

**Eastman Chemicals**

Manufacturer of Solar Film

Henry County

\$50,000 COF Grant (approved 5/30/2017)

The company is requesting a first extension of four months from the initial performance date of 7/1/2020 to 11/1/2020 to meet its employment target. The new subsequent performance date will become 11/1/2024.

This performance agreement allowed the full grant to be transferred to the company upon the creation of 15 new jobs over the employment baseline and a capital investment of \$1.5 million. The funds were transferred to the company in November 2019.

Initial extension request received: July 28, 2020 (27 days after performance date)

Formal company extension request received: August 11, 2020 (41 days after performance date)

Locality letter of support received: August 11, 2020 (41 days after performance date)

Goals	Latest Data (6/30/2020)
15 jobs @ \$43,000 over 734 baseline	0 (0%) (verified)
\$11,700,000 investment	\$11,661,208 (99.6%) (verified)

Statutory Minimums: 15 jobs and \$1.5 million investment

- The COVID-19 pandemic and furloughs related to the pandemic have presented some challenges to Eastman meeting its employment target by the initial performance date.
- Eastman recently decided to hire 60 temporary staff as full-time employees. To allow the company to hire these personnel and be reflected in the VEC data used for verification, it is requesting a four-month extension to its performance date.
- Eastman must meet the statutory minimum employment requirement of 15 jobs to retain any portion of the grant.
- Henry County is supportive of an extension for Eastman to reach its employment target.

## Hardywood

Brewery

Goochland County

\$500,000 COF Grant and \$400,000 VIP Grant (approved 7/14/2015)

The company is requesting a first extension of 15 months from the initial performance date of 12/31/2020 to 3/31/2022 to meet its employment and investment targets.

This grant was made prior to the inception of interim performance milestones; thus, the company holds the entire COF grant. No VIP payments have been made since this is a post-performance grant.

Extension request received: February 4, 2020 (331 days before performance date)

Formal company extension request received: September 8, 2020 (114 days before performance date)

Locality letter of support received: September 25, 2020 (97 days before performance date)

Goals	Latest Data (6/30/2020)
56 jobs @ \$51,000	13 (23%) @ \$51,000 (verified)
\$28,250,000 investment	\$20,967,228 (74%) (verified)

Statutory Minimums: 50 jobs and \$5.0 million investment

- Due to unforeseen construction delays, including an eight-month delay due to soil conditions on the site, Hardywood was unable to open to the public until mid-2018.
- Project cost overruns in other areas critical to beer production prevented Hardywood from building the mezzanine balcony, an outdoor amphitheater, and a catering kitchen, all of which would have assisted with job creation.
- The COVID-19 pandemic has been financially devastating to Hardywood with its restaurant customers' closure throughout Virginia, Washington, DC, and North Carolina. Hardywood's tasting rooms in Richmond and Goochland were also shuttered.
- Half of Hardywood's full-time staff was furloughed in April, and while they have been able to return some of these individuals to work, they have had to issue several layoffs.
- Hardywood anticipates that it will continue to operate at a loss until a COVID-19 vaccine is widely available.
- The COVID-19 pandemic has been financially damaging to Hardywood, and the company has stated that having to repay these funds in 2020 would likely result in bankruptcy.
- As the market recovers, Hardywood believes it is poised for significant production increases, which will increase both its employment and capital investment.
- Hardywood must meet the statutory minimum employment requirement of 50 jobs to retain any portion of the grant.
- Goochland County is supportive of an extension for Hardywood to reach its employment and investment targets.

**idX Corporation**

Manufacturer of furniture and fixtures

Spotsylvania County

\$400,000 COF Grant (approved 1/30/2017); \$75,000 COF Grant (approved 11/27/17)

The company is requesting extensions for its two COF Grants. Firstly, an extension of 15 months from the performance date of 6/30/20 to 9/30/21 for its first grant (would push subsequent performance date to 9/30/23 for job maintenance). Secondly, an extension from 6/30/21 to 9/30/22 for its second grant to meet its employment and investment targets.

The first grant has a job target of 150 jobs, and the second grant has a jobs target of 25 jobs in addition to the 150 associated with the first grant. Similarly, the first grant has an investment target of \$7.20 million, and the second grant has an investment target of \$2.68 million in addition to the \$7.20 million associated with the first grant.

