

# VIEWS & VISIONS



## Economic Development

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## Technology, Capital and Growth - Designing the Emerging West Virginia Economy

*The Honorable John D. Rockefeller, IV  
United States Senate*



Senator Rockefeller

West Virginians are the key to West Virginia's economic future. The high-tech dreams and marketing strategies of the Mountain State's entrepreneurs are to this century what coal seams and iron ore were to the last one: the raw materials of jobs, progress and economic growth. But to realize those dreams — and those jobs — our entrepreneurs need venture capital: the cash to rent facilities, buy technology and hire staff.

West Virginia already has a number of the resources needed to encourage start-ups and expand new businesses. Our major universities, and a host of dynamic state colleges, are producing motivated, technically savvy, would-be entrepreneurs. Existing large businesses, like steel and chemi-

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## The Right Tools for Economic Success

*David Satterfield, Director  
West Virginia Development Office*



David Satterfield

The 2002 session of the West Virginia Legislature brought an incredible array of new economic development tools. The leadership of Governor Bob Wise and legislative members continued the momentum begun by *West Virginia: A Vision Shared*, the State's economic development strategy.

Streamlining the application process for West Virginia's tax credits was nearly as important as adding to the State's incentives toolbox. Companies now have a simpler, faster and easier way to apply for many of West Virginia's tax credits. The new Economic Opportunity Credit replaces West Virginia's Super Tax Credit, lowering the job threshold

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F.T. Graff, Jr.

*Tom Graff has served as Chief Executive Officer of the firm since 1986. His practice focuses on business, commercial, banking and mineral law. Throughout his career, Graff has demonstrated a commitment to the business community. He currently serves as Director and Executive Committee member of United Bankshares, Inc., Director of Fahlgren, Inc., Secretary of McJunkin Corporation, and as Director and Secretary of four McJunkin Corporation subsidiaries. He is Chairman of the Finance Committee of the Chemical Alliance Zone and an active member of the West Virginia Roundtable. Under his direction, the firm has grown from 30 attorneys in one Charleston office to more than 90 attorneys in six offices throughout West Virginia, Kentucky and Virginia.*

## Message from our CEO

*Tom Graff, CEO  
Bowles Rice McDavid Graff & Love PLLC*

**A**t Bowles Rice we believe that it is the responsibility of our firm to assist with the growth and economic development of West Virginia. Our lawyers strive to find positive ways to support and contribute to the prosperous future of our state. We place a high value on improving the communities in which we live and work, and understand that our success is determined by the success of those around us. That is why we are pleased to bring this issue of *Views and Visions*, devoted to such an important topic, to our clients and friends. There are many exciting things happening in West Virginia, and some of these projects are highlighted in this publication.

We are fortunate to have outstanding state and federal leaders guiding us for the future, and we appreciate Senator Rockefeller, Alisa Bailey, David Satterfield, Senators McCabe and Plymale and Delegate Cann for contributing to this issue. And, we are blessed with an abundance of talented leaders — in business, education and labor — dedicated to growing jobs. Our thanks to Richard Adams, Bill Bright, Mark Dempsey, Pat Getty, Rudy Henley, Gale Given, Joanne Tomblin and Bruce VanWyk for participating as well.

Our firm is pleased to join with hundreds of individuals and organizations to endorse the “All for One” effort working for passage of the Local Option Economic Development Amendment and we thank Paul Arbogast and

Jim Bowen, Co-Chairs of the Committee, for including important information on this ballot issue in this *Views and Visions*. All of these articles, along with those by our attorneys, Norwood Bentley, Mike Caryl, Tom Heywood, Stuart McMillan and Marc Monteleone, recognize the important role each of us plays in growth and development, and further emphasizes the need to work together to gain true success.

Speaking of economic development, our firm has had the pleasure of representing West Virginia Media Holdings, LLC and its affiliates (“West Virginia Media”). The company is the brainchild of Bray Cary and Marty Becker, who are indeed a dynamic duo. Their decision in the spring of 2001 to form a media company for West Virginia was by anyone’s standards “an ambitious undertaking.” The mission was to build an organization to create a statewide media news network to serve all parts of the state of West Virginia and make it a profitable venture.

In less than a year, West Virginia Media has attracted a wide base of investors, secured necessary financing and acquired three television stations (WBOY-TV in Clarksburg, WTRF-TV in Wheeling and WOWK-TV in Charleston), and *The State Journal*, not to mention assembling a strong management team dedicated to improving news reporting throughout West Virginia.

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# West Virginia: A Vision Shared

## Transforming the State's Economy

Dana E. Waldo, President & CEO  
West Virginia Roundtable

In December 2000, the West Virginia Council for Community and Economic Development released *West Virginia: A Vision Shared*, an economic development strategy plan that “articulates the fundamental values and goals for the state to rally around to become economically competitive in the 21st century.”

Unlike other similar plans, *A Vision Shared* includes a companion implementation plan that provides a framework for accomplishing the strategy plan’s objectives. The implementation plan also recommends the use of performance measurements to continuously monitor progress toward the achievement of these objectives.

*A Vision Shared* is intended to do no less than transform West Virginia’s lackluster economy into a competitive powerhouse, one capable of creating economic opportunities and wealth for all West Virginians.

Having participated in the process of corporate and industry transformations, I can attest to the tremendous effort such undertakings require. Change, under the best of circumstances, is often an unsettling experience, fraught with uncertainty and concerns for what the future might hold. Managed effectively, however, change can be an exhilarating exercise turning today’s dreams and aspirations into tomorrow’s realities.

The question before us clearly appears to be: How can *A Vision Shared* be successfully implemented, thus transforming West Virginia’s economy and fashioning a brighter future for its citizens?

John Kotter, the Konosuke Matsushita Professor of Leadership at Harvard Business School, studied more than 100 companies’ transformation efforts and reported his findings in his best-selling book, *Leading Change*.

Kotter observed that the most successful transformations involved a multi-phase change process usually requiring a significant length of time. He further concluded that skipping any phase or making a critical mistake in any phase of the process frequently led to disastrous results, slowing progress and offsetting past gains.

The following describes the initial phases Kotter cites as essential elements of effective transformations and how I believe they relate to the start of the serious task of implementing *A Vision Shared*.

### Establishing a Sense of Urgency

Nothing crystallizes the need for change better than staring into the abyss, cognizant that continuance of the status quo will inevitably propel you over the edge. Without a compelling motivation, it is human nature to resist dramatic change and remain inert.



Dana Waldo

*Dana Waldo is President and CEO of the West Virginia Roundtable, a non-profit, non-partisan association whose members include the chief executive officers of West Virginia’s leading businesses, education and economic development organizations. Prior to joining the Roundtable, Waldo was West Virginia President of American Electric Power. He has served on the board of directors of Advantage Valley, the Business and Industrial Development Corporation (BIDCO), the West Virginia Chamber of Commerce, the West Virginia Manufacturers Association and the West Virginia Roundtable. Waldo received his BS in Business Administration from Franklin University and his Masters of Business Administration from Ohio University.*

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Pat Getty

*Pat Getty has served as President of the Claude Worthington Benedum Foundation since 1999. A native of Pittsburgh, Pennsylvania, Getty is a graduate of Trinity College and Georgetown University Law School. Prior to becoming President of the Foundation, he practiced law with the Pittsburgh law firm of Meyer, Unkovic and Scott. Getty is involved in many community and non-profit organizations. He is the current Chair of the Advisory Board of Workforce Connections, which promotes more effective workforce development and funds programs in Southwestern Pennsylvania.*

## Economic Development is Everybody's Business

*William P. Getty, President  
Claude Worthington Benedum Foundation*

**W**est Virginia: *A Vision Shared*, the State's economic development strategy, focuses on four key "issue areas" that West Virginia must address. The first three issue areas are predictable — Intellectual Infrastructure, New Economy and Results-Based Government. The fourth, however — Building Bridges and Empowering Citizens — is perhaps more of a surprise, and at first seems less substantive. This issue area is described in *A Vision Shared* as follows:

"For West Virginia to move forward, a new way of thinking and acting must be adopted and implemented. Across the nation, collaboration at the local and regional levels is becoming more important as non-profits take the lead to fill the gap between what the public and private sectors are not able to do alone . . . the term civic entrepreneurs has been coined in recent years to mean local leaders that forge new linkages at the intersection of business, government, education and community. Leaders today must bring people together in as broad and inclusive a way as possible . . ."

What does this mean, and does it really make sense? Can non-profits play a leading role in economic development? Can "civic entrepreneurs" really forge new linkages among different elements in communities, and can this more inclusive model contribute to the development of West Virginia's economy?

The experience of the Benedum Foundation over many years demonstrates that the answer to these questions is yes, and that non-profit organizations can serve as bridges to economic development in a number of ways, which perhaps can be summarized in two important concepts.

The first concept is that non-profit organizations are the primary places where citizen involvement and civic leadership are developed, and where "social capital" is built. The term "social capital" describes an important reality that has been demonstrated by research; namely, that prosperous communities tend to be those marked by the quality and intensity of citizen involvement in the life of those communities, and more importantly, that high quality civic involvement does not follow prosperity — to the contrary, prosperity follows civic involvement.

Citizens are more likely to become involved when they believe their involvement will make a difference, they are more likely to support the efforts of others if they have some basis for trusting the integrity of the effort, and they are more likely to undertake new projects if they have seen projects succeed in the past. This means that just as with financial capital, social capital builds upon itself. The role of non-profits in giving citizens the opportunity to become involved, in creating networks, in developing trust among different elements in a community, is perhaps less obvious than the stated

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# A Reinvented Wheeling, and More!

Thomas A. Heywood, Esquire  
Bowles Rice McDavid Graff & Love PLLC

Over the past year, I have had the special pleasure and honor of working with a large group of dedicated citizens in the Wheeling area who are re-creating their community. Because of the power of Wheeling's vision, and the dedication of both Wheeling's leadership and the entire community to the realization of that vision, Wheeling is well on the way to a complete transformation of its community.

Thanks to the leadership of Governor Wise and the West Virginia Legislature in passing H.B. 4005 during the 2002 legisla-

tive session, other communities and organizations across West Virginia are today engaged in the same activity. I think the results will amaze us all.

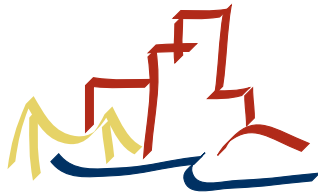
What's the story behind this outpouring of exciting new projects? It begins in Wheeling.

Like most communities in West Virginia, Wheeling has faced the decline and erosion of its traditional economic base over the past 15 years or longer.

Faced with decline of the steel industry, in 1991 Wheeling began a long-term visioning process with the sup-

port of a planning grant from the Wheeling National Heritage Area Corporation.

The vision that the citizens of Wheeling came up with for their own future was powerful, positive and profoundly right. Wheeling's citizens recognized that Wheeling's historic and competitive strengths were (1) as a crossroads of America, and (2) a strong and enduring merchant community and culture.



## THE WHEELING OUTLETS

CONTEMPORARY SHOPPING. VICTORIAN CITY.

the community, the hard-working citizens of Wheeling set about testing its viability.

Wheeling engaged industry leaders to see if it would be possible to completely redevelop downtown Wheeling as a value outlet center. These national experts, while skeptical at first, became convinced that Wheeling had all the ingredients for success — 153,000 cars a day, 6.4 million people within a 90-minute drive, and most important, some 6 million tourists a year.

With planning and development grants from charitable foundations,

The Wheeling plan began at the right place — with its vision for the future. Once that vision was articulated and agreed to by



Tom Heywood

*Tom Heywood is a member of the firm, and is a former Chief of Staff for the Governor of the State of West Virginia. He currently serves as Chairman of the firm's Client Development Department, and Chairman of the firm's Health Care and Government Relations Groups. Heywood is a member of the Board of Directors of the Discover the REAL West Virginia Foundation. He also serves on the Board of Directors of the West Virginia Manufacturers Association, where he chairs the Government Affairs Committee. Mr. Heywood earned his BA in International Relations, with distinction, from Stanford University in 1978, and received his law degree from Harvard Law School.*

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Rudy Henley

*Rudy Henley has served as Senior Managing Director of McCabe-Henley Properties LP since 1980. Co-founder of the company, he has been involved in commercial, investment and residential real estate for 25 years. He leads the firm's business recruitment efforts for new listings and client representations. Henley is currently principal-in-charge of the \$50 million development of Stonewall Jackson Lake State Park Resort, a public-private development that includes a lodge, conference facilities, an 18-hole golf course and numerous additional amenities. Henley graduated from West Virginia University where he earned a BS in Business Administration.*

Economic Development

## Public-Private Partnerships

*John R. "Rudy" Henley, Senior Managing Director  
McCabe-Henley-Durbin, LP*

Throughout the 20th century and now into the 21st century, West Virginia has been plagued by periodic flooding that has had an effect on many communities in our mountain state. In Lewis County, periodic floods threatened the existence of the town of Weston and ultimately caused the United States government to determine that a flood control dam was needed in order to avoid continued damage to communities in the region.

