



Virginia Commerce Quarterly

A Publication of the Virginia Economic Development Partnership
Summer 2009, Vol. 14, Issue 3



GETTING A GLOBAL PERSPECTIVE

Promoting Virginia as a leading business destination requires a passport. For years, passports held by Virginia governors have worn the stamps of faraway places from Germany to Japan to India and beyond.

Governor Kaine's passport is no exception. His has been inked in the name of economic development five times during his term as Governor. Trips to Canada, the United Kingdom, Germany, Sweden, Denmark, Ireland, and Poland have led to countless corporate meetings, hundreds of handshakes and a robust list of new corporate partners for the Commonwealth.

The most recent international itinerary included stops in Israel, Morocco and Dubai.

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Economic development is a competitive process. The current economy could not emphasize this statement more. This issue's headline, "Getting a Global Perspective," reminds us that not only do we face rigorous competition across state borders; we face competition around the world.

As we kick off a new fiscal year, the challenges Virginia's economy faces underscores the need for us to bring even greater focus to our marketing efforts. Virginia must identify and target industries that closely align with its assets and aggressively pursue them with

the innovation and flexibility that has become synonymous with our state.

While we will continue to pursue our four vertical markets—advanced manufacturing, security and services, science and research and transportation—we plan to drill down even deeper in the areas of advanced manufacturing, clean energy and information technology. Virginia's geographic location, research assets, infrastructure and intellectual capital are the necessary elements for success in these industries, and we intend to narrow and intensify our marketing message in these areas in FY2010.

Our efforts have already begun. VEDP's Communications and Promotions Division hosted a media tour in June to showcase Virginia's advanced manufacturing assets. In this issue you can read more about the tour, which attracted several key industry publications to the Commonwealth.

Another industry with a history of success in Virginia is national defense and its accompanying federal spending. Raytheon announced plans to invest \$37.5 million and create 100 jobs in the process of consolidating some of its Northern Virginia facilities in Loudoun County. Alcoa Howmet announced a \$25 million investment to increase capacity and production of investment castings for industrial gas turbines at its Hampton operations.

Despite popular opinion, Virginia's defense industry is not limited to Northern Virginia and Hampton Roads. A new defense cluster taking shape has added the Greater Charlottesville Region to the mix. Home of the National Ground Intelligence Center (NGIC), the Charlottesville area recently attracted Ashbury International Group and NIITEK, defense-related companies that both originated in Northern Virginia. These companies join a growing defense community that includes SAIC, Booz Allen Hamilton and Mitre, all of which have a business relationship with the NGIC and the Defense Intelligence Agency (DIA). The DIA is currently relocating 800 employees to Rivanna Station in Albemarle County in response to Base Realignment and Closure legislation. The Department of Defense estimates that this BRAC action will generate more than 600 new jobs in the Greater Charlottesville Region.

Attracting jobs and investment to Virginia may be a bit tougher in this economic climate, but if we all take an active role, the Commonwealth will succeed. Governor Kaine and his Administration continue to share Virginia's economic development message on the global stage, most recently in Israel, Morocco and Dubai. At home, VEDP's Division of International Trade and Investment reached out to Virginia's international corporate community during its first International Investors Forum to encourage communication between VEDP and some of Virginia's greatest global ambassadors—the international companies with operations here.

Finally, we're happy to welcome new members to the VEDP team. Charles Kennington joined VEDP's Research Division in May as an Economist after 13 years of experience in the private sector. VEDP also gained three new board members: Mark Heath, President and CEO of the Martinsville-Henry Economic Development Corporation; Stuart Malawer, George Mason University Professor of Law and International Trade; and Ruth Sandoval, CEO of BusinessconX.

Sincerely,

Jeffrey M. Anderson

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is published by the Virginia Economic Development Partnership to keep our readers up to date on current events in the economic development community.

Executive Director:

Jeffrey M. Anderson
Virginia Economic Development
Partnership

Editor: Christie Miller

Designer: Bill Crabtree

Contributors: Jeffrey M. Anderson,
Jenee Andreev, Martina Arel,
Vince Barnett, Traci Blido,
Susan Copeland, Paul Grossman,
Scott Kennedy, Terri Noll,
Leslie Parpart, Liz Povar, Maria Prince,
Jeff Reid, Rick Richardson,
Chuck Rogers, Nancy Smith,
Patrick Tremblay, Suzanne West,
Micheale White

Write to *Commerce Quarterly*
Virginia Economic Development
Partnership
P.O. Box 798
901 East Byrd Street
Richmond, VA 23218-0798
(804) 545-5600

Commerce Quarterly, Volume 14, Issue 3,
is published by the Virginia Economic
Development Partnership. Timothy M.
Kaine, Governor; Patrick O.
Gottschalk, Secretary of Commerce
and Trade; Jeffrey M. Anderson,
Executive Director; Christie Miller,
Editor; Bill Crabtree, Graphic
Designer.

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care of the Virginia Economic
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"All three of these destinations represent tremendous economic development opportunities for Virginia," Governor Kaine said. "Israel is a global leader in water conservation and geothermal energy, as well as cutting-edge software, communications and the life sciences. Dubai is emerging as a world business hub, and Morocco, the third largest importer of Virginia agricultural products, has a growing, diverse economy."

