



Virginia Economic Development Partnership

Annual Report

Fiscal Year 2012

Table of Contents

Partnership Profile.....	2
Board of Directors	5
Executive Summary	6
Business Recruitment	8
Trade Development.....	11
International Investment.....	13
Promoting Virginia	16
Policy and Legislative Initiatives.....	18
Performance Management.....	20
Appendix 1: High Unemployment Areas Report and Strategy.....	21
Appendix 2: Prospect Visit Data for FY 2012	24
Appendix 3: Site and Building Data for FY 2012	26
Appendix 4: Announcement Data for FY 2012	32
Appendix 5: Employment Creation and Capital Investment by PDC for FY 2012	46
Appendix 6: Audited Financial Report	50

Audited Basic Financial Statements of the Virginia Economic Development Partnership
for the Year Ended June 30, 2012

Partnership Profile

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, 2012. This report is required by the *Code of Virginia*, and by Chapter 3 of the 2012 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 one of the Best States for Business.

Our 2012 Financial Statements Report for the year ended June 30, 2012, 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 12, 2102, with no findings identified in this report.

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

Sincerely,



Julien G. Patterson
Chairman

Partnership Profile

The Virginia Economic Development Partnership

In 1995, the General Assembly created the Virginia Economic Development Partnership (VEDP) to foster increased expansion of the Commonwealth's economy. As a state authority, the Partnership is governed by a 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

Richmond Office – Headquarters

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Richmond, Virginia 23218
Telephone: (804) 545-5600
Fax: (804) 545-5611

Virginia Offices

Eastern Region

101 West Main Street, Suite 600
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Fax: (757) 683-8500

Northern Region

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Vienna, Virginia 22182
Telephone: (703) 506-1030
Fax: (703) 506-1033

Northwest Region

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Telephone: (540) 213-0267
Fax: (540) 213-0268

South Central Region

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Telephone: (540) 772-3905
Fax: (540) 772-3906

Southwest Region

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Fax: (276) 623-1542

International Offices

China

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Belgium
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India

Crystal Plaza, 607, B-Wing
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Japan

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Fax: 81-3-5404-3401

Mexico City

German Centre
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Col. Lomas de Santa Fe
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Fax: 52-555-020-5034

United Kingdom

State of Virginia
Office 404, 4th Floor
Albany House
324/326 Regent Street
London, W1B 3HH
Telephone: 44-20-7692-4847

Board of Directors

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

Edie M. Bowles
Tappahannock, Virginia
Term Expires 6/30/17

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 12/31/17

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 12/31/17

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 3, Item 123 D.1 of the 2012 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 3, Item 123 D.2 of the 2012 Acts of Assembly 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, 2012 (FY 2012) are attached to this report.

This Annual Report documents the efforts of VEDP in fulfilling its mission during FY 2012. 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 2012 accomplishments.

“Named as the #1 Top Competitive State by Site Selection, Virginia’s pro-business climate and strong economic performance gained several top 3 rankings.”



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 123 D.2 of the 2012 Acts of Assembly. 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, 2011, and June 30, 2012. 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 19,918 new jobs will be created. In addition, these facilities will result in investments totaling \$4.4 billion. Forty-four percent of the announcements were of employers locating in economically distressed areas, up from thirty percent last fiscal year. These announcements are expected to create 7,400 new jobs and make capital investments exceeding \$2.2 billion.

Executive Summary

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

As noted above, VEDP is required by statute to report on the status of the Governor's comprehensive economic development plan. Upon taking office, each governor must develop a comprehensive economic development strategy. Governor McDonnell'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.

Business Recruitment

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 leads; 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 statewide strengths and assets, recognizing the special needs of distressed areas in urban and rural Virginia. While marketing occurs in geographies in the U.S. and abroad, within those geographies VEDP focuses on target sectors including Food & Beverage, Information Technology, Aerospace, Federal, Logistics, Energy and Life Sciences. Special audiences 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, 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, customized presentation materials, site studies and proposals. In FY 2012, VEDP continued to leverage 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 supported Governor's marketing missions to select domestic and international 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 project opportunities. In addition, VEDP works directly with companies in structuring financing transactions to meet corporate capital goals. VirginiaScan (VEDP's customized sites and buildings inventory and workforce tool) and resources developed by VEDP's sophisticated Geographic Information System (GIS) team are the technology platforms used to facilitate location decisions.

Any economic development marketing effort must fully understand and adequately present its product. VEDP thus maintains a comprehensive site and building inventory and detailed labor force data and customizes information for prospects to evaluate a location decision for Virginia. VEDP economists track trade data, capital investment, employment and competitive information on other states. VEDP also provides data used for producing various marketing materials and annual economic development reference publications.

FY 2012 Accomplishments

Significant announced job creation in FY 2012 included the continuing trend of globally-headquartered information technology locations: The sector continued to be strong in Virginia.

Business Recruitment

Notable corporate announcements included Capital One, which selected Chesterfield County for a data center expansion, investing over \$150 million and creating over 50 new well-paying jobs. Microsoft Corporation also announced an expansion of its Mecklenburg County data center, adding 10 new jobs and \$150 million capital investment. Growth in the IT sector also continued in Northern Virginia with investments by companies such as AppAssure Software, Newgen Software, and American Systems Corporation.

Existing industry retention and growth:

Expansions of existing companies in Virginia represented a significant proportion of Virginia’s active projects and decisions for Virginia this year, representing over 75% of announced capital investment and over 70% of announced new jobs. Companies such as Sabra Dipping Company, DRS Technologies, Rubbermaid Commercial Products, and Faneuil all elected to grow in Virginia. Sabra announced its expansion in Chesterfield County with an additional \$28 million and 90 jobs; DRS Technologies in Arlington County announced an investment of over \$12 million and the addition of 125 jobs; Rubbermaid in Winchester added over \$53 million in capital investment and 66 employees; and Faneuil added 150 new jobs in Halifax County’s Riverstone Technology Center. Companies in more traditional sectors such as wood products (Vaughan Bassett in Galax added 115 jobs) and companies in emerging sectors such as HDL in Richmond added over 700 jobs and invested over \$60 million. Retaining and growing strong companies like these will continue to be a focus of VEDP and its allies as the economy continues its challenge to rebound. VEDP offers support to localities through unique software called Executive Pulse, which provides a professional solution on which to build a strong existing business program.

Company	New Jobs	\$ Capital Investment (in millions)
Sabra Dipping Company	90	\$28.00
Carmeuse Lime & Stone	25	45.00
Honeywell International	50	27.50
Commonwealth Laminating*	40	16.50
Sumitomo Machinery Corp.	96	13.25
Tenneco (Walker Mfg.)*	100	4.70
Capital One Financial Corp.	50	150.00
Gate Gourmet	300	10.20
Green Mountain Coffee Roasters	800	180.00
Enviva LP*	72	91.00
Axxor N.A. LLC*	31	5.00
Backcountry.com*	216	20.50
Bechtel Corporation	625	18.00
Balchem Corporation*	55	10.00

**Distressed regions are identified by an asterisk (*).*

Sabra announced its expansion in Chesterfield County with an additional \$28 million and 90 jobs; DRS Technologies in Arlington County announced an investment of over \$12 million and the addition of 125 jobs; Rubbermaid in Winchester added over \$53 million in capital investment and 66 employees; and Faneuil added 150 new jobs in Halifax County’s Riverstone Technology Center. Companies in more traditional sectors such as wood products (Vaughan Bassett in Galax added 115 jobs) and companies in emerging sectors such as HDL in Richmond added over 700 jobs and invested over \$60 million. Retaining and growing strong companies like these will continue to be a focus of VEDP and its allies as the economy continues its challenge to rebound. VEDP offers support to localities through unique software called Executive Pulse, which provides a professional solution on which to build a strong existing business program.

Research-based opportunities grow: HDL (Health Diagnostic Laboratory), born and bred in the City of Richmond, continues to be an outstanding example of the growth of gazelles in Virginia. HDL announced the addition of over 700 new jobs as it continues to provide clinical laboratory, diagnostics, and clinical trial services throughout the world.

New-to-Virginia investments are successful: Companies establishing their first presence in Virginia came from every sector and geography. Several highly visible announcements included Green Mountain Coffee Roasters, which announced the largest job creation project in Hampton Roads in over a decade. Its new facility will create 800 jobs and invest \$180 million in Isle of Wight County, building on the strong food cluster that is in the Hampton Roads region. At nearly the opposite end of the Commonwealth, Backcountry.com announced its first presence in Virginia in Falling Branch

Business Recruitment

Park in Montgomery County, where it will invest over \$20 million and create over 200 new jobs. This announcement complements the Valley's emphasis on the outdoors and also fits well with Virginia's focus on logistics.

Prospect pipeline increases: One metric VEDP uses to gauge the market is the number of "new active projects" entered into VEDP's contact management database. Compared to FY 2011, the number of new active projects in VEDP's pipeline increased by 7% (from 264 in FY 2011 to 282 in FY 2012). The higher number of companies visiting is both a strong sign of potential growth and an indication of stronger success from VEDP's own outreach marketing initiatives.

Virginia Incentives Produce Results: Virginia awarded 25 Governor's Opportunity Fund (GOF) grants for a total of \$14.425 million. The 25 recipient companies are expected to make \$854 million in capital investments, and create 4,715 new jobs. Fifty-nine percent of these grant funds were awarded to economically distressed localities.

During FY 2012, six Virginia Investment Partnership (VIP) grants were awarded totaling \$2.55 million. The projects are expected to create 301 new jobs, and bring \$244.5 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. Under the leadership of the VEDP Board of Directors' Rural Committee, VEDP finalized the implementation of a six-month partnership with two marketing organizations in southwestern Virginia, the aCorridor and the eRegion. VEDP also provided technical assistance in launching the TransTech Alliance, a new regional economic development organization in eastern/southern Virginia. The Business Development Division traveled to and presented market information to more than a dozen rural localities during the fiscal year, including the Eastern Shore, Northern Neck, Middle Peninsula, and southern and southwestern Virginia.

As a result, more than 61% of all company visits in FY 2012 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 the Virginia Leaders in Export Trade (VALET) Program, Global Research Network and trade missions, to Virginia companies to increase their sales in the international marketplace.

FY 2012 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. The VALET program entered its tenth year in operation, graduating 12 companies in FY 2012.

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 Trade Missions: VEDP arranges trips for several companies to travel together to meet face-to-face with prospects. These potential buyers or distributors are pre-qualified, based on information provided by the Virginia business to meet their individual export market objectives. Language assistance, meeting facilitation, in-country transportation and networking receptions are other benefits. In FY 2012, VEDP conducted 7 trade missions internationally to promote Virginia products and services, with 42 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 2012, VEDP completed 238 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 164 projects to help Virginia companies choose and enter a market, find a local partner and manage shipping, legal and payment issues.

FY 2012 INTERNATIONAL TRADE HIGHLIGHTS

- ◆ 12 Companies graduated from VALET.
- ◆ Completed 164 internal research projects.
- ◆ Completed 238 market research projects for Virginia companies through the Global Network.
- ◆ Led 7 Trade Missions with 42 companies participating.

Trade Development

Virginia Conference on World Trade: Each fall, VEDP hosts the Virginia Conference on World Trade. In FY 2012, the conference theme was *Closing International Deals: The Do's and Don'ts of Getting to Yes* and highlighted business opportunities for Virginia companies abroad. With Sandesara Group as a Minister level sponsor, the conference attracted more than 225 attendees from around the world.

“There’s no way we could pursue international sales without participation in VEDP’s VALET program — it’s the cornerstone of what we’re doing. The VALET program has helped consolidate all the requirements of selling internationally into a package so it’s understandable. The program boiled down what needed to be done into defined areas including consulting, legal, trademarks, translation and website marketing. In less than a year in the program we’re making advancements that would have taken a lot longer on our own. While it definitely requires hard work, it’s been very rewarding.”

**Richard G. Diamonstein,
President of Paramount Industrial Co. Commercial Division
Norfolk, Virginia**

International Investment

FY 2012 Accomplishments

Virginia Opens Marketing Office in India

The Commonwealth of Virginia officially opened a marketing office in Mumbai, India in November 2011. Governor McDonnell announced the establishment of the India office during his marketing trip to India where he promoted new job creating investment to Virginia.

The office is staffed by Kavan Bhandary, who will focus on marketing Virginia to Indian companies interested in establishing a U.S. operation. Kavan is responsible for identifying, qualifying, and recruiting prospects and building relationships with key decision-makers of potential investor companies in India.

Governor's International Marketing Missions

Governor McDonnell led four international marketing missions to Israel, India, Europe and Canada to proactively encourage business investment and job creation in Virginia.

The objective of these marketing missions was to meet with executive officers of international-based companies considering a new U.S. location, as well as companies operating in Virginia that are considering an expansion of U.S. operations. These missions included private meetings with international companies to promote the Commonwealth's pro-business environment. Participation by the Governor is instrumental in facilitating Virginia's relationship with companies and can often help move a project to a successful decision for Virginia.

Highlights of FY 2012 trips include:

Israel

Governor McDonnell's trade mission to Israel in November 2011 was the third official visit by a Virginia Governor in the last 15 years. The five day marketing mission was aimed at strengthening the Virginia-Israel business relationship and designed to sharpen Virginia as a preferred investment location for Israeli companies across a number of sectors including Information Technology, Life Sciences, Defense & Homeland Security. Through the support of the Virginia-Israel Advisory Board, the Virginia delegation met with a number of prospect companies and existing companies such as Teva Pharmaceuticals, Elbit, Israel Aerospace Industries, Gilat, Strauss Group, and Zim Shipping Lines. The mission also included meetings with Israeli President Shimon Peres and members of the Israeli Knesset. The Governor's meeting with Strauss Group CEO, Ofra Strauss, resulted in an expansion at the company's facility, Sabra Dipping Company, in Chesterfield County.

INTERNATIONAL HIGHLIGHTS

FY 2012

- ◆ 1,371 jobs announced by International companies
- ◆ \$277.20 million in capital investment
- ◆ 22 Companies
- ◆ 13 different countries

International Investment

India

Governor McDonnell traveled to the cities of Mumbai, Bangalore and New Delhi, where he announced the openings of new VEDP and Virginia Department of Agriculture and Consumer Services offices. While there, he also led nearly 20 high-level meetings with Indian business executives. Through the opening of these offices and meetings held, nearly 275 new jobs have been announced for Virginia, as well as a considerable increase of Virginia agricultural exports to India.

Europe

Governor McDonnell completed a four-country, ten-day marketing mission to Germany, Switzerland, the United Kingdom and Sweden, where he met with a number of prospective investor companies and existing European-owned companies in Virginia. Highlights of the trip included an announcement of an expansion by an affiliate company of Europe's leading media company in Clarke County, keynote address at the Volkswagen Industry Forum in Germany, executive-level meetings with leading pharmaceutical and industrial companies in Switzerland, and several prospect meetings with Swedish automotive, defense, clean energy and life science companies.

Canada

Governor McDonnell traveled to Montreal, Canada in April 2012, where he led business meetings for two days with approximately ten Canadian enterprises and announced the first export of Virginia cattle to this country. Meetings were centered around aerospace and IT enterprises, since these are two prominent industries in Virginia that employ over 300,000 workers in the state. The trip, so far, has resulted in at least one new Canadian enterprise establishing a presence in Virginia and visits from several others that are considering establishing operations in the state.

DRS Technologies, Inc.

DRS Technologies, Inc., a Finmeccanica Company, relocated its corporate headquarters from New Jersey to Arlington County. The company, recognized as one of the leading defense technology companies in the world, will be expanding its regional office to accommodate over 100 employees. The relocation and expansion costs will bring in excess of \$10 million of capital investment to the region.

DRS Technologies is a leading supplier of integrated products, services and support to military forces, intelligence agencies and prime contractors worldwide. The company is a wholly-owned subsidiary of Finmeccanica S.p.A., a global aerospace, defense, and transportation holding company headquartered in Italy, which employs more than 71,000 people worldwide.

"We are very excited to bring the headquarters of DRS Technologies to Arlington County, Virginia," said William J. Lynn, III, Chief Executive Officer, DRS Technologies. "The support and collaboration we received from the County, the Virginia Economic Development Partnership, and Governor McDonnell helped to solidify and reinforce our decision to expand in Crystal City. Our entire leadership team will benefit by being closer to our customers, as well as enjoying all that this great state and region has to offer."

International Investment

Sabra Dipping Company

Sabra Dipping Company, the country's leading hummus manufacturer, is expanding its certified food manufacturing operation in Chesterfield County and will establish a Center of Excellence research and development facility on the company's 49 acre campus in the Ruffin Mill Industrial Park.

Sabra began a significant expansion of its hummus production capacity, enabling the addition of two new lines, a packaging automation system, water waste systems and related plant improvements. The factory expansion will increase the Chesterfield plant's production capacity by 50 percent in response to the continued increased demand for Sabra hummus.

The Center of Excellence will establish best practices on all aspects of culinary, food science, production, engineering, packaging, supply chain and product delivery, and also lead groundbreaking agricultural initiatives with local universities, including research on chickpeas, fruits and vegetables, to increase the use of local resources. The 20,000-square-foot facility will feature a state-of-the-art culinary center, ideation space, a pilot plant, offices, and research centers. Construction will begin in the second quarter of 2012.

These and associated investments will total \$28 million and create an estimated 90 new jobs over the next few years.

"The Sabra Center of Excellence will be home to experts in areas of food technology, agriculture, nutrition, manufacturing and distribution and is the next important step in the outstanding growth of our company," said Ronen Zohar, CEO of Sabra. "The fact that we are building it in Virginia is a testament to our belief in the people, the community and the resources available here. This research and development center will push the envelope and enable us to continue to expand and define the possibilities in the dips and spreads category in terms of innovation, taste, health and beyond."

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 employed a public relations plan to heighten awareness of VEDP and its statewide economic development efforts and ensure placement of favorable articles in major business and trade publications. VEDP also coordinates economic development announcement events. VEDP staff maintains, updates and promotes an internet presence, produces marketing brochures and collateral materials, develops and executes strategic marketing initiatives toward targeted industry sectors and manages special marketing events and industry tradeshow participation. In addition, VEDP staff organizes domestic and international proactive marketing missions and develops additional direct marketing programs to promote lead generation.

FY 2012 Accomplishments

Advertising Campaign: VEDP developed and executed an integrated advertising strategy, targeting a national and international audience. The media strategy included Forbes, Bloomberg/BusinessWeek, the *Wall Street Journal* (WSJ), Area Development and Site Selection Magazine. The campaign delivered more than 26 million impressions and greatly outperformed the industry standard click-through-rate by more than eight times. VEDP continued its successful iPod direct mail campaign. The Partnership also developed an interactive advertisement that ran on the WSJ's iPad news application and engaged users to compare Virginia against the other 49 states on a variety of key business metrics. The WSJ app advertisement appeared more than 1.4 million times and more than 26,000 comparisons were made. The WSJ app received national media recognition from the Nieman Journalism Lab as an example of how "top-end advertisers are showing the potential of immersive, interactive advertising".

Mobile Application Development: VEDP developed and launched a mobile application. The YesVA app provides users with the resources needed to make the most informed location decision for their business. The app provides detailed property information, photos, location data and community information on the client's iPhone, iPad or Android mobile devices.

App Features:

- Explore Virginia's existing inventory of available properties in a simple to use map
- Navigate properties by type and narrow down the options based on your requirements
- Save properties for later and share them with your coworkers
- View 1-to-1 comparisons of how Virginia compares to other states in major business comparison categories
- View Community Profiles for each of the communities, regions and MSAs in the Commonwealth
- View recent industry announcements for each community
- Simple communication with the YesVA team for questions or concerns regarding any of the properties within the app

www.YesVirginia.org	
FY 2012 Usage Statistics	
Page Views	2,968,469
Average per Day	7,869
Visits	973,419
Average per Day	2,662

Promoting Virginia

Trade Show Highlights: VEDP exhibited at and/or sponsored 14 industry trade shows or conferences in FY 2012, including CoreNet Fall and Spring Summits; AWEA Offshore Wind Expo; Mid-Atlantic Bio; 7x24 Exchange Fall & Spring Conferences; Power-Gen International; Automotive News World Congress; RILA Logistics, Plastics News Executive Forum; Data Center World Spring Conference; ACMA Composites; National Plastics Expo; and the BIO International Convention.

Event Marketing Highlights: VEDP hosted prospects and consultants throughout the year at events including the fall NASCAR race in Martinsville, in partnership with the Southern Virginia Regional Alliance; the Virginia Coalfield Economic Development Authority Red Carpet Tour; the aCorridor Consultant Tour, in partnership with Virginia's aCorridor; the spring NASCAR race in Richmond, in partnership with Henrico County; and a New York City luncheon hosted by Governor McDonnell and key Virginia executives.

In collaboration with the Japan-Virginia Society, VEDP also coordinated the logistics for the 22nd Annual Virginia Nippon Classic (VNC) business conference and golf tournament, which serves as a venue for welcoming Japanese corporate citizens to Virginia and expressing our appreciation of Japanese investment in the Commonwealth.

Marketing Materials: VEDP produced a variety of industry collateral pieces, including Aerospace, Food & Beverage, Life Science and Federal Services. VEDP produced four issues of its Commerce Quarterly newsletter and launched the new YesVirginia Insider e-newsletter.

Website Highlights: VEDP continued an aggressive social media marketing strategy that included a redesign of its blog and Facebook and LinkedIn pages.

Media Tour: VEDP conducted a spring media tour highlighting Virginia's Advanced Manufacturing industry. Journalists from *Aircraft Maintenance*, *ASSEMBLY Magazine*, *IndustryWeek*, *Manufacturing Engineering Media*, *Manufacturing Executive*, *Modern Machine Shop*, and *Virginia Business* attended the tour. The tour resulted in media coverage worth an estimated \$40,000.

Marketing Missions: VEDP conducted five traditional marketing missions to U.S. cities, as well as two "virtual" missions and three industry specific missions, resulting in more than 200 appointments, 9 active projects and 32 longer-term leads.

VEDP continued its outreach campaign designed to provide ongoing follow-up with companies across the country for future lead development and to build the Virginia brand. VEDP's call center contacted more than 7,800 companies with 110 requesting immediate or short-term contact from a VEDP project manager.

Policy and Legislative Initiatives

VEDP looks to find creative ways to improve Virginia's business climate and remain competitive in the global market through targeted policy, legislative and budgetary initiatives. VEDP has successfully advanced Virginia's economic development legislative agenda through the following items, some of which are critical components to encourage existing and new companies to do business in the Commonwealth.

FY 2012 Legislative Accomplishments

VEDP worked with legislators during the 2012 Virginia General Assembly session to enhance existing programs, fulfill commitments to existing companies, and bolster the climate for major economic development opportunities. VEDP also worked with the legislature to secure critical funding for economic development priorities under Governor McDonnell's "The Greatest Opportunity" Agenda.

Enhanced and Expanded Incentive Programs:

Virginia Investment Partnership Act (VIP)

House Bill 243 by Delegate Ben Cline (R – Rockbridge) and Senate Bill 338 by Senator Steve Newman (R – Lynchburg) changed the eligibility criteria for existing Virginia businesses under the Virginia Investment Partnership Act. These two identical pieces of legislation successfully decreased from five to three years the legal presence requirement to be considered an existing Virginia manufacturer or research and development organization to be eligible for grants under the Virginia Investment Partnership Act. This Act includes the Virginia Investment Partnership Grant (VIP), the Major Eligible Employer Grant (MEE) and the Virginia Economic Development Incentive Grant (VEDIG).

The compression of business cycles and rapid economic changes necessitated these amendments, which now allow for existing businesses to more quickly reap the benefits associated with continuing to invest in their current operations in Virginia and thereby contribute to the tax base and employ Virginians.

Enhanced Competitive Tax Credits and Investment Funds:

Major Business Facilities Job Tax Credit (MBFJTC)

The MBFJTC provides a corporate income tax credit of \$1,000 per job above a threshold number of jobs over two or three years to eligible companies who create either at least 25 new full-time jobs if locating in an enterprise zone or an economically distressed area, or at least 50 new jobs if locating/expanding elsewhere in the state. The current law allows an acceleration of the tax credit to two years, instead of three years, for taxable years ending on December 31, 2012. Successful legislation through the 2012 session extended the sunset provision on the acceleration of the tax credit to December 31, 2014, thus, effective for the 2009-2012 taxable years, the credit could be claimed ratably over two taxable years rather than three.

Realizing the benefit of this credit over two years, instead of diminished value over three years, is particularly attractive and helpful to new and existing industries in the Commonwealth during tough economic times. New and continued jobs and investments in the Commonwealth are supported by this effort.

Policy and Legislative Initiatives

Secured Critical Funding for New and Continued Economic Development Efforts

Created the Virginia Bio-Sciences Health Research Corporation (VBHRC)

The 2012 General Assembly set aside \$2.5 million in each year of the FY13-14 biennium as matching funds to conduct targeted, strategic, and collaborative life science research and development through the University of Virginia, Virginia Tech, Virginia Commonwealth University, George Mason University and Eastern Virginia Medical School. This funding will match the collaborative strengths of the universities with the needs of public and private institutions, including the Veterans Administration and major pharmaceutical companies. This action authorized the creation of a non-stock corporation to be governed by a Board of Directors and comprised of the five participating universities (each making \$100,000 cash investment commitments over the biennium) and appropriate public and private partners.

The VBHRC will be focused on accelerated research and economic development growth related to spinoff companies, patents, and drug discovery and delivery, point of care diagnostics, and bio-informatics. The cornerstone of the initiative is collaboration among the participating universities to focus on the emerging life sciences industry, resulting in short-term and long-term economic development results.

Enhanced International Marketing Efforts

Under the leadership of Governor McDonnell and the legislature, VEDP opened three new international offices in India, China and the UK over the past two years. To realize the Commonwealth's full investment in these international markets, \$1 million was appropriated by the 2012 General Assembly for the FY13-14 biennium to support in-country marketing efforts for our partners abroad to tell the Virginia story and encourage companies to invest in the Commonwealth.

These resources will build on the assets recently put in place and deploy our team abroad to host trade events, call on prospects, network with key country officials, host seminars, contract with lead generation services, and engage in other related marketing activities to bring jobs and investment to the Commonwealth. Virginia's presence in international markets is essential for closing deals in an increasingly competitive global market and these monies will help enhance our profile in those markets.

Reserved Support for Advanced Manufacturing Initiatives

The 2012 General Assembly set aside money to create financial support for a Mega Projects Site Initiative across the Commonwealth and workforce development. A total of \$4 million with \$2,000,000 in the first year for Mega Site development and \$2,000,000 in the second year for manufacturing workforce development was set aside in the FY13-14 biennium and is contingent on appropriation from the Federal Action Contingency Trust Fund (the "FACT Fund"), which is an action permitted in Item 469.J. in the Commonwealth's budget. Mega Site development is a lengthy, costly process for localities but a critical one as companies will not wait for a site to be developed – to be competitive, we need fully developed, available sites across the Commonwealth. Having sites client-ready well before a business prospect is ready to invest is crucial to Virginia's success. Further, workforce demands continue to grow and having additional tools to prepare a skilled, educated workforce through existing vehicles like the Commonwealth Center for Advanced Manufacturing (CCAM) will be a vital piece of Virginia's success going forward.

Performance Management

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

FY 2012 Key Performance Measures			
Performance Measure	FY 2012 Goal	FY 2012 Results	% of Measure
Investment by new or existing companies	\$2.7 billion	\$4.4 billion	163%
New jobs created by new or existing companies	18,600	19,918	107%
Companies actively counseled or participating in trade event	225	229	102%

Return on Investment from VEDP Activities

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

The ROI compares money spent on economic development (including VEDP operating costs and incentives such as GOF and 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)

	10 Years	20 Years
Total*	\$13	\$26
Direct	\$8	\$15
Indirect	\$5	\$11

*Totals are rounded to the nearest dollar.

Appendix 1: High Unemployment Areas Report and Strategy

During FY 2012, 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- and technology-based 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 completed a Board-led strategy, as outlined below. VEDP continues to maintain field-based representatives in Southern Virginia and Southwestern Virginia.

FY 2012 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. The Research Division also maintains a contract employee in southern Virginia. In addition, VEDP international trade staff is also field-based.

Decisions for Virginia/distressed regions: A major success in FY 2012 was the announcement that Backcountry.com would establish its east coast distribution center in Montgomery County, in Falling Branch Industrial Park. This company will invest over \$20 million and create over 200 net new jobs. The company selected Virginia over several other states, and the project was supported by the Governor's Opportunity Fund along with significant incentives from the locality. The project successfully demonstrated that Falling Branch is ideally located to serve as a logistics hub.

In FY 2012, Dinwiddie County was one of two counties in central Virginia that successfully competed for Amazon's fulfillment center (the second site is in Chesterfield County). In Dinwiddie, a rural community located just south of the Richmond region, Amazon will invest \$50 million and create nearly 400 net new jobs. This project received support from the locality, the Commonwealth (through the Governor's Opportunity Fund) and the Virginia Tobacco Commission. As with Backcountry.com, this announcement affirms Virginia's rural communities' capacity to host significant logistics projects.

VEDP played a pivotal role in the decision by Faneuil to locate in Riverstone Technology Center in Halifax County. Riverstone's main building was prepared and designed for a variety of technical and professional services, and through the initiative of Dominion Virginia Power, for which Faneuil is a contractor, Riverstone's technology assets and strong workforce became the lure that resulted in the announcement of 150 new jobs and \$1.5 million capital investment.

Also of significance in 2012 was the decision by Enviva to locate in Southampton County, which had been particularly impacted by the closure of International Paper in 2010. Enviva will

Appendix 1: High Unemployment Areas Report and Strategy

manufacture wood pellets, thus aligning with resources and supply chain systems already in place and ready to work in the region. Enviva will create over 70 jobs with its \$91 million investment.

VEDP played various roles in these decisions, from generating some of the leads to providing support to the communities with development of the financial incentive packages, often including partnerships with the Virginia Tobacco Commission. These companies represent a broad variety of the business sectors, and also illustrate the opportunities presented by strong existing business retention and growth strategies. The common element in all these decisions was prepared communities. These localities successfully leveraged their assets – workforce, prepared sites and buildings, and excellent transportation – to create a solid business case that was attractive to the companies' leadership.

Distressed Communities Visits: While the total number of prospect visits made by companies to all Virginia localities decreased (approximately 25%) from 2011 to 2012, the number of localities visited remained fairly steady. In addition, the percentage of companies visiting distressed localities was significant, at over 61% of all companies visiting Virginia (62 companies out of 99 companies).

FY 2012 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. A key step continued and was refocused in FY 2012—through the use of cross-divisional Sector Capture Teams, which were created to surge into hot markets for a six-month period and then evaluate success based on the initiatives. The sector campaigns were targeted toward the following:

- **Food & Beverage**, which focused on the Midwest and Northeast as key target markets.
- **Information Technology**, professional and business services and corporate headquarters and management in CyberSecurity, Health IT, and SmartGrid. Target geographies included the west coast and northeast.
- **Federal Sector:** The Business Development Division had previously assigned a full-time manager to the federal sector, in order to ensure capture of strategic federal spending aligned with Virginia's economic development targets. To his work, the capture team added an emphasis on southern Maryland and DC.
- **Aerospace:** Building on the cluster in central and northern Virginia, this sector identified the west coast and the northeast as principal targets.
- **Logistics:** This sector emphasized Virginia's competitive advantages against ports further north and south, and included a geographic emphasis on the Midwest, Northeast, and California.
- **Energy:** A challenging sector due to the variability of market conditions, this sector continued to focus on the southwestern U.S. as well as the Northeast.

Appendix 1: High Unemployment Areas Report and Strategy

- **Life Sciences:** This sector focused geographically on the North Carolina, Maryland, and Midwest markets.

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

Business Retention and Growth (BRE): In FY 2012, 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. Subscriber communities grew by an additional 5% in 2012, and continue to be focused on rural and distressed localities as a means to support a professional BRE program, of critical importance in difficult economic times.

In FY 2012, VEDP continued to focus its strategic efforts around the analysis that **SRI International** conducted in 2009, which was an in-depth analysis of the emerging markets and benchmarks Virginia's status in those markets. The study was successfully completed in 2009 and is the basis for much of the agency's continued target sector focus in FY 2012. 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 continued the **Rural Committee and the Urban Committee**, each of which includes a significant number of distressed localities. Under the leadership of the Rural Committee, VEDP identified and completed 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 assisted with the launch of the TransTech region, in eastern southern Virginia. The Business Development Division also designated a 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.

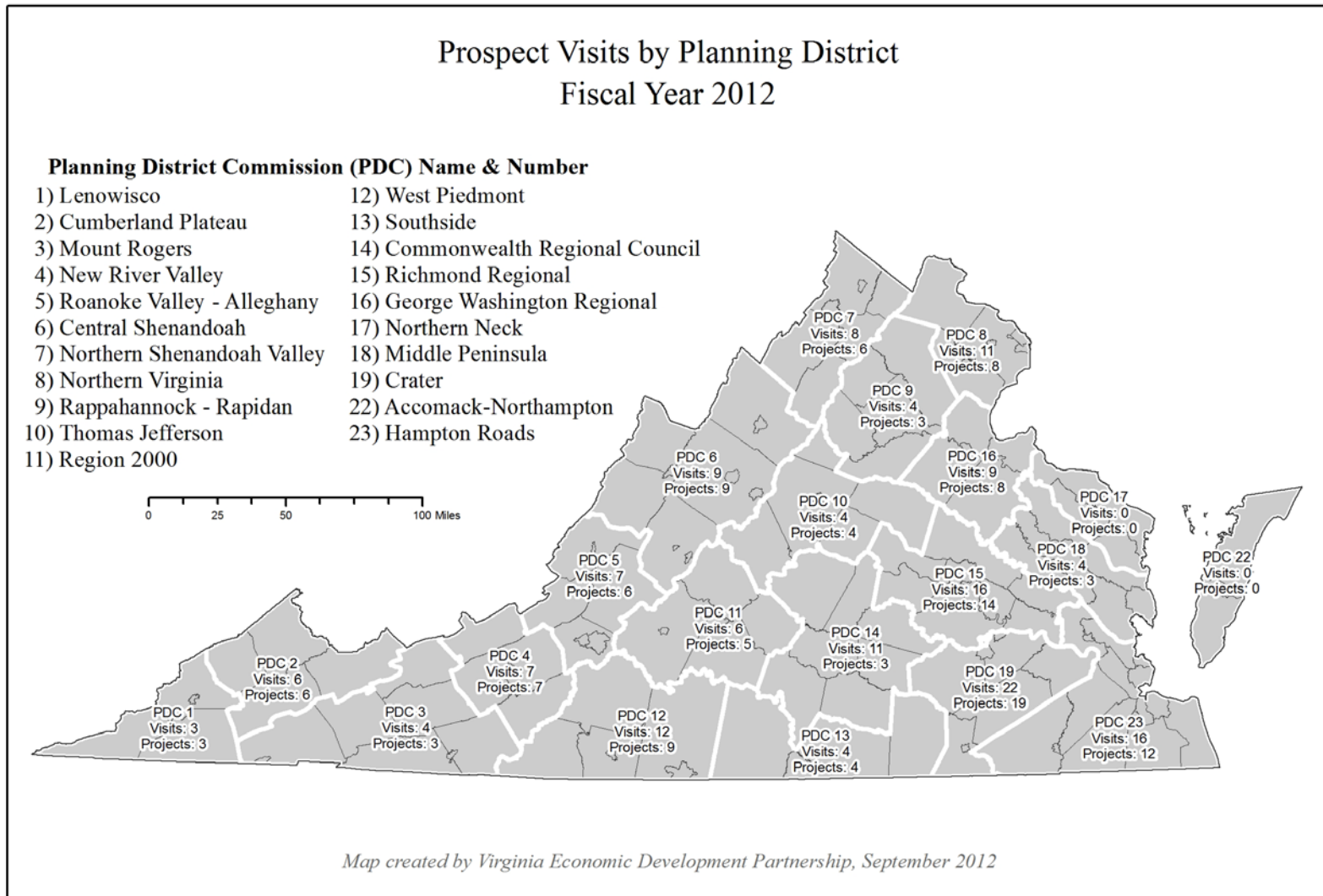
VEDP's Business Development Division also completed its focus in FY 2012 around **strategic properties**. These properties are located in distressed communities. The purpose of the program is to ensure that the unique real estate assets currently under development in Southwestern, Southern, and the Eastern Shore of Virginia have a 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 included partnerships and alignment with localities, regional economic development organizations, and state and federal partners.

Appendix 2: Prospect Visit Data for FY 2012

PDC #	Planning District Commission	Visits	Projects
1	Lenowisco	3	3
2	Cumberland Plateau	6	6
3	Mount Rogers	4	3
4	New River Valley	7	7
5	Roanoke Valley-Alleghany Regional Commission	7	6
6	Central Shenandoah	9	9
7	Northern Shenandoah Valley Regional Commission	8	6
8	Northern Virginia Regional Commission	11	8
9	Rappahannock-Rapidan Regional Commission	4	3
10	Thomas Jefferson	4	4
11	Region 2000 Regional Commission	6	5
12	West Piedmont	12	9
13	Southside	4	4
14	Commonwealth Regional Council	11	3
15	Richmond Regional	16	14
16	George Washington Regional Commission	9	8
17	Northern Neck	0	0
18	Middle Peninsula	4	3
19	Crater	22	19
22	Accomack-Northampton	0	0
23	Hampton Roads	16	12
	Total	144	99
	# of Localities visited	71	

**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 2012



Appendix 3: Site and Building Data for FY 2012

Planning District	Location	Sites	Buildings	Sites & Buildings	Companies
1- Lenowisco	Lee Co.	1	3	4	4
1	Norton	0	0	0	0
1	Scott Co.	1	0	1	1
1	Wise Co.	1	1	2	2
PDC 1 Total		3	4	7	4
2 -Cumberland Plateau	Buchanan Co.	1	0	1	1
2	Dickenson Co.	2	0	2	2
2	Russell Co.	1	8	9	7
2	Tazewell Co.	1	0	1	1
PDC 2 Total		5	8	13	8
3-Mount Rogers	Bland Co.	0	0	0	0
3	Bristol	0	0	0	0
3	Carroll Co.	1	3	4	4
3	Galax	0	2	2	1
3	Grayson Co.	0	0	0	0
3	Smyth Co.	0	6	6	4
3	Washington Co.	2	1	3	3
3	Wythe Co.	2	0	2	2
PDC 3 Total		5	12	17	9
4 - New River Valley	Floyd Co.	0	1	1	1
4	Giles Co.	0	0	0	0
4	Montgomery Co.	2	3	5	5
4	Pulaski Co.	1	13	14	12
4	Radford	0	1	1	1
PDC 4 Total		3	18	21	15
5 -Roanoke Valley-Alleghany	Alleghany Co.	0	3	3	3
5	Botetourt Co.	2	4	6	5
5	Covington	0	0	0	0
5	Craig Co.	0	0	0	0
5	Franklin Co.	1	0	1	1
5	Roanoke Co.	3	3	6	4
5	Roanoke	2	14	16	13
5	Salem	1	3	4	4
PDC 5 Total		9	27	36	19
6 - Central Shenandoah	Augusta Co.	3	1	4	4

Appendix 3: Site and Building Data for FY 2012

6	Bath Co.	0	0	0	0
6	Buena Vista	0	0	0	0
6	Harrisonburg	0	1	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	0	1	1
6	Staunton	1	0	1	1
6	Waynesboro	0	0	0	0
PDC 6 Total		5	3	8	6
7 - Northern Shenandoah Valley					
	Clarke Co.	0	0	0	0
7	Frederick Co.	7	5	12	7
7	Page Co.	0	0	0	0
7	Shenandoah Co.	3	1	4	3
7	Warren Co.	1	2	3	3
7	Winchester	0	1	1	1
PDC 7 Total		11	9	20	9
8 - Northern Virginia					
	Alexandria	0	0	0	0
8	Arlington Co.	0	1	1	1
8	Fairfax Co.	0	1	1	1
8	Fairfax	0	0	0	0
8	Falls Church	0	0	0	0
8	Loudoun Co.	1	0	1	1
8	Manassas	1	0	1	1
8	Manassas Park	0	0	0	0
8	Prince William Co.	0	4	4	3
PDC 8 Total		2	6	8	6
9 - Rappahannock-Rapidan					
	Culpeper Co.	1	0	1	1
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
PDC 9 Total		1	1	2	2
10 - Thomas Jefferson					
	Albemarle Co.	0	0	0	0
10	Fluvanna Co.	0	0	0	0
10	Greene Co.	0	0	0	0
10	Louisa Co.	1	4	5	5

Appendix 3: Site and Building Data for FY 2012

10	Nelson Co.	0	0	0	0
10	Charlottesville	0	0	0	0
PDC 10 Total		1	4	5	5
11 - Region 2000					
	Amherst Co.	0	0	0	0
11	Appomattox Co.	0	1	1	1
11	Bedford Co.	0	0	0	0
11	Bedford	0	0	0	0
11	Campbell Co.	1	0	1	1
11	Lynchburg	1	0	1	1
PDC 11 Total		2	1	3	3
12 - West Piedmont					
	Danville	1	7	8	7
12	Franklin Co.	1	0	1	1
12	Henry Co.	5	25	30	21
12	Martinsville	0	1	1	1
12	Patrick Co.	0	2	2	2
12	Pittsylvania Co.	3	5	8	7
PDC 12 Total		10	40	50	25
13 - Southside					
	Brunswick Co.	0	0	0	0
13	Halifax Co.	3	3	6	5
13	Mecklenburg Co.	4	2	6	6
PDC 13 Total		7	5	12	8
14 - Commonwealth Regional					
	Amelia Co.	0	0	0	0
14	Buckingham Co.	0	0	0	0
14	Charlotte Co.	1	2	3	3
14	Cumberland Co.	0	0	0	0
14	Lunenburg Co.	1	0	1	1
14	Nottoway Co.	0	0	0	0
14	Prince Edward Co.	0	2	2	1
PDC 14 Total		2	4	6	4
15 - Richmond Regional					
	Charles City Co.	0	0	0	0
15	Chesterfield Co.	10	28	38	21
15	Goochland Co.	0	0	0	0
15	Hanover Co.	1	7	8	7
15	Henrico Co.	4	23	27	13
15	New Kent Co.	1	0	1	1
15	Powhatan Co.	0	0	0	0

Appendix 3: Site and Building Data for FY 2012

15	Richmond	3	16	19	13
PDC 15 Total		19	74	93	31
16 - George Washington	Caroline Co.	3	1	4	4
16	Fredericksburg	0	0	0	0
16	King George Co.	3	3	6	6
16	Spotsylvania Co.	2	5	7	6
16	Stafford Co.	1	2	3	3
PDC 16 Total		9	11	20	13
17 - Northern Neck	Lancaster Co.	0	0	0	0
17	Northumberland Co.	0	0	0	0
17	Richmond Co.	0	0	0	0
17	Westmoreland Co.	0	0	0	0
PDC 17 Total		0	0	0	0
18 - Middle Peninsula	Essex Co.	0	0	0	0
18	Gloucester Co.	1	0	0	1
18	King and Queen Co.	1	0	0	1
18	King William Co.	0	0	0	0
18	Mathews Co.	0	0	0	0
18	Middlesex Co.	0	0	0	0
PDC 18 Total		2	0	2	1
19 - Crater	Charles City Co.	0	0	0	0
19	Chesterfield Co.	10	28	38	21
19	Colonial Heights	0	0	0	0
19	Dinwiddie Co.	1	5	6	3
19	Emporia	0	0	0	0
19	Greenville Co.	1	2	3	2
19	Hopewell	0	0	0	0
19	Petersburg	0	2	2	2
19	Prince George Co.	1	9	10	10
19	Surry Co.	0	0	0	0
19	Sussex Co.	0	0	0	0
PDC 19 Total		13	46	59	26
22 - Accomack-Northampton	Accomack Co.	0	2	2	2
22	Northampton Co.	1	0	1	1
PDC 22 Total		1	2	3	3

