

2010 Downtown Norfolk Progress Report



The Downtown Norfolk Council (DNC) and Downtown Improvement District (DID) are pleased to present the 8th Annual Downtown Norfolk Progress Report.

Provided in this report are key indicators for street level retail, an initiative that is a Key Objective for our organization. We have also continued to measure the tax impact from revenue generated in downtown to the city's economy. Information contained in the report will either cover the FY2009 fiscal or calendar year. 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 contains downtown Fast and Fun Facts, new and proposed downtown development, events and a summary of Downtown Improvement District Ambassador activities.

**Downtown
NORFOLK** dn
Downtown Norfolk Council



Downtown Development Project starts and openings

Wells Fargo Center 22 story, 258,000 sf office tower with 50,000 sf retail, 121 apartments, 1858 parking spaces / \$180 million investment / Opened June 2010

Belmont at Freemason 240 luxury apartments, 500 car parking garage / \$4.5 million investment / Opened June 2009

TCC Student Center 57,000 sf / \$17.6 million investment / Opening December 2010

Hurrah Players Renovated 9000 sf / \$250,000 investment / Opened December 2009.

Virginia Arts Festival 68,000 sf / \$7.6 million investment / Opening Fall 2010

Grow Interactive Restoration of 4,989 sf / Opening Summer 2010

Town Point Park Rehabilitation / \$11 million investment / Opened July 2009

Crowne Plaza Hotel Completely renovated with 204 guest rooms and 15,000 sf of meeting space / Completed Fall 2009

On the Drawing Board

Rockefeller Apartments Conversion of circa 1909 YMCA building / \$22 million investment

Savoy Apartments Conversion of circa 1907 former Banker's Trust building

Court Complex New complex at Civic Center Plaza / \$108 million investment

Norfolk Westin Hotel and Conference Center New development, 300 guest rooms and 50,000 sf conference center / \$150 million investment

MacArthur Memorial Expansion Project Expanded exhibit space and multi-media theater / \$6 million investment

Colonel Samuel L. Slover Main Library Restoration of the Seaboard Building and expansion to create a 108,000 sf main library / \$50 million investment

Proposed Multimodal Facility at Harbor Park Light Rail station, interstate access, ferry landing and proposed passenger rail service.

World Trade Center Lobby and building renovation / \$5 million investment

1,657,600
Trade Area
Residents

619,900
Trade Area
Households

30,000
Downtown
Employees

4,000,000
Annual Visits
to Downtown

\$67,500
Average
Household Income
in Trade Area

2.7
Average
Household
Size

The Time is Right for Retail in Downtown Norfolk.

Source: Downtown Works, Spring 2009

Psychographic Profile of Combined Trade Area Population:

Top Five Customer Groups: 210,000 Households

The target market consists of households and employees attractive to retailers. They are educated and active, have disposable income, have a desire to spend and to dine out. Industry description of downtown's top five customer groups:

- Aspiring Young Families
- Cozy & Comfortable
- Exurbanites
- Up & Coming Families
- Sophisticated Squires

Downtown's Supportable Square Footage for Retail:

Estimated total expenditures downtown can capture from the combined trade area is \$284 million. • Given expenditures and estimated sales per SF, there is ample support for 1.36 million SF of retail in downtown Norfolk. Netting out MacArthur Center, there is demand for 426,000 SF of street-front space. • Demand is sufficient to support 137,000 SF of additional retail space today, and market growth will support an additional 35,000 SF per year for the next five years or 165,000 SF total.

Retail Sales

Downtown's total retail sales rose from \$301 million in fiscal year 2005 to over \$335 million in fiscal year 2009 representing a 11% increase.

FY2005	\$301.2
FY2006	\$308.7
FY2007	\$344.1
FY2008	\$378.4
FY2009	\$335.6

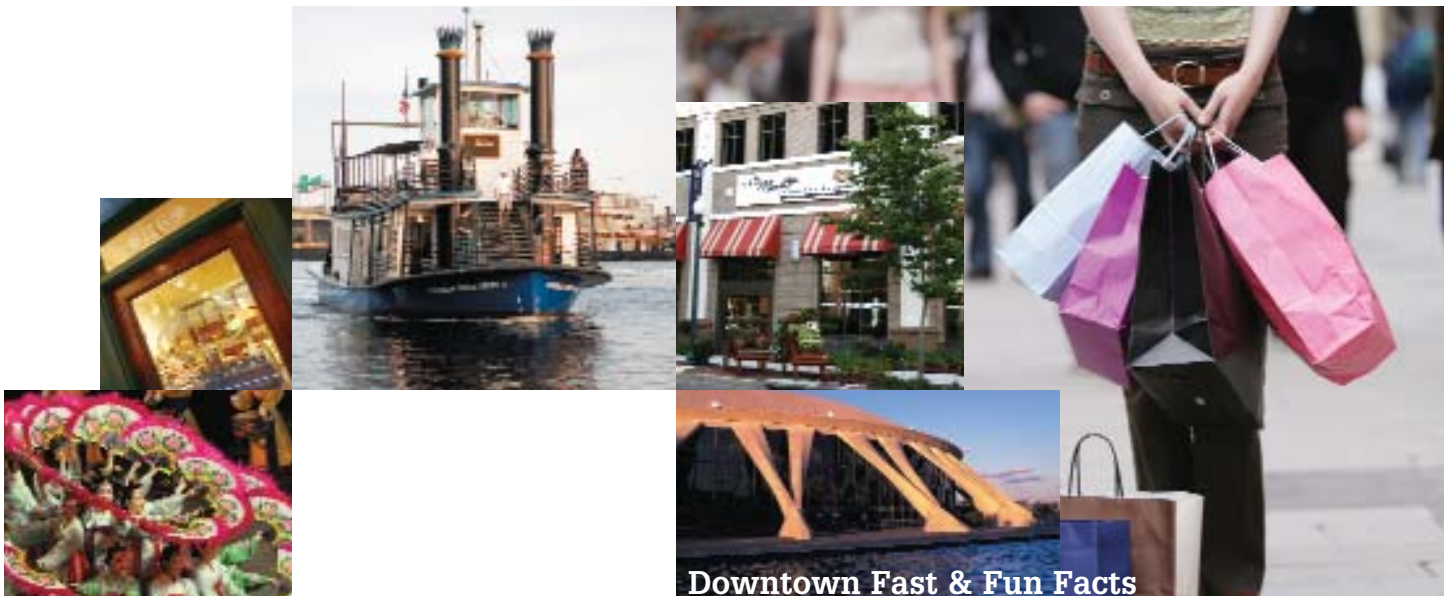
Information provided by the Commissioner of the Revenue Sharon M. McDonald.

