



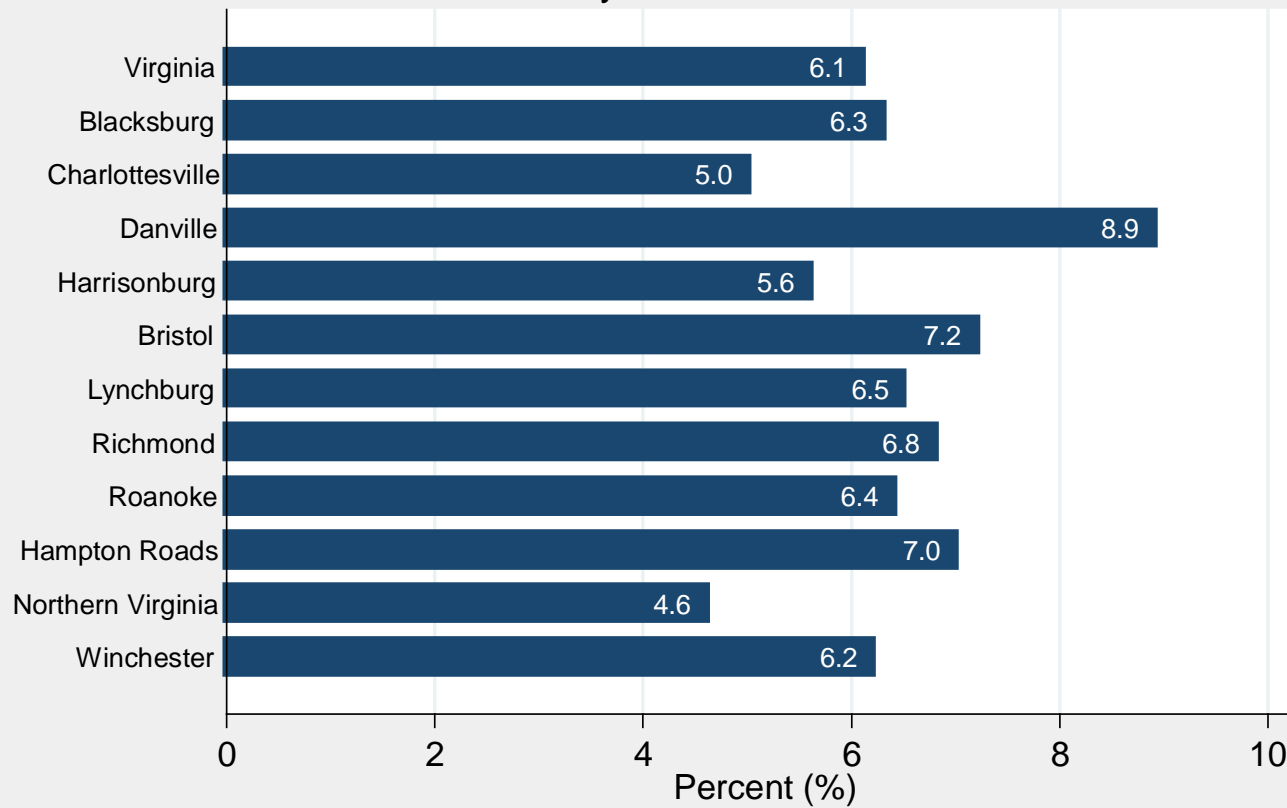
VIRGINIA'S ECONOMIC DEVELOPMENT LANDSCAPE

