

# COO

## Virginia Commerce Quarterly

A Publication of the Virginia Economic Development Partnership  
Winter 2011, Vol.16, Issue 1

### *LOCATION. LOCATION. LOCATION.*

#### **Virginia Positioned Well for Offshore Wind Development**

It's no secret that Virginia strives to become  
the "energy capital of the East Coast."

*(Story continued on page 3)*



Energy is fundamental to Virginia's economic prosperity. A tremendous portion of our economy and standard of living hinges on the costs, production and transportation of energy. Virginia is a net importer of energy, second only to California. Yet, the Commonwealth has extensive existing and underutilized assets that could help it become less dependent on energy importation and simultaneously create new jobs and capital investment.

Speakers at the December VEDP/Ally Meeting reminded us of Virginia's strengths in the area of offshore wind development and power generation. With the ability to generate about 3,200 megawatts of wind power, the Commonwealth's value

proposition for the offshore wind power industry is compelling. If you were unable to attend the meeting, please take a moment to read the cover article that serves as a summary. As the United States continues to look toward renewable energy as a source of power, Virginia will work to play a leading role.

Economic development activity continued to move at a steady pace during the fourth quarter of 2010, despite longer project timeframes and limited international investment. In Central Virginia, Henrico-based Capital One announced an expansion in Henrico County, adding upward of 700 jobs to the company's payroll. In southern Virginia, Home Care Industries announced plans to open a new manufacturing facility in Mecklenburg, which will create 150 new jobs. Henry County celebrated with an announcement from The Tile Shop, which is opening a new warehouse distribution center and creating 25 new jobs. Hampton Roads also saw activity with the announcement that InMotion Hosting, a Web-hosting provider, will expand its Virginia Beach operation, creating 275 new jobs for the region.

The Administration continues to play an active role in recruiting new companies to Virginia. In November, Governor McDonnell joined VEDP on a productive marketing trip to northern California. We met with executives from a number of financial, energy, advanced manufacturing and technology companies, as well as leading venture capital firms. Valuable information was shared regarding what Virginia needs to do to compete in the emerging technology industry, and discussions confirmed that the Commonwealth has a lot of work to do to be a recognized player.

Focusing our efforts was a recurring theme in 2010, which will carry over into the new year. Changes in VEDP's Business Development Division last year were designed to continue our visibility in the advanced manufacturing, energy and information technology sectors. As part of that effort, Keith Boswell was reassigned to lead VEDP's targeted federal strategy, and Mike Lehmkuhler was reassigned to lead our megasites/unique properties strategy. Take a moment to read about these new initiatives in the pages that follow.

Finally, we welcome new faces to VEDP to help us kick off 2011. Jerry Llana, former Director of Mergers and Acquisitions for Dominion Resources, has joined VEDP on a contract basis to assist with Virginia's offshore wind efforts. Tracy Tynan returns to VEDP as a Business Development Project Manager on the advanced manufacturing team.

As the new year begins, we want to again express our appreciation for the support VEDP receives from you, our allies. You are critical to our mission to improve the economy in all regions of the Commonwealth. Competition remains fierce and, while the economy is improving, the challenge of landing the prospect grows. We remain confident, however, that through cooperation, collaboration and communication, Virginia will see success in 2012.

Sincerely,

Jeffrey M. Anderson

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

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## Quarterly Survey Reminder

Attention allies! If you haven't already sent in your quarterly survey response, please respond as soon as possible to Holly Fick at [hfick@yesvirginia.org](mailto:hfick@yesvirginia.org).

(continued from Cover)

It's an attainable goal—especially in the area of offshore wind power generation. Virginia also stands to succeed as a major hub, if not the East Coast epicenter, for manufacturing and assembly of wind turbine equipment and other major offshore components. In fact, an executive with a major offshore wind supply chain company was recently heard proclaiming Virginia—and the Port of Virginia complex—as the best location in North America for offshore wind investment.

A geographic advantage, a ready workforce, lots of blue sky (no height restrictions) and abundant and cost-effective “lay-down space” for the massive components are among the requirements for offshore wind success.

Virginia has them all.

### Geographic Advantage

When it comes to wind energy—and who the North American players are going to be—location is everything. In that respect, Virginia has a lot going for it. The Commonwealth's mid-Atlantic location affords it the capacity to support more than 3,200 megawatts of wind power, which could generate 10 percent of Virginia's annual energy demand.

Virginia also boasts a natural harbor with the deepest U.S. East Coast port channels, and unlike other East Coast ports, no obstructions such as bridges and overpasses. These attributes come into play during the transportation of wind turbine components—especially considering that the blades alone are nearly one football field in length and weigh 20 tons.

On the harbor sits the Port of Virginia, providing a front-door entry to two-thirds of the U.S. population. The Port is serviced by two major railroads, CSX and Norfolk Southern, that provide direct rail access via the Norfolk and Portsmouth Belt Line Railroad.

Virginia also has the ability to offer high-voltage transmission infrastructure that is fully operational and close to the shoreline, thanks to the support of Dominion. Add to that the fact that Virginia is located along the proposed Atlantic Wind Connection, a proposed 350-mile underwater grid from New Jersey to Virginia to connect 6,000 megawatts of offshore wind turbines (the equivalent of 60 percent of the wind energy installed in the entire country last year), and one can see the strength in Virginia as an offshore wind contender.

### A Ready Workforce

Virginia is home to a premier workforce that is used to working in a maritime environment. About 13,000 trained personnel exit Virginia military bases each year, and the Commonwealth offers the most workers in the mid-Atlantic region in the shipbuilding and repair, marine construction, and transformer manufacturing sectors, as well as other related fields. Virginia's military, industrial and educational infrastructure provides extensive training potential for new industries. In addition, Virginia hosts more than 200 potential offshore wind energy supply chain companies.

