



FISCAL YEAR 2010

ANNUAL REPORT



VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

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Audited Basic Financial Statements of the Virginia
Economic Development Partnership for the Year Ended
June 30, 2010

Chairman's Letter

As Chairman, I am very pleased to present to you the Annual Report of the Virginia Economic Development Partnership (VEDP) for the fiscal year ending June 30, 2010. This report is required by the *Code of Virginia*, and by Chapter 874 of the 2010 Acts of Assembly, and it is well worthy of your reading, reference, and continued support.

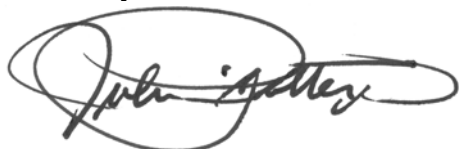
All of us associated with VEDP are extremely proud of our accomplishments over the past year. The interest, participation, and support from Governor McDonnell and his Administration, the important work of the General Assembly, and the many efforts by local and regional economic development organizations were all critical to our success. As well, it is important to highlight the vital work of the VEDP staff that provides the primary thrust to achieve the mission and vision; their unflinching dedication and considerable hard work consistently make all the difference.

Despite the challenges of this present day, all of us look toward the future with great optimism of engaging the global economy more than ever before, by cultivating new business investment and certainly by encouraging and supporting the expansion of existing business. We are fully committed to continuing that work and the work of creating new jobs and meaningful investment in the Commonwealth, especially in needful rural areas and urban cores. As well, we are focused on increasing our volume of sales of Virginia's goods and services abroad. The collective efforts of all associated with the VEDP, complemented by the Board's increased involvement with urban growth and rural development strategies, will enhance the Commonwealth's profile and continue to assure its distinction as the Best State for Business.

Our 2010 Financial Statements Report for the year ended June 30, 2010, 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 September 23, 2010, with no findings identified in this report.

Thank you for your continued support to our efforts. Our mission is to enhance the quality of life and raise the standard of living for all Virginians. We strongly believe that "the best is yet to come".

Sincerely,



Julien G. Patterson
Chairman

Partnership Profile

The Virginia Economic Development Partnership

In 1995, the General Assembly created the Virginia Economic Development Partnership (VEDP) to foster increased expansion of the Commonwealth's economy. As a state authority, the Partnership is governed by a 22-member Board comprised of businesspersons from around Virginia: 16 appointed by the Governor, four by the Speaker of the House, and two by the Senate Rules Committee. The six citizens appointed by the General Assembly must reside in regions of the Commonwealth that have a higher unemployment rate than the statewide average. The Executive Director is employed by the Board to oversee the fulfillment of VEDP's mission. As of July 1, 2010, the Lieutenant Governor was added to the VEDP Board and the Executive Director's title was changed to President and Chief Executive Officer.

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 recruitment and expansion, international trade, research, and promotion.

Partnership Profile

Central Office

Richmond Office – Headquarters

P.O. Box 798
Richmond, Virginia 23218
Telephone: (804) 545-5600
Fax: (804) 545-5611

Virginia Offices

Eastern Virginia

500 East Main Street, Suite 1220
Norfolk, Virginia 23510
Telephone: (757) 314-2358
Fax: (757) 314-2360

Northern Virginia

8300 Boone Boulevard, Suite 450
Vienna, Virginia 22182
Telephone: (703) 506-1030
Fax: (703) 506-1033

South Central Virginia

22776-H Timberlake Road
Lynchburg, Virginia 24502
Telephone: (434) 582-5182
Fax: (434) 582-5184

Southwest Virginia

16325 Taylor Place, Suite 300
Abingdon, Virginia 24211
Telephone: (276) 623-1536
Fax: (276) 623-1542

International Offices

Japan

State of Virginia
14th Floor, Kamiyacho Building
4-3-20, Toranomom
Minato, Tokyo 105-0001
Japan
Telephone: 81-3-5404-3424
Fax: 81-3-5404-3401

Europe

State of Virginia
Avenue Louise 479, Box 25
B1050 Brussels
Belgium
Telephone: 32-2-647-7433
Fax: 32-2-647-1463

Hong Kong

State of Virginia
Room 2209, 22/F
3 Lockhart Road
Wan Chai, Hong Kong SAR
Telephone: 852-2862-8078
Fax: 852-2862-8034

Mexico City

State of Virginia
German Centre
Ave. Santa Fe #170, Suite 645
Col. Lomas de Santa Fe
01210 Mexico City, Mexico
Telephone: 52-555-020-5033
Fax: 52-555-020-5034

Board of Directors

Julien G. Patterson, Chair
Chantilly, Virginia
Term Expires 12/31/13

Stephen R. Adkins
Charles City, Virginia
Term Expires 6/30/11

G. William Beale
Bowling Green, Virginia
Term Expires 12/31/11

W. Clay Campbell
Martinsville, Virginia
Term Expires 6/30/11

Russell B. Clark
Charlotte, Virginia
Term Expires 6/30/16

Mark Heath
Martinsville, Virginia
Term Expires 6/30/15

Hugh D. Keogh
Richmond, Virginia
Term Expires 12/31/13

Chris A. Lumsden
South Boston, Virginia
Term Expires 6/30/16

Stuart S. Malawer
Arlington, Virginia
Term Expires 12/31/13

John F. Malbon
Virginia Beach, Virginia
Term Expires 12/31/13

David Oliver
Covington, Virginia
Term Expires 6/30/15

A. Carole Pratt, DDS
Pulaski, Virginia
Term Expires 12/31/15

Ruth A. Sandoval
Arlington, Virginia
Term Expires 12/31/11

Samuel A. Schreiber
McLean, Virginia
Term Expires 12/31/11

Donald W. Seale
Norfolk, Virginia
Term Expires 12/31/15

James E. Ukrop
Richmond, Virginia
Term Expires 12/31/15

Neil D. Wilkin, Jr.
Roanoke, Virginia
Term Expires 12/31/13

Vacant
Congressional District 3
Term Expires 12/31/11

Ex-Officio:

The Honorable William T. Bolling
Lieutenant Governor
Richmond, Virginia (effective 7/1/10)

The Honorable Richard D. Brown
Secretary of Finance
Richmond, Virginia

The Honorable James S. Cheng
Secretary of Commerce and Trade
Richmond, Virginia

Glenn DuBois
Chancellor
Virginia Community College System
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 874, Item 114 D.1 of the 2010 Acts of Assembly. The *Code* requires VEDP to report on the status of the Commonwealth's comprehensive economic development strategy, and specifically on the number of business prospect site visits per region of the Commonwealth. Since this is the first year of Governor McDonnell's Administration, this update is not included. 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 874, Item 114 D.2 of the 2010-12 Appropriation Act requires target industries be identified for southwest and southside Virginia. This report responds to all those requirements. In addition, the Authority's financial statements audited by the Auditor of Public Accounts for the fiscal year ended June 30, 2010 (FY 2010) are attached to this report.

This Annual Report documents the efforts of VEDP in fulfilling its mission during FY 2010. 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 2010 accomplishments.

Virginia's low business costs, regulatory climate, workforce quality, and economic growth received top honors by *Forbes.com* and Pollina Corporate Real Estate, which ranked Virginia as "Best State for Business."



VEDP's report and plan to market to high unemployment regions of the state are included in Appendix 1 which meets the requirement articulated in §2.2-2238 B of the *Code of Virginia* for VEDP to prepare and report on the plan to market to high unemployment areas of Virginia.

The next two appendices address Item 114 D.2 of the 2010-12 Appropriation Act. The data on business prospect 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 data used throughout this report and summarized in Appendix 4 cover announcements made between July 1, 2009 and June 30, 2010. VEDP recorded the announcement of new and 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. This appendix also sets out the number of new jobs and amount of new investment by PDC. It is anticipated that from those announcements, a total of 16,400 new jobs will be created. In addition, these facilities will result in investments totaling \$2.6 billion. Forty-two percent of the announcements were of employers locating in economically distressed areas. These announcements are expected to create nearly 6,000 new jobs and make capital investments exceeding \$1.09 billion.

Executive Summary

This report is based on announcements of *planned* manufacturing and non-manufacturing capital expenditures and associated employment; 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.

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 McDonnell is expected to present his strategic plan shortly after the publication of this Annual Report. It will be accessible at <http://www.commerce.virginia.gov/>.

Business Recruitment

VEDP's primary role is to position Virginia's regions aggressively and deliver the Virginia message effectively into business sectors that align with the Commonwealth's diverse array of assets. Results are measured by basic sector companies locating or expanding operations in Virginia; results are also measured by increasing the pipeline of transactions in targeted sectors. VEDP markets Virginia to companies within the Commonwealth, in the U.S. and across the world by using a targeted business marketing approach, focusing on business sectors appropriate to regional and local strengths and assets, including a special emphasis on distressed areas. Target sectors include Advanced Manufacturing & Logistics, Science and Research and Corporate Services. In more focused communication, VEDP connects with site selection consultants in the target sectors, and also implements a "Gold Accounts" strategy focused on key long-term corporate accounts.

Consistent with its mission statement, VEDP approaches its markets collaboratively, aligning its outreach efforts with regional and local strategies, to maximize the use of available marketing resources. VEDP also partners with universities, institutes, business associations and other state agencies to leverage their connectivity in the target markets. VEDP's internationally-based staff utilizes its in-country expertise and geographic position to generate new project opportunities. VEDP reaches its clients through team and industry marketing missions, industry conferences, business associations, target sector marketing campaigns and special events. Successfully implementing VEDP's marketing efforts involves the coordination of limited trade journal advertising, media tours, use of a customer call center, marketing missions, special events, customized presentation materials including site studies and proposals and web and social media strategies. In FY 2010, VEDP also began a Governor's Business Contact Program, utilizing the Office of the Governor and Lieutenant Governor as a means to reach out to key corporate prospects and to key Virginia-based companies. The Governor's Business Contact Program began in the spring of 2010 and is at the time of this writing, expanding and being evaluated for effectiveness. Initial indications are favorable for continuing to use the Administration visibly with corporate partners.

In addition to positioning Virginia with target clients and sectors, VEDP plays a key role in managing projects to successful site location decisions for Virginia. VEDP serves as the primary portal to state, regional and local resources by using its staff as a concierge service to identify strategic partners, coordinate site visits for clients to evaluate Virginia's product and assets and prepare customized responses for these transactions. In addition, VEDP develops economic development financing alternatives for projects and works directly with companies in structuring financing transactions to meet corporate capital goals. VirginiaScan (VEDP's customized sites and buildings inventory and workforce tool) and resources developed by VEDP's sophisticated Geographic Information System (GIS) team are the technology platforms used to facilitate location decisions.

Any economic development marketing effort must fully understand and adequately present its product. VEDP thus maintains a comprehensive site and building inventory and detailed labor force data and customizes information for prospects to evaluate a location decision for 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.

FY 2010 Accomplishments

Significant announced job creation in FY 2010 included the trend of globally-headquartered advanced manufacturing: The sector added over \$502 million in total announced capital

Business Recruitment

investments and over 4,384 jobs in the Commonwealth. The flagship announcement, Northrop Grumman's corporate headquarters, was a highly visible and competitive transaction that ultimately selected Fairfax County, Virginia. The headquarters moved from California and was the pinnacle of similar opportunities for which Virginia is well-positioned. The location will create 300 very well-paying new jobs.

Existing industry retention and growth: In southern and southwestern Virginia, companies such as Carolina Profile (Grayson County, \$3 million capital investment and 55 new jobs); and Morgan Lumber Company (Charlotte County, \$4.2 million capital investment and 25 new jobs) continued growth trends, emphasizing the need for strong existing business programs at the local level.

Corporate headquarters attracted to southwestern Virginia: Alpha Natural Resources announced its selection of Bristol, Virginia as the home of its new corporate headquarters. The company will create 69 new jobs in the Sugar Hollow Business Complex. Alpha was formed from the merger of Alpha with Foundation Coal, and the decision to choose Bristol was highly competitive.

Existing buildings and workforce advantages produce results:

Virginia Casting Industries, LLC, will invest \$9.1 million to establish a ductile iron components manufacturing operation in the City of Radford, creating 300 new jobs. The company will occupy the former Internet New River Foundry facility. Virginia successfully competed against Michigan for the project.

Virginia Incentives Produce Results: Virginia awarded 16 Governor's Opportunity Fund (GOF) grants for a total of \$6,365,000. The 16 recipient companies are expected to make \$289 million in capital investments and create 2,998 new jobs. Seventy-three percent of these grant funds were awarded to economically distressed localities, while 53% of this year's GOF grant funds went to existing Virginia companies to encourage them to expand in the state.

During FY 2010, four Virginia Investment Partnership (VIP) grants were awarded totaling \$5.6 million. The projects are expected to create 681 new jobs, save 150 jobs and bring in \$500.5 million in new capital investments.

Selected FY 2010 Project Announcements

| Company | New Jobs | \$ Capital Investment (in millions) |
|------------------------------|----------|--|
| JTI Leaf Services* | 39 | 19.5 |
| Thermo Fisher* | 50 | 8.9 |
| DARPA Headquarters | 280 | 16.0 |
| Alpha Natural Resources* | 69 | 21.0 |
| SAIC | 1,200 | 25.0 |
| Universal Fiber Systems* | 84 | 13.0 |
| Rosetta Stone | 100 | - |
| Kraft Capri Sun* | 100 | 40.0 |
| Morgan Lumber* | 25 | 4.2 |
| Mercury Paper* | 150 | 21.2 |
| Polymer Group* | 41 | 65.0 |
| Phoenix Packaging* | 240 | 20.7 |
| Virginia Casting Industries* | 300 | 9.1 |
| KPMG | 372 | 12.0 |
| Monogram Food Solutions* | 150 | 4.0 |
| Evatran* | 84 | 3.5 |

*GOF definition of distressed locality; unemployment rate higher than the state average of 6.7% (calendar year 2009).

Business Recruitment

Aggressive Implementation of Distressed Area Strategy Yields Results: VEDP's Business Development division has engaged each of its project managers to proactively promote the product and the workforce in Virginia's distressed regions to business prospects. As a result, more than 75% of all prospect visits in FY 2010 have been to these high unemployment communities. The announcement list on the previous page includes distressed region locations which are identified by an asterisk (*).

Trade Development

VEDP's International Trade programs and services are designed to increase the international sales of Virginia manufactured products and services.

VEDP offers numerous programs including VALET, Export 3.0, Global Network and market visits to Virginia companies to increase their sales in the international marketplace.

FY 2010 Accomplishments

Program Participation

Virginia Leaders in Export Trade (VALET) Program: The VALET program selects 15 Virginia companies annually into a two-year intensive international sales training program. State resources are leveraged with private-sector contributions to take Virginia companies from being export-ready to actively selling internationally. This program offers a powerful combination of capital resources from the state and professional services from private-sector partners to enhance the international efforts of Virginia companies. The VALET program has now entered its ninth year in operation, graduating 13 companies in FY 2010. In FY 2011, the VALET program will expand and accept 25 companies per year into the program, nearly doubling the number of companies in the VALET program, from 30 to 50.

Accessing International Markets (AIM) Program: AIM provided Virginia companies support to develop an export strategy along with the resources required to enter an export market successfully. Since its inception in December 2005, the year-long AIM program helped 77 new-to-export companies adopt an effective approach to selling their products and services internationally. Sixty-five participants completed the year-long program. During AIM's tenure, these participants made over 100 trips to their target markets, 52% generated a new sale and 41% secured a new representative in their target market. Moreover, exports to AIM target markets rose 99% and total exports rose 47%. Beginning in FY 2011, resources previously designated for the AIM program will be reallocated to other international trade programs. The AIM program will graduate its final class in July 2010.

One-on-One Export Counseling: VEDP's seven International Trade Managers, located in five offices across Virginia, provide extensive international marketing assistance to Virginia businesses.

Group Market Visits: VEDP - International Trade arranges trips for several companies to travel together to meet face-to-face with prospects. These potential buyers or distributors are pre-qualified, based on information provided by the Virginia business to meet their individual export market objectives. Language assistance, meeting facilitation, in-country transportation and networking receptions are other benefits. In FY 2010, VEDP conducted 4 group market visits internationally to promote Virginia products and services, with 17 companies participating.

INTERNATIONAL TRADE HIGHLIGHTS

- ◆ 13 Companies graduated from VALET.
- ◆ AIM graduated its final 16 companies.
- ◆ 12 "Export 3.0" projects were completed by Virginia companies.
- ◆ VEDP – International Trade's Research Team completed 122 internal research projects.
- ◆ VEDP completed 188 market research projects for Virginia companies through the Global Network.
- ◆ VEDP – International Trade led 4 Group Market Visits with 17 companies participating.

Trade Development

Global Network: The Global Network is a group of in-country consultants contracted by VEDP in a number of foreign markets to conduct market research for Virginia companies, including searches for partners or customers and due diligence on potential foreign partners. In FY 2010, VEDP completed 188 market research projects for Virginia companies through the Global Network program. Approximately half of all Global Network projects resulted in a sale or a signed partner or distributor.

Internal Research: VEDP's Trade Research team completed 122 projects to help Virginia companies choose and enter a market, find a local partner and manage shipping, legal and payment issues.

