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Virginia Commerce Quarterly

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EXPANDS

VIRGINIA

its International Presence

Chances are good that international company executives are familiar with the benefits of doing business in Virginia.

But those chances are about to get even better in China and the United Kingdom.

As a result of funding approved during the 2010 General Assembly, VEDP recently hired a marketing firm, HMC Global, to pitch Virginia's business message in the United Kingdom. Hailey Fong, VEDP's representative based in Hong Kong, relocated to China, and Joyce Hua was hired to share Virginia's business benefits with Chinese corporate decision-makers. VEDP also plans to hire a representative in India by June. VEDP currently maintains representatives in Brussels, Tokyo and Mexico.

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Competition for jobs is fierce. Gone are the days of competing against one or two other states. Virginia consistently finds itself up against dozens of states and other countries for today's economic development projects.

To assist the Commonwealth's global marketing efforts, funding was approved during the General Assembly session that supports VEDP's ability to hire additional international marketing representatives. Our cover story highlights our international activity and discusses reasons for targeting China, India and the United Kingdom as markets to focus on to attract international investment.

Economic development also saw support during the 2011 session. The General Assembly made significant strategic investments in the Commonwealth's economic development program, and passed important legislation that will have a significant impact on our efforts going forward. Some notable budget actions included additional investments in Virginia's Enterprise Zone program, an injection of funding into the Virginia Small Business Financing Authority, and additional funds for research and commercialization activities in Virginia. The Governor's Opportunity Fund was restructured to target the state's economic development investments to Virginia's more distressed regions, and a new program was created that provides \$36 million in performance grants for clean energy projects in the Commonwealth. The General Assembly also adopted legislation to create new tax credit programs that will build Virginia's R&D sector and promote export activity through the Port of Virginia.

Economic development activity is on the rise, in terms of both expansions and new projects, across the Commonwealth. J. Crew recently celebrated an expansion of its distribution operations in Lynchburg, creating 177 new jobs. On the heels of its headquarters relocation, Hilton Worldwide announced a \$1.8 million expansion in Fairfax County, relocating more than 100 new jobs in the company's supply management group. Hampton Roads gained 120 new jobs in Hampton with TRG Customer Solutions' announced expansion, while Southwest Virginia welcomed Dove Windows' \$2 million, 100-job announcement in Pulaski and Consolidated Glass & Mirror's \$2.5 million expansion in Galax that will create 54 new jobs.

When we negotiate projects, it's important that revenue impacts on Virginia's communities are considered. With the input and guidance of our local and regional allies, VEDP has released a new, user-friendly Web-based Local Return on Investment Model. The new tool is now available through the iVS VirginiaScan Online Update Center, and you can find more details about the Local ROI Model in the pages that follow.

We are happy to welcome Albert Maiolino and Christian Booty, VEDP's newest staff members. Albert will market Virginia in the Americas, Australia, India and Singapore. Christian serves as a Project Support Manager in our Research Division. VEDP also applauds VEDP board member Hugh Keogh, who was recognized in a House Joint Resolution in his honor for all of the important work he has done during his extensive career.

Sincerely,

Jeffrey M. Anderson

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(continued from Cover)

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"Virginia recognizes that to be successful, it must market itself across the globe," said Paul Grossman, VEDP Director of International Trade and Investment. "Internationally owned companies are rich targets for economic growth across Virginia, investing disproportionately more in advanced manufacturing, energy and global logistics than domestically owned companies. With this increase in our international presence, Virginia will continue to see growth from international clients."

China and India present significant international investment opportunities for Virginia. While the Commonwealth has performed favorably with respect to European foreign direct investment (FDI), Virginia has not performed as well in Asian FDI—14 percent of the Commonwealth's foreign investment as compared to 20 percent nationally. Virginia has not devoted resources in recent years to market to the growing markets of China and India, putting Virginia behind other states in competing for FDI opportunities in these regions.

The time is right, given that the markets of China and India already represent the second and 12th largest national economies respectively, and are expected to grow significantly in 2010.

Chinese companies are actively looking to invest in job-creating projects outside of China. Most of the increases in China's outbound international investment have taken place since 2000 when China officially initiated a "go-out" strategy to promote outbound international investment, relaxed controls on outward capital flows, and simplified administrative requirements.

Economic reforms have made India the world's second-fastest-growing major economy, with a growth rate of 6.1 percent in 2009. Over the past decade, India has developed a sophisticated presence within a number of key industries that align well with Virginia's, including advanced manufacturing and information technology. As Indian companies grow, they look toward international markets, and collectively choose the U.S. as the most popular destination for their international investments.

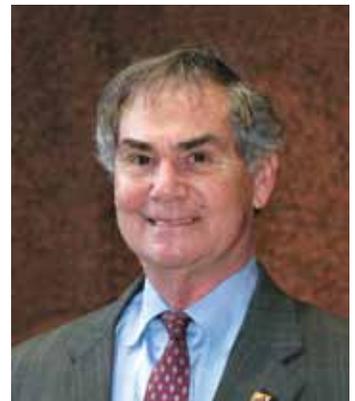
Due to geographic proximity and historic trading ties, Virginia has a higher amount of international investment from Europe—at 76 percent of totals—than does the U.S. at 63 percent. Within the European mix, the U.K. ranks as Virginia's second largest source of investment with more than \$2 billion cumulative total investment. Rolls-Royce's location in Prince George County provides additional reason to establish Virginia's first-ever representative in the U.K. ■

VEDP Congratulates Board Member Hugh Keogh

Not everyone can say that a House Joint Resolution was introduced in their honor.

VEDP board member Hugh Keogh can. It's House Joint Resolution 545, sponsored by Delegate R. Lee Ware, and it highlights Keogh's many accomplishments—from his service as a naval officer in Vietnam to his recent retirement as President and CEO of the Virginia Chamber of Commerce.

