

VCEDA

Virginia Coalfield Economic Development Authority



electronic information technology • energy • education

2008 ANNUAL REPORT & 20TH ANNIVERSARY YEAR

Chairman's Letter

The Honorable Timothy M. Kaine
 Governor of Virginia
 Patrick Henry Building, 3rd Floor
 1111 East Broad Street
 Richmond, Virginia 23219



Jay Rife
 Chairman

Dear Governor Kaine,

We are pleased to submit to you and the General Assembly the 2008 Annual Report of the Virginia Coalfield Economic Development Authority. This is our 20th anniversary year, and this annual report features highlights of the economic development progress in the region since VCEDA was created in 1988. This includes the announcement of nearly 12,000 jobs and more than \$115 million in funding approved for projects throughout the seven-county and one-city region served by VCEDA.

In 2008, VCEDA approved seven loans and seven grants for a total of \$9.4 million and more than 500 projected jobs. Highlights of the year include the groundbreaking of the Virginia City Hybrid Energy Center, the construction of the Sykes IT Support Center as the first business in Buchanan County's Southern Gap development, VCEDA's approval of \$2 million for the development of last-mile broadband connectivity in the region and the announcement of the location of an energy research center in Wise County. Other projects included expansions at existing businesses, including Benjamin Case in Scott County, Pemco Corporation in Tazewell County and KCG Call Centers in Lee County. Bryant Electric, LLC in Wise County and Metal Manufacturing and Processing in Tazewell County announced new projects as well.

We look forward to continuing to work with you to further diversify the economy and to bring jobs to the coalfield region of the Commonwealth. We thank the Governor's Office and the General Assembly for your leadership and support.

Sincerely,

Jay Rife, Chairman

Mission of the Virginia Coalfield Economic Development Authority

The primary purpose of the Authority is to enhance the economic base for the seven county and one city coalfield region of Virginia (Lee, Wise, Scott, Buchanan, Russell, Tazewell and Dickenson Counties and the City of Norton). The Authority shall provide financial support for the purchase of real estate, construction of buildings for sale or lease, installation of utilities, direct loans and grants to private for-profit basic employers; may apply for matching funds from the state or federal government, or the private sector; and any other support improvements it deems necessary.

Code of VA Title 15.2 Chapter 60, Section 15.2-6002



VCEDA, state and local officials join the Lee County IDA at the groundbreaking ceremony for a 60,000 sq. ft. shell building in the Constitutional Oaks Business Park. VCEDA provided a \$200,000 loan to assist with this project.



The University of Appalachia College of Pharmacy breaks ground for a new 48,000 sq. ft. facility, funded in part by VCEDA, at the Garden campus in Buchanan County.



VCEDA Executive Director Jonathan Belcher, right, presents Ben Allen, chairman of the Wise County IDA, with a ceremonial check for immediate repairs at the historic Inn at Wise. VCEDA approved up to \$1.2 million in funds to the Wise County IDA for the restoration and redevelopment of the Inn.



The Crooked Road Technology Center, a 45,000 sq. ft. multi-tenant facility, takes shape in the Scott County Regional Business and Technology Park in Duffield.

Dickenson County holds a ribbon-cutting ceremony for the Dickenson Center for Education and Research in a former shell building in Dickenson County Technology Park. VCEDA provided \$4 million in funding for the project.



More than 300 persons attend the August 14 groundbreaking ceremony for Dominion Power's \$1.8 billion Virginia City Hybrid Energy Center in Wise County, described as the largest economic development project in the history of the region.



OnePartner, LLC opens the Advanced Technology & Applications Center (ATAC) in Duffield. It is the only Certified Tier III data center in America. VCEDA provided a \$150,000 grant to assist on the project, which is projected to create up to 40 jobs.

VCEDA holds a press conference to announce \$2 million in grants - \$1 million each to Cumberland Plateau Company and LENOWISCO, Inc. I - for development of last-mile broadband connectivity in Virginia's e-Region.



Congressman Rick Boucher flips the switch on a massive drill at a Russell County gas well that will be the first test of carbon dioxide storage in unmineable Central Appalachian coal seams.



Executive Director's Report



Jonathan Belcher
Executive Director

This 20th anniversary year for VCEDA has been a productive one. In 2008, VCEDA approved seven loans and seven grants for a total of \$9.4 million and more than 500 projected jobs with an expected investment of \$5.6 million in projects throughout the region.

