

Quick Facts About Downtown Norfolk

Approximate number of employees working in downtown: **30,000**

Approximate number of downtown residents: **3,700**

Approximate number of students at downtown Norfolk's TCC Campus: **8,700**

Number of downtown hotel rooms: **1,400**

Number of public parking spaces downtown: more than **19,000**, located in 14 garages, 14 lots and more than 600 on-street spaces.

Number of visitors to the Chrysler Museum of Art in FY2006: **127,892**

Number of visitors to Nauticus, the National Maritime Center in 2006: **300,000**

Number of Wells Theatre patrons in 2006: **61,657**

Number of patrons at TCC Roper Performing Arts Center performances in 2006: **40,350**

Number of patrons at Chrysler Hall performances in FY2006: **298,750**

Number of patrons attending sporting events at Scope Arena in FY2006: **201,890**

Number of attendees to events at Harbor Park in FY2006: **532,136**

Number of Virginia Arts Festival attendees in FY2006: **94,553**

Downtown development openings, projected openings and project starts for 2007:

Dominion Enterprises occupies new building at 150 Granby Street bringing **1200** new employees to downtown.

8863



Harbor Heights Mixed Use Project: **99** condominiums, 61 car parking garage, upscale urban market and TCC Administrative Offices,

Hilton Hotel and Conference Center

Conversion of the Rotunda Building: **66** condominiums

Granby Tower: **300** condominiums in a 31 story tower. Completion 2009.

Wachovia Center: 22 story, **250,000** sf office tower with 50,000 sf of retail, 175 apartments and 1950 parking spaces between 2 garages. Completion 2010.

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

Downtown Norfolk Council

201 Granby Street, Suite 101, Norfolk, VA 23510 / Phone: (757) 623-1757 / Fax: (757) 623-1756
E-Mail: dnc@DowntownNorfolk.org / Website: www.DowntownNorfolk.org

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 Business 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, City of Norfolk Dept. of Development, 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.

Downtown Norfolk Business Improvement District

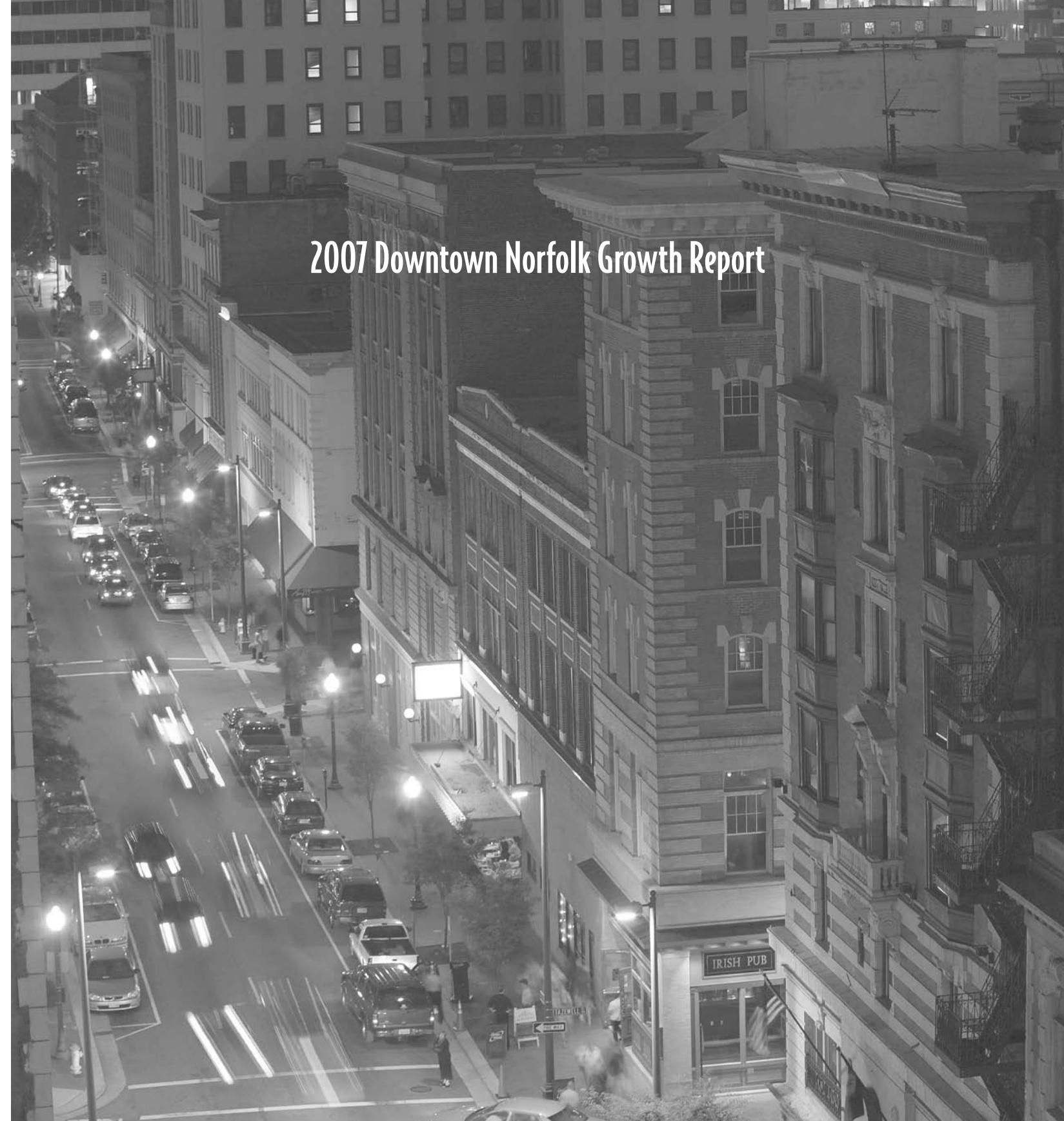
Ordained in 1999, the Downtown Norfolk Business Improvement District (BID) was designed to make our business district more competitive. A BID is defined as a geographic area within whose boundaries property owners pay an additional tax to provide an enhanced level of services, which are over & above the services provided by the government. There are more than 1,000 BIDs in North America. The Downtown Norfolk BID manages a \$1.3 million budget to enhance services downtown. The Downtown Norfolk BID consists of 48-blocks and 777 properties.



