

December 21, 2020

The Honorable Janet D. Howell
Chair
Senate Finance and Appropriations Committee
P.O. Box 2608
Reston, Virginia 20195

The Honorable Luke E. Torian
Chair
House Appropriations Committee
4222 Fortuna Plaza, Suite 659
Dumfries, Virginia 22025

The Honorable Vivian E. Watts
Chair
House Finance Committee
8717 Mary Lee Lane
Annandale, Virginia 22003

Dear Chairs:

I am writing to provide documentation of the transactions of the Commonwealth's Development Opportunity Fund (COF) which have occurred during the first quarter of the 2021 fiscal year as required by § 2.2-115(G) of the Code of Virginia.

As of September 30, 2020, a total of \$352,645,121 had been appropriated to the Fund over time. As of September 30, 2020, the Cardinal Financial System cash balance was \$43,960,362, and the balance available for future commitments totaled \$38,408,911. Taking into account COF preapprovals of \$24,897,000 made by the Secretary of Commerce and Trade, however, the available balance is \$13,511,911. Historically, roughly 40% of preapprovals, or \$9,958,800, do not move forward and the available balance is more likely approximately \$23,000,000. Active grants awarded since the inception of the Fund total 663.

For the first quarter of the 2021 fiscal year, ended September 30, 2020, a total of \$3,050,000 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 994, while committed investment totaled \$303.4 million. Summaries on these projects follow:

1. City of Virginia Beach: Acoustical Sheetmetal, a manufacturer of sound and weather proofing for industrial generators, will expand its existing facility in the City of Virginia Beach. This project will create 200 new jobs and an investment of \$15.8 million (amount of grant: \$750,000; use of grant: building construction; other grants awarded: Virginia Talent Accelerator Program funding of \$238,000 (estimated internal costs); local match: \$1,350,000; anticipated completion date: September 2023; average wage of new jobs: \$46,781; prevailing average wage: \$43,932). This project has been announced.

2. Montgomery County: **Torc Robotics**, a developer of autonomous truck technology, will expand its existing facility in Montgomery County. This project will create 350 new jobs and an investment of \$8.5 million (amount of grant: \$800,000; use of grant: building construction and improvements; other grants awarded: Virginia Economic Development Incentive Grant of \$3,500,000, Virginia Talent Accelerator Program funding of \$387,000 (estimated internal costs); local match: \$800,000; anticipated completion date: September 2023; average wage of new jobs: \$117,901; prevailing average wage: \$46,272). This project has been announced.
3. Not Yet Announced.
4. Not Yet Announced.
5. City of Chesapeake: **Plasser American**, a manufacturer of railway repair and maintenance equipment, will expand its existing facility in the City of Chesapeake. This project will create 98 new jobs and an investment of \$52.6 million (amount of grant: \$450,000; use of grant: building construction; other grants awarded: Virginia Jobs Investment Program grant of \$51,000, Rail Industrial Access Program grant of \$450,000, Port Economic and Infrastructure Development grant of \$27,000; local match: \$450,000; anticipated completion date: September 2025; average wage of new jobs: \$50,186; prevailing average wage: \$44,697). This project has been announced.
6. Fluvanna County: **Silk City**, a manufacturer of silk screened apparel, will locate a new facility in Fluvanna County. This location will create 93 new jobs and an investment of \$5.7 million (amount of grant: \$70,000; use of grant: building improvements; other grants awarded: Virginia Jobs Investment Program grant of \$37,100; local match: \$70,000; anticipated completion date: December 2025; average wage of new jobs: 72 jobs at \$42,083, 21 jobs at \$35,000; prevailing average wage: \$42,078). This project has been announced.

For the projects that 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 2021 fiscal year, actual disbursements from the Fund were made to Augusta County for Hershey, Westmoreland County for Teal-Jones, and Arlington County for block.one. Actual disbursements totaled \$1,325,000.

Sincerely,

A handwritten signature in black ink that reads "Stephen Moret". The signature is written in a cursive style with a long, sweeping underline.

Stephen Moret
President and Chief Executive Officer

SM:kme

Enclosures

cc The Honorable Brian Ball
Secretary of Commerce and Trade