

# 2009 Downtown Norfolk Progress Report

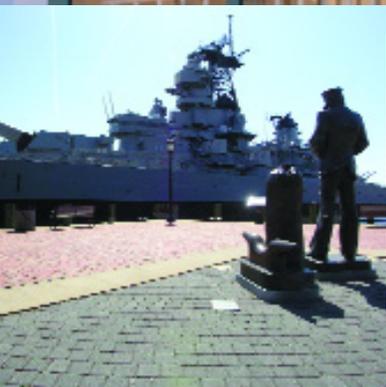
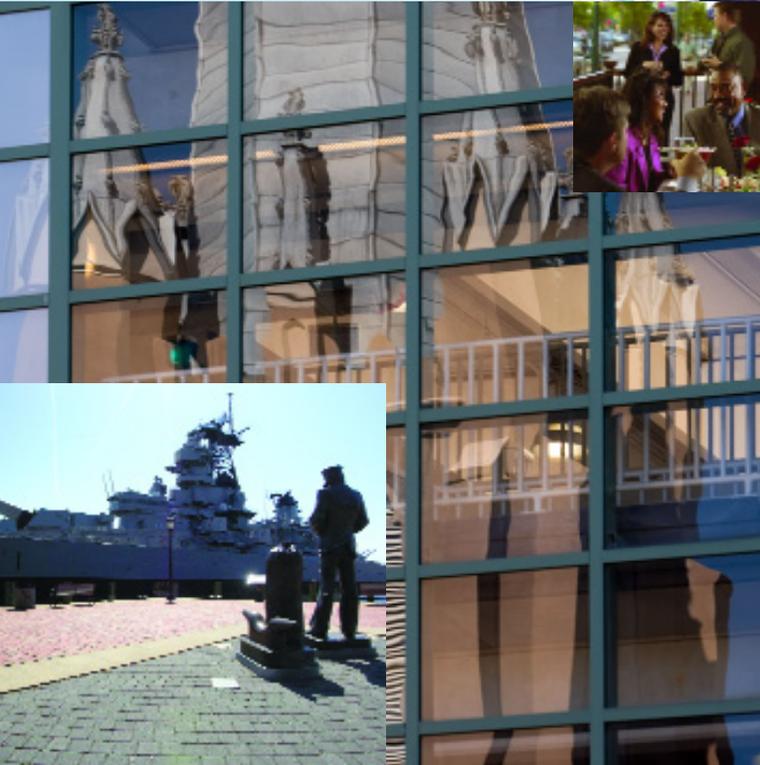
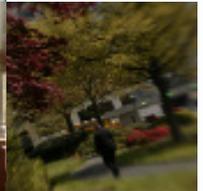


The Downtown Norfolk Council (DNC) and Downtown Norfolk Improvement District are pleased to present the 7th Annual Downtown Norfolk Progress Report.

Provided in this report are the results of the Survey regarding Downtown Improvement District (DID) services and the satisfaction ratings of downtown workers. Key indicators for street level retail are also identified. We have also continued to measure the tax impact from revenue generated in downtown to the city's economy. 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 includes Quick Facts about downtown, new downtown development and a summary of Downtown Improvement District Ambassador activities.

**Downtown**  
**NORFOLK** dn  
Downtown Norfolk Council



# RETAIL, DINING & ENTERTAINMENT SALES REMAIN STRONG.

## Retail Sales

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

Retail sales remain strong. Downtown's total retail sales rose from \$293 million in fiscal year 2004 to over \$378 million in fiscal year 2008 representing a 22% increase.

