

# ***VIRGINIA*** **Is For Business**

**FISCAL YEAR 2004**

**ANNUAL REPORT**



**VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**

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## Chairman's Letter

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It is with great pleasure that I present to you the Annual Report of the Virginia Economic Development Partnership (VEDP) for the fiscal year ending June 30, 2004. This report is required by §§ 2.2-2238(B), 2.2-2239(2) and 2.2-2242 of the Code of Virginia and by Chapter 4 of the 2004 Appropriations Act.

We are extremely proud of our accomplishments over the past year, and we look forward to continuing the work of creating new jobs and investment in the Commonwealth and increasing the sale of Virginia products and services overseas. Our results represent the work of many people from across Virginia. The interest, participation, and support received from Governor Warner, the General Assembly, and local and regional economic development organizations were essential to our success. I am especially proud of the entire organization's focus on marketing those rural areas and urban cores which have not enjoyed the accelerated growth achieved in many other parts of the Commonwealth.

We must continue our efforts in every part of the state, in our rural communities and inner cities, across all fields of commerce, embracing all technologies and helping to implement the potential of international trade. We can achieve this through the development and marketing of quality business location products and constant attention to workforce development.

Our 2004 Financial Statements Report for the year ended June 30, 2004, includes an unqualified audit opinion from the Auditor of Public Accounts. The Auditor also issued a separate report on the Partnership's internal controls and compliance dated October 18, 2004, with no findings identified in this report.

Thank you for your continued support of our mission to create a higher standard of living for all Virginians by attracting new jobs and investment to Virginia's localities.

Sincerely,



**J. Thomas Fowlkes**  
Chairman

# Partnership Profile

## **The Virginia Economic Development Partnership**

In 1995, the General Assembly created the Virginia Economic Development Partnership to foster increased expansion of the Commonwealth's economy. As a state authority, the Partnership is governed by a 15-member Board comprised of businesspersons from around Virginia, each of whom is appointed by the Governor. The Executive Director is employed by the Board to oversee the fulfillment of our mission.

### **Mission**

To enhance the quality of life and raise the standard of living for all Virginians, in collaboration with Virginia communities, through aggressive business recruitment, expansion assistance, and trade development, thereby building the tax base and creating higher income employment opportunities.

### **Functions**

As a business development and marketing organization, VEDP encompasses the following aspects of economic development: business development, international trade, research, and promotion.

### **Central Office**

#### **Richmond Office – Headquarters**

Virginia Economic Development Partnership  
P.O. Box 798 • 901 East Byrd Street  
Richmond, Virginia 23218-0798  
Tel: (804) 371-8100  
Fax: (804) 371-8112

#### **Norfolk Office**

Virginia Economic Development Partnership  
500 East Main Street, Suite 1220  
Norfolk, VA 23510  
Tel: (757) 314-2358  
Fax: (757) 314-2360

#### **Mexico City Office**

State of Virginia  
United States Trade Center  
Liverpool No. 31 – Suite 105  
Colonia Juarez  
06600 Mexico, D.F.  
Tel: 011-52-55-5140-2674  
Fax: 011-52-55-5535-2545

### **Regional Trade Offices**

#### **Abingdon Office**

Virginia Economic Development Partnership  
16325 Taylor Place, Suite 300  
Abingdon, Virginia 24211  
Tel: (276) 623-1536  
Fax: (276) 623-1542

#### **Northern Virginia Office**

Virginia Economic Development Partnership  
8300 Boone Boulevard, Suite 450  
Vienna, Virginia 22182  
Tel: (703) 506-1030  
Fax: (703) 506-1033

#### **Sao Paulo Office**

State of Virginia  
R. Dr. Gabriel dos Santos, 168/121 A  
01231-902 Sao Paulo, Brazil  
Tel: 011-5511-3666-2762  
Fax: 011-5511-3825-1818

#### **Harrisonburg Office**

Virginia Economic Development Partnership  
800 Country Club Road  
Harrisonburg, Virginia 22802  
Tel: (540) 438-1525  
Fax: (540) 438-0926

#### **Frankfurt Office**

State of Virginia  
Untermainanlage 5  
D-60329 Frankfurt am Main, Germany  
Tel: 011-49-69-273-99015  
Fax: 011-49-69-273-99020

#### **Seoul Office**

State of Virginia  
1512 Kyobo Building, 1  
Jongro-1 ga, Jongro-gu  
Seoul, 110-714, South Korea  
Tel: 011-82-2-739-6251  
Fax: 011-82-2-739-6538

#### **Lynchburg Office**

Virginia Economic Development Partnership  
20353-B Timberlake Road  
Lynchburg, VA 24502  
Tel: (434) 582-5182  
Fax: (434) 582-5184

#### **Hong Kong Office**

State of Virginia  
6/F Chung Nam Building  
No. 1 Lockhart Road  
Hong Kong, PRC  
Tel: 011-852-2520-2338  
Fax: 011-852-2520-1833

#### **Tokyo Office**

State of Virginia  
Suite B3, 8<sup>th</sup> fl., Imperial Tower  
1-1-1, Uchisaiwai-cho, Chiyoda-ku  
Tokyo 100-0011, Japan  
Tel: 011-03-3539-3664  
Fax: 011-03-3539-3669

## Board of Directors

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J. Thomas Fowlkes, Chair  
Bristol, Virginia  
Term Expires 12/31/09

Ike Prillaman  
Norfolk, Virginia  
Term Expires 12/31/09

Steve DelBianco, Vice Chair  
Fairfax, Virginia  
Term Expires 12/31/05

James E. Rich, Jr.  
Middleburg, Virginia  
Term Expires 12/31/07

Mary Rae Carter  
Stanleytown, Virginia  
Term Expires 12/31/07

John W. Roberts  
Richmond, Virginia  
Term Expires 12/31/05

George B. Cartledge, III  
Roanoke, Virginia  
Term Expires 12/31/07

James E. Ukrop  
Richmond, Virginia  
Term Expires 12/31/09

Lawrence A. Davies  
Fredericksburg, Virginia  
Term Expires 12/31/05

John A. Mahone  
Richmond, Virginia  
Term Expires 12/31/07

John F. Malbon  
Virginia Beach, Virginia  
Term Expires 12/31/07

Ex-Officio:

Charles Henry Majors  
Danville, Virginia  
Term Expires 12/31/09

The Honorable Michael J. Schewel  
Secretary of Commerce and Trade  
Richmond, Virginia

Richard F. Neel, Jr., Esquire  
Alexandria, Virginia  
Term Expires 12/31/05

The Honorable John M. Bennett  
Secretary of Finance  
Richmond, Virginia

## Executive Summary

This annual report of the Virginia Economic Development Partnership (VEDP) is submitted pursuant to the requirements of §§ 2.2-2242 and 2.2-2239 of the *Code of Virginia* and Chapter 4, Item 128 D.1 of the 2004 Appropriations Act. The Code requires VEDP to report on the status of the Commonwealth's comprehensive economic development strategy, and specifically on the number of site visits per region of the Commonwealth. In addition, § 2.2-2238 B requires VEDP to prepare and report on the plan to market to high unemployment areas of the state, and Chapter 4, Item 128 D.2 of the 2004 Appropriations Act requires target industries be identified for southwest and southside Virginia. This report responds to all those requirements. In addition, the Authority's audited financial statement by the Auditor of Public Accounts for fiscal year 2004 (FY 2004) is attached to this report.

This Annual Report documents the efforts of VEDP in fulfilling its mission during FY 2004. The body of the report is organized by the major components of the Partnership's mission statement. For each element of the mission statement, a summary of VEDP activities and division responsibilities is included as well as a listing of FY 2004 accomplishments.

**Virginia's economy is among the top three performers in the nation, according to the 2003 Development Report Card for the States.**

VEDP's report and plan to market to high unemployment regions of the state are included in Appendix 1. This satisfies the requirement for VEDP to prepare and report on the plan to market to high unemployment areas of Virginia.

The data on site visits per planning district is contained in the tables and maps of Appendix 2. Appendix 3 shows the number of sites and buildings recommended to prospects and provides the number of companies assisted with site and building recommendations.

VEDP monitors economic development activity in Virginia through its economic development announcements database. The database tracks direct investments and new jobs created in Virginia as a result of the announced plans of new and expanding companies. This information has been maintained, with modifications, since 1960. The figures used throughout this report and summarized in Appendix 4 cover announcements made between July 1, 2003, and June 30, 2004. VEDP participated in the announcement of 86 new and 272 expanding facilities during the year. Appendix 4 sets out the number of announcements by Planning District Commission (PDC), both in terms of new facilities and expansions. Appendix 4 also sets out the announcements and number of new jobs and amount of new investment by PDC. It is anticipated that from those announcements, a total of 26,145 new jobs will be created. In addition, these facilities will result in investments totaling \$3.28 billion.

As noted above, VEDP is required by statute to report on the status of the Governor's comprehensive economic development plan. Upon taking office, each governor must develop a comprehensive economic development strategy. Governor Warner's team held several public meetings to discuss how the goals for this plan would be implemented and published its report, "One Virginia, One Future," on December 4, 2002. Appendix 5 updates the progress of this plan.

This report is based on announcements of *planned* manufacturing and nonmanufacturing capital expenditures; many of the new facilities announced are not yet in operation. While the information indicates the kind of new economic activity occurring in the state, it does *not* measure total employment growth. Information for this report is obtained from the Virginia Economic Development Partnership's public and private sector contacts at state, regional, and local levels, as well as from published sources and Partnership staff.

## Business Recruitment

The principal function of VEDP's business recruitment effort is to convince new and expanding basic sector companies to locate or expand operations in Virginia. VEDP markets Virginia to companies in-state and worldwide as the location for their new or expanded investment and employment. VEDP takes a targeted industry marketing approach, focusing on new and expanding industries appropriate to regional and local strengths and needs, with a special emphasis on distressed areas.

VEDP markets Virginia by leading team and industry marketing missions, participating in industry conferences and trade shows, networking with business associations, conducting target sector marketing campaigns, promoting consultant marketing, and holding special events. Virginia's marketing strategy also includes overseas offices in Frankfurt, Germany; Tokyo, Japan; and Seoul, Korea to provide direct client contact in Europe and Asia. Many marketing activities are conducted with the participation of local and regional allies. Successfully implementing VEDP's marketing efforts involves the coordination of advertising campaigns, marketing missions, trade shows, special events, and customized site studies and proposals, as well as ongoing development of our website to increase internet marketing.

**Infineon's \$1 billion expansion at its White Oak facility to manufacture 300mm disks was one of Virginia's top deals in FY 2004.**

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**Wachovia Securities will create 1,000 new jobs in Virginia as announced by Governor Warner on December 5, 2003.**

In addition to marketing and selling, VEDP plays a key role in managing projects to successful economic development decisions for Virginia. This is accomplished by responding to client needs, gathering marketing intelligence, conducting community site visits to evaluate Virginia's "product," and coordinating allies' efforts to "close the deal." VEDP also develops economic development financing alternatives for projects and works directly with companies in structuring financing transactions to meet corporate capital goals. VirginiaScan (our customized sites and buildings inventory tool), sophisticated GIS data, and our client presentation center all provide 21<sup>st</sup> century services and data to businesses considering Virginia to facilitate location decisions. VEDP also works to address specific community needs, provide economic development expertise as requested, and develop policies and new programs aimed at particular regions and industries.

Any economic development marketing effort must fully understand the product that is marketed. VEDP thus maintains a comprehensive site and building inventory and prepares information for prospects to evaluate a location decision for Virginia. VEDP research determines prospective target business sectors and companies that appear to be a good match for the various regions throughout Virginia. VEDP economists track trade data, capital investment, employment, and competitive information on other states. VEDP also provides data used for producing various marketing materials and annual economic development publications.

# Business Recruitment

## FY 2004 Accomplishments

Targeting Financial Services and Headquarters Companies Yields Impressive Results. Governor Warner announced a major financial services relocation project — Wachovia Securities' \$8.3 million expansion project will create 1,000 new jobs in Virginia. Also, CarMax selected Virginia as the location for its new headquarters facilities. VEDP has worked diligently to attract financial, insurance, and real estate (FIRE) and headquarters projects to Virginia.

Homeland Security Initiative Generates 54 Announcements for Virginia. Virginia announced 54 Defense and Homeland Security related projects in FY 2004, resulting in a total investment of \$144.57 million investment and 4,847 new jobs.

Virginia ranked #1 on the Pollina Corporate Top 10 Pro-Business States 2004 list. The study identifies 25 factors, including human resources, infrastructure, taxation, and state economic incentive programs that can positively impact business and job development.

VEDP Incentives Produce Results. Virginia awarded 33 Governor's Opportunity Fund (GOF) grants for a total of \$10,667,500. The total capital investment by companies receiving these grants amounted to over \$1.1 billion. In addition to this investment, a total of 6,119 new jobs are expected to result from these projects.

During FY 2004, four Tier One Virginia Investment Partnership (VIP) grants were awarded totaling \$2,400,000. The projects associated with these four grants will result in the creation of 655 jobs, 600 saved jobs, and \$157.1 million in new capital investment. There were no Tier Two VIP grants awarded in this fiscal year.

### Major Announcements of FY 2004

Company	\$ Investment (MM)	New Jobs
Infineon Technologies	\$1,000.0	1,200
*Wachovia Securities	\$8.3	1,000
Cardinal Glass Corporation	\$23.9	300
Barber & Ross Company	\$13.0	100
HP Hood, Inc.	\$42.8	65
*MW Manufacturing, Inc.	\$1.3	446
*Fortune Brands, Inc.	\$20.8	745
Discovery Communications, Inc.	\$20.0	100
Cost Plus, Inc.	\$27.2	190
*Siemens Automotive	\$47.3	107
*Wytheville Technologies, Inc.	\$31.0	102
General Dynamics Corp.	\$1.0	259
Mediatech, Inc.	\$10.0	100
*Telvista	\$5.0	400
*StarTek	\$5.8	542
Northrop Grumman Corp.	\$9.0	582
CarMax, Inc.	\$53.0	150
Wal-Mart Stores, Inc.	\$28.5	125
Hershey Chocolate of VA, Inc.	\$48.0	110
Lumber Liquidators	\$2.0	120
*Universal Maritime Service Corp. (Maersk)	\$450.0	210
*Elizabeth Arden, Inc.	\$5.0	107
*Utility Trailer Manufacturing Co.	\$11.5	100
*MZM, Inc.	\$4.4	150
*Globaltex Inc.	\$5.2	154
*AOL/Virtus	\$0.5	67

Aggressive Implementation of Distressed Area Strategy Yields Results. VEDP's Business Development division has engaged each of its project managers to proactively expose sites and buildings in Virginia's distressed regions to business prospects. As a result more than half of all prospect visits in FY 2004 have been to these target communities. The above announcement list includes distressed region locations which are identified by (\*).



# Trade Development

VEDP's innovative programs and services are designed to increase the export of Virginia manufactured products and services. With regional trade offices across Virginia, VEDP's International Trade Managers provide Virginia businesses a wealth of knowledge obtained through years of hands-on experience in the international marketplace. Coupled with the in-country knowledge of our international offices, Virginia businesses have an advantage in the global economy.

## FY 2004 Accomplishments

### Program Participation

*The Virginia Leaders in Export Trade (VALET) Program.* This innovative program has now entered the third year in operation enrolling 15 new companies in FY 2004. The VALET program's total participation is now 29 companies in the two-year program. The program also graduated its first class, which exceeded aggregate international sales targets by 26%. This program offers a powerful combination of capital resources from the state, as well as professional services from private-sector partners, to enhance the international efforts of up to 15 selected companies per year. This program is the first of its kind in the United States.

#### *VALET Program:*

Virginia companies enrolled 29

VALET Program Partners 23

*(Total enrollment capacity is capped at 30 companies.)*

*The Global Market Research (GMR) Program.* Unique to Virginia, the GMR Program provides international market research to Virginia companies. FY 2004 saw a transition from a university-based approach to one involving in-country research conducted by a private-sector research firm. Virginia companies now select from four options, with research conducted by experts in 22 available countries. FY 2004 saw the completion of 12 GMR Projects and a solid foundation laid for greater participation in future years.

### Services

*One-on-One Export Counseling.* VEDP's eight International Trade Managers, located in six offices across Virginia, with extensive private-sector experience, provide international marketing assistance to Virginia businesses.

*Trade Missions.* VEDP conducts trade missions around the world to promote Virginia products and services in foreign markets. By visiting foreign companies in their own country, Virginia businesses obtain pre-screened, tailored introductions to potential clients and commercial representatives. Inward trade missions which target specific industry sectors bring potential buyers to Virginia.

*Trade Shows.* VEDP coordinates Virginia firms' participation in foreign trade shows. By participating in these marketing opportunities, Virginia companies are introduced to potential commercial representatives and often obtain direct sales.

### Counseling and Event Participation

- 91 Virginia companies recorded international marketing results, attributed to counseling from the Trade Division.
- 50 Virginia companies participated in Trade Missions.
- 16 Virginia companies participated in Trade Shows.
- 115 Virginia companies participated in Inward Trade Missions.
- 50 Virginia companies visited VEDP overseas trade offices.

***"The VEDP organization and program made it so much easier for me to implement my overseas marketing program. It gave me resources immediately that would have taken years to develop, thereby saving me time and money. Every individual that I have been involved with has been a tremendous help. Not only are they pleasant to interact with, but extremely knowledgeable in their field. In the last two years I have had nothing but exceptionally good experiences with this organization."***

Dennis Schwartz  
Burlington Medical Supplies, Inc.

# Promoting Virginia

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VEDP uses a comprehensive and aggressive marketing strategy to communicate that “Virginia Is For Business” around the world. VEDP plans, executes, and manages various marketing outreach initiatives. This year’s advertising program was halted due to fiscal constraints. VEDP implements a public relations plan to ensure placement of favorable articles in major business and trade publications, and coordinates economic development announcement events. VEDP staff maintains, updates, and promotes an Internet presence; produces marketing brochures and collateral materials; develops and executes strategic marketing initiatives toward targeted industry sectors, and manages special marketing events and industry tradeshow participation. In addition, VEDP staff organizes domestic and international proactive marketing missions and develops additional direct marketing programs to promote lead generation.

## **FY 2004 Accomplishments**

*Forbes Ninth Annual CEO Conference:* VEDP, in conjunction with the Greater Richmond Partnership, hosted the ninth annual *Forbes* CEO Forum at The Jefferson Hotel in Richmond from October 1-3, 2003. More than 100 CEOs from around the globe attended the Richmond conference. VEDP used the event to showcase Virginia’s pro-business assets as economic development leaders networked with CEOs in attendance. Governor Mark Warner and First Lady Lisa Collis hosted more than 65 guests at the Governor’s Mansion at the event’s conclusion.

*The Virginia Invitational:* To recapture the success of one of VEDP’s premier marketing events, the Michelob Championship, VEDP created a high-level marketing event to attract key prospects to visit Virginia. VEDP hosted 16 prospects and spouses for a weekend of activities at the Williamsburg Inn May 6-8, 2004. The guests were comprised of both senior corporate business prospects and site selection consultants. The event included a welcome reception hosted by Governor Warner, a golf tournament, and tickets to the LPGA Michelob Ultra. The weekend concluded with a formal dinner complete with traditional dressed colonial characters and a fife and drum corps.

*The Virginia Executive Reception:* VEDP worked collaboratively with the Virginia Chamber of Commerce to create an event designed to replace the New York Report to Top Management. The Virginia Executive Reception was a high profile event that showcased Virginia’s exceptional business advantages. VEDP hosted nearly 50 key prospects from the Boston, Massachusetts market. In addition to the key prospects, a strong attendance from Virginia’s private sector effectively demonstrated the healthy partnership between the business community and the state’s economic development program.

### *Governor’s Missions*

VEDP assisted Governor Warner by planning and staffing international Governor’s missions to Mexico City and Guadalajara in November 2003 and to Beijing and Shanghai, China, in June 2004. VEDP also assisted the Governor domestically as he traveled to Northern California in July 2003; Philadelphia in March 2004; and Boston in April 2004 on business recruitment missions.

### *Marketing Missions*

VEDP conducted 11 Team Marketing Missions to U.S. cities, resulting in 426 appointments. These missions resulted in 19 projects, 76 future leads, and 230 company contacts.

VEDP conducted its most successful international mission, generating 6 projects, 5 leads, and 12 company contacts from 29 appointments in the United Kingdom.

VEDP conducted 7 various types of individual call trips, resulting in 48 appointments, 1 project, 11 future leads, and 23 company contacts.

VEDP set appointments at 5 trade shows, resulting in 25 appointments, 27 drop bys, 2 projects (the same number as last year with 8 fewer shows), 1 future lead, and 48 company contacts.

## Promoting Virginia

**Trade Show Highlights:** VEDP exhibited at nine industry tradeshows: *American Association of Pharmaceutical Scientists*, *Automotive News World Congress*, *BIO 2004 Annual Convention*, *BioMed*, *CeBIT*, *Cellular Telecommunications & Internet Association Wireless 2004*, *MEDICA*, *National Manufacturing Week*, and *SEMICON West*.

**VEDP/Ally Meetings:** VEDP coordinated two VEDP/Ally meetings. More than 140 Virginia economic development allies attended the fall 2003 VEDP/Ally meeting in Staunton. Attendees got a taste of “Shenandoah Shakespeare” at the city’s Blackfriar’s Playhouse—the interesting and impressive meeting venue. The spring 2004 meeting was held at the new Philip Morris USA (PMUSA) headquarters facility in Henrico County. PMUSA President of Operations and Technology Jack Nelson welcomed the group and discussed factors leading to the company’s headquarters relocation from Manhattan. He also detailed what transferring employees have found upon their arrival in Richmond.

**Marketing Brochures:** VEDP implemented a new design to its general collateral materials package, including the *Facts for Business Decisions*, *Fast Facts*, and *Profile of Services* brochures. VEDP coordinated the design of two new targeted industry brochures—*Motorsports*, and *Defense & Homeland Security*. VEDP completed revisions to the following key targeted industry brochures: *Electronics*, *Food Processing*, *Plastics*, *Aerospace*, *Biosciences*, and *Information Technology & Telecommunications*.

