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Virginia Commerce Quarterly

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VICTORY



Photo Courtesy of Michele White

Governor Bob McDonnell (right) welcomes Wes Bush, President and CEO of Northrop Grumman, to Virginia.

After six years of courting, hundreds of conference calls, seemingly thousands of e-mail exchanges, and an intense, very public four-month competition between the District, Maryland and Virginia, victory was declared for the Commonwealth in April when Northrop Grumman announced plans to move the company's headquarters operations from Los Angeles to Virginia.

(Story continued on page 3)



With recent funding success during the legislative session, project activity saw improvement during the last quarter. VEDP's active projects increased about 10 percent, and we will work toward ensuring that trend continues. The McDonnell Administration is engaged and enthusiastic, and VEDP is leveraging that enthusiasm both domestically and abroad. Secretary of Commerce and Trade Jim Cheng participated in an Asian mission coordinated by the Southern Governors Association in June, and Governor McDonnell is scheduled to lead a number of marketing missions throughout the rest of the year, including a trip to Europe this month.

At home in Richmond, the Governor's Economic Development and Job Creation Commission is in full swing. A host of Virginia business leaders, secretariat and other government organization representatives (including a number of VEDP folks) and citizens make up the Commission, which is charged with researching economic development best practices and identifying and responding to Virginia's potential hurdles to attracting jobs and investment. The Commission also is tasked with seeking opportunities for job creation and making policy recommendations that will impact the future of doing business in the Commonwealth.

The Northrop Grumman headquarters project was a tremendous win for Virginia. Unlike other economic development projects, the selection process was highly publicized, which fueled the competition and shined a spotlight on Virginia's ability to make the deal happen. With persistence and flexibility, the Commonwealth came out ahead. In addition to gaining 300 new jobs, Northrop Grumman's decision solidifies Virginia's posture in the defense industry, continues the Commonwealth's momentum as the headquarters location of choice, and further strengthens the relationship that the state and company have enjoyed for decades.

Three-hundred new jobs were also big news in Radford, thanks to Virginia Casting Industries' announcement that the company will establish a manufacturing operation in the community's former Internet facility. For this project the turnaround time was quick, and environmental and legal issues needed to be resolved. A strong Virginia team comprising VEDP, the Department of Environmental Quality, the Virginia Small Business Financing Authority and the Virginia Department of Business Assistance responded swiftly and effectively—putting 300 former Internet employees back to work and keeping the foundry from being sold as scrap in the bankruptcy proceeding.

These and other recent projects like Faneuil's new customer care center in Martinsville and Phoenix Packaging—another headquarters operation—in Pulaski are welcome signs that the economy is improving.

In April, Virginia was awarded *Site Selection* magazine's 2010 Competitiveness Award. The award measures state economic development agencies' competitiveness. Mark Arend, editor in chief of *Site Selection*, was quoted as saying: "State economic development agencies had to work even harder in 2009 to grow existing businesses and to attract new investment and jobs. The Virginia Economic Development Partnership's focus on this challenge has resulted in its first Competitiveness Award, signaling to site selectors that Virginia will compete vigorously for projects and their resulting jobs."

VEDP also applauds its partners—our allies at the local and regional levels, our state agency partners, our legislative and Administration supporters, as well as our corporate partners and higher education friends—for helping us keep Virginia at the top of its game. Congratulations.

Sincerely,

Jeffrey M. Anderson

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Photo Courtesy of Michaele White

Northrop Grumman President and CEO Wes Bush (left) and Governor McDonnell admire the Share of Stock in the Virginia Company. The replica share is a traditional gift given to companies to symbolize the spirit of enterprise that continues to grow in Virginia.

(Continued from Cover)

The move will create 300 new jobs. The investment will be determined when Northrop Grumman announces its Northern Virginia locality choice.

Proximity to Northrop Grumman's clients, the availability of facilities that met the company's needs, and good old-fashioned hard work tipped the scale for Virginia.

"While the negotiations were a four-month process, we've been working toward this announcement for about six years," said Keith Boswell, VEDP Business Development Team Leader who worked the project. "We knew Northrop Grumman needed to be here, and we paid attention to them along the way. We were ready when they were ready."

In fact, the courting started during the Warner Administration. VEDP sent Northrop Grumman an unsolicited proposal during the Kaine Administration, and McDonnell's Administration took office when the project became official. Governor McDonnell maintained personal involvement throughout negotiations and assisted with legislation to help Virginia meet the global security giant's needs.

Virginia had a lot going for it. Northrop Grumman already has an enormous presence in the Commonwealth, including the headquarters of three of its five business units, two of its largest divisions, and 22 primary locations that employ more than 30,000 Virginians. The company operates an apprentice school in Newport News for students interested in shipbuilding careers. Northrop Grumman and the Commonwealth also have an information technology infrastructure partnership contract, and Northrop Grumman has established a data center in Chesterfield County and a center of excellence in Russell County as part of its effort to implement the improvements to Virginia's IT infrastructure.

Many viewed the project as "Virginia's to lose." VEDP never saw it that way.

Boswell remembers many nights and weekends spent on the telephone working the project—sometimes in the middle of his children's sporting events.

"We can't afford to assume anything—especially in the current economic climate," he said. "Since this project started, it has been full speed ahead."

Northrop Grumman has not yet announced where in Virginia its headquarters will operate, but company CEO Wes Bush said that the new corporate office will open in 2011. ■



Faneuil CEO Anna Van Buren (fourth from left) and Lt. Governor Bill Bolling pose with government and business partners in the Faneuil deal—and the Tobacco Region Opportunity Fund check—at the conclusion of the event.