2008 also saw the continued refinement and implementation of the Virginia's e-Region strategy, which focuses on the region's core strengths and competitive advantages in electronic information technology, energy, education, and emerging and traditional specialty manufacturing technologies.

Special thanks is due to the region's coal and natural gas industry for not only the jobs and huge economic impact they provide, but also for their support of VCEDA as an organization and economic development in general.

VCEDA as an organization, and the region as a whole, have many successes of which to be proud over the past twenty years. There is no doubt that much positive progress has occurred in the region in the past twenty years, and one need only refer to things such as the reduction in regional unemployment rates, increases in income, and increasing diversification of the regional economy. Specific marquee events such as the locations of the Northrop Grumman and CGI information technology projects to the region and the development of the Virginia City Hybrid Energy Center in Wise County demonstrate the viability of Virginia's e-Region as an exceptional place to do business.

The challenge for the next twenty years is to build upon the successes and strategies laid in place over the previous twenty years. As demonstrated over the organization's initial two decades, the unique strengths of VCEDA as a regional organization will be a great asset to the region in meeting that challenge. The team approach of working together with our local, regional, state, and federal allies to promote and advance Virginia's e-Region is also one of the most positive advantages we have and will continue to be a key to success.



VCEDA staff includes, from left, front, Marketta Horton, Economic Development Support Specialist; Jonathan Belcher, Executive Director; Mitzi White, Secretary; back, Susan Copeland, Business Development and PR Coordinator; Jean Jordan, Funds Administrator; and Jim O'Quinn, Special Projects Coordinator.

VCEDA Chairman Jay Rife, left, and Executive Director Jonathan Belcher, right, present Charlotte Whitted, director of Historic Crab Orchard Museum, with a \$300,000 grant for development of a Farm Heritage and Events Center.



Virginia Secretary of Commerce and Trade Patrick Gottschalk presents S. R. Smith, president of Metal Manufacturing & Processing, with a state flag for the company's new operation in the Bluefield Industrial Park in Tazewell County. The company announces 171 new jobs will be created in the processing facility for metal fabrication and truck parts remanufacturing.



VCEDA presents a \$100,000 grant to Rogers Foam Corporation for its facility in the Duffield Regional Industrial Park. From left, are, Jonathan Belcher, VCEDA; Bob Barker, Scott County EDA; John Davis, Rogers Foam; Ron Flanary, LENOWISCO; Michelle Moore and Moe Bastarache, Rogers Foam.

VCEDA closes up to a \$557,363 loan to Pemco Corporation for an expansion at its Bluefield facility. From left, are Jim Boyd, Tazewell County IDA; Margie Douglass, Tazewell County economic development and tourism coordinator; Walter "Buck" Sowers, president of Pemco; Jonathan Belcher, VCEDA; Curtis Gillespie, Tazewell County IDA; and David Anderson, Tazewell County Board of Supervisors. The project will help the company retain 25 existing manufacturing jobs and create 25 new jobs.



Benjamin Case LLC announces it will move its manufacturing operation into the Duffield Regional Industrial Park and create 27 jobs. From left, are Jonathan Belcher, VCEDA; John Kilgore, Scott County EDA director; Joe Herron, Scott County Board of Supervisors; Danny and Eugene Enevoldson, owners; Del. Terry Kilgore and State Sen. William Wampler Jr. VCEDA provided a \$75,000 grant to assist on the project.



VCEDA closes a \$525,000 loan to Bryant Electric, LLC, to be used for the purchase of real estate for a new location in Wise. From left, are, Kenny Gilley, Wise County IDA; Kenny Bryant and Joyce Wilson, Bryant Electric; Jonathan Belcher, VCEDA; Jim Gott, president of Bryant Electric; Sue Ella Boatright-Wells and Donnie Rife, VCEDA board members; and Roger Jenkins, Bryant Electric.



VCEDA Executive Director Jonathan Belcher, left, and George Criddle, VCEDA vice chairman, right, present KCG Call Centers President Paul Kavanaugh with a ceremonial VCEDA loan check for an expansion at the Lee County customer service center that expects to employ more than 300 within five years.



Virginia Secretary of Commerce and Trade Patrick Gottschalk presents Virginia flag to Equitable Resources CEO Murray Gerber during the gas company's groundbreaking for its Appalachian services office in Dickenson County.

The Sykes IT Support Center is the first business in Buchanan County's Southern Gap development in a newly constructed building. VCEDA approved a \$2.7 million loan in 2007 to assist with the project, which is expected to create at least 400 new jobs.



