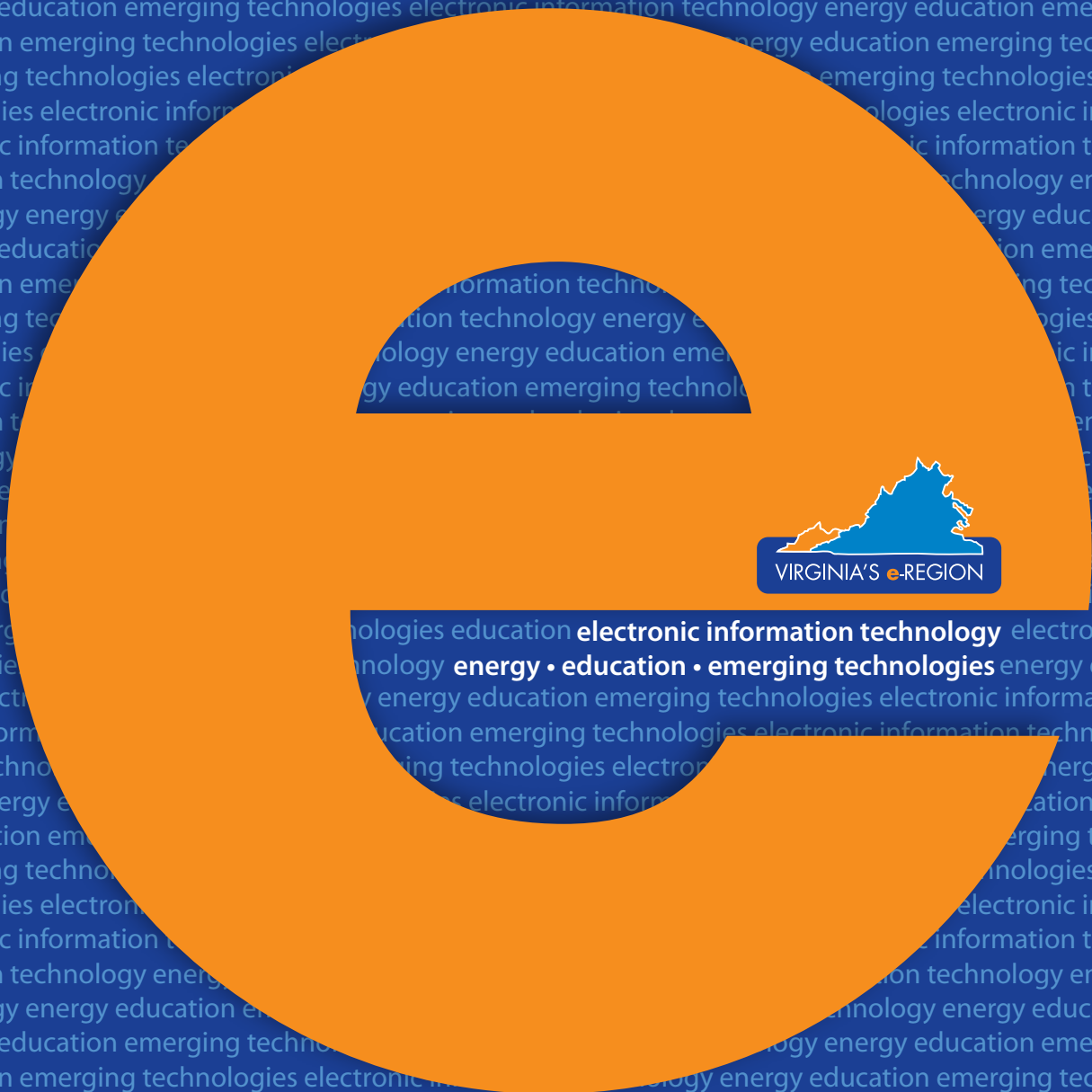


# VCEDA

Virginia Coalfield Economic Development Authority



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

## 2011 ANNUAL REPORT

## Chairman's Letter

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



George F. Cridlin  
Chairman

Dear Governor McDonnell,

We are pleased to submit to you and the General Assembly the 2011 Annual Report of the Virginia Coalfield Economic Development Authority.

The most notable event of the year was the Governor's Red Carpet Tour of the region which you led, and VCEDA continues to work with business contacts made during this important and successful event in September.

In 2011, VCEDA approved two loans and six grants, totaling \$9.2 million. Also in 2011 there were six new and existing business job announcements that are expected to create or retain 428 jobs, and help to bring nearly \$25 million in investment and set the stage for future development and economic impact in the region. Highlights of the year include the approval of two nationally branded hotel projects in Dickenson County and Russell County, new job announcements by a new wood products company, Lonesome Pine Components, in Wise County, two energy related projects in Wise County, with NanoQuantics being the first occupant of the newly constructed Appalachia America Energy Research Center in the Lonesome Pine Regional Business and Technology Park, and additional jobs at two existing customer contact centers. Other highlights include the initiation of work on a new aquatics/water park facility at Breaks Interstate Park and a pending major expansion by an existing manufacturing business, both of which are projected to add many jobs in the region.

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

Sincerely,

  
George F. Cridlin, Chairman



### Mission of the Virginia Coalfield Economic Development Authority

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

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

# RED



Governor Bob McDonnell visits with invited business guests at the kick-off dinner for the Red Carpet Tour.



Governor Bob McDonnell poses for a photo with the Norfolk Southern Lawmen, who provided the musical entertainment for a dinner event during the Red Carpet Tour of Virginia's e-Region.



