



# Virginia Economic Development Partnership

## Annual Report

### Fiscal Year 2011

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Audited Basic Financial Statements of the Virginia  
Economic Development Partnership for the Year Ended  
June 30, 2011

## Partnership Profile

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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, 2011. This report is required by the *Code of Virginia*, and by Chapter 890 of the 2011 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 2011 Financial Statements Report for the year ended June 30, 2011, includes an unqualified audit opinion from the Auditor of Public Accounts. The Auditor also issued a separate report on the Partnership's internal controls and compliance dated October 21, 2011, 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

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## 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 23-member Board comprised of businesspersons from around Virginia: 17 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 President and Chief Executive Officer is employed by the Board to oversee the fulfillment of VEDP's mission.

### Mission

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

### Functions

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

## Partnership Profile

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### **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**

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Abingdon, Virginia 24211  
Telephone: (276) 623-1536  
Fax: (276) 623-1542

### **International Offices**

#### **Japan**

State of Virginia  
14<sup>th</sup> Floor, Kamiyacho Building  
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Fax: 81-3-5404-3401

#### **Europe**

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

#### **Hong Kong**

State of Virginia  
Room 2209, 22/F  
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Wan Chai, Hong Kong SAR  
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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

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

Stephen R. Adkins  
Charles City, Virginia  
Term Expires 6/30/17

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 D. Heath  
Martinsville, Virginia  
Term Expires 6/30/15

David Hudgins  
Glen Allen, Virginia  
Term Expires 12/31/11

Hugh D. Keogh  
Midlothian, 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, Vice Chair  
Virginia Beach, Virginia  
Term Expires 12/31/13

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

Dan M. Pleasant  
Danville, Virginia  
Term Expires 12/31/15

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

Ex-Officio:

The Honorable William T. Bolling  
Lieutenant Governor  
Richmond, Virginia

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 890, Item 114 D.1 of the 2011 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. 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 890, 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 of those requirements. In addition, the Authority's financial statements audited by the Auditor of Public Accounts for the fiscal year ended June 30, 2011 (FY 2011) are attached to this report.

This Annual Report documents the efforts of VEDP in fulfilling its mission during FY 2011. 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 2011 accomplishments.

**Virginia continues to receive high marks for its pro-business climate, workforce quality, and strong economy as CNBC and Pollina Corporate Real Estate ranked Virginia as the #1 "Top 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, 2010, and June 30, 2011. VEDP recorded the announcement of new and expanding facilities during the year. Appendix 5 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 26,043 new jobs will be created. In addition, these facilities will result in investments totaling \$2.9 billion. Thirty percent of the announcements were of employers locating made in economically distressed areas. These announcements are expected to create nearly 7,900 new jobs and make capital investments exceeding \$1.6 billion.

## Executive Summary

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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's first Executive Order in 2010 established the Governor's Commission on Economic Development and Job Creation. The Commission met throughout the course of 2010 and published its findings in October of that year. The Final Report of the Commission serves as the roadmap for the Commonwealth's comprehensive economic development strategy going forward. Work proceeds on all areas noted in the report. The full Commission report is accessible at [http://www.ltgov.virginia.gov/initiatives/jcc/JCC\\_final\\_report.pdf](http://www.ltgov.virginia.gov/initiatives/jcc/JCC_final_report.pdf).



## Business Recruitment

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VEDP's primary role is to position Virginia's regions aggressively in the global market 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; and results are measured by the development of regional assets that strengthen Virginia's competitive position. 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, recognizing the special needs of distressed areas in urban and rural Virginia. Target sectors include Advanced Manufacturing and Logistics, Energy, Information Technology, and Science and Research. Special audiences also include site selection consultants in the target sectors, and "Gold Accounts" which are 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 electronic media strategies, CEO target campaigns, trade journal advertising, media tours, customer call center support, marketing missions, special events, and customized presentation materials including site studies and proposals. In FY 2011, VEDP continued the use of the Governor's Business Contact Program, utilizing the Office of the Governor, Lieutenant Governor and Cabinet Secretaries to reach out to key corporate prospects and to key Virginia-based companies. VEDP also initiated Governor's marketing missions to selected domestic cities.

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 engage strategic partners, coordinate site visits for clients to evaluate Virginia's product and assets and prepare customized responses for these transactions. 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. To support our partners at the local level, this year, VEDP provided a new ROI tool for localities to use in evaluating the economic impact of projects in their communities.

# Business Recruitment

## FY 2011 Accomplishments

Significant announced job creation in FY 2011 included the trend of globally-headquartered information technology locations: The sector added over \$1.2 billion in total announced capital investments and over 12,000 jobs in the Commonwealth. The flagship announcement, Microsoft's next generation data center in Mecklenburg County, was a highly visible and competitive transaction which involved significant support from the Virginia Tobacco Indemnification and Community Revitalization Commission (the "Virginia Tobacco Commission") and Mid-Atlantic Broadband. The company considered sites in North Carolina before selecting Virginia and was the pinnacle of similar opportunities for which Virginia is well-positioned. The location will create 50 well-paying new jobs.

Existing industry retention and growth: Expansions of existing companies in Virginia represented a significant pipeline in Virginia's active projects this year, a positive signal for the Commonwealth. Companies such as Dynax America, DuPont, and Pharmaceutical Products Development, Inc. (PPD) all elected to grow in Virginia. Dynax, based in Botetourt County, announced the addition of 95 jobs in a nearly \$16 million expansion. DuPont selected Chesterfield County for its pilot production plant (manufacturing lithium ion battery components), investing \$20 million and creating 11 jobs. PPD, a Henrico firm in the life science sector, will add 190 jobs and invest \$28 million. Retaining strong companies like these will continue to be a focus of VEDP and its allies as the economy continues its challenge to rebound.

Select FY 2011 Project Announcements		
Company	New Jobs	\$ Capital Investment (in millions)
McKesson Corporation	150	57.50
DuPont	11	20.00
MeadWestvaco*	0	285.00
Cray/Noblis (CAHPC)*	15	2.50
Defense Intelligence Agency	0	60.00
ICF International*	539	15.00
Pharmaceutical Products Dev. Inc.	190	28.00
Microsoft*	50	499.50
Hollingsworth & Vose*	0	4.30
General Electric	200	2.50
Chartered Financial Analyst Institute	45	24.50
Dynax America*	95	15.66
Hornschuch AG*	174	28.30
Phoenix Packaging*	100	17.50

\*indicates distressed region location

A dual win for Virginia's Distributed Services strategy: ICF International announced the renewal and expansion of its corporate headquarters in Fairfax County, investing another \$30 million and creating over 300 additional jobs. Simultaneously, the company selected rural Virginia's Henry County as the location for its first operations center for its Business Process Management functions. Henry County's Patriot Centre will be home to this \$15 million investment, creating over 500 new jobs.

Research-based opportunities grow: Hollingsworth & Vose, a Boston-based company located in Floyd, Virginia, successfully applied for one of the Virginia Tobacco Commission's Research &

## Business Recruitment

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Development grants. H&V's Floyd facility is considered a Center of Excellence for the company, and this grant award will enable the company to compete with new technologies and products.

Energy sector drives investments: MeadWestvaco's Covington paper mill will be able to remain competitive for years to come with the significant \$285 million investment in an energy generation system that will produce cost-savings as well as increase energy efficiency.

Prospect pipeline increases: Compared to FY 2010, the number of companies making site visits was up by 30%, even though the total number of prospect visits to Virginia declined slightly by 7%. The higher number of companies visiting is a strong sign of potential growth. The slight decline in total prospect visits may reflect a trend toward more focused site analysis through the use of technology prior to visiting Virginia, thus reducing the actual number of on-site visits, and further, renewed uncertainty about the general economy.

Virginia Incentives Produce Results: Virginia awarded 24 Governor's Opportunity Fund (GOF) grants for a total of \$7,694,000. The 24 recipient companies are expected to make \$883 million in capital investments, create 3,189 new jobs, and save 948 jobs. Seventy-nine percent of these grant funds were awarded to economically distressed localities, while 71% of this year's GOF grant funds went to existing Virginia companies to encourage them to expand in the state.

During FY 2011, five Virginia Investment Partnership (VIP) grants were awarded totaling \$3.25 million. These projects are expected to create 502 new jobs, save 514 jobs and bring \$436.5 million in new capital investments.

Aggressive Implementation of Distressed Area Strategy Yields Results: VEDP's Business Development division has engaged each of its project managers to proactively understand the assets and challenges of the distressed regions of the Commonwealth, provide technical guidance on market opportunities, and promote the product and the workforce in Virginia's distressed regions to business prospects. In addition, the VEDP Board of Directors instituted two new committees: the Rural Development Strategies Committee and the Urban Growth Strategies Committee. Under the leadership of the Rural Development Strategies Committee, VEDP identified and implemented a six-month partnership with two marketing organizations in southwestern Virginia, the aCorridor and the eRegion. VEDP also played instrumental roles in the facilitation and startup of the Southern Virginia Regional Alliance, a new economic development regional organization in western southern Virginia, and is providing technical assistance in supporting a similar strategy in eastern southern Virginia, which at the time of this document is still in formation. The Business Development division traveled to and presented market information to a dozen rural localities during the fiscal year.

As a result, more than 81% of all prospect visits in FY 2011 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 2011 Accomplishments

#### Program Participation

##### Virginia Leaders in Export Trade (VALET) Program:

The VALET program selects 25 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 tenth year in operation, graduating 16 companies in FY 2011.

#### **INTERNATIONAL TRADE HIGHLIGHTS**

- ◆ 16 Companies graduated from VALET.
- ◆ 9 "Export 3.0" projects were initiated by Virginia companies.
- ◆ 111 internal research projects completed.
- ◆ 220 market research projects completed for Virginia companies through the Global Network.
- ◆ 9 Group Market Visits led with 43 companies participating.

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: International Trade arranges trips for 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 2011, VEDP conducted 9 group market visits internationally to promote Virginia products and services, with 43 companies participating.

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 2011, VEDP completed 220 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 111 projects to help Virginia companies choose and enter a market, find a local partner and manage shipping, legal and payment issues.

## Trade Development

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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 2011, Export 3.0 aided nine Virginia companies in their overseas travel.

Virginia Conference on World Trade: Each fall, International Trade hosts the Virginia Conference on World Trade. In FY 2011, the conference theme was *17 Ways to Increase International Sales* and highlighted business opportunities for Virginia companies abroad. With Sandesara Group as a Minister level sponsor, last year's conference attracted more than 240 attendees from around the world.

“Participation in VALET has had more of an impact than anyone at TRAX International originally thought. The contacts, research support, consulting and the funds provided have had corporate wide implications and impacts. We already have plans in place with key members of the VEDP team to continue well beyond the VALET graduation as we look at more markets and build our brand around the world. VALET and VEDP are phenomenal resources for any Commonwealth company seeking a place or growing their business in international markets. VEDP's team has been professional in every interaction and has been an absolute pleasure to work with.”

**John Kenney**  
**Vice President Corporate Development, TRAX, LLC**  
**Lynchburg, Virginia**

# International Investment

## FY 2011 Accomplishments

### Virginia Opens Marketing Office in China

The Commonwealth of Virginia officially opened a marketing office in Shanghai, China, on May 6, 2011. Governor McDonnell announced the establishment of the China office during his marketing trip to China, where he promoted new job creating investment to Virginia. The office is staffed by Joyce Hua, who is responsible for supporting our Trade activity, and Hailey Fong, who is responsible for focusing on marketing Virginia to Chinese companies interested in establishing a U.S. operation. The China office was made possible through the strong support from Virginia's legislature, who believes additional jobs will be created in Virginia as a result of this investment.

### United Kingdom Representation

The Commonwealth of Virginia has hired HMC Global Ltd. to provide lead generation and investment representation services in the United Kingdom (UK). HMC is responsible for identifying, qualifying, and recruiting prospects and building relationships with key decision-makers across potential investor companies in the UK and Ireland. HMC's efforts are led by John Haran and Gerard McCann, who provide Virginia with extensive cross-sector and investment attraction expertise. This is the first time in Virginia's history that we have had in-country representation in the UK, a leading source of European investment in Virginia.

### Governor McDonnell's Marketing Mission to Asia

As part of VEDP's marketing efforts, Governor McDonnell led an 11-day marketing mission to Asia to proactively attract business investment and job creation projects to the Commonwealth from Asia.

The objective of the marketing mission was to meet with executive officers of Asia-based companies considering a new U.S. location, as well as companies operating in Virginia that are considering expansion of U.S. operations. The mission included private meetings with companies in Japan, China and Korea to promote the Commonwealth's pro-business environment.

### INTERNATIONAL HIGHLIGHTS

#### Year End Numbers

- ◆ 2050 Jobs announced by International companies
- ◆ \$211.62 million in capital investment
- ◆ 45 Companies
- ◆ 16 different countries

## International Investment

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### Recent International "Wins" for Virginia:

#### **O'Sullivan Films – Winchester, Virginia**

The Hornschuch Group, a leading producer and marketer of highly technical films, will invest \$28.3 million to expand its O'Sullivan Films operation in Winchester. The Hornschuch Group acquired O'Sullivan Films in March 2010. The project will create 174 new jobs in the Winchester area.

Rolf Gemmersdoerfer, Chairman of the Hornschuch Group, said, "We knew that Virginia was a great place in which to do business. Our acquisition of O'Sullivan Films is a testimonial to that effect. Governor McDonnell's visit to our facility in July was very helpful. When a Governor of a U.S. state takes the time to meet prospective investors in Europe, it sends the message that Virginia is willing to develop a working relationship with companies that will benefit the citizens of Virginia. Our people worked relentlessly in the last four months to make this project a reality. We are excited that we are now bringing this expansion to fruition."

Denis Belzile, President and CEO of O'Sullivan Films, agreed, stating that "The visit by Governor McDonnell to Hornschuch was important. The Governor's office has been nothing but cooperative throughout the process. In addition, the City of Winchester and the Winchester-Frederick County Economic Development Commission were excellent partners as we worked our way through this investment. We are also pleased to live and work in a state that is pro-business, and we are very proud to be part of the great community of Winchester."

#### **Dynax America Corporation – Roanoke, Virginia**

Dynax America Corporation, a manufacturer of automotive components, will invest \$15.7 million to expand its operation in Botetourt County. The expansion will accommodate new contracts with Ford, General Motors, and Daimler, creating 95 new jobs.

Dynax America is a subsidiary of Dynax Corporation of Hokkaido, Japan, and located in Virginia in 1996. The company currently employs 360 people at its Botetourt County plant, where it manufactures clutch discs, drive plates, clutch packs, and torque converter pistons for automatic transmissions.

"We are very optimistic about our company's growth and development in Botetourt County, Virginia, and would like to thank our partners who have made this expansion possible," said Kagenori Fukumura, president of Dynax America.

## Promoting Virginia

VEDP plans, executes and manages various marketing outreach initiatives. VEDP has implemented an integrated advertising strategy, targeting a national and international audience. 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 announcements. 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 provides assistance to local economic developers with their marketing strategies, organizes domestic and international proactive marketing missions, and develops additional direct marketing programs to promote lead generation.

### FY 2011 Accomplishments

***Advertising Campaign:*** VEDP's advertising program successfully re-launched a digital ad campaign delivering nearly 35 million impressions. The campaign performance was strong with an .11% Click Through Rate (CTR) versus the industry standard of .03%. The YesVirginia.org website saw an increase in traffic across all metrics and saw a significant increase in page views from February-June during the active period of the campaign.

As part of the campaign, VEDP sent an iPod touch to 365 prospects in the Advanced Manufacturing, Information Technology and Energy sectors. An overwhelming success, the mailer received positive responses from approximately 45 companies and was touted as an innovative marketing tool by several CEOs and media outlets.

Forbes published a special Virginia advertising section in collaboration with VEDP in the October 11, 2010, Forbes 400 Richest Americans issue. At 35 pages, the section was one of the largest economic development sections to appear in Forbes.

***VEDP/Ally Meetings:*** VEDP coordinated two Ally meetings in FY2011. The December meeting focused on the Offshore Wind Energy Industry and was hosted at the Cultural Arts Center at Glen Allen. The June event was held at the Inn at Virginia Tech and focused on the work being done at the Research Centers at Virginia Tech and included an update on the *Commonwealth Center for Advanced Manufacturing (CCAM)*.

