

2003 Economic Activity Report

NEW BUSINESSES

COMPANY NAME	PRODUCTS/SERVICES	NEW JOBS	NEW SQUARE FEET	INVESTMENT
Ameron International	Paint Processing & Distribution	3	17,000	\$65,000
Great Atlantic Mortgage	Mortgage Company	4	1,400	\$ 6,000
Boxx Systems, Inc.	Disposal Company	2	N/A	\$350,000
Fleet Imports	Stone & Marble Distributor	4	9,000	\$760,000
Advantage Auto Collision Center	Collision Repair Center	11	16,125	\$250,000
Noell Crane & Service, Inc.	Crane Service & Distribution	11	21,000	\$680,000
Dow Construction & Development	General Contractor	25	10,000	\$1,200,000
Chesapeake Drywall & Acoustics, Inc.	Commercial Contractor	45	6,500	\$1,200,000
Electric Boat	Navy Defense Contractor	45	3,280	Not Disclosed
Jensen Activewear	Apparel Import Distribution Ctr	50	77,612	\$1,370,000
Indusco Corp.	Welding & Industrial Supply	21	13,000	\$575,000
Woolpert LLP	Architecture & Engineering	60	17,500	\$3,000,000
Premier Copper & Brass	Navy Piping Supplier	50	35,000	\$2,000,000
SUBTOTAL		331	227,417	\$11,456,000

EXPANDING BUSINESSES

Circle M Contracting	Masonry and Steel	30	16,000	\$15,000
Lucas Professional Center	Admin/Day Support Facility	0	14,200	\$1,500,000
Wachovia Bank	Financial Institution	0	1,200	\$1,000,000
TowneBank	Financial Institution	10	15,000	\$1,000,000
CDI Marine	Naval Architecture/Engineering	0	23,000	\$2,000,000
Airline Business Park Building #4	8 Unit Flex Building	0	18,000	\$678,500
Wright's Engineering/M&S Marine	Ship Repair, Engineering	50	33,000	\$2,000,000
Southeastern Freight Lines	Shipping Services	5	20,000	\$2,000,000
Cornerstone Systems, Inc.	Freight Forwarding	6	3,900	\$400,000
Wilbar Truck Equipment, Inc.	Truck Bodies & Accessories	0	5,000	\$100,000
SUBTOTAL		101	149,300	\$10,693,500

GRAND TOTAL 432 376,717 \$22,149,500

P.O.R.T.S.M.O.U.T.H VIRGINIA 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

ADDRESS CORRECTION REQUESTED

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. Moore - Executive Assistant
Lizette D. Arches - Admin. Coordinator
Betty L. Crummie - Admin. Coordinator

- In 2003, new and expanding office and industrial businesses generated over **\$22 million in capital investment** and created **432 jobs**.
- In November, a restored Queen Anne home in the 600 block of London Street in Olde Towne was featured on **HGTV's Restore America**. In 1999, the home was assessed for \$56,000 before being badly damaged by fire. Today the home built in 1910 is assessed for over \$200,000.
- **Homearama 2003** was a showcase for new homes, and for Portsmouth. Over 86,000 people attended the event at The Estates at River Pointe between October 18th and November 2nd. Listing prices for the nine custom waterfront homes on the tour range from \$554,900 to \$1.2 million. As of March 2004, six homes had sold and three are still available.
- In 2003, City Council approved a **new marketing logo and tagline** for the City of Portsmouth. The new look has already appeared on banners throughout the city.

Presorted
First Class Mail
U.S. Postage
PAID
Portsmouth, VA
Permit No. 16

InSite *into Portsmouth Economic Development*

Building up Portsmouth

Portsmouth, Virginia. *The right place, the right time.* The City of Portsmouth is only 29 square miles in size and is characterized as having a limited amount of developable land, but there is a lot of new construction and business expansion happening in the city with more planned in the near future. There are two obvious reasons for this new growth. First, Portsmouth is situated in the middle of Hampton Roads and offers a strategic location advantage to many small and large businesses and residents and second, many areas in Portsmouth lie within state and federal incentive zones.

OFFICE & INDUSTRIAL

PortCentre Commerce Park

is an incentive rich 60+ acre office and light industrial park located in close proximity to the Downtown Tunnel and I-264, the gateways to and from other Hampton Roads cities. In 2003, seven companies, representing over \$11.4 million, 275 new jobs and nearly 100,000

square feet in new office and industrial space, announced plans to relocate to the Park. **Premier Copper & Brass/Atlantic, Inc.** is building a 35,000 square foot office and light manufacturing facility that will serve as the company headquarters. Construction was completed in January on the PortCentre Commerce Center, a 30,000 square foot mixed-use facility built by **Dow Construction and Development**. **Dow** and **Chesapeake Drywall & Acoustics, Inc.** will occupy space in the building. Another 5,000 square feet is available for lease. **Wright's Engineering/M&S Marine** recently moved into its new 33,000 square foot office and light manufacturing facility. **CDI Marine**,

Woolpert LLC and **General Dynamics Electric Boat** moved into the PortCentre I building leaving just 5,000 square feet available. Two other sites in the Park are under contract with announcements pending. A future expansion of the Park is on the horizon as demolition of the former Washington Park Public Housing complex progresses. This 12-acre site is located along the northwest corner of the Park and will offer the same federal and state incentives as the original Park.