Lieutenant Governor Bill Bolling and his wife, Jean Ann, take a tour of Lonesome Pine Components, manufacturer of thermo-foil laminated wood products, in the Wise County Industrial Park. On Nov. 1, the Lieutenant Governor came to Wise County and made three announcements, including that wood products manufacturer Lonesome Pine Components was locating to the building and hopes to grow to more than 150 employees. VCEDA assisted the Wise County IDA with locating this manufacturer in Wise County.

# CARPET TOUR



Governor Bob McDonnell participates in a discussion with a business executive during the Red Carpet Tour of Virginia's e-Region in September. The tour, hosted by Governor McDonnell, brought the largest single group of business executives and site consultant prospects to the region in many years, and VCEDA is continuing to work with contacts from the tour. Thirteen business executives and site consultants attended the event; two additional prospect visits as a result of the tour took place afterwards.



The highlight of the year was Governor Bob McDonnell's economic development Red Carpet Tour of the region. In the photo, Governor McDonnell welcomes business executives and site consultants during this tour which was held Sept. 18-20. At the Governor's invitation, over a dozen business executives and site location consultants visited the region to tour business and technology parks, existing businesses and educational assets such as the University of Virginia's College at Wise. Lieutenant Governor Bill Bolling, other members of the Governor's staff, the Virginia Economic Development Partnership, VCEDA, and local economic developers and legislators from the region assisted with the tour to showcase the region's attributes.



Red Carpet Tour guests enjoy lunch with Governor McDonnell, Lt. Gov. Bolling, and the region's economic development allies at the Chancellor's residence at the University of Virginia's College at Wise. At this luncheon, the participants heard presentations from the economic development allies on available sites and buildings and other assets and advantages of the region. The tour participants also heard a regional presentation from VCEDA at a working breakfast held with the Governor that morning.

VCEDA and Dickenson County officials hold a groundbreaking ceremony on June 7 for a 54-room Sleep Inn to be built near the Ralph Stanley Museum in Clintwood. VCEDA approved a loan of up to \$3,625,000 to the Dickenson County Industrial Development Authority (IDA) for the hotel project. This will be the first nationally branded hotel to locate in Dickenson County. Sleep Inn is a brand of the Choice Hotels International group, which includes Comfort Inn. From left in photo are, Jackie Stump, Va. Dept. of Housing and Community Development; Del. Bud Phillips; Glenn Gordon, Choice Hotels International; Mark Kinser, president of Unlimited Construction, Inc.; Donald Baker, mayor of Clintwood and vice chairman of VCEDA; Roger Stanley, chairman of the Dickenson County Board of Supervisors; Donnie Rife, Dickenson County Board of Supervisors and VCEDA board member; Jonathan Belcher, Executive Director, VCEDA; Sen. Phillip Puckett; and Allen Compton, vice chairman of the Dickenson County IDA.



# Executive Director's Report



Jonathan Belcher  
Executive Director

I am pleased to report that 2011 was another active year for the Virginia Coalfield Economic Development Authority (VCEDA), particularly on the business development side. During the year, the region saw over a 100% increase in business and site consultant prospect visits, with 56 prospect visits, the highest number on record going back as far as fifteen years. The increase in prospect visits is encouraging, particularly in these difficult economic times.

A key component of business development efforts during the year was the Red Carpet Tour of our region led by Governor Bob McDonnell in September. During this event, over a dozen business executives and site consultants visited the area at the invitation of the Governor, to learn more about the advantages of the region. Lt. Gov. Bill Bolling, who is Virginia's Chief Job Creation Officer, also was very involved in this event.

The year saw new job announcements by a new wood products company and two existing customer contact centers, two energy related projects, the approval of two new hotel projects, a new aquatics facility project, and plans for a major expansion by an existing manufacturer.

During the year VCEDA maintained an aggressive business development and marketing program to promote the region as a great business location. This included new advertising, attendance at several trade shows and conferences, meetings with site location consultants, a robust targeted lead generation program, and support for existing businesses with an active existing business visitation and retention program.

Complementing the business development efforts, VCEDA had an active year in new approved funding. During 2011, VCEDA approved \$9.2 million in new funding in two loans and six grants. This included funding approved for two new nationally branded hotel projects, additional development at two business parks, a new aquatics facility and fiber optic backbone at Breaks Interstate Park, and a major business expansion by an existing employer.

In conclusion, VCEDA remains committed to its core mission of helping to enhance and diversify the economy of the coalfield region of Virginia.



Staff includes Executive Director Jonathan Belcher, seated, and standing, from left, Mitzi White, Office Manager; Marketta Horton, Economic Development Specialist; Susan Copeland, Business Development/ PR Coordinator; and Jean Jordan, Funds Administrator.



Project managers from the Virginia Economic Development Partnership (VEDP) participate in a familiarization tour (FAM Tour), visiting all seven e-Region counties and the City of Norton. This photo was taken August 29, while the group toured The Bluestone Regional Business and Technology Center, a new mixed use development in Tazewell County for which VCEDA has approved up to \$2 million. In photo, from left, are, Jonathan Belcher, VCEDA Executive Director; Margie Douglass, Tazewell County; Tim Stuller, VEDP; Tracy Tynan, VEDP; Bruce Mutter, Bluefield State University; Aileen Martz, VEDP; Sam Wolford, Tazewell County; Albert Maiolino, VEDP; Jim Spencer, Tazewell County; Mario Camardella, VEDP; Tim Danielson, VEDP; and Joe Gillespie, VEDP.



