

VIRGINIA



Commerce Quarterly

A Publication of the Virginia Economic Development Partnership
Summer 2006, Vol. 11, Issue 3



Destination Canada

Governor Visits Virginia's Top Trading Partner

Strengthening economic ties and promoting Jamestown 2007 were the messages delivered by Governor Timothy M. Kaine to Canada leaders in May during his first foreign trade mission as Virginia's Governor.

Virginia Secretary of Commerce and Trade Patrick O. Gottschalk, Virginia Secretary of Agriculture and Forestry Robert S. Bloxom and staff of the Virginia Economic Development Partnership and Virginia Tourism Corporation joined Governor Kaine on the three-day trip that traveled to Toronto and Montreal.

"When we were considering locations for foreign trade missions I decided it would be essential to visit our most important trading partner first," Governor Kaine said.

Virginia's annual exports to Canada are valued at \$2.59 billion, and top exports include construction equipment, industrial machinery, computers and computer components, compressors, plastics, and paperboard. Canadian companies that have recently announced proj-

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VEDP appreciates the team approach to economic development efforts in Virginia. The level of attendance and participation in the recent VEDP/Ally Meeting and the regional meetings is just one of many examples of how well we all work together.

This collective approach is important to Virginia's success, and we know we can count on our allies to roll up their collective sleeves and join us to make Virginia more competitive in the marketplace. Regardless of whether it's Lynchburg, Lebanon or Loudoun County sitting at the table, we look forward to

working with all of our communities to take Virginia's message to the marketplace.

As was presented at the ally meeting, VEDP will focus our efforts on developing our marketing and recruitment approaches to focus on four verticals. They include advanced manufacturing, services and security, science and research, and transportation. We've also launched three strategic initiatives that are in various stages of implementation. They include modeling and simulation, led by Dave Enghausser; distributed services, led by Keith Boswell; and global logistics, led by Warren Hammer. We look forward to working with our allies, universities and private industry to develop other initiatives to leverage our collective strategies to ensure we are competitive in the domestic and global marketplace.

Virginia is blessed with many assets that differ from locality to locality, which also allow for some diversity in our target industries. To learn more about those unique assets, VEDP is taking a seven-region approach to our partnership with allies. As such, we have assigned VEDP staff to serve as liaisons between the regions and the state. Joe Gillespie and Diane Thomas will team up to assist the Southwest region, while Laura Leigh Savage works with our Western Virginia allies. Steve Bridges will partner with localities in the Southern region of the state, and Judy McClenny will work with Eastern Virginia. Dave Enghausser is assigned to Southeast Virginia, and I have agreed to work with our Central Virginia communities. In the near future we also will have a Northern Virginia liaison. These liaisons are tasked with creating communication channels between VEDP and the regions, as well as building alliances for strategic marketing, and in some regions, identifying key gap issues and working collaboratively toward a plan to address the issues.

VEDP also recognizes that about 70 percent of Virginia's jobs and investment are generated from its existing client base. We plan to work with allies to establish vibrant calling programs in every Virginia locality and develop a statewide system for collecting existing business information on our existing industries priorities. With that information we hope to conduct a statewide analysis of our existing businesses to better serve develop strategies that engage these companies in expanding their presence and investment in the commonwealth.

The Division of International Trade and Investment will hire three internationalists to staff investment positions in Richmond, dividing their geographic marketing responsibilities into Asia, Europe and the rest of the world. VEDP will reduce its overhead in Europe and Japan by 30 percent and Korea by 15 percent, while maintaining full-time marketing representatives in each of these markets. The resulting overhead savings will be used to expand direct marketing to international prospects.

It's an exciting time in the Commonwealth, and we look forward to these new challenges. We look forward to working with you to make Virginia more competitive in the global marketplace.

Sincerely,

Jeffrey M. Anderson

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

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Commerce Quarterly, Volume 11, Issue 4, is published by the Virginia Economic Development Partnership. Timothy M. Kaine, Governor; Patrick O. Gottschalk, Secretary of Commerce and Trade; Jeffrey M. Anderson, Executive Director; Christie Miller, Editor; Bill Crabtree, Graphic Designer.

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Media Tour Drives Virginia Motorsports Message

The sound. The speed. The strategy.

It's what makes motorsports enthusiasts tick—and the journalists who cover them. The Virginia Motorsports Media Tour provided all three—and the business behind it all in Virginia—during three days in April.

The tour kicked off with the Grand Am Rolex Race at Virginia International Raceway in Halifax County. The tour also showcased the Virginia Institute for Performance Engineering and Research, raced around Martinsville Speedway, and made stops at Virginia Motorsports Technology Center, Arrington Manufacturing and HT Motorsports in Martinsville and Langley Full Scale Tunnel in Hampton.

Four journalists participated from publications in the United Kingdom, including *Racecar Engineering*, *Professional Motorsports World*, *Racecar Graphic Ltd.* and *Race Tech*. Three U.S. publications were represented, including *Performance Racing Industry* magazine, *Automotive Engineering International* and *Performance Business* magazine.

“What Virginia is putting together has a definite market,” said John Kilroy, editor of *Performance Racing Industry*, which also hosts an annual trade show. “A year from now, the vehicle dynamics rig and the driving simulator will be in place at VIPER. And there's hopefully a rolling road in the future of the 14x22 wind tunnel at Langley. That's a powerful package. With VIR in the picture, I see a lot of sports car teams heading to Virginia, in addition to a big potential for NASCAR teams. In the wake of this activity, I can certainly picture companies in the PRI Trade Show finding plenty of sound reasons to relocate to south Virginia. We'll continue to spread the word. Thank for all the great hospitality, and utmost professionalism.” ■



Expansion at Three Virginia Plants

RR Donnelley's Lynchburg facility was the April setting for Governor Kaine's significant announcement of expansions at three RR Donnelley plants in Virginia. Through a combined total \$85 million investment, RR Donnelley, a provider of print and related services, will expand manufacturing operations at its Roanoke County, City of Lynchburg and Rockingham County facilities, creating a combined 139 new jobs within 30 months.

