

September 2, 2021

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 fourth quarter of the 2021 fiscal year as required by § 2.2-115(G) of the Code of Virginia.

As of June 30, 2021, a total of \$351,432,648 had been appropriated to the Fund over time. As of June 30, 2021, the Cardinal Financial System cash balance was \$58,740,921, and the balance available for future commitments totaled \$25,393,362. Taking into account COF preapprovals of \$18,973,800 made by the Secretary of Commerce and Trade, however, the available balance is \$6,419,562. Generally, 40% of preapprovals, or \$7,589,520, do not move forward, and the available balance is more likely approximately \$14,000,000. Active grants awarded since the inception of the Fund total 681.

For the fourth quarter of the 2021 fiscal year, ended June 30, 2021, a total of \$1,354,000 was committed from the Opportunity Fund to assist five projects relocating to or expanding in the state. Total committed job creation of these projects was 406, while committed investment totaled \$33.1 million. Summaries on these projects follow:

1. City of Richmond: **CarLotz** will expand its corporate headquarters in the City of Richmond. This project will create 192 new jobs and an investment of \$1.5 million (amount of grant: \$700,000; use of grant: workforce training; other grants awarded: Enterprise Zone Job Creation grant of \$668,000, Enterprise Zone Real Property Investment grant of \$8,193; local match: \$700,000; anticipated completion date: June 2025; average wage of new jobs: \$96,280; prevailing average wage: \$68,015). This project has been announced.

2. Rockbridge County: **Modine Manufacturing Co.**, a manufacturer of industrial cooling systems, will locate a new facility in Rockbridge County. This project will create 60 new jobs and an investment of \$7.0 million (amount of grant: \$194,000; use of grant: building construction; other grants awarded: none; local match: \$194,000; anticipated completion date: March 2026; average wage of new jobs: \$47,117; prevailing average wage: \$33,311). This project has been announced.
3. City of Danville: **MEP Ltd.**, a manufacturer of metal and plastic components for the aerospace and defense industries, will locate a new facility in the City of Danville. This location will create 45 new jobs and an investment of \$6.4 million (amount of grant: \$135,000; use of grant: building construction; other grants awarded: Virginia Jobs Investment Program grant of \$14,400, Enterprise Zone Job Creation grant of \$100,000, Enterprise Zone Real Property Investment grant of \$100,000; local match: \$422,500; anticipated completion date: June 2026; average wage of new jobs: \$56,078; prevailing average wage: \$38,884). This project has been announced.
4. Pulaski County: **Patton Logistics, LLC** will expand its distribution center and trucking hub in Pulaski County. The company will create 63 new jobs and invest \$11.0 million (amount of grant: \$225,000; use of grant: building construction; other grants awarded: Virginia Jobs Investment Program grant of \$27,300, Enterprise Zone Job Creation grant of \$153,600, Enterprise Zone Real Property Investment grant of \$200,000; local match: \$660,000; anticipated completion date: June 2026; average wage of new jobs: \$41,033; prevailing average wage: \$40,424). This project has been announced.
5. Pittsylvania County: **Walraven Inc.** will locate a new metal fabrication facility in Pittsylvania County. This project will create 46 new jobs and an investment of \$7.2 million (amount of grant: \$100,000; use of grant: building improvements and workforce training; other grants awarded: Enterprise Zone Job Creation grant of \$119,200, Enterprise Zone Real Property Investment grant of \$100,000; local match: \$321,063; anticipated completion date: June 2026; average wage of new jobs: \$48,913; prevailing average wage: \$37,951). 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 fourth quarter of the 2021 fiscal year, no actual disbursements were made from the Fund.

Sincerely,

DocuSigned by:



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Stephen Moret

President and Chief Executive Officer

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Enclosures

cc The Honorable Brian Ball
Secretary of Commerce and Trade