

## Virginia Builds Relationships in Europe

Governor Warner brought home 222 new jobs and more than \$300 million in new investment from his first international trade mission May 18–May 24, 2003. The mission to Europe included high-level meetings with business executives in Copenhagen, Denmark; Zurich, Switzerland; and several cities in Germany, including Frankfurt, Stuttgart, Munich and Düsseldorf. Virginia Secretary of Commerce and Trade Michael J. Schewel, Mark Kilduff, Executive Director of the Virginia Economic Development Partnership (VEDP) and Hans U. Schetelig, Director of VEDP's European Office, joined the Governor on the trip.

The first announcement came during a meeting with Boehringer Ingelheim Corporation executives in Ingelheim, Germany. On May 20, the Governor announced that the company will expand its manufacturing capacity at its subsidiary, Boehringer Ingelheim Chemicals, Inc. in the City of Petersburg. The deal includes a \$260 million investment and 165 new jobs—the largest single investment in Petersburg's history.

An announcement also followed the Governor's May 23 meeting with officials at Degussa Corporation's world headquarters in Düsseldorf, Germany. Goldschmidt Chemical Corporation, a subsidiary of the Degussa Corporation, will expand its operations in the City of Hopewell. The expansion will allow the chemical company to invest \$26.6 million and create 28 new jobs, bringing Goldschmidt's first U.S. polyether plant to the Commonwealth.

While in Frankfurt, Governor Warner closed an expansion deal with Continental Teves, Inc., one of the world's largest automotive suppliers. The company will expand its Culpeper County facility, creating 29 new jobs through a \$3 million investment.

"This trip allowed us to communicate Virginia's pro-business climate to European companies while we rejuvenated the state's relationship with a number of international companies already doing business here," said VEDP Executive Director Mark Kilduff. "Governor-led trade missions are invaluable to our economic development efforts and the future of the state's economy. During this mission, Governor Warner helped to open doors and close deals, securing jobs and foreign investment for the Commonwealth." *story continues on page 15*

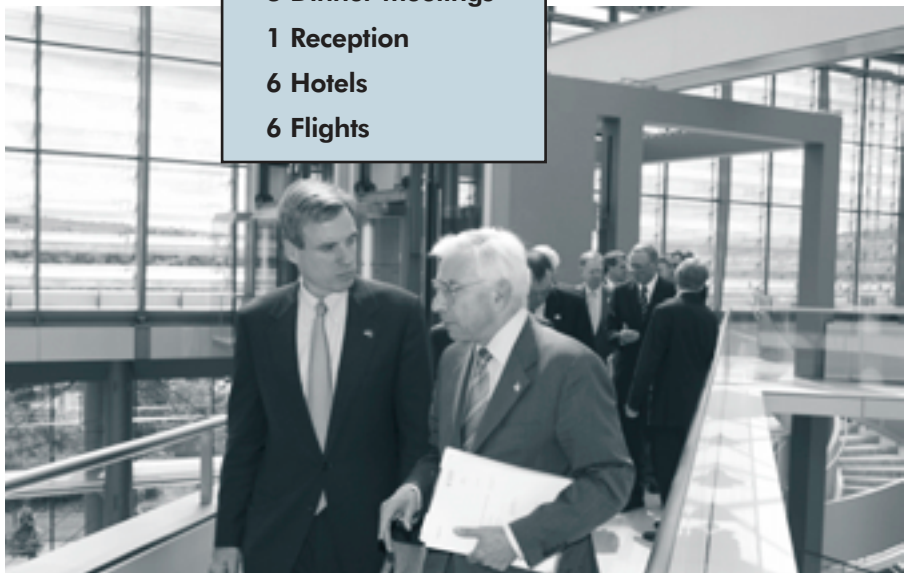
The Virginia delegation pauses for a photo with Degussa Corporation executives in Düsseldorf, Germany. Pictured left to right are Hans Schetelig, Director of VEDP's European Office; Dr. Clemens Grambow, Degussa Senior VP Corporate Development; Secretary of Commerce and Trade Michael Schewel; Prof. Hans-Joachim Kollmeier, Degussa Executive VP Performance Materials; Governor Mark Warner; Gunther Wittmer, Head of Business Line Polyurethane Additives, Degussa; and Mark Kilduff, VEDP Executive Director.



### From Mission Control

- 6 Days**
- 3 Countries**
- 9 Companies**
- 3 Dinner meetings**
- 1 Reception**
- 6 Hotels**
- 6 Flights**

Governor Mark Warner and Board Chairman Prof. Rolf Krebs tour Boehringer Ingelheim Corporation in Ingelheim, Germany on May 20, 2003.





During the Commonwealth's rainy spring, many regions of Virginia were showered with exciting deals. From a major homeland security contract for Unisys in Fairfax County, to long-time Virginia corporate citizens Ford and Wal-Mart investing millions in the Valley, to a milestone announcement by Augusta Lumber in King William County, Virginia continues to recruit a variety of industries. Prospect activity showed a significant gain in April and May over earlier months this year. For example, 10 projects were identified as a result of the New York marketing mission held May 12–16.

