



COMMONWEALTH of VIRGINIA

Office of the Governor

Robert F. McDonnell
Governor

February 5, 2013

The Honorable Walter A. Stosch
Chairman
Senate Finance Committee
Senate of Virginia
General Assembly Building, Room 626
Capitol Square
Richmond, Virginia 23219

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

The Honorable Lacey E. Putney
Chairman
House Appropriations Committee
House of Delegates
General Assembly Building, Room 947
Capitol Square
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 first half of the 2013 fiscal year as required by § 2.2-115(G) of the Code of Virginia.

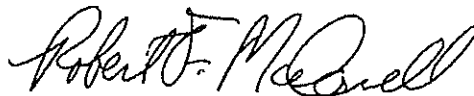
For the first half of the 2013 fiscal year, ended December 31, 2012, a total of \$3,375,000 was committed from the Opportunity Fund to assist 11 projects relocating to or expanding in the state. A summary for each of these projects is enclosed. For the projects which have been announced, I am enclosing a profile, an analysis and recommendation by the Virginia Economic Development Partnership, and a scoring sheet.

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For the first half of the 2013 fiscal year, actual disbursements from the Fund were made to Henrico County for General Electric, Alleghany County for Balchem, Chesterfield County for Sabra, Chesterfield County for Capital One, Henry County for Commonwealth Laminating, Clarke County for Berryville Graphics, Arlington County for DRS, Southampton County for Enviva, Hanover County for Vitamin Shoppe, Washington County for Big R Bridge, Halifax County for ABB, the City of Staunton for Carded Graphics, Augusta County for McKee Foods, the City of Danville for Noblis, Culpeper County for Euro-Composites, King and Queen County for Fulcrum Concepts, and Fairfax County for Intelsat. Actual disbursements totaled \$5,425,000.

As you can see, funds maintained in the opportunity fund are very important in the Commonwealth's efforts to attract and grow business. Without such funding many businesses go to other states with similar laws that can offer such incentives. It is for those reasons that I ask you to not reduce monies currently appropriated to the Governor's Opportunity Fund.

Sincerely,



Robert F. McDonnell

RFM:kme

Enclosures

cc: The Honorable James S. Cheng
Secretary of Commerce and Trade

Mr. Martin J. Briley
President and CEO, Virginia Economic Development Partnership

PROJECT SUMMARIES

1. Frederick County: **Navy Federal Credit Union**, a provider of financial services, will expand its existing facility in Frederick County. Navy Federal will create 400 new jobs and invest \$20 million (amount of grant: \$250,000; use of grant: building improvements and workforce training; other grants awarded: Virginia Jobs Investment Program grant of \$200,000; local match: \$250,000; anticipated completion date: July 2015; average wage of new jobs: \$40,000; prevailing average wage: \$38,533). This project has been announced.
2. Augusta County: **McKee Foods** will expand its existing facility in Augusta County. McKee is a manufacturer of snack foods. This expansion will create 78 new jobs and an investment of \$19 million (amount of grant: \$200,000; use of grant: building improvements; other grants awarded: Virginia Jobs Investment Program grant of \$66,300; local match: \$316,300; anticipated completion date: October 2015; average wage of new jobs: \$38,040; prevailing average wage: \$37,941). This project has been announced.
3. Washington County: **Big R Bridge**, a manufacturer of prefabricated bridges, will locate a new facility in Washington County. Big R Bridge will create 32 jobs and invest \$1.9 million (amount of grant: \$50,000; use of grant: site acquisition and improvements; other grants awarded: Virginia Jobs Investment Program grant of \$25,600, Tobacco Region Opportunity Fund grant of \$125,000; local match: \$58,000; anticipated completion date: June 2016; average wage of new jobs: \$44,356; prevailing average wage: \$36,432). This project has been announced.
4. Isle of Wight County: **Tak Investments, Inc.**, a manufacturer of recycled tissue, will locate a new facility in Isle of Wight County. Tak will create 85 new jobs and invest \$60 million (amount of grant: \$200,000; use of grant: building improvements, utility infrastructure, and training; other grants awarded: Virginia Jobs Investment Program grant of \$85,000, Enterprise Zone Job Creation grant of \$324,000, Enterprise Zone Real Property Improvement grant of \$200,000; local match: \$200,000; anticipated completion date: October 2015; average wage of new jobs: \$42,000; prevailing average wage: \$38,875). This project has been announced.
5. Hanover County: **Vitamin Shoppe** will locate a new facility in Hanover County. Vitamin Shoppe, a retailer and marketer of nutritional products, will create 174 new jobs and invest \$32.1 million (amount of grant: \$200,000; use of grant: sewer line extension; other grants awarded: Virginia Jobs Investment Program grant of \$121,800; local match: \$424,240; anticipated completion date: December 2015; average wage of new jobs: \$29,786 [92 of the 174 new jobs will pay in excess of the prevailing wage]; prevailing average wage: \$37,354). This project has been announced.

