

**REPORT OF THE
JOINT SUBCOMMITTEE STUDYING MEASURES TO IMPROVE
AND ENHANCE ECONOMIC DEVELOPMENT IN THE
SOUTHWEST REGION OF THE COMMONWEALTH**

Final Report of the "Southwest Virginia Economic Development Commission"

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



SENATE DOCUMENT NO. 13

**COMMONWEALTH OF VIRGINIA
RICHMOND
2006**

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Mr. Ed Blevins, Branch Manager, Farm Credit of the Virginias
Mr. Mike Goldwasser, Blue Ridge Premium Beef
Mr. Joseph Guthrie, Pulaski, VA
Mr. Donald Ratliff, Alpha Natural Resources

Southwest Virginia

City of Bristol

City of Galax

City of Norton

City of Radford

* * *

Bland County

Buchanan County

Carroll County

Dickenson County

Floyd County

Giles County

Grayson County

Lee County

Montgomery County

Pulaski County

Russell County

Scott County

Smyth County

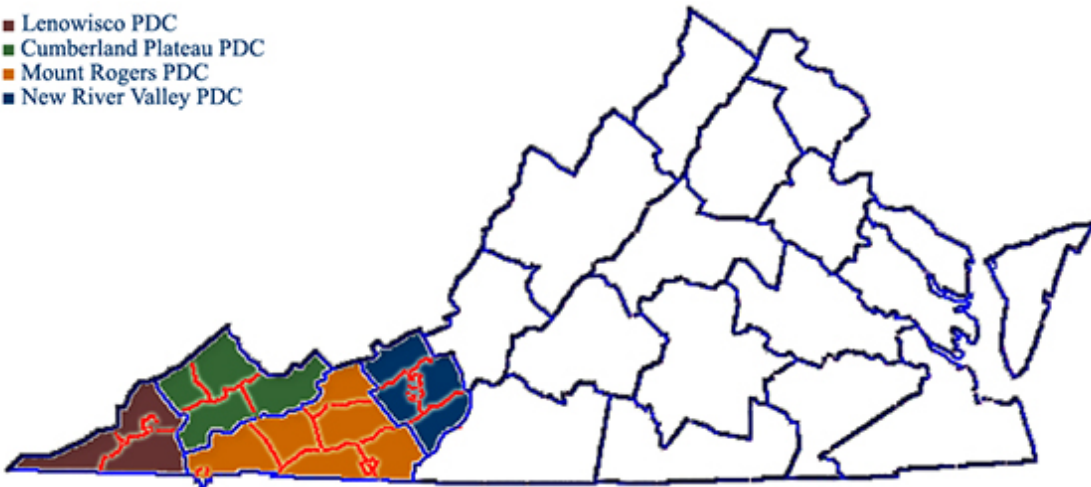
Tazewell County

Washington County

Wise County

Wythe County

- Lenowisco PDC
- Cumberland Plateau PDC
- Mount Rogers PDC
- New River Valley PDC



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Richmond, Virginia
January 2006

TO: The Honorable Mark R. Warner, Governor of the Commonwealth of Virginia and The General Assembly of the Commonwealth of Virginia

Ladies and Gentlemen:

We are pleased to transmit the final report of the Southwest Virginia Economic Development Commission established by Senate Joint Resolution 111.

Throughout the past two years, we have engaged in multiple meetings and conversations with business leaders, public policy makers and citizens throughout the region. This report is an attempt to compile the recommendations and attitudes expressed in these meetings. Nearly twenty years after the original Southwest Virginia Economic Development Commission report, we find the region a diverse, hopeful and dynamic part of the Commonwealth with unique infrastructure challenges that must be addressed for sustainable progress.

We have discovered that investments in the region produce great returns. The investments by the Commonwealth in the late 1980s following the original commission continue to produce results today. Additional industrial parks, farmers' markets, and education resources created opportunities for the region. Most recently, Governor Warner announced several hundred new jobs that will be located in an industrial park originally funded following the initial Commission's work.

We have also confirmed that much remains to be done if the region is to recognize its potential providing a better quality of life for its citizens. Traditional industries – such as agriculture, mining, and manufacturing – remain key components of the local economy, but the growing presence of information technology and software jobs provides hope of a more diverse economy. The region's educational institutions continue to play a critical role in the progress of the area. Radford University, Virginia Tech, and the University of Virginia at Wise have all grown since the original report -- and the community colleges in the region have become ever more important. And yet, while the region boasts world-class higher education institutions, thousands of graduates from these institutions leave the region each year to find employment elsewhere.

The Commission acknowledges the very able support of the Virginia Economic Bridge, Inc., the members of the Commission's Taskforces and the involvement of the various presenters to the Commission. We are grateful for their participation.

Southwest Virginia's future need not be filled with continued population declines and under-employment. We believe a sustained comprehensive region-wide approach to economic prosperity can produce results for generations to come. We hope this report serves as a renewal of the effort started nearly twenty years ago when then Delegate Chuck Lacy and then Senator Jim Jones focused the attention of the Commonwealth, and the attention of this region's leadership, on the future of Southwest Virginia. The original commission generated a climate for investment and regional cooperation. Hopefully, we can do so again.



The Honorable Phillip P. Puckett
Co-Chair



The Honorable Terry G. Kilgore
Co-Chair

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I. STATUTORY AUTHORITY AND MEMBERSHIP

The General Assembly created “The Southwest Virginia Economic Development Commission” in 2004 by the enactment of Senate Joint Resolution Number 111. This report is delivered to the Governor of the Commonwealth of Virginia and the Virginia General Assembly as required by Senate Joint Resolution No. 111.

The thirteen members of the Commission consist of six legislative members and seven nonlegislative members. The two members representing the Senate of Virginia are Senator Phillip P. Puckett (Co-Chairman) and William C. Wampler. The four members representing the Virginia House of Delegates are Terry G. Kilgore (Co-Chairman), Allen W. Dudley, H. Morgan Griffith and Joseph P. Johnson, Jr. The other members of Commission represent local government (Mr. Harold Slep), local economic development (Mr. John Kilgore, Jr.), business and industry (Mr. Rayburn A. Thompson), banking (Mr. Kendall Clay), major utility providers (Richard Settle), four-year institutions of higher education (Simeon Ewing), and community colleges (Dr. F. David Wilkin).

The enabling legislation directed the Commission to “review methods to attract business and industry to the Southwest region of the state through (i) actions that may be taken by state government, (ii) joint efforts with neighboring states and local governments, and (iii) programs provided by or through institutions of higher education and the business community located in the region.”

The enabling legislation tracks very closely the legislation enacted creating the first Southwest Virginia Economic Development Commission, which was created in 1985 and concluded its work in 1987. The original commission’s report, “Forward Southwest Virginia” served as a model economic development strategy and was, for that reason, adopted by other regions of the Commonwealth.

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II. FORWARD SOUTHWEST VIRGINIA – AGAIN!

On July 1, 1987, the Southwest Virginia Economic Development Commission commonly referred to as the “Lacy Commission” after its chairman, former Delegate Chuck Lacy (Wytheville), issued its final report. The recommendations put forth by the Lacy Commission were developed by twenty-one commission members, thirty-one ad hoc advisors and hundreds of public suggestions. In his July 1, 1987, transmittal of the final report of the 1985 commission, former Delegate Charles C. Lacy noted the following:

One common element pervaded the Commission’s discussions: The need to act now. The dichotomy between the economy of this Region and that of the Commonwealth as a whole has widened significantly since the recession of the early 1980’s. The opportunity to narrow that gap may well be lost forever if we do not act immediately.

The Lacy Commission successfully served as a call to action, not just at the state level, but, more importantly, at the local and regional level. The introduction to the final report of the Lacy Commission provides a clear statement of its overall strategy:

This report lays out a course of action by which 570,000 Southwest Virginians can take their economic future into their own hands and close the gap between their region and the state and the nation. Much can be done, but doing it will take a united effort by the citizens of the region and an effective partnership between state and local governments.

We have modeled much of the activity of our Commission on this initial effort. The legislation creating the current commission was modeled after the legislation that created the Lacy Commission. Following the interim report of the Lacy Commission in 1986, former Governor Gerald L. Baliles and the Virginia General Assembly provided \$1,500,000 in the 1987 budget for economic development efforts in the region. This support included:

- Expanding the Southwest regional office of the Virginia Department of Economic Development
- Funding a Target Industry Study to identify those industries most likely to consider locating in Southwest Virginia
- Expanding the adult literacy pilot program at Mountain Empire Community College
- Creating a branch of the University of Virginia Institute of Government at UVA-Wise

- Authorizing a feasibility study to determine the best location for a farmer's market in Southwest Virginia
- Appropriating funds for a leadership development seminar series to recognize and encourage forward thinking leaders in the region

As the current Southwest Virginia Economic Development Commission initiated its efforts, we requested a review of the Lacy Commission. At our initial commission meeting, Neal Barber, Manager of Community Resources of the Virginia Economic Development Partnership, provided the current Commission with a review of the impact of the initial Lacy Commission. He noted that the Lacy Commission helped launch a number of initiatives focused on Southwest Virginia, such as:

- Regional industrial park development
- Expansion of tourism promotion and attractions
- Construction of major arteries such as The Coalfield Expressway
- Major investments in water and sewer projects
- Regional business revolving loan funds
- Substantial completion of the ARC Corridor system in Virginia
- A stronger emphasis on workforce training by the Virginia Community College System
- the four lane construction of U.S. Route 58
- Creation of a Farmer's Market in Carroll County

As a direct result of the Lacy Commission's work, the Baliles Administration created the "Communities for Opportunity" program, which attempted to target rural communities all across Virginia with particular demographic similarities. A major component of the program was a \$4,000,000 Regional Industrial Park Grant. This grant was used by Russell County to develop what is now known as the Russell Regional Industrial Park. The Commonwealth's initial investment in the Park was leveraged by over \$8,600,000 in local and federal funds to develop the Park. This Park has been very successful, with four primary tenants and several retail establishments. According to Mr. Barber, these businesses have invested \$127,000,000, employ 1775 workers and provide an annual payroll of \$42,000,000. Since the creation of the Park, all but one 20 acre parcel have been developed.

In addition to the "Communities for Opportunity" program, the Southwest Virginia Industrial Park Grant Program of \$10,000,000 (later expanded to \$13,000,000) was created. This program provided funds for thirteen different Southwest Virginia localities for twenty-two different industrial parks. This investment by the Commonwealth created industrial parks where none existed. A 1997 study by the Virginia Department of Housing and Community Development indicated that 41 businesses have located in the initial parks creating 3,478 jobs and over \$217,000,000 in payroll and investment taxes. Each of these original investments continues to produce job opportunities for the region, including recent

announcements by Governor Warner that CGI–AMS and Northrop Grumman would locate a combined 733 jobs in the Russell Regional Industrial Park in Lebanon, VA.

The Commission notes that the Final Report of the Lacy Commission also identifies “*The Roots of the Problem.*” As we renew the efforts of regional economic development, we believe it is worth reviewing the weaknesses of the region identified by the Lacy Commission:

- ***Geography***
- ***Inadequate Roads, Water Systems, and Sewers***
- ***Educational Levels***
- ***Lack of a Major City***
- ***Lack of Regional Unity***
- ***Economic Base***

Recognizing these challenges, the Lacy Commission called for action in four distinct areas: (a) “*setting the stage*” by overcoming shortcomings in education, transportation and public utilities, (b) “*building on what we have*” by supporting existing businesses, (c) “*marketing the region*” and (d) “*building regional unity*” by working as one team throughout the region to advance their common goals. In the twenty years since Lacy Commission, the region has seen improvement. However, there is still a lot that needs to be done.

A Review of Rural Virginia Prosperity Commission

Wayne D. Purcell, Ph.D., who is an Alumni Distinguished Professor in the College of Agriculture at Virginia Tech and the Coordinator of the Rural Economic Analysis Program, reviewed economic development in Southwest Virginia for the Commission.

Dr. Purcell reviewed the work of the Rural Virginia Prosperity Commission and the status of the recommendations made by that commission. He noted that the Rural Virginia Prosperity Commission called for

- the creation of a rural center
- increased state support for the Virginia Capital Access Program
- increased adult education and workforce training programs
- the creation of a tiered economic development program to focus on rural issues
- the facilitation of broadband and high speed internet in rural areas
- the creation of the Secretary of Agriculture position (which has occurred)

He defined a rural area as containing fewer than 120 people per square mile, noting as shown in Figure 1 below, that all of Southwest Virginia, except for Montgomery County and the greater Roanoke area, are rural.

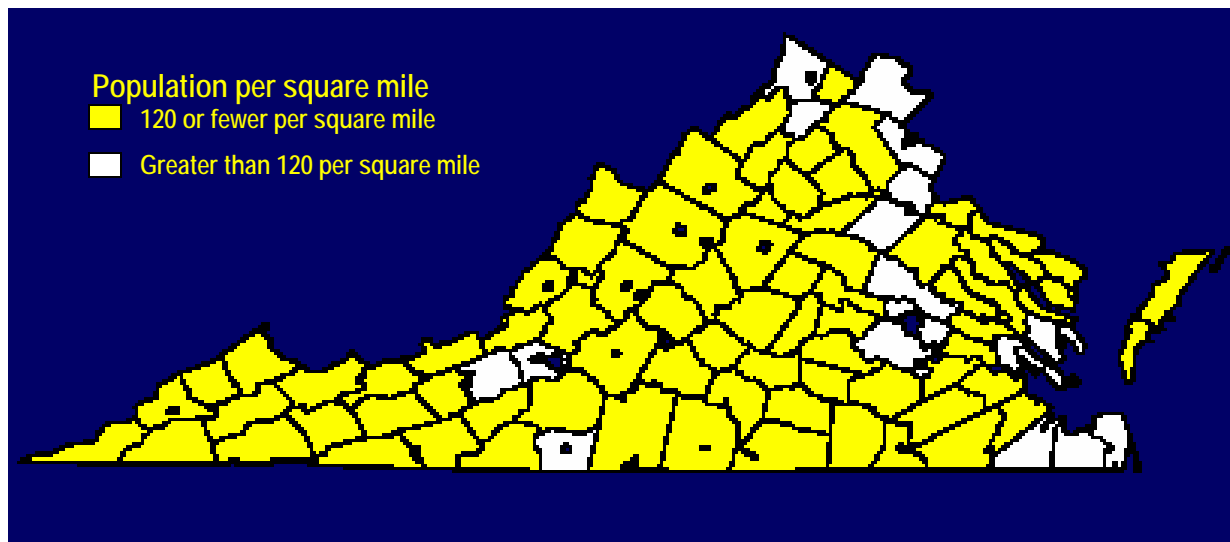


Figure 1: Map showing Virginia rural areas from presentation entitled “Reflections” by Dr. Wayne Purcell, Coordinator, Rural Economic Analysis Program.

Dr. Purcell noted that, from the perspective of the Rural Virginia Prosperity Commission, the following factors resulted in the isolation of rural areas: transportation, water and waste infrastructure, communication, agglomeration economies¹, capital, and local culture and lifestyles. He suggested that helping existing small businesses grow might be the most productive strategy to increased growth for rural economies. Finally, he stated that for rural Virginia to attract and retain young people, the regions must offer more than simply a job. Local amenities and access to good restaurants, athletics, arts, bike paths, and similar activities are necessary to attract and retain a younger population.

Dr. Purcell noted that under existing state allocations almost all of Southwest Virginia received more state tax revenue back to their county than the county’s residents send to Richmond while the more urban and suburban areas of the state contribute more to the state resource pool than they receive back from Richmond. Dr. Purcell reviewed several demographic realities in rural Virginia noting for the Commission that the most significant population base in Virginia without a high school diploma or equivalent is in Southwest and Southside Virginia (see Appendix B).

Dr. Purcell concluded his review of rural Virginia by suggesting to the Commission that the Commonwealth should develop a tiered economic development strategy and provided the following suggestion:

Tier One Locality	Tier One Locality	Tier One Locality
65% or less of median household income for Virginia	65.1% to 75.0% of median household income for Virginia	75.1% to 85.0% of median household income for Virginia
140% or more of average state unemployment for last three consecutive years	120% to 139.9% of average state unemployment for last three consecutive years	State average to 119.9% of average state unemployment for last three consecutive years
175% or more of the state average free of reduced price school lunches	150% to 174.9% of the state average free of reduced price school lunches	State average to 149.9% of the state average free of reduced price school lunches
Buchanan Dickenson Galax Grayson Lee Norton Russell Scott Tazewell Wise	Bland Carroll Floyd Radford Smyth Washington Wythe	Bristol Giles Montgomery Pulaski

Table 1: Tiered Incentive Program from presentation entitled "Reflections" by Dr. Wayne Purcell.

Dr. Purcell concluded his review by making the following suggestions to the Commission:

- Look at like businesses to get some economies of numbers in your relocations and in growing your existing businesses.
- Attack all ways in which the region is isolated, starting with communication.
- Make the community attractive to young people because just creating jobs in our rural communities is not always enough.
- Use the Virginia Capital Access Program as a revenue-positive (to the state) program that encourages banks to make loans they are now turning down and create new business activity by growing existing businesses.

Planning Across Jurisdictional Boundaries

The Commission benefited greatly from a review provided by several presenters who discussed both the successful outcome of multi-jurisdictional projects within the region and the need for continued efforts.

Mr. Ron Flanary, who is the Executive Director of the LENOWISCO Planning District Commission, provided the Commission with the insight of forty years of efforts within the Planning District to work on projects affecting the Counties of Lee, Wise and Scott, and the City of Norton. He reviewed for the Commission several "Post Lacy Commission" successes, including public road improvements, public water improvements and the diversity of the employment base.

Major Road Improvements 1970 - 1980

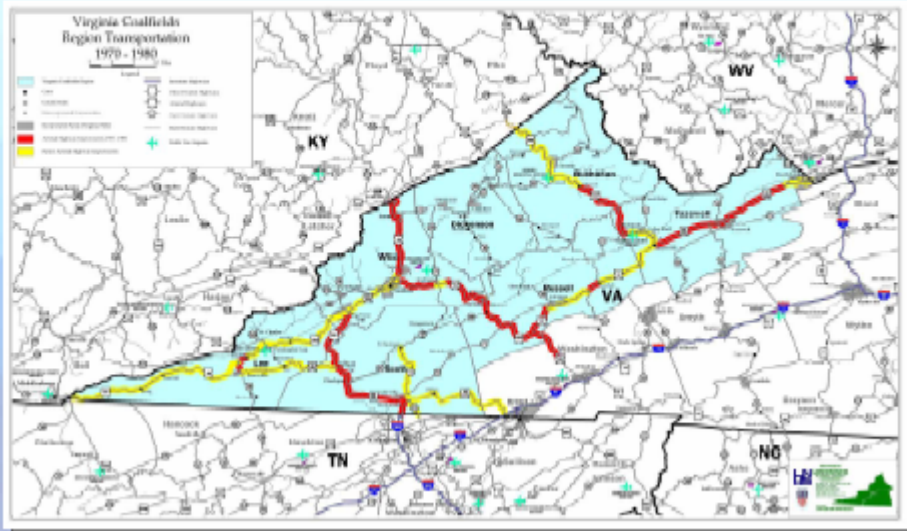


Figure 2: Map showing major road improvement in the LENOWISCO Planning District from 1970-1980. The maps were featuring a presentation given by Ron Flanary, Executive Director of the LENOWISCO Planning District Commission.

Major Road Improvements 1990 to Present

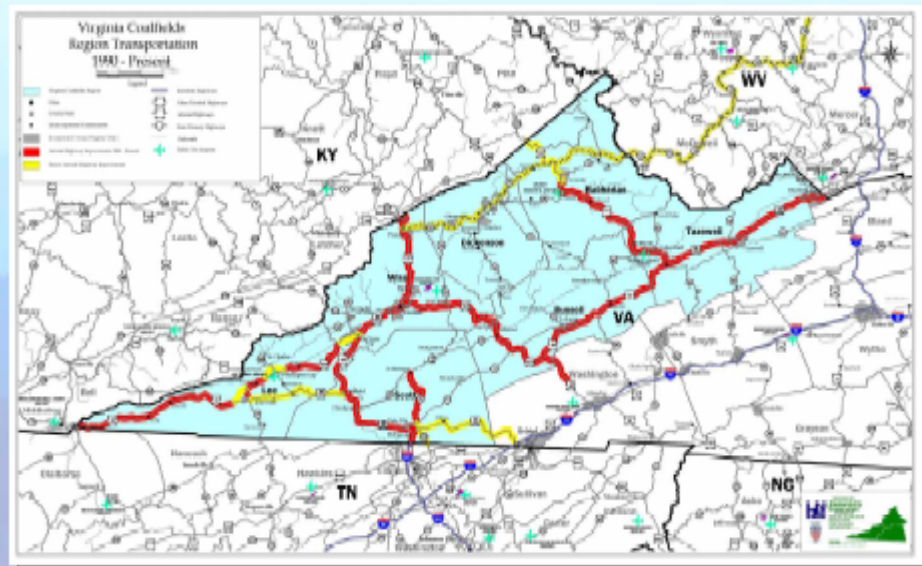


Figure 3: Map showing major road improvements in the LENOWISCO Planning District from 1990-Present.

In addition to these basic road improvements, Mr. Flanary noted that in the LENOWISCO Planning District, 74% of the households had public water, versus 52% in 1985. He said that investments of \$120 million in water improvement were made from 1985 to 2005. He reported that 37% of the residents in the planning district commission now have public sewer, an increase from the 1985 level of 17%. He said that \$85 million dollars was made in public sewer investments between 1985 and 2005. Even with this progress, Mr. Flanary noted that within the LENOWISCO Planning District 9,881 households lack public water service (with a \$125 million investment need to address this problem) and 23,415 households lack public sewer services (with a \$265 million investment need to address this problem).

Mr. Flanary also reported that during the period for 1985 to 2003, the planning district gained 3,920 jobs (2,460 private sector jobs). Notable to that time, the region lost almost 3,000 mining jobs and almost 800 manufacturing jobs, but the region gained nearly 5,300 services jobs and almost 1,400 public sector jobs.

Mr. Flanary stressed the importance of a region-wide approach and stated that the jurisdictions in the Planning District had developed a successful region-wide attitude. He noted the following successful efforts:

- **Regional Economic Development** – The Virginia Coalfield Economic Development Authority (VCEDA) created in 1987 with legislation drafted by the LENOWISCO and Cumberland Plateau Planning District Commissions. Since 1988, financing and marketing efforts resulted in the investment of over \$67 million and help create or attract over 9,400 new jobs to the region.
- **Regional Industrial Parks** – Regional industrial parks now exist (or have been expanded) in Scott County (Duffield), in Wise County (the Lonesome Pine Tech and Business Park), and in Lee County (the Constitutional Oaks Park).
- **Regional Area Agency on Aging**
- **Regional Library System**
- **Regional Jail System** – The Southwest Regional Jail Authority encompasses the counties of Lee, Wise, Scott, Russell, Washington, Buchanan, Dickenson, and the City of Norton it There are three facilities under construction (Abingdon, Haysi, and Duffield) to promote efficient use of resources.
- **Regional Tourism Marketing** – The Heart of Appalachia Tourism Authority now markets the region. The region’s adoption of “heritage tourism” has created real momentum. “The Crooked Road,” which is Virginia’s Heritage Music Trail spans 225 miles from Franklin to Dickenson County. The Daniel Boone Wilderness Trail spans Scott County and Lee County. The Country Music Highway – U.S. Route 23 – crosses much of the region.

- **Regional Workforce Program** – The coalfield region of Southwest Virginia now has a regional workforce investment board following the federal WIA Act of 1998.
- **Regional Water Interconnections** – Regional efforts throughout the coalfield region have physically connected the water services of several jurisdictions in the region. Sub-regional sewage collection and treatment facilities now exist throughout the region.
- **Regional Economic Development Successes** – Red Onion State Prison (Wise/Dickenson), Wallens Ridge State Prison (Big Stone Gap – Wise County), and Lee Federal Prison (Lee County) have created 1,400 jobs with a \$55 million annual payroll impact on the region.
- **Broadband Project** - The LENOWISCO Regional Broadband Project (in cooperation with Bristol Virginia Utilities, the Cumberland Plateau Planning District Commission and other entities) has created 70 miles of lighter and operation fiber with the next \$6 million phase in the planning stages. This next phases will extend the fiber backbone further west through Lee, into Dickenson and Buchanan Counties, then eastward toward Tazewell County, and closing service loops between Wise County and Russell County.
- **Regional Small Business Incubator Network** – The region has endorsed and created a small business network with the Pioneer Center in Duffield and a satellite center in Norton.

Even noting all of this regional progress, especially in the LENOWISCO region, Mr. Flanary pointed out that many opportunities still exist for regional cooperation, especially in education and solid waste management. In closing, Mr. Flanary suggested several recommendations to the Commission, which have been included in this report in their entirety in Appendix C.

Following Mr. Flanary, Mr. Dave Rundgren, who is the Executive Director of the New River Valley Planning District Commission, provided a report on his district's efforts. He reported that the planning district has a population of 165,000 with an additional 40,000 college and university students.

Mr. Rundgren reviewed the Commerce Park, which is a Virginia's First regional industrial authority, with the Commission members. He noted that eleven jurisdictions (6 counties, 2 cities, and 3 towns) are part of the Commerce Park Participation Committee. The park, which contains 930 acres of publicly owned land has a Virginia Enterprise Zone designation and is adjacent to a Foreign Trade Zone and Port of Entry (shown in Figure 4).



Figure 4: Aerial photograph and photo simulation showing the New River Valley Airport, Commerce Park and FTZ. The picture was part of the presentation given by Dave Rundgren, Executive Director of the New River Valley Planning District Commission.

Mr. Rundgren also noted the following successful regional efforts in the New River Valley:

- **Regional Economic Development** – the New River Valley Economic Development Alliance
- **Regional Industrial Parks** – Commerce Park with 11 participating partners
- **Regional Jail** – New River Valley Regional Jail serving 8 localities
- **Regional Workforce Efforts** – the New River/Mount Rogers Workforce Investment Board
- **Regional Water and Waste Management** – the Giles Public Service Authority providing water and solid waste disposal to 6 localities, the New River Resource Authority with 9 member localities, and the Peppers Ferry Wastewater Authority serving 6 localities
- **Regional Business Incubators** – the New River Valley Competitiveness Center which currently has 24 tenants, including 6 regional agencies; the Jacksonville Center in Floyd, a craft business incubator; and VT Knowledge Works, a business accelerator located at Virginia Tech
- **Regional Public/Private Partnership** – the New River Valley Foreign Trade Zone and User Fee Airport

Mr. Rundgren made recommendations to the Commission in a letter to the Chairman, Senator Phillip Puckett (Appendix D).

Working Across Jurisdictional Boundaries

While the idea of SWVA Regionalism may seem obvious from the stand point of public investment in creating community assets such as those mentioned in the previous section, the need for stronger SWVA Regionalism may be even greater for the private sector, especially when examining labor availability. County lines do not deter commuting activity within the study region. Workers, shoppers, and those using many of our regions resources and assets cross jurisdictional boundaries regularly.

According to the 2000 Census, approximately 86% of the workforce living within the study region works somewhere within the study region. They do not necessarily work within their county or city of residence (see Figure 5). For example, 10% of the workers living in Wythe County actually work in Pulaski County; 10.1 % of workers living in Russell County work in Washington County and 20.5 % of the living workers from Dickenson County commute to Wise County to work (see Table 2).

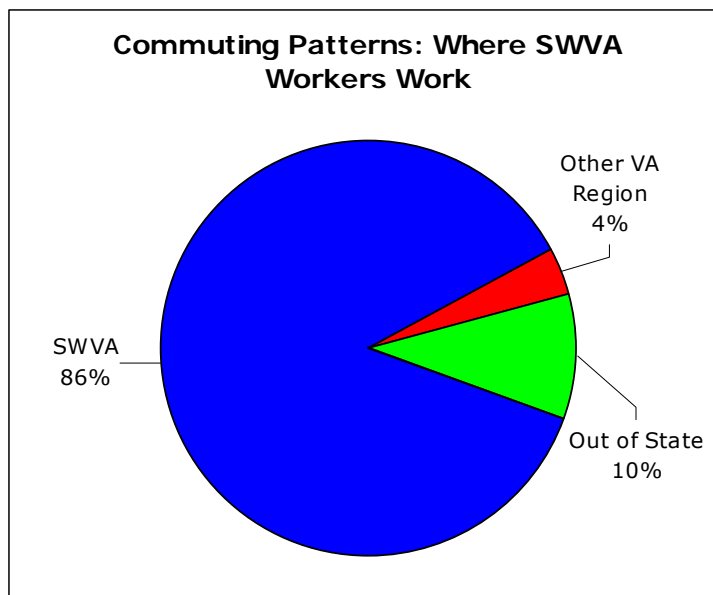


Figure 5: Pie chart showing the percentages of SWVA workers that work inside and outside of the region. Source – 2000 Census, US Census Bureau.

Two presentations were made to the Commission by representatives of two of the regions largest employers in the industry sectors of engineering and healthcare. These presentations focused on the companies' recruiting efforts and the challenges that they face.

Mr. Todd Green, Senior Human Resources Specialist for General Dynamics located in Marion, Virginia, reported to the Commission that General Dynamics Corporation employed 6,100 people throughout Virginia in 2004. He reported that the General Dynamics Armament and Technical Products operating unit had locations in Crystal City, Virginia and Marion, Virginia. He reported that the Marion operations employed 678 hourly employees and 305 salaried employees for a total employment of 983, with projections of over 1,000 employees by the end of 2004. This employment base provided a regional annual payroll of \$46.5 million. Mr. Green reviewed for the Commission members the "Learning Management System" that ensures employees are equipped with workforce development tools that streamline knowledge management, enhance productivity, and allow the Marion unit to deliver against its business goals. Mr. Green reported that the corporation also has a tuition reimbursement program that is currently only be utilized by 11 hourly employees and 10 salaried employees. He said that the following challenges confront the Marion operation:

- Finding qualified employees with the skill sets required to meet employment needs
- Increasing utilization of the tuition reimbursement program and overcoming the apprehension of continuing education
- Building partnerships with regional educational institutions that will develop potential employees and provide necessary skills for the job types that exist

Ms. Brucie Boggs, who is the Senior Vice President of Human Resources for Carilion Health System of Roanoke, Virginia, reported to the Commission on Carilion's efforts to recruit a qualified workforce from within the region and Carilion's region-wide approach to recruiting employees. Ms. Boggs reported that the 140 new nurses joining Carilion in fiscal year 2004 graduated from the following schools: Jefferson College of Health Sciences, Wytheville Community College, Virginia Western Community College, Radford University, Patrick Henry Community College, Lynchburg College, Dabney Lancaster Community College, Liberty University, University of Virginia, Virginia Highlands Community College, Northern Virginia Community College, and Bon Secours Nursing College. Ms. Boggs reviewed Carilion's recruiting methods which ranged from employee referrals and a website presence to aggressive campus based recruitment, student internships and scholarships. She reported that Carilion had been forced to adopt extraordinary measures to meet its recruiting needs such as a college loan assistance program, a tuition waiver program, a temporary housing program, an "adopt-a-student-nurse" program, on-site child care center and child care subsidies, the "Caring Careers" program, bridging programs and NCLEX assistance. Ms. Boggs stressed to the Commission members that significant challenges remain for recruiting health care professionals. These challenges include attracting high school graduates into the healthcare professions, adequately preparing students for healthcare professions, teaching state-of-the-art technology and methodology to healthcare students, public awareness of Carilion's resources, and the development of faculty at the master's and doctoral levels.

		Location of Workplace																								
County of Residence		Out of Country	Out of State	Other Region of VA	Lee County	Scott County	Wise County	Norton City	Buchanan County	Dickenson County	Russell County	Tazewell County	Bland County	Carroll County	Grayson County	Smyth County	Washington County	Wythe County	Bristol City	Galax City	Floyd County	Giles County	Montgomery County	Pulaski County	Radford City	
1 2 3 4 5	Lee County	0.0%	18.4%	0.8%	62.0%	3.3%	13.2%	1.5%	0.1%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%
	Scott County	0.0%	55.8%	0.5%	1.6%	32.2%	4.4%	1.3%	0.1%	0.3%	1.2%	0.3%	0.0%	0.0%	0.0%	0.0%	2.1%	0.0%	0.2%	0.0%	0.0%	0.1%	0.1%	0.0%	0.1%	
	Wise County	0.0%	4.3%	0.6%	2.1%	2.3%	62.4%	21.7%	0.1%	2.4%	2.6%	0.2%	0.0%	0.0%	0.0%	0.0%	1.1%	0.0%	0.2%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	
	Norton City	0.0%	3.8%	0.4%	1.5%	2.1%	30.5%	59.1%	0.5%	0.6%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	Buchanan County	0.0%	9.1%	1.7%	0.0%	1.0%	1.0%	0.1%	71.5%	2.4%	4.5%	7.8%	0.1%	0.0%	0.0%	0.0%	0.1%	0.7%	0.1%	0.7%	0.0%	0.0%	0.2%	0.0%	0.0%	
	Dickenson County	0.0%	3.4%	0.1%	0.2%	0.0%	20.5%	8.5%	4.3%	54.9%	4.5%	1.2%	0.0%	0.1%	0.0%	0.0%	0.1%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	Russell County	0.1%	4.8%	0.3%	0.2%	0.8%	5.6%	1.7%	3.6%	0.9%	59.5%	8.1%	0.0%	0.0%	0.0%	0.4%	10.1%	0.0%	3.7%	0.0%	0.0%	0.2%	0.2%	0.0%	0.0%	
	Tazewell County	0.0%	17.9%	1.0%	0.0%	0.1%	1.0%	0.0%	5.1%	0.1%	3.3%	67.7%	0.5%	0.0%	0.1%	1.0%	1.0%	1.0%	0.4%	0.1%	0.1%	0.0%	0.3%	0.1%	0.2%	
	Bland County	0.0%	16.8%	3.0%	0.0%	0.0%	0.0%	0.3%	1.1%	0.0%	0.0%	7.2%	45.3%	0.0%	0.4%	0.3%	19.8%	0.0%	0.0%	0.0%	0.0%	1.3%	0.8%	2.5%	1.2%	
	Carroll County	0.0%	19.0%	2.9%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	50.6%	1.3%	0.2%	0.1%	4.7%	0.0%	0.0%	0.6%	0.0%	0.7%	3.5%	0.1%	
Grayson County	0.0%	15.2%	1.1%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	15.2%	31.9%	3.6%	0.7%	2.6%	0.0%	0.0%	0.0%	0.5%	1.2%	0.2%	0.2%		
Smyth County	0.0%	3.7%	0.8%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.3%	0.3%	0.1%	0.0%	79.7%	7.6%	5.3%	1.1%	0.0%	0.0%	0.2%	0.2%	0.4%	0.1%		
Washington County	0.0%	14.2%	0.3%	0.0%	0.2%	0.6%	0.2%	0.5%	0.1%	2.1%	0.3%	0.0%	0.0%	0.1%	6.7%	59.0%	0.2%	15.3%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%		
Wythe County	0.0%	3.0%	1.5%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	1.6%	3.1%	6.4%	0.4%	69.7%	0.2%	0.7%	0.2%	0.1%	1.3%	10.0%	1.3%		
Bristol City	0.0%	34.2%	0.4%	0.1%	0.0%	0.3%	0.0%	0.1%	0.1%	0.2%	0.2%	0.0%	0.0%	0.0%	0.6%	17.3%	0.0%	46.4%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%		
Galax City	0.0%	5.2%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	26.0%	5.6%	0.0%	0.0%	1.1%	0.0%	59.7%	0.0%	0.0%	0.3%	1.6%	0.2%		
Floyd County	0.0%	1.7%	25.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	43.0%	0.1%	19.1%	3.6%	4.3%		
Giles County	0.0%	3.0%	2.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.9%	0.0%	0.0%	0.3%	0.2%	0.0%	0.0%	0.1%	53.7%	26.5%	9.8%	2.4%		
Montgomery County	0.1%	0.9%	10.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.6%	0.6%	77.2%	4.9%	4.8%		
Pulaski County	0.0%	0.7%	3.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.7%	0.2%	0.1%	1.7%	0.0%	1.7%	0.0%	0.2%	0.4%	13.9%	65.4%	12.7%		
Radford City	0.1%	0.6%	6.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.2%	0.0%	0.7%	0.1%	25.6%	13.8%	52.4%		

Table 2: Cross tab showing worker commuting patterns in SWVA localities. Columns contain data on location of workplace. Rows contain data on location of residence. Source – 2000 Census, US Census Bureau.

III. SOUTHWEST VIRGINIA – THE REGION TODAY

Population

Throughout the past twenty years, the population of Southwest Virginia has decreased in size and increased in age. Since the turn of the century, a few Southwest Virginia localities have experienced slight increases in population; however, others have experienced significant decreases in population and the region as a whole has experienced a net decrease.

The largest relative increases in population since 2000 have occurred in Lee County (1.28%), Bland County (2.54%), Washington County (1.69%), Wythe County (1.38%), Floyd County (3.68%) and Giles County (1.70%). The largest relative decreases in population have occurred in the City of Norton (3.32%), Scott County (1.69%), Wise County (1.05%), Buchanan County (6.05%), Dickenson County (1.06%), City of Galax (2.86%), Grayson County (2.35%), and the City of Radford (6.61%). Overall, the region lost nearly an additional 2,000 people during the first four years of the new century for a total regional population of 562,247.

