

EDA News

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The Front Royal-Warren County Economic Development Authority
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The Board and Staff of the EDA would like to wish everyone a peaceful and healthy holiday season.

Winter



TBI to Open an \$8 Million Remanufacturing Facility in Warren County

The Economic Development Authority announced today that TBI Investments will purchase the 17.2 acre site, including a 54,800 s.f. assembly facility and several outer buildings that once was home to North American Housing. TBI will re-build and manufacture mining equipment in surface and subsurface mine coal production.

TBI will initially hire 30 to 50 employees including welders, mechanics, and electricians. The company projects that within three years they will employ between 150 and 160 people with a gross annual payroll of wages and salaries estimated at \$4.6 million.

“We are extremely happy to bring a manufacturing site to Warren County,” said Jennifer McDonald, Executive Director of the Economic Development Authority. “This company has done extensive market research in the areas of surface and underground mining, and the opportunities are enormous in this arena.

“Additionally, they will be hiring skilled workers and offering great wages and benefit packages to their employees.”

“These machines are extremely expensive with a life span of approximately 5,000-25,000 hours. Each new underground miner exceeds \$3.5 million. We can rebuild them for half that cost. So, you see, we have people waiting in line to save lots of money on this equipment.” said Lindsey W. Ray, a veteran underground coal operator and owner of the business. “We already have a number of contracts on the table to begin rebuild and manufacturing services for some

very well-known companies.

“We were just looking for the best location, and the site on Strasburg Road in Warren County is perfect for optimum operation. We are ready to hit the ground running.” TBI hopes to begin operation at the Strasburg Road facility in mid-late December 2011.

The EDA is assisting the project by making a \$4 million bridge loan to TBI while awaiting the finalization of conventional loans through the Virginia Small Business Authority, a process that can take up to eight months. Once their loans are secured, TBI will repay the bridge loan from the EDA.

“This is one avenue for helping companies get up and running quickly. TBI has contracts waiting – and they need to start operations. We’re happy to provide them the help they need. TBI will employ 50 people skilled in mechanics and accounting among other jobs at wages averaging \$42,000 a year.”

“This is a great company to bring to our community,” said Patricia Wines, Chairwoman of the Economic Development Authority. “Manufacturing jobs are the most sought after, especially in these economic times – TBI will offer skilled work and great benefits for employees. We could not ask for more.” ○

“We are ready to hit the ground running.”

EDA Delivers Annual Report, 2010-2011

The Front Royal-Warren County Economic Development Authority submitted its *Annual Report, FY 2010-2011*. As the *Report* details, the EDA is meeting the objectives and measureables stipulated in both the EDA's Strategic Plan and the SRI Study.

Some of the work described in EDA's 2010-2011 Annual Report include: initiation of Leach Run Parkway connecting John Marshall Highway and Happy Creek Road; initiation of Kendrick Lane and Kerfoot Avenue connector road; recruitment and placement of two technology companies, an HVAC company, a food service company and a restaurant/dinner theater representing \$1+ million in investment and 50+ new jobs for the Town of Front Royal.

EDA Staff is currently working with the Virginia Port Authority to assess the positive impacts and market opportunities of the expansion of the Panama Canal, its effect on the deep water ports at Norfolk and the potential for distribution growth near the Virginia Inland Port and Foreign Trade Zone, located in Warren County.

EDA worked with the Avtex Stakeholders in reviewing and revising the draft restrictive covenants for the Royal Phoenix site. Those covenants will establish the parameters for redevelopment that the EDA will use to move ahead in designing its marketing and recruitment strategy for the site.

EDA has worked closely with FMC Corporation as the intrusive clean-up initiative has progressed. In June, FMC announced that it had completed the clean-up of 162 acres slated for redevelopment.

EDA has aggressively marketed available space in the Administration Building. In September, 2011, the Northern Shenandoah Valley Regional Planning Commission leased the 4,000 square foot area, known as "Space E," from the EDA, keeping an important resource in the Front Royal-Warren County Community.

EDA continues to pursue grant funding to furnish, equip and start-up the Shenandoah Center for Heritage and the Environment, a community museum. EDA was notified that its application for funding has been approved and endorsed by the Virginia Department of Forestry's Foundation of Natural Resources as "worthy environmental stewardship," and has been added to their catalog of projects. The Foundation will pursue funding for the Center.

EDA continues to work in support of Downtown Revitalization. In recent years, EDA has underwritten fifteen (15) small business loans in the amount of \$384,000.00 at lower-than-market interest rates. Since its inception, the Rural Business Enterprise Loan Program has underwritten forty-three (43) small business loans totaling \$1.34 million. Seventy-five percent (75%) of those loans were made to small business ventures located in the Town of Front Royal.

The EDA approved Technology Zone applications to two eligible downtown technology businesses for grant monies and reductions in local BPOL taxes.

EDA has initiated a partnership with the Northern Shenandoah Valley Regional Commission and Shenandoah University to study the plausibility of a regional incubator (or business development center). This initiative is designed to benefit all emerging entre-

preneurial business sectors of Front Royal-Warren County as well as the Northern Shenandoah Valley Region and is in the early stages of development.

In May 2010, EDA created the *Business Excellence : Business Appreciation Awards* in partnership with the Chamber of Commerce. The Front Royal-Warren County small business community was invited to apply for cash awards in the amounts of \$1,500, \$750 and \$250 and grants were made based upon assessed excellence in business practices and community service. This new program has been positively received by the business community.

