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Target Picks Virginia for \$65M East Coast Import Distribution Center

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SUFFOLK, Va. — Besting competing sites in Georgia and South Carolina, **Suffolk, Va.**, has landed **Target Corp.'s** (www.targetcorp.com) East Coast import distribution center, a US\$65-million, 1.5-million-sq.-ft. (135,000-sq.-m.) project.

"Target will create over 500 high-quality jobs over the next three years," Gov. Mark Warner said at groundbreaking ceremonies at Target's 162-acre (64.8-hectare) site in southwestern Suffolk.

Target will hire 250 employees by the center's scheduled opening in the summer of 2003, adding another 250 hires within three years, according to Mitchell Stover, Target senior vice president of distribution services. Pay levels for jobs at the East Coast distribution center will average \$13.50 an hour, Stover said.

With Suffolk tapped for the distribution project, Target will relocate 25 to 30 employees to the Virginia city. The remainder of the 500 jobs, however, will be filled through local-area hires, Stover explained.

Target ranks as the third-largest U.S. importer of containerized freight. The East Coast import distribution center in Suffolk will likely mean increased volume for the four general cargo terminals that make up the Port of Virginia: the Newport News Marine Terminal, the Norfolk International Terminals, the Portsmouth Marine Terminal (pictured) and the Virginia Inland Port in Front Royal.

Import Center Means 'Tens of Thousands of Freights'

Located some 20 miles (36 kilometers) southwest of Norfolk, Target's East Coast import center in Suffolk is also a major boon for the Port of Virginia. Target ranks as the United States' third-largest importer of containerized freight. Only Dole Food Co. and Wal-Mart import more. Comprised of four general cargo terminals in the cities of Front Royal, Newport News, Norfolk and Portsmouth, the Port of Virginia expects Target's new operation to produce a substantial uptick in shipping volume. Stover said that the state's ports "will see tens of thousands of freights in the next 18 months."



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"Target and the Port of Virginia enjoy a significant level of business that will enhance Target's overall global supply chain-method," said J. Robert Bray, executive director of the Virginia Port Authority (www.vaports.com). "Their decision to make this investment corresponds with the port's long-term strategic plan to attract such businesses to the commonwealth."

"Suffolk provides an excellent strategic location for this import warehouse, [with] the Port of Virginia and major interstate transportation corridors to quickly bring this product to market," said Suffolk Mayor Curtis Milteer. "The company's outstanding corporate reputation and [its] sizeable new facility will create highly desirable new job opportunities and further diversify the tax base of our city."

Investment Matches Half of 2001's Record-Setting Total

corridors to quickly bring this product to market," said Suffolk Mayor Curtis Milteer (pictured). The East Coast distribution project should have a major impact in Suffolk, a city of some 64,000 residents. Target's projected \$65 million investment in its Suffolk-area operation alone represents nearly half of the record-setting \$133 million in announced investments in new facilities and expansions that the Suffolk Economic Development Dept. (www.suffolk.va.us) rang up in 2001. Suffolk earlier this year also landed a major Unilever Bestfoods expansion. Unilever is making a \$15-million investment in its existing Suffolk plant, which will become the company's single source for U.S. production of the Lipton tea brand.

Target is not a corporate newcomer to Virginia. The company has a distribution center in the city of Stuarts Draft and a regional headquarters in Richmond, plus 25 retail stores located throughout the state.

The two other finalist states for the project also have Target distribution operations in place. The retailer has existing distribution centers in Tifton, Ga.; and Camden, S.C.

Incentives for Site Prep, Training

Incentives for the Target center will include \$1.5 million from the city; \$700,000 of that amount will go to expand water and sewer services to the site. Gov. Warner approved a \$1-million grant from the Governor's Opportunity Fund to assist Suffolk with site preparation. In addition, the Virginia Dept. of Business Assistance will provide work-force training for the East Coast import distribution center. State officials have not placed a dollar value on the training incentives.

Stover praised the collaborative work of the development team that assisted in the Target project. That team included the Virginia Economic Development Partnership (www.yesvirginia.org), the Virginia Port Authority, the Suffolk Economic Development Dept. and the Hampton Roads Economic Development Alliance (www.hreda.com). "We're very, very, glad to be here and appreciate all the hard work of the city and state to make this project come together," Stover said.

Target operates 1,409 stores in 47 U.S. states. Of that total, 1,081 operate under the Target name. Another 264 stores do business under the Mervyn's banner, while 64 more operate under the Marshall Field's name.

Target's strong sales despite the economic downturn have spurred the Minneapolis-based company's continued expansion. Late last year, for example, Target announced that it would open a 1,000-employee distribution center in Shafter, Calif., in the southern San Joaquin Valley.

Target reported \$3.721 billion in retail sales for the five-week period that ended on April 6. That performance marked a 16.2 percent increase over 2001 sales during the same period.

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