Geographic Area	Population estimates					Change 2000-2004	
	2000	2001	2002	2003	2004	#	%
Virginia	7,104,033	7,185,522	7,273,572	7,365,284	7,459,827	355,794	5.01%
Bland County	6,860	6,944	6,906	6,975	7,034	174	2.54%
Buchanan County	26,822	26,389	26,044	25,576	25,200	-1,622	-6.05%
Carroll County	29,293	29,391	29,289	29,315	29,495	202	0.69%
Dickenson County	16,350	16,263	16,230	16,201	16,177	-173	-1.06%
Floyd County	13,951	14,139	14,259	14,376	14,464	513	3.68%
Giles County	16,705	16,859	16,921	16,953	16,989	284	1.70%
Grayson County	16,887	16,687	16,694	16,571	16,490	-397	-2.35%
Lee County	23,544	23,362	23,597	23,739	23,846	302	1.28%
Montgomery County	83,617	84,009	83,798	83,846	83,959	342	0.41%
Pulaski County	35,140	35,191	34,977	35,066	35,152	12	0.03%
Russell County	29,288	29,079	28,963	28,954	28,893	-395	-1.35%
Scott County	23,378	23,214	23,096	23,024	22,982	-396	-1.69%
Smyth County	33,085	32,905	32,822	32,717	32,538	-547	-1.65%
Tazewell County	44,454	44,158	44,298	44,531	44,753	299	0.67%
Washington County	51,164	51,243	51,330	51,570	52,030	866	1.69%
Wise County	42,187	41,925	41,829	41,726	41,744	-443	-1.05%
Wythe County	27,633	27,677	27,834	27,967	28,013	380	1.38%
Bristol city	17,301	17,313	17,097	17,285	17,308	7	0.04%
Galax city	6,853	6,652	6,652	6,678	6,657	-196	-2.86%
Norton city	3,882	3,895	3,927	3,889	3,753	-129	-3.32%
Radford city	15,816	15,756	15,332	14,958	14,770	-1,046	-6.61%
SWVA	564,210	563,051	561,895	561,917	562,247	-1,963	-0.35%

Table 3: Table showing population changes in SWVA and VA from 2000 to 2004. Source – US Census Bureau.

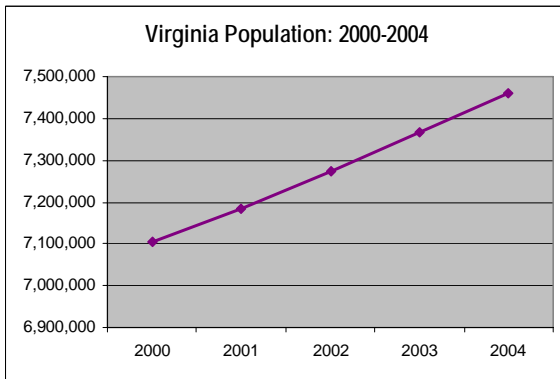


Figure 6: Graph showing population change in VA from 2000 to 2004.

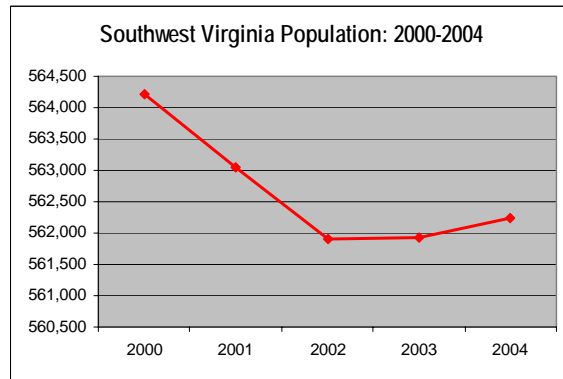


Figure 7: Graph showing population change in SWVA from 2000 to 2004.

Education

Without addressing the challenges in Southwest Virginia, the future of the region's long-term prosperity can be accurately projected in the following high school graduation numbers shown in Figure 8 below (our youth is our prosperity). While the region continues to struggle with the under population of this significant part of the populace, the higher education institutions continue to produce degreed candidates (see Figure 9) at an ever increasing level. The vast majority of these graduates, however, leave the region upon graduating.

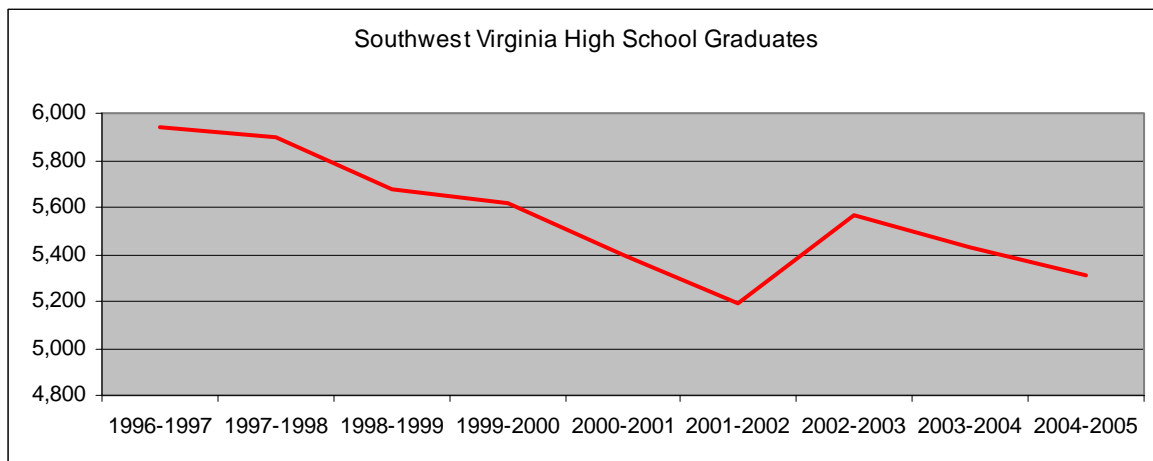


Figure 8: Graph showing the number of students graduating from SWVA high schools from 1997 to 2005. Source – Virginia Department of Education.

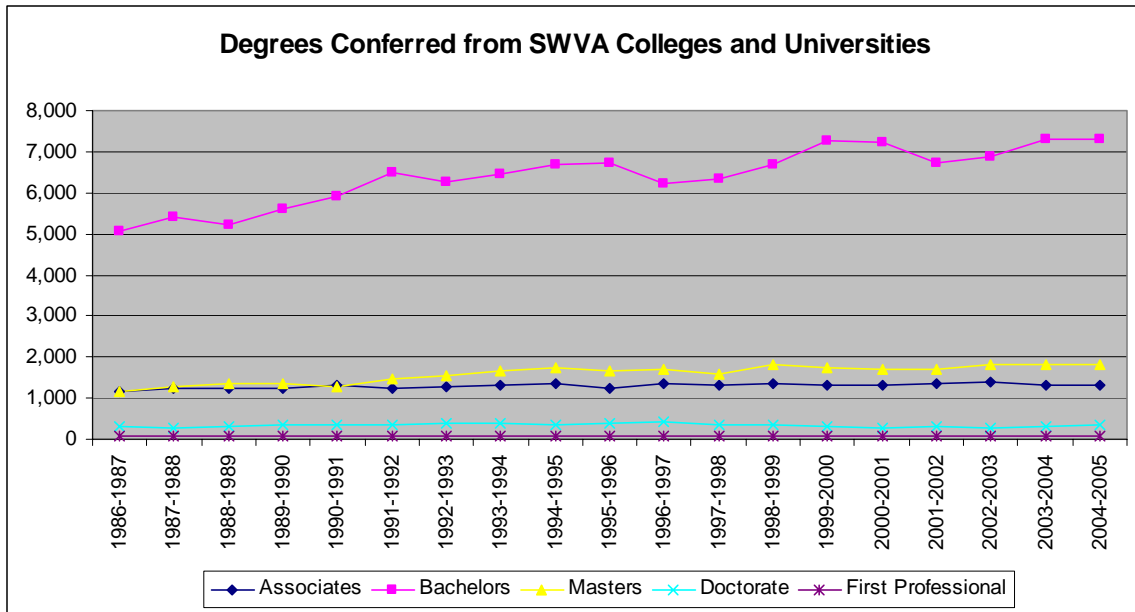


Figure 9: Graph showing degrees conferred from SWVA colleges and universities from 1997 to 2005. Source – State Council for Higher Education for Virginia.

Labor Force

The unemployment rate is the percentage of the civilian labor force that is unemployed and is calculated by dividing the number of unemployed persons by the total size of the labor force. Unemployed persons are defined as those who are jobless and looking for work. The labor force is defined as the total of employed and unemployed persons.

While the unemployment rate in SWVA has fallen since 1990, it is still significantly above the rate for the whole state (see Figure 10). In some areas of SWVA, the difference between the state’s rate and the area’s rate is over 1.5 percentage points (see Figure 11).

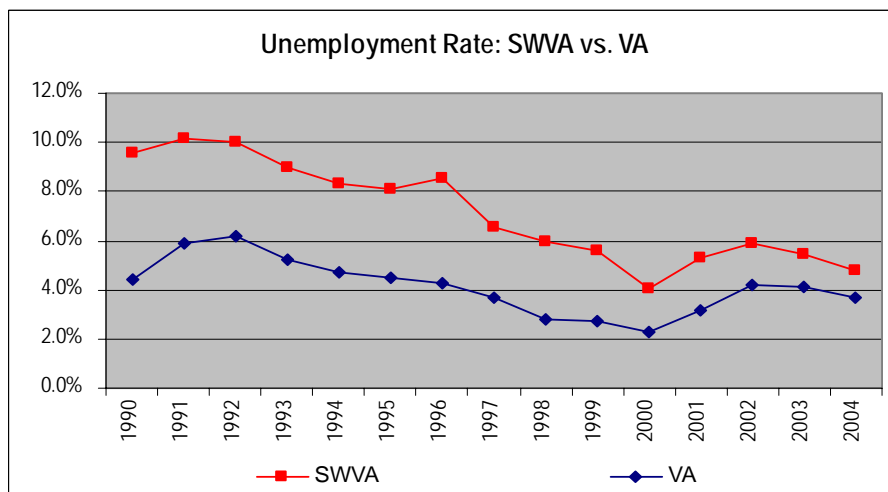


Figure 10: Graph showing the change in the labor force of SWVA as compared to VA from 1990 to 2004. Source – Virginia Employment Commission.

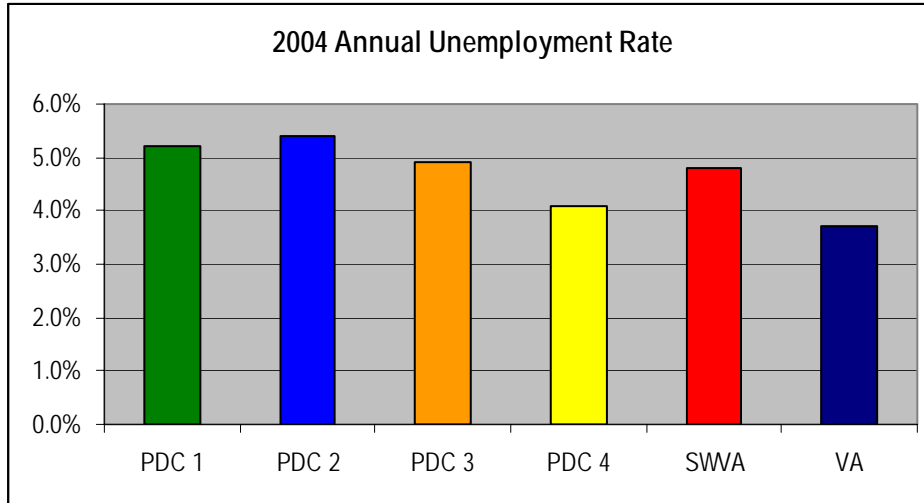


Figure 11: Graph showing the annual unemployment rate for SWVA, the planning districts that make up SWVA and the state. Source – Virginia Employment Commission.

Industries

Farming, coal mining and textiles have been the backbone of the economy in Southwest Virginia for generations. That is not the case anymore. Since 1990, the employment in the natural resources (agriculture) and Mining industries has been cut nearly in half (see Figure 12). This decline is due partly to technological advances that allow fewer workers to do the same work that once required many more.

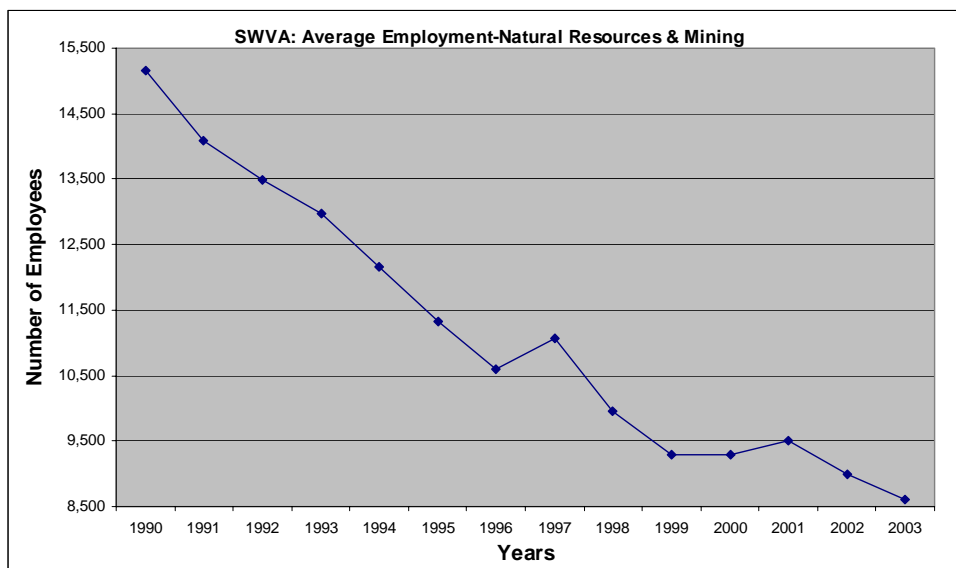


Figure 12: Graph showing the decline in employment in the natural resource and mining industries from 1990 to 2003. Source – Virginia Employment Commission.

While the decline in the manufacturing industry has not been as drastic (approximately a 32% decline), it has affected many more workers. There were about 18,000 fewer manufacturing jobs in SWVA in 2003 than there were in 1990 (see Figure 13). Many of these jobs were lost due to the closing or severely decreased production of textile manufacturing plants. One notable exception to this downward trend is a recent resurgence of manufacturing jobs in Smyth and Wythe Counties.

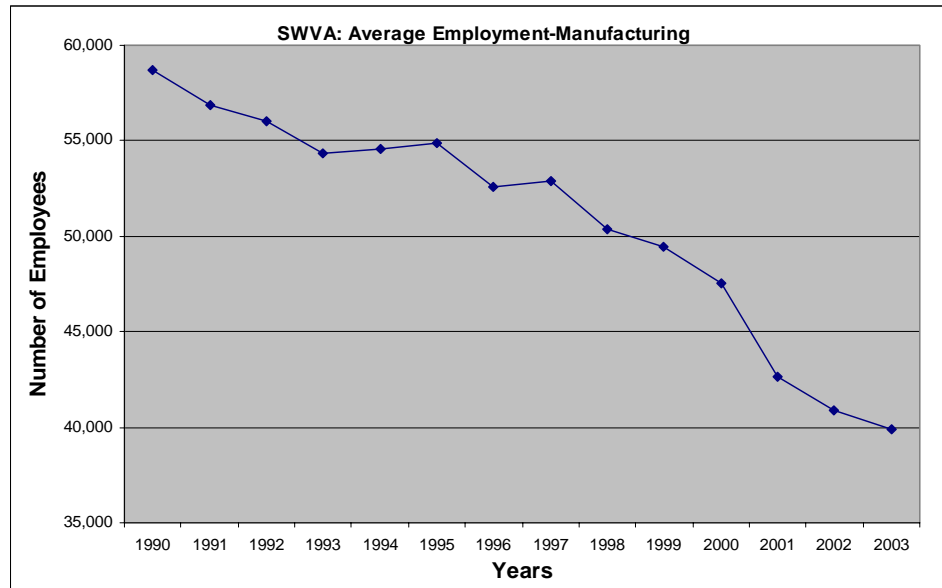


Figure 13: Graph showing the decline in employment in the manufacturing industry from 1990 to 2003. Source – Virginia Employment Commission.

Income

Median household income (MHI) is a way to measure the standard of living in an area. The higher the MHI, the higher the standard of living is in that area. A household's income is defined as all monetary income into that household – this does not include non-money income such as non-cash benefits or food stamps. An area's MHI is the midpoint of all household incomes in that area.

By looking at the ratio of a county or city's MHI to that of the state's (dividing the area's MHI by the state's MHI and recording as a percentage), it is possible to compare the standard of living in that area to that of the entire state. Also, by comparing this ratio over time, it is possible to determine if an area's standard of living is increasing at the same rate as that of the rest of the state.

The graph in Figure 14 shows the MHI of the counties and cities that make up SWVA as a percentage of the state MHI for the years 1993 and 2003. The MHI ratio for all of the counties and cities in SWVA, with the exception of Lee County, has decreased from 1993 to 2003. This means that the household income for these areas is growing at a slower rate than that of the state. Also, in 1993, the highest MHI ratio was that of Montgomery County at 83.2%; the highest MHI ratio in 2003 was the 71.4% in Washington and Giles Counties. A chart that shows more complete MHI information is included in Appendix E.

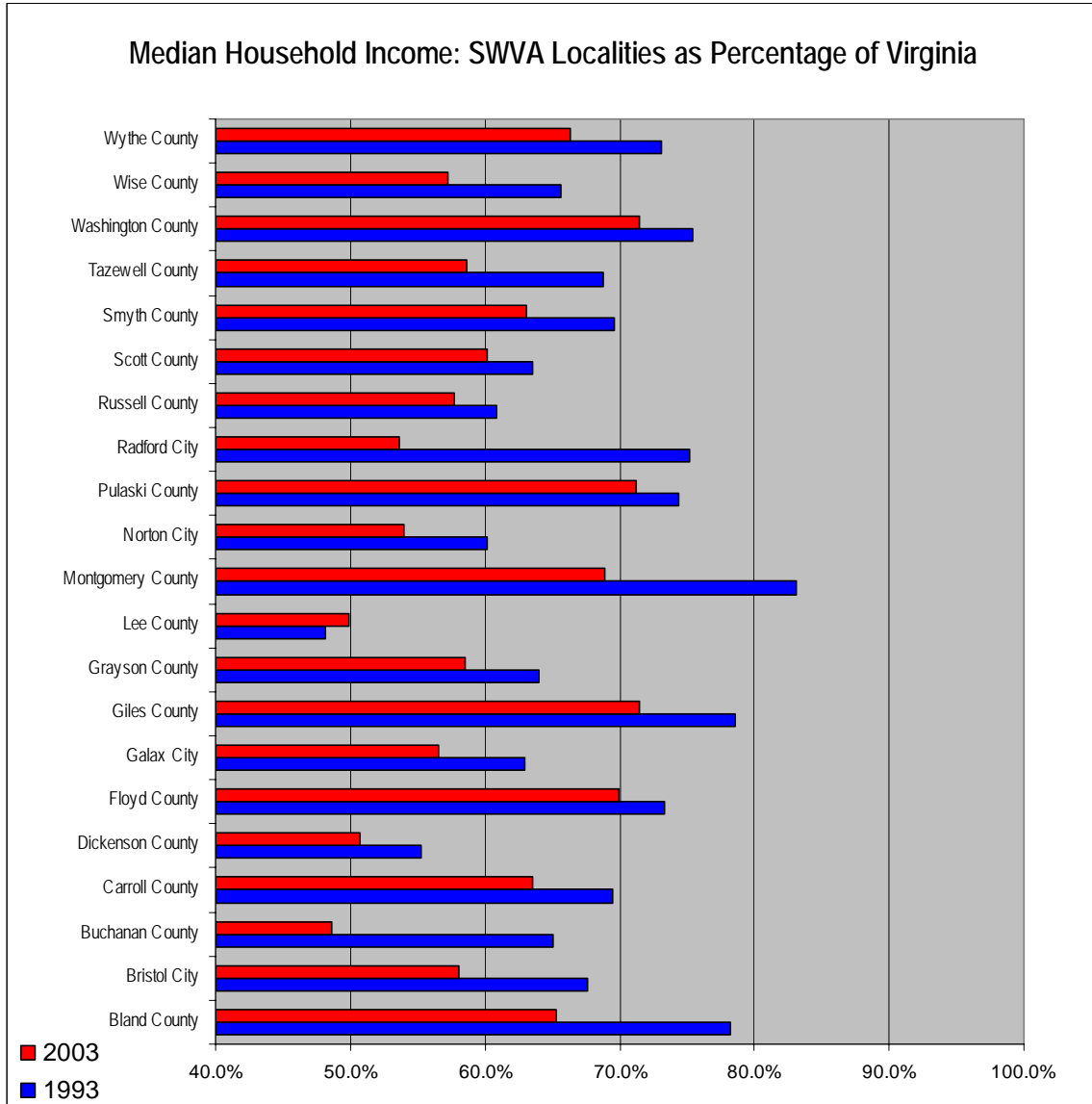


Figure 14: Graph showing the MHI of SWVA localities as a percentage of the state MHI. Percentages are shown for 1993 and 2003. Source – US Census Bureau.

Selected Significant Events During the Past Twenty Years

- 1988 – Virginia Coalfield Economic Development Authority is created by the General Assembly.
- 1989 – Joint Industrial Development Authority (Wythe County, Wytheville, and Rural Retreat) is established.
- 1989 – Virginia Economic Bridge Initiative is established.
- 1989 – Mount Rogers Development Partnership, Inc. (a-Corridor) is created.
- 1990 – The MBC Development Corporation (Montgomery-Blacksburg-Christiansburg based revolving loan fund) was established.
- 1990 – New River Valley Economic Development Alliance becomes a formal, staffed organization.
- 1991 – The Southwest Virginia Higher Education Center is established by the General Assembly.
- 1992 – Southwest Virginia Public Education Consortium is established by the General Assembly.
- 1994 – Virginia Economic Bridge is relocated to Radford, VA and became a 501 (c) (3).
- 1996 – The Coalfield Coalition (A Regional Partnership between LENOWISCO and Cumberland Plateau) is formed.
- 1997 – The International Trade Center at Radford University is established.
- 1998 – The Giles Business Incubator opens.
- 1998 – The Southwest Virginia Higher Education Center opens.
- 1999 – The Tobacco Indemnification and Community Revitalization Commission is created by the General Assembly.
- 1999 – The Pioneer Center for Business Opportunity (incubator in Duffield, VA) opens.
- 1999 – The New River Valley Competitiveness Center opens.
- 1999 – The New River Valley Airport is designated as a Foreign Trade Zone.

1999 – Southwestern Virginia Technology Council is formed.

2000 – Western Virginia Public Education Consortium is established by the General Assembly.

2001 – Richlands Business Incubator opens.

2003 – Dickenson County Wireless Integrated Network is established.

2005 – The Virginia Highlands Small Business Incubator opens.

2005 – “Lighting” of the Cumberland Plateau fiber optic backbone.

2005 – The Crossroads Institute in Galax, VA opens.

2005 – Port of the New River Valley is established.

Establishing Resources for the Commission

Appointment of Special Advisors

In an effort to benefit from the experience and expertise of a select group of individuals in the region the Commission designated the following individuals as “Special Advisors” to the Commission. Although the Special Advisors have no real authority and will not vote, upon Commission matters, they provide valuable insight and guidance for the Commission as it conducts its work.

- Mr. Neal Barber, Manager of Community Services, Virginia Economic Development Partnership
- Mr. Ron Flanary, Executive Director, LENOWISCO Planning District Commission
- Mr. Dave Rundgren, Executive Director, New River Valley Planning District Commission

Creation of Taskforces

The Commission appointed four Taskforces to study specific matters, in detail, regarding the region.

1) Taskforce on Building a Region of Prosperity

Southwest Virginia continues to experience a continued and alarming exodus of the region’s youth because there are not enough job opportunities in the region offering economic growth and financial security. To curb this migration, the *Taskforce on Building a Region of Prosperity* will focus on identifying positive factors in the region that can be improved upon as well as identifying obstacles to economic growth and security. The Taskforce will provide realistic recommendations to improve the economic outlook in the region to increase prosperity so individuals can remain in Southwest Virginia to live and work. The Taskforce will at a minimum:

- Identify and encourage entrepreneurial efforts in the region
- Identify development issues of small businesses
- Identify equality of education issues and educational opportunities in relation to employer expectations
- Identify community funding sources and other state & federal resources for the region’s prosperity

2) Taskforce on Enabling Economic Growth through Infrastructure Development

A lack of continued progress on the region's infrastructure continues to hinder Southwest Virginia's economic progress. The *Taskforce on Enabling Economic Growth through Infrastructure Development* will review the current status of transportation in the region to include air and ground; technology networks; and the infrastructure of commercial development. The Taskforce will make realistic short-term and long-term recommendations to develop a regional strategy to address infrastructure issues. The Taskforce will at a minimum:

- Identify the challenges and priorities of transporting people, goods and services
- Identify traditional, non-commercial infrastructure strengths and priorities
- Identify commercial infrastructure needs, investment opportunities and priorities
- Identify funding avenues to address infrastructure issues

3) Taskforce on the Promotion of our Region

The Southwest Virginia region is unique in what it has to offer. These qualities can translate into economic prosperity for the region and can be used as selling points to prospective employers, relocated employees, potential new recruits to the workforce, retirees and tourists. There are many attractive features of the region that includes: access to a stable and dependable workforce, a growing infrastructure, universities and colleges, cultural activities, beautiful scenery, outdoor recreation, and quality of life concerns for families like good schools for children, low crime, few traffic or pollution problems and a lower cost of living. The region needs to do a better job of attracting people to Southwest Virginia. The *Taskforce on the Promotion of our Region* will at a minimum:

- Identify marketing efforts for recruiting and retaining jobs based on regional uniqueness
- Identify strategies for regional collaboration in economic development through promoting the region's qualities
- Identify strategies to develop collaboration for region-wide tourism
- Identify funding sources for marketing efforts for economic development through promotion of the unique qualities of the region

4) Taskforce on Traditional Industries

Farming, coal mining and textiles have been the backbone of the economy in Southwest Virginia for generations. That is not the case anymore and the *Taskforce on Traditional Industries* will address this problem by looking at the existing agricultural and natural resources industries in

the region. The Taskforce will examine the continued viability of these industries and recommend short term and long-term strategies for their future. The Taskforce will at a minimum:

- Identify expansion markets for traditional industries
- Identify strategies and encourage alternative uses for traditional industries
- Identify marketing efforts to promote traditional industries
- Identify state and federal funding sources to address the issues of changing economic base

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IV. LEGISLATIVE AND NONLEGISLATIVE RECOMMENDATIONS

The original Southwest Virginia Economic Development Commission, “The Lacy Commission” recommended action at all levels of government and the private sector. Although the recommendations in the Final Report included private sector initiatives, none of those initiatives appear to have been acted upon. Most notably, recommendation number fourteen stated:

The leadership of Southwest Virginia should form an organization to build regional unity and to be an advocate for Southwest Virginia. This organization, tentatively named “The Southwest Virginia Partnership,” should have four missions:

- Monitoring changes affecting the region and assessing issues and opportunities
- Building a regional consensus by being a forum for discussion and a vehicle for conducting studies
- Enhancing the region’s ability to act on its own by facilitating regional teamwork; and
- Advocating regional positions, based on study and consensus, to public officials at all levels of government and to the executives of business and non-profit organizations.

Throughout our Commission’s work one fundamental problem has become self-evident – the lack of the existence of a regional group focused solely on fostering an on-going dialogue about issues confronting the region. Many of the issues confronted by the localities across Southwest Virginia are the same – poor roads, under-employment, low per capita income, and bad infrastructure. Similarly, successes are shared across the region – with employers in one county providing jobs for the residents of multiple counties. The time to acknowledge this reality is here.

Recommendations of the Taskforce on Building a Region of Prosperity

Recommendation: Foster Entrepreneur Growth in the Region.

The development of an entrepreneurial spirit in Southwest Virginia is vital to successful long-term development of the region's economy. School systems throughout the region should create – consistent with the Virginia Standards of Learning – an educational program to be implemented in the middle school level to promote the development of young entrepreneurs. A Middle School Invention Fair should be established to challenge students in grades 5 through 8 to develop or improve products that could be made in the region. Scholarships should be awarded to the winners, as well as potential private sector partnerships to develop the products.

The Commission recommends that the School Board superintendents of the region together with their local chambers of commerce and local economic development officers develop entrepreneur programs for middle school students in the region.

Recommendation: Create an Environment Supporting Knowledge Jobs

The application of knowledge will be required to successfully adapt to technology-driven jobs in the region. As the economy begins to provide opportunities for high-technology jobs, the region must adapt to these opportunities. Cooperative education programs and internships for high school and college students in Southwest Virginia would provide practical experience in these new employment areas. Private sector employers must provide opportunities to enable high school students to see the possibilities of employment in these new industries and to convince college students of the opportunity to return to the region to work.

The Commission recommends the creation of a network of internships for high school and college students to be placed in high-technology positions in the region and requests the Chancellor of the Virginia Community College System to develop a plan for creating 100 such internships by the 2007.

The Commission further recommends providing \$100,000 in grant funds to support faculty for the creation of online technology related specialty and/or training courses to be shared amongst the Southwest Virginia Community Colleges.

Recommendation: Create a Regional Intellectual Properties Development Fund.

Existing economic development funds operate on the philosophy of bricks, mortar and machinery as the basis for start-up or expansion funding. Today's business opportunities

frequently rest with intellectual property – the development of software applications, the transfer of university-based research to private sector enterprises, and other similar knowledge-based opportunities. These businesses often need computers, equipment, and working capital for labor. A development fund – focused on intellectual property-based companies – would provide funds enabling viable businesses to launch and locate in the region.

The Commission recommends the creation of a revolving loan program to provide low interest loans to enable the creation and expansion of intellectual property-based companies in the region.

Recommendation: Engage the Region in the Global Economy

Southwest Virginia businesses must fully engage in the international marketplace not only to compete more effectively in selling their goods and services, but to recognize the development opportunities resulting from international trade.

We must support and fund development of a globalization strategic planning initiative for Southwest Virginia to address business recruitment, support for existing industries, workforce training and secondary/higher education.

The Commission recommends the development of a specific international commerce strategy for Southwest Virginia to enable the region to deal with the challenges and opportunities of globalization. Such a strategy should:

- Support development of new export markets for Southwest Virginia agricultural commodities, notably forest products. One example is the Christmas tree exports to Mexico project undertaken by VDACS with the strong support of the Higher Ed Center (and grant support from the Virginia Tobacco Commission).
- Target international tourism and support for arts/crafts exports from Southwest Virginia as part of new tourism promotion efforts. The recently announced tourism initiatives for the region could be expanded to address this market opportunity. I would note that for the last two years, the Higher Ed Center has been working with the William King Regional Art Center to develop an on-line store to market higher-end arts and crafts to international and domestic customers. This project will go live early next year.
- Target smaller international high tech firms to locate in Southwest Virginia business incubators. The region's emerging broadband capabilities, expanding critical mass of information technology workers, and lower cost structure could be marketed to

smaller international firms. The Higher Ed Center plans to host a meeting to address this subject.

- Request the Secretary of Education for the Commonwealth to formally study globalization and our secondary schools/higher education institutions. What do we need to be doing to prepare young people for the continuing impact of globalization on Southwest Virginia? Several other neighboring states have begun similar efforts. The Higher Education Center has taken a major lead on this subject via a grant from the U.S. Dept. of Education's Business and International Education program. Globalization and global competitiveness should also be important topics for workforce training programs in Southwest Virginia.
- Encourage funding of a dedicated international study abroad program for college students in Southwest Virginia. The Higher Ed Center has developed such a program for a consortium of: Emory & Henry College, University of Virginia's College at Wise, Virginia Intermont College, and Virginia Highlands Community College. International education should not be viewed as a frill or fringe topic. It is now arguably a critical component in the development of Southwest Virginia graduates who can help our existing businesses remain competitive and encourage new ones to locate here.
- Support a Southwest Virginia international business strategy conference with the Port of Virginia and other key public sector agencies. This could include a special tour of the Port and targeted meetings on how to expand international trade linkages between the Port and Southwest Virginia. Area legislators and public officials would be key attendees.
- Fund a new international business mentoring and internship program for Southwest Virginia college students. Such programs are virtually non-existent at the smaller higher education institutions in the region, notwithstanding the large number of exporters in our region. The lack of these types of programs creates a disconnect between our business and higher education communities.
- Encourage appropriate linkages with the Tennessee side of the Tri-Cities area re joint marketing and business development strategies. For example, in March 2006 the Higher Ed Center will team with East Tennessee State University to offer a four-part introduction to international trade program for area business managers.

Recommendations of the Taskforce on Enabling Economic Growth Through Infrastructure Development

The ongoing deficiencies in the infrastructure available in Southwest Virginia continue to impede the progress of the region. While Northern Virginia and Hampton Roads struggle with overcrowded roads, Southwest Virginia must confront an underdeveloped network of highways – and a lack of essential broadband services.

Recommendation: Develop programs to support the following specific critical infrastructure needs

The Commission recommends the development of programs to support the following specific critical Infrastructure needs:

Transportation

Interstate Highways

- I81 – Continue development of plans to relieve congestion and improve safety along entire corridor
- I77 – Improve interchange with I81
- I26 – Accelerate development of corridor in Virginia

Primary Corridors

- US 58 – Continue development of connect fully
- US23 – Upgrade to I26
- US460 – Complete the 460 connection in Buchanan county
- Coalfield Expressway– Partner with the coal and timber industries to use mineral extraction and harvesting techniques to offset construction costs

Local Connectors to Primaries

- Local access roads to serve individual industrial/business parks
- Require that solution for a connection of industrial/business parks to a primary highway be considered in all major park planning.
- Require a plan to be evaluated for all existing major parks.

Mass Transit

- Passenger Rail – fully explore Passenger Rail service for the region
- Fast Freight – Fully explore feasibility of rail providing relief to I81 traffic problems

Airport Improvements

General Aviation – for corporate and charter

- Look at measures, which will not only develop the physical facilities, but will create an environment that will encourage their use. Examine regulations governing charter services that may be disincentives for developing these businesses.
- Explore methods of cooperation with Tennessee to improve scheduled airline services to Virginia destinations
- Encourage airport development that can be directly associated with a particular economic development activity by relaxing requirements for matching of state and federal monies.

Traditional non-commercial [municipal] development

- Water
- Wastewater
- Solid Waste

* Fund only studies focusing on “regional solutions” and fund only projects that have a regional focus and impact multiple jurisdictions.

Traditional commercial development

- Healthcare

* Some Counties in the region do not have hospital facilities within their boundaries, nor is it practical to build them in all instances. However, there is almost no timely access to emergency healthcare in many situations. While emergency [Medivac] transport to regional facilities is sometimes available, weather, topography and other considerations frequently preclude its use.

Telecommunications

- Wired – Voice, Video, and Data [Broadband]

* Regulatory and tax reform is needed to stimulate the accelerated deployment of broadband services in the rural areas. While investments by the Tobacco Commission and others have had a positive impact on the economic development of the region by making multiple providers available in some locations, there is little widespread impact

felt from these projects. These investments are substantial, but do not approach the level of commitment that will be necessary to have the impact needed. More focus is needed on the “public-private partnership” opportunities that might be possible. Much greater and timelier impact will be realized if the “public funds” are used to leverage greater investments on the part of the private sector.

- Wireless – Voice, Video, and Data

* Wireless last-mile solutions have proven to be faster-to-market and more cost effective deployments in many trials and actual cases, and should be encouraged as “bridge technology”. This solution, while it is not the sole answer to our problem will allow the development of a market that can make the much more capital-intensive solutions practical for the private sector provider community.

Energy

- Electricity

Regulatory and other reforms are necessary to stimulate investment in “clean coal-fired” generating facilities in the region. We should encourage the location of these facilities near the source of the fuel.

- Natural Gas

* Regulatory reform that will encourage the distribution and consumption of natural gas resources existing in the region should be pursued.

Housing

- Regional banks and other lending institutions should pursue policy and/or regulatory reforms designed to increase private home ownership and spur the increase in private sector development activity needed to make housing more available and affordable. Local regulatory reform to accommodate housing development, especially when this development can be linked specifically to economic development activities.

Commercial/Industrial Sites

- Make sure that the development of these sites is consistent with the overall economic development strategies developed in the long range planning process for the individual localities, PDCs, and the wider region.

Recommendation: Develop a process and program to continually identify avenues to address infrastructure issues.

The Commission recommends the appointment of a known entity to develop a process and program to continually identify and address infrastructure issues throughout the Southwest Virginia region.

Recommendations of the Taskforce on the Promotion of Our Region

Recommendation: Create a Regional Economic Development Plan

Southwest Virginia is comprised of seventeen counties and four cities that share many common strengths and weaknesses, and yet, the region lacks a comprehensive economic growth plan. No group provides a regional focus for the issues that cross locality jurisdictional lines and affect the entire region. The regions' economic development marketing alliances have a specific focus on their constituent counties. Only recently has the region's tourism industry begun to actively develop an identity. The importance of regional institutions – like the Higher Education Center in Abingdon, Virginia – has begun to reinforce the importance of regional initiatives.

The Commission believes strongly that a true regional plan should be developed to provide strategies for the growth of the region's economy focusing on the agricultural industry, the tourism industry, traditional economic development, intra-state development through the recruitment of state office functions, and the promotion of the role of economic development in our higher education institutions.

Recommendation: Form a Permanent Southwest Virginia Economic Development Alliance

The Commission recommends that the Governor direct the Secretary of Commerce and Trade, the Secretary of Agriculture, the Secretary of Natural Resources, the Executive Director of the Virginia Economic Development Partnership together with the region's existing economic development alliances, higher education institutions, Virginia Economic Bridge and other similar organizations form a permanent working alliance, which we have called the Southwest Virginia Economic Development Alliance, for the promotion of the region and the development of the region's economy chaired by private sector leadership in the region.

