

VIRGINIA



Commerce Quarterly

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Spring 2006, Vol. 11, Issue 2

SPRINTING INTO THE NEXT FOUR YEARS

TO SAY THAT PAT GOTTSCHALK
HAS HIT THE GROUND RUNNING AS VIRGINIA'S
NEW SECRETARY OF COMMERCE AND TRADE
WOULD BE AN UNDERSTATEMENT

(Story page 14)





From December until mid-February, Virginia has been hopping with activity, including the announcement of 20 projects—six of them announced in one day.

The pace isn't slowing down in 2006. Projects from Orange County to Danville to Richmond have brought significant jobs and investment to the Commonwealth already, and we look forward to prosperous months ahead.

The Kaine Administration has hit the ground running on behalf of Virginia's economic development efforts. Just two weeks into the Administration, amid the busy schedule of the General Assembly session, Governor Kaine, Secretary Gottschalk and other cabinet members met with economic development officials in Danville and Pittsylvania County to learn about the challenges facing the community. In mid-February, the Governor and Secretary Gottschalk conducted their first out-of-state marketing trip. Secretary Gottschalk also participated in his first event to announce the Reline America project in Saltville. Governor Kaine made headlines across the state with the news that MeadWestvaco will relocate its headquarters to the Greater Richmond area.

Governor Kaine has committed that his future plans include open communication at the community level. We appreciate the commitment the new Administration has demonstrated to continuing the momentum of economic activity across Virginia.

VEDP continues to examine new ways we can assist localities with their marketing and recruitment efforts. We are fully engaged in a focused initiative we are calling "Distributed Services" that we believe will be successful in bringing a proper balance to the jobs and investment being brought to Virginia. As the Federal services marketplace continues to evolve, more and more functions are being reviewed to determine their need to be in high-congested metro areas. Federal agencies and contractors are looking to distribute functions to communities with appropriate workforce, infrastructure and costs to enhance their service offering. While the process once was to maintain jobs close to the source, the economy is moving away from tradition. Virginia needs to develop solutions in communities throughout the Commonwealth, leveraging our diversity, labor force and infrastructure. We are excited about this initiative and the possibilities it brings for Virginia.

In addition to a change in Administration and in how we look at economic development in Virginia, VEDP has experienced change on our Board of Directors. We appreciate the time and talent that Steve DeBianco, Richard Neel and John Roberts shared with VEDP as members of our board, whose terms expired in December 2005. To fill their seats we welcome Jake Gosa, Chairman and CEO of American Woodmark Corporation in Winchester; Roger Naill, Senior Vice President of Planning for AES Corporation in Arlington; McKinley Price, a dentist in Newport News; and Samuel Schreiber, Regional President, Greater Washington D.C. for Wachovia Bank in McLean. We also thank John Ware for accepting a reappointment to the board.

We look forward to an exciting and prosperous year.

Sincerely,

Jeffrey M. Anderson

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VEDP Call Center Reaches 10,000-Job Milestone

It's a job that someone has to do—and they do it well.

On Jan. 31, the behind-the-scenes folks who make calls, sell Virginia and face rejection every day were recognized for their direct involvement in bringing more than 10,000 jobs to communities across the Commonwealth.

At the VEDP Call Center, an average of eight people tackle the task of calling on companies to promote Virginia as a great place to expand or locate a business. They are the backbone behind marketing missions, trade shows and call trips.

Bill Sullivan has made calls on behalf of Virginia for 10 years. It's not always the easiest task—rejection is just part of the job—but he's learned not to let the unsuccessful calls bother him.

“You would be surprised how many companies are interested in hearing what we have to say,” he said. “I find that some companies have never even met their local economic developer, so when we call, they want to be recruited to Virginia.”

The call center was opened during the summer of 1996 when Verizon donated

the space to VEDP. Verizon Economic Development and Government Affairs Manager Jeff Merriman also was recognized during the Jan. 31 event.

Since its inception, the call center has directly generated more than \$1.2 billion in announced investment and more than 10,000 jobs. The call center staff sets an average of more than 500 appointments per year and contacts about 14,000 decision makers annually. Major projects directly linked to contacts made by the call center include Eli Lilly, HP Hood, Masterbrand Cabinets and Goya Foods.

During the last fiscal year, the call center staff broke its average annual call record of 111,000 with a new high of 123,352 calls.

“Working at the call center is a more difficult job than people realize,” said Chuck Rogers, VEDP Marketing Manager. “We have a dedicated team that takes pride in the fact that the phone calls they make may help create jobs—and that is a great motivator.”

Already this fiscal year, the call center has launched nearly 72,000 calls and contacted more than 10,000 decision makers. ■



VEDP Executive Director Jeffrey M. Anderson recognized Verizon for donating the Call Center space to VEDP.



After more than a year of quiet negotiations, the silence was finally broken Feb. 15 when Governor Kaine announced MeadWestvaco Corporation's plans to relocate its headquarters from Stamford, Connecticut to the Greater Richmond region.