Good News Embraced in Martinsville

Two-hundred-fifty people in the Martinsville area will get new jobs thanks to Faneuil, Inc., a provider of customer support solutions for government and private-sector customers. The company announced in April that it will invest \$2.4 million to establish a customer support center in Martinsville to service its Dominion Virginia Power contract, as well as other clients. Lieutenant Governor Bill Bolling joined business and government leaders in Martinsville to announce the project.

As a leading “boutique” call center provider, Faneuil tailors its operations to fit the culture of its clients. The company currently employs more than 2,800 and is responsible for millions of daily customer transactions, including those for the Virginia Department of Transportation E-ZPass operations and the Metropolitan Washington Airports Authority.

Faneuil will service Dominion customers with their new connections and disconnection orders, and will eventually assume responsibility for the full gamut of customer service calls.

Dominion Virginia Power made the decision to relocate its customer service operations from Texas to Martinsville to assist the community in its recovery efforts. ■



Cobham Composite Products Opens Doors in Suffolk

Lieutenant Governor Bill Bolling, Senator Jim Webb, Congressman Randy Forbes and many company and local officials were on hand in May to officially cut the ribbon at the new Cobham Composites facility in Suffolk. In March 2009 the company announced plans to open a facility to manufacture composite parts for the aerospace and defense industry. The project includes an investment of \$9.1 million and will create 206 new jobs. ■

(from left to right) Cobham Defense Systems President Jeremy Wensinger, Lieutenant Governor Bill Bolling, U.S. Senator Jim Webb, Suffolk Mayor Linda Johnson, representative from U.S. Senator Mark Warner’s office and U.S. Congressman Randy Forbes cut the ribbon at Cobham Composite Products.



Lieutenant Governor Bolling moves dirt with local, state and company officials at Alpha Natural Resources' ground-breaking ceremony.

Alpha Natural Resources Breaks Ground in Bristol

In November 2009, Alpha Natural Resources announced plans to build its new corporate headquarters in Bristol, creating 69 jobs and retaining 131 jobs. This project came as a result of the July 2009 merger of Alpha with Foundation Coal. This past May, Lieutenant Governor Bolling was on hand to celebrate the official groundbreaking.

Located in Bristol's new Sugar Hollow Business Complex, the building is expected to be ready for occupancy in mid-2011.

The company, through its affiliates, employs approximately 6,200 people and operates more than 60 mines and 14 coal preparation facilities in the regions of Northern and Central Appalachia and the Powder River Basin. ■

DIRECTV Establishes Virtual Call Center in Southwest Virginia

The world's most popular video service, DIRECTV, and its customer service partner, Convergys, plan to establish a virtual call center in Southwest Virginia. The project will create 100 new jobs, recruiting from three regions: the New River Valley, made up of the counties of Floyd, Giles, Montgomery, Pulaski and the City of Radford; Virginia's aCorridor, which consists of the City of Bristol and the City of Galax and Washington, Smyth, Wythe, Grayson, Carroll and Bland counties; and Virginia's e-Region, made up of Lee, Wise, Scott, Buchanan, Russell, Tazewell and Dickenson counties and the City of Norton.

DIRECTV delivers state-of-the-art technology, unmatched programming, the most comprehensive sports packages available and industry-leading customer service to its more than 18.5 million customers in the U.S., as well as the capacity for more than 200 HD channels in Dolby 5.1 theater-quality sound, access to exclusive sports programming and higher customer satisfaction than the leading cable companies for nine years running.

Convergys, DIRECTV's long-time customer service partner, will hire employees for the virtual call center and provide training to handle general customer support calls for DIRECTV. ■

Danville Gains 160 New Jobs

The City of Danville is now "greener," thanks to EcomNets, a company dedicated to advancing energy efficiency in data centers and business computing ecosystems. The company will invest \$1.94 million to establish a green computer, server and storage area network manufacturing operation. The project creates 160 new jobs.

EcomNets is recognized as a leading green Information Technology (IT) solutions provider, business process management and IT governance integration company that develops highly innovative, rapidly implemented, and extremely cost-effective enterprise integration solutions. These solutions are currently delivered to a wide range of IT clients within the Fortune 2000 and government agencies. ■

KPMG Expands in Fairfax County

KPMG LLP, the audit, tax and advisory firm, will bring nearly 375 additional jobs to its office in Fairfax County. KPMG recently completed a move from another location in Tysons Corner to renovated space at 1676 International Drive, where the additional jobs will be housed.

KPMG is a global network of professional firms operating in 145 countries with 140,000 people working in member firms around the world. The independent member firms of the KPMG network are affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. ■



(from left) King William Board of Supervisors Chairman Tom Smiley, Lieutenant Governor Bill Bolling, Virginia Natural Gas President Jodi Gidley and Nestlé Purina PetCare Company Plant Manager Mike Broz broke ground along the project site while supporters watched.

Corporate Commitment Benefits Many in King William

Virginia Natural Gas and Nestlé Purina PetCare Company have joined forces to install a 12-mile natural gas pipeline along U.S. Route 360 in King William County. The \$6.5 million investment will allow Virginia Natural Gas to serve the county for the first time, aid King William's future economic success, and serve Nestlé Purina's Tidy Cats® cat litter manufacturing facility, other companies in the region, and area residents.

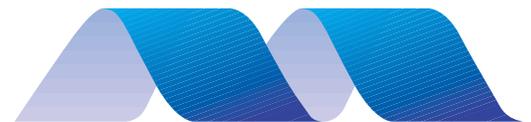
The natural gas pipeline will start at the end of the existing trunk line in Hanover County at the intersection of U.S. Route 360 and Walnut Grove Road. It will turn off of Rt. 360 at Mount Pleasant Road and end at the Nestlé Purina facility in Fontainebleau Industrial Park. Construction began in May and will be completed by the end of the year.

