

**REPORT OF THE
VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**

**TO IDENTIFY AND TARGET
INDUSTRIES SUITED FOR
LOCATION IN SOUTHSIDE AND
SOUTHWEST VIRGINIA**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 23

**COMMONWEALTH OF VIRGINIA
RICHMOND
1997**

December 2, 1996

TO: The Honorable George Allen

and

Members of the General Assembly of Virginia

This report is submitted as required by the 1996 Appropriations Act, ch. 912, sec. 1-37, item 96(L)(2). The Virginia Economic Development Partnership was directed to identify and target industries suited for location in the southside and southwest regions of the state, and describe strategies, including financial and technical assistance, needed to encourage the location of industry to these regions. We are pleased to present this report in fulfillment of this requirement.

Respectfully submitted,

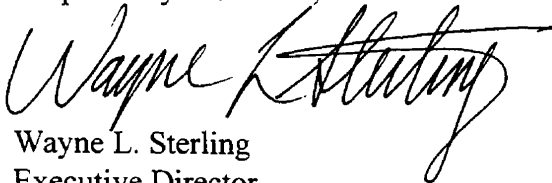

Wayne L. Sterling
Executive Director

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VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP
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LOCATION IN SOUTHSIDE AND SOUTHWEST VIRGINIA**

**TO THE
HOUSE APPROPRIATIONS AND SENATE FINANCE COMMITTEES**

**RICHMOND, VIRGINIA
DECEMBER 1, 1996**

EXECUTIVE SUMMARY

The Virginia Economic Development Partnership (VEDP), drawing on its research department, national and international marketing forces, and recent industrial recruiting successes, has identified target industries suited for location in the southside and southwest regions of Virginia. These recommendations also complement some of those industry sectors identified in *Opportunity Virginia* as key sectors for statewide growth. For southside Virginia, it is suggested that food products, lumber products, textile products and light assembly companies could be targeted. Transportation equipment and business services (*e.g.*, telemarketing call centers) are suggested for southwest Virginia, in addition to light assembly and the traditional textile products. For both regions, encouraging increased exports would offer new sales growth opportunities. The rationales behind these conclusions are presented below. Naturally, all industries will still be welcomed in these regions, and the suggestion that certain industries be targeted does not imply that others will be discouraged in any way.

VEDP recommends that the General Assembly consider studying the creation of an Industrial Site and Infrastructure Revolving Loan Fund, that would be designed to remedy the shortage of sites and available infrastructure in southside and southwest Virginia. In that regard, the General Assembly might consider whether additional funding for the Shell Building Program would further this effort. In addition, VEDP recommends that, in order to recruit most effectively for southside and southwest Virginia, the General Assembly consider a review and study of investment tax credits and training tax credits, as well as expanding the job tax credit. Finally, it is recommended that worker training and export development received increased attention and funding for these regions.

I. AUTHORITY

In the 1996 Appropriations Act (1996 Acts of Assembly, Ch. 912, Sec. 1-37, Item 96(L)(2), VEDP was directed to identify and target industries suited for location in the southside and southwest regions of the state. In this report, VEDP also was directed to describe “strategies, including financial and technical assistance, needed to encourage the location of industry to these regions.” For purposes of this report, “southwest Virginia” is identified collectively as the Coalfield Region, Mt. Rogers Partnership Region and the New River Valley

Alliance, or Regional Economic Development Advisory Councils (REDAC) numbers 1, 2 and part of 3. Similarly, "southside Virginia" is identified as that region included in the study of the Philpott Commission. See Appendix 1.

II. FINDINGS AND CONCLUSIONS

VEDP's research data and marketing experience yielded the following list of target industries appropriate for southside and southwest Virginia. Industries were analyzed based on (1) their historic employment growth trends and projections for future employment and manufacturing output growth; (2) their location requirements as regards skilled labor supply, transportation, utilities, market linkages, and (3) revealed preference, or the feasibility of a company in a given industry based on the experience of similar companies in the same or similar region in Virginia. These target industries identified tend to be more suited to these regions of Virginia because they do not require large urban areas or a coastal location, but they do require a ready labor supply with training in these industries traditionally well-represented there. Furthermore, proximity to natural resources or to related industry commend these regions to value-added manufacturing opportunities.

Target Industries: Southside Virginia

1. Food and Kindred Products -- This industry sector, represented by SIC (Standard Industrial Code) 20, has seen three new investments in southside Virginia since 1994, representing 225 new jobs and over \$26.3 million in new capital investment. The new Diversity Food Processing facility in Petersburg accounts for \$20 million of this total.
2. Lumber and Wood Products, Furniture and Fixtures -- Companies classified under SIC 24 and 25 accounted for 21% of the announced new investment and 24% of the announced new employment in southside Virginia between 1994 and the second quarter of 1996. Fifteen new facilities or expansions announced created 1,810 new jobs and well over \$118.2 million in new capital investment (dollar figures were not available for five of the fifteen projects, so the actual figure would be significantly higher). Primary among these, Georgia Pacific's new oriented strand board facility in Campbell County accounted for \$75 million in new investment. Virginia has 15.4 million acres of commercial forest with hardwood and softwood inventories increasing annually. Those natural resources combined with a generous network of sawmills and logging operations, labor availability with specialized training and research network, available water (for paper products) and transportation make southside Virginia attractive to this industry.
3. Textile Mill Products, Apparel and Textile Products -- Companies represented by SIC 22 and 23 must be included in any review of southside Virginia industry, but the discouraging factors must be examined along with the encouraging ones. Despite the fifteen new investment and expansion announcements in the textile industry in southside Virginia from 1994 through June 30, 1996, representing 2,135 new jobs and \$97.3 million in capital investment, plant closures and layoffs offset against these new jobs erased those gains. It is important to note, however, that two of the expansions, BGF Industries in Mecklenburg County (\$52 million investment) and Dan River in Danville (\$12 million investment) represented significant projects for the

region. This leads to the conclusion that existing textile industries still can be targeted for expansion, even if the region focuses less attention on recruiting new textile companies.

4. Light Manufacturing/Assembly -- Light manufacturing or assembly is not contained in a particular SIC. Rather, it represents a component of industry across many SICs. A review of the announced investments beyond those enumerated above indicates that southside Virginia has attracted new investment and expansions from a number of SICs in light manufacturing or assembly.
 - Five companies in SIC 28 (Chemicals and Allied Products, Pharmaceuticals) have announced investments in the region since 1994. These projects represent 262 new jobs and over \$65.0 million in new capital investment. Three projects account for the majority of this new investment: Sartomer in Pittsylvania County is a \$30.0 million project and two B.I. Chemicals expansions in Petersburg combined represent \$34.0 million of new investment.
 - In SIC 30 (Rubber and Misc. Plastics Products) there were seven announced investments representing 520 new jobs and over \$38 million in new capital investment. The new Brunswick Container facility in Mecklenburg County accounted for \$8.0 million of investment and two expansions by Courtaulds Performance Film in Henry County and Martinsville accounted for \$8.0 million.
 - In SIC 33, 34 and 36 (Primary Metal Industries/Fabricated Metal Products and Electrical/Electronic Machinery) there were six announced investments representing 560 jobs and \$27.5 million in new capital investment. The American Buildings new pre-fab metal buildings manufacturing plant in Mecklenburg County represented a \$12 million investment.
 - Four new distribution/warehouse facilities in SIC 51 (Wholesale Trade, Non-Durable Goods) represent \$30.8 million in new investment and over 740 new jobs. (Note: Investment figures are not available for two of the four projects.) Dollar General's new distribution facility in Halifax County accounted for \$30 million of the announced investments.

