

VIRGINIA

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First Again

Virginia—once again—crossed the finish line well ahead of its competitors to receive another first-place accolade. In addition to its No. 1 Forbes.com ranking as “Best State for Business,” the Commonwealth was crowned “America’s Top Pro-Business State” in March by Pollina Corporate Real Estate, a top U.S. corporate site relocation expert.

And, yet again—there were no close seconds, according to Pollina officials.

“Virginia has benefited from increased government spending on defense and is pressing to stay aggressive in other industries in order to maintain a diversified economy,” said Dr. Ronald R. Pollina, economist and corporate relocation expert. “Virginia’s business-friendly tax environment, location, market access, education and infrastructure are especially enhanced by one of the strongest and most professional state economic development agencies in

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Virginia just added another proverbial feather to its cap.

On the heels of the August 2006 announcement by Forbes.com that placed our state at the top of the heap as "Best State for Business," Virginia is again assuming the leading position as "America's Most Business-Friendly State." The designation comes from Pollina Corporate Real Estate, Inc., a top U.S. corporate site relocation expert, which made the announcement March 19 during the International Economic Development Council conference in Arlington. Governor

Kaine accepted the award on the Commonwealth's behalf. Our congratulations go out to our allies and legislative partners, who work hard every day to put Virginia's best foot forward.

In this issue you will read about companies such as SRI International, Terremark Worldwide and Quality Culvert that also recognized Virginia's pro-business assets and announced projects in Rockingham County, Culpeper County and Greensville County. You also will find an article about the University-based Economic Development program that has created and begun opening lines of communication between our higher education and economic development communities. This is an important relationship as the resources that higher education provides and the research they are conducting becomes more and more important to position the Commonwealth for future growth and differentiate our strengths in the competitive global economy. We've also provided you with updates on VEDP's Global Logistics and Regional Liaisons initiatives that are aimed at working with our communities to leverage Virginia's strengths in today's global economy.

Thanks to VEDP's international efforts, eight Virginia companies recently graduated from the International Trade Division's Virginia Leaders in Export Trade (VALET) and Accessing International Markets (AIM) export programs. We wish them well as they take this learning experience and apply it to their newly discovered international markets. VEDP also welcomes five new Virginia companies into the AIM program and eight into the VALET program. We applaud them for taking this important step toward growing their business success internationally.

All of these efforts—from working with Virginia companies to devise international strategies to maximizing the benefits of doing business in Virginia through programs like University-based Economic Development and the Global Logistics Initiative—factor into Virginia's standing as an economic development leader.

It's great to be at the top; it's a challenge to remain No. 1. With the continued support and hard work of Governor Kaine's Administration, our legislators and our allies, Virginia is sure to be at the forefront for years to come.

Sincerely,

Jeffrey M. Anderson

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Higher Education Joins Virginia's Economic Development Team

Ask any site selection consultant which deciding factors count most in a company's location decision. Educational attainment of the workforce, demonstrating an adequate supply of sufficiently skilled talent, and access to research and technology strengths are almost always among the top tier issues. More and more, companies seek the benefits of intellectual capital that university communities offer.

Virginia's University-Based Economic Development (UBED) group is doing what it can to ensure companies are recognizing Virginia's workforce strengths.

Virginia, home to more than 100 institutions of higher education, is leveraging its educational assets by placing them on the front lines of the state's economic development process. In 2003, UBED formed so that economic development staff contacts at Virginia's public universities could compare notes and share best practices regarding their university's economic development efforts. Today, the group's economic development efforts have grown off-campus and statewide, and UBED has expanded its membership to include state agencies and other associated economic development organizations.

"The increased expectation toward commercialization of university research and companies' increased interest in technology-savvy graduates and new products from university research represent a huge opportunity for Virginia," said Ted Settle, Director of Economic Development at Virginia Tech and UBED's former chair. "We believe UBED's collaboration provides tools to help strengthen existing companies and give Virginia a competitive advantage in recruiting companies by identifying higher education partnerships that impact business' bottom lines."

UBED has identified a point of contact for every public institution to provide businesses with easy access to public college and university resources. Member universities—often together with regional economic development organizations—also have organized on-site familiarization tours of research labs for VEDP staff and other state agencies. Colleges and universities are increasingly part of the agenda when prospects consider and visit the state, and information about Virginia's public colleges and universities can now be accessed on state agency Web sites, including www.yesvirginia.org and www.dba.virginia.gov.

"The intellectual capital and workforce pipeline that Virginia's higher education institutions deliver are fundamental to the Commonwealth's economic future," said Liz Povar, VEDP Director of Business Development. "Through UBED, a proactive network now exists that facilitates the business community's access to Virginia's higher education assets. In addition, UBED helps public policy makers target resources to support higher education functions that result in jobs and capital investment."

UBED currently is developing a database for use by VEDP project managers that will serve as a one-stop information source on each of the state's colleges and universities. Information will include board of visitors and advisory board members and their affiliations, key professors, major research thrusts, notable research assets and facilities, research grants, patents, and notable alumni in corporate leadership roles.

"By integrating higher education into Virginia's economic development strategy," Settle said, "we hope to create a more effective and proactive economic development mousetrap." ■



Secretary of Commerce and Trade Pat Gottschalk (from left), SRI Corporate Vice President Len Polizzotto and James Madison University President Dr. Linwood H. Rose listened as Governor Kaine announced SRI's plans to locate in Rockingham County.

Major Research Institute a Big Win for Virginia

Flanked by members of the Virginia General Assembly, Governor Kaine in December announced that SRI International, an independent, nonprofit research institute, will establish its new Center for Advanced Drug Research in the Rockingham Center for Research and Technology in Rockingham County.

SRI's Center for Advanced Drug Research, called CADRE, will partner with James Madison University and other Virginia institutions in its research efforts. SRI also plans to add other high-technology programs in areas such as homeland security, engineering, nanotechnology, energy, information technology and education at this site. By the end of the first ten years of operation, the project will create more than 100 new jobs with an average annual compensation of \$85,000.

