

**REPORT OF THE  
COMMISSION TO**

**Propose Recommendations to  
Improve and Enhance the  
Economic Development of the  
Southside Region of the  
Commonwealth**

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



**HOUSE DOCUMENT NO. 42**

**COMMONWEALTH OF VIRGINIA  
RICHMOND  
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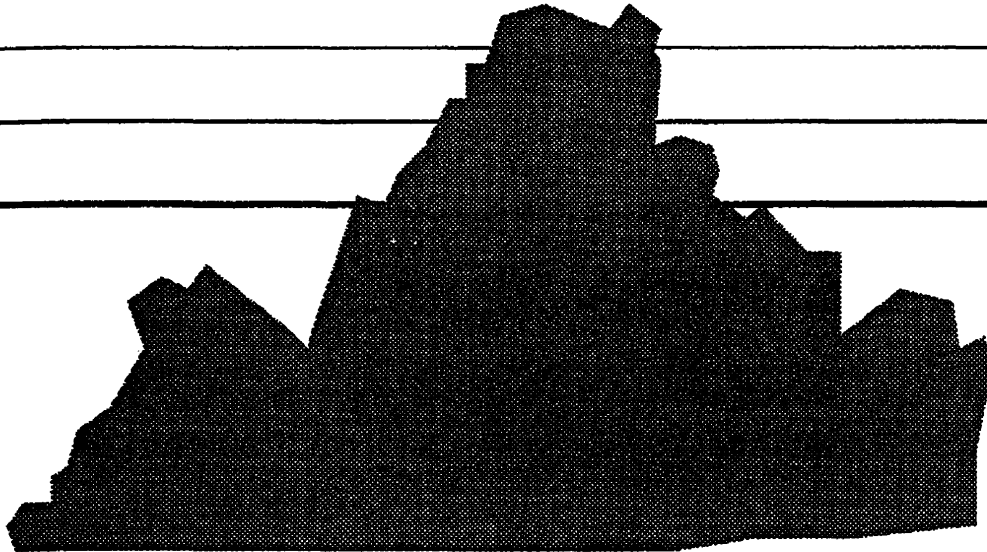
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**Commission to Propose Recommendations  
to Improve and Enhance  
the Economic Development of the  
Southside Region of the Commonwealth**

**pursuant to HJR 106**



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## COMMISSION REPORT

### I. AUTHORITY FOR STUDY

Adopted by the 1990 Session of the General Assembly, House Joint Resolution No. 106 (HJR 106) established a commission to propose recommendations to improve and enhance economic development in the Southside region of the Commonwealth. The Commission was composed of twenty-three members as follows: the Speaker of the House of Delegates and one member each from the House Committees on Appropriations, Finance, Agriculture, Education, and Labor and Commerce, appointed by the Speaker; one member each from the Senate Committees on Finance, Agriculture, Conservation and Natural Resources, Commerce and Labor, and Education and Health, appointed by the Senate Committee on Privileges and Elections; and twelve members from the Southside region of the Commonwealth, including two representatives each from local governments and from the business and industrial communities, two local economic development officials, one representative each from the banking community, a major utility, and a four-year institution of higher education, and a community college president, appointed by the Governor. The manager of the Southern Regional Office of the Division of Industrial Development, Department of Economic Development, served as an *ex officio* member of the Commission. The resolution directed that the Speaker serve as Chairman of the Commission. The Commission was to submit its findings and recommendations to the Governor and the General Assembly.

### II. OBJECTIVES AND STUDY DESIGN

Contrasting recent statewide growth and prosperity evidenced in increased employment and per capita personal income with the "sluggish economy" and higher unemployment rates that characterize the Southside region of the Commonwealth, HJR 106 created a commission to explore ways to improve and enhance the economic growth of Southside Virginia. While Virginia's per capita personal income surpassed the national average in 1988 and ranked first among Southeastern states, this prosperity has been concentrated in the "urban crescent from Northern Virginia to Tidewater." The resolution noted slower population growth, declining industries, and disparity in educational achievement in Southside Virginia and stated that "more analysis is needed to determine how the economy of the region might be most effectively stimulated."

In meeting the charge of HJR 106, the Commission focused on a wide range of issues. The Commission's study necessarily included defining what constitutes the "southside region" of Virginia, determining the characteristics, strengths, and weaknesses of Southside Virginia, and analyzing specific data concerning economic growth, education, and industry. The resolution directed the Commission specifically to consider community development, including infrastructure and site improvements, expansion and diversification of existing industry, strategies to attract new industries to Southside, initiatives to increase educational levels and technical skills of the Southside workforce, and individual and regional efforts and activities which might be conducted in partnership with state governments, educational institutions, and the private sector. In addition, the Commission received testimony from the Secretaries of Education and Economic Development and from representatives of the Departments of Economic Development, Housing and Community Development, and Transportation, and the State Water Control Board. The Commission also sought the input and expertise of leading economic development specialists to explore traditional

methods of spurring economic growth as well as newer trends and approaches in economic development and their potential applicability to the challenges facing Southside Virginia.

### III. PROMOTING ECONOMIC GROWTH IN SOUTHSIDE VIRGINIA

#### *Introduction: The Need for Alternative Strategies*

In the last decade, dramatic changes have characterized the American economy. Increased foreign competition, an economic recession, and reductions in federal aid programs have challenged states to examine with renewed commitment their economic development strategies.<sup>1</sup> While these economic forces and declines in manufacturing, agriculture, energy, and other industries severely affected the nation, rural areas especially suffered. When Southern rural areas lagged behind during a period of national recovery, the unique challenges facing the South became more apparent.<sup>2</sup> Experts began to recognize an ever-increasing gap between rural and urban America in income and poverty levels, employment growth, and other economic indicators.<sup>3</sup> In addition, an "out-migration" of rural Americans would arguably cost rural communities much in terms of potential workers and leaders.<sup>4</sup>

Traditionally, many states--particularly those in the South--had buoyed sagging economies through the recruitment of new businesses. Industry might be easily lured to those areas offering tax incentives, low wages, and a "supportive" environment.<sup>5</sup> The emergence of a global economy, characterized by technological advances, increased foreign competition, and the demand for a highly skilled labor force, however, severely reduced the effectiveness of this economic development strategy. Many areas, such as the rural South, that had relied on new business recruitment found themselves ill-equipped to compete with cheaper foreign labor and the more skilled urban workforce. Having maintained low tax rates to attract businesses, these areas had also reduced necessary support for local public education, infrastructure, and other improvements that enhance economic growth.<sup>6</sup>

Leading economic development specialists agree that business recruitment alone is now no longer sufficient to ensure economic development. Southern states particularly have been encouraged to broaden their development strategies to include "cultivating local entrepreneurship and harvesting from untapped local resources and markets which provide fertile ground for

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1. Southern Governor's Association, Moving into the 1990's: Economic Development in the Southern States at 4 (August 1989) [hereinafter referred to as SGA Report].
  2. Report of the MDC Panel on Rural Economic Development, Shadows in the Sunbelt at 4 (May 1986) [hereinafter referred to as Shadows].
  3. National Governors' Association, Report of the Task Force on Rural Development, New Alliances for Rural America at iii, 1 (1988) [hereinafter referred to as New Alliances].
  4. Id. at iii. It was estimated that about 750,000 people left rural America between 1986 and 1987.
  5. SGA Report, supra note 1, at 5.
  6. Id. at 5, 6.

development activities." 7 This new "growth-from-within" strategy focuses not only on quality education, technology, infrastructure, and a "global" perspective,<sup>8</sup> but also on those resources that may have been previously overlooked--unemployed or underemployed workers, such as minorities, women, youth, and older workers.<sup>9</sup> In addition, progress should be assessed not simply by successful business recruitments, but through other indicators such as median per capita income, educational attainment, and literacy.<sup>10</sup> In meeting the charge of HJR 106, the Commission considered traditional economic development strategies as well as newer trends and their potential applicability to the challenges facing Southside Virginia.

### *Divergent Economic Development Trends in Virginia*

The Commonwealth's economic development in recent years has proved a microcosm of regional trends. Like the South as a whole, Virginia has witnessed growth in its urban areas while its rural communities have suffered. Although the Commonwealth's economy has been described as "strong, stable, and very diverse,"<sup>11</sup> a closer examination of regional development reveals a gloomier picture. While Virginia's overall 1988 per capita income ranked highest among Southeastern states--and higher than the national average--rural areas continued to be plagued by higher unemployment rates and lower median incomes.<sup>12</sup> In contrast to the State's estimated 4.6 percent overall unemployment rate, rural areas in Virginia experience unemployment levels as high as 10 percent.<sup>13</sup> Not surprisingly, educational attainment levels and per capita income averages are also lower in rural Virginia.

### *Focusing on the Rural Economy: Recent Studies*

Economic disparity between rural and urban areas has been the recent focus of numerous studies. The National Governors' Association issued a 1988 report urging every rural community to "assess its economic framework, human resources, and unique advantages and [to] conduct a realistic appraisal of its competitive position in the global economy."<sup>14</sup> A 1986 special report for the Ford Foundation recognized the need for new strategies and encouraged Southern states to "recognize the gravity of the problems facing the rural economy, and...[to] respond by broadening their approach to economic development."<sup>15</sup> The 1986 Commission on the Future of the South

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7. Shadows, *supra* note 2, at 10.

8. Southern Growth Policies Board, Commission in the Future of the South, Halfway Home & A Long Way To Go at 1 (1988) [hereinafter referred to as Halfway Home]. See also, SGA Report, *supra* note 1, at 6.

9. SGA Report, *supra* note 1, at 12.

10. Shadows, *supra* note 2, at 14.

11. Virginia Department of Economic Development, Virginia Facts and Figures 1990 at 1 (1990).

12. *Id.* at 10. Between 1970 and 1988, Virginia's per capita income rose from 94% to 107% of the national average.

13. See generally, Virginia Employment Commission, Labor Market Review (January 1990).

14. New Alliances, *supra* note 3, at 8.

15. Shadows, *supra* note 2, at 15.

noted that the "sunshine on the Sunbelt" had brightened urban but not rural areas,<sup>16</sup> while the Southern Governors' Association promoted a "growth-from-within" strategy for Southern states in its 1989 report.<sup>17</sup>

In the Commonwealth, rural economic development has received repeated executive and legislative attention in recent years. The Southwest Virginia Rural Economic Development Commission, created by the 1985 General Assembly, made a number of recommendations to address the specific economic, educational, and geographic challenges facing Southwest Virginia.<sup>18</sup> The University of Virginia Center for Public Service has also examined rural development in its series of economic profiles of various planning districts. A study by the Virginia Department of Housing and Community Development described life in rural Virginia as "a distinct counterpoint to the increasingly frenetic pace of our state's metropolitan areas."<sup>19</sup> This past year, the Governor's Conference on Rural Economic Development sought to develop a statewide strategy for the development of rural areas.<sup>20</sup> Developing appropriate growth strategies for Southside Virginia required consideration of the potential applicability of these studies to the work of the Commission.

### *Southside Challenges*

While these studies have produced valuable research and significant, innovative recommendations, none has specifically focused on the unique challenges facing the Southside region of the Commonwealth. Characterized by higher unemployment and dropout rates, the Southside economy has not participated in recent statewide growth. (See Tables 1 and 2). Of the 25 Virginia counties experiencing declining populations between 1980 and 1986, nine were in Southside.<sup>21</sup> Ground transportation in much of the region is hampered by lack of access to interstate highways. Regional air service is largely limited to general aviation airports; one

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16. Halfway Home, *supra* note 8, at 5.

17. SGA Report, *supra* note 1, at 6.

18. See generally, Southwest Virginia Economic Development Commission, Final Report, Forward Southwest Virginia (July 1, 1987). Also referred to as the Lacy Commission, this Commission was created by an uncodified act of the 1985 General Assembly (1985 Acts of Assembly, ch. 340). The Lacy Commission was directed to consider ways to attract business through state, local, and regional efforts, and through programs by educational institutions and the private business sector. The study, completed in 1987, was aided by task forces on Education, Marketing Strategies, Natural Resources, Tourism, Transportation, and Utilities.

The study focused on the counties of Bland, Buchanan, Carroll, Dickenson, Floyd, Giles, Grayson, Lee, Montgomery, Pulaski, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe, and the cities of Bristol, Galax, Norton, and Radford.

19. See, University of Virginia Center for Public Service, Virginia's Local Economies (separate reports for the Piedmont, Crater, Southside, and West Piedmont Planning Districts) (1990); Virginia's Department of Housing and Community Development, Office of Policy Analysis and Research, Rural Distress and Economic Development in Virginia at 1 (1989) [hereinafter referred to as Rural Distress].

20. Testimony of Secretary of Economic Development Lawrence H. Framme III, Minutes, June 25, 1990, Commission meeting.

21. Rural Distress, *supra* note 19, at 7. The Southside counties of Charlotte, Dinwiddie, Greenville, Halifax, Henry, Patrick, Pittsylvania, Southampton, and Sussex had declining populations.



