



COMMONWEALTH of VIRGINIA

Office of the Governor

Patrick O. Gottschalk
Secretary of Commerce and Trade

January 22, 2007

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 Vincent F. Callahan, Jr.
Chairman, House Appropriations Committee
House of Delegates
General Assembly Building
910 Capitol Street, Room 947
Richmond, Virginia 23219

The Honorable Harry R. Purkey
Chairman, House Finance Committee
House of Delegates
General Assembly Building
910 Capitol Street, Room 415
Richmond, Virginia 23219

Dear Messrs. Chairmen:

I am writing to report on the grants that have been awarded during the fourth quarter of the 2006 calendar year as required by § 2.2-5103(D) of the Code of Virginia.

For the fourth quarter, ending December 31, 2006, there were two Tier One grants awarded. In the Tier Two category (over \$100 million in capital investment and at least 1,000 new employees or corporate headquarters and other basic employers that make a capital investment of at least \$100 million and create at least 400 jobs paying at least twice the prevailing average wage for the area), there were no grants awarded.

Tier One:

1. **Swedwood International**, a manufacturer and distributor of furniture, will locate a new facility in the City of Danville. Awarded a \$1,000,000 grant, the company will be making a \$281.1 million investment and creating 740 jobs by the end of 2016.

The Honorable John H. Chichester
The Honorable Harry R. Purkey
The Honorable Vincent F. Callahan, Jr.
January 22, 2007
Page Two

2. **Merck**, a manufacturer of pharmaceutical products, will expand its existing facility in Rockingham County. Awarded a \$700,000 grant, the company will be making a \$57.2 million investment and saving 20 jobs by the end of 2008.

Tier Two:

No Tier Two grants were awarded.

For the fourth quarter of the 2006 calendar year, a Tier One disbursement from the Fund was made to Rowe Furniture. Payouts of Tier Two grants will begin in the sixth year following approval of the grant application, except that in fiscally stressed areas, payouts can begin in the fourth year after the capital investment is completed and verified.

Sincerely,

Patrick O. Gottschalk

POG:kme

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