"The establishment of SRI International's Center for Advanced Drug Research in the Shenandoah Valley represents a significant step toward supporting technology, research and development to

diversify Virginia's economy, a goal of my economic development strategic plan," said Governor Kaine. "It also provides a significant opportunity to leverage the world-class research currently being conducted in Virginia's universities."

The mission of SRI International, which was founded in 1946 as Stanford Research Institute, is discovery and the application of science and technology for knowledge, commerce, prosperity and peace. SRI conducts R&D funded by government agencies, commercial businesses, private foundations, and other organizations. SRI also brings its innovations to the marketplace by licensing its intellectual property and by creating new ventures. Among its many innovations, SRI has a legacy of important work in the biosciences that includes research for the National Cancer Institute and a malaria treatment that has saved millions of lives. SRI, based in Menlo Park, California, has a facility in Arlington, Virginia, and in other locations throughout the United States and Asia. ■



An enthusiastic crowd listened intently as Governor Kaine announced Terremark's plans for its new Culpeper facility.



Governor Kaine (left) and Terremark CEO Manuel Medina took a few minutes to chat before the announcement was made in Culpeper.

Culpeper Trades Grapevines for Broadband

Terremark Worldwide, Inc., a leading operator of integrated Internet exchanges and a global provider of managed information technology (IT) infrastructure solutions for government and private sectors, plans to invest \$270 million over the next five to seven years to open a data center campus in Culpeper County. The campus will be located at the site of the former Old Dominion Wine Cellars, which closed in 2004. The project, a win for VEDP's Distributed Services Initiative that focuses on companies looking to domestically outsource IT operations to lower-cost locations, is expected to create 250 new jobs. Terremark operates an additional Virginia facility in Herndon.

Terremark has designed a master plan for the site that calls for five data center pods that can each yield approximately 50,000

square feet of co-location space. Each data center pod will be a highly secured, stand-alone structure that will be able to house either commercial sector or federal-government sector customers. The site, which is strategically located outside of the "blast zone," will be designed to the strictest security standards mandated by the federal government, including significant perimeter set backs.

Headquartered in Miami, Terremark Worldwide, Inc. (AMEX:TWW) delivers its portfolio of services from seven locations in the U.S., Europe and Latin America and four service aggregation and distribution locations, which aggregate network traffic and distribute network-based services in Europe and Asia to meet specific customer needs. ■



Philip Morris USA Re-Opens in York County

PhilipMorrisUSA

As one of the Commonwealth's largest private employers, Philip Morris USA continues to expand. The company will invest up to \$100 million in its York County facility to expand commercial production to include its new smokeless tobacco product, Taboka. Philip Morris, which will initially create 75 new jobs, will occupy the former York Manufacturing Center, which closed in 2003. Operations are scheduled to begin in the second quarter of 2007, and additional new jobs are anticipated as the new facility ramps up production.

Philip Morris USA, headquartered in Richmond, Va., is an operating company of Altria Group, Inc (NYSE: MO). ■



Governor Kaine met with officials of INIT Innovations in Transportation, Inc. during his week-long trade mission to Europe last fall.

Europe Trade Mission Brings Announcement

INIT Innovations in Traffic Systems AG, a supplier of telematics and electronic fare management systems for public transit, will invest more than half a million dollars to expand its North American headquarters, INIT Innovations in Transportation, Inc., in Chesapeake. Governor Kaine met with company officials during his week-long trade mission to Europe in the fall of 2006.

The company develops, produces, installs and maintains integrated hardware and software solutions for key tasks required within transport companies. The company's market gains in North America have resulted in the need to move to a 26,600-square-foot facility and add 13 employees within 12 months.

Headquartered in Karlsruhe, Germany, INIT was founded in 1983 by Dr. Gottfried Greschner as a university spin-off. The company had its initial public offering in 2001 and is listed on the Prime Standard at the German Stock Exchange. In 2005 the company had sales of \$41.8 million with more than 200 employees. ■

Quality Culvert Chooses Greenville

Virginia gave a warm welcome to Quality Culvert Inc., a Florida-based manufacturer of plastic and concrete pipe, which will invest \$6.8 million to build a new 58,000-square-foot manufacturing facility in the Greenville County Industrial Park. The project will create 50 new jobs.

Headquartered in Astatula, Florida, Quality Culvert Inc. is a subsidiary of County Materials Corporation in Wisconsin. The company's state-of-the-art manufacturing facilities produce high-density polyethylene corrugated pipe used for commercial and residential applications. ■



Montgomery County Gears Up For 71 New Jobs

Federal-Mogul Corporation, a global automotive supplier, will invest \$12.7 million and create up to 71 new jobs as it increases production at its facility in Montgomery County. The facility produces high volume anti-friction engine and replacement bearings made from a unique bonding process of steel and aluminum.

Federal-Mogul employs more than 45,000 people at 130 manufacturing locations worldwide. The company produces automotive components, systems and modules for leading automakers and aftermarket customers. Primary products include engine components, sealing systems, brakes, chassis, wipers, fuel pumps and ignition products. ■

Merck Expands in Elkton



Merck is doing important work at its Elkton facility. So much in fact, that the company will invest \$57 million to expand the role its Elkton facility plays in producing GARDASIL®,

Merck's cervical cancer vaccine. The investment will include construction of a new building and the installation of equipment for the purification process—a key stage in manufacturing the product. Merck recently completed construction of a vaccine fermentation facility at Elkton, which will be used to support an earlier stage in the GARDASIL manufacturing process.

Merck, headquartered in Whitehouse Station, New Jersey, is a global research-driven pharmaceutical company. Established in 1891, Merck currently discovers, develops, manufactures and markets vaccines and medicines to address unmet medical needs. The Company devotes extensive efforts to increase access to medicines through far-reaching programs that not only donate Merck medicines and vaccines but help deliver them to the people who need them. The company's Elkton facility employs more than 700 people with \$60 million in annual payroll. The facility was first opened in 1941 and is one of seven Merck manufacturing plants in the continental United States. ■

(continued from cover)

the nation. The people of Virginia should be very proud of the effort their governor and legislators have made to foster quality job opportunities for them. Virginia is clearly a winner.”

