



CQ

Virginia Commerce Quarterly

A Publication of the Virginia Economic Development Partnership
Spring 2009, Vol. 14, Issue 2

Economic Development Gains Legislative Support

With the economy in trouble and painful job losses mounting, economic development was at the top of the General Assembly's mind this year. Legislators overwhelmingly supported a number of economic development legislative initiatives, including everything from putting new flagship programs in place to expanding and fully funding existing programs. Without the passage of many of the following bills, Virginia would face the difficult task of competing to recruit new jobs and investment with an incomplete toolbox. Fortunately, with the successful passage of this legislation, Virginia is now better poised to compete for higher-paying jobs.

(continued page 3)



Every day, we open the newspaper and turn on the television to headlines of a failing economy, lost jobs and business closures. While Virginia is experiencing its fair share of economic challenges, the Commonwealth is in much better shape than most of the United States. In fact, while Virginia's recent announced jobs numbers are lower in comparison with years past, investment in the Commonwealth is up.

Recent announcements by Continental AG, Harris Teeter, Hilton and LASCO, highlighted in this issue of Commerce Quarterly, will assist in building Virginia's employment numbers across the Commonwealth. Expansion announcements by Virginia companies such as Vaughan-Bassett and Nautilus serve as a reminder that our business-friendly environment is top notch. Accolades, such as the one Virginia received three years in a row from Forbes.com for our pro-business ways, make an even bigger impression on corporate decision makers during difficult economic times.

As the cover story highlights, our legislative partners are also doing their part to keep up Virginia's momentum. The overwhelming support they demonstrated during this session will go a long way toward Virginia's future economic success. We appreciate their efforts to maintain programs that have had a positive impact on the Commonwealth, and add to our portfolio of recruitment resources.

Another way to ensure a strong economy is by encouraging and assisting Virginia companies with their global growth strategies. VEDP's Division of International Trade partners every day with companies operating in all regions of the Commonwealth to offer their export expertise. The Trade Division's Virginia Leaders in Export Trade (VALET) program recently commissioned its first external review. The results were overwhelmingly positive. A survey of 66 percent of VALET's total graduates found that companies increased their international sales by an average 88 percent after starting the VALET program. The majority of responding companies indicated they would participate in VALET again.

It's gratifying to know that our efforts are paying dividends. Yes, it's true that Virginians are facing tough economic times. But it is times like these that remind us as economic developers that what we're doing makes a difference. Every announcement that is made and every Virginia company that grows yields new jobs and investment for Virginia's communities. Now is the time to review our strategies and make investments in infrastructure and training to ensure prosperity in the future.

Sincerely,

Jeffrey M. Anderson

Board of Directors

Chair
Charles Henry Majors, President and CEO,
American National Bank and Trust Company
Danville, Virginia

Stephen R. Adkins, Chief, Chickahominy Tribe
Charles City, Virginia

G. William Beale
President and Chief Executive Officer,
Union Bankshares Corporation
Bowling Green, Virginia

W. Clay Campbell, President, Martinsville Speedway
Martinsville, Virginia

R.B. Clark, County Administrator,
Charlotte County, Virginia

Hugh D. Keogh
President and Chief Executive Officer,
Virginia Chamber of Commerce
Richmond, Virginia

Chris A. Lumsden
Chief Executive Officer, Halifax Regional Health System
South Boston, Virginia

John F. Malbon
President and Chief Executive Officer, PAPCO, Inc.
Virginia Beach, Virginia

David Oliver, President, Oliver Cleaning Service
Covington, Virginia

Julien G. Patterson
President and Chief Executive Officer,
Omniplex World Services Corporation
Chantilly, Virginia

Carole Pratt, DDS
Pulaski, Virginia

McKinley L. Price, DDS
Newport News, Virginia

L.I. Prillaman, Vice Chairman and Chief Marketing
Officer, Norfolk Southern Corporation
Norfolk, Virginia

Samuel A. Schreiber
Regional President, Greater Washington DC,
Wachovia Bank
McLean, Virginia

James E. Ukrop, Chairman, First Market Bank and
Ukrop's Super Markets, Inc.
Richmond, Virginia

Neil D. Wilkin, Jr.
President and Chief Executive Officer,
Optical Cable Corporation
Roanoke, Virginia

Ex-Officio Members:
The Honorable Richard D. Brown
Secretary of Finance

Dr. Glenn DuBois, Chancellor,
Virginia Community College System

The Honorable Patrick O. Gottschalk
Secretary of Commerce and Trade

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

Executive Director:

Jeffrey M. Anderson
Virginia Economic Development
Partnership

Editor: Christie Miller

Designer: Bill Crabtree

Contributors: Jeffrey M. Anderson,
Jenee Andreev, Vince Barnett,
Steve Bridges, Leigh Cockram,
Beth Doughty, Kim Ellett, Tom Elliott,
Paul Grossman, Mike Kaestner,
Scott Kennedy, John Loftus,
Gary McLaren, Michelle Mende,
Terri Noll, Trent Park, Leslie Parpart,
Anne Piedmont, Liz Povar,
Rick Richardson, Chuck Rogers,
Patrick Tremblay, Suzanne West

Write to *Commerce Quarterly*

Virginia Economic Development
Partnership
P.O. Box 798
901 East Byrd Street
Richmond, VA 23218-0798
(804) 545-5600

Commerce Quarterly, Volume 14, Issue 2,
is published by the Virginia Economic
Development Partnership. Timothy M.
Kaine, Governor; Patrick O.
Gottschalk, Secretary of Commerce
and Trade; Jeffrey M. Anderson,
Executive Director; Christie Miller,
Editor; Bill Crabtree, Graphic
Designer.

