MONTGOMERY COUNTY DEPARTMENT OF ECONOMIC DEVELOPMENT

2010 ANNUAL REPORT

MONTGOMERY COUNTY • VIRGINIA

BLACKSBURG • CHRISTIANSBURG • VIRGINIA TECH

PROGRESSIVE COMMUNITY | LIFESTYLE AMENITIES | TECHNOLOGY DRIVEN ECONOMY

INTRODUCTION

To the Honorable Chair, Members of the Board of Supervisors and the Citizens of Montgomery County:

PURPOSE OF THIS REPORT

The Montgomery County, Virginia, Department of Economic Development prepared this annual report to provide an account of departmental performance during the 2010 calendar year. The Department believes it is essential to communicate to the Board of Supervisors and the Citizens of Montgomery County the value of the organization and the impact it and its many partners and allies are having on the local economy.

OUR MISSION

The Department of Economic Development is dedicated to improving the quality of life throughout Montgomery County – including the incorporated areas of Blacksburg and Christiansburg – by encouraging positive economic growth that 1) creates meaningful career opportunities for county residents, 2) expands the commercial tax base to support the delivery of vital public services and 3) protects our enviable quality of life.

The Department accomplishes its mission through strategies aimed at supporting the startup, retention and expansion of local companies as well as the attraction of new targeted industries to the community.

ORGANIZATIONAL CHART

The Economic Development Department is a local government agency serving the County by carrying out the Board of Supervisors' vision and policies for economic development.

Did You Know?

NOTABLE 2010 ACCOLADES

Here are some notable 2010 economic development-related accolades Montgomery County residents can be proud of.

Virginia is ranked 2nd Best State for Business by Forbes.com, October 2010. Virginia ranked first 2006 – 2009.

Virginia ranked 2nd on CNBC.com's list of America's Top States for Business, July 2010. Virginia ranked first in 2009.

Virginia is ranked 1st among top 10 pro-business states by Pollina Corporate Real Estate for two consecutive years (2010 and 2009).

Blacksburg-Christiansburg-Radford Metropolitan Statistical Area ranked the 28th Best Small Place for Business and Careers by Forbes.com, April 2010. Up three spots from 2009.

Blacksburg named a Top Ten Affordable Mountain Town for Retirees by US News & World Report, July 2010.

Virginia Tech Corporate Research Center named the 2010 Outstanding Research/ Science Park by the Association of University Research Parks, September 2010.

Virginia Tech ranked 44th among 697 academic institutions for its almost $400 million in research expenditures in fiscal year 2009 (National Science Foundation, October 2010).

Blacksburg-based companies **Modea** (#221) and **Harmonia** (#4,474) were both named to Inc. Magazine's list of the 5,000 fastest-growing privately held companies in the United States, September 2010.

BUSINESS RETENTION & EXPANSION

Our business retention and expansion program supports the viability and growth of companies already in Montgomery County.

BUSINESS VISITATION PROGRAM

The Department uses its Business Retention and Expansion (BRE) program as a way of establishing good relationships and communication with existing companies in the community. The goal of the program is to support local businesses by helping them solve problems and eliminate barriers that undermine their overall success and growth in Montgomery County.

Department staff arrange face-to-face BRE visits with local businesses to gain a deeper understanding of any needs or challenges they may face. If an issue is identified, staff work with its extensive network of partners to provide a variety of support services in the areas of business planning, international trade, workforce development and training, finance and other areas.

In 2010, the Department's BRE program had the following impact:

- *40 companies visited*
- *13 companies required support services*
- *6 companies announced expansion plans*
- *345 jobs created*
- *$12.96 million in new private investment*

SPONSORED EVENTS

NewVa Corridor Technology Council (NCTC) Events

The Department and Economic Development Authority (EDA) supported the regional high-tech cluster through their sponsorship of NCTC's TechNite Awards Banquet and Fall Membership Gala. The NCTC is a non-profit association of businesses and organizations working to promote the growth and success of the Roanoke & New River Valley's (i.e. NewVa Corridor) technology sector. Approximately 85 of the NCTC's 210 members (41 percent) are based in Montgomery County.

