

## Virginians, Start Your Engines



The motorsports industry is alive in Virginia. From Hampton to Halifax, Martinsville and Bristol, the Commonwealth enjoys a rich tradition of motorsports activities—one of the fastest growing and most popular spectator sports today.

Recognizing the Commonwealth's resources and opportunities in the industry, Governor Mark R. Warner launched the Virginia Motorsports Initiative in August 2003. The statewide initiative will promote and support motorsports activities in Virginia as a means for economic development.

"Virginia has a strong cluster of racing venues and motorsports businesses," said Governor Warner. "Our new initiative will build on these existing assets to promote the

growth of the motorsports industry and racing venues. Our aim is to attract and grow a dynamic motorsports industry that sees the Commonwealth as the preferred location for engine builders, component makers, race car teams, and other businesses in the fast-growing motorsports world."

### Fan Recruitment

The Governor's initiative launches the Virginia Motorsports Coalition. Comprised of many of the Commonwealth's racing venues and organizations, the coalition will promote racing in Virginia.

The Virginia Tourism Corporation (VTC) will support the Virginia Motorsports Coalition and continue its work with Virginia's 68 different racing venues—from the Winston Cup circuit to local dirt tracks and drag strips. Through data research, marketing and skills training, VTC will assist localities promoting the state's existing tracks and developing a fan-friendly guide to all of Virginia's motorsports venues.

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### Business Recruitment

The Virginia Economic Development Partnership (VEDP) will work to recruit companies involved in the motorsports business that will provide well-paid, year-round employment. In cooperation with local economic development officials, VEDP will identify and recruit research and design facilities, engine fabricators, specialized machine shops, racing controls and instrumentation makers, race car teams, and other businesses that support and supply the racing industry.

In addition to Virginia's traditional economic development incentives, the Virginia Department of Business Assistance (DBA), through the Virginia Small Business Financing Authority, will provide \$250,000 in low-interest loans from its new Direct Loan program. DBA's Workforce Services Division will create a new workforce development initiative aimed at the motorsports industry. The Virginia Tobacco Commission will provide incentive funds to attract motorsports businesses to the state's tobacco regions.



Upper Left: At the announcement, Virginia Governor Mark R. Warner proudly displays a gift from Martinsville Speedway President William Clay Campbell.

Left: Virginia Secretary of Commerce and Trade Michael J. Schewel discusses the Virginia Motorsports Initiative.

Below: The Virginia Motorsports Coalition displays a custom car at the announcement.





Hurricane Isabel recently made a disastrous mark on our Commonwealth, and I certainly hope that you and your families remained safe. While many of our staff members are still digging out and cleaning up debris, please know that economic development activity in Virginia weathered the storm.

An 858-job expansion in Virginia Beach by Amerigroup made headlines. Governor Warner made four automotive supplier announcements across the state in one day in July. Forty new jobs will be created in Halifax County resulting from an expansion decision by pet food manufacturer Sunshine Mills. And not one, but two, General Dynamics projects were announced this past quarter — one in Southwest Virginia and the other in Northern Virginia.

Many of these announcements would not have been possible without the Governor's Opportunity Fund (GOF). As I recently told many allies at the VEDA Fall Conference, the balance of this deal-closing fund is approaching \$0. While strong project activity is great, especially in today's economic climate, the use of the GOF to induce project locations has taken a toll on the GOF fund. I will remind you that the fund was cut by 40 percent during the last biennium. We (VEDP and our allies) are in a difficult situation today and need to combine creativity, understanding, and due diligence when the GOF arises in prospect conversations.

Secretary of Commerce and Trade Mike Schewel has asked me to share three simple points with you related to requesting the GOF incentive:

- 1) Don't ask for GOF dollars unless the project desperately needs them
- 2) Justify every penny for the project
- 3) Return every state GOF dollar not spent to VEDP

We must all work hard to restore this critical incentive. I remind you the Joint Legislative Audit & Review Committee's (JLARC) report supported deal-closing incentives as a vital part of job creation. From individual projects that you have worked on to the JLARC report, there is plenty of ammunition to justify funding the GOF.

We are fortunate that Governor Mark Warner and Secretary Schewel will lead a foreign trade mission to Mexico in November. Primarily an export-promotion mission for VEDP, the trip will open doors for more than 15 Virginia companies traveling with the Governor. This is a great opportunity to take advantage of the free marketplace and sell our products and services in Mexico — an effort that can create new job opportunities at existing Virginia companies. We are pleased that the Virginia Department of Agriculture and Consumer Services will join us in this marketing initiative.

I hope you can join us for the second VEDP/Ally Meeting next month. It is scheduled for Thursday, November 20, at the Blackfriars Playhouse in Staunton. See page 10 for more details. Have a fabulous fall!

Sincerely,

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Commerce Quarterly is published by the Virginia Economic Development Partnership to keep our readers up to date on current events in the economic development community.

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*Commerce Quarterly*, Volume 8, Issue 4 is published by the Virginia Economic Development Partnership. Mark R. Warner, Governor; Michael J. Schewel, Secretary of Commerce and Trade; Mark R. Kilduff, Executive Director; Sarah Lovejoy, Editor; Frances Elliott, Graphic Designer.

