

Washington Business Journal - August 18, 2008

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WASHINGTON BUSINESS JOURNAL

Friday, August 15, 2008

Military might

Washington Business Journal - by [Mark Hilpert](#)

Operating since 1968 in a little building on Route 1 near Quantico, the Globe and Laurel restaurant became something of an unofficial shrine to the strength of the **Marine Corps** and the dedication of law enforcement. Shadow boxes packed with Marine memorabilia — a canteen carried at Saipan, a Medal of Honor — lined the dark, panelled walls. Patches put up by law enforcement officers from across the country plastered the ceiling.

The pub was the kind of place where there are no strangers, says the owner, retired Marine Maj. Richard Spooner.

Although the widening of Route 1 in Prince William County forced the legendary restaurant to close this spring, it quickly found a new home near the gleaming new **Quantico Corporate Center** in Stafford County.

The memorabilia returned, the patches went back up. It's larger and newer. And there are still no strangers.

The pub's move is symbolic of the changes occurring in Prince William, Stafford and Spotsylvania counties, the stretch of Interstate 95 between Washington and Hampton Roads that is home to a dense concentration of military installations. The area is transforming from a rural, southern enclave to an extension of the Washington metro area. As the region just south of D.C. prepares for an influx of military jobs, new office parks are rising and the counties' economic development agencies are becoming more competitive.

When the Globe and Laurel was forced to move, Stafford officials stepped up with assistance to fast-track the permits for the relocation.

“We wanted to use that as a marketing tool to generate more interest in the project,” says Phil Baxter, vice president of commercial office leasing and sales for Silver Cos., which is building Quantico Corporate Center. “They really stayed on top of it, made calls to take care of the little things to help the project move through the nits that we deal with on a daily basis.”

The region, with its light warehouses and run-down shopping centers, is often relegated to backwater status by Washington's elite, but the perception is changing, thanks in part to the Base



Joe Brier

Phil Baxter uses the relocated Globe and Laurel restaurant in his marketing pitch for Quantico Corporate Center.

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Realignment and Closure Commission's plan to move thousands of workers from Alexandria and Arlington County there by 2011. Military contractors are expected to follow, creating quick demand for decent and efficient space.

The region also is a beneficiary of the precautions enacted after the 2001 terrorist attacks: The government and private sector have taken steps to locate facilities outside of the D.C. center, widely considered a likely target for terrorism.

EARLY ADOPTERS

The 85-acre Quantico Corporate Center, just outside the south gate of the Marine Corps base straddling I-95, is one of the high-profile new developments under way in Stafford. Some estimate that 4,000 jobs will come to Quantico because of BRAC, in addition to an estimated 8,000 contractor jobs supporting those positions.

Fredericksburg-based Silver already has finished one 140,000-square-foot building at the park, which will have a total of nine buildings and 1.1 million square feet when completed. The first building, started speculatively, is fully leased, Baxter says. Tenants include MTSC, **Mitre Corp.**, American Rhinemetel and **United Technologies**.

Work has started on a second structure, and Baxter says the company is currently in negotiations with the Marine Corps, **Veterans Administration**, British Airspace, General Dynamics and **SAIC** for space at QCC, totaling approximately 200,000 square feet of interest.

"This project is really pre-BRAC," Baxter says. "We're a little early here. These are early adopters and consolidators. Most of them had been in old shopping centers, old Wal-Mart's, etc. This is really the first really Class A office space park in Stafford County."

Another developer, Stafford-based Garrett Cos., has assembled properties south of the western section of the Quantico base, an area including existing amenities such as hotels and restaurants. The company didn't return calls about its plans.

Also south of the base, Detroit developer Ramco-Gershenson plans to turn 200,000 square feet of former retail at the Aquia Town Center into a 750,000-square-foot mixed-use town center.

Northrop Grumman has already moved into a four-story, 100,000-square-foot building in the first phase of the redevelopment. Between the new center's 350,000 square feet of retail and the nearby Stafford Marketplace, defense workers will have plenty of options to spend their paychecks.

Government-related jobs in Stafford grew by 11.3 percent from 2002 to 2007, the fastest growth of any sector, according to the county. Almost 40 federal contractors already have facilities in Stafford, including Booz Allen Hamilton, General Dynamics, Lockheed Martin, Northrop Grumman, Raytheon and SAIC.

The private sector has produced more than 1 million square feet of new Class A office space in seven office parks countywide. More than 3 million square feet of additional space is already approved.