Export 3.0: Export 3.0, focuses on the early stages of the international business development process—the face-to-face meetings with potential agents/distributors and customers in a target market. VEDP provides funds and assistance to organize these meetings. Access to this service is on a first-come-first-served basis for 30 Virginia companies seeking overseas markets. In its inaugural year, FY 2010, Export 3.0 aided 12 Virginia companies in their overseas travel.

Virginia Conference on World Trade: Each fall, VEDP – International Trade hosts the Virginia Conference on World Trade. In FY 2010, the conference focused on international infrastructure, a fitting topic during tough economic times, and highlighted business opportunities for Virginia companies abroad. With Presidential Sponsors AREVA and BAE Systems, Inc., last year's conference attracted more than 270 attendees from around the world.

“As our involvement in VALET increased, so too did our success. Nearing graduation from VALET I am proud to say as a company we have grown our workforce 130% and more than tripled our sales. A majority of our growth and success over the past two years is in part because of our participation in the VALET program and overall efforts of the VEDP.”

**Chuck Wythe
Managing Director, VSD, LLC
Virginia Beach, Virginia**

International Investment

FY 2010 Accomplishments

Internationally Owned Company Directory

This year the International Investment team implemented an expanded and improved Internationally Owned Company Directory. The Directory has been published for a number of years and lists all Virginia firms who are owned by an international company. The updated Directory has been changed to an online edition with a maintenance program that allows for continuous entry and a comprehensive yearly update.

INVEST E-Magazine

The International Investment Team launched INVEST, an online e-magazine designed for international companies operating in Virginia. Delivered quarterly, INVEST highlights an international executive with a presence in Virginia asking questions regarding what they do, where they see the company focusing their interests in the coming months and why they chose Virginia as a location for their business operation. In addition, the e-magazine features a regulatory issue and a trend issue designed to raise awareness within the international community to both people and issues that affect international business.

Secretary of Commerce and Trade Visit to Asia

As part of VEDP's marketing efforts in Asia, Secretary of Commerce and Trade James S. Cheng accompanied VEDP on a call trip to China and Japan. The marketing trip included a business seminar at the World Expo in Shanghai, business meetings in Hong Kong and an executive round table in Tokyo.

International Marketing Materials

In an effort to better communicate the advantages and benefits of a Virginia company location to international companies, VEDP is currently updating existing marketing materials to better engage international prospects. The new materials, addressing issues specific to international expansions, will be translated into Chinese, French, German, Japanese, and Korean and available in both a print-on-demand and online version.

INTERNATIONAL HIGHLIGHTS

Year End Numbers

- ◆ 682 Jobs announced by International companies
- ◆ \$96.11 million in capital investment
- ◆ 15 announcements
- ◆ Funding by the General Assembly in FY 2011 to secure representation in China, UK and India

International Investment

Mercury Paper – Strasburg, Virginia

Mercury Paper, Inc. is a rapidly growing paper towel and tissue products company located in Strasburg, Virginia. Philip Rundle, CEO of Mercury Paper said, "We selected Shenandoah County, Virginia because it offers a strategic location to serve our customers and our growing market. The area has competitively low operating cost advantages and boasts a pro-business environment. Our current experience with the community's leadership and the work ethic among the regional workforce have been very positive. These factors weighed favorably in our decision to locate our U.S. headquarters and expand our operations in Shenandoah County. The support we received from the Commonwealth of Virginia has also played a pivotal role in our selection of Virginia."

Mercury Paper by the numbers:

- 130 – the number of employees at Mercury Paper
- 180 – the number of employees at Mercury Paper expected by December 2011
- 300 – the number of employees at Mercury Paper by the end of the expansion
- 400,000 – Square footage of Mercury Paper facility in Strasburg, Virginia
- 11 million – the number of cases of bathroom tissue and paper towels produced annually in Strasburg
- \$65 million – amount of capital expenditures Mercury is investing in Virginia

Swedish Match North America Inc. – Richmond, Virginia

Swedish Match North America, headquartered in Richmond, Virginia, produces niche tobacco products, specifically smokeless tobacco. It is one of the leading U.S. manufacturers of smokeless tobacco with facilities located in Virginia, Alabama, and Kentucky. The company traces its roots to the Pinkerton Tobacco Company founded in 1901. Swedish Match North America is the U.S. subsidiary of Swedish Match AB, based in Stockholm, Sweden.

Swedish Match North America is stepping up its efforts to introduce Americans to snus, the traditional Swedish dipping tobacco. The Chesterfield County-based company has expanded by six fold the number of stores where it sells snus resulting in an expansion in the plant located in Chesterfield County. The company is investing \$1.2 million and creating 32 new jobs.

Promoting Virginia

For the fourth year in a row, Virginia was designated in September 2009 as “The Best State for Business” by Forbes.com, the official Internet site of the Forbes family of business publications. In addition, Virginia was named America’s Top State for Business for the second time in three years by CNBC. These repeat validations by independent and highly-respected business media outlets allow VEDP to continue using the accolades in marketing materials and presentations. Virginia also was the recipient of a No. 1 national ranking by Pollina Corporate Real Estate Inc., a top U.S. corporate site relocation expert. VEDP plans, executes and manages various marketing outreach initiatives. VEDP has implemented a public relations plan to heighten awareness of VEDP and its statewide economic development efforts and ensure placement of favorable articles in major business and trade publications. VEDP also 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. VEDP staff also assists local economic developers with their marketing strategies. In addition, VEDP staff organizes domestic and international proactive marketing missions and develops additional direct marketing programs to promote lead generation.

FY 2010 Accomplishments

Advertising Campaign: VEDP’s advertising program was halted due to budget constraints.

VEDP/Ally Meetings: VEDP coordinated two Ally meetings. The December meeting focused on energy and smart grid technology and was hosted at Dominion’s Innsbrook Technical Center. The spring event was held at Germanna Community College in Culpeper and focused on the Data Center Industry.

Virginia Nippon Classic: VEDP, in collaboration with the Japan-Virginia Society, coordinated the logistics for the 20th Annual Virginia Nippon Classic (VNC) business conference and golf tournament May 21, at the Kingsmill Resort in Williamsburg, Virginia. The VNC is the Commonwealth’s way of expressing appreciation and continued support to the more than 80 Japanese-affiliated firms that have investments in Virginia. With more than \$1 billion in investment and more than 7,400 jobs created, Japan continues to be one of the Commonwealth’s top sources of foreign investment. In addition to numerous sponsors, 36 Japanese executives from across Virginia participated.

| | |
|---------------------------------|------------------|
| www.YesVirginia.org | |
| FY 2010 Usage Statistics | |
| Page Views | 2,342,612 |
| Avg. per Day | 6,433 |
| Visits | 795,476 |
| Avg. per Day | 2,184 |

Trade Show Highlights: VEDP exhibited at and/or sponsored 10 industry trade shows or conferences including AWFS (wood products), Data Center World Expo, CoreNet Fall and Spring Summits, Mid-Atlantic Bio, Power-Gen International, *Automotive News* World Congress, RILA 2010 (global logistics), *Plastics News* Executive Forum and 7x24 Exchange (data centers).

Marketing Materials: VEDP updated its marketing piece touting the Forbes.com and CNBC rankings. In addition, VEDP sent a marketing piece to approximately 100 CEOs of major corporations with the potential of locating their headquarters in Virginia, using the VEDP call center

Promoting Virginia

to verify accuracy of contact information and the receipt of the package. A video was included on an iPod Nano with messages from Governor Kaine, and the CEOs of Volkswagen of America, Rolls-Royce North America and MeadWestvaco.

Website Highlights: VEDP completed a major revision to the VirginiaScan sites and buildings database. The revision included new graphical search options and a more intuitive search platform.

Media Tours: VEDP conducted two media tours: one focused on Virginia's aerospace industry and the other highlighted the Commonwealth's food and beverage industry. Virginia has played a leading role in advancing the American aerospace industry since 1917, when NASA Langley Research Center—the nation's first civil aeronautics laboratory—was established in Hampton, Virginia. In 2007, Rolls-Royce announced it would build a \$500 million, state-of-the-art aeroengine facility in Prince George County, expected to create more than 540 new jobs. With this rich history and continued progress it was only fitting that in November 2009, VEDP invited five journalists specializing in the aerospace sector to tour some of Virginia's unique assets and understand the Commonwealth's growing industry leadership. The group visited the Rolls-Royce site in Prince George County, NASA Langley Research Center in Hampton, Alcoa Howmet's casting facility, and the NASA Wallops Flight Facility on Wallops Island. The aerospace writers represented *Aerospace Manufacturing and Design*, *Wings Magazine*, *Helicopters Magazine*, *Flight International Magazine*, *Pilotmag* and *Aircraft Maintenance Technology* magazines.

In June, VEDP hosted eight writers who report on the food and beverage industry. The food and beverage industry is Virginia's second largest manufacturing sector, employing more than 34,000 people. With nearly 500 firms operating in the Commonwealth, the industry generates a direct economic output of \$18.2 billion. The group visited Sabra Dipping Company's new state-of-the-art manufacturing facility in Chesterfield County, Ashland Milling Company, WhiteWave Foods Company, Route 11 Potato Chips, L'Esprit De Campagne, and got a taste of the region's farm-to-table fare at the Local Food Hub Educational Farm in Charlottesville and at an agri-tourism lunch at Hermitage Hill Farm & Stables in Waynesboro. Publications represented were *Natural Foods Merchandiser*, *Cooking with Paula Deen*, *Abasto Magazine*, *Food Manufacturing*, *Quality Assurance & Food Safety*, *Modern Brewery Age*, and *Farmers Market Today* magazines.

Marketing Missions: VEDP conducted six traditional team marketing missions to U.S. cities, as well as two test missions resulting in 171 appointments, three active projects, 15 long-term leads and 118 companies to remain in contact with for future project consideration. VEDP conducted two call trips to Canada and Boston, identifying two long-term leads and 12 companies with future project potential (company contacts). An additional 87 companies were passed directly to VEDP's Business Development division for follow-up. Calls were also placed utilizing data from VEDP's Research Division resulting in four leads and one Decision for Virginia.

VEDP set appointments at four trade shows resulting in 47 appointments, 53 drop-bys, one future lead and 66 company contacts. VEDP also conducted several special calling projects, including calls for the Governor's Manufacturing Summit and other Governor's events, the International Investor's Forum, Virginia's Distribution Central and the Headquarters Initiative project.

Policy and Legislative Initiatives

VEDP looks to find creative ways to improve Virginia's #1 business climate and remain competitive in the global market through targeted policy and legislative initiatives. VEDP has successfully advanced Virginia's economic development legislative agenda through the following items, some of which were critical components of announced projects. All but one of the following pieces of legislation were overwhelmingly supported by the full General Assembly and signed by the Governor.

FY 2010 Legislative Actions

VEDP worked with legislators during the 2010 legislative session to create new programs, enhance existing programs and secure deal-closing legislation for major economic development projects. VEDP also worked with the General Assembly to secure critical funding for economic development priorities under Governor McDonnell's Jobs and Opportunity Agenda.

Sales and Use Tax Exemption for Major Data Centers (HB 302, SB 130): The recruitment of major data centers has long been a target for Virginia's economic development efforts. In an effort to ensure Virginia maintained a competitive advantage against other states competing for these lucrative and high technology projects, VEDP modified the existing sales and use tax exemption for major data centers to include additional critical infrastructure, including chillers, backup generators and enabling software.

Specialized Biotechnology Research Performance Grant Program (HB 677, SB 644): VEDP had been working with a start-up biotechnological research company that was seeking a location for its new \$200 million research facility that would house 400 new jobs. This legislation created the framework for a performance grant program intended to induce this research facility to come to Virginia. Ultimately, economic conditions kept the project from moving forward at this time. While it is unfortunate that this landmark facility is not underway in Virginia now, the safeguards put in place by this legislation have protected the Commonwealth's funds, and no moneys will be made available for this project.

Major Employment and Investment Project Site Planning Grant Program (HB 1381, SB 730): The previous Administration's Advisory Committee on Mega Projects had recommended a three-legged solution to approaching major economic development projects. Two of the three recommendations were adopted by the General Assembly during the 2009 legislative session. This piece of legislation put the last piece in place—a pilot site planning grant program intended to assist localities and regions identify and prepare economic development sites for major projects. The General Assembly also provided \$5 million of non-general fund dollars for this pilot program.

Change of Title for Executive Director of VEDP (HB 1372): When engaging in negotiations with the Chief Executive Officers of corporations considering locations in Virginia, the Executive Director of VEDP was not on an equal plane because of his title. This legislation changed the title of the leader of VEDP to "President and Chief Executive Officer" as has been the case with the Virginia Tourism Corporation since its inception.

Clean Energy Manufacturing Incentive Grant (HB 1037, SB 130): Virginia currently offers an unworkable and potentially overly-generous incentive named the Solar Photovoltaic Manufacturing

Policy and Legislative Initiatives

Incentive Grant (SMIG). This current program does not do an adequate job protecting the Commonwealth's investments and leaves the potential for an \$18 million liability. The proposed legislation would have replaced the existing SMIG program with a newly-designed program that could be used for a broader array of clean energy sources and that would build in safeguards that ensure an appropriate return on investment to Virginia based on performance criteria. Unfortunately, this legislation did not pass.

Funding for Governor's Opportunity Fund, Domestic Marketing and Advertising and International Marketing: Governor McDonnell requested a comprehensive package of funding to enhance Virginia's incentive funding and VEDP's ability to present its message to the marketplace. The General Assembly generously provided an additional \$12.1 million for GOF, \$1.5 million for international marketing and \$4.5 million for domestic marketing and advertising.

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.

| FY 2010 Key Performance Measures | | | |
|--|---------------|------------------------|---------------------|
| Performance Measure | Goal | FY 2010 Results | % of Measure |
| Investment by new or existing companies | \$2.6 billion | \$2.6 billion | 100% |
| New jobs created | 17,000 | 16,400 | 96% |
| Companies actively counseled or participating in trade event | 225 | 250 | 111% |

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.

Return per Dollar of Money Spent on Economic Development (Present Value)

| | 10 Years | 20 Years |
|-----------------|-----------------|-----------------|
| Total* | \$12 | \$22 |
| Direct | \$7 | \$13 |
| Indirect | \$5 | \$9 |

*Totals are rounded to the nearest dollar.

Appendix 1: High Unemployment Areas Report and Strategy

During FY 2010, despite the economic crisis that impacted virtually every sector of the businesses which VEDP targets, the agency continued to build on its efforts to improve the opportunities for economic growth for Virginia's economically distressed areas through technical assistance, new investment, job creation and improved regional cooperation. While some 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. Additionally, VEDP has continued actively recruiting economic development prospects with plans tailored to existing workforce skills, infrastructure, and sites and buildings.

In response to a legislative mandate that requires target industries be identified for Southwestern and Southern Virginia, VEDP continued several program activities as outlined below including the location of field-based representatives in Southern Virginia and Southwestern Virginia.

FY 2010 Accomplishments

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

Unfortunately, due to reduced resources, VEDP was unable to continue its Regional Liaison Network program which was originally implemented in 2008. The Regional Liaison Network was primarily a communication strategy designed to more strategically connect VEDP with the diverse regions of Virginia, ultimately creating more cohesive stakeholder communities that are prepared to go to market and deliver focused solutions for business clients. However, VEDP did elect to maintain full-time staff in Southern and Southwestern Virginia. The Southern Virginia manager is transitioning into full-time project management; the Southwestern Virginia manager is deployed by the Research Division as a community liaison. In addition, VEDP international trade staff is also field-based.

Decisions for Virginia/distressed regions: A major success in FY 2010 was the announcement of the headquarters for Alpha Natural Resources in Bristol, Virginia. The coal company selected Virginia over Maryland and Tennessee; it will construct a new corporate headquarters creating 69 new jobs with a capital investment of \$17.5 million. The company was supported by the locality, the Commonwealth and the Virginia Tobacco Commission and represents a significant step forward for the region.

Pulaski County was the successful winner in the courting of Phoenix Packaging; the company will invest more than \$20 million to establish its first U.S. operation in Pulaski County, creating over 240 jobs. The company will manufacture thermoformed rigid plastic packaging for customers in the U.S. and also establish its North American headquarters in Pulaski. Phoenix Packaging Group, a family owned Latin American company dedicated to the creation, design and manufacturing of plastic packaging and foodservice disposable products, is one of the most important packaging manufacturing conglomerates in Latin America with sales in more than 30 countries. It selected Pulaski County in part because the County had an existing shell building and offered a significant asset that reduced the company's startup risk.

Wythe County is the new home for EvaTran, a subsidiary of MTC Transformers and the manufacturer of the world's first "hands-free" electric vehicle supply equipment (EVSE), which will

Appendix 1: High Unemployment Areas Report and Strategy

invest \$3.5 million in a new facility in Wytheville in Wythe County that will manufacture Plugless Power™ charging technology for electric vehicles. The project will create 84 new jobs. Virginia successfully competed against North Carolina and Ohio for the project. MTC Transformers, a manufacturer of specialized electrical transformers focusing on niche market segments, was founded in Wytheville in 1985. The company started Evatran in April 2009.