Southside Virginia saw 83 announced new investments and expansions between 1994 and the second quarter of 1996, representing 7,225 new jobs and over \$528 million in new capital investment.

Target Industries: Southwest Virginia

1. Transportation Equipment -- Transportation equipment companies (SIC 37) announced eight investments representing 946 new jobs and \$243.9 million in new capital investment in the region. The expansion of the Volvo GM facility in Pulaski County accounted for \$200 million of the total new capital investment, and the new Reynolds Metals wheel manufacturing plant

in Russell County represented a \$34 million capital investment. These firms found appealing the region's proximity to the major automotive manufacturers and major markets, as well as labor availability in a right-to-work state and an excellent transportation system.

2. Business Services -- Since 1994, four new business services (telemarketing call centers) facilities (SIC 73) have announced investments in Southwest Virginia creating over 800 new jobs and well over \$3.5 million in new capital investment (investment numbers for two of the facilities are not available). They have been attracted by the availability of quality labor, competitive salaries, and a state-of-the-art telecommunications infrastructure. Pro Air announced 318 jobs in Buchanan County and Issues and Answers announced 200 jobs in both Buchanan and Russell Counties.
3. Textile Mill Products, Apparel and Textile Products -- As noted above with reference to southside Virginia, this industry must be mentioned but with a complete picture. Southwest Virginia has fared better than southside in netting jobs in the textile industry (SIC 22 and 23). Between 1994 and the second quarter of 1996, textiles and apparel accounted for 30% of the announced new investment and 28% of announcement new employment in Southwest Virginia. Thirteen new facilities or expansions were announced creating 1,940 new jobs and over \$208 million in new capital investment, of which, \$170 million is attributable to the new Parkdale Mills textile mill in Carroll County. Even when factoring in jobs lost due to layoffs or plant closings, the region still netted nearly 1,000 new textile jobs.
4. Light Manufacturing/Assembly-- Light manufacturing or assembly is not represented by a specific SIC, as noted above, but is more appropriately viewed as a component of industry in numerous SICs. In evaluating the announced investments, with the exception of those described above, the Southwest region demonstrates a capacity to attract investment (new and expansions) from a wide array of industry groups, as follows:
 - In SIC 24/25 (Lumber and Wood Products/Furniture and Fixtures) there were 6 announced investments representing 570 new jobs and over \$24.6 million in new capital investment. The Pocahontas Land lumber mill in Scott County accounted for \$10 million in new investment.
 - Six announced new investments in SIC 28 (Chemicals and Allied Products) represent \$26.8 million in new investment and over 240 new jobs. (Note: Employment figures are not available for three of the six projects.)
 - Eight companies in SIC 30 (Rubber and Misc. Plastic Products) have announced investments in the region since 1994. These projects represent 665 new jobs and over \$28.1 million in new capital investment. The expansion of the Eagle-Picher automotive gaskets facility in Montgomery County accounts for \$12 million of the new investment.
 - In SIC 36 (Electrical and Electronic Machinery, Equipment and Supplies) there were six announced investments representing 415 jobs and \$6.8 million in new capital investment.

Overall, between 1994 and the second quarter of 1996, there were a total of 68 announced investments (new and expansions) in Southwest Virginia. These announcements represent 6,679 new jobs and over \$672.0 million in new capital investment for the region.

Summary of Targeted Industries for Southside and Southwest Virginia

It is anticipated that the current industry trends described above will continue, in that certain industries appear to offer particular promise for southside and southwest Virginia, noted as follows:

- Transportation equipment/automotive parts and supplies
- Food products
- Lumber/furniture products
- Light manufacturing/assembly
- Business services/telemarketing call centers
- Regional distribution centers

Additionally, encouraging new exports in Virginia could capitalize on the current trend that the majority of new jobs in Virginia result from expansion by existing industries. Moreover, generating new exporters or export products represents new sales growth opportunities, and Virginia's exporters typically exhibit higher productivity, growth rates and wage rates than non-exporters. These new exporters or exports could be facilitated by increased participation, either as a region or as individual companies, in VEDP's International Market Planning (IMP) Program, in which graduate business students are paired with a Virginia company wishing to enter the international market, for development of a business plan and strategies. VEDP will undertake a study to identify those industries and companies in these regions that could benefit most from increased export opportunities. Also, VEDP could assist smaller companies in participating in export marketing initiatives, such as trade shows.

Incentives

Currently, the Commonwealth offers a wide variety of incentives to attract and facilitate new business investments and expansions in Virginia:

Corporate Income Tax Credits

Major Business Facility Job Tax Credit. A one-time corporate tax credit of \$1,000 is available to qualifying companies for each new permanent, full-time job created in Virginia in excess of a 100 job threshold. The job threshold is reduced to 50 new jobs if the business facility is located in an Enterprise Zone or an economically distressed area.

Components of Job Tax Credit:

- The credit is equal to \$1,000 for each qualifying job in excess of the job threshold and is prorated equally over three years, (i.e., \$333.00 per year).
- Credits are for taxable years beginning on and after January 1, 1995, but before January 1, 2005. The unused credits can be carried forward for up to ten years.

Companies electing to receive Enterprise Zone Job Grants are not eligible to receive Major Business Facility Job Tax Credits.

Recycling Equipment Tax Credit. Effective for taxable years beginning on and after January 1, 1993, but before January 1, 2001, manufacturers may claim a corporate income tax credit in the amount of ten percent of the original total capitalized cost of certified machinery and equipment for processing recyclable materials. The total credit allowed cannot exceed 40 percent of the taxpayer's Virginia income tax liability (computed prior to claiming the credit). The unused credit may be carried forward for up to ten taxable years until the credit is exhausted. The Virginia Department of Environmental Quality certifies that equipment is integral to the recycling process.

Enterprise Zone General Credit. Qualified businesses which begin operations in an Enterprise Zone receive a ten-year decreasing general credit against the corporate income tax. For investments under \$25 million, a company can claim a credit over ten consecutive tax years in an amount up to 80 percent of the corporate income tax due for the first tax year and 60 percent for the second through tenth tax years. The amount of the tax credit is subject to negotiation for companies creating 100 full-time jobs and investing over \$25 million.

Enterprise Zone Refundable Real Property Improvement Tax Credit. Qualified businesses in an Enterprise Zone are also eligible for a credit against state tax equal to 30 percent of qualified zone improvements, subject to maximum credit of \$125,000 within a five-year period. *For more information on these and other Enterprise Zone incentives, see the Enterprise Zone Tax Credits and Grants Section.*

Enterprise Zone Tax Credits and Grants

The Virginia Enterprise Zone Program, administered by the Virginia Department of Housing and Community Development (DHCD), assists business development and expansion in specially targeted areas throughout the state called Enterprise Zones. An Enterprise Zone is an economically distressed area of a county, city, or town designated by the Governor to offer a package of state and local incentives for a period of 20 years. The incentives are designed to encourage business start-up, recruitment, and expansion through state and local tax relief, local regulatory flexibility, and infrastructure development.

The following state-level enterprise zone incentives are available to qualified companies:

General Tax Credit

Qualified businesses which begin operations in an Enterprise Zone receive a ten-year decreasing general credit against the corporate income tax. *For companies investing less than \$25 million*, the ten-year credit is 80 percent of the tax due for the first tax year and 60 percent for tax years two through ten. A new zone business must have at least 40 percent of total permanent full-time jobs filled by low-to-moderate income persons or zone residents.

