



2012 ANNUAL REPORT

Montgomery County, Virginia
Economic Development Department

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This publication was produced by the Montgomery County, Virginia Economic Development Department.

2012 BY THE NUMBERS

\$256 MILLION

Eight new or expanding companies announced over \$256 million in new capital investment in Montgomery County.

1,282 NEW JOBS

The Montgomery County business community added 1,282 new jobs between Dec. 2011 and Dec. 2012 - up three percent.

5.2 PERCENT

The unemployment rate in Montgomery County was 5.2 percent in Dec. 2012 - lower than the Virginia (5.5 percent) and national (7.6 percent) rates.

51 COMPANIES

The Economic Development Department visited 51 local companies through its Business Retention & Expansion Program. Six of the companies announced expansions that will result in 334 new jobs and \$15.1 million in capital investment.

39 PROSPECTS

The Economic Development Department worked with 39 prospective businesses interested in locating an operation in Montgomery County. Two of the prospects announced projects that will result in 60 new jobs and over \$1 million in capital investment.

WELCOME AND INTRODUCTION

To the Honorable Chair, Members of the Board of Supervisors and the Citizens of Montgomery County



2012 was another outstanding year of growth and achievement in Montgomery County. As you'll read in the following pages, we experienced over \$256 million in new investment during the year, and saw nearly 1,300 jobs created for our citizens. National publications such as Forbes and USA Today recognized our community with accolades that showcase

our business environment and high quality of life. Through collaboration with Virginia Tech and other partners, we have worked to grow many innovative start-up firms in the county.

The Board of Supervisors has adopted a mission statement for our county that states in part: "Montgomery County is a cohesive, friendly, caring, constantly growing community distinguished by its vibrancy and diversity." As you review this report, I think you will agree that Montgomery County continues to build on this statement by attracting, retaining, and growing our industries and businesses.

On behalf of the County staff, thank you to the Board of Supervisors, and the Town Councils of Blacksburg and Christiansburg for their continued support and leadership. We are proud of the team we have here, and hope you'll agree!

Best Regards;



F. Craig Meadows, County Administrator

BOARD OF SUPERVISORS



Top row (left to right):
Chris Tuck (District B), Gary Creed (District C), Bill Brown - Vice Chair (District E), Matt Gabriele (District G)

Lower row (left to right):
Mary Biggs (District F), Jim Politis - Chair (District D), Annette Perkins (District A)

PURPOSE OF REPORT

The Montgomery County, Va., Economic Development Department prepared this annual report to showcase the organization's activities and accomplishments during the 2012 calendar year. The report is also intended to be an economic development marketing piece for Montgomery County and features the achievements of local companies, entrepreneurs and key allies.

DEPARTMENT MISSION

The Department of Economic Development is dedicated to improving the quality of life throughout Montgomery County – including the incorporated areas of Blacksburg and Christiansburg – by encouraging positive economic growth that 1) creates meaningful career opportunities for county residents, 2) expands the commercial tax base to support the delivery of vital public services and 3) protects our enviable quality of life.

The Department accomplishes its mission through strategies aimed at supporting the startup, retention and expansion of local companies as well as the attraction of new targeted industries to the community.

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BUSINESS RETENTION & EXPANSION

Montgomery County and ally business retention and expansion programs support the viability and growth of companies already in our community.



ALLY SPOTLIGHT: VIRGINIA LEADERS IN EXPORT TRADE PROGRAM

Each year, the Virginia Economic Development Partnership recruits 25 companies from across the Commonwealth to participate in the Virginia Leaders in Export Trade (VALET) program, a two-year international business program focused on increasing sales in global markets.

With a combination of capital resources provided by the state and professional services from expert, private-sector program partners, VALET companies emerge as leaders in the global marketplace.

In 2012, several companies from Montgomery County either graduated or were inducted into the program, including:

2012 INDUCTEES

- Aeroprobe Corporation
- Click & Pledge
- Donoma Software
- ESS Technologies
- Polymer Solutions, Inc.

2012 GRADUATES

- Hubbell Lighting
- Identification International, Inc.

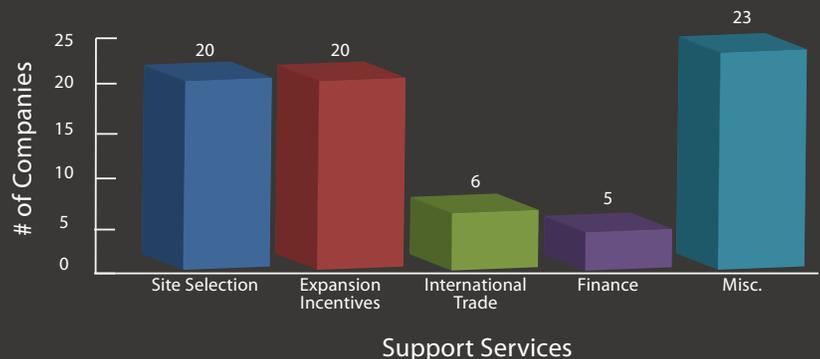
BUSINESS RETENTION & EXPANSION PROGRAM

The Economic Development Department uses its Business Retention and Expansion (BRE) program as a way of maintaining good relationships and communication with existing companies in the community. The goal of the program is to support local businesses by helping them solve problems and eliminate barriers that undermine their overall success and growth in Montgomery County.