The City of Martinsville also successfully competed for technology-based jobs. It secured the location of Faneuil, which will establish a customer support center in the City and create 250 new jobs. Martinsville has historically been a high unemployment locality; these jobs align with the City's strategic goals of technology development and job creation in the technology sector.

VEDP played various roles in these decisions, from generating some of the leads to providing support to the communities with development of the financial incentive packages, often including partnerships with the Virginia Tobacco Commission. These companies represent a broad variety of the business sectors, and also represent the opportunities presented by strong existing business retention and growth strategies. The common element in all these decisions for Virginia is prepared communities which leveraged their assets – workforce, buildings and fiber – to successfully create a business case that made sense to the companies involved.

Distressed Communities Visits: The total number of prospect visits made by companies to all Virginia localities decreased (approximately 25%) from 2009 to 2010. In total, 210 visits were made by 96 companies in 2010. Of these 210 visits, 163 (78%) were to distressed communities. Business Development staff assisted with 163 prospect visits, representing 77 companies (80% of all companies that visited) to 55 distressed communities.

FY 2010 Initiatives

VEDP makes a concerted effort to focus available recruitment and outreach resources towards growth markets that are expected to produce, over time, strong results in terms of employment gains with higher value wages and new capital investment for Virginia and its collective regions. A key step continued in FY 2010—the identification of broad vertical markets against which VEDP is deploying its marketing resources and engaging in close collaboration with respective regions of Virginia to build a strong business case and a coherent message for companies in those markets. The approach is to have a strong “go to market” strategy for each of the chosen areas of concentration.

VEDP's key vertical markets included:

- **Advanced Manufacturing and Logistics**, including plastics and polymers, advanced materials, food processing, chemicals and fibers, aerospace and automotive and logistics.
- **Security and Services**, including the Federal security agencies and providers, information technology, professional and business services and corporate headquarters and management.
- **Science and Research**, focusing mainly on energy, and also including life sciences, nanotechnology, other emerging technologies and health care services.

Appendix 1: High Unemployment Areas Report and Strategy

Complementing this market focus, VEDP embedded a series of strategic initiatives to catalyze success in a variety of different market areas. The purpose behind these initiatives is to focus resources against markets that are strategic.

The **Distributed Services Initiative** (DSI), in which communities work to generate a value case for locating segments of the information technology industry from high cost locations, to areas of lower operating cost, while simultaneously working towards meeting local workforce development goals and skills development in areas needing economic diversification.

The **Energy Initiative** became fully action-oriented in FY 2010, with the implementation of then-Governor Kaine's "Renew Virginia" initiative and current Governor McDonnell's Energy Initiative. VEDP is supporting the redesign of the Energy Marketing Strategy in collaboration with the Department of Mines, Minerals & Energy.

Tobacco Commission Research Centers: The Virginia Tobacco Commission, which represents a significant footprint in southern and southwestern Virginia, and whose communities are often in the "distressed" category, initiated a regional network of five "R&D centers". Through a strategic partnership, VEDP fully implemented a Scientific & Technical Review Panel as part of the vetting process for companies applying for the TICRE's Research & Development grant program funds. VEDP's Business Development Science and Research team leader assembled the Technical Review Panel, and in early 2010, the first round of grant applications successfully navigated through the process to receive the initial awards from the Tobacco Commission. The panel is a model for evaluation of future emerging technologies and can be replicated in other parts of the Commonwealth.

Site selection consultants continue to be targeted by VEDP, and to the extent possible, aligned with our key target markets, to result in increased active project volume in Virginia. In distressed communities, site selection consultants represent an opportunity for repeat business, once these professionals are familiar with the assets of the regions.

Business Retention and Growth (BRE): In FY 2010, VEDP took a leadership role to create a technology platform that supports localities' business retention and growth programs. The tool, called Executive Pulse, is based at VEDP and under an agreement with the software developer, is offered to local economic development offices and other stakeholder groups at a discount rate. The membership in the tool grew by 20% in 2010, and is being particularly focused at rural and distressed localities as a means to support a professional BRE program, which is so critical in difficult economic times.

In FY 2010, VEDP continued to focus its strategic efforts around the work that **SRI International** conducted in 2008, which was an in-depth analysis of the emerging markets and benchmarks Virginia's status in those markets. The study examined previously-produced works from organizations such as VRTAC. It was led by a team composed of internal staff from the Business Development and Research Divisions and included external stakeholders. The study was successfully completed by the end of FY 2008 and is the basis for much of the agency's target sector focus in FY 2010. The implications for distressed areas are significant as some of the clusters identified (energy, information technology) can be matched with assets in these regions.

Appendix 2: Prospect Visit Data for FY 2010

| | | | | |
|--|------------|---------------|-----------|-----------------|
| Accomack - Northampton | 4 | Visits | 3 | Projects |
| Central Shenandoah | 8 | Visits | 5 | Projects |
| Commonwealth Regional Council | 6 | Visits | 4 | Projects |
| Crater | 19 | Visits | 12 | Projects |
| Cumberland Plateau | 7 | Visits | 2 | Projects |
| George Washington Regional Commission | 1 | Visits | 1 | Projects |
| Hampton Roads | 27 | Visits | 11 | Projects |
| Lenowisco | 12 | Visits | 6 | Projects |
| Middle Peninsula | 2 | Visits | 1 | Projects |
| Mount Rogers | 10 | Visits | 8 | Projects |
| New River Valley | 10 | Visits | 8 | Projects |
| Northern Shenandoah Valley Regional Commission | 8 | Visits | 6 | Projects |
| Northern Virginia Regional Commission | 12 | Visits | 8 | Projects |
| Rappahannock-Rapidan Regional Commission | 2 | Visits | 1 | Projects |
| Region 2000 Regional Commission | 4 | Visits | 2 | Projects |
| Richmond Regional | 21 | Visits | 15 | Projects |
| Roanoke Valley-Alleghany Regional Commission | 9 | Visits | 6 | Projects |
| Southside | 11 | Visits | 6 | Projects |
| Thomas Jefferson | 4 | Visits | 3 | Projects |
| West Piedmont | 34 | Visits | 17 | Projects |
| | | | | |
| Total | 211 | Visits | 97 | Projects |

Appendix 3: Site and Building Data for FY 2010

| Planning District | Location | Sites | Buildings | Sites & Buildings | Companies |
|------------------------------------|----------------|-----------|-----------|-------------------|-----------|
| 1- Lenowisco | Lee Co. | 0 | 6 | 6 | 4 |
| 1 | Norton | 0 | 1 | 1 | 1 |
| 1 | Scott Co. | 1 | 6 | 7 | 4 |
| 1 | Wise Co. | 5 | 10 | 15 | 8 |
| PDC 1 Total | | 6 | 23 | 29 | 10 |
| 2 -Cumberland Plateau | Buchanan Co. | 1 | 2 | 3 | 2 |
| 2 | Dickenson Co. | 0 | 3 | 3 | 2 |
| 2 | Russell Co. | 2 | 1 | 3 | 2 |
| 2 | Tazewell Co. | 1 | 4 | 5 | 3 |
| PDC 2 Total | | 4 | 10 | 14 | 4 |
| 3-Mount Rogers | Bland Co. | 0 | 0 | 0 | 0 |
| 3 | Bristol | 1 | 0 | 1 | 1 |
| 3 | Carroll Co. | 2 | 8 | 10 | 6 |
| 3 | Galax | 0 | 1 | 1 | 1 |
| 3 | Grayson Co. | 0 | 1 | 1 | 1 |
| 3 | Smyth Co. | 0 | 7 | 7 | 7 |
| 3 | Washington Co. | 5 | 1 | 6 | 4 |
| 3 | Wythe Co. | 5 | 1 | 6 | 6 |
| PDC 3 Total | | 13 | 19 | 32 | 18 |
| 4 - New River Valley | Floyd Co. | 0 | 0 | 0 | 0 |
| 4 | Giles Co. | 0 | 0 | 0 | 0 |
| 4 | Montgomery Co. | 2 | 4 | 6 | 4 |
| 4 | Pulaski Co. | 4 | 19 | 23 | 15 |
| 4 | Radford | 1 | 9 | 10 | 10 |
| PDC 4 Total | | 7 | 32 | 39 | 22 |
| 5 -Roanoke Valley-Alleghany | Alleghany Co. | 1 | 6 | 7 | 6 |
| 5 | Botetourt Co. | 1 | 8 | 9 | 9 |
| 5 | Covington | 0 | 0 | 0 | 0 |
| 5 | Craig Co. | 0 | 0 | 0 | 0 |
| 5 | Franklin Co. | 1 | 2 | 3 | 3 |
| 5 | Roanoke Co. | 2 | 4 | 6 | 4 |
| 5 | Roanoke | 1 | 16 | 17 | 11 |
| 5 | Salem | 0 | 2 | 2 | 2 |
| PDC 5 Total | | 6 | 38 | 44 | 20 |
| 6 - Central Shenandoah | Augusta Co. | 0 | 2 | 2 | 2 |
| 6 | Bath Co. | 0 | 0 | 0 | 0 |
| 6 | Buena Vista | 0 | 0 | 0 | 0 |
| 6 | Harrisonburg | 0 | 2 | 2 | 2 |
| 6 | Highland Co. | 0 | 0 | 0 | 0 |
| 6 | Lexington | 0 | 0 | 0 | 0 |
| 6 | Rockbridge Co. | 0 | 0 | 0 | 0 |
| 6 | Rockingham Co. | 0 | 5 | 5 | 4 |
| 6 | Staunton | 0 | 3 | 3 | 3 |
| 6 | Waynesboro | 0 | 0 | 0 | 0 |
| PDC 6 Total | | 0 | 12 | 12 | 10 |

Appendix 3: Site and Building Data for FY 2010

| Planning District | Location | Sites | Buildings | Sites & Buildings | Companies |
|---------------------------------------|----------------------|-----------|-----------|-------------------|-----------|
| 7 - Northern Shenandoah Valley | Clarke Co. | 0 | 0 | 0 | 0 |
| | 7 Frederick Co. | 7 | 13 | 20 | 12 |
| | 7 Page Co. | 0 | 2 | 2 | 2 |
| | 7 Shenandoah Co. | 1 | 6 | 7 | 7 |
| | 7 Warren Co. | 3 | 0 | 3 | 2 |
| | 7 Winchester | 0 | 3 | 3 | 3 |
| | PDC 7 Total | | 11 | 24 | 35 |
| 8 - Northern Virginia | Alexandria | 0 | 0 | 0 | 0 |
| | 8 Arlington Co. | 0 | 0 | 0 | 0 |
| | 8 Fairfax Co. | 0 | 20 | 20 | 2 |
| | 8 Fairfax | 0 | 0 | 0 | 0 |
| | 8 Falls Church | 0 | 0 | 0 | 0 |
| | 8 Loudoun Co. | 0 | 8 | 8 | 1 |
| | 8 Manassas | 0 | 3 | 3 | 2 |
| | 8 Manassas Park | 0 | 0 | 0 | 0 |
| | 8 Prince William Co. | 8 | 12 | 20 | 6 |
| PDC 8 Total¹ | | 8 | 43 | 51 | 6 |
| 9 - Rappahannock-Rapidan | Culpeper Co. | 0 | 0 | 0 | 0 |
| | 9 Fauquier Co. | 1 | 3 | 4 | 2 |
| | 9 Madison Co. | 0 | 0 | 0 | 0 |
| | 9 Orange Co. | 1 | 6 | 7 | 5 |
| | 9 Rappahannock Co. | 0 | 0 | 0 | 0 |
| PDC 9 Total | | 2 | 9 | 11 | 7 |
| 10 - Thomas Jefferson | Albemarle Co. | 1 | 1 | 0 | 2 |
| | 10 Fluvanna Co. | 0 | 0 | 0 | 0 |
| | 10 Greene Co. | 0 | 2 | 2 | 2 |
| | 10 Louisa Co. | 1 | 2 | 3 | 3 |
| | 10 Nelson Co. | 0 | 0 | 0 | 0 |
| | 10 Charlottesville | 0 | 2 | 2 | 2 |
| PDC 10 Total | | 2 | 7 | 9 | 8 |
| 11 - Region 2000 | Amherst Co. | 0 | 0 | 0 | 0 |
| | 11 Appomattox Co. | 0 | 0 | 0 | 0 |
| | 11 Bedford Co. | 0 | 0 | 0 | 0 |
| | 11 Bedford | 0 | 1 | 1 | 1 |
| | 11 Campbell Co. | 0 | 7 | 7 | 5 |
| | 11 Lynchburg | 0 | 2 | 2 | 2 |
| PDC 11 Total | | 0 | 10 | 10 | 7 |
| 12 - West Piedmont | Danville | 4 | 13 | 17 | 10 |
| | 12 Franklin Co. | 1 | 2 | 3 | 3 |
| | 12 Henry Co. | 4 | 14 | 18 | 13 |
| | 12 Martinsville | 4 | 12 | 16 | 11 |
| | 12 Patrick Co. | 0 | 0 | 0 | 0 |
| | 12 Pittsylvania Co. | 8 | 11 | 19 | 13 |
| PDC 12 Total | | 21 | 52 | 73 | 31 |

Appendix 3: Site and Building Data for FY 2010

| Planning District | Location | Sites | Buildings | Sites & Buildings | Companies |
|-----------------------------------|-----------------------|-----------|------------|-------------------|-----------|
| 13 - Southside | Brunswick Co. | 3 | 0 | 3 | 3 |
| | 13 Halifax Co. | 0 | 5 | 5 | 5 |
| | 13 Mecklenburg Co. | 4 | 17 | 21 | 12 |
| PDC 13 Total | | 7 | 22 | 29 | 18 |
| 14 - Commonwealth Regional | Amelia Co. | 0 | 0 | 0 | 0 |
| | 14 Buckingham Co. | 0 | 0 | 0 | 0 |
| | 14 Charlotte Co. | 5 | 3 | 8 | 8 |
| | 14 Cumberland Co. | 0 | 0 | 0 | 0 |
| | 14 Lunenburg Co. | 0 | 3 | 0 | 3 |
| | 14 Nottoway Co. | 3 | 0 | 3 | 3 |
| | 14 Prince Edward Co. | 0 | 4 | 4 | 4 |
| PDC 14 Total | | 8 | 10 | 18 | 14 |
| 15 - Richmond Regional | Charles City Co. | 0 | 2 | 2 | 2 |
| | 15 Chesterfield Co. | 8 | 42 | 50 | 29 |
| | 15 Goochland Co. | 0 | 1 | 1 | 1 |
| | 15 Hanover Co. | 7 | 13 | 20 | 14 |
| | 15 Henrico Co. | 4 | 49 | 53 | 27 |
| | 15 New Kent Co. | 0 | 0 | 0 | 0 |
| | 15 Powhatan Co. | 0 | 0 | 0 | 0 |
| | 15 Richmond | 1 | 22 | 23 | 12 |
| PDC 15 Total | | 20 | 129 | 149 | 40 |
| 16 - George Washington | Caroline Co. | 1 | 3 | 4 | 3 |
| | 16 Fredericksburg | 0 | 0 | 0 | 0 |
| | 16 King George Co. | 2 | 4 | 6 | 4 |
| | 16 Spotsylvania Co. | 0 | 17 | 17 | 9 |
| | 16 Stafford Co. | 2 | 5 | 7 | 4 |
| PDC 16 Total | | 5 | 29 | 34 | 14 |
| 17 - Northern Neck | Lancaster Co. | 0 | 0 | 0 | 0 |
| | 17 Northumberland Co. | 0 | 0 | 0 | 0 |
| | 17 Richmond Co. | 0 | 0 | 0 | 0 |
| | 17 Westmoreland Co. | 0 | 0 | 0 | 0 |
| PDC 17 Total | | 0 | 0 | 0 | 0 |
| 18 - Middle Peninsula | Essex Co. | 0 | 0 | 0 | 0 |
| | 18 Gloucester Co. | 0 | 0 | 0 | 0 |
| | 18 King and Queen Co. | 1 | 0 | 1 | 1 |
| | 18 King William Co. | 0 | 0 | 0 | 0 |
| | 18 Mathews Co. | 0 | 0 | 0 | 0 |
| | 18 Middlesex Co. | 0 | 0 | 0 | 0 |
| PDC 18 Total | | 1 | 0 | 1 | 1 |
| 19 - Crater1 | Charles City Co. | 0 | 2 | 2 | 2 |
| | 19 Chesterfield Co. | 8 | 42 | 50 | 29 |
| | 19 Colonial Heights | 0 | 1 | 1 | 1 |
| | 19 Dinwiddie Co. | 3 | 5 | 8 | 8 |
| | 19 Emporia | 1 | 0 | 1 | 1 |
| | 19 Greensville Co. | 1 | 3 | 4 | 3 |
| | 19 Hopewell | 2 | 1 | 3 | 3 |
| | 19 Petersburg | 0 | 7 | 7 | 7 |

Appendix 3: Site and Building Data for FY 2010

| Planning District | Location | Sites | Buildings | Sites & Buildings | Companies |
|----------------------------------|-------------------|------------|------------|-------------------|------------|
| 19 | Prince George Co. | 3 | 4 | 7 | 6 |
| 19 | Surry Co. | 0 | 0 | 0 | 0 |
| 19 | Sussex Co. | 0 | 0 | 0 | 0 |
| PDC 19 Total | | 18 | 65 | 83 | 38 |
| | | | | | |
| 22 - Accomack-Northampton | Accomack Co. | 0 | 0 | 0 | 0 |
| 22 | Northampton Co. | 0 | 0 | 0 | 0 |
| PDC 22 Total | | 0 | 0 | 0 | 0 |
| | | | | | |
| 23 - Hampton Roads | Chesapeake | 10 | 14 | 24 | 17 |
| 23 | Franklin | 1 | 0 | 1 | 1 |
| 18 | Gloucester Co. | 0 | 0 | 0 | 0 |
| 23 | Hampton | 0 | 15 | 15 | 11 |
| 23 | Isle of Wight Co. | 3 | 5 | 8 | 8 |
| 23 | James City Co. | 4 | 3 | 7 | 6 |
| 23 | Newport News | 3 | 5 | 8 | 7 |
| 23 | Norfolk | 0 | 7 | 7 | 6 |
| 23 | Poquoson | 0 | 0 | 0 | 0 |
| 23 | Portsmouth | 2 | 1 | 3 | 3 |
| 23 | Southampton | 10 | 2 | 12 | 7 |
| 23 | Suffolk | 8 | 16 | 24 | 14 |
| 19 | Surry Co. | 0 | 0 | 0 | 0 |
| 23 | Virginia Beach | 0 | 8 | 8 | 5 |
| 23 | Williamsburg | 0 | 0 | 0 | 0 |
| 23 | York Co. | 3 | 1 | 4 | 4 |
| PDC 23 Total | | 44 | 77 | 121 | 34 |
| State Total² | | 174 | 567 | 741 | 109 |

¹PDC 8 totals do not reflect additional recommendations of office/flex space not included in VEDP's sites & buildings database.