Business Appreciation Golf Tournament

In June, the Department partnered with several allies to host the 2010 Business Appreciation Golf Tournament & Reception in honor of area businesses. Thirty teams participated in the golf tournament and over 100 individuals attended the evening reception at the Blacksburg Country Club. The event was co-sponsored by the Montgomery County Chamber of Commerce, the Blacksburg Partnership and the Virginia Economic Development Partnership's International Trade Division.

RECENT SUCCESSES

Several Montgomery County businesses announced expansion plans in 2010. Here are a few.

Rackspace (February) – a deliverer of enterprise-level managed hosting, cloud hosting, and email hosting services to businesses around the world – announced plans to invest $60,000 and add 25 new employees at its Blacksburg location. VJIP BRE

Aegisound (April) – a designer and manufacturer of hearing protection and advanced communications solutions for customers in demanding noise environments – announced plans to invest $100,000 and create 50 new jobs. VJIP BRE

Dish Network (April) – a satellite TV provider and Fortune 200 company – announced plans to add 135 new employees at its technical call center in Falling Branch Corporate Park. VJIP BRE

United Pet Group (June) – a global marketer and manufacturer of pet supplies – announced plans to invest $3 million and hire 70 new employees at its Blacksburg division. VJIP BRE

Polymer Solutions Incorporated (July) – an independent laboratory and a strategic resource for chemical analysis, physical testing, research and development services, and litigation services – announced plans to create 15 new jobs and invest $300,000 in renovating its facility. VJIP BRE MBC

VTLS Inc. (September) – a provider of leading technology in the management and delivery of information to people, primarily through libraries and information centers – announced the creation of 25 new jobs at its corporate headquarters in the Virginia Tech Corporate Research Center. VJIP BRE

Source: Virginia Economic Development Partnership

Acronym Legend

VJIP – *Company leveraged the Virginia Jobs Investment Program to support expansion*

BRE – *Company was visited through the Business Retention & Expansion Program*

MBC – *Company leveraged the MBC Development Corporation Revolving Loan Fund*

BUSINESS ATTRACTION & MARKETING

Our business attraction and marketing efforts attract new businesses to Montgomery County by marketing the community to site consultants, corporate real estate executives and prospective businesses

RECENT SUCCESSES

Cobham Sensor Systems, a division of British defense contractor Cobham PLC, officially opened for business on November 9 by hosting a ribbon cutting ceremony at its newly renovated 50,000 square-foot facility in the Blacksburg Industrial Park. Cobham invested approximately $7 million in its relocation to Montgomery County, $100,000 of which was financed through the local MBC Development Corporation revolving loan fund.

Cobham Sensor Systems will employ 60 employees at its Blacksburg facility and produce monolithic microwave integrated circuit (MMIC) components that are used in defense and aerospace applications including radar and communications.

After several months of working with Cobham officials in 2009, Montgomery County was successful in its efforts to attract the company to the area. Throughout 2010, the Department continued to work closely with Cobham officials to ensure their relocation to the facility – which is owned by the EDA – was as seamless as possible.

MARKETING EVENTS

The Department actively marketed Montgomery County at several industry trade shows in 2010, including:

Data Center World Expo Spring - 18 Contacts
This expo was presented by AFCOM, a data center association with 4,500 members worldwide. Data Center World is a premier conference for data center management professionals and site consultants.

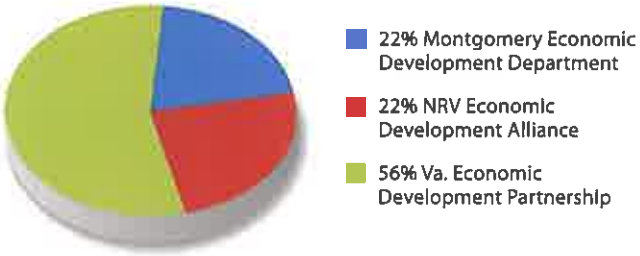
CoreNet Gobal Fall Summit - 18 Contacts
CoreNet Global is the world's leading association and summit for corporate real estate and workplace professionals and service providers.