Governor Kaine joined Pollina March 19 to announce Virginia's ranking during a press conference at the International Economic Development Council Federal Summit in Arlington. Pollina served as a guest speaker at the event to discuss America's global battle for quality white- and blue-collar jobs.

“This recognition is gratifying,” said Governor Kaine. “We understand business's needs and we're working hard to offer creative solutions that leverage Virginia's natural resources of labor, proximity and high-quality business climate.”

On the top ten list South Carolina ranked at a distant second, followed by Florida, North Carolina, Utah, Wyoming, South Dakota, Alabama, Georgia and Nebraska.

Pollina said that without the type of state assistance Virginia provides for companies that need help, the United States will continue to see “an eroding of our best high paying jobs, as we do in many other states.” According to Pollina, about 8,500 industrial facilities annually have been closed or significantly vacated as blue-collar jobs move to low wage markets overseas.”

Keeping Jobs In America: Pollina Corporate Top 10 Pro-Business States is published annually. The Pollina Corporate study examines 28 factors relative to states' efforts to be pro-business, and is the most comprehensive and impartial examination of states to date. The study is limited to factors over which state government has control. A summary of the Pollina Report may be found at www.pollina.com. ■

Virginia Schools Receive O for Outstanding

Thirteen Virginia public school districts were among the most outstanding school districts in the United States according to *Expansion Management's* 16th annual Education Quotient, a nationwide comparison of public schools.

Six school districts, including Harrisonburg and the counties of Albemarle, Fairfax, Loudoun, Roanoke and York, were awarded gold medals, ranking them in the upper 17 percent. The remaining seven districts—Arlington County, Hanover County, Chesapeake, Chesterfield County, Culpeper County, Prince William County and Henrico County—were awarded blue ribbons, ranking them in the upper one-third.

The rankings are based on the community's affluence and education level of its adult community; financial commitment; what students learned and if they graduated; and overall score as a percentile. For more information about the Education Quotient, check out the November/December 2006 issue of *Expansion Management*. ■



Micron Project Receives High Marks

Virginia received high honors for the behind-the-scenes work done to win Micron's expansion in Manassas, a project announced in November 2005. VEDP submitted the project for the 2006 *Business Facilities* Economic Development Deal of the Year (EDDY) Award, which recognizes the biggest and most high-impact expansions and relocations of the year.

Five judges scored each project on a scale of 0-100 based on the total economic impact and hurdles overcome to make the project a reality. One judge said he was impressed by how Virginia companies collaborated with Northern Virginia Community College and George Mason University to create special educational programs to provide a pipeline of trained technicians and engineers for Micron and other high-tech companies.

"This deal shows that a small community can compete successfully in attracting high technology service sectors," says EDDY Judge Frank Mancini, Jr., board member at the International Economic Development Council (IEDC) and managing member of Harborage, LLC. "What impressed me was the city and state's recognition of the importance of relationships and the ground work they began 10 years earlier to attract the semiconductor sector to Virginia." ■

Children Excel from Cradle to Career in Virginia

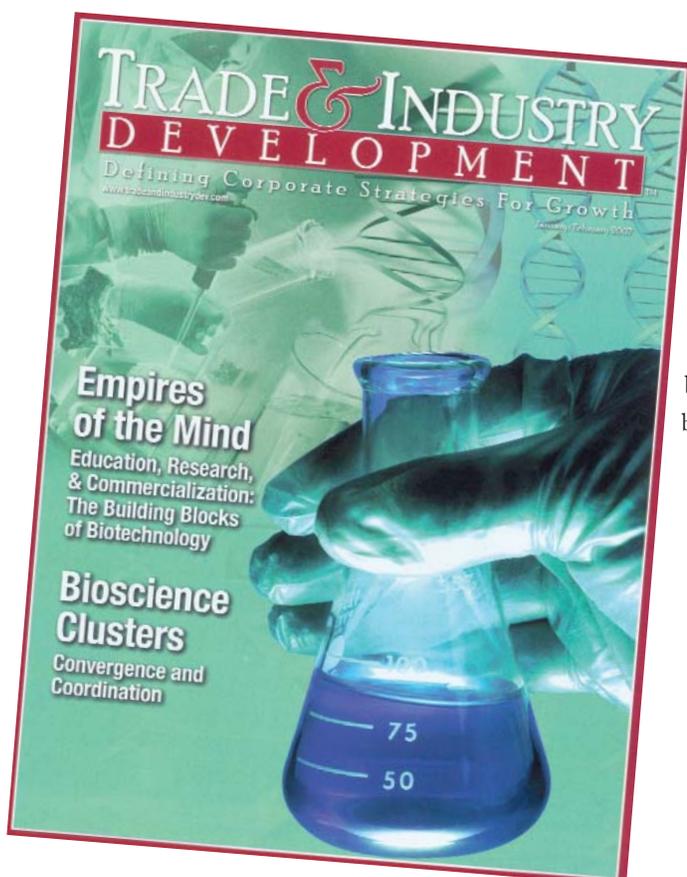
Virginia's children are more likely to experience success throughout life than the average child born in the United States, according to an analysis published by *Education Week*. The analysis by the Editorial Projects in Education Research Center is based on the "Chance-for-Success Index," which tracks state efforts to connect education from preschool through post-secondary education and training.

The Index ranked Virginia first after analyzing 13 indicators from a child's family income to adult educational achievement. Virginia is followed by Connecticut, Minnesota, New Jersey, Maryland, Massachusetts and New Hampshire.