**Website Highlights:** VEDP successfully launched a revised [www.YesVirginia.org](http://www.YesVirginia.org). The revision focused on creating a more user-friendly site through navigation and design. The revised site included the new *How Virginia Compares*, a dynamic comparable database that enables users to compare Virginia against the other 49 states on a number of economic statistics. VEDP completed a design revision to the Ally Information Exchange website, [www.VirginiaAllies.org](http://www.VirginiaAllies.org). VEDP designed and launched the website for the Virginia Commission on Military Bases.

**Media Tours Produced Positive Results:** VEDP conducted two successful national media tours. The Fall 2003 Metals Media Tour produced media placements in *Modern Metals*, *Iron & Steelmaker*, and *Automatic Machining*. To date, the Spring 2004 Printing and Publishing Media Tour has resulted in pro-Virginia articles published in *Print & Graphics Magazine*, *American Printer*, and the *Printing Industries of Virginia* newsletter.

**Plants, Sites & Parks ranked Virginia 1st in the nation for 2003 economic development announcements and presented VEDP Staff with the coveted Tiffany Cup.**

**Announcements and Grand Openings:** VEDP planned and executed more than 20 economic development events for Governor Warner and Virginia Secretary of Commerce and Trade Michael Schewel. Highlights included events with *Infineon Technologies*, *APM Terminals*, *Hershey*, and *MasterBrand Cabinets*.

**More Accolades:** Virginia ranked #1 on the ***Pollina Corporate Top 10 Pro-Business States 2004*** list. The study identifies 25 factors, including human resources, infrastructure, taxation, and state economic incentive programs that can positively impact business and job development. “We have singled out 10 states that should serve as models for the rest of the country and Washington,” explains Dr. Ronald R. Pollina, founder and president of *Pollina Corporate Real Estate* and author of the *Keeping Jobs in America* study.

Virginia’s economy is among the top three performers in the nation, according to the **2003 Development Report Card for the States**. High technology industry employment, plus federal research and development dollars flowing into the state, bolsters Virginia’s high marks. The 17<sup>th</sup> annual report card, released by the Corporation for Enterprise Development, is a comparison of the economies of the 50 states.

## Policy and Legislative Support

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VEDP seeks to maintain and improve Virginia's positive business climate through targeted policy and legislative initiatives based on best practices from Virginia and across the nation. VEDP has successfully advanced an economic development legislative agenda through the following important initiatives, among others, directed at making Virginia a more desirable location for business location or expansion.

### FY 2004 Legislative Actions

As the Commonwealth again faced significant budget shortfalls, much of the 2004 legislative session, for the third consecutive year, focused on budget issues. The General Assembly was in session a record 115 days before a budget proposal was crafted that both chambers could agree upon. During the 2004 General Assembly Session, VEDP supported efforts to strengthen or improve the following business climate initiatives:

#### Incentives

Major Business Facility Job Tax Credit. There were two pieces of legislation introduced in the 2004 Session to amend the current program. The program allows qualified non-retail companies locating to or expanding in Virginia to receive a \$1000 per job tax credit for each new job created above a threshold number of jobs (depending on level of economic distress). The first bill (SB231) was passed to extend the sunset on this program until January 1, 2010. The second bill (HB615) lowers the threshold amount of jobs from 100 to 25 that must be created in order to take the credit in severely economically distressed areas that have an unemployment rate of at least twice the average statewide unemployment rate and applies only to taxable years 2004 and 2005. The total amount of credit permitted annually in such areas is limited to \$100,000 in the aggregate.

#### Loan Program

Biotechnology Commercialization Loan Fund. This bill (SB646) created a Fund to be administered by the Innovative Technology Authority to finance technology transfer and commercialization activities related to biotechnology inventions made, solely or in cooperation with other organizations, at qualifying institutions. The maximum of the Fund is \$3,000,000, and the maximum amount that any institution can have outstanding is \$500,000. Applications will be made to and decisions will be made by a panel consisting of the President of the Center for Innovative Technology, the Director of the Department of Planning and Budget, and the Executive Director of the Virginia Economic Development Partnership. Loans are to be repaid at a rate and time determined by the legislation.

# Performance Management

VEDP is committed to increasing the prosperity of all Virginians by providing new and better job opportunities and expanding the tax base through new investment. Mindful that public resources are used to help fulfill its mission, VEDP seeks to ensure this money is spent wisely and that the public receives a reasonable return on its investment. The following performance measures are an indication of VEDP's stewardship.

<b>FY 2004 Key Performance Measures</b>		
<b>Performance Measure</b>	<b>FY2004 Results</b>	<b>% of Measure</b>
\$2.0 billion investment by new or existing companies	\$3.28 billion	164%
22,000 new jobs created	26,145	119%
225 companies actively counseled or participating in trade event	272	121%
30 companies participating in VALET program	29	97%

## Return on Investment from VEDP Activities

Each year, VEDP calculates the public sector's return on investment in the Partnership's programs and activities. VEDP prepares a return on investment (ROI) analysis quarterly and reports this to the board of directors.

The ROI compares money spent on economic development (including VEDP operating costs and incentives such as GOF and Workforce Services) with the projected revenue stream generated by the new jobs announced in Virginia, using an appropriate multiplier.

		<b>10 Years</b>	<b>20 Years</b>
<b>Return Per Dollar of VEDP Budget (Present Value)</b>	<b>Total*</b>	\$18	\$33
	<b>Direct</b>	\$12	\$22
	<b>Indirect</b>	\$6	\$11
*Totals are rounded to the nearest dollar.			



## Governor Warner's Strategic Plan

In the *Code of Virginia* § 2.2-2239, VEDP is instructed to report annually on the status of the implementation of the comprehensive economic development strategy (strategic plan). The Governor's Strategic Plan, *One Virginia, One Future*, has been included here with the progress made for each item added in italics.

### **Goal 1**

**Maintain and utilize Virginia's strong business climate to create new economic opportunities for all Virginians in an internationally competitive environment, with particular emphasis on technology businesses and other emerging and developing sectors.**

- Expand traditional economic development measures to reflect the state's performance in small business, high-wage, and high-growth industries and in per capita income growth.  
*VEDP continues to use its expanded return on investment analysis to include more detailed wage and salary figures, which now compares every project's wages to the prevailing average wage for the locality, and factors in precise wage levels to determine the anticipated return on investment.*
- Continue to assess the effectiveness of state economic development programs and incentives, improving data keeping for accountability purposes. Conduct a systematic comprehensive review of economic development programs, methods, and incentives in highly competitive states.  
*This is ongoing at VEDP. The VEDP website, [www.yesvirginia.org](http://www.yesvirginia.org), contains information on "How Virginia Compares," which gives the public the ability to compare Virginia to other states. VEDP assists the Secretary in compiling his annual report on incentives. Also, every project receiving a GOF grant is tracked for performance after 30 months, and projects falling short of performance measures are required to repay part or all of the grant.*
- Propose an amendment to the Virginia Constitution to allow the Governor to seek election to a second term.  
*A bill was proposed in the 2003 Session of the General Assembly, but did not pass. The 2004 General Assembly passed a House Joint Resolution establishing a joint subcommittee to study this issue. Virginia remains the only state in the country unable to re-elect its governor. This proposal received strong support in every public meeting across Virginia for One Virginia, One Future.*
- Seek ways to improve competitive air transportation at existing commercial airports in smaller metro areas.  
*This effort is an ongoing part of the overall transportation long-range plan. The Virginia Aviation Board is in the process of considering airports statewide for allocations from the Commonwealth Airport Fund to fund airport construction and equipment upgrades. Also in consideration are grants being awarded from the Aviation Promotion/Air Services Development and Enhancement Grant-in-Aid Program. The Governor has also attempted to persuade low cost carriers to enter the Virginia markets.*
- Implement a new incentive program to attract corporate headquarters.  
*This program was proposed to the 2004 Session of the General Assembly but was carried over to the 2005 Session.*



## **Governor Warner's Strategic Plan**

- Seek to establish Virginia as the location of choice for the financial services industry.  
*Wachovia Securities, which merged with Prudential Securities, announced with Governor Warner in December 2003 the decision to base its headquarters in Virginia. This action brought 1,000 new jobs to its headquarters, creating the third largest brokerage firm in the nation. Virginia is already home to over 20 major financial services companies. With Governor Warner's efforts and the action of the General Assembly, Virginia was able to preserve its AAA bond rating, putting Virginia's fiscal house in order with a balanced budget. Virginia has a stable competitive corporate tax rate which has not been raised in thirty years and has one state regulatory authority for the banking, securities and insurance industries. These are all marketing points in VEDP's effort to target the financial services industry.*
- Prioritize incentives by favoring new jobs that exceed the prevailing local average wage. Target incentives to achieve strategic goals.  
*VEDP now compares the wages associated with every project receiving a GOF with the applying community's prevailing average wage to determine the project's impact on the community. The Virginia Investment Partnership Act has been amended to make it more accessible in distressed areas. Virginia also focuses more incentive dollars on the more fiscally stressed areas of the state. The 2004 Appropriations Act designated funding to VEDP to develop a marketing initiative for distressed areas.*
- Continue and support planned developments such as Maersk and Craney Island at the Port of Hampton Roads that will enable the Port to remain on the leading edge of international port activity.  
*Governor Warner announced in April 2004, the APM deepwater container terminal project on the Elizabeth River in the City of Portsmouth, which will be the country's first major privately-developed container terminal.*
- Market the Port and inland port (intermodal transportation) more aggressively and raise its profile.  
*These efforts are continuing with the Port and, to some extent, in conjunction with other state marketing efforts focusing on new shipping headquarters, distribution centers, etc.*

### **Goal 2**

#### **Provide effective workforce training programs to create and maintain a competitive 21st century workforce in Virginia.**

- Develop an integrated, seamless Virginia workforce services system that provides a single point of entry for employers and workers.
- Improve the performance of Workforce Investment Boards through the creation of an operating template, and the preparation and implementation by each Workforce Investment Board of an annual demand-driven workforce plan.
- Align Workforce Investment Act implementation activities with local and regional economic development goals as enabled by increased flexibility in the administration of the Workforce Investment Act.
- Provide funds for incumbent worker training particularly in industries with high layoff risks.
- Support and encourage vocational and technical education among parents, students, and guidance counselors, upgrade the programs' appeal and profile, and implement necessary adjustments to the Standards of Learning.
- Support the strategic plan of the Virginia Workforce Council.  
*Governor Warner created a new position, Special Advisor to the Governor on Workforce Development, which is designed to be the focus for implementing the integrated, seamless*



## **Governor Warner's Strategic Plan**

approach to workforce services in Virginia. The 2004 General Assembly passed legislation to include this position and its duties in the *Code of Virginia*. Under the guidance of the Special Advisor to the Governor on Workforce Development, a template was developed during 2004 to assist Workforce Investment Boards in the preparation of their demand-driven workforce plans. One component of the planning process entailed providing Community Profiles for each Workforce Development Board, compiled by the Virginia Employment Commission and now available on the VEC website. The Virginia Employment Commission has engaged the Workforce Investment Boards and the Virginia Economic Development Partnership in sessions to educate these entities on the proper use of the Workforce Investment Act funds as a potential economic development tool, specifically for workforce training. The Virginia Economic Development Partnership and the Department of Business Assistance now alert the VEC to economic development prospects and the VEC works with the Local Workforce Investment Boards to secure training fund commitments. Virginia's Career Readiness Certificate certifies core employability skills required across multiple industries and occupations. The Career Readiness Certificate is one component of an emerging statewide system of portable skills credentials that integrates and promotes the attainment of academic, employability and industry/occupation specific skills by individuals in order to qualify for current and anticipated jobs in the Commonwealth.

### **Goal 3**

#### **Strengthen Virginia's traditional economic sectors and existing businesses.**

- Protect and support Virginia's military bases, including support for local BRAC-related activities.  
*Created pursuant to Executive Order 49, the Virginia Commission on Military Bases continues its duties of coordinating and facilitating statewide strategic activities in support of Virginia's military and base structure in response to the pending BRAC 2005 actions. The Governor also allocated funds for VEDP to create an office coordinating statewide BRAC-related activities and providing staff assistance to Governor Warner's Commission on Military Bases.*
- Promote development of homeland security and defense-related clusters around Virginia's military facilities.  
*VEDP continues to focus on homeland security and defense-related contracting and clusters as a target industry for business development with positive results for FY 2004. Virginia announced 54 Defense and Homeland Security related jobs in FY 2004, resulting in a total investment of \$144.57 million and 4,847 new jobs.*
- Develop actions to double Virginia's agriculture and forestry receipts over the next ten years.  
*Governor Warner created a task force to study this topic and has been meeting regularly since November 2002. Final recommendations will be submitted to Governor Warner in the fourth quarter of 2004.*
- To elevate the profile of the agriculture and forestry industries in Virginia, create a Secretariat of Agriculture and Forestry.  
*Legislation was passed in the 2004 Session of the General Assembly to establish this position and duties. The position will be filled when funds become available in the state budget. Governor Warner has indicated that will occur in January 2005.*





- Fully implement Executive Order 35 to ensure meaningful procurement opportunities for small-, minority-, and women-owned businesses.

*In conjunction with Executive Order 29, Governor Warner has charged the Department of Minority Business Enterprise (DMBE) and the Department of General Services (DGS) with the ongoing effort to increase procurement opportunities for SWAM (Small, Women,- and Minority-owned) businesses. DGS issued changes to procurement regulations for all State agencies and made changes to eVA to implement these changes. All State agencies now report quarterly to DMBE their SWAM usage.*

#### **Goal 4**

**Support technology businesses and other emerging and developing sectors of the economy which are of critical importance to the Commonwealth's global competitiveness.**

- Make Virginia the U.S. state with the highest percentage of home hook-ups to affordable broadband. *Several efforts have been underway in different areas of Virginia. For Southside and Southwest, the Tobacco Commission intends to contract with an internet service provider to increase access in those areas. The Commission has provided grants to four organizations to build and operate fiberoptic backbone. Three grants were awarded in Southwest to Lenowisco PDC, Russell County and Bristol Utilities. Mid-Atlantic Broadband Cooperative will construct a network to serve Southside. The Commission investments are intended to provide high speed, redundant, open access broadband capacity to businesses and institutions, to assist business attraction and expansion, distance learning and other aspects of economic competitiveness.*
- Perform a statewide audit of local broadband capacity. *VEDP continues to accumulate data as it becomes available for Virginia's communities to enhance access and marketing. One of the initiatives from the Secretary of Technology's Strategic Plan is to increase statewide broadband deployment. The Center for Innovative Technology through federal funding and matching grants has been implementing this initiative to bring broadband service to areas in greatest need.*
- Convene a Governor-led meeting of broadband providers to develop strategies to improve broadband capacity. *VEDP and the Lake Country Region convened a meeting of representatives of the telephone and cable industries to explore options for greater access in that region. This will serve as a model for other regions of the state. In addition, the annual state conference, COVITS, was changed into a major national technology forum with hundreds of people attending.*
- Implement the recommendations of the Governor's Biotechnology Initiative as and when funds become available to do so. *One recommendation to pass the 2004 Session of the General Assembly was the creation of the Biotechnology Commercialization Loan Fund which will be administered by the Innovative Technology Authority.*



## **Governor Warner's Strategic Plan**

- Better coordinate university research efforts with economic development activities by developing clearer and more entrepreneurial, business-friendly university IP (intellectual property) policies, and implementing appropriate faculty and graduate student commercialization policies. Provide technical assistance to smaller firms in navigating the process to register, value, and protect their intellectual property.  
*Governor Warner created a committee to identify the strengths and weaknesses of the research effort in the Commonwealth. A goal of \$1 billion has been established in research and development for Virginia's colleges and universities.*
- Seek to increase the flow of federal research and development dollars to Virginia universities and companies, as contemplated by the Virginia Research and Technology Advisory Commission and the Center for Innovative Technology strategic plans.  
*Governor Warner has urged the state's public and private universities to operate in a more entrepreneurial manner. This would involve increased research dollars as well as greater opportunities for commercialization and technology transfer.*
- Where prudent, utilize state financial resources to encourage venture capital investments in Virginia companies.  
*Legislation proposed during the 2004 Session of the General Assembly to implement this goal failed.*
- Make Virginia a more attractive and competitive location for biotechnology, information technology and telecommunications companies.  
*VEDP continues its efforts to target the biotech industry to increase its presence in Virginia by participating in outreach marketing. Governor Warner created the Governor's Commission on Biotechnology (Executive Order 76) to direct a joint effort involving both the public and private sectors for the purpose of establishing a Virginia Biotechnology Strategy Implementation Plan. Construction of the Howard Hughes Medical Center, a biomedical research complex bringing together chemists, physicists, computer scientists and engineers to share their expertise to invent new technologies, should be completed in early 2006. Legislation passed creating the Biotechnology Commercialization Loan Fund (SB646, 2004). This Fund is to be administered by the Innovative Technology Authority to finance technology transfer and commercialization activities related to biotechnology inventions made, solely or in cooperation with other organizations, at qualifying institutions.*

### **Goal 5**

**Concentrate economic development efforts on areas of greatest need to help reduce economic disparity and increase the prosperity of all Virginians.**

- Create an enhanced capital access program available to companies in distressed areas.  
*The Commission awarded \$1 million to People Incorporated's Southwest Community Development financing arm, to expand their ability to provide loans for business startups and expansion. The Commission also provided \$1 million to the Virginia Small Business Financing Authority, which now offers the Tobacco Region Capital Access Program (TCAP) in Southside. TCAP provides loan loss reserves at banks that make business startup/expansion loans to borrowers who don't qualify for conventional financing. In addition, Governor Warner recommended funding from the Appalachian Regional Commission for 14 projects that will*



## **Governor Warner's Strategic Plan**

*support entrepreneurial business efforts in Virginia's Appalachian communities and increase access to technology in the region.*

- Implement a focused program to reduce by half, within ten years, the percentage of adults in identified distressed areas who do not have high school or equivalent diplomas.  
*Governor Warner created the "Race to the GED" initiative to double the number of Virginia workers earning GEDs by 2005.*
- As needed, provide higher levels of discretionary incentives in distressed areas (urban cores as well as rural areas) to help reduce the competitive disadvantage that may exist and to close economic development deals. As an example, provide for an earlier payout on Virginia Investment Partnership grants in distressed areas.  
*VEDP continues to provide higher dollar levels of discretionary incentives (whether measured per job, or with a longer pay-back period) in distressed areas of Virginia. The Virginia Investment Partnership payout schedule for companies in distressed areas of Virginia (including urban cores) has been modified to provide for an earlier payout.*
- Support development of more sites in urban cores for redevelopment and brownfields development in order to rehabilitate and reuse sites and buildings including for retail and mixed-use redevelopment, as appropriate.  
*Existing programs currently lack sufficient funding to implement this plan fully, but when funds are available these programs would be more active. Various groups and agencies have sponsored workshops instructing potential developers on how to access the existing brownfields programs.*

### **Goal 6**

#### **Strengthen the market position of all of Virginia's regions as travel destinations for national and international visitors.**

- Ensure that there is professional tourism marketing leadership at the state level.  
*Governor Warner conducted a national search and recruited a widely respected tourism leader who specialized in rural tourism development and tourism marketing from a neighboring state to direct Virginia's travel and tourism efforts. She has proven to be a highly capable and talented leader in the field, represents Virginia well and has accomplished the following since becoming President and CEO of the Virginia Tourism Corporation (VTC):*
  - *Conducted a full financial and human resources audit of VTC operations and concluded that staff reorganization was in order and the agency was restructured. The emphasis at VTC now is on working in close partnership with the private tourism sector to maximize tourism expenditures and maximize state and local taxes and tourism jobs.*
  - *After a national search, a new advertising director was hired and a new advertising agency was selected. Both provide a new focus on better management, leveraging advertising dollars in the marketplace and providing the private sector more collaborative marketing opportunities while providing VTC with greater services for less money in a more fiscally sound contract.*
  - *All of these efforts have paid off. Tourism's economic contribution reached \$15.2 billion in Virginia in 2003, an increase of 8.1% over 2002. This amount contributed an estimated 5.1% to Virginia Gross State Product (GSP). Direct and indirect effects of all tourism expenditures are included, but induced (multiplier) effects are not included.*
  - *The Virginia Tourism Corporation received three top national awards, the maximum number allowed, during the Travel Industry Association of America annual ESTO conference, including one for Best Overall Advertising Campaign. Two other awards, one for Niche marketing that promoted Civil War visitation in conjunction with the release of "Gods and*



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*Generals”, and an innovative campaign for best Cooperative Marketing that featured Virginia wines and fine living, completed the list.*

- Prioritize Virginia as a travel destination in statewide marketing efforts.
  - *With the overall goal of “More people, staying longer, spending more money”, the VTC works in cooperation with Virginia’s private sector and public sector tourism industry, the Governor and state and local officials to make sure VTC focuses on generating commerce for the Commonwealth and providing superior customer service to the more than 35 million visitors that vacation in Virginia each year.*
  - *Tourism in Virginia plays a vital role in the state’s economy, generating approximately \$15 billion in annual economic impact. Tourism is the second largest employer in Virginia, behind business services. The travel and tourism industry directly employed approximately 283,000 Virginians in 2003.*
  - *Out-of state visitors accounted for 72% of total visitation, bringing in new revenue for the Commonwealth. On an average day in Virginia, tourism generates approximately \$38 million in spending on lodging, food, gasoline, shopping and other services. The vast majority of tourism businesses in Virginia are small- and medium-sized enterprises.*
  - *All of VTC’s marketing programs are fully integrated: Advertising, public relations, sales, promotions, electronic marketing, research, film and customer service work together on integrated programs such as Fall Foliage, Virginia Wine Country, Pet-friendly travel, Virginia’s Mountain Resorts and Jamestown 2007. The integration ensures staff focus and market domination for specific programs.*
  - *VTC expanded in-state advertising to inspire in-state travel, increase expenditures of out-of-state travelers visiting family and friends in Virginia, and educate the public on the economic value of tourism.*
  
- Implement Executive Order 6 to market Virginia’s meeting and convention facilities more aggressively.

