

## Cruise Ship Visitation & Spending

Information provided by Nauticus – The National Maritime Center.

Downtown Norfolk is a desirable east coast cruise port. In 2007, Norfolk experienced 22 cruise ship calls with 72,000 passengers, 18,500 crew members and \$7.5 million in passenger spending. In April of 2007 the 80,000 sq. ft. state-of-the-art Half Moone Cruise and Celebration Center opened. Projections for 2008 include 28 calls with 100,000 passengers, 22,500 crew members and \$10.2 million in passenger spending.

Cruise Ship Visitation	Cruise Passenger Spending
2005 - 105,000 passengers	2005 - \$10.9 million
2006 - 66,693 passengers	2006 - \$7 million
2007 - 72,000 passengers	2007 - \$7.5 million
2008 - 100,000 passengers (projected)	2008 - \$10.2 million (projected)



2007 DISTRICT  
AMBASSADOR  
ACTIVITY

**13,566**  
Citizen Assists

**45**  
Norfolk Police  
Department Assists

**56**  
Motorist Assists

**515**  
Interactions with the  
Homeless

**81**  
Panhandling  
Interventions

**25,232**  
Contacts to Downtown  
Businesses

**58**  
Personal Safety Escort  
Calls

**163**  
Incidents of graffiti  
removed

**396,070**  
Pounds (198 tons) of  
Trash Collected

To receive additional copies  
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## Downtown development announcements, project starts, and project openings for FY 08

- Norfolk receives Federal approval for the 7.4 mile starter segment for The Tide, Norfolk's Light Rail system.
- Harbor Heights Mixed Use Project opens with downtown's first upscale urban market, 99 condominiums, 61 car parking garage, and TCC Administrative Offices.
- Wachovia Center breaks ground: 22 story, 250,000 sq. ft. office tower with 50,000 sq.ft. of retail, 162 apartments and 1850 parking spaces between 2 garages. Completion Summer 2010.
- Construction starts on the Belmont at Freemason: 240 luxury apartments and over 500 car parking garage.
- The Virginia Arts Festival breaks ground on its new building at Bank and Charlotte Streets.
- Your757.com, a regional web-based events calendar is launched.
- Tidewater Community College begins design of the State's first Student Activity Center for the Community College system.
- Construction begins on a 160 suite Residence Inn by Marriott.
- The Sheraton Norfolk Waterside completes a \$35,000,000 renovation.
- The Granby Street Connector opens re-connecting Granby Street to the waterfront.
- Streetscape enhancements on Granby Street and Plume Street are completed.
- 301-room, 23-story Norfolk Westin hotel and conference center is announced.

Value of Development Projects  
**\$747 million**

### Downtown Norfolk Council & the Downtown Norfolk Special Services District

The Downtown Norfolk Council (DNC) is a membership organization committed to a dynamic, attractive and prosperous downtown Norfolk. DNC also manages the Downtown District, a 48-block Special Services dedicated to keeping downtown Norfolk friendly, safe and spotless.

Downtown Norfolk's Public Safety Ambassadors (PSAs) and Clean Team Ambassadors (CTAs) are on the streets 360 days per year. The PSAs patrol on foot and bicycle and effortlessly appear to be everywhere at once, greeting festival and cruise ship guests, dispensing information at the mobile kiosk, assisting the Norfolk Police Department, acting as safety escorts and when appropriate, intervening with the homeless. CTAs serve the downtown community with daily sidewalk cleanings, weed eradication and other landscape maintenance, graffiti and gum removal and the diligent maintenance of HRT bus shelters and public spaces surrounding Federal properties.

### Vision

Downtown Norfolk is a vibrant and enticing urban center, valued as a regional asset, treasured as a world-class destination and nationally recognized as a dynamic and progressive urban place.

### Mission

The Downtown Norfolk Council is committed to effectively serving its members, the Special Services District Ratepayers, the City and the region. The organization is recognized as a leader, an advocate and a resource in assuring that downtown is a safe, clean, attractive and vital place.

