



# Full Court Press

## Brings Mega Project to Southside Virginia

In the near future, furniture items such as bookshelves, coffee tables and wardrobe frames will be produced in Southside Virginia, replacing tobacco and textiles that once kept the region's economic wheels turning.

The transformation is thanks to an IKEA subsidiary and furniture manufacturer, Swedwood North America, which in October announced plans to build the company's U.S. manufacturing facility in Cane Creek Centre, an industrial park jointly developed by Danville and Pittsylvania County. The project will create 740 new jobs producing furniture for IKEA home furnishing stores across North America.

Word of the project came to VEDP's Richmond office in January 2006 from the Virginia Department of Business Assistance after receiving an inquiry on its Web site. At that point, it involved 25 acres and a 125,000-square-foot building. When all is said and done, Swedwood's final three-phase project includes 208 acres and three buildings totaling more than 3 million square feet.

*(Story page 16)*



After closing out 2006 with a bang, the Virginia Economic Development Partnership's New Year's resolution is to continue to enhance Virginia's team approach to landing projects both domestically and overseas.

From January to December 15, 2006, Virginia announced 374 projects, which involved more than \$2 billion of investment and created 23,397 new jobs.

Swedwood, an IKEA company that you will read about in this issue, is just one example of the quality projects Virginia won in 2006. More than 10 agencies brought their expertise to the table to introduce Swedwood to the

Commonwealth. Virginia's integrated business development and international team built and clearly articulated a proposal that provided solutions for each of the company's needs.

The Swedwood project was not solely about incentives. Virginia is Swedwood's new home because we provided a ready-to-build site in a strategic location. The team listened to the company's concerns about logistics, permitting, an intense start-up schedule and responded in a manner to which the company could relate. Virginia's collaborative approach made company officials feel welcome and Virginia's excellent business climate spoke for itself.

This issue of *Commerce Quarterly* focuses on many first-rate projects that brought new jobs and significant investment to all four corners of the Commonwealth. Central Virginia welcomed U.S. Components to West Point. Botetourt County in the valley gained a new international corporate neighbor in Australian-based Smorgon Steel Group. Hampton Roads benefited from announcements by FERIDIES in Southampton County and NYK Logistics in Chesapeake. Welcome mats were rolled out in Southwest and Southside Virginia to Virginia Cobia Farms in Saltville, Holston Medical Group in Scott County, Water World in Buckingham County and Corning in Danville.

We will continue to land great projects in 2007 as long as we work together. This team tactic is a practice we're working to incorporate across the board. For VEDP to work effectively on behalf of the state, we must continue to work in collaboration with you, our economic development allies, and your legislative representatives so that we can better understand your local strategies and align our resources where leverage gives us a better opportunity for success.

Governor Kaine has enthusiastically lent his support to our efforts. He recently hosted a CEO dinner at the Governor's Mansion to demonstrate to our corporate partners the Commonwealth's commitment and the important hands-on role he plays in Virginia's economic development process.

The Governor participated in a trade mission to Europe in November—his second one in 2006. He also led a mission to Canada in May and has a fourth trip scheduled for spring to India. Governor Kaine was joined by Secretary Gottschalk and a delegation of 45 members to the Southeast United States/ Japan Association (SEUS) conference in Orlando, Florida, to foster trade relations between the southeastern United States and Japan.

Today's global economy requires strong marketing practices overseas. VEDP welcomes Sang Yong Lee, who will represent VEDP International Trade and Investment in Korea, and Jumpei Morimoto, who joins VEDP as the International Trade and Investment representative in Japan.

Virginia is fortunate to have such a strong support network behind its economic development efforts. Thank you for all your hard work in 2006 that earned Virginia's Forbes.com ranking as the "Best State for Business." We look forward to partnering with you toward even greater achievements in 2007.

Sincerely,

Jeffrey M. Anderson

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## Web Tool Provides Information on Industries, Occupations

By Ann Battle, VEDP Senior Economist

Workforce and economic development professionals have long recognized the critical role of the workforce toward successful economic development efforts, as well as the importance of anticipating industries' demand for labor in planning curriculum and training programs. With that in mind, VEDP and the Virginia Community College System (VCCS) are working together to provide tools so regional information on industries and occupations can be shared by all involved.

This collaborative effort began to bear fruit in the summer of 2005 through a set of publications on Industry and Occupational Clusters for 19 different regions across Virginia. Also held were a series of six regional meetings where the cluster studies were presented, which prompted lively discussion among workforce and economic development professionals that generated invaluable feedback to the ongoing project.

First and foremost, our participants asked for, and will receive, the first major follow-on product—the development of an interactive Web-based tool called REsolution—or Regional Employment Solution.

“This new tool has already helped VEDP in developing responses for prospect site selection by validating regional labor attributes needed by companies,” said Rob McClintock, VEDP Director of Research. “It also will help regions and communities in assessing the viability of their regional workforce assets for their business recruitment targets.”

The new Web-based tool provides access to all of the underlying data from the cluster studies, including all necessary updates. At a regional level, any industry can be explored to view recent trends in the industry; occupations required for the industry (or related occupations); wages paid to those occupations; skills, training, and tools required for a given occupation; and higher education resources available to provide the necessary training.

Following a period of internal testing at VEDP, a group of external users, both workforce and economic development professionals, tested the Web site and offered feedback to its main architect, Aric Mueller of VEDP's Information Systems Division. The testing process provided suggestions to improve the clarity, functionality and information contained in the Web site. While many of the suggestions have already been implemented, some of the enhancements will appear in the coming months.

Collaboration with the VCCS through the development of the Web site and the broader cluster project has ensured that the information needs of both workforce development and economic development professionals are met.

“The Virginia Industry and Occupational Cluster Analysis gives workforce development and economic developers a viable tool to aid in the alignment of workforce development and economic development strategic plans and initiatives,” said Peter Blake, Vice Chancellor for Workforce Development Services, Virginia Community College System. “Specific to the Virginia Community College System, this tool assists in identifying key areas to develop new instructional programs and revise existing instructional programs to meet the workforce needs of the Commonwealth.”