Recommendation: Create a Working Taskforce for the Southwest Virginia Economic Development Alliance

The Commission further recommends that the Governor create a working taskforce to work with this Southwest Virginia Economic Development Alliance and that \$150,000 be appropriated as a one time appropriation for the research, development and implementation of a specific regional strategy for economic growth of the region, the assessment of available research on the region and the undertaking of needed research on the demographics and qualities of the region that support or challenge economic growth, and the development of a plan for the future funding of such an effort.

Recommendation: Create a Regional Internet Gateway.

In today's Internet-driven economic development environment, no current website provides a regional overview of Southwest Virginia. The Virginia Economic Bridge demographic overviews provide locality-specific data. The "Quick Look" data produced by the Virginia Economic Bridge is attached hereto as Appendix F. The data provides a snapshot view of meaningful and critical demographic data – such as population, housing, unemployment rates, education, household income and employment by sectors. Recently, CGI-AMS noted that the Virginia Economic Bridge's data provided meaningful input to their decision to locate in 300 jobs in Russell County.

In addition to this information, each regional economic development organization provides unique data for its region. Each regional economic development group has developed a significant web presence devoted to their geographic region. Virginia's a-Corridor, the Coalfield Economic Development Authority, and the New River Valley Alliance each have a web identify.

The Commission believes that one website should be developed and promoted as a gateway to the region and that \$ 75,000 should be appropriated to support the initial development and maintenance of this website. The Commission recommends that the Board of Directors of the Virginia Economic Bridge convene a meeting of the marketing representatives of the regional economic development alliances to develop such a website and institute a plan for the continue maintenance of such a website.

Recommendations of the Taskforce on Traditional Industries

Recommendation: Maintain a Focus on the Importance of Agriculture to the Region's Economy.

The Commission believes that a series of forums throughout the region should be held with local elected officials, local planning officials, local business leaders, farmers and representatives of such organizations as The Virginia Farm Bureau, the Virginia Tech Division of Extension, the Virginia Department of Agriculture and Consumer Services and the Governor's Secretary of Agriculture to discuss such topics as taxation issues affecting the agribusiness community, changing marketing dynamics, the potential in direct marketing value-added farm products, farmland preservation and the availability of farmland, and creating a sustainable agriculture community in Southwest Virginia.

Significant federal resources exist to aid in the economic challenges confronted by a transitioning agriculture economy. A comprehensive review of these resources must be undertaken to ensure their full utilization in any plan to grow the economy of the region.

Recommendation: Focus on Creating a Self-Sustaining Regional Network for Agriculture.

The Commission recommends that the Governor's Secretary of Agriculture convene at least two forums in Southwest Virginia during FY2007 to discuss topics of importance to the region's farming community with the goal of creating a self-sustaining regional network that will continue the forums in the future.

Recommendation: Focus on Continued Research and Development for Farming.

The Commission is aware that Virginia Tech Cooperative Extension Division has proposed a cooperative effort to establish The Specialty Crop Demonstration and Implementation Center of Southwest Virginia at the existing agriculture research station at Glade Spring, VA. This center will promote the diversification away from burley tobacco to other economically viable crops such as fruits, vegetables and ornamentals. Demonstration of successful crop production techniques and the utilization of specialized equipment from the research center could aid greatly in the transition of farming from traditional crops to new commercially viable crops. A more formal review of this proposal can be found in Appendix G.

The Commission supports the development of The Specialty Crop Demonstration and Implementation Center of Southwest Virginia.

Recommendation: Support the Expansion of the Region's Growing Equine Industry

By some reports, the equine industry in Southwest Virginia – and the related support industries – has grown significantly in recent years as many people from outside Southwest Virginia have relocated – or retired – to the region and developed stables. The equine industry has proven to be an excellent steward of the land and a significant investor in the infrastructure needed in to grow this industry. With the Creeper Trail and the Mt. Rogers Recreation Area, among other areas, providing opportunities for outdoor activities with horses, this industry will only continue to grow. More studies are needed to understand the potential impact of the equine industry on the economy of Southwest Virginia and the most appropriate manner in which to foster its growth.

An award winning equestrian program exists as Virginia Intermont College and the Washington County Fairgrounds have excellent show buildings, indoor riding facilities and educational centers. Each of these assets – and the many more the industry has developed across the region – need to be supported and sustained.

The Commission recommends further study on the development and growth and the equine industry in Southwest Virginia and requests Virginia Tech, in cooperation with regional industry representatives to prepare a report by December 2007 on a strategy for the growth of the equine business in Southwest Virginia.

V. CONCLUSIONS

The following recommendations were endorsed for action following the final meeting of the Southwest Virginia Economic Development Commission.

Recommendations Endorsed at the Final SWVAEDC meeting

RECOMMENDATIONS OF THE TASKFORCE ON BUILDING A REGION OF PROSPERITY

Recommendation: Foster Entrepreneur Growth in the Region.

The Commission recommends that the School Board superintendents of the region together with their local chambers of commerce and economic development officers develop entrepreneur programs for middle school students in the region.

Recommendation: Create an Environment Supporting Knowledge Jobs

The Commission recommends the creation of a network of internships for high school and college students to be placed in high-technology positions in the region and requests the Chancellor of the Virginia Community College System to develop a plan for creating 100 such internships by the 2007.

The Commission recommends providing \$100,000 in grant funds to support faculty for the creation of online technology related specialty and/or training courses to be shared amongst the Southwest Virginia Community Colleges.

Recommendation: Create a Regional Intellectual Properties Development Fund.

The Commission recommends the creation of a revolving loan program to provide low interest loans to enable the creation and expansion of intellectual property-based companies in the region.

Recommendation: Engage the Region in the Global Economy

The Commission recommends the development of a specific international commerce strategy for Southwest Virginia to enable the region to deal with the challenges and opportunities of globalization.

Such a strategy should:

- Support development of new export markets for Southwest Virginia agricultural commodities, notably forest products. One example is the Christmas tree exports to Mexico project undertaken by VDACS with the strong support of the Higher Ed Center (and grant support from the Virginia Tobacco Commission).
- Target international tourism and support for arts/crafts exports from Southwest Virginia as part of new tourism promotion efforts. The recently announced tourism initiatives for the region could be expanded to address this market opportunity. I would note that for the last two years, the Higher Ed Center has been working with the William King Regional Art Center to develop an on-line store to market higher-end arts and crafts to international and domestic customers. This project will go live early next year.
- Target smaller international high tech firms to locate in Southwest Virginia business incubators. The region's emerging broadband capabilities, expanding critical mass of information technology workers, and lower cost structure could be marketed to smaller international firms. The Higher Ed Center plans to host a meeting to address this subject.
- Request the Secretary of Education for the Commonwealth to formally study globalization and our secondary schools/higher education institutions. What do we need to be doing to prepare young people for the continuing impact of globalization on Southwest Virginia? Several other neighboring states have begun similar efforts. The Higher Education Center has taken a major lead on this subject via a grant from the U.S. Dept. of Education's Business and International Education program. Globalization and global competitiveness should also be important topics for workforce training programs in Southwest Virginia.
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between the Port and Southwest Virginia. Area legislators and public officials would be key attendees.

- Fund a new international business mentoring and internship program for Southwest Virginia college students. Such programs are virtually non-existent at the smaller higher education institutions in the region, notwithstanding the large number of exporters in our region. The lack of these types of programs creates a disconnect between our business and higher education communities.
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RECOMMENDATIONS OF THE TASKFORCE ON ENABLING ECONOMIC GROWTH THROUGH INFRASTRUCTURE DEVELOPMENT

The ongoing deficiencies in the infrastructure available in Southwest Virginia continue to impede the progress of the region. While Northern Virginia and Hampton Roads struggle with over-crowded roads, Southwest Virginia must confront an underdeveloped network of highways – and a lack of essential broadband services.

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* Regulatory reform that will encourage the distribution and consumption of natural gas resources existing in the region should be pursued.

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- Regional banks and other lending institutions should pursue policy and/or regulatory reforms designed to increase private home ownership and spur the increase in private sector development activity needed to make housing more available and affordable. Local regulatory reform to accommodate housing development, especially when this development can be linked specifically to economic development activities.

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- Make sure that the development of these sites is consistent with the overall economic development strategies developed in the long range planning process for the individual localities, PDCs, and the wider region.

Recommendation: Develop a process and program to continually identify avenues to address infrastructure issues.

The Commission recommends the appointment of a known entity to develop a process and program to continually identify and address infrastructure issues throughout the Southwest Virginia region.

RECOMMENDATIONS OF THE TASKFORCE ON THE PROMOTION OF OUR REGION

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The Commission recommends that the Governor direct the Secretary of Commerce and Trade, the Secretary of Agriculture, the Secretary of Natural Resources, the Executive Director of the Virginia Economic Development Partnership together with the region's existing economic development alliances, higher education institutions, Virginia Economic Bridge and other similar organizations form a permanent working alliance, which we have called the Southwest Virginia Economic Development Alliance, for the promotion of the region and the development of the region's economy chaired by private sector leadership in the region.

The Commission further recommends that the Governor create a working taskforce to work with this Southwest Virginia Economic Development Alliance and that \$150,000 be appropriated

as a one time appropriation for the research, development and implementation of a specific regional strategy for economic growth of the region, the assessment of available research on the region and the undertaking of needed research on the demographics and qualities of the region that support or challenge economic growth, and the development of a plan for the future funding of such an effort.

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The Commission believes that one website should be developed and promoted as a gateway to the region and that \$ 75,000 should be appropriated to support the initial development and maintenance of this website. The Commission recommends that the Board of Directors of the Virginia Economic Bridge convene a meeting of the marketing representatives of the regional economic development alliances to develop such a website and institute a plan for the continue maintenance of such a website.

RECOMMENDATIONS OF THE TASKFORCE ON TRADITIONAL INDUSTRIES

Recommendation: Maintain a Focus on the Importance of Agriculture to the Region's Economy.

I. *Focus on Creating a Self-Sustaining Regional Network for Agriculture.*

The Commission recommends that the Governor's Secretary of Agriculture convene at least two forums in Southwest Virginia during FY2007 to discuss topics of importance to the region's farming community with the goal of creating a self-sustaining regional network that will continue the forums in the future.

II. *Focus on Continued Research and Development for Farming.*

The Commission supports the development of The Specialty Crop Demonstration and Implementation Center of Southwest Virginia.

III. *Support the Expansion of the Region's Growing Equine Industry*

The Commission recommends further study on the development and growth and the equine industry in Southwest Virginia and requests Virginia Tech, in cooperation with regional industry representatives to prepare a report by December 2007 on a strategy for the growth of the equine business in Southwest Virginia.

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VI. ACKNOWLEDGMENTS

The Commission would like to acknowledge those who have contributed to the success of our work.

Meeting Presenters:

- Mr. Neal J. Barber, Virginia Economic Development Partnership
- Dr. Wayne D. Purcell, Rural Economic Analysis Program, Virginia Tech
- Mr. Ronald W. Flanary, LENOWISCO Planning District Commission
- Mr. David D. Rundgren, New River Valley Planning District Commission
- Dr. Bradford H. Mills, Department of Agricultural and Applied Economics, Virginia Tech
- Ms. Brucie Boggs, Carilion Health System
- Mr. Todd Green, General Dynamics Corporation
- Ms. Cathy Greenberg, The Center for Regional Studies, Virginia Tech
- Mr. Ryan Latham, Virginia Tech

Corporate Sponsors:

- First Bank and Trust
- LeClair Ryan
- Sands Anderson Marks & Miller
- Verizon

Locality Sponsors:

- Giles County
- Pulaski County
- Russell County
- Wythe County
- Town of Abingdon
- Town of Pulaski

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VII. BIBLIOGRAPHY

The staff of the Virginia Economic Bridge, Inc. compiled much of the data presented in this report. The resources for this data include the following:

- US Census Bureau
- State Council of Higher Education for Virginia
- Virginia Department of Education
- Virginia Employment Commission
- US Department of Agriculture, National Agricultural Statistics Services (NASS)
- Virginia Department of Health

For a more comprehensive list of resources, please contact the staff of the Virginia Economic Bridge, Inc. (www.virginiaeconomicbridge.org)

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VIII. APPENDICES

Appendix A – Senate Joint Resolution No. 111

Appendix B – Selected Information from the Presentation by Wayne D. Purcell, PhD

Appendix C – LENOWISCO's Recommendations to the Commission

Appendix D – New River Valley's Recommendations to the Commission

Appendix E – Median Household Income table

Appendix F – *“A Quick Look at...Southwest Virginia”*

Appendix G – Grant Proposal for Specialty Crop Demonstration and Implementation Center in
Southwest Virginia

Appendix H – A special acknowledgement of the Virginia Economic Bridge, Inc.

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Appendix A – Senate Joint Resolution No. 111

2004 SESSION

ENROLLED

SENATE JOINT RESOLUTION NO. 111

Establishing a joint subcommittee to study measures to improve and enhance economic development in the Southwest region of the Commonwealth. Report.

Agreed to by the Senate, February 17, 2004
Agreed to by the House of Delegates, March 9, 2004

WHEREAS, Southwest Virginia consists of the Counties of Bland, Buchanan, Carroll, Dickenson, Floyd, Giles, Grayson, Lee, Montgomery, Pulaski, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe, and the Cities of Bristol, Galax, Norton, and Radford; and

WHEREAS, the economy of Southwest Virginia has not kept pace with that of the rest of the Commonwealth; and

WHEREAS, the economic problems of Southwest Virginia are due in large part to its present inability to diversify and to attract business; and

WHEREAS, Southwest Virginia has suffered, and continues to suffer, widespread unemployment in great disproportion to the rest of the Commonwealth; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, that a joint subcommittee be established to study measures to improve and enhance economic development in the Southwest region of the Commonwealth. The joint subcommittee shall consist of 13 members that include six legislative members and seven nonlegislative citizen members. Members shall be appointed as follows: two members of the Senate to be appointed by the Senate Committee on Rules; four members of the House of Delegates to be appointed by the Speaker of the House of Delegates in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; one member of a local governing body, one local economic development official, and one representative of business and industrial communities, to be appointed by the Senate Committee on Rules; and one representative of the banking industry, one representative of major utility providers, one president of a community college, and one representative of a four-year institution of higher education, to be appointed by the Speaker of the House of Delegates. Nonlegislative citizen members shall be citizens of the Commonwealth of Virginia. The joint subcommittee shall elect a chairman and vice chairman from among its membership, who shall be members of the General Assembly.

In conducting its study, the joint subcommittee shall review methods to attract business and industry to the Southwest region of the state through (i) actions that may be taken by the state government, (ii) joint efforts with neighboring states and local governments, and (iii) programs provided by or through institutions of higher education and the business community located in the region.

Administrative staff support shall be provided by the Office of the Clerk of the Senate. Legal, research, policy analysis, and other services as requested by the joint subcommittee shall be provided by the Division of Legislative Services. Technical assistance shall be provided by the Virginia Economic Bridge, Inc., a nonprofit business, economic and workforce development organization. All agencies of the Commonwealth shall provide assistance to the joint subcommittee for this study, upon request.

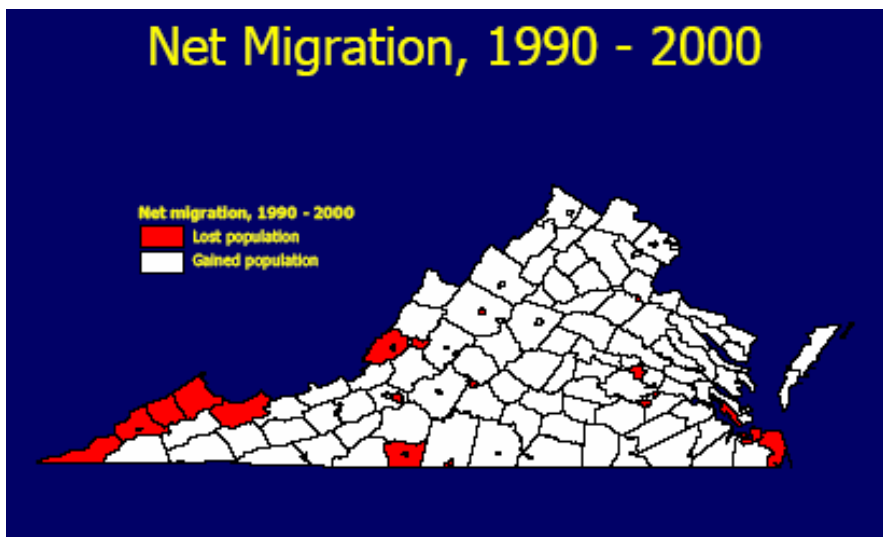
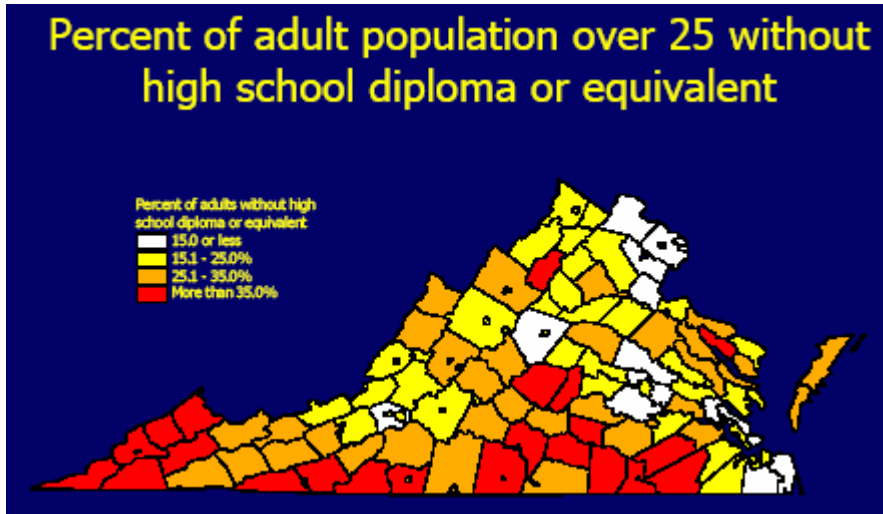
The joint subcommittee shall be limited to four meetings for the 2004 interim and four meetings for the 2005 interim, and the direct costs of this study shall not exceed \$8,800 for each year of the study without approval as set out in this resolution. Approval for unbudgeted nonmember-related expenses shall require the written authorization of the chairman of the joint subcommittee and the respective Clerk. If a companion joint resolution of the other chamber is agreed to, written authorization of both Clerks shall be required.

No recommendation of the joint subcommittee shall be adopted if a majority of the Senate members or a majority of the House members appointed to the joint subcommittee (i) vote against the recommendation and (ii) vote for the recommendation to fail notwithstanding the majority vote of the joint subcommittee.

The joint subcommittee shall complete its meetings for the first year by November 30, 2004, and for the second year by November 30, 2005, and the chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the next Regular Session of the General Assembly for each year. Each executive summary shall state whether the joint subcommittee intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a document. The executive summaries and reports shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may approve or disapprove expenditures for this study, extend or delay the period for the conduct of the study, or authorize additional meetings during the 2004 or 2005 interim.

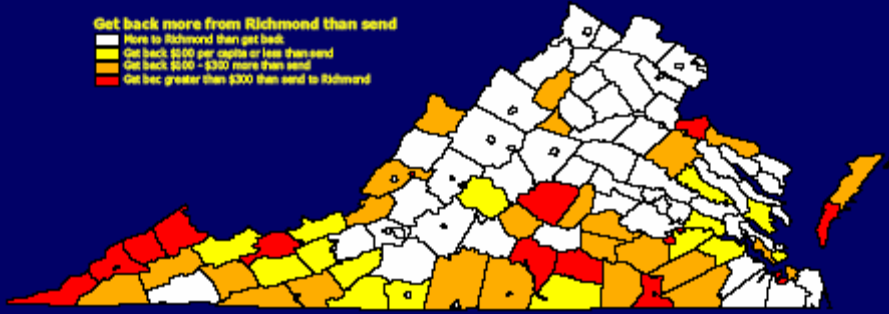
Appendix B – Selected Information from the presentation “Reflections” by Wayne Purcell, PhD



Get more back from Richmond than send

Get back more from Richmond than send

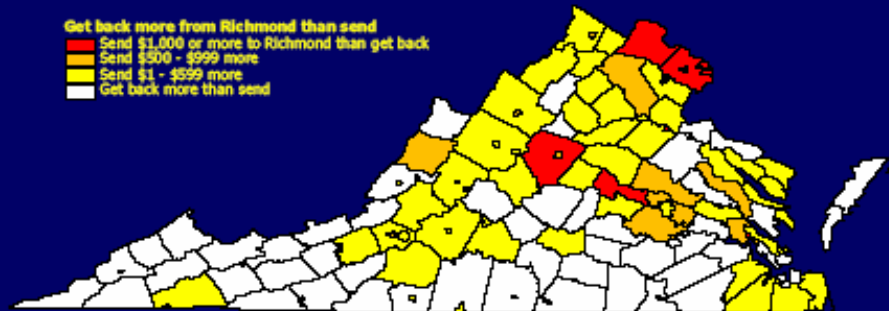
- More to Richmond than get back
- Get back \$200 per capita or less than send
- Get back \$200 - \$300 more than send
- Get back greater than \$300 than send to Richmond



Send more to Richmond than get back

Get back more from Richmond than send

- Send \$1,000 or more to Richmond than get back
- Send \$300 - \$999 more
- Send \$1 - \$299 more
- Get back more than send



Appendix C – LENOWISCO’s Recommendations to the Commission

The following recommendations were presented to the Commission by LENOWISCO Planning District Commission Executive Director Ron Flanary:

Economic Development

- Index GOF and TROF awards based on a community or region’s economic needs. A firm should not receive the same dollar award to close a deal in Loudon or Fairfax versus Lee or Dickenson
- Redirect VEDP’s marketing efforts to give greater attention to the state’s underperforming regions. Suggestion: 75 percent of VEDP’s funding and marketing efforts should go to the rural and urban distressed regions, with 25 percent in economically competitive urban areas. Loudon and Lee County should NOT be treated the same!
- Define “distress” as a weighted index of unemployment and income (including persons in poverty, and adjusted gross income)
- Revise marketing targets in SW Virginia based on work of Chmura Economics and Analytics on-going cluster study (Example: Possibly add Glass Manufacturing, Household Appliance Manufacturing, Medical Equipment, certain Organic and Inorganic Chemicals to the marketing targets for Scott County, based on interim data)—this work being funded by the Virginia Tobacco Commission for all of SW Virginia.

Small Business Development

- Get past the “jealousy” issue regarding small business development. Small businesses deserve the same encouragement, training and financial support from the public sector as any major corporation.
- More support for small business incubators, because they work, and they’re clearly “economic development” Example: the tenants in the Pioneer Center in Duffield (plus the satellite center in Norton) generates over \$2 M in private revenues per year and bring 70 jobs to the region. The Richlands incubator (Tazewell County) is also doing very well, and is now expanding.
- Consider reinstating financial support for regional business incubators through the Virginia Department of Business Assistance.
- Consider equity support (such as small start-up grants for entrepreneurs of high quality and with a high likelihood of success), targeted to business incubator tenants.

Education

- Grow UVA-Wise to 2500 students, add software engineering and other tech baccalaureate programs to augment the college’s high success rate as a nationally

prominent liberal arts institution. The college is a major economic development driver for the region.

- Reinvent public education: Too much local provincialism, too many “turf” issues, and too much resistance to change and innovation. Note: If the Commonwealth pays most of the cost of public education in SW Virginia (which it does), the General Assembly should insist on positive change and more responsiveness.
- Vocational and training programs should mirror 21st Century realities in the work place. Question: Have we trained enough hair dressers and welders by now?
- Build on the regional asset of the Community Colleges—the “front line” of labor force readiness and quick response.

Tourism Development

Heritage Tourism is our region’s greatest potential for this aspect of Economic Development.

- Support and expand “linear” regional, multi-venue attractions such as “The Crooked Road” and the Daniel Boone Wilderness Trail
- Support and expand the State Parks, such as Natural Tunnel, Wilderness Road, Hungry Mother, and the Breaks Interstate Park—they are key attractions along the linear trails.
- Stimulate private sector development of the supporting infrastructure necessary to capitalize on heritage tourism:
 - More, better, and diverse lodging options throughout the region
 - More, better, and more diverse dining options
 - R.V. parks
- Fund Hospitality Training for those on the “front lines” of greeting visitors to the region.
- Find a reliable revenue source to support regional tourism marketing efforts.
- Build on the success of existing trails for pedestrians, bicyclists, horseback riders and ATV enthusiasts by establishing a full network of regionally-interconnected trails for these purposes.

Workforce Programs

- Fully recognize and support (with necessary funding) the critical role of the Community Colleges in workforce development, quick response training, small business development, and other support services to meet the needs of new and expanding businesses.
- Regional workforce programs should be more responsive to the real needs of private employers.

- Regional workforce boards should be revamped to strengthen the input from the private sector, and diminish the role of service delivery agencies often more focused on their own budgets than delivering services.

Telecommunications

- Support build-out of the regional broadband system throughout SW Virginia. Our region should have a network with no practical limits on bandwidth, speed or service options. This work should embrace the private telecoms in partnership.
- Support those PPEA proposals currently under review by VITA that recognize SW Virginia's new strengths: a strong telecommunications plan of action, multiple redundancy for telecommunications AND power (with no common points of failure), a ready and capable workforce, prepared sites, and the perfect location for data back-up centers.

Enterprise Zones

- Current application process is cumbersome and unpredictable in its outcome.
- Consider changing current rigid six (6) square mile limit on zone size to entire jurisdiction for rural, economically distressed counties (but not cities).
- Consider standardized base expectations for local incentives (currently, it's just "free form")
- Reconsider current state incentives (I.E., tax credits, which have value to some businesses, but little or no value to others)
- Seek input from actual firms that located in an Enterprise Zone—why was this important to their location decision?

Infrastructure

- Continue regional efforts to build-out the public water network to serve all who can be feasibly served.
- Continue to fund and support build-out of the public regional telecommunications network.
- Next major infrastructure challenge: Finding the grant and low interest loan funds to address public sewage collection and treatment for the unserved portions of the region.

Other Ideas

- Consider additional correctional facilities in other parts of the region.
- Encourage and offer incentives (such as the Laurel Hills Project in Norton) to stimulate more market rate housing development in the \$90,000 to \$150,000 range. Our region cannot grow without a wide range of housing options.

- Coal is making a recovery: Encourage the full utilization of the region's reserves, which can, and should be mined in a safe and environmentally sound manner.
- Support the coal-fired power plant initiative: A 500 megawatt plant in Lee County (as an example) would reduce the local unemployment rate to less than 2 percent, and increase Lee County's local tax receipts by almost 60 percent. Think how that could stimulate growth and innovation in public education, for instance.

Appendix D – New River Valley’s Recommendations to the Commission

December 13, 2004

Senator Phillip P. Puckett, Co-Chairman
Southwest Virginia Economic Development Commission
P.O. Box 924
Tazewell, VA 24651-0924

RE: Follow-up to the November 3, 2004 Meeting

Dear Senator Puckett,

We were discussing the fact that one of the major issues with retaining our young people in Southwestern Virginia is the absence of employers. Almost universally when asked if graduates of high school, community college or four year institutions if they desire to remain in the region, there answer is yes, “if I had a job where I can afford a home”.

The solution to this dilemma is challenging and requires a program of activities. An often given answer is “entrepreneurial training and incubators.” From some six years of experience this is an inadequate answer, although a part of the answer.

Additional parts of the program seem to include:

A change in expectations from education – one that includes instilling the changes in the economy, the relationship to the world economy and that you can be successful in that economy through corporate development.

The importance of value added intellectual property applied to manufactured goods as well as other products. Outsourcing provides many opportunities for the successful establishment of companies.

The need to define and establish a credible “first employer,” be it a public or non-profit organization to employ a team of people who are actively working to establish a company.

The following is an attempt to describe the components of a “first employer” program.

The development of a “first employer” program requires a partnership between educational institutions and/or workforce development programs with regional economic development organizations. The absolute goal of the partnership is the formation of companies. Students or individuals having technical skills are not business people and likewise people with business skills do not have the technical skills to establish viable companies aimed at growing jobs and incomes. The basis of the “first employer” program is the identification and support for teams of people wishing to establish businesses in the region.

A “first employer” program should include providing selected participants an opportunity to identify mutually satisfying goals and jointly develop a business plan, together determine the organizational structure of their company and proceed toward implementation of their business plan. There needs to be a strong business relationship established between the participants and the “first employer” leading to the “first employer” becoming self sustaining as well as the businesses it helps create. These steps along with initial startup support during the first year of the company would be provided by the “first employer.” Graduation from the “first employer” program to a

business incubator would continue the business mentoring and provide an environment supportive of company development.

A share of the loan pool investments noted by Mr. Clay from State deposits of its financial resources could be required to be invested in emerging companies established under a "first employer" program.

A recommendation of financial support to establish one or more "first employer" program in Southwestern Virginia would provide an opportunity to successfully utilize the educational strengths and organizational skills found in the region to address its economic future.

If I can provide additional information, please feel free to call me.

Sincerely,

A handwritten signature in cursive script that reads "David W. Rundgren".

David W. Rundgren
Executive Director

Appendix E – Median Household Income Table

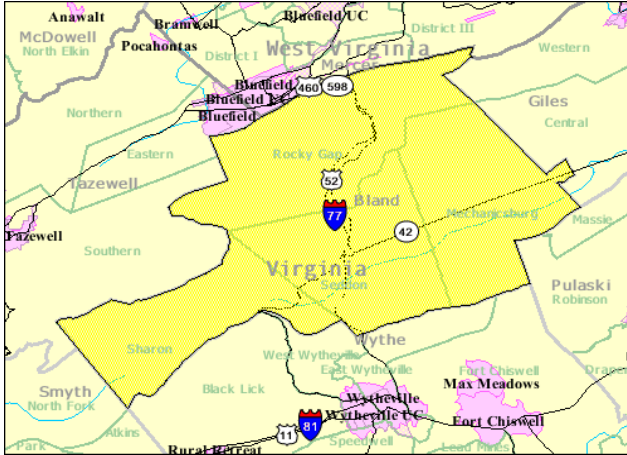
Locality	1993		2003		Increase	
	Median Household Income	% of State	Median Household Income	% of State	Amount	Percentage
Bland County	\$27,243	78.2%	\$32,647	65.3%	\$5,404	19.8%
Bristol City	\$23,533	67.6%	\$29,018	58.0%	\$5,485	23.3%
Buchanan County	\$22,631	65.0%	\$24,317	48.6%	\$1,686	7.4%
Carroll County	\$24,176	69.4%	\$31,788	63.5%	\$7,612	31.5%
Dickenson County	\$19,257	55.3%	\$25,378	50.7%	\$6,121	31.8%
Floyd County	\$25,520	73.3%	\$34,968	69.9%	\$9,448	37.0%
Galax City	\$21,933	63.0%	\$28,301	56.6%	\$6,368	29.0%
Giles County	\$27,350	78.6%	\$35,732	71.4%	\$8,382	30.6%
Grayson County	\$22,299	64.0%	\$29,298	58.6%	\$6,999	31.4%
Lee County	\$16,772	48.2%	\$24,992	50.0%	\$8,220	49.0%
Montgomery County	\$28,953	83.2%	\$34,446	68.9%	\$5,493	19.0%
Norton City	\$20,962	60.2%	\$26,996	54.0%	\$6,034	28.8%
Pulaski County	\$25,914	74.4%	\$35,604	71.2%	\$9,690	37.4%
Radford City	\$26,182	75.2%	\$26,855	53.7%	\$673	2.6%
Russell County	\$21,200	60.9%	\$28,851	57.7%	\$7,651	36.1%
Scott County	\$22,117	63.5%	\$30,111	60.2%	\$7,994	36.1%
Smyth County	\$24,227	69.6%	\$31,567	63.1%	\$7,340	30.3%
Tazewell County	\$23,941	68.8%	\$29,339	58.6%	\$5,398	22.5%
Washington County	\$26,245	75.4%	\$35,731	71.4%	\$9,486	36.1%
Wise County	\$22,865	65.7%	\$28,650	57.3%	\$5,785	25.3%
Wythe County	\$25,454	73.1%	\$33,181	66.3%	\$7,727	30.4%
Virginia	\$34,818	100.0%	\$50,028	100.0%	\$15,210	43.7%

Table 4: Table showing the Median Household Income (MHI) for VA and areas in SWVA for 1993 and 2003. The table also shows the ratio of county and city MHI to the state MHI and change in MHI from 1993 to 2003. Source – US Census Bureau.

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A Quick Look at...

Bland County, Virginia



U.S. Census Bureau

Location: 37.13221 N, 81.12668 W

Size: 369 sq. miles

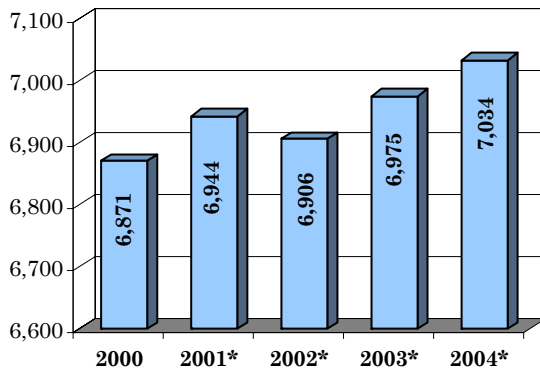
Population: 6,871

Population Density: 18.6 people/sq. mile

Towns & Communities:

Narrows, Bastian, Bland, Ceres, Rocky Gap, Wytheville

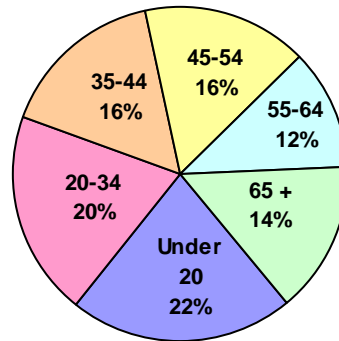
Population



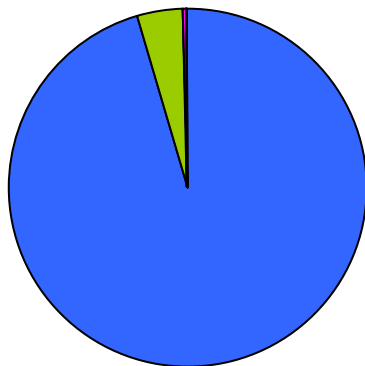
Year

* Estimate

Population by Age



Median Age: 40.3



Population By Race

- 94.8% White
- 4.2% Black/African American
- 0.1% American Indian/Alaska Native
- 0.1% Asian
- 0% Native Pacific Islander
- 0.1% Some other race

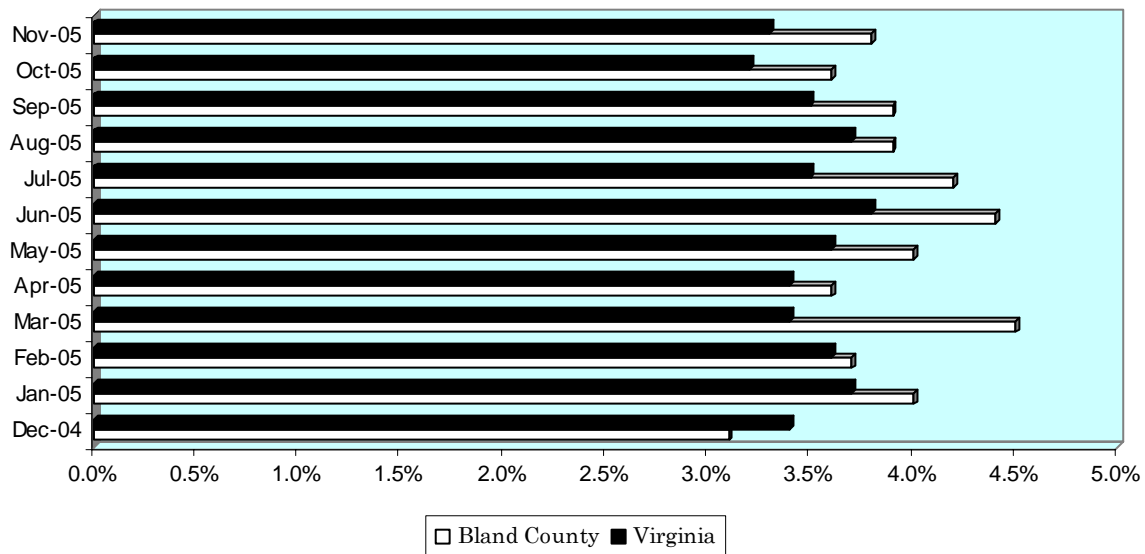
A Quick Look at...

