



# Virginia Commerce Quarterly

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Governor McDonnell, Secretary Jim Cheng, Paul Grossman and Matthias Duys met with corporate executives from The Hornshuch Group during the Governor's first international marketing mission. On September 10, 2010, the Governor announced that The Hornshuch Group will invest \$28.3 million to expand its O'Sullivan Films operation in Winchester. The project will create 174 new jobs.

## Governor McDonnell Promotes Virginia in Europe

Fostering existing relationships, encouraging business investment, and touting Virginia tourism and a growing wine industry—these were the goals of Governor McDonnell's first international marketing mission to Europe July 17-24.

*(Story continued on page 3)*



This summer was a whirlwind of economic development activity. VEDP's fiscal year ended June 30 and the capital investment and employment numbers for the past year were impressive. Virginia had a good year in a tough economy, resulting in 16,400 new jobs and \$2.58 billion in capital investment.

This past quarter saw our pipeline of potential projects grow, and several new projects announced. Notably, Microsoft will make the largest investment in southern Virginia history. The company will invest up to \$499 million to locate its latest generation data center in

Mecklenburg County. Monogram Food Solutions will expand in Henry County, adding 150 new jobs. Wythe County will gain 84 new jobs thanks to Evatran, the manufacturer of the world's first "hands-free" electric vehicle supply equipment. Praxair plans to open a gases operation in Hopewell, and Intersections, Inc. will establish a customer care center in Altavista, creating 250 new jobs. These projects are among many successes highlighted in this edition of CQ.

VEDP's focus on the partnership between regions, localities and existing industry is paying off. Pipeline trends show that while 40 percent of projects are companies new to Virginia, the bulk are existing companies looking at capital projects.

A great example of the commitment demonstrated by companies in the Commonwealth is Canon, Virginia, Inc., which recently celebrated its 25th anniversary as a Virginia facility. As part of this celebration, the Governor recognized Canon Virginia as one of the charter members of the Commonwealth Center for Advanced Manufacturing (CCAM). CCAM's launch is being spearheaded by the state, Rolls-Royce, the University of Virginia and Virginia Tech. CCAM will be an applied R&D venture open to membership by a variety of leading industrial companies from multiple industries.

The Governor also led his first international marketing mission to Europe in July, resulting in an economic development announcement for The Hornschuch Group just two months later.

On the International Trade side of things, VEDP's Virginia Leaders in Export Trade (VALET) program is expanding. Launched in January 2002, the two-year VALET program assists exporters in the Commonwealth that have firmly established domestic operations and are committed to international exporting as an expansion strategy. Instead of accepting only 15 companies into the program each year, 25 will now be selected for the program, for a total of 50 per two years. In addition, companies in the program will have access to \$15,000 in reimbursement funds, an increase from \$10,000, from the Commonwealth. As a result of the expansion, an additional VALET Program Manager, Oscar Ruiz, was hired.

There is plenty of work to be done to continue this upward trajectory, and VEDP looks forward to the continued relationship with all of Virginia's allies that help the Commonwealth continue to be a top state for business.

Sincerely,

Jeffrey M. Anderson

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(continued from Cover)

The Governor was accompanied by the First Lady, Virginia Secretary of Commerce and Trade Jim Cheng, Virginia Secretary of Agriculture and Forestry Todd Haymore, and staff from the Virginia Economic Development Partnership and Virginia Tourism Corporation.

The marketing mission included high-level meetings with key business executives in the Netherlands, London and Germany. Other items on the agenda included meetings with the Dutch Ministry of Economic Affairs and the UK Energy Minister to discuss wind energy programs.

The trip was a success—networking events and meetings solidified strong relationships and contacts for Virginia, and an economic development announcement resulted just two months later.

“Our foremost priority is getting Virginians back to work, and we recognize that job creation cannot be accomplished within the confines of the United States,” said Governor McDonnell. “This was an excellent opportunity to strengthen Virginia’s relationship with European companies that already have a Virginia presence and share the Commonwealth’s story with prospective corporate investors.”

Governor McDonnell kicked off the London activities by hosting a business reception at the London War Imperial Museum for approximately 200 industry executives and government officials. He also met with executives from Rolls-Royce and its supply chain, and attended the Farnborough International Airshow.

The Governor and First Lady hosted a Virginia Wine-tasting media event with a well-known British wine expert—Oz Clarke. The event increased the profile of Virginia wines to the UK’s leading culinary, lifestyle and travel media.

While in Weissbach, Germany, the Governor met with company officials and helped close an expansion deal with The Hornschuch Group, a leading producer and marketer of highly technical films. In September the company announced plans to invest \$28.3 million to expand its O’Sullivan Films operation in Winchester. The project will create 174 new jobs in the Winchester area.

Investments made by international companies play a critical role in Virginia’s economic growth. Over the past six years, 49 percent of new capital investment from projects worked by Virginia has come from international companies. On a project basis, international companies invest three times the amount of capital and create a greater number of jobs than domestic-owned projects. Foreign companies help us enhance our culture and strengthen and diversify Virginia’s economy. ■



Governor McDonnell and team pause for a photo with company officials during a visit at the STIHL Facility in Waiblingen, Germany.

## Microsoft Corp. Makes Largest Investment in Southern Virginia History



Microsoft Corp. will invest up to \$499 million to locate their latest generation data center (Gen4) in Mecklenburg County, in what will be the largest economic investment in southern Virginia history. Using modular technology and advanced cooling mechanics, the center will be Microsoft's most advanced data center. The project will create 50 new jobs. Virginia successfully competed against North Carolina and Texas to secure this sought-after facility.

"Microsoft is a household name, and securing this global project is a significant economic win for Virginia," said Governor McDonnell. "The company's search process was long and competitive, and a great team of players came together to show Microsoft that Mecklenburg County was the right fit for its new version of a state-of-the-art data center. This project represents the largest investment project in the history of southern Virginia. It will further bolster the Commonwealth's standing as a leader in

the Information Technology sector, while creating new jobs for our citizens and spurring economic development throughout the region."

