



A STATE OF ACCOMPLISHMENT

ANNUAL REPORT 2010



West Virginia has thrived on traditional energy and manufacturing industries such as coal, chemicals and polymers, aerospace, automotive and wood products. All of these remain valued contributors to the state's economic health.

Today, the state's economy is one that also includes innovation-driven, technology-based businesses, piloted by a highly-skilled West Virginia work force. More than \$14.1 billion in new business investments have been made in West Virginia's economy since 2005.

In 2010, West Virginia's exports reached a record level \$6.4 billion, growing by 33 percent over last year and outpacing the U.S. export growth rate of 21 percent. The state led the nation in coal exports with \$2.8 billion. Other top sectors included chemicals/polymers, machinery and medical components. In 2010, West Virginia exported to 132 countries, including the leading markets of Canada, Japan, Brazil, Netherlands and China.

Global companies like Macy's, Amazon.com, Bayer, Coldwater Creek, Dow, DuPont, Lockheed Martin, NGK, Toyota and Pratt & Whitney have discovered the advantages and benefits of locating to West Virginia. A growing number of companies leading the advance in biometrics, biotechnology, information technology and renewable energy now operate in the state.

The state closed its 2010 fiscal year with a surplus of more than \$102 million; the fifth year in a row with a surplus – without a tax increase. Our approach to responsible government has produced a positive business climate and is clearing the way for business growth through tax cuts, workers' compensation reform and investment in university research and other strategic economic development initiatives.

As economic markets regain their strength, West Virginia is well positioned as the ideal location for new and expanding companies that are seeking a capable, flexible and dedicated work force.

Sincerely,

Earl Ray Tomblin
Governor of West Virginia



DISTRIBUTION

Macy's, Inc. to build fulfillment center

Retail giant Macy's, Inc. will build a new 1.3 million-square-foot fulfillment center in Martinsburg, Berkeley County. The \$150 million fulfillment center will support Macy's growing online business. Expected to begin operations in 2012, the new facility will create 1,200 full and part-time jobs and 700 seasonal jobs.

AUTOMOTIVE

Auto component manufacturer expands

K.S. of West Virginia has invested \$500,000 in expanding its automotive plant. The company stamps metal and assembles small, precision parts for the automotive industry. K.S. of West Virginia operates in Ravenswood, Jackson County.

BUILDING MATERIALS

Essroc hosts dedication of modernized cement plant

Essroc dedicated the opening of its cement plant in Martinsburg with an open house. Over the last several years, Essroc has invested more than \$600 million in creating the newer, cleaner, more efficient facility. Essroc is a member of the Italcementi Group, the fifth-largest cement producer in the world.

ENERGY

New power plant to generate 100 jobs

The \$2 billion Longview Power plant recently completed in Madsville is expected to create a total of 100 full-time positions to support pre-start activities in 2010 and commercial operations in 2011. The 695-MW coal-fired electrical power generating plant will use advanced technology proven to operate with higher combustion and environmental control efficiencies. Once commercial operation begins, Longview is expected to be among the cleanest, most efficient, and technologically-advanced coal-fired power plants in the United States. The power plant is owned by Longview Power LLC, which is owned by GenPower Holdings L.P.

Caiman Energy to invest \$350 million in West Virginia

Caiman Energy is planning to spend \$350 million on pipelines and a processing plant for natural gas pumped from the Marcellus Shale in West Virginia. The company has already spent \$150 million in the state and plans to spend \$200 million more in Wetzel and Marshall counties. This project will create 45 jobs.

Company invests \$25 million to restore hydro plant

Brookfield Renewable Power is investing \$25 million to rehabilitate the 5.5 megawatt Glen Ferris hydropower project located in Glen Ferris on the Kanawha River. The project will bring the 1899 hydroelectric plant back into full production. The project includes modernizing the facility's eight turbine units. When completed, the Fayette County hydropower project will generate more than 38,000 megawatt hours per year of renewable power.

Metinvest expands production capability

Coal company Metinvest in Raleigh County is investing \$115 million in expansion of its production capabilities. Metinvest is doing business as United Coal Company. This project will create 270 jobs.

INFORMATION TECHNOLOGY

West Virginia receives \$126 million grant for broadband

The State of West Virginia has been awarded \$126 million in federal stimulus grant funds to expand high-speed Internet access across the state. The State was approved for the full amount requested in its application to the National Telecommunications and Information Administration. A Grant Implementation Team will administer this West Virginia State Broadband Infrastructure Project under the direction of the State Executive. Funds received will expand broadband access to K-12 schools, libraries, hospitals, public safety agencies and jails. The announcement was made by U.S. Department of Commerce Secretary Gary Locke, joined by U.S. Sen. John D. Rockefeller IV, Reps. Nick Rahall and Alan Mollohan and National Telecommunications and Information Administration Administrator Larry Strickling.

MANUFACTURING

Armstrong breaks ground for \$35 million plant

State and business executives joined Armstrong World Industries for the groundbreaking of its new 30,000-square-foot plant in Millwood. An investment of \$35 million, the plant will produce mineral wool fiber used in acoustic ceiling tile products. The project is expected to create up to 200 jobs during the construction phase and an initial 45 permanent jobs when the facility becomes operational.