### Where Virginia Goes From Here

While Virginia has a great foundation to build upon, there is a lot of building to be done, including streamlining approval and permitting processes for offshore projects, seeking federal financial assistance to help reduce wind energy production costs, and having the Department of Energy look favorably on a Virginia-based National Offshore Wind Technology Center, which could serve the entire East Coast.

The U.S. is 10 years behind Europe in offshore wind evolution; China and India are rapidly expanding their renewable energy wind generation capacity. Currently, there are no operational offshore wind projects in the United States.

Virginia plans to change that. ■

## VEDP Re-Enters World of Advertising after Eight Years

Thanks to new marketing funding from Governor McDonnell's Jobs and Opportunity Agenda, VEDP this month launched the first comprehensive digital advertising campaign since FY2003. The campaign, which targets C-suite audiences domestically and internationally, supports VEDP's initiatives in advanced manufacturing, energy and information technology.

The ad campaign will run through June 2011. An estimated 20 million impressions will be delivered on the websites of the *New York Times*, *Wall Street Journal*, *Forbes*, CNN International and *Bloomberg Business Week*. To maximize the campaign's reach, a high-impact direct mail strategy will also be implemented. ■

## Capital One Builds on Success in Henrico



Capital One Financial Corporation is expanding its Henrico County workforce by 700 positions in 2010 and 2011. The company recently purchased two commercial office buildings for its campus in the Innsbrook office park, where it plans to open a new call center and operations center in 2011. The new positions will support all segments of the Fortune 500 company's business, including Credit Card, Banking, and Financial Services, with positions in groups like Operations, Customer Service, Marketing and Analysis, IT, Brand Marketing, and Retail and Commercial Banking.

Founded and headquartered in McLean, Capital One is the country's 9<sup>th</sup> largest bank based on deposits and recently completed the successful integration of Chevy Chase Bank, its third bank acquisition since 2005. Capital One Bank has about 1,000 retail branches, including 88 in the Commonwealth. ■



Capital One recently purchased two new office buildings for its campus in the Innsbrook office park in Henrico County, where it plans to open a new call center and operations center.

## GeoEye, Inc. Moves Corporate HQ to Fairfax County



GeoEye, Inc., a premier provider of superior satellite and aerial geospatial information and services, will join other major companies that have recently decided to make Virginia home of their corporate headquarters.

The company will invest \$10 million to move its corporate headquarters to the Dulles Corner Office Center in Fairfax County. The company will create 100 new jobs over the next three years and relocate its 230 Virginia-based employees to the expanded corporate headquarters facility.

GeoEye, Inc. is a leading international information services company serving government and commercial markets. In August, GeoEye was named one of *Fortune Magazine's* "100 Fastest-Growing Companies" in the United States. The company has more than 500 employees dedicated to developing best-in-class geospatial information products and services. GeoEye is a public company listed on the NASDAQ stock exchange under the symbol GEOY. ■

## General Cigar Distribution Operation Opens in Hampton

Governor McDonnell's Senior Economic Advisor, Bob Sledd, was in attendance to cut the ribbon for General Cigar's new operation in Hampton. Headquartered in Richmond, General Cigar, a subsidiary of parent company Swedish Match, manufactures and markets handcrafted cigars for the premium market.

In October the company finalized a joint venture with Scandinavian Tobacco Group to form a worldwide company focused on cigars. As the second-largest cigar company in the world, General Cigar needed a new distribution facility that would provide an affordable location for the company's credit, customer service and logistics departments and to distribute the company's premium handcrafted cigars.

The project involved a \$1.2 million investment and employs 37. ■



Company and government officials gathered in November to cut the ribbon on Virginia Casting's ductile iron components manufacturing operation in the former Internet New River Foundry facility in Radford.



Lieutenant Governor Bill Bolling (right) discusses the Virginia Casting Industries project with company partners Dan Minor (left) and Todd Carlson (center) during the company's ribbon-cutting event.

## Foundry Resurrected in Radford

Virginia Casting Industries (VCI) cut the ribbon in November on its ductile iron components manufacturing operation in the City of Radford. The company announced in May its plans to invest \$9.1 million in the former Internet New River Foundry facility and create 300 jobs.

VCI is a new company owned by the majority owners of Cadillac Casting, Inc. The company has hired former Internet employees who were

laid off just before the holidays last year. Thanks to VCI, they are back on the job before the holidays this year.

The reactivation of a foundry in Virginia is an important asset to the advanced manufacturing sector, which is a key target sector for Virginia. ■

## Health Diagnostic Laboratory Expands in Richmond

Health Diagnostic Laboratory, Inc. (HDL, Inc.) will invest \$4.2 million in its operation in the City of Richmond. HDL, Inc., located in the Virginia BioTechnology Research Park, will expand its clinical laboratory, diagnostics and clinical trial services, as well as its physician/patient consulting. The project will create 213 new jobs.

Health Diagnostic Laboratory Inc., a CAP-accredited leader in health management, offers a comprehensive test menu of risk factors and biomarkers for cardiovascular and related diseases. The company's systematic approach identifies factors contributing to disease and provides a basis for effective treatment, allowing physicians to more effectively manage patients. As an added value, patients receive a personalized overview of their risk factors along with intensive counseling from expert health coaches at no additional cost, improving compliance and enhancing satisfaction. ■



## InMotion Hosting, Inc. Expands in Virginia Beach

InMotion Hosting, Inc., a provider of Web-hosting solutions for small- and medium-sized businesses, established operations in Virginia Beach in 2004 with just one employee. The company grew to 85 employees in six years and recently announced an expansion. InMotion Hosting will invest \$250,000 to expand its operations again, this time creating up to 275 new jobs.

InMotion is an employee-owned and operated provider of hosting services to more than 150,000 domains. Consistently ranked among the top 10 web-hosting services, InMotion Hosting provides 24/7 inbound customer technical support via telephone and real-time online services through its Virginia Beach facility. ■



Company and government officials inked the Micron expansion deal at the podium during the company's expansion event in November.