The analysis found that an average Virginia child is less likely to live in a low-income family and more likely to have college-educated parents. Virginia children also are more likely to finish high school and continue on to college than in other states. "Virginia's well-educated adult population and strong economy offer ample opportunities to realize the returns to schooling as people enter the workforce," *Education Week* reported. ■

York County Web Site at Top of its Class

York County recently received a thumbs-up from *Computersworld* for its e-government Web site. The publication, in partnership with the National Policy Research Council, ranked the site the best of 621 Web sites of counties with a population of 50,001-250,000. Competition included 11,227 government Web sites that were judged based on 25 criteria, including whether or not users can access the site to pay taxes, bid for contracts and apply for government jobs. York County received the only A+ grade in its category and was one of only seven counties to receive an A grade. ■



Bioscience & Virginia: A Perfect Match

Virginia's bioscience industry is highlighted in the pages of *Trade & Industry Development* magazine's January/February issue. The article, accompanied by a letter from Governor Kaine, touts the Commonwealth as the location of choice for a growing number of bioscience firms thanks to the state's talented workforce, low-cost, business-friendly environment and space to grow. ■

Initiative Promotes Virginia as Global Springboard

Virginia possesses all the strategic assets to be the premier East Coast import and export location for regional, national and international supply chain and distribution efficiency: the fastest-growing East Coast port, non-stop flights to 34 countries from Washington Dulles International Airport, and an extensive rail and interstate network.

VEDP has launched a Global Logistics Initiative to promote Virginia as a leading location for the logistics industry. With a focus on growth opportunities, VEDP's global logistics team is collaborating with Virginia business, transportation, education and community leaders to bring awareness to the Initiative and create a marketing strategy that includes everyone from the shipping line to the customer.

"Supply chains will be enhanced by upgrades to the Port of Virginia and A.P.M. Maersk Terminal, which is set to open this summer," said VEDP Project Manager Warren Hammer who is leading the charge. "From Virginia's port terminal to interstate or from terminal to rail, product moves directly and quickly to the U.S. population centers. We need to make sure companies know that."

The Port of Virginia's short-term projections include expanding from last year's record 2 million TEUs (containers) imported to 3 million. Long-term, with the addition of the Craney Island Terminal in 10 to 15 years, the Port is predicting growth at well over 5 million TEUs conservatively. This growth is projected to lead to more companies—especially distribution centers—selecting a Virginia location, increased container activity, increased rail and trucking opportunities and an elevation in jobs and investment.

VEDP Project Manager Warren Hammer (left) discusses VEDP's Global Logistics Initiative with General Mark Bellini of the U.S. Army Quartermaster Center and School.



VEDP Business Development Director Liz Povar (right) listens as Colonel Shelley Richardson, Fort Lee Commander of the Army Logistics Management College, talks about the program.

The Initiative will identify Virginia communities interested in supporting the future logistics requirement and encourage them to develop product and infrastructure enhancement. The global logistics team also will work with Virginia's higher education community to enhance Virginia's ability to meet the needs for global supply chain. ■

Fortessa Sets Tables Worldwide – from Virginia



Brothers Eric and Scott Hamberger (from left) show off the quality of their products to Warren Hammer, VEDP project manager.

When Scott and Eric Hamberger launched their tableware company, Fortessa, from their parent's garage, they never dreamed they would one day be doing business around the globe. Fifteen years into the business, the brothers have not only moved out of the garage—they've moved their product into 12 countries.

Fortessa, a designer, developer and marketer of high-quality tableware products for commercial food service and consumer markets, is based in Sterling, Virginia. The company operates a showroom and distribution center in Las Vegas, and last year, expanded its warehouse operations with the addition of a 90,000-square-foot facility in Winchester. The company partners with product suppliers from eight countries. In the last two years Fortessa, which employs 60, has grown 94 percent.

"Virginia is a great gateway—both internationally and domestically," said Scott Hamberger, Fortessa's managing director. "From a market and transportation standpoint, Virginia is a great place to be."

Being in the hospitality industry, customer service is top priority. Fortessa takes pride in its reputation for impeccable customer service—which is no easy

(Fortessa continued page 11)

VEDP Liaison Network: The Voice of Regions

Liaison: the contact or connection maintained by communications between organizations in order to ensure concerted action, cooperation, etc.

Selected VEDP staff members have fulfilled the Regional Liaison role officially for the past eight months, and based on comments from allies, the network has value for VEDP's partners. The role has also proved beneficial for VEDP staff members, who now are more knowledgeable about the regional issues and strategies that impact those economies.

The Liaison Network was created in July 2006 to communicate the VEDP vision and strategy to the regional leaders, be the voice of the region for business opportunities within VEDP, understand and facilitate communication of the regions' assets and weaknesses, serve as a consistent point of contact for local and regional developers and understand and facilitate communication of marketing partnerships.

The liaisons' principal customers are the regional marketing organizations across Virginia. For those communities that are not served by a regional organization, the liaison builds the relationship at the local level. For most of the regional liaisons this is only part of their role at VEDP, as most of their time is spent in the business development role. By wearing several hats, these folks must be organized and focused in their work and their goals. Here is update on what's been happening in each of the regions of Virginia:

Northern Virginia: Len Capelli was introduced as VEDP's new Northern Virginia liaison. He has spent his time meeting with the economic development staffs in that region. The extensively experienced Northern Virginia team boasts a variety of assets that include the Howard Hughes Medical Institute and Dulles Airport. Over the next few months Capelli will work with that team to identify opportunities to leverage the key assets on a regional basis.

Valley: VEDP Executive Director Jeff Anderson is this region's liaison. He's had the opportunity to meet with the regional organizations, and members of VEDP staff have provided input into development of individual regional group's strategic plans.

Western Virginia: The issue is workforce, workforce, workforce

and the answer is partnerships, partnerships, partnerships. In addition, liaison Laura Leigh Savage facilitated a "Big Issues" roundtable discussion with regional leaders and VEDP executives.

Southwestern Virginia: Tag team Joe Gillespie and Diane Thomas have collaborated to identify unique areas of focus. Gillespie has worked in support of the long-term strategic planning process that is underway and working with the existing regional organizations to develop sub-regional strategies. Thomas is actively engaged with involving existing businesses in the new Accessing International Markets (AIM) program and upcoming trade missions.