FY2004	\$293.3
FY2005	\$301.2
FY2006	\$308.7
FY2007	\$344.1
FY2008	\$378.4

## Dining & Entertainment

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

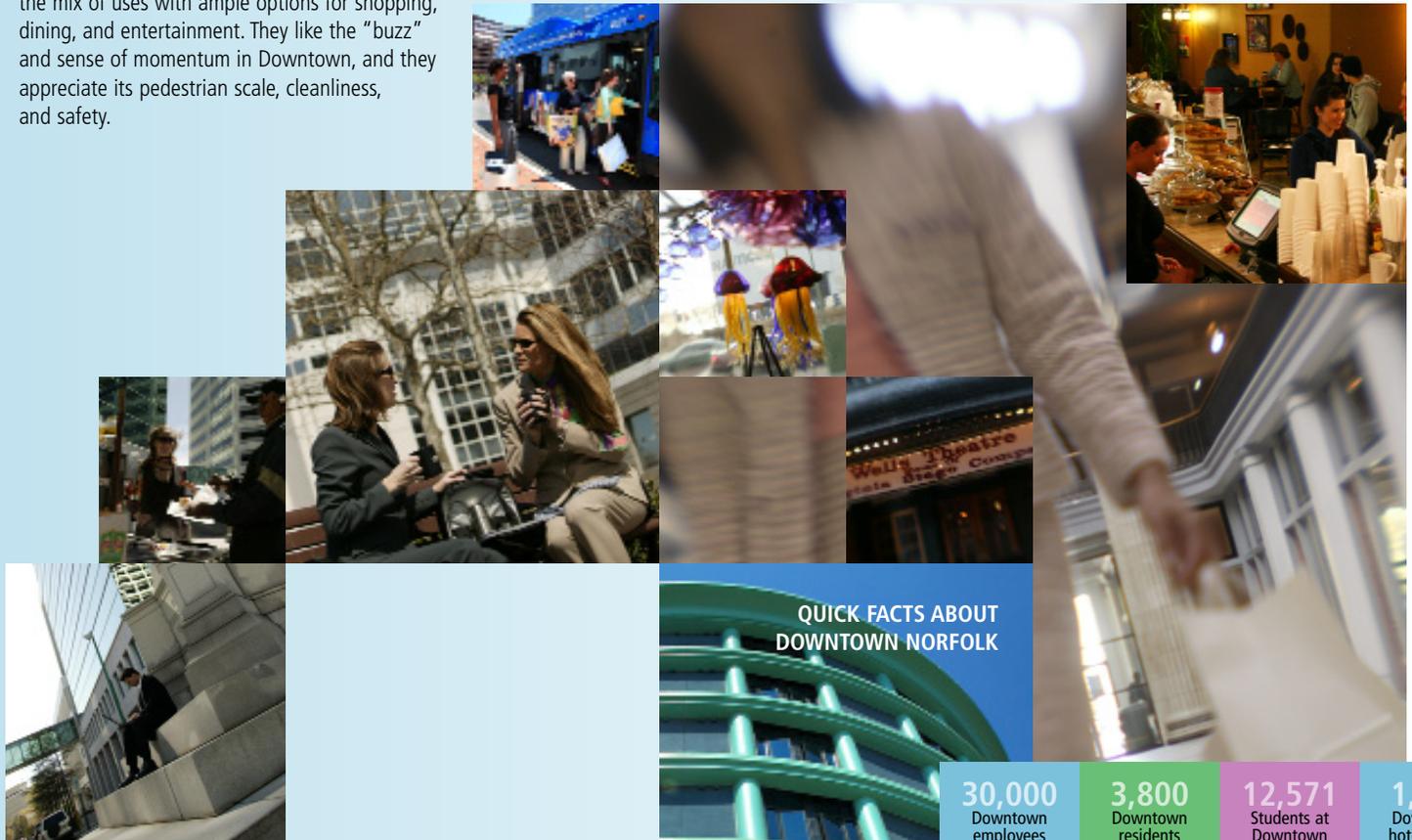
FY2004	\$9.8
FY2005	\$9.5
FY2006	\$10.1
FY2007	\$9.8
FY2008	\$9.8

## KEY FINDINGS—DOWNTOWN WORKER SURVEY

Conducted: December 2007 by H. Blount Hunter Retail & Real Estate Research  
Commissioned by the City of Norfolk's Department of Development and the Downtown Norfolk Council on a biannual basis.

### Expenditures & Satisfaction of Downtown Workers

- Average annual expenditure by downtown workers was \$2,839 in 2007.
- 88% of workers said they were either likely or extremely likely to recommend downtown as a good place to work.
- 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. They like the "buzz" and sense of momentum in Downtown, and they appreciate its pedestrian scale, cleanliness, and safety.



## Residential

A significant area of growth for downtown is in the number of apartment and condominium units under construction. Currently there are 2680 housing units in downtown with another 412 under construction. The cost of a condominium in downtown ranges from \$200,000 to almost \$2 million. The current number of downtown residents is nearing 4000.

## Office Rents & Vacancies

The downtown office market continued to remain healthy in 2008 with the vacancy rate for all classes at 9.68%. This is up from the 6.60% at the end of 2007. Rental rates were up slightly for both Class A and Class B space.

Multi-Tenant Office Buildings	Net Leasable Area	% of Downtown Norfolk Inventory	Average Rent	% Vacant
Class A	1,690,129 sq.ft.	40.6%	\$23.12	7.09%
Class B	1,507,543 sq.ft.	36.2%	\$18.08	12.59%
Class C	96,552 sq.ft.	2.3%	\$11.40	0.00%
Overall	4,164,174 sq.ft.	100%	\$17.53	9.84%

Calculations as of January 2009; 100% includes owner occupied

## Property Valuation

The total assessed value of taxable properties in downtown Norfolk rose from \$626 million in fiscal year 2004 to \$809 million in fiscal year 2008.

2004:	\$626 million
2005:	\$652 million
2006:	\$684 million
2007:	\$756 million
2008:	\$809 million

## QUICK FACTS ABOUT DOWNTOWN NORFOLK

30,000  
Downtown employees

3,800  
Downtown residents

12,571  
Students at  
Downtown Norfolk's TCC Campus

1,560  
Downtown hotel rooms

## KEY FINDINGS—DOWNTOWN IMPROVEMENT DISTRICT SURVEY

Conducted: Fall 2008 by Progressive Urban Management Associates  
 Commissioned by the Downtown Norfolk Council

A broad cross section of downtown property owners, employees, residents and business and civic organizations responded to the survey regarding current satisfaction with existing services and future priorities for the Downtown Improvement District (DID).

