



2014 VACo Achievement Awards

Deadline: June 2, 2014

Application Form

All applications must include the following information. Separate applications must be submitted for each eligible program. **Deadline: June 2, 2014.**

Program Information

Locality County of Roanoke
Program Title "The Ardagh Group Project"
Program Category Community and Economic Development

Contact Information

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Title Director
Department Economic Development
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Signature of county administrator or chief administrative officer

Name B. Clayton Goodman, III
Title County Administrator

Signature B. Clayton Goodman, III

Short Overview

Following the closure of the Hanover Direct distribution center in Roanoke County in 2013, it was the County’s desire to attract a manufacturer that would convert the facility for higher and better use. The concern was that the 525,000 square-foot building would remain vacant for a long period of time and would be difficult to sell given its large size. The objective for Roanoke County’s Economic Development Department was to attract a new manufacturing operation with significant investment and high wage employment, thereby replacing the lost jobs and increasing the median wage range for the County. Following six months of cooperative advertising and marketing with local, regional and state allies, the department was successful in recruiting a substantial manufacturing company that not only met, but exceeded its original objective. The Ardagh Group, a Luxembourg-based leader in metal and glass packaging solutions for the world’s food, beverage and consumer brands announced their expansion plans to Roanoke County in August of 2013. The total project investment was \$93.5 million in machinery and equipment and facility modifications to accommodate a manufacturing operation that will produce five percent of the country’s food packaging cans, or 4.5 million cans per day. This project made its mark as the largest single manufacturing investment in Roanoke County’s history and the largest manufacturing investment in Virginia in 2013. As a result of Ardagh Group locating in Roanoke, Canline Systems, an international supplier of conveyor systems for the packaging industry also announced the opening of its first U.S. facility in Roanoke County, with over a \$1 million investment and the creation of 25 new jobs over the next three years. The long term growth plans of these companies promises to result in an enhanced quality of life for the citizens of Roanoke County and the region for many years to come.

The Ardagh Group Project

Following the closure of the Hanover Direct distribution center in Roanoke County in 2013, it was the County’s desire to attract a manufacturer that would convert the facility for higher and better use. The concern was that the 525,000 square-foot building would remain vacant for a long period of time and would be difficult to sell given its large size. The objective for Roanoke County’s Economic Development Department was to attract a new manufacturing operation with significant investment and high wage employment, thereby replacing the lost jobs and increasing the median wage range for the County.

To respond to this concern, the department immediately set in place a rapid response team and collaborated with Poe & Cronk Real Estate Group, the Virginia Economic Development Partnership and the Roanoke Regional Partnership to implement a marketing strategy for the building. This strategy included the creation of new facility brochures as well as actively marketing the property on local, regional and state websites. A joint venture was established between the Department of Economic Development and the broker to create and place advertising in the Southeast Real Estate Business Magazine, as well as distribution through the department’s e-newsletter to over 1,000 business partners throughout the region.

Following six months of cooperative advertising and marketing with local, regional and state allies, the department was successful in recruiting a substantial manufacturing company that not only met, but exceeded its original objective. The Ardagh Group, a Luxembourg-based leader in metal and glass packaging solutions for the world’s food, beverage and consumer brands announced their expansion plans to Roanoke County in August of 2013. The company operates

over 100 manufacturing facilities in glass and metal technology in twenty-five (25) countries. Ardagh employs 18,000 people and produces approximately 26.6 billion containers a year. A recent long term supply agreement with ConAgra foods required the company to increase capacity in their metal packaging business in the United States, which drove the company to search for an existing building in the 500,000 sq. ft. range. Ardagh reached out to the real estate community to identify suitable facilities on the east coast that could accommodate their need to be in production by the end of 2014. The Roanoke County facility was one of several buildings in multiple states that was identified as a potential candidate in the company’s search.

The former Hanover Direct building is in an excellent location just minutes from interstate 81. While previously used as a distribution center, the facility could offer Ardagh a unique opportunity to expeditiously transition into Roanoke County. Having an existing building immediately available for occupancy could provide Ardagh an economical alternative to new construction. Further, the facility was well-maintained and offered outstanding amenities that are difficult to replicate in a timely and cost effective manner. The building was uniquely positioned in a private setting with appropriate zoning and regulatory flexibility, offering a combination of desirable features that can rarely be found on the east coast.

