

Virginia's Fortune Cookie: Prosperous Trade with China Ahead

Virginia's economy will benefit from Governor Warner's two-week trade mission to China – a mid-June expedition promoting Virginia's exports in Southeast Asia. In pitching the state, the Governor, along with more than 70 top corporate executives from Virginia, met with key government and business professionals in Beijing, Ningbo and Shanghai.

Governor Warner, the state's leading ambassador of all things Virginia, said the creation of an office in Shanghai by the Henrico County Economic

Development Authority is a "big step in helping Virginia localities pursue lucrative business opportunities in China's dynamic economy." He also heralded China's Evergreen Enterprises' acquisition of New Jersey-based Ashford Court, a division of Baron Industries, which operates a manufacturing facility in Richmond – a deal which created 25 and retained 80 jobs in the capital city.

China, Virginia's fifth largest export destination, is a growing source of revenue for the state. Exports from Virginia to China increased 40 percent in 2002 to \$369 million, a record sum eclipsed but a year later in 2003 with sales totaling \$444 million. Delegates from the trade mission said they agree this mission was an excellent opportunity to build on the growth momentum at the Port of Virginia. "China remains the single most important country in terms of increased port activity in Hampton Roads," said Virginia Secretary of Transportation Whittington W. Clement.

Highlights of the Governor's successful trip included receptions in Beijing and Shanghai, a Sister State Signing with Fujian Deputy Governor Wang Meixiang, and the announcement from Shanghai that the Port of Virginia's operating company, Virginia International Terminals, Inc., has reached a three-year contract with China Shipping Container Lines Co., Ltd.

"This new contract is a welcome addition to Virginia's expanding base of international trade, and will ensure the continued presence of China Shipping's rapidly



Above: Governor Warner (bottom right) announced the Evergreen (Ningbo) acquisition of Ashford Court.

Left: A tour group from Williamsburg, Va., stops to chat with Governor Warner (center) on the Bund of Shanghai.

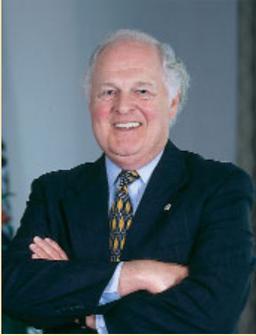
expanding vessel services calling at our world class Port through 2006," Governor Warner said.

Showing his penchant for marketing and promotion, many trade missions of this type have dotted Governor Warner's itinerary at regular intervals since the start of his administration. He's traveled to Mexico and Western Europe, and has led domestic missions to Philadelphia, New York,

cover story continued on page 15.



Governor Warner (fourth from left) participates in a ribbon-cutting ceremony for the new Henrico County office in Shanghai.



From the Director

I hope you are faring well despite the tumultuous weather we have been experiencing. Hopefully, brighter skies are in our future.

In addition to the many trade shows and events that normally fill our calendar, we were pleased that Governor Warner and Secretary Schewel hosted prospects in Southwest Virginia in late August. Read more about the many activities that centered around the popular NASCAR race at Bristol Motor Speedway on page three. At press

time, Governor Warner is leading a domestic marketing mission to the New York City area. We are again grateful to the Governor for seizing his role as Virginia's Chief Economic Development Officer.

I recently reported VEDP's fiscal year results to our board of directors. In fiscal year 2004, we announced \$3.3 billion in new capital investment and 25,195 jobs. As of September 15, 2004, we have announced \$356 million in investment and 2,470 jobs. Only two and a half months into the fiscal year, these numbers are steady.

Regarding project activity, we are seeing more positive signs after a mid-summer slowdown. Presently, the number of large job-creating projects (1,000+ jobs) has risen dramatically. These projects are mostly showing up in the homeland security and defense sectors. While activity is not consistently up, we are definitely seeing an upward trend.

On the business development front, we've taken steps to reinforce our lead generation activities. Each of our three marketing teams will now have a full-time Marketing Manager focused solely on outreach marketing activities (you'll hear more about this at the November Allies Meeting). Filling one position on the Transportation & Equipment Team is Steve Bridges, our new Motorsports Marketing Manager (read more about Steve in this edition of CQ); a second will be the new Marketing Manager for Virginia's Opportunity Regions (to be housed on the Industrial Team); and a third will be placed on the Sciences team. Our international office directors will participate in the November Allies meeting, providing a great opportunity for each of you to talk with them personally. We'll also be saying a formal but fun farewell to Ton Balsink from the Frankfurt office, who is retiring at the end of this year. Plan to join us!

In international trade, FY 2004 was a record-breaking year. Over 250 companies participated in our trade programs and events. Fifty Virginia companies traveled with staff on trade missions around the world, and another 50 engaged our six overseas trade offices for tailored business trips. Governor Warner led successful trade missions to Mexico and China.

Here at the Partnership, a very qualified team consisting of employees from all divisions is undertaking a major research project concerning what I like to refer as "the changing face of economic development." You will hear more about this innovative project as the months pass. I believe the results will help all of us better position Virginia and her communities to recruit business and remain leaders in our profession.

Mark your calendar for the next Allies Meeting scheduled for November 18 at Sweet Briar College in Virginia's Region 2000. Meeting information will be sent to you soon. Have a healthy and prosperous fall season.

Sincerely,

Mark R. Kilduff

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Sternlicht named Deputy Secretary of Commerce and Trade



Governor Warner named John B. Sternlicht Deputy Secretary of Commerce and Trade effective July 1, 2004. John also will retain his current position as General Counsel and Legislative Director of the VEDP, a position he has held since 1996.

In his position at VEDP, John served as Chief of Staff to Secretary Michael J. Schewel for Governor Warner's four-year economic development strategic plan, "One Virginia, One Future," and handled a variety of other issues and programs. In addition, John has been the lead coordinator for the legislative and regulatory efforts of the Commerce and Trade agencies for the past two years.