Department staff arrange face-to-face BRE visits with local businesses to gain a deeper understanding of any needs or challenges they may be facing. If an issue is identified, staff work to provide a variety of support services. The Department also uses the visits to market available state and local resources to support local businesses.

In 2012, the Department visited 51 companies, 46 of which required follow up information or services. In all, six companies supported through the program announced expansion plans that will result in **334 new jobs** and **\$15.1 million** in new private investment

Business Retention & Expansion Follow up Services, 2012



The Department also partnered with two of its allies to host four workshops in Montgomery County to support local companies, including:

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

- Export Inco Term & Documentation Workshop
- ITAR & Export Controls for Emerging Companies Workshop

VIRGINIA DEPARTMENT OF BUSINESS ASSISTANCE

- Marketing for Business Workshop
- Ipad for Business Workshop

AEROPROBE ANNOUNCES NEW HEADQUARTERS



Aeroprobe, a manufacturer of high-accuracy aerodynamic and hydrodynamic instruments, announced it would invest \$3 million to construct a new 20,000-square-foot headquarters

and manufacturing facility in Falling Branch Corporate Park in Christiansburg. The company anticipates creating 40 jobs.

STUDENT STARTUP HEYO EXPANDS IN BLACKSBURG



Heyo, a software based company, announced it would invest \$100,000 to expand in Blacksburg. The company, co-founded by Virginia Tech and Radford University students, helps businesses “drag and drop” together Facebook fan pages, mobile apps, and websites. Heyo successfully secured

over \$550,000 in angel investment to support its expansion and anticipates creating new 50 jobs over the next three years.

INORGANIC VENTURES EXPANDS IN CHRISTIANBURG



Inorganic Ventures, a leading manufacturer of custom inorganic chemical blends, announced it would invest \$1.3 million to expand its headquarters and manufacturing facility in Falling Branch Corporate

Park in Christiansburg. The company will add 20,000-square-foot and create 21 new jobs.

OTHER NOTABLE EXPANSIONS

FEDERAL MOGUL - a leading global automotive supplier - invested \$10 million to expand its automotive engine bearing manufacturing facility in Blacksburg.

BAE SYSTEMS - a global defense, aerospace and security company - announced its plans to invest \$240 million to upgrade the Radford Army Ammunition Plant.

DISH NETWORK - a satellite TV provider and Fortune 200 company – announced plans to add 200 new employees at its technical call center in Christiansburg.

TORC ROBOTICS - a developer of autonomous navigation solutions for unmanned vehicles - announced its plans to create 23 jobs and invest \$700,000 in its Blacksburg operations.



COUNTY SPONSORS RISING STAR AWARD AT TECHNITE

The Roanoke-Blacksburg Technology Council (RBTC) hosted the 2012 TechNite Awards Banquet on May 10 at the Hotel Roanoke. Over 400 area leaders in business and innovation gathered together to celebrate the region’s technology sector. The Department is a supporter of the RBTC and helped to sponsor the event and its Fall Gala.

County Administrator Craig Meadows presented the Rising Star Award to Nathan Latka, CEO and Co-founder of Montgomery County-based **Heyo**. The award recognizes a local technology startup that is well on its way to becoming a household name.

Several other award winners were from Montgomery County as well. **PowerHub Systems** received the Innovation Award for its pioneering leadership and innovation within the smart grid technology field. Stephanie Crawford, a Technology Education teacher with the **Montgomery County Public Schools**, received the Educator Award for her efforts to develop the region’s next generation of tech-sector leaders.

Photo (left to right): Derick Maggard, RBTC Executive Director; Marty Muscatello, RBTC President; Nathan Latka, Heyo Co-founder and CEO, and Craig Meadows, County Administrator of Montgomery County.

