

Firing up Fairfax

Economic powerhouse takes steps to rebound from pandemic

by Rich Griset



Fairfax County is home to 11 Fortune 500 companies, four of which — Freddie Mac, Capital One Financial Corp., Hilton Worldwide Holdings Inc. and Booz Allen Hamilton Holding Corp. — are based in the bustling McLean area.

By the numbers, Fairfax County should be the envy of every locality. As the headquarters for 11 Fortune 500 companies, the county is home to a large concentration of educated, high-income earners and boasts one of the biggest suburban office markets in the country, second only to Los Angeles.

Two years ago, data from the American Community Survey showed that the county's McLean community was the third-wealthiest locality in the nation.

Last year, the Fairfax County Economic Development Authority worked with 131 businesses on expansions or relocations, which added 10,057 jobs to the county economy.

Tysons, a Capital Beltway community that has a 50-year plan to transform itself

from the quintessential “edge city” — a term for a nexus of business, shopping and entertainment outside of a traditional downtown — into a full-fledged city of skyscrapers and high-density residential housing, has a number of new developments under construction or in the planning phase. One of these, The View, will include a residential building that will be the tallest in Virginia and the D.C. metro area — even taller than the Washington Monument.

There's another set of statistics that reflects less favorably on Fairfax County, however. As of June 1, the county made up a quarter of Virginia's COVID-19 cases and had more reported deaths from the novel coronavirus than any other locality in the state.

A helping hand

Though the county has the greatest number of COVID-19 cases and deaths in Virginia, it's also the state's most populous locality, so it fares better in a per capita comparison with other cities and counties. Still, Fairfax County is undoubtedly one of the places hardest hit by the pandemic in Virginia.

As such, it began entering Phase One of Gov. Ralph Northam's “Forward Virginia” plan to ease public health restrictions on May 29, two weeks after most of the state.

By that time, more than 73,000 unemployment claims had been filed in the county and not even some of Fairfax County's largest companies have been immune from the pandemic's economic impacts.

On May 13, Tysons-based satellite operator Intelsat filed for Chapter 11 bankruptcy in the hopes of eliminating roughly half of its \$15 billion debt load. DXC Technology, a B2B IT servicer based in Tysons, is eliminating 4,500 jobs in the hopes of countering \$2 billion of “revenue runoff.” McLean-based Hilton Worldwide Holdings Inc. has laid off tens of thousands of employees, including more than 20% of its corporate workforce. McLean-based Gannett Co. Inc., America’s largest newspaper publisher, has instituted layoffs, furloughs and pay cuts; in late May, S&P Global Market Intelligence stated that Gannett’s “one-year market signal probability of default” was 38.2%.

In response to the pandemic, Fairfax County’s local government and business community have enacted initiatives to help those suffering from the economic crunch. One of the county’s first efforts was the establishment of the \$2.5 million Fairfax County Small Business Microloan Program. Funded through the Fairfax County Department of Economic Initiatives and administered by the Community Business Partnership, a Springfield-based nonprofit promoting small business growth, the program has provided 125 microloans to businesses with fewer than 50 employees. More than 1,700 businesses and nonprofits applied to take part in the program.

“Given the interest and the response, we know that it’s something that businesses found would help them out to get them through this period,” says Rebecca Moudry, director of the Fairfax County Department of Economic Initiatives. “We’re looking to help businesses survive, to hang on, so as our economy begins to come back, those businesses — especially our small and local businesses — are around and can rebound.”

Additionally, the Fairfax County Board of Supervisors approved a \$25 million small business relief fund program in mid-May to allocate grants for 2,000 to 2,500 businesses and nonprofits. On top of that, the town of Vienna has allocated \$1 million to the Fairfax RISE — or Relief Initiative to Support Employers — program, increasing



“We don’t know how they’re going to survive,” says Mark Scarano, executive director of the Community Business Partnership, about local small businesses hurt by the pandemic’s economic fallout.

the total RISE grant award amount to \$26 million. All funds are expected to be distributed by mid-July.

Jeff McKay, chairman of the Board of Supervisors, says the county is using money from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act to support the fund, noting the popularity of the microloan program.

“We expect our grant program to be even more popular, and of course the board reserves the right to add additional funding to it in the future,” McKay says. “I know [the board and I are] committed to helping all of our small businesses through this trying time.”

