



2009 Annual Report



VIRGINIA'S GATEWAY REGION
Economic Development Organization

The Team

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VGR Partners,



I am honored to have been elected to serve as President of Virginia's Gateway Region (VGR) during such an exciting growth period for the region. To date I have served on VGR's board for almost 20 years and I am excited to offer my years of economic development knowledge and experience in this most worthwhile endeavor. I look forward to serving as your President and helping to continue the organization's positive impact on the region improving the quality of life for all.

- J. Peter Clements
President and CEO, The Bank of Southside Virginia

a word from the Executive Director...



Partners,

Uncertainty found its way into almost all aspects of the economy in 2009, making economic development more difficult at a time when new jobs and capital investment were most needed. Through work with existing industries and a focus on new international opportunities we were able to keep momentum in what is at best a difficult period in history. Virginia's Gateway Region is working through collaboration with our partners to strengthen our global footprint and enhance the region's competitiveness. The international activity for 2009 far exceeds anything the region has seen in the past and we are positioning the organization to respond to the global interest we are experiencing.

VGR is working with our eight community partners to support each community's economic development objectives. We are working hand-in-hand to position the region as a world-class business location and building towards a better economic environment by leveraging all resources available to us. The result will be an even more dynamic business climate that will continue to attract companies from around the globe bringing quality jobs to the region.

With an aggressive marketing strategy that includes new web portals showcasing our three target industries--aerospace, defense and logistics--VGR is already capitalizing on the strong international interest in the region. In 2009, our web site had views from visitors in forty-nine countries and our on-line presence will continue to make a compelling business case for companies overseas to locate in the Gateway Region.

Construction at Fort Lee is now underway and Rolls-Royce has broken ground, meaning two of the driving forces behind the region's target industries are moving full-speed-ahead. Site visits and active project numbers are on par with years past and several companies have location decisions pending, a sign that interest in the region remains strong despite the economic downturn.

Business retention and expansion are both VGR priorities. Quarterly educational seminars bring our local business leaders together and serve as a forum for sharing information. The breadth and depth of VGR's capabilities increase ten-fold through our partnerships and the expertise they provide is invaluable in bringing jobs and investment to our region.

We value our strategic partnerships with our communities, business leaders, and elected officials who support VGR's mission of job creation and investment. I would like to thank all our partners for your support of Virginia's Gateway Region. VGR would not be where it is today without the many years of service and tireless efforts by its long-serving Board Members and committed partners. We are fortunate to have a dedicated and talented Board of Directors, an innovative staff, and progressive, engaged partners who work diligently on behalf of the region. I look forward to building on our successes and making tomorrow even better than today.

Sincerely,

C. Renee Chapline

Renee Chapline
Executive Director

Board of Directors

2009 Officers

Charles E. Townes, Sr.
President

Gary Thomson
Treasurer

J. Peter Clements
Vice-President

Cleveland A. Wright
Secretary



Chesterfield County

Dorothy Jaeckle
Gary Thomson

City of Colonial Heights

C. Scott Davis
Charles E. Townes, Sr.

City of Hopewell

George Elder
Wayne Walton

City of Petersburg

Horace Webb
Cleveland A. Wright

Dinwiddie County

Milton I. Hargrave, Jr.
Harrison Moody

Prince George County

M. Dale Bradshaw
William A. Robertson, Jr.

Surry County

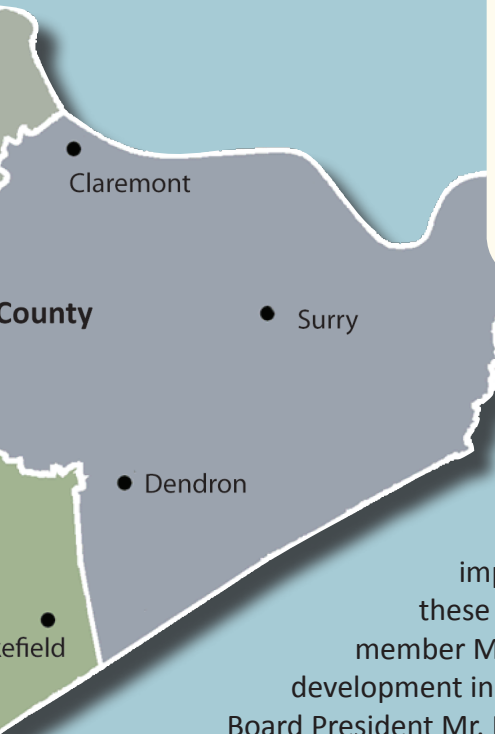
Reginald Harrison
John O. Newby

Sussex County

Sanjay Gandhi
Wayne Harrell

At Large Members

J. Peter Clements
William J. Collins, Jr.
Edward P. Henry III
Gerald Petersen
Robert Walker



In honor of Board members old and new, VGR hosted a fall reception at the historic Half Way House, replete with food, drink and camaraderie.

Recognized for his twenty-seven years of service as President of VGR's Board of Directors, Mr. Charles E. Townes, Sr. outlined the importance of economic development particularly during these tough economic times, while long-standing Board member Mr. Gerald Peterson spoke about Gateway's workforce development initiatives. The evening also served to welcome new VGR Board President Mr. Peter Clements and seven new Board members who share the passion for creating new jobs and strengthening communities.

New Board members for 2010

- Mr. Ralph Bowden, Jr., BB&T
- Mr. Victor Branch, Bank of America
- Ms. Lynn Jacob, Williams Mullen
- Ms. Christina Luman-Bailey, Hopewell City Council
- Mr. Michael Stone, Dinwiddie County Board of Supervisors
- Dr. Robert Turner, Virginia State University
- Mr. Ernest Yerly, Jr. SunTrust Bank

H E R E &

Reaching Far and Wide with our Marketing Efforts

Advanced Conference – Washington, D.C.

This marked VGR's first year attending the show with more than 500 CEOs, Presidents and Executives of leading and emerging medical technical companies. This conference was coupled with a marketing mission to Washington, D.C. / Maryland to maximize the return on investment.



Las Vegas

June - National Plastics Expo

March - Marketing Mission

July - Association of Woodworking and Furnishings Suppliers



Dallas

VGR Promotes the Region

This year proved challenging to businesses and the country at large. The economic crisis also provided unique challenges to VGR's marketing efforts – prompting an internal retooling of our marketing strategies for new lead generation. General trade show attendance was down across the board and site location consultants' project books tightened. In response, Virginia's Gateway Region relied on new high-tech, web-based marketing efforts while streamlining its marketing calendar to ensure the best return on investment.