The company will invest \$38 million in Roanoke County; \$29 million in the City of Lynchburg; and \$17 million in Rockingham County.

RR Donnelley opened its first Virginia plant in Rockingham County more than a decade ago.

Headquartered in Chicago, RR Donnelley was founded more than 140 years ago. The company provides commercial printing, direct mail, financial printing, print fulfillment, forms and labels, logistics, call centers, transactional print-and-mail, print management, online services, digital photography, color services, and content and database management to customers in the publishing, healthcare, advertising, retail, technology, financial services, and many other industries. ■



Governor Kaine received a standing ovation during the RR Donnelley event in Lynchburg.



Information Technology- A Ground Breaking Experience

Governor Kaine participated in the groundbreaking of the Commonwealth Enterprise Solutions Center in Chesterfield. The Center will house Northrop Grumman employees and the Virginia Information Technology Agency when it is completed in 2007.

Franklin County Gains U.S. Headquarters

Holding up a water-filled diaper, Alexander Maksimow, CEO of McAirmaid's Vliesstoffe GmbH & Co. KG, demonstrated to a standing-room-only crowd how the company's absorbency products work.

The demonstration followed an announcement May 12 by Virginia Secretary of Commerce and Trade Pat Gottschalk that the German manufacturer will invest \$85 million to open its first U.S. manufacturing facility and headquarters in Franklin County. The new facility, which will use the company's patented method to produce non-woven material without chemicals or glues, will employ 160 people.

The company's absorbent materials can be found in the healthcare, medical, food and hygiene industries. ■



McAirmaid's CEO Alex Maksimow and Secretary Pat Gottschalk shared stories during the announcement event in Rocky Mount.

McAirmaid's General Manager Peter Gawley (left) and CEO Alex Maksimow demonstrate the company's absorbent product to the media and event guests.



Amcor Breaks Ground

On May 11 Virginia Deputy Secretary of Commerce and Trade Rick Siger made remarks at the groundbreaking ceremony for Amcor PET Packaging's new PET (polyethylene terephthalate) manufacturing facility in Wythe County's Progress Park. The company is investing \$105 million to open a new manufacturing operation of plastic packaging for the global beverage, food and non-food industries, creating 144 new jobs. ■



Banker Steel Steals the Show in Campbell County



BANKER STEEL
company

Campbell County is 110 new jobs richer thanks to the \$1 million investment of Banker Steel Company, LLC, which will open a new steel fabricating facility. Banker Steel currently employs 105 at its Lynchburg headquarters, and will maintain its Lynchburg operations in addition to opening this second facility in Campbell County.

Banker Steel Company is an AISC-certified steel fabricator that specializes in projects up to 10,000 tons. Banker Steel provides steel for bridges, parking garages, warehouses and commercial/industrial building construction. ■

220 New Jobs for Southwest Virginia

The impressive wood products industry ‘cluster’ in Southwest Virginia grew with the announcement of new jobs in the Town of Lebanon. An event was held to celebrate the news that Clinch Mountain Finishing & Logistics will invest \$6 million and create 220 new jobs at a manufacturing facility in the Russell County Industrial Park in the Town of Lebanon. The company will expand an existing building by 48,000-square-feet, and the new facility will produce pre-finished hardwood flooring utilizing state-of-the-art ultra violet finishing technology.

Founded in 2005, Clinch Mountain Finishing & Logistics is headquartered in Lebanon. The company is a spin-off from the growth of Clinch Mountain Hardwood Flooring, started in 1998. An increase in the company’s customer base required a larger, newer and higher-technology facility. ■



Secretary Pat Gottschalk announced that Clinch Mountain Finishing & Logistics will invest \$6 million to build a manufacturing facility in Lebanon, creating 220 new jobs.

Secretary Gottschalk (left) presented Clinch Mountain Finishing & Logistics President Luther Boyd with a Virginia flag during the announcement event.

Danville Jobs On the Rise

More than 300 new jobs are headed for Danville, thanks to the investments of Unarco Industries and Arista Tubes. In February Secretary Gottschalk announced on behalf of Governor Kaine that Unarco Industries, Inc., a shopping cart manufacturer, will invest approximately \$9 million and create 194 new jobs in Danville.

Following on the heels of Unarco, the Governor was in town to spread the good news that Arista Tubes, UK, a manufacturer of plastic tubes used in the consumer and personal care products industry and an integral part of Essel Propack, will invest \$24 million to open a manufacturing facility in Danville. The project will create 145 new jobs. The company plans to move into a former Dan River facility at River Pointe. ■



Danville Mayor John Hamlin (center) and Danville City Manager Jerry Gwaltney (right) presented Deputy Secretary of Commerce and Trade David Smith with gifts during the Unarco announcement. The announcement was Smith’s first to attend in his new post.

DuPont expands Tyvek® HomeWrap® capacity in Chesterfield County



The miracles of science™

DuPont is wrapped up in Chesterfield County—the company will invest \$25.5 million to expand its operations, creating 50 new jobs. DuPont’s Chesterfield County plant manufactures DuPont™ Tyvek® nonwovens, a protective material made from very fine, high-density polyethylene fibers with all the characteristics of paper, film and fabric in one material. This expansion will add capacity to produce additional Tyvek® HomeWrap®.

DuPont is a science company headquartered in Wilmington, Delaware. Founded in 1802 and operating in more than 70 countries, DuPont offers a wide range of products and services for markets including agriculture, nutrition, electronics, communications, safety and protection, home and construction, transportation and apparel. ■

Child Support Enforcement Center to Locate in Martinsville

Spring sprung with the news that Martinsville will be the site of the first private-sector child support enforcement customer service call center in Virginia. Tier Technologies, a nationally recognized leader in support collection, will invest \$3.1 million and hire 77 employees to help expedite the Virginia Department of Social Services' collection process and improve the level of collections in Virginia. Tier Technologies will be located in the Commonwealth Centre.

