



COMMONWEALTH of VIRGINIA

Office of the Governor

Timothy M. Kaine
Governor

February 8, 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 J. Parrish
Chairman
House Finance Committee
Virginia House of Delegates
General Assembly Building
910 Capitol Street, Room 947
Richmond, Virginia 23219

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 first half of the 2006 fiscal year as required by § 2.2-115(F) of the Code of Virginia.

For the first half of the 2006 fiscal year, ended December 31, 2005, a total of \$6,225,000 was committed from the Opportunity Fund to assist 15 projects relocating to or expanding in the state. Summaries on these projects follow:

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 been announced.
2. Project Not Yet 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 been announced.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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.

9. 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.
10. 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.
11. 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.
12. 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.
13. 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.
14. Project Not Yet Announced.
15. 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.

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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 half 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; Wythe County for Klockner Pentaplast; 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 \$4,282,500.

Sincerely,

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

Timothy M. Kaine

TMK:cbe
Enclosures

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

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