Table 1

## Unemployment Rates — Southside Region and State, January 1990

	Unemployment Rate	Rank in State (city/county combined)
<b>VIRGINIA</b>	<b>4.6</b>	-
<b>COUNTY</b>		
Amelia	3.8	28
Appomattox	5.1	51
Brunswick	7.1	88
Buckingham	7.7	101
Campbell	5.5	56*
Charlotte	9.1	118
Cumberland	4.7	41
Dinwiddie	5.8	62
Franklin	5.9	66
Greensville	6.3	76*
Halifax	8.1	106
Henry	8.6	112
Lunenburg	9.2	119
Mecklenburg	7.2	90°
Nottoway	6.2	72
Patrick	5.5	56*
Pittsylvania	9.0	116 <sup>▲</sup>
Prince Edward	8.9	114 <sup>■</sup>
Southampton	7.2	90°
Sussex	5.3	54
<b>CITY</b>		
Danville	7.9	105
Emporia	5.7	60
Franklin	6.3	76*
Martinsville	10.0	126
South Boston	8.9	114 <sup>■</sup>

\* tie with Fluvanna County

● tie

○ tie with Portsmouth

■ tie

▲ tie with Lee County

Source: Virginia Employment Commission,  
*Labor Market Review* (January 1990)

Table 2

## Southside Virginia Per Capita Personal Income, 1987

	Per capita personal income (average)	Rank in State
<b>VIRGINIA</b>	<b>16,516</b>	—
Amelia	12,568	61
Appomattox	11,976	71
Brunswick	10,687	93
Buckingham	10,746	92
Campbell *	13,447	46
Charlotte	11,007	88
Cumberland	10,099	101
Dinwiddie ●	12,743	58
Franklin	11,367	85
Greensville ○	11,964	72
Halifax ■	11,522	82
Henry ▲	13,302	51
Lunenburg	9,873	103
Mecklenburg	11,840	78
Nottoway	12,114	67
Patrick	12,742	59
Pittsylvania ◆	12,510	64
Prince Edward	10,218	99
Southampton †	10,673	94
Sussex	12,513	63

\* includes Lynchburg

● includes Colonial Heights and Petersburg

○ includes Emporia

■ includes South Boston

▲ includes Martinsville

◆ includes Danville

† includes Franklin

SOURCE: Virginia Department of Economic Development

commuter airline offers service from Danville.<sup>22</sup> Poorly represented in the anticipated growth areas of finance, insurance, and real estate, Southside Virginia is not expected to experience much population or employment expansion in the 1990's. While the region encompasses about one-fourth of the Commonwealth, it accounts for only 9 percent of Virginia's total population, 7 percent of its total employment, and about 6 percent of its total personal income. The region is also heavily dependent on manufacturing and government employment, areas which are expected to experience below average growth in the coming decade.<sup>23</sup> (See Table 3, p. 8). Review of Southside public education statistics reveals discouraging dropout rates, lower teacher salaries, and a low percentage of residents seeking higher education.<sup>24</sup> (See Table 4, p. 11).

Clearly, Southside Virginia is confronted with serious challenges as it struggles to enhance its economic growth and yet retain those values and utilize those resources that make it a unique and important part of the Commonwealth. Throughout the year, the HJR 106 Commission has carefully reviewed data illustrating the disturbing trends prevailing in the Southside economy and has considered the testimony of economic development theorists, area businessmen, and representatives of higher education and those state agencies responsible for economic development. The Commission has discovered that successful strategies for Southside economic development must not only blend traditional and innovative theories but also must balance individual, private sector, and local efforts with regional and state initiatives.

#### *Defining "Southside" Virginia and the Scope of HJR 106*

Determining the scope of the Commission's study necessitated a definition of "Southside" Virginia. At its initial meeting, the Commission agreed to adopt the regional description used by the Department of Housing and Community Development. For purposes of this study, "Southside" Virginia was deemed to include the counties of

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| <ul style="list-style-type: none"> <li>• <i>Amelia</i></li> <li>• <i>Appomattox</i></li> <li>• <i>Brunswick</i></li> <li>• <i>Buckingham</i></li> <li>• <i>Campbell</i></li> <li>• <i>Charlotte</i></li> <li>• <i>Cumberland</i></li> <li>• <i>Dinwiddie</i></li> <li>• <i>Franklin</i></li> <li>• <i>Greensville</i></li> </ul> | <ul style="list-style-type: none"> <li>• <i>Halifax</i></li> <li>• <i>Henry</i></li> <li>• <i>Lunenburg</i></li> <li>• <i>Mecklenburg</i></li> <li>• <i>Nottoway</i></li> <li>• <i>Patrick</i></li> <li>• <i>Pittsylvania</i></li> <li>• <i>Prince Edward</i></li> <li>• <i>Southampton</i></li> <li>• <i>Sussex</i></li> </ul> |
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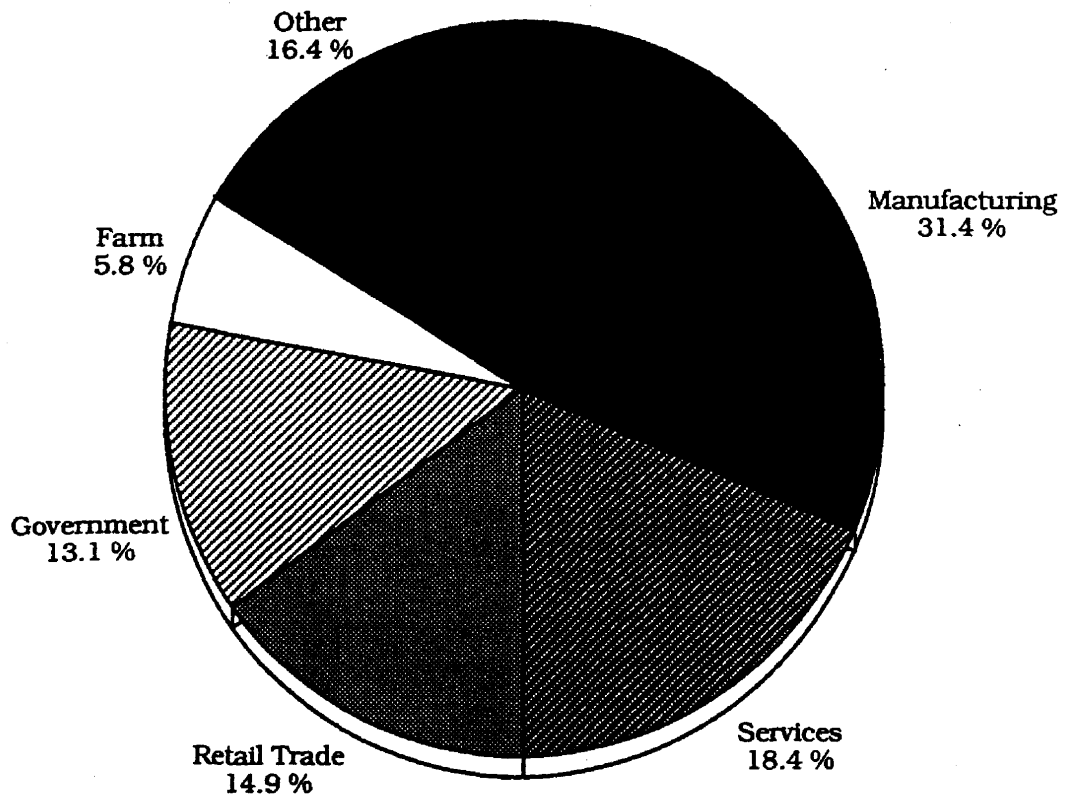
and the cities of

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• <i>Danville</i></li> <li>• <i>Emporia</i></li> <li>• <i>Franklin</i></li> </ul> | <ul style="list-style-type: none"> <li>• <i>Martinsville</i> and</li> <li>• <i>South Boston</i>.</li> </ul> |
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22. University of Virginia Center for Public Service, Virginia's Local Economies: An Economic Profile of the West Piedmont Planning District at 1 (June 1990) and Virginia's Local Economies: An Economic Profile of the Southside Planning District at 1 (June 1990).
23. Testimony of Dr. John L. Knapp, UVa Center for Public Service, Minutes, June 25, 1990, Commission meeting.
24. See generally, Virginia Department of Education, Facing Up 23: Statistical Data on Virginia's Public Schools-- 1987-1988 School Year (April 1989).

Table 3

# Southside Employment By Sector, 1986



SOURCE: Department of Housing and Community Development

Cognizant of the magnitude and gravity of the challenges and issues requiring examination, the Commission also created task forces to provide in-depth study and review of several concerns. Established were four task forces to address Agriculture, Forestry, and Natural Resources; Education, Training, and the Workforce; Finance, Marketing, and Incentives; and Infrastructure (Transportation, Communications, Public Works, and Public Utilities). Each task force was comprised of Commission and *ad hoc* appointees drawn from Southside public and private entities to bring additional perspectives and expertise to the study.<sup>25</sup>

Charged to consider community development and infrastructure, business expansion and diversification, industry recruitment, partnerships among government, educational institutions, and the private sector, and ways to improve the educational and technical skills of the workforce, the Commission met five times at various locations throughout Southside Virginia. Task Forces formally convened six times; four times in afternoon sessions following full Commission meetings, and twice independently of the Commission.<sup>26</sup> Testimony before the full Commission offered analysis of specific statewide and regional data confirming the strengths and weaknesses of Southside and reviewed current effective programs as well as potential strategies and options. To meet the directives of the resolution, the Commission explored a wide spectrum, including agricultural and environmental concerns, educational issues, and finance, business, and infrastructure challenges.

- Agriculture, Forestry, and Natural Resources

Agriculture remains an integral part of the Southside economy. Testimony before the Commission revealed that although the overall number of farms has decreased, the size and sales of Southside farms has grown. Aided by a regional farmers' market and diversification efforts, agriculture in Southside continues to contribute to the region's economy.<sup>27</sup> Rich in natural resources, Southside Virginia also boasts six state parks, offering opportunities for the development of recreational activities for residents and visitors. Research by the Agriculture, Forestry, and Natural Resources Task Force suggested that area tourism and recreational development might be boosted through improved management of these state lands, through the exploration of innovative funding options, and through private development of park support facilities.

Expansion in the forest products industry and improved management of forestry resources may help Southside reach its potential as the "wood basket" of Virginia; balancing the needs of private industry with necessary environmental regulations, however, remains a challenge warranting further Commission consideration. The Task Force reviewed these important concerns in depth and developed specific recommendations regarding incentives to encourage agricultural diversification, the aquaculture industry, recreational development, and growth in the forestry

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25. Minutes, May 17, 1990, Commission meeting.

26. The full Commission met May 17, 1990, in Danville; June 25, 1990, in South Hill; August 20, in 1990, at Longwood College in Farmville; October 23, 1990, at Paul D. Camp Community College in Franklin; and November 26, 1990, at Southside Virginia Community College in Keysville.

Task Force meetings were held at the June, August, October, and November Commission sessions; additional meetings were held on July 18, 1990, at the Halifax/South Boston Continuing Education Center and on September 25, 1990, at Patrick Henry Community College in Martinsville. The Education Task Force held a supplemental meeting on November 14, 1990, at the Halifax/South Boston Continuing Education Center.

27. Minutes, October 23, 1990, Commission meeting.

industry.<sup>28</sup> The importance of increasing these industries and expanding the use of existing natural resources merits the additional exploration of specific options and potential recommendations. Further Commission study is needed to craft appropriate incentives to enhance natural resources industries through partnerships between business and government, to facilitate the development of alternative uses of wood wastes, tobacco, and other products, and to assist area farmers in diversification efforts.

- Education, Training, and the Workforce

Quality education is critical to the economic development of Southside Virginia. Recurring throughout nearly every aspect of the Commission's study was the concern of citizens, industry, and local leaders regarding the education of Southside youth and the training of an effective workforce for the 21st century. Experts have urged states to view education "not only as a public service but also as an investment in economic development."<sup>29</sup> According to the Virginia Department of Economic Development, about 75 percent of smaller businesses cite the poor quality of the local workforce as the top inhibitor to growth and expansion. Poor mathematical, computational, and communications skills and a lack of individual motivation have severely crippled the current workforce.<sup>30</sup> The availability of a skilled, literate workforce will not only enhance the recruitment of businesses to Southside, but will improve individual earning power and quality of life.

In testimony before the Commission, the Secretary of Education cited education and economic development as "our two greatest tools for social change" and urged a "grass roots" crusade to achieve excellence in education and to increase the commitment of students, parents, businesses, and communities to education.<sup>31</sup> The challenges facing Southside educators, however, are many. Disparities in funding levels, facilities, and curriculum plague Southside schools, severely curtailing the educational opportunities for area students.<sup>32</sup> In assisting the Commission, the Task Force on Education, Training, and the Workforce reviewed carefully concerns expressed by superintendents, students, and educators and received testimony regarding effective programs combining public and private sector efforts. Successful programs such as the Educational Performance Recognition Program, which operates on a pilot basis to improve educational accountability, and the Greater Richmond Area Scholarship Program, which assists students in the pursuit of higher education, are functioning effectively but do not presently reach the Southside area.<sup>33</sup> While a superintendents' network, operating at Longwood College, provides a forum for the exchange of ideas and effective programs, increased communication and

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28. See generally, Task Force on Agriculture, Forestry, and Natural Resources, Interim Report (1990) (Attached as Appendix A).

29. Shadows, supra note 2, at 15.

30. Testimony of Secretary of Economic Development Lawrence H. Framme III, Minutes, June 25, 1990, Commission meeting.

31. Minutes, November 26, 1990, Commission meeting.

32. See generally, Minutes, August 20, 1990, and October 23, 1990, meetings of the Task Force of Education, Training, and the Workforce.

33. Minutes, July 18, 1990, and September 25, 1990, meetings of the Task Force on Education, Training, and the Workforce.