Less is more - VGR selected strategic missions targeting consultants specializing in growing and emerging industries such as advanced manufacturing, modeling and simulation, and aerospace.

With the majority of prospect visits to the region coming from foreign based companies over the past year, VGR focused its resources on reaching out globally. Specific companies and industries including potential Rolls-Royce suppliers were targeted with exclusive events and private meetings held as part of these prospecting missions.

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January - PROMAT

February - AFCEA and Marketing Mission

May - Marketing Mission



Chicago



Washington, D.C.

October - Advamed Conference and International Trade Mission



Virginia Beach

October - ModSim World



VIRGINIA'S GATEWAY REGION
Economic Development Organization

Total Miles VGR Traveled in 2009: 50,732



● Paris, France
June - Paris Air Show and Marketing Mission

Rolls-Royce: Where Are They Now?

If you live and work in central Virginia then you have probably heard some mention of Rolls-Royce and their new 1,029-acre Crosspointe campus at Interstate 295 and U.S. Route 460 in Prince George County.

This of course is not the Rolls-Royce of old that manufactured luxury vehicles but the world's number two aircraft engine maker behind GE Aviation. Rolls-Royce's civil and defense aerospace business makes both commercial and military engines for a broad customer base, including more than 600 airlines, 4,000 corporate and utility aircraft and helicopter operators, and 160 armed forces around the world.

Construction of the new Rolls-Royce facility began in September 2009. The initial 60-acre site is to be constructed in three phases and is scheduled to be complete by the end of 2010.

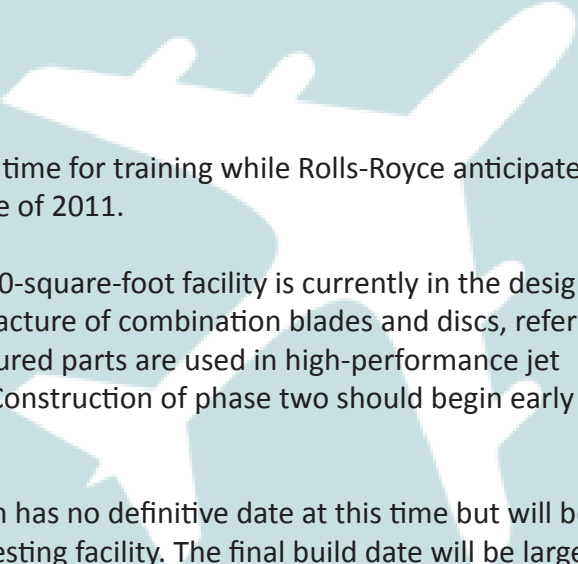
The first phase of construction is a 140,000-square-foot plant that will initially employ approximately 130 people primarily in the manufacture of discs and related parts used in commercial aircraft engines. This new infusion of jobs comes at a critical time for the central Virginia area with rising unemployment and a weakened economy; Rolls-Royce is committed to hiring locally where possible. The hiring process for the new facility will



Breaking Ground in Style

Monday, October 19th marked the long awaited Rolls-Royce ground-breaking at the Crosspointe Site in Prince George County. Many dignitaries attended the event including the Honorable Tim Kaine, the 70th Governor of Virginia. Proceedings began in style with the arrival of two Bell-Boeing V-22 Ospreys operated by the United States Marine Corp, one of which landed spectacularly in front of the seated crowd. The Osprey is a multi-mission, tiltrotor aircraft with both a vertical takeoff and landing (VTOL) and short takeoff and landing (STOL) capability and powered by two huge Rolls-Royce AE 1107C Liberty engines.

"This investment means a lot of things," Governor Tim Kaine said at the ground-breaking. "For those who wonder about whether manufacturing in the United States is dead or being offshored, this is a strong investment on the ground to say manufacturing is not only alive, manufacturing is thriving with innovation and technology and educational partnerships."



begin in early 2010 to provide sufficient time for training while Rolls-Royce anticipates actual production to begin by the middle of 2011.

Phase two of the construction; a 130,000-square-foot facility is currently in the design phase and will be utilized for the manufacture of combination blades and discs, referred to as “blisks.” These precision manufactured parts are used in high-performance jet engines typical of a military fighter jet. Construction of phase two should begin early next year.

The third and final phase of construction has no definitive date at this time but will be comprised of an assembly and engine-testing facility. The final build date will be largely driven by market demand and the depth of Rolls-Royce’s order book with construction not slated to start before the beginning of 2011.

In addition to their aero-engine manufacturing, Rolls-Royce also supplies power generation systems to the oil and gas industry and is one of the world’s largest makers of marine propulsion systems. It maintains key operations in North America, Europe, and Asia, with an emerging presence in the Middle East.

Paris Airshow

Paris in the early summer... blossoms, fine fashion, the Eiffel tower and planes, lots and lots of planes. The Paris Air Show, the world’s largest show of its kind, took place June 15th - 21st and Virginia’s Gateway Region was there, hosting a unique networking event heralded by many as one of the premier functions of the entire show.

The reception was held in the distinguished Cercle de l’Union Interalliée, the perfect international venue, situated just minutes from both the British and US Embassies in the heart of Paris. Altogether there were over 30 attendees from 15 different aerospace companies, all of them key executives keen to learn more about the new Rolls-Royce facility in Prince George County and the Gateway Region as a whole.

The event came to fruition through a joint partnership between VGR, the Virginia Economic Development Partnership and Rolls-Royce and proved to be a great marketing and networking opportunity. Each attendee was presented with a flash drive that contained detailed information about the region, including services designed to aid a foreign company locating in the United States.

Overall the networking event was deemed a huge success and demonstrated the effectiveness of a global targeted marketing mission.

Connecting People, Connecting Resources

Hello,

I'm James Menees, the new Investor Relations Coordinator. I serve as your existing industry liaison by providing regional updates and facilitating educational opportunities throughout the year. I look forward to working with you.

- James

VGR Partners Go Live

The on-line VGR Partner Directory was updated to include a link to each partner company's web site and a brief business description. This new tool outlines the industry clusters in the Gateway Region, effectively highlighting our partner companies and making it easier for visitors to the web site to find local industries.

To access this new page click the Partner tab on the top of VGR's homepage.

The new Partner Directory page is part of VGR's international marketing efforts to ensure companies around the world are

aware of the wealth of goods and services available to them in the Gateway Region. VGR partners provide a broad reach in expertise and the Partner Directory puts your company and its capabilities at the forefront of VGR's promotion of the region worldwide. Those interested in doing business here know that we can connect them with the right people – you, our partners.