Tier Technologies' contract with the Virginia Department of Social Services will run through June 30, 2009, with four one year optional renewals. The contract revenues are expected to be about \$27.1 million over the full seven-year period. ■



Secretary Gottschalk presented a Virginia flag to James Weaver, CEO for Tier Technologies, during the announcement event.



Secretary Gottschalk (left) got an update from Tom Harned, Vice President of the Martinsville-Henry County Economic Development Corporation, during the announcement.

Visador's Vision in the Town of St. Paul



More jobs on the way for Southwest Virginia—Visador Holding Corporation will invest \$1.1 million to expand its operations to a location in the Town of St. Paul, on the border of Wise and Russell counties. The project will result in 100 new jobs. The St. Paul facility will fabricate the company's new construction vinyl window product line, and serve as a warehouse and distribution center.

Visador Holding Corporation, headquartered in Marion, Virginia, is the holding company for two businesses: Coffman Stairs and Crown Column. Founded in 1874, Coffman is the leading manufacturer of hardwood stair parts in the United States. Crown Column, with facilities in Gadsden, Alabama, produces a broad offering of synthetic and wood columns, porch posts and lamp posts used in the construction, repair and remodeling of homes. ■

Dynax America Expands in Botetourt County

Botetourt County's largest private employer just got larger. Secretary Gottschalk was on hand at an announcement event to celebrate Dynax America Corporation, a Japanese auto parts manufacturer and North American subsidiary of Exedy Corporation, which will invest \$11.7 million to expand its existing facility in Botetourt County's Eastpark Commerce Center. The company will add manufacturing capacity, creating 52 new jobs.

Dynax America located in the Roanoke Valley in 1996. The company's Japanese parent, Dynax Corporation of Hokkaido, Japan, is a subsidiary of Exedy Corporation, which is based in Osaka, Japan. ■



Secretary Gottschalk explained the significance behind the Virginia Company Share of Stock before presenting it to Dynax America officials.

(Hot Deals continued page 13)

Richmond is Feeling Hot

The January/February issue of *Expansion Management* ranks Richmond No. 15 on the magazine's "America's 50 Hottest Cities" list.

The magazine surveyed more than 80 site location consultants to find out which cities their clients find most attractive as expansion or relocation sites, keeping business climate, workforce quality, operating costs, incentives and cooperation from economic development officials in mind. ■



Virginia Leads in High-Tech Job Growth

AeA, the nation's largest trade association representing all segments of the high-tech industry, ranked Virginia as the national leader for high-tech job growth. The report covers all 50 states, the District of Columbia and Puerto Rico, detailing national and state trends in high-tech employment, wages, exports and other key economic factors.

Virginia's high-tech industry employment grew by 9,100 net jobs to 253,300 in 2004. A significant part of the Commonwealth's job growth occurred in Virginia's largest technology sector, computer systems design and related services, which gained 6,600 jobs between 2003 and 2004. Virginia ranked second by computer systems design and related services employment nationwide, and second in terms of high-tech concentration of jobs with 88.6 of every 1,000 private-sector employees working in the tech industry, only slightly behind Colorado at 88.7. ■

Virginia Schools Make the Grade

Eight Virginia schools recently made *Newsweek's* Best High Schools list for doing the best job of preparing average students for college. The following high schools were among the top 100 nationwide in *Newsweek's* ranking of Advanced Placement and International Baccalaureate test participation rates: H-B Woodlawn Secondary Program in Arlington (13); George Mason High in Falls Church (41); Yorktown High in Arlington (47); Washington-Lee High in Arlington (52); Langley High in McLean (80); McLean High (85); W.T. Woodson High in Fairfax (90); and Centreville High in Clifton (98). Thomas Jefferson High School for Science and Technology in Fairfax County was among 21 schools deemed "public elites" by *Newsweek* but excluded from the list due to too few students in need of an AP or IB experience. ■

Pollina Ranks Virginia No. 2

Pollina Real Estate, Inc., a top U.S. corporate site selection consultant, released an independent study in late March ranking Virginia as the second most business-friendly state in the nation. The Pollina study took a comprehensive approach to evaluating and ranking states based on a total of 29 factors, including taxes.

Other states that made the list include South Carolina (1), South Dakota (3), North Carolina (4), Wyoming (5), Georgia (6), Florida (7), Maryland (8), Alabama (9) and Kansas (10). ■



Project Manager Judy McClenny received the Pollina award on behalf of VEDP.

Gateway Region Receives Recognition

Virginia's Gateway Region was recognized as one of the nation's top 20 economic development groups in the May issue of *Site Selection* magazine. Winners were selected based on factors that included, total capital investment, jobs created, diversity of industry and ability to generate breakthrough deals.

Ten agencies were included in the "Top Groups" winners circle. Virginia's Gateway Region was recognized as one of 10 honorable mention groups. ■

(Virginia in the News continued page 9)

DoD: A Changing Landscape

The future of Virginia's military installations was the focus of an intensive second meeting May 25 of the Virginia National Defense Industrial Authority.

The meeting featured guest speaker Pierre Chao, Senior Fellow and Director for the Defense-Industrial Initiatives Group. In his presentation on U.S. Defense spending trends and expectations for future growth, Chao offered valuable perspectives on what defense industry partners are experiencing and how to maximize future investment opportunities.

Chao revealed that the defense market is a highly volatile one, similar in nature to the biotech and pharmaceutical markets. Further, the defense industry, when compared to its peers, provides the lowest financial returns. Comparative industry average operating margins over the past two decades find defense industry margins well below those of the Standard and Poor's 500. A positive trend, however, is the number of service companies holding Department of Defense contracts has doubled.

"The DoD is clearly investing more in private partnerships," Chao said. "It is a changing landscape."

Authority directors also heard reports on key Virginia military community projects including Fort Monroe, Fort Belvoir, Fort Lee, Northern Virginia and the Naval Air Station Oceana. One day prior to the meeting, the DoD Office of Inspector General (OIG) notified the President and Congress of its findings that Virginia and the cities of Virginia Beach and Chesapeake had not met all the requirements of the 2005 BRAC law regarding Oceana.

