

January 24, 2024

The Honorable L. Louise Lucas
Chair
Senate Finance and Appropriations
Committee
P.O. Box 396
Richmond, Virginia 23218

The Honorable Luke E. Torian
Chair
House Appropriations Committee
201 North Ninth Street
General Assembly Building, Room 1223
Richmond, Virginia 23219

The Honorable Vivian E. Watts
Chair
House Finance Committee
201 North Ninth Street
General Assembly Building, Room 907
Richmond, Virginia 23219

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

Senator 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 2024 fiscal year as required by § 2.2-115(G) of the Code of Virginia.

As of December 31, 2023, a total of \$409,974,380 had been appropriated to the Fund over time. As of December 31, 2023, the Cardinal Financial System cash balance was \$109,795,475, and the balance available for future commitments totaled \$39,586,085. Taking into account COF preapprovals of \$20,940,000 made by the Secretary of Commerce and Trade, however, the available balance is \$18,646,085. Generally, 40% of preapprovals, or \$8,376,000, do not move forward, and the available balance is more likely approximately \$27,000,000. Active grants awarded since the inception of the Fund total 700.

For the second quarter of the 2024 fiscal year, ended December 31, 2023, a total of \$14,455,000 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 1,067, while committed investment totaled \$280.0 million. Summaries on these projects follow:

1. City of Lynchburg: **Framatome** will expand its existing advanced nuclear energy facility in the City of Lynchburg. This expansion will create 515 new jobs and an investment of \$49.4 million (amount of grant: \$5,000,000; use of grant: recruitment and training and building upfits; other grants awarded: Enterprise Zone Job Creation grant of \$1,308,800, Enterprise Zone Real Property Investment grant of \$200,000; local match: \$2,500,000 (partial waiver was granted for the remaining \$2,500,000); anticipated completion date: December 2029; average wage of new jobs: \$105,109; prevailing average wage: \$55,338). This project has been announced.
2. Russell County: **Tate**, a manufacturer of raised flooring and other rigid materials, will locate a new facility in Russell County. This location will create 170 new jobs and an investment of \$14.9 million (amount of grant: \$700,000; use of grant: building upfits; other grants awarded: none; local match: \$1,000,000; anticipated completion date: December 2027; average wage of new jobs: \$52,020; prevailing average wage: \$45,303). This project has been announced.
3. City of Waynesboro: **Northrop Grumman**, a manufacturer of aerospace and defense-related electronics, will locate a new facility in the City of Waynesboro. This expansion will create 331 new jobs and an investment of \$201.2 million (amount of grant: \$8,500,000; use of grant: building upfits; other grants awarded: none; local match: \$8,500,000; anticipated completion date: December 2028; average wage of new jobs: \$93,942; prevailing average wage: \$46,044). This project has been announced.
4. Not Yet Announced.

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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 2024 fiscal year, actual disbursements from the Fund totaling \$195,250 were made to Montgomery County for Torc Robotics and the City of Virginia Beach for Acesur.

Sincerely,



Jason El Koubi
President and Chief Executive Officer

JRE:kme

Enclosures

cc The Honorable Caren Merrick
Secretary of Commerce and Trade