The Mid-Atlantic Broadband Cooperative (MBC) provided invaluable assistance to make this project possible. MBC's open-access fiber optic network was a key component in Microsoft's decision to locate in Virginia, and will provide diverse fiber routes for connectivity to major carrier interconnection points in the eastern United States. Dominion Virginia Power also was instrumental in securing this project. Access to an extremely reliable electric supply and competitively priced electricity from environmentally responsible generation sources were critical site location factors for Microsoft.

Founded in 1975, Microsoft is the worldwide leader in software, services and solutions that help people and businesses realize their full potential. ■



## Pfizer to remain in Richmond

Pfizer Consumer Healthcare will continue to maintain their R&D facility in Richmond, retaining more than 300 jobs for the Commonwealth. Richmond Mayor Dwight Jones, city officials and state leaders have worked with Pfizer over several months to reach an agreement that would continue the longstanding civic-corporate partnership.

Pfizer is a research-based, global biopharmaceutical company headquartered in New York. ■



Lieutenant Governor Bolling takes part in Orion Air Group's official ground-breaking ceremony.

## Orion Air Group Breaks Ground in Newport News

Lieutenant Governor Bill Bolling was on hand when Orion Air Group broke ground for its new hangar and office space complex in Newport News in May. The company, headquartered in Yorktown, Virginia, outgrew its current location and will develop the new operation at Air Commerce Park located at the Newport News/Williamsburg International Airport. The company, one of the world's leading operators of business aircraft, will invest \$4 million to consolidate its Virginia operations. The project will include retention of 57 jobs in York County and Newport News and create 51 new jobs.

Orion Air Group is a privately owned aviation services firm and provides a full range of value-added services for government and commercial clients on a worldwide basis. The company's business lines include aircraft charter and management, sales and leasing, aviation insurance and financial services, and maintenance and modifications. ■

## A History in Furniture Manufacturing Means Jobs for Henry County

A rich history in the furniture manufacturing industry makes Kimball Hospitality, Inc., the perfect fit for Henry County. A subsidiary of Kimball International, Inc., the company will invest \$1 million to open a hospitality furniture manufacturing plant. The project will create 67 new jobs.

Kimball International, Inc. provides a variety of products from its two business segments: the Electronic Manufacturing Services segment and the Furniture segment. The Electronic Manufacturing Services segment provides engineering and manufacturing services which utilize common production and support capabilities to a variety of industries globally. The Furniture segment provides furniture for the office and hospitality industries, sold under the company's family of brand names. ■

Mary Rae Carter, Virginia's first Deputy Secretary of Commerce and Trade for Rural Economic Development, announced Kimball Hospitality's plans to open a furniture manufacturing plant in Henry County.

## Kimball® Hospitality



# Monogram Snacks & Sausages



Lieutenant Governor Bolling presents the Governor's Opportunity Fund check for the Monogram Food Solutions project to Debra Buchanan, Chairman of the Henry County Board of Supervisors.

## Monogram Food Solutions Expands in Henry County

The Lieutenant Governor was recently in Henry County to announce a growing corporate partner. Monogram Food Solutions, LLC, a Memphis-based manufacturer of value-added processed meats, will invest \$4 million to expand its operation, creating 150 new jobs.

Founded in 2004 when a group of Memphis investors bought King Cotton and Circle B Brand Meats business from Sara Lee Corporation, Monogram Food Solutions is dedicated to providing innovative and top-quality food products that consumers love to eat. Monogram Meat Snacks, a division of

Monogram Food Solutions, is one of the nation's largest manufacturers of quality meat snacks, including jerky, meat and cheese snacks, kippered beef sticks and pickled sausages. Monogram's products, all made in the U.S.A., include King Cotton, Circle B, Wild Bill's, O'Brien's, Trail's Best, Pete's Pride, Hannah's, Bull's, Jeff Foxworthy and Bass Pro Shop's Uncle Buck's Licensed Products. Monogram Food Solutions also produces a wide variety of private-label-brand meat snacks, smoked meats, corn dogs and fritters. ■

## Intersections Inc. to Create 250 New Jobs in Altavista



Virginia-based Intersections Inc., a leading provider of consumer and corporate identity risk management services, will establish a customer care center in Altavista. The project will create 250 new jobs.

Intersections Inc. is a leading global provider of consumer and corporate identity risk management services. Headquartered in Chantilly, Virginia, its premier identity theft, privacy and consumer solutions are designed to provide high-value opportunities to its marketing partners, including leading financial institutions, Fortune 100 corporations and other businesses. Intersections also markets full identity theft protection solutions under its IDENTITY GUARD® brand ([www.identityguard.com](http://www.identityguard.com)). Intersections' consumer identity theft protection services have protected more than 30 million consumers. ■

