IT & SOFTWARE
CLUSTER PROFILE

PROGRESSIVE COMMUNITY | TECHNOLOGY DRIVEN ECONOMY | THE GREAT OUTDOORS

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MONTGOMERY COUNTY • VIRGINIA
ECONOMIC DEVELOPMENT

Blacksburg & Christiansburg
MONTGOMERY COUNTY, VIRGINIA

CLUSTER OVERVIEW

IT/SOFTWARE DEV. FACTS AND STATS:

COMPANIES: 181

EMPLOYMENT: 3,301

GROWTH (09-12): 11%

AVERAGE WAGE: $73,894

INC 5000 COMPANIES:
- Modea
- Harmonia
- FoxGuard Solutions

HACKER SPACE:
- Techpad - 8,000 SF co-working space for software startups in downtown Blacksburg (gigabit network)

BUSINESS PARKS:
- Virginia Tech Corporate Research Center
- Falling Branch Corp. Park
- Blacksburg Industrial Park
- Christiansburg Ind. Park

INCUBATORS:
- NuSpark
- VT KnowledgeWorks

Statistics Source: Innovation in American Regions, 2014

Cofounded in 2006 by Virginia Tech alumni Aaron Herrington (left) and David Catalano (right), Modea has made Inc. Magazine's Inc. 5000 list and received the Ad Age Best Agency Culture Award.

Virginia Tech

CLUSTER OVERVIEW

Home of Virginia Tech and one of the largest research parks in North America, a growing number of IT and software companies are finding success in Montgomery County. Over 181 companies are located in are area, ranging from local startups to cloud-computing giant Rackspace Hosting. IT and software companies can be found throughout Montgomery County, but the majority of them are clustered in the Virginia Tech Corporate Research Center and downtown Blacksburg.

Montgomery County offers businesses in the IT and software industry many advantages including access to top tier talent from Virginia Tech and Radford University, gigabit broadband access, a cost of doing business far less than larger metros, and a quality of life that enable companies to attract and retain talent.

SATELLITE OFFICES

1901 Group (Reston,VA)	Provider of IT managed services for public/private sectors	VT Research Park
Atomic Axis (Austin, TX)	Executes software strategies across all target platforms	Downtown Blacksburg
Rackspace (San Antonio, TX)	Global leader in hybrid cloud and founder of OpenStack®	VT Research Park

LOCAL COMPANIES

Aeroprobe	Air data measurement systems for auto and aerospace ind.	Falling Branch Corp. Park
FoxGuard Solutions	Cyber security, compliance programs and ind. computing	Christiansburg Ind. Park
Harmonia	Software services and founder of LiquidApps®	VT Research Park
Modea	Digital advertising agency	Downtown Blacksburg
Nomad Mobile Guides	Develops mobile apps for national parks and travel destinations	Downtown Blacksburg
TORC Robotics	Leader in robotic autonomous vehicle solutions	Blacksburg Ind. Park
VTLS	Integrated solutions for managing library collections	VT Research Park

EMERGING LOCAL STARTUPS

FitNet	Virtual studio app for anytime+anywhere fitness with peers	TechPad
Heyo	Platform to create mobile optimized Facebook campaigns	University Mall area
Koofers	Enterprise college recruiting software for employers	TechPad
Mail Pilot	E-mail organizer app for Mac, iPhone and iPad	VT Research Park
VirtualU	Developer of 3D technology for health and fitness industry	VT Research Park

MAJOR RESEARCH LABS AND CENTERS

Institute for Creativity, Arts, and Technology, Virginia Tech
Software Technology Lab, Virginia Tech
High-End Computing Laboratory, Virginia Tech
Center for Human-Computer Interaction, Virginia Tech
Virginia Bioinformatics Institute, Virginia Tech
Gaming, Animation, Modeling, and Simulation Lab, Radford University

VT Corporate Research Center

When deciding on a location, we found Blacksburg to be a place where people want to live, collaborate with forward thinking institutions and contribute within a strong technical community. We believe that this is the ideal environment for our business."

- Marcus Turner, CTO Austin, TX-based Atomic Axis

In 2013, Rackspace Hosting broke ground on a new 200-person software development office in the VT Corporate Research Center

Talent and Lifestyle

TALENT & LIFESTYLE

MONTGOMERY CO. STATS

POPULATION: 96,876

GROWTH (03-13): 13%

COST OF LIVING: 4% below U.S. avg.

BACHELORS OR HIGHER: 41%

CREATIVE CLASS IN THE WORKFORCE: 39.7%
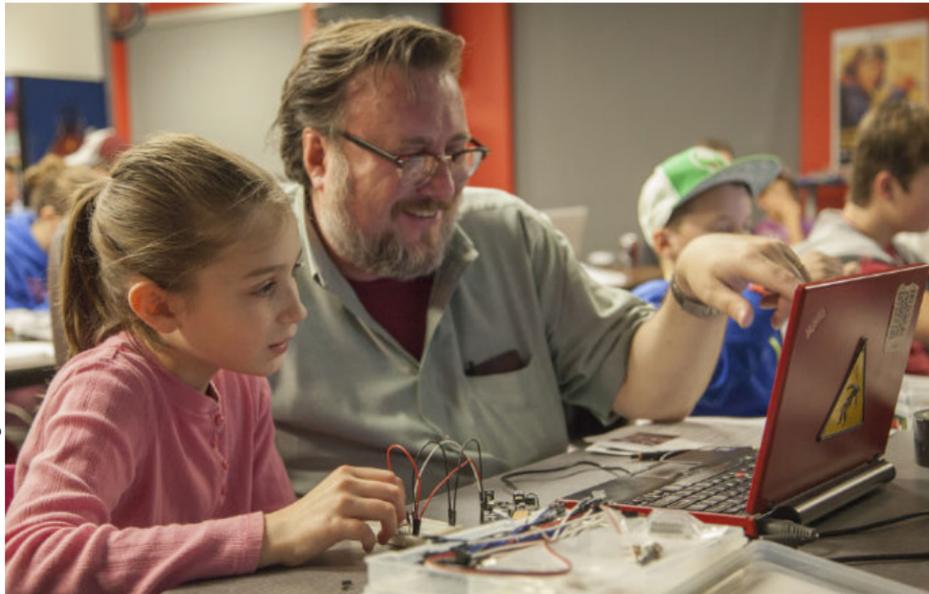
STEM OCCUPATIONS: 18%

HACKER COMMUNITY
- Blacksburg Ruby Meetups
- Let's Code Blacksburg! programming classes
- New River Valley Agile Users Group Meetups
- TechPad hack-a-thons

Let's Code Blacksburg

Software development isn't just a job, it is a hobby too. Let's Code Blacksburg!, a local nonprofit launched in 2013, offers beginner and advanced programming courses throughout the year.

FAMILY-FRIENDLY
- Steppin' Out Street Festival
- Sinkland Farms Pumpkin Fest.
- International Street Fair
- Wilderness Trial Festival
- Tech & Treat at Moss Arts Center

YOUNG PROFESSIONALS
- Blacksburg Brewdo Craft Beer Festival
- Blacksburg Fork & Cork Wine and Art Festival
- Rock the Blocks Music Fest.

THE BEST PLACE TO RAISE A FAMILY!
Montgomery County's small town charm natural beauty and urban appeal make us an attractive place for families and young professionals. Bloomberg Businessweek (2011) and Homes.com (2012) have both recognized Blacksburg as the Best Place in the U.S. to Raise a Family. We have also been rated the No. 7 Most Secure Small Town in the U.S. by Farmers Insurance Group (2013) due to our low crime rate and economic stability. In 2007, Money Magazine named Blacksburg a top 25 Best Place to Live: "Where the Singles Are" for our growing number of young professionals. Being a college community, we value education. Lumosity (2013) and Forbes (2010) have both recognized us as the No. 14 Smartest Town in America. Not to mention were rated a Top 10 Dream Town for outdoor enthusiasts by Outside Mag.

COMPUTER AND INFORMATION SCIENCES DEGREES AWARDED, 2011-2012

COLLEGE/UNIVERSITY	DISTANCE	ASSOCIATES	BACHELORS	MASTERS	DOCTOR
Virginia Tech	0 MILES	-	117	123	16
New River Community College	0 MILES	24	72	-	-
Radford University	13 MILES	-	72	-	-
Virginia Western Community College	40 MILES	26	-	-	-
James Madison University	134 MILES	-	152	-	-
University of Virginia	143 MILES	-	49	13	17
TOTAL	**-**	**50**	**462**	**136**	**33**

COMPUTER ENGINEERING DEGREES AWARDED, 2011-2012

COLLEGE/UNIVERSITY	DISTANCE	ASSOCIATES	BACHELORS	MASTERS	DOCTOR
Virginia Tech	0 MILES	-	61	34	14
University of Virginia	143 MILES	-	27	3	3
TOTAL	**-**	**0**	**88**	**37**	**17**

"The pool of critical technical talent provided by Virginia Tech, Radford, the University of Virginia, and James Madison University has helped the Blacksburg office grow into a large Rackspace development center. The Blacksburg area is a top ranking place for outdoor enthusiasts and place to raise a family. Both of these traits are important factors in recruiting experienced talent and making our decision easy to invest in growing our Blacksburg operations" -Robert McAden, San Antonio-based Rackspace Hosting

Up on the Roof is a monthly creative professionals mixer that occurs on the upper level of Kent Square in downtown Blacksburg. The event provides newcomers and area young professionals an opportunity to network over drinks and appetizers.