Thanks to everyone who attended our first VEDP/Ally Meeting in the Richmond area. VEDP is grateful to Dominion Resources for allowing us to host the meeting in their beautiful Innsbrook facility. This new communications opportunity shed light on many hot issues and I was pleased to hear good ideas and meaningful discussions. Dialogue is powerful. We want to exchange ideas with you face to face like this twice a year. Discussing the big picture of economic development in our state will help us all grow and succeed. Stay tuned for follow-up information from the event and news on the next meeting date and place.

Governor Mark Warner and Secretary Michael Schewel certainly have given our business hours upon hours of attention this quarter. The highlight was our recruitment mission to Europe in May—nine business meetings, three dinner meetings, and one major reception in six days in nine different cities. Governor Warner helped us open many corporate doors on his first overseas trip. The bottom line—he is simply a pro at selling Virginia as a business location, and we plan to leverage his leadership skills for future domestic and international missions.

Our Division of International Trade continues to enjoy strong participation in all of its programs. In a 30-day period over May and June, 25 companies joined VEDP on trade missions to seven countries. The VALET Program will accept another class in July, bringing total participation in the two-year program to 30 Virginia companies.

This quarter we said good-bye to two wonderful people at VEDP. Newlywed and new Norfolk resident Patty (Thompson) Bonner will be missed as our trusted and witty Director of Human Resources. The Human Resources functions now come under our Deputy, Gary McLaren, with Melissa Carlson being promoted to Senior Human Resources Manager reporting to Gary. Jean Tingler, the Queen of IT and creator of the best economic development GIS in the world, is also departing to accept her next challenge. We will begin the recruiting process for Jean's position immediately. Both Patty and Jean brought a wealth of experience and personality to economic development in Virginia. We wish them well.

At the VEDP Board of Directors meeting on June 3, the Board voted to extend the terms of our Chairman Ike Prillaman and Vice Chair Jean Clary Bagley through the end of the calendar year. Chair and Vice Chair terms will now expire at the end of calendar years, which correspond to the normal expiration date of Board Member terms.

As we begin a new fiscal year with a smaller budget, we appreciate all you do as a part of the economic development team. Please give us a call, send an e-mail or drop by the office, but whatever you do, keep the communication flowing. I wish you a happy and prosperous summer.

Sincerely,

Mark R. Kilduff  
Executive Director

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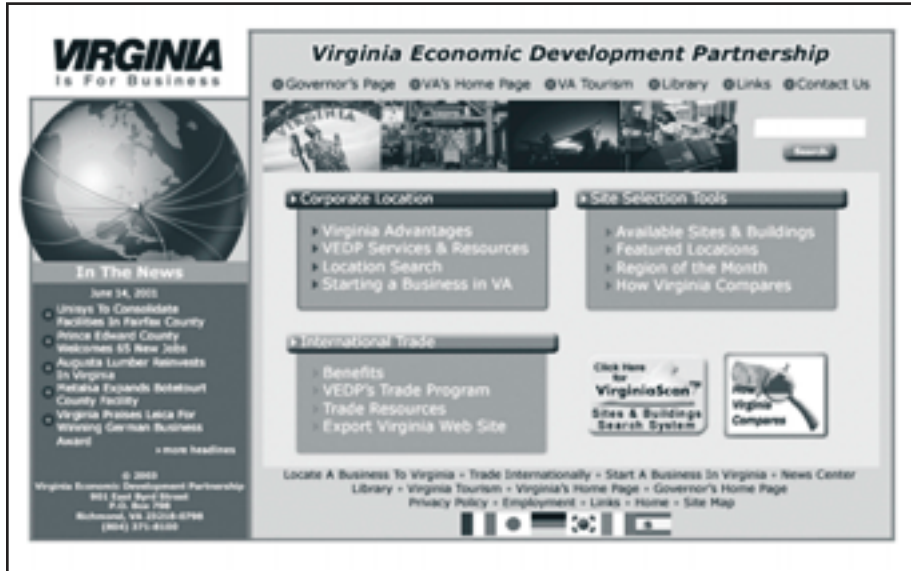
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## VEDP Updates Web Site, Adds Features and Functionality

VEDP's web site, www.YesVirginia.org, is undergoing its third revision, with an emphasis on creating a more user-friendly site through navigation and design. The new theme is a clean and simple design, placing the focus on content and functionality. The design will be less graphic while more prominence will be given to the site's navigation. By incorporating the use of fly-out menus, more descriptive text links and a site map (in addition to the current search feature), www.YesVirginia.org will be more intuitive and navigable for the user.

In addition to functionality improvements, www.YesVirginia.org will include an exciting new addition to the *How Virginia Compares* feature. *How Virginia Compares* will now include a dynamic comparable database that enables users to compare Virginia against the other 49 states on a number of economic statistics. The statistics will cover a range of topics including population, employment and labor, business climate, labor relations, income and wages, taxes, and education. The database will allow the user to run a tailored query, selecting as many or as few of the data sets as desired, comparing Virginia to three states at a time. As an added bonus, the results of the online query will generate a downloadable report.

Through the ease of navigation, a plethora of information and the new *How Virginia Compares* database, www.YesVirginia.org will remain a leading economic development web site for clients and consultants. For questions or comments, contact Vince Barnett at (804) 371-8265 or vbarnett@YesVirginia.org.



## King William County Saw This Opportunity

Virginia-based Augusta Lumber Company will locate a new facility in King William County. Through a \$5 million investment in facilities and inventory, the company will create 65 new jobs.

Augusta Lumber is headquartered in Waynesboro and currently operates four sawmills and a hardwood flooring plant in Virginia, employing 325 people across the state.

Augusta Lumber Company brings more than 40 years of experience in the wood products industry. The company owns sawmills in North Garden, Amissville, Staunton and Warm Springs, and buys hardwood timber

**Deputy Secretary of Commerce and Trade Matt Erskine welcomes Augusta Lumber to King William County at the announcement event.**



throughout Virginia and the surrounding states. The corporate office and flooring plant is in Waynesboro. Augusta Lumber is Virginia's largest exporter of wood products, shipping 2,000 containers a year from the Port of Virginia.

VEDP, the Virginia Port Authority and King William County assisted Augusta Lumber with its decision. Workforce training services will be provided by DBA.

Economic Development Partnership, Franklin County, and the Town of Rocky Mount assisted MW with its decision. The Virginia Department of Rail and Public Transportation will assist with rail access funding and DBA will provide workforce training services.

## Cendant Relocates Division to Virginia Beach

Cendant Corporation, a leading provider of travel and residential real estate services, will relocate its Car Rental Group's Shared Services Center to the City of Virginia Beach, creating 187 new jobs for Virginians. The deal is a direct result of Governor Warner's April 2003 New York marketing mission. Virginia successfully competed with New Jersey, Illinois, and Florida for the \$1.6 million investment.

"This is a win-win for Cendant and the Commonwealth of Virginia," said Cendant Chairman, President and CEO, Henry R. Silverman. "We are pleased to bring additional jobs and corporate diversification to Virginia Beach. Our decision to relocate our Car Rental Group's Shared Services Center to the Hampton Roads area was based on three primary factors: the skill sets of the local workforce, synergies realized through our existing businesses there and incentives provided by the Commonwealth of Virginia."

VEDP and the City of Virginia Beach Department of Economic Development assisted Cendant with its decision. DBA will provide workforce training services.



**(Left to right) VEDP Deputy Director Gary McLaren, Delegate Allen Dudley, Franklin County Chairman Wayne Angell, Roanoke Valley Economic Development Partnership Executive Director Phil Sparks and Town of Rocky Mount Mayor Mark Newbill discuss MW's expansion project at the announcement event.**

## MW Opens Doors for Franklin County

Franklin County-based MW Manufacturers, Inc. will expand. The company will relocate its Lineal Technologies division from the City of Roanoke to Franklin County to increase production capacity in its extruded plastic component products line. The relocation

represents a \$4.7 million investment and a total of 130 jobs in Franklin County over the next 30 months, saving 70 existing jobs and creating 60 new ones.

MW Manufacturers, Inc., headquartered in Franklin County's Town of Rocky Mount, produces and distributes a wide range of window and door products for the residential construction industry.

A \$150,000 GOF grant was approved to assist Franklin County with the project. The county also obtained \$150,000 in Tobacco Region Opportunity Funds. MW will be eligible for tax credits because it is locating in an enterprise zone. VEDP, the Roanoke Valley

## Botetourt Welcomes Automotive Expansion

Metalsa, a manufacturer of heavy truck rail frames, will expand its operations in Botetourt County. Through a \$25 million investment, the company will create 70 new jobs and construct a 150,000-square-foot addition to its existing facility in the Vista Corporate Park.

Metalsa, headquartered in Monterrey, Mexico, has been located in Virginia since 1996. The company operates two facilities in Mexico in addition to the Botetourt County facility, which currently employs 134 people.

"We considered several locations for this expansion," said Jesus Theurel, CEO of Metalsa. "The decision to build adjacent to our current facility was based largely on the positive outlook for the Roanoke Valley, coupled with our outstanding relationship with Botetourt County and strong ties to our community."

A \$150,000 GOF grant will assist Botetourt County with the project. Metalsa also qualifies for a \$300,000 VIP grant. VEDP, the Roanoke Valley Economic Development Partnership and Botetourt County assisted Metalsa with its decision to expand. Workforce training services will be provided by DBA.

## Mecklenburg County Documented This Deal

DRS Group, one of the nation's leading document management services companies, will locate 115 new jobs in Mecklenburg County's Town of Clarksville. Through a \$1 million investment, the company will open a 32,000-square-foot document conversion supercenter in the Lake Country Industrial Park Building.

"As the DRS Group continues to grow and expand its operations in the South, specifically in the Virginia market, having a supercenter in a strategic location such as Clarksville allows us to improve the service levels to existing accounts while opening up the opportunity to secure new business. After spending several days in the area, it became obvious that Mecklenburg County has a strong workforce, which will allow us to open such a center and not miss a beat," said Paul Solomon, Chief Operating Officer with DRS.

The Virginia Tobacco Indemnification and Community Revitalization Commission approved \$170,000 in Tobacco Region Opportunity Funds to assist with the project. The company is eligible to receive tax credits because it is locating in an enterprise zone. VEDP, Mecklenburg County and the Town of Clarksville assisted the company with its decision. DBA will provide workforce training services.



(Seated left to right) Senator Frank Ruff, Delegate Tommy Wright and Chairman of the Clarksville IDA, Charlie Simmons, listen to Secretary Schewel announce 115 new jobs for Clarksville.