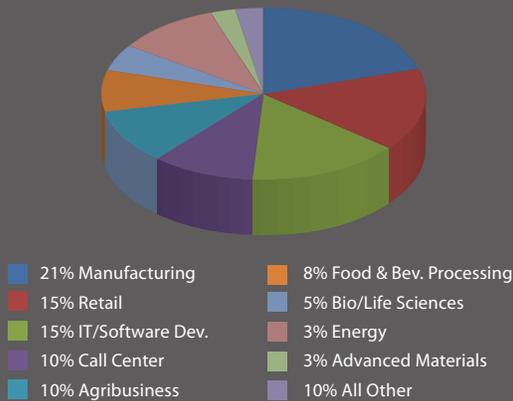
BUSINESS ATTRACTION

Montgomery County and ally business attraction efforts recruit new businesses to our community by developing and maintaining strategic relationships with site consultants and prospective businesses.

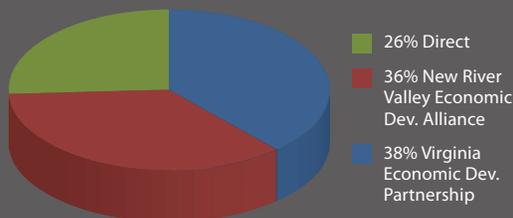
PROSPECT ACTIVITY

In 2012, the Economic Development Department and its allies generated 39 prospects. At year end, two prospects had announced development plans in Montgomery County (Atomic Axis and Moore's Mechanical and Electric) and 11 others were still actively considering projects in the community.

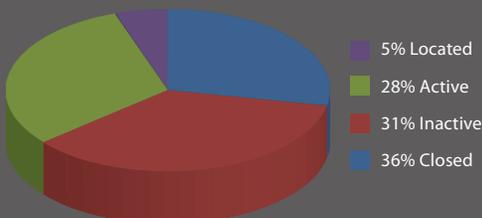
Prospect by Industry, 2012



Source of Leads, 2012



Year-End Prospect Status, 2012



Department's prospect tracking system definitions:

- Located: Project located in Montgomery County.
- Active: Project is under active consideration.
- Inactive: No project activity in 3 months or more.
- Closed: Project located elsewhere or no activity in over a year.

RECENT SUCCESS - ATOMIC AXIS

Atomic Axis, a mobile solutions company based in Austin, TX., announced on Nov. 2 that it was establishing an office in Montgomery County. The company's new satellite office, which will be located at TechPad in downtown Blacksburg, is expected to invest \$150,000 and create 30 new software-related jobs.



"Establishing an office in Blacksburg is a strategic move for our company," said Marcus Turner, CTO of Atomic Axis. "When deciding on a location, we found it to be a place where people want to live, collaborate with forward thinking institutions and contribute within a strong technical community. We believe that this is the ideal environment for our business."

The Economic Development Department worked with the Virginia Economic Development Partnership, New River Valley Economic Development Alliance and the Virginia Department of Business Assistance to secure the project. The company evaluated communities in three other states – including Texas, Oregon and Georgia – before selecting Montgomery County.

"I'm pleased to welcome Atomic Axis to the Commonwealth," said Virginia Governor Bob McDonnell. "Today's announcement is great news for Blacksburg and Montgomery County as the area continues to attract high-tech jobs for Virginians."

"Atomic Axis is the kind of innovative, leading-edge company that is a perfect fit for Montgomery County," said Jim Politis, Chair of the Montgomery County Board of Supervisors. "The company can leverage local talent, and its decision to locate an office here only reinforces our reputation as a growing technology center. Montgomery County is excited to welcome them to our community."

"We are pleased to have another important announcement about new jobs here in Blacksburg," said Blacksburg Mayor Ron Rordam. "Atomic Axis' location in TechPad is confirmation of the viability of the TechPad model and Blacksburg's reputation as a tech friendly, business friendly community. We look forward to working with this company as it grows and prospers."

MARKETING & BUSINESS DEVELOPMENT



The Department actively markets Montgomery County to prospective businesses and site consultants at industry trade shows. The goal of these efforts is to develop leads on new projects that may have an interest in locating in our community.

In 2012, Economic Development staff marketed Montgomery County at several industry trade shows, including:

CORENET GLOBAL FALL AND SPRING SUMMITS

CoreNet Global is the world's leading association and summit for Corporate real estate and workplace professionals and service providers.

MID-ATLANTIC BIO

Jointly hosted by three of the Mid-Atlantic region's most influential bioscience and investor associations, this conference creates a unique venue for bioscience companies to network.

BIO INTERNATIONAL CONVENTION

The largest global event for the biotechnology industry. The convention offers key networking opportunities and provides insights on the major trends affecting the industry.

ALLY SPOTLIGHT: NEW RIVER VALLEY ECONOMIC DEVELOPMENT ALLIANCE



The New River Valley Economic Development Alliance is the lead marketing and business attraction agency for the New River Valley - the counties of Giles, Floyd, Montgomery, and Pulaski, and the

City of Radford. Through forward-looking leadership and an effective marketing program, the Alliance actively recruits new businesses and industries to the New River Valley that benefit from, and contribute to, the quality of life of our area.

