

ANNUAL REPORT



2018

LETTER FROM THE CHAIRMAN

A SEA OF CHANGE



The Year 2018 brought significant changes in the management at the Virginia's Gateway Region (VGR). On behalf of the entire board, I would like to welcome our new leader, Keith Boswell. He has a

diverse professional background including manufacturing, retail and economic development. Prior to joining VGR in May 2018, Keith spent 21 years working with the Virginia Economic Development Partnership where he facilitated 686 company location and expansion announcements that created 93,615 jobs and \$10.96 billion in investment.

With the publishing of our 2018 annual report, we reflect on how the regional economic development team, partners and communities have worked in unison to assist businesses. We believe our partnerships are our most valuable resource, and your partnership is invaluable to the team and organization as a whole. We are relationship oriented and focused on working with companies to find solutions to their issues. We are committed to making a difference at the regional level to convey greater impact for our communities, partners and citizens.

VGR is now in the third year of its five-year Global 3.0 strategic plan. I am pleased

to say that we are ahead at this point and are on track to exceed all the set goals and targets. This year saw several announcements including Rolls-Royce, Service Center Metals and NVR which led to a capital investment of more than \$96 million and the creation of 301 jobs.

I personally appreciate your corporate as well as individual commitment to the mission of creating jobs and building a robust economy for tomorrow. You, our partners, are the key to a prosperous future for the region. Together, we can compete globally for jobs in emerging technology and advanced manufacturing, and other growth opportunities that will open the door for wealth, education, and advancement for the region and all of its citizens.

Moving ahead into the new year, we are committed to taking our effort to an all-time high, and I sincerely look forward to working with each of you to make great things happen. It is a total team effort that will continue to make our region successful in attracting the right kind of investment to make the future brighter for all of us.

Sincerely,

Victor K. Branch



“We have built a strong team over this year and are at the cusp of introducing new initiatives and programs to better align ourselves with the business community and promote the region.”

Keith Boswell

LETTER FROM THE PRESIDENT & CEO

A SENSE OF PRIDE



I begin this letter with a sense of pride about Virginia's Gateway Region (VGR). As I look back on last year— it is remarkable how well our organization has performed. And I'm not only talking about our job creation but also about how much we have

accomplished to help our businesses, localities and partners all around the region. This year, VGR assisted 93 diverse companies in evaluating the region for a business location and I am pleased to say that by working together, the region saw an addition of 610 jobs and capital investment of more than \$185 million. Ours is an exceptional organization with an extraordinary heritage and a promising future.

I believe this is an exciting time to serve at the helm of VGR. With rapid change come opportunities, and also challenges. The thriving businesses in the region and their growing requirements are increasingly integral to fostering sustained growth. We have built a strong team over this year and are at the cusp of introducing new initiatives and programs to better align ourselves with the business community and promote the region.

As we look ahead, VGR will both pursue familiar routes as well as pioneer untraveled

paths. We will maintain and augment our core work in business development, which includes: advanced manufacturing, food and natural products, logistics and distribution, and retail commercial development; all while working on programs to enhance infrastructure, train workforce, encourage small businesses, and spur regional collaboration so we can strengthen our footprint within the Commonwealth.

We value our strategic partnerships with our communities, business leaders and elected officials who support VGR's mission of job creation and capital investment leading to greater tax revenue.

I would like to thank all our partners for your support of VGR. The region 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, experienced staff, and progressive, engaged partners who work diligently on behalf of the region. I look forward to building on a strong foundation and making tomorrow even better than today.

Sincerely,

Keith T. Boswell

TABLE OF CONTENTS

- 1 A Sense of Pride
- 2 Our Potential
- 4 Forward Movement
- 6 Global 3.0
- 7 Business Expansion
- 8 Community Impact
- 10 Economic Dashboard
- 12 About VGR and Our Partners

OUR POTENTIAL

9,670

COMPANIES RESEARCHED
(business attraction programs & research)