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## Commission To Advocate for Virginia's Military Installations

For well over a century, Virginia has been the home of an unparalleled array of military installations and commands, including such familiar places as the Pentagon, Quantico Marine Base, Langley Air Force Base, Naval Station Norfolk and the Fort Lee Army Base. Affecting the state's security, economy and civic life, the military is an integral part of the Commonwealth of Virginia.

The 2005 federal Base Realignment and Closure (BRAC) process may prove to be the largest economic development issue facing Virginia in the next two years. Department of Defense spending in Virginia exceeds \$31 billion annually while employing more than 200,000 Virginians in active military, reserve military and civilian support positions.

Through the 2005 BRAC process, the federal government will review the current and future value of military installations throughout the country for potential closure or realignment. Given the critical mission of Virginia's military installations and their proximity to the nation's capital, the importance of Virginia to our national security has never been greater. It is therefore vital for the Commonwealth to ensure that the BRAC Commission fully understands why the nation continues to be served by Virginia's current military installations, and why the state, along with the military missions currently based here, is strategically ideal for additional military operations.

Through Executive Order 49, Governor Warner created the Virginia Commission on Military Bases, which will coordinate statewide strategic activities to support Virginia-based military installations throughout the 2005 BRAC process.

Initial appointments to the commission will include 26 members chaired by the Honorable Owen B. Pickett of Virginia Beach and the Honorable Joe R. Reeder of Alexandria. VEDP will provide staff support for the commission, with David G. Dickson serving as Executive Director.



The Pentagon, headquarters of the Department of Defense, is located in Arlington—just across the Potomac River from Washington, D.C.

## AMERIGROUP Improves Economy's Health

AMERIGROUP Corporation will expand its national operations in the City of Virginia Beach, creating 858 new jobs. Through a \$56-million investment, the company will construct two 106,000-square-foot buildings on property just off Indian River Road with prime access and frontage to Interstate 64.

AMERIGROUP, headquartered in Virginia Beach, is a multi-state managed health care company focused on serving people who receive health care benefits through public-sponsored programs. The new facilities will be home to AMERIGROUP's information technology staff as well as many of the company's health care professionals.

Governor Warner approved a \$1.45-million GOF grant to assist Virginia Beach with the project. VEDP, the City of Virginia Beach Department of Economic Development and the Virginia Beach Development Authority assisted AMERIGROUP with its decision. The company qualifies for a Major Business Facility Job Tax Credit. DBA will provide workforce training as well as retraining assistance for existing AMERIGROUP jobs.



At the AMERIGROUP announcement event, (left to right) AMERIGROUP Chairman and CEO Jeff McWaters, Virginia Beach Mayor Meyera Oberndorf and Governor Warner pose in front of a rendering of the company's new building.

## Halifax Fetches 40 New Jobs

Sunshine Mills, Inc. will expand in Halifax County, creating 40 new jobs. Through a \$2.5-million investment, the company will construct a 50,000-square-foot expansion to manufacture a national pet food biscuit treat.

Headquartered in Red Bay, Alabama, Sunshine Mills is a national manufacturer of dog and cat food. The company has been located in Halifax County since 1988 and currently employs more than 100 people. Sunshine has invested over \$15 million dollars in the Halifax location since construction began in 1987. The plant produces a wide variety of dry pet foods sold under the company's own labels such as Sunshine, Field Trial, Chatham, Sportsman's Pride, Hunter's Special and Cat Café.

A \$60,000 GOF grant and \$70,000 in Tobacco Region Opportunity Funds were approved to assist Halifax County with the project. VEDP and the Halifax County Industrial Development Authority assisted Sunshine Mills with its decision. Workforce training services will be provided by DBA.



At the Halifax County announcement event, Governor Warner (right) presents a Virginia Share of Stock to Sunshine Mills' Plant Manager Rick Hammock.

## Care Rehab Chooses Shell Building

Care Rehab and Orthopedic Products, Inc., a supplier of physical therapy equipment, will locate in the Charlotte County Industrial Park shell building in Keysville. Through a \$3-million investment, the company will establish an assembly and distribution facility. The project will create 50 new jobs.

Care Rehab is a leading supplier of physical therapy equipment and supplies, offering a complete range of home rehabilitation products for the recovering patient. Care Rehab currently exports its products internationally with the help of VEDP's Division of International Trade.

A \$100,000 GOF grant and \$250,000 in Tobacco Region Opportunity Funds were approved to assist Charlotte County with the project. VEDP, Virginia's Heartland and Charlotte County assisted Care Rehab with its decision. The company is eligible to receive tax credits because it is locating in an enterprise zone. DBA will provide workforce training services.

## New Jobs Resonate Through Smyth County

General Dynamics Armament and Technical Products will invest \$6.5 million to expand in Smyth County. The investment will allow the company to relocate its Resin Transfer Molding (RTM) operation to its existing Marion facility, creating 120 new jobs.

The Smyth County facility currently employs more than 650 people and includes three manufacturing sites totaling more than one million square feet. The company designs, develops and produces high-performance armament systems; a full range of advanced composite-based products; biological and chemical detection systems; tactical deception equipment; and mobile shelter systems.

