

Minutes
Rural Virginia Action Committee Meeting
Board of Directors of the Virginia Economic Development Partnership
June 17, 2020
12:00 p.m. – 1:00 p.m.
[Zoom Meeting]

Welcome and Call to Order

The meeting was called to order at 12:01 p.m. by Chair Rick Harrell, who noted that a quorum was present.

Members present: Secretary Brian Ball, Carrie Chenery, Deborah Flippo, Chair Rick Harrell, Secretary Aubrey Layne, Ned Masee, *ex officio*, and Dan Pleasant

Members absent: None

Other Board Members: Dan Clemente, and Vince Mastracco

VEDP staff present: Lindsay Barker, Vince Barnett, Christine Bell, Sean Brazier, Jason El Koubi, Stephanie Florie, Jennifer Garrett, Bob Grennell, Sandi McNinch, Lori Melancon, Debbie Melvin, Stephen Moret, Christy Morton, and Johan Salen

Guests present: Charles Kennington, John Kilgore, William McCabe, Liz Povar, Morgan Quicke, and Deputy Secretary Cassidy Rasnick

Opening Remarks

Chair Harrell read the opening remarks since this was the first electronic (Zoom) meeting of VEDP's Rural Virginia Action Committee.

In March, the Governor declared a state of emergency due to the potential spread of COVID-19. The nature of the emergency made it unsafe for the Committee to assemble in a single location. The committee was permitted by the Virginia Freedom of Information Act, to meet by electronic means without a quorum of our members being physically assembled at one location. A Zoom platform was used.

Public Comment Period

Chair Harrell solicited public comments. There were none.

Approval of Minutes for January 29, 2020 Meeting

Chair Harrell asked for approval of the minutes from the January 29, 2020, meeting. A motion was made by Ms. Deborah Flippo and seconded by Ms. Carrie Chenery and the minutes were approved as presented by roll call vote:

Secretary Ball	Aye
Ms. Chenery	Aye
Ms. Flippo	Aye
Mr. Harrell	Aye
Secretary Layne	Absent for vote
Mr. Pleasant	Aye

Rural Economic Developers Perspective

Chair Harrell welcomed and introduced two speakers, both of whom live in rural communities and whose families have also been active within those communities. The speakers were Mr. John Kilgore *Executive Director for Scott County Economic Development Authority* and Mr. Morgan Quicke *County Administrator for Richmond County*.

Mr. Kilgore has been in this position for over 20 years. In 2017, he was appointed by the General Assembly to serve on VEDP’s Business Development and Marketing Advisory Committee.

Mr. Kilgore reported that Scott County is a small rural county in Southwest Virginia, with a population of 23,000 and 534 square miles. Scott County is one of seven localities that make up the Virginia Coalfield Economic Development Authority. The main focus of the county is on agriculture. In the past, the focus was on tobacco. Now the focus is on cattle. Cattle is a major part of the economy there.

Mr. Kilgore spoke about several challenges for Scott County. The first he mentioned was marketing; marketing needs to be applicable to rural areas, not just urban areas. Another challenge is their remoteness, which means they have to depend on the region for workforce. He also mentioned lack of broadband as a challenge. The last challenge he mentioned was diversity, because they are still dependent on the coal industry. They have coal support jobs in the county even though they don’t have coal.

Mr. Quicke has been in his position for eight years. He grew up in Blackstone and comes from a family that has been involved in local and state government. He reported that Richmond County is located on the Northern Neck, with a population of 9,200 and 200 square miles.

Mr. Quicke reported that they have had some small economic development successes in the town of Warsaw over the past few years. He spoke about the Main Street Revitalization with the Town of Warsaw. They received DHCD funding for streetscapes and façade improvements. They currently have a brewery and an ACE Hardware store under construction. Within the past 24 months, several new stores have opened on Main Street.

Mr. Quicke mentioned the Richmond County Commerce Park, which has been another success in the county. The park started in the 1990’s at around 60 acres and the first company there was Bay Transit. Some other notable companies located there are Helena Chemical, Healthy Harvest Food Bank, and Holtzman Propane.

Mr. Quicke listed Richmond County’s strengths as: low tax burden, stable local government influence, low cost of land, rural quality of life, a quality public school division, and an enterprise zone/opportunity zone. The county’s weaknesses are: regulatory burdens, limited economic development staffing due to financial resources, location, lack of broadband, and workforce limitations.

Mr. Quicke said the county has shifted their focus on economic development within the last 12-24 months. Their philosophy has always been, if the phone rings, they answer it. Their approach hasn't been proactive due to budget and staffing. The County Administrator is the primary economic development lead. The county purchased an additional 46 acres of prime land in the Town of Warsaw and is hoping to achieve a Tier 4 status in Virginia Business Ready Sites Program (VBRSP) guidelines. The county is creating a Regional Industrial Facilities Authority (RIFA) with Westmoreland, King George, and Northumberland.

Mr. Quicke mentioned that ideal targets for Richmond County would include new employers with 10 to 50 employees and capital investment between \$1 - \$5 million. He also mentioned that he would like to attract a boat manufacturer in the Northern Neck. Mr. Vince Barnett mentioned that VEDP has been attending the International Work Boat Show the last couple of years with Ms. Liz Povar, from the Middle Peninsula Alliance. This is something VEDP is doing through their Lead Generation team with the Middle Peninsula and Northern Neck in mind.

Mr. Quicke added that agribusiness facilities are a target area as well, with farming, fishing, and forestry making up the largest part of their economy in the county.

In closing, Mr. Quicke wondered if there was a way that VEDP could help rural counties. He mentioned possibly a grant program to assist counties that don't have an economic development staff. Mr. Quicke mentioned that he doesn't know how to reach out to VEDP for questions, support, or ideas. He said his primary contact is Ms. Christy Morton, and that is because they have worked together since she was with the Virginia Rural Center. Mr. Quicke also said over the past four or five years, the Northern Neck has had a good VEDP presence.

Review of Economic Impacts from COVID-19 in Virginia's Rural Regions

Ms. Morton reviewed that initial unemployment claims have varied significantly across Virginia regions.

The Middle Peninsula appears to be the hardest hit when it comes to unemployment. Twenty-three percent of the Middle Peninsula's workforce may have lost jobs at some point since March. It is important to remember that unemployment claims are based on where you live, not where you work. There is a large out commuter population in the Middle Peninsula.

Mr. Moret added that when we look at these numbers, we should keep in mind that this is kind of the cumulative number of initial employment claims plus the baseline. A lot of companies are starting to bring folks back. If you were to look at the actual unemployment rate, it would be better than what we were seeing.

Ms. Morton spoke about how potential job losses vary by region, largely due to differences in industry mix (e.g., % of jobs in the hospitality industry). Looking at trends around rural, agriculture has been hit really hard. It has been hard for people to retool their supplier network to get into sectors that are still operating. We anticipated that Greater Williamsburg would be hit pretty hard with job loss (20.1% - 31.0%). Since seasonal workers hadn't been hired yet, there weren't necessarily job losses, but jobs not attained.

Ms. Chenery brought up the topic of marketing rural areas post-COVID. She wanted to know if we could capitalize on a teleworking movement, where VEDP could work with the Virginia

Tourism Corporation state-wide, locally, etc. We could leverage some of the existing marketing materials for each region, rather than re-creating the wheel. Ms. Chenery also asked, how can this committee help with this? Ms. