



VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP
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April 30, 2018

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
Mt. 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 third quarter of the 2018 fiscal year as required by Chapter 836, Item 125.G.

As of March 31, 2018, a total of \$300,674,331 had been appropriated to the Fund. As of March 31, 2018, the Cardinal Financial System cash balance was \$18,620,768, and the balance available for future commitments totaled \$10,674,168. However, when the COF preapprovals of \$9,089,931 made by the Secretary of Commerce and Trade are taken into account, the available balance is reduced to \$1,584,237. Observing the rule that 40% of preapprovals, or \$3,635,972, will not move forward, the available balance becomes \$5,220,209. Active grants awarded since the inception of the Fund total 612.

For the third quarter of the 2018 fiscal year, ended March 31, 2018, a total of \$1,505,000 was committed from the Opportunity Fund to assist six projects relocating to or expanding in the state. Total committed job creation of these projects was 314, while committed investment totaled \$55.9 million. Summaries on these projects follow:

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1. Pittsylvania County: **Panacea Biomatx, Inc.**, a manufacturer of nutrition-based products, will expand its existing facility in Pittsylvania County. This project will create 70 new jobs and an investment of \$5.8 million (amount of grant: \$105,000; use of grant: building improvements). This project has been announced.
2. Pittsylvania County: **Amthor International**, a manufacturer of tanker trucks, will expand its operations in Pittsylvania County. This project will create 70 new jobs and an investment of \$7 million (amount of grant: \$250,000; use of grant: building construction). This project has been announced. (Amthor reduced its investment commitment to \$2.5 million following its announcement due to anticipated tariffs on steel and aluminum. Consequently, the COF was reduced to \$150,000.)
3. City of Chesapeake: **Sumitomo Machinery Corporation of America**, a manufacturer of power transmission products, gear boxes, and motors, will expand its existing facility in the City of Chesapeake. This expansion will create 26 new jobs and an investment of \$10 million (amount of grant: \$200,000; use of grant: building construction). This project has been announced.
4. Giles County: **Cogar Manufacturing** will locate a new facility in Giles County. A manufacturer of mining equipment, Cogar will create 60 new jobs and invest \$2.5 million (amount of grant: \$150,000; use of grant: workforce training and building improvements). This project has been announced.
5. Not Yet Announced.
6. City of Lynchburg: **Tessy Plastics**, a manufacturer of custom injection molded plastic components, will expand its existing facility in the City of Lynchburg. This expansion will create 34 new jobs and an investment of \$9.2 million (amount of grant: \$200,000; use of grant: building construction). 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.

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For the third quarter of the 2018 fiscal year, actual disbursements from the Fund were made to the City of Virginia Beach for LifeNet Health, Frederick County for Navy Federal Credit Union, the City of Roanoke for PowerSchool, the City of Roanoke for Atlantic Credit and Finance, and Arlington County for the American Institutes for Research. Actual disbursements totaled \$3,700,000.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stephen Moret", is placed over a light gray rectangular background.

Stephen Moret
President and Chief Executive Officer

SM:kme

Enclosures

cc The Honorable Brian Ball
 Secretary of Commerce and Trade