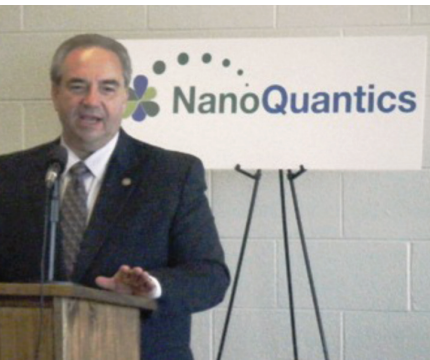
VCEDA closes up to a \$5.6 million loan to the Buchanan County IDA for the Appalachian College of Optometry project. The optometry school is projected to create over 66 jobs with a payroll of \$7.8 million by the seventh year of operation. It will be the third private graduate school to locate in Buchanan County, with the other two being the Appalachian School of Law and the Appalachian College of Pharmacy, which also received funding from VCEDA. Participating in the April 20 loan closing are, from left, front, Patricia Fletcher, Buchanan County IDA; Jay Rife, Buchanan County IDA and VCEDA board member; Carroll Branham, chairman, Buchanan County Board of Supervisors and VCEDA board member; and Jonathan Belcher, VCEDA Executive Director. Back, from left, Steve O'Quinn, Buchanan County Board of Supervisors; Michael Deel, chairman, Buchanan County IDA; W.J. Caudill, Buchanan County Administrator; and Craig Horn, Executive Director, Buchanan County IDA.



The Virginia's e-Region team led by VCEDA participates in the 31st Forest Products Machinery & Equipment Exposition in Atlanta Aug. 11-12. From left are Anne Phillips; VEDP; Craig Horn, Buchanan County; Jean Jordan, VCEDA; John Kilgore, Scott County; Susan Copeland, VCEDA; and Donnie Rife, Dickenson County and VCEDA board member. In addition to working the exhibit booth, the team met with nine companies and site location consultants in pre-scheduled appointments to introduce them to the business opportunities available in Virginia's e-Region.



VCEDA is represented at the 2011 Governor's Conference on Energy held Oct. 17-18 in Richmond, VA. Mike Quillen, Chairman of Alpha Natural Resources and VCEDA treasurer, was a keynote speaker. VCEDA featured the Virginia's e-Region exhibit booth and was joined by local economic development allies. In photo above, from left, are Donnie Rife, Dickenson County and VCEDA board member; Charlotte Mullins, Dickenson County; John Kilgore, Scott County; Harry Rutherford, Russell County; and Jonathan Belcher, VCEDA Executive Director. There were over 800 attendees registered for this conference.



Lieutenant Governor Bill Bolling announces two energy-related projects on Nov. 1 including NanoQuantics, Inc., the first occupant of the Appalachia America Energy Research Center in the Lonesome Pine Regional Business and Technology Park. VCEDA approved up to \$505,000 in funding to the Wise County IDA for equipment for NanoQuantics and \$2 million for the development of the research center. The Virginia Tobacco Commission also approved funding for the development of the AAERC. The Lieutenant Governor also announced a clean coal project being undertaken by Carbonite Corporation of Virginia, which has developed a technology called a carbonite process that can remove 100 percent of the mercury from coal before it is burned. Plans are under way in Wise County to rehabilitate a former coal load-out facility at Blackwood for the production of this product.



VCEDA and the Dickenson County IDA hold a ceremony on April 18 to accept the \$250,000 payoff on the Donnkenny building loan and formalize the transfer of the building to SFG Leasing LLC, which is the new company formed by the owners of Superior Fabrication to own the building which is located near Haysi. This closed the file on the first loan or grant ever approved by VCEDA in 1988 and helped retain 11 jobs. From left, are Jonathan Belcher, VCEDA Executive Director; Donald Baker, mayor of Clintwood and VCEDA vice chairman; Roger Stanley, chairman, Dickenson County Board of Supervisors; Donnie Rife, Dickenson County Board of Supervisors and VCEDA board member; and Roger Deel, chairman, Dickenson County IDA.



VCEDA and other representatives from Virginia's e-Region attend the Commonwealth of Virginia's Innovative Technology Symposium (COVITS) Sept. 26-27 in Richmond, VA. The group posed for a photo with Virginia Secretary of Technology Jim Duffey. In photo, from left, are Harry and Yvonne Rutherford, Russell County; Craig Horn, Buchanan County; Susan Copeland, VCEDA; Virginia Secretary of Technology Jim Duffey; Marketta Horton, VCEDA; and Sam Wolford, Tazewell County. John Kilgore of Scott County also attended the event.



On Jan. 13, VCEDA closes a grant of up to \$385,000 to the Wise County IDA to be used to develop additional sites in the Lonesome Pine Regional Business and Technology Park in Wise. In photo, from left, are VCEDA Executive Director Jonathan Belcher, Donnie Rife, VCEDA board member, Kenny Gilley, chairman of the Wise County IDA, and Donald Baker, VCEDA vice chairman.

Martin Briley, new President/CEO of the Virginia Economic Development Partnership, visited the region Nov. 16 for a meeting with VCEDA and local economic developers. From left, Joe Fuller, Scott County; Sue Ella Boatright-Wells, VCEDA board member; Carl Snodgrass, Wise County; George Cridlin, VCEDA Chairman; Shannon Blevins, UVA-Wise; Martin Briley, President/CEO, VEDP; Charles Yates, VCEDA; Marketta Horton, VCEDA; Jonathan Belcher, VCEDA Executive Director; Rob McClintock, VEDP; Susan Copeland, VCEDA; Mitzi White, VCEDA; Jean Jordan, VCEDA; Harry Rutherford, Russell County; Charlotte Mullins, Dickenson County; Donnie Rife, VCEDA board member; and Joe Gillespie, VEDP.