Hard hits

Mark Scarano, executive director of the nonprofit Community Business Partnership, which promotes local and regional small business growth, says a lot of businesses are hurting right now.

“We’ve heard our definite share of sad stories,” says Scarano. “It’s serious out there. A lot dried up really quickly. We’ve had people calling up that we’ve been working with before that were doing great. They had great plans, and their profits, their revenues, were doing great and suddenly this happened and we don’t know how they’re going to survive.”



“We come back. We are resilient people,” says Fairfax County Economic Development Authority President and CEO Victor Hoskins.

Scarano’s organization has seen a “huge surge” in new companies contacting them for help. “Just about every sector for small business, we saw an application for,” he says. “This has affected just about everybody.”

The Northern Virginia Economic Development Alliance, a regional economic development group, has created a 12-part webinar series to help businesses during the pandemic. The series is taking place over 18 weeks and has been segmented into three phases to address the pandemic: response, recovery and growth. In an effort to counter layoffs, the Fairfax County Economic Development Authority has also updated workinnorthernvirginia.com, a website it was developing as a talent attraction tool, to include job listings for companies doing “surge hiring” right now, such as Amazon.com Inc.

Victor Hoskins, president and CEO of the Fairfax County Economic Development Authority, says the service and retail industries have been hit particularly hard in the county.

“We’ve lost like 73,000 jobs in our high-hit sectors – hospitality, food and beverage, restaurants, breweries, retail of all sorts,” Hoskins says. “Those layoffs, particularly for hotels and these other larger employers, have really had a large impact on us.”

Though the county has eased restrictions on restaurants, fitness facilities, beauty salons and barbers, retail businesses and houses of worship, the pandemic’s impact is still being felt.

“The retail segment is really where we’re being hit the hardest,” says Alex Iams, executive vice president of the Fairfax County Economic Development Authority. “They’ll have to re-recruit all of their employees. That’s their No. 1 challenge going into the next phase of the crisis.”

On the rebound

Regarding the numerous new developments in the works for Fairfax County, Hoskins says construction projects currently underway are moving ahead, but those not yet started are slowing progress.

“We’ve kind of noticed a little bit of a pause on the big decisions since the

COVID situation started,” says Hoskins. “I don’t think they’re going to stop, I think they’re going to take longer. ... If they’re in the ground and they’re starting to build, then they’re finishing.”

Sol Glasner, president and CEO of Tysons Partnership, a nonprofit association of stakeholders promoting growth in Tysons, agrees.

“I do not see a long-term impact on the process of development,” Glasner says. “Projects may slow down a little bit and then accelerate later. I’ve not heard of anyone who has put a project on hold.”

Even if Tysons does see some slowdown from the pandemic, Glasner emphasizes that its strategy for growth is a 50-year project as laid out in Fairfax County’s 2010 Tysons Comprehensive Plan.

“Economic times will ebb and flow,” Glasner says. “There may be a pullback, but in the grand scheme of things, we will continue to move forward.”

Part of the county’s reopening efforts were thrown a curveball in late April when the Metro transit system announced that it would be closing six Orange Line stations and its entire Silver Line from May 23 until at least Labor Day. According to Glasner, Metro didn’t contact local community and business leaders about the announcement beforehand.

“For us in Tysons, that’s a very, very significant issue, and made doubly so

because right now, over the summer, we can anticipate efforts to reopen, efforts to restart the economy,” he says, noting that many employees — particularly those in retail — rely on Metro to get to work. “If stores are looking to reopen, they can’t really even begin to do that without their employees.”

Nevertheless, there’s still good economic news to be found in the county, despite the pandemic. In late May, Microsoft Corp. announced that it would invest \$64 million to establish a new software development and R&D regional hub at Fairfax County’s Reston Town Center, creating 1,500 jobs. The 40,000-square-foot facility is expected to be ready for employees next summer. Additionally, it was announced in May that Tysons-based Booz Allen Hamilton Holding Corp. had inked a \$800 million deal with the Department of Defense for new artificial intelligence-enabled products.

Noting that he and many of his contemporaries weathered previous challenges, such as the Black Monday stock market crash of 1987 and the 9/11 attacks, Hoskins compares the durability of Fairfax County’s business community to that of annealed steel.