*As of September 2004, 129 meetings have been booked with an estimated economic impact of more than \$20 million. The chart below reflects activity supporting this initiative. Executive Order No. 6 mandates that all state agencies, boards and commissions recruit to Virginia national and regional conferences of organizations of which they are members. The Virginia Tourism Corporation has a dedicated professional assigned to book these meetings from leads submitted by state agency, board and commission employees and another dedicated to reporting the progress of the initiative in a database. The Virginia Tourism Corporation also now features a website designed to raise Virginia’s profile as a meeting and convention destination ([www.virginia.org/meetings](http://www.virginia.org/meetings)). One of the largest of these 129 new meetings and conventions, Travel South Showcase, has selected Richmond for its 2006 Destination Showcase, which will serve as an effective promotion for Jamestown 2007 tour groups and convention attendees. Also VTC is working with the private sector (Virginia Society of Association Executives and Virginia Association of Convention and Visitors Bureaus) to help develop leads and bookings in support of Executive Order No. 6.*



CATEGORY	CUMULATIVE TOTAL
<i>State entities contacted</i>	103
<i>State entities responded</i>	95
<i>Associations identified</i>	1224
<i>Association contacts</i>	1914*
<i>Leads-Associations considering VA</i>	411
<i>RFP's received</i>	47
<i>Confirmed bookings</i>	129
<i>Estimated economic impact from direct spending**</i>	\$21,039,181.00

\*Represents total number of times associations are contacted, not individual associations contacted.

\*\*Additional indirect spending is generated by additional spending in restaurants, ground transportation, entertainment, and shopping.

- Improve facilities of, and develop alternative funding sources for, Virginia's Welcome Centers, and customize highway signage for attractions.
  - VTC in cooperation with the Virginia Department of Transportation (VDOT) to open a state-of-the-art Welcome Center and Rest Area in Mecklenburg County. Located on Interstate 85 in Mecklenburg County near the Virginia-North Carolina border, the new \$8.1 million, Colonial-style brick center includes several large-screen televisions that show weather information and travel information videos in addition to improved lighting, increased parking, exhibit areas, an indoor vending area with seating, updated restrooms, special-use family restrooms and space for future technological enhancements to welcome travelers to the Commonwealth.
  - VTC also teamed with VDOT to open a new rest area in New Kent on I-64.
  - VTC has also teamed with VDOT on an Integrated Directional Signing Program (IDSP) in order to give Virginia motorists a single contact for points of interest including attractions and tourist destinations. There are four main road sign types under the program: Specific Travel Services (Logo Signs), Tourist-Oriented Directional Signs; Supplemental Guide Signs and General Motorist Service Signs. This program will provide a new revenue stream for VTC and those funds will be used to maintain state Welcome Centers and Rest Areas.
  - VTC Welcome Center staff initiated a new program to make reservations for travelers. Nearly 9,000 lodging reservations have been made since the inception of the program in March of 2003
  - VTC initiated an experimental program for one month at the 11 state welcome centers, extending their hours of operation by one hour. That initiative generated an additional 9,000 visitors. VTC is looking to extend the Welcome Center hours by two hours each day beginning in 2005, if funding is available.
  
- Convene a statewide task force to focus on rural tourism development and new rural tourism product.
 

*VTC, in cooperation with the Tobacco Commission, provided tourism-planning assistance in Southwest and Southside Virginia. The final plans will identify key projects, such as Rails to Trails, and tourism needs for possible funding through the Tobacco Commission. In addition, VTC will provide those areas with a regional approach to tourism marketing.*



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- Promote a joint effort among the Virginia Tourism Corporation, Virginia Marine Resources Commission, Department of Conservation and Recreation, Department of Game and Inland Fisheries, and Department of Historic Resources to capitalize on Virginia's natural and historic resources for tourism purposes.
  - VTC has established and enhanced coordination with other state agencies since many of them promote components of tourism. These agencies include but are not limited to the Departments of Game and Inland Fisheries, Conservation and Recreation, Marine Resources, Historic Resources, Business Assistance, Transportation, Agriculture and Consumer Services, Forestry, and the Jamestown-Yorktown Foundation, the Tobacco Commission and the Virginia Economic Development Partnership.*
  - VTC is working with other state agencies on the following projects currently:*
    - *Tourism development in Southside and Southwest Virginia with the Tobacco Commission*
    - *Integrated Directional Signage Program with Virginia Department of Transportation*
    - *Virginia Department of Agriculture on wine marketing programs and marketing initiatives*
    - *Welcome Center and rest area program with Virginia Department of Transportation*
    - *Economic development and tourism missions with Governor Warner and the Virginia Economic Development Partnership*
    - *Outdoor Writers Association Annual Conference with Virginia Department of Game and Inland Fisheries*
    - *Rails to Trails program with the Tobacco Commission and Department of Conservation and Recreation*
    - *VTC cost-shares an employee with the Virginia Tobacco Commission and that employee works 1/2 time on Southside and Southwest Virginia tourism initiatives and 1/2 time on VTC tourism related product inventory and development programs*
    - *Promotion of Jamestown 2007 with the Jamestown/Yorktown Foundation*
    - *Fall Foliage promotion including website with regular updates from Forester Tim with the Virginia Department of Forestry.*
    - *Birding Trail fulfillment, development and publicity with Department of Game and Inland Fisheries*
    - *Best of Virginia Farms Tour book and Cookbook/Kroger Promotion with Virginia Department of Agriculture*
- Provide a dedicated toll-free number and website with 24 hour availability to serve the traveling public.
  - *The VTC Customer Service and Industry Relations unit has established a superior customer service educational program implemented with a 1-800-VISIT-VA operators, Welcome Center staff and private sector. Training provided for toll-free-800-number operators has meant information is consistent with that of the VTC consumer website and Virginia Travel Guide, with operators being trained to serve as sales staff by providing information that encourages a longer stay.*
  - *VTC increased tourism spending via Virginia.org website, encouraging 64% of website visitors to actually visit Virginia in 2002.*
  - *Virginia.org website visitation improved by 40% over 2002, totaling 2,089,448 user sessions in 2003, and achieved a 30% faster download time for web visitors.*
  - *Through VTC Virginia.org website initiatives the following "firsts" for Virginia were achieved:*
    - *Virginia was the first state to offer "Live Assistance" online travel counseling from Virginia.org home page*



## **Governor Warner's Strategic Plan**

- *Virginia is one of the only states to enhance ADA compliance, increasing accessibility so that persons with sight, hearing and mobility impairments can find and book Virginia leisure and business experiences*
- *Virginia.org homepage was redesigned to match consumers with bookable accommodation, packages, events and activities within two (2) clicks from visiting the website*
- *Virginia Tourism launched a sweepstakes with Virginia Film Office and other media business partners*

### **Goal 7**

**Encourage the growth of Virginia's economy through support of exports by Virginia companies and other forms of international trade.**

- Work with businesses to identify obstacles to export products and services and assign responsibility to specific state agencies to address these obstacles.  
*VEDP hired a professional export documentation firm to conduct several workshops across the state for Virginia companies at a significantly subsidized cost. Anti-terrorism security measures have greatly complicated the export market and these workshops presented new regulations to Virginia companies. Additional workshops are planned for FY 2005.*
- Achieve higher levels of participation in international trade events and greater dollar value of Virginia exports through more grassroots marketing efforts and partnering between the state and small Virginia companies.  
*FY 2004 was a record year for participation in VEDP's international trade events. Over 250 Virginia firms participated in VEDP's trade programs and services. Virginia firms made fifty independent visits to VEDP's six foreign offices. Governor Warner led trade missions to Mexico and China. These missions involved one-on-one meetings for Virginia companies with targeted Mexican or Chinese companies to sell Virginia products and services into the respective market. Sixteen Virginia companies participated in the Mexican mission, and ten in the Chinese mission.*
- Increase collaboration between the forestry and agribusiness communities and state economic development agencies to identify new export opportunities and help businesses take advantage of them.  
*Governor Warner created a task force to study ways to increase Virginia's agriculture exports. Representatives from the Virginia Department of Agriculture and Consumer Services (VDACS), VEDP, and the Virginia Port Authority (VPA) have met numerous times with final recommendations to be submitted to Governor Warner in the fourth quarter of 2004.*
- Begin mutual support for import/export in targeted areas of the world, obtaining assistance for Virginia companies seeking to sell or operate abroad and providing the same assistance for companies from those areas in Virginia.  
*The VEDP commissioned a study on "The Contributions of International Imports to Virginia's Economy," with final release scheduled for the fourth quarter of 2004. This numeric analysis will lay the foundation for policy and programmatic initiatives.*
- Initiate a Governor's trade program, in which the Governor recognizes and presents certificates to all companies as they first enter the export market through the Virginia Economic Development Partnership.  
*This program was announced at the annual Virginia Conference on World Trade in October 2003 in Williamsburg.*

## High Unemployment Areas Report and Strategy

VEDP continued its efforts to improve the quality of life for Virginia's distressed areas through technical assistance, new investment, and job creation. While many areas continue to see declines in traditional natural resource-based and manufacturing industries, significant progress has been made in preparing these areas for the increasingly services-based economy. While the better prepared communities are seeing prospect activity, many other distressed communities made positive progress toward becoming competitive for economic development opportunities.

### FY 2004 Accomplishments

Assistance offered to communities from VEDP resources or in combination with the other public and private organizations included the following:

*Distressed Communities Visits Increase.* Business Development staff assisted with 217 prospect visits to distressed communities across Virginia. Prospect visits to distressed Virginia communities represented 50.5% of total visits. Additionally, Business Development staff members made 71 visits to distressed Virginia communities to gain a better understanding of the opportunities these communities afforded.

*Right Now Sites Program.* This program is designed to assure business prospects and consultants that business properties designated as "Right Now" Sites have all the essential elements in place for rapid business location. The "Right Now" Sites Program establishes minimum infrastructure requirements for eight industry groups (light manufacturing, general manufacturing, heavy manufacturing, mega sites, business/industrial parks, office parks, warehouse/distribution, and research and development). In addition to these industry-specific standards, separate "readiness standards" have been established to ensure that these sites are truly "ready-to-go." Since the inception of this program, VEDP has certified 35 sites that have the readiness standards.

*Virtual Buildings Program.* This program expands the "ready-to-go" (Right Now Sites) concept to include preliminary architectural design, cost estimates, and time frames for construction and site plan permit approval for proposed buildings. Local industrial properties meeting these standards are featured prominently on the VEDP website. There are currently four Virtual Building designs. This year, VEDP designed a Virtual Building Demonstration Grant Program to increase the marketable inventory of business properties within Virginia through the development of new "Virtual Buildings." The program covers up to 50% of the program costs up to a maximum grant commitment of \$15,000. Organizations eligible for these grants are local governments, industrial development authorities, economic development authorities, industrial development corporations, and regional marketing organizations.

*VEDP Provides Web-Based Marketing Tools to Localities and Regional Groups.* Thirty-one localities and regions have been added to the VEDP web enabled application, "VanillaScan," that allows regional and local economic development allies to have a sophisticated site selection tool on their respective web sites. While the statewide data are stored on a server located at VEDP, "VanillaScan" allows the local or regional group to supply site marketing information specific to the individual locality or regional group from the VEDP server through their own website. This program enables each local or regional group to save up to \$50,000 on development and maintenance costs. The allies' website, Virginia Allies Information Exchange, was greatly expanded and redesigned to include numerous new useful features, making this a significant resource to local economic development professionals.

*Reorganization of Community Assistance Activities.* In response to our Southwest Virginia allies' concerns, VEDP reassessed the marketing needs of the Southwestern Virginia region and redesigned the position of Community Marketing Specialist which is based in Southwest Virginia. This position now ensures that VEDP's project managers have the key information they need to fully consider, properly recommend, and



## High Unemployment Areas Report and Strategy

sell the region to prospects. This individual provides specific project management assistance and organizational assistance in special marketing initiatives, while helping to coordinate upgrades to VEDP's marketing materials.

Community Assistance in Planning. VEDP staff provided planning assistance to 15 localities and regional organizations in conducting community assessments, preparing strategic economic development marketing plans, and helping local economic development organizations.

Local and Regional Education and Technical Assistance. VEDP staff provided assistance in a number of areas including:

- ◆ Leadership Development Training – five sessions were conducted, with a total of over 120 local elected officials attending.
- ◆ Strategic Economic Development Planning – conducted five local planning sessions.
- ◆ Regional Workshops – conducted six regional workshops with Regional Economic Development organizations to review research methods, resources, and review the process for efficiently preparing responses for business prospect opportunities.
- ◆ VEDP Orientation Sessions – conducted three VEDP orientation sessions involving over 40 local and regional economic development professionals.
- ◆ Evaluation of Existing or Proposed Sites – over 20 different sites evaluated.
- ◆ Evaluation of Existing Buildings – approximately 15 buildings evaluated.
- ◆ Assistance in Accessing State or Federal Programs – assisted over ten localities in accessing state and federal resources.
- ◆ Assistance in Exporting – Abingdon office continues to focus on the export needs of Southwest Virginia businesses. VEDP launched an overseas office visit to introduce Overseas Trade Managers to export needs of Southwest Virginia. International Trade Manager's territories were realigned to better serve Southside communities.

VEDP Shell Buildings in Martinsville and Suffolk sold. During FY 2004, the Martinsville shell building financed with a loan through the Virginia Shell Building Initiative was sold to MZM, Inc., which made a \$4.4 million investment and created 150 jobs. The Suffolk shell building, also financed through the Virginia Shell Building Initiative, was sold to Amadus Coach, which made a \$2.5 million investment and created 12 jobs. There is one remaining shell building on the market in Washington County.

### FY 2005 Initiatives

Although distressed areas are an important focus for VEDP, lost positions and program funds have meant a cut-back in the level of service available to localities and regional groups. VEDP will continue to provide services through existing and available resources to the greatest extent possible.

VEDP will continue to:

- ◆ Use VEDP resources, as available, to support and enhance the local and regional economic development programs.
- ◆ Keep a strong integrated partnership among local, regional, and State economic development organizations as part of the Commonwealth's economic development efforts.
- ◆ Coordinate VEDP orientation meetings for local and regional economic developers from across Virginia to review operations and respond to questions and concerns.
- ◆ Conduct regional workshops to review research methods and resources with allies.
- ◆ Increase VEDP staff knowledge about product availability with particular focus on real estate and labor assets in rural areas and facilitate regular staff visits to these rural and distressed areas.

## High Unemployment Areas Report and Strategy

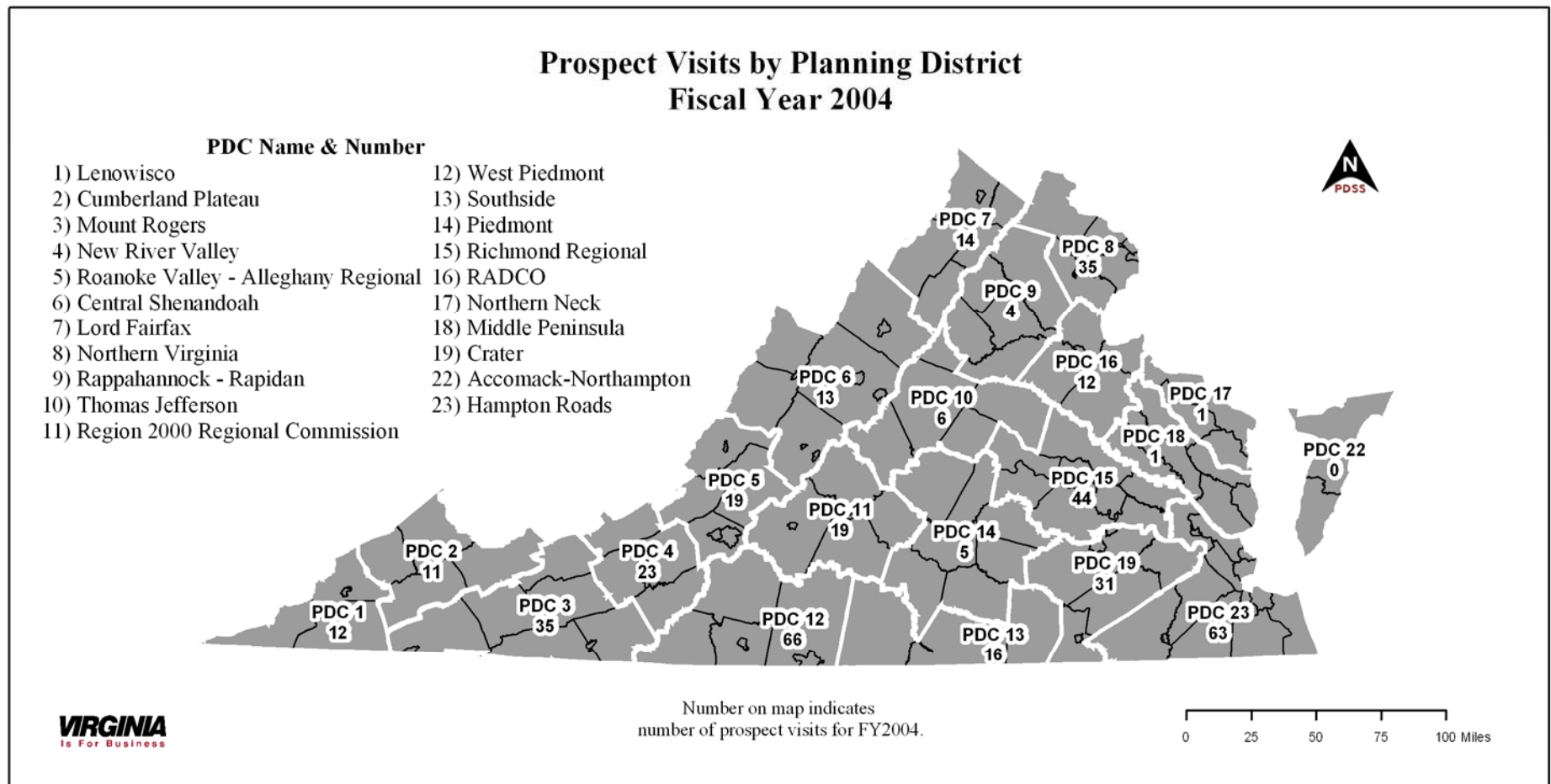
- ◆ Provide technical assistance to distressed communities to improve their economic development capacity.
- ◆ Target industries that complement economically distressed areas of Virginia.
- ◆ Respond to areas with immediate economic distress, such as plant closings.
- ◆ Customize site location proposals that compile recommendations of community, real estate, and workforce offerings.
- ◆ Maintain database of available industrial sites and buildings used for site selection.
- ◆ Maintain and expand database of demographic information on communities and regions available on VEDP's website.
- ◆ Assist communities in evaluating potential new industrial and business parks.
- ◆ Conduct GIS-based presentations to prospects.
- ◆ Conduct teleconferences for local economic development groups (especially useful for those located some distance from Richmond).
- ◆ Plan tours and visits by Business Development Project Managers to distressed areas of the state to share international business experience with international companies.
- ◆ Encourage presentations by distressed communities at Business Development staff meetings.
- ◆ Incorporate performance measures in VEDP position descriptions to support distressed community development efforts.
- ◆ Organize marketing missions and trade shows in markets that will have direct benefit to distressed communities and assist localities with preparation for these events.
- ◆ Highlight different regions around the state, including key location, labor, and site and building information on the VEDP website.

Proposed VEDP FY 2005 activities include:

- ◆ Creating an industry cluster initiative to further refine VEDP's existing industry target marketing.
- ◆ Designing a distressed area marketing initiative.
- ◆ Creating an ally steering committee to give input and guidance on distressed area marketing.
- ◆ Implementing an outreach marketing campaign to the identified target industries.
- ◆ Developing a regional marketing assistance grant program.
- ◆ Creating a new VEDP staff position to coordinate the distressed area marketing initiatives.

# Prospect Visit Data for FY 2004

The figures summarized in this Appendix reflect the distribution of prospect visits documented in the VEDP database made from July 1, 2003, through June 30, 2004. The data are presented geographically by Planning District Commission. The data does not include visits initiated solely by local and regional economic development organizations.