# 2011 Highlights

## January 5

VCEDA and the Town of Clintwood hold a promissory note shredding ceremony for the balance of a \$120,817 loan to the Town of Clintwood that was converted by VCEDA to a grant. This action helped keep the museum open. This loan was used to assist with the completion of the Ralph Stanley Museum and Traditional Mountain Music Center, and the town had paid back \$50,000. In photo, left to right, is Jonathan Belcher, VCEDA Executive Director, and Donald Baker, mayor of Clintwood and VCEDA vice chairman.



## January 13

VCEDA holds a closing ceremony for up to a \$385,000 grant to the Wise County IDA for site development at the Lonesome Pine Regional Business & Technology Park in Wise.

## January 20

VCEDA participates in the Coalfield Regional Legislative Reception in Richmond. More than 400 attend the annual event and guests include Governor Bob McDonnell.

## February 17

In its first meeting of the year, the VCEDA board approves a request from the Dickenson County IDA to forgive payments due VCEDA for the remainder of calendar year 2011 on a \$1,765,000 loan to the Dickenson County IDA on the Dickenson Community Hospital project. In 2006, the VCEDA board agreed to review the financial situation of the hospital for possible payment forgiveness on an annual basis. VCEDA also approves a loan modification request from Mountain Forest Products, LLC, and agrees to allow the Dickenson County IDA to sell a building near Haysi to SFG Leasing LLC to help retain 11 jobs.

## March 3

VCEDA hosts a meeting of regional and local economic developers at the VCEDA office.

## March 14

VCEDA meets with the Virginia Economic Development Partnership concerning a special marketing initiative for Southwest Virginia.

## March 17

VCEDA has an exhibit booth at the annual Russell County Business Showcase.

## March 21

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

## March 22

VCEDA participates with other community leaders and officials in a kick-off meeting at the Southwest Virginia Technology Development Center to create an entrepreneurial blueprint for Southwest Virginia.

## April 18

VCEDA and the Dickenson County IDA hold a ceremony to accept the \$250,000 payoff on the Donnkenny building loan and formalize the transfer of the building to SFG Leasing LLC, the new company formed by the owners of Superior Fabrication to own the building. This closed the file on the first loan or grant ever approved by VCEDA and helped retain 11 jobs.

## April 20

VCEDA closes a loan for up to \$5.6 million to the Buchanan County IDA for the Appalachian College of Optometry project to be located in the Buchanan Information Park. The college is expected to admit students August 2013 and is projected to provide more than 66 jobs with a payroll of \$7.8 million by the seventh year of operation.

## April 27

VCEDA hosts a meeting with the Port of Virginia/Virginia Maritime Association.

## May 2-3

VCEDA hosts a site consultant tour of the region organized by the Virginia Economic Development Partnership.

## May 4

The VCEDA Executive Advisory Board holds its annual meeting at the VCEDA office in Lebanon. The advisory board welcomes new member Mark Dempsey, Vice President, External Affairs, Appalachian Power Company, who replaces Dan Carson who recently retired from Appalachian Power. Tommy Hudson is elected chairman of the advisory board, and Daniel Smith, vice chairman.

## May 18

VCEDA participates in the Business Financing Resource Seminar held at Southwest Virginia Community College.

## May 19

VCEDA participates with VEDP in a strategic properties visit in the region which includes the Alcoa and IAC buildings, to help develop a marketing strategy for these facilities. VCEDA also attends the annual Russell County Business Appreciation luncheon.

## May 25

The VCEDA board meets and approves nearly \$8 million in funding for several economic development projects in the region including further infrastructure development at Southern Gap Business Park in Buchanan County, and a new aquatics facility at Breaks Interstate Park. VCEDA approves up to a \$1,025,213 increase to a \$5,639,999 grant to the Buchanan County IDA, approved in 2009, for additional road work and utilities at Southern Gap; \$500,000 grants each to the Dickenson County IDA and the Buchanan County IDA towards the cost of constructing an aquatics facility at Breaks Interstate Park; nearly \$6 million in funding to assist with two new nationally branded hotel projects in Dickenson and Russell counties; and two other requests to assist with an apparel manufacturer locating in Lee County and a new company headquarters facility in Wise County. The VCEDA board also approves converting two loans into grants: a \$150,000 loan made to the Russell County IDA in 2006 to assist with the IAC facility in Lebanon, which has now closed; and an \$896,449 loan approved in 1998 to the Town of Grundy IDA which was used to construct an industrial shell building that later was converted into the Grundy Plaza as part of the Town of Grundy redevelopment process.

## May 25

VCEDA presents lifetime achievement awards to Andrew Chafin, retired executive director of the Cumberland Plateau Planning District Commission, and to James A. Gillespie, retired county administrator of Russell County, for their service to the economic development of the coalfield region.

## June 7

VCEDA joins with the Dickenson County IDA and the Town of Clintwood to hold a groundbreaking for a 54-room Sleep Inn that is being built just steps down the street from the Ralph Stanley Museum and Traditional Mountain Music Center and is expected to assist tourism and economic development efforts in the Town of Clintwood and Dickenson County. VCEDA approved a loan of up to \$3,625,000 to the Dickenson County IDA for the hotel project at its May 25 meeting.