The resolution commends Keogh, noting that his achievements "have benefited not only the business community but the Commonwealth as a whole, and have materially contributed to making Virginia the Best State for Business." ■



J.Crew Plans Major Expansion in Lynchburg

J.Crew Group, Inc., a nationally recognized apparel retailer, will expand its distribution operation in the City of Lynchburg, creating 177 new jobs.

J.Crew Group, Inc. is a multi-channel retailer of women's, men's and children's apparel, shoes and accessories. J.Crew debuted in 1983 with the mailing of its first catalog. Six years later, the company opened a flagship store at New York's South Street Seaport. Today, the business includes retail and outlet stores nationwide and an ever-growing online and catalog business. As of January 18, 2011, the company operates 249 retail stores (including 220 J.Crew retail stores, 9 Crewcuts and 20 Madewell stores), the J.Crew catalog business, jcrew.com, madewell.com and 85 factory outlet stores. ■

J. CREW

TRG Customer Solutions Expands in Hampton

Governor McDonnell's Senior Economic Advisor Bob Sledd recently brought good news to the City of Hampton. TRG Customer Solutions, a leading global business process outsourcing (BPO) provider of customer management (CRM) solutions and technologies, and their partner, First Potomac Management LLC, will invest more than \$900,000 to expand their operations in the City of Hampton. The project saves 300 jobs and will create 120 new jobs.

Headquartered in Jacksonville, Florida, the company supports more than 175 global clients from 13 operations centers in six countries. The company maintains over 5,000 workstations that support multi-channel inbound and outbound communications via phone, Web, email, direct mail and fax. TRG Customer Solutions' goals for its clients are to accelerate revenue growth, improve operational effectiveness, increase customer satisfaction and reduce costs. ■



(from left) VEDP Project Manager Judy McClenny, Senior Economic Advisor Bob Sledd, Vice Mayor George Wallace, and TRG Customer Solutions COO Tom Farrell took time out to chat following the company's event.

Pulaski County Gains 100 New Jobs

Pulaski County has a new corporate tenant. Dove Vinyl Windows will invest \$2 million to open its first Virginia manufacturing operation, creating 100 new jobs.

Father and son Phillip and Nathan Dove originally established Dove Industries Inc. in 1945 as Dove Venetian Blind Company in North Hills, Pennsylvania. In 1972, the company name was changed to Dove Vinyl Windows, Inc. Also starting in 1972, the company began to slowly phase out of the retail segment of the business and focus its marketing strategy on the manufacturing end of the aluminum business. By 1980, the company was under the joint leadership of brothers Bruce and Eric Dove. Today, Dove Industries is a major player in the vinyl window industry. The company produces approximately 170,000 vinyl windows per year. ■



Former AET Film Plant in Covington Welcomes New Tenant

The City of Covington is celebrating good news. Continental Waste Management, LLC will invest \$6 million to establish a post-industrial and post-consumer plastic recycling plant in the former AET Film property. The company will also produce plastic/wood composite products, creating 100 new jobs.

Continental Waste Management is a recycling and manufacturing company utilizing environmentally friendly recycling and manufacturing methods to convert waste plastic materials into commercially viable products. The company will be vertically integrated, producing both clean PET Flake/Pellet and molded plastic products for worldwide markets. The Covington manufacturing operation will begin in early summer 2011. ■



Fairfax County Company Expands Virginia Headquarters

NetWitness® Corporation, provider of the world's most powerful network security monitoring platform, will invest \$1.1 million to expand its Virginia headquarters and operation in Fairfax County. The project will create at least 50 new jobs.

NetWitness Corporation provides the world's most powerful real-time network security analysis platform. The company helps government and commercial organizations detect, prioritize and remediate complex IT risks that are invisible to other technologies. NetWitness solutions are deployed in customer environments to solve a wide variety of information security problems, including: advanced threat management, sensitive data discovery and sophisticated data leakage detection; zero-day malware activity discovery, insider threat management, and the continuous



monitoring of security policies and controls. Originally developed for the U.S. government, NetWitness has evolved to provide enterprises around the world with breakthrough methods of network content analysis and situational awareness. Customers include government agencies around the world in defense, homeland security and intelligence, as well as private-sector organizations in banking, energy, telecommunications, retail, health care, education, technology, and many other sectors within Global 1000 organizations. ■

New Jobs and Investment in Galax

Guardian Industries will invest \$2.1 million to expand operations at its Consolidated Glass & Mirror facility in the City of Galax. The project, which involves a new solar energy product line, will create 40 new jobs.

Founded in Galax in 1979, Consolidated Glass & Mirror Corporation became a subsidiary of Guardian Industries in 1992. Guardian currently has 28 float glass lines and 13 glass fabrication plants around the world. The expansion in Galax will enable the company to produce specially coated mirrors used in the technology of concentrating solar power (CSP), a type of solar thermal power. The mirrors track the sun and radiate its energy onto a central receiver, creating the power equivalent of hundreds of suns. That power is used to vaporize water into steam to power a turbine for the generation of electricity. ■

UnitedHealthcare Creates 125 New Jobs in Roanoke

UnitedHealthcare, a UnitedHealth Group (NYSE: UNH) company, is making a multimillion-dollar investment to expand its operations in the City of Roanoke. UnitedHealthcare's expansion is expected to create 125 new jobs over the next two years.

In addition to adding jobs, UnitedHealthcare is expanding and upgrading its leased office space. Improvements, including a complete remodeling of employee work spaces, will begin early this spring and continue into the fall.

UnitedHealthcare's Roanoke employees support the customer care and sales functions of the insurer's Medicare & Retirement business, which serves one in five of the nation's Medicare beneficiaries.