Appendix 3: Site and Building Data for FY 2012

23 - Hampton Roads	Chesapeake	4	10	14	10
23	Franklin	1	1	2	2
18	Gloucester Co.	1	0	1	1
23	Hampton	0	8	8	6
23	Isle of Wight Co.	2	0	2	2
23	James City Co.	4	4	8	6
23	Newport News	3	10	13	11
23	Norfolk	0	5	5	5
23	Poquoson	0	0	0	0
23	Portsmouth	2	1	3	3
23	Southampton	2	6	8	8
23	Suffolk	3	18	21	14
19	Surry Co.	0	0	0	0
23	Virginia Beach	0	13	13	11
23	Williamsburg	0	0	0	0
23	York Co.	1	0	1	1
PDC 23 Total		23	76	99	29
	State Total¹	121	323	444	80

¹State 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

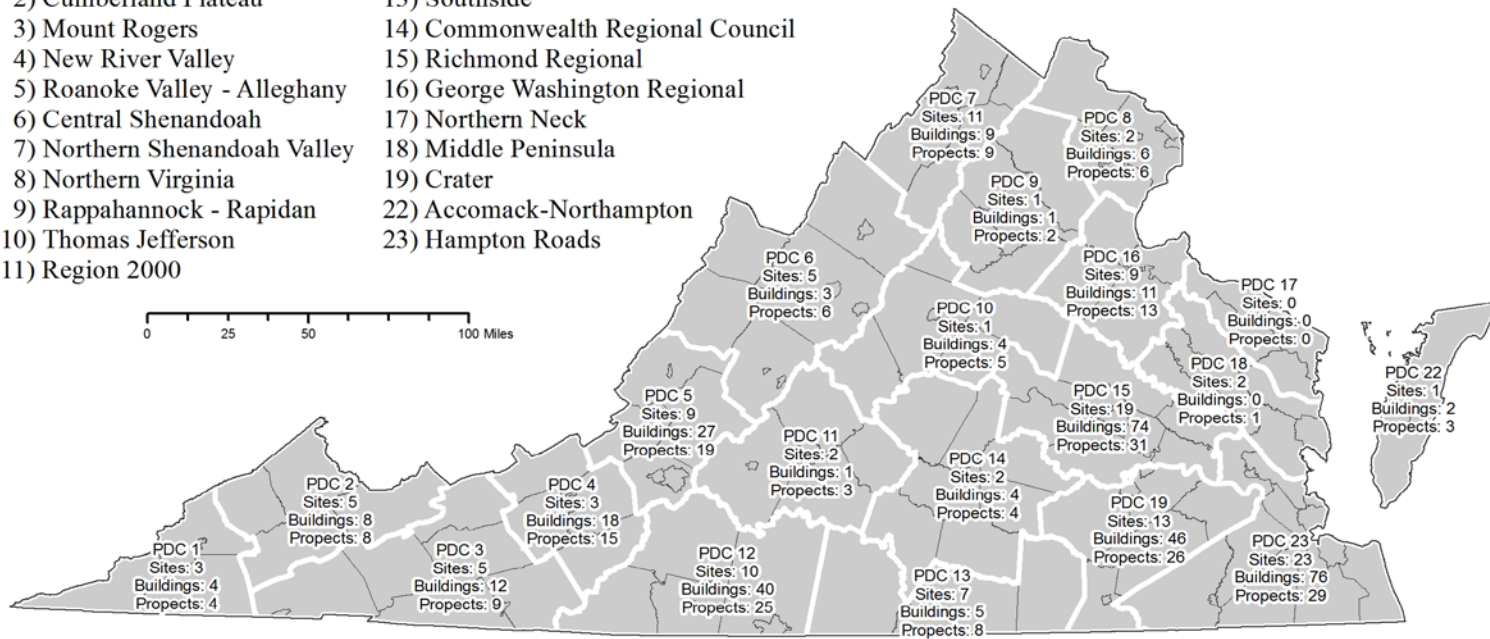
Gloucester-Middle Peninsula & Hampton Roads

Appendix 3: Site and Building Data for FY 2012

Community Location Studies, Sites and Buildings Meeting Prospect Requirements by Planning District Fiscal Year 2012

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 2012

Appendix 4: Announcement Data for FY 2012

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
Lonesome Pine Components Inc.	1	Wise Co.	M	N	Manufactures and distributes thermo foil 3D laminated wood products	150	\$0.30
		<i>New Total</i>			<i>1 announcement</i>	150	\$0.30
		PDC 1 Total			1 announcement	150	\$0.30
First Community Bank	2	Tazewell Co.	N	N	Corporate headquarters; banking and related services	70	\$2.60
		<i>New Total</i>			<i>1 announcement</i>	70	\$2.60
AT&T Wireless	2	Russell Co.	N	E	Call center, wireless telecommunications services	35	\$0.00
Pyott-Boone Electronics	2	Tazewell Co.	M	E	Electronic subassemblies	80	\$1.00
		<i>Expansion Total</i>			<i>2 announcements</i>	115	\$1.00
		PDC 2 Total			3 announcements	185	\$3.60
Albany Industries	3	Galax	M	N	Manufactures upholstered furniture	335	\$2.50
American Century, LLC	3	Bristol	M	N	Manufactures and tests containers for the nuclear and chemical industries	63	\$1.05
CavitroniX Corporation	3	Washington Co.	N	N	Research and development of water-in-fuel emulsification systems	16	\$0.53
IstobalUSA*	3	Bristol	M	N	Manufactures vehicle cleaning equipment	72	\$2.23
		<i>New Total</i>			<i>4 announcements</i>	486	\$6.31
Atsumi Car Equipment *	3	Wythe Co.	M	E	Automotive wheel and hub components	31	\$1.81
HAPCO	3	Washington Co.	M	E	Manufactures aluminum and steel light poles and brackets	40	\$1.00
Pepsi Beverages Company	3	Wythe Co.	M	E	Manufactures beverages; Gatorade®	60	\$4.30
Steel Fab*	3	Washington Co.	M	E	Manufactures pressure vessels and line tanks	11	\$0.94
TRW Automotive U.S., LLC	3	Smyth Co.	M	E	Manufactures hydraulic and electric steering gears	70	\$3.00
Utility Trailer Manufacturing Co.	3	Smyth Co.	M	E	Refrigerated truck trailers	0	\$6.90
Vaughan-Bassett Furniture Company	3	Galax	M	E	Manufactures wood household furniture	115	\$5.00
Woodgrain Millwork	3	Smyth Co.	M	E	Manufactures door frames and moldings	0	\$6.00
		<i>Expansion Total</i>			<i>8 announcements</i>	327	\$28.95
		PDC 3 Total			12 announcements	813	\$35.26
Backcountry.com	4	Montgomery Co.	N	N	Online retailer of outdoor gear; East Coast fulfillment center	216	\$20.50
		<i>New Total</i>			<i>1 announcement</i>	216	\$20.50
Blue Bird Resins/ Blue Bird Recycling	4	Pulaski Co.	M	E	Industrial recycling operation dedicated to converting waste to "scrap commodity"	10	\$0.10

Appendix 4: Announcement Data for FY 2012

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
Federal-Mogul Corporation	4	Montgomery Co.	M	E	Automotive engine bearing manufacturing	50	\$10.00
Inorganic Ventures	4	Montgomery Co.	M	E	HQ; Manufactures custom inorganic chemical blends	21	\$1.30
TECHLAB, Inc.	4	Radford	M	E	Develops, manufactures, and distributes medical diagnostic products	20	\$3.00
Technical Service Group	4	Pulaski Co.	N	E	Manufactures equipment and presses for the brake pad industry	15	\$0.75
TORC Technologies LLC	4	Montgomery Co.	N	E	Teleoperated control and navigation solutions for unmanned vehicles	23	\$0.70
		<i>Expansion Total</i>			<i>6 announcements</i>	<i>139</i>	<i>\$15.85</i>
		<i>PDC 4 Total</i>			<i>7 announcements</i>	<i>355</i>	<i>\$36.35</i>
Balchem Corporation	5	Alleghany Co.	M	N	Manufactures encapsulated ingredients used in animal food and health products	55	\$10.00
FCTech*	5	Botetourt Co.	M	N	Manufactures specialty optical fiber and cables	25	\$5.00
Justice Companies	5	Roanoke City	N	N	HQ; holding company	25	\$2.50
		<i>New Total</i>			<i>3 announcements</i>	<i>105</i>	<i>\$17.50</i>
Advance Auto Parts	5	Roanoke City	N	E	Corporate HQ; Financial Services Commercial Customer Care Center	75	\$8.00
Altec Industries, Inc.	5	Botetourt Co.	M	E	Truck-mounted mobile equipment manufacturing	48	\$0.52
American Tire Distributors, Inc.	5	Roanoke Co.	N	E	Distribution of tires and related products, tools	45	\$5.00
Corvesta Services, Inc.	5	Roanoke City	N	E	Dental benefits and claims administration	35	\$0.10
GE Energy	5	Salem	N	E	Manufactures control systems for turbines	60	\$0.00
John C. Nordt Co.	5	Roanoke City	M	E	Jewelry, rings, wedding bands; precious metal tube	79	\$0.78
Mercury Data Exchange	5	Roanoke City	N	E	Real-time Electronic Data Interchange (EDI) solutions for the dental insurance industry	10	\$0.10
TREAD Corporation	5	Botetourt Co.	M	E	Manufactures explosives-handling equipment and bulk trucks	100	\$5.00
UnitedHealth Group	5	Roanoke City	N	E	Customer support center, health insurance provider	47	\$0.00
		<i>Expansion Total</i>			<i>9 announcements</i>	<i>499</i>	<i>\$19.50</i>
		<i>PDC 5 Total</i>			<i>12 announcements</i>	<i>604</i>	<i>\$37.00</i>
Alleghany Highlands Agricultural Center	6	Highland Co.	M	N	Meat processing plant	5	\$1.80
Valley Recycling, LLC	6	Augusta Co.	M	N	Scrap metal recycling	12	\$2.50
		<i>New Total</i>			<i>2 announcements</i>	<i>17</i>	<i>\$4.30</i>
Devils Backbone Brewing (Mountain View)	6	Rockbridge Co.	M	E	Brewery	16	\$4.15
Eastern Bioplastics	6	Rockingham Co.	M	E	Produces bioplastics from poultry feathers and polymers	25	\$0.75

Appendix 4: Announcement Data for FY 2012

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
Fisher Auto Parts	6	Staunton	N	E	Auto parts warehousing and distribution	50	\$6.00
George's, Inc.	6	Harrisonburg	M	E	Poultry processing, deboning	125	\$5.40
Heatex America*	6	Rockbridge Co.	M	E	Manufactures heat exchangers for data centers	14	\$2.50
Lumos Networks	6	Waynesboro	N	E	HQ; Landline telephone services	0	\$1.20
Lumos Networks	6	Waynesboro	N	E	HQ; Landline telephone services, high capacity fiber services	30	\$0.00
Munters Corporation*	6	Buena Vista	M	E	Industrial HVAC equipment	90	\$1.00
NIBCO of Virginia Inc.	6	Augusta Co.	N	E	Distributes metal fittings and other flow control devices	30	\$0.70
nTelos Inc.	6	Waynesboro	N	E	Wireless operations HQ; data center	0	\$2.34
Packaging Corporation of America	6	Harrisonburg	M	E	Manufactures corrugated packaging	0	\$4.00
Rose Time Scrap Metal & Recycling	6	Staunton	N	E	Recycling of business waste, large scrap metal, construction debris	20	\$0.60
Tenneco Inc., Walker Mfg.	6	Harrisonburg	M	E	Automotive exhaust systems	100	\$4.70
		<i>Expansion Total</i>			<i>13 announcements</i>	<i>500</i>	<i>\$33.34</i>
		<i>PDC 6 Total</i>			<i>15 announcements</i>	<i>517</i>	<i>\$37.64</i>
Rubbermaid Commercial Products Inc.	7	Frederick Co.	N	N	Distribution operations; commercial plastic products	5	\$13.75
TBI Investments, Inc.	7	Warren Co.	M	N	Manufactures and remanufactures engines for coal mining equipment	50	\$10.00
		<i>New Total</i>			<i>2 announcements</i>	<i>55</i>	<i>\$23.75</i>
Ashworth Bros., Inc.	7	Winchester	M	E	Manufactures metal and plastic belting for conveying	40	\$2.46
Berryville Graphics*	7	Clarke Co.	M	E	Commercial printing: books, hardcovers	84	\$10.60
Carmeuse Lime & Stone*	7	Frederick Co.	M	E	Lime and limestone products	25	\$45.00
Crown Beverage Packaging	7	Frederick Co.	M	E	Aluminum can non-attached ring pull tab end manufacturing	0	\$9.00
Kohl's Corp.	7	Frederick Co.	N	E	Distribution center, consumer goods	158	\$27.00
Rubbermaid Commercial Products Inc.	7	Winchester	M	E	Commercial plastic products	66	\$53.50
Thermo Fisher Scientific Inc.	7	Frederick Co.	M	E	Medical liquid formula; clinical diagnostics products	30	\$3.00
Winchester Metals Inc.	7	Frederick Co.	M	E	Metals processing, distribution, and service solutions	0	\$1.00
		<i>Expansion Total</i>			<i>8 announcements</i>	<i>403</i>	<i>\$151.56</i>
		<i>PDC 7 Total</i>			<i>10 announcements</i>	<i>458</i>	<i>\$175.31</i>
Acentia	8	Fairfax Co.	N	N	HQ; provides technology and management solutions	60	\$3.10

Appendix 4: Announcement Data for FY 2012

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
Bechtel Corporation	8	Fairfax Co.	N	N	Global Operations HQ, Government Services HQ; engineering, project management	625	\$18.00
China Unicom Americas*	8	Fairfax Co.	N	N	U.S. HQ; international data, voice, IP, and networking solutions	18	\$0.00
Decision Sciences International Corp.	8	Fairfax Co.	N	N	HQ; Manufacture cargo scanners using ruon technology	4	\$0.10
Engility Corporation	8	Fairfax Co.	N	N	Corporate HQ; systems engineering/technical services to defense and government	50	\$6.50
ITT Exelis	8	Fairfax Co.	N	N	Corporate HQ; technology/operational services for government, commercial clients	100	\$5.00
Modus Create	8	Fairfax Co.	N	N	Develops platform-independent apps	20	\$0.00
NMR Consulting	8	Fairfax Co.	N	N	Business consulting and technology integration	120	\$0.00
Play Today D.C.	8	Fairfax Co.	N	N	Regional family events portal and registration website	12	\$0.00
Sabey Data Center Properties	8	Loudoun Co.	N	N	Data center	65	\$200.00
Salsa Labs	8	Fairfax Co.	N	N	Customized online organizing, advocacy, fundraising, and communications tools	75	\$0.00
Serten Advisors, LLC	8	Fairfax Co.	N	N	HQ; real estate advisory, brokerage and implementation services	10	\$0.00
SNP America	8	Fairfax Co.	N	N	Software development	5	\$0.20
StrataScale Inc.	8	Loudoun Co.	N	N	Provides server hosting and cloud hosting solutions; data center	30	\$0.00
TroopSwap.com	8	Fairfax Co.	N	N	Advertising services/website offering daily deals	15	\$0.00
Xe Services	8	Arlington Co.	N	N	HQ; global security company and training facilities	20	\$0.00
			<i>New Total</i>		<i>16 announcements</i>	<i>1,229</i>	<i>\$232.90</i>
AdJuggler	8	Fairfax Co.	N	E	SaaS-based digital ad management systems	10	\$0.00
ALEX - Alternative Experts, LLC	8	Fairfax Co.	N	E	Provides facilities management, engineering, IT, telecommunications services	10	\$0.00
AMERICAN SYSTEMS Corporation	8	Fairfax Co.	N	E	Systems engineering services	75	\$0.00
American Technology Services, Inc.	8	Fairfax Co.	N	E	Information technology service and consulting	10	\$0.00
Apogee Integration LLC	8	Fairfax Co.	N	E	Network and software engineering, modeling and simulation	20	\$0.00
AppAssure Software, Inc.	8	Fairfax Co.	N	E	Server, data and application protection; backup and replication software	366	\$0.30
Appian Corporation	8	Fairfax Co.	N	E	Business process management software suites provider	40	\$0.00
Applied Predictive Technologies, Inc.	8	Arlington Co.	N	E	HQ; Testing and initiatives optimization software	215	\$1.00
Ascom Network Testing	8	Fairfax Co.	N	E	Provides on-site wireless communications	50	\$1.00
Audio Video Systems, Inc.	8	Fairfax Co.	N	E	Design, engineering, systems integration specializes in audio, video and control facilities	35	\$0.00
Berico Technologies LLC	8	Fairfax Co.	N	E	Software development	19	\$0.00

