

VIRGINIA



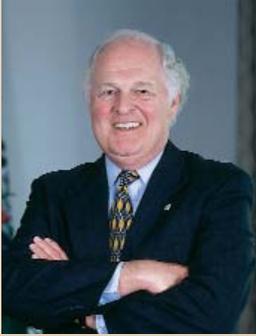
# Commerce Quarterly

A Publication of the Virginia Economic Development Partnership  
Summer 2005, Vol. 10, Issue 3



*Mark, it's been a great ride.*

Kilduff Retires



The last quarter has been a productive one, which is reflected in this issue of Commerce Quarterly. Hot Deals from Pulaski to Prince George County are detailed in the following pages. Many of the announcements during this quarter were of international companies, including James Hardie's decision to locate in Pulaski, Narricot Industries' expansion of its Mecklenburg County and Southampton County facilities, and three projects that were announced during Governor Warner's mission trips to Japan and India: Essel Propack, Sterling Gelatin and Koyo Steering Systems.

Also celebrated was the announcement of Philip Morris USA's plans to build a \$300 million research and technology center in the City of Richmond, solidifying Philip Morris' presence in Virginia. The center, which will be located in the Virginia Biotechnology Research Park, will draw scientists, researchers and technicians from the region and from around the world.

I'm happy to report that Virtual Virginia continues to move forward. The new and improved *VirginiaScan*, part of our revised [www.YesVirginia.org](http://www.YesVirginia.org) Web site, is now online. While retaining its extensive building and site search capabilities, *VirginiaScan* now enables a client to conduct a search using Virginia workforce statistics, business location data and a host of other information. And it's getting national attention.

As I mentioned earlier, the Governor's mission trip to Japan and India was a success that generated several announcements. New doors were opened by the Governor and a few doors were opened wider by companies during our week in Japan. While we expected a bubbling economy to provide great opportunities in India, we were surprised at the level of investment potential. International Trade brought a dozen companies along that participated in about 80 appointments. Lynchburg-based American Hofmann won a \$350,000 contract with Indian Airlines to provide precision dynamic balancing equipment for the domestic carrier in India. Essel Propack announced a \$15 million investment to expand its Danville facility. Governor Warner is the first governor to visit India in three years, visibility that paid immediate dividends, and he also is the first Virginia governor ever to lead a delegation to India where we share a common democracy, a common language and a broad understanding of business.

Other significant news discussed in more detail in this issue is the Department of Defense recommendations for the Base Realignment and Closure (BRAC) process. Several large bullets were dodged and a lot of positives came out of the announcement for many areas of the Commonwealth. However, two areas of Virginia will be significantly impacted; Hampton Roads, with the proposed closure of Fort Monroe, and Northern Virginia as it faces a shift of nearly 23,000 military and civilian jobs from leased office space. These regions will require attention from public and private sector leaders at the local, regional and state levels. The first meeting of our Federal Workspace and Contractors Task Force was held in May; allies interested in this sector are invited to join in on future discussions.

As always, we will work together with our allies to bring business opportunities to Virginia and provide support to those localities in need of assistance. Please contact us if we can provide assistance to your community.

Sincerely



Mark R. Kilduff

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## Mark, It's Been a Great Ride

From Industrial Development Economist to VEDP Executive Director, Mark Kilduff has served the Commonwealth's economic development efforts for more than a third of a century. Over the years he has made a difference in Virginia's communities and touched the lives of those he came in contact with. The following are just a few of the many memories Mark Kilduff leaves behind.

"I have learned an incredible amount from him over the years about Virginia and about the economic development process. It's not completely out of the question, however, that from time to time I have been helpful to him as well. One such moment occurred nearly 25 years ago when the then Secretary of Commerce and Natural Resources (yes, it was all the same person and she was capable of a couple more jobs to boot) was ready to fire the Squire of New Kent County, as some of us affectionately referred to Mark. The Squire, at the time the acting director of the Division of Industrial Development, had had the audacity to tell the Business Editor of the Richmond Times Dispatch that indeed it probably was not a good idea from an economic development standpoint to raise the corporate income tax in our beloved Commonwealth. The Secretary (and ostensibly her Governor) was of a mind to keep all options on the table, thus taking exception to Mr. Kilduff's public assertion. She was quite ready to bounce him. I was inspired to give her a call one Sunday morning, calmed her down and preserved Mr. K's scalp, if not his interim position. Just think, in all these intervening years he might have been toiling for North Carolina or even Tennessee. Whew!"

**Hugh D. Keogh**  
President & CEO  
The Virginia Chamber of Commerce

"At least once -during a holiday luncheon several years ago - a comedian was our entertainment. As part of the program the comedian dressed Mark in Santa Clause attire. Following that experience, Mark swore that he would never again "dress up" for us! I am going to miss Mark's good sense of humor and sound economic development and political advice. I wish him all the best!"

**Jones Hooks**  
President/CEO, Hampton Roads Economic Development Alliance

"Not all of Mark's mentoring took place in the quiet confines of the Executive Suite. Before its current popularity among the younger crowd, a few "old hands" frequented a watering hole now known as 'Legends.' We would gather in a space not much larger than Mark's office and review the week's events with remarkable clarity. With cigars fully engaged, we were known to drive the wait staff out into the winter's cold - literally. But friendships were cemented time and again through hard work, quality performance and Brown Ale. Here's to you Mark!"

**Dave Dickson**  
VEDP Executive Director, Virginia Commission on Military Bases



(continued on page 18)

# Philip Morris to Conduct Research in Richmond

Political, business and civic leaders, media and community supporters packed the atrium of Virginia Biotechnology Research Park in April to hear officially the good news that for days was only speculation.

Eliciting thunderous applause, Governor Warner announced that Philip Morris USA will invest about \$300 million to open a research and technology center in downtown Richmond. The project, which will create 500 new jobs that include scientists, lab technicians and lab support, will allow the company to develop new technologies to improve its current products and may lead to innovative new products.

