

ADP says it will hire mostly locals for 1,800 jobs in downtown Norfolk

- By Eric Hartley and Elisha Sauers
The Virginian-Pilot
- March 15, 2016



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Virginia Gov. Terry McAuliffe, left, is welcomed to the podium by Norfolk Mayor Paul Fraim during a press conference on Tuesday, March 15, 2016, in Norfolk.



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Virginia Gov. Terry McAuliffe smiles as Norfolk Mayor Paul Fraim praises him for their good working relationship during a press conference on Tuesday, March 15, 2016, in Norfolk.



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State Sen. Kenny Alexander, who is running for mayor in Norfolk, listens to Gov. Terry McAuliffe's comments during a press conference on Tuesday, March 15, 2016, in Norfolk.



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Virginia Gov. Terry McAuliffe, right, presents Norfolk Mayor Paul Fraim with a \$5 million check from the state during a press conference on Tuesday, March 15, 2016, in Norfolk.

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NORFOLK

Most of the 1,800 jobs the human resources firm ADP will bring to downtown will be new local hires, and the company plans to focus on recruiting veterans.

The state and city have promised New Jersey-based ADP about \$25.3 million in incentives to get the company to open a customer service center in 2 Commercial Place, next to the Bank of America tower.

ADP, which released details of its Norfolk plans for the first time Tuesday, will begin hiring later this year and hopes to have about half the 1,800 employees in place by year's end, spokesman Dick Wolfe said. The rest of the jobs in Norfolk should be filled by mid-2017, according to an internal ADP memo.

At an appearance downtown Tuesday, Gov. Terry McAuliffe said Virginia's reliance on Department of Defense jobs can put the state in a precarious position, especially when the federal government cuts spending or temporarily shuts down routine work.

Luring private employers such as ADP, the governor said, will add stability to the economy.

"We have to diversify, bring in new businesses, think differently about economic development," McAuliffe said.

Mayor Paul Fraim called the deal Norfolk's "largest job announcement in a generation."

"Any city in America would have died to get these types of high-quality, well-paying jobs in the heart of their downtown," he said.

The company will "seed in experienced ADP associates" but will hire most of the employees locally, Wolfe said. Fraim said his understanding is that only about 20 of the 1,800 jobs will go to existing employees transferred from elsewhere.

The mayor and governor said they hope the new jobs will convince people to stay in Norfolk when they leave the military or graduate from one of the region's colleges.

"Hiring veterans is a key part of ADP's talent strategy, and Norfolk has a large, highly motivated veteran population," Wolfe said in an email.

ADP's customer service center will be part of the CityWalk project planned by developer Buddy Gadams. It includes 2 Commercial Place and the Bank of America tower, where Tuesday morning's announcement was held.

Gadams plans to turn the Bank of America tower into a luxury condo building with almost 300 units. The plan is for people to begin moving in next year.

In a proposed agreement with the city and Norfolk Economic Development Authority, ADP says 1,750 of the jobs will have an average annual pay of \$36,000. The other 50 are supposed to average around \$50,700 or more.

Wolfe said the company is looking for people with bachelor's degrees and skills in customer service, technology and "innovation." At the news conference, officials said many jobs will center on IT and software.

McAuliffe said ADP's decision to come to Norfolk is a coup for the city, the region and the state. Officials say the deal will help land others for Hampton Roads, and the governor said negotiations are under way for other "major projects."

"This announcement will bring a lot of future announcements to the city of Norfolk and to this region," he said.

John Padgett, chairman of the Hampton Roads Economic Alliance, said the "urban feel" of downtown Norfolk helped clinch the deal.

"They like the fact that we have light rail, we have the ability to walk around, they like the feel of a downtown environment," Padgett said.

In addition to Norfolk, ADP is planning a new office with 1,600 to 1,800 employees in Orlando, Fla., according to the internal memo.

ADP has 55,000 employees and ranks No. 251 on the Fortune 500 list of the largest U.S. corporations. It says it has revenue of more than \$10 billion a year and handles payroll for 1 in 6 American workers.

Virginia plans to give ADP \$6.8 million through two programs. The City Council unanimously voted Tuesday to approve an agreement governing \$5 million of that money.

The city has already agreed to pay ADP a separate \$5 million and has given a discount of more than \$13.5 million on leased parking in city garages.

ADP has agreed to spend more than \$32 million to fix up 2 Commercial Place – just under \$22 million to renovate the building and \$10.3 million on “furniture, fixtures and equipment.”

If the company doesn't get 90 percent of the way to its goals for investment and jobs created by the end of 2021, it could have to pay back some of the state grant money.

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