

**REPORT OF THE**

**A. L. Philpott  
Southside Economic  
Development Commission  
(HJR 300)**

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



**HOUSE DOCUMENT NO. 45**

**COMMONWEALTH OF VIRGINIA  
RICHMOND  
1992**

## Dedication



Albert Lee Philpott  
1919-1991

A.L. Philpott, Speaker of the House of Delegates, whose devotion to Southside and the Commonwealth was unflinching in 35 years of public service, will be remembered for his fairness, his unparalleled knowledge of Virginia law, and his commitment to the greater good before partisan interests. Some may recall a powerful leader whose trademark scowl could wither even the most stout-hearted of legislators. Others will remember an imposing gentleman whose crusty demeanor belied a genuine warmth and unquestioned integrity.

As chairman of the Southside Economic Development Commission, the Speaker accepted the formidable challenge of balancing regional growth initiatives with fiscal responsibility and statewide needs. His commitment to forging a better future for Southside Virginia was steadfast, grounded in an abiding belief in the region's people.

The Commission—and the Commonwealth—have suffered a tremendous loss.

This report is dedicated to his memory.

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## EXECUTIVE SUMMARY

Established in 1990 pursuant to HJR 106, the Southside Economic Development Commission was charged to "propose recommendations to improve and enhance the economic development of the Southside region of the Commonwealth." Chaired by the Speaker of the House of Delegates, the Commission was comprised of 23 members representing the legislature, educational institutions, local leaders, and area industry. Assisted by task forces on Agriculture, Forestry, and Natural Resources; Education, Training, and the Workforce; Finance, Marketing, and Incentives; and Infrastructure, the Commission explored traditional development strategies as well as newer initiatives that focus on "growth-from-within" and partnerships between the public and private sectors. Included in its report to the 1991 Session were recommendations addressing 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.

Authorized by HJR 300 to continue its study in 1991, the Commission continued its review and evaluation of methods of enhancing economic growth in Southside and considered financing alternatives; partnerships between government, higher education, and the private sector; and other related issues. Membership continued as appointed in 1990. Commission meetings were hosted by community colleges, public and private four-year institutions, a continuing education center, and other entities throughout the region not only to facilitate travel, but also to provide a closer look at the valuable resources and programs already available in Southside. The Commission received testimony from a Congressional representative, leading economic development specialists, representatives of area industry, and educators, as well as the Secretaries of Education, Economic Development, and Natural Resources; the Departments of Aviation, Economic Development, Transportation, and Housing and Community Development; the State Water Control Board; and the Population Growth Commission. Finally, local input on the Commission's potential recommendations was solicited through a series of public hearings held throughout the region.

Like many other regions in the rural South, Southside Virginia must overcome a variety of obstacles to ensure its economic recovery. Having traditionally relied on lower tax rates, attractive land prices, and the availability of less expensive labor to attract industry, rural communities throughout the South now find themselves unable to support the educational and infrastructure improvements necessary to promote growth. In Southside Virginia, low educational attainment levels, high unemployment rates, and inadequate infrastructure demand the development and implementation of initiatives that combine traditional strategies with measures that focus on local and private sector involvement.

The challenges facing Southside Virginia as it enters the next century would seem insurmountable were it not for the commitment of the region's leaders, citizens, and industries to Southside's revitalization as an active participant in a vibrant state, national, and global economy. In addition, Southside's abundant natural resources, entrepreneurial spirit, and regional unity support tremendous potential for growth. Incorporating traditional development strategies with newer initiatives that recognize the shared responsibilities of the public and private sectors for successful growth, the Commission has concluded that its final recommendations must include measures for Southside's immediate and long-term development needs.

The Commission therefore makes the following recommendations for specific action in 1992:

**RECOMMENDATION 1:** That the A.L. Philpott Southside Economic Development Commission be continued for one additional year to monitor the implementation of recommendations and initiatives promoting economic growth in Southside Virginia.

### **Education, Training, and the Workforce**

**RECOMMENDATION 2:** That the Governor and the General Assembly include in their efforts to reduce substantially regional disparities in education funding, facilities, and programs consideration of the special needs of school divisions beyond basic requirements and the adjustment of current funding formulas to reflect more accurately local capacity and willingness to meet local ability to pay for public education.

**RECOMMENDATION 3:** That a joint legislative subcommittee examine regional difficulties in teacher recruitment and retention and ways to enhance teacher recruitment and retention in those regions demonstrating the greatest need for assistance and a willingness to meet their local ability to pay for public education.

**RECOMMENDATION 4:** That the Department of Education and the General Assembly create incentives for public schools to improve student achievement levels, instruction, curricula, facilities, and parental involvement, including the establishment of an award designation for schools meeting certain performance criteria.

**RECOMMENDATION 5:** That regional, multi-site schools focusing on applied learning be established in Southside Virginia and that the Southside Virginia Business and Education Commission coordinate with and monitor area efforts to create these schools.

**RECOMMENDATION 6:** That state funds be appropriated to provide incentives, such as tuition or bonuses, for individuals residing in regions having low graduation rates to pursue adult basic education and ultimately to obtain adult evening diplomas or G.E.D. certification.

**RECOMMENDATION 7:** That the General Assembly provide specific funding, either through grants or loans, to those school divisions demonstrating limited fiscal capacity for computer-assisted learning programs, including computer hardware and software, and that receipt of these funds be contingent upon the school division making these learning programs and school facilities available to community colleges and other entities after regular school hours for continuing education programs.

**RECOMMENDATION 8:** That Southside school divisions be urged to establish or participate in programs to encourage and assist students in obtaining admission and financial aid for higher education.

**RECOMMENDATION 9:** That the Virginia Community College System and the State Council of Higher Education examine the efficacy and need for extending state financial assistance to part-time students enrolled in community colleges and four-year institutions of higher education and residing in those areas having low per capita income and educational attainment levels and high unemployment rates.

**RECOMMENDATION 10:** That the Southside Virginia Business and Education Commission examine the need to increase or expand engineering and technology programs in the region's institutions of higher education.

**RECOMMENDATION 11:** That the Commonwealth continue and increase its funding of the Tuition Assistance Grant Program to ensure continued support for the education and public service missions of Virginia's private colleges and universities.

**RECOMMENDATION 12:** That state funds be designated to support specific job training efforts for noncredit courses in workplace training centers at community colleges, public schools, and continuing education centers.

**RECOMMENDATION 13:** That local business and industry be encouraged to increase participation in public education through mentoring, "adopt a school" programs, and other partnerships and by establishing advisory committees for schools and community colleges to assist students and educators in exploring career opportunities and educational goals.

**RECOMMENDATION 14:** That Southside public schools, community colleges, and four-year institutions of higher education expand dual enrollment programs to facilitate the pursuit of higher education and specific workforce training.

**RECOMMENDATION 15:** That \$100,000 in state funding be appropriated annually for the Southside Virginia Business and Education Commission.

**RECOMMENDATION 16:** That the Virginia Employment Commission administer a two-year \$500,000 pilot program to provide \$500 employment bonuses for graduates of Virginia institutions of higher education who accept employment in Southside Virginia in those positions requiring skilled workers and for which there is a demonstrated need for assistance in the recruitment and retention of qualified, skilled personnel.

**RECOMMENDATION 17:** That state funds be appropriated to support business outreach and liaison positions at community colleges and four-year institutions of higher education to ensure the continued development of effective job training programs and other partnerships between higher education and business.

### **Finance, Marketing, and Incentives**

**RECOMMENDATION 18:** That the 1992 Session of the General Assembly enact a double weighted sales factor apportionment formula for the Virginia corporate income tax which will serve as an income tax incentive for all companies to locate and expand in Virginia.

**RECOMMENDATION 19:** That a 13-member Southside Virginia Marketing Council be established to:

- (a) promote Southside Virginia and to help attract development prospects to the region;
- (b) encourage localities to work cooperatively to promote the strengths and advantages of the region; and
- (c) support regional promotion through funds generated by voluntary local per capita assessments, not to exceed \$1 per resident annually, and by matching appropriations from three percent of the state cigarette tax.

**RECOMMENDATION 20:** That efforts to encourage regional cooperation by the cities and counties of Southside be continued.

**RECOMMENDATION 21:** That Southside localities, the Department of Economic Development, and the Southside Virginia Marketing Council coordinate with selected successful companies having Southside facilities to develop strategies to attract new or expanded facilities from such companies.

**RECOMMENDATION 22:** That the General Assembly monitor and examine Department of Economic Development proposals regarding the implementation of the Commission's 1991 one-stop permitting recommendation.

**RECOMMENDATION 23:** That a 12-member Southside Virginia Development Authority be established to administer:

(a) a \$25 million low interest loan pool or grant program to provide water, sewer, gas, and other infrastructure needs to assist in Southside prospect locations;

(b) a \$5 million pilot revolving loan fund to provide loans at market interest rates for the formation of new enterprises and the expansion and modernization of existing industries, especially small and medium sized manufacturers; and

(c) a \$5 million "project closing" fund to assist with prospect location decision making and relocation expenses in Southside Virginia.

**RECOMMENDATION 24:** That the A.L. Philpott Manufacturing Research Center be established to assist firms of all sizes in the modernization of production processes and management and marketing efforts.

### **Agriculture, Forestry, and Natural Resources**

**RECOMMENDATION 25:** That the Secretary of Economic Development develop a strategic plan to guide the evolution of agriculture in Virginia.

**RECOMMENDATION 26:** That the 1992-94 biennium budget include funds for expanded research initiatives at VPI & SU and Virginia State University in biotechnology; environmental sciences; the development of new industrial opportunities, such as new uses for tobacco and the use of animal proteins; and the technologies, policies, and incentives needed to promote greater use of wood wastes for fuels and other products.

**RECOMMENDATION 27:** That the 1992-94 biennium budget include:

(a) \$125,000 to complete the planning for the Southeast Virginia Regional Farmers' Market;

(b) \$100,000 (\$50,000 each year) to support diversification loans for farmers in Southside Virginia; and

(c) \$80,000 to establish a loan program to pay farmers two-thirds of the cost of their product upon delivery to the Southside Regional Farmers' Market.



**RECOMMENDATION 28:** That the Rural Rehabilitation Trust Fund administered by the Department of Agriculture and Consumer Services be used to assist low income farmers who want to diversify but are unable to obtain credit from any other source, and that loans should be particularly targeted to development of the aquaculture industry and the use of drip irrigation systems.

**RECOMMENDATION 29:** That the use of refrigerated trucks and satellite pick-up points for farmers using the Southside Regional Farmers' Market be expanded.

**RECOMMENDATION 30:** That the State Corporation Commission examine the availability of insurance for diversification crops and report its findings to the House Committee on Agriculture and the Senate Committee on Agriculture, Conservation and Natural Resources during the 1993 Session of the General Assembly.

**RECOMMENDATION 31:** That the Departments of Economic Development and Agriculture and Consumer Services identify agricultural and forestry industries that are related to the current production base in Southside Virginia, develop expertise in these areas, and target these industries for location or expansion.

**RECOMMENDATION 32:** That the 1992-94 biennium budget include \$750,000 for construction of a pilot agribusiness park in Southside Virginia and that these funds be matched by \$250,000 in local funds and administered in a manner similar to the Communities for Opportunity program in Southwest Virginia and that tax revenues generated by this park be shared proportionately by the participating localities.

**RECOMMENDATION 33:** That the Department of Forestry implement the following to promote growth in the forest products industry:

(a) in conjunction with the Department of Economic Development, explore additional markets for pine pulpwood and chips, particularly among the southern states where prices are higher;

(b) administer a \$50,000 revolving loan fund to provide capital for the purchase and operation of mechanized equipment for thinning pine plantations;

(c) coordinate a project with other state agencies and private sector organizations which will result in linkages between industries that produce wood residue and industries that can use the residue in their manufacturing processes; and

(d) together with the Department of Economic Development and Virginia Polytechnic Institute and State University, establish an educational program in hardwood dimension products to stimulate interest among the existing forest products industries.

**RECOMMENDATION 34:** That the Department of Economic Development and the Virginia Port of Authority, in conjunction with the Departments of Agriculture and Consumer Services and Forestry, develop an export market for hardwood chips and create a plan to develop a chip-loading facility in the Hampton Roads area and a remote chip mill in Southside Virginia for presentation to the Senate Finance and House Appropriations Committees during the 1994 Session of the General Assembly.

**RECOMMENDATION 35:** That the Secretary of Administration review the policies and procedures that affect the use of nontraditional fuels at state facilities and proceed with conversions to wood-burning boilers where economically feasible.

**RECOMMENDATION 36:** That the Coal and Energy Commission, with the assistance of the Virginia Center for Coal and Energy Research and the Brooks Forest Products Center at VPI & SU, examine the policies needed to promote greater use of wood wastes for fuel.

**RECOMMENDATION 37:** That the Departments of Transportation and Forestry report the results of a pilot project using timber bridges in the bridge replacement program to the Senate Finance and House Appropriations Committees during the 1994 Session of the General Assembly.

**RECOMMENDATION 38:** That the Department of Economic Development target the structural timber manufacturing industry for development in Southside Virginia.

**RECOMMENDATION 39:** That the 1992-94 biennium budget include \$750,000 to develop a regional forests products industrial park in Southside Virginia and that this park be developed in a manner similar to the Communities for Opportunity program, with localities providing \$250,000 in matching funds and that tax revenues generated by this park be shared proportionately by the participating localities.

**RECOMMENDATION 40:** That a conservation commission be established to administer a nonreverting conservation trust fund, financed by an increase in the tax on distilled spirits equivalent to \$1.50 per gallon, for exclusive use by the Departments of Conservation and Recreation, Forestry, and Game and Inland Fisheries for capital outlay projects.

**RECOMMENDATION 41:** That the Department of Conservation and Recreation expand the private sector's role in the development, improvement, operation, and acquisition of state parks; establish Friends of State Parks programs; promote the nontraditional use of farm/agricultural land; and provide for joint land acquisition and management of natural areas between the Commonwealth and conservation organizations.

**RECOMMENDATION 42:** That the Departments of Economic Development, Housing and Community Development, and Conservation and Recreation act as facilitators to generate local leadership, commitment, and cooperation for the development of the recreational potential in Southside.

**RECOMMENDATION 43:** That a recreation and tourism "hub" be developed for the Southside region, and that the Department of Economic Development, Division of Tourism:

(a) establish a pilot project in Southside Virginia for the Local Tourism Accreditation Program to introduce localities to the program and its potential for the region; and

(b) convene a work group to design a campaign to promote the regional recreational hub.

**RECOMMENDATION 44:** That planning district commissions prepare regional open space and recreation plans that can be incorporated into local plans and zoning decisions.

**RECOMMENDATION 45:** That the Secretaries of Economic Development and Natural Resources promote improved communication among agricultural and forestry industries, private sector industry associations, and the environmental agencies and groups through the use of public meetings, workshops, and conferences.

**RECOMMENDATION 46:** That the Migrant and Seasonal Farmworkers Board and state agencies continue to streamline implementation of the laws and regulations related to the employment of migrant workers, and that the current sunset provision on the small business exemption from the definition of migrant labor camps be removed.

### **Infrastructure**

**RECOMMENDATION 47:** That the Commonwealth of Virginia develop a two-tiered advertising program which would jointly promote industrial and tourism site locations in rural areas and throughout that state and that industrial site locations be included in the existing tourism advertising program.

**RECOMMENDATION 48:** That the Commonwealth institute a policy which limits growth in areas that are not self-sufficient in natural resources and must import or draw from other regions' basic natural resources, such as water and air.

**RECOMMENDATION 49:** That the Commonwealth's funding and construction schedules for U.S. 58 be restored to their status prior to Virginia's funding shortfall.

**RECOMMENDATION 50:** That the Virginia Department of Transportation include in its proposals for the federal Highways of National Significance plan all of U.S. 15, 29, 58, and 460; U.S. 220 from Roanoke to the North Carolina border; U.S. 360 from Danville to Richmond; Virginia Route 49 from Crewe to the North Carolina border; U.S. 501 from Lynchburg to South Boston; and all of Virginia Route 40, to enhance Southside's highway infrastructure and to promote rapid access to commercial markets.

**RECOMMENDATION 51:** That the development of a "superport" which will provide air service to the Richmond and Tidewater regions be considered for a location south of the James River and west of the City of Chesapeake, such as Fort Pickett and Nottoway County.

**RECOMMENDATION 52:** That the Department of Aviation and Southside's commercial air facilities develop a public marketing program to promote commercial air services and to encourage Southside residents, businesses, and industries to fully utilize existing air transportation services in the region.

**RECOMMENDATION 53:** That the Commonwealth establish a policy recognizing the importance of adequate access to industrial parks, and that modifications to the Virginia Department of Transportation Industrial Access Roads Program be considered to foster program use at the local level.

**RECOMMENDATION 54:** That the Department of Transportation continue to strengthen the Commonwealth's system of primary roads.

**RECOMMENDATION 55:** That the proposed federal "superhighway" from Norfolk to California follow the existing U.S. 58 corridor across the entire southern border of Virginia.

**RECOMMENDATION 56:** That the Governor and the General Assembly support the restoration of the Virginia Housing Partnership Fund in the general fund budget at a level of \$50 million for the 1992-94 biennium.

**RECOMMENDATION 57:** That the Department of Economic Development's Industrial Shell Building Program be continued to allow rural economic development authorities to provide industrial facilities which increase prospect traffic; that funding of this program reduced due to fiscal shortfalls be restored; and that the Department consider extending the program to include smaller buildings that might accommodate businesses meeting other program criteria.

**RECOMMENDATION 58:** That the Department of Economic Development establish an automated building and site marketing system, modeled after programs in North Carolina and Georgia, and that this system include an integrated computer-laser projection system providing graphics and illustrated details concerning sites in Virginia to improve the Commonwealth's marketing competitiveness for new industrial prospects.

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# REPORT OF THE A.L. PHILPOTT SOUTHSIDE ECONOMIC DEVELOPMENT COMMISSION

## AUTHORITY AND STUDY OBJECTIVES

In 1990, the General Assembly adopted House Joint Resolution No. 106 (HJR 106), creating a commission to propose recommendations to "improve and enhance the economic development of the Southside region of the Commonwealth." The Commission, chaired by the Speaker of the House of Delegates, was comprised of 23 members, including the Speaker, 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 and Resources, Commerce and Labor, and Education and Health, appointed by the Senate Committee on Privileges and Elections; and twelve members from Southside Virginia, including two representatives each from local governments and from the business and industry 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.

Citing the lower employment and per capita income levels, higher dropout rates, and sluggish economy that have plagued Southside Virginia, HJR 106 directed the Commission to develop specific recommendations to improve and enhance the region's economic development. Although the Commonwealth's average per capita income has been the highest among Southeastern states and exceeds the national average, this prosperity has been concentrated in the "urban crescent" from Northern Virginia to Tidewater. The resolution stated that "more analysis is needed to determine how the economy of the region might be most effectively stimulated." Responding to this directive, the Commission spent the first year of its study identifying and examining the many challenges facing the region. The Commission's study necessarily included defining what constitutes the "southside region" of Virginia, determining the characteristics, strengths, and weaknesses of Southside, and analyzing specific data concerning economic growth, education, and industry. The resolution charged the Commission to consider community development, infrastructure and site improvements, diversification strategies, initiatives to improve the educational and technical skills of the region's workforce, and partnerships between government, educational institutions, and the private sector.

The Commission's interim report, House Document No. 42, included 13 recommendations, addressing a wide spectrum of economic development concerns: 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. Of these recommendations, four were supported by proposed legislation. The magnitude and complexity of the economic challenges facing Southside, however, justified further study of potential strategies for change. The Commission supported and the 1991 Session of the General Assembly adopted House Joint Resolution No. 300 (HJR 300), which authorized the Commission to continue its study for an additional year. The resolution directed the Commission to continue its review and evaluation of methods of enhancing economic growth in Southside and to consider financing alternatives, partnerships between government, higher education, and the private sector, and "other related issues as it deems appropriate." Commission membership continued as appointed in 1990.

Commission meetings were hosted by community colleges, public and private four-year institutions, a continuing education center, and other entities throughout the region not only to facilitate travel, but also to provide a closer look at the valuable resources and programs already available in Southside. The Commission received testimony from a Congressional representative, leading economic development specialists, representatives of area industry, and educators, as well as the Secretaries of Education, Economic Development, and Natural Resources; the Departments of Aviation, Economic Development, Transportation, and Housing and Community Development; the State Water Control Board; and the Population Growth Commission. Finally, local input on the Commission's potential recommendations was solicited through a series of public hearings held throughout the region.

## FOSTERING ECONOMIC GROWTH IN SOUTHSIDE VIRGINIA

### *Introduction: Redefining Economic Development*

For most states in the 1950s and 1960s, economic development was a narrowly defined enterprise. Convinced that local economies could be buoyed by an infusion of branch plants and outside industries, leaders concentrated their efforts on "organizing an industrial sales force in the state's economic development agency, arming it with a menu of subsidies to lure footloose plants and back office operations across state lines."<sup>1</sup> Low tax rates, attractive land prices, and the availability of cheap labor proved a seductive package for many businesses seeking to expand their operations. As states and localities found themselves competing against each other in the great "buffalo hunt" of industrial recruitment, authorities began to recognize that this development strategy did not foster new growth, but simply shifted wealth from one area to another. In addition, dramatic changes in the American--and world--economy severely reduced the effectiveness of industrial recruitment as the foundation of economic development initiatives. Increasingly complex technology, advanced communications, and intense foreign competition characterized an emerging global economy in which a highly skilled, productive workforce, access to transportation, and sophisticated technology would replace low labor and production costs as the top priorities of growing industries.<sup>2</sup>

Many states--particularly those in the rural South--found that the very strategies that had spawned previous growth now left them ill-prepared to provide the infrastructure, educational, and other improvements that expanding businesses demanded. Experts urged the development of alternatives that targeted local business and stimulated "growth-from within." Areas that had marketed themselves as "low-wage, low-tax havens"<sup>3</sup> now embraced a "second wave" of economic development theory that recognized the value of industrial recruitment, but primarily supported the establishment of "an economic environment rich with the human, technological,

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1. D. Ross and R. Friedman, "The Emerging Third Wave: New Economic Development Strategies in the 90's," The Entrepreneurial Economy Review 3 (Autumn 1990) [hereinafter referred to as Ross].
  2. Report of the MDC Panel on Rural Economic Development, Shadows in the Sunbelt: Developing the Rural South in an Era of Economic Change at 4, 5, 7, 10 (May 1986) [hereinafter referred to as Shadows]. See also, Ross, *supra* note 1, at 3.
  3. Southern Growth Policies Board, The Report on the 1986 Commission on the Future of the South, Halfway Home & A Long Way To Go 21 (1988) [hereinafter referred to as Halfway Home]; Southern Technology Council, Southern Growth Policies Board, Turning to Technology--A Strategic Plan for the Nineties 4 (1990) [hereinafter referred to as Technology].

financial and infrastructure resources that support existing firms and entrepreneurship."<sup>4</sup> Rural communities, having witnessed declines in population as well as in agricultural and manufacturing activity, were especially encouraged to explore "strategies that expand local involvement . . . and build onto the local economy by tapping underutilized local resources and markets."<sup>5</sup> States launched a variety of public programs to help existing firms obtain venture capital, improve the workforce, and enhance technology.<sup>6</sup>

Although this revised view of economic development may have prompted recovery from the national recession of the early 1980s, disparities in the development of urban and rural areas soon became painfully apparent. Southern rural counties continued to be among the poorest in the nation and remained especially vulnerable to competition from countries offering low wage workers.<sup>7</sup> Economists agreed that the "sunshine on the Sunbelt has proved to be a narrow beam of light, brightening futures . . . in large cities, but skipping over many small towns and rural areas."<sup>8</sup> Perhaps in response to the uneven progress of these communities, economic development specialists further refined the "growth-from-within" strategy to expand private sector involvement in growth initiatives. This "third wave" focuses on new ways to implement development strategies and is grounded in the realization that "while government is responsible for assuring that its people and businesses have access to the resources necessary to pursue economic success, it does not have to be the sole supplier of those resources."<sup>9</sup> Private sector involvement in economic growth ensures the appropriate application of limited government resources, experts contend, as the need or demand for services is "best verified when the intended beneficiaries must invest some of their own time or resources in order to obtain the desired service."<sup>10</sup>

#### *New Strategies for the Rural South: Recent Studies*

Disparity in the economic fortunes of rural and urban areas has received national and regional scrutiny. The need for new strategies to combat declining rural economies was recognized by the National Governors' Association, which urged rural communities to "envision a future for themselves, set goals, and take action to accomplish these goals."<sup>11</sup> The 1986 Commission on the Future of the South also cited uneven economic growth and challenged Southern states to

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4. Ross, supra note 1, at 5.
  5. Shadows, supra note 2, at 4; National Governor's Association, Report of the Task Force on Rural Development, New Alliances for Rural America at *iii*, 1 (1988) [hereinafter referred to as New Alliances].
  6. Ross, supra note 1, at 4.
  7. Southern Growth Policies Board, Making Connections: After the Factories Revisited 31 (February 1989) [hereinafter referred to as Making Connections]. In 1985, the average per capita income in Southern rural counties was only 72 percent of that in metropolitan counties. See also, Shadows, supra note 2, at 4. In addition, about half of rural counties lost net manufacturing employment between 1977 and 1986. Technology, supra note 3, at 3.
  8. Halfway Home, supra note 3, at 5.
  9. Ross, supra note 1, at 7; see also, W. Plosila, "Technology Development: Perspectives on the Third Wave," The Entrepreneurial Economy Review 11 at 12 (Autumn 1990) [hereinafter referred to as Plosila].
  10. Ross, supra note 1, at 7.
  11. New Alliances, supra note 5, at 8.

"recognize their *interdependence* with one another and with the world."<sup>12</sup> Regional response to the plight of rural communities has been reflected in the work of the Southern Governors' Association, whose 1989 report called for a "strategic and more creative" approach in economic development.<sup>13</sup>

The Commonwealth's commitment to enhancing the development of rural as well as urban areas is evident in a number of legislative and executive initiatives. Specific recommendations addressing economic, geographic, and educational challenges facing rural regions have been made by the Southwest Virginia Rural Economic Development Commission, the University of Virginia Center for Public Service, and the Virginia Department of Housing and Community Development. In addition, the combined efforts of the Secretaries of Education and Economic Development have promoted a "Partnership for Excellence" to address statewide development, while the Governor's 1990 Conference on Rural Development also yielded recommendations for growth. Finally, the Joint Legislative Audit and Review Commission has recognized that "internal differences within Virginia's economy reflect the need for different types of economic development programs."<sup>14</sup>

Despite the varied sources of these studies and recommendations, each reflects a deep belief that, through combined state, local, and private sector efforts, struggling rural communities may emerge as revitalized centers of growth and prosperity. Throughout its two-year study, the Commission has considered carefully not only those "tried and true" development strategies that previously promoted growth in the Commonwealth, but also newer, innovative initiatives that focus on local entrepreneurship, education, technology, and infrastructure. The research and testimony of leading economic development experts confirms that while industrial recruitment remains an important tool in enhancing economic development, this strategy alone will not ensure economic growth in Southside. A broader definition of economic development--one that embraces traditional theory as well as newer initiatives and balances the responsibilities of government and the private sector--will best serve the development needs of Southside Virginia.

### *Continuing Challenges in Southside Virginia*

The prosperity of the Commonwealth's urban centers may have masked many of the challenges that continue to burden its rural areas. For the last twenty years, Virginia has been one of the fastest growing states in the nation; its workforce increased by 21.1 percent between 1980 and 1988. However, the bulk of these population and laborforce increases occurred in the

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12. Halfway Home, *supra* note 3, at 6.

13. Southern Governors' Association, Moving Into the 1990's: Economic Development in the Southern States 23 (August 1989) [hereinafter referred to as SGA Report].

14. Joint Legislative Audit and Review Commission, Review of Economic Development in Virginia, House Document No. 39 1 (1991) [hereinafter referred to as JLARC Report]; *see also*, Southwest Virginia Economic Development Commission, Final Report, Forward Southwest Virginia (July 1, 1987); University of Virginia Center for Public Service, Virginia's Local Economies (separate reports for the Piedmont, Crater, Southside, and West Piedmont Planning Districts); Virginia Department of Housing and Community Development, Office of Policy Analysis and Research, Rural Distress and Economic Development in Virginia (1990) [hereinafter referred to as Rural Distress]; Governor's Advisory Committee--Workforce Virginia 2000, Partnerships for Excellence: The Virginia Plan for Strengthening the Commonwealth's 21st Century Workforce (March 1991) [hereinafter referred to as Partnerships for Excellence]; Governor's Strategic Plan for Rural Development, Partnership for Rural Development (1991) [hereinafter referred to as Governor's Report].



## Southside Virginia Per Capita Personal Income, 1989

	Per capita personal income (average)	Avg. annual growth, 1980 - 1989
<b>VIRGINIA</b>	<b>18,979</b>	<b>7.4</b>
Amelia	14,876	8.3
Appomattox	13,653	7.2
Brunswick	12,296	6.5
Buckingham	12,403	7.3
Campbell *	15,535	6.6
Charlotte	12,472	7.1
Cumberland	12,530	8.3
Dinwiddie •	14,211	5.8
Franklin	12,905	6.6
Greensville ○	13,881	7.7
Halifax ■	14,103	7.7
Henry ▲	14,647	6.6
Lunenburg	11,593	6.0
Mecklenburg	13,832	7.2
Nottoway	14,707	7.1
Patrick	14,543	7.7
Pittsylvania ♦	14,901	6.8
Prince Edward	11,721	6.9
Southampton ♠	13,030	7.5
Sussex	13,596	6.4

- \* includes Lynchburg
- includes Colonial Heights and Petersburg
- includes Emporia
- includes South Boston
- ▲ includes Martinsville
- ◆ includes Danville
- ♠ includes Franklin

SOURCE: UVA Center for Public Service,  
Virginia Personal Income, 1980-1989 (1991)  
Prepared by Division of Legislative Services

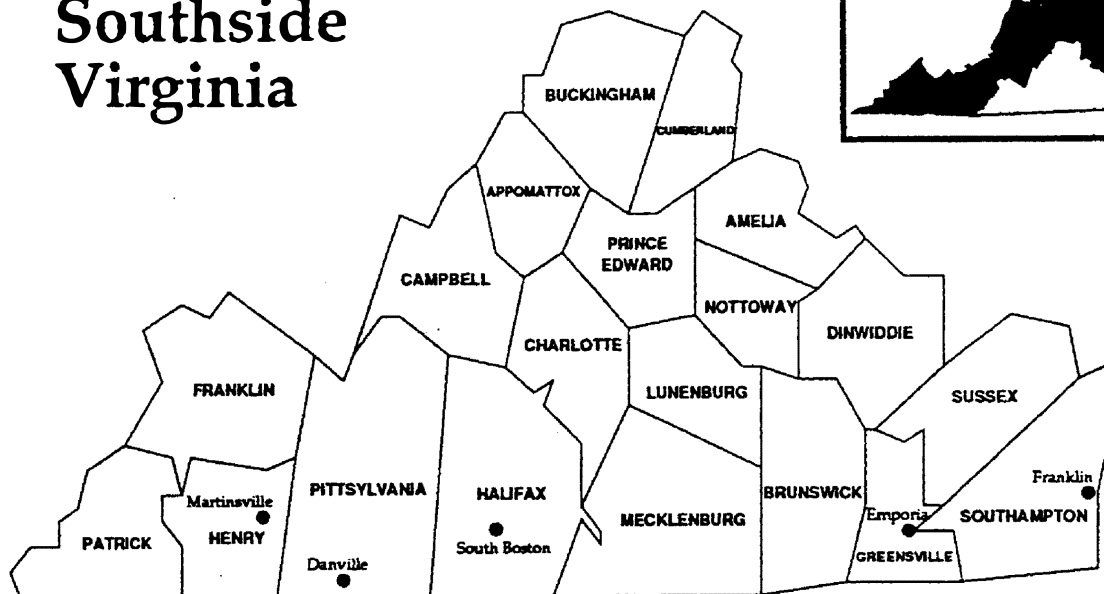
metropolitan areas in the eastern third of the state.<sup>15</sup> Virginia's economy reflects a distinct dichotomy not unlike that of other Southern states: while urban areas may expand and prosper, rural regions face declining populations, inadequate infrastructure, and lower wage and income levels.<sup>16</sup> In Southside Virginia, per capita income and employment levels fall below the state average<sup>17</sup> (see Tables 1 and 2). Plant closings in the region have further exacerbated local jobless rates (see Table 4). Examination of Southside public education statistics also reveals discouraging dropout rates, low teacher salaries, a low percentage of residents seeking higher education, and educational attainment levels well below the state average<sup>18</sup> (See Table 3). Ground transportation is hampered by inadequate access to interstate highways, and although the region's 19 airports comprise 25 percent of the licensed airports in Virginia, only one commuter airline offers service in Southside. Little growth is predicted for the region in the coming decade, as Southside is poorly represented in the anticipated growth industries of finance, insurance, and real estate.<sup>19</sup> Absent the implementation of new, effective initiatives, these grim trends are likely to continue.