The Flood Control Act of 1966 authorized the construction of the Stonewall Jackson Lake Dam which became operational in February of 1990. The U.S. Army Corps of Engineers project impounded the waters of the West Fork River, creating a lake containing approximately 85 miles of shoreline and 2,650 surface acres of water. In addition, the U.S. Army Corps of Engineers determined that the many recreational attributes of the lake and surrounding lands would be beneficial to the State of West Virginia. As part of the plan to enhance recreation in conjunction with flood control, the Corps of Engineers agreed to the creation of a 2,000-acre state park adjacent to the lake, as well as an 18,000-acre wildlife area.

As consideration for the creation of the state park recreational amenities, the State of West Virginia was obligated to pay for half of the cost of these amenities. In the mid-1990s, thanks to unique enabling legislation spear-

headed by Senator Robert C. Byrd, the U.S. Army Corps of Engineers agreed to relieve the State of its obligation for amenity cost sharing if the State mandated that recreational facilities be built having a value equal to or greater than the State's \$25 million obligation.

Due to a variety of legal and financial constraints, the State of West Virginia ultimately decided that, in order to meet the requirements, a private financing of the development would need to occur. This resulted in the establishment of a public-private partnership between McCabe-Henley-Durbin, LP and the West Virginia Division of Natural Resources for the development of the state park. Now, some six years later, Stonewall Resort is becoming a reality. The Resort will feature a 198-room lodge and conference center, a full spa and workout facility, restaurants and an indoor/outdoor pool. Ten lakeside cottages and an Arnold Palmer Signature golf course will complement the park's existing 384-slip marina and campgrounds.

These new facilities are envisioned to serve as a beacon for tourism and recreational activity in West Virginia and will host a wide variety of users. The Resort and surrounding lands will be a haven for fishermen, hunters, campers, hikers, pleasure boaters and golfers, as well as a destination for businesses, extended families and vacationers. The Resort will bring significant economic activity to Lewis County and the North Central West Virginia region.

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# Capitalizing on the Region's Transportation Assets

*The Honorable Robert Plymale  
West Virginia State Senate*

For a mountainous state such as West Virginia to thrive economically in the 21<sup>st</sup> century, an effective transportation system is critical. It is also essential that the state produce workers with the skills and knowledge base necessary to develop and administer the region's transportation assets. The federal government had this fact in mind when it established the Nick J. Rahall, II Appalachian Transportation Institute (RTI).

Railroads, highly traveled rivers and highways crisscross West Virginia. The state is also rich in natural resources, such as coal and timber, that require significant transportation infrastructure to reach their consumers. We feel that if West Virginia can equip itself and its citizens to meet the transportation challenges and opportunities it faces, its economic fortunes will almost certainly improve. RTI's goal is to help the State equip itself to handle these challenges and take advantage of these opportunities.

At RTI, we feel that innovative applications need to be utilized to meet transportation and economic development needs throughout the Appalachian Regional Commission's service region, and especially in West Virginia. We believe it is imperative that agencies such as the West Virginia Development Office, the West Virginia Division of Transportation, the West Virginia Division of Environmental Protection and others work cohesively

to foster economic development and growth, while maximizing our State's limited financial resources. In other words, through better cooperation, we can achieve greater results.

## The Nick J. Rahall, II Appalachian Transportation Institute

Congress created the RTI as part of the "Transportation Equity Act for the 21<sup>st</sup> Century" on June 8, 1998. It is one of 33 University Transportation Centers (UTCs) scattered across the United States. Its realization was largely due to the considerable efforts of Congressman Nick J. Rahall, II.

The RTI is currently located near the campus of Marshall University on Third Avenue in Huntington, West Virginia. RTI currently includes ten full-time employees, and can call upon the skills and knowledge of various Marshall University faculty members, graduate student assistants and undergraduate assistants. It has also developed working relationships with a number of federal, state and local government agencies, as well as various private entities.

RTI believes that education is an essential tool for improving the region's transportation system and standard of living. Through its resources and financial assistance, RTI hopes to increase the number and diversity of undergraduate and graduate college students entering transportation-related fields,



Senator Plymale

*Senator Robert Plymale is Director of The Nick J. Rahall, II Appalachian Transportation Institute at Marshall University, and has been a member of the West Virginia State Senate for the past ten years. His expertise in economic development, education, finance and transportation has proven an asset for West Virginia. Plymale currently serves on several committees, including the Senate Select Committee on Economic Development. He is also an Ex-Officio member of the Infrastructure and Jobs Development Council and a member of the Council of State Governments Economic Development Committee.*

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Gale Given

*Gale Given was elected President of Verizon West Virginia in July 2000 and appointed State President of Verizon Kentucky in December 2000. Prior to that, she was Executive Director — Regulatory for Bell Atlantic-West Virginia, Inc. She is a member of the Governor's Technology Enterprise Investment Council and the West Virginia Roundtable. Given serves on the Board of the West Virginia State Chamber of Commerce, the Branch Banking and Trust (BB&T) Advisory Board, the Marshall University Advisory Board, the Children's Home Society and the Business and Industrial Development Corporation (BIDCO).*

## It's All About People

*Gale Given, President  
Verizon West Virginia*

**M**y company recently launched a new advertising campaign on the simple theme of “Make progress every day.” That’s a solid goal for any individual or organization. Some days the progress might come in giant steps, other days it might be barely noticeable. No matter what, though, we should never lose focus on keeping things moving forward.

In that same spirit, we all want to see West Virginia’s economy continue moving forward. Our success might not be coming in the dramatic leaps forward that we would like, but we are making progress nonetheless. The reasons? I would suggest that improved cooperation and communication are having major effects.

West Virginia has never lacked people with ideas on how to improve our economic development prospects. Where we have historically come up short has been in the area of building consensus among the various economic development players. It is difficult for a small state like ours to succeed under the weight of turf wars and provincialism. It appears that the situation is improving, though — regional economic development is encouraged as a key state strategy. Multi-county projects with cost and revenue-sharing have been encouraged by the legislature. Cooperation across organizational and geographic lines is becoming more commonplace. Those improved relationships will pay dividends in the

future. In fact, they are already paying off in our approach to workforce preparation, the most critical public policy issue affecting our economy today.

Positive tax structures, progressive legislative agendas, rational regulatory and judicial climates and infrastructure are all important to economic development. However, even when these elements are in place, a state’s economic future is still tied to its people, or in the current parlance, its “human capital.” That point is certainly not lost on Governor Wise — he chairs the Southern Growth Policies Board’s (SGPB) Council for a New Economy Workforce.

The Bureau of Labor Statistics expects U.S. job openings to have increased by as much as 14 percent between 1998 and 2008. At the same time, SGPB cites U.S. Census data that suggest the number of prime age southern workers will decline considerably over the next 25 years. That shrinking labor market equates to real workforce challenges for the South’s urban centers. From my perspective as chair of the New Economy Task Force under the West Virginia Council for Community and Economic Development’s Vision Shared Implementation Committee, I see an opportunity for West Virginia, provided we can offer an adequate supply of qualified workers.

Unfortunately, we presently have the same problem as the rest of the South.

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# The Future of Air Transportation Requires an Open Mind

Mark Dempsey, President  
AEP West Virginia

Having moved to Charleston a short time ago may help explain my astonishment at the degree of vehement opposition the notion of a regional airport has produced among some Charlestonians. I believe we should do everything possible to support and improve Yeager Airport, but at the same time I believe it would be absolutely irresponsible to not also have our eyes on the future and how to best serve our air transportation needs.

I am not an expert on the proposed regional airport. But I have been keeping a close eye on the arguments being publicly advanced in the debate and want to offer a few observations. One argument of particular interest, especially because I have heard it repeated a number times, is that if there is a new airport, it should be located more toward the center of the State. The argument goes that if the airport is built at the proposed site, people from Ohio and Kentucky would benefit, while West Virginia would receive little benefit. I disagree. The proposed location is almost exactly at the center of West Virginia's most populated corridor. It is at the western edge of the Charleston Metropolitan Statistical Area (SMSA) and the eastern edge of the Huntington/Ashland SMSA. An airport centrally located to a combined population of approximately 600,000 as opposed to an extreme eastern or western location is logistically advantageous, obviously. It would also be central to an additional 300,000 people not included in the two SMSAs.

Anyone who reads the paper or watches the news knows the Huntington/Ashland area has had its share of bad luck for some time now. The heavy industries that once made these cities great are struggling. While Tri-State Airport recently announced the return of limited jet service, there is no question it has been in a difficult downward spiral for some time. Surely those of us living in Charleston and enjoying the short drive to Yeager could at least accept the notion that a more central airport with thousands of acres of adjoining, developable property may be better for the common good.

Governor Wise has been criticized for his support of continuing to study and plan for the regional airport. He has been accused of a "build it and they will come" enthusiasm for the project. Although the Governor — a loyal Charlestonian — and other supporters of the regional airport have sufficient facts to warrant moving forward, there is, like it or not, some truth to "build it and they will come." At the very least, "build it and there will be benefit" can be proven. Infrastructure improvements create good paying construction jobs. They also attract private investment which results in even more jobs, both construction and permanent. The converse reasoning is certainly correct: do not build it and they most assuredly will *not* come. I believe the Governor should be commended for his foresight and leadership, as the easy and most politically safe position for him would simply be to stay out of the debate.

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Mark Dempsey

*Mark Dempsey is West Virginia President of American Electric Power. He began his career with AEP in 1972 and in 1991, was named governmental affairs manager and lobbyist for AEP in Kentucky. He was appointed to his current position in 2001. Dempsey is a director of the Business and Industrial Development Corporation (BIDCO), Advantage Valley, the West Virginia Chamber of Commerce and serves as a member of the West Virginia Energy Task Force.*



Senator McCabe

*Senator Brooks McCabe was elected in 1998 to represent Kanawha County in the West Virginia Senate.*

*He serves as Chair of the Select Committee on Economic Development and Co-Chair of the Joint Commission on Economic Development. McCabe is a Senior Managing Director of McCabe-Henley-Durbin Properties LP and has been involved in commercial and investment real estate for more than 20 years. He is an active supporter of revitalization efforts and a board member of the Charleston Renaissance Corporation, which is dedicated to redeveloping the city's downtown.*

## A Regional Approach for Economic Development in West Virginia

*The Honorable Brooks F. McCabe, Jr.  
West Virginia State Senate*

The recent release of the updated 2000 census data continues to show that West Virginia has not kept pace with the states around it during the last ten years. West Virginia's future is becoming threatened if we cannot reverse this downward spiral. From my vantage point, we need to operate with a crisis mentality that dictates action sooner rather than later and begins to look at a fundamental realignment of how we do business in West Virginia. One of the key components of this different mindset is to look at West Virginia as a series of sub-state regional economies.

### Northern Panhandle

The approval by the West Virginia Economic Development Grant Committee of \$70 million for the Wheeling Victorian Outlet Center is an example of how to implement meaningful regional economic development. The Wheeling project will, in one bold move, address the infrastructure deficiencies of downtown Wheeling and posture the city to become an economic engine for growth and development within the northern panhandle region. This project will set a new national standard and should be looked to as an example of how we, in West Virginia, can create our own future.

### Southern West Virginia

The regional approach to economic development is especially appropriate

as we focus on southern West Virginia. The repeated devastation caused by flooding, the softness of the coal market, and the lack of adequate infrastructure have all created the crisis situation. We need to formulate a comprehensive economic plan focusing on the southern counties in a manner that allows their local economies to reinvent themselves. Mingo County is offering an excellent model which should be used in the other counties. Flood control projects, recreational water impoundments and the creative use of surface mine reclamation must all be joined together with highway, water and sewer infrastructure projects. The goal is quality jobs which will allow for better housing and an expansion of public services. In many ways, southern West Virginia represents our biggest challenge and our most pressing problems. Recreational and light industry opportunities need to be created in this part of West Virginia.