## Prospect Visit Data for FY 2004

PDC#	Locality	Project Counts	Visit Counts	% of Total Visits
1	Lee County	1	3	0.70%
	Norton	2	2	0.47%
	Scott County	2	2	0.47%
	Wise County	5	5	1.16%
<b>Totals</b>		<b>6</b>	<b>12</b>	<b>2.79%</b>
2	Dickenson County	2	2	0.47%
	Russell County	3	4	0.93%
	Tazewell County	4	4	0.93%
	Wise County	1	1	0.23%
<b>Totals</b>		<b>9</b>	<b>11</b>	<b>2.56%</b>
3	Bland County	1	1	0.23%
	Bristol	2	2	0.47%
	Galax	1	1	0.23%
	Grayson County	1	1	0.23%
	Smyth County	11	12	2.79%
	Washington County	7	7	1.63%
	Wythe County	8	11	2.56%
<b>Totals</b>		<b>24</b>	<b>35</b>	<b>8.14%</b>
4	Floyd County	2	3	0.70%
	Montgomery County	4	4	0.93%
	Pulaski County	11	14	3.26%
	Radford	2	2	0.47%
<b>Totals</b>		<b>13</b>	<b>23</b>	<b>5.35%</b>
5	Alleghany County	1	1	0.23%
	Botetourt County	1	1	0.23%
	Clifton Forge	1	1	0.23%
	Roanoke City	4	4	0.93%
	Roanoke County	6	9	2.09%
	Salem	3	3	0.70%
<b>Totals</b>		<b>7</b>	<b>19</b>	<b>4.42%</b>
6	Augusta County	4	6	1.40%
	Harrisonburg	2	2	0.47%
	Rockbridge County	1	1	0.23%
	Rockingham County	1	1	0.23%
	Staunton	3	3	0.70%
<b>Totals</b>		<b>11</b>	<b>13</b>	<b>3.02%</b>

## Prospect Visit Data for FY 2004

PDC#	Locality	Project Counts	Visit Counts	% of Total Visits
7	Frederick County	3	4	0.93%
	Page County	1	1	0.23%
	Shenandoah County	2	2	0.47%
	Warren County	3	3	0.70%
	Winchester	3	4	0.93%
	<b>Totals</b>	<b>8</b>	<b>14</b>	<b>3.26%</b>
8	Alexandria	1	1	0.23%
	Arlington County	3	4	0.93%
	Fairfax County	7	7	1.63%
	Loudoun County	6	6	1.40%
	Manassas	3	4	0.93%
	Prince William County	10	13	3.02%
	<b>Totals</b>	<b>19</b>	<b>35</b>	<b>8.14%</b>
9	Culpeper County	1	1	0.23%
	Madison County	1	1	0.23%
	Orange County	1	2	0.47%
	<b>Totals</b>	<b>3</b>	<b>4</b>	<b>0.93%</b>
10	Albemarle County	2	2	0.47%
	Charlottesville	1	1	0.23%
	Greene County	1	1	0.23%
	Louisa County	2	2	0.47%
	<b>Totals</b>	<b>5</b>	<b>6</b>	<b>1.40%</b>
11	Amherst County	2	2	0.47%
	Bedford City	1	1	0.23%
	Bedford County	2	2	0.47%
	Campbell County	5	7	1.63%
	Lynchburg	7	7	1.63%
	<b>Totals</b>	<b>15</b>	<b>19</b>	<b>4.42%</b>

## Prospect Visit Data for FY 2004

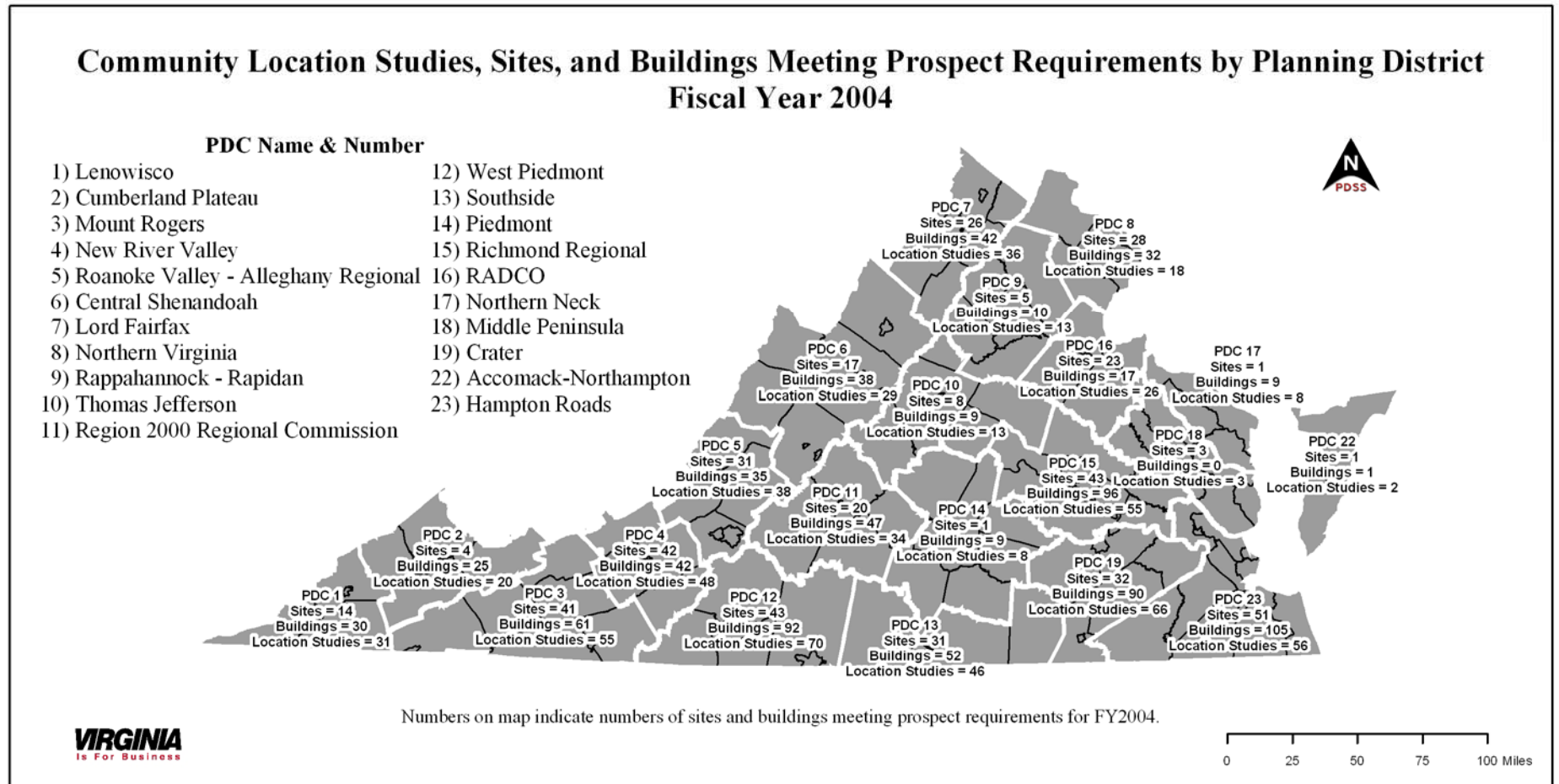
PDC#	Locality	Project Counts	Visit Counts	% of Total Visits
12	Danville	13	16	3.72%
	Franklin County	5	6	1.40%
	Henry County	14	20	4.65%
	Martinsville	10	12	2.79%
	Patrick County	4	4	0.93%
	Pittsylvania County	6	8	1.86%
	<b>Totals</b>	<b>40</b>	<b>66</b>	<b>15.35%</b>
13	Brunswick County	2	4	0.93%
	Halifax County	4	4	0.93%
	Mecklenburg County	6	8	1.86%
	<b>Totals</b>	<b>11</b>	<b>16</b>	<b>3.72%</b>
14	Amelia County	1	3	0.70%
	Nottoway County	1	1	0.23%
	Prince Edward County	1	1	0.23%
	<b>Totals</b>	<b>3</b>	<b>5</b>	<b>1.16%</b>
15	Chesterfield County	14	15	3.49%
	Goochland County	1	1	0.23%
	Hanover County	6	6	1.40%
	Henrico County	12	17	3.95%
	New Kent County	1	1	0.23%
	Richmond City	4	4	0.93%
	<b>Totals</b>	<b>28</b>	<b>44</b>	<b>10.23%</b>
16	Caroline County	1	1	0.23%
	Fredericksburg	1	2	0.47%
	King George County	2	3	0.70%
	Spotsylvania County	3	3	0.70%
	Stafford County	2	3	0.70%
	<b>Totals</b>	<b>6</b>	<b>12</b>	<b>2.79%</b>
17	Westmoreland County	1	1	0.23%
	<b>Totals</b>	<b>1</b>	<b>1</b>	<b>0.23%</b>

## Prospect Visit Data for FY 2004

PDC#	Locality	Project Counts	Visit Counts	% of Total Visits
18	King and Queen County	1	1	0.23%
	<b>Totals</b>	<b>1</b>	<b>1</b>	<b>0.23%</b>
19	Dinwiddie County	5	6	1.40%
	Greensville County	4	7	1.63%
	Hopewell	2	2	0.47%
	Petersburg	3	3	0.70%
	Prince George County	7	9	2.09%
	Surry County	2	3	0.70%
	Sussex County	1	1	0.23%
<b>Totals</b>	<b>16</b>	<b>31</b>	<b>7.21%</b>	
22		0	0	0%
	<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0%</b>
23	Chesapeake	7	8	1.86%
	Franklin City	1	1	0.23%
	Hampton	6	6	1.40%
	Isle of Wight County	4	12	2.79%
	James City County	5	5	1.16%
	Newport News	6	7	1.63%
	Norfolk	6	6	1.40%
	Portsmouth	2	2	0.47%
	Southampton County	1	2	0.47%
	Suffolk	6	7	1.63%
	Virginia Beach	3	4	0.93%
	Williamsburg	1	2	0.47%
	York County	1	1	0.23%
<b>Totals</b>	<b>25</b>	<b>63</b>	<b>14.65%</b>	
<b>Grand Totals</b>		<b>177</b>	<b>430</b>	

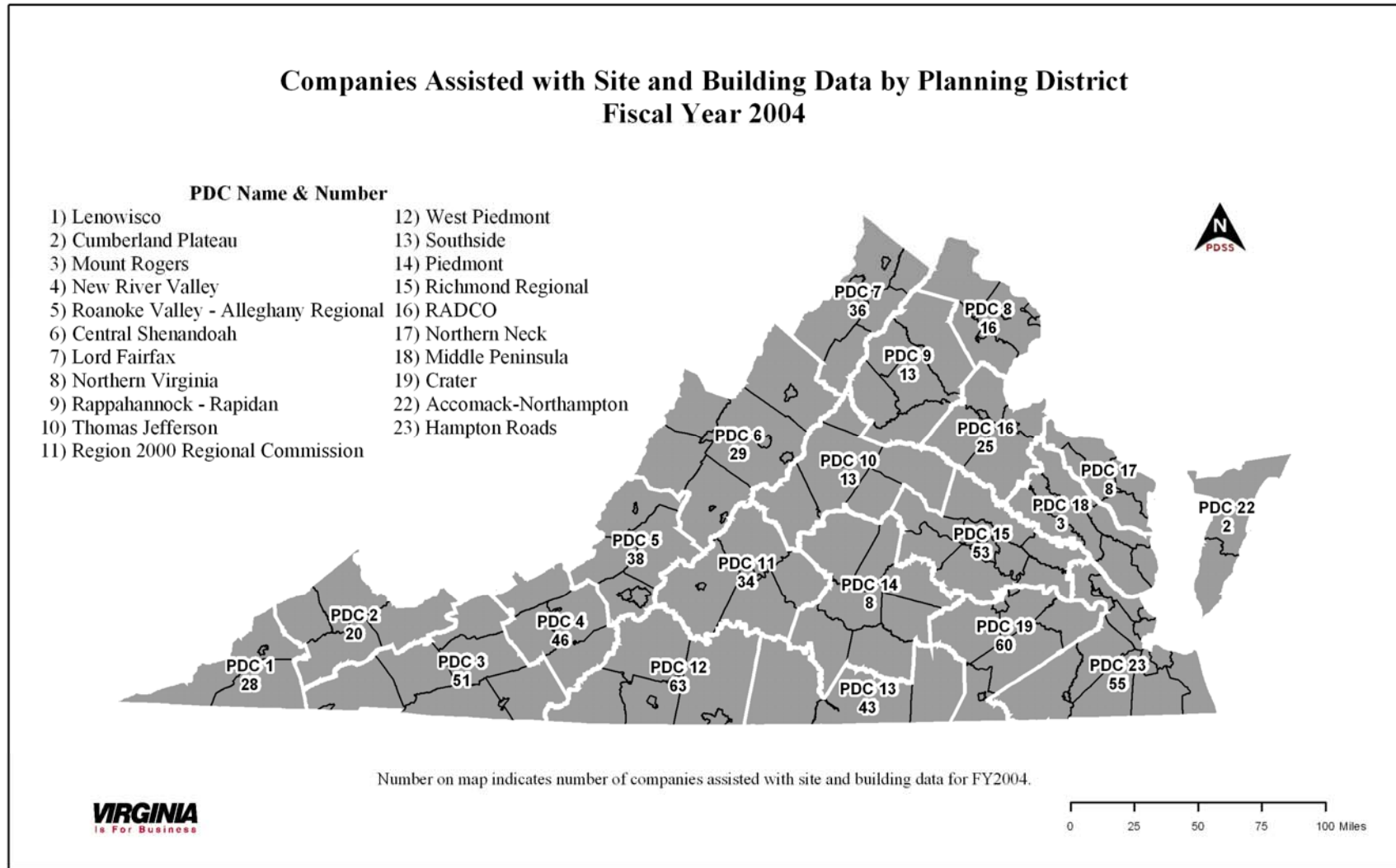
# Site and Building Recommendation Data for FY 2004

The figures summarized in this Appendix reflect the distribution of instances where VEDP provided a location study for a company or their development consultant from July 1, 2003, through June 30, 2004. The data are presented geographically by Planning District Commission.





# Site and Building Recommendation Data for FY 2004



## Site and Building Recommendation Data for FY 2004

Planning District	Location	Sites	Buildings	Sites & Buildings	Location Studies	Companies
<b>1- Lenowisco</b>	Lee Co.	9	12	21	18	17
	1 Norton	0	2	2	2	2
	1 Scott Co.	0	2	2	2	2
	1 Wise Co.	5	14	19	19	17
	<b>PDC 1 Total</b>	<b>Total</b>	<b>14</b>	<b>30</b>	<b>44</b>	<b>31</b>
<b>2 -Cumberland Plateau</b>	Buchanan Co.	0	1	1	1	1
	2 Dickenson Co.	1	11	12	12	12
	2 Russell Co.	2	13	15	12	12
	2 Tazewell Co.	1	0	1	1	1
	<b>PDC 2 Total</b>	<b>Total</b>	<b>4</b>	<b>25</b>	<b>29</b>	<b>20</b>
<b>3-Mount Rogers</b>	Bland Co.	0	0	0	0	0
	3 Bristol	1	0	1	1	1
	3 Carroll Co.	5	9	14	12	11
	3 Galax	2	2	4	4	4
	3 Grayson Co.	0	0	0	0	0
	3 Smyth Co.	0	33	33	24	23
	3 Washington Co.	15	13	28	24	24
	3 Wythe Co.	18	4	22	21	21
	<b>PDC 3 Total</b>	<b>Total</b>	<b>41</b>	<b>61</b>	<b>102</b>	<b>55</b>
<b>4 - New River Valley</b>	Floyd Co.	1	4	5	5	5
	4 Giles Co.	1	0	1	1	1
	4 Montgomery Co.	13	9	22	18	17
	4 Pulaski Co.	27	22	49	35	33
	4 Radford	0	7	7	7	7
<b>PDC 4 Total</b>	<b>Total</b>	<b>42</b>	<b>42</b>	<b>84</b>	<b>48</b>	<b>46</b>
<b>5 -Roanoke Valley-Alleghany</b>	Alleghany Co.	1	4	5	5	5
	5 Botetourt Co.	5	1	6	6	6
	5 Covington	0	0	0	0	0
	5 Craig Co.	0	0	0	0	0
	5 Roanoke Co.	14	16	30	24	24
	5 Roanoke	10	11	21	18	18
	5 Salem	1	3	4	4	4
<b>PDC 5 Total</b>	<b>Total</b>	<b>31</b>	<b>35</b>	<b>66</b>	<b>38</b>	<b>38</b>
<b>6 - Central Shenandoah</b>	Augusta Co.	4	14	18	15	15
	6 Bath Co.	1	1	2	2	2
	6 Buena Vista	2	0	2	2	2
	6 Harrisonburg	0	2	2	2	2
	6 Highland Co.	0	0	0	0	0
	6 Lexington	0	0	0	0	0
	6 Rockbridge Co.	0	8	8	8	8
	6 Rockingham Co.	0	2	2	2	2
	6 Staunton	6	4	10	9	9
	6 Waynesboro	4	7	11	10	10
	<b>PDC 6 Total</b>	<b>Total</b>	<b>17</b>	<b>38</b>	<b>55</b>	<b>29</b>

## Site and Building Recommendation Data for FY 2004

Planning District	Location	Sites	Buildings	Sites & Buildings	Location Studies	Companies
<b>7 - Lord Fairfax</b>	Clarke Co.	1	0	1	1	1
	7 Frederick Co.	11	18	29	15	15
	7 Page Co.	0	1	1	1	1
	7 Shenandoah Co.	8	10	18	16	16
	7 Warren Co.	6	11	17	13	13
	7 Winchester	0	2	2	2	2
	<b>PDC 7 Total</b>	<b>Total</b>	<b>26</b>	<b>42</b>	<b>68</b>	<b>36</b>
<b>8 - Northern Virginia</b>	Alexandria	0	0	0	0	0
	8 Arlington Co.	0	0	0	0	0
	8 Fairfax Co.	3	0	3	3	3
	8 Fairfax	0	0	0	0	0
	8 Falls Church	0	0	0	0	0
	8 Loudoun Co.	9	1	10	4	3
	8 Manassas	1	2	3	3	3
	8 Manassas Park	0	0	0	0	0
	8 Prince William Co.	15	29	44	15	13
	<b>PDC 8 Total</b>	<b>Total</b>	<b>28</b>	<b>32</b>	<b>60</b>	<b>18</b>
<b>9 - Rappahannock-Rapidan</b>	Culpeper Co.	2	6	8	8	8
	9 Fauquier Co.	2	0	2	2	2
	9 Madison Co.	0	0	0	0	0
	9 Orange Co.	1	4	5	5	5
	9 Rappahannock Co.	0	0	0	0	0
<b>PDC 9 Total</b>	<b>Total</b>	<b>5</b>	<b>10</b>	<b>15</b>	<b>13</b>	<b>13</b>
<b>10 - Thomas Jefferson</b>	Albemarle Co.	2	3	5	5	5
	10 Fluvanna Co.	0	0	0	0	0
	10 Greene Co.	1	5	6	5	5
	10 Louisa Co.	4	0	4	4	4
	10 Nelson Co.	1	0	1	1	1
	10 Charlottesville	0	1	1	1	1
<b>PDC 10 Total</b>	<b>Total</b>	<b>8</b>	<b>9</b>	<b>17</b>	<b>13</b>	<b>13</b>
<b>11 - Region 2000 Regional Commission</b>	Amherst Co.	3	6	9	7	7
	Appomattox Co.	5	4	9	7	7
	11 Bedford Co.	2	2	4	4	4
	11 Bedford	3	10	13	9	9
	11 Campbell Co.	3	7	10	10	10
	11 Lynchburg	4	18	22	14	14
<b>PDC 11 Total</b>	<b>Total</b>	<b>20</b>	<b>47</b>	<b>67</b>	<b>34</b>	<b>34</b>
<b>12 - West Piedmont</b>	Danville	17	22	39	31	31
	12 Franklin Co.	6	2	8	7	6
	12 Henry Co.	8	30	38	28	25
	12 Martinsville	3	15	18	13	13
	12 Patrick Co.	1	4	5	5	5
	12 Pittsylvania Co.	8	19	27	25	25
<b>PDC 12 Total</b>	<b>Total</b>	<b>43</b>	<b>92</b>	<b>135</b>	<b>70</b>	<b>63</b>

## Site and Building Recommendation Data for FY 2004

Planning District	Location	Sites	Buildings	Sites & Buildings	Location Studies	Companies
<b>13 - Southside</b>	Brunswick Co.	8	4	12	12	12
	13 Halifax Co.	6	20	26	18	18
	13 Mecklenburg Co.	17	28	45	34	32
<b>PDC 13 Total</b>	<b>Total</b>	<b>31</b>	<b>52</b>	<b>83</b>	<b>46</b>	<b>43</b>
<b>14 - Piedmont</b>	Amelia Co.	0	0	0	0	0
	14 Buckingham Co.	0	2	2	2	2
	14 Charlotte Co.	0	0	0	0	0
	14 Cumberland Co.	0	0	0	0	0
	14 Lunenburg Co.	0	3	3	2	2
	14 Nottoway Co.	1	0	1	1	1
	14 Prince Edward Co.	0	4	4	4	4
<b>PDC 14 Total</b>	<b>Total</b>	<b>1</b>	<b>9</b>	<b>10</b>	<b>8</b>	<b>8</b>
<b>15 - Richmond Regional</b>	Charles City Co.	0	0	0	0	0
	15 Chesterfield Co.	22	30	52	34	34
	15 Goochland Co.	2	4	6	6	6
	15 Hanover Co.	9	19	28	20	20
	15 Henrico Co.	6	27	33	22	21
	15 New Kent Co.	4	0	4	4	4
	15 Powhatan Co.	0	0	0	0	0
	15 Richmond	0	16	16	10	10
<b>PDC 15 Total</b>	<b>Total</b>	<b>43</b>	<b>96</b>	<b>139</b>	<b>55</b>	<b>53</b>
<b>16 - RADCO</b>	Caroline Co.	2	6	8	8	7
	16 King George Co.	5	0	5	5	5
	16 Fredericksburg	0	2	2	2	2
	16 Spotsylvania Co.	7	8	15	13	13
	16 Stafford Co.	9	1	10	7	7
<b>PDC 16 Total</b>	<b>Total</b>	<b>23</b>	<b>17</b>	<b>40</b>	<b>26</b>	<b>25</b>
<b>17 - Northern Neck</b>	Lancaster Co.	0	0	0	0	0
	17 Northumberland Co.	1	0	1	1	1
	17 Richmond Co.	0	3	3	2	2
	17 Westmoreland Co.	0	6	6	6	6
<b>PDC 17 Total</b>	<b>Total</b>	<b>1</b>	<b>9</b>	<b>10</b>	<b>8</b>	<b>8</b>
<b>18 - Middle Peninsula</b>	Essex Co.	0	0	0	0	0
	18 Gloucester Co.	1	0	1	1	1
	18 King and Queen Co.	1	0	1	1	1
	18 King William Co.	1	0	1	1	1
	18 Mathews Co.	0	0	0	0	0
	18 Middlesex Co.	0	0	0	0	0
<b>PDC 18 Total</b>	<b>Total</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>19 - Crater</b>	Colonial Heights	0	1	1	1	1
	19 Dinwiddie Co.	8	15	23	20	18
	19 Emporia	0	2	2	2	2
	19 Greensville Co.	3	21	24	23	23
	19 Hopewell	2	2	4	4	4
	19 Petersburg	4	18	22	19	18

