

# VCEDA

Virginia Coalfield Economic Development Authority



**technology** **energy • education • emerging technologies**

## 2010 ANNUAL REPORT

# Chairman's Letter

The Honorable Robert F. McDonnell  
Governor of Virginia  
Patrick Henry Building, 3rd Floor  
1111 East Broad Street  
Richmond, Virginia 23219



George F. Cridlin  
Chairman

Dear Governor McDonnell,

We are pleased to submit to you and the General Assembly the 2010 Annual Report of the Virginia Coalfield Economic Development Authority.

In 2010, VCEDA approved five loans and two grants, totaling \$9.1 million. These projects are expected to create or retain at least 195 jobs and help bring millions in investment and future economic impact to the region. Highlights of the year include the announcement of a new college of optometry in Buchanan County and the openings of the Appalachia America Energy Research Center in Wise County and the Crooked Road Tech Center in Scott County. Other highlights include the creation of a virtual call center in Southwest Virginia by Fortune 500 company DirecTV, providing at least 45 jobs to coalfield region residents who telework from their homes. Other projects included approving funding for repairs to an industrial facility in Buchanan County to help retain 48 jobs; the announcement of 50 new jobs by existing business KCG Call Centers in Lee County; holding a first-time event honoring 30 existing businesses in the region that have made a significant impact on the regional economy; providing funding for a feasibility and economic impact study of establishing a school of dentistry in Wise County; and approving funding to assist with additional sites in Dickenson, Scott and Wise counties.

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

Sincerely,

  
George F. Cridlin, Chairman



## Mission of the Virginia Coalfield Economic Development Authority

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

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



VCEDA Executive Committee Chairman Jay Rife, center, joins Gary Qualls, left, DirecTV's Vice President of Business and Operations Development, and Congressman Rick Boucher to announce the Fortune 500 company's plans to establish a virtual call center and create 100 jobs in three regions of Southwest Virginia. DirecTV employs 45 VCEDA region residents who telework from their homes.

VCEDA closes a grant of up to \$325,000 to the Wise County IDA for obtaining a feasibility and economic impact study of developing a school of dentistry in Wise County. From left, Jonathan Belcher, VCEDA Executive Director; George Cridlin, VCEDA Chairman; Kenny Gilley, Chairman, Wise County IDA; and Carl Snodgrass, Executive Director, Wise County IDA.



Participating in the ribbon-cutting ceremony to open the newly constructed Appalachia America Energy Research Center in the Lonesome Pine Regional Business & Technology Park in Wise are, from left, Kenny Gilley, Chairman of the Wise County IDA; Delegate Bud Phillips; former U.S. Senator George Allen; Terry McAuliffe; Delegate Will Morefield; Donald Baker, VCEDA Vice Chairman; Delegate Terry Kilgore; and Senator William Wampler. VCEDA approved up to \$2 million for the facility construction and \$505,000 for equipment.







VCEDA honors 30 existing businesses from throughout the region at a regional business appreciation ceremony and cookout at the VCEDA office in Lebanon. VCEDA, which has provided assistance to many of the businesses, presented awards to the various companies recognizing their important impact to the regional economy.



VCEDA closes a loan of up to \$120,000 to the Buchanan County IDA for repairs to the Council Industrial Facility, helping the IDA retain building occupant Potomac Field Gear with 48 employees. From left, are Jay Rife, VCEDA Executive Committee Chairman; Carroll Branham, Chairman of the Buchanan County Board of Supervisors and VCEDA board member; Jean Justus, Secretary/Treasurer of the Buchanan County IDA; Michael Deel, Chairman of the Buchanan County IDA; and Jonathan Belcher, VCEDA Executive Director.



VCEDA closes a loan for \$2,020,000 to the Scott County EDA for the purchase of real estate in Scott County for economic development purposes. From left, Jonathan Belcher, VCEDA Executive Director; George Cridlin, VCEDA Chairman; Joe Fuller, Chairman of Scott County EDA; and John Kilgore, Executive Director of the Scott County EDA.



Lieutenant Governor Bill Bolling joined Scott County, VCEDA, the Tobacco Commission and other officials to open the new Crooked Road Tech Center in the Scott County Regional Business & Technology Park. From left, are Skip Skinner, LENOWISCO Executive Director and VCEDA board member; John Kilgore, Executive Director of the Scott County EDA; Delegate Terry Kilgore; Lieutenant Governor Bill Bolling; Joe Fuller, Chairman, Scott County EDA; Dr. David Redwine, Chairman, Scott County Board of Supervisors; and Ron Flanary, Director of the Duffield Development Authority. VCEDA assisted with an \$830,000 loan for site and business park development.