## McKesson Chooses Caroline County for New Distribution Operation

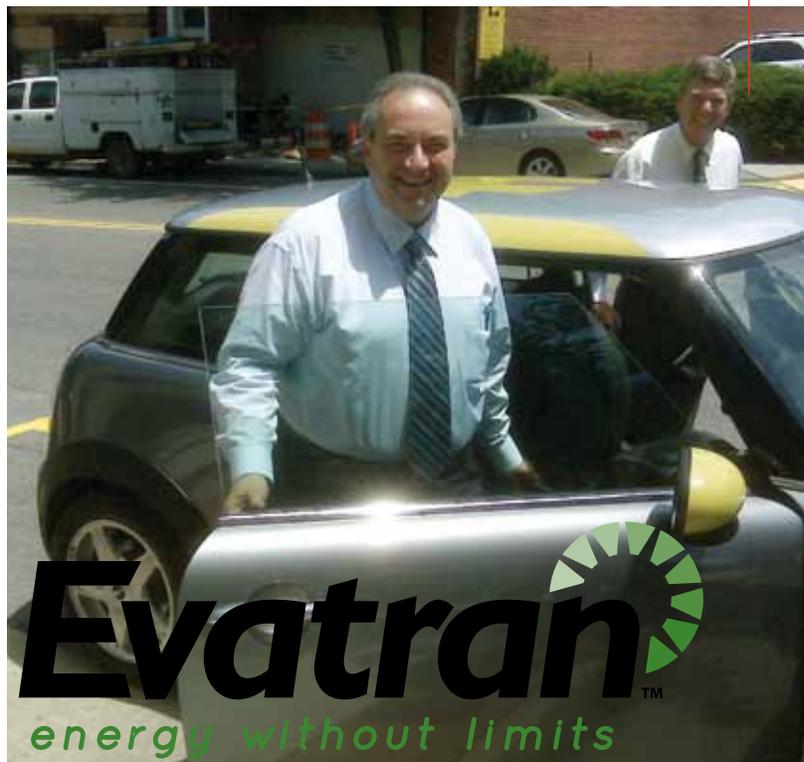
Caroline County will gain 150 new jobs thanks to McKesson Corporation, a leading health care services and information technology company. The company will invest about \$50 million to establish operations to distribute pharmaceuticals and health care products to independent retail, national retail and institutional accounts.

Headquartered in San Francisco, California, McKesson, which is currently ranked 14th on the FORTUNE 500, is dedicated to helping its customers deliver high-quality health care by reducing costs, streamlining processes and improving the quality and safety of patient care. Throughout its 177-year history, McKesson has grown by providing pharmaceutical and medical-surgical supply management across the spectrum of care: healthcare information technology for hospitals, physicians, homecare and payors; hospital and retail pharmacy automation; and services for manufacturers and payors that are designed to improve patient outcomes. ■

## Evatran to Manufacture First “Hands-Free” Charging System for Electric Vehicles in Wythe County

A revolutionary new technology will bring 84 jobs to Wythe County. Evatran LLC, a subsidiary of MTC Transformers and the manufacturer of the world's first “hands-free” electric vehicle supply equipment (EVSE), will invest \$3.5 million in a new facility in Wytheville in Wythe County that will manufacture Plugless Power™ charging technology for electric vehicles.

Utilizing a unique dual-component system based on inductive technology, Evatran's Plugless Power™ streamlines the process of charging electric vehicles by eliminating the nuisance of the cord and the plug. The result is a system that is convenient, universal and reliable. Evatran's customers are manufacturers, dealers and drivers of electric or extended-range hybrid vehicles. Other customers utilizing Plugless Power™ may include corporations, municipal governments, utilities, residential developers, homebuilders, retailers and small businesses. ■



## DuPont Establishes Facility in Chesterfield County

Governor McDonnell had the honor of announcing the plans of a science leader and a major employer in the Commonwealth—DuPont will invest \$20 million to establish a facility in Chesterfield County. The company will make the first nanofiber-based polymeric separators for high-performance lithium-ion batteries for electric vehicles and many other potential commercial uses.

The facility, an early commercial-scale plant to produce the new material for this growing market, will be located at a leased building in Chesterfield County and will begin operations in early 2011. It will further refine and develop DuPont™ Energain™ separators, a nanofiber-based material that improves safety by allowing high-performance lithium-ion batteries to operate at higher temperatures and can increase power up to 30 percent. ■



## CEO Welcome Reception

On August 2, 2010, Governor Bob McDonnell and First Lady Maureen McDonnell hosted a reception at the Executive Mansion to honor business leadership in the Commonwealth of Virginia and to welcome Wes Bush, Chief Executive Officer and President of Northrop Grumman, to Virginia.

Approximately 70 business and government leaders attended the event. Special recognition was given to companies who have announced projects in Virginia since the beginning of the McDonnell administration, including Northrop Grumman, Morgan Lumber Company, Phoenix Packaging Group and Virginia Castings. ■

(Hot Deals continued on page 8)

## Virginia Gains 100 New High-Tech Jobs



Harris Corporation, an international communications and information technology company, will expand its operations in Virginia. This most recent growth stems primarily from the expansion of Harris' Cyber Integrated Solution business. A significant portion of this business will be centered in the City of Harrisonburg.

Harris' latest initiatives in Virginia will create more than 100 new high-tech jobs, further demonstrating the vitality of the state's current and future workforce. The company currently has more than 1,900 employees in Virginia, located primarily in Lynchburg and the northern part of the state.

Harris is an international communications and information technology company, serving government and commercial markets in more than 150 countries. Headquartered in Melbourne, Florida, the company has approximately \$5 billion in annual revenue and more than 15,000 employees—including nearly 7,000 engineers and scientists. Harris is dedicated to developing best-in-class-assured communications® products, systems and services. ■

## Praxair to Open a Gases Operation in Hopewell

Praxair, one of the largest industrial gases companies in the world, will invest more than \$15 million to locate a gases operation on the property of Osage Bio Energy's facility in the City of Hopewell. Praxair will capture and purify carbon dioxide from Osage's Appomattox Bio Energy facility and market it in applications such as: the food industry to freeze food; the beverage industry to make carbonation; and the energy market to extract natural gas from the ground. The project will create 17 jobs with an average annual salary of \$50,000.

Praxair, Inc. is a global Fortune 300 company that supplies gases, high-performance coatings, and related services and technologies to a wide range of customers. With 2009 sales of \$9 billion, the company has 27,000 employees and operations in more than 30 countries. The company currently employs more than 50 Virginians in different parts of the business. ■

## Northrop Grumman Chooses Fairfax County as Home to its Corporate Headquarters

Northrop Grumman made its decision to relocate its headquarters from California to Virginia in April, but had not yet determined the exact location of their future home in the Commonwealth. In July, the Company announced its purchase of an existing office building in Falls Church in Fairfax County.

The 334,000-square-foot facility, located off Route 50 and the I-495 Beltway, was chosen for its good location and proximity to Northrop Grumman's customers, and required little modifications. The company will begin operations in its new location in summer 2011. ■



## Icelandic USA Expands in Newport News

Icelandic USA, a U.S. corporation and a wholly owned subsidiary of the Icelandic Group hf in Reykjavik, Iceland, plans to build an 87,700-square-foot addition to its headquarters in north Newport News.