Governor Warner was joined by Congressman Eric Cantor, Richmond Mayor L. Douglas Wilder, Virginia Commonwealth University President Dr. Eugene Trani, and Robert T. Skunda, President and CEO of the Biotech Park to celebrate the long awaited announcement.

“The location of this industry giant’s research and technology center in Richmond boosts the economic profile of our capital city, and earns Richmond a place on the map as a leader in the research community,” said Governor Warner. “We’ve been working on this deal for more than a year, and I’m proud it is finally reality today.”

Philip Morris USA, which moved its headquarters from New York City to Henrico County in 2003, was founded in New York City in 1902 as a small tobacco company. Today the company is the leading cigarette manufacturer in the United States. Over the past decade, Philip Morris USA has dedicated significant resources toward scientific research, new product development and commercialization, which might help address the harm caused by smoking.

The new research and technology center, projected to open in 2007, will nearly double the size of the 575,000-square-foot Biotech Park and increase employment there by nearly 40 percent to 1,800. ■



(Right to left) Governor Warner and Robert T. Skunda, President and CEO of the Biotech Park, listen as VCU President Eugene Trani shares the history of the Research and Technology Center project.

## Modeling and Simulation Center Makes Home in Hampton Roads

It's a Mecca for the creative mind – and it's located in northern Suffolk.

Surrounded by technology one would associate with Star Trek, a lighthouse erected in the center of the building and a scud missile parked out front, Governor Warner joined more than 100 guests, including Senator John Warner and Admiral Ed Giambastiani, Commander of the U. S. Joint Forces Command, April 11 to celebrate the opening of Lockheed Martin's Center for Innovation.

The Center, originally announced in October 2003, is a \$30 million investment that will create 50 modeling and simulation jobs in Hampton Roads. Inside the hexagonal-shaped building, Lockheed Martin will use state-of-the-art technology to assist the military and homeland security agencies with the collection of intelligence. The company's experts also will collaborate on products and conduct testing for clients.

"With modeling and simulation soldiers can learn new skills to keep them safer, doctor's can practice and advance new medical procedures without risking harm



Governor Warner discusses future possibilities with staff of Lockheed Martin's Center for Innovation during a tour of the facility.

to a patient, and first responders can experience realism in preparing for extraordinary events, like Anthrax attacks," Governor Warner told the group. "Modeling and simulation can reduce risk while improving knowledge and saving lives."

During the open house celebration, Governor Warner announced the Virginia Modeling and Simulation Initiative (VIM-SIM) to encourage the development of a modeling and simulation business cluster in Hampton Roads through a joint state,

local and regional effort. The initiative includes the creation of an Institute for Homeland Security and Crisis Management with Old Dominion University and private contractors and expansion of modeling and simulation workforce development and recruitment.

"Like the military, we are transforming Virginia's economy to match the needs of the 21st Century," said Governor Warner. "VIMSIM will help us do that, and at the same time, help support our nation's essential defense needs." ■

## Interbake Foods Cooking in Warren County

Heads up to all Warren County residents with a sweet tooth-Interbake Foods is headed your way. In March, Governor Warner announced that the company will open a new cookie and cracker manufacturing center creating 381 jobs through a \$40.2 million investment. Although Interbake's Richmond site could not be expanded to accommodate the company's future production requirements and will be closed, keeping the company in Virginia is a net win for the Commonwealth.

Interbake Foods' headquarters will remain in the Richmond area. The company is a wholly-owned division of Toronto-based George Weston Limited and employs more than 2,500 people in nine different locations. ■



## Combined Resources Rear Jobs for Russell County

When you put money and know-how together with the desire to bring positive change to a rural community like Lebanon, you get Designer Wood Tile & Finishing Inc., which announced a \$4.2 million investment to open a pre-finished hardwood flooring business in Russell County's former Acme grocery store. Governor Warner visited the community in March to announce the project and 155 new jobs it will provide for Southwest Virginians.

The company is jointly owned by executives of two existing Russell County-based companies, Clinch Mountain Hardwood Flooring and Leonard Companies. ■



Governor Warner presented DWT President Luther Boyd (left) and Chairman David Leonard (right) with a Virginia flag following their March 24 announcement in Lebanon.

## Tecton Products Opens Plant in Roanoke County

A spin-off from Marvin Windows' 2003 announcement, Tecton Products LLC, a manufacturer of composite products, will invest \$6.5 million to open a facility in Roanoke County's Center for Research and Technology. The project will initially create 58 new jobs that include machine operators, engineers and technical associates. Headquartered in Fargo, N.D., Tecton Products began in 1990 as a partnership to work with Marvin Windows and Doors to develop a high performance window and door product line using pultrusions for the framing components. Today, Marvin Windows and Doors is Tecton's largest customer, who recently located a new production facility in Roanoke County. The region was the obvious choice for Tecton Products' first Virginia plant as it positions the company in its target market. ■



## Henry County Scores Expansion

Pulaski Furniture Corporation's Ridgeway Furniture Company, a long-time Henry County manufacturer, will invest \$6 million to add a curio cabinet division to its

facility. The Ridgeway Clock Company was acquired by Howard Miller in November 2004. Ridgeway, the oldest continuously produced grandfather clock brand in the United States, began exclusively producing grandfather clocks in 1960. The Henry County facility will continue production, retaining 109 positions, and will add production of Howard Miller's curio cabinet division to the facility, adding 25 new positions. ■



Va. Secretary of Commerce and Trade Michael Schewel participated in a ribbon-cutting event May 5 to celebrate the opening of MGC Advanced Polymers in Chesterfield County. The project announcement was made in July 2002 in Tokyo, Japan. MX-Nylon, a plastic used in auto parts and food packaging, is produced at the Chesterfield facility.

## Mecklenburg County Receives Special Delivery

Home Care Delivered, Inc. is delivering more than its name implies.

In addition to home health care products, the company will deliver a \$1.1 million investment and 147 new jobs to Mecklenburg County. The facility will be located in Virginia Lakeside Commerce Park, a joint endeavor by the Clarkesville Economic Development Authority, Chase City Industrial Development Authority and Mecklenburg County Industrial Development Authority. Winning the project also retains 50 positions at the company's Henrico County corporate headquarters.

Founded in 1996, Home Care Delivered is a direct to consumer medical supply company committed to helping people who are treating their medical conditions at home get the best medical supplies and quality service available. ■



Secretary Schewel presented Home Care Delivered President Gordy Fox with a Virginia flag during the company's announcement event.

## TWM Cabling Solutions Lands in Danville

TWM Cabling Solutions marks another success for Danville. The company will invest \$1.6 million and create 50 new jobs for the region. Headquartered in Providence, N.C., TWM Cabling Solutions is a contract manufacturing specialist for wire and cable assemblies. The company manages the raw material supply chain, builds and tests the products, and ships to end-users in North America, Europe and Asia. ■

## Narricot Expands in Southampton and Mecklenburg

Governor Warner delivered good news for Southside when he announced Narricot Industries' \$20 million investment to expand its Southampton County facility and ramp up its facility in Mecklenburg County. The project, a result of the Governor's European trade mission in the summer of 2004, will bring 138 new jobs to the region. Established in Philadelphia in 1898, Narricot Industries is a leading manufacturer of side impact airbags and polyester and nylon webbing products for the automotive and defense industries. ■

## KCG Call Centers Phones Home in Lee County

KCG Call Centers, LLC, a wholly-owned subsidiary of Kavanaugh Consulting Group, will invest \$1 million to open a customer service center in Lee County. Kavanaugh Consulting Group is an independent consulting firm specializing in call centers, telecommunications technology, Customer Relationship Management (CRM) and customer service endeavors. The project will create 100 new jobs for the region. Headquartered in Weston, Florida, KCG Call Centers is a full service independent consulting firm in the CRM, call center and customer service arena. ■



(From left) Washington County Assistant Administrator Christy Parker; Virginia's aCorridor Executive Director Andy Hall; Senator William Wampler; Strongwell-Highlands Division President Spike Tickle; Washington County IDA Chairman Russell Owens; VEDP Executive Director Mark Kilduff; and VEDP Board Chairman Tom Fowlkes celebrated fiber reinforced plastics and polymer concrete manufacturer Strongwell Corporation's \$4 million expansion in Washington County. The project will create 65 jobs.

## Cost-Plus Expansion Complete in Isle of Wight County

Cost Plus' ribbon-cutting on March 30, 2005 was a great succession to the 2004 announcement that Cost Plus planned to double the size of its distribution facility at the Shirley T. Holland Commerce Park in Isle of Wight County. Through an investment of more than \$24 million, the company added an additional 500,000 square feet and created 190 new jobs. Virginia Deputy Secretary of Commerce & Trade John Sternlicht was on hand to celebrate the boost in Isle of Wight County's economy and job base. ■



Virginia Deputy Secretary of Commerce & Trade John Sternlicht presents a Virginia Company Share of Stock to Murray Dashe, Chairman, President and CEO for Cost Plus World Market Inc.

## Service Center Metals Triples Investment in Prince George

With the help of public/private cooperation in the Commonwealth, in just seven short months Service Center Metals went from start-up to profitability. Three years later the company announced an expansion in Prince George County. Through a \$28 million investment Service Center Metals will expand and upgrade its facility, creating 32 new production jobs. Founded in 2002, Service Center Metals, an aluminum extrusion plant, produces aluminum rods, bars, shapes and tubing, all of which are shipped to metal service centers across the United States. ■



**SERVICE CENTER METALS**

## Lindab USA Moves Headquarters to Portsmouth

Lindab USA, an international group that develops, manufactures and markets sheet metal products and system solutions, will invest \$6 million to relocate its corporate headquarters from Connecticut to its existing manufacturing facility in Portsmouth. The expansion will add 57 new jobs over three years to the current workforce of 115.

With more than 45 years of experience in the development, manufacturing and marketing of sheet metal products, Lindab has become one of the leading international players in the construction and HVAC industries with representation in 26 countries and employing 3,700. ■

## King George County 'Steels' the Show with Gerdau Ameristeel

One of the largest producers of reinforcing steel in the United States, Gerdau Ameristeel, recently announced plans to relocate its Baltimore, Maryland manufacturing plant to King George County. A \$5 million investment will create 50 new jobs for the region. The company has the capacity to manufacture more than 8.4 million tons of mill-finished steel products annually and operates 15 electric steel mills in North America. ■

## Virginia-born Peebles Shopped Around and Chose Mecklenburg County

Governor Warner's announcement that Stage Stores, Inc. plans to invest \$6.5 million to expand and upgrade its Peebles Department Stores headquarters building and distribution center did not go uncelebrated. The company's investment will keep 244 jobs in Mecklenburg County and create 107 additional jobs once the expansion is complete. Virginia successfully competed against two other states for the project. Peebles opened its first store more than 100 years ago in Virginia. ■



## BAE Puts Technology to Work in Fairfax

BAE Systems has found its security cleared in Fairfax County to invest \$25 million and create 700 new jobs to establish a new information technology work center. The new center, which will support the company's expanding federal IT business, will join the company's 30 facilities currently operating in Virginia.