Businesses investing \$25 million or more and creating 100 jobs are also eligible for a credit of up to 80 percent in the first tax year and 60 percent for tax years two through ten. However, the amount of credit is subject to negotiation between the business firm and DHCD. The company can select any ten consecutive year period in which to take this credit.

Businesses investing over \$100 million and creating 200 jobs negotiate the general income tax credit and an investment tax credit as a combined tax credit. DHCD will assist the business in structuring the available tax credit to realize the maximum tax advantage.

Refundable Real Property Improvement Tax Credit

Qualified businesses investing up to \$100 million receive a corporate tax credit in an amount equaling 30 percent of qualified zone improvements. Investment in rehabilitation projects must be at least \$50,000 or an amount equal to the current assessed value of the real property, whichever is greater. New construction projects must invest at least \$250,000. The facility must either be owner-occupied or leasehold improvements (or a portion thereof) must be made by the company to be eligible for this credit. The maximum credit is \$125,000 within a five-year period. The credit is applied first to tax liability; the remaining balance, if any, is then refunded.

Investment Tax Credit for Investments Over \$100 Million

Businesses investing in excess of \$100 million in plant and machinery and creating 200 jobs could be eligible for a credit claimed against state corporate income tax liability.

- The percentage amount of tax credit is negotiable and could be worth up to five percent of investment.
- The investment tax credit is offered in lieu of the refundable real property improvement credit.
- Unused credit balances are carried forward until the full amount is used.
- The credit is available when the negotiated investment threshold is reached.
- The investment tax credit is negotiated with the general income tax credit as a combined incentive.
- DHCD will assist the business in structuring the maximum tax advantage.

Job Grants

Businesses can receive job grants during a three-year “grant period” for creating new, permanent full-time positions. Permanent full-time positions are jobs that require the employees to report to work within an enterprise zone and work a minimum of 35 hours a week.

- The maximum grant per firm per year is \$100,000 and \$300,000 for the “grant period.”
- Job grants of \$1,000 per year for three years are made for new full-time jobs filled by a zone resident and \$500 per year for three years for jobs filled by non-residents, regardless of income level.
- Full-time positions are calculated based on the calendar year. Grants for employees that have worked less than 12 full months during the grant year will be determined on a prorated basis equal to the number of full months worked.

Grants are not available for any permanent, full-time position/job function which previously existed in Virginia with a related party, trade, or business under common control; or are they available for leased or contract employees.

Other Information

All state enterprise zone incentives are subject to an annual statewide cap. The general and refundable real property improvement tax credits have a combined cap of \$5 million. The investment tax credit for investments over \$100 million has an annual cap of \$3 million. The job grants are currently limited to \$1 million. If the annual total eligible credits or grants exceed the statewide caps, then each taxpayer shall be granted a pro-rata amount.

Governor's Opportunity Fund

The Governor's Opportunity Fund was established to support projects that create new jobs and investment in accordance with certain criteria established by state legislation. Funds can be used for such things as site acquisition and development; transportation access; construction or build-out of publicly-owned buildings; grants or loans to Industrial Development Authorities or Housing and Redevelopment Authorities; training; or anything else permitted by law.

Grant requests are made by the locality for a project under the following conditions:

- Projects must meet investment and job creation minimums to be eligible;
- Matching local financial participation is required on a dollar for dollar basis; and
- Grants are made at the discretion of the Governor.

Once a company decides on a Virginia location, the locality works with the state within the guidelines of this program to seek certain funds to complete the project. The application and success of the grant request will be based on the locality's eligibility and financial support towards the project, as well as the actual project requirements and availability of funds.

Virginia Industrial Access Road Program

The Virginia Department of Transportation (VDOT) administers a program to assist in constructing industrial access roads to provide adequate access to new and expanding manufacturing or processing companies. The program may be used to:

- Improve existing roads in the secondary highway system and city streets to handle additional traffic generated by either an industrial expansion or a new plant location, and,
- Construct a new road from a publicly maintained road to the property line of the new industry when no road exists.

Access road construction is scheduled for completion simultaneous with the start-up of plant operations. The access road is not intended to serve as a haul road during plant construction.

Before VDOT will act on a particular proposal, a resolution from the local governing body requesting the allocation of access road funds must be submitted to the Department through the office of the local resident engineer. This resolution must address the commitment of right-of-way and any adjustments to utilities (at no cost to the program). It also must describe the extent of private investment made by the industry.

The maximum award for an industrial access road is \$300,000. However, the state will fund an additional \$150,000 if the amount is matched on a dollar for dollar basis from sources other than the Department of Transportation. The amount of the award is based on the eligible capital investment of the company. The total yearly allocation for the program is \$4 million.

Virginia Rail Industrial Access Program

The Rail Industrial Access Program provides funds to construct railroad tracks to new or substantially expanded industrial and commercial projects having a positive impact upon economic development in Virginia.

Financial assistance to any one county, city, or town is limited to \$300,000 in any one fiscal year. A maximum of \$100,000 of unmatched funds and an additional \$50,000 on a dollar for dollar matching basis is available per project.

Funds may be used to construct, reconstruct, or improve part or all of the necessary tracks and related facilities on public or private property. Funds may not be used for right-of-way acquisition or adjustment of utilities.

Each application must be accompanied by a resolution from the local governing body requesting the allocation of the funds.

Site Availability

It is axiomatic that successful local economic developers must have a product to market, *i.e.*, sites for new location or expansion. The VEDP site database reveals the following information. Although southside Virginia represents 24.3% of Virginia's geographic area, and southwest Virginia 17.1%, they represent only 15% and 11%, respectively, of the Commonwealth's available sites and 12% each of available buildings. Naturally, the number of companies referred to a region is directly proportional to the availability of sites.

Particularly in communities across southwest and southside Virginia, this can present a serious problem. The Counties of Scott, Bland, Carroll and Grayson, for example, have only two sites each to offer for development. The City of Norton and the Counties of Buchanan and Giles have only one site each, at sixteen acres, seven acres, and five acres, respectively. Russell County has only three sites. In southside Virginia, the VEDP site database shows no available sites in Buckingham County or the City of Martinsville. Cumberland County has only one site, an industrial park that includes the 85,000 sq. ft. Cumberland Shell Building. Many southside localities have only two available sites: the Cities of Danville and Franklin, and the Counties of

Amelia, Prince Edward and Brunswick. Several other localities have only three sites each. It cannot be disputed that targeted industries and incentives are pointless if no sites are available in a locality.

