also recognized as the 2006 Small Business of the Year for Portsmouth by the Hampton Roads Chamber of Commerce. US Flag & Signal, one of the big four flag manufacturers in the nation, is located in PortCentre Commerce Park.
- o Congratulations to J. Daniel Stevens and Thomas W. McDonough, President and Vice President of **Port Equipment Service (PES)** on being named the 2006 Virginia Small Business Persons of the Year by the US Small Business Association. Port Equipment Service specializes in the repair and rebuilding of heavy container handling equipment used by the Virginia Port Authority. The business located on Elmhurst Lane, was recently acquired by Kalmar Industries, a Finnish company that makes the equipment PES maintains.
- o Congratulations to the following five Portsmouth businesses who were acknowledged as up-and-coming on the Hampton Roads Chamber of Commerce **Rising 25 of 2006** list: **Valco Piping Products, Wright's Engineering/M&S Marine, Sweet Temptations, Inc., DACS, and RDS Recycling and Disposal Solutions.**
- o Recently renovated and reopened by its original owners, the Mathews family, The Circle Restaurant was placed on the Virginia Landmarks Register and the National Register of Historic Places in 2006. The Circle Restaurant, located on High Street in Midtown, was built as a curb-service restaurant in 1947. The building's modern style of design, its architectural integrity and its association with the rise of the automobile in American culture after World War II were all cited in the designation. It switched from a curb service drive-in to a regular restaurant format in the late 1960s. Today, The Circle continues its tradition of food, friendly service and reasonable prices.
- o **The Bier Garden**, a downtown restaurant offering home-cooked German cuisine and more than 100 international beer selections, was voted one of the "Top 50 Places to Have a Beer in America" by *Beer Advocate Magazine* and was recently featured in *The Virginian-Pilot*.
- o **MYMIC LLC**, a modeling and simulation company located in Downtown Portsmouth, was recently awarded two research contracts to develop new training capabilities at the U.S. Joint Forces Command under the Department of Defense Small Business Innovative Research Program.
- o When your 115-foot megayacht isn't big enough, **Ocean Marine Yacht Center** can lengthen it. In 2006, OMYC began work on one such project that would expand a \$12 million yacht to 130 feet. This is one of the center's most complicated projects to date and would take about 14 months to complete.

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## Department of Economic Development

200 High Street, Suite 200  
Portsmouth, VA 23704-3622  
757-393-8804  
800-848-5690  
Fax 757-393-8293

www.portsmouthvaed.com  
e-mail: porteco@portsmouthva.gov

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### Economic Development Staff

Steven L. Lynch - Director  
Tara F. Saunders - Deputy Director  
Mallory C. Kahler - Development Manager  
Thomas L. Reese - Development Manager  
Monique S. Bass - Development Manager  
Kristine R. Sutphin - Research Manager  
Lee R. Lamer - Executive Assistant  
Betty L. Crummie - Administrative Coordinator  
Kareema D. Johnson - Administrative Coordinator

## FYI...

- The City of Portsmouth Department of Economic Development adopted the following new **Vision Statement** in 2006: *"The Portsmouth Department of Economic Development will foster an environment that creates a superior quality of life for its corporate citizens and residents by being receptive and responsive to the changing landscape of the local community and global economy."*
- **Virginia: The Best State For Business** - Virginia grabbed the top spot in Forbes Magazine's first ever "Top States for Business" ranking thanks to its strong economic growth, low business costs and excellent quality of life.
- In December 2006, the City of Portsmouth was awarded the 2006 Award for Municipal Excellence from the National League of Cities for a computer program developed to track state legislation. **Portsmouth Online Legislative Information Tracking and Intergovernmental Communications System (POLITICS)** is a searchable database that allows city departments to review and recommend positions on bills proposed in the General Assembly.
- If you are interested in opening a business in Portsmouth and don't know how to get started, stop by the Economic Development Department to request a copy of **"An Interactive Guide to Starting a Business in Portsmouth"** on CD. Copies will also be available for a limited time at the Commissioner of Revenue's office (Portsmouth City Hall) and the public libraries.
- The City of Portsmouth **Development Guide** is available online at [www.portsmouthvaed.com](http://www.portsmouthvaed.com) (Business Resources) or through the Economic Development and Planning Departments. It contains brief descriptions of each of the major development processes from the rezoning of property to the issuance of a building permit. It is intended to give citizens, developers, architects and others an overview of what is involved in the development, improvement and use of land in the City.