## Wal-Mart Brings 1,000 New Jobs

Wal-Mart Stores, Inc. will invest \$55 million to locate a regional distribution center in Rockingham County, creating 1,000 new jobs for the Shenandoah Valley. The 1.2 million-square-foot facility, to be located off Interstate 81 and north of State Road 682 in Mount Crawford, is projected to begin construction in the spring of 2004 with planned service to stores expected in the spring of 2005.

Initial hiring of more than 600 area residents is expected to begin in early 2005. More than 95 percent of the jobs created will be full-time positions.

"The Mount Crawford regional distribution center will provide Wal-Mart the opportunity to better serve the growing number of Wal-Mart customers who shop at our stores in the Mid-Atlantic region," said Rollin Ford, Executive Vice President of Logistics for Wal-Mart. "It is a significant project that represents our continued commitment to Virginia as a partner in both economic development and community."

A \$1.5 million GOF grant will assist Rockingham County with the project. VEDP, Rockingham County and the Shenandoah Valley Partnership assisted Wal-Mart with its decision. Workforce training services will be provided by DBA.



## Sunrise Expands Fairfax County Headquarters

Sunrise Senior Living will expand its McLean-based corporate headquarters, creating more than 140 new jobs in Fairfax County. The new jobs come in conjunction with Sunrise's announced plans to acquire Marriott Senior Living Services, Inc. The majority of the new jobs are ones that will transfer from Marriott's headquarters in Bethesda, Maryland.

Sunrise Senior Living, which was founded in Fairfax County, is one of the nation's oldest and largest providers of senior living services. The company expects its corporate headquarters expansion to be complete in September of 2003.

"My wife Terry and I opened the first Sunrise community in Fairfax County more than 21 years ago and have always considered the area as Sunrise's home," said Paul Klaassen, Sunrise Senior Living Founder, Chairman and CEO.

VEDP and the Fairfax County Economic Development Authority assisted the company with its decision. DBA will provide workforce training services.

## Company Helps Power Lynchburg's Economy

Framatome ANP (Advanced Nuclear Power), Inc. will expand its operations in Lynchburg and Campbell County, creating a total of 300 new jobs through a \$32 million investment over the next three years. The company will invest \$12 million to expand its North American Headquarters on Old Forest Road in Lynchburg and another \$20 million at its Mt. Athos Road equipment refurbishment facility in Campbell County. The company also has a facility on Mill Ridge Road in Lynchburg. Framatome ANP is a U.S. company with a legacy in Virginia of more than four decades.



In May, Framatome ANP, Inc. announced 300 new jobs for its existing Virginia facilities. Pictured here is the company's North American Headquarters in Lynchburg.

"Our company's roots are here in Virginia, and our employees enjoy an exceptional quality of life in the Lynchburg area," said Tom Christopher, President and CEO of Framatome ANP, Inc.

A \$300,000 GOF grant was approved to assist Lynchburg and Campbell County with the project. The county also will receive \$150,000 in Tobacco Region Opportunity Funds. Framatome ANP qualifies for a \$500,000 VIP grant. VEDP, Virginia's Region 2000, Campbell County and the City of Lynchburg assisted Framatome with its decision to expand. The company qualifies for road access funding from VDOT and workforce training services from DBA.

## Ford Drives Into Frederick County

Ford Motor Company will build a regional parts distribution center in Frederick County's Coca-Cola Industrial Center. Through a \$13.3 million investment in land, building and equipment, the company will create 95 new jobs. Ford will construct a 250,000-square-foot High Velocity Parts Distribution Center for high-demand maintenance and smaller replacement parts. The project also includes consideration of additional land for a possible second distribution facility.

"Ford chose Virginia as the location for our new High Velocity Parts Distribution Center because at the state and local level there are many positive attributes that support and encourage business development. Virginia has always made us feel like they really wanted Ford as a key member of their business community," said Kent O'Hara, Manager of Parts, Supply and Logistics Planning at Ford Motor Company.

A \$75,000 GOF grant will assist Frederick County with the project. VEDP, Frederick County and the Winchester-Frederick County Economic Development Commission assisted Ford with its decision. DBA will provide workforce training services.

## Fairfax County Lands 900 New Jobs

Unisys Corporation will commence an expansion in Fairfax County to consolidate Unisys Global Public Sector's division headquarters. The expansion will accommodate up to 900 new jobs at the new Unisys facility in Fairfax County over the next three years. These jobs include approximately 150 Unisys employees who will relocate from office space presently in Washington, D.C.

Unisys, a worldwide information technology services and solutions company,

currently employs more than 1,500 people in Virginia. The company offers an end-to-end portfolio of value-based solutions led by competency in consulting and systems integration, outsourcing, network services and security, combined with leading enterprise-class server and related technologies.

VEDP and the Fairfax County Economic Development Authority assisted Unisys with its decision to expand. Unisys qualifies for a Major Business Facility Job Tax Credit. DBA will provide workforce training services.

## Intertape is Stuck to Southside Virginia

Intertape Polymer Group Inc. (IPG) will expand its existing operations in Pittsylvania County. Through an investment of more than \$5 million over the next 30 months, IPG will construct a new 200,000-square-foot facility in the Ringgold West Industrial Park and create 50 new jobs.

Intertape Polymer Group's existing Pittsylvania County facility, also located in Ringgold, was established in 1987. The operation manufactures and distributes both hot melt and acrylic adhesive coated tapes and stretch film, and redistributes shrink film, machinery and tapes manufactured in other facilities. IPG currently employs 244 people in Pittsylvania County.

