



Development Authority, Inc.

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# PCDA PERSPECTIVE

## New Jobs at Diamond Electric Mfg. Corp.

Federal and State dignitaries were on hand at the Homestead Room, Red House, in Eleanor on February 19 when Diamond Electric Mfg. Corporation announced a major expansion of its facilities in the Eleanor Industrial Park.

The new expansion will bring Diamond Electric's total investment to about \$18,000,000. The expansion will also add about 30 new jobs for Putnam County.

Diamond Electric was founded in 1937 as a small research organization in Osaka, Japan. U.S. operations were



*Diamond Electric Mfg. Corp. President Tatsuo Ikenaga speaks during the Expansion Announcement Ceremony at Eleanor on February 19, 2002*



*(L-R) Sen. Jay Rockefeller, Gov. Bob Wise, Diamond Electric Pres., Tatsuo Ikenaga, Eleanor Mayor Fred Halstead and Diamond Plant Mgr. Lloyd Ayres turn the ceremonial first shovel of dirt.*

established in 1987 and in 1992 the Dundee, Michigan facility—near Detroit—was opened.

Six years ago, in April 1996, Diamond Electric broke ground for its Eleanor operation, and coil production started in May 1997. The company occupies a 50,000 sq. ft. facility on approximately 11-acres in Eleanor.

At the ceremony, Diamond Electric Mfg. Corp. President, Tatsuo Ikenaga, announced that the company would soon begin manufacturing ignition coils for the Toyota Motor Manufacturing plant at Buffalo.

Mr. Ikenaga said that "Diamond Electric will be the first West Virginia company to provide an engine component part to engines made in West Virginia." The company also manufactures ignition coils for Daimler-Chrysler.

Diamond Electric's efforts to gain success through quality was recognized in 1994, when the company earned the prestigious Deming Award. The company's ignition coil plants in Eleanor, WV, Dundee, Michigan and Japan have achieved QS-9000 certification.

As Sen. Jay Rockefeller put it, "ultimately, it's the quality of the people who work at the plants that make them successful." Diamond Electric's expansion shows their faith in our people.



*Students from George Washington Elementary School at Eleanor provided the entertainment for guests at Diamond Electric's Expansion Announcement Ceremony.*

## Advantage Valley—Joint Venture Group Organized



In the photo at left, Gary Walton, PCDA's Executive Director, signs the joint venture agreement creating Advantage Valley Partners LLP, while Tom Potter, Advantage Valley Co-Chairman looks on.

Also in the photo (left to right) is Wanda Davis, Kanawha County; Governor Bob Wise; Delegate Jody G. Smirl, and Senator Oshel Craigo. Not pictured is Cabell County representative Vickie Shaffer, Wayne County representative Robert Trocin, and Mason County representative Bryan Stepp.

Governor Bob Wise hosted a news conference on April 10 to announce the creation of the 5-county joint venture. Advantage Valley Partners will begin immediate development of the new Advantage Valley Business Park at the Hurricane I-64 exit.

Advantage Valley and its partners are working to bring the West Virginia Lottery Commission to the new park. Besides needing larger quarters, a quirk in state law meant the state was losing money by having the Lottery Commission at their present location. Current state law allows the commission to use 5% of its gross receipts on administrative costs, including rent. The remainder was returned to vendors, most of whom were out of state. Sen. Craigo said "It was ludicrous...to be sending our money out of state." Sen. Craigo was the first to envision the park.



Above—Sen. Oshel Craigo (D-Putnam), left and Mason County Commissioner Rick Hanley give a "thumbs up" to the joint venture after the announcement

## West Virginia Cashin Recyclables, Inc. Award

Only 14 of the 2,000 recyclers in the United States received the **Alcoa Quality Processor and Recycler of the Year Award** and Putnam County's West Virginia Cashin Recyclables, Inc. was one of those 14. The award was given in a presentation ceremony at the facility on Pickens Road in Nitro.



Pictured left to right, James C. Garren, Regional Manager, Southeastern U.S., Alcoa Recycling Company; Frank Baird, President, West Virginia Cashin Recyclables, Inc.; and Dennis Crocker, President, Alcoa Recycling Company.

On hand for the presentation, Dennis Crocker, President of Alcoa Recycling Company of Alcoa, Tennessee. Crocker said that only 14 out of the 2,000 recyclers in the nation are being honored with the award this year and that WV Cashin Recyclables should be proud indeed.

Company President Frank Baird, after receiving the award, praised Alcoa saying that "Alcoa has supported the State of West Virginia in recycling for many years." He continued, "Without the support of Alcoa, we could not be successful."

Also at the ceremony, Greg Sayer, Executive Director of the West Virginia Association of Trash Haulers and Recyclers, presented Alcoa representatives with a "YOU MADE IT HAPPEN" award because of the company's efforts to make aluminum cans the "most recycled beverage container in Putnam County."