## Largest Manassas Employer Expands

Micron Technology, Inc., will invest \$56 million to increase memory chip production at its Manassas facility. Lieutenant Governor Bill Bolling joined business and government leaders in November to announce the project, which will create 123 new jobs.

Since its purchase in 2002, Micron has invested more than \$3 billion at the Manassas site. At more than 1,500 full-time employees, the company is Manassas's largest employer.

Micron Technology, Inc., is one of the world's leading providers of advanced semiconductor solutions. Through its worldwide operations, Micron manufactures and markets a full range of DRAM, NAND Flash and NOR Flash memory, as well as other innovative memory technologies, packaging solutions and semiconductor systems for use in leading-edge computing, consumer, networking, embedded and mobile products. Micron's common stock is traded on the NASDAQ under the MU symbol. ■

## Henry County Gains New Company, New Jobs

A new company will call Henry County home. The Tile Shop, a provider of the finest natural stone, ceramic and porcelain tiles and tiling materials, will invest \$1.1 million to open a warehouse distribution operation in Henry County. The project will create 25 new jobs.

The Tile Shop was founded on the idea of providing "do-it-yourselfers" the ability to work with the finest natural stone, ceramic and porcelain tile from around the world at a competitive price through The Tile Shop's exclusive international suppliers, supported by the domestic manufacture of the highest quality line of adhesives, grouts and cleaning materials. ■



## Mecklenburg County Gains 150 New Jobs

One of North America's leading floor care companies, Home Care Industries, Inc., will invest \$1.5 million to open a manufacturing and distribution operation in Mecklenburg County. The project will create 150 new jobs.

Headquartered in Clifton, New Jersey, Home Care Industries, Inc. was founded in 1959 as a vacuum bag manufacturer. Home Care has established itself as the preeminent supplier to the floor-care industry through innovative product design, superior quality and unsurpassed customer service. ■



(Pictured left to right) Virginia Delegate Kathy Byron, Intersections Inc. Chairman and CEO Michael Stanfield, Lieutenant Governor Bill Bolling, and Altavista Mayor Rudy Burgess cut the ribbon at Intersections' new Altavista facility. The company announced plans in July to establish an inbound customer service center that will offer support for Intersections' customers enrolled in its identity theft protection services. The project will create 250 new jobs.

## Franklin County Wins Headquarters Project

Solution Matrix, Inc. (SMI), a leader in cold-therapy products for the health care industry, will invest \$2.25 million to relocate its headquarters and manufacturing operations from Pennsylvania to Franklin County. The company will construct a 25,000-square-foot facility in the Franklin County Commerce Center, creating 80 new jobs within three years.

SMI is a women-owned, veteran-operated manufacturer of the highest quality cold therapy products for the orthopedic community. Recognized as the "Gold Standard" for patient rehabilitation in treating post-surgical procedures and acute injuries, the company's long-lasting, 3.5-hour Gel Bag Compression Bandage Wrap System is designed specifically for hospital total joint and sports medicine centers. ■



## Merit Medical Systems Expands in Chesterfield County

A company that has found success in Chesterfield since 2004 continues to grow. Merit Medical Systems, Inc., a leading manufacturer and marketer of proprietary disposable medical devices, will invest \$1 million to expand its operations, creating 75 new jobs.

Founded in 1987, Merit Medical Systems is engaged in the development, manufacture and distribution of proprietary disposable medical devices used in interventional and diagnostic procedures, particularly in cardiology, radiology and gastroenterology. Merit serves client hospitals worldwide with a domestic and international sales force totaling approximately 125 individuals. Merit employs approximately 2,170 people worldwide, with facilities in Salt Lake City and South Jordan, Utah; Angleton, Texas; Richmond, Virginia; Rockland, Massachusetts; Maastricht and Venlo, Netherlands; Paris, France; Galway, Ireland; Beijing, China; Copenhagen, and Denmark. ■

## EURO-COMPOSITES™ Corp. to Expand Only U.S. Operation in Culpeper County



EURO-COMPOSITES™ Corporation's Culpeper County facility is not only the company's sole operation in the U.S., it serves as its national headquarters. Now the company is expanding. EURO-COMPOSITES™ will invest \$11.25 million to expand, creating 70 new jobs.

EURO-COMPOSITES™ Corporation, a privately held company, established its worldwide headquarters in Echternach, Luxembourg, in 1984. Its United States headquarters was established in Culpeper in 1988. EURO-COMPOSITES™ is a global player in the field of advanced composite products that includes ready-to-assemble parts, formed and/or milled composite parts, panels, laminates, and honeycomb core materials that are used in the aeronautics industry. ■

(Hot Deals continued on page 8)

## A-T Solutions Expands in Spotsylvania County

Lieutenant Governor Bolling joined business and government leaders in Spotsylvania County to announce A-T Solutions' expansion and open the doors of the company's new facility. The company, a global industry leading anti- and counterterrorism professional services firm, is expanding into a new building to support continued growth, and over the next 24 months will create approximately 100 new jobs at the Spotsylvania location.

The company's clients include the departments of Defense, State and Justice; the Department of Homeland Security; the intelligence community; state and local law enforcement; and international clients.

Since 2008, A-T Solutions has already hired 100 new employees to support its growing operations in the area.

Acquired by CoVant in February 2008, A-T Solutions provides a full spectrum of training, technology, intelligence and mission solutions that protect people, infrastructure and nations from terrorist threats. A-T Solutions currently employs more than 500 professionals, is based in the Tysons Corner area of Vienna, Virginia, and has offices in Fredericksburg and Virginia Beach; San Diego, California; Niceville, Florida; Boise, Idaho; and Anacortes, Washington. ■

Lieutenant Governor Bolling joins local and company officials to cut the ribbon at A-T Solutions' new facility in Spotsylvania County.