### North Central West Virginia

Perhaps the brightest prospects for significant growth in the near and intermediate term can be found in North Central West Virginia. This region is focusing on high technology with the support of West Virginia University, Fairmont State College and a variety of federal agencies, not the least of which is the FBI. The Institute for Software Research and the West Virginia High Technology Consortium Foundation offer a bright future for the region. West Virginia University has

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# New Attitude is Key to a Better West Virginia

*The Honorable Samuel J. Cann  
West Virginia House of Delegates*

“**W**e need to do more! What are you guys doing in Charleston? Why aren’t you doing more for Economic Development? We need jobs, what are you doing about that? When are you going to do something for the little guy? When are you guys going to help out business? I don’t blame the college graduates for leaving — there isn’t anything here for them to do!”

Sound familiar? All of us hear these statements and more almost on a daily basis and many of us use the old clichés like, “they did not build Rome in a day” as our answer.

I have to say I am excited about living here in West Virginia at this time and believe that we have the opportunity to make things happen in a very positive way. I believe we are on the right track and we must continue to move forward. We need the support of all sectors — government, business, labor and education **must** all work together to succeed. We must remove the barriers or we are going to keep getting what we’ve got.

So what do we do? What does Economic Development mean to **you**? What it means to me is that we create an environment where all can raise their quality of life. Key here is that we create a business climate and develop our workforce so that individuals who are willing to work hard and put in the time and effort to succeed will have that opportunity.

We need to be sure that our tax structures, our regulatory systems, our requirements, etc., are as simple and streamlined as possible. We need to create one-stop shops and put development experts out in the field working with businesses where they are located, not in Charleston reading the *Gazette* where they read that everything is wrong and nothing is right.

Which leads me to one of the most important things we need to work on in West Virginia: **ATTITUDE**. We have so much and we have accomplished a great deal in the last ten years. We must improve the vision we have of ourselves. We need to **BELIEVE** in ourselves and take on the “new economy,” try new programs, look at things differently and not be afraid to fail. We need to quit protecting “my turf” and learn to work together with a *regional* outlook — rather than one confined to “my backyard.” We need to develop our regional economies so that entire regions grow and prosper, not just the larger cities. Heck, if we cannot work together in our communities, how are we going to join together to compete in a global market and be successful?

In recent years we have strengthened the Job Investment Trust; revamped the Capital Company Act; created a program that could put \$100 million of venture capital into the economy; rewritten our business tax incentives which will assist small business with expansion; enhanced incentives for



Delegate Cann

*Delegate Sam Cann has been a member of the West Virginia House of Delegates since 1994. He currently serves as Co-Chairman of the Joint Committee on Economic Development, Chairman of the Economic Development and Small Business Committee and is a member of the Banking and Insurance, Finance, and Industry and Labor Committees. Cann is Director of Marketing and Business Development for Dominion Field Services.*

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Joanne Tomblin

*Joanne Tomblin assumed her duties as President of Southern West Virginia Community and Technical College in 1999. During her 20 years with the college, she served as an administrator and most recently, as Vice-President of Economic Development and Community Relations. She is a member of the Logan County Chamber of Commerce and the Economic Development Authority. Throughout her years of service, she has been most successful in fostering cooperative relationships and partnerships between business and industry groups, government officials, boards of education and the college.*

## Education and Economic Development: A Must for the Mountain State

*Joanne Jaeger Tomblin, President  
Southern West Virginia Community and Technical College*

**A**s a college president, my efforts, and those of my staff, faculty and administration, are focused on student success. As president of a rural community and technical college in the mountains of southern West Virginia, we have the responsibility of helping to build a viable economy and educating our residents for a better life.

Our mission as a comprehensive community and technical college is to provide students with a seamless transition to four-year colleges and universities, to retrain dislocated workers, to provide community, civic and social education and to prepare students for immediate employment.

The Mountain State has historically thrived on a "one-crop" economy. Coal mining has been the hub around which all growth and prosperity have turned. While coal is still King in much of southern West Virginia, the world today is focused on information, technology and an ever-changing world marketplace. West Virginians must adapt, learn and take advantage of opportunities that will provide diversification and future advancement.

At Southern, we are striving to become the catalyst for change in our region. We have joined business, industry, government and civic organizations to foster a climate of innovation that will bring about growth and development. One avenue for change is the Rural Community College Initiative (RCCI). The RCCI is a national dem-

onstration project and process which assists communities toward prosperity. RCCI has built a network of community colleges combining the goals of rural development and access to education. As the only participating institution in the state, Southern has joined in partnership with RCCI, the American Association of Community Colleges and the Ford Foundation. This collaborative effort allows community colleges to strengthen themselves and thus, their communities. Southern will create a leadership team consisting of key players in the region who have their finger on the pulse of education, economic and human potential. The team will analyze educational needs and explore possible economic opportunities. A strategic plan will be devised to guide its efforts.

With the help of the RCCI process, efforts will focus on the creation of jobs, raising income levels and reinvesting community wealth into local economic and educational institutions. Plans are to create opportunities for citizens to start and operate profitable businesses, learn the knowledge and skills necessary for success and ultimately raise their standard of living. Southern will play a major role, providing the link between our residents, education and economic success.

Southern's new Rapid Response Program and Community Workforce Development Centers were recently funded by a \$2 million grant through the Region 2 Workforce Investment

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# Building Bridges to the New Economy

Alisa Bailey, Commissioner  
West Virginia Bureau of Commerce

The widely publicized and highly acclaimed plan for West Virginia's future, *A Vision Shared*, which was prepared for the West Virginia Council for Community and Economic Development, called upon state leaders and stakeholders to refocus economic development efforts on the "New Economy," such as tourism. Further, it bolstered the proposition that success of the State's educational system is directly linked to revitalizing the State's economy.

This premise reinforced Senate Bill 653 that directed higher education to focus on the economic vitality of the State.

Undertaken in 2000 by Market Street Services, *A Vision Shared* assessed the strengths, weaknesses, opportunities and threats (S.W.O.T.) of West Virginia's economy and identified core values and strategies to increase our competitive edge.

Among its strategic recommendations, the plan encouraged nurturing entrepreneurship and a higher level of educational attainment of West Virginia citizens.

In 2000, West Virginia played host to more than 21 million domestic visitors, a 7.4% increase from 1999, compared to overall U.S. tourism growth of 1% for the same period. In addition, state visitors' average length of stay reached 4 days, exceeding the national average for the first time.

While tourism's recognition as a significant economic sector grew, the tie between tourism and higher education remained vague at best. Further, the industry continues to labor under the misperception that all tourism jobs are entry-level positions and not worthy of economic development efforts.

The West Virginia Tourism Commission, the private-public advisory board that directs the State's Division of Tourism activities, sought to change that and approached Governor Bob Wise for direction and support.

On April 4, 2002, Governor Wise convened the higher education leaders and members of the tourism industry for a daylong forum that focused on the role of higher education and the tourism economy.

The forum was conducted with voluntary participation of the West Virginia University's School of Business and Economics' Executive Education program and was embraced by WVU President and former Bowles Rice partner David Hardesty. President Hardesty proved to be an invaluable resource and facilitator, as he had participated in a similar roundtable with the manufacturing community.

The project was called the "Tourism Working Group," with a theme of active participation to build bridges between higher education and the tourism industry. More than 14 state institutions of higher learning were rep-



Alisa Bailey

*Alisa Bailey is the State Tourism Commissioner and Chief of the State's Bureau of Commerce. She formerly served as the State Director for the Division of Tourism and still has direct oversight of that agency. She currently serves on the West Virginia Whitewater Commission, and is spearheading the Wayfinding Committee of the Charleston Renaissance Gateway Committee, a local development-planning organization. Bailey is Vice-President and Chairperson of the Public Relations Committee of Travel South, USA, the nation's largest and oldest regional tourism organization.*

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Bruce Van Wyk

*Since 1974, Bruce Van Wyk has been President of Van Wyk Enterprises, Inc., a commercial and residential land development and construction company in Martinsburg, West Virginia. He is a member of the Board of Directors of the West Virginia Roundtable, the West Virginia Chamber of Commerce and the Martinsburg-Berkeley County Chamber of Commerce. Van Wyk received his bachelor's degree from Oberlin College and his master's degrees from the School of Advanced International Studies of Johns Hopkins University and the JFK School of Government of Harvard University.*

## Growth in the Eastern Panhandle

*Bruce Van Wyk, President  
Van Wyk Enterprises*

The Eastern Panhandle, which comprises Jefferson, Berkeley and Morgan counties, has experienced significant growth and development during the last decade. This growth has led to unique challenges in this area of West Virginia.

Between the 1990 and 2000 census counts, the population of these counties increased from 107,000 to 133,000, a jump of 26,000 people, or 24%. In that period, West Virginia's population increased by 15,000. Without the Eastern Panhandle's growth, the State population would have declined.

In 1990, Berkeley County was the eighth largest county, and in 2000, it was the sixth. If present trends continue, Berkeley County will be the second largest county in the state by 2010, and the Eastern Panhandle will surpass Kanawha County's population in 2018.

A major objective of our economic development community is for employment to keep pace with population growth. With great effort that has been achieved, as over the past 10 years population grew 24% and employment grew 26%. We do not want the Eastern Panhandle to become a bedroom community — we want and have a vibrant local economy.

The 90s was a decade of transformation for the Panhandle. Until 1990, we were eclipsed commercially by Hagerstown, Maryland, and Winches-

ter, Virginia, because most of our residents shopped in the regional malls in those cities. In 1991, the Martinsburg Mall opened on Foxcroft Avenue and has burgeoned in the manner of the South Ridge Shopping Center in Charleston, with 17 franchised restaurants, 4 motels, a 10-screen movie theater, office buildings and retail stores. Now Martinsburg has its own identity and is much more attractive for new residents and employers.

Like the rest of the State, we have lost some large, established employers. Corning and 3M have left and DuPont is now much smaller. Nevertheless, new employers have replaced these losses. Quad/Graphics, which began here in 1997, prints (among other things) the *Victoria's Secret* catalogs and has been awarded a 10-year contract to print *National Geographic* and has now grown to 1,200 employees. Tiger Aircraft is already in operation producing airplanes and Sino-Swearingen has begun production of components for the SJ-30 business aircraft. The Coast Guard now has two new very high-tech communications facilities in Martinsburg. The IRS National Computer Center has a magnificent new building to house a very large operation and the Bureau of Alcohol, Tobacco and Firearms has a significant computer and weapons tracing operation.

Near Shepherdstown, one of the loveliest towns in the state, the new United States Fish and Wildlife Service Na-

*(Continued on p. 33)*

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Providing enough qualified applicants continues to be a challenge for West Virginia in today's economy. We have workers with technology, problem-solving and teamwork skills that are highly valued in today's market . . . but not nearly enough of them.

This point was made emphatically back in 1999, when the West Virginia Roundtable released the results of its workforce survey. Many of the 200-plus employers interviewed said they were generally pleased with the quality of their employees' work but were concerned that too few workers had the technology skills needed in a rapidly changing workplace. Digging a bit deeper, those employers also expressed concerns about a lack of responsive, relevant training resources. Not surprisingly, most also reported that they had little or no relationship with their local education and training providers.

After three years, this problem is not resolved, although we have seen some progress. There have been exhaustive discussions of changing workforce needs, and it is addressed in detail in

the Market Street study and recommendations. Some made-to-order, just-in-time training courses are in place that did not previously exist. But much more remains to be done.

Our state has a solid infrastructure of public and private education and training sites. The greater issue is whether, and to what extent, their clients — West Virginia citizens and West Virginia businesses, current and prospective — believe those institutions are able to meet their needs and to prepare citizens for work in the 21st century. These institutions collectively must help new job market entrants and adult workers alike assess their interests and skills, achieve technical certification and bridge their skills into appropriate degrees.

States that put people at the front of the equation and address workforce preparation creatively and effectively will prosper in the new economy. I believe we all want, and desperately need, West Virginia to be one of those states that succeeds.



## Governor's *Guaranteed Work Force Program*

The Governor's **Guaranteed Work Force Program** (GGWFP) provides quality work force development for West Virginia's new and existing industries, and expands opportunities available to our labor force through the jobs these industries create. Since its inception in 1991, the Governor's Guaranteed Work Force Program has trained nearly 100,000 employees for businesses, playing a critical role in attracting new enterprises and encouraging the growth and expansion of existing companies within the state. This award-winning customized training program provides training grants of up to \$1,000 per employee to new companies that create at least 10 new jobs within a year, and to existing companies that are either expanding or need to retrain their employees. ■



Richard Adams

*Richard Adams is Chairman of the Board and CEO of United Bankshares, Inc., and United Bank. He serves on the Board of Directors of the West Virginia Bankers Association, the West Virginia Chamber of Commerce, West Virginia Kids Count and the West Virginia Roundtable. He is a member of the International Financial Conference and The Financial Services Roundtable. A Parkersburg native, Adams received an AB from West Virginia University and is a graduate of The Stonier Graduate School of Banking, Rutgers University.*

## A Call to Action

*Richard M. Adams, Chairman & CEO  
United Bankshares, Inc.*

**O**ur Company and the banking industry in our State continue to be very much involved in economic development efforts in West Virginia. Local development organizations throughout our State are in large part funded with money and human resources from the banking sector. United recently joined five other companies and the West Virginia Development Office to launch a new marketing campaign to promote the positives about our State. Full page advertisements have recently been appearing in *Time*, *Forbes*, and *US News and World Report*.

