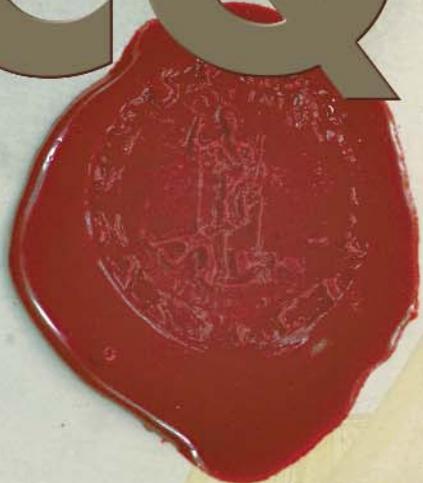


VIRGINIA

CQ

Commerce Quarterly

A Publication of the Virginia Economic Development Partnership
Summer 2007, Vol. 12, Issue 3



WHEREAS *the right honorable Robert Earl of Salisbury*
 hath paid in ready money to Sir Thomas Smith Knight, Treasur-
 er of Virginia, the summe of *Sixtie five pounds*
fortie for his adventures towards the said voiage.
 It is agreed, that for the same, he the said *Robert Earl of Salisbury*
 his heires, Executors, Administrators or Assignes, shall have
 ratably according to his Adventure, his full part of all such
 Lands, Tenements and Heriditaments, as shall from time to
 time be there recouered, planted, and inhabited: And of such
 Mines and Minerals of Gold, Silver, and other Metals or Treas-
 ure, Pearles, Precious Stones, or any kinde of Wares or Mer-
 chandizes, commodities or profits whatsoever, which shall be
 obtained or gotten in the said voiage, according to the portion
 of Money by him imploied to that vse, in as ample maner as
 any other Adventurer therein shall receive for the like summe:
 Written this 10th of Novemb^r 1612.

20 Novemb^r 1615
I am furnished by you to be a
James Dott shewen in Court
e deved to you sealed with
young 23rd day of Nov^r by you
signed for soverain
 Sealed in the presence of
David Perkins *Walter*

Virginia Commemorates 400 Years

Let us not forget from where we started.
 Four hundred years ago, Virginia was founded as a business venture.
 Today, Virginia continues in that tradition with
 economic development among the Commonwealth's top priorities.

(Story continued page 3)



It comes as a surprise to many when they learn that business was the driving force behind Virginia's founding. Traditions now defined as American culture, such as representative government, the rule of law and cultural diversity were established at Jamestown.

But it was free enterprise that prompted colonists to journey to the New World and we continue that legacy every day in all regions of Virginia.

New employers—and growing ones—were welcomed during the last quarter in communities from Hampton Roads to Southwest Virginia and beyond.

Many of those projects are highlighted in this issue, including Alderman Railcar Services in Charlotte County, Ariake USA in Harrisonburg, The Capital Group Companies in Chesapeake, Essel Propack in Danville and Gates Corporation in Washington and Smyth counties.

It's important that as we work to attract new business to Virginia we don't forget to maintain relationships with our existing corporate partners. We are working to bring a software product, called ExecutivePulse, to your communities. This software will assist with implementing aggressive business retention programs. Many of you participated in a discussion on the importance of business retention during the May VEDP/Allies meeting.

In addition to the VEDP/Allies meeting, several other events occurred during the last quarter to help maintain and increase our economic development momentum. The VEDP Board of Directors is playing a vital role in sharing our message with the public. Board Chairman Charley Majors hosted a legislative breakfast in June in Danville. We hope to continue cultivating our relationship with Virginia's elected officials with similar legislative functions in other regions of the state.

Governor Kaine also continues to be a driving force in our economic development efforts. In addition to participating with a Northern Virginia Technology Council executive delegation on a trip to Southern Virginia, Governor Kaine has challenged us to create a mega projects advisory group. This group, comprised of legislators, VEDP staff and allies across the state, will examine the issue of mega projects and their role in Virginia's future. The group also hopes to develop a process for involving legislators in the economic development process when the General Assembly is not in session.

We continue our efforts to place Virginia in a prominent position both domestically and on the world stage. VEDP's Division of International Trade and Investment in May launched VITAL, or the Virginia International Trade Alliance, in response to Governor Kaine's economic development strategic plan that calls for increased exports and foreign direct investment in the Commonwealth. VITAL is a coalition comprised of Virginia companies dedicated to the advancement of international trade and investment. VEDP and the Virginia Port Authority will support VITAL's efforts by providing structure and staff assistance.

Governor Kaine has already met with VITAL participants who have formed task forces focused on key areas such as branding Virginia, global logistics, mergers and acquisitions, service exports and building stronger relations with emerging markets of China and India and beyond. The groups will make recommendations toward a coordinated international marketing strategy.

The world of business has changed over the past 400 years, but the importance of free enterprise remains the same. As the birthplace of modern America, Virginia's business-friendly legacy continues and we look forward to continued success.

