



September 12, 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)

Senators and Delegates:

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 2022 fiscal year as required by § 2.2-115(G) of the Code of Virginia.

As of June 30, 2022, a total of \$369,803,100 had been appropriated to the Fund over time. As of June 30, 2022, the Cardinal Financial System cash balance was \$77,802,043, and the balance available for future commitments totaled \$28,857,130. Taking into account COF preapprovals of \$15,872,300 made by the Secretary of Commerce and Trade, however, the available balance is \$12,644,830. Generally, 40% of preapprovals, or \$6,348,920, do not move forward, and the available balance is more likely approximately \$19,000,000. Active grants awarded since the inception of the Fund total 695.

For the fourth quarter of the 2022 fiscal year, ended June 30, 2022, a total of \$2,019,300 was committed from the Opportunity Fund to assist four projects relocating to or expanding in the state. Total committed job creation of these projects was 394, while committed investment totaled \$75.1 million. Summaries on these projects follow:

1. City of Newport News: Muhlbauer will locate a semiconductor machinery technology center in the City of Newport News. This project will create 34 new jobs and an investment of \$9.0 million (amount of grant: \$227,700; use of grant: building improvements; other grants awarded: Enterprise Zone Job Creation grant of \$103,800; Enterprise Zone Real Property Investment grant of \$80,000; local match: \$265,200; anticipated completion date: December 2024; average wage of new jobs: \$57,500; prevailing average wage: \$59,244). This project has been announced.

Money Committee Chair

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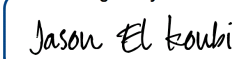
2. Smyth County: **Scholle**, a manufacturer of plastic bags, will expand its Smyth County facility with the addition of film extrusion and new printing and packaging lines. This expansion will create 75 new jobs and an investment of \$31.1 million (amount of grant: \$600,000; use of grant: site development and building construction; other grants awarded: Enterprise Zone Job Creation grant of \$54,400, Enterprise Zone Real Property Investment grant of \$200,000, Rail Industrial Access Program grant of \$450,000; local match: \$559,630; anticipated completion date: June 2025; average wage of new jobs: \$50,889; prevailing average wage: \$39,474). This project has been announced.
3. Henrico County: **EAB**, a marketing and consulting services firm, will expand its existing facility in Henrico County. This expansion will create 206 new jobs (160 jobs in Henrico County and 46 remote workers) and an investment of \$5.9 million (amount of grant: \$741,600; use of grant: building upfits and improvements; other grants awarded: Virginia Jobs Investment Program grant of \$84,000; local match: \$576,000, with a waiver granted for the remaining \$165,600 due to the 46 remote workers; anticipated completion date: June 2027; average wage of new jobs: \$75,000; prevailing average wage: \$61,994). This project has been announced.
4. City of Suffolk: **Massimo Zanetti Beverage**, a manufacturer of coffee and tea, will expand its facility in the City of Suffolk. The company will create 79 new jobs and invest \$29.1 million (amount of grant: \$450,000; use of grant: building improvements; other grants awarded: Port Economic and Infrastructure Development grant of \$25,000; local match: \$500,000; anticipated completion date: June 2025; average wage of new jobs: \$50,246; prevailing average wage: \$57,563). 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.

For the fourth quarter of the 2022 fiscal year, actual disbursements from the Fund totaling \$3,125,698 were made to the City of Petersburg for Civica and the City of Petersburg for AMPAC.

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