

**DOWNTOWN NORFOLK  
EMPLOYEE SURVEY**

***DEMOGRAPHIC PROFILE  
FISCAL IMPACT  
AND  
SATISFACTION ASSESSMENT***

***Prepared for***

***Downtown Norfolk Council***

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## FOREWORD

This report was commissioned by the Downtown Norfolk Council in support of an initiative to quantify the fiscal impact of the Downtown workforce and to promote the merits of Downtown Norfolk as an employment center. The research had three goals:

- 1) To update Downtown employee demographic profiles from 1999, 2003, and 2005
- 2) To update Downtown employee fiscal impact assessments conducted in 1999, 2003, and 2005
- 3) To measure on-going employee satisfaction with Downtown Norfolk as a job location

The 2007 research design was comparable to prior efforts so that results could be compared. Professional interviewers were stationed throughout Downtown Norfolk on weekdays from December 10 through 18, 2007. Interviewing hours were 11:00 to 2:00 and 4:00 to 6:00 to capitalize upon foot traffic. Interviewing stations were pre-determined using a randomized rotation schedule. The interviewing assignments gave roughly equal weight to each interviewing station. Respondents were screened only to ascertain whether they worked in Downtown Norfolk on a regular basis. There were no quotas on age, gender, or type of employment. The sample encompassed 359 interviews. Respondents were intercepted in key activity zones within Downtown Norfolk:

- Dominion Tower / Waterside area
- Main Street (near World Trade Center, Sun Trust building, and Bank of America Center and related parking structures)
- Granby Street (near the Norfolk Federal Building and Market Street / Tidewater Community College)
- City Hall Avenue (between Granby Street and Bank Street near Kirm Memorial Library and MacArthur Center)

Compared with the 2005 fiscal analysis, the 2007 survey included a significant increase in the number of respondents under age 30 engaged in computer jobs and/or marketing-related positions. This reflects a change in the composition of the workforce brought about by the addition of 1,200 employees in the corporate headquarters of Dominion Enterprises. While this major business expansion brought new employees to Downtown and bolstered Downtown's image as the region's most important corporate center, the presence of younger workers may be partially responsible for some of the decrease in average household income of all Downtown workers as well as a decline in retail and food/beverage spending levels measured in this year's worker survey. Despite the statistics, Downtown and Norfolk are "better off" after the arrival of Dominion Enterprise's new headquarters facility.

Downtown Norfolk receives strong praise for its shopping/dining/entertainment options, its environment for business efficiency, and its social environment. Downtown is perceived as a clean, safe, walkable place with many amenities to enjoy; the primary criticism of Downtown is traffic congestion caused by the merging of departing Downtown workers and transient motorists attempting to cross the Berkeley Bridge/Downtown Tunnel. In 2007, there was an increase in negative reaction to homeless persons and panhandlers. Fortunately, the vast majority of Downtown workers continue to say that the positive aspects of working in Downtown Norfolk outweigh any negative aspects of working Downtown. These results should be gratifying to all who have contributed to Downtown Norfolk's physical environment and ambiance.

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January, 2008

## EXECUTIVE SUMMARY

This research project represents a continuing systematized and random process for assessing the opinions of Downtown employees about Downtown Norfolk as a work setting. Consumer research carries the risk of uncovering facts and perceptions that may prove to be less than flattering. In 2007, as in 2005 and 2003, workers expressed highly positive opinions about Downtown Norfolk. Expenditure data by Downtown Norfolk workers, while down slightly from 2005, has consistently exceeded the average spending by downtown employees in industry-accepted research generated by the International Council of Shopping Centers. As in the past, this report affirms the significant fiscal impact of Downtown workers on the City.

Had this research been conducted a decade ago, it is unlikely that the results would have been as positive with respect to fiscal impact or satisfaction with Downtown as a worksite. Factors that contribute most to overall satisfaction with Downtown Norfolk (the addition of MacArthur Center, Granby Street's widely acknowledged renaissance, an expansion of cultural and entertainment offerings, and general "peacemaking" activities) have generally occurred within the past ten years.