Sincerely,

Jeffrey M. Anderson

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(continued from cover)

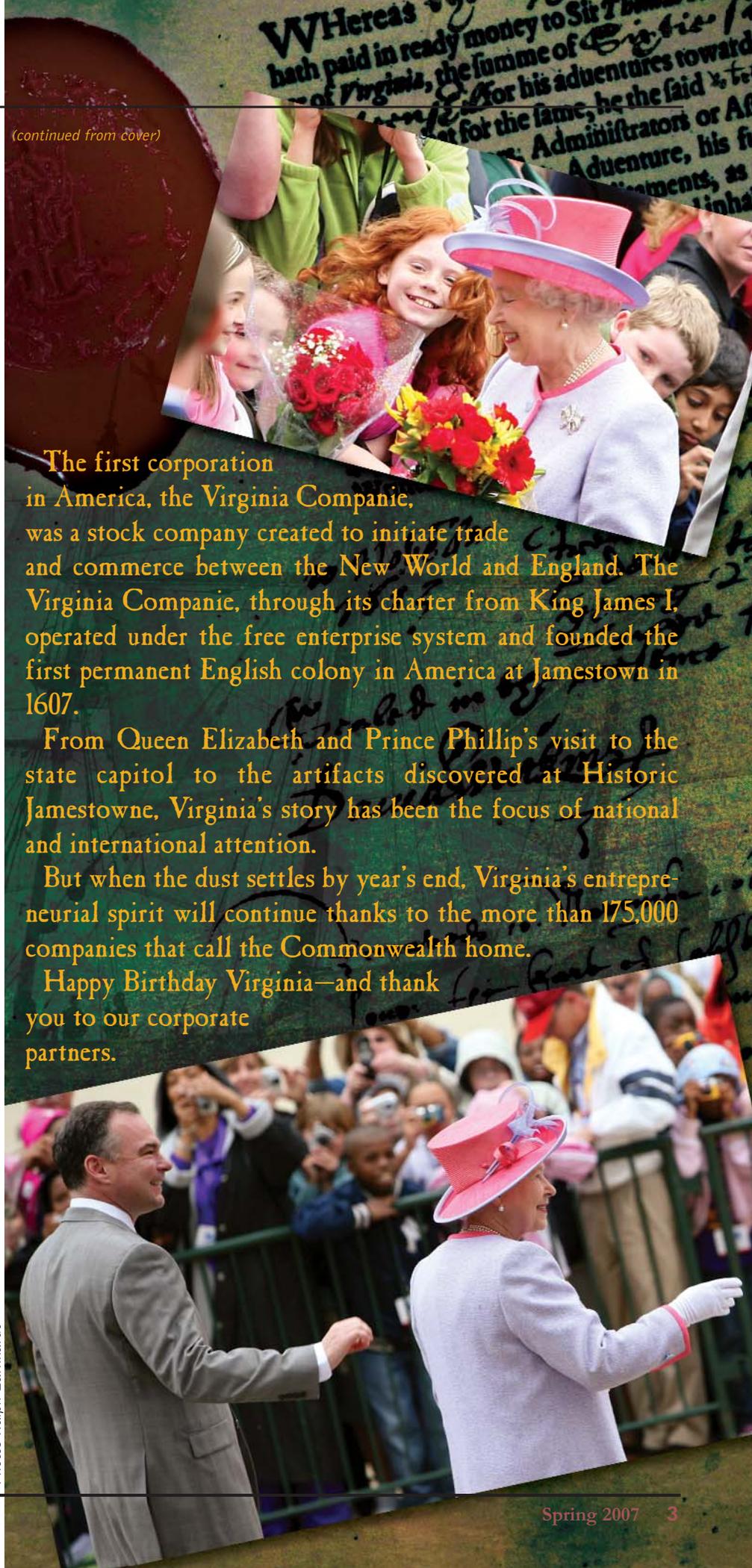
The first corporation in America, the Virginia Company, was a stock company created to initiate trade and commerce between the New World and England. The Virginia Company, through its charter from King James I, operated under the free enterprise system and founded the first permanent English colony in America at Jamestown in 1607.

From Queen Elizabeth and Prince Phillip's visit to the state capitol to the artifacts discovered at Historic Jamestowne, Virginia's story has been the focus of national and international attention.

But when the dust settles by year's end, Virginia's entrepreneurial spirit will continue thanks to the more than 175,000 companies that call the Commonwealth home.

Happy Birthday Virginia—and thank you to our corporate partners.

Photos Ralph Earnhardt



Washington and Smyth Counties Celebrate 172 New Jobs



Secretary Gottschalk (fourth from left) congratulates Gates Corporation's Mike Cottrell on their first Virginia facility.

Secretary Gottschalk brought the good news at an event announcing that Gates Corporation, the largest non-tire rubber manufacturer of automotive and industrial products, systems and components in North America, will invest approximately \$8 million to open its first Virginia facility in the Highlands Business Park, an industrial park jointly developed by Smyth and Washington counties. The company intends to create 172 new jobs.

Headquartered in Denver, Colorado, Gates Corporation maintains sales and marketing operations in every major automotive market, including North America, Europe, Asia, Australia and South America. Gates is part of the Industrial and Automotive Group of Tomkins plc, which has more than 34,000 employees worldwide and enjoys strong market positions and technical leadership, and owns some of the best-known brands in their respective markets. ■

Harrisonburg Scores

From bouillons to data, Harrisonburg is hot. In the last quarter the community has celebrated two major announcements.

Ariake USA, Inc., one of the world's largest providers of stocks, bouillons, and natural meat flavorings, will invest \$18 million to expand its Harrisonburg manufacturing facility. The 58,000-square-foot expansion will create 25 new jobs.

Ariake Japan Company Ltd. was established in Japan in 1966. Ariake USA was established in Torrance, California, in 1985. The company is one of the largest producers of stocks and bases in the world, offer-

ing a diverse selection of meat, poultry, seafood, and vegetable products. The company operates plants in China, Japan, France, Belgium, and the United States. Ariake USA, Inc. established its Harrisonburg facility in 1989.

Harrisonburg. The project will create 25 new jobs paying an average \$80,000 salary.

The company will own and operate the data center and have additional tenants operating their own equipment within a designated area.



