

January 29, 2008

The Honorable Charles J. Colgan
Chairman
Senate Finance Committee
Senate of Virginia
Post Office Box 396
Richmond, Virginia 23218

The Honorable Harry R. Purkey
Chairman
House Finance Committee
House of Delegates
Post Office Box 406
Richmond, Virginia 23218

The Honorable Lacey E. Putney
Chairman
House Appropriations Committee
House of Delegates
Post Office Box 406
Richmond, Virginia 23218

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 2008 fiscal year as required by Chapter 847, Item 119.G.

As of December 31, 2007, a total of \$169,170,174 had been appropriated to the Fund. This amount excludes legislative mandates and monies which were unallotted after the original allocation. As of December 31, 2007, the cash balance was \$29,169,751, and the balance available for future commitments totaled \$10,617,251. However, when the GOF preapprovals made by the Secretary of Commerce and Trade are taken into account, the available balance is reduced to \$1,942,251. Grants awarded since the inception of the fund total 390.

For the second quarter of the 2008 fiscal year, ended December 31, 2007, a total of \$7,825,000 was committed from the Opportunity Fund to assist seven projects relocating to or expanding in the state. Total job creation of these projects was 705, while investment totaled \$344 million. Summaries on these projects follow:

1. Arlington County: **GridPoint, Inc.** will locate its corporate headquarters in Arlington County. GridPoint is a provider of intelligent energy management appliances and will create 246 jobs and invest \$5 million (amount of grant: \$500,000; use of grant: building improvements). This project has been announced.
2. Bedford County: **Innovative Wireless Technologies, Inc.**, a supplier of wireless and telecommunications products, will expand its existing facility in Bedford County. With an investment totaling \$5.7 million, this expansion will create 50 new jobs (amount of grant: \$150,000; use of grant: site improvements). This project has been announced.
3. Prince William County: **Covance**, a pharmaceutical research and development laboratory, will expand its facility in Prince William County. Investment will total \$175 million, with 100 new jobs being created and retaining the existing 450 jobs for Virginia (amount of grant: \$1,000,000; use of grant: grant to the Prince William County Industrial Development Authority to assist with Covance's location). This project has been announced.
4. Prince George County: **Rolls-Royce North America** will locate an assembly and test facility for corporate and commercial aerospace engines in Prince George County. Rolls-Royce will create 100 jobs, and investment will total \$90 million (amount of grant: \$3,000,000; use of grant: site and infrastructure improvements). Please see the note in Item 5 below. This project has been announced.
5. Prince George County: **Rolls-Royce North America** will locate an aerospace advanced manufacturing facility in Prince George County. The company will create 70 new jobs and invest \$60 million (amount of grant: \$3,000,000; use of grant: site and infrastructure improvements). NOTE: Beyond the time period covered by the Performance Agreement for the two Governor's Opportunity Fund grants for Rolls-Royce, the company has announced further capital improvements of \$351.4 million and further jobs in Virginia of 472, resulting in a total capital investment of \$501.4 million and total jobs of 642. This project has been announced.
6. Nottoway County: **Showbest Fixture Corporation**, a manufacturer of store fixtures, will expand its existing facility in Nottoway County. Showbest will invest \$2.85 million and create 104 new jobs (amount of grant: \$100,000; use of grant: building improvements). This project has been announced.
7. Lunenburg County: **Lignetics, Inc.**, a manufacturer of wood pellets for fuel, will locate a new facility in Lunenburg County. Lignetics will invest \$5.35 million and create 35 new jobs (amount of grant: \$75,000; use of grant: 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 2008 fiscal year, actual disbursements from the Fund were made to the City of Bedford for Matrixx; the City of Richmond for MeadWestvaco; Arlington County for the Bureau of National Affairs; and Rockbridge County for Lees Commercial Carpet. Actual disbursements totaled \$3,215,000.

Sincerely,

A handwritten signature in cursive script that reads "Jeffrey M. Anderson".

Jeffrey M. Anderson
Executive Director

JMA:kme

Enclosures

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