VIRGINIA

A COMMONWEALTH OF OPPORTUNITY

BY SUSAN H. BURNELL

Virginia's place in history is well established, and its place in the future of the world's economy is assured by its support for innovation and its pro-business policies.

Four hundred years ago, the Virginia Company of London was formed to bring profits to its shareholders and to establish an English colony in the New World. That colony, now the Commonwealth of Virginia, extends a legacy that supports, promotes and creates business success.

"We continue to welcome businesses from around the world to Virginia," says Governor Bob McDonnell, who was inaugurated as the Commonwealth's 71st governor in mid-January 2010. "We are fortunate that significant players are bringing headquarters operations here, and that existing companies are choosing to expand in Virginia.

"We are pro-business and pro-free enterprise," McDonnell continues. "The General Assembly supports that with new incentives and a regulatory climate that encourages investment. And while access to the federal government is one of our strong advantages, we realize that private-sector business, entrepreneurs and small enterprises are essential economic drivers. We want those innovators here, and we will continue to provide an environment in which they are free to grow."

ABB manufactures power transformers in South Boston, Virginia.

Over the past four years, Virginia has been consistently ranked the "Best State for Business" by notable organizations such as Forbes.com, CNBC and Pollina Corporate Real Estate, Inc.

Forbes.com has named Virginia the "Best State for Business" for four consecutive years. In August, Pollina Corporate Real Estate, Inc., ranked Virginia as the "most pro-business state" in America, marking the fourth time the Commonwealth has held this distinction. In July, for the fourth straight year, Virginia earned CNBC recognition as one of the top two states in the nation for business. In May, the U.S. Chamber of Commerce ranked Virginia first for lowest cost of living for adjusted median family income and second for overall growth.

"These rankings matter," said Governor McDonnell in remarks to the joint meeting of the Virginia Senate Finance, House Appropriations and House Finance Committees in August. "They tell employers big and small, domestic and foreign, that if they want to grow and prosper, they need to be in Virginia. Truly, the Commonwealth is the best state for business."

A Stable Pro-Business Legacy

Businesses of all sizes thrive in Virginia because of its proximity to the nation's centers of influence and power, its pool of hardworking and highly educated workers, and, most important, their customers. The pro-business course charted in the Commonwealth's earliest days still runs smoothly, regardless of who is at the helm.

"We are always proud to say that Virginia was formed as a venture capital company," says Jeff Anderson, president and chief executive officer of the Virginia Economic Development Partnership (VEDP). "Our business environment has consistency and stability, no matter who is in office. That is one of the first things that comes up in conversation when we talk to executives of companies who have a history here."

"In Virginia, our governors can serve only one four-year term," explains Jim Cheng, secretary of commerce and trade. "So Governor McDonnell knew he had to hit the ground running."

McDonnell's comprehensive economic development package of budget

Virginia Receives High Marks for Business Growth

- Named the "Best State for Business" by Forbes.com four years in a row (2006-2009)
- Ranked America's "Top State for Business" by CNBC (2007 and 2009); took the No. 2 spot in 2008 and 2010
- Ranked "No. 1 Pro-Business State" by Pollina Corporate Real Estate, Inc., (2003, 2007, 2009 and 2010)
- Ranked second on *Directorship* magazine's "Best State for Business" list (2009)
- Ranked second on *U.S. News & World Report*'s "Best State to Start a Business" list (2009)
- Ranked second on the list of "Top Overall Growth Performers" by the U.S. Chamber of Commerce, "Enterprising States: Creating Jobs, Economic Development, and Prosperity in Challenging Times" (2010)

Successes in Virginia Since Governor McDonnell's Inauguration: January–August 2010

Morgan Lumber Company expands in Charlotte County: 25 new jobs

Kraft Foods expands in Frederick County: 100 new jobs

Mercury Paper moves North American headquarters to Shenandoah County: 150 new jobs

DirectTV and **Convergys** to open virtual call center in Southwest Virginia: 100 new jobs

EcomNets announces computer manufacturing facility in Danville: 160 new jobs

Northrop Grumman selects Fairfax County for corporate headquarters: 300 new jobs

Faneuil, Inc., establishes customer service center in Martinsville: 250 new jobs

Phoenix Packaging selects Pulaski County for first U.S. manufacturing facility: 240 new jobs

Virginia Casting Industries announces new facility in Radford: 300 new jobs

MWV moves center for packaging innovation from Raleigh, N.C., to Richmond: 128 new jobs

KPMG announces expansion in Fairfax County: 375 new jobs

Monogram Foods expands operation in Henry County: 150 new jobs

Intersections Inc. announces customer care center in Altavista: 250 new jobs

Régitex USA LLC opens a manufacturing operation in Mecklenburg County: 60 new jobs

Kimball Hospitality to open furniture manufacturing plant in Henry County: 67 new jobs

DuPont to establish new battery technology facility in Chesterfield County: $20 million investment

McKesson announces distribution operations in Caroline County: 150 new jobs

Trinity Packaging Corporation expands capacity at its operation in the Town of Rocky Mount: 25 new jobs, 75 saved jobs

Microsoft to locate major data center in Mecklenburg County: $499 million investment

amendments and legislation to create jobs, attract new investment and encourage existing businesses to expand has been funded in the amount of $63.3 million. Since February, 71,500 jobs have been added in Virginia, the third-highest total in the country.

"The governor has also set up a Commission on Government Reform and Restructuring, which looks at how we can be more efficient, run our government better, get rid of excessive regulation and let business get down to business," Cheng adds.

New investments have been made to support the state's tourism and technology industries, as well as to open new overseas trade offices. The Governor's Commission on Higher Education Reform, Innovation and Investment is already engaging top educators and business leaders to hone the state's education competitiveness.

Proximity to Every Competitive Advantage

Companies around the globe take notice of Virginia because of its proximity to customers, ample technology and transportation infrastructure, a steady flow of available workers, and access to government and financial centers. The presence of every major federal government civilian and defense contractor in Virginia creates a wellspring of opportunity.

The supply of ready brainpower in Virginia is substantial: Nearly 20,000 doctoral scientists and engineers are employed in Virginia, the second largest concentration in the Southeast. Research and development resources continue to expand at universities around the state and at numerous federally funded research and development centers, including those of the Department of Homeland Security and the Department of Defense.

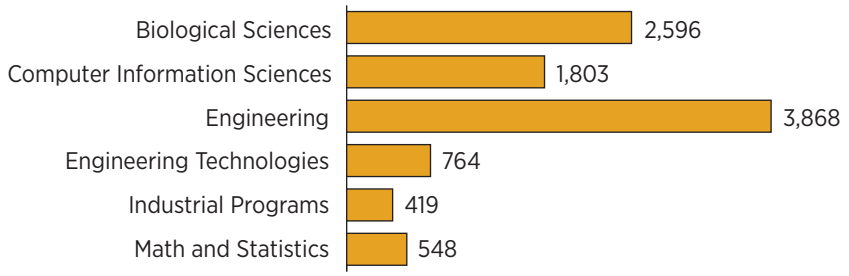
Incentives Reduce Cost of Starting and Expanding a Business

Virginia's pro-business attitude is apparent in its substantial incentives and services designed to help companies grow, open and expand within the Commonwealth. Incentives include financial assistance, infrastructure development grants, tax credits and exemptions, customized training and technical support programs.

Among the most significant discretionary incentives are the Governor's Opportunity Fund (GOF) and the Virginia Investment Partnership (VIP) grant. Both funds are awarded when performance objectives are met.

Individually negotiated GOF grants can be awarded to a Virginia locality to help it secure a company location or expansion

Degrees Conferred in Engineering, Computer Sciences and Industrial Programs at Virginia's Educational Institutions: 2008–2009



Source: State Council of Higher Education for Virginia

Northrop Grumman will move its headquarters to Fairfax County in 2011, employing 31,000 people across the state in 22 locations.

The headquarters for 30 major corporations are located in Virginia, and there are 700 international companies from 46 countries around the state.

in highly competitive situations. The VIP grant program provides performance-based incentives to manufacturers and research and development services that support manufacturing. The VIP grants were designed to encourage continued capital investment by Virginia companies that have operated in the Commonwealth for the last five years.

Virginia's substantial menu of incentive programs includes tax credits for green jobs, small-business financing and foreign-trade zones. An Enterprise Zone program provides state and local incentives to businesses that invest and create jobs within designated zones throughout the state. Two dozen localities have set up Technology Zones to encourage growth in targeted industries. Investment partnership grants, major employer grants and the Tobacco Region Opportunity Fund are all part of the incentives mix. Many local governments offer additional business incentives to further reduce the costs of growing a business in the Commonwealth.

"We keep Virginia competitive with the use of incentives," says Anderson. "Yet Virginia's best business incentive is its pro-business climate. Corporate decision makers, including those who have recently located headquarters here, recognize the strategic advantages of this climate."

