



Virtual Virginia:

Response to Changing Face of Economic Development

(From left) VEDP's John Mehfoud, Stuart Blankenship, Vince Barnett, Johnny Perez, Ann Battle and Jerry Giles are members of the Virtual Virginia team. Not pictured are Aric Mueller and Mike Sexton.

Blaze orange hats and binoculars are popping up among the cubicles, hallways and offices of the Virginia Economic Development Partnership. The nine folks wearing the conspicuous color aren't hunting deer or small game.

They call themselves the Virtual Virginia team, and since July, the hunters have worked to blaze through a forest of high-speed change in search of the best possible VEDP response to the changing face of economic development. Better yet, the team of forward thinkers is working fast and furiously to be proactive—not reactive—to what future economic development has in store for Virginia.

The team's mission: to examine economic development trends and predictions for future economic development practices. The team's findings include change in the nature of the economy from manufacturing to service industries, compression of the window of opportunity to work projects, and a population boom of consultants assisting companies with the decision-making process. The team also determined that use of the Internet as an instrument for elimination instead of selection of possible candidates for economic development is on the rise.

With the research completed and the predictions made, the team set forth, scratching its collective head, in search of the answer to economic development's

most difficult question: How does Virginia respond to this wave of change in economic development?

"Think like the client," said VEDP Finance Director and Virtual Virginia Team Leader Jerry Giles. While location and physical assets remain important to a company's decision to expand or locate in Virginia, a strong, educated workforce is gaining parity in terms of the characteristics companies want in their choice location. Place and people are at coequal status.

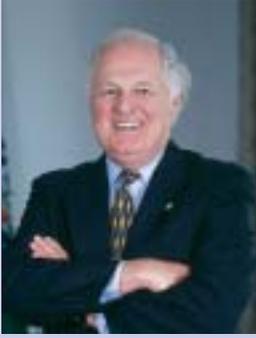
"It is becoming a build-your-own world," Giles said. "The future is making society more productive and more efficient. We must provide the tools on our Website to allow our clients to build their own proposals."

One of the Virtual Virginia team's first plans of attack is to create a consultant advisory council. A direct-call program on consultant targeting is planned for January 2005, as well as a recurring electronic marketing program for consultants. The team will also review Virginia's incentive structure with an eye toward recommendations to make it easier to understand, more efficient to administer, and more valuable to our customers by front-ending incentives to offset start-up costs for projects.

Stay tuned as the Virtual Virginia team continues on its quest into the future of economic development. For more information, visit www.VirginiaAllies.org. ■



Jerry Giles, VEDP Finance Director and Virtual Virginia team leader, introduced the project to allies during the Nov. 18 VEDP/Ally Meeting.



From the Director

A new year is upon us and I hope you and your family enjoyed a bright holiday season. I was pleased to see so many of you at our fall Ally Meeting at Sweet Briar College in Amherst County.

Virginia has experienced a busy quarter with VEDP announcing 12 projects in November alone. The most newsworthy day occurred when Governor Warner announced 11,000 homeland security jobs in many different Virginia communities. I would also point out that several good projects were announced in rural areas of the state. Saltville, Franklin County, Emporia, Scott County and Smyth County all posted important wins.

At VEDP, we anticipate an exciting year with challenges ahead. Our cover story for this issue of CQ deals with how VEDP is confronting change. "Virtual Virginia" has been an adventurous project for many here at the Partnership. The committee's findings will lead us all in new directions to better serve the client and in the end, secure decisions for Virginia.

Governor Warner and Secretary Schewel also have been busy rolling out "Virginia Works," a comprehensive plan that changes the economic development discussion and explores non-traditional approaches to creating jobs in distressed areas. I am certain you have read and heard about it through your local media. I am pleased that International Trade's VALET program is a key component of this plan.

On the business development front, we're seeing steady activity; of note, for those projects that are year-to-date "decisions for Virginia," the percentage that originated with consultants is slightly higher than last year (when reviewed on an annualized basis) and just re-emphasizes why we focus on this select group. During the last quarter BD also emphasized the international and motorsports arenas. With our motorsports marketing effort fully staffed, we're underway with outreach activities that are putting Virginia's face in front of many possible clients. And our international directors spent a week in Richmond, meeting with business development teams, discussing target markets, and planning outreach for FY '06.

In international trade, I am delighted to share that the VALET Program, launched just three years ago, was the recipient of an Innovation Award from the National Council on Public-Private Partnerships, selected from more than 20 nominees. Forty-five (45) companies have either completed or are now enrolled in this cutting-edge international sales program.

I know we will all closely watch the next General Assembly session and monitor any economic development issues. As always, please contact us if we can assist you in any way. Happy New Year and have a prosperous 2005.

Sincerely,

Mark R. Kilduff

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Allies Get Statewide Update in Amherst

Economic development professionals from across the Commonwealth took a break to learn more about what's going on statewide during the fourth VEDP/Ally Meeting held Nov. 18 at Sweetbriar College in Amherst, Va.

VEDP Executive Director Mark Kilduff kicked off the day's festivities by recognizing new VEDP employees. Ton Balsink was presented with a Virginia Share of Stock in recognition of his retirement after six years as a marketing manager in the VEDP Europe office. Dr. Sang Min Woo, Director of the VEDP Korea Office, and Eddie Yano, Director of the VEDP Japan Office in Tokyo, were recognized for their years of service.

Leaders of the VEDP international offices, joined by Hans Schetelig, Director of the VEDP Europe Office, remained in the spotlight for individual presentations that provided an international outlook on economic development.