Governor Kaine participated in two roundtable discussions in Israel with more than 50 representatives from the life sciences and manufacturing industries. During the meeting with manufacturers, Green Vision and Maxtech, both located in Tel Aviv, announced the opening of new marketing operations in Virginia targeting federal and commercial markets.

The Governor also met with three Israeli companies, Oran Safety Glass, Teva Pharmaceutical Industries and Strauss Group, all of which recently made significant investments in Virginia. "All three companies are pleased with the success they are experiencing in the Commonwealth," said Governor Kaine. "In fact, at our meeting, Teva Pharmaceuticals announced that its Bedford County plant has been designated as a strategic facility for the company, a key indicator of Teva's confidence in its Virginia operation."

The President and Prime Minister of Israel and the Prime Minister of Morocco met with Governor Kaine, and the U.S. Ambassador in Israel hosted a reception with Israel business leaders in his honor.

This was Governor Kaine's fifth overseas marketing mission. In 2006, he traveled to Canada in May and Europe in November. In April 2007, because of the tragedy at Virginia Tech, it was necessary that Governor Kaine depart from a marketing mission to Japan, Hong Kong and India and return to Virginia. The mission continued under Secretary Gottschalk's leadership. In July 2008, Governor Kaine traveled to Ireland, Poland and the United Kingdom.

"Participation by the Governor opens doors that VEDP otherwise would not be able to accomplish on its own," said Virginia Secretary of Commerce and Trade Patrick O. Gottschalk.

"International marketing missions are a core marketing strategy for Virginia," he said. "They provide an aggressive and pro-active approach to project recruitment and export development, enabling foreign corporate officials to meet the Commonwealth's leadership, and providing the Commonwealth's leadership the opportunity to strengthen their understanding of current financial and business environments in foreign countries."

Trade missions also expose the maximum number of foreign business leaders in the minimum amount of time to the advantages of doing business in Virginia, as well as the benefits of purchasing Virginia products and services.

The total international impact (including exports, imports and investment) to Virginia is \$52.3 billion and 423,000 jobs. ■

Governor Kaine sat down with Israeli Prime Minister Benjamin Netanyahu during his travels in Israel.



Cover Photo: Governor Kaine met with Oran Safety Glass CEO Daniel Cohen. OSG is Israel's leading flat and curved glass processing company. OSG's first U.S. operation is located in Greensville County, which supplies bullet-proof glass for U.S. military vehicles.

Canon Up and Running in Newport News

Exactly one year after Canon said it would invest more than \$600 million in a new manufacturing facility in Newport News, the company's officials stood in front of the state-of-the-art building to cut the ribbon.

"Canon's progress is indicative of the spirit of enthusiasm and pride that permeates Canon, a company that Virginia has called partner and friend for more than two decades," said Governor Kaine before a parking lot full of legislative, state, local and company supporters.

Canon is hiring more than 1,000 new employees to manufacture, repair and refurbish select products in the new facility.

Headquartered in Newport News, Canon Virginia Inc. serves as the lead manufacturing support center for Canon U.S.A. Canon Virginia uses world-renowned production systems and extensive technical and manufacturing expertise to offer manufacturing solutions, including injection mold tools, metal and plastic parts, product manufacturing and reverse manufacturing. ■



Governor Kaine joined other Canon guests in May to celebrate and tour the company's new 750,000-square-foot facility.



Owens-Illinois to Upgrade James City County Facility

Owens-Illinois, Inc. (O-I), a manufacturer of glass containers for food, beer, wine, spirits and non-alcoholic beverages, will invest \$20 million to upgrade equipment at its manufacturing plant in James City County. The facility improvements, made possible through a public-private collaboration, will take place during the next 12 to 24 months and will enhance the energy efficiencies and technological capabilities of the plant. The company employs 180 people at the James City County plant.

Headquartered in Perrysburg, Ohio, and established in 1903, the company employs more than 23,000 people with 80 manufacturing facilities in 22 countries. With the leading position in Europe, North America, Asia Pacific and Latin America, O-I provides consumer-preferred, 100-percent recyclable glass containers that enable superior taste, purity, visual appeal and value benefits for its customers' products. ■



Raytheon to Consolidate Facilities in Loudoun County

Raytheon Company, a technology and innovation company specializing in defense, homeland security, cybersecurity and other government markets, is planning to consolidate some of its Northern Virginia facilities into approximately 600,000 square feet of building space in Loudoun County.

The project will include a capital investment of about \$37.5 million and during the next 36 months Raytheon expects to create about 100 jobs for the company's Virginia operations.

Raytheon employs more than 4,000 people in Virginia. The project is part of Raytheon Company's plans to improve facility efficiencies, and will involve relocating certain Raytheon employees from current, dispersed locations in Virginia to the Loudoun County site next year.

With a history of innovation spanning 87 years, Raytheon Company provides state-of-the-art electronics, mission systems integration and other capabilities in the areas of sensing; effects; and command, control, communications and intelligence systems; as well as a broad range of mission support services. With headquarters in Waltham, Massachusetts, Raytheon employs 73,000 people worldwide and reported 2008 sales of \$23.2 billion. ■

Raytheon

Company Announces Growth in Hampton

Alcoa Howmet announced in June its plans to invest \$25 million to increase capacity and production of investment castings for industrial gas turbines at its Hampton operations. The company has operated in Hampton since 1974.