VCEDA holds a loan closing ceremony for an up to \$505,000 loan to the Wise County IDA for the purchase of equipment for the Appalachia America Energy Research Center in Wise. From left, George Cridlin, VCEDA Chairman; Carl Snodgrass, Executive Director, Wise County IDA; Jonathan Belcher, VCEDA Executive Director; and Kenny Gilley, Wise County IDA Chairman.

Congressman Rick Boucher and KCG Call Centers announce the addition of 50 new jobs at the KCG Call Center in Pennington Gap to help service a new contract with Macy's. From left, Senator William Wampler, Delegate Terry Kilgore, Congressman Rick Boucher, VCEDA Chairman George Cridlin, and Kathy Kavanaugh, Director of the KCG Call Center. VCEDA helped recruit KCG Call Centers to Lee County and provided financing.



The Buchanan County Board of Supervisors and IDA announce plans to establish a school of optometry in Buchanan County. The school is expected to create 66 direct jobs and 350 total jobs. VCEDA approved up to \$5.6 million in funding for the project, in addition to funding the feasibility study. From left, Terry Hall, Buchanan County Board of Supervisors; Jay Rife, VCEDA Executive Committee Chairman; Craig Horn, Executive Director, Buchanan County IDA; Jonathan Belcher, VCEDA Executive Director; William P. Harris, Buchanan County Board of Supervisors; Carroll Branham, Chairman, Buchanan County Board of Supervisors and VCEDA board member; Berlin Viars, Frankie Landreth, Roger Rife, and Steve O'Quinn, Buchanan County Board of Supervisors.



# Executive Director's Report



Jonathan Belcher  
Executive Director

It was an active year for the Virginia Coalfield Economic Development Authority and economic development efforts in the coalfield region of Virginia. Despite a slowdown in business location and expansion decisions due to national economic conditions, economic development progress continued in the region and saw one of the most active years ever in terms of economic development marketing of the region.

The year began on a high note with the annual meeting of the VCEDA Executive Advisory Board, where an economist told the group that the VCEDA region was performing better than the state average in terms of employment growth, and that regional unemployment rates were better than the national average. The first quarter also included several business development events including a marketing mission to the Data Center World Spring Expo. On March 30, Fortune 500 company DirecTV announced that it would create 100 new jobs in Southwest Virginia as part of its virtual call center program.

The pace did not slow in the second quarter, with VCEDA closing a loan on April 9 to help the Buchanan County Industrial Development Authority retain 48 jobs at the Council Industrial Facility. On May 20, VCEDA held the first region-wide existing business appreciation ceremony to honor 30 existing businesses from throughout the region that had made a significant impact on the regional economy.

The third quarter featured a host of events and activities including marketing missions to the International Woodworking Fair and COVITS. On August 23, KCG Call Centers announced that it would add 50 new jobs at its Pennington Gap operation, and on August 25, a ribbon-cutting ceremony was held on the new Appalachia America Energy Research Center in Wise County, for which VCEDA has approved up to \$2,505,000 in funding.

The year concluded on a positive note with the December 17 announcement of a new college of optometry in Buchanan County that could create as many as 66 new jobs and even more economic impacts. VCEDA approved up to \$5.6 million in funding for this important project on December 16. The final quarter of 2010 also featured several more business development events, including marketing missions to the Governor's Conference on Energy and FABTECH. On December 10, VCEDA closed a grant to help plan for a possible school of dentistry in Wise County. In conclusion, the VCEDA Board maintained outstanding leadership in 2010 for the continued economic diversification and prosperity of the coalfield region of Virginia.



VCEDA led two teams of economic developers from the region to man the Virginia's e-Region exhibit booth and meet with companies and site consultants in pre-set appointments during the four-day FABTECH trade show in Atlanta in November. Team A included from left, Susan Copeland, VCEDA; Tim Long, Lee County; Jonathan Belcher, VCEDA; Charlotte Mullins, Dickenson County; Margie Douglass, Tazewell County; Carl Snodgrass, Wise County; and Donnie Rife, Dickenson County and VCEDA board member.