Governor Warner approved a \$100,000 GOF grant for the project. The county also obtained \$100,000 in Tobacco Region Opportunity Funds. VEDP, the Pittsylvania County Department of Economic Development and the IDA of Pittsylvania County assisted IPG with its decision to expand. DBA will provide workforce training services and financing through the Virginia Small Business Financing Authority.

## Grayson County Harvests New Jobs



**A banner welcomes Governor Warner, Secretary Schewel and Congressman Boucher to Grayson County for the announcement.**

Harvest Pharmaceuticals, Inc., a newly formed pharmaceutical sales and distribution company, will locate a marketing call center and warehouse/distribution facility in Grayson County. Through a \$3.3 million investment, the company will create 30 new jobs. Virginia successfully competed with North Carolina for the project.

Harvest Pharmaceuticals plans to locate in the Parsons and Rives Building in the Town of Independence. Initial employees will include

telephone sales and customer service agents, information technology support, and warehouse staff.

Governor Warner approved a \$50,000 GOF grant to assist Grayson County with the project. VEDP, U.S. Congressman Rick Boucher, the Mount Rogers Partnership (Virginia's aCORRIDOR) and Grayson County assisted the company with its decision. DBA will provide workforce training services.

## HUDD Delivers New Jobs

Hudd Distribution—a Maersk Logistics Company—will expand its existing distribution facility in the City of Chesapeake's Gateway Commerce Park. Hudd Distribution is a subsidiary of Maersk Logistics, one of the world's leading logistics companies headquartered in Copenhagen, Denmark. Through a \$14 million investment, the company will create 260 new jobs.

**Deputy Secretary Matt Erskine (third from left) joins company officials and local partners at the March groundbreaking for Hudd's expansion.**



Hudd Distribution's existing 225,000-square-foot facility opened in Chesapeake in 2001 and provides logistics support to Wal-Mart, Target and Heineken. Hudd will purchase 25 additional acres in the Gateway Commerce Park and construct an 80,000-square-foot addition to its existing facility. The investment will allow Hudd Distribution to expand services to Target and other major national retailers.

A \$75,000 GOF grant will assist the City of Chesapeake with the project. VEDP and the Chesapeake Economic Development Department assisted Hudd Distribution with its decision to expand. DBA will provide workforce training services.



## Kilduff Profiled in Virginia Review

A seven-page article the March/April 2003 *Virginia Review* highlights the accomplishments of Mark Kilduff, VEDP's Executive Director. The *Virginia Review*, a journal covering Virginia's state and local government, interviewed Kilduff on his 35-year career in state government.

"There is no one in the economic development business who has more credibility and respect than Mark Kilduff," Charlie Yates, Executive Director of Virginia's Southwest Promise, told the magazine. "The Commonwealth of Virginia is very fortunate to have this professional leading its programs."

The article shares Kilduff's thoughts on Virginia's economy, technology and the future of economic development. For a faxed copy, contact Sarah Lovejoy at [slovejoy@YesVirginia.org](mailto:slovejoy@YesVirginia.org).

## Commonwealth Considered Competitive

The May 2003 issue of *Site Selection* named Virginia one of the nation's Top Ten Competitive States for 2002. The new ranking measures state economic development agencies' competitiveness—which the magazine says is the most important factor in an agency's ability to attract new investment and expand economic activity.

In the same issue, three Virginia communities were named a Top Group for 2002. The Joint IDA of Wythe County and the Prince William County Department of Economic Development fell into the Top Ten economic development groups. The Danville Office of Economic Development received honorable mention.

## Virginia Profiled for Foreign Investment

*Foreign Direct Investment* magazine ran an interview with Governor Warner in its February/March 2003 issue. The article, titled "Golden Virginia," highlights the state's long history of working with foreign companies.

The article discussed VEDP's international offices, Virginia's strong incentive programs and the state's infrastructure strengths. Governor Warner pledged his commitment to help foreign companies locate in the Commonwealth. "We offer attractive incentives and will do whatever it takes to close the deal," he told the magazine.

The feature story, the magazine's first profiling a U.S. governor, was written by freelance writer Karen Thuermer. Karen has participated in several VEDP media tours and often writes about Virginia's economic development efforts.

For the complete article, visit the *Foreign Direct Investment* web site at [www.fdimagazine.com](http://www.fdimagazine.com).

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**Site Selection**  
**Top Ten Competitive States 2002**

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Tennessee  
 Michigan  
 Illinois  
 North Carolina  
 New York  
 Indiana  
 Kentucky  
 South Carolina  
**Virginia**  
 Ohio



## Virginia Cities Make Forbes List

Washington, D.C.—Northern Virginia (#10) is among the nation's top 10 metro areas for business and careers, according to *Forbes* magazine's fifth annual survey. Richmond (#14) and Norfolk (#58) also came in among the 150 large metro areas surveyed. The ranking is based on measures such as income, job growth, cost-of-doing-business, labor pool qualifications, and community attractiveness. Charlottesville (#17), Lynchburg (#81), Roanoke (#92) and Danville (#144) made the list of 168 smaller metro areas studied. See [www.forbes.com/2003/05/07/bestland.html](http://www.forbes.com/2003/05/07/bestland.html) to view the rankings.