Alcoa Howmet is a division of Alcoa Power and Propulsion, a major business unit of Alcoa Inc. (NYSE: AA). Alcoa Power and Propulsion is a global leader in airfoil and structural investment castings. Serving the aerospace, defense, energy and industrial markets, its products are primarily used in jet engines and industrial gas turbines. With 27 production facilities, Alcoa Power and Propulsion employs more than 10,000 people worldwide. ■





Peter Alpern (from left) and Mike Riley ask questions of LiteSteel Technologies Scott Morling at the company's Troutville facility.

VEDP Touts Advanced Manufacturing in Virginia

Five journalists from economic development and manufacturing industry publications flew into Virginia June 16 for three whirlwind days of learning about advanced manufacturing in the Commonwealth. Editors from *American Machinist*, *IndustryWeek*, *Magazine MCI (Magazine Circuit Industriel)*, *Fabricating & Metalworking* and *Business Facilities* magazines came to learn about Virginia's strengths and assets in a vital industry.

The media tour kicked off at Canon Virginia Inc.'s Newport News campus, where the group was introduced to Production Innovation, which changed Canon's manufacturing operations from long assembly lines with a huge automated warehouse to cellular manufacturing with teams empowered to reach a common goal. This allows the company to create a seamless process from parts procurement through delivery, minimizing wasted time and resources while maximizing efficiency. A tour of the plant followed.

Day two included a tour of Bauer Compressors and a presentation about the Virginia Business Excellence Consortium (VBEC) at Northrop Grumman Shipbuilding in Newport News. The VBEC is a membership-based group that provides a vehicle to help companies identify and obtain support in implementing advanced business practices to improve processes, operations and worker skill levels in Virginia. After a flight to Roanoke, the group visited GE Energy. GE Energy's equipment creates 25 percent of the world's energy each day and GE Salem is at the forefront of wind energy with two-thirds of its sales from wind energy technology.

The week wrapped up with tours of LiteSteel Technologies' first U.S. manufacturing facility, followed by Optical Cable Corporation, a leader in the fiber optic cable industry.

"I wanted to thank VEDP for all the effort made to ensure a successful, interesting and enjoyable three days for me and my colleagues," said Peter Alpern, Associate Editor, *American Machinist*. "I came away with about a dozen potential stories and there's no doubt that several will emerge in print. These press tours are always fascinating for any number of reasons. But rarely are they as enjoyable as what we shared in Virginia this week." ■



The media tour group poses with Canon officials in the company's lobby.

VCEDA Awarded for High-Tech Strategy

The Virginia Coalfield Economic Development Authority (VCEDA) was honored in May by the Southwestern Virginia Technology Council (SWVTC) for the organization's strategy to attract and develop technology jobs in the region.

Jonathan Belcher, VCEDA executive director, said the organization has focused on marketing the region to potential high-tech job-creating businesses as "Virginia's e-Region," emphasizing the area's strong focus and

competitive advantages in electronic information technology, energy, education and emerging technologies.

"It is exciting for VCEDA and our team of allies throughout Southwest Virginia to be honored for our role in bringing technology and jobs to the region," Belcher said.

VCEDA helped to recruit Northrop Grumman and CGI to the region. The organization has provided millions of dollars for workforce training to support information technology and for the deployment of last-mile fiber optic broadband in the region. ■

Motorsports Writers Return to Virginia

The progress at Virginia International Raceway left quite an impression on three international motorsports writers who visited Halifax County for the Grand Am Rolex Race in April. The writers, who represented *RACE TECH*, *Moto Tech* and *Performance Racing Industry* magazines, participated on a media tour of VIR and Halifax County as guests of the County.

The same writers toured Virginia's motorsports assets three years ago as participants on VEDP's Motorsports Media Tour. At that time several initiatives were in the works, such as the Virginia Institute for Performance Engineering and Research (VIPER). On this return trip, the media guests saw those plans take shape.

"We not only had a great time but found it most informative and instructive," said Soheila Kimberley, publishing director of *RACE TECH*, *Moto Tech* and *Bernoulli* magazines. "We particularly enjoyed seeing all the changes at VIR and what they have done to bring in new technical partners such as VIPER."

Race fans at the Grand Am race also included representatives from VEDP and the Tobacco Commission, who attended as guests of Danville and Halifax County. ■

Virginia Motorsports media guests got a behind-the-scenes look at the VIPER facility at VIR.



VEDP Recognized by Economic Development Magazine

Virginia is a recipient of *Area Development* magazine's 2009 Silver Shovel Award. Virginia was similarly honored in 2006. The annual awards recognize state economic development agencies that drive significant job creation through innovative policies, infrastructure improvements, processes, and promotions that attract new employers and investments in new and expanded facilities. Silver Shovel Awards are presented annually to states that have achieved significant success in terms of job creation and economic impact.

Based on 2008 numbers for high-value added jobs per capita, amount of investment, number of new facilities, and industry diversity, Virginia qualified for a Silver Shovel Award in the 5-to-10-million population category. A full review of this year's Gold and Silver Shovel Award winners is published in the June/July issue of *Area Development* and posted online at www.areadevelopment.com. ■

Virginia Cities Receive High Marks in *fDi*

Two Virginia cities represented the Commonwealth well in *fDi* magazine's "North American Cities of the Future 2009/10" competition. Richmond ranked ninth overall in the small cities category and No. 5 in the best *fDi* strategy category. In the micro cities category, Danville ranked ninth overall and No. 4 in both the economic potential and quality of life categories.

fDi magazine examined seven categories: economic potential, human resources, cost effectiveness, quality of life, infrastructure, business friendliness and FDI promotion strategy.