Baxter forecasts that Quantico Corporate Center will drive similar developments in Stafford, since contractors and defense agencies typically want to be close to each other. “There’s a little herd mentality,” he says. “It’s good to be close to your competition.”

Yet Baxter acknowledges difficulty getting people to see Stafford as part of the national capital region. A major contractor seeking 500,000 square feet or more could create that momentum.

“We’re looking for the trailblazer but we haven’t found them yet,” he says.

RELOCATION COSTS

Some argue the region doesn’t need to be considered part of D.C. to flourish. “I believe there is a I-95 economy developing,” says Jason Grant, a spokesman for the **Prince William County Department of Economic Development**.

With progress, however, comes competition. To lure the Globe and Laurel, Stafford’s Economic Development Authority provided the restaurant owners \$50,000 in relocation costs and will fork out \$33,000 in incentives annually for the next three years.

Concern over such incentives has generated proposals within the **George Washington Regional Commission** — which includes the city of Fredericksburg and Stafford, Spotsylvania, King George and Caroline counties — to prevent counties from offering financial lures to local businesses to relocate within the region.

Regional economic development officials are cooperating through such forums as the **Fredericksburg Regional Chamber of Commerce**, the Military Affairs Council and the Fredericksburg Regional Alliance.

But Bob Long, director of commercial land sales at land broker Fraser Forbes of McLean, says there could be even more cooperation among the jurisdictions when it comes to BRAC. “I have met with two of the three counties, as well as the Quantico BRAC Liaison Office, and was surprised at the limited amount of information they could provide,” he says, noting that agencies have no projections for the number of off-base jobs that the movement of direct military jobs will generate.

“According to industry sources, the ratio could range from 1.5-to-1 to 3-to-1, which effectively means a potential for double the amount of office space needed to meet the demand,” Long says. “That is a huge spread. These contractors don’t allot much space to each of their employees, but the overall effect could be dramatic.”

Willing to pay

Developers face many hurdles in the region. The rough terrain along Route 1 from Dumfries to Aquia poses building challenges, Long says, and an influx of residential and retail development has made property acquisition difficult.

Another challenge: Increasingly tighter lending parameters require developers to put up more equity and show signed leases before starting construction, but many government contractors need space

quickly when they land a contract.

“In the current market there are a few, but not many, buildings being built on a speculative basis,” Long says.

Tenants are usually willing to pay for good space if they can find it. Baxter says rental rates at Quantico Corporate Center run close to those in the Dulles corridor: in the low \$30s per square foot and up. “The emphasis is on the quality of buildings and location,” he argues.

Prince William County offers a fast-track permitting process for industries such as defense, allowing businesses to move through permitting in 30 days.

Spotsylvania is also speeding things up for contractors. Russ Seymour, the county’s director of economic development, trumpets a government program aimed at reducing the time it takes to construct a new facility for qualified businesses such as defense. “In many cases, a company could build a new facility to meet their particular needs in less time than it takes to locate in an existing facility in another location,” he says. “In this way, the company gets exactly what they need.”

Spotsylvania, just south of Stafford, sits in the middle of three growing military installations: Quantico, the Navy’s Surface Warfare Center at Dahlgren and Fort A.P. Hill. It’s right outside the so-called 50-mile “blast zone” — an area some consider safe if the capital is attacked — meaning it is also attracting many D.C. companies opening auxiliary or backup facilities.

IF YOU WORKED HERE

The movement of military and contractor jobs south of D.C. could also shift transportation patterns for the region. Officials say there are two benefits. The first, as Prince William points out, is the potential to create reverse commutes for some workers. About 75 percent of the Northern Virginia labor market can reach the county within 30 minutes, even during rush hour.

“With employment rates below 3 percent, that’s very important to attracting a highly skilled labor force and those with clearances,” says Grant, the county’s economic development spokesman.

But officials also claim such workers are already living in the region. Baxter, the Silver Cos. executive, says 69 percent of the county’s workers commute to federal jobs in D.C. and are highly educated.

“We say it’s where the jobs sleep,” he says. “Companies are coming out and bringing in workers that are already local.”

As an example, Tim Baroody, Stafford’s deputy administrator, cites **BAE Systems**, which he says grew from about a dozen employees in Stafford five years ago to more than 200 employees today. Defense contractors “are discovering that their workforce already lives here,” he says. “By placing a satellite operation in Stafford they can keep their work force off the road — producing a less drained, more productive work force.”

Mark Hilpert, a freelance writer, last wrote about a paperless punch list system used at National Harbor.

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