“We come back. We are resilient people. Our character is hard metal. You heat us up, we just get tougher,” he says. “It’s not going to be easy, but we’ll come back from this, just like we did before.” **VB**



BE OPEN SEASON



Busch Gardens Williamsburg remained closed in mid-July, the height of tourism season. Park President Kevin Lembke says COVID-19-driven state limitations on attendance don't make it financially feasible to open the amusement park.

Virginia companies seek paths to reopening amid pandemic

by Rich Griset

Reclining against the Williamsburg greenery, the 180-foot-tall steel serpent awaits anyone brave enough to test their mettle against it. Measuring 3,300 feet in length and boasting a top speed of 73 miles per hour, it shares the name of a Roman temple dedicated to the gods: Pantheon.

Advertised as America's fastest multilaunch roller coaster, Busch Gardens Williamsburg's newest attraction features zig-zag turns, camel-back hills, a "Top-Gun stall" and an outer-banked curve destined to give riders an exhilarating lift out of their seats.

Or, it would do all of that if Busch Gardens had opened as planned this summer. Scheduled for a 2020 completion date, construction on Pantheon halted while the theme park navigated plans for reopening in the midst of the coronavirus pandemic.

Although Virginia entered Phase Three of Gov. Ralph Northam's "Forward Virginia" plan to reopen the state's economy on July 1, its stipulations limiting amusement parks to no more than 50% occupancy or 1,000 total patrons were a nonstarter for Busch Gardens, which said operating under those restrictions wouldn't be financially feasible. (Kings Dominion theme park in Doswell made similar statements and also was not expected to reopen in July.)

"We haven't found a way quite yet, based on the current guidelines, that would allow us to reopen, but that dialogue continues," says Kevin Lembke, park president of SeaWorld Parks & Entertainment's Busch Gardens Williamsburg, which was originally scheduled to open for the season in mid-March. "We're certainly anxious to get our business back open, welcome our employees back [and] welcome our guests back."

Lembke isn't alone in his desire to reopen. Even as several states experienced record coronavirus surges in July, many Virginia businesses were impatient to return to business as usual. And with Virginia's cases deemed at an acceptable level, Northam was keeping the commonwealth moving toward reopening for commerce in July, following the economic crisis caused by the nationwide pandemic-driven shutdowns that began in mid-March.

But restarting a business isn't as simple as flipping a switch, and amid the pandemic, business owners and their employees must adapt to new routines, keep up with guidance from various governmental entities and contend with potential legal liabilities.

And as businesses come back to life in Virginia, what will the new normal look like?

Past glory

Heading into the pandemic, America was on a roll. Riding the longest stretch of economic expansion in United States history, the stock market was soaring and the jobless rate was the lowest it had been in half a century.

Gary Cohen, executive vice president of operations for Maryland-based restaurant chain Glory Days Grill, which operates 15 locations in Virginia, can certainly attest to that. In the past five years, Glory Days has grown from 24 locations to 38 and experienced same-store year-over-year sales increases of 3% to 4%.

Then COVID-19 ground everything to a halt for the family-friendly sports bar franchise.

“It was devastating,” Cohen says. “I’ve been in the restaurant business for 40 years professionally, 14 of them with Glory Days, and I have never, ever, ever experienced anything like this.”

According to a May survey from the National Restaurant Association, 83% of Virginia restaurants that hadn’t permanently closed reported that they had laid off or furloughed employees since March.

Cohen says that Glory Days Grill had to reinvent its entire business model in response to the pandemic. Facing no easy choice, Cohen had to lay off 1,645 employees at its 21 company-owned locations and shift to a food-to-go model. With Phase Three underway, Glory Days no longer has limits on indoor patrons, as long as tables remain a socially distanced six feet apart. And although many Glory Days locations have erected tents in their parking lots to create extended patios, business still isn’t what it was.

“Every day that we’re open and we’re not doing 100% of last year’s sales, we’re losing money,” Cohen says. “Not only are we losing money, but we have to figure out how to pay the bills of the last [few] months that accumulated.”



Cohen

In addition to beefing up its cleaning regimen and having employees wear masks, Cohen says Glory Days had to reduce its menu by 20% due to food supply shortages.



Jocelyn Churchman launched a new e-commerce site for Finch, her Charlottesville women’s clothing boutique.