According to *fDi*, the competition was stiff with individual submissions by 128 cities and overall data analysis of more than 400 cities. For more information on the competition, check out *fDi*'s April 2009 edition. ■



Center for Advanced Engineering and Research (CAER) Executive Director Bob Bailey facilitates a panel discussion about tech-based economic development with (from left): Dr. Ron Sones (LU), Keith Mascher (AMTI), Mark Pierson (Virginia Tech), Jim Hicks (AREVA), Barry Johnson (UVA), Dr. Darrell Staat (CVCC), Bryan David (executive director, Region 2000) and Lee Cobb (former executive director, Region 2000).

Partnering Toward Prosperity

More than two dozen university officials and economic developers from across the Commonwealth gathered in Lynchburg recently to hear a panel discussion on opportunities that exist for tech-based economic development, such as the work being done by the Center for Advanced Engineering & Research (CAER). The panel was sponsored by Virginia's University Based Economic Development group (UBED) and moderated by Bob Bailey, CAER Executive Director.

Panelists included educators from Liberty University, Virginia Tech, the University of Virginia and Central Virginia Community College, as well as industry officials from AREVA and Advanced Manufacturing Technology Inc., and economic developers from Virginia's Region 2000.

CAER's mission is to establish effective and beneficial relationships between growth and high-tech industries and major research and development resources, resulting in innovation and the practical implementation of innovation in Region 2000.

"When it comes to company support, it just makes good business sense to invest some of our R&D money with the CAER, which can help offset our research workload and grow knowledge creation in the region at the same time," said Jim Hicks, VP of AREVA NP and CAER Board Chairman. ■

Third Career a Charm for Parpart

From teaching to law to international trade, Leslie Parpart has been all over the map. Her journey eventually led her to VEDP, where she serves as the Virginia Leaders in Export Trade (VALET) Program Manager. In this role Parpart helps Virginia companies accelerate their international business.

Parpart was born and raised in Richmond and attended the University of Virginia. From there she took a teaching job in Atlanta, where she also volunteered for the Cayman Island Delegation during the 1996 Olympics. After a few years, Parpart decided to switch gears and study to be an attorney. After receiving her J.D. from the University of North Carolina at Chapel Hill, Parpart practiced law for four years as a Labor and Employment Attorney with Troutman Sanders.

The switch from a law career to VALET Program Manager came about because Parpart wanted a change. She knew that she needed a position more directly related to business that still required the skills she had developed as a lawyer and as a teacher.

Managing VEDP's VALET Program was just the right fit. Parpart couldn't name just one thing she likes about the job.

"The diversity of companies I work with and the ability to help them make a true impact on their international business is hugely rewarding," said Parpart. "The program is multi-faceted and I enjoy the variation—I am able to spend one-on-one time with clients as well as bring companies together to engage in group discussion."

Since Parpart took over the two-year export program in August 2006, she has worked with 68 companies.

Parpart resides in Richmond with her husband, Kurt Friday, and their dog, Bassett. She is active as a volunteer in the community and will serve as next year's President for Greater Richmond SCAN (Stop Child Abuse Now). When not volunteering, Parpart enjoys photography and spending time at the beach. ■



VEDP Welcomes Newest Board Member

One could easily argue that Ruth A. Sandoval's middle name is accomplished.

She is CEO of BusinessconX, a strategic management consulting and business development firm. She is founder of DOMINO 12, a business network group. She is fluent in three languages. And the single mother of two is a graduate of Wade College, Dartmouth Minority Business Entrepreneur Program and the Hispanic Association on Corporate Responsibility/Harvard Business School Corporate Governance Program.

Sandoval hopes her 20-plus years of business experience, as well as her service with the U.S. Department of Commerce, Minority Business Development Agency and U.S. Small Business Administration will minimize her learning curve as VEDP's newest board member.

"I have the value of experience to know what questions to ask on behalf of the Commonwealth, and to have foresight in the business market to help us lead on future projects," she said. "In this economy we must be

prepared, experienced, creative and agile to maximize every opportunity to create jobs."

Sandoval believes the Commonwealth's greatest strength is its educated, talented workforce, and as a newcomer to Virginia's economic development process, "I believe our greatest challenge is competing against other states for job-creating projects that many times require capital investment."

Sandoval said she believes success is built on collaboration. "One tooth pick alone can be broken, but a hundred requires more than one person." ■



Meet Charles Kennington

Charles Kennington recently joined VEDP's Research Division staff as an Economist. Kennington hails from Rock Hill, South Carolina, and has 13 years of experience in the private sector, including various positions in the financial services industry and most recently as a Richmond-based Senior Financial Analyst with Circuit City. His core competencies are in financial analysis, forecasting, and econometrics. Kennington received his undergraduate degree from the University of South Carolina and his master's in Economics from Virginia Commonwealth University.

In his free time, Kennington likes debating trading strategies with members of the investment club he co-founded. He also enjoys helping his wife garden. Kennington and his wife have a two-year old son. ■



International Strategies During Recession: Infrastructure and Global Logistics

That is the theme for this year's 61st Virginia Conference on World Trade, to be held October 14 -15 at the Dulles Westfields Marriott in Chantilly. Hosted by the Virginia Port Authority and the Virginia Economic Development Partnership, the best and brightest in international trade will be on hand to highlight ways Virginia companies can strategically poise themselves to maximize international opportunities during the current economic climate.