The new Web-based tool, REsolution, can be found under the Research Tools section at <http://www.virginiaallies.org/research.asp> . ■



## Goya Foods Celebrates Grand Opening

Festive best describes the ribbon-cutting and grand opening of Goya Foods' Virginia distribution center in Prince George County. Goya Foods, the nation's largest Hispanic-owned food company, invested \$5.1 million to open a new distribution facility in Southpoint Business Park in Prince George County.

The company distributes its canned and frozen specialty foods from the facility, creating 60 new jobs that range from warehouse- to management-level positions. Tours of the new facility followed a luncheon feast of Goya foods.

Headquartered in Secaucus, New Jersey, and founded in 1936, Goya Foods, Inc. manufactures, packages and distributes more than 1,200 high-quality food products, including canned and dry-packaged beans, rice and rice mixes, nectars, seasonings, and other Caribbean, Mexican and Central and South American specialties. ■



## Chesapeake Wins 100 New Jobs

NYK Logistics Inc., a leading logistics solutions provider, will open a new 120,000-square-foot distribution facility in Chesapeake, creating 100 new jobs. The total project investment is \$26 million.

NYK Logistics provides supply chain services for the retail industry, including warehousing and distribution, freight forwarding, and supply chain consulting. NYK Logistics is a part of NYK Group, one of the world's leading shipping companies, employing more than 30,000 people around the world. ■



## Big Employer Gets Bigger in Stafford

With 3,200 employees, GEICO's Stafford office is one of the region's largest private employers. And it's growing larger.

In September the company announced plans to add 790 new jobs in various departments in its regional office through 2007. No new construction is planned. GEICO, which also operates regional offices in Virginia Beach; Woodbury, New York; San Diego; Dallas; and Lakeland, Florida, attributes the growth to the Stafford region's strong workforce. ■

## IPv6 Training Center Locates in Fairfax County

Command Information, the largest pure-play IPv6 company in the United States, plans to open America's first IPv6 training center in the town of Herndon in Fairfax County. The project will create 400 new information technology networking, design and security jobs.

IPv6 is the next generation Internet protocol, which is the set of techniques used to transmit data over the Internet. Designed to replace the current IPv4 version, IPv6 will bring advanced reliability, flexibility and security to the Internet. IPv6 was designed in the past 10 years and supports 340 trillion trillion trillion unique IP addresses, correcting issues such as security, privacy, convergence and more.

The fastest-growing IPv6 company in America, Command Information offers strategy, tactical direction and application development services for companies and government organizations seeking to move to the fast-emerging new version of Internet protocol. ■



Command Information CEO Tom Patterson (right) demonstrates to Governor Kaine the IPv6 technology.

## Petersburg Company Celebrates Ongoing Expansion



Secretary Gottschalk (left) participates in the unveiling of the time capsule and plaque at the Boehringer-Ingelheim Cornerstone Ceremony with company and Petersburg officials.

## Saltville Hooks Virginia Cobia Farms

The first company in the United States to produce a marine fish at an inland freshwater facility will invest \$30 million to develop a new technology and method of farming cobia fish in Saltville. Virginia Cobia Farms LLC, a joint venture between MariCal Inc., a privately held aquatic life science biotechnology company, and Blue Ridge Aquaculture, Inc., will create 60 new jobs.

Blue Ridge Aquaculture is the largest indoor tilapia farm in the United States, and MariCal will supply the technology for this innovative method of fish farming, which uses a combined water treatment and specialty feed process in the commercial rearing of cobia, a marine fish, in inland areas of the U.S.

MariCal, headquartered in Portland, Maine, was founded in 1996, and has operations in Alaska, Canada, Chile, the United Kingdom and Norway. The company discovered a class of molecular extracellular ion receptor proteins, called Calcium Receptors (CaR's), that serve as the biological “thermostats,” or “master switches,” enabling fish and other aquatic organisms to sense and respond to changes in both water salinity and nutrient levels.

Blue Ridge Aquaculture, Inc., headquartered in Martinsville, has been in operation since 1995. The company raises nearly 4 million pounds of tilapia each year at its 80,000-square-foot facility. ■



MariCal CEO Bill Harris (center) and Blue Ridge Aquaculture President Bill Martin (right) were presented with a Virginia flag by Deputy Secretary of Commerce and Trade David Smith at Virginia Cobia Farm's announcement.

## Southampton Goes Nuts for FERIDIES®



FERIDIES®, a leading manufacturer of Virginia peanuts, will invest \$3.2 million to expand its facility in the Southampton Business Park in Southampton County. The company also will increase its equipment capacity at the plant, creating 25 new jobs. FERIDIES®, a home-grown Virginia company and formerly marketed under “The Peanut Patch” label, offers peanuts and a variety of peanut candies, nuts and other gourmet snacks. Located in Courtland, FERIDIES® has been owned and operated by the Riddick family since 1973. ■

## Water World Makes a Splash in Buckingham

Buckingham County is 100 jobs richer thanks to Water World Fiberglass Pools, N.E. Inc., which will invest \$3 million to open a fiberglass swimming pool manufacturing facility in the Buckingham County Industrial Park. Up to 50 additional employees will be hired for seasonal demands.

In addition to swimming pools, the company produces diving pools and swim spas. Customers can buy factory direct, eliminating a middleman, and pools are delivered within two weeks and installed in one day. The company operates three additional facilities in Georgia, New Jersey and Texas. ■

## Australian Company Heads to Botetourt County

Smorgon Steel Group Ltd. announced in November plans to invest about \$25 million to open its first North American facility for its new LiteSteel™ beam product. The company will create 55 new jobs.

The LiteSteel™ beam (LSB) is a significant advancement in patented steel technology, using a process that delivers a unique dimensional shape providing maximum structural performance. LSB™ is destined for the residential and commercial building industry in North America.