III. RECOMMENDATIONS

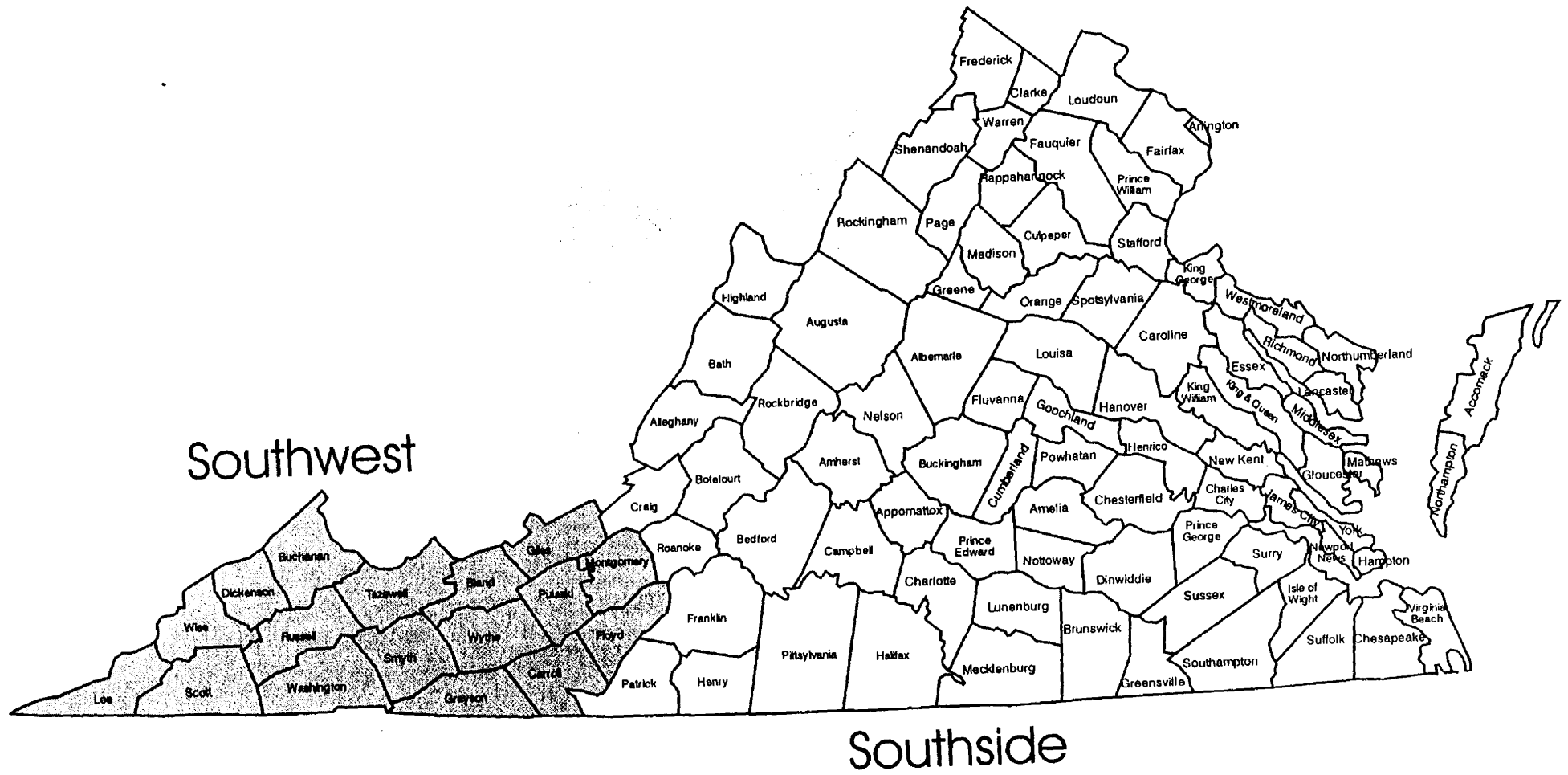
In addition to the target industries identified above, the following matters should be examined further:

1. Study and consider the creation of an Industrial Site and Infrastructure Revolving Loan Fund to be administered by an entity of the Commonwealth (yet to be determined) to provide loans to high fiscal stress (especially high unemployment) communities to finance the purchase and preparation of sites and the development of infrastructure (utilities such as water, sewer, gas, electricity) to serve those sites. These loans could be repaid five to seven years after the properties are sold and the revenue stream is well underway. Regional cooperation could be further rewarded by a partial subsidization of the interest rates on the repayment. It should also be considered whether some of these needs could be addressed by additional funding for the Shell Building Program.
2. Review and study the possibility of creating tax credit programs for investment and worker training, and expanding those for job creation, such as those recently instituted by North Carolina. It bears mentioning that, because of geographic proximity and other similarities, southwest and especially southside Virginia compete most heavily with North Carolina in economic development marketing. These credits are graduated to provide the greatest benefit for companies locating, investing and hiring in high fiscal stress areas.
3. Review and study the training needs of existing and new businesses, with a view towards a training tax credit or a special industrial training fund. Training is becoming ever more important with changes in the types of industries and in the levels of technology, automation, mechanization, and skills needed, particularly for expansion. Virginia's businesses must keep retraining its workforce to keep expansions in state rather than seeking an already trained workforce elsewhere. It may be that additional funding for retraining would be effective.
4. Study the creation of a fund to assist smaller companies in entering the export market. This fund would be dedicated primarily towards preparing these companies to attend trade shows and fairs to market their goods for export. Furthermore, VEDP will initiate a study of industries and companies in both regions to identify those that could benefit from increased export opportunities.

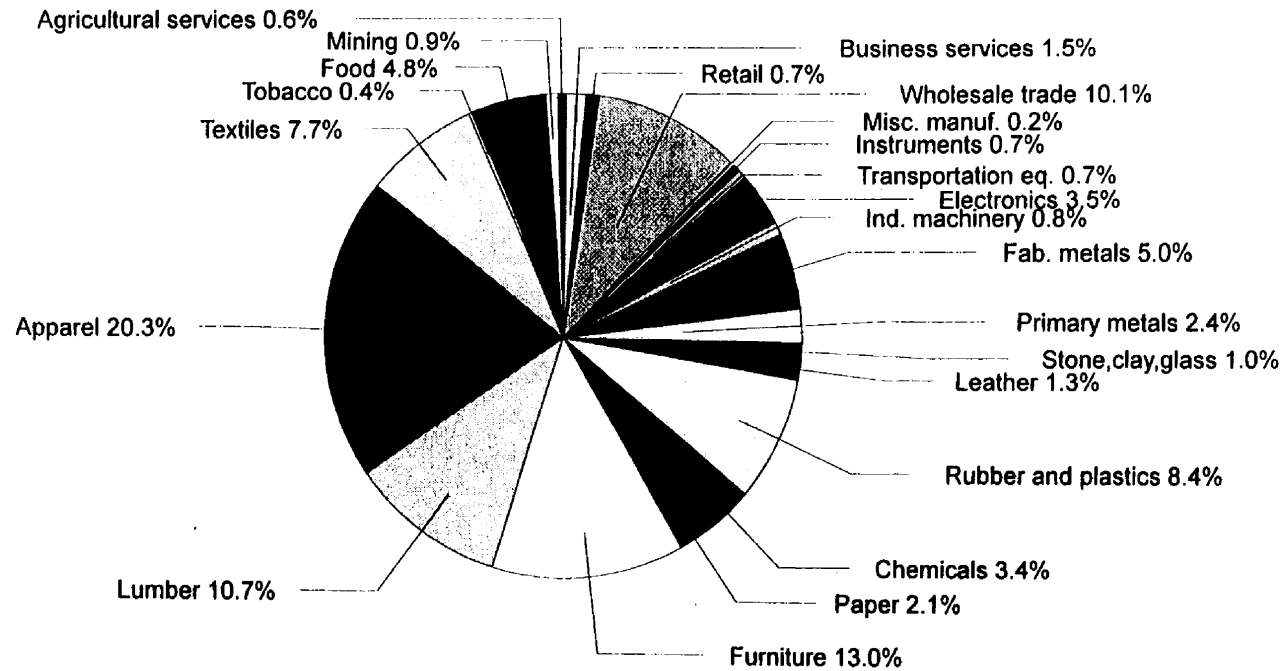
IV. APPENDICES

1. Map of Virginia delineating southwest and southside regions
2. Pie Chart: Announced Employment in Southside Virginia by Industry (1994-96)
3. Pie Chart: Announced Investment in Southside Virginia by Industry (1994-96)
4. Listing of Announced Investment in Southside Virginia by SIC (1994-96)
5. Pie Chart: Announced Employment in Southwest Virginia by Industry (1994-96)
6. Pie Chart: Announced Investment in Southwest Virginia by Industry (1994-96)
7. Listing of Announced Investment in Southwest Virginia by SIC (1994-96)