Mid-Atlantic Bio – 15 Contacts
Jointly hosted by three of the Mid-Atlantic region's most influential bioscience and investor associations, this conference creates a unique venue for bioscience companies to network.

NEW PROSPECT ACTIVITY

During 2010, the Department submitted proposals to 18 new prospects. Twenty-two percent of these leads came directly through the Department via phone calls and website inquires. The remaining 78 percent came from the Virginia Economic Development Partnership and NRV Economic Development Alliance.

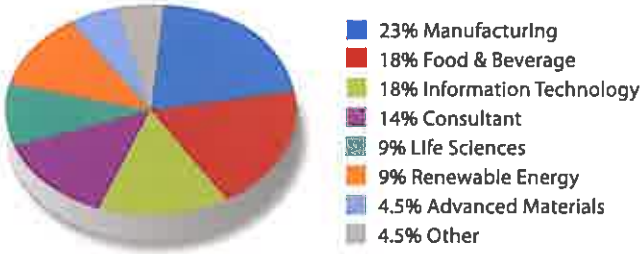
Source of Leads, 2010



TOTAL PROSPECT POOL

In addition to new prospects developed in 2010, the Department continued to work with prospects from the prior year. The combined total was a pool of 22 prospects. A breakdown of these prospects by industry and year-end status are below.

Prospects by Industry, 2010



Year-End Prospect Status, 2010

Department's prospect tracking system definitions:
Located: *Project located in Montgomery County*
Active: *Project is under active consideration.*
Inactive: *No project activity in 3 months or more*
Closed: *Project was canceled, located elsewhere or had no activity in over a year.*

ENTREPRENEURIAL DEVELOPMENT

Our entrepreneurial development activities support the startup and growth of new businesses in Montgomery County.

ENTREPRENEURIAL EXPRESS WORKSHOP

The Department partnered with the New River Valley Economic Development Alliance and New River Community College to sponsor the Virginia Department of Business Assistance's Entrepreneurial Express series. The workshop was held on March 11 at the New River Valley Mall in Christiansburg. The 58 attendees received information on how to start and operate a business, marketing strategies, financing and available entrepreneurial resources.

GLOBAL STUDENT BUSINESS CHALLENGE

VT KnowledgeWorks, a business acceleration and incubation center located in the Virginia Tech Corporate Research Center, held its first annual Global Student Business Concept Challenge in 2010. This week-long event provided a unique opportunity for student teams from all over the world to visit our community and compete for the $25,000 grand prize. The Department and EDA supported the Global Student Challenge by sponsoring a dinner in honor of the international attendees. The winning business concept came from Colm Connolly and Vincent Murray of team Ecosy representing Queen's University, Belfast, Northern Ireland.

VT BUSINESS TECHNOLOGY CENTER

In 2010, the Department and EDA contributed $6,000 to the VT Business Technology Center (BTC) in support of local entrepreneurial development. Located in Blacksburg, the BTC helps pre-start and evolving technology-based businesses assess and quantify their business opportunities. The BTC leveraged these funds to review the initial business concepts of 50 Montgomery County citizens in 2010.

WORKFORCE DEVELOPMENT

Our workforce development initiatives strengthen the local labor force to match the needs of Montgomery County industries.

NRV SOCIETY FOR HUMAN RESOURCE MANAGEMENT ROUNDTABLE

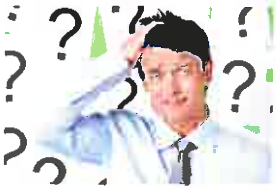
new river valley SHRM

The Department led a roundtable discussion at the May meeting of the New River Valley (NRV) Chapter of the Society for Human Resource Management (SHRM). The NRV SHRM Chapter is made up of over 120 human resource professionals employed throughout the New River Valley. The main focus of the meeting was to inform local human resource leaders about the Department's services and to market the various workforce development programs offered through the Virginia Department of Business Assistance. The roundtable format also allowed the 30 attendees an opportunity to discuss local labor force strengths and deficiencies.