Nestlé Purina also will make significant investments in equipment upgrades at its King William plant that will reduce emissions and improve the plant's operating efficiency. Nestlé Purina, which has operated the Tidy Cats® facility in King William since 1998, employs about 160 people at its Fontainebleau Industrial Park plant. ■

Phoenix Packaging to Locate First U.S. Operation in Pulaski County

Phoenix Packaging Operations, LLC, a subsidiary of Phoenix Packaging Group, will invest more than \$20 million to establish its first U.S. operation in Pulaski County. The company will manufacture thermoformed rigid plastic packaging for customers in the U.S., and also establish its North American headquarters in Pulaski. The project will create 240 new jobs.

Phoenix Packaging Group, a family owned Latin American company dedicated to the creation, design and manufacturing of plastic packaging and foodservice disposable products, is one of the most important packaging manufacturing conglomerates in Latin America, with sales in more than 30 countries. The company was established in 1999 with the integration of several industry-leading companies in Colombia



PHOENIX
PACKAGING GROUP

and Venezuela, and in 2003 a Mexican company joined the group. The company has eight locations in Latin America, employing 4,000 people in four countries. Customers include Green Mountain Coffee Roasters, Keurig, Van Houtte, Agro-Farma, General Mills, Sturm Foods and Colgate for products such as ice cream and other dairy items, margarine, desserts, and soaps, as well as single-serve products such as yogurt and coffee. ■



Home of New Nuclear Reactor Dedicated

Governor Bob McDonnell joined Lynchburg area government and business leaders in March to dedicate Babcock & Wilcox's nuclear engineering offices. The company's new mPower nuclear reactor will be designed and built at the new facility. Pictured (left), John Fees, CEO of B&W's parent company, McDermott International, and Governor McDonnell examine a model of the mPower nuclear reactor. ■



Goodbye Memory Chips—Hello Data Centers

The former Qimonda facility in Henrico County will soon be known as one of the largest data center properties in the nation thanks to QTS (Quality Technology Services), one of the nation's largest and fastest-growing privately held providers of data center facilities. QTS has acquired the 1.3-million-square-foot facility, which includes nearly \$1.1 billion in existing state-of-the-art infrastructure.

The company plans to invest more than \$100 million over the next three years to retrofit the property to provide the most secure and reliable data center services in the area. The company will also launch a new Government Services Group that will focus on products and managed service offerings targeted to government customers.

QTS is a leading national provider of data center facilities and professionally managed IT, cloud computing and hosting services to enterprise businesses. With 12 locations in six states, QTS owns, operates and manages more than 3.5 million square feet of secure, state-of-the-art data center infrastructure and provides mission-critical IT operations for performance and cost efficiency. ■

(Hot Deals continued on page 15)



Virginia Car Manufacturer Featured in *New York Times*

The performance of a Ferrari. The style of a Formula racecar. All the luxuries of a Razor scooter.

That's how the *New York Times* described the Ariel Atom 3, a Virginia-built two-seat sports car, in a recent feature story about the Atom and its builder, TMI AutoTech. Since 2008, TMI AutoTech has built Atoms in Alton, Va. The company distributes and markets the cars nationwide. ■

Virginia Schools Rank Among the Nation's Best

According to a survey released in April by *U.S. News and World Report*, many of America's best graduate schools can be found right here in Virginia.

Virginia Tech's College of Engineering was among five of the school's graduate programs to rank among the nation's best in their fields. Other programs that made the ranking include Virginia Tech's College of Science's psychology department (33), its paleontology (9) and earth sciences (28) programs, and Tech's Career and Technical Education graduate program (4) in the College of Liberal Arts and Human Sciences School of Education. Virginia Tech's public affairs program in the School of Public and International Affairs, part of the College of Architecture and Urban Studies, ranked 27th in the nation, and the school's Pamplin College of Business ranked 41st among the nation's best part-time M.B.A. schools.

Five graduate schools and nine graduate programs at the University of Virginia also received *U.S. News and World Report's* seal of approval. The School of Law (10), Curry School of Education (21), Darden School of Business (13), School of Medicine (25 for research and 39 for primary care) and School of Engineering and Applied Science (39) remained in the top 50.

U.S. News and World Report's graduate rankings of colleges, published annually since 1987, are based on data gathered from the surveyed schools, as well as peer assessments by deans, senior faculty and other professionals in their respective fields. The annual survey is intended to provide prospective students with information about the nation's top graduate schools and programs of study. ■

VEDP Wins Competitiveness Award

VEDP in April was awarded *Site Selection* magazine's 2010 Competitiveness Award. The award began in 2003 as a benchmark that measures state economic development agencies' competitiveness—the most important factor in an agency's ability to attract capital investment and expand economic activity in the state.

This recognition goes to the state-level economic development agency that accumulates the most points across 10 quantifiable criteria for measuring business-expansion activity that took place in the previous calendar year. Criteria used for the ranking included total new and expanded facilities in 2009; total capital investment in new and expanded facilities in 2009; total new jobs created in 2009; and state gross domestic product per 1 million in population.

"State economic development agencies had to work even harder in 2009 to grow existing businesses and to attract new investment and jobs," said Mark Arend, editor-in-chief of *Site Selection*. "The Virginia Economic Development Partnership's focus on this challenge has resulted in its first Competitiveness Award, signaling to site selectors that Virginia will compete vigorously for projects and their resulting jobs." ■

Virginia Rises to No. 4 on Business Magazine Ranking

Chief Executive magazine ranked Virginia No. 4 on its annual best and worst states for business listing. Virginia ranked No. 7 on the list last year. The top three states were Texas, North Carolina and Tennessee.