Northrop Grumman: A Strategic HQ Move

One of the newest headquarters on the scene in Virginia is that of Northrop Grumman Corporation. In April, the global security company announced it would relocate its corporate offices

MWV

MWV recently located our global headquarters in Richmond, but we are not new to the neighborhood. We have a long and proud heritage in Virginia, including world-class manufacturing facilities in Covington that we have operated for more than a century.

As a global packaging company with sales in 100 countries, Virginia is our gateway to the world. Our new building on the banks of the James River is a hub for working with consumer products customers from Cincinnati to Shanghai.

In looking for a place to consolidate this activity, we rediscovered something we'd known for years: Virginia is a great place for business. We wanted to participate in a strong and supportive business community, work with accessible and responsive government leaders, and enjoy a favorable cost structure and quality of life. We also wanted to be part of an energetic and vibrant community that would provide creative stimulus for our growing business.

We found it all in Virginia—and we love doing business here.

John A. Luke, Jr.
Chairman and CEO
MeadWestvaco Corporation

www.mwv.com

Global reach. Local roots.

From our Richmond headquarters, MWV reaches customers in over 100 countries — with goods as varied as packaging and land management services to specialty chemicals and office products. Thanks to Virginia's business-friendly climate and our talented, diverse workforce, it's no surprise that we're able to reach the world and still feel right at home.

MWV

mwv.com

from California to the Falls Church area of Fairfax County. The company already employs about 31,000 people in the state at 22 locations.

"Proximity to our major customers was the key," says Gaston Kent, vice president of finance and point person for the relocation. "It's hard to be spontaneous from 2,500 miles away. We circled our customer locations and said, 'This is where we're going—somewhere in Virginia, Maryland or Washington, D.C.' Sites in all those areas met our primary criteria. Then we had hard decisions to make. We looked at overall economics and availability of adequate space in a timely fashion. We considered schools and the other things that attract people to a particular area. Then we asked, 'Is it a welcoming environment for business?' Everything came up positive for Northern Virginia."

The buzz of energy around the state is palpable, says Kent. "It's a popular place to be, and everything seems to key off that pro-business attitude. Virginia has figured out how to bottle that buzz and use it to its benefit."

Kent says that, without exception, economic development organizations at the state, county and local levels were highly professional. "Every one of those groups, including the Fairfax County Economic Development Authority, Governor McDonnell and legislators, made us feel wanted here. That made our decision easier. Since we announced the move, that welcoming attitude has continued."

Altria Group: A Clear-Cut Case for Relocation

Another company with a newly expanded Virginia presence is Altria Group. As a result of restructuring and acquisitions over the last seven years, about half of

TechAmerica, the high-tech industry's leading trade association, has ranked Virginia as the national leader for its concentration of high-tech workers for the fourth year in a row.

> "Following the merger of Mead and Westvaco, we had many offices and plants all over the country. Centralizing in the Commonwealth has allowed us to focus and prioritize our resources and collaborate more effectively across all businesses. Virginia is remarkably pro-commerce."
>
> **Linda Schreiner**
> **Senior Vice President**
> **MWV**

Dominion: Powering Virginia

Dominion [NYSE: D] is one of the nation's largest electric power and natural gas companies. Headquartered in Virginia's capital city of Richmond, Dominion serves about 5.7 million utility and retail energy customers and has business operations in 14 states.

Dominion partners with the Commonwealth to sustain economic vitality and competitive strength by providing reliable and reasonably priced electric service that acts as a catalyst for attracting new businesses and tax dollars to the state.

Since 2005, for example, Dominion's economic development team has helped bring 50 companies to Virginia, resulting in more than 6,300 new jobs and more than $2.6 billion in capital investment.

The company's ongoing $4.2 billion capital spending program for new energy infrastructure in Virginia will help keep the state's economy among the most robust in the nation by creating an estimated 20,000 construction jobs, 600 permanent jobs and an annual economic impact of $200 million.

Dominion®

www.dom.com

Photo courtesy of Cameron Davidson

NATURAL. ABUNDANT. RENEWABLE.
WIND. IT'S ALSO POWERING OUR COMMUNITIES WITH NEW ECONOMIC OPPORTUNITIES.
Today Dominion produces enough electricity from wind to power 70,000 homes.
To learn more about our investment in renewable energy, visit dom.com, keyword: renewable.
WHAT WE DO EVERY DAY, POWERS YOUR EVERY DAY.®
Dominion®

Virginia manufacturers have the fourth-lowest average workers' compensation costs in the country at $2.09 per $100 of payroll (2009). That's 44% lower than the U.S. average.

the company's 10,000 workers now live and work in Virginia.

Altria earned the number one spot in the Barron's 500 List of America's Top Companies for 2010. The company conducts business with more than 1,375 Virginia suppliers, purchasing more than $513 million worth of goods and services (not including tobacco leaf purchases) annually.

Altria's roots in Virginia began with the incorporation of Philip Morris & Co. in 1919. A decade later, the company began to manufacture cigarettes in Richmond. Today, Philip Morris USA, U.S. Smokeless Tobacco Company, John Middleton and their parent company, Altria, are headquartered in Richmond.

In 2003, Philip Morris USA moved its headquarters from New York to Richmond. Brendan McCormick, vice president of communications for Altria Client Services, was among those who relocated. "Anytime you ask people to disrupt their lives, it's a tough thing to do," he says. "Yet when we looked at the business case for relocation, it was clear cut."

In 2007, Philip Morris USA opened a $350 million Center for Research and Technology in Richmond's Virginia Bio-Technology Research Park. The Center promotes collaboration and creativity to develop technologies that improve Altria's current products and lead to innovative new ones. The company also has funded a $25 million research partnership with the University of Virginia, expanding the company's relationship with the McIntire School of Commerce.

MWV: Bringing Talent Together

Virginia's talent base and transportation infrastructure are essential to global packaging solutions company MeadWestvaco (MWV). The company operates in 30 countries and serves customers in more than 100 nations. MWV has had a presence in the western part of the Commonwealth for more than 100 years. It chose to bring its headquarters to downtown Richmond four years ago, and opened its new sustainably designed building on the James River earlier this year.

"Following the merger of Mead and Westvaco, we had many offices and plants all over the country," says Linda Schreiner, senior vice president. "Centralizing in the Commonwealth has allowed us to focus and prioritize our resources and collaborate more effectively across all businesses. Virginia is remarkably pro-commerce.

"We came here expecting a good talent flow from Virginia universities and colleges, and we have been very pleased with the availability of professional and technical talent," she adds. "We are pleased with the labor environment and the strong work ethic in the Commonwealth."

With substantial holdings of forestlands, MWV has long been committed to sustainable business practices. "We believe in effective stewardship of environmental resources, and our mills are a part of that. Our new energy-efficient headquarters building gives us another way to show how we can live a green existence and do our part for the Commonwealth," says Schreiner.

Collaboration with Virginia universities on research is helping MWV develop the products and sustainability advances of tomorrow. The company maintains partnerships with Virginia Commonwealth University's da Vinci Center for Innovation in Product Design and Development and its Center for Environmental Studies, as well as with the University of Virginia Darden School of Business.

Why Virginia?

- Robust economy
- Pro-business environment
- Cost-effective operating climate
- High-quality workforce
- Excellent education system
- Innovative research and development
- Efficient transportation infrastructure
- Hub for international investment
- Great quality of life

A company is only as ***strong*** as the ***people behind it***.

The companies that make up Altria Group share a common belief: strong business performance is achieved by investing in employees and business partners.

Whether it's Philip Morris USA, U.S. Smokeless Tobacco Company, John Middleton or Ste. Michelle Wine Estates, our companies' dedicated employees and premium products help sustain our business and those with whom we partner.

From farming and manufacturing to small business and retail, we're proud to help support hundreds of thousands of jobs in Virginia and across the country.

With more than 300 years of collective experience, we've learned that to elevate your business, you must also elevate the people who help you get there.

To us, that's what being an American company is all about.

To learn more about our economic impact, visit altria.com/impactfacts.

Philip Morris USA ▪ U.S. Smokeless Tobacco Company ▪ John Middleton
Ste. Michelle Wine Estates ▪ Philip Morris Capital Corporation

altria.com

Altria

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Washington Dulles International Airport offers nonstop service to 83 U.S. cities and 43 international destinations.

Fourteen commercial airports serve Virginia, including two of the nation's busiest: Washington Dulles International and Ronald Reagan Washington National.

Easy Access to Major Hubs and The World

Virginia's transportation system provides considerable competitive advantages. "That's another reason we are pleased with Virginia," says Schreiner. "The highway and rail systems allow us to move products easily throughout the Commonwealth. Virginia's location gives MWV access to the world. From Richmond, it is a very short drive for us to get to Dulles International Airport, and from there it's a one-hour plane trip to New York or Atlanta. For those of us from Connecticut, accustomed to having to travel to JFK International Airport, our travel time is now less. We can easily get where we need to be to reach our customers."

