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Virginia Among Most Business-Friendly

A new study ranks Virginia the second most business-friendly state in the nation, thanks to its economic development policies.

By Mary Ellen McCandless

Virginia is one of the most business-friendly states in the nation, according to an annual independent study conducted and published by Pollina Corporate Real Estate, Inc., a U.S. corporate site relocation expert. "The Top Ten Pro-Business States 2006: America's Economy in the 21st Century," published in March, evaluates state and federal economic development policies.

"Virginia's aggressive and focused economic development efforts together with our positive business climate have earned this high praise," says Governor Timothy M. Kaine. "Attracting jobs and investment is a top priority of our administration and we're proud of this continuing accomplishment."

Top 10 Pro-Business States 2006

1. South Carolina
2. Virginia
3. South Dakota
4. North Carolina
5. Wyoming
6. Georgia
7. Florida
8. Maryland
9. Alabama
10. Kansas

Source: Pollina Corporate Real Estate, Inc.

Virginia was ranked number two in the study. The Pollina study evaluates and ranks states based on a total of 29 factors including taxes, human resources, right-to-work legislation, energy costs, infrastructure spending, workers compensation legislation, and jobs lost or gained. The evaluation also considers 14 state government-controlled factors based on incentive programs and state economic development departments.

While many states are losing ground to global competition due to poor efforts at keeping jobs and attracting businesses, the report praised Virginia's "pro-business policies that result in job growth," says Dr. Ronald R. Pollina, the study's author and president of Pollina Corporate Real Estate.

"While many of the overseas job losses are inevitable, a surprising number of jobs can be kept in the U.S. if we follow Virginia's example and make the right efforts to work with businesses," says Pollina.

Chicago-based Pollina Corporate Real Estate is a full service brokerage and consulting firm, representing corporations in real estate matters on a national and international basis.

Business Friendly Programs

Part of what makes Virginia so business friendly is its economic development programs. One of the newest programs in the commonwealth's arsenal is the Virginia Investment Partnership Act, which has two components: the Virginia Economic Development Incentive Grant (VEDIG), and the Virginia Investment Partnership Grant (VIP).



Virginia's then-Secretary of Commerce and Trade Michael Schewel (center) participated in a ribbon-cutting event to celebrate Pearson Government Solutions' new facility in Chesterfield County, VA.

VEDIG assists and encourages companies to invest and to provide new employment opportunities by locating headquarters, administrative, research and development, and/or similar service and basic sector operations in Virginia. It is a discretionary program in which grants are negotiated and made to selected projects.

Companies that have recently tapped into VEDIG include:

- Wachovia Securities' headquarters in Richmond, VA, which will create 1,200 jobs and result in an \$8 million investment;
- Wolseley US' headquarters in Newport News, VA, with 400 jobs and a \$30 million investment; and
- MeadWestvaco's corporate headquarters in the Richmond region, with at least 500 jobs and \$5 million investment.

VIP assists and encourages existing Virginia manufacturers and other major employers to continue to invest in Virginia and to provide stable employment opportunities by adding production capacity, utilizing state-of-the-art technology, and modernizing assembly processes. This is a discretionary program in which grants are negotiated and made to selected projects as an economic development incentive. The program now incorporates R&D that supports the manufacturing sector. Philip Morris USA Research & Development recently tapped into the VIP program for its new headquarters in Richmond, which will create 500 jobs and result in a \$266 million investment.

Virginia lands PET project

Amcor PET Packaging, a leading manufacturer of PET (polyethylene terephthalate) plastic packaging for the global beverage, food, and non-food industries, will make a \$105 million investment to develop a manufacturing operation in Wythe County's Progress Park, creating 144 new jobs. The company will supply hot fillable plastic bottles to the beverage industry. Virginia successfully competed against North Carolina for the project.

“Amcor PET Packaging is pleased to be opening this state-of-the-art facility in Wytheville,” says Frank Pellicori, vice president and general manager for Amcor PET Packaging’s North American Beverage Division. “We appreciate the fine cooperation and assistance provided by state and local authorities. We believe that Virginia’s strong business climate, excellent infrastructure, and well-educated workforce will be instrumental in making this endeavor successful.”

The Virginia Economic Development Partnership worked with Virginia’s aCorridor, Wytheville, the town of Rural Retreat, and the Joint Industrial Development Authority of Wythe County to land the project. Former Governor Mark Warner approved a \$400,000 grant from the Governor’s Opportunity Fund to assist with the project. The Virginia Tobacco Indemnification and Community Revitalization Commission approved \$300,000 in Tobacco Region Opportunity Funds for the project. The company also qualifies for rail access funding from the state Department of Rail and Public Transportation and industrial road access funding from the state Department of Transportation. Infrastructure improvements will be made with the aid of a Community Development Block Grant, administered by the Department of Housing and Community Development. The Virginia Department of Business Assistance will also support the project with training assistance through its Workforce Services Jobs Investment Program.

For additional projects that have taken place recently in Virginia, see the box below.

**Virginia's Top 20 Announcements for
Employment Creation and Capital
Investment**

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