CRITICONTM
NEXT GENERATION FACILITIES

The list goes on to include a major deal with Criticon, a data processing and preparation host, who will invest \$115 million to open a 150,000-square-foot co-location data storage center in the City of

Recently formed for critical mission facilities development, Criticon Corporation is a privately held company headquartered in Alexandria, Virginia. Criticon's primary market focus will be on serving federal government and private enterprise business continuity needs. ■

Nestlé Finds Sweet Success in Danville

Danville is obviously a good fit for Nestlé USA—the company plans to invest \$20 million to expand manufacturing capacity at its facility in Danville's Airside Industrial Park, creating 50 new jobs. The company makes BUITONI® refrigerated pasta and sauces and NESTLÉ® TOLL HOUSE® refrigerated cookie dough at the facility.

Nestlé officials note that the BUITONI® brand, made in Danville since 1988, is now

the market share leader in the U.S. refrigerated pasta and sauce category. Similarly, NESTLÉ® TOLL HOUSE® refrigerated cookie dough, launched in 1993, is responsible for most of that category's recent growth. In 2004, Refrigerated & Frozen Foods magazine named Danville its bakery "Plant of the Year," in recognition of the outstanding performance of these products.



Nestlé USA is part of Nestlé S.A. in Vevey, Switzerland – the world's largest food company – which earlier this spring posted record sales of \$79 billion. The company has been designated one of "America's Most Admired Food Companies" in *FORTUNE* magazine for ten consecutive years. ■

Bedford Wins New Company and Jobs

The Matrixx Group, a supplier of compounded products to the plastics industry, will invest \$9.85 million to open its first Virginia facility in the Bedford Center for Business, an industrial park jointly developed by Bedford County and the City of Bedford. The company, which will manufacture thermoplastic compounds, will create 40 new jobs.

Headquartered in Evansville, Indiana, The Matrixx Group is a privately held company. For more than 25 years, the company has supplied the plastics industry with high quality compounded products. Today, with five manufacturing sites and a product portfolio featuring compounded grades of nylon, ABS, polycarbonate, PBT, PET, polypropylene, and polyethylene, The Matrixx Group offers one of the broadest capabilities around. ■



Smyth County Gains 100 New Jobs

Southwest Virginia residents are knocking on wood—cabinet wood, that is. Wellborn Cabinet, Inc. plans to invest \$3 million to open a cabinet manufacturing operation in Smyth County. The company will create 100 new jobs for the region.

Wellborn Cabinet, Inc. was established in 1961 and is headquartered in Ashland, Alabama. The company is a family-owned business that has been manufacturing kitchen and bath cabinetry for more than 45 years. ■



Hershey Grows in Augusta County

Life in Augusta County is rich for The Hershey Company. North America's leading chocolate and confectionery manufacturer will invest \$25 million to expand manufacturing capacity at its facility in Augusta County, creating 150 new jobs.

With revenues of nearly \$5 billion and more than 13,000 employees worldwide, The Hershey Company (NYSE: HSY) markets world famous brands, such as *Hershey's*, *Reese's*, *Hershey's Kisses*, and *Ice Breakers*. ■



MeadWestvaco Ground Breaking

Governor Kaine joins in breaking ground on the site of the future headquarters of MeadWestvaco, slated to open in 2008. In February 2006 the Governor announced the company's plans to move its headquarters to Richmond and create 400 new jobs.



INIT Grows in Chesapeake

Virginia Deputy Secretary of Commerce and Trade David Smith joined INIT and Chesapeake officials in June to celebrate the ribbon cutting of the company's North American headquarters expansion. The project was announced in January.



Expansion Creates 250 New Jobs in Chesapeake

The Capital Group Companies will invest \$12 million to expand its American Funds customer service center in Chesapeake, creating 250 new jobs. The Capital Group is one of the largest investment management firms in the world, managing investments for mutual fund investors, institutions and high net-worth individuals. The Chesapeake center provides customer service to American Funds investors, including investors in the Virginia/American Funds CollegeAmerica program. This new expansion will almost double the capital investment and number of new jobs since the Capital Group first came to Chesapeake in December 2005.

The Capital Group Companies employs almost 800 associates in three offices in the Hampton Roads area—the original service center and distribution center in Norfolk, and the satellite service center in Chesapeake. The Capital Group is a 76-year-old, privately held investment management organization and the home of American Funds, one of the three largest mutual fund families in the United States. ■

VEDP Hosts Allies for Biannual Meeting

Business retention and expansion were the buzz words at the last VEDP/Ally Meeting, which took place at University of Richmond's Jepson Alumni Center. An update by Jeff Anderson, VEDP Executive Director, and a presentation on the recent Governor's trade mission to Asia from Paul Grossman, VEDP Director of International Trade and Investment, kicked off the meeting. The co-founders of ExecutivePulse, a business retention and expansion consulting firm, took the reigns to lead the group through the fundamentals of business retention.

According to Laith Wardi, President, and Del Birch, Vice President, a common misconception in the economic development world is the idea that the job of an economic developer is business attraction, when it is also critical to have a business retention program in place. Given that 70 to 80 percent of jobs and investment annually come from existing business, it is critical for economic developers to seek feedback from their primary customers.

Business retention is the most cost-effective economic development strategy, said Wardi. It enables localities to provide value and a return on investment to companies as well as the community.

ExecutivePulse offers communities a proven approach to business retention and expansion by helping to establish a program with straightforward objectives. Results can be quantified and the success of the program measured. VEDP has entered into a master license agreement with ExecutivePulse that allows all Virginia



VEDP's Catherine Pack shared her definition of economic development during the VEDP/Allies Meeting discussion.

localities to utilize ExecutivePulse software and training for the following cost based on community population:

20,000 or less population	\$800 per county/independent city
20,000-49,999 population	\$1,200 per county/independent city
50,000-99,999 population	\$1,750 per county/independent city
100,000+ population	\$2,250 per county/independent city

An annual cost of 15% of the original purchase price for technical support and program maintenance applies. ■

State Map Takes Top Honor

The Virginia Association for Mapping and Land Information Systems (VAMLIS) awarded VEDP Chief Cartographer Mary Davis with a first place award in the professional level for the Commonwealth of Virginia map. This is VEDP's first VAMLIS win.