BAE Systems designs, develops, integrates, manufactures and supports a wide range of advanced aerospace products and intelligent electronic systems for government and commercial customers. The company has become a top supplier to U.S. intelligence and defense agencies using highly innovative and leading edge solutions across the defense electronics, systems, information technology and services arenas. BAE Systems Information Technology, the business unit fielding the new information technology work center, is one of the largest federal sector information technology providers and addresses evolving U.S. national security priorities in support of the Department of Defense, Military Services and Homeland Defense. ■

## Duty Calls-Pearson Government Solutions to Open in Chesterfield

800 new jobs was the news of the day when Governor Warner announced Pearson Government Solutions' plans to open a government services call center in Chesterfield County. The facility will provide support for the 1-800 Medicare Helpline. Pearson will hire between 220 and 250 people in the short-term, adding others during the course of the year during peak times. The company anticipates at its busiest time it will employ 800 people at its facility.

Headquartered in Arlington, Va., Pearson Government Solutions serves the federal government market, delivering solutions that support public sector entities in their delivery of information, benefits, and services to their constituents. ■

## Jobs Building in Pulaski

They are building it – and they have come to the Town of Pulaski.

James Hardie, an international manufacturer of fiber-cement siding used in the construction industry, will invest \$98 million to open its first Virginia plant in Pulaski. The project will create 200 new jobs.

James Hardie operates in markets around the world, with manufacturing operations in the U.S., Australia, New Zealand, the Philippines and Chile. The predecessor of the modern company was established more than 100 years ago in Australia and recently incorporated in the Netherlands, with its largest operations in the United States. It is the only manufacturer that maintains a research and development center devoted solely to fiber cement technology for siding, backerboard and pipe. ■

# ON A MISSION

Promoting Virginia was the purpose that prompted Governor Warner to lead an international trade mission to Japan and India in April. The visit to Japan involved a series of confidential recruitment meetings.

Then, on April 24, the Governor participated in the first trade mission by a Virginia governor to India, leading the largest state delegation from the United States to visit India. Governor Warner also was the first U.S. governor to visit the country in more than three years.

Joining him on the journey was Secretary of Commerce and Trade Michael Schewel, members of the VEDP staff and leaders of Virginia companies. In New Delhi, Bangalore, and Mumbai (Bombay), the group met with key Indian business executives and government leaders, and three of the Virginia companies were able to generate immediate sales with Indian businesses.

Announcements made during the trip included one in Japan of a \$36 million expansion of Koyo Steering Systems' facility in Botetourt County, which will create 96 jobs; a \$2.5 million investment by India's Sterling Gelatin to build a distribution facility in Prince George County that will create 20 jobs; and a \$15 million expansion of Essel Propack, an India-based company, to supply laminated tubes and caps to Procter & Gamble and other toothpaste and cosmetic product companies from its Danville manufacturing facility.

India has the world's fourth largest economy and the world's largest democracy with more than a billion people. The United States is India's top trading partner with total two-way trade valued at \$14 billion. In Virginia, exports to India are rising dramatically. From January 2004 to November 2004, Virginia exports to India increased 135% over the same period in 2003. Total Virginia exports to India in 2003 were valued at nearly \$45 million.

The trip was Governor Warner's fourth international trade mission. The Governor has previously conducted missions to Europe, Mexico and China. ■







## Virginia Regions Receive Five Stars

The May 2005 issue of *Expansion Management* magazine designated several Virginia communities as a “Five-Star Knowledge Worker Metro” based upon the strength of the community’s college-educated work force and its attractiveness to companies seeking a highly technical work force. The Virginia metropolitan statistical areas that made the

list included Charlottesville, Blacksburg-

Christiansburg-Radford, Richmond and Washington-Arlington-

Alexandria. The “Five Star” designation was awarded to the top 20 percent of all metropolitan statistical areas in the United States in the magazine’s 3rd annual Knowledge Worker Quotient™ ranking of 362 metropolitan statistical areas throughout the country. ■

## Where the Action Is

Two Virginia metropolitan statistical areas – Northern Virginia and Norfolk-Virginia Beach-Newport News– landed among the top 20 localities on *Inc.* magazine’s “Where the Action is: Best Places 2005” ranking. To compile the ranking, *Inc.* measured job growth and balance of growth over a range of industry sectors. Growth factors accounted for two-thirds of a city’s final score; balance of growth among sectors accounted for the remainder. Northern Virginia ranked 11th and Norfolk-Virginia Beach-Newport News ranked 13 on the top 20 list. The complete list can be found in the May 2005 issue. ■

## Virginia: Best Place for Business

According to a May *Forbes* special report titled “Best Places for Businesses and Careers,” Virginia and Texas were the frontrunner locations with highly educated workforces and low business costs.

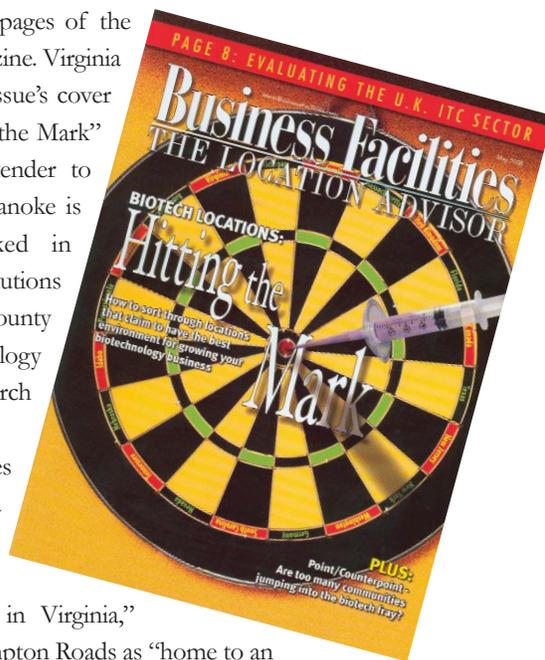
Virginia metro areas that made the list included Washington D.C.-Northern Virginia, with a 4th place ranking; Norfolk at 8th place; and Richmond took 14th.

