

inroads



a quarterly publication of the hampton roads economic development alliance | 2011 QTR 1

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The Alliance team is excited about 2011 and what we believe it holds in store for Hampton Roads!



In the world of business attraction, for better or worse, projects are often of the “hurry up and wait” variety. Fortunately, we are able to kick off our first issue of InRoads by sharing with you two announcements for the region! KTN, a worldwide global logistics company, will provide 225 jobs, along with a capital investment of \$12M in the former Ford Plant facility. Another announcement during the first quarter is the location of ESS Group, an environmental consulting and engineering firm, that will employ between five and ten people in its newest office. (You will find more detailed information about these

announcements on the opposite page.)

2011 got off to an official start with our Annual Meeting, held this year at the Hampton Roads Convention Center in Hampton. Once again, we were gratified to see so many of you there. The Alliance’s Annual Meeting is always an excellent opportunity for our staff to update our investors on what’s been happening, what our current activities are and what initiatives we are focusing on for the future. And more than that, it’s our way of thanking you for your unstinting support of the Alliance and your continued involvement in our mission.

Already this year, our business recruitment staff has undertaken several domestic marketing missions and two international trips. A mission to the U.K. included a seminar with the West of England Aerospace Forum that was attended by twelve aerospace and defense companies. The mission also included appointments in London, Stamford, Leicester, Birmingham, Stoke-on-Trent, Bristol, Bath and Maidenhead – covering almost 1,000 miles by car! In addition, the Alliance made a visit to Hannover, Germany to attend CeBIT. CeBIT is the digital industry’s largest international event where more than 4,200 companies from 72 countries participated this year. The Alliance has also had a presence at this year’s RILA (Retail Industry Leaders Association) Conference in Orlando and the Simulation in Healthcare Conference in New Orleans. We are pleased that these activities have so far generated 88 corporate and consultant appointments and 33 business contacts.

We all know economic development is a marathon, not a sprint – and the Alliance is committed to doing what it takes, over time and with a lot of hard work, to have our efforts pay off for Hampton Roads. We know that reaching our goal – this year and beyond – is only possible with the dedication of our private and public-sector investors and the shared belief that each community in our region depends on the overall success of Hampton Roads.

Thank you for all your support!



Darryl Gosnell, President & CEO

staff

President & CEO	Darryl Gosnell
Senior Vice President	Amy Parkhurst
Vice President	Thomas Clemens
Vice President	Steve Cook
Vice President	Chris Gullickson
Operations & Technology Director	Deborah Ogan
Investor Relations Director	Sarah Moro
Marketing & Communications Director	Kelly Williams
Research Director	Steve Harrison
Executive Assistant	Kate Rodenhouse
Office Assistant	Cynthia Wheeler-Troglin
International Consultants	
Germany	Ingo Bentz
United Kingdom	Charles Macdowell

hreda.com

Starting the New Year with Two Announcements

Katoen Natie Brings 225 New Jobs to Hampton Roads

Persistence and timing paid off for Hampton Roads!

The Alliance has been working with Belgium-based Katoen Natie (KTN) since March 2004. This year, after several visits between January 2007, March 2009 and September 2010, the worldwide global logistics provider announced it will establish a warehousing and distribution operation in the City of Norfolk.

Ford Motor Company sold its Norfolk Assembly Plant property to Jacoby Development, Inc. KTN will invest \$10.5 million to purchase a portion of the former Ford Plant from Jacoby and refurbish the 662,000-square-foot former body shop. KTN will invest an additional \$1.5 million in new equipment. Fully staffed, the project will create 225 new jobs.

Incorporated in 1854 as a cooperative in the port of Antwerp, Belgium, the original activities of Katoen Natie consisted of typical wharfingers activities—the reception and handling of goods on the docks, especially cotton and related goods. Today the company is ranked number one world-wide in petrochemicals. Katoen Natie employs 9,300 people in 28 countries.

Frank Vingerhoets, President of KTN's North America subsidiary, said, "KTN chose the location due to its excellent proximity to the port and its appeal in attracting new customers to KTN. We see the Hampton Roads region and our Norfolk division as having a very bright future."

HREDA, the Virginia Economic Development Partnership, the City of Norfolk, the Virginia Port Authority and Jacoby Development, Inc. worked together to secure the project for Hampton Roads.

***"We see the Hampton Roads region . . . as having a very bright future."
- Frank Vingerhoets***



The former Ford Plant site. Image provided by CB Richard Ellis.

ESS Group, Inc. Expands Offshore Energy Development in Hampton Roads

Hampton Roads is quickly becoming a hub for offshore energy development.

ESS Group, Inc., a leading provider of environmental consulting and engineering services, will open a new office at the Peninsula Town Center in Hampton.