UnitedHealthcare provides a full spectrum of consumer-oriented health benefit plans and services to individuals, public-sector employers, and businesses of all sizes, including more than half of the Fortune 100 companies. The company organizes access to quality, affordable health care services on behalf of approximately 25 million individual consumers, contracting directly with more than 650,000 physicians and care professionals and 5,000 hospitals to offer broad, convenient access to services nationwide. ■

Wood Fuel Developers Establishes 2nd Virginia Operation in Sussex County

Wood Fuel Developers, LLC, an affiliate of Chester, Virginia-based Industrial TurnAround Corporation (ITAC), will invest \$8.6 million to begin wood pellet manufacturing operations in Sussex County. The project will create 28 jobs.

Wood Fuel Developers, LLC is a renewable fuels company that specializes in developing and operating wood fuel and pellet production plants to serve the residential, industrial and power generation markets. Its parent company, ITAC, has been in business for more than 22 years providing engineering, design, and construction management services in the industrial and manufacturing-related markets. ■

Ashland Inc. Invests \$39 Million in Hopewell Expansion

A leading global specialty chemicals company, Ashland Inc., plans to invest \$39 million to improve and expand its Hopewell facility, both preserving the existing 200 jobs and creating 15 new jobs. The expansion will accommodate new equipment to increase Ashland's production capabilities.

Ashland Inc. (NYSE: ASH) is one of the world's leading specialty chemical companies. In more than 100 countries, it provides the specialty chemicals, technologies and insights to help customers create new and improved products for today and sustainable solutions for tomorrow. Its chemistry is used every day in applications from automotive, food and beverages, personal care products, pharmaceuticals, and paper and tissue to durable goods and infrastructure, including building and construction, energy and water treatment. Ashland operates through five commercial units: Ashland Aqualon Functional Ingredients, Ashland Hercules Water Technologies, Ashland Performance Materials, Ashland Consumer Markets (Valvoline), and Ashland Distribution. ■

Hilton to Expand at Headquarters in Fairfax County

Leading hospitality company Hilton Worldwide will invest \$1.8 million to expand in Fairfax County, relocating more than 100 new jobs in the company's supply management group. In August 2009, the company moved its headquarters from Beverly Hills, Calif. to McLean, Va. in Fairfax County.

Hilton Worldwide spans the lodging sector from luxurious full-service hotels and resorts to extended-stay suites and mid-priced hotels. Its brands comprise more than 3,600 hotels and 600,000 rooms in 82 countries and include Waldorf Astoria Hotels & Resorts, Conrad Hotels & Resorts, Hilton, Doubletree, Embassy Suites Hotels, Hilton Garden Inn, Hampton Inn & Suites, Homewood Suites by Hilton, Home2 Suites by Hilton, and Hilton Grand Vacations. The company also manages the guest reward program Hilton Honors. ■