MeadWestvaco, a global packaging company, is in the process of determining the specific location that will best meet its long-term facility needs. The project will create 400 new jobs,

including executive, administrative and corporate operations positions, and about 200 additional jobs currently in Chesterfield County will locate to the new facility. MeadWestvaco plans to lease temporary space in the summer of 2006 and move to permanent facilities by the summer of 2008.

Westvaco Corporation was founded in West Virginia in 1888 and began Virginia operations in 1900 by building a paper-board mill in Covington that remains in

operation. The current company, MeadWestvaco, which provides packaging solutions and products to the world's most recognized companies in the food and beverage, media and entertainment, personal care, cosmetic and healthcare industries, is a result of the merger between The Mead Corporation and Westvaco Corporation in 2002. The company employs 22,000 people worldwide with about 2,000 current employees in Virginia. ■

Rockingham County Scores Expansions

Recent announcements for Rockingham County will result in expansions of two area companies and 214 new jobs. Residents are flying high over the news that Dynamic Aviation will invest \$4.1 million to expand its facility at Bridgewater Airport. The project will create 206 new jobs, including avionics technicians, airframe technicians, engine repair technicians and electricians.

Adding to the celebration is Coors Brewing Company's plans to invest an additional \$24 million to expand its Rockingham County facility. The expansion, which will create eight new jobs, will allow Coors to improve production efficiency through the addition of a new high-speed line. This announcement comes on the heels of Coors' announcement in August 2004 to open a brewery at the Shenandoah facility. ■



Saltville Celebrates 25 New Jobs

February 3 was cause for merriment as Virginia Secretary of Commerce and Trade Patrick Gottschalk announced Reline America, Inc.'s investment of \$4.9 million to build its manufacturing headquarters facility in Saltville. The company, whose technology repairs utility pipes without excavation of the infrastructure, will create 25 new jobs for Smyth County. Positions will include engineers and skilled manufacturing jobs, with an average annual salary of \$38,000.

Reline America, Inc. has a license to market and manufacture pipe liners, which have proven successful in Europe, in North America. The resin-impregnated material is inserted into deteriorated utility pipes and ultraviolet light equipment is used to cure the material inside the pipe. The company plans to move into the Svedala Building on Battleground Avenue in Saltville with a start-up date of June 2006. Hiring will begin in the first quarter of 2006. ■



Secretary Gottschalk (left) shakes hands with Reline America Owner Donald Pleasants while Saltville's Tracy Mitchell watches.



Reline America Owner Donald Pleasants (left), Tobacco Commission Interim Director Ned Stephenson and VEDP Project Manager Laura Leigh Savage catch up during the Reline America announcement.

Chainsaws, Building Supplies Bring Work to 550 Virginians

Former Governor Warner went out with a bang in Hampton Roads in December with two announcements in one day resulting in 550 new jobs for the region.

STIHL, Inc. announced 150 new jobs as a result of a \$78 million expansion of its Virginia Beach manufacturing facility. The first phase of the expansion will allow the company to manufacture STIHL guide bars, which are used on chain saws. This will be the first time that guide bars will be manufactured in the U.S. for STIHL and will represent an investment of over \$20 million by the company. Phase two will expand one warehouse and convert other existing warehouse space into manufacturing for additional crankshaft and machining operations.

Two hours later, Wolseley, the world's largest specialist trade distributor of plumbing and heating products and a leading supplier of building materials to professional contractors, announced plans to build its North American headquarters in Newport News. The project is a \$30 million investment that will create more than 400 new jobs. The Wolseley North America organization is comprised of Ferguson Enterprises, Stock Building Supply and Wolseley Canada. ■



Former Governor Warner presented Wolseley North America CEO Chip Hornsby with a Virginia flag during the company's headquarters announcement in December.



Governor Warner flew in for the STIHL announcement in December.

Mennel Milling Moves to Roanoke County

The Mennel Milling Company, a milling operation in the Roanoke area for 32 years, will invest \$30.8 million to move the company's facility to Roanoke County from the City of Roanoke. The company is moving because its current location is where the biomedical park is planned for downtown. The decision to remain in Virginia results in 33 jobs saved for the Roanoke region.

The Mennel Milling Company, based in Fostoria, Ohio, has milled wheat into specialty flours for more than 120 years. The flours are used by nationally known companies and independent bakers, as well as major mix manufacturers and bakeries that cater to the fast food and restaurant trade. Mennel, which mills one-third of a variety of soft red winter wheat produced by Virginia's wheat farmers, is a key contributor to Virginia's agricultural success. ■



Lockheed Martin Launches in Loudoun County

It's up and away for Lockheed Martin Corporation, which will invest \$7 million to open the Eastern Automated Flight Service Station (AFSS) hub in Loudoun County. The project will create 200 new jobs over 30 months. This project marks the first time the Federal Aviation Administration (FAA) has outsourced a major system operation. The facility will employ flight service specialists to brief pilots on flight plans and weather conditions. The hub will cover the geographic region east of the Mississippi River. Headquartered in Bethesda, Md., Lockheed Martin employs about 135,000 people worldwide and is principally engaged in the research, design, development, manufacture and integration of advanced technology systems, products and services. ■



Specialty Blades Cuts Expansion Deal in Staunton

Specialty Blades, Inc. will invest \$6 million to expand its facility in Staunton. The company manufactures precision-cutting and piercing components for surgical and industrial use. The project will create 25 new jobs.