## IDENTIFYING NEW STRATEGIES

Among the Commission's first endeavors was defining "Southside" Virginia. Having agreed at its initial 1990 meeting to adopt the regional description used by the Department of Housing and Community Development, the Commission continued to define "Southside" as encompassing 20 counties and five cities (see chart). The Commission's four task forces-- Education, Training, and the Workforce; Finance, Marketing, and Incentives; Agriculture, Forestry, and Natural Resources; and Infrastructure--also continued their exploration of specific issues. Comprised of Commission members and *ad hoc* citizen appointees, each task force developed and submitted recommendations for consideration by the full Commission. In 1991, the Commission again sought the input and expertise of its task forces in monitoring the progress of its 1990 recommendations and in refining additional strategies to ensure a vibrant economic future for Southside Virginia.

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15. Virginia Department of Economic Development, Virginia Facts & Figures 1991 8 (1991) [hereinafter referred to as Facts & Figures]; Virginia Employment Commission, Virginia's Workforce 2000 4, 7 (1991) [hereinafter referred to as VEC]. According to the VEC, the Commonwealth's growth rate between 1980 and 1988 was 1.5 percent, compared to the national average of one percent. Only Arizona, California, Georgia, Florida, and Texas experienced greater population increases in the 1980s.
  16. Rural Distress, *supra* note 14, at 1. Of the 25 Virginia counties experiencing declining populations between 1980 and 1986, nine were in Southside. The populations of the Southside counties of Charlotte, Dinwiddie, Greensville, Halifax, Henry, Patrick, Pittsylvania, Southampton, and Sussex decreased during this period. *Id.* at 7. *See also*, Report of the Commission to Propose Recommendations to Improve and Enhance the Economic Development of the Southside Region of the Commonwealth, House Document No. 42 4 (1991) [hereinafter referred to as House Document No. 42].
  17. Virginia Employment Commission, Labor Market Review 1 (July 1991). Virginia's highest unemployment rate--18.7 percent--was in Southside's Lunenburg County.
  18. *See generally*, Virginia Department of Education, Facing Up 24: Statistical Data on Virginia's Public Schools--1988-1989 School Year (August 1990).
  19. Testimony of Kenneth A. Rowe, Director of the Virginia Department of Aviation, June 17, 1991, Commission meeting; *see also*, House Document No. 42, *supra* note 12, at 7. Commuter airline service is available in Danville.

# Southside Virginia



## *Education, Training, and the Workforce*

Inextricably linked to the economic development of Southside Virginia is the availability of quality education. Recurring throughout 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, skilled workforce. Research and repeated testimony confirm that student performance, curricula, and school facilities in Southside Virginia do not compare favorably with other school divisions. These deficiencies, compounded by present funding constraints, inability to recruit and retain quality instructors, poor work ethic, and lack of incentive to improve student achievement levels, may contribute to an unprepared, unskilled labor force of the future. In a global economy dominated by high productivity, advanced technology, and intense competition, it is imperative that Southside educational opportunities be based on the "underlying assumption . . . that every student can be educated to be a productive worker in a high wage, high skill society."<sup>20</sup>

Economic development experts cite an ever-widening "skills gap" between job requirements and educational levels; this gap may be especially evident in Southside, where a smaller percentage of the population completes high school or pursues higher education. Recognizing that efforts to close this gap must necessarily address the appropriate roles and responsibilities of educators, students, parents, workers, and private business, the Task Force examined initiatives that seek increased accountability for public education and enhanced coordination between the public and private sectors. With the passage of HB 1806, creating the Southside Virginia Business and Education Commission (SVBEC), a major step in bridging the gap between education and workforce preparation has already been taken. Proposed by the Commission to facilitate the exchange of ideas and educational resources and to stimulate economic

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20. National Center on Education and the Economy, *The Report of the Commission on the Skills of the American Workforce, America's Choice: high skills or low wages!* 59 (June 1990).

Table 2

## Unemployment Rates Southside Region and State

	July 1990	July 1991
<b>VIRGINIA</b>	4.2	6.0
<b>COUNTY</b>		
Amelia	3.5	6.6
Appomattox	3.6	6.7
Brunswick	4.8	9.9
Buckingham	3.8	7.7
Campbell	4.2	6.8
Charlotte	25.0	8.3
Cumberland	5.1	9.7
Dinwiddie	5.9	8.6
Franklin	4.4	8.6
Greensville	6.1	7.9
Halifax	6.5	8.1
Henry	8.2	7.8
Lunenburg	9.1	18.7
Mecklenburg	7.8	7.7
Nottoway	3.6	8.5
Patrick	5.4	7.0
Pittsylvania	5.7	8.3
Prince Edward	8.1	12.4
Southampton	5.6	5.9
Sussex	5.5	7.8
<b>CITY</b>		
Danville	9.3	12.5
Emporia	7.8	11.2
Franklin	5.0	7.3
Martinsville	5.5	9.8
South Boston	4.9	8.6

Source: Virginia Employment Commission, *Labor Market Review* (July 1991).

## Educational Attainment Levels Adults 25 Years of Age and Over Southside Virginia

	% of population less than 9th grade education	% of population less than high school
<b>VIRGINIA</b>	12.7	37.6
<b>COUNTY</b>		
Amelia	22.8	59.3
Appomattox	20.6	56.7
Brunswick	22.8	64.6
Buckingham	25.0	64.3
Campbell	16.6	49.2
Charlotte	25.5	64.1
Cumberland	22.3	60.6
Dinwiddie	23.0	60.1
Franklin	22.4	54.4
Greensville	26.1	67.2
Halifax	25.01	63.7
Henry	21.9	56.6
Lunenburg	22.9	60.6
Mecklenburg	21.0	58.9
Nottoway	24.5	61.1
Patrick	27.2	60.2
Pittsylvania	23.9	62.2
Prince Edward	17.4	53.4
Southampton	23.6	61.4
Sussex	26.2	62.9
<b>CITY</b>		
Danville	20.6	52.5
Emporia	26.6	64.4
Franklin	21.0	58.3
Martinsville	18.4	47.0
South Boston	19.4	50.9

*Source: Virginia Department of Education (based on 1980 U.S. Census).*

development through new partnerships, the 21-member SVBEC will play a significant role in the continuing improvement of Southside education and workforce training.<sup>21</sup>

Reducing disparities in the quality of public education is the shared responsibility of government, educators, students, and parents. The Task Force and the Commission endorsed the efforts of the Governor's Commission on Educational Opportunity for All Virginians to address fiscal, program, and pupil disparities in the Commonwealth's public schools. Specific initiatives to enhance the quality of Southside educational opportunities, however, must be supported at the regional level through combined public and private sector efforts. Southside course offerings, typically more limited than those of other school divisions due to fewer resources and smaller student populations, should be expanded through regional "pooling" of resources, increased use of the electronic classroom, and the development of multi-site schools focusing on applied learning. Computer-enhanced learning programs, already implemented in other school divisions, must also be available to Southside school divisions to combat program disparities. Businesses can promote education through participation in "adopt-a-school" or mentoring programs. Increased attention to teacher recruitment and retention is also necessary to ensure the highest level of instructional personnel for Southside pupils. Finally, increased accountability for student academic performance must be shared by the Commonwealth, localities, schools, parents, and the students themselves to realize the goal of an educated, productive citizenry for Southside.

Improving Southside's educational system alone, however, will not ensure a brighter economic future for the region. Increasing the number of Southside students pursuing higher education must be a primary objective of Southside school divisions and businesses. Compared to statewide averages, greater numbers of Southside students forego higher education, opting instead to enter the workforce without the skills and maturity necessary to ensure a productive future. The availability of financial assistance and increased awareness of other educational opportunities will encourage those who might not become full-time students in four-year colleges to pursue higher education in community colleges or on a part-time basis. Greater coordination among school divisions, public and private institutions of higher education, and the private sector is necessary to strengthen the nexus between education and the skills required to compete successfully in the workplace.

Because 92 percent of the year 2000 workforce is already employed, effective initiatives to provide additional training and re-training for the current workforce are imperative to meet ever-changing skills requirements.<sup>22</sup> Again, the success of any new initiative is contingent upon public and private sector coordination. Although the Commonwealth may boast a variety of job training opportunities, current programs may be hampered by uncertain funding and fragmented delivery throughout agencies, localities, and business. Mentoring and adopt-a-school programs, financial support of job training efforts, and on-site classes should be included in the efforts of private industry, while educators must become more responsive to anticipated workforce needs. Unwavering support for the comprehensive missions of community colleges as well as for public and private colleges and universities is also necessary to ensure the continued economic development efforts necessary for the revitalization of Southside.

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21. See Va. Code §§ 9-145.16 through 9-145.20 (1991 Supp.). With offices at Longwood College, the SVBEC will be supported by regional personnel from the Department of Education, the University of Virginia Center for Public Service, and other staff as it deems necessary. No appropriation was requested to support this commission; however, the SVBEC is empowered to apply for and accept grants and gifts to carry out its objectives.

22. Partnerships for Excellence, supra note 14, at 9.

**SOUTHSIDE VIRGINIA INDUSTRY CLOSINGS 1989-1991**

Company	Employees	Closed
American Furniture, Martinsville (Henry County)	207	10/90
Bassett Walker, Ferrum (Franklin County)	110	1/91
Bay 16, Alberta (Brunswick County)		
Blue Ridge Fisheries, Martinsville	45	6/91
Crystalabs, Inc., Lawrenceville (Brunswick County)	5	8/91
Doyle Enterprises, Gretna (Pittsylvania County)	115	12/90
Doyle Lumber, Henry County	107	3/91
Emmess Fabric, South Hill (Mecklenburg County)	5	1/91
Encore Shoe Company, Chase City	207	10/91
Franklin Body Works, Franklin County	50	10/91
Homecraft, South Hill (Mecklenburg County)	115	12/90
Kenbridge Sportswear, Kenbridge (Lunenburg County)	110	3/91
LaCross Sportswear, Mecklenburg County	105	3/91
Lea Industries, Kenbridge (Lunenburg County)	310	3/91
National Building Systems, Martinsville	122	3/90
Pannill Knitting (Sarah Lee), Patrick County	225	3/91
Raven Boatworks, Martinsville (Henry County)	60	10/90
Richmond Cedarworks, Danville	70	12/90
Rollic, Lawrenceville (Brunswick	150	8/90
South Shores, Blackstone	100	3/91
Status Furniture, Kenbridge (Lunenburg County)	75	5/90
Sun Industries, Lawrenceville (Brunswick County)	47	6/90
Triple A Custom Builders, South Hill	30	12/90
Westpoint Pepperell, Keysville (Charlotte County)	90	11/89
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	2,460+	

SOURCE: Virginia Department of Economic Development, Division of Industrial Development, Southern Regional Office. Secure Manufacturing Group, Crewe, Nottoway County, had been announced as a new industrial location in January, 1991; the company has never officially opened.

### *Finance, Marketing, and Incentives*

Having explored traditional growth strategies and newer initiatives that acknowledge the shared responsibilities of state and local governments and the private sector, the Commission believes that the enactment of specific measures addressing marketing, incentives, taxes, and regulatory approvals will foster economic growth in Southside and throughout the Commonwealth. While industry recruitment alone is not sufficient to ensure growth, it remains a vital component of rural development strategies. Incentives to attract outside enterprise and to facilitate the expansion of existing business are critical to the economic recovery of Southside Virginia. Assisted by the Task Force on Finance, Marketing, and Incentives, the Commission has examined those initiatives that will bolster recruitment and "growth-from-within" efforts while supporting appropriate, balanced regulation.

One of the most important segments of the Virginia economy, manufacturing is the largest basic employer in the Commonwealth.<sup>23</sup> Because manufacturing is responsible for nearly one-third of Southside's employment, initiatives to enhance the growth of manufacturing and other industry are especially critical to the region's economic development.<sup>24</sup> Altering the corporate income tax apportionment formula to increase the weight of the sales factor will benefit businesses with headquarters or major production facilities in Virginia. These businesses provide employment opportunities as well as revenues, and might be induced to expand operations under more favorable tax conditions. Expediting the state regulatory approvals process is also a top priority of the Commission. Many prospective industrial recruits are discouraged from entering the Commonwealth due to a permit approvals process that is perceived as time-consuming, confusing, and cumbersome. Increased coordination among regulatory agencies and applicants will not only facilitate the permitting process, but will demonstrate Virginia's commitment to both balanced regulation and growth. Upon the Commission's recommendation, the 1991 General Assembly directed the Department of Economic Development to develop a plan to serve as an informational resource for nongovernmental applicants for state regulatory permits.<sup>25</sup> The legislature should continue to monitor the development and prompt implementation of this initiative.

Research has confirmed that businesses base site location decisions on a community's "attractiveness, livability, and quality of life."<sup>26</sup> Marketing these assets requires the combined efforts of the public and private sectors. The establishment of a regional marketing council, comprised of area representatives, would reflect this shared responsibility for making Southside an active participant in Virginia's economy. The council might promote regional cooperation and "pooling" of resources; participation in any regional marketing efforts would be contingent upon local financial contribution. Additional incentives to enhance industrial development must focus on "stimulating innovation, helping manufacturers modernize, providing capital, and assisting exports."<sup>27</sup> Facilitating the transfer of technology and the modernization of manufacturing will help businesses improve production and efficiency levels. The Center for Innovative Technology could sponsor a pilot program in Southside to enhance technology transfer and modernization efforts.

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23. Facts & Figures, *supra* note 15, at 4.

24. House Document No. 42, *supra* note 16, at 8.

25. Va. Code § 2.1-548.8 (1991 Supp.). The Commission proposed SB 590 as part of its 1991 legislative package.

26. Southern Growth Policies Board, "Creating Successful Communities: Integrating Local Strategies for Conservation and Economic Development," Southern Growth Board (February 1991).

27. SGA Report, *supra* note 13, at 16.



Finally, financial incentives must be developed and implemented to support modernization and industrial infrastructure needs in Southside. Although existing enterprise zone programs and revolving loan initiatives have provided some growth incentives, the availability of loan or grant funds for infrastructure and relocation expenses will greatly enhance regional efforts to attract outside enterprise. These initiatives allow government to serve as a catalyst for growth, providing the "seed" money necessary for expansion.

### *Agriculture, Forestry, and Natural Resources*

Central to the work of the Task Force on Agriculture, Forestry, and Natural Resources has been the promotion of growth while protecting Southside's abundant natural assets. Cognizant that agriculture and natural resource industries "have always been and always will be an important and distinctive element of rural communities,"<sup>28</sup> the Task Force and the Commission have strived to develop strategies that balance commitment to environmental protection and appropriate regulation with the cultivation of those natural resources that will enhance the future of Southside Virginia. At the request of the Task Force, the Secretaries of Economic Development and Natural Resources have convened a group of agency leaders, representatives of business, industry associations, and environmentalists to address regulatory requirements and the needs of private industry.<sup>29</sup> Efforts to achieve greater balance and coordination between growth and regulation must continue, however, if Southside is to participate actively in--and contribute to--the Commonwealth's overall prosperity.

Forestry contributes over \$5.2 billion annually to Virginia's economy and is a vital component of Southside's future development.<sup>30</sup> Upon the recommendation of the Task Force, the Commission has supported the further enhancement of this industry through the development of a timber bridge initiative. Already in use in other states, treated wood in prefabricating bridge decks may provide a dual opportunity to replace bridges at reduced cost while benefiting the forest products industry. The Departments of Transportation and Forestry have developed a timber bridge initiative for implementation in each of the Commonwealth's nine transportation districts in the 1991-92 fiscal year.<sup>31</sup> Further investment in the region's abundant natural resources, through the promotion of forestry and forest products industries, the development of specific wood products export markets, and the creation of a forest products industrial park, is necessary to foster growth in Southside Virginia.

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28. New Alliances, *supra* note 5, at 16.

29. House Document No. 42, *supra* note 16, at Appendix A (1991). The Commission included in its 1990 report the Task Force's recommendation that the Department of Economic Development increase its efforts to market "those regions of the Commonwealth which possess the natural resources required by a prospective industry," that a loan fund for farmer diversification efforts be established, and that a fish disease specialist be added to the Virginia Tech faculty.

30. Governor's Report, *supra* note 14, at 9 (1991).

31. House Document No. 42, *supra* note 16, at 18; *see also*, C. Burrows, "New concept in bridges may aid state's timber-producing areas," Richmond Times-Dispatch (July 15, 1991). Congress has already established a National Timber Bridge Initiative, a federal-state matching program. Proponents of timber bridges contend that timber has the same strength as concrete and may endure longer than 50 years. The Governor's Report on Rural Development also supported the use of timber bridges. *See Governor's Report*, *supra* note 14, at 7.

Covering nearly two-thirds of the Commonwealth, forests contribute not only to the lumber industry but also to outdoor recreation opportunities.<sup>32</sup> Yet, despite the beauty and enormous growth potential of natural resources such as Buggs Island Lake, Occoneechee Park, and other areas, Virginia ranks 50th in the United States in per capita investment in state parks. Pursuant to a 1991 recommendation of the Task Force and the Commission, the Secretaries of Economic Development and Natural Resources have developed a plan to enhance the recreational potential of Southside Virginia. The proposal of the two Secretariats includes specific funding options and provides for increased management coordination and private development of facilities.<sup>33</sup> Deemed one of the most successful economic development strategies, tourism must play a crucial role in Southside's economic recovery. Generating one out every eight jobs, tourism also creates a "cultural and social environment that attracts other businesses."<sup>34</sup> In Southside Virginia, where state parks and other recreational areas might provide a natural "hub" for tourist activity, the promotion of this strategy is critical. These resources apparently are largely untapped, however, as only two percent of Virginia's 1989 domestic travel expenditures were generated in Southside.<sup>35</sup>

Agriculture remains a significant part of the Commonwealth's economy. Although the number of persons employed in agriculture has declined since the turn of the century, improved technology has increased farm production levels. Regional markets have greatly aided farmers by providing distribution outlets for the collective marketing of produce to wholesale institutional buyers.<sup>36</sup> Additional support for regional farmers' markets and diversification efforts will further enhance Southside's ability to increase its agricultural base and aid in its revitalization. Increased research exploring alternative uses for agricultural products and long-range planning to address changing agricultural trends will also complement Southside's development efforts. Finally, the existence of an agribusiness park in Southside would stimulate additional development by attracting cooperatives, food processors, distributors, and other businesses to the region. Aided by new initiatives, Southside need not abandon its traditional agricultural industries to contribute richly to Virginia's economic future.

### *Infrastructure*

Described as "absolutely essential to the development of local economies which otherwise enjoy favorable business climates,"<sup>37</sup> adequate infrastructure is crucial to the economic future of Southside Virginia. Air service, highways, and water and sewer facilities must be available to attract and retain those industries that will provide jobs and generate revenues for the region. The rural South's traditional reliance on lower tax rates to attract outside business, however, has decreased local ability to finance much-needed infrastructure improvements. Although advanced

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32. Facts & Figures, *supra* note 15, at 32.

33. Testimony of Secretary of Natural Resources Elizabeth Haskell, June 17, 1991, Commission meeting. See also, House Document No. 42, *supra* note 16, at 18.

34. Making Connections, *supra* note 7, at 37.

35. Report of the Task Force on Agriculture, Forestry, and Natural Resources, Appendix C.

36. Facts & Figures, *supra* note 15, at 7; see also, JLARC Report, *supra* note 14, at 20.

37. Making Connections, *supra* note 7, at 20.

telecommunications have enhanced business activity, "moving goods and people is still critical."<sup>38</sup> Federal deregulation has resulted in limited rural access to trains, buses, and air transportation and has prompted higher freight rates for the transportation of goods.<sup>39</sup>

While improvements to U.S. Route 58 have eased a number of Southside's transportation woes, many bypass and other construction efforts have yet to be completed. Unfinished, these promised improvements accomplish little and may actually diminish Southside's marketability.<sup>40</sup> The burden of enhancing transportation arteries has largely fallen to states and localities, as federal funding for rural roads lags behind other spending efforts. To counter this trend, the Commonwealth should include Southside transportation corridors in its plan for those highways receiving funds pursuant to proposed federal legislation supporting highways of "national significance."<sup>41</sup> Increased access to interstate highways will facilitate shipping and receipt of materials for Southside businesses, facilitate tourist travel, and enhance overall quality of life.

Adequate water and sewer facilities that protect communities from pollution and health hazards are also a key component of any infrastructure initiative. The Commonwealth has already established a variety of grant and loan programs to assist localities in making infrastructure improvements; however, these programs are not sufficient to meet Southside's urgent and severe infrastructure needs. The establishment of a regional development authority will greatly enhance Southside's ability to address local infrastructure issues. Assistance should be contingent upon a local match.<sup>42</sup> The Commonwealth as a whole must also consider strategies that allow water- and air-rich localities to benefit from the transfer of these natural resources to other areas.

Improved air transportation must also be included in Southside's development goals. A proposed Eastern Virginia "superport," now the target of a federally funded study, could be constructed in Southside. Surface transportation linking this facility to nearby urban areas would also enhance Southside's growth potential. Transportation deregulation has elevated the influence of customer use on service availability and equipment; the Department of Aviation and Southside commercial air facilities might capitalize on this trend through combined efforts to promote regional air service.

## CONCLUSIONS AND RECOMMENDATIONS

The challenges facing Southside Virginia as it enters the next century are formidable. The region must eliminate disparities in educational opportunities, expand and diversify its agricultural base, promote the expansion of existing and outside industry, and provide those infrastructure improvements necessary to foster growth and enhance quality of life. These concerns would seem insurmountable were it not for one of Southside's greatest resources: the commitment of its leaders, local citizenry, and industries to the revitalization of Southside as an active participant in a

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38. New Alliances, *supra* note 5, at 32; *see also*, SGA Report, *supra* note 13, at 14.

39. Testimony of Dr. Charles E. Bishop, June 25, 1990, Commission meeting.

40. Proximity to interstate highways without highway interchanges has been shown to have a depressing effect on growth. Making Connections, *supra* note 7, at 29.

41. New Alliances, *supra* note 5, at 32; *see also*, Testimony of Congressman L.F. Payne, June 17, 1991, Commission meeting.

42. *See generally*, Rural Distress, *supra* note 14, at 5; House Document No. 42, *supra* note 16, at 13-14.

vibrant state, national, and global economy. In addition, Southside's abundant natural resources, entrepreneurial spirit, and regional unity support tremendous potential for growth. Incorporating traditional development strategies with newer initiatives that recognize the shared responsibilities of the public and private sectors for successful growth, the Commission has concluded that its recommendations must include measures for Southside's immediate and long-term development needs.

The Commission therefore makes the following recommendations for specific action in 1992:

**RECOMMENDATION 1:** *That the A.L. Philpott Southside Economic Development Commission be continued for one additional year to monitor the implementation of recommendations and initiatives promoting economic growth in Southside Virginia.*

The magnitude of the challenges facing Southside Virginia warrant the continuation of the Commission. Despite the commitment of the public and private sectors to Southside's economic renewal, current regional and statewide fiscal constraints may inhibit the implementation of initiatives necessary to promote economic recovery. The Commission should monitor the implementation of its own recommendations as well as those proposals at the state and local levels to ensure Southside's growth and development.

### **Education, Training, and the Workforce**

**RECOMMENDATION 2:** *That the Governor and the General Assembly include in their efforts to reduce substantially regional disparities in education funding, facilities, and programs consideration of the special needs of school divisions beyond basic requirements and the adjustment of current funding formulas to reflect more accurately local capacity and willingness to meet local ability to pay for public education.*

Student performance levels, course offerings, teacher compensation, and facilities in Southside do not compare favorably with other school divisions. If unaddressed, these deficiencies will produce an unprepared, unskilled labor force of the future. Effective solutions must acknowledge that a quality public school system is the responsibility of not only the Commonwealth, but also of localities, and must recognize the differing needs, abilities, and commitments of localities to the achievement of this ideal. While current funding formulas recognize local poverty levels, specific local problems, such as high concentrations of special needs students, differing labor market costs, and varying transportation needs, also merit consideration in determining funding levels. In a region such as Southside, whose per capita income levels consistently fall below the state average, consideration of local fiscal capacity and willingness to support public education, as well as specific local educational challenges, is especially critical in determining funding levels.

**RECOMMENDATION 3:** *That a joint legislative subcommittee examine regional difficulties in teacher recruitment and retention and ways to enhance teacher recruitment and retention in those regions demonstrating the greatest need for assistance and a willingness to meet their local ability to pay for public education.*

Ensuring effective, quality instruction is essential to the improvement of Southside public education. Although existing teacher scholarship programs include repayment provisions for service in needy areas, Southside schools continue to experience difficulty in recruiting and retaining teachers. Further examination of current initiatives, the ability of localities to offer more attractive employment packages, and other incentives is necessary to assess the need for additional

teacher recruitment programs. Additional resources for this legislative study might be offered by the Department of Education, the State Council of Higher Education for Virginia, and the SVBEC.

**RECOMMENDATION 4:** *That the Department of Education and the General Assembly create incentives for public schools to improve student achievement levels, instruction, curricula, facilities, and parental involvement, including the establishment of an award designation for schools meeting certain performance criteria.*

Higher expectations for schools and student academic performance will support Southside's commitment to preparing every student to be a productive citizen in a high wage, high skill workforce. Although the Outcome Accountability Program already establishes performance-based criteria for the assessment of public education, the existence of additional incentives will encourage schools in Southside and throughout the Commonwealth to improve the delivery of educational services and student outcomes. Any award designation should reflect school size, location, area-specific challenges, and degree of improvement.

**RECOMMENDATION 5:** *That regional, multi-site schools focusing on applied learning be established in Southside Virginia and that the Southside Virginia Business and Education Commission coordinate with and monitor area efforts to create these schools.*

Pooling educational as well as financial resources will assist less affluent school divisions in reducing program disparities. Regional, multi-site schools, combining aspects of both the Governor's School and the magnet school, would provide an effective mechanism to enhance program offerings in a region as large and as diverse as Southside. These schools would improve not only training for future Southside career opportunities, but also efforts to attract outside industry. Satellite communications might further expand the number of students receiving services from a special school. Reflecting "third wave" commitment to public/private partnerships, the schools might be supported by area business, institutions of higher education, local school divisions, and the Commonwealth.

**RECOMMENDATION 6:** *That state funds be appropriated to provide incentives, such as tuition or bonuses, for individuals residing in regions having low graduation rates to pursue adult basic education and ultimately to obtain adult evening diplomas or G.E.D. certification.*

Alarming regional dropout and unemployment statistics clearly indicate that Southside must make the improvement of average educational attainment levels one of its top priorities. The Department of Education should administer this incentives program, which will encourage adults to increase their educational and technical skills, ultimately enhancing their productivity and value as employees.

**RECOMMENDATION 7:** *That the General Assembly provide specific funding, either through grants or loans, to those school divisions demonstrating limited fiscal capacity for computer-assisted learning programs, including computer hardware and software, and that receipt of these funds be contingent upon the school division making these learning programs and school facilities available to community colleges and other entities after regular school hours for continuing education programs.*

The availability of integrated learning systems may greatly reduce Southside educational program disparities. Allowing students to learn at individualized rates, computer-enhanced instruction does not replace the teacher, but enhances learning through increased flexibility. Costly computer hardware and software, as well as annual licensing fees, however, may place this innovative educational tool out of the reach of most Southside school divisions, which already

demonstrate low ability-to-pay for basic public education requirements. Without special initiatives, the Commonwealth's funding for computer hardware will cease this year. The state should provide continued incentives or funding to implement these instructional programs in localities demonstrating the greatest program need and limited fiscal ability.

**RECOMMENDATION 8:** *That Southside school divisions be urged to establish or participate in programs to encourage and assist students in obtaining admission and financial aid for higher education.*

**RECOMMENDATION 9:** *That the Virginia Community College System and the State Council of Higher Education examine the efficacy and need for extending state financial assistance to part-time students enrolled in community colleges and four-year institutions of higher education and residing in those areas having low per capita income and educational attainment levels and high unemployment rates.*

Recognizing that the 21st century employee will require advanced educational and technical skills to function productively in an increasingly sophisticated workplace, the Commission proposes Recommendations 8 and 9 to reach those "forgotten" students who might not otherwise pursue higher education. Assistance in the sometimes daunting applications process would encourage many of these students to obtain the additional training required to be a marketable and productive employee in the Southside workforce. School divisions might specifically consider those low-cost programs involving area business and citizen volunteers that have proven effective in other localities. Training and retraining programs must also be accessible to the current workforce. The availability of scholarships for part-time students might encourage current workers and others to return to school to enhance their educational and technical skills; further study is necessary, however, to more accurately assess the financial needs of part-time students.

**RECOMMENDATION 10:** *That the Southside Virginia Business and Education Commission examine the need to increase or expand engineering and technology programs in the region's institutions of higher education.*

Increasingly complex technology will demand that the 21st century worker display knowledge and mastery of a variety of disciplines, particularly mathematics and sciences. Virginia's institutions of higher education must be able to provide the technological and engineering programs necessary to train these workers. An examination of current engineering programs should include consideration of industry need, estimated regional retention of program graduates, the types of technology and engineering programs presently offered, current and projected enrollments, and the use of satellite programs.

**RECOMMENDATION 11:** *That the Commonwealth continue and increase its funding of the Tuition Assistance Grant Program to ensure continued support for the education and public service missions of Virginia's private colleges and universities.*

Having convened a number of its meetings at some of Southside's independent colleges, the Commission has witnessed first-hand the invaluable contributions of these institutions to the growth of Southside and the Commonwealth. Serving as centers of community activity as well as education, these institutions must continue to pursue their multiple missions. Consistent funding of the Tuition Assistance Grant Program will help ensure the future of these institutions.

**RECOMMENDATION 12:** *That state funds be designated to support specific job training efforts for noncredit courses in workplace training centers at community colleges, public schools, and continuing education centers.*

Southside's traditional reliance on older manufacturing industries, which are now changing and upgrading their technologies, justifies increased regional efforts in worker retraining. Although Southside community colleges offer customized worker training programs, these initiatives are funded from existing operating budgets, often at the expense of other programs. While federal and private dollars may support these programs, state funds are currently not available for these noncredit activities. Special funding, specifically designated for worker training programs, is necessary to support training programs at community colleges, as well as public schools and continuing education centers. These appropriations should be limited to specific technical training and should be distributed to those programs serving areas that demonstrate the greatest need for regional efforts in worker retraining.

**RECOMMENDATION 13:** *That local business and industry be encouraged to increase participation in public education through mentoring, "adopt a school" programs, and other partnerships and by establishing advisory committees for schools and community colleges to assist students and educators in exploring career opportunities and educational goals.*

**RECOMMENDATION 14:** *That Southside public schools, community colleges, and four-year institutions of higher education expand dual enrollment programs to facilitate the pursuit of higher education and specific workforce training.*

Recommendations 13 and 14 support the Commission's conviction that business and education must work together to improve workforce preparation for Southside Virginia. Many of Southside's best students, perceiving little opportunity for professional growth, leave the region for employment elsewhere. Mentor programs and other partnerships may permit businesses to assist students in career development and to apprise them of professional opportunities in Southside. In turn, educators must be more responsive to the employment needs of regional industry and might expand dual enrollment programs, perhaps increasing emphasis on vocational education, based upon identified labor needs.

**RECOMMENDATION 15:** *That \$100,000 in state funding be appropriated annually for the Southside Virginia Business and Education Commission.*

The expertise and continuing leadership of this new commission will greatly enhance the quality of education and workforce training in Southside. Charged to lead the region in efforts to achieve excellence in education and to increase partnerships between business and education, the SVBEC will accomplish little, however, without stable funding to support its mission. Annual state appropriations will advance efforts to seek and obtain federal and private grants and will support basic commission costs.

**RECOMMENDATION 16:** *That the Virginia Employment Commission administer a two-year \$500,000 pilot program to provide \$500 employment bonuses for graduates of Virginia institutions of higher education who accept employment in Southside Virginia in those positions requiring skilled workers and for which there is a demonstrated need for assistance in the recruitment and retention of qualified, skilled personnel.*

Believing that Southside career opportunities may be limited, many of the Commonwealth's most gifted students pursue employment elsewhere. The creation of employment recruitment bonuses will greatly enhance area efforts to attract and retain the most

qualified workers to Southside. The pilot program should require bonus recipients to complete a minimum of one year of employment in the region. Restricting bonuses to skilled positions demonstrating need for recruitment assistance will ensure the effective application of these incentives.

**RECOMMENDATION 17:** *That state funds be appropriated to support business outreach and liaison positions at community colleges and four-year institutions of higher education to ensure the continued development of effective job training programs and other partnerships between higher education and business.*

Ensuring the effective preparation of the 21st century workforce will require the increased coordination of educators and private industry. While some institutions already employ liaison personnel to determine the needs of area employers, the availability of specific funding will enable other institutions, such as community colleges, to promote the partnerships necessary to strengthen the link between education and workforce preparation.

### **Finance, Marketing, and Incentives**

**RECOMMENDATION 18:** *That the 1992 Session of the General Assembly enact a double weighted sales factor apportionment formula for the Virginia corporate income tax which will serve as an income tax incentive for all companies to locate and expand in Virginia.*

To compete with the property tax exemptions and investment tax credits offered to prospective industries by other states, the Commonwealth should adjust the current three-factor corporate income tax formula to reduce taxes on those companies with headquarters or major production facilities in Virginia or contemplating a relocation to the Commonwealth. This adjustment, which has become increasingly popular in other states, will support those businesses that not only generate revenues for the Commonwealth, but employment opportunities as well.

**RECOMMENDATION 19:** *That a 13-member Southside Virginia Marketing Council be established to:*

*(a) promote Southside Virginia and to help attract development prospects to the region;*

*(b) encourage localities to work cooperatively to promote the strengths and advantages of the region; and*

*(c) support regional promotion through funds generated by voluntary local per capita assessments, not to exceed \$1 per resident annually, and by matching appropriations from three percent of the state cigarette tax.*

Marketing Southside's strengths will require the combined efforts of government and the private sector. Blending public and private support, the Southside Virginia Marketing Council would be authorized to administer funds generated by a voluntary local per capita tax assessment for regional promotion efforts. Participation in promotion initiatives would be contingent on local contributions to the fund through a per capita local assessment. The Commonwealth would provide matching funds from the state cigarette tax. Regional "pooling" of resources will enable Southside localities to engage in greater marketing efforts. The new Council should consist of two legislative members, two locally elected officials, two local economic development representatives, two planning district chairmen, and five private sector representatives. Marketing efforts should



include the preparation of an image campaign for the region, the creation of a regional resource guide, and the development of a regional press kit.

**RECOMMENDATION 20:** *That efforts to encourage regional cooperation by the cities and counties of Southside be continued.*

The fiscal restraints plaguing many Southside localities might be mitigated by increased regional cooperation and pooling of local resources to achieve goals. Efforts by local governments and private entities to foster improved communication and coordination of regional programs must continue if Southside is to emerge as an active participant in the global economy.

**RECOMMENDATION 21:** *That Southside localities, the Department of Economic Development, and the Southside Virginia Marketing Council coordinate with selected successful companies having Southside facilities to develop strategies to attract new or expanded facilities from such companies.*

A commitment of time and resources by the public and private sectors is necessary to increase industrial expansion in Southside. Given the opportunity to relay their growth concerns and needs, existing businesses might be encouraged to expand facilities throughout Southside and the Commonwealth. Targeting selected companies will enable the Department and the proposed Marketing Council to focus their energies on specific challenges and potential solutions.

**RECOMMENDATION 22:** *That the General Assembly monitor and examine Department of Economic Development proposals regarding the implementation of the Commission's 1991 one-stop permitting recommendation.*

Expediting the state regulatory permit approvals process is critical to enhance industrial growth in Southside and the Commonwealth. The development and implementation of the Department's statutorily required plan to serve as an informational resource in the permitting process will offer a tangible incentive for businesses contemplating Virginia expansion sites and will provide a balanced approach to regulation and growth.

**RECOMMENDATION 23:** *That a 12-member Southside Virginia Development Authority be established to administer:*

*(a) a \$25 million low interest loan pool or grant program to provide water, sewer, gas and other infrastructure needs to assist in Southside prospect locations;*

*(b) a \$5 million pilot revolving loan fund to provide loans at market interest rates for the formation of new enterprises and the expansion and modernization of existing industries, especially small and medium sized manufacturers; and*

*(c) a \$5 million "project closing" fund to assist with prospect location decision making and relocation expenses in Southside Virginia.*

Increasingly advanced technology and subsequent reduction in labor needs have critically affected manufacturing employment levels in Southside. While Southside localities have spent an estimated \$30 million for economic development in recent years, the region continues to experience low average income and higher unemployment rates. The establishment of a regional development authority to administer loan programs for industrial expansion significantly would bolster local development efforts. Financial assistance for infrastructure, relocation expenses, and venture capital is necessary to support industrial recruitment and expansion. Development authority

membership would consist of local government officials and private sector representatives, reflecting the shared responsibility of the Commonwealth, localities, and business for economic growth.

**RECOMMENDATION 24:** *That the A.L. Philpott Manufacturing Research Center be established to assist firms of all sizes in the modernization of production processes and management and marketing efforts.*

Responsible for nearly one-third of Southside employment, manufacturing continues to play a vital role in the region's economic fortunes. Providing technology transfer and facilitating the modernization of manufacturing processes will greatly enhance the growth and expansion of area industry. The establishment of a regional manufacturing research center would provide a network for Southside manufacturers to incorporate technological innovations in their production processes. Governed by a board of trustees representing higher education and business, the center would supply the expertise and resources necessary to enhance manufacturing modernization not only in Southside but throughout the Commonwealth.

### **Agriculture, Forestry, and Natural Resources**

**RECOMMENDATION 25:** *That the Secretary of Economic Development develop a strategic plan to guide the evolution of agriculture in Virginia.*

Long-range planning to address changing conditions in agriculture, forestry, and related businesses will help identify those initiatives that will most effectively foster growth and expansion. Although previously cited as a valuable development strategy, this planning does not currently fall clearly within existing responsibilities of any single agency. Serving as the blueprint for future resource allocations, this plan should be presented to the Senate Committees on Finance and Agriculture, Conservation and Natural Resources and the House Committees on Appropriations and Agriculture during the 1993 Session of the General Assembly.

**RECOMMENDATION 26:** *That the 1992-94 biennium budget include funds for expanded research initiatives at VPI & SU and Virginia State University in biotechnology; environmental sciences; the development of new industrial opportunities, such as new uses for tobacco and the use of animal proteins; and the technologies, policies, and incentives needed to promote greater use of wood wastes for fuels and other products.*

Developing alternative uses for Southside agricultural products will ensure the continued growth of existing and prospective markets. Research conducted by the Commonwealth's land grant universities will improve management of natural resources and will enhance the ability of the farm industry to anticipate market needs.

**RECOMMENDATION 27:** *That the 1992-94 biennium budget include:*

*(a) \$125,000 to complete the planning for the Southeast Virginia Regional Farmers' Market;*

*(b) \$100,000 (\$50,000 each year) to support diversification loans for farmers in Southside Virginia; and*

*(c) \$80,000 to establish a loan program to pay farmers two-thirds of the cost of their product upon delivery to the Southside Regional Farmers' Market.*

Enabling farmers to reach more distributors through collective marketing of produce, farmers' markets are critical to Southside's economic development. The Southside Farmers' Market in Halifax is the only market currently operating in the region. Expansion of the regional network to add a market in Southampton County will increase market potential for Southside crops. Assistance in diversification efforts will enable farmers to incorporate nontraditional crops, which might be harvested and sold when traditional crops, such as peanuts or tobacco, are not in season. A diversification loan program has proved successful in Southwest Virginia; Southside farmers would benefit greatly from a similar initiative. Finally, eliminating the delay between delivery of goods to the farmers' market and receipt of payment would encourage use of regional farmers' markets.

**RECOMMENDATION 28:** *That the Rural Rehabilitation Trust Fund administered by the Department of Agriculture and Consumer Services be used to assist low income farmers who want to diversify but are unable to obtain credit from any other source, and that loans should be particularly targeted to development of the aquaculture industry and the use of drip irrigation systems.*

Administered by the Department of Agriculture and Consumer Services, the Rural Rehabilitation Trust Fund assists low income farmers in diversification efforts. Directing a portion of these loans to aquaculture and drip irrigation initiatives will enable farmers to pursue enterprises that promote diversification.

**RECOMMENDATION 29:** *That the use of refrigerated trucks and satellite pick-up points for farmers using the Southside Regional Farmers' Market be expanded.*

A 1989 program by the Department of Agriculture and Consumer Services defrayed shipping and refrigeration costs for farmers using the Southside Regional Farmers' Market. Additional satellite points will increase the number of farmers using the regional markets.

**RECOMMENDATION 30:** *That the State Corporation Commission examine the availability of insurance for diversification crops and report its findings to the House Committee on Agriculture and the Senate Committee on Agriculture, Conservation and Natural Resources during the 1993 Session of the General Assembly.*

The availability of affordable insurance for diversification efforts will encourage farmers in Southside and throughout the Commonwealth to pursue alternative crops. Further examination of market needs and existing options is necessary, however, to determine accurately the need for expanded insurance availability.

**RECOMMENDATION 31:** *That the Departments of Economic Development and Agriculture and Consumer Services identify agricultural and forestry industries that are related to the current production base in Southside Virginia, develop expertise in these areas, and target these industries for location or expansion.*

**RECOMMENDATION 32:** *That the 1992-94 biennium budget include \$750,000 for construction of a pilot agribusiness park in Southside Virginia and that these funds be matched by \$250,000 in local funds and administered in a manner similar to the Communities for Opportunity program in Southwest Virginia and that tax revenues generated by this park be shared proportionately by the participating localities.*

The absence of state programs directly addressing agricultural recruitment forces agribusiness prospects to search independently for sites featuring appropriate infrastructure and other necessities. Recommendation 31 and 32 reflect the Commission's support for initiatives that combine state, local, and private sector efforts to promote development. The creation of an agribusiness park and an agriculture-specific recruitment program will stimulate existing agriculture markets and encourage expansion of related business.

**RECOMMENDATION 33:** *That the Department of Forestry implement the following to promote growth in the forest products industry:*

*(a) in conjunction with the Department of Economic Development, explore additional markets for pine pulpwood and chips, particularly among the southern states where prices are higher;*

*(b) administer a \$50,000 revolving loan fund to provide capital for the purchase and operation of mechanized equipment for thinning pine plantations;*

*(c) coordinate a project with other state agencies and private sector organizations which will result in linkages between industries that produce wood residue and industries that can use the residue in their manufacturing processes; and*

*(d) together with the Department of Economic Development and Virginia Polytechnic Institute and State University, establish an educational program in hardwood dimension products to stimulate interest among the existing forest products industries.*

Timber resources continue to be among Southside's greatest assets. The region boasts over 6.5 million acres of forests, making the promotion of forestry industries an essential component of any regional development efforts. Initiatives to promote alternative uses for wood products and to assist existing forestry enterprises will enhance not only the Southside economy but that of the Commonwealth as a whole.

**RECOMMENDATION 34:** *That the Department of Economic Development and the Virginia Port Authority, in conjunction with the Departments of Agriculture and Consumer Services and Forestry, develop an export market for hardwood chips and create a plan to develop a chip-loading facility in the Hampton Roads area and a remote chip mill in Southside Virginia for presentation to the Senate Finance and House Appropriations Committees during the 1994 Session of the General Assembly.*

A lack of loading facilities has precluded Virginia from entering a substantial export market for hardwood chips. The existence of a chip mill near the hardwood resources in Southside would enable area industry to increase production and to find markets for surplus wood materials. Additional study of this development initiative is necessary to review feasibility, site considerations, and other issues.

**RECOMMENDATION 35:** *That the Secretary of Administration review the policies and procedures that affect the use of nontraditional fuels at state facilities and proceed with conversions to wood-burning boilers where economically feasible.*

**RECOMMENDATION 36:** *That the Coal and Energy Commission, with the assistance of the Virginia Center for Coal and Energy Research and the Brooks Forest Products Center at VPI & SU, examine the policies needed to promote greater use of wood wastes for fuel.*

Sawdust, bark, and similar wood manufacturing residue have found alternative uses in fuel, animal bedding, mulch, and other products. A number of state facilities have incorporated wood fuels in their central heating plants, already yielding savings. Promoting alternative uses of these wood residues will not only reduce a potential waste disposal problem but provide additional revenue as well.

**RECOMMENDATION 37:** *That the Departments of Transportation and Forestry report the results of a pilot project using timber bridges in the bridge replacement program to the Senate Finance and House Appropriations Committees during the 1994 Session of the General Assembly.*

Responding to the Commission's 1991 recommendation, the Department of Transportation agreed to develop, in collaboration with the Department of Forestry, a timber bridge initiative for the Commonwealth. Timber bridges offer an attractive and inexpensive alternative to costly steel and concrete bridges. Providing a dual opportunity to replace bridges at a lower cost and to benefit the forestry industry, timber bridges are competitive with other materials in strength and design.

**RECOMMENDATION 38:** *That the Department of Economic Development target the structural timber manufacturing industry for development in Southside Virginia.*

The Commonwealth does not currently have the structural timber manufacturing industry to support the construction of timber bridges. The recruitment and retention of these industries will reduce bridge construction costs and improve the likelihood that Virginia timber is used in bridge construction.

**RECOMMENDATION 39:** *That the 1992-94 biennium budget include \$750,000 to develop a regional forests products industrial park in Southside Virginia and that this park be developed in a manner similar to the Communities for Opportunity program, with localities providing \$250,000 in matching funds and that tax revenues generated by this park be shared proportionately by the participating localities.*

The establishment of a forest industrial park would provide the accommodations and amenities necessary to promote growth in timber and wood processing operations. Allowing businesses to share clerical and administrative expenses, an industrial park is an effective tool in attracting outside as well as existing industry to Southside. Requiring matching funds from localities to establish such a park is consistent with "third wave" development strategies that combine public and private sector efforts to promote economic growth.

**RECOMMENDATION 40:** *That a conservation commission be established to administer a nonreverting conservation trust fund, financed by an increase in the tax on distilled spirits equivalent to \$1.50 per gallon, for exclusive use by the Departments of Conservation and Recreation, Forestry, and Game and Inland Fisheries for capital outlay projects.*

In the last two decades, the Commonwealth has not appropriated funds for major park acquisitions. Land acquisition has proved an effective means of preserving open space and providing recreational opportunities. Ever-increasing land costs and reductions in available revenues necessitate the establishment of stable funding to ensure the acquisition of additional lands and the expansion of existing parks.

**RECOMMENDATION 41:** *That the Department of Conservation and Recreation expand the private sector's role in the development, improvement, operation, and acquisition of state parks; establish Friends of State Parks programs; promote the nontraditional use of farm/agricultural land;*

*and provide for joint land acquisition and management of natural areas between the Commonwealth and conservation organizations.*

The development and expansion of the Commonwealth's parks are contingent upon the joint contributions of the public and private sectors. State fiscal exigencies further exacerbate the need to involve private business in the preservation and operation of existing parks. In addition, the development of untapped recreational potential in Southside, such as a fledgling bed and breakfast industry, fishing in private ponds, and other activities, will promote tourism and other industry in Southside.

**RECOMMENDATION 42:** *That the Departments of Economic Development, Housing and Community Development, and Conservation and Recreation act as facilitators to generate local leadership, commitment, and cooperation for the development of the recreational potential in Southside.*

Economic development experts agree that the most effective growth strategies combine local initiative with government oversight. The commitment and vision of local leaders will ensure the effective development of recreational opportunities in the region; the Commonwealth can supply the technical assistance needed to support this effort.

**RECOMMENDATION 43:** *That a recreation and tourism "hub" be developed for the Southside region, and that the Department of Economic Development, Division of Tourism:*

*(a) establish a pilot project in Southside Virginia for the Local Tourism Accreditation Program to introduce localities to the program and its potential for the region; and*

*(b) convene a work group to design a campaign to promote the regional recreational hub.*

The Division of Tourism is currently developing a local tourism accreditation program to provide communities an agenda for economic development and tourism promotion. Similar to the community certification program, this initiative might be applied on a pilot basis to Southside, where only one locality has a full-time tourism office. In addition, creating a tourism "hub" for the region will generate interest in Southside's rural character, natural beauty, and recreational opportunities.

**RECOMMENDATION 44:** *That planning district commissions prepare regional open space and recreation plans that can be incorporated into local plans and zoning decisions.*

Offering tremendous potential for economic growth, recreation and tourism must be incorporated in long-range regional planning for Southside. Planning district commissions might most effectively focus on these development assets through recommendations for open space, recreation, and tourism. Regional plans might be created with local input and cooperation.

**RECOMMENDATION 45:** *That the Secretaries of Economic Development and Natural Resources promote improved communication among agricultural and forestry industries, private sector industry associations, and the environmental agencies and groups through the use of public meetings, workshops, and conferences.*

A balanced regulatory environment, which protects natural resources while permitting necessary growth, is essential to economic development in Southside and throughout the Commonwealth. Increased coordination among state and federal regulatory agencies and private

industry, particularly small businesses, will promote better understanding of mutual goals and challenges. Informational meetings, hosted by the Secretaries of Economic Development and Natural Resources, might solicit input from regulators and representatives of business and industry associations.

**RECOMMENDATION 46:** *That the Migrant and Seasonal Farmworkers Board and state agencies continue to streamline implementation of the laws and regulations related to the employment of migrant workers, and that the current sunset provision on the small business exemption from the definition of migrant labor camps be removed.*

Overly burdensome regulation may unnecessarily hamper small agricultural employers from obtaining an adequate labor supply. The current exemption for small business employers from the definition of migrant labor camp (Va. Code § 32.1-203) expires on December 31, 1991; retaining this exemption will assist small agricultural employers in employment efforts.

### **Infrastructure**

**RECOMMENDATION 47:** *That the Commonwealth of Virginia develop a two-tiered advertising program which would jointly promote industrial and tourism site locations in rural areas and throughout that state and that industrial site locations be included in the existing tourism advertising program.*

Lacking the fiscal resources to mount individual advertising campaigns, Southside localities and other less affluent areas might bolster their industrial site and tourist promotion efforts through state initiatives. Criteria for funding should include consideration of the Commission on Local Government's fiscal stress index and participation in the Department of Economic Development's industrial certification program.

**RECOMMENDATION 48:** *That the Commonwealth institute a policy which limits growth in areas that are not self-sufficient in natural resources and must import or draw from other regions' basic natural resources, such as water and air.*

Consideration of policies that recognize the contributions of air- and water-rich areas, such as Southside, should be included in the Commonwealth's overall plan for growth. Virginia should also consider policies that permit compensation for transfers of water and other natural resources.

**RECOMMENDATION 49:** *That the Commonwealth's funding and construction schedules for U.S. 58 be restored to their status prior to Virginia's funding shortfall.*

**RECOMMENDATION 50:** *That the Virginia Department of Transportation include in its proposals for the federal Highways of National Significance plan all of U.S. 15, 29, 58, and 460; U.S. 220 from Roanoke to the North Carolina border; U.S. 360 from Danville to Richmond; Virginia Route 49 from Crewe to the North Carolina border; U.S. 501 from Lynchburg to South Boston; and all of Virginia Route 40, to enhance Southside's highway infrastructure and to promote rapid access to commercial markets.*

Access to interstate transportation is essential to rural economic development. Completion of improvements to U.S. Route 58 and other Southside highways will facilitate shipping and receipt of goods and will enhance travel within and through the region. Virginia should also coordinate the with sister states to ensure that those roads continuing out of the Commonwealth are included in the "highways of national significance" plans in adjoining states.

**RECOMMENDATION 51:** *That the development of a “superport” which will provide air service to the Richmond and Tidewater regions be considered for a location south of the James River and west of the City of Chesapeake, such as Fort Pickett and Nottoway County.*

A Southside location for the proposed “superport” will not only promote regional economic growth but will also provide access to major urban areas, such as Richmond and the Tidewater area, and to nearby military bases.

**RECOMMENDATION 52:** *That the Department of Aviation and Southside’s commercial air facilities develop a public marketing program to promote commercial air services and to encourage Southside residents, businesses, and industries to fully utilize existing air transportation services in the region.*

Commercial air service is critical to the development of industry and tourism in the region. Promotion of existing air transportation services is necessary to ensure continued use and expansion.

**RECOMMENDATION 53:** *That the Commonwealth establish a policy recognizing the importance of adequate access to industrial parks, and that modifications to the Virginia Department of Transportation Industrial Access Roads Program be considered to foster program use at the local level.*

The Department of Transportation’s Industrial Access Roads Program has already aided Southside and rural Virginia by facilitating development of industrial roads. Increased flexibility in this program might enable localities to engage in industrial site development, an option that is not feasible under present program requirements.

**RECOMMENDATION 54:** *That the Department of Transportation continue to strengthen the Commonwealth’s system of primary roads.*

For many Southside communities, primary roads provide the sole link to major transportation corridors. The Department of Transportation should also develop a plan to upgrade primary roads that connect rural areas with major transportation arteries.

**RECOMMENDATION 55:** *That the proposed federal “superhighway” from Norfolk to California follow the existing U.S. 58 corridor across the entire southern border of Virginia.*

This proposed transportation corridor will directly link America’s coasts. Incorporating U.S. Route 58 into this super highway would enhance travel not only in Southside but also throughout Virginia. Development along this corridor would provide a clear route in the last major portion of the Commonwealth not currently served by an interstate.

**RECOMMENDATION 56:** *That the Governor and the General Assembly support the restoration of the Virginia Housing Partnership Fund in the general fund budget at a level of \$50 million for the 1992-94 biennium.*

Affordable housing contributes to economic stability and growth. Viable housing options also create a positive environment which may attract business. The Commonwealth should invest in a long-term commitment to this growth strategy.



**RECOMMENDATION 57:** *That the Department of Economic Development's Industrial Shell Building Program be continued to allow rural economic development authorities to provide industrial facilities which increase prospect traffic; that funding of this program reduced due to fiscal shortfalls be restored; and that the Department consider extending the program to include smaller buildings that might accommodate businesses meeting other program criteria.*

Many industry prospects are successfully recruited by the presence of existing office facilities. Restored funding and expansion of the program to include the construction of smaller facilities will help ensure the availability of attractive site location options for industrial recruitment.

**RECOMMENDATION 58:** *That the Department of Economic Development establish an automated building and site marketing system, modeled after programs in North Carolina and Georgia, and that this system include an integrated computer-laser projection system providing graphics and illustrated details concerning sites in Virginia to improve the Commonwealth's marketing competitiveness for new industrial prospects.*

An effective industrial recruitment tool, this computer-laser projection system will vastly improve efforts to promote Virginia business locations. The system will facilitate the promotion of rural as well urban areas.

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 throughout this study.

Respectfully submitted,  
A.L. Philpott,  
Speaker of the House of Delegates,  
*Chairman\**  
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October 23, 1990, Paul D. Camp Community College, Franklin

Neal J. Barber, Director, Virginia Department of Housing and Community Development, "Current Support for Rural Areas"; Richard N. Burton, Executive Director, Virginia State Water Control Board, "Maximizing Southside Virginia Natural Resources for Economic Development."

November 26, 1990, Southside Virginia Community College, Keysville

The Honorable James W. Dyke, Jr., Secretary of Education; Dr. William F. Dorrill, President, Longwood College; Dr. Edwin L. Barnes, President, Paul D. Camp Community College; Dr. John J. Cavan, President, Southside Virginia Community College; Dr. Arnold R. Oliver, President, Danville Community College; Dr. Max F. Wingett, President, Patrick Henry Community College.

March 28, 1991, Longwood College, Farmville

Juliann Tenney, Executive Director, Southern Growth Policies Board, "Economic Development Policies for the South for the Year 2000"; Stuart A. Rosenfeld, Director, Southern Technology Council, Southern Growth Policies Board, "Manufacturing Renewal in the 1990s: Automation and Work in the South"; The Honorable Lawrence H. Framme, III, Secretary of Economic Development, "Partnerships for Excellence: The Virginia Plan for Strengthening the Commonwealth's 21st Century Workforce."

May 23, 1991, Ferrum College, Ferrum

Dr. Jerry M. Boone, President, Ferrum College.

June 17, 1991, Altavista

The Honorable L.F. Payne, Congressman, 5th District; The Honorable Lawrence H. Framme, III, Secretary of Economic Development, "Review of the Governor's Rural Development Report and Center on Rural Development"; The Honorable Elizabeth H. Haskell, Secretary of Natural Resources; Katherine Imhoff, Executive Director, Commission on Population Growth and Development.

July 26, 1991, Danville Community College, Danville

Dr. Arnold R. Oliver, President, Danville Community College; Delegate J. Paul Councill, Jr., Delegate William W. Bennett, Jr., Senator Virgil H. Goode, and C. Warren Green, Jr.

August 26, 1991, Paul D. Camp Community College, Franklin; Longwood College, Farmville

August 27, 1991, Patrick Henry Community College, Martinsville

Public hearings and work session.

## **Appendix A**

### **Final Report of the Task Force on Education, Training, and the Workforce**

**to the**

### **Southside Economic Development Commission**

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# FINAL REPORT OF THE TASK FORCE ON EDUCATION, TRAINING, AND THE WORKFORCE

## AUTHORITY AND STUDY OBJECTIVES

Charged by the HJR 300 Southside Economic Development Commission to examine the quality of public education in Southside Virginia as well as ways to develop an effective, skilled workforce to meet regional employment needs in the 21st century, the Task Force on Education, Training, and the Workforce pursued a wide range of issues in its two-year study. Examination of the strengths and weaknesses of public education in the region, analysis of specific comparative data concerning educational disparities, and review of pertinent legislative and executive studies regarding the Commonwealth's system of public education were necessary to develop recommendations addressing Southside's educational challenges. Higher education and workforce training also received Task Force consideration, as current and potential economic development efforts by community colleges, public and private colleges and universities, area industry, and localities were explored. Finally, the Task Force considered specific innovations that might increase educational levels and technical skills of the workforce and individual and regional efforts that might be conducted in partnership with government, educational institutions, and the private sector.

## THE ROLE OF EDUCATION IN ECONOMIC DEVELOPMENT: PREPARING THE 21st CENTURY WORKFORCE

### INTRODUCTION

#### *Adapting To A Global Economy*

As it moves into the next century, America may face a third industrial revolution. Increasingly advanced computer technologies, mass communications, and intense international competition are rapidly changing the nation's economy as well as increasing the demand for a skilled labor force. While the nation's industrial productivity kept a "healthy pace" between the 1950s and 1970s, productivity increases have declined distinctly, if not dramatically, in recent years.<sup>1</sup> Typically, employers have compensated for this decreased productivity simply by adding jobs--thus fostering growth without increasing productivity.<sup>2</sup> This strategy may no longer effectively mask low productivity, as labor force growth is expected to slow by the year 2000.<sup>3</sup> Experts agree that an ever-widening "skills gap" between job requirements and the educational and technical levels of the workforce is "costing American business monetarily through waste, lost productivity, increased remediation costs, reduced product quality, and ultimately a loss in competitiveness."<sup>4</sup>

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1. Report of the Commission on the Skills of the American Workforce, America's Choice: High skills or low wages! 41, 28, 14 (1990) [hereinafter referred to as Skills].
  2. Governor's Advisory Committee on Workforce Virginia 2000, Partnerships for Excellence. The Virginia Plan for Strengthening the Commonwealth's 21st Century Workforce 7 (March 1991)[hereinafter referred to as Partnerships for Excellence].
  3. Virginia Employment Commission, Virginia's Workforce 2000 7(1991) [hereinafter referred to as VEC].
  4. "Changing Workforce of the Future," SLC Backgrounder (June 1990).



The rural South will not be immune to these changes. Citing the end of the rapid employment growth that characterized the "Sunbelt" era of the last 20 years,<sup>5</sup> economic development specialists predict that the South's ability to adapt and compete in this global economy will be hampered by its lack of wealth, its traditional reliance on manufacturing industries that are especially vulnerable to foreign competition, and its lower educational attainment levels.<sup>6</sup> Supporting this gloomy forecast for the South's economic development are regional data indicating an aging workforce that will require training or re-training, higher dropout and functional illiteracy rates, and below-average per pupil education expenditures.<sup>7</sup> In the rural South, economic decline may well be attributable to "past neglect of and under investment in education."<sup>8</sup>

The nexus between education and economic development is clear. Prospective industries that formerly based site selections on location are now focusing on the availability of skilled workers and quality educational institutions; studies indicate that businesses may now assess potential expansion sites based upon factors such as the size of the technical workforce, educational attainment levels, and area research and development activity.<sup>9</sup> Competing in a global marketplace will require a productive workforce that has mastered not only basic educational skills but also critical and analytical thinking, reasoning, and communications skills.<sup>10</sup>

### *Closing the "Skills Gap" in Southside Virginia*

Although the Commonwealth as a whole may boast impressive economic growth and educational achievement levels, this prosperity is primarily concentrated in Virginia's major metropolitan areas. State and local leaders have recognized that Virginia, "like the rest of the nation, must confront a new economic and demographic reality for which we are ill prepared."<sup>11</sup> Perhaps nowhere else in the Commonwealth is the need to address education and economic growth more critical than in Southside Virginia. Plagued by higher dropout rates and lower average educational levels, the region must overcome many challenges to prepare an effective and skilled workforce for the 21st century (see Table 1). Any meaningful attempts to close this "skills gap" and to enhance the economic development of Southside Virginia must necessarily include an examination of the region's public school system and its ability to prepare productive, effective citizens and workers for the future, the role of higher education in economic development, and the responsibilities of private business and industry in education and workforce training.

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5. Southern Growth Policies Board, Report of the Southern Regional Literacy Commission, Literacy Is Everybody's Business: The Power of the Word 9 (1990) [hereinafter referred to as Literacy].
  6. Southern Growth Policies Board, After the Factories: Changing Employment Patterns in the Rural South xiv (1985).
  7. Southern Growth Policies Board, The Report of the 1986 Commission on the Future of the South, Halfway Home & A Long Way To Go 13, 6 (1988).
  8. Southern Growth Policies Board, Making Connections: After the Factories Revisited 41 (February 1989).
  9. Id. at 41, 42.
  10. Literacy, supra note 5, at 11.
  11. Partnerships for Excellence, supra note 2, at 6; see also, VEC, supra note 3, at 7. According to the VEC, Virginia's labor force increased by 21.1 percent between 1980 and 1988.

# Comparative Data on Public Education Southside Region and State, 1988-89

Table 1

	Pupil-Teacher	Avg. Annual Salary-- Classroom Teachers	Graduates as % of 9th grade 4 yrs. earlier	Graduates Continuing Education
<b>VIRGINIA</b>	<b>14.8</b>	<b>28,976</b>	<b>75.5</b>	<b>70.3</b>
<b>COUNTY</b>				
Amelia	16.1	23,254	76.9	53.7
Appomattox	14.6	23,492	79.1	49.0
Brunswick	14.8	24,060	75.1	59.5
Buckingham	13.9	25,249	69.4	44.9
Campbell	15.6	25,435	76.5	64.7
Charlotte	13.7	23,010	59.0	38.4
Cumberland	14.3	22,200	59.3	59.0
Dinwiddie	14.5	26,237	90.2	57.8
Franklin	15.4	24,826	75.5	64.3
Greensville*	14.1	23,789	69.6	59.8
Halifax	14.6	24,468	70.8**	52.8**
Henry	14.0	25,733	65.6	60.9
Lunenburg	14.7	23,643	75.5	54.2
Mecklenburg	13.8	24,130	67.2	65.2
Nottoway	15.5	25,716	67.8	55.5
Patrick	14.7	23,598	81.4	46.3
Pittsylvania	14.8	26,383	81.4	51.5
Prince Edward	15.0	24,388	84.8	51.7
Southampton	12.8	23,165	57.9	79.0
Sussex	16.0	28,472	77.2	39.4
<b>CITY</b>				
Danville	14.8	28,297	81.9	58.9
Franklin	16.0	26,996	79.8	75.4
Martinsville	12.4	28,113	71.1	69.1
South Boston	14.5	24,867	(see Halifax)	(see Halifax)

\* includes Emporia

\*\* includes South Boston

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SOURCE: Virginia Department of Education, *Facing Up 24: Statistical Data on Virginia's Public Schools* (August 1990)

Prepared by Division of Legislative Services

A major step in bridging the gap between education and workforce preparation in Southside Virginia has already been taken. After the first year of its study, the Task Force agreed that the establishment of coordinating entities to provide information and assistance in efforts to enhance Southside education, workforce training, overall economic development was essential. The full Commission supported this concept with the introduction of HB 1806, which added § 9-145.16 *et seq.* to the Virginia Code and established the 21-member Southside Business and Education Commission (SVBEC). Created to encourage and expand business participation and involvement in public education in Southside Virginia, the SVBEC was specifically directed to provide general leadership in the region for excellence in education and to develop, in coordination with the Department of Education and local school boards, goals for public education in the region. With offices located at Longwood College, the SVBEC will be supported by regional personnel from the Department of Education, the University of Virginia Center for Public Service, and other staff as it deems necessary.

In meeting the charge of its mission statement, the Task Force broadened its focus on the educational challenges in Southside to include consideration of current successful programs and partnerships, state and local fiscal constraints, and the appropriate responsibilities of the private sector, localities, and the Commonwealth. Having received testimony from educators, school superintendents, students, and agency representatives, the Task Force has concluded that the coordinated support of the private and public sectors is critical to address the complex and sometimes overlapping concerns evident in public and higher education and workforce training.

## PUBLIC EDUCATION

### *Addressing Disparities and Demanding Accountability*

That students are not receiving the same educational opportunities throughout the Commonwealth is supported by numerous studies. "Significant differences" in student performance and outcomes among school divisions have been recognized by the Governor's Commission on Educational Opportunity for All Virginians; a strong correlation between family poverty and academic success has also been identified.<sup>12</sup> The Commission on the University of the 21st Century has found that "our schools in general are not producing the graduates we need . . . . Depending on the will and ability of localities to support their schools, school systems fall along a spectrum from educationally affluent to impoverished."<sup>13</sup>

Numerous "indicators" of educational deficiencies are especially evident in Southside Virginia, where many school facilities are in poor condition, teacher salaries fall below the state average, course offerings may be limited due to smaller enrollments and shrinking resources, and local ability to pay for improvements in the public schools lags behind that of other regions in the Commonwealth (see Table 2). Exacerbated by funding constraints, inability to recruit and retain quality instructors, poor work ethic, and lack of incentive to improve student achievement levels, these disparities may ultimately contribute to an unprepared, unskilled labor force.

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12. Governor's Commission on Educational Opportunity for All Virginians, Summary Report 6, 7 (February 1, 1991) [hereinafter referred to as Summary Report]. The Commission was established pursuant to Executive Order No. 4 (90).
  13. Commission on the University of the 21st Century, The Case for Change 2 (1990) [hereinafter referred to as 21st Century].

# 1988-90 Composite Index of Local Ability-to-Pay\* Costs of Standards of Quality

## Southside Region -- Local Composite Index\*\* (x .49)

### County

Amelia	.3942
Appomattox	.3287
Brunswick	.3108
Buckingham	.3409
Campbell	.3344
Charlotte	.2852
Cumberland	.3294
Dinwiddie	.3340
Franklin	.3819
Greensville***	.2744
Halifax	.2652
Henry	.3456
Lunenburg	.2826
Mecklenburg	.3627
Nottoway	.3160
Patrick	.3242
Pittsylvania	.2739
Prince Edward	.3451
Southampton	.4311
Sussex	.4094

### City

Danville	.3745
Franklin	.3195
Martinsville	.4703
South Boston	.3231

\* Indicators of ability to pay include local property value, adjusted gross income, taxable retail sales, population, and average daily membership.

\*\* The Local Composite Index is multiplied by .49, pursuant to the 1988 Appropriations Act for the 1988-90 biennium. The Appropriations Act also provides that a locality whose composite index (multiplied by .49) exceeds .8000 shall be deemed to have an index of .8000 for purposes of distributing basic aid payments.

includes Emporia.

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SOURCE: Virginia Department of Education, *Facing Up 24: Statistical Data on Virginia's Public Schools* (August 1990).

Prepared by Division of Legislative Services

Complex funding formulas, although recognizing local poverty levels, may not sufficiently reflect consideration of other specific local problems. The Governor's Commission, through its Fiscal Equity Committee, indicated that while some "legitimate" differences in education funding exist due to high concentrations of special needs students, differing labor market costs, or varying transportation needs, current funding mechanisms should be adjusted to reflect "a measure of ability to pay which incorporates more accurate representation of local fiscal capacity, equal local effort, and recognition of taxpayer ability to pay."<sup>14</sup> In a region such as Southside, whose average per capita personal income consistently falls dramatically below the state average, consideration of local ability and willingness to support and improve public education is critical.

Fiscal disparities are not the only challenges facing Southside public schools. Because Southside schools typically have fewer resources and smaller student populations, course offerings, particularly in upper level courses, may be more limited than those of urban or more populous school divisions. Although there are seven Governor's Schools in the Commonwealth, none is accessible to Southside students. A number of magnet schools throughout the Commonwealth also provide unique advanced learning programs; again, these opportunities are limited in Southside. While some Southside school divisions may now "share" upper level courses, perhaps at a designated school or community college, more options must be explored to expand Southside course offerings.<sup>15</sup> Integrated learning systems are already being implemented in some Southside school divisions to combat program disparities. Computer hardware presents a substantial cost in program implementation, while annual licensing fees, ranging from \$10,000 to \$100,000, depending on the number of specific programs and subjects covered, also make integrated computer-enhanced instruction a significant budgetary consideration for localities that already have limited fiscal capacity.<sup>16</sup>

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14. Summary Report, supra note 12, at 11, 12.

15. Id. at 3, 5, 6. According to the Program Equity Committee of the Governor's Commission, many school divisions exceed the Standards of Quality (Va. Code § 22.1-253.13:1 *et seq.* (1991 Supp.)) in the quality and breadth of course offerings. The report states that all divisions, regardless of local wealth, currently exceed the Standards for offerings and staffing and suggests that this practice may indicate that divisions view the Standards as "too minimal to provide a quality foundation education." The Commission's Summary Report notes that "the extent to which the standards are exceeded reflects local aspiration and divisional wealth, and contributes to disparity." Among the Commission's recommendations addressing program disparities were establishing statewide goals for learning and performance-based assessments, upgrading the current Standards, expanding dual enrollments and regional programs, and establishing school and division accountability for student outcomes.

16. This past fall, Pulaski County voters approved a \$2 million bond issue to implement computer-enhanced instruction throughout its schools. Referenda to rebuild the county courthouse, damaged by fire, and to build an industrial park, were included on the ballot and were defeated. This fall, the division expects to have 454 computers, with a 12 to 1 pupil-to-terminal ratio. Students in grades K-12 will average 30 minutes of computer time daily to supplement classroom instruction in subjects such as math, reading, sciences, and typing. The system also benefits adults, who may use the computers in evening classes to pursue adult basic education and to obtain GED certification. Grant moneys support evening classes.

Greensville County has also pursued computer-assisted learning. Unlike Pulaski County, which uses instructional aides in the computer labs, Greensville employs teachers for its lab supervision. Funding for the new program came from existing dropout prevention monies and other local source, according to Phyllis Bishop and Isabelle Birney, Pulaski County Public School representatives, who testified at the July 26, 1991, task force meeting.

Also affecting program quality in Southside public schools is the availability of effective, qualified instructional personnel. Despite teaching scholarships designed to attract personnel to "those geographic regions which demonstrate a lack of ability to hire and retain qualified teachers,"<sup>17</sup> Southside school divisions continue to struggle in recruitment efforts. Testimony before the Task Force suggested that Southside school divisions may face greater challenges than do more populous areas, perhaps due in part to lower salaries and quality of life concerns. Additional study is needed, however, to confirm the severity of these employment challenges.

Effectively addressing disparities in Southside public education will require increased emphasis on accountability for student outcomes. Citing the lack of a clear standard of achievement and low student motivation, economic development experts and educators have called for the creation of new educational performance standards; schools must operate on the "underlying assumption . . . that every student can be educated to be a productive worker in a high wage, high skill society."<sup>18</sup> This commitment to higher expectations for schools and student academic performance was echoed in the report of the Governor's Advisory Committee on Workforce Virginia 2000 and is reflected in the Outcome Accountability program recently announced by the Department of Education.<sup>19</sup> The Task Force recognizes the value of incentives and accountability in improving the quality of public education in Southside Virginia and supports the efforts of the Department and local divisions to assume greater responsibility for student achievement.

## HIGHER EDUCATION

### *Forging Partnerships Between Educators and Business*

Improving Southside's system of public schools alone will not ensure a bright economic future for Southside Virginia. Countless studies indicate that new jobs in the next decade will require increased education, with specific emphasis in mathematics, science, and communications. Testimony before the full Commission and the Task Force revealed the frustration of local businesses and industries with an unprepared, unskilled labor force. Increasingly complex technology in Southside industry demands a literate workforce that is able to adapt to change and acquire new skills. Yet, compared to statewide averages, fewer Southside students pursue higher

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17. 1991 Appropriations Act, § 1-49, Item 166. There were 225 scholarship recipients in the 1990-1991 Teacher Scholarship Loan Program. Awards are limited to \$2,000 each. Currently, \$450,000 is appropriated for this program, compared to the approximately \$8.1 million allotted teacher scholarship programs in North Carolina. Summary Report, *supra* note 12, at 5. The North Carolina teacher recruitment programs also reach students in the public schools. Minutes, September 25, 1990, Task Force meeting.
  18. Skills, *supra* note 1, at 5, 58, 59.
  19. Partnerships for Excellence, *supra* note 2, at 13-16; Minutes, June 17, 1991, Task Force meeting. Comprised of seven accountability objectives, such as preparing students for college and work and increasing the graduation rate, the Outcome Accountability Program uses a variety of performance indicators to obtain data for use by the Department and school divisions to identify specific shortcomings as well as those schools requiring special assistance. Originally established as the Educational Performance Recognition (EPR) Program, the Program is authorized by Standard 3, which directs the Superintendent of Public Instruction to develop criteria for "determining and recognizing performance in the Commonwealth's public school divisions and schools. Va. Code § 22.1-253.3:3 (1991 Supp.). Funding for the EPR Program was reduced in the 1991 Appropriations Act, § 1-49, Item 161, State Education Services for Research, Testing, and Evaluation.

education, choosing instead to enter the workforce without the training, skills, and maturity necessary to ensure a productive future. Many of these students may fail to see any connection between formal education and the skills needed to compete effectively in the workplace.<sup>20</sup> Increasing the numbers of Southside students seeking higher education will require the combined efforts of public schools, business and industry, and higher education.

The availability of financial assistance may encourage those students who might not otherwise pursue higher education to explore opportunities at community colleges as well as four-year institutions. Southside school divisions should be urged to implement guidance programs to assist students who might not consider themselves "college-bound" in gaining admissions and funds to attend community college or other adult education programs.<sup>21</sup> A significant portion of Southside workers might be encouraged to return to school through special scholarships for community college tuition. Although financial aid may be available to full-time students at these institutions, many students are members of the workforce and must pursue higher education on a part-time basis. While community colleges may offer unfunded scholarships, certain existing state-funded scholarships, such as the Virginia Scholars Program, are restricted to full-time students at four-year institutions. The 1991 Appropriations Act provides \$3.4 million for community college financial aid; however, these funds, too, appear to be limited to full-time students.<sup>22</sup>

Consistent support for the Commonwealth's independent colleges and universities is also necessary to protect the ongoing commitment of these institutions to excellence in education and community service. In Southside Virginia and throughout the state, private colleges not only provide superior educational opportunities, but also serve as a catalyst for community development and activity. One such example is Saint Paul's College, which is developing an arrangement with a large energy corporation to build a waste-to-energy facility on property formerly used as the College's farm. The facility is expected to enhance area development, provide alternative energy for the school, and serve as an environmental laboratory for students. Similarly, Ferrum College is involved in community and economic development through its environmental studies program, which has obtained a grant to monitor water quality at nearby Smith Mountain Lake. The Southside Higher Education Consortium facilitates the sharing of personnel, faculty, cultural activities, and research among member institutions, both public and private, further strengthening

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20. Partnerships for Excellence, *supra* note 2, at 7, 8, 2. The Commission on the University of the 21st Century stated that "people will stay involved in education only if they perceive that schooling will result in better lives and opportunities." 21st Century, *supra* note 13, at 4.
21. Testimony of Ray Garguilo, Director of the Greater Richmond Area Scholarship Program (GRASP), Minutes, July 18, 1990, Task Force meeting. Programs such as GRASP might be especially attractive to Southside schools. Because private businesses provide funding for scholarship counselors, no additional state or local funds are needed to implement the program. Schools simply provide office space. The GRASP program is based on a successful program in Cleveland and currently serves over 20 schools. The program specifically targets students who might not have the academic record or financial means to attend a four-year college. Alexandria, Norfolk, and Raleigh have established similar programs. Although no specific data is available on retention and graduation rates of students assisted by GRASP, data from the Cleveland program indicates a 75% graduation rate for its scholarship students, compared to a 50% rate for all students.
22. Va. Code § 23-31 *et seq.*; § 23-38.53:1 *et seq.* (1985 and 1991 Supp.); 1991 Appropriations Act, § 1-51, Item 201.1; § 4-5.00b 1 a.

the ability of these institutions to enhance regional development.<sup>23</sup> The continued funding of the Tuition Assistance Grant Program (TAG) will help ensure support for the education and public service missions of Virginia's private colleges and universities.<sup>24</sup>

Virginia's institutions of higher education must not only be accessible to Southside students, but must also provide the education and training necessary to compete in an increasingly technological workplace. Because the nation's scientific and engineering workforce is threatened by retirements and dwindling student interest, it is especially critical that appropriate engineering training be available through higher education.<sup>25</sup> Although the Commonwealth boasts successful engineering programs at several institutions, these existing programs may not provide areas of training necessary to meet the needs of Southside employers. Further examination is necessary to assess the need to increase or expand engineering programs in Southside institutions of higher education.<sup>26</sup>

Clearly, the contributions of Southside's institutions of higher education, both public and private, to the region's economic development are numerous and invaluable. The Small Business Development Center, housed at Longwood College, provides high quality, low-cost assistance for small businesses. Supported by state and federal funds, the Center offers counseling, education programs, and workshops. Also serving Southside through Longwood are the Southside Virginia Literacy Network, the Longwood College Halifax/South Boston Continuing Education Center, and a school superintendents' network.<sup>27</sup> The region's four community colleges--Patrick Henry, Danville, Southside, and Paul D. Camp--also serve as centers for education, job training, and community activity. The efforts of these institutions to promote the economic development of the region and to improve the quality of life for Southside citizens will only continue, however, with the combined support of the private and public sectors.

## WORKFORCE TRAINING

### *Combining Public and Private Efforts*

The success of any workforce training and career development efforts is contingent upon public and private sector involvement. Businesses may ease the school-to-work transition through mentoring programs in the public schools, financial support of job training programs, and a commitment of time and personnel to on-site classes. "Adopt a school" programs offer businesses the opportunity to reduce the migration of Southside students to urban areas through education

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23. Testimony of Dr. Thomas M. Law, President, Saint Paul's College, Minutes, April 25, 1991, Task Force meeting; testimony of Dr. Jerry M. Boone, President, Ferrum College, May 23, 1991, Commission meeting. Members of the Southside Higher Education Consortium are Saint Paul's College, Hampden-Sydney College, Longwood College, and Southside Virginia Community College.
  24. Va. Code § 23-38.11 *et seq.* (1985 and 1991 Supp.).
  25. *21st Century*, *supra* note 13, at 6, 9.
  26. A joint subcommittee, established by Senate Joint Resolution No. 5 (1983), recommended in 1984 the increased use of "interactive television" to provide off-campus engineering programs and cooperation by institutions having engineering programs with those colleges expressing a need to establish programs. Report of the Joint Subcommittee Studying How Virginia Can Best Maintain High Quality Engineering Programs in Its Public Institutions of Higher Education, Senate Document No. 15 (1984).
  27. Testimony of Dr. William Dorrill, President, Longwood College, Minutes, August 20, 1990, Task Force meeting.



about regional career opportunities. Some businesses already have advisory committees in vocational school programs; extending this involvement throughout other educational programs will further enhance career development.<sup>28</sup>

Education must also be more responsive to current and anticipated workforce needs. The expanded use of 2+2 programs, and other partnerships may enhance the quality of training for future Southside employees. The success and growth of the Longwood College Halifax/South Boston Continuing Education Center may well illustrate the need to increase the use of "electronic classrooms" throughout Southside. Use of satellite technology may effectively overcome those geographic and financial barriers that have typically plagued rural education efforts.<sup>29</sup>

### *Reaching the Current Workforce*

Efforts to foster Southside economic development through education must reach not only students enrolled in the public schools and institutions of higher education, but also the current workforce. Because over 90 percent of Virginia's year 2000 workforce is already working, effective job re-training and development programs must be available to ensure the continued employment and productivity of these individuals.<sup>30</sup> Economic development experts agree that while our systems of public schools and higher education are "appropriate cornerstones . . . to meet the challenges of the 21st century," the existence of a comprehensive adult training system is necessary to bolster the reading, writing, problem-solving, and communications skills of current workers.<sup>31</sup> Current job training initiatives in the Commonwealth, however, have been fragmented throughout a variety of agencies, localities, and the private sector. The Task Force endorses the adoption of a statewide employment and training policy and the establishment of a single entity to coordinate these efforts, as recommended by the Workforce 2000 Commission.<sup>32</sup>

The comprehensive missions of Virginia's community colleges have permitted these institutions to embrace many programs that support job training. Partially funded from existing community college operating budgets, perhaps at the expense of other programs, customized worker training services are available through business and industry training centers at Southside community colleges. Essential to the region's economic growth and ability to attract new industry and employment, these job training programs may require specific, additional funding to ensure

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28. See E.C. Williams, "Building and Rebuilding Our Educational Infrastructure," Remarks before the Annual Meeting of the Association of Virginia Colleges and Universities (January 22, 1991); *Skills*, *supra* note 1, at 4.

29. The Halifax/South Boston Continuing Education Center of Longwood College is the product of a study on ways to bring post-secondary education to rural areas that have no community college or four-year institution of higher education. Initially offering 200 enrollees courses at a local high school, the Center now accommodates over 2,000 credit and noncredit enrollments from 10 Virginia institutions, including the University of Virginia, Old Dominion University, Virginia Commonwealth University, Longwood College, and Southside Virginia Community College. Affiliated with Longwood College since September 1989, the Center offers a volunteer literacy program, an MBA program through Virginia Tech, and eight master's degrees programs in engineering. Testimony of Dr. Sandra Feagan, Executive Director, Longwood College Halifax/South Boston Continuing Education Center, Minutes, July 18, 1990, Task Force meeting.

30. *Partnerships for Excellence*, *supra* note 2, at 3.

31. *Literacy*, *supra* note 5, at 15.

32. *Partnerships for Excellence*, *supra* note 2, at 22.

continued services. Currently, community college training centers may receive some federal and private dollars; however, state funds are not available to support the noncredit activities of these centers. Continuing education centers and public schools also offer job training opportunities; these efforts must receive stable funding as well.

That Southside must renew its commitment to training the current, as well as the future, workforce is clear. Although many effective programs are in place, these efforts may be hampered by lack of program coordination and uncertain funding. Participation in the global economy will necessitate the cultivation of a workforce that is productive and highly skilled. Southside business and industry, educators, and local governments and the Commonwealth must ensure that such a workforce will be available to meet the needs of 21st century employers.

## **CONCLUSIONS AND RECOMMENDATIONS**

While the challenges in Southside education and workforce training may be readily identified, the implementation of effective solutions may be less easily realized. Although current statewide fiscal constraints may hamper the implementation of new initiatives, the Task Force has nonetheless concluded that definitive steps must be taken to address the disparities that continue to undermine the growth of Southside Virginia. Specifically, the Task Force endorses continuing efforts to address fiscal and program disparities in public education and to promote increased accountability for educational performance. In addition, the Task Force supports the increased coordination and delivery of state job training efforts, as recommended by the Workforce 2000 Commission. Finally, recognizing that the future of economic development in Southside is inextricably linked to a quality system of public schools, the services and growth opportunities afforded by Southside's colleges and universities, and partnerships that recognize the shared responsibilities of educators, business, government, and individuals for successful growth, the Task Force submits the following recommendations for consideration by the full Commission:

### **PUBLIC EDUCATION**

**RECOMMENDATION 1:** *That the Governor and the General Assembly include in their efforts to reduce substantially regional disparities in education funding, facilities, and programs consideration of the special needs of school divisions beyond basic requirements and the adjustment of current funding formulas to reflect more accurately local capacity and willingness to pay for public education .*

Repeated testimony before the Task Force confirmed that student performance levels, course offerings, teacher compensation, and facilities in Southside do not compare favorably with other school divisions. If unaddressed, these deficiencies will produce an unprepared, unskilled labor force of the future. Effective solutions must acknowledge that a quality public school system is the responsibility of not only the Commonwealth, but also of localities, and must recognize the differing needs, abilities, and commitments of localities to the achievement of this ideal. Continued examination of program deficiencies and adjustment of present funding mechanisms are necessary to reduce and eliminate those educational disparities that hinder the growth and development of Southside and its citizens.

**RECOMMENDATION 2:** *That a joint legislative subcommittee examine regional difficulties in teacher recruitment and retention and the efficacy and appropriateness of strengthening current initiatives or creating new programs to enhance teacher recruitment and retention in those regions demonstrating the greatest need for assistance and a willingness to meet their local ability to pay for public education.*

Ensuring effective, quality instruction is essential to the improvement of Southside public education. Although existing teacher scholarship programs include repayment provisions for service in needy areas, Southside schools continue to experience difficulty in recruiting and retaining teachers. Further examination of current initiatives, the ability of localities to offer more attractive employment packages, and other incentives is necessary to assess the need for additional programs to enhance teacher recruitment and retention. The Department of Education, the State Council of Higher Education for Virginia, and the SVBEC might provide additional resources for this study.

**RECOMMENDATION 3:** *That the Department of Education and the General Assembly create incentives for public schools to improve student achievement levels, instruction, curricula, facilities, and parental involvement, including the establishment of an award designation for schools meeting certain performance criteria.*

Although the Outcome Accountability Program already establishes performance-based criteria for the assessment of public education, the existence of additional incentives will encourage schools to improve the delivery of educational services and student outcomes. Any award designation should reflect school size, location, area-specific challenges, and degree of improvement.

**RECOMMENDATION 4:** *That a regional, multi-site school focusing on applied learning be established in Southside Virginia and that the SVBEC coordinate with and monitor area efforts to create such a school.*

Pooling educational as well as financial resources will assist less affluent school divisions in reducing program disparities. A regional, multi-site school, combining aspects of both the Governor's School and the magnet school, would provide an effective mechanism to enhance program offerings in a region as large and as diverse as Southside. The school would improve not only training for future Southside career opportunities, but also efforts to attract outside industry. Satellite communications might further expand the number of students receiving services from a special school. The school might be supported by area business, institutions of higher education, local school divisions, and the Commonwealth.

**RECOMMENDATION 5:** *That state funds be appropriated to provide incentives, such as tuition or bonuses, for individuals residing in regions having low graduation rates to pursue adult basic education and ultimately to obtain adult evening diplomas or G.E.D. certification.*

Alarming regional dropout and unemployment statistics clearly indicate that Southside must make the improvement of average educational attainment levels one of its top priorities. Additional incentives for completion of basic education requirements will encourage adults to increase their educational and technical skills, ultimately enhancing their productivity and value as employees.

**RECOMMENDATION 6:** *That the General Assembly provide specific funding, either through grants or loans, to those school divisions demonstrating limited fiscal capacity for computer-assisted learning programs, including computer hardware and software.*

Already implemented in the Pulaski County and Greensville County public schools, integrated learning systems may greatly mitigate regional educational program disparities. Allowing students to learn at individualized rates, computer-enhanced instruction does not replace the teacher, but enhances learning through increased flexibility. The costs of computer hardware and software, as well as annual licensing fees, however, may place this innovative educational tool

out of the reach of most Southside school divisions, which already demonstrate lower ability-to-pay for basic public education requirements. Without special initiatives, the Commonwealth's funding for computer hardware will cease this year. The state should provide continued incentives or funding to implement these instructional programs in localities demonstrating the greatest program need and limited fiscal ability.

## HIGHER EDUCATION

**RECOMMENDATION 7:** *That Southside school divisions be urged to establish or participate in programs to encourage and assist students in obtaining admission and financial aid for higher education.*

**RECOMMENDATION 8:** *That the Virginia Community College System and the State Council of Higher Education examine the efficacy of and need for extending financial assistance to part-time students enrolled in community colleges and four-year institutions of higher education and residing in those areas having low per capita income and educational attainment levels and high unemployment rates.*

Recommendations 7 and 8 recognize that the 21st century employee will require advanced educational and technical skills to function productively in an increasingly sophisticated workplace. Southside must increase its efforts to reach those "forgotten" students who might not otherwise pursue higher education. Assistance in the sometimes daunting applications process would encourage many of these students to obtain the additional training required to be a marketable and productive employee in the Southside workforce. School divisions might specifically consider those low-cost programs involving area business and citizen volunteers that have proven effective in other localities. Training and re-training programs must also be accessible to the current workforce. The availability of scholarships for part-time students might encourage current workers and others to return to school to enhance their educational and technical skills.

**RECOMMENDATION 9:** *That the Southside Virginia Business and Education Commission examine the need to increase or expand engineering and technology programs in the region's institutions of higher education.*

Virginia's institutions of higher education must provide the technological and engineering programs necessary to train an effective 21st century workforce. An examination of current engineering programs should include consideration of industry need, estimated regional retention of program graduates, the types of technology and engineering programs presently offered, current and projected enrollments, and the use of satellite programs.

**RECOMMENDATION 10:** *That the Commonwealth continue and increase its funding of the Tuition Assistance Grant Program to ensure continued support for the education and public service missions of Virginia's private colleges and universities.*

The contributions of independent colleges and universities to the growth of Southside and the Commonwealth are invaluable. Serving as centers of community activity as well as education, these institutions must continue to pursue their multiple missions. Consistent funding of the Tuition Assistance Grant Program will help ensure the future of these institutions.

## WORKFORCE TRAINING

**RECOMMENDATION 11:** *That state funds be designated to support specific job training efforts in workplace training centers at community colleges, public schools, and continuing education centers.*

Southside's traditional reliance on older manufacturing industries, which are now changing and upgrading their technologies, justifies increased regional efforts in worker re-training. Special funding, specifically earmarked for worker training programs, is necessary to support training programs at community colleges, public schools, and continuing education centers. These appropriations should be limited to specific technical training and should be distributed to those programs serving areas that demonstrate the greatest need for regional efforts in worker re-training.

**RECOMMENDATION 12:** *That local business and industry be encouraged to increase participation in public education through mentors," adopt a school" programs, and other partnerships and by establishing advisory committees for schools and community colleges to assist students and educators in exploring career opportunities and educational goals.*

**RECOMMENDATION 13:** *That Southside public schools, community colleges, and four-year institutions of higher education expand dual enrollment programs to facilitate the pursuit of higher education and specific workforce training.*

Recommendations 12 and 13 reflect the Task Force's conviction that business and education must work together to improve workforce preparation for Southside Virginia. Many of Southside's best students, perceiving little opportunity for professional growth, leave the region for employment elsewhere. Mentor programs and other partnerships may permit businesses to assist students in career development and to apprise them of professional opportunities in Southside. In turn, educators must be more responsive to the employment needs of regional industry and might expand dual enrollment programs, perhaps increasing emphasis on vocational education, based upon identified labor needs.

**RECOMMENDATION 14:** *That \$100,000 in state funding be appropriated annually for the Southside Virginia Business and Education Commission.*

The expertise and continuing leadership of this new Commission will greatly enhance the quality of education and workforce training in Southside. Charged to lead the region in efforts to achieve excellence in education and to increase partnerships between business and education, the SVBEC will accomplish little, however, without stable funding to support its mission. Annual state appropriations will advance efforts to seek and obtain federal and private grants and will support basic Commission costs.

**RECOMMENDATION 15:** *That the Commonwealth appropriate funds for employment bonuses for graduates of institutions of higher education who accept employment in those regions demonstrating the greatest need for assistance in the recruitment and retention of qualified personnel.*

Believing that Southside career opportunities may be limited, many of the Commonwealth's most gifted students pursue employment elsewhere. The creation of employment recruitment bonuses will greatly enhance area efforts to attract and retain the most qualified workers to Southside.

**The Task Force extends its appreciation to those educators, public schools, community colleges, four-year institutions of higher education, representatives of the business community, and state agencies who contributed so generously their expertise and insight to the work of the Task Force.**

Respectfully submitted,

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## **Meetings of the Task Force on Education, Training, and the Workforce**

**June 25, 1990, South Hill**

**July 18, 1990, Longwood Halifax/South Boston Continuing Education Center, South Boston**  
Dr. Sandra Feagan, Executive Director, Halifax/South Boston Continuing Education Center; Ray Garguilo, Director, Greater Richmond Area Scholarship Program, Inc. (GRASP), "Assistance and Incentives for the College-bound Student"; Winifred K. Lowe, Administrative Director, General Education, and Elaine Granger, Testing Specialist, Virginia Department of Education, "Public Education Challenges in Southside Virginia"; Dr. John Cavan, President, Southside Virginia Community College, "Training and Continuing Education for the Workforce"

**August 20, 1990, Longwood College, Farmville**

Richard Grieg, Superintendent, Lunenburg County Schools, "Disparity Concerns in Southside Public Education"; Dr. William Dorrill, President, Longwood College, and Gerald L. Hughes, Executive Director, Longwood Small Business Development Center, "The Role of the Four-Year College in Workforce Training: Programs and Partnerships"

**September 25, 1990, Patrick Henry Community College, Martinsville**

Palinda Carrington, student, Halifax County Senior High School, "Educational Opportunities for Southside Public School Students"; Dr. Emmett Ridley, Supervisor, Educational Performance Recognition (EPR) Program, Department of Education, "Incentives for School Divisions: The Educational Performance Recognition Program"; Grace Drain, Chief Consultant, Teacher Recruitment Section, North Carolina Department of Public Instruction, "Ensuring Quality Instruction: Prospective Teacher Scholarship Loan Program and Teaching Fellows Program"

**October 23, 1990, Paul D. Camp Community College, Franklin**

Paul Stapleton, Superintendent, Charlotte County Schools, "Improving the Quality of Southside Public Education"; Dr. Kenneth Walker, Superintendent, Halifax County Schools, Coalition for Equity in Educational Funding, "Addressing Disparity in Education Funding and Quality"

**November 26, 1990, Southside Virginia Community College, Keysville**

Carolyn Cook and Catherine Clark, Governor's Commission on Educational Opportunity for All Virginians.