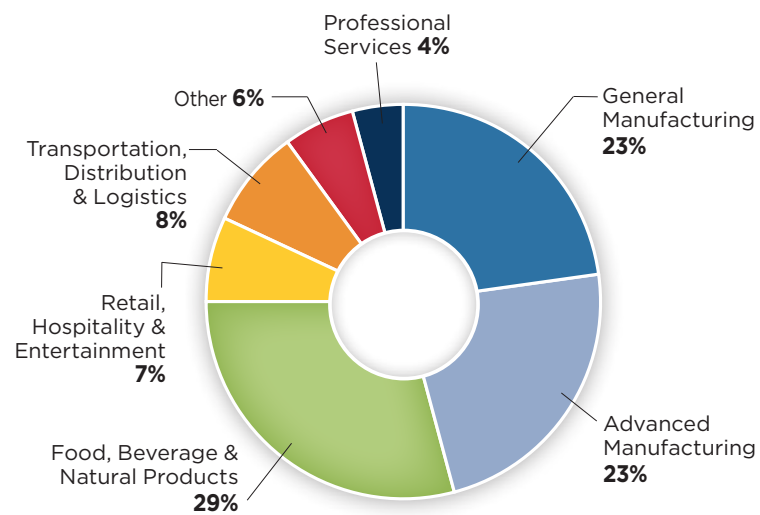
57

PROJECT PROPOSALS (RFI'S)
SUBMITTED

49

NEW PROJECTS

PROJECT INDUSTRY COMPOSITION



REGIONAL AMBASSADORS VISITED

3 Countries
(FRANCE, AUSTRIA, ENGLAND)

4 States
(GEORGIA, NEW YORK, NEW JERSEY, WASHINGTON DC)

LEAD GENERATION

16
BUSINESS ATTRACTION PROGRAMS

121
BUSINESS ATTRACTION MEETINGS

50%
INTERNAL

SITE SELECTION

14
PROSPECT VISITS

136
PROPERTIES SUBMITTED

26
PROPERTIES VISITED



FORWARD MOVEMENT

In May of 2018, Rolls-Royce announced an expansion at their Crosspointe location in Prince George County.

With this new expansion Rolls-Royce will be strengthening the workforce by creating 100 new jobs and investing \$40 million. This puts Rolls-Royce total number of jobs at 400. This expansion will help Rolls-Royce be more efficient in manufacturing and meeting the high demand for quality products. Rolls-Royce also hit a milestone in manufacturing their 10,000th rotative disk.



12
COMPANY
ANNOUNCEMENTS

610
JOBS CREATED

\$185.1M
CAPITAL INVESTED

\$44.6M
FOREIGN DIRECT
INVESTMENT

For the Year 2018



58
JOBS CREATED
\$45.2M
EXPANSION

Service Center Metals saw its fourth expansion.

Service Center Metals, based in Prince George, manufactures aluminum extrusions. Service Center Metals has been in the SouthPoint Business park in Prince George County since 2003. The company produces many aluminum components that are used in transportation, machinery, as well as other equipment. Service Center Metals employs 200 employees, but with the new \$45.2 million expansion the company made 58 more jobs available.



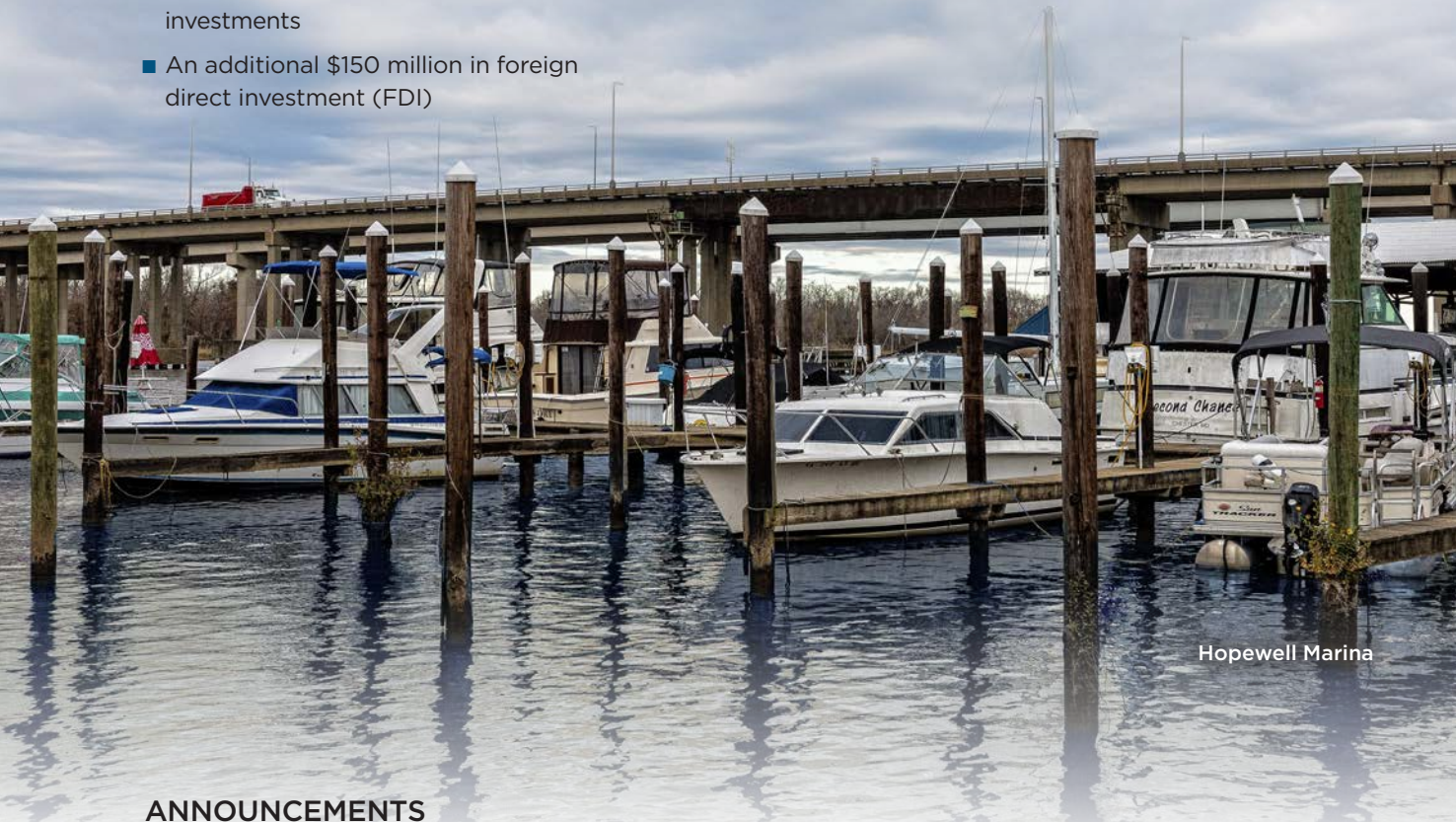
GLOBAL 3.0

2018 marks the mid-point of Virginia's Gateway Region's five-year strategic plan known as Global 3.0.

The plan's five-year goals include:

- Fifty announcements of new companies to the region or existing businesses expanding.
- Creation of 3000 new jobs
- A total of \$700 million in new capital investments
- An additional \$150 million in foreign direct investment (FDI)

The Global 3.0 Activity Report below shows VGR continues to answer partner expectations with a three year cumulative total of 38 announcements, 1,890 new jobs, \$461.7 million in new capital investment, and \$119.1 million in FDI toward the five year goals for the region.



Hopewell Marina

ANNOUNCEMENTS



JOBS CREATED



CAPITAL INVESTMENT



FOREIGN DIRECT INVESTMENT (FDI)



Completed Jan 2016 - YTD 2020 Global 3.0 Goal

BUSINESS EXPANSION

It's more than business as usual.

METRO RICHMOND EXPORTS INITIATIVE (MREI)

Virginia's Gateway Region (VGR) continued its support of MREI which was created to encourage and assist Central Virginia businesses to export their goods and services all over the globe. MREI does this through special educational and networking programs, through grants and scholarships for export-related activities, and by connecting businesses with the resources they need to enter global markets.

Here are just a few of the ways VGR worked to develop and implement the MREI program in 2018:

- Sent more than 4000 emails to generate awareness throughout the region
- Responded to more than 50 inquiries about MREI programs
- Reached out to potential candidate companies
- Hosted several events and made presentations about MREI
- Shared five related media stories
- Generated awareness and renewed interest about MREI among area businesses

BUSINESS RETENTION AND EXPANSION

Most new jobs are created by existing businesses. Accordingly, VGR fully embraces Business Retention and Expansion (BRE) and has invigorated an intensive and assertive approach to meet with existing growth companies. During 2018, in collaboration with the Commonwealth of Virginia and each of our partner localities, VGR visited more than 20 of the region's existing businesses and industries. VGR plans to more than double its outreach in 2019 to facilitate growth and investment from within the region.

FORT LEE AND THE DEFENSE SUPPLY CENTER

Department of Defense investments in the VGR region provide substantial job opportunities and help to drive the region's economy. Fort Lee and the Defense Supply Center Richmond (DSCR) represent one eighth of VGR's economy, with an annual economic impact of approximately \$2.8 billion and generating more than \$150 million in state and local tax revenue.



Fort Lee

COMMUNITY IMPACT



Sabra Foods Expansion

CHESTERFIELD COUNTY

2018 saw a profitable year for Chesterfield County with 15 economic strengthening projects announced. These projects will be investing \$106 million and creating 383 new jobs. Three of the 15 projects are logistics and distribution projects from PepsiCo, Devon USA, and Bissell, Inc., which have a planned combined investment of nearly \$63 million. Sabra Dipping Company, Abilene Mobile Express, Custom Metal Fabricators, as well as a few other companies saw expansion in 2018, adding jobs and creating investment. Bradley Mechanical, a Chesterfield County business, celebrated its 50th anniversary in 2018. In summary, small companies added nearly 1900 jobs to the County's workforce between Q3 of 2017 and Q3 of 2018.



Haley's Honey Meadery

CITY OF HOPEWELL

In 2018, the City of Hopewell finalized a \$40 million investment for a new waterfront residential and commercial development project called Francisco Landing. Additional revitalization of the city's core was announced with the 68-unit apartment complex known as Freedman Point, and the improvements to Arlington Park and City Park. In June of 2018, Haley's Honey became Virginia's latest meadery and is expected to create four new jobs and bring in \$85,000 of new investment.



Richland's Creamery

DINWIDDIE COUNTY

In 2018, major infrastructure improvements were made at the Route 1 and Route 460 corridor to support future planned development. Dinwiddie saw major expansion in 2018 with the opening of Aldi's \$57 million 562,500 square-foot divisional headquarters which created 120 new jobs. Other significant announcements included Richlands Creamery's \$1.7 million investment and the creation of 17 new jobs, expansion of Browder's Towing and Agri-Nutrients Associates. Commercial and retail development projects included the opening of Willows Bend Farm, Route 1 Country Store, Pizza Hut, and the new construction of O'Reilly Auto Parts. Finally, Virginia Motorsports Park hosted their first NHRA Drag Racing event since 2008.



Surry County Marina

SURRY COUNTY

Surry County Economic Development launched a new website to serve as a one-stop source of information for all of Surry County's businesses, citizens and stakeholders. A capital grant of \$500,000 was provided by the Surry County Board of Supervisors to the EDA for the Prince George Electric Coop (PGEC) rural broadband project. Major improvements to the Surry Rescue Squad and E-911 center, the County's farmers market, and the Surry County Marina were undertaken and completed in 2018. Finally, there were 29 new local business licenses issued in the county.



Sedona Taphouse

CITY OF COLONIAL HEIGHTS

In 2018, the City of Colonial Heights saw the rezoning of 32 acres of property from General Business to Light Industrial creating the first new industrial site in recent memory. In April of 2018, the Longhorn Steakhouse restaurant joined the community creating more than 80 jobs. Shortly thereafter, Harbor Freight Tools and Southside Memorial ER opened locations within the City. In November, Sedona Taphouse opened in Colonial Heights and has become a significant community and civic partner through its charity nights program.



AMPAC Fine Chemicals

CITY OF PETERSBURG

In 2018, the City of Petersburg concentrated on its Business Retention and Expansion program seeking to identify areas of partnership and collaboration with the City's business community. The Cameron Foundation, the City of Petersburg, and VDOT supported a gateway enhancement project along Interstate 95. In 2018, the owners of the historic Petersburg Hotel announced renovation plans and AMPAC Fine Chemicals announced a significant expansion.



Love's Travel Stops

PRINCE GEORGE COUNTY

In July of 2018, Prince George County celebrated its 315th anniversary. Members of the Danish Consulate were honored guests at the dedication of the "Prince George: The Man" exhibit. Economic growth for Prince George County continued to improve, dropping unemployment to an average of 3.6% in 2018. In October, the Board of Supervisors developed and put in place a five-year economic and tourism strategic plan. Finally, 2018 saw significant expansion from Service Center Metals, Prochimir, NVR, Loves Travel Stops & Country Stores, and Rolls-Royce.