Headquartered in Staunton, Specialty Blades was founded in 1985 to address the needs of industrial and surgical customers who require high-performance cutting components. Specialty Blades developed a process utilizing custom-designed, programmable Computer Numerical Control (CNC) machinery to generate highly complex sharpened components. With this expansion, the company will have the broadest array of edge-generating processes in the world. ■



Raytheon Joins Modeling and Simulation Cluster in Suffolk

Raytheon Company will open a new high-tech facility in Suffolk that will provide computer modeling, simulation and imaging services for the United States and the North Atlantic Treaty Organization (NATO) military services. When the Raytheon facility opens, it will initially occupy 22,000 square feet in Bridgeway Commerce Park and employ 15 people. The company anticipates the new facility will grow in size and employment.

Raytheon Company, with 2004 sales of \$20.2 billion, is an industry leader in defense and government electronics, space, information technology, technical services, and business and special mission aircraft. ■



TransCore to Operate VDOT Center in Alleghany County

Clifton Forge will be the site of a new statewide customer service and data center for the Smart Tag/E-ZPass electronic toll system. The Virginia Department of Transportation (VDOT) signed a \$45 million contract with TransCore to design and operate the center. TransCore, a provider of technology-based services and products that enable customers to efficiently manage ground transportation systems, assets, and transactions, will invest \$1.4 million to open the facility. The company plans to hire 60 employees, including managers, technical support and customer service representatives, beginning in March 2006. The center is scheduled to open in September 2006. ■



Former Governor Warner showed off the gift he received from Alleghany County during the TransCore announcement in December.

50 New Jobs in Campbell County

The Timken Company, a maker of highly engineered bearings and alloy steel, will invest \$10.27 million to expand its Campbell County facility. The company will add production capacity to manufacture light-duty pickup truck and sports utility vehicle wheel-hub bearing assemblies, creating 50 new jobs.

Headquartered in Canton, Ohio, The Timken Company operates in 27 countries, employs 26,000 worldwide, and had annual sales revenues of \$4.5 billion in 2004. ■



Southwest Virginia Rakes in New Jobs

Three announcements for Southwest will bring a total of 266 new jobs to the region. Turman Hardwood Flooring will invest \$2.7 million to expand its facility in Galax, creating 40 new jobs. The company manufactures hardwood flooring and will add a new wood pellet manufacturing operation as part of the expansion.

Universal Fiber Systems, a leading producer of fibers and yarns for carpet, upholstery, automotive, industrial and other textile applications, will invest \$8 million to expand its Prisma Fibers facility in Washington County. The project will create 82 new jobs and save 12 current jobs.

And in Wythe County, Amcor PET Packaging, a leading manufacturer of PET (polyethylene terephthalate) plastic packaging for the global beverage, food and non-food industries, plans to invest \$105 million to develop a manufacturing operation in Wythe County's Progress Park, creating 144 new jobs. The company will supply hot fillable plastic bottles to the beverage industry. ■



Former Secretary Schewel celebrates Universal Fiber Systems' announcement with local, state and company officials.



Secretary Schewel learns more about the product behind Universal Fibers System's success.



Intermet to Expand Radford Facility

A key employer for Radford is expanding. Intermet Corporation, one of the world's largest suppliers of cast-metal automotive components, will invest \$14.3 million to expand its facility. Consolidation of other Intermet facilities will result in the expansion of manufacturing capability at the New River Foundry in Radford, and 175 new jobs over the next 30 months.

Intermet Corporation is headquartered in Troy, Michigan and is one of the oldest chartered companies in the United States. Intermet operates 16 manufacturing facilities in the United States, Germany and Portugal and employs about 5,100 people worldwide, including 3,600 employees in the United States. ■



Danville Rebounds with 250 New Jobs

Telvista, Inc., a global company specializing in customer service contact centers and technical support, will invest \$1.1 million in technology upgrades to expand staffing at its Danville facility. The company will hire an additional 250 team members, expanding to 750 team members by the end of 2006.

Telvista officially opened its Danville facility in April 2005 and within nine months had already hired its 500th team member. Now, in less than one year, the company will hire an additional 250 employees.

With U.S. headquarters in Dallas, Texas, Telvista provides contact center services and related professional services to facilities throughout the United States and Mexico. ■

(Hot Deals continued page 13)

Virginia School Districts Among the Top

Expansion Management's 15th Annual Education Quotient™ ratings of 2,800 secondary school districts rated 10 Virginia school districts among the top 17 percent nationally. Those public school districts were Arlington County, Hanover County, Albemarle County, Fairfax County, Rockingham County, Loudoun County, Roanoke County, Fauquier County, Williamsburg-James City County and Frederick County. Five Virginia school districts rated among the top 33 percent. ■



Virginia Ranked 13th for Insourcing Jobs

According to new U.S. Department of Commerce statistics released by the Organization for International Investment, Virginia ranks 13th in the nation in terms of total number of insourcing jobs. Insourcing jobs in Virginia grew by 12,100 over five years—an increase of 10 percent. Twenty-six percent of Virginia’s insourcing jobs are in the manufacturing sector, for a total of 35,700 employees. Insourcing companies include ABB Inc., Airbus North America, Boehringer Ingelheim Chemicals, Inc., Infineon Technologies, and Volvo Trucks North America. ■

Virginia—A Most Livable State

According to Morgan Quitno Press, Virginia ranked fifth most livable state for its “Most Livable State Award,” which recognizes a state for its high quality of life. The just-released 2005 edition of State Rankings compares states in more than 550 categories.