Team B at the FABTECH trade show included from left, Jim Spencer, Tazewell County; Doyle Rasnick, Tazewell County; Craig Horn, Buchanan County; Yvonne Rutherford, Russell County; John Kilgore, Scott County; Harry Rutherford, Russell County; and Jonathan Belcher, VCEDA. FABTECH is North America's largest metal forming, fabricating, welding and finishing trade show. The two VCEDA-led teams worked the exhibit booth and met with 23 companies and site location consultants in pre-set appointments.

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





VCEDA and economic developers from the region attend the Commonwealth of Virginia's Innovative Technology Symposium in September in Richmond. From left, Jonathan Belcher, VCEDA; John Kilgore, Scott County; Aneesh Chopra, former Virginia Secretary of Technology, now the U.S. Chief Technology Officer; Margie Douglass, Tazewell County; and Yvonne and Harry Rutherford, Russell County.



Governor Bob McDonnell pauses for a photo with Jim O'Quinn, VCEDA Special Projects Coordinator, during the Governor's Summit on Manufacturing in October in Richmond. The summit was for decision makers in manufacturing as well as economic developers.



VCEDA and a team of economic developers from the region attend the first annual Governor's Conference on Energy in Richmond in October. Speakers include Governor Bob McDonnell and T. Boone Pickens. From left, Donnie Rife, Dickenson County and VCEDA board member; Jonathan Belcher, VCEDA; John Kilgore, Scott County; and Charlotte Mullins, Dickenson County.



Congressman-elect Morgan Griffith discusses regional issues with VCEDA and local economic developers following a meeting December 9, coordinated by VCEDA and held at the VCEDA office in Lebanon. The meeting was held to get to know the Congressman-elect and to provide briefings on economic development in the region. In a discussion with the Congressman-elect are, from left, VCEDA board member Dana Kilgore; Carl Snodgrass, Wise County; Congressman-elect Morgan Griffith; Harry Rutherford, Russell County; and Tim Long, Lee County.



VCEDA led a team of economic developers from the region to attend Data Center World Expo in Nashville in March. From left, Craig Horn, Buchanan County; Carl Snodgrass, Wise County; Harry and Yvonne Rutherford, Russell County; Jonathan Belcher, VCEDA; Margie Douglass, Tazewell County; Charlotte Mullins, Dickenson County; John Kilgore, Scott County; Donnie Rife, Dickenson County and VCEDA board member; and Charles Yates, VCEDA.

Mary Rae Carter, Virginia's first Deputy Secretary of Commerce and Trade for Rural Economic Development, takes a tour of Lee and Scott counties in October to complete her visits to all seven VCEDA region counties. One stop in her tour includes a visit at Wilderness Road State Park in Lee County, where she chats with a historic interpreter about the heritage of Southwest Virginia and development at the park. VCEDA helped coordinate the tour, which also included visits to Natural Tunnel State Park, VFP, Inc., Joy Mining Machinery, and Constitutional Oaks Business Park.



In August, VCEDA led teams of economic developers from the region to Atlanta to the International Woodworking Fair, the largest wood-related trade show in North America. From left, John Kilgore, Scott County; Charlotte Mullins, Dickenson County; Susan Copeland, VCEDA; Carl Snodgrass, Wise County; and Jonathan Belcher, VCEDA. Tim Long of Lee County and Craig Horn of Buchanan County also participated in the event.

# 2010 Highlights

## January 5

Virginia Lieutenant Governor Bill Bolling joins Scott County, VCEDA, the Tobacco Commission and other officials to cut the ribbon on the new Crooked Road Tech Center located in the Scott County Regional Business & Technology Park in Duffield.

## January 21

VCEDA holds its annual Executive Advisory Board meeting in Richmond. Guest speakers include Lieutenant Governor Bill Bolling and Bob Sledd, Senior Economic Advisor to the Governor.

## January 21

VCEDA is a cosponsor and exhibitor at the Regional Legislative Reception in Richmond. More than 350 attend the annual event and guests include Governor Bob McDonnell.

## February 1-5

VCEDA Business Development/PR Coordinator Susan Copeland attends and helps man an exhibit booth with the Virginia Economic Development Partnership at Information Assurance Expo in Nashville.

## March 10

VCEDA participates in the annual Russell County Business Showcase.

## March 8-11

Virginia's e-Region team attends Data Center World Expo, one of the largest global events of its kind, in Nashville. The group mans the e-Region exhibit booth and meets with more than 20 companies to promote the region as a location for data centers and other IT projects.