The DoD OIG review was part of the BRAC-directed process to potentially realign the Navy's East Coast Master Jet Base functions. The 2005 BRAC law required the DoD OIG to certify to the President and Congress by June 1

whether specified actions had been taken by the Commonwealth and municipal governments by the end of March 2006. The law specified six actions required by Virginia and local governments, including the enactment of "state and local legislation and ordinances to establish a program to condemn and purchase all the incompatible use property located within the Accident Potential Zone 1 for NAS Oceana," known as BRAC criterion two. In the report the DoD OIG found that the program submitted by Virginia and Virginia Beach did not satisfy this criterion.

Florida now has the opportunity to meet conditions that would allow the realignment of jets from NAS Oceana to Cecil Field. To accomplish this, Florida must complete actions specified in the 2005 BRAC law by December 31. Certification on whether or not those actions have been completed would be due to the President and oversight committees of Congress by June 1, 2007.

Eric Murdock, a partner in the Hunton & Williams law firm and lead attorney representing the Commonwealth and Virginia Beach, said Virginia intends to maintain its defensive position to protect Oceana activities. "We believe what we have presented is a good program," he said. "The Navy has indicated that it likes our offer, and the City of Virginia Beach has said the same. We have made commitments to the Navy, and if we don't live up to those commitments, then they will surely close Oceana in the next BRAC round."

Recent actions at Cecil Field greatly diminish the possibility that the Navy will relocate its jets there. Jacksonville, Florida, announced June 7 it had sold 63 acres of Cecil Field to Bridgestone Firestone for a tire distribution center. Jacksonville expects two other major tenants to announce deals this summer. ■

(continued from page 8)

Virginia Gets High Marks for Low Tax Burden

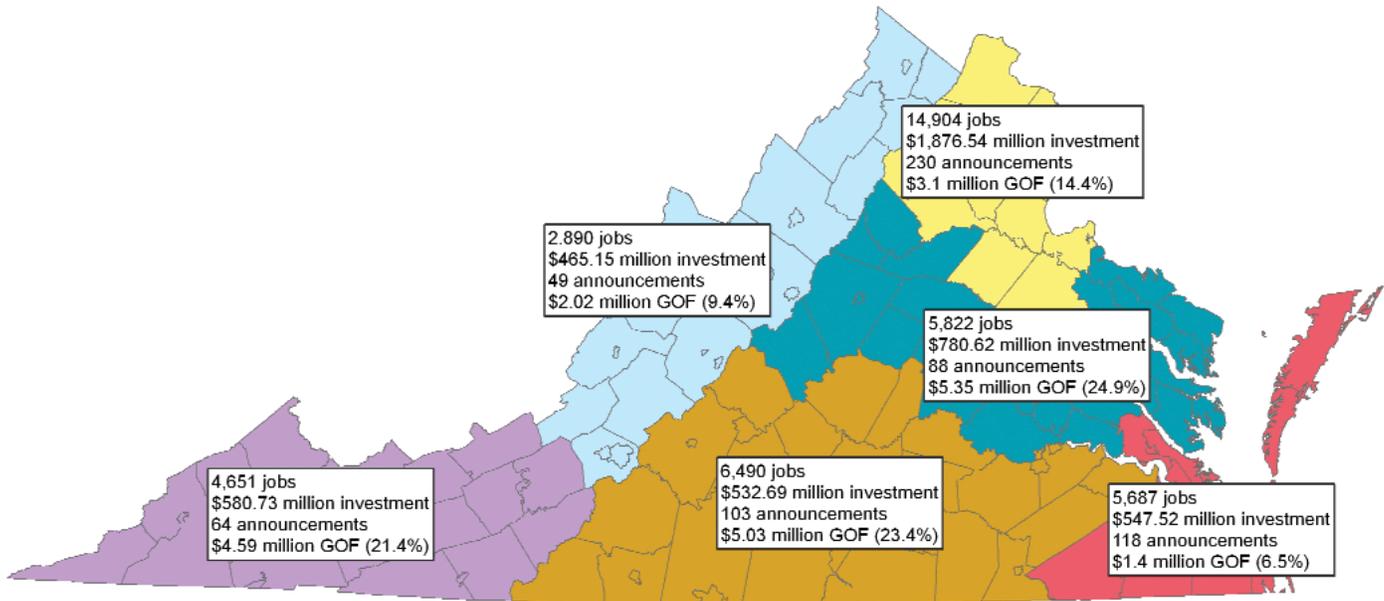
The Tax Foundation ranked Virginia as the 41st lowest among the 50 states in state and local tax burden. The Tax Foundation analyzed state and local business licensing and sales taxes, real property and tangible personal property rates, Census data, and other factors to determine its annual ratings.

Among neighboring states, only Tennessee was ranked lower in the Tax Foundation report, at 47th. In contrast, Maryland ranked 19th, Kentucky was 20th, West Virginia ranked 21st, and North Carolina was 23rd among the 50 states in state and local tax burden. ■

Virginia's Stars

Blacksburg-Christiansburg-Radford, Charlottesville, Harrisonburg, Lynchburg and Roanoke were all selected as "Five-Star Quality of Life Metros" in *Expansion Management's* 8th Annual "Quality of Life Quotient," which was published in the magazine's May/June issue. ■

Publicly Announced Employment Creation, Capital Investment, and GOF Distribution (2005-2006)



Source: VEDP Research Division, June 2006

Job Growth Striking a Balance Across Virginia

Lessening economic distress in challenged regions of Virginia to bring more balance to statewide job totals is a major goal of Governor Kaine’s Administration.

Southside and Southwest Virginia are catching up. From January 2005 to June 2006, Southside and Southwest Virginia combined publicly announced 11,141 jobs, closing the gap with Central Virginia and Hampton Roads, which announced a combined 11,509 jobs that strikes a balance that hasn’t occurred since 1994.

