

October 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 first quarter of the 2019 fiscal year as required by Chapter 836, Item 125.G.

As of September 30, 2018, a total of \$318,554,939 had been appropriated to the Fund. As of September 30, 2018, the Cardinal Financial System cash balance was \$30,262,511, and the balance available for future commitments totaled \$20,308,411. However, when the COF preapprovals of \$11,429,931 made by the Secretary of Commerce and Trade are taken into account, the available balance is reduced to \$8,878,480. Observing the rule that 40% of preapprovals, or \$4,571,972, will not move forward, the available balance becomes \$13,450,452. Active grants awarded since the inception of the Fund total 621.

For the first quarter of the 2019 fiscal year, ended September 30, 2018, a total of \$5,925,000 was committed from the Opportunity Fund to assist nine projects relocating to or expanding in the state. Total committed job creation of these projects was 1,713, while committed investment totaled \$436 million. Summaries on these projects follow:

1. Fairfax County: **MAG Aerospace**, a provider of aerospace and unmanned services, will relocate its existing facility from Prince William County to Fairfax County. This project will create 120 new jobs and an investment of \$5.5 million. In addition, the 90 existing jobs will be retained in Virginia (amount of grant: \$500,000; use of grant: building improvements and workforce training). This project has been announced.
2. Hanover County: **Cascades** will locate a new pulp manufacturing facility in Hanover County. This project will create 140 new jobs and an investment of \$275 million (amount of grant: \$1,950,000; use of grant: building improvements). This project has been announced.

3. Smyth County: **Speyside Bourbon Cooperage** will locate a new bourbon barrel cooperage facility in Smyth County. This location will create 125 new jobs and an investment of \$26 million (amount of grant: \$325,000; use of grant: building improvements). This project has been announced.
4. Henry County: **Press Glass**, a manufacturer of glass products, will locate a new facility in Henry County. The company will create 212 new jobs and invest \$43.6 million (amount of grant: \$1,000,000; use of grant: building construction). This project has been announced.
5. Albemarle County: **WillowTree**, a provider of mobile applications and product development, will relocate its facility from the City of Charlottesville to Albemarle County. This expansion and relocation will create 200 new jobs and an investment of \$12.3 million. In addition, the 200 existing jobs will be retained in Virginia (amount of grant: \$500,000; use of grant: building improvements and workforce training). This project has been announced.
6. Henry County: **Monogram Snacks**, a manufacturer of meat snacks, will expand its existing facility in Henry County. This expansion will create 300 new jobs and an investment of \$30 million (amount of grant: \$350,000; use of grant: workforce training). This project has been announced.
7. Fairfax County: **KPMG**, a provider of audit, tax, and advisory services, will expand its existing facility in Fairfax County. The company will create 521 new jobs and invest \$31.4 million (amount of grant: \$1,000,000; use of grant: building improvements). This project has been announced.
8. Franklin County: **Empire Bakery** will expand its commercial bakery in Franklin County. This expansion will create 75 new jobs and an investment of \$10.4 million (amount of grant: \$225,000; use of grant: building construction). This project has been announced.
9. Project Not Yet 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 first quarter of the 2019 fiscal year, actual disbursements from the Fund were made to Fairfax County for Appian, Hanover County for Cascades, Fairfax County for College Board, and Pittsylvania County for Anthor. Actual disbursements totaled \$6,850,000.

Sincerely,



Stephen Moret
President and Chief Executive Officer

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Enclosures

cc The Honorable Brian Ball
 Secretary of Commerce and Trade