

October 30, 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 first quarter of the 2025 fiscal year as required by § 2.2-115(G) of the Code of Virginia.

As of September 30, 2024, a total of \$432,444,210 had been appropriated to the Fund over time. As of September 30, 2024, the Cardinal Financial System cash balance was \$131,530,851, and the balance available for future commitments totaled \$48,163,512. Taking into account COF preapprovals of \$18,452,800 made by the Secretary of Commerce and Trade, the available balance is \$29,710,712. Generally, 40% of preapprovals, or \$7,381,120, do not move forward, and the available balance is more likely approximately \$37,000,000. Active grants awarded since the inception of the Fund total 716.

For the first quarter of the 2025 fiscal year, ended September 30, 2024, a total of \$4,611,210 was committed from the Opportunity Fund to assist ten projects relocating to or expanding in the state. Total committed job creation of these projects was 1,156, while committed investment totaled \$351.0 million. Summaries on these projects follow:

1. Mecklenburg County: **Shalag**, a manufacturer of non-woven fabric, will locate a new facility in Mecklenburg County. This location will create 52 new jobs and an investment of \$16.6 million (amount of grant: \$117,460; use of grant: building upfits; other grants awarded: Virginia Jobs Investment Program grant of \$23,400, Enterprise Zone Job Creation grant of \$136,000, Enterprise Zone Real Property Investment grant of \$100,000; local match: \$117,460; anticipated completion date: September 2029; average wage of new jobs: \$53,077; prevailing average wage: \$46,606). This project has been announced.
2. Albemarle County: **Afton Scientific**, a manufacturer of sterile injectable pharmaceuticals, will expand its existing facility in Albemarle County. This location will create 201 new jobs and an investment of \$202.4 million (amount of grant: \$540,000; use of grant: building construction; other grants awarded: none; local match: \$540,000; anticipated completion date: September 2029; average wage of new jobs: 70 at \$70,414 and 131 at \$52,397; prevailing average wage: \$70,267). This project has been announced.
3. Pittsylvania County: **RBW Car**, a manufacturer of motor vehicles, will locate a new facility in Pittsylvania County. This location will create 144 new jobs and an \$8.0 million investment (amount of grant: \$500,000; use of grant: building upfits; other grants awarded: Virginia Jobs Investment Program grant of \$129,600, Enterprise Zone Job Creation grant of \$281,800, Enterprise Zone Real Property Investment grant of \$100,000; local match: \$571,944; anticipated completion date: September 2029; average wage of new jobs: \$50,868; prevailing average wage: \$46,915). This project has been announced.
4. Scott County: **VFP**, a manufacturer of prefabricated metals, will expand its existing facility in Scott County. This expansion will create 50 new jobs and an investment of \$5.0 million (amount of grant: \$75,000; use of grant: building improvements; other grants awarded: Enterprise Zone Job Creation grant of \$67,300, Enterprise Zone Real Property Investment grant of \$100,000; local match: \$127,000; anticipated completion date: September 2027; average wage of new jobs: \$36,870; prevailing average wage: \$42,649). This project has been announced.
5. Not Yet Announced.

6. Pittsylvania County: **TECHnista**, an educational consulting company, will establish a new facility in Pittsylvania County. This location will create 15 new jobs and invest \$1.6 million (amount of grant: \$50,000; use of grant: building construction and improvements; other grants awarded: Enterprise Zone Job Creation grant of \$41,600; local match: \$61,250; anticipated completion date: September 2027; average wage of new jobs: \$75,000; prevailing average wage: \$46,915). This project has been announced.
7. Not Yet Announced.
8. Not Yet Announced.
9. James City County: **Kongsberg Defense & Aerospace**, a global technology and defense corporation, will locate a new facility in James City County. This location will create 187 new jobs and invest \$70.9 million (amount of grant: \$1,500,000; use of grant: building construction; other grants awarded: Virginia Investment Performance grant of \$750,000; local match: \$1,500,000; anticipated completion date: September 2027; average wage of new jobs: \$78,989; prevailing average wage: \$51,705). This project has been announced.
10. Fairfax County: **CMC Electronics**, a manufacturer of aircraft parts and auxiliary equipment, will locate a new facility in Fairfax County. This location will create 89 new jobs and invest \$5.0 million (amount of grant: \$300,000; use of grant: workforce training and building improvements; other grants awarded: Virginia Jobs Investment Program grant of \$66,750; local match: \$300,000; anticipated completion date: December 2028; average wage of new jobs: \$129,213; prevailing average wage: \$107,563). This project has been announced.

Money Committee Chair
October 30, 2024
Page 4

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

For the first quarter of the 2025 fiscal year, actual disbursements from the Fund totaling \$1,414,080 were made to Scott County for Tempur, Pittsylvania County for Tyson Foods, and Westmoreland County for Carry-On Trailer.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason El Koubi". The signature is fluid and cursive, with a prominent loop at the end.

Jason El Koubi
President and Chief Executive Officer

JRE:kme

Enclosures

cc The Honorable Caren Merrick
Secretary of Commerce and Trade