International flair went virtual with a presentation by Jerry Giles, VEDP Finance



VEDP Executive Director Mark Kilduff presented Ton Balsink with a Virginia Share of Stock in recognition of Balsink's retirement.

Director and leader of the Virtual Virginia team (see cover story) who provided an overview of the team's efforts to examine and respond to changing trends in economic development.

After lunch provided by Appalachian Power (AEP), the group reconvened for state updates provided by VEDP Economist Brian Kroll, VEDP Communications and Promotions Director Rick Richardson and VEDP Business Development Director Liz Povar. Stay tuned for the next VEDP/Ally Meeting in May 2005. If you were unable to attend the November meeting, you can catch what you missed by visiting www.VirginiaAllies.org. ■

Duys Joins Frankfurt Office to Market Virginia

Matthias Duys is used to being flip-flopped among countries.

It started at birth and hasn't let up. He has lived in seven countries and speaks about a half-dozen different languages.

Duys' stint as VEDP International Trade Manager, where for nearly six years he promoted international trade programs and opportunities to companies in Northern Virginia, is about to flip-flop him to the other side of VEDP and overseas once again.

Duys took over as Marketing Manager Europe Oct. 18. Ton Balsink retired from the post in December after six years of service.

"Matt brings to this position six years of experience assisting Virginia companies with their export trade activities, not to mention his experience with Governor's missions and his corporate sales experience," Jerry Broadway said. "Matt will be a tremendous asset to the Frankfurt office



(Duys continued page 15)

Defense and Homeland Security Sector Flourishes in Virginia

History was made in economic development for Virginia Nov. 17 when Governor Mark R. Warner announced expansion

plans by four prominent companies that will lead to more than 11,000 high-paying jobs for Virginians.

The expansion of Booz Allen Hamilton, Science Applications International Corporation (SAIC), SRA International and PricewaterhouseCoopers are the result of the companies' increased business with the federal government, primarily in the defense and homeland security sector.

The combined announcement was made during an event hosted by Booz Allen Hamilton at its new Herndon facility. The company announced 4,600 jobs in Fairfax County and the City of Norfolk through a \$130 million investment.

"Virginia is the absolute leader in homeland security and defense," Governor Warner said. "My office and the Virginia Economic Development Partnership are aggressively encouraging companies to perform more federal contract work in Virginia. I applaud these four firms for their commitment to the Commonwealth."

SAIC will create 4,515 jobs in various locations throughout Virginia by way of a \$96 million investment. SRA International will hire 1,143 new employees and invest \$46 million in Arlington and Fairfax counties. PricewaterhouseCoopers will create 600 jobs in Fairfax County through a \$72 million investment.

The companies cited a talented workforce, the Commonwealth's proximity to federal intelligence organizations and superior quality of life as reasons for choosing Virginia for their expansion efforts. ■

For an update on the defense and homeland security sector, visit <http://sharepoint.yesvirginia.org/VirginiaDefense>

Governor Warner presented Dr. Ralph Shrader, Chairman and CEO of Booz Allen Hamilton Inc., with a Virginia Share of Stock Nov. 17 to show appreciation for the company's commitment to the Commonwealth.



Governor Warner answered media questions following the Booz Allen Hamilton announcement. Booz Allen's announcement, combined with announcements by SAIC, SRA International and PricewaterhouseCoopers, will provide for more than 11,000 job opportunities in Virginia.



AgustaWestland Inc. Lands in Fairfax County

Complete with televised helicopter demonstrations and a helicopter model, AgustaWestland Inc. and AgustaWestlandBell announced Nov. 19 its plans to relocate and consolidate their operations in Reston, creating 300 new jobs and a \$2 million investment in Fairfax County. AgustaWestland is one of the world's largest military and commercial helicopter manufacturers. The company's move into the new facility is slated for January 2005.

AgustaWestland Inc. is the U.S. subsidiary of AgustaWestland, a Finmeccanica company, while AgustaWestlandBell is a joint venture of AgustaWestland and Bell Helicopter Textron. AgustaWestlandBell has teamed up with Lockheed Martin for the US101 helicopter program. The US101 is currently competing for the contract to replace the "Marine One" fleet of helicopters used by the President of the United States.

"By expanding our presence near our key government decision makers, AgustaWestland will be better able to meet the needs of our customers," said Stephen C. Moss, President of AgustaWestland Inc. "This proximity will help us continue to anticipate the needs of the market and better position us for future success." ■



Governor Warner presented AgustaWestland Inc. President Stephen Moss with a Virginia Share of Stock during the company's Nov. 19 announcement event in Fairfax County.

New Percolator Brewing in Suffolk

The energy in the room matched the aroma of coffee that permeated the new three-story Sara Lee Coffee and Tea facility in Suffolk. The liquid coffee product—Douwe Egberts—was a reason for celebration Sept. 17 at Sara Lee's event that also marked the grand opening of the company's \$93 million facility. The site is Sara Lee's first liquid coffee plant in the United States and will swell Sara Lee's Suffolk employee roster by about 100 jobs.

Deputy Secretary of Commerce and Trade Matt Erskine joined Adriaan Nuhn, Executive Vice President of Sara Lee Corporation and Chief Executive Officer of Sara Lee's Dutch affiliate in the celebration. U.S. Senator George Allen, U.S. Congressman Randy Forbes and Suffolk Mayor Bobby Ralph also participated in the festivities.