### Highlights Include:

- Respondents generally reported that the characteristics of appearance, overall vitality and cleanliness are "much better".
- The services financed by the DID were rated very favorably with an overall "A- minus" on a standard grading scale. This satisfaction rating is higher than other comparable improvement districts throughout the nation.
- The most positive existing DID services are public safety, cleaning and communications.
- Communication is best with the core constituents, commercial property owners and businesses. There is room for improvement with residents.
- Respondents were very clear on their priorities for the future – the DID should place more emphasis on business development and continue with public safety services.

### The Market for Retail

Trade Area Residents:	1,657,585
Trade Area Households:	619,862
Average Household Income in Trade Area:	\$67,000+
Downtown Employees:	30,000
Annual Visitors to Downtown:	2,000,000

Source: Downtown Works, Spring 2009

### Cruise Ship Visitation & Spending

Information provided by Nauticus – The National Maritime Center.

Norfolk was named "Best Up-and-Coming U.S. Homeport" in the February 2008 issue of *Porthole Cruise Magazine* a recognition of not only the wonderful new state-of-the-art cruise facility but service to the passengers.

In 2008, the Half Moone Cruise and Celebration Center hosted 26 cruise ship calls with 88,975 passengers, 22,500 crew members and \$9.4 million in passenger spending.

Projections for 2009 include 17 calls with 65,000 passengers, 16,000 crew members and \$6.9 million in passenger spending.

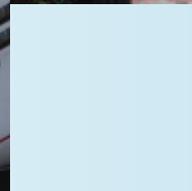
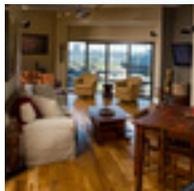
Cruise Ship Visitation	Cruise Passenger Spending
2005 – 105,000 passengers	2005 – \$10.9 million
2006 – 66,693 passengers	2006 – \$7 million
2007 – 72,000 passengers	2007 – \$7.5 million
2008 – 88,795 passengers	2008 – \$9.4 million

## DOWNTOWN DEVELOPMENT PROJECT STARTS AND PROJECT OPENINGS FOR 2008

- Construction begins on the 7.4 mile starter segment for The Tide, Norfolk's Light Rail system, the first in Virginia.
- The Franklin Condominium opens with 19 luxury units.
- Tidewater Community College occupies new offices in Harbor Heights.
- Kirn Library relocates to the Seaboard Building. A planned expansion at that site is announced.
- Construction continues on the Wells Fargo Center a 22 story, 250,000 sf office tower with 50,000 sf of retail, 162 apartments and 1850 parking spaces between 2 garages. Completion Summer 2010.
- Construction continues on the Belmont at Freemason: 240 luxury apartments and over 500 car parking garage.
- Construction is complete on a 160 suite Residence Inn by Marriott.
- Renovations continue on the Madison Office Building a 9 story, 80,000 sf office building with ground floor retail.

### ON THE DRAWING BOARD

- A new Courthouse complex at Civic Plaza.
- The State's first Student Activity Center for the Community College system at Tidewater Community College.
- A 301 Room Westin Hotel and Conference Center.
- The Virginia Arts Festival Headquarters at Bank and Charlotte Streets.
- The MacArthur Foundation's planned \$4.5 million makeover and expansion of the MacArthur Memorial.
- Hurrah Players planned renovations to the newly purchased Old Norfolk Academy building to house a 100 seat Black Box Theatre, two large rehearsal studios, and a dedicated student resource center.



18,000+ Public parking spaces located in 13 garages, 9 surface lots, 600+ on-street.	137,369 Visitors to the Chrysler Museum of Art in 2008	348,000 Visitors to Nauticus, the National Maritime Center in 2008	53,567 Wells Theatre patrons in 2008	50,500 Patrons at TCC Roper Performing Arts Center performances in 2008	154,430 Patrons at Chrysler Hall performances in 2008	312,801 Patrons attending events at Scope Arena in 2008	458,783 Attendees to events at Harbor Park in 2008	48,473 Attendees to events at Harrison Opera House in 2008	31,240 Attendees to events at the Attucks Theater in 2008	39,415 Attendees at Virginia Arts Festival events in 2008 Downtown
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15,293  
Citizen Assists

92  
Norfolk Police  
Department Assists

59  
Motorist  
Assists

155  
Support to the  
Homeless

14  
Panhandling  
Interventions

26,551  
Contacts  
to Downtown  
Businesses

71  
Personal Safety  
Escorts

132  
Incidents of  
Graffiti Removal

380,240  
Pounds  
(190 Tons) of Trash  
Collected



2008 IMPROVEMENT DISTRICT  
AMBASSADOR ACTIVITY



**Downtown Norfolk Council & the Downtown Norfolk 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 Special Services dedicated to keeping downtown Norfolk friendly, safe and spotless.

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

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 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, Cruise Norfolk, 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.*

**View this report on line at [DowntownNorfolk.org](http://DowntownNorfolk.org). For a printed copy please contact the Downtown Norfolk Council at (757) 623-1757 or [dnc@DowntownNorfolk.org](mailto:dnc@DowntownNorfolk.org)**



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