

January 29, 2018

The Honorable Thomas K. Norment, Jr.
Co-Chairman
Senate Finance Committee
Senate of Virginia
Pocahontas Building, Room E603
900 East Main Street
Richmond, Virginia 23219

The Honorable Emmett W. Hanger, Jr.
Co-Chairman
Senate Finance Committee
Senate of Virginia
Pocahontas Building, Room E507
900 East Main Street
Richmond, Virginia 23219

The Honorable R. Lee Ware
Chairman
House Finance Committee
House of Delegates
Pocahontas Building, Room E308
900 East Main Street
Richmond, Virginia 23219

The Honorable S. Chris Jones
Chairman
House Appropriations Committee
House of Delegates
Pocahontas Building, Room W1312
900 East Main Street
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 2018 fiscal year as required by Chapter 836, Item 125.G.

As of December 31, 2017, a total of \$300,567,071 had been appropriated to the Fund. As of December 31, 2017, the Cardinal Financial System cash balance was \$17,039,414, and the balance available for future commitments totaled \$10,919,526. However, when the COF preapprovals of \$4,102,000 made by the Secretary of Commerce and Trade are taken into account, the available balance is reduced to \$6,817,526. Observing the rule that 40% of preapprovals, or \$1,640,800, will not move forward, the available balance becomes \$8,458,326. Active grants awarded since the inception of the Fund total 608.

For the second quarter of the 2018 fiscal year, ended December 31, 2017, a total of \$4,723,000 was committed from the Opportunity Fund to assist 11 projects relocating to or expanding in the state. Total committed job creation of these projects was 2,274, while committed investment totaled \$195.8 million. Summaries on these projects follow:

1. City of Harrisonburg: **Ariake U.S.A., Inc.**, a manufacturer of soup bases and seasonings, will expand its existing facility in the City of Harrisonburg. This project will create 22 new jobs and an investment of \$17 million (amount of grant: \$75,000; use of grant: site development and infrastructure improvements). This project has been announced.
2. Botetourt County: **Altec Industries, Inc.**, a manufacturer of construction and utility equipment, will expand its operations in Botetourt County. This project will create 180 new jobs and an investment of \$30.2 million (amount of grant: \$400,000; use of grant: building construction). This project has been announced.
3. City of Roanoke: **Humm Kombucha**, a manufacturer of tea, will locate a new facility in the City of Roanoke. This location will create 46 new jobs and an investment of \$9.35 million (amount of grant: \$150,000; use of grant: building construction). This project has been announced.
4. Arlington County: **American Institutes for Research** will relocate its major operations from Washington, DC, to Arlington County. One of the world's largest behavioral and social science research and evaluation organizations, American Institutes for Research will create 320 new jobs and invest \$12.5 million (amount of grant: \$500,000; use of grant: building improvements). This project has been announced.
5. Spotsylvania County: **idX Corporation**, a manufacturer of furniture and fixtures, will expand its existing facility in Spotsylvania County. This expansion will create 25 new jobs and an investment of \$2.68 million (amount of grant: \$75,000; use of grant: building infrastructure and improvements). This project has been announced.
6. City of Virginia Beach: **Global Technical Systems**, a manufacturer of state-of-the-art electro-mechanical batteries, will expand its existing facility in the City of Virginia Beach. This expansion will create 1,110 new jobs and an investment of \$54.7 million (amount of grant: \$1,800,000; use of grant: site development and building construction). This project has been announced.
7. Rockbridge County: **Mohawk Industries, Inc.**, a manufacturer of polymer backing for carpet tiles, will expand its existing facility in Rockbridge County. The company will create 15 new jobs and invest \$10 million in this facility (amount of grant: \$73,000; use of grant: electrical upgrades to facility). This project has been announced.

Committee Chair
January 29, 2018
Page Three

8. City of Roanoke: **Atlantic Credit and Finance** will expand its financial services operation in the City of Roanoke. This expansion will create 115 new jobs and an investment of \$4 million (amount of grant: \$250,000; use of grant: building improvements). This project has been announced.
9. Giles County: **Interstate Group LLC**, a manufacturer of enclosed cargo trailers, will locate a new facility in Giles County. This location will create 83 new jobs and an investment of \$4.1 million (amount of grant: \$200,000; use of grant: site and building improvements). This project has been announced.
10. Not Yet Announced.
11. Prince George County: **Service Center Metals**, a metal fabrication facility, will expand its existing operation in Prince George County. This expansion will create 58 new jobs and an investment of \$45.2 million (amount of grant: \$200,000; use of grant: site preparation and utility infrastructure). This project has been announced.

For the projects which have been announced, I am enclosing a profile and analysis and recommendation by the Virginia Economic Development Partnership.

For the second quarter of the 2018 fiscal year, actual disbursements from the Fund were made to Greensville County for Oran Safety Glass, Prince William County for US Foods, Russell County for Jennmar, the City of Roanoke for Humm Kombucha, and Pittsylvania County for Intertape Polymer. Actual disbursements totaled \$800,000.

Sincerely,



Stephen Moret
President and Chief Executive Officer

SM:kme

Enclosures

cc The Honorable Esther C. Lee
Secretary of Commerce and Trade