"The VEDP GIS group has always focused on maintaining high standards," said Trent Park, VEDP's GIS Manager. "The first-place award from the VAMLIS Conference is a welcomed reminder that we're on the right track. The Virginia State Map is a product of the whole GIS team but credit should go to our chief cartographer, Mary Davis, for her hard work in coordinating the project." ■



Virginia Scores Big

Four Virginia Metropolitan Statistical Areas (MSA) were ranked among the nation's Top Metros for 2006, according to *Site Selection* magazine. Virginia ranked fourth overall among the top 10 states.

Washington/Arlington/Alexandria ranked second among metros with a population of more than 1 million. Blacksburg/Christiansburg/Radford and Harrisonburg tied for fifth place and the City of Danville ranked seventh among metros with a population of less than 200,000. The rankings are published in the March 2007 issue of *Site Selection*. ■

2006 Top Metros by Number of Projects		
Metros with population over 1 million		
Rank	Metro	Project Count
1	Chicago/Naperville/Joliet - Ill./Ind./Wis.	165
2	Washington/Arlington/Alexandria - D.C./Va.	110
3	Atlanta/Sandy Springs/Marietta - Ga.	107
4	Dallas/Fort Worth/Arlington - Texas	106
5	Cincinnati/Middletown - Ohio/Ky./Ind.	82
6	Detroit/Warren/Livonia - Mich.	80
7	Houston/Baytown/Sugar Land - Texas	69
8	Charlotte/Gastonia/Concord - N.C./S.C.	63
T9	Indianapolis - Ind.	53
T9	Nashville/Davidson/Murfreesboro - Tenn.	53
Metros with population of 200,000 to 1 million		
Rank	Metro	Project Count
1	Greensboro/High Point - N.C.	33
2	Grand Rapids/Wyoming - Mich.	32
3	Huntsville - Ala.	31
4	Tulsa - Okla.	29
5	McAllen/Edinburg/Pharr - Texas	28
6	Raleigh/Cary - N.C.	25
7	Durham - N.C.	24
8	Hagerstown/Martinsburg - Md./W. Va.	22
T9	Dayton - Ohio	21
T9	Fort Wayne - Ind.	21
T9	Albany/Schenectady/Troy - N.Y.	21
Metros with population less than 200,000		
Rank	Metro	Project Count
1	Auburn/Opelika - Ala.	19
2	Tuscaloosa - Ala.	12
T3	Sioux City - Iowa/Neb./S.D.	11
T3	Valdosta - Ga.	11
T5	Blacksburg/Christiansburg/Radford - Va.	10
T5	Harrisonburg - Va.	10
T7	Parkersburg/Marietta - W. Va./Ohio	9
T7	Terra Haute - Ind.	9
T7	Decatur - Ala.	9
T7	Danville - Va.	9

Source: Conway Data, Inc.'s New Plant Database

Virginia Leads With High-Tech Workforce

AeA, the nation's largest trade association representing all segments of the high-tech industry, ranked Virginia as the national leader for its concentration of high-tech workers. Virginia surpassed Colorado with 89 workers per 1,000 in the private sector workforce. Virginia is the only state to take the lead from Colorado since AeA began publishing the report in 1997.

Virginia also ranked fifth in the nation with 261,000 high-tech jobs; and third for growth rate of high-tech employment. The report, *Cyberstates 2007: A Complete State-by-State Overview of*

the High-Technology Industry, details national and state trends in high-tech employment, wages, exports and other key economic factors. The report covers all 50 states, the District of Columbia and Puerto Rico.

The report is based on U.S. Bureau of Labor Statistics data, which is collected from all businesses in the United States as required by law. State ranking and state employment data is based on 2005 information, the most recent year available. For more information about the report, visit www.aeanet.org/cyberstates. ■

Swedwood Recognized as Top Investment Project

The Swedwood North America project in Danville was ranked among the 2006 top 15 Corporate Investment Projects, a category of the 2007 Corporate Investment and Community Impact (CiCi) Awards.

The award, sponsored by Trade & Industry Development, rewards companies for the creation of new jobs, retention of current jobs and generation of economic growth. The award also recognizes the economic development organizations that have facilitated their decisions. The award recipients were highlighted in Trade & Industry Development's March/April issue. ■



Two Virginia Cities Among the Ranks in *fDi*

Danville and Richmond were ranked among “North American Cities of the Future” in the April issue of Foreign Direct Investment magazine. Richmond ranked 7th in the “large cities” category (500,000-2 million population) and Danville ranked ninth in the “micro cities” category (under 100,000 population).

fDi's goal was to recognize cities, small and large, with the best prospects for inward investment, economic development and business expansion. More than 60 criteria covering everything from cost effectiveness to human resources and infrastructure were considered for the rankings. fDi editorial staff conducts the research every other year with the assistance of an independent panel of experts.

This was the first time that fDi has ranked U.S., Canadian, and Mexican cities directly against each other as business locations. ■

Virginia Projects Receive Honorable Mention

Two Virginia projects—MeadWestvaco Corporation and Swedwood North America—received honorable mention in Site Selection's ranking of Top 10 Deals of 2006 in North America.

MeadWestvaco Corporation announced in February 2006 its plans to locate the company's headquarters to Richmond, creating 400 new jobs. Swedwood North America announced its location in Danville in October 2006, which will create 740 new jobs. The projects were highlighted in the May issue.