After extensive analysis of available buildings in multiple states including Kentucky, North Carolina, Maryland, West Virginia, Pennsylvania, and Tennessee, the Roanoke County Economic Development Department assisted the Ardagh Group with its decision to purchase the former Hanover Direct facility. To demonstrate the community’s commitment to Ardagh, a three-party performance agreement was negotiated between Roanoke County, the Roanoke

County Economic Development Authority and Ardagh Metal Packaging USA Inc. This agreement assisted the company with their start-up costs, employee training, building up-fit and infrastructure improvements. An aggressive incentive package was negotiated and included a \$750,000 Governor’s Opportunity Fund grant, along with state employee recruitment and training assistance. Roanoke County offered a local incentive package of over \$2.3 million in Economic Development Incentive Grants and Industrial Rail Access funds in support of the project.

The total project investment was \$93.5 million in machinery and equipment and facility modifications to accommodate a manufacturing operation that will produce five percent of the country’s food packaging cans, or 4.5 million cans per day. This project made its mark as the largest single manufacturing investment in Roanoke County’s history and the largest manufacturing investment in Virginia in 2013. Ardagh plans to create 96 full-time jobs with an average annual salary of at least \$40,000 per year.

The Ardagh Group project is a clear demonstration of the importance of maintaining an inventory of available “ready to go” real estate. Communities throughout Virginia can replicate this success by creating sites and buildings that are immediately available for occupancy. To demonstrate, it is important to note that while negotiating with Ardagh, Roanoke County was also negotiating with another company on the same building (an even larger project). The negotiations continued simultaneously with performance agreements drafted for both companies during the complex negotiation process. The building ultimately was purchased for more than

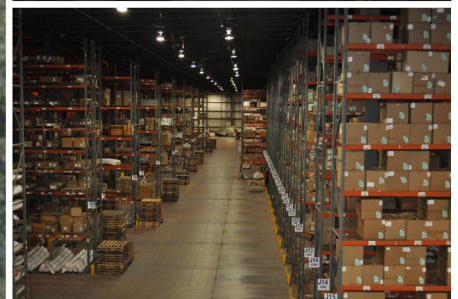
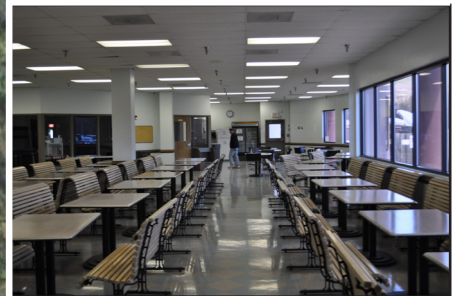
the list price, which is further demonstration of the demand for larger “ready to go” sites and buildings.

Company officials have indicated that future expansions are eminent and could come to fruition as soon as two years and would include the possibility of the plant doubling in size, signaling long-term growth potential and economic impact in Roanoke County.

As a result of Ardagh Group locating in Roanoke, Canline Systems, an international supplier of conveyor systems for the packaging industry also announced the opening of its first U.S. facility in Roanoke County, with over a \$1 million investment and the creation of 25 new jobs over the next three years. The company is expanding to the U.S. to be closer to customers including Ardagh. The Netherlands-based Canline Systems designs and manufactures automated product conveyor systems that use magnetic and vacuum technologies in productions lines. The company will design, manufacture and assemble the systems in southwest Roanoke County. The company will also serve other customers throughout the United States from this facility.

The economic impact of the Ardagh and Canline projects on Roanoke County and the Roanoke region is significant with the new high wage jobs created and superior investment. The Ardagh project alone creates a value-added contribution to Gross Domestic Product of \$25 million with an increase in demand for goods and services of more than \$27 million, representing purchases made by the company, suppliers to the facility and employees hired. The total jobs created represent over 249 direct, indirect and induced positions from the project. The long term growth

plans of these companies promises to result in an enhanced quality of life for the citizens of Roanoke County and the region for many years to come.



Outstanding 780,000 square-foot Fulfillment and Distribution Facility in Roanoke, VA

Expandable to more than 1 million square feet, on 56 acres located in the center of the East Coast with convenient interstate access and two-day UPS transit to nearly 60 percent of U.S. households.