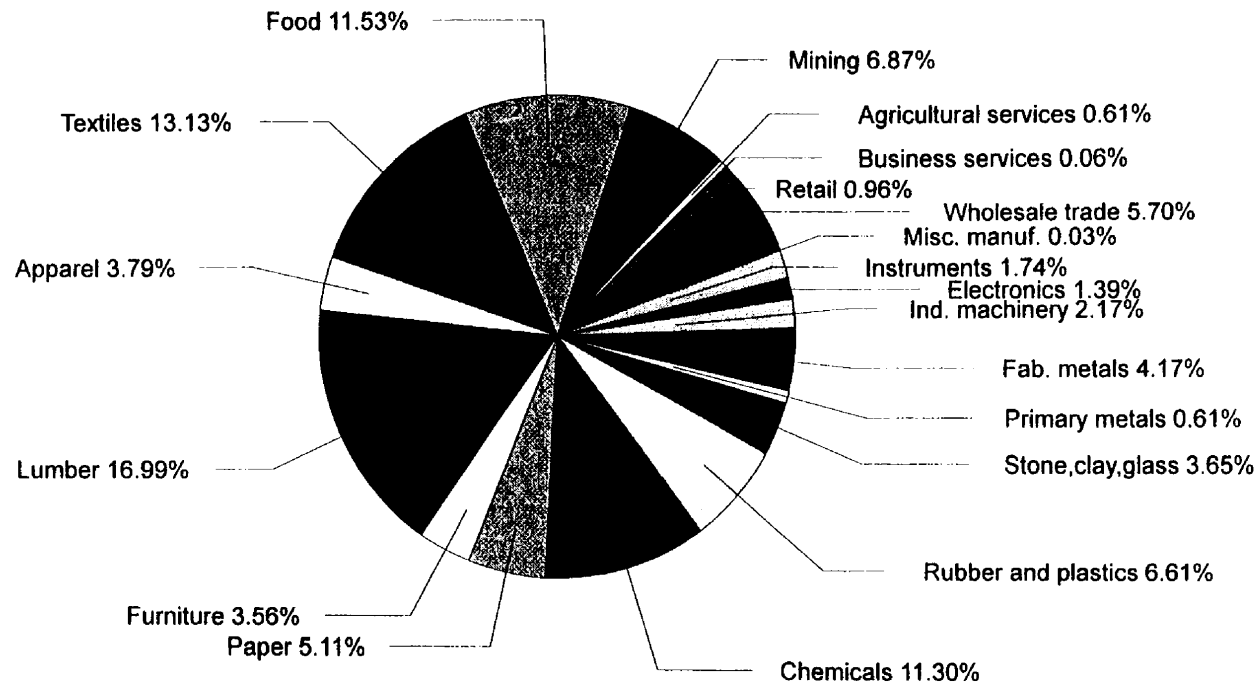
APPENDIX 1



Announced Employment in Southside Virginia by Industry 1994 - June, 1996



Announced Investment in Southside Virginia by Industry 1994 - June, 1996



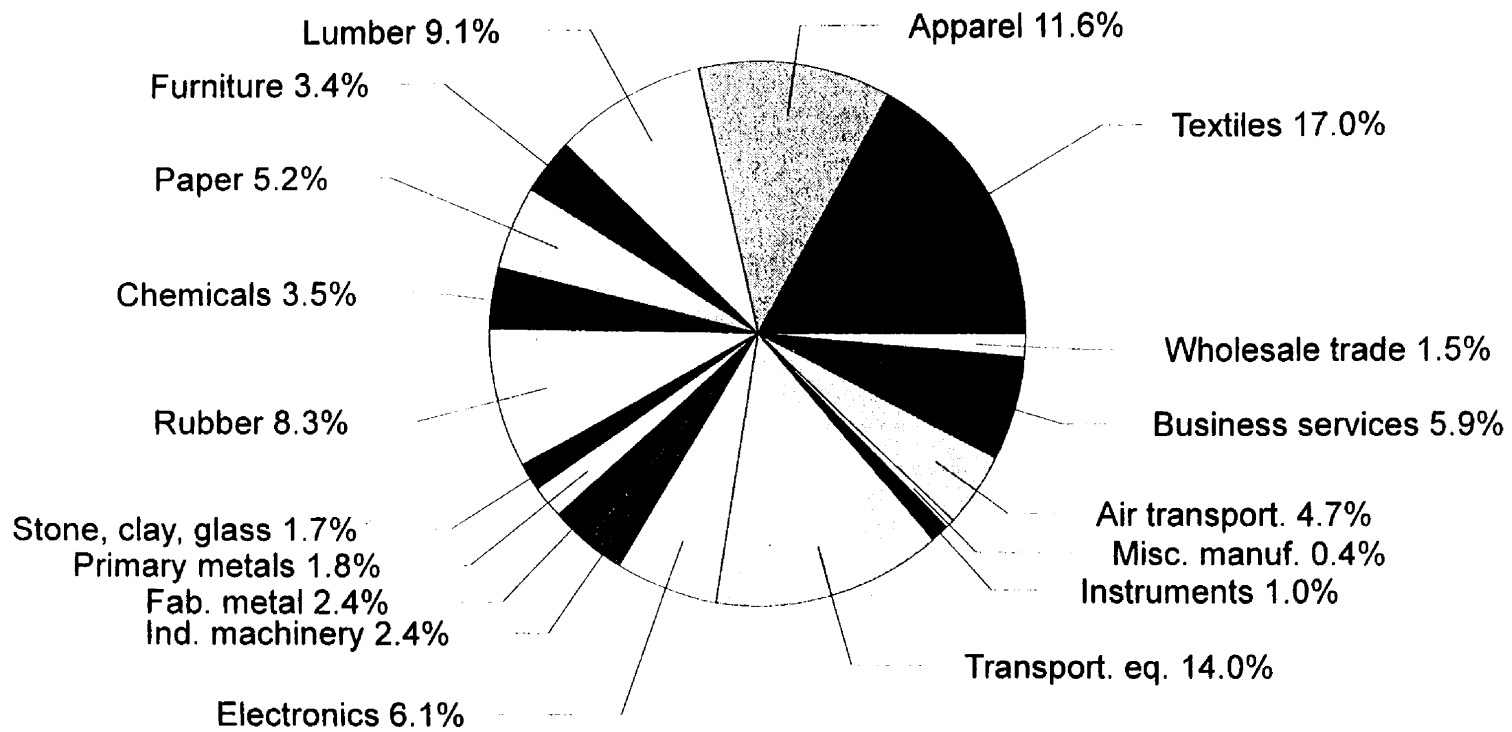
APPENDIX 4

Announced Investment in Southside Virginia by SIC 1994 - 1996

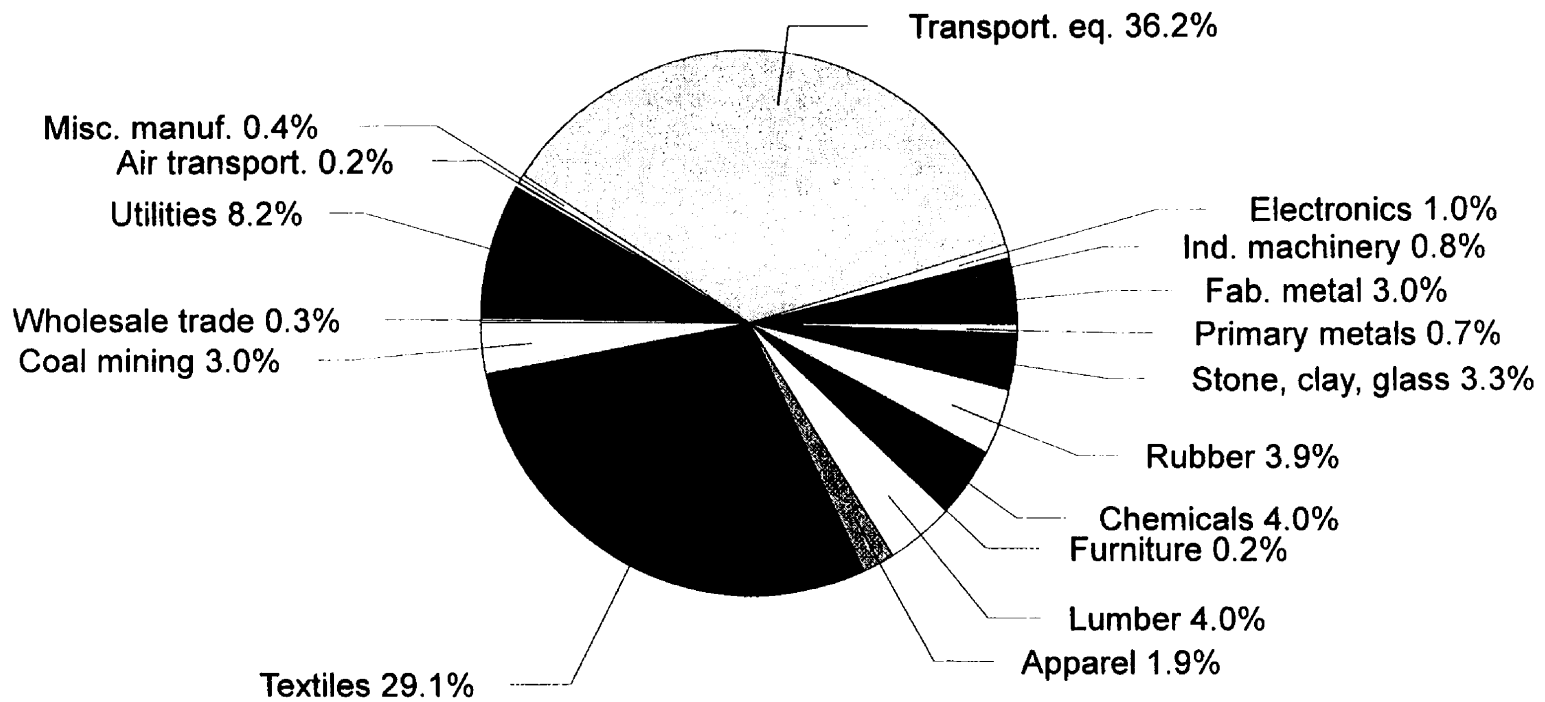
Year	Type	Company Name	Location	PD	Reg. 18 Product	SIC	Employment	Investment
1995	N	Commonwealth Gin	Southampton County	23	17 Cotton gin	724	45	\$3,500,000
1996	N	RGC Mineral Sands Ltd.*	Sussex County		16 Titanium mining	1099	70	\$39,500,000
1994	N	Diversity Food Processing	Petersburg	19	16 Beef processing	2011	110	\$20,000,000
1994	N	Lender's Bagel Bakery	Frederick County	7	5 Bakery	2051	140	\$40,000,000
1994	N	American Processing	Petersburg	19	16 Food processing	2099	15	\$300,000
1996	N	Sherwood Foods Inc.	Mecklenburg County		11 Food products	2099	100	\$6,000,000
1995	N	S&M Brands	Lunenburg County	14	11 Cigarettes	2111	30	n.a.
1996	E	Fieldcrest Cannon	Henry County		10 Terry cloth items	2211	90	n.a.
1995	E	BGF Industries Inc.*	Mecklenburg County	13	11 High performance textiles	2221	200	\$52,000,000
1994	E	Bassett-Walker Inc.	Pittsylvania County	12	10 T-shirts	2253	75	n.a.
1995	N	Drake Extrusion Inc.*	Henry County	12	10 Carpet fibers	2273	120	\$23,000,000
1994	N	Innovative Yarns Inc.	Martinsville	12	10 Specialty yarns	2281	50	\$500,000
1995	E	CMI Industries	Patrick County	12	10 Elastic fabrics	2297	50	n.a.
1994	N	Ashmore Sportswear Inc.	Henry County	12	10 T-shirts	2321	300	\$1,000,000
1994	N	Southern Teez Inc.	Pittsylvania County	12	10 Shirts & jackets	2321	200	\$0
1995	N	Bon Worth Inc.	Lunenburg County	14	11 Women's apparel	2331	100	\$6,400,000
1994	E	Pluma Inc.	Patrick County	12	10 T-shirts	2339	25	n.a.
1994	E	Virginia Quilting Inc.	Mecklenburg County	13	11 Bedsreads & quilts	2391	75	n.a.
1995	E	Dan River Inc.	Danville	12	10 Home furnishings	2392	500	\$12,000,000
1996	N	American Fibers Industries	Henry County		10 Pillows	2392	100	\$1,200,000
1994	N	Resources Technologies Inc.	Nottoway County	14	11 Thermal bags	2393	200	n.a.
1994	N	Dettra Flag Co.	Halifax County	13	10 Flags	2399	50	\$1,200,000
1994	E	Hopkins Lumber Co.	Patrick County	12	10 Wood components	2426	15	\$0
1994	E	MW Manufacturers Inc.*	Franklin County	12	3 Windows & doors	2431	60	\$600,000
1994	N	Georgia Pacific Corp.	Campbell County	11	9 Oriented strand board	2435	125	\$75,000,000
1994	E	Hooker Furniture Corp.	Martinsville	12	10 Plywood	2435	30	\$2,500,000