## ICF International Renews and Expands Headquarters in Fairfax County

Global professional services firm ICF International has agreed to renew and expand its corporate headquarters in Fairfax County. ICF is expanding its leased office space to 300,000 square feet for the next 12 years. ICF's commitment to the county will result in the investment of \$20 million to improve and re-equip its headquarters location. The company also plans to create at least 400 jobs over the next three years in Virginia.

ICF International (NASDAQ:ICFI) partners with government and commercial clients to deliver professional services and technology solutions in the energy and climate change; environment and infrastructure; health, human services, and social programs; and homeland security and defense markets. Since 1969, ICF has been serving government at all levels, major corporations, and multilateral institutions. More than 3,500 employees serve these clients worldwide. ■



## Fairfax County Gains 156 New Jobs

Another Fairfax County company is expanding. Acumen Solutions, an international leader in business and technology consulting, will invest \$2.35 million to expand its operation. The project will create 156 new jobs providing business and technology consulting services to the company's clients. Acumen Solutions employs business analysts, industry experts, technical architects, data architects, CRM experts, object-oriented developers and Salesforce.com consultants. The firm has been recognized as a leader in helping large enterprise and government clients weave cloud computing strategy and integration into the fabric of their existing enterprise architecture.

With a Vienna, Virginia, headquarters, the firm also has offices across the U.S. and in Europe and has been in business since 1999. Their clients are Global 1000 and government agencies, and Acumen consultants help these organizations solve complex business and technology problems. Select Acumen Solutions clients include: Comcast, CIGNA Healthcare, Kaiser Permanente, McKesson, GSA, SEC, Sprint, Time Warner Cable, U.S. Army, U.S. Census Bureau, U.S. Department of Health and Human Services and U.S. State Department. ■



## Southern Finishing Company to Consolidate Eastern U.S. Operations in Martinsville

Fitting for a region with a rich history in the furniture industry, Southern Finishing Company, Inc., a manufacturer of prefinished components for the cabinet industry, will invest \$1.7 million to consolidate its eastern U.S. operations in Martinsville. The company will consolidate its manufacturing and distribution operations currently in North Carolina with its Virginia operations as a means of achieving greater efficiency and economies of scale and improving logistics to reduce costs. The company will occupy the former Hooker Manufacturing building, located across the street from Southern Finishing's existing Martinsville location. The project will save 137 jobs and create 67 new jobs.

Southern Finishing Company was founded in 1978 and has more than 240 employees. The privately owned company specializes in prefinished wood mouldings (manufacturing 35 million linear feet per year), accessories, panels, doors, kitchen and bath cabinet components, and bedrails. They offer industry leading turnaround times and excel in meeting exacting customer specifications for color match and quality. Key partners include American Woodmark, Marsh Furniture, Armstrong Cabinets, Thomasville Furniture, Empire Today, Yorktown, Masco Builders Cabinet Group, Salamander, Hooker Furniture and PlyGem. ■

## PGI Expansion Officially Under Way in Waynesboro

Lieutenant Governor Bolling was on hand to mark the official ground-breaking of Polymer Group, Inc. (PGI) in Waynesboro. The company, one of the world's leading producers of nonwoven fabrics, plans to invest at least \$65 million to expand its existing facility. The investment includes the purchase of high-technology equipment to establish a new manufacturing line and increase production, and the expansion of the current building in order to accommodate the new line. The project will also create 41 new jobs.

PGI is a global technology-driven developer, producer and marketer of engineered materials. The company operates 15 manufacturing and converting facilities in nine countries throughout the world. ■

( Hot Deals continued on page 11)



## hot deals international

## JTI Leaf Services Celebrates Grand Opening in Danville



Governor McDonnell helped cut the ribbon to officially open the doors of Japan Tobacco International (JTI) Leaf Services in Danville. The company announced plans in 2009 to invest \$19.5 million to establish a tobacco processing facility, creating 39 full-time jobs and 150 seasonal positions when fully operational. The local company, JTI Leaf Services, will process both flue-cured and burley tobacco in the United States and ship to international markets.

JTI is the international tobacco division of Japan Tobacco Inc., the world's third largest global manufacturer of tobacco products. The company produces two of the top three worldwide cigarette brands: Winston and Mild Seven. Other international brands include Camel, Benson & Hedges, Silk Cut, Sobranie of London, Glamour and LD. With headquarters in Geneva, Switzerland, JTI has more than 23,000 employees and sales activities in 120 countries. ■



(Pictured left to right) Paul Neumann, Senior Vice President of Japan Tobacco International (JTI) Global Leaf; Consul General Takuji Hanatani, Consul General of Japan in Atlanta; Governor Bob McDonnell; Mitsuomi Koizumi, President of Tobacco Business at Japan Tobacco (JT); Thomas A. McCoy, Chief Operating Officer at JTI; and Steven Daniels, President of JTI Leaf Services (North America), in front of JTI Leaf Services' recently completed Danville operation.

(Hot Deals International continued on page 10)

## Danville's Existing Business Program Makes Headlines

After the shovel pierces the ground and the ribbon is snipped, corporate partnership continues in Danville, thanks to the Danville Office of Economic Development's Retention & Expansion Assistance for Developing Industries program (READI).



READI, which was featured in *Virginia Business* magazine's October issue, encourages continuous communication between the City and its existing business community so that Danville can assist its corporate neighbors with needs or challenges that arise. The program, which launched in September, includes an online portal that highlights services devoted to helping and retaining existing industries. Companies are asked to complete a confidential survey that helps the economic development office assess a company's growth and learn about challenges it faces.

If Danville can't help, the City will help the company find someone who can.