20 Years:

VCEDA helps bring nearly 12,000 jobs and more than \$2 billion in investments to Virginia's e-Region

In 20 years, VCEDA helped create nearly 12,000 jobs, approved more than \$115 million in funding for 206 projects throughout the region and played a significant role in bringing \$2 billion in announced investments to the coalfield region of the Commonwealth.

Delegate Ford Quillen introduced legislation in the Virginia General Assembly that created VCEDA in 1988 to enhance the economic base for the seven-county and one-city coalfield region of Virginia. A portion of coal and gas severance taxes in those counties is paid into funds maintained by VCEDA to be used to encourage economic development, diversification and new job creation.



Energy is the backbone of the e-Region, and adding value to natural resources has been a goal of VCEDA from the beginning. In its 20th year, VCEDA sees the groundbreaking of a new coal-fired hybrid energy center, a headquarters location for the Appalachian operations of one of the nation's largest gas companies, a natural resources company locating its regional offices in a shell building, a new biofuel operation that turns vegetable oil into fuel, and the first test site for carbon sequestration in the Central Appalachian coalfields.



electronic information technology, energy, education

In cooperation with a host of allies, including an Executive Advisory Board created in 1990, VCEDA developed a broad based program to launch the coalfield region from a natural resource-based economy to one with a diversified economic base.

From the beginning VCEDA focused on building infrastructure, helping localities plan for industrial parks and shell buildings and attracting new industries and jobs to the region. In the early 1990s a bold strategy was launched to attract information technology jobs, and customer contact centers located in the region, helping to build a workforce and training resources for high-tech jobs.

Adding value to our natural resources has always been a goal of VCEDA, and independent power producers were added to the target industry list in 2000.

In the second decade of development, VCEDA has seen the strategies to attract high-tech information technology companies flourish, the continued growth of a strong manufacturing base, existing industry expansion, and the location of a coal-fired hybrid energy center in the region, as well as energy research and alternative fuels initiatives.



Electronic information technology has a key role in the transition and diversification of the e-Region. Customer contact call centers began locating here in the 1990s and Northrop Grumman and CGI are operating multi-million dollar technology centers in the region, which is also home to the nation's only Certified Tier III data center.

Charles Yates, right, served as Executive Director of VCEDA for 17 years until his retirement in 2006. Jonathan Belcher, who has been with VCEDA since 1997, was selected by the board to succeed him as Executive Director.





Emerging specialty manufacturing technologies involving computer-guided precision machinery add to the strong manufacturing base of the e-Region. Leading manufacturers such as Alcoa Wheels, Tempur-Pedic and Mullican Flooring operate successfully in the region and continue to work with VCEDA, community colleges and other allies to define and strengthen workforce training.

n, emerging specialty manufacturing technologies



Education is the key to growth, and VCEDA has helped the region fund the Appalachian School of Law, the University of Appalachia College of Pharmacy and the Dickenson Center for Education and Research. VCEDA also provided funding for workforce training in information technology.



Marketing Virginia's e-Region

VCEDA continues to market the region as Virginia's e-Region. A full-color image brochure describing the region as a trendsetter in broadband access in rural America was produced and added to marketing materials distributed by VCEDA staff and available for download from the VCEDA website.

A new exhibit display was created for VCEDA teams to use at conferences and events. Local economic developers joined VCEDA in marketing Virginia's e-Region at AMExpo, the largest advanced manufacturing trade show in the South, held in March in Charlotte, N.C. In September, the VCEDA-led team also exhibited in Williamsburg at the Commonwealth of Virginia Innovative Technology Symposium (COVITS). In conjunction with these events, the teams met in pre-set appointments with individual manufacturers and IT companies to promote the business opportunities available in Virginia's e-Region.

Virginia's e-Region was a sponsor and exhibitor at the regional legislative reception in Richmond in January and at the Southern Economic Development Council 2008 annual conference held at The Homestead Resort in Hot Springs, Va., where VCEDA treasurer Mike Quillen was a featured speaker at the energy-themed meeting. Executive Director Jonathan Belcher was a member of the Virginia delegation at the 32nd annual joint meeting of the Southeast U.S./ Japan & Japan-U.S. Southeast Associations.

VCEDA introduced its first electronic newsletter in November. The VCEDA website continues to attract 20,000-30,000 hits a month, and VCEDA entertained prospect visits throughout the year and visited with 60 existing industries within the e-Region.