## June 8

VCEDA hosts a regional meeting with the Virginia Israel Advisory Board on business opportunities with Israeli companies.

## June 9

VCEDA attends and exhibits at the Southwestern Virginia Technology Council annual awards banquet.

## July 14

VCEDA hosts a regional meeting with local economic developers at the VCEDA office.

## July 19

VCEDA attends a ceremony in Buchanan County marking the completion of the first section of rough-grade road bed for the Coalfields Expressway, a vital transportation linkage planned for the region.

### August 3

The VCEDA Board of Directors tours and holds its Aug. 3 board meeting at the Appalachian College of Pharmacy in Oakwood. At this meeting, the board approves a request from the Buchanan County IDA to convert into a grant the balance of a \$1,278,431 loan from VCEDA to the IDA for the Appalachian School of Law, approves a request from the Town of Grundy IDA to convert into a grant the balance of a \$1.5 million loan from VCEDA on the Town of Grundy redevelopment project, and approves a letter of support to the Southwest Regional Recreation Authority on the Spearhead Trails multi-use trails initiative.



### August 5

The Dickenson County IDA holds an open house and dedication for the Coalfield Agricultural Center. VCEDA is recognized, along with the Virginia Tobacco Commission, for their funding role on the new center.

### August 11-12

VCEDA leads a team of economic development allies to Atlanta to attend and exhibit at the Forest Products Machinery & Equipment Exposition. The team meets with nine companies and site location consultants in pre-arranged appointments to showcase the region's advantages for business.

### August 29-30

VCEDA assists with a FAM (familiarization) tour for project managers from the Virginia Economic Development Partnership who visit all seven VCEDA counties and the City of Norton.

### September 13

The VCEDA board meets and approves details of an assistance package with the Wise County IDA to help with the location of Lonesome Pine Components, Inc. in the Wise County industrial building, where the wood products manufacturer hopes to grow to more than 150 employees.

### September 14

A ribbon-cutting ceremony is held at the new Grundy Town Center marking the opening of Walmart, which will create 230 new jobs. VCEDA assisted with \$2.5 million in funding for the town redevelopment site, as well as \$2 million in funding for the town center parking garage construction.

### September 14

VCEDA attends the Bluefield Coal Show in Bluefield, WV.



### September 18-20

Governor Bob McDonnell hosts a Red Carpet Tour of the region with 13 business executives and site location consultants visiting the region to tour representative business and technology parks, existing businesses and educational assets such as the University of Virginia's College at Wise. Lieutenant Governor Bill Bolling, other members of the Governor's staff, the Virginia Economic Development Partnership, VCEDA, and local economic developers and legislators from the region assist with the tour to showcase the region's attributes.

### September 26-27

VCEDA and economic development allies from the region attend the Commonwealth of Virginia's Innovative Technology Symposium (COVITS) in Richmond.

### October 7

VCEDA mans an exhibit booth at the Tazewell County Business-to-Business Showcase held at Southwest Virginia Community College.

### October 11-13

VCEDA and a team of local economic development allies attend SOUTH-TEC, a trade show and expo featuring the latest productivity-focused machines, tools and manufacturing technologies, in Charlotte, NC. The team mans the Virginia's e-Region booth and meets with eight companies in pre-set appointments to increase awareness of the region's business advantages.

### October 17-18

VCEDA attends and mans an exhibit booth at the second annual Governor's Conference on Energy held at the Richmond Convention Center. Keynote speakers include Governor Bob McDonnell and Mike Quillen, Chairman of Alpha Natural Resources and VCEDA treasurer.

### October 24

VCEDA attends and has an exhibit booth at the Norton EAC Fall Employer Conference at Mountain Empire Community College.

### October 25

VCEDA attends the University of Virginia's College at Wise Technology Symposium.

### November 1

Lieutenant Governor Bill Bolling makes three economic development announcements in Wise County: Lonesome Pine Components, Inc., a manufacturer of thermo-foil laminated wood products, is operating in the Wise County industrial building and projects creating 150 jobs; NanoQuantics, Inc., a company with two technology focuses, is the first occupant of the Appalachia America Energy Research Center; and Carbonite Corp. of Virginia is developing a new clean coal process at a former coal load-out facility in Blackwood.

### November 16

VCEDA hosts a meeting with local economic developers and Martin Briley, new President and CEO of the Virginia Economic Development Partnership.

### November 21

VCEDA attends the annual Southwest Virginia Legislative Breakfast held this year at the Appalachian College of Pharmacy at Oakwood.

### December 13-15

VCEDA participates with VEDP at the POWER-GEN International trade show in Las Vegas, which has over 1,200 exhibitors and over 20,000 attendees at the largest event of its kind for those in the power generation industry.

### December 15

At its final meeting of the year, the VCEDA board meets and approves up to a \$500,000 grant to the Russell County IDA to assist with the development of additional sites in the Cumberland Plateau Regional Industrial Park in Lebanon, up to a \$250,000 grant to Pyott-Boone Electronics, Inc., up to \$27,000 to the Breaks Interstate Park Commission for the installation of a fiber optic backbone at the park, and an up to \$500,000 increase in the up to \$2.3 million loan approved in May for a nationally branded hotel project in Lebanon. The VCEDA board also elects new officers, with Donald Baker being elected chairman; George Cridlin, vice chairman; Mike Quillen, treasurer; and Sam Lewis, secretary.

### December 16

VCEDA participates in a Small Business Roundtable hosted by Lt. Gov. Bill Bolling at the Southwest Virginia Higher Education Center.