"Why not invest your assets in the companies you really like? As Mae West said, 'Too much of a good thing can be wonderful'."

- Warren Buffet

VGR Hosts Existing Industry Seminar Series

With the business climate constantly evolving, it is imperative for business leaders to be up-to-date and in-the-know. With access and insight to the latest developments, VGR introduced the Endeavor Gateway Seminar Series in 2009, a free educational initiative providing the region's business community with a forum for sharing information and ideas to help grow and sustain existing industries. The program's first year addressed timely topics through three educational seminars attended by a wide-range of area business leaders.

Understanding New Federal Economic and Labor Legislation: What it Means for Your Businesses

Law firm and VGR partner **Williams Mullen** outlined the effects legislation such as the Employee Free Choice Act, Family and Medical Leave Act regulations, E-Verify requirements and the Americans with Disabilities Act could have on business and what steps companies should take to protect against being adversely impacted.

Gateway Region Showcased

VGR partners, existing industry representatives and economic developers from around the state found Monday, November 9, 2009 to be an information-packed day in the Tri-Cities area, thanks to a showcase of Virginia State University (VSU) and a bus tour of Virginia's Gateway Region.

The University's new Engineering & Technology School facilities hosted the VSU showcase, which highlighted the school's cutting-edge research capabilities. Faculty and administrators outlined the plethora of programs being offered at the primary higher education institution in the Gateway Region. VSU provides a vast pool of resources to businesses in the area, including much of the workforce driving the area's economy, and the showcase provided local business leaders with insight into what makes VSU such a valuable asset to the community.

Utilizing economic development insiders, the afternoon bus tour provided attendees with an exclusive, in-depth tour of the area. Representatives from several of the communities that make up the Gateway Region outlined the latest happenings in their respective communities and their goals for the future. A special thanks to VGR partners **SunTrust Bank** and **Williams Mullen** law firm for sponsoring the event, as well as **High Street Lofts** in Petersburg for hosting a networking reception after the bus tour.



How Your Business Can Benefit by Going Green

Planning, design and construction firm **McKinney & Company** discussed ways to improve energy efficiency and save money through sustainable design and green building practices. Local companies took the presentation to heart, with several partners becoming LEED certified within months of the seminar.

The Top Hiring and Retention Strategies During Tough Economic Times

Workplace expert and employment attorney **Karen Michael** outlined a guide for hiring success, including steps to an effective interview, keys to decision-making during the hiring process, strategies to retain the best employees and tips on how to get the most out of current employees.



Gateway Companies in the **Spotlight** -- Did You Know?

Too often VGR's efforts are perceived as solely focused on new business recruitment. The reality is that equally as many projects result from growing our existing regional business base. Industries already located within the region are paramount to the region's economic success and our role is to assist those companies looking to expand. During these challenging economic times, industry locations in our region are competing globally within their company for limited resources. VGR continues to help our region's industries make their business case for sustainment and growth here in the region.

We wanted to spotlight some of the region's existing industries and the products they supply. Virginia's Gateway Region is home to world-class companies many of whom manufacture products you may use yet never knew were manufactured in your backyard. Products made in the region not only enhance customers' quality of life but in some instances, save lives.

From Virginia's Gateway Direct to Your Dinner Table

- Sabra Dipping Company (Chesterfield County) - Premier manufacturer of hummus and other Mediterranean style dips and sauces. The leading brand of refrigerated dips and spreads.
- Maruchan (Chesterfield County) - Instant ramen noodle soup packages. Maruchan produces more than 3.6 billion packages of ramen noodles annually. If the noodles were all strung together they would reach all the way from earth to the planet Mars and back!
- Goya Foods (Prince George County) - The premier source for authentic Latino cuisine. Goya Foods is the largest, Hispanic-owned food company in the United States.



From Virginia's Gateway Region to Your Local Pharmacy

- Sterling Gelatin (Prince George County) - A company based out of India, has a distribution facility in Prince George for gelatins it manufactures elsewhere that are used in certain pharmaceutical applications. Sterling Biotech is the largest manufacturer of pharmaceutical gelatins in Asia.
- Evonik Degussa (Hopewell) - This facility produces conditioners and thickeners used in hair care products as well as emulsifiers for creams and lotions.
- Boehringer Ingelheim Chemical (Petersburg) - Manufactures pharmaceutical products used in the treatment of asthma, bronchitis and HIV among many other diseases and infections.

Making your House a Home in the Gateway Region

- Dupont (Chesterfield County) - Leading manufacturer of Tyvek, a protective membrane used in home construction across the country.
- Windsor Mills (Surry County) - One of the largest manufacturers of high quality specialty trim boards, molding and millwork.
- McGill Compost (Sussex County) - Growing your garden with locally manufactured compost.

The Gateway to Alternative Energy and Cutting Edge Materials

- Appomattox Bio Energy (Hopewell) - First ethanol facility of its type in Virginia. Biproducts from the process will also be used, making this a zero waste facility.
- Alstom Power (Chesterfield County) - One in four of the world's light bulbs is powered by Alstom technologies. The company is the world leader in integrated power plants for the production of electricity and air quality control systems.
- Honeywell (Chesterfield County) - Produces Spectra fibers which pound-for-pound is 15 times stronger than steel and one of the world's strongest and lightest fibers. It is used in ballistic proof vests worn by the military and law enforcement.

EXPANSION AT FORT LEE UNDERWAY

Ever since the 2005 Base Realignment and Closure (BRAC) decision in favor of expanding Fort Lee, there has been growing anticipation surrounding the expansion and the potential impact on the Gateway community as a whole. Numerous public meetings have been held and reports published but it wasn't until this year that we have seen the facility burst into a flurry of construction activity.

Until recently, plans for the base had been just that, merely plans, but with the injection of approximately \$1.7 billion in federal money many of the construction projects are underway and some are even finished.

If you have not heard already, Fort Lee is more than doubling in size, both in terms of population and building space with a third of the construction already completed. **Fort Lee is to become a major training facility, with roughly one out of every six soldiers**

in the U.S. Army completing courses there, not to mention becoming the U.S Army's global logistical hub.

By the end of the BRAC process, Fort Lee will include the headquarters of the U.S. Army Combined Arms Support Command, U.S. Army Quartermaster Center and School, the Army Logistics University (ALU), the U.S. Defense Commissary Agency, the U.S. Ordnance Center and Schools, the Transportation Center and Schools, the Missile and Munitions Center, the Defense Contract Management Agency, Culinary and Transportation Management Training.

One of the first construction projects to be completed was the 200,000-square-foot, four-story Sustainment Center of Excellence, which was built at a cost of \$49 million and completed in just over 600 days. Governor Timothy M. Kaine officially opened the building in January of this year.