Eric Terry, president of the Virginia Restaurant, Lodging & Travel Association (VRLTA), says that Glory Days’ experience is typical of many restaurants in the state. Hotels have taken a hit as well. For the week of July 5-11 this year, Virginia hotels saw a 50% revenue decrease and a 38% occupancy decrease, compared with the same time last year.

The state has lost 36,667 hotel-related jobs and 86,821 jobs supporting the hotel industry because of the pandemic, according to the American Hotel & Lodging Association.

“The recovery on the hotel side is going to be very, very slow,” Terry says. “I don’t think we’ll return to normal travel patterns or hotel occupancy until almost a year from now.”

From fist bumps to toe-taps

Retailers that normally rely on foot traffic have had to adjust their business models to adapt to the new paradigm. Finch, a women’s clothing boutique in Charlottesville, launched an e-commerce site during the pandemic shutdown. A staple of The Corner since 2001, Finch caters to University of Virginia students, professors, locals and hospital workers.

Since it reopened in May, Finch has allowed only 10 customers at a time in its store, even though it’s allowed as many as 40 in Phase Three. Masks are mandatory for customers and employees, and sanitizer stations are available.

“We are allowing people to try things on,”

says owner Jocelyn Churchman. However, “we’re not accepting any returns right now.”

If someone tries on an article of clothing and chooses not to buy it, Churchman says, Finch workers spray the item with sanitizing spray and keep it off the sales floor for 24 hours.

Amy Rutherford, owner of home furnishings and gift store Red Barn Mercantile and paper store Penny Post in Old Town Alexandria, says she’s also beefed up online offerings to help drive business.

“We used our marketing channels, our e-newsletter – which we’ve been cultivating for some time – [and] our social media to let people know that we’re still here,” Rutherford says.



Rutherford

Some of the added online offerings include virtual trunk shows and Zoom calls during which Rutherford interviews designers about the work that she features in her stores.

Because Rutherford’s stores are in Northern Virginia, they were initially delayed from entering Phase One, which allowed 50% occupancy based on a store’s lowest occupancy load. Rutherford waited even longer to welcome back customers, however.

“We felt it was more prudent to close our stores to do what we could to flatten the curve,” she says. “We’ve been a little cautious about reopening.”



“There’s definitely a new normal” at CrossFit Harrisonburg, with participants tapping toes instead of giving each other high-fives, says coach Maria Hayden.

In Phase Three, Rutherford is allowing only eight people inside Paper Post and 12 people inside Red Barn, including staff. Masks are required by state mandate, sanitizer stations have been posted and the stores no longer accept cash.

Gyms and fitness centers also are trying to get back on their feet. Maria Hayden, a coach and marketing manager at CrossFit Harrisonburg, says her gym was closed for two months in response to the pandemic. Early on, the gym loaned workout equipment to members and held online workout classes via Zoom.

As Virginia began to reopen, CrossFit Harrisonburg was able to hold socially distanced outdoor classes during Phase One. During Phase Two, they were allowed to have patrons inside the gym at 30% capacity.

Hayden says members were excited to return. “A lot of people do it for the community,” she says. “It’s not as motivating to work out by yourself, and it’s not as fun.”

Phase Three isn’t much different than Phase Two for CrossFit Harrisonburg, due to social distancing requirements and the size of the gym.

“There’s definitely a new normal,” says Hayden, who recalls that before the pandemic, trainers would end workouts by giving class members high-fives and fist bumps. Now, she says, “we’ve resorted to toe-taps, so we just kind of give foot-fives to each other.”

Pandemic perils

No matter how careful businesses are with reopening, however, there is always the threat that the virus will rear its ugly spike proteins.

Several restaurants have had to close temporarily off and on in recent months, due to employees testing positive for coronavirus.

And Bassett Furniture in Henry County, which resumed production in limited capacity in April, had to close its corporate offices

for about a week in June after an employee tested positive for coronavirus.

Not even the state government is immune from this dilemma. The Virginia Employment Commission, which disburses out state unemployment benefits, was forced to shut down its headquarters in Henrico twice because of COVID-19 cases. Two positive cases were identified on June 18 and two more were identified on June 30.

Most of the office’s 350 employees were teleworking, but VEC still closed the office and enacted deep-cleaning protocols. All remaining staffers were sent home, and those who came in contact with infected people were required to self-quarantine at home.