WORKFORCE INVESTMENT BOARD

Economic Development staff attended three New River/Mount Rogers Workforce Investment Board (WIB) meetings in 2010 to stay current on WIB program offerings and to provide feedback on the workforce development needs of Montgomery County. Supported by federal and state funds, the New River/Mount Rogers WIB addresses human needs associated with employment in the New River Valley and Mount Rogers regions.

UNDERSTANDING HEALTHCARE REFORM WORKSHOP



The Department partnered with the New River Valley Economic Development Alliance and New River Community College to host an "Understanding the Impact of Healthcare Reform on Business" workshop in December. Elizabeth Falcone of Senator Mark Warner's office provided the 30 attendees an overview of the federal healthcare reform legislation with a focus on how its implementation would affect businesses and their workers.

COMMERCIAL REAL ESTATE DEVELOPMENT & REUSE

Our commercial real estate development & reuse initiatives ensure that Montgomery County has adequate infrastructure, sites and buildings to support economic growth.

OLD BLACKSBURG MIDDLE SCHOOL

In April, the Montgomery County Public Schools deeded ownership of the Old Blacksburg Middle School property to Montgomery County. Working on the behalf of the Board of Supervisors, the Department and EDA began taking the necessary steps toward redeveloping the property into a revenue-generating asset for Montgomery County residents. In 2010, the property's asbestos report was updated and a phase one environmental site assessment, Alta survey and asbestos abatement design plans were completed. By the end of the year, contractors were on-site removing asbestos from the property's two main structures and demolition design plans were being drafted.

BLACKSBURG INDUSTRIAL PARK, PHASE V

Throughout 2010, the Department helped to negotiate a complex public-private partnership to open up 70 additional acres of land in the Blacksburg Industrial Park for development. In an agreement between Montgomery County, the Town of Blacksburg and the Phase V property owner, the Town will build a road across the property leveraging an Economic Development Access Road (EDAR) grant through the Virginia Department of Transportation (VDOT). In return, the land owner will allocate the proceeds from the sale of the first lot to fulfill the EDAR matching funds requirement.

COMMERCIAL REAL ESTATE LUNCHEON

On September 30, the Department invited commercial brokers from Roanoke, Lynchburg and the New River Valley to a luncheon at the Inn at Virginia Tech. The meeting informed them of economic development opportunities in Montgomery County and soft-launched the Department's new multiple listing website for commercial property in the community, CRE.YesMontgomeryVA.org.

COMMUNICATIONS & MARKETING

Our communications and marketing efforts strategically leverage various digital mediums to spread the exciting things happing in Montgomery County.

YesMontgomeryVA.org WEBSITE

On April 12, the Department formally launched a community economic development website for Montgomery County – YesMontgomeryVA.org. The website is an online portal for prospective and existing businesses to learn about the many economic development assets and opportunities available in Montgomery County. Four months after its launching, the website won an Award of Excellence from the Southern Economic Development Council.

Website Stats

- 8,519 visits (66% new, 44% returning)
- 26,582 page views (3.12 pages/visitor)
- 50 countries represented (98% from the United States)
- Top five states visitors came from: VA-70%, NC-3%, NY-3%, DC-2% and MD-2%
- Traffic sources: 47% direct traffic, 34% referring website and 19% through search engines (Google, Bing, Yahoo, etc.)
- Top ten pages viewed, include: Home; About Us; Facts Maps & Stats; Living; News & Events; Megabus news release; Contact Us; Incentives and Programs; Calendar of Events and Why Montgomery County?

YesMontgomeryVA SOCIAL MEDIA

The YesMontgomeryVA Facebook page, Twitter page and YouTube Channel were launched as an extension of the YesMontgomeryVA.org website. At year-end, YesMontgomeryVA had 268 Facebook 'likes', 48 Twitter followers and 26 YouTube videos.