Appendix 4: Announcement Data for FY 2012

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
CACI International, Inc.	8	Fairfax Co.	N	E	Information technology consulting	202	\$0.00
Centurion Research Solutions	8	Fairfax Co.	N	E	Business intelligence and analytics; helps contractors win more government business	17	\$0.00
Citizant	8	Fairfax Co.	N	E	Enterprise architecture, program management, application development	40	\$0.00
Cleared Solutions	8	Fairfax Co.	N	E	Software development, enterprise architecture, data visualization	10	\$0.00
CNA Corp. (Center for Naval Analysis)	8	Arlington Co.	N	E	HQ; Defense contractor for department of the Navy	0	\$132.00
Comter Systems Inc.	8	Fairfax Co.	N	E	IT solutions and services, management consulting	12	\$0.00
Corning MobileAccess	8	Fairfax Co.	N	E	In-building wireless infrastructure solutions	15	\$0.00
CR Software	8	Fairfax Co.	N	E	Collections recovery and debt management platforms	45	\$0.00
CSC	8	Fairfax Co.	N	E	Corporate headquarters; Information technology consulting	350	\$2.00
Cuisine Solutions	8	Loudoun Co.	M	E	Manufactures fully cooked, frozen entrees and sauces	50	\$0.48
CybermediaTechnologies Inc.	8	Fairfax Co.	N	E	Technology solutions provider	35	\$0.00
Deltek	8	Fairfax Co.	N	E	Provides enterprise software and information solutions	99	\$0.00
Digital Signal Corporation (DSC)	8	Fairfax Co.	N	E	Three dimensional (3D) long-range facial recognition solutions	10	\$0.00
DRS Technologies, Inc.*	8	Arlington Co.	N	E	HQ; integrated products, services and support to the defense community	125	\$12.80
Enterprise Information Management, Inc.	8	Arlington Co.	N	E	Customized solutions that streamline business processes, simplify data collection	10	\$0.00
Fairfield Technologies Inc.	8	Fairfax Co.	N	E	Information technology and professional services	45	\$0.11
Five 9 Group, Inc.	8	Fairfax Co.	N	E	Provides enterprise IT services	20	\$0.00
Gate Gourmet, Inc.*	8	Fairfax Co.	N	E	North and South American HQ; Airline catering services	300	\$10.20
Hanover Insurance Group	8	Fairfax Co.	N	E	Property and casualty insurance; healthcare division headquarters	35	\$0.00
Hardwood Artisans	8	Prince William Co.	M	E	Manufactures hand-crafted wood furniture	10	\$3.20
Harmony Technology, Inc.	8	Fairfax Co.	N	E	IT solutions and consulting	15	\$0.00
HCL Technologies*	8	Fairfax Co.	N	E	Software-led IT solutions, remote infrastructure management	10	\$0.00
Headstrong Corporation*	8	Fairfax Co.	N	E	Provides IT consulting to financial markets	19	\$0.00
Helicopter Association International	8	Alexandria	N	E	Trade association; helicopter industry	0	\$17.10
HITT Contracting Inc.	8	Fairfax Co.	N	E	Corporate HQ; general contracting	40	\$0.00
Hook Mobile	8	Fairfax Co.	N	E	Provides cloud services for mobile applications	25	\$0.11
HotBed Technologies, Inc.	8	Fairfax Co.	N	E	Designs, implements and services communications systems	15	\$0.00

Appendix 4: Announcement Data for FY 2012

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
HumanTouch, LLC	8	Fairfax Co.	N	E	Provides professional and information technology services	43	\$0.00
immixGroup, Inc.	8	Fairfax Co.	N	E	Commercial technology products and services provider to the public sector	130	\$0.00
Inceptre Corporation	8	Fairfax Co.	N	E	Systems engineering and integration, mission integration	17	\$0.00
InfinityQS International, Inc.	8	Fairfax Co.	N	E	Provides quality management software and services to manufacturers	10	\$0.00
INTEGRITYOne Partners, Inc.	8	Fairfax Co.	N	E	Management and technology consulting services	352	\$0.90
John Marshall Bank	8	Fairfax Co.	N	E	Corporate HQ; regional banking operation	10	\$0.00
K2M, LLC	8	Loudoun Co.	M	E	Manufactures spinal medical devices	162	\$0.00
Kaztronix, LLC	8	Fairfax Co.	N	E	Workforce management technologies; project tracking software	20	\$0.00
Knowledge Consulting Group (KCG)	8	Fairfax Co.	N	E	Cybersecurity services, business advisory services	30	\$0.00
Knowlogy Corporation	8	Fairfax Co.	N	E	HQ: learning solutions, IT consulting, IT procurement services	30	\$0.00
LeapFrog Solutions Inc.	8	Fairfax Co.	N	E	Marketing communications	13	\$0.00
M. C. Dean, Inc.	8	Loudoun Co.	N	E	HQ; electrical design-build and systems integration	0	\$1.50
MAXIMUS, Inc.	8	Fairfax Co.	N	E	Provides administrative solutions to improve government-sponsored benefit programs	90	\$0.00
Metron Aviation	8	Loudoun Co.	N	E	Air traffic management products and services for the global aviation industry	350	\$2.00
MicroLink LLC	8	Fairfax Co.	N	E	Provides information technology solutions	45	\$0.00
Millennium Corporation	8	Arlington Co.	N	E	Management, information technology, and training support services	49	\$0.40
NET100, Ltd.	8	Fairfax Co.	N	E	Provides telecommunications infrastructure services	20	\$0.00
NewCoIT Corp.	8	Fairfax Co.	N	E	IT support, consulting, colocation services	10	\$0.00
Newgen Software*	8	Fairfax Co.	N	E	Business Process Management (BPM) solutions; software services	25	\$0.00
NJVC	8	Fairfax Co.	N	E	Information technology solutions provider	250	\$0.00
Novel Applications of Vital Information	8	Fairfax Co.	N	E	Cyber security, information security, systems integration	52	\$0.00
NuWave Solutions	8	Fairfax Co.	N	E	Data management, applications, analytic services, business intelligence systems	10	\$0.00
Oak Ridge Associated Universities	8	Arlington Co.	N	E	University consortium; scientific and government-related R&D	100	\$0.00
Omega Performance	8	Arlington Co.	N	E	HQ; Provides consulting, performance improvement to the financial services industry	35	\$0.00
Primatics Financial	8	Fairfax Co.	N	E	Software solutions and professional services to the financial services sector	75	\$0.00
RadiantBlue Technologies, Inc.	8	Fairfax Co.	N	E	Information technology development, consulting, and program support services	24	\$0.00
Resonate Networks, Inc.	8	Fairfax Co.	N	E	HQ; online advertising and media, audience management platform	24	\$0.00

Appendix 4: Announcement Data for FY 2012

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
Secure Mission Solutions	8	Fairfax Co.	N	E	Provides physical, cyber, communications, and intelligence security/protection	50	\$0.00
Securities and Exchange Commission	8	Fairfax Co.	N	E	Securities and Exchange Commission; data center	75	\$1.00
Signature Group, The	8	Fairfax Co.	N	E	IT consulting, design, project management, implementation and support services	64	\$6.50
TASC, Inc.	8	Fairfax Co.	N	E	Provides advanced systems engineering, integration and decision-support services	825	\$23.79
TEOCO Corporation	8	Fairfax Co.	N	E	Provides assurance and analytics solutions to communications service providers	10	\$0.00
The Teaching Company, LLC	8	Fairfax Co.	N	E	Educational courses on DVD, audio CD, and other formats	68	\$0.00
Triton International Enterprises	8	Fairfax Co.	M	E	Plastic films, pouches and bags, aluminum foils, galvanised steel, steel profiles	25	\$1.50
Trusted Concepts	8	Fairfax Co.	N	E	Information technology services	12	\$0.00
tw telecom	8	Fairfax Co.	N	E	Internet and telecommunications; provides managed network services	25	\$0.00
Universal Consulting Services, Inc.	8	Fairfax Co.	N	E	Acquisition management, enterprise IT solutions, program support services	25	\$0.00
Volkswagen of America, Inc.*	8	Fairfax Co.	N	E	U.S. HQ; Automobile manufacturer	130	\$2.00
Wireless Matrix, Inc.	8	Fairfax Co.	N	E	Provides GPS fleet tracking solutions and wireless data communications	17	\$0.00
XO Communications, LLC	8	Fairfax Co.	N	E	HQ; IP communications, managed network and IT infrastructure services	80	\$0.00
Yellow Fiber Networks	8	Fairfax Co.	N	E	Broadband fiber network and colocation services	10	\$0.00
		<i>Expansion Total</i>			<i>79 announcements</i>	<i>5,796</i>	<i>\$219.89</i>
		<i>PDC 8 Total</i>			<i>95 announcements</i>	<i>7,025</i>	<i>\$452.79</i>
Continental Teves Inc.*	9	Culpeper Co.	M	E	Anti-lock brake systems	0	\$11.20
SimplyRFID	9	Fauquier Co.	M	E	Manufactures RFID tags and solutions	60	\$8.00
		<i>Expansion Total</i>			<i>2 announcements</i>	<i>60</i>	<i>\$19.20</i>
		<i>PDC 9 Total</i>			<i>2 announcements</i>	<i>60</i>	<i>\$19.20</i>
Cytek Development Inc.	10	Greene Co.	M	N	Flow cytometry products	10	\$0.65
		<i>New Total</i>			<i>1 announcement</i>	<i>10</i>	<i>\$0.65</i>
Afton Scientific	10	Albemarle Co.	M	E	Manufactures pharmaceutical drugs	45	\$0.80
BIO-CAT INC.	10	Louisa Co.	M	E	Enzyme preparations, laboratory, and analysis	7	\$1.00
Blue Mountain Barrel House	10	Nelson Co.	M	E	Beer production	16	\$2.00
Ensign-Bickford Renewable Energies, Inc.	10	Louisa Co.	M	E	Manufactures wood fuel pellets and wood chips	9	\$2.00
HemoShear LLC	10	Charlottesville	N	E	Biotechnology research and development	83	\$1.00

Appendix 4: Announcement Data for FY 2012

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
Performance Signs	10	Greene Co.	M	E	Various interior and exterior signs and banners	12	\$0.62
Process Engineering & Fabrication, Inc.	10	Nelson Co.	M	E	Spiral freezers and custom spiral solutions	20	\$0.30
Turman Tye River, LLC	10	Nelson Co.	M	E	Sawmill	30	\$1.20
Wild Wolf Brewing Company, Inc.	10	Nelson Co.	M	E	Beer brewery	7	\$2.30
		<i>Expansion Total</i>			<i>9 announcements</i>	<i>229</i>	<i>\$11.22</i>
		<i>PDC 10 Total</i>			<i>10 announcements</i>	<i>239</i>	<i>\$11.87</i>
Babcock & Wilcox mPower, Inc.	11	Bedford Co.	N	N	mPower Integrated System Test facility; nuclear reactor R&D	15	\$3.00
Gran Tee Investments, LLC	11	Bedford City	M	N	Rubber products	12	\$0.00
		<i>New Total</i>			<i>2 announcements</i>	<i>27</i>	<i>\$3.00</i>
Forestry Equipment of Virginia (FEVA)	11	Bedford Co.	M	E	Custom-truck assembly	35	\$4.20
Griffin Pipe Products Co.	11	Lynchburg	M	E	Manufactures ductile pipe	15	\$35.00
Mail America Communications	11	Bedford Co.	N	E	Provides direct mail printing, press, binding, and delivery services	79	\$5.13
National Technical Systems (NTS)	11	Campbell Co.	N	E	Electromagnetic interference testing	15	\$2.00
Taylor Brothers Lumber Company	11	Lynchburg	N	E	Lumber and building materials distribution	40	\$5.00
Tessy Plastics LLC	11	Lynchburg	M	E	Custom injection-molding	60	\$4.80
		<i>Expansion Total</i>			<i>6 announcements</i>	<i>244</i>	<i>\$56.13</i>
		<i>PDC 11 Total</i>			<i>8 announcements</i>	<i>271</i>	<i>\$59.13</i>
Axxor N.A., LLC*	12	Pittsylvania Co.	M	N	Manufacture honeycomb materials used in furniture manufacturing	31	\$4.96
GSO Aviation, Inc.	12	Danville	N	N	Repair and overhaul of electro-mechanical and hydraulic aircraft components	15	\$1.00
Hybrid Vehicles of Danville Inc.	12	Danville	M	N	Manufactures armored vehicles	150	\$1.50
Laminate Technologies (LamTech)	12	Henry Co.	M	N	Manufactures customized laminated panels and fabricated components	30	\$2.00
Piedmont BioProducts LLC	12	Pittsylvania Co.	M	N	Commercial refinery; converts feedstock to biofuel	15	\$0.00
Virdia	12	Danville	M	N	Cellulosic sugars and lignin for use in the renewable chemicals, bio-energy industries	34	\$10.00
Web Parts LLC	12	Danville	N	N	Computer programming and applications; data center	260	\$0.00
		<i>New Total</i>			<i>7 announcements</i>	<i>535</i>	<i>\$19.46</i>
Amthor International Inc.	12	Pittsylvania Co.	M	E	Truck bodies	50	\$0.40
Commonwealth Laminating & Coating Inc.	12	Henry Co.	M	E	HQ; Solar-control window films and high-performance coatings	40	\$16.50

