

Blue Wolf Sales and Service

Manufacturer of industrial strength cleaners

Tazewell County

\$45,000 COF Grant (approved 8/27/15)

The company is requesting a second extension of 15 months from the extended performance date of 8/1/20 to 11/1/21 to meet its employment and investment targets.

This grant was made prior to the inception of performance milestones; thus, the company has already received the funds.

Requires MEI approval.

Extension request received: June 29, 2020 (33 days before performance date)

Formal company extension request received: December 17, 2020 (138 days after performance date)

Locality letter of support received: December 17, 2020 (138 days after performance date)

Goals	Latest Data (9/30/2020)
15 jobs @ \$27,435 (over 7 baseline)	6 jobs (40%) @ \$29,094 (verified)
\$1,559,000 investment	\$1,531,581 (98%) (verified)

Statutory Minimums: 15 jobs and \$1.5 million investment

- The COVID-19 pandemic has placed undue stress on Blue Wolf. The company is striving to continue the development of its customer base while keeping the safety of its employees a top priority.
- The company services national chains, such as Lowe's, Rural King, Wal-Mart, Kroger, Food City, and Advanced Auto, on a limited regional basis. Discussions are underway with these companies on how to expand this distribution regionally, and ultimately nationally.
- Blue Wolf has a prime contractor purchasing its products as part of a vehicle maintenance contract with the Virginia Department of Transportation and a second prime contractor under a Department of Defense contract. Both contractors are discussing expanding Blue Wolf's role as a HUB Zone Small Business Supplier, representing growth opportunities for the company.
- Over the past year, Blue Wolf has implemented policies to comply with supplier certification requirements and has worked with SMT Engineering to design upgrades of its manufacturing capabilities in preparation for higher volume production requirements, to include automation and additional bottling capabilities. These upgrades will require an additional capital investment of approximately \$1.5 million.
- Blue Wolf has engaged GenEdge consulting to help it understand what will be required of the company as it grows its business. GenEdge is providing Blue Wolf with a planned financial analysis and business case development for its growth and expansion in Tazewell County.
- Blue Wolf anticipates exceeding the COF performance metrics with a 15-month extension assuming it receives one or more of the expected agreements with the national chains.
- Blue Wolf must meet the statutory minimum employment requirement of 15 jobs at the required wage to retain any portion of the grant.
- Tazewell County is supportive of a second extension for Blue Wolf to reach its employment target.

Solid Stone Fabrics

Manufacturer and distributor of textiles

Henry County

\$50,000 COF Grant (approved 6/29/16)

The company is requesting a second extension of 15 months from the extended performance date of 1/1/2021 to 4/1/2022 to meet its employment target.

This grant was made prior to the inception of performance milestones; thus, the company has already received the funds.

Requires MEI approval.

Extension request received: December 18, 2020 (14 days before performance date)

Formal company extension request received: December 29, 2020 (3 days before performance date)

Locality letter of support received: December 29, 2020 (3 days before performance date)

Goals	Latest Data (9/30/2020)
22 jobs @ \$33,280 (over 46 baseline)	0 (0%); 36 employed as of 9/30/2020 (below the baseline) (verified)
\$1,500,000 investment	\$1,679,193 (verified)

Statutory Minimums: 15 jobs and \$1.5 million investment

- Solid Stone has met its investment target.
- The company's sales were halted by the COVID-19 pandemic. The flag market for high schools and colleges did not materialize in 2020; Disney is one of their largest accounts and 2020 sales to them were only 10% of 2019 sales; shutdowns in other markets serviced further contributed to the decline.
- In March 2020, the company began producing masks, medical gowns, and face shields, which enabled business to continue; however, this demand has since slowed.
- Solid Stone expects substantial growth in its sewing operation, and many of those currently holding temporary sewing positions will be hired full time as the recovery continues.
- Solid Stone partners with Williams Sonoma/Pottery Barn, and this business continues to grow. Hires will be required to support this growth in the areas of manufacturing, customer service, packing, design, and art development.
- Discussions are also being held with Williams Sonoma regarding Solid Stone operating as a fulfillment center for some of its products currently located in other warehouses, which would contribute to further growth.
- With the plans outlined above, Solid Stone is confident it can reach its employment target with a 15-month extension.
- Henry County is supportive of an extension for Solid Stone to reach its employment target.

O’Sullivan Films/Continental Automotive

Manufacturer of industrial and automotive interior textiles

City of Winchester

\$187,931 COF Grant (approved 10/18/2018)

Company requesting a first extension of 15 months from the performance date of 10/1/20 to 1/1/22 meet its employment and investment targets.

This performance agreement allows the release of the entire grant once the performance metrics are fully achieved; thus, the City of Winchester continues to hold the funds.