Governor Touts Southwest Virginia as Business Location

Governor Warner joined economic development allies from Southwest Virginia during the weekend of Aug. 27 to sell the region to business prospects. Fifteen corporate decision-makers and their guests joined Governor Warner, Virginia Secretary of Commerce and Trade Mike Schewel and Virginia Senator William Wampler at a welcome reception Friday evening at the Martha Washington Inn. Later, the group saw a play at Abingdon's historic Barter Theatre. On Saturday, guests heard from local company executives from Tempur Production in Scott County and Bristol Compressors in Washington County. The weekend wrapped up with Virginia hospitality at the Sharpie 500 Nextel Cup Race at Bristol Motor Speedway. The Virginia Coalfield Economic Development Authority, Virginia's aCorridor and VEDP jointly planned and executed the event. Major funding for the event was provided by the Virginia Tobacco Indemnification and Community Revitalization Commission.

The Governor's corporate guests enjoy the Wellmont Health System suite among thousands of race fans who gathered for the Sharpie 500 Nextel Cup Race at Bristol Motor Speedway.



Army Research Adds Dynamics to Prince William County

General Dynamics Land Systems has selected Prince William County as the location for its new high-technology engineering staff, providing 150 new full-time jobs with an average annual wage of \$64,000. The company will invest about \$2 million to upgrade the technical center.

General Dynamics, headquartered in Falls Church, Va., is establishing this organization to work on the U.S. Army's Future Combat Systems (FCS) program. FCS is the Army's flagship transformation program intended to use advanced communications and technologies to link soldiers with manned and unmanned ground and air platforms and sensors. To date, General Dynamics has been awarded about \$2.5 billion in contracts for FCS-related work.



General Dynamics will invest about \$2 million to upgrade this facility.

Microwave Circuits Heats Up Lynchburg Job Market

The City of Lynchburg entered the homeland security arena in May when Microwave Circuits, Inc., a manufacturer of components for communications equipment, decided to relocate its headquarters from Capitol Hill to the City of Seven Hills.

Through a \$2.1-million investment, the company created 200 new high-paying jobs for Lynchburg. Located in the Kemper Building in downtown Lynchburg, Microwave Circuits will manufacture its new patent-pending technology for use in homeland security and Department of Defense applications.

Microwave Circuits, Inc. is an industry-leading provider of high-performance RF and microwave communications filters, diplexers and duplexers. Founded in 1994, they have served the high quality commercial and defense filter markets for a decade.

"The high-tech corridor between Virginia Tech in Blacksburg and the four colleges in the Lynchburg area will support a highly technical base to fulfill our employment needs," said Jim D'Ostilio, President of Microwave Circuits.

Fairfax Fares Well with CAMCOM

Cam Communications, Inc. (CAMCOM), a minority-owned provider of telecommunications-related products and services, will expand its corporate headquarters in Fairfax County. Through a \$400,000 investment, the company will create 31 new jobs. Established in 1991, CAMCOM engineers, furnishes materials and installs central office telecommunications equipment, and provides voice and data management systems and networking solutions to Fortune 500 companies and government agencies.

Cam Communications CEO Carlos A. Munoz said, "With many local business relationships in place, the availability of public services and easy access to public transportation, it only made good business sense to expand where we were already established."

Ride-Away Corp. Stops and Goes for Virginia

Virginians will play a greater role in assisting people with disabilities thanks to the recent opening of two Ride-Away Corporation offices in Virginia.

Ride-Away Corp., which in June opened offices in South Richmond and the City of Norfolk, manufactures modified vehicles for disabled persons. With the openings, the company added a combined 45 new Virginia employees to its rosters – 20 in Richmond and 25 in Norfolk.

Mark Lore, President of Ride-Away, said the company chose Virginia because of its "positive attitude and energy for inviting new business into the area." Lore also said, "Ride-Away is a business that gives back to the community, so Norfolk, Richmond and Ride-Away will all benefit from this partnership."

As the Northeast's largest supplier of handicapped-modified vehicles, Ride-Away produces all levels of modifications from high-tech driving systems to complete customizing. The company also sells new and previously owned vehicles including a large selection of full-size and mini-vans.



Henry County Gains Star Power, 500 Jobs

In Henry County, \$5 million will get StarTek, Inc. a technical support and customer service center. The project will provide 500 new jobs to Southside Virginians over the next 30 months, which brings the total number of new jobs created in Martinsville and Henry County to 2,026 since 2002.

The Henry County facility is the company's second customer service center to be announced this year in Virginia. StarTek also operates a facility in Lynchburg

Governor Mark R. Warner made the announcement Aug. 9 to a shoulder-to-shoulder crowd that broke out in applause when the company vowed never to close a call center to move jobs offshore.

Founded in 1987 and based in Denver, Colo., StarTek works closely with clients to develop and implement cost-effective solutions that provide customer care, complex process management, technical support and receivables management.



Right photo: Governor Warner (right) presents a Virginia state flag to StarTek Vice President of Real Estate Grant Lomas.

Bottom photo: (From left) StarTek Vice President of Marketing Amy Claire Wild, Governor Warner, StarTek Vice President of Real Estate Grant Lomas, Congressman Virgil Goode and Project Manager Michael MacNeilly were all smiles at StarTek's \$5 million investment announcement in Henry County.



Prince William Adds to Bio Bonanza

Mediatech, Inc. will construct its new corporate headquarters and a biotechnology manufacturing facility in Prince William County's Innovation@ Technology Park. The company will add 100 new jobs through a \$10 million investment. Mediatech is currently located in Fairfax County and employs 101 people, but growth needs caused the firm to search for a larger site.