Special thanks to the following organizations for providing data and information for this report: City of Norfolk Dept. of Cultural Facilities, Chrysler Museum of Art, City of Norfolk Dept. of Development, City of Norfolk Dept. of Research & Strategic Planning, City of Norfolk Division of Parking, Commissioner of the Revenue Sharon M. McDonald, H. Blount Hunter Retail & Real Estate Research, Nauticus-The National Maritime Center, Old Dominion University Office of Real Estate and Development, Roper Performing Arts Center, Virginia Arts Festival and the Wells Theatre.

## 2008 Downtown Norfolk Progress Report



The Downtown Norfolk Council and Downtown Norfolk District are pleased to present the 6th Annual Downtown Norfolk Progress Report.

The report takes a critical look at consumers' perceptions and usage of downtown and the satisfaction ratings of downtown workers. We have also continued to gauge the fiscal impact on downtown and the city's economy. This information is used by many to evaluate and formulate strategies that support downtown's growth and, is often used as a factor in making business decisions.

The report also includes Quick Facts about downtown, new downtown development and a summary of Downtown District Ambassador activities.

**Downtown  
NORFOLK** dn  
Downtown Norfolk Council

## KEY FINDINGS - DOWNTOWN NORFOLK CONSUMER

### USAGE & PERCEPTIONS SURVEY

Conducted: October 2007 by H. Blount Hunter Retail & Real Estate Research Commissioned by the Downtown Norfolk Council. (Surveys reflect responses from adults in the Norfolk-Virginia Beach-Newport News MSA)

Downtown Norfolk continues to be recognized as a "multi-purpose destination" where users can "park once" and accomplish multiple tasks or enjoy multiple experiences. This has been accomplished with strategic planning and focused marketing efforts.

### Market Reach & Frequency

In 2007, 64% of Hampton Roads residents made at least one visit to downtown Norfolk for a non-work related purpose. Current market penetration reflects 74% of Southside adults and 41% of Peninsula adults. The survey trends show that downtown's appeal is highest among 25 to 34 year olds and that downtown's penetration rate increases as household income increases. 8 of every 10 Hampton Roads households with incomes over \$80,000 visited downtown Norfolk at least once in the past year for a non-work-related visit. This is a strong consumer base for retailers, restaurants and entertainment venues. These significant visitation rates reflect the high quality of the arts and cultural venues, an active event calendar and the attractiveness of quality dining and upscale shopping unique to downtown Norfolk.

	Downtown Norfolk Annual Penetration by Customer Segment		
	2005	2006	2007
18 – 24:	51%	71%	55%
25 – 34:	66%	65%	71%
35 – 44:	73%	74%	67%
45 – 54:	73%	69%	63%
55 – 64:	54%	66%	56%
Age 65+	33%	50%	46%
Income under \$20K:	33%	55%	48%
Income of 20K - \$39,999:	50%	62%	63%
Income of \$40K - \$59,999:	73%	62%	63%
Income of \$60K - \$79,999:	68%	73%	76%
Income of \$80K+ :	79%	77%	81%
Southside Adults:	62%	74%	74%
Peninsula Adults:	44%	48%	41%

Average annual downtown visitation for non-work-related purposes was an estimated 9 visits per year before the opening of MacArthur Center in 1999. Non-work visits to downtown was an average of 24.4 in 2007. This reflects an average of one non-work related visit every two weeks. The highest frequency of use for non-work purposes occurs among those with household incomes over \$80,000; the lowest among those over the age of 65.

### Visitor Demographics

- Downtown's penetration of local adults is highest among 25-34 year olds.
- Penetration increases as household income increases.
- The most popular reason Hampton Roads adults visited downtown in 2007 for a non-work-related purpose was to visit MacArthur Center, followed by dining in the Granby District.
- In 2007 64% of metro adults reported visiting dining/drinking establishments outside of MacArthur Center and/or The Waterside.
- Attending cultural/arts events is the third trip generator while visiting The Waterside and attending events in Town Point Park are ranked equally as the fourth reason.