VCEDA also maintains strong media relations with regional news media to keep the region informed of loan and grant awards, VCEDA Board of Directors and Executive Advisory Board meetings and marketing missions led by VCEDA.



Virginia's e-Region is described as a trendsetter in broadband access in rural America in a new brochure published in 2008.



VCEDA led a team of economic developers to AMExpo in Charlotte, NC (top photo), the largest advanced manufacturing trade show in the South, and to the Commonwealth of Virginia's Innovative Technology Symposium (COVITS), where Virginia Governor Tim Kaine visited with the group (bottom photo).

2008 New Announcements and Expansions

Announcements	Type	Jobs	Investment
Bryant Electric, LLC	custom builds electric motors & equipment	26	\$ 1,029,000
Metal Manufacturing & Processing	metal fabrication and truck parts manufacturing	171	3,195,834
Fenner Dunlop Conveyor Belting	conveyor belting R&D	20	N/A
Total:		217	\$ 4,224,834
Expansions:			
Benjamin Case LLC	manufactures structural steel wall panel systems	27	\$ 1,500,000
Pemco Corporation	transformers and switch gear	50 *	703,589
KCG Call Centers, LLC	customer service call center	200	307,295
Total		277 *	\$ 2,510,884
Grand Total		494 *	\$ 6,735,718

*includes 25 retained jobs.



▶ Eva Teig Hardy, retiring chairperson of the VCEDA Executive Advisory Board, shares a moment with former Virginia Governor Linwood Holton, a charter member of the advisory group. Governor Holton signed copies of his new book, "Opportunity Time," for fellow board members.

Executive Advisory Board

Workforce Preparedness in an Energy and Technology Economy

The VCEDA Executive Advisory Board met in Lebanon June 10 for its annual meeting and update on economic development progress in Virginia's e-Region.

"Workforce Preparedness in an Energy and Technology Economy" was the topic of the meeting with speakers from technology, education and energy providing updates on progress in Virginia's e-Region which represents the focus on electronic information technology, energy, education and emerging technologies.

▶ The VCEDA Executive Advisory Board meets June 10 for its annual meeting. In the photo are, from left, Jonathan Belcher, VCEDA Executive Director; Don Green; Chairperson Eva Teig Hardy; former Governor Linwood Holton; Anna DeFazio Gadbois; Jay Rife, VCEDA Chairman; Robert Woltz; and Donnie Rife, VCEDA board member.



Representatives from Northrop Grumman and CGI said finding qualified employees has not been a problem for their companies thanks to FastTrack and other degree programs at the community colleges and the University of Virginia's College at Wise, and aggressive college recruiting touting the virtues of having a good job and living in a rural area with outstanding quality of life.

VCEDA Executive Director Jonathan Belcher said more than 1,000 new jobs were announced in the region in 2007, and that with pending announcements in 2008, over 171 additional new jobs soon would be announced. He also noted that a strong regional energy industry is helping to stabilize the region's economy.

Mark R. Graham, chairman of the Virginia State Board for Community Colleges, told the advisory group about the role of workforce development and the community colleges in Virginia's new economy. Dr. David Prior, chancellor of the University of Virginia's College at Wise, outlined the role of higher education in preparing the region's workforce.

George Owens, vice president of human resources for Alpha Natural Resources, joined James K. Martin, senior vice president, Dominion Resources, to give updates on the region's energy industry and its workforce needs.

Eva Teig Hardy presided over her last meeting as chairperson as she is retiring from Dominion Virginia Power Company and the advisory board. Dan Carson, vice president of external affairs, Appalachian Power Co., was elected to serve as chairman. Tommy Hudson, president of the Virginia Coal Association, will serve as vice chairman.

Two new members of the Executive Advisory Board are Jeff Anderson, executive director of the Virginia Economic Development Partnership, and James K. Martin, senior vice president, business development and generation construction, Dominion Resources.