As a listed company who has to tell our story to Wall Street, we are very concerned about how West Virginia is perceived in the marketplace. United employs 1,500 people (1,000 in West Virginia); has a payroll of \$61 million; paid over \$42 million in federal, state and local taxes; and contributed over one-half million dollars to worthy organizations. As “West Virginia’s Bank,” we are very committed to the economic development efforts in West Virginia.

The economic development successes in West Virginia have not moved us far enough with the “economic wellness” numbers. It is important, however, to look at some of the key ingredients to our successes in a challenging environment. There is no question Senator Byrd and Senator Rockefeller would head the list for their efforts in such projects as the expansion of the Public Debt offices, the

new FBI Center, NGK, Toyota, and many other success stories.

Statewide efforts are very important, but our experience has been that local partnerships are key to good economic development execution. Government, labor, education and business must work as a team to get our best employers to expand and have others bring new jobs to our State. Once the right organization is in place, site development must be the area’s number one priority. The Governor, as the State’s top salesperson, plays a key role offering incentives and job training opportunities. The success of Coldwater Creek’s nationwide sales and distribution center bringing 1,000 new jobs to Parkersburg is a good example of great local and State team support, combined with a desirable site ready to go.

The West Virginia Roundtable recently announced a task force charged with implementing the State’s *A Vision Shared* economic development strategy. The plan evidences that our State must be more competitive to truly succeed in economic development.

Now is the time for all West Virginians to understand we must make change to realize our true potential. *A Vision Shared* is a call to action for all of us.



# Glade Springs Village: A Blueprint for Economic Development

Bill Bright, Chairman & CEO  
Bright Enterprises

In developing a comprehensive plan for economic growth in West Virginia, I believe that an integral part must be the economic development benefits that result from master-planned communities with a primary appeal to retirees. The fact is, only a small percentage of people will retire to Florida. The vast majority of people want to retire within a half-day drive from their home so they can return to visit friends and family and, in return, their friends and family can visit them.

What does it take to appeal to retirees and to entice their friends and family to visit? A place that has natural beauty with adventure, skiing, whitewater rafting, biking, hiking, horseback riding, golf, tennis, cultural opportunities, heritage . . . in short, everything that West Virginia has to offer. To maximize the potential benefits to West Virginia, we must attract out-of-state retirees. To attract out-of-state retirees, we need amenitized communities to serve as a desirable target location.

According to the nation's leading authority on migration trends of people over age 60, Professor Charles Longino, Ph.D., of Wake Forest University, it takes 3.7 factory jobs to have the same economic impact on a community that one retiree family does. Additionally, the same research shows that retiree families tend to spend most of their money locally. According to Dr. Longino, "With more than 380,000 Americans moving across the state lines to retire every year, retirement

migration generates billions of dollars a year in sales of everything from real estate to health care."

A further look into Dr. Longino's research shows that West Virginia is the number one state in the nation for returning migration based on percent of population. (Returning migration is defined as the return of persons to retire in the state of their birth.) Plus, West Virginia is conveniently located within 350 miles of more than 65,000,000 people, and Professor Longino believes that the West Virginia lifestyle has great appeal to retirees.

An April 19, 2002 article in the *New York Times* entitled "Cape Cod Too Much? How about Appalachia?" also discussed retiree migration and second-home ownership patterns. The article stated, "So the hollows of West Virginia, the mountains of Tennessee and the farmlands of Kentucky are luring buyers who might have previously summered on Cape Cod or the Maine coast. Part of the lure is price, and part is the aesthetics of places that are less trafficked than traditional resorts . . . More surprising than the popularity of Southern beachfront has been the surge of ownership in Arkansas, Tennessee and West Virginia, which in the Times's analysis ranked third, fourth and fifth, respectively, in growth among all states, behind Arizona and Hawaii. The climate and geography of these states encourage outdoor activities year-round . . ."



Bill Bright

*Bill Bright is Chairman and CEO of Bright Enterprises and is Vice-Chairman of the West Virginia Tourism Commission. Headquartered in Summersville, West Virginia, Bright Enterprises consists of a number of various business interests including a short line railroad, coal and timber holdings, Winterplace Ski Resort and Glade Springs Resort. Bright serves on the Board of Directors of the West Virginia Business Foundation, the Friends-R-Fun Foundation and the Board of Advisors for The Mary Babb Randolph Cancer Center. He received his degree in Business Management from West Virginia University.*

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*(Rockefeller . . . continued from p. 1)*

cals, provide a ready source of experienced management talent and proven workers. The state has also stepped up to the plate and fundamentally changed the way we allocate our resources to attract and grow industry. West Virginia has taken positive measures to reform and enhance our tax incentives for job creation, formulate a lucrative environment for venture capital firms and taken steps to encourage strategic R&D. In a global, digital economy, advanced technologies are as available to West Virginians as they are to anyone in the world.

So what's the problem? Right now, "new economy" businesses have a hard time raising money in West Virginia. Many traditional funding sources are unfamiliar with the costs, risks and possible payoffs of high-tech ventures. Another added complication is that many brilliant, young entrepreneurs come from technical backgrounds, rather than finance or marketing, and lack the experience to cost out their plans and make a convincing presentation.

In addition, our entrepreneurial networks are only just emerging, making it harder for engineers to learn how to market their ideas — or for marketing and finance professionals to team up with engineers. Newcomers lose the benefit of their predecessors' knowledge, leaving them to reinvent the wheel or needlessly repeat the errors more experienced peers could have warned them against.

In places like Silicon Valley and North Carolina's Research Triangle, venture capitalists have learned to speak the language of technology. They've learned

to analyze technology-based business plans and — just as important — how to nurture young firms and designers struggling to turn their dreams into marketable products and tangible earnings. Entrepreneurs learn from and teach one another how to move more surely from the drawing board to the capital markets.

West Virginia's entrepreneurs shouldn't have to leave our state to find that kind of informal but critical support. We must have it here or we risk losing the next generation of talented West Virginians.

Focus, passion and commitment are critical first steps on our path. I am working with an exciting group of business people who possess those qualities to create the **West Virginia Venture Connection (WVVC)**, a new organization, dedicated to bringing capital, ideas and knowledge together to create an expanding West Virginia tech sector.

The West Virginia Venture Connection is the missing piece of the puzzle, an instant network, an educational institution and a matchmaker between capital sources and new businesses, all rolled into one. WVVC will serve as a meeting place for established and emerging players in the West Virginia tech industry — a place for men and women to brainstorm, explore ideas and share their experience with one another.

It will be a place to learn the new rules of the new economy. Traditional lenders will learn ins and outs of tech — how to analyze proposals and calculate risks and rewards. Entrepreneurs are

*(Continued on p. 22)*

# Tax Reform's Role in Economic Development

Michael Caryl  
Bowles Rice McDavid Graff & Love PLLC

The single, most serious and persistent problem facing West Virginia is the chronic poverty of the overwhelming majority of its citizens. *A Vision Shared* is the latest major effort by the State's leadership to address that problem. For that effort to succeed, fundamental reform of the State tax structure must be an essential part of it.

Due to West Virginia's poverty, it has a narrow tax base and relatively high social costs. Thus, businesses bear an unusually heavy share of the entire tax burden: roughly 50% here compared to less than 35% elsewhere. Moreover, among businesses, the goods-producing and goods-selling, capital-intensive businesses pay most of these high business taxes and the service sector pays the least.

To more equitably distribute that heavy burden *within* the overall business community, three primary reforms are needed. They are: (1) replacement of numerous, high-rate, narrow-based business taxes with one, low-rate, broad-based business tax imposed on all regardless of their form of organization; (2) elimination of many special sales tax exemptions which mostly favor the service sector; and (3) repeal of the personal property tax on vehicles, equipment and inventory.

The revenues gained from the first two of those changes — estimated at more than \$600 million a year — will more than offset those lost from repeal of

the many special business taxes and the personal property tax. With those new revenues, the State would be able to fund 100% (instead of the current 75%) of basic public education costs. That would, in turn, free up the county school board's large slice of the real estate tax pie to replace the personal property taxes lost by county and municipal governments.

According to a Marshall University study, by easing to more competitive levels the tax burden on job-creating capital, new investment will be attracted, thus leading to expanded job opportunities and increased wages. At the same time, the study projects increased employment and production in *all* industrial sectors — including *all* services.

That confirms the dependent nature of the service industry. If the core, goods-producing and goods-selling capital intensive businesses thrive, the service businesses, which serve them and their employees, also succeed. Thus, despite having to take on more of their equitable share of the business tax burden, service businesses will still be *better off* because capital-intensive businesses are generating more good-paying jobs.

A critical component of overall tax reform is to provide local governments with more flexibility in raising revenues. This should take the form of allowing both counties and municipalities (if they'll repeal the local business and occupation tax) to "piggy back" on



Mike Caryl

*Michael E. Caryl is a member in the firm practicing primarily in Tax and Finance, Commercial and Government Relations. He currently serves as Chair of the Tax Committee of the West Virginia State Chamber of Commerce and is on the Firm's Executive Committee. Caryl served as West Virginia State Tax Commissioner from February 1985 until December 1988. During that same time, he was President of the twelve-state Southeastern Association of Tax Administrators (1987-1988). A 1968 graduate of West Virginia University, Caryl earned a BS degree in Business Administration (with high honors) and is a 1974 graduate of the Yale Law School. His primary area of practice is tax planning and tax litigation at all levels — federal, state and local.*

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mission of each non-profit, but it is critically important to creating the sort of citizen involvement which produces meaningful change in communities.

The second concept — that non-profit organizations in fact often do fill the gap between what the public and private sectors are not able to do alone — builds upon the first. The traditional distinction between the concepts of “community development” and “economic development” are becoming increasingly blurred, as many non-profit organizations come to play roles which build both community and economy. These non-profits typically thrive upon the engagement of citizens who are actively involved in multiple roles in their communities, and thus are in a position to identify linkages among business, government, education and community which can better address

issues than stand-alone activity. These non-profits also frequently are led by people who can best be described as “entrepreneurs” in their creativity, flexibility and positive and opportunity-driven approaches to problem solving.

The length of this article will not permit examples, but in a moment’s reflection, each reader can readily identify fellow citizens who are “civic entrepreneurs,” and non-profit organizations which are playing creative roles in linking together elements of the community to solve problems. It is precisely these kinds of individuals, these kinds of organizations and this sort of broad and inclusive behavior, which can best address critical goals identified in *West Virginia: A Vision Shared*, such as fostering regional cooperation, enabling leadership development, promoting public/private collaboration, improving the State’s image and increasing non-profit capacity.

Economic development is not simply a function of federal or state government, is not just about recruiting jobs to the State, and most importantly, it is not someone else’s job. A critically important component of successful economic development is citizen involvement. Equally important are the organizations which are both the incubator and beneficiary of citizen involvement — effective and creative non-profit organizations which take the lead to identify and fill the gaps which the public and private sectors are not able to fill alone. 

## CLAUDE WORTHINGTON BENEDUM FOUNDATION

The Claude Worthington Benedum Foundation is an independent foundation established in 1944 by Michael and Sarah Benedum, natives respectively of Bridgeport and Blacksville,

West Virginia. During his lifetime in the oil and gas business, Michael Benedum amassed a fortune, ranking him in his day among the 100 wealthiest Americans. Michael Benedum operated his worldwide business from corporate headquarters in Pittsburgh, Pennsylvania. Mr. and Mrs. Benedum established residence in Pittsburgh in 1907 and lived there for over 50 years. They named the Foundation in memory of their only child, Claude Worthington, who died in 1918 at the age of 20. In creating the Foundation, Mr. and Mrs. Benedum expressed the wish that grantmaking be focused in West Virginia and Pittsburgh, their native and adopted homes.

The Foundation’s policy is to allocate no less than 5 percent of the market value of its assets each year in support of its charitable activities, including the grants program. Since its inception in 1944, the Foundation has made over 6,000 grants totaling more than \$226,000,000.

