



COMMONWEALTH of VIRGINIA

Office of the Governor

Ralph S. Northam
Governor

July 31, 2018

The Honorable Emmett W. Hanger, Jr.
Co-Chair
Senate Finance Committee
Senate of Virginia

The Honorable R. Steven Landes
Vice-Chairman
House Appropriations Committee
House of Delegates

The Honorable Thomas K. Norment
Co-Chair
Senate Finance Committee
Senate of Virginia

The Honorable R. Lee Ware, Jr.
Chair
House Finance Committee
House of Delegates

The Honorable S. Chris Jones
Chairman
House Appropriations Committee
House of Delegates

The Honorable Brenda L. Pogge
Vice Chair
House Finance Committee
House of Delegates

Dear Senators and Delegates:

I am writing to provide documentation of the transactions of the Commonwealth's Opportunity Fund (COF) which have occurred during the second half of the 2018 fiscal year as required by § 2.2-115(G) of the Code of Virginia.

For the second half of the 2018 fiscal year, ended June 30, 2018, a total of \$8,467,500 was committed from the COF to assist 12 projects relocating to or expanding in the state. A summary for each of these projects is enclosed. For the projects that have been announced, I am enclosing a profile and an analysis and recommendation by the Virginia Economic Development Partnership.

For the second half of the 2018 fiscal year, actual disbursements from the COF 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, Arlington County for the American Institutes for Research, 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 \$6,480,000.

The Honorable Ralph Northam
July 31, 2018
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Sincerely,

A handwritten signature in black ink, appearing to read "Ralph S. Northam". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ralph S. Northam

RSN:kme

Enclosures

cc: **The Honorable Brian Ball**
Secretary of Commerce and Trade

Mr. Stephen Moret
President and CEO, Virginia Economic Development Partnership

PROJECT SUMMARIES

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; other grants awarded: Virginia Jobs Investment Program grant of \$70,000, Tobacco Region Opportunity Fund grant of \$405,000, Enterprise Zone Job Creation grant of \$232,000; local match: \$142,769; anticipated completion date: January 2021; average wage of new jobs: \$52,742; prevailing average wage: \$32,558). 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; other grants awarded: Virginia Jobs Investment Program grant of \$52,500, Tobacco Region Opportunity Fund grant of \$255,000, Enterprise Zone Job Creation grant of \$240,000, Enterprise Zone Real Property Investment grant of \$200,000; local match: \$2,882,000; anticipated completion date: January 2021; average wage of new jobs: \$39,000; prevailing average wage: \$33,464). 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; other grants awarded: Virginia Jobs Investment Program grant of \$20,800; local match: \$200,000; anticipated completion date: September 2021; average wage of new jobs: \$38,917; prevailing average wage: \$41,228). 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; other grants awarded: Virginia Jobs Investment Program grant of \$42,000, Port Economic and Infrastructure Development grant of \$40,000; local match: \$150,000; anticipated completion date: March 2021; average wage of new jobs: \$40,267; prevailing average wage: \$38,927). 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; other grants awarded: Virginia Jobs Investment Program grant of \$25,500, Enterprise Zone Job Creation grant of \$91,200, Enterprise Zone Real Property Investment grant of \$200,000; local match: \$200,000; anticipated completion date: March 2021; average wage of new jobs: \$43,000; prevailing average wage: \$43,169). This project has been announced.
7. 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; other grants awarded: none; local match: \$750,000; anticipated completion date: April 2022; average wage of new jobs: \$113,651; prevailing average wage: \$83,805). This project has been announced.
8. 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; other grants awarded: Virginia Jobs Investment Program grant of \$288,000; local match: \$4,000,000; anticipated completion date: April 2023; average wage of new jobs: \$115,000; prevailing average wage: \$83,805). This project has been announced.
9. 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; other grants awarded: Virginia Jobs Investment Program grant of \$112,500; local match: \$862,500; anticipated completion date: April 2021; average wage of new jobs: \$127,000; prevailing average wage: \$88,049). This project has been announced.
10. 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; other grants awarded: none; local match: \$750,000; anticipated completion date: April 2021; average wage of new jobs: \$347,275; prevailing average wage: \$83,706). This project has been announced.
11. 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; other grants awarded: Virginia Jobs Investment Program grant of \$24,800, Enterprise Zone Job Creation grant of \$96,800, Enterprise Zone Real Property Investment grant of \$200,000; local match: \$100,000; anticipated completion date: May 2021; average wage of new jobs: \$45,183; prevailing average wage: \$43,127). This project has been announced.

12. 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; other grants awarded: Virginia Jobs Investment Program grant of \$204,000; local match: \$500,000; anticipated completion date: June 2021; average wage of new jobs: \$150,331; prevailing average wage: \$62,610). This project has been announced.