Appendix 4: Announcement Data for FY 2012

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
Drake Extrusion Ltd.*	12	Henry Co.	M	E	Polypropylene fibers	25	\$3.00
EMI Imaging	12	Patrick Co.	N	E	Document management solutions	35	\$0.75
Engineered BioPharmaceuticals Inc.	12	Danville	M	E	Develops dry-powder pharmaceuticals for vaccines	100	\$0.00
Gabriel Church Services	12	Franklin Co.	M	E	Manufactures furniture for churches	25	\$0.75
Goodyear Tire & Rubber Co.	12	Danville	M	E	Aircraft and truck tires	143	\$33.97
GS Industries of Bassett, Ltd	12	Henry Co.	M	E	Manufactures plastic furniture parts	35	\$0.00
GSI Commerce	12	Henry Co.	N	E	Fulfillment facility	60	\$1.50
Jarrett Welding and Machine Inc.	12	Danville	M	E	Custom wrought iron and design-build structural steel	11	\$0.00
McAirlaid's Vliesstoffe GmbH & Co. KG*	12	Franklin Co.	M	E	U.S. HQ; Air-laid nonwoven fabrics manufacturing	40	\$0.00
Virginia Candle Company	12	Pittsylvania Co.	M	E	Warehouse, distribution, manufacturing; candles	50	\$0.00
		<i>Expansion Total</i>			<i>12 announcements</i>	<i>614</i>	<i>\$56.87</i>
		<i>PDC 12 Total</i>			<i>19 announcements</i>	<i>1,149</i>	<i>\$76.33</i>
Aquatic	13	Halifax Co.	M	E	Manufactures bathtubs, whirlpools, and shower stalls	120	\$1.00
Dollar General Corp.	13	Halifax Co.	N	E	Distribution center, consumer goods	50	\$0.00
Dominion Virginia Power	13	Brunswick Co.	N	E	Natural gas-fired power station	30	\$1,100.00
Faneuil, Inc.	13	Halifax Co.	N	E	Customer care center for Dominion Virginia Power	150	\$1.50
Microsoft Corp.	13	Mecklenburg Co.	N	E	Data center	10	\$150.00
		<i>Expansion Total</i>			<i>5 announcements</i>	<i>360</i>	<i>\$1,252.50</i>
		<i>PDC 13 Total</i>			<i>5 announcements</i>	<i>360</i>	<i>\$1,252.50</i>
Abakus Solar USA*	15	Richmond City	N	N	Solar energy components wholesale	5	\$0.15
Amazon.com, Inc.	15	Chesterfield Co.	N	N	Fulfillment center	1,060	\$85.00
American Paper Converting	15	Henrico Co.	M	N	Supplies towel and tissue to janitorial and food service distributors	20	\$2.00
BGB Technology Inc.*	15	Chesterfield Co.	M	N	Electrical slip ring systems, underwater lighting and camera solutions	15	\$2.00
Blue Bee Cider	15	Richmond City	M	N	Cider and juices	5	\$0.10
Design Ready Controls	15	Henrico Co.	M	N	Original design manufacturer (ODM) providing control panel and harness solutions	25	\$0.30
Primatics Financial	15	Henrico Co.	N	N	Provides software solutions and advisory services	10	\$0.30
Restaurant Depot Inc.	15	Henrico Co.	N	N	Supplies food, flatware and fixtures to the restaurant industry	35	\$3.76

Appendix 4: Announcement Data for FY 2012

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)	
Tumblr	15	Richmond City	N	N	Microblogging platform development	30	\$0.00	
			<i>New Total</i>			<i>9 announcements</i>	<i>1,205</i>	<i>\$93.61</i>
Allianz Global Assistance*	15	Henrico Co.	N	E	HQ; Travel insurance, international healthcare, and assistance products	100	\$30.00	
Arista Laboratories*	15	Henrico Co.	N	E	Provides third-party analysis and testing to the tobacco industry	50	\$5.20	
Barricade Building Products	15	Hanover Co.	M	E	Housewraps, building wrap made of woven polyolefin	20	\$0.00	
Best Bully's	15	Richmond City	M	E	Manufactures and distributes pet treats	0	\$0.70	
Brown Distributing Company, Inc.	15	Henrico Co.	N	E	Beverage distribution	20	\$3.30	
Capital One Financial Corp.	15	Chesterfield Co.	N	E	Data center	50	\$150.00	
CarMax Inc.	15	Goochland Co.	N	E	HQ; National car dealership chain	46	\$0.00	
ColorTree Inc. of Virginia	15	Henrico Co.	M	E	Manufactures full color and custom envelopes	21	\$1.33	
Cranemasters Inc.	15	Chesterfield Co.	N	E	Railroad services contractor, emergency derailment, load adjustment	12	\$1.70	
Direct Mail Solutions (DMS)	15	Henrico Co.	N	E	Prepares advertising materials for mailing or other direct distribution	90	\$3.50	
Electro-LuminX Lighting Corp.	15	Chesterfield Co.	M	E	Manufactures electroluminescent lamps	15	\$0.10	
Equustock, LLC	15	Chesterfield Co.	M	E	Manufactures horse bedding wood pellet	50	\$5.50	
Fareva*	15	Henrico Co.	M	E	Manufactures and packages pharmaceuticals and cosmetics	90	\$42.00	
Health Diagnostic Laboratory (HDL)	15	Richmond City	N	E	Clinical laboratory, diagnostics, and clinical trial services	706	\$68.50	
Honeywell International Inc.	15	Chesterfield Co.	M	E	Advanced fibers and composites; polyethylene fiber	50	\$27.50	
Hoover & Strong, Inc.	15	Chesterfield Co.	M	E	Jewelry parts	50	\$1.00	
James River Semiconductor	15	Richmond City	M	E	Silicon wafers and services	0	\$0.15	
LG Hausys America, Inc.*	15	Chesterfield Co.	N	E	Distribution center/warehouse; quartz and granite countertops	5	\$0.55	
Mazda Motor Corp.*	15	Chesterfield Co.	N	E	Automotive parts distribution and engine repair, remanufacturing	21	\$2.30	
Networking Technologies and Support, Inc.	15	Chesterfield Co.	N	E	HQ; full service systems integration provider	140	\$1.50	
NYW Trading LLC	15	Henrico Co.	N	E	Food products distribution	15	\$7.50	
Quality Technology Services (QTS)	15	Henrico Co.	N	E	Data center facilities and managed services provider	86	\$30.00	
Sabra Dipping Company, LLC*	15	Chesterfield Co.	M	E	Manufactures hummus and vegetable dips; R&D facility	90	\$28.00	
Saddle Creek Logistics Services	15	Henrico Co.	N	E	Third-party logistics provider; refrigerated warehouse	24	\$2.52	
Specialty's Our Name	15	Hanover Co.	M	E	Sheet metal fabrication, welding, machining	15	\$0.10	

Appendix 4: Announcement Data for FY 2012

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
SunTrust	15	Henrico Co.	N	E	Financial services	0	\$6.67
Taxing Authority Consulting Services	15	Chesterfield Co.	N	E	Provides call center services for legal collections	26	\$0.60
Total Packaging Services	15	Henrico Co.	M	E	Consumer products packaging	0	\$4.90
U.S. Army Hardware Software Integration Facility	15	Chesterfield Co.	N	E	Provides computer upgrade services to Afghanistan war fighters	40	\$1.00
Universal Health Services, Inc.	15	Chesterfield Co.	N	E	Hospital patient accounting services	45	\$1.00
UNOS (United Network for Organ Sharing)	15	Richmond City	N	E	HQ; Organ donation coordination	70	\$3.00
Virginia Crane (Foley Material Handling)	15	Hanover Co.	M	E	Manufactures industrial cranes	36	\$0.20
Wholesale Millwork	15	Henrico Co.	M	E	Mouldings, trim, treads, stairs and vinyl railings	0	\$0.90
		<i>Expansion Total</i>			<i>33 announcements</i>	<i>1,983</i>	<i>\$431.22</i>
		<i>PDC 15 Total</i>			<i>42 announcements</i>	<i>3,188</i>	<i>\$524.83</i>
ACTS Solutions, LLC	16	Caroline Co.	N	E	Systems engineering	38	\$0.10
Cask, LLC	16	Stafford Co.	N	E	Business/technology services to support clients throughout the technology lifecycle	32	\$0.13
Professional Solutions Delivered (ProSoDel)	16	Caroline Co.	N	E	Provides IT services, program management, and logistics support	40	\$0.10
Vulcan Materials Co.	16	Caroline Co.	N	E	Sand and gravel	14	\$0.00
		<i>Expansion Total</i>			<i>4 announcements</i>	<i>124</i>	<i>\$0.33</i>
		<i>PDC 16 Total</i>			<i>4 announcements</i>	<i>124</i>	<i>\$0.33</i>
Omega Protein Corporation	17	Northumberland Co.	M	E	Fish oil processing	20	\$35.60
		<i>Expansion Total</i>			<i>1 announcement</i>	<i>20</i>	<i>\$35.60</i>
		<i>PDC 17 Total</i>			<i>1 announcement</i>	<i>20</i>	<i>\$35.60</i>
Branscome, Inc.	18	King & Queen Co.	M	N	Manufactures asphalt	0	\$3.00
Fulcrum Concepts LLC	18	King & Queen Co.	N	N	Aircraft integration of specialized weaponry and avionics, ISR training	31	\$4.60
		<i>New Total</i>			<i>2 announcements</i>	<i>31</i>	<i>\$7.60</i>
Rock-Tenn Company	18	King William Co.	M	E	Paperboard	0	\$14.20
		<i>Expansion Total</i>			<i>1 announcement</i>	<i>0</i>	<i>\$14.20</i>
		<i>PDC 18 Total</i>			<i>3 announcements</i>	<i>31</i>	<i>\$21.80</i>
Amazon.com, Inc.	19	Dinwiddie Co.	N	N	Fulfillment center	390	\$50.00
Spiniello Co.	19	Dinwiddie Co.	M	N	Cured-in-place-pipe (CIPP) liners for underground utilities	35	\$1.90

Appendix 4: Announcement Data for FY 2012

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)	
		<i>New Total</i>			<i>2 announcements</i>		<i>425</i>	<i>\$51.90</i>
MBCI	19	Colonial Heights	M	E	Manufacture insulated panel systems for metal building components	25	\$15.00	
Metl-Span LLC*	19	Prince George Co.	M	E	Manufactures metal insulated building panels	31	\$8.00	
Rock-Tenn Company	19	Hopewell	M	E	Paperboard	0	\$41.00	
Standard Motor Products Inc.	19	Prince George Co.	N	E	Distribution center, automotive parts	95	\$1.06	
		<i>Expansion Total</i>			<i>4 announcements</i>		<i>151</i>	<i>\$65.06</i>
		<i>PDC 19 Total</i>			<i>6 announcements</i>		<i>576</i>	<i>\$116.96</i>
Poseidon Atlantic LLC*	22	Northampton Co.	N	N	Wind turbine testing facility	15	\$5.00	
		<i>New Total</i>			<i>1 announcement</i>		<i>15</i>	<i>\$5.00</i>
		<i>PDC 22 Total</i>			<i>1 announcement</i>		<i>15</i>	<i>\$5.00</i>
Atlas North America (Atlas NA)*	23	Virginia Beach	N	N	U.S. HQ; engineered maritime systems (undersea warfare and unmanned vehicles)	5	\$0.10	
Best Brakes	23	Suffolk	N	N	Full line brake rotor and drum supplier	15	\$0.20	
California Cartage Company, LLC	23	Suffolk	N	N	Warehouse and retail distribution	75	\$12.50	
Coastal Logistics Group	23	Suffolk	N	N	Hub for distribution, packing, crating, and logistics support services	0	\$0.22	
CTDI/Cox Communications	23	Chesapeake	N	N	Hub of Mid-Atlantic warehouse and distribution operations	50	\$4.00	
Elite Contracting Group	23	Virginia Beach	M	N	Vehicle barriers, secure gates/bollards; supplies/installs camera/detection devices	25	\$2.00	
Enviva LP	23	Southampton Co.	M	N	Manufactures wood pellets	72	\$91.00	
Freezepop LLC	23	Suffolk	N	N	Temperature-controlled warehousing/storage	0	\$3.10	
Green Mountain Coffee Roasters, Inc.	23	Isle of Wight Co.	M	N	Coffee roasting, grinding, flavoring, and packaging	800	\$180.00	
Proton Systems	23	Hampton	M	N	Medical device manufacturer for cancer research and radiation therapy facilities	6	\$1.81	
Swift Air Logistics, LLC	23	Chesapeake	N	N	Warehouse; transportation and logistics	15	\$0.00	
		<i>New Total</i>			<i>11 announcements</i>		<i>1,063</i>	<i>\$294.93</i>
215 Gear/Trident Security	23	Virginia Beach	M	E	Tactical gear	0	\$0.50	
Accurate Marine Environmental (AME)	23	Portsmouth	N	E	Environmental services, bilge cleaning, removes hazardous materials	3	\$2.00	
Ace Hardware Corp.	23	Suffolk	N	E	East Coast re-distribution center; hardware	75	\$14.00	
Alere Toxicology Services	23	Portsmouth	N	E	Regional HQ; production and distribution of drug testing products	31	\$0.00	
AMERIGROUP Corp.	23	Virginia Beach	N	E	HQ; Managed health care provider	88	\$0.15	