ESS, headquartered in Wellesley, MA, provides services in the areas of energy (wind energy), land development, site investigation and remediation. The company has focused on environmental consulting in the energy sector and is currently working closely with Northrop Grumman and Gamesa as they evaluate offshore wind turbine technology in Virginia waters.

"This new office firmly establishes ESS in the Mid-Atlantic region and provides a convenient base of operations to serve our existing and growing clientele in Virginia and beyond," said Charles Natale, President and CEO. "We anticipate the Virginia office will be one of many important developments for ESS in 2011."

The project, generated through a HREDA marketing mission in New England in July 2010, was initiated due to increased activity in Mid-Atlantic offshore energy development.

On the Road Again

Simulation in Healthcare, New Orleans



Simulation in Healthcare, New Orleans: Larry Lombardi (Norfolk) and Greg Byrd (Suffolk)

Greg Byrd (City of Suffolk), Larry Lombardi (City of Norfolk) and Steve Cook kicked off 2011 by attending the International Meeting for Simulation in Healthcare in January. Over 2,500 people showed up at this event in New Orleans to learn about the newest technology to improve performance and reduce errors in patient care using simulation in the form of task trainers, human patient simulators and virtual reality – among others. “With assets like the Eastern Virginia Medical School and the Virginia Modeling, Analysis and Simulation Center, Hampton Roads continues to build on its burgeoning medical modeling and simulation industry,” said Lombardi, and added that “this was an excellent venue in which to learn about the different trends in the industry.”



Simulation in Healthcare, New Orleans: Greg Byrd (Suffolk) and Steve Cook (HREDA)

Consultant Mission, Northeast

During the week of February 7, Amy Parkhurst, accompanied by Sam Workman (City of Newport News) and Preston Wilhelm (City of Chesapeake), traveled to the Northeast for a mission focused on meeting with site selection consultants. Beginning in New Jersey, the group met with seven different firms including WDG Consulting, Atlas Insight and Biggins, Lacy, Shapiro. Later in the week, the group met with KPMG and Studley in Philadelphia. Face-to-face time with corporate influencers is invaluable to the Alliance’s efforts and proves more effective than any other kind of interaction. Several consultants reported seeing an uptick in activity, especially in the fields of alternative energy, data centers and back office operations for financial services firms. A major goal of the Alliance is to develop frequent contact with site selectors through annual call trips, regular mailings, and invitations to special events.



Consultant Mission, Dallas

Also in early February, Thomas Clemens, along with Steven Wright (City of Chesapeake) and Scott Hall (City of Virginia Beach) travelled to Dallas for appointments with national site location consultants. These consultants service clients in various industries ranging from customer support operations to distribution and logistics projects. Without exception, the consultant practices the group visited have seen an increase in client activities. Visiting site location consultants remains a critical marketing strategy for HREDA. Keeping these consultants apprised of the latest economic conditions in Hampton Roads is of paramount importance to our mission; it not only keeps us “top of mind” with consultants, it reinforces our good standing with these contacts.

► **Consultant Mission, Georgia & South Carolina**

During the second week in February, Michelle Chapleau (City of Virginia Beach), Chuck Rigney (City of Norfolk) and Steve Cook traveled to Atlanta, GA and Greenville, SC to meet with a number of site selection consultants. The group was happy to notice a common theme in what they were told: the activity level nationwide was picking up, and Hampton Roads is well positioned to take advantage. Specifically, the wind energy sector was cited as a great opportunity for Virginia and the region. The Alliance also received high marks from those consultants they met with for their creative outreach to the site selection community.

► **RILA Logistics Conference, Orlando**

The Retail Industry Leaders Association (RILA) Logistics Conference was held the last week of February in Orlando, FL. John Smolak (Franklin/Southampton County), Patrick Small (City of Portsmouth), Lisa Perry (Isle of Wight County) and Chris Gullickson attended, along with over 1500 other attendees, a record breaking year for RILA, which included 24 new retailers who attended the show for the first time.

Retailers were optimistic about business recovery, but remained concerned with inflation and geopolitical uncertainty. Speakers covered topics including lessons in leadership, e-commerce and the impact e-commerce will have on traditional brick and mortar stores, as well as the state of the economy and the state of the retail economy. Many retailers expect to restart previous projects that were put on hold the past couple of years, if the economy stays on track.

► **Maritime Conference, Long Beach**

Lisa Perry (Isle of Wight County) joined Chris Gullickson at the 11th Annual Transpacific Maritime Conference (TPM) held in Long Beach, CA at the beginning of March. This year's conference had over 1700 attendees from the shipping/logistics industry and drew an audience from around the world.

