

October 29, 2014

The Honorable Walter A. Stosch
Co-Chairman
Senate Finance Committee
Senate of Virginia
4551 Cox Road, Suite 110
Innsbrook Centre
Glen Allen, Virginia 23060

The Honorable Charles J. Colgan
Co-Chairman
Senate Finance Committee
Senate of Virginia
10660 Aviation Lane
Manassas, Virginia 20110

The Honorable R. Lee Ware
Chairman
House Finance Committee
House of Delegates
P.O. Box 689
Powhatan, Virginia 23139

The Honorable S. Chris Jones
Chairman
House Appropriations Committee
House of Delegates
P.O. Box 5059
Suffolk, Virginia 23435

Dear Messrs. Chairmen:

I am writing to provide documentation of the transactions of the Governor's Opportunity Fund which have occurred during the first quarter of the 2015 fiscal year as required by Chapter 2, Item 120.G.

As of September 30, 2014, a total of \$234,572,789 had been appropriated to the Fund. As of September 30, 2014, the CARS cash balance was \$28,888,527, and the balance available for future commitments totaled \$12,674,927. However, when the GOF preapprovals of \$31,640,000 made by the Secretary of Commerce and Trade are taken into account, the available balance is reduced to (\$18,965,073). Observing the rule that 40% of preapprovals, or \$12,656,000, will not move forward, the available balance becomes (\$6,309,073). Active grants awarded since the inception of the Fund total 519.

For the first quarter of the 2015 fiscal year, ended September 30, 2014, a total of \$5,650,000 was committed from the Opportunity Fund to assist nine projects relocating to or expanding in the state. Total job creation of these projects was 2,227, while investment totaled \$355 million. Summaries on these projects follow:

1. City of Hampton: **Liberty Source**, a provider of accounting services, will expand in the City of Hampton. Liberty Source will create 596 new jobs and invest \$1.6 million (amount of grant: \$300,000; use of grant: workforce training). This project has been announced.
2. Town of Pulaski: **James Hardie Building Products Inc.**, a manufacturer of fiber-cement building products, will expand its existing facility in the Town of Pulaski. This expansion will create 69 new jobs and an investment of \$25 million (amount of grant: \$250,000; use of grant: construction costs and workforce training). This project has been announced.
3. Grayson County: **Core Health & Fitness** will expand its existing facility in Grayson County. Core Health is a manufacturer of health and fitness equipment. This project will create 250 new jobs and an investment of \$2 million (amount of grant: \$350,000; use of grant: building improvements and workforce training). This project has been announced.
4. Not Yet Announced.
5. City of Newport News: **Continental Automotive Systems, Inc.** is a manufacturer of automotive components. With an investment of \$152 million and 525 new jobs, Continental will expand its existing facility in the City of Newport News (amount of grant: \$2,000,000; use of grant: workforce training and building improvements). This project has been announced.
6. City of Suffolk: **Friant and Associates, Inc.**, a manufacturer of custom office furniture, will locate a new facility in the City of Suffolk. Friant will create 166 new jobs and invest \$17.4 million (amount of grant: \$200,000; use of grant: site improvements). This project has been announced.
7. Not Yet Announced.

Committee Chair
October 29, 2014
Page Three

8. Russell County: **Appalachian Biofuels, LLC**, a manufacturer of biodiesel fuel, will locate a new facility in Russell County. This location will create 40 jobs and an investment of \$3.5 million (amount of grant: \$200,000; use of grant: site development and workforce training). This project has been announced.
9. Not Yet 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.

For the first quarter of the 2015 fiscal year, actual disbursements from the Fund were made to Pulaski County for Alexander Industries, Henrico County for Fareva, Grayson County for Hansen Turbine, Charlotte County for Corsi, Grayson County for Core Health & Fitness, Chesterfield County for Evonik Goldschmidt, Smyth County for Mayville Engineering, and Franklin County for Trinity Packaging. Actual disbursements totaled \$2,165,000.

Sincerely,



Martin J. Briley
President and Chief Executive Officer

MJB:kme

Enclosures

cc The Honorable Maurice A. Jones
Secretary of Commerce and Trade