



July 27, 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 fourth quarter of the 2023 fiscal year as required by § 2.2-115(G) of the Code of Virginia.

As of June 30, 2023, a total of \$390,493,916 had been appropriated to the Fund over time. As of June 30, 2023, the Cardinal Financial System cash balance was \$102,019,921, and the balance available for future commitments totaled \$43,960,396. Taking into account COF preapprovals of \$35,200,179 made by the Secretary of Commerce and Trade, however, the available balance is \$8,760,217. Generally, 40% of preapprovals, or \$14,080,072, do not move forward, and the available balance is more likely approximately \$23,000,000. Active grants awarded since the inception of the Fund total 700.

For the fourth quarter of the 2023 fiscal year, ended June 30, 2023, a total of \$3,182,750 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 618, while committed investment totaled \$73.9 million. Summaries on these projects follow:

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1. Chesterfield County: **Weidmuller**, a manufacturer of electronic components, will expand its existing facility in Chesterfield County. This project will create 96 new jobs and an investment of \$16.4 million (amount of grant: \$488,450; use of grant: building construction; other grants awarded: Port Economic and Infrastructure Development grant of \$48,000; local match: \$488,450; anticipated completion date: March 2026; average wage of new jobs: \$73,467; prevailing average wage: \$55,333). This project has been announced.
2. City of Lynchburg: **Delta Star**, a manufacturer of mobile transformers and substations, will expand its existing facility in the City of Lynchburg. This location will create 149 new jobs and an investment of \$30.2 million (amount of grant: \$850,000; use of grant: building construction; other grants awarded: Enterprise Zone Job Creation grant of \$539,200, Enterprise Zone Real Property Investment grant of \$200,000; local match: \$850,000; anticipated completion date: June 2026; average wage of new jobs: \$67,450; prevailing average wage: \$53,026). This project has been announced.
3. Pulaski County: **Grucci Holdings Corp.**, a manufacturer of components for pyrotechnic military simulations, will locate a new facility in Pulaski County. This location will create 45 new jobs and an investment of \$5.5 million (amount of grant: \$212,000; use of grant: building upfits and workforce training; other grants awarded: Virginia Jobs Investment Program grant of \$24,000, Enterprise Zone Job Creation grant of \$114,800; local match: \$400,000; anticipated completion date: June 2028; average wage of new jobs: \$49,851; prevailing average wage: \$47,473). This project has been announced.
4. City of Virginia Beach: **ZIM American Integrated Shipping** will relocate its existing headquarters from the City of Norfolk to the City of Virginia Beach. This project will create 307 new jobs and an investment of \$16.4 million (amount of grant: \$1,497,300; use of grant: building upfits; other grants awarded: Virginia Jobs Investment Program grant of \$177,300, Port Economic and Infrastructure Development grant of \$426,000; local match: \$1,500,000; anticipated completion date: June 2028; average wage of new jobs: \$67,708; prevailing average wage: \$51,311). This project has been announced and was approved by the MEI Commission due to the relocation of the facility from one Virginia locality to another.

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5. Greensville County: **Heyco-Werk USA LLC**, an automotive parts supplier, will expand its existing facility in Greensville County. This location will create 21 new jobs and an investment of \$5.4 million (amount of grant: \$135,000; use of grant: building upfits; other grants awarded: Virginia Jobs Investment Program grant of \$18,900, Enterprise Zone Job Creation grant of \$26,400; local match: \$210,000; anticipated completion date: June 2027; average wage of new jobs: \$48,429; prevailing average wage: \$53,158). 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 2023 fiscal year, actual disbursements from the Fund totaling \$441,975 were made to the City of Petersburg for AMPAC, the City of Richmond for GSK, and the City of Hampton for Huntington-Ingalls.

Sincerely,

DocuSigned by:

Jason El Koubi

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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