



COMMONWEALTH of VIRGINIA
Office of the Governor

Michael J. Schewel
Secretary of Commerce and Trade

May 2, 2005

The Honorable John H. Chichester
Chairman, Senate Finance Committee
Senate of Virginia
Post Office Box 904
Fredericksburg, Virginia 22404-0904

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

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

Dear Messrs. Chairmen:

I am writing to report on the grants that have been awarded during the first quarter of the 2005 calendar year as required by § 2.2-5103(D) of the Code of Virginia.

For the first quarter ending March 31, 2005, a total of \$1,500,000 was committed from the Virginia Investment Partnership Fund to assist three Tier One manufacturers expanding in the state through a capital investment of at least \$25 million. In the Tier Two category (over \$100 million in capital investment and at least 1,000 new employees or corporate headquarters and other basic employers that make a capital investment of at least \$100 million and create at least 400 jobs paying at least twice the prevailing average wage for the area), there were no grants awarded.

Tier One:

1. **Merck & Co., Inc.**, a manufacturer of pharmaceuticals, is located in Rockingham County. Awarded a \$500,000 grant, the company will be making a \$40 million investment and saving 35 jobs by June 2007.

Committee Chairs
May 2, 2005
Page Two

2. **United States Gypsum Company (USG)**, a manufacturer of building materials, is located in the City of Norfolk. Awarded a \$500,000 grant, the company will be making a \$132 million investment and creating 25 jobs by the end of 2006.
3. **Interbake Foods**, a manufacturer of bakery products, is located in Warren County. Awarded a \$500,000 grant, the company will be making a \$28.5 million investment and creating 133 jobs by August 2006.

Tier Two:

There were no Tier Two grants awarded this period.

For the first quarter of the 2005 calendar year, there were no actual disbursements from the Fund, as the payments only begin in the sixth year (or in the fourth year for manufacturers in fiscally distressed areas) after the investment is actually made. Funds to meet the Tier Two award must be specifically appropriated for payment beginning in the sixth year after the investment is made.

Yours very truly,

Michael J. Schewel

MJS:kme

cc: Mr. Mark R. Kilduff
Executive Director
Virginia Economic Development Partnership