

**THE FEASIBILITY OF CREATING A STATE AGENCY TO
ASSIST LOCALITIES IN DETERMINING THE TOTAL
IMPACT OF THE LOCATION OF NEW INDUSTRY
IN A COMMUNITY**

**REPORT OF THE
VIRGINIA ADVISORY LEGISLATIVE COUNCIL
To
THE GOVERNOR
And
THE GENERAL ASSEMBLY OF VIRGINIA**



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THE FEASIBILITY OF CREATING A STATE AGENCY TO ASSIST LOCALITIES IN DETERMINING THE TOTAL IMPACT OF THE LOCATION OF NEW INDUSTRY IN A COMMUNITY

Report of the
Virginia Advisory Legislative Council

Richmond, Virginia
January 7, 1974

To: HONORABLE LINWOOD HOLTON, *Governor of Virginia*
and
THE GENERAL ASSEMBLY OF VIRGINIA

I. INTRODUCTION

The General Assembly at its 1972 Session adopted House Joint Resolution No. 35, directing the Virginia Advisory Legislative Council to study the feasibility of creating a state agency to assist localities in determining the impact of industry locating in their communities. The text of the resolution is as follows:

HOUSE JOINT RESOLUTION NO. 35

Directing the Virginia Advisory Legislative Council to study the feasibility of creating a State agency to assist localities in determining the total impact of the location of new industry in a community.

Agreed to by the House of Delegates, March 6, 1972

Agreed to by the Senate, March 10, 1972

Whereas, the Commonwealth has a number of agencies at work soliciting industry to locate in Virginia; and

Whereas, pure economic gain should no longer be the only rationale for bringing new industry to Virginia; and

Whereas, social awareness of the problems involved in industrializing certain areas dictates that a "social quotient" be used as the rationale for any further industrialization of Virginia; and

Whereas, the "social quotient" approach to industrial development would include additional factors such as the probability that such proposed industrialization will result in air, water or noise pollution; the number and quality of the work force required; the impact of additional industry on existing governmental and social services; the availability of local housing; the effect on existing local transportation facilities and highways; and

Whereas, the use of such a "social quotient" will bring out both the advantages and disadvantages of further industrialization and give communities a better basis for determining whether new industry is best for their community; now, therefore, be it

Resolved by the House of Delegates, the Senate concurring, That the Virginia Advisory Legislative Council is directed to study the feasibility of creating a State agency to assist localities in determining the total impact of the location of new industry in a community.

All agencies of the State and local governments shall cooperate with the Council in its study.

The Council shall conclude its study and make its report to the Governor and the General Assembly not later than September one, nineteen hundred seventy-three.

Willard J. Moody, a member of the Senate, a member of the Virginia Advisory Legislative Council, and an attorney at law was appointed as chairman of a committee to make the preliminary study and to report to the Virginia Advisory Legislative Council. The following persons were selected to serve as members of the Committee with Mr. Moody: Walton G. Bondurant, Jr., attorney at law, Portsmouth; Russell M. Carneal, attorney at law and a member of the House of Delegates, Williamsburg; David S. Favre, attorney at law, Newport News; Abram Frink, Jr., member of Board of Supervisors, James City County, Williamsburg; Muscoe Garnett, President, Garnett Oil Company, Suffolk; Ashton C. Jones, Jr., Associate, Rucker Real Estate Company, Arlington; Allen O. Kinzer, Councilman, City of Radford; J. Joseph May, retired Senior Vice President, Bank of Virginia, Richmond; King Meehan, Executive Director, Peninsula Industrial Committee, Newport News; J. Randolph Perrow, Director of Area Development, Virginia Electric and Power Company, Richmond; George W. Summerson, Mayor, Abingdon; L. E. Ward, Jr., Executive Director, New River Valley Industrial Commission, Dublin; Chris H. Whiteman, President, Chris H. Whiteman and Associates, Richmond; and James R. Wilkins, President, J. R. Wilkins, Inc., Winchester. The committee met and organized, and elected Mr. Carneal Vice Chairman. The Division of Legislative Services, represented by Mr. E. M. Miller, Jr. and Ms. Jill M. Pope, served as secretariat to the Committee and made staff and facilities available for the study.

The Committee met on numerous occasions and considered various suggestions made by individual representatives of the Division of Industrial Development, the Virginia State Chamber of Commerce, the State Air Pollution Control Board, the State Water Control Board, the Division of State Planning and Community Affairs, and the various regional and local planning districts. The Committee held public hearings in Fairfax, Staunton, Williamsburg and Abingdon and considered the opinions expressed by local citizenry, resolutions adopted by the governing bodies of several localities and individuals representing various segments of industries within the Commonwealth. The hearings were well attended with some thirty-seven persons expressing their views and making suggestions to the Committee. After consideration of and debate on the proposed recommendations of the Committee, the Council now makes the following recommendations to the Governor and the General Assembly of Virginia.

