

October 27, 2004

The Honorable John H. Chichester
Chairman
Senate Finance Committee
Senate of Virginia
Post Office Box 904
Fredericksburg, Virginia 22404

The Honorable Harry J. Parrish
Chairman
House Finance Committee
House of Delegates
8898 Bond Court
Manassas, Virginia 20110-4327

The Honorable Vincent F. Callahan, Jr.
Chairman
House Appropriations Committee
House of Delegates
Post Office Box 1173
McLean, Virginia 22101

Dear Messrs. Chairmen:

I am writing to provide documentation of the transactions of the Governor's Opportunity Fund which have occurred during the first quarter of the 2005 fiscal year as required by Chapter 4, Item 128.H.

As of September 30, 2004, a total of \$141,264,286 had been appropriated to the Fund. This amount excludes legislative mandates and monies which were unallotted after the original allocation. As of September 30, 2004, the cash balance was \$29,943,359, and the balance available for future commitments totaled \$15,713,482. Grants awarded since the inception of the fund total 308.

For the first quarter of the 2005 fiscal year, ended September 30, 2004, a total of \$2,200,000 was committed from the Opportunity Fund to assist five projects relocating to or expanding in the state. Total job creation of these projects was 2,221, while investment totaled \$86 million. Summaries on these projects follow:

1. City of Norfolk: **Trader Electronic Media** will expand its facility in the City of Norfolk to include its division headquarters. This expansion will create 600 jobs and an investment of \$51 million (amount of grant: \$1,000,000; use of grant: site acquisition and build-out costs). This project has been announced.

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2. Culpeper County: **Merillat Industries**, a manufacturer of kitchen cabinets, will expand its Culpeper County facility. Merillat will create 140 new jobs and invest \$13.4 million (amount of grant: \$150,000; use of grant: site preparation). This project has been announced.
3. Grayson County: **Universal Food & Beverage Company** processes, packages, and distributes bottled water. Universal will locate a new facility in Grayson County. Total investment is \$6.9 million, with 151 new jobs being created (amount of grant: \$150,000; use of grant: building improvements and upfits). This project has been announced.
4. Greensville County: **Food Tech International, Inc.** will locate a new facility in Greensville County. Food Tech is a manufacturer of vegetarian and soy food products. This location will create 80 jobs, and investment will total \$4.5 million (amount of grant: \$300,000; use of grant: building acquisition). This project has been announced.
5. Fairfax County: **IBM Corporation** will expand its existing facility in Fairfax County. IBM is a provider of consulting services and will create 1,250 new jobs. Investment will total \$10 million (amount of grant: \$600,000; use of grant: infrastructure improvements and training). This project has been announced.

For the projects which have been announced, I am enclosing a profile, an analysis and recommendation by the Virginia Economic Development Partnership, and a scoring sheet.

For the first quarter of the 2005 fiscal year, actual disbursements from the Fund were made to the City of Norfolk for CMA CGM; the City of Newport News for Siemens VDO Automotive; the City of Galax for Consolidated Glass and Mirror; Isle of Wight County for Cost Plus; the City of Radford for Kollmorgen; and Smyth County for Utility Trailer. Actual disbursements totaled \$1,275,000.

Sincerely,

Mark R. Kilduff
Executive Director

MRK:kme

Enclosures

cc The Honorable Michael J. Schewel
Secretary of Commerce and Trade