With so much uncertainty around reopening, the Virginia Chamber of Commerce conducted a survey of more than 1,000 business leaders to better understand their concerns.

The survey, published online as the “Blueprint for Getting Virginians Back

to Work,” found that 37% of Virginia businesses surveyed are having cash flow problems and one in five probably would be unable to reopen for business during the pandemic.

“That 20% number was higher than we expected,” says Barry Du Val, CEO of the Virginia Chamber of Commerce, who says the blueprint report — which also provides best practices guidance — has been viewed tens of thousands of times since its early June release.



DuVal

Businesses responding to the survey said that restoring consumer and worker confidence was their No. 1 concern, followed by potential legal issues stemming from the pandemic.

“One of the biggest concerns that we’re hearing from businesses is liability concerns,” says Du Val, noting that hundreds of COVID-19-related lawsuits have been filed against employers across the country.

In mid-July, Virginia became the first state to adopt emergency workplace safety measures, including mandating mask wearing and social distancing, as well as requiring employees to be notified if a coworker tests positive for coronavirus. Businesses in violation could face fines up to \$130,000.

Cate Huff, an employment lawyer with Roanoke-based Gentry Locke Attorneys, says that businesses “can proceed with reopening, but must do so with caution,” and with an understanding of state regulations and CDC guidelines for reopening.

“Legally, it’s going to be tough to prove that COVID-19 was contracted in any one location because it’s so prevalent,” says Huff. “Practically, however, I think businesses need to make sure that ... they’re doing everything they can to provide the safest environment that they can.”

If an employee doesn’t want to return to work, Huff advises employers try to reach out to discuss it with the employee and accommodate them, if possible.

Overall, she says, employers need to stay abreast of local, state and federal news and any changes in regulations.

“It’s a dynamic situation,” Huff says. “Coronavirus ... and the way that it impacts

people and business is changing. Employers should remain vigilant.”

What about the children?

One hurdle workplaces must definitely navigate during the pandemic is child care. With many school systems around Virginia planning to hold either part-time in-person instruction or full-time digital classes in the fall, workplaces will need to be flexible in meeting employees’ needs, says Joseph W. Harder, an associate professor of leadership and organizational behavior at the University of Virginia’s Darden School of Business.

“If you want a truly great organization,” he says, “... think more about flexibility than money.” Whether an employee is faced with child or elder care needs, Harder says, businesses need to acknowledge “that this is a difficult time and people need support in some way.”

He also worries teleworking could have a negative impact on workplace culture and socialization. With less visibility, Harder ponders, will those who work digitally lose out on landing potential raises, promotions or choice assignments? And without the proverbial water cooler, they also may lose the socialization benefits of a physical workplace. “I think that’s a huge potential chasm between those who are there in person and those who are not,” he says.

Many companies, however, are finding teleworking has raised worker morale and increased productivity.

When the pandemic began, Chesterfield County-based custom computer manufacturer Velocity Micro shifted its administrative staff to teleworking, while its production team went to a staggered shift of working either 7 a.m. to 3 p.m. or 3 p.m. to 9 p.m. to promote social distancing, says Josh Covington, director of sales and marketing.

With the company’s second quarter sales up 20% over the previous quarter, the plan has worked so well that Velocity Micro has largely stuck to the model after Virginia entered Phase Three.

PB Mares LLP, an accounting firm with eight offices in Virginia, has also found success teleworking.

“We are able to work remotely much more effectively than we ever thought we could,” says PB Mares CEO Alan Witt.

The accounting firm has created its own system for returning to the office, based on the prevalence of coronavirus cases in each office location. Some of PB Mares’ offices are now entering their own second phase of reopening, meaning that clients are allowed in the office, and conference rooms and common areas can be used with limited capacity. Masks are required in the office, as are self-temperature checks. Cleaning procedures have been enhanced, and Plexiglas barriers have been added in reception areas and conference rooms.

Nevertheless, Witt says, after the pandemic ends, companies that don’t allow their employees the option to telework are “going to [be at] a competitive disadvantage [versus] ... other firms that figure out they’re able to do business by giving people a more flexible work schedule.”

Thrown for a loop

Considering its draw as a tourist magnet and that it employs a mix of 4,500 full- and part-time employees, Busch Gardens’ closure has a ripple effect on the economies of surrounding Williamsburg and James City County.

