



Virginia Economic Development Partnership
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January 16, 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 second quarter of the 2007 fiscal year as required by **Chapter 3, Item 119.G**.

As of December 31, 2006, a total of \$167,593,578 had been appropriated to the Fund. This amount excludes legislative mandates and monies which were unallotted after the original allocation. As of December 31, 2006, the cash balance was \$34,413,155, and the balance available for future commitments totaled \$19,655,655. However, when the GOF preapprovals made by the Secretary of Commerce and Trade are taken into account, the available balance is reduced to \$15,595,655. Grants awarded since the inception of the fund total 369.

For the second quarter of the 2007 fiscal year, ended December 31, 2006, a total of \$4,195,000 was committed from the Opportunity Fund to assist seven projects relocating to or expanding in the state. Total job creation of these projects was 1,175, while investment totaled \$455.6 million. Summaries on these projects follow:

1. Town of Saltville: **Virginia Cobia Farms LLC**, a producer of salt water species of fish, will locate a new facility in Smyth County. Virginia Cobia Farms will create 60 new jobs and invest \$31.3 million (amount of grant: \$100,000; use of grant: building improvements). This project has been announced.
2. City of Danville: **Corning Incorporated**, a manufacturer of polarized glass products and cold cathode fluorescent lighting tubes, will expand its existing facility in the City of Danville. With an investment totaling \$12 million, this location will create 50 new jobs (amount of grant: \$150,000; use of grant: real estate improvements). This project has been announced.
3. Project Not Yet Announced.
4. City of Danville: **Swedwood International** will locate a new manufacturing and distribution facility in the City of Danville. Swedwood is a manufacturer and distributor of furniture and will create 740 new jobs. Investment will total \$281.1 million (amount of grant: \$3,000,000; use of grant: site and building development). This project has been announced.
5. Scott County: **Holston Medical Group** will locate a new medical records data center in Scott County. Holston will create 40 new jobs and invest \$3 million (amount of grant: \$150,000; use of grant: infrastructure improvements). This project has been announced.
6. Botetourt County: **Smorgon Steel**, a producer of steel and steel products, will locate a new facility in Botetourt County. Smorgon will create 55 jobs and invest \$24.4 million (amount of grant: \$375,000; use of grant: site development and building improvements). This project has been announced.
7. York County: Philip Morris USA, Inc., a manufacturer of tobacco products, will locate a new facility in York County. This location will create 180 new jobs and an investment of \$97 million (amount of grant: \$320,000; use of grant: building and site improvements). 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 second quarter of the 2007 fiscal year, actual disbursements from the Fund were made to the City of Manassas for Tosoh Set; Franklin County for MW Manufacturers; the Town of Saltville for Virginia Cobia Farms; Arlington County for Corporate Executive Board; the City of Martinsville for Hooker Furniture; the City of Danville for Swedwood; Roanoke County for ITT Night Vision; and the Town of Saltville for Reline America. Actual disbursements totaled \$4,117,500.

Sincerely,

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

Jeffrey M. Anderson
Executive Director

JMA:kme

Enclosures

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