

WELLS FARGO CENTER

MOVING ON UP

By Josh Brown The Virginian-Pilot

NORFOLK

Construction workers Friday morning rushed around the 22nd story of the Wells Fargo Center, some arranging furniture, while others stood on platforms installing light fixtures.

On the first floor, uniformed reception workers chatted in a lobby decorated with marble and granite floors and light panels covered by a thin slice of onyx.

Over the past few days, more than 150 construction workers and contractors have been working around the clock to ready the building for its first day.

The first tenant in Norfolk's newest office tower will open for business Monday. The law firm Willcox & Savage will occupy 42,000 square feet on the top two stories.

In about two weeks, the project's developer, S.L. Nusbaum Realty Co., will move into its new headquarters on Monticello Avenue.

Both companies are leaving the aging Bank of America building on Main Street in downtown Norfolk.

The Wells Fargo Center will add about 258,000 square feet of office space and 14,000 square feet of retail space to the downtown market.

Developers broke ground in 2008 on the \$170.9 million mixed-use development, formerly called the Wachovia Center for the Charlotte-based bank that would move its Norfolk office there. The bank leased 42,000 square feet and will consolidate its local banking operations there, mostly from the World Trade Center on Main Street downtown.

When Wells Fargo & Co., based in San Francisco, acquired faltering Wachovia at the end of 2008, it resulted in the name change for the project.

Despite the Wells Fargo name, for now, only a Wachovia sign will be affixed to the building until the company renames its branches throughout the state.

The new office tower is being completed amid a softening office market in Hampton Roads. During the first quarter of this year, office vacancies in the region climbed to 14.7 percent, up from 13.2 percent a year ago and 9.6 percent during the same period in 2008, the year work started on the project, according to real estate firm CB Richard Ellis.

While the building is about 70 percent leased, it's creating significant vacancies in the Bank of America building and the World Trade Center. The building's other tenants – hotel developer LTD Management Co. LLC and accounting firm Goodman & Co. – will move in at some point during the fall, said Tom Johnson, a vice president for S.L. Nusbaum and project's main developer.

No other tenants have been announced.

On Friday morning, workers cemented together brick planters on a terrace outside the offices soon to be occupied by S.L. Nusbaum as lavender plants were lined up against the building's outside wall.

The Wells Fargo Center also will be the region's largest office building that is LEED-certified, a green building standard that sets guidelines on everything from construction materials to window tinting, Johnson said.

With lease rates at nearly \$29 per square foot, it has some of the region's highest rental rates. Downtown office space rents for an average of \$21.71 per square foot, according to CB Richard Ellis.

The developer months ago completed the parking garage on the site and has begun construction of 121 apartments and 36,000 square feet of retail space – a building that is expected to be completed in a year and will surround the garage on three sides

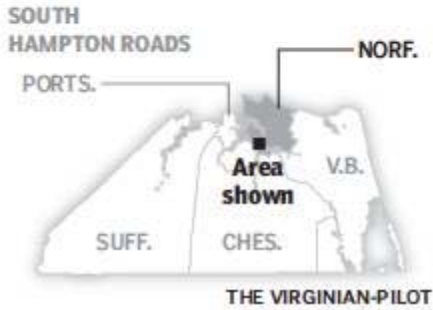
S.L. Nusbaum originally had planned to build 175 apartment units there but decreased the number to conform to loan guidelines from the U.S. Department of Housing and Urban Development. That meant making some of the apartments more expansive while maintaining the original facade of the building, Johnson said.

S.L. Nusbaum hasn't settled on rental prices for the apartments, which will range from about 1,000 square feet in size to more than 2,000 square feet, Johnson said.

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DAVID B. HOLLINGSWORTH PHOTOS | THE VIRGINIAN-PILOT LEFT The Wells Fargo Center gets its first tenant Monday when law firm Willcox & Savage moves into the top two floors of the building.



RIGHT Workers on Friday put up tiles in S.L. Nusbaum Realty's space. The company will move into its new headquarters in about two weeks.



DAVID B. HOLLINGSWORTH | THE VIRGINIAN-PILOT The lobby for Willcox & Savage was buzzing with activity Friday as workers rushed to complete the finishing touches for the law firm's new office space. Willcox & Savage will occupy 42,000 square feet in the new downtown building.

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