Mediatech President Jim DeOlden said, "We recognize the growing opportunities and resources Prince William County had to offer. Additionally, we recognize the advancing presence of biotechnology in the area and the potential opportunities to work closely with surrounding universities like George Mason as well as other top quality biotechnology companies."

Mediatech, Inc., a privately held company, is a leading manufacturer of life science products, with a portfolio of trademarked items including cellgro®.



Hopkins Lumber Branching Out

Hopkins Lumber Company's roots run deep, which is why the specialized manufacturer of dimension lumber and boxes for packaging glass products will invest \$1.6 million and add 50 new jobs at its lumber and wood products manufacturing facility in Patrick County, the company's headquarters.

"Hopkins Lumber's decision to expand in its home state brings promising opportunities for Patrick County," said Governor Warner. "This is a good example of how a local family-owned business has found a way to diversify and survive."



Augusta County Gets Sweet Deal with Hershey

Got chocolate?

With the recent expansion of Augusta County's Hershey Chocolate of Virginia, Inc. manufacturing facility, there's no reason not to.

The \$48-million expansion announced June 21 resulted in 110 new jobs – and more of the sweet stuff.

"From the beginning, Augusta County and the Commonwealth of Virginia welcomed and supported Hershey," said Richard H. Lenny, Chairman, President and CEO, Hershey Foods Corporation. "This strong government support coupled with the truly outstanding people who work at this facility made Virginia the right choice for our expansion efforts."

Hershey Foods Corporation is the leading North American manufacturer of quality chocolate and non-chocolate confectionary and chocolate-related grocery products, and has a variety of international operations. Among Hershey's most popular products are: Reese's peanut butter cups, Hershey's milk chocolate and milk chocolate with almond bars, Hershey's Kisses chocolates, Kit Kat wafer bars, Twizzlers candy, Hershey's cocoa, and Hershey's syrup. Hershey Chocolate of Virginia, Inc. produces approximately 5 million peanut butter cups a day and over 160 million pounds of finished product each year.



Hershey Chocolate of Virginia, Inc. produces about 5 million peanut butter cups a day and more than 160 million pounds of finished product each year. The company shared some of it with Governor Warner at the event.

Tire Company Rolls into Shenandoah County

Talk about interstate travel. RJJ Tire Co., Inc. will locate a tire recycling facility in Shenandoah County from adjoining Frederick County, investing \$3.1 million and creating 28 additional jobs. RJJ Tire Co., Inc. is an environmentally conscious recycling facility that reprocesses old tires into rubber crumb, steel and fiber products.

"We are thrilled at the opportunity to be a Shenandoah County partner," said RJJ Tire Co. Partner Jeffery Bussert. "Our tire recycling facility will provide new jobs in the community while producing a valuable and forgotten resource."

Financial Company Finds Change in Virginia

There never was a debt in their minds. Virginia Credit & Finance, a servicing partner of Roanoke-based Atlantic Credit & Finance, will locate in Henrico County. The company, Richmond's newest debt recovery company, will invest \$1 million and create 150 new jobs over the next two years.

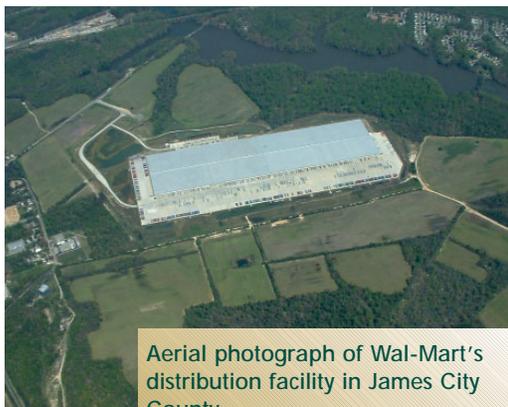
In 2001 and 2002, Atlantic Credit & Finance ranked in the top 25 of *INC. Magazine's* fastest growing companies. The company currently employs more than 200 people in Roanoke, Va., and Columbia, Md.

Rodney A. Jefferson, President and CEO of Virginia Credit & Finance, Inc., said locating in Henrico County made good business sense. "We wanted to benefit from the tremendous labor pool in the region. We felt that Henrico County and the Richmond metropolitan area could facilitate our accelerated growth plans."

Wal-Mart Supersizes James City County Distribution Facility

Wal-Mart Stores, Inc., the world's largest retailer with \$244.5 billion in sales in 2003, will expand its James City County distribution facility in the GreenMount Industrial Park. Through a \$28.5-million investment, the company will build a separate 1-million-square-foot building on 243 acres and create 125 new jobs.

"The expansion of the James City Distribution center will provide Wal-Mart the opportunity to better serve the growing number of Wal-Mart customers who shop at our stores in the Mid-Atlantic region," said Rollin Ford, Executive Vice President of Logistics and Supply Chain. "This is a significant project that represents our continued commitment to Virginia as a partner in both economic development and community."



Aerial photograph of Wal-Mart's distribution facility in James City County.

Wise all the Wiser with Southwest Logistics

Southwest Logistics, LLC announced its location to Wise County in July and plans to create 120 jobs over the next four years. The company will inhabit an industrial space that has been vacant since 2001.

Southwest Logistics is a locally owned Virginia company formed in 2003 to engage in warehousing, dispatch and third-party logistics management services for a variety of clients, including Archer Daniels Midland, Oklahoma Steel and Wire, Unipro and American Food Products.

(Seated from left) Clinton Vance of Southwest Logistics and Bill Hunsaker, Wise County IDA chairman, close the deal with (standing from left) VCEDA Chairman Donald Baker, Senator Phillip Puckett and Delegate Bud Phillips close by.



Governor Warner (center) posed with Trader Publishing employees before he announced the company's expansion efforts.