Governor Warner approved a \$300,000 GOF grant to assist Smyth County with the project. The county also obtained \$300,000 in Tobacco Region Opportunity Funds. VEDP and Smyth County assisted the company with its decision. Workforce training services will be provided by DBA.

## Dominion Energizes Richmond's Riverfront

Through a \$28.5-million investment, Dominion built the "Dominion Energy Clearinghouse," a 60,000-square-foot center on Richmond's riverfront that will employ 350 people. The facility houses the company's natural gas and electric power marketing division. The project brings 110 new jobs to Virginia. Operations began in May 2003 after an 18-month construction period.

"We make an important statement about our confidence in the city's future with the completion of this project," said Thomas E. Capps, Dominion Chairman and Chief Executive Officer. "Economically, we are pleased to help Richmond regain its rightful place among the East Coast's major metropolitan regions. This is good for Dominion, for the city, for the riverfront and for the state."

VEDP, the Greater Richmond Partnership and the City of Richmond Department of Economic Development assisted Dominion with the project.

## Lilly Breaks Ground



Deputy Secretary of Commerce and Trade Matt Erskine (third from right) joins company officials and local partners at the groundbreaking for Eli Lilly's state-of-the-art insulin manufacturing facility in Prince William County. Governor Warner announced the project—one of the top 10 largest economic development investments in the state's history—in May 2002.

## Defense Jobs Slated for Prince William

General Dynamics Land Systems, a business unit of Virginia-based General Dynamics, has selected Prince William County to be the integration and assembly site for the U.S. Marine Corps' Expeditionary Fighting Vehicle (EFV). Through a \$64.5-million investment, the project will create 170 new jobs with the potential for 340 jobs over the life of the program. In January 2003, Governor Warner and VEDP representatives met with Charles Hall, President of General Dynamics Land Systems, at the company's headquarters in Michigan. The project originated during a 1996 VEDP marketing mission, which resulted in the company's initial location in Prince William County.



**General Dynamics will manufacture Expeditionary Fighting Vehicles (EFV) in Prince William County.**

General Dynamics Land Systems won the competition in June 1996 to develop and build the U.S. Marine Corps' new EFV. The program calls for the delivery of more than 1,000 vehicles to the USMC with production beginning in 2005 and continuing into 2018.

A \$500,000 GOF grant was approved to assist Prince William County with the project. General Dynamics Land Systems qualifies to receive a \$2-million VIP grant, as well as rail access funding from DRPT and road access funding from VDOT. VEDP and the

Prince William County Department of Economic Development assisted the company with its decision. DBA will provide workforce training services.

## Insurance Firm Flows Into Henrico

James River Insurance Company, a start-up insurance firm, has selected Henrico County for its headquarters. The company plans to hire more than 60 employees by December 2003. The announcement is another significant win for the Commonwealth, as Virginia continues to aggressively recruit companies in the FIRE (financial, insurance, and real estate) sector.

"In addition to having a solid pool of local insurance talent, we've found the Richmond area to be an easy place to attract key people from around the country" said Michael Kehoe, President of James River. "The cost of living and the quality of life are very appealing."

VEDP and the Greater Richmond Partnership assisted James River Insurance Company with its decision. DBA will provide workforce training services.



### Service Center Metals Celebrates Grand Opening

**At the company's grand opening, the three founders of Service Center Metals (SCM), a start-up aluminum extrusion company in Prince George County, pose for a photo with the economic developers who assisted the project. (Left to right) Bill Bailey, Economic Development Director for Prince George County; Scott Kelley, SCM President & CEO; Randy Weis, SCM Vice President of Sales & Marketing; Chip Dollins, SCM Vice President of Operations; Lisa Perry, VEDP Business Development Project Manager; and Jay Langston, Executive Director of Virginia's Gateway Region celebrate the milestone in front of SCM's first press. Governor Warner announced the project at an event in September 2002.**

## Headquarters Saved for Virginia

Barber & Ross Company will expand and relocate its Leesburg headquarters and manufacturing operation to a larger facility in Frederick County. The company's decision creates 100 new jobs and saves 375 existing Virginia jobs, which will be relocated to the new, 250,000-square-foot office and manufacturing facility on 25 acres in Frederick County. The company also will invest \$13 million in real estate and equipment. Virginia successfully competed with West Virginia for the project.

Virginia-based Barber & Ross Company is a national builder-direct manufacturer of windows, pre-hung interior and exterior doors, mouldings, and custom millwork products. Today, Barber & Ross employs more than 650 people, with 375 employees currently located in Leesburg. Construction on the Frederick County facility is scheduled to begin in October 2003.

Governor Warner approved a \$125,000 GOF grant to assist Frederick County with the project. VEDP, Frederick County and the Winchester-Frederick County Economic Development Commission assisted Barber & Ross with its decision. DBA will provide workforce training services.

**Surrounded by Standard Motor employees, Governor Warner presents a Virginia Share of Stock to Michael Paulus, Standard Motor Products General Manager.**

## VEDP Drives Automotive Expansions

On July 30, Governor Warner unveiled four automotive announcements totaling more than 400 new jobs and \$58 million in capital investment across the state. The Governor made the announcements at Standard Motor Products in Prince George County. The expansions were covered by media across the state, including the *Bristol Herald-Courier*, *Daily Press*, *Lynchburg News & Advance*, *Petersburg Progress-Index*, *Richmond Times-Dispatch* and the *Virginian-Pilot*.