Bland County, Virginia

Housing Statistics*			
Value (owner occupied)		Gross Rent (renter occupied)	
1,069 units		314 units	
Less than \$50,000	25.1%	Less than \$200	7.6%
\$50,000 to \$99,999	61.0%	\$200 to \$299	10.2%
\$100,000 to \$149,999	8.4%	\$300 to \$499	44.6%
\$150,000 to \$199,999	3.2%	\$500 to \$749	6.1%
\$200,000 to \$299,999	2.3%	\$750 to \$999	0.0%
\$300,000 to \$499,999	0.0%	\$1,000 to \$1,499	2.2%
\$500,000 to \$999,999	0.0%	\$1,500 or more	0.0%
\$1,000,000 or more	0.0%	No cash rent	29.3%
Median Value: \$71,500		Median Rent: \$349	

* As of 2000 Census

UNEMPLOYMENT RATE: December '04 – November '05



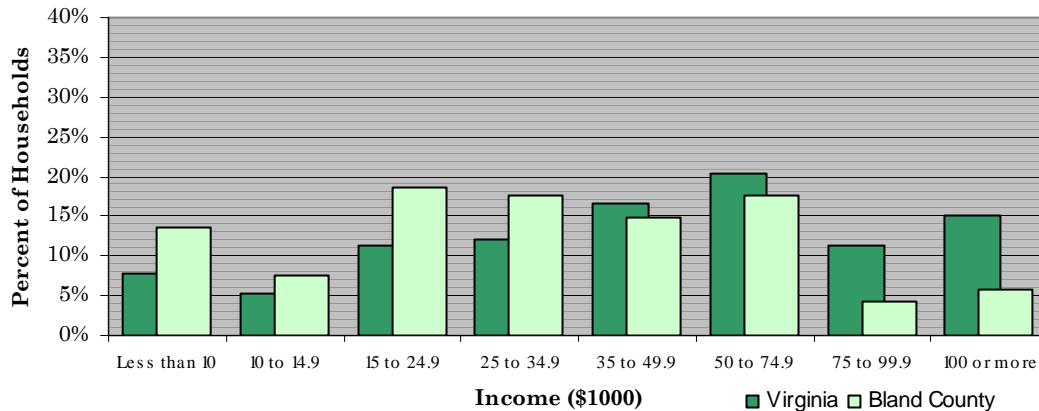
Educational Attainment (percentage of population 25 and older who have earned)

No Diploma	High School Diploma (or GED)	Some College (no degree)	Associate's Degree	Bachelor's Degree (or higher)
29.1%	38.1%	17.6%	6%	9.2%

A Quick Look at...

Bland County, Virginia

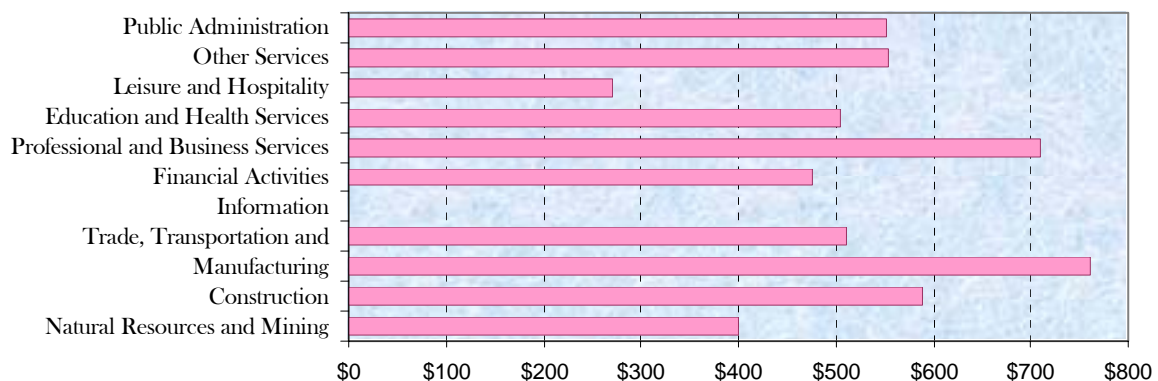
Household Income (2000 Census)



Median Income: \$46,677 Virginia \$30,397 Bland County.

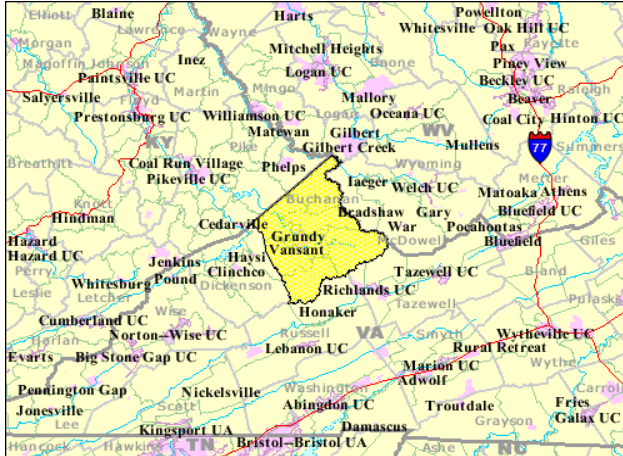
Employment by Sector (2 nd Quarter 2005)		Employment by Occupation (2000 Census)	
Natural Resources and Mining	1.1%	Management and professional	25.9%
Construction	4.6%	Service	15.4%
Manufacturing	24.6%	Sales and office	20.2%
Trade, Transportation and Utilities	23.7%	Farming, fishing, and forestry	1.8%
Information	0%	Construction	11.4%
Financial Activities	0.8%	Production, transportation, and material moving	25.2%
Professional and Business Services	0.4%		
Education and Health Services	17.0%		
Leisure and Hospitality	2.6%		
Other Services	1.4%		
Public Administration	23.7%		
* Information unavailable		Total employment: 1,700	

Average Weekly Wage By Sector
(2nd Quarter 2005)



A Quick Look at...

Buchanan County, Virginia



U.S. Census Bureau

Location: 37.26662 N, 82.03552 W

Size: 508 sq. miles

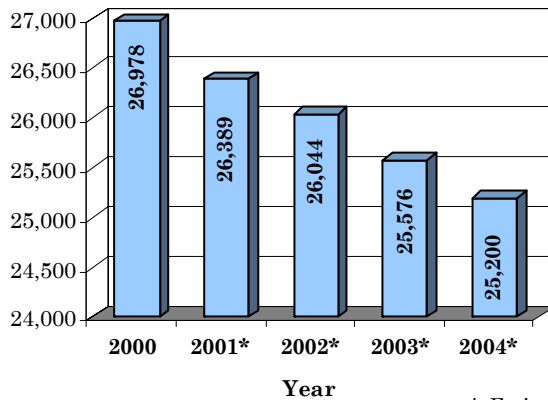
Population: 26,978

Population Density: people/sq. mile

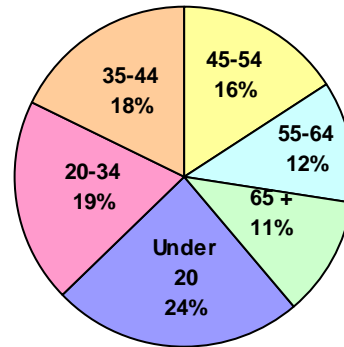
Towns & Communities:

Birchleaf, Davenport, Haysi, Honaker, Bandy, Big Rock, Grundy, Hurley, Jewell Ridge, Mavisdale, Oakwood, Pilgrims Knob, Raven, Rowe, Vansant, Whitewood

Population

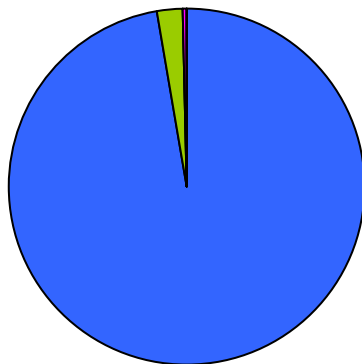


Population by Age



Median Age: 38.8

Population By Race



- 96.7% White
- 2.6% Black/African American
- 0.1% American Indian/Alaska Native
- 0.1% Asian
- 0% Native Pacific Islander
- 0.1% Some other race

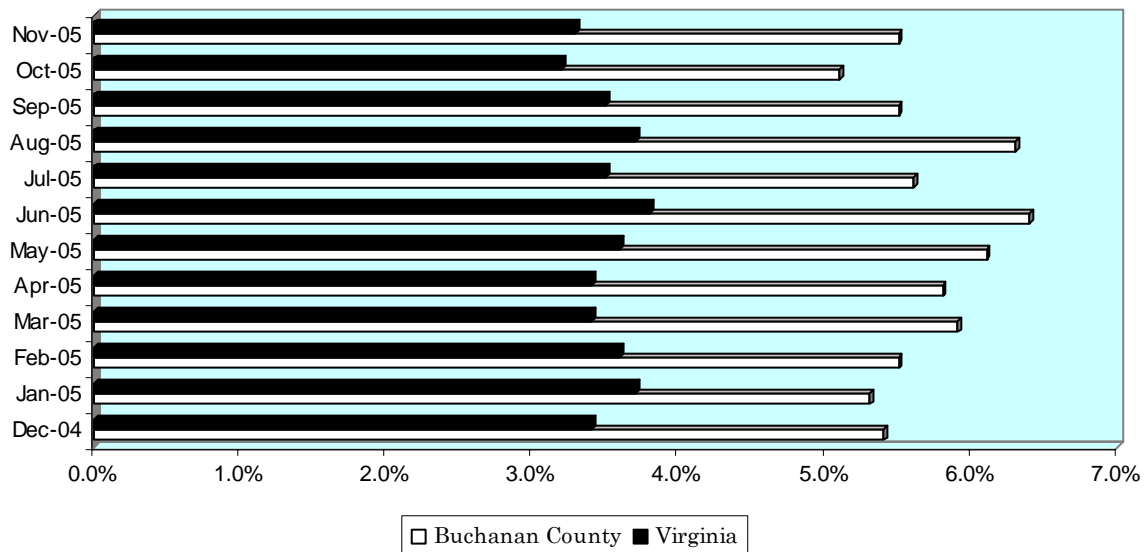
A Quick Look at...

Buchanan County, Virginia

Housing Statistics*			
Value (owner occupied)		Gross Rent (renter occupied)	
4,209 units		1,632 units	
Less than \$50,000	43.8%	Less than \$200	6.7%
\$50,000 to \$99,999	44.2%	\$200 to \$299	18.8%
\$100,000 to \$149,999	7.1%	\$300 to \$499	35.7%
\$150,000 to \$199,999	3.0%	\$500 to \$749	4.2%
\$200,000 to \$299,999	1.4%	\$750 to \$999	0.6%
\$300,000 to \$499,999	0.1%	\$1,000 to \$1,499	0.6%
\$500,000 to \$999,999	0.0%	\$1,500 or more	0.0%
\$1,000,000 or more	0.2%	No cash rent	33.5%
Median Value: \$55,400		Median Rent: \$336	

* As of 2000 Census

UNEMPLOYMENT RATE: December '04 – November '05



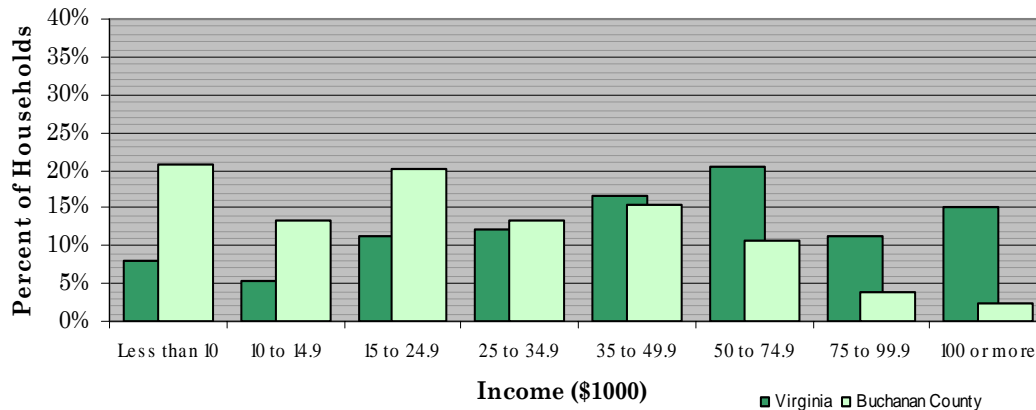
Educational Attainment (percentage of population 25 and older who have earned)

No Diploma	High School Diploma (or GED)	Some College (no degree)	Associate's Degree	Bachelor's Degree (or higher)
47.2%	27.5%	12.4%	5%	8%

A Quick Look at...

Buchanan County, Virginia

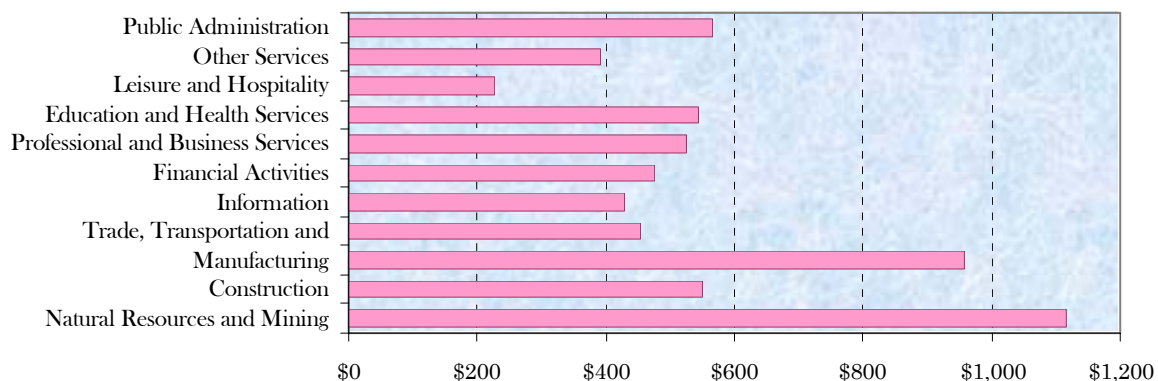
Household Income (2000 Census)



Median Income: \$46,677 Virginia \$22,213 Buchanan County.

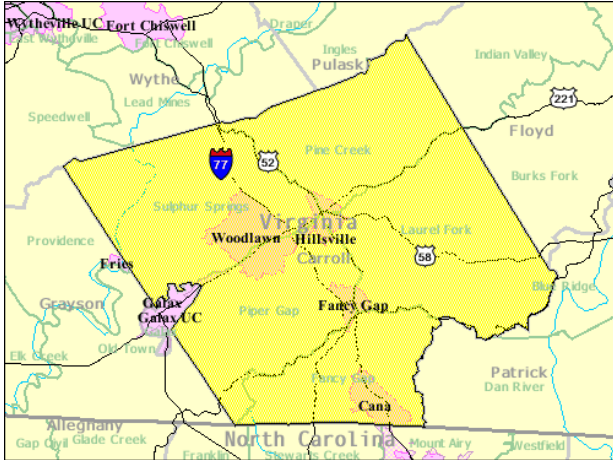
Employment by Sector (2 nd Quarter 2005)		Employment by Occupation (2000 Census)	
Natural Resources and Mining	21.9%	Management and professional	24.8%
Construction	8.3%	Service	14.1%
Manufacturing	4.6%	Sales and office	23.0%
Trade, Transportation and Utilities	19.3%	Farming, fishing, and forestry	0.3%
Information	0.7%	Construction	19.9%
Financial Activities	2.6%	Production, transportation, and material moving	17.9%
Professional and Business Services	4.6%		
Education and Health Services	22.1%		
Leisure and Hospitality	4.8%		
Other Services	2.3%		
Public Administration	8.6%		
* Information unavailable			
Total employment: 7,365			

Average Weekly Wage By Sector
(2nd Quarter 2005)



A Quick Look at...

Carroll County, Virginia



U.S. Census Bureau

Location: 36.73471 N, 80.73432 W

Size: 494 sq. miles

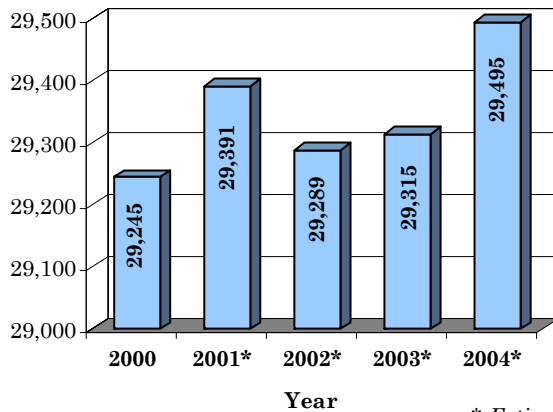
Population: 29,245

Population Density: 59.2 people/sq. mile

Towns & Communities:

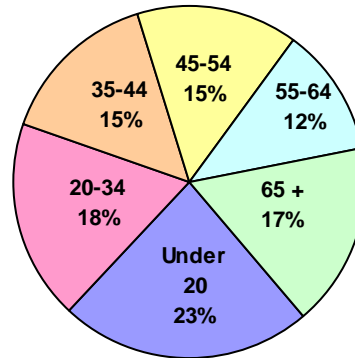
Ararat, Meadows of Dan, Austinville, Cana, Dugspur, Fancy Gap, Fries, Galax, Hillsville, Hiwassee, Ivanhoe, Lambsburg, Laurel Fork, Willis, Woodlawn

Population

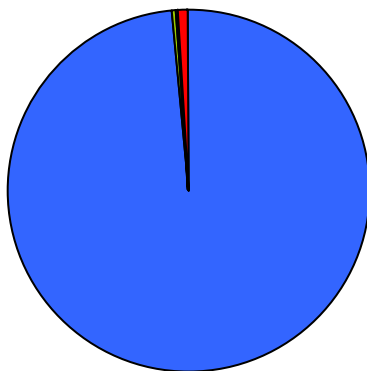


* Estimate

Population by Age



Median Age: 40.7



Population By Race

- 98.0% White
- 0.4% Black/African American
- 0.1% American Indian/Alaska Native
- 0.1% Asian
- 0% Native Pacific Islander
- 0.8% Some other race

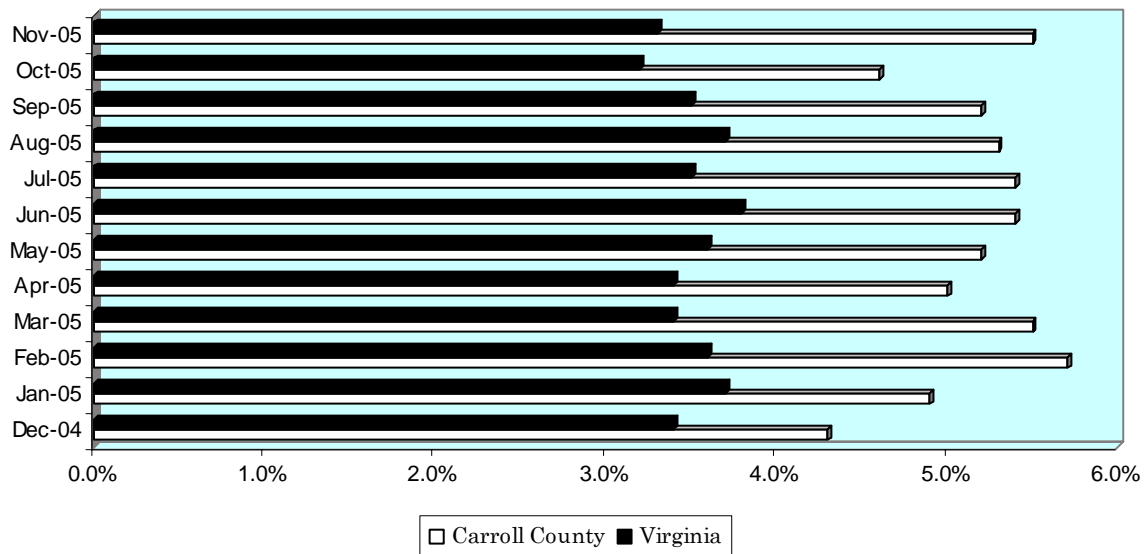
A Quick Look at...

Carroll County, Virginia

Housing Statistics*			
Value (owner occupied)		Gross Rent (renter occupied)	
5,775 units		2,034 units	
Less than \$50,000	25.1%	Less than \$200	4.4%
\$50,000 to \$99,999	53.6%	\$200 to \$299	15.2%
\$100,000 to \$149,999	13.9%	\$300 to \$499	48.0%
\$150,000 to \$199,999	4.9%	\$500 to \$749	12.0%
\$200,000 to \$299,999	1.2%	\$750 to \$999	1.7%
\$300,000 to \$499,999	1.2%	\$1,000 to \$1,499	0.0%
\$500,000 to \$999,999	0.0%	\$1,500 or more	0.0%
\$1,000,000 or more	0.2%	No cash rent	18.6%
Median Value: \$68,900		Median Rent: \$366	

* As of 2000 Census

UNEMPLOYMENT RATE: December '04 – November '05



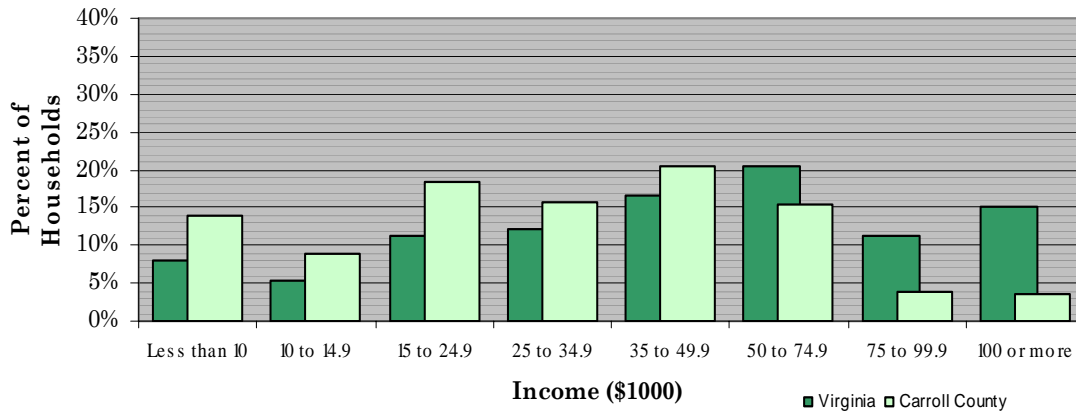
Educational Attainment (percentage of population 25 and older who have earned)

No Diploma	High School Diploma (or GED)	Some College (no degree)	Associate's Degree	Bachelor's Degree (or higher)
35.7%	33.9%	14.8%	6.1%	9.5%

A Quick Look at...

Carroll County, Virginia

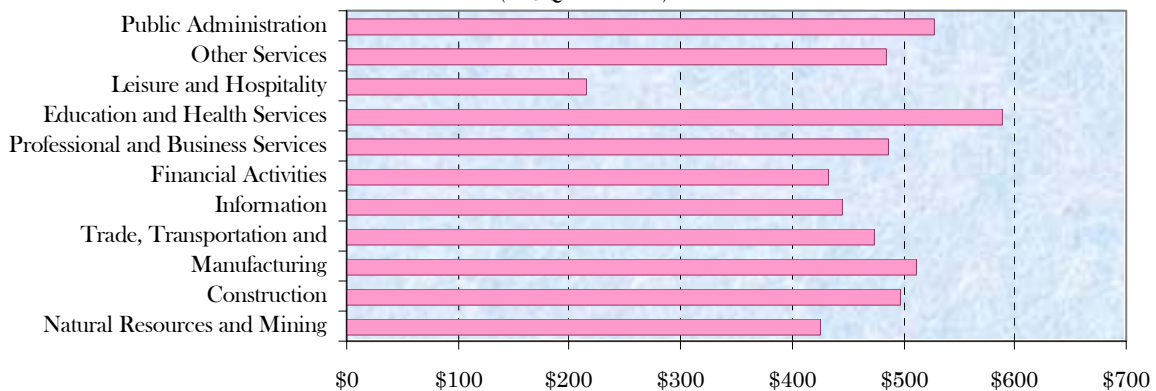
Household Income (2000 Census)



Median Income: \$46,677 Virginia \$30,597 Carroll County.

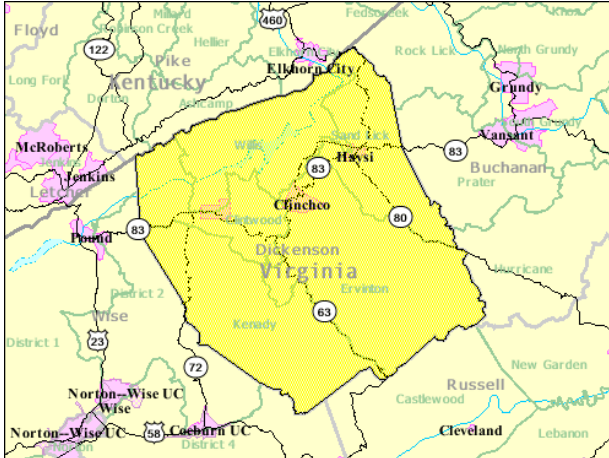
Employment by Sector (2 nd Quarter 2005)		Employment by Occupation (2000 Census)	
Natural Resources and Mining	0.4%	Management and professional	19.9%
Construction	9.5%	Service	14.2%
Manufacturing	22.1%	Sales and office	18.9%
Trade, Transportation and Utilities	17.6%	Farming, fishing, and forestry	1.2%
Information	0.4%	Construction	14.0%
Financial Activities	2.0%	Production, transportation, and material moving	31.9%
Professional and Business Services	2.0%		
Education and Health Services	29.3%		
Leisure and Hospitality	11.8%		
Other Services	1.6%		
Public Administration	3.2%		
* Information unavailable		Total employment: 6,487	

Average Weekly Wage By Sector
(2nd Quarter 2005)



A Quick Look at...

Dickenson County, Virginia



U.S. Census Bureau

Location: 37.11663 N, 82.35126 W

Size: 335 sq. miles

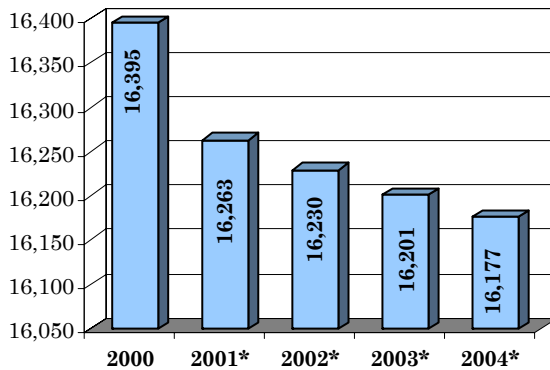
Population: 16,395

Population Density: 48.9 people/sq. mile

Towns & Communities:

Bee, Birchleaf, Cleveland, Clinchco, Clintwood, Coeburn, Dante, Haysi, Mc Clure, Nora, Pound, Saint Paul, Big Rock

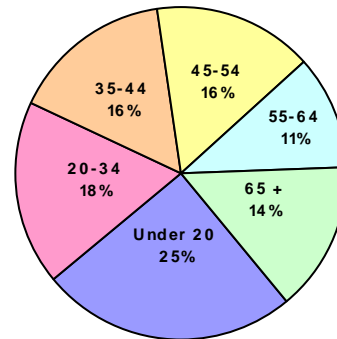
Population



Year

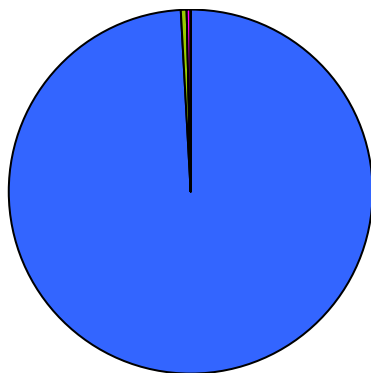
* Estimate

Population by Age



Median Age: 39.7

Population By Race



- 99.0% White
- 0.4% Black/African American
- 0.1% American Indian/Alaska Native
- 0.1% Asian
- 0% Native Pacific Islander
- 0.1% Some other race

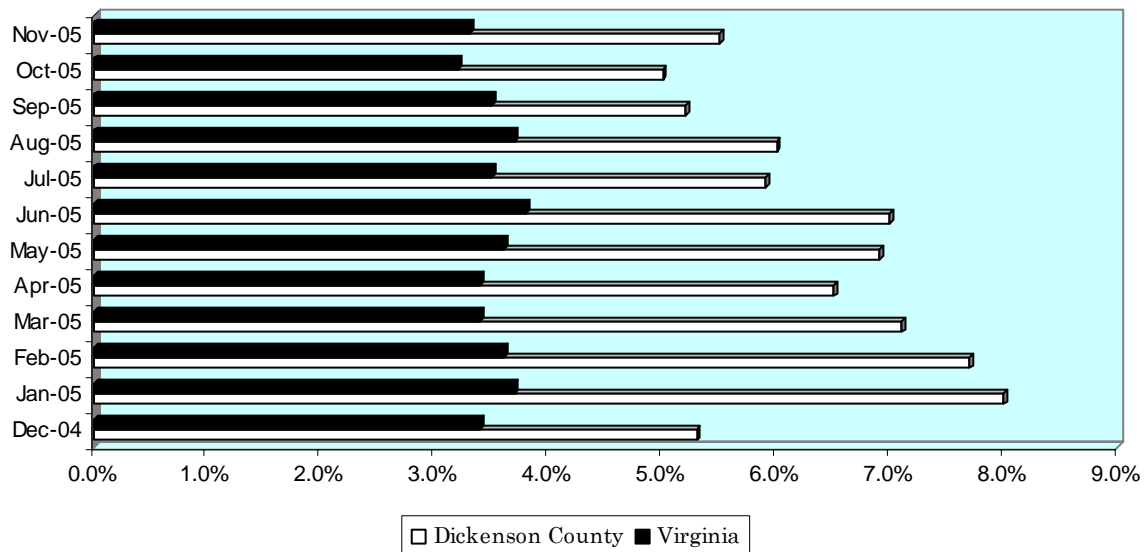
A Quick Look at...

Dickenson County, Virginia

Housing Statistics*			
Value (owner occupied)		Gross Rent (renter occupied)	
2,909 units		1,162 units	
Less than \$50,000	42.7%	Less than \$200	9.5%
\$50,000 to \$99,999	45.0%	\$200 to \$299	15.7%
\$100,000 to \$149,999	9.2%	\$300 to \$499	39.6%
\$150,000 to \$199,999	1.3%	\$500 to \$749	7.3%
\$200,000 to \$299,999	1.2%	\$750 to \$999	0.9%
\$300,000 to \$499,999	0.2%	\$1,000 to \$1,499	0.0%
\$500,000 to \$999,999	0.1%	\$1,500 or more	0.0%
\$1,000,000 or more	0.3%	No cash rent	27.0%
Median Value: \$55,900		Median Rent: \$347	

* As of 2000 Census

UNEMPLOYMENT RATE: December '04 – November '05



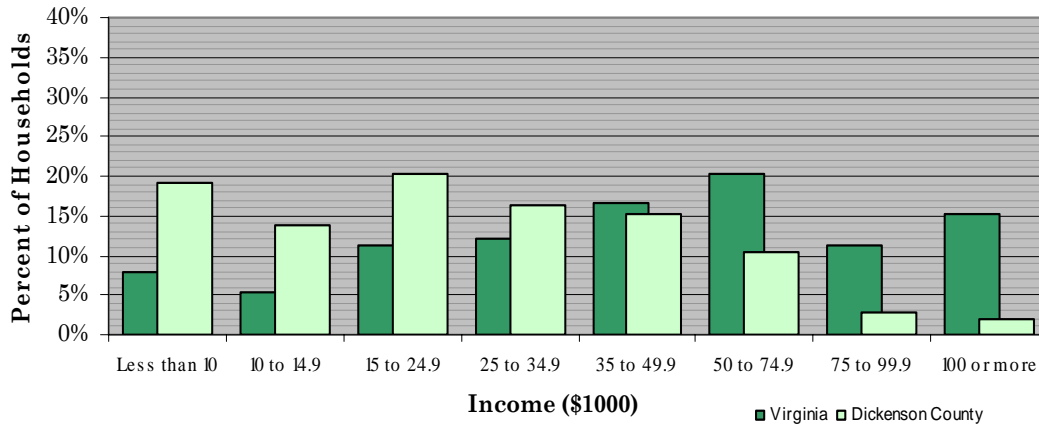
Educational Attainment (percentage of population 25 and older who have earned)

No Diploma	High School Diploma (or GED)	Some College (no degree)	Associate's Degree	Bachelor's Degree (or higher)
41%	34.9%	13.5%	3.9%	6.7%

A Quick Look at...

Dickenson County, Virginia

Household Income (2000 Census)

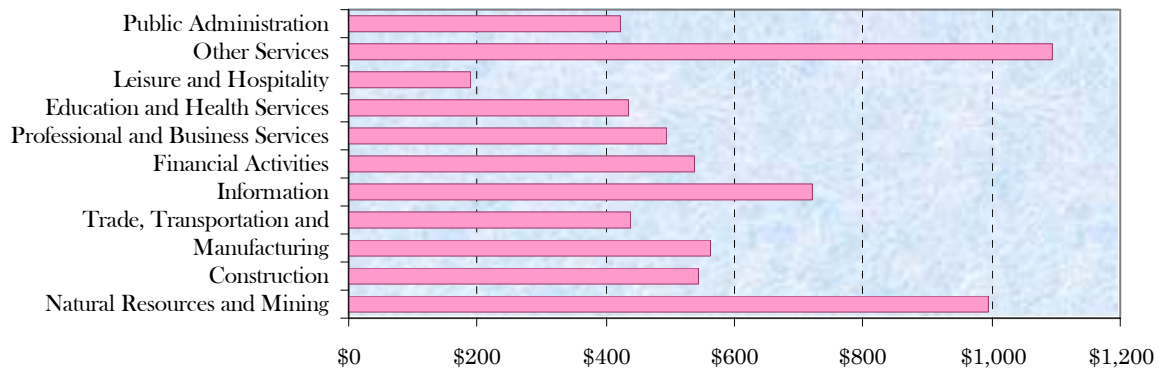


Median Income: \$46,677 Virginia \$23,431 Dickenson County.

Employment by Sector (2 nd Quarter 2005)		Employment by Occupation (2000 Census)	
Natural Resources and Mining	17.6%	Management and professional	16.6%
Construction	6.4%	Service	20.3%
Manufacturing	1.9%	Sales and office	23.4%
Trade, Transportation and Utilities	21.2%	Farming, fishing, and forestry	1.0%
Information	1.1%	Construction	21.0%
Financial Activities	2.6%	Production, transportation, and material moving	17.7%
Professional and Business Services	2.9%		
Education and Health Services	27.8%		
Leisure and Hospitality	5.4%		
Other Services	2.6%		
Public Administration	10.5%		
* Information unavailable		Total employment: 3,305	

Average Weekly Wage By Sector

(2nd Quarter 2005)



Compiled by: Virginia Economic Bridge, Inc.

Sources: U.S. Census Bureau and Virginia Employment Commission

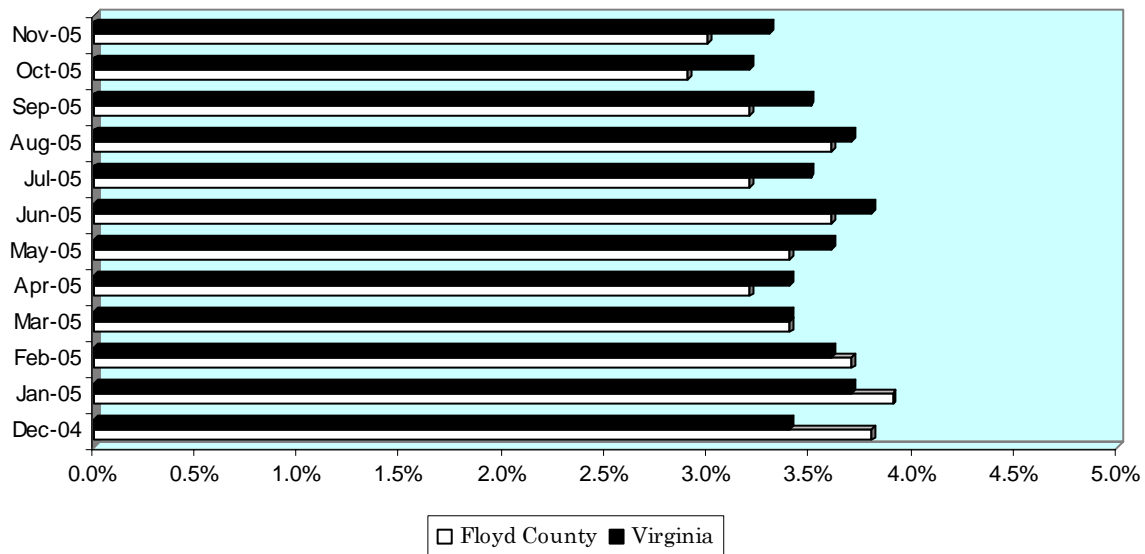
A Quick Look at...