Trader Crosses the Street To Grow in Technology

Electronic media is making its mark in downtown Norfolk in the form of a 19-story building bearing the name Trader Publishing Company.

The \$51-million expansion of Trader Publishing Company's division headquarters for electronic media was announced Aug. 16 in the company lobby of its existing facility. The new building, which is slated for summer 2006, will be located across the intersection on Granby Street and will be filled with 600 new and 550 current employees.

Trader Publishing Company operates a network of classified advertising publications and Internet services with more than 300 field offices in 177 cities, serving 80 percent of the United States. Trader has more than 8 million weekly circulation and a staff of 9,400 people. The company is best known for its *Auto Trader* magazines and related *Boat Trader*, *Truck Trader* and *Cycles & RV Traders*. In addition the company publishes *Auto Mart*, *For Rent*, *Harmon Homes*, *Soundings*, *Travel Discount Guide* and *Parenting*.

(Below) Deputy Secretary of Commerce and Trade Matt Erskine (far right) presented Proeza President and CEO Enrique Zambrano with a Virginia Share of Stock Aug. 3 during Metalsa Roanoke's grand opening event. Also pictured (left to right) are Metalsa Roanoke Plant Manager Steve Helgeson and Tower Automotive President and CEO Kathleen Ligocki.



Secretary of Commerce and Trade Mike Schewel congratulates Framatome ANP at the grand opening of its Pump and Motor center in Campbell County on Aug. 3.

Home of Free Enterprise

Virginia ranked No. 3 in the U.S. Economic Freedom Index published on Forbes.com. This means the Commonwealth has among the fewest regulatory body blocks and fiscal obstacles for business. The ratings evaluated 143 variables for each state. This snapshot included tax rates, state spending, occupational licensing, environmental regulations, income redistribution, right-to-work and prevailing-wage laws, tort laws and the number of government agencies. Kansas placed No. 1 and Colorado came in at No. 2.

Virginia Near the Top of Digital States

The Center for Digital Government recently announced that Virginia placed third in its all-new 2004 Digital States Survey, a comprehensive study on best practices, policies and progress made by state governments in their use of digital technologies to better serve their citizens and streamline operations. Sponsored by Hewlett Packard, Intuit, Microsoft and Symantec, the 2004 survey examined more than 60 measurements in four broad areas: service delivery, architecture and infrastructure, collaboration, and leadership. The 2004 Digital State Survey—the survey's sixth year—is viewed as the nation's most recognized and respected study of IT applications in all 50 states.

Virginia Is for Printing & Publishing

That's what *Print & Graphics Magazine* recently told its readers in its June issue. Writer Lori Belkin Schneider wrote a two-page cover story on Virginia's efforts to recruit printing firms and keep them satisfied in the state. The feature discusses how VEDP Project Manager Judy McClellan has established an ongoing relationship with the Printing Industries of Virginia (PIVA) so the state remains up to speed on the latest printing industry developments. The positive article is a direct result of VEDP's spring 2004 Printing & Publishing Media Tour in which six journalists from across the United States and Canada participated. If you would like to receive a faxed copy of the article, e-mail Jill Vaughan at jvaughan@yesvirginia.org.

VCOMB Completes First Year

The Virginia Commission on Military Bases (VCOMB) held its fourth quarterly meeting July 16 at the Dahlgren Naval Complex. VCOMB heard presentations from Acting Area Operations Officer Jeffrey Johnson and Captain Joseph McGettigan, commander of the Dahlgren Laboratory. VCOMB also received a briefing on the effort being led by the Greater Fredericksburg Chamber of Commerce to support military installations and communities at Fort A.P. Hill; Naval District Washington, West Area located in Dahlgren; and Marine Corps Base Quantico. The Chamber's effort received support from the Military Strategic Planning Fund administered by VCOMB.

The Executive Director presented Commission members with copies of the annual report which were delivered to the Governor earlier in the week. The cover letter to the Governor from Chairmen Owen Pickett and Joe Reeder read: "Considerable work remains to be done. We believe that we have built a solid organizational foundation and established strong allies to help Virginia participate effectively in this process in a constructive manner." Looking forward, the Commission is proceeding with an agenda that serves Virginia's interests as a whole.

Following the meeting, a range demonstration of the latest weapons systems testing being conducted at Dahlgren was viewed.



F-14 Tomcats from NAS Oceana, Virginia Beach, Va.

Five Communities Get Head Start in Building Business

A design is chosen. The utilities are at the site. A development team is in place. Firm cost estimates and a construction schedule are established. The site plan permit is obtained.

All that's left to do is the hammering, which is the whole point of a Virtual Building, a business location where all of the preliminary planning and site work is completed to rival completion schedules of traditional industrial shell build-outs.

In August Governor Warner announced that five Virginia communities will receive \$15,000 grants each to prepare a technology-driven Virtual Building program. The following communities will receive grants: Campbell County, Virginia's Heartland Region, Crossroads Regional Industrial Facilities Authority, Southampton County and Lee County.

The grants represent the first awards from VEDP's new Virtual Building Demonstration Grant Program, which will cover 50 percent of the development costs up to \$15,000. Local governments and economic development organizations will then match this amount. Grant applications were evaluated on the lack of existing building product, the readiness of the site, the marketing strategy proposed for the property, the capacity to complete the project, and the economic distress of the community.

Fairfax County First in Israel and India

The Fairfax County Economic Development Authority (FCEDA) is reaching out to reverse the offshoring trend by opening offices in India and Israel to recruit technology companies to expand in the United States.

FCEDA's new offices in Bangalore, India, and Tel Aviv are its fourth and fifth overseas operations. It also has offices in London, Frankfurt and Tokyo.

Fairfax County is home to more than 4,800 technology firms and nearly 300 foreign-owned companies. Fifteen Israeli companies and nine Indian firms already have offices in Fairfax County.

