

Governor Joe Manchin's
Open for Business Report
July 1, 2006 Edition



The July 2006 report reflects progress in the state's economic development efforts during the past month, with projects and related announcements that will assist with the creation of as many as 923 new jobs and the preservation of a significant number of existing jobs.

- **A.K. of West Virginia Corporation held a grand opening ceremony** at its new facility at Route 33/2 and K.S. of WV Road in Ravenswood. In July 2005, Kazuo Kato, CEO of K.S. of West Virginia Co. Ltd. located in Ravenswood, West Virginia, and president of Kato Seisakusho Co. Ltd. of Nagoya, Japan, announced a joint venture between K.S. of West Virginia and ASKA Corp. of Kariya, Japan. A.K. of West Virginia, a 50/50 ownership between the two companies with a projected \$10 million combined investment, will create as many as 100 jobs. A.K. of West Virginia Corp. is a metal stamping company manufacturing small- to medium-sized precision parts, which will also perform welding and assembly, to serve the automotive industry.
- **Cabela's is expanding in July with the opening of a second distribution center at The Highlands in Ohio County.** The expansion could create up to 250 jobs. The 550,000-square-foot addition will bring the total distribution facilities at The Highlands to nearly 1.7 million square feet with current employment at close to 800.
- **The Offices of the Insurance Commissioner have approved an overall 10 percent decrease in loss costs – the portion of the workers' compensation rate for prospective indemnity and medical benefits.** Overall premiums will go down about
- 9.5 percent. According to the state insurance commissioner, Jane Cline, this decrease will result in an additional \$55 million back into the pockets of many state businesses. The new loss costs will be effective for workers' compensation insurance policies July 1.
- **BlueSky Brands, Inc., announced an expansion in Martinsburg.** Blue Sky considered several states for its expansion and decided to locate in Martinsburg. The company is a direct-to-consumer retailer that markets gift items, apparel and household items primarily via its print catalog, Paragon Gifts. Its subsidiary company, Bits & Pieces, specializes in puzzles, models and craft items. In 2005, BSB acquired AB&C Group, one of the largest processing and fulfillment providers for direct marketers. The company currently employs 400 in West Virginia and expects to create up to 400 new jobs over the next four years.
- **Longwoods International, an international travel research firm based in Toronto, reported significant jumps in West Virginia tourism statistics.** Their study showed that overnight leisure travel increased from 11.1 percent from 2004 to 2005, up from 8.1 million to 9 million. The overall overnight travel increased 7.1 percent from 2004 to 2005, up from 10.46 million to 11.2 million.

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- **The 4-cylinder and 6-cylinder engine manufacturing lines at Toyota's Buffalo plant in Putnam County have again been rated the most productive in North America by the Harbour Report.** The 2006 Harbour Report singled out the 4-cylinder line as the most productive of its kind in the United States, Canada and Mexico for the fifth consecutive year. The 6-cylinder line at Buffalo was singled out as the most productive of its kind for the fourth consecutive year. Toyota celebrated the 10th anniversary of the Buffalo plant last month.
- **The Governor's REAP – The Next Generation program is nearing the end of its push to collect thousands of used tires across the state.** The litter prevention effort is a collaboration of the Department of Environmental Protection and the Division of Highways and has resulted in the collection so far of 293,709 tires, which will be properly disposed of. The final 17 collection events are scheduled to wrap up in July.
- **A New York Times article highlighted Lewisburg, West Virginia, as a great getaway.** In the June 2 article titled "Kayaking and Martinis: An Alleghenies Getaway," Lewisburg is described as a city of history, culture and nature. The article highlights several popular restaurants, bars and theaters in the "artsy town." The article also notes that Lewisburg is drawing second-home owners.
- **The Morgantown, W.Va., and Parkersburg-Marietta, W.Va.-Ohio, metropolitan statistical areas (MSA) were named 4-Star Quality of Life Metros** by Expansion Management magazine in its 2006 Quality of Life Quotient rankings. In the **most affordable housing category, four MSAs including W.Va. locations were listed in the top five:** 1. Weirton-Steubenville, W.Va.-Ohio; 2. Parkersburg-Marietta, W.Va.-Ohio; 3. Huntington-Ashland, W.Va.-Ky.-Ohio; and 5. Wheeling, W.Va.-Ohio. The magazine compared and ranked 362 MSAs according to 49 different statistical categories to come up with the best places – from a livability and affordability standpoint – for manufacturing companies to grow and prosper.
- **New Century Truckload Services Group, a division of New Century Transportation, announced an open house of its new location in Martinsburg.** The company specializes in moving truckload freight and has purchased temperature-controlled trailers for customers requiring protection of commodities such as polymers, paints, plastics, floral, pharmaceuticals, chocolates and nutritional products. The company credited the location and proximity to major interstates, as well as a strong customer base, as the reason for the move. The company currently employs 60 and expects to create 50 jobs.
- **Representatives of the West Virginia Development Office joined with the Polymer Alliance Zone of West Virginia to exhibit at the NPE 2006,** the International Plastics Showcase held at McCormick Place in Chicago. Representatives of local development groups and local plastics companies also joined the team. The week-long show has more than 2,000 exhibitors and 75,000 international attendees. It is the largest exhibition solely dedicated to the plastics industry this year.