## Site and Building Recommendation Data for FY 2004

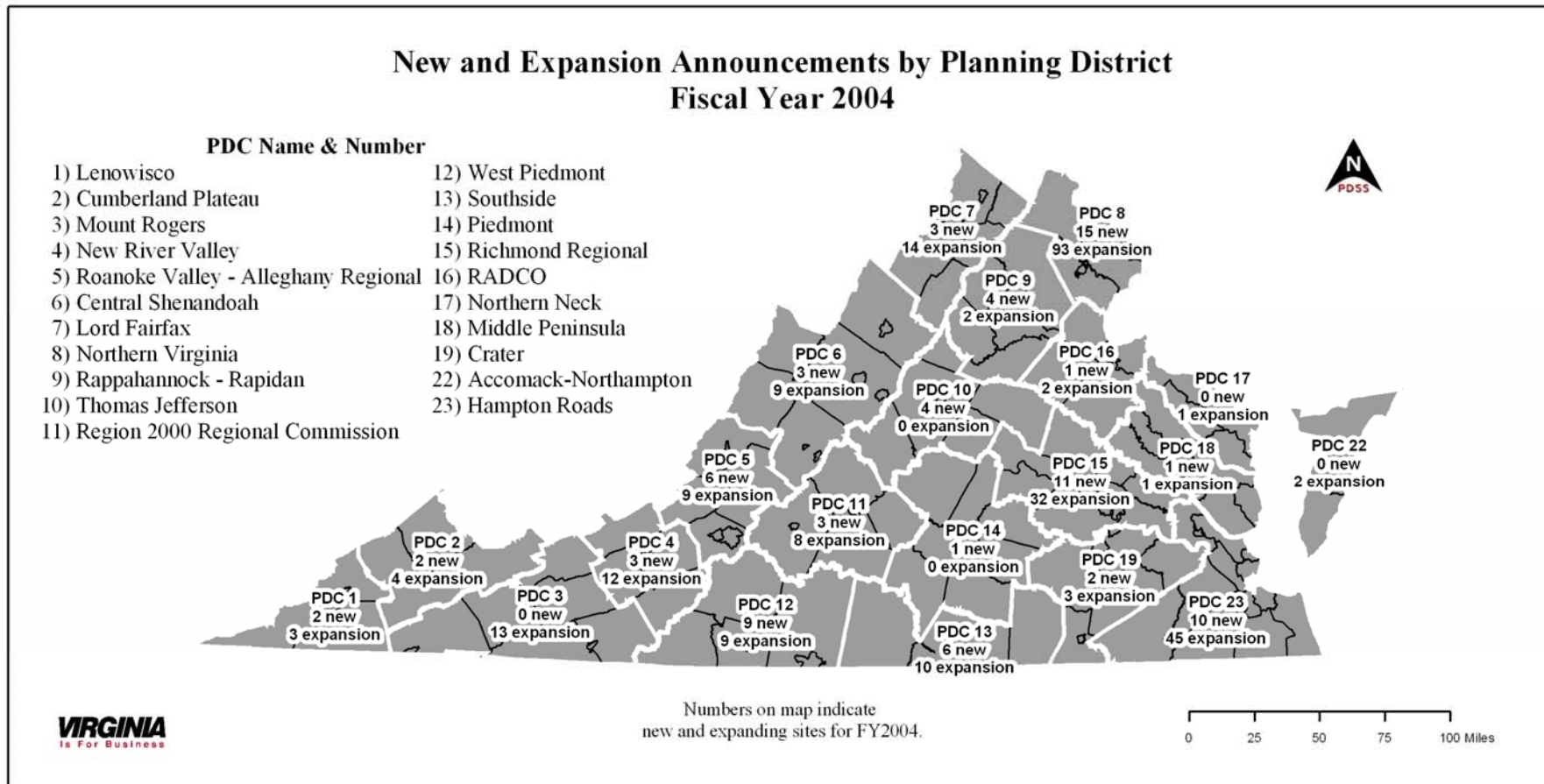
Planning District	Location	Sites	Buildings	Sites & Buildings	Location Studies	Companies
<b>Crater continued</b>	19 Prince George Co.	11	22	33	33	31
	19 Surry Co.	1	9	10	9	8
	19 Sussex Co.	3	0	3	3	3
<b>PDC 19 Total</b>	<b>Total</b>	<b>32</b>	<b>90</b>	<b>122</b>	<b>66</b>	<b>60</b>
<b>22 - Accomack-Northampton</b>	Accomack Co.	1	1	2	2	2
	22 Northampton Co.	0	0	0	0	0
<b>PDC 22 Total</b>	<b>Total</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>23 - Hampton Roads</b>	Chesapeake	10	11	21	14	14
	23 Franklin	0	0	0	0	0
	23 Hampton	2	15	17	13	13
	23 Isle of Wight Co.	8	0	8	7	7
	23 James City Co.	3	20	23	17	17
	23 Newport News	4	17	21	18	18
	23 Norfolk	0	3	3	3	3
	23 Poquoson	0	0	0	0	0
	23 Portsmouth	2	4	6	5	5
	23 Southampton	5	0	5	5	5
	23 Suffolk	11	24	35	28	27
	23 Virginia Beach	2	9	11	6	6
	23 Williamsburg	0	0	0	0	0
	23 York Co.	4	2	6	6	6
<b>PDC 23 Total</b>	<b>Total</b>	<b>51</b>	<b>105</b>	<b>156</b>	<b>56</b>	<b>55</b>
<b>Grand Totals</b>		<b>465</b>	<b>842</b>	<b>1307</b>	<b>201*</b>	<b>179</b>

\*Does not include multiple proposals for the same project and properties; existing industry proposals; or other project related assistance not including site or building recommendations.

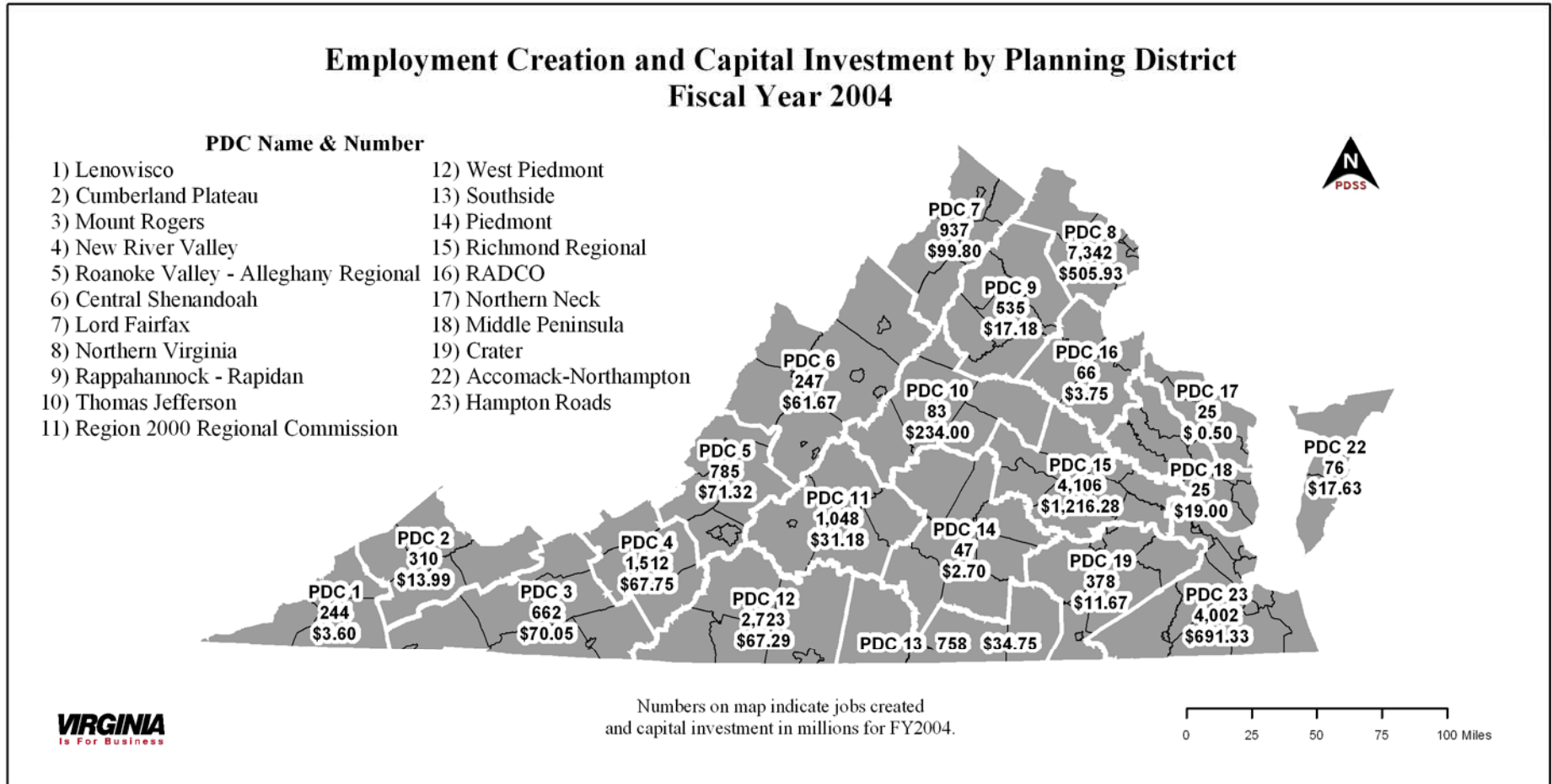
Note: PDC 8 numbers reported are lower than actual and do not reflect additional recommendations of office/flex space not included in VEDP's sites & buildings database.

# Announcement Data for FY 2004

The figures summarized in this Appendix cover announcements made between July 1, 2003 through June 30, 2004. The data are presented geographically by Planning District Commission. This information is based on announcements of *planned* manufacturing and nonmanufacturing capital expenditures; many of the new facilities announced are not yet in operation. The information indicates the kind of new economic activity occurring in the state; it does not measure total employment growth. Information is obtained from the Virginia Economic Development Partnership's public and private sector contacts at state, regional, and local levels, as well as from published sources and Partnership staff. Rules for documentation of announcements were established to ensure consistency of reported data.



# Announcement Data for FY 2004



# Announcement Data for FY 2004

Company Name	PDC	Location	MFG	Type	NAICS	Business	Employment	Investment (millions)
Powell River Lumber Company	1	Wise County	M	N	321113	Wood products	50	\$1.30
Virtus Marketing	1	Norton	N	N	561422	Call center, customer support	67	\$0.50
<i>New Totals</i>						<i>2 announcements</i>	<i>117</i>	<i>\$1.80</i>
Buchanan Pump Service & Supply Co.	1	Wise County	N	E	423830	Distribute water pumps & parts	10	\$0.20
Joy Mining Manufacturing	1	Scott County	M	E	333131	Mining equipment manufacturing	45	\$1.60
VFP Inc.	1	Scott County	M	E	327390	Prefabricate concrete buildings	72	\$0.00
<i>Expansion Totals</i>						<i>3 announcements</i>	<i>127</i>	<i>\$1.80</i>
<b>PDC 1 Totals</b>						<b>5 announcements</b>	<b>244</b>	<b>\$3.60</b>
Appalachian Metal	2	Dickenson County	M	N	332311	Metal buildings and roofing	30	\$0.30
Blue Ridge Wood Products Inc.	2	Tazewell County	M	N	321211	Manufacture wood veneer products	160	\$3.64
<i>New Totals</i>						<i>2 announcements</i>	<i>190</i>	<i>\$3.94</i>
Pemco Corp.	2	Tazewell County	M	E	335310	Transformers and switchgear	20	\$0.40
Pepsi-Cola Bottling Co.	2	Tazewell County	N	E	424490	Distribution center, soft drinks	21	\$0.25
Pounding Mill Quarry	2	Tazewell County	N	E	212312	Limestone mining	4	\$6.50
Teleflex Automotive Group	2	Russell County	M	E	336322	Automotive parts, driver control cables	75	\$2.90
<i>Expansion Totals</i>						<i>4 announcements</i>	<i>120</i>	<i>\$10.05</i>
<b>PDC 2 Totals</b>						<b>6 announcements</b>	<b>310</b>	<b>\$13.99</b>
ABB Inc. *	3	Bland County	M	E	335311	Power transformers, defense contractor	75	\$3.00
Camrett Logistics	3	Smyth County	N	E	493190	Logistics services, warehouse and distribution center	2	\$0.25
Camrett Logistics	3	Wythe County	N	E	493190	Logistics services, warehouse and distribution center	4	\$0.20
Diversified Manufacturing Solutions Inc.	3	Wythe County	M	E	332710	Contract assembly	60	\$0.00
General Dynamics Armament & Technical Products	3	Smyth County	M	E	336413	Resin transfer molding components, defense industry	120	\$6.50
Guardian Industries Corp.	3	Galax	M	E	327211	Laminated glass	54	\$2.50
Klöckner Pentaplast*	3	Wythe County	M	E	326113	Rigid plastic films	20	\$5.00
Magnetic Technologies Corporation	3	Wythe County	M	E	335311	Manufacture dry-type power transformers	10	\$0.10
Merillat Industries, Inc.	3	Smyth County	M	E	337110	Manufacture kitchen cabinet panels	60	\$6.00
Musser Lumber Sales Inc.	3	Wythe County	M	E	321912	HQ, dimension lumber, moulding & flooring	45	\$3.00
Steel Fab Inc. *	3	Washington County	M	E	332313	Carbon steel pressure vessels, air receivers	10	\$1.00
Utility Trailer Manufacturing Co.	3	Smyth County	M	E	336212	Refrigerated trailers	100	\$11.50
Wytheville Technologies Inc. *	3	Wythe County	M	E	336330	Automotive steering components	102	\$31.00
<i>Expansion Totals</i>						<i>13 announcements</i>	<i>662</i>	<i>\$70.05</i>
<b>PDC 3 Totals</b>						<b>13 announcements</b>	<b>662</b>	<b>\$70.05</b>



# Announcement Data for FY 2004

Company Name	PDC	Location	MFG	Type	NAICS	Business	Employment	Investment (millions)
Eastern Companies	4	Montgomery County	N	N	423930	Collect and recycle tires	30	\$0.00
Global Contact Services	4	Pulaski County	N	N	561422	Call center, financial and insurance services	300	\$1.35
Swift Transportation Co.	4	Pulaski County	N	N	484230	Transportation of Volvo trucks	200	\$0.00
<i>New Totals</i>						<i>3 announcements</i>	530	\$1.35
Alliant Techsystems	4	Radford	M	E	325920	TNT, defense contractor	150	\$16.00
Aspen Motion Technologies	4	Radford	M	E	335312	Brushless DC motors, motorized impellers	100	\$1.00
Celanese Acetate*	4	Giles County	M	E	325211	R&D, cellulose acetate	55	\$10.00
Corning Incorporated	4	Montgomery County	M	E	336399	Manufacture catalytic converters	77	\$15.50
EchoStar Communications Corp.	4	Montgomery County	N	E	517510	Direct satellite television, call center	300	\$0.00
Ferguson Enterprises Inc. *	4	Montgomery County	N	E	423730	Distribution center, HVAC equipment	12	\$1.00
Hubbell Lighting, Inc.	4	Montgomery County	M	E	335122	Manufacture & distribute lighting fixtures	50	\$1.50
Kollmorgen, Inland Motor Division	4	Radford	M	E	335312	Electric motors for aerospace & medical devices	71	\$2.85
Kriskell/ESS Technologies Group	4	Montgomery County	M	E	333993	Custom packaging equipment	10	\$0.70
MapTech Inc.	4	Montgomery County	N	E	541511	GIS software integration	5	\$0.75
Radford Army Ammunition Plant	4	Radford	M	E	325920	Military supplier, produce TNT	150	\$16.00
Seibold Security	4	Montgomery County	M	E	334290	Manufacture & service security systems	2	\$1.10
<i>Expansion Totals</i>						<i>12 announcements</i>	982	\$66.40
<b>PDC 4 Totals</b>						<b>15 announcements</b>	<b>1,512</b>	<b>\$67.75</b>
Cardinal Glass Industries	5	Roanoke County	M	N	327211	Insulating glass	300	\$23.90
Genomatix	5	Roanoke City	M	N	541510	Manufacture genetic materials	7	\$1.00
Luna iMonitoring	5	Roanoke City	N	N	541710	Integrated wireless sensor development	12	\$0.00
Renaissance Contract Lighting & Furnishings	5	Roanoke City	M	N	335122	Manufacture customized lighting	80	\$1.72
USF Red Star Incorporated	5	Roanoke County	N	N	484121	Trucking services, distribution and logistics	35	\$0.40
Valley Machine and Maintenance Company	5	Roanoke County	M	N	332710	Manufacture machine parts	55	\$0.00
<i>New Totals</i>						<i>6 announcements</i>	489	\$27.02
Atlas Cold Storage*	5	Roanoke County	N	E	492130	Food distribution	0	\$9.00
Elizabeth Arden Inc.	5	Roanoke City	N	E	424210	Distribution center, cosmetics and perfumes	90	\$5.00
Maple Leaf Bakery USA *	5	Roanoke City	M	E	311812	Commercial bakery	25	\$12.30
Member One Federal Credit Union	5	Roanoke City	N	E	522130	HQ, federal credit union	0	\$5.00
Precision Fabrics Group	5	Roanoke County	M	E	314999	High performance textiles	35	\$4.00
Salem Preferred Partners LLC	5	Salem	M	E	336312	Truck engine assembly	50	\$1.00
Semco Inc.	5	Roanoke City	M	E	332322	Fabricate metal parts for the HVAC industry	25	\$6.00

# Announcement Data for FY 2004

Company Name	PDC	Location	MFG	Type	NAICS	Business	Employment	Investment (millions)
Verizon Communications	5	Roanoke City	N	E	517110	Call center, telecommunications services	71	\$0.00
Virginia Forge Co.	5	Botetourt County	M	E	332111	Automotive wheel bearing braces	0	\$2.00
<i>Expansion Totals</i>						<i>9 announcements</i>	296	\$44.30
<b>PDC 5 Totals</b>						<b>15 announcements</b>	<b>785</b>	<b>\$71.32</b>
Marks Products Inc.	6	Highland County	M	N	334310	Borehole camera systems for inspection of wells/ mines	10	\$0.18
Matt's Supreme Cones	6	Waynesboro	M	N	311821	Ice cream and waffle cones	20	\$0.83
MicroPhase Coatings Inc.	6	Bath County	M	N	325998	HQ, high-tech coatings & materials, aerospace industry	50	\$0.00
<i>New Totals</i>						<i>3 announcements</i>	80	\$1.01
Banta Books	6	Harrisonburg	N	E	424920	Distribution center; books	12	\$6.50
Bea Maurer, Inc.	6	Rockbridge County	M	E	314912	Deployable soft shelters for the military	0	\$0.66
Bontex, Inc.	6	Buena Vista	M	E	313320	Manufacture foam & imitation leather	15	\$0.00
Bruin USA*	6	Staunton	M	E	331316	Aluminum extruded product manufacturing	9	\$1.00
Hershey Chocolate of Virginia, Inc.	6	Augusta County	M	E	311320	Chocolate candy	110	\$48.00
McKee Baking Co.	6	Augusta County	M	E	311812	Snack cakes	0	\$1.00
Pallets 4 U	6	Harrisonburg	M	E	321920	Manufacture wooden pallets	0	\$0.50
Pilgrim's Pride Corp.	6	Harrisonburg	M	E	311119	Feed mill	1	\$3.00
SEI Technology Inc.	6	Harrisonburg	N	E	541611	Immigration records maintenance	20	\$0.00
<i>Expansion Totals</i>						<i>9 announcements</i>	167	\$60.66
<b>PDC 6 Totals</b>						<b>12 announcements</b>	<b>247</b>	<b>\$61.67</b>
M & H Plastics *	7	Frederick County	M	N	326160	Plastic containers	57	\$12.00
New Breed	7	Warren County	N	N	541614	Supply chain network solutions, logistics	160	\$2.50
Urban Engineering & Associates Inc.	7	Winchester	N	N	541330	Civil engineering, landscape architects, land surveyors	15	\$0.00
<i>New Totals</i>						<i>3 announcements</i>	232	\$14.50
American Woodmark Corp.	7	Frederick County	N	E	561422	Customer service center, kitchen cabinets	100	\$0.00
Annandale Millwork/Allied Systems Corp.	7	Frederick County	M	E	321214	Wooden roof and floor trusses, doors, windows, trim	100	\$4.29
Barber & Ross Company	7	Frederick County	M	E	321911	HQ, wood windows, doors, mouldings, millwork	100	\$13.00
Bowman Apple Products Co. Inc.	7	Shenandoah County	M	E	311421	Plastic bottling, juices	20	\$0.00
DuPont Front Royal	7	Warren County	M	E	325510	Automotive paints	50	\$1.00
Executive Protective Systems	7	Winchester	N	E	541690	Security consulting services, government contractor	30	\$0.25
Federal Mogul	7	Winchester	M	E	336340	Manufacture brake parts	0	\$3.00
GE Lighting	7	Frederick County	M	E	335110	Incandescent light bulbs	0	\$1.50
GRW Technologies*	7	Winchester	M	E	325211	Manufacture plastic injection molded automotive parts	30	\$1.30
H.P. Hood Inc.	7	Frederick County	M	E	311514	Dairy products	65	\$42.80

