

West Virginia
Open for Business!

West Virginia
A NEW WEST VIRGINIA

ANNUAL REPORT 2008



Positive change is happening in the Mountain State and, working together, we are building a new West Virginia.

This annual report highlights our growing companies and underscores the state's progress in providing a welcoming business climate and a stable environment for growth. Additionally, our state has received national recognition of our efforts, including:

- In its October 2008 report, the Nelson A. Rockefeller Institute of Government found that West Virginia had the nation's best economy during mid-2008. The report also noted that we had the nation's third-highest rate of personal income revenue growth and our employment growth rate exceeded the national average from mid-2007 to mid-2008.
- The Cato Institute's Fiscal Policy Report Card on America's Governors: 2008 recognized that we have enacted the most pro-growth tax reforms of any other state, giving our administration a grade of "A."
- In December 2008, West Virginia ended the first half of its budget year with a revenue surplus of nearly \$75 million. It was one of 11 U.S. states ending the year in the black.

Businesses are succeeding here, even in challenging economic times. We remain committed to creating quality jobs at a good wage for West Virginia families.

Since 2005, more than \$8.7 billion worth of business investments have been made in our state's economy. We have lowered our Corporate Net Income and Business Franchise taxes, while the privatization of workers' compensation insurance has saved our businesses \$150 million. Our state budget is sound, enabling us to continue to reduce taxes while maintaining essential services.

Global corporations like DuPont, Toyota, Bayer, Pratt & Whitney, Lockheed Martin, SABIC, Alcon and Amazon.com have recognized that our state is a great place to do business. Now is the perfect time for you or your company to discover the same opportunities. Give the West Virginia Development Office a call at 800-982-3386 or visit www.wvopenforbusiness.com for more information.

Sincerely,

Joe Manchin III
Governor of West Virginia



AUTOMOTIVE

Italian auto parts firm expands manufacturing operations in Wayne County

Allvard Sogefi announced plans to create 60 jobs and invest \$7 million to add production of engine filter systems to its manufacturing plant in Prichard. West Virginia became the location of the first engine filter systems production site the Italian automotive component manufacturer has built in North America.

Toyota invests \$500 million to upgrade Putnam County engine plant

Toyota invested \$500 million to upgrade the production lines of its engine plant in Buffalo. The investment was spread among the four- and six-cylinder lines and the automatic transmission plant. Since its original \$400 million investment to build engines at Buffalo, Toyota has invested more than \$1 billion in five expansions. The plant currently employs 1,350 workers.

Hino Motors Manufacturing USA holds celebration in Wood County

Nearly 300 guests attended the official grand opening of Hino Motors Manufacturing USA in Williamstown on September 29. Since the plant opened in 2007, Hino has invested \$18 million in the commercial truck assembly facility and has created jobs for 105 employees.

AEROSPACE

Alliant Techsystems, Inc. announces plans for a production factory and new jobs in Mineral County

Aerospace and defense contractor Alliant Techsystems Inc. (ATK) announced plans to convert existing processing buildings into a production factory for centrifuge rotor tubes. The rotor tubes are key components in USEC Inc. centrifuges that will enrich uranium to fuel commercial nuclear power plants. ATK's 150,000-square-foot plant will employ 120 people drawn from existing ATK staff and new hires. ATK continued its growth in 2008, by creating 250 new jobs at their facility in Rocket Center, W.Va. With over 1,500 employees, ATK's Rocket Center Operations is West Virginia's largest defense contractor and the fifth largest manufacturer in the state. Parent company ATK has more than 17,000 employees in 21 states.

TECHNOLOGY AND RESEARCH

Lockheed Martin captures \$1 billion FBI contract

Lockheed Martin Transportation and Security Solutions won a 10-year contract worth up to \$1 billion to deploy the FBI's Next Generation Identification (NGI) System. NGI will double the FBI's database fingerprint capacity and will include other identifiers such as palm prints, iris and facial recognition. The project will enhance the capabilities of the FBI's Automated Fingerprint Identification System (IAFIS), based in Clarksburg, W.Va.

Biotech company expands commercial DNA production

Huntington-based Vandalia Research Inc. expanded the commercialization of its proprietary Triathlon DNA production services. Uses for DNA production include diagnostics, DNA vaccines and standards.

New \$30 million Alzheimer's research institute opens in Morgantown

The new Blanchette Rockefeller Neurosciences Institute (BRNI) opened in October on the campus of West Virginia University in Morgantown. The approximately 78,000-square-foot, three story building provides state-of-the-art laboratory space and supports research activities for nearly 100 researchers and scientists. The only nonprofit independent institution in the world dedicated to the study of human memory and memory disorders, BRNI was established in 1999.

MATRIC alliance with Butler to create up to 150 new jobs in Kanawha County

A strategic alliance between Butler International Inc. and the Mid-Atlantic Technology, Research and Innovation Center (MATRIC) has created 70 new engineering research and development jobs. The alliance is expected to generate up to 150 jobs. The two organizations partnered to form the International Design Center (IDC), a full-service professional engineering design firm. IDC will be co-managed by Mid-Atlantic Technical Engineering, an engineering firm owned by MATRIC, a nonprofit research and development corporation based in the Dow Tech Park in South Charleston. Butler is a global technology outsourcing firm with 50 locations and more than 3,800 employees worldwide.