BUILDING SPECS

Year built: 1995 (addition 1997)
Square feet of warehouse space: 736,476
Square feet of office space: 43,440
Expansion capability: 320,000 square feet
Dock-height doors: 43 (17 receiving, 26 shipping)
Clearing height at center: 37 feet

FEATURES

- Specialized equipment available including:
 - Racking
 - Tilt tray sorter for packing
 - Wire guided turret trucks
 - Pallet flow and carton picking modules
 - Garment-on-hanger transport/storage system
 - Radio frequency inventory tracking capability
 - More than 2.5 miles of powered conveyers
 - Monogramming machinery
- Mechanized packaging dunnage dispensing systems
- Fully heated and ventilated
- Served with all utilities including public water, public sewer, electrical, natural gas, and fiber telecommunications
- Break room/locker room/cafeteria with kitchen and outdoor dining
- Training and conference rooms

SITE SPECS

Acres: 56 (14.89 additional available)

Parking spaces: 445

Outside storage

3.4 miles to Interstate 81

3.2 miles to Roanoke Regional Airport

FIRST-RATE LOCATION

The Roanoke Region of Virginia has easy access to major population centers via Interstates 81 and 64, commercial and cargo service from Roanoke Regional Airport and major rail lines of Norfolk-Southern and CSX. The Roanoke Region is equidistant from New York and Atlanta.

- Cost of doing business is 15 percent lower
- Five miles from regional UPS hub offering two-day transit times to nearly 60 percent of U.S. households
- Located along I-81 with convenient access to I-64 and I-77
- Labor supply of more than 340,000 workers
- Significant shipping and logistics presence in the region including:
 - Advance Auto Parts
 - Backcountry.com
 - Cooper Crouse-Hinds
 - Elizabeth Arden
 - Home Shopping Network
 - Netflix
 - The Orvis Company



WHAT THEY SAY

“For a distribution center, the Roanoke Region is a great location. The area is an ideal distribution point to both the Northeast and the South. One of the things our leaders see here is the positive attitude in the workforce. That, combined with good infrastructure, great transportation, and available space, makes the region an ideal business location.”

— Mike Rigney, Director of Operations, Orvis.





**ROANOKE REGIONAL
PARTNERSHIP**

Hanover Direct

5022 Hollins Road
Roanoke County

GENERAL

Hanover Direct Building

City/County: Roanoke County
Town/Community: Hollins
Industrial Park: N/A
Technology Zone: No
Virginia Enterprise Zone: No
Available: Yes
Principal Contact: John Hull
Principal Phone: 540-343-1550 ext. 103
Principal E-mail: john@roanoke.org

An asterick (*) denotes explanation
in note section



BUILDING SPECIFICATIONS

Building Space (in square feet)

Total:	640,832	Manufacturing:	597,392
Office:	43,440	Warehouse:	597,392
Total:	640,832	Contiguous:	540,540
Manufacturing:	597,392	Warehouse:	597,392
Office:	43,440	Total Expansion Capability:	320,000
Single/Multi-Tenant:	Single	Number of Stories:	See notes
Incremental Space Available:	NA	# of Dock Height Doors:	43
# of Drive-In Doors:	2	Size of Drive-In Doors (ft):	NA
Clearing Height at Eaves (ft):	37	Clearing Height at Center (ft):	37
Column Spacing (ft):	48 x 46	Most recent use:	Fulfillment Center/Distribution
Date Vacated:	2012	Other:	NA

SITE SPECIFICATIONS

Site Acreage:	56	Additional Acreage Available:	0
Outside Storage Available:	Yes	Onsite Parking:	Yes
Zoning Classification:	I-1/I-1C	Number of Parking Spaces:	445



**ROANOKE REGIONAL
PARTNERSHIP**

Hanover Direct

5022 Hollins Road
Roanoke County

CONSTRUCTION

Type of Construction:	Modular Metal	Date of Original Construction:	1995
Date of Additions:	1997	Type of Roof:	Ballasted Rubber
Type of Floor:	Concrete	Floor Thickness (in):	6
Floor Reinforced:	Yes	Raised Floor:	NA
Heated Office:	Yes	Heated Warehouse:	Yes
Heated Manufacturing:	NA	Air Conditioned Office:	Yes
Air Conditioned Warehouse:	NA	Air Conditioned Manufacturing:	NA
Sprinklered:	Yes	Sprinkler Type:	Wet
Insulation:	Yes	Insulation Thickness (in):	NA

