

ROANOKE, VIRGINIA

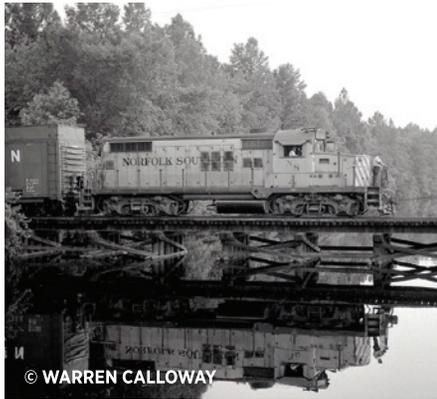
CUSHMAN & WAKEFIELD | THALHIMER

RESEARCH SPOTLIGHT

Trains to Brains: The Ascent of the Knowledge Economy

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Trains to Brains: The Ascent of the Knowledge Economy



Roanoke formed in the late 1880's as a hub to connect the Shenandoah Valley and the Norfolk & Western Railroads. Roanoke grew up along the rails until the 1980's when the Norfolk & Western merged with a D.C. rival creating Norfolk Southern. The loss of the Norfolk & Western created a vacuum that forced the Roanoke region to reimagine their economic base. Shuttered by the railroad, the hotel Roanoke was renovated in 1995 through a partnership with Virginia Tech, a land grant university just to the west, and the city. The old Norfolk & Western headquarters building

Through deliberate investments and organic growth, the Roanoke region fostered an innovative culture and vibrant downtown.

was transformed into the Roanoke Higher Education Center which opened in 2000 to provide workforce training and higher learning needs in the region. In 2010, Virginia Tech partnered with the Carilion Clinic to create the Virginia Tech Carilion Research Institute and School of Medicine. In early 2015, Norfolk Southern announced the closing and relocation of 500 employees at its downtown Roanoke office building, One Ten Franklin Road. The descent of the railroad forced a transition in Roanoke to become a diverse knowledge-based economy.

1982

Norfolk & Western merges with Southern Railway

1995

Virginia Tech and City of Roanoke revitalize the shuttered Hotel Roanoke

2000

Roanoke Higher Education Center Opens

2010

Virginia Tech partners with Carilion Clinic to form medical school and research institute

2015

Norfolk Southern announces relocation of 500 employees from downtown office tower (110 Franklin)

2016

Virginia Tech Carilion Research Institute gets \$45 million bond package for expansion and innovation district
Ballast Point Brewing and Deschutes Brewery announce east coast production facilities in the Roanoke Valley

2017

PowerSchool and Associated Asphalt execute 60,000 SF of leases at One Ten Franklin

Amtrak Returns.

VT Carilion announces 150,000 SF building and \$15 M investment fund for starts ups.

RAMP business accelerator launches

Downtown Roanoke Renewed



▲ ONE TEN FRANKLIN (BACKGROUND), FRANKLIN PLAZA AND AMPHITHEATER (FOREGROUND)

Roanoke's historic offices and warehouses started being transformed into residences around the turn of the century. Public and private investments sparked a development renaissance turning downtown Roanoke into a vibrant hub of activity. Today, downtown Roanoke hosts a vibrant atmosphere supported by outdoor amenities, arts and culture, restaurants and a dynamic residential and business population.

Over \$400,000,000 in investments have occurred downtown since 2009.



▲ TAUBMAN MUSEUM OF ART

- The 85,000 square foot Taubman Museum of Art opened in 2008. The downtown library, park and amphitheater were renovated between 2015 to 2017.
- Downtown's revitalization occurred alongside the expansion of the Roanoke Valley Greenways which connects downtown Roanoke to suburban neighborhoods.
- Over \$400 million in investments have occurred downtown since 2009.
- Today more than 2,000 people along with 70+ restaurants make downtown Roanoke home. Approximately 15,000 people work downtown and an additional 200,000 attend events from concerts to outdoor festivals.

Quality of Life

Roanoke Outdoors

Virginia's Blue Ridge Mountains provides a scenic backdrop for Roanoke as well as an array of outdoor activities. Within minutes from downtown Roanoke, you can hike the Appalachian Trail, drive the Blue Ridge Parkway, mountain bike, climb, and paddle. Kayak launches, riverside parks, outdoor festivals and greenways provide outdoor access in downtown Roanoke. Roanoke's outdoor culture and accessibility has garnered accolades such as Top Mountain and Trail Town by Blue Ridge Outdoors Magazine, the Mountain Biking Capital of the East, and the most bike friendly region by USA Today.

Arts & Culture

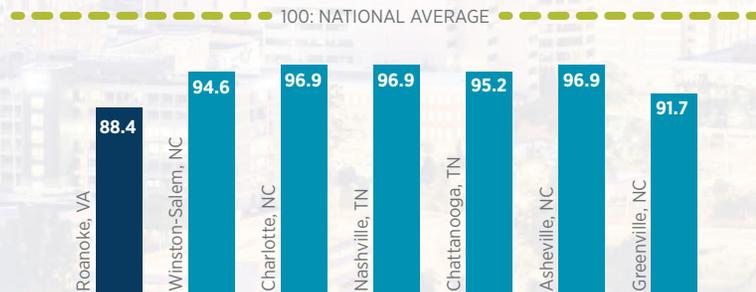
The Roanoke Region acts as the cultural hub for southwest Virginia and as such is home to several prominent art museums, theaters, and music venues. The Taubman Museum of Art, Jefferson Center, Opera Roanoke, and the interactive Roanoke Pinball Museum are some of the many cultural offerings located in downtown Roanoke.