“We understand those impacts even beyond the park,” says Lembke, Busch Gardens’ president. “That’s why we’re working so hard to find a solution to get back into business.”

Lembke is eager to reopen, arguing that Busch Gardens has hundreds of acres — plenty of space for social distancing — and most of its attractions are outdoors, factors he thinks the state government should have taken more into account when considering attendance limitations.

“What’s key for our type of property is we have the space in order to provide those physical distance requirements for our guests. We feel confident in our ability to operate in a safe manner,” says Lembke, who attended the reopening of Busch Gardens Tampa in early June. When Busch Gardens Williamsburg reopens, he plans to implement many of the same safety features he saw at the park in Florida: visitor temperature checks, required face masks, social distancing, heightened cleaning and added signage.

Until then, though, the unfinished Pantheon must wait to thrill riders with the purported power of the Roman gods. 

The new normal

Commercial real estate firms adapt workplaces for pandemic life

by Rich Griset

For those returning to the office after months of working remotely, the novel coronavirus has turned the workplace into a potential microbial minefield.

What danger lurks on the surface of the break room table? What invisible pathogens spread silently through the vents of the HVAC system? And what of the frequently used door handles and elevator buttons that may harbor unknown pestilence?

Employees returning to Arlington's handsome 1812 N. Moore St. building in Rosslyn may be spared some of these fears. Monday Properties Services LLC, the real estate investment firm that owns and serves as landlord of the 35-floor structure, has partnered with managed security services provider Kastle Systems International LLC to implement KastleSafeSpaces, a buildingwide integrated plan that aims to ensure the health and safety of all who enter the trophy office tower that serves as the headquarters for Nestlé USA Inc.

The system helps workplaces screen for COVID-19, promote social distancing practices and enact contact tracing. For employees, the system allows them to seamlessly enter buildings and get to their desks without ever having to touch a button. Every day, employees must answer



Kastle Systems CEO Haniel Lynn (L) and Jennifer Burns with Monday Properties LLC practice social distancing at Arlington's 1812 N. Moore St. building, where Kastle Systems has implemented a COVID-19 prevention system.

self-screening questions about potential symptoms on their smartphones in order to unlock a temporary mobile credential. This unlocked credential acts as a security badge, allowing employees access to buildings, doors and the ability to remotely operate the controls of the elevator they're riding in.

Kastle Systems CEO Haniel Lynn says his firm created the KastleSafeSpaces technology after they couldn't find a similar product on the market.

"As we were looking out at solutions, we just were not finding any," says Lynn, whose company manages security for roughly 3,600 buildings across the country. Already, Lynn says, KastleSafeSpaces is more popular than any other product they've previously released in their 48

years of business. "The level of response, I'd say, is really overwhelming."

As Virginia attempts to get back to work in the midst of a pandemic, commercial real estate companies are endeavoring to reopen their office buildings while making sure tenants and their employees feel safe to return.

Top of mind

For Virginia Beach-based Divaris Real Estate Inc., one of the largest full-service commercial real estate firms on the East Coast, that effort has included the introduction of hand sanitizing stations, signage promoting social distancing and mask-wearing, and installing touchless entry devices on some doors.



“Every building is going to be different, depending on what they have on their rooftops. Do they have an air handler, what’s its capacity, etc.?” says Chalmers, who handles project management in Central Virginia and the Charlottesville area. “Something that’s becoming more commonplace is adding UV lights to ... coil sections of all main air handlers or rooftop units [to kill the coronavirus], but again, this may not be possible in all buildings.”



Chalmers

Jay Pruitt, executive vice president, property management, at Jones Lang LaSalle Inc. (JLL), says that her company added signage and sanitizing stations in their buildings and sneeze guards at concierge and security desks. One of the biggest challenges, Pruitt says, was wrangling enough sanitizing stations.

“They’re just not as available as we hoped they might be,” says Pruitt, whose company handles commercial real estate across the globe and is ranked 179th on the Fortune 500. In Virginia, JLL has properties in the Northern Virginia, Richmond and Hampton Roads markets.

‘A return to work’

Another challenge for commercial real estate companies is managing testy interactions among tenants during the pandemic.

“They’re kind of having these little battles with each other, because they feel so strongly in opposite directions of wearing a mask. So, one of the things that we have to do is encourage tenants to please comply.