Rounding out the top five spots with New Hampshire in first place are Minnesota, Vermont, Wyoming and Virginia. To determine a state’s “Livability Rating,” Morgan Quitno averaged each state’s rankings for 44 categories. Those categories included both positive and negative factors, such as unemployment rates, job growth, sunny days, teenage birthrates, homeownership, books in public libraries per capita, and highway fatality rates, among other criteria. ■

VEDP Gets the Gold

VEDP received the Gold Award from Business Facilities magazine for the Philip Morris USA Research and Technology Center project. The project won the top honor in the “Biggest Deals \$150-\$500 Million” category.



Philip Morris USA announced in April 2005 its plans to invest about \$300 million to build a Research and Technology Center in Richmond’s Virginia Biotechnology Research Park. The project will create 500 new jobs, including scientists, lab technicians and lab support positions. The center, slated for completion in 2007, will allow Philip Morris to develop new technologies toward improving products it currently manufactures, and may lead to new product innovation.

VEDP worked with the City of Richmond, The Greater Richmond Partnership, Virginia Biotechnology Research Park, Virginia Commonwealth University and Congressman Eric Cantor to prepare the state’s proposal and negotiate an incentive package. The incentive package included a \$3 million grant from the Governor’s Opportunity Fund, a \$12 million performance-based grant from the Virginia Investment Partnership program, as well as training assistance from the Virginia Department of Business Assistance’s Workforce Services Program. ■

Post-BRAC Planning at Work

The Virginia National Defense Industrial Authority (VNDIA), created by the 2005 General Assembly, has launched efforts to provide support for the military and its partners in associated industries, as well as the Commonwealth's military communities.

Following in the footsteps of the Virginia Commission on Military Bases, which expired with the inauguration of Governor Tim Kaine, the VNDIA Board of Directors held its organizational meeting on January 10 in Richmond for a briefing on the role of the Department of Defense in Virginia's economy and the impact of BRAC 2005 on Virginia's military installations.

Joe R. Reeder, Shareholder in Charge of the Mid-Atlantic Region for Greenberg-Traurig, a former Under Secretary of the Army and former co-chairman of the Virginia Commission on Military Bases, was unanimously elected to serve as Chairman of the VNDIA Board of Directors. Reta R. Busher, Director of Finance for Henrico County, also was elected unanimously to serve as the Board's Vice Chairman.

Given the pro-active approach to defense operations already adopted by other major military states including Florida, Texas, California, North Carolina and Georgia, VNDIA will play a critical role in understanding the needs of Virginia's existing military bases, as well as discerning opportunities for future defense industry growth.

VNDIA will respond to the more than 140 separate BRAC actions in Virginia including leased space to be vacated in Northern Virginia, growth at Fort Belvoir, the uncertain fate of Naval Air Station Oceana and the closure of Fort Monroe in Hampton.

Although the realignments and closures mandated by the BRAC process occur over a six-year period, preparation is underway in some military communities. In Hampton, a Federal Area Development Authority created by the city has received a \$540,000 planning grant from the Department of Defense Office of Economic Adjustment to prepare for the closure and transition at Fort Monroe. The city has agreed to provide a \$60,000 local match of in-kind services.

And in November 2005, just after the BRAC order became binding, the Army Corps of Engineers issued a request for bids for a master developer to create a plan to build six million square feet of new space and upgrade existing infrastructure to accommodate the 21,000 new employees moving to Fort Belvoir in southern Fairfax County over the next six years.

Virginia Beach voted in December 2005 to bar new homes and many businesses in the crash zones around NAS Oceana, curb construction in the highest noise zone and in the relatively unspoiled area between Oceana and the Fentress practice landing field in Chesapeake, and spend \$7.5 million to buy property in the crash zones. The DoD Inspector General must rule by June 1 if Virginia and Virginia Beach have satisfied the BRAC order at NAS Oceana. If not, the East Coast Master Jet Base will relocate according to the federal order.

"Virginia can ill afford to wait until the next BRAC round to understand the needs of its existing military bases and seize opportunities to support further defense industry development," said Reeder. "The Authority is poised to identify and address these issues now to maximize the future of this very important component of Virginia's economic health." ■

Danville Bouncing Back

Governor Kaine and members of his Administration in January joined economic development officials from Danville and Pittsylvania County to discuss a collaborative response to economic development in the region. The area recently learned that about 550 employees will lose their jobs as a result of the purchase of the Dan River facility by an Indian chemical company.

Following the meeting, which was held at the Institute for Advanced Learning and Research, the group toured the Regional Center for Applied Technology & Training, a Danville Community College facility. ■



Governor Kaine had an opportunity to ask questions at the Regional Center for Applied Technology & Training.