HAMPTON ROADS ASSOCIATION OF
FINANCIAL PROFESSIONALS

ROBERT W. MCCLINTOCK
RESEARCH DIRECTOR

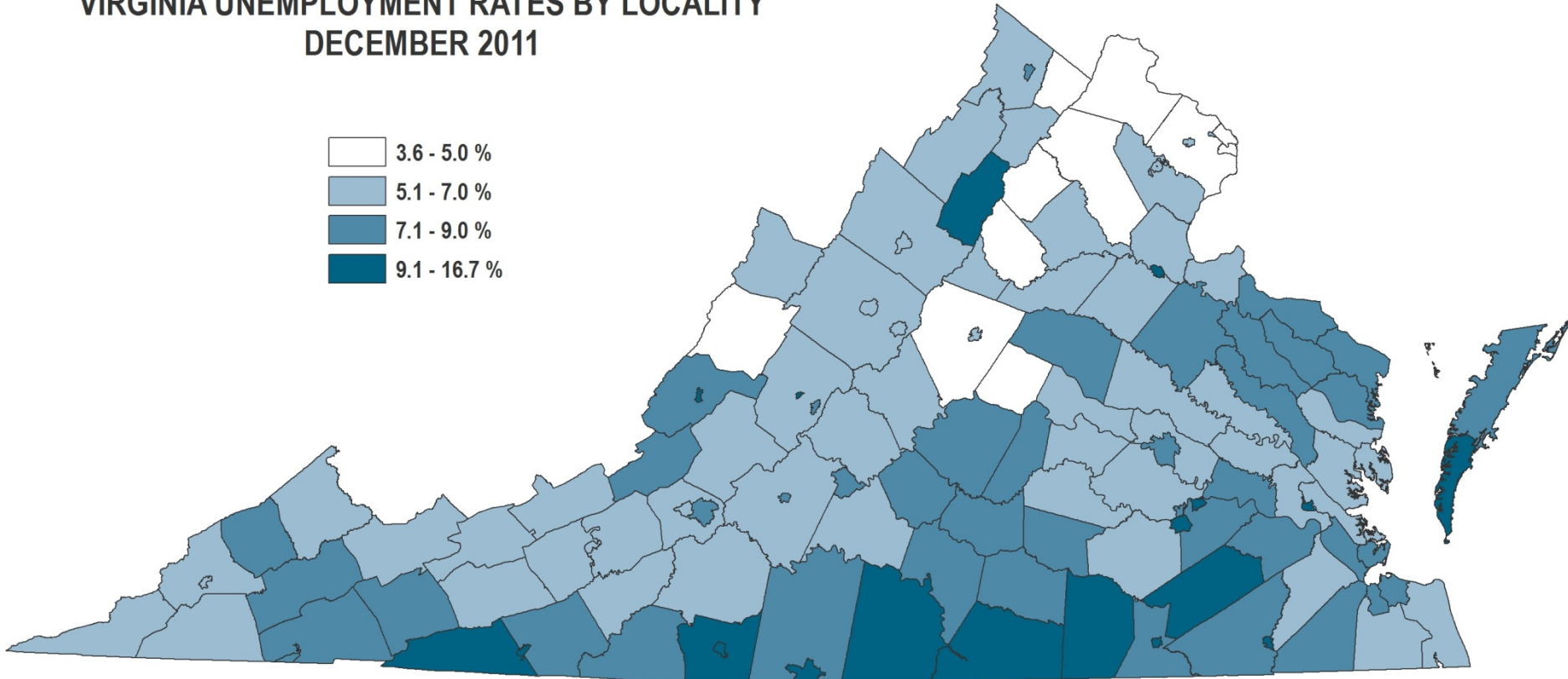
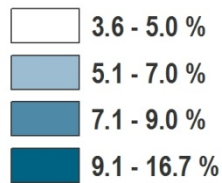
FEBRUARY 14, 2012