In evaluating the top economic development projects of the year, the editors of Site Selection took into account total capital investment; number of jobs created; regional economic impact; value of jobs created; creativity of the deal; role of incentives in the deal; competition for the project to locate elsewhere; and speed to market. ■

Food the Focus of Spring Media Tour

Nine writers got a taste of Virginia's food and beverage industry April 17-19 during VEDP's spring media tour. Aside from pleasing their palates with everything from grits to grapes, the tour introduced the group to a variety of Virginia success stories.

Companies that participated on the tour included New World Pasta and National Fruit Product Company in Winchester, Coors Brewing Company in Elkton, Rockbridge Vineyard in Raphine, Maple Leaf Bakery in Roanoke and Gatorade in Wytheville. The City of Staunton highlighted its culinary finest by hosting a mini farmer's market. Other allies that extended their hospitality included Winchester-Frederick County Economic Development, Wythe County Industrial Development Authority, The City of Harrisonburg, Rockbridge Partnership, Shenandoah Valley Partnership and Roanoke Valley Economic Development Partnership.

More than 500 food processors employ more than 34,500 Virginians. Since 1995, Virginia's food processors have solidified their presence by announcing plans of more than \$1.9 billion in capital investments and the addition of nearly 7,000 new jobs.

"It's been ages since I had such fun on a press trip, especially one that was so well organized and relevant to my needs as a journalist," said David Feder of Wellness Foods and Food Processing magazines.

Other trade publications represented on the tour included *American Vineyard*, *Pastry Art & Design*, *Food Production/Management*, *Flavor & The Menu*, *Modern Brewery Age*, *Stagnito's New Products* and *Gourmet News*. ■



A Teaching Teddy

Japanese families may be better equipped to respond to a child's respiratory distress thanks to a new Virginia product.

Lynchburg-based Trainikins entered into a distribution agreement with IMI Co, Ltd. in Japan to sell the Japanese version of CPR Teddy™, a non-threatening tool created to teach parents how to save their baby if he or she chokes or stops breathing. Trainikins, which participated in the Virginia delegation that visited Japan and Hong Kong prior to India, donated 30 CPR Teddy™ bears during the visit to Dr. Shigeaki Hinohara, Chairman of Tokyo's St. Luke's International Hospital.

The CPR Teddy™ bears will provide instruction translated in Japanese. St. Luke's International Hospital was chosen as the recipient of the donated bears because of its direct ties with Virginia.

The hospital was founded by Dr. Rudolf Bolling Teusler, an 1894 graduate of what is now known as VCU Medical Center in Richmond. Virginia's medical community also organized and provided financial and medical support when Tokyo suffered a devastating earthquake in 1923 that killed 200,000 people.

By squeezing the bear's paw, a voice reviews the steps for choking rescue and CPR before starting a two-minute practice session of those skills. A disposable mask and airbag lets users see if they are blowing the right amount into a baby's lungs. CPR Teddy™ comes with an infant and child CPR training DVD that provides



Dr. Shigeaki Hinohara, Chairman of St. Luke's International Hospital in Tokyo, posed with former Deputy Secretary of Commerce and Trade Rick Siger and a CPR Teddy.

information on CPR, choking rescue, first aid and childproofing homes and vehicles.

Trainikins, Inc. was incorporated in Virginia in July 2003 by Dr. Elroy Cantrell, a practicing emergency room physician, and his daughter, Melissa Waugh, a health care attorney, for the purpose of developing and manufacturing unique CPR practice aids to help people remember their skills long after taking a CPR class. Trainikins is a wholly-owned subsidiary of Elcare Innovations, Inc., which was also founded by Cantrell and Waugh. Elcare is a medical device research and development company. ■

VEDP Welcomes New Board Member

Carole Pratt is a general dentist in Pulaski who spends a lot of her time serving on boards. VEDP's Board of Directors was recently added to her list of memberships.

"I practice dentistry to get the gas money I need to participate on boards," she said, smiling.

But that's okay with her. Pratt has a number of interests to match. The Virginia Tech graduate serves on boards that represent everything from educational to health issues. Economic development is not new to her, either. She's also a former president of the New River Valley Economic Development Alliance.

"I think I have a broad view of economic development but I

also see the needs of Virginia's struggling areas," she said. "I hope to bring a strong understanding of the region to the board and I believe strongly in education as an important tool to economic development."

Pratt, who was appointed to VEDP's board by Governor Kaine in April, assumes former board chairman Tom Fowlkes' unexpired term. Her term expires in December 2009. ■



Pratt is a master of board participation.

Wood Products Initiative Provides Prospect Practice

Prime location. Solid market. Abundance of forests.

Wood products companies can mark off all the must-have characteristics when considering Virginia as the location for a business relocation or expansion. Virginia offers softwoods and hardwoods in equal amounts and more hardwood stumpage than it did 50 years ago. Most of the state's forests are privately-owned and well-managed. "Every part of the tree is being used in Virginia—from bark for mulch to wood fibers for composites of all kinds to recycling wood for energy," said Mike Sexton, VEDP senior project manager who concentrates on the wood products industry. "Very few states allow you to build the product from scratch right at the base of the market."

But several years ago, VEDP noticed that Virginia-based American Woodmark

kept taking its expansion projects to other states. VEDP officials met with American Woodmark CEO Jake Gosa to learn ways in which Virginia could compete better for projects in the industry.

The conversation led to the creation of a VEDP wood products initiative. As part of the initiative, American Woodmark agreed to participate in a series of mock site visits with VEDP staff and representatives from the respective communities. Following hour-long visits with more than 30 communities across the Commonwealth, the company provided verbal feedback regarding the strengths and weaknesses of each visit. The company followed up with written feedback.

"Communities were getting frustrated because they didn't know why companies

weren't coming back," Sexton said. "American Woodmark provided direct, immediate feedback that will help localities prepare for real prospect visits."

The next step in the process is a return visit by American Woodmark to each community to see if they learned from their mistakes.

