

October 21, 2015

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

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

The Honorable Charles J. Colgan
Co-Chairman
Senate Finance Committee
Senate of Virginia
10677 Aviation Lane
Manassas, Virginia 20110

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 Commonwealth's Opportunity Fund (COF) which have occurred during the first quarter of the 2016 fiscal year as required by Chapter 665, Item 120.G.

As of September 30, 2015, a total of \$265,038,789 had been appropriated to the Fund. As of September 30, 2015, the CARS cash balance was \$27,811,677, and the balance available for future commitments totaled \$23,458,077. However, when the COF preapprovals of \$48,810,000 made by the Secretary of Commerce and Trade are taken into account, the available balance is reduced to (\$25,351,923). Observing the rule that 40% of preapprovals, or \$19,524,000, will not move forward, the available balance becomes (\$5,827,923). Active grants awarded since the inception of the Fund total 552.

For the first quarter of the 2016 fiscal year, ended September 30, 2015, a total of \$5,310,000 was committed from the Opportunity Fund to assist 11 projects relocating to or expanding in the state. Total job creation of these projects was 1,123, while investment totaled \$91.2 million. The combined ten-year net present value of these 11 projects is \$68,727,985. Summaries on these projects follow:

1. Goochland County: **Hardywood Park Craft Brewery** will expand its brewery operation in Goochland County. The company will create 56 new jobs and invest \$28.25 million (amount of grant: \$500,000; use of grant: site improvements; ten-year net present value: \$4,657,921). This project has been announced.
2. Not Yet Announced.
3. Fairfax County: **Ernst & Young, LLP**, a provider of professional services, will expand its existing facility in Fairfax County. This project will create 462 new jobs and an investment of \$12.7 million (amount of grant: \$1,300,000; use of grant: building improvements; ten-year net present value: \$28,617,132). This project has been announced.
4. City of Hampton: **TE Connectivity Ltd.**, a manufacturer of technology components, will expand its existing facility in the City of Hampton. This expansion will create 66 new jobs and an investment of \$9 million (amount of grant: \$200,000; use of grant: workforce training; ten-year net present value: \$2,076,203). This project has been announced.
5. Not Yet Announced.
6. Washington County: **Chris Renee Cosmetics, LLC** will expand its operations in Washington County. The company is a producer of natural beauty products and will create 37 new jobs and invest \$2 million (amount of grant: \$115,000; use of grant: infrastructure and building development; ten-year net present value: \$1,333,776). This project has been announced.
7. Not Yet Announced.
8. Not Yet Announced.
9. Tazewell County: **Blue Wolf Sales & Service, Inc.** will expand its existing facility in Tazewell County. The company is a manufacturer of cleaners and will create 15 new jobs and invest \$1.6 million (amount of grant: \$45,000; use of grant: building and infrastructure improvements and workforce training; ten-year net present value: \$414,276). This project has been announced.

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10. Wythe County: **Schaffner-MTC Transformers**, a manufacturer of electrical transformers, will expand its existing facility in Wythe County. Schaffner will create 79 new jobs and invest \$3.1 million (amount of grant: \$175,000; use of grant: infrastructure improvements and workforce training; ten-year net present value: \$982,061). This project has been announced.
11. 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 2016 fiscal year, actual disbursements from the Fund were made to Russell County for 3B Consulting, Henry County for Monogram Foods, Orange County for Aerojet, Spotsylvania County for LIDL, and Tazewell County for Tadano Mantis. Actual disbursements totaled \$1,650,000.

Sincerely,



Martin J. Briley
President and Chief Executive Officer

MJB:kme

Enclosures

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