"Our business and retention program is all about supplying our companies with the tools they need to gain a competitive edge in the marketplace," said Melissa Breaux, Project Manager for the Danville Office of Economic Development. "READI combines accessibility to those tools with the ease of online services, allowing the busy professional to target specific needs without having to work with multiple points of contact." ■

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## Virginia Companies Garner Attention for Being Green

Two Virginia companies were recognized as Green Award winners by the Northern Virginia Technology Council (NVTC).

ICF International and EcomNets, Inc. were honored for their impact on the region through top-notch environmental practices.

In its second year, the NVTC Green Award honors one large company (more than \$50 million revenue), which was ICF International, and one small company (less than \$50 million revenue), which was EcomNets, Inc.

ICF International (NASDAQ:ICFI) partners with government and commercial clients to deliver professional services and technology solutions in the energy and climate change; environment and infrastructure; health, human services, and social programs; and homeland security and defense markets. Since 1969, ICF has been serving government at all levels, major corporations, and multilateral institutions. More than 3,500 employees serve these clients worldwide.

EcomNets is recognized as a Green IT Solutions Provider that focuses on energy efficient computing from the desktop to the data center.

EcomNets develops highly innovative, rapidly implemented, and extremely cost-effective enterprise integration solutions. These solutions are currently delivered to a wide range of Information Technology (IT) clients within the Fortune 2000 and government agencies. ■

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## Virginia Rises in Tax Ranking

According to the Tax Foundation's 8th edition of state business tax climates, Virginia ranks 12th best in the nation, a rise from last year's 15<sup>th</sup>-place ranking. The State Business Tax Climate Index (SBTCI) is often used as a tool for lawmakers, the media and individuals alike to compare their states' tax systems to other states. Policymakers use the SBTCI to pinpoint changes to their tax systems that will explicitly improve their states' standing in relation to competing states. ■

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(Hot Deals International continued from page 9)

## Plow & Hearth Celebrates 30 Years in Madison



Governor McDonnell took part in a festive celebration to mark the 30<sup>th</sup> anniversary of a well-recognized company—Plow & Hearth.

In 1980, husband-and-wife team Peter and Peggy Rice, together with Michael Burns, founded Plow & Hearth as a small retail store in Madison, Virginia. In an era when interest in alternative energy, family and self-reliant lifestyles was growing, Plow & Hearth opened its first "Essentials for Country Living" store. Encouraged by the community's enthusiastic reception, the following year Plow & Hearth produced its first catalog, mailing 100,000 copies nationwide.

Throughout the next 20 years, the company grew, winning numerous state and national business awards. In January 2010 the company was acquired by Evergreen Enterprises, forming Plow & Hearth, LLC. The new company's owners, Ting Xu and Frank Qiu, came to the U.S. from China when they were in college.

Joining two strong Virginia companies allows them to support the local economy and employ more than 700 full-time workers in Virginia. ■



## Gordon Named Virginia Business Person of the Year

Gerald L. Gordon, Ph.D., President and CEO of the Fairfax County Economic Development Authority (FCEDA), was recognized as *Virginia Business* magazine's 2010 "Virginia Business Person of the Year" in the magazine's December issue. The award, in its third year, recognizes a leader whose work has transformed a company, an industry or a sector of the Commonwealth's economy. This is the first time the award has gone to an economic development official.

Gordon has been with the FCEDA since December 1983. In that time, "Fairfax has morphed from a bedroom community for Washington, D.C., into a prime business destination," the magazine notes. "In the past three years, Fairfax has landed five major corporate headquarters CSC, Science Applications International Corp. (SAIC), Volkswagen Group of America, Hilton Worldwide and Northrop Grumman."

The article also points out that 366 foreign-owned companies have a presence in Fairfax County and that the county has a thriving minority business community. Writer M.J. McAteer chronicled other aspects of the county's transformation during Gordon's tenure: "Since 1983, office space has grown from 32 million square feet to more than 111 million, making Fairfax second only to Orange County, Calif., in the size of its suburban office market. Meanwhile, the number of payroll jobs went from 243,000 to nearly 600,000. As a result of the massive business growth during Gordon's tenure, the county's real estate tax rate per \$100 of assessed value fell from \$1.47 to a low point of 89 cents in fiscal years 2006 and 2007." ■

## Duffield Industrial Park Highlighted as Prime Data Center Location

The Tennessee Valley Authority (TVA) identified Virginia's Duffield Industrial Park site among a dozen sites in the Southeast for developing the region's growing data center industry.

TVA chose Deloitte Consulting to assess more than 50 locations across the TVA service area for accessibility, telecommunications infrastructure, electric power availability and reliability, and other characteristics beneficial to data center development. TVA is partnering with local power distributors and regional, state and community economic development leaders to begin marketing the sites as part of its data center recruitment initiative.

Located on 300 acres on Route 23 in Scott County, Duffield Industrial Park is shovel-ready. Norfolk Southern's mainline, spur and siding is available to the site, and 9.5 acres of the site are available and graded.

Duffield Industrial Park is one of 130 pre-qualified sites in Virginia for the data center industry, which is growing by leaps and bounds. The Commonwealth offers an abundant supply of potable and reclaimed water and diverse fuel sources, including nuclear, wind, hydro, gas and coal. Virginia is also close to Washington, D.C., helping to forge Virginia's technology industry dominance. These are just a few of the benefits that have attracted the headquarters of CSC and SAIC to Virginia, as well as every major federal government civilian and defense contractor. ■

## Nestlé Purina PetCare Receives Prestigious Performance Excellence Award

United States Commerce Secretary Gary Locke recently named Nestlé Purina PetCare Company (NPPC) a 2010 recipient of the Malcolm Baldrige National Quality Award. NPPC's King William County, Virginia, plant is among Purina's 20 manufacturing facilities and 7,000 associates that earned the award.

The award recognizes organizations that show consistent excellence in the areas of leadership; customer and market focus; strategic planning; process management; measurement, analysis and knowledge management; workforce focus; and results.

