



Virginia Economic Development Partnership
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September 30, 2005

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 2006 fiscal year as required by **Chapter 951, Item 128.H**.

As of September 30, 2005, a total of \$150,809,616 had been appropriated to the Fund. This amount excludes legislative mandates and monies which were unallotted after the original allocation. As of September 30, 2005, the cash balance was \$35,685,235, and the balance available for future commitments totaled \$21,870,235. Grants awarded since the inception of the fund total 327.

For the first quarter of the 2006 fiscal year, ended September 30, 2005, a total of \$625,000 was committed from the Opportunity Fund to assist three projects relocating to or expanding in the state. Total job creation of these projects was 577, while investment totaled \$81.6 million. Summaries on these projects follow:

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1. Tazewell County: **Clinch River Forest Products** will locate a lumber mill in Tazewell County. Clinch River will create 102 jobs and invest \$4.3 million (amount of grant: \$150,000; use of grant: site improvements). **This project has not been announced.**
2. City of Martinsville: **Hooker Furniture**, a manufacturer of furniture, will expand its existing facility in the City of Martinsville. With an investment totaling \$8.5 million, this expansion will save 325 existing jobs for Virginia (amount of grant: \$325,000; use of grant: modernization of existing manufacturing facility). **This project has not been announced.**
3. City of Virginia Beach: **Stihl Incorporated**, a manufacturer of outdoor power equipment, will expand its existing facility in the City of Virginia Beach. Investment will total \$68.8 million, with 150 new jobs being created (amount of grant: \$150,000; use of grant: infrastructure improvements). **This project has not 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 2006 fiscal year, actual disbursements from the Fund were made to Culpeper County for Merillat Industries; the City of Roanoke for Johnstown America; Wythe County for PepsiCo; Roanoke County for Tecton; and Wythe County for Klockner Pentaplast. Actual disbursements totaled \$1,325,000.

Sincerely,



Mark R. Kilduff
Executive Director

MRK:kme

Enclosures

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