## March 18

The VCEDA board meets for its first meeting of the year and approves amending a 2009 grant of \$125,000 to the Buchanan County IDA to obtain a feasibility and economic impact study of developing a school of optometry in Buchanan County. The board also approves a loan of up to \$120,000 to the Buchanan County IDA for repairs at the Council Industrial Facility to help retain jobs at Potomac Field Gear. In other action, the board approved financing modification requests to assist the Dickenson Community Hospital, VFP, Inc., and Clinch River Forest Products, Inc.

## March 30

DirecTV and Congressman Rick Boucher announce DirecTV will create 100 new jobs in Southwest Virginia for a virtual call center.

## April 9

VCEDA closes up to a \$120,000 loan to the Buchanan County IDA for repairs to the Council Industrial Facility to help retain 48 jobs at Potomac Field Gear.

## April 13

VCEDA holds a quarterly meeting of local economic developers at the VCEDA office in Lebanon.

## April 19

VCEDA attends the Southwestern Virginia Technology Council Energy Summit held on the campus of the University of Virginia's College at Wise.

## May 11-13

VCEDA hosts a group of project managers from the Virginia Economic Development Partnership for a tour of the region.

## May 13-15

VCEDA attends the National Rifle Association trade show in Charlotte, NC.

## May 20

VCEDA holds a regular board meeting and also honors 30 existing businesses from throughout the region at the first-ever regional business appreciation ceremony and cookout at the VCEDA office in Lebanon.

## May 24-25

VCEDA attends and features an exhibit at the Eastern Coal Council's 31st Annual Conference and Expo.

## June 2-3

Virginia Secretary of Commerce and Trade Jim Cheng and Virginia Secretary of Technology Jim Duffey tour the region. VCEDA makes a presentation on economic development in the region.

## June 17

VCEDA is a sponsor and features an exhibit at the Southwestern Virginia Technology Council annual awards banquet. Along with Congressman Boucher's office, VCEDA accepts an award on behalf of DirecTV for its virtual call center project.

## June 28

VCEDA hosts a meeting of the Scott County Economic Development Authority at the VCEDA office in Lebanon.

## June 28

Virginia Lieutenant Governor Bill Bolling tours the coalfield region and praises VCEDA as a model for regional economic development.

## July 19

VCEDA attends Congressman Rick Boucher's conference on building our local economy in a global marketplace.

## August 9-10

VCEDA holds a regional/local developers meeting at the University of Virginia's College at Wise. Special guests include Mary Rae Carter, Virginia's first Deputy Secretary of Commerce and Trade for Rural Economic Development; Jimmy Rhee, Assistant Secretary of Commerce and Trade; and Karen Jackson, Deputy Secretary of Technology. The secretaries tour several counties in the region following the meeting. ▼



## August 23

KCG Call Centers and Congressman Rick Boucher announce that KCG will add 50 new jobs at its Pennington Gap call center to help service a new contract with Macy's. VCEDA helped recruit the company and provide financing.





### August 24-28

VCEDA leads teams of economic developers from the region to Atlanta to the International Woodworking Fair, the largest wood-related trade show in North America, with nearly 1,000 exhibitors. At this event, the teams man the Virginia's e-Region booth to talk about the opportunities available in the region.

### August 25

The Appalachia America Energy Research Center holds a ribbon-cutting ceremony for the official opening of the new facility in Lonesome Pine Regional Business & Technology Park. VCEDA approved up to a \$1,045,000 grant and a \$955,000 loan for construction, and later up to a \$505,000 loan for equipment for the new energy research center.

### September 2

VCEDA board meets and approves a loan of up to \$147,000 to the Dickenson County IDA for the purchase of real estate for a new regional industrial park, a loan of up to \$505,000 to the Wise County IDA for equipment at the Appalachia America Energy Research Center, and a grant of up to \$325,000 to the Wise County IDA for a feasibility and economic impact study for a school of dentistry in Wise County.

### September 7-8

VCEDA and several economic developers from the region attend the Commonwealth of Virginia's Innovative Technology Symposium (COVITS) in Richmond, where the group speaks with attendees and exhibitors about opportunities in the region.

### October 3-4

Susan Copeland, Business Development/PR Coordinator for VCEDA, represents VCEDA with the team from the Virginia Economic Development Partnership at the Industrial Asset Management Council fall forum at Hot Springs, Virginia. VEDP hosted the welcome dinner for the conference, and Mary Rae Carter, Deputy Secretary of Commerce and Trade for Rural Economic Development, welcomed attendees to Virginia at the opening session.

### October 6-7

Jim O'Quinn, Special Projects Coordinator for VCEDA, attends the Governor's Summit on Manufacturing in Richmond. The summit includes leaders in manufacturing as well as economic developers.