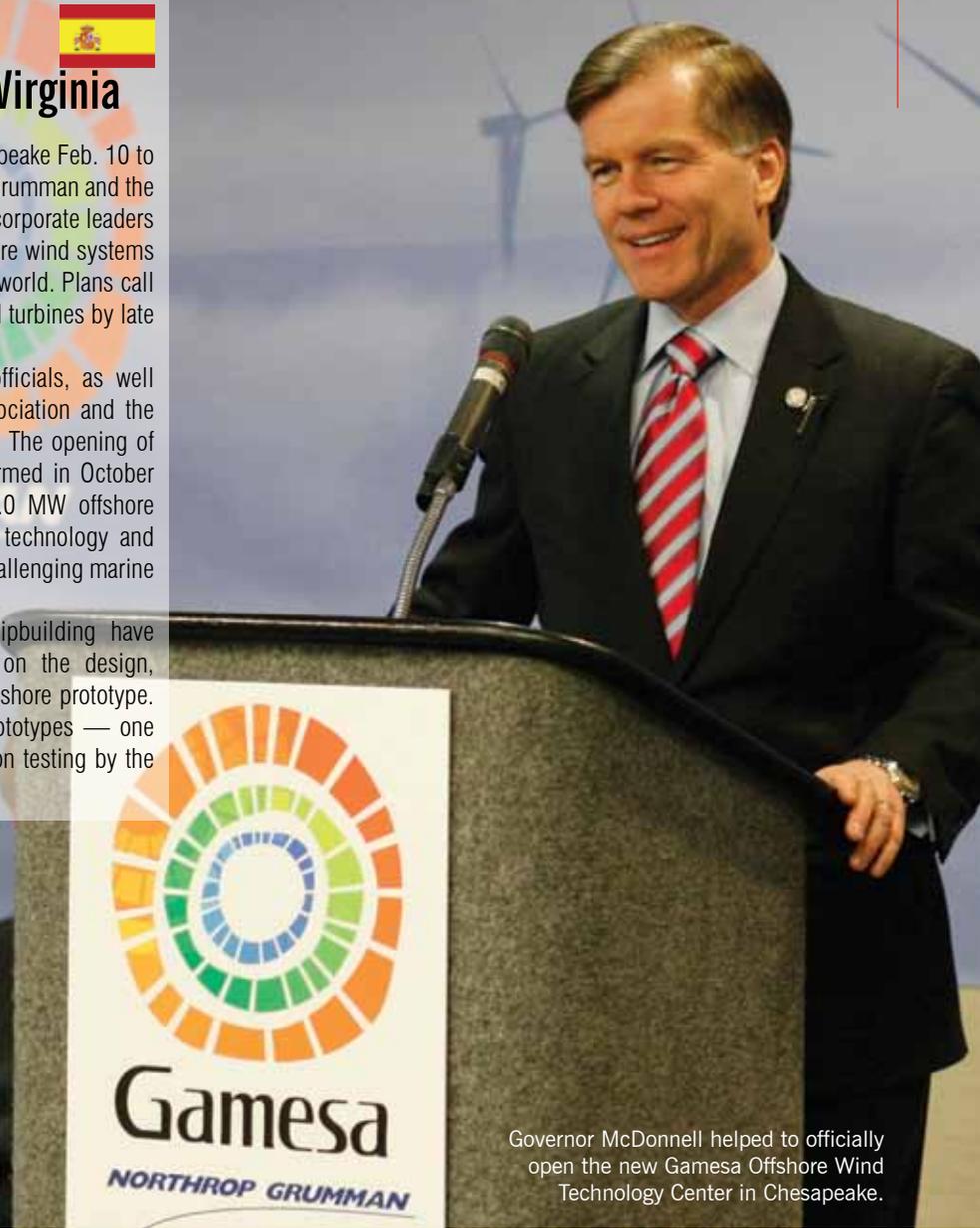


Nation's First Offshore Wind Technology Center Launched in Virginia

More than 100 people filed into a meeting room in Chesapeake Feb. 10 to celebrate the partnership between Gamesa and Northrop Grumman and the country's first Offshore Wind Technology Center. The two corporate leaders are joining forces to develop the next generation of offshore wind systems that will be deployed in the United States and around the world. Plans call for the development of North America's first offshore wind turbines by late next year.

Governor McDonnell joined local and company officials, as well as representatives from the American Wind Energy Association and the U.S. Department of Energy, to applaud the collaboration. The opening of the center builds on the alliance the two companies formed in October to cooperate on the launch of Gamesa's first G11X-5.0 MW offshore prototype in the U.S., using Gamesa's multi-megawatt technology and Northrop Grumman Shipbuilding's broad experience in challenging marine environments.

Since then, Gamesa and Northrop Grumman Shipbuilding have assembled a team of nearly 50 engineers to focus on the design, development and testing of Gamesa's G11X-5.0 MW offshore prototype. The team's immediate goal is to install the first two prototypes — one onshore and one offshore — for comprehensive validation testing by the fourth quarter of 2012. ■



Governor McDonnell helped to officially open the new Gamesa Offshore Wind Technology Center in Chesapeake.

Japanese Company Expands in Botetourt County

Dynax America Corporation, a manufacturer of automotive components, will invest \$15.66 million to expand its operation in Botetourt County. The expansion project will accommodate new contracts with Ford, General Motors and Daimler, creating 95 new jobs.

Dynax America is a subsidiary of Dynax Corporation of Hokkaido, Japan, and located in Virginia in 1996. The company currently employs 360 people at its Botetourt County plant, where it manufactures clutch discs, drive plates, clutch packs and torque converter pistons for automatic transmissions. ■



Abilene continues to invest in green technology and safety as shown in this recently purchased trailer sporting the latest aerodynamically designed air skirt. These skirts cut fuel consumption by up to 6 percent, reducing harmful greenhouse gas emissions.

Abilene: Virginia Company, National Capabilities

If you are willing to work independently or on a team, which may include your spouse, child or the family dog, and commute a minimum of 3,000 miles per week at speeds not to exceed 68 miles per hour, then a job at Abilene Motor Express could be the right fit for you.

Located just off Interstate 95 south of downtown Richmond, Abilene Motor Express transports everything from deli meats to computer monitors across the country and as far as Alaska. The trucking company, named after a small crossroads town in Charlotte County, Virginia, employs almost 300 Virginians, of which about 225 are truck drivers. About 20 percent of Abilene's drivers are women.

Drivers operate as individuals and as teams. Abilene's 30 team operations consist of husband-wife combos, fathers and sons, and other family members who join forces. Drivers who choose to travel independently are often not alone. They bring Fido along.

"We do have a pet policy because we wouldn't have many of the drivers we have without it," said Galax native Keith Jones, Abilene's CEO. "Drivers can have one dog or one cat in the cab. On long drives, they provide companionship and can be good security systems."

Security is a necessity for truck drivers, who are responsible for a valuable load and a high-tech ride. Each Abilene truck is equipped with state-of-the-art equipment, including security cameras that record the road and the inside of the cab.

The Virginia company operates more than 225 power units (the tractor part) and well over 900 trailers. They operate the fleet—half are Volvos, half are Freightliners—on a four-year or 500,000-600,000-mile trade cycle. The company's trucks average 125,000 miles per year.

