



Virginia Economic Development Partnership
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July 24, 2006

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

The Honorable Harry R. Purkey
Chairman
House Finance Committee
House of Delegates
2352 Leeward Shore Drive
Virginia Beach, Virginia 23451

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 fourth quarter of the 2006 fiscal year as required by **Chapter 951, Item 128.H**.

As of June 30, 2006, a total of \$151,899,350 had been appropriated to the Fund. This amount excludes legislative mandates and monies which were unallotted after the original allocation. As of June 30, 2006, the cash balance was \$25,036,427, and the balance available for future commitments totaled \$11,846,427. However, when the GOF preapprovals made by the Secretary of Commerce and Trade are taken into account, the available balance is reduced to \$5,541,427. Grants awarded since the inception of the fund total 358.

For the fourth quarter of the 2006 fiscal year, ended June 30, 2006, a total of \$3,167,500 was committed from the Opportunity Fund to assist 11 projects relocating to or expanding in the state. Total job creation of these projects was 1,159, while investment totaled \$248 million. Summaries on these projects follow:

1. Roanoke County/City of Lynchburg: **RR Donnelley**, a manufacturer of print and related services, will expand its existing facilities in Roanoke County, the City of Lynchburg, and Rockingham County. RR Donnelley will create 139 new jobs and invest \$85.2 million (amount of grant: \$1,000,000 [\$500,000 each for Roanoke County and the City of Lynchburg]; use of grant: site development and training not covered by Workforce Services training grant). This project has been announced.
2. Franklin County: **McAirlaid's**, a manufacturer of non-woven material, will expand its existing facility in Franklin County. With an investment totaling \$55.3 million, this location will create 120 new jobs (amount of grant: \$500,000; use of grant: site improvement and building development). This project has been announced.
3. Town of Lebanon (Russell County): **Clinch Mountain Finishing and Logistics**, a manufacturer of wood flooring accessories, will expand its existing facility in the Town of Lebanon. Investment will total \$6 million, with 220 new jobs being created (amount of grant: \$300,000; use of grant: site development and building construction). This project has been announced.
4. City of Bristol: **Prime Choice Foods** will expand its facility in the City of Bristol. Prime Choice is a manufacturer of organic corn tortilla chips and other corn products and will create 35 new jobs. Investment will total \$2.6 million (amount of grant: \$75,000; use of grant: building improvements). This project has been announced.
5. City of Danville: **Arista Tubes**, a manufacturer of extruded seamless plastic tubes, will locate a new facility in the City of Danville. Arista will create 145 jobs and invest \$24 million (amount of grant: \$300,000; use of grant: building improvements). This project has been announced.
6. Franklin County: **MW Manufacturers Inc.**, a manufacturer of window and door products, will expand its existing facility in Franklin County. Total investment is \$23 million, with 175 new jobs being created (amount of grant: \$100,000; use of grant: site improvements and building development). This project has been announced.
7. City of Manassas: **Tosoh SET** will expand its existing facility in the City of Manassas. Tosoh is a chemical cleaner and refurbisher of process kits used in the production of microchips. This expansion will create 27 new jobs, and investment will total \$4 million (amount of grant: \$67,500; use of grant: building improvements). This project has been announced.

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8. Halifax County: **ABB Inc.** will expand its existing facility in Halifax County. ABB is a manufacturer of power transformers. This company will create 127 new jobs, and investment will total \$27.3 million (amount of grant: \$400,000; use of grant: site improvements). This project has been announced.
9. Bland County: **ABB Inc.**, a manufacturer of power transformers, will also expand its existing facility in Bland County. ABB will create 30 new jobs, and investment will total \$3 million (amount of grant: \$75,000; use of grant: building improvements). This project has been announced.
10. Louisa County: **Premier Woodworking, Inc.**, a manufacturer of wood and metal retail store fixtures, will expand its facility in Louisa County. With an investment of \$4.82 million, Premier will create 70 jobs and save 30 existing jobs (amount of grant: \$200,000; use of grant: site preparation). **This project has not been announced.**
11. Montgomery County: **Federal-Mogul**, a manufacturer of anti-friction engine and replacement bearings, will expand its Montgomery County facility. Federal-Mogul will create 71 new jobs and invest \$12.7 million (amount of grant: \$150,000; use of grant: building 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 fourth quarter of the 2006 fiscal year, actual disbursements from the Fund were made to Halifax County for Lindstrand Technologies; the City of Chesapeake for American Funds; Mecklenburg County for American Industrial Heat Transfer; the City of Danville for Unarco; Rockingham County for Wal-Mart; Wythe County for Amcor Pet Packaging; and Surry County for Windsor Mill. Actual disbursements totaled \$2,850,000.

Sincerely,



Jeffrey M. Anderson
Executive Director

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Enclosures

cc The Honorable Patrick O. Gottschalk
Secretary of Commerce and Trade