# Marketing Virginia's e-Region

The Virginia Coalfield Economic Development Authority experienced one of its most active years ever in business development in 2011. Visits to the region by businesses and site consultants increased more than 100 percent over the previous year, with 56 total prospect visits, the highest number on record in at least 15 years.

During the year, VCEDA continued its aggressive approach to marketing Virginia's e-Region as a great on-shore business location, while maintaining a focus on electronic information technology, energy, education, and emerging technologies. Marketing efforts included new advertising, attendance at several trade shows and conferences, a new exhibit booth design, meetings with site location consultants, and an aggressive targeted lead generation program.

A key element in the business development efforts in 2011 was the Red Carpet Tour, led by Governor Bob McDonnell in September. Invited to Virginia's e-Region by the Governor, more than a dozen business executives and site consultants visited the area for a tour to learn more about the advantages of the region. Lt. Gov. Bill Bolling, who is Virginia's Chief Job Creation Officer, and the Virginia Secretary of Commerce & Trade's office, also were very involved in the event, as well as the Virginia Economic Development Partnership and local economic developers in the region.

VCEDA continues to use a team approach including local economic developers to promote Virginia's e-Region. Trade shows and conferences attended by the team during the year included: Forest Products Machinery & Equipment Exposition in Atlanta in August; the Commonwealth of Virginia's Innovative Technology Symposium (COVITS) in September in Richmond; SOUTH-TEC, a trade show that features the latest productivity-focused machines, tools and manufacturing technologies, in Charlotte, NC in October; and the Governor's Conference on Energy in October in Richmond.

VCEDA also participated in: Russell County Business Showcase in March; the Southwestern Virginia Technology Council awards banquet in June; Bluefield Coal Show in September; Tazewell County Business-to-Business Showcase, Norton EAC Fall Employer Conference, and University of Virginia's College at Wise Technology Symposium in October; and VCEDA participated at the annual coalfield regional legislative reception in January in Richmond. VCEDA also participated in several meetings and events with the Virginia Economic Development Partnership. This included a familiarization tour for VEDP project managers, the POWER-GEN trade show in Las Vegas in December, and a regional meeting, hosted by VCEDA, with Martin Briley, the new President and CEO of VEDP.

VCEDA ran a two-page advertorial and advertisement in *Virginia Business* magazine's annual site selection issue in August, promoting Virginia's e-Region as an excellent location for on-shore expansion. Virginia's e-Region also was featured in the September/October issue of *Expansion Solutions* magazine that included a segment entitled "5 Questions You Need to Ask About Virginia's e-Region." VCEDA also ran an ad in the Forest Products Machinery & Equipment Exposition program.

The VCEDA website continues to see an average of 200,000 hits per year and constant updates and changes are being undertaken to keep this important marketing tool current.



## Technology has its place.

**In new parks and buildings in Virginia's e-Region.**  
Expand on-shore in beautiful southwestern Virginia. We have new business parks and buildings, with access to talented high-speed broadband and fiber optic power, plus an available and trained technology workforce.  
Come join companies like Harbortown Government and CCI which are leading the way in multi-million-dollar technology centers and building connecting lines in multi-million-dollar technology centers. We also offer a variety of incentives such as "tempo-prods". We also offer a variety of incentives such as "tempo-prods". We also offer a variety of incentives such as "tempo-prods".



VCEDA ran this full-page ad in the annual site selection issue of *Virginia Business* magazine.



VCEDA ran this ad in the Forest Products Machinery & Equipment Exposition program to invite visitors to the Virginia's e-Region booth at the trade show.

**VISIT US AT BOOTH #140**

- abundant hardwood reserves
- available buildings
- aggressive incentives
- low costs
- wood industry training
- experienced workforce

**We make the cut.**  
Virginia's e-Region in southwestern Virginia has buildings and sites for your wood products business. A great East Coast location. Aggressive incentives and a plentiful supply of hardwoods.

**See what we have to offer. Visit us at Booth #140. Forest Products Machinery & Equipment Exposition, August 11-12, 2011. Georgia World Congress Center.**

**VIRGINIA'S e-REGION**  
electronic information technology, energy, education, emerging technologies  
**1.800.735.9999**  
www.e-Region.org - visit@e-Region.org

Exposition is proudly sponsored by the Virginia Coalfield Economic Development Authority.



VCEDA leads a team of economic development allies to Charlotte, NC Oct. 11-13 for SOUTH-TEC, an advanced manufacturing expo that showcased the latest in productivity and manufacturing technologies. The team manned the Virginia's e-Region booth and also met with eight companies in pre-set appointments. The team also visited each exhibitor to make contact and to distribute information about Virginia's e-Region. In photo, from left, are, Charlotte Mullins, Dickenson County; Harry Rutherford, Russell County; Margie Douglass, Tazewell County; Michael James, Lee County; Jean Jordan, VCEDA; Yvonne Rutherford, Russell County; and Carl Snodgrass, Wise County.

## Q & A 5 QUESTIONS YOU NEED TO ASK ABOUT VIRGINIA'S e-REGION

**Q Where is Virginia's e-Region?**  
A Located in southwestern Virginia, the e-Region is a 10,000 square mile area that includes the counties of Buchanan, Dickenson, Lee, Scott, Smyth, Tazewell, and West Virginia. It also includes the cities of Bluefield, Norton, and Tazewell. The region is known for its scenic beauty, rich history, and high-quality workforce.