Another key project completed in 2009 and central to the new logistics role of Fort Lee, is The Army Logistics University. The facility is comprised of a four-story, 300,000-square-foot education building and a three-story, 100,000-square-foot modeling and simulation building, all in a 46-acre campus style setting. Collectively,



the Logistics University includes more than 100 classrooms and will train 2,000 students daily. The ribbon-cutting ceremony for the \$136 million facility took place on July 2nd.

Fundamental to the success of the modern U.S. military is the Army support mechanism embodied at Fort Lee in the new Soldier Support Center. This \$23 million facility, completed this year, was built for the purpose of providing a central location for most all service support activities required by incoming and outgoing military personnel, civil service employees, retirees and family members.

One of the outstanding projects and also one of the biggest is the construction of the Ordnance School – the future home to more than 4,500 military students and instructors.

To be built at a cost of \$700 million, the school will be situated on 380 acres and consist of five barracks, 10 training bays, and several headquarters facilities. The Ordnance School will be so large that it will house its own gym and recreation center, chapel, medical facility and its own pump station and electrical substation.

The school also boasts a recently completed 75,000-square-foot dining facility, reportedly the second largest dining building in the entire Army.

Much of the construction activity in 2009 has been concentrated on the central campus with the anticipated completion of two barracks buildings, a battalion headquarters building and a brigade headquarters building by years end. Once these projects are all complete the first wave of Army ordnance students will begin to arrive and the physical transformation of Fort Lee will be nearing completion.

The BRAC expansion at Fort Lee has certainly moved beyond mere projections and Power Point presentations and is fast becoming a reality. Fort Lee represents the future of modern military logistics and will attract interest from across the globe, both military and civilian. **On the domestic front, Fort Lee will become the third largest training installation in the entire U.S. Army,** churning out highly trained logistics warriors and further reinforcing the skilled logistics labor pool in the heart of central Virginia.



Setting Sights on Targeted Industries

The economic downturn forced the country to rethink the way it does business and VGR was no exception. The organization needed to respond to changing needs and retool marketing strategies accordingly. Towards the end of 2008, Virginia’s Gateway Region conducted extensive research to determine which industries were in growth mode despite the economic downturn, or that had growth opportunities in the region given the assets and developments currently underway. VGR determined that defense, global logistics, and aerospace were the three industry clusters most ripe for growth and focused its marketing efforts accordingly. Additional research suggested that focus should also be placed on the advanced manufacturing and renewable energy sectors.

With three industry clusters identified, specific web portals have been created to provide detailed, customized information on the type of infrastructure and expertise already in place for these industries to be successful. The web portals are targeted towards site location consultants and prospect companies who can utilize them as an introduction to the area and a launching pad for potential location decisions in the Gateway Region. With these portals in place we now offer targeted sector specific information that is easily accessible from across the globe.

Global logistics has been a target industry for the Gateway Region for many years due in large part to the unparalleled transportation infrastructure that converges in the region, from major arterial roads, to railroads, ports and several airports. Likewise, the strategic position of the Gateway Region on the eastern seaboard makes it a very attractive location. We boast a skilled transportation/ logistics workforce further bolstered by the United States Army and Department of Defense, both of whom have shifted logistics

operations to the region. Fort Lee now serves as the Army’s global logistics nerve center providing the region with an abundance of expertise and a capable workforce. Wal-Mart, Goya Foods, and Food Lion are just a few of the companies that already operate distribution centers in the region.

As previously indicated, there is a rapidly growing defense sector in the Gateway Region spurred on by the expansion at Fort Lee, the Defense Supply Center and Rolls-Royce. Defense suppliers and aerospace companies will soon be locating to our region in support of Fort Lee and Rolls-Royce and we are ideally positioned between the significant defense related activities in Washington, D.C. and Hampton Roads.

Two years ago, industry giant Rolls-Royce announced the creation of an aero-engine manufacturing facility in the Gateway Region, establishing the foundation for a new aerospace cluster. The Commonwealth Center for Advanced Manufacturing (CCAM) is a significant component of the new Rolls-Royce campus in Prince George County. Collaboration between Rolls-Royce, Virginia universities and other interested parties provides the foundation for CCAM. Furthermore, the processes and technologies that are developed at this facility will position the Gateway Region as a premier location for advanced manufacturing techniques.

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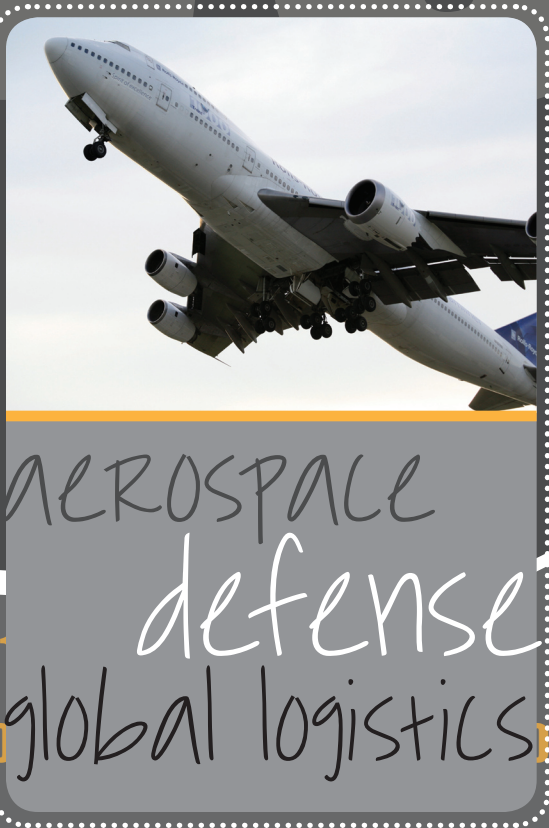
Embracing Social Networking

Technology is constantly evolving, forcing marketers to think outside the box and reach out to people in new and unconventional ways. Twitter, an online social networking micro-blogging web site, is one of the avenues companies are using to broaden their reach.

This past year VGR joined the more than one million other users who have begun to utilize the newest marketing trend, Twitter. The embedded web tool allows VGR to post brief, up-to-the-minute economic development related news and other regional current events. Having a news feed at their fingertips provides our partners and prospective companies with a real-time look at what is happening in the region.

Twitter has swept the nation with major news agencies, CEO's and figureheads "twittering" to keep audiences informed. According to Complete Data, Twitter.com had more unique visitors to its site in April and May 2009 than both the Wall Street Journal and the New York Times web sites. In addition, the ratings service HitWise ranks Twitter.com as America's No. 38 most visited web site. Micro-blogging is a great tool for VGR partners to keep abreast of activities in the region.