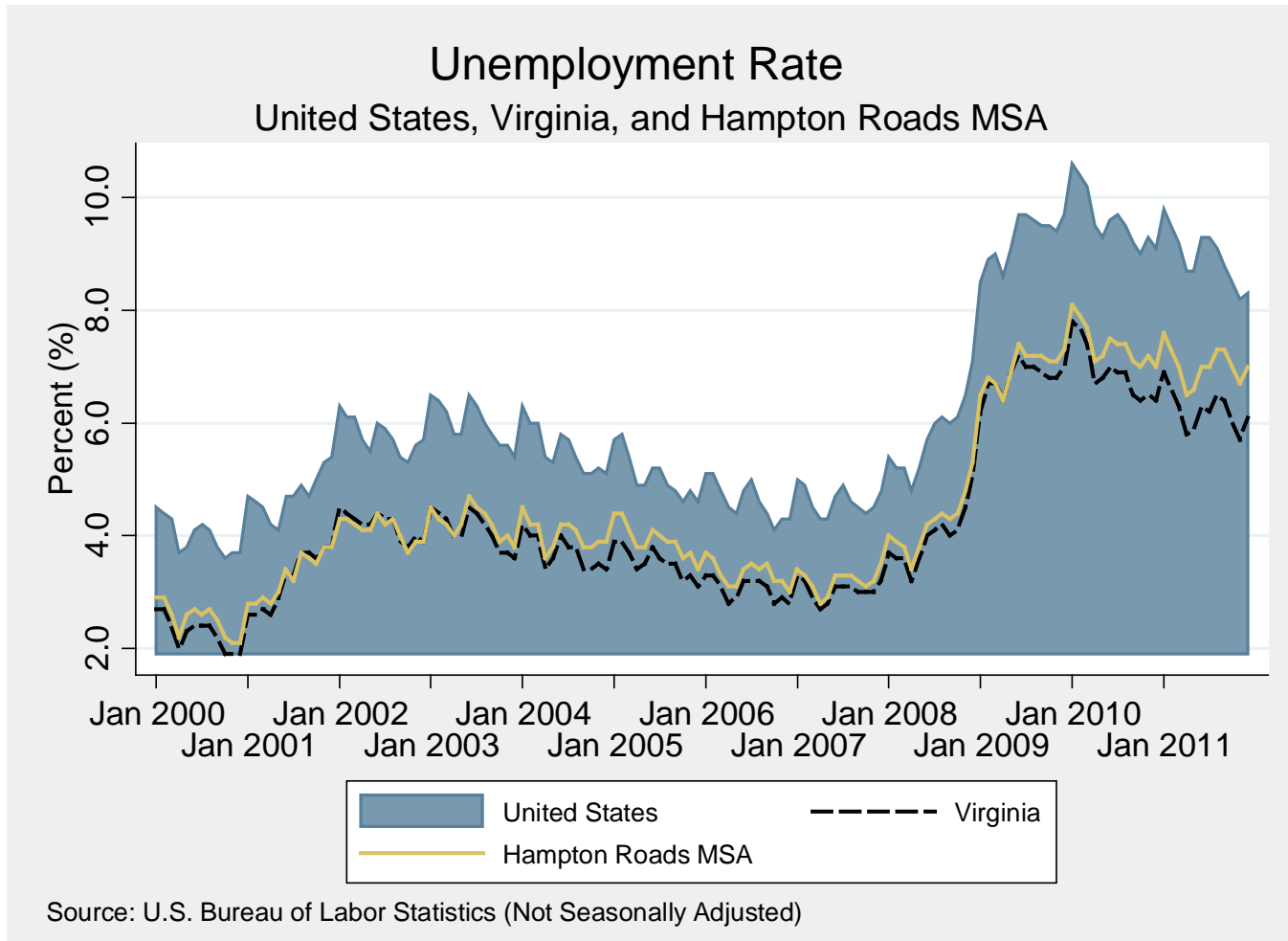
Unemployment Rate By MSA



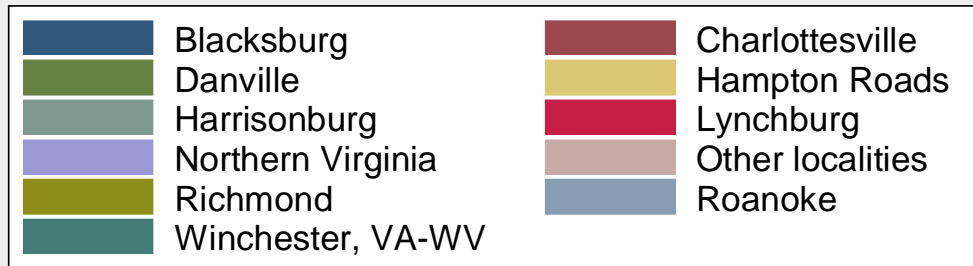
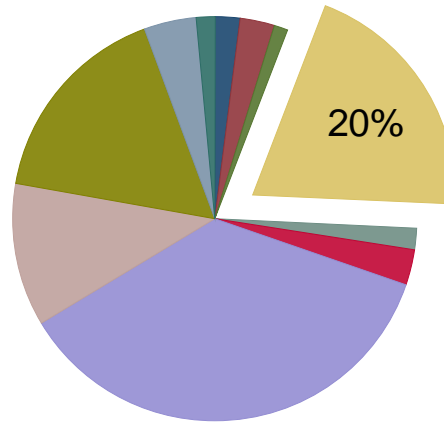
Source: U.S. Bureau of Labor Statistics, LAUS, Dec 2011 (not seasonally adjusted)

