



Virginia Economic Development Partnership
P.O. Box 798 ■ 901 East Byrd Street
Richmond, Virginia 23218-0798
804-371-8100 www.YesVirginia.org

April 28, 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 third quarter of the 2006 fiscal year as required by **Chapter 951, Item 128.H**.

As of March 31, 2006, a total of \$151,571,010 had been appropriated to the Fund. This amount excludes legislative mandates and monies which were unallotted after the original allocation. As of March 31, 2006, the cash balance was \$27,536,212, and the balance available for future commitments totaled \$12,813,712. Grants awarded since the inception of the fund total 347.

For the third quarter of the 2006 fiscal year, ended March 31, 2006, a total of \$5,315,000 was committed from the Opportunity Fund to assist 11 projects relocating to or expanding in the state. Total job creation of these projects was 1,769, while investment totaled \$491.7 million. Summaries on these projects follow:

1. Wythe County: **Amtcor PET Packaging**, a manufacturer of plastic bottles for the beverage industry, will locate a new facility in Wythe County. Amtcor 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.

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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 manager 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.

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 third quarter 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; and Roanoke County for Integrity Windows. Actual disbursements totaled \$6,800,000.

Sincerely,



Jeffrey M. Anderson
Executive Director

JMA:kme

Enclosures

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