We invite you to "follow" us on Twitter by visiting our page at www.twitter.com/vagatewayregion or on our homepage, www.gatewayregion.com. We look forward to seeing you there!



A Greener Gateway




A growing economy impacts the environment and as society continues to learn and understand the effects development has on the planet, organizations are focusing on sustainability as a requisite business practice for long-term viability. Business sustainability is the increase in productivity and/or reduction of consumed resources without compromising product or service quality, competitiveness, or profitability. Virginia's Gateway Region is home to several industries on the cutting edge of the sustainability movement as well as sites under construction whose environmental footprint will be minimized thanks to green building designs.

Appomattox Bio Energy is developing a barley-based ethanol and protein feed production facility in Hopewell, which will produce 65 million gallons of ethanol per year. Ethanol is a renewable energy source and typically has less harmful effects on the environment than more conventional energy sources. It will be the first ethanol facility of its type in Virginia and will produce an environmentally sound, locally sourced alternative energy.

A global leader in the world of power generation, **Alstom Power** sets the benchmark for innovative and environmentally conscious technologies and has substantially increased its presence in the Gateway Region. The company has added a 20,000-square-foot turbine blade manufacturing facility to its Chesterfield County operations. The company designs, manufactures and supplies a comprehensive range of state-of-the-art products and systems for the power generation and industrial markets. This includes gas, coal, nuclear, wind, solar and hydro power.

Integral to the design and construction of new buildings across the globe is the integration of environmentally-friendly components into the production process. The Leadership in Energy and Environmental Design (LEED) Green Building Rating System, developed by the U.S. Green Building Council (USGBC), provides a suite of standards for environmentally sustainable construction. LEED is "an internationally recognized green building certification system, providing third-party verification that a building or community was designed and built using strategies aimed at improving performance across the metrics that matter most: energy savings, water efficiency, CO2 emissions reduction, improved indoor environmental quality, and stewardship of resources and sensitivity to their impacts."



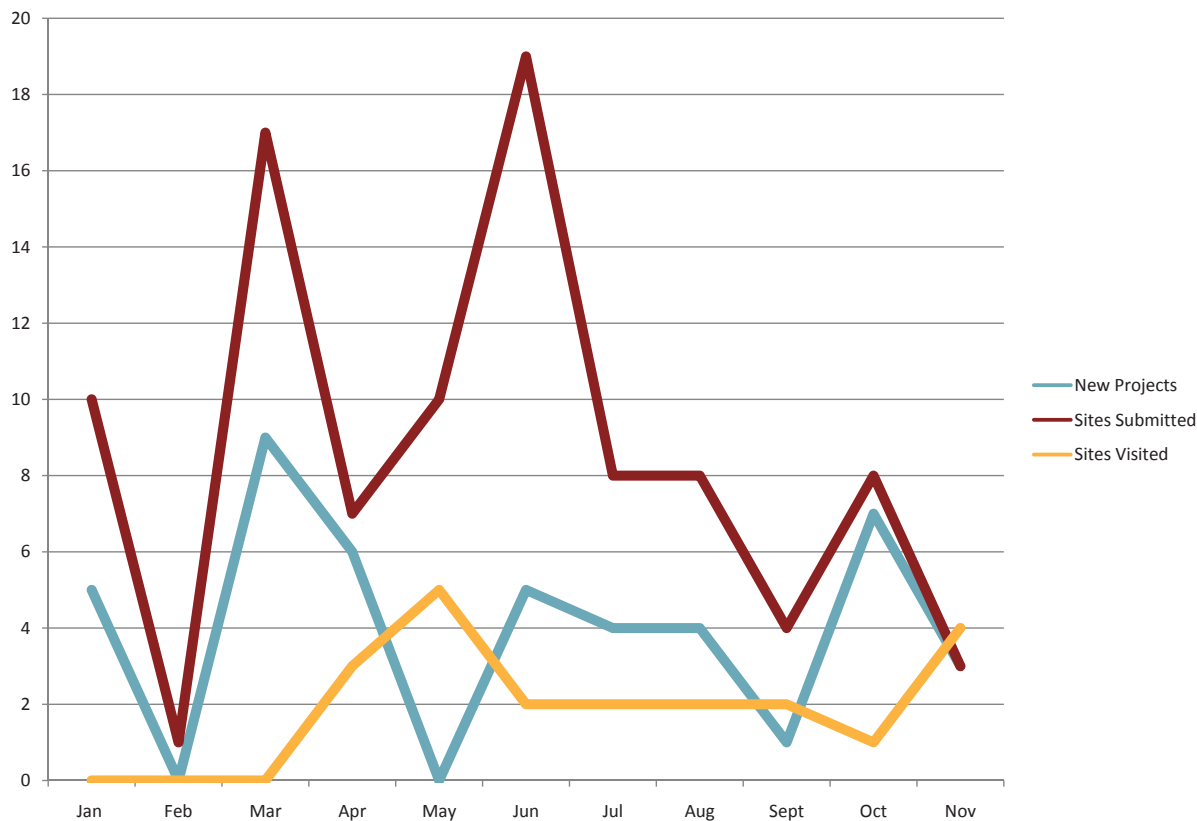


2009 brought several new LEED certified buildings to Virginia's Gateway Region. The Fort Lee Soldier Support Center was designed to comply with the requirements for LEED certification. The 84,000-square-foot building will provide training facilities and administrative support for military personnel. Major spaces will include an auditorium, five large classrooms, and an administrative office space for over 220 personnel. John Tyler Community College opened the first building in the Virginia Community College System to be LEED certified. The new 60,000-square-foot Science Building features a larger library, classrooms, science labs, computer labs, a student activities center, a bookstore, faculty offices, and a commons area.

Dominion, the state's largest electric utility provider, has also joined the green movement through its Dominion Virginia Power program. It gives customers the option to pay for renewable energy certificates by adding 1.5 cents per kilowatt hour to their monthly bill. The Power program has been approved by the Virginia State Corporation Commission and certified by the Center for Resource Solutions, an independent, nonprofit consumer protection program for the sale of renewable energy, and will help support the development of green power.

Sustainability is a practice gaining momentum worldwide, and businesses within Virginia's Gateway Region continue to make economic progress while lessening their environmental footprint.