Floyd County, Virginia

Housing Statistics*			
Value (owner occupied)		Gross Rent (renter occupied)	
2,308 units		806 units	
Less than \$50,000	14.2%	Less than \$200	11.8%
\$50,000 to \$99,999	57.2%	\$200 to \$299	8.4%
\$100,000 to \$149,999	18.5%	\$300 to \$499	33.5%
\$150,000 to \$199,999	6.8%	\$500 to \$749	17.0%
\$200,000 to \$299,999	2.9%	\$750 to \$999	3.5%
\$300,000 to \$499,999	0.4%	\$1,000 to \$1,499	0.2%
\$500,000 to \$999,999	0.0%	\$1,500 or more	0.0%
\$1,000,000 or more	0.0%	No cash rent	25.6%
Median Value: \$79,700		Median Rent: \$407	

* As of 2000 Census

UNEMPLOYMENT RATE: December '04 – November '05



Educational Attainment (percentage of population 25 and older who have earned)

No Diploma	High School Diploma (or GED)	Some College (no degree)	Associate's Degree	Bachelor's Degree (or higher)
30%	38.2%	14.4%	5%	12.5%

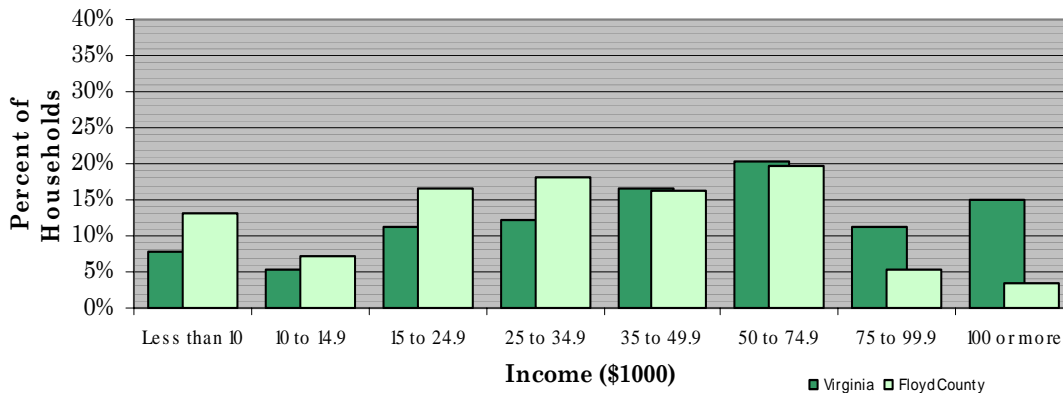
Compiled by: Virginia Economic Bridge, Inc.

Sources: U.S. Census Bureau and Virginia Employment Commission

A Quick Look at...

Floyd County, Virginia

Household Income (2000 Census)



Median Income: \$46,677 Virginia \$31,585 Floyd County.

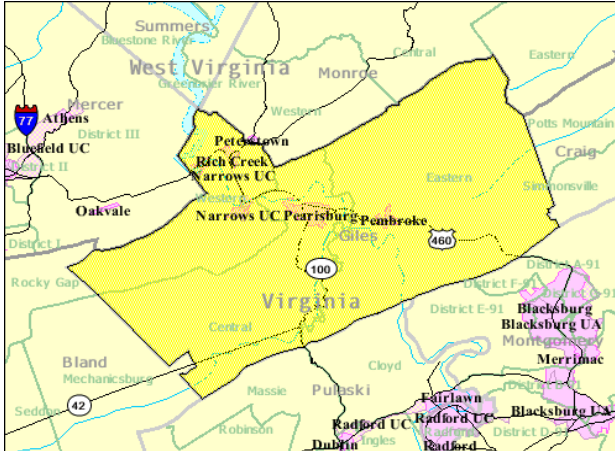
Employment by Sector (2 nd Quarter 2005)		Employment by Occupation (2000 Census)	
Natural Resources and Mining	8.0%	Management and professional	23.3%
Construction	9.1%	Service	14.7%
Manufacturing	11.5%	Sales and office	22.0%
Trade, Transportation and Utilities	13.1%	Farming, fishing, and forestry	2.9%
Information	2.8%	Construction	14.2%
Financial Activities	4.8%	Production, transportation, and material moving	22.9%
Professional and Business Services	8.7%		
Education and Health Services	25.6%		
Leisure and Hospitality	9.5%		
Other Services	2.9%		
Public Administration	3.9%		
* Information unavailable		Total employment: 2,923	

Average Weekly Wage By Sector
(2nd Quarter 2005)



A Quick Look at...

Giles County, Virginia



U.S. Census Bureau

Location: 37.31910 N, 80.69785 W

Size: 363 sq. miles

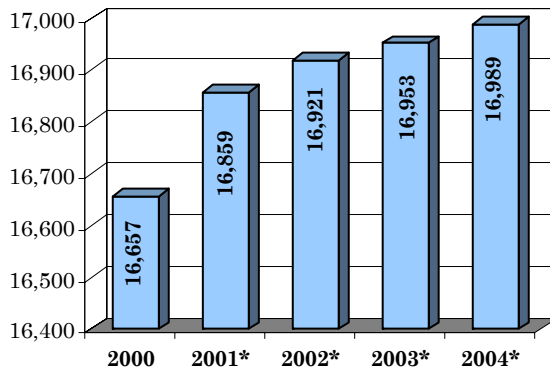
Population: 16,657

Population Density: 45.9 people/sq. mile

Towns & Communities:

Eggleston, Glen Lyn, Goldbond, Narrows, Newport, Pearisburg, Pembroke, Rich Creek, Ripplemead, Staffordsville, Bland

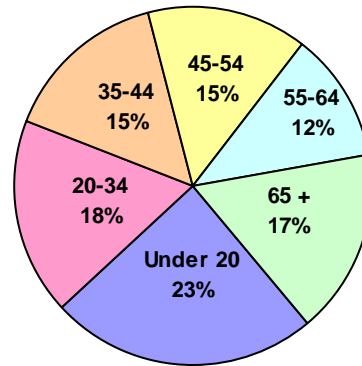
Population



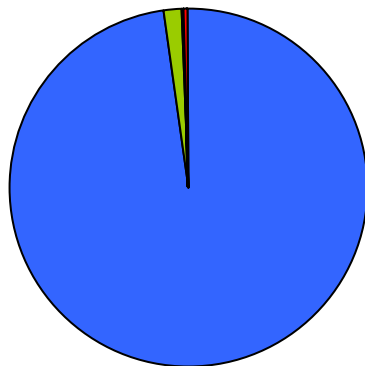
Year

* Estimate

Population by Age



Median Age: 40.2



Population By Race

- 97.4% White
- 1.6% Black/African American
- 0.1% American Indian/Alaska Native
- 0.2% Asian
- 0% Native Pacific Islander
- 0.2% Some other race

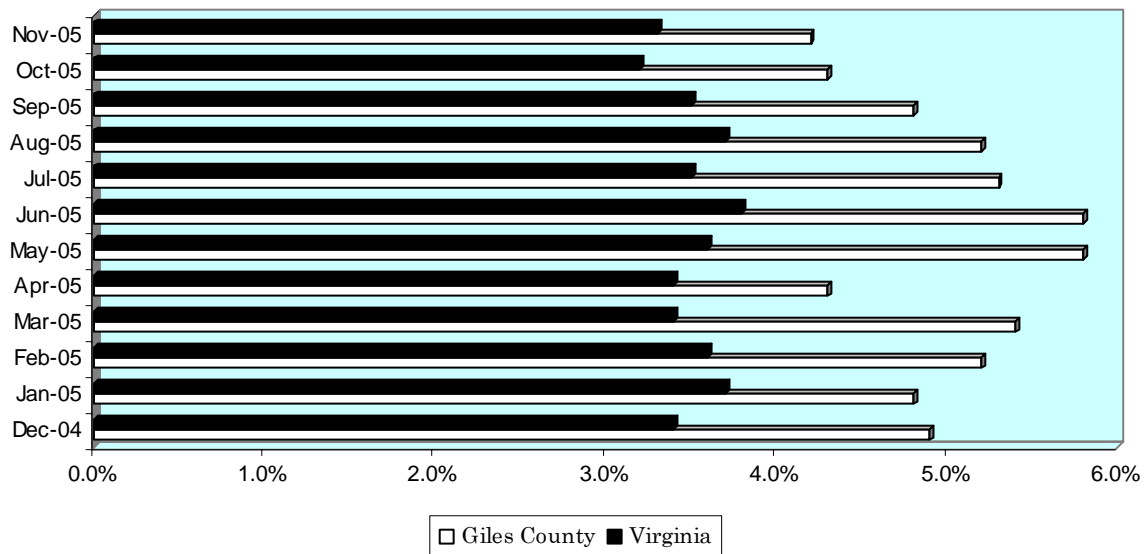
A Quick Look at...

Giles County, Virginia

Housing Statistics*			
Value (owner occupied)		Gross Rent (renter occupied)	
3,928 units		375 units	
Less than \$50,000	26.7%	Less than \$200	8.7%
\$50,000 to \$99,999	55.8%	\$200 to \$299	14.5%
\$100,000 to \$149,999	12.5%	\$300 to \$499	46.0%
\$150,000 to \$199,999	3.4%	\$500 to \$749	14.5%
\$200,000 to \$299,999	0.8%	\$750 to \$999	0.7%
\$300,000 to \$499,999	0.6%	\$1,000 to \$1,499	0.8%
\$500,000 to \$999,999	0.2%	\$1,500 or more	0.0%
\$1,000,000 or more	0.0%	No cash rent	14.8%
Median Value: \$69,200		Median Rent: \$375	

* As of 2000 Census

UNEMPLOYMENT RATE: December '04 – November '05



Educational Attainment (percentage of population 25 and older who have earned)

No Diploma	High School Diploma (or GED)	Some College (no degree)	Associate's Degree	Bachelor's Degree (or higher)
24.1%	40.8%	16.8%	5.8%	12.5%

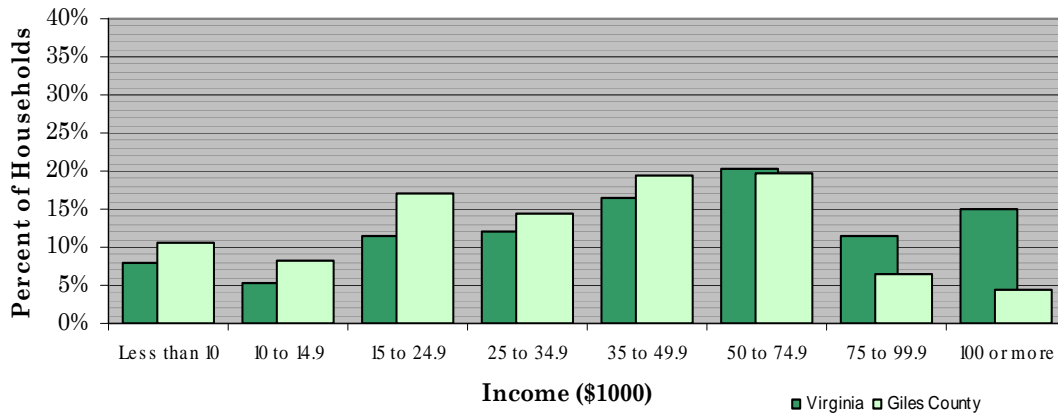
Compiled by: Virginia Economic Bridge, Inc.

Sources: U.S. Census Bureau and Virginia Employment Commission

A Quick Look at...

Giles County, Virginia

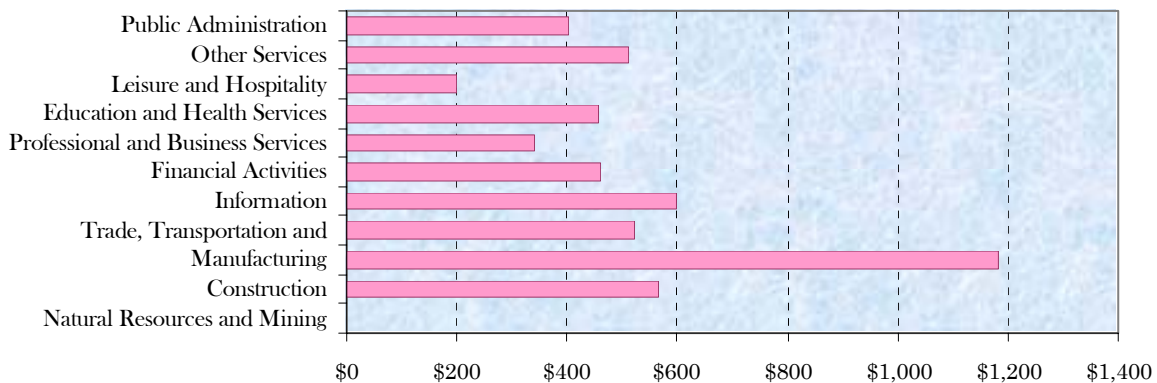
Household Income (2000 Census)



Median Income: \$46,677 Virginia \$34,927 Giles County.

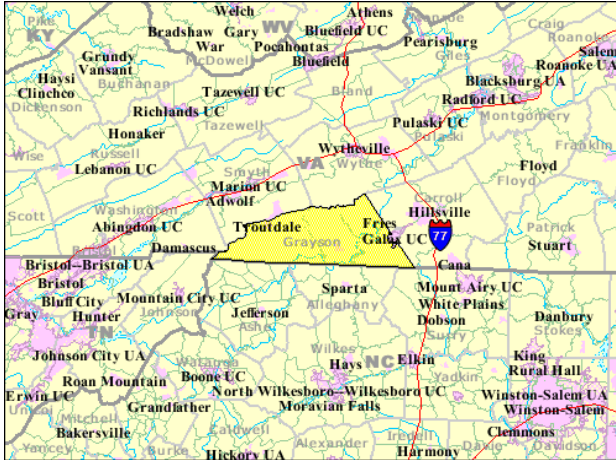
Employment by Sector (2 nd Quarter 2005)		Employment by Occupation (2000 Census)	
Natural Resources and Mining	*	Management and professional	24.7%
Construction	6.7%	Service	14.7%
Manufacturing	25.8%	Sales and office	21.9%
Trade, Transportation and Utilities	22.2%	Farming, fishing, and forestry	0.4%
Information	1.0%	Construction	13.9%
Financial Activities	1.9%	Production, transportation, and material moving	24.4%
Professional and Business Services	4.4%		
Education and Health Services	20.6%		
Leisure and Hospitality	7.9%		
Other Services	3.6%		
Public Administration	5.4%		
* Information unavailable		Total employment: 5,024	

Average Weekly Wage By Sector
(2nd Quarter 2005)



A Quick Look at...

Grayson County, Virginia



U.S. Census Bureau

Location: 36.65252 N, 81.22849 W

Size: 454 sq. miles

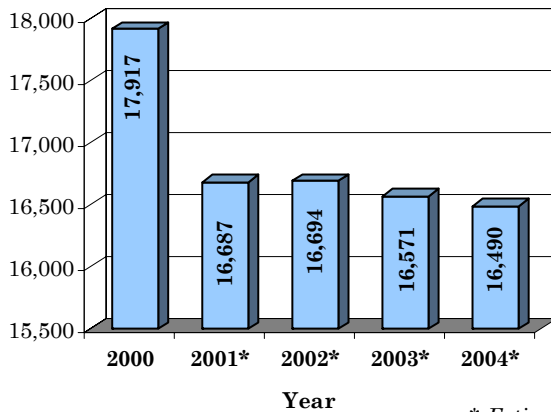
Population: 16,883

Population Density: 37.2 people/sq. mile

Towns & Communities:

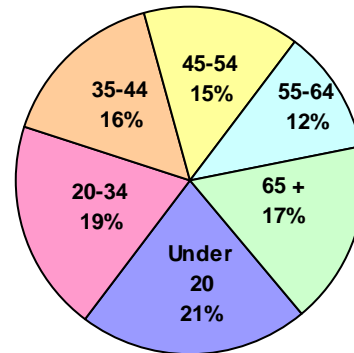
Whitetop, Elk Creek, Fries, Galax, Independence, Mouth of Wilson, Speedwell, Troutdale

Population

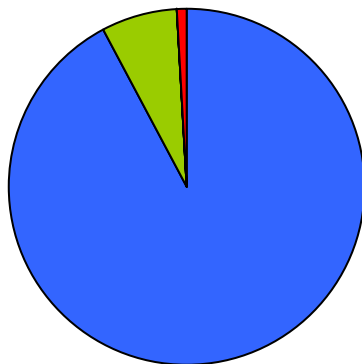


* Estimate

Population by Age



Median Age: 40.5



Population By Race

- 91.7% White
- 6.8% Black/African American
- 0.1% American Indian/Alaska Native
- 0.1% Asian
- 0% Native Pacific Islander
- 0.7% Some other race

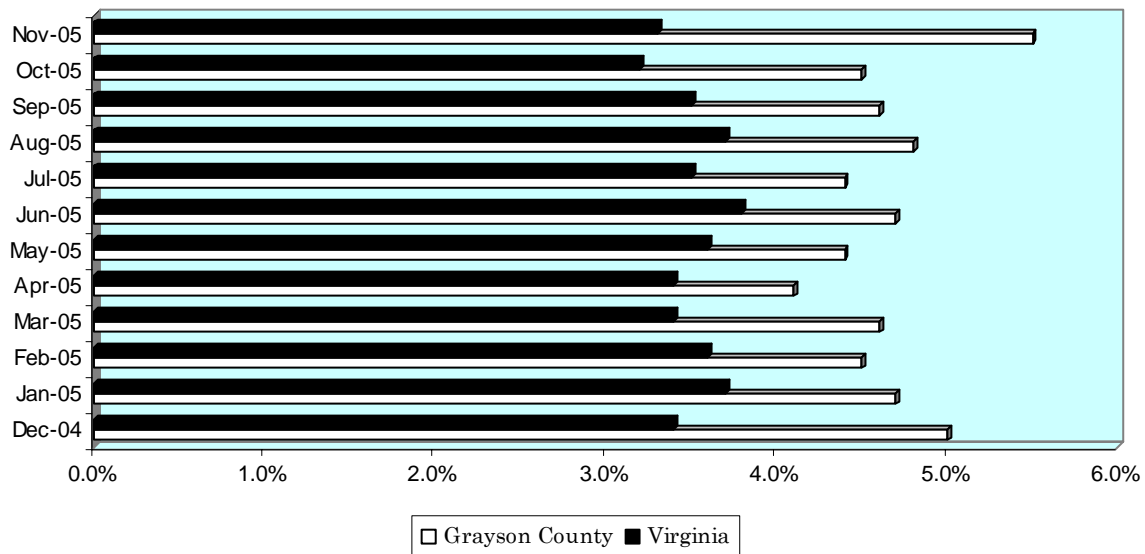
A Quick Look at...

Grayson County, Virginia

Housing Statistics*			
Value (owner occupied)		Gross Rent (renter occupied)	
3,206 units		1,223 units	
Less than \$50,000	32.1%	Less than \$200	12.3%
\$50,000 to \$99,999	48.6%	\$200 to \$299	18.8%
\$100,000 to \$149,999	13.3%	\$300 to \$499	34.2%
\$150,000 to \$199,999	4.2%	\$500 to \$749	5.1%
\$200,000 to \$299,999	1.8%	\$750 to \$999	0.9%
\$300,000 to \$499,999	0.0%	\$1,000 to \$1,499	0.1%
\$500,000 to \$999,999	0.0%	\$1,500 or more	0.0%
\$1,000,000 or more	0.1%	No cash rent	28.7%
Median Value: \$65,800		Median Rent: \$318	

* As of 2000 Census

UNEMPLOYMENT RATE: December '04 – November '05



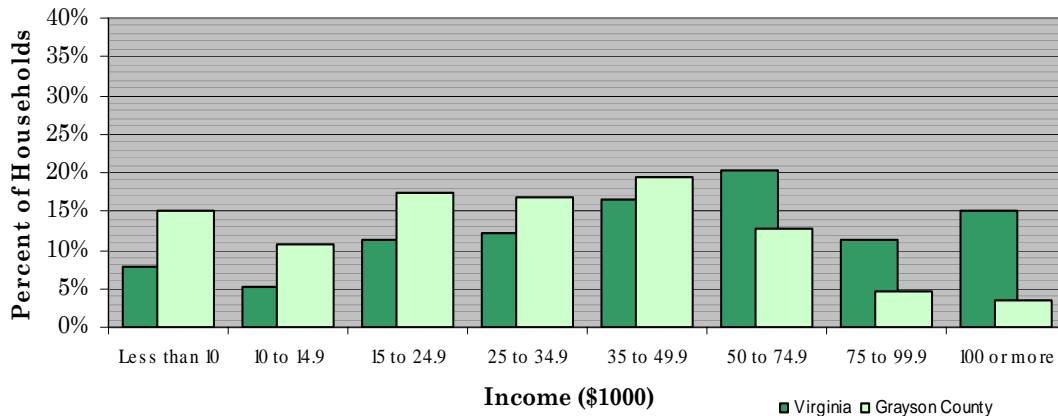
Educational Attainment (percentage of population 25 and older who have earned)

No Diploma	High School Diploma (or GED)	Some College (no degree)	Associate's Degree	Bachelor's Degree (or higher)
36%	37.7%	14%	4.3%	8%

A Quick Look at...

Grayson County, Virginia

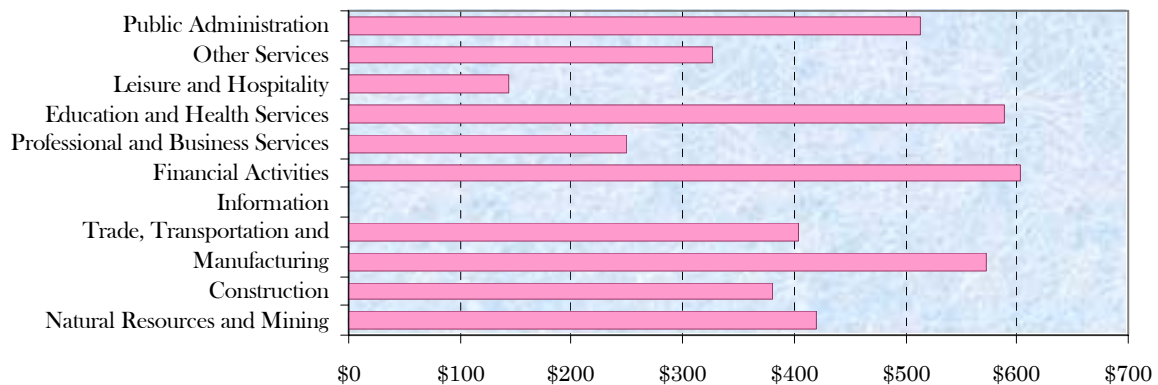
Household Income (2000 Census)



Median Income: \$46,677 Virginia \$28,676 Grayson County.

Employment by Sector (2 nd Quarter 2005)		Employment by Occupation (2000 Census)	
Natural Resources and Mining	1.1%	Management and professional	19.4%
Construction	4.1%	Service	13.5%
Manufacturing	24.3%	Sales and office	19.1%
Trade, Transportation and Utilities	15.1%	Farming, fishing, and forestry	2.0%
Information	*	Construction	10.8%
Financial Activities	4.2%	Production, transportation, and material moving	35.3%
Professional and Business Services	5.2%		
Education and Health Services	30.6%		
Leisure and Hospitality	7.5%		
Other Services	1.8%		
Public Administration	5.0%		
* Information unavailable			
Total employment: 2,497			

**Average Weekly Wage By Sector
(2nd Quarter 2005)**



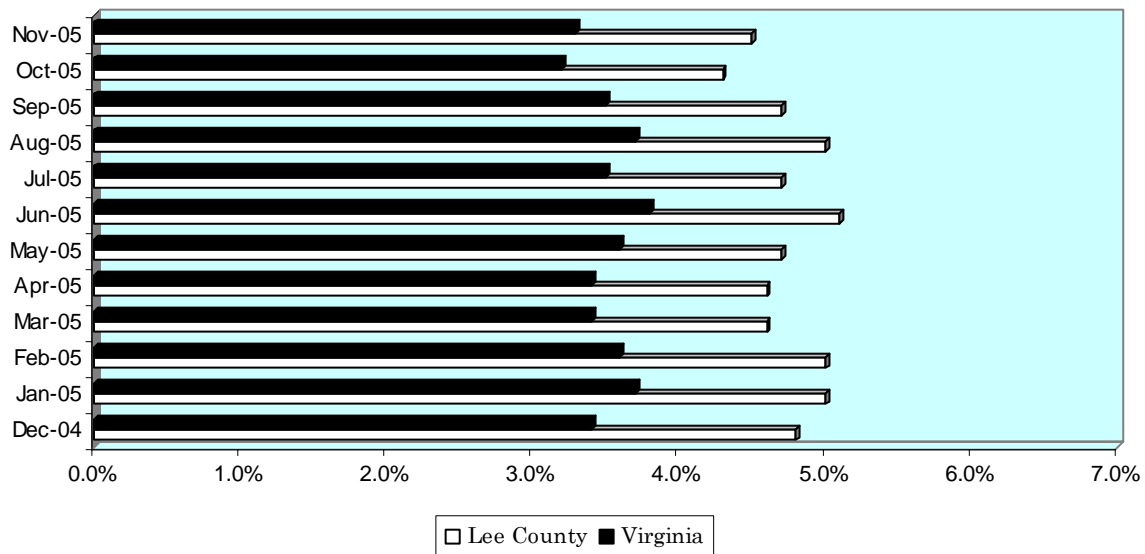
A Quick Look at...

Lee County, Virginia

Housing Statistics*			
Value (owner occupied)		Gross Rent (renter occupied)	
4,256 units		2,283 units	
Less than \$50,000	41.5%	Less than \$200	11.8%
\$50,000 to \$99,999	43.3%	\$200 to \$299	15.6%
\$100,000 to \$149,999	10.2%	\$300 to \$499	43.7%
\$150,000 to \$199,999	3.3%	\$500 to \$749	5.8%
\$200,000 to \$299,999	1.2%	\$750 to \$999	1.1%
\$300,000 to \$499,999	0.3%	\$1,000 to \$1,499	0.2%
\$500,000 to \$999,999	0.0%	\$1,500 or more	0.0%
\$1,000,000 or more	0.1%	No cash rent	21.8%
Median Value: \$56,900		Median Rent: \$341	

* As of 2000 Census

UNEMPLOYMENT RATE: December '04 – November '05



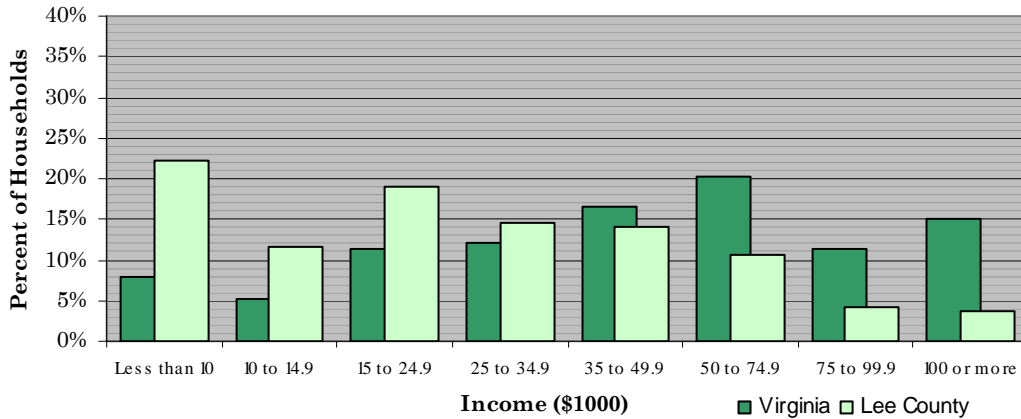
Educational Attainment (percentage of population 25 and older who have earned)

No Diploma	High School Diploma (or GED)	Some College (no degree)	Associate's Degree	Bachelor's Degree (or higher)
39.4%	31.8%	15.3%	4%	9.5%

A Quick Look at...

Lee County, Virginia

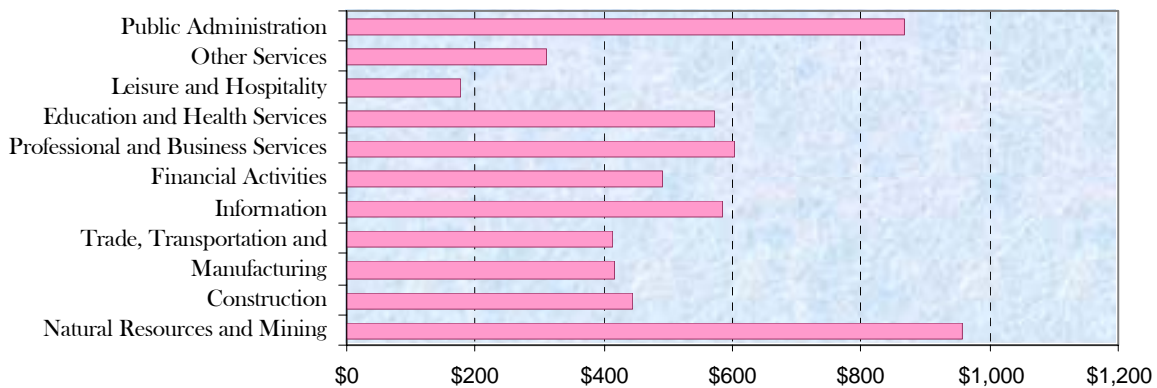
Household Income (2000 Census)



Median Income: \$46,677 Virginia \$22,972 Lee County.

Employment by Sector (2 nd Quarter 2005)		Employment by Occupation (2000 Census)	
Natural Resources and Mining	5.6%	Management and professional	26.3%
Construction	9.5%	Service	16.0%
Manufacturing	7.5%	Sales and office	20.1%
Trade, Transportation and Utilities	18.5%	Farming, fishing, and forestry	1.2%
Information	0.8%	Construction	16.9%
Financial Activities	2.8%	Production, transportation, and material moving	19.4%
Professional and Business Services	4.8%		
Education and Health Services	32.2%		
Leisure and Hospitality	5.3%		
Other Services	2.1%		
Public Administration	11.0%		
* Information unavailable		Total employment: 5,267	

Average Weekly Wage By Sector
(2nd Quarter 2005)



Compiled by: Virginia Economic Bridge, Inc.

Sources: U.S. Census Bureau and Virginia Employment Commission

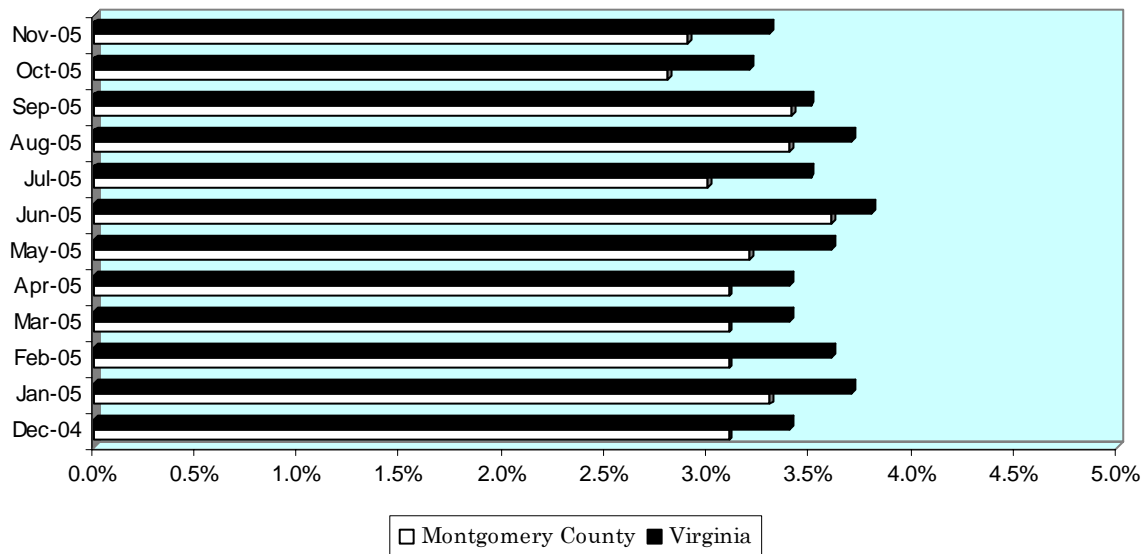
A Quick Look at...

Montgomery County, Virginia

Housing Statistics*			
Value (owner occupied)		Gross Rent (renter occupied)	
12,639 units		13,762 units	
Less than \$50,000	5.5%	Less than \$200	3.6%
\$50,000 to \$99,999	34.8%	\$200 to \$299	5.5%
\$100,000 to \$149,999	31.5%	\$300 to \$499	31.8%
\$150,000 to \$199,999	12.6%	\$500 to \$749	37.8%
\$200,000 to \$299,999	12.2%	\$750 to \$999	11.4%
\$300,000 to \$499,999	3.2%	\$1,000 to \$1,499	5.6%
\$500,000 to \$999,999	0.2%	\$1,500 or more	0.6%
\$1,000,000 or more	0.0%	No cash rent	3.7%
Median Value: \$114,600		Median Rent: \$535	

* As of 2000 Census

UNEMPLOYMENT RATE: December '04 – November '05



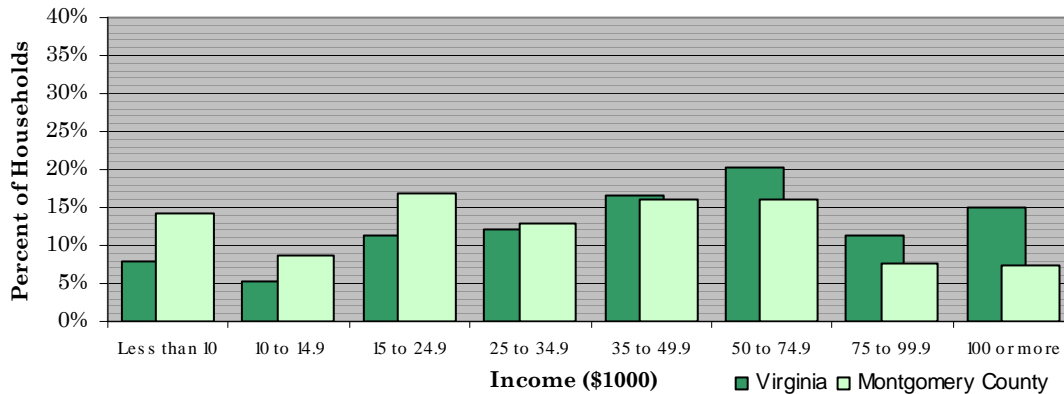
Educational Attainment (percentage of population 25 and older who have earned)

No Diploma	High School Diploma (or GED)	Some College (no degree)	Associate's Degree	Bachelor's Degree (or higher)
17.2%	23.7%	17.5%	5.7%	35.9%

A Quick Look at...

Montgomery County, Virginia

Household Income (2000 Census)



Median Income: \$46,677 Virginia \$32,330 Montgomery County.

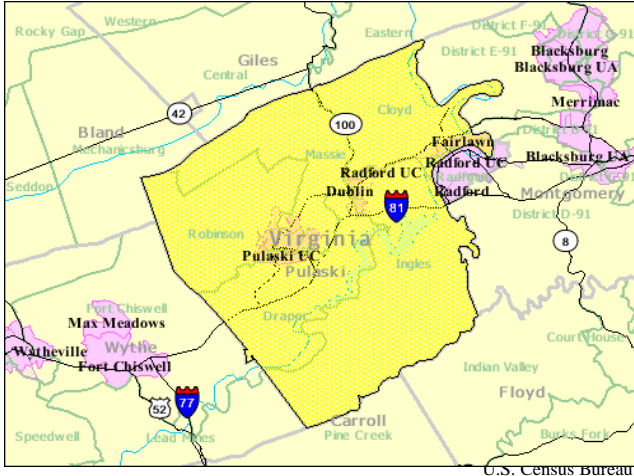
Employment by Sector (2 nd Quarter 2005)		Employment by Occupation (2000 Census)	
Natural Resources and Mining	0.5%	Management and professional	40.2%
Construction	5.2%	Service	16.4%
Manufacturing	13.5%	Sales and office	22.2%
Trade, Transportation and Utilities	15.9%	Farming, fishing, and forestry	0.4%
Information	1.0%	Construction	8.2%
Financial Activities	2.9%	Production, transportation, and material moving	12.7%
Professional and Business Services	10.3%		
Education and Health Services	34.5%		
Leisure and Hospitality	11.2%		
Other Services	2.8%		
Public Administration	2.1%		
* Information unavailable		Total employment: 38,509	

Average Weekly Wage By Sector
(2nd Quarter 2005)



A Quick Look at...

Pulaski County, Virginia



Location: 37.06318 N, 80.71385 W

Size: 327 sq. miles

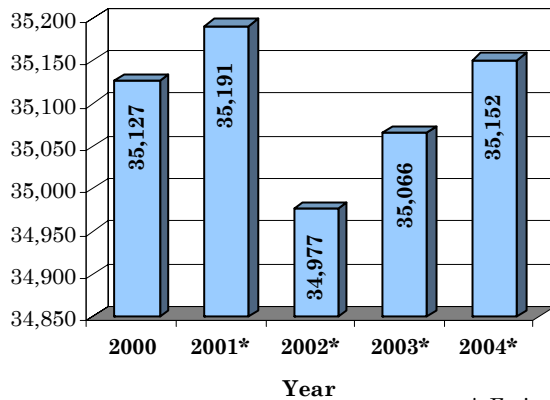
Population: 35,127

Population Density: 107.4 people/sq. mile

Towns & Communities:

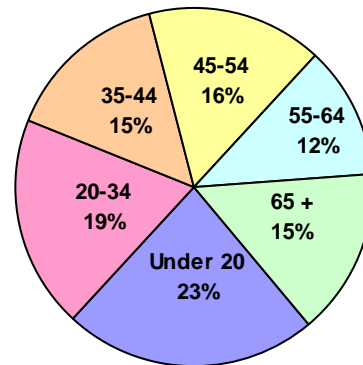
Dublin, Indian Valley, Radford, Pulaski, Draper, Hiwassee, Snowville

Population



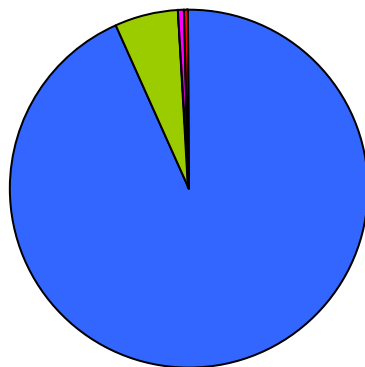
* Estimate

Population by Age



Median Age: 40.3

Population By Race



- 92.6% White
- 5.6% Black/African American
- 0.2% American Indian/Alaska Native
- 0.3% Asian
- 0% Native Pacific Islander
- 0.4% Some other race

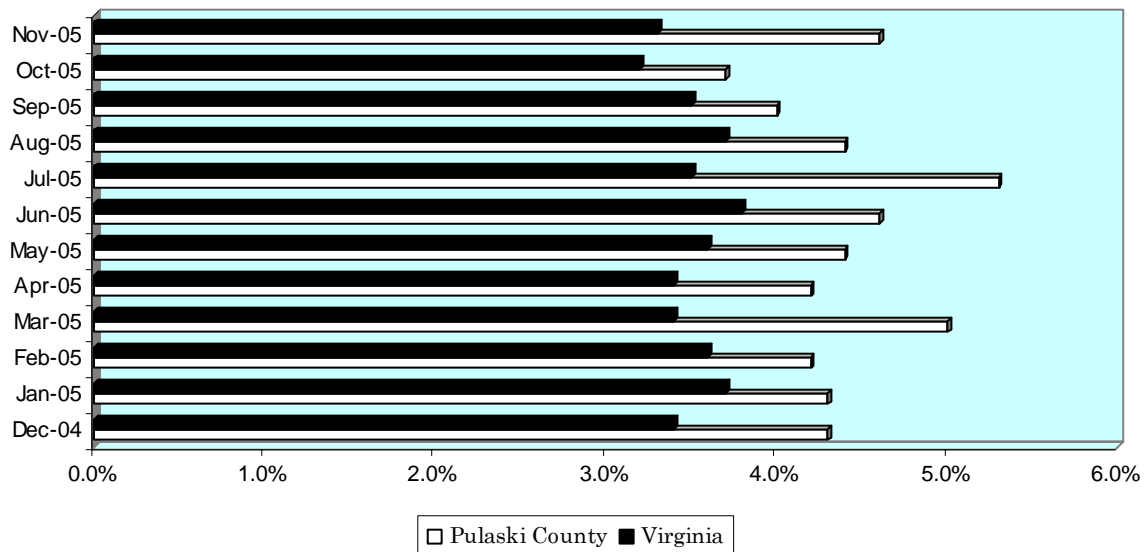
A Quick Look at...