SPECIAL EQUIPMENT/FEATURES

Refrigeration Space (sq ft):	NA	Freezer Space (sq ft):	NA
Classification:	NA	Lab Space (sq ft):	NA
Crane Available:	NA	Lab Type:	NA
Crane Capacity (tons):	NA	# of Labs:	NA
Clearance Under Hook (ft):	NA	Other:	
Clean Room Space (sq ft):	NA		

UTILITIES

Electric Power

Provider:	Appalachian Power	Voltage:	480/277
Phase:	3	Amps:	NA

Natural Gas

Provider:	Roanoke Gas	Service:	Yes
Distance from Building (ft):	0	Line Size (in):	2
Pressure:	40 psi	Propane Equipped:	NA

Water

Provider:	Western VA Water Authority	Service:	Yes
Distance from Building (ft):	0	Line Size (in):	10
Capacity Available to Bld (gpd):	1,000,000		



**ROANOKE REGIONAL
PARTNERSHIP**

Hanover Direct

5022 Hollins Road
Roanoke County

Water Waste Treatment

Provider:	Western VA Water Authority	Service:	Yes
Distance from Building (ft):	0	Line Size (in):	18
Capacity Available to Bld (gpd):	1,000,000		

Telecommunications

Provider(s):	Level (3), Cox Communications	Digital Switching:	Yes
ISDN:	NA	Fiber Optic:	Yes
Distance to Fiber (ft):	0		

Solid Waste Disposal

Provider:	Roanoke County/Private	On-Site Pickup:	Yes
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ENVIRONMENTAL

US Army Wetlands Study:	NA	Phase I Enviro. Audit:	NA
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TRANSPORTATION

Rail

Service:	No	Provider:	Norfolk Southern
Rail Siding Permitted:	No	Distance from Building (ft):	NA

Highway

Distance to Interstate (mi)	3.4	Interstate:	I-81
Distance to 4-lane Arterial (mi)	.5	Name & Route #:	Hollins/Plantation Road
Name of Service Street:	Hollins Road		

Air

General Aviation:	Roanoke Regional Airport	Distance (mi):	3.2
Runway Length (ft):	6800		
Commercial Airport:	Roanoke Regional Airport	Distance (mi):	3.2
Runway Length (ft):	6800		

OWNERSHIP

Lease Available:	Yes	Lease Rate (\$ per sq ft):	NA
Lease/Purchase Available:	Yes	Sale Available:	Yes
Date Available:	June 2012	Purchase Price:	NA
Owner:	Hanover Realty, Inc.	Owner Phone:	201-272-3327
Principal Contact:	John Hull	Principal Phone:	540-343-1550 ext. 103
E-mail:	john@roanoke.org	Submit Date:	February 2012



NOTES

Specialized equipment available including:

- racking
- tilt tray sorter for packing
- wire guided turret trucks
- pallet flow and carton picking modules
- garment-on-hanger transport/storage system
- radio frequency inventory tracking capability
- over 2.5 miles of powered conveyors
- monogramming machinery
- mechanized packaging dunnage dispensing systems

Space Breakdown:

Total:	640,382 sq. ft.
High bay space:	451,824 sq. ft.
Concrete mezzanine:	72,784 sq. ft.
Low bay space:	72,784 sq. ft.
Office complex total:	43,440 sq. ft.
Front 1 st floor:	15,392 sq. ft.
Front 2 nd floor:	15,392 sq. ft.
Receiving 1 st floor:	2,208 sq. ft.
Receiving 2 nd floor:	2,208 sq. ft.
Warehouse office complex:	8,240 sq. ft.

Warehouse space is fully heated and ventilated. Cooling/air circulation system is in place to remove excess humidity throughout warehouse space.

Appalachian Power provides underground service with secondary delivery (the utility owns and maintains a 1,500 KVA transformer supplying the site).

Building is fed by a 2" plastic high pressure gas line with service to the meter at approximately 40 psi.

Building serviced with fiber telecommunications by Level (3) with backup service from Cox Communications. Computer and server room with raised floor is available in the facility.

Break room/locker room/cafeteria with kitchen and outdoor dining area located in first floor of front office space.

Training room and multiple conference rooms within office complex.