**March 28, 1991, Longwood College, Farmville**

**April 25, 1991, Saint Paul's College, Lawrenceville, Virginia**

Dr. Thomas M. Law, President, Saint Paul's College, "The Role of Private Colleges and Universities in Economic Development"

**May 15, 1991, ABB, Inc., Halifax**

**May 23, 1991, Ferrum College, Ferrum**

**June 17, 1991, Altavista Town Offices, Altavista**

Edward W. "Ned" Carr, Assistant Superintendent for Public Affairs and Human Resources, and Cameron Harris, Division Chief for Information Systems, Department of Education, "Outcome Accountability Program"

**July 26, 1991, Danville Community College, Danville**

Phyllis Bishop, Assistant Superintendent, and Isabelle Birney, Assistant Director for Research and Development of Innovative Technologies, Pulaski County Schools, "Computer Enhancement Program"



## **Appendix B**

### **Final Report of the Task Force on Finance, Marketing, and Incentives**

**to the**

### **Southside Economic Development Commission**

#### **TASK FORCE MEMBERS**

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**Final Report and Recommendations of the  
Task Force on  
FINANCE, MARKETING AND INCENTIVES  
to the**

**Southside Economic Development Commission**

**RECOMMENDATION 1:**

**That the 1992 Session of the General Assembly enact a double-weighted sales factor apportionment formula for the Virginia Corporate Income Tax which will serve as an income tax incentives for companies to locate and/or expand in Virginia.**

The task force recommends that the current three factor formula for apportioning U.S. income to Virginia for computing the Virginia income tax be changed. Virginia uses a standard three factor formula -- payroll, property, and sales -- each weighted equally. The majority of states utilize this three factor, equally weighted apportionment formula. This traditional formula places two thirds of the tax burden on production within the state and one-third on sales within the state.

There has been a growing trend recently in other states to change the formula by which revenues are apportioned by double-weighting the sales factor. By giving more relative weight to sales (and therefore less to payroll and property) the change reduces the taxes of a corporation with a relatively heavy concentration of facilities in the taxing state while increasing the taxes of a corporation that sells products in the taxing state but which has relatively little in the way of production facilities in such state. At least sixteen states weigh sales at least 50% for purposes of apportioning U.S. net income to their state. A number of neighboring states use the double-weighted sales factor, including Kentucky, North Carolina, and West Virginia.

Double-weighting the sales factor would reduce the Virginia Corporate Income Tax for those companies which have a sales factor less than the average of their payroll and property factors and it would increase this tax for those companies having a sales factor higher than the average of their property and payroll factors. Thus, a company with a heavy mix of headquarters or facilities in Virginia relative to their sales would experience a reduction in their corporate income tax while a corporation which has a lighter mix of headquarters or facilities in Virginia relative to their sales would experience a tax increase.

Double-weighting the sales factor will primarily benefit those corporations with facilities here in Virginia as well as those corporations which may wish to expand or locate such facilities here in the future. These are the 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 this change should be used as one of the tools which Virginia employs to attract business to Virginia and to increase economic activity and employment in Virginia. This incentive would apply to all areas and corporations regardless of size. The task force believes this is a preferable approach than trying to enact specific incentives for certain companies to locate facilities in Virginia.

**RECOMMENDATION 2:**

**That a 13-member Southside Virginia Marketing Council be established to: (a) promote Southside Virginia and help attract development prospects to the region; (b) encourage localities to work cooperatively to promote strengths and advantages of the region; and (c) support regional promotion through funds**

**generated by a voluntary local per capita assessment, not to exceed \$1 per resident annually, and by matching appropriations from the Commonwealth.**

The task force examined the way the Department of Economic Development and localities in the region market themselves. It is clear to the task force that there is a great deal of diversity in the Commonwealth, and thus, it is difficult to market the Commonwealth as a whole. It is equally clear Southside localities have spent over \$30 million of their own money on economic development in their own localities and that the localities in this region have a great deal in common. As a result, the task force believes a regional approach to attracting economic development prospects is the best way to approach economic development, and therefore, the task force is recommending that a 13-member Southside Virginia Marketing Council be established to provide a regional approach to attract development prospects to Southside. This regional approach would supplement and enhance current local efforts.

Localities in Southside would be allowed to join this regional effort contingent on their voluntary contribution to the region which could not exceed \$1 per resident annually. The Commonwealth would encourage this effort since it would also benefit the Commonwealth by providing a 50/50 match of the funds collected by the region. The task force recommends that this match be generated by earmarking 3% of the state's existing state cigarette tax for this match.

The funds would be allocated and spent by the Southside Virginia Marketing Council. The composition of the Council would be as follows: two members of the General Assembly; two locally elected officials; two local economic development representatives; two planning district chairmen; and five private sector representatives.

The task force envisions the Southside regional marketing strategy would consist of the following:

- The preparation of a strong image campaign for Southside Virginia. Funding for this would be sufficient to use professional advertising firms to develop promotional campaigns aimed at business and industry.
- The development of a regional press kit that would double as a marketing piece summarizing the key attributes of the region. Individual Southside communities could place their own materials in the kit to complement the regional items.
- Preparation of a mail-out piece that would take the form of a regional map, highlighting one publicly owned park or site in each Southside locality with the key attributes of the region.
- Production of marketing videos that would highlight the economic development accomplishments and successes as well as the attributes of the Southside region. These videos would also be produced in various foreign languages, particularly Japanese and German.
- Coordination through the Virginia Department of Economic Development (VDED) of direct call marketing trips to North Carolina markets such as Raleigh, Greensboro, and Charlotte with local economic developers.
- Establishment of a region-wide resource guide which would include information resources, literacy training opportunities, financing programs, buildings, sites, availability of housing, and economic development points of contact for each locality, etc., throughout Southside Virginia.

- Development of a network computer software package for data basing of Southside Virginia demographics and site/community information that all local economic development offices could tie into.

### **RECOMMENDATION 3:**

**That the region continue its efforts to encourage regional cooperation by the cities and counties of Southside.**

Numerous studies have shown that economic development prospects are strengthened by multi-jurisdictional cooperation in those areas which enhance economic development. Although it has not always been the case in the past, localities in Southside are working together to boost the economic development prospects in the region because they know development in one locality brings development to the entire region. The region has many advantages which it is proud to showcase to prospective clients. The region must continue to build on the strong foundation of cooperation which it has laid.

### **RECOMMENDATION 4:**

**That Southside localities, the Department of Economic Development, and the Southside Virginia Marketing Council coordinate with selected successful companies having facilities in Southside to develop strategies to attract new or expanded facilities from such companies.**

Economic development emerges from the formation of new business and the expansion of current business. The task force has concluded that a greater effort needs to be made by the Commonwealth to work with successful companies with facilities in Southside to encourage those firms to expand or locate new facilities in Southside. The task force believes these are the companies which know Southside best. It is strongly felt that these companies can be Virginia's best development ambassadors to spread the word about Southside being an attractive place for business. The task force has received testimony that existing industry provides a significant number of new jobs nationwide. As a result, a greater effort needs to be made to promote new or expanded facilities from such companies.

The task force believes this would radically alter the Commonwealth's approach to attracting development prospects by having the Commonwealth actively going out to see what it would take to get specific prospects to build new facilities and/or expand an existing facility. These visits and contacts to Southside companies would be undertaken jointly by the locality, its representatives, the Department of Economic Development, and the Southside Virginia Marketing Council.

### **RECOMMENDATION 5:**

**That the General Assembly monitor and examine the Department of Economic Development's proposals regarding the implementation of the Commission's 1991 one-stop permitting recommendation.**

The Commission has been deeply concerned with unnecessary and unacceptable delays in the permitting process in Virginia. The Commission indicated in its interim report to the 1991 Session that when a economic development prospect indicates a willingness and a commitment to expand or locate a facility here in the Commonwealth, the Commonwealth should, at the very least,

not unnecessarily delay the initiation of the project with bureaucratic road blocks. The Commission is not suggesting that permit standards be relaxed or that the responsibility for permitting approaches be shifted. The recommendation, however, was to have "...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." The General Assembly and the Governor agreed to the Commission's recommendation by passing SB 590 which requires the Department of Economic Development to come up with a plan to carry out this legislation.

The Secretaries of Economic Development and Natural Resources and their agencies have proposed some changes to the permitting process and the General Assembly needs to review these changes to ensure that businesses are not experiencing unnecessary delays in their permit applications.

### **RECOMMENDATION 6:**

**That a Southside Virginia Development Authority comprised of 12 members be established to administer: (a) a \$25 million low interest loan pool to provide, water, sewer, gas and other infrastructure needs to assist in Southside prospect locations; (b) a \$5 million pilot revolving loan fund to provide loans at market interest rates for the formation of new enterprises and the expansion and modernization of existing industry, especially small and medium-size manufacturers; and (c) a \$5 million "project closing" fund to assist with prospect location decision making and relocation expenses to Southside Virginia.**

The Commission has noted that Southside is a region that has not experienced the tremendous growth of the golden crescent area of the Commonwealth. Southside has been characterized as a relatively low income area with a relatively high unemployment rate. The area has also been hurt by its relatively high dependence on manufacturing relative to the rest of the Commonwealth. With increasing technology and the resulting reduction in the size of the labor force, the tendency has been for employment to decrease in the manufacturing area in Southside.

The task force has seen that Southside localities are working together to attract development prospects. Localities in the region have spent more than \$30 million of local money for economic development purposes in recent years. This is especially significant, due to the relatively lower levels of income in Southside than in the remainder of the state. It is clear that Southside localities and the region need to do more to improve economic conditions in Southside. It is also clear that economic development or lack of development affects the entire Commonwealth.

The task force recommends that a series of initiatives be taken to help Southside localities establish some of the infrastructure which is critical to encourage prospective development clients to locate in Southside.

The task force recommends that the Commonwealth establish a \$25 million low interest loan pool, which would be available to Southside localities, to provide water, sewer, gas and other infrastructure needs to provide more development sites for economic development prospects. The task force has found that it is critical to provide usable sites in order to attract prospective development prospects. This combination of local effort and low interest loans for completion of development sites when combined with other recommended initiatives would give a significant boost to the economic development fortunes of Southside Virginia.

The task force believes that some priority should be given to regional projects. The Authority would oversee the program and would include local government officials, private sector representatives and people with experience with banking and the investment area.

The task force also recommends a \$5 million pilot revolving loan fund be established to assist small and medium size manufacturers who are having difficulty borrowing capital. The task force recommends these firms could borrow up to 50% of the total project cost which was borrowed from other lending sources, not to exceed \$250,000, per project. The program is geared toward those types of potential borrowers whose financial needs are not served, or are served inadequately, by existing sources or newly established sources, such as VEDCORP.

Finally, the establishment of a \$5 million "project closing" fund to address extraneous costs of locating in the Commonwealth, i.e., relocation expenses. The fund could be used to ensure that a development prospect would not be lost because of an inability to meet an important area of support to the prospect. This fund would be managed by the Southside Virginia Development Authority and a performance contract would be required for companies to receive funds from this project closing fund.

### **RECOMMENDATION 7:**

**That the Center for Innovative Technology (CIT) establish an industrial, manufacturing modernization outreach program, initially on a pilot basis in Southside Virginia, to assist firms of all sizes in the modernization of production processes, management and marketing efforts.**

The task force believes manufacturing is one of the keys to economic development in Southside Virginia. One of the necessary ingredients to encourage development is to ensure that manufacturers in the region, especially small and medium-size manufacturers, modernize their production processes, management and marketing efforts. In the global economy where Southside firms are competing with manufacturers throughout the world, it is critical that the manufacturing process be efficient. Larger firms have the resources to adopt world-class standards; smaller firms need to have a way to keep up with the state-of-the-art.

For example, Georgia has had a program since the early 1960s utilizing 25 industrial engineers who work out of twelve regional offices to provide advice on modernization to smaller firms. It has proven to be very successful in Georgia.

In an attempt to capture the best of the Georgia program, the task force recommends that legislation be enacted to require CIT to establish a pilot program in Southside to reach out and assist manufacturers to modernize their production processes, management and marketing efforts. The legislation would require the program to be patterned after the Georgia approach and be in place and operating by July 1, 1993. The region and the Commonwealth will then be in a position to monitor the program to determine its effectiveness and to see if it should be expanded or terminated.

The Center for Innovative Technology, in its public purpose, is charged with facilitating and coordinating "...the marketing, organization, utilization and development of scientific and technological research and development in the Commonwealth, the advancement of knowledge therein and the growth of scientific and technological research and graduate education in science and technology in the Commonwealth and to meet the needs and demands of public institutions and private industry therefor, and to promote the industrial and economic development of the Commonwealth." The task force believes that CIT is the proper agency to provide this "hands-on" technical assistance and that this program would be very important in attracting smaller and medium-size manufacturing firms to locate to Virginia.

## RECOMMENDATION 8:

**That the State Council on Higher Education for Virginia (SCHEV) study the feasibility and desirability of Virginia Tech establishing a free-standing manufacturing research center in Southside to help process innovations and help Southside businesses to implement them.**

The task force has found that manufacturers must not only be provided a way to keep up with the latest innovations (Recommendation No. 7), but also to develop a manufacturing research center that would allow research in the latest manufacturing techniques. The task force believes that Virginia Tech should be directed to prepare a proposal to establish a free-standing manufacturing research center in Southside to help develop manufacturing process innovations. The use of Virginia Tech and perhaps other colleges would help bring state-of-the-art manufacturing research to Virginia. The recommendation would focus research efforts at one facility in Southside and make this a center of research in the Commonwealth. It would increase the professional environment and network within Southside and make the region much more attractive to manufacturers who want to utilize the latest production techniques.

Respectfully submitted,

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## **Appendix C**

### **Final Report of the Task Force on Agriculture, Forestry, and Natural Resources**

**to the**

### **Southside Economic Development Commission**

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## **SOUTHSIDE ECONOMIC DEVELOPMENT COMMISSION**

### **TASK FORCE ON AGRICULTURE, FORESTRY, AND NATURAL RESOURCES FINAL REPORT AND RECOMMENDATIONS**

Development and conservation of Southside Virginia's abundant natural resources are critical to the economic future of the region. The existing forestry-and agriculture-based industries are excellent stewards of the environment and depend on protection of the natural resources for their current and future livelihood. In its interim report to the Southside Economic Development Commission, the Task Force on Agriculture, Forestry, and Natural Resources stated its commitment to "enhancement of the area's agricultural business, forestry resources, and recreational opportunities."<sup>1</sup> In this final report, the Task Force demonstrates its commitment to greater prosperity through recommendations and actions which will advance the development of natural resources-based industries.

During the last year, the Task Force focused its efforts in five major areas:

1. Planning and Research;
2. Diversification, Value-Added Processing, and Marketing of Agricultural Products;
3. Forestry;
4. Tourism and Recreational Development; and
5. Regulatory Environment.

The Task Force has been assisted by numerous individuals and organizations, and especially wishes to acknowledge the valuable assistance of the Secretaries of Economic Development and Natural Resources; the Departments of Agriculture and Consumer Services, Conservation and Recreation, Economic Development, Forestry, Game and Inland Fisheries, Historic Resources, and Transportation; the Virginia Council on the Environment; Virginia Polytechnic Institute and State University (VPI & SU); Virginia State University; Longwood College; and the National Governors' Association.

As a result of recommendations in the Task Force's interim report, several actions have already begun. First, on June 13, 1991, the Secretaries of Economic Development and Natural Resources convened a group of agency heads, business persons, industry association representatives, and environmentalists to discuss how the agencies might work with business, particularly small business, to meet the regulatory requirements. Two Task Force members also attended that meeting. At the conclusion of the meeting, better understanding had been achieved among the participants, and interest was expressed to plan future meetings with broader participation, particularly from business.

Second, the Departments of Forestry and Transportation developed a timber bridge initiative which will be implemented during fiscal year 1991-92 in each of the nine transportation districts. During that same period, the Department of Transportation will evaluate the potential for future timber bridge construction. Approximately 5,600 structures are potential candidates for

timber construction. Over 500 of those bridges are in need of immediate repair or replacement. In addition, the Federal Intermodal Surface Transportation Infrastructure Act of 1991 includes a provision to make research and construction grants to encourage the use of timber and wood products in highway bridges. The House of Representatives is scheduled to consider the bill this fall.

Finally, the Council on the Environment was asked by the Secretaries of Economic Development and Natural Resources to be the lead agency in researching a plan for developing the recreational potential for Southside Virginia. The resulting report and recommendations were very helpful to the Task Force in its deliberations.

The following sections describe the background and recommendations of the Task Force for this final report to the Commission.

## PLANNING AND RESEARCH

**RECOMMENDATION 1:** *That the Secretary of Economic Development develop a strategic plan to guide the evolution of agriculture in Virginia. This plan would become the blueprint for future resource allocations and should be reported to the Senate Committees on Finance and Agriculture, Conservation and Natural Resources and the House Committees on Appropriations and Agriculture during the 1993 Session of the General Assembly.*

Agriculture remains a vital component of rural economic development in Southside Virginia. However, long-range planning is needed to develop strategies to face changing conditions in agriculture, forestry, and related businesses. The need for strategic planning was cited in a 1987 study by VPI & SU but has yet to be accomplished, largely because no single organization has a mandate to perform the broad range of planning that is required. A comprehensive planning process should involve public agencies, members of the General Assembly, the land grant universities, and agriculture-and forestry-related organizations in the private sector.

**RECOMMENDATION 2:** *That the 1992-94 biennium budget include funds for expanded research initiatives at VPI & SU and Virginia State University in biotechnology, environmental sciences, and the development of new industrial opportunities, such as new uses for tobacco, animal proteins, and wood wastes.*

Protecting the environment while increasing the competitiveness of Virginia's natural resources-based industries is one of the most challenging issues of the 1990's. A national expert has predicted that by the year 2020, tobacco will be Virginia's leading crop, but it will be used less as a smoking material and more as a valuable protein supplement and ingredient in pharmaceutical products. Farm-raised fish total 10 percent of the nation's seafood supply--up from zero percent in 1976. However, research on alternative uses of tobacco is still evolving, and in recent months, disease has threatened the supply of fish raised in a closed system environment. Fortunately, Virginia has outstanding land grant universities and faculties that can help with the important research that needs to be accomplished. Research and education programs can help develop new industries and expand existing industries. Research can find ways to recycle waste or use waste products in other systems. Research can also improve the capability of farmers and landowners to

manage the natural resources and can develop alternative products and uses for traditional products, crops, and animals.

## **DIVERSIFICATION, VALUE-ADDED PROCESSING, AND MARKETING OF AGRICULTURAL PRODUCTS**

**RECOMMENDATION 3:** *That the 1992-94 biennium budget include \$125,000 to complete the planning for the Southeast Virginia Regional Farmers' Market.*

Farmers' markets add value to the crops raised in the Southside region by increasing the market potential. The Southside Regional Farmers' Market, located in Halifax, is the only market in the planned network actually in operation. Planning for the Southeast Regional Farmers' Market, which will be located in Southampton County, has been delayed because of budget reductions.

**RECOMMENDATION 4:** *That the 1992-94 biennium budget include \$100,000 (\$50,000 each year) to support diversification loans for farmers in Southside Virginia.*

During fiscal years 1988-89 and 1989-90, farmers in Southwest Virginia were eligible to receive loans to support agricultural diversification. Farmers who received loans were selected from a group of applicants who provided plans on how they were going to diversify. Nine diversification loans were funded from the 18 applications. The program was successful in Southwest Virginia and provided start-up funds for farmers to grow chipping potatoes, bramble fruits, gourmet Irish potatoes, cabbage, and cut flowers and to raise livestock such as cashmere goats. Such a program could also work successfully in Southside Virginia to encourage diversification.

Many nontraditional crops can be harvested and sold when traditional crops, such as peanuts and tobacco, are not in season. At the Southside Regional Farmers' Market, for example, broccoli has been encouraged as an alternative crop to tobacco. Broccoli is a crop for which demand far exceeds the local supply. As a result of an incentive program, broccoli acreage in Virginia more than doubled in one year. Trends toward healthier food products and natural fibers will increase demand for products such as canola, high-value soybeans, and cotton.

The construction of Virginia's first cotton gin in more than a decade is responsible for a resurgence in that crop. Acreage of cotton grew from 5,000 acres in 1990 to 17,000 acres in 1991. The financing of the gin was achieved through a combination of private funds and a loan guarantee from the Commonwealth. This cotton gin is an excellent example of how a processing facility can lead to significant increases in the production of raw materials.

Canola is increasing in demand because the oil is lower in saturated fat than safflower, sunflower, or corn oil. In addition, some of the high-value soybeans are becoming popular export items and have potential value for Virginia farmers.<sup>2</sup>

**RECOMMENDATION 5:** *That the Rural Rehabilitation Trust Fund be used to assist low income farmers who want to diversify but are unable to obtain credit from any other source and*

*that loans should be particularly targeted to development of the aquaculture industry and the use of drip-irrigation systems.*

The Rural Rehabilitation Trust Fund is used to assist low-income farmers unable to obtain credit from other sources. The Trust Fund is administered by the Department of Agriculture and Consumer Services and is used to make loans to farmers whose adjusted gross income does not exceed \$30,000 per year. Aquaculture has grown into a \$20 million industry in Virginia over the last three years, but start-up assistance is often needed in the beginning of a fish-farming enterprise. The drip-irrigation method of farming is useful in an area with varying temperatures and seasonal changes like Southside Virginia. Drip-irrigation provides a constant supply of water and the nutrients needed to produce healthy crops. Drip-irrigation would be particularly beneficial for diversification crops which require constant water and nutrients, such as broccoli, peppers, cauliflower, tomatoes, and asparagus.<sup>3</sup>

**RECOMMENDATION 6:** *That the State Corporation Commission examine the availability of insurance for diversification crops and report its findings to the House Committee on Agriculture and the Senate Committee on Agriculture, Conservation and Natural Resources during the 1993 Session of the General Assembly.*

Affordability of insurance for diversification crops has been cited as a factor in the reluctance of some farmers to plant alternative crops. When a farmer plants a new crop, he is faced with many questions, e.g., how much of the crop to grow, what price to expect, and how to protect the investment. To protect the investment, the typical farmer considers two approaches: protection against loss and the means for obtaining a good price. Risk management means putting together the best package of protective tools. Crop insurance can be the "foundation to give security and peace of mind throughout the growing season."<sup>4</sup> It was reported to the Task Force that insurance for diversification crops is available but at rates that are not affordable to most growers, principally because of the lack of experience with the new crops. As a step toward making the insurance more available, knowledge of what the market place has to offer is needed. The State Corporation Commission, although it has no jurisdiction over rates in this area, can survey carriers to find what kinds of insurance are available and at what rates.

**RECOMMENDATION 7:** *That the 1992-94 biennium budget include \$80,000 to establish a loan program to pay farmers two-thirds of the cost of their product upon delivery to the Southside Regional Farmers' Market.*

Farmers who use the Southside Regional Farmers' Market for their produce must sometimes wait at least 30 days for payment following delivery of their product to the market. The farmers' market must ship products to the point of sale and wait for payment before paying the farmers. Waiting for payment discourages some farmers from using the market. If funding were available to establish a short-term loan (60-day maximum), farmers could receive reimbursement for their expenses upon delivery of their product. The loan would be between the Commonwealth, the Farmers' Market Board, and the farmers' market. Once payment for products was received, the farmers' market would repay the Commonwealth.

**RECOMMENDATION 8:** *That the use of refrigerated trucks and satellite pick-up points for farmers using the Southside Regional Farmers' Market be expanded.*

In 1989, the Department of Agriculture and Consumer Services conducted a one-year program in which refrigerated trucks were placed in satellite locations for farmers to bring their produce for shipment to the Southside Regional Farmers' Market. The project was successful because it defrayed shipping and refrigeration costs for these farmers. As the market network expands and, particularly when the Southeast Market begins operations, additional satellite points would increase the number of farmers using the network.<sup>5</sup>

**RECOMMENDATION 9:** *That the Departments of Economic Development and Agriculture and Consumer Services identify agricultural and forest industries that are related to the current production base in Southside Virginia, develop expertise in these areas, and target these industries for location or expansion.*

**RECOMMENDATION 10:** *That the 1992-94 biennium budget include \$750,000 for construction of a pilot agribusiness park in Southside Virginia and that these funds be matched by \$250,000 in local funds and administered in a manner similar to the Communities for Opportunity program in Southwest Virginia.*

Currently, no state program is specifically directed toward the attraction of agricultural industries in Virginia. Agribusiness firms interested in expanding or relocating to Virginia often must search on their own for a location with the appropriate infrastructure, transportation, and amenities. Locating agribusiness in an industrial park could stimulate increased agricultural activities as well as open new markets for farmers and food processors. Potential occupants of the park include farmers' cooperatives, farm organizations, marketing groups, distributors, processors, suppliers, and related businesses. The Communities for Opportunity program in Southwest Virginia included the development of an industrial park as an essential program element. That program could be replicated in the form of agribusiness parks for the Southside.

## FORESTRY

**RECOMMENDATION 11:** *That the Departments of Economic Development and Forestry explore additional markets for pine pulpwood and chips, particularly among the southern states where prices are higher.*

Timber resources are among Southside Virginia's most important assets. This area contains 6,533,000 acres of forest land, not including 20,000 acres of timberland set aside for parks and other reserved uses. The economic impact, permanency, and growth potential make forest-based industries an attractive target for economic development. Lumber, veneer products, wood pulp, and both structural and industrial particle boards hold significant promise because of the volume and species mixture found in the Southside. The industry depends on local suppliers for raw materials; sales turn over locally and generate jobs and income for local people; forest-based firms tend to be tied to the region to be near the source of their raw material; and wood-processing facilities are often small and owned by local individuals. Virginia has a rich mixture of hardwood and softwood timber, and the production potential is expanding rapidly as new products and markets are developed for these species.<sup>6</sup>

**RECOMMENDATION 12:** *That a \$50,000 revolving loan fund, administered by the Department of Forestry, be established to provide capital for the purchase and operation of mechanized equipment for thinning pine plantations.*

Yellow pine is the most abundant softwood species in the region. Because of heavy pressure on the pine timber resource, there is a significant amount of young pine below the minimum size class for sawtimber (nine inches and above in diameter). These young pine plantations need to be thinned in order to produce larger diameter trees. Area sawmills would benefit as would private landowners who would have larger, more valuable trees to sell. An increase in the acreage of southern pine plantations and a reduction of available labor have created a large backlog of pine plantation acreage in need of thinning. Virginia pulp mills are currently operating at a capacity that cannot absorb all the pulpwood that is potentially available. More mechanized thinning contractors and additional markets for pulpwood and pine chips are needed to encourage increased thinning.<sup>7</sup>

**RECOMMENDATION 13:** *That a research initiative be included in the 1992-94 biennium budget for VPI & SU to study the technologies, policies, and incentives needed to promote greater use of wood wastes for fuels and other products.*

**RECOMMENDATION 14:** *That the Department of Forestry coordinate a project with other state agencies and private sector organizations which will result in linkages between industries that produce wood residue and industries that can use the residue in their manufacturing processes.*

**RECOMMENDATION 15:** *That the Secretary of Administration review the policies and procedures that affect the use of nontraditional fuels at state facilities and proceed with conversions to wood-burning boilers where economically feasible.*

**RECOMMENDATION 16:** *That the Virginia Coal and Energy Commission with the assistance of the Virginia Center for Coal and Energy Research and the Brooks Forest Products Center at VPI & SU examine the policies needed to promote greater use of wood wastes for fuel.*

Producers of sawdust, bark, and other manufacturing residues can find markets in many areas, such as pulp, fuel, mulch, animal bedding, particleboard, and activated charcoal. If the residues cannot be sold, the byproducts become a waste disposal problem and a cost rather than a source of revenue. Excellent research advances have been made, but, currently, the most promising market for wood wastes appears to be for fuel.

The market for wood fuels would extend to both manufacturing residues as well as harvesting residues. Timberland owners would collect additional revenue, reforestation costs would be reduced, and the aesthetics of the harvested areas would be improved. Finding markets for the manufacturing and harvesting residues would provide an important stimulus for the growth of the industry. In fact, the accumulation of unused wood residues will inhibit any future increases in the production of wood products in Southside.<sup>8</sup>

Three state facilities (Longwood College, Piedmont Geriatric Center, and Augusta Correctional Center) are currently using wood for fuel in their central heating plants. At

Longwood College, the use of wood saves approximately \$300,000 each year in heating costs over the use of oil. The college converted to sawdust in 1984-85, and even after factoring in the cost of the conversion and the addition of the fuel handling system, the College has saved money. The Department of General Services has identified, from a study conducted in 1983, two additional facilities that have the potential for converting to the use of wood for fuel. With the changes in technology, others may be possible.

**RECOMMENDATION 17:** *That the Departments of Transportation and Forestry report the results of a pilot project using timber bridges in the bridge replacement program to the Senate Finance and House Appropriations Committees during the 1994 session of the General Assembly.*

Timber was the traditional bridge construction material for railroads and highways until the early 1900's when steel and concrete became more common. Currently, only 12 percent of the national bridge inventory has wood as the primary structural material.<sup>9</sup> With advances in hardwoods technology, timber bridges have again become an attractive alternative to costly steel and concrete bridges. Timber bridges can support the same maximum legal loads as conventional bridges. They are the most practical for short-span bridges (less than 30 feet) and on those roads with light traffic volume. Timber bridges have been found to be economically competitive with other materials and designs, exhibit excellent performance characteristics, and offer attractive construction characteristics such as design simplicity, reduced need for highly skilled labor or heavy equipment, and use of local resources.<sup>10</sup>

West Virginia, New York, and Pennsylvania have implemented successful timber bridge construction programs. In Virginia, the Department of Transportation reports that timber construction could be adapted to 5,612 bridges. Within this group, 521 bridges need immediate repair or replacement. The estimated value of immediate replacement needs is \$7.7 million. The Department reports the potential for both immediate and long-term use of structural timber products for many of Virginia's bridges.<sup>11</sup>

The Department of Transportation has agreed to construct a minimum of one timber bridge in each of its nine construction districts as a pilot project. The purpose of the pilot project is to gain some experience with the cost and construction requirements for the bridges.

**RECOMMENDATION 18:** *That the Department of Economic Development target the structural timber manufacturing industry for development in Southside Virginia.*

Virginia does not currently have the structural timber manufacturing industry that will support the construction of timber bridges. Ideally, the industry should be able to manufacture glue-laminated and stress-laminated products from Virginia's timber resources. Once begun, structural timber products could find a market for uses in addition to bridge construction.