AREVA NP Inc. and BAE Systems are this year's presidential sponsors. The Conference will focus on nuclear energy and the role it plays in infrastructure development. Data and security infrastructure initiatives will

also be addressed with expert panel discussions. On the logistics front, attendees will examine the logistics advantages of the Virginia Inland Port, large scale logistics parks and getting cargo to and from Asia on the all-water routes. The Trade Certificate Program, now in its seventh year, will focus exclusively on International Traffic in Arms Regulations (ITAR), with John Black of the Export Compliance Training Institute presenting.

In addition to in-depth coverage of the latest international trends, the conference will feature its annual golf tournament, held at Westfields Golf Club, with evening entertainment provided by the Capitol Steps. Register early as space is limited by visiting www.vacwt.org. ■



The full Spice Rack Chocolates line on display

Spice Rack Chocolates—A Kitchen Table Idea Goes International

It all started with a dinner table conversation in 2004 at their home in Fredericksburg. When Mary Schellhammer realized that her corporate job did not fulfill her, husband Paul suggested she quit and do what she loved—cooking. From that realization arose a successful personal chef business. A foray into desserts caused Mary to experiment with making chocolate. The first creation was rosemary mint chocolate. The fans went wild.

Inspired by a family vacation to Germany, they did further research and a lot of taste tests. Mary realized her creation was unlike any of the samples she tried and that there was a market for it. More research was needed, so the Schellhammers took matters into their own hands. They bought an RV and traveled across the United States. Festivals, craft shows, hot air balloon expos—you name it, they went with chocolates to sell. After getting more of a feel for likes, dislikes, packaging and marketing, Mary and Paul returned home and got to work. Paul quit his job and started running the personal chef business so Mary could focus on the chocolate business. Spice Rack Chocolates was born.

The company was experiencing great success nationally and received an inquiry from a distributor in the United Kingdom. Neither Mary nor Paul was sure how to go about selling their product in the U.K. A conversation with Spotsylvania County Department of Economic Development's

Jennifer Mihalcoe led to an introduction to Jenee Andreev, a VEDP International Trade Manager. After several meetings and an application process, Spice Rack Chocolates was accepted into VEDP's Accessing International Markets (AIM) export program. The U.K. was the company's target market, and the Schellhammers participated in a trade mission there during the year-long program. After researching packaging, ingredients and marketing, and meeting with distributors, the couple returned to the U.S. ready to tweak their product.

A year later, 15 stores have committed to selling Spice Rack Chocolates, including the renowned Harrod's. The company started the AIM program with zero export dollars and this year expect to achieve \$40,000 in international sales.

With both Schellhammers now concentrating on Spice Rack Chocolates full time, they are looking to expand export into Canada, followed by Russia and China.

"Without the help of VEDP's Division of International Trade, which tirelessly worked with us to make this goal a reality, we would never have been able to export our product," Mary said. "Whenever I was questioning my decision or felt unsure, they were there to assure us and remove any roadblocks. It wasn't just about numbers; the people we worked with at VEDP genuinely wanted us to succeed." ■



China: Next Wave of International Investment

By Paul Grossman,
VEDP Director of
International Trade & Investment



VEDP has assessed world markets and views China as a significant source of potential investment into Virginia. Much has changed in the past ten years with China's economy, and the result is that Chinese companies are actively looking to invest in job-creating projects outside of China. Consider these facts:

- China is 4th largest economy in the world
- China has U.S. dollar reserves of approximately \$1 trillion
- Investment made by Chinese companies from 2001 to 2007 totals \$109 billion (\$6 billion into the U.S.)
- 29 companies are on the 2008 Fortune Global 500 list (Canada has 14, Germany 37 and the UK 34)

In many respects, the drivers for Chinese investment into the U.S. mirror the reasons why Japanese companies began investing in the U.S. in the 1980s. Some of these drivers include:

- A national "Go Out" policy that encourages investment by Chinese companies in other countries
- A desire to move closer to customers rather than simply supplying from afar
- A desire to overcome protectionist sentiment in the U.S.
- A preference for expanding to higher value positions in the supply chain
- Economic aspirations for continued growth of the Chinese economy
- A desire to grow market share particularly in sectors where Chinese brands can compete

The *Wall Street Journal's* June 3 headline, "China Firm to Buy Hummer," affirms the trend for increased Chinese investment in the U.S. economy. Virginia should do all it can to gain a piece of the Chinese investment pie in these early formative days where trends are established and jobs are at stake. ■

VEDP Hosts First International Investors Forum

More than 100 Virginia business leaders representing companies from across the globe gathered in Richmond in May for VEDP's first Virginia International Investors Forum.

Topics discussed during the forum included legal and accounting issues, new laws and regulations affecting international business, recent legislative actions, and the Employer Free Choice Act. Governor Kaine also addressed the group about the important role internationally owned companies play in Virginia's economic success.

"By hosting this forum, our hope is to maintain open lines of communication with our international companies, develop stronger partnerships and promote continued economic prosperity across the Commonwealth," said Paul Grossman, VEDP Director of International Trade & Investment.

