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aCORRIDOR News



VOLUME II, ISSUE 3

WINTER 2005

Quarterly News & Updates of Mount Rogers Development Partnership, Inc.

Study targets industries for aCorridor

Representatives from the Southwest Virginia Economic Development Alliance (Virginia's aCorridor and the Virginia Coalfield Economic Development Authority) met in early January in Abingdon with Chmura Economics & Analytics to review results of a study to target prospective industries for Southwest Virginia.

Economic developers for these two regions viewed the results of months of research to determine a list of industries ranked by their probability to expand to Southwest Virginia cities or counties.

"The Alliance was created last year and this study, funded by the Tobacco Commission, is

Target Industry Clusters

- **Transportation Equipment**
- **Organic/Inorganic Chemical**
- **General Manufacturing**
- **Consumer & Business Service**
- **Electronics**
- **Wood**
- **Pharmaceutical**

Source: ChmuraEconomics&Analytics

Target Marketing Study
for Southwest Virginia Economic Development Alliance

one of the best tools we can use to plan our region's economic development," said Andy Hall, aCorridor executive director.

"Christine Chmura and her staff created a process to find the firms most likely to do business in Southwest Virginia."

Hall said the study took a look at the region's strengths, such as an industry mix that favors high-paying and high-export mining and manufacturing industries and its weakness, an industry mix skewed toward declining industries. The study said an opportunity is that many occupations associated with declining industries are expected to grow. A developing fiber-optics network is another opportunity. A threat is finding industry matches before residents leave the region. The Alliance received a list of 120 target firms (Virginia and national) and an additional list of 380 firms as potential candidates for relocation.

Target Industry Examples

► **Transportation Equipment** Motor vehicle parts, motor vehicle body & trailer & motor vehicle manufacturing

► **Organic/Inorganic Chemical** Glass & glass product manufacturing, clay products & refractory manufacturing, foundries, rubber product manufacturing, plastics product manufacturing, forging & stamping

► **General Manufacturing** Household appliance manufacturing, ventilation, heating, air conditioning & commercial refrigeration, medical equipment & supplies, & miscellaneous (jewelry & silverware, sporting & athletic goods, doll, toy & game, office supplies except paper, signs, gasket & sealing devices, musical instruments, brooms, fasteners, buttons, needles, pins & burial caskets)

► **Consumer & Business Service** Data processing & computers

► **Electronics** Electrical equipment & component manufacturing, computer and peripheral equipment manufacturing

► **Wood** Forest, nurseries & gathering of forest products, veneer, plywood & engineered wood product manufacturing, office furniture (including fixtures) manufacturing

► **Pharmaceutical** Pharmaceutical and medical manufacturing

Source: ChmuraEconomics&Analytics

From My Perspective....



Andy Hall
Executive Director

Often we don't take the time to thank those visionaries or organizations who truly push the envelope daily to help our region. I would like to take this opportunity to thank Carthan Currin and his staff at the Virginia Tobacco Indemnification and Community Revitalization Commission for their continued support of economic development in Southwest Virginia.

After reading the first page of this newsletter, you might be asking **what is all the fuss about some new analytical model for generating prospect leads?** For years economic developers have used several

tools in their tool bag to generate prospect leads for their communities. These tools came in the form of advertising, tradeshow, marketing missions (trips), direct mail, cold calling, relationship building, etc.

There is no silver bullet in this tool bag; although, each tool is important depending on an organization's strategies and financial resources.

Through the support of the Virginia Tobacco Commission, we have been given a new tool for our tool bag. Economic developers are known for trying new techniques to generate prospect leads, and this is no exception. I was once told by a respected business development colleague, "The definition of insanity is doing the same thing over and over and expecting different results." **We are trying something new and expecting different results.**

Marketing Activity

**aCORRIDOR
REGION HAS HAD
VISITS FROM 26
COMPANIES IN
2004
COMPARED TO
20 VISITS IN
2003**

The aCorridor region had inquiries and visits from companies involved in food processing, bakery products, medical equipment, millwork, wood products and telecommunications throughout the year.

The aCorridor's executive director attended the Virginia Economic Developers Association fall conference in late September. In early October, Hall participated in a marketing mission trip to Ohio and Kentucky with VEDP. The region was represented by Hall at the SEDC annual conference, at Virginia Tech's Economic Development Day, the 2004 Conference on Virginia's Future, and the VEDP's Virginia Allies meeting Nov. 18.

This new tool for our tool bag attempts to identify industrial prospects through research analytical modeling. It takes into consideration our strengths and weaknesses and tries to identify firms that would do well if they were to locate in our region. Is this the silver bullet all economic developers search for? I would expect it's not; however, **it is another valued tool in our tool bag to help generate business leads for our region!** We must also realize this new tool would not have been possible without the support of The Virginia Tobacco Commission, and for this we are grateful!

We also need to convey big thanks and kudos for our elected officials who serve as commissioners on the Virginia Tobacco Commission for their support on this project. It's always dangerous to list names in fear of leaving one out; however, special thanks need to be given to Senator William Wampler Jr., Senator Phillip Puckett, Delegate Terry Kilgore, and Delegate Joe Johnson for their fantastic trust and support!

We will press on!



aCorridor's December board meeting featured a presentation on Highlands Business Park by Sally Morgan, right, economic development director for Smyth County. The park is a joint project of Washington and Smyth counties. At left is Christianne Parker, Washington County's economic development director, and Russell Owens of the Washington County IDA. Board Chairwoman Suzanne Jennings is pictured above.