To make timber bridge construction more economical and to improve the probability that Virginia timber resources are used, at least two structural timber manufacturing operations are needed in Virginia. One plant should specialize in producing glue-laminated products and the other in stress-laminated structural products. A timber laminating plant would require an investment of approximately \$10 million, use approximately five million board feet of lumber annually, and employ over 25 people. Local timber manufacturing facilities are necessary to achieve the desired economies in timber bridge construction. By using local timber resources, manufacturing plants

could produce value-added products that provide greater economic benefit to the Commonwealth.<sup>12</sup>

**RECOMMENDATION 19:** *That the 1992-94 biennium budget include \$750,000 to develop a regional forest products industrial park in Southside Virginia and that this park be developed in a manner similar to the Communities for Opportunity program, with localities providing \$250,000 in matching funds.*

Industrial parks provide an opportunity for businesses to locate in an area, share services and be close to related industries and suppliers. The development of an industrial park is a basic program element of the Communities for Opportunity program in Southwest Virginia. Primary wood-processing operations require large amounts of space for log and product storage that is not available in most of the industrial parks being developed in Southside Virginia. However, a 100-acre industrial park dedicated to wood-product manufacturing would provide the necessary accommodations. A kiln-drying facility could be the "anchor." Hardwood dimension plants, cabinet shops, and similar value-added operations would be suitable targets for location in such a park. Various administrative functions, such as clerical operations, could be shared by the industries. Sawmills or mills located in the park would provide the lumber for the kiln.<sup>13</sup>

**RECOMMENDATION 20:** *That the Departments of Agriculture and Consumer Services, Economic Development, and Forestry and the Virginia Port Authority develop an export market for hardwood chips and create a plan to develop a chip loading facility in the Hampton Roads area and a chip mill in Southside Virginia for presentation to the House Appropriations and Senate Finance Committees during the 1994 Session of the General Assembly.*

The Pacific Rim countries have become an important market for hardwood chips for many southeastern states. The export market has developed around four ports which have chip-loading facilities and are close to an abundant low-grade hardwood resource. Virginia has an ideal source of hardwood chips, but the lack of loading facilities has kept Virginia loggers and tree farmers out of the market. Virginia is cutting only 46 percent of its annual hardwood growth. An export chip market would create additional markets for surplus low-grade material and lead to greater production.

To enter the hardwood chip export market, Virginia needs a chip-loading facility. The site would require a water depth of 38 to 40 feet and approximately 20 acres for handling and storage. Estimated capital expenses to construct such a facility would be approximately \$10 to \$15 million. To manufacture the hardwood chips, a chip mill will be needed. The chip mill, located near the hardwood resource, would require approximately 15 to 20 acres and approximately \$4 to \$5 million for construction expenses.<sup>14</sup>

**RECOMMENDATION 21:** *That the Departments of Forestry and Economic Development and VPI & SU establish an educational program in hardwood dimension products to stimulate interest among the existing forest products industries.*

Cut-to-specification (dimension) products represent an expansion opportunity for forest product industries. By upgrading lower grade hardwood lumber into cut-to-size parts, the manufacturer produces a product that is in demand both in this country and abroad. Current export sales for dimension products are less than five percent of the total export lumber market.



Manufacturers could benefit from a program which would inform them about the market and technology for producing dimension products.

## **TOURISM AND RECREATIONAL DEVELOPMENT**

**RECOMMENDATION 22:** *That a recreation and tourism "hub" be developed for the Southside region.*

Domestic travelers' expenditures in Virginia totaled eight billion dollars in 1989. Only \$160 million or about two percent was spent in Southside Virginia. Less than seven percent of the hotel rooms and less than five percent of the bed and breakfasts in Virginia are located in Southside. However, changing demographics combined with existing state recreational areas and abundant land and water create a significant potential for tourism.

Development of a "hub" or focal point for tourism in a region is founded on the theory that travelers prefer to establish an overnight base at their primary vacation destination and then take day trips to other attractions in the region. The "hub" concept works well in other regions of the Commonwealth, such as Northern Virginia, Williamsburg, and Roanoke. The main attractions in the Southside are its rural character and its recreation resources. The Halifax-Mecklenburg County area is considered to be the "premier inland water playground in the Commonwealth" with 73,000 acres of recreational waters. The area has two state parks, Staunton River and Occoneechee. Staunton River has a rustic atmosphere; Occoneechee is oriented around active water sports. The two parks, connected by the Staunton River, offer a number of opportunities for the private sector, such as tour boats, canoe liveries, and trail development.<sup>15</sup>

**RECOMMENDATION 23:** *That the 1992-94 biennium budget include funding for the needed capital improvements at Occoneechee, Staunton River and Twin Lakes state parks.*

The Department of Conservation and Recreation has developed capital improvement plans for Occoneechee to meet the recreational needs of visitors. The Department's \$7.2 million capital outlay request for Occoneechee includes a privatization study which will look at the feasibility of a motel complex, marinas and other opportunities for the private sector. Long-term plans call for Occoneechee to be an intense water-based resort.

The capital outlay request for Staunton River is \$3.7 million for the 1992-94 biennium. These funds will be used to expand existing services at the park and develop a new marina, a fishing pier and concession facilities. The improvements are designed to preserve the rural, family-oriented character of the park and to add more amenities and opportunities for privatization. Long-term plans include more overnight cabins.<sup>16</sup>

The \$2.3 million capital request for Twin Lakes State Park will increase the number of overnight cabins, renovate the conference center, and provide bridle and bicycle trails, campground utilities, and boat ramp and road improvements.

The Department of Conservation and Recreation reports that day users spend an average of \$5.69 en route to a state park and \$5.01 at the park. Overnight users spend an average of \$12.52 en route and \$26.96 at the park. Overnight accommodations substantially improve the economic benefit of a park.

**RECOMMENDATION 24:** *That a Conservation Commission be established to administer a non-reverting conservation trust fund, financed by an increase in the tax on distilled spirits equivalent to \$1.50 per gallon, for exclusive use by the Departments of Conservation and Recreation, Forestry, and Game and Inland Fisheries for capital outlay projects.*

Over the last 20 years, limited funds have been appropriated for land acquisition for recreational resources, and no funds have been appropriated for major park acquisitions. Acquisition of land is one of the most effective means of ensuring the protection of open space and the provision of recreational opportunities. However, each year brings a diminished ability to acquire land for open space and recreation, due primarily to increasing land costs and reductions in available revenue. To acquire and fully develop a new park today could cost an estimated \$50 million. To upgrade existing state parks could cost an estimated \$40 million. There is a critical need to establish a stable source of funding for land acquisition and other capital projects related to the functions of the Departments of Conservation and Recreation, Forestry, and Game and Inland Fisheries. Approximately 25 states have already enacted legislation which earmarks specific revenues for open spaces. The equivalent of a \$1.50 per gallon increase in the tax on distilled spirits (current tax is 20 percent of the sales price) in Virginia would raise approximately \$11 million per year. The proceeds from the tax increase would be used to finance a nonreverting conservation trust fund to be administered by a Conservation Commission. The Commission would receive requests from the three agencies for capital outlay projects, develop a spending plan, and authorize expenditures.

**RECOMMENDATION 25:** *That the Department of Conservation and Recreation expand the private sector's role in the development, improvement, operation and acquisition of state parks; establish Friends of State Parks programs; promote the nontraditional use of farm/agricultural land; and provide for joint land acquisition and management of natural areas by the Commonwealth and conservation organizations.*

Virginia state parks have engaged in partnerships with the private sector for a number of years to operate concessionaires. These concessionaires have included swimming facilities, boat rental and launching facilities, restaurants, snack bars, catering services, and horseback riding. In light of the cost of needed improvements at state parks, new initiatives are needed to expand the private sector's role in the acquisition, development, and operation of state parks.

To help in the promotion of state parks, some states have established "Friends of State Parks" programs. These organizations can help promote the use of state parks as well as lead campaigns to solicit donations. Often, corporations, small businesses and individuals donate money or provide endowments if they are encouraged and if the proper mechanisms are in place to receive their contributions.

The rural character of the Southside is suited for the development of a major bread and breakfast industry. Nontraditional uses of farmland, such as bread and breakfast facilities, fishing in private ponds, hunting, and camping increase the recreational potential of the area and provide additional income for farmers and other landowners.<sup>17</sup>

The Commonwealth has an opportunity to expand its role in the preservation of open space and natural areas by strengthening its ties with private conservation organizations. Such strategies include securing protective easements around state recreation facilities, if necessary.<sup>18</sup>

**RECOMMENDATION 26:** *That the Departments of Economic Development, Housing and Community Development, and Conservation and Recreation act as facilitators to generate local leadership, commitment and cooperation for the development of the recreational potential in Southside Virginia.*

For recreational resources to develop and for tourism to flourish will require the commitment and vision of local leaders. Local leadership has been the critical ingredient in tourism development in other regions of the Commonwealth. The Commonwealth can provide technical assistance and can help facilitate the development of local leadership. Dr. Glenn Weaver, University of Missouri, said, "Attractions alone are not enough to produce a sufficient climate for economic growth. It requires a combination of leadership, skills, timing, promotion, organization, services, area support and time."<sup>19</sup>

**RECOMMENDATION 27:** *That the Division of Tourism in the Department of Economic Development establish a pilot project in Southside Virginia for the local tourism accreditation program to introduce localities to the program and its potential for the region.*

The Division of Tourism in the Department of Economic Development is developing a local tourism accreditation program which will provide communities with an agenda that will prepare them for tourism and economic development. The program, similar in concept to the Department's industrial certification program, will result in an inventory of marketable tourism assets, serve as an educational tool to educate citizens about the benefits of an active tourism program, and help create a receptive environment.<sup>20</sup> This program is under development, and the Southside region, where only one locality has a full-time tourism office, could benefit from a pilot project.

**RECOMMENDATION 28:** *That the Division of Tourism in the Department of Economic Development convene a work group to design a campaign to promote the recreational resources of the "hub." This work group should include representatives from the Departments of Conservation and Recreation, Game and Inland Fisheries, and Forestry; Southside communities; and the private sector.*

For lack of a major tourist attraction, the Southside region has not been a major destination for travelers. Nevertheless, travel-related businesses produced 2,786 jobs and generated \$4 million in state taxes and \$1.5 million in local taxes in the Southside. The rural character of the region with its lakes, rivers, and scenic beauty does not produce the same amount of revenue as a major attraction or cluster of attractions might, particularly given the relative lack of overnight accommodations. In the past, rural localities have not emphasized tourism or marketing, nor has marketing of recreational resources been a major focus of the Commonwealth. The recreational resources and attractions which feature the rural character of the region should be viewed as major assets and incorporated into local planning and zoning decisions. To assist with those decisions, data will be needed on the economic impact of the recreational resources in the region and the potential impacts of various development options--both public and private.<sup>21</sup>

**RECOMMENDATION 29:** *That planning district commissions prepare regional open space and recreation plans that can be incorporated into local planning and zoning decisions.*

To reach their potential as economic assets, recreation and tourism need to become routine considerations in the long-range plans for the region. Planning district commissions with their regional focus may be in the best position to conduct studies and recommend local enhancements for open space, recreation and tourism. Ideally, regional plans would be prepared with the cooperation of the localities and then implemented locally.

## REGULATORY ENVIRONMENT

**RECOMMENDATION 30:** *That the Secretaries of Economic Development and Natural Resources promote improved communication among agricultural and forestry industries, private sector industry associations, and environmental agencies and groups through the use of public meetings, workshops and conferences.*

A balanced regulatory environment which allows for growth and provides for common-sense regulations is essential to the future development of Southside Virginia. Much of the natural resources industry in the region is dominated by small businesses which have difficulty staying up-to-date with changes in state and federal regulations. These businesses are interested in protection of the environment since the future of their industry is tied to preservation of the region's natural resources; however, greater coordination may be needed among the various state and federal agencies to ease the burden on small business. At the very least, more information-sharing is needed to achieve better understanding of mutual goals and problems.

The Secretaries of Economic Development and Natural Resources hosted a meeting of business persons, environmentalists and regulators to discuss mutual problems and lay the groundwork for improved communication. The Secretary of Natural Resources has planned a series of informational meetings in the fall of 1991 on environmental regulation. These meetings could be expanded to include an opportunity for businesses to talk to the regulators about problems and concerns with environmental policy development and implementation. Participating in these meetings should be representatives of business; industry associations, such as the Virginia Manufacturers' Association and the Farm Bureau; the regulators; and environmentalists.

**RECOMMENDATION 31:** *That the small business exemption to the definition of migrant labor camps for agricultural employers of migrant workers be continued.*

Small business employers of migrant workers are currently exempt from the definition of migrant labor camp in Section 32.1-203 of the Virginia Code and from the requirement to obtain an operating permit; this exemption will expire on December 31, 1991. Continuation of the exemption would make employment of migrant workers by small agricultural employers easier to accomplish.

**RECOMMENDATION 32:** *That the Migrant and Seasonal Farmworkers Board and state agencies continue to streamline implementation of the laws and regulations related to the employment of migrant workers.*

Labor is critical for survival of the agricultural industry in Southside Virginia. Many of the products grown in the Southside are labor intensive, and an adequate labor supply is necessary to compete successfully in the marketplace. Overly burdensome regulations may particularly affect

small businesses. Most of the regulations in this area are federal; but to the extent that regulations can be streamlined or better coordinated, business will benefit.

## CONCLUSION

The Task Force believes that implementation of these 32 recommendations will lead to significant gains in economic development in Southside Virginia. They are based on the premise that economic development is a local and regional activity requiring local leadership, initiative, and commitment. The Commonwealth's role is that of a facilitator and partner with local organizations and private enterprise.

Respectfully submitted,

Delegate J. Paul Councill, Jr., *Chairman*  
S. Ward Finney, *Vice Chairman*  
Delegate Watkins M. Abbitt, Jr.  
Senator Howard P. Anderson  
Glen Gunter  
*Ad Hoc* Appointees  
John B. Gilstrap  
Senator Elmon T. Gray  
Richard E. Kreh, Sr.  
Richard W. Lacks  
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## Footnotes

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15. Virginia Council on the Environment, The Development of the Recreational Potential of Southside Virginia, July 1991, p. 17.
16. Ibid., page 18.
17. Virginia General Assembly, Joint Subcommittee Studying the Outdoor Recreation needs of the Commonwealth, Final Report, House Document 40 (1988), pp. 12-13.
18. Virginia Council on the Environment, The Development of the Recreational Potential of Southside Virginia, p. 16.
19. Department of Economic Development, Division of Tourism, Expanding Rural Enterprise - Tourism Market Development, p. 5.
20. Virginia Council on the Environment, The Development of the Recreational Potential of Southside Virginia, pp. 20-21.
21. Ibid., page 5.

# Appendix D

## Final Report of the Task Force on Infrastructure to the Southside Economic Development Commission

### TASK FORCE MEMBERS

Senator Virgil H. Goode, Jr., *Chairman*  
Delegate Whittington W. Clement  
William E. Confroy  
Rudolf V. Doswell  
William M. Stafford  
James N. Bradshaw  
Robert W. Dowd  
Richard E. Huff II  
Delegate Lewis W. Parker, Jr.  
Dan M. Pleasant  
Sherman Saunders  
Harry E. Wellons

### STAFF

Sim Ewing, Director, Southwest Office  
UVa Center for Public Service

George W. Bishop, IV  
Office of the Clerk, House of Delegates

## **INFRASTRUCTURE TASK FORCE**

### **FINAL REPORT AND RECOMMENDATIONS**

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 first meeting of the task force was held 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 the task force has worked to examine the critical infrastructure needs of Southside, which, when completed, would facilitate growth and diversification. To provide for a broad focus, various speakers have presented data and programmatic suggestions on methods of enhancing the region. During the course of the task force's work these 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 task force 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.
- Mr. Hap Gardner, Jr, Executive Director of the Virginia Resources Authority, discussed financing alternatives currently available for capital costs. A major focus of the work the task force considered was the question of paying for the region's needs. Discussion of project costs constructed with grant versus no- or low-interest loans, and the final effects on citizens.
- Mr. Ken Rowe, Director, Virginia Department of Aviation, discussed aviation and its role in economic development. This session focused on the aviation facilities currently available for commercial and industrial use in Southside. The point which potentially may have the greatest impact on the region is the proposed Virginia Superport. A comparison was drawn between Atlanta and Birmingham, and what the development of Atlanta's airport has meant to two communities which were very similar two decades previously.



- Mr. Richard D. Hartman, Executive Director, Appomattox River Water Authority, discussed initiating a regional public service authority. Utilizing the region's water resources as a method of generating revenue for infrastructure development was seen from the beginning as a priority. Development of a recurring fund which would not cause local governments to be reliant on the General Assembly could provide the region with a competitive edge when recruiting industry.
- Ms. Nancy Ambler, Director of the Virginia Housing Study Commission, presented information on the existing housing stock and regional needs. Housing is a critical component of economic development, providing a key ingredient to quality life. During this session, statistics concerning the number of structures in Southside which do not have adequate plumbing facilities brought home the need to improve the region's infrastructure.
- During a special meeting of the Infrastructure Task Force attended by the entire Commission, Congressman L.F. Payne addressed infrastructure from a federal perspective. The session focused on funding, highways, and airports.

During the course of the task force's work, 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 local level, providing the committee with a large scale picture of problem, as well as resources potentially available to remedy the situation.

For this report, the Infrastructure Task Force has prepared thirteen recommendations for the improvement of the region's infrastructure. Additionally, the task force prepared a resolution which was approved by the Commission to improve the region's highways. 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 economic vibrant region of the Commonwealth.

## CONCLUSIONS AND RECOMMENDATIONS

**RECOMMENDATION 1:** *That the Commonwealth of Virginia develop a two-tiered advertising program which would jointly promote industrial site locations in rural areas and throughout the state.*

Rural and less affluent areas of Virginia do not have the fiscal resources to effectively promote their industrial sites (note: for this program rural shall mean those counties with a population density of 150 citizens per square mile or less according to the preliminary 1990 census, and those independent cities bordering an eligible county). Development of a two tier ad by the

Department of Economic Development would enable advertising which promotes a specific, available site and at the same time the commonwealth as a whole. A grant pool should be established to assist poor communities utilizing the Department of Economic Developments Certification Program and the Commission on Local Government's fiscal stress index as the criteria for funding the local advertising portion. The Infrastructure Task Force recommends that an annual three million dollar line item fund this recommendation.

**RECOMMENDATION 2:** *That the Commonwealth institute a policy which limits growth in areas that are not self-sufficient in natural resources and must import or draw from other regions basic natural resources, such as water and air quality.*

It should be the public policy of the Commonwealth that there be no state law or regulation which promotes further growth in urbanized areas through the artificial transfer of the state's natural resources and no state laws or regulations should promote areas which are not self sufficient. If such a policy can not be enacted, the state should develop water and air policies which take into account where water and air is transferred from water and air rich basins to water and air poor basins, compensation shall be paid to promote development in the resource's natural area.

**RECOMMENDATION 3:** *That the Governor and the General Assembly establish a \$25 million Southside Infrastructure Grant Program to provide for economic diversification throughout Southside Virginia and to enable local governments to improve their water treatment, waste water, and solid waste disposal facilities.*

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 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 have been certified communities, currently 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.

Administration of this program shall be carried out by an organization to be known as the Southside Virginia Development Authority.

**RECOMMENDATION 4:** *That the Commonwealth's funding and construction schedule for U.S. 58 be restored to their status prior to Virginia's funding shortfall.*

Development of U.S. 58 as a four lane transportation corridor across Virginia's southern border is vital to the economic prosperity of the Southside Region and Virginia as a whole. After

careful examination during the 1989 Session, a funding level and time frame for completion was developed and agreed upon by the General Assembly and Governor. This task force recommends that every effort be made to restore this funding level and construction schedule for U.S. 58. In addition, the task force urges that U.S. 58 funds be considered essential to the future economic health of the Commonwealth and be excluded from any future state funding reductions.

**RECOMMENDATION 5:** *That the Virginia Department of Transportation include in its proposals for the federal Highways of National Significance plan all of U.S. 15, 29, 58, and 460; U.S. 220 from Roanoke to the North Carolina border; U.S. 360 from Danville to Richmond; Route 49 from Crewe to the North Carolina border; Route 501 from Lynchburg to South Boston; and all of Virginia Route 40, to enhance Southside's highway infrastructure and to promote rapid access to commercial markets.*

Transportation of goods and services is essential for economic development. Enhancement of the region's highway infrastructure will enable rapid access to commercial markets and promote development. The federal government is working to develop a system of Highways of National Significance to supplement the Interstate Highway System through the Commonwealth Transportation Board and the Virginia Department of Transportation. The Virginia General Assembly has demonstrated its belief that U.S. 58 is of vital economic importance to Virginia. The inclusion of these routes as highways of national significance will aid in its continued development.

The task force further recommends that the Virginia Department of Transportation work with its sister agencies in adjoining states to gain Highways of National Significance status for those roads which continue out of Virginia in order to maximize the economic significance of these roads.

**RECOMMENDATION 6:** *That the development of a "superport" which provides air service to the Richmond and Tidewater regions be considered for a location south of the James River and west of the City of Chesapeake.*

Air transportation has been shown to stimulate economic growth and activity. Development of a "Superport" which provides air service to the Richmond and Tidewater Areas would aid in diversifying the southside economy. Construction of a regional facility to serve these urbanized areas would benefit all Virginians.

Economic growth should only be a portion of the consideration when determining site locations. Virginia has a proud tradition of providing an atmosphere where progress and environmental responsibility can peacefully coexist. Wetlands, wildlife areas and our historic waterways must be preserved for future generations.

Location determinations must include consideration of urban conditions for a base of operations, as well as existing air traffic situations. Extensive military operations in the Tidewater Area should be weighed when determining a location for the Virginia Superport. The task force fully supports the concept of a Virginia Superport, and requests site locations south of the James River and west of the City of Chesapeake be strongly considered due to environmental and economic reasons.

**RECOMMENDATION 7:** *That the Department of Aviation and Southside's commercial air facilities develop a public marketing program to promote commercial air services and to encourage Southside residents, businesses, and industries to utilize fully existing air transportation services in the region.*

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**RECOMMENDATION 7:** *That the Department of Aviation and Southside's commercial air facilities develop a public marketing program to promote commercial air services and to encourage Southside residents, businesses, and industries to utilize fully existing air transportation services in the region.*

Commercial air service is vital to economic development providing a gateway for development activities. The Southside region boasts two facilities, Danville and Lynchburg, which provide commercial air service.

In the transportation industry's deregulated atmosphere, customer utilization drives service availability and equipment type. In order to maintain the existing level of service delivery and potentially enhance service, the task force urges the citizens, businesses and industries of the region to fully utilize air service currently available in Southside.

**RECOMMENDATION 8:** *That the Commonwealth establish a policy recognizing the importance of adequate access to industrial parks and that modifications to the Virginia Department of Transportation Industrial Access Roads Program be considered to foster program use at the local level.*

Industrial access to Virginia's industrial parks is a critical component of economic development. 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 task force recommends that the Virginia Department of Transportation Industrial Access Roads Fund be modified to include 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.

Modification to this successful program will enhance Southside government's efforts to meet 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 9:** *That the Department of Transportation continue to strengthen the Commonwealth's system of primary roads.*

Primary roads are an essential component in Virginia's transportation network. For many rural areas of Southside, the primary road system is the only transportation link to major transportation corridors. The Virginia Department of Transportation should develop a plan to upgrade primary roads which link with major arteries in those areas which are not currently served.

**RECOMMENDATION 10:** *That the proposed federal "super highway" from Norfolk to California follow the existing U.S. 58 corridor across the entire southern border of Virginia.*

This recently proposed federal interstate would directly link the two coasts and their population centers in a direct manner. Following the existing route U.S. 58 corridor would provide the greatest economic benefit to Southside and Virginia as a whole. Demographic and economic development in Virginia has predominantly been concentrated in areas adjoining interstates. Development along this corridor would open the last major portion of the Commonwealth which does not have an interstate corridor running through it. Traversing this

route should prove cost effective due to recent work authorized by the General Assembly along U.S. 58.

**RECOMMENDATION 11:** *That the Governor and the General Assembly support the restoration of the Virginia Housing Partnership Fund in the general fund budget at a level of \$50 million for the 1992-94 biennium.*

Affordable housing is critical to the economic stability and development of the entire Commonwealth, and particularly in rural areas. Safe and sanitary housing conditions are a prerequisite to the creation of an environment in which business and industry wish to locate, and it therefore is time for the Commonwealth to make a long term commitment to improving such housing conditions through this appropriation.

**RECOMMENDATION 12:** *That the Department of Economic Development's Industrial Shell Building Program be continued to allow rural economic development authorities to provide industrial facilities which increase prospect traffic and that funding of this program reduced due to fiscal shortfalls be restored.*

A majority of industries coming to examine potential sites in rural Virginia are interested in existing buildings. The Industrial Shell Building Program has allowed rural economic development authorities to provide facilities which increase prospect traffic. In order to continue recent manufacturing gains, the Commission recommends that the Commonwealth continue to fund the existing program.

**RECOMMENDATION 13:** *That the Department of Economic Development establish an automated building and site marketing system, modeled after programs in North Carolina and Georgia, and that this system include an integrated computer-laser projection system providing graphics and illustrated detail concerning sites in Virginia.*

Located at the Department's Richmond Offices, the automated system would permit sites throughout Virginia to be examined at one time, with scheduling developed for actual site visits. Implementation of this type of system would enable more rural sites to be considered.

Respectfully submitted,

Senator Virgil H. Goode, Jr., *Chairman*  
Delegate Whittington W. Clement  
William E. Confroy  
Rudolf V. Doswell  
William M. Stafford  
James N. Bradshaw  
Robert W. Dowd  
Richard E. Huff II  
Dan M. Pleasant  
Delegate Lewis W. Parker, Jr.  
Sherman Saunders  
Harry E. Wellons

## **SOUTHSIDE ECONOMIC DEVELOPMENT COMMISSION**

### **A RESOLUTION OF THE SOUTHSIDE ECONOMIC DEVELOPMENT COMMISSION ENCOURAGING THE COMMONWEALTH OF VIRGINIA'S LEGISLATIVE DELEGATION TO SUPPORT EXPANSION OF RURAL PROGRAMS IN THE HIGHWAYS OF NATIONAL SIGNIFICANCE PROGRAM**

**Whereas**, the Southside Economic Development Commission has been charged by the Virginia General Assembly to examine and recommend methods to strengthen the economy of this vital region of the Commonwealth; and

**Whereas**, development of transportation networks historically have proven to be a vital component of economic development and diversification; and

**Whereas**, Virginia has seen its population and economic growth focused on those areas traversed by interstate highways; and

**Whereas**, with the completion of the interstate highway system, the proposed Highways of National Significance as a component of the Surface Transportation Act of 1991, will be the next singularly most significant development to effect transportation and economic development; and

**Whereas**, rural areas of the country, such as Southside frequently are natural resource rich, yet due to transportation deficiencies resources leave the region without providing value added opportunities; and

**Whereas**, to improve the quality of life in the country, both urban and rural areas must be provided opportunities to improve. Enhancements to highways through rural areas will provide development potential, slowing the out migration to more congested urban areas; now, therefore, be it

**RESOLVED**, that the Southside Economic Development Commission requests that funds for Rural Access be strengthened and considered vital to the nation's long-term economic growth; and be it

**RESOLVED FURTHER**, the Southside Economic Development Commission commend Senators Warner and Robb, and Congressman Payne and Sisisky for their work in Congress on behalf of the Commonwealth and their support for efforts to develop Southside Virginia.

Adopted, this the 26th day of July, 1991.

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Whittington W. Clement, Vice Chairman

1992 SESSION

LD0472152

HOUSE BILL NO. 206

Offered January 14, 1992

A BILL to amend the Code of Virginia by adding in Title 15.1 a chapter numbered 41, consisting of sections numbered 15.1-1651 through 15.1-1661, relating to the Southside Virginia Development Authority.

Patrons—Clement, Abbitt, Armstrong, Barlow, Bennett, Council, Crouch, DeBoer, Finney, Ingram, Jackson, Parker, Putney and Reynolds; Senators: Goode, Hawkins, Holland, R.J. and Lucas

Referred to the Committee on Counties, Cities and Towns

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 15.1 a chapter numbered 41, consisting of sections numbered 15.1-1651 through 15.1-1661, as follows:

CHAPTER 41.

SOUTHSIDE VIRGINIA DEVELOPMENT AUTHORITY.

§ 15.1-1651. Authority created; name.—The Southside Virginia Development Authority, hereinafter referred to as the Authority, is created as a body politic and corporate, a political subdivision of the Commonwealth. As such it shall have, and is hereby vested with, the powers and duties hereinafter conferred in this chapter.

§ 15.1-1652. Southside region defined.—The Authority shall exercise the powers and perform the duties enumerated by this chapter to enhance the economic development of the Southside region of the Commonwealth and for the benefit of all citizens of Virginia. For the purposes of this chapter, "Southside" 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.

§ 15.1-1653. Board of Authority; members and officers; terms; annual report.—A. All powers, rights, and duties conferred by this chapter or other provisions of law upon the Authority shall be exercised by the Board of the Southside Virginia Development Authority, referred to as the Board or the Board of the Authority. The Board shall consist of twelve members, residents of Southside Virginia, to be appointed by the Governor as follows: three chairmen of county boards of supervisors; two members of city councils; two representatives of area planning district commissions; one representative of the Department of Economic Development; and four citizen members, at least two of whom shall be residents of participating cities or counties not otherwise represented by another appointment.

B. Of the members to be appointed in 1992, the three chairmen of county boards of supervisors shall be appointed for two-, three-, and four-year terms, respectively; the two city council members shall be appointed for three- and four-year terms, respectively; the two planning district commission representatives shall be appointed for two- and three-year terms, respectively; the representative of the Department of Economic Development shall be appointed for a three-year term; and two of the citizen members shall be appointed for two-year terms and two 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 which appointed to fill a vacancy, two additional terms may be served by such member if appointed thereto.

Should a member who is a member solely by virtue of his office as chairman of a board of supervisors, a member of a city council, a representative of a planning district commission, or as a representative of the Department of Economic Development cease to



1 hold such office, then an immediate vacancy shall occur. and the vacancy shall be filled  
2 for the remainder of the term by his successor as chairman of the board of supervisors or  
3 as executive director.

4 Each member of the Board shall, before entering upon the discharge of the duties of  
5 this office, take and subscribe the oath prescribed in § 49-1. Members shall be reimbursed  
6 for actual expenses incurred in the performance of their duties.

7 C. Eight members of the Authority shall constitute a quorum, and the affirmative vote  
8 of a majority of the quorum present shall be necessary for any action taken by the  
9 Authority. No vacancy in the membership of the Authority shall impair the right of a  
10 quorum to exercise all the rights and perform all the duties of the Authority.

11 D. The Board shall elect from its membership a chairman, a vice chairman, a treasurer  
12 and a secretary for each calendar year. The secretary shall keep the minutes of the Board  
13 and affix the seal of the Authority.

14 The Board may also appoint an executive director, an assistant treasurer and an  
15 assistant secretary, and staff to assist same, who shall discharge such functions as may be  
16 directed by the Board.

17 Staff functions of the Authority may be undertaken by Southside planning district  
18 commissions, as agreed by the Board and participating commissions.

19 E. The Board, promptly following the close of the calendar year, shall submit an  
20 annual report of the Authority's activities for the preceding year to the Governor, the  
21 General Assembly, the boards of supervisors, and the city councils of Southside Virginia.  
22 Each such report shall set forth a complete operating and financial statement covering the  
23 operation of the Authority during such year. The Authority shall cause an audit of its  
24 books and accounts to be made at least once each year by a certified public accountant  
25 and the cost thereof may be treated as part of the expense of operation.

26 § 15.1-1654. Office of Authority; title to property.—The Authority shall have and  
27 maintain its principal office within the Southside region as determined by the Board,  
28 within the participating counties and one city at which all of its records shall be kept,  
29 and from which its business shall be transacted. The title to all property of every kind  
30 belonging to the Authority shall be titled to the Authority, which shall hold it for the  
31 benefit of the member localities and the Commonwealth of Virginia.