Virginia is home to more than 800 internationally owned companies that have invested roughly \$18.5 billion and employ about 150,000 people. In 2008 alone, internationally owned companies were responsible for the creation of 6,443 jobs and \$1.5 billion of investment in Virginia, an increase of more than 84 percent over 2007.

"We want Virginia's international corporate community to grow and succeed," Grossman said. "For success to happen, communication is a must. This forum is the beginning of a formal communication that will continue next year and for years to come." ■

www.ExportVirginia.com

With the new fiscal year starting July 1, VEDP's International Trade Division Web site got a new look. To keep pace with ever-changing markets and technology, the new site showcases services available to help Virginia companies increase sales abroad. A new feature to the site will be a video gallery that highlights Virginia companies'

products and services in use overseas. Check out the new site at

www.ExportVirginia.org. ■





GMU to Support M&S Industry with New Degree Program

George Mason University (GMU) is offering the Commonwealth's first bachelor of fine arts degree in computer-game design. The curriculum includes computer science as well as visual and digital arts, needs of a growing modeling and simulation industry in Virginia.

More than 200 companies in Virginia apply modeling and simulation technology to diverse industries such as defense, health care, aerospace, transportation, and entertainment. In 2007, the modeling and simulation industry employed 8,700 Virginians in the private sector. Government and military employment is estimated at 2,100.

In addition to video games for entertainment purposes, GMU students will develop games for business management and medical training, educational programs for teachers, and games for military use. GMU expects to have 35 to 40 students enrolled this fall. The University of Florida and Carnegie Mellon University offer similar programs. ■

GMU expects to enroll 35 to 40 students in the new computer design program in the fall.

Virginia Cited as Nationwide Model

Virginia's pro-business environment has garnered the Commonwealth another No. 1 ranking by Pollina Corporate Real Estate Inc., a top U.S. corporate site relocation expert. The June announcement marks the third time the company has recognized the state with its highest ranking.

Titled Pollina Corporate Top 10 Pro-Business States for 2009: Rebuilding Americans' Economic Power, the annual study examined job retention and creation by all 50 states and the federal government. Other states rounding out the top five were Utah, North Carolina, Wyoming and South Carolina.

The Pollina study evaluated states based on 33 factors—including taxes, human resources, right-to-work legislation, energy costs, infrastructure spending, workers compensation laws, economic incentives programs, and state economic development efforts.

Virginia also held the top spot in the Pollina study in 2003 and 2007. The Commonwealth ranked second from 2004 to 2006 and third in 2008. ■

State Takes Second Place in *Directorship* Ranking

The Commonwealth ranked second in *Directorship* magazine's first annual Boardroom Guide to the Best States for Business. The guide assesses the litigation climate in each of the 50 states, as well as the economy, tax climate, cost of living, education, and other measures. In *Directorship's* study, Virginia ranked in the top 10 on quality of life, higher education, economy, and the state litigation ranking. ■

Virginia is for High-Tech Workers

Virginia continues to lead the U.S. in concentration of high tech workers, according to TechAmerica's annual Cyberstates study, which examines national and state employment and growth trends in the technology industry. In terms of job growth in 2008, the top performers were Texas, Georgia, and Washington. ■

BRAC a Boon for Greater Charlottesville Region

When you think of Albemarle and neighboring Greene counties, do thoughts of small town charm, rural beauty, historic landmarks and wine tastings cross your mind? How about night vision equipment, top secret military intelligence and land mine detection equipment?

While history and homeland security may seem an unlikely match, the pairing is proving successful for defense-related companies that are moving to the Greater Charlottesville region. In 2005, a Base Realignment and Closure (BRAC) legislation was issued stipulating that the Defense Intelligence Agency (DIA) relocate 800 employees performing select intelligence analysis functions from Bolling Air Force Base and other locations in the national capital region to Rivanna Station in Albemarle County, home of the U.S. Army's National Ground Intelligence Center. The National Ground Intelligence Center (NGIC) also performs ground forces intelligence and is the center of excellence for ground force production. The workforce, a combination of military, civilian and on-site defense contractors, will relocate existing DIA operations.

Since the BRAC legislation was passed, activity has bustled on and behind the scenes in Albemarle County. The new Joint-Use Intelligence Analysis Facility is under construction, scheduled for completion in 2010. The University of Virginia Research Park recently completed another building to accommodate the growing needs of Northrop Grumman, a global aerospace and defense company. Defense-related companies including SAIC, CACI, Mitre, Battelle, Booz Allen Hamilton, Pragmatics and Shine Systems & Technologies have also located operations in the Greater Charlottesville region. All of the companies have business relationships with the DIA and NGIC or other federal defense agencies. The Department of Defense estimates that this BRAC action will generate more than 600 new, long-term indirect jobs in the Greater Charlottesville region.

Michael Harvey, President of the Thomas Jefferson Partnership for Economic Development, attributes the region's success to a number of factors. "We've been able to leverage a number of our location advantages to grow the defense cluster here in the Greater Charlottesville region. Our proximity to the nation's capital, one of the most educated workforces in the country and a world-class university in UVA are the key factors driving that growth."

The most recent addition to the region's growing defense industry is Ashbury International Group, a government and defense contractor that produces and manufactures laser range finders, combat equipment, night vision devices and other small arms weapons for the military and homeland defense. Because of the company's recent growth, Ashbury is expanding into a new facility in the Greene County Business and Technology Park. The company expects to hire at least 15 new employees.