Region sees \$84.1 million investment, 1,100 jobs

Expansions in existing industries in the aCorridor region, a major call center announcement and plans for a new water and beverage company top the news for 2004. A total of \$84.1 million is being invested in the region, creating 1,100 jobs.

Fourth Quarter expansion announcements included Longwall Associates in Chilhowie, Merrillat in Atkins and Wise Snack Foods in Bristol. In November, Global Contact Services announced plans to locate a call center facility in Saltville, and Home Depot announced plans to open a new store at Bristol's Exit 7 area within the next year.

Longwall Associates, a family owned mining equipment manufacturer that has been operating in Smyth County since 1987, will create 32 new jobs and save 35 in a \$1.6 million expansion.

In early December, Governor Mark Warner announced that **Snack Alliance, Inc.**, a national snack food manufacturer, had purchased the Wise



Merrillatt Industries, which operates two of its four Virginia plants in Atkins, announced plans in November to invest \$7.3 million in a plant expansion and add 60 new jobs.

Snack Food plant in Bristol with plans to expand its production operations through a \$9.8 million investment. This expansion is expected to save 85 existing jobs and bring 95 new jobs.

A new business announcement was made in Saltville on Nov. 12. The Governor announced that **Global Contact Services** would create 200

new jobs, invest \$1.0 million and locate a call center facility in the former Piggly Wiggly building in Saltville.

Other expansion announcements earlier in the year included **Guardian Industries** in Galax, \$2.5 million, 54 jobs; **Utility Trailer** in Smyth County, \$11.5 million, 100 jobs; **Epoch Composite Products Inc.** in Chilhowie, \$30 million, 50 jobs; **Oak Hall Industries** in Smyth County 70 jobs; **Crowley Foods** in Bristol, \$2.7 million, 32 jobs; **Magic Wand Car Wash Systems** in Bristol, 35 jobs; and **Dominion Carton Corp.** in Bristol, moving to a new facility as the first tenant in new industrial park.

A newly formed company, **Universal Food and Beverage Co., Inc.**, announced in September it would acquire Grayson Springs Water from Independence Water Group, LLC, with plans to expand the bottled water facility in Grayson County, investing \$6.9 million and creating 151 jobs.

Around the aCORRIDOR...

The Virginia Tobacco Indemnification and Revitalization Commission is collecting proposals from firms interested in conducting an automotive assembly plant feasibility study in Southwest Virginia. The study will focus on the possibility of luring major automotive original equipment manufacturers (OEMs) to Southwest or Southside Virginia. Sen. Phillip Puckett, D-Lebanon, a member of the Tobacco Commission, was quoted in local news reports saying that although no specific locations have been identified, officials with VEDP have said that somewhere within the I-81-77 region would be an ideal location.

Two aCorridor Christmas trees, a 25-ft. Fraser fir and an 8-ft. white pine, were sent to Washington this holiday season. Each year a state is chosen to provide all the public Christmas trees in Washington, and 2004 was Virginia's first year. The Fraser fir from Grayson County, donated by **Mount Rogers Tree Farm** in Whitetop, adorned the U.S. Supreme Court. **Swinging Bridge Tree Farm** in Abingdon donated the white pine for use inside the Capitol. Grayson and Floyd counties lead the state in Christmas tree production. Virginia sells about 2 million Christmas trees a year, grossing \$20-\$40 million. The

theme for use of Virginia's trees in Washington was "2004 Capitol Holiday Tree: Birthplace of Presidents." Virginia Christmas Tree Growers Association: www.vctga.com

The New River/Mount Rogers Workforce Investment Board is one of only three WIBs of the state's 17 to receive full certification. The board has met the Minimum Standards of The Virginia Workforce and Career Development System. To meet certification the board submitted a three-year strategic plan, a business plan, an action plan and had to have one local Workforce Center be chartered.



VIRGINIA'S **aCORRIDOR**
 access to markets, technology & transportation

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Virginia's aCorridor

is the region of southwestern Virginia that includes the City of Bristol and the City of Galax and the Counties of Bland, Carroll, Grayson, Smyth, Washington, and Wythe,

Around the aCORRIDOR...

Potential telecommunications workers can take advantage of a \$45,000 grant received by the Town of Saltville to train potential employees for call centers such as Global Contact Services locating in the former Piggly Wiggly building in this Smyth County community. The grant from the Educational Committee of the Tobacco Indemnification and Community Revitalization Commission will provide 200 scholarships to cover 80 percent of the cost of the course. The training program will be administered by Virginia Highlands Community College.

The Virginia Highlands Small Business Incubator, located in the

70-acre Stonemill Business Technology Park in Abingdon, is open for tenants. A joint project by the Town of Abingdon, Washington County and the City of Bristol, Virginia, the facility is also financed through \$1.9 million in federal grants. "With the completion of the Virginia Highlands Small Business Incubator, aspiring entrepreneurs now have the needed assistance to bring their ideas to the commercial market," said Congressman Rick Boucher.

Congratulations to Dr. Alan Hawthorne, executive director of the Joint IDA Wythe County, who was named

Outstanding New Economic Developer of the Year by the International Economic Development Council (IEDC) at its annual conference in St. Louis in September 2004.

The Veterans Administration plans the opening of an outpatient clinic in Saltville, Rep. Rick Boucher, D-Abingdon, announced in early November. The new Saltville Medical Clinic will be linked via a computerized system to the Veterans Administration hospital in Johnson City, Tenn. Services will include X-rays, check-ups, blood pressure checks, treatment for basic illnesses and laboratory tests.