More than 600 CEOs across the country were asked to rank the states based on their direct experience. Three general categories were considered: taxation and regulation, quality of workforce and living environment. Within each category, respondents graded states in five subcategories and ranked each in terms of its importance to the respondent and how individual states measure up. ■

Virginia Receives High Rankings in National Business Report

A new report from the U.S. Chamber of Commerce, *Enterprising States: Creating Jobs, Economic Development, and Prosperity in Challenging Times*, places Virginia in the top ten in numerous categories related to job creation and economic development policies and environments.

Virginia ranked No. 1 in cost-of-living adjusted median family income, second for top overall growth performance, sixth for business tax and regulation climate, and tenth for entrepreneurship and innovation.

“Commonly viewed as one of the most enterprise-friendly states, Virginia has worked hard to develop new and emerging industries and is the home base for many university, private, and government research and development facilities,” the Chamber report noted. “Virginia’s success is a testament to the state’s long-term planning and management of money, people, infrastructure, and information.”

Virginia also fared well in the 2010 U.S. Chamber of Commerce’s State Liability Systems Ranking Study, ranking sixth among all 50 states in the fairness of its litigation environment. ■

Virginia’s Food & Beverage Industry Touted

The food and beverage industry is Virginia’s second largest manufacturing sector, employing more than 34,000 people. With nearly 500 firms operating in the Commonwealth, the industry generates a direct economic output of \$18.2 billion.

Those facts and more were shared in June with eight food and beverage trade writers from across the country during the Virginia Food and Beverage Media Tour. During the three-day tour, the group visited Virginia companies from Colonial Heights to Berryville, including Sabra Dipping Company, Ashland Milling Company, WhiteWave Foods, Route 11 Potato Chips and L’Esprit De Campagne. The Local Food Hub Educational Farm in Charlottesville and Augusta County’s agri-tourism efforts also were highlighted.

“As a Kentuckian, I’m truly envious that our Commonwealth is not on top of generating business opportunities like Virginia is—it just takes effort and innovative thinking that the Bluegrass boys aren’t yet applying,” said Steve Coomes, freelance writer for numerous publications, including *Southern Living*. “Yes, I know everyone was putting on their game faces for us, but there was no denying the genuine enthusiasm about what’s going on in the business community [in Virginia]. It’s palpable and infectious.”

Other publications represented on the tour included *Natural Foods Merchandiser*, *Cooking with Paula Deen* magazine, *Abasto Magazine*, *Food Manufacturing*, *Quality Assurance & Food Safety*, *Modern Brewery Age*, and *Farmers Market Today*.

VEDP hosts an industry-focused media tour twice a year to showcase Virginia companies, the regions in which they are located, and the Commonwealth as a great place to do business. ■



Cheng Puts Experience to Work as Virginia's Secretary of Commerce and Trade

Jim Cheng understands what keeps business executives awake at night.

The former CEO lost plenty of sleep during his 16 years at the helm of information technology company CHM. Cheng hopes that his experience, coupled with a desire to make a difference as Virginia's new Secretary of Commerce and Trade, will help company leadership find solace in the snooze button once again.

"I want to give back to the Commonwealth," Cheng said during a recent interview from a modest conference room in his Broad Street office. "I've spent my entire adult life here, and my success can be attributed to being in Virginia. I hope that my business and entrepreneurial background will help me relate to (business) people. Even though we can't solve all problems, we can help provide solutions to many of the problems companies are facing."

Cheng worked as a computer programmer on government contracts while earning a degree in computer science at Old Dominion University. After earning an MBA from the University of Virginia Darden School and while earning a law degree from Georgetown University, Cheng, who was born in Taiwan, established his own company in Virginia Beach handling Navy contracts. A desire to expand into other government contracts prompted Cheng and wife, Jeanette, to move to Northern Virginia where they have lived for 12 years. He sold the company about five years ago, and when not following his Taiwanese pop star wife on her worldwide concert tours, Cheng mentored small businesses and angel investment and served as president of Totus Lighting Solutions, a startup efficient-energy firm.

"I've driven through Richmond so many times," Cheng said. "Now I finally have a reason to stop."

Governor Bob McDonnell appointed Cheng Secretary of Commerce and Trade in January. Since then, he has found little time to stop. But Cheng doesn't mind. It's all part of the challenge, he said.

"I have a federal government contracting background, so I wasn't as familiar with the state side," he said. "I'm quite pleased to see the level of professionalism of state government and the accessibility of our General Assembly members. The ability to interact with them is refreshing."