### October 7-9

Mary Rae Carter, Deputy Secretary of Commerce and Trade for Rural Economic Development, returns to the region to complete her tour of all seven VCEDA counties with a tour of Lee and Scott counties, coordinated by VCEDA.

### October 12-14

VCEDA and economic developers from the region attend and man the Virginia's e-Region exhibit booth at the first annual Governor's Conference on Energy in Richmond. Keynote speakers include Governor Bob McDonnell and T. Boone Pickens.

### October 14

VCEDA attends the Virginia Conference on World Trade in Richmond.



### October 14-15

VCEDA attends and features an exhibit booth at the annual Tazewell County Business to Business Showcase at Southwest Virginia Community College.

### October 19

VCEDA attends the 2010 Fall Employer Conference held at Mountain Empire Community College. VCEDA Treasurer Mike Quillen spoke to the group at this event.

### October 20

VCEDA holds a quarterly meeting of local economic developers at the VCEDA office in Lebanon.

### October 25-26

VCEDA assists with the American Coalition for Clean Coal Electricity Coal/Rail/Power Tour of Southwest Virginia for legislators in the Virginia General Assembly. During this tour, the group learned about the use of reclaimed mine land for economic development, including a visit to Sykes Enterprises in Buchanan County where over 300 people work in a new office facility built on reclaimed surface mined land.

### November 2-4

VCEDA leads teams of economic developers from all seven VCEDA counties to FABTECH, North America's largest metal forming, fabricating, welding and finishing trade show, in Atlanta. The show has more than 22,000 attendees, and the VCEDA teams work the Virginia's e-Region exhibit booth and meet with 23 companies and site consultants in pre-set appointments.

### December 9

VCEDA hosts a meeting with Congressman-Elect Morgan Griffith and local economic developers from the region at the VCEDA office in Lebanon. VCEDA and local economic developers from all seven VCEDA counties provide briefings on economic development in the region.

### December 10

VCEDA holds a grant closing ceremony for up to \$325,000 to the Wise County IDA to obtain a feasibility and economic impact study of developing a school of dentistry in Wise County.

### December 10

VCEDA closes a loan of up to \$505,000 to the Wise County IDA for the purchase of equipment for the Appalachia America Energy Research Center in Wise.

### December 16

VCEDA board meets and approves up to a \$5.6 million loan to the Buchanan County IDA for development of a college of optometry in Buchanan County. The board also approves up to a \$385,000 grant to the Wise County IDA for site development at Lonesome Pine Regional Business & Technology Park, and approves converting the balance of a loan to a grant to the Town of Clintwood for the Ralph Stanley Museum and Traditional Mountain Music Center. In other action, the board approves a \$2,020,000 loan to the Scott County EDA for the acquisition of real estate in Scott County, and approves financing modification requests to assist Pemco Corporation and the Historic Crab Orchard Museum and Pioneer Park. The board also released a tract of land conveyed to the Wise County Christian School on which a new school is being constructed in the Lonesome Pine Regional Business & Technology Park.

### December 17

The Buchanan County Board of Supervisors and IDA announce plans to establish a college of optometry in Buchanan County that could create up to 66 new direct jobs and up to 350 total jobs and other economic impacts. VCEDA approved up to \$5.6 million in funding for this project at its December 16 board meeting, in addition to funding the feasibility study.

### December 28

VCEDA closes a loan of \$2,020,000 to the Scott County Economic Development Authority for the purchase of real estate at Weber City, Virginia for economic development purposes.

# Marketing Virginia's e-Region

Marketing of Virginia's e-Region in 2010 was aggressive, and several approaches including advertising messages, website additions, direct mail, trade show and conference participation, communications with site location consultants, and a targeted lead generation campaign were effectively used to promote the region as an excellent business location. Over 4,500 companies were contacted in 2010, resulting in more than 20,000 business development outreach communications.

VCEDA continued to use a team approach including local economic developers in marketing Virginia's e-Region at trade shows and conferences including: Data Center World Expo in March in Nashville; the International Woodworking Fair in August in Atlanta; FABTECH, North America's largest metal forming, fabricating, welding, and finishing event, in November in Atlanta; the Commonwealth of Virginia's Innovative Technology Symposium (COVITS) in September in Richmond; and the first annual Governor's Conference on Energy in October in Richmond. VCEDA also attended the NRA trade show in May in Charlotte, and the Governor's Summit on Manufacturing and the Virginia Conference on World Trade in October in Richmond. VCEDA worked with the Virginia Economic Development Partnership at the Information Assurance Expo in February in Nashville and at the fall forum of the Industrial Asset Management Council in October at Hot Springs, Virginia.

