

February 2, 2023

The Honorable Janet D. Howell
Co-Chair
Senate Finance and Appropriations
Committee
Room E509
P.O. Box 396
Richmond, Virginia 23218

The Honorable George L. Barker
Co-Chair
Senate Finance and Appropriations
Committee
Room E619
P.O. Box 396
Richmond, Virginia 23218

The Honorable Barry D. Knight
Chair
House Appropriations Committee
Pocahontas Building, Room W1312
900 East Main Street
Richmond, Virginia 23219

The Honorable Roxann L. Robinson
Chair
House Finance Committee
Pocahontas Building, Room W435
900 East Main Street
Richmond, Virginia 23219

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 second quarter of the 2023 fiscal year as required by § 2.2-115(G) of the Code of Virginia.

As of December 31, 2022, a total of \$387,695,352 had been appropriated to the Fund over time. As of December 31, 2022, the Cardinal Financial System cash balance was \$85,664,409, and the balance available for future commitments totaled \$37,564,232. Taking into account COF preapprovals of \$14,547,300 made by the Secretary of Commerce and Trade, however, the available balance is \$23,016,932. Generally, 40% of preapprovals, or \$5,818,920, do not move forward, and the available balance is more likely approximately \$29,000,000. Active grants awarded since the inception of the Fund total 705.

For the second quarter of the 2023 fiscal year, ended December 31, 2022, a total of \$5,459,700 was committed from the Opportunity Fund to assist 12 projects relocating to or expanding in the state. Total committed job creation of these projects was 1,759, while committed investment totaled \$521.0 million. Summaries on these projects follow:

1. Hanover County: **Lutron**, a manufacturer of blinds and shades, will expand its existing facility in Hanover County. This project will create 200 new jobs and an investment of \$28.3 million (amount of grant: \$250,000; use of grant: building construction; other grants awarded: Virginia Jobs Investment Program grant of \$150,000; local match: \$250,000; anticipated completion date: September 2025; average wage of new jobs: \$50,754; prevailing average wage: \$49,427). This project has been announced.
2. Halifax County: **Skip Barber Racing School**, an operator of high performance driving schools, will relocate its corporate headquarters to Halifax County. This location will create 24 new jobs and an investment of \$8.9 million (amount of grant: \$100,000; use of grant: building construction; other grants awarded: Virginia Jobs Investment Program grant of \$21,600, Enterprise Zone Job Creation grant of \$69,400; local match: \$312,000; anticipated completion date: September 2025; average wage of new jobs: \$102,083; prevailing average wage: \$41,754). This project has been announced.
3. Mecklenburg County: **FyberX**, a manufacturer of ecological-friendly textiles, will locate a new facility in Mecklenburg County. This location will create 45 new jobs and an investment of \$17.5 million (amount of grant: \$150,000; use of grant: building upfits; other grants awarded: Virginia Jobs Investment Program grant of \$36,000, Enterprise Zone Job Creation grant of \$160,600, Enterprise Zone Real Property Investment grant of \$45,000; local match: \$172,480; anticipated completion date: September 2025; average wage of new jobs: \$62,041; prevailing average wage: \$40,649). This project has been announced.
4. Floyd County: **Hollingsworth & Vose**, a manufacturer of filtration materials, will expand its existing facility in Floyd County. The company will create 25 new jobs and invest \$40.2 million (amount of grant: \$558,700; use of grant: building upfits; other grants awarded: none; local match: \$650,538; anticipated completion date: December 2025; average wage of new jobs: \$52,488; prevailing average wage: \$34,236). This project has been announced.
5. Caroline County: **World Class Distribution** will locate a new warehouse and storage facility in Caroline County. This project will create 745 new jobs and an investment of \$275.0 million (amount of grant: \$3,000,000; use of grant: building construction; other grants awarded: Economic Development Access Program grant of \$800,000; local match: \$3,700,000; anticipated completion date: December 2025; average wage of new jobs: 169 at \$38,457 and 576 at \$32,760; prevailing average wage: \$45,230. This project has been announced.

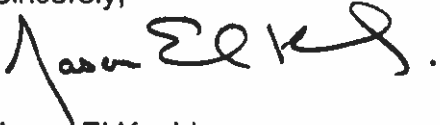
6. Not Yet Announced.
7. Tazewell County: Ronald Mark Associates, a manufacturer of PVC resin, will locate a new facility in Tazewell County. This location will create 29 new jobs and an investment of \$13.5 million (amount of grant: \$116,000; use of grant: building upfits; other grants awarded: Virginia Jobs Investment Program grant of \$23,400, Enterprise Zone Job Creation grant of \$41,600, Enterprise Zone Real Property Investment grant of \$100,000; local match: \$240,607; anticipated completion date: December 2026; average wage of new jobs: \$45,903; prevailing average wage: \$38,309). This project has been announced.
8. Not Yet Announced.
9. City of Suffolk: M S International, Inc., a distributor of flooring, wall, and countertop surfaces, will open a new distribution facility in the City of Suffolk. The company will create 80 new jobs and invest \$61.6 million (amount of grant: \$225,000; use of grant: building construction; other grants awarded: Virginia Jobs Investment Program grant of \$57,800, Port Economic and Infrastructure Development grant of \$34,000; local match: \$225,000; anticipated completion date: December 2025; average wage of new jobs: \$57,166; prevailing average wage: \$57,563). This project has been announced.
10. Not Yet Announced.
11. Not Yet Announced.
12. Patrick County: Apex Mills, a manufacturer of knit fabrics and dye, will locate a new facility in Patrick County. This location will create 140 new jobs and an investment of \$3.1 million (amount of grant: \$300,000; use of grant: building upfits; other grants awarded: Virginia Jobs Investment Program grant of \$112,000, Enterprise Zone Real Property Investment grant of \$80,278; local match: \$300,000; anticipated completion date: December 2025; average wage of new jobs: \$39,253; prevailing average wage: \$34,953). This project has been announced.

Money Committee Chair
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For the projects that have been announced, I am enclosing a profile and analysis and recommendation by the Virginia Economic Development Partnership.

For the second quarter of the 2023 fiscal year, actual disbursements from the Fund totaling \$394,636 were made to the City of Norfolk for CMA CGM and the City of Virginia Beach for Acoustical Sheetmetal.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason El Koubi". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke.

Jason El Koubi
President and Chief Executive Officer

JRE:kme

Enclosures

cc The Honorable Caren Merrick
Secretary of Commerce and Trade