Founded in 1982, Smorgon Steel is a vertically integrated Australian steel company, with a major presence in metal recycling, steel making and specialty steel products. The company has a metal recycling operation in Chesapeake, Virginia, and facilities in two other states. ■



Secretary Gottschalk presents GOF check to Botetourt County Administrator Jerry Burgess and Wendy Wingo, Chair, Botetourt County Board of Supervisors.

## Corning Expands in Danville

Corning, Incorporated plans to invest \$12 million over the next three years to expand its Specialty Materials Division, creating 50 new jobs. The facility's current Danville operations will expand with the addition of new product lines, the first of which is a polarized glass product used primarily in laser telecommunications.

Corning Incorporated combines its expertise in specialty glass, ceramic materials, polymers, and the manipulation of the properties of light with strong process and manufacturing capabilities to develop innovative products for the telecommunications, information display, environmental, semiconductor and life sciences industries. Corning also operates an Environmental Technologies Division in Montgomery County, Virginia. ■

## Gatorade Dedicated in Wythe County

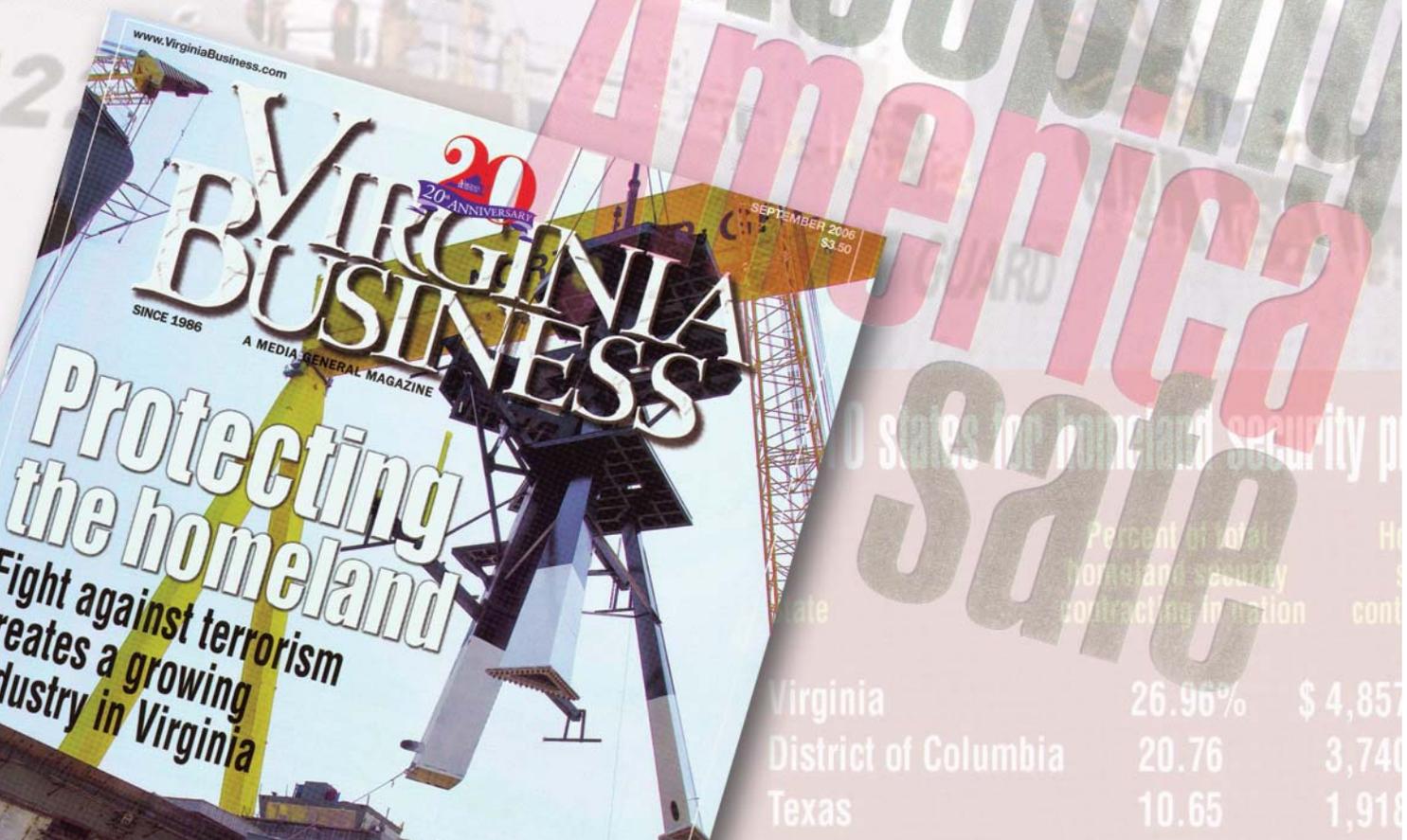
Gatorade officials Arnie Wodtke (left) and Jim Lynch (far right) admire a Virginia Share of Stock presented to them by Deputy Secretary of Commerce and Trade David Smith.



(Hot Deals continued page 11)

## Virginia Works to Keep America Safe

Virginia's booming growth in homeland security took front and center in the September issue of *Virginia Business* magazine. The six-page story discusses how the homeland security industry has grown more over the last five years than any other industry in Virginia, creating more than 300 economic development projects valued at \$1.66 billion in investment. Companies highlighted in the article include IBM's Global Name Recognition (formerly Language Analysis Systems, Inc.), General Dynamics Corp., Booz Allen Hamilton and SRA International, Inc. ■



## New Foundation Building in New River Valley Economy

It's true that manufacturing jobs in Southwest Virginia declined at a faster rate than the rest of the state at 19.4 percent from 2000 to 2004.

But it's not stopping the New River Valley Region, according to the September issue of *Virginia Business* magazine. Recent announcements like James Hardie Building Products are helping the region turn things around. And the area's strengths in healthcare, private education and financial services have assisted in attracting biomedical and biotechnology companies including Novozymes Biologicals, Luna Innovations and the Carilion Biomedical Institute.