(Satterfield . . . continued from p. 1)

to 20 (from 50) for qualifying companies to offset up to 80% of state business taxes for up to 13 years.

For higher wage companies — those offering wages of more than \$26,000 a year — the new credit could offset up to 100% of taxes. The new credit also allows small businesses to receive credit if they create 10 new jobs.

The new **Strategic R&D Credit** is one of the most aggressive in the nation. It strengthens West Virginia's focus on attracting technology companies — particularly those connected with the biometrics industry. It offsets up to 100% of taxes for R&D projects. Direct expenses in research and development are now eligible for a sales tax exemption.

The new **Manufacturing Investment Credit** allows a company a 50% corporate net income tax and franchise tax credit based on its investment with no new job creation required. Venture capital companies are now exempt from the franchise tax.

Tax increment financing permits the use of property tax increases associated with qualified economic development and public improvement projects to assist with long-term financing of these projects. Legislation will place adoption of tax increment financing on the ballot for West Virginia voters in November 2002.

In 2001, changes in the **Capital Company Act** and a new **Venture Capital Act** dramatically improved the climate for risk capital. Legislation enacted in 2002 will provide up to \$25 million

in state resources to a group of certified venture capital companies. These funds can be leveraged with additional federal monies, generating up to \$100 million.

Another creative piece of legislation passed by the 2002 Legislature is **House Bill 4005**, which allows the West Virginia Development Authority to sell revenue bonds secured annually through \$19 million from excess lottery funds. It is estimated that the security of the lottery funds will generate more than \$200 million in bonds. Proceeds from the sale of the bonds will construct, equip, improve or maintain various new economic development projects, capital improvement projects and infrastructure projects.

The **Linked Deposit Program** has been revised to better serve the needs of small business companies. The Governor's Contingency Fund now contains \$1.5 million specially earmarked for economic development projects.

Changes in West Virginia's economic development incentives, combined with the addition of powerful new tools, put West Virginia at the top of the list for companies that consider doing business here. Many people had a hand in putting together the new in-



*Governor Wise joined with officials from Orrick, Herrington & Sutcliffe, an international law firm with more than 500 lawyers, to announce the firm's location of a global support center in Wheeling, West Virginia. The \$10 million investment will result in a minimum of 250 jobs in such areas as finance and information technology.*

*Orrick has offices in San Francisco, New York, the Silicon Valley, Los Angeles, Washington, D.C., Seattle, Sacramento, London, Singapore and Tokyo.*


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*(Rockefeller . . . continued from p. 18)*

learning the business skills they need to support their creativity and drive: how to write a business plan, how to structure a spreadsheet, how to build a team that can take a venture public and lead it into profitability. And lenders and business people from out of state will learn about the real West Virginia — the extraordinary opportunities that exist here and the depth of support for new ventures among our business and political leaders. Already, six new venture capital firms have opened their doors here.

The West Virginia Venture Connection will provide a forum for ideas and knowledge. Presentations and conferences will offer access to experienced decision-makers, speakers from the national venture capital market and important regional figures. Participants will benefit as well from the informal give-and-take among people of different backgrounds with complementary skills and knowledge bases.

Finally, the West Virginia Venture Connection acts as a sort of modern day switchboard — connecting ideas to capital and experience. We seek a diversified economy, new sources of wealth, greater intellectual and economic capital and a growing tax base for West Virginia. I believe that more sophisticated lenders and better prepared entrepreneurs can find a way to come together and make a profit for themselves. Our bottom line is the bottom line: bringing dynamic firms and visionary capital together and turning dreams into companies.

The ideas and determination of our citizens are the building blocks of the West Virginia economy. Their vision and willingness to risk everything to realize it drives the creation of wealth not only for themselves, but also for their employees and for our State. Availability of aggressive and creative capital will determine whether that wealth is created here, in West Virginia, or whether our entrepreneurs must take their dreams somewhere else. 

*Senator Jay Rockefeller has proudly served the people of West Virginia for more than 37 years. As a champion for economic development, Senator Rockefeller worked for 15 years to attract Toyota Motor Manufacturing to West Virginia. His patience and determination with Toyota paid off. Since 1996 when the company announced its plans to build its newest engine plant in Buffalo, West Virginia, Toyota has invested a total of \$1 billion in the factory and created 1,000 jobs for West Virginians.*

*In addition to Toyota, Rockefeller successfully brought international companies Wheeling-Nisshin Steel, NGK Spark Plugs, Sino Swearington Aircraft, Tiger Aircraft, KS of West Virginia and Okuna to West Virginia. All together, these companies will have brought more than 2,200 jobs to West Virginia.*



Senator Rockefeller and Governor Bob Wise tour the Toyota plant in Buffalo, Putnam County, West Virginia.

# Discover the REAL West Virginia Foundation has Global Mission

Norwood Bentley  
Bowles Rice McDavid Graff & Love PLLC

There are many avenues being used to promote economic development in West Virginia, but the Discover The REAL West Virginia Foundation is among the best. This tool devotes its energies to bringing jobs and business to the people of this state from the private sector. It brings together private business from world markets, government and labor in a concerted effort to improve the economic and social lot of our people.



Discover the REAL West Virginia Foundation is devoted to facilitating new, foreign business ventures in West Virginia. The Foundation was born in 1988 through the initiative of Senator John D. Rockefeller, IV. Senator Rockefeller identified a need to promote West Virginia as a viable business environment, both nationally and internationally. He also saw visionary business leaders struggling to expand beyond the State's borders.

Comprised of West Virginia's most powerful business leaders, the Foundation has a strategic vision of a broad economic base with a global slant, filling a very specific niche — bringing new resources, ideas and opportunities to the State's economic development efforts. Building upon Senator Rockefeller's work, members of the Foundation promote West Virginia to international companies and are ardent

supporters of visionary businesses who look outside our borders to expand their markets.

The members of Bowles Rice McDavid Graff & Love are committed to growing a strong economy in West Virginia. When our neighbors benefit, we all benefit. Increase the economic vitality of all of West Virginia, with meaningful employment of our people and with new markets for our existing native business, and we will all be better off. Bowles Rice was proud to become a founding member of this organization several years ago, and we currently have a seat on the Board of the Foundation.

Senator Rockefeller conceived this vehicle as a part of the multifaceted economic development mechanism in West Virginia. It permits the private sector to take advantage of his familiarity with foreign markets and his ability to open those markets to our exploration.

Bowles Rice is proud to play a part in this improvement of West Virginia's economy. Our clients, friends, communities and Firm are the beneficiaries of this Foundation and its work.



Norwood Bentley

*Norwood Bentley, III, a member in the firm, concentrates his practice in administrative law and litigation. Following service in the U.S. Navy's Naval Security Group as a Serbo-Croatian linguist, Mr. Bentley served as Appointments Secretary to then-Governor John D. Rockefeller, IV, from 1977 to 1979. He was then appointed to serve as Alcohol Beverage Control Commissioner of West Virginia, serving in that capacity from 1979 until 1983. Bentley is active in the Martinsburg-Berkeley County Chamber of Commerce.*

*(Waldo . . . continued from p. 3)*

West Virginia's woeful rankings in national economic and socio-economic indicators adequately illustrate that the State has no choice but to embrace change and implement actions that lead to improved prospects. Otherwise, the State's future will be characterized by such unacceptable outcomes like continued population losses of its youngest and ablest citizens, further widening of the gap between its per capita income and the nation's average, exponential growth in its unfounded liabilities resulting in an unsustainable sea of debt, and the inevitable erosion of its health care system.

These harsh realities need not be feared or cause embarrassment. They must, however, be faced, overcome and be the basis of a clarion call for change.

### Forming a Powerful Guiding Coalition

A critical mass of influential, experienced and reputable individuals must come together and establish a common commitment to work toward an alternative and better future.

*A Vision Shared* has been embraced by a broad-based coalition of organizations and individuals, including the Governor, the legislative leadership, and leaders of business, economic development, education, labor and non-profit organizations.

This core group of supporters will be expanded to include an even broader cross-section of the State's citizens through the ongoing activities of the Implementation Task Force, effectively being led by Mike Basile and Kenny Purdue.

### Creating a Vision

A forceful and sound vision provides an easily understood and appealing image of a preferred future that inspires and provokes actions to seize it.

*A Vision Shared* paints a radiant picture of an economic future that departs drastically from today's gloomy canvas, a future far more attractive than the one likely to be created by continuing along the path of the status quo.

West Virginia's strong commitment to future generations has created a vibrant and diverse economy balancing quality jobs and the state's irreplaceable natural beauty. West Virginia has a highly skilled and educated workforce, is a leader in innovation and offers an excellent quality of life for all residents.

### Communicating the Vision

Effective transformations are impossible without aligning a multitude of stakeholders with the vision and capturing their hearts and minds in support of the cause.

Communication is the essential vehicle to convey a vision's message, articulate its possibilities and help reduce the inherent uncertainties of change with constant updates and reinforcements.

*A Vision Shared* continues to gather recognition and support around the state. Every effort must be made to broaden the public's knowledge of its existence and to continuously keep it at the forefront of public awareness. Here's a crucial role the State's media could help fulfill.

*(Continued on p. 28)*

(Satterfield . . . continued from p. 21)


centives package and deserve praise for their hard work and dedication.

None of these changes would be effective without the hardworking team of professionals we have carrying the ball for the State. I'm speaking, of course, of my colleagues at the West Virginia Development Office. They are the ones in the trenches making certain we keep and attract jobs to the State of West Virginia. These professional women and men travel the globe and spend long hours advocating for West Virginia.

Our success is based on teamwork. Governor Wise is in our office every week spending hours making personal contacts. It is one of the most effective tools we have, being able to say to a company executive, "The Governor will give you call on Friday to discuss your decision with you." They about drop the phone when he calls, as promised. Having him talk personally with business prospects provides a special touch and a demonstration of his commitment to economic development. Additionally, his commitment is global — with visits this year to Italy, Germany, Canada and Japan.

The West Virginia Council for Community and Economic Development has appointed a task force to implement *West Virginia: A Vision Shared*, putting in place the types of economic development tools we need for a brighter future. The Council and the governor have appointed Mike Basile, Chairman, and Kenny Perdue, Vice Chairman, to lead this effort.

West Virginia's intense focus on the biometrics industry has also drawn national attention this year. It is best described through the words of John E. Siedlarz, Chairman and President of the International Biometric Industry Association. "No state other than West Virginia can claim a focused strategy and real progress in developing a biometrics cluster and friendly incubation environment for the technology going forward."

My goal for West Virginia is to create prosperity for every citizen. By working together, listening to one another and putting good ideas to work, we can achieve this goal. 



*Our Firm is committed to assisting with the growth and economic development of West Virginia. Dave Satterfield joined the attorneys of Bowles Rice in April at the annual Firm Retreat held in Morgantown, WV, to discuss positive ways the Firm could support and contribute to the prosperous future of our State.*

*David Satterfield is the Executive Director of the West Virginia Development Office. His focus areas include building strong communities; recruiting new investment from around the State and the world; strengthening and retaining existing industry; and enhancing entrepreneurial opportunities. Prior to joining the Development Office, Satterfield served as Director of Governor Bob Wise's transition team and continued his service as Chief of Staff to the Governor in 2001. A native of Pittsburgh, Pennsylvania, Satterfield earned two music degrees (BM and MM) from West Virginia University, and joined the College of Creative Arts at WVU in 1983.*

(Henley . . . continued from p. 6)

The \$56 million Stonewall Jackson project is approximately 82% funded by privately placed monies that will be repaid by the revenues of the project. The State of West Virginia has no obligation for repayment of this debt and yet the State will have been relieved of a \$25 million obligation to the U.S. Government. In addition, the State will own the facilities, be the beneficiary of net revenues and taxes generated by the project and realize income and value well into the future.



*The Arnold Palmer Signature Golf Course at Stonewall Resort  
"The Green at #7"*


*Projected for completion in September 2002, Stonewall Resort will feature a 198-room lodge and conference center, a full spa and workout facility, restaurants, pools and lakeside cottages, along with the newly completed 18-hole Arnold Palmer Signature Golf Course.*

This unique partnership between the U.S. Government, the State of West Virginia and private development and finance required the use and/or creation of a number of unusual business mechanisms in order to meet the regulatory, legal and financial constraints unique to the project and the structure of the public-private partnership. Now that these hurdles have been crossed and the project is close to reality, the Stonewall Resort represents the type of economic development that can help move the State of West Virginia forward as we look for ways to compete in the 21st century economy.