This performance agreement allowed the first grant to be released to the company upon the purchase of a building; release of the second grant requires the creation of 25 new jobs over the 150 employment baseline and a \$2.68 million investment. Since the company has not reached these targets, Spotsylvania continues to hold the second grant in its entirety.

Extension request received: August 15, 2020 (46 days after performance date)

Formal company extension request received: September 25, 2020 (87 days after performance date)

Locality letter of support received: September 25, 2020 (87 days after performance date)

Grant 1 Goals	As of Performance Date (6/30/20)
150 jobs @ \$55,502	99 (46%) @ \$55,816 (verified)
\$7,200,000 investment	\$9,037,898 (126%) (verified)

Grant 2 Goals	As of Latest Data (6/30/20)
25 jobs @ \$50,000 (over 150 baseline)	0
\$2,680,000 investment	\$1,837,898 (69%) (verified)

Statutory Minimums: 25 jobs and \$2.5 million investment

- The COVID-19 pandemic has negatively impacted idX's employment. Employment plateaued at 137 in January 2020, but it was forced to lay off 40 employees in May 2020 due to COVID.
- As COVID restrictions were eased, idX began to see an influx in its operations. Customer requests increased, and new customers were acquired in the third quarter of 2020, allowing the company to expand its employee base and plan for additional headcount.
- Preliminary 2021 budget preparations indicate that idX will be back to the original budgeted sales levels for 2020 and on track to meet its job creation and investment commitments for both grants.
- Spotsylvania County is supportive of an extension for idX for both of its grants to meet its employment and investment targets.

**Navy Federal Credit Union**

Provider of financial services

Fairfax County

\$1,000,000 COF Grant (approved 3/10/2015)

The company is requesting a first extension of 15 months from the performance date of 9/1/20 to 12/1/21 to meet its employment target.

This performance agreement allowed the full grant to be released to the company upon execution of the agreement; thus, the company has received the full grant.

Extension request received: August 28, 2020 (4 days before performance date)

Formal company extension request received: September 29, 2020 (28 days after performance date)

Locality letter of support received: September 29, 2020 (28 days after performance date)

Goals	As of Performance Date (9/1/20)
600 (65 @ \$94,637; 535 jobs @ \$53,535) (over 3,477 baseline)	443 (74%) (237 @ \$147,173; 206 @ \$67,328) (verified)
\$114,600,000 investment	\$121,243,603 (106%) (verified)

Statutory Minimums: 50 jobs and \$5.0 million investment

- The COVID-19 pandemic adversely impacted Navy Federal’s plans to exceed its employment target by summer 2020.
- With the pandemic creating significant uncertainty throughout the financial industry, Navy Federal re-evaluated its short-term hiring plans and reduced hiring accordingly.
- Navy Federal’s business remains strong, and it anticipates fulfilling its employment target by December 2021, the extended performance date.
- Navy Federal has greatly exceeded its target for jobs paying the average salary of \$94,637; as noted above, 237 jobs are paying over \$147,000. Note that the lower-range jobs are paying more than \$10,000 higher than initially expected.
- Navy Federal is an excellent employer and a valued investor in Fairfax County, and the locality is supportive of an extension for the company to meet its employment target.

**Qualitytech, LP**  
Prince William County  
Data Center Retail Sales and Use Tax Exemption

The company is requesting a first extension of 18 months from the performance date of 1/1/2022 to 7/1/2023.

Goals	As of 4/1/2020	% Complete
50 jobs @ 70,746	6	12%
\$150,000,000 investment	\$223,615,148	150%

Statutory Minimums: 50 Jobs and \$150 million investment

Justification for 18-month extension:

- Qualitytech, LP Prince William has exceeded its investment metrics.
  - Investment last reported on 4/1/2020 was \$223,615,148
- Due to the Covid-19 pandemic, Qualitytech felt it prudent to adjust their growth targets to ensure the company's ongoing viability during uncertain market conditions. The company has developed a new campus growth and staffing plan that will address the job creation portion of the performance target through the new performance date.
- The new staffing plan expects the following job composition: 6 currently reported jobs, 11 positions from tenants, 2 teleworkers, 16 positions for site support and ongoing maintenance, and 15 positions focused on campus growth.