NPPC is the first consumer packaged goods company and the first pet food manufacturer to receive the award. In addition, out of 83 applicants, NPPC is one of only seven companies to receive the award this year. Prior to 2010, only 80 organizations had received Baldrige awards.

Named after the 26th Secretary of Commerce, the Malcolm Baldrige Award was established in 1987 to enhance the competitiveness and performance of U.S. organizations. It is the only presidential award for performance excellence. ■

( Hot Deals continued from page 9)

## PPD, Inc. Expands in Henrico County and Adds 190 New Jobs

PPD, Inc. (Nasdaq: PPD), a leading global contract research organization providing drug discovery, development and lifecycle management services, plans to invest \$28 million to expand its Lab Services Division in Henrico County over the next three years. The operation provides research and development services and clinical trial services for drug development. The project is expected to create 190 new jobs over the next three years.

PPD is a leading global contract research organization, celebrating 25 years of providing drug discovery, development and lifecycle management services. Its clients and partners include pharmaceutical, biotechnology, medical device, academic and government organizations. With offices in 42 countries and more than 10,500 professionals worldwide, PPD applies innovative technologies, therapeutic expertise and a commitment to quality to help clients and partners accelerate the delivery of safe and effective therapeutics and maximize the returns on their R&D investments. ■



## VEDP Launches Strategic Properties Initiative

By Mike Lehmkuhler, Managing Director, Strategic Properties/Projects

Strategic properties include greenfield and brownfield sites, as well as existing buildings that offer unique and timely real estate solutions for major employment and investment projects. Companies with capital-intensive investments designed to significantly improve productivity, capacity and competitive position seek to minimize site development risk because of tight implementation timeframes. Reliable property control, substantial pre-existing infrastructure, appropriate workforce solutions, and well-documented site development plans are essential ingredients for successful implementation of companies' plans. Unique real estate assets need strong action plans to attract and win these deals.

The rationale for this VEDP initiative is to leverage the time and money invested in such assets by formulating and executing a collaborative marketing effort that promotes specific value propositions tailored to targeted audiences. Customizing a business case for exceptional properties that appeals to targeted clients will increase opportunities to secure significant new jobs and capital investment. The overall goals of the initiative are as follows:

- Assist localities/regions with identification of unique properties and facilitate assistance with site evaluations, development and permitting
- Analyze alignment of other regional assets (workforce, transportation, etc.) with the target sector
- Create a marketing strategy for the property with benchmarks for progress
- Collaborate with primary marketing partners to develop specific value propositions and effectively communicate them to key companies and consultants

The Strategic Properties Strategy is a multi-year effort to position Virginia in a differentiated manner to target markets that can be benchmarked for results. To ensure the greatest opportunity for success, a limited number of properties will initially be supported. Since there are many unique

properties in Virginia, all in varying stages of development, the initial list of properties will be determined by an analysis of current site preparation, infrastructure advantages and asset alignment versus critical location requirements and timeframes associated with targeted industry sectors.

Based on that analysis and dialogue with regional and local partners, VEDP will concentrate efforts to define and execute a series of comprehensive and collaborative action steps that result in delivery of a well-defined message to targeted companies and consultants. ■

### State Agency Partners

Department of Business Assistance  
 Department of Conservation & Recreation  
 Department of Environmental Quality  
 Department of Health  
 Department of Housing & Community Development  
 Department of Rail & Public Transportation  
 Department of Transportation  
 Virginia Community College System  
 VEDP-BD, Research, GIS, C&P and International Investment  
 Virginia Port Authority  
 Virginia Resource Authority  
 Virginia Tobacco Indemnification & Community Revitalization Commission

### Federal Agency Partners

Appalachian Regional Commission  
 Economic Development Agency  
 Environmental Protection Agency  
 Rural Development  
 U.S. Army Corps of Engineers

### Local/Regional Partners

Architectural & engineering firms  
 Local government & local/regional economic development staff  
 Planning District Commission  
 Railroads  
 Utilities providers



## VEDP Implements a Federal Strategy

By Keith Boswell, Managing Director, Federal Strategy

Virginia is home to more than 18,000 federal contractors, 22 military commands by three- or four-star officers, more than 31 military installations, and more than 40 federal facilities. In short, the federal government is our largest economic engine, providing jobs for more than 200,000 Virginians. In fact, Virginia received more than \$83 billion in federal government procurement in 2009.

In July 2010, VEDP launched an initiative to focus on this growing economic sector of Virginia. The Federal Strategy seeks to uncover high value, strategic projects within the federal government. While the overall goal is to identify projects that add jobs, investment, and footprint in Virginia, the initiative will target specific departments and agencies within the federal government and their contracting community that align with VEDP's target areas of energy, advance manufacturing and information technology. VEDP will assist the Commission on Military and National Security Facilities (as needed) and partner with the Virginia National Defense Industrial Authority to strategically prepare for the next Base Realignment and Closure round anticipated in 2015 and 2016.

A sizeable portion of this effort will be to mine and coordinate the attraction effort to the federal government target agencies. This strategy involves informing, partnering and leveraging stakeholders that include staff of Virginia's Congressional delegation, Virginia Liaison Office, Virginia localities, Virginia universities, the real estate community, consultants and a number of direct federal agencies.

More than ever, Virginia's message needs to be focused, visible and delivered by as many partners through as many channels as possible. The Federal Strategy aims to do just that. ■

## K2M, Inc. Poised for Further Global Success

K2M, Inc., founded in 2004 and located in Leesburg, is improving quality of life one patient at a time in hospitals around the world. K2M, Inc., is an innovative spinal device company committed to the research, development and commercialization of simplified solutions for the treatment of complex spinal pathologies and procedures. The company is recognized as a worldwide leader in providing unique technologies for the treatment of deformity, degenerative, trauma and tumor spinal patients.