**Q Why is Virginia's e-Region a great location for business?**  
A Virginia's e-Region is a great location for business because of its abundant hardwood reserves, available buildings, aggressive incentives, low costs, wood industry training, and experienced workforce. The region is also known for its scenic beauty, rich history, and high-quality workforce.

**Q How do I contact you to find out more about Virginia's e-Region and its advantages?**  
A A great first step is to visit the e-Region website at [www.e-Region.org](http://www.e-Region.org). You can also contact us by phone at 1.800.735.9999 or by email at [visit@e-Region.org](mailto:visit@e-Region.org). We would be happy to provide you with more information about the region and its advantages.

## 2011 New Announcements and Expansions

Announcements:	Jobs	Investment
Clintwood Inn, LLC	12	\$ 3,572,303
Carbonite Corp. of Virginia	35	\$ 20,000,000
NanoQuantics, Inc.	81	\$ 750,000
Lonesome Pine Components, Inc.	150	\$ 300,000
<b>Total:</b>	<b>278</b>	<b>\$ 24,622,303</b>
<b>Expansions:</b>		
Sykes Enterprises (Wise)	115	-
AT&T Wireless	35	-
<b>Total:</b>	<b>150</b>	<b>-</b>
<b>Grand Total:</b>	<b>428</b>	<b>\$ 24,622,303</b>



## Executive Advisory Board

Mary Rae Carter, Virginia's first Deputy Secretary of Commerce and Trade for Rural Economic Development, was the keynote speaker at the May 4 annual meeting of the Executive Advisory Board of the Virginia Coalfield Economic Development Authority.

"We recognize what a great story this region has to tell, and when a business is ready to move, you need to be ready. And VCEDA knows that." This was the message delivered by Carter who said Governor Bob McDonnell and his administration are focusing on economic development and are working with VCEDA and local economic developers to showcase the region in a tour for potential businesses in September. Martin Kent, chief of staff to Governor McDonnell, and Jasen Eige, counselor and senior policy advisor to the Governor, addressed the advisory board and discussed the Governor's commitment to economic development in southwest Virginia.

VCEDA Executive Director Jonathan Belcher told the advisory group the national recession had a delayed impact on the region's economy, however activity was beginning to increase and 2011 was already looking better than 2010. Belcher also provided the advisory board with an update on recent VCEDA activities and events. He also noted that the region's average unemployment rate as of February of 7.59% was nearly two percent below the national average.

Jeff Anderson, a member of the advisory board and president and CEO of the Virginia Economic Development Partnership (VEDP), reported that Governor McDonnell was soon opening the state's first economic development office in China. VCEDA also honored Anderson, who was leaving VEDP and the advisory board, with a special plaque recognizing his service to VCEDA and to economic development in the region.

The advisory board heard from Tommy Hudson, vice chairman of the VCEDA Executive Advisory Board, and president of the Virginia Coal Association, who outlined issues facing the coal industry, and Preston Sloane, station director of the Virginia City Hybrid Energy Center in Wise County, who gave an update on progress of the new facility and said it is on schedule for beginning operation in July 2012.

The annual meeting included a roundtable discussion about issues and trends in board members' industries.

The advisory board elected Tommy Hudson as chairman and Daniel Smith, senior vice president of energy and properties for Norfolk Southern Corp., as vice chairman. The advisory board also welcomed new member Mark Dempsey, vice president, external affairs, Appalachian Power Company, who succeeded R. Daniel Carson, Jr. on the advisory board. Carson, who recently retired from Appalachian Power, served from 2002 - 2011 on the VCEDA Executive Advisory Board, most recently as chairman from 2008 - 2011.

Also joining the advisory board later in 2011 was John W. Knapp, Jr., Director, Government Affairs, for Verizon Virginia, Inc., who succeeded Robert W. Woltz, Jr. on the advisory board, following Woltz's retirement in 2011 from Verizon.

VCEDA Executive Advisory Board members at the May 4 annual meeting, from left, George Mason, Tommy Hudson, Daniel Smith, James Martin, Ford Quillen, Mark Dempsey, Jeff Anderson, Don Green, Anna DeFazio Gadbois, Michael King, Linwood Holton, and VCEDA Executive Director Jonathan Belcher.



### **Tommy Hudson, Chairman**

President  
Virginia Coal Association

### **Daniel D. Smith, Vice Chairman**

Senior Vice President Energy and  
Properties  
Norfolk Southern Corporation

### **Jeff Anderson**

President and CEO  
Virginia Economic Development  
Partnership

### **Anna DeFazio Gadbois**

Vice President  
Government Relations & Strategic  
Business Development  
CGI

### **Mark E. Dempsey**

Vice President External Affairs  
Appalachian Power Company

### **Don M. Green**

Executive Director  
Napoleon Hill Foundation

### **The Honorable Linwood Holton**

McCandlish Holton, PC  
Attorneys at Law

### **Cheryl L. Janey**

Vice President Operations  
Civil Systems Division  
Northrop Grumman Information Systems

### **Michael D. King**

Director  
Strategy & Business Development  
Northrop Grumman Corporation  
IT Sector

### **James K. Martin**

Senior Vice President  
Regulation and Integrated Resource  
Planning  
Dominion Virginia Power

### **A. George Mason Jr.**

Attorney at Law

### **The Honorable Ford C. Quillen**

Circuit Court Judge Retired

### **Robert W. Woltz Jr.**

President  
Verizon Virginia, Inc.



Mary Rae Carter, Virginia's first Deputy Secretary of Commerce and Trade for Rural Economic Development, was the keynote speaker at the Executive Advisory Board's May 4 meeting.