Transportation infrastructure upgrades are continuing at a rapid pace. Work on the Dulles Metrorail project in the Dulles Corridor is a prime example. The Metropolitan Washington Airports Authority (MWAA), the Washington Metropolitan Area Transit Authority (WMATA), Fairfax County, Loudoun County and the town of Herndon are constructing a 23.1-mile transit system in the Corridor that connects Fairfax and Loudoun Counties. When complete, the new Metrorail service will result in travel time savings between the Corridor and downtown D.C., expand the reach of the existing regional rail system, offer a viable alternative to automobile travel, and support future development along the Corridor.

Northrop Grumman Corporation

More than 31,000 Northrop Grumman Corporation employees call Virginia home, and soon there will be one more addition—the company's corporate offices. In 2011, Northrop Grumman is moving its corporate offices from Los Angeles to Falls Church.

The move will bring company leaders closer to its many government customers in the national capital region. While the upcoming move is exciting, Northrop Grumman's presence in Virginia is well established.

The Information Systems sector, headquartered in McLean, addresses the nation's toughest defense, intelligence, civil and cybersecurity challenges. The company's Shipbuilding sector, based in Newport News, builds nuclear aircraft carriers and submarines. The Technical Services sector, based in Herndon, provides logistics and technical support to customers worldwide.

But it's not just federal customers. In partnership with the Virginia Information Technologies Agency, Northrop Grumman is modernizing the state's IT infrastructure—a task that touches all Virginians.

Wes Bush
President and CEO

From Northern Virginia to the mouth of the Chesapeake Bay, all the way to Southwest Virginia, Northrop Grumman reaches all corners of the Commonwealth. Come 2011, the company will have one more way to describe Virginia: home.

NORTHROP GRUMMAN

www.northropgrumman.com

Leadership in global security begins in Virginia.

With our new corporate office expected to begin operations in 2011, we're just as proud to call Virginia the new home of Northrop Grumman, as the tens of thousands of Northrop Grumman employees that already do so. As a leader in global security, Northrop Grumman develops systems, technologies, and services that ensure the security and freedom of our planet and its people. From undersea to outer space, and in cyber-space, Northrop Grumman provides leading expertise in Defense, Cybersecurity, Homeland Security, Information Technology, and Climate Change. We are very excited about our move to Virginia, and look forward to continued growth and opportunity in the region.

www.NorthropGrummanGlobalSecurity.com

NORTHROP GRUMMAN

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International Business: Virginia Thinks Globally

The Commonwealth's network of modern transportation routes and ease of access to trading partners around the globe are among the essential elements that make it attractive to expanding international businesses.

Over the summer, Governor McDonnell, along with the First Lady, Secretary Cheng, and Secretary of Agriculture and Forestry Todd Haymore, traveled to Great Britain, Germany and the Netherlands to meet with business officials, encourage investment in Virginia, and promote tourism and Virginia products. The mission follows a recent month-long economic development trip to Asia by Secretary Cheng, during which he and other economic development officials met with numerous business prospects with interests in Virginia.

Since the Commonwealth's founding days, its leaders have recognized that globalization is critical to job creation, capital investment and overall economic health. In the fiscal years 2004 through 2009, 49% of new investment in the state came from international companies. On average, international companies invest three times the capital and create more jobs per project than U.S.-based companies. Virginia's main trading partners are based in Europe, with fewer from Asia and the rest of the world when compared to the nation. Seeking to expand the scope of international investment, Virginia plans to add international trade representatives in China, the U.K. and India.

To help Virginia-based companies compete in the global marketplace, the VEDP offers assistance in the form of its Virginia Leaders in Export Trade (VALET) program. VALET combines three essential ingredients—planning, expertise and capital—to generate on average an 88% increase in international sales opportunities for Virginia businesses. Participating firms share a commitment to international success with VEDP and private-sector service providers. Since its inception, over 100 companies representing a wide cross-section of industry have been accepted into or graduated from the VALET program.

Select International Wins for Virginia, 2007–2010

Company Name	Parent Country	Virginia Location
AREVA	France	Lynchburg; Newport News
BAE Systems North America	United Kingdom	Hampton
Canon Virginia, Inc.	Japan	Newport News
CGI	Canada	Russell County
Com.40 Ltd.	Poland	Danville
Continental AG	Germany	Newport News
Mercury Paper, Inc.	China	Shenandoah County
Phoenix Packaging Operations, LLC	Colombia	Pulaski County
Rolls-Royce PLC	United Kingdom	Fairfax County; Prince George County
Sabra Dipping Company, LLC	Israel	Chesterfield County
Volkswagen Group of America	Germany	Fairfax County

Virginia Tourism Corporation

The Virginia Tourism Corporation is the state agency responsible for marketing Virginia as a world-class travel destination. The Virginia is for Lovers brand is the longest-running state tourism slogan in the country, and it stands for love—pure and simple.

Virginia is full of outdoor recreation, wineries, amusement parks, history and great small towns where loved ones can completely connect on a Virginia vacation. Virginia's tourism industry generates $19.2 billion in revenue and employs more than 210,000 Virginians.

Visit www.virginia.org or call 1-800-VISITVA for a free Virginia is for Lovers travel guide.

www.virginia.org

Virginia is for Lovers

LOVE
It's at the heart of every Virginia vacation.
Virginia is for Lovers®
Virginia.org

Virginia's ports are strategically located on the U.S. East Coast, within one day's drive of two-thirds of the U.S. population.

Virginia Ports Offer New High-Tech Capacity

Deepwater, high-tech terminal facilities and ample land for expansion make Virginia's East Coast port system ideal for import and export operations. Virginia's ports are within a day's drive of two-thirds of the U.S. population. This strategic location is recognized by such companies as Altria, Wal-Mart, MWV and other international firms that use the port and its adjacent warehousing and distribution facilities. A recent study by the Mason School of Business COMPETE Center at The College of William & Mary calculated the direct and indirect economic impact of the Port of Virginia at $41 billion in total revenue.

The Port of Virginia ranks third in market share out of the top East Coast container ports, with 1.7 million 20-foot equivalent units (TEUs) shipped annually. As the deepest port on the U.S. East Coast, the Port of Virginia already has the ability to handle the largest container ship afloat. With federal authority in place to increase depth from 50 feet to 55 feet, it will be able to accommodate the next generation of even larger vessels.

In July 2010, the Port of Virginia added a fourth marine terminal to its existing facilities in Newport News, Portsmouth and Norfolk. The leased port terminal in Portsmouth, APM Terminal, constructed by A.P. Moller-Maersk Group, is the most technologically advanced container terminal in the world. The Port of Virginia will double its containerized cargo capacity when the terminal is fully developed. The $500 million project is the largest private investment ever made in a U.S. port. Its 55-foot channel depth will differentiate it from other ports.

"Overnight, we added the capacity to handle a million more containers," says Port of Virginia Media Relations Manager Joe Harris. "As the economy

The Port of Virginia

The Port of Virginia has a collective set of assets that is unrivaled on the U.S. East Coast: the coast's deepest shipping channels (50 feet); no overhead obstructions (bridges); an expansive, modern terminal complex that is within a day's drive of two-thirds of the nation's population; and access to the East's two Class I railroads.

Additionally, the Virginia Port Authority (VPA) recently acquired the APM Terminal in Portsmouth through a long-term lease agreement, and in doing so brought the most technologically advanced container terminal in the world into the VPA fold. This agreement immediately increased the capacity at the VPA terminals by 1 million TEUs (20-foot equivalent units), and if necessary, that amount can be doubled through further development.

Jerry A. Bridges
Executive Director, VPA

Possibly the most valuable asset is the port's ability to grow. The VPA is in the preliminary planning and construction phase of developing the Craney Island Marine Terminal, a multiphase, deepwater terminal project that could handle in excess of 2 million TEUs when complete.

THE PORT OF VIRGINIA
Building A Brighter, Cleaner, Greener Future.

www.portofvirginia.com

THE PORT OF VIRGINIA

36-57'24"N
076-22'58"W

WHAT SETS US APART
BRINGS THE WORLD CLOSER TOGETHER.

NORFOLK, VA | USA

THE PORT OF VIRGINIA
Building A Brighter, Cleaner, Greener Future.

Norfolk International Terminals . Newport News Marine Terminal . Portsmouth Marine Terminal . APM Terminal Virginia . Virginia Inland Port

No other port combines cost-saving efficiencies with cutting-edge technology innovation like The Port of Virginia. With 24-hour container turnarounds, Suez cranes, and next-day doublestack rail to Midwest markets, The Port is your best choice for business no matter where you are coming from.

To learn how to get closer to your markets, call 800.446.8098 or visit portofvirginia.com

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The pro-business climate in Virginia remains steady, regardless of who is making the rules in Richmond.

comes back, we expect an increase in volume, and we are ready for it." The Port Authority also has room for expansion on Craney Island in Portsmouth. This spring the Port Authority received the necessary environmental permits to begin building Craney Island Marine Terminal; the first phase of this fourth state-run marine terminal is expected to be operational between 2020 and 2022.