“The fact that job creation is essentially at the same level is overwhelmingly good news for Virginia as a whole,” said Jeff Anderson, VEDP Executive Director. “If the Southside and Southwest regions continue to rebound, Virginia could see a continuing balance in job growth statewide in the next fiscal year.”

While Northern Virginia leads in job creation and investment, the other regions of Virginia are closer than they have been in a decade. ■

Southside, Southwest Receive 45 Percent of Funds

The Southside and Southwest regions of Virginia combined received \$9.62 million in Governor’s Opportunity Funds—or nearly 45 percent of the total GOF money allocated to projects from Jan. 1, 2005 to June 2006.

Some of the larger Southwest projects that received GOF included Amcor PET Packaging in Wythe County, Dynax America in Botetourt County and McAirland’s in Franklin County. In Southside Virginia, projects included Arista Tubes and Unarco in Danville and American Industrial Heat Transfer in Mecklenburg. ■

Legislative Update: Governor's Opportunity Fund Impacted by 2006 Session

By John B. Sternlicht, CECD, VEDP General Counsel and Legislative Director

In the 2006 session, the General Assembly codified some existing practices in VEDP's administration of the Governor's Opportunity Fund (GOF), and made two specific alterations that will impact localities seeking a grant as of July 1.

The first change affecting many localities will require that every GOF project pay at least the prevailing average wage for that locality, plus benefits. Projects in high unemployment localities, defined as those exceeding the statewide average rate (3.5 percent for 2005), must pay at least 85 percent of the prevailing average wage. To find out what the prevailing average wage and unemployment rates are in a particular community, visit http://www.virginialies.org/pdf%27s/wage_unemployment_list.xls. If the project pays less than 85 percent of the local prevailing wage, grants may be awarded only after the Secretary of Commerce and Trade writes a letter to the finance committees justifying the grant due to severe distress, such as

plant closings or other negative economic factors.

Therefore, any preliminary negotiations involving a potential GOF must include the prevailing average wage, the unemployment rate and projected wage the company will agree to in writing. This means that localities with unemployment at 3.5 percent or less are eligible for GOF grants only if the project will pay the prevailing average wage by the end of the performance period (usually 30 months from receipt of the grant).

Second, the new law will make GOF Performance Agreements a bit more standard. The basic form agreement, which will be developed later this summer in cooperation with the Attorney General's Office, must detail the fair market value of all state funds, matching local funds (including in-kind) and their use, as well as the private investment made and new jobs created. The agreement must also include the average wage paid as compared to the

prevailing average wage.

As before, the agreement will set the

terms and time for performance and repayment if required. Please note that every draft performance agreement must now be passed by the Attorney General's Office, which will have seven days to provide suggested changes before the agreement can be executed.

In addition, the Code now requires that at least one-third of all moneys appropriated to the GOF be awarded to localities with unemployment rates above the statewide average. In 2005, two-thirds of the GOF went to distressed communities, so this provision will not change current practice. To look at the legislation itself, go to <http://leg1.state.va.us/cgi-bin/legp504.exe?061+ful+CHAP0890>, and send questions to

jssternlicht@yesvirginia.org. ■



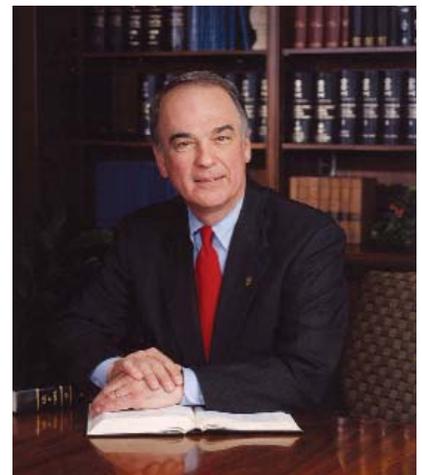
Majors Named VEDP Board Chairman

Charles H. Majors, a member of the VEDP Board of Directors since January 2004, was appointed during the Board's June 12 meeting to serve as the board's chairman. Majors, President and CEO of American National Bank & Trust Company in Danville, succeeds J. Thomas Fowlkes who served as board chairman for two two-year terms. Majors was appointed to the board by former Governor Mark R. Warner.

"The Partnership's mission to attract quality jobs and investment is vital to the economic success of the Commonwealth," Majors said.

"I've enjoyed contributing to that process as a board member and it will be an honor to serve as VEDP's board chairman."

Majors, a graduate of Auburn University and the University of Virginia School of Law, has been president of American National Bank & Trust Company in Danville since 1993. Prior to assuming his position with the bank, Majors was a senior partner with the Danville law firm of Clement & Wheatley. He also has served on a host of other boards and commissions. ■



16th Annual Virginia Nippon Classic Tees Off



For the second year in a row, the Japan-Virginia Society returned to Mattaponi Springs Golf Club for the annual Virginia Nippon Classic (VNC) business conference and golf tournament.

The VNC was started 16 years ago as the Commonwealth's way of expressing appreciation and continued support to Japanese companies for their investment in Virginia. The VNC provides informative discussions; networking opportunities with community, government and business leaders; and an afternoon of golf at one of Virginia's premier courses in Caroline County.

In addition to representatives from the event's sponsor organizations, 68 golfers attended. Of those 68, 31 golfers were from Japanese companies. The Honorable Shoji Ogawa, Consul General of Japan in Atlanta, was also at this year's event. As Consul General, Ogawa works to strengthen friendship and cooperation between Japan and the Southeast, including

Alabama, Georgia, North Carolina, South Carolina and Virginia.

A reception and awards ceremony followed the captain's choice golf tournament. ■



Without the following generous sponsors, the VNC would not be possible:

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Roanoke Valley Economic Development Partnership
Verizon

VEDP Honors Retirees



VEDP Project Manager Terry Lentz (right) presented a Share of Stock in the original Virginia Company to Eddie Yano, Managing Director of VEDP's Japan office, in honor of his retirement. Yano joined VEDP in 1999. During his tenure Yano was involved with Japanese companies that invested more than \$230 million in Virginia.