In 2012, the Economic Development Alliance marketed the New River Valley at eight trade shows across the country and conducted national and international marketing missions. It provided follow up with almost 100 companies that expressed interest in expanding or relocating and hosted 22 prospect visits to the New River Valley.



UPDATE: BACKCOUNTRY.COM

On August 24, Backcountry.com - the largest online specialty retailer of premium outdoor gear - held a ribbon-cutting ceremony to officially open its new 315,000-square-foot East Coast fulfillment center in Christiansburg. State and local officials were on hand to personally welcome the company to the community.

"It is refreshing to be putting our feet down in such a business friendly environment here in Virginia, and specifically in Montgomery County," said Jim Holland, Co-founder of Backcountry.com. "We had a lot of options of where to locate our East Coast fulfillment center. It is no accident that we landed where we did. You all have been very welcoming, inviting, and supporting."

In 2011, the Economic Development Department worked with its allies to recruit Backcountry.com to Falling Branch Corporate Park. The Department continued to support the company throughout 2012 to ensure its transition into the community was as seamless as possible. The \$20.5 million facility - expected to employ over 200 people - was constructed on time and under budget.

Photo: Jim Cheng, Virginia Secretary of Commerce and Trade, presents Jim Holland, Co-founder of Backcountry.com with gift at the ribbon cutting ceremony on Aug. 24.

ENTREPRENEURIAL DEVELOPMENT

Montgomery County and ally entrepreneurial development activities support the startup and growth of new businesses in our community.



DEPARTMENT SPONSORS CODE-A-THON COMPETITIONS

The Economic Development Department sponsored two local code-a-thons this past year. Code-a-thons, sometimes referred to as hack-a-thons, are weekend startup events where teams attempt to develop commercially viable software solutions to solve an industry problem.

The Hokie Health Code-a-thon was hosted by the Roanoke-Blacksburg Technology Council (RBTC) and Health 2.0 at TechPad in Blacksburg. The event had over 80 attendees. The winning pitch was team HeyRecall, a subscription-based service that sends U.S. Food and Drug Administration recall notifications to users via phone and email.

HAC4EDU was a statewide code-a-thon organized through the Apps4VA initiative. The Blacksburg competition, hosted by the RBTC, was won by team Engage SOL, an app that monitors student progress on practice SOL tests and promotes student learning with the assistance of mentors.

Photo: Charlie Jewell, Project Manager with the Economic Development Department, addresses attendees at the Hokie Health Code-a-thon.

ALLY SPOTLIGHT: CENTER FOR INNOVATIVE TECHNOLOGY, GAP 50 ENTREPRENEUR AWARDS

The Center for Innovative Technology (CIT) is a non-profit corporation headquartered in Herndon, Va. that creates technology-based economic development strategies to accelerate innovation, imagination and the next generation of technology companies in Virginia.

In December, CIT GAP Funds, CIT's seed and early stage venture fund, announced the winners of the GAP 50 Entrepreneur Awards. Part of Governor McDonnell's "Year of the Entrepreneur" initiative, the statewide program recognized the top 50 entrepreneurs in Virginia that are creating the next generation of high-growth companies.

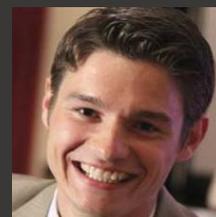
Montgomery County was well represented among the finalists and award winners. Impressively, seven of the GAP 50 Entrepreneur Award winners were from our community. Congratulations to all the finalists and award winners.



Hussein Ahmed
Founder/CEO
KustomNote.com



Doug Juanarena
VP of Operations
Rackspace, Blacksburg



Nathan Latka
Co-founder/CEO
Heyo



Jack Lesko
Co-founder
PowerHub Systems



Peter Lazar,
CEO
eBroselow



Bob Summers
Chief Geek
Health Connect



Caroline Pugh
COO
VirtualU

STARTUP WEEKEND COMES TO BLACKSBURG



The first Startup Weekend was held in Montgomery County on Sept. 14 - 16 at Rackspace's office in Blacksburg. Startup Weekends, based upon the model developed by the Seattle-based non-profit Startup Weekend, are intense 54-hour brainstorming and business-building events that are held around the world.

Beginning with open mic pitches on Friday, attendees brought their best ideas and recruit others to join their team. Over Saturday and Sunday, teams focused on customer development, validating their ideas, practicing LEAN Startup Methodologies, and building a minimal viable product. On Sunday evening, teams demoed their prototypes in front of a panel of judges who provided feedback and award prizes.

Startup Weekend Blacksburg was organized locally by two Rackspace employees from Montgomery County - Sam Toriel (Blacksburg) and Brian Hazzard (Christiansburg) - and Derick Maggard of the Roanoke-Blacksburg Technology Council (RBTC). The Economic Development Department sponsored Startup Weekend Blacksburg and supported the organizers as they planned the event.