32 § 15.1-1655. General powers of Authority; regulations; enforcement of statutes, rules,  
33 etc.—In order to enable it to carry out the purposes of this chapter, the Authority acting  
34 through its Board:

35 1. Is vested with the powers of a body corporate, including the power to sue and be  
36 sued, to plead and be impleaded, to make contracts, and to adopt and use a common seal  
37 and to alter the same as may be deemed expedient;

38 2. May retain legal counsel to represent the Authority in hearings, controversies, or  
39 matters involving the interests of the Authority and the furtherance of its purpose; and

40 3. Is vested with power to adopt, alter or repeal its own bylaws, and regulations  
41 governing the manner in which its business may be transacted and in which the power  
42 granted to it may be enjoyed and to provide for the appointment of such committees. and  
43 the functions thereof, as the Authority may deem necessary to facilitate its business. Such  
44 committees shall consist of such number of persons as the Authority shall deem advisable.  
45 Members of committees shall receive no compensation for their services, but may be  
46 reimbursed their necessary traveling and other expenses incurred while on business of the  
47 Authority. The Authority may set flat fees for expenses for a member's attendance at all  
48 meetings of the Authority or at its other functions. Such fees shall not exceed \$100 per  
49 day.

50 § 15.1-1656. Further powers.—The Authority, to accomplish its general purpose, is  
51 given the following powers, namely:

52 1. To enter into contractual agreements in furtherance of its purpose;

53 2. To rent, lease, buy, own, acquire and dispose of such property, real or personal, as  
54 the Authority deems proper to carry out any of the purposes and provisions of this

1 chapter, including the execution of leases with option to purchase;

2 3. To apply for and accept grants or loans of money or other property from any  
3 federal agency for any of the purposes authorized in this chapter, and to expend or use  
4 the same in accordance with the directions and requirements attached thereto or imposed  
5 thereon by any such federal agency; and

6 4. To perform any act or function which is in accord with the purposes of the chapter,  
7 including (i) borrowing money, (ii) providing for the guarantee of loans, and (iii) employing  
8 such persons as the Board deems necessary to carry on the business of the Authority.

9 § 15.1-1657. Acceptance of funds, property, grants, or loans.—The Authority may accept  
10 funds and property from the federal government, the Commonwealth, persons, counties,  
11 cities, and towns and may use the same for any of the purposes for which the Authority  
12 is created.

13 Counties, cities, and towns are hereby authorized to lend or donate money or other  
14 property to the Authority for any of its purposes. The local government making the grant  
15 or loan may restrict the use of such grants or loans to a specific project, within or  
16 without that locality.

17 § 15.1-1658. Eligible use of funds.—From such funds as may be appropriated or  
18 received, the Authority is hereby empowered to make loans and grants for the benefit of  
19 qualified private, for-profit enterprises and public or not-for-profit enterprises, nonprofit  
20 industrial development corporations, or industrial development authorities for financing the  
21 following:

- 22 1. Purchase of real estate;
- 23 2. Grading of site(s);
- 24 3. Water, sewer, natural gas or electrical line improvements, replacement and  
25 extensions;
- 26 4. Construction, rehabilitation, and expansion of buildings;
- 27 5. Construction of parking facilities;
- 28 6. Access roads construction and street improvements;
- 29 7. Purchase or lease of machinery and tools; and
- 30 8. Any other improvements deemed necessary by the Authority to meet its objectives.

31 § 15.1-1659. Forms of accounts and records; audit of same.—The accounts and records  
32 of the Authority showing the receipt and disbursement of funds from whatever source  
33 derived shall be in such form as the Auditor of Public Accounts prescribes, provided that  
34 such accounts shall correspond as nearly as possible to the accounts and records for such  
35 matters maintained by corporate enterprises. The accounts and records of the Authority  
36 shall be subject to audit by the Auditor of Public Accounts on an annual basis and the  
37 costs of such audit services shall be borne by the Authority. The Authority's fiscal year  
38 shall be the same as the Commonwealth's.

39 § 15.1-1660. Dissolution of Authority.—Whenever the Board determines that the purpose  
40 for which the Authority was created has been substantially fulfilled or is impractical or  
41 impossible to accomplishment and that all obligations incurred by the Authority have been  
42 paid, that cash or a sufficient amount of United States government securities has been  
43 deposited for their payment, or provisions satisfactory for the timely payment of all its  
44 outstanding obligations have been arranged, the Board may adopt resolutions declaring  
45 and finding that the Authority shall be dissolved. Appropriate attested copies of such  
46 resolutions shall be delivered to the Governor so that legislation dissolving the Authority  
47 may be introduced in the General Assembly. The dissolution of the Authority shall become  
48 effective according to the terms of such legislation. The title to all funds and other  
49 property owned by the Authority at the time of such dissolution shall vest in the counties  
50 and cities which have contributed to the fund in proportion to their respective  
51 contributions.

52 § 15.1-1661. Chapter liberally construed.—This chapter, being necessary for the welfare  
53 of the Commonwealth and its inhabitants, shall be liberally construed to effect the  
54 purposes thereof.

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Clerk of the House of Delegates	Clerk of the Senate

# 1992 SESSION

LD1486665

## SENATE BILL NO. 183

Offered January 20, 1992

*A BILL to amend the Code of Virginia by adding in Title 15.1 a chapter numbered 41, consisting of sections numbered 15.1-1651 through 15.1-1661, relating to the Southside Virginia Development Authority.*

Patrons—Goode, Earley and Holland, R.J.; Delegates: Armstrong, Finney and Reynolds

Referred to the Committee on Local Government

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 15.1 a chapter numbered 41, consisting of sections numbered 15.1-1651 through 15.1-1661, as follows:

### CHAPTER 41.

#### SOUTHSIDE VIRGINIA DEVELOPMENT AUTHORITY.

§ 15.1-1651. *Authority created; name.—The Southside Virginia Development Authority, hereinafter referred to as the Authority, is created as a body politic and corporate, a political subdivision of the Commonwealth. As such it shall have, and is hereby vested with, the powers and duties hereinafter conferred in this chapter.*

§ 15.1-1652. *Southside region defined.—The Authority shall exercise the powers and perform the duties enumerated by this chapter to enhance the economic development of the Southside region of the Commonwealth and for the benefit of all citizens of Virginia. For the purposes of this chapter, "Southside" 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.*

§ 15.1-1653. *Board of Authority; members and officers; terms; annual report.—A. All powers, rights, and duties conferred by this chapter or other provisions of law upon the Authority shall be exercised by the Board of the Southside Virginia Development Authority, referred to as the Board or the Board of the Authority. The Board shall consist of twelve members, residents of Southside Virginia, to be appointed by the Governor as follows: three chairmen of county boards of supervisors; two members of city councils; two representatives of area planning district commissions; one representative of the Department of Economic Development; and four citizen members, at least two of whom shall be residents of participating cities or counties not otherwise represented by another appointment.*

*B. Of the members to be appointed in 1992, the three chairmen of county boards of supervisors shall be appointed for two-, three-, and four-year terms, respectively; the two city council members shall be appointed for three- and four-year terms, respectively; the two planning district commission representatives shall be appointed for two- and three-year terms, respectively; the representative of the Department of Economic Development shall be appointed for a three-year term; and two of the citizen members shall be appointed for two-year terms and two 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 which appointed to fill a vacancy, two additional terms may be served by such member if appointed thereto.*

*Should a member who is a member solely by virtue of his office as chairman of a board of supervisors, a member of a city council, a representative of a planning district commission, or as a representative of the Department of Economic Development cease to hold such office, then an immediate vacancy shall occur, and the vacancy shall be filled for the remainder of the term by his successor as chairman of the board of supervisors or*

1 *as executive director.*

2 *Each member of the Board shall, before entering upon the discharge of the duties of*  
3 *this office, take and subscribe to the oath prescribed in § 49-1. Members shall be*  
4 *reimbursed for actual expenses incurred in the performance of their duties.*

5 *C. Eight members of the Authority shall constitute a quorum, and the affirmative vote*  
6 *of a majority of the quorum present shall be necessary for any action taken by the*  
7 *Authority. No vacancy in the membership of the Authority shall impair the right of a*  
8 *quorum to exercise all the rights and perform all the duties of the Authority.*

9 *D. The Board shall elect from its membership a chairman, a vice chairman, a treasurer*  
10 *and a secretary for each calendar year. The secretary shall keep the minutes of the Board*  
11 *and affix the seal of the Authority.*

12 *The Board may also appoint an executive director, an assistant treasurer and an*  
13 *assistant secretary, and staff to assist same, who shall discharge such functions as may be*  
14 *directed by the Board.*

15 *Staff functions of the Authority may be undertaken by Southside planning district*  
16 *commissions, as agreed by the Board and participating commissions.*

17 *E. The Board, promptly following the close of the fiscal year, shall submit an annual*  
18 *report of the Authority's activities for the preceding year to the Governor, the General*  
19 *Assembly, the boards of supervisors, and the city councils of Southside Virginia. Each such*  
20 *report shall set forth a complete operating and financial statement covering the operation*  
21 *of the Authority during such year. The Authority shall cause an audit of its books and*  
22 *accounts to be made at least once each year by a certified public accountant and the cost*  
23 *thereof may be treated as part of the expense of operation.*

24 *§ 15.1-1654. Office of Authority; title to property.—The Authority shall have and*  
25 *maintain its principal office within the Southside region as determined by the Board,*  
26 *within the participating counties and one city at which all of its records shall be kept,*  
27 *and from which its business shall be transacted. The title to all property of every kind*  
28 *belonging to the Authority shall be titled to the Authority, which shall hold it for the*  
29 *benefit of the member localities and the Commonwealth of Virginia.*

30 *§ 15.1-1655. General powers of Authority; regulations; enforcement of statutes, rules,*  
31 *etc.—In order to enable it to carry out the purposes of this chapter, the Authority acting*  
32 *through its Board:*

33 *1. Is vested with the powers of a body corporate, including the power to sue and be*  
34 *sued, to plead and be impleaded, to make contracts, and to adopt and use a common seal*  
35 *and to alter the same as may be deemed expedient;*

36 *2. May retain legal counsel to represent the Authority in hearings, controversies, or*  
37 *matters involving the interests of the Authority and the furtherance of its purpose; and*

38 *3. Is vested with power to adopt, alter or repeal its own bylaws, and regulations*  
39 *governing the manner in which its business may be transacted and in which the power*  
40 *granted to it may be enjoyed and to provide for the appointment of such committees, and*  
41 *the functions thereof, as the Authority may deem necessary to facilitate its business. Such*  
42 *committees shall consist of such number of persons as the Authority shall deem advisable.*  
43 *Members of committees shall receive no compensation for their services, but may be*  
44 *reimbursed their necessary traveling and other expenses incurred while on business of the*  
45 *Authority. The Authority may set flat fees for expenses for a member's attendance at all*  
46 *meetings of the Authority or at its other functions. Such fees shall not exceed \$100 per*  
47 *day.*

48 *§ 15.1-1656. Further powers.—The Authority, to accomplish its general purpose, is*  
49 *given the following powers, namely:*

50 *1. To enter into contractual agreements in furtherance of its purpose;*

51 *2. To rent, lease, buy, own, acquire and dispose of such property, real or personal, as*  
52 *the Authority deems proper to carry out any of the purposes and provisions of this*  
53 *chapter, including the execution of leases with option to purchase;*

54 *3. To apply for and accept grants or loans of money or other property from any*

1 federal agency for any of the purposes authorized in this chapter, and to expend or use  
 2 the same in accordance with the directions and requirements attached thereto or imposed  
 3 thereon by any such federal agency; and

4 4. To perform any act or function which is in accord with the purposes of the chapter,  
 5 including (i) borrowing money, (ii) providing for the guarantee of loans, and (iii) employing  
 6 such persons as the Board deems necessary to carry on the business of the Authority.

7 § 15.1-1657. Acceptance of funds, property, grants, or loans.—The Authority may accept  
 8 funds and property from the federal government, the Commonwealth, persons, counties,  
 9 cities, and towns and may use the same for any of the purposes for which the Authority  
 10 is created.

11 Counties, cities, and towns are hereby authorized to lend or donate money or other  
 12 property to the Authority for any of its purposes. The local government making the grant  
 13 or loan may restrict the use of such grants or loans to a specific project, within or  
 14 without that locality.

15 § 15.1-1658. Eligible use of funds.—From such funds as may be appropriated or  
 16 received, the Authority is hereby empowered to make loans and grants for the benefit of  
 17 qualified private, for-profit enterprises and public or not-for-profit enterprises, nonprofit  
 18 industrial development corporations, or industrial development authorities for financing the  
 19 following:

- 20 1. Purchase of real estate;
- 21 2. Grading of site(s);
- 22 3. Water, sewer, natural gas or electrical line improvements, replacement and  
 23 extensions;
- 24 4. Construction, rehabilitation, and expansion of buildings;
- 25 5. Construction of parking facilities;
- 26 6. Access roads construction and street improvements;
- 27 7. Purchase or lease of machinery and tools; and
- 28 8. Any other improvements deemed necessary by the Authority to meet its objectives.

29 § 15.1-1659. Forms of accounts and records; audit of same.—The accounts and records  
 30 of the Authority showing the receipt and disbursement of funds from whatever source  
 31 derived shall be in such form as the Auditor of Public Accounts prescribes, provided that  
 32 such accounts shall correspond as nearly as possible to the accounts and records for such  
 33 matters maintained by corporate enterprises. The accounts and records of the Authority  
 34 shall be subject to audit by the Auditor of Public Accounts on an annual basis and the  
 35 costs of such audit services shall be borne by the Authority. The Authority's fiscal year  
 36 shall be the same as the Commonwealth's.

37 § 15.1-1660. Dissolution of Authority.—Whenever the Board determines that the purpose  
 38 for which the Authority was created has been substantially fulfilled or is impractical or  
 39 impossible to accomplish and that all obligations incurred by the Authority have been  
 40 paid, that cash or a sufficient amount of United States government securities has been  
 41 deposited for their payment, or provisions satisfactory for the timely payment of all its  
 42 outstanding obligations have been arranged, the Board may adopt resolutions declaring  
 43 and finding that the Authority shall be dissolved. Appropriate attested copies of such  
 44 resolutions shall be delivered to the Governor so that legislation dissolving the Authority  
 45 may be introduced in the General Assembly. The dissolution of the Authority shall become  
 46 effective according to the terms of such legislation. The title to all funds and other  
 47 property owned by the Authority at the time of such dissolution shall vest in the counties  
 48 and cities which have contributed to the fund in proportion to their respective  
 49 contributions.

50 § 15.1-1661. Chapter liberally construed.—This chapter, being necessary for the welfare  
 51 of the Commonwealth and its inhabitants, shall be liberally construed to effect the  
 52 purposes thereof.

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Clerk of the Senate	Clerk of the House of Delegates

# 1992 SESSION

LD0468152

## HOUSE BILL NO. 207

Offered January 14, 1992

*A BILL to amend the Code of Virginia by adding in Title 9 a chapter numbered 22.6, consisting of sections 9-145.21 through 9-145.29, and by adding in Article 2 of Chapter 10 of Title 58.1 a section numbered 58.1-1021.1, establishing the Southside Virginia Marketing Council.*

Patrons—Clement, Abbitt, Armstrong, Barlow, Bennett, Councill, Crouch, DeBoer, Finney, Ingram, Jackson, Parker, Putney and Reynolds; Senators: Goode, Hawkins, Holland, R.J. and Lucas

Referred to the Committee on Finance

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 22.6, consisting of sections 9-145.21 through 9-145.29, and by adding in Article 2 of Chapter 10 of Title 58.1 a section numbered 58.1-1021.1, as follows:

### CHAPTER 22.6.

#### SOUTHSIDE VIRGINIA MARKETING COUNCIL.

§ 9-145.21. *Council established; members and officers; terms.—A. The Southside Virginia Marketing Council is hereby established and shall be referred to in this chapter as the Council. The Council shall be composed of thirteen members, all residents of Southside Virginia, to be appointed by the Governor as follows: three locally elected officials; two planning district chairmen; three local economic development representatives; and five citizen members, at least three of whom shall be residents of participating cities or counties not otherwise represented by another appointment.*

*B. Of the members to be appointed in 1992, the three locally elected officials shall be appointed for two-, three-, and four-year terms, respectively; the two planning district chairmen shall be appointed for two- and three-year terms, respectively; the three local economic development representatives shall be appointed for two-, three-, and four-year terms, respectively; and two of the citizen members shall be appointed for two-year terms: one for a three-year term, and two 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 which appointed to fill a vacancy, two additional terms may be served by such member if appointed thereto. Beginning July 1, 1996, at least five members of the Council shall be residents of the five localities contributing the most funds per capita to the Southside Virginia Marketing Fund.*

*C. Each member of the Council, before entering upon the discharge of the duties of this office, shall take and subscribe the oath prescribed in § 49-1. Members shall be reimbursed for expenses incurred in the performance of their duties.*

*D. Nine members of the Council shall constitute a quorum, and the affirmative vote of a majority of the quorum present shall be necessary for any action taken by the Council. No vacancy in the membership of the Council shall impair the right of a quorum to exercise all the rights and perform the duties of the Council. The Council shall elect from its membership a chairman, vice chairman, treasurer, and secretary for each calendar year.*

§ 9-145.22. *Southside region defined.—The Council shall exercise the powers and perform the duties enumerated by this chapter to promote marketing efforts for the Southside region of the Commonwealth. For the purposes of this chapter, "Southside" 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*



1 of Danville, Emporia, Franklin, Martinsville, and South Boston.

2 § 9-145.23. Powers; duties.—The Council shall have powers and duties to:

3 1. Attract business prospects to Southside Virginia through marketing and promotional  
4 activities;

5 2. Encourage Southside localities to work cooperatively to promote the region's  
6 strengths and advantages;

7 3. Support regional promotion through the distribution of funds as may be  
8 appropriated or received for marketing;

9 4. Apply for, accept, and expend gifts, grants, or donations for public or private  
10 sources to enable it to carry it objectives;

11 5. Perform any act or function which is in accord with the purposes of this chapter.

12 § 9-145.24. Southside Virginia Marketing Fund.— A. From such funds deposited  
13 pursuant to § 58.1-1021.1, and as may be otherwise appropriated or received, there is  
14 hereby established the Southside Virginia Marketing Fund, referred to in this chapter as  
15 the Fund, to support regional marketing efforts in Southside Virginia. The Fund shall be  
16 established on the books of the Comptroller, and moneys remaining in such Fund at the  
17 end of a biennium shall not revert to the general fund but shall remain in the Fund.  
18 Interest earned on such funds shall remain in the Fund and be credited to it.

19 B. Localities in the region may remit to the Fund contributions generated by voluntary  
20 local per capita assessments, not to exceed one dollar per resident annually. Localities  
21 contributing to the Fund shall be eligible to participate in the Council's marketing  
22 initiatives.

23 § 9-145.25. Executive director; staff support.—The Council shall appoint an executive  
24 director, who shall be authorized to employ such staff as necessary to enable the Council  
25 to perform its duties as set forth in this chapter. The Council is authorized to determine  
26 the duties of such staff and to fix salaries and compensation from such funds as may be  
27 received or appropriated. Planning district commissions in the region shall also provide  
28 staff support to the Council.

29 § 9-145.26. Annual report.—The Council, promptly following the close of the calendar  
30 year, shall submit an annual report of the Council's activities for the preceding year to  
31 the Governor, the General Assembly, and the boards of supervisors of participating  
32 localities. Each such report shall set forth a complete operating and financial statement  
33 covering the operation of the Council during the year. The Council shall cause an audit of  
34 its books and accounts to be made at least once each year by a certified public  
35 accountant and the cost thereof may be treated as part of the expense of operation.

36 § 9-145.27. Forms of accounts and records; audit of same.—The accounts and records  
37 of the Council showing the receipt and disbursement of funds from whatever source  
38 derived shall be in such form as the Auditor of Public Accounts prescribes, provided that  
39 such accounts shall correspond as nearly as possible to the accounts and records for such  
40 matters maintained by corporate enterprises. The accounts and records of the Council  
41 shall be subject to audit by the Auditor of Public Accounts on an annual basis and the  
42 costs of such audit services shall be borne by the Council. The Council's fiscal year shall  
43 be the same as that of the Commonwealth.

44 § 9-145.28. Cooperation of state agencies.—All agencies of the Commonwealth shall  
45 cooperate with the Council and, upon request, assist the Council in the performance of its  
46 duties and responsibilities.

47 § 9-145.29. Chapter liberally construed.—This chapter, being necessary for the welfare  
48 of the Commonwealth and its inhabitants, shall be liberally construed to effect the  
49 purposes thereof.

50 § 58.1-1021.1. Certain revenues to support special fund.—Three percent of the revenues  
51 collected pursuant to Articles 1 and 2 of this chapter shall be deposited in the Southside  
52 Virginia Marketing Fund to match local voluntary contributions pursuant to Chapter 22.6  
53 (§§ 9-145.21 et seq.) of Title 9.

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1992 SESSION

LD1485665

SENATE BILL NO. 189

Offered January 20, 1992

A BILL to amend the Code of Virginia by adding in Title 9 a chapter numbered 22.6 consisting of sections 9-145.21 through 9-145.29, and by adding in Article 2 of Chapter 10 of Title 58.1 a section numbered 58.1-1021.1, establishing the Southside Virginia Marketing Council.

Patrons—Holland, R.J., Earley, Goode and Hawkins; Delegates: Armstrong, Finney and Reynolds

Referred to the Committee on Local Government

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 22.6, consisting of sections 9-145.21 through 9-145.29, and by adding in Article 2 of Chapter 10 of Title 58.1 a section numbered 58.1-1021.1, as follows:

CHAPTER 22.6.

SOUTHSIDE VIRGINIA MARKETING COUNCIL.

§ 9-145.21. Council established; members and officers; terms.—A. The Southside Virginia Marketing Council is hereby established and shall be referred to in this chapter as the Council. The Council shall be composed of thirteen members, all residents of Southside Virginia, to be appointed by the Governor as follows: three locally elected officials; two planning district chairmen; three local economic development representatives; and five citizen members, at least three of whom shall be residents of participating cities or counties not otherwise represented by another appointment.

B. Of the members to be appointed in 1992, the three locally elected officials shall be appointed for two-, three-, and four-year terms, respectively; the two planning district chairmen shall be appointed for two- and three-year terms, respectively; the three local economic development representatives shall be appointed for two-, three-, and four-year terms, respectively; and two of the citizen members shall be appointed for two-year terms; one for a three-year term, and two 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 which appointed to fill a vacancy, two additional terms may be served by such member if appointed thereto. Beginning July 1, 1996, at least five members of the Council shall be residents of the five localities contributing the most funds per capita to the Southside Virginia Marketing Fund.

C. Each member of the Council, before entering upon the discharge of the duties of this office, shall take and subscribe to the oath prescribed in § 49-1. Members shall be reimbursed for expenses incurred in the performance of their duties.

D. Nine members of the Council shall constitute a quorum, and the affirmative vote of a majority of the quorum present shall be necessary for any action taken by the Council. No vacancy in the membership of the Council shall impair the right of a quorum to exercise all the rights and perform the duties of the Council. The Council shall elect from its membership a chairman, vice chairman, treasurer, and secretary for each calendar year.

§ 9-145.22. Southside region defined.—The Council shall exercise the powers and perform the duties enumerated by this chapter to promote marketing efforts for the Southside region of the Commonwealth. For the purposes of this chapter, "Southside" shall include the Counties of Amelia, Appomattox, Brunswick, Buckingham, Campbell, Charlotte, Cumberland, Dinwiddie, Franklin, Greenville, Halifax, Henry, Lunenburg, Mecklenburg, Nottoway, Patrick, Pittsylvania, Prince Edward, Southampton, and Sussex and the Cities of Danville, Emporia, Franklin, Martinsville, and South Boston.

1       § 9-145.23. Powers; duties.—The Council shall have powers and duties to:

2       1. Attract business prospects to Southside Virginia through marketing and promotional  
3 activities;

4       2. Encourage Southside localities to work cooperatively to promote the region's  
5 strengths and advantages;

6       3. Support regional promotion through the distribution of funds as may be  
7 appropriated or received for marketing;

8       4. Apply for, accept, and expend gifts, grants, or donations for public or private  
9 sources to enable it to carry out its objectives;

10       5. Perform any act or function which is in accord with the purposes of this chapter.

11       § 9-145.24. Southside Virginia Marketing Fund.— A. From such funds deposited  
12 pursuant to § 58.1-1021.1, and as may be otherwise appropriated or received, there is  
13 hereby established the Southside Virginia Marketing Fund, referred to in this chapter as  
14 the Fund, to support regional marketing efforts in Southside Virginia. The Fund shall be  
15 established on the books of the Comptroller, and moneys remaining in such Fund at the  
16 end of a biennium shall not revert to the general fund but shall remain in the Fund.  
17 Interest earned on such funds shall remain in the Fund and be credited to it.

18       B. Localities in the region may remit to the Fund contributions generated by voluntary  
19 local per capita assessments, not to exceed one dollar per resident annually. Localities  
20 contributing to the Fund shall be eligible to participate in the Council's marketing  
21 initiatives.

22       § 9-145.25. Executive director; staff support.—The Council shall appoint an executive  
23 director, who shall be authorized to employ such staff as necessary to enable the Council  
24 to perform its duties as set forth in this chapter. The Council is authorized to determine  
25 the duties of such staff and to fix salaries and compensation from such funds as may be  
26 received or appropriated. Planning district commissions in the region shall also provide  
27 staff support to the Council.

28       § 9-145.26. Annual report.—The Council, promptly following the close of the calendar  
29 year, shall submit an annual report of the Council's activities for the preceding year to  
30 the Governor, the General Assembly, and the boards of supervisors of participating  
31 localities. Each such report shall set forth a complete operating and financial statement  
32 covering the operation of the Council during the year. The Council shall cause an audit of  
33 its books and accounts to be made at least once each year by a certified public  
34 accountant and the cost thereof may be treated as part of the expense of operation.

35       § 9-145.27. Forms of accounts and records; audit of same.—The accounts and records  
36 of the Council showing the receipt and disbursement of funds from whatever source  
37 derived shall be in such form as the Auditor of Public Accounts prescribes, provided that  
38 such accounts shall correspond as nearly as possible to the accounts and records for such  
39 matters maintained by corporate enterprises. The accounts and records of the Council  
40 shall be subject to audit by the Auditor of Public Accounts on an annual basis and the  
41 costs of such audit services shall be borne by the Council. The Council's fiscal year shall  
42 be the same as that of the Commonwealth.

43       § 9-145.28. Cooperation of state agencies.—All agencies of the Commonwealth shall  
44 cooperate with the Council and, upon request, assist the Council in the performance of its  
45 duties and responsibilities.

46       § 9-145.29. Chapter liberally construed.—This chapter, being necessary for the welfare  
47 of the Commonwealth and its inhabitants, shall be liberally construed to effect the  
48 purposes thereof.

49       § 58.1-1021.1. Certain revenues to support special fund.—Three percent of the revenues  
50 collected pursuant to Articles 1 and 2 of this chapter shall be deposited in the Southside  
51 Virginia Marketing Fund to match local voluntary contributions pursuant to Chapter 22.6  
52 (§§ 9-145.21 et seq.) of Title 9.

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<p><b>Passed By The Senate</b></p> <p>without amendment <input type="checkbox"/></p> <p>with amendment <input type="checkbox"/></p> <p>substitute <input type="checkbox"/></p> <p>substitute w/amdt <input type="checkbox"/></p>	<p><b>Passed By The House of Delegates</b></p> <p>without amendment <input type="checkbox"/></p> <p>with amendment <input type="checkbox"/></p> <p>substitute <input type="checkbox"/></p> <p>substitute w/amdt <input type="checkbox"/></p>
Date: _____	Date: _____
Clerk of the Senate	Clerk of the House of Delegates

1992 SESSION

LD0459392

HOUSE BILL NO. 233

Offered January 14, 1992

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, Abbitt, Armstrong, Bennett, Clement and Reynolds

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, 1992.

Official Use By Clerks

Passed By
The House of Delegates
without amendment [ ]
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Clerk of the House of Delegates

Clerk of the Senate

1992 SESSION

LD0462128

HOUSE BILL NO. 364  
Offered January 17, 1992

A BILL to amend and reenact § 32.1-203 of the Code of Virginia, relating to migrant labor camps.

Patrons—Bennett, Abbitt, Armstrong, Clement, Council, Crouch, Parker and Reynolds;  
Senators: Hawkins, Goode, Holland, R.J. and Lucas

Referred to the Committee on Health, Welfare and Institutions

Be it enacted by the General Assembly of Virginia:

1. That § 32.1-203 of the Code of Virginia is amended and reenacted as follows:

§ 32.1-203. (Effective December 31, 1991) Definitions.—As used in this article:

“Camp operator” means a person who has charge, care or control of a migrant labor camp.

“Migrant labor camp” or “camp” means one or more structures, buildings, tents, barracks, trailers, vehicles, converted buildings, and unconventional enclosures of living space, reasonably contiguous, together with the land appertaining thereto, established, operated or used as living quarters for one or more persons, one or more of whom is a migrant worker engaged in agricultural or fishing activities, including related food processing. “Migrant labor camp” does not include (i) a summer camp, campground or hotel as defined in § 35.1-1 or , (ii) housing which, in the ordinary course of business, is regularly offered to the general public on a commercial basis and is provided to any migrant worker on the same or comparable terms and conditions as provided to the general public , or (iii) small businesses which are exempt under federal law as provided in the Fair Labor Standards Act and the Migrant and Seasonal Worker Protection Act.

“Migrant worker” means any individual from within or outside the Commonwealth who passes seasonally from one place to another for the purpose of employment, who is not a year-round employee and who occupies living quarters other than his permanent home during the period of such work.

“Applicable regulations” includes regulations of the Board adopted pursuant to this article and occupational safety and health regulations applicable to migrant labor camps adopted by the Safety and Health Codes Board pursuant to Chapter 3 (§ 40.1-22 et seq.) of Title 40.1.

2. That an emergency exists and this act is in force from its passage.

Official Use By Clerks

Passed By  
The House of Delegates  
without amendment   
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Passed By The Senate  
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Clerk of the House of Delegates

Clerk of the Senate

# 1992 SESSION

LD0516100

## HOUSE BILL NO. 682

Offered January 21, 1992

*A BILL to amend and reenact §§ 2.1-1.7 and 4-22.1 of the Code of Virginia and to amend the Code of Virginia by adding in Subtitle II of Title 10.1 a chapter numbered 21.1, consisting of sections numbered 10.1-2116 through 10.1-2122, establishing the Virginia Conservation Trust Fund.*

Patrons—Abbitt, Bennett, Clement, Councill and Finney; Senators: Goode and Holland, R.J.

Referred to the Committee on Conservation and Natural Resources

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.1-1.7 and 4-22.1 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Subtitle II of Title 10.1 a chapter numbered 21.1, consisting of sections numbered 10.1-2116 through 10.1-2122, as follows:

§ 2.1-1.7. State councils.—A. There shall be, in addition to such others as may be established by law, the following permanent collegial bodies either affiliated with more than one agency or independent of an agency within the executive branch:

Agricultural Council, Virginia

Alcohol and Drug Abuse Problems, Governor's Council on

Apprenticeship Council

Beach Erosion Council, Virginia

Child Day Care and Early Childhood Programs, Virginia Council on

Child Day-Care Council

Citizens' Advisory Council on Furnishing and Interpreting the Executive Mansion

Commonwealth's Attorneys' Services and Training Council

Conservation Council, Virginia

Developmental Disabilities Planning Council, Virginia

Equal Employment Opportunity Council, Virginia

Handicapped Children, Interagency Coordinating Council on Delivery of Related Services

to

Health Services Cost Review Council, Virginia

Housing for the Disabled, Interagency Coordinating Council on

Human Rights, Council on

Human Services Information and Referral Advisory Council

Indians, Council on

Job Training Coordinating Council, Governor's

Land Evaluation Advisory Council

Local Debt, State Council on

Long-Term Care Council

Military Advisory Council, Virginia

Needs of Handicapped Persons, Overall Advisory Council on the

Prevention, Virginia Council on Coordinating

Public Records Advisory Council, State

Rate-setting for Children's Facilities, Interdepartmental Council on

Revenue Estimates, Advisory Council on

State Health Benefits Advisory Council

Status of Women, Council on the

B. Notwithstanding the definition for "council" as provided in § 2.1-1.2, the following entities shall be referred to as councils:

Environment, Council on the

Council on Information Management

Higher Education, State Council of

World Trade Council, Virginia.