Eva Teig Hardy – Chairperson

Senior Vice President
External Affairs & Corporate
Communications
Dominion Virginia Power Company

Jeff Anderson

Executive Director
Virginia Economic Development
Partnership

R. Daniel Carson Jr.

Vice President
External Affairs
Appalachian Power

Anna DeFazio Gadbois

Vice President
Government Relations & Strategic
Business Development
CGI

Don M. Green

Executive Director
Napoleon Hill Foundation

The Honorable Linwood Holton

McCandlish Holton, PC
Attorneys at Law

Tommy Hudson

President
Virginia Coal Association

Cheryl L. Janey

Civil Programs
Harris Corporation

Michael D. King

Director
Strategy & Business Development
Northrop Grumman Corporation
IT Sector

A. George Mason Jr.

Attorney At Law

James K. Martin

Senior Vice President
Business Development & Generation
Construction
Dominion Resources

The Honorable Ford C. Quillen

Circuit Court Judge Retired

Daniel D. Smith

Senior Vice President Energy and
Properties
Norfolk Southern Corporation

Robert W. Woltz Jr.

President
Verizon Virginia, Inc.

2008 Highlights

January 13

The Booth Center, located adjacent to the Appalachian School of Law in Grundy, holds ribbon-cutting ceremony for the 60,000 sq. ft. facility, financed in part by a VCEDA loan to ASL.

January 15

VCEDA holds closing ceremony for up to a \$275,000 loan to Haysi Heating & Cooling, Inc. for an expansion at the Dickenson County business.

January 17

VCEDA joins local and regional leaders and economic development officials to sponsor a regional legislative reception in Richmond.

January 24

VCEDA closes \$800,000 loan to the Lee County IDA for the region's first alternative energy project operated by Synergy Biofuels, LLC in an existing building in Lee County.

January 30

VCEDA awards \$100,000 grant to Rogers Foam Corporation to help the manufacturer of furniture foam and other foam-based products to locate in the Duffield Regional Industrial Park, projected to create 50 new jobs.

February 18

Fenner Dunlop Conveyor Belting, the world's largest manufacturer of conveyor belting for mining and industrial applications, announces it will locate in Tazewell County's Business and Technology Center near Bluefield to focus on R&D of belt monitoring systems.

February 21

The VCEDA Board of Directors welcomes new members Dana Kilgore of Wise County, Donnie Rife of Dickenson County, and Joe Gillespie, representing the Virginia Economic Development Partnership.

February 25

Groundbreaking ceremony is held for a new building, funded in part by VCEDA, at the University of Appalachia College of Pharmacy campus in Oakwood.

March 18-20

VCEDA leads a team of economic developers to attend and exhibit at AMExpo, the largest advanced manufacturing trade show in the South, at the Charlotte (N.C.) Convention Center.

March 25

The Lee County IDA holds a groundbreaking ceremony for a new shell building, financed in part by VCEDA, at the Constitutional Oaks Business Park in western Lee County.

April 30

Equitable Resources, one of the nation's largest natural gas companies, breaks ground for its Appalachian operations headquarters in the Dickenson County Technology Park.

May 13

"Building for the Future of the Great Southwest" is the theme of Northrop Grumman's Backyard Economic Summit held at the company's Southwest Enterprise Solutions Center in Lebanon.

May 22

VCEDA approves \$2.3 million in funding, including a \$1 million loan for a new metal manufacturing and processing business to be located in Tazewell County, and up to \$1.2 million in funds to the Wise County IDA for the restoration and redevelopment of the historic Inn at Wise.

June 10

"Workforce Preparedness in an Energy and Technology Economy" is the theme of the VCEDA Executive Advisory Board annual meeting in Lebanon.

June 17

VCEDA, state and local officials gather in Scott County Regional Business and Technology Park to break ground for the Crooked Road Technology Center, a 45,000 sq. ft. multi-tenant facility.

June 17

Benjamin Case LLC, a manufacturer of structural steel wall systems, announces its move into the Duffield Regional Industrial Park, projected to create 27 new jobs.

July 3

VCEDA closes up to a \$100,000 grant to the Wise County IDA for the South Fork sewer extension near Pound, to assist with the retention and attraction of jobs and business in that area.

July 31

Metal Manufacturing & Processing, a new division of Raleigh Mine & Industrial Supply, announces it will invest \$3.2 million and locate a new operation at the Bluefield Industrial Park in Tazewell County.

August 14

More than 300 local, regional and state officials participate in the groundbreaking ceremony for Dominion Power's Virginia City Hybrid Energy Center in Wise County, described as the largest economic development project in the history of the region.

August 15

OnePartner opens the Advanced Technology & Applications Center (ATAC), the nation's only Certified Tier III data center, in Duffield. The Tier III classification is awarded by The Uptime Institute, Sante Fe, NM.

