

Master Developer Selected for New Office Park

Victory Crossing Developers LLC was recently selected as the master developer for Victory Crossing Business Park, a new 135-acre park targeting high-end office users. The development also includes a proposed 40-acre site for the relocation of the Portsmouth Campus of Tidewater Community College.



Victory Crossing Business Park is centrally located within Portsmouth and the Hampton Roads area at the intersection of Victory Boulevard and I-264.

The development of the park is expected to generate an estimated \$350 million investment for the city and is the last phase of a major redevelopment in the Victory Crossing area that includes Bide-A-Wee Golf Course, Victory Crossing Shopping Center and New Port, a new \$450 million residential development set to begin construction this summer.

Victory Crossing Developers LLC will be responsible for designing, constructing and arranging financing for the development of the park. The master plan will create a unique setting for office users and emphasize amenities, landscaping and highly visible entrances. Robert T. Williams, President/CEO of Tri-City Developers LLC, is the Managing Member of the partnership.

This agreement presents an opportunity for the city to continue its economic development momentum and to generate high quality office products. Revenues generated by the new park will contribute to the funding of schools, public safety and community quality.



The Industrial Development Authority of the City of Portsmouth acquired the land in 1999 in order to increase inventory and capacity for office users. A Request for Qualifications (RFQ) and then a Request for Proposals (RFP) were issued in 2003 seeking a master developer for the park. Work on the business park is scheduled to begin in 2005 in conjunction with state-funded improvements to Victory Boulevard. The park is designated as an Empowerment Zone, Enterprise Zone and HUB Zone and also qualifies for New Markets Tax Credits. The park is expected to be completely built out in 10 years with an anticipated 600,000 to 700,000 square feet of Class A and B office space.

Southern Eclectic Restaurant Named Small Business of the Year

Southern Living called it "the place" to eat in downtown Portsmouth, and now Sassafras, the restaurant with southern flair, has been named Portsmouth's Small Business of the Year by the Hampton Roads Chamber of Commerce.



Partners Eric Parker and Chef Robert Clark opened the restaurant at 606 High Street in October 2002, and despite some damage from Hurricane Isabel, business has been steadily increasing about 35 percent each quarter.

Sassafras has become a meeting place for city officials, judges and other local notables who enjoy great food and exceptional service in a colorful setting.

Previous Small Business of the Year recipients include: Shirley Construction, Claire Medical, Inc. and Way Back Yonder Antiques. Businesses are evaluated on performance, innovativeness, quality and leadership.

New Cranes Sailing From China

A new waterfront icon will soon arrive in Hampton Roads. Four new container cranes will soon be on their way from China to the Port of Virginia. Two of them, the fastest and largest in the world will join four that arrived at Norfolk International Terminals (NIT) in August 2003. The other two, slightly small cranes, will operate at Portsmouth Marine Terminal (PMT). The Port will receive a total of 11 cranes by the end of 2004 (eight at NIT and three at PMT).



The new Portsmouth cranes can handle ships measuring 18 containers across and should begin operating within a few weeks of arrival.

All together, the cranes cost the Virginia Port Authority \$60 million, \$48 million for the eight Norfolk cranes and \$11 million for the three Portsmouth cranes. They are coming from Zhenhua Port Machinery Company in Shanghai, China, the largest crane manufacturer in the world. The company is building 140 cranes this year.

Portsmouth's Rising 25 of 2004

Congratulations to the following up-and-coming Portsmouth businesses as selected by Economic Development Officials.

Dow Construction
David Dow
901 PortCentre Parkway, Suite 3
(757) 558-6049

Wright's Engineering
Kenny Wright
702 Fifth Street
(757) 405-1325

Fusion 440
Vince Ranhorn
467 Dinwiddie Street
(757) 398-0888

Noell Crane
Robert Kohler
2030 Ponderosa Street
(757) 405-0311

Cornerstone Systems, Inc.
Guy Wallace
475 Water Street, Commercial Unit 103B
(757) 397-2005

New Tax Credit Program Makes Portsmouth More Competitive

The City of Portsmouth recently received a major boost in its efforts to attract new office development to Victory Crossing and to revitalize the Midtown retail corridor. In May 2004, Secretary of the Treasury John Snow announced that Portsmouth was one of only 62 communities in the nation, and the only Virginia locality, chosen to share in \$3.5 billion in tax credit opportunities provided through the New Markets Tax Credits (NMTC) Program.

The NMTC Program was established by Congress in 2000 and is administered by the Department of the Treasury. The program will attract private-sector capital investment into urban and rural low-income areas to help finance community development projects, to stimulate economic opportunity and to create jobs.

The Portsmouth Redevelopment and Housing Authority (PRHA) applied for the tax credits and formed the Southside Development Enterprises LLC to manage the allocation, which totals \$21 million. The city's \$21 million in tax credits will provide about \$45 million in available loan funds for developers interested in building in Portsmouth. The tax credits allow developers to obtain much lower interest rates on funds borrowed for projects in the Victory Crossing and Midtown areas.

Approximately \$15 million will go toward attracting national retailers to the former Mid City Shopping Center and the former I.C. Norcom High School site in Midtown. About \$30 million will be used to attract office and commercial development to Victory Crossing Business Park.

"This is a terrific economic enhancement for Portsmouth and will be a much effective financing tool for our targeted areas." Said Danny Cruce, Executive Director of the Portsmouth Redevelopment and Housing Authority.

Any taxable investor that makes an equity investment in a qualified Community Development Entity, such as Southside Development Enterprises LLC, is eligible for the tax credits. This includes individuals, corporations, partnerships and investment funds. The amount of the credit to the investor will total 39 percent of the invested amount over a seven-year period. For example, an investment of \$1 million will receive \$390,000 in tax credits over seven years.

PRHA will soon announce the process for the administration of this tax credit allocation. Seminars explaining the NMTC and other state and federal incentives will be held later this year.

For more information about the NMTC Program visit www.cdfifund.gov or call David Tynch, attorney for PRHA, at (757) 391-3123.

For information regarding incentives associated with the Empowerment Zone, Enterprise Zone, Foreign Trade Zone, HUB Zone or Historic Districts in Portsmouth, visit the Economic Development website at www.portsmouthvaed.com or call (757) 393-8804.

New Market Tax Credits Qualified Census Tracts*

2102	2119
2105	2120
2106	2121
2107	2123
2111	2124
2114	2125
2115	2126
2116	2127.02
2117	2128
2118	2131.01

*A map of Incentive Zones is available at www.portsmouthvaed.com or by calling 757-393-8804. To determine if a specific street address is located within a NMTC Qualified Census Tract, visit the U.S. Census Bureau website www.census.gov. Click on "American Fact Finder." Within the Search dialog box enter a street address to find its corresponding Census 2000 data including Census Tract Number.