Nol Bosman, Director of Manufacturing, said, "The opening of this new, state-of-the-art liquid coffee facility is an achievement for our dedicated employees who completed comprehensive training in the Netherlands to ensure a smooth start-up of the facility. We also appreciate all of the support from the Commonwealth of Virginia and the City of Suffolk to build this great facility." ■



At the new Sara Lee Coffee and Tea facility, Douwe Egberts liquid coffee travels along the packaging line and enters the area where clear plastic overwrap is applied.



Sara Lee Coffee and Tea employees took time off from the production lines to celebrate as Deputy Secretary of Commerce and Trade Matt Erskine announced the company's new \$93 million liquid coffee production facility.

Boehringer Ingelheim Dedicates Bay 33

In May 2003 Governor Warner announced the single largest investment in Petersburg history. On Oct. 18, 2004, the announcement came to life in the form of a dedication ceremony celebrating the opening of Boehringer Ingelheim Chemicals Incorporated's (BICI) Bay 33, a manufacturing bay where drug chemicals are produced.

Bay 33 is part of Boehringer Ingelheim's overall \$260 million expansion of its subsidiary, BICI, that is planned until 2011. The expansion will provide 165 new jobs over the seven-year period. The opening of Bay 33 adds 10 full-time employees to BICI's roster.

The Boehringer Ingelheim group of companies ranks among the 20 leading pharmaceutical corporations in the world and has 156 affiliated companies in 44 countries worldwide. ■

Danville Wins With Fall Announcements

Fall 2004 brought good news to the residents of Danville in the form of two economic development announcements that combined will bring nearly 200 jobs to the area.

Knight-Celotex, LLC, announced in October that it will reopen the shuttered Masonite manufacturing facility, returning 145 jobs to Danville during the next 12 months. The company will invest \$1 million to upgrade the plant for the manufacture of insulation and structural, roofing and sound-deadening fiberboard products for residential and commercial construction nationwide.

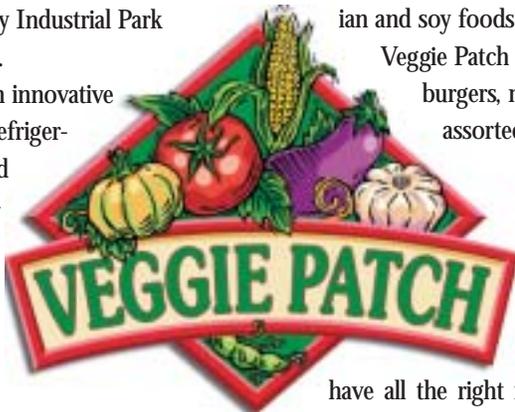
In November, Nestlé Refrigerated Foods announced an expansion of its refrigerated cookie dough production at its facility located in Danville's Southside Industrial Park. The \$8 million expansion will provide 50 new jobs in the food processing industry. ■

Greensville County Goes Vegetarian

Greensville County Industrial Park has gone gourmet.

Veggie Patch, an innovative manufacturer of refrigerated vegetarian and soy cuisine, invested \$4.5 million to locate a food processing facility in one of the industrial park's shell buildings, which the company also plans to fill with 80 new jobs.

The Veggie Patch brand is manufactured by FoodTech International, Inc., of New Haven, Conn. Founded in 1995, the company is one of the nation's foremost innovators in the refrigerated vegetar-



ian and soy foods category. The Veggie Patch line includes veggie burgers, meatballs and assorted veggie nuggets.

"After a careful evaluation of different states on the East Coast, we found Southern Virginia to

have all the right ingredients to run a successful business," said FoodTech International President Eli Soglowek. "Southern Virginia provides ample availability of qualified labor. I believe that any manufacturing-based business considering expansion should seriously consider Virginia and Greensville County." ■

Technological Transformation Taking Place in Fairfax County

IBM Corporation will invest \$10 million to expand its operations in Fairfax County, creating 1,250 new job opportunities for area residents. Governor Mark R. Warner announced IBM's decision during the Commonwealth of Virginia's Information Technology Symposium annual event held at the Norfolk Waterside Marriott.

The 1,250 new jobs are part of IBM's public-sector consulting business. Many of the jobs are high-level consulting positions with an average salary in excess of \$90,000. IBM said last month that it expects to create about 18,800 new jobs in 2004 throughout the world, and the hires in the United States will be high-value jobs where technological innovation transforms and enlivens business.

"Virginia understands that states need to create a fertile environment for innovation that attracts companies—and attracts jobs," said IBM Vice President of Governmental Programs Christopher Caine. "Led by Governor Warner, Virginia has demonstrated innovative thinking and launched contemporary programs that leverage a first-rate educational system, understand the importance of enhanced homeland security and bolster economic development approaches for the 21st century." ■



(Left to right) Gerald Gordon, President of the Fairfax County Economic Development Authority; Curtis H. Tearte, IBM General Manager, Global Public Sector; Governor Warner; and IBM Vice President of Governmental Programs Christopher Caine took time to chat at the Commonwealth of Virginia's Information Technology Symposium annual event.

Saxon Makes Henrico Its Home

Saxon Capital, Inc., a mortgage lending and servicing company, broke ground Sept. 1 to build a 115,000-square-foot building next to its existing facility in Henrico County's Innsbrook Corporate Center. Through a \$17 million investment, the company will create 234 new jobs at its new headquarters facility.

Deputy Secretary of Commerce and Trade Matt Erskine made the expansion announcement.

"When it came time to expand, the deciding factors were Henrico County's positive business environment and superb workforce," said Michael L. Sawyer, Saxon's Chief Executive Officer. "Virginia's commitment to helping Saxon with incentives for recruiting and training new employees also makes Henrico County a smart choice."