***Trade Show Highlights:*** VEDP exhibited at and/or sponsored 13 industry trade shows or conferences, including CoreNet Fall and Spring Summits; IAMC; AWEA Offshore Wind Expo; Mid-Atlantic Bio; 7x24 Exchange Fall & Spring Conferences; Power-Gen International; Automotive News World Congress; RILA Logistics 2011; Plastics News Executive Forum; Data Center World Spring Conference; and the 2011 BIO International Convention, at which VEDP organized and exhibited in the 1,800 square-foot Virginia Pavilion.

***Event Marketing Highlights:*** VEDP hosted prospects and consultants at various events, including the Fall NASCAR race in Martinsville, in partnership with the Southern Virginia Regional Alliance;

<b>www.YesVirginia.org</b>	
<b>FY 2011 Usage Statistics</b>	
<b>Page Views</b>	<b>3,071,394</b>
<b>Avg. per Day</b>	<b>8,415</b>
<b>Visits</b>	<b>878,932</b>
<b>Avg. per Day</b>	<b>2,408</b>



## Promoting Virginia

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the spring NASCAR race in Richmond, in partnership with Henrico County; in New York City at a luncheon hosted by Governor McDonnell and key Virginia executives; and in Washington, D.C., at a reception hosted by Governor McDonnell during the 2011 BIO International Convention.

VEDP, in collaboration with the Japan-Virginia Society, coordinated the logistics for the 21st Annual Virginia Nippon Classic (VNC) business conference and golf tournament on June 6, 2011, at the Spring Creek Golf Club in Gordonsville, Virginia. In addition to numerous sponsors, 27 Japanese executives from across Virginia participated in the event, which included an appearance at the business conference from the Consul General of Japan in Atlanta, Takuji Hanatani.

*Marketing Materials:* VEDP updated its general marketing brochure and completed an update to its international marketing materials with versions translated into Japanese, Chinese, German, French and Korean.

*Website Highlights:* VEDP completed a revision to the yesvirginia.org website to ensure the message and graphic standards complemented the newly-launched advertising campaign. Three landing pages were added to the site to direct traffic from online ads to yesvirginia.org within the specific industries of Advanced Manufacturing, Information Technology and Energy. Comparing usage statistics from FY 2010 to FY 2011, the website experienced a 30 percent increase in average page views per day, and a ten percent increase in average visits per day. A full breakdown of usage statistics from FY 2011 is detailed on the previous page.

*Media Tours:* VEDP conducted a spring media tour highlighting the plastics industry in Virginia. The Commonwealth is home to more than 200 plastics companies, so it was only fitting that VEDP showcase this sector. Writers from *Plastics News*, *Plastics Technology*, and *Tecnologia del Plastico* joined VEDP staff for tours of several plastics companies that have made their mark in Virginia.

Stops included Phoenix Packaging Group's manufacturing operation and U.S. headquarters in Pulaski County; PlasticsOne in Roanoke; Solutia Inc. Performance Films and Drake Extrusion, both in Henry County; Tessy Plastics in Lynchburg; and the Matrixx Group in Bedford. Highlights of the tour included presentations by the Macromolecules and Interfaces Institute at Virginia Tech and the Regional Center for Advanced Technology and Training at Danville Community College.

*Marketing Missions:* VEDP conducted four traditional team marketing missions to U.S. cities, as well as two "virtual" missions and two industry specific missions, resulting in 142 appointments, four active projects, 11 longer-term leads and 105 companies to remain in contact with for future project consideration (company contacts). An additional 67 companies were passed directly onto Business Development for follow-up. Calls were placed utilizing data from VEDP's Research Division, resulting in six leads sent to Business Development.

VEDP set appointments at four trade shows resulting in 34 appointments, 41 drop-bys, one future lead and 35 company contacts. VEDP also conducted several special calling projects, including calls for the Governor's Manufacturing Summit and other Governor's events, as well as for both the Go Phone and iPod Touch Marketing Campaigns resulting in one active project and over 20 companies providing strong, positive feedback. A new outreach campaign was launched to provide ongoing follow-up with companies across the country for future lead development and to build the Virginia brand. Since the onset of the program, over 1,000 companies have been contacted, with 12 requesting immediate or short-term contact from a VEDP project manager.

## Policy and Legislative Initiatives

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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.

### FY 2011 Legislative Actions

VEDP worked with legislators during the 2011 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 Opportunity at Work Agenda.

#### **Enhanced and Expanded Incentive Programs:**

##### ***Clean Energy Manufacturing Incentive Grant (CEMIG) Program***

House Bill 2316 by Delegate Kathy Byron (R-22) and Senate Bill 1360 by Senator Walter Stosch (R-12) created the Clean Energy Manufacturing Incentive Grant (CEMIG) Program and also repealed the Solar Photovoltaic Manufacturing Incentive Grant Program as of 2013 and the Biofuels Production Incentive Grant Program as of 2017. CEMIG will provide financial incentives to companies that manufacture or assemble equipment, systems, or products used to produce renewable or nuclear energy, or products used for energy conservation, storage, or grid efficiency purposes. Eligible grant recipients include manufacturers who make a capital investment of \$50 million or more and create at least 200 full-time jobs. Further, wind energy suppliers who make a capital investment of at least \$10 million and create at least 30 full-time jobs are eligible for CEMIG. The Governor is permitted to reduce these qualifying thresholds for projects locating in distressed areas. This program encourages innovative technology and investment in Virginia and offers a competitive incentive for manufacturers in emerging technologies to locate or expand in Virginia.

##### ***Governor's Development Opportunity Fund (GOF)***

House Bill 1983 by Delegate Terry Kilgore (R-1) and Senate Bill 1379 by Senator Bill Stanley (R-19) enhanced the Governor's Development Opportunity Fund (GOF) by reducing the threshold for private investment and new job creation from \$10 million and 100 new jobs to \$5 million and at least 50 new jobs. Further, these pieces of legislation will allow for GOF awards to be made to projects that achieve a minimum private investment of \$100 million and create at least 25 new jobs. Lower investment and job creation thresholds are also set for projects in fiscally stressed localities to encourage economic development activity in some of the Commonwealth's regions hit hardest by recent economic times. The GOF serves as the Governor's main deal-closing mechanism and these changes further enhance the Commonwealth's ability to attract top economic development projects.

#### **Established Competitive New Tax Credits and Investment Funds**

##### ***Commonwealth Research Commercialization Fund (CRCF)***

Born out of a proposal by VEDP to provide funding to attract economic development projects in emerging technologies, the legislature amended the Commonwealth Research Commercialization Fund (CRCF) to allow for awards for a matching funds program and an eminent researcher program. House Bill 2324 by Delegate Scott Lingamfelter (R-31) and Senate Bill 1485 by Senators Steve Newman (R-23) and Mark Herring (D-33) provided this framework, which includes a directive

## Policy and Legislative Initiatives

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for the Innovation and Entrepreneurship Investment Authority's (IEIA) to develop a strategic roadmap for research in the Commonwealth. This legislation also establishes a Research and Technology Investment Advisory Committee to assist the IEIA in making awards from the CRCF by aligning applications with an area of focus identified in the roadmap. These awards are intended to reach recipients who present projects with significant potential for commercialization in the Commonwealth.

### ***Research & Development Tax Credit***

House Bill 1447 by Delegate Ben Cline (R-24) established a tax credit for eligible individuals and businesses for qualified research and development expenses for taxable years beginning on or after January 1, 2012, but before January 1, 2017. The tax credit amounts cover fifteen percent of research and development expenses or, if the research is done in conjunction with a Virginia public college and university, then twenty percent of research and development expenses are credited. This tool will help to keep Virginia competitive in the technology and biotechnology industries.

### **Fulfilled Commitments to Existing Companies**

#### ***Enhanced a retaliatory tax credit***

House Bill 2335 by Delegate Scott Garrett (R-23) enhances the retaliatory tax credit for the insurance premiums tax by increasing the amount of the tax credit for certain taxpayers. This enhancement fulfills a commitment made by the Commonwealth over a decade ago in recruiting a significant financial services company to Richmond, Virginia.

# Performance Management

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

<b>FY2011 Key Performance Measures</b>			
<b>Performance Measure</b>	<b>Goal</b>	<b>FY 2011 Results</b>	<b>% of Measure</b>
Investment by new or existing companies	\$3.0 billion	\$2.9 billion	97%
New jobs created	16,600	26,043	157%
Companies actively counseled or participating in trade events	225	249	111%

Note: FY 2011 Key Performance Measure Data as of 9/19/11. Additional investment and jobs data continues to be reported from localities and thus change as it becomes available.

## 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 data to the board of directors.

The ROI compares money spent on economic development (including VEDP operating costs and incentives such as GOF and the Virginia Jobs Investment Program) 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)

	<b>10 Years</b>	<b>20 Years</b>
<b>Total*</b>	\$13	\$25
<b>Direct</b>	\$7	\$14
<b>Indirect</b>	\$5	\$11

\*Totals are rounded to the nearest dollar.

## Appendix 1: High Unemployment Areas Report and Strategy

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During FY 2011, 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 and advanced manufacturing economy. 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, and implemented a new Board-led strategy, as outlined below. VEDP continues to maintain field-based representatives in Southern Virginia and Southwestern Virginia.

### **FY 2011 Accomplishments**

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

VEDP continues to maintain full-time professional staff in Southern and Southwestern Virginia. The Southern Virginia manager is a full-time project manager with a focus around sectors that are aligned with rural Virginia, including automotive and advanced manufacturing; 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 2011 was the largest capital investment announcement in southern Virginia, with the decision by Microsoft to locate its next generation data center in Mecklenburg County. The company selected Virginia over North Carolina; it will construct the data center by creating up to 50 new jobs with a capital investment of \$500 million. The company was supported by the locality, the Commonwealth and the Virginia Tobacco Commission, and chose a prepared site that leverages the investments of Mid-Atlantic Broadband in extensive fiber. Additionally, Dominion Virginia Power was a significant partner in the site selection process.

In FY 2010, Pulaski County was the successful winner in the courting of Phoenix Packaging, which invested more than \$20 million and announced the creation of 240 jobs. In FY 2011, the company announced an expansion of its facility with an additional \$17.5 million and an additional 100 jobs. This client's entry into the U.S. market has been successful due to the strong partnership of Pulaski County and the New River Valley region.

The City of Covington and the Commonwealth successfully supported the County's premier employer, MeadWestvaco, when it chose to make a significant investment in energy technology. The company will invest \$285 million to construct a new, state-of-the-art biomass boiler and upgrade associated power infrastructure at its facility in the City of Covington. The project allows the plant to become self-sufficient in energy production and significantly reduces ongoing operating and maintenance costs. The new boiler and related systems will replace two older and less cost-efficient fossil fuel units, and will primarily burn renewable biomass such as tree bark, wood

## Appendix 1: High Unemployment Areas Report and Strategy

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residues often left behind from logging operations, and water treatment plant residuals.

Henry County also successfully competed for technology-based jobs. It secured the location of ICF, which is headquartered in Fairfax County and chose Henry County for its first Business Process Management Center. This project is truly transformational for Henry County. After a highly competitive process, the company determined that Henry County offered the right location in the Patriot Centre Industrial Park and an available workforce eager for the opportunity. With a \$15 million investment and more than 500 new technology jobs, Southern Virginia continues to build on its transformation into the new economy. Henry County has historically been a high unemployment locality, and this project aligns with the County's strategy to support technology development. Significant support was received from the Governor's Opportunity Fund as well as the Virginia Tobacco Commission.

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 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 7%) from FY 2010 to FY 2011, although the number of companies making these visits increased substantially (approximately 30%). In total, 195 visits were made by 127 companies in 2011. Of these 195 visits, 81% included a visit to distressed communities. In addition, Business Development staff visited 57 distressed localities (over 65% of all locality visits made in FY 2011) in order to learn about the product, goals and strategies of these areas.

### **FY 2011 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 2011—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.
- **Information Technology**, including the Federal security agencies and providers, information technology, cyber security, professional and business services and

## Appendix 1: High Unemployment Areas Report and Strategy

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corporate headquarters and management. The Business Development division has assigned a full-time professional to the federal sector, in order to ensure capture of strategic federal spending aligned with Virginia's economic development targets.

- **Science and Research**, focusing mainly on energy, and also including life sciences, nanotechnology, other emerging technologies and health care services.

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** continued its action-oriented strategy in FY 2011, with the implementation of Governor McDonnell's Energy Initiative. VEDP is supporting the redesign of the Energy Marketing Strategy in collaboration with the Department of Mines, Minerals & Energy and selected private partners.

**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 partners with the Commission and manages the Scientific & Technical Review Panel as part of the vetting process for companies applying for the TICRE's Research & Development grant program funds. Four rounds 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 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 Expansion (BRE):** In FY 2011, VEDP continued its leadership role to manage 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 an additional 10% in FY 2011, 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 2011, 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 the Virginia Research and Technology Advisory Commission (VRTAC). It

## Appendix 1: High Unemployment Areas Report and Strategy

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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 continued target sector focus in FY 2011. The implications for distressed areas are significant, as some of the clusters identified (energy, information technology) can be matched with assets in these regions.

The VEDP Board of Directors instituted two new committees: the **Rural Development Strategies Committee** and the **Urban Growth Strategies Committee**, each of which includes a significant number of distressed localities. Under the leadership of the Rural Development Strategies Committee, VEDP identified and implemented a six-month assessment and marketing partnership with two marketing organizations in southwestern Virginia, the aCorridor and the eRegion. VEDP also played instrumental roles in the facilitation and startup of the Southern Virginia Regional Alliance, a new economic development regional organization in western southern Virginia; and is providing technical assistance in supporting a similar strategy in eastern southern Virginia, which at the time of this document is still in formation. The Business Development Division also designated a professional manager to serve on the Wallops Research Park Advisory Council. This distressed area on the Eastern Shore has a significant asset in Wallops Island, which will be home to commercial space activities for decades to come. By participating in a leadership role, VEDP continues to advance technology-based economic development in this distressed locality.

VEDP's Business Development division also initiated a new focus in FY 2011 on **strategic properties**. All of these initial properties are located in distressed communities. The purpose of the program is to ensure that the unique real estate assets currently under development in southwestern, southern, and the Eastern Shore of Virginia have a collaborative strategic marketing action plan developed that can position these sites in appropriate markets and to clients who can ultimately create significant jobs and capital investment. The initiative includes partnerships and alignment with localities, regional economic development organizations, and state and federal partners.