Major Craft Brewers Choose Roanoke for East Coast Location

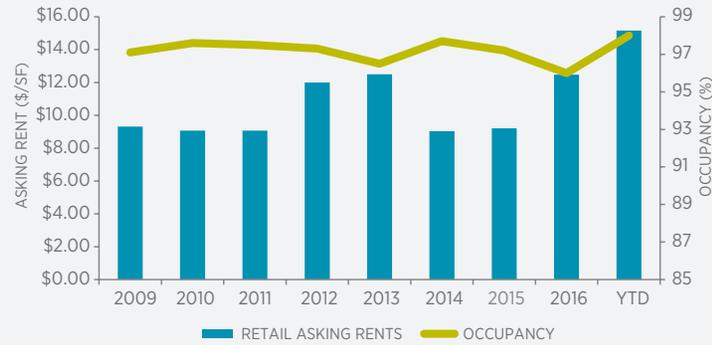
Ballast Point Brewing and Deschutes Brewery, two large west coast craft brewers, located their east coast production facilities in the Roanoke region. Combined, the two breweries will invest over \$125 million. The outdoor culture and vibrant downtown attracted both breweries to the area. Ballast Point is open and producing beer. Deschutes opened a tasting room Downtown; their main production will start in 2021.

COST OF LIVING: Roanoke Vs. Competing Cities in the Southeast

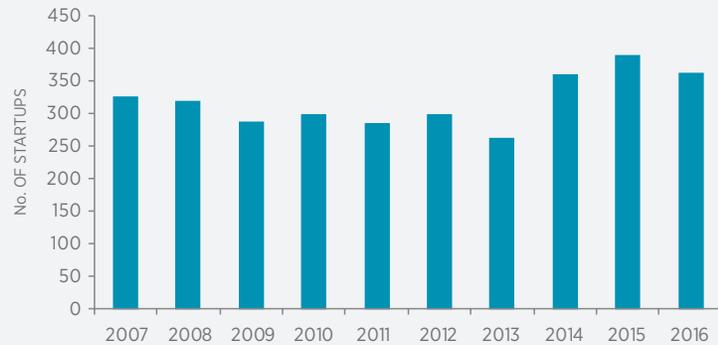
Source: www.roanoke.org/advantages/costs/



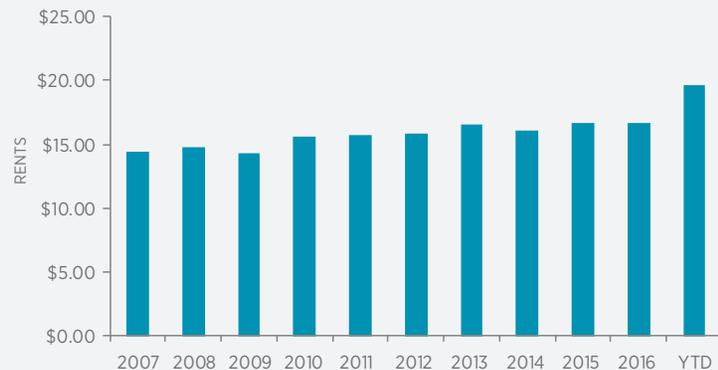
DOWNTOWN ROANOKE: *Retail occupancy Remains High*



ROANOKE STARTUP FIRMS



DOWNTOWN ROANOKE: *Office Asking Rents Increase*



SELECT LIST OF ROANOKE MAJOR EMPLOYERS



INNOVATIVE CULTURE

A high quality of life with abundant outdoor amenities combined with a steady stream of talented labor from nearby universities has helped Roanoke cultivate a culture of innovation. One start-up, Meridium Inc., showcases Roanoke’s ability to foster entrepreneurs with the ambition of creating companies with a global reach. Recently purchased by GE, Meridium works with big data to provide the world’s most successful global asset-intensive companies the tools needed to empower their businesses to manage risk and improve reliability.

One indicator of Roanoke’s success in fostering innovation includes the growth in per capita patents filed in Roanoke which exceeds the national average by more than 3.5 times. The increase in patent filings is due to start-ups as well as established advanced manufacturers such as GE, Optical Cable Corporation, Novozymes Biologicals, and Harris and as a result of research at the Virginia Tech Carilion Research Institute.

To further promote innovation, the City of Roanoke, the Roanoke-Blacksburg Technology Council, and Virginia Western Community College launched RAMP, a technology business accelerator program, in 2017. RAMP’s mission is to propel high-potential startups in the Roanoke-Blacksburg region to expand and create jobs in the STEM-H fields.