Saxon is a mortgage lender and servicer that originates, purchases, securitizes and services residential mortgages. Saxon has additional facilities in Fort Worth, Texas; and Foothill Ranch, Calif. ■



Deputy Secretary of Commerce and Trade Matt Erskine (right) presented Saxon's Chief Executive Officer Michael L. Sawyer (left) with a Virginia flag at the company's Sept. 1 groundbreaking event.

Good Water Lands Great Deal for Grayson County

There is nothing in the water.

And that purity is what landed a \$6.9 million expansion deal in Grayson County and 151 new jobs for Southwest Virginians. Universal Food and Beverage Company, Inc., a newly formed company that bought Grayson Springs Water from Independence Water Group, LLC, caught wind of the county's large-capacity, high-quality aquifer and blew the other competitors away.

"The source of Grayson Springs water is one of the finest natural water sources in the country," said Universal Food and Beverage Company President Marc R. Fry. "Several years ago, an international panel chose Grayson Springs as one of the top natural waters in the world. We intend to bring Grayson Springs Mountain Water back into international competition."

The former water facility had not been in production since early 2003. Universal Food and Beverage Company plans to expand its operations in a new combined production and warehouse facility in 12 to 15 months.

Headquartered in Naperville, Ill., the company was established as a developer and producer of "value-added" noncarbonated beverages in various packaging types. These beverages target specific health and nutrition needs of adolescents, teens, young adults, adults and seniors. The products are shelf-stable and encompass vitamin-enhanced waters through nutraceuticals and other medical products. ■



Grayson County welcomes Universal Food and Beverage Co. (From left) Matt Erskine, Virginia Deputy Secretary of Commerce and Trade; Marc R. Fry, President, Universal Food and Beverage Co.; Duane Martin, CEO, Universal Food and Beverage Co.; Ralph Tuggle, Chairman, Grayson County Board of Supervisors; Senator William Wampler Jr.; Delegate C.W. "Bill" Carrico; Tom Elliott, Grayson County Economic Development Director; and Andy Hall, Executive Director, Virginia's Corridor.



CEB Brings Big Jobs to Arlington County

Best practices research, decision-support tools and executive education are services now offered in Arlington County thanks to Corporate Executive Board's decision to move into a 611,000-square-foot office facility to be built in Rosslyn.

The announcement was made in October. The project will result in a \$227 million investment and about 2,500 new job opportunities with an estimated average annual salary of \$70,000.

Jay McGonigle, Chairman and CEO of the Corporate Executive Board, said: "As a high-growth company, long-term space planning is always a challenge. With this project, we have ensured that we have access to adequate growth space, and we are delighted that it allows us to make a long-term commitment to the Washington, D.C. region." ■

Caroline County Adds Diversity with M.C. Dean

Move over Secretariat—Caroline County is taking on new fame.

In an effort to diversify its economy, Caroline County rolled out the welcome mat to M.C. Dean, Inc., a leader in the design, installation and integration of complex power, electronics, homeland security and telecommunications systems.

The company announced in November an investment of \$6.7 million to locate its new 100,000-square-foot electronics distribution and fabrication facility in the Shamrock Industrial Park in Bowling

Green. The project will create 40 full-time jobs with pay ranging from \$12 per hour to annual salaries up to \$100,000.

Based in Chantilly, M.C. Dean has extensive experience in providing services to public-sector clients, including uniformed and civilian federal agencies, state and local government agencies, and institutional and commercial customers throughout the Southeast and worldwide. M.C. Dean, Inc., plans to break ground for the facility in spring 2005, with completion of initial phases slated for fall 2005. ■

Merillat is on the Move in Virginia

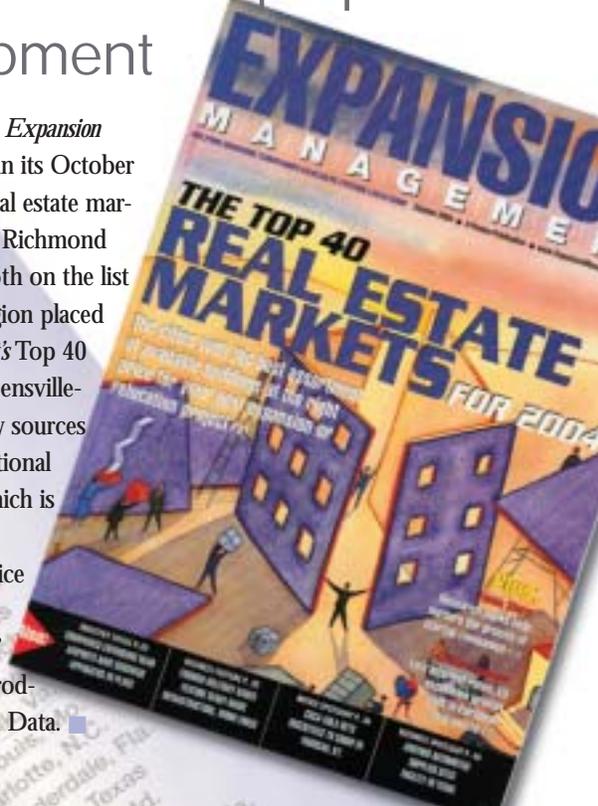
Cabinetry is becoming common in the Commonwealth thanks to the growth of Merillat Corporation in Virginia.