The port's Suez-class cranes can handle ships loaded 25 containers across. Recently completed renovations at Norfolk International Terminals brought in new cranes, straddle carriers and a wharf almost a mile long. The port also maintains a strong commitment to the environment, working toward the goal of becoming the greenest port in the country.

"The recent and continuing expansion at the Port of Virginia sends a message to companies around the world that our collection of modern terminal facilities can handle whatever volume they require, without congestion," says Harris. "We also have excellent labor relations with our union. There have been no major work stoppages in more than 25 years." The port offers convenient access to two Class 1 railroads—Norfolk Southern and CSX—and major interstate highways.

> "The technology corridor is rich in intellectual capital and positively charged with opportunities that draw educated workers from around the world. Innovators of every kind understand this and know this is the logical place to be."
>
> **Bobbie Kilberg**
> **President and CEO**
> **Northern Virginia Technology Council**

Targeting 21st-Century Industries

Virginia is giving top priority to companies in the advanced manufacturing, information technology (IT) and energy sectors. These target industries already have a considerable presence of skilled workers and successful companies, as well as great growth potential.

The advanced manufacturing sector includes aerospace, transportation

equipment and pharmaceuticals. Within Virginia, some 239,000 workers are employed in the manufacturing sector and contribute more than $34 billion to the state's economy.

Industry leaders in Virginia include Northrop Grumman Shipbuilding, DuPont, Stihl, Rolls-Royce and AREVA, a world leader in nuclear energy.

AREVA's presence in Virginia dates to 1957. Two years ago, the company formed a $363.4 million joint venture with Northrop Grumman Shipbuilding, a sector of Northrop Grumman Corporation. The AREVA Newport News LLC venture, now under way, manufactures equipment and pressure vessels for the nuclear industry and provides nuclear engineering services. Virginia successfully competed with Alabama, Indiana, South Carolina and Tennessee for the project. "Our depth of expertise—including workers skilled in nuclear engineering, manufacturing and welding—helped clinch the deal," says VEDP's Anderson.

Industry and university collaborations serve as the platform for bringing Virginia's university research assets together with the production needs of the manufacturing arena. One example is the Commonwealth Center for Advanced Manufacturing (CCAM), a research facility formed by the Commonwealth of Virginia, the University of Virginia, Virginia Tech, Rolls-Royce and other partners.

Rolls-Royce has supported the creation of CCAM with the donation of 20 acres at its new aerospace facility at Crosspointe in Prince George County. The global power systems company will participate with university faculty and students on advanced aerospace propulsion systems and manufacturing research, creating educational opportunities for students and establishing a pipeline of engineering leaders.

Microsoft Expands in Virginia With State-of-the-Art Data Center

Recently, Governor Bob McDonnell announced that Microsoft Corporation will invest up to $499 million to build a state-of-the-art data center in Mecklenburg County. The project is the largest investment project in Southern Virginia's history.

"Virginia is important to the growth of Microsoft's business, especially our cloud services, which are computing resources, information and programs that are made available on demand," says Curt Kolcun, vice president, Microsoft U.S. Public Sector. "Not only will this data center play an important role in our cloud business offerings, which will help organizations, governments and businesses to be more agile and cost-effective, but also the partnership between Virginia and Microsoft offers local, regional and national economic benefits."

The Commonwealth of Virginia recognizes that information technology is evolving into a service that can be accessible from almost anywhere, anytime, and from any device. Virginia partnered with Microsoft to enable the best possible delivery of IT services.

Information Technology: Connect Here

Technology innovators of all sizes are drawn to Virginia for its wired-to-the-world status, proximity to the federal government, access to top research and development facilities and highly qualified workforce.

Virginia's communications infrastructure assets are well known. More than half of the world's daily Internet traffic flows through the Commonwealth on a sturdy and secure backbone with the capacity to meet industry needs well into the future. Multiple energy providers keep the state supplied with reliable and abundant electricity, at rates that are among the lowest in the nation.

"Proximity to power is the region's longtime advantage, made even stronger now that Washington has an increased role in the world's financial markets," says Bobbie Kilberg, president and chief executive officer for the Northern Virginia Technology Council (NVTC). "The technology corridor is rich in intellectual capital and positively charged with opportunities that draw educated workers from around the world. Innovators of every kind understand this and know this is the logical place to be."

NVTC was formed to support and promote the region's technology community. It now has about 1,000 member companies representing more than 200,000 employees. Member companies are engaged in all aspects of the technology industry, including software, systems integration, federal IT, green IT, health IT, Internet, data centers, cyber-security, telecommunications, bioscience, aerospace and the service providers that support these companies.

In addition to its member networking and professional development programs, NVTC serves as a public policy advocate on technology issues. As an example, Kilberg serves on Governor McDonnell's Commission on Government Reform and Restructuring and his Commission on Military and National Security Facilities.

Kilberg highlights Northrop Grumman's headquarters move as strong evidence that Northern Virginia is an ideal location for technology companies. That move echoes closely the 2008 decision of CSC (formerly Computer Sciences Corporation) to relocate its corporate headquarters to Falls Church from El Segundo, Calif.

"Virginia has a dual economic development strategy for technology business," Kilberg says. "Attracting relocating companies is one part. The second is to 'grow our own.' That means making Virginia a top destination for entrepreneurs, innovators and investors. Governor McDonnell and the legislature recently enacted several new initiatives to help us do that. For instance, we now offer a 100% capital gains tax exemption for entrepreneurs and investors when they form or invest in an early-stage technology company within the next three years."

Support and Capital for Innovative Start-Ups

The Center for Innovative Technology (CIT) in Herndon has been accelerating entrepreneurship and innovation in the Commonwealth for 25 years. "Globally, innovation is recognized as the premier path to economic expansion," says Peter Jobse, president and chief executive officer. "In Virginia, innovation can accelerate recovery from the current recession and propel the Commonwealth into a new economy that creates new jobs, cuts costs and improves efficiencies."

CIT's GAP Funds program is available to emerging life sciences and technology companies throughout the state. It provides seed-stage investment that leverages federal and private investments. Since its inception, GAP has invested almost $3.5 million to create 36 companies that, in turn, were able to attract an additional $41 million in private equity.

Correctly gauging the heightened demand for green IT, CIT GAP Funds invested $100,000 in Blacksburg-based start-up MiserWare, Inc., in 2008. "The company's software helps companies cut the energy usage of servers and PCs significantly beyond what can be achieved by using conventional methods such as virtualization, server consolidation and machine upgrades," says Jobse. "The licensing, patenting, marketing and funding assistance we provided is just one example of how we help innovators become successful."

Energy: Power Up Here

The Commonwealth has strengths in four main energy sectors: In addition to its nuclear business cluster and significant coal resources, it has shallow water suitable for offshore wind generation beyond sight of shore. Its significant biomass resources, with the support of a $100 million commitment from the Virginia Tobacco Commission, are creating opportunities for new energy products and services. With the goal of achieving energy independence for the state, Governor McDonnell has emphasized the importance of using all of Virginia's available resources.

"Governor McDonnell's goal for Virginia to become the energy capital of the East Coast will take advantage of the energy infrastructure already here and further develop capacity in the areas of wind, biofuels and other green energy production," says Thomas F. Farrell II, chairman, president and chief executive officer of Richmond-based Dominion Resources Inc.

As one of the nation's largest producers and transporters of energy, Dominion is

Two of the nation's largest railroads operate on Virginia's 3,200 miles of railway: CSX Corporation and Norfolk Southern Corporation.

Throughout the Commonwealth, Dominion operates 29 electric-generating power stations varying in fuel type.

Dominion offers economic development services free of charge to businesses seeking to operate in the regions it serves.

an integral part of the Commonwealth's energy story. In Virginia, Dominion has 2.3 million residential, industrial and government customers. It is investing $4.2 billion over the next three years for transmission, generation and facility upgrades.

Farrell says there has been a definite change in the way its prospective customers view their energy suppliers: "In addition to asking about price and whether we can meet their power needs, they are starting to ask about our energy supply mix. They are highly attentive to the environmental impact and the potential impact of climate change legislation on costs going forward. We take this very seriously, and environmental issues are an important part of our corporate social responsibility activities."

In a recent comparison of the carbon intensity of the nation's largest power companies—using a measurement in which lower is better—Dominion is in the lowest third. "That seems to resonate with corporate decision makers," says Farrell. "We offer a good balance between price and environmental impact."

Dominion offers economic development services free of charge to businesses seeking to operate in the regions it serves. "When companies are looking to locate or expand in Virginia, we can help them perform due diligence," says R. Kent Hill, the company's senior manager of economic development. "For a large energy user, for example, we could perform a power-quality review so they know whether a site will accommodate their requirements. We can provide electricity cost estimates for comparison of multiple sites. For certain high-impact projects, we have done helicopter flyovers with corporate executives so they can see multiple sites in a short period of time. We also have the ability to put together interactive video tours of available sites and buildings."