Throughout the region, VCEDA participated in: Russell County Business Showcase in March; Southwestern Virginia Technology Council Energy Summit in April; Tazewell County Business to Business Showcase in October; Eastern Coal Council Conference and Expo in May; the Southwestern Virginia Technology Council awards banquet in June; and the American Coalition for Clean Coal Electricity Coal/Rail/Power Tour in October. VCEDA was a sponsor at the annual regional legislative reception in Richmond in January.

VCEDA ran full-page advertisements in select trade magazines in 2010, featuring available ready-to-go facilities in the region. Leading up to the International Woodworking Fair trade show, VCEDA ran an ad in *Cabinetmaker+FD*M and the directory for the trade show featuring a ready-to-go cabinet plant and equipment in Wise, which turned out to be the most successful ad VCEDA has ever run, resulting in numerous inquiries. Leading up to the FABTECH trade show, VCEDA ran an ad in *Fabricator* magazine advertising ready-to-go manufacturing facilities in the area, and coupled that with a postcard mailing to company owners registered to attend the trade show and also to site location consultants in the Atlanta area. VCEDA also ran an ad and advertorial touting the region in the August 2010 site selection edition of *Virginia Business* magazine.

VCEDA maintained an active existing industry program in 2010 to help support the needs of existing business in the region, with a total of 38 companies being visited during the year, and the holding of the first-ever VCEDA regional existing industry appreciation ceremony where 30 businesses from throughout the region were recognized and presented with an award.

Some changes and additions were made to the VCEDA website which continues to average nearly 20,000 hits per month, with over 7,000 more total hits than last year. VCEDA had 128 inquiries and 27 prospect visits in 2010, both significant increases over 2009 despite national economic conditions, indicating that the aggressive marketing efforts during 2010 were worthwhile.



VCEDA ran this ad in a wood industry trade magazine that was distributed leading up to and during the International Woodworking Fair trade show where VCEDA exhibited. With the number of inquiries it produced, it was the most successful ad VCEDA has ever run.

VCEDA ran an ad and advertorial touting the region in the August 2010 site selection edition of *Virginia Business* magazine.



Advertising ready-to-go manufacturing facilities in the region, postcards were sent to company owners registered to attend the FABTECH trade show, in addition to site location consultants in the Atlanta area.



VCEDA ran this ad featuring ready-to-go manufacturing facilities in the region in *Fabricator* magazine leading up to the FABTECH trade show where VCEDA and economic development allies from the region manned an exhibit booth and met with companies at the show to promote the assets of Virginia's e-Region.



## 2010 New Announcements and Expansions

| Announcements:                   | Jobs       |
|----------------------------------|------------|
| DirectTV                         | 45         |
| Appalachian College of Optometry | 66         |
| <b>Total</b>                     | <b>111</b> |
| <br>                             |            |
| Expansions:                      |            |
| KCG Call Centers                 | 50         |
| <b>Total</b>                     | <b>50</b>  |
| <b>Grand Total</b>               | <b>161</b> |



The Executive Advisory Board of the Virginia Coalfield Economic Development Authority holds its annual meeting on January 21 at the Omni Hotel in Richmond, preceding the coalfield region legislative reception.

## Executive Advisory Board

### ANNUAL MEETING IN RICHMOND

The annual meeting of the Executive Advisory Board of the Virginia Coalfield Economic Development Authority was held January 21 at the Omni Hotel in Richmond. Special guests at the meeting included Lieutenant Governor Bill Bolling and Robert Sledd, senior economic advisor to Governor Bob McDonnell, both of whom addressed the advisory board and discussed the role of economic development in the new administration.

The economy of the seven-county, one-city Virginia coalfield region was a leading topic of discussion.

Dr. Chris Chmura, president of Chmura Economics & Analytics, addressed the advisory group and offered reasons why the region's unemployment rate was less than that of the U.S. when it was much higher in

the last recession.

"The economy of the seven-county, one-city Virginia coalfield region is doing better than the state and the nation," Chmura said, offering three reasons why the region was looking better than Virginia, which was then ranked eighth in the nation in employment growth. She said the coal industry has been strong, professional business services are growing and construction is showing growth as well, which she attributed in part to the power plant under construction in Wise County. The Northrop Grumman and CGI information technology projects in Russell County also have benefitted the region economically.