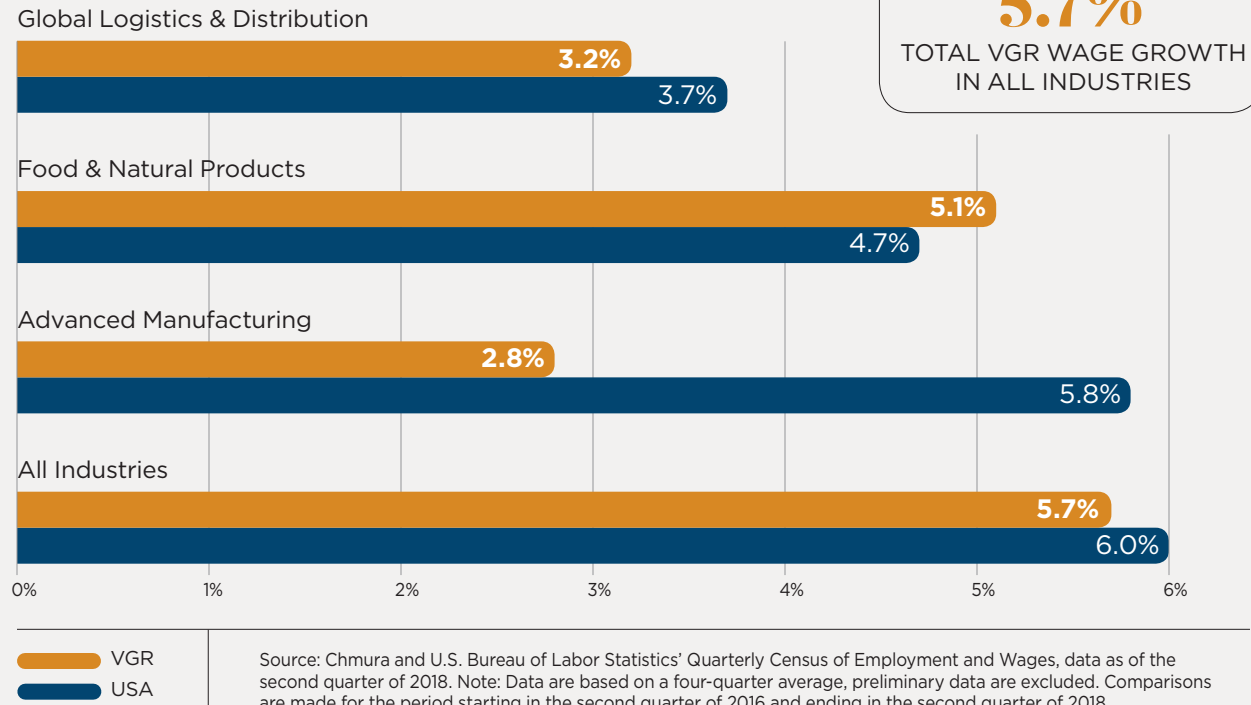
Broadband Installation

SUSSEX COUNTY

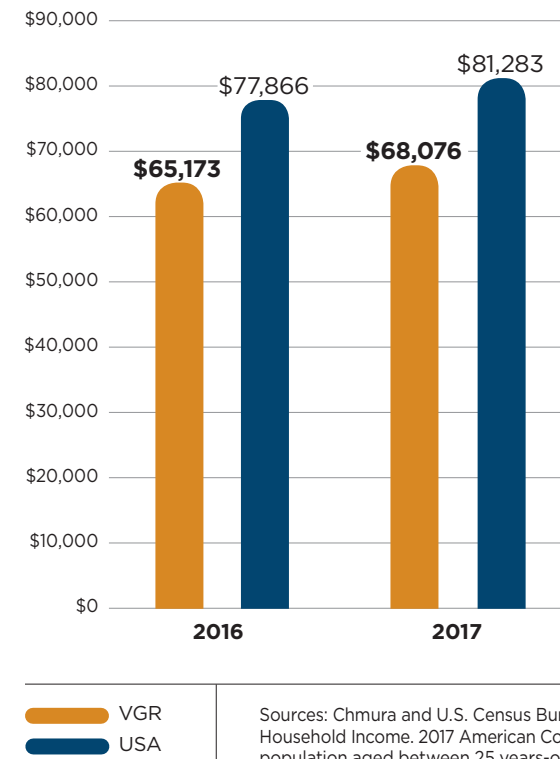
In 2018, Sussex County secured a \$1 million dollar plus grant from the Virginia Tobacco Commission to install broadband to over 500 homes. The connection of water and wastewater to the County's premier industrial park was completed in 2018. Additionally, Sussex County receiving \$1 million dollars from the Virginia Department of Housing and Community Development to make significant residential neighborhood improvements.