In September, the company announced a \$13.4 million investment to expand its manufacturing facility in Culpeper County. The expansion led to 140 new job opportunities. In November, the company decided to expand again, this time adding 60 new jobs to its Smyth County facility through a \$7.3 million investment.

(Merillat continued page 13)

Va. Regions Cited Top Spots for Development

Two Virginia regions received *Expansion Management's* seal of approval in its October edition as some of the best real estate markets in the United States. The Richmond Metropolitan region placed 15th on the list while the Hampton Roads region placed 27th on *Expansion Management's* Top 40 list. No. 1 on the list was Greenville-Spartanburg, S.C. The primary sources of data for the list are the National Real Estate Index (NREI), which is produced by Global Real Analytics; Grubb & Ellis' Office Market Trends and Industrial Market Trends; and RSMeans' Construction Cost Index, a product line of Reed Construction Data. ■



Danville Among Small Towns Tired of Slow Rollout

USA Today in September highlighted Danville's efforts to be on the forefront of the broadband revolution. Frustrated by the lagging pace of big broadband business rollouts, Danville is one of about 800 communities across the United States building its own network. An extensive front-page article in the publication's Money section examined Danville's nDanville, described as a "high-octane, business-class fiber-optic network capable of delivering voice, data and video services," and how localities like Danville believe that bringing broadband to town will bring in big business and more jobs for residents. ■

Prince William County Takes Top Spot for Job Growth

With a "whopping" 8 percent rise in employment, Prince William County placed first on MSN Money's list of localities with the highest job growth, which is based on the latest data from the Bureau of Labor Statistics. The list was posted on the MSN Web site in October.

Laurie Wieder, President of the Prince William Regional Chamber of Commerce, told MSN that "a confluence of many factors" contributed to the spike in job growth in the county, including a strong government and infrastructure, and the county's close proximity to two military bases and George Mason University.

Other Virginia communities included on the list were Loudoun County (6th), Fairfax County (18th), the City of Chesapeake (20th), the City of Virginia Beach (26th), Chesterfield County and Arlington County (58th), the City of Newport News (77th), the City of Norfolk (180th), the City of Alexandria (187th), Henrico County (224th) and the City of Richmond (248th). ■

Where the jobs are		
	%chg, 03-04	Rank
United States	0.80%	N/A
Prince William, VA	8.0	1

Small towns create own





Aviation Arsenal Launched in Virginia

Two of the U.S. military's most important defense projects will be launched at military installations in Virginia.

The U.S. Air Force's new jet, the F/A-22 or Raptor, described by military experts as the most technically advanced aircraft in the world, and the U.S. Navy's newest submarine, the USS Virginia, are both expected to play pivotal roles in the nation's future military operations and underscore the value of Virginia's military installations, which is critical now as the Department of Defense continues to evaluate its military structure as part of the 2005 Base Realignment and Closure process.

The first nuclear-powered Virginia-class fast-attack submarine, USS Virginia (SSN 774), was commissioned Oct. 23 at Norfolk Naval Station. Former member of the U.S. House of Representatives and co-chairman of the Virginia Commission on Military Bases Owen Pickett served as chairman of the USS Virginia Commissioning Host Committee.

"This outstanding vessel is equipped to respond to today's military threats such as terrorism," Pickett said. "It was an honor to have the opportunity to commission this submarine, the first of the new class named for the Commonwealth of Virginia."

The ship is the ninth U.S. naval vessel to be named for the Commonwealth. The new submarine has improved stealth capabilities and a sophisticated surveillance system with special warfare enhancements. USS Virginia is 377 feet long and 34 feet across at its widest point. It displaces about 7,800 tons submerged and can dive to depths greater than 800 feet. When submerged, the sub can sustain speeds of more than 25 knots.

In an unprecedented team effort, General Dynamics Electric Boat and Northrop Grumman Newport News are working together to produce the Virginia-class submarines.

The U.S. Air Force's F/A-22 Raptor 4041 fighter aircraft rolled off the production line Oct. 27 at Lockheed Martin in Marietta, Ga. The F/A-22 is expected to join the 1st Fighter Wing's 27th Fighter Squadron at Langley Air Force Base early next year. The first squadron is expected to be declared combat ready in December 2005.

The aircraft reportedly offers twice the combat capability of the Air Force's F-15 that it will replace as the top U.S. air-to-air fighter. A total of \$3.6 billion has been approved for the purchase of the Raptor in the 2005 fiscal year. The military's purchase plans for the F/A-22 include 276 Raptors and extends through 2013.

With an emphasis on stealth, speed and precision, the F/A-22 will be critical to the future of the U.S. Air Force and its ability to minimize casualties and shorten the duration of future military conflicts. ■



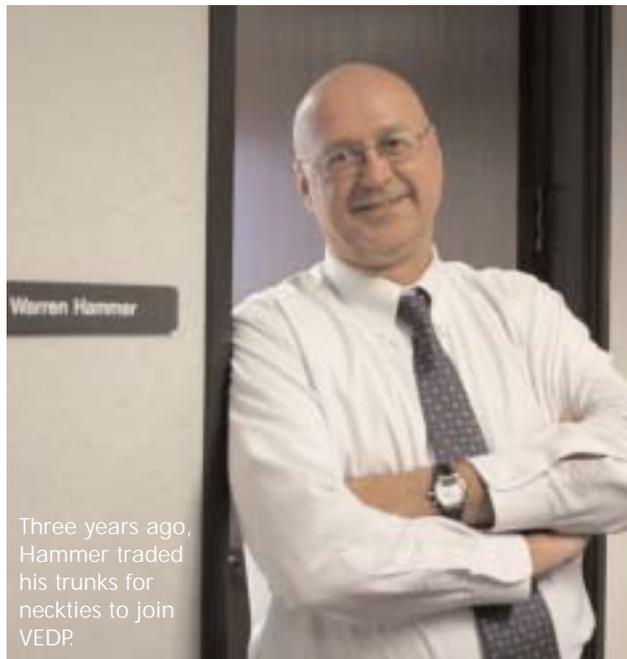
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Hammer Nails Distribution With Professionalism, Teamwork

Warren Hammer's University of Richmond coaching background has suited him well as a VEDP project manager. The former swim coach and teacher dives into every opportunity to lead distribution companies through the sometimes complicated process of expansion or relocation.