Rendition by Baker and Associates.



Above is an artist rendition of the Joint-Use Intelligence Analysis Facility, the new U.S. government building under construction at Rivanna Station.

NIITEK, which develops landmine detection equipment for frontline military defense, has also announced its relocation to Albemarle County. Both Ashbury and NIITEK started in Northern Virginia and have chosen to grow their success in the Greater Charlottesville region.

Richard Hall, Ashbury's Vice President of Business Development, pointed to the Charlottesville-Albemarle Airport, U.S. routes 29 and 33 and an excellent quality of life as some of the reasons for choosing the region. "Ashbury's defense and government contract operations are also well served at the new facility," he said. "Greene County is an ideal location to support our company's future growth. We have received unparalleled cooperation from county government as well as superb local contractor support, access to an educated workforce and the proximity of several leading universities."

In 2005 when the BRAC directive came down, the economic development community formed a task force to work with the DIA and NGIC to prepare for what would be a tremendous impact on the community. State, regional and local economic developers teamed up with the University of Virginia, the Virginia Community College System, residential brokers, and others to better understand and assist the needs of the region's growing population.

"Each BRAC situation is unique but one feature is the same: the impact it has on our employees, their families, and the surrounding community," said Laura L. Donnelly, Defense Intelligence Agency Public Affairs Officer. "The talented members of the Rivanna Station Advisory Working Group have been exceptional with supporting DIA families relocating to the Greater Charlottesville region. The group met with employees and their spouses at two community relocation fairs held in the National Capital Region, providing important information on housing, schools, healthcare, child care, and county resources and activities available in Charlottesville and in the surrounding jurisdictions. The group also has developed a robust newcomers public Web site so that DIA's relocating employees have the most comprehensive and up-to-date information about community resources in the area." ■

Energy and the Defense Department

The Department of Defense (DoD) is the country's largest user of energy. Last year the department purchased nearly 4 billion gallons of jet fuel, plus nearly 300 million gallons of diesel and gasoline combined. The services are major consumers of electricity as well, and in Virginia, Dominion Power lists Naval Station Norfolk among its largest customers. However, federal energy policies, public pressure and rising costs are driving the DoD to closely examine its energy use. Ultimately, dramatic shifts are expected in the way installations are planned and run.

Several energy acts are shaping how the DoD constructs new facilities and maintains existing building inventory, including a list of requirements for all federal facilities that covers vehicles, alternative fuel use, energy efficiency and other environmental concerns. In addition to federal regulations, environmental and other non-government groups are helping the Defense Department find the right paths to energy conservation.

This May the Center for Naval Analysis (CNA), an Alexandria-based non-profit that provides analysis and recommendations to the military, released a report entitled "Powering America's Defense." The study approaches the DoD's energy use as a national security issue, and calls upon the department to be "a technological innovator, early adopter, and test bed." Many of the CNA's recommendations speak directly to operations at Virginia's many installations, calling for the adoption of renewable energy generation and suggesting that the DoD aggressively pursue energy efficiencies, smart grid technologies, and electrification of its vehicle fleet.

The CNA's call for the DoD to reduce its "carbon footprint" should find a healthy level of support among military leaders, as each branch has

already begun efforts to do just that. Last fall the Army announced a new Energy and Partnership Office with the mission to conserve energy and reduce dependence on the civilian power grid. The Navy in May reported that new efforts among the fleet have led to a \$79 million savings in fuel costs during the first quarter of 2009. In addition, the branch recently upgraded dozens of buildings at Dam Neck in Virginia Beach to geothermal heat pumps that are expected to save \$32 million over 17 years. The Air Force has outlined plans for building a small nuclear plant at a base, not yet selected, in about 10 years. The reactor would most likely provide electricity for the community beyond the base, as well.

The U.S. General Services Administration (GSA), which maintains the fleet of all government-owned, civilian-use vehicles including those on military posts, recently, announced plans to buy \$300 million worth of energy-efficient and alternative-fuel vehicles using funds from the American Recovery and Reinvestment Act. A separate program already underway is leasing thousands of "neighborhood electric vehicles" for use on installations, many now in use at Fort Myer and Fort Belvoir in northern Virginia.

Whether for national security concerns, environmental reasons or cost savings, the Defense Department is now a potential leader in energy conservation and alternative energy exploration. Increased efficiency will allow the services to focus more resources on training and missions, while making the installations in Virginia even more desirable communities of the Commonwealth. ■

VEDP Enters World of Social Media Marketing

Look out LinkedIn. Beware Facebook. VEDP is entering the world of social media marketing. In the face of tough economic times and budget cuts, VEDP is looking to be more creative and cost-effective in how it shares Virginia's story with business prospects and establishes itself as an expert in the field of economic development.

"For Virginia's success to continue in economic development, VEDP must stay ahead of the curve in terms of communicating the Commonwealth's message," said Rick Richardson, VEDP Director of Communications and Promotions. "These are low-cost opportunities that have potential. We will be learning as we go, but we look forward to seeing where this journey takes us."

First, VEDP will launch a blog that will be managed by the Communications and Promotions Division. VEDP staff will be encouraged to provide content, and content will always reflect VEDP's mission. The blog will be featured on YesVirginia.org and will allow readers to comment and ask questions about the subject matter.