VGR ECONOMIC DASHBOARD

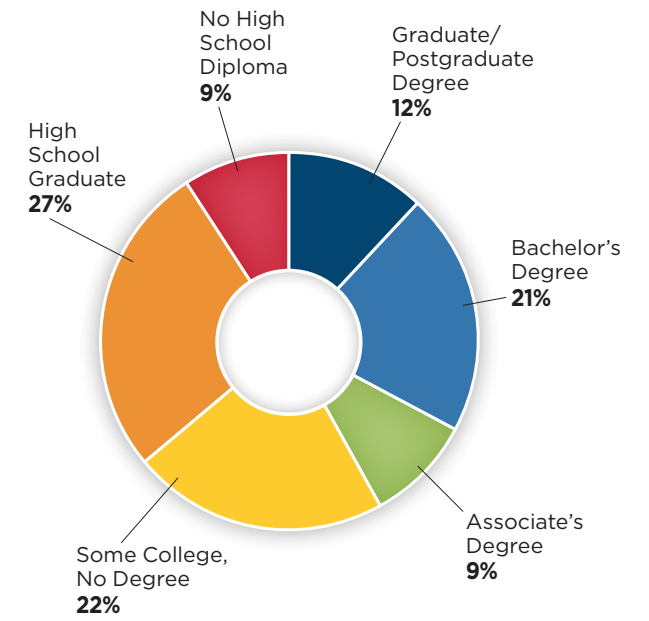
WAGE GROWTH SINCE 2016



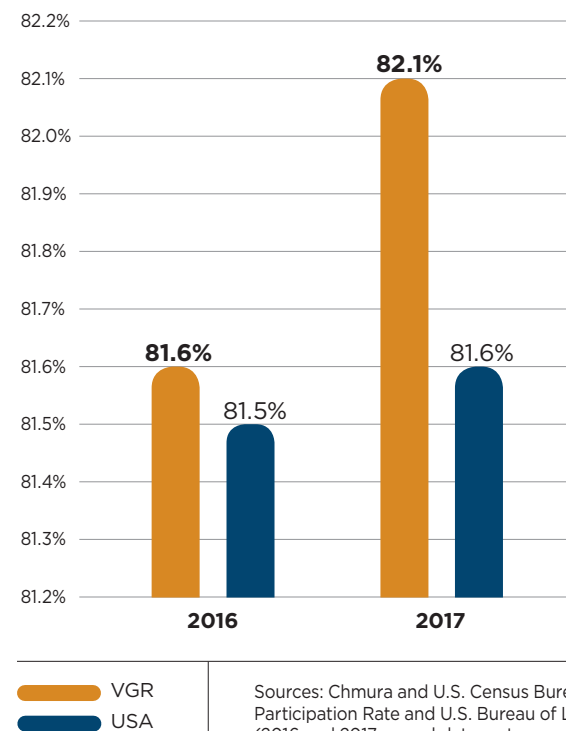
MEDIAN HOUSEHOLD INCOME



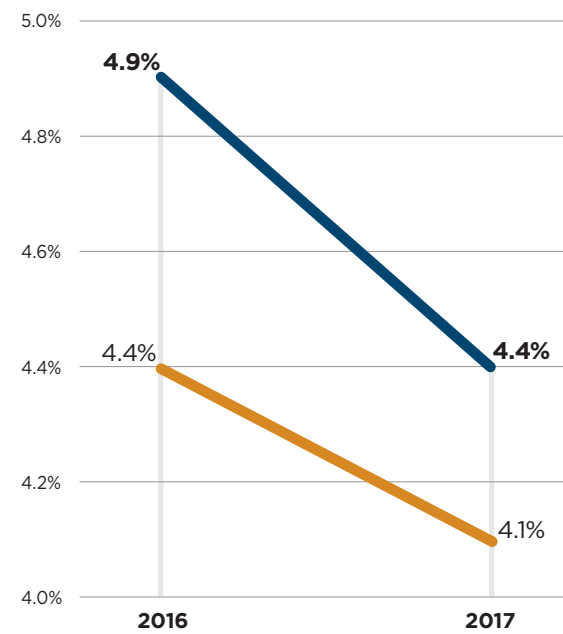
EDUCATIONAL ATTAINMENT 2017



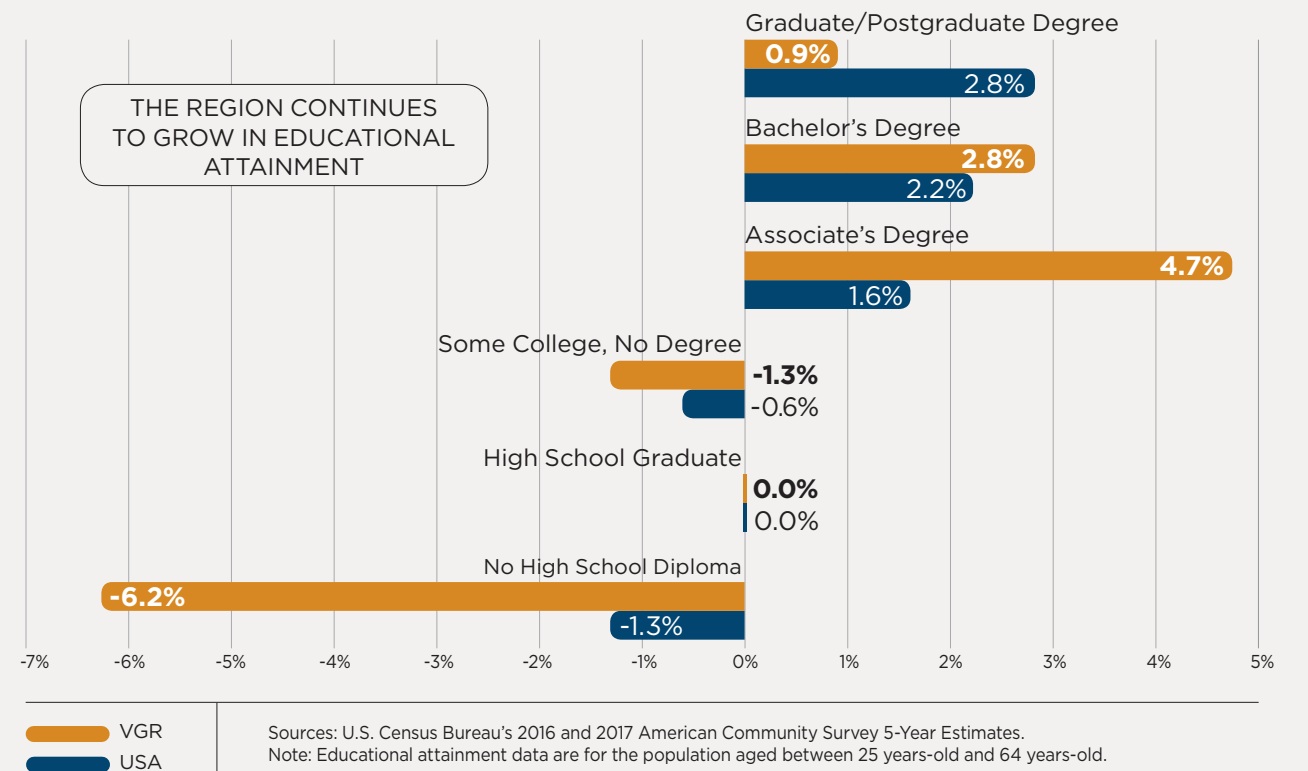
PRIME-AGE LABOR FORCE PARTICIPATION RATE



UNEMPLOYMENT RATE



CHANGE IN EDUCATIONAL ATTAINMENT SINCE 2016



MISSION

Virginia's Gateway Region exists to enhance the economic development opportunities for the cities of Colonial Heights, Hopewell and Petersburg, and the counties of Chesterfield, Dinwiddie, Prince George, Surry and Sussex. VGR is a private, nonprofit organization that is publicly and privately funded to facilitate new business opportunities, work with existing businesses, advance resources that will enhance the economic viability of the region and foster regional cooperation among the public and private entities that are involved in economic development activities.



Downtown Petersburg

BOARD OF DIRECTORS

Chesterfield County

Dorothy Jaeckle
Jim Daniels

City of Colonial Heights

T. Gregory Kochuba
Charles Townes, II

City of Hopewell

Christina Luman-Bailey
Frederick Harry, Jr

City of Petersburg

Samuel Parham
Rob Guidry

Dinwiddie County

Daniel Lee
Hampton Gordon, Jr.