**Standard Motor Products, Inc.** will expand its automotive parts distribution center in Prince George County. Through a \$3-million investment, the company will create 175 new jobs. The expansion is a result of Standard Motor's June 2003 acquisition of Dana Corporation's Engine Management Division. Virginia successfully competed with Tennessee for the investment.

**Siemens VDO Automotive** will invest \$47.25 million to expand its Newport News facility and manufacture its next-generation fuel injectors for gasoline engines. Siemens VDO's decision to expand in Newport News will create 107 new jobs.



**Schrader Bridgeport International Inc.**, a leading supplier of automotive tire and control valves and accessories, will expand its operations in Campbell County's Town of Altavista. The company will make a \$5.1 million investment and create 50 new jobs over the next 30 months.

**Teleflex Automotive** will expand its automotive parts manufacturing facility in Russell County's Town of Lebanon. Through a \$2.9-million investment, the company will create 75 new jobs. Virginia successfully competed with Ohio, China and Mexico for the project.

Governor Warner—an active supporter of the industry—traveled to the Detroit area earlier this year to meet with automotive executives at the Automotive News World Congress. In June, Governor Warner joined Ford Motor Company Chairman and CEO Bill Ford, Jr. at the company's 100th Anniversary Celebration launching the new F-150 at the Norfolk Assembly Plant.





## Attracting Aerospace

In an article titled “Going Supersonic,” the June/July 2003 issue of *Foreign Direct Investment* discusses why three aerospace companies chose to invest in Virginia.

Boeing’s Air Traffic Management unit in Reston is just miles from the decision-makers and government agencies in Washington, D.C. “Being near the U.S. Congress, the FAA, as well as Lockheed Martin was a huge draw for us to locate here,” Tim Neale, spokesman for Boeing’s Air Traffic Management unit, told the magazine. “Northern Virginia has great promise for the industry.”

The article also mentions Analytical Mechanics Association, Inc. (AMA), which chose to locate in Hampton Roads to be close to NASA’s Langley Research Center, and BAE Systems in Northern Virginia. Since locating in Reston, the magazine says that BAE Systems has increased its presence in Northern Virginia by 1,000, with nearly 400 employees at the Reston office.

“We have a strategic advantage in Reston,” said William Schuster, President of BAE’s Integrated Systems unit. “We are within a 10-mile radius of the majority of our customers and have direct Department of Defense access.”

The *Foreign Direct Investment* cover story was written by Karen Thuermer. Karen participated in VEDP’s April 2003 aviation and aerospace media tour and often writes about Virginia’s economic development efforts.

## Defense and Homeland Security: This Is The Place

*By: Johnny Perez  
VEDP Business Development Project  
Manager: Sciences Team*

You’ve probably never heard of Bea Maurer. But Bea and 100 dedicated employees in Rockbridge County are helping to save the lives of U.S. military personnel on the front lines in Iraq and Afghanistan. And their story is indicative of Virginia’s defense and homeland security industry.

On the surface, it sounds simple enough. Bea’s company, Bea Maurer, Inc. (BMI) makes tents for the U.S. military.

But the word “tent” doesn’t do them service: Bea’s rapidly deployable shelters are high-tech wonders. The basic 9.5-foot by-15-foot structure takes just a few minutes to set up, after a cargo plane drops them out in the field. Each shelter unit is airtight and comes complete with electrical cords, a ventilation system and chemical sensors all sewn into the shelter’s revolutionary nylon fabric. The shelters can attach directly onto the back of a Humvee or other military vehicle. If a current model doesn’t fit exactly right, Bea’s team goes to work and sews exactly what is needed.

And right now in Iraq and Afghanistan, U.S. troops are using Bea’s tents as training centers, command centers and hospital operating rooms.

### What does this mean for economic development?

The Rockbridge Partnership’s Executive Director, Dave Kleppinger, should be congratulated for his existing-business program. Dave has been working with Bea Maurer, Inc. since long before September 2001, doing whatever he can

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## Metros Are Up To the Challenge

*Expansion Management* magazine’s First Annual Mayor’s Challenge ranks three Virginia metros in its top 50 list. Richmond-Petersburg (13), Washington, D.C.-MD-VA-WV (16) and Charlottesville (48) were mentioned in this survey of the best places in the United States to locate a company.

For the rankings, *Expansion Management*’s research department considered education, health, quality of life, logistics, a high-value labor market, and legislative quotients.





## Virginia Tops Lists

Virginia’s aggressive economic development efforts were illustrated in *Area Development* magazine’s Eighth Annual Jobs Survey. The June 2003 issue ranks the Commonwealth fourth in a list of the nation’s Top Job-Creating States for 2002. Virginia was second in Top Non-Manufacturing States.

Each state supplied data for the three manufacturing and three non-manufacturing projects announced in 2002 that will result in the largest number of jobs.