Pruitt

However, there is no means of enforcement,” says Pruitt, who manages assets in the D.C. metro area. “We can’t enforce [face coverings], the police [won’t] enforce [it], so that makes it a challenge as more and more tenants come back into the building

“A big thing is just keeping it in the forefront of everybody’s mind to be mindful,” says Kristina Townsend, regional portfolio director for 3.3 million square feet of office and retail space in Hampton Roads, Richmond, Maryland, North Carolina, South Carolina, Indiana and Tennessee. “In general, most of our tenants are following the guidance that has been put out.”



Townsend

Townsend says many tenants are still working from home, but Divaris expects a gradual increase in occupancy during the next year.

“Some tenants are perfectly comfortable being in the building and haven’t left from Day One. Some are playing it a little more cautious,” Townsend says, adding that the pandemic seems to have reinforced Divaris’ connection with clients. “A lot of the landlord-tenant relationships have strengthened because we’re both working together and communicating.”

Katie Chalmers, a project manager with Cushman & Wakefield | Thalhimer, says that the company increased janitorial work, added hand sanitizer stations and distributed a “Recovery Readiness” document and a “Safe Six Checklist” for tenants to use as resources. Where possible, the company also upgraded HVAC units at its properties.

and have varying opinions on wearing face coverings.”

Steve Sadler, CEO of Henrico County-based Allegiancy LLC, says his company has primarily focused on stepping up janitorial measures during the pandemic. Should someone test positive at one of Allegiancy’s more than 40 commercial properties, that property will undergo a massive cleaning campaign.

“We’re doing the usual [Centers for Disease Control and Prevention] guidelines,” says Sadler, whose company owns and manages properties in Virginia, North Carolina, South Carolina, Florida, Georgia, Texas and Oregon. “We have increased the level of disinfection, the cleaning of the bathrooms, posted all the signs.”

Because Allegiancy doesn’t own any retail space, Sadler says it hasn’t added physical barriers such as sneeze guards to its offices, but tenants are welcome to add their own. Though the financial impact of the pandemic is very real, Sadler says more than 92% of his tenants have paid their rents on time; the rest have negotiated lease extensions in exchange for a rent extension.

At the start of the pandemic, he says, the problems his company faced were of a more essential nature.

“For a while, we had a devil of a time keeping toilet paper in the restrooms, because people would steal it,” Sadler says. “We’d have to restock the toilet paper three or four times a day.”

That’s not to say everyone is returning to work right away. At Henrico-based insurance holding company Markel Corp., most of its offices will be gradually entering Markel’s own “Phase One” reopening through September, with attendance limited to less than half of a given workplace’s employees. The rest will continue to telework.

In late July, Markel welcomed back an initial round of employees who returned at their discretion. To prepare, Markel put up signage and sanitizer stations and made sure there were enough masks and gloves for all employees. Signs in stairwells state which direction employees are allowed to walk, and elevators are limited to two people at a time.

“We’re still closely managing density — the number of employees in the office at one time,” says Jennifer Blackwell, senior

director of communications for Markel, adding that workforce rotations will also help manage the number of employees in the office at any one time. “We’re trying to make sure that we’re taking a very careful, thoughtful approach and allow a lot of flexibility, but [we] do want to start slowly having employees start to feel comfortable about coming back in.”

As for Monday Properties, its leaders say they wanted to take a proactive approach in implementing the KastleSafeSpaces technology at the building they developed from the ground up.

“As a trophy asset in our portfolio, we really felt like it was important to have the most cutting-edge technology available as we approached this re-occupancy,” says Jennifer Burns, vice president of property management and operations for Monday. “So far, we’ve received really positive feedback. We’ve been proactively communicating with tenants in this building and throughout our portfolio about how we can support their individual efforts [to reopen].”

Monday, which owns and operates commercial properties in Northern Virginia, California, North Dakota and South Carolina, has also published its own guide for tenants regarding the pandemic, increased its cleaning staff and added a Clorox Total 360 System (a wheeled cleaning device with a hose and spray wand) to each building in its portfolio.

The company is still looking into potential safety additions to its properties, including touch-free turnstiles for entering and exiting the building and thermal scanning in its lobbies to monitor body temperatures. Though it can’t implement the KastleSafeSpaces system at every property in its portfolio, Burns says, Monday is considering adapting parts of the program where possible.