VEDP Sciences Team Leader Keith Boswell (left) congratulated Tom Kincaid, Sciences Team Project Manager, on his retirement. Kincaid came to VEDP in 1995 in the International Division, and his focus in Business Development was working with Korean projects and the semiconductor industry. In his 12 years at VEDP, Kincaid worked with companies that created more than 11,000 jobs. Kincaid also was honored with a Share of Stock in the Virginia Company.

(Hot Deals continued from page 7)

Major Expansion Announced in Franklin County

The summer heat didn't wilt the spirits of attendees at the event where Governor Kaine announced MW Manufacturers Inc.'s plans to invest \$23 million to expand its Rocky Mount headquarters and production facility in Franklin County. The project will create 175 new jobs. The company produces and distributes window and door products for the residential construction industry.

Franklin County's largest employer, MW Manufacturers Inc. employs 2,500 associates, with 1,400 currently located in Rocky Mount facilities. Founded in 1939, MW has expanded on a rich tradition in handcrafted millwork to become a major manufacturer of classic wood, clad and all-vinyl windows. MW currently operates manufacturing and distribution facilities in Rocky Mount; Fayetteville, North Carolina; Hammonton, New Jersey and Tupelo, Mississippi. MW brands, including Freedom, Classic, Jefferson, Twinseal and Patriot, are sold in building material dealers and home centers throughout the eastern United States. ■



Knowing how much Governor Kaine enjoys water sports, Franklin County officials presented him with a paddle at the announcement event.

(Hot Deals continued page 18)

Existing Businesses a No. 1 Priority in Winchester-Frederick County

By Wendy May, Marketing Coordinator
Winchester-Frederick County EDC

Since its inception in 1992, the Winchester-Frederick County community called for the Winchester-Frederick County Economic Development Commission (EDC) to make the retention and expansion of its existing business base the No. 1 job of economic development. Through its partnership with the community's educational institutions, governments and industries, the EDC has answered this calling.

Heralded initiatives like the Business Cluster Program, Business Call-Team, Annual Career Awareness Program and English as a Second Language in the Workplace Program have assisted in the retention, training and creation of nearly 1,000 jobs in the last three years. During that period, existing businesses invested close to \$150 million in capital improvements and local governments realized a net return of almost 400 percent.

More than 80 visits each year are made to the community's existing food processing, metal fabrication, plastics and printing industries by the EDC Business Call-Team, a group of paid retired business professionals in the community. Information collected during these visits and bi-monthly cluster meetings assist the EDC in tailoring existing business programs and proactively spotting developing business trends within each cluster.

The Career Awareness Program was developed as a result of this increased intelligence. The three-part, year-round initiative creates awareness of community career opportunities and the required education and skill sets needed to maintain a viable workforce. The Career Awareness Tours, VIP Industry Tours, and EDC Tech-Prep Intern Scholarship have touched the lives of nearly 100 decision makers, more than

1,000 middle and high school students, and nearly 300 teachers and counselors over the program's five-year history.

Perhaps the most significant demonstration of the EDC's commitment to existing business is found in the community's tagline for economic development—Your Move. Our Commitment, said Patrick Barker, Economic Development Director for the Winchester-Frederick County EDC.

"This statement is a promise to potential new businesses that if they choose to locate in Winchester-Frederick County," he said, "they will experience a heralded strategy and proven track record of commitment to business that will allow them to remain and grow."

For more information about the Winchester-Frederick County EDC existing business programs, visit www.winva.com or contact the EDC at 540-665-0973. ■

A Surprise Visit



U.S. Ambassador to Germany William Timken, second from left, visited the Virginia booth at the Hannover Fair in Germany. Ambassador Timken is the former Chairman and CEO of the Timken Company, which operates a facility in Altavista.

Lake Country Means Business



The VEDP Industrial Team presented the Lake Country Marketing Council with an award recently. The award recognizes the Council's hard work in preparing the very best information to present to visiting prospects. One team member said, "Their attention to detail and completeness is exceptional. When prospects get this information they know the Lake Country Region means business."

Fredericksburg Region Working to Gain Partnerships in China

Stafford County business man Jimmy Yang is so pleased with his experience as an entrepreneur in Stafford County that he's spreading the word in China.

Yang, CEO of Universal Stones gained a new title or two in March when Mayor Jiuyun Han of Changzhou, China, announced Yang's role as senior economic adviser to the Changzhou municipal government and director of the Washington office of the Changzhou Foreign Trade and Economic Corporation Bureau.

Gene Bailey, President of the Fredericksburg Regional Alliance, couldn't be happier. With China's rapid economic and population growth, the nation offers promising prospects for partnerships, he said. And the Fredericksburg Regional Alliance, an economic development group representing Fredericksburg and the counties of Spotsylvania, Stafford, Caroline and King George, is looking to be that partner.

"They have the fastest-rising middle class on earth and they are very interested in investing money in other countries," Bailey said.

Bailey is no stranger to China. In fact, he and his staff have worked to develop a relationship with the Chinese for about eight years. Bailey, Stafford County Director of Economic Development and Legislative Affairs Tim Baroody, Spotsylvania County

Supervisor Gary Jackson, and King George County Economic Development Director Dennis Kerns recently traveled to Asia to promote the region and give the area a leg up on the competition.

"The Chinese have a great appreciation for talking to people about business opportunities after knowing you first have been there," he said.

And the Fredericksburg Regional Alliance is finding that good customer service goes far, regardless of where you are. In recent interviews with local media, Yang attributed much of his success in Virginia to the cooperation he has received from Bailey and local public and elected officials—something he plans to tout in his new role. ■



Fredericksburg Regional Alliance Executive Director Gene Bailey (center) presented the Chinese delegation from Changzhou, China, with a gift during a reception held in March.

M&S Makes the News

Some things are worth the wait.