- **WVDO representatives joined with the Charleston Area Alliance and Mid-Atlantic Technology, Research & Innovation Center to exhibit at Medical Design and Manufacturing East in New York City.** The trade show presents the latest advances, leading suppliers and technical experts in the field.
- Also in June, **WVDO Business and Industrial Division representatives met with site location consultants** in Baltimore and Boston to market the state as a profitable location for businesses.
- **The West Virginia Economic Development Authority (WVEDA) granted preliminary approval for a loan in the amount of \$1,560,150 to FMW Composite Systems, Inc.** The company will purchase a shell building in the Preston County Industrial Park to establish a manufacturing site for Titanium Matrix Composites (TMC). FMW produces TMC, an engineered material system that uses silicon carbide fiber in a titanium matrix to match the strength and stiffness of steel at half the weight. The company currently employs 46 people and expects to create 32 jobs over the next three years.
- **The WVEDA granted preliminary approval for a loan in the amount of \$2,126,250 to Summit Point Automotive Research Center (SPARC).** The loan will finance a 277-acre site located in Summit Point, Jefferson County. SPARC is the holding company for Summit Point Raceway Associates, which conducts motor-sports events on the weekends, and BSR, which conducts specialty driver training, accident avoidance training and anti-terrorist procedures on weekdays. The facility consists of three road racing circuits, off-road and unimproved road circuits, five firing ranges, three hostage rescue training areas, a hand-to-hand training area and numerous classrooms. SPARC intends to create a training and research campus similar to a business park to lease to security firms on the 277-acre site, which is contiguous to their existing facility. The company currently employs 33 people and expects to create 22 jobs over the next three years.
- **The WVEDA granted preliminary approval for a loan in the amount of \$400,000 to Hughes Supply Company.** The company will acquire a six-acre site on which a 12,900-square-foot office building and a 4,160 square-foot showroom are situated. Hughes Supply Company is a manufacturer/distributor/repairer of electrical and communication products for the mining industry as well as for various local and state agencies. The company currently employs 24 people and expects to create 12 jobs over the next three years.

- **The WVEDA granted preliminary approval of an amended application for a loan in the amount of \$685,000 to New River Adventure Resorts, LLC.** The original project was for the acquisition of approximately 136 acres of land near the New River Gorge in Fayette County with the intent of leasing ten cabins to Class VI River Runners, a white water rafting company. The scope of the project has been amended by converting from a three-season cabin to a four-season cabin and reducing the number of cabins from 10 to eight, which includes larger floor plans and nicer amenities. New River Resorts is a real estate holding company. New River Adventure Resorts, LLC; Class VI River Runners, Inc.; and Lost Paddle, Inc., are all related through common ownership. The company employs 118 people and expects to create 50 jobs over the next three years.
- **The WVEDA granted preliminary approval of an amended application for a loan in the amount of \$720,000 to Hammack Enterprises** to finance a 48,000-square-foot building on 1.6 acres in Nitro. Hammack Enterprises, LLC, was formed in 2004 and acquired the pipe and valve machining and fabricating operation of McJunkin Corporation. The company currently employs 40 people and expects to create seven jobs in the next three years.
- **Developers announced that Hawthorn Suites will build a \$7 million allsuites hotel at Charles Pointe,** the planned neighborhood in Bridgeport. The hotel will feature 87 studio and one-bedroom suites with kitchens and separate living and sleeping areas. The hotel will be built near the Bridgeport Conference Center. Charles Pointe's community development plan combines residential, social and business agendas.
- **The Public Service Commission issued final approval for a \$1 billion Longview Power plant in Monongalia County.** Longview Power plans to build the 600-megawatt plant near Allegheny Energy's Fort Martin plant. All of Longview's output is scheduled for the wholesale electricity market outside West Virginia, while about 25 percent of the Fort Martin plant's current generation goes to state consumers. The plant is expected to use more than 2 million tons of coal each year. Longview estimates that the plant will create up to 1,600 construction jobs and have about 60 permanent employees.
- **The U.S. Bureau of Economic Analysis reported that West Virginia's economy grew by 3.2 percent last year.** This growth was higher than surrounding states such as Kentucky, Ohio and Pennsylvania. Kentucky's economy grew by 2.3 percent, Ohio's by 1 percent and Pennsylvania's by 2.1 percent.
- **Gov. Joe Manchin met with representatives of a Russian trade delegation to discuss economic trade opportunities.** This meeting was a follow-up to the West Virginia Development Office-sponsored trade mission to Russia that took place in 2004. That mission included two mining equipment-related companies, A.L. Lee Corporation of Lester and Kanawha Scales and Systems of Poca, as well as two non-mining related companies, Appalachian Electronic Instruments of Ronceverte and FCX Systems of Morgantown.