VIRGINIA UNEMPLOYMENT RATES BY LOCALITY DECEMBER 2011



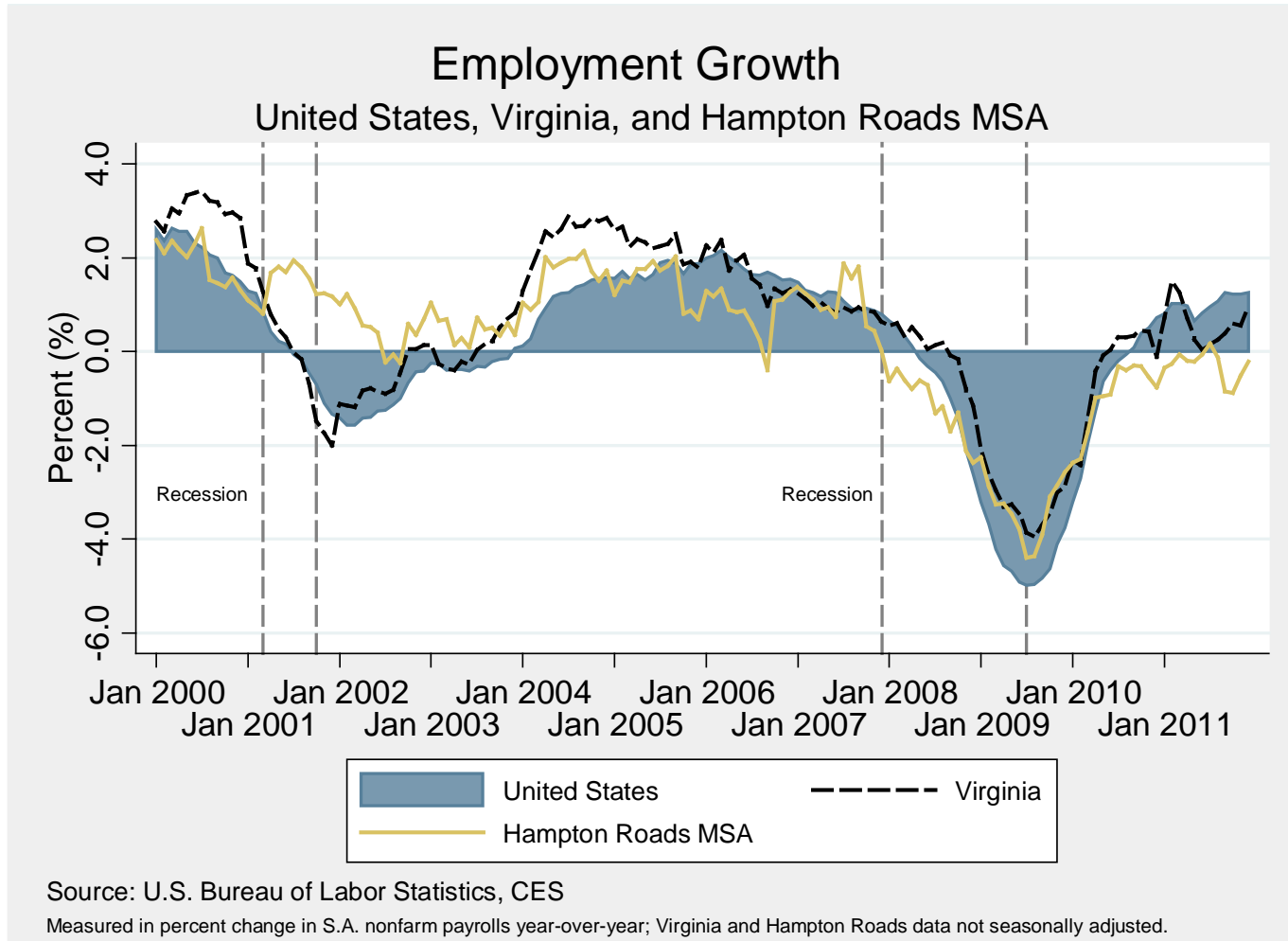


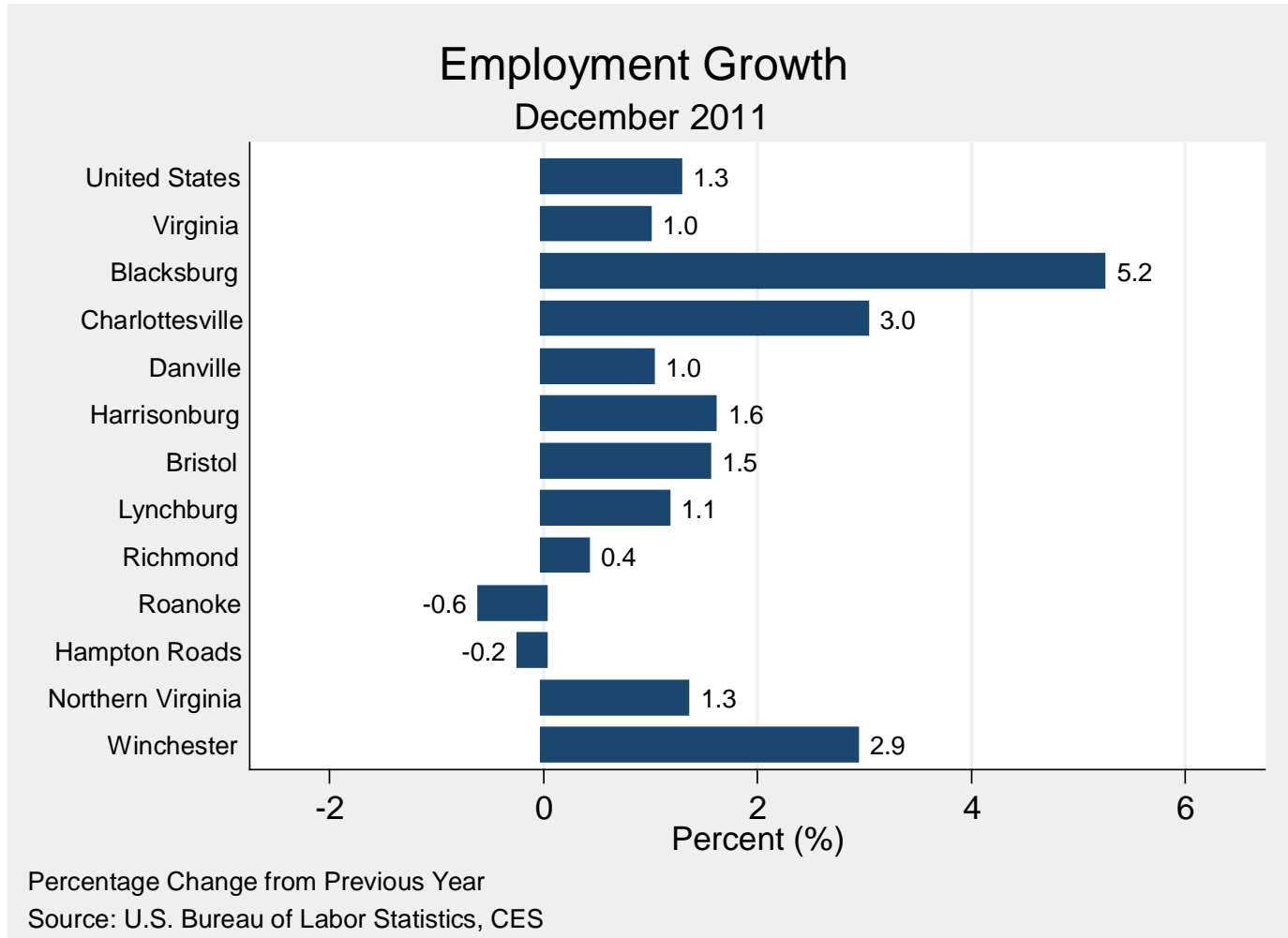
Virginia Employment By MSA



Source: Bureau of Labor Statistics, CES (Dec 2011, preliminary)

