



COMMONWEALTH of VIRGINIA

Office of the Governor

Timothy M. Kaine
Governor

July 27, 2006

The Honorable John H. Chichester
Chairman
Senate Finance Committee
Senate of Virginia
General Assembly Building
910 Capitol Street, Room 626
Richmond, Virginia 23219

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
Virginia House of Delegates
General Assembly Building
910 Capitol Street, Room 504
Richmond, Virginia 23219

Dear Messrs. Chairmen:

I am writing to provide documentation of the transactions of the Governor's Opportunity Fund which have occurred during the second half of the 2006 fiscal year as required by § 2.2-115(F) of the Code of Virginia.

For the second half of the 2006 fiscal year, ended June 30, 2006, a total of \$8,482,500 was committed from the Opportunity Fund to assist 22 projects relocating to or expanding in the state. A summary for each of these projects is enclosed. 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.

The Honorable John H. Chichester
The Honorable Harry R. Purkey
The Honorable Vince F. Callahan
July 27, 2006
Page 2

For the second half of the 2006 fiscal year, actual disbursements from the Fund were made to the Town of Pulaski for James Hardie Building Products; Prince George County for Service Center Metals; James City County for Wal-Mart; the City of Manassas for Micron; the City of Radford for Internet; Russell County for CGI-AMS; the City of Galax for Turman Hardwood Flooring; the City of Richmond for Philip Morris; Roanoke County for Integrity Windows; 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 \$9,650,000.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Kaine", with a stylized flourish at the end.

Timothy M. Kaine

TMK:kme
Enclosures

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

Mr. Jeffrey M. Anderson
Executive Director, Virginia Economic Development Partnership

PROJECT SUMMARIES

1. Wythe County: **Ancor PET Packaging**, a manufacturer of plastic bottles for the beverage industry, will locate a new facility in Wythe County. Ancor will create 144 new jobs and invest \$105 million (amount of grant: \$400,000; use of grant: site improvements). This project has been announced.
2. Town of Saltville: **Reline America, Inc.**, a manufacturer of liner for underground pipes, will locate a new facility in the Town of Saltville. With an investment totaling \$4.9 million, this location will create 25 new jobs (amount of grant: \$50,000; use of grant: site and building improvements). This project has been announced.
3. Orange County: **Diversified Information Technologies**, a provider of technology-based information management services to Fortune 100 and 500 companies nationwide, will locate a new facility in Orange County. Investment will total \$10.2 million, with 200 new jobs being created (amount of grant: \$250,000; use of grant: site improvements). This project has been announced.
4. City of Radford: **Intermet Corporation** will locate a new facility in the City of Radford. Intermet is a manufacturer of cast-metal automotive components and will create 175 jobs. Investment will total \$14.3 million (amount of grant: \$250,000; use of grant: building improvements). This project has been announced.
5. City of Richmond: **Philip Morris USA**, a manufacturer of cigarettes, will expand its existing facility in the City of Richmond by establishing a Research and Development division in the Virginia Biotechnology Research Park. Philip Morris will create 500 new jobs and invest \$266 million (amount of grant: \$3,000,000; use of grant: site development and infrastructure improvements). This project has been announced.
6. Mecklenburg County: **American Industrial Heat Transfer, Inc.** will locate a new facility in Mecklenburg County. American Industrial Heat Transfer is a manufacturer of heat exchanger equipment and products. Total investment is \$11 million, with 85 jobs being created (amount of grant: \$250,000; use of grant: site improvements and building construction). This project has been announced.
7. Russell County: **Northrop Grumman Information Technology, Inc.**, a provider of information technology solutions and engineering and business services, will locate a new facility in Russell County. This location will create 219 new jobs, and investment will total \$16.7 million (amount of grant: \$500,000; use of grant: site and building development). This project has been announced.
8. Shenandoah County: **Merillat Industries, LLC** will expand its facility in Shenandoah County. Merillat is a manufacturer of kitchen cabinets. This company will create 150 new jobs, and investment will total \$16 million (amount of grant: \$150,000; use of grant: extension of natural gas to the site and building construction). This project has been announced.

9. Rockbridge County: **Lees Commercial Carpet**, a manufacturer of carpet, will expand its existing facility in Rockbridge County. Lees will create 25 new jobs, and investment will total \$26.4 million (amount of grant: \$40,000; use of grant: workforce training not covered by other sources). This project has been announced.
10. City of Danville: **Unarco Industries, Inc.**, a manufacturer of shopping carts, will locate a new facility in the City of Danville. Unarco will create 194 jobs and invest \$5.5 million (amount of grant: \$300,000; use of grant: site improvements). This project has been announced.
11. Botetourt County: **Dynax America Corporation**, a manufacturer of pressure plates for automatic transmissions, will expand its Botetourt County facility. Dynax will create 52 new jobs and invest \$11.7 million (amount of grant: \$125,000; use of grant: site development and building construction). This project has been announced.
12. 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.
13. Franklin County: **McAirlaid's**, a manufacturer of non-woven absorbent 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.
14. 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.
15. 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.
16. 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.

17. 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.
18. 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.
19. 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.
20. 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.
21. Project Not Yet Announced.
22. Project Not Yet Announced.