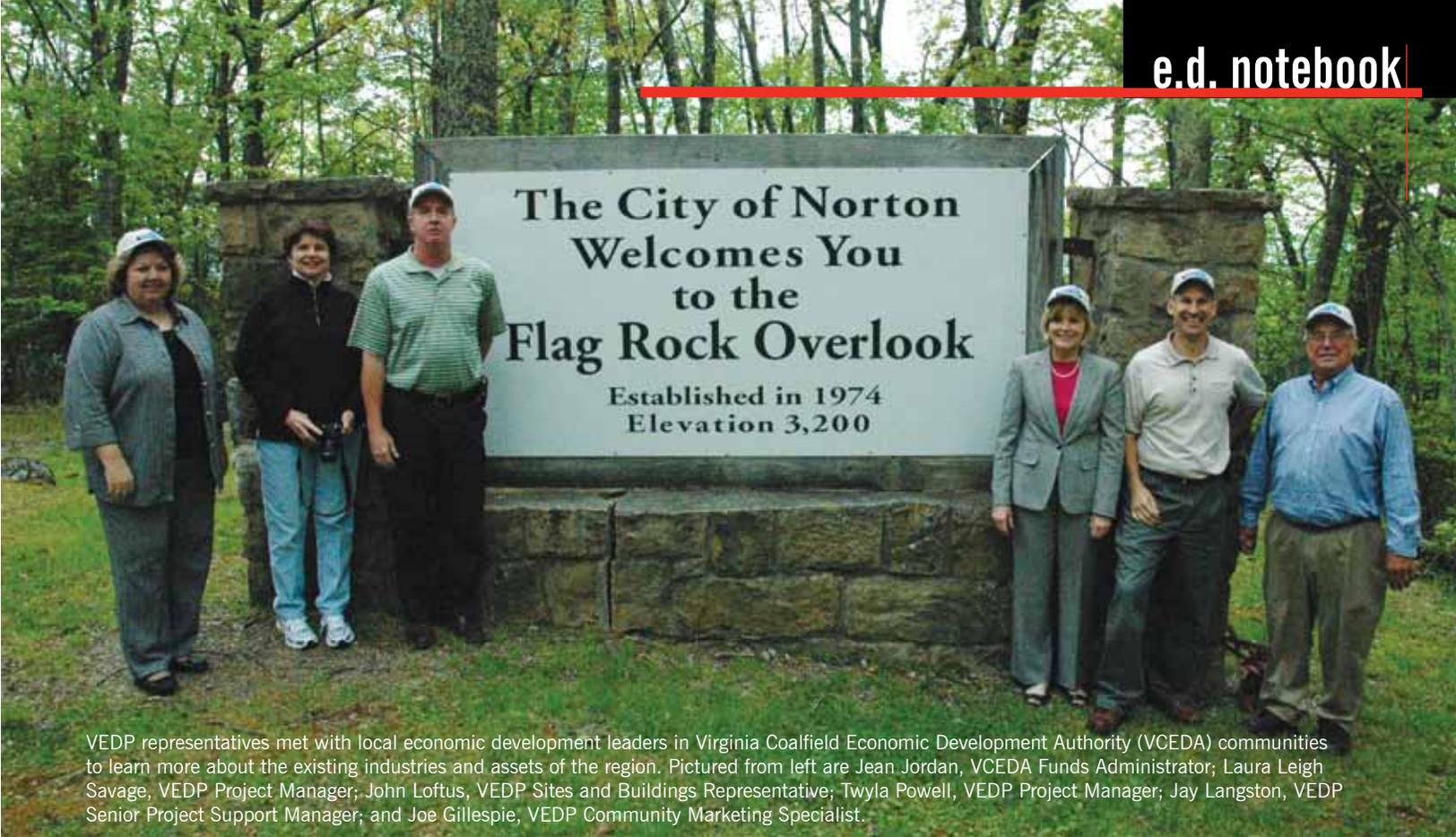
Cheng said he believes that in order to meet Governor McDonnell's Administration's jobs goals, Virginia localities must adopt a regional approach to economic development. If the localities join forces with the Commonwealth, Virginia can send a more consistent message domestically and abroad about why Virginia is the best place to do business.

Cheng intends to help spread that message. He plans to accompany Governor McDonnell in the near future to Europe, China, India and other overseas destinations—where his international roots will come in handy. In the meantime, Cheng has spent some time traveling the Commonwealth—a favorite aspect of his new role.

"We want to be accessible. We want to smash the silos of state government and make sure we're hearing our constituents and being responsive and solving issues before they become bigger problems," he said. "I'm an entrepreneur by nature and I'm hugely optimistic about the future of our state. We have a lot of hard-working people working on Virginia's behalf and so many positive resources available to us. I truly believe that we will continue to be one of the top states to do business and foster business growth for many years to come." ■



Jim Cheng was appointed Virginia Secretary of Commerce and Trade in January.



The City of Norton
Welcomes You
to the
Flag Rock Overlook
Established in 1974
Elevation 3,200

VEDP representatives met with local economic development leaders in Virginia Coalfield Economic Development Authority (VCEDA) communities to learn more about the existing industries and assets of the region. Pictured from left are Jean Jordan, VCEDA Funds Administrator; Laura Leigh Savage, VEDP Project Manager; John Loftus, VEDP Sites and Buildings Representative; Twyla Powell, VEDP Project Manager; Jay Langston, VEDP Senior Project Support Manager; and Joe Gillespie, VEDP Community Marketing Specialist.

VEDP's Business Development Division Undergoes Change

"Change is the only constant in life" certainly describes the current context of global business, government, and at a focused level, the Business Development (BD) organization of VEDP. And while change can be uncomfortable, it also shapes and sharpens our focus, instigates creativity and results in new approaches.

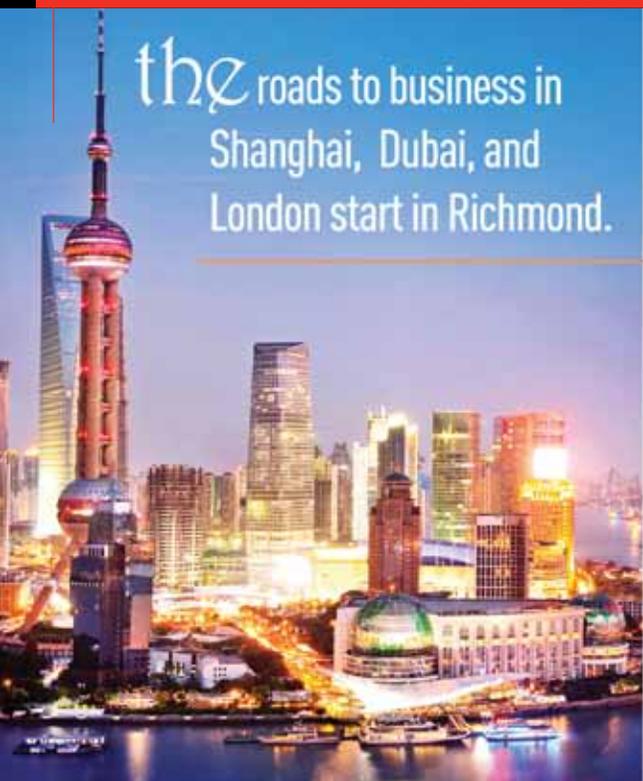
In the last year, BD bid farewell to Ralph Stephenson and Michael MacNeilly through their retirements, and to Len Capelli as we closed the Northern Virginia office. VEDP will fill two of these positions, but the impact of having them temporarily vacant provided an opportunity to step back and consider the best way to effectively utilize the skills and expertise of the BD staff (with more than 350 years of combined economic development/business development experience). Their responsibilities include implementing a cohesive domestic marketing strategy to companies in Virginia's target sectors and managing the active projects that flow as a result of strong international and domestic marketing efforts. For the past two years VEDP has organizationally connected the teams of Science & Research with Security & Services, and Advanced Manufacturing with Transportation.