Icelandic is a frozen seafood supplier for chain and fast-food restaurants, as well as cafeterias in schools and hospitals. The company is also looking to tap into grocery store sales and expand its product line, which will be made possible through the addition.

The expansion should be completed by spring 2011. ■

## Régitex Makes Investment in Mecklenburg County



Régitex USA LLC, a manufacturer of made-to-order ring-spun and open-end yarns, will invest \$1.5 million to open a manufacturing operation in Mecklenburg County. The company will acquire and upgrade an existing textile plant, creating 60 new jobs.

Régitex USA LLC is a subsidiary of Régitex Inc., a family owned business headquartered in Québec, Canada since 1976. Régitex Inc. produces leading-edge yarns in an assortment of colors and natural blends, using a wide variety of natural and synthetic fibers for end-users in the industrial, protective apparel, high-performance and home furnishing markets. New product development is based on customer needs and a comprehensive understanding of the market, inspiring Régitex to focus development on new and distinctive high-quality custom yarns with properties unique to client needs. ■

(Hot Deals International continued on page 9)

## Global Company Expands and Moves North American Headquarters to Shenandoah County



Governor McDonnell was present at the ribbon-cutting officially celebrating Mercury Paper, Inc.'s expansion in Shenandoah County and relocation of its North American headquarters to the site. Announced in March, the company will create 150 new jobs. Mercury Paper's parent company, Sinar Mas Group, one of the world's leading pulp and paper companies, is headquartered in Shanghai, China. ■



Governor McDonnell congratulates Phillip Rundle, Mercury Paper CEO, on the company's expansion and North American headquarters relocation in Shenandoah County.

## Governor's Marketing Mission to Europe brings 174 jobs to Virginia



The Hornschuch Group will invest \$28.3 million to expand its O'Sullivan Films operation in Winchester. The Hornschuch Group acquired O'Sullivan Films in March 2010. The project will create 174 new jobs in the Winchester area.

Governor McDonnell met with officials at The Hornschuch Group in Germany during his European Marketing Trip in July.

Hornschuch is a leading producer and marketer of highly technical films, foils and artificial leather for the home decoration, fashion, furniture, automotive and construction-related markets through its well-known brands, d-c-fix and Skai. The headquarters and manufacturing are located in Weissbach, Germany, with 800 employees and more than 80 representatives worldwide. Hornschuch was founded in 1898. The current management team has more than 10 years' entrepreneurial experience in several MBOs and sold the majority stake in the company to Barclays Private Equity in 2008. Hornschuch has developed a strong track record of growth and product innovations over the last several years.

O'Sullivan Films is a recognized leader in the production and commercialization of polymer films and finishing film technologies serving the building products, consumer, health care and automotive markets. It employs 375 people at its facilities in Winchester, Virginia. O'Sullivan has been in existence for more than 114 years. ■

## Touting Rural Virginia

-By Mary Rae Carter, Virginia Deputy Secretary  
of Commerce and Trade for Rural Economic Development

As the first Deputy Secretary of Commerce and Trade, and Senior Liaison to the Governor on rural issues, I am honored to have been appointed by Governor Bob McDonnell to serve in this role. The Governor realized while traveling Virginia as the Attorney General and as a candidate for Governor that rural Virginia represents a strong work ethic, a wealth of natural resources, an abundance of land, and a low cost for doing business. He appreciates what rural Virginia has to offer and, therefore, decided it was time Virginia take notice of an area of our state that needs to be recognized for what it contributes to the Commonwealth.

Since my appointment in April, I have met with regional and local economic development organizations, chambers of commerce, businesses and industries, elected officials, universities, community colleges and prospects looking to expand or locate in Virginia. I am assisting localities with overcoming obstacles concerning state issues in order to create and grow jobs in our many regions.

Rural Virginia is very diverse in its economy and strives to continue to be so. Among many of the attributes of rural Virginia, the Commonwealth has One Partner, a certified Tier 3 data center in Scott County, the only one in Virginia and only one of two in the United States—overall there are only five certified Tier 3 data centers in the world. Recently, Microsoft announced its plans to locate a state-of-the-art data center in Mecklenburg County.

Prince George County boasts advanced manufacturing with the addition of Rolls-Royce, and Martinsville/Henry County has RTI Metals, which produces titanium for the aerospace industry.

Wallops Island on the Eastern Shore offers commercial space-launching capability and the Shenandoah Valley hosts SRI International,



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## Forbes Names University of Virginia the Top Non-Military Academy Public University

Forbes magazine's "America's Best Colleges" ranked the University of Virginia the highest non-military academy public university. UVA took the 44<sup>th</sup> spot overall among 610 schools, which included both private and public institutions.

The rankings reflect student satisfaction, postgraduate success, measures of student debt, four-year graduation rates and competitive awards won by students.

Seventeen other Virginia schools also made the *Forbes* list, with the College of William and Mary and the Virginia Military Institute also receiving spots in the top 75. Washington and Lee University, the University

of Richmond, Sweet Briar College, Randolph-Macon College, Virginia Tech, James Madison University, Hampden-Sydney College, the University of Mary Washington, Hollins University, Randolph College, Emory & Henry College, George Mason University, Roanoke College and Longwood University were also ranked.

UVA also took 43<sup>rd</sup> in the "America's Best College Buys" rankings, which divided its overall quality score by 2008 tuition and fees. In addition, UVA's financial aid program, AccessUVa, was named second in the country by the *Princeton Review's* "Guide to the 373 Best Colleges" earlier this year. ■

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## Virginia Named a Top Ten State by *Area Development*

Surveying leading site consultants, *Area Development* magazine named Virginia among the top ten states for eight key site selection criteria. The Commonwealth was among the consultants' top choices in the Most Business-Friendly category and among their top five picks in the Corporate Tax Environment category. Virginia received the No. 9 ranking overall, meeting key location requirements.