Over 90 people attended Startup Weekend Blacksburg with nine teams pitching on Sunday. Top honors went to team ResumeX, an application that facilitates the digital transfer of resumes between applicants and business at career fairs.

Pivotal Testing, an idea conceived by Blacksburg High School alumnus and Virginia Tech student Braden Croy, placed second in Startup Weekend Blacksburg. The application allows teachers to create tests that students can take from their cell phones or other touch screen interfaces.

Within weeks after Startup Weekend Blacksburg, Pivotal Testing was well on its way to launching. Five days after the event, the startup received some working capital by winning \$1,000 through the RBTC's "Small Bucks, Big Bang" competition. In October, it was invited by Fortify VC to pitch at Distilled Intelligence 2.0 in Washington, DC. By December, Pivotal Testing had successfully piloted its application through a course at Virginia Tech where 2,500 students answered over 60,000 questions using it.



VT KNOWLEDGEWORKS GLOBAL PARTNERSHIP WEEK

For the third consecutive year, the Economic Development Department sponsored the VT KnowledgeWorks Global Partnership Week and Competition, held Aug. 21 - 27.

Hosted by VT KnowledgeWorks - a business accelerator located in the Virginia Tech Corporate Research Center in Blacksburg - this week-long celebration of entrepreneurship brought participants from around the globe to our area. International teams from China, Australia, France, Mexico, England, Italy, Chile, Belgium, Colombia, Canada, Austria, Malaysia and the United States traveled to our area to pitch their business concepts for a \$25,000 grand prize and the Global Challenge Trophy. During the week teams were housed by families in Montgomery County and spent time meeting with local tech companies.

The 2012 VT KnowledgeWorks Global Challenge Trophy went to Mayank Kalra and Annelies Tjebbes of Team VersiCool (pictured above), representing the University of British Columbia, Vancouver, Canada. Their portable medical device induces controlled hypothermia in cardiac arrest patients, significantly reducing risk of death and other side effects.

MARKETING & COMMUNICATIONS

Montgomery County and ally marketing and communications efforts actively promote our community as a great place to live and grow a business.



ALLY SPOTLIGHT: VT MAG

In 2012, the Virginia Tech Magazine began a series on the blossoming technology sector in the New River and Roanoke Valleys. The purpose of the series is to showcase the region's emergence as a technology hub to the magazine's over 160,000 readers, mostly Virginia Tech alumni.

The magazine featured two Montgomery County startups in the new series, including:

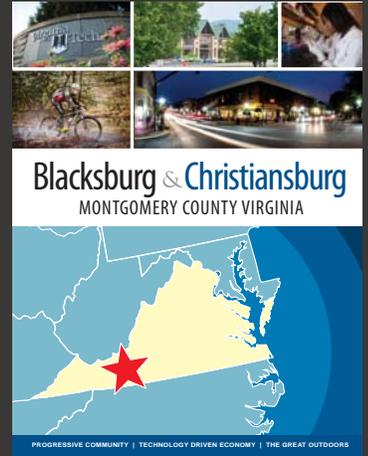
AUTOMATIC: LIKE MANY OTHERS IN THE REGION, ROBOTICS COMPANY THRIVES - Article (pictured above) appeared in the Spring issue and featured TORC Robotics, an autonomous vehicles company located in the Virginia Tech Corporate Research Center in Blacksburg.

RAISING AN ENTREPRENUERIAL ECOSYSTEM: MENTORS AND CAPITAL BOLSTER AREA'S VISIONARIES - Article appeared in the Fall issue and featured TechPad, a coworking space in downtown Blacksburg designed to unite local entrepreneurs with mentors and investors in a collaborate space.

The Economic Development Department leveraged the additional exposure by placing advertisements in the magazine to market our community.

NEW MARKETING BROCHURE WINS AWARD

The Economic Development Department recently developed a new six-page economic development marketing brochure for Montgomery County. The purpose of the brochure is to reinforce the Department's branding of Montgomery County as a progressive, technology-driven community with an abundance of outdoor amenities.



The Department designed the brochure to be versatile. The Department uses it to market Montgomery County's pro-business climate to prospective businesses. Local employers have used the brochure to market Montgomery County's quality of life to job candidates who would need to relocate to our community. In August, the brochure received an Award of Excellence from the Southern Economic Development Council.

WEBSITE & SOCIAL MEDIA

The Economic Development Department uses its website - YesMontgomeryVA.org - and social media accounts to market Montgomery County and to communicate the initiatives of the Department.