Commerce Quarterly is a quarterly
publication of the Virginia Economic
Development Partnership. Copyright
© 2009. Contents of the publication
may not be reproduced without written
permission. Letters, ideas, articles,
award announcements or other items
for inclusion in the publication may be
submitted in writing to the editor in
care of the Virginia Economic
Development Partnership.
www.YesVirginia.org

(continued from cover)

Major Employment and Investment (MEI) Act

This legislation acts on recommendations from the Governor's Advisory Committee on Mega Projects to provide a means for the Commonwealth to compete for large economic development projects and potentially transform a regional economy. The legislation is designed for economic development projects that will have a substantial economic impact on the region and involve a capital investment of at least \$250 million and 400 new jobs.

"This landmark legislation demonstrates Virginia's desire to compete for these projects, and establishes a process to partner with the legislature and respond to prospects in a timely manner without calling a special legislative session," said Mike Kaestner, VEDP Legislative Coordinator. An MEI Approval Commission within the legislative branch has been established to convene when the General Assembly is not in session. The Commission will decide whether an incentives package for a particular mega project is a wise investment and provide a pre-approval.

Thanks to the legislature's approval, local governments will have the ability to finance site improvements for all types of economic development projects through the Virginia Resources Authority. Financing will now be available from the Virginia Public Building Authority to assist the state with deal-closing, project-specific needs. These funds can be spent on everything from site acquisition and infrastructure to training facilities.

Virginia Investment Partnership (VIP) Act Modifications

The legislature overwhelmingly agreed to raise the caps on the VIP program, an incentive for expanding and retaining existing manufacturers in Virginia. This legislation is important for two reasons. First, it keeps one of Virginia's premier economic development incentives viable. Second, it meets a commitment to an important private-sector partner.

When the program began in 1999, the maximum grant to any one company was \$3 million. A maximum of \$6 million in grants was payable to various companies in one year and a maximum \$30 million of outstanding grants was permitted at any one time. When the Virginia Economic Development Incentive Grant (VEDIG) was created in 2005, half of the VIP caps were reserved for the VEDIG program. This legislation returned the caps to their original amounts, but with the addition of a \$5 million maximum grant to "extraordinary" projects.

Under the new caps for VIP projects, no one grant may exceed \$3 million, except that a grant may be for as much as \$5 million for an extraordinary project that meets specific criteria such as bringing considerable capital investment or is expected to have a transformational effect on the local or regional economy.

"This legislation is particularly important in the current economic environment because companies are consolidating operations," said VEDP Deputy Director Gary McLaren. "Without the ability to recruit consolidations to Virginia, we not only stand to lose these expansion opportunities, but also the significant jobs and tax base associated with existing operations in Virginia."

Major Business Facilities Jobs Tax Credit Extension

Thanks to the legislature's agreement to extend the life of the Major Business Facilities Jobs Tax Credit until 2020, Virginia can continue using an effective, performance-based incentive that encourages job growth like that of major Virginia employers including Booz Allen Hamilton, PriceWaterhouse Coopers and Genworth. The credit allows eligible users to claim \$1,000 per job credit for each job created over a threshold number. To create a temporary stimulus effect, the General Assembly is allowing the credit to be claimed over two years through 2010, and then it will return to being claimed over three years.

(continued page 15)

Vaughan-Bassett Expands in Galax

If you didn't know better, you might have mistaken the Vaughan-Bassett Furniture Company expansion announcement event in March for a pep rally. Hundreds of employees stood shoulder to shoulder on the production floor to celebrate that furniture manufacturing is growing at the family company's Galax facility.

"I've never worked with a finer workforce than the one standing in front of me now," John Bassett III, Chairman of Vaughan-Bassett, told the crowd. "Don't worry about us competing, because we're going to compete."

Secretary Gottschalk joined Bassett and other company leaders to announce the company's plans to invest \$2.15 million to expand its manufacturing facility in Galax. The project will create 100 new jobs and save 500 existing jobs.



Vaughan-Bassett shut down production long enough for employees to join the celebration of the family company's expansion in Galax.

Vaughan-Bassett Furniture Company manufactures bedroom and dining room furniture. In 1919, B.C. Vaughan and J.D. Bassett, Sr. both founded the company in Galax. Employing more than 574 people in the Galax facility, the company is proud that more than 95 percent of its furniture is crafted in the United States by American employees. ■

(from left, seated) Ned Stephenson, Managing Director for Strategic Investment for the Virginia Tobacco Commission, and Tom Elliott, Executive Director of Virginia's aCorridor, sign the performance agreement for the Vaughan-Bassett project.





John Bassett, Chairman of Vaughan-Bassett (right) gives Secretary Gottschalk a good look at the quality of wood the Virginia company uses to build bedroom and dining room furniture.

Suffolk Takes Off with SPARTA Composite Products

SPARTA Composite Products, a division of SPARTA, Inc. and an industry leader in the high-volume production of composite products and sub-assemblies for aerospace and commercial systems, will invest \$13.2 million to open a manufacturing facility in the City of Suffolk. The company will manufacture composite parts for the aerospace and defense industry, creating 198 jobs over a five-year period.

SPARTA, Inc. is a wholly owned subsidiary of Cobham plc. The new facility is expected to be operational in December 2009. Hiring will begin in the 3rd quarter of 2009.

