

July 26, 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 fourth quarter of the 2018 fiscal year as required by Chapter 836, Item 125.G.

As of June 30, 2018, a total of \$300,804,939 had been appropriated to the Fund. As of June 30, 2018, the Cardinal Financial System cash balance was \$27,372,574, and the balance available for future commitments totaled \$6,918,474. However, when the COF preapprovals of \$6,664,931 made by the Secretary of Commerce and Trade are taken into account, the available balance is reduced to \$253,543. Observing the rule that 40% of preapprovals, or \$2,665,972, will not move forward, the available balance becomes \$2,919,515. Active grants awarded since the inception of the Fund total 615.

For the fourth quarter of the 2018 fiscal year, ended June 30, 2018, a total of \$6,962,500 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 1,199, while committed investment totaled \$82.1 million. Summaries on these projects follow:

1. **Fairfax County: College Board**, a developer of standardized college testing, will expand its existing facility in Fairfax County. This project will create 120 new jobs and an investment of \$15.4 million (amount of grant: \$750,000; use of grant: building construction). This project has been announced.
2. **Fairfax County: Appian**, a provider of software development platforms, will expand its operations in Fairfax County. This project will create 600 new jobs and an investment of \$28.5 million (amount of grant: \$4,000,000; use of grant: building improvements and workforce training). This project has been announced.

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3. Arlington County: **Gerber**, a leader in early childhood nutrition and a subsidiary of Nestle SA, will relocate its U.S. headquarters to Arlington County. This relocation will create 150 new jobs and an investment of \$5 million (amount of grant: \$862,500; use of grant: workforce training). This project has been announced.
4. Fairfax County: **Arconic** will relocate its headquarters to Fairfax County. Specializing in lightweight metals engineering and manufacturing, Arconic will create 58 new jobs and invest \$5.2 million (amount of grant: \$750,000; use of grant: workforce training). This project has been announced.
5. City of Covington: **SchaeferRolls**, a manufacturer of rolls and roll covers for the paper and film industries, will locate a new facility in the City of Covington. This expansion will create 31 new jobs and an investment of \$12 million (amount of grant: \$100,000; use of grant: building construction). This project has been announced.
6. Loudoun County: **Discovery** will expand its satellite communication operations in Loudoun County. This expansion will create 240 new jobs and an investment of \$16 million (amount of grant: \$500,000; use of grant: building improvements). 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 fourth quarter of the 2018 fiscal year, actual disbursements from the Fund were made to Botetourt County for Altec, the City of Harrisonburg for Ariake, Giles County for Cogar, Giles County for Interstate Group, Fairfax County for Intelsat, Pulaski County for Koinonia, the City of Bristol for Merchant House, Pulaski County for Phoenix Packaging, the City of Virginia Beach for Sanjo, the City of Chesapeake for Sumitomo, Pittsylvania County for Unison, and Pulaski County for Volvo. Actual disbursements totaled \$2,780,000.

Sincerely,



Stephen Moret  
President and Chief Executive Officer

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Enclosures

cc The Honorable Brian Ball  
Secretary of Commerce and Trade