Prince George County

Donald Hunter
J. Peter Clements

Surry County

John Seward
Ernest Blount

Sussex County

Alfred Futrell
J. Rex Davis

At Large

Monica Marks
Victor Branch
Christine Chandler
Will Harlan, III
Mitch Hassell
Mike Malandro
J. Tolleison Morriss, VI
Jay Burchell, Jr.
Robert (Bob) Walker

Advisory

Nick Walker
Dr. Edward (Ted) Raspiller
Dr. Makola Abdullah
Craig Richards

OPERATIONAL TEAM

Keith Boswell
President and CEO

Ajay Sujanani
Chief Operating Officer

Mario Camardella
Director of Business Development

Linda Mendy
Research and Business Investment Manager

Jaclyn Galan
Operations Manager

Joshua Vaughan
Marketing and Communications Specialist

PARTNERS

ARCHITECTURE & ENGINEERING, CONSTRUCTION & TECHNICAL SERVICE

Atlantic Constructors, Inc.
Gilbert C. Martin Co.
Harlan Construction Company, Inc.
The Hollingsworth Companies
Rudy L. Hawkins Electrical Contractor
S.B. Cox, Inc.
SW Funk Industrial Contractors, Inc

BANKS AND CREDIT UNIONS

Bank of America
Bank of Southside Virginia
BB&T
Fort Lee Federal Credit Union
M&T Bank
People's Advantage Federal Credit Union
Sonabank
SunTrust
Touchstone Bank
TowneBank
Village Bank
Virginia Commonwealth Bank
Virginia Credit Union
Wells Fargo

FOUNDATIONS AND ORGANIZATIONS

The Cameron Foundation
Fraternal Order of Eagles

CHAMBER OF COMMERCE

Chesterfield County
Colonial Heights
Dinwiddie County
Hopewell/ Prince George
Petersburg

COMMUNITIES

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

EDUCATION AND TRAINING

John Tyler Community College
Virginia State University

ENTERTAINMENT, RETAIL AND HOSPITALITY

Boathouse Restaurants
Carter Myers Automotive
Leete Tire & Auto
M.L. Davis Oil Company
The Progress-Index
Shamin Hotels

ECONOMIC DEVELOPMENT

Virginia Economic Development Partnership

FINANCE & INSURANCE

Edward Jones Investments
Ernst & Young
Jacobs Financial Group
Keiter
Mitchell Wiggins
Rutherford - MMA
William H. Talley & Son, Inc.

HEALTH CARE

Anthem Blue Cross Blue Shield
Bon Secours Foundation
Healthsouth Rehabilitation Center
Southside Regional Medical Center

INDIVIDUALS

Victor K. Branch
John E. Burchell, Jr.
Christine Chandler
Pamela Martin Comstock
Jeffrey Geisz
Dorothy Jaeckle
Mike Malandro
Winston Sanders
John Seward
Nicholas & Lindsay Walker
Wayne Walton
Milton Hargrave

MANUFACTURING & DISTRIBUTION

AdvanSix
Boar's Head Provisions
Emerson Companies
Evonik Industries
Goya Foods
Rolls-Royce North America
Wauford Group

PROFESSIONAL SERVICES

AdvantaStaff, Inc.
Atlantic Waste Disposal
J.T. Morriss & Son, Inc.
Securitas
Stone and Associates

REAL ESTATE DEVELOPMENT, SALES & LEASING

Ford Agency, Inc.
GrayCo
Longest & Daniels Realtors
Porter Realty
Roslyn Farm Corporation
Specter Properties
Waukeshaw Development
Whittle & Roper, Inc. Realtors

UTILITIES

Columbia Gas of Virginia
Dominion Resources Services
Old Dominion Electric Cooperative
Prince George Electric Cooperative
Southside Electric Cooperative



Generous support from The Cameron Foundation has enabled Virginia's Gateway Region Economic Development Organization (VGR) to emerge from Virginia's first regional economic development group into the high-performing organization that exists today. During the last several years, VGR has worked with The Cameron Foundation as a leading partner to develop best practices in economic development to be the best organization to serve our region. Virginia's Gateway Region is immensely grateful for everything the foundation does to support regional economic development.



Fort Lee



NON-PROFIT ORG.
U.S. POSTAGE PAID
RICHMOND, VA
PERMIT NO. 6

256 E. Ellerslie Ave, Suite D
Colonial Heights, VA 23834

(804) 732-8971
GatewayRegion.com

The Mid-Atlantic's premier destination for talent,
business growth and modern southern living.



Virginia State University



Petersburg



John Tyler Community College



Port of Virginia