

July 16, 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 fourth quarter of the 2025 fiscal year as required by § 2.2-115(G) of the Code of Virginia.

As of June 30, 2025, a total of \$438,384,624 had been appropriated to the Fund over time. As of June 30, 2025, the Cardinal Financial System cash balance was \$146,735,919, and the balance available for future commitments totaled \$44,159,056. Taking into account COF preapprovals of \$38,720,000 made by the Secretary of Commerce and Trade, the available balance is \$5,439,056. Generally, 40% of preapprovals, or \$15,488,000, do not move forward, and the available balance is more likely approximately \$21,000,000. Active grants awarded since the inception of the Fund total 720.

For the fourth quarter of the 2025 fiscal year, ended June 30, 2025, a total of \$8,505,000 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 1,190, while committed investment totaled \$691.6 million. Summaries on these projects follow:

1. City of Lynchburg: **Delta Star**, a specialty transformer manufacturer, will expand its existing facility in the City of Lynchburg. This expansion will create 300 new jobs and a \$35.0 million investment (amount of grant: \$2,300,000; use of grant: building construction; other grants awarded: Enterprise Zone Job Creation grant of \$852,800, Enterprise Zone Real Property Investment grant of \$200,000; local match: \$2,360,000; anticipated completion date: March 2030; average wage of new jobs: \$66,400; prevailing average wage: \$57,250). This project has been announced.
2. Not Yet Announced.
3. Not Yet Announced.
4. Pittsylvania County: **Green Recycle**, a plastic recycler and manufacturer, will locate a new facility in Pittsylvania County. This location will create 28 new jobs and a \$4.3 million investment (amount of grant: \$150,000; use of grant: building upfits; other grants awarded: Virginia Jobs Investment Program grant of \$23,800, Enterprise Zone Job Creation grant of \$80,800, Enterprise Zone Real Property Investment grant of \$100,000; local match: \$151,649; anticipated completion date: June 2029; average wage of new jobs: \$56,857; prevailing average wage: \$48,067). This project has been announced.

5. Prince George County (revised): **LEGO Systems**, a toy production company, will locate a new warehouse and distribution facility in Prince Goerge County. This location will create 305 new jobs and an investment of \$366.0 million (amount of grant: \$2,525,000; use of grant: building construction; other grants awarded: Virginia Jobs Investment Program grant of \$202,500, Enterprise Zone Job Creation grant of \$1,124,000, Enterprise Zone Real Property Investment grant of \$200,000, Port Economic and Infrastructure Development grant of \$651,000; local match: \$3,590,050; anticipated completion date: June 2030; average wage of new jobs: \$55,952; prevailing average wage: \$64,211). This project has been announced.
6. City of Virginia Beach: **Acoustical Sheetmetal**, a sheet metal products manufacturer, will expand its existing facility in the City of Virginia Beach. This expansion will create 350 new jobs and an investment of \$45.8 million (amount of grant: \$1,750,000; use of grant: building construction; other grants awarded: none; local match: \$1,750,000; anticipated completion date: June 2030; average wage of new jobs: \$58,246; prevailing average wage: \$57,232). This project has been announced.
7. Lee County: **White Rock Truss**, a pine truss manufacturer, will expand its existing facility in Lee County. This expansion will create 27 new jobs and an investment of \$1.5 million (amount of grant: \$100,000; use of grant: workforce training; other grants awarded: Virginia Jobs Investment Program grant of \$27,000, Agriculture and Forestry Industries Incentive grant of \$100,000; local match: \$75,000; anticipated completion date: June 2030; average wage of new jobs: \$37,270; prevailing average wage: \$44,562). This project has been announced.
8. 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.

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For the fourth quarter of the 2025 fiscal year, actual disbursements from the Fund totaling \$2,377,440 were made to the City of Petersburg for Civica, Grayson County for Metalworx, Pittsylvania County for Tyson Farms, Henry County for Applied Felts, Rockbridge County for Modine, and the City of Newport News for Aery Aviation.

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