Rick Burchfield, Mullican Flooring's Norton Plant Manager (right) explains the company's hardwood floor manufacturing process to the Senior Contributing Editor of *Wood Digest* (center) and the Assistant Editor of *Shelter* magazine (left) during VEDP's October 2002 wood products media tour.

## Wood Products Industry Finds Shelter

Two of Virginia's flooring manufacturers were profiled in the May 2003 issue of *Shelter* magazine. *Shelter* is a national publication for the building products industry. The article offers a glimpse into the manufacturing facilities of Stuart Flooring Corp., in Stuart, Virginia and Mullican Flooring in Norton, Virginia.

Stuart Flooring began production in 1984 and currently employs 260 people at its 154,000-square-foot mill. Across the mountain, Mullican Flooring was established in 1986, employing 240 people at its 300,000-square-foot mill. The article examines the similarities and differences of these two Virginia manufacturers.

The article is a result of VEDP's fall 2002 wood products industry media tour. A target industry for Virginia, wood products firms succeed in many regions of the state while the Commonwealth exports millions of dollars in wood products each year.

## Meeting Connects Virginia Allies

More than 130 economic development professionals attended the inaugural VEDP/Ally Meeting on May 29 in Richmond.

The meeting included morning briefings on VEDP's business development and international trade efforts. After lunch, attendees learned about the new "Virtual Building" and "Right Now Sites" programs, as well as VEDP's GIS resources for communities. The day concluded with small group discussions on how the economic development community can more effectively utilize state, regional and local resources to position Virginia for the future.

VEDP plans to host the meeting twice a year. The next VEDP/Ally Meeting will be held in the fall.



(above) VEDP staff members catch up with allies before the morning session.



(left) Mark Kilduff welcomes attendees to the first VEDP/Ally Meeting.

(below) Small group sessions offered candid discussions on the state's economic development efforts.



## The Numbers Are In

In 2002, VEDP recorded 320 announcements by companies intending to locate new facilities in Virginia or expand existing operations. The companies behind those plans expect to add 30,634 jobs and make capital investments of more than \$2.4 billion. Compared to previous years, Virginia's economic development activity in 2002 ranked fifth best in terms of employment and seventh best for capital investment despite the weak U.S. economy.

Some noteworthy progress was made in terms of employment distribution into rural Virginia areas. In 2002, Southside Virginia and Southwestern Virginia both accounted for higher shares of overall employment than Central Virginia. In addition, the Southside region ranked third in the state in the proportion of total employment, investment and jobs.

The complete 2002 Employment and Capital Investment Report can be found online at [www.YesVirginia.org/pdf/2002\\_Report.pdf](http://www.YesVirginia.org/pdf/2002_Report.pdf) (in the "Library" section of VEDP's web site).





Media tour participants and VEDP staff pause in front of the historic Enola Gay at the new NASM in Dulles, Virginia.

## The Sky's the Limit for Virginia Aerospace

VEDP's Communications & Promotions Division hosted a Virginia Aviation/Aerospace Media Tour April 15-17, 2003. The largest industry media tour yet, VEDP hosted seven journalists from across the United States.

The tour began in Northern Virginia with visits to Atlantic Coast Airlines, Boeing Air Traffic Management and BAE Systems. The group received a special sneak preview of the Steven F. Udvar-Hazy Center at Dulles, the new expansion of the Smithsonian's National Air & Space Center scheduled to open in December. There, journalists were excited to see the "Enola Gay"

and other historic aircraft up close and personal.

The tour group then traveled to Virginia's Peninsula where visits included the Newport News Aviation Academy, Advanced Technologies Inc., the Virginia Air & Space Center and NASA Langley Research Center. Journalists also received a briefing on the new National Institute of Aerospace while visiting the City of Hampton.

Participating journalists enjoyed the three-day tour and made several valuable contacts. "Just a quick note to thank you for your hospitality and the tour of Virginia," said Tom Benenson, Senior Editor at *Flying Magazine*. "It was an interesting visit and it certainly gave me a number of potential story ideas."

Other publications that participated included *Airliners*, *Aviation Maintenance*, *Business & Commercial Aviation*, and *Site Selection*, as well as two freelance business writers.



A physics instructor at the Newport News Aviation Academy demonstrates wind tunnel research being performed by high school students.

## Profile: VEDP's European Office

Governor Warner's mission to Europe in May 2003 was the most recent of more than 25 gubernatorial trips that VEDP's European office has handled since its establishment in Brussels, Belgium in September 1968.

Virginia was the first state to actively recruit jobs and investment in Europe. Today, there are about 25 American states - some with two or more offices - competing with Virginia to attract European companies.

The office moved to Frankfurt, Germany in 1995. Virginia's advantage of having an office in "the Old World" is its thorough understanding of business cultures and major European languages, thus bridging the transatlantic gap. Clients also appreciate services offered locally in Europe, making it easier for them to either deal with Virginia-based exporters or to find most the appropriate locations in Virginia to start a profitable operation.

Virginia's European office also shows continuity, a characteristic which is highly appreciated by European executives. In economic development, Hans U. Schetelig is only the second director to have been appointed since the opening of the office in 1968.



(Left to right) The staff of VEDP's European office: Peter J. Waimann, Customer Service Manager; Heidi Guarino, Intern from James Madison University; Hans U. Schetelig, Director; Eva T. Hetebrüg, Assistant to the Director; and Ton Balsink, Marketing Manager. Not pictured: Hans-Dieter Meier, International Trade Director.