"Many people are concerned about U.S. jobs going overseas," said Gerald L. Gordon, Ph.D., President and CEO of the FCEDA. "These offices will reverse that trend by creating jobs in the U.S."

PBG Dedication Sparks Smiles in Southwest Virginia

By Dr. Alan Hawthorne, Executive Director

Joint Industrial Development Authority of Wythe County

The Town of Wytheville boasts award-winning water straight from the tap. At a recent national convention of rural waterworks operators held in Washington, D.C., a panel of U.S. senators and the head of United States Department of Agriculture Rural Utility Service judged Wytheville's municipal water as the nation's best based on clarity, taste and smell.

So, did the superior flavor of Wytheville water play an essential role in Pepsi Bottling Group's (PBG) decision to locate its new prototypical regional bottling plant in the town? Not exactly. The designation of nation's best water was made in 2004, two years after the plant location decision was made. And, although the quality of the raw water is important in Pepsi's clean-up process, the company's Aquafina® brand bottled water is filtered and processed to contain only pure water, H²O. All natural minerals, and any other impurities, are removed.

An important component of Pepsi's decision to come to Wytheville was the town's location along two major interstate highways, which offer ease of distribution and visibility. The availability of a first-class workforce and access to a source of good quality water were other key factors.

The New River Valley facility is located on a hillside above the overlapping section of Interstates 77 and 81

within the Town of Wytheville. Its 34-acre site overlooks a panoply of southwest Virginia mountains, leading one company official to comment that it occupies the most beautiful location in the PBG system. The plant commands a fine view of the Big Survey. At 8,300 acres, this mountainous tract was one of the largest privately held contiguous undeveloped mountain forests east of the Mississippi River when it was acquired in 2000 by the Virginia Department of Game and Inland Fisheries as the state's newest Wildlife Management Area.

Pepsi dedicated its Wytheville plant June 4, with corporate executives, employees and invited guests, including state and local officials, on hand for the celebration. Heavy rain and low clouds prevented attendees' enjoyment of the view but ensured cool temperatures and an appropriate focus of attention on the new production and distribution facility. As the company's first major new production facility in a decade, it is to serve as a prototype for other new regional production facilities.

The 334,000-square-foot plant produces the company's carbonated soft drinks as well as the increasingly popular Aquafina® bottled water. Employing about 200 people and operating 24 hours a day, the manufacturing operations emphasize advanced features and maximum productivity. Four high-speed production lines have the ability to produce 12-ounce cans, plastic (PET) bottles and bag-in-box for distribution to food service outlets. Facility products are

distributed throughout the mid-Atlantic region, with Virginia, West Virginia, Maryland, Delaware, New Jersey and Pennsylvania as principal destinations. The PBG project was a key local success that helped the Joint IDA of Wythe County receive several awards. Organizational awards include being named as one of *Site Selection's* Top 10 Economic Development Organizations for 2002 and selection as one of three national finalists for the U.S. Department of Commerce Economic Development Administration's Excellence in Rural Economic Development Award.

The Pepsi start-up once again showcased the availability of a willing workforce in rural Southwest Virginia. The local Virginia

Employment Commission office recorded more than 1,500 unsolicited inquires about potential job openings before the company listed its first job opening. A high level of satisfaction by the company with its employees at the New River Valley facility speaks volumes to other potential employers in the region.

Along with quality job opportunities, PBG's \$65-million investment brought smiles to local officials. The project, which was supported by the Crossroads Regional Industrial Facility Authority—a regional authority comprising Bland County, Wythe County and the Town of Wytheville—was one of those rare gems that come along far too infrequently in Southwest Virginia. The fact that the project focused on key factors other than incentives was an added plus.

Finally, word has it that Mark Kilduff was seen smiling in the VEDP offices for several days following his trip to the dedication. Well, Mark, you can rest assured that many of us in the Wytheville area are still smiling.





More Beer for the Buck

Coors Moves Facility from Capping to Tapping

The wait is over.

Coors Brewing Company employees in Elkton who have waited patiently to turn their bottling skills into brewing ability got the news they've waited 17 years for during an Aug. 10 announcement. Curiosity turned into thunderous applause when Deputy Secretary of Commerce and Trade John Sternlicht broke the news of the company's \$160 to \$190 million investment to build a top-notch brewery at the present packaging facility in Elkton.

The brewery, which is scheduled to bear its first brew in late 2006, also will add between four and 10 new jobs to the facility's current roster of 467 employees, and increase the company's brewing capacity to 6 to 7 million barrels of beer annually. That's the equivalent of about 386 million six-packs of Coors Light, Keystone Light and Aspen Edge, which are among the beers to be brewed in the Shenandoah Valley.

The Shenandoah facility will mark Coors' third brewing operation. The company also operates breweries in Memphis, Tenn., and Golden, Colo.

Bill Coors, Director Emeritus of Adolph Coors Co. and Coors Brewing Co., flew in for the employee celebration from the company's home base, joining Rockingham County Administrator Joe Paxton; Charles Ahrend, Chairman of the Board of Supervisors; and Robin Sullenberger, Executive Director of the Shenandoah Valley Partnership. He shared stories of the company's initial location to Rockingham County that evoked belly-ache laughter from the standing-room-only crowd. He told a tale of a phone call he received detailing the discovery of the Elkton site complete with nearby Virginia spring water near the Blue Ridge Mountains.

Coors recalled thinking, "If there were a natural spring like this in Golden, I would be a rich man."

The Elkton build-out will include two brew lines, fermentation and aging equipment, a new rail spur and several new structures to house controls and related processes. Adolph Coors Company. CEO Leo Kiely said the new facility is part of the company's long-term strategy to reduce annual costs by about \$25 million due to the company's reduced dependence on freight to transport products to the East Coast.

