

West Virginia
Open for Business!



BUSINESS CLIMATE



During the last several years, West Virginia has worked hard to secure its stable financial footing and has made dramatic progress. Our approach to responsible government has produced a positive business climate for new and expanding companies that want to create good jobs in West Virginia.

In 2008, West Virginia had the nation's sixth highest growth rate in gross domestic product. The state's economy grew at a rate of 2.5 percent, which is more than 3.5 times larger than the national growth rate of 0.7 percent.

Even in these challenging economic times, West Virginia's accomplishments have earned national recognition. The media drew national attention to Morgantown's low unemployment rates. Other media outlets ranked Morgantown, Wheeling and Charleston among the "Best Small and Medium Cities for Jobs."

The West Virginia Research Trust initiative, popularly known as Bucks for Brains, has been widely featured for its innovative drive to promote knowledge-based economic development in the state.

Find out what well-known companies such as Amazon.com, Toyota, DuPont, Coldwater Creek and Lockheed Martin have already discovered about the advantages of locating in West Virginia. Please contact the West Virginia Development Office at 800-982-3386 or visit www.wvopenforbusiness.com to learn more.

Sincerely,

Joe Manchin III
Governor of West Virginia



BUSINESS INVESTMENTS TOP \$9 BILLION

Locating a business in West Virginia makes good business sense. It is the reason more than \$9 billion worth of new business investments have been made in West Virginia's economy since 2005.

West Virginia powers the nation with its vast energy resources. The state hosts a growing aerospace industry, an emerging automotive sector and innovative chemical and polymer companies. West Virginia is also expanding into new sectors such as biometrics, research and business services.

In addition, West Virginia provides access to:

- A business-friendly climate and a skilled work force
- Low business operating costs
- Electricity rates among the lowest in the nation
- A strategic location
- Low cost of living for employees
- High quality of life and unparalleled outdoor recreational activities

PRO-GROWTH TAX REFORMS

West Virginia has removed approximately \$70 million of business tax burden in fiscal year 2009 and over \$100 million during the past four years. The state is one of only three administrations to be awarded an "A" by the Cato Institute's Fiscal Policy Report Card on America's Governors: 2008. The report found that West Virginia had enacted "the most pro-growth tax reforms" of any other state.

The following reduced business taxes help boost investment in the state's economy:

- A series of phased reductions has reduced the corporate net income tax rate to 8.5 percent. The tax will be reduced to 6.5 percent by 2014.
- The business franchise tax rate has been reduced to 0.48 percent or \$50, whichever is greater. There will be an annual phased reduction in the tax and it will be eliminated in 2015.
- The Special Aircraft Property Valuation Act dramatically reduces the assessed value of business aircraft subject to the West Virginia property tax by as much as 95 percent. Effective for property tax assessment years beginning July 1, 2009, the new rate applies to airplanes and helicopters owned or leased by commercial airlines, charter carriers, private carriers and private companies.
- The High-Technology Business Property Valuation Act encourages high-technology businesses and Internet advertising businesses to locate in West Virginia by providing special property tax valuation for equipment and tangible personal property. The property tax is reduced to approximately 5 percent of the tax that would otherwise apply, based on the original cost of the property. In addition, sales tax is eliminated from all purchases of prewritten computer software, computers, computer hardware, servers, building materials and tangible personal property for direct use in a high-technology business or an Internet advertising business.

WORKERS' COMPENSATION REFORMS SAVE MILLIONS

One of Governor Manchin's first actions upon taking office was to call a special legislative session to modernize the state's dated Workers' Compensation system. Since West Virginia privatized its workers' compensation market in 2006, the average loss cost rate has decreased by more than 40 percent. That shift has saved employers roughly \$150 million to date.

West Virginia updated its job classification codes by adopting the National Council on Compensation Insurance (NCCI) codes.

The changes have reduced rates for employers and reduced the wait for benefits for ailing employees from nearly two months to less than 15 days.

ECONOMIC PERFORMANCE

In data provided by the U.S. Bureau of Economic Analysis, West Virginia's Gross Domestic Product (GDP) was \$46.3 billion in 2008, up from \$45.2 billion in 2007. The state's 2008 GDP growth rate of 2.5 percent was nearly 2 percentage points higher than 2007's growth rate of 0.6 percent. This is the nation's second-best improvement in economic growth.

West Virginia also had the nation's most-improved economy in 2008, based on its 46th-place ranking in 2007 and its sixth place ranking in 2008.

The Nelson A. Rockefeller Institute of Government has recognized West Virginia's progress. The findings show that West Virginia had the third highest rate of personal income revenue growth during the second quarter of 2008.