August 18

Congressman Rick Boucher, the Virginia Center for Coal and Energy Research (VCCER), CNX Gas and the Russell County Board of Supervisors host a groundbreaking ceremony at a CNX gas well in Russell County that will be the first test of carbon dioxide storage in unmineable Central Appalachian coal seams.

August 21

The VCEDA Board of Directors approves \$3.2 million in loans and grants, including \$2 million in grants to pay for development of high-speed fiber optic broadband lines in the region, a \$75,000 grant for Benjamin Case LLC, a \$525,000 loan for Bryant Electric, LLC, and a loan for up to \$557,363 for Pemco Corporation.

August 28

VCEDA holds a press conference to announce \$2 million in grants for development of last-mile broadband connectivity in Virginia's e-Region.

September 7-9

VCEDA leads a delegation of economic developers promoting Virginia's e-Region at the annual Commonwealth of Virginia's Innovative Technology Symposium (COVITS) in Williamsburg.

September 17

VCEDA holds a closing ceremony for a \$75,000 grant for Benjamin Case LLC, a manufacturer of a structural steel wall panel system that moved its operations into Duffield Regional Industrial Park in June.

September 17

VCEDA closes a grant for up to \$700,000 to the Wise County IDA to be used toward costs of the rehabilitation and restoration of The Inn at Wise.

October 3

VCEDA closes a loan of up to \$525,000 to Bryant Electric, LLC to assist with a new location in the Town of Wise, projected to create 26 new jobs.

October 5-7

VCEDA is a sponsor and exhibitor at the Southern Economic Development Council's 2008 annual conference at The Homestead in Hot Springs, Va. Mike Quillen, VCEDA treasurer, is a featured speaker at the energy-focused conference.

October 19-21

Executive Director Jonathan Belcher serves as a member of the Virginia delegation at the 32nd annual joint meeting of the Southeast U.S./Japan and Japan-U.S. Southeast Associations in Raleigh, NC.

November 20

The VCEDA board approves nearly \$4 million in loans and grants: \$2 million to the Wise County IDA for development of an energy research center, a \$1.5 million grant to the Tazewell County IDA for phase 1 of The Bluestone Regional Business & Technology Center, a loan of up to \$240,455 to KCG Call Centers, LLC for an expansion at its Lee County customer contact center, and a loan of up to \$200,000 to the Lee County IDA for the expansion and completion of a new shell building at Constitutional Oaks Business Park.

November 21

VCEDA closes a loan of up to \$557,363 to Pemco Corporation to help finance an expansion at the company's manufacturing facility in Bluefield, to create and retain 50 jobs.

December 9

Dickenson County holds an official ribbon-cutting ceremony for the Dickenson Center for Education and Research located in a former shell building in the Dickenson County Technology Park in Clintwood. VCEDA approved \$4 million for the project.

December 17

VCEDA closes a loan for up to \$200,000 to the Lee County IDA to be used toward costs of the expansion and completion of a 60,000 sq. ft. shell building at Constitutional Oaks Business Park.

December 18

VCEDA closes a \$300,000 grant to the Historic Crab Orchard Museum and Pioneer Park to be used for development of the Farm Heritage and Events Center.

2008 VCEDA Loan and Grant Approvals

Loans			
County	Project	Approved	Amount
Lee	KCG Call Centers, LLC	11/20/2008	\$ 240,455
Lee	Lee County IDA/Constitutional Oaks Shell Building	11/20/2008	200,000
Tazewell	Metal Manufacturing & Processing	5/22/2008	1,000,000
Tazewell	Pemco Corporation	8/21/2008	557,363
Wise	Wise County IDA/Inn at Wise	5/22/2008	500,000
Wise	Bryant Electric, LLC	8/21/2008	525,000
Wise	Wise County IDA/Energy Research Center	11/20/2008	955,000
Total Loans			\$3,977,818
Grants			
Regional	Cumberland Plateau Company, Inc.	8/21/2008	\$ 1,000,000
Regional	LENOWISCO, Inc. I	8/21/2008	1,000,000
Scott	Benjamin Case LLC	8/21/2008	75,000
Tazewell	Tazewell County IDA/Bluestone Reg. Business & Tech. Ctr.	11/20/2008	1,508,100
Wise	Wise County IDA/South Fork Sewer Extension	5/22/2008	100,000
Wise	Wise County IDA/Inn at Wise	5/22/2008	700,000
Wise	Wise County IDA/Energy Research Center	11/20/2008	1,045,000
Total Grants			\$ 5,428,100
Total Loans & Grants			\$ 9,405,918