"Additionally, the build-out represents the first step toward optimizing our brewing capacity on a broader scale, given our recently announced merger of equals with Molson, Inc.," Kiely said. "While this project is one we have considered for some time, the planned merger with Molson gives us the added confidence to go forward as it will help us achieve further operations synergies and cost reductions in the years ahead."

Founded in 1873, Coors Brewing Company is the principal subsidiary of Adolph

Coors Company, the third largest U.S. brewer and the world's ninth largest brewer. The company sells its products in North America, Europe, Latin America and Asia. In Canada, Coors Light is the country's top-selling light beer. In the United Kingdom, Coors Brewers Limited is the second-largest brewer with the U.K.'s leading brand, Carling. Adolph Coors Company stock trades on the New York Stock Exchange under the symbol RKY. For more information on Adolph Coors Company, visit the company's Web site at www.coors.com.



Deputy Secretary of Commerce and Trade John Sternlicht (left) presented Bill Coors, Director Emeritus of Adolph Coors Company and Coors Brewing Company, (right) with a Virginia Share of Stock during the Aug. 10 Coors Brewing Company event.

Stephenson: Project Manager, People Person

Ralph Stephenson may be only 2½ years old with VEDP, but under his belt is extensive experience on the periphery of economic development. He has been in sales for 38 years.

Before joining the agency, Stephenson was in the construction business selling services to large-scale commercial and industrial firms. His business put him in contact with VEDP even before he considered working at the agency.

“We networked a lot,” he said. “Sometimes I knew about projects they were not aware of and sometimes they knew about projects I was not aware of.”

Coming into economic development from the construction business was not difficult for Stephenson. “It’s been the easiest transition,” he said. “I’m doing some of the same things I was doing”

But there are some differences he enjoys. For example, Stephenson now gets to have more interaction with localities. In his previous role, he wasn’t able to spend much time with individuals in the communities he was impacting.



For Stephenson, projects are about people.

A favorite project of his is a Polish manufacturer of sailboat parts for yachts. Virginia MAST located a facility in North Carolina at the urging of a consultant. A few months in that location showed it to be the wrong one.

Stephenson helped bring them to Gloucester. The company was so grateful for his help that they called Stephenson last December to wish him a Merry Christmas.

All of his professional accomplishments mean nothing compared to Stephenson’s proudest achievement – his 13 grandchildren. “My unique ability to create total anarchy whenever I visit the grandchildren is an accomplishment,” he said. “There’s another kid around when I’m there. It’s called payback.”

Stephenson shows no signs of slowing down. Stephenson is usually asleep by about 9 p.m. and back in the office at 7:30 a.m. everyday. He advises, “You need to keep your mind active...a couple of my golf buddies have retired and they went brain dead after a couple of years. I don’t want to do that.”

Stephenson still enjoys coming to work each day. “The best part of my job,” he said, “is the ability to bring jobs to communities that don’t have them.”



Steve Bridges is the new Motorsports Manager on Business Development’s Transportation Team. Before joining the VEDP, Steve worked as Assistant Director for Pittsylvania County Economic Development. In addition to marketing experience in the technology and healthcare sectors, Steve has worked in business development, public relations and marketing for race teams competing in the NASCAR Nextel Cup Series, Craftsman Truck Series and Grand American Road Racing Association. Steve also works as a race official with mid-Atlantic road racing organizations. Steve graduated from Averett University with a B.A. in history and English and a master’s in business administration.



Christie Collins is VEDP’s new Communications Specialist. She is responsible for crafting the Governor’s news releases and preparing economic development announcements. She also serves as editor of *Commerce Quarterly*, VEDP’s economic development newsletter. A Virginia native, Christie graduated from Virginia Commonwealth University with a B.S. degree in Mass Communications/News Editorial. She is a former newspaper reporter, but before joining VEDP, Christie served six years as a public information officer for the Richmond Police Department.



Catherine Pack is the new Associate Project Manager for the Industrial Development Team. Before joining VEDP, Catherine was Director of Marketing at Virginia’s Heartland Partnership. She promoted the region through marketing missions, trade shows and special events as well as supporting all facets of project management. Previously, she worked for the South Central Private Industry Council from March 1999 until July 2000 helping public and private employers fulfill their employment needs. Catherine also served the Virginia Lottery managing an assigned geographic territory and implementing marketing programs. Catherine holds a B.S. degree in Business Administration from Longwood College.

Trade Division Retools Global Market Research Program

The International Trade Division has had its sleeves rolled up for the past year working on a new and improved format for its Global Market Research (GMR) Program. The program provides overseas market research to Virginia companies wishing to export into a specific country or region of the world.

“We have spent the last year working out the bugs to the new approach, and we have had great success,” said Paul Grossman, VEDP’s Director of International Trade Development.

The GMR program has been used for more than 460 projects in the past 15 years, and has aided such companies as Altadis U.S.A. Inc., GE Industrial Systems, Honeywell International and Resolution Resources Inc.

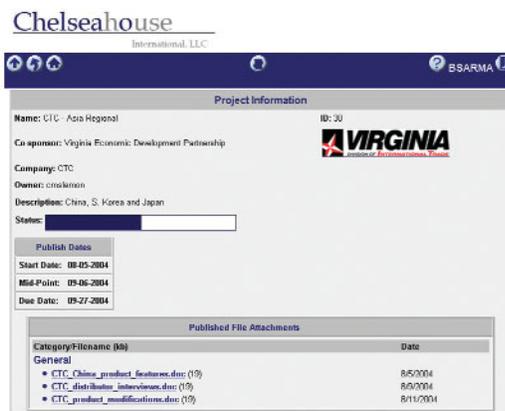
Just ask Jeffrey Green, Executive Vice President, Business Development, for Filtrona Fibertec. The company recently completed its first research project using the new and improved GMR program. The project was completed in less than three months.

“The quality of the final report and the research data was absolutely first rate,” he said. “The depth and thoroughness of the information, the ease of working with the overseas researchers, and the use of Web-based tools to monitor the progress of the project made it a pleasure.”

Improvements made during the past year include flexible start dates, short project durations, guaranteed satisfaction and in-country research personnel. Clients have four options, from which to choose, including a world survey, regional analysis, single country and custom research.

The GMR program provides clients with a wealth of information such as the top three countries in the region for the client’s product, identification of competitors and major players, potential distributors, standard mark-ups, best marketing practices for the client’s product and government regulations for importing the product.

For more information about the GMR program, contact GMR Manager Butch Sarma at (804) 371-8195 or visit www.ExportVirginia.org



Eight Companies Go Global with VALET

They hail from the mountains to the sands of Virginia. They make everything from balancing machines and air sampling devices to mining products and name recognition software.

They are the Virginia Leaders in Export Trade (VALET) July Class of 2004, and while their backgrounds are different, their mission is the same: global expansion.

Eight Virginia companies were accepted into the VALET program July 1. Company representatives gathered at VEDP offices in Richmond July 27 for orientation. Activities included presentations by the participating companies, a meet-and-greet of the 23 VALET Program Partners that support the program, and a review of the structure and processes for taking full advantage of the program’s offerings.

“I look forward to working with the newly accepted VALET Class of July 2004,” said Kimberly Weir, VEDP’s VALET Program Manager. “These eight companies were selected from our most competitive applicant pool to date. They have already begun to take full advantage of the VALET program resources by sharing experiences with one another and calling upon the Program Partners.”



Deputy Secretary of Commerce and Trade Matt Erskine congratulated the VALET Class of 2004 at a July 27 luncheon.

The second graduating class of VALET participants also was recognized. Deputy Secretary of Commerce and Trade Matt Erskine commended the companies for their contributions to Virginia’s economy through increased exports.

The VALET program is a two-year export development assistance program. To participate, eligible businesses must meet several quantitative criteria and complete an appli-

cation process. Participating firms are chosen based on their dedication to growth through export. These events mark the two-and-a-half-year anniversary of the program, and the newest class brings the total number of VALET participants to 45.

The Roots of Progress: Regional Broadband Initiative

By Carthan F. Currin, III, Executive Director, Virginia Tobacco Commission

Making Southside Virginia competitive in today's technology-based economy is a primary mission of the Virginia Tobacco Indemnification and Community Revitalization Commission.

On June 18 Governor Mark R. Warner, members of the Tobacco Commission and the United States Department of Commerce's Economic Development Administration (EDA) announced the Roots of Progress/Regional Backbone Initiative (RBI). RBI will bring the installation of 700 miles of cable linking four cities, 20 counties and 56 industrial parks to provide high-speed Internet access to close to 700,000 residents and more than 19,000 businesses.

The Initiative is funded with a total of \$12 million in matching grants from the Tobacco Commission and EDA, as well as an additional \$9 million recently awarded by the Tobacco Commission.

Designed to attract technology-based business and industry to Southside Virginia, this project is a unique collaboration between the Tobacco Commission, EDA and the Mid-Atlantic Broadband Cooperative (MBC), a non-profit organization formed to manage this initiative. The high-tech capabilities and services that soon will be available in this region will be comparable to those in Northern Virginia, eliminating what has been a weakness in attracting new industry to Southside.

Construction is slated for October 2004 and the completion date is scheduled for January 2006.

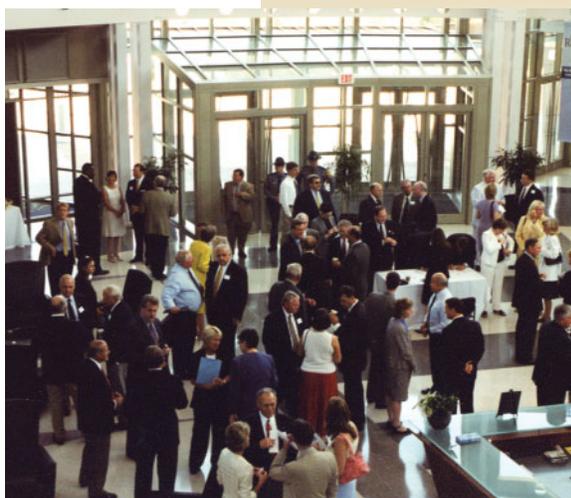
On July 20, Delegate Clarke N. Hogan, Tobacco Commission Technology Chairman, and Adesta, LLC, launched the construction of Adesta's multi-million dollar Network Operations Center (NOC) at Riverstone Park in Halifax County. Adesta was awarded a contract by MBC to develop, construct and implement the broadband infrastructure and expects to fill 22 permanent technical positions and employ about 100 workers throughout the project's construction and implementation.

Dubbed the roots of progress, this initiative is expected to create 1,560 new technology-based jobs that carry wages 54 percent higher than the average wage in Virginia. Additional information on this cornerstone project in Southside Virginia can be found at www.vatobaccocommission.org.

The Roots of Progress/Regional Backbone Initiative stems from a unique collaboration between state, federal and a non-profit organization and has received \$12 million in funding: \$6 million each from the Virginia Tobacco Commission and the U.S. Department of Commerce's Economic Development Administration.



From left to right: Accepting the grants are Paul Pisano, EDA Director of Intergovernmental Affairs; Michael J. Schewel, Virginia Secretary of Commerce and Trade; Virginia Delegate Clarke N. Hogan; Virginia Delegate Kathy J. Byron; Virginia Governor Mark R. Warner; Ben Davenport, Future of the Piedmont Foundation Founding Chairman; Virginia Senator Charles R. Hawkins; Virginia Tobacco Commission Chairman Carthan F. Currin, III and Virginia Tobacco Commission Executive Director.