The personnel changes also provided VEDP the opportunity to reconfirm Virginia's target markets and adjust the organization to continue Virginia's visibility in these sectors. We're putting our staff and budget

into the Advanced Manufacturing, Energy, and Information Technology sectors. We're merging Science & Research and Security & Services into the Corporate, Energy & Technical Services Team, which will be ably led by Jerry Giles. We're merging the Advanced Manufacturing and Transportation teams into one team called Advanced Manufacturing, which will be led by Brent Sheffler. In addition, VEDP will more effectively position Virginia to drive growth in IT, Advanced Manufacturing, and Energy by refocusing two passionate team members: Keith Boswell will lead VEDP's targeted federal strategy, and Mike Lehmkuhler will lead VEDP's megasites/unique properties strategy.

Success comes from corporate executives understanding how Virginia's assets help them achieve their market goals. More than ever, Virginia's message needs to be focused, visible and delivered by as many partners through as many channels as possible. Changing times, changing approaches, built on the solid foundation of unique Virginia assets and experience, will continue to deliver success in this changing world. ■





the roads to business in
Shanghai, Dubai, and
London start in Richmond.



62nd Virginia Conference on World Trade

October 13 & 14, 2010
Richmond Marriott
Richmond, Virginia

VIRGINIA'S INTERNATIONAL TRADE CONFERENCE

For conference details,
visit vacwt.org

Whether your company produces a product or a service, the world is an increasingly inviting place to expand sales, mitigate risk and explore opportunity. We have 17 ways to increase your international sales. Plan to attend Virginia's largest international trade conference. It's not just about keeping you informed. It's about helping you succeed.



62nd Virginia Conference on World Trade to Focus on Increasing Sales

VEDP—International Trade and the Virginia Port Authority are teaming up once again October 13-14 to host the 62nd Virginia Conference on World Trade at the Richmond Marriott. This year's focus, "17 Ways to Increase Your International Sales," provides Virginia companies an opportunity to learn how international business can help boost their bottom line.

With breakout sessions tailored to both manufacturers and service exporters, attendees will not only learn concrete ways to increase their companies' international sales, but they will also have the opportunity to network with hundreds of people from manufacturing, service and logistics sectors. Topics covered during the breakout sessions include international documentation, lean manufacturing, leveraging the virtual marketplace, and selling overseas.

"Today, globalism drives successful business strategy," said Paul Grossman, VEDP Director of International Trade and Investment. "It is important that we help our companies align their businesses with the realities of the international marketplace. I'm pleased that we are able to provide a forum for Virginia companies to gain expert advice and insight during these critical economic times."

For more information and to register for the conference, visit www.vacwt.org. ■

Bode Technology Recognized with Presidential Export Award

Bode Technology, a Virginia company that specializes in forensic DNA analysis and a 2009 VALET graduate, was recently awarded the President's "E" Award by U.S. Secretary of Commerce Gary Locke.

The President's "E" Award is one of the most prestigious forms of recognition offered by the U.S. government to U.S. businesses that make significant contributions to the expansion of U.S. exports.

Bode Technology was honored for enhancing export growth, supporting the U.S. economy and creating American jobs, and for developing international projects while being sensitive to the political and cultural realities within each nation.

"I want to congratulate Bode on its achievement, and for supporting critical export-related jobs for American workers," said Secretary Locke. "President Obama's initiative was designed with one overriding goal: to get people back to work in jobs that provide security, dignity and a sense of hope for the future. It is businesses like Bode with a proven record of success that are going to help us meet or exceed that goal."

Bode Technology specializes in DNA collection and analysis, and provides solutions to law enforcement agencies in all 50 states and more than 30 countries worldwide. Bode also provides critical assistance in identifying victims of mass disasters and missing persons, in addition to being a partner in helping to reduce human trafficking globally. ■