Southeastern Virginia: Liaison Dave Enghausser continues to facilitate VEDP staff educational visits to strategic assets, including Fort Lee and the Virginia Modeling, Analysis, and Simulation Center.

Eastern Virginia: Working with the regional partners, Judy McClenny is in the process of identifying additional partners to develop a strategy around broadband deployment and use. In addition, Wallops Island is a significant asset that has received great support from our partners at the Virginia Department of Housing and Community Development.

Southern Virginia: Steve Bridges facilitated a listening tour for Secretary of Commerce and Trade Pat Gottschalk in the fall, followed by a workforce-centric leadership discussion in late 2006. As a full-time liaison, Bridges is working closely with southern economic development contacts and partners in other state agencies to craft a strategy around key issues such as workforce development and the assets of the Mid-Atlantic Broadband network. He is supported by Catherine Pack, who also is assisting VEDP's Research Division with a comprehensive inventory survey of all Virginia communities.

"Overall, it's been a productive year initiating the formal network, benchmarking assets and identifying opportunities for strategic partnerships for FY 2008," said Liz Povar, VEDP Director of Business Development. "We look forward to continuing to utilize this team to create a stronger, more cohesive and responsive partnership for Virginia." ■

(Fortessa continued from page 10)

task when it comes to the fragile nature of its products. Not only does Fortessa's product need to arrive on time; it needs to arrive in one piece.

One thing that helps the company's international efforts is the fact that Fortessa's Winchester facility has the distinction of being the only activated foreign trade zone in Northern Virginia and the first in Winchester. A foreign trade zone is a site in or near a U.S. Customs port of entry that is designated free of Customs entry procedures.

"This designation not only offers opportunities to grow our company's export business, but it will also result in new job creation locally," he said. "It will allow us to provide faster and more efficient service to our foreign partners and customers while also benefiting our local community." ■

SRI – From Research to Reality

The challenges: Virginia seeks high-tech jobs. Virginia universities need a partner to help commercialize intellectual property. Society needs preparedness and protection in post 9/11 scenarios.

A solution: SRI International.

World-leading independent nonprofit research and development organization SRI International announced in December 2006 its plans to open a Center for Advanced Drug Research in Rockingham County, creating more than 100 new jobs with an average annual salary of \$85,000. SRI was founded in an agricultural region of California in 1946 and today offers and has spawned thousands of high-tech jobs that deliver to government and private sectors.

“There is no part of your every day lives that SRI hasn’t touched,” said SRI Corporate Vice President Len Polizzotto, Ph. D. “To use the Internet, a cell phone or write a check, you are utilizing SRI’s multi-disciplinary tools.”

Polizzotto shared SRI’s philosophy of innovation with economic developers from across the state during the fall VEDP/Ally Meeting. Intersecting disciplinary approaches and innovation in information technology, engineering, the environment, energy and bioscience make up SRI, he said. SRI has a rigorous process in place to create new programs and ventures, because as Polizzotto said, it’s all about innovation.

In a rapidly changing business world, even Fortune 500 companies can dissolve after a decade if they fail to innovate. The fundamentals to success are the foundation of growth, prosperity and quality of life. Excellent people and excellent technology are the key ingredients for success.

Innovation prompted SRI’s interest in Virginia.

“You have great people in Virginia, you have excellent universities,” said Polizzotto. “So if you have the people and the technologies, you just have to put the process together.”

A champion team made up of many organizations, including VEDP, the City of Harrisonburg, Rockingham County, the

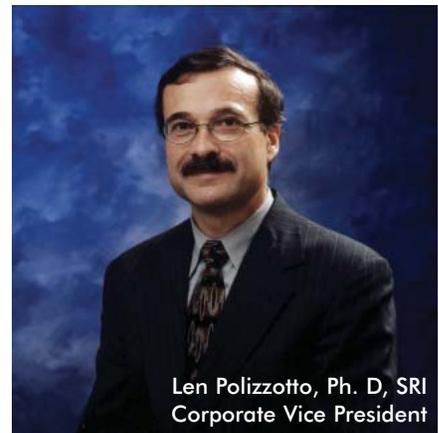
Shenandoah Valley Partnership, James Madison University (JMU), SRI, and the Commonwealth of Virginia came together and met regularly. As partners, the team had to ensure that the type and pace of growth that would ensue were desired.

“This project is a prime example of teamwork and collaboration,” said Keith Boswell, VEDP Team Leader, security and services team. “Everyone involved played a vital role in moving the project forward, resulting in this landmark victory for the Commonwealth of Virginia.”

SRI had to initially focus on the advanced methods of rapid drug development that would be possible as well as establish a program that would complement both SRI and JMU. Government funding and the ability to hire new, high-quality graduates also were major factors. Virginia’s benefits were abundant, Polizzotto said.

The SRI project supports Virginia’s public policy goals. It creates new, high-paying jobs and offers a good quality of life without the congestion of D.C. This project could serve as a catalyst for other future high-tech jobs at SRI and in the region.

“This groundbreaking project will transform Virginia’s economy through collaboration with Virginia universities, companies, government agencies, and other research entities,” said John Sternlicht, VEDP General Counsel and Legislative Director. “SRI is not your typical ‘jobs and investment’ project; the benefits far exceed what one project could produce. The SRI project advances many of Governor Kaine’s initiatives including research and development, product commercialization, national security, health, education and workforce.” ■



Len Polizzotto, Ph. D., SRI Corporate Vice President

Oliver’s Upbringing Offers Insight to VEDP Board

David Oliver was born and raised in business. His father was a business man, his father’s father ran a business, and now Oliver owns and operates the family’s Oliver Distributing Company in Covington, Virginia, a building maintenance supply company in operation since 1955. Oliver also serves as president of OCS Corporation, a building maintenance contracting company, which he opened in 1988.

Speaker Bill Howell appointed Oliver to VEDP’s board of directors in July 2005. The Covington native says his business experience—and that of his counterparts on the board—plays an important role in the decisions the board makes on the state’s behalf.