YESMONTGOMERYVA.ORG ANALYTICS- 2012

- 20,391 visits - 77% new, 23% returning (+38% from 2011)
- 16,018 page views (2.29 pages/visitor)
- 97 countries represented (96% from the United States)
- Top ten states with visitors: VA 60%, DC 7%, MD 4%, NC 3%, NY 3%, PA 2%, CA, 2%, TX, 2%, GA 2%, IL 1%
- Top traffic sources: Search 37%, Referral 35%, Direct 28%
- Top referral sites: Facebook (3,300), Montgomery County (1,100), Google (478), Twitter (428), WSLs (104)

SOCIAL MEDIA STATISTICS

- Facebook: 582 likes (+133 from 2011)
- Twitter: 340 follower (+155 from 2011)
- LinkedIn: 86 (+31 from 2011)

DID YOU KNOW?

Montgomery County and the rest of the New River Valley is recognized nationally for its quality of life and business environment. Over the past year, our area has received several third-party accolades that the Department actively marketed through social media and email marketing, including:



Forbes ranked the Blacksburg-Christiansburg-Radford metro area the **No. 5 Best Small City for Jobs**

Homes.com named Blacksburg the **No. 1 Best City to Raise a Family**, citing a great educational base and plenty of economic opportunities as reasons it received the top spot.

The Blacksburg-Christiansburg-Radford metro area was ranked the **No. 2 American City Adding Jobs** by 24/7 Wall St.

Forbes ranked the Blacksburg-Christiansburg-Radford metro area the **No. 32 Best Small Places for Business and Careers** in America.

USA Today named Blacksburg the **No. 2 Best College Football Town** in America. Go Hokies!

The Blacksburg-Christiansburg-Radford metro area was named a **Leading Location** by Area Development Magazine. Within the Mid-Size Cities category, the metro ranked No. 25 overall and **No. 20 for Economic Strength**.

The American Institute for Economic Research named the Blacksburg-Christiansburg-Radford metro area the **No. 15 College Town in America** for its high quality of life, academic environment and professional opportunities post graduation.

Site Selection Magazine named the Blacksburg-Christiansburg-Radford metro area a **Top Metro by Number of Projects**. The metro tied for No. 4 nationally for the most new or expanding corporate facility announcements in 2011.

Livability.com ranked Blacksburg the **No. 10 College Town** in America due to its cost of living, entertainment options and ratio of students to residents.



2012 COMMUNICATION AWARDS COMPETITION

DEPARTMENT RECOGNIZED FOR THIRD CONSECUTIVE YEAR

For the third consecutive year, the Economic Development Department won an award through the Southern Economic Development Council's annual Communication Awards Competition. In August, the Department received a Superior Award for CRE.YesMontgomeryVA.org, a commercial real estate website for Montgomery County, and an Excellent Award for its Community Marketing Brochure.

"These annual Communication Awards recognize and showcase the leading marketing work done by economic development professionals throughout the south," said SEDC President Gene Stinson. "The Montgomery County Economic Development Department was one of the organizations that hit the mark this year. Their campaigns not only showed creativity, but also solid messaging and effectiveness at reaching its target audience."

Winning Montgomery County entries from previous years include: FallingBranchCorporatePark.com - Superior Award (2011), 2010 Annual Report - Merit Award (2011) and YesMontgomeryVA.org - Excellent Award (2010).

SMALL BUSINESS FINANCE

Montgomery County and ally small business finance programs ensure local entrepreneurs can obtain the capital they need - through debt and equity sources - to start and grow a business in our community.



CROWDFUNDING A STARTUP

In 2012, Congress passed the Jumpstart Our Business Startups Act (JOBS Act) and the bill was signed into law by President Obama. The crowdfunding provision of the JOBS Act is expected to provide entrepreneurs new opportunities to raise more capital from investors all over the country in exchange for equity in their business.

U.S. Senator Mark Warner held open forums around the Commonwealth to discuss how Virginia entrepreneurs can use crowdfunding to raise capital for their companies today, and what the regulatory structure might look like once the JOBS Act goes into effect.

The Economic Development Department worked with Senator Warner's staff to host a forum in Montgomery County. Over 70 people attended the event on Nov. 29 at TechPad coworking space in downtown Blacksburg. The panel discussion featured Senator Warner via Skype, local entrepreneur Mary Miller (CEO, IDD, Inc.) - Daniel Gorfine (Director, Financial Markets Policy, and Legal Counsel, Milken Institute) and Austin Choi (General Counsel, Kiva).

Photo: Mary Miller introduces Senator Warner to the crowd via Skype.

MBC DEVELOPMENT CORPORATION

The MBC Development Corporation (MBCDC) is a nonprofit community development corporation that was formed in 1985 to establish and operate a revolving loan fund. The purpose of the loan fund is to provide gap financing to Montgomery County based companies who are unable to secure sufficient private sector financing for their projects.