VIRGINIA EMPLOYMENT GROWTH

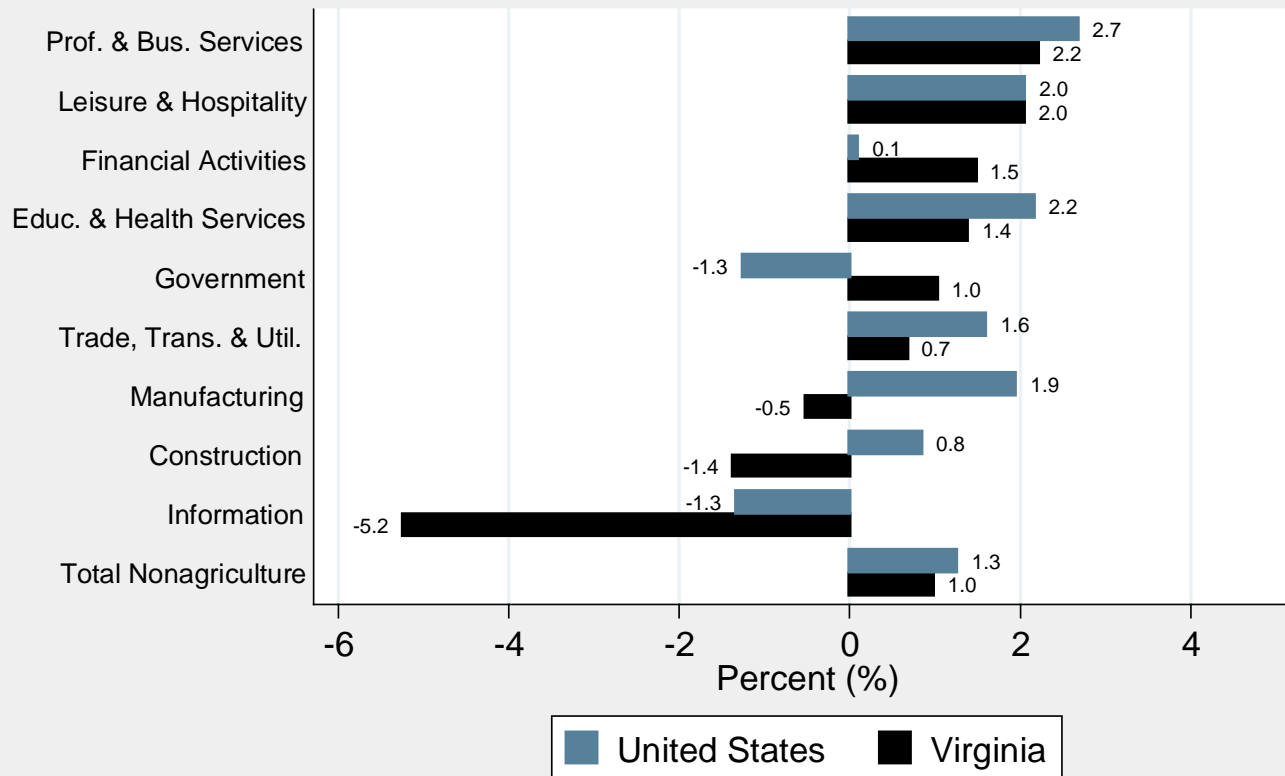




VIRGINIA EMPLOYMENT GROWTH

Employment Growth By Major Sector

December 2011

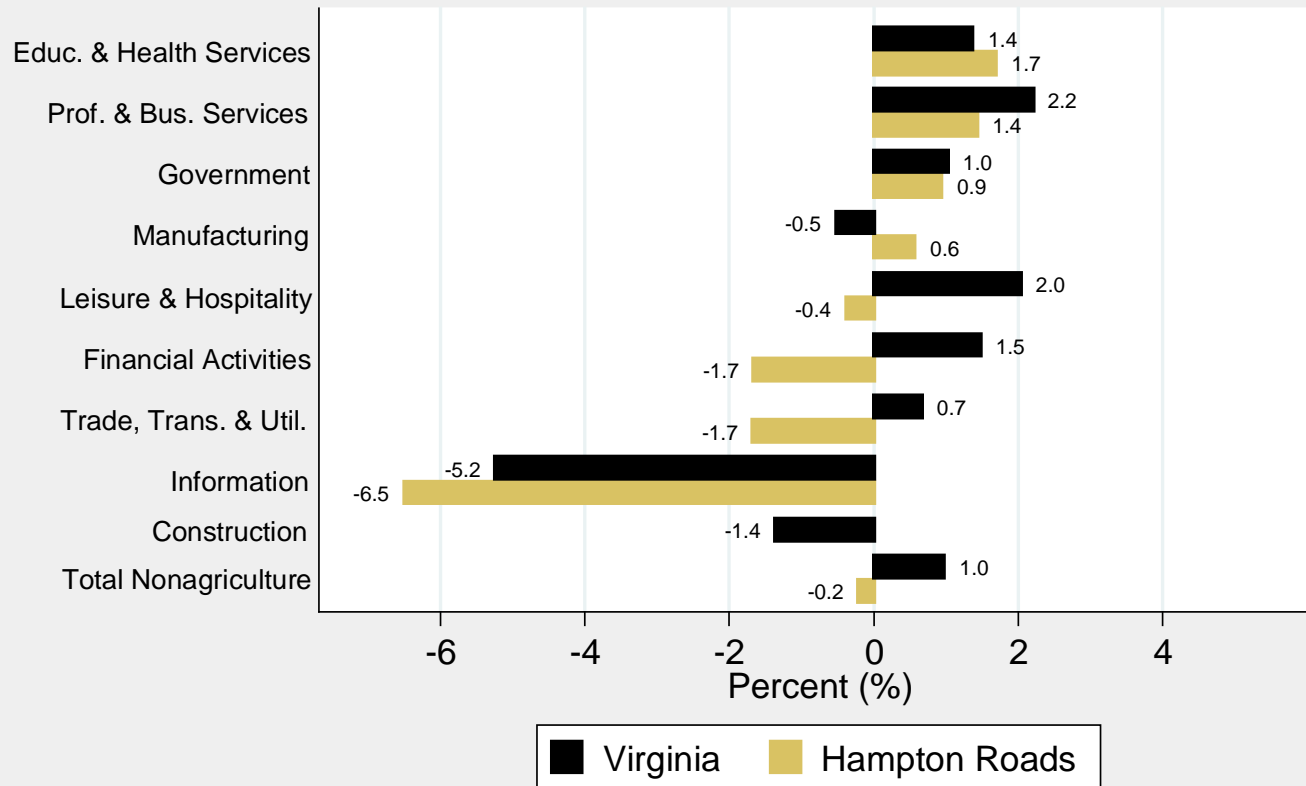


Percentage Change from Previous Year

Source: Bureau of Labor Statistics, CES, December 2011

Employment Growth By Major Sector

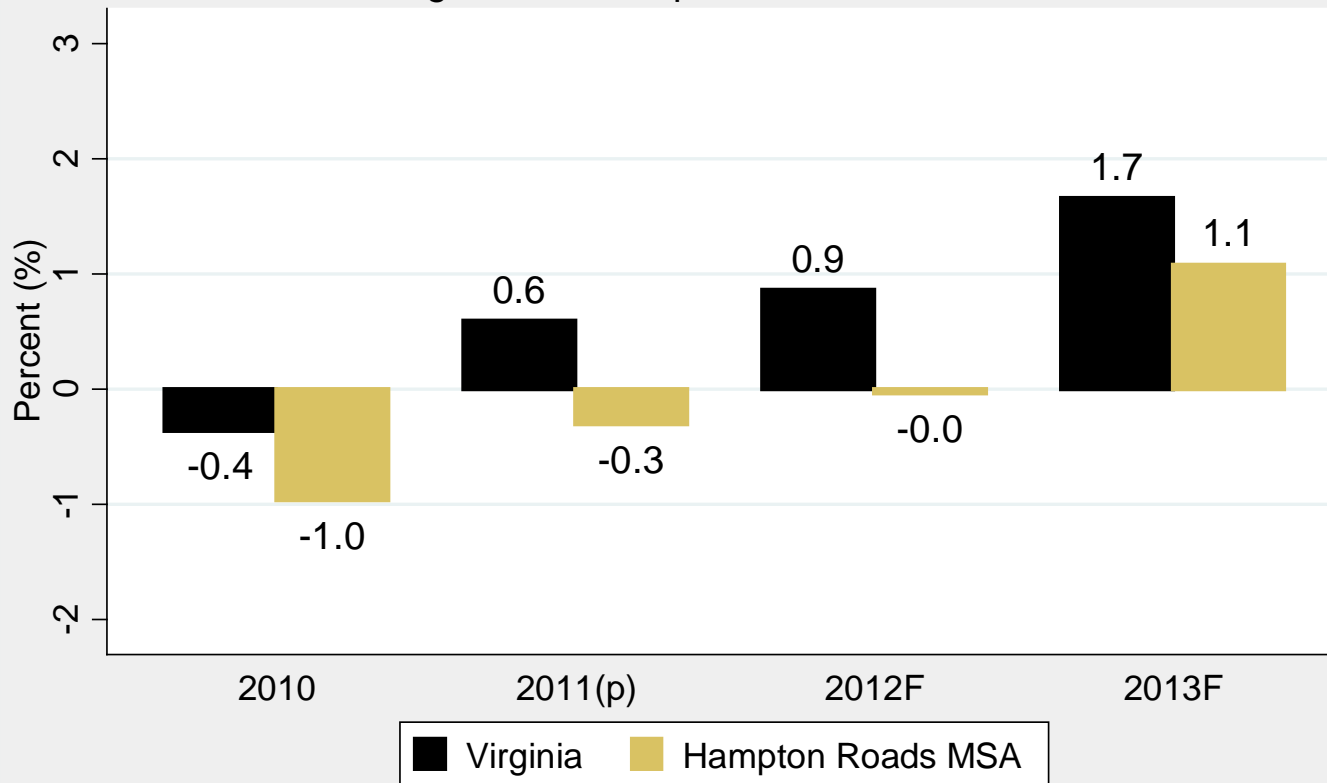
December 2011



Percentage Change from Previous Year

Source: Bureau of Labor Statistics, CES, Monthly Data (December 2011), Not seasonally adjusted

Employment Growth Forecast Virginia and Hampton Roads MSA



Percentage Change from Previous Year

Source: Bureau of Labor Statistics, BEA, Moody's Analytics

ANNOUNCED INVESTMENT AND EMPLOYMENT

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Investment	\$2.79	\$2.60	\$3.39
Jobs	17,061	18,372	28,407
Announcements	310	303	420

All announcements are subject to revision

- **Encouraging announcements results and trends compared with 2010**
 - Jobs: +52% (28,407)
