

January 26, 2009

The Honorable Charles J. Colgan
Chairman
Senate Finance Committee
Senate of Virginia
General Assembly Building, Room 626
Richmond, Virginia 23219

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

The Honorable Lacey E. Putney
Chairman
House Appropriations Committee
House of Delegates
General Assembly Building, Room 947
Richmond, Virginia 23219

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 2009 fiscal year as required by Chapter 879, Item 124.G.

As of December 31, 2008, a total of \$178,914,418 had been appropriated to the Fund. This amount excludes legislative mandates and monies which were unallotted after the original allocation. As of December 31, 2008, the cash balance was \$27,755,738, and the balance available for future commitments totaled \$10,253,238. However, when the GOF preapprovals made by the Secretary of Commerce and Trade are taken into account, the available balance is reduced to \$118,238. Grants awarded since the inception of the fund total 406.

For the second quarter of the 2009 fiscal year, ended December 31, 2008, a total of \$8,100,000 was committed from the Opportunity Fund to assist six projects relocating to or expanding in the state. Total job creation of these projects was 1,780, while investment totaled \$822 million. Summaries on these projects follow:

1. Chesterfield County: **Sabra Dipping Company, LLC** will locate a new facility in Chesterfield County. Sabra is a manufacturer of kosher vegetarian products and will create 260 new jobs. Investment will total \$59.3 million (amount of grant: \$350,000; use of grant: employee training and site preparation). This project has been announced.
2. King George County: **Harris Teeter Properties, LLC** will locate a new warehouse and distribution facility in King George County. With an investment totaling \$101 million, this location will create 335 new jobs (amount of grant: \$200,000; use of grant: site preparation). This project has been announced.
3. City of Newport News: **AREVA Newport News LLC**, a joint venture between AREVA NP and Northrop Grumman Shipbuilding, will locate a new facility in the City of Newport News. The company will manufacture pressure vessels and associated components for new nuclear energy facilities. Investment will total \$363.5 million, with 540 new jobs being created (amount of grant: \$3,000,000; use of grant: employee training and site development). This project has been announced.
4. Project Not Yet Announced.
5. City of Newport News: **Continental AG**, a supplier of automotive components, will expand its existing facility in the City of Newport News. This location will create 250 new jobs and invest \$159 million. A second phase creating an additional 68 jobs and \$35 million is also planned (amount of grant: \$3,000,000; use of grant: employee training). This project has been announced.
6. Grayson County: **Nautilus Inc.**, a manufacturer of branded health and fitness products, will expand its existing facility in Grayson County. With an investment totaling \$1.7 million, this expansion will create 60 new jobs (amount of grant: \$50,000; use of grant: employee training). 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.

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For the second quarter of the 2009 fiscal year, actual disbursements from the Fund were made to Mecklenburg County for Electronic Data Systems; the City of Lynchburg for AREVA; Greenville County for Quality Culvert; Louisa County for C3RS; Giles County for Jennmar; and Botetourt County for Smorgon Steel. Actual disbursements totaled \$3,140,000.

Sincerely,

A handwritten signature in black ink that reads "Jeffrey M. Anderson". The signature is written in a cursive style with a long horizontal line extending to the right.

Jeffrey M. Anderson
Executive Director

JMA:kme

Enclosures

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