Table 4

## Comparative Data on Public Education Southside Region and State, 1987-1988

	Pupil-Teacher Ratio	Avg. Annual Salary— Classroom Teachers	Graduates as % of 9th grade 4 yrs. earlier	Graduates Continuing Education
<b>VIRGINIA</b>	<b>14.9</b>	<b>27,196</b>	<b>75.8</b>	<b>70.3</b>
<b>COUNTY</b>				
Amelia	15.2	21,892	69.3	33.0
Appomattox	15.2	22,435	86.4	45.8
Brunswick	14.5	22,526	74.0	60.3
Buckingham	14.2	23,281	72.9	55.5
Campbell	15.4	23,672	73.0	72.7
Charlotte	13.9	21,583	62.4	56.3
Cumberland	13.8	20,579	70.2	44.6
Dinwiddie	13.5	24,000	90.6	61.7
Franklin	15.7	23,127	69.1	59.8
Greensville*	14.7	23,499	68.3	76.8
Halifax	14.6	22,817	73.0**	60.3**
Henry	14.5	24,441	73.1	63.4
Lunenburg	14.8	22,139	69.3	59.7
Mecklenburg	14.0	22,452	61.1	58.0
Nottoway	15.4	24,145	59.1	48.7
Patrick	14.6	21,906	81.0	48.0
Pittsylvania	15.2	24,146	76.9	51.6
Prince Edward	14.3	22,514	68.2	59.5
Southampton	13.1	21,822	67.6	68.2
Sussex	16.3	26,028	76.4	37.1
<b>CITY</b>				
Danville	14.4	27,266	76.0	62.3
Franklin	16.4	25,347	74.4	81.5
Martinsville	12.8	26,818	73.7	77.5
South Boston	14.7	23,015	(see Halifax)	(see Halifax)

\* includes Emporia

\*\* includes South Boston

SOURCE: Virginia Department of Education, *Face Up 23: Statistical Data on Virginia's Public Schools* (April 1989)

"pooling" of resources between area school divisions is needed to enhance the quality of Southside education. <sup>34</sup>

The role of businesses, community colleges, and four-year colleges and universities in responding to the needs of the future workforce has also received Commission scrutiny.<sup>35</sup> The use of "satellite classrooms," such as those available at the Halifax/South Boston Continuing Education Center, and increased coordination between area businesses and educators may assist in providing continuing education for the present workforce. <sup>36</sup>

The Commission and the Education Task Force have discovered that while the challenges in Southside education and workforce training may be readily identified, the development of effective solutions is less easily realized. Creating a stronger, better prepared workforce and providing for the continuing education of present employees require careful consideration of current successful programs and partnerships, state and local fiscal constraints, and the appropriate responsibilities of private industry, localities, and the Commonwealth. The Commission and the Task Force have also followed with great interest the work of the Governor's Commission on Educational Opportunity for All Virginians; addressing the serious disparity issues affecting public education in Southside is of primary concern to the Commission and is critical to the economic development of the region as a whole.<sup>37</sup>

The Task Force has recommended the establishment of regional entities to improve Southside public education through the transfer of ideas and resources and to stimulate economic development through the combined efforts of the public and private sectors. Further consideration by the Commission is necessary to develop more specific recommendations regarding the structure, responsibilities, and funding of these entities and to explore additional challenges.

- Finance, Marketing, and Incentives

Combining traditional and newer approaches in economic development, the Commission considered ways to attract new businesses to the region and as well as strategies to enhance "growth from within" for existing area industry. Current efforts at the state level have encouraged business growth in the Commonwealth and in Southside. Existing programs within the Department of Economic Development provide technical assistance regarding site studies, labor analyses, and tax concerns for small businesses. A shell building program provides incentives for businesses to locate in the Commonwealth; a community certification program also encourages localities to seek a "competitive edge" in economic development. These incentives and others have arguably led to the announcement of several new manufacturing plants in Southside. Although these developments are encouraging, the region's continued dependence on traditional "nongrowth" industries, such as textiles, furniture, and lumber, necessitates the development and

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34. Minutes, November 26, 1990, Commission meeting.

35. See generally, Minutes, August 20, 1990, and November 26, 1990, Commission meetings.

36. Minutes, July 18, 1990, meeting of the Task Force on Education, Training, and the Workforce.

37. The Governor's Commission was established pursuant to Executive Order No. 4 (1990).



implementation of marketing efforts to attract industries identified as ideal "targets" for Southside Virginia.<sup>38</sup>

Recognizing that "industrial location is ultimately a decision by the private sector acting on its appraisal of anticipated economic conditions and the risks inherent in the free enterprise system,"<sup>39</sup> the Commission nonetheless believes that the enactment of specific measures addressing marketing, taxes, and regulatory approvals may encourage industrial expansion in Southside Virginia. Altering the corporate income tax apportionment formula to increase the weight of the sales factor will benefit those businesses with headquarters or major production facilities in the Commonwealth. In addition, expediting the regulatory permit approvals process will facilitate the entry of new businesses to the area as well as the expansion of existing industry; the availability of "one-stop permitting" will clearly demonstrate Virginia's commitment to assist development prospects.<sup>40</sup> The Task Force on Finance, Marketing, and Incentives and the Commission have reviewed these and other significant issues; specific recommendations are set forth at the conclusion of this report. Further study is needed, however, to explore fully the efficacy and appropriateness of additional finance and marketing measures to enhance the economic development of Southside Virginia.

- Infrastructure

Inadequate local infrastructure has been identified as a major barrier to economic development and diversity.<sup>41</sup> The availability of appropriate waste water and sewage treatment, pollution controls, accessible roads and highways, and other local improvements are key factors in recruiting and retaining businesses. In Virginia, programs by the Department of Housing and Community Development have provided block grants, loans, and assistance in development planning for localities seeking infrastructure improvements. A federal loan program, administered through the State Water Control Board, provides assistance for water and sewer system improvements. Since 1987, about \$500 million of the Commonwealth's water treatment

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38. Minutes, August 20, 1990, Commission meeting. See University of Virginia Center for Public Service, Southside Target Industry Study (September 1989) [hereinafter referred to as Target Industry Study]. The UVa Center for Public Service has identified commercial printing, pharmaceutical preparations, electronic computing equipment, medical and surgical instruments, and other manufacturing "target industries" for Southside.

39. Target Industry Study, *supra* note 38, at 1.

40. Task Force on Finance, Marketing, and Incentives, Interim Report (1990)(Attached as Appendix C).

41. Rural Distress, *supra* note 19, at 5.

infrastructure needs have been met through loan programs, the Virginia Resources Authority, and local bond issues. About \$1.5 billion in infrastructure needs remain unmet statewide.<sup>42</sup>

Improvements to Route 58 have eased some of Southside's transportation challenges; however, a number of improvements and bypass construction have yet to be completed. Current fiscal pressures have necessitated special consideration of costs, existing rights-of-way and bridges, and wetlands impact. Lack of accessible air transportation also remains a barrier to Southside development.<sup>43</sup>

An increased emphasis on regionalism and "pooling" of resources among Southside jurisdictions will encourage growth by utilizing economies of scale. Exploration of privatization efforts and other potential funding mechanisms is needed to reduce the burden financing

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42. Minutes, October 23, 1990, Commission Meeting. The Community Development Block Grant Program, begun in 1982, may provide funds for counties having a population less than 200,000 and cities having a population less than 50,000. Approximately 300 localities in the Commonwealth meet these criteria. With the exception of Danville, all of the Southside jurisdictions included within the Commission's study are eligible to participate. The program's goal is to assist localities in meeting their housing, economic development, and community facility needs; primary beneficiaries are low to moderate income citizens. To date, 25% of the program's applicants have been from the Southside region. Southside community facilities have received \$28 million in grant funds; \$9.7 million and \$5.8 million in grant funds have been provided for Southside economic development and housing projects, respectively.

The Virginia Revolving Loan Program has supported seven projects in five Southside counties and created about 800 jobs. Only five of 24 eligible Southside localities have applied for these loans. The Virginia Main Street Program, initiated in 1985, assists small jurisdictions (populations between 5,000 and 50,000) in revitalizing downtown areas. Two Southside cities, Emporia and Franklin, have received program assistance. Designated "enterprise zones" in Danville and Halifax County and South Boston offer state tax benefits to attract businesses. Another Department of Housing and Community Development program, the Rural Economic Development Planning Program, supported by a \$.5 million legislative appropriation (subsequently reduced to \$400,000), assists rural communities in development planning. Participating localities may receive up to \$30,000 upon a 25% match of local funds. The locality may then identify sites to acquire for economic development; the program assists in infrastructure planning. The program received 20 applications and has funded nine projects; two are in Southside (Buckingham and Mecklenburg).

Between 1958 and 1989, Virginia received and obligated \$1.2 billion in federal grant assistance through the EPA Construction Grant Program; 35% of these funds assisted rural areas. State matching funds are required to obtain federal monies. About \$60 million went to Southside communities; Cumberland County is the only Southside County which has not built a sewer system. In 1987, the federal program shifted from a grant to a loan program; local financial need was also added in the criteria for making loans. Rural areas have received more loans since the addition of the financial need factor. Their revolving loan program has targeted 27 projects for fiscal year 1991. The program, despite low interest rates, may not help certain "extreme hardship" communities. Only \$200,000 in state grant funds are available to those communities which cannot afford loans. Active loan projects in Southside are assisting Farmville, Amelia County, and the towns of Brodnax, La Crosse, and South Hill.

43. Testimony of Joseph S. Ripley, Director of Planning and Programming, Virginia's Department of Transportation, Minutes, August 20, 1990, Commission meeting.

infrastructure improvements places on localities.<sup>44</sup> Further review of industrial access roads programs and funding, financing alternatives, and mechanisms for improving regional cooperation is needed to address effectively the infrastructure challenges facing Southside Virginia.

#### IV. CONCLUSIONS AND RECOMMENDATIONS

House Joint Resolution No. 106 directed the study of a plethora of significant issues affecting the economic development of Southside Virginia. In the past year, the Commission has strived to honor its study responsibilities by seeking the input and expertise of economic development specialists, appropriate state agencies and leaders, and the private sector. The Commission has learned that while the challenges facing Southside Virginia are many, there is much hope for the future. The commitment of state and local leaders, private industry, and individuals to improving the economy and quality of life in Southside Virginia will provide tremendous impetus for change. Having considered traditional as well as innovative strategies for economic development, the Commission has concluded that a blend of the "old" and "new" philosophies will best serve the development needs of Southside. Strategies must address the expansion of industries using the abundant natural resources of the area, the educational needs of Southside citizens and employers, industrial recruitment incentives, regional marketing efforts, and infrastructure needs.

The magnitude and complexity of the challenges facing Southside justify continued study of potential strategies for change. The Commission therefore endorses the recommendations contained in the Task Force Reports and makes the following recommendations for specific action in 1991:

##### RECOMMENDATION 1:

*That the Southside Economic Development Commission study authorized by House Joint Resolution No. 106 be continued for one additional year to explore further specific strategies to improve and enhance the economic development of Southside Virginia.*

The array and severity of the challenges confronting Southside Virginia necessitate the development of specific strategies and recommendations. Throughout the year, the Commission and its Task Forces have considered carefully the region's strengths, weaknesses, and resources to craft recommendations that will address Southside's economic development needs. While much has been accomplished in identifying particular challenges, the development of final recommendations addressing the region's industrial, educational, financial, and infrastructure needs will require further exploration of ongoing programs, financing alternatives, and other issues.

##### RECOMMENDATION 2:

*That the apportionment of multi-state income for Virginia corporate income tax purposes be altered to double the weight of the sales factor.*

Upon reviewing the recommendations of the Finance Task Force, the Commission concluded that adjusting the current three-factor corporate income tax formula to increase the sales

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44. Minutes, October 23, 1990, Commission meeting.

factor would effectively reduce taxes on those companies with headquarters or major production facilities in the Commonwealth and those businesses that may consider locating in Southside. The Commission believes that this amendment will benefit those corporations that employ Virginians and generate economic growth, rather than those that simply generate sales but not employment opportunities. Such an amendment should not have a significant negative revenue impact on the Commonwealth.

### **RECOMMENDATION 3:**

*That the Department of Economic Development assist businesses in the regulatory permit approvals process through monitoring application status, representing the applicant before appropriate regulatory agencies, and providing information required to expedite the approvals process.*

Repeated testimony before the Commission revealed the frustration of entering businesses with the often cumbersome and time-consuming permit approvals process. Coordination of permit approvals through a central entity--"one-stop-permitting"--should apply to existing and entering businesses and will demonstrate the Commonwealth's willingness to assist development prospects. In addition, the Commission is recommending that each regulatory permitting agency be required to provide applicants a timetable for review of and action on the permit application.

### **RECOMMENDATION 4:**

*That a Southside education commission be created to improve the quality of public education in the region.*

Providing quality education and developing an effective, skilled workforce are essential to the economic development of Southside Virginia. Excellence in public education will not only attract outside enterprise but will also help ensure the effective preparation of the future workforce. The Commission believes a regional coordinating entity would greatly enhance Southside educational opportunities by facilitating business and education partnerships, by serving as a regional resource center for school divisions, and by promoting the coordination of elementary, secondary, and higher education and adult education and worker training. The regional education commission would be authorized to apply for and accept grants and donations to promote effective education programs. Staff support for the commission might be provided through the Department of Education's anticipated regional resource personnel. Commission members would represent area business and industry as well as public and higher education.