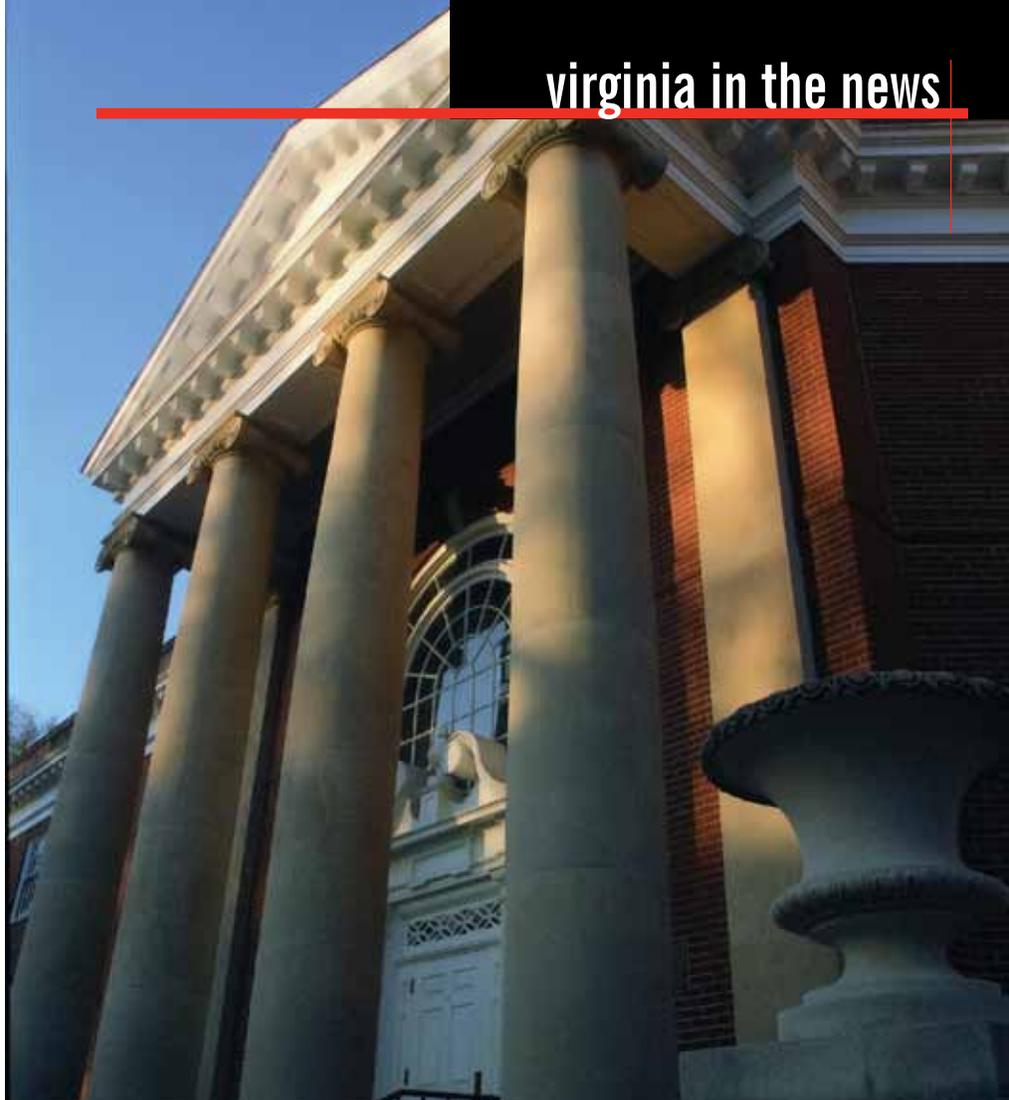
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A Great Education at an Affordable Price

Virginia is a great state to be in if you want a stellar education at an affordable price.

Just ask *Kiplinger's Personal Finance*, which recently included six Virginia colleges on its 2011 list of the 100 best values in public colleges. Based on in-state tuition, the University of Virginia was ranked third and the College of William and Mary ranked fourth. Also on the list were James Madison University (19), Virginia Tech (24), the University of Mary Washington (26), and George Mason University (61). The rankings are based on academics and affordability, with the greater weight given to academic quality.

UVa and W&M have remained in the top five since the first rankings in 1998. According to Kiplinger, the two schools had the highest four-year graduation rates on the list, at 85 percent and 82 percent, respectively.



Virginia's Schools Rank Fourth in Quality

Virginia's public education system ranked fourth place nationally in *Education Week's* annual Quality Counts report. The rankings, published in January, are based on four critical areas: the chance for success, K-12 achievement, school finance, and policies related to transitions and alignment. Virginia's strongest scores were in the chance for success and standards, assessments and accountability categories. ■

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In July 2010, Abilene was the recipient of the keys to Volvo's 300,000th 13-liter heavy-duty diesel engine that was placed in a new Volvo VN780 chassis at Volvo Truck's New River Valley assembly plant.

Jones grew up in Charlotte County, where he and his four brothers learned to operate all kinds of heavy equipment as teenagers, including tractor-trailers. To this day, Jones maintains his commercial driver's license, and, in a pinch, has been known to deliver a load or two. His hands-on approach keeps him, and some of his other management team, close to the action and reminds Abilene employees and customers that the company will do whatever it takes to get the job done.

"All trucking companies struggle to recruit and retain top-notch drivers," Jones said. "Our drivers know they're driving the same type of truck I use. We really think staying close to the operation helps us keep a superior driver force, staying a little ahead of our competitors in driver retention. In this thin-margin business, every advantage helps."

Central Virginia has been a great place for Abilene to grow and prosper,

Jones said. Virginia's pro-business environment, good labor force, proximity to deepwater ports, and interstate highway and rail networks are hard for a manufacturer or distributor to ignore. With team service, Abilene can reach well over half of the United States population within 24 hours—a service that Abilene's clients request almost every day.

Abilene services many Central Virginia-headquartered companies, including Interbake Foods, The Miller Group, ChemTreat, AMF Automation Technologies and PDI. The Miller Group, among others, has used Abilene for almost 25 years. For many companies, moving product quickly and cost-effectively is of paramount importance to their bottom lines.

"Abilene has been my carrier of choice for dedicated shipments for the last nine years," said Tom O'Connell, Controller, BluePrint Automation, Inc. "They have always been there when we were in a jam and have been able to come up with innovative ways to meet our needs. It's great to be able to do business with a local company that has national capabilities." ■



VEDP-International Trade staff members pose with the most recent graduates of the VALET program.

Expanded VALET Program Graduates another Class, Welcomes 15 New Companies

Eight companies from across the Commonwealth graduated from VEDP's Virginia Leaders in Export Trade (VALET) program in January, including Aker Wade Power Technologies, LLC of Charlottesville; A-T Solutions, Inc. of Spotsylvania; DACS, Inc. of Portsmouth; MGC Advanced Polymers, Inc. of Chesterfield; PESCO-BEAM Environmental Solutions, Inc. of Roanoke; Synergy International Systems, Inc. of Vienna; Vaughan Furniture Company, Inc. of Galax; and VTLS, Inc. of Blacksburg. Collectively, these companies have increased their international sales during their two years in the program.

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 101 graduates.

Because of the proven results of the program's graduates, the VALET program has expanded to work with more Virginia companies. VEDP-International Trade welcomes 15 new companies accepted into the two-year VALET program, including Alliance Engineering, Inc. of Chesterfield

County; Alliance Industrial Corporation of the City of Lynchburg; Alpha Industries, Inc. of Fairfax County; Applied Process Technology International, LLC of York County; Cooper Instruments & Systems of Fauquier County; DRS C3 & Aviation Company of the City of Chesapeake; FDP Virginia, Inc. of Essex County; Hanbury Evans Wright Vlattas + Company of the City of Norfolk; Innovative Wireless Technology, Inc. of Bedford County; ManTech International Corporation of Stafford County and Fairfax County; Mar-Bal, Inc. of Pulaski County; Mikro Systems, Inc. of Albemarle County; Northland Forest Products, Inc. of Fluvanna County; Vaughan Bassett Furniture Company of the City of Galax; and Waterborne Environmental, Inc. of Loudoun County.

These companies join the program as part of the 19th 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 140 Virginia companies have been accepted to participate in the VALET program. ■

TECHLAB Grows in Radford

TECHLAB Inc., a graduate of the Virginia Leaders in Export Trade program (VALET), will expand its operations in Radford.

The Blacksburg-based company is purchasing the Radford shell building, known as the "Branwick Center," to develop, manufacture and distribute human and veterinary medical diagnostic products. The company will locate 20 jobs initially, and invest \$3 million. TECHLAB plans to begin operations by the end of 2011.

TECHLAB, Inc. was founded in 1989 by scientists from Virginia Tech, one of only three institutions in the world dedicated to the study of anaerobic microorganisms. The FDA and ISO 13485-rated company develops, manufactures and distributes intestinal diagnostics worldwide, retaining an emphasis on science and collaborations with universities. ■

Delta Pure Filtration Scores Largest Single Order on Visit to KSA

In December 2010, Todd Furbee, owner of Ashland-based Delta Pure Filtration, negotiated the single largest order in his company's history.

It happened in the lobby of a hotel in Saudi Arabia.

Furbee was participating in a group market visit with VEDP-International Trade.

Delta Pure Filtration began manufacturing filter cartridges in August 1983. When Furbee purchased Delta Pure in 2007, the company was doing a modest amount of international business. There were random sales to Taiwan and some activity in Brazil, Ecuador and Saudi Arabia, but there was not an intentional pursuit of international business.

That changed in 2008 when Delta Pure joined VEDP's former Accessing International Markets (AIM) program and focused on entering the Canadian market. Things were looking up, but then the global recession hit, which led to a decrease in activity in Canada.

Undaunted, Furbee continued to pursue international deals. As an AIM graduate, he was aware of the resources offered by VEDP-International Trade to help companies like his increase exports and, in July 2010, Delta Pure entered the Virginia Leaders in Export Trade (VALET) program. With international sales accounting for about 25 percent of the company's total sales, it was Furbee's hope to increase international sales by 15 percent with the help of VALET. Knowing that there was interest for his company's products in Saudi Arabia, the VEDP group market visit seemed like a natural fit.

Furbee's trip to Saudi Arabia proved auspicious, netting the company's largest single order. According to Furbee, "The market for water treatment and filtration products in Saudi Arabia is growing tremendously and represents great potential for Delta Pure. The group market visit provided Delta Pure with contacts and market insights we would have not been able



Todd Furbee and Virginia delegates went on a group market visit to the Kingdom of Saudi Arabia in December 2011.



Delta Pure, located in Ashland, began making filter cartridges in 1983.

to obtain on our own. We appreciate the efforts of the Virginia Economic Development Partnership and the confidence they have given us to pursue international sales."

In addition, Furbee notes, Delta Pure is adding production equipment and personnel to increase its manufacturing capacity at the company's Ashland facility. For more information about Delta Pure Filtration, visit www.deltapure.com. ■

(Virginia in the News continued from page 9)

HDL's Innovation Garners Award

Health Diagnostic Laboratory Inc., a Richmond-based leader in health management, in January received the Governor's Award for Science Innovation. The award was presented by Altria in conjunction with the state's outstanding scientist and science innovation recognition program.

The company was recognized for its systematic approach, which identifies factors contributing to disease and provides a basis for effective treatment, allowing physicians to more effectively manage patients. Patients receive a personalized overview of their risk factors along with intensive counseling from expert health coaches at no additional cost, improving compliance and enhancing satisfaction.

The company, located in the Virginia BioTechnology Research Park, was founded in 2008 with five employees. HDL invested \$4.2 million in October 2010 to expand its clinical laboratory, creating 213 new jobs. ■

Virginia Schools Rank High in Graduate Schools Survey

Virginia Tech's College of Engineering received its highest ranking ever in *U.S. News & World Report's* America's Best Graduate Schools survey.

Tech's engineering school rose one notch to 24th, making it Virginia's highest-ranked engineering school. Six individual Tech engineering graduate programs ranked in the top 15 in their field, according to the 2011 survey.

The University of Virginia's School of Nursing, whose graduate program was last ranked in 2007, rose from No. 19 to No. 15. UVa's School of Law, Curry School of Education, Darden School of Business, and the School of Engineering and Applied Science all remained in the top 40. UVa's School of Law again led the University's rankings — holding down the No. 9 spot, a tie with the University of California. ■



Tracy Tynan toured Halifax County recently at the invitation of Mike Sexton, the County's economic development director and a former VEDP project manager. Sexton and Tynan were both hired by VEDP on the same day in 1996, Tynan's first time around with the Partnership.

