

Comments of Rodger Provo
to the HJR 75 Joint Subcommittee Studying Local Incentives Provided
to Private Businesses for Economic Development Purposes
10/27/08

Mr. Wade -

I want to thank you and others for the opportunity to share my thoughts with all of you relative to private company incentives. Because of a scheduling conflict that requires that I be in Washington, DC for the day of November 12th, I will not be able to attend the Joint Subcommittee meeting in Richmond that morning. In lieu of my attending that meeting, I am offering these ideas for you to share with the subcommittee and others involved in this project:

1. The country's and state's economic climate is such that we need to use incentives to encourage the development of new businesses that create new revenue for communities and new jobs that pay a living wage.
2. Incentives should be used to encourage business developments such as the Cannon projects in Newport News, but not ventures such as the new Capitol Ale House or Wegmans Store in Fredericksburg.
3. We need more discretion in the use of tax concessions, as we discussed, so that such investments are made in businesses that generate positive new growth for the state and our communities.
4. I think communities often pursue the restaurant-retail industry for new revenue because of the return for them pursuant to the state tax code -- thus they are willing to make major concessions for such opportunities -- which national companies are aware.
5. the reality is that the economic conditions in the country are such that we have to many restaurants and retail stores that have under utilized valuable land in many communities, contributed to our congestion problems, created an employment base that locks people into poverty and are in a constant battle to steal customers and revenue from competitors, often nearby, which has caused us to have many "dead shopping corridors" in older suburban areas and new problems not to unlike those found in the older cities
6. I would offer these proposals for requirements for incentives:
 - a) A new business must demonstrate it will create jobs that will pay a living wage for a community
 - b) Such a business should be required to demonstrate it is generating new revenue for the community

c) Businesses seeking incentives should be given special consideration for this concession if they are locating in redevelopment project or an economically depressed area

d) there is a loop hole in state law that is allowing localities to use their EDA's to get around the 10 year limit for such concessions that needs to be plugged

I am a commercial real estate broker and developer based in Fredericksburg. I have done projects around the state. My career has included being an executive for the broadcast division of the old Washington Star Station Group, executive editor of two newspapers in Northern California and an assistant to former Gov. A. Linwood Holton. My real estate work has included a variety of projects involving hotels, industrial buildings and plants, office buildings and developing a 130 acre mixed use project adjoining our regional medical center in Fredericksburg. I hope these thoughts are useful. Thanks for the call.

Sincerely,

Rodger Provo
Fredericksburg, Virginia