State	Number of Jobs*
1. Georgia	6,000
2. Texas	5,600
3. Pennsylvania	5,423
4. Virginia	5,325
5. Alabama	5,068
6. North Carolina	3,445
7. New York	3,300
8. Michigan	3,299
9. Florida	3,290
10. Kansas	2,878

\* Number of Jobs represents total of state's top-three nonmanufacturing and top-three manufacturing job-creating projects.

## Governor Makes Headlines at SEMICON West

Governor Warner’s visit to SEMICON West 2003 in San Francisco resulted in a cover story in the show’s newsletter, *The Daily News*.

The article, titled “Man on a Mission,” discussed the Governor’s one-day tour the show’s floor. *The Daily News* interviewed Governor Warner on Virginia’s advantages and the state’s existing semiconductor manufacturers.

“We may not be first tier yet (compared to Texas and Northern California), but we are one major expansion or new fab away from that,” Governor Warner told the newsletter. “As the industry recovers, we will see the big players look to expand and add fabs, and we think we will be on the short list.”

The Governor expressed his optimism about pending new business and expansion possibilities for semiconductor manufacturing. The state is currently working closely with Infineon, Micron and Leica on workforce development and training.

For a faxed copy of the article, contact Sarah Lovejoy at [slovejoy@YesVirginia.org](mailto:slovejoy@YesVirginia.org).



VEDP’s Trade Representative in Seoul, South Korea, Sang Min Woo, was recently awarded a Certificate of Appreciation from the United States Department of Commerce. The award was presented for achievement in trade between the United States and Korea.

## Governor Makes Trade Show Visits

In support of economic development, Governor Warner recently traveled with VEDP staff and allies to trade shows to meet with industry leaders.

During the BIO 2003 International Biotechnology Convention & Exposition in Washington, D.C., Governor Warner visited with each of the 20 companies and organizations in the 2,400-square-foot Virginia pavilion to learn about their products and services. VEDP representatives also escorted the Governor to meetings with biotechnology executives on the show floor.

At the SEMICON West 2003 trade show in San Francisco, California, the Governor visited with VEDP allies at the Virginia booth and later met with semiconductor manufacturers to discuss new business and expansion potential. Outside of the show, VEDP arranged general prospect appointments for the Governor in the San Francisco region.

VEDP has maintained a marketing presence – including exhibits, executive luncheons and appointment setting, at both BIO and SEMICON West for the past seven years.



(Left to right) Gene Bailey, Fredericksburg Regional Alliance President; Johnny Perez, VEDP Project Manager; David Colvin, Prince William County Department of Economic Development Project Manager; Liz Povar, VEDP Director of Business Development; Debi Sandlin, City of Manassas Economic Development Manager; Governor Mark Warner; Nina Sims, former VEDP Marketing Associate; Gene Winter, Greater Richmond Partnership Senior Vice President; and Tom Elder, City of Chesapeake Assistant Economic Development Director pause for a photo in front of Virginia's booth at SEMICON West 2003.

## VEDP/Ally Meeting Scheduled

The second VEDP/Ally Meeting is scheduled for Thursday, November 20 at the Blackfriars Playhouse in Staunton. Held twice a year, the meeting connects state, regional and local economic development representatives for candid discussions on the Commonwealth's business recruitment and international trade efforts. Old Dominion Electric Cooperative will sponsor the meeting's luncheon.

More than 130 economic development professionals attended the first VEDP/Ally Meeting last May, with many ideas emerging from the small group sessions. The November 20 VEDP/Ally Meeting will follow up on many of these issues, and continue the big-picture discussions on economic development in Virginia.

The VEDP/Ally Meeting is programmed specifically for Virginia's local and regional economic development practitioners as an update on issues at the state level and to provide an open forum for communication. For questions about the event, contact Rick Richardson at (804) 371-8259.

**To view a status report on the issues raised at the May 2003 VEDP/Ally Meeting, visit the "Hot Issues" section of VEDP's Ally Information Exchange, [www.VirginiaAllies.org](http://www.VirginiaAllies.org).**

## Veteran VEDP Employees Promoted



**Brent Sheffler**

**Brent Sheffler** has been promoted to Team Leader of VEDP's Business Development Industrial Team. Brent has been active in economic development in Virginia for more than 18 years including service in Roanoke County, James City County and the Virginia Peninsula. He holds a B.S. and M.S. degree from Purdue University, and an M.B.A. from Regent University. Brent is also a graduate of the Economic Development Institute (EDI) and is a Certified Economic Developer (CEcD).

**Judy McClenny** has been promoted to Project Manager on VEDP's Business Development Industrial Team. Judy has served VEDP for five and a half years, including nearly three years as an Associate Project Manager. She holds a Master's degree from Virginia Commonwealth University and is a graduate of the EDI, where she was selected by her peers for the Robert Cassell Student Leadership Award.



**Judy McClenny**

Prior to receiving a promotion to Project Manager on VEDP's Business Development Transportation and Equipment Team, **Preston Wilhelm, II** worked as an Associate Project Manager for three years. He previously held sales and management positions for an industrial supplier and has a B.A. degree from James Madison University.



**Preston Wilhelm, II**

**Stephanie Allman** has been promoted to Associate Project Manager on VEDP's Business Development Transportation and Equipment Team. Stephanie has served VEDP for five years, including four years as the Assistant to the Business Development Division Director. She holds a B.A. degree from David Lipscomb University in Nashville, Tennessee and previously worked as a secondary education teacher.