# Utilizing the Internet in Economic Development Marketing



By: Vince Barnett  
Marketing Manager  
VEDP Communications & Promotions

Technology is an important part of marketing and selling a community, region or state. Economic development professionals and corporate real estate executives universally acknowledge that the Internet is playing an increasingly important role in site selection.

The Internet has long been a good way to reach potential prospects, but today's slow economy is increasing the value of a strong web site. Industry publications are folding. Trade shows and conferences are disappearing, and attendance is shrinking at many surviving events. Other points of contact are under similar pressure due to budget constraints. Now more than ever, your web site is one of your best marketing tools.

## Current Trends

Research suggests that 80 percent of initial screening is now done through the Internet. Because of improved technology and the availability of online sites and buildings databases, prospects and consultants have come to expect access to your community and its product prior to picking up the phone. This Internet research allows for anonymous searching with instantaneous results. Accept it or not, your community may be disqualified or overlooked due to an inadequate or lack of a web presence.

Usability testing reveals that web users are no longer impressed by gimmicks such as creative graphics or animation. Flash Technology increases download times and may not be compatible with all Internet browsers. Keep in mind your audience will leave if they can't figure out the site or find what they're looking for in just a few seconds. Internet users are also critical of data; they try to weed out the sales pitch for useful information. Unless a site takes strong steps to build credibility, people will assume that it cannot be trusted.

## Maximize the Benefits of a Web Site

To avoid being overlooked or disqualified during these initial online searches, communities must develop a web site that is more than an online brochure—one that is packed with useful, up-to-date and interactive data.

Have your web site professionally designed. You want your site to reflect the image, tone and feel of your community. Prospects should receive the same consistent and professional service online as they would if you were meeting them in person. Keep it simple and clean, since the site's focus should be on content and functionality.

Ensure that your site is easy to navigate and the links are intuitive. Provide pertinent information and attempt to answer the key questions that site selectors are asking. Provide information on your sites and buildings—take advantage of VEDP's VanillaScan database program.

One of the greatest benefits of using the web is that a site can be updated regularly—weekly, daily, even hourly—at little cost and without the need for extensive training. Practice "web site nurturing," the process of continually updating and improving a web site so that it adjusts to the ever-growing demands of the increasingly sophisticated Internet user. Don't forget to include your contact information and links to your economic development allies—VEDP, utilities, government officials, etc.

Of course, just having a web site does not guarantee success. It's important that you cross-promote your site. Your URL should be on your business cards, advertisements, brochures, e-mail, newsletters, exhibits, etc. Good search engine placement is also essential.

Given the competitive nature of economic development and the warm embrace of the Internet by site consultants and corporate executives, it's now more critical than ever for communities to commit the resources to have an effective web presence.

*For more information on VEDP's web presence, contact Vince Barnett at (804) 371-8265 or [vbarnett@YesVirginia.org](mailto:vbarnett@YesVirginia.org).*

**"More and more, the early phases of a site search occur online, where well-organized data can turn a small site into a big star."**

*Area Development, "Site Searching on the WEB," March 2003*

## Exporting Virginia's Technology

Export workshops in Charlottesville and Williamsburg offered small tech firms a starting point to find and develop international markets. The workshops, conducted by Virginia's Center for Innovative Technology (CIT) and VEDP, were held on May 9, 2003 in Charlottesville and June 6, 2003 in Williamsburg.

More than 30 companies participated in the two workshops, which focused on export procedures and international opportunities for the state's small technology companies.

"Expanding the horizons of small technology firms to find new markets overseas and to attract foreign interest in their products and services will enhance their chances of success in the competitive global marketplace," said Secretary of Commerce and Trade Michael J. Schewel.

## GMR Program Introduces Companies to New Markets

McLean-based Realeum, Inc. recently conducted a Global Market Research (GMR) study to determine the export potential for its Multifamily Property Management software. The project began in February 2003 and was successfully completed in early June 2003. The GMR team, led by Dr. Fernando Robles of George Washington University, focused on opportunities in Germany, the United Kingdom, the Netherlands and Australia.

VEDP has coordinated recent GMR projects for Virginia companies with products including scented bath salts, personnel radiation detection equipment, non-metallic building materials and stepladders. Teams from Radford University, Virginia Commonwealth University and Shenandoah University participated.

This summer GMR teams are studying exports of alternative fuels, sports facilities and construction equipment. *For more information on the GMR program, contact Butch Sarma, VEDP GMR Manager at (804) 371-8195 or [BSarma@YesVirginia.org](mailto:BSarma@YesVirginia.org).*



(Left to right) Butch Sarma, VEDP GMR Manager; Paul Herman, VEDP International Marketing Specialist; Sharon Hanger of Realeum, Inc.; Dr. Fernando Robles of George Washington University and Matt Duys, VEDP International Trade Manager pause for a photo at a GMR presentation for McLean-based Realeum, Inc.



Diane M. Thomas

## Trade Office Opens in Southwest Virginia

VEDP recently opened a new International Trade office in Southwest Virginia. Located in Abingdon, the office will work to increase the number of Southwest Virginia companies which are exporting and the volume of exports from the region.