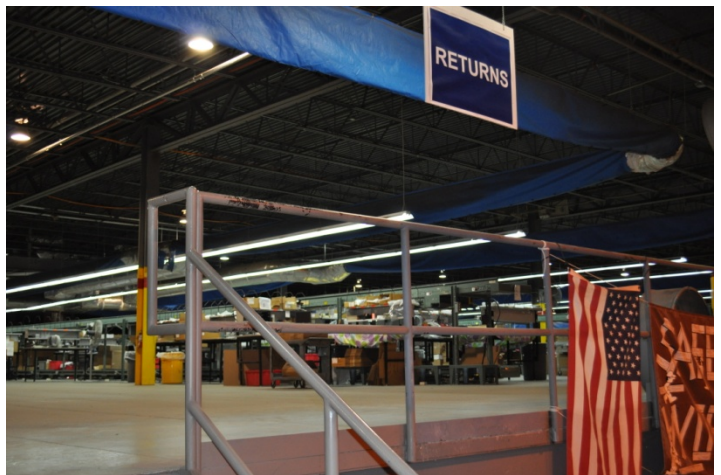
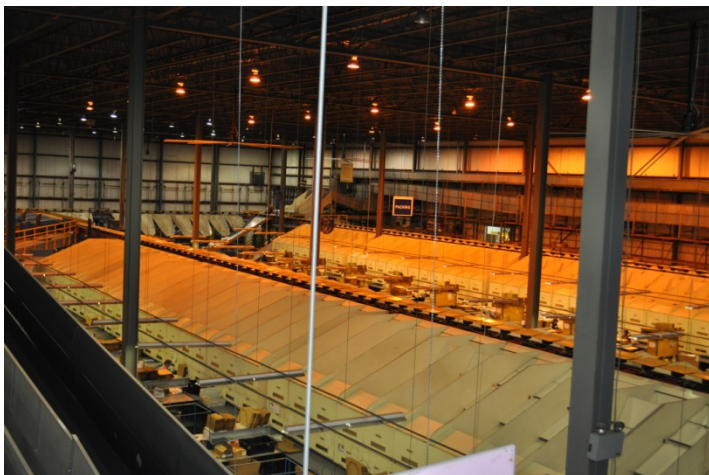
Hanover Direct