1995	N	Abell Industries	Petersburg	19	16 Pallets	2448	100	\$2,500,000
1995	E	Fleetwood Homes of Virginia	Franklin County	12	3 Mobile homes	2451	200	\$7,100,000
1994	E	Mod-U-Kraf Inc.	Franklin County	12	3 Modular homes	2452	60	\$0
1995	E	Nationwide Homes Inc.	Martinsville	12	10 Modular homes	2452	50	\$2,000,000
1994	E	Uttermost Corp.	Franklin County	12	3 Framed mirrors	2499	100	n.a.
1995	N	Georgia Pacific Corp.	Campbell County	11	9 Wood chips	2499	15	\$8,000,000
1996	E	Masonoite Corp.	Danville		10 Hardboard	2499	60	n.a.
1996	N	Harden Manufacturing Corp.	Mecklenburg County		11 Wood bedroom furniture	2511	200	\$6,200,000
1996	N	Vaughan Furniture Co.	Patrick County		10 Bedroom furniture	2511	300	\$10,000,000
1994	E	American of Martinsville	Henry County	12	10 Furniture case goods	2512	40	\$0
1995	N	Eastern Sleep	Lunenburg County	14	11 Upholstered furniture	2512	75	n.a.
1996	E	AC Furniture Co.	Pittsylvania County		10 Industrial furniture	2512	25	n.a.
1995	N	Hylton House Furniture	Lunenburg County	14	11 Sofas	2515	65	n.a.
1994	N	Martek Industries Inc.	Martinsville	12	10 Furniture case goods	2599	40	\$0
1995	N	Appomattox River Manufacturing Co.	Charlotte County	14	11 Furniture components	2599	50	\$1,000,000
1995	N	American Premier Furnishings Inc.*	Nottoway County	14	11 Hotel furniture	2599	200	\$3,300,000
1995	E	Multi-Wall Packaging Corp.	Henry County	12	10 Cardboard packaging	2653	30	\$1,000,000
1995	E	Shorewood Packaging Corp.	Danville	12	10 Folding cartons	2657	40	\$3,000,000
1994	E	Intertape Polymer Corp.*	Pittsylvania County	12	10 Packaging tape	2672	25	\$5,400,000
1995	E	Intertape Polymer Corp.*	Pittsylvania County	12	10 Packaging tape	2672	66	\$20,000,000
1994	N	Sartomer Co. Inc.*	Pittsylvania County	12	10 Specialty resins	2821	60	\$30,000,000
1994	E	DuPont Co.	Martinsville	12	10 Nylon fiber	2823	n.a.	\$1,000,000
1994	N	Amfibe Inc.	Henry County	12	10 Nylon monofilament fiber	2824	112	\$0
1994	E	B.I. Chemicals Inc.*	Petersburg	19	16 Pharmaceuticals	2834	20	\$15,000,000
1995	E	B.I. Chemicals*	Petersburg	19	16 Pharmaceuticals	2834	70	\$19,000,000
1995	E	Goodyear Tire & Rubber Co.	Danville	12	10 Tires	3011	50	n.a.
1994	E	Courtaulds Performance Film*	Martinsville	12	10 Polyester film processing	3081	70	\$2,000,000
1995	E	Courtaulds Performance Films Inc.*	Henry County	12	10 Polyester film processing	3081	0	\$6,000,000
1994		Southeastern Container Inc.	Frederick County	7	5 Plastic bottles	3085	125	\$0
1994		Brunswick Container Corp.	Mecklenburg County	13	11 Plastic bottles	3085	50	000