SPARTA Composite Products is an industry leader in the high-volume production of composite products and sub-assemblies for aerospace and commercial systems. The Suffolk operation will complement SPARTA Composite Products' current facilities in San Diego, California. The company's product areas include advanced composite products for aircraft engine applications, aircraft structural products, unmanned aerial vehicle (UAV) components, as well as missile and munitions products for the U.S. defense industry. ■



Halifax County Gains 50 New Jobs

A corporate partner to Halifax County is expanding—LASCO Bathware, Inc. will invest \$1.7 million to expand its manufacturing operation to include an additional line of upscale bathware marketed under their "Aquatic" label. The project will create 50 jobs and save an existing 280 jobs.

LASCO Bathware, Inc. is the largest manufacturer of bathing fixtures in the United States, producing nearly a fourth of bathing fixtures sold. LASCO, headquartered in Anaheim, California, began doing business in 1965. ■





Goshen is slated to be the site of a new National Scouting Center, which will include the Jamboree, a high-adventure base and leadership and outdoor skills training opportunities.

Goshen Considered for Scout Jamboree

When a project's parameters include "spectacular natural beauty," Virginia is a natural fit.

That's what the Boy Scouts of America (BSA) discovered after considering 80 proposals from 28 states interested in becoming the site of the youth program's national Scout Jamboree. In February, BSA announced it will enter negotiations with Virginia to move the Jamboree from Fort A.P. Hill and make Goshen in Rockbridge County the Jamboree's permanent home. Fort A. P. Hill has served as the jamboree

site every four years since 1981, but increased military activity at the post has made it increasingly difficult to continue holding the event in Caroline County.

Goshen is slated to be the site of a new National Scouting Center, a multi-use facility that would house the jamboree, a high-adventure base and expanded opportunities for leadership and outdoor skills training. BSA plans to hold the 2013 jamboree at the new Goshen site. ■

Hilton Headquarters Leaves West Coast for Fairfax

A central location, lower business costs and good quality of life lured the headquarters operations of Hilton Hotels Corporation (Hilton) from Beverly Hills, California, to Fairfax County. The company plans to invest at least \$17 million and hire for at least 325 jobs.

Hilton signed a 10-year lease for office space at Park Place II in Tysons Corner. The move will take place during the third quarter of 2009.

Hilton is the leading global hospitality company, with more than 3,200 hotels and 545,000 rooms in 77 countries and territories, including 135,000 team members worldwide. The company owns, manages or franchises a hotel portfolio of some of the best known and highly regarded brands, including Hilton, Conrad Hotels & Resorts, Doubletree, Embassy Suites Hotels, Hampton Inn, Hampton Inn & Suites, Hilton Garden Inn, Hilton Grand Vacations, Homewood Suites by Hilton, Home2 Suites and The Waldorf Astoria Collection. ■

Nautilus Expands in Grayson County

A major employer in Grayson County for 33 years, Nautilus, Inc., will invest \$1.7 million to expand its manufacturing operation. The project will add a cardio exercise equipment line and create 60 new jobs.

Headquartered in Vancouver, Washington, Nautilus, Inc. (NYSE: NLS) is a global fitness products company providing innovative, quality solutions to help people achieve a fit and healthy lifestyle. With a brand portfolio including Nautilus(R), Bowflex(R), Schwinn(R)Fitness, StairMaster(R) and Universal(R), Nautilus manufactures and markets innovative fitness products through global direct, commercial and retail channels. Formed in 1986, the company had 2007 sales of \$502 million. It has 1,100 employees and operations in Washington, Oregon, Virginia, Canada, Switzerland, Germany, United Kingdom, Italy, China and other locations around the world. ■

BusinessWeek Gives Virginia Schools High Marks

BusinessWeek ranks U.Va.'s McIntire School of Commerce as the No. 1 undergraduate business program in the nation. Other Virginia schools that ranked in the top 50 were the University of Richmond at No. 12, the College of William and Mary at No. 30, James Madison University at No. 44 and Virginia Tech at No. 54.

"The schools that excelled in *BusinessWeek's* survey have put an intense focus on guiding students through the career search," wrote the magazine's editors. "Leading the way is the No. 1-ranked McIntire School of Commerce at the University of Virginia, where nearly three of four seniors have job offers, thanks largely to the school's innovative efforts to build student-recruiter relationships."

For the third year in a row, McIntire also ranked first in *BusinessWeek's* student satisfaction survey. The magazine measures student satisfaction based on a student survey, while academic quality is measured by five equally weighted measures, including SAT scores, class size and faculty-student ratios. ■



Virginia Receives Another Accolade

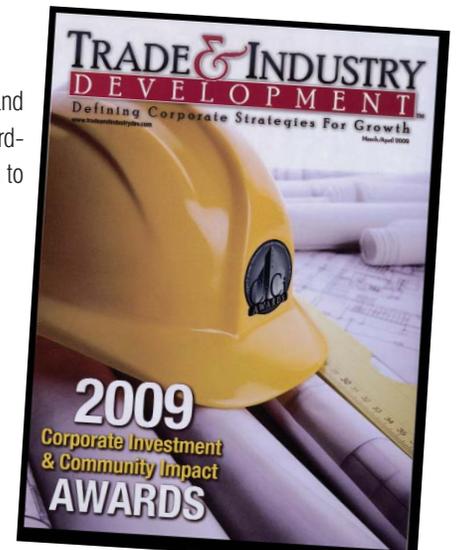
Virginia is the seventh best state in the U.S. for jobs and business growth, according to a new survey of more than 500 CEOs by *Chief Executive* magazine. The publication's 2009 "Best and Worst States" survey asked CEOs to consider a broad range of issues, including proximity to resources, regulation, tax policies, education, quality of living and infrastructure. Virginia ranked second in the nation in "business friendliness" and in the top 15 in five other categories. ■