“It’s important that business people participate because they bring to the table that knowledge of why companies would want to conduct business in Virginia and where the state could improve,” he said. “We also can provide ideas to help promote and sustain the economy, both at the state and local levels. You’re getting first-hand information.”

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Analyze This – Battle Interprets Data for Practical Use

When Ann Battle was a senior in high school in Pennsylvania, she was convinced that her life calling was to be an Interpreter. United Nations-bound, Battle headed off to Georgetown University in Washington, D.C. But after her first economics class, it was all over.

Though Battle may not interpret international languages today, she is an interpreter of sorts. As Senior Economist at VEDP, Battle's job consists of interpreting data and applying it to practical business cases for Virginia. She wears many analytical hats, from targeting industry data at a regional level to researching and identifying the vertical fields on which VEDP will focus. *REsolution*, VEDP's new Web-based tool, is also one of Battle's many endeavors. This interactive site, which stands for Regional Employment Solution, provides access to all of the underlying data from the industry and occupational cluster studies of different regions across Virginia. At a regional level, any industry can be thoroughly explored.

"In my job I am able to take traditional economic analysis and apply it to a practical use," said Battle. "You start with nebulous information and end up with pertinent data that relates to a prospective company's project in Virginia. I take this data



Ann Battle transforms complex data into information anyone can understand.

and bring it to a level that public audiences understand."

A self-proclaimed 'data geek,' Battle did not come by her six-year career at VEDP overnight. There were a few stops along the road, including completion of her doctorate in 1992 at the University of North Carolina-Chapel Hill. From a professor of Economics at the University of Richmond, the job that originally brought Battle to Virginia, to stints in consulting and bank-

ing, the art of explanation comes easily to this economist. When she is not skipping down the hall to exclaim over newly discovered data, Battle spends her free time cheering on her very active sons, David and Jeremy, in football, track and lacrosse. An avid runner and also a newlywed, it's no wonder she hasn't had the time to improve her game of golf. Maybe just data analysis on the game is a better idea for now. ■

Virginia's Economic Developers Unite

The new John Paul Jones Arena in Charlottesville was the setting for this winter's VEDP/Ally meeting. The packed agenda kicked off with VEDP Executive Director Jeff Anderson's overview of Governor Kaine's Economic Development Strategic Plan, as well as an update on VEDP's initiatives. The Partnership identified opportunities to market the unique assets of Virginia and is continuing work to position the Commonwealth as a leader in the target areas. Anderson went on to discuss the regional liaison network that gives regions across the state a voice within VEDP, and a contact for each regional economic development organization is in place.

Gary McLaren, VEDP Deputy Director, took the baton to

review VEDP's initiative to provide localities an economical software platform to establish or improve local business retention programs. VEDP will subscribe to *ExecutivePulse*, Web-based retention software, under a master license agreement that will allow localities to subscribe at a nominal startup fee based on population.

"It is crucial for Virginia to retain its valued employers," said McLaren. "To achieve this end, Virginia localities must understand the needs and concerns of their employers. *ExecutivePulse* makes it easy to compile employer information at the local level and then aggregate information on a statewide basis to know what is keeping businesses up at night and identify trends or problems across sectors."

(E.D. Notebook continued page 19)

State Programs Prepare Virginia Companies for Export

Eight Virginia companies now carry the tools necessary to export their products and services overseas, thanks to the completion of two state export programs.

VEDP's Accessing International Markets (AIM) program graduated its first class, which entered the program in December 2005. The four companies that successfully completed the program included American Mine Research of Rocky Gap, Electronic Development Labs of Danville, Hoover Color Corporation of Hiwassee and Virginia Insulated Products, Inc. of Saltville.

Graduating companies developed and implemented Market Access Plans in countries in South America, Europe and Asia. The AIM program was developed to introduce companies across the Commonwealth to new global business opportunities. Companies do not have to have export experience to participate in the AIM program, but all agree to visit their target export market prior to graduation. The four AIM graduates made six overseas business trips during the year to meet with potential customers and/or rep-

resentatives. Their collective exports to AIM target markets grew 20 percent in 2006 and are expected to grow an additional 28 percent in 2007.

Four companies also graduated from VEDP's Virginia Leaders in Export Trade (VALET) program, including Catalytic Generators, Inc. of Norfolk, Comprehensive Computer Solutions, Inc. of Christiansburg, Tri-Dim Filter Corporation of Louisa and Vitex Packaging Group of Suffolk. As a group, these companies increased their international sales by 74 percent during their two years in the program.

Launched in January 2002, the VALET program assists exporters in the Commonwealth that have firmly established domestic operations and are committed to international exporting as an expansion strategy. Participating firms are chosen based on their dedication to growth through export. Currently, 86 Virginia companies have been accepted to participate in the VALET program. ■



VEDP welcomed a new VALET class in January. The companies will graduate in January 2009.



Collective exports to the first AIM class's target markets grew 20 percent in 2006 and are expected to grow an additional 28 percent in 2007.

(E.D. Notebook continued)

Oliver also brings an economic development background to VEDP's board meetings as an eight-year veteran of the Alleghany Highlands Economic Development Authority, where he also served as treasurer. In fact, his local-level experience fueled his interest to serve at the statewide level.

Oliver said he hopes his service on VEDP's board will benefit his hometown and the surrounding region.

"The Alleghany Highlands is certainly an economically distressed area and I would like to see it be prosperous," he said. "I'm honored to represent the interests of my neighbors and have the opportunity to impact the Commonwealth's economic success." ■



David Oliver, pictured here at Falling Spring Falls, represents Virginia's western region on the VEDP Board of Directors.

European Network Goes Global

The only constant is change. Such is the case with VEDP's Division of International Trade and its quest to continually improve the services they offer to Virginia's exporters. Most recently, the wheels of change have led the Division in the direction of taking their successful European Network program global.