Tynan Returns to VEDP

Tracy Tynan's 15 years of marketing and sales experience in the airline industry initially opened the door for her at VEDP in 1996. For the previous eight years she worked for All Nippon Airways. Her key clients were Japanese companies that located in Virginia and other mid-Atlantic states. That experience, combined with her extensive travel throughout Asia, landed her the job at VEDP on the International team.

Tynan left VEDP in 1998. She got married (her husband is former Japan-Virginia Society board member Joe Croce) and decided a break from international travel was needed. With that thought in mind, she took a job as Vice President of Business Development with The Greater Richmond Partnership, which kept her in the economic development business, but eliminated the international travel.

She also took a job with Chasen's Business Interiors setting up their marketing department, and worked on a consulting basis with Rand Construction in Alexandria.

Tynan was rehired by VEDP in December 2010. This time, she is working as a project manager on Business Development's advanced manufacturing team, assigned to the aerospace sector.

"It's great to come back to VEDP," said Tynan. "I received such a warm welcome, and it's helpful because I do not have the learning curve that comes with starting a whole new job from scratch. The familiar faces make it fun, and I know where to go to get my questions answered."

Tynan said the GRP position enabled her to maintain contact with her colleagues at VEDP while becoming familiar with the daily hurdles local and regional economic development allies must overcome. Her other work experiences heightened Tynan's sense of customer service and, being an extrovert by nature, she is comfortable meeting top executives face-to-face and making sales presentations.

"I've found that economic development is one of the most interesting and rewarding jobs you can do," Tynan said. "I love the fact that I can learn about how industry makes this country run. It's a very rewarding career."

When she's not brushing up on the aerospace industry, Tynan enjoys a good swim (she's a master swimmer), a challenging slope (she's also a former ski instructor) and playing golf.

The Arlington-raised Tynan also hopes to brush up on Virginia's communities, and welcomes invitations to tour localities across the Commonwealth. ■

VEDP Offers New Tool to Evaluate Projects

Attention, economic development allies!

Ever worked an economic development project without really having a clear understanding of the project's impact on your community?

You are not alone. Economic developers, elected officials, planners and decision-makers at the local level all have an interest in estimating the revenue impacts of proposed economic development projects, yet there is little in the way of practical, easy-to-use tools available. That is, until now.

VEDP is proud to announce the release of a new, Web-based Local Return on Investment Model for Virginia localities. Using effective tax rates for real and tangible personal property, machinery and tools taxes and local sales taxes, the Local ROI Model estimates local tax revenues from capital investment and the anticipated revenue from local sales taxes attributed to new direct, indirect and construction employment. And, using a conservative discount rate, the model calculates net-present-value returns and break-even-year estimates, making it easy to evaluate competing projects or the same project under varying project assumptions.

Costs in the model consist of user-provided estimates of the value of local incentives for each year in the project and estimated incremental costs for government services. The costs associated with government services are optional and are limited to education and public safety.

This tool is the culmination of several months of research, technical design and beta testing led by VEDP Economist Charles Kennington and a dedicated team of local and regional economic development officials from across Virginia who provided input and guidance during design.

This new Web-based tool is now available through the iVS VirginiaScan Online Update Center. To view documentation explaining the methodology behind the model, please visit www.virginiaallies.org/assets/files/LocalROI.pdf. Allies may use their existing log-on to the iVS VirginiaScan Online Update Center to access the new local fiscal impact tool. To request a new username and password, please contact Michelle Mende at (804) 545-5785. ■

international investment

Albert Maiolino: International Man of Business

VEDP-International Investment's newest team member is no stranger to international business. Albert Maiolino, Managing Director of International Investments for the Americas, Australia and India, has spent the majority of his career with multinational corporations—most recently in sales and marketing with Standex Engraving, LLC and before that, Muhlbauer, Inc. He also lived and worked in Germany for a few years as managing director of a defense-related company, and touts his overall lifelong experience with the ability to learn many complex issues of negotiating and understanding cultures from around the world, and adapting accordingly.

Maiolino was destined to work in the international market. Born in New York, New York, his father's job as a senior executive with an international company moved the family frequently, and Maiolino lived in Buenos Aires and Rome, and U.S. cities. With his background, he was a natural fit for VEDP-International Investment. In this role, Maiolino's primary responsibility is to attract foreign companies that are considering setting up operations in the U.S. and ensure that Virginia is part of the selection process. Maiolino was drawn to the job because the end result is jobs created throughout the Commonwealth.

"I believe the greatest asset Virginia has is its people. If I can help citizens gain a new job, or a career advancement due to VEDP's efforts, I am satisfied at the end of the day."

When he is not traveling the world, Maiolino enjoys spending time with his wife and son—either partaking in outdoor activities or playing board games at home. Barring the need for his constant and rapt attention to a long "honey-do" list, he also likes to read, run and play tennis. ■



Southern Virginia Communities Unite

Communities in Southern Virginia are joining forces in the name of economic development.

In March, the cities of Danville and Martinsville, and the counties of Halifax, Henry, Patrick and Pittsylvania, announced the Southern Virginia Regional Alliance (SVRA), a regional marketing partnership created to more effectively promote the assets of the six participating localities.

Already recognized as one of the top 10 "collaborative communities" by *Southern Business & Development*, the SVRA-member economic development directors will partner to develop a unified marketing campaign, promote the region's assets and identify key industry sectors that align well with the communities' strengths to attract new business, industry and jobs to the region.

To help launch the effort, VEDP will provide \$200,000 over two years that will be matched by the six participating localities and the Tobacco Commission. As a result, SVRA has secured \$600,000 to develop an economic development marketing plan to aggressively promote the region. The SVRA is currently in the process of selecting an executive director and has plans for a website and other marketing tools. ■

New VNDIA Executive Director Announced

The Virginia National Defense Industrial Authority (VNDIA) board of directors is pleased to welcome R. Stanton “Stan” Scott as the organization’s new Executive Director. Scott replaces David Dickson, VNDIA’s first executive director, who retired last year after nearly 40 years of service in Virginia state and local government.