“We’ve really taken an approach that we’re all in this together,” says Burns. “We wanted to continue to be a resource and support the efforts of our tenants as they approach a return to work.” **VB**

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Commercial real estate firms

	Company	Main Va. Location	Website	Top Va. executive	2019 Value of transactions ¹	No. Agents	Managed square feet ²	Leasable square feet ²
1	Cushman & Wakefield Thalhimers ³	Richmond	thalhimers.com	Lee Warfield	\$3,313,854,955	134	46,748,313	79,524,451
2	Colliers International Virginia LLC	Norfolk	colliers.com	J. Scott Adams Matthew T. Gannon	2,521,291,428	93	49,341,154	39,981,423
3	JLL	Tysons	us.jll.com	Michael Ellis Robb Johnson Charlie Polk Robert VeShancey Deborah K. Stearns Kelly Katz Megan Matthews David Goldstein Christopher Molivadas	4,221,846,595	104	9,780,255	32,713,182
4	CBRE ⁴	Richmond	cbre.us	Bradley C. Flickinger Kyle Schoppmann Tony Beck	2,619,994,448	58	10,339,948	23,758,486
5	Divaris Real Estate	Virginia Beach	divaris.com	Gerald S. Divaris	WND	42	7,770,464	20,721,703
6	Harvey Lindsay Commercial Real Estate	Norfolk	harveylindsay.com	Robert M. King	WND	26	6,377,243	12,213,457
7	Porter Realty Company Inc./CORFAC International	Richmond	porterinc.com	Robert E. Porter	WND	7	1,655,587	11,112,021
8	Poe & Cronk Real Estate Group	Roanoke	poecronk.com	Dennis R. Cronk	WND	20	4,060,500	9,179,208
9	Commonwealth Commercial Partners LLC	Richmond	commonwealthcommercial.com	Mark W. Claud Kenneth Strickler	WND	22	15,000,000	7,550,000
10	Wheeler Real Estate Co.	Virginia Beach	wheelerrec.com	David Kelly	WND	10	6,133,132	5,973,117
11	The Shopping Center Group	Norfolk	theshoppingcentergroup.com	Debra Ramey	37,450,000	8	930,000	4,000,000
12	Atlantic Realty Cos.	Vienna	arc Realty.com	David Ross Stan Barg Adam Schulman	66,392,650	2	3,595,085	3,595,085
13	S.L. Nusbaum Realty Co.	Norfolk	slnusbaum.com	Miles B. Leon	198,635,302	60	4,360,313	2,426,751
14	Merritt Construction Services	Ashburn	merrittconstruction.com	Michael Larkin	WND	2	1,858,394	1,858,394
15	Breeden Realty LLC	Virginia Beach	thebreedencompany.com	Mark E. Pendleton	8,200,000	3	1,500,000	1,850,000
16	Riddle Associates Inc.	Chesapeake	riddleassociates.com	Robert L. Riddle Lindsey Riddle Elliott Bill Brackman	WND	10	1,300,000	1,840,000
17	Pembroke Real Estate	Virginia Beach	pembrokerealty.com	Ramsay Smith	WND	4	2,628,698	1,444,195
18	Cottonwood Commercial	Harrisonburg	cottonwood.com	Keith Allen May	80,000,000	23	1,032,286	1,032,286
19	The Runnymede Corp.	Virginia Beach	trcva.com	Don Frederick Gresh Wall Mike Fine	71,685,000	5	771,363	771,363
20	Olympia Development Corp.	Virginia Beach	olympiadevelopment.com	Allison Cutchins Watson Cecil Vaughan Cutchins	WND	3	1,837,954	739,716
21	Hamner Development Co.	Newport News	hamnerdevco.com	William W. Hamner	WND	5	855,115	647,619
22	Robert Brown & Associates LLC	Newport News	rbainc.biz	Robert R. Brown	WND	2	636,295	636,295
23	Harbor Group International	Norfolk	harbargroupint.com	Jordan E. Slone	1,487,021	2	1,285,864	51,496

1 2019 value of lease and sales transactions

WND: Would not disclose

Source: Individual companies

2 In Virginia

3 Includes 79.52 million leasable square feet, 46.75 million managed square feet, 134 agents and \$3.31 billion in transactions from Cushman & Wakefield | Thalhimers affiliate.

4 Most recently available