Jonathan Belcher, executive director of VCEDA, pointed to the region's unemployment rates of 5.9-10.8%, with an average of 8.0 %, that was significantly lower than several surrounding counties in other states.

"Our region is blessed with the coal and natural gas industries, growth in information technology sector jobs, and the tremendous economic impact of the power plant project in Wise County. All of these sectors are helping our region at this time, and our region is becoming more diversified. VCEDA plans to continue our regional focus on the Virginia's e-Region strategy of electronic information technology, energy, education, and emerging technologies and these numbers help verify the soundness of this strategy," said Belcher.

Jeff Anderson, executive director of the Virginia Economic Development Partnership, a member of the Executive Advisory Board, updated the board on economic development activity throughout the state.

"A regional organization can crystallize economic development strategies," said Anderson. "VCEDA has played a key role to bring the assets together, and a regional approach is key to success."



#### R. Daniel Carson Jr., Chairman

Vice President External Affairs  
Appalachian Power Company

#### Tommy Hudson, Vice Chairman

President  
Virginia Coal Association

#### Jeff Anderson

Executive Director  
Virginia Economic Development  
Partnership

#### Anna DeFazio Gadbois

Vice President  
Government Relations & Strategic  
Business Development  
CGI

#### Don M. Green

Executive Director  
Napoleon Hill Foundation

#### The Honorable Linwood Holton

McCandlish Holton, PC  
Attorneys at Law

#### Cheryl L. Janey

Vice President Operations  
Civil Systems Division  
Northrop Grumman Information Systems

#### Michael D. King

Director  
Strategy & Business Development  
Northrop Grumman Corporation  
IT Sector

#### James K. Martin

Senior Vice President  
Regulation and Integrated Resource  
Planning  
Dominion Virginia Power

#### A. George Mason Jr.

Attorney at Law

#### The Honorable Ford C. Quillen

Circuit Court Judge Retired

#### Daniel D. Smith

Senior Vice President Energy and  
Properties  
Norfolk Southern Corporation

#### Robert W. Woltz Jr.

President  
Verizon Virginia, Inc.



◀ Lieutenant Governor Bill Bolling addresses the Executive Advisory Board of the Virginia Coalfield Economic Development Authority during its annual meeting January 21 in Richmond.

# 2010 VCEDA Loan and Grant Approvals

| <b>Loans</b>                    |   |            |                    |
|---------------------------------|---|------------|--------------------|
| County                          | Project                                       | Approved   | Amount             |
| Buchanan                        | IDA/Council Industrial Facility Repairs       | 3/18/2010  | \$ 120,000         |
| Buchanan                        | IDA/Appalachian College of Optometry          | 12/16/2010 | 5,600,000          |
| Dickenson                       | IDA/Coalfield Regional Industrial Park        | 9/2/2010   | 147,000            |
| Scott                           | EDA/Real Estate Purchase                      | 12/16/2010 | 2,020,000          |
| Wise                            | IDA/Appalachia America Energy Research Center | 9/2/2010   | 505,000            |
| <b>Total Loans</b>              |   |            | <b>\$8,392,000</b> |
| <b>Grants</b>                   |   |            |                    |
| Wise                            | IDA/School of Dentistry Study                 | 9/2/2010   | \$ 325,000         |
| Wise                            | IDA/Tech Park Site Development                | 12/16/2010 | 385,000            |
| <b>Total Grants</b>             |   |            | <b>\$ 710,000</b>  |
| <b>Total Loans &amp; Grants</b> |   |            | <b>\$9,102,000</b> |