K2M was recently acquired by Welsh, Carson, Anderson & Stowe, which will allow the company to meet the high demand for its innovative product portfolio by expanding its worldwide sales force and accelerating the research and development of its next-generation technologies.

"K2M has proven over the past several years to be one of the most innovative and fastest-growing spine companies in the industry," said Paul Queally, Welsh Carson Co-President.

K2M is a July 2009 Virginia Leaders in Export Trade (VALET) class participant, and has made the most of the program. K2M utilized VEDP International Trade's network of global consultants to investigate potential partners in several markets, including Malaysia, Singapore, Ireland and Australia. The program's semi-annual meetings are enhanced through the contributions and insights of Jim Bapst, K2M's Senior Market Research Analyst, and Len Astfalk, Assistant Controller.

"We are happy to accept the reimbursement part of participation in the program, though mostly K2M is hopeful to expand its contacts with persons knowledgeable in the various aspects of international business," Astfalk said. "Understanding international trade is critical to being successful at it. K2M applied for the VALET program to achieve a better comprehension of international trade and hopefully avoid the many obstacles it presents. The plan of action will provide K2M with an organized approach to our international growth as we expand into more countries."

The company's products are currently available in Australia, Germany, Greece, Ireland, Japan, Mexico, New Zealand, Portugal, Puerto Rico, Spain, the United Kingdom and the United States. Most recently, K2M received a 2010 Medical Design Excellence Award (MDEA) for its SERENGETI® Minimally Invasive Retractor System. SERENGETI also was recognized at the *Orthopedics This Week* Spine Technology Awards Banquet in November 2009.

K2M's complete portfolio of next-generation products includes spinal stabilization systems, minimally invasive systems, and other advancing technologies such as motion preservation, annular repair, and nucleus replacement. ■

## VALET Dubbed Bright Idea by Harvard University

VEDP's Virginia Leaders in Export Trade (VALET) program was recognized recently as a "Bright Idea" by the newly created program of the Ash Center for Democratic Governance and Innovation at Harvard University's John F. Kennedy School of Government. VALET was one of 173 government programs selected from more than 600 submissions for the Bright Ideas program, which is designed to recognize and share creative government initiatives with interested public sector, nonprofit and academic communities nationwide.

VALET and other 2010 Bright Ideas will be showcased on the Ash Center's Government Innovators Network, an online marketplace of ideas and examples of government innovation for policymakers and practitioners. The winners were chosen by a team of expert evaluators comprising academics, practitioners and former public servants.

"VALET pairs Virginia companies with the practical tools needed for successful export sales," said Paul Grossman, Director of VEDP's International Division. "The Commonwealth and its private-sector partners are committed to helping Virginia companies obtain international sales in the global marketplace, and we hope this recognition encourages other Virginia companies to pursue global business opportunities."

The VALET program incorporates services from a team of experienced international service providers who assist Virginia companies with their international goals. Service providers such as attorneys, Web designers, bankers, translators and freight-forwarders contribute essential skills for expansion into international markets. In addition, VEDP provides \$15,000 via reimbursement to assist with costs associated with exporting. ■

## SteelMaster Buildings Recognized for Export Success

UPS, in partnership with *World Trade 100* magazine, announced recently that SteelMaster Buildings, LLC, a Virginia Beach-based company, was named the inaugural winner of its "Growth through Global Trade Award." Designed to recognize small- and medium-sized businesses in the United States, the award recognizes growth of international sales; entrepreneurial spirit and innovative pursuit of international growth opportunities; and future export growth plans.

Recognizing that 95 percent of the world's consumers live outside of the U.S., SteelMaster Buildings began to develop an international sales strategy several years ago. The company added a multilingual employee to work with the sales team to expand the company's overseas distributor network from a starting point of four representatives. In July 2007, SteelMaster Buildings joined VEDP's Virginia Leaders in Export Trade (VALET) program and began implementing its international sales strategy. At its graduation in July 2009, SteelMaster had grown its international distributor network to more than 40 representatives.

"We are very excited to have been recognized with this honor," said Emma Granada, International Business Development Manager, SteelMaster Buildings. "It is great to be able to celebrate the success of our international work during these several years and to know that we are on the right path as we continue to develop and grow our business abroad."

SteelMaster Buildings will be featured in *World Trade 100* magazine. ■



## Joint Land Use Study Completed in Hampton

The Hampton City Council voted in October 2010 to accept the Hampton-Langley Joint Land Use Study (JLUS), a collaborative planning tool involving local communities, federal officials, residents, business owners and the military, to identify compatible land uses and growth management guidelines near Langley Air Force Base (now Joint Base Langley-Eustis, an Air Force-led combined installation that includes the former Langley Air Force Base and the Army's Fort Eustis). Langley is the oldest continuously active Air Force base in the U.S., and has an annual economic impact of more than \$1.2 billion to the local economy.

The study was a year-long effort funded primarily by the Defense Department's Office of Economic Adjustment, drafted with the full support of the City of Hampton, Joint Base Langley-Eustis and the surrounding communities of Newport News, Poquoson and York County.

Joint land use studies are one of the most effective tools in identifying and addressing encroachment, a critical step in preserving viable military installations. A similar study was completed in 2005 for Virginia Beach and Naval Air Station Oceana that led to significant changes in land use practices and how Navy and civilian leaders make related decisions.