TPM covers a wide-variety of topics, ranging from the rebound of container volumes seen in 2010 and if that momentum can be sustained in 2011 to the impact on west coast ports when the Panama Canal expansion is completed in



2014. The conference provided a much brighter forecast of the year to come with an emphasis on efficiency brought about as a response to the changing global economy.

► **2011 first quarter report**

		1st Quarter 2011	1st Quarter 2010	TOTAL 2010
PROJECTS	Total Active	113	128	160
	New	10	22	74
PROSPECT VISITS	Total	11	15	51
	New	8	13	34
	Repeat	3	2	17
MARKETING ACTIVITIES	Total	11	14	53
	Appointments	88	88	410
	Contacts	33	42	156
ANNOUNCEMENTS	Total	2	0	5
	Capital Investment	\$12,000,000	\$0	\$8,200,000
	Jobs Created	227	0	268
	Square Footage	662,300	0	88,100

Kicking Off 2011 with a Review of 2010's Successes

Alliance members and investors came together to share the region's successes from 2010 during HREDA's annual meeting on Thursday, January 13, 2011 at the Hampton Roads Convention Center.

Well over 200 of our public and private sector investors, as well as elected officials from throughout the region, participated in the luncheon sponsored by Seventh Point, BB&T and Cox Communications. The agenda included an update from Seventh Point's Mike Carosi on HREDA's rebranding efforts. As a part of those efforts, The Alliance ran an in-flight video on all Delta Airlines' flights during the month of February, highlighting business and economic incentives and promoting Hampton Roads as a great place to visit, work and live. Talk about great exposure for our region!

Outgoing Chairman Mike Barrett provided a powerful presentation on the story of the Alliance and how we plan to move forward utilizing a leading community and economic development fundraising group, National Community Development Services, Inc.

While 2010 was a great year, 2011 is already shaping up to surpass it. Our first quarter alone has given us quite an early boost - and there are many more projects in our pipeline. The Alliance needs your support to continue down the path of success.



New Faces

HREDA Welcomes a New Research Director and New Marketing & Communications Director

▶ *Meet Steve Harrison*

Steve began his position as Research Director with the Alliance in August of 2010 and has already brought a fresh new perspective, as well as terrific suggestions for improving the way we collect and provide data. Steve's responsibilities include responding to requests for information; compiling and maintaining a database of up-to-date information about our region; updating the HREDA website; and coordinating with other researchers in Hampton Roads.

A native of Virginia Beach, Steve graduated with a degree in Government from William & Mary in 2008. He also received a Master's of Public Policy in 2010, again at William & Mary, and was the recipient of the Dodd Fellowship for State and Local Policy. While completing his graduate degree, Steve worked as the Graduate Assistant for the William & Mary Department of Economic Development. Prior to joining HREDA, Steve interned with the Virginia Beach Department of Economic Development for over a year and with the James City County Planning Division.



Steve is fortunate to have a large family in the area and enjoys spending time with them whenever possible. He recently purchased his first home in Virginia Beach and will move in this summer, along with his dog Bailey who is looking forward to playing on the beach!

▶ *Meet Kelly Williams*

Kelly came on as Marketing & Communications Director for the Alliance in mid-December. From her first day, owing to a tight deadline for our annual report and several other projects, she ran before she could walk! Kelly is responsible for all internal and external communications, public relations, and all marketing and collateral materials to consistently articulate the Alliance's mission and Hampton Roads' assets.

Kelly is an alumna of Randolph-Macon Woman's College in Lynchburg, VA and has a Bachelor of Arts in Communications. Before joining the HREDA team, Kelly was the Senior Communications & Marketing Specialist for the Norfolk Redevelopment and Housing Authority and has also worked in the advertising department of The Virginian-Pilot. Kelly currently serves as the co-chair for YAAA! (Young Adults for Alzheimer's Awareness) Hampton Roads and is a 2010 graduate of the Lead Hampton Roads program, where she received the "Inspiring a Shared Vision" award from her classmates.

Kelly enjoys visiting family in Richmond and spending time with her husband and chocolate Lab, Scout. She's a huge college football fan and can be found rooting on the Hampden-Sydney Tigers and Virginia Tech Hokies each fall.



Taking to the Skies

Look, up in the sky! It's a bird...it's a plane...it's HREDA?!

Recently, the Alliance was able to take advantage of a terrific promotional opportunity with Delta. Throughout the month of February, Hampton Roads was showcased on Delta Airline's in-flight video programming network *Delta Destinations*. The video aired on more than 17,000 flights and was seen by approximately 2.6 million passengers worldwide.