"We hope this process will give us an edge with every project that comes along—not just wood products projects," Sexton said. "As long as we keep our forests managed properly and we're ready when the company shows up, wood products will be made here in Virginia." ■

WoodLINKS Builds Woodworking Workforce

Jobs in the wood manufacturing industry aren't hard to come by in Virginia thanks to the more than 150 industry announcements made in Virginia since 2002.

The challenge is filling them.

But new doors are opening thanks to the Virginia Tobacco Indemnification and Community Revitalization Commission, Virginia Tech's Department of Wood Science and a national program called WoodLINKS USA, an industry-educational partnership focused on building a future workforce for the wood manufacturing industry. WoodLINKS provides a modern wood manufacturing education

program that is being used in more than 100 schools—at the high school, technical and community college, and university levels—in 18 states across the country. Virginia was recently added to the list of host states thanks to the Tobacco Commission, which recently agreed to fund a \$1.5 million technology grant toward the WoodLINKS program's implementation in Southside Virginia.

The funding will provide for advanced wood manufacturing curriculum at Southern Virginia Higher Education Center in South Boston and in concert with the Higher Ed Center, Southside

Community College, Danville Community College, and the public school systems in Danville, Halifax County and Pittsylvania County. This program will migrate across Virginia to all interested communities and community colleges.

"WoodLINKS is a critical component to support the ongoing needs of the new wood-based advanced manufacturing projects that are coming to Virginia," said Mike Sexton, VEDP project manager. "This new program is targeted at getting young interested students involved in the design and creation of wood products." ■

King George Company Finds Creative Use for Waste

One power plant's trash has proven a treasure for Universal Aggregates, a King George-based manufacturer of environmental-friendly construction materials. The company uses coal combustion by-products, known as spray dryer ash, from nearby 240 MW Birchwood Power Plant, and transforms it into a lightweight aggregate.

The lightweight aggregate is manufactured as a result of a patented curing process that requires very little heat and no combustion source, conserving millions of BTUs annually. The ash used by Universal Aggregates is highly underutilized, with a national rate as low as 3.89 percent as compared to utilization rates of more than 40 percent for other types of coal combustion by-products.

"Industry-wide specifications for desired physical properties and chemistry have historically precluded spray dryer ash from consistent use," says Paul Yuran, Marketing Manager for Universal Aggregates. "As a result, most of this material is destined for landfill disposal. Value-added processing on the other hand converts this waste material into a useful, lightweight construction product."

Commercial operations began at Universal Aggregates in fall 2006 after the company was awarded \$7.2 million from the U.S. Department of Energy under its Power Plant Improvement Initiative. The company currently holds several contracts to supply the lightweight manufactured aggregate to concrete masonry producers who manufacture concrete block for commercial and residential construction projects. At full production, Universal Aggregates will turn 115,000 tons of spray dryer ash into 167,000 tons of manufactured lightweight aggregate. ■



Director of Administration for the Virginia Department of Mines, Minerals and Energy Stephen Walz (from left); Universal Aggregates Plant Manager Jim DeSilvey; Universal Aggregates Director of Marketing and Product Development Paul Yuran; former Deputy Secretary of Commerce and Trade Rick Siger; and VEDP Project Manager Mike Sexton tour the King George facility.

Carruth Takes Alternative Energy to New Heights

From conquering mountains to bringing jobs and investment to Virginia, Mike Carruth does it all. His career began in Arkansas and did not lead him to Virginia until 1989. But nearly two decades later, he is here to stay.

Meet Mike Carruth, VEDP Project Manager in the alternative energy sector. He started working at VEDP in 2004, but his previous career in the private sector took Carruth from Arkansas to Louisiana to California and finally, Virginia. When Carruth left W.W. Grainger, Inc. as director of national accounts for the Northeast region of the U.S., he was ready for a new challenge. In his life travels, Carruth married and had two daughters, all of whom he took with him to scale Mt. Whitney, the tallest mountain in the lower 48 states. So after all of that excitement, what does he

like most about his job at VEDP?

"It is exciting to learn about the new and unique technologies that are emerging that help to lessen the United States' dependence on foreign oil and also combat global warming," said Carruth.

And he has found success. Most recently one of Carruth's projects, H2Gen Innovations, a designer and manufacturer of hydrogen generators and gas purification plants, announced expansion plans in Arlington and will create 50 new jobs.

In Carruth's free time, he enjoys exercise, golf and spending time with his new granddaughter, Taylor. Perhaps one day he will battle mountains with her, too. In the meantime he'll continue helping to main-



tain Virginia's "Best State for Business" status. ■

Gala Industries Celebrates 2007 International Technology Exchange

Gala Industries, Inc. hosted its first ever International Technology Exchange April 16-20 at the Hotel Roanoke.

Gala invited its independent representatives to Virginia for a week-long conference to discuss technological issues and international strategy of the plastic pellet industry. Representatives from Germany, UK, France, The Netherlands, Italy, China, Argentina, Brazil, Mexico, Vietnam, Taiwan, Japan, Australia and Korea met with Gala's sales and service department along with employees from engineering and production to build closer relationships. The event was the first opportunity for many company employees to meet the international people who promote their world-class plastic pellet machinery manufactured in Botetourt County.

Gala Industries, Inc., an employee-owned company, was founded in 1959 and is headquartered in Eagle Rock, Virginia. Throughout its history it has remained focused on pellet production technology for the plastics industry and has been committed to customer satisfaction and unsurpassed technical support. Gala demonstrated a commitment to its international business through its participation in and graduation from the VALET (Virginia Leaders in Export Trade) Program in July 2006.

The independent representatives, partnering with Gala for as little as 18 months and as long as 30 years, recognized the

value of this type of exchange so they made time in their schedules and paid their own way to the event.