The report is an annual ranking of 150 of the biggest metros. Besides Texas, no other state placed more than one area on the top 20 list. ■

## Virginia Home to Hi-Tech

Virginia pops up throughout the pages of the May issue of *Business Facilities* magazine. Virginia localities hit the bull’s eye in the issue’s cover story “Biotech Locations: Hitting the Mark” with Richmond listed as a contender to become a biotechnology hub. Roanoke is highlighted as nationally ranked in research, with such research institutions as Virginia Tech, the Roanoke County Center for Research and Technology and the Riverside Centre for Research and Technology.

Flip the pages a few more times to find Governor Warner’s Virginia Modeling and Simulation (VIM-SIM) Initiative in the headlines of “New Tech Cluster Established in Virginia,” which highlights the initiative, Hampton Roads as “home to an emerging and very promising modeling and simulation industry,” and announcements for SAIC and Tecton Products. The article also introduces the new and improved *VirginiaScan* database. ■



# Media Tour Demonstrates Statewide Impact of Logistics Sector

Cargo, sorting systems and the Panama Canal were a common thread among questions that reporters from Gestion & Logistique and Inbound Logistics magazines asked after descending on Virginia in May to participate on VEDP's Virginia Distribution and Logistics Media Tour.

The three-day tour, which encompassed Norfolk, Portsmouth and the Southside and Southwest regions of the Commonwealth, provided the reporters a glimpse of the Commonwealth's diversity and the impact that distribution and logistics has had across Virginia.

Tour participants were granted a behind-the-scenes look at the distribution operations of the Virginia Port Authority and Norfolk International Terminal, Hudd Distribution Services in Chesapeake, Nautilus in Independence, Nautica in Martinsville, eToys Direct in Blairs, and Dollar General in South Boston. The group also took a boat tour of the Port, future Craney Island site and Maersk site, and enjoyed several speeding laps around the track at Martinsville Speedway.

"The trip was a great learning experience and from a purely editorial perspective it was right on target," said Joe O'Reilly, reporter for Inbound Logistics. "This is the most number of customers I have met on a single press trip and that helps out a lot in identifying Virginia's value proposition as a place to do business." ■



# McClenny Listens, Learns to Develop Business in VA

Judy McClenny enjoys the creative process. She’s fascinated by how products are made, and enjoys tours of manufacturing facilities. A visit to a shoe factory gave her a greater appreciation for shoes. She learned that it takes 75 different processes to make one pair.

“We don’t think about how simple things are made...we don’t think about all of the steps, the number of people who have to touch something to make it,” she said.

McClenny has brought creative process to her role as a project manager. With a background in teaching, she has developed a “find a solution” perspective. And her attention to detail helps bring forward options that may bring a “decision for Virginia” outcome.

“I’ve learned that in economic development you need to be willing to see alternatives and keep pushing to find a solution that meets the needs of all parties,” she said. “Some things take more time to accomplish.”

The Windsor Mill project in Surry County comes to mind. McClenny answered a company cold call as an associate project manager. Twelve months and a promotion later, McClenny helped Surry County win its first major announcement in 30 years. Windsor Mill went into a 6-year-old shell building that had never been occupied. The project brought 70 jobs and a \$6 million investment to the community.

Liz Povar, Director of Business Development at VEDP, said McClenny’s professionalism and listening skills give her a knack for uncovering the real issues that drive a prospect’s decision.

“She is a thorough manager who maintains great communications with her clients,” Povar said.

McClenny, a Richmond native, has spent the majority of her life in the capital city. Her home-grown dedication to the Commonwealth and unique education background give McClenny an edge, the project manager believes, but “we all bring something different to the table.”

Her teaching talents resurface, often during training missions. She views the trips as a great way to “teach new members of the VEDP staff how to best sell Virginia to a company interested in relocating or expanding.” ■



When Judy is not showing Virginia to prospects, she can be found practicing her golf swing.

## Distribution Task Force Educates Developers

Twice a year Project Manager Warren Hammer and Team Leader for VEDP Business Development Transportation and Equipment Team Mike Lehmkuhler gather task force members and interested allies for a program focusing on growing and recruiting distribution businesses.

Nearly 70 participants gathered April 13 at the spring meeting at the Virginia Economic Development Partnership. Presentations included facts on the increase in world trade and why Virginia is key in this growth as well as overall trends in the distribution industry. An overview of Virginia exports and past, present and future comparisons of construction costs were also among items on the agenda.

The Distribution Task Force Meeting is a way to learn useful, first-hand information about the industry. Anyone interested in economic development in the distribution industry is encouraged to attend task force meetings. For more information e-mail Warren Hammer at [whammer@yesvirginia.org](mailto:whammer@yesvirginia.org). ■



The Eastern Shore of Virginia Economic Development Commission hosted a community visit by VEDP’s newest managers at Cape Charles.

## VEDP and Allies Unite to Close More Deals

The University of Richmond was the setting June 2 for the spring VEDP/Ally Meeting. State and local officials were out in full force to celebrate Virginia's successes and collaborate on potential issues and areas in need of improvement. VEDP Executive Director Mark Kilduff summarized the strategy of the meeting.

"Communities and regions within the state are being examined at all times by outsiders without us even knowing it," Kilduff said. "Virginia has intrinsic values that help close the deal but if we are to continue to be successful, working together as state and local officials is key."

The meeting focused on ways that VEDP and allies can better influence prospects considering locating their companies in Virginia. Thinking globally will continue to improve the flow and retention of prospects looking at the Commonwealth, Kilduff said. The goal was accomplished by breaking into three groups facilitated by Bill Stafford of King William County, Greg Kelly of H&M Company, Inc. and Preston Wilhelm of the Virginia Department of Business Assistance. Each group discussed effective marketing strategy, ways to improve interaction with prospects and the use of incentives.

After productive breakouts, everyone re-gathered to enjoy boxed lunches, courtesy of Verizon, and a spokesman from each group reported ideas and observations from the breakout sessions. VEDP will take this information, analyze and focus on what areas can be impacted and report back.