Diane M. Thomas has been hired as the new International Trade Manager for the Abingdon office. Prior to joining VEDP, Thomas spent 18 years as the International Marketing and Sales Administrator for Bristol Compressors—one of largest exporters in Southwest Virginia. In this role, Thomas handled export shipments, customer relations with foreign buyers, and facilitated factory visits for foreign guests.

The Abingdon office is located at 16325 Taylor Place, Suite 300. Diane Thomas can be contacted at (276) 623-1536 or [DThomas@YesVirginia.org](mailto:DThomas@YesVirginia.org).



In May, VEDP hosted an inward trade mission from Mexico, linking international companies to Virginia products. Executives from Virginia and Mexican companies, as well as state representatives, are pictured here at a dinner in Richmond.

## Berger Anticipates Growth in Virginia

During his European mission, Governor Warner visited the Berger Group in Murg, Germany to learn about the company's current developments and future plans for its existing Virginia operations. The Berger Group is a leading manufacturer of seat belts and airbag fabrics for the automotive industry. In 2000, the Berger Group acquired Narricot Industries, with facilities in Mecklenburg County's Town of Boykins and Town of South Hill.

In 2001, a new technology for Narricot—OPW (one piece woven) airbag fabric—was transferred from Europe to Virginia, resulting in a \$21 million investment and 100 new jobs in Mecklenburg County.

The company's continuous investment in R&D is aimed at creating the highest possible protection for automobile drivers and passengers. The OPW airbag fabric is specifically designed to improve the protection of side impact and rollover automobile accidents. This technology is important since 25 percent of all accidents are side crash related and 40 percent of all accidents with a deadly outcome are caused by a side impact. In Europe, the company's OPW airbag is already used in Mercedes-Benz, BMW, Porsche and Volkswagen. Ford Motor Co., General Motors Corp., and DaimlerChrysler also have started to introduce this new safety technology in their cars.

Currently, the OPW airbag from the Berger Group/Narricot Industries is supplied for approximately two million cars in Europe and the United States each year. In the future, it is



Governor Warner (third from left) and the Virginia delegation pause for a photo with executives at Berger's headquarters in Germany.

expected that the side protection development is going to play a larger role in the U.S. automotive industry, which will have positive implications for Narricot's Virginia operations.



More than 300 guests attended the Virginia Mount Vernon reception affiliated with BIO 2003.

Dark clouds hovered close by, but the weather remained ideal for biotech executives as they enjoyed the beautiful view of the Potomac.



## Relationships in Europe

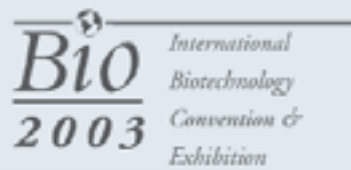
Cover Story continued

After returning from the trip, Governor Warner discussed the mission with the *Richmond Times-Dispatch*, resulting in an article on May 27. "I had some questions on the front end about the value of the trips, but after a week I am much more a believer," said Governor Warner. "It was a full schedule. . . . There was no down time."

Investments made by foreign companies constitute an important part of Virginia's economic development activity. During 2002, more than 30 foreign affiliated announcements were made resulting in the creation of 2,240 jobs and a cumulative investment of \$191.7 million.

## Virginia's Bioscience Industry Showcased at Reception

The Bio 2003 Annual Convention took place in Washington, DC, June 22-25. Virginia took advantage of the close venue by holding a stellar reception at historic Mount Vernon the Saturday before the show. More than 300 guests attended the event hosted by Governor Warner. The Governor spoke to the group about Virginia's recent success and future efforts in the burgeoning industry. Key sponsors of the event included the law firm of Foley & Lardner, VEDP and the Prince William County Department of Economic Development.



## Quarterly Calendar

Date	Contact	Event
July 14-16	VB	Semicon West Tradeshow - San Francisco, CA
August 18-22	SK	Comdex Brazil
August 18-22	SK	Trade Mission to Brazil & Chile
September 4-7	VB	Natural Products Expo East - Washington, D.C.
September 8-12	CR	Upstate New York Marketing Mission
September 16-18	VB	PC Expo/TECHXNY - New York, NY
September 22-26	SK	Trade Mission to Mexico
Sept. 29-Oct. 1	VB	Graph Expo and Converting Expo - Chicago, IL
Sept. 29-Oct. 10	SK	International Trade Virginia Walkabout
October 6-10	CR	Indiana Marketing Mission
October 7-9	VB	National Business Aviation Association (NBAA) Convention - Orlando, FL

VB	Vince Barnett	VEDP	(804) 371-8265
SK	Scott Kennedy	VEDP	(804) 371-0052
CR	Chuck Rogers	VEDP	(804) 371-8189



Governor Warner and "General Washington" greet bioscience guests at the entrance to Mount Vernon.

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**CQ** DID YOU KNOW?

Governor Mark Warner joined Ford Motor Company Chairman and CEO Bill Ford at the launch of the 2004 F-150 on June 10 in Norfolk. The first 2004 F-150 rolled off the company's Norfolk Assembly Plant line using an all-new flexible manufacturing system. The event also marked the state's 78-year history with Ford Motor Company. The Norfolk Assembly Plant, which began operations in 1925 with production of the Model T, currently has 2,320 employees.



2004 Ford F-150  
(Inset) Governor Warner (right) and Bill Ford