Virginia Coalfield Economic Development Authority Statement of Cash Receipts & Disbursements

	Fund Balance 1/1/2008	Cash Receipts			Cash Disbursements		Fund Balance 12/31/08	Uncommitted Available Balance
		Receipts	Interest Earned	Loan Collections	Administrative/ Bus. Dev. Expenses	Project Loans/Grants		
Buchanan County	\$ 1,477,743	\$ 3,814,546	\$ 106,621	\$ 55,380	\$ 196,895	\$ 886,703	\$ 4,370,692	\$ 2,690,121
Dickenson County	6,481,310	1,940,894	246,258	423,863	121,971	4,501,671	4,468,683	4,046,471
Lee County	473,532	99,011	201	34,832	18,341	917,441	(328,206)	(651,221)
City of Norton	55,763	-	2,578	2,350	2,173	-	58,518	58,518
Russell County	580,592	637,207	38,966	124,885	51,978	-	1,329,672	1,329,672
Scott County	31,136	7,050	1,603	14,086	13,784	-	40,091	40,091
Tazewell County	1,240,114	401,384	66,796	229,052	50,052	343,247	1,544,047	1,329,931
Wise County	5,835,228	1,620,751	294,698	272,030	124,732	612,126	7,285,849	4,782,794
Undesignated	10,484,561	2,422,481	499,309	145,360	233,013	2,571,366	10,747,332	9,343,636
Tax Credit	11,590,872	2,733,760	492,358	-	-	1,471,057	13,345,933	10,372,386
Civil Penalties	38,562	27,278	422	-	-	43,612	22,650	22,650
TOTALS	\$38,289,413	\$13,704,362	\$1,749,810	\$1,301,838	\$ 812,939	\$11,347,223	\$42,885,261	\$33,365,049

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Virginia Coalfield Economic
Development Authority
Lebanon, Virginia 24266

We have audited the accompanying statement of cash receipts and disbursements of the Virginia Coalfield Economic Development Authority, for the year ended December 31, 2008. This financial statement is the responsibility of the Authority's management. Our responsibility is to express an opinion on the statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of cash receipts and disbursements is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of cash receipts and disbursements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of cash receipts and disbursements. We believe that our audit provides a reasonable basis for our opinion.

This financial statement has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the statement of cash receipts and disbursements referred to above presents fairly, in all material respects, the cash receipts and disbursements of the Virginia Coalfield Economic Development Authority, for the year ended December 31, 2008, on the cash basis of accounting.

Virginia Coalfield Economic Development Authority Board of Directors

The VCEDA Board of Directors honor outgoing Chairman Mark Wooten with a plaque and special thanks for his service on the VCEDA board and for serving as chairman for two years.



Ron Flanary, who was on the VCEDA board from 1991-2008 and served as chairman in 2001 and 2002, was honored upon his retirement with a resolution recognizing him for his contributions to economic development in the region.



VCEDA Board of Directors includes, from left, front, Jonathan Belcher, Executive Director; Jay Rife, Chairman; Donald Baker, Secretary; and George Cridlin, Vice Chairman. Back, Joe Gillespie, Steve Greer, Robert Raines, Sue Ella Boatright-Wells, Harry Childress, Donnie Rife, Jim Baldwin and Gary Cox. Not pictured are Mike Quillen, VCEDA Treasurer, Gerald Ramsey, Glen "Skip" Skinner, Carroll Branham and Dana Kilgore.

Officers

Jay Rife
Chairman

George F. Cridlin
Vice Chairman

Donald Baker
Secretary

Michael J. Quillen
Treasurer

Members

Governor's Appointees

Donald Baker
Sue Ella Boatright-Wells
George F. Cridlin
B. Robert Raines
Jay Rife

Coal Producers

Michael J. Quillen
Alpha Natural Resources

Gerald Ramsey
Consolidation Coal
Company

Harry D. Childress
Dickenson-Russell Coal
Company

Gas Producer

Steve Greer
CNX Gas Company

Virginia Economic
Development Partnership
Joe Gillespie

Planning District Commissions

Jim Baldwin
Cumberland Plateau PDC

Glen A. Skinner
LENOWISCO PDC

County Boards of Supervisors

Carroll Branham
Buchanan County

Donnie Rife
Dickenson County

Dana G. Kilgore
Wise County

Virginia Coal Association
Gary Cox