Also on the rebound is the region's reputation as a transportation hub. Norfolk Southern is considering Elliston for an intermodal terminal and the New River Valley Airport in Dublin recently received a customs port of entry federal designation. ■

## State's Packaging Industry Promoted on Media Tour

It wasn't the product but the packaging that counted for eight packaging trade journalists who visited Virginia November 7-9 to participate in the Virginia Packaging Media Tour hosted by VEDP.

The journalists represented *Pulp & Paper Report*, *Modern Plastics Worldwide*, *Pulp & Paper Canada*, *PaperAsia*, *Tecnologia del Plastico*, *Paper*, *Film & Foil Converter*, *Plastics News* and *Food & Drug Packaging*. Tour stops included the Institute for Advanced Learning & Research's Advanced & Applied Polymer Processing Institute, Intertape Polymer Group and Essel Propack in Danville, Arkay Packaging in Botetourt, Greif Riverville Mill in Amherst, MeadWestvaco's Converting & Service Facility in Low Moor, and Dabney Lancaster Community College's Virginia Packaging Applications Center in Clifton Forge. McAirmaid's officials also presented to the group in Roanoke.

"I found the tours to be extremely informative—it was great to be able to pick the brains of the people who are there running the operations, rather than the people in the media relations or marketing offices," said Megan Waitcoff, Associate Editor of *Food & Drug Packaging*. "The tours provided me with any number of ideas for future articles." ■





## VNDIA Gains Two Members, Adopts 2007 Work Plan

Governor Kaine named two distinguished retired military leaders to the Virginia National Defense Industrial Authority (VNDIA) in October 2006 to complete the 16-member roster. Joining the board are Admiral Donald L. Pilling and General Richard Hawley, both bringing years of strategic military experience and respected talent to assist in the VNDIA mission.

VNDIA is comprised of military and community leaders and has been tasked with the coordination of statewide strategic activities to support Virginia-based military installations and communities through the implementation of the 2005 federal Base Realignment and Closure (BRAC) actions.

“Their wisdom, their judicious objectivity and the respect both of these senior leaders command throughout the armed service, indeed, throughout the country will serve VNDIA well,” said VNDIA Chairman Joe Reeder, former Under Secretary of the Army. “The Commonwealth is truly blessed to have these statesmen on board.”

VNDIA members have committed to a 2007 comprehensive work plan. Organized as three working committees, VNDIA members actively address issues that impact military sustainment and growth at installations across Virginia. A consistent theme throughout the VNDIA work plan is the concept of placing Virginia in an anticipatory posture rather than a reactive one as future challenges and opportunities arise. Activities will focus on seeking and supporting installation and operational expansions at military facilities statewide in coordination with base commanders and community leaders.

The Strategic Planning Committee, comprised of the Authority’s military leaders, is evaluating current military operations and the Department of Defense’s future plans to find potential opportuni-

ties for Virginia. Federal and state legislation, along with the significant changes in defense leadership at the federal level, are continually being assessed to advocate on Virginia’s behalf.

The Local Coordination, Communication and Support Committee has established an aggressive schedule of base visitation to gain first-hand information regarding challenges and opportunities directly from base commanders and staff.

The Grant Review and Oversight Committee is tasked with review and analysis of funding proposals through the Military Strategic Response Fund. The fund, established during the 2006 Virginia General Assembly Session and launched by Governor Kaine in October, is designed to help military communities respond to the impact of the 2005 round of BRAC decisions. BRAC-impacted localities are competing through a two-round application process for a total of \$10 million in state funding. Following the Governor’s final approval, dollars are made available to localities to meet the challenges of BRAC actions, both positive and negative. Having completed the first application round in December, the next planned application filing deadline is April 30.

Election results, changes in command at the Pentagon, and the challenge of continuing world conflicts clearly elevate the importance of Virginia’s attention to, and support of, military operations and personnel based in the Commonwealth. DoD spending and its fiscal impact on defense industry contractors will continue to be critical elements of the Virginia economy. Future economic development opportunities abound in partnership efforts between the VNDIA, VEDP and local communities.

For more information about the VNDIA, please contact Executive Director David Dickson at **(804) 545-5715** or visit the VNDIA Web site at [www.vndia.org](http://www.vndia.org). ■



Admiral Donald L. Pilling, USN (ret), is President and Chief Executive Officer of Logistics Management Institute, a government consulting firm that specializes in logistics and infrastructure management, information technology, human resources and financial resources planning. Prior to this, he served as Vice President for Strategic Planning at Battelle Memorial Institute. He assumed duties as the 30th Vice Chief of Naval Operations, the Navy’s Chief Operating

Officer and second-ranking officer, from November 1997 until his retirement from active service in October 2000. During career with the U.S. Navy, he commanded a warship; a destroyer squadron; a cruiser destroyer group; a carrier battle group; the U.S. Sixth Fleet; and NATO’s Naval Striking and Support Forces Southern Europe.



General Richard Hawley, USAF (ret), is an independent consultant providing advisory services to several major aerospace companies and the Department of Defense. During his military career, General Hawley served as the Air Force’s Director of Operations during the first Gulf War, Commander U.S. Forces Japan and Fifth Air Force, Principal Deputy Assistant Secretary of the Air Force for Acquisition, and Commander United States Air Forces in Europe. General

Hawley retired in June 1999 as the Air Force Component Commander to Atlantic Command (now Joint Forces Command) and Commander of Air Combat Command at Langley AFB, Virginia.

## Initiative Update: Distributed Services Sees Success

By Keith Boswell, VEDP Security & Services Team Leader

Businesses today search for qualified labor, connectivity to clients, robust telecommunications infrastructure and an operating cost structure that makes their companies competitive. This is especially evident in the modern-day gold rush we call outsourcing. Asia has become the world's destination hot spot as the business community seeks to take advantage of lower cost labor, capitalize on the ability to service clients around the clock, and gain customer loyalty in this emerging, two-billion-person marketplace.

But there is tremendous opportunity for economic and job growth in our own backyard, especially as it relates to the information technology industry. Because of the increased activity around defense and homeland security, the federal government is spending a large percentage of its overall budget on information technology programs. This is particularly good news for Virginia information technology companies because the work is naturally sensitive and must be performed in the United States.