1994	E	Amoco Foam Products	Frederick County	7	5 Polystyrene foam	3086	50	\$0
1995	N	Beach Mold & Tool Inc.	Greensville County	19	11 Injection molded components	3087	250	\$5,000,000
1996	E	Beach Mold& Tool	Greensville County		16 Injection molding components	3087	n.a.	\$4,000,000
1994	N	Hydrabaths Inc.	Petersburg	19	16 Whirlpool bath systems	3088	100	\$13,000,000
1994	N	Lake of the Woods	Lunenburg County	14	11 Bootwear	3143	100	n.a.
1994	E	Owens-Brockway Glass Containers	Pittsylvania County	12	10 Glass containers	3221	n.a.	\$21,000,000
1994	N	Aegis	Henry County	12	10 Pipe & specially construction	3259	30	\$0
1994	E	Virginia Marble Manufacturers Inc.	Lunenburg County	14	11 Cultured marble items	3281	50	n.a.
1994	E	Times Fiber Communications Inc.	Pittsylvania County	12	10 Coaxial cable	3357	150	\$3,500,000
1994	N	Shredded Products Corp.	Franklin County	12	3 Recycled metal	3399	30	\$0
1994	N	Precismetals	Pittsylvania County	12	10 Sheet-metal fabrication	3441	100	\$6,000,000
1994	N	American Buildings Co.	Mecklenburg County	13	11 Pre-fab metal buildings	3448	200	\$12,000,000
1995	E	Tri-Boro Shelving & Partition	Prince Edward County	14	11 Steel shelving	3449	50	\$3,500,000
1994	N	Watson Metal Products Inc.	Petersburg	19	16 Nuts & bolts	3452	30	\$2,500,000
1994	E	Alpha Technologies	Pittsylvania County	12	10 Metalworking machinery	3549	30	\$2,500,000
1995	E	Timken Co.	Campbell	11	9 Roller bearings	3562	20	\$10,000,000
1994	N	Advanta Technology	Southampton County	23	17 Industrial air filters	3564	10	n.a.
1996	E	Electronic Manufacturing Systems	Pittsylvania County		10 Electromechanical systems integration	3643	100	\$3,000,000
1994	E	Memtek Products	Frederick County	7	5 Cassette tapes	3652	15	n.a.
1995	N	Tokai Denko*	Pittsylvania County	12	11 Wire harnesses	3679	100	\$5,000,000
1994	N	Gilbert Wire Products	Mecklenburg County	13	11 Appliance cords	3699	50	n.a.
1994	E	Bridgeport-Piedmont Manufacturing Co.	Campbell County	11	9 Automobile parts	3714	50	\$0
1994	E	VDO-Yazaki Corp.*	Frederick County	7	5 Automotive instruments	3825	50	\$0
1996	E	Titmus Optical Inc.	Petersburg		16 Optical safety lenses	3851	n.a.	\$10,000,000
1996	N	Ashland Co.	Pittsylvania County		10 Golf equipment	3949	12	\$200,000
1995	N	Nansemond Storage Corp.	Franklin City	12	17 Warehouse facility	5110	30	\$800,000
1994	N	Rite Aid Corp.	Frederick County	7	5 Distribution center	5122	30	\$2,000,000
1996	N	Pacific Trail	Martinsville		10 Distribution center	5136	60	n.a.
1996	E	Diversified Distribution Inc.	Pittsylvania County		10 Distribution center	5136	300	n.a.
1996	N	Dollar General Corp.	Halifax County		10 Distribution center	5199	350	\$30,000,000
1994	N	Flex Pak Corp.	Frederick County	7	5 Fulfillment center	5961	50	\$5,500,000
1994	E	NEOCOM Microspecialists Inc.	Martinsville	12	10 Custom software	7371	25	n.a.
1996	N	Data Services America Inc.	Mecklenburg County		11 Data entry services	7374	60	\$120,000
1994	E	Information Technology Solutions	Petersburg	19	16 Computer software engineering	7379	30	\$250,000
							7,685	\$575,070,000