Extension request received: August 5, 2020 (57 days before performance date)

Formal company extension request received: September 16, 2020 (15 days before performance date)

Locality letter of support received: September 16, 2020 (15 days before performance date)

Goals	As of Performance Date (6/30/20)
61 @ \$53,852 (over 440 baseline)	19 (31%) @ \$59,786 (verified)
\$10,348,500 investment	\$9,000,000 (87%) (verified)

Statutory Minimums: 25 jobs and \$2.5 million investment

- Softness in the global automotive market, exacerbated by the COVID-19 pandemic, has caused O’Sullivan to fall short on its performance metrics.
- COVID-19 required the company to furlough some workers and curtail hours for others to align with market demand, causing a decline in its employment.
- At the onset of the pandemic, O’Sullivan shifted its focus to the development and manufacture of face shields for first responders and health care workers.
- O’Sullivan believes a 15-month extension will allow it to fully meet its metrics by the performance date as the economy continues to recover from the pandemic.
- O’Sullivan must meet the statutory minimum employment requirement of 25 jobs to retain any portion of the grant.
- O’Sullivan has been an important member of Winchester’s industrial base for nearly 100 years, and the locality is supportive of an extension for the company to meet its employment and investment targets.
- O’Sullivan is a valued community partner, serving on workforce development boards and taking a leading role in community initiatives.

OVH

Web host provider

Fauquier County

\$1,250,000 COF Grant (approved 10/4/2016)

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 target.

The company has not yet met the payment milestones as outlined in the performance agreement; thus, Fauquier County holds the entire COF grant.

Extension request received: April 2, 2020 (273 days before performance date)

Formal company extension request received: December 22, 2020 (9 days before performance date)

Locality letter of support received: December 22, 2020 (9 days before performance date)

Goals	Latest Data (9/30/2020)
54 jobs @ \$58,333	21 jobs (39%) @ \$69,516 (verified)
\$47,528,400 investment	\$61,026,926 (128%) (verified)

Statutory Minimums: 50 jobs and \$5.0 million investment

- OVH has exceeded its capital investment target.
- Due to lower than expected business growth in 2019 exacerbated by the COVID-19 pandemic, the company's employment has been delayed. Asbestos and lead paint were also discovered in one of the buildings, causing a further employment delay.
- The company expects significant growth through the increase of its digital and enterprise sales, which will lead to more hiring to address the increase in servers required for these new customers.
- OVH plans to return workers to the data center and add more technicians during the second half of 2020 to continue to build out its infrastructure and to provide support for its expanding customer base.
- OVH believes it will be able to achieve its employment target with a 15-month extension.
- OVH must meet the statutory minimum employment requirement of 50 jobs at the required wage to retain any portion of the grant.
- Fauquier County is supportive of an extension for OVH to reach its employment target.

PowerSchool

Education technology platform

City of Roanoke

\$250,000 COF Grant (approved 8/25/2017)

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 target.

The company has not yet met the payment milestones as outlined in the performance agreement; thus, the City of Roanoke holds the entire COF grant.

Extension request received: November 9, 2020 (52 days before performance date)

Formal company extension request received: December 2, 2020 (29 days before performance date)

Locality letter of support received: November 13, 2020 (48 days before performance date)

Goals	Latest Data (9/30/2020)
96 jobs @ \$68,116 (over 83 baseline)	72 jobs (75%) @ \$55,026 (verified)
\$1,785,000 investment	\$2,085,235 (117%) (verified)

Statutory Minimums: 15 jobs and \$1.5 million investment

- PowerSchool has exceeded its capital investment target.
- Due to the COVID-19 pandemic, the company's employment ramp-up has been delayed.
- The average wages for PowerSchool are under the required \$68,116, which would mean the lower-paying jobs would not count towards the job target.
- PowerSchool is confident it will be able to reach its employment and wage targets with an extension due to the growth of its products as a function of distance learning and through the acquisition of Hoonuit, which it acquired in October 2020.
- PowerSchool must meet the statutory minimum employment requirement of 15 jobs at the required wage to retain any portion of the grant.
- The City of Roanoke is supportive of an extension for PowerSchool to reach its employment target.

WillowTree

Mobile applications and product development

Albemarle County

\$200,000 VJIP Grant (approved 7/20/2018)

The company is requesting a first extension of 15 months from the performance date of 1/9/2021 to 4/9/2022 to meet its employment target.

WillowTree has received reimbursements totaling \$110,000 of the \$200,000 grant.

Formal company extension request received: January 8, 2021 (1 day before performance date)

Goals	Latest Data (12/31/2019)
200 jobs @ \$38.46/hour	110 jobs (55%) @ \$38.46 (verified)
\$12,300,000 investment	To be verified upon closure of grant to ensure statutory minimum capital investment of \$100,000 is met

Statutory Minimums: 5 jobs and \$100,000 investment

- Prior to the slowdown dictated by the COVID-19 pandemic, WillowTree had achieved the status of the country's largest independent digital design agency, governed from its new headquarters at the historic Woolen Mills in Albemarle County.
- When the state of emergency was declared due to COVID-19, WillowTree suffered a 20% decrease in gross revenue due to client cancellation of projects (it has many prominent clients in the hospitality, retail, and food businesses). This led their Board to impose an across-the-board compensation reduction, which has just recently been lifted.
- The company paused hiring for the majority of 2020 to survive as a profitable business. Since the majority of their hiring happens in the second and third quarters of the year, it was unable to maintain its prior pace of hiring.
- As WillowTree's clients and the economy emerge from the pandemic, hiring has resumed. However, many of their employees have temporarily moved to other states to be near family and/or to care for family.
- Although WillowTree is behind its original hiring schedule, it is anticipated that they will be able to call all employees back to the office by mid-2021.
- WillowTree believes a 15-month extension will allow it to reach its employment target and take advantage of the remaining VJIP funding available to the company.