"Hearing each other throughout state, local and regional levels will give us a good idea of what our issues are and how we can approach these challenges," Kilduff said. "The communication that went on today is going to make us a much better organization. We will respond to issues that came up and see where we can go together." ■



Greg Kelly leads a discussion during the break-out sessions at the Allies meeting.

## Meet VEDP'S New Employees



Justin White joins VEDP's Research Division as its new associate economist. Justin studied for a year at the University of Sunderland in northeast England and stayed following his studies to conduct research on the effects of the Euro on the United Kingdom economy for the Northern Development Corporation.

Justin received a Bachelor of Science degree in economics from Virginia Commonwealth University in 2000 and worked for the Department of Motor Vehicles as an economist. He also interned with the Virginia Employment Commission in both its Labor Market Information and Research departments. Justin is approaching the finish line in the master's program at VCU where he will receive a master's degree in economics. ■



Mario Camardella joined the Division of International Trade in May as an International Marketing Specialist. In his new role, Mario will help Virginia companies overcome hurdles associated with exporting by providing research and advice on trade regulations, documentation and choosing which markets to enter.

The West Palm Beach, Fla. native moved to Richmond in 1997. He spent four years in the Army; two of those years in Germany. Before joining VEDP, Mario worked for two steamship companies and two trucking companies. He graduated from Florida Atlantic University and earned a MBA from VCU in 2003. He speaks Italian and Spanish. ■

## American Hofmann Takes Flight in India

American Hofmann Corporation, a Lynchburg-based manufacturer of balancing machines and systems, struck a \$350,000 deal with Indian Airlines to provide precision dynamic balancing equipment for the government-owned domestic carrier in India. The company joined Governor Warner on his April trade mission to India where the deal was made. A celebratory signing of the sales agreement at a meeting of the two companies was held at the Hyatt Regency in New Delhi.

American Hofmann Corporation is a global leader in custom manufactured industrial precision dynamic balancing machines and systems. The company, founded in the early 1930s, has the engineering capabilities to develop custom solutions for any dynamic balancing needs. In 1974, the American Hofmann Corporation moved its production and sales facilities from New Jersey to Lynchburg, which is now its corporate and manufacturing headquarters. By the 1980s, American Hofmann was the leading manufacturer of balancing machines in the U.S. ■



Stephen Norris, President of American Hofmann Corporation, discusses business with a potential customer in India.

## Sharing Experience with Students

More than 60 business leaders from Virginia met in Shanghai May 25 for an afternoon of interactive discussion about the opportunities, challenges and strategies for success in developing business in China.

The afternoon program featured insightful comments shared by the seven delegates of the VEDP Trade Mission to China as well as VEDP International Trade Managers Tom Garnett and Hailey Fong. The appreciative audience for these savvy business insights was the cohort of 50 Executive MBA students of the College of William and Mary Executive MBA Program (Class of 2005). The College of William & Mary Executive MBA Program hosted the panel discussion and reception at the Shanghai Hilton as part of a two-week international residency component of the graduate business degree program.

Trade mission delegates included Orlando Viera of Givens, Inc.; Boli Emch of MicroAire Surgical Instruments; James Adair of Power Systems & Controls; Chris Miller of Star Scientific, Inc.; Michael Kelley of ToXcel; Vikram Kochar of Universal Metals; and Carl Grant of VTLS, Inc. ■



(Right to left) VEDP Deputy Director Gary McLaren presented Julie Kim with an award recognizing five years of service with VEDP. Julie works in VEDP's Seoul, Korea office.

## Exports at an All-Time High

U.S. exports have climbed to an all-time high. The trade improvement was the fourth straight monthly record for U.S. export sales. Virginia's exports have also grown and in 2004 returned to a pre-recession figure of \$16.4 billion which includes \$11.6 billion in goods and an estimated \$4.8 billion in services. ■

## Sold Out!

This spring, the International Trade Division saw a marked rise in event participation. Trade Missions to Japan, Korea, India, China, Poland and the Czech Republic were all sold out. In addition, the Paris Air Show and Caribbean Hotel Industry Conference were sold out. In total, 47 Virginia companies are traveling with International Trade all over the world in search of sales. A possible factor behind the increase is the continuing weak dollar, making exporting more attractive now than it has been in years. More and more foreign companies are looking to the U.S. for products and services giving U.S. companies a definite advantage. ■

# BRAC Recommendations Released

The Department of Defense (DoD) released its recommendations May 13 for the Base Realignment and Closure (BRAC) process.

While the DoD recommendations include a proposal to close Fort Monroe in Hampton, it also would move about 12,000 military and civilian positions to Fort Belvoir in Fairfax County, making it the largest single proposed gain for a military installation in the country in this process. Fort Lee also saw a proposed gain of more than 7,300 jobs as part of the DoD recommendations.

The recommendations are now under review by the federal BRAC Commission, a nine-member commission appointed by President Bush. While unlikely, the Commission can change the list. Adding a military installation to the list of recommended closures requires a super majority vote of seven members. Removing a base from the list of recommended closures requires only a simple majority vote by the commissioners.