# 2011 VCEDA Loan and Grant Approvals

Loans			
County	Project	Approved	Amount
Dickenson	IDA/Clintwood Inn, LLC	5/25/2011	\$ 3,625,000
Russell	IDA/Lebanon Inn, LLC	5/25/2011 & 12/15/2011	2,800,000
<b>Total Loans</b>			<b>\$ 6,425,000</b>
Grants			
Buchanan	IDA/Southern Gap Business Park	5/25/2011	\$ 1,025,213
Buchanan	IDA/Breaks Interstate Park Aquatics Facility	5/25/2011	500,000
Dickenson	IDA/Breaks Interstate Park Aquatics Facility	5/25/2011	500,000
Dickenson	Breaks Interstate Park/Fiber Optic Backbone	12/15/2011	27,000
Russell	IDA/Cumberland Plateau Regional Industrial Park	12/15/2011	500,000
Tazewell	Pyott-Boone Electronics, Inc.	12/15/2011	250,000
<b>Total Grants</b>			<b>\$ 2,802,213</b>
<b>Total Loans &amp; Grants</b>			<b>\$ 9,227,213</b>

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

	Fund Balance 1/1/2011	Cash Receipts			Cash Disbursements		Fund Balance 12/31/11	Uncommitted Available Balance
		Receipts	Interest Earned	Loan Collections	Administrative/ Bus. Dev. Expenses	Project Loans/Grants		
Buchanan County	\$ 6,491,916	\$ 4,729,685	\$ 44,305	\$ 46,104	\$ 268,790	\$ 2,164,522	\$ 8,878,698	\$ 2,778,698
Dickenson County	6,781,308	1,389,535	42,581	483,157	59,435	135,211	8,501,935	6,177,646
Lee County	(524,784)	63,683	(2,655)	103,598	1,552	-	(361,710)	(361,710)
City of Norton	60,304	-	345	-	-	-	60,649	60,649
Russell County	2,522,571	556,842	15,586	23,021	18,359	-	3,099,661	2,092,511
Scott County	57,527	2,515	336	-	115	-	60,263	60,263
Tazewell County	2,649,398	435,681	17,379	478,076	25,008	-	3,555,526	3,555,526
Wise County	8,399,952	1,520,956	50,935	487,697	73,998	739,218	9,646,324	9,000,591
Undesignated	7,641,955	1,127,141	53,378	2,136,664	322,533	308,076	10,328,529	6,702,417
Tax Credit	20,777,868	2,606,611	135,129	82,164	-	1,945,579	21,656,193	5,847,370
Civil Penalties	5,081	43,183	43	-	-	27,000	21,307	21,307
CFO Funds	3,601,058	-	13,232	-	94	135,211	3,478,985	8,846
<b>TOTALS</b>	<b>\$ 58,464,154</b>	<b>\$ 12,475,832</b>	<b>\$ 370,594</b>	<b>\$ 3,840,481</b>	<b>\$ 769,884</b>	<b>\$ 5,454,817</b>	<b>\$ 68,926,360</b>	<b>\$ 35,944,114</b>

### INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of cash receipts and disbursements of the Virginia Coalfield Economic Development Authority, for the year ended December 31, 2011. This financial statement is the responsibility of the Authority's management. Our responsibility is to express an opinion on the statement based on our audit.

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

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

In our opinion, the statement of cash receipts and disbursements referred to above presents fairly, in all material respects, the cash receipts and disbursements of the Virginia Coalfield Economic Development Authority, for the year ended December 31, 2011, on the cash basis of accounting as described in Note 1.

THROWER, BLANTON & ASSOCIATES, P.C.  
Certified Public Accountants  
February 6, 2012

### NOTE TO FINANCIAL STATEMENTS

December 31, 2011

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of Accounting

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

# Virginia Coalfield Economic Development Authority Board of Directors



The VCEDA Board of Directors toured and held its Aug. 3 board meeting at the Appalachian College of Pharmacy in Oakwood, Virginia. VCEDA has previously approved over \$3.1 million in fixed asset funding for the pharmacy school, which operates the only three-year doctor of pharmacy program in Virginia. The school currently has approximately 220 students enrolled from over 15 different states and is a key component of the economic development strategy in Buchanan County and the region. In photo, front row from left, Gerald Ramsey, Executive Director Jonathan Belcher, Jay Rife, and Skip Skinner; on stairs, front row, top to bottom, Robert Raines, Donald Baker, Sue Ella Boatright-Wells, Harry Childress, and Carroll Branham; stairs, back row, top to bottom, Mike Quillen, Chairman George Cridlin, Dana Kilgore, Steve Greer, Jim Baldwin, and Donnie Rife.

## Officers

George F. Cridlin  
Chairman

Donald Baker  
Vice Chairman

R. S. Lewis  
Secretary

Michael J. Quillen  
Treasurer

## Members

### Governor's Appointees

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

## Coal Producers

Michael J. Quillen  
Paramont Coal Company

Gerald Ramsey  
Consolidation Coal  
Company

Harry D. Childress  
Dickenson-Russell Coal  
Company

## Gas Producer

Steve Greer  
CNX Gas Company

## Virginia Economic Development Partnership

Joe Gillespie

## Planning District Commissions

Jim Baldwin  
Cumberland Plateau PDC

Glen A. Skinner  
LENOWISCO PDC

## County Boards of Supervisors

Carroll Branham  
Buchanan County

Donnie Rife  
Dickenson County

Dana G. Kilgore  
Wise County

## Virginia Coal Association

R. S. Lewis