Weir's Way? International

When Kim Weir traces the path her career has taken, she easily connects the dots.

"Each job has led to the next," she said. "It's always been something with an international tilt."

The pattern continued Sept. 1, 2005, with Weir's promotion to Assistant Director of International Trade at VEDP. In addition to coordinating the Virginia Leaders in Export Trade (VALET) program and leading two trade missions per year, Weir's responsibilities now include coordination with the VEDP overseas offices, development of a new International Trade marketing outreach program and supporting Elizabeth Morgan with the launch of the new Accessing International Markets (AIM) program.

She's knee deep in new projects and couldn't be happier.

"I thrive on activity," she said, describing herself as "frenzied." "It's who I am."

Weir's promotion came at the perfect time. After completing 20 months of weekend study to earn her MBA from the William & Mary Executive MBA Program, Weir was in need of a new project.

"My goal is to take all of the good work we do in International Trade and help us all do it even better," she said. "We want to raise the bar and exceed the high expectations our clients have."

Before Weir joined the International Trade staff nearly five years ago, she became familiar with the Trade Division as a client representing a small Northern Virginia technology company that was trying to develop business in Latin America. The California native was such a fan of VEDP services that Weir offered a testimonial for a promotional video for the International Trade Division.

Once she was introduced to VEDP, "I grabbed on with both hands and wouldn't let go. They just couldn't shake me."

Doing things the international way attracts people who have an adventurous spirit, and are fun, energetic, colorful people, Weir said, making her work all the more interesting.



"Through our work we get to travel around the world with our clients and we have a direct window into what's going on in the global economy," she said. "Our hands are right in the middle of it."

Weir's career path also has included stops as a Spanish teacher, dorm parent and Director of Admissions for an all-girls school in Maryland, work in international private banking in Latin America and a brief stint as a dot-commer.

"I've had some of the same experiences that my clients face," she said. "This shared experience gives me insight into many of their challenges. All of us in International Trade have been in the shoes of our clients so we know what we need to do to help them." ■

VEDP Promotes Virginia in Hong Kong



Jerry Broadway promoted Virginia during the World SME Expo in November 2005 in Hong Kong. About 200 people attended the conference representing companies with an interest in doing business in the United States.



Virginia hosted a reception for attendees during the World SME Expo.

Albemarle Joins TJPED

The Thomas Jefferson Partnership for Economic Development (TJPED) has a new member.

After years of flying solo, the Albemarle County Board of Supervisors voted Feb. 9 in favor of joining TJPED. Supporters said the move would help diversify the County's economic base and support existing businesses. Other TJPED members include the counties of Culpeper, Fluvanna, Greene, Louisa, Nelson, Madison and Orange, and the City of Charlottesville. ■

CQ ANATOMY OF A DEAL

American Industrial Heat Transfer Settles in Mecklenburg



Gus and Gina Sariri were considering a relocation of their business, American Industrial Heat Transfer (AIHT), when they received an invitation to attend the June 2005 Virginia Executive Reception in Chicago, sponsored by the Virginia Chamber of Commerce. The couple had their sights set on Florida, but the invitation from then Governor Mark Warner peaked their curiosity about Virginia.

It was the beginning of a journey that culminated in January 2006 when Governor Tim Kaine announced during his State of the Commonwealth Address that AIHT will create 85 jobs and provide an investment of \$11 million in Mecklenburg County.

AIHT, a 20-year-old privately owned corporation, produces more than 30 full product lines of air-cooled and liquid-cooled heat exchangers.

During the reception the couple met Governor Warner and members of the Lake Country Marketing Council. The Sariris agreed to visit the Lake Country region with the promise that if a suitable site, infrastructure and amenities could not be provided, they would be shown other sites in Virginia. The promise was kept. In fact, with the help of VEDP Project Manager Judy McClenny, other Virginia regions were shown to the prospect prior to their arrival in the Lake Country region.

Brunswick and Mecklenburg counties partnered to offer the company a 55-acre site in the Roanoke River Regional Business Park. It wasn't long before word was out and Sariri was contacted by Alabama, Tennessee and Georgia with offers of sites and incentives.

Brunswick County's Joan Moore and Angie Kellett and Randolph Jones from Mecklenburg County circled the wagons and prepared for a long fight. The Lake Country Marketing Council maintained contact with the couple in an effort to broker the deal. After a visit to the company's current site in Zion, Illinois, regional and state officials agreed the prospect was worth fighting for.

Kellett, Mecklenburg County Economic Development Director, and McClenny submitted applications for funding from the Governor's Opportunity Fund and the Tobacco Region Opportunity Fund, and McClenny worked with the Virginia Department of Business Assistance for training funds.

Available labor and skills training were among AIHT's top priorities. The Lake Country Advanced Knowledge Center houses simulators for CNC (Computer Numeric Control), the primary skill required for American Industrial employees, and courses are offered by Southside Virginia Community College to provide the company's required skill sets. Mecklenburg County was the right fit.

Then it happened. Gina Sariri phoned Lake Country Marketing Council Director Joyce French after watching a History Channel program about death row in Mecklenburg. Sariri questioned the safety of the County and the prison's impact on property value.