Project Activity



- Forty-five percent of all new projects in 2009 were **direct leads** from VGR’s marketing efforts and partnerships

Annual Goals

We are currently in the fourth year of our five-year Momentum capital campaign. At the beginning of the campaign we outlined specific five-year goals to ensure that we continued to have success in job creation, job retention and spurring capital investment for the eight communities we represent. We are pleased to report that we have surpassed all of our 5-year goals by 100% or more in many instances. A full analysis of the completed campaign will be included in our 2010 Annual Report.

Annual Goals (5-Year Goal)	2009 Annual	Percent of 2009 Goal
Conduct 75 Existing Business / Industry Visits (375)	132	176%
Launch 2 Targeted Industry & Sector Marketing Campaigns (10)	6	300%
Host 2 Forums for Municipalities, Prospects & Developers (10)	9	450%
Secure 3 or More Placements in Regional & National Media (15)	12	400%
Create 400 New Direct Jobs (2,000)	785	196%

2009 Overview

	2005 Annual	2006 Annual	2007 Annual	2008 Annual	2009 Annual	5-year total
Announcements	25	16	13	14	6	74
Jobs	2,553	382	839	788	785	5,347
Investment	\$257.0 M	\$56.0 M	\$549.9 M	\$252.4 M	\$170.01 M	\$1,285.31 M

2009 New and Expanded Companies

New & Expanded Companies	Jobs	Investment (millions)	Locality	Date Announced
Maruchan Virginia Inc.	50	\$18.00	Chesterfield County	November, 2009
Hill PHOENIX, Inc.	250	\$9.31	Chesterfield County	November, 2009
Bon Secours	100	\$30.00	Chesterfield County	November, 2009
Marten Transport	125	\$11.70	Chesterfield County	August, 2009
Capital One Financial Corp	250	\$1.00	Chesterfield County	March, 2009
Franklin Development Group	10	\$100.00	City of Petersburg	March, 2009
TOTAL	785	\$170.01		

2009 Small Business Investment Activity

Seven companies for a total investment of:

\$152,500

* Source: REDC Community Capital Group, Inc. (began third quarter, 2009)

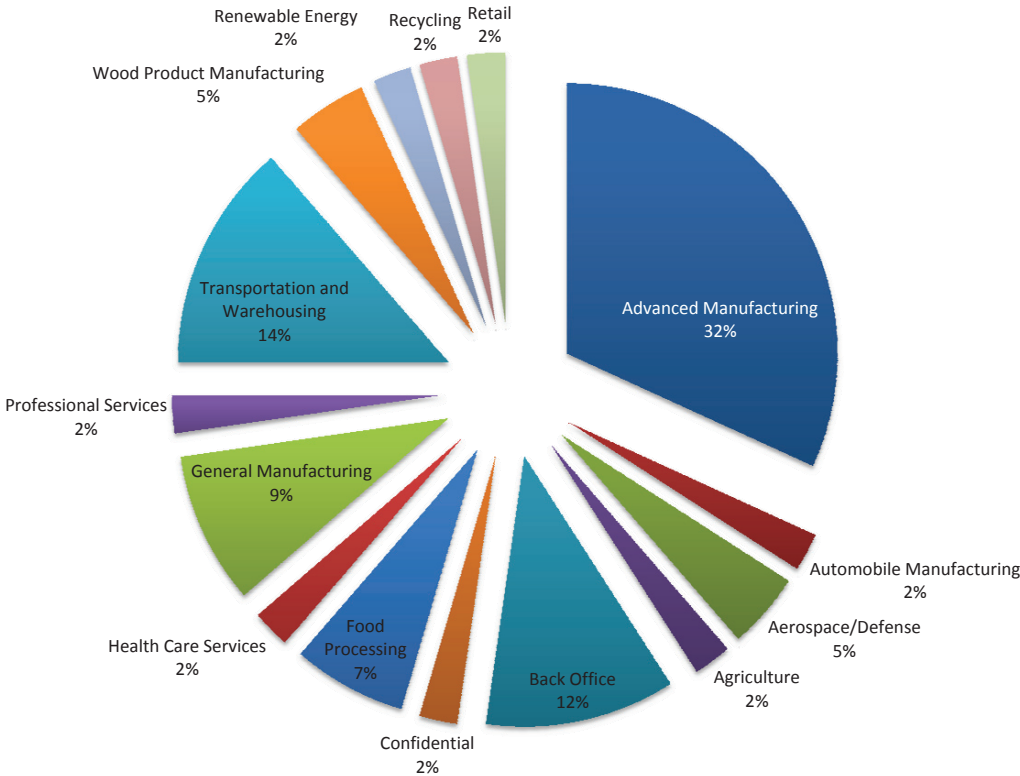
Three companies for a total investment of:

\$1,208,000

* Source: Crater Development Company

TOTAL: \$1,360,500

Business Functions



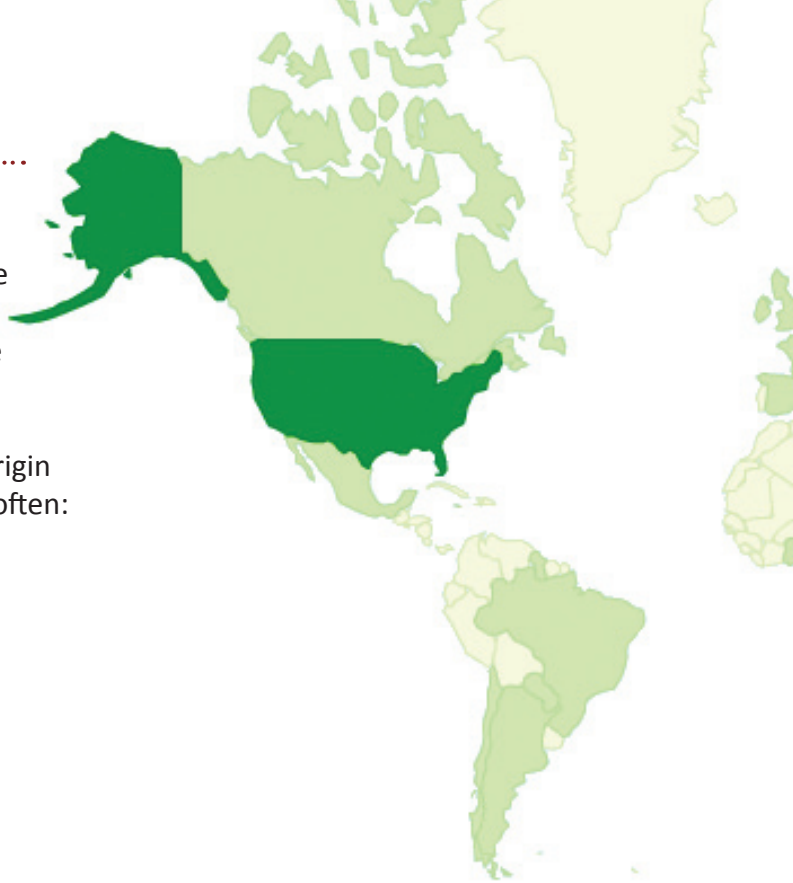
Virtual Global Footprint

Virginia’s Gateway Region continues to expand it’s virtual global footprint with **9,109** web site visits from **49** countries/territories in 2009. Of those visitors **38%** were visiting the site for the first time.