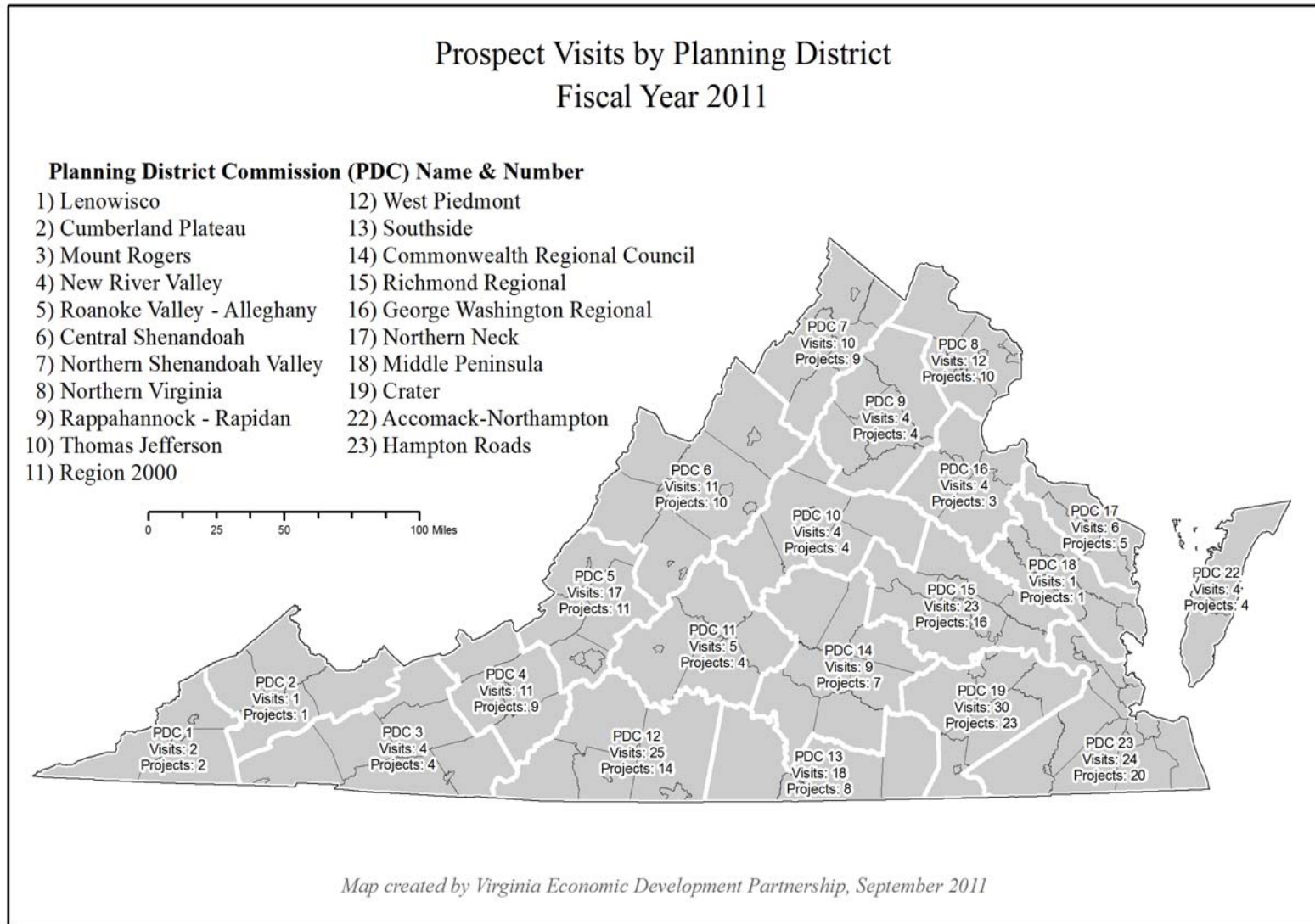


## Appendix 2: Prospect Visit Data for FY 2011

PDC #	Planning District Commission	Visits	Projects
1	Lenowisco	2	2
2	Cumberland Plateau	1	1
3	Mount Rogers	4	4
4	New River Valley	11	9
5	Roanoke Valley-Alleghany Regional Commission	17	11
6	Central Shenandoah	11	10
7	Northern Shenandoah Valley Regional Commission	10	9
8	Northern Virginia Regional Commission	12	10
9	Rappahannock-Rapidan Regional Commission	4	4
10	Thomas Jefferson	4	4
11	Region 2000 Regional Commission	5	4
12	West Piedmont	25	14
13	Southside	18	8
14	Commonwealth Regional Council	9	7
15	Richmond Regional	23	16
16	George Washington Regional Commission	4	3
17	Northern Neck	6	5
18	Middle Peninsula	1	1
19	Crater	30	23
22	Accomack-Northampton	4	4
23	Hampton Roads	24	20
	<b>Total</b>	<b>195</b>	<b>127</b>
	<i>Total # of Localities visited</i>	<i>74</i>	

*\*Companies often visit sites in localities that fall into two planning district commission areas. The number of visits can lead to double-counting, and therefore these column totals are representative of individual site visits and projects, whereas each planning district commission total is reflective of all visits to that area.*

## Appendix 2: Prospect Visit Data for FY 2011



## Appendix 3: Site and Building Data for FY 2011

### Community Location Studies, Sites and Buildings Meeting Prospect Requirements by Planning District

Planning District	Location	Sites	Buildings	Sites & Buildings	Companies
<b>1- Lenowisco</b>	Lee Co.	0	3	3	3
	1 Norton	0	1	1	1
	1 Scott Co.	0	2	2	2
	1 Wise Co.	0	3	3	3
	<b>PDC 1 Total</b>		<b>0</b>	<b>9</b>	<b>9</b>
<b>2 -Cumberland Plateau</b>	Buchanan Co.	1	1	2	2
	2 Dickenson Co.	0	1	1	1
	2 Russell Co.	1	5	6	4
	2 Tazewell Co.	0	3	3	3
	<b>PDC 2 Total</b>		<b>2</b>	<b>10</b>	<b>12</b>
<b>3-Mount Rogers</b>	Bland Co.	0	0	0	0
	3 Bristol	1	2	3	2
	3 Carroll Co.	0	8	8	8
	3 Galax	0	2	2	2
	3 Grayson Co.	1	0	1	1
	3 Smyth Co.	1	9	10	9
	3 Washington Co.	4	0	4	4
	3 Wythe Co.	5	3	8	7
<b>PDC 3 Total</b>		<b>12</b>	<b>24</b>	<b>36</b>	<b>22</b>
<b>4 - New River Valley</b>	Floyd Co.	0	1	1	1
	4 Giles Co.	0	1	1	1
	4 Montgomery Co.	3	4	7	6
	4 Pulaski Co.	9	16	25	13
	4 Radford	0	4	4	4
<b>PDC 4 Total</b>		<b>12</b>	<b>26</b>	<b>38</b>	<b>15</b>
<b>5 -Roanoke Valley-Alleghany</b>	Alleghany Co.	1	4	5	5
	5 Botetourt Co.	1	8	9	9
	5 Covington	0	1	1	1
	5 Craig Co.	0	1	1	1
	5 Franklin Co.	0	2	2	1
	5 Roanoke Co.	9	2	11	6
	5 Roanoke	3	8	11	8
	5 Salem	0	3	3	3
<b>PDC 5 Total</b>		<b>14</b>	<b>29</b>	<b>43</b>	<b>19</b>
<b>6 - Central Shenandoah</b>	Augusta Co.	6	0	6	6
	6 Bath Co.	0	0	0	0
	6 Buena Vista	0	2	2	2
	6 Harrisonburg	1	0	1	1
	6 Highland Co.	0	0	0	0
	6 Lexington	0	0	0	0
	6 Rockbridge Co.	0	1	1	1
	6 Rockingham Co.	1	1	2	2
	6 Staunton	1	3	4	3
	6 Waynesboro	0	1	1	1
<b>PDC 6 Total</b>		<b>9</b>	<b>8</b>	<b>17</b>	<b>12</b>

## Appendix 3: Site and Building Data for FY 2011

<b>7 - Northern Shenandoah Valley</b>	Clarke Co.	0	0	0	0
	7 Frederick Co.	13	9	22	9
	7 Page Co.	0	0	0	0
	7 Shenandoah Co.	4	2	6	5
	7 Warren Co.	2	1	3	3
	7 Winchester	0	0	0	0
	<b>PDC 7 Total</b>	<b>19</b>	<b>12</b>	<b>31</b>	<b>13</b>
<b>8 - Northern Virginia</b>	Alexandria	0	1	1	1
	8 Arlington Co.	0	1	1	1
	8 Fairfax Co.	0	0	0	0
	8 Fairfax	0	0	0	0
	8 Falls Church	0	0	0	0
	8 Loudoun Co.	0	2	2	2
	8 Manassas	1	0	1	1
	8 Manassas Park	0	0	0	0
	8 Prince William Co.	3	6	9	5
	<b>PDC 8 Total</b>	<b>4</b>	<b>10</b>	<b>14</b>	<b>8</b>
<b>9 - Rappahannock-Rapidan</b>	Culpeper Co.	1	3	4	3
	9 Fauquier Co.	0	0	0	0
	9 Madison Co.	0	0	0	0
	9 Orange Co.	0	1	1	1
	9 Rappahannock Co.	0	0	0	0
	<b>PDC 9 Total</b>	<b>1</b>	<b>4</b>	<b>5</b>	<b>4</b>
<b>10 - Thomas Jefferson</b>	Albemarle Co.	0	2	2	2
	10 Fluvanna Co.	0	0	0	0
	10 Greene Co.	0	1	1	1
	10 Louisa Co.	0	2	2	2
	10 Nelson Co.	0	0	0	0
	10 Charlottesville	0	1	1	1
	<b>PDC 10 Total</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>4</b>
<b>11 - Region 2000</b>	Amherst Co.	0	1	1	1
	11 Appomattox Co.	1	2	3	3
	11 Bedford Co.	1	1	2	2
	11 Bedford	0	1	1	1
	11 Campbell Co.	1	1	2	2
	11 Lynchburg	1	3	4	3
	<b>PDC 11 Total</b>	<b>4</b>	<b>9</b>	<b>13</b>	<b>7</b>
<b>12 - West Piedmont</b>	Danville	0	11	11	9
	12 Franklin Co.	0	2	2	1
	12 Henry Co.	5	26	31	17
	12 Martinsville	0	5	5	5
	12 Patrick Co.	0	0	0	0
	12 Pittsylvania Co.	3	13	16	15
	<b>PDC 12 Total</b>	<b>8</b>	<b>57</b>	<b>65</b>	<b>27</b>
<b>13 - Southside</b>	Brunswick Co.	2	1	3	3
	13 Halifax Co.	2	14	16	11
	13 Mecklenburg Co.	2	5	7	7
	<b>PDC 13 Total</b>	<b>6</b>	<b>20</b>	<b>26</b>	<b>16</b>

## Appendix 3: Site and Building Data for FY 2011

<b>14 - Commonwealth Regional</b>	Amelia Co.	0	0	0	0
14	Buckingham Co.	0	0	0	0
14	Charlotte Co.	0	2	2	2
14	Cumberland Co.	0	0	0	0
14	Lunenburg Co.	1	3	4	3
14	Nottoway Co.	0	0	0	0
14	Prince Edward Co.	0	2	2	1
	<b>PDC 14 Total</b>	<b>1</b>	<b>7</b>	<b>8</b>	<b>5</b>
<b>15 - Richmond Regional</b>	Charles City Co.	0	0	0	0
15	Chesterfield Co.	15	16	31	18
15	Goochland Co.	0	0	0	0
15	Hanover Co.	4	8	12	10
15	Henrico Co.	9	22	31	14
15	New Kent Co.	1	0	1	1
15	Powhatan Co.	0	0	0	0
15	Richmond	2	3	5	4
	<b>PDC 15 Total</b>	<b>31</b>	<b>49</b>	<b>80</b>	<b>26</b>
<b>16 - George Washington</b>	Caroline Co.	0	0	0	0
16	Fredericksburg	0	0	0	0
16	King George Co.	2	0	2	2
16	Spotsylvania Co.	1	0	1	1
16	Stafford Co.	0	0	0	0
	<b>PDC 16 Total</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>2</b>
<b>17 - Northern Neck</b>	Lancaster Co.	0	0	0	0
17	Northumberland Co.	0	0	0	0
17	Richmond Co.	1	4	5	3
17	Westmoreland Co.	0	0	0	0
	<b>PDC 17 Total</b>	<b>1</b>	<b>4</b>	<b>5</b>	<b>4</b>
<b>18 - Middle Peninsula</b>	Essex Co.	0	0	0	0
18	Gloucester Co.	0	0	0	0
18	King and Queen Co.	0	0	0	0
18	King William Co.	0	1	1	1
18	Mathews Co.	0	0	0	0
18	Middlesex Co.	0	0	0	0
	<b>PDC 18 Total</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>19 - Crater1</b>	Charles City Co.	0	0	0	0
19	Chesterfield Co.	15	16	31	18
19	Colonial Heights	0	0	0	0
19	Dinwiddie Co.	6	4	10	8
19	Emporia	0	0	0	0
19	Greensville Co.	0	4	4	3
19	Hopewell	0	1	1	1
19	Petersburg	1	2	3	3
19	Prince George Co.	3	6	9	8
19	Surry Co.	0	0	0	0
19	Sussex Co.	3	0	3	1
	<b>PDC 19 Total</b>	<b>28</b>	<b>33</b>	<b>61</b>	<b>29</b>

## Appendix 3: Site and Building Data for FY 2011

<b>22 - Accomack-Northampton</b>	Accomack Co.	0	0	0	0
	22 Northampton Co.	0	0	0	0
	<b>PDC 22 Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>23 - Hampton Roads</b>	Chesapeake	13	8	21	11
	23 Franklin	1	3	4	3
	18 Gloucester Co.	0	0	0	0
	23 Hampton	0	4	4	3
	23 Isle of Wight Co.	4	7	11	11
	23 James City Co.	2	3	5	5
	23 Newport News	2	2	4	4
	23 Norfolk	2	4	6	6
	23 Poquoson	0	0	0	0
	23 Portsmouth	6	1	7	5
	23 Southampton	6	5	11	11
	23 Suffolk	10	6	16	10
	19 Surry Co.	0	0	0	0
	23 Virginia Beach	0	6	6	6
	23 Williamsburg	0	0	0	0
	23 York Co.	2	0	2	2
	<b>PDC 23 Total</b>	<b>48</b>	<b>49</b>	<b>97</b>	<b>27</b>
	<b>State Total<sup>1</sup></b>	<b>188</b>	<b>349</b>	<b>537</b>	<b>82</b>

<sup>1</sup> State totals do not include duplicate entries for Charles City, Chesterfield, Franklin, Gloucester, and Surry Counties, each located in two PDCs.

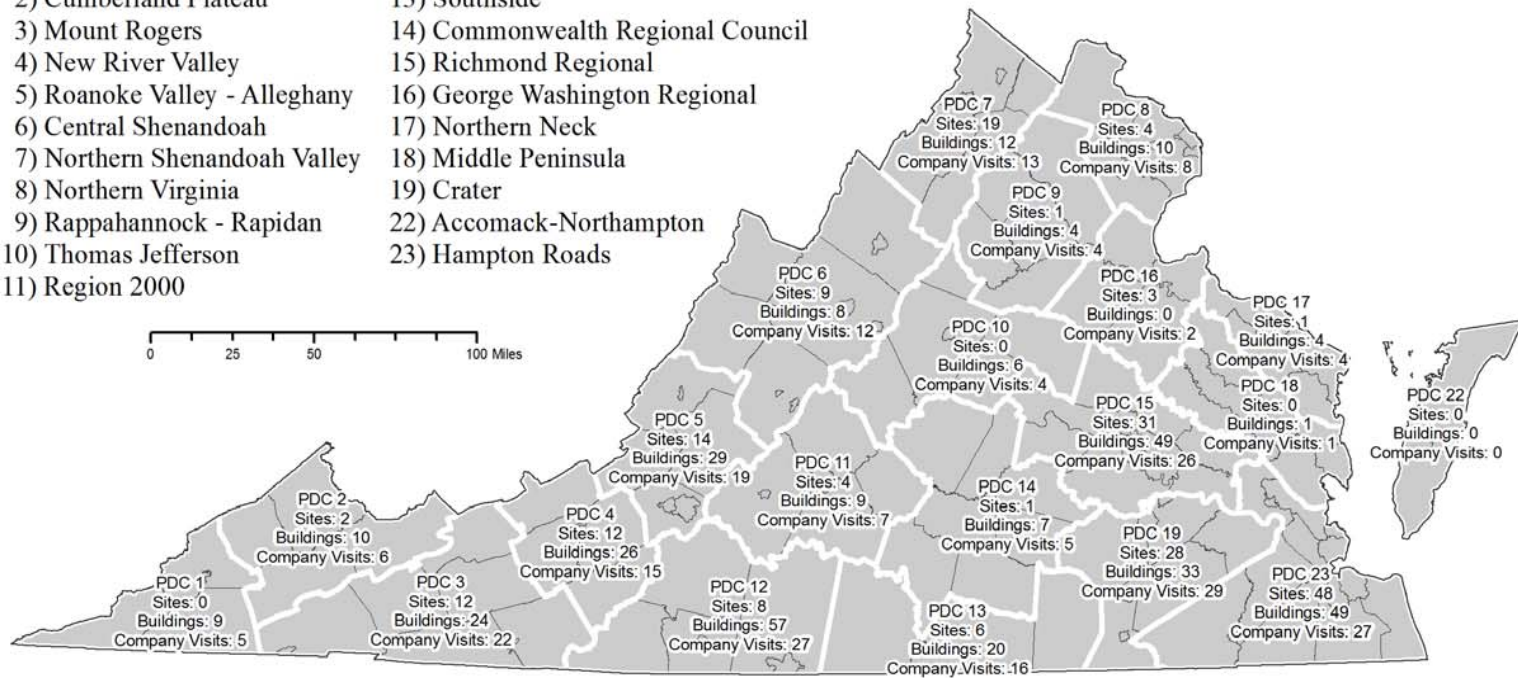
Franklin Co-Roanoke & West Piedmont  
 Chesterfield Co - Richmond Regional & Crater  
 Charles City-Richmond Regional & Crater  
 Surry - Crater & Hampton Roads  
 Gloucester-Middle Peninsula & Hampton Roads