The American Nuclear Society has estimated that 700 nuclear engineers need to graduate every year to support the industry's potential demand. Currently, only about a third of that number is available. To increase the supply, Dominion has partnered with Virginia Commonwealth University (VCU), funding programs to train the next generation of nuclear engineers. The pipeline of nuclear engineers coming through VCU's undergraduate and master's level programs will ensure the company has adequate capacity in the years ahead.

Dominion also has contributed to the College of Engineering at Virginia Tech. A 2009 donation of $400,000 in smart-grid equipment and a $45,000 fellowship fund will help graduate students gain experience using state-of-the-art technology to help improve the U.S. power infrastructure.

Educational Institutions: Fueling the Economic Engine

Virginia's higher education excellence is recognized worldwide. Colleges and universities with a research focus have achieved world-class status with breakthroughs in business, technology, manufacturing and healthcare.

The University of Virginia was the top non-military-academy public university on Forbes' most recent list of America's Best Colleges, released in August. The list also ranked The College of William & Mary in Williamsburg as the second-best public university and fifth overall among all colleges and universities in the South.

As a critical part of the Commonwealth's economic engine, small and large institutions immerse students in experiences that equip them to think critically, lead and innovate. These skills make graduates valuable contributors to Virginia and the world.

Inventing the Future

Virginia Tech's research in smart-grid technology will help address the national security issue of grid resilience. The university's overall research portfolio is now over $400 million.

One of the most exciting things to happen at the university was the opening of the Virginia Tech Carilion School of Medicine in August. Located across the street from Carilion's Roanoke Memorial Hospital, the facility also houses a research institute. "We are extremely delighted to have the first class of 42 students here," says Virginia Tech President Charles Steger, Ph.D. "The school's curriculum was modeled after that of the Mayo Clinic and Cleveland Clinic. Our emphasis will be on research and producing physicians who have the problem-solving skills to make significant contributions to society."

Steger points to the university's partnership with Rolls-Royce, the Commonwealth and the University of Virginia for jet-engine research as an example of the stellar assets research universities add to the economic development portfolio of the state.

Multidisciplinary partnerships were instrumental in yet another accomplishment: a solar-powered prototype house that won top honors at Solar Decathlon Europe in Madrid over the summer. Virginia Tech faculty, undergraduate and graduate students from the College of Architecture and Urban Studies, the College of Engineering, the Pamplin College of Business, and the College of Liberal Arts and Human Sciences participated on the winning design team.

Virginia Tech's engineering program is ranked 13th in the nation in the 2011 *U.S. News & World Report*'s "Best Engineering Institutions" list.

> "Companies are drawn to invest where they know they can find a highly educated workforce. The diversity and depth of our graduate and post-graduate educational opportunities allow us to match prospective employers with the workforce strengths of a particular region within the state."
>
> **Jeff Anderson**
> **President and CEO**
> **Virginia Economic Development Partnership**

Building Leaders

Virginia Military Institute (VMI) focuses on undergraduate programs in 14 majors. "All of them are difficult, and deliberately so," says General J.H. Binford Peay III, superintendent. "Our graduates who go on to higher levels of education in any field do extremely well. Even those who do not enter the military leave here with an internal discipline that makes them very successful in all walks of life."

About half of VMI's cadets are enrolled in math, science and engineering programs. "We have a strong electrical engineering and computer science program with very innovative professors," says Peay. "Our engineering programs are highly ranked. The respect VMI's engineering curriculum has achieved is because our graduates are ready to perform when they report to their first job."

VMI's Department of Business and Economics recently received accreditation by The Association to Advance Collegiate Schools of Business (AACSB) International. It's an accomplishment only about 5% of business schools worldwide have attained.

Every year, 18,000-plus highly trained military personnel separate from the military and enter Virginia's workforce.

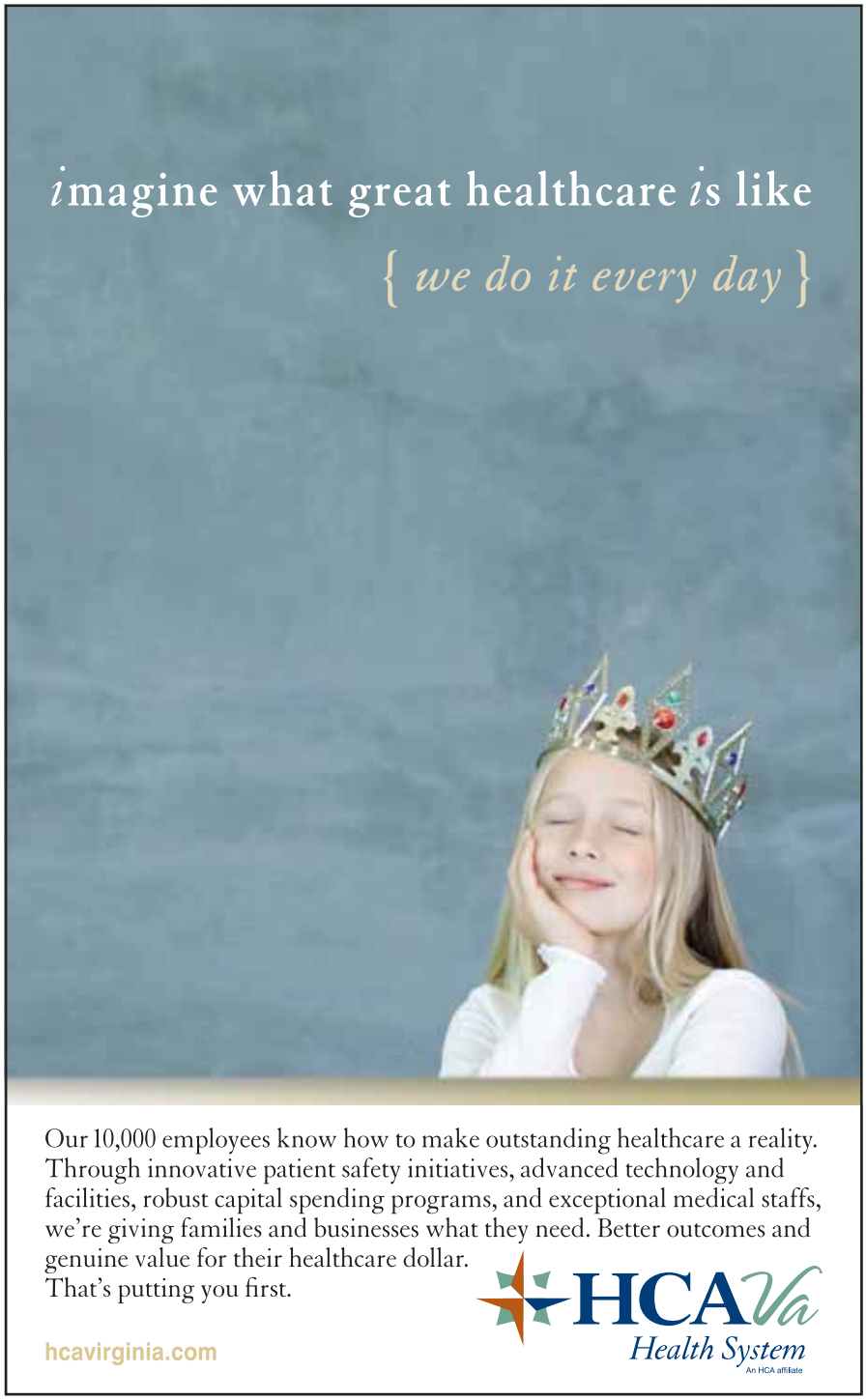
Skills for a Changing World

Randolph-Macon College focuses on educating the whole student, in and out of the classroom. "While some people may wonder about the applicability of a liberal arts degree, students here gain real-life experience and learn valuable problem-solving skills," says President Robert Lindgren. "They leave Randolph-Macon with the ability to think critically, write and communicate effectively, and work independently as well as in teams. Most importantly, they learn how to learn. These are all assets highly sought after by corporate America. In a world where people may change careers half a dozen times, they will need the kind of life skills that our exceptional faculty and staff help them develop.

"Randolph-Macon is the quintessential residential liberal arts college," says Lindgren. "Of our 1,200 students, more than 90% live on campus. The 11:1 student-to-faculty ratio provides a powerfully personalized educational experience. Although that may be challenging to provide today, I think it's a valuable benefit and plays an important role in preparing our graduates for success.

"Working with the business community is a high priority for us," Lindgren adds. A comprehensive internship program has placed students at over 1,100 sites in more than 25 states, Washington, D.C., and 18 foreign countries.