MBCDC is staffed by the Economic Development Department and managed by a board of directors. Since 1985, MBCDC has provided 30 small business loans totaling \$1.25 million.

In 2012, the loan program received five loan applications, three of which received financing, including:

- **Aeropobe Corp.**, a manufacturer of aerodynamic and hydrodynamic instruments in Blacksburg, received a \$50,000 loan to build a wind tunnel for product testing
- **MicroXact, Inc.**, a semiconductor and MEMS machining and prototyping company in Christiansburg, received a \$25,000 loan to purchase new R&D equipment
- **ProChem, Inc.**, a designer of industrial wastewater treatment systems, received a \$48,000 loan to purchase new equipment to increase their manufacturing capacity

ALLY SPOTLIGHT: RBTC PITCH & POLISH CLINICS

The Roanoke-Blacksburg Technology Council's Access to Capital Committee hosts monthly Pitch & Polish clinics in Blacksburg and Roanoke to help local tech-related startups prepare for raising angel capital. Pitch and Polish sessions are very straight forward. Individuals get 10 minutes to pitch their company. Then, a panel of seasoned entrepreneurs knowledgeable of early stage investing provide feedback on how to make their pitches better. The whole session takes about 30 minutes.



In 2012, the RBTC had 40 startups pitch through Pitch & Polish clinics. Several companies went on to successfully raise capital, including Lujure, AttentionPoint, ArcSys, eBroselow, Moveline, EmergentOne, Friendeo, VirtualU and Pivotal Testing. The total capital raised by these companies topped \$2.3 million.

REAL ESTATE DEVELOPMENT & REUSE

Montgomery County and ally real estate development & reuse initiatives ensure that Montgomery County has adequate infrastructure, ready to go sites and buildings to support economic growth.

DEPARTMENT MANAGES DEMOLITION OF FORMER ELLISTON-LAFAYETTE ELEMENTARY SCHOOL



The Economic Development Department managed the successful demolition of the old Elliston-Lafayette Elementary School. The school ceased operation in 2010 when it merged into the new Eastern Montgomery

Elementary School. Shortly after its closing, the Montgomery County Public Schools deeded ownership of the property to the Montgomery County Board of Supervisors. At the request of the Board, the Department demolished the building by issuing and managing asbestos abatement and demolition contracts. The eight acre site is currently for sale and is being marketed by the Department.

ALLY SPOTLIGHT: VIRGINIA TECH CORPORATE RESEARCH CENTER



The Virginia Tech Corporate Research Center - a subsidiary of the Virginia Tech Foundation - is a 220 acre research park located in Blacksburg. Created in July 1985, the park's first building was completed in 1988. Since that time, the VTCRC has built a total

of 29 buildings with 1 million square feet of leasable office and lab space. Over 140 technology-based companies and research centers - which employ more than 2,400 people combined - are tenants in the park.

In 2012, the VTCRC constructed two new buildings in the park. 1971 Kraft Drive is a 34,000-square-foot building that is anchored by VPT, Inc. 1901 Innovation Drive, a 47,000-square-foot building - is the first of 18 new buildings to be constructed in Phase 2 of the VTCRC. Tenants in the new building include the 1901 Group, CHA Consulting and CoffeeWorks Cafe.

Photo: Dr. Dan Sable, President of VPT, (left) and Dr. Joe Meredith, President of the VTCRC, (right) shake hands during the ground breaking ceremony for 1971 Kraft Dr.



UPDATE: FORMER BLACKSBURG MIDDLE SCHOOL PROPERTY

In 2012, Fiddler's Green Partners of Blacksburg and Modea unveiled their proposed \$60 million redevelopment of the 20 acre former Blacksburg Middle School site in downtown Blacksburg. The proposed project, named Midtown Village, includes two office buildings, a hotel, townhomes and apartments, along with a public park and other facilities. The developers are anticipated to file for the needed rezoning of the property through the Town of Blacksburg in early 2013.

The former Blacksburg Middle School site was deeded to the Montgomery County Board of Supervisors in 2010. At the request of the Board, The Economic Development Department managed the demolition of the former school in 2011. At project completion, a total of 661,488 pounds of steel was salvaged and recycled. The County and Town have been working closely together on the redevelopment of the property and completed a Master Plan for the site in June 2011.

Photo: Architectural rendering of Midtown Village from South Main Street.

TALENT DEVELOPMENT AND ATTRACTION

Montgomery County and ally talent development and attraction initiatives ensures that our community has an innovative workforce with the knowledge and expertise to meet the diverse needs of local employers.



ALLY SPOTLIGHT: UP ON THE ROOF PROFESSIONALS MIXER

Up on the Roof is a creative professionals mixer that occurs on the upper deck of the Kent Square parking garage in downtown Blacksburg. From April to September, the mixer is held the fourth Thursday of each month and typically attracts a crowd of over 400 young professionals from throughout Montgomery County.