**Stephanie Allman**

## Roanoke Partnership Reaches Milestone

The Roanoke Valley Economic Development Partnership, one of the first public-private partnerships in Virginia, celebrates its 20th anniversary this year. Founded in 1983, the organization is the industrial marketing and recruitment agency for the region; which includes the counties of Botetourt, Craig, Franklin and Roanoke, as well as the City of Roanoke, the City of Salem and the Town of Vinton.

"In the early 1980s, the idea of creating a single organization to represent multiple localities for any purpose was truly revolutionary," said Phillip F. Sparks, Executive Director of the Roanoke Valley Economic Development Partnership.

The Partnership's results over the past two decades—\$875.4 million in new investment and 11,382 new jobs—have earned it a solid reputation for working with its government partners to attract new industry.



## Business Development: Strategic Marketing for One Virginia



By: *Liz Povar*  
VEDP Director of  
Business Development

What is the product Business Development markets? How do we effectively position Virginia's diversity to companies whose decision-makers are across the world? And who are the people in Business Development delivering these marketing messages? These are the questions that form the basis of our division's marketing strategies each and every day.

Building on the Governor's Strategic Plan for Economic Development, "One Virginia One Future," and incorporating the strengths of the division's marketing history and staff expertise, we used the summer months to focus our resources. The result is a modified division structure that is overlaid with strategic marketing initiatives, which are posted on VEDP's Ally Information Exchange, [www.VirginiaAllies.org](http://www.VirginiaAllies.org). As you read this article, we are planning and implementing the strategies...doing it all in "real-time"...that is, we're making adjustments with the engine already running and the road map already in place for the current fiscal year. Let's take a look at the adjustments:

What is the product Business Development markets? A better question may be "What don't we market?" Virginia's diversity is our strength and our challenge. From the tip of Lee County in far southwest Virginia (farther west than Detroit,

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## Defense and Homeland Security: This Is The Place *continued from page 8*

to help the company be more successful in Rockbridge County. Dave knows success breeds more success.

In March 2002, Power Systems International, which manufactures the trailer units providing transportation, power heating and cooling support services for BMI's shelters, relocated to Rockbridge County from New York, bringing 64 new jobs and a \$2.5-million investment.

In September 2003, BMI completed a 30,000-square-foot addition to its manufacturing facility to accommodate increased production and demand. The expansion resulted in 35 new jobs and a \$1-million investment.

But there is more to this story than jobs and investment. If you read between the lines, you will recognize three familiar themes:

(1) A hard-working Virginia company combines technology and customer service to serve its clientele. This includes:

*Increased customization*

*Higher quality*

*Shorter runs*

*Quicker turnaround*

*Company becomes more successful.*

(2) Successful company creates new jobs and investment.

(3) For a number Virginia companies in the defense and homeland security industry these themes have repeated themselves many times across the Commonwealth over the past two years.

### What is Virginia seeing in this industry statewide?

Since September 2001, government contractors (and a few federal agencies) have announced more than 16,500 jobs and \$570 million in capital investment in Virginia.

In late August 2003, General Dynamics Land Systems announced it will build the U.S. Marine Corps Expeditionary Fighting Vehicle (EFV) in Prince William County (170 jobs, \$64.5-million investment). To

win this project, Virginia beat out nine other states.

The reason is clear: For companies focused on selling products to the federal government, Virginia is the best place to do business.

### Why Virginia?

Virginia has many natural advantages already in place:

**Federal facilities.** There are more than 50 federal military bases and government facilities across the Commonwealth. Each of these is a magnet for economic development. VEDP is working with our allies at the local, regional, state and congressional levels to recruit more federal groups, and VEDP's Dave Dickson has been appointed Executive Director of Virginia's Commission on Military Bases.

**Security-cleared facilities.** Virginia has more than 2,400 security cleared facilities – more than any other state in the United States, and almost double our nearest competitor, California.

**\$18 billion in defense prime contract awards.** Virginia is second only to California in prime contract awards from the U.S. Department of Defense. In Fiscal Year 2002 Virginia received \$18 billion in defense prime contracts, and we hope Virginia will soon overtake California, which stands at \$23 billion.

**CIT's Institute for Defense and Homeland Security (IDHS).** Virginia's Center for Innovative Technology (CIT) recently established a consortium to leverage defense and homeland security research at 14 state colleges and universities and member companies. IDHS' web site, [www.idhs.org](http://www.idhs.org), indicates that the group "will conduct research, education and technology transition at member institutions and firms, with an emphasis in the fields of telecommunications, biodefense, sensor systems, and risk management."

**Virginia understands the industry.** VEDP recently completed a study of

Virginia's defense and homeland security industry – a quick snapshot of what is happening in Virginia, who the major players are, who is winning contracts and much more.