Downtown Norfolk's Public Safety Ambassadors (PSAs) and Clean Team Ambassadors (CTAs) are on the streets 360 days per year. Their mission - keeping downtown clean, safe and friendly. 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 by "doing the dirty work" with daily sidewalk cleanings, weed eradication, graffiti and gum removal and the diligent maintenance of HRT bus shelters and public spaces surrounding Federal properties.

2006 BID Ambassador Activity

20,166 Citizen Assists
40 Norfolk Police Department Assists
51 Motorist Assists
1021 Interactions with the Homeless
2122 Panhandling Interventions
22,708 Contacts to Downtown Businesses
77 Personal Safety Escort Calls
251,375 Pounds (126 tons) of Trash Collected



2007 Downtown Norfolk Growth Report

Presented by Downtown Norfolk Council & Downtown Norfolk Business Improvement District

Downtown
NORFOLK^{dn}
Downtown Norfolk Council

Benchmarking Our Progress

The Downtown Norfolk Council (DNC) and Downtown Norfolk Business Improvement District (BID) are pleased to present the 5th Annual 2007 Downtown Norfolk Growth Report.

The report takes a critical look at consumers' perception 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, used to assess and evaluate strategies, will be of benefit as we plan for this period of unprecedented downtown Norfolk growth. With millions of dollars of new development under construction and other projects announced, we prepare to welcome many new residents and consumers to enjoy our unique and authentic experience, "What will downtown do for you?"

This Growth Report highlights the following:

- Market Reach & Frequency
- Visitor Demographics
- Consumer Perceptions
- Annual Expenditures of Downtown Workers
- Downtown Worker Satisfaction
- Retail Sales
- Dining & Entertainment Sales
- Office Vacancy Rates & Average Rents
- Property Valuation
- Cruise Ship Visitation & Spending
- Residential Activity

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

Key Findings: Downtown Norfolk Consumer Usage & Perceptions Survey

Conducted: October 2006 by H. Blount Hunter Retail & Real Estate Research

Commissioned by the Downtown Norfolk Council.

(Surveys reflect response from adults in the Norfolk-Virginia Beach-Newport News MSA)

With focused effort, Downtown Norfolk has moved toward becoming a "multi-purpose destination" where users can "park once" and accomplish multiple tasks or enjoy multiple experiences.

Market Reach & Frequency

In 2006, 66% 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 48% of Peninsula adults. The survey trends show that downtown's appeal is highest among 35 to 54 year olds and that downtown's penetration rate increases as household income increases. Approximately 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.

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 28.4 in 2006. The highest frequency of use for non-work purposes occurs among 25-34 year olds and those with household incomes over \$80,000; the lowest among those over the age of 65.