The Distributed Services Initiative was created to take advantage of Virginia's natural resources of labor, proximity and quality of business climate. The Initiative is focused on companies looking to domestically outsource information technology operations to lower-cost, more secure locations, as well as companies looking for qualified labor in remote locations that offer robust telecommunications or broadband services. Companies being targeted include those involved in software development, testing and remediation; business process outsourcing; digitization of data; data storage;

data retrieval; continuity of operations and disaster recovery; as well as customer service and call centers.

Over the past year, the Initiative has communicated a specific value proposition to the information technology industry: Virginia understands business's needs and offers creative solutions. Virginia also will strategically plan with its intrastate partners to shape programs to benefit industry, and work to leverage the political leadership to focus on the needs of interested business partners.

To date, formal contact has been made with more than 30 companies. Out of those, 20 companies are in various stages of their decision process. Success stories include SI International's expansion announcement in Harrisonburg (150 jobs), Holston Medical Group's new medial records data center in Scott County (40 jobs), and SRI International's announced plans to establish a Center for Advanced Drug Research (CADRE) in Rockingham County (100 jobs).

The Initiative began with four prototype communities, including Danville, Blacksburg, Lynchburg and Harrisonburg. These communities agreed to a rigorous community assessment and have been instrumental in testing the value proposition with potential clients. Stay tuned, as the next few months plan to be busy with activity as a result of this Initiative. ■



## CQ HOT DEALS

(Hot Deals continued)

### U.S. Components Opens in West Point



Adding further diversity to West Point's industrial base, U.S. Components, LLC, a manufacturer of roof, floor and wall trusses, will invest \$6.4 million to open its first Virginia manufacturing facility in the West Point Industrial Park shell building. The project will create 104 new jobs.

U.S. Components, headquartered in Moorestown, New Jersey, is the manufacturing division of Pro-Build Holdings, Inc., the nation's largest supplier of building materials to professional contractors. It currently operates plants in Morrisville, Pennsylvania; Kings Mountain, North Carolina; and Berlin and Lakewood, New Jersey; and expects a Nichols, South Carolina, plant to come online in 2007. ■

(Hot Deals continued page 19)

## Fabricated Wood Products Initiative Advances

By Liz Povar, VEDP Business Development Director

For local and regional economic developers, the opportunity to interact one-on-one with a business client from a targeted industry sector and learn about location factors that drive the sector is time well spent.

That's what is happening with the Fabricated Wood Products Initiative across Southern and Southwestern Virginia. It's VEDP's intent to pre-position Virginia and its communities effectively in front of significant companies in the wood products sector. Through the coordination of Initiative Leader Mike Sexton, American Woodmark™ has taken time to meet with economic developers and share real issues that drive American Woodmark's growth.

Headquartered in Winchester, Virginia, American Woodmark is a fully integrated, just-in-time cabinet manufacturer. The company's Chairman and CEO, Jake Gosa, is a VEDP board member. The company operates a total of 15 manufacturing facilities and nine builder service centers across the country.

A number of factors influence the location of the company's plants and service centers, including labor, transportation and the proximity to American Woodmark's existing operations, raw mate-

rials and customers. To meet the high-growth demands of its customers, the company has added three new manufacturing facilities since fall 2003. A fourth plant is currently under construction.

American Woodmark's Gary Hinger met with southern and southwestern allies and provided the group with a nuts and bolts presentation on what drives the company's decision-making process. It provided allies with the opportunity to think about their own regional assets and how to position them to attract similar companies. As a next step, a mock site visit will be conducted and allies will have an opportunity to showcase their value propositions. In turn, allies will receive feedback on their propositions, which will confirm their strengths and identify areas of improvement. For communities in which this sector is an important part of the economy, the experience of testing their marketing message against a "friendly" business partner will better prepare them for active prospects in the future. ■



Clay Campbell enjoys a ride around the track at Martinsville Speedway where he has served as president since 1988.

## VEDP Board Member Lives Life in the Fast Lane

Who gets to have a job that happens to be both your hobby and passion?

Just ask Clay Campbell, who has been President of Martinsville Speedway since 1988 and says that every day is different. He is charged with seeing that the Speedway continues to grow, just as VEDP promotes growth in Virginia. He enjoys it because it's a people business—the same reason he appreciates serving on the board.

"I was born in the state of Virginia and don't see any reason to leave," said Campbell. "I enjoy seeing business in our state continue to grow. VEDP is a great organization and I am always up for a challenge."

Campbell was appointed to the VEDP board in 2005 by the General Assembly. In addition, he serves on the Martinsville YMCA Board, the New College Institute Foundation Board and the Blue Ridge Airport Authority.

When Campbell is not racing around the track, flying planes or serving Virginia on VEDP's board, he can be found with his wife of 21 years and their two children. ■

## Sexton's Road to VEDP Paved with Perseverance

Raised in Tulsa, Oklahoma, and a graduate of the University of Tulsa, VEDP Senior Project Manager Mike Sexton did not discover Virginia until 1971. He was stationed at Oceana in Virginia Beach as a member of the U.S. Navy, and when his time was up, Sexton wanted to stay.

Building a career in office automation and computer sales mandated frequent moves, but when Sexton finally saw an opportunity to stay put in Virginia, he went for it. As Sales Manager for Virginia Correctional Enterprises, Sexton helped sell the products manufactured at Virginia institutions to communities within the state. During this time, he also became familiar with VEDP, referring to it as “top of the mark as far as a marketing organization within the state.”

Sexton set his sights on VEDP and the race was on.

Persistence was the name of the game. Sexton applied several times for the Project Manager position at VEDP. Never losing momentum, he succeeded on the third try. And as the recent Swedwood announcement demonstrates, Sexton has found success.

“Project managers have access to a tremendously diverse set of tools here,” he said. “We are able to work with every community in Virginia and every resource in Virginia to bring a variety of projects to fruition. Companies come from all parts of the world and we match them up with the right community in the state.”

And what might a former computer salesman like Sexton enjoy most about his job at VEDP?

“This is a total people business,” he said. “We’re not selling hardware; we are marketing opportunities in Virginia that affect real people. We are charged to improve the standard of living in the Commonwealth, and the better we can do our job, the more we affect lives.”

When Sexton is not busy marketing Virginia to companies like Swedwood, you can find him spending time with his three daughters, focusing on getting his son graduated from Virginia Military Institute, playing with his English bulldog, Stella, or attempting to learn golf. While he had patience pursuing a job at VEDP, Sexton claims to have no temperament for his self-declared terrible game of golf.

Better stick to what he’s good at; bringing more jobs and investment to Virginia. ■



Senior Project Manager Mike Sexton has been with VEDP for 10 years.

## Business Development Welcomes New Face

Len Capelli has joined VEDP as Business Development Manager for Northern Virginia for the Security and Services Team. Prior to coming to VEDP, Capelli worked with federal government contractor Provance Technologies, where he was Vice President of the U.S. Government Group. Capelli earned his BBA in marketing and his MBA in finance from Eastern Michigan University. ■



## VALET Company Named 2006 Business of the Year

Base-X Inc., a Lexington-based manufacturer of rapid-deploying shelters and infrastructure solutions for military and homeland defense applications, was named the *Blue Ridge Business Journal's* 2006 Business of the Year. The award was announced in October. Base-X joined the VALET program in July 2006.

Businesses must be based in the Roanoke region to be considered. Other criteria include financial stability, innovation within their industry, and the company must demonstrate that it is a good community and corporate citizen.

"Base-X is truly an outstanding Virginia company," said Leslie Parpart, Virginia Leaders in Export Trade (VALET) Program Manager. "It has developed innovative partnerships with other Virginia companies, it continues to expand its operations both domestically and internationally, and its commitment to its local community is demonstrated through its support of military families and other local projects." ■

## VALET Program Partner in the News

Allegheny Brokerage Company, Inc. (ABCO), a Virginia Leaders in Export Trade (VALET) program partner and native Virginia company, announced in November a partnership with BALtrans Logistics Inc., a Hong Kong-based freight forwarding and logistics company. ABCO is headquartered in Dublin, Virginia.

ABCO and BALtrans will work together to provide clients in Virginia, Maryland, North Carolina and Tennessee with world-class freight forwarding and customs brokerage services. According to BALtrans, the company "stands to gain from providing its freight forwarding and support services through ABCO's strong relationships with its many export and import clients in the region." ■

## VEDP Welcomes New International Investment Managers

Sang Yong Lee joins VEDP as the International Trade and Investment representative in Korea. He will market Virginia to Korea-based companies and encourage companies that have existing operations in Virginia to expand and grow their facilities. Lee also will actively assist Virginia companies with their exporting efforts into Korea.



Lee also represents the Virginia Port Authority, a post he has held since March 2000, building strong client relationships and increased volume for the Port.

"The partnership between the Port and VEDP provides a unique way to leverage our combined resources to secure new investments and trade for all of Virginia," said Roy Dalquist, VEDP International Investment Manager. "The Korean peninsula has a unique geographic size and market segment focus that allows us this unique opportunity to combine our marketing efforts."

Lee is a 1986 graduate of Korea University with a degree in economics. His professional career also includes management positions with General Motors Daewoo Group, Swire & Maclaine Ltd. (Swire Group) and BK Trading Limited. ■

Jumpei Morimoto joins VEDP as the International Trade and Investment representative in Japan. He will market Virginia to Japan-based companies and encourage Japanese companies with existing Virginia operations to expand their facilities.



Morimoto spent 40 years working for general contractors, one of which was contractor giant Obayashi Corporation. Morimoto has lived in the United States more than 10 years. He received a master's degree in civil engineering from Columbia University in 1971.

Morimoto said his attraction to the position was because "Virginia is No. 1. I want to be part of a No. 1 team and my heart is here in Virginia." ■



Governor Kaine called on business leaders to take action to help shape his international trade plan.

## Conference Focuses on Virginia's Global Future

VEDP's Division of International Trade and Investment co-hosted the 58th annual Virginia Conference on World Trade October 3-4, 2006, with the Virginia Chamber of Commerce in Roanoke, the theme of which was "Creating Virginia's International Future." Governor Tim Kaine was the keynote speaker and addressed, among other trade issues, the fact that more than 270 companies were assisted by the Division last year. Additionally, as a result of this assistance and outreach to companies throughout the Commonwealth, Virginia exported more than \$12 billion in goods and services in 2005.

Emphasis was placed on developing a strategy for taking Virginia to a more prominent position in the global community. While reflecting on the international trade roots of Virginia created 400 years ago, Governor Kaine called on business leaders to take action to help shape his plan. In order to achieve a comprehensive international strategy for Virginia, all facets of international trade are involved, including exports, imports and investment.

The Governor hopes that during his term Virginia exports will increase by more than 7 percent, more than 1.8 million containers will go through the Port of Virginia, and Virginia will provide adequate infrastructure and distribution centers for this increase in trade.

The next conference will be held October 17-18 in Williamsburg. It will continue to be co-hosted by both organizations in 2007, but in 2008 will be exclusively under the auspices of VEDP. ■

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## International Trade Sponsors Calendar Contest

Something new is underfoot in International Trade: Beyond Virginia 2008.

Beyond Virginia 2008 is a calendar featuring Virginia companies' products at work or displayed in their overseas markets. The idea developed from a need to reach out to companies throughout the Commonwealth and make them aware of the services offered by the International Trade and Investment Division.

What makes this calendar different is the actual content. A contest is being held to decide what Virginia products are featured in the Beyond Virginia calendar. The contest is open to all businesses that man-

ufacture a product within the Commonwealth, and will run from January 15 through April 15.

The calendar is scheduled for distribution along with the Division's annual report next fall. Entries must be accompanied by a photograph of a company's product in its new "home" overseas. Once all entries are received, contest winners will be featured throughout the calendar.

