

January 31, 2017

The Honorable Thomas K. Norment, Jr.
Co-Chairman
Senate Finance Committee
Senate of Virginia
General Assembly Building, Room 626
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 Emmett W. Hanger, Jr.
Co-Chairman
Senate Finance Committee
Senate of Virginia
General Assembly Building, Room 326
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 2017 fiscal year as required by Chapter 780, Item 125.G.

As of December 31, 2016, a total of \$283,576,990 had been appropriated to the Fund. As of December 31, 2016, the Cardinal Financial System cash balance was \$28,310,124, and the balance available for future commitments totaled \$11,381,524. However, when the COF preapprovals of \$25,624,650 made by the Secretary of Commerce and Trade are taken into account, the available balance is reduced to (\$14,243,126). Observing the rule that 40% of preapprovals, or \$10,249,860, will not move forward, the available balance becomes (\$3,993,266). Active grants awarded since the inception of the Fund total 580.

For the second quarter of the 2017 fiscal year, ended December 31, 2016, a total of \$7,140,000 was committed from the Opportunity Fund to assist eight projects relocating to or expanding in the state. Total job creation of these projects was 1,160, while investment totaled \$380.9 million. The combined ten-year net present value of these eight projects is \$51,726,394. Summaries on these projects follow:

1. Fauquier County: **OVH**, a web hosting provider, will locate a new facility in Fauquier County. This project will create 54 new jobs and an investment of \$47.5 million (amount of grant: \$1,250,000; use of grant: infrastructure improvements; ten-year net present value: \$3,346,491). This project has been announced.
2. Henrico County: **Dominion Packaging, Inc.**, a supplier of containers and packaging, will expand its existing facility in Henrico County. This expansion will create 60 new jobs and an investment of \$25.1 million (amount of grant: \$150,000; use of grant: building and utility infrastructure improvements; ten-year net present value: \$2,602,768). This project has been announced.
3. Not Yet Announced.
4. City of Richmond: **CoStar Group**, a provider of commercial real estate data, will locate a new facility in the City of Richmond. CoStar will create 732 new jobs and invest \$8.2 million (amount of grant: \$4,000,000; use of grant: workforce training; ten-year net present value: \$20,532,345). This project has been announced.
5. Mecklenburg County: **Microsoft** will expand its existing data center facility in Mecklenburg County. This expansion will create 44 new jobs and an investment of \$251.6 million (amount of grant: \$500,000; use of grant: site preparation and utility improvements; ten-year net present value: \$9,974,457). This project has been announced.
6. Frederick County: **American Woodmark Corporation**, a manufacturer of cabinets, will consolidate its headquarters operations in Frederick County. The company will create 55 new jobs and an investment of \$30 million (amount of grant: \$550,000; use of grant: building construction; ten-year net present value: \$1,980,559). This project has been announced.
7. Not Yet Announced.

Committee Chair
January 31, 2017
Page Three

8. Henry County: **Novatech**, a manufacturer of windows and doors, will locate a new facility in Henry County. This location will create 50 new jobs and invest \$3.2 million (amount of grant: \$100,000; use of grant: building improvements; ten-year net present value: \$506,244). 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.

For the second quarter of the 2017 fiscal year, actual disbursements from the Fund were made to the City of Suffolk for Emser Tile, Scott County for TeleTech, Arlington County for Applied Predictive Technologies, the City of Danville for Kyocera SGS Tech Hub, Chesterfield County for Niagara Bottling, the City of Lynchburg for Pacific Life, Isle of Wight County for ST Tissue, and Arlington County for Basket Savings. Actual disbursements totaled \$3,567,500.

Sincerely,



Stephen Moret
President and Chief Executive Officer

SM:kme

Enclosures

cc The Honorable Todd P. Haymore
Secretary of Commerce and Trade