Virginia Ranks No. 4 in Nation for Educational Quality

In January, the Quality Counts report was released that gives Virginia a B in overall educational quality, ranking the state fourth in the nation and better than the U.S. average. Virginia scored 83.2 out of 100, compared with the national average of 76.2, or C. ■

Two Virginia Projects Recognized

The March/April edition of *Trade & Industry Development* magazine featured the Corporate Investment and Community Investment (CiCi) Awards. Canon Virginia and AREVA Newport News were among the 15 award-winning projects. As the location for both projects, Newport News was the only community in the nation to have two projects awarded this year. ■



Sargent's Life: A Learning Experience

When Brenda Sargent wants something done right, oftentimes she finds herself taking on the task—whether she has any experience at it or not.

Living by that philosophy has taught her a little about a lot of different topics, and learning new things is always at the top of Sargent's "to do" list. When the Virginia native moved back home from Houston, Texas, in the late 1980s, she couldn't find a suitable general contractor to build her eastern Henrico home. So she put on her general contractor hat and got to work.

"I couldn't find an available good one, so I researched everything and learned a lot about it," she said. "It took a year but I figured out what I wanted and how it worked," and she still lives in that house to this day.

The desire to learn attracted Sargent to apply 21 years ago to be an economist for the then Virginia Department of Economic Development. Her background was in the oil industry. She had never worked for state government before, but the job intrigued her and she was impressed by the agency's professionalism.

As time has passed, Sargent continues to be inspired to get out of bed every day by the knowledge she gains as a project research manager for VEDP. In her role she supports VEDP Business Development and International Division project managers with hard facts. She's particularly interested in technology-

intensive industries like aerospace and the biosciences, and oddly enough, she says, Sargent has a strange proclivity for puzzling through state tax codes.

The VEDP veteran cites the recent Canon Virginia project as one of her all-time favorites. The multi-jurisdictional project, the largest in 2008 in terms of both jobs and investment, involves a \$625 million investment and more than 1,000 new jobs. The project was a complex one that moved fast. The Virginia team encompassed VEDP, local allies, several state agencies and the Virginia Community College System.

The project's many moving parts, as well as the client, are what landed Canon on top of hundreds of projects that Sargent has worked over the years. "It was such a team effort, and because of that, the stress of it was not unbearable for any one entity," she said. "The company is such a joy to work with and that really makes it worthwhile."

Sargent said she has never lost sight of VEDP's mission. Working closely with the economic development community at the local and regional levels is a daily reminder of the



Working in research suits Sargent--there is always an opportunity to learn.

impact that better paying jobs and investment have on Virginians.

"Working with the communities has kept me grounded," she said. "They keep us real."

And working side by side with project managers keeps her enthusiasm alive. "Our project managers keep the Research Division going and Research keeps our project managers out of trouble," she said with a chuckle.

As Sargent nears retirement, she looks forward to spending more time outdoors and putting her hands to work—but she doesn't plan to serve as general contractor to build any more houses.

Her new adventures will involve maps, a garden trowel, a paint brush and canvas and maybe even a needle and thread. After all, there's a lot left to learn. ■



Meet VEDP Board Member G. William Beale

As the son of a U.S. Air Force officer, Billy Beale can't exactly claim he is from Virginia, although his ancestry in the Commonwealth dates back to 1642. Nonetheless, he considers himself a Virginian. The VEDP Board member has called the Commonwealth home for about 20 years and has a vested interest in the state's welfare.

When Beale was appointed to VEDP's Board by Governor Kaine in May 2008, he jumped at

the chance. The Bowling Green resident was already involved with the Fredericksburg Regional Alliance and understands the importance of economic development.

"When I look around the table at all of the other [VEDP] Board members, it is such an interesting group of people," he

(Beale, continued page 9)

Identity Crisis? You Won't Find That in Roanoke

Rebranding involves more than just a logo. The organization's mission is at stake—and everyone involved must think, act and plan a little differently for rebranding efforts to succeed.

The Roanoke Regional Partnership (RRP) has first-hand knowledge of the rebranding process. The regional economic development organization, formerly known as the Roanoke Valley Economic Development Partnership, is smack dab in the middle of its own evolution.

RRP launched its rebranding strategy, including the new name and logo, in spring 2008 after the organization's board of directors decided its economic development practices needed to mirror the world today. That belief was validated and expanded on in a study for the region, "The Five Pillars of Economic Development," by economists Sabine O'Hara and Jose Vasquez. The study confirmed that successful development will increasingly depend not only on a region's ability to attract and retain successful businesses, but also the region's ability to attract and retain well-educated, innovation-oriented people who can work wherever they choose to live.

"This isn't a rush to a total Richard Florida model," said Beth Doughy, RRP Executive Director. "Our model is a hybrid of traditional business attraction as well as image building and asset development to attract and retain the highly educated, highly mobile workforce."

RRP found that if you stopped 10 people on the street and asked them



**ROANOKE REGION
OF VIRGINIA**

to name the Roanoke region's greatest assets; nine of them would tell you about the area's outdoor amenities.