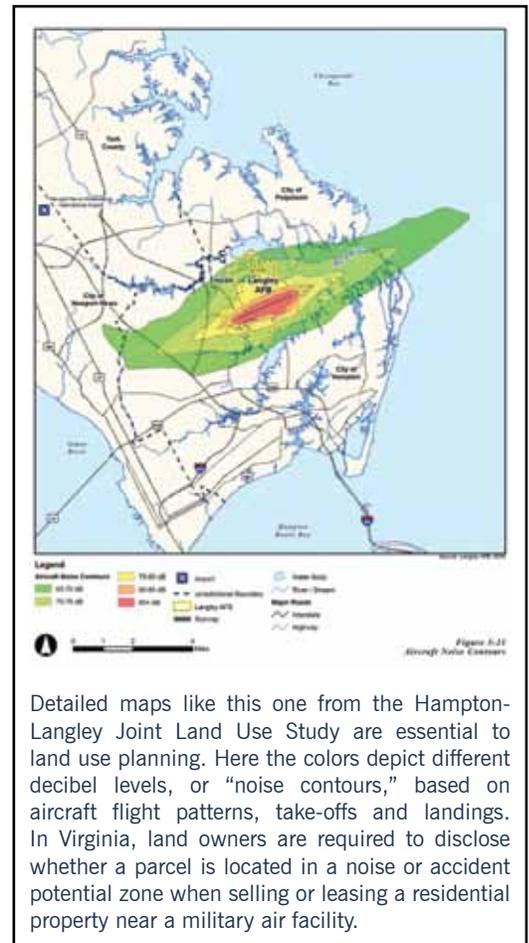
The joint land use study does not create or change local policy. Instead, it provides a series of recommendations that may be implemented through existing policy-making

procedures. To get to that point, the Hampton-Langley JLUS team progressed through several stages. First, the project was initiated by leadership at what was then Langley Air Force Base. The surrounding localities all agreed to participate in the process, providing staff and expertise.

Next, a contractor was brought in to assist in the analysis and mapping of land use in the greater Langley area. As Langley is an active Air Force base and home to F-22 and F-15 fighter jets that train daily, compatibility between civilian land use and military air operations was paramount. Maps that carefully delineate accident potential zones, noise levels, flight patterns and other considerations were developed and compared to current land uses. Land-based Air Force training and operational requirements were added to the maps, and the results helped identify areas that had potential to become incompatible, or in some cases were already incompatible.

Finally, the Hampton-Langley JLUS team made recommendations for long-term successful joint land use both on and off the military installation, and documented the findings. These draft findings were presented to the public, which was encouraged to weigh-in with comments that were incorporated into the final document.

For the greater Langley region, the joint land use study is a more formal and organized look at the state of land use, and what needs to be done to continue the longstanding cooperation between civilian and military leadership. The study also represents the start of the next phase in this relationship, the



implementation of recommendations, which local officials hope will help keep Langley a productive and positive neighbor well into the future. The final Hampton-Langley Joint Land Use Study can be downloaded at [www.hamptonlangleyjlus.com](http://www.hamptonlangleyjlus.com). ■

## Funding Awarded to Help Boost Virginia's Property Portfolio

The Danville-Pittsylvania Regional IDA, Martinsville-Henry County and Wythe County are the Commonwealth's first Major Employment and Investment (MEI) Project Site Planning Grant Fund program recipients. Each entity will receive funding to assist with site planning and improvements to help attract "mega-projects," or projects that involve more than \$250 million in capital investment and the creation of more than 400 new full-time jobs.

The Danville-Pittsylvania Regional IDA will receive the \$500,000 maximum amount established for planning grants. The funding will be used for planning activity associated with Berry Hill Mega Park, which is currently under construction on 3,700 acres in southwestern Pittsylvania County. The grant can be used for conducting environmental and geotechnical reviews and for tackling infrastructure challenges to make the site competitive in the marketplace.

Martinsville-Henry County will receive a \$1.5 million site improvement grant. The site improvement grant will be used toward enhancing Commonwealth Crossing Business Centre, a planned 730-acre business park on U.S. 220 South at the Virginia-North Carolina border. The grant can be used for a variety of activities, including but not limited to site grading, utilities and transportation improvements.

Wythe County will receive a \$3 million site improvement grant. The funding will be used to continue development of Progress Park, a 1,210-acre industrial park located at the intersection of Interstates 81 and 77. Progress Park is home to PepsiCo's Blue Ridge Gatorade plant.

Because initial funding for the grant program is being provided by the Virginia Tobacco Indemnification and Community Revitalization Commission, grant recipients are limited to communities located in the Tobacco Commission's service area. The program is designed to be statewide should additional funding sources be made available in the future. ■

# Quarterly Calendar

Jan. 11-13	KM	Automotive News World Congress—Detroit, MI
Feb. 20-23	KM	Retail Industry Leaders Association—Orlando, FL
Feb. 22-24	KM	AFCEA Homeland Security Conference—Washington, DC
March 6-9	KM	Plastics News Executive Forum—Summerlin, NV
March 7-11	CR	Marketing Mission—New York, New Jersey, Connecticut
March 7-11	SK	Group Market Visit—Canada
March 21-25	SK	Group Market Visit—Australia
March 27-31	KM	Data Center World—Las Vegas

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



## Promoting Virginia's Automotive Industry in Germany

Matt Duys, VEDP International Investment Manager, talked to the U.S. Ambassador to Germany, Philip Murphy, at the International Suppliers Fair, the leading European trade fair, held in October in Wolfsburg, Germany.



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## did you know

### Surry County a Hot Spot for Youth

Surry County is one of the nation's 100 best communities for young people, according to America's Promise Alliance, a partnership of more than 400 corporations, nonprofits, faith-based organizations and advocacy groups that are passionate about improving lives and changing outcomes for children.

"Surry County goes to great lengths to maximize the services that they have in order to meet the needs of their youth and families," America's Promise Alliance said. "County leaders, service agencies, civic groups, businesses, and faith-based organizations all work together to help the community's young people by providing innovative, proactive programs, using nationally recognized and highly effective research-based programs. Surry County has a "united vision," striving to improve the quality of life of their youth by encouraging economic growth, improving the quality of the citizens' health, and achieving educational excellence." ■