From the eight site selection criteria, consultants chose their "top picks" in each category. Ranging from Lowest Business Costs to Shovel-ready Sites, the categories reflect each state's ability to meet site consultants' key location requirements. ■

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## Pollina Names Virginia the Most Pro-Business State for 2nd Straight Year

Virginia is the "most pro-business state" in America according to Pollina Corporate Real Estate, Inc.'s Corporate Top 10 Pro-Business States for 2010 rankings. This marks the fourth time the Commonwealth has held the top spot, with previous top rankings garnered in 2003, 2007 and 2009.

In the official release from Pollina, the company notes that the study involves, "... ranking states based on 31 factors controlled by state government, including taxes, human resources, education, right-to-work legislation, energy costs, infrastructure spending, workers' compensation laws, economic incentive programs and state economic development efforts."

Speaking about the ranking, Governor McDonnell said, "Pollina has pointed out what we've known here in Virginia for a long time—that we are the best state in America for business. That's no small feat in such a tough economy. Pollina clearly recognized the pro-business atmosphere and first-class educational system we have built here in Virginia. And that work is ongoing. This past General Assembly session, we were able to secure a robust package of economic development incentives which we're using around the state, country and world to create jobs for Virginians." ■

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## Virginia Remains Among CNBC's Top States for Business

Virginia took home a second-place spot in CNBC's fourth annual Top States for Business review. The finish makes it the second year it has held the No. 2 spot, with first place finishes in 2007 and 2009.

The study ranks ten broad categories, including workforce, quality of life, transportation, education, business friendliness, and access to capital. Virginia received highest rankings in the regulatory and litigation environment category, while also getting good marks in transportation and infrastructure.

Virginia continues to be competitive across multiple categories, remaining a top-tier state for business year after year.

Texas took home No.1 this year, with Utah, North Carolina, and Massachusetts taking the third, fourth, and fifth place spots. ■

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(Touting Rural Virginia continued from page 9)

a cutting-edge research and development firm known throughout the world for its work. These are just a few of the many cutting-edge businesses and industries located in our rural communities.

For too long, rural Virginia has been one of the Commonwealth's best-kept secrets. My goal in this very important role is to have the rural regions of the state well-known domestically and globally as a place to start a business, expand a business or relocate a business. Equally important is communicating that rural regions of Virginia have the necessary infrastructure for data centers, renewable or alternative energy, advanced manufacturing, and research and development projects.

Governor McDonnell, Lieutenant Governor Bolling and the Administration are working very hard to make sure this well-kept secret is a secret no more. It is important to this Administration that all of Virginia is equally represented when showcasing our great Commonwealth as the best state to do business.

*Mary Rae Carter is a native of southern Virginia and served two terms on the Board of Directors of the Virginia Economic Development Partnership. She also served as interim director of the Southern Virginia Economic Development Partnership and Henry County Office of Commerce.* ■

## Meet Donald Seale, one of VEDP's Newest Board Members

VEDP recently had the opportunity to conduct a question and answer session with Donald Seale, a member of the VEDP Board of Directors.

### Tell us about your professional experience and how it will benefit the Commonwealth in your new role as a VEDP board member.

I have over 30 years of commercial and economic development-related experience with my company, Norfolk Southern Corporation. During my career, I have been involved in numerous domestic and international economic development projects, ranging from new auto assembly plants to steel production facilities, to Port infrastructure. Today, as Executive Vice President and Chief Marketing Officer for Norfolk Southern, I have executive responsibilities for our industrial development efforts domestically and abroad, as well as for real estate and all commercial activities for our 22,000-mile railway system. From this background, I know first-hand the power of economic development, its very positive impact on job creation, and its ability to generally improve the economic well-being of regions and states. As a new Board member of VEDP, I am committed to using this experience to fully support VEDP and economic growth and job expansion in the Commonwealth.

### Prior to your Board appointment, how much did you know about VEDP and its mission?

I was quite aware of VEDP and its mission prior to joining the Board. My predecessor at Norfolk Southern, Ike Prillaman, was appointed to the original VEDP Board by Governor Allen in 1995, and served in that capacity for over 14 years. Secondly, through our industrial development activities in the Commonwealth, our ID Team has worked with the VEDP Team on a systematic basis since its inception in 1995.

### From your perspective, what do you think the Commonwealth's greatest strengths and weaknesses are in terms of economic development?

The Commonwealth has a number of key strengths today in attracting new industries and economic development. First and foremost, the strong support and focus on economic development and job creation from the Governor, Lieutenant Governor, and other officials of the Commonwealth,

along with a very well-organized and effective VEDP team, is of great benefit. This is a powerful and effective combination in support of industries looking to locate new production, technology, or regional or headquarter offices. Closely aligned with this overall support system is a very favorable labor climate, and a workforce that generally is very attractive to numerous industries. We are fortunate to have strong educational opportunities in the Commonwealth, ranging from very capable community colleges to some of the top universities in the nation, all of which combine to create workforce development that is a true advantage for us.

With respect to weaknesses, the Commonwealth has not always been as competitive as other states with respect to economic incentives for new projects. However, I see that posture changing today, and we are at an exciting crossroads where I believe we are ready to attract some major new projects to our state.

### What do you hope to gain from your Board participation?

It is an honor to have the opportunity to serve with the other Board members of VEDP to support such a fine organization and its very capable leadership. Improving the number of quality jobs and economic opportunities in the Commonwealth are indeed noble objectives, and I hope to be able to contribute to those objectives through my Board duties.

### When you are not working or serving Virginia on VEDP's Board, what do you do in your free time?

My hobbies include golf, albeit not a high level of skill, travel, fly fishing, and just getting outdoors for long hikes and climbs. My wife, Barbara, and I both enjoy golf and photography during trips out West or to Europe.