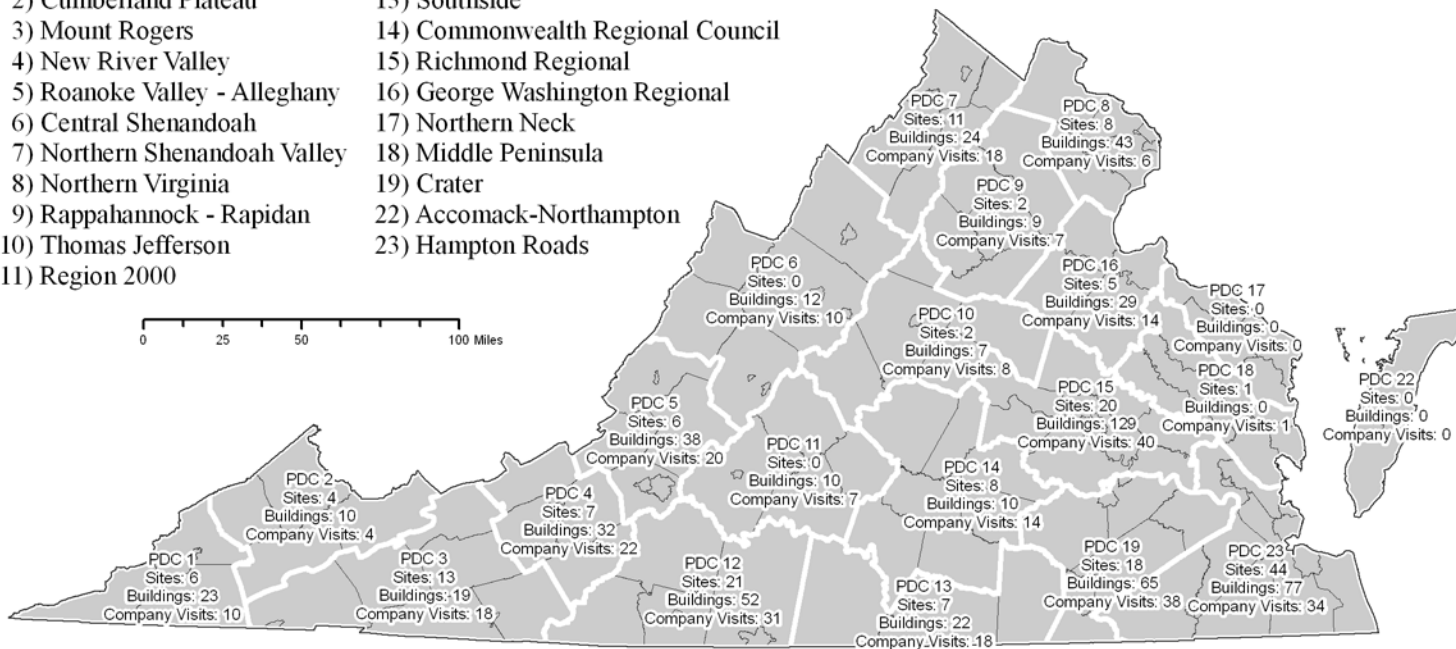
²State totals do not include duplicate entries for Charles City, Chesterfield, Franklin, Gloucester, and Surry Counties, each located in two PDCs.

Appendix 3: Site and Building Data for FY 2010

Community Location Studies, Sites and Buildings Meeting Prospect Requirements by Planning District Fiscal Year 2010

Planning District Commission (PDC) Name & Number

- | | |
|-------------------------------|-----------------------------------|
| 1) Lenowisco | 12) West Piedmont |
| 2) Cumberland Plateau | 13) Southside |
| 3) Mount Rogers | 14) Commonwealth Regional Council |
| 4) New River Valley | 15) Richmond Regional |
| 5) Roanoke Valley - Alleghany | 16) George Washington Regional |
| 6) Central Shenandoah | 17) Northern Neck |
| 7) Northern Shenandoah Valley | 18) Middle Peninsula |
| 8) Northern Virginia | 19) Crater |
| 9) Rappahannock - Rapidan | 22) Accomack-Northampton |
| 10) Thomas Jefferson | 23) Hampton Roads |
| 11) Region 2000 | |



* Location Studies data do not include multiple proposals or RFIs for the same project and properties; existing industry proposals; or other project-related assistance not including site or building recommendations.

** PDC 8 totals do not reflect additional recommendations of office/flex space not included in VEDP's sites & buildings database.

*** State total does not include duplicate entries for Franklin, Chesterfield, Surry, and Gloucester Counties, each located in two PDCs.

Map created by Virginia Economic Development Partnership, September 2010

Appendix 4: Announcement Data for FY 2010

| Company Name | PDC | Location | MFG | Type | Business | Employment | Investment (millions) |
|------------------------------------|-----|---------------------------|-----|------|---|-------------------|-----------------------|
| In Touch Sales | 2 | Tazewell Co. | N | N | Customer service center | 40 | \$0.03 |
| | | <i>New Total</i> | | | <i>1 announcement</i> | <i>40</i> | <i>\$0.03</i> |
| CGI* | 2 | Russell Co. | N | E | Software development and systems integration | 100 | \$0.50 |
| Mountain Forest Products Inc. | 2 | Dickenson Co. | M | E | Wood chips and lumber | 13 | \$0.50 |
| | | <i>Expansion Total</i> | | | <i>2 announcements</i> | <i>113</i> | <i>\$1.00</i> |
| | | <i>PDC 2 Total</i> | | | <i>3 announcements</i> | <i>153</i> | <i>\$1.03</i> |
| Alpha Natural Resources | 3 | Bristol | N | E | Corporate HQ; Operates mines and coal preparation facilities | 69 | \$21.00 |
| Carolina Profile Design Corp. | 3 | Grayson Co. | M | E | Manufactures metal parts for machinery | 20 | \$0.00 |
| Carolina Profile Design Corp. | 3 | Grayson Co. | M | E | Manufactures metal parts for machinery | 55 | \$3.00 |
| Columbus McKinnon Corporation | 3 | Washington Co. | M | E | Manufactures hoists | 70 | \$5.00 |
| Evatran LLC | 3 | Wythe Co. | M | E | Manufactures Plugless Power charging technology for electric vehicles | 84 | \$3.50 |
| First Fruits Beverage Company LLC | 3 | Smyth Co. | M | E | Manufactures beverages | 35 | \$0.00 |
| General Engineering Company | 3 | Washington Co. | M | E | Manufactures hydraulic cylinders | 0 | \$7.40 |
| Innovative Technologies, LLC | 3 | Washington Co. | N | E | Pharmaceutical research and development | 18 | \$2.50 |
| Med-Fit Systems, Inc. | 3 | Grayson Co. | M | E | Exercise equipment | 0 | \$2.50 |
| Universal Fiber Systems LLC | 3 | Washington Co. | M | E | Manufactures fibers and yarn | 84 | \$13.00 |
| Vaughan-Bassett Furniture Company | 3 | Galax | M | E | Wooden bedroom furniture | 0 | \$1.00 |
| | | <i>Expansion Total</i> | | | <i>11 announcements</i> | <i>435</i> | <i>\$58.90</i> |
| | | <i>PDC 3 Total</i> | | | <i>11 announcements</i> | <i>435</i> | <i>\$58.90</i> |
| Dataknight365 | 4 | Floyd Co. | N | N | Data center | 20 | \$25.00 |
| Phoenix Packaging Operations, LLC* | 4 | Pulaski Co. | M | N | N.A. HQ: manufactures thermoformed rigid plastic packaging | 240 | \$20.00 |
| Planet Care, Inc. | 4 | Pulaski Co. | M | N | Manufactures alternative sewage treatment tanks | 10 | \$0.50 |
| Virginia Casting Industries, LLC | 4 | Radford | M | N | Manufactures ductile iron components | 300 | \$9.10 |
| | | <i>New Total</i> | | | <i>4 announcements</i> | <i>570</i> | <i>\$54.60</i> |
| Aegisound | 4 | Montgomery Co. | M | E | Manufactures hearing-protection devices for the defense industry | 50 | \$0.10 |
| BimmerWorld | 4 | Pulaski Co. | M | E | Specialized automotive racing parts and equipment | 15 | \$0.30 |
| Cobham Sensor Systems* | 4 | Montgomery Co. | M | E | Integrated assemblies and subsystems for military aircraft, ground vehicles | 0 | \$7.00 |

Appendix 4: Announcement Data for FY 2010

| Company Name | PDC | Location | MFG | Type | Business | Employment | Investment (millions) |
|--|-----|------------------------|-----|------|--|------------|-----------------------|
| DISH Network Corporation | 4 | Montgomery Co. | N | E | Call center | 135 | \$0.00 |
| Intrexon Corporation | 4 | Montgomery Co. | N | E | Biotechnology | 50 | \$0.00 |
| Rackspace | 4 | Montgomery Co. | N | E | Software development | 25 | \$0.06 |
| United Pet Group | 4 | Montgomery Co. | M | E | Manufactures FDA-approved pet food | 70 | \$3.00 |
| | | <i>Expansion Total</i> | | | <i>7 announcements</i> | <i>345</i> | <i>\$10.46</i> |
| | | PDC 4 Total | | | 11 announcements | 915 | \$65.06 |
| Coca-Cola Bottling Co. Consolidated | 5 | Roanoke Co. | N | N | Warehouse and logistics center | 10 | \$9.00 |
| | | <i>New Total</i> | | | <i>1 announcement</i> | <i>10</i> | <i>\$9.00</i> |
| Advance Auto Parts | 5 | Roanoke City | N | E | HQ; Automotive parts retailer | 0 | \$4.50 |
| Arkay Packaging Corp. | 5 | Botetourt Co. | M | E | Consumer products packaging | 8 | \$1.25 |
| Chemsovl, Inc. | 5 | Roanoke City | N | E | Chemical distribution | 10 | \$2.40 |
| Norfolk Southern Corp. | 5 | Roanoke City | N | E | Locomotive maintenance facility | 68 | \$3.70 |
| | | <i>Expansion Total</i> | | | <i>4 announcements</i> | <i>86</i> | <i>\$11.85</i> |
| | | PDC 5 Total | | | 5 announcements | 96 | \$20.85 |
| Pro-Con | 6 | Augusta Co. | M | N | Paper converting | 30 | \$0.00 |
| ZehN | 6 | Augusta Co. | M | N | Manufactures hot melt equipment for the packaging industry | 12 | \$0.75 |
| | | <i>New Total</i> | | | <i>2 announcements</i> | <i>42</i> | <i>\$0.75</i> |
| Heatex America | 6 | Rockbridge Co. | M | E | Heat exchangers | 14 | \$1.35 |
| McQuay International* | 6 | Augusta Co. | M | E | Manufactures chillers for heating and AC units | 7 | \$6.00 |
| MGW Communications | 6 | Augusta Co. | N | E | Call center and technical support | 40 | \$0.00 |
| Mohawk Industries Inc. | 6 | Rockbridge Co. | M | E | Manufactures modular and broadwoven carpet | 100 | \$5.00 |
| Mundet-Hermetite Inc. | 6 | Buena Vista | M | E | Manufactures paper used in cigarettes | 24 | \$3.70 |
| Polymer Group, Inc. | 6 | Waynesboro | M | E | Nonwoven fabrics | 41 | \$65.00 |
| R.R. Donnelley & Sons Co. | 6 | Rockingham Co. | M | E | Book printing and binding | 50 | \$19.00 |
| Rosetta Stone | 6 | Harrisonburg | N | E | HQ; Foreign language teaching software | 100 | \$0.00 |
| Shenandoah Sustainable Technologies, LLC | 6 | Harrisonburg | M | E | Manufactures/installs sustainable facilities and products | 72 | \$0.60 |
| Tyson Foods Inc. | 6 | Harrisonburg | M | E | Poultry processing | 130 | \$3.50 |

Appendix 4: Announcement Data for FY 2010

| Company Name | PDC | Location | MFG | Type | Business | Employment | Investment (millions) | |
|---------------------------------------|-----|--------------------|-----|------|---|------------|-----------------------|------------------------|
| <i>Expansion Total</i> | | | | | <i>10 announcements</i> | | <i>578</i> | <i>\$104.15</i> |
| <i>PDC 6 Total</i> | | | | | <i>12 announcements</i> | | <i>620</i> | <i>\$104.90</i> |
| Mill Branch Industries | 7 | Winchester | M | N | Manufactures building components | 40 | \$0.00 | |
| Moxon Oak | 7 | Frederick Co. | M | N | Processes oak for winemaking industry | 25 | \$1.00 | |
| Sunshine's Pride Dairy LLC | 7 | Winchester | M | N | Manufactures Salvadoran cheese and meat products | 150 | \$9.50 | |
| Taura Natural Ingredients* | 7 | Winchester | M | N | North American HQ; Dried-fruit pieces, flakes and pastes | 5 | \$0.10 | |
| Winchester Coffee Roasters | 7 | Frederick Co. | M | N | Roasts coffee beans | 10 | \$0.40 | |
| <i>New Total</i> | | | | | <i>5 announcements</i> | | <i>230</i> | <i>\$11.00</i> |
| Annandale Millwork Corporation | 7 | Frederick Co. | M | E | Manufactures prehung doors, windows, and special moldings | 20 | \$7.50 | |
| E.I. DuPont de Nemours & Co., Inc. | 7 | Warren Co. | M | E | Manufactures high-technology paint for automotive aftermarket | 12 | \$1.00 | |
| H.P. Hood Inc. | 7 | Frederick Co. | M | E | Manufactures plastic bottles | 74 | \$6.50 | |
| Home Depot Retail Distribution Center | 7 | Frederick Co. | N | E | Retail distribution center | 30 | \$0.25 | |
| Kraft Foods Inc. | 7 | Frederick Co. | M | E | Manufactures fruit drinks (Capri Sun) | 100 | \$40.00 | |
| Kraft Foods Inc. | 7 | Frederick Co. | M | E | Manufactures fruit drinks (Capri Sun) | 75 | \$10.20 | |
| Mercury Paper, Inc.* | 7 | Shenandoah Co. | M | E | Converted paper product manufacturing | 150 | \$21.20 | |
| Rubbermaid Commercial Products Inc. | 7 | Winchester | M | E | Commercial plastic products | 0 | \$6.90 | |
| Thermo Fisher Scientific Inc. | 7 | Frederick Co. | M | E | Medical liquid formula; clinical diagnostics products | 50 | \$8.90 | |
| <i>Expansion Total</i> | | | | | <i>9 announcements</i> | | <i>511</i> | <i>\$102.45</i> |
| <i>PDC 7 Total</i> | | | | | <i>14 announcements</i> | | <i>741</i> | <i>\$113.45</i> |
| Capgemini U.S. LLC* | 8 | Prince William Co. | N | N | Data center | 6 | \$60.00 | |
| Casework Genetics | 8 | Prince William Co. | N | N | Forensics lab | 25 | \$1.00 | |
| Expereo* | 8 | Fairfax Co. | N | N | Provides business grade telecommunication services | 15 | \$0.00 | |
| Force 3 | 8 | Fairfax Co. | N | N | Provides technology solutions to the federal government | 25 | \$0.00 | |
| Horizon Data Center Solutions, LLC | 8 | Prince William Co. | N | N | Data center | 20 | \$10.00 | |
| Izen America* | 8 | Fairfax Co. | M | N | US HQ; Bidet-style toilet seats | 3 | \$0.10 | |
| MGA Research Corporation | 8 | Prince William Co. | N | N | Engineering and testing services | 2 | \$1.10 | |
| Mian Adam & Associates, LLC | 8 | Fairfax Co. | N | N | Management consulting services | 9 | \$0.10 | |