The gravity of the educational challenges facing Southside Virginia has not escaped the Commission. While the establishment of a regional commission would significantly brighten the future of Southside education, further examination of effective programs, state and local fiscal constraints, and the appropriate responsibilities of private industry, higher education, localities, the Commonwealth, and individuals is needed to combat Southside's education problems. The Commission wishes to explore these critical concerns more extensively in the coming year and issues the following statement:

*The Southside Economic Development Commission urges the immediate commencement of efforts to reduce substantially statewide disparities in the funding of public elementary and secondary education. The Commission will await the report of the Governor's Commission on Educational Opportunity for All Virginians and may make further comments and recommendations as circumstances dictate.*

#### **RECOMMENDATION 5:**

*That the Virginia Congressional delegation recommend shifting the administrative responsibility for environmental regulatory permits applied for in Virginia from the EPA's Division III Regional Office in Philadelphia to the Division IV Regional Office in Atlanta.*

The Commission believes that a shift in administrative responsibility for environmental regulatory permits will not only ensure consistent interpretations and protect the environment, but will also expedite the regulatory approvals process. The Commission places a high priority on this recommendation as the Commonwealth shares common interests and philosophies with the Southern region, now administered under EPA's Region IV.

#### **RECOMMENDATION 6:**

*That the Virginia Department of Economic Development increase its efforts to market those regions of the Commonwealth which possess the natural resources required by a prospective industry.*

The availability of natural resources--especially water--close to production facilities enhances a firm's competitive position. The abundant water supply of Southside Virginia can be a strong marketing tool in attracting those industries which would otherwise import this natural resource in other regions.

#### **RECOMMENDATION 7:**

*That the Virginia Department of Transportation study the feasibility of developing a north-south corridor in Southside Virginia and strive to secure additional federally funded highways for the region.*

While the development of Route 58 will provide an east-west corridor for Southside, the region's economic development is hampered by the lack of a north-south corridor. Increasing the region's accessibility is critical to its growth. Creating a north-south corridor plan will enhance community and business development and will allow the Commonwealth to pursue federal assistance in highway development.

#### **RECOMMENDATION 8:**

*That the Governor and the General Assembly establish a Southside Infrastructure Grant Program to enable local governments to improve water treatment, waste water, and solid waste disposal facilities.*

Inadequate infrastructure is a formidable barrier to economic development. Southside Virginia will have great difficulty attracting and retaining area industry without appropriate water, sewer, and solid waste treatment facilities. The Commission believes that the need for sizable infrastructure expenditures is urgent and recommends that a \$15 million Southside Infrastructure Grant Program provide grants of \$1 million, with a local 25 percent match, to develop or improve infrastructure that affects economic development. Eligible communities would be required to be certified communities or enrolled in the Virginia Department of Economic Development

Community Certification Program. A second phase of this plan should provide a zero percent interest revolving loan program to finance specific infrastructure demands as they occur.

**RECOMMENDATION 9:**

*That the Commonwealth Transportation Board make the prompt completion of "job corridor" highways the top priority for allocating highway funds in Southside Virginia.*

Although the Commonwealth has committed great efforts to the improvement of Southside transportation, a regional policy is needed to foster greater economic growth. Assigning top priority to those transportation improvements with proven "job creation" potential will promote community and business development.

**RECOMMENDATION 10:**

*That a loan fund in the amount of \$250,000 be established to provide assistance to farmers in their diversification efforts.*

Agriculture remains an important component of the Southside economy. Increased diversification efforts will further enhance the success of the region's farms. State support would assist those farmers in need of the initial investment for diversification and would be contingent upon the recipient's agreement to market products through the regional farmers' market.

**RECOMMENDATION 11:**

*That a fish disease specialist be added to the staff at Virginia Polytechnic Institute and State University to assist the developing aquaculture industry.*

Southside boasts the most catfish producers in the Commonwealth. The region's growing aquaculture industry should be encouraged as a significant part of the Southside economy. The presence of a fish disease specialist at Virginia Tech would assist the aquaculture industry in Southside and throughout the Commonwealth.

**RECOMMENDATION 12:**

*That the Department of Transportation collaborate with the Department of Forestry to develop a timber bridge initiative in Virginia.*

Testimony before the Agriculture Task Force confirmed that the use of timber bridges may save highway construction funds as well as stimulate development of the forest products industry.

**RECOMMENDATION 13:**

*That the Secretaries of Economic Development and Natural Resources create a plan for the development of the recreational potential of Southside Virginia and that such plan include capital funding options; coordinated management of state parks, state forests and land owned by the Department of Game and Inland Fisheries; and private development of support facilities.*

Southside's significant recreational potential could be greatly enhanced through private development of the region's state parks and forests and abandoned railroad rights-of way. A plan, including funding options, to create a recreational "magnet" in the region would be the first step in realizing the benefits of increased tourism and recreational use of the region's abundant natural resources.

The Commission extends its appreciation to the Task Forces, representatives of Southside public and higher education, business, industry, and local government, and contributing state agencies for their cooperation and assistance during the initial year of this study.

Respectfully submitted,

A.L. Philpott,  
Speaker of the House of Delegates,  
*Chairman*  
Howard P. Anderson, *Vice Chairman*  
Whittington W. Clement, *Vice Chairman*  
W. Onico Barker  
Virgil H. Goode, Jr.  
Richard J. Holland  
Watkins M. Abbitt, Jr.  
William W. Bennett, Jr.  
J. Paul Councill, Jr.  
Willard R. Finney  
F. Seward Anderson  
William E. Coleman  
William E. Confroy  
Ben J. Davenport, Jr.  
William Dorrill  
Rudolf V. Doswell  
S. Ward Finney  
Glenn W. Gunter, Jr.  
Elizabeth G. Johnson  
William M. Stafford  
W.C. Ward, Jr.  
Max F. Wingett  
C. Warren Green, Jr., *ex officio*

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## HOUSE JOINT RESOLUTION NO. 106

*Establishing a Commission which will propose recommendations to improve and enhance economic development in the Southside region of the Commonwealth.*

Agreed to by the House of Delegates, March 9, 1990

Agreed to by the Senate, March 7, 1990

WHEREAS, between 1980 and 1987, employment in Virginia grew twice as fast as the United States average; and

WHEREAS, Virginia's per capita personal income surpassed the national average in 1988 and ranked first among Southeastern States; and

WHEREAS, much of the growth has occurred in the urban crescent from Northern Virginia to Tidewater, and all regions of the Commonwealth have not shared equally in the prosperity; and

WHEREAS, the per capita income in the Southside region of the Commonwealth was less than the national average and the unemployment rate exceeded the Virginia average in 1987; and

WHEREAS, in contrast to other areas of the Commonwealth, the Southside region is characterized by slow population growth, lagging educational achievement, sluggish economy, and declines in some major industries; and

WHEREAS, more analysis is needed to determine how the economy of the region might be most effectively stimulated; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a study commission is established to propose recommendations to improve and enhance the economic development of the Southside region of the Commonwealth. Among other issues, the Commission shall consider (i) community development, including infrastructure and site improvements; (ii) expansion and diversification of existing industry; (iii) strategies to attract new industry to the region, including targeting those industries that most closely match the attributes of southside Virginia communities; (iv) individual and regional efforts as well as activities that might be conducted in partnership with the state government, educational institutions, and the private sector; and (v) initiatives to increase educational levels and technical skills of the workforce.

The Commission shall be composed of twenty-three members as follows: the Speaker of the House and one member each from the House Committees on Appropriations, Finance, Agriculture, Education, and Labor and Commerce, to be appointed by the Speaker; one member each from the Senate Committees on Finance, Agriculture, Conservation and Natural Resources, Commerce and Labor, and Education and Health, to be appointed by the Senate Committee on Privileges and Elections; and twelve members from the Southside region of the Commonwealth to include two representatives each from local governments and from the business and industrial communities, two local economic development officials, one representative each from the banking community, a major utility, a four-year institution of higher education and one president of a community college, to be appointed by the Governor. The Speaker of the House shall serve as Chairman of the Commission.

The legislative members of the Commission shall be compensated as specified in § 14.1-18 of the Code of Virginia, and all members of the Commission shall be reimbursed for their actual expenses incurred in the performance of the work of the Commission.

The Commission shall be assisted by the Center for Public Service at the University of Virginia.

The Commission may accept and expend gifts, grants, or donations from public or private sources which will enable it to carry out its objectives.

All agencies of the Commonwealth shall cooperate with the Commission and, upon request, assist the Commission in the performance of its duties and responsibilities.

The Commission shall submit its findings and recommendations to the Governor and the General Assembly by December 1, 1990, in accordance with the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

The indirect costs of this study are estimated to be \$16,700; the direct costs of this study shall not exceed \$24,860.

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## Appendix A

### SOUTHSIDE ECONOMIC DEVELOPMENT COMMISSION

#### INTERIM REPORT

of the

#### TASK FORCE ON AGRICULTURE, FORESTRY AND NATURAL RESOURCES

*Delegate J. Paul Councill, Jr., Chairman*  
*S. Ward Finney, Vice-Chairman*

The future of southside Virginia is inextricably linked to its abundant natural resources. The Task Force is strongly committed to enhancement of the area's agricultural business, forestry resources and recreational opportunities. Since so much of the industry is dominated by small firms and regulated by state and federal agencies, the Task Force supports an economic atmosphere that is conducive to the establishment and growth of small business. Such an atmosphere will be created by a mixture of incentives and "common sense" regulations, and championed by economic developers who are aware of the importance of the natural resources industries.

The Task Force has looked at both constraints and opportunities in its deliberations. Among the constraints to small business is the area of governmental regulation. Many small businesses have difficulty staying up-to-date with changes in regulations that affect their industry. Moreover, their interest in environmental protection may be misunderstood. Greater coordination may be needed among the various state and federal agencies that regulate resource industries to ease the burden on small business. In addition, more information sharing between environmentalists and the industry is needed to achieve mutual goals and promote better public understanding of the issues.

**RECOMMENDATION:** The Task Force recommends that the Secretaries of Economic Development and Natural Resources examine the regulation of industries and propose a plan to the Commission for coordinated actions which omits duplication and overly complicated regulation, particularly related to labor and conservation compliance. Close attention should be paid to the need to balance regulation with an environment which fosters the growth of small business.

**RECOMMENDATION:** The Task Force recommends that the Secretaries of Economic Development and Natural Resources convene a conference of environmentalists and forestry and agricultural business persons. This conference would be the first step toward achieving some common understanding of mutual interests and lay the groundwork for future discussions and problem-solving.

#### AGRICULTURE

Agriculture continues to play a significant role in the economic health of southside Virginia, despite the mixed indicators caused by changes in the industry. In fact, 23% of statewide agricultural product sales occurred in southside Virginia in 1987.

The number of farms in southside decreased by nearly 50% between 1969 and 1987. Farm employment decreased by 1329 jobs or 23% between 1980 and 1988. In 1988, farm employment accounted for 12.4% of the workforce, down from 17.1% in 1980.<sup>1</sup>

However, between 1969 and 1987, the increase in the value of farm land and agricultural sales in the southside exceeded the rate of inflation. The average farm size increased 38%, the value per acre increased 300%, and total sales of agricultural products increased 135%.<sup>2</sup> (Tables 1a and 1b) During the same period, the CPI grew by 209% and the wholesale farm products index increased 112%.<sup>3</sup>

Table 1a

		Southside (20 Counties)		
		1987	1978	1969
Farms	Number	10,703	14,275	20,116
Land in Farms	Acres	2,333,309	2,650,536	3,173,138
Avg. Size of Farm	Acres	218	186	158
Avg. Value of Land/Acre	Dollars	802	667	199
Approximate Total Land Area	Acres	6,534,864	—	—
Proportion in Farms	Percent	35.7	40.6	48.6
Total Cropland	Acres	1,087,648	1,138,581	1,187,941
Harvested Cropland	Acres	563,132	639,045	562,147
Total Sales From Agricultural Products	(\$1,000)	358,775	331,528	152,841
Average Age of Farm Operator	Years	54.2	51.9	53.7

Source: U.S. Department of Commerce

Table 1b

		Virginia		
		1987	1978	1969
Farms	Number	44,799	56,869	64,572
Land in Farms	Acres	8,676,336	9,965,481	10,649,862
Avg. Size of Farm	Acres	194	175	165
Avg. Value of Land/Acre	Dollars	1,198	930	286
Approximate Total Land Area	Acres	25,410,252	0	0
Proportion in Farms	Percent	34.1	39.1	41.8
Total Cropland	Acres	4,363,106	4,782,000	4,600,549
Harvested Cropland	Acres	2,406,976	2,712,675	2,277,878
Total Sales From Agricultural Products	(\$1,000)	1,588,770	1,304,164	570,335
Average Age of Farm Operator	Years	54.5	52.3	53.8

Source: U.S. Department of Commerce

Based on current trends, the prospects for significant increases in agricultural employment do not appear to be good. Nevertheless, agriculture will continue to be an important economic activity of the region. The key to its sustained viability is enhancement of profitability and diversification.

Agricultural diversification describes not only the production of new crops but value added processing and enhanced marketing. Diversification benefits the farmer by reducing the risk of dependence on crops whose production has become less profitable, allowing the producer to take advantage of growing markets and increasing efficiency.<sup>4</sup>

At the request of the Task Force, the Department of Agriculture and Consumer Services compiled data on the profit potential of selected diversification crops and aquaculture (Table 2). The Department noted in particular that aquaculture uses existing water resources which is a new source of production and revenue not previously tapped by the Virginia farmer. The Department notes further that aquaculture is not labor intensive and, therefore, does not compete with other enterprises for needed labor.

TABLE 2

Profit Potentials for Selected Commodities

Flue-cured tobacco	\$1,409.11/acre
Broccoli	1,260.00/acre
Cantaloupes (Local Markets)	860.66/acre
Cantaloupes (Western Style, Shipping)	1,986.75/acre
Watermelons (Hybrid Seedless)	5,714.96/acre
Watermelons (Standard)	1,071.38/acre
Tomatoes	684.76/acre
Green Peppers (Normal Density)	426.02/acre
Green Peppers (High Density)	1,480.07/acre
Hybrid Stripped Bass	1,363.89/acre
Catfish	143.99/acre

Source: Virginia Department of Agriculture  
and Consumer Services

Diversification efforts require the strong support of state and local governments and the universities in the form of basic research, technical assistance, and financial incentives. The Task Force supports continuation of current programs to encourage production and marketing of alternative and staple crops, including the use of farmers' markets and research by the universities to benefit farm production. For example, research which can be applied to alternative uses for tobacco, value-added processing, and aquaculture can have immediate benefits for southside Virginia. However, it is important to facilitate the flow of information between the researcher and the farmer. The Task Force heard from farm operators who said they would like to have the results of research and technical assistance more readily available, perhaps in the form of a hot line for instant access or an up-to-date list of specialists that the farmer can call.

Value-added processing, while infusing jobs and income to the area, can also be a means of handling products that are less than top grade and for which markets have been traditionally poor. Value-added processing can take many forms, but it is basically "any activity which increases, by processing or by any other means, the value of raw materials indigenous to the local area." Table 3 shows a few of the potential value-added processing possibilities.<sup>5</sup>

Table 3 Examples of Value--Added Industry

	Farm	Place	Time	Information
Traditional	<ul style="list-style-type: none"> <li>• canneries</li> <li>• meat packers</li> <li>• mills</li> </ul>	<ul style="list-style-type: none"> <li>• wholesaling</li> <li>• retailing</li> <li>• farmers markets</li> </ul>	<ul style="list-style-type: none"> <li>• cold storage</li> <li>• freezers</li> </ul>	<ul style="list-style-type: none"> <li>• market reports</li> </ul>
Innovative	<ul style="list-style-type: none"> <li>• biotechnology</li> <li>• waste product utilization</li> <li>• recreation</li> </ul>	<ul style="list-style-type: none"> <li>• mail order</li> <li>• U-pick fruits &amp; vegetables</li> <li>• recreation farms</li> <li>• direct marketing</li> </ul>	<ul style="list-style-type: none"> <li>• irradiation</li> <li>• freeze drying</li> </ul>	<ul style="list-style-type: none"> <li>• electronic markets</li> <li>• video auctions</li> <li>• organic products</li> </ul>

Tobacco is a significant crop in southside Virginia and will continue to be for the future. However, additional research into alternative uses for tobacco (e.g. research at VPI on tobacco as a food protein source) is needed to sustain and increase its profitability.

Concurrently, aquaculture and other alternative crops, such as broccoli and cantaloupes, are beginning to emerge. In fact, aquaculture is the fastest growing segment of agriculture. Since 1980, per capita consumption of seafood has increased 25 percent in the United States and the demand for fish is expected to continue to rise. Many experts predict that much of the increase will come from aquaculture. Peter Redmayne, editor of Seafood Leader magazine, believes that aquaculture is the only hope for increased seafood supplies.<sup>6</sup>

Catfish has been the greatest U.S. aquaculture success to date and southside Virginia has the most catfish producers of any region in the Commonwealth. Southside Virginia is a very conducive environment for aquaculture. Over 30 percent of the permits for hybrid striped bass production has been in the southside; and over the longer term, experts predict that significant gains will be made by striped bass and tilapia, a white, flaky fish with a mild taste that some have called the "fish of the future".<sup>7</sup> More research is needed not only on new uses of tobacco but also on alternative crops and additional species of fish that might be adaptable to an aquaculture environment in order to support diversification.

On the marketing side, "Virginia's Finest," a promotion program for quality produce, is operating well with almost 300 participants. In addition, the Southside Virginia Farmers' Market is the only functioning market in the planned state network, but it is operating at less than full capacity. Incentives may be needed to stimulate more farmers to participate and to continue to diversify. Loan funds to provide partial payments to farmers before their produce is delivered, refrigerator trucks for moving the produce to the market and technical assistance are potential incentives.

**RECOMMENDATION:** The Task Force recommends that the Department of Agriculture and Consumer Services develop a series of incentives that the Commission can consider to encourage continued diversification and increase participation in the farmers' markets and other marketing efforts. The Task Force also strongly supports further development of a farmers' market network, to include a central market, a southeast market, and technical assistance as new markets are established.

**RECOMMENDATION:** To encourage increased diversification and expanded use of the farmers' market for offering products to the public, the Task Force recommends that a loan fund in the amount of \$250,000 be established which will make capital available to farmers who want to diversify and need funds for the initial investment. In exchange for the loan, the farmer would agree to market the product through the regional farmers' market.

**RECOMMENDATION:** The Task Force recommends that the Department of Agriculture and Consumer Services study and report to the Commission the feasibility of including aquaculture products in regional farmers' markets.

**RECOMMENDATION:** The Task Force supports continued and expanded research at VPI and Virginia State University on alternative crops, aquaculture and additional uses of tobacco as a food protein source. The Task Force recommends that careful consideration be given to any budget requests that accelerate research in these areas.

**RECOMMENDATION:** The Task Force recommends that a fish disease specialist be added to the staff at VPI to be available to help resolve problems in the developing aquaculture industry.

**RECOMMENDATION:** The Task Force recommends that VPI and Virginia State University explore alternatives for facilitating communications between the researchers and the farmers so that farm operators are kept up-to-date on the latest innovations and opportunities for increased production. The Universities should look specifically at the feasibility of a hot line for access or providing a list of specialists that the farmers can call if they need help or information.

## FORESTRY

Southside has the potential to become the wood basket of Virginia. The forestry industry provides \$5.2 billion per year to Virginia's economy. Every \$1 received by an owner of standing timber generates \$28.41 for the economy. In the southern piedmont, softwood timber volume has increased by 38% in the last 20 years; hardwood volume has increased 59%. Moreover, softwood and hardwood growth exceed harvest on an annual basis. During 1988, the southern Piedmont supplied over 50% of Virginia's timber harvest and the forest industry accounted for 25,000 jobs. The standing timber in southside, valued at \$66 million, translates into almost \$2 billion in potential economic activity.

Strategies for further development of this significant forest resource involve two main areas: expanding the forest products industry and improving the management, quality, and marketing of the forest resource.

New uses of the forest resource offer substantial potential for expansion of the industry. For example, construction grade lumber can be produced from the yellow poplar which is growing three times faster than it is being harvested in Virginia. Yellow poplar construction lumber can be produced from lower grade logs, making good use of grades less preferred in hardwood lumber markets. In addition, furniture and cabinet manufacturers are seeking to expand their purchases of dimension stock and furniture parts. (Dimension stock is kiln-dried material that has been processed to a certain size and quality). Other opportunities exist for wood waste recycling, coal/wood fuel pellets, and laminated veneer lumber.<sup>8</sup>

Research on the use of timber to construct bridges is currently taking place on the federal level. New technology is making timber very suitable for bridge construction. While much of the construction has been in rural areas, some researchers think that timber may be suitable for interstate bridge construction. Federal grants have helped finance some projects in other states and one in Grayson County, Virginia. In Virginia, where at least 2,100 bridges are under weight limitations due to their conditions, the opportunity exists to replace bridges at reduced cost while benefiting the forest products industry.

Businessmen from the forest industry told the Task Force that they are concerned about the quality of hardwoods being produced in the southside and that they see a role for the Commonwealth in helping to develop markets for the use of low grade hardwoods and residual wood (waste) products. The Task Force strongly supports the research currently being conducted on forest products and its application in southside Virginia. The Task Force also strongly supports reforestation efforts and incentives to improve the quality of the forest resource for the future.

**RECOMMENDATION:** The Task Force recommends that VPI and the Departments of Forestry, Economic Development, and Agriculture and Consumer Services collaborate to develop a series of incentives for the Commission to consider which will promote growth in the forestry industry, particularly through partnerships with private industry. Particular emphasis should be placed on the use of wood waste as a source of fuel.

**RECOMMENDATION:** The Task Force recommends that the Department of Transportation work with the Department of Forestry to develop a timber bridge initiative in Virginia to replace worn-out bridges. Timber bridges have the potential to save highway construction funds as well as to stimulate development of the forest products industry.

## RECREATION

Six state parks exist in the southside: Holiday; Bear Creek; Staunton River; Fairy Stone; Occoneechee; and Twin Lakes. According to a study by the Department of Conservation and Recreation, 86% of park users are day users. Day users spend an average of \$5.69 en route to the park and \$5.01 at the park. Overnight users spend an average of \$12.52 en route and \$26.96 at the park.

At the request of the Task Force, the Department of Conservation and Recreation provided certain data which compared Virginia with surrounding states in the amount of funding and park land available. Virginia ranks 36th in the total acreage in the state park system, but 50th in total acreage per capita. The Commonwealth ranks 41st in the total number of visitors, 30th in operating budget, and 7th in total amount of operating budget per visitor.

Opportunities may exist in the southside to coordinate management of state lands and to work with the communities in developing private support facilities near state parks and abandoned railroad rights-of-way as a means of fostering tourism and increased use of state lands for recreation. Occoneechee state park with its miles of shoreline may be a prime candidate for recreational development.

**RECOMMENDATION:** The Task Force recommends that the Secretaries of Economic Development and Natural Resources create a plan for the development of the recreational potential in southside Virginia for the Commission's consideration. This plan should include: capital outlay funding options; coordinated management of state parks, state forests and land owned by the Department of Game and Inland Fisheries; and private development of support facilities. Private development will help minimize the need for capital investment within the state park system.

## **CONCLUSION**

The Task Force has made a great deal of progress over the last several months in its understanding of the issues and the potential surrounding the development of the resource industries. The members look forward to making their final recommendations to the Commission in 1991.

Respectively Submitted,

Delegate J. Paul Councill, Jr., Chairman

S. Ward Finney, Vice-Chairman

Senator Howard P. Anderson

Delegate Watkins M. Abbitt, Jr.

Glen Gunter

*Ad Hoc Appointees*

John B. Gilstrap

Senator Elmon T. Gray

Richard E. Kreh, Sr.

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## Appendix B

### **INTERIM REPORT SOUTHSIDE ECONOMIC DEVELOPMENT COMMISSION TASK FORCE ON EDUCATION, TRAINING, AND THE WORK FORCE**

Delegate William W. Bennett, Jr., Chairman

The Task Force on Education, Training, and the Work Force of the Southside Economic Development Commission has been charged to

- assess the quality and competitiveness of the region's adult work force;
- project the jobs that will be in demand in Southside over the next twenty years and to analyze the educational backgrounds and skills those jobs will require;
- determine the strengths and weaknesses of public education in the region as they affect the region's economic development;
- evaluate current adult education and worker training and retraining programs as they relate to long-term economic development; and
- recommend actions to develop, recruit, and retain a competitive work force.

The Task Force has met seven times--six times in conjunction with meetings of the full commission or other task forces and once in a separate meeting at South Boston. During the course of these meetings, the members have heard from a number of experts who have spoken on a range of topics. Persons making presentations to the Task Force are listed in Appendix B.

Out of the testimony the Task Force has received, one finding stands out: More than any other single factor, the quality of the region's present adult work force will determine Southside's economic future.

Over the coming months, the task force will compile additional testimony and acquire further information; it expects to make recommendations in several areas relating to education and training.

On the basis of the testimony it has received so far, the Task Force is offering two recommendations for the Commission's interim report:

**RECOMMENDATION ONE:** A Southside education commission ("The Southside Business-Education Partnership") should be created to improve the quality of public education in Southside Virginia.

**RECOMMENDATION TWO:** A regional authority ("The Southside Work Force Development Authority") should be established to stimulate economic development by upgrading the quality of the Southside work force.

In addition, the Task Force has followed with great interest the discussions surrounding the disparities in the funding of public education in Virginia. The Task Force recommends that the full Commission adopt the following statement:

The Southside Economic Development Commission urges the immediate commencement of efforts to reduce substantially statewide disparities in the funding of public elementary and secondary education. The Commission will await the report of the Governor's Commission on Educational Opportunity for All Virginians and may make further comments and recommendations as circumstances dictate.

## I. THE SOUTHSIDE BUSINESS-EDUCATION PARTNERSHIP

**RECOMMENDATION ONE:** A Southside education commission ("The Southside Business- Education Partnership") should be created to improve the quality of public education in Southside Virginia.

The quality of public education will do much to determine Southside's long-term economic prospects. Over the long-term, the quality of the Southside work force, critical to the region's economic future, will be the product of the quality of region's schools. Moreover, high quality public schools attract outside enterprise.

The Governor and General Assembly should create a non-partisan, permanent commission to provide leadership for public education in the region. This commission would conduct periodic assessments to see whether public schools and colleges are producing a competitive work force; it would make recommendations to improve public education and sponsor innovative programs and reforms. The commission would give business and industry a strong voice in forming educational policy.