French explained that the prison break was in June 1984 and death row had been moved to another county and was no longer located in Mecklenburg. Moral of the story? A deal is never closed until the ink is dry on the contract.

After wading through a maze of competitor states, negotiations, incentive packages and prison stories, a friendship formed that landed AIHT as the anchor business in the Roanoke River Business Park.

"Our hope is to grow our business in such a way that we not only benefit as a company, but the community of South Hill grows and benefits as well," said Gus Sariri. "The partnership we formed gave us the reassurance we needed to make such a large-scale move. Due to the dedication, vision, and professionalism of the Lake Country team, I am confident that many others will follow us in making the region a great place to conduct business in the industrial sector." ■

VALET Graduates Six Companies; Accepts Eight into New Class

In two years, Universal Fiber Systems LLC, a leading producer of fibers and yarns in Bristol, has increased international sales by 70 percent, established several new international customers and created a global sales network to increase the company’s coverage in China, Japan, Australia and throughout Southeast Asia.

The company is two years ahead of schedule in achieving its international sales goals—exports are predicted to reach 20 percent of total sales in 2006—thanks to hard work and the assistance of the Virginia Economic Development Partnership’s Virginia Leaders in Export Trade (VALET) program. VALET assists exporters in the Commonwealth that have firmly established domestic operations and are committed to international exporting as an expansion strategy.

Universal Fibers was one of six companies that graduated January 26 after successfully completing the two-year VALET program. The other graduating companies included Innovative Concepts, Inc. in McLean; Printpack, Inc.’s Rampart Packaging Division in Williamsburg; Solo Incorporated in Newport News; Web Equipment, Inc. in Stafford; and WESCO Marine Engineering in Hampton. “Universal Fiber Systems understands and appreciates that our success has much to do with the support that the state of Virginia, and specifically the Virginia Economic Development Partnership, has



VEDP welcomed the Class of January 2006 to the VALET program.

offered us through the resources of the VALET program and the support for our facility expansion,” said Bill Goodman, Commercial Development Leader. “We are thankful for the support of the Commonwealth. Without this extra capacity, we would not be able to meet the demands of our new international customers.”

VEDP hosted a luncheon in Richmond to recognize the success of the graduating companies and to welcome the eight new companies that will participate in the VALET Class of January 2006. The new companies include CHEMetrics, Inc. in Calverton; Core Engineered Solutions in Herndon; Franklin Equipment Company in Franklin; Hamilton Beach/Proctor-Silex, Inc. in Glen Allen; Sleepmate Technologies in Midlothian; VFP, Inc. in Duffield; Virginia Transformer Corporation in Roanoke; and WEXCO Corporation in Lynchburg. ■

International Trade Enjoys Record Participation

The International Trade Division continues to enjoy record levels of participation in trade events and programs. Since 2002, the number of Virginia companies traveling overseas on VEDP trips has increased from 87 to 141. The Trade Division encourages companies to travel to the country they want to do business in and meet with local companies, allowing them to build a solid, business relationship.

“VEDP was instrumental in arranging terrific meetings,” said the President of a Virginia industrial machinery company. “I was able to meet with distributors and end users of my products and generate immediate parts sales and machine quotes.” ■

Southwest Virginia

Trade Show 41
Trade Mission 27
VALET 8
GMR 10

Northern Virginia

Trade Show 107
Trade Mission 67
VALET 15
GMR 40

Shenandoah Valley

Trade Show 20
Trade Mission 39
VALET 7
GMR 13

Lynchburg

Trade Show 28
Trade Mission 32
VALET 8
GMR 22

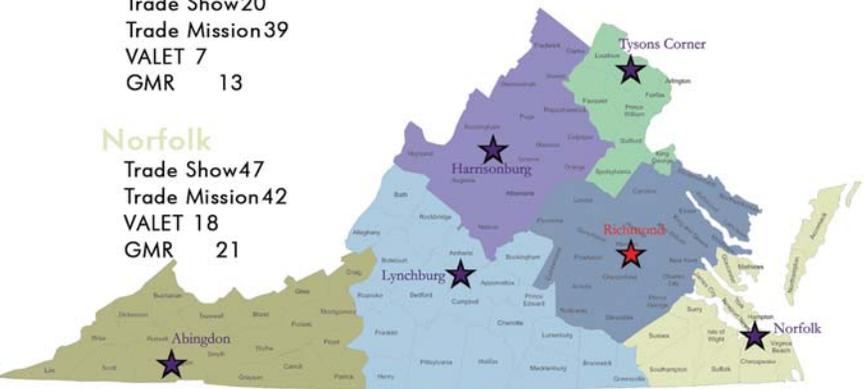
Richmond

Trade Show 25
Trade Mission 33
VALET 13
GMR 18

Norfolk

Trade Show 47
Trade Mission 42
VALET 18
GMR 21

These figures represent the number of Virginia companies that have participated with us in international trade shows, trade missions, the Virginia Leaders in Export Trade (VALET) Program and the Global Market Research (GMR) Program for the period 2000 – present.



Foundation Emphasizes Education in Patrick County



Former Governor
Gerald L. Baliles

Patrick County is no patsy.

Like many counties in Southwest Virginia, the 1990s decline of the textile, tobacco and timber industries hit rural Patrick County hard.

But Patrick is hitting back. With the brain and political power of former Virginia Governor Gerald L. Baliles behind it, the Patrick County Education Foundation was born in 2001. The foundation, a non-profit organization founded as an education-based economic development initiative, is working to raise the education attainment levels of the County's residents from among the lowest in Virginia to one of the top five rural counties by 2011.

"I have traveled across the country and around the world as a lawyer and a member of corporate boards," Baliles said. "I have seen how trade, technology and globalization have changed our lives, our economy and our country. I have concluded, with others, that increasingly, education is the engine that drives the American economy. It is education that is the 'coin of the realm' and will determine the quality of our lives as well as our economy in the future."

The Foundation has hit the ground running. In its first year, the Foundation's Board of Directors—made up of community, business and local government leaders—hired a College Access Program Advisor and Foundation Program Director and launched the first of the Foundation's three initiatives, the College Access Program for high school students. After a year, the first full-time Executive Director, Gerald L. Hughes, Jr., was hired. In 2003, the Foundation's second and third initiatives, the GED Promotion Project and the Workforce Training Program, took flight.

The Foundation continues to progress. Since 2002, the Foundation has awarded 107 Last Dollar Scholarships, funds given to Patrick County High School seniors to assure that qualified students are not denied access to higher education because of cost. The percentage of students receiving the award has risen from 8.7 percent in 2002 to 20.8 percent last year.

The GED Promotion Project has received more than \$187,000 from the Foundation. Thanks to the Project, Patrick County is now ranked second among 45 rural Virginia counties in the number of GEDs awarded per 1,000 residents. When the Foundation began, Patrick County was ranked 43rd. This year, the Foundation plans to launch new work force training programs and significantly increase efforts to recruit even more adults into the County's GED program. ■

Spring VEDP/Ally Meeting Scheduled

Economic developers—it's that time again! Mark your calendars for the spring VEDP/Ally Meeting. This season's gathering will be held from 10 a.m. to 1 p.m. Thursday, June 1 at the Joan Massey Conference Center at Lewis Ginter Botanical Gardens in Richmond. Keep your eye out for more details.

The mission behind the meeting is to bring state, regional and local economic developers together for an update on the Commonwealth's business recruitment and international trade efforts.

To view presentations from the Nov. 17, 2005, VEDP/Ally Meeting, visit the "Economic Development Resources" section of VEDP's Ally Information Exchange at www.VirginiaAllies.org. ■

CQ HOT DEALS

(Hot Deals continued)

Orange County Wins 200 New Jobs



Diversified Information Technologies, a business process management firm specializing in document/data capture and conversion, plans to invest \$10.16 million to open a customer support facility in Orange County. The project, providing business process solutions and records management services to financial institutions, healthcare providers and other public and private entities, will create 200 new jobs. ■

Chesapeake to Gain 250 New Jobs

American Funds Service Company, one of The Capital Group companies that manages investments of individuals and large institutions through mutual funds, separately managed accounts and pooled investment funds, will invest \$13.7 million to open a customer service center in Chesapeake. The new facility will employ 250 associates. The Capital Group operates two additional Hampton Roads facilities.

The Capital Group, headquartered in Los Angeles, manages, distributes and supports mutual funds, investment funds and other investment products for millions of individuals, and manages assets for corporations, governments, retirement plans and nonprofit organizations around the world. ■

(Continued from cover)

Sprinting would be more like it.

Since his appointment January 15, Gottschalk has immersed himself in economic development—attending meetings, making announcements and going to bat for Virginia’s economic development efforts before the Virginia General Assembly.

“I feel privileged to serve Governor Kaine and to be a part of the process,” he said. “I’ve been involved in economic development from the legal perspective for more than 15 years—from the marketing process to the ribbon-cutting—and I know a fair amount of the people involved, so that always helps. But I still want to learn as much as I can.”

Before his appointment to the Kaine Administration, Gottschalk was a partner with Cantor Arkema, P.C., a law firm in Richmond. He focused primarily on corporate law, mergers and acquisitions, international business transactions and economic development projects.

“Pat brings strong leadership qualities to the Office of Commerce & Trade,” said Bruce Arkema, who worked with Gottschalk at Cantor Arkema, P.C. for 11 years. “The announcement of his appointment came as no surprise. Economic development is Pat’s forté and he loves it.”

In addition to representing foreign companies, Gottschalk served as counsel for the Virginia Economic Developers Association (VEDA) and was an ex-officio member on VEDA’s board of directors. He also held a seat on the economic development committee of the Virginia Chamber of Commerce.

Gottschalk is no stranger to VEDP, either. He’s had a seat at the negotiation table during a number of projects, and his passport shows evidence of participation on SEUS trips to Japan and Korea, as well as trade missions to Europe and the far East with several former governors.

“The thing I truly like most about what I did as a lawyer and what I do now is the pure satisfaction of seeing people go to work and experience opportunities due to the partnership between businesses and the government,” he said.