## Virginia Coalfield Economic Development Authority Statement of Cash Receipts & Disbursements

|                  | Fund Balance<br>1/1/2010 | Cash Receipts        |                    |                     | Cash Disbursements                       |                         | Fund<br>Balance<br>12/31/10 | Uncommitted<br>Available<br>Balance |
|------------------|--------------------------|----------------------|--------------------|---------------------|--|-------------------------|-----------------------------|-------------------------------------|
|                  |                          | Receipts             | Interest<br>Earned | Loan<br>Collections | Administrative/<br>Bus. Dev.<br>Expenses | Project<br>Loans/Grants |                             |                                     |
| Buchanan County  | \$ 4,627,986             | \$ 3,939,043         | \$ 78,460          | \$ 55,300           | \$ 244,691                               | \$ 1,964,182            | \$ 6,491,916                | \$ (759,999)                        |
| Dickenson County | 5,369,547                | 1,189,983            | 91,660             | 225,440             | 95,322                                   | -                       | 6,781,308                   | 6,634,308                           |
| Lee County       | (596,367)                | 13,716               | (8,793)            | 90,526              | 6,488                                    | 17,378                  | (524,784)                   | (524,784)                           |
| City of Norton   | 60,621                   | -                    | 940                | -                   | 1,257                                    | -                       | 60,304                      | 60,304                              |
| Russell County   | 1,850,699                | 568,305              | 33,258             | 122,085             | 51,776                                   | -                       | 2,522,571                   | 2,522,571                           |
| Scott County     | 46,608                   | 3,215                | 838                | 14,570              | 7,704                                    | -                       | 57,527                      | 57,527                              |
| Tazewell County  | 1,966,302                | 415,711              | 34,284             | 277,159             | 44,058                                   | -                       | 2,649,398                   | 2,649,398                           |
| Wise County      | 7,630,568                | 1,250,623            | 119,306            | 258,707             | 102,657                                  | 756,595                 | 8,399,952                   | 6,690,002                           |
| Undesignated     | 8,332,780                | 1,217,268            | 138,154            | 128,516             | 275,269                                  | 1,899,494               | 7,641,955                   | 3,707,767                           |
| Tax Credit       | 18,091,037               | 2,882,372            | 277,306            | 35,357              | -  | 508,204                 | 20,777,868                  | 4,286,073                           |
| Civil Penalties  | 17,371                   | 15,428               | 94                 | -                   | -  | 27,812                  | 5,081                       | 5,081                               |
| CFO Funds        | 3,540,484                | -                    | 60,574             | -                   | -  | -                       | 3,601,058                   | 3,601,058                           |
| <b>TOTALS</b>    | <b>\$ 50,937,636</b>     | <b>\$ 11,495,664</b> | <b>\$ 826,081</b>  | <b>\$ 1,207,660</b> | <b>\$ 829,222</b>                        | <b>\$ 5,173,665</b>     | <b>\$ 58,464,154</b>        | <b>\$ 28,929,306</b>                |

### INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of cash receipts and disbursements of the Virginia Coalfield Economic Development Authority, for the year ended December 31, 2010. This financial statement is the responsibility of the Authority's management. Our responsibility is to express an opinion on the statement based on our audit.

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

As discussed in Note 1, the Virginia Coalfield Economic Development Authority, prepares its financial statements on the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the statement of cash receipts and disbursements referred to above presents fairly, in all material respects, the cash receipts and disbursements of the Virginia Coalfield Economic Development Authority, for the year ended December 31, 2010, on the cash basis of accounting as described in Note 1.

THROWER, BLANTON & ASSOCIATES, P.C.  
Certified Public Accountants  
February 4, 2011

### NOTE TO FINANCIAL STATEMENTS December 31, 2010

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of Accounting

Virginia Coalfield Economic Development Authority's policy is to prepare its financial statements on the cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.



# Virginia Coalfield Economic Development Authority Board of Directors



The Board of Directors of the Virginia Coalfield Economic Development Authority include, from left, front: R.S. Lewis, Secretary; Jay Rife; George Cridlin, Chairman; Donald Baker, Vice Chairman; and Mike Quillen, Treasurer. Back, Joe Gillespie; Jonathan Belcher, Executive Director; Robert Raines; Dana Kilgore; Skip Skinner; Steve Greer; Carroll Branham; Harry Childress, Donnie Rife; and Sue Ella Boatright-Wells. Not pictured are Jim Baldwin and Gerald Ramsey.

## Officers

George F. Cridlin  
Chairman

Donald Baker  
Vice Chairman

R. S. Lewis  
Secretary

Michael J. Quillen  
Treasurer

## Members

### Governor's Appointees

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

## Coal Producers

Michael J. Quillen  
Alpha Natural Resources

Gerald Ramsey  
Consolidation Coal  
Company

Harry D. Childress  
Dickenson-Russell Coal  
Company

## Gas Producer

Steve Greer  
CNX Gas Company

## Virginia Economic Development Partnership

Joe Gillespie

## Planning District Commissions

Jim Baldwin  
Cumberland Plateau PDC

Glen A. Skinner  
LENOWISCO PDC

## County Boards of Supervisors

Carroll Branham  
Buchanan County

Donnie Rife  
Dickenson County

Dana G. Kilgore  
Wise County

## Virginia Coal Association

R. S. Lewis