Such a commission would

- raise private funds and make grants to foster and support model, innovative, improved educational programs within the region.
- serve as a "think tank" for educational policy and programs in Southside Virginia.
- encourage and expand business participation and involvement in public education and foster public/private partnerships in education.
- maintain close contact with businesses and industries throughout the region to inventory the knowledge and skills that businesses need, especially from young, entry level workers.
- collect, generate, and disseminate ideas and information about educational innovations and effective practices pertinent to Southside.
- serve as an resource and referral center for local school divisions--maintaining information on existing programs and resources; disseminating information on successful programs; and conducting workshops to inform teachers and administrators about effective practices.
- develop specific goals for public education.

- make grants to teachers, school divisions, and others to generate new ideas and programs, improve existing programs, and share information.
- help coordinate public education, K-12, higher education, and adult education and worker training.

The commission should be composed of twenty-one members to be appointed by the Governor, with one member drawn from each of the localities comprising the Southside region. The Commission should be broadly representative: nine members should be selected from business and industry (distributed by size and kind of industry); six members should be appointed from the education community as follows: one member from a public four-year college or university, one member from a private four-year college or university, one community college president or dean, one school superintendent, one public school teacher, and one school board member; four members should be local elected officials; and two members should be private citizens. The members should serve for fixed terms. No member should be able to serve more than two full terms. The terms of the members should be staggered, and the initial terms of appointment should be structured accordingly.

The commission, which would have a chairman and vice-chairman, would appoint a full-time executive director who would be given the authority and resources to hire a small staff. The Virginia Department of Education is establishing a statewide network of regional resource centers, and the regional centers located within Southside would provide staff assistance to the Commission.

The Commission would be authorized to receive private donations and make grants; it would be funded from state and private sources.

While the Commission would be housed at Longwood College, the commission staff would conduct an active, regionwide outreach program. It is also expected that Virginia State University would provide major assistance, and some satellite activities would be conducted at Virginia State.

The Commission is intended to supplement and expand the resources of existing programs and activities. The commission would work through existing programs rather than creating a sizeable staff of its own.

## II. SOUTHSIDE WORK FORCE DEVELOPMENT AUTHORITY

**RECOMMENDATION TWO:** A regional authority ("The Southside Work Force Development Authority") should be established to stimulate economic development by upgrading the quality of the Southside work force.

The Southside Work Force Development Authority would be a public/private venture to make sure that the region has a flexible, globally competitive work force and that current workers have new, more rewarding employment opportunities.

**The authority would**

- leverage public education and training resources by significantly overmatching authority funds with private contributions for each project funded.
- leverage and build the capacity of public educational institutions, businesses, and non profit corporations to supply adult education and training.
- facilitate and fund occupation-specific training for particular jobs and employers or consortium of employers.
- facilitate and fund education and training programs intended to increase the job skills (e.g., problem solving, communication, computation) of the region's adult workers.
- assess current and future work force needs; conduct research and collect information to identify and distribute information about effective training programs; sponsor conferences and studies on employment issues;
- generate ideas and foster innovation in worker training and retraining; develop new, model training programs to address unmet training needs; provide seed money to establish new programs.
- serve as a source of information on the availability of skills training; monitor existing training, retraining, and adult education programs carried out by business, government, schools and colleges, and nonprofit organizations; serve as a referral center linking businesses with available employment and training related services.
- exert leadership in the area of adult education and training; educate the public, local governing bodies, and educators to the need for further training and retraining.
- serve as an instrument for convening representatives of organizations with interests in adult education and training; foster coordination and communication between adult education and training programs and existing educational programs of the region's public schools and colleges.

The authority would build capacity within educational institutions such as the community colleges and four-year institutions to train and retrain workers and would establish on-going linkages between business and educational institutions.

Using public funds matched by substantial private funding, the authority would bring businesses, educational institutions, and other suppliers of training together to train and retrain workers in new and expanded job skills.

In seeking to develop a more productive work force, the authority would supplement but not duplicate existing programs such as those offered under the Job Training Partnership Act and current state industrial training programs.

The focus of the authority would be on currently employed adult workers. The authority would sponsor programs to help present job holders upgrade their skills and acquire new ones.

The authority would sponsor activities involving individual employers and consortia of employers; it also would sponsor programs for workers as individuals.

It would stimulate training at several levels: It would provide entry level pre- or post- employment training; provide advanced training for long-term employment at the professional, technical, and managerial levels; and stimulate train-the-trainer programs.

Such a authority also could target trainees with special needs--for example, workers needing literacy training or the disadvantaged, handicapped, and chronically unemployed and displaced workers.

The authority would serve companies new to the region as well as existing companies. One of its major aims would be to enhance the competitiveness of companies and workers in industries threatened by foreign competition and technological obsolescence. The authority would assist the formation of new ventures and the expansion of existing enterprises.

The authority would be governed by an eleven-member board of directors appointed by the Governor and composed of representatives from business and industry (including small business), state and local economic development agencies, community colleges, four-year colleges, and other educational institutions. The members of the board would be representative geographically of the region.

This shared governance is intended to produce greater innovation and cooperation than is likely to occur when training is conducted by a single agency. The authority would be flexible in shifting training resources in response to changing needs.

The authority would be housed in a central location. Although the authority would be autonomous, to save overhead, it would be housed at an existing institution such as Longwood College. The authority would employ a senior-level executive director and small staff who would carry on an active outreach program. The authority would act as a broker, conducting its programs through existing agencies such as community colleges.

Appendix A

**SOUTHSIDE ECONOMIC DEVELOPMENT COMMISSION  
TASK FORCE ON EDUCATION, TRAINING, AND THE WORK FORCE**

Members

Delegate William W. Bennett, Jr., Chairman

Senator W. Onico Barker

Morris L. Bryant

Ben J. Davenport

James R. Davis

Dr. William Dorrill

Joe Gero

Charles Majors

Carolyn Moses Lusardi

John Thomas Reynolds

Dorothea M. Shannon

Dr. Max Wingett

Staff

Kathleen G. Harris, staff attorney,  
Division of Legislative Services

Appendix B

Presentations to the Task Force

July 18, 1990

"Bringing Post-Secondary Education to Rural Areas," Dr. Sandra Feagan, executive director, Halifax/South Boston Continuing Education Center

"Helping the Non-Skilled, Non-College Student Get Further Job Training," Mr. Ray Gargiulo, director, Greater Richmond Area Scholarship Program, Inc. (GRASP)

"Availability of Advanced Placement Courses and Discrepancies in Public School Curricula," Winifred K. Lowe, administrative supervisor, and Elaine P. Granger, testing specialist, Virginia Department of Education

"Student Performance on National Tests," Elaine P. Granger, testing specialist, Virginia Department of Education

"The Role of the Community College in Providing Work Force Training and Education," Dr. John Cavan, president, Southside Virginia Community College

August 20, 1990

"Role of the Four-Year College in Work Force Training," Dr. William Dorrill, president, Longwood College, and Gerald L. Hughes, executive director, Longwood College Small Business Development Center

September 25, 1990

"Educational Opportunities for Southside Public School Students," Palinda Carrington and Carolyn Brandon, seniors, Halifax Senior High School

"Incentives for School Divisions," Dr. Emmett Ridley, supervisor, Virginia Department of Education

"Ensuring Quality Instruction: Prospective Teacher Scholarship Loan Program and Teaching Fellows Program," Ms. Grace Drain, North Carolina Department of Public Instruction

October 23, 1990

"Improving the Quality of Southside Public Education," Paul Stapleton, superintendent, Charlotte County Schools

"Disparity in Education Funding and Quality," Dr. Kenneth Walker, superintendent, Halifax County schools, Coalition for Equity in Educational Funding

November 26, 1990

Report on the Governor's Commission on Educational Opportunity for All Virginians, Catherine Clark, Department of Planning and Budget; Carolyn R. Cook, House Appropriations Committee Staff.



## Appendix C

### **The Southside Economic Development Commission**

#### **Interim Report of the Task Force on Financing, Marketing and Incentives**

*Senator Richard J. Holland, Chairman  
Delegate Willard R. Finney, Vice Chairman*

The Financing, Marketing, and Incentives Task Force, one of four established by the Commission, was charged with examining economic development policies and programs as well as investigating possible changes in the areas of financing, marketing, and incentives which would foster and promote economic development in the Southside region of the Commonwealth. During the course of 1990 the task force held six meetings in fulfillment of the specific charges assigned by the Commission. This interim report contains two specific recommendations which are being submitted to the Commission for inclusion in the Commission's legislative package for the 1991 Session. This interim report also reviews some of its preliminary economic development initiatives which will be studied and refined during 1991.

The task force surveyed the economic development literature to determine what factors influence economic development and how firms decide where to locate or where to expand their facilities. The task force examined state business incentives, economic growth in general, and the effectiveness of current policies. There is widespread disagreement among the experts concerning the most important factors which determine economic development. This disagreement is, in large part, due to the fact that different industries have different needs. Needs of service industries may be different from manufacturers and within manufacturers there may be a wide range of needs. Moreover, the policies and services conducive to attracting investment from outside the region may be different from those needed to retain existing business, stimulate the formulation of new business and encourage existing firms to expand. A comprehensive program of regional economic development needs to look at the measures that enlarge the region's indigenous base while attracting new investment from outside. During the course of its deliberations, the task force has found that some of the most important factors include, but are not limited to, productivity of workers, transportation facilities, community receptiveness, attitudes towards taxes, energy supplies, availability of appropriate locations, cost of property and construction, availability of skilled workers, quality of life, environmental controls, availability of water and sewer, access to markets, as well as a host of other factors.

Although the literature is unclear as to how state and local taxes specifically affect industry location decisions, the task force believes that taxes can affect business locations and expansion decisions.

While the task force believes Virginia has a relatively low state and local tax burden, it is recommending a change in the Virginia Corporate Income Tax to change the apportionment formula for apportioning multi-state net income to

Virginia. Specifically, the recommendation is to change the current three factor formula (§ 58.1-408) which weighs payroll, property, and sales in Virginia equally to a formula which retains the same three factors but increases the sales factor to a double weight. This recommendation is contingent on the determination that the Commonwealth does not experience a large negative revenue impact as a result of this change.

This change would provide a more comparable weight to sales and therefore less to payroll and property, essentially reducing the taxes on a corporation with a relatively heavy concentration of facilities in Virginia. Of course, it would increase the taxes of a corporation that sells products in Virginia but has relatively little in the way of production facilities. The restructuring of the apportionment formula could be used as one of the tools which the Commonwealth employs to attract business, thereby increasing employment and economic activity in areas which are not sharing in the prosperity that other areas of the Commonwealth enjoy. The task force notes there has been a growing trend in other states to change the apportionment formula by double weighting the sales factor.

Double weighting the sales factor so that the sales factor has the same weight as payroll and property combined will primarily benefit the corporations with headquarters and/or major production facilities here in Virginia, as well as those corporations that may wish to expand or locate such facilities within Virginia in the future. These are companies that employ, or will employ, Virginians and generate economic activity as well as pay other taxes (such as property taxes). The task force believes the Commonwealth should not penalize corporations which have facilities here, and as a result, provide employment, income and economic opportunity -- as compared to those who sell products here but have major facilities elsewhere.

The task force has studied the mission and operation of the state Department of Economic Development and has had roundtable discussions with the Department's Director of Industrial Development (Mr. Mark Kilduff). The task force has also heard from local economic development officials to determine (i) how they pursue economic development prospects, (ii) how the local economic development offices work with the state officials, and (iii) what programs seem to be the most cost effective from a local viewpoint.

Virginia has 49 competitors in the United States which are seeking new or expanded business. It must also be noted that because of the global world economy the competition for new industry requires Virginia to compete, not simply with other states, but also with other nations.

Based on discussions with state and local economic development officials, it is believed that the ingredients which contribute to a favorable state business climate are, for the most part, determined by the Commonwealth while localities attempt to sell their own unique features within the overall state framework. Testimony was received concerning the right to work laws, contributory negligence statutes, and caps on liability awards -- all features which give the Commonwealth its excellent business climate. However, while the task force believes the Commonwealth has an excellent business climate, it recognizes that the Commonwealth is competing with 49 other states which are changing and adopting new programs in an on-going effort to attract new and/or expanded industry. Business climates in other states are changing; as a result, Virginia's relative position is also changing.

One area where an improvement can be made is in the often cumbersome, time-consuming, and uncertain area of obtaining state regulatory permits. The task force recommends Virginia adopt one-stop permitting as a tangible incentive to make Virginia a more attractive place to do business. The purpose of one-stop permitting is simply to expedite the various approvals which a company needs to receive prior to starting in business. **The recommendation is not to change which agencies are required to grant the various regulatory approvals, but rather to provide a single contact at a single location who can provide a listing of the various permits which are required as well as copies of the various forms which need to be filed.** Someone within the Department of Economic Development should be designated to (i) help expedite the process, (ii) answer questions, and (iii) help track the status of and follow-up on permit applications. This is a common sense approach to demonstrate Virginia's willingness and commitment to assist development prospects.

This permit coordination responsibility would be given to the Department of Economic Development ("the Department") and would be statutory. It would apply to new economic development prospects as well as existing industry which is considering expansion. Testimony has been received indicating that the Department is already doing a portion of this work; however, it needs to be given a more structured approach and increased emphasis. This will give the Department increased exposure as well as providing the assurances that a specific state agency is statutorily charged with helping potential economic development prospects through the bureaucratic maze of the various state agencies and their regulatory requirements.