# Announcement Data for FY 2004

Company Name	PDC	Location	MFG	Type	NAICS	Business	Employment	Investment (millions)
MIC Industries Inc.	7	Frederick County	M	E	333120	Manufacture machines that build steel buildings	139	\$4.00
RJJ Tire Co., Inc.	7	Shenandoah County	N	E	423930	Tire recycling facility	35	\$3.10
Telephone Components	7	Clarke County	M	E	334210	Industrial telephone handsets	0	\$0.16
Trex Company Inc.	7	Frederick County	M	E	321219	HQ, wood/plastic composite lumber	36	\$10.90
<i>Expansion Totals</i>						<i>14 announcements</i>	<i>705</i>	<i>\$85.30</i>
<b>PDC 7 Totals</b>						<b>17 announcements</b>	<b>937</b>	<b>\$99.80</b>
84 Lumber Company	8	Prince William County	N	N	423310	Supplier of building materials	18	\$3.20
Ariel Research Corp.	8	Fairfax County	N	N	541620	Environmental, health & safety management research	75	\$0.00
Discovery Communications, Inc.	8	Loudoun County	N	N	515210	Cable TV channels	100	\$20.00
Geo-Centers, Inc.	8	Prince William County	N	N	541710	Chemical & biological research facility	15	\$2.50
Homestead Building Services	8	Prince William County	M	N	321992	Pre-assembled wall panels	50	\$3.00
Insystem Inc.	8	Prince William County	N	N	541512	Data warehousing and analysis, government contractor	11	\$0.34
McManis-Monsalve	8	Prince William County	N	N	541618	HQ, management and strategic consulting	23	\$0.40
National Security Research Inc.	8	Arlington County	N	N	541720	National security policy research & analysis	100	\$1.04
NFRES	8	Fairfax County	N	N	541191	Provide settlement services	34	\$0.70
Royal Bank of Canada *	8	Fairfax County	N	N	522110	Business loans and mortgage services	100	\$0.00
SAI	8	Prince William County	N	N	541330	Mechanical engineering	0	\$0.15
Securify Inc.	8	Fairfax County	N	N	541512	Network security management, defense contractor	12	\$0.00
Telecommunication Systems Inc.	8	Prince William County	N	N	541512	Telecommunications software	20	\$2.65
WaveLight Laser Inc. *	8	Loudoun County	M	N	334510	US HQ, medical laser systems	30	\$5.00
Women in Cable & Telecommunications	8	Fairfax County	N	N	813920	Professional association	13	\$0.00
<i>New Totals</i>						<i>15 announcements</i>	<i>601</i>	<i>\$38.98</i>
3H Technology	8	Fairfax County	N	E	541512	IT consulting, government contractor	110	\$0.30
ABR Services	8	Prince William County	N	E	541860	Direct mail; data processing	25	\$5.00
Accelera Solutions	8	Fairfax County	N	E	541512	Information technology services provider	28	\$0.11
Accenture Technology Solutions	8	Fairfax County	N	E	541512	Technology consulting services	270	\$1.00
AES Corporation	8	Arlington County	N	E	221122	HQ, electric power generation & distribution	115	\$5.00
Alexandria Today	8	Alexandria	N	E	511110	Newspaper publishing	15	\$0.15
AmCad	8	Fairfax County	N	E	541512	Software development	40	\$1.00
Angler Environmental	8	Prince William County	N	E	541330	Environmental engineering services	144	\$0.00
AnviCom Inc.	8	Fairfax County	N	E	541512	HQ, IT & engineering services, defense contractor	224	\$1.23
ASAP Printing and Mailing	8	Alexandria	M	E	323110	Commercial printing	40	\$0.00
Associated Builders & Contractors Inc.	8	Arlington County	N	E	813910	HQ, trade association	125	\$0.75
Automated Business Systems & Services	8	Fairfax County	N	E	541512	IT solutions, government contractor	50	\$0.00
Avaya Inc.	8	Arlington County	N	E	541512	Telecommunications network systems	100	\$0.61

# Announcement Data for FY 2004

Company Name	PDC	Location	MFG	Type	NAICS	Business	Employment	Investment (millions)
Blinc Inc.	8	Fairfax County	N	E	424210	Distribution center, cosmetics	12	\$0.35
Broad Margin	8	Fairfax County	N	E	541618	Telecommunications outsourcing & consulting services	35	\$0.00
Broadmargin Inc.	8	Fairfax County	N	E	541690	Telecommunications consultant	144	\$1.30
Care Fusion	8	Fairfax County	N	E	517212	Wireless, mobile applications for hospitals	15	\$3.00
Commerce Funding Corp.	8	Fairfax County	N	E	522298	Business financial services	15	\$0.00
Concept Solutions	8	Fairfax County	N	E	541512	IT consulting	25	\$0.11
DigitalNet	8	Fairfax County	N	E	541512	Network computing solutions provider	893	\$0.00
Dominion Energy	8	Prince William County	N	E	221112	Electric power generation	0	\$382.00
Dynamics Research Corp.	8	Fairfax County	N	E	541330	Engineering services, government contractor	150	\$0.00
EagleForce Associates	8	Fairfax County	N	E	541512	Knowledge discovery solutions, government contractor	30	\$0.00
EDS	8	Fairfax County	N	E	541512	Network data center/support; defense contractor	333	\$5.00
EG&G Technical Services	8	Prince William County	N	E	541330	Engineering, logistics, & analytical support	30	\$1.60
Ensco, Inc.	8	Fairfax County	N	E	541330	Engineering, science, & technology solutions	65	\$0.00
Enterprise Database Corporation	8	Prince William County	N	E	541511	Custom computer programming services	10	\$0.35
Environ International	8	Arlington County	N	E	541620	Environmental consulting	100	\$0.00
Equant *	8	Fairfax County	N	E	517110	Telecommunications services	150	\$0.00
Ganeden Biotech Inc.	8	Prince William County	N	E	541710	Biotech research for military applications	2	\$0.10
General Dynamics Corp.	8	Fairfax County	N	E	541710	R&D facility, defense contractor	70	\$0.00
General Dynamics Future Combat Systems	8	Prince William County	M	E	336992	Combat vehicle engineering	150	\$2.00
HireStrategy	8	Fairfax County	N	E	541612	Executive placement services	29	\$0.00
Hosanna Filters	8	Prince William County	M	E	333618	Manufacture & distribute engine equipment	0	\$0.30
I360 Technologies	8	Fairfax County	N	E	518111	B2B technology solutions; Internet services	35	\$0.00
Idea Integration	8	Fairfax County	N	E	541512	Technology solutions	92	\$0.00
iDirect Technologies	8	Fairfax County	N	E	518111	HQ, satellite broadband Internet access	25	\$0.12
Information Manufacturing Corporation	8	Prince William County	N	E	514210	Document/data, data storage	15	\$0.50
Innovative Solutions International	8	Fairfax County	N	E	541330	Engineering services, defense contractor	25	\$0.00
International Network Services	8	Fairfax County	N	E	541512	Network consulting & software services	20	\$0.00
Kishimoto, Gordon, Dalaya PC	8	Fairfax County	N	E	541310	Architectural services	75	\$0.00
Kraft Foods Inc.	8	Prince William County	N	E	424490	Distribution center, food products	35	\$6.00
Krispy Kreme Manufacturing & Distribution	8	Fairfax County	M	E	311812	Doughnuts, distribution center	120	\$1.50
Magisoft	8	Fairfax County	N	E	561499	Provide videoconferencing solutions	20	\$0.00
MCL Systems	8	Prince William County	N	E	541512	Software development & IT consulting	0	\$0.23
Mediatech, Inc.	8	Prince William County	M	E	325414	Manufacture life sciences products	100	\$10.00
MicroAutomation Inc.	8	Prince William County	N	E	541512	Integrated technology solutions for call centers	0	\$1.40
Mills Corp.	8	Arlington County	N	E	525930	HQ, commercial real estate investment	40	\$0.66
Mobile Access Networks	8	Fairfax County	N	E	517212	In-building wireless solutions	12	\$0.00

# Announcement Data for FY 2004

Company Name	PDC	Location	MFG	Type	NAICS	Business	Employment	Investment (millions)
Navigant Consulting	8	Fairfax County	N	E	561110	Management consulting services	20	\$0.00
Northrop Grumman IT	8	Fairfax County	N	E	541411	IT services for the federal government	175	\$1.00
Northrop Grumman IT	8	Fairfax County	N	E	541511	Provide technology systems services	582	\$9.02
NTT Verio*	8	Fairfax County	N	E	518111	Internet service provider	45	\$0.00
Number Six Software	8	Arlington County	N	E	541511	Software engineering, government contractor	50	\$0.12
Online Resources Corp.	8	Fairfax County	N	E	518111	Online banking solutions	55	\$0.00
Openet Telecom *	8	Fairfax County	N	E	541511	Telecommunications software	10	\$0.00
Pantheon	8	Fairfax County	N	E	541512	IT consulting	15	\$0.00
Piper Rudnick	8	Fairfax County	N	E	541110	Business law	30	\$0.00
Preferred Systems Solutions Inc.	8	Fairfax County	N	E	541512	IT services for federal government	150	\$0.30
Prizum, Inc.	8	Fairfax County	N	E	541512	Implement & integrate information systems	17	\$0.00
Progeny Systems	8	Prince William County	N	E	541330	HQ, engineering services, defense contractor	0	\$6.20
Project Developers Inc.	8	Loudoun County	N	E	238990	HQ, secure facility construction & design	40	\$0.00
ProLogic Inc.	8	Prince William County	N	E	541512	IT & software services, government contractor	100	\$4.50
Protective Solutions Inc.	8	Loudoun County	M	E	314912	Manufacture military tents	40	\$0.16
Prototype Productions Inc.	8	Loudoun County	M	E	332710	Product development & machining, defense contractor	28	\$0.00
Realeum Inc.	8	Fairfax County	N	E	541511	Develop property management software	88	\$0.00
Security Industry Association	8	Alexandria	N	E	813910	Trade association	15	\$0.00
SeNet International Corp.	8	Fairfax County	N	E	518111	Internet security; network services	32	\$0.00
SETA Corp.	8	Fairfax County	N	E	541512	IT consulting, government contractor	100	\$0.00
Silo Smashers	8	Fairfax County	N	E	541512	IT services for federal government	100	\$1.40
Software Performance Systems Inc.	8	Fairfax County	N	E	541512	IT consulting, government contractor	85	\$0.00
Stanley Associates	8	Prince William County	N	E	541512	Computer systems design services	30	\$1.30
SureScripts	8	Fairfax County	N	E	517212	Two-way electronic prescribing network	10	\$0.00
Telco Exchange	8	Fairfax County	N	E	541511	Web-based telecommunications software	12	\$5.00
Titan Corp., System Services Group	8	Fairfax County	N	E	541512	IT consulting, government contractor	25	\$0.00
Tolin Mechanical Systems	8	Fairfax County	N	E	238220	HVAC service provider	74	\$0.00
Traffic Systems & Technology	8	Prince William County	N	E	423610	Wholesalers, traffic signals and systems	0	\$0.50
Transaction Network Services	8	Fairfax County	N	E	541512	Design & implement data networks	33	\$0.00
Trusted Edge	8	Fairfax County	N	E	541511	Software development	35	\$0.20
Trusted Mission Solutions	8	Alexandria	N	E	541512	IT services for federal government	60	\$0.10
Unisys Corporation	8	Fairfax County	N	E	541512	Information technology consulting	175	\$0.00
US Investigations Services	8	Arlington County	N	E	561611	Personnel security services	30	\$0.38
UTD Inc.	8	Fairfax County	N	E	541710	Engineering and R&D services, government contractor	100	\$0.30
UTD Incorporated	8	Fairfax County	N	E	541710	Engineering & R&D services	45	\$0.00
Valador	8	Fairfax County	N	E	541618	Information technology	10	\$0.50

# Announcement Data for FY 2004

Company Name	PDC	Location	MFG	Type	NAICS	Business	Employment	Investment (millions)
Valador	8	Fairfax County	N	E	541618	Project management, government contractor	10	\$0.00
Vista Technology Services Inc.	8	Fairfax County	N	E	541512	Software development	25	\$0.30
Vista Technology Services Inc.	8	Fairfax County	N	E	541512	IT consulting, defense contractor	10	\$0.00
Western Branch Diesel	8	Prince William County	N	E	423830	Wholesale distribution, diesel engines & generators	0	\$4.00
William Data Systems, LLC	8	Fairfax County	N	E	541512	Network problem-solving tools	22	\$0.00
X-Com Systems, LLC	8	Fairfax County	N	E	541512	Design digital communication hardware & software	20	\$0.00
Xtria, LLC	8	Fairfax County	N	E	541512	Information technology services	25	\$0.00
Zolon	8	Fairfax County	N	E	541512	Technology consulting software development services	55	\$0.00
<i>Expansion Totals</i>						<i>93 announcements</i>	<i>6,741</i>	<i>\$466.95</i>
<b>PDC 8 Totals</b>						<b>108 announcements</b>	<b>7,342</b>	<b>\$505.93</b>
Aerojet	9	Orange County	M	N	336415	Manufacture space propulsion systems	149	\$6.98
Structural Systems Inc.	9	Culpeper County	M	N	321214	Wooden roof and floor trusses, windows, doors	249	\$3.00
Timber Truss Housing Systems Inc.	9	Orange County	M	N	321214	Wood truss manufacturing	93	\$5.30
Wright's Iron & Steel	9	Orange County	M	N	332323	Steel fabrication	30	\$0.00
<i>New Totals</i>						<i>4 announcements</i>	<i>521</i>	<i>\$15.28</i>
Athena Technologies	9	Fauquier County	N	E	541330	Flight control systems, engineering services	14	\$0.40
Lohmann Specialty Coatings LLC *	9	Orange County	M	E	325520	Adhesive coatings	0	\$1.50
<i>Expansion Totals</i>						<i>2 announcements</i>	<i>14</i>	<i>\$1.90</i>
<b>PDC 9 Totals</b>						<b>6 announcements</b>	<b>535</b>	<b>\$17.18</b>
Chipco Inc.	10	Louisa County	M	N	321113	Wood chip mill	8	\$2.50
ESS Tech Engineering Inc.	10	Louisa County	M	N	334419	Assemble electrical components, defense contractor	10	\$0.50
MZM Inc.	10	Albemarle County	N	N	541512	Database IT services; defense contractor	65	\$1.00
Old Dominion Electric Cooperative	10	Louisa County	N	N	221112	Electric power generation	0	\$230.00
<i>New Totals</i>						<i>4 announcements</i>	<i>83</i>	<i>\$234.00</i>
<b>PDC 10 Totals</b>						<b>4 announcements</b>	<b>83</b>	<b>\$234.00</b>
Microwave Circuits, Inc.	11	Lynchburg	M	N	334220	Manufacture communications equipment components	200	\$2.10
Rage Corp.	11	Campbell County	M	N	326121	Plastics products, injection molding	25	\$2.00
StarTek Inc.	11	Lynchburg	N	N	561422	Call center, customer services	542	\$5.80
<i>New Totals</i>						<i>3 announcements</i>	<i>767</i>	<i>\$9.90</i>
BGF Industries Inc. *	11	Campbell County	M	E	313230	Nonwoven fabrics, insulation materials	100	\$0.63
Martin Printwear	11	Appomattox County	M	E	323113	Screen printing and embroidery	3	\$0.30
Progress Printing	11	Campbell County	M	E	323110	Commercial printing	0	\$4.50

# Announcement Data for FY 2004

Company Name	PDC	Location	MFG	Type	NAICS	Business	Employment	Investment (millions)
R.R. Donnelley & Sons Co.	11	Lynchburg	M	E	323111	Rotogravure printing and binding	50	\$5.00
Schrader Bridgeport International Inc.	11	Campbell County	M	E	336399	Automotive tire and control valves and accessories	50	\$5.10
Thomasville Furniture	11	Appomattox County	M	E	337122	Manufacture furniture	72	\$4.00
Timken Co.	11	Campbell County	M	E	332991	Automotive wheel bearings	6	\$1.08
Waterford Furniture Makers	11	Lynchburg	M	E	337122	Wood furniture	0	\$0.67
<i>Expansion Totals</i>						<i>8 announcements</i>	<i>281</i>	<i>\$21.28</i>
<b>PDC 11 Totals</b>						<b>11 announcements</b>	<b>1,048</b>	<b>\$31.18</b>
Dillan Chenille	12	Henry County	M	N	313112	Chenille and textured yarn	154	\$5.20
Dream Cosmetics	12	Pittsylvania County	M	N	325620	Cosmetics	20	\$0.00
HT Motorsports	12	Henry County	N	N	711219	NASCAR Craftsman tuck racing team	75	\$0.40
Jammin Apparel	12	Franklin County	M	N	315299	Manufacture customized sportswear apparel	45	\$1.50
Luna Nanomaterials	12	Danville	M	N	325199	Carbonaceous nanomaterials	54	\$6.40
MasterBrand Cabinets Inc.	12	Henry County	M	N	337110	Wood kitchen cabinets	745	\$20.82
MSR Industries	12	Martinsville	M	N	313221	Manufacture special fabric	25	\$0.00
MZM Inc.	12	Martinsville	N	N	541512	Database and IT services, defense contractor	150	\$4.40
Telvista Inc.	12	Danville	N	N	561422	Call center, customer services	400	\$5.00
<i>New Totals</i>						<i>9 announcements</i>	<i>1,668</i>	<i>\$43.72</i>
Applied Felts	12	Martinsville	M	E	314912	Manufacture textile pipe liners	35	\$2.50
Dan River Inc.	12	Danville	M	E	314129	Manufacture apparel & home fashion fabrics	205	\$2.77
Essel Propack America LLC *	12	Danville	M	E	326199	Toothpaste tubes	50	\$10.40
Intertape Polymer Group Inc.*	12	Pittsylvania County	M	E	322222	Adhesive tapes, stretch & shrink film manufacturing	25	\$4.00
Knauss Snack Food Co.	12	Henry County	M	E	311612	Snack foods	25	\$0.00
Lineal Technologies	12	Franklin County	M	E	326121	Plastic extrusions	55	\$0.00
MW Manufacturers Inc.	12	Franklin County	M	E	321911	HQ, windows and doors	446	\$1.30
NewRoads Inc.	12	Martinsville	N	E	454113	Mail order fulfillment center	140	\$1.10
Ronile Inc.	12	Franklin County	M	E	313312	Carpet yarn	74	\$1.50
<i>Expansion Totals</i>						<i>9 announcements</i>	<i>1,055</i>	<i>\$23.57</i>
<b>PDC 12 Totals</b>						<b>18 announcements</b>	<b>2,723</b>	<b>\$67.29</b>
APT Inc.	13	Mecklenburg County	M	N	316211	Polyurethane rubber boots	180	\$1.26
Atlantic Recycling Technologies	13	Brunswick County	M	N	322121	Paper recycling, cellulose insulation	25	\$1.50
Basic Sportswear	13	Mecklenburg County	N	N	424320	Distribute t-shirts	40	\$2.25
D&R USA Inc. *	13	Halifax County	M	N	332999	Tea light holders, aluminum stamping	8	\$1.20
Flamecrusher USA	13	Halifax County	M	N	315228	Flame retardant apparel for motorsports	40	\$0.00

# Announcement Data for FY 2004

Company Name	PDC	Location	MFG	Type	NAICS	Business	Employment	Investment (millions)
Virginia Brands LLC	13	Halifax County	M	N	312221	Cigarettes and cigars	49	\$2.00
<i>New Totals</i>						<i>6 announcements</i>	<i>342</i>	<i>\$8.21</i>
ABB Inc.*	13	Halifax County	M	E	335311	Manufacture liquid-filled power transformers	25	\$3.00
Annin & Co.	13	Halifax County	M	E	314999	Flags	70	\$0.30
Brunswick Box	13	Brunswick County	M	E	321113	Mulch	14	\$0.40
Dollar General Corp.	13	Halifax County	N	E	424990	Distribution center, consumer goods	115	\$13.40
d-Scan Inc.	13	Halifax County	M	E	337122	Wood cabinets and furniture	87	\$1.03
International Veneer Co. Inc.	13	Mecklenburg County	M	E	321211	Hardwood veneer	0	\$2.06
National Affiliated Technologies	13	Mecklenburg County	M	E	327125	Fused silica products	20	\$1.17
Pallet Holdings	13	Brunswick County	M	E	321920	Wood pallets	20	\$2.50
SEA Systems Group Inc.	13	Mecklenburg County	M	E	326150	Seat cushions- military	25	\$0.18
Sunshine Mills Inc.	13	Halifax County	M	E	311111	Dog and cat food	40	\$2.50
<i>Expansion Totals</i>						<i>10 announcements</i>	<i>416</i>	<i>\$26.54</i>
<b>PDC 13 Totals</b>						<b>16 announcements</b>	<b>758</b>	<b>\$34.75</b>
Superior Walls	14	Amelia County	M	N	327390	Cast concrete walls	47	\$2.70
<i>New Totals</i>						<i>1 announcement</i>	<i>47</i>	<i>\$2.70</i>
<b>PDC 14 Totals</b>						<b>1 announcement</b>	<b>47</b>	<b>\$2.70</b>
Absolute Packaging	15	Henrico County	N	N	561910	Contract packaging services	5	\$1.00
bayMountain, Inc.	15	Henrico County	N	N	514191	Provide internet hosting & managed services	5	\$0.90
International Paper	15	Chesterfield County	N	N	424110	Distribute paper products	30	\$1.00
Livewire	15	Henrico County	N	N	517212	Communications technology	35	\$1.00
Ride-Away Corporation	15	Richmond	M	N	336111	Manufacture handicapped-modified vehicles	20	\$1.30
Sports Equipment	15	Chesterfield County	N	N	423910	Distribute sports equipment	1	\$0.10
Surface Inc.	15	Richmond	M	N	337215	Sculptural office furniture, dividing walls	8	\$0.10
Tektonics Design Group	15	Richmond	M	N	332999	Metal/wood design and fabrication	2	\$0.50
The Sharper Image	15	Chesterfield County	N	N	424990	Distribution center, consumer goods	12	\$1.50
Virginia Credit & Finance	15	Henrico County	N	N	561441	Debt collection & call center; financial services	150	\$1.00
Virtus Marketing	15	Henrico County	N	N	561422	Call center, customer support	40	\$0.30
<i>New Totals</i>						<i>11 announcements</i>	<i>308</i>	<i>\$8.70</i>
Altria Corporate Services	15	Chesterfield County	N	E	541519	Internal IT services	100	\$0.50
Ashford Court	15	Richmond	M	E	314129	Manufacture home textiles	25	\$0.00
Bear Island Paper Co. LLC	15	Hanover County	M	E	322122	Newsprint paper	0	\$15.00
CarMax Inc.	15	Goochland County	N	E	551114	HQ, national car dealership chain	150	\$53.00



