



May 6, 2022

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

The Honorable Barry D. Knight
Chair
House Appropriations Committee
1852 Mill Landing Road
Virginia Beach, Virginia 23457

The Honorable Roxann L. Robinson
Chair
House Finance Committee
P.O. Box 4627
Midlothian, Virginia 23112

RE: Quarterly Report on Commonwealth's Development Opportunity Fund (COF) per § 2.2-115(G)

Dear Chairs:

I am writing to provide documentation of the transactions of the Commonwealth's Development Opportunity Fund (COF) which have occurred during the third quarter of the 2022 fiscal year as required by § 2.2-115(G) of the Code of Virginia.

As of March 31, 2022, a total of \$367,788,213 had been appropriated to the Fund over time. As of March 31, 2022, the Cardinal Financial System cash balance was \$65,124,422, and the balance available for future commitments totaled \$26,053,543. Taking into account COF preapprovals of \$10,016,900 made by the Secretary of Commerce and Trade, however, the available balance is \$16,036,643. Generally, 40% of preapprovals, or \$4,006,760, do not move forward, and the available balance is more likely approximately \$20,000,000. Active grants awarded since the inception of the Fund total 695.

For the third quarter of the 2022 fiscal year, ended March 31, 2022, a total of \$7,063,125 was committed from the Opportunity Fund to assist eight projects relocating to or expanding in the state. Total committed job creation of these projects was 1,400, while committed investment totaled \$591.3 million. Summaries on these projects follow:

1. City of Chesapeake: **Celadon** will locate a paperboard recycling and production facility in the City of Chesapeake. This project will create 210 new jobs and an investment of \$267.0 million (amount of grant: \$2,000,000; use of grant: site and infrastructure improvements; other grants awarded: Virginia Jobs Investment Program grant of \$168,000, Port Economic and Infrastructure Development grant of \$351,000; local match: \$2,000,000; anticipated completion date: June 2025; average wage of new jobs: \$61,217; prevailing average wage: \$48,824). This project has been announced.

2. Not Yet Announced.
3. City of Norfolk: **CMA CGM**, a shipping and logistics firm, will expand its North American headquarters in the City of Norfolk. This expansion will create 265 new jobs and an investment of \$6.0 million (amount of grant: \$457,125; use of grant: site development and construction; other grants awarded: Custom Performance grant of \$9,042,875; local match: \$1,800,000; anticipated completion date: September 2021; average wage of new jobs: \$56,713; prevailing average wage: \$61,622). This project has been announced.
4. City of Newport News: **East Coast Repair and Fabrication**, a provider of metal fabrication for the maritime industry, will expand its facility in the City of Newport News. The company will create 332 new jobs and invest \$64.4 million (amount of grant: \$1,314,000; use of grant: building construction and road and infrastructure improvements; other grants awarded: Virginia Jobs Investment Program grant of \$120,600, Enterprise Zone Job Creation grant of \$715,800, Enterprise Zone Real Property Investment grant of \$200,000; local match: \$1,588,000; anticipated completion date: December 2025; average wage of new jobs: \$51,024; prevailing average wage: \$58,608). This project has been announced and denotes an increase in the COF grant from an earlier approval.
5. City of Richmond: **Intact Technology**, a software consulting and managed services firm, will locate a new facility in the City of Richmond. This project will create 125 new jobs and an investment of \$1.5 million (amount of grant: \$350,000; use of grant: workforce training; other grants awarded: Virginia Jobs Investment Program grant of \$100,000, Enterprise Zone Job Creation grant of \$452,800; local match: \$369,808; anticipated completion date: June 2025; average wage of new jobs: \$84,720; prevailing average wage: \$71,881). This project has been announced.

6. New Kent County: **AutoZone**, an automotive parts retail company, will locate a warehouse, distribution, and import facility in New Kent County. This project will create 352 jobs and an investment of \$185.2 million (amount of grant: \$2,512,000; use of grant: site development and building construction; other grants awarded: Virginia Jobs Investment Program grant of \$221,900, Transportation Partnership Opportunity Fund grant of \$184,731, Economic Development Access Program grant of \$650,000, Port Economic and Infrastructure Development grant of \$500,000; local match: \$9,255,000; anticipated completion date: June 2025; average wage of new jobs: \$43,988; prevailing average wage: \$42,605). This project has been announced and lengthens the performance period from an earlier approval.
7. Not Yet Announced.
8. City of Newport News: **Certified Origins**, a blender, bottler, and distributor of imported olive oil, will locate a new facility in the City of Newport News. The company will create 30 new jobs and invest \$24.6 million (amount of grant: \$125,000; use of grant: building construction and wetlands delineation; other grants awarded: Virginia Jobs Investment Program grant of \$22,500, Enterprise Zone Job Creation grant of \$69,700, Enterprise Zone Real Property Investment grant of \$100,000; local match: \$537,448; anticipated completion date: June 2025; average wage of new jobs: \$41,254; prevailing average wage: \$57,820). 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.

Committee Chair
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For the third quarter of the 2022 fiscal year, actual disbursements from the Fund totaling \$150,000 were made to Pulaski County for Patton Logistics.

Sincerely,

DocuSigned by:

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Jason El Koubi
President and Chief Executive Officer

JRE:kme

Enclosures

cc The Honorable Caren Merrick
Secretary of Commerce and Trade