Staff is currently working with the Warren County Public Schools on implementing the mentoring program. EDA is also working with the school system to strengthen and expand the "Project Lead the Way" courses.

EDA manages a scholarship fund, and awarded two \$1,000 scholarships to graduating seniors, as well as \$500 worth of school supplies to schools in need.

"The objectives are clear," said Patty Wines, Chairwoman of the EDA, "and we are very pleased that in key result areas benchmarks are being met and exceeded. This keeps our organization successful." ○



Deeply Rooted Ancestry, and A Long Line of Entrepreneurs

Jeff LeHew comes from a long line of entrepreneurs and a deeply rooted ancestry in Front Royal, Virginia. He recently celebrated twenty-six years in business in Front Royal. As the President of Via Satellite, LeHew is one of the most successful entrepreneurs in our community.

He opened his business in 1986 and today operates his original retail store as well as four service centers and employs more than 150 people in administrative, call-center and satellite technician positions. Via Satellite operates a fleet of 136 trucks/vans, and serves as the Regional Service Provider for Dish Network.

Jeff LeHew graduated from Virginia Tech in the early 1980's with a double major in business finance and business management. While waiting to hear if he would be accepted to veterinary school, Jeff took a part-time job with a local satellite equipment wholesaler. When he learned that he was not accepted to veterinary school, he experienced the "life changing event" that led him to his entrepreneurial life.

At about this time, the wholesale company he was working for learned that HBO would begin scrambling their programming signal, forcing customers to pay for TV programming. As many other programmers followed suit, the wholesale company found itself with a product thought to have no future and, consequently closed its business.

Jeff LeHew saw a future in the "new" satellite industry, and opened Via Satellite.

"I began with a rented pick-up truck and a helper. I sold my Apple stock

and one horse, and with \$5,000 I started my business

"For the first couple of years, I worked twenty hours a day. I'd run home, sleep for four and go right back at it."

LeHew operated in the big dish arena for about twelve years when the technology evolved to the "small dish" product we know today. Via conducted a healthy business selling small dishes until providers began giving them away to incentivize customer sales and began paying commissions for sales and installation services.

"That just about did me in," said LeHew. "I remember sitting on the front porch of my home on Apple Mountain, with three small children and two mortgages, telling my wife that I wasn't sure Via would be in business for much longer. Those were tough days."

In the meantime, Jeff had become very involved in the industry. He served as Chairman of the Satellite Broadcasting and Communications Association. While there, he met the CEO of Dish Network – who hand-

picked Jeff to become one of very few Dish Network Regional Service Providers.

"Although I have to meet performance quotas that Dish establishes, as a subcontractor I maintain my position as owner-operator of my own company – Via Satellite, Inc."

When asked what makes a successful entrepreneur, LeHew thought for a moment and responded, "the whole family has to be supportive of the venture, because you are going to eat, sleep and breathe your business – and, consequently, there will be sacrifices. But if you want to be your own boss, there's nothing else like it in the world. Mind you – you have to be focused and self-disciplined."

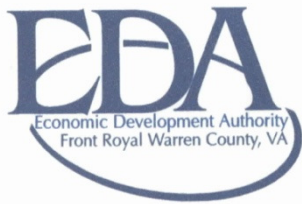
In a time when entrepreneurship is being highly touted and widely promoted, LeHew was asked what he would tell entrepreneurs today. "You can't just hang a shingle and call yourself a business – at least not for long.

"You need to find a product that people want with a price that people are willing to pay. You need to investigate every aspect of the business you want to open – because you will surely be 'married' to it."

Via Satellite started twenty-six years ago making 10 service calls a day. Today, the company services over 300 calls per day in a region that includes: a small portion of southern Pennsylvania, the West Virginia pan-handle, northern Maryland, Northern Virginia east to Washington DC, south almost to Richmond, and all of the Northern



Continued on Page 4



Holiday Events

Friday, December 2, 2:00p-
8:00p Christkindlmarkt
Front Royal

Saturday, December 3, 9:00a-
8:00p Christkindlmarkt
Front Royal

Saturday, December 3, 5:00p
Downtown Holiday Parade



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Entrepreneur, Continued From Page 3

Shenandoah Valley, south to Harrisonburg and eastern West Virginia. "Via Satellite operates eighteen hours a day, seven days a week – three hundred and sixty-five days a year," said LeHew.

Jeff LeHew proudly showed me his 25,000 square foot corporate headquarters, located at Kelley Industrial Park in Warren County.

"The EDA helped me get situated out here in the industrial park in 2001, and I'm very grateful for that. It's been a tremendous asset in the expansion of my business."

Jeff LeHew is very proud of what he's been able to accomplish in the years he's been in business in Front Royal and Warren County, Virginia.

VIA SATELITE INC

While visiting his conference room, he showed me a letter from Virginia Governor Bob McDonnell acknowledging his business contributions to the Commonwealth of Virginia, and the "25th Anniversary Commendation" presented by his friend and classmate, Virginia Delegate Clay Athey.

I asked Jeff for his advice to entrepreneurs and small business owners in these economic times.

"Well, first of all, we've never seen times like these before – so it's hard to know how to advise folks, other than don't spend more than you make and try not to make mistakes, because there is no room for mistakes." *Marla Taylor Jones is Director of Marketing at the EDA.* ○

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