

SOUTHWEST VIRGINIA ECONOMIC DEVELOPMENT COMMISSION

The joint subcommittee studying measures to improve and enhance economic development in Southwest Virginia, pursuant to SJR 111

October 6, 2004
Big Stone Gap, Virginia

Meeting Summary

The Southwest Virginia Economic Development Commission ("Commission") held its second meeting at Mountain Empire Community College in Big Stone Gap, Virginia on October 6, 2004. After Chairman Puckett called the Commission to order, Dr. Terrance Suarez, President, Mountain Empire Community College, welcomed the Commission to the College. Dr. Suarez noted that he recently had attended a meeting of the Rural Community College Alliance at which economic development was a key issue. A trained workforce is central to viable economic development, and workforce training a central purpose of the community college system.

Presentations and Panel Discussions

Dave Rundgren, Executive Director, New River Valley Planning District Commission (NRVPDC), reviewed several specific components and initiatives associated with economic development in Southwest Virginia. The NRVPDC was formed in 1969 and expanded in 2000. The NRVPDC participates in the Regional Cooperation Act, which has resulted in a host of economic development initiatives, including the New River Valley airport and the New River Valley Foreign Trade Zone.

Future initiatives include development of the broadband network, creation of a regional water supply, assisting development of "home grown businesses," and furthering partnerships with state government. The New River Valley Telecommunications Plan, initiated in June 2004, is one example of a regional initiative intended to create an open-access service network available on regional and local levels. To grow local business, the educational system must focus on building self-sufficiency and there must be a greater effort to match persons with technical skills with those having business skills. Mr. Rundgren noted that regional approaches work; that public-private partnerships are essential; that community-wide computer networks further communication, that water supplies should be interconnected, and that building companies is crucial for economic development. Mr. Rundgren's remarks are available at the Commission's legislative website at <http://dls.state.va.us/SJR111.HTM>.

Ron Flanary, Executive Director, Lenowisco Planning District Commission, reviewed several successful regional projects, including the Virginia Coal Economic Development Authority, Regional Jail, Regional Workforce Program, Heritage Tourism, and the Regional Small Business Incubator. Important areas that have not been regionalized include treatment and disposal of solid waste, and education, which is a critical issue area not within the control of the regional planning district commission. The Lacy Commission resulted in several specific successes, including improvements in transportation, public water, and public sewer. The needs remain high however, and

include \$125 million in water and \$365 million in sewer. A total of 3,820 new jobs have been added to the area during the period 1985 to 2003, but the need for additional new jobs remains high.

Mr. Flanary made several recommendations including that (1) government funding opportunities and tobacco awards should be based on economic needs; (2) grow the University of Virginia at Wise to 2,500 students; (3) reinvent public education; (4) further support heritage tourism; and (5) improve vocational training. The regional workforce program must be revised to make it more responsive to the needs of private business. Improvements are needed in the areas of telecommunications and infrastructure, and enterprise zones and regional approaches should continue to be supported. Mr. Flanary's remarks are available at the Commission's legislative website at <http://dls.state.va.us/SJR111.HTM>.

Brad Mills, Associate Professor, Agricultural & Applied Economics, Virginia Tech, discussed economic impact studies. Economic impact studies evaluate industrial output and value added, with a focus on expenditures, to estimate total revenues. Job creation also can be assessed. As a rule, the larger the region, the greater the economic impacts. Economic impact studies help show linkages between sectors and among regions, which in turn informs policy decisions and facilitates regional cooperation. Professor Mills conducted a detailed study of Virginia Tech's impact on the regional economy. Professor Mills's remarks are available at the Commission's legislative website at <http://dls.state.va.us/SJR111.HTM>.

Todd Green, a Senior Human Resources Specialist with General Dynamics in Marion noted that his company had 983 employees, had added 250 jobs in the last few years, and is still recruiting. The company must recruit broadly to obtain employees. To facilitate recruitment, General Dynamics entered into a partnership with Virginia Tech to help further the education of specialists qualified to work at General Dynamics: a good example of the education system's providing training to meet a local employer's needs. General Dynamic also has been successful in partnering with the local community college to develop a web-based system that provides several education modules. Only 21 employees to date have taken advantage of the company's tuition reimbursement program. Mr. Green's remarks are available at the Commission's legislative website at <http://dls.state.va.us/SJR111.HTM>.

Brucie Boggs, Senior Vice President with Carilion Health System in Roanoke observed that access to good quality, affordable health care is key to economic development. People are living longer, and health care employees are increasingly sophisticated, better educated, and earning higher salaries. There is keen competition for nurses, and it will be essential to focus on expanding the available pool of employees rather than competing for a smaller pool of employees. The challenges facing the health industry include attracting new people, preparing them for the profession, teaching them for the profession, knowing what resources are available, and developing the faculty in educational facilities. State assistance will be critical in gaining a better understanding of what resources are available to the health profession. Ms. Boggs's comments are available at the Commission's legislative website at <http://dls.state.va.us/SJR111.HTM>.

Willard Owens, Mayor of Grundy, was unable to join the Commission's meeting. Senator Puckett spoke to some issues facing Grundy and the surrounding area. He noted that Breaks Interstate Access Park is difficult to access, and that transportation as a whole is problematic given that there are no new construction monies available. The town of Grundy is being relocated to remove it from a floodplain, and the entire relocation process is a good example of cooperation across the public and private sectors. Walmart already has committed to anchor Grundy's new regional center, and that commitment is expected to draw other resources to the center. Grundy's relocation should be coordinated with the opening of the Coalfield Expressway, which also will open up access to Breaks Interstate Park.

Carl Mitchell, Virginia Economic Bridge, described the four task forces associated with Commission. Each task force would be chaired by a member of commission and would have 10 additional members. The task forces are entitled (1) building a region of prosperity; (2) enabling economic growth; (3) promotion of the southwest Virginia region; (4) traditional industries. A summary of the task forces is available at "Focusing on the Commission" at the Commission's legislative website at <http://dls.state.va.us/SJR111.HTM>.

Senator Puckett noted concern relative to the exodus of youth from Southwest Virginia. Senator Wampler noted that the eastern part of the New River Valley is very different from the Lenowisco planning district: a "one size fits all" approach will not be successful; instead it is essential to address various issues specific to each planning district. Sim Ewing noted that education is a critical component of economic development.

Members of the audience noted concern regarding the sunset of the enterprise zone legislation. Ron Flanary stated that it would be critical to develop a legislative package immediately for the 2005 General Assembly session. Senator Wampler emphasized that legislation alone would not be sufficient; that there must instead be a change in Southwest Virginia itself. The Commission must consider what Southwest Virginia is as a region, and work to further its regional development and prepare the next generation of leaders.

Jack McClanahan, Big Stone Gap, stated that the "rails to trails" programs embody a sound regional effort. The Creeper Trail is a particularly good example of a trail that links various trails. The trail program could be coordinated with the 400th anniversary commemoration of Jamestown. Will Davis, Appalachian Power, picked up on Senator Wampler's comments to note that the Commission must have quantifiable goals. There have been many white papers; this Commission needs to go further to identify specific actions that can effectively promote Southwest Virginia. Upon hearing no further public comment, the Commission adjourned.

The Honorable Phillip P. Puckett, Chairman
The Honorable Terry G. Kilgore, Vice Chairman
Ellen Bowyer, Staff Attorney, Division of Legislative Services