A light bulb came on. The area's No. 1 asset wasn't being leveraged—at least until now.

From front and center prominence on RRP's new Web site to cataloging outdoor amenities in the region, significant steps are being taken to build the outdoors brand. RRP hired a director of outdoor branding in January 2009 to leverage the region's greatest quality through packaging, promotion and enhancement. RRP is also working to identify gaps in the amenities the Roanoke region has to offer.

While its new Web site is the centerpiece of RRP's rebranding efforts, they also have a public relations strategy in place that incorporates social networking sites such as Facebook Wikipedia, Twitter and YouTube. RRP's efforts are already getting attention. The Roanoke region's amenities were featured in a New York Post article about the Blue Ridge Parkway, and Pinnacle Living Mountain Homes named Roanoke one of the ten greatest urban places in the mountains in its spring 2009 issue. USA Today mentioned Roanoke as one of the areas of the country doing relatively well in the current recession.

Coincidence? "This kind of attention to a mid-size metro doesn't just happen," Doughy said. "We have a great story and we have to go to lengths to tell it to capture people's interest and raise our visibility." ■

(Beale, continued)

said. "This is a great opportunity to work with them."

Beale's background adds to the VEDP Board's diversity.

Charles H. Majors, VEDP Board Chairman, recommended Beale for Governor Kaine's appointment. "We are fortunate to have Billy join the Board. He brings financial expertise as a bank CEO, together with his experience leading a regional economic development group."

Following graduation from The Citadel in 1971, Beale moved to Houston, Texas, to work in the treasurer's department of a diversified

holding company. He began his banking career in 1973, during which he worked as a Commercial Credit Analyst, Professional and Executive Lender, and Correspondent Banker. He served as President of a small community bank in Houston and Founding President of a de novo charter in Garland, Texas, before returning to Virginia as Vice President of Union Bank & Trust in Bowling Green. He was promoted to President in 1991.

Beale admits he has learned a lot about VEDP since becoming a board member. "I knew VEDP was the state's marketing arm, but

I didn't understand the depth and complexities of all the Partnership's programs. It's great to see that the programs are so successful."

During his term, which will end in 2011, Beale hopes to see Virginia gain more headquarters presence, as well as increased financial support from the state. ■

VALET Program a Confirmed Success

What if your company could increase its international sales by 44 percent during a two-year period and then grow by another 44 percent in the years that followed? On average, companies that graduate from the Virginia Leaders in Export Trade (VALET) program experience this level of growth in their international business.

In 2001, it was just an idea. Virginia companies with firmly established domestic operations interested in accelerating their international business were recruited to join a newly designed program that was a true public-private partnership. The intended goal was to provide companies with the tools and resources to increase their international sales over the course of two years. On February 26, 2002, under the leadership of Paul Grossman and then Program Manager Kim Weir, the first VALET class gathered. Ten classes and 65 graduates later, VALET commissioned its first external review by an independent third-party group, Transformation Systems Incorporated.

During mid 2008, data was collected through a combination of database review, staff interviews, and a survey of program graduates. The goals of this review included quantifying post-program international sales and developing an understanding of what graduates thought were the program's key elements. Identifying areas for improvement was also a goal. The survey received a 66 percent response. The most critical question the

survey set out to answer was whether program graduates continued growing their international business post graduation. The study found that companies increased their international sales by an additional 44 percent following their participation in the program.

The external review also identified the aspects of the program that graduates valued most. These included access to \$10,000 via reimbursement to offset the costs of international marketing, research provided by VEDP staff and in-country consultants, and support of private-sector experts.

The survey asked the graduates if they would consider participating in VALET again. Eighty-eight percent of the respondents indicated they were very likely or somewhat likely to participate again.

"There are tremendous benefits to selling internationally—for a company, for its employees and for Virginia," said Paul H. Grossman, Jr., Director of VEDP's Division of International Trade and Investment. "In an era where organic business growth is part of successful economic development strategies, broadening a company's client base by selling worldwide is totally organic, and totally positive."

VALET is currently recruiting companies for its July 2009 Class. If you are interested in learning more about the program, please contact Leslie Parpart, VALET Program Manager (lpapart@yesvirginia.org). ■



The recent VALET program graduates proudly display their globes.



The recent AIM program graduates pose with their VEDP mentors.

18 Virginia Companies Graduate from State Export Programs

More Virginia companies are ready to go global, touting impressive results from their newly acquired tools to successfully export products and services overseas.

In January the Virginia Economic Development Partnership's Accessing International Markets (AIM) program honored 10 graduates. The 10 companies that successfully completed the program include ASIS of Arlington, Delta Automation of Richmond, Delta Pure Filtration of Richmond, FERIDIES Peanuts of Courtland, Hill Studio of Roanoke, Lighthouse Instruments of Charlottesville, Perfect Commerce of Hampton Roads, Spice Rack Chocolates of Fredericksburg, SynaptiCAD of Blacksburg and Zenith Power Products of Bristol.

Launched in December 2005, the year-long AIM program helps Virginia companies pursue leads in one new target country overseas. AIM accepts 20 Virginia companies per year and is highly competitive. The AIM program now has 40 graduates and 20 active participants.

During their year in AIM the 10 graduates made a combined 13 trips to their AIM target countries. Five reported signing new representatives and two reported earning new sales. Sales to their AIM target countries rose 325 percent from a reported \$72,000 in 2007 to nearly \$306,000 in 2008. The graduates also achieved a 34 percent increase in total export sales from a reported \$4.13 million in 2007 to \$5.55 million in 2008.

Eight companies also will graduate from VEDP's Virginia Leaders in Export Trade (VALET) program, including Anystream, Inc. of Sterling, The Bode Technology Group, Inc. of Lorton, Catalina Cylinders of Hampton, DeRoyal Industries Inc. of Rose Hill, Dynamic Towing Equipment & Manufacturing, Inc. of Norfolk, Frontline Test Equipment, Inc. of Charlottesville, LifeNet of Virginia Beach and TMGE Automation Systems LLC of Salem.

Launched in January 2002, the VALET program assists exporters in the Commonwealth that have firmly established domestic opera-

tions and are committed to international exporting as an expansion strategy. Participating firms are chosen based on their dedication to growth through export. The VALET program now has 73 graduates and 29 current participating companies.

Collectively, these companies have increased their international sales by more than 58 percent during their two years in the program. These companies began the program with a reported \$78 million in international sales and graduated with a reported \$124 million in international sales.

Both export programs provide participating companies with assistance from a team of experienced international service providers to help them meet their international goals. Service providers such as attorneys, web designers, bankers, translators and freight forwarders contribute essential expertise for expansion into international markets. ■



VALET participants meet biannually for networking and educational opportunities.

Povar Selected as LEAD Virginia Participant

One of VEDP's very own has been selected for the 2009 Class of LEAD VIRGINIA. Based on a nomination by former Secretary of Transportation Whitt Clement, and selected through a competitive process, Liz Povar, VEDP Director of Business Development, will be VEDP's first *LEAD VIRGINIA* participant.

Twenty years ago the Commonwealth's corporate and civic leaders knew each other by name and face. Today, that is no longer true. As Virginia has grown in complexity with an influx of new industries and a more diverse population, combined with the impact of the global economy, leaders with a shared, statewide perspective are few.

LEAD VIRGINIA is a non-partisan network of informed, active leaders with a shared vision for the Commonwealth's future. Graduates are challenged to usher in positive change for the state. *LEAD VIRGINIA* prepares participants to identify common statewide problems, opportunities, priorities and solutions, and understand individual challenges, priorities and concerns. The organization emphasizes a focus on the greater good for

all Virginians and less on regional and partisan priorities when acting on the state level. Participants also work to solve problems and seek public policy and visionary infrastructure that will take Virginia into the future.

LEAD VIRGINIA involves seven intense monthly sessions held across the state. The program is endorsed by the Virginia Chamber of Commerce and state universities, and its sponsors include Philip Morris USA, Norfolk Southern Corporation, Dominion Resources, HCA and Bon Secours.

"The opportunity to focus with other statewide leaders on core issues that impact Virginia's economic health is an exciting opportunity," Povar said. "I look forward to learning about the assets of Virginia from a new perspective, and connecting my class members with the economic development message of Virginia." ■



SPARTA Finds Great Fit in Martinsville

When SPARTA searched for a new location last year for its Open Source Support Center, it found everything it needed in Martinsville. The company, a division of SPARTA, Inc. and sister company to SPARTA Composite Products highlighted on page 5, provides focused open source intelligence support to a variety of defense, intelligence and security customers. High on its priority list for a new location were a readily available supply of talented employees, high-capacity communications infrastructure, and an affordable cost of doing business. The Martinsville-Henry County Economic Development Corporation and The Lester Group assisted SPARTA with office space and access to all the assets needed to set up shop quickly.

Opened in mid-December, 2008, SPARTA's Open Source Support Center employs 16 full-time staff and the company has invested \$1 million in its facility. Anticipating future demand for its services, SPARTA is already investigating expansion opportunities.

Choosing Martinsville made good business sense for SPARTA. "While working with the



Former 5th District Congressman Virgil Goode (center), local officials and SPARTA business leaders cut the ribbon in January on the company's new support center facility.

Martinsville-Henry County EDC and former Congressman Virgil Goode, it became very clear that SPARTA could operate very efficiently here—simply because of the lower costs of living, office space and personnel," said Greg Eanes, SPARTA's Martinsville Program Manager. "The work we're doing here under contract to the Defense Intelligence Agency

(DIA) is not location-dependent: it can be done anywhere that has good Internet access. The City of Martinsville made an investment in infrastructure some years ago, and now supports a high-speed Internet access ring around the city—which we are using now." ■