### Common Characteristics

Like the Bea Maurer story above, we have noticed that companies announcing new jobs and investment in the defense and homeland security industry have a number of properties in common:

- Almost all industry sectors – not just technology companies – are winning government contracts and adding defense and homeland security jobs.
- Most companies adding new jobs and investment in this industry are existing Virginia businesses.
- All are applying a cutting-edge technology to their product.
- Only a few of these companies have asked for the state's GOF or VIP incentives.
- Most of these companies have asked for workforce services – including the new small business program (which has thresholds of five jobs, \$100K investment and does not require out-of-state competition). One human resource officer of a major defense company told me recently, "The reason we are going to base these jobs in Virginia is workforce services." Enough said.

This is just the beginning of Virginia's defense and homeland security story. We look forward to working with you to make it even better.

Johnny Perez can be reached at (804) 225-2819 or [JPerez@YesVirginia.org](mailto:JPerez@YesVirginia.org).

## Seven Companies Join VALET Program

In July, VEDP's Division of International Trade tapped seven Virginia companies to participate in the VALET (Virginia Leaders in Export Trade) Program. The newest class brings the program to 100 percent capacity. Currently, there are 30 companies actively engaged in the VALET Program. These diverse companies, committed to exporting as an expansion strategy, represent 16 Virginia counties, 26 distinct industries and approximately 4,600 jobs pursuing business in 50 international markets.

Launched in January 2002, the program is still young. However, VALET companies are already making significant progress in their commitment to international trade.

"Through the VALET Program, we have been able to update our marketing materials and establish partnerships with organizations in Brazil, Canada and Mexico," said Brigit Pohl, Vice President of Sorbilito, Inc., a current VALET company in Virginia Beach. "Since Sorbilito joined the program in January 2003, I have felt more prepared for various international business issues that come up because I know where to go for answers and advice."

To find out more about the VALET Program, visit [www.ExportVirginia.org](http://www.ExportVirginia.org).



Representatives of the seven new VALET participating companies pause for a photo at the kick-off luncheon in July.

Company	Product/Industry	Location
Care Rehab and Orthopaedic Products, Inc.	Medical Equipment and Supplies	McLean
Filtrona Richmond, Inc.	Custom Bonded Fiber Components	Colonial Heights
John C. Nordt Co. Inc.	Precious Metal Products	Roanoke
Lee Tennis LLC, a division of Luck Stone	Tennis Court Surfacing, Equipment	Charlottesville
Medeco Security Locks, Inc.	High Security Locks and Cylinders	Salem
TechLab, Inc.	Intestinal Diagnostics	Blacksburg
Zeller + Gmelin Corporation	UV Curing Printing Inks	Richmond

## Governor Warner Scheduled To Lead Trade Mission to Mexico

Governor Warner will lead a trade mission to Mexico from November 9 to November 12, 2003. The Governor will be accompanied by representatives of Virginia companies, agriculture marketers and economic development officials. Meetings are currently being confirmed with key business executives, agriculture product buyers and government leaders in Mexico City and Guadalajara, Mexico.

The trip will be the fourth marketing mission conducted by Governor Warner, who has pledged to aggressively market Virginia agriculture products along with the more traditional economic development activities. Previous economic development marketing missions of Governor Warner's administration include trips to Detroit, New York, San

Francisco and Western Europe to promote the Commonwealth. The Governor's November mission to Mexico will be supported by the Virginia Economic Development Partnership's International Trade office in Mexico City.

Currently, Mexico is Virginia's fifth largest export market. In 2002, Virginia exported \$449.52 million in products to Mexico. Service exports, such as engineering and legal services, are estimated at an additional \$100 million. Electrical machinery was Virginia's top export to Mexico at \$103.62 million in 2002. Other top exports were knit apparel, \$96.28 million; industrial machinery, \$83.88 million; paper and paperboard, \$28.26 million; and plastics, \$28.26 million.



## Business Development: Strategic Marketing for One Virginia *continued from page 11*

Michigan) where the uncongested four-lane highway infrastructure opens Virginia to the Midwest, to Accomack County on the Eastern Shore where Virginia launches technology into outer space; from the global connectivity of the counties and cities of northern Virginia, to the transitioning business base of Danville and other southern Virginia communities; Virginia's product line can be a match for an immense variety of businesses. The Commonwealth's research and development centers merge in a virtual network across the state, collaboratively bringing together the intellect of researchers that are spawning the industries of the future.

Business development managers are sharing knowledge of Virginia's product at every staff meeting. When we're on the road and have extra time, we're stopping in to see communities and economic development staff. We're participating in community tours and meeting with industry coalitions. We're working with our regional allies to develop a set of prospect handling protocols. We're updating our interactive community assets database. And we're preparing visual tools such as regional asset maps, which will give VEDP managers a desktop snapshot and talking points about each area of the state, helping us to frame a region's assets when talking with clients.

How do we effectively position Virginia to reach the decision-makers in companies that can bring new jobs, payroll, and tax revenue to our state? For many years now we've targeted outreach marketing efforts – through strong research – on growth sectors and growth companies; focused national media placement in appropriate industry and executive arenas; and developed staff expertise in industry sectors. With reduced external brand marketing, Business Development is stepping up relationship marketing by: a) building on relationships in established sectors through manager-to-business contacts; b) analyzing lead sources that produce the strongest results, and creating marketing initiatives to better position Virginia to those sources; and c) broadening the traditional recruitment process to include key emerging markets from which Virginia's long-term economic health will benefit.