## Appendix 3: Site and Building Data for FY 2011

### Community Location Studies, Sites and Buildings Meeting Prospect Requirements by Planning District Fiscal Year 2011

**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 2011

## Appendix 4: Announcement Data for FY 2011

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
Carbonite Corporation of Virginia	1	Wise Co.	M	N	Manufactures carbonite	35	\$20.00
NanoQuantics, Inc.	1	Wise Co.	M	N	Synthetically produced, naturally occurring advanced materials for remediation	81	\$0.75
		<i>New Total</i>			<i>2 announcements</i>	<i>116</i>	<i>\$20.75</i>
KCG Call Centers, LLC	1	Lee Co.	N	E	Customer service call center	50	\$0.00
Sykes Enterprises, Inc.	1	Wise Co.	N	E	Customer technical support inbound call center	115	\$0.00
		<i>Expansion Total</i>			<i>2 announcements</i>	<i>165</i>	<i>\$0.00</i>
		<b><i>PDC 1 Total</i></b>			<b><i>4 announcements</i></b>	<b><i>281</i></b>	<b><i>\$20.75</i></b>
Independence Homes LLC	3	Grayson Co.	M	N	Modular homes and accessory dwelling unit manufacturing	42	\$1.00
Wiretough Cylinders, LLC	3	Washington Co.	M	N	Manufactures pressurized tanks for the compressed natural gas industry	18	\$1.60
		<i>New Total</i>			<i>2 announcements</i>	<i>60</i>	<i>\$2.60</i>
American Mine Research, Inc.	3	Bland Co.	M	E	Monitoring and control electronics manufacturing for the mining industry	11	\$0.80
Consolidated Glass and Mirror Corporation	3	Galax	M	E	Solar energy glass products	40	\$2.10
Klößner Pentaplast of America Inc.	3	Wythe Co.	M	E	Rigid plastic films	42	\$10.00
K-VA-T Food Stores, Inc.	3	Washington Co.	N	E	Corporate HQ; Distribution of food products	25	\$20.40
Lakeside Ready Mix, Inc.	3	Smyth Co.	M	E	Concrete	7	\$0.95
Roger's Trucking	3	Washington Co.	N	E	Long-distance freight trucking	31	\$5.10
Scholle Packaging, Inc.	3	Smyth Co.	M	E	Manufactures plastic bag-in-box packaging	25	\$1.50
		<i>Expansion Total</i>			<i>7 announcements</i>	<i>181</i>	<i>\$40.85</i>
		<b><i>PDC 3 Total</i></b>			<b><i>9 announcements</i></b>	<b><i>241</i></b>	<b><i>\$43.45</i></b>
Blue Bird Resins	4	Pulaski Co.	M	N	Processes used industrial plastic	25	\$0.00
Dove Vinyl Windows	4	Pulaski Co.	M	N	Manufactures vinyl windows	100	\$2.00
James Hardie*	4	Pulaski Co.	N	N	Distribution operations; fiber-cement siding	5	\$1.00
		<i>New Total</i>			<i>3 announcements</i>	<i>130</i>	<i>\$3.00</i>
BimmerWorld	4	Pulaski Co.	N	E	Distributes specialized automotive racing parts and equipment	36	\$2.50
CCS, Inc.	4	Montgomery Co.	M	E	Designs, manufactures, and integrates industrial and embedded computers	40	\$1.00
FoxGuard Solutions, Inc.	4	Montgomery Co.	N	E	Compliance and cyber security solutions to critical infrastructure sectors	20	\$1.00
Hollingsworth & Vose Company	4	Floyd Co.	M	E	Non-woven fabrics for the window covering industry	0	\$4.30



## Appendix 4: Announcement Data for FY 2011

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
Modea	4	Montgomery Co.	N	E	HQ; Designs product-focused media; advertising agency	200	\$10.00
Phoenix Packaging Operations, LLC*	4	Pulaski Co.	M	E	N.A. HQ; Manufactures thermoformed rigid plastic packaging	100	\$17.50
Polymer Solutions Incorporated	4	Montgomery Co.	N	E	Laboratory, chemical analysis, physical testing, research and development	15	\$0.30
Prime Photonics	4	Montgomery Co.	M	E	Designs and manufactures photonic sensor systems	36	\$0.00
Qualtrax, Inc.	4	Montgomery Co.	N	E	Compliance management software	10	\$1.00
VTLS, Inc.	4	Montgomery Co.	N	E	HQ; visionary technology in library solutions	25	\$0.00
		<i>Expansion Total</i>			<i>10 announcements</i>	<i>482</i>	<i>\$37.60</i>
		<b>PDC 4 Total</b>			<b>13 announcements</b>	<b>612</b>	<b>\$40.60</b>
Canatal Steel USA, Inc.*	5	Botetourt Co.	M	N	Fabricates and installs steel beams	100	\$1.00
Continental Waste Management, LLC	5	Covington	M	N	Manufactures plastic/wood composite products; recycles plastic	100	\$6.00
Maxx Performance	5	Roanoke City	M	N	Food formulation technologies; R&D of flavoring ingredients	15	\$0.70
RDS Recycling & Disposal Solutions	5	Roanoke Co.	N	N	Waste reduction consulting; brokerage of recyclable materials	5	\$0.50
		<i>New Total</i>			<i>4 announcements</i>	<i>220</i>	<i>\$8.20</i>
Altec Industries, Inc.	5	Botetourt Co.	M	E	Truck-mounted mobile equipment manufacturing	42	\$1.50
Arkay Packaging Corp.	5	Botetourt Co.	M	E	Consumer products packaging	25	\$7.50
Atlas Logistics	5	Roanoke Co.	N	E	Warehouse/distribution; refrigerated foods	40	\$2.68
Dynax America Corporation*	5	Botetourt Co.	M	E	Automobile transmission parts	95	\$15.66
FreightCar America, Inc.	5	Roanoke City	M	E	Manufactures railroad freight cars	200	\$0.00
Integrated Textile Solutions, Inc.	5	Salem	M	E	Manufactures industrial, military, and specialty textile products and apparel	21	\$0.20
MeadWestvaco Corp.	5	Covington	M	E	Bleached paperboard	0	\$285.00
Mennel Milling Company	5	Roanoke Co.	M	E	Flour mill and distribution	1	\$4.50
Plastics One Inc.	5	Roanoke Co.	M	E	Medical components manufacturing	0	\$0.35
Precision Technology USA, Inc.	5	Roanoke City	M	E	Manufactures industrial linear motion actuators	26	\$0.20
Sonoco	5	Alleghany Co.	M	E	Round paper core and tube manufacturing	7	\$1.00
UnitedHealth Group	5	Roanoke City	N	E	Customer support center; health insurance provider	125	\$7.00
Virginia Forge Company	5	Botetourt Co.	M	E	Automotive wheel bearing braces	33	\$1.00
Wells Fargo	5	Roanoke Co.	N	E	Call center; customer service	100	\$0.00

## Appendix 4: Announcement Data for FY 2011

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
Yokohama Tire Corp.*	5	Salem	M	E	Passenger car and light truck tires	50	\$13.00
		<i>Expansion Total</i>			<i>15 announcements</i>	<i>765</i>	<i>\$339.59</i>
		<b>PDC 5 Total</b>			<b>19 announcements</b>	<b>985</b>	<b>\$347.79</b>
PPI/Time Zero, Inc.	6	Waynesboro	M	N	Electronic manufacturing services for the defense, aerospace, medical markets	65	\$1.15
		<i>New Total</i>			<i>1 announcement</i>	<i>65</i>	<i>\$1.15</i>
Cadence, Inc.	6	Staunton	M	E	Micro-scale precision-cutting tools for medical and industrial use	65	\$15.90
Comsonics Inc.	6	Harrisonburg	N	E	Leakage detection, installation meters, system integrity systems	60	\$0.50
Devils Backbone Brewing Co.	6	Rockbridge Co.	M	E	Brewery	10	\$5.00
Innovative Refrigeration Systems, Inc.	6	Augusta Co.	M	E	Customized turnkey industrial refrigeration systems	30	\$1.00
IntraPac*	6	Harrisonburg	M	E	Pharmaceutical packaging manufacturing	10	\$1.50
Shenandoah Growers, Inc.	6	Rockingham Co.	N	E	HQ; Herb growing and herb brokerage	31	\$3.00
Tenneco Inc., Walker Mfg.	6	Harrisonburg	M	E	Automotive exhaust systems	58	\$3.20
		<i>Expansion Total</i>			<i>7 announcements</i>	<i>264</i>	<i>\$30.10</i>
		<b>PDC 6 Total</b>			<b>8 announcements</b>	<b>329</b>	<b>\$31.25</b>
Ashworth Bros., Inc.	7	Winchester	M	E	Manufactures conveyor belts	0	\$1.00
Bowman Andros Products LLC	7	Shenandoah Co.	M	E	Applesauce, apple juice and apple butter; co-packs beverage products	30	\$0.00
Crown Beverage Packaging	7	Frederick Co.	M	E	Aluminum can non-attached ring pull tab end manufacturing	0	\$12.00
Melnor, Inc.	7	Winchester	M	E	Lawn and garden watering products	0	\$6.50
O'Sullivan Films Inc.*	7	Winchester	M	E	Vinyl, polymer, alloy sheets and films	174	\$28.30
Southern Scrap	7	Frederick Co.	M	E	Paper, plastic, glass, and metal recycling	12	\$1.00
Toray Plastics Inc.*	7	Warren Co.	M	E	Manufactures polyolefin foams for the automotive and flooring markets	0	\$2.40
Valley Proteins	7	Frederick Co.	M	E	Collection and recycling of inedible animal by-products	1	\$3.50
		<i>Expansion Total</i>			<i>8 announcements</i>	<i>217</i>	<i>\$54.70</i>
		<b>PDC 7 Total</b>			<b>8 announcements</b>	<b>217</b>	<b>\$54.70</b>
Air Liquide*	8	Fairfax Co.	N	N	Produces and distributes gases for industrial, health care and energy concerns	11	\$0.00
Atlantic States Marine Fisheries Commission	8	Arlington Co.	N	N	Business association	30	\$0.00
Avid Technology Professionals, LLC	8	Fairfax Co.	N	N	Software and systems engineering; acquisition program management services	50	\$0.25

## Appendix 4: Announcement Data for FY 2011

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
Defense Health Headquarters (DHHQ)	8	Fairfax Co.	N	N	Defense Department's Medical Command headquarters	533	\$225.00
E&R Media	8	Fairfax Co.	N	N	Internet news publisher	16	\$0.00
Gilfus Education Group	8	Fairfax Co.	N	N	Management and technical consulting for the education industry	30	\$0.00
HADPRO	8	Alexandria	N	N	HQ; kitchen hood maintenance, restaurant exhaust cleaning	53	\$0.38
Huawei Technologies Co., Ltd.*	8	Fairfax Co.	N	N	Information and communications technology solutions provider	15	\$0.00
International Student Exchange Programs	8	Arlington Co.	N	N	HQ: Global student exchange consortium, network of higher education institutions	47	\$0.00
Iridium Communications Inc.	8	Fairfax Co.	N	N	HQ; mobile satellite service	57	\$0.00
MaxID Corp.	8	Fairfax Co.	M	N	HQ; Identity and security solutions provider; mobile, hand-held computers	17	\$0.00
National Sleep Foundation	8	Arlington Co.	N	N	Sleep-related education, research, and advocacy initiatives	15	\$0.00
Onsite Health, Inc.	8	Arlington Co.	N	N	HQ; customized medical and dental services	15	\$0.30
Pervazive*	8	Fairfax Co.	N	N	Information technology solutions	10	\$0.00
RagingWire Enterprise Solutions, Inc.	8	Loudoun Co.	N	N	Data center; managed IT services provider	30	\$0.00
RANDAL	8	Prince William Co.	N	N	Land development engineering; defense R&D	0	\$8.50
Space Exploration Technologies (SpaceX)	8	Fairfax Co.	N	N	Government affairs work: insurance, export controls, regulations and securities	20	\$0.00
Standard Performance Evaluation Corporation	8	Prince William Co.	N	N	Membership association; sets benchmarks to be applied to new computers	5	\$0.22
			<i>New Total</i>		<i>18 announcements</i>	<i>954</i>	<i>\$234.65</i>
Active Edge Techs, LLC	8	Fairfax Co.	N	E	IT solutions and support	10	\$0.00
Acumen Solutions	8	Fairfax Co.	N	E	HQ; business and technology consulting	156	\$2.35
Adaptive Methods	8	Fairfax Co.	M	E	Sensor processing and computing architecture products	15	\$0.25
Advanced Technology Systems Company	8	Arlington Co.	N	E	Project management and consulting services to government clients	20	\$0.00
AECOM Technology Corporation	8	Arlington Co.	N	E	Engineering, technical, and management support services	104	\$0.00
Alakai, LLC	8	Fairfax Co.	N	E	Systems engineering and integration; software design and development	50	\$0.15
Alarm.com	8	Fairfax Co.	N	E	Wireless and web-enabled security system technology	30	\$0.60
Altum, Inc.	8	Fairfax Co.	N	E	Grants management and performance management software	38	\$1.35
AMERICAN SYSTEMS Corporation	8	Prince William Co.	N	E	Systems engineering services	0	\$0.40
American Type Culture Collection	8	Prince William Co.	N	E	Biotechnology research	40	\$0.00
Ampcus Inc.	8	Fairfax Co.	N	E	Provider of technology consulting and related IT services	20	\$0.20

## Appendix 4: Announcement Data for FY 2011

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
AppAssure Software	8	Fairfax Co.	N	E	Backup and disaster recovery software	60	\$0.00
Arbinet	8	Fairfax Co.	N	E	HQ; voice and IP solutions	21	\$0.00
ASM Research, Inc.	8	Fairfax Co.	N	E	Information technology and systems engineering solutions	200	\$48.00
AT&T Government Solutions	8	Fairfax Co.	N	E	HQ; IT solutions for federal, state, and local government	41	\$0.00
BioLogics, Inc.	8	Prince William Co.	M	E	Laboratory instrumentation manufacturing	2	\$0.90
Bode Technology Group, Inc.	8	Fairfax Co.	N	E	Provides forensic DNA analysis and DNA collection products	26	\$0.00
BookKeeping Express	8	Fairfax Co.	N	E	Corporate HQ; bookkeeping services and financial intelligence consulting	19	\$0.10
Brilliant Corporation	8	Fairfax Co.	N	E	Management consulting, IT services	57	\$0.16
Business Transformation Group	8	Fairfax Co.	N	E	Management consulting services	10	\$0.10
BuzzCart	8	Prince William Co.	N	E	E-commerce software and services	0	\$0.38
CACI International, Inc.	8	Fairfax Co.	N	E	Information technology consulting	225	\$0.00
Capital Legal Solutions	8	Fairfax Co.	N	E	Provides technology services to the legal community	13	\$0.00
Carahsoft Technology Corp.	8	Fairfax Co.	N	E	Government IT solutions provider	50	\$0.00
Cardinal Financial Corporation	8	Fairfax Co.	N	E	HQ; financial services	25	\$0.00
Catapult Consultants, LLC	8	Arlington Co.	N	E	Information technology and financial management services	100	\$0.23
CC Pace Systems, Inc.	8	Fairfax City	N	E	Business and technology consulting	18	\$0.86
CedarPC Inc.	8	Fairfax Co.	N	E	Technology refurbishing, asset recovery, and managed end-of-life logistics	30	\$0.60
Centrifuge Systems, Inc.	8	Fairfax Co.	N	E	Data visualization and business intelligence software	60	\$0.60
Centurum, Inc.	8	Fairfax Co.	N	E	HQ; IT services	133	\$0.44
Chantilly BioPharma	8	Fairfax Co.	M	E	Development, manufacturing, licensing of specialty product pharmaceuticals	45	\$0.15
Chenega Federal Systems, LLC	8	Fairfax Co.	N	E	Engineering, military, and intelligence operations; IT services	530	\$1.00
Chenega Federal Systems, LLC	8	Fairfax Co.	N	E	Engineering, military, and intelligence operations; IT services	150	\$0.00
Christopher Consultants, Ltd.	8	Prince William Co.	N	E	Civil engineering, land surveying/planning, landscape architecture	11	\$0.00
Circle Solutions, Inc.	8	Fairfax Co.	N	E	Services, products, and technology that raise awareness of health-related issues	26	\$0.25
Clearsoft Inc.	8	Fairfax Co.	N	E	IT services, system and application development	50	\$0.10
Comcast Corporation	8	Prince William Co.	N	E	Call center; telecommunications	50	\$0.00
Commission on Accreditation for Law Enforcement Agencies, Inc.	8	Prince William Co.	N	E	HQ; independent law enforcement accrediting authority	0	\$1.10