Appendix 4: Announcement Data for FY 2012

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
AMSEC LLC	23	Virginia Beach	N	E	HQ; IT and engineering services to the Navy and the commercial maritime industry	35	\$2.93
Art FX	23	Suffolk	M	E	Screen printing, custom-printed apparel and sportswear	8	\$0.80
Delta Career Education Corporation	23	Virginia Beach	N	E	Corporate HQ; operates for-profit, post-secondary schools	0	\$0.20
Eagle Aviation Technologies Inc.	23	Hampton	M	E	Design prototypes for unmanned helicopters; R&D	30	\$0.10
East Coast Repair and Fabrication, LLC	23	Portsmouth	M	E	Ship repair for the marine and industrial sectors	0	\$1.00
Fulfilltopia	23	Virginia Beach	N	E	Ecommerce order fulfillment and distribution for brands and manufacturers	5	\$0.15
GE Infrastructure Water & Process Technologies	23	Norfolk	M	E	Water treatment technologies and solutions	0	\$1.40
HD Supply	23	Hampton	N	E	Warehouse/distribution of maintenance, repair and operations products	30	\$0.00
Hermes Abrasives, Ltd.*	23	Virginia Beach	M	E	Manufactures industrial coating abrasives	0	\$0.80
IMS:GEAR Virginia, Inc.*	23	Virginia Beach	M	E	Manufactures metal and plastic gear assemblies used in automotive seats	80	\$35.50
Innovated Machine and Tool Co.	23	Newport News	M	E	Sheet metal fabrication	16	\$2.60
KRISS USA Inc.*	23	Virginia Beach	M	E	N.A. HQ; assembly/light manufacturing of firearms	18	\$0.10
Massimo Zanetti Beverage USA*	23	Suffolk	M	E	Coffee roasting	30	\$5.00
MCO Transport, Inc.	23	Chesapeake	N	E	Container transport and distribution	25	\$0.00
MHI Ship Repair & Services	23	Norfolk	M	E	Ship repair	0	\$0.50
Old Dominion Peanut Company Inc.	23	Suffolk	M	E	Peanut brittle, peanut candy, peanut products	0	\$7.00
Osen-Hunter Defense Systems	23	Virginia Beach	N	E	Mission-focused technology and intelligence, security operations and tactical training	14	\$0.16
Reynolds, Smith and Hills, Inc. (RS&H)	23	Norfolk	N	E	Facilities and infrastructure consulting specializing in aerospace and defense	22	\$0.00
S.B. Cox, Inc.	23	York Co.	N	E	Construction debris recycling; materials recovery	17	\$7.00
Smithfield Packing Company	23	Isle of Wight Co.	N	E	Development and testing of food products, innovation center	0	\$4.30
STIHL Inc.*	23	Virginia Beach	M	E	U.S. HQ; Hand-held power tools	0	\$18.00
STIHL Inc.*	23	Virginia Beach	M	E	U.S. HQ; Hand-held power tools	52	\$10.30
Stinger Ghaffarian Technologies, Inc.	23	Hampton	N	E	Aerospace services, engineering, project management, and IT	0	\$1.80
Studio Center Corporation	23	Virginia Beach	N	E	HQ; radio and commercial recording studio	5	\$0.25
Suffolk Iron Works	23	Suffolk	M	E	Structural steel for the power and railroad industries	8	\$0.20
Sumitomo Machinery Corp. of America*	23	Chesapeake	M	E	Industrial gears and reducers manufacturing and assembly	96	\$13.25
Sumitomo Machinery Corp. of America*	23	Suffolk	N	E	Centralized distribution center; industrial gears and reducers	24	\$1.00

Appendix 4: Announcement Data for FY 2012

Company Name	PDC	Location	MFG	Type	Business	Employment	Investment (millions)
Universal Air Products Corp.	23	Norfolk	M	E	Air and gas compressor, filtration and drying systems	0	\$1.62
URS Corporation	23	Norfolk	N	E	Provides engineering, construction and technical services	120	\$0.00
Western Branch Metals, LC (WBM)	23	Suffolk	M	E	Stainless steel boat shafting and rudders; warehouse	2	\$1.00
		<i>Expansion Total</i>			<i>35 announcements</i>	<i>834</i>	<i>\$133.60</i>
		<i>PDC 23 Total</i>			<i>46 announcements</i>	<i>1,897</i>	<i>\$428.53</i>
<i>Not publicly announced</i>		<i>Confidential</i>			<i>12 announcements</i>	<i>1,881</i>	<i>\$1,109.05</i>
		Grand Total			314 announcements	19,918	\$4,439.35

Notes:

*Indicates foreign affiliation

Type: New or Expansion

Mfg: Manufacturing or Nonmanufacturing

2012 announcements are preliminary

All announcements are subject to revision

Appendix 5: Employment Creation and Capital Investment by PDC

	Announcements	Employment	Investment (millions)
New Total	1	150	\$0.30
Expansion Total	0	0	\$0.00
PDC 1 Total	1	150	\$0.30
New Total	1	70	\$2.60
Expansion Total	2	115	\$1.00
PDC 2 Total	3	185	\$3.60
New Total	4	486	\$6.31
Expansion Total	8	327	\$28.95
PDC 3 Total	12	813	\$35.26
New Total	1	216	\$20.50
Expansion Total	6	139	\$15.85
PDC 4 Total	7	355	\$36.35
New Total	3	105	\$17.50
Expansion Total	9	499	\$19.50
PDC 5 Total	12	604	\$37.00
New Total	2	17	\$4.30
Expansion Total	13	500	\$33.34
PDC 6 Total	15	517	\$37.64
New Total	2	55	\$23.75
Expansion Total	8	403	\$151.56
PDC 7 Total	10	458	\$175.31
New Total	16	1,229	\$232.90

Appendix 5: Employment Creation and Capital Investment by PDC

Expansion Total	79	5,796	\$219.89
PDC 8 Total	95	7,025	\$452.79
<i>New Total</i>	0	0	\$0.00
<i>Expansion Total</i>	2	60	\$19.20
PDC 9 Total	2	60	\$19.20
<i>New Total</i>	1	10	\$0.65
<i>Expansion Total</i>	9	229	\$11.22
PDC 10 Total	10	239	\$11.87
<i>New Total</i>	2	27	\$3.00
<i>Expansion Total</i>	6	244	\$56.13
PDC 11 Total	8	271	\$59.13
<i>New Total</i>	7	535	\$19.46
<i>Expansion Total</i>	12	614	\$56.87
PDC 12 Total	19	1,149	\$76.33
<i>New Total</i>	0	0	\$0.00
<i>Expansion Total</i>	5	360	\$1,252.50
PDC 13 Total	5	360	\$1,252.50
<i>New Total</i>	0	0	\$0.00
<i>Expansion Total</i>	0	0	\$0.00
PDC 14 Total	0	0	\$0.00
<i>New Total</i>	9	1,205	\$93.61
<i>Expansion Total</i>	33	1,983	\$431.22
PDC 15 Total	42	3,188	\$524.83

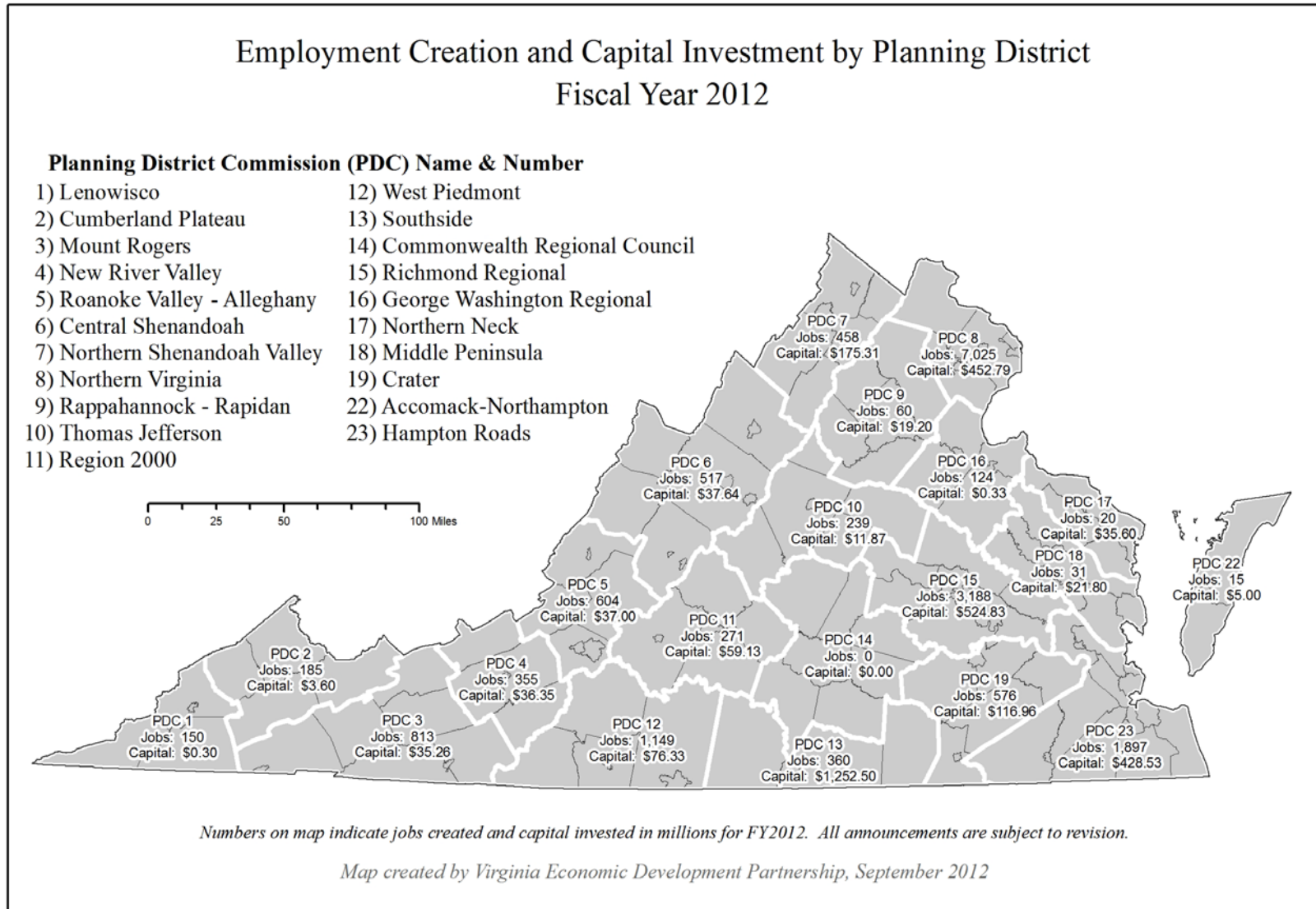
Appendix 5: Employment Creation and Capital Investment by PDC

<i>New Total</i>	0	0	\$0.00
<i>Expansion Total</i>	4	124	\$0.33
PDC 16 Total	4	124	\$0.33
<i>New Total</i>	0	0	\$0.00
<i>Expansion Total</i>	1	20	\$35.60
PDC 17 Total	1	20	\$35.60
<i>New Total</i>	2	31	\$7.60
<i>Expansion Total</i>	1	0	\$14.20
PDC 18 Total	3	31	\$21.80
<i>New Total</i>	2	425	\$51.90
<i>Expansion Total</i>	4	151	\$65.06
PDC 19 Total	6	576	\$116.96
<i>New Total</i>	1	15	\$5.00
<i>Expansion Total</i>	0	0	\$0.00
PDC 22 Total	1	15	\$5.00
<i>New Total</i>	11	1,063	\$294.93
<i>Expansion Total</i>	35	834	\$133.60
PDC 23 Total	46	1,897	\$428.53
Confidential	12	1,881	\$1,109.05
Grand Total	314	19,918	\$4,439.35

Notes:

2012 announcements are preliminary
 All announcements are subject to revision

Appendix 5: Employment Creation and Capital Investment by PDC for FY 2012



Appendix 6: Audited Financial Report



Virginia Economic Development Partnership
Audited Basic Financial Statements
For the Fiscal Year Ended
June 30, 2012

INTRODUCTORY SECTION

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP
Richmond, Virginia

APPOINTED OFFICIALS
As of June 30, 2012

Board of Directors

Julien G. Patterson, Chair
John F. Malbon, Vice Chair

Stephen R. Adkins	David Oliver
G. William Beale	Dan M. Pleasant
Eddie M. Bowles	A. Carole Pratt
Russell B. Clark	Ruth A. Sandoval
Mark D. Heath	Samuel A. Schreiber
David Hudgins	Donald W. Seale
Hugh D. Keogh	James E. Ukrop
Chris A. Lumsden	Neil D. Wilkin, Jr.
Stuart S. Malawer	

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

President and Chief Executive Officer

Martin J. Briley

FINANCIAL SECTION

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF JUNE 30, 2012

The Virginia Economic Development Partnership (Partnership) management 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, 2012. 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 Balances 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, 2012, the Partnership had a net asset deficit of \$1,480,360 compared to a net asset deficit of \$775,815 as of June 30, 2011. Following is an analysis of the changes in the net assets of the Partnership.

	Net Assets		
	<u>2012</u>	<u>2011</u>	Increase (Decrease)
Current and other assets	\$ 3,982,262	\$ 3,673,372	\$ 308,890
Capital assets, net of depreciation	<u>654,549</u>	<u>635,897</u>	<u>18,652</u>
Total assets	<u>4,636,811</u>	<u>4,309,269</u>	<u>327,542</u>
Non-current liabilities	5,541,611	4,496,919	1,044,692
Other liabilities	<u>575,560</u>	<u>588,165</u>	<u>(12,605)</u>
Total liabilities	<u>6,117,171</u>	<u>5,085,084</u>	<u>1,032,087</u>
Net assets:			
Invested in capital assets, net of related debt	654,549	635,897	18,652
Unrestricted	<u>(2,134,909)</u>	<u>(1,411,712)</u>	<u>(723,197)</u>
Total net assets (deficit)	<u>\$ (1,480,360)</u>	<u>\$ (775,815)</u>	<u>\$ (704,545)</u>

Total assets increased this fiscal year by \$327,542 when compared to last year. The principal causes of this increase were increases in the Current asset, operating grants receivable of \$282,881, which was due from the federal government, and a net increase in Capital assets, net of depreciation of \$18,652.

Total liabilities increased by \$1,032,087. The principal causes of this increase were increases in the Non-current liabilities of the Partnership's net pension obligation and other post-employment obligations totaling \$1,036,481. Other liabilities decreased by \$12,605. The principal causes of this decrease were a decrease in employee benefit payments due to the Virginia Retirement System of \$119,740 which was offset by increases in accounts payable and accrued payroll totaling \$112,491.

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 \$2,134,909 is classified as *unrestricted*. The Partnership has recorded \$4,693,571 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 Current and other assets exceed its Other liabilities by approximately \$3,400,000.

Changes in Net Assets			
	<u>2012</u>	<u>2011</u>	<u>Increase (Decrease)</u>
Revenues:			
Program revenues:			
Charges for services	\$ 383,962	\$ 467,051	\$ (83,089)
Operating grants	292,413	-	292,413
General revenues:			
General Fund appropriations	18,687,018	18,464,529	222,489
Other	32,358	102,706	(70,348)
	<u>19,395,751</u>	<u>19,034,286</u>	<u>361,465</u>
Expenses:			
Business Development	3,254,531	3,144,682	109,849
International Investment	2,500,633	1,907,003	593,630
International Trade	3,492,862	3,172,206	320,656
Research	1,935,918	1,866,534	69,384
Communications and Promotions	3,053,140	3,097,953	(44,813)
Information Technology	2,222,311	2,177,788	44,523
Administration	3,140,901	2,776,796	364,105
Pass-through Payments	500,000	1,379,095	(879,095)
	<u>20,100,296</u>	<u>19,522,057</u>	<u>578,239</u>
Increase (Decrease) in net assets	(704,545)	(487,771)	216,774
Beginning net assets	<u>(775,815)</u>	<u>(288,044)</u>	<u>(487,771)</u>
Ending net assets(deficit)	<u>\$ (1,480,360)</u>	<u>\$ (775,815)</u>	<u>\$ (704,545)</u>

Net assets for the Partnership decreased by \$704,545 during the current fiscal year compared to a decrease of \$487,771 in net assets in the prior fiscal year. The revenues increase of \$361,465 is due to a \$222,489 increase in general fund appropriations provided by the COV and an increase in operating grants of \$292,413. These increases were partially offset by a decrease in charges for services of \$83,089 caused by revisions in the Partnership's marketing strategies and a \$70,348 decrease in other revenues caused primarily by a decrease in the refund of operating expenses received from the landlord of the Richmond office.