### Is there anything else you would like for VEDP staff and the economic development community to know about you?

My immediate goal now is to become better acquainted with my fellow VEDP Board members and the VEDP leadership team, and to ensure that we collectively do the very best job possible in attracting new jobs and companies to the Commonwealth. ■



## Greene County a Good Fit for Ashbury International

Defense contractors looking to set up business close to the National Ground Intelligence Center (NGIC) in northern Albemarle County might want to look no farther than rural Greene County.

"It's a small community with big ideas and a vision for the future," said Mike Harvey, President of the Thomas Jefferson Partnership for Economic Development. "As the crow flies, it is four miles from the National Ground Intelligence Center's Rivanna Station and a new Defense Intelligence Agency facility."

In fact, the county, and those that do business in the county, have been contributing to that vision since 2005, when legislation was issued

stipulating the relocation of 800 employees performing select intelligence analysis to NGIC's home at Rivanna Station.

Harvey says that Rapidan Center—a mixed-use project less than three miles from Rivanna Station and zoned by Greene County for office, retail and residential accommodations—is tailor-made for NGIC support.

Anticipating expansion, the national defense contractor Ashbury International Group Inc. moved its operations to Greene County early last year.

"The move was easy," said Ashbury President Morris Peterson. "We were looking to establish a facility that would allow our business to grow

(continued on page 15)

## Canon Virginia, Inc. Celebrates 25 Years in Virginia

On September 2, Canon Virginia, Inc. celebrated its 25<sup>th</sup> anniversary as a Virginia facility.

The dinner was hosted by Mr. Takayoshi Hanagata, Chairman of Canon Virginia.

Governor McDonnell attended the event, along with Virginia Secretary of Commerce and Trade Jim Cheng. Mr. Fujio Mitarai, Chairman and Chief Executive Officer of Canon Inc., attended, along with several executives from Canon USA. Governor McDonnell and Secretary Cheng met privately with Mr. Mitarai and Mr. Hanagata prior to dinner to exchange gifts and discuss future opportunities for Canon Virginia.

Also in attendance were several managers from VEDP, local officials, and special guests, including former Newport News Mayor Joe Frank and former Governor of Virginia Gerry Baliles.

Governor McDonnell presented Chairman Hanagata a framed letter to Canon associates that appeared in the local newspaper that day, congratulating them on 25 years of successful business growth.

Canon Virginia, Inc. employs nearly 2,000 dedicated professionals and is a leader in community support and environmental conservation. ■



Pictured left to right: Roy Dahlquist, VEDP International Manager; Jim Cheng, Virginia Secretary of Commerce and Trade; Governor McDonnell; Fujio Mitarai, Chairman and CEO, Canon Inc.; and Takayoshi Hanagata, Chairman, Canon Virginia, Inc.

## Essel Propack Expands for 4th Time in Danville

In 2002, Essel Propack, the largest specialty packaging company in the world, located its first U.S. facility in Danville. The company manufactures laminated and plastic tubes for the oral, cosmetic and health care industry. Fast-forward eight years and the Mumbai, India-based company will expand for the fourth time.

In September the company announced plans to begin construction on a \$10 million consolidation project, which will result in the expansion of its existing building in Airside Industrial Park in Danville. Essel will consolidate its production with that of Arista Tubes to reach optimum manufacturing efficiency and capacity to service future business contracts.

Essel Propack's first expansion occurred in 2003 after just a year in operation. The company invested more than \$10 million and created 50 new jobs. The second expansion followed in 2005, resulting in a \$15 million investment and 40 new jobs. Two short years later, Essel invested another \$14 million to expand the capacity of the facility and create a state-of-the-art printing center to support both Essel Propack and Arista Tubes.

When asked about the company's success in Danville, Ted Sojourner, Vice President - Tubes & Laminates, Americas, Essel Propack, said, "Essel Propack has seen significant growth since locating its first U.S. manufacturing facility in Danville. We have been able to continue gaining market share in North America and have seen success for several reasons. Danville has provided a great market for labor force—our employees are dedicated, committed and hard-working. Essel Propack's strategic Virginia location provides convenient access to our customers along the Atlantic Coast. Danville's Institute for Advanced Learning and Research and Danville Community College have been valuable resources for technical development and

workforce. Finally, the relationship between Essel Propack and the City of Danville's

Office of Economic Development has been priceless. We have received great support and resources from this community and look forward to the company's continued success in Virginia."

Danville is also grateful that Essel Propack has excelled in Danville. "We are pleased with the level of commitment Essel Propack has made to the Danville community," said Jeremy Stratton, CECD, Director, City of Danville, Office of Economic Development. "This is the fourth expansion in the past seven years. With this announcement, the company is purchasing the facility from the City and doubling the size of the building. Essel Propack is an integral corporate partner to the City of Danville as well as one of the growing number of international companies that call southern Virginia home."

Essel Propack manufactures laminated and seamless tubes that cater to the top multinational companies in the toothpaste, cosmetics, pharmaceutical, food and industrial sectors. Headquartered in Mumbai, India, the company is the flagship of Essel Group, which has a wide range of global business interests encompassing specialty packaging, media programming, broadcasting and distribution, entertainment, telecom and trading. ■



# ESSEL PROPACK

## VALET Program Graduates 7 Companies; Welcomes 12 New Companies

Seven companies graduated from VEDP's Virginia Leaders in Export Trade (VALET) program in July, including Air Systems International, Inc. of Chesapeake; CVG, Inc. of Chantilly; Foot Levelers of Roanoke; Hamilton Beach Brands, Inc. of Henrico; Ply Gem Building Products of Roanoke and Rocky Mount; PARI Respiratory Equipment, Inc. of Chesterfield; and VSD, LLC of Virginia Beach.

Launched in January 2002, the VALET program assists exporters in the Commonwealth that have firmly established domestic operations and are committed to international exporting as an expansion strategy. Participating firms are chosen based on their dedication to growth through export. The VALET program now has 93 graduates.