## Appendix 4: Announcement Data for FY 2011

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
CoreSite	8	Fairfax Co.	N	E	Data center	0	\$30.50
Corsec Security, Inc.	8	Fairfax City	N	E	Provides FIPS 140-2 and Common Criteria documentation and consulting services	24	\$0.29
CPS Professional Services, LLC	8	Fairfax Co.	N	E	Custom computer programming services	140	\$1.20
CR Software	8	Fairfax Co.	N	E	Accounts receivable and inventory management software	20	\$0.00
Creative Computing Solutions, Inc.	8	Arlington Co.	N	E	Management and IT consulting services	35	\$0.00
Creative Information Technology, Inc.	8	Fairfax Co.	N	E	Program management, design, implementation, data migration	218	\$0.40
Criterion Systems	8	Fairfax Co.	N	E	Information technology and systems integration services	100	\$0.10
CSC	8	Prince William Co.	N	E	Information technology consulting	15	\$0.00
Cyber Defense Solutions, LLC	8	Fairfax City	N	E	IT services, cyber security	125	\$0.30
CyberData Technologies, Inc.	8	Fairfax Co.	N	E	Information system solutions for the government and commercial sectors	120	\$0.13
CyberData Technologies, Inc.	8	Fairfax Co.	N	E	Information system solutions for the government and commercial sectors	11	\$0.12
Daon	8	Fairfax Co.	N	E	Identity assurance software and services	16	\$0.10
Decision Lens	8	Arlington Co.	N	E	Software development	40	\$0.20
Defense Intelligence Agency	8	Fairfax Co.	N	E	Intelligence gathering	0	\$60.00
Digital Intelligence Systems Corporation	8	Fairfax Co.	N	E	HQ; technology and business services consulting	282	\$1.00
Digital Intelligence Systems Corporation	8	Fairfax Co.	N	E	HQ; technology and business services consulting	80	\$0.00
Digital Realty Trust, Inc.	8	Loudoun Co.	N	E	Data center	10	\$0.00
Dizzy Pig BBQ Company	8	Prince William Co.	M	E	Spice grinding and blending	1	\$0.50
DLT Solutions	8	Fairfax Co.	N	E	Government information technology software and services	117	\$0.25
DRT Strategies, Inc.	8	Arlington Co.	N	E	IT, project management, and financial management services	40	\$0.00
DubMeNow, Inc.	8	Fairfax Co.	N	E	Contact management systems	19	\$0.10
DuPont Fabros Technology, Inc.	8	Loudoun Co.	N	E	Data center	15	\$0.00
Dynamics Research Corp.	8	Arlington Co.	N	E	Management consulting, engineering and technology solutions	150	\$0.00
Electronic Consulting Services	8	Fairfax Co.	N	E	System engineering and information technology services	35	\$0.00
Emtec Federal	8	Fairfax Co.	N	E	IT consulting	18	\$0.00
EnDyna, Inc.	8	Fairfax Co.	N	E	Regulatory/policy support, environmental management, IT services	40	\$0.18
Entourage Systems, Inc.	8	Fairfax Co.	N	E	Digital electronics and communications	43	\$1.00

## Appendix 4: Announcement Data for FY 2011

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
Envictus Corporation	8	Fairfax Co.	N	E	Self-management and college/career readiness testing software	31	\$0.00
Everis USA*	8	Fairfax Co.	N	E	Consulting, IT & outsourcing professional services	100	\$3.00
Excella Consulting	8	Arlington Co.	N	E	Business and technology consulting	75	\$0.00
Fibertek, Inc.	8	Fairfax Co.	N	E	Lasers and electro-optics systems for the military and aerospace markets; R&D	41	\$0.75
Fulcrum Corporation	8	Arlington Co.	N	E	Technology solutions, systems integration, program management	25	\$0.00
GeoEye, Inc.	8	Fairfax Co.	N	E	HQ; satellite and geospatial information and services	100	\$10.00
Gibbs & Cox, Inc.	8	Arlington Co.	N	E	HQ; U.S. naval architecture and marine engineering	30	\$0.00
Hilton Worldwide	8	Fairfax Co.	N	E	Corporate HQ; hotels	100	\$1.80
Hitachi Consulting Corporation*	8	Fairfax Co.	N	E	Business and IT strategies and solutions	10	\$0.00
Hobsons Inc.*	8	Arlington Co.	N	E	Provides technology solutions and software for the education industry	65	\$1.52
ICF International	8	Fairfax Co.	N	E	Corporate HQ; professional services	493	\$20.00
iCORE, Inc	8	Fairfax Co.	N	E	Voice over private internet services provider	66	\$0.00
immixGroup, Inc.	8	Fairfax Co.	N	E	Commercial technology products and services provider to the public sector	37	\$0.00
In-Depth Engineering Corporation	8	Fairfax City	N	E	Tactical software for U.S. submarines, surface ships, and surveillance platforms	17	\$0.20
Infinite	8	Loudoun Co.	N	E	Process engineering and project management consultancy	61	\$0.42
InfoReliance Corporation	8	Fairfax Co.	N	E	Information technology consulting	90	\$0.00
Information Experts Inc.	8	Fairfax Co.	N	E	Marketing, outreach, communications consulting	25	\$0.10
Insystech, Inc.	8	Fairfax Co.	N	E	Information technology company and service provider	10	\$0.10
Intellectus	8	Prince William Co.	N	E	Program integration, project management, technology and consulting services	0	\$0.30
Invertix Corporation	8	Fairfax Co.	N	E	Provides technologies and services to the national security community	280	\$4.00
IP Network Solutions	8	Fairfax Co.	N	E	Provides information technology solutions and services to the federal government	100	\$1.60
JK Moving & Storage	8	Loudoun Co.	N	E	HQ; Moving and storage; warehousing operations	129	\$1.25
Johnston McLamb	8	Fairfax Co.	N	E	Visual business intelligence, data visualization, and geospatial applications	65	\$0.10
Kingfisher Systems, Inc.	8	Alexandria	N	E	National security support and technology-enabled services to the U.S. government	150	\$0.20
Koniag Services, Inc.	8	Fairfax Co.	N	E	Information technology services and solutions	45	\$32.00
L-3 Global Security & Engineering Solutions	8	Fairfax Co.	N	E	Technical, analytical, operational, and security services	88	\$0.00
Land Design Consultants	8	Prince William Co.	N	E	Land planning, civil engineering and surveying	0	\$3.50

## Appendix 4: Announcement Data for FY 2011

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
LanTech	8	Fairfax Co.	N	E	Systems integration; IT services	20	\$0.25
Little Diversified Architectural Consulting	8	Arlington Co.	N	E	Architecture, engineering, land planning consulting services	15	\$0.00
Lockheed Martin	8	Manassas	N	E	Hardware and software engineering	170	\$0.00
Logis-Tech, Inc.	8	Prince William Co.	N	E	HQ; information technology services, HVAC provider	8	\$3.00
M & M Technical Services, Inc.	8	Prince William Co.	N	E	Information technology services provider	35	\$0.12
ManTech International Corporation	8	Fairfax Co.	N	E	Provides technologies and solutions for mission-critical national security programs	64	\$0.00
Marathon TS, Inc.	8	Fairfax Co.	N	E	Information technology solutions	100	\$0.11
Martin-Brower Company, L.L.C.	8	Prince William Co.	N	E	McDonald's restaurant supplier	55	\$32.50
Masland Anderson Information Services, LLC	8	Fairfax Co.	N	E	Software development	12	\$0.20
Meridian Imaging Solutions	8	Fairfax Co.	N	E	Hardware, software, and IT services and support provider	22	\$0.17
MicroAutomation, Inc.	8	Fairfax Co.	N	E	Integrated technology solutions for call centers	27	\$0.52
Micron Technology, Inc.	8	Manassas	M	E	Memory chip production	123	\$56.00
Mil-tek USA*	8	Loudoun Co.	N	E	N.A. HQ; distributes balers and compactors	195	\$0.00
Modern Technology Solutions, Inc.	8	Fairfax Co.	N	E	HQ; aerospace engineering, Department of Defense contractor	25	\$0.00
Morgan Business Consulting	8	Arlington Co.	N	E	Information technology and management consulting	20	\$0.00
Multivision Inc.	8	Fairfax Co.	N	E	IT solutions	90	\$0.20
MyTalk Inc.	8	Fairfax Co.	N	E	Location-based and mobile Web network services	20	\$0.00
N to N Fiber, Inc.	8	Prince William Co.	N	E	Fiber optic cable design, engineering, and consulting services	11	\$4.80
Navanti Group, LLC	8	Arlington Co.	N	E	Analytical, programmatic, and technological support provider	5	\$0.60
NavigationArts, LLC	8	Fairfax Co.	N	E	Web and application design and development	29	\$0.00
Navy Federal Credit Union	8	Fairfax Co.	N	E	HQ; credit union, financial services	60	\$0.00
Near Infinity Corporation	8	Fairfax Co.	N	E	Software development and design	14	\$0.00
NeoSystems Corp.	8	Fairfax Co.	N	E	Provides tailored IT and software solutions and back office services	37	\$0.00
Netbiscuits, Inc.*	8	Fairfax Co.	N	E	Mobile website and app development	17	\$0.00
NetWitness Corporation	8	Fairfax Co.	N	E	Network security monitoring platform	50	\$5.50
New Media Strategies	8	Arlington Co.	N	E	Online brand intelligence, protection, and social media engagement	232	\$0.63
NII Holdings, Inc.	8	Fairfax Co.	N	E	HQ; wireless communications	30	\$0.00

## Appendix 4: Announcement Data for FY 2011

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
OneVoice Communications, Inc.	8	Fairfax Co.	N	E	Voice, data, and other business communication services	9	\$0.11
OPOWER	8	Arlington Co.	N	E	HQ; energy efficiency and smart grid software	75	\$0.00
Pace Harmon	8	Fairfax Co.	N	E	Provides consulting and advisory services	45	\$0.50
PC Recycler, Inc.	8	Fairfax Co.	N	E	Computer recycling and data destruction	25	\$0.25
PERFECT SENSE digital, LLC	8	Fairfax Co.	N	E	Delivers integrated digital products, website creation	30	\$0.00
Power Loft LLC	8	Prince William Co.	N	E	Data center	0	\$35.00
Preferred Systems Solutions, Inc.	8	Fairfax Co.	N	E	Information technology, engineering, and program management	200	\$1.00
Primatics Financial	8	Fairfax Co.	N	E	Software solutions and professional services	45	\$0.00
Progeny Systems Corporation	8	Prince William Co.	N	E	HQ; electronic systems development	50	\$0.00
Promontory Interfinancial Network, LLC	8	Arlington Co.	N	E	HQ; member network of FDIC-insured institutions	50	\$0.00
Qlarion, Inc.	8	Fairfax Co.	N	E	Business intelligence, data mining, and data management solutions	30	\$0.19
Retail Industry Leaders Association	8	Arlington Co.	N	E	Business association	10	\$0.00
RightNow Technologies, Inc.	8	Fairfax Co.	N	E	Provides customizable applications platforms	19	\$0.00
Rockwell Collins, Inc.	8	Loudoun Co.	M	E	Regional HQ; flight simulator design and production	140	\$56.30
Safety Technologies, Inc.	8	Fairfax Co.	N	E	HQ; detonation suppression technologies	15	\$0.00
Sagent Partners	8	Fairfax Co.	N	E	Information technology lifecycle management support	35	\$0.00
Salient Federal Solutions	8	Fairfax Co.	N	E	HQ; provides Federal IT and engineering solutions	125	\$0.00
Sapient Corporation	8	Arlington Co.	N	E	Global marketing and technology services	75	\$0.00
ScienceLogic, Inc.	8	Fairfax Co.	N	E	HQ; IT operations and Cloud Monitoring solutions provider	90	\$0.00
ServInt	8	Fairfax Co.	N	E	Web hosting	10	\$0.00
Sevatec, Inc.	8	Fairfax Co.	N	E	Management and technology consulting services	70	\$0.00
Simplexity	8	Fairfax Co.	N	E	Online cellular phone retailer; technology solutions for cellular phone carriers	109	\$2.50
SNVC	8	Fairfax Co.	N	E	IT and network solutions provider	18	\$0.12
Soft Tech Consulting, Inc.	8	Fairfax Co.	N	E	Provides information technology services, software solutions	284	\$0.30
SURVICE Engineering Company	8	Prince William Co.	N	E	Engineering and computer science services	14	\$0.00
Tangible Software, Inc.	8	Fairfax Co.	N	E	IT solutions, software, and consulting to the energy and security industries	40	\$1.00
TCAssociates	8	Fairfax Co.	N	E	Technology consulting; healthcare/ telecommunications services	100	\$0.00



## Appendix 4: Announcement Data for FY 2011

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
Technica Corporation	8	Loudoun Co.	N	E	IT solutions, systems engineering, information assurance, software development	25	\$0.00
TeraThink Corporation	8	Fairfax Co.	N	E	Enterprise solution management and integration services	67	\$0.00
Three Pillar Global	8	Fairfax Co.	N	E	Software development and systems integration provider	74	\$1.00
U.S. Department of State	8	Arlington Co.	N	E	U.S. Department of State	300	\$0.00
U.S. Information Technologies Corporation	8	Fairfax Co.	N	E	Oracle-based information technology solutions provider	40	\$0.25
U.S. Information Technologies Corporation	8	Fairfax Co.	N	E	Oracle-based information technology solutions provider	20	\$0.00
Unicorn Group, LLC	8	Fairfax Co.	N	E	Business development and management consulting	20	\$0.13
Unissant	8	Fairfax Co.	N	E	Information management, enterprise solutions, information security	14	\$0.25
VeriSign, Inc	8	Loudoun Co.	N	E	Corporate HQ; Internet infrastructure services	250	\$11.00
Vistronix, Inc.	8	Arlington Co.	N	E	Information management, technical solutions, and managed services	15	\$0.00
Vovici Corporation	8	Fairfax Co.	N	E	Software for Web-based surveys	75	\$0.00
Windward IT Solutions	8	Fairfax Co.	N	E	Business technology management	40	\$0.25
ZyEdge LLC	8	Fairfax Co.	N	E	Managed IT support services and IT outsourcing solutions	15	\$0.15
		<i>Expansion Total</i>			<i>159 announcements</i>	<i>10,536</i>	<i>\$452.36</i>
		<b>PDC 8 Total</b>			<b>177 announcements</b>	<b>11,490</b>	<b>\$687.00</b>
EURO-COMPOSITES Corporation*	9	Culpeper Co.	M	E	Light-weight panel structures for aerospace industry	70	\$11.25
Plow & Hearth	9	Madison Co.	N	E	National mail order catalog, Internet, and retail company	0	\$20.00
		<i>Expansion Total</i>			<i>2 announcements</i>	<i>70</i>	<i>\$31.25</i>
		<b>PDC 9 Total</b>			<b>2 announcements</b>	<b>70</b>	<b>\$31.25</b>
CustomInk	10	Albemarle Co.	M	N	Silk screen printing; custom apparel	120	\$1.40
Midwest Research Institute	10	Albemarle Co.	N	N	Contract research for government and industry	17	\$4.94
		<i>New Total</i>			<i>2 announcements</i>	<i>137</i>	<i>\$6.34</i>
Ashbury International Group, Inc.	10	Greene Co.	M	E	Develops/builds laser range finders, night vision devices, optical products	16	\$3.75
Blue Mountain Brewery	10	Nelson Co.	M	E	Brewery	50	\$1.53
CFA Institute	10	Charlottesville	N	E	Operations center; global association of investment professionals	45	\$24.50
Klößner Pentaplast of America Inc.	10	Louisa Co.	M	E	Manufactures plastic film	33	\$0.00
MicroAire Surgical Instruments	10	Albemarle Co.	M	E	Designs, manufactures and distributes surgical products	51	\$8.00