VEDP will also publish a Really Simple Syndication feed, or RSS feed, which is a Web tool used to automatically publish updated information for its blog entries. This allows readers to receive VEDP's updated content without having to make the effort to go to YesVirginia.org every time. In addition to being user-friendly, the RSS feed increases VEDP's Web presence by increasing VEDP's inbound links, the single largest variable in determining VEDP's position on Google search result pages.

Finally, VEDP will participate on LinkedIn, Facebook and social bookmarking sites. LinkedIn is a popular professional networking site that connects users representing 170 industries from 200 countries. It's the world's largest professional network with more than 40 million members, allowing VEDP to interact with and learn more about Virginia's customers, partners and economic development competition worldwide—at the touch of a keyboard.

VEDP has also created a Facebook page to reach the single largest online population. Businesses vie for advertising opportunities, event pro-

(continued page 15)

Quarterly Calendar

DATE	CONTACT	EVENT
Jul. 15-18	VB	Association of Woodworking & Furnishing Fair—Las Vegas, NV
Aug. 10-13	VB	AUVSI Unmanned Systems North America—Washington, DC
Sept. 9-10	VB	AFCEA Solutions Series: C4/IT—Lansdowne, VA
Sept. 14-18	CR	Marketing Mission—Kansas & Missouri
Sept. 14-18	SK	Trade Mission to Japan
Sept. 24-25	VB	Natural Products Expo East—Boston, MA
Sept. 28-Oct. 2	SK	Trade Mission to Czech Republic & Poland
Oct. 4-7	VB	Data Center World Fall Conference—Orlando, FL
Oct. 12-14	VB	Advamed Conference—Washington, DC
Oct. 12-14	VB	CORENet Fall Congress—Las Vegas, NV
Oct. 21-23	VB	Supercomm—Chicago, IL
Oct. 25-27	VB	ACT/IAC Executive Leadership Conference—Williamsburg, VA

VB	Vince Barnett, VEDP	(804) 545-5815
CR	Chuck Rogers, VEDP	(804) 545-5808
SK	Scott Kennedy, VEDP	(804) 545-5754

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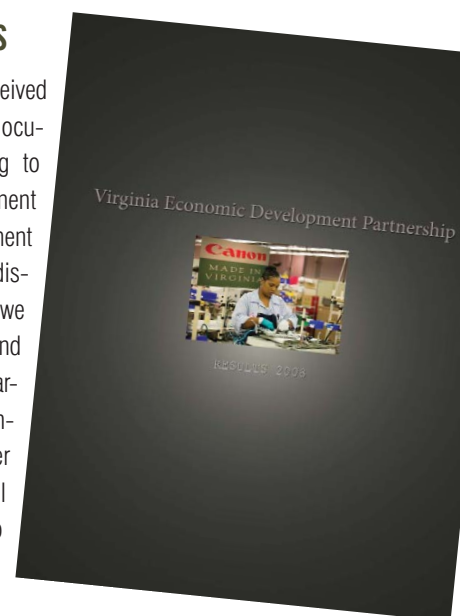
motion and more on this social networking site, and VEDP hopes to use its page as another avenue for promoting Virginia as a sought-after business location. Social bookmarking sites Digg and Delicious will also be used to share VEDP's favorite Web sites and news articles with prospects and business partners. Digg is a place for people to discover and share content from anywhere on the Web. Visitors can submit and browse articles in categories like technology, business and entertainment. Delicious allows users to save their bookmarks online, share them with other people, and see what other people are bookmarking.

For VEDP's social media marketing efforts to work, participation by its allies, staff and other partners is a must. Feel free to suggest content for the VEDP blog. Create a profile on LinkedIn and Facebook. Add VEDP's blog to your profile and become a VEDP "fan." Create a Digg.com account and "dig" VEDP's content. Create a Delicious.com account and bookmark VEDP's content. Encourage business partners and friends to do the same.

We're all in this together. ■

VEDP Wants Results

In April, you should have received Results, a new reader-friendly document that VEDP is producing to replace the annual employment creation and capital investment report. To get this information distributed in a timely fashion, we need your help! Please respond quickly and efficiently to the year-end survey that Holly Allen conducts. She will have tighter deadlines this year and will send the survey out in mid- to late-December as opposed to early January to accelerate the process. VEDP cannot provide a complete record of the Commonwealth's results without the important input of our economic development allies across Virginia. Results is another way to demonstrate the broad value of the economic development function in Virginia. ■





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did you know

Virginia Company Introduces Game-Changing Nuclear Reactor

The Babcock & Wilcox Company (B&W), headquartered in Lynchburg, plans to deploy a North-American-manufactured, scalable nuclear reactor. The new reactor will incorporate important design and operational attributes that will make it attractive for both existing nuclear operating utilities as well as other customers seeking to diversify their power generation portfolio.

“Several technical and manufacturing innovations make this reactor a potential game-changer for the global clean energy market,” said Christofer Mowry, President and CEO of B&W Modular Nuclear Energy, LLC. “We have attracted substantial customer involvement as we progress through important product configuration decisions. We believe this reactor will offer a practical, affordable near-term solution to the world’s growing demand for the clean, zero-emission operations base load power necessary to support the emergence of renewable energy solutions. This program has the potential to lead to more high-value engineering and manufacturing activity in our country, particularly at our facilities in Virginia, Ohio and Indiana, and also at our subsidiary in Canada.” ■