Knox Hubard—VEDP's Export Liaison

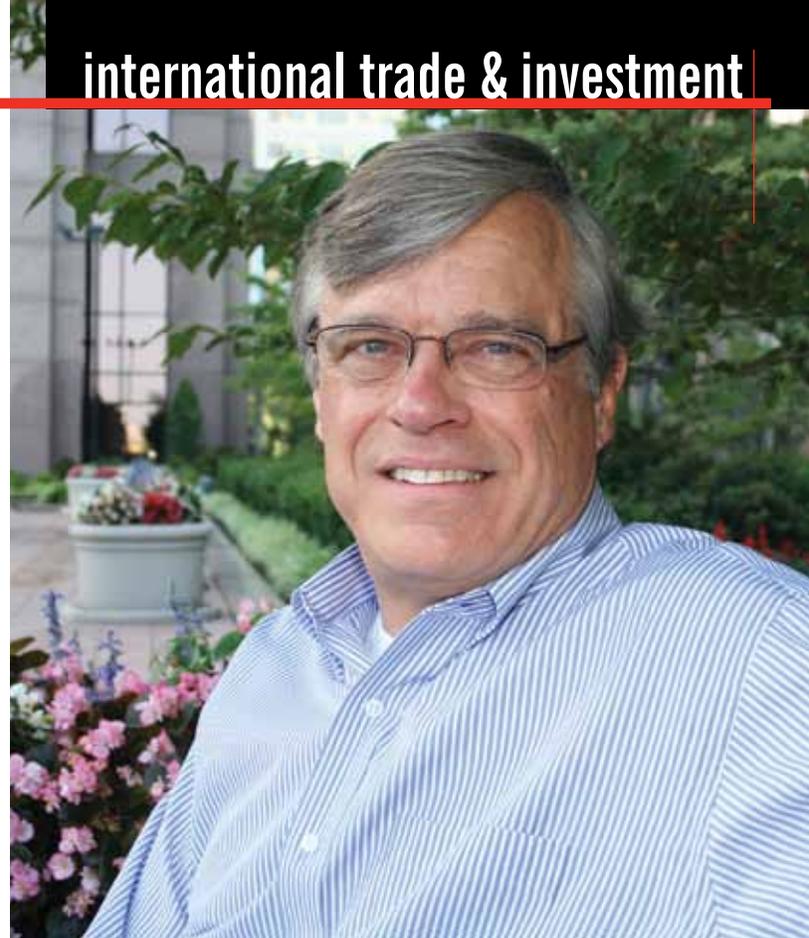
When Knox Hubard, formerly a commercial banker with Bank of America, volunteered his time as a program partner for VEDP's Virginia Leaders in Export Trade (VALET) program, he never predicted that he would end up working for VEDP—International Trade. Fast-forward and he did just that. A Senior International Trade Manager for more than two years, Hubard is the liaison between companies involved or interested in export and VEDP.

Hubard's territory is the northwestern portion of Virginia. In his role, he finds and meets with companies that are already involved in international trade and want to expand their presence, or companies that are new to export and are ready and committed to make the jump. Hubard and the team at VEDP—International Trade provide research, counseling and resources to help companies determine which countries would be best suited for their business. The next step is to assist them in marketing their products overseas. As the companies' initial contact, Hubard sees the success and progression first-hand. Once companies have delved into export and are more firmly established, they often move on to a structured export program such as VALET. Throughout this process, Hubard stays in touch with the client as a link to VEDP's internal and external resources. With a global network of consultants in 44 countries, VEDP—International Trade provides a wealth of information.

Hubard finds companies' export success to be personally rewarding.

"I love watching companies succeed in international trade. It is a great feeling to be part of the process to align and connect businesses with our services and programs and private-sector partners. The combination of these resources helps companies succeed, and I love staying engaged to watch the growth and progress."

Hubard's initial interest in VEDP came as a result of his involvement with the VALET program. He was a private-sector partner offering assistance to companies going through the two-year export program. He was impressed by the caliber of the program and the companies that participated, and



wanted to become involved from the other side after more than 30 years of commercial and international banking.

A born-and-bred Virginian, Hubard received his undergraduate degree from Virginia Military Institute and a master's of commerce from the University of Richmond. When he is not driving across the Commonwealth to connect companies to export trade, Hubard enjoys playing golf and spending time with his wife, two children and 2.5 grandchildren. ■

VSD, LLC Awarded \$5 Million Contract in Saudi Arabia

When it comes to international success, VSD, LLC (VSD), a software, analysis techniques and consulting company in Virginia Beach, has a story to share.

The company graduates this month from the Virginia Leaders in Export Trade (VALET) program, a two-year program offered by VEDP—International Trade. VSD entered the VALET program in July 2008. During VSD's time in the program, not only did the company manage to secure a significant contract, but as a result of their focused international efforts, has grown its workforce 130 percent and more than tripled its sales.

Four months after joining VALET, VSD participated in a group market visit to Saudi Arabia and developed relationships with prominent companies within the Kingdom. As a result of the initial group market visit, VSD made more than 20 return trips. In January 2009, VSD became a member of the U.S. Saudi Arabian Business Council (USSABC), gaining even greater access to some of the more influential companies in the United States and Saudi Arabia. VSD went on to develop strategic relationships in targeted segments, which culminated in VSD establishing a corporate presence with commercial registration in the Middle East.

In January of this year, VSD was contracted by a power and generation company in Saudi Arabia to perform front-end analyses, which led to the development of a business plan and recommendations for realigning its business units. That partnership resulted in VSD being awarded an estimated \$5 million contract that will incorporate VSD's management team into the company, along with providing engineering and other products and services.

VSD is a world-class provider of performance improvement, corporate consulting and implementation, media, engineering, and software services. The company's clients include government agencies, such as the U.S. Department of Agriculture, U.S. Department of Defense and U.S. Department of Transportation, as well as corporations such as Lockheed Martin and Northrop Grumman. In addition to the United States and Saudi Arabia, VSD provides services in Egypt and Iraq. For more information about VSD, visit the company Web site at www.vsdonline.com. ■

Radford Army Ammunition Plant's current nitrocellulose plant. Officials are hopeful a new plant will be constructed between 2010 and 2013. (U.S. Army photo)



Radford Army Ammunition Plant: A Critical Military Component

When you think of the military in Virginia, your mind quickly fills with images of massive ships deploying to far-off lands, decisive generals walking the halls of the Pentagon, or mighty jets in the skies over Hampton Roads. Just as important, however, is a single small installation far to the west, in the New River Valley.

The Radford Army Ammunition Plant has churned out ammunition and ammunition components nonstop for wars and training since it first opened in 1941. The government-owned, contractor-operated plant is the sole military source for nitrocellulose, an essential ingredient for all propellants and explosives. This production alone makes Radford critical to all branches of service, not just the Army.