VEDP- International Trade also welcomes 12 new companies into the two-year VALET program. The new companies accepted into the program include BDI of Chantilly; BOSH Global Services of Newport News; Customer

Value Partners and SSB BART Group, Inc., both of Fairfax; Delta Pure Filtration of Hanover; Identification International, Inc. (i3) of Blacksburg; Shibuya Hoppmann Corporation of Culpeper; Syntronics LLC of Spotsylvania; Timber Truss Housing Systems, Inc. of Salem; Universal Companies, Inc. of Abingdon; Valkyrie Enterprises, LLC of Virginia Beach; and WR Systems, Ltd. of Norfolk.

These companies join the program as part of the 18<sup>th</sup> class of VALET companies. To participate, each eligible business must meet several quantitative criteria and complete an application process. Participating firms are chosen based on their dedication to growth through export. Currently, more than 100 Virginia companies have been accepted to participate in the VALET program. ■



## Mar-Bal Incorporated Wins Award from Eaton Corporation

Diversified industrial manufacturer Eaton Corporation has recognized Mar-Bal, Incorporated with the Eaton Premier Supplier Award. The Eaton Supplier Award recognizes its top suppliers for their contributions in the areas of cost management, innovation, quality, delivery, and other attributes delivered in 2009 that contributed to Eaton's success. Mar-Bal, an innovative leader in the thermoset industry since 1970, is part of an elite group that represents the top 0.05% of Eaton's global supply base. The company received the award at Eaton's supplier meeting in Cleveland, Ohio.

Mar-Bal's goal is to be the customer service leader in the engineered composites industry through innovations in molding, materials and process development, and to develop and continuously improve long-term relationships with customers, suppliers and employees.

Eaton Corporation is a global technology leader in electrical components and systems for power quality, distribution and control; hydraulics components, systems and services for industrial and mobile equipment; aerospace fuel, hydraulics and pneumatic systems for commercial and military use; and truck and automotive drivetrain and powertrain systems for performance, fuel economy and safety. ■

## VALET Program Expands and Welcomes New VALET Program Co-Manager

The new fiscal year marked big changes for the Virginia Economic Development Partnership – International Trade, specifically, for its Virginia Leaders in Export Trade (VALET) program as it began the process of expanding. More companies accepted into the program that will receive more assistance ultimately translates into increased exports from Virginia.

Previously, the VALET program had 30 companies as participants over the course of two years. Due to the proven increase in international sales for companies in the program, the VALET program has expanded to work with more Virginia companies. Instead of accepting only 15 companies into the program each year, 25 will be selected for the program, for a total of 50 per two years. In addition, companies in the program will have access to \$15,000 in reimbursement funds, an increase from \$10,000, from the Commonwealth. The program will continue to provide participating companies assistance from a team of experienced international service providers to help them meet their international goals. Private-sector service providers such as attorneys, Web designers, bankers, translators and freight forwarders contribute essential expertise for expansion into international markets.

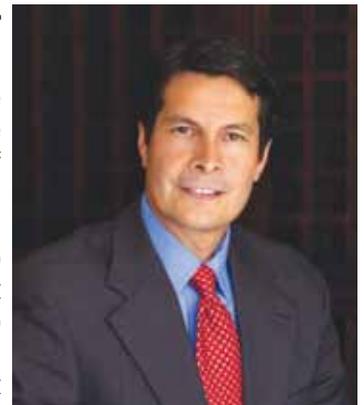
"The VALET Program generates international sales for Virginia companies," said Paul Grossman, VEDP Director of International Trade and Investment. "Since its inception in 2002, the program has worked with

more than 100 companies to produce an average 88 percent increase in international sales. Because of the program's proven success and because jobs are created when Virginia companies sell more into global markets, it is important that we expand the VALET Program to assist more Virginia companies."

Besides the obvious benefit of increased financial assistance, larger classes will translate into greater networking opportunities. It is also expected that the expanded VALET program will offer more occasions for companies to discuss relevant international business topics in person and via Web-based discussions.

With the expansion of the program, the need for another VALET Program Manager was evident. Now, along with Leslie Parpart, the VALET program will be co-managed by Oscar Ruiz, the latest world traveler to join the ranks of VEDP – International Trade.

With extensive experience in international business, Ruiz joins VEDP – International Trade after a successful career with the Albemarle Corporation.



(continued on page 15)



## Ground is Broken for University of Mary Washington Dahlgren Campus

Ground was broken near the Naval Support Facility Dahlgren in King George County recently that will soon house a unique higher education campus. Fredericksburg's University of Mary Washington (UMW) is in the process of constructing a \$20.4 million facility outside the Navy base to address the needs of Defense Department civilians, service members and contractors working in the area.

The UMW Dahlgren Campus Center for Education and Research will offer science and engineering programs delivered by Virginia universities and the Naval Postgraduate School. These will be primarily post-graduate (master's and PhD) level, designed to support the high-tech civilian and military workforce at Dahlgren. The 40,000-square-foot facility will feature 21 classrooms and a 3,200-square-foot multipurpose room, all with state-of-the-art instructional technology, wireless access and videoconferencing capabilities.

The facility got its start through the Virginia General Assembly in 2007, which wanted to meet the engineering and scientific educational needs of workers at Dahlgren as a way of supporting the Navy's presence there. The General Assembly voted to provide funds toward the purchase of 26 acres in Dahlgren, and the legislature the following year provided the funds necessary for construction. The base employs about 3,900 Defense Department civilians and 900 service members, but also supports employment of around 4,000 contractors. The base's largest tenant is the Naval Surface Warfare Center; other tenants include the Aegis Ballistic Missile Defense, Navy Air & Missile Defense Command, and Detachment One of the 20th Space Control Squadron.

Site work began in Dahlgren earlier this summer, and a ceremonial ground-breaking was held on September 17, 2010. The facility is expected to open in 2012. The building is designed to meet LEED Silver standards, and will incorporate several unique features, including a green roof.

