

June 2, 2023

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

The Honorable George L. Barker
Co-Chair
Senate Finance and Appropriations
Committee
P.O. Box 10527
Alexandria, Virginia 22310

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

As of March 31, 2023, a total of \$387,986,134 had been appropriated to the Fund over time. As of March 31, 2023, the Cardinal Financial System cash balance was \$84,069,114, and the balance available for future commitments totaled \$38,748,139. Taking into account COF preapprovals of \$12,537,529 made by the Secretary of Commerce and Trade, however, the available balance is \$26,210,610. Generally, 40% of preapprovals, or \$5,015,012, do not move forward, and the available balance is more likely approximately \$31,000,000. Active grants awarded since the inception of the Fund total 706.

For the third quarter of the 2023 fiscal year, ended March 31, 2023, a total of \$940,000 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 249, while committed investment totaled \$71.3 million. Summaries on these projects follow:

1. Chesterfield County: **Church & Dwight**, a manufacturer of laundry scent boosters, will expand its existing facility in Chesterfield County. This project will create 53 new jobs and an investment of \$27.0 million (amount of grant: \$300,000; use of grant: building improvements; other grants awarded: Port Economic and Infrastructure Development grant of \$45,000; local match: \$300,000; anticipated completion date: March 2026; average wage of new jobs: \$55,559; prevailing average wage: \$54,301). This project has been announced.
2. Bland County: **Wilderness Asset Holdings** will expand its artesian water bottling facility in Bland County. This location will create 30 new jobs and an investment of \$4.3 million (amount of grant: \$90,000; use of grant: building improvements; other grants awarded: Virginia Jobs Investment Program grant of \$27,000; local match: \$90,000; anticipated completion date: March 2026; average wage of new jobs: \$42,867; prevailing average wage: \$48,416). This project has been announced.
3. City of Norfolk: **Bauer Compressors**, a manufacturer of high pressure compressors, will expand its existing facility in the City of Norfolk. This location will create 47 new jobs and an investment of \$7.4 million (amount of grant: \$50,000; use of grant: building construction and improvements; other grants awarded: Virginia Jobs Investment Program grant of \$35,250, Enterprise Zone Job Creation grant of \$110,400, Enterprise Zone Real Property Investment grant of \$100,000; local match: \$54,152; anticipated completion date: March 2027; average wage of new jobs: 20 at \$55,376 and 27 at \$36,505; prevailing average wage: \$64,570). This project has been announced.
4. City of Salem: **STS Plastics**, a manufacturer of composite components for automotive and truck cabs, will locate a new facility in the City of Salem. The company will create 119 new jobs and invest \$32.6 million (amount of grant: \$500,000; use of grant: building upfits; other grants awarded: none; local match: \$500,000; anticipated completion date: March 2027; average wage of new jobs: \$49,569; prevailing average wage: \$56,216). 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 third quarter of the 2023 fiscal year, actual disbursements from the Fund totaling \$3,219,202 were made to the City of Petersburg for Civica, Rockbridge County for Modine, and Stafford County for Exel.

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 "E".

Jason El Koubi
President and Chief Executive Officer

JRE:kme

Enclosures

cc The Honorable Caren Merrick
Secretary of Commerce and Trade