Randolph-Macon interns have worked at international financial services firm Genworth Financial, Inc., over the last nine years. "Genworth has had great success with interns from Virginia colleges and universities like Randolph-Macon, which is right in our backyard in



Richmond," says Mike Fraizer, chairman, president and chief executive officer. "They come prepared to hit the ground running and instantly add value to our operations."

Engaging Critical Thinkers

The engagement of critical thinking—and not just the transmission of knowledge—is the role of Virginia Commonwealth University (VCU), says President Michael Rao, Ph.D. The urban university has forged ties with business, industry and government in such innovative projects as the collocation of the Schools of Business and Engineering, the da Vinci Center for Innovation in Product Design and Development, and the Virginia Bio-Technology Research Park.

VCU students and faculty are challenged to develop an understanding of life and improve the quality of life for others. "We want students to become leaders in their disciplines and be committed to improving their disciplines. That leads to creativity and discovery, and, we hope, new business and economic development," Rao says.

He points to a 2008–2009 collaboration at the da Vinci Center that engaged the talents of an interior design student, a biomedical and mechanical engineering graduate student and a School of Business student. Challenged to solve a real-world problem, they designed a $500 operating table to be used in developing countries.

"This environment changes the way students think about everything," Rao says. "It's not just about getting a grade."

Pharmaceutical and medical device manufacturing account for 44% of employment in Virginia's life-sciences industry.

Caring for the Health of the Commonwealth

HCA Virginia, one of the Commonwealth's largest private employers, is among the many organizations tapping the talent that emerges from Virginia's educational institutions. It provides financial support to many of Virginia's college-based nursing programs, which Margaret G. Lewis, president of HCA's Richmond-based Capital Division, calls "a great feeder system." The network also has partnerships with VCU's School of Applied Sciences and recruits from the wealth of IT talent produced by Virginia colleges and universities.

HCA Virginia is the state's largest patient care network with 13 hospitals, 13 outpatient centers and affiliations with 2,700 physicians in Central, Southwest and Northern Virginia. Its facilities include one of the state's oldest hospitals (Retreat, founded in 1877 in Richmond) as well as its newest (Spotsylvania Regional Medical Center, which opened in June). With a workforce of 13,000 and an annual payroll of $667 million, the network is a key economic catalyst in more ways than one. "The taxes we pay—nearly $100 million each year, including $28 million to the state—and our capital spending are stimulating and steadying influences on Virginia's economy," says Lewis.

Independent organizations have consistently recognized the network and its facilities for clinical excellence. HCA Virginia's parent company, Nashville-based HCA, was named one of the "World's Most Ethical Companies" of 2010 by the Ethisphere Institute.

As both a provider and user of care, HCA Virginia understands that employers place a high importance on finding value for their healthcare dollar. "Great

care is cost-effective care, because it leads to positive clinical outcomes and keeps a company's workforce productive," says Lewis, "and that's exactly what we strive to deliver."

Virginia Offers Diverse Regional Strengths

Throughout the Commonwealth, regional economic development groups are attuned to delivering exceptional value to expanding businesses, including high-tech infrastructure, skilled workers, business parks and office space. Each region offers a consistent "let's do business" welcome.

Martinsville-Henry County, on the southern border of Virginia, covers 385 square miles. Centrally located on the East Coast, it is equidistant from Roanoke, Va., and Greensboro, N.C. When companies question how wired a rural community in the foothills of the Blue Ridge Mountains can be, they are often surprised.

The Martinsville Speedway is home to several major NASCAR events, drawing thousands of tourists each year.

GREATER RICHMOND, VIRGINIA, USA

Making Economic Progress

Elephant Auto Insurance, a provider of low cost auto insurance over the Web, opened a 26,000-square-foot office in Henrico that will house 140 employees by the end of 2010.

Hanover Foils, a new manufacturer of flexible packaging products, opened a $4 million, 80,000-square-foot facility in Ashland that will employ 80 workers.

Health Diagnostics Lab, an accredited clinical laboratory in the Virginia BioTechnology Research Park, will grow to 44 employees in their new Richmond space.

Sabra Dipping Company completed a 110,000-square-foot, $59 million plant to manufacture food products and expects to employ 260 in Chesterfield.

The Greater Richmond Partnership, Inc. serves the counties of Chesterfield, Hanover, Henrico and the City of Richmond. Since 1994, the Partnership has assisted with the location or expansion of more than 395 companies that have invested $7.3 billion in the region. But we won't stop there.

grpva.com
Greater Richmond Partnership, Inc.

Virginia Military Institute

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"The broadband capabilities of our region are equivalent to those of the Northern Virginia 'mother ship' of the Internet," says Mark Heath, president and chief executive officer of the Martinsville-Henry County Economic Development Corporation. "We have huge fiber capacity here, and we just received $16 million in stimulus funding for further expansion." The county is connected to a highly advanced optical broadband network operated by Mid-Atlantic Broadband Cooperative (MBC). The 800-mile backbone network provides 400 Gb of lit capacity with key carrier interconnection points from Washington, D.C., to Atlanta, Ga.

Martinsville-Henry County is also home to several GigaParks™ that have direct connectivity to the MBC network,

Micron Technology operates a semiconductor manufacturing facility in the city of Manassas.

Virginia's MBC and GigaParks™

In 2008, the Mid-Atlantic Broadband Cooperative (MBC) expanded the capacity of its fiber-optic broadband network across 60 Virginia business and technology parks, known as "GigaParks."

GigaParks now feature a number of advantages for businesses looking to locate their operations in the U.S.:

- An advanced 400-gigabit-per-second low-latency backbone network accessible to key Tier 1 peering points in Northern Virginia and the Southeast
- Low power and bandwidth costs
- Extremely competitive tax costs
- Low construction costs and costs per square foot for space
- A wide range of real estate inventory, including fully built, expandable and greenfield sites from 200 to several million square feet
- A highly dedicated and skilled workforce
- Robust power and network redundancy
- Access to multiple major fiber-optic and telecom service providers at each GigaPark

Virginia's GigaParks are perfectly placed near major markets like Washington, D.C., Richmond, Va., Raleigh/Research Triangle Park, N.C., and beyond, with easy access to major interstates, including I-95, I-81 and I-85, as well as an abundance of international airports.

says Heath. "These provide the perfect setting for companies requiring high capacity and low cost for their business and data center needs."

Greater Richmond Offers a Classic Virginia Win-Win Scenario

The Greater Richmond area includes the capital city of Richmond and the surrounding counties of Hanover, Henrico and Chesterfield.

There are ten colleges and universities within the Greater Richmond region. Of the nearly 70,000 students enrolled, about 10,000 graduate every year, says Gregory H. Wingfield, president and chief executive officer of the Greater Richmond Partnership, Inc. (GRP). "This provides a talent pipeline that goes on forever. VCU is one of the region's greatest assets for employers in the IT, energy and advanced manufacturing sectors. The strong

The city of Richmond, Virginia's capital city

> "When people discover that the Greater Richmond area has 140 international companies, there's an 'Ah-ha' moment."
>
> **Gregory H. Wingfield**
> **President and CEO**
> **Greater Richmond Partnership, Inc.**

hampton roads can

retain talent and entice more to find their way here; turn our lieutenants into captains of industry; add *life* to a company's bottom line; become globally competitive *and* recognizable; exceed the highest of expectations.

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engineering program is a source of workers—entry-level to advanced—for Philip Morris, Honeywell, DuPont, Capital One and Dominion, all of which have major facilities here."

The presence of companies in those industry clusters makes it easy to recruit others. "As those three sectors grow, they will find a good talent base here," says Wingfield. "And when they need to recruit from outside, we provide a great quality of place that makes it attractive to prospective workers."

The GRP offers an employment and workforce development network—richmondjobnet.com—that also serves as a marketing tool. "We can mine the resume database for a specific skill set—clean-room experience, for example—to demonstrate to prospective employers that we have a ready labor pool for them."

When GRP leaders visit international companies seeking to relocate, they are equipped with an assessment tool that provides estimated costs for opening an office in the region. "We compare our area with eight other areas across the U.S.," says Wingfield. "That helps companies make informed decisions."

Accolades for Greater Richmond in 2009

- Named among 50 fastest-recovering cities—Forbes.com, November 2009
- Named among 40 best places for business and careers among 200 largest metros—Forbes, March 2009
- 14th-best city for business among 101 metro areas—Dow Jones MarketWatch, December 2009
- A top-ten city for finding a job—Forbes.com, January 2009
- Sixth-best place in U.S. to start over—*BusinessWeek*, June 2009
- Ninth-lowest city in U.S. for corporate headquarters operating costs—Boyd Company, Inc., November 2009

Source: Greater Richmond Partnership, 2009

Among the newest international companies to choose a Greater Richmond location is Elephant Auto Insurance, a provider of low-cost auto insurance over the Internet, which opened a 26,000-square-foot office in Henrico County last October. The company is a subsidiary of Admiral Group PLC, the U.K.'s third-largest auto insurer. In May, Israeli food manufacturer Sabra, which is jointly owned by Strauss Ltd. and PepsiCo, opened a processing facility.

