

February 4, 2016

The Honorable Thomas K. Norment, Jr.
Co-Chairman
Senate Finance Committee
Senate of Virginia
General Assembly Building, Room 626
Richmond, Virginia 23219

The Honorable Emmett W. Hanger, Jr.
Co-Chairman
Senate Finance Committee
Senate of Virginia
General Assembly Building, Room 326
Richmond, Virginia 23219

The Honorable R. Lee Ware
Chairman
House Finance Committee
House of Delegates
General Assembly Building, Room 421
Richmond, Virginia 23219

The Honorable S. Chris Jones
Chairman
House Appropriations Committee
House of Delegates
General Assembly Building, Room 948
Richmond, Virginia 23219

Dear Messrs. Chairmen:

I am writing to provide documentation of the transactions of the Commonwealth's Opportunity Fund (COF) which have occurred during the second quarter of the 2016 fiscal year as required by Chapter 665, Item 120.G.

As of December 31, 2015, a total of \$265,038,789 had been appropriated to the Fund. As of December 31, 2015, the CARS cash balance was \$28,981,677, and the balance available for future commitments totaled \$21,718,077. However, when the COF preapprovals of \$50,220,000 made by the Secretary of Commerce and Trade are taken into account, the available balance is reduced to (\$28,501,923). Observing the rule that 40% of preapprovals, or \$19,998,000, will not move forward, the available balance becomes (\$8,503,923). Active grants awarded since the inception of the Fund total 560.

For the second quarter of the 2016 fiscal year, ended December 31, 2015, a total of \$1,990,000 was committed from the Opportunity Fund to assist eight projects relocating to or expanding in the state. Total job creation of these projects was 959, while investment totaled \$579.3 million. The combined ten-year net present value of these eight projects is \$31,757,493. Summaries on these projects follow:

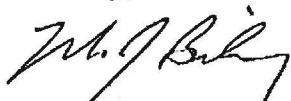
1. Appomattox County: **Xpress Natural Gas (XNG)**, a distributor of natural gas, will locate a new facility in Appomattox County. XNG will create 50 new jobs and invest \$7.8 million (amount of grant: \$100,000; use of grant: building and site improvements; ten-year net present value: \$474,403). This project has been announced.
2. Scott County: **Teletech**, a global provider of onshore, offshore, and work-from-home business process outsourcing services, will locate a new call center in Scott County. This location will create 300 new jobs and an investment of \$4.1 million (amount of grant: \$75,000; use of grant: site and building preparation; ten-year net present value: \$1,825,446). This project has been announced.
3. Not Yet Announced.
4. Accomack County: **KmX Chemical Corporation**, a manufacturer of chemicals, will expand its existing facility in Accomack County. This expansion will create 16 new jobs and an investment of \$2 million (amount of grant: \$40,000; use of grant: workforce training; ten-year net present value: \$321,993). This project has been announced.
5. Mecklenburg County: **Microsoft** will expand its existing data center operations in Mecklenburg County. The company will create 42 new jobs and invest \$402.4 million (amount of grant: \$700,000; use of grant: site preparation and utility improvements; ten-year net present value: \$8,638,000). This project has been announced.
6. Not Yet Announced.
7. City of Norfolk: **Colonna's Shipyard, Inc.** will expand its shipyard in the City of Norfolk. This project will create 51 new jobs and invest \$34.3 million (amount of grant: \$200,000; use of grant: infrastructure improvements; ten-year net present value: \$2,132,475). This project has been announced.
8. Caroline County: **Harris Teeter, LLC** will locate a new distribution center in Caroline County. The company will create 400 new jobs and invest \$115.3 million (amount of grant: \$650,000; use of grant: site preparation; ten-year net present value: \$11,644,051). 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 2016 fiscal year, actual disbursements from the Fund were made to Carroll County for CWW Conveyor Systems, Montgomery County for Hubbell Lighting, Greenville County for 510nano, Shenandoah County for Andros, the City of Harrisonburg for Axon Ghost Sentinel, Washington County for Qore Systems, Washington County for Chris Renee Cosmetics, Fairfax County for Navy Federal Credit Union, Wise County for NorrisBuilt Fabrication, Botetourt County for Dynax, and Mecklenburg County for Microsoft. Actual disbursements totaled \$3,455,000.

Sincerely,



Martin J. Briley
President and Chief Executive Officer

MJB:kme

Enclosures

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