6. Henry County: **Commonwealth Laminating and Coating, Inc.**, a manufacturer of photovoltaic back and front sheets, solar window film, and high performance coatings, will expand its existing facility in Henry County. Commonwealth Laminating will invest \$5.5 million in this facility and create 60 jobs (amount of grant: \$175,000; use of grant: building improvements; other grants awarded: Virginia Jobs Investment Program grant of \$42,000, Tobacco Region Opportunity Fund grant of \$325,000, Enterprise Zone Job Creation grant of \$176,000, Enterprise Zone Real Property Improvement grant of \$100,000; local match: \$1,133,480; anticipated completion date: December 2014; average wage of new jobs: \$40,000; prevailing average wage: \$30,800). This project has been announced.
7. City of Staunton: **Carded Graphics LLC** will expand its existing facility in the City of Staunton. A manufacturer of folding cartons and packaging, Carded Graphics will create 34 new jobs and invest \$7 million (amount of grant: \$100,000; use of grant: building improvements; other grants awarded: Virginia Jobs Investment Program grant of \$23,800, Enterprise Zone Job Creation grant of \$92,800, Enterprise Zone Real Property Improvement grant of \$60,000; local match: \$100,000; anticipated completion date: October 2015; average wage of new jobs: \$33,970; prevailing average wage: \$29,694). This project has been announced.
8. Frederick County: **McKesson Corporation**, a pharmaceutical distributor, will locate a new facility in Frederick County. McKesson will create 205 jobs and invest \$36.9 million (amount of grant: \$150,000; use of grant: building construction and improvements; other grants awarded: Virginia Jobs Investment Program grant of \$143,500; local match: \$150,000; anticipated completion date: September 2015; average wage of new jobs: \$38,874; prevailing average wage: \$38,692). This project has been announced.
9. Giles County: **Celanese**, a manufacturer of cellulose acetate products used in filtering and other industrial applications, will expand its existing facility in Giles County. Celanese will create 22 new jobs and invest \$145 million (amount of grant: \$500,000; use of grant: extension of natural gas line and site improvements; other grants awarded: Virginia Investment Partnership grant of \$1,500,000, Economic Development Access Program grant of \$650,000; local match: \$2,650,000; anticipated completion date: December 2015; average wage of new jobs: \$100,000; prevailing average wage: \$36,288). This project has been announced.
10. Fairfax County: **Intelsat**, a provider of satellite services, will locate its U.S. headquarters in Fairfax County. This location will create 432 new jobs and an investment of \$24.8 million (amount of grant: \$1,300,000; use of grant: building construction, job grant, internships; other grants awarded: Virginia Jobs Investment Program grant of \$50,000, Virginia Jobs Investment Program Retraining grant of \$25,000, Virginia Community College System Non-Credit Courses grant of \$75,000; local match: \$11,000,000; anticipated completion date: December 2017; average wage of new jobs: \$138,688; prevailing average wage: \$77,265). This project has been announced.

11. Pulaski County: **Phoenix Packaging** will expand its existing facility in Pulaski County. Phoenix Packaging is a manufacturer of plastics packaging products. This expansion will create 100 jobs and an investment of \$20 million (amount of grant: \$250,000; use of grant: building improvements; other grants awarded: Virginia Jobs Investment Program grant of \$80,000, Enterprise Zone Job Creation grant of \$230,400, Enterprise Zone Real Property Improvement grant of \$100,000; local match: \$300,000; anticipated completion date: July 2015; average wage of new jobs: \$31,096 [lower than prevailing average wage, but exceeds the required 85% of the prevailing average wage due to Pulaski being a distressed community based on its unemployment and poverty rates]; prevailing average wage: \$35,162). This project has been announced.