About five months after the Virginia Modeling & Simulation Media Tour, headlines are emerging that tout Virginia's modeling and simulation efforts.

Just look at the cover of Virginia Business magazine's May issue. "Sim City: The Brave New World of Modeling and Simulation" discusses the industry as an opportunity for Hampton Roads. The seven-page spread highlights the evolution of modeling and simulation technology in the region. Media tour participants got a behind-the-scenes peek at M&S's power to revolutionize industries such as military, healthcare and government response to large-scale catastrophes. Hampton Roads has become one of the top three meccas for the evolving modeling and simulation industry.

The Hampton Roads region takes to the headlines again in the January issue of MS&T magazine. "From Novelty to Necessity" takes readers to Lockheed Martin's Center for Innovation, into Eastern Virginia Medical School's virtual operating room at Old Dominion University, as well as behind the scenes of the U.S. Joint Forces Command and the Virginia Modeling, Analysis and Simulation Center.

The two publications were among the tour participants in November 2005. ■



It all started with Joe Adams's morning java.

The VEDP International Trade Manager's first taste for International Trade didn't come from sipping the warm beverage, but from selling it.

After earning an undergraduate degree in business administration and a master's degree in Spanish literature, Adams and a college friend moved to Bolivia and launched a coffee exporting company. For three years, the two shipped coffee from Bolivia to New York.

As a VEDP International Trade Manager, Adams, who now has a PH.D. in educational administration, uses his exporting experience to assist other companies with taking their business globally. In this job, Adams doesn't need his morning coffee to keep him going. The people and the projects take care of that.

"Every day is like a field day," Adams said. "It's such great fun working with all the different people I come in contact with and we're seeing results. Almost every week I see positive results."

Adams serves as VEDP's International Trade representative for the Hampton Roads region, which covers the area from Williamsburg to Chesapeake and from the Eastern Shore to Southampton County. He helps companies with everything from financing to marketing to logistics in terms of exporting everything from dental floss to home security devices.

His work takes him out of his Norfolk office about four days a week and he travels to at least two trade events overseas each year. Most recently, Adams led a group of seven companies to India. His next trip, scheduled for July, will take the trade manager and a group of six clients to the Farnborough Air Show in London.

In the past, Adams visited many companies to sell the programs and services of VEDP's International Trade Division. Now, the word has spread about VEDP's customized export assistance for individual Virginia businesses. Export counseling, export planning, market research and assistance establishing global sales networks are key services offered. And, there are numerous export success stories from companies that have participated in VEDP's international trade programs. As a result, more and more companies are being referred to Adams by other businesses, economic developers, the Virginia Port Authority and Small Business Development Centers. This growing interest in exports is reflected in the fact that almost all of VEDP's trade shows and trade missions have been "sold-out" over the past 18 months.

And Adams is just the person for the job. For 10 years he worked in Chicago as Executive Director of an international foundation for



business development. He has served as Director of Educational Programs and Services for the Virginia Department of World Trade and the Virginia Economic Development Partnership from 1988 until 1992. From 1992 until 1998, he worked for Virginia Tech as an International Trade Development Specialist.

Adams created and taught two courses on international economic development at George Mason University. He also was named by the Virginia Secretary of Commerce and Trade to serve on the Governor's "Opportunity Virginia" Strategic Planning Committee and received the 1996 Governor's Award for Excellence in International Market Planning.

He has held his current position for eight years, and Adams said it's the perfect fit.

"I have the most beautiful territory in the state and I get to work with such a diverse group of companies," he said. "It really keeps it interesting. I can't think of anything I'd rather be doing." ■

Exporting 101 Travels the State

The Division of International Trade has undertaken the task of educating Virginia companies on the basics of exporting by hosting a number of Exporting 101 seminars around the state.

The seminars cover export readiness and the basics of exporting sales, marketing, shipping and payment. Industry professionals offer pointers on achieving international sales success, including topics such as trade events, market research, due diligence, export pricing and payment, and export shipping. Seminars have already taken place in Virginia Beach and Abingdon with several more scheduled to take place through the end of the year.

"I enjoyed the seminar and came away with a lot of useful information," said Darlene Flowers of Yupo Corporation America, who participated in the May seminar in Virginia Beach. "I will most certainly be in touch, now that I know who to contact whenever questions arise."

To learn more about International Trade's Export 101 seminars, visit www.ExportVirginia.org. ■

International Trade Missions Produce Results

The International Trade Division continues to travel around the world in search of business for Virginia companies. From March through May, trade managers have taken 34 Virginia companies on trade missions to 11 different countries, including the United Kingdom, Ireland, Argentina, Brazil, Chile, China, India, Mexico, Japan, Australia and Singapore.

"Once again, VEDP did an outstanding job in coordinating productive meetings with potential clients," said the sales manager of a participating aeronautical communications firm. "Sales were generated with Brazil's largest aircraft manufacturer shortly after travel. I look forward to working with the VEDP personnel in the future, and to generating new sales worldwide." ■

Allies Together Again

Lewis Ginter Botanical Gardens provided the perfect setting for the summer VEDP/Ally meeting. As bees buzzed around the rhododendron and hydrangeas outside, economic development professionals were abuzz inside.

Jeff Anderson, VEDP Executive Director, kicked off the meeting with an overview of VEDP's mission, economic development strategy and reorganization efforts. As VEDP launches organizational change and focuses on specific vertical markets and strategic market initiatives, it is important for economic developers to work together at the state, regional and local levels to develop strategy to market Virginia, he said. Identifying Virginia's strengths as a state and breaking it down to the diverse assets of each locality will be key in promoting the Commonwealth to new and existing industry.

"Virginia has major assets," Anderson said. "These assets need to be aggregated at all levels into one message saying 'Why Virginia.'"

A presentation on the importance of Virginia's existing industry followed. Bringing new companies to the state is essential, said VEDP Deputy Director Gary McLaren, but nurturing the relationships with companies already committed to Virginia is critical in order to retain them. McLaren spoke about the state's development of an existing industry program that focuses on the assets of the industry present in each locality and the need to work together on each level to expand enterprise.