Announced Employment in Southwest Virginia by Industry 1994 - June, 1996



Announced Investment in Southwest Virginia by Industry 1994 - June, 1996



APPENDIX 7

Announced Investment in Southwest Virginia by SIC 1994 - 1996

Year	Type	Company Name	Location	PD	Reg. 18 Product	SIC	Employment	Investment
1996	E	Jewell Coal & Coke Co.	Buchanan County		1 Bituminous coal & coke	1221	n.a.	\$20,000,000
1994	N	Parkdale Mills	Carroll County	3	2 Textile mill	2211	300	\$170,000,000
1994	E	Bristol Garment Inc.	Bristol	3	2 Clothing	2239	170	\$2,500,000
1994	E	McAllister Mills Inc.	Grayson County	3	2 Fiberglass fabrics	2241	10	\$600,000
1994	N	Kentucky Derby Hosiery	Carroll County	3	2 Socks	2252	200	\$9,380,000
1996	E	Renfro Corp.	Pulaski County		3 Socks	2252	450	\$4,000,000
1996	E	Jefferson Mills Inc.	Pulaski County		3 Textured yarns	2281	n.a.	\$500,000
1994	E	Bond-Cote Corp.	Pulaski County	4	3 Coated industrial fabrics	2295	n.a.	\$2,000,000
1995	E	Hollingsworth & Vose Co.	Floyd County	4	3 Apparel & computer disk liners	2297	25	\$7,000,000
1994	N	Derby Apparel Inc.	Smyth County	3	2 Children's clothing	2329	100	\$550,000
1994	N	Diversified Apparel Resources Inc.	Buchanan County	2	1 Children's clothing	2339	200	\$2,500,000
1994	E	Gordon Garment Co.	Bristol	3	2 Underwear	2341	25	\$250,000
1994	E	Buster Brown Apparel Inc.	Wise County	1	1 Children's clothing	2361	400	\$7,300,000
1995	E	Cardinal Industries	Buchanan County	2	1 Screen printing	2396	60	\$2,118,000
1994	E	Mullican Lumber & Mfg., B.A.	Wise County	1	1 Hardwood flooring	2421	100	\$6,200,000
1996	N	Pocahontas Land Corp.	Scott County		1 Lumber mill	2421	80	\$10,000,000
1994	E	C&S Door Corp.	Montgomery County	4	3 Millwork	2431	10	\$425,000
1995	N	Summit Dimension Products LLC*	Smyth County	3	2 Cabinets, drawers & doors	2431	150	\$6,500,000
1996	E	Hardwood Accessories Inc.	Dickenson County		1 Wooden vents	2499	275	\$3,900,000
1996	E	Pulaski Furniture Corp.	Pulaski County		3 Furniture	2511	30	\$1,500,000
1996	N	English Furniture Industries Inc.	Grayson County		2 Upholstery furniture	2512	200	n.a.
1996	N	Silver Creek Technologies Inc.*	Pulaski County		3 Wood processing	2631	350	n.a.
1995	E	Magnox Pulaski Inc.*	Pulaski County	4	3 Iron oxides	2816	n.a.	\$2,000,000
1995	E	Hoechst Celanese Corp.*	Giles County	4	3 Cellulosic fibers	2823	n.a.	\$10,000,000
1994	E	Tetra Second Nature	Montgomery County	4	3 Pharmaceutical preparations	2834	n.a.	\$1,700,000
1995	E	New River Energetics	Montgomery County	4	3 Propellant	2892	130	\$8,000,000
1996	N	Fireworks by Grucci, Inc.	Montgomery County		3 Fireworks	2892	50	\$1,500,000
1996	E	Alliant Techsystems	Montgomery County		3 Chemical feed stock	2892	60	\$3,600,000
1994	E	Eagle-Picher Automotive Group	Montgomery County	4	3 Automotive gaskets	3053	55	\$12,000,000
1994	N	Multi-Bloc Inc.	Buchanan County	2	1 Recycled rubber items	3069	45	\$2,500,000
1995	E	Longwood Elastomers	Wylthe County	3	2 Molded plastics	3069	150	\$3,000,000
1994	E	RADVA Corp.	Radford	4	3 Plastic/foam molding	3086	40	\$1,000,000
1994	N	Super Sack Manufacturing Corp.	Lee County	1	1 Plastic industrial bags	3089	100	\$2,100,000
1994	E	Marley Mouldings Inc.*	Smyth County	3	2 Plastic trim	3089	25	n.a.
1995	N	Mar-Bal Inc.	Pulaski County	4	3 Molded plastic parts	3089	50	\$2,500,000
1996	E	Morrison Molded Fiber Glass Co.	Washington County		2 Reinforced fiberglass	3089	200	\$5,000,000
1994	E	Fiber & Sensor Technologies	Montgomery County	4	3 Fiber-optic sensors	3229	15	\$530,000
1994	E	Permatile Concrete Products Co.	Bristol	3	2 Concrete construction materials	3272	50	\$800,000
1994	E	Corning Inc.	Montgomery County	4	3 Ceramic substrates	3299	50	\$21,000,000
1995	N	Mid Continent Nail Corp.	Radford	4	3 Specialty nails	3315	75	\$3,500,000
1994	E	Thisle Foundry & Machine Co.	Tazewell County	2	1 Stainless steel castings	3325	30	\$950,000
1994	N	Reynolds Aluminum Recycling	Smyth County	3	2 Recycled aluminum	3355	20	\$0
1995	E	Tetra Second Nature	Montgomery County	4	3 Aquariums & related items	3433	15	\$4,000,000
1996	N	Scholie Corp.	Smyth County		2 Metallized bags	3497	145	\$15,900,000
1995	N	HP Hydraulics Inc.	Montgomery County	4	3 Hydraulic equipment	3511	80	\$2,500,000
1994	N	Jennmar Corp.	Tazewell County	2	1 Mine roof controls	3532	70	\$3,000,000
1996	E	Magic Wand Inc.	Bristol		2 Car wash equipment	3589	10	n.a.
1994	E	ABB Power T&D Co.*	Bland County	3	2 Transformers & switches	3612	10	\$800,000
1995	N	Printed Circuit Services Manufacturer	Galax	3	2 Circuit boards	3672	50	\$1,900,000
1995	N	MARELCO Power Systems Inc.	Tazewell County	2	1 Custom transformers	3677	130	\$1,000,000
1994	E	South Star Corp.	Montgomery County	4	3 Electrical assemblies	3679	50	\$540,000
1995	-	Pemco Corp.	Tazewell County	2	1 Electrical power supplies	3679	50	n.a.

1995	E	Electro-Mechanical Corp.	Bristol	3	2 Transformers	3699	125	\$2,600,000
1994	E	Volvo GM Heavy Truck Corp.*	Pulaski County	4	3 Cab-assembly plant	3713	175	\$200,000,000
1994	E	Kollmorgen Inland Motor	Tazewell County	2	1 DC motors	3714	16	\$25,000
1994	E	T.D. Wheel Co.	Smyth County	3	2 Wheels & rims	3714	125	\$1,220,000
1994	N	Sheppard Co., R.H.	Wythe County	3	2 Power-steering gears	3714	100	\$8,000,000
1996	N	Reynolds Metals Co.	Russell County		1 Automotive wheels	3714	125	\$34,000,000
1996	E	ASC Dublin Trim Inc.	Pulaski County		3 Truck trim parts	3714	70	n.a.
1994	E	Dalton Enterorises Inc.	Wythe County	3	2 Livestock trailers	3715	35	\$100,000
1995	N	Blevins Inc.	Washington County	3	2 Trailer anchor systems	3799	300	\$500,000
1994	N	DeRoyal Surgical Division	Lee County	1	1 Sterile sponges	3842	30	n.a.
1995	N	Cherokee Medical Technologies Inc.	Bristol	3	2 Laser delivery systems	3845	40	n.a.
1995	N	J.E.C. Enterprises of Virginia LLC	Tazewell County	2	1 Clay targets	3949	30	\$2,500,000
1996	N	Pro Air Inc.	Buchanan County		1 Reservation center	4581	318	\$1,500,000
1994	N	Tenneco Gas	Smyth County	3	2 Storage facility	4922	n.a.	\$55,000,000
1995	E	D&S Distribution Inc.	Pulaski County	4	3 Distribution center	5012	75	\$0
1994	N	Lotus Biochemical Corp.	Pulaski County	4	3 Customer service center (drugs)	7379	100	\$2,000,000
1995	N	Issues and Answers Network Inc.	Buchanan County	2	1 Telemarketing center	7389	200	n.a.
1996	N	Issues and Answers Inc.	Russell County		1 Telemarketing researh center	7389	200	n.a.
							6,954	\$675,988,000

