

July 31, 2024

The Honorable L. Louise Lucas
Chair
Senate Finance and Appropriations
Committee
P.O. Box 700
Portsmouth, Virginia 23705

The Honorable Luke E. Torian
Chair
House Appropriations Committee
4222 Fortuna Plaza, Suite 659
Dumfries, Virginia 22025

The Honorable Vivian E. Watts
Chair
House Finance Committee
8717 Mary Lee Lane
Annandale, Virginia 22003

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

As of June 30, 2024, a total of \$415,694,210 had been appropriated to the Fund over time. As of June 30, 2024, the Cardinal Financial System cash balance was \$128,436,181, and the balance available for future commitments totaled \$24,364,106. Taking into account COF preapprovals of \$12,523,750 made by the Secretary of Commerce and Trade, however, the available balance is \$11,840,356. Generally, 40% of preapprovals, or \$5,009,500, do not move forward, and the available balance is more likely approximately \$17,000,000. Active grants awarded since the inception of the Fund total 710.

For the fourth quarter of the 2024 fiscal year, ended June 30, 2024, a total of \$33,371,866 was committed from the Opportunity Fund to assist eight projects relocating to or expanding in the state. Total committed job creation of these projects was 1,130, while committed investment totaled \$1.48 billion. Summaries on these projects follow:

1. Chesterfield County: **Condair**, a manufacturer of industrial cooling equipment, will locate a new facility in Chesterfield County. This location will create 180 new jobs and an investment of \$57.2 million (amount of grant: \$700,000; use of grant: building upfits; other grants awarded: Port Economic and Infrastructure Development grant of \$90,000; local match: \$700,000; anticipated completion date: March 2029; average wage of new jobs: \$70,806; prevailing average wage: \$59,566). This project has been announced.
2. Town of Blackstone: **JKOZ Engineering**, a manufacturer of aerospace and defense components, will locate a new facility in the Town of Blackstone (Nottoway County). This location will create 45 new jobs and an investment of \$5.0 million (amount of grant: \$125,000; use of grant: building upfits; other grants awarded: Virginia Jobs Investment Program grant of \$25,500; local match: \$97,200; anticipated completion date: March 2029; average wage of new jobs: \$44,331; prevailing average wage: \$50,041). This project has been announced.
3. Chesterfield County: **Haldor Topsoe**, a manufacturer of hydrogen fuel cells, will locate a new facility in Chesterfield County. This location will create 150 new jobs and a \$400.0 million investment (amount of grant: \$6,000,000; use of grant: building construction; other grants awarded: Port Economic and Infrastructure Development grant of \$450,000; local match: \$6,000,000; anticipated completion date: June 2030; average wage of new jobs: \$66,152; prevailing average wage: \$57,534). This project has been announced.
4. Russell County: **Simmons Equipment**, a manufacturer of mining machinery and equipment, will expand its existing facility in Russell County. This expansion will create 75 new jobs and an investment of \$8.2 million (amount of grant: \$270,000; use of grant: building upfits; other grants awarded: none; local match: \$400,000; anticipated completion date: June 2027; average wage of new jobs: \$55,667; prevailing average wage: \$46,351). This project has been announced.
5. Not Yet Announced.
6. Not Yet Announced.
7. Not Yet Announced.
8. City of Chesapeake: **LS Cable & System**, a manufacturer of subsea cable, will locate a new facility in the City of Chesapeake. This location will create 338 new jobs and invest \$681.1 million (amount of grant: \$13,200,000; use of grant: building construction; other grants awarded: Port Economic and Infrastructure Development grant of \$513,000; local match: \$15,000,000; anticipated completion date: June 2029; average wage of new jobs: \$76,227; prevailing average wage: \$55,642). 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 fourth quarter of the 2024 fiscal year, actual disbursements from the Fund totaling \$427,350 were made to Bland County for ABB, the City of Petersburg for AMPAC, the City of Hampton for Huntington Ingalls, and Rockbridge County for Modine.

Sincerely,



Jason El Koubi
President and Chief Executive Officer

JRE:kme

Enclosures

cc The Honorable Caren Merrick
Secretary of Commerce and Trade