Dining & Entertainment

Chef inspired dining and world class entertainment keep revenue produced to the City from food & beverage and admissions taxes strong.

FY2005	\$7.5
FY2006	\$7.7
FY2007	\$7.9
FY2008	\$7.8
FY2009	\$6.9

Information provided by the Commissioner of the Revenue Sharon M. McDonald. Revenue does not include the Fiduciary Taxes (consolidated Food, Beverage, Lodging and Admission Taxes) collected in Freemason or Upper Granby.



Downtown Fast & Fun Facts

30,000
Downtown
employees

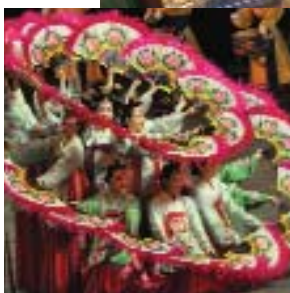
3,900
Downtown
residents

14,377
Students at
Downtown
Norfolk's TCC
Campus

1,435
Downtown
hotel rooms

19,000+
Public parking
spaces located in
14 garages, 10
surface lots, 600+
on-street.

183,690
Visitors to the
Chrysler Museum
of Art in 2009



72 Prospective Retailers identified since Oct. 2009	17 New street level businesses 2009 thru 4/2010	2,900 + Housing Units	3,900+ Downtown Residents	400+ Under construction and/or proposed Housing Units
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Residential

Property Valuation

The total assessed value of taxable properties in downtown Norfolk rose 31% from 2005 to 2009.

2005:	\$652 million
2006:	\$684 million
2007:	\$756 million
2008:	\$809 million
2009:	\$853 million

Office Rents & Vacancies

At year-end 2009, downtown Norfolk had the market's lowest vacancy rate of the three major geographies.

Multi-Tenant Office Buildings	Rentable Building Area	% of Downtown Norfolk Inventory	Average Rent	% Vacant
Class A	930,711 sq. ft.	23%-	\$25.56	7.4%
Class B+	1,250,627 sq.ft.	30%	\$21.20	12.5%
Class B/Others	877,893 sq.ft.	21%	\$18.95	13.9%
Other	177,417 sq.ft.	4%	\$18.00	3.8%
Overall	4,106,598 sq.ft.	100%	\$21.21	10.9%

Calculations as of January 2010; 100% includes owner occupied



Light Rail

The Tide, Norfolk's Light Rail system and the first in Virginia, will begin operations in May 2011. Running through Downtown, the system connects Eastern Virginia Medical Center at the west end with Newtown Road on the east. The transit stops are the focus of transit-oriented development initiatives.

- 7.4 mile starter line
- Runs 7 days a week
- 11 Stations with 5 Downtown
- 9 Light Rail Vehicles
- 4 Park & Ride Lots
- \$14+ million in Downtown Utility/Infrastructure Projects to support the system



25th Grand Illumination Parade

25,300 cubic feet of helium	967 Musical instruments	2,000+ Hours of volunteer time	2,321 Parade Participants	776 "Feet" on the street volunteering	12 Miles of lights illuminating down- town's signature Holiday skyline
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325,000 Visitors to Nauticus, the National Maritime Center in 2009	47,743 Wells Theatre patrons in 2009	274,826 Attendees to events at Town Point Park	180,799 Patrons at Chrysler Hall performances in 2009	289,455 Patrons attending events at Scope Arena in 2009	395,685 Attendees to events at Harbor Park in 2009	40,173 Attendees to events at Harrison Opera House in 2009	20,251 Attendees to events at the Attucks Theater in 2009	43,771 Attendees at Virginia Arts Festival events in 2009 Downtown	60,000 Cruise Ship Passengers, Spending \$6.6 million	1,381 Trees in Downtown
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8814
Citizen Assists

26,551
Contacts
to Downtown
Businesses

92
Motorist
Assists

112
Support to the
Homeless

245,900
Pounds (123 Tons)
of Trash Collected

132
Incidents of
Graffiti Removal

3,800
FRED Trips
Oct thru April

2009 Improvement District Ambassador Activity



Downtown Norfolk Council & Downtown Improvement District

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

Downtown Norfolk's Public Service Ambassadors (PSAs) and Clean Team Ambassadors (CTAs)

The Ambassadors 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. Clean Team Ambassadors 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 Downtown Improvement 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, Cruise Norfolk, City of Norfolk Dept. of Development, City of Norfolk Division of Parking, Commissioner of the Revenue Sharon M. McDonald, Nauticus-The National Maritime Center, Old Dominion University Office of Real Estate and Development, Festevents, Virginia Arts Festival and the Wells Theatre.

To receive additional copies of this report, please contact the Downtown Norfolk Council at (757) 623-1757 or dnc@DowntownNorfolk.org.

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