The European Network offered in-country research in the United Kingdom, Germany, Czech Republic, Slovakia, Finland, Sweden, Russia, Ireland, Spain and Poland. Given the popularity of the program, it has now been expanded outside the boundaries of Europe to a global network. In addition to the countries already listed, Virginia companies will have access to in-country sales assistance in Argentina, Chile, Australia, New Zealand, France, Italy, Hungary, Singapore, India, Saudi Arabia, Jordan, United Arab Emirates, Qatar and Thailand.

"These countries were chosen based on factors such as current research requests by companies, receptive export markets, and trade manager's requests," said Beth Davis, VEDP Global Research Manager.

Additionally, countries were targeted for inclusion based on the Division's targeted growth plans for entering new markets. "The bottom line is that the Division wants to help Virginia's companies, and we can best do that by focusing our efforts on areas with the highest export potential," Davis said.

In addition, the rates for in-country research are also pre-negotiated. Each participating Virginia company has up to \$5,000 to spend each fiscal year via the global network. Once this limit is reached, a company can continue to request research using the global network and still take advantage of the pre-negotiated VEDP discounted rates.

For more information on the Global Network Program, contact Beth Davis at **(804) 545-5758** or via e-mail at cdavis@yesvirginia.org. ■

The Wit and Wisdom of Virginia's Exporters

VEDP's Division of International Trade is reaching out to companies in the Commonwealth, but not in the traditional way. Instead of wanting companies to hear from them, they want to hear from companies.

The Trade Division is writing a book designed to be entertaining but educational, and chock full of advice for exporters from exporters.

"There are many Virginia companies with great export experience, and we want to bring this real-world, practical advice to companies that may be considering exporting," said Paul Grossman, Director of International Trade & Investment. "This will be a lighthearted, yet practical guide to help them get started, coming from the people who are already doing it."

An added benefit to this project is that it will promote Virginia manufacturers and service providers that are already exporting.

"We are not only promoting our services, but also promoting Virginia companies," Grossman said.

The book's focus is not that of war stories bemoaning luggage lost or travel nightmares, as those are not issues that focus on how to succeed in exporting. Rather, exporters are being asked for specific tips in matters related to selling internationally. For example, hire your own interpreter. You would never let your client's attorney negotiate your contracts, so why would you use a client's interpreter, who is paid by them, to interpret for you? Another company advises to be open minded about where your potential market might be. They sold their first order of a leather floor covering—to India.

Complimentary copies of the book will be available to companies throughout the Commonwealth. Exporters interested in sharing their wit and wisdom in the Division of International Trade's book should contact Terri Noll, Client Services Manager, at **(804) 545-5764** or via e-mail at tnoll@yesvirginia.org. ■



Meet Mark Myrick

Mark Myrick joined the VEDP International Trade Division as a Trade Manager in February. Myrick is based in Richmond and responsible for assisting companies in Central Virginia with their international export plans.

Myrick recently relocated to Virginia from Hong Kong. He was based in Hong Kong and China for 22 years. Prior to joining the International Trade Division, Myrick was a business development consultant in Hong Kong. His international experience includes selling security technology, capital equipment and Web-based services to customers in many countries including China, Japan, India, Taiwan, Singapore, Mexico, and Ireland among others.

Myrick graduated from Wittenberg University in Springfield, Ohio with a B.A. in East Asian Studies. He is fluent in Mandarin Chinese. ■

VEDP's European Office Gains New Director, New Home

With the retirement of Hans Schetelig after 30 years of service, VEDP has named Matthias Duys as Director of International Investment in the European Office. Duys has worked for VEDP since 1999 when he began his tenure as an International Trade Manager in Northern Virginia. After six years of assisting Virginia companies with their export trade activities, Duys accepted the Marketing Manager position in the Frankfurt Office and he has been there ever since.

VEDP has had operations in Frankfurt since 1988. When the opportunity came to locate with the Virginia Port Authority to its office in Belgium, VEDP jumped at the chance. One of Duys' first assignments as Director was to move VEDP's European Operations from Frankfurt, Germany, to Brussels, Belgium. The office in Brussels opened Jan. 8. ■

The new office is located at:

Avenue Louise 479, Box 55

B1050 Brussels, BELGIUM

Tel: 32-2-647-7433 Fax: 32-2-647-1463



Virginia's Asian Influence



Virginia Secretary of Technology Aneesh Chopra, VEDP and the Greater Richmond Partnership hosted a delegation from Japan in February to share information about efforts to attract the information technology industry to Virginia. The delegation also visited ODU to learn about Virginia's modeling and simulation programs.



VEDP's Haley Fong (from left), David Wong of the Virginia Department of Agriculture and Consumer Services' Asia Office, Roy Dahlquist and Ringo Chi, the China representative for the Virginia Port Authority, met to discuss the details of Governor Kaine's April trade mission to Hong Kong and Japan.



VEDP International Investment Manager Roy Dahlquist gave a presentation November 30 on the latest trends of investment and sourcing in the U.S. at the World Small and Medium-Sized (SME) Entrepreneurs Expo in Hong Kong.

Governor Commemorates America's 400th Anniversary

The voyage that resulted in America's first English colony began December 19, 1606, in London. It was 400 years ago.

In an age in which it took five months to cross the Atlantic, 105 men and boys set sail from London. The group traveled on three sailing ships: the Susan Constant, Godspeed and Discovery. They reached the Virginia coast in April 1607 and established Jamestown—Virginia's first capital and the earliest permanent English-speaking colony in America—13 years before the Pilgrims set sail on the Mayflower.

Governor Kaine and the Virginia Tourism Corporation marked America's 400th birthday December 19, 2006, with an event at the Museum in Docklands. The Honorable Robert H Tuttle, U.S. Ambassador to the Court of St. James, officially opened a special exhibit there about the settlement: 'Journey to the New World: London 1606 to Virginia 1607,' which includes a replica of the Discovery. Governor Kaine will officially hand over the 'Discovery' to the UK, a donation by the Jamestown-Yorktown Foundation. ■

Governor Kaine and Sir Robert Worcester, co-chair of the British Committee on Jamestown, are led out of a meeting by the Virginia Military Institute Color Guard and the Colonial Williamsburg Fifes and Drums.



