

Two Southwest Virginia Companies Announce Expansion Plans

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DAMASCUS, Va. – Two Southwest Virginia companies announced plans Thursday to expand, adding a combined 170 jobs to the region.

Longtime Damascus employer Columbus McKinnon will add 70 jobs over 30 months as part of a corporate restructuring, replacing roughly the same number lost to layoffs at the plant here during the recession.

In Lebanon, information technology company CGI will add 100 jobs.

Terry Smith, acting general manager at Columbus McKinnon, said the jobs' average wage will be \$16 an hour and will go up from there. Employment could increase further when the economy picks back up.

Smith said the incentive package being provided, more than \$563,000 in state and local money, was “a key element” in the company’s decision to keep this plant open as its sister plant in Michigan shuts down.

“This is a moment that has made a lot of people breathe a little easier,” Jack McCrady, who represents Damascus on the Washington County Board of Supervisors, said at Thursday’s announcement.

Virginia Delegate Joe Johnson said the announcement means “more biscuits on the table” in Washington County.

Columbus McKinnon, which currently employs 174 people, is the main employer in Damascus and among the largest in Washington County; the company has operated in the county for more than 50 years.

“This is a great day for Washington County,” Kenneth Reynolds, chairman of the Washington County Board of Supervisors, said as he thanked the agencies that had a hand in the deal.

The Virginia Tobacco Commission is contributing \$283,000, with \$140,000 coming from the Governor’s Opportunity Fund, \$100,000 from Washington County and \$40,000 from the Washington County Industrial Development Authority.

Columbus McKinnon will invest \$5 million.

Ed Seiler, director of operations improvement for Columbus McKinnon, called the announcement “a win-win” for the company and the community.

“Today is a great day for residents of Southwest Virginia,” said Virginia Deputy Secretary of Commerce and Trade Lyn Hammond, referring to the announcements in both cities.

A deputy secretary also was present in Lebanon on Thursday, representing the state to announce the addition of 100 jobs there.

The incentive package for that project includes a \$300,000 check from the Virginia Coalfield Economic Development Authority, given to the Russell County Industrial Development Authority. The tobacco commission is contributing \$250,000 to the deal.

Both CGI and Columbus McKinnon will receive work force training assistance as well as cash.

“When CGI committed to Russell County, in 2005 they brought job opportunities to help rejuvenate the region’s economy,” Gov. Tim Kaine said in a written statement on the job announcements. “This company has been instrumental in creating the rural IT model for Southwest Virginia and I am thrilled CGI will add another 100 skilled positions to its current base of 290.”

VCEDA Executive Director Jonathon Belcher said the long-anticipated economic rebirth in Lebanon, forecast when CGI and fellow high-tech employer Northrop Grumman decided to locate here four years ago, will happen – it will just take a little longer than first expected. The addition of more jobs at CGI, he said, is a step in the right direction.

“We’re just very excited about the tremendous growth CGI has had,” Belcher said.

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