## Appendix 4: Announcement Data for FY 2011

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
Phthisis Diagnostics	10	Charlottesville	M	E	Research and development; develops molecular diagnostic tests	6	\$0.13
PocketSonics, Inc.	10	Albemarle Co.	N	E	Portable ultrasound devices	38	\$0.07
Silverchair Information Systems	10	Charlottesville	N	E	Develops publishing platforms for scientific, technical, medical (STM) information	62	\$0.45
Teachstone Training, LLC	10	Charlottesville	N	E	Software and observation tools for educators	26	\$0.34
ZyGEM*	10	Charlottesville	M	E	Biotechnology; DNA extraction and testing solutions	15	\$1.60
		<i>Expansion Total</i>			<i>10 announcements</i>	<i>342</i>	<i>\$40.37</i>
		<b><i>PDC 10 Total</i></b>			<b><i>12 announcements</i></b>	<b><i>479</i></b>	<b><i>\$46.71</i></b>
Intersections, Inc.	11	Campbell Co.	N	N	Call center; identity theft protection support	250	\$2.00
		<i>New Total</i>			<i>1 announcement</i>	<i>250</i>	<i>\$2.00</i>
Abbott Laboratories	11	Campbell Co.	M	E	Nutritional formula products	16	\$8.70
Advanced Logic Industries	11	Bedford Co.	N	E	Technology consulting and systems integration	5	\$0.10
Advanced Quality Coatings, LLC	11	Amherst Co.	M	E	Powder coatings	10	\$0.10
Banker Steel Company, LLC	11	Lynchburg	M	E	Fabricates structural steel	100	\$1.00
Belvac Production Machinery	11	Lynchburg	M	E	Manufactures motion rotary machinery for food and beverage industry	60	\$4.50
Delta Star, Inc.	11	Lynchburg	M	E	Medium-power transformers and mobile transformers/substations	78	\$10.00
Dominion Virginia Power	11	Campbell Co.	N	E	Electric power generation; biomass	0	\$55.00
Fostek Corporation	11	Bedford City	M	E	Plastic and rubber blended, closed-cell foams	17	\$1.50
Genworth Financial, Inc.	11	Lynchburg	N	E	Life insurance; call center	30	\$0.00
J.Crew Group, Inc.	11	Lynchburg	N	E	Distribution operation/mail order facility; clothing and apparel	177	\$20.30
NovaTech	11	Lynchburg	N	E	Systems/components design/fabrication for nuclear, aero and industrial markets	12	\$1.00
		<i>Expansion Total</i>			<i>11 announcement</i>	<i>505</i>	<i>\$102.20</i>
		<b><i>PDC 11 Total</i></b>			<b><i>12 announcements</i></b>	<b><i>755</i></b>	<b><i>\$104.20</i></b>
Homeplace Vineyard Winery	12	Pittsylvania Co.	M	N	Wine	8	\$0.40
ICF International	12	Henry Co.	N	N	Operations center for business process management	539	\$15.00
Kimball Hospitality	12	Henry Co.	M	N	Hospitality furniture production; administrative offices	67	\$1.00
Noblis, Inc.	12	Danville	N	N	Center for high-performance computing	15	\$2.50
Solution Matrix, Inc.	12	Franklin Co.	M	N	HQ; cold-therapy canvas slings and wraps	80	\$2.25

## Appendix 4: Announcement Data for FY 2011

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
The Tile Store	12	Henry Co.	N	N	Warehouse distribution; natural stone, ceramic and porcelain tiles	25	\$1.10
United States Green Energy	12	Danville	M	N	Building integrated photovoltaics products manufacturing	372	\$30.00
		<i>New Total</i>			<i>7 announcements</i>	<i>1,106</i>	<i>\$52.25</i>
Applied Felts*	12	Henry Co.	M	E	Manufactures felt liners for the cured-in-place-pipe industry	40	\$6.00
CBN Secure Technologies, Inc.*	12	Danville	M	E	High-tech printing, produces secure Virginia driver's licenses and ID cards	25	\$1.10
Commonwealth Laminating & Coating Inc.	12	Henry Co.	M	E	Polyester films	10	\$0.50
Drake Extrusion Inc.*	12	Henry Co.	M	E	Polypropylene fibers	37	\$1.25
Drake Extrusion Inc.*	12	Henry Co.	M	E	Polypropylene fibers	0	\$1.25
EIT, Inc.	12	Danville	M	E	Electronic design and manufacturing services	50	\$5.00
Essel Propack America LLC*	12	Danville	M	E	Toothpaste tubes	0	\$10.00
Griffith Lumber, Inc.	12	Patrick Co.	M	E	Lumber products manufacturing	15	\$2.15
Japan Tobacco International Leaf Services*	12	Danville	M	E	Tobacco processing	21	\$10.50
SleepSafe Beds	12	Henry Co.	M	E	Safety bed manufacturing	0	\$1.40
Southern Finishing Company, Inc.	12	Martinsville	M	E	Prefinished components for cabinets manufacturing	67	\$1.70
Telvista Inc.	12	Danville	N	E	Call center, customer services	100	\$0.00
The Results Companies	12	Patrick Co.	N	E	Customer service center	150	\$0.00
Trinity Packaging Corp.	12	Franklin Co.	M	E	Food service and industrial plastic bag products	25	\$5.85
		<i>Expansion Total</i>			<i>14 announcements</i>	<i>540</i>	<i>\$46.70</i>
		<b><i>PDC 12 Total</i></b>			<b><i>21 announcements</i></b>	<b><i>1,646</i></b>	<b><i>\$98.95</i></b>
American Wood Finishing Institute	13	Halifax Co.	N	N	Research and development for industries that use woods, plastics, and metals	21	\$2.30
Home Care Industries, Inc.	13	Mecklenburg Co.	M	N	Floor care accessories manufacturing and distribution	150	\$1.50
Microsoft Corp.	13	Mecklenburg Co.	N	N	Data center	50	\$499.00
Régitex USA*	13	Mecklenburg Co.	M	N	Made-to-order ring spun and open end yarns manufacturing	60	\$1.20
		<i>New Total</i>			<i>4 announcements</i>	<i>281</i>	<i>\$504.00</i>
ABB Inc.*	13	Halifax Co.	M	E	Manufactures liquid-cooled transformers	15	\$4.60
Presto Products Company*	13	Halifax Co.	M	E	Manufactures plastic film and bags	22	\$6.00
		<i>Expansion Total</i>			<i>2 announcements</i>	<i>37</i>	<i>\$10.60</i>

## Appendix 4: Announcement Data for FY 2011

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)	
		<b>PDC 13 Total</b>			<b>6 announcements</b>		<b>318</b>	<b>\$514.60</b>
Safety Technologies, Inc.	14	Lunenburg Co.	M	N	Technologies that prevent explosions and mitigate blasts in fuel storage tanks	46	\$5.89	
		<i>New Total</i>			<i>1 announcement</i>		<i>46</i>	<i>\$5.89</i>
Genesis Products, Inc.	14	Charlotte Co.	M	E	Manufactures doors, cabinet parts, moldings, and wood panels	150	\$2.50	
Immigration Centers of America	14	Prince Edward Co.	N	E	Immigration detention facility	106	\$0.50	
Reiss Manufacturing	14	Nottoway Co.	M	E	Silicone rubber, plastic molded products; shielding material	50	\$0.00	
		<i>Expansion Total</i>			<i>3 announcements</i>		<i>306</i>	<i>\$3.00</i>
		<b>PDC 14 Total</b>			<b>4 announcements</b>		<b>352</b>	<b>\$8.89</b>
Cortview Capital Securities LLC	15	Richmond	N	N	HQ; sales, trading, origination, securitization, and advisory services	100	\$0.00	
Cuore	15	Chesterfield Co.	N	N	Call center; sales and customer service	772	\$0.23	
Emerson Ecologics, LLC	15	Chesterfield Co.	N	N	Distribution center; pharmaceutical preparation products	60	\$1.00	
Fortistar, LLC	15	Henrico Co.	N	N	Electricity generation; landfill gas energy facility	15	\$12.00	
GE	15	Henrico Co.	N	N	Cyber security, network design, data management, and application development	200	\$2.50	
General Gene Inc. USA*	15	Richmond	N	N	R&D; cancer detection products	10	\$2.00	
Kathrein Inc., Scala Division*	15	Henrico Co.	N	N	Distribution center; antenna and filter systems for communications	6	\$0.21	
SNL Financial	15	Henrico Co.	N	N	Corporate, financial, market, and merger and acquisition data provider	35	\$0.40	
Sonoco Recycling, Inc.	15	Chesterfield Co.	N	N	Recovers and repurposes waste to alternative end uses	30	\$2.00	
Specialty Coating and Laminating LLC	15	Hanover Co.	M	N	Converted paper products manufacturing	30	\$7.50	
		<i>New Total</i>			<i>10 announcements</i>		<i>1,258</i>	<i>\$27.84</i>
Capital One Financial Corp.	15	Henrico Co.	N	E	Call center and operations center; financial services	700	\$21.60	
CapTech Ventures, Inc.	15	Richmond	N	E	Technology consulting provider	120	\$0.00	
CarePoint Medical	15	Henrico Co.	N	E	HQ; Distributes shoes for diabetic patients and other medical supplies	50	\$0.00	
Dixon Hughes Goodman LLP	15	Henrico Co.	N	E	Business consulting services	10	\$0.00	
Dominion Due Diligence Group	15	Henrico Co.	N	E	Environmental, engineering and energy due diligence services	28	\$2.35	
E.I. DuPont de Nemours & Co., Inc.	15	Chesterfield Co.	M	E	Manufactures components for lithium ion batteries for electric vehicles	11	\$20.00	
Estes Express Lines	15	Richmond	N	E	HQ; trucking services	0	\$2.30	
Flexicell	15	Hanover Co.	M	E	Robotic material handling systems	20	\$0.10	

## Appendix 4: Announcement Data for FY 2011

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)	
Health Diagnostic Laboratory	15	Richmond	N	E	Clinical laboratory, diagnostics, and clinical trial services	213	\$4.20	
Hilex Poly Company, LLC	15	Henrico Co.	M	E	Manufactures plastic bags	0	\$0.75	
Independent Container Line	15	Henrico Co.	N	E	Corporate HQ; Container shipping services	0	\$2.30	
Ironworks Consulting	15	Henrico Co.	N	E	HQ; management, IT, and Web consulting	10	\$3.80	
McKesson Medical-Surgical	15	Henrico Co.	N	E	HQ; pharmaceutical distribution and health care IT systems	60	\$2.90	
MeadWestvaco Corp.	15	Richmond	N	E	Corporate HQ; Packaging solutions and products	25	\$0.00	
MeadWestvaco Corp.	15	Henrico Co.	N	E	Research and development of packaging systems	6	\$3.50	
Merit Medical Systems, Inc.	15	Chesterfield Co.	M	E	Proprietary disposable medical device manufacturing	75	\$1.00	
National White Collar Crime Center	15	Henrico Co.	N	E	Professional membership association; prevention of economic and cyber crime	4	\$1.31	
PPD, Inc.	15	Henrico Co.	N	E	Drug discovery, development, and lifecycle management services	190	\$28.00	
Snagajob.com	15	Henrico Co.	N	E	National online job search portal	150	\$0.00	
StampTech Inc.	15	Chesterfield Co.	M	E	Metal stamping and tooling	50	\$2.00	
Virginia Lab Supply Corporation	15	Henrico Co.	N	E	Laboratory testing equipment, supplies and chemicals supplier	12	\$0.23	
Wells Fargo	15	Henrico Co.	N	E	Call center; customer service	220	\$0.00	
Winchester Metals	15	Powhatan Co.	M	E	Manufactures and distributes metal parts	10	\$0.95	
Zeller+Gmelin Corporation*	15	Henrico Co.	M	E	U.S. HQ; printing inks and chemicals	55	\$4.40	
		<i>Expansion Total</i>			<i>24 announcements</i>		<i>2,019</i>	<i>\$101.69</i>
		<b>PDC 15 Total</b>			<b>34 announcements</b>		<b>3,277</b>	<b>\$129.53</b>
McKesson Corporation	16	Caroline Co.	N	N	Pharmaceutical and health care products distribution	150	\$57.50	
Oshkosh Defense	16	Stafford Co.	N	N	Service/support of tactical military trucks & armored wheeled vehicles operations	6	\$0.45	
		<i>New Total</i>			<i>2 announcements</i>		<i>156</i>	<i>\$57.95</i>
A-T Solutions Inc.	16	Spotsylvania Co.	N	E	Anti-terrorism technology/training provider to government and contractors	100	\$1.00	
Beautiful Homes Supply	16	Spotsylvania Co.	N	E	Lumber building materials supplier	17	\$1.20	
CorpComm, Inc.	16	Fredericksburg	N	E	Strategic communications and management consulting	15	\$0.18	
Creative Dimension Group	16	Spotsylvania Co.	M	E	Architectural millwork	3	\$4.00	
GEICO Corporation	16	Stafford Co.	N	E	Call center; insurance policies	280	\$0.00	
Jim Carpenter Company	16	Spotsylvania Co.	N	E	Building materials supplier	25	\$0.40	

## Appendix 4: Announcement Data for FY 2011

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
Patricio Enterprises, Inc.	16	Stafford Co.	N	E	HQ; provides consulting services aligned by client competencies	30	\$7.00
Washington Square Associates, Inc.	16	Stafford Co.	N	E	Integrates and manages technology solutions	25	\$0.20
		<i>Expansion Total</i>			<i>8 announcements</i>	<i>495</i>	<i>\$13.98</i>
		<b><i>PDC 16 Total</i></b>			<b><i>10 announcements</i></b>	<b><i>651</i></b>	<b><i>\$71.93</i></b>
Praxair, Inc.	19	Hopewell	M	N	Carbon dioxide/industrial gas capture and purification	17	\$18.00
		<i>New Total</i>			<i>1 announcement</i>	<i>17</i>	<i>\$18.00</i>
Ashland Inc.	19	Hopewell	M	E	Specialty chemicals	15	\$39.20
Dominion Virginia Power	19	Hopewell	N	E	Electric power generation; biomass	0	\$55.00
Efficiency Management, LLC	19	Colonial Heights	M	E	Manufactures aluminum cups for pharmaceutical industry	12	\$0.10
Mundet Inc.	19	Colonial Heights	M	E	Manufactures paper used in cigarettes	16	\$4.75
Wood Fuel Developers, LLC	19	Sussex Co.	M	E	Manufactures wood pellets	28	\$8.60
		<i>Expansion Total</i>			<i>5 announcements</i>	<i>71</i>	<i>\$107.65</i>
		<b><i>PDC 19 Total</i></b>			<b><i>6 announcements</i></b>	<b><i>88</i></b>	<b><i>\$125.65</i></b>
KmX USA*	22	Accomack Co.	M	E	Chemical recycling	9	\$5.25
		<i>Expansion Total</i>			<i>1 announcement</i>	<i>9</i>	<i>\$5.25</i>
		<b><i>PDC 22 Total</i></b>			<b><i>1 announcement</i></b>	<b><i>9</i></b>	<b><i>\$5.25</i></b>
American Condenser and Coil	23	Suffolk	N	N	East Coast distribution center of automotive condensers	20	\$0.50
Bay Disposal Inc.	23	Hampton	N	N	Materials recovery facility	65	\$14.50
BMZ*	23	Virginia Beach	M	N	U.S. HQ; rechargeable batteries	50	\$0.50
Caspari, Inc.	23	Suffolk	N	N	Warehouse and distribution of paper products for gifts and entertaining	35	\$0.00
Columbia Sportswear	23	Virginia Beach	N	N	Apparel distribution	10	\$0.10
Enviva LP	23	Chesapeake	N	N	Storage and distribution of wood biomass products	24	\$11.70
Gamesa*	23	Chesapeake	N	N	Offshore wind technology	40	\$0.00
Hectronic*	23	Chesapeake	M	N	High-tech parking meter manufacturing	5	\$2.00
International Paper	23	Isle of Wight Co.	M	N	Fluff pulp mill	213	\$83.00
Ishpi Information Technologies, Inc.	23	Suffolk	N	N	Engineering, integration, and information technology services	200	\$0.00
Katoen Natie*	23	Norfolk	N	N	Warehousing and distribution	225	\$12.00