Just off the I-264 and Victory Boulevard interchange, the Victory Crossing area boasts another 100,000 square feet of

development and expansion projects. Currently, **Southeastern Freight Lines** is constructing a new 20,000 square foot assembly and distribution facility on Elmhurst Lane and visible from I-264.

The company plans to backfill its existing facility next door with awaiting tenants. **Jensen Activewear** expanded its operations to Portsmouth and acquired an 80,000 square foot vacant assembly and distribution facility on Elmhurst Lane to house its products and services. **Fleet Imports**, a stone and marble distributor, purchased the 14,600 square foot former Diesel Tech building in Greenwood Industrial Park to establish its first Hampton Roads location. Additionally, **Noell Crane & Service, Inc.**, a German crane distributor, purchased the 21,000 square foot former

Continued on page 2



New office/warehouse at PortCentre Commerce Park

SPRING 2004

P.O.R.T.S.M.O.U.T.H

Building up Portsmouth

Continued from Page 1

Cousins Construction building on Ponderosa and **Inlusco Corp.**, a welding and industrial supply company, purchased a 12,500 square foot building formerly occupied by Worsham Sprinkler.

The planning phase for the new **Victory Crossing Business Park** progressed in 2003. The site for this 135-acre park is strategically located between I-264, Greenwood Drive, Victory Boulevard and McLean Street. Last year, the Industrial Development Authority (IDA) issued a Request for Qualifications and then a Request for Proposals seeking a master developer for this emerging business park. The IDA is currently in negotiations with the selected developer and anticipates finalizing the deal in the first half of 2004. Additionally, the IDA and the selected developer are working closely with the **Tidewater Community College** to plan the relocation of the school's Portsmouth campus to the new park.

All in all, it adds up to a lot of new businesses in Portsmouth.

RETAIL

New shops are opening throughout Portsmouth as well. Consumers are filling the aisles of **Farm Fresh's** new supermarket at Victory Crossing Shopping Center. The 57,000 square foot grocer opened last fall. Other national retailers joined the growing list of shops in this new center in 2003. They include **Eddie's Outlet**, **Exxon**, **Jiffy Lube**, **H&R Block**, and **Dairy Queen**. **Dots and Sports Zone** will open in 2004.

Two national drug stores are building freestanding stores in Churchland. **Walgreens** will open its second store in Portsmouth with the construction of a store at 5917 High Street. **Eckerd** will relocate its inline store from Churchland Shopping Center to a freestanding store to be constructed down the street on the site of the former Grand Furniture building at 5914 High Street.

Two eateries joined the growing commercial district in the historic Port Norfolk neighborhood in 2003. **Market Fare** is a European bistro offering lunch and dinner, while **The Lofty Bean** provides coffee drinkers an array of choices to quench their thirsts.

Residents and tourists alike are enjoying their purchases at two new stores in Downtown. **Vincent Hester Gallery** opened its doors in August after spending over a year gutting and restoring 607 High Street. In the fall, **Faveur** opened across the street at 624 High Street and specializes in natural spa products such as essential candles, bath products and herb teas.

RESIDENTIAL

In January 2004, L.M. Sandler & Sons announced plans to begin construction on the first phase of an expected 1,628 home community to be called **New Port** on 208 acres in the Victory Crossing area. Instilling the standards of a traditional neighborhood design, New



Port will offer nine different housing styles from single family homes to stylish townhomes and condos ranging from \$150,000 to nearly \$400,000. Groundbreaking is projected for Summer 2004, with complete build out expected within 5-7 years.

Construction will begin soon on **King's Gate Crossing**, a new community off Airline Boulevard near City Park Avenue. This neighborhood will consist of 49 single-family homes and sits on a 13-acre site once occupied by a drive-in movie theater.



Construction at River Pointe

Residential developments and plans offering views and vistas of the Elizabeth River and its tributaries are also well underway. Construction began last year on the new neighborhood known as the **Estates at River Pointe**. Chosen by the Tidewater Builders Association for their 2003 Homearama, the community will boast 35 single-family, custom-built homes along the Western Branch of the Elizabeth River. Adjacent to the Estates is the construction of the **Villas at River Pointe**, a 58-unit condo community targeting the 55 and over market.