Prior to joining VNDIA, Scott worked as senior consultant at Executive Communications, Inc., in Louisville, Ky., which he joined after retiring from a 20-year career in the U.S. Army. He has a bachelor’s degree in political science and economics and a master’s degree in political science and public policy, both from the University of Louisville, Ky. Scott is pursuing his doctorate in political science and public policy at George Washington University.

VNDIA was created by the Virginia General Assembly in 2005 to provide technical assistance and coordination between the Commonwealth, its political subdivisions and the Department of Defense. The authority’s 18 appointed members represent a cross-section of senior business, civic and retired military leaders. In addition to providing insight to elected officials, the authority administers the state’s Military Strategic Response Fund that has provided more than \$35 million in grants over the past four years. ■



The Economics of Flight: Naval Aviation in Virginia

A hallmark of the defense presence in Virginia is the Commonwealth’s economic relationship to naval aviation. From the first airplane to take off from a ship to ongoing construction of the next generation of aircraft carriers, Virginia has much to celebrate this year as the Navy recognizes 100 years of the service’s aviation.

While navies and ships have for centuries protected national shorelines and projected power abroad, naval aviation is relatively new. In the U.S., it began on November 14, 1910, in Virginia, when a young pilot named Eugene Ely took off from a temporary wooden deck attached to the cruiser USS *Birmingham* in Hampton Roads. The plane’s wheels dramatically

touched the water before rising again, and the short flight ended with a safe landing on shore. Unfortunately, Ely died the next year, but in 1933 he was awarded the Distinguished Flying Cross for his contributions to naval aviation, and is remembered in Hampton Roads with a historical marker in Newport News and at an aircraft exhibit at Naval Station Norfolk.

Through history and geography, naval aviation has become distinctly tied to Virginia’s economy. All 11 ships of the Navy’s current aircraft carrier fleet were built in Newport News, and five are home-ported at Naval Station Norfolk. The planes that operate from these East Coast ships are local as well, with F/A-18 Hornets and Super Hornets from Virginia Beach’s Oceana,

(VNDIA continued on page 15)



Retired Navy Cmdr. Bob Coolbaugh prepares to fly his replica Ely-Curtiss Pusher aircraft at Naval Station Norfolk as part of a ceremony to commemorate 100 years of naval aviation.

U.S. Navy photo by Mass Communication Specialist 3rd Class Richard J. Stevens

Quarterly Calendar

April 18-22	SK	Group Market Visit—India
May 1-3	KM	CORENet Spring Congress—Chicago, IL
May 16-20	SK	Group Market Visit—United Kingdom
June 6-10	CR	Marketing Mission—Southern California
June 12-15	KM	7x24 Exchange—Orlando, FL
June 13-16	KM	NSTI National Nanotech Conference—Boston, MA
June 20-26	SK	Paris Air Show—Paris, France
June 27-30	KM	Bio International—Washington, DC

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

(Continued from page 14)

and E-2 Hawkeyes and C-2 Greyhounds flying out of Norfolk's Chambers Field. Including helicopters, a total of 35 Navy air squadrons can be found in Hampton Roads, with nearly 300 total fixed-wing aircraft. The supply chain for these and all Defense Department aircraft flows through the Defense Logistics Agency Aviation in Chesterfield County.

A study commissioned by the Virginia Department of Aviation last year determined that commercial aerospace and aviation is a \$7.5 billion business in Virginia, employing more than 28,000 people. The same study shows that military aviation (to include all branches, aircraft and logistics) employs almost the same number—far more when the Navy's mighty aircraft carriers are factored in.

Huntington Ingalls Industries, formerly known as Northrop Grumman Shipbuilding-Newport News, is the largest industrial employer in Virginia with nearly 19,000 people. The 120-year-old yard is the sole producer and refueling location for today's nuclear-powered aircraft carriers, and brings in nearly \$3 billion in federal contracts annually. The five carriers that call Naval Station Norfolk home each employ about 3,000 people and help to support hundreds more jobs in the region. In fact, the Navy reported that in 2009 Norfolk alone provided a \$3.8 billion direct economic impact to Virginia, mostly through payroll.

Naval Air Station Oceana in Virginia Beach adds another nearly \$1 billion to the Virginia economy, employing more than 12,000 people. Oceana is the Navy's East Coast Master Jet Base and, along with an airfield in Norfolk and an auxiliary field in Chesapeake, it houses, maintains and trains the aviators, jets and turboprop aircraft that operate at sea.

More than 200 events are planned for 2011 to commemorate the first century of naval aviation. As the Navy celebrates its history and capabilities, Virginia, too, celebrates a partnership that keeps both the Commonwealth's economy and its sea service flying. ■



An E-2C Hawkeye assigned to the Bluetails of Airborne Warning Squadron (VAW) 121 lands during flight operations aboard the aircraft carrier USS *Dwight D. Eisenhower* (CVN 69). Both the *Eisenhower* and VAW 121 are based in Norfolk, Va.

U.S. Navy photo by Mass Comm. Specialist 3rd Class Bradley Evans



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did you know

Virginia's Got Smarts

Virginia was ranked 7th in the "America's Smartest States" survey released in February on CNNMoney.com. The workforce education rankings are from the Kauffman Foundation's 2010 State New Economy Index. According to the survey, 13.6 percent of Virginia's residents have advanced degrees while 59 percent have some level of college education.

Rob McClintock, VEDP's Director of Research, was interviewed by CNNMoney.com and gave credit to Virginia's academic institutions with providing the backbone for its business ecosystem. "It is clear that an educated workforce is really fundamental to business, and that is why it is so important to economic development," McClintock said. ■