 - Capital Investment: +30% (\$3.39 Billion)
 - Projects: +34% (420)
- **Strongest job totals in 8 years, since 2003**
- **Geographic parity in job growth**; each of the 6 Regions exceeded 2010 job totals; and Diversified Sector Growth statewide
- **Existing business expansions** remain fundamentally important to economic performance: 71% of jobs, 72% of capital investment
- **Manufacturing** represents 22% of job totals, 38% of total capital investment
- **Data centers** (14 projects) dominant sector for investment; (\$960M), and almost half of all non-manufacturing investment
- **Professional, Scientific, and Technical Services** dominant sector for job growth (12,363 jobs); high wage sector
- **International job growth up 66%** (2,162 jobs), 8% of all projects; still down about 2/3 from 2008 recent peak of almost 7,000 jobs



SELECTED STATEWIDE PROJECTS - 2011

Company Name	Location	Business	Jobs	Investment (millions)
Amazon.com	Chesterfield & Dinwiddie Cos.	Fulfillment centers	1,060	\$85.0
Green Mountain Coffee Roasters	Isle of Wight Co.	Coffee roasting, grinding, flavoring, packaging	800	\$180.0
Defense Health Headquarters	Fairfax Co.	Defense Department's Medical Command HQ	533	\$225.0
International Paper	Isle of Wight Co.	Fluff pulp mill	213	\$80.0
ICF International	Henry Co.	Operations center, business process mgmt.	539	\$15.0
Bechtel Corporation	Fairfax Co.	Global Operations HQ; engineering	625	\$18.0
Backcountry.com	Montgomery Co.	Online retailer of outdoor gear	216	\$25.5
MeadWestvaco Corp.	Covington	Bleached paperboard	0	\$285.0
Rubbermaid Commercial Products	Winchester/ Frederick Co.	Commercial plastic products	71	\$67.25
Albany Industries	Galax	Upholstered furniture	335	\$2.5
K-VA-T Food Stores	Washington Co.	Corporate HQ; Distribution of food products	25	\$20.4
Microsoft Corp.	Mecklenburg Co.	Data center	10	\$150.0
Cadence	Staunton	Micro-scale precision-cutting tools	65	\$15.9
CFA Institute	Charlottesville	Global association of investment professionals	45	\$24.5