### Consumer Perceptions

- Downtown's current users give it high ratings for having clean public spaces and being well lit at night.
- MacArthur Center continues to be the "most liked" element of downtown Norfolk.
- Sixty-six percent of downtown users think it would be a good place to live.



## KEY FINDINGS - DOWNTOWN WORKER SURVEY

Conducted: December 2007 by H. Blount Hunter Retail & Real Estate Research  
Commissioned by the City of Norfolk's Department of Development and the Downtown Norfolk Council.

### Expenditures & Satisfaction of Downtown Workers

- Average annual expenditure by downtown workers was \$2,839 in 2007
- 88% of workers said they were either likely or extremely likely to recommend downtown as a good place to work.
- Downtown's business efficiency received the highest overall satisfaction ranking.
- Most liked aspects of working in downtown are the mix of uses with ample options for shopping, dining and entertainment. They like the "buzz" and sense of momentum in downtown, and they appreciate its pedestrian scale, cleanliness and safety.

### Retail Sales

Information provided by the Commissioner of the Revenue  
Sharon M. McDonald.

Retail sales remain strong. Downtown's total retail sales rose from \$293 million in fiscal year 2004 to over \$344 million in fiscal year 2007.

FY2004	\$293.3 million
FY2005	\$301.2 million
FY2006	\$308.7 million
FY2007	\$344.1 million

### Dining & Entertainment

Downtown Norfolk is recognized as the Dining and Entertainment Center of Hampton Roads. The revenue produced to the City from food & beverage and admissions taxes remains strong.

FY2004	\$9.8 million
FY2005	\$9.5 million
FY2006	\$10.1 million
FY2007	\$9.8 million

### Property Valuation

The total assessed value of taxable properties in downtown Norfolk rose from \$626 million in fiscal year 2004 to \$756 million in fiscal year 2007.

FY2004	\$626 million
FY2005	\$652 million
FY2006	\$684 million
FY2007	\$756 million

**"The secret to Downtown's success is that companies rarely leave once becoming accustomed to the pedestrian-friendly environment with amenities galore."**

### Office Rents & Vacancies

The downtown office market is very strong, evident in the continued low vacancy rate for Class A & B space at 7.70% in 2006 and at 6.60% in 2007. Downtown has maintained an extremely strong retention rate.

Multi-Tenant Office Buildings	Net Leasable Area	% of Downtown Norfolk Inventory	Average Rent	% Vacant
Class A	1,690,129 sq. ft.	40.6%	\$22.76	5.83%
Class B	1,507,543 sq. ft.	36.2%	\$17.91	8.10%
Class C	96,552 sq. ft.	2.3%	\$11.40	0.00%
Overall	4,164,174 sq. ft.	100%	\$17.36	7.10%

Calculations as of January 2008: 100% includes owner occupied.

### Residential

A significant area of growth for downtown is in the number of apartment and condominium units under construction. Currently there are 2654 housing units in downtown with another 800 either under construction or proposed. The cost of a condominium in downtown ranges from \$225,000 to \$2 million. The current number of downtown residents is nearing 4000.

### QUICK FACTS ABOUT DOWNTOWN NORFOLK

Downtown employees:

30,000

Downtown residents:

3800

Students at downtown Norfolk's TCC Campus:

9,920

Downtown hotel rooms:

1,400

Public parking spaces downtown:

18,000+

located in 13 garages and 11 surface lots 600+ on-street spaces.

Visitors to the Chrysler Museum of Art in 2007:

127,740

Visitors to Nauticus, the National Maritime Center in 2007:

344,000

Wells Theatre patrons in 2007:

58,113

Patrons at TCC Roper Performing Arts Center performances in 2007:

46,780

Patrons at Chrysler Hall performances in 2007:

149,355

Patrons attending sporting events at Scope Arena in 2007:

390,324

Attendees to events at Harbor Park in 2007:

479,531

Attendees to events at Harrison Opera House in 2007:

49,275

Attendees to events at the Attucks Theater in 2007:

23,501

Attendees at Virginia Arts Festival events in downtown Norfolk 2007:

104,944