Appendix 4: Announcement Data for FY 2010

| Company Name | PDC | Location | MFG | Type | Business | Employment | Investment (millions) |
|---|-----|--------------------|------------------|------|---|--------------|-----------------------|
| National Catholic Educational Association | 8 | Arlington Co. | N | N | Professional membership organization | 45 | \$0.00 |
| Northrop Grumman Corporation | 8 | Fairfax Co. | N | N | Corporate HQ; global security company | 300 | \$24.00 |
| SAIC | 8 | Fairfax Co. | N | N | Corporate headquarters | 1,200 | \$25.00 |
| Trade Privacy, LLC | 8 | Fairfax Co. | N | N | Provides services to protect companies' trade information | 24 | \$0.00 |
| Vivacity Display, LLC | 8 | Fairfax Co. | N | N | HQ; Manufacturing, production and distribution of LED products | 13 | \$0.00 |
| Ward North American | 8 | Loudoun Co. | N | N | Moving and storage services | 46 | \$6.00 |
| | | | <i>New Total</i> | | <i>14 announcements</i> | <i>1,733</i> | <i>\$127.30</i> |
| Agilex Technologies, Inc. | 8 | Fairfax Co. | N | E | Enterprise application, solution, and advisory services | 85 | \$0.00 |
| Agilex Technologies, Inc. | 8 | Fairfax Co. | N | E | Enterprise application, solution, and advisory services | 130 | \$0.00 |
| Altum, Inc. | 8 | Fairfax Co. | N | E | Data management software development | 20 | \$0.00 |
| American Technology Services, Inc. | 8 | Fairfax Co. | N | E | Information technology service and consulting | 12 | \$0.00 |
| AMERICOM Government Services | 8 | Fairfax Co. | N | E | Satellite bandwidth and custom satcom network solutions | 30 | \$0.12 |
| Ampcus Inc. | 8 | Fairfax Co. | N | E | Customized software services and solutions; consulting services | 20 | \$0.00 |
| Appian Corporation | 8 | Fairfax Co. | N | E | Provides business process management software suites | 28 | \$0.00 |
| A-T Solutions Inc. | 8 | Fairfax Co. | N | E | Provides anti-terrorism technology/training to government and contractors | 30 | \$0.00 |
| Aviation Institute of Maintenance | 8 | Prince William Co. | N | E | Regional aviation training | 45 | \$6.00 |
| Bode Technology Group, Inc. | 8 | Fairfax Co. | N | E | Provides forensic DNA analysis and DNA collection products | 10 | \$0.00 |
| CACI International, Inc. | 8 | Fairfax Co. | N | E | Information technology consulting | 218 | \$0.00 |
| Capital One Financial Corp. | 8 | Fairfax Co. | N | E | Corporate HQ; Financial services | 400 | \$5.00 |
| Capterra, Inc. | 8 | Arlington Co. | N | E | Enterprise software directory | 20 | \$0.00 |
| CENTRA Technology, Inc. | 8 | Arlington Co. | N | E | Provides security, analytic, technical, engineering, and management support | 30 | \$0.00 |
| Cernium Corporation | 8 | Fairfax Co. | N | E | Developer of video analytics-enabled products | 20 | \$0.00 |
| CFN Services | 8 | Fairfax Co. | N | E | Network design, planning, deployment, and managed services | 19 | \$0.13 |
| Cheshil Consultants, Inc. (CCI) | 8 | Fairfax Co. | N | E | Information systems, systems engineering, management consulting | 22 | \$0.00 |
| Clarabridge | 8 | Fairfax Co. | N | E | Text mining software | 50 | \$12.00 |
| Cogent Systems, Inc. | 8 | Fairfax Co. | N | E | Biometric ID solutions, fingerprint/palm print ID technology | 12 | \$0.00 |
| Consult America, Inc. | 8 | Loudoun Co. | N | E | Provides IT consulting services | 30 | \$0.15 |

Appendix 4: Announcement Data for FY 2010

| Company Name | PDC | Location | MFG | Type | Business | Employment | Investment (millions) |
|--------------------------------------|-----|--------------------|-----|------|--|------------|-----------------------|
| Cox Communications Inc. | 8 | Fairfax Co. | N | E | Cable television and Internet services provider | 87 | \$0.00 |
| Criterion Systems, Inc. | 8 | Fairfax Co. | N | E | Information technology solutions | 20 | \$0.00 |
| d3 Services, Ltd. | 8 | Prince William Co. | N | E | Cyber security services and solutions | 10 | \$0.36 |
| DARPA | 8 | Arlington Co. | N | E | HQ; R&D project management for the Department of Defense | 280 | \$165.00 |
| DELTA Resources, Inc. | 8 | Arlington Co. | N | E | Program management, IT, engineering, and administrative support services | 15 | \$0.00 |
| Digital Sandbox, Inc. | 8 | Fairfax Co. | N | E | Develops software and service-based risk management solutions | 20 | \$0.00 |
| Dizzy Pigs BBQ | 8 | Prince William Co. | M | E | Spice grinding and blending | 0 | \$4.50 |
| DLT Solutions, Inc. | 8 | Fairfax Co. | N | E | IT services and solutions; government contractor | 15 | \$0.00 |
| EarthWalk Communications, Inc. | 8 | Prince William Co. | M | E | HQ; Electronic presentation systems | 40 | \$5.00 |
| Entourage Systems, Inc. | 8 | Fairfax Co. | N | E | Digital electronics and communications | 30 | \$0.00 |
| Equinix, Inc. | 8 | Loudoun Co. | N | E | Data center and Internet exchange services | 0 | \$100.00 |
| GreenBrilliance LLC | 8 | Fairfax Co. | N | E | HQ; Alternate energy services provider | 10 | \$0.00 |
| Group W | 8 | Prince William Co. | N | E | Analysis, modeling, simulation, and enabling software | 15 | \$0.80 |
| HopOne Internet Corp. | 8 | Fairfax Co. | N | E | Mission-critical bandwidth, collocation, managed IT services | 15 | \$0.30 |
| HV TECHNOLOGIES, Inc. | 8 | Prince William Co. | N | E | Supplies High Voltage and EMC Test Equipment and solutions | 0 | \$0.18 |
| IMSolutions, LLC | 8 | Prince William Co. | N | E | Program management, cost analysis, automation support | 25 | \$2.80 |
| InTec, LLC | 8 | Fairfax Co. | N | E | Information technology services | 63 | \$0.18 |
| IntelliDyne, L.L.C. | 8 | Fairfax Co. | N | E | Provides IT solutions, consulting services, and outsourcing options | 192 | \$0.30 |
| ITT Corporation | 8 | Fairfax Co. | N | E | Telemetry, tracking, and command services for near-Earth missions | 0 | \$2.00 |
| KPMG LLC | 8 | Fairfax Co. | N | E | Audit, tax, and advisory services | 375 | \$12.00 |
| Logistics Management Institute | 8 | Fairfax Co. | N | E | Management consulting, research, and analysis | 110 | \$0.00 |
| Long & Foster Insurance Agency, Inc. | 8 | Fairfax Co. | N | E | Personal, commercial, and financial insurance | 14 | \$0.00 |
| ManTech International Corporation | 8 | Fairfax Co. | N | E | Technologies and solutions for mission-critical national security programs | 153 | \$0.00 |
| Meridian Imaging Solutions | 8 | Fairfax Co. | N | E | Document output and automation technologies | 15 | \$0.00 |
| MetroStar Systems | 8 | Fairfax Co. | N | E | Systems and software integration | 20 | \$0.00 |
| MobileAccess Inc. | 8 | Fairfax Co. | N | E | Provides wireless coverage solutions for indoor environments | 10 | \$0.00 |
| NetStar-1, Incorporated | 8 | Fairfax Co. | N | E | Technology and management consulting services | 10 | \$0.00 |

Appendix 4: Announcement Data for FY 2010

| Company Name | PDC | Location | MFG | Type | Business | Employment | Investment (millions) | |
|---|-----|------------------------|-----|------|---|-------------------------|-----------------------|-----------------|
| NeuStar, Inc. | 8 | Loudoun Co. | N | E | Provides technology, directory and network services to the telecom industry | 280 | \$11.20 | |
| nexGrēn, Inc. | 8 | Fairfax Co. | N | E | Provides "green" technology solutions | 25 | \$0.00 | |
| NextGen, Inc. | 8 | Fairfax Co. | N | E | Information technology, telecommunications engineering support | 20 | \$0.00 | |
| Ntelx Inc. | 8 | Fairfax Co. | N | E | Software and data analysis | 25 | \$0.00 | |
| OakTree Enterprise Solutions, Inc. | 8 | Fairfax Co. | N | E | IT services and solutions provider | 94 | \$0.30 | |
| Pivotal Information Technology, LLC | 8 | Fairfax Co. | N | E | IT strategy, operations, governance, and management control systems | 10 | \$0.00 | |
| Potomac Institute for Policy Studies | 8 | Arlington Co. | N | E | Public policy research institute | 30 | \$0.00 | |
| Praemittias Group Inc. (PGI) | 8 | Fairfax Co. | N | E | Evaluates, integrates, and markets innovative technology solutions | 27 | \$0.00 | |
| PricewaterhouseCoopers | 8 | Fairfax Co. | N | E | HQ; Public sector consulting unit | 200 | \$0.00 | |
| RightNow Technologies, Inc. | 8 | Fairfax Co. | N | E | Provides customizable applications platforms | 10 | \$0.00 | |
| RightStar Systems | 8 | Fairfax Co. | N | E | Service management solutions | 31 | \$0.25 | |
| SeniorLiving.com | 8 | Fairfax Co. | N | E | Online information senior services resource | 20 | \$0.15 | |
| SENSA Solutions | 8 | Fairfax Co. | N | E | Management consulting; organizational development services | 10 | \$0.00 | |
| SES WORLD SKIES, U.S. Government Solutions* | 8 | Fairfax Co. | N | E | Satellite-based communications solutions | 17 | \$0.00 | |
| SET Corporation | 8 | Prince William Co. | N | E | Creates "smart" sensing and information technologies | 2 | \$0.70 | |
| Simplexity | 8 | Fairfax Co. | N | E | Online cell phone retailer; technology solutions for cell phone carriers | 40 | \$0.00 | |
| SPADAC Inc. | 8 | Fairfax Co. | N | E | Spatial intelligence and predictive analytics | 50 | \$0.00 | |
| Suntiva Executive Consulting | 8 | Fairfax Co. | N | E | Management consulting | 25 | \$0.00 | |
| Tangible Software, Inc. | 8 | Fairfax Co. | N | E | Enterprise energy management software | 40 | \$0.00 | |
| TEOCO Corporation | 8 | Fairfax Co. | N | E | Provides cost, routing, and revenue management solutions software | 10 | \$0.00 | |
| Triple Canopy, Inc. | 8 | Fairfax Co. | N | E | HQ; Provider of security and risk management services | 25 | \$1.00 | |
| United Mine Workers | 8 | Prince William Co. | N | E | HQ; Professional association | 0 | \$5.70 | |
| Whitney, Bradley & Brown, Inc. | 8 | Fairfax Co. | N | E | Technical and management consulting | 62 | \$0.00 | |
| Zeiders Enterprises, Inc. | 8 | Prince William Co. | N | E | HQ; social services management | 15 | \$1.12 | |
| ZoomSafer, Inc. | 8 | Fairfax Co. | N | E | Software that prevents motorists from texting and emailing while driving | 10 | \$0.00 | |
| | | <i>Expansion Total</i> | | | | <i>72 announcements</i> | <i>3,853</i> | <i>\$337.23</i> |
| | | PDC 8 Total | | | | 86 announcements | 5,586 | \$464.53 |

Appendix 4: Announcement Data for FY 2010

| Company Name | PDC | Location | MFG | Type | Business | Employment | Investment (millions) |
|-------------------------------|-----|------------------------|-----|------|---|------------|-----------------------|
| Terremark Worldwide, Inc. | 9 | Culpeper Co. | N | E | Managed IT infrastructure solutions; data center campus | 100 | \$250.00 |
| | | <i>Expansion Total</i> | | | <i>1 announcement</i> | <i>100</i> | <i>\$250.00</i> |
| | | PDC 9 Total | | | 1 announcement | 100 | \$250.00 |
| Woodfuels Virginia LLC | 10 | Louisa Co. | M | N | Manufactures wood fuel pellets and wood chips | 35 | \$25.00 |
| | | <i>New Total</i> | | | <i>1 announcement</i> | <i>35</i> | <i>\$25.00</i> |
| Afton Scientific | 10 | Albemarle Co. | M | E | Manufactures pharmaceutical drugs | 20 | \$5.00 |
| Defense Intelligence Agency | 10 | Albemarle Co. | N | E | Joint Use Intelligence Analysis Facility (JUJAF) | 800 | \$100.00 |
| Mikro Systems Inc. | 10 | Albemarle Co. | M | E | Precision manufacturing | 21 | \$0.40 |
| Starr Hill Brewery | 10 | Albemarle Co. | M | E | Brewery | 14 | \$1.00 |
| | | <i>Expansion Total</i> | | | <i>4 announcements</i> | <i>855</i> | <i>\$106.40</i> |
| | | PDC 10 Total | | | 5 announcements | 890 | \$131.40 |
| NemoBiofuel | 11 | Lynchburg | M | N | Uses waste vegetable oil to produce heating oil | 2 | \$0.20 |
| | | <i>New Total</i> | | | <i>1 announcement</i> | <i>2</i> | <i>\$0.20</i> |
| Babcock & Wilcox Company | 11 | Lynchburg | N | E | Engineering and design of the mPower nuclear reactor | 100 | \$2.00 |
| Banker Steel Company, LLC | 11 | Campbell Co. | M | E | Fabricates structural steel | 50 | \$0.00 |
| Genworth Financial, Inc. | 11 | Lynchburg | N | E | Life and long-term-care insurance | 43 | \$0.00 |
| Mid-State Insurance | 11 | Lynchburg | N | E | Provides insurance and investment products and services | 20 | \$0.10 |
| Penelope Inc. | 11 | Appomattox Co. | N | E | Corporate office, warehousing, web store; ladies clothing and accessories | 4 | \$0.75 |
| | | <i>Expansion Total</i> | | | <i>5 announcements</i> | <i>217</i> | <i>\$2.85</i> |
| | | PDC 11 Total | | | 6 announcements | 219 | \$3.05 |
| Batolii Sports | 12 | Danville | N | N | Administrative office and design division; sport, active, and casual wear | 30 | \$1.50 |
| Blue Ridge Fiberboard, Inc. | 12 | Danville | M | N | Manufactures fiberboard | 88 | \$5.26 |
| EcomNets | 12 | Danville | M | N | Manufactures "green" computers | 160 | \$1.94 |
| Faneuil, Inc. | 12 | Martinsville | N | N | Customer service center | 250 | \$2.40 |
| | | <i>New Total</i> | | | <i>4 announcements</i> | <i>528</i> | <i>\$11.10</i> |
| Aerial Machine and Tool Corp. | 12 | Patrick Co. | M | E | Sews and assembles harnesses and parachutes | 20 | \$1.00 |
| Cavco Industries, Inc. | 12 | Franklin Co. | M | E | Produces manufactured housing, park model homes, and vacation cabins | 149 | \$2.50 |