Pulaski County, Virginia

Housing Statistics*			
Value (owner occupied)		Gross Rent (renter occupied)	
8,635 units		3,789 units	
Less than \$50,000	19.1%	Less than \$200	9.1%
\$50,000 to \$99,999	50.1%	\$200 to \$299	13.7%
\$100,000 to \$149,999	19.1%	\$300 to \$499	46.8%
\$150,000 to \$199,999	7.5%	\$500 to \$749	16.9%
\$200,000 to \$299,999	3.0%	\$750 to \$999	2.5%
\$300,000 to \$499,999	1.1%	\$1,000 to \$1,499	0.3%
\$500,000 to \$999,999	0.1%	\$1,500 or more	0.0%
\$1,000,000 or more	0.1%	No cash rent	10.8%
Median Value: \$80,000		Median Rent: \$382	

* As of 2000 Census

UNEMPLOYMENT RATE: December '04 – November '05



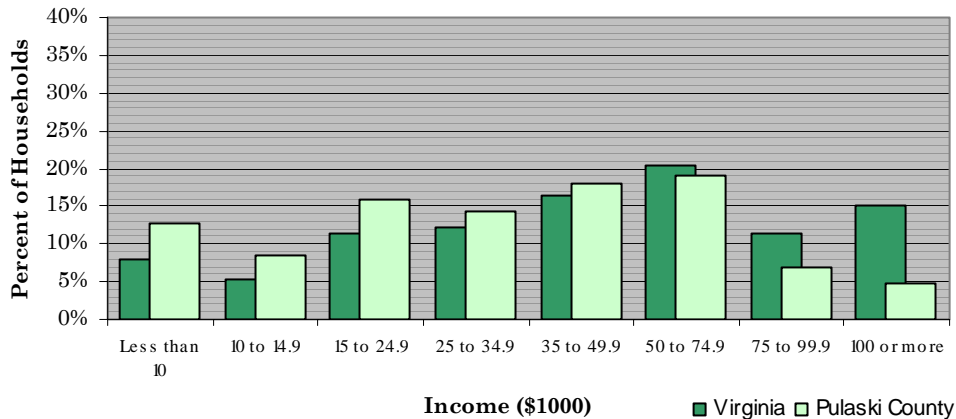
Educational Attainment (percentage of population 25 and older who have earned)

No Diploma	High School Diploma (or GED)	Some College (no degree)	Associate's Degree	Bachelor's Degree (or higher)
25.8%	33.9%	20%	7.9%	12.5%

A Quick Look at...

Pulaski County, Virginia

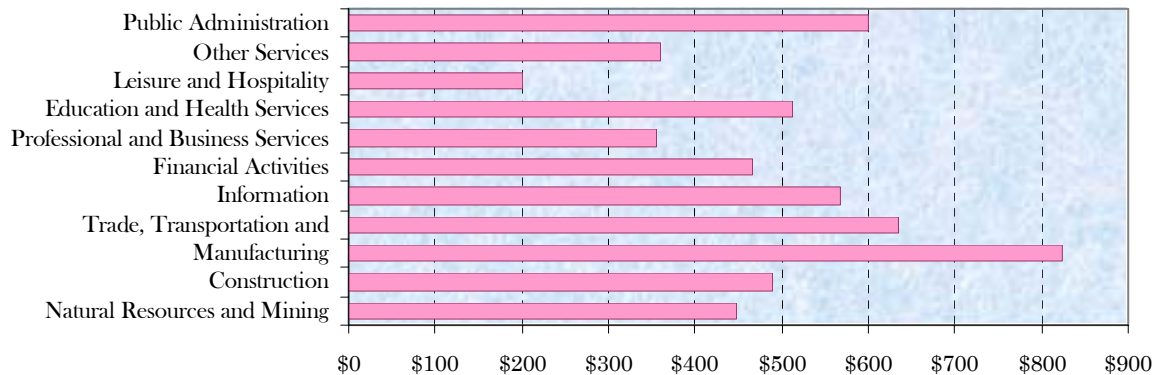
Household Income (2000 Census)



Median Income: \$46,677 Virginia \$33,873 Pulaski County.

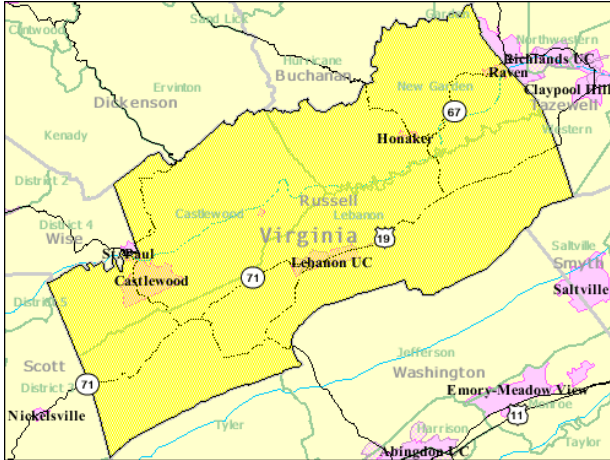
Employment by Sector (2 nd Quarter 2005)		Employment by Occupation (2000 Census)	
Natural Resources and Mining	0.6%	Management and professional	24.0%
Construction	3.2%	Service	14.1%
Manufacturing	39.4%	Sales and office	22.7%
Trade, Transportation and Utilities	15.4%	Farming, fishing, and forestry	1.0%
Information	1.3%	Construction	10.7%
Financial Activities	1.7%	Production, transportation, and material moving	27.4%
Professional and Business Services	6.6%		
Education and Health Services	17.5%		
Leisure and Hospitality	7.8%		
Other Services	2.7%		
Public Administration	3.8%		
* Information unavailable		Total employment: 15,422	

Average Weekly Wage By Sector
(2nd Quarter 2005)



A Quick Look at...

Russell County, Virginia



U.S. Census Bureau

Location: 36.93788 N, 82.09539 W

Size: 483 sq. miles

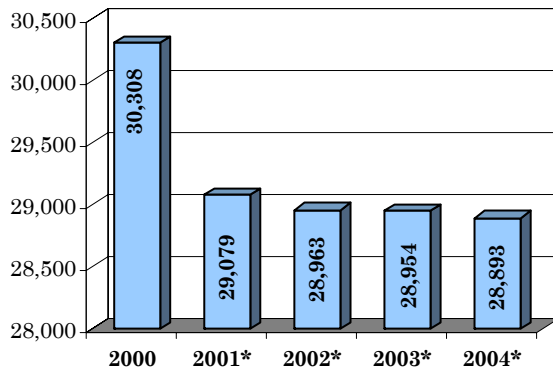
Population: 30,308

Population Density: 62.7 people/sq. mile

Towns & Communities:

Bee, Castlewood, Cleveland, Dante, Honaker, Lebanon, Rosedale, Saint Paul, Oakwood, Raven, Rowe, Swords Creek

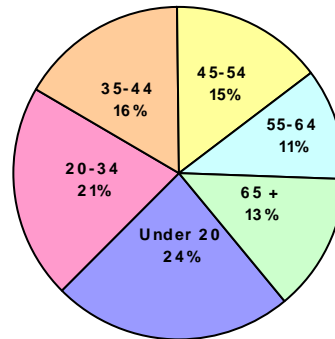
Population



Year

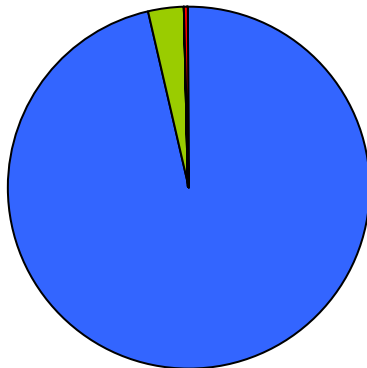
* Estimate

Population by Age



Median Age: 38.7

Population By Race



- 96.1% White
- 3.1% Black/African American
- 0.1% American Indian/Alaska Native
- 0% Asian
- 0% Native Pacific Islander
- 0.3% Some other race

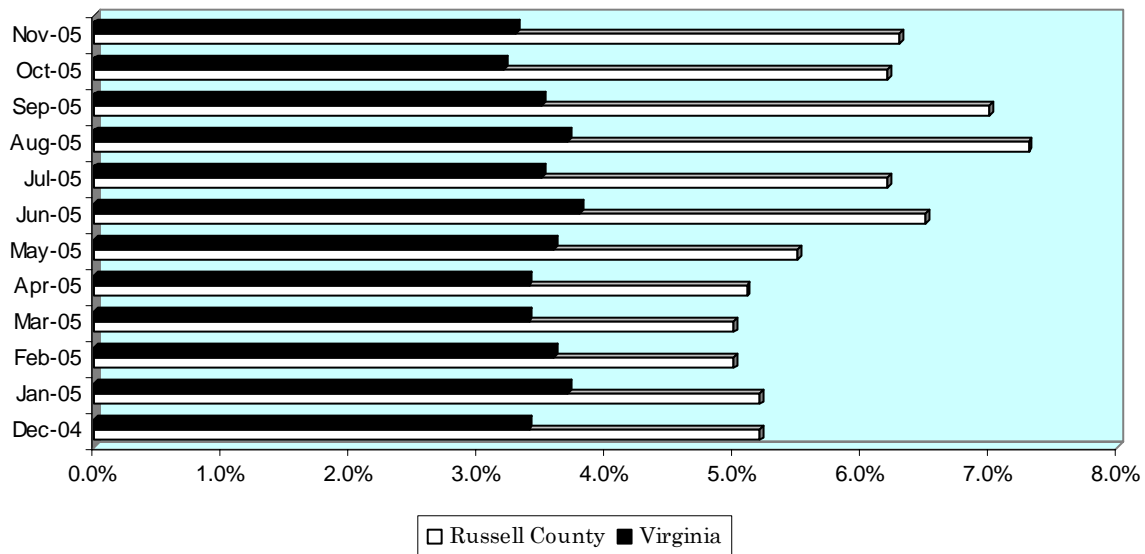
A Quick Look at...

Russell County, Virginia

Housing Statistics*			
Value (owner occupied)		Gross Rent (renter occupied)	
5,677 units		2,100 units	
Less than \$50,000	30.5%	Less than \$200	11.4%
\$50,000 to \$99,999	49.8%	\$200 to \$299	13.1%
\$100,000 to \$149,999	14.8%	\$300 to \$499	47.3%
\$150,000 to \$199,999	2.8%	\$500 to \$749	7.5%
\$200,000 to \$299,999	1.3%	\$750 to \$999	1.2%
\$300,000 to \$499,999	0.8%	\$1,000 to \$1,499	0.3%
\$500,000 to \$999,999	0.1%	\$1,500 or more	0.0%
\$1,000,000 or more	0.0%	No cash rent	19.1%
Median Value: \$69,800		Median Rent: \$355	

* As of 2000 Census

UNEMPLOYMENT RATE: December '04 – November '05



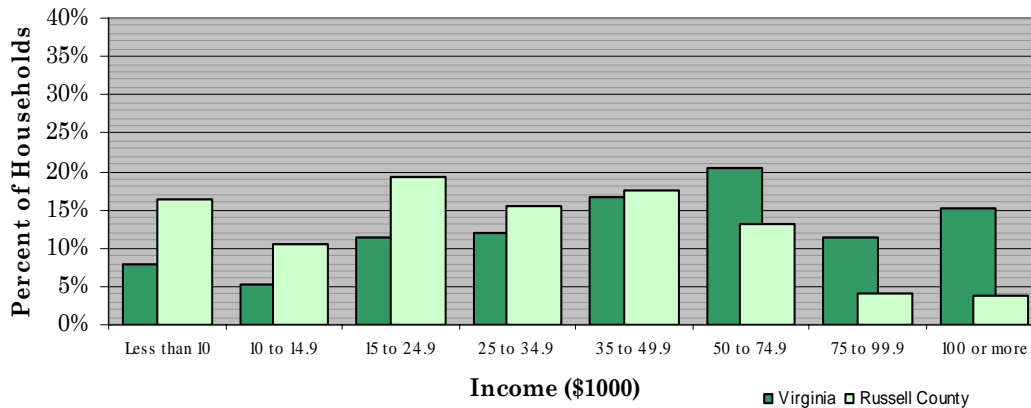
Educational Attainment (percentage of population 25 and older who have earned)

No Diploma	High School Diploma (or GED)	Some College (no degree)	Associate's Degree	Bachelor's Degree (or higher)
37.5%	32.4%	15.6%	5.2%	9.4%

A Quick Look at...

Russell County, Virginia

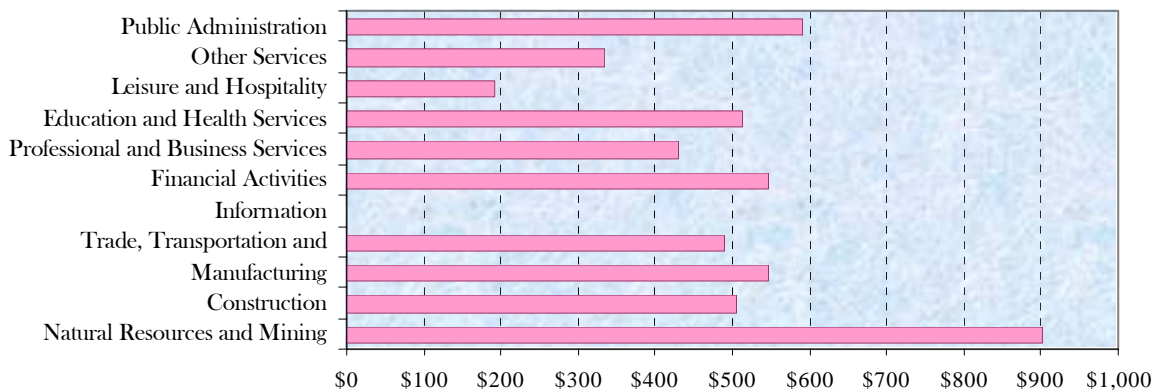
Household Income (2000 Census)



Median Income: \$46,677 Virginia \$26,834 Russell County.

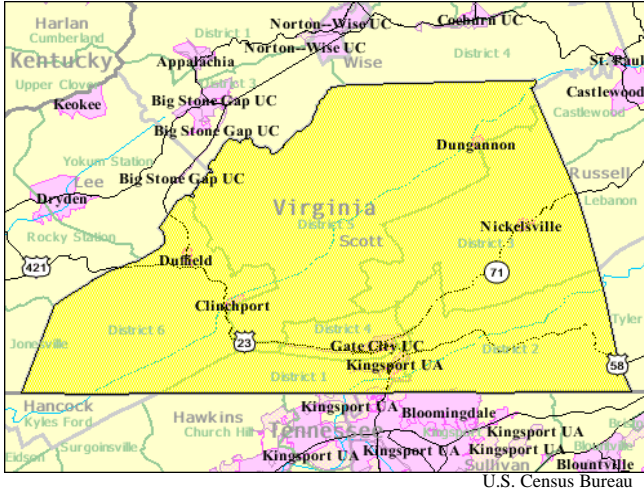
Employment by Sector (2 nd Quarter 2005)		Employment by Occupation (2000 Census)	
Natural Resources and Mining	5.5%	Management and professional	24.4%
Construction	9.3%	Service	12.3%
Manufacturing	18.2%	Sales and office	20.4%
Trade, Transportation and Utilities	17.5%	Farming, fishing, and forestry	1.1%
Information	*	Construction	13.8%
Financial Activities	3.4%	Production, transportation, and material moving	28.0%
Professional and Business Services	7.6%		
Education and Health Services	21.9%		
Leisure and Hospitality	4.0%		
Other Services	1.5%		
Public Administration	4.3%		
* Information unavailable		Total employment: 8,386	

Average Weekly Wage By Sector
(2nd Quarter 2005)



A Quick Look at...

Scott County, Virginia



Location: 36.71862 N, 82.60145 W

Size: 538 sq. miles

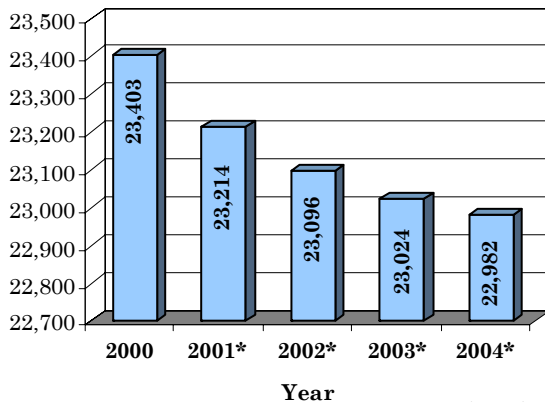
Population: 23,403

Population Density: 43.5 people/sq. mile

Towns & Communities:

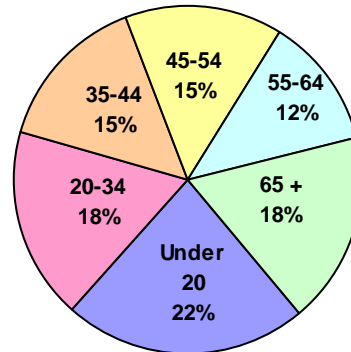
Bristol, Big Stone Gap, Blackwater, Coeburn, Duffield, Dungannon, Fort Blackmore, Gate City, Hiltons, Mendota, Nickelsville, Weber City

Population



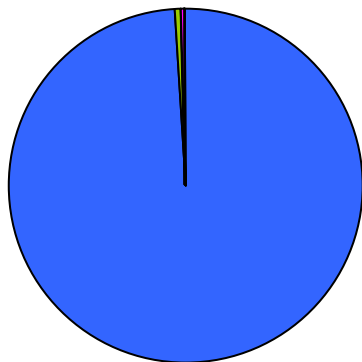
* Estimate

Population by Age



Median Age: 41.4

Population By Race



- 98.5% White
- 0.6% Black/African American
- 0.1% American Indian/Alaska Native
- 0.1% Asian
- 0% Native Pacific Islander
- 0.1% Some other race

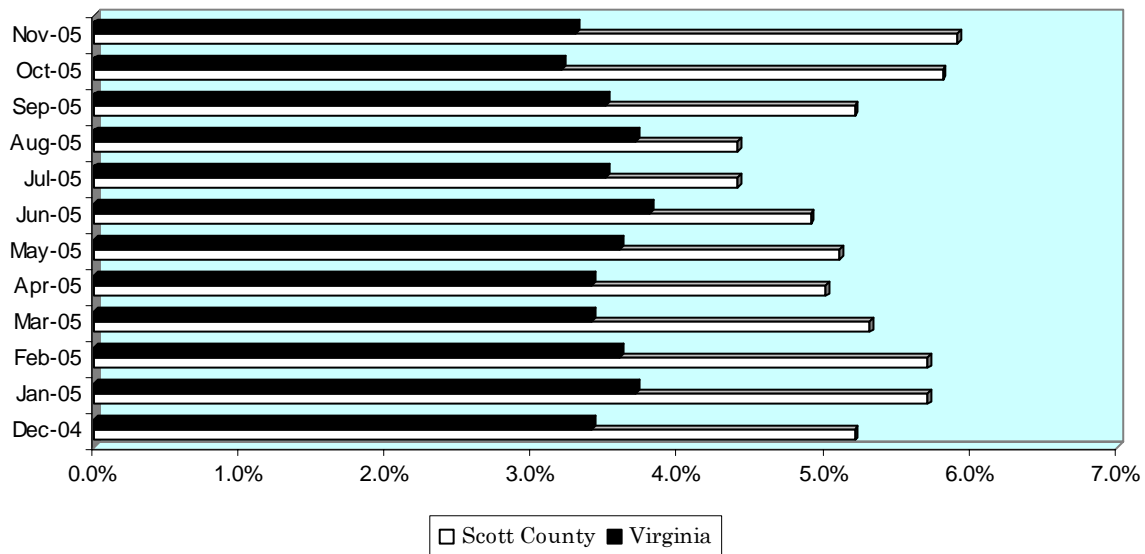
A Quick Look at...

Scott County, Virginia

Housing Statistics*			
Value (owner occupied)		Gross Rent (renter occupied)	
4,263 units		1,850 units	
Less than \$50,000	28.8%	Less than \$200	12.6%
\$50,000 to \$99,999	50.7%	\$200 to \$299	17.2%
\$100,000 to \$149,999	12.9%	\$300 to \$499	36.6%
\$150,000 to \$199,999	5.0%	\$500 to \$749	7.9%
\$200,000 to \$299,999	1.7%	\$750 to \$999	1.0%
\$300,000 to \$499,999	0.5%	\$1,000 to \$1,499	0.4%
\$500,000 to \$999,999	0.2%	\$1,500 or more	0.0%
\$1,000,000 or more	0.2%	No cash rent	24.3%
Median Value: \$69,100		Median Rent: \$335	

* As of 2000 Census

UNEMPLOYMENT RATE: December '04 – November '05



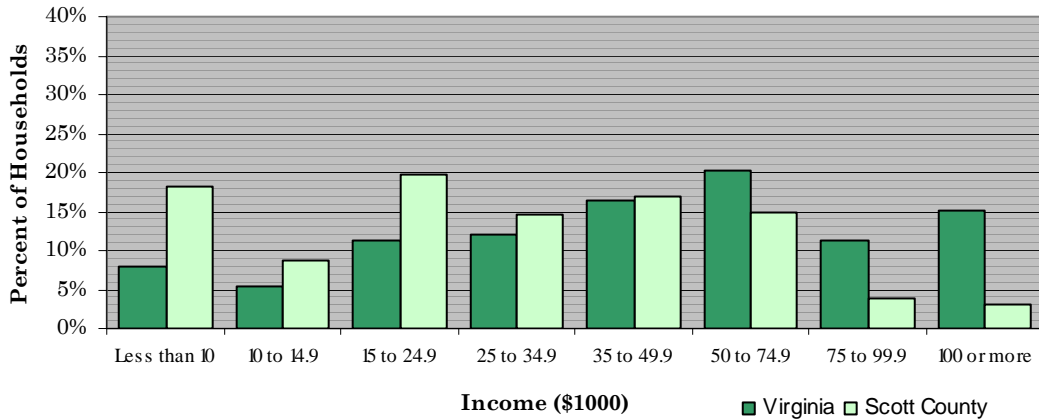
Educational Attainment (percentage of population 25 and older who have earned)

No Diploma	High School Diploma (or GED)	Some College (no degree)	Associate's Degree	Bachelor's Degree (or higher)
35.6%	36.3%	15.5%	4.3%	8.4%

A Quick Look at...

Scott County, Virginia

Household Income (2000 Census)



Income (\$1000) ■ Virginia □ Scott County
 Median Income: \$46,677 Virginia \$27,339 Scott County.

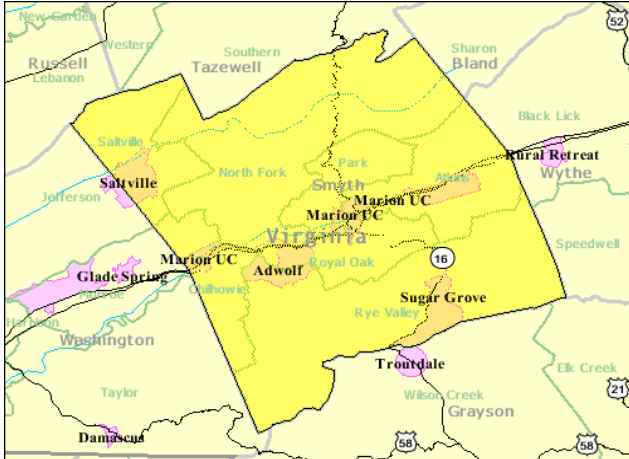
Employment by Sector (2 nd Quarter 2005)		Employment by Occupation (2000 Census)	
Natural Resources and Mining	1.8%	Management and professional	21.3%
Construction	2.6%	Service	14.1%
Manufacturing	16.3%	Sales and office	24.5%
Trade, Transportation and Utilities	25.1%	Farming, fishing, and forestry	1.4%
Information	1.9%	Construction	14.5%
Financial Activities	2.9%	Production, transportation, and material moving	23.4%
Professional and Business Services	2.3%		
Education and Health Services	29.4%		
Leisure and Hospitality	8.8%		
Other Services	2.8%		
Public Administration	6.2%		
* Information unavailable		Total employment: 4,621	

Average Weekly Wage By Sector
(2nd Quarter 2005)



A Quick Look at...

Smyth County, Virginia



U.S. Census Bureau

Location: 36.84495 N, 81.53354 W

Size: 435 sq. miles

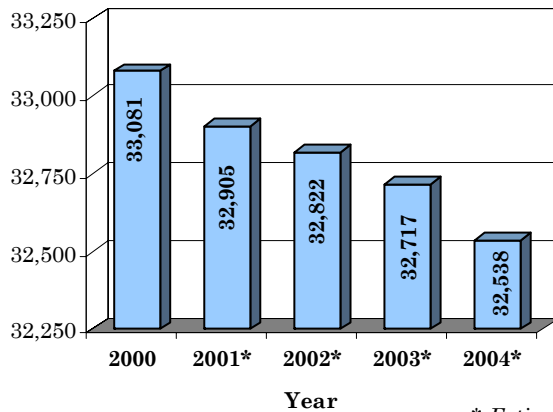
Population: 33,081

Population Density: 76.0 people/sq. mile

Towns & Communities:

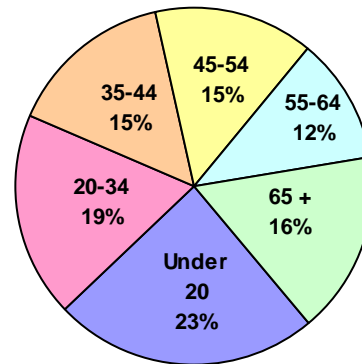
Atkins, Broadford, Ceres, Chilhowie, Glade Spring, Marion, Rural Retreat, Saltville, Sugar Grove, Troutdale, Tazewell

Population

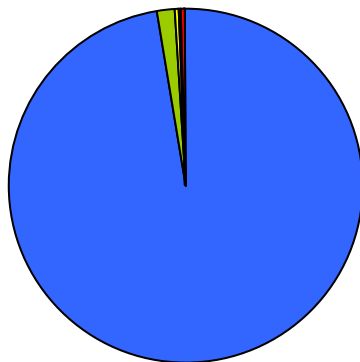


* Estimate

Population by Age



Median Age: 40.5



Population By Race

- 96.9% White
- 1.9% Black/African American
- 0.2% American Indian/Alaska Native
- 0.2% Asian
- 0% Native Pacific Islander
- 0.3% Some other race

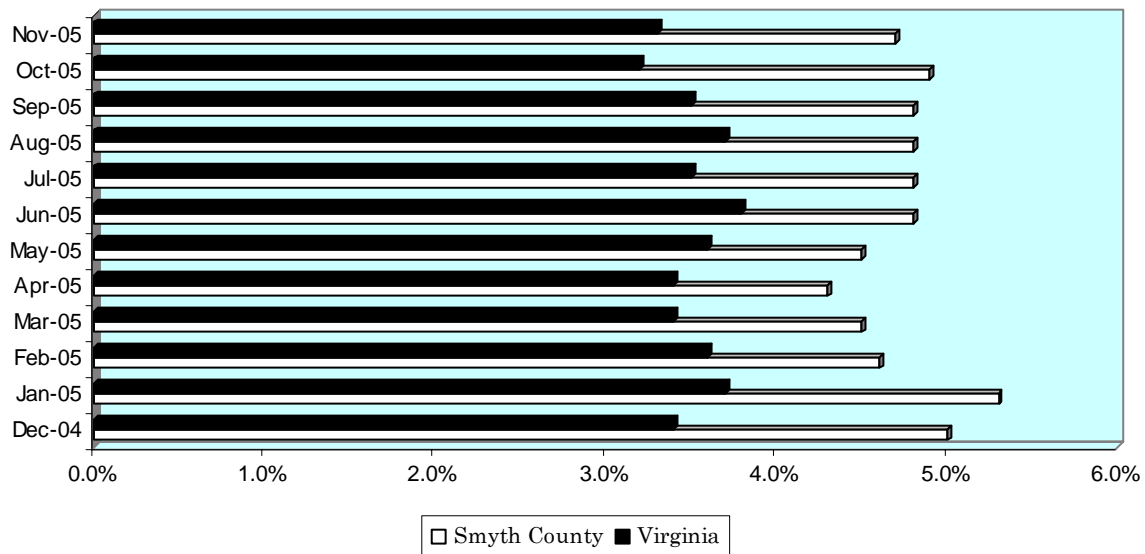
A Quick Look at...

Smyth County, Virginia

Housing Statistics*			
Value (owner occupied)		Gross Rent (renter occupied)	
6,789 units		3,407 units	
Less than \$50,000	29.6%	Less than \$200	9.5%
\$50,000 to \$99,999	51.8%	\$200 to \$299	18.6%
\$100,000 to \$149,999	13.2%	\$300 to \$499	47.3%
\$150,000 to \$199,999	3.6%	\$500 to \$749	8.4%
\$200,000 to \$299,999	1.1%	\$750 to \$999	1.9%
\$300,000 to \$499,999	0.6%	\$1,000 to \$1,499	0.3%
\$500,000 to \$999,999	0.1%	\$1,500 or more	0.0%
\$1,000,000 or more	0.0%	No cash rent	14.0%
Median Value: \$67,900		Median Rent: \$353	

* As of 2000 Census

UNEMPLOYMENT RATE: December '04 – November '05



Educational Attainment

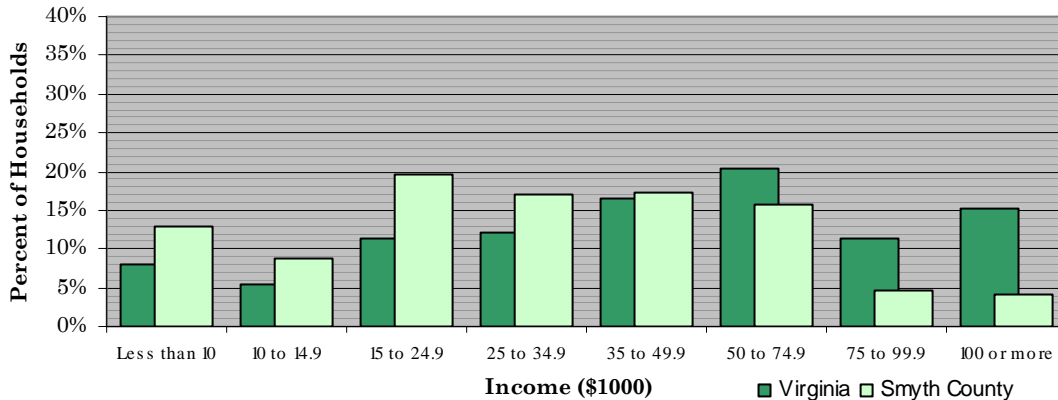
(percentage of population 25 and older who have earned)

No Diploma	High School Diploma (or GED)	Some College (no degree)	Associate's Degree	Bachelor's Degree (or higher)
32.5%	34.4%	17%	5.5%	10.6%

A Quick Look at...

Smyth County, Virginia

Household Income (2000 Census)



Median Income: \$46,677 Virginia \$30,083 Smyth County.

Employment by Sector (2 nd Quarter 2005)		Employment by Occupation (2000 Census)	
Natural Resources and Mining	0.1%	Management and professional	21.8%
Construction	5.4%	Service	15.1%
Manufacturing	35.6%	Sales and office	20.7%
Trade, Transportation and Utilities	12.6%	Farming, fishing, and forestry	0.8%
Information	0.8%	Construction	10.4%
Financial Activities	2.0%	Production, transportation, and material moving	31.1%
Professional and Business Services	8.9%		
Education and Health Services	23.4%		
Leisure and Hospitality	5.0%		
Other Services	1.8%		
Public Administration	4.6%		
* Information unavailable		Total employment: 13,986	

Average Weekly Wage By Sector
(2nd Quarter 2005)



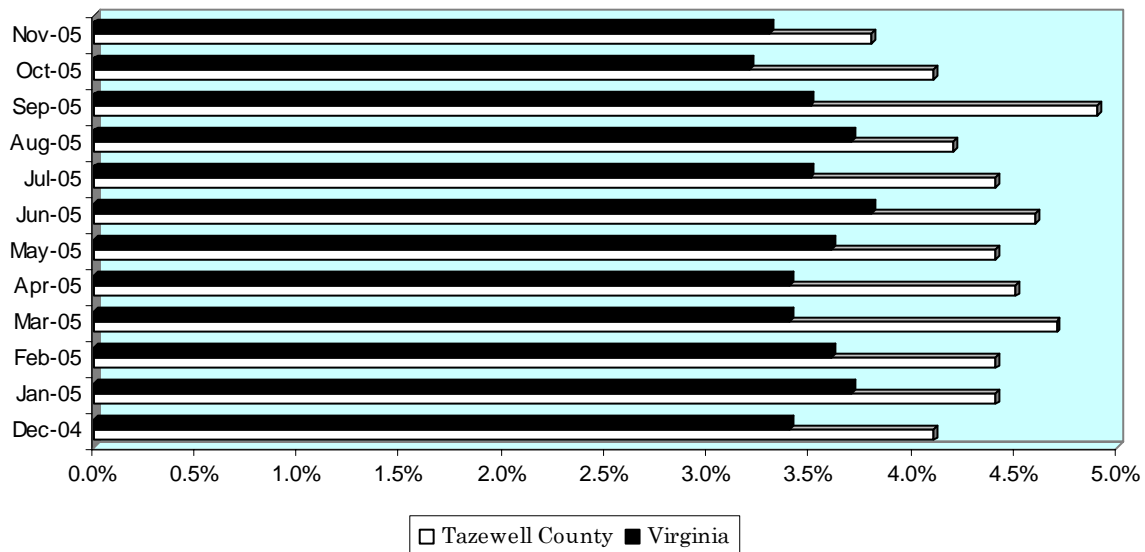
A Quick Look at...

Tazewell County, Virginia

Housing Statistics*			
Value (owner occupied)		Gross Rent (renter occupied)	
9,394 units		3,988 units	
Less than \$50,000	31.9%	Less than \$200	11.1%
\$50,000 to \$99,999	48.4%	\$200 to \$299	15.7%
\$100,000 to \$149,999	11.9%	\$300 to \$499	43.1%
\$150,000 to \$199,999	4.2%	\$500 to \$749	12.9%
\$200,000 to \$299,999	2.6%	\$750 to \$999	1.2%
\$300,000 to \$499,999	0.6%	\$1,000 to \$1,499	0.9%
\$500,000 to \$999,999	0.3%	\$1,500 or more	0.0%
\$1,000,000 or more	0.1%	No cash rent	15.2%
Median Value: \$67,900		Median Rent: \$376	

* As of 2000 Census

UNEMPLOYMENT RATE: December '04 - November '05



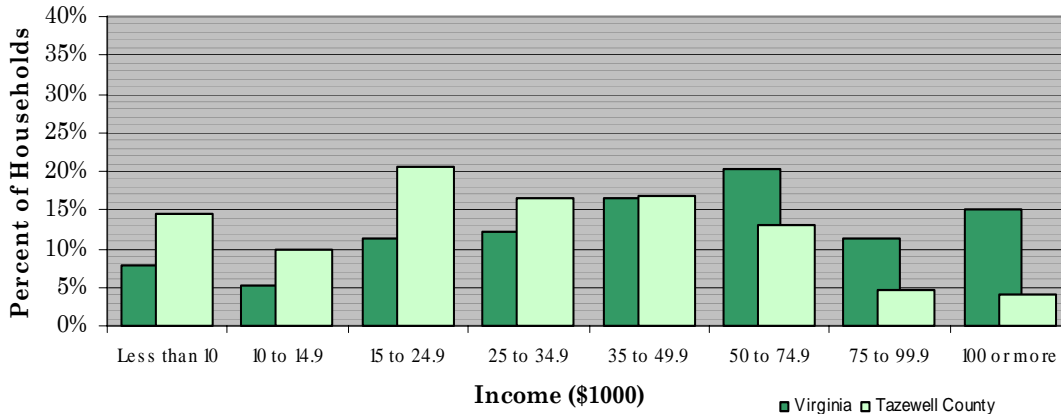
Educational Attainment (percentage of population 25 and older who have earned)

No Diploma	High School Diploma (or GED)	Some College (no degree)	Associate's Degree	Bachelor's Degree (or higher)
32.5%	32.5%	17.9%	6.2%	11%

A Quick Look at...