More than 150 Virginians attended a June news conference in Danville, which officially launched the Roots of Progress/Regional Backbone Initiative that will lay 700 miles of new fiber-optic cable to create an advanced, open-access telecommunications infrastructure, connect five cities, 20 counties, and 56 industrial parks and provide high-speed Internet access to nearly 700,000 Virginians and more than 19,000 businesses.

Prosperous Trade with China Ahead

continued from cover story.

Washington D.C. and the San Francisco Bay area.

The VEDP planned and executed the mission through collaboration with the Communications and Promotions, International Trade and Business Development divisions. VEDP's Hong Kong office was instrumental in identifying Chinese companies for mission meetings. VEDP's Hong Kong Trade Representative, Hailey Fong, regularly services China and Southeast Asia in his role promoting Virginia exports.



Governor Warner (left) and VCU President Dr. Eugene Trani (right) examine the layout of Fudan University.

Quarterly Calendar

Date	Contact	Event
Oct 2-16	SK	Virginia Walkabout for International Offices
Oct 6-8	SK	56th Virginia Conference on World Trade—Norfolk, VA
Oct 8-12	SK	Trade Mission to Virginia from China
Oct 9-12	ML	28th Southeast US-Japan Joint Meeting—Atlanta, GA
Oct 10-13	JB	Graph Expo/Converting Expo—Chicago, IL
Oct 11-15	CR	Marketing Mission—TN, KY
Oct 12-14	JB	National Business Aviation Association Annual Meeting and Convention—Las Vegas, NV
Oct 14-17	JB	Natural Products Expo East—Washington, D.C.
Oct 15-19	SK	Trade Mission—Costa Rica & Panama
Oct 20-27	VB	K-Show – Düsseldorf, Germany
Oct 21-24	JB	Foresight Conference 2004: Advanced Nanotechnology—Crystal City, VA
Oct 26-28	JB	MedTrade – Orlando, FL
Nov 6-10	JB	CoreNet Global—San Antonio, TX
Nov 7-11	JB	American Association of Pharmaceutical Scientists—Baltimore, MD
Nov 7-11	JB	Pack Expo International—Chicago, IL
Nov 8-12	CR	Marketing Mission—New England
Nov 18	VB	VEDP/Ally Meeting—Lynchburg, VA
Nov 24-27	SK&VB	MEDICA—Düsseldorf, Germany
Dec 1-2	VB	Mid-Atlantic BIO/MED Conference and Exhibition—Baltimore, MD
Dec 6-10	CR	Marketing Mission—Atlanta, GA

VB Vince Barnett, VEDP (804) 371-8265
 JB Jerry Broadway, VEDP (804) 371-8194
 SK Scott Kennedy, VEDP (804) 371-0052
 ML Mary Kay Land, VEDP (804) 371-0333
 CR Chuck Rogers, VEDP (804) 371-8189



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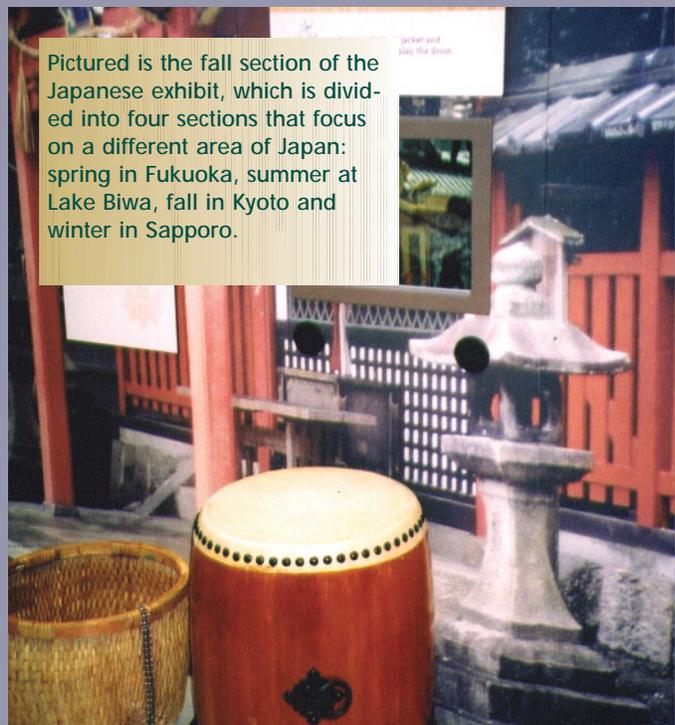
DID YOU KNOW?

Lynchburg's Amazement Square Children's Museum will be one of only 10 children's museums nationwide to host the 900-square-foot exhibit "Japan and Nature: Spirits of the Seasons."

The show opened January 2004 at the Brooklyn Botanic Garden and invites children ages 5 through 12 to discover Japan's natural environment just as their counterparts overseas do. Hands-on interactive displays and multi-media should prevent this lesson from getting lost in translation.

But Japan is more than just a scenic getaway, it's also Virginia's third largest export destination with volume reaching about \$829 million from January through November 2003. There are 93 Japanese companies in Virginia – from Canon to Koyo Steering – which may have employees whose children would appreciate the tribute to the Japanese culture.

"Japan and Nature: Spirits of the Seasons" opens in late October. Contact Joyce Carmen at (434) 845-1888 for more information.



Pictured is the fall section of the Japanese exhibit, which is divided into four sections that focus on a different area of Japan: spring in Fukuoka, summer at Lake Biwa, fall in Kyoto and winter in Sapporo.