Governor Kaine traveled to London in December to promote America's 400th anniversary at Jamestown.



Stephen R. Adkins, Chief of the Chickahominy Tribe and member of the Federal Jamestown 400th Commemoration Commission, joined Governor Kaine on the delegation to London.

Virginia Works to Support Oceana's Future

Naval Air Station Oceana is in the clear—for now.

According to a January letter by the DoD Inspector General, the East Coast Master Jet Base will not be relocated from NAS Oceana to Cecil Field in Jacksonville, Florida.

The move was threatened during the 2005 round of Base Realignment and Closure (BRAC) conducted by the U. S. Department of Defense, prompting Virginia into action. The realignment was subject to two conditions. First, the order would take effect if the Commonwealth and the cities of Virginia Beach and Chesapeake “failed to enact and enforce legislation to prevent further encroachment of Oceana by the end of March 2006.” Secondly, the order took effect if Florida and the City of Jacksonville took action by December 31, 2006, to turn Cecil Field over to the Department of Defense.

In an effort to save NAS Oceana, the Commonwealth joined Virginia Beach and Chesapeake officials to formulate and implement a plan including a new zoning ordinance restricting land use in the “accident potential zone” (APZ); efforts to purchase certain properties adversely affected by the APZ-1 ordinance; and an “Oceana Land Use Conformity Program” to convert pre-existing, non-conforming uses in APZ-1 to conforming uses. Virginia Beach committed an annual \$7.5 million toward these goals, and Governor Kaine approved a matching grant from the Military Strategic Response Fund to assist the effort.

But in May 2006 the DoD Inspector General ruled that Virginia's actions were not enough to satisfy the criterion.

In Florida, the BRAC Commission recommendations set off a firestorm of activity both for and against the conversion of Cecil Field back to a military installation. Since Cecil Field's closure as a result of the 1995 BRAC

round, the property has become a successful commercial park and key to the area's economic development efforts. Former Florida Governor Jeb Bush was at the forefront of the campaign to move the Master Jet Base to his state. Public debate was heated on both sides of the issue, resulting in a City of Jacksonville ballot referendum in the November election. Voters overwhelmingly rejected the proposal to return Cecil Field to the Navy. The final chapter of the Cecil Field saga was closed with the DoD Inspector General's January 25 final ruling that Florida had failed to satisfy criteria for the return of Cecil Field to the military.

Although the immediate threat to Oceana from the 2005 BRAC round has been resolved, an ongoing need to coordinate local and state efforts to support the installation is clear, said Virginia National Defense Industrial Authority Executive Director Dave Dickson.

“The result of this potential loss has been a revitalized effort not only to retain Oceana but to work hand in hand with the Navy to meet future needs,” he said. “The Commonwealth's partnership with Virginia Beach and Chesapeake on Oceana's behalf has been strengthened. Oceana will be the focus of efforts by the VNDIA to protect, preserve and support Department of Defense installations statewide. Orchestrating efforts with community leaders, Virginia will better anticipate opportunities in the next BRAC round.”

An agreement between the Navy and the City of Virginia Beach that clearly defines the rules of future development around NAS Oceana is near completion. In addition, VNDIA's Strategic Planning Committee, comprised of retired military leaders, is working to evaluate and seek opportunities for military installations across the Commonwealth. Virginia's leadership recognizes and respects the contributions of DoD personnel and operations statewide and clearly intends to remain a key partner in future national defense efforts. ■



Quarterly Calendar

DATE	CONTACT	EVENT
April 16-20	SK	Trade Mission to Japan
April 22-25	VB	Warehouse Education & Research Council Conference—Nashville, TN
April 23-27	SK	Trade Mission to UK & Ireland
April 23-27	SK	Trade Mission to India
April 24-26	VB	IDEA 07—Miami Beach, FL
May 6-9	VB	BIO 2007 Annual International Convention—Boston, MA
May 7-11	SK	Trade Mission to Germany
May 7-11	CR	Marketing Mission—Michigan
May 14-18	SK	Trade Mission to Mexico
June 2-9	SK	Trade Mission to China
June 4-8	CR	Marketing Mission—New England
June 11-15	SK	Trade Mission to Czech Republic & Poland
June 12-14	VB	PLASTEC East—New York, NY
June 18-24	SK	Paris Air Show 2007
June 20-22	VB	American Health Insurance Plans—Las Vegas
	VB	Vince Barnett, VEDP (804) 545-5815
	CR	Chuck Rogers, VEDP (804) 545-5808
	SK	Scott Kennedy, VEDP (804) 545-5754



(continued from page 13)

Virginia's workforce has been weighing on the minds of many and Shannon Blevins, Project Manager for the Virginia Department of Business Assistance (DBA), addressed the challenges for Southwest Virginia's 21st century jobs. A strategic team led by Secretary Gottschalk and the DBA developed a regional strate-

gic action plan engaging the community and private sector. A curriculum of traditional programs has been aligned, as well as a "Fast Track" training program for software development that is designed to meet accelerated hiring needs.

Dr. Len Pollizotto's presentation on the process of SRI's Rockingham County

project came next on the docket, and VEDP Economist Brian Kroll gave an update that preceded lunch, courtesy of Mid-Atlantic Broadband Cooperative. Rob McClintock, VEDP Research Director, closed with a legislative update on the happenings of the 2007 General Assembly. ■

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CQ DID YOU KNOW?

Virginia Company Assists with Freedom Tower Construction



BANKER STEEL
c o m p a n y

Banker Steel Company in Lynchburg welded the steel plates on two 25-ton steel columns that rose at New York City's Ground Zero in December, a milestone in the prolonged effort to build the skyscraper "Freedom Tower" that will replace the twin towers of the World Trade Center.

The 1,776-foot tower, set to open in 2011, will be the tallest of the five skyscrapers planned to replace the trade center. The columns are among the largest in the world. The tower will be built with 45,000 tons of steel.

In addition to its Lynchburg headquarters, Banker Steel announced in May 2006 its plans to open a second steel fabricating facility in Campbell County. ■