Tazewell County, Virginia

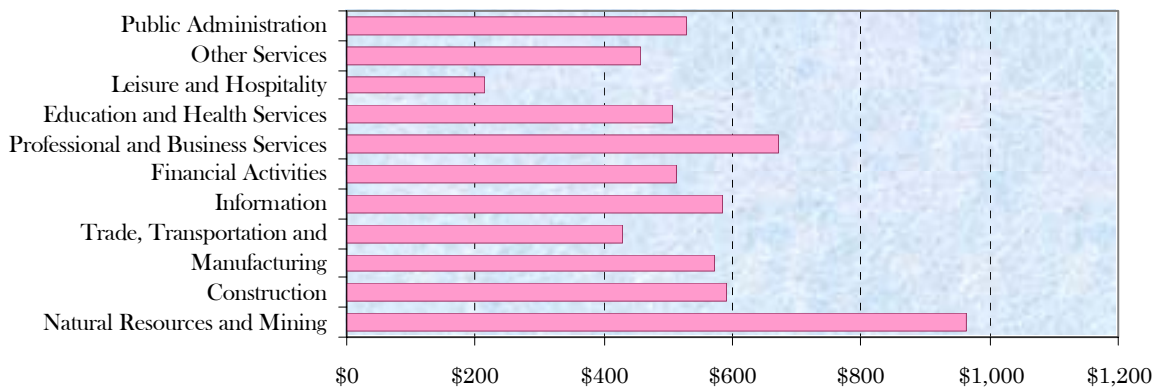
Household Income (2000 Census)



Median Income: \$46,677 Virginia \$27,304 Tazewell County.

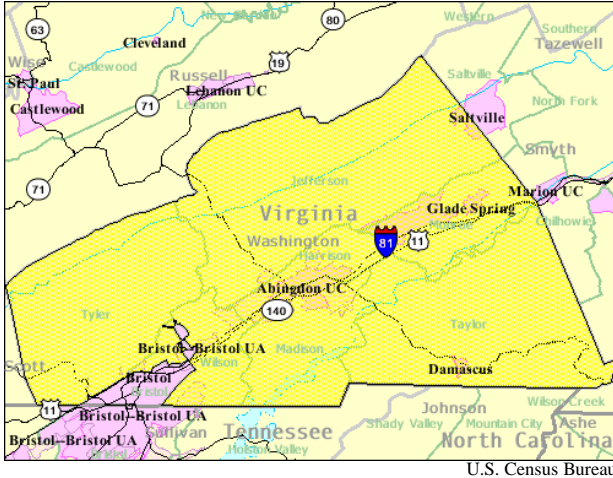
Employment by Sector (2 nd Quarter 2005)		Employment by Occupation (2000 Census)	
Natural Resources and Mining	3.6%	Management and professional	25.5%
Construction	4.5%	Service	15.1%
Manufacturing	10.7%	Sales and office	25.6%
Trade, Transportation and Utilities	26.4%	Farming, fishing, and forestry	0.7%
Information	1.0%	Construction	15.5%
Financial Activities	4.1%	Production, transportation, and material moving	17.7%
Professional and Business Services	5.6%		
Education and Health Services	26.1%		
Leisure and Hospitality	7.8%		
Other Services	6.2%		
Public Administration	4.0%		
* Information unavailable		Total employment: 16,981	

Average Weekly Wage By Sector
(2nd Quarter 2005)



A Quick Look at...

Washington County, Virginia



Location: 36.72422 N, 81.96117 W

Size: 560 sq. miles

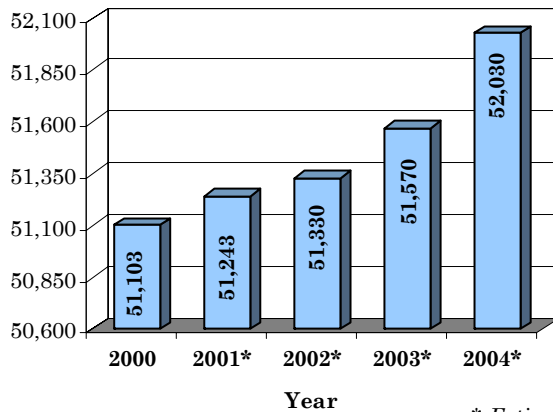
Population: 51,103

Population Density: 91.3 people/sq. mile

Towns & Communities:

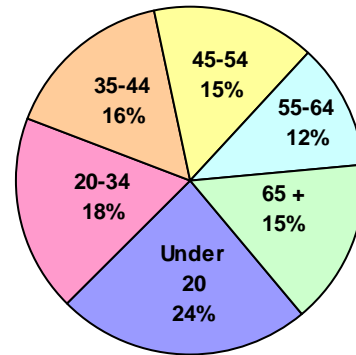
Bristol, Abingdon, Damascus, Mendota, Whitetop, Chilhowie, Glade Spring, Meadowview, Saltville

Population



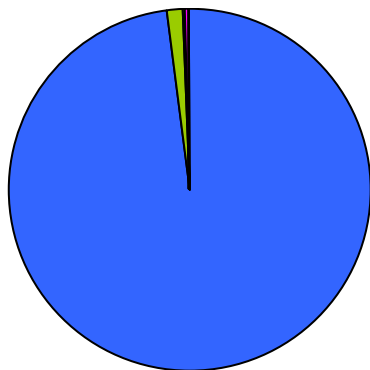
* Estimate

Population by Age



Median Age: 40.3

Population By Race



- 97.6% White
- 1.3% Black/African American
- 0.1% American Indian/Alaska Native
- 0.3% Asian
- 0% Native Pacific Islander
- 0.1% Some other race

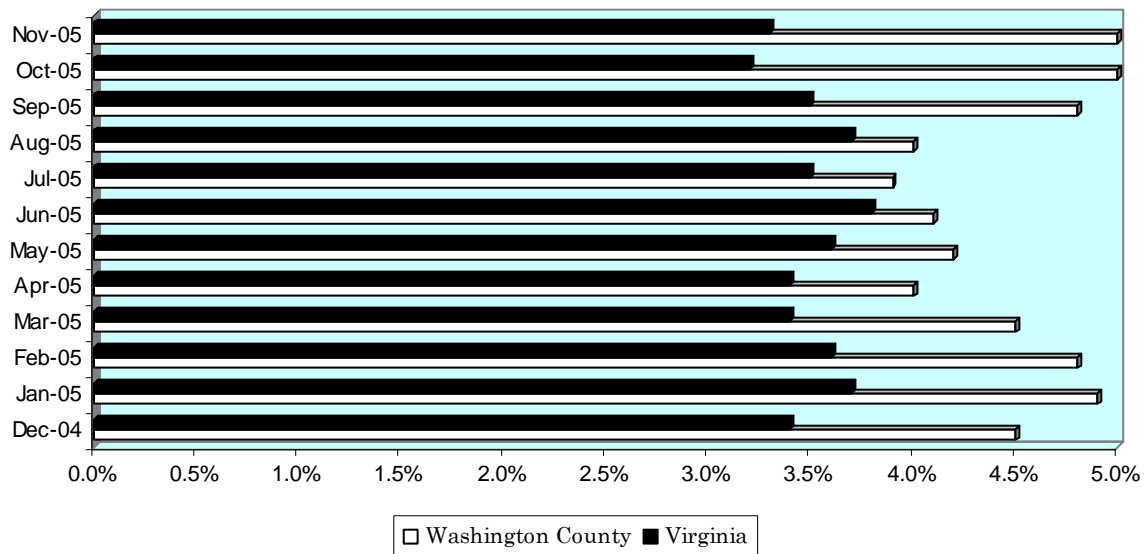
A Quick Look at...

Washington County, Virginia

Housing Statistics*			
Value (owner occupied)		Gross Rent (renter occupied)	
11,004 units		4,529 units	
Less than \$50,000	13.4%	Less than \$200	6.4%
\$50,000 to \$99,999	46.5%	\$200 to \$299	13.2%
\$100,000 to \$149,999	23.5%	\$300 to \$499	42.2%
\$150,000 to \$199,999	8.4%	\$500 to \$749	21.5%
\$200,000 to \$299,999	5.2%	\$750 to \$999	2.9%
\$300,000 to \$499,999	2.4%	\$1,000 to \$1,499	0.2%
\$500,000 to \$999,999	0.6%	\$1,500 or more	0.0%
\$1,000,000 or more	0.1%	No cash rent	13.5%
Median Value: \$90,400		Median Rent: \$412	

* As of 2000 Census

UNEMPLOYMENT RATE: December '04 – November '05



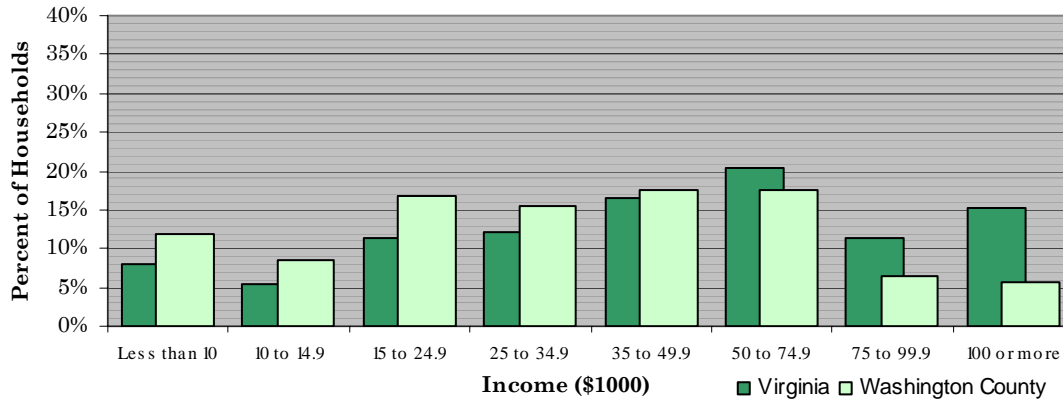
Educational Attainment (percentage of population 25 and older who have earned)

No Diploma	High School Diploma (or GED)	Some College (no degree)	Associate's Degree	Bachelor's Degree (or higher)
27.7%	31.2%	18.3%	6.7%	16.1%

A Quick Look at...

Washington County, Virginia

Household Income (2000 Census)



Median Income: \$46,677 Virginia \$32,742 Washington County.

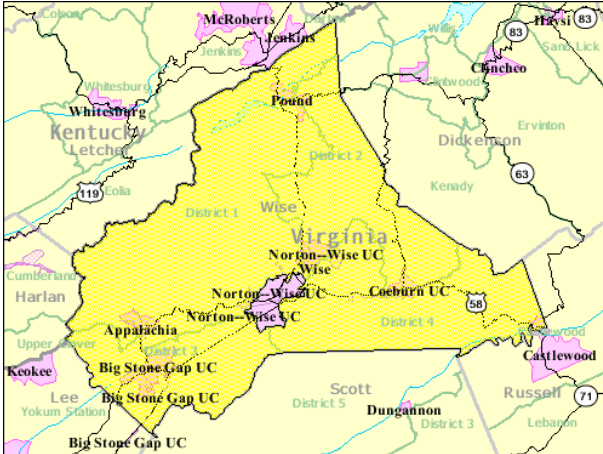
Employment by Sector (2 nd Quarter 2005)		Employment by Occupation (2000 Census)	
Natural Resources and Mining	0.7%	Management and professional	27.6%
Construction	4.1%	Service	12.0%
Manufacturing	21.3%	Sales and office	25.8%
Trade, Transportation and Utilities	22.8%	Farming, fishing, and forestry	1.0%
Information	0.9%	Construction	10.5%
Financial Activities	2.7%	Production, transportation, and material moving	23.0%
Professional and Business Services	9.3%		
Education and Health Services	20.2%		
Leisure and Hospitality	9.4%		
Other Services	3.0%		
Public Administration	5.7%		
* Information unavailable		Total employment: 20,016	

Average Weekly Wage By Sector
(2nd Quarter 2005)



A Quick Look at...

Wise County, Virginia



U.S. Census Bureau

Location: 36.97456 N, 82.62167 W

Size: 407.5 sq. miles

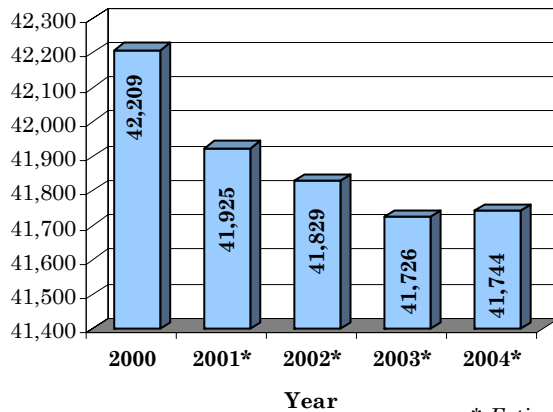
Population: 40,123

Population Density: 98.5 people/sq. mile

Towns & Communities:

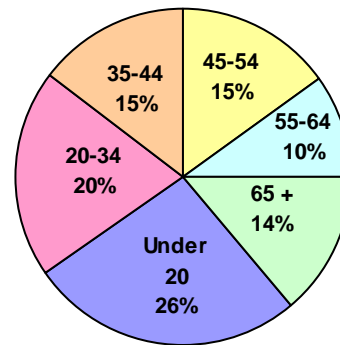
Appalachia, Big Stone Gap, Coeburn, Duffield, Dungannon, Norton, Pound, Saint Paul, Wise

Population



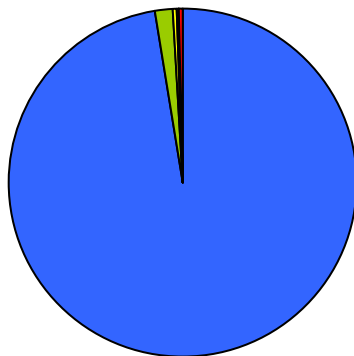
* Estimate

Population by Age



Median Age: 37.8

Population By Race



- 96.9% White
- 1.8% Black/African American
- 0.2% American Indian/Alaska Native
- 0.3% Asian
- 0% Native Pacific Islander
- 0.3% Some other race

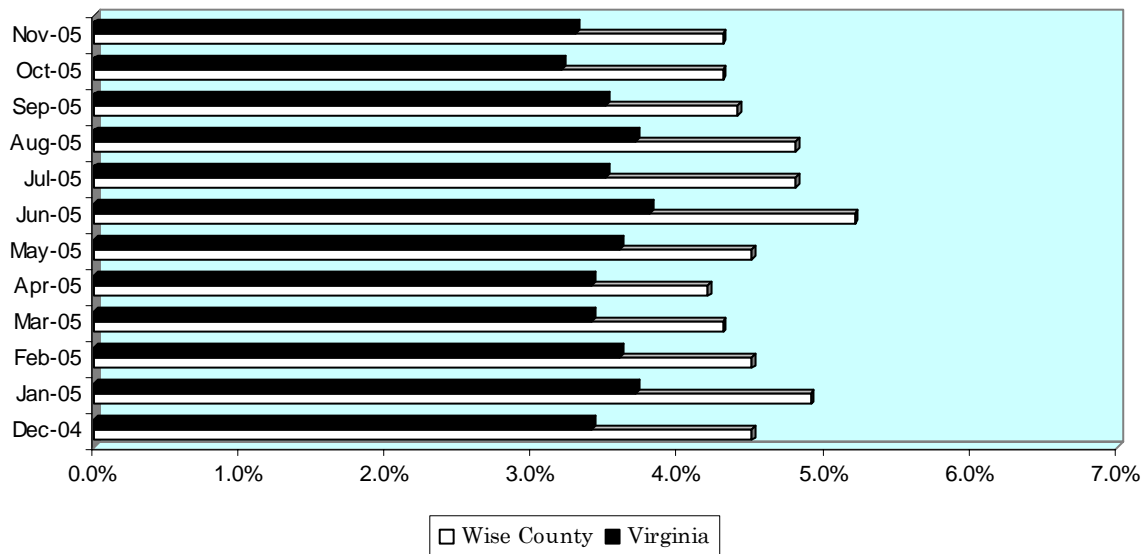
A Quick Look at...

Wise County, Virginia

Housing Statistics*			
Value (owner occupied)		Gross Rent (renter occupied)	
7,744 units		3,904 units	
Less than \$50,000	34.3%	Less than \$200	11.6%
\$50,000 to \$99,999	46.4%	\$200 to \$299	18.0%
\$100,000 to \$149,999	13.1%	\$300 to \$499	39.8%
\$150,000 to \$199,999	3.5%	\$500 to \$749	10.6%
\$200,000 to \$299,999	1.9%	\$750 to \$999	1.4%
\$300,000 to \$499,999	0.4%	\$1,000 to \$1,499	0.7%
\$500,000 to \$999,999	0.2%	\$1,500 or more	0.0%
\$1,000,000 or more	0.2%	No cash rent	18.0%
Median Value: \$65,700		Median Rent: \$353	

* As of 2000 Census

UNEMPLOYMENT RATE: December '04 – November '05



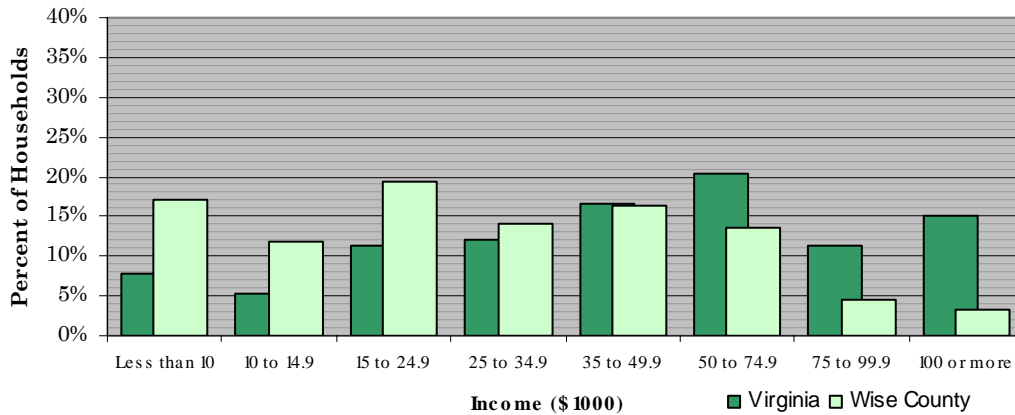
Educational Attainment (percentage of population 25 and older who have earned)

No Diploma	High School Diploma (or GED)	Some College (no degree)	Associate's Degree	Bachelor's Degree (or higher)
37.4%	29.9%	16.6%	5.2%	10.9%

A Quick Look at...

Wise County, Virginia

Household Income (2000 Census)

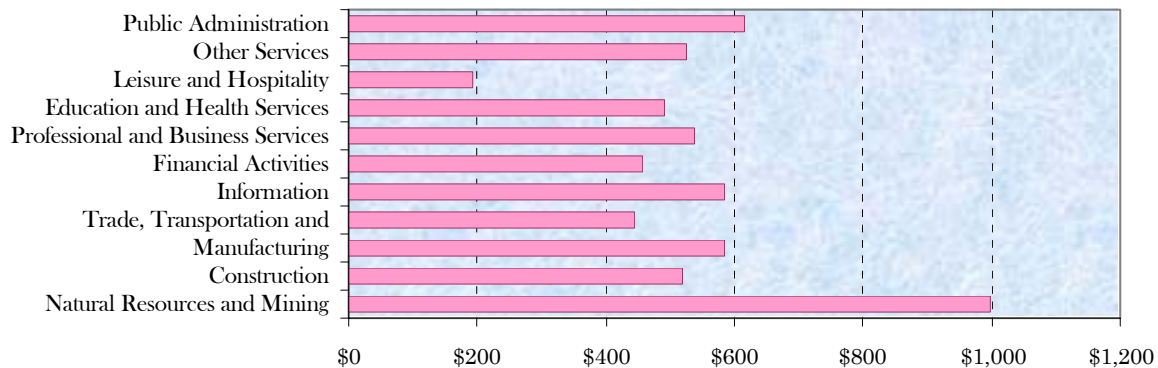


Median Income: \$46,677 Virginia \$26,149 Wise County.

Employment by Sector (2 nd Quarter 2005)		Employment by Occupation (2000 Census)	
Natural Resources and Mining	14.1%	Management and professional	26.8%
Construction	4.4%	Service	15.5%
Manufacturing	2.7%	Sales and office	24.3%
Trade, Transportation and Utilities	19.7%	Farming, fishing, and forestry	0.8%
Information	2.0%	Construction	17.3%
Financial Activities	2.2%	Production, transportation, and material moving	15.4%
Professional and Business Services	9.7%		
Education and Health Services	24.6%		
Leisure and Hospitality	7.5%		
Other Services	2.0%		
Public Administration	11.0%		
* Information unavailable		Total employment: 14,634	

Average Weekly Wage By Sector

(2nd Quarter 2005)

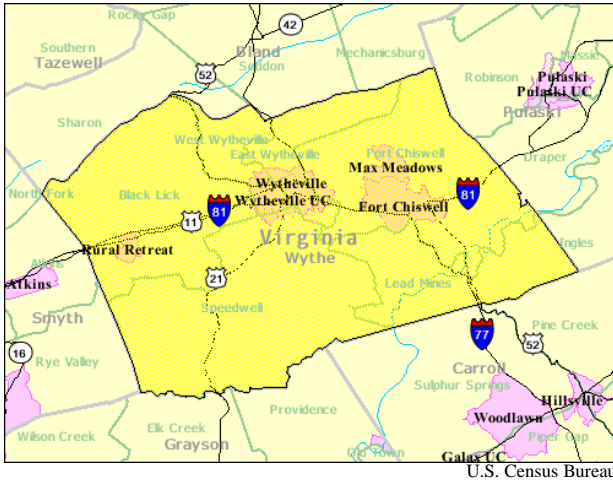


Compiled by: Virginia Economic Bridge, Inc.

Sources: U.S. Census Bureau and Virginia Employment Commission

A Quick Look at...

Wythe County, Virginia



Location: 36.92107 N, 81.08504 W

Size: 469 sq. miles

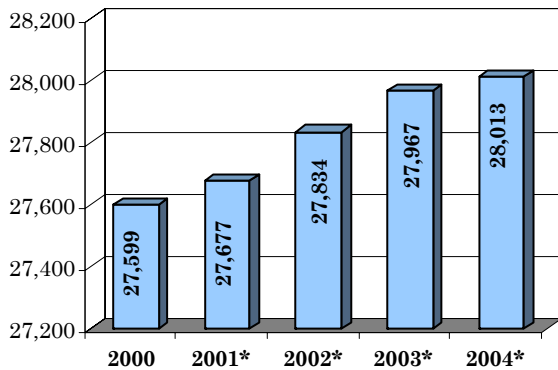
Population: 27,599

Population Density: 58.8 people/sq. mile

Towns & Communities:

Austinville, Barren Springs, Cripple Creek, Crockett, Draper, Elk Creek, Hillsville, Ivanhoe, Max Meadows, Rural Retreat, Speedwell, Wytheville

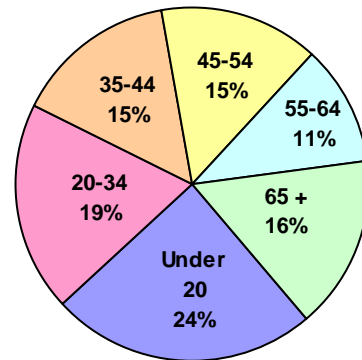
Population



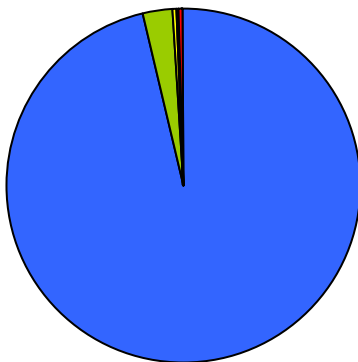
Year

* Estimate

Population by Age



Median Age: 39.4



Population By Race

- 95.8% White
- 2.9% Black/African American
- 0.2% American Indian/Alaska Native
- 0.4% Asian
- 0% Native Pacific Islander
- 0.2% Some other race

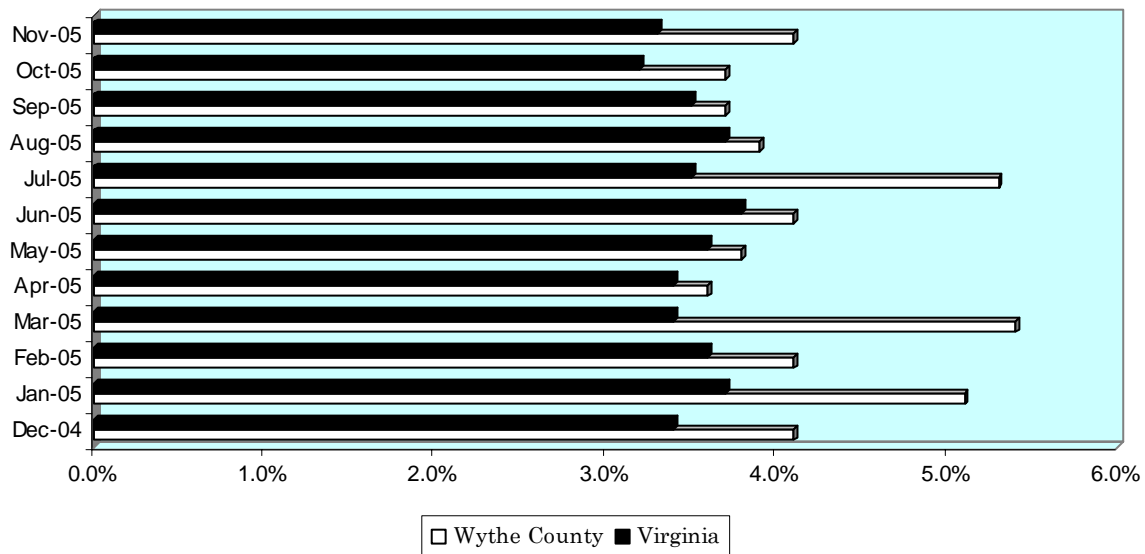
A Quick Look at...

Wythe County, Virginia

Housing Statistics*			
Value (owner occupied)		Gross Rent (renter occupied)	
5,706 units		2,520 units	
Less than \$50,000	22.9%	Less than \$200	12.4%
\$50,000 to \$99,999	48.9%	\$200 to \$299	13.4%
\$100,000 to \$149,999	17.8%	\$300 to \$499	41.0%
\$150,000 to \$199,999	7.9%	\$500 to \$749	17.3%
\$200,000 to \$299,999	1.7%	\$750 to \$999	4.0%
\$300,000 to \$499,999	0.6%	\$1,000 to \$1,499	0.4%
\$500,000 to \$999,999	0.2%	\$1,500 or more	0.6%
\$1,000,000 or more	0.0%	No cash rent	11.0%
Median Value: \$77,300		Median Rent: \$401	

* As of 2000 Census

UNEMPLOYMENT RATE: December '04 – November '05



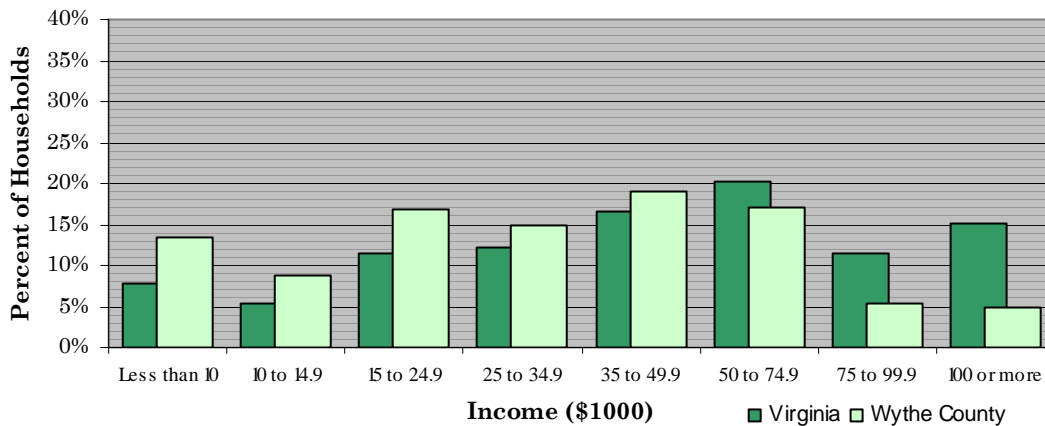
Educational Attainment (percentage of population 25 and older who have earned)

No Diploma	High School Diploma (or GED)	Some College (no degree)	Associate's Degree	Bachelor's Degree (or higher)
29.8%	32.4%	18.1%	7.5%	12.1%

A Quick Look at...

Wythe County, Virginia

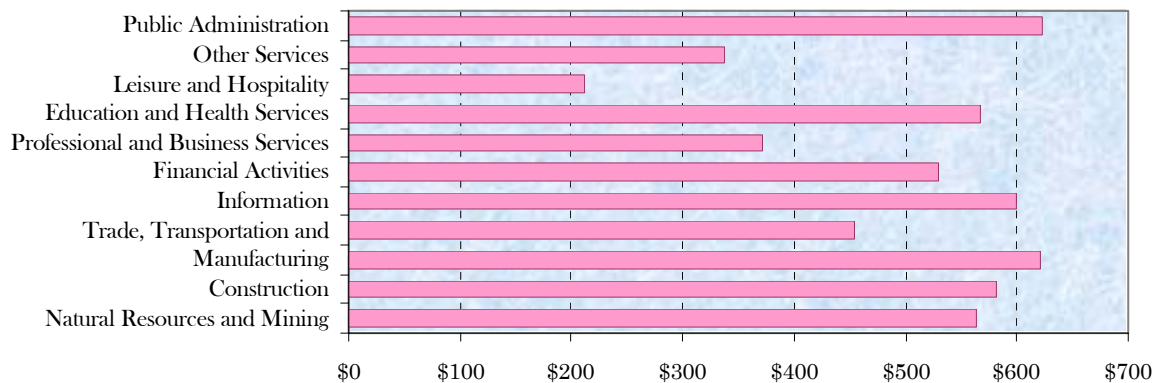
Household Income (2000 Census)



Median Income: \$46,677 Virginia \$32,235 Wythe County.

Employment by Sector (2 nd Quarter 2005)		Employment by Occupation (2000 Census)	
Natural Resources and Mining	1.4%	Management and professional	20.9%
Construction	3.9%	Service	17.2%
Manufacturing	17.4%	Sales and office	22.3%
Trade, Transportation and Utilities	25.4%	Farming, fishing, and forestry	0.9%
Information	0.8%	Construction	10.7%
Financial Activities	2.8%	Production, transportation, and material moving	28.0%
Professional and Business Services	5.9%		
Education and Health Services	21.7%		
Leisure and Hospitality	14.1%		
Other Services	1.9%		
Public Administration	4.7%		
* Information unavailable		Total employment: 11,872	

Average Weekly Wage By Sector
(2nd Quarter 2005)



A Quick Look at...

City of Bristol, Virginia



U.S. Census Bureau

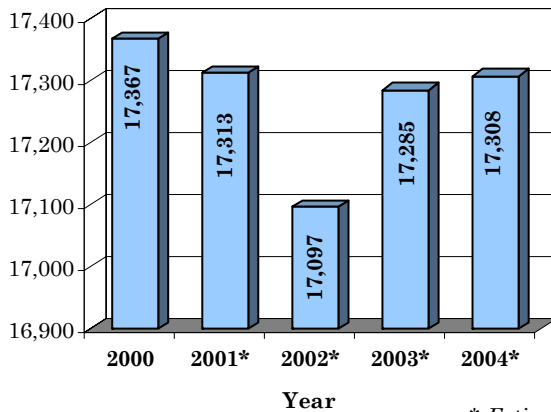
Location: 36.618093 N, 82.182297W

Size: 11.5 sq. miles

Population: 17,367

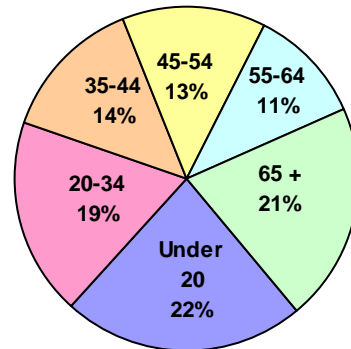
Population Density: 1510.2 people/sq. mile

Population



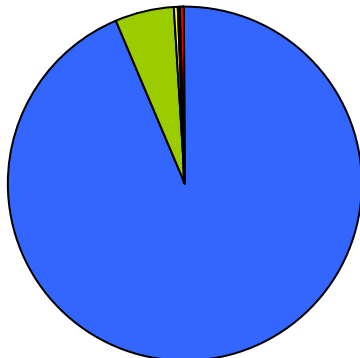
* Estimate

Population by Age



Median Age: 41.3

Population By Race



- 92.5% White
- 5.6% Black/African American
- 0.2% American Indian/Alaska Native
- 0.4% Asian
- 0% Native Pacific Islander
- 0.2% Some other race

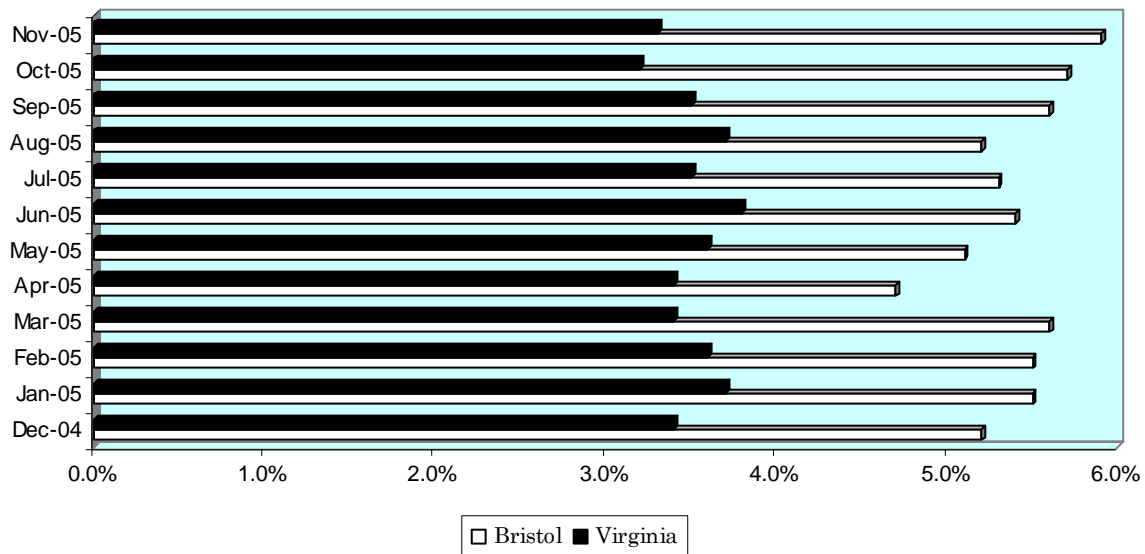
A Quick Look at...

City of Bristol, Virginia

Housing Statistics*			
Value (owner occupied)		Gross Rent (renter occupied)	
4,517 units		2,678 units	
Less than \$50,000	23.4%	Less than \$200	16.9%
\$50,000 to \$99,999	55.0%	\$200 to \$299	10.6%
\$100,000 to \$149,999	16.8%	\$300 to \$499	36.7%
\$150,000 to \$199,999	2.9%	\$500 to \$749	22.6%
\$200,000 to \$299,999	1.2%	\$750 to \$999	2.2%
\$300,000 to \$499,999	0.6%	\$1,000 to \$1,499	0.0%
\$500,000 to \$999,999	0.2%	\$1,500 or more	3.3%
\$1,000,000 or more	0.0%	No cash rent	7.7%
Median Value: \$71,400		Median Rent: \$409	

* As of 2000 Census

UNEMPLOYMENT RATE: December '04 – November '05



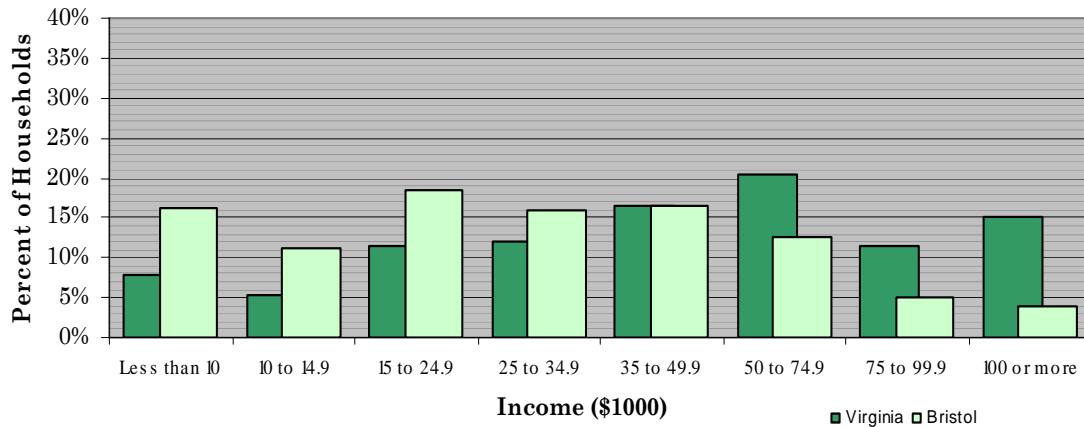
Educational Attainment (percentage of population 25 and older who have earned)

No Diploma	High School Diploma (or GED)	Some College (no degree)	Associate's Degree	Bachelor's Degree (or higher)
27.6%	29.3%	19.8%	6.3%	12.6%

A Quick Look at...