Up on the Roof is playing a vital role in our community's ability to retain and attract talent. Organized by Downtown Events, Inc., - a local nonprofit - the mixers provide area young professionals and newcomers the opportunity to socialize and network with their peers. Local companies have also leveraged the mixers to help convince job candidates to relocate to the area and actively promote the events to their employees as a way to build connections in the community.

The leftover proceeds from Up on the Roof events are donated to a local charity. Since 2010, organizers have donated \$2,000 to the Montgomery County Christmas Store and \$1,000 to the Downtown Mural Project.

WORKFORCE INVESTMENT BOARD

Economic Development staff attended quarterly New River/ Mount Rogers Workforce Investment Board (WIB) meetings in 2011 to stay current on WIB program offerings and to provide feedback on the workforce development needs of Montgomery County. Supported by federal and state funds, the New River/ Mount Rogers WIB addresses human needs associated with employment in the New River Valley and Mount Rogers regions.

In 2012, the WIB conducted an online survey of area employers to assess their current and future workforce development needs. The Department supported the WIB by emailing the survey to Montgomery County employers to solicit their feedback. The results of the survey will be used to update the WIB's strategic plan and program offerings.

ALLY SPOTLIGHT: CAREER & TECHNICAL EDUCATION EXPO, MONTGOMERY COUNTY PUBLIC SCHOOLS

The Montgomery County Public Schools hosted the division's second annual career and technical education expo during the New River Valley Home Builders Association Home Expo. The expo took place on Saturday, March 10 at the Christiansburg Recreation Center.



"Last year's CTE Expo was a great success and we are excited that the Home Expo agreed to partner with us again this year," said Brenda Blackburn, division superintendent. "The Expo is a wonderful opportunity for students and adults to experience the wide variety of program offerings in career and technical fields that are available in our high schools."

At the event, students and parents had the opportunity to learn more about technical education and career planning. Throughout the day, secondary school counselors and career coaches provided an introduction to web-based career planning tools such as Virginia Career View and Virginia Wizard.

"The CTE Expo event is designed for all students – to help them determine potential career choices and showcase the many CTE classes offered by the school division," said Rick Weaver, supervisor for career and technical education.

PARTNERS AND ALLIES

In addition to the Economic Development Department, Montgomery County is fortunate to have a number of organizations that are actively contributing to the economic success of our community.

The Economic Development Department provides administrative support to the following groups:

ECONOMIC DEVELOPMENT AUTHORITY OF MONTGOMERY COUNTY, VIRGINIA (EDA)

The Economic Development Authority was created in 1970 by the Montgomery County Board of Supervisors. The EDA has the authority to issue industrial development bonds as well as acquire, lease and/or sell real and personal property. The EDA meets the third Tuesday of every month.

EDA OFFICERS

Allan Bookout - Chair
Tom Roberts - Vice-Chair
Brian T. Hamilton - Secretary/Treasurer
Brenda Rigney - Assistant Secretary/Treasurer
Marty McMahon - Legal Counsel

EDA DIRECTORS

F. Spencer Hall
Eric Johnsen
Larry J. Linkous
Todd Murray
George Wilkins

MONTGOMERY REGIONAL ECONOMIC DEVELOPMENT COMMISSION (EDC)

The Montgomery Regional Economic Development Commission (EDC) was created in 1982 by a resolution of the Montgomery County Board of Supervisors. The EDC acts in an advisory capacity on economic development matters for the County. It meets the fourth Thursday of every month.

EDC OFFICERS

John Bush - Chair
Michael Miller - Vice-Chair
Brenda Rigney - Secretary

EDC DIRECTORS

Diane Akers	Jim McAlister
Ann H. Carter	Joe Meredith
Angie Covey	John T. Overton
Eric K. Johnsen	Annette Perkins

OUR ALLIES & FRIENDS

The Department would like to express its sincere gratitude to these organizations that assist it in carrying out its mission.

- Center for Innovative Technologies
- Montgomery County Chamber of Commerce
- Montgomery County Departments & Staff
- Montgomery County Public Schools
- New River Community College
- New River Planning District Commission
- New River Valley Economic Development Alliance
- New River/Mount Rogers Workforce Investment Board
- Roanoke-Blacksburg Technology Council
- RU Small Business Development Center
- TechPad Coworking Space
- The Blacksburg Partnership
- Town of Blacksburg
- Town of Christiansburg
- Virginia Department of Business Assistance
- Virginia Economic Development Partnership
- Virginia Small Business Financing Authority
- Virginia Tech Corporate Research Center
- Virginia Tech Entrepreneur Club
- Virginia Tech Office of Economic Development
- VT KnowledgeWorks



Montgomery County, Virginia Economic Development Department

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