Nippon Tungsten opens first North American facility

Japan-based manufacturer Nippon Tungsten has selected Cabell County as the site of its first facility in North America and its first wholly-owned subsidiary outside of Japan. Nippon Tungsten invested \$2.4 million to refurbish an existing 10,000-square-foot building into a high-tech specialized machine shop that resharps blades manufactured by Nippon Tungsten's equipment in Japan. The facility services the company's customers located throughout North America.

New iron salts plant to be built in Marshall County

PVS Technologies announced that it will construct a facility to produce iron salts at the PPG Chlor-Alkali and Derivatives plant on the Ohio River near Natrium. Iron salts are used to treat drinking water and wastewater.

Kanawha Scales receives WVEDA loan for expansion

The West Virginia Economic Development Authority gave final approval to Kanawha Scales & Systems, Inc. for an \$800,000 loan to finance a new building and expansion of its existing facility in Poca, Putnam County. Kanawha Scales provides engineering solutions for plant floor automation, material handling, controls systems engineering, mechanical design, hydraulic design engineering, computer and PLC programming and database management systems. The expansion represents a total investment of \$2 million and 39 new jobs.

Alcon Research expands manufacturing facility

Intraocular lens manufacturer Alcon Research completed the expansion of its medical device manufacturing facilities in Cabell County. The new 72,000-square-foot facility is used to make "delivery systems," or small devices used to place the lens into the eye during surgery.

TECHNOLOGY AND RESEARCH

\$328 million Biometrics Technology Center to be built

A new \$328 million Biometrics Technology Center is scheduled to be built in Clarksburg. A joint facility of the FBI and U.S. Department of Defense, the new Center will be constructed on the campus of the Federal Bureau of Investigation's (FBI) Criminal Justice Information Services (CJIS) Division. The 360,000-square-foot structure will nearly double the space capacity of the existing FBI CJIS Division campus.

International health care technology firm opens

Randox Laboratories, an international diagnostic reagent and equipment manufacturer based in Northern Ireland, established its first East Coast facility in Kearneysville. The firm invested \$7 million to renovate an existing structure into a 33,180-square-foot base for administration, distribution, sales and manufacturing. The site is expected to create 50 scientific, sales and manufacturing jobs.

TOURISM DEVELOPMENT

Officials break ground for Boy Scout Jamboree facility

Officials from West Virginia and the Boy Scouts of America (BSA) gathered in Glen Jean at The Summit - the Bechtel Family National Scout Reserve for a groundbreaking ceremony. The event marked the second phase of construction of the new 10,600-acre Scout Jamboree headquarters and high adventure camp. The National Scout Reserve will join existing BSA national bases in New Mexico, Minnesota and Florida. The first national jamboree in West Virginia is scheduled for July 15-24, 2013. West Virginia will host the 2019 World Scout Jamboree, the first time in 40 years the event has been held in the country. The event will be held in Sweden in 2011 and in Japan in 2015. The facility will create a significant economic impact on the area.





BEING GLOBAL

In 2010, West Virginia's exports reached a record level \$6.4 billion, growing by 33 percent over last year and outpacing the U.S. export growth rate of 21 percent. The state led the nation in coal exports with \$2.8 billion. Other top sectors included plastics/polymers, machinery, chemicals and medical components. In 2010, West Virginia exported to 132 countries, including the leading markets of Canada, Japan, Brazil, Netherlands and China.

ACTING LOCAL

Strong communities provide the environment in which businesses thrive. The investment of more than \$19 million in Small Cities Block Grant funds into community development projects benefited West Virginia by leveraging another \$50 million in 2010. Of the \$7.1 million of Appalachian Regional Commission funds, more than 81 percent supported public water and sewer improvements. An additional \$6.4 million in grant funds supported local community development and infrastructure projects throughout the state.

GROWING SKILLS

WorkForce West Virginia is a one-stop center for work force resources, including training, tax incentives and labor market information. WorkForce can administer WorkKeys® assessments and issue West Virginia Career Readiness Certificates to potential employees to validate the skill levels businesses need for successful workers.

In fiscal year 2010, more than 11,714 workers received training through the Governor's Guaranteed Work Force Program and 232,855 workers have received training since the program launched in 1991. The 21st Century Jobs Cabinet and the Workforce Planning Council have increased coordination among the West Virginia Development Office, WorkForce and higher education to ensure that the state's work force is prepared for the jobs of tomorrow. Find out more at www.workforcewv.org.

SMALL BUSINESS IS BIG BUSINESS

The West Virginia Small Business Development Center (WVSBDC) is the primary provider of business coaching, advice and information for small- and medium-sized businesses, resulting in greater access to capital and increased job creation. Small Business Development Centers (SBDC) create economic impact and are a partnership that coordinates federal, local and statewide resources. Throughout the country, SBDC clients received more than 2.8 million total hours of coaching and training service in FY 2010. The WVSBDC operates a toll-free business "Ask Me!" line and it's your first step toward success. Call 888.982.7232 or contact ASKME@wv.gov.

FINANCING DEVELOPMENT

The West Virginia Economic Development Authority (WVEDA) makes low-interest direct loans to businesses to assist in the establishment, revitalization and expansion of industry in the state. In fiscal year 2010, WVEDA approved 14 loans totaling \$42 million, leveraging a total of \$20 million and providing for 417 new job opportunities over the next three years.