ENERGY

Energy recycling project to improve production, cut greenhouse gas emissions

Silicon producer West Virginia Alloys, a unit of Globe Specialty Metals Inc., has entered into an innovative agreement with Recycled Energy Development (RED) that will create 20 new jobs. Under the agreement, RED will invest \$45 million - \$55 million to recycle hot exhaust at the West Virginia Alloys plant in Alloy. The recycling project will allow the plant to convert the heat exhaust from its electric arc furnaces into steam, which will in turn drive a power generator. Projected to go online in 2010, the recycling project will reduce greenhouse gas emissions and generate 40 to 44 megawatts of electricity, offsetting roughly one-third of the plant's electric consumption.

WVU receives funding for fossil energy research

West Virginia University is part of a three-university consortium awarded up to \$26 million over the next two years to develop clean and efficient technologies for the use of fossil fuels. WVU, Carnegie Mellon University and the University of Pittsburgh will receive the funding through a subcontract with RDS Inc., an on-site contractor at the National Energy Technology Laboratory. The university partnership, called CWP Inc., will address key areas of fossil fuel research. The results of its work could help reduce regional and national dependence on foreign oil.

Company announces plans to build nation's first modern coal-to-liquids plant in West Virginia

Plans were announced to build the nation's first modern coal-to-liquids plant in Marshall County. Consol Energy (Northern Appalachia Fuel LLC) announced plans to develop its first U.S. coal gasification and liquefaction plant in West Virginia, an \$800 million investment expected to create 60 permanent jobs.

PLASTICS

Plastics recycling firm starts operations in Jackson County

Intercontinental Export-Import Inc. (IEI) has invested \$5.1 million to open a plastics recycling operation called Total Recycling Solutions LLC, in Ravenswood. The 217,000-square-foot polymer processing facility will provide extrusion, grinding and other services. Initially the company will employ 40 people, projected to increase to 185 in three years. IEI has operated in West Virginia for about five years.

EQUIPMENT

J.D. Irving, Limited opens first U.S. Equipment Division in W.Va.

Global corporation J.D. Irving, Limited chose Kanawha County in West Virginia as the location for its first Equipment Division in the United States. The new division represents a \$20 million initial investment and will create a total of 50 jobs within 24 months.

MANUFACTURING

Alcon Inc. breaks ground for \$25 million expansion in Cabell County

Swiss eye care company Alcon Inc. is investing \$25 million to build a 74,000-square-foot expansion of its manufacturing site in Huntington. The expansion is expected to create more than 350 jobs over the next 3 years. The expansion will allow the West Virginia plant to remain the largest intraocular lens manufacturing facility in the world. Gov. Joe Manchin met with Alcon managers last summer to show the state's support for the expansion.

TRANSPORTATION

CSX announces plans to hire 80 dispatchers in Huntington

CSX has created 80 dispatch positions at its Huntington division headquarters. The \$7.8 million investment for the expansion project includes renovations and new equipment, as well as relocation costs. This expansion is part of CSX's corporate plan to relocate approximately 300 trained dispatchers from Jacksonville, Fla. to six locations across its 21-state system.

BUSINESS SERVICES

Suddenlink opens regional call center, adds jobs, in Wood County

Suddenlink Communications recently opened its \$3.5 million regional call center in Parkersburg, Wood County. The company built the 18,000-square-foot facility to replace the existing center it had outgrown. The new call center will serve customers in a five-state area. The company added 33 jobs in 2008 and expects to add 29 more in 2009. When fully staffed, the new center is expected to employ as many as 220 employees.





BEING GLOBAL: International investment from 23 countries has created more than 22,000 jobs for West Virginians. From 2005 through 2008 the West Virginia Development Office (WVDO) organized 18 international trade missions to assist West Virginia companies in exporting their products. West Virginia companies exported a total of more than \$16 billion in products during that period. From 2007 to 2008 the state's exports grew from \$3.9 billion to \$5.6 billion, a 41 percent increase. During the same period, U.S. exports grew by 12 percent.

In 2008, WVDO sponsored trade events in the United Arab Emirates, Turkey and China and assisted West Virginia companies with meeting international buyers at the MinExpo show in Las Vegas, the world's largest mining equipment show, attracting buying delegations from 17 countries.

ACTING LOCAL: Strong communities provide the environment in which businesses thrive. The investment of more than \$16 million in Small Cities Block Grant funds into community economic development projects benefited West Virginia by leveraging another \$59 million. Of the \$6 million of Appalachian Regional Commission funds, more than 80 percent supported public water and sewer improvements. An additional \$10 million in grant funds supported local 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 2008, 6,343 employees at 91 companies received training through the Governor's Guaranteed Work Force Program and the WorkKeys credential program launched statewide. 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.

BUILDING BUSINESSES: The West Virginia Small Business Division builds better businesses by offering help with planning, management, financing and training. It operates service centers statewide. In FY 2008, the division provided more than 9,000 hours of consulting to nearly 1,500 clients, creating and retaining 1,420 jobs. The division helped its clients access \$16.5 million in financing. The division also operated a toll-free business answer line at 888.982.7232 and launched the Linked Deposit Program to provide reduced interest loans to qualifying businesses.

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 2008, WVEDA approved 23 loans totaling \$25 million, leveraging a total of \$33 million and providing for 629 new job opportunities over the next three years.