After graduating from Lock Haven University in Pennsylvania with a bachelor's degree in health, physical education and recreation, Hammer (who also holds a master's degree in athletic administration from Kansas State University) taught and coached high school and college students for nearly 30 years, including a job at UofR, where for 19 years he ran the Spiders swimming program.

But three years ago, Hammer traded his trunks for neckties to become a member of the VEDP Business Development Transportation and Equipment Team. He praised VEDP for its "tremendous impact on ... every citizen and member of the Commonwealth," he said. "When eco-



Three years ago, Hammer traded his trunks for neckties to join VEDP.

omic development occurs, everyone benefits."

He also likes the teamwork aspect of the job. "There has never been a project I could have completed as successfully by myself," he said.

Professionalism and Hammer go hand in hand, his co-workers say. That character

trait extends beyond working the deal. His teaching experience has helped him plan and execute the semi-annual Distribution Task Force Meeting. Allies are encouraged to attend the program, which focuses on growing and recruiting distribution businesses.

According to Team Leader Mike Lehmkuhler, "the Distribution Task Force Meeting is an example to everyone in Business Development of how to provide useful information to allies in a way that is exciting and attractive."

When he's not promoting Virginia to prospects, Hammer finds relaxation outdoors with his family—and you can bet you

won't find any distribution centers nearby.

"The more woodsy and remote it is, the better," he said. ■

For more information about the Distribution Task Force Meeting, e-mail Warren Hammer at whammer@yesvirginia.org.

The Strong Are Getting Stronger

Governor Warner told economic developers from the oceanfront to the mountains and valleys of Virginia Sept. 30 that the Commonwealth's economy is strong and getting stronger thanks to their efforts. The economic developers gathered in the state capital for the 2004 Governor's Conference on Economic Development held Sept. 29 to Oct. 1. The event was sponsored by the Virginia Economic Developers Association. For more information about VEDA, visit www.vedanet.org. ■



(Left to right) Governor Warner catches up with Delegate Preston Bryant, Deputy Secretary of Commerce and Trade John Sternlicht and Virginia economic developers during the fall VEDA conference.

VEDA Sings Praises of Three with Cardinal Award

Leadership. Service. Professional accomplishment. Nineteen economic development leaders embodied those required qualities as VEDA Cardinals until the closing day of the fall VEDA conference when VEDP's Gary McLaren and Dave Dickson, and Greater Richmond Partnership's Greg Wingfield tied for the win, increasing the list of honorees to 22. "You may think that the decision was a difficult one, but it wasn't," said Martin Briley, before announcing the three-way tie. Since 1988, VEDA has recognized deserving members through the Cardinal Award. Mark Kilduff and Martin Briley were recognized at the 2003 conference. The Cardinal Award is given by VEDA as its most prestigious award. ■



(Left to right) Greg Wingfield, President of the Greater Richmond Partnership; VEDP Project Manager Dave Dickson and VEDP Deputy Director Gary McLaren show off their Cardinal awards following the presentation during the fall VEDA conference.

Governor Warner Hosts Prospects in Coalfield Region

Fulfilling an earlier pledge made to Southwest Virginia officials, Governor Warner hosted a group of corporate prospects and site consultants Oct. 7-9 for a VIP tour of the region. In addition to tours of area companies and briefings by local business leaders, the guests enjoyed a concert by Dr. Ralph Stanley and His Clinch Mountain Boys. Governor Warner and Secretary of Commerce and Trade Michael Schewel were joined by Virginia Coalfield Economic Development Authority Chairman Donald Baker and Executive Director Charles Yates in hosting the event. ■



(left to right) Senator Phillip Puckett, Governor Warner and Delegate Bud Phillips took time out of the Southwest VIP Tour festivities to answer media questions.



Secretary of Commerce and Trade Michael Schewel poses with bluegrass legend Dr. Ralph Stanley.

Paul Key, Vice President and Plant Manager for Tempur-Pedic, demonstrated features of the company's product to VIPs during a tour of the plant.

VALET Receives National Recognition for Innovation

The Virginia Leaders in Export Trade (VALET) program, an export promotion program created by VEDP's International Trade Division, received top honors Nov. 17 from The National Council for Public-Private Partnerships (NCP PPP).

The VALET program was the only winner of the 2004 NCP PPP Public-Private Partnership Award in the Innovation category. VALET won for the public sector; and Active Media,

a participating partner in the VALET program, was hon-

ored for its private-sector role in the partnership. The award was presented at NCP PPP's 2004 Annual Meeting and Awards Banquet in Alexandria.

Launched in January 2002, the VALET program assists exporters in the Commonwealth that have firmly established domestic operations and are committed to international exporting as an expansion strategy. Currently, 45 Virginia companies have been accepted to participate in the VALET program.

