

April 23, 2025

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 third quarter of the 2025 fiscal year as required by § 2.2-115(G) of the Code of Virginia.

As of March 31, 2025, a total of \$435,297,046 had been appropriated to the Fund over time. As of March 31, 2025, the Cardinal Financial System cash balance was \$133,952,282, and the balance available for future commitments totaled \$44,968,098. Taking into account COF preapprovals of \$30,530,000 made by the Secretary of Commerce and Trade, the available balance is \$14,438,098. Generally, 40% of preapprovals, or \$12,212,000, do not move forward, and the available balance is more likely approximately \$26,000,000. Active grants awarded since the inception of the Fund total 720.

For the third quarter of the 2025 fiscal year, ended March 31, 2025, a total of \$3,575,000 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 835, while committed investment totaled \$524.1 million. Summaries on these projects follow:

1. Pulaski County: **Patton Logistics**, a logistics and warehousing provider, will expand its existing facility in Pulaski County. This expansion will create 25 new jobs and an investment of \$10.0 million (amount of grant: \$100,000; use of grant: building construction; other grants awarded: Virginia Jobs Investment Program grant of \$22,500, Economic Development Access Program grant of \$47,500, Enterprise Zone Job Creation grant of \$60,000, Enterprise Zone Real Property Investment grant of \$200,000; local match: \$850,000; anticipated completion date: March 2028; average wage of new jobs: \$46,760; prevailing average wage: \$52,009). This project has been announced.
2. Carroll County: **Oasthouse Ventures**, a business development firm specializing in low-carbon greenhouses, will locate a new greenhouse facility in Carroll County. This location will create 118 new jobs and an investment of \$104.8 million (amount of grant: \$550,000; use of grant: building construction; other grants awarded: Agriculture and Forestry Industries Development grant of \$250,000, Enterprise Zone Job Creation grant of \$456,000, Enterprise Zone Real Property Investment grant of \$200,000; local match: \$1,480,117; anticipated completion date: March 2028; average wage of new jobs: \$71,105; prevailing average wage: \$39,852). This project has been announced.
3. Not Yet Announced.
4. Botetourt County: **Munters**, a manufacturer of refrigeration and cooling equipment, will expand its existing facility in Botetourt County. This expansion will create 270 new jobs and an investment of \$30.0 million (amount of grant: \$1,000,000; use of grant: building construction; other grants awarded: Virginia Jobs Investment Program grant of \$202,500, Virginia Investment Performance grant of \$500,000, Economic Development Access Program grant of \$240,000; local match: \$1,036,500; anticipated completion date: March 2028; average wage of new jobs: \$56,236; prevailing average wage: \$56,231). This project has been announced.

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5. Not Yet 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 third quarter of the 2025 fiscal year, actual disbursements from the Fund totaling \$463,405 were made to the City of Virginia Beach for Acoustical Sheetmetal.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason El Koubi", with a stylized flourish at the end.

Jason El Koubi
President and Chief Executive Officer

JRE:kme

Enclosures

cc The Honorable Juan Pablo Segura
Secretary of Commerce and Trade