

July 2, 2007

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 2007 fiscal year as required by **Chapter 3, Item 119.G**.

As of June 30, 2007, a total of \$167,998,857 had been appropriated to the Fund. This amount excludes legislative mandates and monies which were unallotted after the original allocation. As of June 30, 2007, the cash balance was \$35,768,434, and the balance available for future commitments totaled \$20,035,934. However, when the GOF preapprovals made by the Secretary of Commerce and Trade are taken into account, the available balance is reduced to \$1,785,934. Grants awarded since the inception of the fund total 379.

For the fourth quarter of the 2007 fiscal year, ended June 30, 2007, a total of \$700,000 was committed from the Opportunity Fund to assist four projects relocating to or expanding in the state. Total job creation of these projects was 462, while investment totaled \$46.2 million. Summaries on these projects follow:

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1. Augusta County: **Hershey**, a manufacturer of chocolate and non-chocolate confectionery products, will expand its existing facility in Augusta County. Hershey will create 150 new jobs and invest \$25 million (amount of grant: \$200,000; use of grant: infrastructure improvements). This project has been announced.
2. Charlotte County: **Alderman Rail Car Services** will locate a new facility in Charlotte County. Alderman refurbishes and repairs railcars. With an investment totaling \$3.5 million, this location will create 110 new jobs (amount of grant: \$100,000; use of grant: site preparation). This project has been announced.
3. Smyth/Washington Counties: **Gates Corporation**, a manager of hoses, belts, and hydraulic systems, will locate a new facility in the Glade Highlands shell building, which is owned by the Smyth-Washington Industrial Facilities Authority. Investment will total \$8.7 million, with 172 new jobs being created (amount of grant: \$300,000; use of grant: building upfits). This project has been announced.
4. Smyth County: **American Wood Fibers** will expand its existing facility in Smyth County. American Wood Fibers is a producer of wood flour and wood by-products and will create 30 new jobs. Investment will total \$9 million (amount of grant: \$100,000; use of grant: site and infrastructure development). 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 fourth quarter of the 2007 fiscal year, actual disbursements from the Fund were made to Montgomery County for Federal Mogul; Orange County for Diversified Information Technologies; and the City of Danville for Nestle. Actual disbursements totaled \$475,000.

Sincerely,



Jeffrey M. Anderson
Executive Director

JMA:kme

Enclosures

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