

August 5, 2016

The Honorable Thomas K. Norment, Jr.
Co-Chairman
Senate Finance Committee
Senate of Virginia
P.O. Box 6205
Williamsburg, Virginia 23188

The Honorable Emmett W. Hanger, Jr.
Co-Chairman
Senate Finance Committee
Senate of Virginia
P.O. Box 2
Mount Solon, Virginia 22843

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

As of June 30, 2016, a total of \$266,226,990 had been appropriated to the Fund. As of June 30, 2016, the CARS cash balance was \$24,946,098, and the balance available for future commitments totaled \$6,994,340. However, when the COF preapprovals of \$27,840,000 made by the Secretary of Commerce and Trade are taken into account, the available balance is reduced to (\$20,845,660). Observing the rule that 40% of preapprovals, or \$11,136,000, will not move forward, the available balance becomes (\$9,709,660). Active grants awarded since the inception of the Fund total 569.

For the fourth quarter of the 2016 fiscal year, ended June 30, 2016, a total of \$4,200,000 was committed from the Opportunity Fund to assist five projects relocating to or expanding in the state. Total job creation of these projects was 933, while investment totaled \$86.2 million. The combined ten-year net present value of these five projects is \$105,312,001. Summaries on these projects follow:

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1. Arlington County: **Grant Thornton LLP**, a provider of business services, will expand its existing facility in Arlington County. Grant Thornton will create 348 new jobs and invest \$15.7 million (amount of grant: \$1,000,000; use of grant: building improvements; ten-year net present value: \$16,853,914). This project has been announced.
2. Botetourt County: **Ballast Point Brewing (Home Brew Mart)** will locate its new East Coast brewing operation in Botetourt County. This location will create 178 new jobs and an investment of \$47.8 million (amount of grant: \$2,400,000; use of grant: site and building improvements; ten-year net present value: \$80,227,407). This project has been announced.
3. City of Virginia Beach: **Sanjo**, a manufacturer of fineblanking, will locate a new facility in the City of Virginia Beach. This project will create 85 new jobs and an investment of \$17.5 million (amount of grant: \$250,000; use of grant: site preparation and workforce training; ten-year net present value: \$1,825,051). This project has been announced.
4. City of Lynchburg: **Pacific Life** will expand its life insurance call center in the City of Lynchburg. This expansion will create 300 new jobs and an investment of \$3.7 million (amount of grant: \$500,000; use of grant: building improvements; ten-year net present value: \$6,062,270). This project has been announced.
5. Henry County: **Solid Stone Fabrics**, a manufacturer and distributor of textiles, will expand its existing facility in Henry County. Solid Stone will create 22 new jobs and invest \$1.5 million (amount of grant: \$50,000; use of grant: building improvements and workforce training; ten-year net present value: \$343,359). 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 fourth quarter of the 2016 fiscal year, actual disbursements from the Fund were made to the City of Norfolk for ADP, the City of Norfolk for Colonna's Shipyard, Culpeper County for Continental Automotive Systems, Culpeper County for Euro-Composites, Fairfax County for Ernst & Young, Caroline County for Harris Teeter, Wythe County for Schaffner-MTC Transformers, the City of Norfolk for Norfolk Southern, Augusta County for AccuTec Blades, Orange County for Lohmann, Franklin County for PlyGem Windows, and the City of Roanoke for Deschutes Brewery. Actual disbursements totaled \$13,711,842.

Sincerely,

A handwritten signature in blue ink, appearing to read "Daniel C. Gundersen", with a horizontal line extending to the right.

Daniel C. Gundersen
Interim President and Chief Executive Officer
and Chief Operating Officer

DCG:kme

Enclosures

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