This merging of public and private resources is being used as an economic development tool in many areas of the country where successful economic growth is being enjoyed. Over the last ten years, many government leaders and

economic developers in West Virginia have recognized the need to stimulate economic activity by merging the various assets and capabilities of the public and private sectors to create new activities. Around the country, these activities result in increased quality of life.

Economic development experts often note that, to compete for workers in a knowledge-based economy, regions must develop and sustain competitive advantages that support the ability to mobilize the best people, resources and capabilities required to turn innovations into new business ideas and commercial products. According to a study by Dr. Richard Florida of Carnegie Mellon University, "Knowledge workers prefer places with a diverse range of outdoor recreational activities and associated lifestyle amenities." In addition, it is noted that pre-conditions to economic growth in our knowledge-based economy include lifestyle amenities, innovation, research and collaboration.


As West Virginia's leaders work to implement strategies for growing our economy, it is important to recognize that we can compete in the 21st century economy by capitalizing on our strengths and addressing our weaknesses. By sensibly merging the skills and resources of the public and private sectors, West Virginia can employ new tools in the effort to renew and expand its economic base and stimulate a more diverse and sustainable economy. 

(Plymale . . . continued from p. 7)

thus expanding the qualified pool of labor available to the region's transportation-related companies. It also aims to increase the number of professors in transportation-related areas, while helping to encourage transportation-related research with funding, expertise and/or facilities. The Rahall Appalachian Transportation Institute has already been quite successful in building relationships between groups and communities that might otherwise not have the opportunity to interact.

The RTI is currently active in researching subjects across a number of curriculums. Current projects are focusing on a wide range of topics related to science, engineering, finance, economics,

logistics, environmental studies and health.

With our theme of transportation and economic development, the Nick J. Rahall, II Appalachian Transportation Institute hopes to have a significant and tangible impact on the State of West Virginia and its surrounding region. We feel that we have the resources and expertise to reach this goal. The RTI is also eager to work with the West Virginia Development Office, the West Virginia Division of Transportation, the West Virginia Division of Environmental Protection and other state and federal agencies as they work to make West Virginia a safer, healthier and prosperous state. 



## Nick J. Rahall, II Appalachian Transportation Institute

Like the other centers in the University Transportation Center Program, the RTI's activities are structured to meet goals in a number of areas. Generally speaking, RTI's mandate is to focus a comprehensive, broadly based, multi-disciplinary research, education and technology transfer program on this region's transportation and transportation-related economic development challenges.

**Some of RTI's goals include:**

- reduction of design, construction and maintenance costs, as well as improved safety and minimal environmental impacts for the region's transportation system;
- identification of the best locations for future industrial parks and initiation of their development;
- ensuring that opportunities for concurrent infrastructure and info-structure development during road construction are realized;
- improvement of access to health care, work and education for rural communities through public transit;
- an enhanced trail/scenic by-way system that will support continued growth of West Virginia's emerging tourism industry;
- development and testing of new technologies and/or products that can improve transportation safety and efficiency in rural settings and support the diversification of the regional economy simultaneously; and,
- assistance in the preparation of the future transportation workforce in the region.

(Graff . . . continued from p. 2)

Over the years, I have been involved in many acquisitions and start-up companies. However, the planning and determination associated with the rise of West Virginia Media is phenomenal and deserves mention in the context of

what it takes to engage in successful economic development. The goals set by Bray and Marty included raising

a large amount of capital and securing substantial credit facilities from lending institutions. The plan was to raise the majority of the capital from West Virginians and to utilize banks in West Virginia for borrowings.

By the end of January 2002, Bray had made me a believer that with focus and perseverance, the impossible can be achieved. I was not the only one who became a believer, because West Virginia Media has more than 150 investors, mainly from West Virginia, and obtained all of its credit facilities from banks in West Virginia. The end result was that West Virginia Media was fully subscribed and met all its

capital needs. All in all, this venture proved that West Virginia does have assets for those with entrepreneurial inclinations and the right ideas.

This issue of *Views and Visions* provides an overview of all the aspects of economic development in West Virginia. I offer West Virginia Media as an example of how a good business plan with the right leadership and mission can result in a huge success. In the case of West Virginia Media, the people of West Virginia get a significant bonus because the creation of a statewide news reporting service is an integral part of the infrastructure needed to rebuild West Virginia for the future.

Our firm is proud to be associated with, and a part of the successes of, West Virginia Media, and proud to support and contribute to the prosperous future of our state and region. We hope you enjoy this issue of *Views and Visions*, and upon reflection believe as we do that we have much to celebrate and that the future looks bright for all of us.



(Waldo . . . continued from p. 24)

Economic development is a high stakes, highly competitive endeavor. Winning a competition requires an excellent game plan that's effectively executed by motivated and talented individuals.

*A Vision Shared* is an excellent game plan. The Implementation Task Force, comprised of motivated and talented individuals, is an outstanding structure to help effectively execute the plan.

It's now imperative that all West Virginians join the *Vision Shared* team, combining a can-do attitude with an unshakable vow that they'll accept nothing less than victory. We owe it to our children, future generations and ourselves.



*In less than a year, West Virginia Media has attracted a wide base of investors, secured necessary financing and acquired three television stations, WBOY-TV in Clarksburg, WTRF-TV in Wheeling and WOWK-TV in Charleston and The State Journal, not to mention assembling a strong management team dedicated to improving news reporting throughout West Virginia.*

(Heywood . . . continued from p. 5)

non-profit corporations and Wheeling leaders which permitted extensive development work to proceed, the vision began to come to life. The development team proceeded to work with the Wise Administration, the West Virginia Development Office, the West Virginia Legislature, and ultimately the Economic Development Grant Committee created under H.B. 4005, to study the vision, the challenges and the opportunity that the *The Wheeling Outlets* project represented.

To a person, every public official and entity proceeded with a cautious, critical and skeptical eye, but also with a sense of courage and a willingness to think outside the box. I give enormous credit not only to the leaders of Wheeling for their vision and persistence in this project, but also to the leaders of our State for their leadership, energy and creativity in undertaking a bold new effort to move our State forward.

On May 13, 2002, the Economic Development Grant Committee conditionally allocated \$70 million in state funds toward this \$164 million urban redevelopment project.

This was a wise investment, not just because it was made only after a tremendous amount of due diligence, but because the State invested as a sophisticated investor. No grant funds will be allocated or spent unless private funds are secured. In essence, the State said that if the private market will support this project, we will participate.

Much work remains for *The Wheeling Outlets* to become a reality. Tenant

leasing activity — the ultimate private market test — is well under way. West Virginia is watching anxiously to see if Wheeling will succeed in this exciting effort to build a brighter future, and all West Virginia wishes Wheeling every success. Truly, Wheeling's success will be West Virginia's success.

The grant funds created under H.B. 4005 have stimulated similar creative effort and vision across West Virginia. As countless worthy projects have emerged for consideration during the grant review process created by H.B. 4005, West Virginians across the State are feeling a sense of excitement about our future, sharing a sense of hope, and daring to dream.

And this is the true magic of *The Wheeling Outlets* and H.B. 4005.



*The Wheeling Outlets project involves the restoration, rehabilitation and construction of 112 buildings as part of the redevelopment of downtown Wheeling, including an investment of \$41 million in new sewer systems, water lines, public garages, sidewalks and lighting. The project is projected to create 900-1,000 permanent jobs, to generate an estimated \$996 million in new tax revenues over the next 30 years, and to provide many other direct and indirect benefits. This public-private initiative will also strengthen and protect existing tourism and commerce in West Virginia's Northern Panhandle.*

# Amendment One is Vital for West Virginia's Future

*Paul Arbogast, Ernst & Young  
Jim Bowen, AFL-CIO*

As leaders from West Virginia's business and labor communities, we have the opportunity to listen closely to the concerns of the people of this state. We both hear one common theme: West Virginia must find a way to create more quality jobs and keep our best and brightest young people from leaving the state to work.

Governor Bob Wise asked the two of us to lead the All For One Committee to help educate the citizens of West Virginia about the importance of Amendment One. We were honored to do so, and see this as an issue that will unite labor and business and transcend political party lines.

*Jim Bowen, President of the West Virginia AFL-CIO, and Paul Arbogast, Senior Advisor with Ernst & Young, were selected by Governor Wise to co-chair the All for One Committee.*

*If you would like to join the All For One Committee, please contact Susan Lavenski at 556-9129.*

In November, we will have the opportunity to shape the economic future of our state by voting for Amendment One, the Local Option Economic Development Amendment. Amendment One is a financing tool that counties and municipalities can use to attract and finance new economic development in West Virginia.



We believe it is important to understand that Amendment One has extensive safeguards, including requirements for public

involvement, local hearings and full disclosure of development proposals before any decisions are made. Most importantly, citizens are in no way obligated for any of the costs for these development projects.

Amendment One has the strong support of the business and labor communities, as well as local, county and state government. Forty-six other states currently use a similar type of financing tool to attract economic development. The Local Option Economic Development Amendment is vital if we are to be competitive in the job creation market. The Amendment is designed to allow tax increment financing based on property tax to be used to help fund economic development projects such as infrastructure expansions, industrial site development and urban redevelopment.

During the next several months, you will be receiving a lot of information about Amendment One. While this issue does have an impressive range of support, we still need your help in spreading the word about this critical amendment.

Together, we can build a great future for West Virginia.

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*On the opposite page are some commonly asked questions and answers to help you better understand the issue.*

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# All for One: How Does it Work?

## What is the Local Option Economic Development Amendment (Amendment One)?

Amendment One is a local economic development tool that helps create quality jobs. It is another financing option that counties and municipalities can use to attract and finance new job growth in West Virginia. It is a new way for West Virginia to invest in future development.

## How does it work?

1. A private developer, municipality, county commission or other party brings forward a new economic development project.
2. The municipality or county commission reviews the development plan to ensure that it meets the stringent requirements set forth by the Legislature. The review of the development plan is done in public meetings and all of the documents are available to the public for their review and inspection. If the county or municipality approves the plan, it is sent to the West Virginia Development Office for review.
3. The West Virginia Development Office reviews the plan and sends the approved plan back to the county or municipality to execute.
4. The county or municipality works with the project developer and banker to finance the project.
5. The county and municipality are required to report to the West Virginia Development Office on an annual basis about the status of the project.

## How are the projects financed?

The municipality or county commission establishes a development district that only includes the piece(s) of property designated for the development project. The funds to pay for the project development are generated by the difference or “increment” between the property tax collected before the project is started and the property tax collected after the project is completed. This increment can be used to pay for bonds that help pay for the costs of developing the project. What makes this a powerful development tool is that local governments receive the same level of funding as they receive today, the predevelopment level of property tax collected from the project. After the project’s debt is retired, local governments receive the entire value of property tax collected from the project. This financing tool allows local governments to grow their tax base without reducing the current level of collections.

## What types of property will be eligible to benefit from this economic development tool?

Amendment One authorizes legislation, which was written to give local governments flexibility to pursue multiple types of economic development projects. This financing tool can be used for new industrial site development, redevelopment of existing industrial sites and to restore blighted areas. The goal of Amendment One is to create quality jobs and economic development based on what the local governments and citizens want for their area.

*(McCabe . . . continued from p. 10)*

assumed the mantle of leadership and is driving forward the commercialization of emerging technologies and is providing the educational support for training our leaders of tomorrow. For West Virginia to reach its full potential, a significant investment must occur. This investment should be focused on the economic engines in the area that will allow for the greatest growth in the shortest period of time. West Virginia has the opportunity to become the silicon valley of biometrics, forensics and identification technologies within the next decade, if we can immediately seize the opportunities before us.

### Advantage Valley

The Charleston/Huntington markets pose a unique opportunity. Both Kanawha County and Cabell County have been losing ground as demonstrated by the recent census data. However, Advantage Valley does not have the momentum of north central West Virginia due largely to the fact that the two largest counties in the region continue to compete against each other, rather than working together and merging infrastructure in a manner to create a regional operating system. Advantage Valley poses one of the more difficult opportunities facing West Virginia. In many ways the success of Advantage Valley will relate to the success of West Virginia as a whole. Advantage Valley will be successful only if Charleston and Huntington can work together as one. Marshall University, WVU Tech, and West Virginia State College are all stepping forward with regional program planning that will help accelerate the merger of these

two economies. The Chemical Alliance Zone is also working hard to better posture the region nationally and internationally.