Residential developments along the streets of Downtown are in the works as well. In December, Roseland Development Company closed on the purchase of the 10-acre site once occupied by Portsmouth General Hospital. Roseland began construction in February 2004 on **The Myrtles**, a 246-unit apartment complex nestled between the historic neighborhoods of Olde Towne and Park View. **Park View** is starting to experience significant interest from residential buyers as the city implements its Revitalization Strategy for the community. First unveiled in June 2003, the Strategy brings together numerous city agencies to improve this historic district. Over \$9 million is being invested in new water and sewer lines and additional funds will be spent this spring on streetscape improvements for new trees, landscaping and signage. To complement this public investment the Portsmouth Redevelopment and Housing Authority has entered into development agreements with two contractors; one to buy and rehab vacant homes and one to buy and build new homes on vacant lots. Between the two contractors, the neighborhood stands to gain close to 40 new owner-occupied homes over the next 24 months.

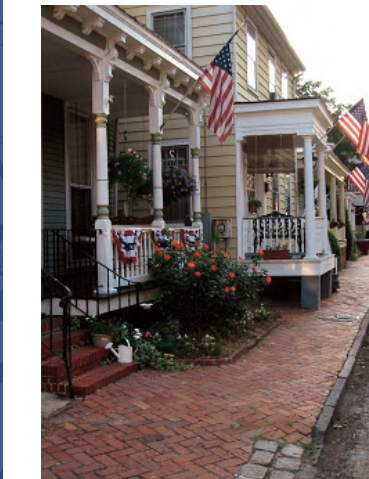
The successful rehab of the 600 block of London Street continues. Bon Square LLC will begin construction of nine new homes on the vacant lots in the block this spring. The exterior design and architecture will complement the successful renovation of six homes that took place in 1999. Two of these rehabbed homes have been featured on HGTV and one was recently featured on the cover of *Victorian Homes* magazine.

2003 DEVELOPMENT SCORECARD

- ✓ Retail Sales:
Citywide sales totaled nearly \$446 million, a 9% increase over the 2002 sales total
- ✓ Home Sale Prices:
•New Construction increased 36% to \$238,477
•Resales grew 15% to \$106,849
- ✓ Vacancy Rates:
•Industrial vacancy declined to 2.17%
•Office vacancy remained steady at 13.5%

Downtown Portsmouth: Continued Redevelopment of a Mixed-Use Waterfront Community

The City of Portsmouth has experienced a remarkable level of new investment over the past few years, which is prompting a renewed interest in the market. Property values downtown are rising and the city is committed to capturing new investment, especially for sites along the waterfront. The city's considerable investment in infrastructure and extensive streetscape improvements throughout downtown and along the seawall in recent years will further enhance the economic development potential and ensure quality development.



Given the extent of recent development and the anticipation of continued reinvestment downtown, the City of Portsmouth contracted with the Urban Land Institute (ULI) for an advisory services panel to provide development recommendations for specific downtown sites and an overall concept plan for the High Street corridor area. These two districts together form the urban

core of the city and include a wide range of existing land uses - from low quality industrial properties to city offices to some of the finest historic neighborhoods in the country.

The ULI panel - nine members from across the country with experience in urban planning, development, design, research and marketing - visited Portsmouth in June 2003. After touring the city and conducting interviews with city officials and business leaders, a final report was presented to City Council in November 2003.

The panel developed a vision for downtown that would stimulate continued economic development and fiscal stabilization based on its considerable assets which include: the committed and skilled leadership of the city's elected officials, businesspeople, and community representatives; linkages being established between the business community and educational institutions; completion of major development and streetscape initiatives; the city's historic and cultural heritage; the strategically located and publicly controlled developable parcels; evident revitalization both in the downtown and along High Street; stable military employment centers nearby; and proximity to Norfolk and its waterfront location.

Toward this end, the panel recommended Portsmouth establish an entity responsible for implementing the downtown vision through the formation of public/private partnerships. Despite the fact that over 50

percent of the land in Portsmouth is tax exempt, the city must provide sufficient funding to improve its public education system, eliminate blight, reduce vacancies, enhance the relationship with the U.S. Navy, expand retail offerings and office space, and address the deficiency in public green space, both recreational and passive. The panel suggests using green space to define neighborhoods, enhance the waterfront, and provide a network of pathways throughout the community. A broader range of housing choices, particularly more upscale rental housing, is also needed.

To achieve its goals, the city must promote its downtown - within the Hampton Roads region and beyond - as a desirable mixed-use, mixed-income community with a unique historic, small-city character. To address this image-building need and to attract new residents, new businesses, and an expansion of tourism, the panel recommends the development of 1,500 new mixed-income housing units throughout the High Street Corridor and infill housing in existing downtown neighborhoods over the next 10-to-20-years; a long-term strategy to develop 500,000 square feet of new Class A and Class B office space; an upscale boutique hotel; an expanded educational initiative; and a system of parks, plazas, and trails connecting all points downtown - all within a 10-minute drive or a 20-minute ferry ride to Norfolk.



With ULI's report in hand, city staff is reviewing the recommendations and moving toward the creation of a master plan for downtown.