The increase in expenses for the International Investment division was caused by expanded operations in India, China, and the United Kingdom in 2012. These expenses were funded by new general fund appropriations provided by the COV and the use of cash balances carried over from prior years' operations. The increase in International Trade expenses was directly related to the increase in revenues

provided by new federal grants in 2012. Administration incurred additional costs for a CEO search, related transition costs, and operations and market studies. Employee benefits costs increased by approximately \$200,000 from 2011 to 2012. These costs and other minor increases and decreases were spread out over all divisions. Approximately \$190,000 of the increase in the employee benefits costs were accruals and are reflected in the Partnership's Non-current liabilities. The decrease in spending of \$879,095 in Pass-through Payments was caused by a reduction in appropriations provided by the COV of \$170,095 plus \$700,000 that was budgeted for two community based grant programs and was not paid out by June 30, 2012. The Partnership has committed the unspent Pass-through Payments budget to the 2013 fiscal year.

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 18.3 million. This amount was increased by \$300,000 for the Rolls-Royce project manager and \$125,835 for a variety of benefit cost increases; and then reduced by removing funding for the Virginia-Israel Advisory Board of \$43,279. The variance in Operating grants revenue of \$437,234 was caused by a delay in receiving reimbursements totaling \$282,881 from the federal government for cash payments made by the Partnership as of June 30, 2012, and approximately \$155,000 of unspent grant funds that will be added to the 2013 budget. The \$700,000 variance in Pass-through Payments is addressed in the preceding paragraph.

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, 2012

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents (Note 2)	\$ 3,245,069
Travel advances	5,728
Operating grants receivable	282,881
Due from Component Units of the Commonwealth of Virginia	71,146
Prepaid expenses	354,268
Lease deposits (Note 5)	23,170
Capital assets, net of accumulated depreciation (Note 6)	
Leasehold improvements, furniture, and equipment	<u>654,549</u>
Total assets	<u>4,636,811</u>
Liabilities	
Accounts payable	189,877
Accrued payroll	179,047
Other payables	664
Unearned revenue	535
Due to Virginia National Defense Industrial Authority	205,437
Noncurrent liabilities due within one year	
Compensated absences (Note 8)	525,353
Noncurrent liabilities due in more than one year	
Compensated absences (Note 8)	322,687
Net pension obligation (Note 9)	3,496,448
Net other post-employment obligation (Note 10)	<u>1,197,123</u>
Total liabilities	<u>6,117,171</u>
Net assets	
Investment in capital assets, net of related debt	654,549
Unrestricted	<u>(2,134,909)</u>
Total net assets (deficit)	<u>\$ (1,480,360)</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, 2012

	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants	Revenue and Changes in Net Assets
Governmental Activities				
Business Development	\$ 3,254,531	\$ 10,000	\$	\$ (3,244,531)
International Investment	2,500,633	16,769		(2,483,864)
International Trade	3,492,862	202,701	292,413	(2,997,748)
Research	1,935,918	-		(1,935,918)
Communications and Promotions	3,053,140	150,204		(2,902,936)
Information Technology	2,222,311	-		(2,222,311)
Administration	3,140,901	4,288		(3,136,613)
Pass-through Payments	500,000	-		(500,000)
Total governmental activities	20,100,296	383,962	292,413	(19,423,921)
General Revenues				
Revenue provided by the General Fund of the Commonwealth (Note 4)				18,687,018
Interest revenue				7,358
Other revenue				25,000
Total general revenues				18,719,376
Decrease in net assets				(704,545)
Net assets, July 1, 2011				(775,815)
Net assets (deficit), June 30, 2012				\$ (1,480,360)

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

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2012

	General Fund	Special Revenue Funds	Total Governmental Funds
Assets			
Cash and cash equivalents (Note 2)	\$ 3,245,069	\$	\$ 3,245,069
Travel advances	5,728		5,728
Due from the special revenue funds	282,881		
Operating grants receivable		282,881	282,881
Due from Component Units of the Commonwealth of Virginia	71,146		71,146
Prepaid expenses	354,268		354,268
Lease deposits (Note 5)	23,170		23,170
Total assets	\$ 3,982,262	\$ 282,881	\$ 3,982,262
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 189,877		\$ 189,877
Accrued payroll	179,047		179,047
Due to the general fund		282,881	
Other payables	664		664
Unearned revenue	535		535
Due to Virginia National Defense Industrial Authority	205,437		205,437
Total liabilities	575,560	282,881	575,560
Fund Balances:			
Nonspendable	377,438	-	377,438
Committed	700,000	-	700,000
Unassigned fund balance	2,329,264	-	2,329,264
Total fund balances	3,406,702	-	3,406,702
Total liabilities and fund balances	\$ 3,982,262	\$ 282,881	\$ 3,982,262

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

Fund balances, Governmental Funds	\$ 3,406,702
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	654,549
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.	(5,541,611)
Total net assets of governmental activities	\$ (1,480,360)

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

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2012

	General Fund	Special Revenue Funds	Total Governmental Funds
Revenues			
Revenue provided by the General Fund of the Commonwealth (Note 4)	\$ 18,687,018	\$	\$ 18,687,018
Participation fees	262,815		262,815
Sponsorship fees	91,995		91,995
Operating grants		292,413	292,413
Interest revenue	7,358		7,358
Other revenue	54,152		54,152
Total revenues	19,103,338	292,413	19,395,751
Expenditures			
Business Development	3,003,292		3,003,292
International Investment	2,407,968		2,407,968
International Trade	3,036,600	292,413	3,329,013
Research	1,776,935		1,776,935
Communications and Promotions	2,992,409		2,992,409
Information Technology	2,120,683		2,120,683
Administration	2,943,956		2,943,956
Pass-through Payments	500,000		500,000
Total expenditures	18,781,843	292,413	19,074,256
Revenues over expenditures	321,495	-	321,495
Fund balance, July 1, 2011	3,085,207	-	3,085,207
Fund balance, June 30, 2012	\$ 3,406,702	\$ -	\$ 3,406,702

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 FUNDS
 TO THE STATEMENT OF ACTIVITIES
 For the Fiscal Year Ended June 30, 2012

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

Net increase in fund balances of the governmental funds	\$	321,495
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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 in the current period.

18,652

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.

(1,044,692)

Decrease in net assets of governmental activities	\$	<u><u>(704,545)</u></u>
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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 AND SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		General Fund Actual	Special Revenue Funds Actual	Variances with Final Budget- Positive (Negative)
	Original	Final			
Revenues					
Revenue provided by the General Fund of the Commonwealth (Note 4)	\$ 18,304,462	\$ 18,687,018	\$ 18,687,018	\$ -	\$ -
Participation fees	190,500	253,990	262,815		8,825
Sponsorship fees	-	25,000	88,345		63,345
Operating grants	-	446,766		9,532	(437,234)
Interest revenue	12,000	6,000	7,358		1,358
Other revenue	43,000	51,010	57,151		6,141
Total revenues	18,549,962	19,469,784	19,102,687	9,532	(357,565)
Expenditures					
Business Development	3,160,665	3,214,490	3,029,827		184,663
International Investment	2,353,338	2,394,257	2,393,520		737
International Trade	3,018,769	3,610,454	3,080,297	292,413	237,744
Research	1,880,815	1,922,148	1,817,381		104,767
Communications and Promotions	2,903,792	3,078,326	2,937,203		141,123
Information Technology	1,868,912	2,142,013	2,122,871		19,142
Administration	2,566,508	3,147,787	2,969,018		178,769
Pass-through Payments	1,243,279	1,200,000	500,000		700,000
Total expenditures	18,996,078	20,709,475	18,850,117	292,413	1,566,945
Revenues over (under) expenditures	(446,116)	(1,239,691)	252,570	(282,881)	1,209,380
Fund balance, July 1, 2011	446,116	1,239,691	3,162,323	-	1,922,632
Fund balance, June 30, 2012 (Note 3)	\$ -	\$ -	\$ 3,414,893	\$ (282,881)	\$ 3,132,012

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, 2012

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 and operating grants. Charges for services are comprised primarily of participation fees and shared mission reimbursements. Operating grants are grants awarded to the Partnership from the federal government.

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 financial transactions not accounted for in the special revenue funds. The special revenue funds are used to account for federal grant revenues and related expenditures for operating grant awarded to the Partnership by the federal government.

Fund balances for the Partnership's governmental funds 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 balances represent assets such as prepaid expenses and lease deposits that are unavailable to be spent on future operations. The unassigned fund balances represents the remainder of the funds, fund balances.

C. Operating Grants Receivable

Operating grants receivable include amounts due from the federal government for two grants that are funded based on reimbursement of expenses paid by the Partnership.

D. Due from Component Units of the Commonwealth of Virginia

Due from component units of the Commonwealth of Virginia represents balances due to the Partnership under two Memoranda of Understanding for services the Partnership provides to the component units.

E. 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, 2012.

F. 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.

G. 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.

H. Unearned Revenue

Unearned revenue includes amounts received for sponsorship and participation fees at June 30, 2012, for an event to be held in the next fiscal period.

I. Compensated Absences

Compensated absences represent the amounts of vacation, sick, and compensatory leave earned by the Partnership employees, but not taken at June 30, 2012. 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.

J. 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, 2012, which is the second year of the biennium ended June 30, 2012. 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. Cash on deposit includes deposits in Japanese Yen, Euros, and British Pound Sterling which are used to pay the Partnership's international vendors and are valued in US dollars at cost. As of June 30, 2012, the Partnership's holdings in these currencies were valued at \$5,539. 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 and Special Revenue Funds 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>Total all Funds</u>
Fund balance, cash basis, June 30, 2012	\$ 3,132,012
Add: Prepaid expenses and other accrued receivables	644,149
Deduct: Accrued expenses and unearned revenues	<u>(369,459)</u>
Fund balance, GAAP basis, June 30, 2012	<u>\$ 3,406,702</u>

4. REVENUE PROVIDED BY THE GENERAL FUND OF THE COMMONWEALTH

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

Original appropriation, Chapter 890	\$ 18,699,713
Add: Funding for Rolls Royce Project Management	300,000
Central Appropriations adjustments	125,835
Deduct: Appropriation for VNDIA	(395,251)
Remove funding for the Virginia Israel Advisory Board	(43,279)
	<hr/>
Revenue provided by the General Fund of the Commonwealth	<u>\$ 18,687,018</u>

5. LEASE DEPOSITS

The Partnership maintains offices in Roanoke, Virginia, Tokyo, Japan and Shanghai, China. Each landlord requires a lease deposit as part of the lease agreement for those locations. The Roanoke lease deposit is held in U.S. dollars in a non-interest bearing account and is valued at \$500. 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 was valued at \$18,475 at June 30, 2012. The Shanghai lease deposit is held in Chinese RMB in a non-interest bearing account in the amount of 24,000 Chinese RMB. The Shanghai lease deposit was valued at \$3,794 at June 30, 2012. In addition, the Partnership is due a deposit refund of \$400 from a lease in Lynchburg that was terminated in 2012.

6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

<u>Capital Assets Being Depreciated</u>	<u>Balance June 30, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2012</u>
Leasehold improvements, furniture and equipment	\$ 1,549,264	\$ 177,024	\$ (15,648)	\$ 1,710,640
Less: accumulated depreciation	<u>913,367</u>	<u>158,372</u>	<u>(15,648)</u>	<u>1,056,091</u>
Leasehold improvements, furniture and equipment, net of accumulated depreciation	<u>\$ 635,897</u>	<u>\$ 18,652</u>	<u>\$ -</u>	<u>\$ 654,549</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, 2012, amounted to \$1,617,856. A summary of minimum future obligations under these agreements as of June 30, 2012, follows:

<u>Year Ending</u> <u>June 30</u>	<u>Obligations</u>
2013	\$ 1,561,067
2014	1,365,083
2015	1,375,502
2016	<u>688,823</u>
Total future minimum rental payments	<u>\$ 4,990,475</u>

The Partnership has a commitment of \$500,000 under a Memorandum of Agreement with the Virginia Resources Authority and the Virginia Department of Environmental Quality. The purpose of this agreement is to establish and manage the Virginia Brownfields Restoration and Economic Assistance Fund, a grant program established to assist communities with the revitalization of previously used industrial sites to ready them for future economic development opportunities.

The Partnership has also committed \$200,000 under a Memorandum of Understanding with the Virginia Department of Housing and Community Development. The purpose of this agreement is to support the implementation of the Virginia Building Collaborative Communities Programs, a grant program designed to promote regional economic collaborations in economically distressed areas.

8. COMPENSATED ABSENCES

Compensated absences activity for the fiscal year ended June 30, 2012, was as follows:

<u>Balance</u> <u>July 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2012</u>
<u>\$ 839,829</u>	<u>\$ 548,679</u>	<u>\$ 540,468</u>	\$ 848,040
	Due Within One Year		<u>(525,353)</u>
	Due in More Than One Year		<u>\$ 322,687</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, 2012, the Partnership's net pension obligation was \$3,496,448.

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, or online at <http://www.varetire.org/Publications/Index.asp?ftype=annualreport>.

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. 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's contribution rate for the current year was 6.58 percent of creditable compensation of \$7,338,059 resulting in a contribution of \$482,844.

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, 2012, the Partnership's combined net other post-employment benefit obligation for these plans was \$1,197,123.

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 \$7,426,087 resulting in a contribution of \$75,746. This contribution covers premiums for active employees and actual death claims for retirees. As of June 30, 2012, 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 \$7,338,059 resulting in a contribution of \$72,647. As of June 30, 2012, the Partnership's net post-employment benefit obligation for this plan was \$177,690.

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 \$7,376,631 resulting in a contribution of \$48,686. As of June 30, 2012, the Partnership's net post-employment benefit obligation for this plan was \$268,147.

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, 2012, the Partnership's net post-employment benefit obligation for this plan was \$751,286.

11. DEFERRED COMPENSATION PLAN

Employees of the Partnership may participate in the Commonwealth's Deferred Compensation Plan. Participating employees can contribute to the plan each pay period with the Partnership matching up to \$20 per pay period. The dollar amount of the match can change depending on the funding available in the Partnership's budget. The Deferred Compensation Plan is a qualified defined contribution plan under Section 401(a) of the Internal Revenue Code. Employer contributions under the Deferred Compensation Plan were \$32,440 for the fiscal year 2012.

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 12, 2012

The Honorable Robert F. McDonnell
Governor of Virginia

The Honorable John M. O'Bannon, III
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, the General Fund, a major fund, and the Special Revenue Fund, a non-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, 2012, 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 previously present fairly, in all material respects, the respective financial position of the governmental activities, the General Fund, a major fund, and the Special Revenue Fund, a non-major fund, of the Virginia Economic Development Partnership as of June 30, 2012, and the respective changes in financial position, and the respective budgetary comparison for the General Fund and Special Revenue Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in

accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

In accordance with Government Auditing Standards, we have also issued our report dated October 12, 2012 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

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