Jeff Anderson, VEDP Executive Director, discussed the Partnership's vertical markets and strategic initiatives to kick off the meeting.

Liz Povar, VEDP Business Development Director, also touched on this framework for regional partnerships. VEDP now offers regional liaisons who will be communication vehicles from the local and regional levels to the state.

An economic update and overview of VEDP's global strategy by VEDP International Trade and Investment Director Paul Grossman preceded lunch, courtesy of Old Dominion Electric Cooperative. In closing, and perhaps one of the main topics of interest to allies, was an update on the legislative and budgetary issues in the new fiscal year by John Sternlicht, VEDP General Counsel and Legislative Director. ■

(Continued from cover)

ects in Virginia include CGI-AMS, which has its U.S. headquarters in Virginia, Sanfacon and Intertape Polymer Group Inc.

The Governor's itinerary was chock full of meetings with current and prospective investors in Virginia, as well as tourism industry officials and travel industry media. While foreign trade missions typically focus solely on business partnerships, the trip to Canada also offered a unique opportunity to promote the Jamestown 2007 400th Anniversary celebration, which coincides with Quebec's 400th anniversary in 2008.

Virginia attracts more than 435,000 visitors from Canada annually, who generate almost \$60 million in spending. The Commonwealth is a little more than one day's drive from Toronto and Montreal, making it the closest warm-water beach destination for Canadians traveling from Ontario and Quebec. ■



Dr. Marie Bountrogianni, Minister of Intergovernmental Affairs (left), and Protocol Officer Bill Carr chatted with Governor Kaine during his visit in Toronto.



Michel Rotitaille, Quebec Delegate General, New York (left), and Governor Kaine compared notes during the reception in Montreal.



U.S. Consul General Mary B. Marshall (right) welcomed Governor Kaine to Montreal by hosting a reception at her home.

(Hot Deals continued from page13)

Prime Choice Foods Satisfies Hunger in Bristol



Prime Choice Foods, Inc., a manufacturer of organic corn products, will invest more than \$4.5 million to consolidate warehouse operations and add manufacturing capacity to its current facility in Bristol. This expansion will create 35 new jobs.

Prime Choice Foods, Inc. is a family-owned and operated, approved and certified manufacturer of organic snacks. The company sells its product under the brand name Go-Mex, and produces private label products for Hain Celestial, Utz, Publix and Kroger. ■

Lees Commercial Carpets has Rockbridge County Covered

Lees Commercial Carpets is growing—the result at least 25 new jobs and retraining for 150 current jobs. The company, a division of Mohawk Industries Inc., will invest \$26.6 million to expand its manufacturing facility in Rockbridge County.

Lees Carpets has been a valued employer in Rockbridge County since 1935 and makes up 40 percent of the manufacturing sector in the county. The company is headquartered in Calhoun, Georgia. Founded in 1846, Lees is a leader in the manufacturing and marketing of modular and broadloom carpets for commercial applications such as office buildings, airports, convention centers, schools, retail and healthcare facilities. ■

(Hot Deals continued page 19)

Quarterly Calendar

DATE	CONTACT	EVENT
July 10-14	CR	Pennsylvania Marketing Mission
July 14-16	SC	Semicon West 2006-San Francisco, CA
July 17-23	SK	Farnborough International Air Show-UK
Aug. 23-26	VB	International Woodworking Machinery & Furniture Supply Fair-Atlanta, GA
Sept. 6-8	SC	AIAA/ISSMO Multidisciplinary Analysis and Optimization Conference-Portsmouth, VA
Sept. 10-13	VB	Data Center World Conference-Orlando, FL
Sept. 11-15	CR	Texas Marketing Mission
Sept. 16-20	SC	Thermoforming Conference 2006-Nashville, TN
Sept. 18-22	SK	Trade Mission to Mexico
Sept. 25-Oct. 6	SK	Virginia Walkabout
Sept. 27-28	SC	Simulations Leadership Forum-Washington, D.C.
Sept. 27-28	SC	Emerging Technologies Conference at MIT-Cambridge, MA
Oct. 9-13	SK	Trade Mission to Russia and the Ukraine
	VB	Vince Barnett, VEDP (804) 545-5815
	SK	Scott Kennedy, VEDP (804) 545-5754
	CR	Chuck Rogers, VEDP (804) 545-5808
	SC	Suzanee Chrala, VEDP (804) 545-5700

Southside, Southwest Virginia Break Ground



State, local and business officials cut the ribbon in May on Home Care Delivered, Inc., a home health care products company. The company announced in May 2005 its \$1.1 million investment in a new business development center in Mecklenburg County.



Company, state and local officials, as well as new employees at the facility, participated in a ribbon-cutting to celebrate CGI-AMS' temporary facility in Russell County.



Secretary Gottschalk presented a Virginia flag to Ron Katz, Chairman and CEO of Yorktowne Cabinetry's parent company, Elkay Manufacturing Company, at the Yorktowne Cabinetry ribbon-cutting in Danville.

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DID YOU KNOW?

Virginia Ranked Most Active State

If you have a love for the great outdoors, the Old Dominion can't be beat, according to *Blue Ridge Outdoors* magazine.

Blue Ridge Outdoors researched a number of health, lifestyle and outdoor recreation factors among the Blue Ridge states to determine that Virginia is the best place “for health-conscious outdoorsy folks to live.”

Virginia, which was a top-two finisher in eight categories, competed against North Carolina, South Carolina, Georgia, Tennessee and West Virginia. The magazine's research found Virginia to be the most active state with more than 75 percent of Virginia adults choosing cardio over reality TV, and the wealthiest state with only 9 percent of Virginians below the poverty level. Virginians also enjoys the most public land acreage, with 1.8 million acres of state parks, national forests and national parks, and the cleanest rivers in the Blue Ridge with only 9.5 percent of its rivers classified as impaired. ■