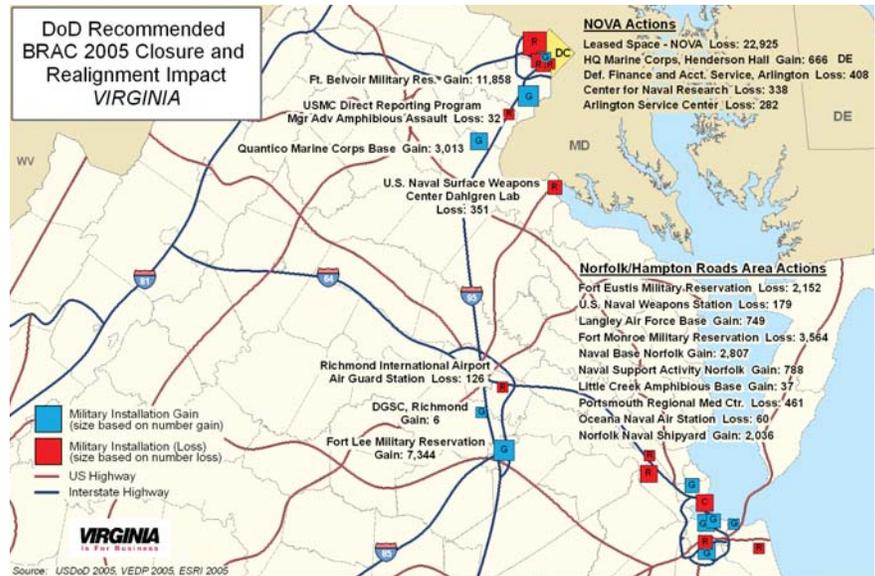
The BRAC Commission must deliver its recommendations to the President by September 8. By November 7, the President must submit a BRAC list to Congress or the matter dies. Forty-five legislative days later, the BRAC list of recommended closures and realignments becomes binding unless Congress enacts a joint resolution of disapproval.

“Overall, the Commonwealth appears to have fared reasonably well,” Governor Mark Warner announced during a May 13 press conference in Northern Virginia following the announcement. “This is a reflection of the strong efforts we have made with our local communities and members of our congressional delegation to make the case that Virginia has

been a strong, reliable partner to our nation’s military.”

The BRAC recommendations also include a proposal to shift nearly 23,000 military and civilian jobs from leased office space in Northern Virginia. While many of those jobs are part of operations that will move into Fort Belvoir, many will leave Virginia for placement on military bases in other states. Overall, the Commonwealth would see a net loss of 1,574 military and civilian jobs as a result of the BRAC recommendations.

In the previous 1995 BRAC round, the DoD recommendations included a net loss of 426 jobs as a result of military installation realignments and closure of Fort Pickett, which was later converted for use as the headquarters for the



Virginia National Guard.

With the announcement of its 2005 BRAC recommendations, the DoD makes available the data used to make the decisions for closure and realignment. Affected communities now have an opportunity to evaluate the data to insure that military communities have been considered fairly and accurately.

“We will continue to work with local officials to marshal the strongest possible arguments in an effort to influence this process as it moves forward,” said Governor Warner.

During June and July, the BRAC Commission will hold regional hearings throughout the country to provide means for communities to educate federal commissioners and their staffs on their disagreements with the DoD BRAC recommendations. To influence a proposed BRAC action, a community must prove that the DoD deviated from the BRAC selection criteria in making its recommendation for closure or realignment. ■

(continued from page 3)

"Most of my fond memories about Mark center on the "down" time we all have while traveling. During these times Mark and I would get together to walk the Ginza in Tokyo, shop in Seoul's infamous Itaewon market or stroll up Queen Street in Charleston to check out the latest selection of bow ties at Ben Silver. I have seen great works of art with "the Squire" and have had the good fortune of dining with Mark in unique dining establishments in such diverse places as the River Walk in San Antonio to an Italian establishment in Taipei. They all had one common denominator - a huge selection of local and international beer on draft or in the bottle! Mark, I will raise a glass in your honor during the next "down" time I have while sitting, jetlagged in a familiar haunt in Asia or Europe. Your company will be missed."

**Greg Wingfield**  
Executive Director,  
Greater Richmond Partnership

"I have known Mark Kilduff for more than 20 years as we have worked closely in formulating major economic development projects within our beloved Commonwealth. His professionalism and dedication to the economic growth of both localities and the state as a whole has been above reproach. He is a consummate professional and a good friend. As Mark goes into retirement, his legacy will be long remembered and measured as productive and successful. To my friend I say 'good luck, happy retirement (although I don't believe you will—I bet you will do something related economic development) and god speed.'"

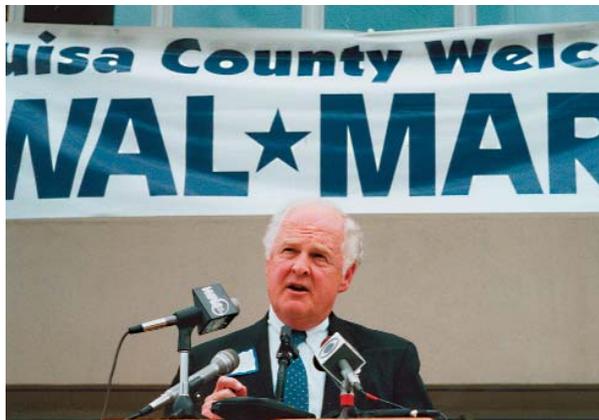
**Jerry L. Gwaltney**  
Danville City Manager

"After working with Mark for 21 years, it's hard to come up with just one memory that stands out. What I will miss the most is his hearty laugh and his ability to handle, in a calm manner, any situation at any time. It has been a privilege to work with Mark all these years, and I wish for him many years of enjoyment upon his retirement - he certainly deserves it.

**Kim Ellett**  
VEDP Senior Executive Assistant"

"One of my fondest memories of Mark was his advice and support in dealing with an intense issue in our region that involved taking dedicated industrial property and changing its use for commercial purposes. He provided tremendous leadership helping our regional economic development organization work through this very tense issue that was eventually resolved. Mark and I also have enjoyed many dinners at the Starving Artist Café over the years after Coalfield Authority board meetings. All of these visits to the Starving Artist have been enjoyable; one was especially noteworthy when Mark and Jim Robinson were thought to be my uncles and Jim's wife thought to be my wife by our hostess."