## Sanjo

Manufacturer of fineblanking

City of Virginia Beach

\$250,000 COF Grant (approved 6/10/2016)

The company is requesting a first extension of 15 months from the initial performance date of 9/1/2020 to 12/1/2021 to meet its employment and investment targets.

This performance agreement allowed the full grant to be released to the company upon the issuance of the certificate of occupancy; however, the City of Virginia Beach continues to hold the entire grant.

Extension request received: July 27, 2020 (36 days before performance date)

Formal company extension request received: August 21, 2020 (11 days before performance date)

Locality letter of support received: August 21, 2020 (11 days before performance date)

Goals	Latest Data (6/30/2020)
85 jobs @ \$40,400	9 @ \$45,485 (11%) (verified)
\$17,500,000 investment	\$9,444,202 (54%) (verified)

Statutory Minimums: 50 jobs and \$5.0 million investment

- New U.S.-imposed tariffs on imports from the European Union in 2018 caused Sanjo's only customer at the time, Stihl, to not fulfill its contract to purchase 100% of its product from Sanjo due to a 12% price increase.
- Company officials faced difficulties obtaining visas, preventing Sanjo from other contracts. These officials must be present when launching a new product in order to maintain quality control.
- It has been difficult for Sanjo to locate and train a qualified workforce to allow quick and safe growth.
- Due to the lack of experienced personnel, Sanjo was forced to reject several contracts.
- The COVID-19 pandemic put a further strain on the company, as many new potential customers have placed their projects on hold.
- A new customer with a product date planned for mid-2020 was delayed to 2021 due to COVID. This was a large contract that would require more employees and an additional shift.
- The company believes a 15-month extension will allow it to move closer to its performance metrics.
- Sanjo must meet the statutory minimum employment requirement of 50 jobs to retain any portion of the grant.
- Virginia Beach is supportive of an extension for Sanjo to reach its employment target and complete the project.
- Sanjo supports Virginia Beach's goal of increasing the number of international companies in Virginia and has been an advocate for the City in this regard.

**Starsprings USA, Inc.**

Spring supplier for the truck manufacturing industry

Henry County

\$100,000 COF Grant (approved 1/4/2016)

The company is requesting a second extension of 15 months from the extended performance date of 6/30/20 to 9/30/21 to meet its employment target (would push subsequent performance date to 9/30/23 for job maintenance). MEI approval is required.

This performance agreement allowed the release of \$50,000 upon the execution of the building's lease agreement; this portion has been released to the company. The remaining \$50,000 was to be released at the completion of the building construction/improvements and the creation of 15 jobs; Henry County continues to hold this portion of the grant and will continue to hold until the end of the performance period.

Extension request received: September 14, 2020 (76 days after performance date)

Formal company extension request received: September 28, 2020 (90 days after performance date)

Locality letter of support received: September 28, 2020 (90 days after performance date)

Goals	As of Extended Performance Date (6/30/20)
68 jobs @ \$27,428	27 (40%) @ \$31,063 (verified)
\$3,689,875 investment	\$3,653,939 (99%) (verified)

Statutory Minimums: 15 jobs and \$1.5 million investment

- COVID-19 has had a major impact on both sales and workforce. Sales dropped significantly when one of its customers closed for several months during the pandemic.
- Starsprings has had difficulty hiring during COVID-19 due to the increased unemployment benefits offered.
- Starsprings has recently added a partial second shift and continues to seek qualified employees.
- Leadership has been a challenge since the original president returned to Sweden in 2018. After two unsuccessful presidents, it was decided not to fill this position but instead promote an internal candidate to plant manager. This individual has been with Starsprings since 2016 and had the benefit of working closely with the original president. With this transition, customer communication has been re-established, leading to increased opportunities for sales.
- The average annual salary of the new jobs is almost \$4,000 more than originally anticipated.
- To help Starsprings achieve its employment target, the company has taken the following steps:
  - Utilizing online employment services, such as Indeed
  - Building relationships with local community colleges
  - Utilizing an outside staffing agency to fill needed positions.
- Henry County supports an extension for Starsprings to meet its employment target, particularly since the company helps diversify the local industry base.