

Digger

Virginia's cicada-eating, Kegerator-using head salesman, Terry McAuliffe

By Jonathan O'Connell April 23 at 3:32 PM

When Indiana passed a [“religious freedom” law](#) last month, state business [leaders expressed concern](#) about whether the rule would hurt their bottom lines.

In the Virginia governor's mansion, a certain set of gray eyebrows perked up.

The tension in Indiana was just the opening that Gov. Terry McAuliffe (D) needed. The former banker and serial businessman [got on the phone](#) and called eight or nine of the companies that publicly lamented the law.

“Where a major company says I'm unhappy with something or I don't want to be here anymore or I'm not going to expand, I see that. That's open fishing for me,” McAuliffe said. “I get my rod and my reel, and I get out there.”

He could use a big haul. Despite his occasional assertions that the state's economy is [“booming,”](#) a year into his governorship McAuliffe is overseeing an economy in which its largest employer by far, the Defense Department, has been battered by cutbacks.

Overall, 13 of the top 20 employers in the state are public agencies or contractors dependent on public spending — a troubling over-reliance on the government for jobs.

In Northern Virginia, county budgets are suffering from write-downs of commercial property values as near-record office vacancies pile up. In Arlington County, officials closed the money-losing Artisphere complex and put nearly \$1 million of the money saved into [economic development efforts](#).

Given those troubling indicators, and with his top legislative priority [dashed](#) in Richmond, McAuliffe in January [reworked](#) his objectives to accentuate economic development, an arena in which he could unleash his relentless — some would say obsessive — appetite to make a deal.

He takes prospects on nighttime tours of the state capital. To woo a craft brewing company to Richmond, he installed a Kegerator in the executive mansion. To seal a deal with a [Chinese paper manufacturer](#), he traveled to China, gobbled up a plate of three fried cicadas — considered a delicacy — and then ordered another.

[Related: [Chinese paper company to set up shop in Richmond suburbs](#)]

“He will go anywhere. He will call anybody. He will invite you over the executive mansion for lunch and dinner and then he will invite you over to the state capitol and give you a personal tour,” said Maurice Jones, Virginia Secretary of Commerce and Trade.

“He will call some executive in the morning and say, ‘I bet the governor of Tennessee or Pennsylvania didn’t call you this morning. But guess what, you were the first person I thought about when I woke up this morning!’” Jones added. “Everyone knows it’s a joke, but it’s just one of the ways he tries to touch people.”

McAuliffe became a millionaire at a young age and [earned \\$9.5 million](#) in 2012 alone. As a political fundraiser in private life, he pounded the phone lines asking again and again for campaign donations.

As co-founder of GreenTech, an American company that bought a Chinese electric car manufacturer, McAuliffe was once on the other side of the bargaining table. He discussed incentives for the company with Virginia officials and later was [criticized](#) for allowing the company to open a manufacturing facility in Mississippi.

As governor he has traveled twice to China, including once to [finalize](#) a deal for a Chinese paper-making facility, when he crunched on cicadas. He has used his expansive [Rolodex](#) to call on just about any executive he thinks might be willing to take a look at the commonwealth, including a call he placed to [Rex W. Tillerson](#), Exxon chairman and chief executive, to [aid a deal](#) for Inova to buy Exxon’s Merrifield campus.

John Boyd, a New Jersey relocation consultant who has advised companies including PepsiCo and Dell, said that his clients that have worked with McAuliffe personally have been “very impressed.”

“Terry McAuliffe is a superstar in corporate board rooms,” Boyd said. “He is very much a pro-business Democrat, and lots of powerful incentives are being created in Virginia.”

The governor’s staff has tallied 362 business additions or expansions in the state since he came into office, including 256 that they say required the state’s support and 41 that received financial incentives.

Among them are a [\\$9.5 million incentive package](#) to help the advisory firm CEB build a new Arlington headquarters and \$5.25 million to persuade Stone Brewing Co. to build a brewery, restaurant and retail store in Richmond, a deal the governor sealed in part by visiting the company in San Diego and bringing in the Kegerator.

McAuliffe has steered a cultural middle road in his pursuit of new business. In wooing Indiana companies, he wrote a letter saying that, “in Virginia, we do not discriminate against our friends and neighbors, particularly those who are supporting local businesses and generating economic activity.” He will [fly to Cuba](#) to promote trade.

Unlike many other local Democrats, however, he has not criticized the name Redskins, a moniker many Native American groups consider a racial slur but one that is borne by a team for which he would like to [build a new stadium](#).

[*Related: [McAuliffe on Redskins stadium in Virginia: 'It's where they belong'](#)*]

It may be too early to tell whether all the activity has moved the needle for the state's economy, but there are other opportunities to grow the private sector on the horizon, upon which McAuliffe keeps close tabs.

In February, Arne M. Sorenson, the chief executive of Marriott International, took many local officials by surprise when he said the company would [move its headquarters](#), even though its lease isn't up for another seven years. McAuliffe had already pitched him on Virginia.

Harris Corp., a defense communications giant, became another top target when it [announced plans](#) to acquire McLean-based Exelis. As it stands, Harris has 13,000 employees, including 1,500 in Virginia and 400 at its Florida headquarters.

Rumors of its possible consolidation in Virginia have grown to the degree that the company issued a [regulatory filing](#) saying it was "evaluating potential headquarter locations."

It's unlikely that McAuliffe will land any of the Indiana companies he and his staff pitched, among them pharmaceutical giant Eli Lilly, Cummins manufacturing and furniture maker Kimball International.

But he will keep working the phones and he expects county officials to do the same. At a recent tech announcement in Crystal City, with more than 100 people in attendance, McAuliffe yelled out to the county's new economic development director, Victor L. Hoskins: "I am expecting great things out of you, buddy."

In other words: Get out there and make some calls.

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