Appendix 4: Announcement Data for FY 2010

| Company Name | PDC | Location | MFG | Type | Business | Employment | Investment (millions) |
|--|-----|------------------------|-----|------|---|--------------|-----------------------|
| Drake Extrusion Inc.* | 12 | Henry Co. | M | E | Polypropylene fibers | 25 | \$1.25 |
| Essel Propack America LLC* | 12 | Danville | M | E | Toothpaste tubes | 0 | \$5.30 |
| Japan Tobacco International Leaf Services* | 12 | Danville | M | E | Tobacco processing | 39 | \$19.50 |
| Monogram Food Solutions, LLC | 12 | Henry Co. | M | E | Manufactures processed beef products | 120 | \$3.00 |
| Monogram Food Solutions, LLC | 12 | Henry Co. | M | E | Manufactures processed beef products | 150 | \$4.00 |
| The Results Companies | 12 | Patrick Co. | N | E | Customer service center | 135 | \$0.10 |
| | | <i>Expansion Total</i> | | | <i>8 announcements</i> | 638 | \$36.65 |
| | | PDC 12 Total | | | 12 announcements | 1,166 | \$47.75 |
| Central Virginia Concrete | 14 | Cumberland Co. | M | N | Ready-mix concrete | 12 | \$0.00 |
| Immigration Centers of America | 14 | Prince Edward Co. | N | N | Immigration detention facility | 143 | \$10.50 |
| | | <i>New Total</i> | | | <i>2 announcements</i> | 155 | \$10.50 |
| Morgan Lumber Company | 14 | Charlotte Co. | M | E | Lumber; continuous dry kiln | 25 | \$4.20 |
| | | <i>Expansion Total</i> | | | <i>1 announcement</i> | 25 | \$4.20 |
| | | PDC 14 Total | | | 3 announcements | 180 | \$14.70 |
| Bizerba USA, Inc.* | 15 | Henrico Co. | M | N | Manufactures retail scales, slicers, weigh price labeling equipment | 10 | \$1.20 |
| Essroc Cement Corp.* | 15 | Hanover Co. | M | N | Cement | 4 | \$3.10 |
| Hanover Foils, LLC | 15 | Hanover Co. | M | N | Converts foils for the confectionery industry | 40 | \$8.00 |
| Kinsale Insurance Company | 15 | Henrico Co. | N | N | Nationwide commercial insurance | 18 | \$0.75 |
| MeadWestvaco | 15 | Richmond | N | N | Design, research and development of packaging solutions | 128 | \$10.00 |
| MOS Group, Inc. | 15 | Henrico Co. | N | N | Mortgage outreach services | 78 | \$2.06 |
| Perfograph, S.L.* | 15 | Richmond | M | N | Machine knives and cutting tools | 4 | \$0.60 |
| Quality Technology Services (QTS) | 15 | Henrico Co. | N | N | Provides data center facilities and managed services | 0 | \$100.00 |
| R&B Hat Co., Inc. | 15 | Richmond | M | N | Military hat manufacturing | 35 | \$1.30 |
| Three Way Logistics (Triple Play Services) | 15 | Henrico Co. | N | N | Logistics service provider specializing in project and heavy lift support | 35 | \$2.10 |
| WellAWARE Systems | 15 | Henrico Co. | N | N | Develops medical and wellness monitoring software | 40 | \$0.00 |

Appendix 4: Announcement Data for FY 2010

| Company Name | PDC | Location | MFG | Type | Business | Employment | Investment (millions) | |
|---|-----|------------------|-----|------|---|------------|-----------------------|----------|
| | | <i>New Total</i> | | | <i>11 announcements</i> | | 392 | \$129.11 |
| 2nd Solutions, LLC | 15 | Henrico Co. | N | E | Recycles and refurbishes mobile, wireless and computer technology | 45 | \$0.15 | |
| Alkenz USA* | 15 | Henrico Co. | N | E | Distributes solar screen fabrics | 3 | \$0.21 | |
| Allen Corporation of America, Inc. | 15 | Chesterfield Co. | N | E | Provides IT solutions for military logistics | 90 | \$1.00 | |
| Aspen Products, Inc. | 15 | Richmond | M | E | Paper goods manufacturing: plates, cups, lunch bags, etc. | 61 | \$0.00 | |
| Bank of America | 15 | Henrico Co. | N | E | Banking operations center | 196 | \$166.00 | |
| Big Oak SEO | 15 | Henrico Co. | N | E | Search engine optimization; Internet marketing solutions | 0 | \$0.14 | |
| CEPHAS Industries | 15 | Richmond | M | E | Converts construction debris into biomass products for fuel | 50 | \$5.70 | |
| CodeBlue Solutions | 15 | Henrico Co. | N | E | Medical software solutions | 53 | \$0.50 | |
| Daystar Desserts/ World's Best Cheesecake | 15 | Hanover Co. | M | E | Dessert products | 0 | \$1.70 | |
| Daystar Desserts/ World's Best Cheesecake | 15 | Hanover Co. | M | E | Dessert products | 55 | \$0.15 | |
| DuPont Teijin Films* | 15 | Chesterfield Co. | M | E | Manufactures nanofiber film | 75 | \$10.00 | |
| Flexicell | 15 | Hanover Co. | M | E | Robotic material handling systems | 15 | \$1.00 | |
| Genesis Logistics | 15 | Henrico Co. | N | E | Logistics operations | 15 | \$1.28 | |
| Kenco Logistics Services | 15 | Chesterfield Co. | N | E | Logistics solutions provider | 30 | \$1.60 | |
| Kraft Foods Inc. | 15 | Henrico Co. | M | E | Manufactures cookies and crackers | 100 | \$15.30 | |
| Maruchan Virginia, Inc.* | 15 | Chesterfield Co. | M | E | Manufactures ramen soup and noodles | 50 | \$18.00 | |
| National Delivery Systems | 15 | Henrico Co. | N | E | Full service logistics management; warehousing and fulfillment services | 19 | \$2.14 | |
| Peak 10 Inc. | 15 | Henrico Co. | N | E | Data center | 16 | \$1.02 | |
| Pfizer Inc. | 15 | Richmond | M | E | Pharmaceuticals; research and development facility | 0 | \$0.60 | |
| Pohlig Bros. | 15 | Chesterfield Co. | M | E | Manufactures folding cartons, rigid boxes, packaging | 10 | \$0.10 | |
| Premier Woodworking | 15 | Henrico Co. | M | E | Manufactures wood store fixtures | 30 | \$0.30 | |
| Proseal America, Inc.* | 15 | Chesterfield Co. | M | E | Manufactures heat sealing packaging machines | 20 | \$0.00 | |
| Smurfit-Stone Container Corp. | 15 | Henrico Co. | M | E | Manufactures corrugated containers | 0 | \$32.00 | |
| Standex Engraving | 15 | Henrico Co. | M | E | Division HQ; Industrial roll and plate engraving | 0 | \$4.50 | |
| Thalhimer | 15 | Henrico Co. | N | E | Headquarters; commercial real estate | 0 | \$4.00 | |
| The Whitlock Group | 15 | Henrico Co. | N | E | Systems integration focused on broadcast and presentation solutions | 12 | \$0.48 | |

Appendix 4: Announcement Data for FY 2010

| Company Name | PDC | Location | MFG | Type | Business | Employment | Investment (millions) |
|--------------------------------|-----|------------------------|-----|------|---|--------------|-----------------------|
| Virginia T's, Inc. | 15 | Chesterfield Co. | N | E | Distributes imprintable sportswear | 26 | \$0.02 |
| | | <i>Expansion Total</i> | | | <i>27 announcements</i> | 971 | \$267.89 |
| | | PDC 15 Total | | | 38 announcements | 1,363 | \$397.00 |
| Tru Tech Doors | 16 | Spotsylvania Co. | M | N | Manufactures residential and commercial steel doors | 80 | \$1.60 |
| | | <i>New Total</i> | | | <i>1 announcement</i> | 80 | \$1.60 |
| A-T Solutions Inc. | 16 | Spotsylvania Co. | N | E | Provides anti-terrorism technology/training to government and contractors | 150 | \$3.00 |
| GEICO Corporation | 16 | Stafford Co. | N | E | Call center; automobile insurance | 70 | \$0.00 |
| Ladysmith Floor & Lumber LLC | 16 | Caroline Co. | M | E | Manufactures molding and flooring | 25 | \$0.75 |
| Printpack, Inc. | 16 | Spotsylvania Co. | M | E | Manufactures plastic wrap and labels | 30 | \$8.00 |
| | | <i>Expansion Total</i> | | | <i>4 announcements</i> | 275 | \$11.75 |
| | | PDC 16 Total | | | 5 announcements | 355 | \$13.35 |
| Nestle Purina PetCare Company* | 18 | King William Co. | M | E | Manufactures kitty litter | 0 | \$5.40 |
| | | <i>Expansion Total</i> | | | <i>1 announcement</i> | 0 | \$5.40 |
| | | PDC 18 Total | | | 1 announcement | 0 | \$5.40 |
| BleachTech LLC | 19 | Petersburg | M | N | Manufactures bleach | 16 | \$5.00 |
| Wood Fuel Developers, LLC | 19 | Greensville Co. | M | N | Manufactures wood pellets | 39 | \$18.70 |
| | | <i>New Total</i> | | | <i>2 announcements</i> | 55 | \$23.70 |
| Georgia-Pacific Corp. | 19 | Emporia | M | E | Plywood mill | 0 | \$2.75 |
| Good Earth Peanut Co. | 19 | Greensville Co. | M | E | Peanuts and peanut products | 15 | \$1.20 |
| SteelFab of Virginia, Inc. | 19 | Emporia | M | E | Steel fabrication | 18 | \$1.32 |
| | | <i>Expansion Total</i> | | | <i>3 announcements</i> | 33 | \$5.27 |
| | | PDC 19 Total | | | 5 announcements | 88 | \$28.97 |
| Betis Group, Inc. | 22 | Northampton Co. | N | N | Provides comprehensive IT products, solutions, and services | 40 | \$0.00 |
| Tucker Robbins | 22 | Accomack Co. | M | N | Manufactures high-end wood furniture | 10 | \$1.10 |
| | | <i>New Total</i> | | | <i>2 announcements</i> | 50 | \$1.10 |
| | | PDC 22 Total | | | 2 announcements | 50 | \$1.10 |

Appendix 4: Announcement Data for FY 2010

| Company Name | PDC | Location | MFG | Type | Business | Employment | Investment (millions) |
|---|-----|-----------------|------------------|------|--|------------|-----------------------|
| AGF Machining Solutions Inc.* | 23 | Virginia Beach | M | N | U.S. HQ; Machine tool manufacturing | 10 | \$0.50 |
| Ameriprise Financial, Inc. | 23 | Hampton | N | N | Financial planning, products, and services | 5 | \$0.27 |
| Avis Budget Group | 23 | Virginia Beach | N | N | Regional shared services center; rental car supplier | 100 | \$0.50 |
| Command Post Technologies, Inc | 23 | Suffolk | N | N | Program management, engineering/analysis, test and evaluation services | 3 | \$0.10 |
| Cyberdome Technology | 23 | Virginia Beach | M | N | Flight simulators | 15 | \$1.50 |
| Doyon Government Group | 23 | Newport News | N | N | Project management; logistical support of various government agency clients | 159 | \$0.00 |
| Eden Pellets, Inc. | 23 | Chesapeake | M | N | Manufactures wood pellets | 20 | \$6.00 |
| GreenwoodRRST, LLC | 23 | Southampton Co. | N | N | Liquid asphalt distribution | 10 | \$2.20 |
| Restaurant Depot Inc.* | 23 | Virginia Beach | N | N | Distribution center, restaurant equipment and food | 38 | \$9.00 |
| Swedish Match North America Inc.* | 23 | Hampton | N | N | Distribution of tobacco products | 32 | \$1.20 |
| Tidewater Green Corporation | 23 | Chesapeake | N | N | Asphalt materials recovery sorting facility | 0 | \$1.47 |
| Turner Construction Company | 23 | Virginia Beach | N | N | Regional administration, operations, and services divisions; general builder | 10 | \$0.15 |
| Willard Marine, Inc. | 23 | Virginia Beach | M | N | Small custom boats for government, military, and commercial uses | 20 | \$0.80 |
| | | | <i>New Total</i> | | <i>13 announcements</i> | <i>422</i> | <i>\$23.69</i> |
| Allied Technology Group, Inc. | 23 | Virginia Beach | N | E | Provides engineering and information management solutions | 18 | \$0.05 |
| AMERICAN SYSTEMS Corporation | 23 | Chesapeake | N | E | Systems engineering services | 0 | \$0.41 |
| AvalonBay Communities, Inc. | 23 | Virginia Beach | N | E | National customer care center, real estate investment trust | 12 | \$0.10 |
| AVID Medical Inc. | 23 | James City Co. | M | E | Custom procedure trays for the healthcare industry | 300 | \$0.00 |
| Circle M Contracting | 23 | James City Co. | M | E | Metal fabrication | 12 | \$0.00 |
| CORT Business Services Corporation | 23 | Chesapeake | N | E | Distribution and warehousing of residential and commercial furniture | 0 | \$0.65 |
| CSC | 23 | Virginia Beach | N | E | Information technology consulting | 10 | \$0.10 |
| E&E Enterprises Global, Inc. | 23 | Hampton | N | E | Communications and communications equipment | 0 | \$0.50 |
| Electric Motor and Contracting Co. Inc. | 23 | Chesapeake | M | E | Repairs and remanufactures electric motors | 11 | \$8.60 |
| Flowserve Corporation | 23 | Chesapeake | M | E | Industrial pumps | 12 | \$0.63 |
| GEICO Corporation | 23 | Virginia Beach | N | E | Call center; insurance policies | 110 | \$0.00 |
| Grow Interactive | 23 | Norfolk | N | E | Web site design, online advertising, graphics design | 0 | \$1.21 |
| H&E Equipment | 23 | Chesapeake | N | E | Construction equipment distribution | 0 | \$0.60 |

Appendix 4: Announcement Data for FY 2010

| Company Name | PDC | Location | MFG | Type | Business | Employment | Investment (millions) | |
|--|-----|------------------------|-----|------|---|-------------------------|-----------------------|-----------------|
| Hampton Roads Examination Warehouse | 23 | Chesapeake | N | E | Customs examination site, container entry, departure, and warehousing | 0 | \$0.70 | |
| Hermes Abrasives, Ltd.* | 23 | Virginia Beach | M | E | Manufactures industrial coating abrasives | 30 | \$5.00 | |
| Icelandic USA, Inc.* | 23 | Newport News | M | E | U.S. HQ; Seafood processing | 0 | \$8.40 | |
| Impressions in Print | 23 | Virginia Beach | M | E | Creates, warehouses, and distributes branded products | 0 | \$1.22 | |
| Intelligent Software Solutions, Inc. | 23 | Hampton | N | E | Open software design and integration | 50 | \$0.00 | |
| Kerneos Inc.* | 23 | Chesapeake | M | E | Develops, produces, and supplies calcium aluminate cements | 0 | \$0.14 | |
| McHenry Management Group | 23 | Chesapeake | N | E | HQ; Provides various management, logistics, IT, and engineering services | 0 | \$0.16 | |
| MYMIC LLC | 23 | Portsmouth | N | E | Training analysis, simulation, modeling, and computer visualization solutions | 90 | \$0.30 | |
| National Institute of Aerospace | 23 | Hampton | N | E | Aerospace research | 0 | \$12.00 | |
| Orion Air Group | 23 | Newport News | N | E | Aviation services | 51 | \$4.00 | |
| Owens-Illinois, Inc. | 23 | James City Co. | M | E | Owens-Illinois, Inc. | 20 | \$20.00 | |
| Portfolio Recovery Associates | 23 | Hampton | N | E | Call center, consumer debt collection | 87 | \$0.70 | |
| reQuire, LLC | 23 | Virginia Beach | N | E | Web-based lien release tracking and reporting service | 36 | \$0.00 | |
| Serco Inc.* | 23 | Virginia Beach | N | E | Engineering services and government-related technology solutions | 118 | \$0.00 | |
| Special Tactical Services, LLC | 23 | Virginia Beach | N | E | Technology innovations in security shield emplacements for entry points | 20 | \$0.60 | |
| SRA International Inc. | 23 | Chesapeake | N | E | IT consulting, defense contractor | 0 | \$0.15 | |
| STIHL Inc.* | 23 | Virginia Beach | M | E | U.S. HQ; Hand-held power tools | 20 | \$3.50 | |
| TFC Recycling | 23 | Chesapeake | N | E | Corporate office; waste solutions and recycling services | 40 | \$1.20 | |
| Transformational Defense Industries, Inc.* | 23 | Virginia Beach | N | E | HQ; Weapons operating systems | 35 | \$4.00 | |
| Valkyrie Enterprises, LLC | 23 | Virginia Beach | N | E | System engineering and acquisition support, readiness, modernization | 37 | \$0.00 | |
| Virginia Natural Gas | 23 | Virginia Beach | N | E | Regional headquarters; natural gas service provider | 0 | \$6.50 | |
| VT Group* | 23 | Chesapeake | M | E | Fabrication facility and metal finishing | 63 | \$0.80 | |
| Warwick Plumbing & Heating Corp. | 23 | Hampton | N | E | Mechanical engineering and construction | 20 | \$0.00 | |
| X-R-I Testing | 23 | Hampton | N | E | Non-destructive testing services | 10 | \$1.40 | |
| | | <i>Expansion Total</i> | | | | <i>37 announcements</i> | <i>1,212</i> | <i>\$83.62</i> |
| | | PDC 23 Total | | | | 50 announcements | 1,634 | \$107.31 |
| DIRECTV/Convergys | | Various locations | N | N | Virtual call center | 100 | \$0.50 | |

Appendix 4: Announcement Data for FY 2010

| Company Name | PDC | Location | MFG | Type | Business | Employment | Investment (millions) |
|-------------------------------|-----|--------------------------------|-----|------|--------------------------|---------------|-----------------------|
| | | <i>Various Locations Total</i> | | | <i>1 announcement</i> | <i>100</i> | <i>\$0.50</i> |
| <i>Not publicly announced</i> | | <i>Confidential</i> | | | <i>16 announcements</i> | <i>1,709</i> | <i>\$751.09</i> |
| | | Grand Total | | | 287 announcements | 16,400 | \$2,580.34 |

Notes:

*Indicates foreign affiliation

Type: New or Expansion

Mfg: Manufacturing or Nonmanufacturing

2010 announcements are preliminary

All announcements are subject to revision

Appendix 4: Announcement Data for FY 2010

| | Announcements | Employment | Investment (millions) | | Announcements | Employment | Investment (millions) |
|--------------------|---------------|--------------|-----------------------|---------------------|---------------|--------------|-----------------------|
| New Total | 0 | 0 | \$0.00 | New Total | 0 | 0 | \$0.00 |
| Expansion Total | 0 | 0 | \$0.00 | Expansion Total | 1 | 100 | \$250.00 |
| PDC 1 Total | 0 | 0 | \$0.00 | PDC 9 Total | 1 | 100 | \$250.00 |
| New Total | 1 | 40 | \$0.03 | New Total | 1 | 35 | \$25.00 |
| Expansion Total | 2 | 113 | \$1.00 | Expansion Total | 4 | 855 | \$106.40 |
| PDC 2 Total | 3 | 153 | \$1.03 | PDC 10 Total | 5 | 890 | \$131.40 |
| New Total | 0 | 0 | \$0.00 | New Total | 1 | 2 | \$0.20 |
| Expansion Total | 11 | 435 | \$58.90 | Expansion Total | 5 | 217 | \$2.85 |
| PDC 3 Total | 11 | 435 | \$58.90 | PDC 11 Total | 6 | 219 | \$3.05 |
| New Total | 4 | 570 | \$54.60 | New Total | 4 | 528 | \$11.10 |
| Expansion Total | 7 | 345 | \$10.46 | Expansion Total | 8 | 638 | \$36.65 |
| PDC 4 Total | 11 | 915 | \$65.06 | PDC 12 Total | 12 | 1,166 | \$47.75 |
| New Total | 1 | 10 | \$9.00 | New Total | 0 | 0 | \$0.00 |
| Expansion Total | 4 | 86 | \$11.85 | Expansion Total | 0 | 0 | \$0.00 |
| PDC 5 Total | 5 | 96 | \$20.85 | PDC 13 Total | 0 | 0 | \$0.00 |
| New Total | 2 | 42 | \$0.75 | New Total | 2 | 155 | \$10.50 |
| Expansion Total | 10 | 578 | \$104.15 | Expansion Total | 1 | 25 | \$4.20 |
| PDC 6 Total | 12 | 620 | \$104.90 | PDC 14 Total | 3 | 180 | \$14.70 |
| New Total | 5 | 230 | \$11.00 | New Total | 11 | 392 | \$129.11 |
| Expansion Total | 9 | 511 | \$102.45 | Expansion Total | 27 | 971 | \$267.87 |
| PDC 7 Total | 14 | 741 | \$113.45 | PDC 15 Total | 38 | 1,363 | \$396.98 |
| New Total | 14 | 1,733 | \$127.30 | New Total | 1 | 80 | \$1.60 |
| Expansion Total | 72 | 3,853 | \$337.23 | Expansion Total | 4 | 275 | \$11.75 |
| PDC 8 Total | 86 | 5,586 | \$464.53 | PDC 16 Total | 5 | 355 | \$13.35 |

Appendix 4: Announcement Data for FY 2010

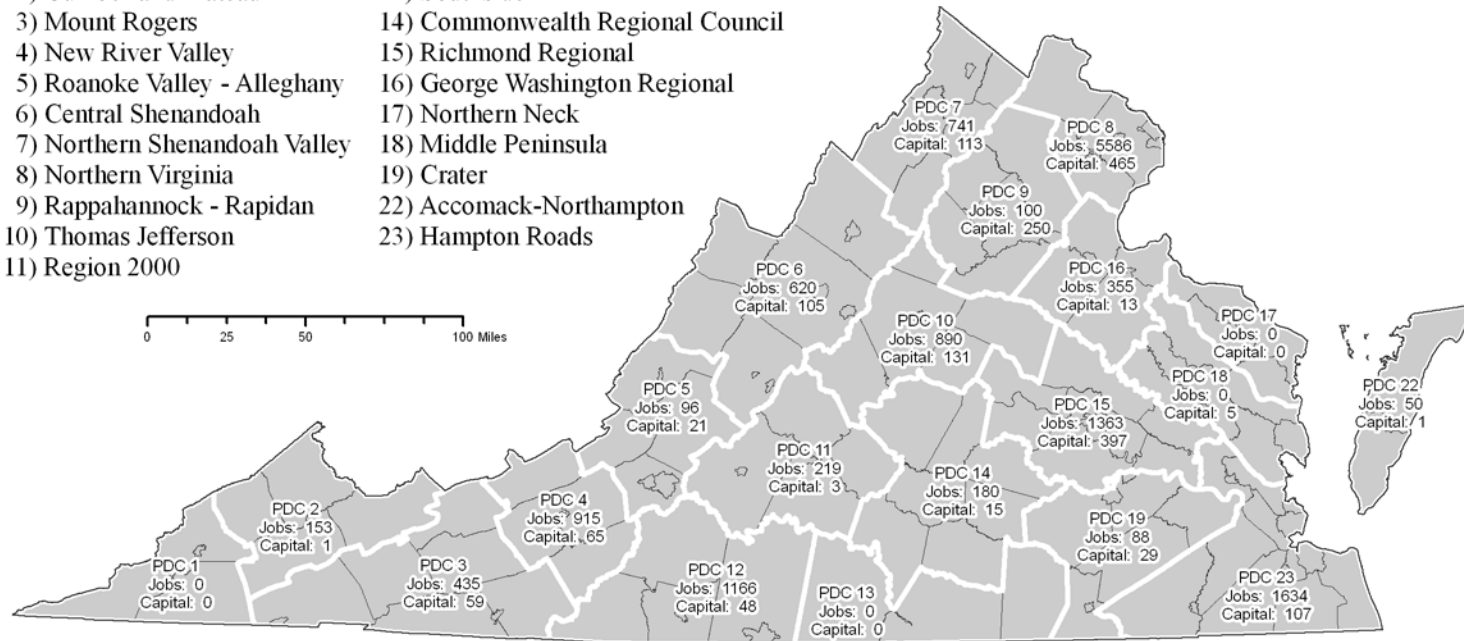
| | Announcements | Employment | Investment (millions) |
|------------------------------------|---------------|---------------|--------------------------|
| New Total | 0 | 0 | 0 |
| Expansion Total | 0 | 0 | 0 |
| PDC 17 Total | 0 | 0 | \$0.00 |
| New Total | 0 | 0 | 0 |
| Expansion Total | 1 | 0 | \$5.40 |
| PDC 18 Total | 1 | 0 | \$5.40 |
| New Total | 2 | 55 | \$23.70 |
| Expansion Total | 3 | 33 | \$5.27 |
| PDC 19 Total | 5 | 88 | \$28.97 |
| New Total | 2 | 50 | \$1.10 |
| Expansion Total | 0 | 0 | \$0.00 |
| PDC 22 Total | 2 | 50 | \$1.10 |
| New Total | 13 | 422 | \$23.69 |
| Expansion Total | 37 | 1,212 | \$83.62 |
| PDC 23 Total | 50 | 1,634 | \$107.31 |
| Various Locations Total | 1 | 100 | \$0.50 |
| Confidential Total | 16 | 1,709 | \$751.09 |
| Grand Total | 287 | 16,400 | \$2,580.34 |

Appendix 5: Employment Creation and Capital Investment by PDC for FY 2010

Employment Creation and Capital Investment by Planning District Fiscal Year 2010

Planning District Commission (PDC) Name & Number

- | | |
|-------------------------------|-----------------------------------|
| 1) Lenowisco | 12) West Piedmont |
| 2) Cumberland Plateau | 13) Southside |
| 3) Mount Rogers | 14) Commonwealth Regional Council |
| 4) New River Valley | 15) Richmond Regional |
| 5) Roanoke Valley - Alleghany | 16) George Washington Regional |
| 6) Central Shenandoah | 17) Northern Neck |
| 7) Northern Shenandoah Valley | 18) Middle Peninsula |
| 8) Northern Virginia | 19) Crater |
| 9) Rappahannock - Rapidan | 22) Accomack-Northampton |
| 10) Thomas Jefferson | 23) Hampton Roads |
| 11) Region 2000 | |



Numbers on map indicate jobs created and capital invested in millions for FY2010. All announcements are subject to revision.

Map created by Virginia Economic Development Partnership, September 2010

Appendix 6: Audited Financial Report



Virginia Economic Development Partnership
Audited Basic Financial Statements
For the Fiscal Year Ended
June 30, 2010

© VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

Virginia Economic Development Partnership
Audited Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

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INTRODUCTORY SECTION

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP
Richmond, Virginia

APPOINTED OFFICIALS

As of June 30, 2010

Board of Directors

Julien G. Patterson, Chair

Stephen R. Adkins
G. William Beale
W. Clay Campbell
Russell B. Clark
Mark D. Heath
Hugh D. Keogh
Chris A. Lumsden
Stuart S. Malawer
John F. Malbon

David Oliver
Dan M. Pleasant
A. Carole Pratt
Ruth A. Sandoval
Samuel A. Schreiber
Donald W. Seale
James E. Ukrop
Neil D. Wilkin, Jr.

Glenn DuBois, Ex-Officio
The Honorable Jim S. Cheng, Ex-Officio
The Honorable Richard D. Brown, Ex-Officio

President and Chief Executive Officer

Jeffrey M. Anderson

FINANCIAL SECTION

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF JUNE 30, 2010

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, 2010. 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, expenses that are accrued for the net pension obligation in the current period are expected to be paid with future funding appropriations from the Commonwealth of Virginia.

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. At the close of the fiscal year ended June 30, 2010, the Partnership had a net asset deficit of \$288,044 compared to a net asset surplus of \$298,395 as of June 30, 2009. Following is an analysis of the changes in the net assets of the Partnership.

| | Net Assets | | |
|---|---------------------|-------------------|---------------------|
| | <u>2010</u> | <u>2009</u> | <u>Variance</u> |
| Current and other assets | \$ 2,947,350 | \$ 3,057,107 | \$ (109,757) |
| Capital assets, net of depreciation | <u>756,826</u> | <u>715,565</u> | <u>41,261</u> |
| Total assets | <u>3,704,176</u> | <u>3,772,672</u> | <u>(68,496)</u> |
| Non-current liabilities | 3,574,241 | 3,060,525 | 513,716 |
| Other liabilities | <u>417,979</u> | <u>413,752</u> | <u>4,227</u> |
| Total liabilities | <u>3,992,220</u> | <u>3,474,277</u> | <u>517,943</u> |
| Net assets: | | | |
| Invested in capital assets, net of related debt | 756,826 | 715,565 | 41,261 |
| Unrestricted | <u>(1,044,870)</u> | <u>(417,170)</u> | <u>(627,700)</u> |
| Total net assets (deficit) | <u>\$ (288,044)</u> | <u>\$ 298,395</u> | <u>\$ (586,439)</u> |

Total assets decreased this fiscal year by \$68,496 when compared to last year. The decrease in current and other assets was due primarily to a decrease in cash balances of \$113,447. This decrease in cash balances was the result of cash expenditures exceeding cash revenues by \$98,915, increases in travel advance and lease deposit balances totaling \$9,082 and a decrease in the amount due to Virginia National Defense Authority of \$5,450.

Total liabilities increased by \$517,943. Non-current liabilities increased by \$513,716 due to increases in the Partnership's net pension obligation and other post employment obligations totaling \$556,273 offset by a decrease in compensated absences of \$42,557.

Net assets invested in *capital assets, net of related debt* consist primarily of leasehold improvements, computers and peripheral technology equipment used by the organization to deliver program services to its clients. The Partnership considers technology a vital asset in its efforts to market Virginia and will continue to invest in technology to ensure that its equipment and software are updated to take advantage of greater data handling capabilities and increased processing speeds.

The remaining *Net assets* deficit balance of \$1,044,870 is classified as *unrestricted*. The Partnership has recorded approximately \$2,810,000 of net pension and other post retirement obligations which are expected to be paid with future appropriations from the Commonwealth of Virginia (COV). The partnership's cash and other current assets exceed its obligations due within the next fiscal year by approximately \$2,512,000.

| Changes in Net Assets | | | |
|-----------------------------------|---------------------|-------------------|---------------------|
| | <u>2010</u> | <u>2009</u> | <u>Variance</u> |
| Revenues: | | | |
| Program revenues: | | | |
| Charges for services | \$ 364,652 | \$ 579,470 | \$ (214,818) |
| General revenues: | | | |
| General Fund appropriations | 14,460,146 | 15,612,518 | (1,152,372) |
| Other | <u>(44,099)</u> | <u>86,811</u> | <u>(130,910)</u> |
| Total revenues | <u>14,780,699</u> | <u>16,278,799</u> | <u>(1,498,100)</u> |
| Expenses: | | | |
| Business Development | 2,963,943 | 3,099,749 | (135,806) |
| International Investment | 1,849,352 | 1,814,716 | 34,636 |
| International Trade | 2,821,329 | 3,074,785 | (253,456) |
| Research | 1,756,547 | 1,818,634 | (62,087) |
| Communications and Promotions | 1,258,962 | 1,597,210 | (338,248) |
| Information Technology | 2,046,546 | 1,984,724 | 61,822 |
| Administration | 2,411,939 | 2,719,181 | (307,242) |
| Pass-through Payments | <u>258,520</u> | <u>142,150</u> | <u>116,370</u> |
| Total expenses | <u>15,367,138</u> | <u>16,251,149</u> | <u>(884,011)</u> |
| Increase (Decrease) in net assets | (586,439) | 27,650 | (614,089) |
| Beginning net assets | <u>298,395</u> | <u>270,745</u> | <u>27,650</u> |
| Ending net assets(deficit) | <u>\$ (288,044)</u> | <u>\$ 298,395</u> | <u>\$ (586,439)</u> |

Net assets for the Partnership decreased by \$586,439 during the current fiscal year compared to an increase of \$27,650 in net assets in the prior fiscal year. The revenues decrease of \$1,498,100 is due to a \$1,152,372 decrease in general fund appropriations brought about by shortfalls in State revenue collections. A reduction in VEDP's marketing activities resulted in the decrease in the related charges for services by approximately \$215,000. Other revenues decrease of \$130,910 includes an increase in the losses on the disposal of fixed assets totaling \$75,728 and a \$56,427 decrease in interest income on cash deposits.

The \$884,011 expense decrease is due to budget reductions generally, which was the result of reduced Commonwealth of Virginia revenues. Specifically, the larger variances seen in the marketing divisions; Business Development, International Trade and Communications and Promotions were the result of substantially reduced marketing shows, events, and missions and related travel. The Administration reduction was primarily due to the elimination of the Deputy Director position and a one-time lease operating expense refund.

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 Partnership's budget, as originally prepared, included revenue provided by the Commonwealth of just over \$16 million. This amount was reduced to \$14.5 million by the net of reductions of \$1.73 million imposed by the Governor to offset revenue shortfalls, reductions of over \$300,000 for employee benefits and an employee one-day furlough; and an increase in funding of \$293,000 for Rolls Royce project management and \$180,000 additional funding for the Virginia Commercial Space Flight Authority. Additionally, \$212,000 was added to the participation and sponsorship fees budgets to support planned expenditures primarily associated with the Virginia Conference on World Trade. Actual revenues for participation and sponsorship fees fell short of the final budgeted amounts by just over \$51,000 due to a reduced marketing calendar of missions and events, which generates the related revenue. Actual expenditures were less than the final budget by approximately \$720,000 due to savings from various reductions in marketing activities throughout the year and one-time rent operating expense refund.

