

SOUTHWEST VIRGINIA

Filling in

Empty facilities attract business expansions

by Beth JoJack

Industrial real estate is a hot commodity in Southwest Virginia.

“It’s hard to find available space of anything that’s above 15,000 to 20,000 square feet,” says Jonathan Belcher, executive director of the Virginia Coalfield Economic Development Authority (VCEDA), which represents Lee, Wise, Scott, Buchanan, Russell, Tazewell and Dickenson counties and the city of Norton.

Leaders in the area had discussed putting up industrial spec buildings — structures erected with a goal of attracting tenants after construction. But then inflation hit. “It’s just become so cost-prohibitive,” Belcher says. Until prices go down, he and other Southwest Virginia economic development leaders have had to look “more closely at what existing inventory there is in an area.”

New Jersey-based custom resin and vinyl fabric manufacturer Ronald Mark Associates Inc. (RMA) looked to existing inventory for its new Virginia manufacturing operation. In November 2022, RMA announced plans to invest \$13.5 million to establish



Ronald Mark Associates is establishing a manufacturing operation at the former Komatsu plant in Bluefield, with hopes to hire some of that plant’s former workers, says RMA President Michael Satz.

a manufacturing operation at the former Komatsu plant in Bluefield.

Executives at Komatsu, a manufacturer of construction, mining, forestry and industrial heavy equipment, announced in January 2021 their plans to close the Bluefield facility, which produced underground mining products. According to news reports, 120 workers lost their jobs.

In late January, RMA President Michael Satz said he had just hired a production manager who would help him hire 28 more employees. “If Komatsu had over 120 people on staff, hopefully we can find some of those people and bring them back.”

Manufacturing and shipping

In another example of repurposing existing buildings, Signco, a Chicago-based custom sign manufacturer, announced plans in March 2022 to invest \$650,000 to establish operations at the former MC Signs facility in Bluefield. Timothy Danielson, director of economic development for Tazewell County, said the company had 21 employees working at the Bluefield operation by early December 2022. “It’s another great addition to the manufacturing base in the area,” Belcher says.

Chilhowie also had big manufacturing news last year.

In June 2022, Illinois-based Scholle IPN, a flexible packaging supplier, announced plans to invest \$31.1 million to expand its operation in the Smyth County town by 73,000 square feet to accommodate new manufacturing lines. The company also plans to add 800 feet of new rail track to support the inflow of resin.

Kendra Hayden, economic development project manager for Smyth County, said in early December 2022 that the company had laid a concrete pad for the expansion.

Construction should be completed by late summer or early fall, according to Jake Tabor, business retention and expansion manager for the Mount Rogers Regional Partnership, a nonprofit regional economic development organization.

In Washington County, construction is underway on a 251,000-square-foot distribution center for FedEx Ground. The facility is expected to create 250 jobs, according to Jason Boswell, director of community development for the county.

The warehouse is expected to be operational in 2023, a spokesperson for FedEx said in a statement to Virginia Business.

Tech talent

Southwest Virginia also attracted technology employers in 2022.

In August 2022, Paymerang LLC, a Chesterfield County-based payment and invoice automation company, announced plans to create 50 jobs in software development,

payment operations and cloud engineering in Wise County. The new positions will be housed in Big Stone Gap’s downtown coworking space.

As of early December 2022, the company had hired about a dozen of the new employees, according to Will Payne, managing partner of consulting firm Coalfield Strategies LLC, which leads business development for InvestSWVA, a public-private business attraction and marketing campaign for Southwest Virginia that assisted with Paymerang’s move to Wise County.

In October 2022, two Tazewell County residents announced plans to locate a data center hosting and cryptocurrency mining business called Blackstone Data Services LLC at the county’s Bluestone Business and Technology Park.

“We think it will be successful,” Tazewell County Administrator Eric Young says of the project. “Hopefully other data centers will come out into rural areas.”

Co-founders Seth White and Craig Earls have installed two mobile data centers at the park. These centers house technology used for bitcoin mining, a process where high-performance computers solve math equations to validate bitcoin transactions.

White and Earls are working with Appalachian Power and county officials in the hopes of increasing the amount of power available at the technology park. As of December 2022, Blackstone Data Services

Southwest Virginia's recent deals

- FedEx Corp.**
 Washington County
 250 jobs
- Coronado Global Resources Inc.**
 Buchanan County
 181 jobs
- Scholle IPN**
 Smyth County
 75 jobs
- Paymerang LLC**
 Wise County
 50 jobs
- Bates Family Farm LLC**
 Russell County
 35 jobs
- Ronald Mark Associates Inc.**
 Tazewell County
 29 jobs
- Cardinal Glass Industries**
 Washington County
 22 jobs

Source: Virginia Economic Development Partnership

had 1.5 megawatts of power available to use, according to Earls. Ideally, they’d like access to 10 to 12 megawatts. That will likely require a substation to be built, he says.

“We’re a small company right now,” adds White. “We’ve got aspirations to grow beyond that — assuming we can get more power.” ■