The conference focused on pelletizing systems, micropellets, electrical controls, water systems, dryers, adhesives, resins, thermoplastic polyurethanes and ultimately global market strategies. The representatives attended conferences each morning at the Hotel Roanoke and spent each afternoon at the Gala Industries lab for demonstrations showing the company's newest equipment and technology.

During a visit with Gala Industries in December, VEDP International Trade Manager Joe Robinson learned of the event and realized an opportunity to support a local company. A welcome letter from the Governor was proposed and the International Trade Division easily drafted a dozen reasons why Gala was deserving of the recognition.

Mario Camardella, VEDP International Marketing Specialist, attended the final day's meetings and presented Governor Kaine's letter to the company at the closing dinner. ■



Gala Industries of Eagle Rock, Virginia, was presented with a welcome letter from Governor Kaine. VEDP's Mario Camardella (right) presented the letter to Gala Industries Export Sales Coordinator Steve Cahoon, Gala Industries President David Bryan and Export Sales Manager Don Smith.



Chinese Delegation Visits Richmond

VEDP and China officials signed a memorandum of understanding in May during a 70-member Chinese delegation's visit to Richmond, one of only three U.S. cities the delegation visited. They also visited Seattle and Cincinnati. Madame Ma Xiuhong, Vice Minister for Ministry of Commerce, People's Republic of China, the highest ranking Chinese official to formally visit Virginia, led the delegation.

Beyond Virginia 2008 Calendar Contest Results

Fifteen companies throughout the Commonwealth have been selected for inclusion in the first Beyond Virginia 2008 Calendar. The companies were selected based on the diversity of products, where they are located, the overall interest of the item featured as well as the technical quality of the image submitted. The companies selected for the calendar are:

- Acrylife Inc.**, located in Wytheville, featuring roof vents;
- Base-X**, located in Rockbridge, featuring temporary shelters;
- Bihrl Applied Research, Inc.**, located in Hampton, featuring flight simulators;
- BriarTek Inc.**, located in Alexandria, featuring “man overboard” sensors;
- Floyd Manufacturing**, located in Norfolk, featuring generator housing units;
- Fresh Tulips USA**, located in Stevensburg, featuring forced tulip bulbs;
- Gammapar**, located in Bedford, featuring high-impact wood flooring;
- Inovex Industries**, located in Sterling, featuring “Ride-On” tire technology;
- Liebherr Mining Equipment Company**, located in Newport News, featuring mining trucks;
- Map Tech Inc.**, located in Blacksburg, featuring water testing services;
- McKinney & Company**, located in Ashland, featuring architecture and engineering designs;
- MHI Ship Repair and Services**, located in Norfolk, featuring ship repair services;
- MicroAire Surgical Instruments Inc.**, located in Charlottesville, featuring orthopedic surgical power tools;
- Optical Cable Corporation**, located in Roanoke, featuring fiber optic cables;
- Stelling Banjo Works Ltd.**, located in Afton, featuring banjos.

The complimentary calendars will be distributed throughout the Commonwealth in September. To get your copy of the calendar, please contact Terri Noll, Client Services Manager, at (804) 545-5764 or via e-mail at tnoll@yesvirginia.org. ■

Meet Kerstin Diegel



Kerstin Diegel joined VEDP in March as Manager of International Investment for Europe. Diegel brings more than 10 years experience in marketing and business

development for multinational clients. She began her career with the Franklin Mint, Ltd. in London managing European media operations, which involved spending \$20 million annually to develop business throughout Europe. Diegel also served as International Media Manager for MediaVest Worldwide in London where she developed global communications strategies for the Australian Tourist Commission, Dyson Appliances, Equant, Embraer, Merrill Lynch, Proctor & Gamble and Western Union. She was hired by Western Union as the Director of Regional Marketing for Northern Europe and marketed their services to 14 countries in the region.

Diegel joined her husband as he was posted to the U.S. a few years ago, and in addition to work for the National Kidney Foundation, maintained consultant activities for two German companies. Diegel is bilingual in German and English and fluent in French. ■

Correction:

In the spring issue of Commerce Quarterly, a story about VEDP's European Office mistakenly reported that VEDP has operated in Frankfurt since 1988. VEDP (then known as the Virginia Division of Industrial Development) began operations in Brussels in 1968 until the office was moved to Frankfurt in 1996. ■

Largest Virginia Delegation Travels to India



More than 100 Virginia business and government leaders traveled to India April 22-28 as part of a delegation that is believed to be the largest and most strategically significant state delegation to visit India. The visit was intended to be led by Governor Kaine, but the tragic news at Virginia Tech required his return to Virginia after only 24 hours.

The group pressed on and visited New Delhi, Chennai and Mumbai to strengthen Virginia's relationship with India and open more doors to increased mutual trade and investment.

The trade mission focused on five industry sectors, including global logistics, agriculture, infrastructure, technology, and research and development. India is the world's tenth largest economy and the world's largest democracy with more than one billion people. U.S. exports to India via Virginia reached \$93.46 million in 2006, an annual increase of 16 percent. Top potential sectors of export opportunity include construction and engineering services, energy generation and distribution, IT equipment, and transportation.

The Virginia delegation participated in several activities to advance commerce, including meetings with business leaders with the Federation of Indian Chambers of Commerce and Industry, the Confederation of Indian Industry and the US India Business Alliance. An "Invest in Virginia USA" seminar, sponsored by VEDP, the Virginia Port Authority, Fairfax

County Economic Development Authority, Greater Richmond Partnership, Inc. and Hampton Roads Economic Development Alliance, was also held.