Downtown Norfolk Annual Penetration by Customer Segment	2004	2005	2006
18 – 24:	68%	51%	71%
25 – 34:	67%	66%	65%
35 – 44:	74%	73%	74%
45 – 54:	68%	73%	69%
55 – 64:	56%	54%	66%
Age 65+	38%	33%	50%
Income under \$20K:	24%	33%	55%
Income of 20K - \$39,999:	57%	50%	62%
Income of \$40,000 - \$59,999:	63%	73%	62%
Income of \$60 K - \$79,999:	71%	68%	73%
Income of \$80K+ :	80%	79%	77%
Southside Adults:	68%	62%	74%
Peninsula Adults:	47%	44%	48%

Visitor Demographics

- Downtown's penetration of local adults is highest among 35 – 54 year olds.
- Downtown Norfolk's penetration generally increases as household income increases.
- The most popular reason Hampton Roads adults visited downtown in 2006 for a non-work-related purpose was to visit MacArthur Center, followed by dining in the emerging Granby District. 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, being well lit at night, and having well-maintained buildings. In recent years, the rating for "friendliness" has increased, as have the perceptual ratings for overall safety and safety in parking areas.
- Downtown is perceived as a place with lots of exciting things to do.
- Downtown receives its highest ratings for daytime safety and sense of greater safety than in recent years. Overall, Downtown's users feel Downtown is safer today than 2 – 3 years ago.
- Ratings have improved with respect to ease of finding parking.



Key Findings: Downtown Worker Survey

Conducted: December 2005 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 at-work expenditures increased 70% from 1999 to 2005 with the greatest increase in spending on retail goods.
- Average annual expenditure by downtown workers was \$3,467 in 2005
- 85% of workers surveyed gave a ranking of either a 4 or 5 (out of a possible 5) for their "overall satisfaction with downtown."
- 82% of workers said they were either likely or extremely likely to recommend downtown as a work place to friends or relatives.
- 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.

Retail Sales

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

Retail sales revenues remain strong. Downtown's total retail sales rose from \$282 million in fiscal year 2003 to nearly \$309 million in fiscal year 2006.

FY2003	\$282.9 million
FY2004	\$293.3 million
FY2005	\$301.2 million
FY2006	\$308.7 million

Dining & Entertainment Sales

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

FY2003	\$8.6 million
FY2004	\$9.8 million
FY2005	\$9.5 million
FY2006	\$10.1 million

Property Valuation

The total assessed value of taxable properties in downtown Norfolk rose from \$592 million in fiscal year 2003 to \$684 million in fiscal year 2006.

FY 2003	\$592 million
FY 2004	\$626 million
FY 2005	\$652 million
FY 2006	\$684 million

Office Rents & Vacancies

The downtown office market is very strong, evident in the drop in the vacancy rate from 10.9% at the end of 2005 to 7.74%. Downtown has maintained an extremely strong retention rate and most of the absorption was from the expansion of existing businesses.

	Net Leasable Area	% of Downtown Inventory	Average Rent	% Vacant
Class A Multi-Tenant	1,690,129 sq. ft.	42.6%	\$21.42	7.12%
Class B Multi-Tenant	1,527,543 sq. ft.	38.5%	\$15.42	8.36%
Total		*81.1%	\$18.42	7.74%
Calculations as of January 2007		*100% includes Owner occupied & Class C Multi-Tenant		

Cruise Ship Visitation & Spending

Information provided by Nauticus – The National Maritime Center.

Norfolk is a desirable east coast cruise port. In 2006, Norfolk experienced 27 cruise ship calls with 66,693 passengers, 40,000 crew members and \$7 million in passenger spending (\$105 per passenger). Construction is underway on an 80,000 sq. ft state-of-the-art cruise terminal which is scheduled to open in April 2007. Projections for 2007 include 23 calls with 90,000 passengers, 45,000 crew members and \$9.5 million in passenger spending.

Cruise Ship Visitation	Cruise Passenger Spending	Did you also know?
2004 – 115,292 passengers	2004 – \$11.1 million	Over \$358,000 are spent on dockage fees.
2005 – 105,000 passengers	2005 – \$10.9 million	Over \$433,000 are collected in Head Tax.
2006 – 66,693 passengers	2006 – \$7 million	Over \$39,000 is spent on water.
2007 – 90,000 passengers (projected)	2007 – \$9.5 million (projected)	

Residential

Nearly 3700 people call downtown Norfolk home. And this is projected to grow as more apartments and condominiums are added. There are currently approximately 2500 housing units downtown and close to 1000 either on the drawing board or coming out of the ground. The cost of a condominium in downtown ranges from \$225,000 to \$2 million.