- **April provides the lowest unemployment rate on record.** West Virginia's unemployment rate declined three-tenths of a percentage point to 4.2 percent in April, WORKFORCE West Virginia reported. This is the lowest April unemployment rate on record, the fourth month in a row to post a new monthly low, and the lowest monthly rate so far this year. Total nonfarm payroll employment rose 8,100 in April, with notable gains of 3,600 in the goods-producing sector and 4,500 in the service-providing sector.
- **Prime real estate in Monongalia County is moving from an industrial use to new student residences.** Developers for University Commons Riverside held a ribbon cutting ceremony to signify the end of environmental cleanup efforts and the beginning of construction of upscale student housing near West Virginia University. The site, known as the former Star City Terminal, was once operated by Pennzoil Quaker State as a petroleum bulk storage facility from 1953 to 1990. In August 2002, Pennzoil, now operating as Shell Oil, entered a voluntary remediation agreement with the Department of Environmental Protection under the Voluntary Remediation and Redevelopment Act. The company assessed and cleaned up pollution related to petroleum contaminants and by August, the site will be home to 84 four-bedroom condominiums, a parking lot and an outdoor recreation area for the residents.
- **Gov. Manchin joined the National Science Foundation (NSF) Deputy Director Dr. Kathie Olsen in announcing an \$8,999,903 NSF grant award to the West Virginia Experimental Program to Stimulate Competitive Research to fund higher education research** at three West Virginia universities. The state of West Virginia will match this grant with an additional \$4.5 million bringing the total funds available to \$13.5 million. The \$9 million award represents the largest science and technology research grant ever awarded to West Virginia by the NSF.
- Acknowledging the trend for travelers to use the Internet to make plans and book reservations, **the West Virginia Division of Tourism has introduced an "e-zine"** or Internet magazine that goes to potential visitors who have opted to receive the monthly report on what's happening in the state's tourism industry. An early report shows that more than 490,000 e-mails have been successfully delivered with an open rate of almost 18 percent. In comparison, similar programs have about a 12 percent open rate. Even better, the e-zine's content sections are outperforming the advertising section in terms of readership. The division believes this trend shows that viewers are reading about West Virginia destinations and events, not just clicking on the ads.
- **The Cooperative Tourism Promotion Fund, which is the division's matching advertising partnership program, has accepted 23 applications for the new \$7,500 program for a total amount of \$133,000 since April 4.** They have accepted 46 applications for \$5,000 Fair and Festivals grant applications since February for a total of \$120,000. This year the Legislature also approved a 75/25 matching program that allows tourism businesses and their partners to get up to \$7,500 in program funds with just a \$2,500 matching amount. This is a change from the program and fairs program that is a 50/50 match.

- **Two massive river cleanups held in June have resulted in the beautification of the Monongahela and Ohio** and the removal of several tons of litter and debris from both rivers. Several state agencies and programs, including REAP – The Next Generation, the Division of Natural Resources, the Monongalia County Solid Waste Authority and the Monongalia County Commission, participated in the cleanup.
- **Washington Homeopathic Products held a grand opening** of its new 12,500-square-foot factory in the Morgan County Business Park south of Berkeley Springs. Growing Internet-based sales and product demand have increased the company's sales by 40 percent to more than \$2 million in the past year. The company manufactures and sells a complete line of homeopathic products for people and pets. With more than 900 retail accounts, the company focuses on bulk manufacturing and selling to retail stores, pharmacies, small chains and private label companies as well as on the Internet, to walk-in customers and to physicians.
- **The seeds planted during the Governor's trade mission to Europe this past spring have resulted in several exciting developments.** Several companies considering West Virginia for possible investment have already visited and more are scheduled in the coming weeks.
- **Baltimore Sun writer, Jamie Smith Hopkins, reported that something remarkable is happening in West Virginia: Jobs are coming back.** In addition to a recharged coal industry (the number of producing mines statewide jumped by 20 percent last year), construction and tourism, the state's unemployment rate has dipped below four percent, better than the national average. The article highlights booming areas of the state such as Putnam County, the Eastern Panhandle, Fairmont and Morgantown, which are seeing the construction of gated communities, technology parks and chain restaurants – "corporate America's stamp of approval."
- **The West Virginia Small Business Development Center offered 1,185 hours of counseling to 153 clients in June, creating or retaining 33 jobs.** To date this fiscal year, the SBDC provided 6,711 hours of counseling to 1,375 clients and created or retained 664 jobs. At 28 events in June, the SBDC trained 389 people; year-to-date, the agency held 206 events and trained 2,495 people. Out of eight loans totaling \$869,980 approved in June, four were Small Business Administration loans totaling \$630,000. Out of 106 loans totaling \$21,101,848 approved year-to-date, 58 were SBA loans totaling \$10,830,452. New customer satisfaction was 100 percent in June and for the year.
- **The West Virginia Department of Environmental Protection released its second annual State of the Environment report on West Virginia Day.** The report is a compilation of facts and scientific data and tracks trends and statistics as well as explores environmental indicators on national and state levels. It includes information on mining and reclamation, as well as energy production and provides a basis for evaluating the success of regulatory and nonregulatory programs. The report is based on a scientific approach to describing elements of environmental quality and, to the extent possible, it presents a numerical view of the air we breathe, the quality of our waters, and the land on which we live. The report can be found online at www.wvdep.org under the Citizen Services menu.