VALET was selected from more than 20 nominees for the NCP PPP award. Nominated agencies represent the public and private sectors at the local, state and federal levels. The award recognizes projects and individuals annually for illustrating best practices and applications in the field of public-private partnerships. The

award is given in three categories: Innovation, Infrastructure and Services.

"The VALET program is clearly an example of how the public and private sectors can work together to achieve a benefit for the public, and in this case the promotion of international sales for Virginia companies," said NCP PPP



VEDP's Kim Weir, VALET program manager, accepted the 2004 NCP PPP Public-Private Partnership Award for Innovation during the Nov. 17 awards banquet in Alexandria.

Executive Director Richard Norment.

"There is an extensive review process by the NCP PPP Awards Committee of all the applicants. When it came to the VALET program, the value and innovation of this partnership was quickly apparent. It's

a new kind of service with an interesting mix of public and private partners and accordingly deserves not only the recognition of this award, but also being held up as a national example."

The National Council for Public-Private Partnerships is a nonprofit, non-partisan educational organization founded in 1985. The Council is a forum for the brightest ideas and innovators in the public-private partnership arena. Its growing list of public- and private-sector members, with experience in a wide variety of public-private partnership arrangements, and its diverse training and public education programs, represent vital core resources for partnering nationwide. ■

To learn more about the VALET program, visit www.ExportVirginia.org.

Virginia Renews Relationships During SEUS/Japan Conference

More than 500 delegates from Virginia and six other Southeastern states gathered in Atlanta for the 28th annual joint meeting of the Southeast U.S.-Japan Association (SEUS). The three days of networking in October provided U.S. participants the opportunity to renew their relationships with Japanese business leaders, promote trade and investment and gain a better understanding of business practices abroad.

Former U.S. President Jimmy Carter addressed the group that represented states including Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee and the Commonwealth of Virginia. Four Southeast governors, the Japanese Ambassador and three Japanese consuls general also attended.

Toshiba Corporation hosted this year's conference held at the Grand Hyatt Lenox in Atlanta. Virginia last hosted the event in Norfolk in 2000. ■



Toshiba Corporation Chairman and SEUS/Japan Association Chairman Taizo Nishimuro renewed his acquaintance with Governor Warner during the SEUS/Japan Association annual meeting held in October in Atlanta.

GED Program Aids in World-Class Workforce



*By Yvonne V. Thayer, Ed.D.
Director, Office of Adult Education
and Literacy*

Governor Warner challenged state and local officials to strive for “a better-educated citizenry and a Commonwealth whose economy will thrive because our workers have the skills to be productive, contributing employees.”

To support this challenge, the Governor launched the Race to GED program to raise the education level of the workforce—both those seeking jobs and those already employed—understanding that the overall education level of employees is a critical factor in sustaining and increasing a company’s market share. Today’s workers need skills unheard of a generation ago, and Virginia businesses need a world-class workforce to compete in the global economy of the 21st century.

The Race to GED targets the 518,752 working-age Virginians who lack a high school credential but possess the potential to pass the GED test in 90 to 180 days.

Adult education programs, provided by each school division in Virginia, specialize in helping adults learn to read technical manuals, write reports for the workplace, use math to solve work-related problems, and complete the requirements for the General Educational Development (GED) Certificate.

GED graduates are capable of greater responsibilities and promotions in the workplace and are also qualified to achieve in job-specific, technical-skills training. Whether they continue their education at a community college, a career school, or on the job, GED graduates are prepared to contribute to each community’s economic development efforts because they are ready to master the higher-level skills and new technologies demanded by today’s jobs.

By taking ownership of Virginia’s literacy challenge, economic developers and business leaders can contribute exponentially to the success of GED graduates who are eligible for work. The result will be the globally competitive workforce needed to strengthen existing businesses and

attract new investments and jobs to the Commonwealth.

The return on investment is high for employers that promote access to the GED as a recruitment and retention tool: a more educated workforce and consequently a safer one; an increase in productivity coupled with a decrease in absenteeism; and a way of growing their business into the future. Promoting a GED graduate from within limits the costs associated with training external candidates. More than 95 percent of U.S. employers recognize the GED with regard to hiring, salary and opportunity for advancement.

Governor Warner has set an ambitious goal of doubling the number of GED graduates in Virginia by December of 2005. Forming partnerships is the key to success.

For more information about the Race to GED program, call Patty Shortt at 804-225-3997, Office of Adult Education and Literacy, Virginia Department of Education. ■

CQ HOT DEALS

(Merillat continued)

Merillat operates four manufacturing facilities in Virginia—one in Culpeper County, one in Mt. Jackson in Shenandoah County, and two in Atkins in Smyth County.

Headquartered in Adrian, Mich., Merillat Industries has provided quality cabinetry since 1946. A Masco company since 1985, Merillat distributes its cabinets throughout North America.

“This expansion is necessary to support our sales growth, and the decision to add

to our Virginia facilities was an easy one,” says Keith Allman, Executive Vice President of Merillat. “Our great relationship with the local workforce, state and local agencies and the prime location in terms of proximity to our customers, make Virginia an ideal location to support our growth.” ■

CTS&I Turns Layoffs Into Opportunities in Roanoke Valley

Lane Furniture and Cooper Wood employees who were recently laid off are the focus for new hires as CTS&I Millwork Inc. looks to fill vacancies in its new Franklin County manufacturing facility.

(CTS&I continued page 15)

Nanotechnology Highlighted on Media Tour



Nanosonic Vice President Dr. Jennifer Hoyt Lalli demonstrates the properties of the company's popular invention Metal Rubber™.