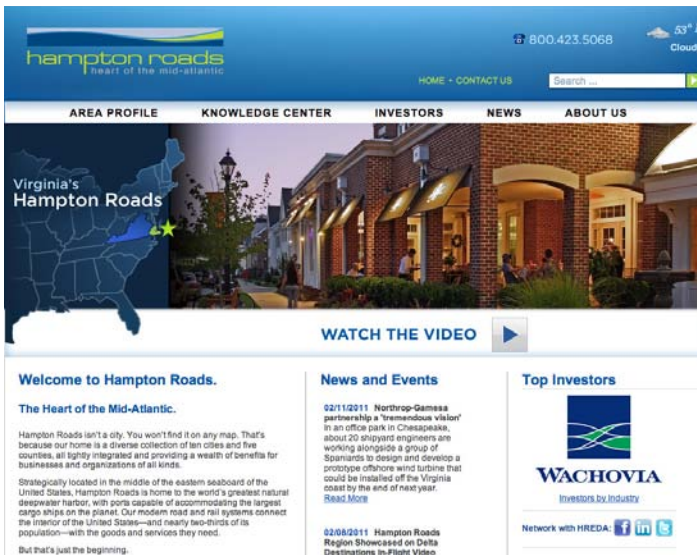
The *Delta Destinations* feature introduced the Hampton Roads region to a national and international audience of prospective businesses. This new video contains strategic messaging for industries considered vital to the region— aerospace and aviation, corporate and professional operations, maritime and logistics, and modeling and simulation—as well as compelling information about Hampton Road's dynamic history, multifaceted culture and inviting tourism attractions. HREDA developed the video to enhance continuing efforts in building awareness of Hampton Roads, the heart of the Mid-Atlantic.

"We are very excited about this opportunity to put a clearly focused message about the economic merits and attractive lifestyle of Hampton Roads in front of such a wide audience," said HREDA President & CEO Darryl Gosnell. "The video increases awareness of our region."

Delta Airlines provides service to more locations internationally than any other global airline, with flights to 481 destinations in 105 countries. Produced exclusively by In-Flight Media Associates Inc., *Delta Destinations* is one of the few remaining original productions airing on the main screen within the first hour of flight time.

The video may be viewed on the Alliance website, www.hreda.com.

Growing Our Audience



HREDA.com momentum continues

The recently improved HREDA website has seen a growing number of visits with an increase of 35.95% during the first quarter of 2011 when compared to the fourth quarter of 2010.

In February, the site saw an increase of 12.37%, some of which can be attributed to the additional exposure provided by the Delta in-flight video campaign.

Nearly 41% of the website's traffic is generated by search engine results with another 35% coming from direct traffic. We're doing a great job marketing the site, both directly and indirectly!

Hampton Roads' social media horizons expanding

We are continuing to share the Hampton Roads message world wide through social media outlets. Our Twitter followers now total more than 920! In addition to Twitter, we're branching out to Facebook, where we're able to keep fans aware of projects and events through photos, posts, notes and event invitations. If you haven't jumped on the social media bandwagon, there's no better time than right now. Find out what we're doing in real time!



Follow us on Twitter:
[@hamptonroadseda](https://twitter.com/hamptonroadseda)



Like us on Facebook:
Hampton Roads Economic Development Alliance

Getting Familiar with Hampton Roads

On March 24 and 25, the Alliance hosted a contingent from the Virginia Economic Development Partnership (VEDP) for a tour in which they learned more about just a few of our region's many assets. As you all know, VEDP recruits new business for the State of Virginia, so the Alliance was eager to plan a special itinerary designed to showcase what our communities offer to companies looking for a location. Our entire staff looks forward to this event and the opportunity to better acquaint VEDP with the many industries and sectors our region represents.

The first day began with lunch at every waterman's favorite, Chick's Oyster Bar, followed by an in-depth tour of STIHL, Inc. in Virginia Beach. That evening, the group joined Alliance investors and staff members at a reception held in the offices of Willcox & Savage in the Wells Fargo Center in Norfolk. The breathtaking view from atop the 22nd floor stole the show.



Day two kicked off with a fascinating tour of Canon USA in Newport News. While there, company officials provided an overview of the new automated cartridge advanced manufacturing facility followed by a tour of their manufacturing and reverse manufacturing operations, now in its 26th year. After lunch in the Solarium Room at The Chamberlin, several representatives from the Fort Monroe Authority provided a briefing and overview of the property and future development opportunities. The group then boarded an Army bus to tour the fort in appropriate military style.



Mayor Molly Ward (Hampton) and Bill Armbruster (Fort Monroe Authority) pose with the VEDP group following lunch at The Chamberlin.

The VEDP group departed for Richmond with a renewed sense of the advanced manufacturing taking place in Hampton Roads, a clearer idea of the development possibilities at Fort Monroe – and of course, the reassurance that the Alliance is their strongest ally in attracting companies to Virginia!

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