City of Bristol, Virginia

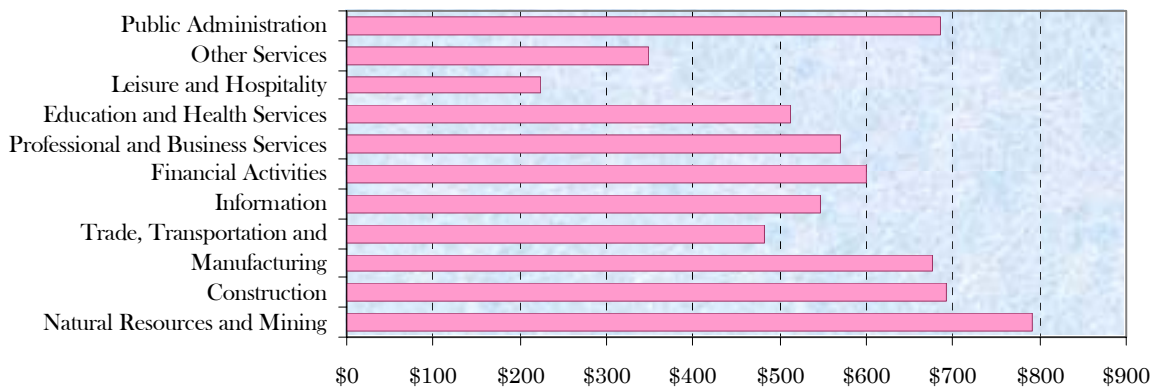
Household Income (2000 Census)



Median Income: \$46,677 Virginia \$27,389 Bristol City.

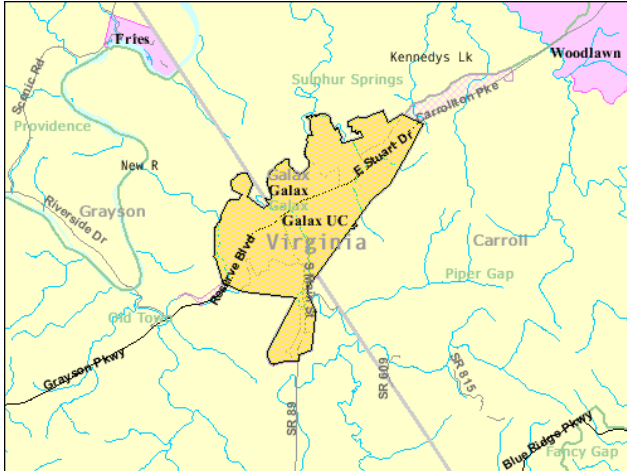
Employment by Sector (2 nd Quarter 2005)		Employment by Occupation (2000 Census)	
Natural Resources and Mining	1.0%	Management and professional	26.6%
Construction	4.0%	Service	13.0%
Manufacturing	18.1%	Sales and office	31.5%
Trade, Transportation and Utilities	27.6%	Farming, fishing, and forestry	0.3%
Information	2.4%	Construction	7.3%
Financial Activities	3.1%	Production, transportation, and material moving	21.2%
Professional and Business Services	12.2%		
Education and Health Services	10.9%		
Leisure and Hospitality	14.5%		
Other Services	2.5%		
Public Administration	3.6%		
* Information unavailable		Total employment: 12,922	

Average Weekly Wage By Sector
(2nd Quarter 2005)



A Quick Look at...

City of Galax, Virginia



U.S. Census Bureau

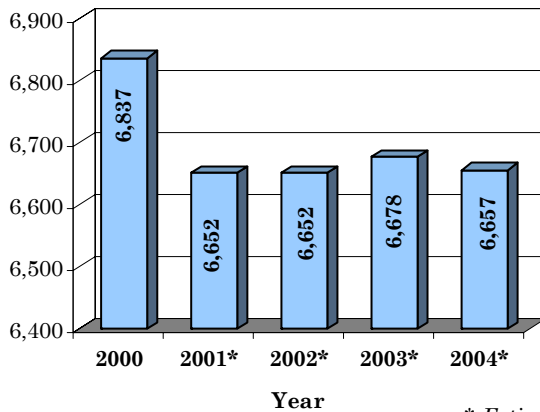
Location: 36.656503 N, 80.911744 W

Size: 7.42 sq. miles

Population: 6,837

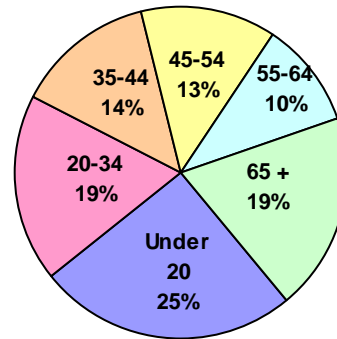
Population Density: 921.4 people/sq. mile

Population



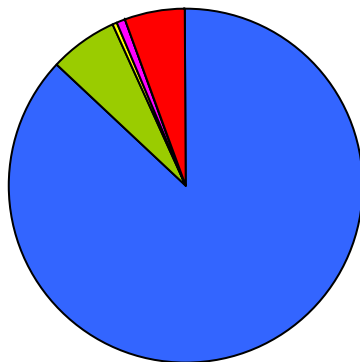
* Estimate

Population by Age



Median Age: 39.8

Population By Race



- 86.1% White
- 6.3% Black/African American
- 0.5% American Indian/Alaska Native
- 0.7% Asian
- 0.2% Native Pacific Islander
- 5.5% Some other race

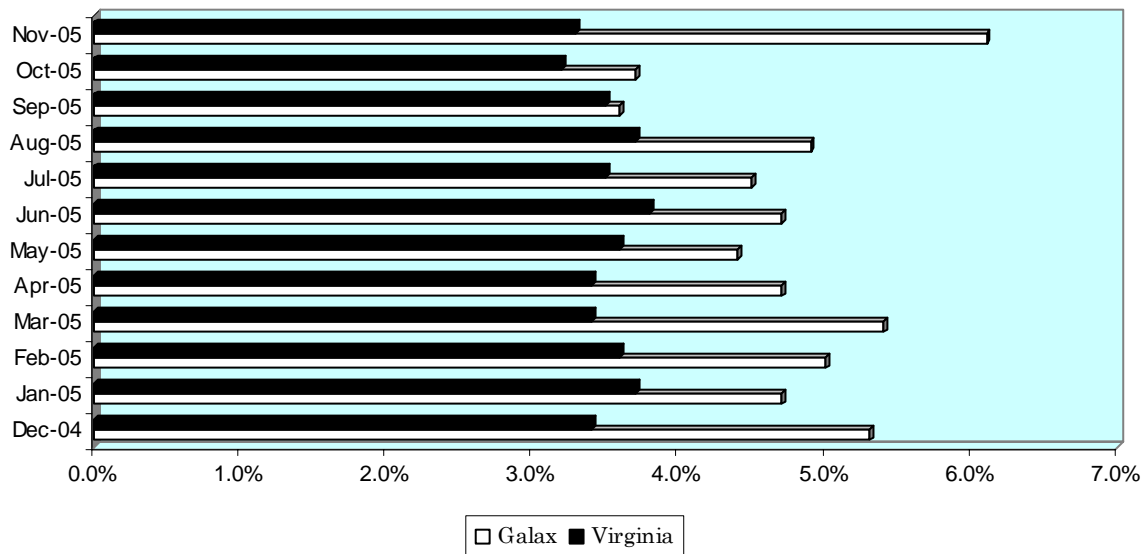
A Quick Look at...

City of Galax, Virginia

Housing Statistics*			
Value (owner occupied)		Gross Rent (renter occupied)	
1,612 units		1,001 units	
Less than \$50,000	33.2%	Less than \$200	17.4%
\$50,000 to \$99,999	52.2%	\$200 to \$299	18.1%
\$100,000 to \$149,999	6.7%	\$300 to \$499	46.2%
\$150,000 to \$199,999	4.3%	\$500 to \$749	7.8%
\$200,000 to \$299,999	3.0%	\$750 to \$999	1.6%
\$300,000 to \$499,999	0.0%	\$1,000 to \$1,499	0.0%
\$500,000 to \$999,999	0.6%	\$1,500 or more	0.7%
\$1,000,000 or more	0.0%	No cash rent	8.3%
Median Value: \$70,300		Median Rent: \$346	

* As of 2000 Census

UNEMPLOYMENT RATE: December '04 – November '05



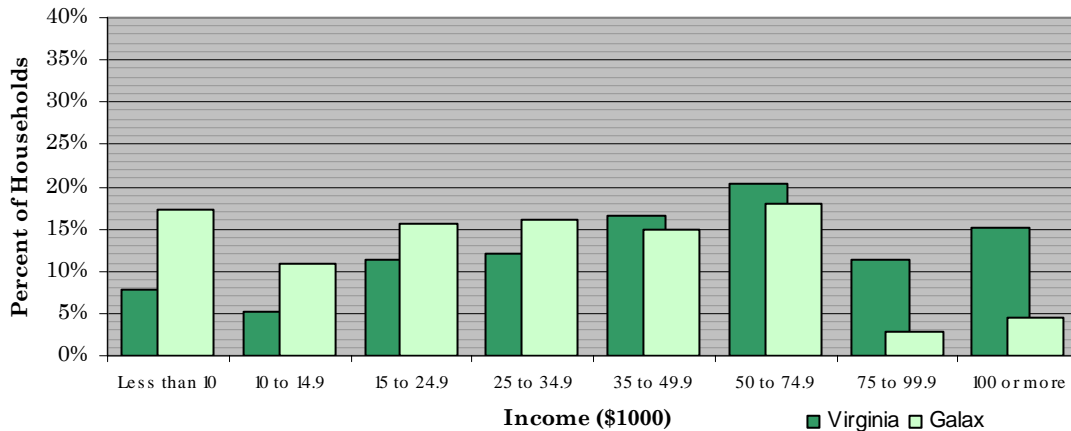
Educational Attainment (percentage of population 25 and older who have earned)

No Diploma	High School Diploma (or GED)	Some College (no degree)	Associate's Degree	Bachelor's Degree (or higher)
39.6%	28.6%	15.3%	5.4%	11.1%

A Quick Look at...

City of Galax, Virginia

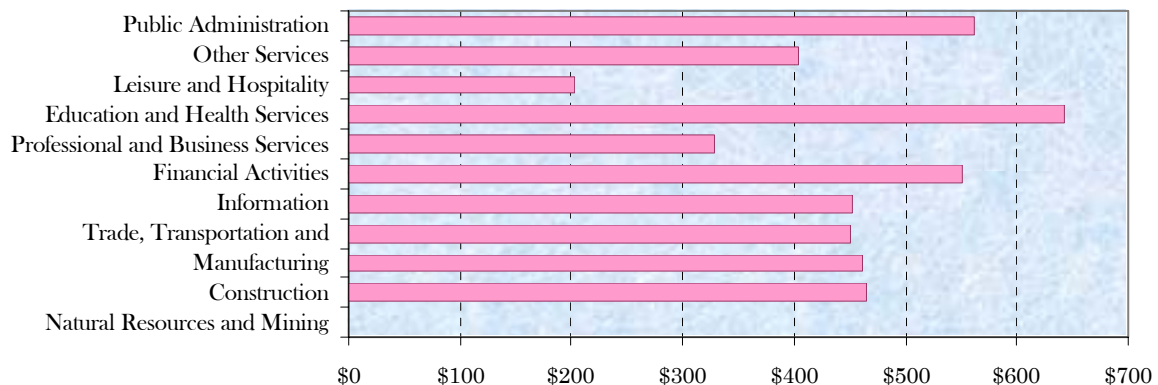
Household Income (2000 Census)



Median Income: \$46,677 Virginia \$28,236 Galax City.

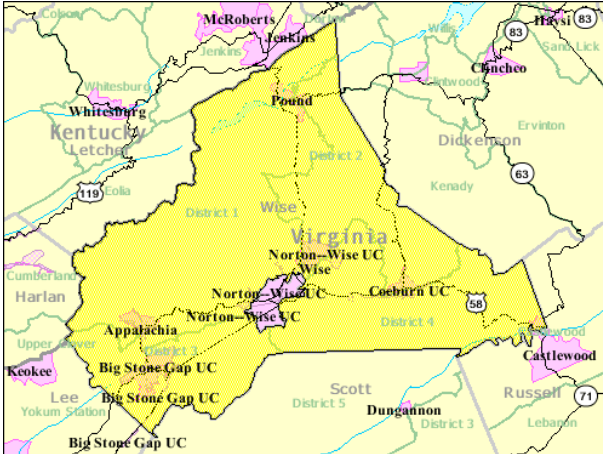
Employment by Sector (2 nd Quarter 2005)		Employment by Occupation (2000 Census)	
Natural Resources and Mining	*	Management and professional	18.3%
Construction	2.1%	Service	12.2%
Manufacturing	33.7%	Sales and office	21.0%
Trade, Transportation and Utilities	20.6%	Farming, fishing, and forestry	0.4%
Information	1.9%	Construction	8.8%
Financial Activities	2.4%	Production, transportation, and material moving	39.3%
Professional and Business Services	5.4%		
Education and Health Services	22.4%		
Leisure and Hospitality	7.6%		
Other Services	1.9%		
Public Administration	2.0%		
* Information unavailable		Total employment: 7,513	

Average Weekly Wage By Sector
(2nd Quarter 2005)



A Quick Look at...

City of Norton, Virginia



U.S. Census Bureau

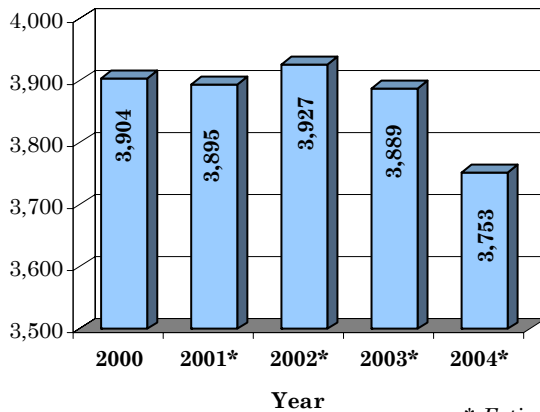
Location: 36.937797 N, 82.624923 W

Size: 6.83 sq. miles

Population: 3,904

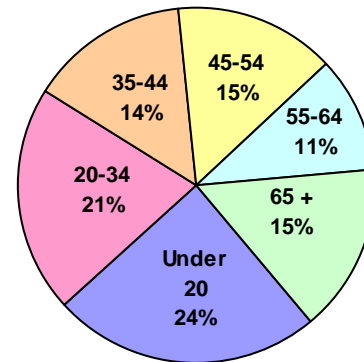
Population Density: 571.6 people/sq. mile

Population

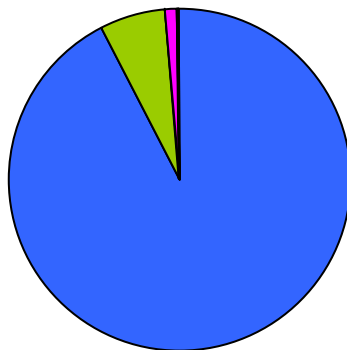


* Estimate

Population by Age



Median Age: 39



Population By Race

- 91.6% White
- 6.1% Black/African American
- 0.1% American Indian/Alaska Native
- 1.0% Asian
- 0.1% Native Pacific Islander
- 0.2% Some other race

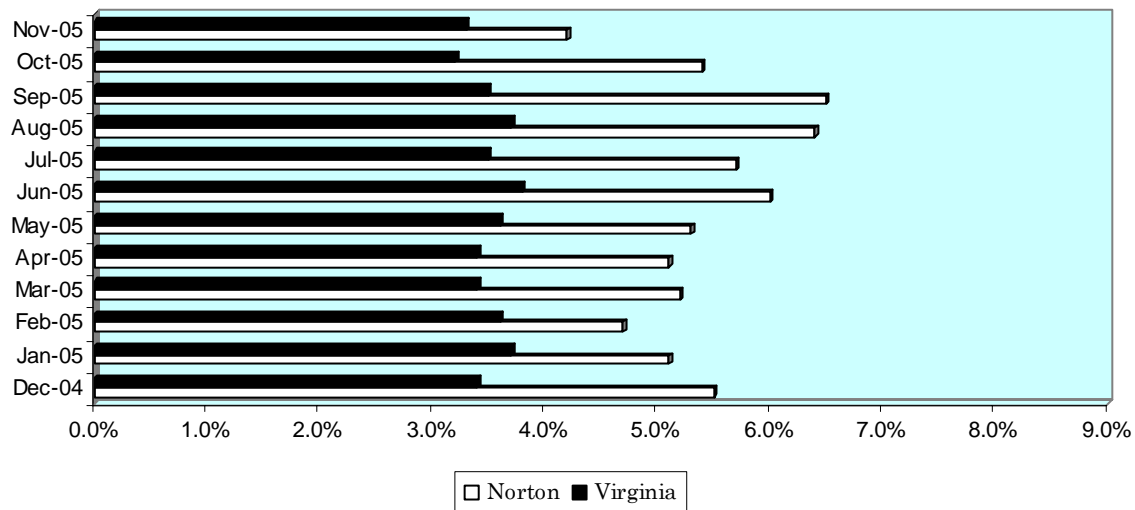
A Quick Look at...

City of Norton, Virginia

Housing Statistics*			
Value (owner occupied)		Gross Rent (renter occupied)	
745 units		762 units	
Less than \$50,000	33.8%	Less than \$200	25.9%
\$50,000 to \$99,999	50.7%	\$200 to \$299	13.5%
\$100,000 to \$149,999	7.0%	\$300 to \$499	39.0%
\$150,000 to \$199,999	3.1%	\$500 to \$749	11.0%
\$200,000 to \$299,999	5.4%	\$750 to \$999	2.1%
\$300,000 to \$499,999	0.0%	\$1,000 to \$1,499	0.0%
\$500,000 to \$999,999	0.0%	\$1,500 or more	0.0%
\$1,000,000 or more	0.0%	No cash rent	8.5%
Median Value: \$62,800		Median Rent: \$347	

* As of 2000 Census

UNEMPLOYMENT RATE: December '04 – November '05



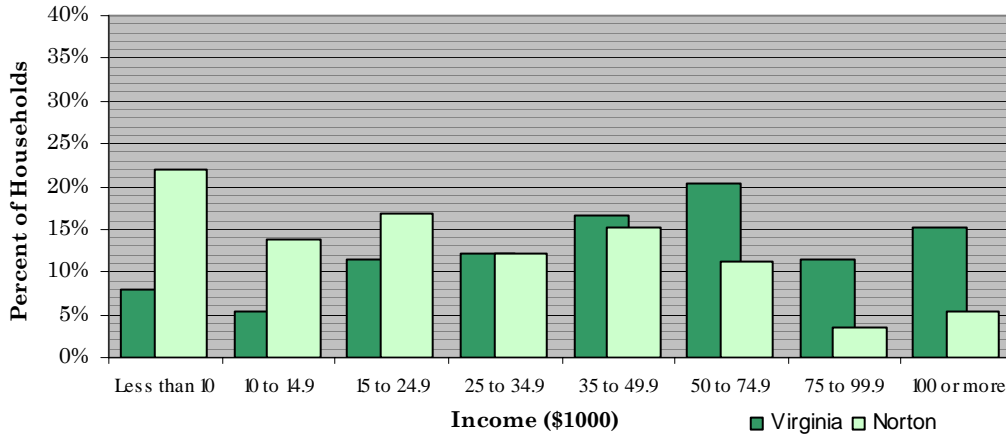
Educational Attainment (percentage of population 25 and older who have earned)

No Diploma	High School Diploma (or GED)	Some College (no degree)	Associate's Degree	Bachelor's Degree (or higher)
33.5%	26.8%	20.3%	5.3%	14%

A Quick Look at...

City of Norton, Virginia

Household Income (2000 Census)

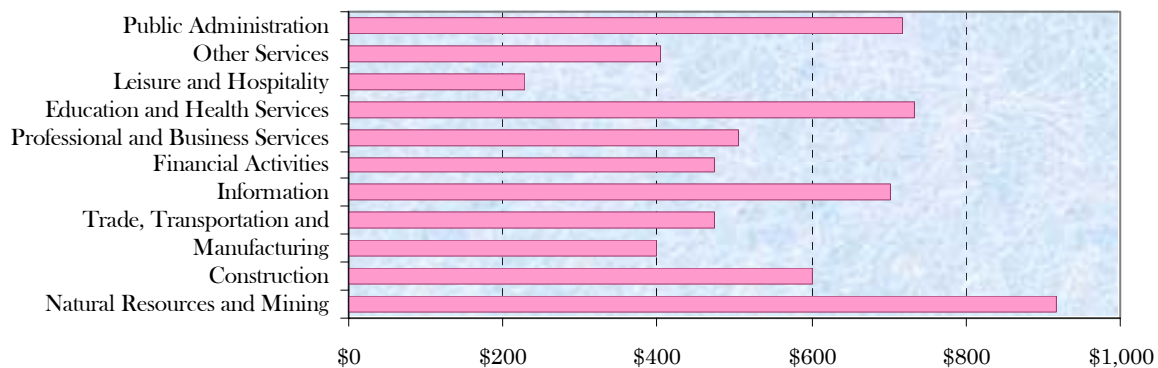


Median Income: \$46,677 Virginia \$22,788 Norton City.

Employment by Sector (2 nd Quarter 2005)		Employment by Occupation (2000 Census)	
Natural Resources and Mining	4.4%	Management and professional	27.0%
Construction	2.2%	Service	20.6%
Manufacturing	3.9%	Sales and office	27.6%
Trade, Transportation and Utilities	24.1%	Farming, fishing, and forestry	0.7%
Information	5.3%	Construction	9.7%
Financial Activities	3.1%	Production, transportation, and material moving	14.4%
Professional and Business Services	5.0%		
Education and Health Services	35.0%		
Leisure and Hospitality	7.8%		
Other Services	2.1%		
Public Administration	7.2%		
* Information unavailable		Total employment: 3,960	

Average Weekly Wage By Sector

(2nd Quarter 2005)

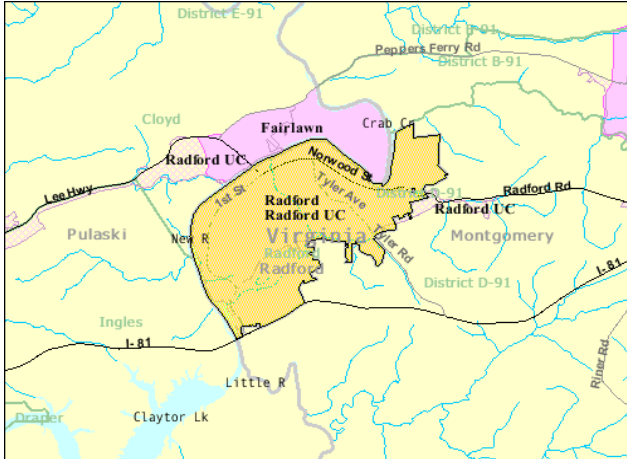


Compiled by: Virginia Economic Bridge, Inc.

Sources: U.S. Census Bureau and Virginia Employment Commission

A Quick Look at...

City of Radford, Virginia



U.S. Census Bureau

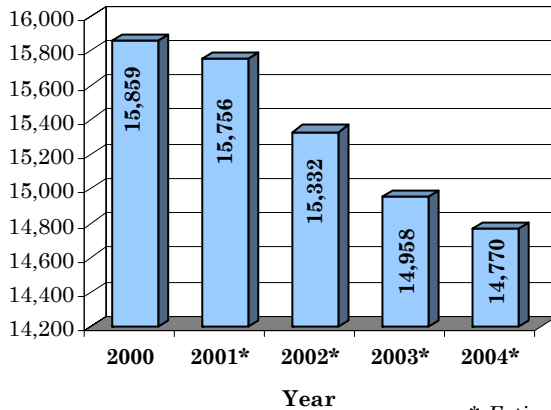
Location: 37.135816 N, 80.571721 W

Size: 9.63 sq. miles

Population: 15,859

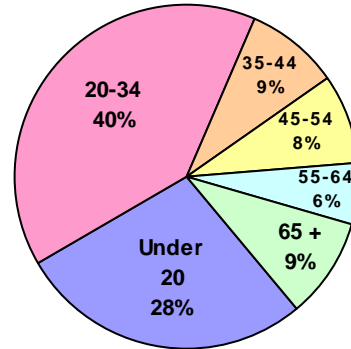
Population Density: 1646.8 people/sq. mile

Population

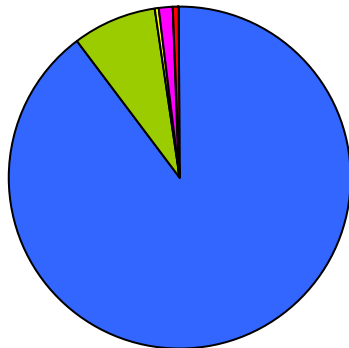


* Estimate

Population by Age



Median Age: 22.8



Population By Race

- 88.2% White
- 8.1% Black/African American
- 0.2% American Indian/Alaska Native
- 1.4% Asian
- 0% Native Pacific Islander
- 0.5% Some other race

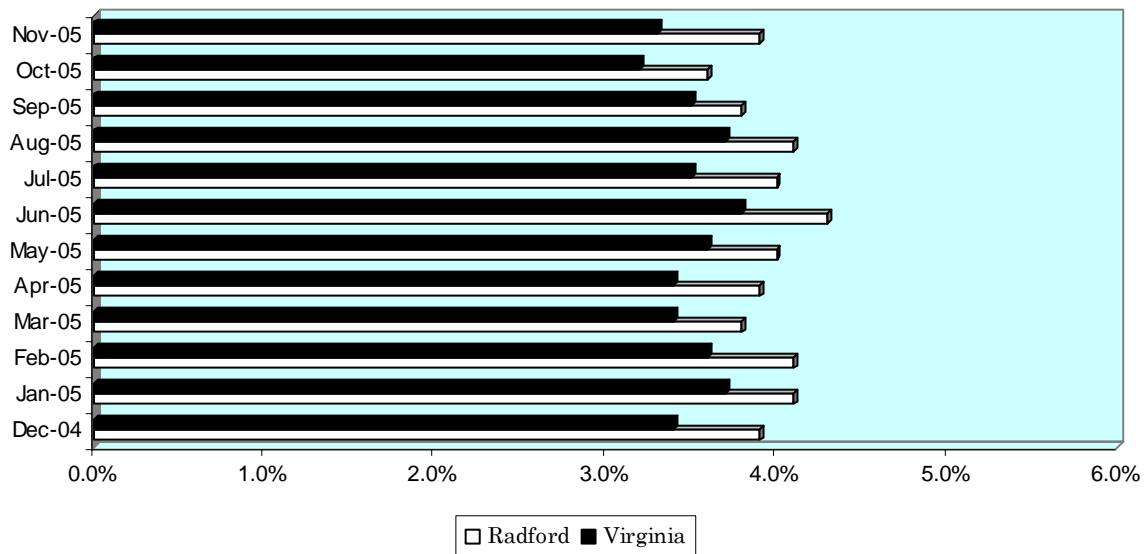
A Quick Look at...

City of Radford, Virginia

Housing Statistics*			
Value (owner occupied)		Gross Rent (renter occupied)	
2,333 units		3,224 units	
Less than \$50,000	4.7%	Less than \$200	5.0%
\$50,000 to \$99,999	50.4%	\$200 to \$299	15.1%
\$100,000 to \$149,999	25.7%	\$300 to \$499	38.8%
\$150,000 to \$199,999	10.8%	\$500 to \$749	29.9%
\$200,000 to \$299,999	7.2%	\$750 to \$999	5.6%
\$300,000 to \$499,999	1.2%	\$1,000 to \$1,499	1.9%
\$500,000 to \$999,999	0.0%	\$1,500 or more	0.0%
\$1,000,000 or more	0.0%	No cash rent	3.7%
Median Value: \$95,100		Median Rent: \$437	

* As of 2000 Census

UNEMPLOYMENT RATE: December '04 – November '05



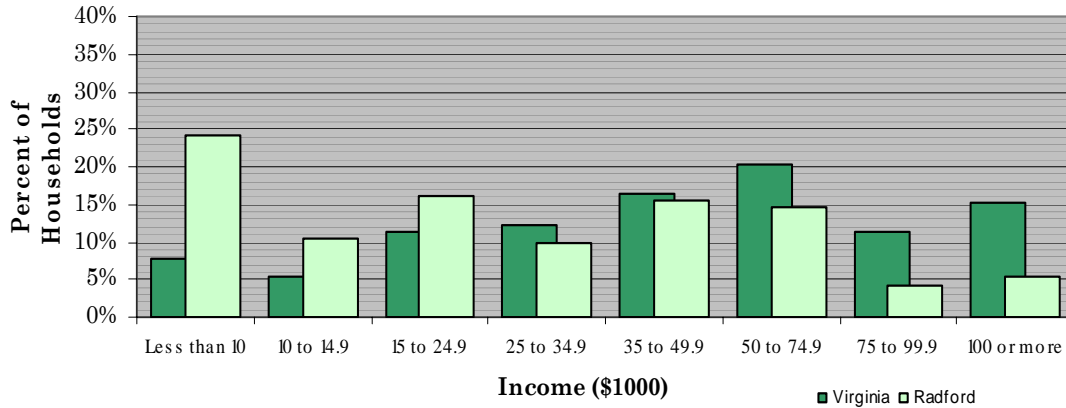
Educational Attainment (percentage of population 25 and older who have earned)

No Diploma	High School Diploma (or GED)	Some College (no degree)	Associate's Degree	Bachelor's Degree (or higher)
16.7%	19.6%	22.6%	7.1%	34%

A Quick Look at...

City of Radford, Virginia

Household Income (2000 Census)



Median Income: \$46,677 Virginia \$24,654 Radford City

Employment by Sector (2 nd Quarter 2005)		Employment by Occupation (2000 Census)	
Natural Resources and Mining	*	Management and professional	35.5%
Construction	2.7%	Service	20.3%
Manufacturing	25.5%	Sales and office	26.0%
Trade, Transportation and Utilities	11.1%	Farming, fishing, and forestry	0.1%
Information	0.7%	Construction	5.5%
Financial Activities	3.7%	Production, transportation, and material moving	12.6%
Professional and Business Services	4.7%		
Education and Health Services	34.6%		
Leisure and Hospitality	10.7%		
Other Services	2.1%		
Public Administration	4.3%		
* Information unavailable		Total employment: 6,486	

Average Weekly Wage By Sector
(2nd Quarter 2005)



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Appendix G – Grant Proposal for Specialty Crop Demonstration and Implementation Center in Southwest Virginia

Specialty Crop Demonstration and Implementation Center of Southwest Virginia

October, 2005

Introduction

With the loss of the tobacco program we have seen a 25% to 30% loss in tobacco production in Southwest VA. Given the uncertainties of future prices received for tobacco, many farmers still growing tobacco are unsure about how much longer they will grow the crop. These producers need to find economically feasible alternatives to replace this lost income. Specialty crops (fruits, vegetables, and ornaments) offer the potential to replace this lost income. However, some of these crops require specialized equipment that can be quite expensive. Even though a successful crop would more than offset the cost of such equipment, many growers are reluctant to purchase the equipment until they see the potential for success. Demonstrations of successful crop production, along with the potential increase in revenue to the farm, could be enough incentive to help the producer transition to specialty crop production.

Existing specialty crop growers also need to upgrade production practices and equipment to increase the efficiency and economic returns of their enterprises. Demonstration of utilizing such equipment and potential increase in net returns could aid them in improving the efficiency of their operations.

A third area that needs to be addressed is finding alternative enterprises for vacated tobacco greenhouses. Many tobacco growers now have abandoned or at least underutilize greenhouses that could be used to generate revenue for the farm. Demonstrations showing the pros and cons of different cropping systems could be established and shown to the perspective producer. These demonstrations could provide producers with the vision to add revenue to their farm, while avoiding costly mistakes, such as choosing a non-profitable enterprise.

Cooperative Effort

The proposed Specialty Crop Demonstration and Implementation Center of Southwest Virginia will be established at the Southwest Virginia AREC of Virginia Tech at Glade Spring association with the AqREC at Saltville. This Center will be a collaborative effort of the Southwest Virginia Agricultural Association, Virginia Pumpkin Growers Association, Virginia Vegetable Growers Association, and the Virginia Cooperative Extension.

Objectives

The objectives of the proposed project are as follows:

- 1) To purchase equipment to be used for on farm research and demonstration projects. These projects would focus primarily on, but not be limited to specialty crop production.
- 2) To purchase equipment for the transport of the equipment to on-farm sites.
- 3) To erect and maintain greenhouses that would be used to demonstrate successful alternative crops for under-utilized greenhouses.

Goals

The goals for the outcome of this project follow very closely to those of the Virginia Tobacco Commission:

- 1) Assisting tobacco farmers in transitioning into alternative agricultural enterprises, including traditional and specialty crops.
- 2) Assisting farmers with improved production techniques that result in increased profitability.
- 3) Increasing net farm income

Proposed Budget

Description	Estimated Cost
<i>Plasticulture Equipment</i>	\$2,500
Plastic Mulch Lifter	\$2,500
<i>Irrigation Equipment</i>	\$15,000
Irrigation Pump	\$5,000
Media Filters (pair of 24" stainless steel sand filters)	\$4,000
Screen Filter (3")	\$500
Misc. Irrigation Supplies	\$5,500
<i>Greenhouses and Supplies</i>	\$41,000
32' (30') X 96' Greenhouse for greenhouse production Research and Demonstration	\$25,000
20' (24') X 48' Greenhouse for starting plants for variety trials and other general uses	\$10,000
Plant Germination Chamber (Model PC-46)	\$2,000
4 – Potting Benches with Soil Bins (Model BN-EP8)	\$1,000
Floral Materials Cooler (Model 350F)	\$3,000

Spray Equipment	\$20,000
110 gallon Air Blast Sprayer	\$7,000
Fungicide Plot Sprayer	\$7,000
Herbicide Sprayer	\$6,000

Planter	\$15,000
Moneseim Vacuum Planter	\$15,000

Rototiller	\$2,000
7 ft tractor mounted rototiller	\$2,000

Tractor	\$35,000
70 to 80 HP tractor with front wheel drive assist	\$35,000

Trailers	\$8,000
24 ft. Gooseneck This trailer will be used to transport equipment for on-farm research and demonstration plots.	\$7,000
12 to 16 ft. single axle trailer This trailer will be used for irrigation equipment.	\$1,000

Truck	\$35,000
1 Ton Truck to transport equipment	\$35,000

Operating Expenses	\$26,500
Monies to cover fuel, electricity, and annual production expenses	\$26,500

Grand Total	\$200,000
--------------------	------------------

In-Kind Contributions

Salaries	\$100,000
Area Specialist Position filled by July 1	\$68,500
AREC personnel	\$31,500

Start Up Funds	\$46,000
Start Up Funds from Virginia Tech for Area Specialist	\$46,000

Overhead for Equipment	\$10,000
Matching overhead funds for equipment	\$10,000
55 HP Tractor	\$7,500
MB 362 tractor to be donated to VT Foundation for the Specialty Crop Program at the SWVA AREC	\$7,500
Other Equipment or Supplies (SWVA Ag Association, VA Pumpkin Growers Association, etc.)	???
<hr/>	
Grand Total	\$163,500

Appendix H – A Special Acknowledgment of Virginia Economic Bridge, Inc.

The Commission would like to acknowledge the support and assistance of the Virginia Economic Bridge, Inc. in the development of this report and in the completion of the Commission's work. The staff of the Virginia Economic Bridge, Inc. provided immeasurable assistance in the organization of Commission meetings, the work of the Commission's task forces, and the drafting of this report. We sincerely appreciate their efforts.

Virginia Economic Bridge, Inc. 2004-2005 Board of Directors:

Dr. Ann Alexander	Mr. Gary McCollum
Dr. David Alexander	Mr. Marshall Miller
Mr. Dan Bannister	Dr. Mary Guy Miller
The Honorable Donald Beyer, Jr.	Mr. Carl E. Mitchell
Ms. Leslie Blanchard	Mr. Jeffery Mitchell
Mr. R. Daniel Carson	The Honorable Jackson Reasor
Dr. Vinod Chachra	Mr. Richard Settle
Mr. Steve Clinton	Mr. R. Scott Silverthorne
Mr. Nicholas Conte	Mr. Robert Skunda
Ms. Sandra C. Davis	Mr. Walter L. "Buck" Sowers
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Dr. Tom Hennessey, Jr.	Mr. Charles Wood
Mr. Geoffrey Jones	Ms. Andrea Wooten
Dr. Charles King	Ms. Margaret Wright
Dr. Jack Lewis	

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Counties of:

- Bland**
- Buchanan**
- Carroll**
- Dickenson**
- Floyd**
- Giles**
- Grayson**
- Lee**
- Montgomery**
- Pulaski**
- Russell**
- Scott**
- Smyth**
- Tazewell**
- Washington**
- Wise**
- Wythe**

Cities of:

- Bristol**
- Galax**
- Norton**
- Radford**