5022 Hollins Road
Roanoke County



ROANOKE REGIONAL
PARTNERSHIP

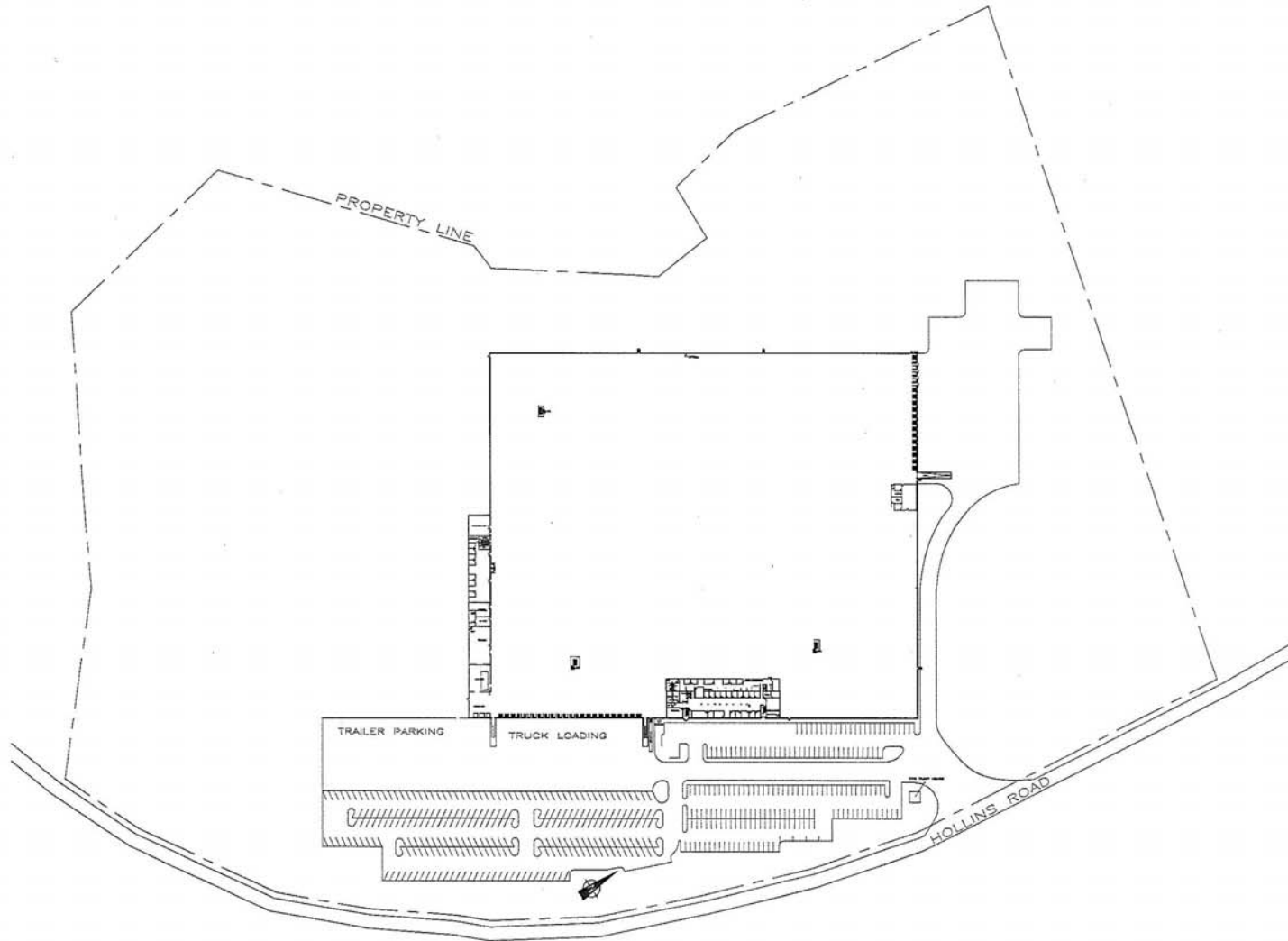
ADDITIONAL IMAGES






ROANOKE FACILITY

(SITE PLAN)