### Potomac Highlands

There are several regional economies within the State focusing fundamentally on tourism and recreation. Route 219 from Monroe County through Tucker County offers a number of high impact tourism and recreational opportunities. This corridor and the counties contiguous to it include many of the tourism and recreational amenities that will define West Virginia in the future. West Virginia is ultimately about its quality of life and this region offers the best lifestyles of any region in the eastern United States. When we think of West Virginia's mountains, forests, streams, and unique lifestyles, this is the region that has the ability to drive that identity to a national level. In reality, this section of the state is several small regions with common interests and similar resources. These regional economies are fundamentally based in tourism and recreation and offer huge possibilities for future growth and development.

### Eastern Panhandle

From a regional perspective, the eastern panhandle is unique in the problems and opportunities it faces. The pressures of growth have raised new issues relating to infrastructure investment, land use planning, and growth incentives and controls that are currently not as important in other regions within the State. The eastern panhandle offers West Virginia a chance

*(Continued on p. 38)*

(Cann . . . continued from p. 11)

Research and Development and industrial development. We have restored the Linked Deposit Loan Program for small business and enabled institutions of higher education to create R & D Parks where entrepreneurial activity will have a place to grow and create new job opportunities based on our own intellectual ability and ingenuity. If we continue to create this kind of environment, entice venture capitalists to locate here and allow research and development to flourish, the possibilities are unlimited.

*A Vision Shared* outlines a number of action items that lay the framework for a revitalized West Virginia. There is an implementation team in place to develop the action plan to make the necessary changes. The Legislature's Joint Commission on Economic Development must be included in the

process so that there is legislative input on the front end of the process. This is a living document that must grow and develop with the input and support of all West Virginians. All must have a voice in its growth, all must be willing to compromise, all must be willing to put the good of all ahead of their own personal interests and all must believe that we can make a better West Virginia for all citizens if we are to succeed.

Now that we have a plan, we must all begin to share the vision and implement the plan known as *A Vision Shared*.



(Van Wyk . . . continued from p. 14)

tional Conservation Training Center, in a pastoral setting, trains many employees from around the country in a state-of-the-art facility, and the Federal Office of Personnel Management operates a major training center for federal executives. These facilities bring thousands of visitors per year for training and give them a very positive impression of our State.

The strong economic and population growth in the Eastern Panhandle is well known throughout West Virginia. Who benefits from this good fortune? Of course, the immediate beneficiaries are those of us who live here, enjoying the advantages of low unemployment, rising property values and opportunities for our young people to stay in the

community. What is less well known is that our prosperity is shared throughout the state. In fact, the lion's share of taxes collected are sent directly to Charleston. To be specific, all of our sales taxes, gasoline taxes, personal income taxes, corporate income taxes and corporate franchise taxes are sent to Charleston. The only portion of taxes we keep are about one-half of our real estate and personal property taxes. The increases in taxes can be illustrated rather vividly. From 1995 to 1999, West Virginia personal income tax collections from the Eastern Panhandle increased by 48%.

President John F. Kennedy said it best, "A rising tide lifts all ships."



*(Tomblin . . . continued from p. 12)*

Board (WIB). The program currently serves a seven-county area including Boone, Cabell, Lincoln, Logan, Mingo, Putnam and Wayne counties. Rapid Response provides information and services to employees and employers experiencing layoffs of 1 to 49 employees within Region 2. The goal of the program is to link community services to employees who are to be laid off, assisting them in securing services that will lead to self-sufficient employment. Rapid Response may also assist employers to prevent layoffs.

Southern's Small Business Development Center serves as a liaison, bringing resources of the college and the statewide SBDC to the community. The program offers counseling, start-up and expansion assistance, as well as advice for businesses in trouble. The office also offers programs aimed at fostering youth entrepreneurship.

Through business and industry partnerships, Southern's Workforce and Community Education Department is providing customized and standard training. A recent collaboration with the West Virginia Coal Association provided 40- to 80-hour mine apprenticeship training to 1,000 local citizens. Other projects involving multiple community and civic organizations have provided employment and customer relations skill training in several southern counties.

The college, Region 2 WIB and qualified state employers are working together to provide customized training to incumbent workers. Southern's On-The-Job Training Program matches employers with qualified potential training to WIB eligible partici-

pants and the program reimburses for 50% of the trainee's starting wages. The Out-of-School Youth program helps to provide personalized educational and employment plans for those unemployed, not enrolled in school, ages 16-24.

Access to education is a central motivator for continued growth. Southern's "open door" admission policy, coupled with distance learning opportunities, family literacy projects, aggressive outreach programs and flexibility in course offerings, help eliminate barriers to education.

New economic realities in West Virginia will require innovative approaches to development. Economic growth in the Mountain State must go hand-in-glove with education. Higher education must provide leadership while promoting the development of technology, business and human resources. We must serve as the incubator, bringing together old and new, helping to manage growth in a way that will benefit us all.



*Southern West Virginia Community and Technical College supports regional and local efforts to diversify and strengthen the area economy. To accomplish this, Southern provides several key services including Continuing Education, working directly with businesses to provide a wide range of training needs.*

(Bailey . . . continued from p. 13)

resented. Kay Goodwin, Secretary of Arts and Education, also participated.

Information and data regarding the state of the tourism industry and the current tourism-related educational opportunities were reviewed in the morning. A lunch, sponsored by Bowles Rice McDavid Graff & Love, included encouragement from Tom Heywood, who praised the initiative's focus. In the afternoon, lively group discussions facilitated by President Hardesty resulted in interesting outcomes.

Important human resource needs of the tourism industry were identified as business managers, specialized managers (such as natural resources, food service, recreation and, yes, legal and professional services). Further, because our State's tourism economy is made up of small businesses, the need to encourage entrepreneurship was mentioned as a critical component to ensure growth.

Dave Arnold, Chairman of the Tourism Commission and President of the West Virginia Hospitality Association, said, "Historically, entrepreneurs are spawned by family ties. But, if we hope to grow tourism through small business development, we must now look to education as a conduit to provide the skills and encouragement for entrepreneurial pursuits."

Due to the inability of tourism businesses to allow employees to pursue continuing education opportunities, the Tourism Working Group also recommended more continuing education opportunities "off campus" for the tourism workforce.

Like the *Vision Shared* exercise, attendees progressed through a S.W.O.T. analysis. Stakeholders cited the West Virginia Hospitality Education and Training (WVHEAT) program, which is unique in the U.S., as a key asset and catalyst for future implementation. Other strengths included a close-knit industry, dependable workforce and excess capacity at the higher education level.

"I plan to see that Winterplace Ski Resort and Glade Springs Resort both



Photography by Stephen J. Shalans, Jr. - West Virginia Division of Tourism

work more closely with different colleges as well as with the West Virginia Hospitality Education and Training program," said Bill Bright, a member of the Tourism Commission and resort owner. "I would expect that by doing this, it will help us hire quality interns and college graduates for our management team."

Lack of understanding of management positions in the tourism industry, as well as the intense human resource needs required to provide a strong and positive visitor experience, were cited

*The World Rafting Championships were held in West Virginia in September 2001, adding a boost to West Virginia's growing tourism industry. In 2000, more than 21 million visitors traveled to the Mountain State, up 7.4 % from 1999.*

(Continued on p. 36)

*(Bailey . . . continued from p. 35)*

as challenges. Other challenges included seasonality, lack of qualified instructors in tourism fields, lack of integration of tourism curriculum in other college programs and low aspirations of the citizenry to enter high-level tourism jobs.

“As 25-year owner of a West Virginia business, I can tell you the biggest challenge to tourism is the seasonality of our industry,” said Arnold, who also owns Class VI River Runners in Fayette County. “We must break the seasonal paradigm to grow tourism and ensure year-round employment.”

Another interesting challenge was the need to research and accurately identify career needs and opportunities for the future to measure the success of the Tourism Working Group.

“Most of the tourism research in which we have been engaged focuses on marketing,” said Chris Canfield, State Tourism Director. “We hope we can work with other state agencies and the private sector to study our workforce needs. Only when we establish a good benchmark and develop collective strategies, can we objectively measure our efforts to improve our tourism workforce.”

Many opportunities were identified, including off-season training, more internships, expansion of curriculum to include tourism and closer cooperation between tourism and higher education stakeholders.

Non-competitive salaries, rabid environmental policies, radical and unplanned development and the compli-

cations to the tourism industry from the attacks of September 11 were discussed as threats to West Virginia's continued tourism growth.

Group members discussed best practices of successful partnerships between higher education and the tourism industry, and at the end of the day each participant was asked to identify one commitment he or she intended to keep as a result of the day's discussions.

“I will encourage the establishment of an outdoor recreation program at West Virginia University Institute of Technology as well as other tourism-Tech partnerships,” wrote Deputy Tourism Commissioner Betty Carver. Carver said she hopes WVU Tech can become a leader in outdoor recreation careers.

Michael Koon, of West Virginia Northern Community College, committed to working with the Business Development Corporation in Brooke and Hancock counties, the Hancock County Convention and Visitors Bureau and Mountaineer Race Track and Gaming Resort to explore a mentorship program for entrepreneurial development.

A positive atmosphere, sincere dedication to meaningful discussion and the contagious enthusiasm to pursue the many goals set forth bodes well for continuing dialogue between the tourism industry and higher education. Furthermore, the success of the day was reflected in the evaluations with 16 participants rating the forum as “exceeding expectations” and 10 indicating it “met expectations.” No one indicated that it failed expectations.


*(Continued on p. 37)*

*(Dempsey . . . continued from p. 9)*

I have no desire or intention to enter the argument about fog days, mountain heights, space between terminals and runways, etc. These only do damage to Yeager and none of us should want to do that. At the same time, blindly attacking preparations for our future alternative may be far more harmful. Support for moving forward with the regional airport has nothing to do with being anti-Yeager Airport. It has everything to do with improving infrastructure, creating jobs and attracting new business to West Virginia.

Yeager Airport deserves to be supported and cared for as long as it is the airport we have. But there are too many variables for it to be in any way responsible not to prepare other options. I understand the Air National Guard is a huge revenue source at Yeager Airport. When our military leaders decide to phase out Vietnam vintage prop cargo planes for jet transports needing 10,000 foot runways, what are we going to do? Kanawha County and Yeager officials would better serve their constituents by becoming directly involved in the planning and study process for the regional


airport than attacking it. And yes, studying how to assure Charleston and Kanawha County do not suffer a net loss should be part of it.

The regional airport proposal has many naturally occurring obstacles to overcome. Even its most ardent supporters recognize that it is an ambitious long-term undertaking. The plug could get pulled on the project at many junctures along the way. Other West Virginians send millions of dollars to Charleston each year to support our biggest industry — state government. That gives us a secure anchor other communities will never have. We can also become the leadership center for a growing, thriving metropolitan area stretching 50 miles or more in all directions. Yes, perhaps people from Ohio, Kentucky and other states will come here to spend money. Hopefully, we will take up the challenge of becoming a city and state with a common vision for the future. 