The calendar also will feature the Division's schedule of events, including trade missions, special events and registration deadlines.

An important benefit to this approach is that the trade mission schedule will coin-

cide with a calendar year, which will allow Virginia companies to schedule their time and manpower to attend the various events. Prior to the calendar, the trade mission schedule was released at fiscal year-end, which for many companies was after they set their budgets for the upcoming calendar year. In an attempt to be more responsive to the budgets and needs of companies and increase overall participation, the Division will release the Beyond Virginia calendar prior to the calendar year-end, helping companies include trade missions in their annual budgets and marketing plans. ■

(continued from cover)

“You don’t get an opportunity like this often,” said Mike Sexton, VEDP Senior Project Manager assigned to the project. “This project hastens the transformation of Southside Virginia’s economic issues. Manufacturing is changing and taking on different forms, yes, but there are high-quality companies out there and we need to target them.”

Once Swedwood was on the radar screen, Virginia was locked on. The information was passed to VEDP’s European Office and arrangements were made for Swedwood officials to pay Virginia a two-day visit. Sexton arranged for use of a state plane and the group examined several sites pre-selected by the company that stretched from Southwest to Southside Virginia.

Sexton’s initial role was to develop a rapport with the company. Because Swedwood did not use a consulting firm, company officials looked to the project manager to educate them about Virginia’s communities.

“If the company doesn’t trust you, you can’t convince them of anything,” he said. “It’s all about who they can trust.”

Time-to-market was key to the company’s final decision. The Danville-Pittsylvania County region offered a ready-to-go location in close proximity to the markets Swedwood was trying to reach. Virginia could get the job done six months faster than the competition in North Carolina.

“Danville and Pittsylvania County really stepped up and presented themselves as a professional team,” Sexton said. “You could see the company’s confidence level rise. The communities had all the right answers, and the region has made the hard investments in the infrastructure that are needed for this kind of project. In short, they knocked it out of the park.”

The other state agencies involved were no less enthusiastic. Sexton, representing VEDP, pulled together a team of 10 organizations, both state and local, that wasted no time preparing a proposal to convince Swedwood that Virginia was the best choice for its U.S. manufacturing facility.

At the very first meeting they attended, the Virginia Tobacco Indemnification and Community Revitalization Commission and the Virginia Department of Transportation committed their assistance to the project. Much of the funding provided by the Tobacco Commission will be used toward training efforts and facilities in conjunction with Danville Community College.

The Virginia Department of Business Assistance’s Workforce Services Program bent over backward both financially and through program development for Swedwood, offering customized advanced manufacturing programs in concert with Danville to prepare employees to meet the company’s needs.

Rail was an enormous factor in the project. The Virginia Department of Rail and Public Transportation also worked its magic to find solutions to Swedwood’s rail dilemmas, and the Virginia Department of Housing and Community Development lent funding support to the rail extension that could not be covered by VDRPT or local funds. Norfolk Southern also assisted with the logistics issues by discussing with company officials future rail plans and how the Heartland Corridor will reduce their time and money to get product from Danville to its West Coast market.

Because the Swedwood official on the hunt was the company’s CFO, the Virginia team quickly learned to talk in numbers. In addition to incentives it could offer, Virginia wanted to show it had long-term operational advantages that outshined North Carolina. The challenge was placing a monetary value on them.

Martina Arel, VEDP project research specialist, researched Virginia’s strengths such as workforce and pro-business climate and compared them to North Carolina. In a spreadsheet format, Arel offered 10-year projection comparisons including cost of labor and taxes. The strategy worked.

“The Swedwood guys left the meeting with a clear understanding of our proposal,” Sexton said, and Arel’s European background put the company at ease.

The Administration was Virginia’s final trump card. The Governor’s Office and the Office of the Secretary of Commerce and Trade demonstrated continued support throughout the proposal process. When it was time to seal the deal, Governor Kaine and Secretary Gottschalk met personally with company officials.

“At that point, we knew our incentive package wasn’t as large as our competitor’s,” Sexton said. “But VEDP knew our proposal was outstanding. We were offering a prepared site that reduced start-up time. Throwing money at a project isn’t always going to win it.”

For many of the players involved in the Swedwood project, the work has only just begun. Workforce supply is a key issue. DBA’s Workforce Services Division is coordinating the various state services supporting the project, and it also is producing a video for employee orientation. Steve Bridges, VEDP Southside Region Liaison, is working with the communities, state agencies and company officials to ensure Virginia holds up its end of the bargain.

“This kind of project doesn’t come along very often,” Sexton said, adding that Swedwood is the largest project he’s tackled in his 10 years at VEDP. “When you see it, you have to give it everything you’ve got.” ■

## Swedwood Project Team Learns the IKEA Way

Less than one month after Governor Kaine's announcement that Swedwood plans to locate its North American manufacturing facility in Pittsylvania County and Danville, a project team was on the ground in Sweden and Poland gaining valuable insight into the company and its manufacturing processes.

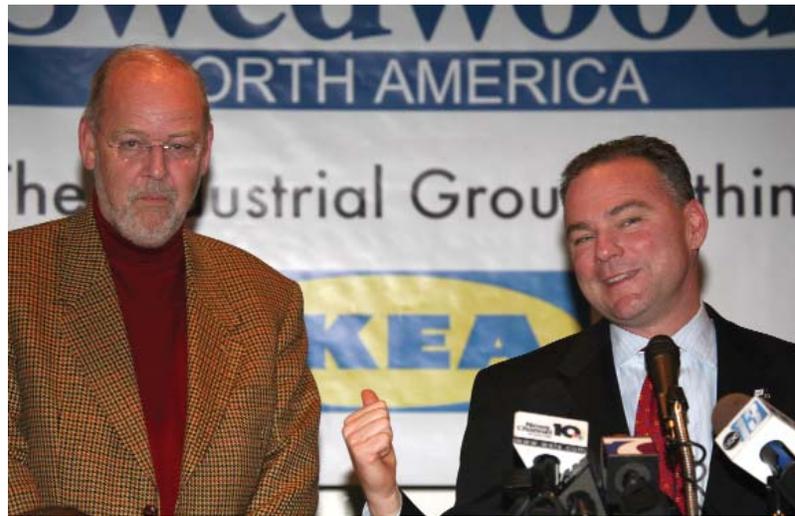
VEDP Southside Regional Liaison Steve Bridges and Virginia Department of Business Assistance Workforce Services Program Project Manager Frank Strickler accompanied city and county economic development officials, as well as officials from Danville Community College and local utility and permitting offices, on the trip.