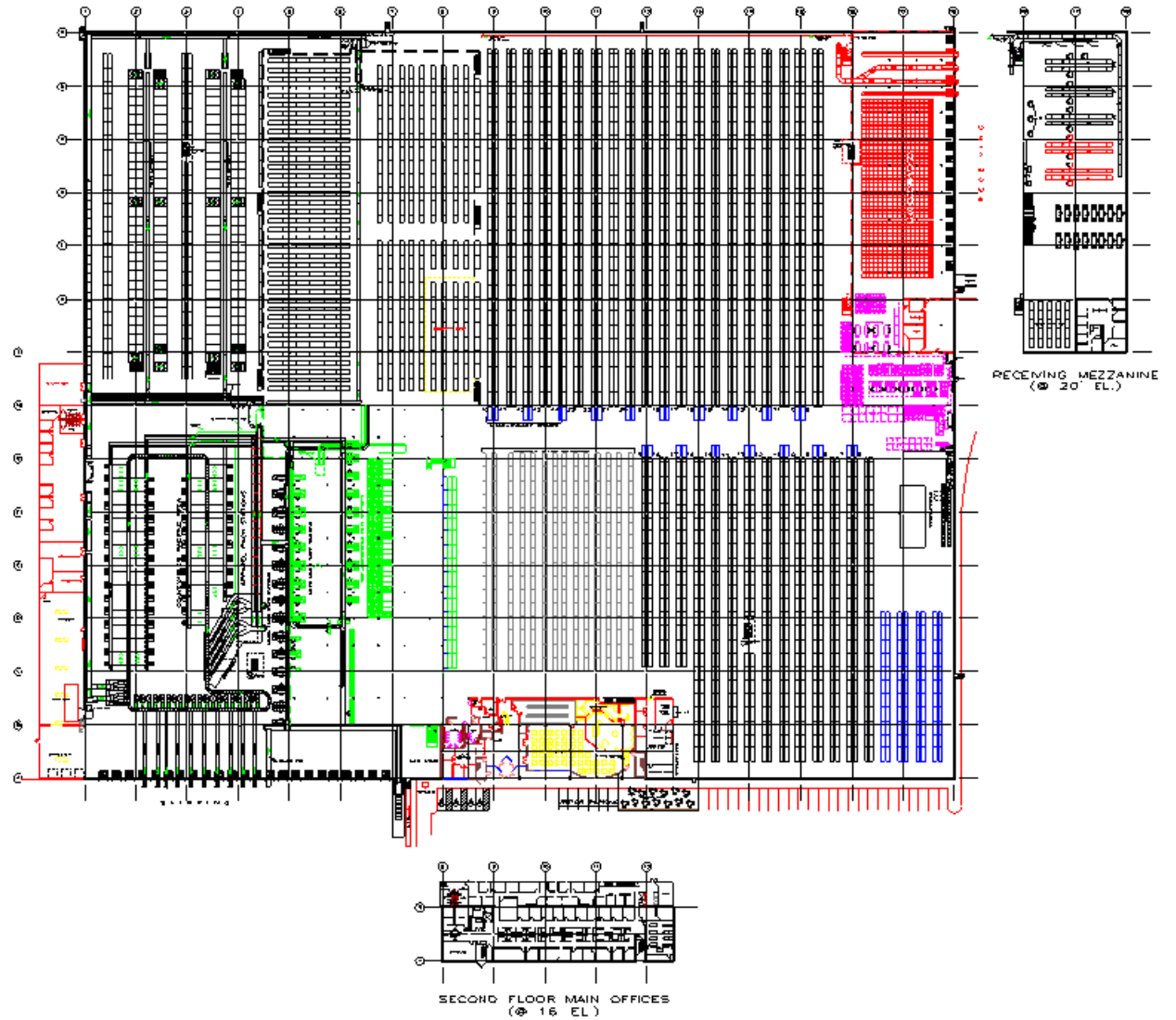
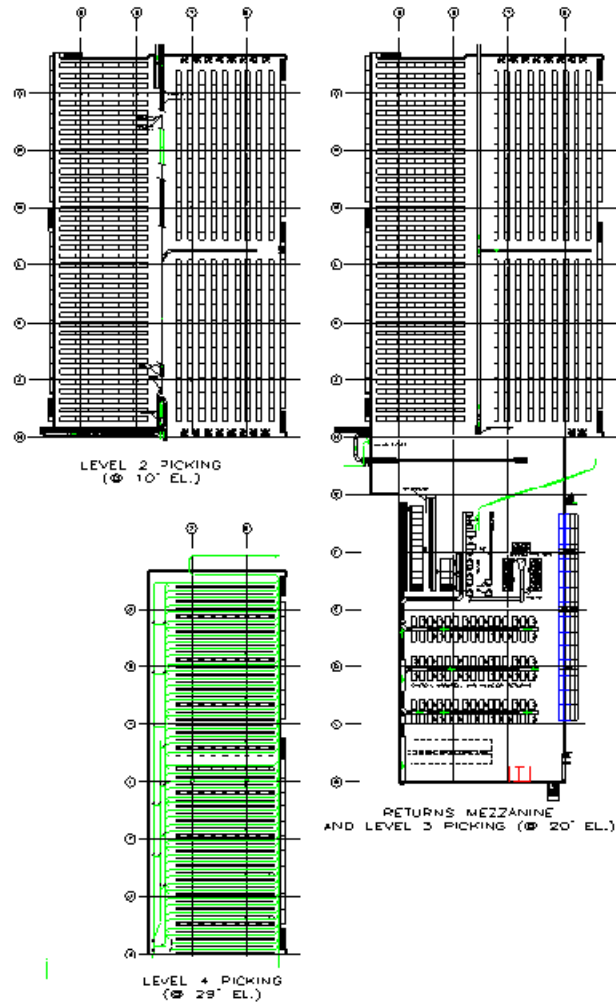




640,832 sq. ft.
Distribution/Warehouse
I-1 C
56 acres

Graded Expansion Pad

HANOVER DIRECT, INC.
HANOVER FULFILLMENT CENTER, ROANOKE, VA





- 37' Ceiling Height
- 56 Acres
- 646,000+ sq. ft.
- Expandable
- Modern Facility

1 DAY

ships to 2/3 of the US

646,000+
sq. ft.



it's what *you* need



High Quality Distribution and Fulfillment Facility located strategically near three of the major interstates on the East Coast in Roanoke County, Virginia.

poecronk.com/hanoverdirect 540.982.2444

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