Standard and Poor's Ratings Service raised the state's rating on general obligation debt to "AA" from "AA-"

The higher bond rating will help spur economic development and infrastructure projects in West Virginia at a time when some states are experiencing bond rating reductions.

TODAY'S EDUCATION IS TOMORROW'S WORK FORCE

West Virginia's higher education system includes 29 colleges, universities and vocational and community technical colleges. These schools offer programs in all facets of today's high-technology industries, including biometrics.

West Virginia's public school system received the highest marks in technology in the United States as ranked by *Education Week*. The system earned the only overall grade of "A" in Education Week's national survey, "Technology Counts 2008 Report," and is consistently ranked by education publications among the nation's finest school systems for use of the Internet and emerging technology.

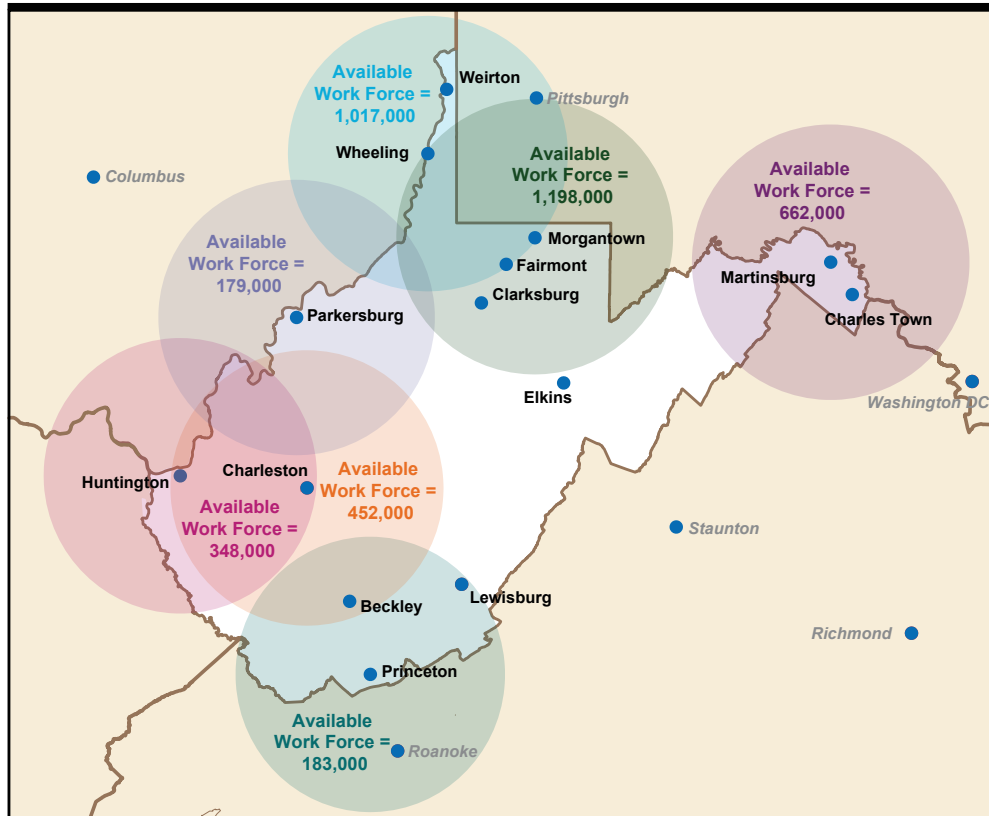
CONTACT THE WEST VIRGINIA DEVELOPMENT OFFICE

Regardless of the size of your business, the changes Governor Manchin, the Legislature and state agencies have made during the past few years are significant for you. West Virginia's leaders — in government, labor and business — are working hard to attract more businesses to the Mountain State and to assist those businesses that are already here.

Discover what these positive changes can mean for your business. Call the West Virginia Development Office and make an appointment to learn how the state's open-for-business philosophy will make a difference for you.



DEDICATED WORKERS AND WORK FORCE RESOURCES



50 Mile Radius Labor Shed Work Force for Select Cities

West Virginia's skilled and flexible work force has earned a reputation for dedication, loyalty, and low absenteeism. West Virginia has the lowest manufacturing-industry employee turnover rate in the nation and ties with two other states for the second-lowest across all industries.

West Virginia's work force is competitive on a global basis. The Harbour Report has ranked Toyota Motor Manufacturing, West Virginia, Inc. plant in Buffalo as the most productive four-cylinder engine plant in North America — five years in a row.

WorkForce West Virginia is a one-stop center for work force resources, including training, tax incentives and labor market information. 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.