# Announcement Data for FY 2004

Company Name	PDC	Location	MFG	Type	NAICS	Business	Employment	Investment (millions)
Coca-Cola	15	Henrico County	M	E	312111	Soft drinks	240	\$11.00
Computer Science Corporation	15	Henrico County	N	E	541512	Systems integration, consulting, outsourcing	12	\$1.50
Connectool, Inc.	15	Goochland County	N	E	423690	Distribute specialized communication tools	0	\$1.00
CyMed	15	Henrico County	N	E	541611	Medical record transcription services	217	\$1.50
DuPont Engineering Polymers	15	Chesterfield County	M	E	325211	Zytel® HTN resins	20	\$39.00
Fiorucci Foods, Inc.*	15	Chesterfield County	M	E	311612	Italian specialty meats products	3	\$1.50
Flexicell	15	Hanover County	M	E	333922	Robotic material handling systems	0	\$4.00
Goodman and Company	15	Henrico County	N	E	541211	Certified public accounting firm	75	\$1.10
Graphics Innovation	15	Henrico County	M	E	322232	Manufacture envelopes	18	\$0.60
Hawkeye Manufacturing Inc.	15	Richmond	M	E	326191	Manufacture hot tubs	155	\$3.00
HCA Patient Account Services Center	15	Chesterfield County	N	E	541219	Medical billing and collection services	160	\$2.00
Honeywell International, Inc.	15	Chesterfield County	M	E	325222	Manufacture Spectra fiber	21	\$20.00
Infineon Technologies*	15	Henrico County	M	E	334413	Semiconductor manufacturing	1,200	\$1,000.00
INGENCO	15	Chesterfield County	N	E	221112	Electric power generation	0	\$8.00
Ludlow Coated Products	15	Hanover County	M	E	322222	Laminate and coat packaging products	0	\$0.65
Northrop Grumman Information Systems	15	Chesterfield County	N	E	541512	IT systems, defense contractor	35	\$0.50
P.P. Payne*	15	Chesterfield County	M	E	325221	Manufacture cellophane products	6	\$6.00
Packaging Corporation of America	15	Richmond	M	E	322211	Manufacture corrugated packaging	43	\$2.30
Richmond Bumper	15	Henrico County	M	E	336399	Assemble bumpers	8	\$1.13
Standex Engraving L.L.C.	15	Henrico County	M	E	324199	Industrial roll & plate engraving	35	\$4.00
Summit Business Solutions	15	Henrico County	N	E	541512	Business consulting services	10	\$0.20
Uquality Auto Parts Corporation	15	Henrico County	N	E	423120	Distribute aftermarket auto parts	15	\$0.80
Vanguard Plastics	15	Henrico County	M	E	326111	Manufacture plastic bags	20	\$5.50
Virginia Credit Union	15	Chesterfield County	N	E	522130	Operations center, commercial banking	30	\$14.30
Virginia Public Works Equipment Co.	15	Hanover County	N	E	423810	Heavy equipment distribution	0	\$0.70
Wachovia Securities LLC	15	Henrico County	N	E	523120	HQ, securities brokerage	730	\$2.40
Wachovia Securities LLC	15	Richmond	N	E	523120	HQ, securities brokerage	470	\$5.90
Walter Pallet Company	15	Hanover County	M	E	321920	Wood pallets	0	\$0.50
<i>Expansion Totals</i>						<i>32 announcements</i>	<i>3,798</i>	<i>\$1,207.58</i>
<b><i>PDC 15 Totals</i></b>						<b><i>43 announcements</i></b>	<b><i>4,106</i></b>	<b><i>\$1,216.28</i></b>

# Announcement Data for FY 2004

Company Name	PDC	Location	MFG	Type	NAICS	Business	Employment	Investment (millions)
Ultimate Book Fair	16	Caroline County	N	N	424920	Distribution center, books	10	\$1.75
<i>New Totals</i>						<i>1 announcement</i>	<i>10</i>	<i>\$1.75</i>
Fixture Specialists Inc.	16	Caroline County	M	E	333415	HVAC and plumbing equipment	26	\$1.00
VSE Corp.	16	Caroline County	N	E	541330	Engineering & technical services, defense contractor	30	\$1.00
<i>Expansion Totals</i>						<i>2 announcements</i>	<i>56</i>	<i>\$2.00</i>
<b>PDC 16 Totals</b>						<b>3 announcements</b>	<b>66</b>	<b>\$3.75</b>
Carry-On Trailer Corp.	17	Northumberland County	M	E	336212	Utility trailer parts & accessories	25	\$0.50
<i>Expansion Totals</i>						<i>1 announcement</i>	<i>25</i>	<i>\$0.50</i>
<b>PDC 17 Totals</b>						<b>1 announcement</b>	<b>25</b>	<b>\$0.50</b>
O'Malley Lumber Company	18	Essex County	M	N	321920	Manufacture industrial wood pallets & packaging	25	\$1.00
<i>New Totals</i>						<i>1 announcement</i>	<i>25</i>	<i>\$1.00</i>
Smurfit-Stone Container Corp.	18	King William County	M	E	322211	Containerboard products	0	\$18.00
<i>Expansion Totals</i>						<i>1 announcement</i>	<i>0</i>	<i>\$18.00</i>
<b>PDC 18 Totals</b>						<b>2 announcements</b>	<b>25</b>	<b>\$19.00</b>
BrandSeed Customer Connect	19	Petersburg	N	N	561422	Call center, in-bound sales	100	\$1.00
Windsor Mill	19	Surry County	M	N	321911	Manufacture premium wood siding & trim	70	\$6.00
<i>New Totals</i>						<i>2 announcements</i>	<i>170</i>	<i>\$7.00</i>
Franklin Braid	19	Emporia	M	E	313221	Knit elastic	25	\$1.50
Good Earth Peanut Co.	19	Greensville County	M	E	311911	Peanuts and peanut products	8	\$0.17
Standard Motor Products Inc.	19	Prince George County	N	E	423120	Distribution center, automotive parts	175	\$3.00
<i>Expansion Totals</i>						<i>3 announcements</i>	<i>208</i>	<i>\$4.67</i>
<b>PDC 19 Totals</b>						<b>5 announcements</b>	<b>378</b>	<b>\$11.67</b>
Perdue Farms, Inc.	22	Accomack County	M	E	311615	Poultry processing	76	\$14.63
Shore Financial Corp.	22	Accomack County	N	E	522110	HQ, commercial banking	0	\$3.00
<i>Expansion Totals</i>						<i>2 announcements</i>	<i>76</i>	<i>\$17.63</i>
<b>PDC 22 Totals</b>						<b>2 announcements</b>	<b>76</b>	<b>\$17.63</b>
AT Systems	23	Hampton	N	N	541990	Armored car operations	25	\$1.20
Centex Homes	23	Suffolk	N	N	541613	Regional sales & marketing	10	\$0.50
Evans Distribution Systems	23	Suffolk	N	N	423120	Distribution center, automotive parts	25	\$1.50
Laufen Ceramic Tile *	23	Suffolk	N	N	423390	Distribution and import center, ceramic tile products	6	\$1.00

# Announcement Data for FY 2004

Company Name	PDC	Location	MFG	Type	NAICS	Business	Employment	Investment (millions)	
Lumber Liquidators	23	James City County	M	N	321918	Manufacture & distribute hardwood flooring	120	\$12.50	
Maersk Inc.*	23	Portsmouth	N	N	488320	Container terminal operator	210	\$450.00	
Marva Marble Company, Inc.	23	Suffolk	M	N	327991	Manufacture countertops	5	\$1.50	
Noell Crane & Service Inc. *	23	Portsmouth	N	N	423810	Crane service and distribution	11	\$0.68	
Norfolk Equipment Company	23	Norfolk	N	N	332710	Distribute & service material handling equipment	30	\$1.60	
Ride-Away Corporation	23	Norfolk	M	N	336111	Manufacture handicapped-modified vehicles	25	\$1.00	
<i>New Totals</i>							<i>10 announcements</i>	<i>467</i>	<i>\$471.48</i>

ABNB Federal Credit Union	23	Chesapeake	N	E	522130	Credit union	200	\$7.00
Amadas Coach	23	Suffolk	M	E	811121	Luxury motor coach manufacturing services	12	\$2.50
AMADAS Industries Inc.	23	Suffolk	M	E	333111	Agricultural equipment	50	\$0.30
AmeriComm Inc.	23	Chesapeake	N	E	541860	HQ, direct marketing services	40	\$3.50
Bay Bridge Enterprises	23	Chesapeake	N	E	423930	Ship dismantling	60	\$0.00
Bihrl Applied Research	23	Hampton	N	E	927110	Aerospace engineering	0	\$1.80
Blackhawk Industries	23	Norfolk	M	E	314911	HQ, tactical gear for military and law enforcement	20	\$0.00
Brickstone Studios	23	Norfolk	M	E	327991	Brick & stone signs, sculptures	25	\$1.00
Business Plus Corp.	23	Hampton	N	E	541710	Government contractor, engineering & technical services	50	\$1.00
Chesapeake Drywall & Acoustics	23	Portsmouth	N	E	238310	Specialty contractor, interior acoustics	0	\$1.20
Ciba Specialty Chemicals*	23	Suffolk	M	E	325998	Water & paper treatment chemical manufacturing	110	\$3.00
CMA-CGM America Inc. *	23	Norfolk	N	E	483111	North American HQ, shipping line	116	\$11.50
Continental Broadband	23	Norfolk	N	E	518111	High-speed Internet access	0	\$0.23
Coresix Precision Glass Inc.	23	James City County	M	E	327211	Precision glass components	0	\$2.30
Cormine	23	Hampton	N	E	541610	Provide various business solutions	40	\$0.15
Cornerstone Systems Inc.	23	Portsmouth	N	E	488510	Shipping services	6	\$0.40
Cost Plus Inc.	23	Isle of Wight County	N	E	452990	Distribution center, consumer goods	190	\$27.20
Dave's Cabinet Inc.	23	Chesapeake	M	E	337110	Manufacture custom cabinets & countertops	30	\$1.40
Dow Construction Inc.	23	Portsmouth	N	E	238350	Specialty carpentry contractor	0	\$1.20
Electric Motor & Contracting Company Inc.	23	Chesapeake	M	E	335312	Electric motor rebuilding and repair services	25	\$3.00
Ferguson Enterprises, Inc.	23	Suffolk	N	E	423720	Wholesale distributor of plumbing supplies	45	\$5.40
General Dynamics, Electric Boat Division	23	Chesapeake	M	E	336611	Shipbuilding and repair	259	\$1.00
IMS Gear, Inc.*	23	Virginia Beach	M	E	333612	Manufacture gears	29	\$0.00
Indusco Corp.	23	Portsmouth	N	E	423840	Welding and industrial supply	0	\$0.58
Jacobs-Sverdrup Technology	23	Hampton	N	E	927110	Aerospace engineering	350	\$0.25
Jensen Activewear Inc.	23	Portsmouth	N	E	424320	Distribution center, imported apparel	50	\$1.37
Lockheed Martin, Global Vision Integration Center	23	Suffolk	N	E	541512	Computer modeling, simulation & integration services	50	\$30.00
Moholland Moving Services	23	Hampton	N	E	484210	Moving & storage	20	\$1.50

# Announcement Data for FY 2004

Company Name	PDC	Location	MFG	Type	NAICS	Business	Employment	Investment (millions)	
Nicewood Enterprises	23	James City County	M	E	337215	Custom wood fixtures	33	\$2.40	
Northrop Grumman Newport News (Shipyard)	23	Newport News	M	E	336611	Shipbuilding- nuclear aircraft carriers; submarines	600	\$0.00	
Northrop Grumman Newport News (Net Center)	23	Hampton	M	E	336611	Design engineers for CVN-21 program	400	\$2.00	
Premier Copper & Brass Atlantic Inc.	23	Portsmouth	M	E	331421	Copper pipe for Navy ships	0	\$2.00	
Resource Bank	23	Virginia Beach	N	E	522110	HQ; banking operations	0	\$15.75	
Siemens VDO Automotive *	23	Newport News	M	E	336312	Fuel injectors	107	\$47.25	
Southeastern Freight Lines	23	Portsmouth	N	E	484122	Warehouse, trucking services	5	\$2.00	
Specialty Foods Group	23	Newport News	M	E	311615	Meat products	75	\$1.90	
Spectrum Comm	23	Hampton	N	E	541512	HQ, secure computer systems, defense contractor	15	\$0.00	
Targeted Publications	23	Norfolk	N	E	511120	Publish magazines	0	\$0.57	
Up Stream, LLC	23	Chesapeake	N	E	561422	Outsourcing & travel services provider	100	\$1.70	
USAA Property & Casualty Insurance Group	23	Norfolk	N	E	424126	Provide auto & homeowner's insurance	200	\$0.00	
Virginia Trusses, Inc.	23	York County	M	E	321214	Manufacture wood roof & floor trusses	19	\$0.40	
Wal-Mart Stores, Inc.	23	James City County	N	E	424990	Import storage/distribution facility	125	\$28.50	
Wilbar Truck Equipment Inc.	23	Portsmouth	N	E	423110	Wholesale distribution, work trucks	0	\$0.10	
WR Systems Ltd.	23	Norfolk	N	E	541511	Systems engineering, defense contractor	39	\$1.00	
Wythe Will Distributing Inc.	23	James City County	N	E	424490	Distribution center, candy & specialty foods	40	\$5.50	
<i>Expansion Totals</i>							<i>45 announcements</i>	<i>3,535</i>	<i>\$219.85</i>
<b>PDC 23 Totals</b>							<b>55 announcements</b>	<b>4,002</b>	<b>\$691.33</b>
<b>Not Publicly Announced</b>							<b>4 announcements</b>	<b>234</b>	<b>\$40.03</b>
<b>Confidential Totals</b>									
<b>Grand Totals</b>							<b>362 announcements</b>	<b>26,145</b>	<b>\$3,281.40</b>

\*Indicates foreign affiliation

MFG: Manufacturing or Nonmanufacturing

Type: New or Expansion

Announcements are subject to revision

# Announcement Data for FY 2004

	Announcements	Employment	Investment (millions)		Announcements	Employment	Investment (millions)
<i>New Totals</i>	2	117	\$1.80	<i>New Totals</i>	4	83	\$234.00
<i>Expansion Totals</i>	3	127	\$1.80	<i>Expansion Totals</i>	0	0	\$0.00
<b>PDC 1 Totals</b>	<b>5</b>	<b>244</b>	<b>\$3.60</b>	<b>PDC 10 Totals</b>	<b>4</b>	<b>83</b>	<b>\$234.00</b>
<i>New Totals</i>	2	190	\$3.94	<i>New Totals</i>	3	767	\$9.90
<i>Expansion Totals</i>	4	120	\$10.05	<i>Expansion Totals</i>	8	281	\$21.28
<b>PDC 2 Totals</b>	<b>6</b>	<b>310</b>	<b>\$13.99</b>	<b>PDC 11 Totals</b>	<b>11</b>	<b>1,048</b>	<b>\$31.18</b>
<i>New Totals</i>	0	0	\$0.00	<i>New Totals</i>	9	1,668	\$43.72
<i>Expansion Totals</i>	13	662	\$70.05	<i>Expansion Totals</i>	9	1,055	\$23.57
<b>PDC 3 Totals</b>	<b>13</b>	<b>662</b>	<b>\$70.05</b>	<b>PDC 12 Totals</b>	<b>18</b>	<b>2,723</b>	<b>\$67.29</b>
<i>New Totals</i>	3	530	\$1.35	<i>New Totals</i>	6	342	\$8.21
<i>Expansion Totals</i>	12	982	\$66.40	<i>Expansion Totals</i>	10	416	\$26.54
<b>PDC 4 Totals</b>	<b>15</b>	<b>1,512</b>	<b>\$67.75</b>	<b>PDC 13 Totals</b>	<b>16</b>	<b>758</b>	<b>\$34.75</b>
<i>New Totals</i>	6	489	\$27.02	<i>New Totals</i>	1	47	\$2.70
<i>Expansion Totals</i>	9	296	\$44.30	<i>Expansion Totals</i>	0	0	\$0.00
<b>PDC 5 Totals</b>	<b>15</b>	<b>785</b>	<b>\$71.32</b>	<b>PDC 14 Totals</b>	<b>1</b>	<b>47</b>	<b>\$2.70</b>
<i>New Totals</i>	3	80	\$1.01	<i>New Totals</i>	11	308	\$8.70
<i>Expansion Totals</i>	9	167	\$60.66	<i>Expansion Totals</i>	32	3,798	\$1,207.58
<b>PDC 6 Totals</b>	<b>12</b>	<b>247</b>	<b>\$61.67</b>	<b>PDC 15 Totals</b>	<b>43</b>	<b>4,106</b>	<b>\$1,216.28</b>
<i>New Totals</i>	3	232	\$14.50	<i>New Totals</i>	1	10	\$1.75
<i>Expansion Totals</i>	14	705	\$85.30	<i>Expansion Totals</i>	2	56	\$2.00
<b>PDC 7 Totals</b>	<b>17</b>	<b>937</b>	<b>\$99.80</b>	<b>PDC 16 Totals</b>	<b>3</b>	<b>66</b>	<b>\$3.75</b>
<i>New Totals</i>	15	601	\$38.98	<i>New Totals</i>	0	0	\$0.00
<i>Expansion Totals</i>	93	6,741	\$466.95	<i>Expansion Totals</i>	1	25	\$0.50
<b>PDC 8 Totals</b>	<b>108</b>	<b>7,342</b>	<b>\$505.93</b>	<b>PDC 17 Totals</b>	<b>1</b>	<b>25</b>	<b>\$0.50</b>
<i>New Totals</i>	4	521	\$15.28	<i>New Totals</i>	1	25	\$1.00
<i>Expansion Totals</i>	2	14	\$1.90	<i>Expansion Totals</i>	1	0	\$18.00
<b>PDC 9 Totals</b>	<b>6</b>	<b>535</b>	<b>\$17.18</b>	<b>PDC 18 Totals</b>	<b>2</b>	<b>25</b>	<b>\$19.00</b>

## Announcement Data for FY 2004

	Announcements	Employment	Investment (millions)
<i>New Totals</i>	2	170	\$7.00
<i>Expansion Totals</i>	3	208	\$4.67
<b><i>PDC 19 Totals</i></b>	<b>5</b>	<b>378</b>	<b>\$11.67</b>
<i>New Totals</i>	0	0	\$0.00
<i>Expansion Totals</i>	2	76	\$17.63
<b><i>PDC 22 Totals</i></b>	<b>2</b>	<b>76</b>	<b>\$17.63</b>
<i>New Totals</i>	10	467	\$471.48
<i>Expansion Totals</i>	45	3,535	\$219.85
<b><i>PDC 23 Totals</i></b>	<b>55</b>	<b>4,002</b>	<b>\$691.33</b>
<i>New Totals</i>	86	6,647	\$892.34
<i>Expansion Totals</i>	272	19,264	\$2,349.03
<i>Confidential Totals</i>	4	234	\$40.03
<b><i>Grand Totals</i></b>	<b>362</b>	<b>26,145</b>	<b>\$3,281.40</b>

# VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

AUDITED BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2004



***VIRGINIA***  
Is For Business

Virginia Economic Development Partnership  
Audited Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004

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## INTRODUCTORY SECTION

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP  
Richmond, Virginia

APPOINTED OFFICIALS

Board of Directors

J. Thomas Fowlkes, Chair  
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The Honorable John M. Bennett, Ex-Officio

Executive Director

Mark R. Kilduff

## FINANCIAL SECTION



# Commonwealth of Virginia

Auditor of Public Accounts  
P.O. Box 1295  
Richmond, Virginia 23218

Walter J. Kucharski, Auditor

October 18, 2004

The Honorable Mark R. Warner  
Governor of Virginia

The Honorable Lacey E. Putney  
Chairman, Joint Legislative Audit  
And Review Commission

Board of Directors  
Virginia Economic Development Partnership

## INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Virginia Economic Development Partnership**, a component unit of the Commonwealth of Virginia, as of and for the year ended June 30, 2004, which collectively comprise the Partnership's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Virginia Economic Development Partnership, as of June 30, 2004, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and Budgetary Comparison Information on pages 5 through 8 and 14 are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have

applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued our report dated October 18, 2004, on our consideration of the Virginia Economic Development Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That letter report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

A handwritten signature in black ink, appearing to read "Walter J. Schuchman". The signature is fluid and cursive, with a large initial "W" and "S".

AUDITOR OF PUBLIC ACCOUNTS

## VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

### MANAGEMENT'S DISCUSSION AND ANALYSIS

AS OF JUNE 30, 2004

The management of the Virginia Economic Development Partnership (Partnership) offers the readers of the Partnership's financial statements this narrative overview and analysis of its financial activities for the fiscal year ended June 30, 2004. We encourage the reader to consider this information presented here in conjunction with the financial statements and accompanying notes.

#### **Overview of the Financial Statements**

##### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Virginia Economic Development Partnership (Partnership) in a manner similar to a private sector business.

The Statement of Net Assets presents information on all of the Partnership's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Partnership is improving or deteriorating.

The Statement of Activities presents information showing how the Partnership's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. For example, accrued interest earned but not yet collected (revenue) or earned but unused vacation leave (expense).

##### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Partnership, like other political subdivisions of the Commonwealth of Virginia, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The financial activities of the Partnership are reported in *governmental funds*.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Partnership's near-term financing requirements.

### **Reconciliations between Government-Wide and Fund Financial Statements**

There are two reconciliations between the government-wide and the fund financial statements. The first is found on the Balance Sheet and explains the difference between the *fund balance* on the Balance Sheet and *net assets* on the Statement of Net Assets. The second is found on the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities, which reconciles the difference between the *net change in fund balances* on the fund-based statement and the *change in net assets* on the government-wide based statement. Both statements describe in sufficient detail the amounts and the reasons for those differences.

### **Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of an organization's financial position. In the case of the Partnership, assets exceeded liabilities by \$188,515 and \$500,981 at the close of the fiscal years ended June 30, 2004, and 2003, respectively.

