

February 3, 2026

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 second quarter of the 2026 fiscal year as required by § 2.2-115(G) of the Code of Virginia.

As of December 31, 2025, a total of \$459,182,881 had been appropriated to the Fund over time. As of December 31, 2025, the Cardinal Financial System cash balance was \$150,086,765, and the balance available for future commitments totaled \$47,574,803. Taking into account COF preapprovals of \$37,690,000 made by the Secretary of Commerce and Trade, the available balance is \$9,884,803. Active grants awarded since the inception of the Fund total 727.

For the second quarter of the 2026 fiscal year, ended December 31, 2025, a total of \$13,800,000 was committed from the Opportunity Fund to assist six projects relocating to or expanding in the state. Total committed job creation of these projects was 1,106 while committed investment totaled \$2.7 billion. Summaries on these projects follow:

1. City of Buena Vista: **Modine Manufacturing**, a manufacturer of heating and cooling equipment, will expand its existing facility in the City of Buena Vista. This expansion will create 57 new jobs and a \$19.6 million investment (amount of grant: \$300,000; use of grant: building construction; other grants awarded: Virginia Jobs Investment Program grant of \$57,000; local match: \$300,121; anticipated completion date: September 2030; average wage of new jobs: \$65,596; prevailing average wage: \$50,248). This project has been announced.
2. Rockingham County: **Merck**, a global biopharmaceutical company, will expand its existing facility in Rockingham County. This expansion will create 168 new jobs and a \$1.9 billion investment (amount of grant: \$4,000,000; use of grant: building construction; other grants awarded: Virginia Investment Performance grant of \$5,000,000; local match: \$51,000,000; anticipated completion date: December 2032; average wage of new jobs: \$101,131; prevailing average wage: \$56,737). This project has been announced.
3. Roanoke County: **Elbit Systems of America**, a manufacturer of night vision equipment, will expand its existing facility in Roanoke County. This expansion will create 288 new jobs and a \$30.2 million investment (amount of grant: \$1,200,000; use of grant: building improvements; other grants awarded: Virginia Jobs Investment Program grant of \$288,000, Virginia Investment Performance grant of \$300,000; local match: \$1,200,000; anticipated completion date: December 2029; average wage of new jobs: \$68,134; prevailing average wage: \$55,377). This project has been announced.
4. Not Yet Announced.
5. Not Yet Announced.

Money Committee Chair
February 3, 2026
Page 3

6. City of Chesapeake: **LS Cable America**, a manufacturer of copper and magnetics, will locate its facility in the City of Chesapeake. This location will create 433 new jobs and an investment of \$689.7 million (amount of grant: \$7,300,000; use of grant: building construction; other grants awarded: Virginia Investment Performance grant of \$1,475,000, Port Economic and Infrastructure Development grant of \$510,000; local match: \$7,762,500; anticipated completion date: December 2033; average wage of new jobs: \$70,783; prevailing average wage: \$59,191). 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.

For the second quarter of the 2026 fiscal year, actual disbursements from the Fund totaling \$4,411,882 were made to the City of Newport News for Certified Origins, Fairfax County for Systems Planning and Analysis, Prince William County for Granules, the City of Richmond for PPD, the City of Harrisonburg for Shenandoah Valley Organic, Henrico County for Simplisafe, the City of Alexandria for Systems Planning and Analysis, and Scott County for VFP.

Sincerely,



Jason El Koubi
President and Chief Executive Officer

JRE:kme

Enclosures

cc The Honorable Carrie H. Chenery
Secretary of Commerce and Trade