In addition to the Naval Postgraduate School, other Virginia schools will partner with UMW to offer courses, including George Mason University, Old Dominion University, Virginia Tech, the University of Virginia and Virginia Commonwealth University. Additional courses will also be offered by Germanna Community College and Rappahannock Community College.

Earlier this year, Dahlgren's Naval Surface Warfare Center (NSWC) and UMW expanded an existing educational partnership that provided

This University of Mary Washington rendering shows the Dahlgren Campus Center for Education and Research as it will look when opened in 2012. The new campus will support graduate-level technical and engineering courses offered through a variety of Virginia institutions. (University of Mary Washington)

students an opportunity to work with experienced warfare center personnel in facilities, and with equipment related to chemical, biological and radiological defense. The expanded agreement's scope includes additional mutually beneficial innovative research projects across NSWC Dahlgren's unique technical capabilities. The NSWC has loaned a nuclear magnetic resonance spectrometer to the university, and has given a \$10,000 grant to allow the school to buy additional equipment and operate projects related to the device.

"I'm delighted the university has been able to partner with NSWC Dahlgren, and look forward to ever-increasing ties as we plan for the opening of a new facility adjacent to the Center next year," said UMW president Rick Hurley. "This partnership provides the seed for limitless educational opportunities that will benefit both students and faculty at Mary Washington, and the scientists at Dahlgren." ■



The 40,000-square-foot facility will incorporate a variety of environmentally friendly technologies, including a green roof. The building will be built to LEED Silver standards, and inside will feature classrooms, offices and a large multi-purpose room, all with state-of-the-art instructional technology, wireless access and videoconferencing capabilities. (University of Mary Washington)

# Quarterly Calendar

Nov. 8-12	CR	Marketing Mission—Northern California
Nov. 8-12	SK	Group Market Visit—Brazil & Chile
Nov. 14-15	KM	Private Label Manufacturers Association—Chicago
Nov. 14-17	KM	7x24 Exchange Fall Conference—Phoenix, AZ
Dec. 4-7	SK	Group Market Visit—Saudi Arabia
Dec. 14-16	KM	Power-Gen International—Orlando, FL
Jan. 11-13 (2011)	KM	Automotive News World Congress—Detroit, MI
Jan. 16-17 (2011)	KM	NASFT Fancy Foods—San Francisco, CA
March 7-11 (2011)	SK	Group Market Visit—Canada
March 21-25 (2011)	SK	Group Market Visit—Australia

KM	Kevin Miller	(804) 545-5816
SK	Scott Kennedy	(804) 545-5754
CR	Chuck Rogers	(804) 545-5808

(Greene County continued from page 11)

and evolve as a government/defense contractor. Greene County proved to be the best location for our company.”

Greene County Economic Development Director Tony Williams explains the county’s streamlined process that enabled Ashbury to spend less time on the permitting process.

“The fact that we are lean and closely interconnected makes for a smooth transition,” Williams says. “We are able to hand-carry applications and forms from department to department, closely monitoring the process to meet the applicant’s deadline.”

Ashbury is an established defense contractor specializing in systems integration of laser range finders, combat equipment, night vision devices and other infantry and special operations equipment. Its clients include the Marine Corps, Army, Navy, the Special Operations Command, and agencies in the Department of Homeland Security and allied foreign governments

Immediately, Ashbury began expanding its newly acquired \$5 million facility to 45,000 square feet, including a 15,000-square-foot build-out, to accommodate all of its tactical systems integration, security, training and emergency preparedness divisions.

The relocation allowed the company to enlarge its engineering operations and small arms manufacturing, and develop products for nonmilitary agencies and businesses such as emergency preparedness and disaster response.

Within a year, Ashbury’s ICE PACK™ brand (In Case of Emergency) was off the drawing board and into production.

ICE PACK™ products now include Emergency Sustainment and Escape and Evacuation systems.

Since settling in Greene County, Ashbury and its subsidiaries have expanded twice, and plan on continued growth in the future. ■

(VALET continued from page 13)

He was with the company for 15 years, during which time he lived in Japan for four years and was responsible for Asian business development activities. Prior to his Asia posting, Ruiz was responsible for Latin American sales and independent country agents in the region. In 2004, corporate changes created an opportunity for Ruiz to return to the United States. He had the option of going back to Louisiana or coming to Virginia. Having never lived in Virginia, he and his wife chose Richmond as their family’s new home.

In 2008, Albemarle Corporation decided to consolidate operations in Louisiana. Ruiz could have moved back to Louisiana, but he and his wife decided to stay in Virginia, feeling that the quality of life was too good to leave. Virginia fit his family’s active lifestyle perfectly, offering easy access to biking, hiking, camping, the beach, the mountains and cultural activities. The quality of their children’s schools was also a major factor in their choice to remain in Richmond. His son is a senior at the Mathematics and Science High School at Clover Hill, and his daughter is a freshman there as well. Like their father, a love for diverse cultures has trickled down to the children, with both students studying Spanish and embracing foreign cultures.

When asked what he likes most about working with VEDP – International Trade, he replied, “There is so much international opportunity here in Virginia. To be a part of that, and to live in such a great place, is tremendously rewarding.”

For information about the VALET program, visit <http://www.exportvirginia.org/valet.html>. ■



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## did you know

### Five Virginia Universities are ranked America's Best

*U.S. News and World Report's* "America's Best Colleges" ranked five Virginia universities in the top 100 public universities. The same five schools also fell within the top 200 of the Best National Universities, a combined list of public and private institutions. The University of Virginia received 2<sup>nd</sup> place honors in the Best Public Universities ranking and placed 25<sup>th</sup> among national universities.

The College of William and Mary also received high placement, securing the No. 6 spot among public universities and No. 31 nationally. Also included are Virginia Tech, George Mason University and Virginia Commonwealth University.

Virginia universities also fared well in specific areas of study, with U.Va, Virginia Tech, William and Mary, University of Richmond, and George Mason all receiving spots among the Top 100 Business Schools. Virginia Tech and U.Va also took Top 50 honors for Engineering. ■