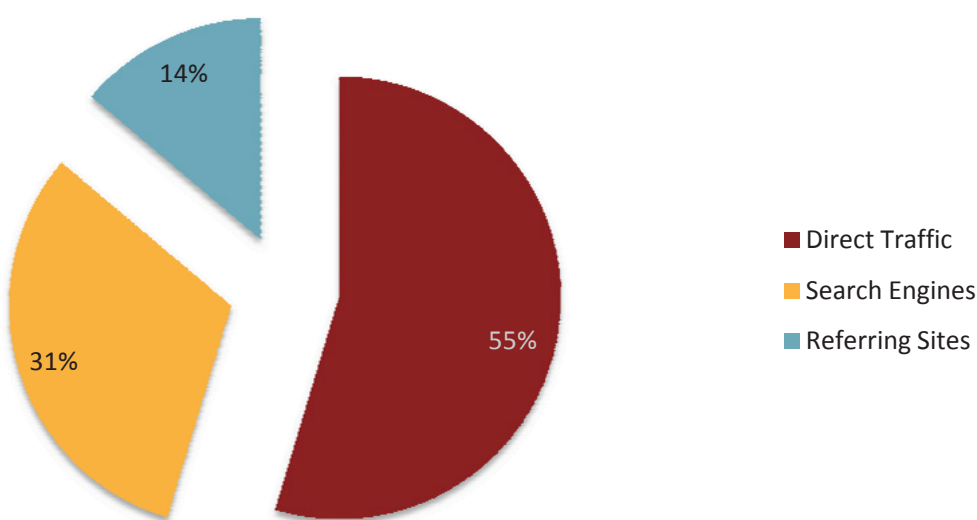
The following lists the country of origin of those who visited the site most often:

- United States of America
- Ireland
- India
- Canada
- United Kingdom
- Malaysia
- Argentina
- Germany
- Japan
- Brazil

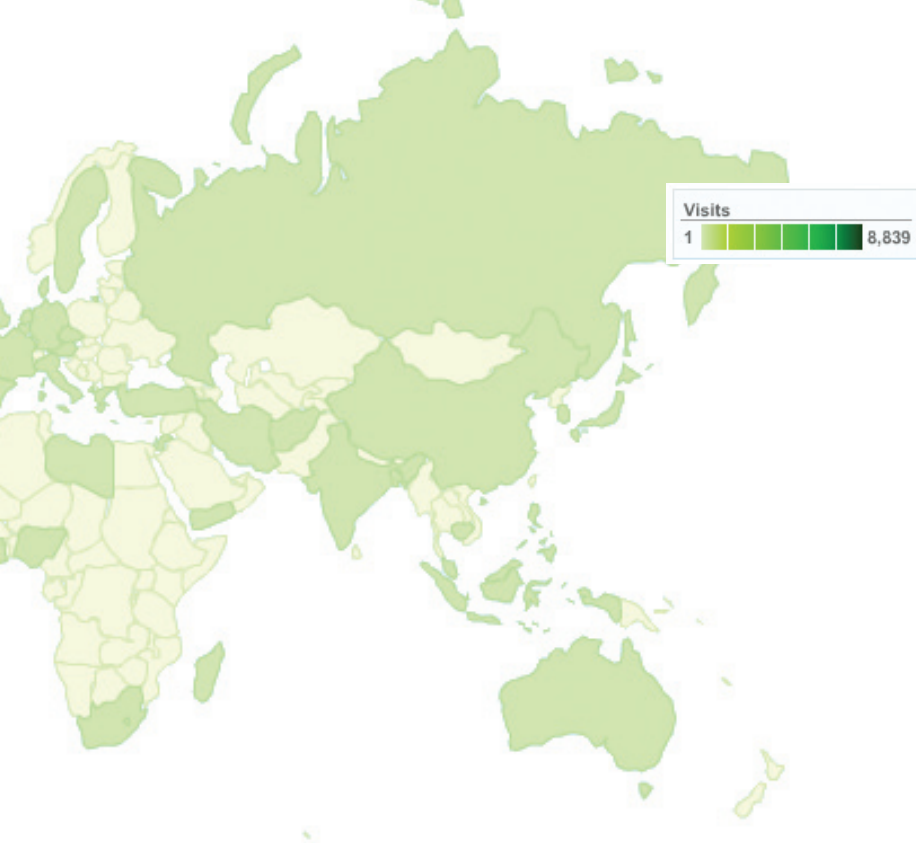
The expanded global interest, including the high percentage of first-time visitors to our site, can be attributed to our direct digital marketing efforts in 2009.



Sources of Web Traffic



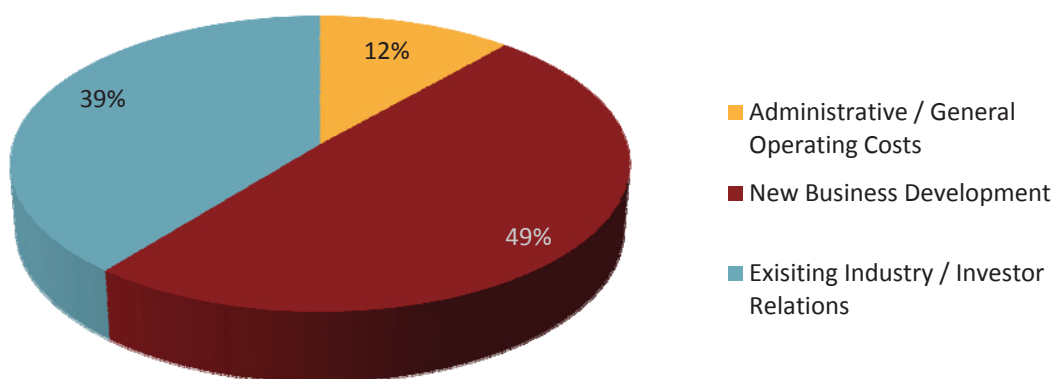
* Direct traffic refers to a person visiting our site by directly navigating to a specific page
* Search Engine refers to a person navigating to our site via results from a search engine
* Referring Sites refers to a person navigating to our site from a link on a partner’s web site, usually our homepage



In 2009, new projects to the Gateway Region came from companies located in the following countries: Australia, Canada, China, France, Germany, India, Israel, Mexico, South Korea, Sweden, United Kingdom and the United States of America.