ECONOMIC DEVELOPMENT NEWS FLASHES

The Department started using email marketing in 2010 to drive traffic to YesMontgomeryVa.org and to make people aware of economic development related news and events happening in and around Montgomery County. In all, the Department sent 36 "Economic Development News Flashes" to its email distribution list of over 1,200 recipients.

OUR PARTNERS

The Department provides administrative support to several groups, including:

ECONOMIC DEVELOPMENT AUTHORITY OF MONTGOMERY COUNTY, VIRGINIA (EDA)

The Economic Development Authority of Montgomery County, Va. was created on January 21, 1970, by ordinance of the Montgomery County Board of Supervisors. The EDA has the power to issue industrial development bonds as well as acquire, lease and/or sell real and personal property. The EDA meets the third Tuesday of every month.

EDA Officers

Todd Murray – Chair
Allan M. Bookout – Vice Chair
Brian Hamilton – Secretary/Treasurer
Brenda Rigney – Assistant Secretary/Treasurer
Marty McMahon – Legal Counsel

EDA Directors

F. Spencer Hall
Gerard W. Higgins
Larry J. Linkous
Michael B. Miller
Thomas I. Roberts

MBC DEVELOPMENT CORPORATION (MBC)

The MBC Development Corporation is a 501(c) 3 organization created in 1985 to enhance and broaden the employment base in Montgomery County by providing small business with low interest loans not available from conventional sources. Since its creation, the MBC has provided 26 small business loans totaling $1.1 million dollars.

MBC Officers

Tom Via – President
John J. Cusimano – Vice President
Mark A. Hamric – Treasurer
Brenda Rigney – Secretary
Marty McMahon – Legal Counsel

MBC Directors

Mary W. Biggs
Terry Brizendine
Michael Cooke
Brad Denardo
Ed Lawhorn
Cecile Newcomb
Henry Showalter
Fritz Streff

MONTGOMERY REGIONAL ECONOMIC DEVELOPMENT COMMISSION (EDC)

The Montgomery Regional Economic Development Commission (EDC) was created on January 4, 1982, by a resolution of the Montgomery County Board of Supervisors. The EDC acts in an advisory capacity on economic development matters for the County. It meets the fourth Thursday of every month.

EDC Officers

Angie Covey – Chair
Eric K. Johnsen – Vice Chair
Lori Law – Secretary

EDC Directors

John Bush
Ann H. Carter
Roger E. Hedgepeth
Jim McAlister
Joe Meredith
Michael B. Miller
John T. Overton
Annette Perkins

OUR ALLIES & FRIENDS

TO OUR ALLIES & FRIENDS

The Department would like to express its sincere gratitude to those organizations that assist us in carrying out our mission.

Montgomery County Chamber of Commerce
Montgomery County Departments & Staff
Montgomery County Public Schools
New River Community College
New River Planning District Commission
New River Valley Economic Development Alliance
New River/Mount Rogers Workforce Investment Board
NewVa Corridor Technology Council
RU Small Business Development Center
The Blacksburg Partnership
Town of Blacksburg
Town of Christiansburg
Virginia Department of Business Assistance
Virginia Economic Development Partnership
Virginia Small Business Financing Authority
Virginia Tech Corporate Research Center
Virginia Tech Office of Economic Development
VT Business Technology Center
VT KnowledgeWorks

Find this report online at:
2010AR.YesMontgomeryVA.org

MONTGOMERY COUNTY, VIRGINIA
DEPARTMENT OF ECONOMIC DEVELOPMENT

Office: (540) 382-5732

Toll Free: (866) 270-9185

755 Roanoke St, Suite 2H

Christiansburg, VA. 24073

Website: www.YesMontgomeryVA.org

Email: info@yesmontgomeryva.org

Facebook: www.facebook.com/YesMontgomeryVA

Twitter: www.twitter.com/YesMontgomeryVA

YouTube: www.youtube.com/user/YesMontgomeryVA