The group received an overview of Swedwood AB at its Angelholm, Sweden, headquarters, followed by an orientation at IKEA's headquarters in Almhult, Sweden. The group toured an IKEA distribution center and Swedwood kitchen cabinet manufacturing facility. The team also visited Zbasznye and Babimost in Poland to tour manufacturing facilities whose processes and product lines most closely reflect what will be present in the Virginia facility.

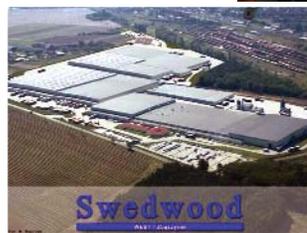
The Virginia team came away from the trip impressed with the corporate culture and the company's emphasis on efficiency and automation.

"The Swedwood plant will set a new standard for advanced manufacturing in the region," said Bridges. "It's exciting to see a regional team working together to deliver the resources and infrastructure needed to make this project a success." ■

Global Swedwood International Chairman Bruno Winborg (left) and Governor Kaine shared the stage during the October project announcement in Danville.



The Virginia team visited four countries in four days to see first-hand IKEA's European facilities.



Representatives from the 10 state agencies that worked on the Swedwood project held a debriefing following the project announcement.



## Governor Kaine Touts Virginia in Europe



Trade development, business recruitment and the promotion of Jamestown's 400th anniversary fueled Governor Kaine's November trade mission to Europe.

Governor Kaine, who was accompanied by Secretary Gottschalk and representatives from the Virginia Economic Development Partnership and Virginia Tourism Corporation, visited Denmark, Sweden, the United Kingdom and Germany during the week-long trip.

Among business meetings held in all four countries, Governor Kaine and the Virginia delegation met with senior executives of A.P. Møller-Maersk Group in Denmark. The parent company of APM Terminals is in the process of a \$450 million expansion of its operations at the Port of Virginia. Governor Kaine also met with top executives from AB Volvo during his visit to Sweden. The meeting fell on the heels of Volvo Trucks North America's announced layoffs at its Dublin, Virginia, facility.

Governor Kaine also kicked off the Jamestown 400th Anniversary celebration at Tower Bridge in London by participating in a reception to promote the Jamestown festivities to the Kent Tourism Council and members of the British Committee.

The trip was Governor Kaine's second international trade mission. He led his first trade mission to Canada in May. ■

## Southeast States and Japan Come Together at Annual Conference



Governor Kaine led a Virginia delegation of 45 members to the Southeast United States/ Japan Association (SEUS) conference October 22-24 in Orlando, Florida. The Association, organized in 1976, was created to foster the development of industry and trade and promote friendly relations between the southeastern United States and Japan in the areas of international trade, culture, industry, technology and commerce. Virginia first hosted the conference in 1986.

The seven U.S. member states include Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee and Virginia. The Japanese delegation is comprised of business and government officials involved with commerce in the southeast region. Governor Kaine hosted a Virginia reception for the 45 business and community leaders in attendance on the opening night of the conference. He also served as moderator for the conference session entitled, "Current Investment Opportunities for Japan in the Southeast United States." ■

Networking was a top priority during the SEUS conference held Oct. 22-24 in Orlando, Florida.

## Quarterly Calendar

DATE	CONTACT	EVENT
January 15-18	VB	Automotive News World Congress – Detroit, MI
February 5-9	CR	Marketing Mission – Arizona
February 6	DE	Modeling & Simulation Leadership Summit – Suffolk, VA
February 26-28	VB	Plastics News Executive Forum – San Diego, CA
March 5-9	CR	Marketing Mission – Illinois
March 19-28	SK	Trade Mission to Argentina, Brazil & Chile
March 27-28	KB	Military Technologies Conference – Boston
March 19-21	KB	NDIA Homeland Security Symposium – Crystal City, VA
April 16-20	SK	Trade Mission to Japan
April 23-27	SK	Trade Mission to India
April 23-27	SK	Trade Mission to the UK & Ireland
	VB	Vince Barnett, VEDP (804) 545-5815
	CR	Chuck Rogers, VEDP (804) 545-5808
	DE	Dave Enghauser, VEDP (804) 545-5719
	SK	Scott Kennedy, VEDP (804) 545-5754
	KB	Keith Boswell, VEDP (804) 545-5732

**CQ** HOT DEALS

*(Hot Deals continued)*

### Holston Medical Group Grows into Scott County

Holston Medical Group (HMG), a multi-specialty physician practice, will invest \$3 million to open its first medical records data center in Scott County. The company, which will create 40 new jobs, will access and store patients’ digital medical records for multiple practices and hospitals in Northeast Tennessee and Southwest Virginia. HMG also intends to augment the medical records operation with a multi-physician facility offering a full range of diagnostic services for Southwest Virginia.

With 15 locations throughout the Southwest Virginia region, Holston Medical Group also offers three Urgent Care clinics, two state-of-the-art outpatient diagnostic centers, and an outpatient ambulatory surgery center. ■



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**CQ** DID YOU KNOW?

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## Virginia's Image is Paying Off

If Americans could live in any state, Virginia would be a top choice according to the Anholt State Brands Index, a first-of-its kind global public opinion poll based on responses from 9,000 Americans. The poll, which ranked Virginia second, was conducted to examine the effectiveness of brand images. In a poll of 13,000 foreigners, Virginia ranked behind mega-brands like California, Florida, Hawaii and New York, but still scored in 7th place. ■