- ✓ Spending-related taxes generated by the average Downtown worker have increased by 85 percent since 1999. The average annual at-work expenditure in Downtown in 2007 was \$2,839—down from average spending levels in 2005 and 2003 but ahead of the average of \$2,321 achieved during the opening year of MacArthur in 1999.
- ✓ The 2007 data suggest average annual expenditure for food/beverages declined as did average spending on retail goods. The decline in each category was approximately 20 percent in 2007 compared to 2005.
- ✓ Usage of MacArthur Center has remained consistently high, but serious declines were recorded in 2007 in use of street-level establishments and The Waterside Festival Marketplace. Erosion was recorded in incidence of using these categories of destinations as well as frequency of using these places.
- ✓ The City of Norfolk's direct fiscal impact from at-work spending increased from \$82 per employee in 1999 to \$140 per employee in 2003. In 2005, the City derived approximately \$121 direct fiscal impact from at-work spending by Downtown workers. In 2007, the average spending related taxes generated per employee was \$96.79.
- ✓ For every 10.3 new Downtown workers, the City of Norfolk gains approximately \$1,000 of spending-related sales taxes annually.

Approximately two-thirds of these taxes are generated by workers who do not reside in Norfolk.

- ✓ On average, Downtown Norfolk received a 4.1 rating (out of 5) for overall satisfaction as a work place. The overall score was not inflated by “hometown pride” as suburban residents and Norfolk residents provided similar ratings. Workers who pay for their own parking reported the same high level of overall satisfaction as those whose employers pay for parking.
- ✓ Employees continue to give the highest rating (4.5) to “Downtown’s efficiency as a business place.” This merits emphasis in tenant marketing/recruitment efforts.
- ✓ Downtown continued to receive its high ratings for its shopping and dining. These unique amenities are not readily available in suburban office settings.
- ✓ There are slight variations in “overall satisfaction” rating by gender, age, and income level but no single demographic segment can be identified with a contrarian’s perspective. Those with longer careers in Downtown have the highest satisfaction level, so familiarity is more likely to breed contentedness rather than contempt. Those with prior jobs in the suburbs give Downtown the same satisfaction rating as those who have traditionally worked in Downtown.
- ✓ Downtown workers are ambassadors for Downtown by inviting others to join them in Downtown for after work activities. Current employees may also be able to influence the likelihood that friends accept employment offers in Downtown since the vast majority (88 percent) indicate they would be “likely or extremely likely” to recommend Downtown as a work place to friends and relatives.
- ✓ All respondents were asked what they “like most” and “like least” about working in Downtown Norfolk. In 2007 as in prior years, the “most liked” aspects of Downtown reflect its emergence as a mixed-use place with ample options for shopping, dining, and entertainment. Employees are able to accomplish tasks during the day that would otherwise encroach into free time during the evening or on weekends. They like the “buzz” and sense of momentum in Downtown, and they appreciate its pedestrian scale, cleanliness, and safety.
- ✓ In 2007, the least liked aspect of Downtown centered around one or more aspects of parking (cost, availability or convenience). Traffic congestion specifically related to back-ups generated by motorists attempting to get

to the Berkeley Bridge/Downtown Tunnel is perceived as unnecessary and frustrating. Many workers cite homeless/panhandlers as their “least liked” aspect of Downtown.

- ✓ The share of employees who said that the things they “like” about working in Downtown Norfolk outweigh the things they “dislike” remain in the majority; however, the share of workers whose “likes” outweigh their “dislikes” dropped to 70 percent in 2007. This may suggest some “dislikes” could prove to be increasingly influential in workers’ future satisfaction with Downtown as a work setting.
- ✓ Special questions were asked related to use of Downtown’s new grocery store and potential ridership of The Tide. Two-thirds of interviewed workers had personally visited The Market at Harbor Heights within its first 90 days of operation. Perhaps more surprising, the equivalent of one-third of Downtown workers think they may “regularly commute” to Downtown via light rail while 45 percent think they may “ride The Tide” to Downtown festivals and activities on weekends.

***High employee satisfaction with Downtown as a work site validates ongoing efforts to distinguish Downtown as a “special place” within the region. Gains in cleanliness and safety combined with the addition of a full array of dining, shopping, and entertainment options have resulted in a high level “overall satisfaction” with Downtown as a work site and with significant direct fiscal impact of Downtown workers. Issues to be addressed include parking convenience and cost, presence of homeless persons and panhandlers, and traffic congestion during the evening rush hour.***