Several deals were struck as a result of the trip. TMEIC GE of Salem, Virginia, signed a contract worth about \$80 million with India-based JSW Steel Limited to provide the company with a complete electrical and automation system. Essel Propack announced a \$15 million expansion of its Danville facility that will provide a state-of-the-art printing center to support both Essel Propack and its subsidiary, Arista Tubes, also located in Danville. The expansion will create about 35 new jobs.

In addition, Indage Group, India's largest wine manufacturer and restaurant and hotel chain in Mumbai, announced during the delegation's visit its plans to open five Indian restaurants and a headquarters operation in Virginia. Representatives from Corning, Inc. and Virginia Tech also participated in the delegation and announced a partnership with India's research and development community to identify and develop clean, sustainable energy solutions.

As of September 2006, Indian companies have invested \$49 million in Virginia. Virginia's state and local economic development agencies have assisted 24 Indian companies with the establishment of operations in Virginia. From 2002 to 2006, Virginia projects accounted for 5 percent of Indian foreign direct investment announced in the United States, 23 percent of announced employment, and 16 percent of announced investment. ■





VNDIA Visits the Norfolk Naval Shipyard

In its efforts to coordinate the Commonwealth's strategic activities to support Virginia-based military installations through the implementation of the 2005 federal Base Realignment and Closure (BRAC) action, a committee of the Virginia National Defense Industrial Authority (VNDIA) visited Norfolk Naval Shipyard recently and toured the U.S.S. George Washington (CVN 73).

The Committee visits Virginia's military installations to gather first-hand information regarding challenges and opportunities directly from installation commanders and civilian community leaders. The Committee has adopted an aggressive schedule of visiting 24 installations before the end of 2007, of which 15 visits have been completed.

U.S. Navy (USN) Captain Richard Berkley, Shipyard Commander, hosted the meeting and shared the Shipyard's history with the group. Norfolk Naval Shipyard encompasses 585 acres and employs more than 7,600 personnel, making the Shipyard the fourth largest employer in the Hampton Roads area, contributing more than \$600 million to the local economy every year.

The Shipyard was established by the British in 1767 and built ships until 1953. After that year its operations focused on the repair of USN and ally vessels. Shipyard personnel are qualified to work on any ship in the Navy but today they primarily perform repair work on carriers and submarines. The repair and maintenance of smaller surface ships is normally contracted out to one of the several private shipyards in the Hampton Roads region.

The Base Realignment and Closure process examines the reduction of cost and excess capacity within the Department of Defense (DoD), while maintaining a high defense readiness posture. Until recently there were 12 public shipyards—today there are four—with two being on the East Coast, one on the West Coast and one in Hawaii. With only four public yards, the USN is



VNDIA's Local Coordination, Support and Communication Committee, led by Lexington Mayor John Knapp (second from left, front), stands on the deck of the USS George Washington (CVN-73) during a tour and briefing of Norfolk Naval Shipyard.

concerned with retaining the necessary skills and capacity/capability without having to pay for expensive, excessive capacity at each yard.

The USN has solved this problem by adopting the "One Shipyard" concept that allows resources and infrastructure/personnel to be shared across all shipyards.

As this committee, led by Mayor John Knapp of Lexington, continues its tour of Virginia's military installations, information will be gathered in conjunction with other analysis to favorably position Virginia for today's DoD growth and tomorrow's BRAC. Other committee members include G. William Beale of Bowling Green, Admiral Robert Fountain of Montross, Alfred Jacocks of Virginia Beach and General Robert Newman, Virginia's Adjutant General. ■

Quarterly Calendar

DATE	CONTACT	EVENT
July 9-13	CR	New York/New Jersey/Connecticut Marketing Mission
Sept. 7-11	SC	Hardwood, Plywood & Veneer-Salt Lake City, UT
Sept. 10-14	CR	Upstate New York Marketing Mission
Sept. 16-19	SC	Data Center World Fall Conference-Dallas, TX
Sept. 17-21	SK	Trade Mission to Mexico
Sept. 24-Oct. 5	SK	Virginia Walkabout
Sept. 25-27	SC	MIT Emerging Technologies-Cambridge, MA
Sept. 25-27	SC	National Business Aviation Association-Atlanta, GA
Oct. 8-12	SK	Trade Mission to Germany & Poland
Oct. 17-18	SK	Virginia Conference on World Trade
Oct. 21-24	SC	Council of Supply Chain Management-Philadelphia, PA
Oct. 24-26	VB	Mid-Atlantic BIO-Bethesda, MD
Oct. 28-31	SC	7X24 Exchange Fall Conference-Grapevine, TX
Oct. 29-Nov. 1	SC	Society for Advancement of Materials Processing Engineering-Cincinnati, OH
Oct. 29-Nov. 2	SK	Trade Mission to Canada
Oct. 30-Nov. 2	SC	Automotive Aftermarket Product Expo-Las Vegas, NV
	VB	Vince Barnett, VEDP (804) 545-5815
	CR	Chuck Rogers, VEDP (804) 545-5808
	SK	Scott Kennedy, VEDP (804) 545-5754
	SC	Suzanne Chvala, VEDP (804) 545-5700

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CQ DID YOU KNOW?

Carilion is Largest Roanoke Employer

Carilion is the largest employer west of Richmond, employing more than 10,000 workers in hospitals, physician offices and non-clinical departments across much of western Virginia. In response to rising healthcare costs, Carilion is working to streamline its operations and help patients navigate the healthcare system better by becoming a multi-specialty clinic likened to the Mayo Clinic.

Carilion's five-year plan involves a 200,000-square-foot clinic south of downtown Roanoke, recruitment of more physicians and specialists, a new patient records system and a partnership with Virginia Tech to create a clinical research institute and a private research oriented medical school. Construction on the medical school and research building will begin in early 2008 with the school welcoming its inaugural class in 2009 or 2010. ■

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FINDING BETTER WAYS