Presentations also were made by the executive director of Danville's Institute for Advanced Learning and Research as well as several faculty members from Virginia Tech's Materials Science and Engineering Department. Editors that attended represented the *Industrial Physicist*, *nanoapex.com*, *American Machinist*, *Chemical and Engineering News*, *Genetic Engineering News*, *Advanced Manufacturing*, *nanotechweb.org*, and *Nanotechbriefs*. Two freelance writers covering nanotechnology also attended.

VEDP hosted 10 journalists from national and international trade publications on the Virginia Nanotechnology Media Tour Nov. 3-5. The tour showcased Virginia companies that are using nanotechnology in their everyday business. Fairfax County, the City of Manassas, the City of Danville and the Town of Blacksburg were the tour destinations.

The journalists hailed from across the United States, while one journalist came from Canada and another from the United Kingdom. The group toured Mitre Corporation in Fairfax County, BAE Systems and Lockheed Martin in Manassas, Luna nanoWorks in Danville and Nanosonic in Blacksburg.

After the tour, Steve Krar, associate editor of *Advanced Manufacturing*, wrote to VEDP: "Thanks to the Virginia Economic Development Partnership for the opportunity to see firsthand the progress made in nanotechnology in Virginia. Although it was a very busy trip, it certainly was not boring. I was quite surprised at how extensive nanotech research and development is in Virginia." ■



A Luna nanoWorks employee (left) converses with Stephen Ritter, Senior Editor of *Chemical Engineering News*.



Luna Innovations President Dr. Stephen Wilson (second from left) explains the company's R&D processes at Luna's Danville facility.



Media tour participants look down from the high-tech catwalk at Danville's impressive new Institute for Advanced Learning and Research.



Tour participants walk through the Luna facility located in a historic tobacco warehouse in downtown Danville. Luna's Charles Gause describes the current renovation project.

Wanted: Shovel-Ready Sites for Motorsports Industry

Does your locality have a site that would be a perfect fit for the motorsports industry? Launched in November 2004, the Virginia Certified Motorsports Properties Initiative of VEDP's "Right Now Sites" program will certify and market business sites in Virginia that have unique features for the motorsports industry and are "ready to go." Certified properties will be included in VEDP's VirginiaScan searchable sites and buildings database.

There are currently two Certified Motorsports Properties: VIR Raceplex in Halifax County and Langley Research & Development Park in the City of Hampton.

To be listed as a Certified Motorsports property, the site or park must meet or have definite plans to meet the "Right Now Sites" criteria for "Light Manufacturing." The site also must have a demonstrated connection to a motor-sports asset (racetrack, research facility, specialized training program or facility, ties to a motorsports organization, etc.). Marketing materials or a marketing program directly targeting the motorsports industry must also be available. ■

For more information on the program, visit www.VirginiaAllies.org or contact John Loftus, VEDP Sites and Buildings Representative, at (804) 371-8271 or e-mail him at JLoftus@YesVirginia.org.



Quarterly Calendar

Date	Contact	Event
Jan. 10-14	CR	Marketing Mission—Texas
Jan. 10-13	JB	ProMat 2005—Chicago, IL
Jan. 10-12	VB	Automotive News World Congress—Detroit, MI
Jan. 22-27	JB	Photonics West 2005—San Jose, CA
Feb. 7-11	CR	Marketing Mission—AR, OK, TN
Feb 21-24	SK	Trade Mission to Mexico & ExpoManufactura
Mar. 2-3	JB	Homeland & Global Security Summit—Wash., DC
Mar. 7-10	VB	National Manufacturing Week—Chicago, IL
Mar. 7-11	CR	Marketing Mission—Pacific Northwest
Mar. 7-11	SK	Trade Mission to Canada —British Columbia
Mar. 16-18	JB	Wood Technology Trade Show—Portland, OR
Mar. 17-19	JB	The Graphics Arts Charlotte Show—Charlotte, NC
Apr. 23-29	SK	Trade Mission to India
	VB	Vince Barnett, VEDP (804) 371-8265
	JB	Jerry Broadway, VEDP (804) 371-8194
	SK	Scott Kennedy, VEDP (804) 371-0052
	CR	Chuck Rogers, VEDP (804) 371-8189

(CTS&I continued)

The company, which manufactures architectural millwork products for use in the residential and commercial construction industry, in November announced a \$4.1 million investment that included the purchase of Cooper Wood Products in Franklin County.

With the investment, the company, which also operates in the City of Roanoke, will open CTS&I Millwork, Inc., in Rocky Mount and create 150 new jobs for Roanoke Valley residents. ■

(Duis continued)

and to Business Development Richmond in all of our European marketing activities."

And he's ready for the challenge. "I look forward to working with a diversity of companies, cultures and geographic regions," Duis said, "and then trying to convince them that Virginia truly is the best place in which to establish a U.S. base of business." ■



DID YOU KNOW?

Economic developers tend to be comfortable working with executives from Europe, but a planned visit by Japanese, Korean or Chinese companies may create a bit of heartburn. Recently, at an internal VEDP “Lunch-and-Learn,” Project Managers Terry Lentz, Tom Kincaid and Team Leader Brent Sheffler offered PowerPoint presentations on business etiquette in each of these Asian countries.

If you would like to learn more about working comfortably with Asian prospects and helping them feel more welcome in your community, contact Brent (804-371-0175), Tom (804-371-0001) or Terry (804-371-0010). They will visit your community to meet with you, your staff and volunteers to help you make the next prospect visit by an Asian company more successful. ■