"Our strategic East Coast location, which is accessible to more than 55% of the nation's population by overnight delivery, was a key consideration for the

Virginia employs the second-largest number of doctoral scientists and engineers in the Southeast at nearly 20,000.

Virginia Tech is fueling growth throughout the commonwealth. Our partnership with the University of Virginia and Rolls-Royce has created a new center for advanced manufacturing in Prince George County alongside the company's manufacturing campus. Providing research power, intellectual capital, and job creation, Virginia Tech is a catalyst of growth and innovation, and a resource to help businesses be more competitive. To learn more, visit www.vt.edu/impact.

VirginiaTech
Invent the Future®

In 2008, Canon Virginia, Inc., announced plans to invest more than $600 million in its Hampton Roads facilities.

plant location decision," says Wingfield. "We have the supply chain to get products to market." The plant in Chesterfield County was built using the county's "Fast Track" project review process, which allowed the company to meet its completion deadline.

Hampton Roads Sustains Growth

The Hampton Roads region has superior strategic business advantages, thanks in part to its transportation infrastructure, which is anchored by the East Coast's largest natural deepwater harbor. Encompassing ten cities and five

The Hampton Roads region is home to nearly 830,000 skilled workers.

The Center for Innovative Technology

Since 1984, CIT has led the way to create a globally competitive innovation economy in Virginia.

We solve economic and competitive challenges by intersecting innovation, seed capital and strategic partners to build the next great technology enterprise.

The new economy starts at CIT.

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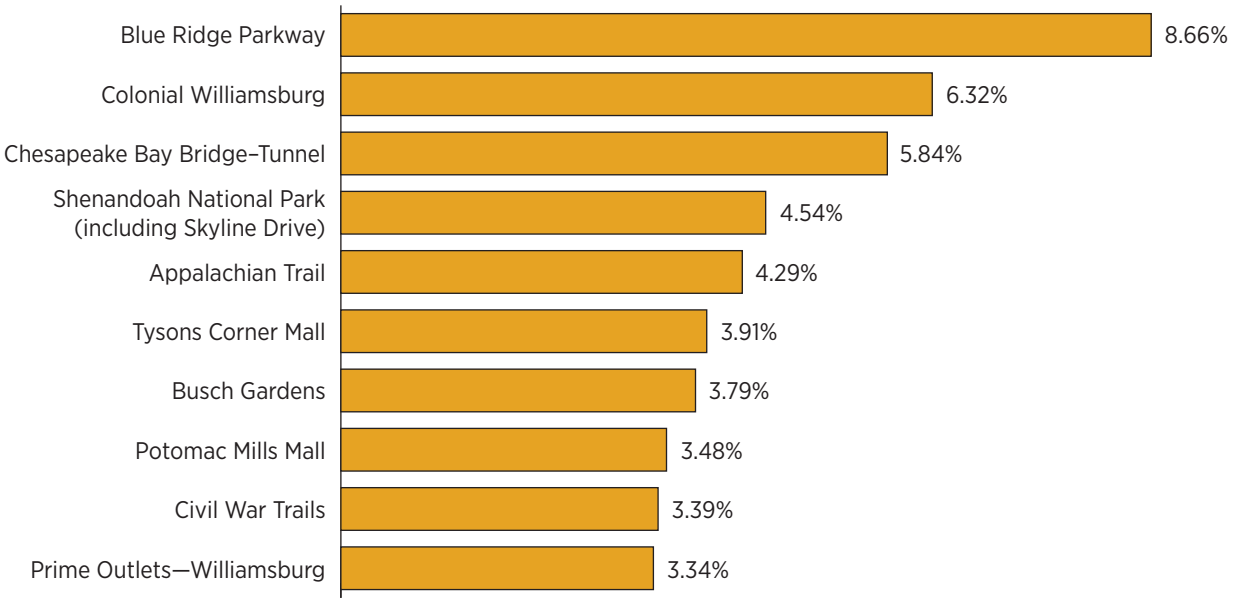
Top 10 Virginia Attractions Most Frequently Visited by Leisure Travelers



Source: Virginia Tourism Corporation, 2007–2009

counties, the region's economic development entities are represented by the Hampton Roads Economic Development Alliance (HREDA).

The region has seen nearly $1 billion in investment over the last few years, including expansions by Canon, Northrop Grumman and AREVA. "Even in the teeth of the recession, with economic conditions affecting many business sectors, we have continued to see slow and steady growth," says Darryl W. Gosnell, HREDA president and chief executive officer. Other companies that have announced new facilities in the region are government contractor Doyon Government Group and Cobham Composite Products.

Seven of the ten largest defense contractors in the world also are located in Hampton Roads. The region has experienced significant growth in modeling and simulation, and is considered a premier national and international location for the industry. The presence of federal research and development centers such as the Thomas Jefferson National Accelerator Facility and the NASA Langley Research Center further positions the region for high-tech growth.

Gosnell says workforce capabilities are a prime topic of discussion when he travels on behalf of the Alliance. "We talk about our annual pipeline of nearly 30,000 workers. About half of these are people who exit the military in Hampton Roads. Many of these are eager to go into civilian careers, and they provide employers with a ready supply of highly trained, disciplined workers. Many people don't realize the region also has 12 colleges and universities, which graduate about 14,000 students annually."

Headquarters Relocate to Fairfax County

"In the last four years, there have been seven major corporate relocation decisions in the U.S., and we have collected five of them in Fairfax County alone," says Gerald L. Gordon, Ph.D., president and chief executive officer, Fairfax County Economic Development Authority (FCEDA).

The relocation of its headquarters to Fairfax County makes Northrop Grumman the fifth company to make such a move since 2007. CSC, Hilton Worldwide, Science Applications International Corporation (SAIC) and Volkswagen Group of America likewise have brought their headquarters to this thriving Virginia county.

The Internet was developed and commercialized in the region, and the power

Hilton Worldwide celebrated the company's new Fairfax County headquarters facility in September 2009.

Virginia Commonwealth University

A world that's changing at the speed of thought needs forward-looking, creative, entrepreneurial minds to lead the way. It needs scientists, artists and educators; doctors and business executives; engineers and social leaders; and caregivers and politicians actively contributing to the most important issues of the day. It is a call that Virginia Commonwealth University answers every day.

As Virginia's only urban public research university, VCU challenges its students—more than 32,000—at every level to discover, collaborate and use new knowledge gained from 211 degree programs to develop creative solutions and engage with their community, the Commonwealth and the world. From the most intimate art studio to the most advanced operating room, VCU provides a training ground for tomorrow's workforce.

The VCU Medical Center, Virginia's most comprehensive academic health center, prepares a full spectrum of healthcare professionals, delivers world-class patient care, and discovers new treatments and cures.

VCU

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Virginia Commonwealth University

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Virginia is home to 700 international companies.

of new ideas continues to fuel growth. It's an exciting place to be, says Gordon. "When visiting executives experience that, they all use the same word: buzz. In so many communities, when people gather to network, they are talking about layoffs and budget cuts. But here, commerce is happening. People are talking about teaming up on bids and new subcontracting opportunities. You can see it happening: Once an idea is created and spun off here, we are already on to the next iteration, whether the field is IT, life sciences or aerospace."

Fairfax County is the second-largest suburban office space market in the U.S., with more than 112 million square feet. "That's more than Houston, Miami, St. Louis or Denver," says Gordon. "Tysons Corner is clearly our 'downtown,' with 26 million square feet of office space. We expect even more growth when we're connected to the new Dulles Corridor Metrorail line."

Fairfax County residents pay nearly 25% of all income taxes in Virginia, and the county typically accounts for one-third of the entire region's economic growth, Gordon notes. "We are not only a community that drives the resources of the Commonwealth; we also drive the economy of the entire Capital Region, which includes Northern Virginia, Washington, D.C., and suburban Maryland. There are actually more people working in Fairfax County than in the city of Washington, D.C."

Tourism Industry Integral to Economic Development

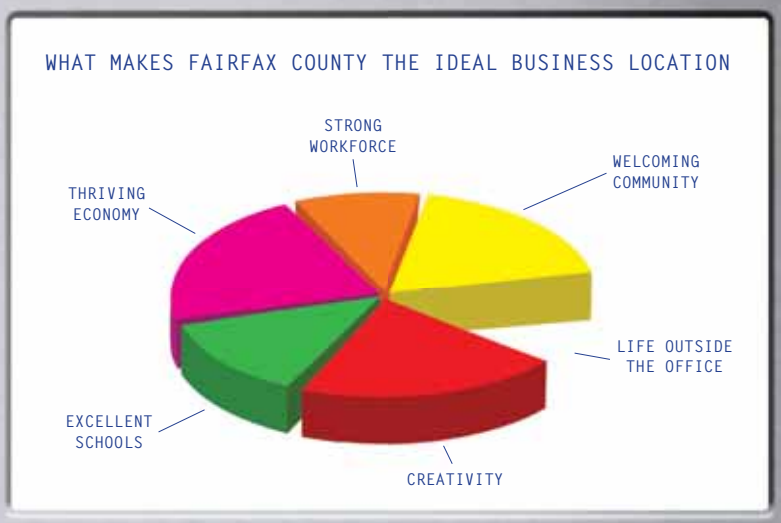
Tourism generates $19.2 billion in revenue for Virginia, supports 210,000 jobs, and provides $1.28 billion in state and local taxes for communities. "Tourism is the welcome mat for other forms of economic development," says Alisa Bailey, president and chief executive officer of the Virginia Tourism Corporation (VTC). "Tourists require many of the same things companies do: transportation, restaurants, cultural activities, historic and natural sites, outdoor recreation and entertainment. All of these factor into the quality of life that economic development groups point to when they are courting a business to stay or expand in Virginia."