All announcements are subject to revision

SELECTED HAMPTON ROADS PROJECTS - 2011

Company Name	Location	Business	Jobs	Investment (millions)
Green Mountain Coffee Roasters	Isle of Wight Co.	Coffee roasting, grinding, flavoring, packaging	800	\$180.0
Enviva LP	Southampton Co.	Manufactures wood pellets	64	\$75.0
International Paper	Isle of Wight Co.	Fluff pulp mill	213	\$80.0
Katoen Natie	Norfolk	Warehousing and distribution	225	\$12.0
GEICO Corporation	Virginia Beach	Call center; insurance policies	285	\$1.0
IMS:GEAR Virginia, Inc.	Virginia Beach	Metal and plastic gear assemblies	80	\$35.5
Ace Hardware Corp.	Suffolk	East Coast re-distribution center; hardware	75	\$14.0
TRG Customer Solutions	Hampton	Inbound and outbound communications	120	\$3.0
Kruger, Inc.	Portsmouth	Warehouse, pulp and paper import/export	0	\$25.0
Enviva LP	Chesapeake	Storage/distribution of wood biomass products	24	\$11.7

All announcements are subject to revision

Regional Totals – Calendar Year 2011

Region	New Jobs	Investment (millions)	Announcements
Central Virginia	4,134	\$517.64	70
Hampton Roads	3,202	\$567.81	52
Northern Virginia	14,422	\$1,220.73	184
Southern Virginia	2,669	\$424.50	39
Southern Virginia	2,029	\$149.62	31
Valley Region	1,951	\$508.16	44
Grand Total	28,407	\$3,388.46	420

All announcements are subject to revision

- **International Presence Expanded**
 - India: 2 firms engaged in August 2011
 - United Kingdom: Engaged HMC Global in March 2011
 - China: Representative in Shanghai in May 2011
- **Governor's Mission to Israel & India – November 2011**
 - Over 60 prospect meetings and events
- **Digital Media Campaigns – Over 30 million targeted impressions**
 - *Wall Street Journal, Bloomberg Business Week, Forbes*
 - *Area Development*
- **Export Program (VALET) expanded**
 - Serving existing VA businesses to increase international sales

- **Project pipeline improving** (+ 40%)
- **International projects** (18% of pipeline)
- **Broad-based sector activity**
 - Advanced manufacturing
 - IT/ Data centers “hot”
 - Corporate HQ’s; operations centers
 - Slight uptick in distribution activity, but still below pre-recession norms
- **Sector Marketing Campaigns** – launched in key regions
 - Federal (MD/DC)
 - IT (Northern CAL)
 - Food Processing (Chicago)
 - Aerospace (TBD)
 - Life Sciences (TBD)

THE WALL STREET JOURNAL.

Welcome, **Dave Robertson**

AS PRINTED ON MONDAY, AUGUST 23, 2010

HOW DO OTHER STATES COMPARE TO THE BEST STATE FOR BUSINESS?

Tap a state for a side-by-side comparison with Virginia.



VIRGINIA

- **Ranked #1**
CNBC's 2011 "America's Top States for Business"
- **Ranked #4**
The Tax Foundation's Corporate Tax Index
- **Ranked #2**
Forbes.com's 2011 "Best States for Business & Careers"
- **Ranked #1**
TechAmerica Foundation's concentration of high-tech workers
- **Ranked #3**
Average unemployment insurance tax per employee

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Trends

- Port volume expected to grow 4% to 5% in 2012
- Volume was up 1.2% in 2011

Port Tax Credits

- Port Volume Increase Tax Credit (\$50 per TEU)
- Barge & Rail Usage Tax Credit (\$25 per TEU)
- International Trade Facility Tax Credit (\$3,000 per new FT employee or 2% of qualifying investment)

- **Life Sciences Strategy**
- **Tax Credit Enhancements**
 - Major Business Facility Job Tax Credit
 - Small Business Investor Tax Credits
- **Funding to Promote Advanced Manufacturing**
 - Mega project site development
 - Workforce readiness
- **Non-credit instruction at community colleges**
- **Wallops Island launch site improvements**
- **International & domestic marketing funds**
- **Agricultural & Forestry Initiative Development Fund**

- Virginia named “Top State for Business” by CNBC
- Ranked “No. 1 Pro-Business State” by Pollina Corporate Real Estate, Inc. in 2011
- Ranked number one for “Economic Growth Potential” in *Business Facilities* magazine
- Virginia Beach named the “Best-Run City in America” by *24/7 Wall St.*, a financial news website. Chesapeake was ranked sixth.

THE ECONOMY IS IMPROVING (?)