The institutional knowledge of the Business Development staff in selected traditional industry areas has been solidified over the past years through our team structure. Managers know their sectors and have developed industry knowledge that will continue to be mined for prospects successfully. To take us to the next level of target marketing, a set of strategic initiative audiences has been identified. These include cross-cutting sectors such as site selection consultants, homeland security businesses, international companies, key Virginia companies, and geographic-based food processing. In addition, strategic initiatives in a broadened recruitment process include emerging technologies (i.e. nanotechnology); motorsports; and financial and insurance services. Led by team leaders, these initiatives will build on collaboration with allies. The goal is to increase awareness of Virginia in each of these sectors and produce new, viable prospect leads.

Ultimately, with limited national branding, the success of our relationship-marketing model will depend on the skills and expertise of Business Development managers. Using the competitive knowledge that is produced by our Research division, positioning Virginia in front of key decision-makers, and facilitating the project management process through to a decision for Virginia are the skills that managers must use every day. VEDP's Business Development Division is fortunate to have a staff with more than 250 combined years of marketing and economic development experience. Managers have a broad array of professional backgrounds, from international sales to local economic development practice; from corporate finance to engineering and structural development; from community planning to real estate management; from education and training to transportation. Our collaborative team structure allows managers to pull in area expertise to assist with any given project need.

Over the next few months, you'll have the opportunity to meet our staff as we profile individual Business Development managers in future editions of *Commerce Quarterly*. By providing this glimpse into the professional background that managers bring to their work for Virginia's communities, we hope to build stronger collaboration between VEDP's Business Development Division and all our Virginia allies.

## Start Your Engines

*continued from page 1*

### Education and R&D Recruitment

The Virginia Motorsports Initiative also will nurture research and development and workforce training in the Commonwealth's motorsports industry.

Virginia will seek additional federal funds for the expansion of NASA Langley's Full Scale Wind Tunnel to allow a broader array of race car testing. The Commonwealth also will support the efforts of the Virginia International Raceway, the Institute for Advanced Learning and Research in Danville, Virginia Tech, Congressman Virgil Goode and Senators George Allen and John Warner to bring the Joint Unmanned Systems Test and Research Center to the state. Virginia will work with the motorsports industry and community colleges to encourage the development of additional motorsports-related curricula that respond to the needs of the industry. DBA will provide workforce services funds to encourage these training programs.

The Virginia Motorsports Initiative provides resources and unites the extensive efforts already underway in Virginia to promote the state's race tracks, provide skilled workers to prospective employers, and connect research facilities to the commercial needs of the motorsports industry. Through this initiative, Virginia will attract new jobs and investment to take the checkered flag in this growing area of economic development.



As part of the Virginia Motorsports Initiative, the Commonwealth will seek additional federal funds for the expansion of NASA Langley's Full Scale Wind Tunnel to allow a broader array of race car testing.

## Quarterly Calendar

Date	Contact	Event
October 6-10	CR	Indiana Marketing Mission
October 7-9	JB	National Business Aviation Association (NBAA) Convention — Orlando, FL
October 11-15	JB	CoreNet Global — Atlanta, Georgia
October 13-15	JB	PACK EXPO/Food Processing Machinery Expo — Las Vegas, NV
October 13-17	SK	International Trade Mission to Virginia from Central Europe
October 16-19	JB	Canadian Health Food Association — Toronto, Canada
October 20-29	SK	International Trade Mission to Australia & Singapore
October 25-28	RR	27th Southeast US - Japan Joint Meeting — Osaka, Japan
October 26-30	VB	American Association of Pharmaceutical Scientists (AAPS) Expo — Salt Lake City, UT
November 3-7	CR	Ohio Marketing Mission
Oct. 29-Nov. 11	JB	World Wide Food Expo — Chicago, IL
October 30-31	RR	17th Southeast US - Korea Joint Conference — Seoul, Korea
November 3-7	SK	International Trade Mission to the United Kingdom
November 9-12	SK	International Trade Mission to Mexico
November 12-14	SK	International Trade Mission to Virginia from Brazil
November 19-22	VB/SK	MEDICA — Dusseldorf, Germany
November 20	RR	VEDP/Ally Meeting — Staunton
December 1-5	CR	California Marketing Mission
January 8-11	JB	International Consumers Electronic Show — Las Vegas, NV
January 12-16	CR	Carolinas Marketing Mission

<b>VB</b>	Vince Barnett	VEDP	(804) 371-8265
<b>JB</b>	Jerry Broadway	VEDP	(804) 371-8194
<b>SK</b>	Scott Kennedy	VEDP	(804) 371-0052
<b>CR</b>	Chuck Rogers	VEDP	(804) 371-8189
<b>RR</b>	Rick Richardson	VEDP	(804) 371-8259

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## Target Grand Opening

On July 30, 2003, the Target Corporation held a grand opening ceremony for the company's new 1.5-million-square-foot import distribution center in the City of Suffolk. Once fully staffed, the facility will employ 500 people and serve seven of Target's regional distribution centers throughout the Eastern United States.



Target Corporation Mascot, "Bullseye," and Janise Kring, General Manager for the Target Import Warehouse in Suffolk cut the ribbon to officially open the new facility in the City of Suffolk.