## Appendix 4: Announcement Data for FY 2011

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
Kruger, Inc.*	23	Portsmouth	N	N	Mid-Atlantic operations; warehouse, pulp and paper import/export	0	\$25.00
Laurence Walter Aerospace Solutions LLC*	23	Chesapeake	N	N	Repair and overhaul of oxygen systems, fire suppression systems	10	\$1.00
Worldwide Services	23	Virginia Beach	M	N	Manufactures after-market parts for DoD vehicles	8	\$0.20
			<i>New Total</i>		<i>14 announcements</i>	<i>905</i>	<i>\$150.50</i>
Accelerated Financial Solutions	23	Isle of Wight Co.	N	E	Debt recovery and management; call center	30	\$0.00
Acoustical Sheetmetal Inc.	23	Virginia Beach	M	E	Manufactures sound attenuated enclosures and fuel tanks	20	\$0.23
ADS, Inc.	23	Virginia Beach	N	E	Corporate HQ; distribution center, military tactical equipment	22	\$4.00
Allied Technology Group, Inc.	23	Virginia Beach	N	E	Provides engineering and information management solutions	50	\$0.69
Applied Process Technology International*	23	James City Co.	N	E	Biofuels/ethanol technology and engineering firm	30	\$0.35
Bay Diesel & Generator	23	Chesapeake	N	E	Supplier of diesel engine parts and power generator parts	18	\$1.00
Brown and Caldwell	23	Virginia Beach	N	E	Engineering consulting for the U.S. environmental sector	22	\$0.25
CDI Marine Company	23	Virginia Beach	N	E	Marine engineering services	25	\$0.10
CDYNE Corporation	23	Chesapeake	N	E	Web service solutions provider; open standard based applications	88	\$0.10
Dominion Virginia Power	23	Southampton Co.	N	E	Electric power generation; biomass	0	\$55.00
E&E Enterprises Global, Inc.	23	Hampton	N	E	Communications and communications equipment	21	\$0.50
EIMSKIP USA, Inc.*	23	Virginia Beach	N	E	U.S. HQ; global shipping and logistics provider	5	\$0.15
Farm Fresh Food & Pharmacy	23	Virginia Beach	N	E	HQ: grocery store chain	0	\$0.10
GEICO Corporation	23	Virginia Beach	N	E	Call center; insurance policies	285	\$1.00
GEICO Corporation	23	Virginia Beach	N	E	Call center; insurance policies	60	\$0.00
Gryphon Technologies	23	Chesapeake	N	E	Engineering and technical services	139	\$0.93
H&A Architects & Engineers	23	Virginia Beach	N	E	Architecture, engineering, and graphics services	31	\$1.00
Hackworth Reprographics, Inc.	23	Chesapeake	M	E	Printing solutions and wide-format equipment	2	\$0.30
InMotion Hosting, Inc.	23	Virginia Beach	N	E	Web-hosting services provider	275	\$0.25
KITCO Fiber Optics	23	Virginia Beach	M	E	Fiber optic connectorization products	128	\$0.10
Klett Consulting Group	23	Virginia Beach	N	E	Operational systems engineering services and professional consulting services	30	\$0.35
Labels Unlimited, Inc.	23	Virginia Beach	M	E	Manufactures pressure sensitive labels and tags	25	\$3.00
LifeNet Health	23	Virginia Beach	N	E	HQ; tissue and organ bank	35	\$20.60

## Appendix 4: Announcement Data for FY 2011

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)	
LoanCare, a division of FNF Servicing, Inc.	23	Virginia Beach	N	E	Call center; mortgage loan sub-servicing	226	\$2.10	
LOVATO Electric*	23	Chesapeake	N	E	Distributes electromechanical and electronic components for electrical equipment	4	\$0.84	
McDonough Bolyard Peck	23	Chesapeake	N	E	Engineering services, construction management consulting	0	\$1.48	
McKean Defense Group, LLC	23	Portsmouth	N	E	Naval engineering and information technology services	25	\$0.00	
Monarch Bank	23	Chesapeake	N	E	Corporate HQ; banking and related services	0	\$5.20	
MSI Southland	23	Virginia Beach	M	E	Plastic injection molding; gaskets and other sealing devices	0	\$0.10	
NGK-Locke, Inc.*	23	Virginia Beach	M	E	Polymer insulators	0	\$0.50	
Novonics Corporation	23	Virginia Beach	N	E	Management support, systems engineering, software development, test/evaluation	12	\$0.05	
Paradigm, Inc.	23	Virginia Beach	M	E	Printing, personalization, and direct mailing of diplomas and certificates	10	\$2.00	
PER Properties	23	Portsmouth	N	E	Transloading facility	35	\$3.50	
Ryla	23	Norfolk	N	E	Customer service and technical support	315	\$0.00	
Safelite Fulfillment, Inc.*	23	Chesapeake	N	E	Vehicle glass distribution	0	\$0.50	
Scientific Research Corporation	23	Chesapeake	N	E	Engineering services; hardware/software development	89	\$2.20	
SDV Solutions, Inc.	23	James City Co.	N	E	Provider of information technology services to the federal government	50	\$0.00	
Solutionz Conferencing, Inc.	23	Williamsburg	N	E	Videoconferencing solutions	19	\$2.00	
TASC, Inc.	23	Portsmouth	N	E	End-to-end systems engineering and analytics	30	\$0.00	
Towne Insurance	23	Virginia Beach	N	E	Subsidiary HQ; multi-state insurance	15	\$0.10	
TRG Customer Solutions*	23	Hampton	N	E	Multi-channel inbound and outbound communications	120	\$3.00	
Ultralife Corporation	23	Virginia Beach	M	E	Designs, develops and manufactures tactical communications products	15	\$0.08	
Urology of Virginia	23	Virginia Beach	N	E	Chemotherapeutic treatment and medical device R&D	87	\$11.50	
Valkyrie Enterprises, LLC	23	Virginia Beach	N	E	System engineering and acquisition support, readiness, modernization	70	\$0.05	
Web Teks, Inc.	23	Chesapeake	N	E	Custom information technology solutions	15	\$0.00	
Wolf Creek Fabrication Services Inc.	23	Chesapeake	M	E	Fabrication and prototyping for hull, mechanical and electrical engineering	22	\$0.67	
Woolpert, Inc.	23	Chesapeake	N	E	Design, engineering, and geospatial services	0	\$2.30	
		<i>Expansion Total</i>				<i>47 announcements</i>	<i>2,500</i>	<i>\$128.15</i>
		<b>PDC 23 Total</b>				<b>61 announcements</b>	<b>3,405</b>	<b>\$278.65</b>
Capital One Financial Corp.		Various Locations	N	E	Financial services	300	\$0.00	



## Appendix 4: Announcement Data for FY 2011

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
		<i>Various Locations Total</i>			<i>1 announcement</i>	<i>300</i>	<i>\$0.00</i>
<i>Not publicly announced</i>		<i>Confidential</i>			<i>8 announcements</i>	<i>538</i>	<i>\$280.30</i>
		<i>Grand Total</i>			<i>416 announcements</i>	<i>26,043</i>	<i>\$2,921.46</i>

**Notes:**

\*Indicates foreign affiliation

Type: New or Expansion

Mfg: Manufacturing or Nonmanufacturing

2011 announcements are preliminary

All announcements are subject to revision

## Appendix 4: Announcement Data for FY 2011

	Announcements	Employment	Investment (millions)		Announcements	Employment	Investment (millions)
New Total	2	116	\$20.75	New Total	0	0	\$0.00
Expansion Total	2	165	\$0.00	Expansion Total	2	70	\$31.25
<b>PDC 1 Total</b>	<b>4</b>	<b>281</b>	<b>\$20.75</b>	<b>PDC 9 Total</b>	<b>2</b>	<b>70</b>	<b>\$31.25</b>
New Total	0	0	\$0.00	New Total	2	137	\$6.34
Expansion Total	0	0	\$0.00	Expansion Total	10	342	\$40.37
<b>PDC 2 Total</b>	<b>0</b>	<b>0</b>	<b>\$0.00</b>	<b>PDC 10 Total</b>	<b>12</b>	<b>479</b>	<b>\$46.71</b>
New Total	2	60	\$2.60	New Total	1	250	\$2.00
Expansion Total	7	181	\$40.85	Expansion Total	11	505	\$102.20
<b>PDC 3 Total</b>	<b>9</b>	<b>241</b>	<b>\$43.45</b>	<b>PDC 11 Total</b>	<b>12</b>	<b>755</b>	<b>\$104.20</b>
New Total	3	130	\$3.00	New Total	7	1,106	\$52.25
Expansion Total	10	482	\$37.60	Expansion Total	14	540	\$46.70
<b>PDC 4 Total</b>	<b>13</b>	<b>612</b>	<b>\$40.60</b>	<b>PDC 12 Total</b>	<b>21</b>	<b>1,646</b>	<b>\$98.95</b>
New Total	4	220	\$8.20	New Total	4	281	\$504.00
Expansion Total	15	765	\$339.59	Expansion Total	2	37	\$10.60
<b>PDC 5 Total</b>	<b>19</b>	<b>985</b>	<b>\$347.79</b>	<b>PDC 13 Total</b>	<b>6</b>	<b>318</b>	<b>\$514.60</b>
New Total	1	65	\$1.15	New Total	1	46	\$5.89
Expansion Total	7	264	\$30.10	Expansion Total	3	306	\$3.00
<b>PDC 6 Total</b>	<b>8</b>	<b>329</b>	<b>\$31.25</b>	<b>PDC 14 Total</b>	<b>4</b>	<b>352</b>	<b>\$8.89</b>
New Total	0	0	\$0.00	New Total	10	1,258	\$27.84
Expansion Total	8	217	\$54.70	Expansion Total	24	2,019	\$101.69
<b>PDC 7 Total</b>	<b>8</b>	<b>217</b>	<b>\$54.70</b>	<b>PDC 15 Total</b>	<b>34</b>	<b>3,277</b>	<b>\$129.53</b>
New Total	18	954	\$234.65	New Total	2	156	\$57.95
Expansion Total	159	10,536	\$452.36	Expansion Total	8	495	\$13.98
<b>PDC 8 Total</b>	<b>177</b>	<b>11,490</b>	<b>\$687.00</b>	<b>PDC 16 Total</b>	<b>10</b>	<b>651</b>	<b>\$71.93</b>

## Appendix 4: Announcement Data for FY 2011

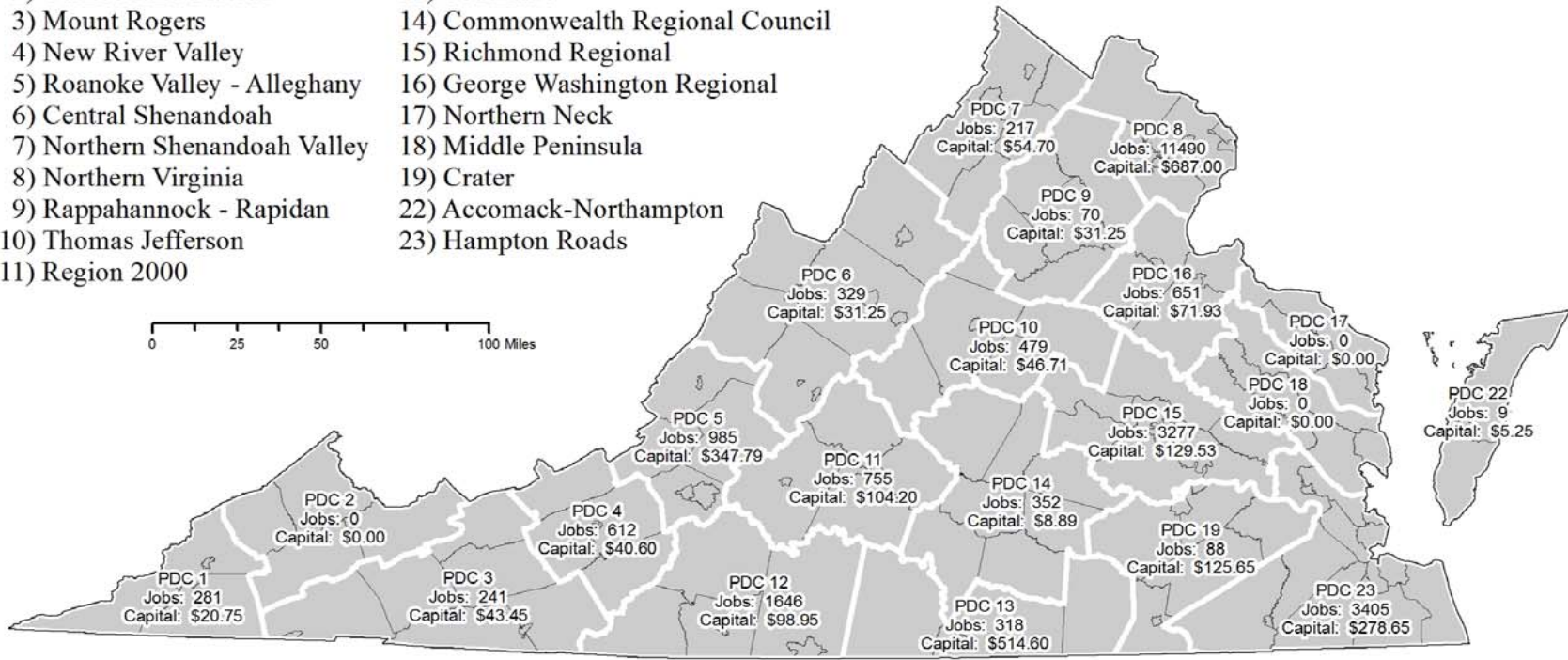
	Announcements	Employment	Investment (millions)
New Total	0	0	0
Expansion Total	0	0	0
<b><i>PDC 17 Total</i></b>	<b><i>0</i></b>	<b><i>0</i></b>	<b><i>\$0.00</i></b>
New Total	0	0	0
Expansion Total	0	0	0
<b><i>PDC 18 Total</i></b>	<b><i>0</i></b>	<b><i>0</i></b>	<b><i>\$0.00</i></b>
New Total	1	17	\$18.00
Expansion Total	5	71	\$107.65
<b><i>PDC 19 Total</i></b>	<b><i>6</i></b>	<b><i>88</i></b>	<b><i>\$125.65</i></b>
New Total	0	0	\$0.00
Expansion Total	1	9	\$5.25
<b><i>PDC 22 Total</i></b>	<b><i>1</i></b>	<b><i>9</i></b>	<b><i>\$5.25</i></b>
New Total	14	905	\$150.50
Expansion Total	47	2,500	\$128.15
<b><i>PDC 23 Total</i></b>	<b><i>61</i></b>	<b><i>3,405</i></b>	<b><i>\$278.65</i></b>
<b><i>Various Locations</i></b>	<b><i>1</i></b>	<b><i>300</i></b>	<b><i>\$0.00</i></b>
<b><i>Confidential</i></b>	<b><i>8</i></b>	<b><i>538</i></b>	<b><i>\$280.30</i></b>
<b><i>Grand Total</i></b>	<b><i>416</i></b>	<b><i>26,043</i></b>	<b><i>\$2,921.46</i></b>

## Appendix 5: Employment Creation and Capital Investment by PDC for FY 2011

### Employment Creation and Capital Investment by Planning District Fiscal Year 2011

**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 FY2011. All announcements are subject to revision.

Map created by Virginia Economic Development Partnership, September 2011

# Appendix 6: Audited Financial Report

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**Virginia Economic Development Partnership**  
Audited Basic Financial Statements  
For the Fiscal Year Ended  
June 30, 2011

Virginia Economic Development Partnership  
Audited Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011

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## INTRODUCTORY SECTION



VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP  
Richmond, Virginia

APPOINTED OFFICIALS

As of June 30, 2011

Board of Directors

Julien G. Patterson, Chair

Stephen R. Adkins  
G. William Beale  
Edie M. Bowles  
Russell B. Clark  
Mark D. Heath  
David Hudgins  
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.

The Honorable William T. Bolling, Ex-Officio

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, 2011

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, 2011. 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 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, 2011, the Partnership had a net asset deficit of \$775,815 compared to a net asset deficit of \$288,044 as of June 30, 2010. Following is an analysis of the changes in the net assets of the Partnership.