2009 - 2010 Program Budget



As the pie-chart demonstrates, for every dollar contributed to VGR only 12 cents is used for general operating costs with the remainder financing direct economic development activities.

accolades

BusinessWeek

Forbes

SITE
Selection

U.S. News & WORLD REPORT

For the second year in a row, *The Cameron Foundation* awarded Virginia's Gateway Region Honorable Mention in the **Excellence in Organizational Management Award** (October, 2009)

➤ *Forbes* named the Richmond - Petersburg MSA as one of the **Top 4 Places for a Job** (January, 2009)

Richmond Times Dispatch reported that **ten Chesterfield County Schools received an Educational Excellence Award** (January, 2009)

Foreign Direct Investment named the Richmond - Petersburg MSA as one of the **Top Ten Cities of the Future** in addition to naming the area as the **4th Best City** in foreign direct investment strategy (April/May, 2009)

According to *Business Week*, the Richmond - Petersburg MSA is the **6th Best Place to Start Over** (June, 2009)

Next Generation Consulting named the Richmond - Petersburg MSA as a **Top 20 Hot Spot for Young Professionals** (July, 2009)

Virginia State University was named the top public, historically black college and university, in the country among Masters-level institutions by *U.S. News and World Report* (2009)

Site Selection Online named Virginia in the **Top 10 States with the most Economic Development deals** (March, 2009)

Virginia was named the **Seventh Best State for Jobs and Business Growth** as rated by CEO's according to *Chief Executive Magazine* (2009)

Forbes named Virginia is for Lovers in the **Top 10 Tourism campaigns in the world** (July, 2009)

➤ According to *Virginia National Defense Industrial Authority* (VNDIA) **Virginia leads in Department of Defense payroll**. Virginia came in as number two in Department of Defense contracts (August, 2009)

Site Selection listed Virginia in the **Top 10 States for a Logistics Location** (September, 2009)

Forbes, *CNBC* and *Pollina Corporate Real Estate's* Pro-Business study all named Virginia as **Top State for Business** (2009)



Bank of America presented Renee Chapline, Executive Director of VGR, with a check for \$100,000 to aid in the organization’s mission to further the economic viability of the five county, three city region.

“Bank of America has been a long time, valued partner of the Gateway Region and continues to support the area through contributions and their shared expertise,” said Renee Chapline, Executive Director of Virginia’s Gateway Region.

Photo courtesy of The Progress-Index

Trusted Partners

PUBLIC PARTNERS

City of Colonial Heights
City of Hopewell
City of Petersburg
Chesterfield County
Dinwiddie County
Prince George County
Surry County
Sussex County

PRIVATE PARTNERS

AdvantaStaff
Alliance Engineering, Inc.
American Red Cross
BandyWorks
Bank of America
Bank of Southside Virginia
Baskervill
BB&T
Binswanger
Boar’s Head Provisions Company, Inc.
Bon Secours St. Francis Medical Center
C. Renee Wyatt-Chapline
Carter Myers Automotive
Caudle-Hyatt, Inc
Charles E. Townes
Cleveland A. Wright
Colonial Heights Chamber of Commerce
Columbia Gas of Virginia
Crossroads Ford
Dale Bradshaw
Delta Oil Company
Dinwiddie County Chamber of Commerce
Dominion Virginia Power
Draper Aden Associates
Ernest H. “Bud” Yerly, Jr.
Ford Agency, Inc.
Fort Lee Federal Credit Union
Froehling & Robertson
Goodman & Company, LLP
Goya Foods, Inc.
Gray Construction

Business Council Recap

The VGR Business Council is comprised of all VGR partner companies and communities and meets quarterly to network and discuss current business issues in the area. At the first meeting of 2009, Brian Kroll, an economist with the Virginia Economic Development Partnership, provided an economic outlook and explained the root causes of the failure in the financial system.

In July, VGR held a networking event hosted by VGR partner Swaders Sports Park in Prince George County. Attendees and their families enjoyed all the entertainment options Swaders has to offer and were able to network at the driving range, the mini-golf course and while racing each other on the go-kart track. It was a Family Fun Night enjoyed by all.



Grubb & Ellis / Harrison & Bates Inc.
Hampton Inn / Sleep Inn
Harlan Construction
HCA Richmond Division – John
Randolph Medical Center
High Street Lofts
Hopewell-Prince George Chamber of
Commerce
Hourigan Construction
I-Deals LLC
J.T. Morriss & Son, Inc.
John M. Seward
John O. Newby
KBS
Leete Tire & Auto Center
Media General, Inc.
Mitchell, Wiggins & Company
Norfolk Southern Corporation
Old Dominion Electric Cooperative
Owen Printing Company
Petersburg Chamber of Commerce
Porter Realty Company, Inc.
Prince George Electric Cooperative
Richmond Economic Development Corp.
Rolls-Royce
Roslyn Farm Associates
Roslyn Farm Corp.
Rudy L. Hawkins Electrical Contractor
South Street Lofts
– S & S Construction, Inc.
Southside Electric Cooperative

Southside Regional Medical Center
Specter Properties, Inc.
SunTrust Bank
Swaders Sports Park
The Cameron Foundation
The ML&E Company
The Progress-Index
Townes Site Engineering
Townes, PC
Ukrop's / First Market Bank
Verizon
Virginia Commonwealth Bank
Virginia Credit Union, Inc.
Virginia State University
W. M. Jordan Company
Wachovia Wells Fargo Foundation
Weinstein Properties
Whittle & Roper Realtors
William H. Talley & Son, Inc.
William J. Collins, Jr.
Williams Media
Williams Mullen

Virginia's Gateway Region Economic Development Organization is a nonprofit, public/private partnership created to facilitate economic development efforts in the cities of Colonial Heights, Hopewell and Petersburg, and the counties of Chesterfield, Dinwiddie, Prince George, Surry and Sussex. The mission of the organization is to provide site location services to companies from across the globe looking for a strategic business location. VGR markets the physical and human assets available within its eight member communities in order to stimulate economic growth, resulting in the creation of sustainable jobs, the expansion of the tax base and the enhancement of the quality of life throughout the entire southern Richmond-Petersburg metropolitan area.



VIRGINIA'S GATEWAY REGION
Economic Development Organization

Virginia's Gateway Region

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