1 § 4-22.1. Tax on wine and other alcoholic beverages; collection, computation, and  
2 distribution of taxes; exceptions; refunds and adjustments.—A. There is hereby levied a tax  
3 of forty cents on each liter of wine sold in Virginia. Additionally, on vermouth and wine  
4 produced by farm wineries sold to consumers by the Board the state tax shall be four  
5 percent of the price charged.

6 B. There is hereby levied on other alcoholic beverages sold by the Board a tax of  
7 twenty percent of the price charged *and a surcharge of \$1.50 per gallon. The surcharge of*  
8 *\$1.50 per gallon shall be deposited in the Virginia Conservation Trust Fund in accordance*  
9 *with Chapter 21.1 (§ 10.1-2116 et seq.) of Title 10.1 .*

10 C. The Board shall collect the state taxes hereby levied as follows:

11 1. Collection shall be from the purchaser at the time of or prior to sale, except as to  
12 sales made to wholesale wine distributors. Wholesale wine distributors shall collect the  
13 taxes at the time of or prior to sale to retail licensees, and shall remit such taxes monthly  
14 to the Board, along with such reports as may be required by the Board, at the time and in  
15 the manner prescribed by the Board.

16 2. In establishing the prices for items sold by it to persons other than wholesale  
17 licensees, the Board shall include a reasonable markup. Then the liter tax or twenty  
18 percent tax as appropriate herein levied shall be added to the price of each package of  
19 alcoholic beverages. Then the four percent tax on vermouth and farm winery wines shall  
20 be added for those products. In all cases the final price for each package may be  
21 established so as to be divisible by five.

22 In accounting for the state tax on sales the Board shall divide the net sales for the  
23 quarter by 1.20 and multiply the result by twenty percent. As to the sale of vermouth and  
24 farm winery wine, the Board shall divide the net sales for the quarter by 1.04 and multiply  
25 the result by four percent.

26 D. The amount of tax collected under this section during each quarter shall, within fifty  
27 days after the close of such quarter, be certified to the Comptroller by the Board and shall  
28 be transferred by him from the special fund described in § 4-23 to the general fund of the  
29 state treasury. In June, 1981, and every June of every year thereafter, the Board shall, not  
30 later than June 20, estimate the yield of the state tax on sales imposed by this section for  
31 the quarter ending June 30 and certify the amount of such estimate to the Comptroller,  
32 whereupon the Comptroller shall, before the end of the month, transfer the amount of such  
33 estimate from the special fund described in § 4-23 to the general fund of the state  
34 treasury, subject to such adjustment on account of an overestimate or underestimate as  
35 may be indicated within fifty days after the close of the quarter ending on June 30.

36 Forty-four percent of the amount derived from the liter tax herein levied shall be  
37 transferred to the general fund and paid to the several counties, cities and towns of the  
38 Commonwealth in proportion to their respective population, and is hereby appropriated for  
39 such purpose.

40 The term "population" as used herein shall mean the population according to the last  
41 preceding United States census. If the population of any city or town has been increased  
42 through the annexation of any territory since the last preceding United States census, such  
43 increase shall, for the purpose of this chapter, be added to the population of such city or  
44 town as shown by the last preceding United States census and a proper reduction made in  
45 the population of the county or counties from which the annexed territory was acquired.

46 The counties, cities and towns shall in no event receive from the taxes derived herein  
47 from the sale of wines less cash revenue than was received by such counties, cities and  
48 towns for the year ending June 30, 1976.

49 Twelve percent of the amount derived from the liter tax herein levied shall be retained  
50 by the Board as operating revenue and distributed as provided in § 4-22.

51 E. The provisions of this section shall not apply to (i) sales of wine to wholesale wine  
52 distributors for resale to retail licensees, but the provisions of this section shall apply to  
53 such resale, (ii) sales, other than by or through government stores, of alcoholic beverages  
54 for manufacturing and industrial purposes, or either of such purposes, (iii) sales, other than

1 by or through government stores, of alcohol for hospital or laboratory purposes, or either  
 2 of such purposes, (iv) alcoholic beverages shipped from Virginia to points outside Virginia  
 3 for resale outside Virginia, (v) sales to any instrumentality of the federal government, and  
 4 (vi) beer.

5 F. The term "wholesale wine distributor," as used in this section, means one who holds  
 6 a wholesale wine distributor's license issued under the provisions of this chapter. The term  
 7 "retail licensee," as used in this section, means one who is licensed under this chapter to  
 8 sell wine at retail. As used in this section, the term "net sales" shall mean gross sales less  
 9 refunds to customers. The definitions contained in this chapter shall apply to the words and  
 10 terms used in this section.

11 G. The Virginia Alcoholic Beverage Control Board shall be empowered to make a  
 12 refund or adjustment of any tax paid to it under this chapter when the wine upon which  
 13 such tax has been paid has been condemned and is not permitted to be sold in Virginia, or  
 14 whenever wine is returned by a retail licensee to a wholesale wine distributor for refund  
 15 in accordance with regulations or approval of the Board; provided claim for such refund or  
 16 adjustment be made to the Board in the report filed with the Board by the wholesale wine  
 17 distributor for the period in which such return and refund occurs.

18 H. Neither the Board nor any employee thereof shall divulge any information regarding  
 19 the purchase orders and wine invoices filed with the Board by wholesale wine distributors,  
 20 or regarding wine taxes collected from, refunded to, or adjusted for any private person,  
 21 firm, or corporation. The provisions of § 58.1-3 shall apply, mutatis mutandis, to wine taxes  
 22 collected under this section and to purchase orders and wine invoices filed with the Board  
 23 by wholesale wine distributors. Nothing contained in this section shall be construed to  
 24 prohibit the use or release of such information or documents by the Board when  
 25 considering the granting, denial, revocation, or suspension of a license or permit, or the  
 26 assessment of any penalty against a licensee or permittee nor shall it preclude the Board  
 27 or its employees from publishing and distributing periodic statistical information (i) as to  
 28 the total quantities of wine sold or shipped into the Commonwealth by each out-of-state  
 29 winery, distributor, or importer for resale in Virginia by wholesale wine distributors  
 30 collectively, and (ii) as to the total amount of wine sales in Virginia by wholesale wine  
 31 distributors collectively.

#### 32 CHAPTER 21.1.

#### 33 VIRGINIA CONSERVATION TRUST FUND.

34 § 10.1-2116. *Definitions.—As used in this chapter, unless the context requires a*  
 35 *different meaning:*

36 *"Council" means the Virginia Conservation Council.*

37 *"Fund" means the Virginia Conservation Trust Fund.*

38 § 10.1-2117. *Conservation Trust Fund established.—A. There is hereby established a*  
 39 *special nonreverting fund in the state treasury to be known as the Virginia Conservation*  
 40 *Trust Fund. The Fund shall be administered for the purposes of:*

41 *1. Acquiring land for conservation, recreation and the preservation of natural areas by*  
 42 *the Departments of Conservation and Recreation, Forestry, and Game and Inland Fisheries;*

43 *2. Accepting gifts, grants, and donations from public or private sources; and*

44 *3. Providing matching funds for federal grants and donations from private*  
 45 *organizations.*

46 *B. The Fund shall consist of general fund moneys; bequests; endowments or grants*  
 47 *from the United States government, its agencies and instrumentalities; and any other*  
 48 *available source of funds, public or private.*

49 *C. Any moneys remaining in the Fund at the end of a biennium shall not revert to the*  
 50 *general fund but shall remain in the Fund. Interest earned on such funds shall remain in*  
 51 *the Fund and be credited to it.*

52 § 10.1-2118. *Virginia Conservation Council; terms; chairman; quorum; compensation.—A.*  
 53 *There is hereby established the Virginia Conservation Council. The Council shall administer*  
 54 *the Fund established pursuant to § 10.1-2117.*

1        *B. The Council shall consist of nine members appointed by the Governor and confirmed*  
2 *by the General Assembly as follows: one member of the Board of Conservation and*  
3 *Recreation; one member of the Board of Forestry; one member of the Board of Game and*  
4 *Inland Fisheries; two locally elected officials; and four citizens. Council members shall be*  
5 *selected from all regions of the Commonwealth to ensure geographic diversity among the*  
6 *members.*

7        *C. The term of office of each member of the Council shall be four years. Appointments*  
8 *to fill vacancies shall be made to fill the unexpired term in the same manner as the*  
9 *original appointment.*

10        *D. The Governor shall appoint a member to serve as chairman. The members of the*  
11 *Council may elect a vice-chairman from among the members. The Council shall meet at*  
12 *the call of the chairman or at least twice yearly.*

13        *E. Six members of the Council shall constitute a quorum and the affirmative vote of a*  
14 *majority of the quorum present shall be necessary for any action taken by the Council. No*  
15 *vacancy in the membership of the Council shall impair the right of a quorum to exercise*  
16 *all the rights and perform the duties of the Council.*

17        *F. Members shall receive no compensation for their services but shall receive*  
18 *reimbursement for actual expenses.*

19        *§ 10.1-2119. Executive director; staff support.—The Council may appoint an executive*  
20 *director who shall be authorized to employ such staff as necessary to enable the Council*  
21 *to perform its duties.*

22        *The Council is authorized to determine the duties of such staff and to fix salaries and*  
23 *compensation from such funds as may be appropriated. The Department of Conservation*  
24 *and Recreation shall also provide staff support to the Council.*

25        *§ 10.1-2120. Annual report.—The Council, promptly following the close of the fiscal*  
26 *year, shall submit an annual report of the Council's activities for the preceding year to*  
27 *the Governor and the General Assembly. Each such report shall set forth a complete*  
28 *operating and financial statement covering the operation of the Council during the year.*  
29 *The Council shall cause an audit of its books and accounts to be made at least once each*  
30 *year by a certified public accountant, and the cost thereof may be treated as a part of*  
31 *the expense of operation.*

32        *§ 10.1-2121. Forms of accounts and records; audit of same.—The accounts and records*  
33 *of the Council showing the receipt and disbursement of funds from whatever source*  
34 *derived shall be in such form as the Auditor of Public Accounts prescribes, provided that*  
35 *such accounts shall correspond as nearly as possible to the accounts and records for such*  
36 *matters maintained by corporate enterprises. The accounts and records of the Council*  
37 *shall be subject to audit by the Auditor of Public Accounts on an annual basis and the*  
38 *costs of such audit services shall be borne by the Council. The Council's fiscal year shall*  
39 *be the same as that of the Commonwealth.*

40        *§ 10.1-2122. Cooperation of state agencies.—All agencies of the Commonwealth shall*  
41 *cooperate with the Council and, upon request, assist the Council in the performance of its*  
42 *duties and responsibilities.*

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Clerk of the House of Delegates	Clerk of the Senate

# 1992 SESSION

LD0469428

## HOUSE BILL NO. 831

Offered January 21, 1992

*A BILL to amend the Code of Virginia by adding in Title 23 a chapter numbered 16.2, consisting of sections numbered 23-231.8 through 23-231.12, relating to the establishment of the A. L. Philpott Manufacturing Research Center.*

Patrons—Reynolds, Abbitt, Almand, Armstrong, Ball, Bennett, Brickley, Christian, Clement, Cohen, Connally, Cooper, Councill, Croshaw, Darner, Davies, DeBoer, Finney, Hall, Jackson, Moore, Murphy, Parker, Plum, Quillen, Stieffen, Thomas and Woodrum;  
Senator: 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 23 a chapter numbered 16.2, consisting of sections numbered 23-231.8 through 23-231.12, as follows:

§ 23-231.8. *A. L. Philpott Manufacturing Research Center created; mission and duties.—From such funds as may be appropriated or provided, there is hereby established the A. L. Philpott Manufacturing Research Center, referred to in this chapter as the Center. The Center shall:*

1. *Develop, demonstrate, test, and assist in the implementation of advanced manufacturing technologies.*

2. *Promote industrial expansion by providing manufacturing technology consulting services to manufacturers in Virginia.*

3. *Foster the creation of manufacturing networks and the development of buyer and supplier relationships in the region and throughout the Commonwealth.*

4. *Serve as a resource center for industrial training and technology transfer programs for the renewal, enhancement, and expansion of existing manufacturing enterprises and for manufacturing modernization outreach.*

§ 23-231.9. *Membership of governing board; terms; compensation; officers.—A. The Center shall be governed by a Board of Trustees consisting of the presidents or their designees of three community colleges; two presidents or their designees of public four-year institutions of higher education; one president or his designee of a private four-year institution of higher education; four citizen members, representing manufacturing industries, to be appointed by the Governor; and the director or his designee of the Center for Innovative Technology.*

*B. Of the members to be appointed in 1992, the three community college presidents shall be appointed for two-, three-, and four-year terms, respectively; the two presidents of the public four-year institutions shall be appointed for two- and four-year terms, respectively; the president of a private four-year institution shall be appointed for a three-year term; two citizen members shall be appointed for two-year terms, and two citizen members shall be appointed for three- and four-year terms, respectively. Thereafter, all appointments shall be for terms of four years, except that appointments to fill vacancies shall be for the unexpired terms. With the exception of the director or his designee of the Center for Innovative Technology, 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 which appointed to fill a vacancy, two additional terms may be served by such member if appointed thereto.*

*C. The Board shall elect a chairman and a vice chairman from among its members. All members shall be reimbursed for their actual expenses incurred in the performance of their duties in the work of the Center.*

§ 23-231.10. *Executive director; powers and duties; staff.—A. The Board shall appoint an executive director for the Center who shall supervise and manage the Center and shall*

1 prepare and submit, upon direction and approval by the Board, all requests for  
 2 appropriations. The executive director shall be authorized to employ such staff as  
 3 necessary to enable the Center to perform its duties as set forth in this chapter. The  
 4 Board is authorized to determine staff duties and to fix salaries and compensation from  
 5 such funds as may be appropriated or received. In addition, the Board is authorized to  
 6 make arrangements with institutions of higher education to extend course credit to  
 7 graduate students employed by the Center.

8 B. Additional staff support for the functions of the Center may be provided by the  
 9 Center for Innovative Technology, community colleges and four-year institutions of higher  
 10 education, small business development centers, and private businesses.

11 § 23-231.11. Application for and acceptance of gifts and grants.—The Board is  
 12 authorized on behalf of the Center to apply for, accept, and expend gifts, grants, or  
 13 donations from public or private sources to enable it to carry out its objectives.

14 § 23-231.12. Cooperation of other agencies.—All agencies of the Commonwealth shall  
 15 cooperate with the Center and, upon request, assist the Center in the performance of its  
 16 duties and responsibilities.

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Date: _____	Date: _____
Clerk of the House of Delegates	Clerk of the Senate

# 1992 SESSION

LD0467665

## SENATE BILL NO. 294 Offered January 21, 1992

A BILL to amend the Code of Virginia by adding in Title 23 a chapter numbered 16.2, consisting of sections numbered 23-231.8 through 23-231.12, relating to the establishment of the A. L. Philpott Manufacturing Research Center.

Patrons—Goode, Hawkins and Holland, R.J.; Delegates: Abbitt, Armstrong, Bennett, Clement, Finney and Reynolds

Referred to the Committee on Education and Health

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 23 a chapter numbered 16.2, consisting of sections numbered 23-231.8 through 23-231.12, as follows:

§ 23-231.8. A. L. Philpott Manufacturing Research Center created; mission and duties.—From such funds as may be appropriated or provided, there is hereby established the A. L. Philpott Manufacturing Research Center, referred to in this chapter as the Center. The Center shall:

1. Develop, demonstrate, test, and assist in the implementation of advanced manufacturing technologies.

2. Promote industrial expansion by providing manufacturing technology consulting services to manufacturers in Virginia.

3. Foster the creation of manufacturing networks and the development of buyer and supplier relationships in the region and throughout the Commonwealth.

4. Serve as a resource center for industrial training and technology transfer programs for the renewal, enhancement, and expansion of existing manufacturing enterprises and for manufacturing modernization outreach.

§ 23-231.9. Membership of governing board; terms; compensation; officers.—A. The Center shall be governed by a Board of Trustees consisting of the presidents or their designees of three community colleges; two presidents or their designees of public four-year institutions of higher education; one president or his designee of a private four-year institution of higher education; four citizen members, representing manufacturing industries, to be appointed by the Governor; and the director or his designee of the Center for Innovative Technology.

B. Of the members to be appointed in 1992, the three community college presidents shall be appointed for two-, three-, and four-year terms, respectively; the two presidents of the public four-year institutions shall be appointed for two- and four-year terms, respectively; the president of a private four-year institution shall be appointed for a three-year term; two citizen members shall be appointed for two-year terms, and two citizen members shall be appointed for three- and four-year terms, respectively. Thereafter, all appointments shall be for terms of four years, except that appointments to fill vacancies shall be for the unexpired terms. With the exception of the director or his designee of the Center for Innovative Technology, 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 which appointed to fill a vacancy, two additional terms may be served by such member if appointed thereto.

C. The Board shall elect a chairman and a vice chairman from among its members. All members shall be reimbursed for their actual expenses incurred in the performance of their duties in the work of the Center.

§ 23-231.10. Executive director; powers and duties; staff.—A. The Board shall appoint an executive director for the Center who shall supervise and manage the Center and shall prepare and submit, upon direction and approval by the Board, all requests for appropriations. The executive director shall be authorized to employ such staff as

1 necessary to enable the Center to perform its duties as set forth in this chapter. The  
2 Board is authorized to determine staff duties and to fix salaries and compensation from  
3 such funds as may be appropriated or received. In addition, the Board is authorized to  
4 make arrangements with institutions of higher education to extend course credit to  
5 graduate students employed by the Center.

6 B. Additional staff support for the functions of the Center may be provided by the  
7 Center for Innovative Technology, community colleges and four-year institutions of higher  
8 education, small business development centers, and private businesses.

9 § 23-231.11. Application for and acceptance of gifts and grants.—The Board is  
10 authorized on behalf of the Center to apply for, accept, and expend gifts, grants, or  
11 donations from public or private sources to enable it to carry out its objectives.

12 § 23-231.12. Cooperation of other agencies.—All agencies of the Commonwealth shall  
13 cooperate with the Center and, upon request, assist the Center in the performance of its  
14 duties and responsibilities.

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Date: _____	Date: _____
Clerk of the Senate	Clerk of the House of Delegates



1992 SESSION

LD0476168

HOUSE JOINT RESOLUTION NO. 68

Offered January 17, 1992

Requesting the Department of Forestry to promote Virginia's forestry products industries through certain programs and initiatives.

Patrons—Councill, Abbitt, Armstrong, Bennett, Clement and Crouch

Referred to the Committee on Rules

WHEREAS, forestry contributes over \$5.2 billion annually to Virginia's economy and is a vital component of regional and statewide development; and

WHEREAS, the economic impact, permanence, and growth potential of forest-based industries warrant special consideration in developing strategies for regional growth and economic prosperity; and

WHEREAS, the A. L. Philpott Southside Economic Development Commission, through its Task Force on Agriculture, Forestry, and Natural Resources, has determined that forestry industries play a critical role in the economic development of Southside Virginia and the Commonwealth; and

WHEREAS, the Commonwealth's rich mixture of hardwood and softwood timber offers a significant resource for the promotion of forestry industries processing or producing materials as diverse as pulpwood, structural and industrial timbers, particle board, veneers, sawdust, bark, and other wood products; and

WHEREAS, initiatives to promote alternative uses for wood products and to assist existing forestry enterprises will enhance not only the development of those regions rich in timber resources, but also the Commonwealth as a whole; and

WHEREAS, the care, management, and preservation of the Commonwealth's forest resources are entrusted to the State Forester, the Board of Forestry, and the Department of Forestry; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Department of Forestry be requested to promote forestry industries in the Commonwealth by (i) exploring, in conjunction with the Department of Economic Development, additional markets for pine pulpwood and chips; (ii) coordinating a project with other state agencies and private sector organizations that will result in linkages between industries producing wood residue and industries using wood residues in their manufacturing processes; and (iii) together with the Department of Economic Development and Virginia Polytechnic Institute and State University, establishing an educational program in hardwood dimension products to stimulate interest among existing forest products industries. The Department shall report its progress on these initiatives to the House Appropriations Committee and the Senate Finance Committee prior to the 1993 Session of the General Assembly.

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1992 SESSION

LD4024168

HOUSE JOINT RESOLUTION NO. 69

Offered January 17, 1992

Requesting the Coal and Energy Commission to examine the policies needed to promote greater use of wood wastes for fuel.

Patrons—Councill, Abbitt, Armstrong, Bennett, Clement and Crouch

Referred to the Committee on Rules

WHEREAS, the A. L. Philpott Southside Economic Development Commission, through its Task Force on Agriculture, Forestry, and Natural Resources, has recognized the value of forestry industries in ensuring economic development and growth; and

WHEREAS, sawdust, bark, and other wood manufacturing residues have found alternative uses in fuel, mulch, and other products, thereby reducing waste disposal problems while providing additional sources of revenue; and

WHEREAS, while a few state facilities, such as Longwood College and the Piedmont Geriatric Center, currently use wood wastes in their central heating plants, yielding significant cost savings to the Commonwealth, the expanded use of these alternative fuels would increase savings in other state facilities; and

WHEREAS, the development of policies and markets that increase the utilization of wood residues would reduce the accumulation of wood wastes and enhance future wood production efforts; and

WHEREAS, the Coal and Energy Commission, pursuant to § 9-145.1 of the Code of Virginia, has been directed to "stimulate, encourage, promote, and assist in the development of renewable and alternative energy resources"; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Coal and Energy Commission, with the assistance of the Virginia Center for Coal and Energy Research and the Brooks Forest Products Center at Virginia Polytechnic Institute and State University, examine the policies necessary to promote greater use of wood wastes for fuel by state facilities. The Commission shall include in its study consideration of current practice and policy in the public and private sectors.

The Commission shall submit its findings and recommendations to the Governor and the 1993 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

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1992 SESSION

LD4023168

HOUSE JOINT RESOLUTION NO. 70

Offered January 17, 1992

Requesting the State Corporation Commission to examine the availability of insurance for diversification crops.

Patrons—Councill, Abbitt, Armstrong, Bennett, Clement and Crouch

Referred to the Committee on Rules

WHEREAS, the A. L. Philpott Southside Economic Development Commission, through its Task Force on Agriculture, Forestry, and Natural Resources, has recognized that agriculture continues to play a vital role in the economic development of Southside Virginia and the entire Commonwealth; and

WHEREAS, while increased diversification efforts are necessary to ensure the continued survival and prosperity of farms throughout the Commonwealth, many farmers are reluctant to invest in diversification crops; and

WHEREAS, although many farmers now recognize multiple-peril crop insurance as a cost effective method of risk management, increased knowledge of the availability and affordability of these insurance packages might assist Virginia farmers in obtaining this protective tool; and

WHEREAS, although the Bureau of Insurance within the State Corporation Commission has no jurisdiction over rates for crop insurance, it is responsible for the administration of insurance laws pursuant to § 12.1-16 of the Code of Virginia; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the State Corporation Commission, Bureau of Insurance, is hereby requested to examine the availability and affordability of diversification crop insurance. The Commission shall include in its study consideration of private company policies reinsured by the Federal Crop Insurance Commission (FCIC) and government policies sold through the FCIC.

The Commission shall submit its findings and recommendations to the House Committee on Agriculture and the Senate Committee on Agriculture, Conservation and Natural Resources during the 1993 Session of the General Assembly.

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# 1992 SESSION

LD4014152

## HOUSE JOINT RESOLUTION NO. 71

Offered January 17, 1992

*Continuing the A. L. Philpott Southside Economic Development Commission.*

Patrons—Bennett, Abbitt, Armstrong, Clement, Council, Crouch, Finney and Parker;  
Senators: Goode, Hawkins, Holland, R.J. and Lucas

Referred to the Committee on Rules

WHEREAS, the General Assembly, pursuant to House Joint Resolution No. 106 (1990), established a commission to propose recommendations to improve and enhance the economic development of Southside Virginia (the "A. L. Philpott Southside Economic Development Commission" or the "Commission"); and

WHEREAS, the Commission was authorized to continue its examination of economic, educational, financial, infrastructural, and industrial challenges facing the region pursuant to House Joint Resolution No. 300 (1991); and

WHEREAS, under the leadership of the late Speaker of the House of Delegates, A. L. Philpott, the Commission and its four task forces explored traditional development strategies as well as newer initiatives that focus on "growth-from-within" and partnerships between the public and private sectors; and

WHEREAS, the Commission's two years of study have been enhanced by the input and expertise of Congressional leaders, leading economic development specialists, educators, business representatives, and those Cabinet Secretaries and state agencies responsible for education, economic development, natural resources, transportation, and community development; and

WHEREAS, to ensure its economic recovery, Southside Virginia must overcome a variety of obstacles, such as low educational attainment levels, low per capita personal income averages, high unemployment rates, and inadequate infrastructure; and

WHEREAS, in its 1991 report, House Document No. 42, the Commission submitted recommendations addressing the expansion of industries using the region's abundant natural resources, the educational needs of Southside citizens and employers, industrial recruitment incentives, and regional marketing efforts; and

WHEREAS, the Commission's report to the Governor and the 1992 Session includes additional, far-reaching recommendations to improve public education, to promote the expansion of existing area industry, to enhance agricultural diversification efforts, and to support the infrastructure necessary for growth and access to urban areas; and

WHEREAS, addressing Southside's immediate and long-term development needs requires not only the enduring commitment and entrepreneurial spirit of its leaders, citizens, and industries but also continued support and review of the implementation of the Commission's sweeping proposals; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the A. L. Philpott Southside Economic Development Commission be continued for one additional year to monitor the implementation of its recommendations. The membership of the Commission shall continue as established by House Joint Resolution No. 106 (1990), except that the Commission shall elect a chairman from its membership. 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 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 and the Division of Legislative Services. All agencies of the Commonwealth shall cooperate with the Commission and, upon request, assist the Commission in the performance of its duties and responsibilities.

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

3 The Commission shall submit any additional findings and recommendations to the  
4 Governor and the 1993 Session of the General Assembly in accordance with the procedures  
5 of the Division of Legislative Automated Systems for the processing of legislative  
6 documents.

7 The indirect costs of this study are estimated to be \$6,280; the direct costs shall not  
8 exceed \$7,920.

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

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# 1992 SESSION

LD4025128

## HOUSE JOINT RESOLUTION NO. 91

Offered January 20, 1992

*Establishing a joint subcommittee to study regional difficulties in teacher recruitment and retention.*

Patrons—Bennett, Abbitt, Armstrong, Clement, Councill, Crouch, Parker and Reynolds;  
Senators: Goode, Hawkins, Holland, R.J. and Lucas

Referred to the Committee on Rules

WHEREAS, the A. L. Philpott Southside Economic Development Commission, through its Task Force on Education, Training, and the Workforce, has recognized that although existing teacher scholarship programs include repayment provisions for service in needy areas, southside schools continue to experience difficulty in recruiting and retaining teachers; and

WHEREAS, ensuring effective, quality instruction is essential to the improvement of public education throughout the Commonwealth; and

WHEREAS, teacher recruitment programs in other states, such as the North Carolina Project Teach initiative, have proven effective in attracting exceptional individuals to the teaching profession and to employment opportunities in underserved areas; and

WHEREAS, while certain regions may face greater challenges in teacher recruitment and retention than do more populous areas due to a number of factors, such as lower salaries and quality of life concerns, additional study is needed to confirm the severity of these employment difficulties; and

WHEREAS, examination of current teacher recruitment efforts and the ability of localities to offer employment incentives is also necessary to assess accurately the need for other programs; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint subcommittee be established to study regional difficulties in teacher recruitment and retention and ways to enhance teacher recruitment and retention in regions demonstrating the greatest need for assistance and a willingness to meet their local ability to pay for public education. The joint subcommittee shall consist of seven members as follows: four members of the House of Delegates to be appointed by the Speaker of the House of Delegates, and three members of the Senate to be appointed by the Senate Committee on Privileges and Elections.

The State Council on Higher Education for Virginia, the Department of Education, the Southside Virginia Business and Education Commission, and all agencies of the Commonwealth shall, upon request, assist the joint subcommittee in the conduct of its study.

The joint subcommittee shall submit its findings and recommendations to the Governor and the 1993 Session of the General Assembly 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 \$10,650; the direct costs shall not exceed \$5,040.

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

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1992 SESSION

LD4026128

HOUSE JOINT RESOLUTION NO. 92

Offered January 20, 1992

Requesting the State Council on Higher Education for Virginia and the Virginia Community College System to examine the efficacy and need for extending state financial assistance to part-time students enrolled in community colleges and four-year institutions of higher education and residing in those areas having low per capita income and educational attainment levels and high unemployment rates.

Patrons—Bennett, Abbitt, Armstrong, Clement, Councill, Crouch, Parker and Reynolds; Senators: Goode, Hawkins, Holland, R.J. and Lucas

Referred to the Committee on Rules

WHEREAS, the A. L. Philpott Southside Economic Development Commission, through its Task Force on Education, Training, and the Workforce, has recognized that the twenty-first century employee will require advanced educational and technical skills to function effectively in an increasingly sophisticated workplace, and that the pursuit of higher education is necessary to help ensure the development of these skills; and

WHEREAS, the availability of financial assistance and increased awareness of educational opportunities might encourage current workers to enhance their skills through enrollment as part-time students in community colleges and four-year institutions; and

WHEREAS, while state financial aid is currently available for full-time students at community colleges and four-year institutions of higher education, certain existing state-funded programs, such as the Virginia Scholars Program, are restricted to full-time students at four-year institutions; and

WHEREAS, the availability of affordable training is especially critical in those regions already experiencing high unemployment levels and low educational attainment levels; and

WHEREAS, making higher education more affordable and accessible to current and future employees in the Commonwealth is essential to the maintenance and development of a literate workforce that is able to adapt to change and to acquire new skills; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the State Council of Higher Education for Virginia (SCHEV) and the Virginia Community College System (VCCS) be hereby requested to examine the efficacy and need for extending state financial assistance to part-time students enrolled in community colleges and four-year institutions of higher education and residing in those areas having low per capita income and educational attainment levels and high unemployment rates.

The SCHEV and VCCS shall submit their findings and recommendations to the 1993 Session of the General Assembly in accordance with the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

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1992 SESSION

LD4027128

HOUSE JOINT RESOLUTION NO. 93

Offered January 20, 1992

Requesting the Southside Virginia Business and Education Commission to examine the need to increase or expand engineering and technology programs in the region's institutions of higher education.

Patrons—Bennett, Abbitt, Armstrong, Clement, Councill, Crouch, Parker and Reynolds; Senators: Goode, Hawkins, Holland, R.J. and Lucas

Referred to the Committee on Rules

WHEREAS, increasingly complex technology will demand that the 21st century worker display mastery and knowledge of a variety of disciplines, particularly mathematics and sciences; and

WHEREAS, manufacturing industries support much of the demand for engineering and technology employment in Southside Virginia, and the region has attracted more than 50 new manufacturing plants in the last four years, thereby increasing the demand for engineering professionals; and

WHEREAS, Virginia's institutions of higher education must be equipped to provide the technological and engineering programs necessary to train these workers; and

WHEREAS, the 1991 Session of the General Assembly, upon the recommendation of the Southside Economic Development Commission, established the Southside Virginia Business and Education Commission to provide "general leadership" for excellence in education in Southside Virginia; and

WHEREAS, while some engineering programs are currently offered by community colleges and four-year institutions in Southside Virginia, strengthening these programs might further enhance employment opportunities and regional development; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Southside Virginia Business and Education Commission be hereby requested to examine the need to increase or expand engineering and technology programs in the region's institutions of higher education. The Commission's study should include, among other things, an examination of current engineering programs, consideration of industry needs, estimated regional retention of program graduates, current and projected enrollments, and the use of satellite programs.

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

The Commission shall submit its findings and recommendations to the House Committee on Education and the Senate Committee on Education and Health prior to the 1993 Session of the General Assembly.

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