	Net Assets		
	<u>2011</u>	<u>2010</u>	<u>Variance</u>
Current and other assets	\$ 3,673,372	\$ 2,947,350	\$ 726,022
Capital assets, net of depreciation	<u>635,897</u>	<u>756,826</u>	<u>(120,929)</u>
Total assets	<u>4,309,269</u>	<u>3,704,176</u>	<u>605,093</u>
Non-current liabilities	4,496,919	3,574,241	(922,678)
Other liabilities	<u>588,165</u>	<u>417,979</u>	<u>(170,186)</u>
Total liabilities	<u>5,085,084</u>	<u>3,992,220</u>	<u>(1,092,864)</u>
Net assets:			
Invested in capital assets, net of related debt	635,897	756,826	(120,929)
Unrestricted	<u>(1,411,712)</u>	<u>(1,044,870)</u>	<u>(366,842)</u>
Total net assets (deficit)	<u>\$ (775,815)</u>	<u>\$ (288,044)</u>	<u>\$ (487,771)</u>

*Total assets* increased this fiscal year by \$726,022 when compared to last year. The increase in current and other assets was due to increases in cash balances of \$654,444, the amount due from the Tobacco Indemnification and Community Revitalization Commission of \$111,509, and lease deposit balances of \$996. These increases were offset by decreases in prepaid expenses of \$21,278, other receivables of \$14,521, and travel advances of \$5,128.

*Total liabilities* increased by \$1,092,864. Non-current liabilities increased by \$922,678 due to increases in the Partnership's net pension obligation and other post employment obligations totaling \$847,285, and an increase in the compensated absences liability of \$75,393. The increase in other liabilities of \$170,186 was caused by increases in accounts payable of \$24,326, accrued payroll of \$2,598, deferred payments to the Virginia Retirement System of \$119,740, and the amount due to Virginia National Defense Industrial Authority of \$26,127. These increases were offset by a reduction of \$2,605 in deferred revenue.

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 \$1,411,712 is classified as *unrestricted*. The Partnership has recorded \$3,657,090 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 \$3,085,000.

Changes in Net Assets			
	<u>2011</u>	<u>2010</u>	<u>Variance</u>
Revenues:			
Program revenues:			
Charges for services	\$ 467,051	\$ 364,652	\$ 102,399
General revenues:			
General Fund appropriations	18,464,529	14,460,146	4,004,383
Other	<u>102,706</u>	<u>(44,099)</u>	<u>146,805</u>
Total revenues	<u>19,034,286</u>	<u>14,780,699</u>	<u>4,253,587</u>
Expenses:			
Business Development	3,144,682	2,963,943	(180,739)
International Investment	1,907,003	1,849,352	(57,651)
International Trade	3,172,206	2,821,329	(350,877)
Research	1,866,534	1,756,547	(109,987)
Communications and Promotions	3,097,953	1,258,962	(1,838,991)
Information Technology	2,177,788	2,046,546	(131,242)
Administration	2,776,796	2,411,939	(364,857)
Pass-through Payments	<u>1,379,095</u>	<u>258,520</u>	<u>(1,120,575)</u>
Total expenses	<u>19,522,057</u>	<u>15,367,138</u>	<u>(4,154,919)</u>
Increase (Decrease) in net assets	(487,771)	(586,439)	98,668
Beginning net assets	<u>(288,044)</u>	<u>298,395</u>	<u>27,650</u>
Ending net assets(deficit)	<u>\$ (775,815)</u>	<u>\$ (288,044)</u>	<u>\$ (487,771)</u>

*Net assets* for the Partnership decreased by \$487,771 during the current fiscal year compared to a decrease of \$586,439 in net assets in the prior fiscal year. The revenues increase of \$4,253,587 is due to a \$4,004,383 increase in general fund appropriations provided by the COV. An increase in VEDP's marketing activities resulted in the increase in the related charges for services of \$102,399. Other revenues increase of \$146,805 was caused by a decrease in the losses on the disposal of fixed assets of \$83,094, an increase in other revenues of \$66,314 offset by a \$2,603 decrease in interest income on cash deposits.

The \$4,154,919 expense increase is due primarily to the increase in funding from the COV. Additional funding of \$2.75 million was provided to enhance VEDP's advertising and marketing efforts. Approximately \$2.4 million of these funds was budgeted in the marketing divisions; Business Development, International Investment, International Trade and Communications and Promotions. The balance was allocated between Research and Information Technology to enhance the support these divisions provide to the marketing efforts. Pass-through Payments for the Virginia Commercial Spaceflight Authority were increased by \$1,120,575.

## **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 \$19.5 million. This amount was reduced by \$1.5 million for reductions in pass-through funding for the Virginia Biotechnology Wet-Laboratory Program. COV funding was increased by \$300,000 for Rolls Royce project management and \$125,000 for a one-time, 3% bonus for employees. Actual revenues for participation and sponsorship fees exceeded the adjusted final budgeted amounts by just over \$120,000 due to an increased marketing calendar of missions and events, which generates the related revenue. Actual expenditures were less than the final budget by approximately \$1.13 million. This surplus was primarily due to the delay in implementing some new domestic marketing and prospect activities and the opening of 2 foreign offices.

## **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, 2011

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	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and cash equivalents (Note 2)	\$ 3,235,014
Petty cash and travel advances	4,068
Due from the Tobacco Indemnification and Community Revitalization Commission	111,509
Prepaid expenses	292,930
Other receivables	10,976
Lease deposits (Note 5)	18,875
Capital assets, net of accumulated depreciation (Note 6) Leasehold improvements, furniture, and equipment	<u>635,897</u>
Total assets	<u>4,309,269</u>
<b>Liabilities</b>	
Accounts payable	111,143
Accrued payroll	145,954
Due to Virginia Retirement System	119,740
Unearned revenue	4,185
Due to Virginia National Defense Industrial Authority	207,143
Noncurrent liabilities due within one year Compensated absences (Note 8)	433,286
Noncurrent liabilities due in more than one year Compensated absences (Note 8)	406,543
Net pension obligation (Note 9)	2,804,445
Net other post-employment obligation (Note 10)	<u>852,645</u>
Total liabilities	<u>5,085,084</u>
<b>Net assets</b>	
Investment in capital assets, net of related debt	635,897
Unrestricted	<u>(1,411,712)</u>
Total net assets (deficit)	<u><u>\$ (775,815)</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, 2011

	Expenses	Charges for Services	Net (Expense) Revenue and Changes in Net Assets
<b>Governmental Activities</b>			
Business Development	\$ 3,144,682	33,000	\$ (3,111,682)
International Investment	1,907,003	31,700	(1,875,303)
International Trade	3,172,206	219,625	(2,952,581)
Research	1,866,534	-	(1,866,534)
Communications and Promotions	3,097,953	174,626	(2,923,327)
Information Technology	2,177,788	-	(2,177,788)
Administration	2,706,702	8,100	(2,698,602)
Pass-through Payments	1,379,095	-	(1,379,095)
Total governmental activities	19,451,963	467,051	(18,984,912)
<b>General Revenues</b>			
Revenue provided by the General Fund of the Commonwealth (Note 4)			18,464,529
Interest revenue			10,370
Other revenue			26,250
Loss on disposal of fixed assets			(4,008)
Total general revenues			18,497,141
Decrease in net assets			(487,771)
Net assets, July 1, 2010			(288,044)
Net assets (deficit), June 30, 2011			\$ (775,815)

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

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP  
BALANCE SHEET  
GOVERNMENTAL FUND  
As of June 30, 2011

	<u>General Fund</u>
<b>Assets</b>	
Cash and cash equivalents (Note 2)	\$ 3,235,014
Petty cash and travel advances	4,068
Due from the Tobacco Indemnification and Community Revitalization Commission	111,509
Prepaid expenses	292,930
Other receivables	10,976
Lease deposits (Note 5)	<u>18,875</u>
Total assets	<u>\$ 3,673,372</u>
<b>Liabilities and Fund Balances</b>	
Liabilities:	
Accounts payable	\$ 111,143
Accrued payroll	145,954
Due to Virginia Retirement System	119,740
Unearned revenue	4,185
Due to Virginia National Defense Industrial Authority	<u>207,143</u>
Total liabilities	<u>588,165</u>
Fund Balances:	
Nonspendable	311,805
Unassigned fund balance	<u>2,773,402</u>
Total fund balances	<u>3,085,207</u>
Total liabilities and fund balances	<u>\$ 3,673,372</u>

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

Fund balances, Governmental Fund	\$ 3,085,207
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	635,897
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>(4,496,919)</u>
Total net assets of governmental activities	<u>\$ (775,815)</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, 2011

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	General Fund
<b>Revenues</b>	
Revenue provided by the General Fund of the Commonwealth (Note 4)	\$ 18,464,529
Participation fees	291,481
Sponsorship fees	122,355
Interest revenue	10,370
Other revenue	79,465
Total revenues	<u>18,968,200</u>
<b>Expenditures</b>	
Business Development	2,905,135
International Investment	1,836,586
International Trade	3,013,948
Research	1,736,118
Communications and Promotions	3,042,032
Information Technology	1,994,828
Administration	2,490,953
Pass-through Payments	1,379,095
Total expenditures	<u>18,398,695</u>
Revenues over expenditures	<u>569,505</u>
Fund balance, July 1, 2010	<u>2,515,702</u>
Fund balance, June 30, 2011	<u>\$ 3,085,207</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, 2011

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

Net increase in fund balance of the general fund	\$	569,505
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.		(120,929)
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>(936,347)</u>
Decrease in net assets of governmental activities	\$	<u><u>(487,771)</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, 2011

	Budgeted Amounts			Variances with
	Original	Final	Actual	Final Budget- Positive (Negative)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth (Note 4)	\$ 19,541,330	\$ 18,464,529	\$ 18,464,529	\$ -
Participation fees	189,200	240,900	291,481	50,581
Sponsorship fees	25,000	50,000	119,750	69,750
Interest revenue	10,000	10,000	10,370	370
Other revenue	25,000	75,497	94,962	19,465
Total revenues	19,790,530	18,840,926	18,981,092	140,166
<b>Expenditures</b>				
Business Development	3,114,859	3,280,937	2,893,409	387,528
International Investment	2,065,939	2,078,270	1,907,191	171,079
International Trade	2,938,172	2,898,647	2,971,639	(72,992)
Research	1,869,828	1,902,130	1,708,997	193,133
Communications and Promotions	2,848,280	3,161,576	2,970,177	191,399
Information Technology	1,937,838	2,008,730	1,968,298	40,432
Administration	2,611,184	2,734,439	2,446,592	287,847
Pass-through Payments	2,879,095	1,379,095	1,379,095	-
Total expenditures	20,265,195	19,443,824	18,245,398	1,198,426
Revenues over (under) expenditures	(474,665)	(602,898)	735,694	1,338,592
Fund balance, July 1, 2010	474,665	602,898	2,426,629	1,823,731
Fund balance, June 30, 2011 (Note 3)	\$ -	\$ -	\$ 3,162,323	\$ 3,162,323

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, 2011

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.

Fund balances for the Partnership's governmental fund financial statements are classified in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." Fund balances are classified as restricted, committed or assigned if the related resources reported in governmental funds have either externally or internally imposed restrictions on their usage. Nonspendable fund balance

represents assets such as prepaid expenses and lease deposits that are unavailable to be spent on future operations. The unassigned fund balance represents the remainder of the general fund, fund balance.

C. Prepaid Expenses

The Partnership's prepaid expenses include 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, 2011.

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 five to ten 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 includes amounts received for sponsorship and participation fees at June 30, 2011, 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, 2011. Compensated absences were calculated in accordance with 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, 2011. 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, 2011	\$ 3,162,323
Add: Prepaid expenses and other receivables	303,906
Deduct: Accrued expenses and unearned revenues	<u>(381,022)</u>
Fund balance, GAAP basis, June 30, 2011	<u>\$ 3,085,207</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 874	\$ 19,944,647
Add: Funding for Rolls Royce Project Management	300,000
Funding for employee bonuses	125,180
Deduct: Reduction in funding for pass through payments	(1,500,000)
Appropriation for VNDIA	(403,317)
Central Appropriations adjustments	<u>(1,981)</u>
Revenue provided by the General Fund of the Commonwealth	<u>\$ 18,464,529</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 1,880,000 Japanese yen. The Tokyo lease deposit is valued at \$18,475 at June 30, 2011.

6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

<u>Capital Assets Being Depreciated</u>	<u>Balance July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2011</u>
Leasehold improvements, furniture and equipment	\$ 1,545,613	\$ 41,988	\$ (38,337)	\$ 1,549,264
Less: accumulated depreciation	<u>788,787</u>	<u>158,909</u>	<u>(34,329)</u>	<u>913,367</u>
Leasehold improvements, furniture and equipment, net of accumulated depreciation	<u>\$ 756,826</u>	<u>\$ (116,921)</u>	<u>\$ (4,008)</u>	<u>\$ 635,897</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, 2011, amounted to \$1,605,356. A summary of minimum future obligations under these agreements as of June 30, 2011, follows:

<u>Year Ending June, 30</u>	<u>Obligations</u>
2012	\$ 1,577,797
2013	1,343,558
2014	1,372,537
2015	1,383,180
2016	<u>692,718</u>
Total future minimum rental payments	<u>\$ 6,369,790</u>

8. COMPENSATED ABSENCES

Compensated absences activity for the fiscal year ended June 30, 2011, was as follows:

<u>Balance</u> <u>July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2011</u>
\$ 764,436	\$ 547,069	\$ 471,676	\$ 839,829
	Due Within One Year		<u>(433,286)</u>
	Due in More Than One Year		<u>\$ 406,543</u>

9. PENSION PLAN

The Partnership is a participating employer in a defined benefit pension 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. Salaried employees of the Partnership are members in one of two retirement plans administered by the VRS. As of June 30, 2011, the Partnership's net pension obligation was \$2,804,445.

Plan Descriptions

Plan 1 – Employees with pre-July 1, 2010 service credit.

Benefits vest after five years of service. Employees may retire with an unreduced benefit at age 65 with at least 5 years of service credit or at age 50 with at least 30 years of service credit. Retirement benefits are payable monthly for life in an amount based on 1.7 percent of an employee's average final compensation (AFC) multiplied by the employee's total years of service. AFC is defined as the average of the employee's 36 highest consecutive months of creditable compensation. Reduced retirement benefits are available to employees at age 55 with at least 5 years of service credit or at age 50 with at least 10 years of service credit. In addition, retirees qualify for annual cost-of-living increases beginning in their second year of retirement. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the State legislature.

Plan 2 – Employees hired or rehired on or after July 1, 2010 with no service credit.

Benefits vest after five years of service. Employees may retire with an unreduced benefit at normal social security retirement age with at least 5 years of service credit or when the employee's age plus service years equal 90. Retirement benefits are payable monthly for life in an amount based on 1.7 percent of an employee's average final compensation (AFC) multiplied by the employee's total years of service. AFC is defined as the average of the employee's 60 highest consecutive months of creditable compensation. Reduced retirement benefits are available to employees at age 60 with at least 5 years of service credit. In addition, retirees qualify for annual cost-of-living increases beginning in their second year of retirement. 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 for Plan 1 members. The Partnership paid the Plan 1 member contributions, which amounted to \$327,088 (5 percent of total creditable compensation of \$6,541,760). 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, 2011, was 6.58 percent, which resulted in a contribution of \$444,254 (6.58 percent of Plan 1 plus Plan 2 creditable compensation of \$6,751,577) of 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, 2011, the Partnership's combined net other post-employment benefit obligation for these plans was \$852,645.

### 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 1.02% of creditable compensation of \$6,913,712 resulting in a contribution of \$70,520. This contribution covers premiums for active employees and actual death claims for retirees. As of June 30, 2011, 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 0.99% of creditable compensation of \$6,751,577 resulting in a contribution of \$66,841 as of June 30, 2011, the Partnership's net post-employment benefit obligation for this plan was \$99,338.

#### VIRGINIA SICKNESS AND DISABILITY PROGRAM

The 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 0.66% of creditable compensation of \$6,779,490 resulting in a contribution of \$44,745. As of June 30, 2011, the Partnership's net post-employment benefit obligation for this plan was \$194,679.

#### 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, 2011, the Partnership's net post-employment benefit obligation for this plan was \$558,628.

#### 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 \$10 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 \$17,140 for the fiscal year 2011.

## 12. 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 DHRM. The Partnership pays premiums to DHRM for health insurance coverage. Information relating to the Commonwealth's insurance plan is available at the statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.



# Commonwealth of Virginia

*Auditor of Public Accounts*

Walter J. Kucharski  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

October 21, 2011

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, 2011, 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, 2011, 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 is not a required part of the basic financial statements, but is 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 October 21, 2011, 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/alh