While the ammunition plant is important to the military, it may be just as important to the local economy. The Army has only a handful of staff at the facility, including a lieutenant-colonel in command, but the contractor, ATK Energetic Systems, employs around 1,300 at the plant, about 15 percent of the total New River Valley workforce. The direct benefit of this employment is a local payroll of more than \$85 million, and the plant also purchases \$115 million in materials and supplies and \$70 million in services each year.

The installation covers nearly 7,000 acres at two locations, and includes more than 3 million square feet of covered area and more than 200 ammunition storage buildings. To support operations, the plant filters 40 million gallons of water each day, used to produce the 23.5 million pounds of steam necessary to safely drive the production lines. Three million gallons of drinking water are also produced, enough to supply not only the plant but also neighboring Montgomery and Pulaski counties. The facility also produces about half of its own electricity.

Several factors have been essential to making Radford successful over the past 70 years. First, the plant is located on a bend in the New River, allowing for a continual water supply while also providing a buffer



A computer/artist rendering of Radford's future nitric acid concentrator/sulfuric acid concentrator or NAC/SAC. The new concentrator will be operational this year. (ATK graphic)

on several sides. Second, ATK (and Hercules before it) has been careful to practice good environmental stewardship. While the plant is known as a river polluter, it is within regulatory limits and has maintained all necessary air and water environmental permits. In fact, Radford won the 2008 Secretary of the Army Energy and Water Management Award for its effective optimization of resources.

Although the plant is fully operational and meets the needs of the military, it is clear that the facility would benefit greatly from modernization. The plant has incorporated new technologies as they have been developed, but much of the production is still being done in World War II-era buildings with an installation-wide World War II infrastructure. A study released in April 2009 by the Arlington-based Lexington Institute calls the facility "old and desperately in need of modernization." According to the study, the Army has a modernization plan and \$350 million set aside, but is waiting until a new plant management contract is signed next year. ATK is planning on bidding once again for the right to run the plant, and the contract winner will be responsible for implementing much of the improvements.

Some improvements have already been made or are underway, most notably a new \$103 million Nitric Acid Concentrator/Sulfuric Acid Concentrator that is expected to save more than \$650,000 a year through more efficient use of energy and labor.

Modernization will do many things. It will keep the supply of ammunition to our troops rolling, will allow the plant to use less energy and more efficiently dispose of waste, and will ensure that the Radford Army Ammunition Plant is a productive, sustainable part of the New River Valley economy for years to come. ■

Quarterly Calendar

Sept. 13-17	CR	Marketing Mission—Chicago
Sept. 19-21	KM	CORENet Fall Congress—Phoenix, AZ
Oct. 3-6	KM	Data Center World Fall Conference—Las Vegas
Oct. 4-8	CR	Marketing Mission—Northern California
Oct. 4-8	SK	Group Market Visit—Poland & the Czech Republic
Oct. 5-7	KM	AWEA North American Offshore Wind Conference—Atlantic City, NJ
Oct. 12-14	KM	Solar Power Conference—Los Angeles, CA
Oct. 18-20	KM	Advamed Conference—Washington, DC
Oct. 18-22	SK	Group Market Visit—Canada
Oct. 27-29	KM	Mid-Atlantic Bio—Bethesda, MD

KM Kevin Miller (804) 545-5816

SK Scott Kennedy (804) 545-5754

CR Chuck Rogers (804) 545-5808

hot deals

(Continued from page 7)

The Hummus is Among Us in Chesterfield County

Governor McDonnell joined company and local officials on May 26 for the grand opening of Sabra Dipping Company's state-of-the-art facility in Chesterfield County. The hummus giant announced plans in November 2008 to establish a food manufacturing plant, creating 260 new jobs. The plant will make the award-winning Sabra branded dips and spreads, including the country's best-selling Sabra hummus and vegetable dips. ■



300 New Jobs to Be Created in Radford

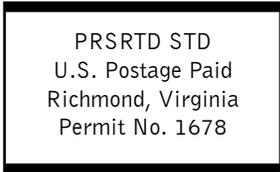
After the closing of a major employer, Radford is on the rebound. Virginia Casting Industries, LLC, will invest \$9.1 million to establish a ductile iron components manufacturing operation in the City of Radford, creating 300 new jobs. The company will occupy the former Internet New River Foundry facility.

Virginia Casting Industries is a new company owned by the majority owners of Cadillac Casting, Inc. People from the local management and employee team that ran the Internet New River Foundry will be re-hired by Virginia Casting.

As an industry leader in ductile iron castings, Cadillac Casting, Inc. (CCI), headquartered in Michigan, has gained a reputation for developing and manufacturing superior products. Quality and reliability are the company's top priorities, and CCI strives to keep its products and facility unparalleled in the marketplace for technology advancements and excellence. ■



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did you know

Chinese Chamber Locates in Stafford County

Stafford County has an inside connection for improving trade relations with China.

It's called the Jiangsu International Chamber of Commerce (JSICC), and its mission will be to strengthen bilateral trade, explore investment opportunities and encourage scientific research and cultural exchange programs.

Located in Stafford County, the Chamber will be open to businesses, groups, government agencies and individuals from Jiangsu and the surrounding area that plan to establish a business in the United States, or who live here and want to do business in the Jiangsu region. The Jiangsu province of China borders Shanghai and has one of the fastest growing economies.

JSICC is an outgrowth of the Wuxi Association of the Greater Washington area, which promotes the relationship between the U.S. and residents of Wuxi, a city in Jiangsu. JSICC will be led by Jimmy Yang, a native of Changzhou, China, and owner of Universal Stones in Stafford. ■