VEDP Offers New and Improved Mapping Tool

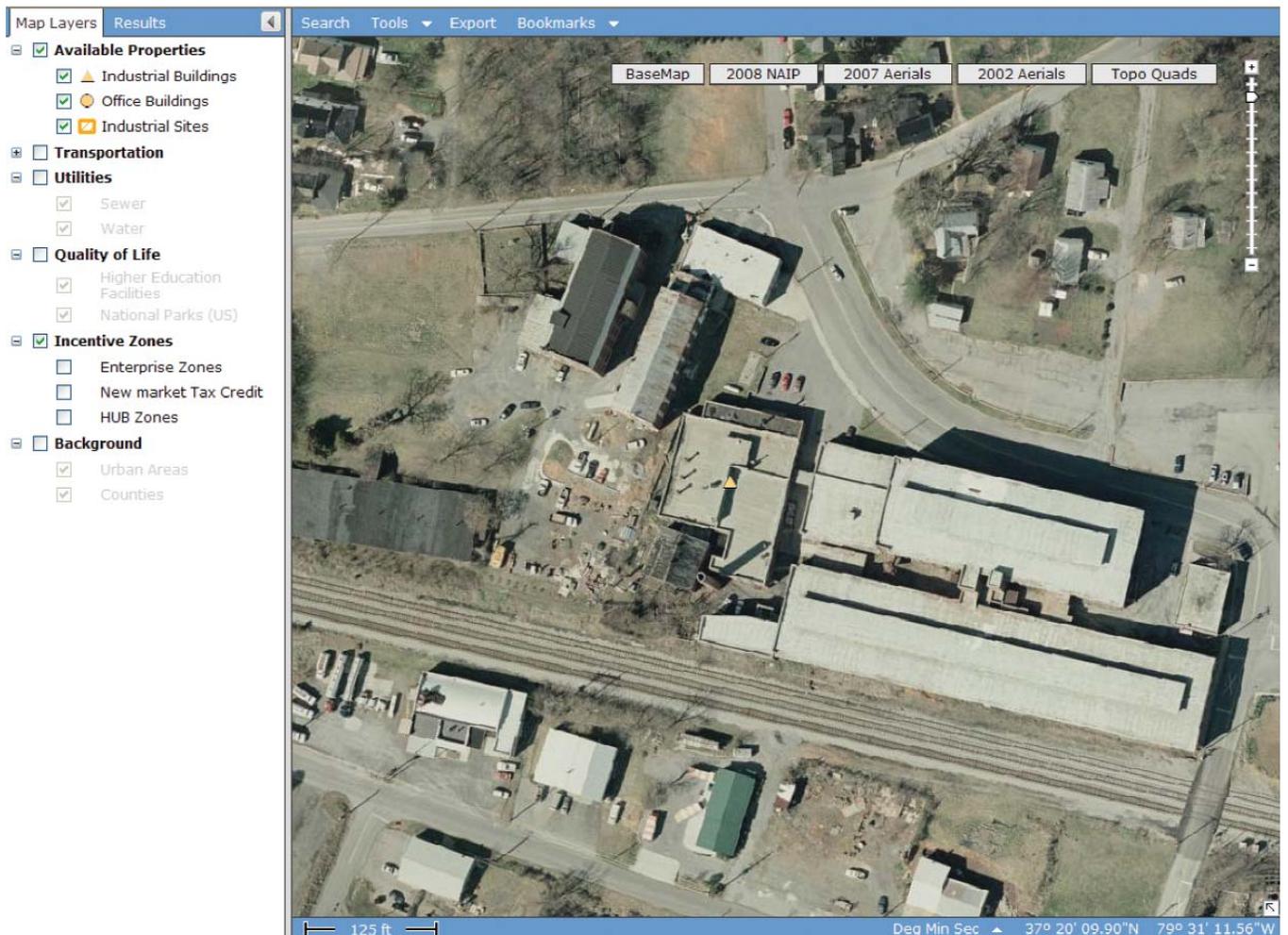
The VirginiaScan interactive mapping tool was recently redesigned to offer users more relevant information, a powerful set of tools and reliably fast performance. The new mapping tool offers statewide background imagery from 2002, 2007, 2008, and the TOPO! National Geographic USGS Topographic Maps, as well as additional data such as the Commonwealth's enterprise zones and new market tax credit zones.

The application incorporates more user-friendly navigation tools like the ones commonly found on popular Internet mapping sites such as Google Maps and Microsoft's Live Search Maps. The user will also appreciate the enhanced toolset, which includes a suite of markup tools for drawing shapes and labeling. The "measure," "zoom to latitude/longitude," and "find address" tools have all been rewritten to be more intuitive and perform more efficiently. Finally, the new interactive mapping tool provides functionality for exporting the map to an array of different file choices

depending on the user's needs. The map can be exported with all user mark-ups to a choice of .PNG, .JPEG or .PDF file formats.

The new interactive mapping tool was launched in January 2009. It replaced the interactive mapping tool on VirginiaScan, as well as on those ally sites that are taking advantage of the VanillaScan application. VanillaScan is an interactive tool that seamlessly integrates a community or region's data from VirginiaScan into its Web site. VanillaScan is currently used by 85 localities and regional marketing organizations in Virginia.

The VirginiaScan application, a feature of VEDP's Web site, YesVirginia.org, was designed and is maintained by VEDP and takes advantage of technology developed by WorldView Solutions Inc., using web mapping technology available from MapsDirect, LLC. ■



Encroachment

When the 2005 BRAC Commission recommended that Naval Air Station Oceana be closed, it was a wake-up call for the Commonwealth. The Virginia Beach base, employing around 12,000 people with an annual payroll approaching \$1 billion, had become a poster child for encroachment nationwide.

Virginia Beach is now spending millions of dollars a year to roll-back encroachment at Oceana, including \$7.5 million annually in state funds administered by the Virginia National Defense Industrial Authority (VNDIA). Over the next year VNDIA will partner with the Virginia Association of Counties, the Virginia Municipal League, the American Planning Association, the DoD's Office of Economic Adjustment and other organizations to provide education and materials to localities and military installations in the Commonwealth to help everyone understand the complex realities of encroachment.

Encroachment in regards to the military is most commonly thought of as civilian growth around an installation, however, the DoD recognizes eight issues, from urban growth and competition for radio frequency spectrum to endangered species and protected marine resources. These issues go both ways, of course, and while the military may be concerned over a new development or recreational boaters, the civilian community worries about louder jets and increased traffic. It can all add up to a complex set of problems, easier to avoid when possible than unravel once in place.