Governor McDonnell has acknowledged the importance of the tourism and film industry to the state's economy, and, since taking office, has doubled the VTC's budget. Part of the $3.6 million increase is allocated to an opportunity fund for the motion picture industry, with tax credits available for filmmakers. "The governor clearly understands that an investment in tourism and film is truly an investment, not a cost. Every dollar we put into tourism marketing brings back five dollars in state and local taxes alone," Bailey says.

International visitors are an important part of Virginia's tourism economy. The VTC enjoys a nearly 20-year partnership with Maryland and Washington,

Virginia offers more than 340 golf courses.

> "Tourism is the welcome mat for other forms of economic development."
>
> **Alisa Bailey**
> **President and CEO**
> **Virginia Tourism Corporation**



No chart or graph can adequately convey what makes Fairfax County the ideal business location. Companies such as Northrop Grumman, Volkswagen Group of America, CSC, Science Applications International Corporation and Hilton Worldwide have moved their headquarters here. To learn more about why you should join them, visit www.powerofideas.org.

Fairfax County Virginia USA

The power of ideas

From 2004 to 2009, 49% of VEDP-assisted new business investment in Virginia came from international companies.

> "We are pro-business and pro-free enterprise. The General Assembly supports that with new incentives and a regulatory climate that encourages investment. And while access to the federal government is one of our strong advantages, we realize that private-sector business, entrepreneurs and small enterprises are essential economic drivers. We want those innovators here, and we will continue to provide an environment in which they are free to grow."
>
> **Bob McDonnell**
> **Virginia Governor**

D.C., in attracting international travelers. The "Capital Region USA" effort is paying off, says Bailey. "It was a very modest investment by international standards. Yet in 2009, we were one of only four states in the U.S. that saw an increase in international visitors, and we ranked number one in the growth of international visits—16% over the year before," she notes.

Most of the state's international travelers come through Washington Dulles International Airport, which offers approximately 440 flights from more than 43 countries each week. "Most of our international guests have been to the U.S. before, typically to New York or Florida," says Bailey. "They tell us they are fascinated by our history and historic communities, and they love our varied and interesting geography. International visitors also gravitate to our small towns. This is where our Southern hospitality just beams."

Virginia was the first state in the nation to have a consumer Web site for its tourism efforts. It will soon launch a "Virginia is for Lovers" mobile application to help users find restaurants, plan itineraries and customize a vacation experience or day trip.

A Commonwealth of Opportunity

The course for any enterprise seeking to grow and prosper in Virginia is uncommonly clear. As it carries on its legacy of welcome, abuzz with new activity, Virginia is truly a Commonwealth of opportunity. ■

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Dominion
www.dom.com

Fairfax County Economic Development Authority
www.fairfaxcountyeda.org

Greater Richmond Partnership, Inc.
www.grpva.com

HCA Virginia Health System
www.hcavirginia.com

Hampton Roads Economic Development Alliance
www.hreda.com

Martinsville-Henry County, Virginia
www.yesmartinsville.com

Microsoft
www.microsoft.com

MWV
www.mwv.com

Northern Virginia Technology Council
www.nvtc.org

Northrop Grumman
www.northropgrumman.com

The Port of Virginia
www.portofvirginia.com

Randolph-Macon College
www.rmc.edu

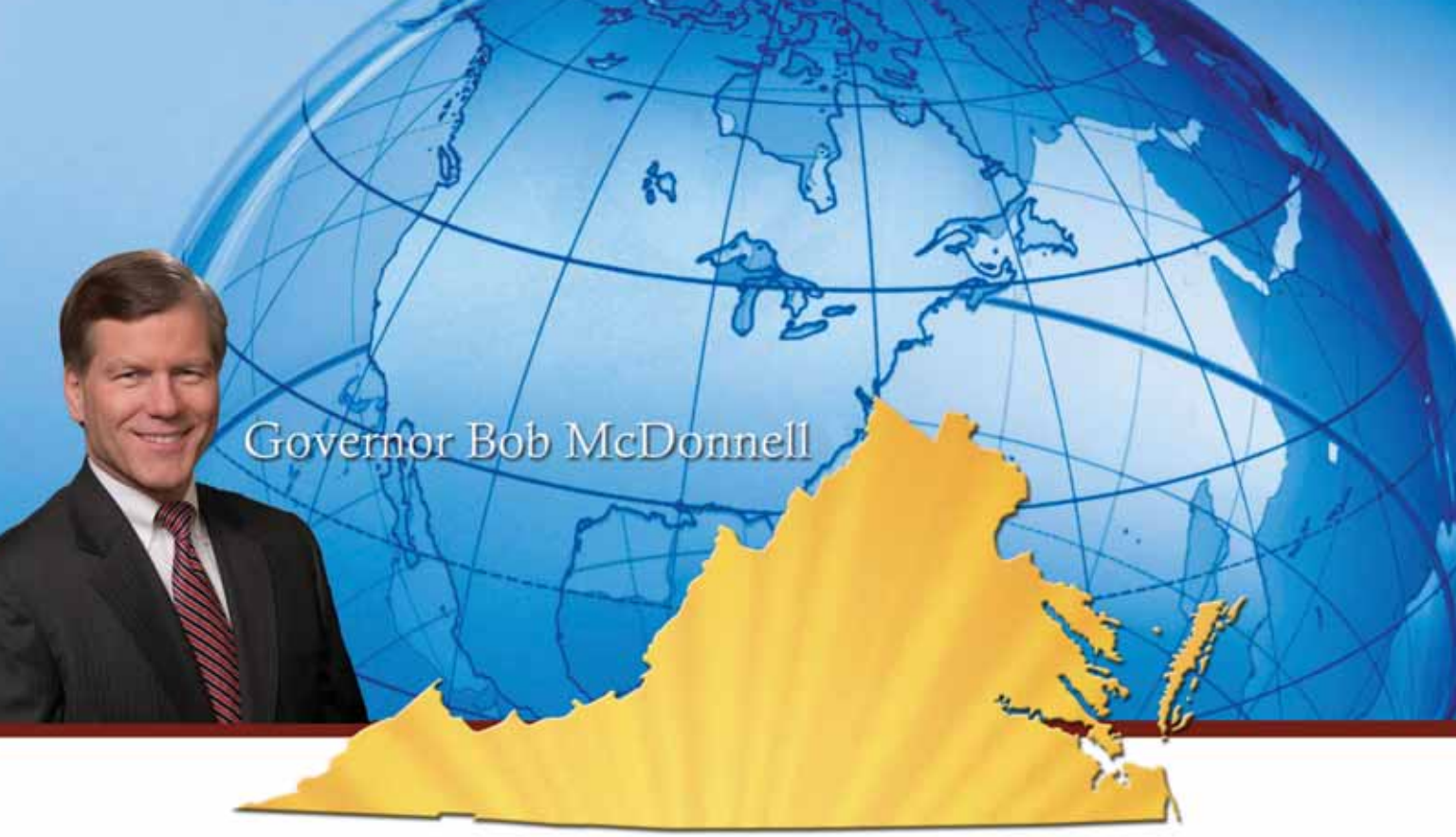
Virginia Commonwealth University
www.vcu.edu

Virginia Economic Development Partnership
www.YesVirginia.org

Virginia Military Institute
www.vmi.edu

Virginia Tech
www.vt.edu

Virginia Tourism Corporation
www.virginia.org



VIRGINIA

A Commonwealth of Opportunity

Today, only a few locations can guarantee the right combination of resources that are crucial to business success in a global economy. Virginia is one of those locations. The Commonwealth of Virginia offers a unique combination of assets that have encouraged businesses to prosper for more than 400 years—a pro-business climate, skilled and educated workforce, excellent quality of life, strategic location, and superior infrastructure.

I hope you enjoyed the Virginia story. My administration has made job creation our number one goal and we welcome the opportunity to discuss business growth in Virginia. Please contact my economic development team for further information.

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Virginia Economic Development Partnership
901 East Byrd Street, Richmond, VA 23219 • www.YesVirginia.org • 804.545.5700