*(Bailey . . . continued from p. 36)*

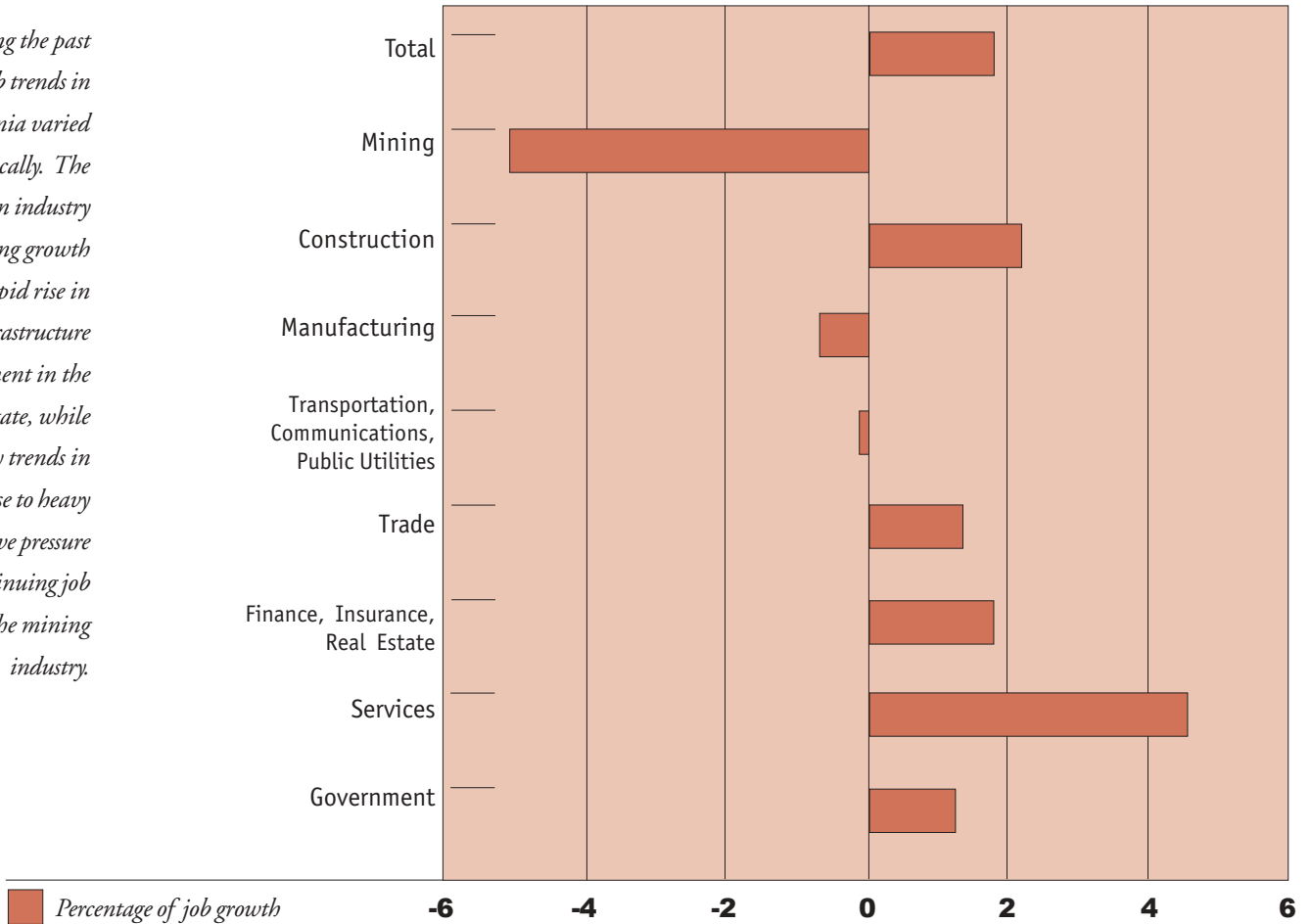
The Tourism Working Group will reconvene at the Governor's Conference on Tourism, December 4-6, at The Greenbrier Resort in White Sulphur Springs. At that time, the report and the progress made during the year will be formally shared with the conferees.

We were most grateful for the leadership of Governor Wise in this endeavor and were gratified that Bowles Rice McDavid Graff & Love willingly sponsored our afternoon lunch.

I look forward to working with these leaders in making West Virginia a premier tourism destination. 

## West Virginia Job Growth from 1990 - 2000

*During the past decade, job trends in West Virginia varied dramatically. The construction industry saw strong growth due to a rapid rise in infrastructure investment in the State, while productivity trends in response to heavy competitive pressure forced continuing job losses in the mining industry.*



Information provided by the Bureau of Business & Economic Research, College of Business and Economics, West Virginia University.

(McCabe . . . continued from p. 32)

to learn how to manage its growth so as the balance of the State comes online, we will be in a better position to have the tools and resources necessary to effectively manage the growth in such a way as to preserve our quality of life and create a premier educational system with the type of sustaining jobs that we all desire.

In concluding, our future is before us. It is a future based on regional economies that have different objectives dealing with different problems and opportunities. If we work together and marshal our resources in such a way as to create momentum with our economic engines, we have a chance to create a future which we all desire. We

must work together and realize that on occasion we must make local sacrifices for the benefit of the region. At the same time, we must move forward in a manner that everyone carries a fair share of the load, whether it be through local bond issues, water and sewer fees, school board levies, or increase in property taxes due to an acceleration of property values. We have much to contend with and little time for action. What we do in the next two years will have a dramatic and lasting impact on what West Virginia looks like in the year 2010 when the next census data becomes available. By working together, we can create our future and we can become the success that we all desire.



# Design-Build: A Catalyst for Economic Development

Marc Monteleone  
Bowles Rice McDavid Graff & Love PLLC

In 1999, the West Virginia Legislature passed the Design-Build Procurement Act (“Act”) which is codified at Chapter 5, Article 22A, of the West Virginia Code. Beginning on March 9, 1999, all State departments, agencies, authorities, quasi-public corporations and all political subdivisions, including boards of education and public service districts, became entitled to use the design-build delivery system of construction for upcoming projects. Over the last two years, approximately 15 projects have been presented to the Design-Build Review Board for consideration.

In accordance with the terms of the Act, “Design-Build” is a delivery system of construction whereby the design and construction of a building, together with incidental approaches, structures and facilities, can be performed under a single contract between a State agency and an engineer or architect duly registered in West Virginia, or a contractor duly qualified and licensed under the laws of West Virginia. According to national figures, the design-build delivery system of construction can reduce a project’s over-all cost by as much as 30% and reduce construction time by as much as 25%. Therefore, the design-build method should be considered for any public project that can satisfy the requirements of the Act.

In order for a project to be constructed under the design-build method, the “agency” must receive approval from the Design-Build Review Board (“Board”). The Board reviews potential projects based upon the following

criteria: (1) the agency requires a project design and construction time line that is faster than the traditional design-bid-build process would allow; (2) the project requires close coordination of design and construction expertise or an extreme amount of coordination; and (3) the agency’s early cost commitments. An agency considering the design-build method must make a presentation to the Board. If the presentation is successful, the Board approves a project for use of design-build construction.

In the private sector, more and more development projects are being constructed under the design-build method of construction. We were very pleased to implement the design-build method during construction of the Charleston office of Bowles Rice McDavid Graff & Love.

On the national level, the federal government is utilizing design-build construction on many federal projects. Many State agencies are still unsure of this new construction method and shy away from considering the design-build method. However, that trend has started to change and recently some of the largest State projects, in terms of dollars, have been presented to the Board for approval. Because of the time and money the design-build method can save, don’t be surprised if more government officials and private developers associated with public/private partnerships attempt to construct their projects under the design-build method of construction.



Marc Monteleone

*Marc A. Monteleone is a member in the Charleston office, serves as the firm’s Chief Financial Officer, and manages the firm’s real estate needs, including the construction of new facilities. Because of his experience and knowledge in the design-build process, Marc was appointed by Governor Cecil Underwood to Chair the West Virginia Design-Build Review Board, and continues to serve in that capacity. He serves as Chairman of Charleston Parking Task Force and supervised the construction of two city parking garages using the design-build delivery method. He also served as Chairman of the Charleston Streetscape Task Force.*

*(Bright . . . continued from p. 17)*

Glade Springs Village is an exciting example of attracting retiree migration. In April 2001, Cooper Land Development (CLD) and Glade Springs Resort reached an agreement for the development of a master-planned community



*Glade Springs is a full-service 4,100-acre gated resort, conference center and community featuring luxurious accommodations, world-class cuisine and West Virginia hospitality. Glade Springs Resort and Glade Springs Village are conveniently located in Daniels, West Virginia, just 10 minutes south of Beckley at Exit 125 off I-64 or Exit 28 off I-77.*

*For additional information on Glade Springs Resort, call 1-800-634-5233 or visit their web site at [www.gladesprings.com](http://www.gladesprings.com). For additional information on Glade Springs Village, call 304-763-2500 or visit Cooper Land Development's web site at [www.cooper-land.com](http://www.cooper-land.com).*

with a primary appeal to retirees at Glade Springs Resort in Daniels, near Beckley, West Virginia. This agreement calls for the development of more than 3,000 homesites with golf, lakefront and

mountain views, an 80-acre lake and an additional 18-hole championship golf course on a portion of Glade Springs' 4,100-acre property.

Arkansas-based Cooper Land Development is a subsidiary of Cooper Communities, Inc., a 48-year-old company that has developed six master-planned communities in Arkansas, Tennessee, Missouri and South Carolina. Combined, these developments have attracted more than 120,000 property owners.

As the primary investor in Glade Springs Resort, I can tell you that we are very excited about this master-planned community and we are very fortunate to have Cooper Communities join us in developing this component of Glade Springs. Cooper is the best in this business, and we are proud to be working with them.

Cooper Land Development's communities have made many "best places to live" lists and have been recognized in such noted publications as *Where to Retire*, *USA Today*, *The New York Times*, *AAA Home & Away* and *The Wall Street Journal*.

"Visit any of our communities, and you'll be immediately impressed with the natural beauty, country club ambiance, and an unhurried, uncrowded lifestyle that's attractive to both the golfer and non-golfer," according to CLD President, Randy Brucker.

The new golf course, Stonehaven, is scheduled to open in 2003. From July 2001 through May 9, 2002, more than 183 families have purchased homesites in this new development.

New residents at Glade Springs will also enjoy benefits and access to the resort's existing amenities. These include a clubhouse featuring two restaurants, a full-service equestrian center, an outdoor heated Olympic-sized swimming pool, a full-service spa offering therapeutic massage and cosmetology services, indoor and outdoor tennis courts, and miles of hiking, biking and horseback riding trails. An exclusive outdoor adventure outfitter, "The Mountain Connection," offers a full range of adventure activities including guided nature hikes, scenic float trips, guided fly fishing, upland game hunting, sporting clays and more. Also featured is the 18-hole George Cobb championship golf course that was recently awarded 4-1/2 stars by *Golf Digest* magazine. 

# A Regional Approach to Growth and Development

Stuart McMillan  
Bowles Rice McDavid Graff & Love PLLC


Advantage Valley is an economic development organization which is dedicated to a region between Charleston and Huntington, West Virginia, and Ashland, Kentucky. This association of counties, cities, towns, chambers of commerce and economic development organizations is working for the growth of the region. Advantage Valley represents a vision to achieve a global reputation, recognized for its diversified, sustainable economy; entrepreneurial spirit; well-educated and trained workforce; high quality of life; and commitment to regional cooperation and progress.

Working with leaders from throughout this geographical area, Advantage Valley promotes the region and the many amenities, such as three interstate highways; two navigable rivers; eight institutions of higher education; eleven hospitals; seven major cultural perfor-



mance centers; ten museums; countless park and recreational areas; and the combined resources of three states. Teaming with professional economic developers, private and public agencies, the focus is on the *region* rather than one particular city or town.

Partnerships in the region seem to come naturally. For example, recently economic developers from the Advantage Valley counties of Cabell, Kanawha, Putnam and Wayne have partnered with Mason County to build a 45-acre business park along I-64 at Hurricane, West Virginia. This campus-like setting will have available fiber optics and other telecommunications infrastructure, and will help attract development to the region.

Bowles Rice is pleased to be an active member of Advantage Valley to better promote this region and our State. 



Stuart McMillan

*Stuart A. McMillan is a member of the firm with a concentration in civil trial and appellate litigation. He serves as a member of the Board of Governors of the West Virginia State Bar and is a member of Advantage Valley. McMillan earned his Bachelor of Arts degree from Vanderbilt University and his law degree from the West Virginia University College of Law.*




*Advantage Valley is an economic development organization that markets the Huntington/Ashland/Ironton and Charleston metropolitan statistical areas. Eight counties are included: Kanawha, Putnam, Cabell, and Wayne Counties in West Virginia; Boyd, Carter, and Greenup Counties in Kentucky; and Lawrence County, Ohio.*

(Caryl . . . continued from p. 19)

state-level excise or income taxes. It would also permit local school boards to use revenues from local, voter-approved excess levies in any manner they see fit.

Although this year's reform and streamlining of the State's investment incentive tax credits by the Administration and the Legislature is certainly a step in the right direction, far more fundamental reforms are needed for *A Vision Shared* to become a reality.

Perhaps more than any other element of that broad agenda, achievement of these particular reforms will require public, professional and business leadership that is creative, determined, motivated by good faith and guided by a vision transcending its own short-term interests. In other words, it means we must follow capitalism's fundamental rule that, in a free and competitive market, one advances his own interests by understanding and meeting the needs of others. 

## Reader Input Appreciated!

We are proud to present this issue of *Views and Visions* and to showcase some of West Virginia's most exciting opportunities. The success of our publication is due to our outstanding guest authors and the ideas and suggestions we receive from our readers.

For nearly ten years, we have been pleased to provide thoughtful discussion on topics of interest to our clients and friends. Articles are submitted by our attorneys, as well as business, government and community leaders. We extend our deepest appreciation to those who have made this publication successful.

We hope you enjoy this issue and our new look, and would appreciate hearing your feedback and your ideas on topics or authors for future issues.

Contact us any time at [bowles@bowlesrice.com](mailto:bowles@bowlesrice.com). We look forward to your comments!

- The Editors  
*Views & Visions*

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