West Virginia Cashin Recyclables, Inc. has been a Putnam County business since 1987. Mr. Baird serves on the Putnam County Solid Waste Authority. The company provides services in wholesale distribution of scrap and waste materials; recycling of aluminum, copper, radiators, car batteries, paper, etc. to reduce the amount of materials going to landfills. Congratulations to WV Cashin Recyclables, Inc.



In the photo above, Greg Sayer (right) smiles as WV Cashin Recyclables President Frank Baird (second from left) helps present Alcoa Recycling Company officials with the "You Made It Happen" award.

# Governor Wise Announces Economic Development Appointments

Governor Bob Wise has announced his appointments to a new nine-member commission established to authorize bonds for qualified economic development projects in West Virginia. The commission was established in House Bill 4005, which contained several initiatives relating to tax incentives, venture capital and economic development.

The nine members appointed include:

- Mallie J. Combs of Moorefield, Executive Director of the Hardy County Rural Development Authority;
- Bernard Twigg of Glen Dale, an executive with BB&T;

- William H. Baker of Bradshaw, President of the Raleigh County Commission;
- Dan R. Moore of Williamson, Chairman of Moore Group, Inc.;
- Mark S. Prince of Charleston, Chairman of Bank One, West Virginia, N.A.;
- David G. Hofstetter of Winfield, Co-Chairman of the Business Development Committee of Advantage Valley;
- David Satterfield, Executive Director, West Virginia Development Office;
- Brian M. Kastick, Secretary of Tax and Revenue;
- The Governor or his designee.

## Some of the Legislative Economic Development Changes (2002)

### ECONOMIC OPPORTUNITY TAX CREDIT

The Economic Opportunity Tax Credit is available to qualified businesses that make a qualified investment (on or after January 1, 2003) in a new or expanded business in West Virginia and that, as a result of the investment, create at least 20 new jobs held by West Virginians.

Qualified businesses are those engaged in the activities of manufacturing, information processing, warehousing, non-retail goods distribution, qualified research and development, the relocation of a corporate headquarters, or destination-oriented recreation and tourism.

A qualified business creating new jobs within 3 tax years (1 year in the case of small businesses) is allowed a credit as follows:

<b>IF NEW WEST VIRGINIA JOBS TOTAL AT LEAST:</b>	<b>THE APPLICABLE PERCENTAGE IS:</b>
520	30%
280	25%
20	20%
15 Corporate headquarters relocation only	10%
10 Small business credit (see below)	10%

The Economic Opportunity Tax Credit is pro-rated over a 10-year period at a rate of 10% per year. The calculation of qualified investment is determined by multiplying the net cost of eligible property by an applicable useful life percentage based on actual economic useful life.

The following percentages apply:

<b>IF USEFUL LIFE IS:</b>	<b>THE APPLICABLE PERCENTAGE IS:</b>
Less than 4 years	0%
4 years or more but less than 6 years	33.33%
6 years or more but less than 8 years	66.66%
8 years or more	100.00%

The credit can offset a portion of the tax attributable to qualified investment for the Business and Occupation Tax (electric

power taxes only), Business Franchise Tax, Corporation Net Income Tax, and Personal Income Tax (on flow through business profits only), in the order stated.

If the annual median compensation paid to qualified new employees exceeds the statewide average non-farm payroll wage, then the Taxpayer may use available credits to offset up to 100% of each of the above taxes. All other qualified Taxpayers may use available credits to offset up to 80% of each of the above taxes.

### ECONOMIC OPPORTUNITY TAX CREDIT FOR "SMALL BUSINESS"

A business or a controlled group of foreign and domestic affiliated businesses with annual gross sales of not more than \$7,000,000 may be entitled to an Economic Opportunity Tax Credit if the qualified investment creates at least 10 new jobs within twelve months. If 10 new jobs are created, the small business may receive a credit equal to 10% of its qualified investment held by West Virginians. An application for the credit must be filed on or before the due date of the income tax return without extensions. Failure to timely file the application results in significant penalties.

### MANUFACTURING INVESTMENT TAX CREDIT

Manufacturers that make qualified capital investments in West Virginia in an industrial facility may be eligible for the Manufacturing Investment Tax Credit. The credit is equal to 5% of the Taxpayer's qualified investment pro-rated over a ten-year period at a rate of 10% per year. The calculation of qualified investment for this credit is similar to that required for the Economic Opportunity Tax Credit, and the Credit may be used to offset up to 50% of the Taxpayer's annual liability for Business Franchise Tax, Severance Tax and Corporation Net Income Tax. An application for the credit must be filed on or before the due date of the income tax return without extensions. Failure to timely file the application results in significant penalties. (*Note: this is a partial listing of changes*)