The task force has also been studying the work of local economic development officials. The task force notes the tremendous strides localities in Southside have made to actively and aggressively seek new economic development prospects, as well as to work together to seek those prospects and bring them to the region. Local economic development officials have testified the Southside communities work cooperatively because a new economic development prospect in one locality has a great deal of "spillover" into adjoining localities, as well as the region. The task force recognizes that the results from this work do not occur overnight. Over the last four years, the localities of Southside have invested over \$50 million of local money in economic development activities, including infrastructure (water and sewer), industrial park development, and shell buildings. This represents a tremendous investment in the future of the region. However, while this constitutes a substantial investment on the part of these communities, these localities still face the overwhelming challenge of being able to provide the sound infrastructure and financial resources necessary to support economic growth. The task force is not offering specific recommendations on this issue to the Commission for the 1991 Session. However, the task force is examining a number of initiatives and wishes to inform the Commission of its progress this year. The initiatives, which will be refined during the course of our study next year, are as follows:

- ◆ Creation of a low interest loan pool for use by rural Southside communities to (i) develop industrial sites/parks, (ii) acquire land for site development, (iii) extend infrastructure facilities/services, and (iv) construct buildings to meet client needs.

- ◆ Encouragement of a regional marketing strategy which would package the strengths of the region or parts of the region.
- ◆ Creation of a joint marketing/advertising effort by state and local governments which would be coordinated at the state level.
- ◆ Develop a region-wide resource guide which would include information on training resources, literacy resources, local financing opportunities, available shell buildings, and other available industrial buildings, sites, and parks.

## **I. REVOLVING LOAN FUND**

When the task force surveyed economic development literature to learn what factors influence economic development the task force found, among other things, that even if a state has an excellent business environment, it is critical to have attractive development sites, an efficient transportation network, and available water and sewer facilities.

The Southside region has not shared in the economic prosperity of the past few decades to the same extent as the rest of the Commonwealth; its income and education attainment are below the state averages, and the unemployment rate of this region is above the state average. As a result, funding for physical infrastructure programs for Southside Virginia is severely limited. Overwhelming needs must be balanced with available monetary resources. However, in order to attract the private sector industrial base which will support the basic economy of Southside Virginia, southside communities must place a priority emphasis on expansion of infrastructure necessary to attract industrial development projects.

As individual jurisdictions, southside Virginia communities are limited in the amount, and in the cost, of money available for physical infrastructure maintenance and expansion. Although Southside localities have invested heavily in infrastructure for development, there is a great deal yet to be done. Moreover, the poorest localities are those with the most modest ability to pay for these infrastructure needs and are in the most critical need of help. It is clear these localities and their citizens are in critical need of assistance so that the disparity in development does not increase any further in this sector of the Commonwealth.

**Therefore, the task force is studying a \$50 million, low-interest Revolving Loan Pool to be created by the Commonwealth of Virginia.** Eligible projects for this pool should be considered "basic" -- employment projects either locating or expanding within the defined Southside Virginia target area.

These funds, if placed strategically throughout the region and in concert with economic development prospects, can lead to tremendous strides for the region. These resources will help to increase the momentum of development.

The proposed revolving loan pool would be used strictly for "basic" type development having the most potential for a multiplier effect for the region. The loan pool would be limited to the following types of projects:

- ◆ Development of industrial sites/parks.
- ◆ Acquisition of land for site development.
- ◆ Installation of water/sewer infrastructure.
- ◆ Augmentation of state's Industrial Access Programs for roads, rail, and airport improvements in Southside.
- ◆ Industrial building renovations, for improvements to existing industrial buildings that are publicly controlled.

## **II. MARKETING**

Strategic marketing is fundamental to any successful economic development program and regional cooperation is essential for economic progress -- especially in rural communities. Southside is fortunate to have an excellent core group of economic development officials which other rural areas of the Commonwealth lack. The Department of Economic Development has recommended to the task force the further utilization of these resources by implementing a regional marketing strategy. The task force is examining the establishment of a "Southside Marketing Team" which would initiate and sustain a unified industrial recruitment effort on behalf of all the communities in the targeted area. The funds would be utilized through a local match initiative, since development efforts for the Commonwealth involve a state and local coordinated approach.

Elements of a regional marketing strategy may include the following:

- ◆ Development of "hard" marketing materials.
- ◆ Development of a marketing video/equipment purchase.
- ◆ Placement of state-prepared industrial advertising campaign materials in appropriate media.
- ◆ Development of a region-wide series of "resource guides" which include information on (i) training, (ii) finance, (iii) sites and buildings, (iv) federal, state or regional assistance, (v) literacy programs, and (vi) key attributes of the region.
- ◆ The preparation of a mailing that would take the form of a regional map, highlighting one publicly-owned park or industrial site in each locality, along with a summary of the key attributes of the region.

## **III. EDUCATIONAL INCENTIVE PROGRAMS**

The availability of a skilled and/or trainable workforce is one of the most crucial factors for industry looking for new plant locations. Consequently, Southside Virginia must focus on the need to retain and attract skilled and

trainable individuals to work in local industry. As a result, the task force is studying the establishment of a Southside Educational Incentive Program, designed to enhance the region's economic development potential by attracting and retaining qualified individuals to seek employment in southside industry.

### **SUMMARY**

The task force has made great strides this year; however, a great deal of study and work is still required. The recommendations in this report are an important first step in the long-term economic development of the Southside region. The future of this region holds a great deal of promise if we skillfully and boldly confront the task at hand. To this end, the task force will be working diligently in the pursuit of its charge during 1991.

Respectfully submitted,

Senator Richard J. Holland, *Chairman*

Delegate Willard R. Finney, *Vice Chairman*

Mr. Seward Anderson

Mr. William E. Coleman

Ms. Elizabeth Johnson

Mr. W.C. Ward, Jr.

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Ms. Terri W. Birkett

Dr. John J. Cavan

Mr. C. Warren Green, Jr.

Mr. Gerald L. Hughes

Mr. James A. Motley

Mr. R. Neely Owen

Mr. Paul Stapleton

## Appendix D

### **INTERIM REPORT AND RECOMMENDATIONS SOUTHSIDE ECONOMIC DEVELOPMENT COMMISSION INFRASTRUCTURE TASK FORCE**

*Senator Virgil H. Goode, Jr., Chairman*

The mission statement of the Infrastructure Task Force establishes that it will review the transportation, communications, public works, and public utilities needs of Southside Virginia, as well as ways to meet these needs through creative financing alternatives and local initiatives.

The task force conducted its first meeting on June 25, 1990, in South Hill. During this session a broad based discussion ensued dealing with the region's infrastructure, the perceived needs as seen by the committee, and potential ways to achieve infrastructure development. Since this time, meetings have been held monthly. Speakers have included:

- Mr. Bill Shelton and Ms. Sue Moreland, Department of Housing and Community Development, discussed programs the Department implemented as a result of the Southwest Economic Development Commission addressing infrastructure needs in the region. The impact achieved through these programs was discussed and related to initiatives which are currently possible in Southside and those which could be, through regionally targeted developments.
- Mr. Joe Ripley, Virginia Department of Transportation, informed the task force on the Virginia Industrial Access Road Program. During this meeting, possible changes to the program which would significantly aid Southside communities in the economic development process were discussed. These suggested changes are included as an interim recommendation. The committee has frequently discussed the need for a major, north - south transportation corridor. Discussion has centered on the lack of economic development in Southside where few major transportation arteries exist, and that this basic infrastructure is needed before economic development can take place. This need has been enhanced by the decline in the area's ability to ship commodities by rail.
- Delegate Lewis Parker, Jr. and Mr. Richard Burton, Virginia Water Control Board, discussed water and sewer issues in the region. Of prime concern to the committee is the region's abundant resource of water. Developing ways to capitalize on this natural resource is seen as a necessity in order for the region to prosper. Discussion has focused on areas which include: methods of selling the resource, either in potable or non-potable form to other Virginia localities which currently or potentially face shortages; charges for withdrawal from regional water sources, to be used for regional economic development activities; and promotion of the region by the Department of Economic Development to industries which require large quantities of water in their manufacturing process.

During the course of the committee's work to date, additional data has been reviewed to gain insight into the condition of the region's infrastructure. This has included a review of the needs as determined by the counties and cities in response to HJR 432. Additionally, 1990 Census data and projections of the work force population 1990 and 2000 have been reviewed to determine the extent of economic activity which must take place to handle the anticipated working population. Specific demographics of the region have been reviewed which provided further insight into the region's current and future needs and abilities.

As with any capital outlay question, the amount of money currently being spent, and where it is generated, is of critical importance. The task force has reviewed this information, as well as the taxing levels of jurisdictions within the region and Commonwealth as a whole. This data, compared with the fiscal stress index of county and city governments within the region, as prepared by the Commission on Local Government, has provided the task force with an overview of the region's internal fiscal capability to help itself. This capability is seen both on a regional and locality by locality level, providing the committee with a large scale picture of problem, as well as resources potentially available to remedy the situation.

For this interim report, the Infrastructure Task Force has prepared eight draft resolutions for the improvement of the region's infrastructure. Without development of basic infrastructure, economic development will not be able to take place. By implementing these recommendations, the Southside Region will be able to develop its basic infrastructure, and begin the trek toward becoming an economically vibrant region of the Commonwealth.

#### **DRAFT RECOMMENDATIONS FOR THE INFRASTRUCTURE TASK FORCE SOUTHSIDE ECONOMIC DEVELOPMENT COMMISSION**

**RECOMMENDATION 1: The Commission requests that the Virginia Department of Economic Development market those regions of the Commonwealth which possess the natural resources required by a prospective industry.**

The availability of natural resources close to the production facilities enhances a firm's competitive position. Abundant water supply has become one of the key resources needed to develop. Currently in Virginia, many regions do not have sufficient potable water resources to meet their future needs, and have begun to import water.

Southside Virginia has an abundant supply of water available for current and future needs of its citizens and industries. Locating industries to Southside which require water will provide valuable employment opportunities and alleviate other areas of the capital costs required by importing water for industrial needs.

**RECOMMENDATION 2: Regulatory agencies of the Commonwealth of Virginia which report to the United States Environmental Protection Agency request to be directed to report to the Atlanta Regional Office of the Environmental Protection Agency.**

Given the natural contours of the Commonwealth, streams carrying runoff from Virginia soil flow toward our southern neighbors of North Carolina and Tennessee. Currently administered through the Philadelphia Regional Office, environmental issues from Virginia are being addressed by two offices of the Environmental Protection Agency. Administration of environmental concerns with the same interpretations will enhance the environment of the entire region, improving our quality of life and the business climate.

The Southside Economic Development Commission requests Congressman Payne and Senators Warner and Robb assist the region with this recommendation.



**RECOMMENDATION 3: Transportation of people and commodities is a key component in achieving economic development. To provide for effective transportation corridors in Southside, the Virginia Department of Department of Transportation is requested to study the feasibility of developing a north - south corridor in the region, and to secure additional federally funded highways for the southside region.**

Transportation corridors running north - south currently exist on the eastern and western extremities of Virginia. Development of U.S. 58 will provide an east - west corridor through Southside. Population centers currently exist on these corridors, as they are essential to basic employment.

The communities in Southside are not experiencing the same population or basic employment growth as those parts of Virginia which have major transportation corridors. In order to remedy this trend, transportation planning must take place to address the needs of the Southside Region and the Commonwealth. Development of a plan for north - south economic corridors through southside will enable the Commonwealth to take advantage of the next phase of federal highway development, and our federal representatives and the United States Department of Transportation are urged to exert maximum effort in bringing more interstate routes and other major highways to the southside region.

Progressive development of roads within individual communities play a vital role in local development. In order to develop all sectors, VDOT is urged to upgrade all primary and secondary roads to improve the flow of commercial traffic.

**RECOMMENDATION 4: MODIFICATIONS TO THE VIRGINIA DEPARTMENT OF TRANSPORTATION INDUSTRIAL ACCESS ROADS PROGRAMS.**

Complete development of infrastructure is needed to provide prospective industries with viable site locations in Southside Virginia. Transportation is a key component of infrastructure, and essential to economic development. The Virginia Department of Transportation, through the Industrial Access Roads Program has aided Southside and rural Virginia by facilitating development of industrial roads.

With the numerous demands being placed on limited local government financial resources, flexibility in their use becomes essential. In order to provide greater local flexibility, the Southside Economic Development Commission recommends that the Virginia Department of Transportation Industrial Access Roads Fund be modified to:

- (A) Allow gravel roads with suitable base construction for expansion into industrial hard surface roads under the bonded program. Paving of the gravel surface would be completed to the site upon sale or lease of the property. This would allow speculative industrial site development, which frequently is not feasible under the current total construction requirement.

(B) The program should be modified to expand the initiation of fund repayment from two to three years, after the Department of Transportation approves the allocation resolution. This will provide local governments an additional year to market the site. Under the current program, the time for marketing a site with the road in place is frequently less than one year, not allowing enough time to effectively market the property before repayment must begin.

(C) Under Section 33.1-221 of a bonded or non-bonded project, a **ten year lease or five year lease purchase** be considered "Under Firm Contract".

These modifications to this successful program will enhance Southside Government's efforts to meet their industrial infrastructure needs. The region will gain a competitive advantage by providing industry a variety of usable--developed industrial parks, while providing local governments increased operating flexibility in their capital outlay budgets.

**RECOMMENDATION 5: To provide for economic diversification throughout Southside Virginia, the Governor and General Assembly should establish a fifteen million dollar, Southside Infrastructure Grant Program, enabling local governments to bring their water treatment, waste water, and solid waste disposal facilities up to standards.** Public water, sewer and solid waste facilities are absolute requirements for long-term economic and commercial development to take place.