The Secretary also realizes that economic development doesn’t come without its challenges. Virginia has to be nimble and stay ahead of the curve concerning future trends and changes in the economy and workforce, he said. Gottschalk also recognizes that funding for economic development is important, as well as identifying the appropriate markets to focus on.

He also places priority on meeting the needs of existing businesses and the importance of International Trade as a vehicle for job creation.

“The Warner Administration and Secretary Schewel really did a terrific job and set the bar pretty high,” he said. “It is Governor Kaine’s and my goal to build on what they accomplished.”

Continuing economic development efforts in the distressed regions of the Commonwealth are of particular importance to the Kaine Administration, Gottschalk said, and once the General Assembly session ends, he and Governor Kaine plan to spend as much time as possible in all of Virginia’s communities.

Maintaining his family time also is a top priority for Gottschalk during the next four years. Before his appointment, Gottschalk could often be found with his wife, Michele, cheering on their two sons from the Deep Run High School bleachers. Oldest son Sean, 18, plays defensive end on the football team, and is looking forward to playing UVA football next fall. Fifteen-year-old Kevin plays for the basketball team.

He plans to continue his role as his sons’ cheerleader as much as possible. His family has been supportive of Gottschalk’s latest career move, and the fact that he gets to serve Virginia in the role of Secretary of Commerce and Trade still gives Gottschalk goose bumps.

“I look forward to working on projects and I want to be involved and engaged in a helpful way,” he said. “I’ve seen economic development in action and I appreciate all the energy that’s put into it. This is the right place for me.” ■



Patrick O. Gottschalk

Hometown: The son of a Marine Colonel, Gottschalk is no stranger to moving. He has lived on Cherry Point, NC Marine Corps Air Station twice and Beaufort, SC, Marine Corps Air Station once. He also has lived in Bethesda, Md. and Springfield, Va.

Education: Graduated from the University of Virginia School of Law in 1983. He earned his undergraduate degree in 1975 from the U.S. Naval Academy.

Career background: Five years of active duty in the U.S. Navy including assignments aboard the U.S.S. Harry E. Yarnell and at UVA as an NROTC instructor where he taught leadership and management and division officer duties.

Family: Wife Michele and sons Sean, 18, and Kevin, 15.

Quarterly Calendar

DATE	CONTACT	EVENT
April 3-7	CR	Canada Marketing Mission
April 3-7	SK	Trade Mission to China
April 9-12	VB	BIO 2006 Annual International Convention—Chicago, IL
April 24-28	VB	Hannover Fair—Hannover, Germany
April 24-28	SK	Trade Mission to India
May 1-5	CR	United Kingdom Marketing Mission
May 11-14	VB	Virginia Invitational Golf Tournament—Williamsburg, VA
May 15-19	SK	Trade Mission to Mexico
May 16-18	VB	ITEC—London, UK
May 22-26	SK	Trade Mission to Japan
May 23-27	SK	ExpoMin—Santiago, Chile
May 29-June 7	SK	Trade Mission to Australia and Singapore
June 1	VB	VEDP/Ally Meeting—Richmond
June 5-9	CR	Kansas/Missouri Marketing Mission
June 6	VB	Virginia Executive Reception—New York
June 9	VB	Virginia Nippon Classic
June 19-23	VB	NPE 2006—Chicago
June 19-23	SK	Trade Mission to the Czech Republic and Poland
June 25-28	SK	Caribbean Hotel Industry Conference—Miami
	VB	Vince Barnett, VEDP (804) 545-5815
	SK	Scott Kennedy, VEDP (804) 545-5754
	CR	Chuck Rogers, VEDP (804) 545-5808

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DID YOU KNOW?

NGIC Helps Build Knowledge-Based Economy

They track vehicle noise to help soldiers assess risk on the field. They analyze Improvised Explosive Devices recovered in Iraq and Afghanistan.

And they serve as a stimulant for local economic growth in the Charlottesville region. They are the U.S. Army National Ground Intelligence Center (NGIC) and Feb. 1 the military center provided an overview of their operations during a meeting sponsored by the Thomas Jefferson Partnership for Economic Development and Charlottesville Regional Chamber of Commerce.

In addition to vital intelligence the NGIC provides to the U.S. Army and Department of Defense as these services relate to U.S. military operations on for-

eign ground engaged in military warfare, the military facility provides high-tech jobs and learning opportunities for Virginians.

At more than 1,000 employees, NGIC is the largest project the U.S. Army Corps of Engineers has on the East Coast. Employees consist of about 75 percent civilians and 25 percent military. Nine percent of the employees at NGIC are PhDs. As a result of BRAC, the Defense Intelligence Agency will move select functions to co-locate with the NGIC, including analysis functions of military forces, counter-proliferation and scientific and technical intelligence.

NGIC interfaces with other federal agencies and enlists the services of numerous private government contractors.

It is anticipated NGIC, the University of Virginia, and the business and economic development community will explore future opportunities to work together. The region is working to provide NGIC with the support and infrastructure it needs while promoting the local economy in the region.

“The anticipated expansion of NGIC and the co-location of the Defense Intelligence Agency will help set the framework for building a strong knowledge-based economy in the Greater Charlottesville region,” said Robert S. De Mauri, Executive Director of the Thomas Jefferson Partnership. ■