

Nova Chemicals plant in Chesapeake sold, will be reopened

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Chesapeake

The former Nova Chemicals Corp. plant site on Bainbridge Boulevard near Interstate 64 has been sold to an Illinois-based logistics company, officials with both businesses said Monday.

A&R Logistics said the facility will be operated partly as it had been under Nova. It will be used to mix additives into plastics, to store plastics and to distribute them via ship, truck and train. However, plastic polystyrene pellets will no longer be made at the site.

The plastics to be handled at the facility are used in items as varied as consumer products, food packaging and automotive parts, said Jeff O'Connor, A&R's president.

Terms of the sale, which became final Dec. 20, were not disclosed. The roughly 60-acre parcel is assessed at \$3.4 million and the buildings

at \$8 million, according to city records.

Nova Chemicals, based in Canada, ceased operations at the Chesapeake site in September 2006 in a cost-cutting move. It employed 135 workers. Work was shifted to plants in Ohio and Pennsylvania.

A&R hopes to have the facility operating in two or three months, assuming it gets its needed governmental permits, O'Connor said.

The operation may increase to about 70 employees in the next few years, O'Connor said. About 50 trucks will be based at the site to serve mainly the East Coast.

The company, based in Morris, Ill., says it is one of the largest U.S. providers of bulk transport and logistics services to the plastic resin industry. It operates 22 facilities across the country and manages a fleet of about 700 trucks. For about four years, it has operated a small truck depot across from Nova's Chesapeake site, which was one of its customers. That depot will be shifted into the larger facility, O'Connor said.

A&R bought the former Nova site because of its location at a major port, its railroad connections and its plastics storage and compounding facilities, O'Connor said. The property has waterfront access along the Elizabeth River's Southern Branch.

"They don't come along like this every day," he said.

The company plans to make some "significant investments" in the facility, but O'Connor would not disclose what they might be or the potential cost. Plans are in the early stages, he said.

O'Connor said the former manufacturing space of roughly 120,000 square feet could be converted into a biodiesel production facility.

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