OFFICE LEASING ACTIVITY

The vitality downtown enabled One Ten Franklin, formerly the Norfolk Southern building, to attract over 60,000 SF of leasing activity in the third quarter of 2017. As if cementing the train to brain story, PowerSchool, the #1 leading education technology platform for K-12, leased 40,000 SF at One Ten Franklin with plans to invest \$1.8 million and initially add 96 jobs. PowerSchool first established their presence in Roanoke in 2016 with the acquisition of successful local start-up Interactive Achievement.

In addition, Associated Asphalt, one of the largest suppliers of liquid asphalt, will lease 20,000 SF at One Ten Franklin. Bill Kirk, the CEO of Associated Asphalt, stated that they focused on downtown because that is where his employees wanted to work. According to CoStar, asking rents in downtown Roanoke office space increased by more than 17% from 2016 to 2017.



▼ "CELEBRATION" SCULPTURE

—  —

25

HIGHER EDUCATION INSTITUTIONS



▼ ROANOKE SYMPHONY ORCHESTRA

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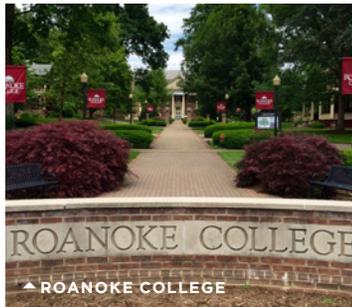
\$400 million in private and public development investment since 2009



▲ WELLS FARGO TOWER

—  —

21,000 creative class professionals



▲ ROANOKE COLLEGE



▲ MCAFEE KNOB, APPALACHIAN TRAIL, ROANOKE, VA



▲ VIRGINIA TECH CARILION

—  —

33: median age

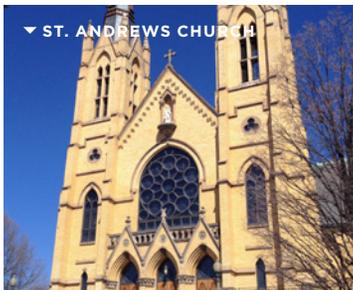
DOWNTOWN RESIDENTS



▲ ROANOKE STAR MILL MOUNTAIN

—  —

4.0% unemployment



▼ ST. ANDREWS CHURCH

THOUGHT LEADERSHIP

Virginia Tech Carilion School of Medicine and Research Institute

Located in downtown Roanoke, the Virginia Tech Carilion School of Medicine and Research Institute was founded in 2008 as a partnership between Virginia Tech and the Carilion Clinic. The school, whose chartered class entered in August 2010, educates physician thought leaders through inquiry, research, and discovery. Virginia Tech Carilion Research Institute scientists have published more than 600 papers, applied for 30 patents, spawned several companies, collaborated with more than a dozen companies and 100 universities and medical centers from 27 countries, and have more than \$76 million in active grants. The research institute generated over \$400 million in economic impact from 2010 to 2016.

Virginia Tech and Carilion Clinic recently broke ground on a \$90 million project to become home to 25 additional research teams. They also created a \$15 million venture capital fund to translate research discoveries into companies. The partnership has created a health science ecosystem in Roanoke which acts as a catalyst for innovation and economic growth.

MEDICAL SCHOOL & RESEARCH
INSTITUTE YEAR-TO-DATE:
Scientists Accomplishments

+600

PUBLISHED PAPERS

30

APPLIED PATENTS

27

COUNTRIES
COLLABORATING

\$76 M

TOTAL GRANT VALUE

\$400 M

ECONOMIC IMPACT
SINCE 2010



▲ VIRGINIA TECH CARILION RESEARCH INSTITUTE

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I had been struck by the natural beauty of the place right next to a major health center with one of the top 12 busiest emergency departments in the country and you can go out at lunch time and be pulling trout out of the Roanoke River in hip waders.

- MICHAEL FRIEDLANDER, FOUNDING EXECUTIVE DIRECTOR OF THE VIRGINIA TECH CARILION RESEARCH INSTITUTE

Health Sciences and Technology Innovation District

Virginia Tech and the Carilion Clinic anticipate moving up to 1,000 scientists and students to its medical campus in Roanoke as it creates a Health Sciences and Technology Innovation District. The district will merge the technology expertise of the university with the clinical practice of Carilion into a total of 50 collaborative research teams. The vision is to create a vibrant hub that fosters collaboration between engineers, scientist, doctors, entrepreneurs, and venture capitalist allowing research to move seamlessly from the lab to the marketplace.



±15,000 daytime workers downtown



▲ ELMWOOD PARK CONCERT



▲ DOWNTOWN ROANOKE



200,000+ annual downtown event attendees



free downtown wifi



free downtown trolley system

Roanoke benefits from an attractive climate, great choices of neighborhoods and housing, superior health care, and quality schools.



11%

COST OF DOING BUSINESS: 11% BELOW NATIONAL AVERAGE



\$2.3 billion spending

WITHIN 5-MILE RADIUS



▲ ROANOKE REGIONAL AIRPORT

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