	Net Assets	
	<u>2004</u>	<u>2003</u>
Current and other assets	\$ 2,133,706	\$ 2,143,695
Capital assets, net of depreciation	<u>477,346</u>	<u>552,250</u>
Total assets	<u>2,611,052</u>	<u>2,695,945</u>
Long-term liabilities	2,057,347	1,948,495
Other liabilities	<u>365,190</u>	<u>246,469</u>
Total liabilities	<u>2,422,537</u>	<u>2,194,964</u>
Net assets:		
Invested in capital assets, net of related debt	477,346	533,565
Unrestricted	<u>(288,831)</u>	<u>(32,584)</u>
Total net assets	<u>\$ 188,515</u>	<u>\$ 500,981</u>

Total assets decreased this fiscal year by \$84,893 as compared to last year. The major components of the decrease were a decrease in *Cash and cash equivalents* of \$99,210 and a decrease in *Capital assets, net of depreciation* of \$74,904. These increases were offset by an increase in *Other receivables* of \$62,132 and an increase in *Petty cash* of \$15,000. Total liabilities increased by \$227,573 as a result of an increase in *Accounts payable* of \$111,176 and *Net pension obligation* of \$118,420. The largest component of the Partnership's *Net assets* is comprised of its *Capital assets, net of related debt*, which amounts to \$477,346. These assets are used by the organization to deliver program services to its clients and consist primarily of computers and peripheral technology equipment. The deficit remainder of *Net assets*, (\$288,831), is classified as *unrestricted*.

## Changes in Net Assets

	<u>2004</u>	<u>2003</u>
Revenues:		
Program revenues:		
Charges for services	\$ 258,123	\$ 218,209
General revenues:		
General Fund appropriations	15,395,290	14,185,396
Other	<u>49,058</u>	<u>64,569</u>
Total revenues	<u>15,702,471</u>	<u>14,468,174</u>
Expenses:		
Business Development	4,492,632	4,086,115
International Trade	2,821,400	2,385,458
Research	1,637,825	1,920,918
Communications and Promotions	2,106,106	2,055,257
General Counsel and Legislation	215,065	268,741
Information Technology	1,749,971	1,845,567
Administration	2,891,938	2,849,856
Pass-through Payments	<u>100,000</u>	<u>100,000</u>
Total expenses	<u>16,014,937</u>	<u>15,511,912</u>
Decrease in net assets	(312,466)	(1,043,738)
Beginning net assets	<u>500,981</u>	<u>1,544,719</u>
Ending net assets	<u>\$ 188,515</u>	<u>\$ 500,981</u>

Net assets for the Partnership decreased by \$312,466 during the current fiscal year. This is approximately \$700,000 less than the decrease from last year. The primary reason is that revenues increased more rapidly than related expenses, net of charges for services, in this fiscal year as compared to last fiscal year. All revenues increased by approximately \$1.2 million due primarily to funding for the Virginia Commission on Military Bases (VCOMB) and various administrative adjustments for compensation and information technology. Expenses, net of charges for services, increased by approximately \$500,000, also due primarily to VCOMB expenses.

### **General Fund Budgetary Highlights**

The Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual-Cash Basis is presented to provide information on the budget as originally prepared and the final budget on which the Partnership operated for the fiscal year. Also, the final budget is compared to the cash basis actual results by revenue source and expenditure activity.

The primary change in total revenue occurred, as noted above, from an increase in the Revenue provided by the General Fund of the Commonwealth for the VCOMB funding of approximately \$700,000, and the remainder from administrative adjustments for compensation and technology.

Expenses increased for the fiscal year due to VCOMB spending, additional International Trade program spending, general office refurbishment, an additional fleet vehicle, and office lease renewal related expenditures.



Funding for VEDP for the fiscal years ended June 30, 2003 and 2004, except for administrative adjustments related to salaries and benefits, has remained relatively flat and is expected to remain so for the foreseeable future.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes describe the nature of the Partnership's reporting entity and the relationship to the Commonwealth of Virginia as a whole; the basis on which the financial statements were prepared; and the methods used for presentation. Further, the notes provide explanations of specific accounts with significant balances.

### **Requests for Information**

This financial report is designed to provide a general overview of the Partnership's finances for all those with an interest in the Partnership's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Virginia Economic Development Partnership, P.O. Box 798, Richmond, Virginia, 23218-0798.

## Basic Financial Statements

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP  
 STATEMENT OF NET ASSETS  
 As of June 30, 2004

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	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and cash equivalents (Note 2)	\$ 1,716,535
Petty cash	160,872
Employee travel advances	21,485
Prepaid expenses	18,843
Other receivables	62,132
Lease deposits (Note 5)	153,839
Capital assets, net of accumulated depreciation:	
Leasehold improvements, furniture, and equipment (Note 6)	<u>477,346</u>
Total assets	<u>2,611,052</u>
<b>Liabilities</b>	
Accounts payable	229,430
Accrued payroll	135,760
Noncurrent liabilities due within one year	
Compensated absences (Note 8)	431,673
Noncurrent liabilities due in more than one year	
Compensated absences (Note 8)	306,287
Net pension obligation (Note 9)	<u>1,319,387</u>
Total liabilities	<u>2,422,537</u>
<b>Net assets</b>	
Investment in capital assets, net of related debt	477,346
Unrestricted	<u>(288,831)</u>
Total net assets	<u>\$ 188,515</u>

The accompanying notes are an integral part of the financial statements.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP  
 STATEMENT OF ACTIVITIES  
 For the Fiscal Year Ended June 30, 2004

	Expenses	Charges for Services	Net (Expense) Revenue and Changes in Net Assets
<b>Governmental Activities:</b>			
Business Development	\$ 4,492,632		\$ (4,492,632)
International Trade	2,821,400	109,145	(2,712,255)
Research	1,637,825		(1,637,825)
Communications and Promotions	2,106,106	148,978	(1,957,128)
General Counsel and Legislation	215,065		(215,065)
Information Technology	1,749,971		(1,749,971)
Administration	2,891,938		(2,891,938)
Pass-through Payments	100,000		(100,000)
Total governmental activities	<u>16,014,937</u>	<u>258,123</u>	<u>(15,756,814)</u>
<b>General Revenues</b>			
Revenue provided by the General Fund of the Commonwealth (Note 4)			15,395,290
Interest revenue			35,606
Other revenue			<u>13,452</u>
Total general revenues			<u>15,444,348</u>
Decrease in net assets			(312,466)
Net assets, July 1, 2003			<u>500,981</u>
Net assets, June 30, 2004			<u>\$ 188,515</u>

The accompanying notes are an integral part of the financial statements.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP  
BALANCE SHEET  
GOVERNMENTAL FUND  
As of June 30, 2004

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	<u>General Fund</u>
<b>Assets</b>	
Cash and cash equivalents (Note 2)	\$ 1,716,535
Petty cash	160,872
Employee travel advances	21,485
Prepaid expenses	18,843
Other receivables	62,132
Lease deposits (Note 5)	<u>153,839</u>
Total assets	<u>\$ 2,133,706</u>
<b>Liabilities and Fund Balances</b>	
Liabilities:	
Accounts payable	\$ 229,430
Accrued payroll	<u>135,760</u>
Total liabilities	<u>365,190</u>
Fund Balances:	
Unreserved (Note 3)	1,768,516
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	477,346
Noncurrent liabilities (compensated absences and net pension obligation) are not due and payable with current financial resources and, therefore, are not reported in the funds.	<u>(2,057,347)</u>
Net assets of governmental activities	<u>\$ 188,515</u>

The accompanying notes are an integral part of the financial statements.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUND  
For the Fiscal Year Ended June 30, 2004

	General Fund
<b>Revenues</b>	
Revenue provided by the General Fund of the Commonwealth (Note 4)	\$ 15,395,290
Participation fees	158,045
Mission reimbursements	100,078
Interest revenue	35,606
	<hr/>
Total revenues	15,689,019
	<hr/>
<b>Expenditures</b>	
Business Development	4,449,281
International Trade	2,785,784
Research	1,685,070
Communications and Promotions	2,095,897
General Counsel and Legislation	214,612
Information Technology	1,603,679
Administration	2,885,531
Pass-through Payments	100,000
	<hr/>
Total expenditures	15,819,854
	<hr/>
Deficiency of revenues under expenditures	(130,835)
	<hr/>
<b>Other financing sources (uses)</b>	
Proceeds from sale of fixed assets	13,492
Loss on foreign currency	(40)
	<hr/>
Total other financing sources (uses)	13,452
	<hr/>
Net decrease in fund balance	(117,383)
	<hr/>
Fund balance, July 1, 2003	1,885,899
	<hr/>
Fund balance, June 30, 2004	\$ 1,768,516
	<hr/> <hr/>

The accompanying notes are an integral part of the financial statements.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND  
 TO THE STATEMENT OF ACTIVITIES  
 For the Fiscal Year Ended June 30, 2004

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Amounts reported for governmental activities in the statement of activities are different because:

Net decrease in fund balance of the general fund	\$ (117,383)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and loss on asset disposals exceeded capital outlays in the current period.	(74,903)
The use of long-term debt (installment purchases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt.	18,685
Some expenses reported in the statement of activities (compensated absences and net pension obligation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(138,865)</u>
Change in net assets of governmental activities	<u>\$ (312,466)</u>

The accompanying notes are an integral part of the financial statements.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - CASH BASIS  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts			Variances with Final Budget- Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Revenue provided by the General Fund of the Commonwealth (Note 4)	\$ 14,486,241	\$ 15,395,290	\$ 15,395,290	\$ -
Participation fees	141,750	146,750	173,820	27,070
Mission reimbursements	-	-	22,170	22,170
Interest revenue	50,000	25,000	35,607	10,607
Other revenue	-	-	108	108
<b>Total revenues</b>	<b>14,677,991</b>	<b>15,567,040</b>	<b>15,626,995</b>	<b>59,955</b>
<b>Expenditures:</b>				
Business Development	4,016,029	4,923,451	4,412,000	511,451
International Trade	2,732,417	2,899,930	2,737,079	162,851
Research	1,656,180	1,752,384	1,677,458	74,926
Communications and Promotions	1,611,368	1,945,254	2,077,984	(132,730)
General Counsel and Legislation	211,188	220,693	213,246	7,447
Information Technology	1,462,346	1,687,983	1,596,944	91,039
Administration	3,105,203	2,906,183	2,908,137	(1,954)
Pass-through Payments	100,000	100,000	100,000	-
<b>Total expenditures</b>	<b>14,894,731</b>	<b>16,435,878</b>	<b>15,722,848</b>	<b>713,030</b>
Revenues over (under) expenditures	(216,740)	(868,838)	(95,853)	772,985
<b>Other financing sources (uses):</b>				
Sale of fixed assets	-	-	13,492	13,492
Loss on foreign currency	-	-	(40)	(40)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>13,452</b>	<b>13,452</b>
Revenues and other sources over (under) expenditures and other uses	(216,740)	(868,838)	(82,401)	786,437
Fund balances, July 1, 2003	216,740	868,838	2,135,132	1,266,294
Fund balances, June 30, 2004 (Note 3)	\$ -	\$ -	\$ 2,052,731	\$ 2,052,731

The accompanying notes are an integral part of the financial statements.



## Notes to Financial Statements

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Virginia Economic Development Partnership (the Partnership) was established on July 1, 1996, by Chapter 638 of the 1995 Acts of Assembly and operates as an authority in accordance with the provisions of Chapter 22 of Title 2.2 of the Code of Virginia. The Partnership's major activities are to encourage, stimulate, and support the development and expansion of the economy of the Commonwealth.

The Partnership is a component unit of the Commonwealth of Virginia. A separate report is prepared for the Commonwealth of Virginia, which includes all agencies, boards, commissions, and authorities over which the Commonwealth exercises or has the ability to exercise oversight authority. The Partnership is an integral part of the reporting entity of the Commonwealth of Virginia; accordingly, the Partnership's financial statements are included in the financial statements of the Commonwealth as a discretely presented component unit.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accompanying financial statements have been prepared in accordance with general accepted accounting principles. The Statement of Net Assets and the Statement of Activities are referred to as "government-wide" financial statements and are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Program revenues include charges for services consisting of participation fees and shared mission reimbursements.

The Balance Sheet and the Statement of Revenue, Expenditures, and Changes in Fund Balances are referred to as "governmental fund" financial statements and are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Partnership considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as in accrual accounting. However, debt service payments and expenditures related to compensated absences are only recorded when payment is due.

The Partnership reports its activities in governmental funds. The general fund is used for its primary operating fund and accounts for all Partnership financial resources.

C. Capital Assets

Capital assets are defined by the Partnership as those assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are valued at estimated market value at the date of donation. Capital assets are comprised of leasehold improvements, furniture, and equipment. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over useful lives of two to twenty years.

D. Compensated Absences

Compensated absences represent the amounts of vacation, sick, and compensatory leave earned by the Partnership employees, but not taken at June 30, 2004. Compensated absences were calculated in accordance with Governmental Accounting Standards Board (GASB) Statement No. 16, "Accounting for Compensated Absences." This statement requires the accrual of Social Security and Medicare taxes to be paid by the Partnership on all accrued compensated absences.

E. Budgets and Budgetary Accounting

The Partnership's budget was primarily established by the Appropriation Act as enacted by the General Assembly of Virginia for the fiscal year ended June 30, 2004, which is the second year of the biennium ended June 30, 2004. No payments were made to the Partnership out of the state treasury except in pursuance of appropriations made by law. Payments from the state treasury were deposited into Partnership bank accounts in accordance with the provisions of Chapter 22 of Title 2.2 of the Code of Virginia and expended for purposes as stated in those provisions. The budget is prepared on the cash basis.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent deposits not with the Treasurer of Virginia and cash in the Local Government Investment Pool (LGIP) with the Treasurer of Virginia. Cash on deposit is held in demand deposit accounts maintained for operating and payroll costs and is covered by federal depository insurance and is not categorized as to credit risk. The LGIP funds are held in pooled accounts and accordingly, are also not categorized as to credit risk as defined by Statement 3 of the Governmental Accounting Standards Board.

Credit risk is the risk that the Partnership may not be able to obtain possession of its investment instruments. Risk category 1 includes investments which are insured or registered or for which the securities are held by the Partnership or its safekeeping agent in the Partnership's name. Risk category 2 includes uninsured or unregistered investments for which the securities are held by the broker's or dealer's trust department or safekeeping agent in the Partnership's name. Risk category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or safekeeping agent, but not in the Partnership's name. There are no accounts or investments in categories 1, 2, or 3.

<u>Cash and Cash Equivalents</u>	<u>Non- Categorized</u>	<u>Fair Value</u>
Cash on deposit	\$ 107,805	\$ 107,805
Cash with Local Government Investment Pool with the Treasurer	<u>1,608,730</u>	<u>1,608,730</u>
Total cash and cash equivalents	<u>\$ 1,716,535</u>	<u>\$ 1,716,535</u>

3. RECONCILIATION OF BUDGETARY FUND BALANCE TO GAAP FUND BALANCE

The accompanying Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Cash Basis - General Fund presents comparisons of the legally adopted budget prepared on the cash basis with actual data prepared on the cash basis. To enhance this comparison, actual data on the cash basis is reconciled to actual data on the GAAP basis as follows:

	<u>General Fund</u>
Fund balance, cash basis, June 30, 2004	\$ 2,052,731
Add: Prepaid expenses	18,843
Other Receivables	62,132
Deduct: Accrued expenses	<u>(365,190)</u>
Fund balance, GAAP basis, June 30, 2004	<u>\$ 1,768,516</u>

4. REVENUE PROVIDED BY THE GENERAL FUND OF THE COMMONWEALTH

The original appropriation from the General Fund of the Commonwealth has been adjusted as follows:

Original appropriation	\$ 14,486,241
Add: Central Appropriations Adjustments	220,049
Military Base Closing Funding	<u>689,000</u>
Revenue provided by the General Fund of the Commonwealth	<u>\$ 15,395,290</u>

5. LEASE DEPOSITS

The Partnership maintains offices in Frankfurt, Germany and Tokyo, Japan. Each landlord requires a lease deposit as part of the lease agreement for those locations. The Frankfurt lease deposit is held in U.S. dollars in an interest bearing account and is valued at \$31,975. The interest earned on the deposit is used to offset monthly bank charges. The Tokyo lease deposit is held in Japanese yen and does not accrue interest. The yen deposit increased in value during the fiscal year ended June 30, 2004, due to a favorable currency exchange rate, however, that increase is not a recognizable gain. The Tokyo lease deposit remained \$121,864. The total value of lease deposits for the Partnership for the fiscal year ended June 30, 2004, is \$153,839.

6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2004, was as follows:

<u>Capital Assets Being Depreciated</u>	<u>Balance July 1, 2003</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2004</u>
Leasehold improvements, furniture and equipment	\$ 2,062,267	\$ 257,410	\$ (429,230)	\$ 1,890,447
Less: accumulated depreciation	<u>1,510,017</u>	<u>268,449</u>	<u>(365,365)</u>	<u>1,413,101</u>
Leasehold improvements, furniture and equipment, net of accumulated depreciation	<u>\$ 552,250</u>	<u>\$ (11,039)</u>	<u>\$ (63,865)</u>	<u>\$ 477,346</u>

7. COMMITMENTS

The Partnership is committed under various operating leases for office facilities and equipment. Rental expense under operating lease agreements for the fiscal year ended June 30, 2004, amounted to \$1,627,583. The Partnership signed a 5<sup>th</sup> amendment to its Riverfront Plaza lease subsequent to June 30, 2004. The new agreement commences on September 22, 2004, and ends on December 31, 2015. Although the lease was not signed until after the fiscal year ended, the payments are included in the schedule below. A summary of minimum future obligations under these lease agreements as of June 30, 2004, follows:

<u>Year Ending June, 30</u>	<u>Operating Lease Obligations</u>
2005	\$ 1,222,587
2006	1,232,789
2007	1,088,907
2008	1,206,738
2009 and later	<u>9,128,571</u>
Total future minimum rental payments	<u>\$ 13,879,592</u>

The Partnership has contracted for three years of maintenance on its Microsoft products. As of June 30, 2004, there were two years remaining on this commitment amounting to \$90,149.

8. COMPENSATED ABSENCES

Compensated absences activity for the fiscal year ended June 30, 2004, was as follows:

<u>Balance July 1, 2003</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2004</u>
<u>\$ 728,843</u>	<u>\$ 470,836</u>	<u>\$ 461,719</u>	\$ 737,960
	Due Within One Year		<u>(431,673)</u>
	Due in More Than One Year		<u>\$ 306,287</u>

9. PENSION PLAN AND OTHER POST EMPLOYMENT BENEFITS

The Partnership is a participating employer in a defined benefit plan administered by the Virginia Retirement System. As of June 30, 2004, the Partnership's net pension obligation was \$1,319,387.

Plan Description

All full-time and part-time salaried employees of the Partnership participate in the defined benefit retirement plan administered by the Virginia Retirement System (VRS). The VRS is an agent and a cost-

sharing multiple-employer public employee retirement system that acts as a common investment and administrative agency for the Commonwealth of Virginia and its political subdivisions.

All full-time and part-time salaried employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees who retire with a reduced benefit at age 55 (age 50 for participating law enforcement officers and firefighters) with at least five years of credited service are entitled to an annual retirement benefit payable monthly for life in an amount based on 1.7 percent of their average final compensation (AFC). An optional reduced retirement benefit is available to members of VRS as early as age 50 with 10 years of credited service. In addition, retirees qualify for annual cost-of-living increases beginning in their second year of retirement. AFC is defined as the highest consecutive 36 months of salary. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the State legislature.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be obtained by writing to the system at P.O. Box 2500, Richmond, Virginia 23218-2500.

#### Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5 percent of their annual salary to the VRS. The employer may assume this 5 percent member contribution. The Partnership does pay the member contribution, which amounted to \$319,926 (5 percent of total creditable compensation of \$6,398,527). In addition, the Partnership is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the statute and approved by the VRS Board of Trustees. The Partnership contribution rate for the fiscal year ended June 30, 2004, was 3.77%, which resulted in a contribution of \$241,225 for the fiscal year.

## 10. RISK MANAGEMENT

The Virginia Economic Development Partnership is exposed to various risks of loss related to torts; theft, damage, or destruction of assets; errors and omissions; non-performance of duty; injuries to employees; and natural disasters. The Partnership is insured for these risks through commercial insurance policies. Further, the Partnership is insured for workers compensation and from loss from employee actions by an insurance policy issued by the Chubb Group, the Federal Insurance Company. Policy coverage from loss from employee actions is \$50,000 per year with a \$1,000 deductible for each loss.

The Partnership participates in the state health care insurance plan maintained by the Commonwealth of Virginia, which is administered by the Department of Human Resource Management (DHRM). The Partnership pays premiums to DHRM for health insurance coverage. Information relating to the Commonwealth's insurance plan is available at the statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.



# Commonwealth of Virginia

Auditor of Public Accounts  
P.O. Box 1295  
Richmond, Virginia 23218

Walter J. Kucharski, Auditor

October 18, 2004

The Honorable Mark R. Warner  
Governor of Virginia

The Honorable Lacey E. Putney  
Chairman, Joint Legislative Audit  
And Review Commission

Board of Directors  
Virginia Economic Development Partnership

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

We have audited the financial statements of the **Virginia Economic Development Partnership** as of and for the year ended June 30, 2004, and issued our report dated October 18, 2004. Our auditor's report on the financial statements is contained in the Partnership's *Annual Report* for fiscal year 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered the Partnership's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Partnership's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters" is intended solely for the information and use of the Governor and General Assembly of Virginia, Board of Directors and management, and is not intended to be and should not be used by anyone, other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

EXIT CONFERENCE

We discussed this report with management at an exit conference held on October 27, 2004.

A handwritten signature in black ink, appearing to read "Walter J. Schanski". The signature is fluid and cursive, written in a professional style.

AUDITOR OF PUBLIC ACCOUNTS