The greatest tool for encroachment mitigation is the Joint Land Use Study, or JLUS. With assistance from the DoD's Office of Economic Adjustment (OEA), the JLUS provides a framework, with buy-in from both local officials and military leaders, for development measures designed to safeguard the military mission while protecting the public health, safety, and welfare. NAS Oceana has already performed a JLUS, a critical part

of its post-BRAC relationship with Virginia Beach, and the study has helped the city rework zoning policies to ensure the long-term viability of the base.

Langley Air Force Base and the City of Hampton are now in the JLUS process. A review of Commonwealth installations performed last year by VNDIA suggests that other communities, in particular growing communities like Fort Belvoir (Fairfax County), Fort Lee (Prince George County) and Marine Corps Base Quantico (Prince William and Stafford counties), would benefit from a JLUS.

Other federal programs exist to help avoid encroachment problems. For example, DoD Readiness and Environmental Protection Initiative (REPI) programs provide funding for the military to promote compatible land use through government and non-government partnerships. Through the Army's Compatible Use Buffer program, for example, Fort Pickett (Nottaway, Dinwiddie and Brunswick counties) recently partnered with the Ward Burton Wildlife Foundation and Virginia Tech to close on its first conservation easement, a 112-acre site, and has letters of intent on an additional 2,000 acres. Similar success is being seen at Fort A.P. Hill (Caroline County) and MCB Quantico.

For local leaders, the National Governors Association's Center for Best Practices Web site (www.nga.org) is a resource. The Association of Defense Communities (www.defensecommunities.org) is another organization with information and best practices for encroachment mitigation.

Through hard work and significant investment, NAS Oceana is still a vital part of the Virginia economy, and a key piece in maintaining the \$46 billion a year the DoD spends annually in the Commonwealth. As Virginia continues to grow, military communities are well served to tackle the issue before it's an expensive, or impossible, problem to fix. ■

An F-15 Eagle and an F-22 Raptor fly over Langley Air Force Base. The base is joining with the City of Hampton to perform a Joint Land Use Study that will look at civilian encroachment as well as noise and other concerns caused by jet training. (U.S. Air Force photo/Senior Master Sgt. Keith Reed)



Quarterly Calendar

DATE	CONTACT	EVENT
April 19-22	VB	Kitchen Cabinet Manufacturers Association Convention—Tucson, AZ
April 26-28	VB	CORENet Spring Congress—Dallas, TX
April 27–May 1	SK	United Kingdom Trade Mission
May 3-7	VB	NSTI National Nanotech Conference—Houston, TX
May 4-8	CR	Marketing Mission—New England
May 11-15	SK	Mexico Trade Mission
May 19-20	VB	BIO International—Atlanta, GA
June 1-5	CR	Marketing Mission—Michigan
June 22-26	VB	National Plastics Expo—Chicago, IL
June 22–26	SK	Chile and Brazil Trade Mission

VB	Vince Barnett, VEDP	(804) 545-5815
CR	Chuck Rogers, VEDP	(804) 545-5808
SK	Scott Kennedy, VEDP	(804) 545-5754

(continued from page 3)

Freedom of Information Act Exemptions

The Freedom of Information Act (FOIA) provides the general public and the media with access to government records and information; however, documents dealing with active economic development projects in Virginia are currently exempt from FOIA. VEDP recently entered into a master license agreement with a Web-based business retention program that provides a user-friendly platform for economic developers to collect information on existing Virginia business operations, such as plans for lay-offs, recruiting difficulties or consolidation plans. Some localities were concerned that existing FOIA exemption did not adequately protect information collected through the program. Legislators agreed to amend the existing exemption to include activities pertaining to Virginia's business retention efforts. The language also clarifies that the active economic development records of all public bodies are exempt, not just those under VEDP's possession.

Export Documentation and Certificates of Free Sale

When companies export their products overseas, they are often required to provide a Certificate of Free Sale (COFS) that demonstrates a product is available for sale in the U.S. market and, thus, is safe for use or consumption. This bill allows VEDP to issue COFS for products manufactured in Virginia when a specific regulatory agency such as the U.S. Department of Agriculture, the U.S. Environmental Protection Agency or the U.S. Food and Drug Administration cannot provide one in a format that fits the company's needs. The issuance of a COFS does not involve verifying the safety of a product; it verifies that the product is manufactured in Virginia and offered for sale in the United States. It is critical for VEDP's International Trade Division to continue providing its clients with the assistance that helps to export their goods abroad so that Virginia businesses can continue to grow.

For more information on this and other 2009 legislation, contact Gary McLaren at gmclaren@yesvirginia.org or Mike Kaestner, VEDP Legislative Coordinator, at mkaestner@yesvirginia.org. ■



901 East Byrd Street, Richmond, VA 23219

PRSRTD STD
U.S. Postage Paid
Richmond, Virginia
Permit No. 1678

Address Service Requested

did you know

Virginia Ranks 15th in Well-Being

The emotional, economic and physical health of Virginians is better than many other Americans, according to the 2008 Gallup-Healthways Well-Being Index, which ranked Virginia 15th overall in the nation. The index is based on 1,000 surveys conducted per day for 350 days.

When it comes to Virginians' present life conditions compared with our five-year expectations, Virginia ranked 10th out of 50—the Commonwealth's highest ranking in the survey's six major categories. How Virginians feel from the beginning of the day to the end of the day ranked the Commonwealth at 19 out of 50. In the physical health and healthy behaviors categories, Virginia ranked 21 and 24 respectively. ■