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, 2010

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| Assets | |
| Cash and cash equivalents (Note 2) | \$ 2,580,570 |
| Petty cash and travel advances | 9,196 |
| Prepaid expenses | 314,208 |
| Other receivables | 25,497 |
| Lease deposits (Note 5) | 17,879 |
| Capital assets, net of accumulated depreciation (Note 6) | |
| Leasehold improvements, furniture, and equipment | <u>756,826</u> |
| Total assets | <u>3,704,176</u> |
| Liabilities | |
| Accounts payable | 86,817 |
| Accrued payroll | 143,356 |
| Unearned revenue | 6,790 |
| Due to Virginia National Defense Industrial Authority | 181,016 |
| Noncurrent liabilities due within one year | |
| Compensated absences (Note 8) | 509,319 |
| Noncurrent liabilities due in more than one year | |
| Compensated absences (Note 8) | 255,117 |
| Net pension obligation (Note 9) | 2,243,875 |
| Net other post-employment obligation (Note 10) | <u>565,930</u> |
| Total liabilities | <u>3,992,220</u> |
| Net assets | |
| Investment in capital assets, net of related debt | 756,826 |
| Unrestricted | <u>(1,044,870)</u> |
| Total net assets (deficit) | <u><u>\$ (288,044)</u></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, 2010

| | Expenses | Charges for Services | Net (Expense) Revenue and Changes in Net Assets |
|--|--------------|-------------------------|--|
| Governmental Activities | | | |
| Business Development | \$ 2,963,943 | 50,000 | \$ (2,913,943) |
| International Investment | 1,849,352 | 58,940 | (1,790,412) |
| International Trade | 2,821,329 | 215,212 | (2,606,117) |
| Research | 1,756,547 | - | (1,756,547) |
| Communications and Promotions | 1,258,962 | 40,500 | (1,218,462) |
| Information Technology | 2,046,546 | - | (2,046,546) |
| Administration | 2,411,939 | - | (2,411,939) |
| Pass-through Payments | 258,520 | - | (258,520) |
| Total governmental activities | 15,367,138 | 364,652 | (15,002,486) |
| General Revenues | | | |
| Revenue provided by the General Fund of the Commonwealth (Note 4) | | | 14,460,146 |
| Interest revenue | | | 12,973 |
| Other revenue | | | 30,030 |
| Loss on disposal of fixed assets | | | (87,102) |
| Total general revenues | | | 14,416,047 |
| Decrease in net assets | | | (586,439) |
| Net assets, July 1, 2009 | | | 298,395 |
| Net assets (deficit), June 30, 2010 | | | \$ (288,044) |

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

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP
BALANCE SHEET
GOVERNMENTAL FUND
As of June 30, 2010

| | <u>General Fund</u> |
|---|-------------------------|
| Assets | |
| Cash and cash equivalents (Note 2) | \$ 2,580,570 |
| Petty cash and travel advances | 9,196 |
| Prepaid expenses | 314,208 |
| Other receivables | 25,497 |
| Lease deposits (Note 5) | <u>17,879</u> |
| Total assets | <u>\$ 2,947,350</u> |
| Liabilities and Fund Balances | |
| Liabilities: | |
| Accounts payable | \$ 86,817 |
| Accrued payroll | 143,356 |
| Compensated absences | 13,669 |
| Unearned revenue | 6,790 |
| Due to Virginia National Defense Industrial Authority | <u>181,016</u> |
| Total liabilities | <u>431,648</u> |
| Fund Balances: | |
| Unreserved | <u>2,515,702</u> |
| Total liabilities and fund balances | <u>\$ 2,947,350</u> |

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

| | |
|--|---------------------|
| Fund balances, Governmental Fund | \$ 2,515,702 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 756,826 |
| Noncurrent liabilities (compensated absences, net pension obligation and net other post employment obligation) are not due and payable with current financial resources and, therefore, are not reported in the funds. | <u>(3,560,572)</u> |
| Total net assets of governmental activities | <u>\$ (288,044)</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, 2010

| | General Fund |
|--|---------------------|
| Revenues | |
| Revenue provided by the General Fund of the Commonwealth (Note 4) | \$ 14,460,146 |
| Participation fees | 136,695 |
| Sponsorship fees | 162,590 |
| Interest revenue | 12,973 |
| Other revenue | 95,397 |
| Total revenues | <u>14,867,801</u> |
| Expenditures | |
| Business Development | 2,844,123 |
| International Investment | 1,824,356 |
| International Trade | 2,740,055 |
| Research | 1,670,356 |
| Communications and Promotions | 1,232,099 |
| Information Technology | 1,917,164 |
| Administration | 2,507,782 |
| Pass-through Payments | 258,520 |
| Total expenditures | <u>14,994,455</u> |
| Expenditures over revenues | <u>(126,654)</u> |
| Other Financing Sources (Uses) | |
| Recoveries from insurance and landlord (Note 12) | 316,105 |
| Loss caused by flood damage (Note 12) | (317,105) |
| Total other financing sources (uses) | <u>(1,000)</u> |
| Total Decrease in Fund Balance | (127,654) |
| Fund balance, July 1, 2009 | <u>2,643,356</u> |
| Fund balance, June 30, 2010 | <u>\$ 2,515,702</u> |

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, 2010

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

| | |
|--|----------------------------|
| Net decrease in fund balance of the general fund | \$ (127,654) |
| 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 capital outlays exceeded depreciation expense and loss on disposal of assets in the current period. | 41,261 |
| Some expenses reported in the statement of activities (compensated absences, net pension obligation and net other post employment obligation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | <u>(500,046)</u> |
| Decrease in net assets of governmental activities | <u><u>\$ (586,439)</u></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, 2010

| | Budgeted Amounts | | | Variances with Final Budget- Positive (Negative) |
|--|-------------------|-------------------|-------------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Revenue provided by the General Fund of the Commonwealth (Note 4) | \$ 16,034,327 | \$ 14,460,146 | \$ 14,460,146 | \$ - |
| Participation fees | 138,000 | 250,000 | 136,695 | (113,305) |
| Sponsorship fees | - | 100,000 | 161,880 | 61,880 |
| Interest revenue | 40,000 | 20,000 | 12,973 | (7,027) |
| Other revenue | 30,000 | 96,000 | 95,397 | (603) |
| Total revenues | 16,242,327 | 14,926,146 | 14,867,091 | (59,055) |
| Expenditures | | | | |
| Business Development | 3,025,709 | 2,867,933 | 2,822,303 | 45,630 |
| International Investment | 1,713,805 | 1,641,439 | 1,706,255 | (64,816) |
| International Trade | 2,887,296 | 3,112,922 | 2,752,040 | 360,882 |
| Research | 1,930,359 | 1,796,876 | 1,677,563 | 119,313 |
| Communications and Promotions | 2,007,146 | 1,380,064 | 1,303,202 | 76,862 |
| Information Technology | 1,897,793 | 1,924,146 | 1,902,716 | 21,430 |
| Administration | 2,696,844 | 2,678,279 | 2,516,910 | 161,369 |
| Pass-through Payments | 87,875 | 258,520 | 258,520 | - |
| Total expenditures | 16,246,827 | 15,660,179 | 14,939,509 | 720,670 |
| Revenues over (under) expenditures | (4,500) | (734,033) | (72,418) | 661,615 |
| Other Financing Sources (Uses) | | | | |
| Recoveries from insurance and landlord (Note 12) | | | 290,608 | 290,608 |
| Loss caused by flood damage (Note 12) | - | - | (317,105) | (317,105) |
| Total other financing sources (uses) | - | - | (26,497) | (26,497) |
| Total Decrease in Fund Balance | (4,500) | (734,033) | (98,915) | 635,118 |
| Fund balance, July 1, 2009 | 4,500 | 734,033 | 2,525,544 | 1,791,511 |
| Fund balance, June 30, 2010 (Note 3) | \$ - | \$ - | \$ 2,426,629 | \$ 2,426,629 |

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, 2010

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 generally 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. Prepaid Expenses

The Partnership's prepaid expenses included amounts paid for promotional activities, other services and portions of insurance premiums for which the economic benefits had not been received as of June 30, 2010.

D. 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 three to twenty years.

E. Due to Virginia National Defense Industrial Authority

The Virginia National Defense Industrial Authority (VNDIA) is an independent authority of the Commonwealth of Virginia. VNDIA's budget is appropriated to the Partnership and is held in the cash and cash equivalents accounts of the Partnership until disbursed for VNDIA's expenditures. Funding received in excess of expenditures paid creates an obligation to VNDIA.

F. Unearned Revenue

Unearned revenue included amounts received for sponsorship and participation fees at June 30, 2010, for an event to be held in the next fiscal period.

G. Compensated Absences

Compensated absences represent the amounts of vacation, sick, and compensatory leave earned by the Partnership employees, but not taken at June 30, 2010. 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.

H. 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, 2010, which is the second year of the biennium ended June 30, 2010. 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 carry no significant risk. The LGIP funds are held in pooled accounts, are considered cash equivalents and, accordingly, also carry no significant risk as defined by Statement 40 of the Governmental Accounting Standards Board. VEDP deposits are secured in accordance with the provisions of the Virginia Security for Public Deposit Act § 2.2-4400 of the Code of Virginia.

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, 2010 | \$ 2,426,629 |
| Add: Prepaid expenses and other receivables | 339,705 |
| Deduct: Accrued expenses and unearned revenues | <u>(250,632)</u> |
| Fund balance, GAAP basis, June 30, 2010 | <u>\$ 2,515,702</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, Chapter 781 | \$ 16,482,457 |
| Add: Funding for Rolls Royce Project Management | 293,200 |
| Funding for VA Space Flight Authority | 179,433 |
| Deduct: Governor's budget reductions | (1,726,309) |
| Appropriation for VNDIA | (448,130) |
| Central Appropriations adjustments | <u>(320,505)</u> |
| Revenue provided by the General Fund of the Commonwealth | <u>\$ 14,460,146</u> |

5. LEASE DEPOSITS

The Partnership maintains offices in Lynchburg, Virginia, and Tokyo, Japan. Each landlord requires a lease deposit as part of the lease agreement for those locations. The Lynchburg lease deposit is held in U.S. dollars in a non-interest bearing account and is valued at \$400. The Tokyo lease deposit is held in Japanese yen in a non-interest bearing account in the amount of 1,800,000 Japanese yen. The Tokyo lease deposit is valued at \$17,479 at June 30, 2010.

6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

| <u>Capital Assets Being Depreciated</u> | <u>Balance July 1, 2009</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance June 30, 2010</u> |
|---|---------------------------------|-------------------|--------------------|----------------------------------|
| Leasehold improvements, furniture and equipment | \$ 1,471,127 | \$ 274,492 | \$ (200,006) | \$ 1,545,613 |
| Less: accumulated depreciation | <u>755,562</u> | <u>146,129</u> | <u>(112,904)</u> | <u>788,787</u> |
| Leasehold improvements, furniture and equipment, net of accumulated depreciation | <u>\$ 715,565</u> | <u>\$ 128,363</u> | <u>\$ (87,102)</u> | <u>\$ 756,826</u> |

7. COMMITMENTS

The Partnership is committed under various operating leases and office use agreements for office facilities and equipment through December 2015. Expense under these agreements for the fiscal year ended June 30, 2010, amounted to \$1,564,355. A summary of minimum future obligations under these agreements as of June 30, 2010, follows:

| <u>Year Ending June, 30</u> | <u>Obligations</u> |
|--------------------------------------|---------------------|
| 2011 | \$ 1,570,355 |
| 2012 | 1,346,772 |
| 2013 | 1,373,184 |
| 2014 | 1,406,216 |
| 2015 | 1,417,944 |
| 2016 | <u>710,375</u> |
| Total future minimum rental payments | <u>\$ 7,824,846</u> |

In July of 2009, the Partnership entered an agreement with the Virginia Ports Authority to co-sponsor the annual “Virginia Conferences on World Trade “. Under this agreement, the entities are to share equally in any profits and losses resulting from each year’s conference activities. If either party terminates their participation, or the event was to be cancelled, funds would be divided in accordance with the terms of the agreement. The results of transactions related to the conference are reflected in the Partnership’s financial statements. As of June 30, 2010, \$114,592 is included in the Partnership’s cash and cash equivalents accounts to provide for the 62nd Virginia Conference on World Trade to be held in October 2010.

8. COMPENSATED ABSENCES

Compensated absences activity for the fiscal year ended June 30, 2010, was as follows:

| <u>Balance</u> <u>July 1, 2009</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> <u>June 30, 2010</u> |
|---------------------------------------|---------------------------|------------------|--|
| \$ 806,993 | \$ 504,951 | \$ 547,508 | \$ 764,436 |
| | Due Within One Year | | <u>(509,319)</u> |
| | Due in More Than One Year | | <u>\$ 255,117</u> |

9. PENSION PLAN

The Partnership is a participating employer in a defined benefit pension plan administered by the Virginia Retirement System. As of June 30, 2010, the Partnership’s net pension obligation was \$2,243,875.

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 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. 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 VRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the plan. 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 \$350,266 (5 percent of total creditable compensation of \$7,005,326). 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, 2010, was 4.956%, which resulted in a contribution of \$349,116 for the fiscal year.

10. OTHER EMPLOYMENT AND OTHER POST-EMPLOYMENT BENEFITS

The Partnership is a participating employer in other employment and post-employment benefit plans. The Group Life Insurance plan, Virginia Sickness and Disability Program (VSDP) and the Retiree Health Insurance Credit fund are administered by the VRS. The VRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for these plans. A copy of that report may be obtained by writing to the system at P.O. Box 2500, Richmond, Virginia 23218-2500. The Partnership is also a participating employer in the Health Benefits Program for Retirees, Survivors and Long Term Disability (LTD) Participants administered by the Commonwealth's Department of Human Resource Management (DHRM). The Commonwealth issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for this plan and a copy of that report may be obtained by writing Financial Reporting, 101 N. 14th Street, Richmond, VA 23219. As of June 30, 2010, the Partnership's combined net other post-employment benefit obligation for these plans was \$565,930.

GROUP LIFE INSURANCE

The Group Life Insurance plan provides life insurance benefits to full time employees of the Partnership. As a part of the plan, life insurance benefits are provided to retired employees in accordance with Title 51.1 of the Code of Virginia (1950), as amended. To be eligible for the retired employee portion of the plan, the employee must have retired or terminated employment after age 50 and have had at least 10 years of service (including 5 years of continuous service) or at age 55 and have had 5 years of continuous service or retired because of disability. At retirement or termination, natural death coverage starts to reduce by 25 percent each year until coverage reaches 25 percent of its value at retirement or termination.

Post-employment life insurance benefits are advance funded on an actuarially determined basis using the aggregate cost actuarial method with the same actuarial assumptions used for determining pension plan contribution rates. All contributions to the plan are made by the Partnership. The Partnership's actuarially determined rate for the current year was 0.593% of creditable compensation resulting in a contribution of \$41,966. This contribution covers premiums for active employees and actual death claims for retirees. As of June 30, 2010, the Partnership had no net post-employment benefit obligation for this plan.

HEALTH INSURANCE CREDIT PROGRAM

The Retiree Health Insurance Credit fund was established on January 1, 1990, and provides benefits to employees with at least 15 years of service credit under the VRS retirement plan. The program provides a maximum credit reimbursement of \$4 per month per year of service credit against the monthly health insurance premiums of eligible retirees.

The amount required to fund all credits is financed on a current disbursement basis by the employers participating in the plan and is based on contribution rates determined by the VRS actuary. The Partnership's actuarially determined rate for the current year was 0.792% of creditable compensation resulting in a contribution of \$55,769 as of June 30, 2010, the Partnership's net post-employment benefit obligation for this plan was \$32,728.

VIRGINIA SICKNESS AND DISABILITY PROGRAM

The Virginia Sickness and Disability Program (VSDP) was established on January 1, 1999, and covers salaried employees who work at least 20 hours per week. The VSDP provides income protection to employees for absences due to sickness or disability from the first day on the job. After a 7 calendar-day waiting period following the first incident of disability, eligible employees receive short-term benefits ranging from 60 to 100 percent of compensation up to a maximum of 125 working days, based upon months of qualified service. If the disability continues after the short-term disability period, the employee becomes eligible to receive long-term disability benefits equal to 60 percent of compensation until they return to work, reach age 65, or death, whichever is sooner.

The Partnership is required to make contributions to the VRS for the cost of providing long-term disability under the VSDP. The Partnership's actuarially determined rate for the current year was 0.792% of creditable compensation resulting in a contribution of \$55,889. As of June 30, 2010, the Partnership's net post-employment benefit obligation for this plan was \$135,447.

HEALTH BENEFITS PROGRAM FOR RETIREES, SURVIVORS AND LTD PARTICIPANTS

The Health Benefits Program for Retirees, Survivors and LTD Participants was established to allow eligible employees who retire before age 65 to continue healthcare coverage under the same healthcare plans offered to active employees. This continuation is also available to LTD participants and the spouses of retired employees and LTD participants.

The Partnership's actuarially determined liability under this program arises from the implicit rate subsidies that occur when retirees, LTD participants, and surviving spouses are insured in a group with current employees. The liability is determined by computing expected future benefit pay out cost, less expected future participant contributions. All participants are required to pay the total subsidized contributions for benefits coverage. As of June 30, 2010, the Partnership's net post-employment benefit obligation for this plan was \$397,755.

11. DEFERRED COMPENSATION PLAN

Employees of the Partnership may participate in the Commonwealth's Deferred Compensation Plan. Participating employees can contribute to the plan each pay period with the Partnership matching up to \$20 per pay period. The dollar amount of the match can change depending on the funding available in the Partnership's budget. The Deferred Compensation Plan is a qualified defined contribution plan under Section 401(a) of the Internal Revenue Code. Employer contributions under the Deferred Compensation Plan were \$35,200 for the fiscal year 2010.

12. RECOVERIES FROM INSURANCE AND LANDLORD

Recoveries from insurance and landlord represent payments from the Partnership's insurance carrier and its landlord for water damage incurred in October 2009, to the Partnership's leased office space in Richmond, VA. All repairs and carpet replacements were completed and paid for by June 30, 2010. The final recovery payment in the amount of \$25,497 was received in July 2010. The net loss to the Partnership of \$1,000 is reflected in the accompanying Statement of Activities as an Administration expense.

13. 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 and the Great Northern 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

Walter J. Kucharski, Auditor

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

September 23, 2010

The Honorable Robert F. McDonnell
Governor of Virginia

The Honorable Charles J. Colgan
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 and the General Fund, a major fund of the **Virginia Economic Development Partnership**, a component unit of the Commonwealth of Virginia, as of and for the year ended June 30, 2010, 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 and the General Fund, a major fund of the Virginia Economic Development Partnership as of June 30, 2010, the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 6 are not a required part of the basic financial statements, but are supplementary information required by the accounting principles generally accepted in the United States of America. 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 September 23, 2010, 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 the internal control over financial reporting or on compliance. That 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.


AUDITOR OF PUBLIC ACCOUNTS

AWP/clj