**Charles S. Yates**  
Executive Director, Virginia Coalfields  
Economic Development Authority



"My favorite Kilduff story is the event held at VEDP to commemorate Mark's 35-year service award. Mark is a very well-dressed man with excellent taste generally, but with a particular flair for ties (in fact, when we were recently in Japan with Governor Warner, the Governor asked Mark to pick out a tie for him because he trusted Mark's taste better than his own). Mark usually wears bow ties. So for his 35 year celebration, everyone in attendance wore a bow tie. I mean everyone - men and women. It was an extremely funny scene that reflected the assembled group's affection for Mark and for his signature gestures. As would be expected from a person with Mark's enthusiastic sense of humor, Mark burst into a loud laugh at the ridiculous sight of all those strange bow ties."

**Michael Schewel**  
Virginia Secretary of  
Commerce and Trade

"As far back as spring 1976 when I first began working with VEDP, Mark has been a character who has stuck in my memory. Mark was a tall, stout father-figure who ALWAYS wore a bow tie and thoroughly enjoyed his work, as well as his rapport with his staff. Everyone who ever worked with or for Mark has come to know his gentle heart, robust personality and genuine interest for the well-being of his staff and the job at hand. Throughout the turmoil of governorships, changing secretarial cabinet positions and agency directors, and three physical building changes with me, Mark has stood tall and conquered much for the good of the Commonwealth! His bowtie has become his icon and I will genuinely miss Mark's smile and greeting. Thank you Mark for a job well done; I am proud to have been a part of your team!"

**Carolyn L. Jewell**  
VEDP International Trade  
Events Staff Assistant

"Personally, I will recall Mark as one who continued to extend courtesy and friendship even when I was perhaps a little too vocal with criticism of department/partnership programs. All of Virginia's economic developers owe Mark Kilduff for his contributions to the profession and the Commonwealth. I value his friendship and wonder where I will turn for that sense of continuity he has provided throughout my own career."

**Lee Cobb**  
Executive Director, Region 2000  
Economic Development Partnership



## Quarterly Calendar

DATE	CONTACT	EVENT
July 11-15	CR	Ohio Marketing Mission
July 11-15	JB	Semicon West 2005 – San Francisco, CA
July 27-30	VB	Association of Woodworking & Furnishings Suppliers Fair – Las Vegas, NV
August 8-12	CR	Upstate New York Marketing Mission
Sept. 9-15	VB	Print '05 – Chicago, IL
Sept. 12-16	CR	New York/New Jersey Marketing Mission
Sept. 12 – 23	SK	Virginia Walkabout
Sept. 13 – 16	SK	DSEi 2005 (Defense Systems & Equipment International) – London
Sept. 15-18	JB	Natural Products Expo East – Washington, DC
Sept. 25-28	JB	American Teleservices Association Convention & Expo – San Diego, CA
Sept. 28-29	JB	MIT Emerging Technologies Conference – Cambridge, MA
	VB	Vince Barnett, VEDP (804) 371-8265
	JB	Jerry Broadway, VEDP (804) 371-8194
	SK	Scott Kennedy, VEDP (804) 371-0052
	CR	Chuck Rogers, VEDP (804) 371-8189

## Connecting Jobseekers and Potential Employers

Tell me about the workforce? What skills do workers have? What training programs are offered?

These questions regarding a community's workforce have become standard when a prospect is considering Virginia. In October 2004, Virginia launched the Career Readiness Certificate to help build a ready-made employment pool that provides employers and career seekers with the basic tools needed in the workplace.

"The Certificate can save many dollars and a great deal of time during the hiring process," said Governor Warner. "Hiring costs are high — but the cost of making a bad hire is even greater."

Certification is based on established WorkKeys® assessment tests, a comprehensive skills assessment tool that is recognized by companies nationwide as well as state and federal agencies.

To earn the certificate, individuals undergo testing related to reading, applied math, and locating information through the WorkKeys® skills assessment system. The certificate can be earned on three levels. Bronze level signifies that a recipient possesses skills for approximately 30 percent of the jobs profiled by WorkKeys®; silver level signifies that a recipient possesses skills for approximately 65 percent of jobs profiled by WorkKeys®; and gold level signifies that a recipient possesses skills for 85 percent of jobs profiled by WorkKeys® in the three areas.

The Career Readiness Certificate can be obtained by taking WorkKeys® assessments at any of Virginia's 23 community colleges or more than 40 one-stop career centers. Certificate recipients are entered in the Virginia Skills Bank, a free, Web-based application that can be queried by zip code, geographic region, college district, and in many other ways, to show the skill levels of the populace and available workforce. Virginia has partnered with the community college system to also build into the Virginia Skills Bank the capacity for the community college administrator to contact potential employees, once again providing a free service to employers.

For more information on the Career Readiness Certificate and the Virginia Skills Bank, please visit [www.crc.virginia.gov](http://www.crc.virginia.gov). ■



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**DID YOU KNOW?**

## VEDP Helps Allies Work the Web

VEDP recently launched the new and improved *VirginiaScan*, an innovative and interactive site-selection database located on VEDP's Web site, [YesVirginia.org](http://YesVirginia.org).

In addition to site and building specifications, *VirginiaScan* now enables a client to search for the ideal business location using Virginia workforce statistics, employee counts and salary information, business location data, read detailed profiles about Virginia's communities as well as a host of other information that is driving today's business site-selection process.

*VanillaScan* gives allies' clients access to all the benefits of *VirginiaScan*, while navigating the allies' Web site. In essence, it's our technology and your brand – for free.

The interactive tool integrates your community's data from VEDP's *VirginiaScan* – sites, buildings, workforce, business and quality-of-life information – into your existing Web site, while maintaining your Web site's brand, look and feel. VEDP hosts the tool and manages the operation for you. There is no software, hardware or technical expertise that you must purchase. For more information or to request a *VanillaScan* site, please contact Stan Harrison at (804) 371-2779 or email him at [sharrison@yesvirginia.org](mailto:sharrison@yesvirginia.org).