II. RECOMMENDATIONS

1. No new agency is needed for the purpose of assisting localities in determining the total impact of the location of new industry in a community.
2. The Division of Industrial Development should be directed to continue its role of assuring that the location of industry is compatible with community goals and needs and will be mutually beneficial to both the community and the industry.

III. COUNCIL FINDINGS

The Council recognizes that industrial growth creates responsibilities

as well as benefits for the communities in which it occurs. Additional expenditures may often be required to provide services for the new industries and their employees. Water supply and sewage disposal systems may require expansion. New streets and highways may be needed, and traffic control expenditures may increase. Additional housing may be required which when constructed causes a greater demand for police and fire protection. Anticipated population growth may require enlargement of educational facilities. Increased manufacturing employment is usually accompanied by additional economic expansion within the community. As the industry grows, more service type firms develop within the community thereby causing the new industry impact to have a multiplier effect. These factors create a definite need for sound and factual informational sources encompassing both physical and fiscal considerations.

All statements, except one, presented or mailed to the Committee, during its preliminary study, expressed the opinion that no new State agency was needed for the formulation of total impact studies. Representatives of several governing bodies stated that a determination of the impact of industry locating in a community was best determined by the community itself with the assistance of the regional planning districts or other sources of information available to the community. Because of the tremendous expense and broad reaching ramifications of conducting a total impact study for even the smallest of industries, the Council concluded that such a requirement would not be in the best interests of the locality or the Commonwealth.

It was learned that the State Air Pollution Control Board, the State Water Control Board and the Division of Industrial Development were the primary State agencies working with an industry while in process of determining whether to locate in a particular community. The State Water Control Board and the State Air Pollution Control Board are only concerned with ensuring that State and federal water and air quality standards are met.

The Division of Industrial Development's primary role is to promote the development of industry within the Commonwealth. However, it was also learned that this was not the Division's sole concern. Testimony presented by representatives from the Division of Industrial Development emphasized the point that the primary role of the Division in meeting its responsibility to the Commonwealth was to assure that the location of industry is compatible with the community's goals and needs and that such location will be mutually beneficial to both the community and the industry.

The Council concluded that the Division of Industrial Development would be the proper agency to work with the localities in supplying them any information required relating to the impact a particular industry would have on the community. The type of information most localities desire is presently prepared by the Division for the benefit of a particular industry in promoting its location in a certain area and is also made available to the community upon request. The Council feels that this role undertaken by the Division should be continued. During the public hearings conducted by the Committee during its preliminary study, it was often voiced that the governing bodies received full cooperation from the Division in supplying all necessary and pertinent information.

Since the various factors outlined in House Joint Resolution Number 35 are all vital elements already being considered by the Division of Industrial Development when recommending industrial site locations in order to achieve the optimum compatibility between a new industry and a recommended community, the Council concluded that the Division, in its

role as coordinator between the industry, the community and the various regulatory agencies, can best assemble and evaluate any desired information requested by a community in determining the impact of the location of new industry.

CONCLUSION

The information examined by the Council showed no need for the establishment of a new State agency to perform impact studies. The Council found that the formulation of a "total impact study" would be an impossible task for any existing agency to undertake and should not be required. Those few localities expressing a desire for studies primarily desired a marshalling of the information presently available from existing agencies.

The members of the Council feel that amendment of the present statutory provisions governing the duties of the Division of Industrial Development is unnecessary and that their recommendation for a joint resolution of the Senate and House for a continuation of its present policy to provide such assistance to the locality will substantially alleviate any problems presented to the Virginia Advisory Legislative Council in House Joint Resolution No. 35. It is, therefore, the recommendation of this Council that the resolution included in this report be enacted during the 1974 session of the General Assembly of Virginia.

Respectfully submitted,

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APPENDIX
RECOMMENDED LEGISLATION

SENATE JOINT RESOLUTION NO. —

Whereas, House Joint Resolution No. 35 adopted by 1972 session of the General Assembly directed the Virginia Advisory Legislative Council to study the feasibility of creating a State agency to assist localities in determining the total impact of the location of new industry in a community; and

Whereas, the Virginia Advisory Legislative Council conducted an extensive study on this subject and concluded that a new State agency was not required and that the Division of Industrial Development considers the various factors outlined in House Joint Resolution Number 35 when recommending industrial site locations; and

Whereas, the Division of Industrial Development is presently working with communities in coordinating their needs and desires for development of industry and can continue to assemble and evaluate any desired information to assist the community in arriving at sound decisions regarding the location of new industry; now, therefore, be it

Resolved by the Senate, the House of Delegates concurring, That the Division of Industrial Development is directed to continue its role of providing localities with requested information to assure that the location of industry in such locality is compatible with community goals and needs and that such location will be mutually beneficial to both the community and the industry.

