



Virginia Economic Development Partnership
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February 3, 2006

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

As of December 31, 2005, a total of \$151,374,019 had been appropriated to the Fund. This amount excludes legislative mandates and monies which were unallotted after the original allocation. As of December 31, 2005, the cash balance was \$35,685,235, and the balance available for future commitments totaled \$12,781,721. Grants awarded since the inception of the fund total 339.

For the second quarter of the 2006 fiscal year, ended December 31, 2005, a total of \$5,600,000 was committed from the Opportunity Fund to assist 12 projects relocating to or expanding in the state. Total job creation of these projects was 2,670, while investment totaled \$499.2 million. Summaries on these projects follow:

1. City of Roanoke: **United Health Group**, a designer and administrator of healthcare benefits and services, will expand its facility in the City of Roanoke. United Health Group will create 250 new jobs and invest \$5 million (amount of grant: \$100,000; use of grant: building improvements). This project has been announced.
2. City of Lynchburg: **Framatome ANP, Inc.**, a manufacturer of nuclear plants and nuclear reactors, will expand its existing facility in the City of Lynchburg. With an investment totaling \$5 million, this expansion will create 130 new jobs (amount of grant: \$125,000; use of grant: site improvements). This project has been announced.
3. City of Petersburg: **StarTek** will locate a new call center in the City of Petersburg. Investment will total \$4.6 million, with 500 new jobs being created (amount of grant: \$225,000; use of grant: grant to the Petersburg Industrial Development Authority to assist with upfit of the building and reduction of the lease rate). This project has been announced.
4. Russell County: **CGI-AMS** will locate a new facility in Russell County. CGI-AMS is a provider of information technology and managed services and will create 300 jobs. Investment will total \$6 million (amount of grant: \$700,000; use of grant: building construction and workforce development). This project has been announced.
5. City of Staunton: **Specialty Blades**, a manufacturer of industrial and medical cutting blades, will expand its existing facility in the City of Staunton. Specialty Blades will create 25 new jobs and invest \$6 million (amount of grant: \$100,000; use of grant: grant to the Staunton Industrial Development Authority to assist with Specialty Blades' expansion). This project has been announced.
6. City of Manassas: **Micron Technology, Inc.** will expand its existing facility in the City of Manassas. Micron is a manufacturer of semiconductor memory products. Total investment is \$400 million, with 320 new jobs being created (amount of grant: \$2,000,000; use of grant: educational programs). This project has been announced.
7. Washington County: **Universal Fiber Systems, LLC**, a manufacturer of fibers and yarns, will expand its existing facility in Washington County. This location will create 82 new jobs, and investment will total \$8 million (amount of grant: \$200,000; use of grant: infrastructure improvements). This project has been announced.

8. City of Galax: **Turman Hardwood Flooring, Inc.** will expand its facility in the City of Galax. Turman is a manufacturer of hardwood flooring. This company will create 40 new jobs, and investment will total \$2.7 million (amount of grant: \$50,000; use of grant: site preparation and building improvements). This project has been announced.
9. City of Newport News: **Wolseley**, a distributor of building materials, heating, air conditioning, and plumbing products, will locate a new facility in the City of Newport News. Wolseley will create 420 jobs, and investment will total \$30 million (amount of grant: \$1,050,000; use of grant: grant to the Newport News Industrial Development Authority to assist with the Wolseley's location). This project has been announced.
10. City of Chesapeake: **American Funds Service Company**, a manager of mutual funds, will locate a new facility in the City of Chesapeake. American Funds will create 250 jobs and invest \$13.7 million (amount of grant: \$200,000; use of grant: site improvements and building construction). This project has been announced.
11. James City County: **Avid Medical, Inc.** a manufacturer of custom procedure trays for the medical industry, will expand its James City County facility. Avid will create 303 new jobs and invest \$7.9 million (amount of grant: \$700,000; use of grant: site acquisition, site development, building construction, utility extension, offsite water tower construction). **This project has not been announced.**
12. Campbell County: **Timken Corporation** will expand its existing facility in Campbell County. Timken is a manufacturer of bearings, alloy steels, and related products, and will create 50 new jobs. Investment will total \$10.3 million (amount of grant: \$150,000; use of grant: site improvements and building construction). 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.

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For the second quarter of the 2006 fiscal year, actual disbursements from the Fund were made to Tazewell County for Clinch River Forest Products; the City of Norfolk for Trader Electronic Media; Henry County for Texturing Services; James City County for Avid Medical; Arlington County for AES Corporation; Washington County for Mid-Mountain Foods; and Prince William County for Mediatech. Actual disbursements totaled \$2,957,500.

Sincerely,

A handwritten signature in cursive script that reads "Jeffrey M. Anderson". The signature is written in black ink and is positioned above a horizontal line.

Jeffrey M. Anderson
Executive Director

JMA:kme

Enclosures

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