Montgomery County's scenic landscape inspires an active lifestyle. There are plenty of opportunities to hike, bike, kayak and explore the great outdoors.

Up on the Roof

Mark Ahu

Business Climate

BUSINESS CLIMATE

VIRGINIA
The Commonwealth of Virginia is consistently ranked among the best states for business by Forbes and CNBC for its stable regulatory environment:

- Corporate income tax rate has been 6% since 1972
- Unemployment tax burden is 24% below national avg.
- Third lowest workers comp. insurance in the country

INCENTIVES
- Governor's Opportunity Fund - up-front incentive
- Virginia Economic Development Incentive Grant - five year grant
- Virginia Jobs Investment Program - job creation grant
- CIT Gap Funds - seed and early stage equity invest.
- Montgomery County Economic Development Grant - Discretionary, performance-based grant

READY TO MAKE THE MOVE?
To learn more about relocating or opening a satellite software office in Blacksburg/Christiansburg, contact the Montgomery County Economic Development Department at (866) 270-9185.

VT Corporate Research Center

The Virginia Tech Corporate Research Center is a 230-acre research park with over 1 million square feet of Class A office space. The park is home to over 160 technology companies and was named the No. 1 Research Park in North America in 2010 by the Association of University Research Parks.

GROWING ECONOMY WITH A STRONG TECHNOLOGY SECTOR
Montgomery County is an emerging hot spot for innovation, creativity and entrepreneurship. With a world-class research park, visionary entrepreneurs, and access to top talent, our community is quickly gaining a reputation as technology hot spot. In 2008, CNN Money named Blacksburg one of six rising technology hubs in the United States. We have also been ranked a Top 50 Best Place to Live and Launch (2008) due to our "mix of business advantages and lifestyle appeal" by Money Magazine. Our pro-business climate is helping companies grow. Since 2012, we have been ranked the No. 5 Best Small City for Jobs (Forbes), No. 5 Top City for Job Growth (CNBC), and the No. 2 American City Adding Jobs (24/7 Wall Street).

EXTRA COST OF DOING BUSINESS COMPARED TO BLACKSBURG, 100-PERSON SOFTWARE DEVELOPMENT CENTER

Bar chart:
- Raleigh: $1.6 M
- Atlanta: $1.7 M
- Austin: $2.5 M
- Boston: $3.28 M
- New York: $3.35 M
- DC: $3.6 M
- San Fran.: $3.9 M
- Silicon Valley: $4.8 M

Legend: ■ Additional Lease Costs   ■ Additional Salary Costs

OUR COST OF DOING BUSINESS IS OUR GREATEST INCENTIVE
The graph above provides a compelling visual of how much money a software-related company can save by locating in Montgomery County. Each bar shows how much more expensive a 100-person, 10,000 square-foot (100 square feet per person) software development office is in each city, based on software developer salaries and office space. Compared to Blacksburg, a 100-person software development center costs $1.6 million more annually in Raleigh-Durham and $4.8 million annually in Silicon Valley. It's simple, we can save you money.

AVG. LEASE RATE

Blacksburg	$19.00
Raleigh-Durham	$19.61
Atlanta	$20.99
Austin	$27.89
Boston	$29.30
Silicon Valley	$35.40
San Francisco	$44.28
Washington, DC	$51.43
New York	$60.66

Source: High Technology Office Outlook: United States 2013, Jones Lang LaSalle

MEDIAN SALARY, SOFTWARE DEV.

Blacksburg	$75,143
Raleigh-Durham	$91,540
Atlanta	$91,602
Austin	$99,726
New York	$104,439
Boston	$106,893
Washington, DC	$108,310
San Francisco	$111,495
Silicon Valley	$121,948

Source: 2012 Occupational Employ. and Wage Estimates, Bureau of Labor Stats

"When sharing with investors that we're building a software business in Blacksburg, Virginia, they are all a bit surprised. Little do they know how much extra leverage this gives us. As we continue to grow rapidly, it'll be hard for Blacksburg to remain the country's biggest secret."

- Nathan Latka, Cofounder & CEO of Blacksburg-based Heyo

Heyo