A survey conducted by the Division of Legislative Services shows the magnitude of money needed in Southside Virginia this decade to address these key infrastructure problems. Rectifying these needs is a long-term problem which can not be completely addressed through a one time grant program. The need for sizeable infrastructure expenditures is urgent. With the magnitude of this problem, planning for future development is essential, and should provide an increase in the populace's quality of life and economic development.

To effectively address this problem, a twofold approach is recommended. The first would provide grants of one million dollars, with a local 25 percent match, to develop or improve infrastructure which impacts economic development. To be eligible, communities would need to be certified communities or enrolled in the Virginia Department of Economic Development Community Certification Program.

The second phase would be a zero percent interest infrastructure revolving loan program. Establishing a program for Southside Virginia communities to utilize as specific infrastructure demands occur. This fund would set aside money for Southside Governments to borrow at zero percent interest, providing infrastructure for basic employment.

**RECOMMENDATION 6:** To ease expansion and transition to Virginia by industry, the Commonwealth should implement an "one stop permitting" process in the Southside Office of the Department of Economic Development. The desirability of a location for business can be enhanced by providing the mechanisms to be operational, producing products as quickly as possible.

Through additional staff at the Southside Office, Department of Economic Development, a trial project should be established to provide expedited state regulatory permits to facilitate industrial locations. Those permits needed for industrial development, i.e., air pollution, water discharge and waste management, would be applied for and fast-tracked through the permitting agencies by Department of Economic Development staff, thus reducing the multitude of contacts and providing quick analysis of the status of all required permits.

**RECOMMENDATION 7:** To support economic development, the Virginia Transportation Board should make the fast completion of "job corridor" highways the top priority for allocating highway funds in Southside Virginia. Although the Commonwealth has spent millions of dollars to build roads in Southside Virginia, the job is far from completed.

A regional transportation policy is needed. Roads must be seen as a tool for economic development, and priority should be assigned to road projects according to their potential to serve business and attract new industry. The number of permanent jobs created per dollar spent should weigh heavily in selecting projects for funding. Good highways serve as "job corridors," spawning economic activity in much the same way as railroads once did.

**RECOMMENDATION 8:** Regional cooperation will become an increasing factor in meeting the demands of infrastructure development. To foster intergovernmental cooperation and development, emphasis for grant and low interest loan programs established through new or existing agencies should provide funding priorities to those projects which are regional in scope.

Bonding agencies of the Commonwealth should provide added flexibility for issuance of multi-jurisdictional economic development related infrastructure proposals. The infrastructure needs of Southside Virginia have been documented, and lessening the regions needs will require unprecedented cooperation among localities. To aid in this cooperation, the General Assembly should enact legislation which provides incentives to regional cooperation.

These eight recommendations were unanimously approved for submittal during the task force meeting held in Keysville, November 26, 1990.

# 1991 SESSION

LD9049436

## HOUSE JOINT RESOLUTION NO. 300

Offered January 11, 1991

*Continuing the Southside Economic Development Commission.*

Patrons—Bennett, Philpott, Clement, Finney, Jackson, Abbitt, Reynolds, Parker, Hawkins, Jones, R.B., Crouch and Harris, E.R.; Senators: Goode, Anderson, Barker and Holland, R.J.

Referred to the Committee on Rules

WHEREAS, House Joint Resolution No. 106, adopted by the 1990 Session of the General Assembly, established a commission to propose recommendations to improve and enhance economic development in the Southside region of the Commonwealth (the "Southside Economic Development Commission" or "Commission"); and

WHEREAS, the Commission was charged to consider a wide range of issues, including strategies to attract new businesses to the region and to expand and diversify existing industry, ways to assist community development through infrastructure and site improvements, and initiatives to increase the educational attainment and technical skill of the workforce; and

WHEREAS, in exploring the challenges facing Southside Virginia, the Commission met five times to review regional data regarding economic growth, education, and industry and to seek the input and expertise of economic development specialists, state agencies, and representatives of higher education and the private sector; and

WHEREAS, the Commission was greatly assisted by the establishment of four task forces, comprised of Commission members and ad hoc appointees from Southside public and private entities, which provided more detailed examinations of Southside agriculture, forestry, and natural resources; education, training, and the workforce; finance, marketing, and incentives; and infrastructure, respectively; and

WHEREAS, traditional economic development strategies as well as newer theories focusing on a "growth-from-within" approach have received Commission scrutiny; and

WHEREAS, testimony before the Commission and the task forces has confirmed a number of disturbing trends in the economic development of the Southside region, including educational disparity, declining populations, lower median incomes, inadequate infrastructure, and poor representation in anticipated "growth" industries; and

WHEREAS, while a number of current programs have provided some assistance to the region, Southside Virginia continues to face serious challenges as it struggles to accelerate its economic development and to retain those values and to utilize those resources that make it a unique and important part of the Commonwealth; and

WHEREAS, although the Commission has developed specific recommendations addressing business incentives and the regulatory permit approvals process, it is the consensus of the Commission that further review of the expansion of industries using the region's abundant natural resources, the educational needs of Southside citizens and employers, regional marketing efforts, infrastructure needs, and other issues is necessary to develop additional specific recommendations to enhance the economic growth of the region; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Southside Economic Development Commission be continued. The membership of the Commission shall continue as established by House Joint Resolution No. 106 of the 1990 General Assembly. Vacancies shall be filled by the Governor, the Speaker of the House of Delegates, and the Senate Committee on Privileges and Elections, as appropriate. The Commission shall continue to review and evaluate methods of enhancing the economic growth of the region and shall consider financing alternatives, partnerships between government, higher education, and the private sector, and other related issues as it deems appropriate.

The legislative members of the Commission shall be compensated as specified in §

1 14.1-18 of the Code of Virginia, and all members of the Commission shall be reimbursed  
2 for their actual expenses incurred in the performance of the work of the Commission.

3 The Commission shall be assisted by the Center for Public Service at the University of  
4 Virginia and the Division of Legislative Services.

5 All agencies of the Commonwealth shall cooperate with the Commission and, upon  
6 request, assist the Commission in the performance of its duties and responsibilities.

7 The Commission may accept and expend gifts, grants, or donations from public or  
8 private sources which will enable it to meet its objectives.

9 The Commission shall submit its findings and recommendations to the Governor and the  
10 1992 Session of the General Assembly in accordance with the procedures of the Division of  
11 Legislative Automated Systems for the processing of legislative documents.

12 The indirect costs of this study are estimated to be \$16,700; the direct costs of this  
13 study shall not exceed \$24,840.

14 Implementation of this resolution is subject to subsequent approval and certification by  
15 the Joint Rules Committee. The Committee may withhold expenditures or delay the period  
16 for the conduct of the study.

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1991 SESSION

LD5256540

HOUSE BILL NO. 1267

Offered January 9, 1991

A BILL to amend and reenact § 58.1-408 of the Code of Virginia, relating to apportionment of multi-state income to Virginia for Virginia corporate income tax purposes.

Patrons—Parker and Philpott

Referred to the Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-408 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-408. What income apportioned and how.—The Virginia taxable income of any corporation, except those subject to the provisions of §§ 58.1-417, 58.1-418, 58.1-419, or § 58.1-420, excluding income allocable under § 58.1-407, shall be apportioned to the Commonwealth by multiplying such income by a fraction, the numerator of which is the property factor plus the payroll factor, plus twice the sales factor, and the denominator of which is three, reduced by the number of factors, if any, having no denominator four; however, where the sales factor does not exist, the denominator of the fraction shall be the number of existing factors and where the sales factor exists but the payroll factor or the property factor does not exist, the denominator of the fraction shall be the number of existing factors plus one.

2. That this act shall be effective for taxable years beginning on and after January 1, 1991.

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1991 SESSION

LD5691123

SENATE BILL NO. 590

Offered January 14, 1991

A BILL to amend and reenact § 2.1-548.8 of the Code of Virginia, relating to the powers and duties of the Department of Economic Development.

Patrons—Holland, R.J., Holland, C.A., Macfarlane, Joannou, Goode, Scott, Anderson and Gray; Delegates: Philpott, Council, Bennett, Clement, Thomas, Abbitt and Parker

Referred to the Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That § 2.1-548.8 of the Code of Virginia is amended and reenacted as follows:

§ 2.1-548.8. General powers of Department.— A. The Department shall have the following general powers, all of which, with the approval of the Director of the Department, may be exercised by a division of the Department with respect to matters assigned to that division:

1. Employ such personnel as may be required to carry out the purposes of this chapter;

2. Make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this chapter, including, but not limited to, contracts with the United States, other state agencies and governmental subdivisions of the Commonwealth;

3. Accept grants from the United States government and agencies and instrumentalities thereof and any other source. To these ends, the Department shall have the power to comply with such conditions and execute such agreements as may be necessary, convenient or desirable;

4. Do all acts necessary or convenient to carry out the purposes of this chapter; and

5. To train or retrain individuals for specific employment opportunities at new or expanding business facilities in the Commonwealth.

B. The Department of Economic Development shall assist applicants in submitting applications for all regulatory permits required in Virginia and shall act on behalf of the applicant before such regulatory agencies to (i) monitor the status of the permit application and (ii) provide any information required by the regulatory agency with the goal of expediting the permitting process. Each regulatory agency shall send to the Department and applicant within fifteen days of the initial application, a timetable for reviewing and acting on the applicant's request for a permit.

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# 1991 SESSION

LD6450420

## HOUSE BILL NO. 1806

Offered January 22, 1991

A BILL to amend the Code of Virginia by adding in Title 9 a chapter numbered 22.5, consisting of sections numbered 9-145.16 through 9-145.20, establishing the Southside Virginia Business and Education Commission.

Patrons—Bennett, Clement, Councill, Abbitt, Reynolds, Parker, Finney, Jones, R.B. and Philpott; Senators: Barker and Goode

Referred to the Committee on Education

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 9 a chapter numbered 22.5, consisting of sections numbered 9-145.16 through 9-145.20, as follows:

### CHAPTER 22.5.

#### SOUTHSIDE VIRGINIA BUSINESS AND EDUCATION COMMISSION.

§ 9-145.16. Commission established; duties.—The Southside Virginia Business and Education Commission is hereby established and shall be referred to in this chapter as the Commission. For the purposes of this chapter and the work of the Commission, "Southside Virginia" shall include the Counties of Amelia, Appomattox, Brunswick, Buckingham, Campbell, Charlotte, Cumberland, Dinwiddie, Franklin, Greensville, Halifax, Henry, Lunenburg, Mecklenburg, Nottoway, Patrick, Pittsylvania, Prince Edward, Southampton and Sussex and the Cities of Danville, Emporia, Franklin, Martinsville, and South Boston.

The Commission shall perform the following functions:

1. To provide general leadership in the region for education and business partnership programs and excellence in education;

2. To encourage and expand business participation and involvement in public education and to foster partnerships between the public and private sectors to enhance public education in Southside Virginia;

3. To collect, generate, and disseminate ideas and information regarding educational innovations and effective instructional practices pertinent to Southside Virginia;

4. To coordinate with business and industry throughout the region to ascertain those skills, education, and training that businesses seek from entry level workers;

5. To serve as a resource and referral center for area school divisions by maintaining and disseminating information on existing educational programs and resources;

6. To develop, in coordination with the Department of Education and local school boards, specific goals for public education in Southside Virginia;

7. To promote the coordination of elementary, secondary, and higher education and adult education and worker training.

§ 9-145.17. Membership; terms; compensation; chairman and vice chairman; meetings.—A. The Commission shall be composed of twenty-one members to be appointed by the Governor as follows: nine members representing business and industry; six members representing the education community, including one representative of a public four-year college or university, one representative of a four-year private college or university, one community college president or dean, one school superintendent, one public school teacher, and one school board member; four local elected officials; and two citizen members. Commission members shall be chosen from among residents of the Southside region of the Commonwealth.

B. Of the members to be appointed in 1991, seven shall be appointed for two-year terms, seven shall be appointed for three-year terms, and seven shall be appointed for four-year terms. Thereafter, all appointments shall be for terms of four years, except that appointments to fill vacancies shall be for the unexpired terms. No person shall be eligible to serve for or during more than two successive four-year terms, but after the expiration of a term of three years or less, or after the expiration of the remainder of a term to



1 which appointed to fill a vacancy, two additional four-year terms may be served by such  
2 member if appointed thereto.

3 C. Members of the Commission shall be reimbursed for their actual expenses incurred  
4 in the performance of their duties in the work of the Commission.

5 D. The Commission shall elect a chairman and a vice chairman from among its  
6 members. The Commission shall meet at least four times a year and at such dates and  
7 times as they determine.

8 § 9-145.18. Executive director; staff support; location.—The Commission shall appoint  
9 an executive director, who shall be authorized to employ such staff as necessary to enable  
10 the Commission to perform its duties as set forth in this chapter. The Commission is  
11 authorized to determine the duties of such staff and to fix salaries and compensation from  
12 such funds as may be appropriated or received. Regional resource personnel from the  
13 Department of Education shall also provide staff support to the Commission. The  
14 Commission's offices shall be housed at Longwood College.

15 § 9-145.19. Application for and acceptance of gifts and grants.—The Commission is  
16 authorized to apply for, accept, and expend gifts, grants, or donations from public or  
17 private sources to enable it to carry out its objectives.

18 § 9-145.20. Cooperation of other agencies.—All agencies of the Commonwealth shall  
19 cooperate with the Commission and, upon request, assist the Commission in the  
20 performance of its duties and responsibilities.

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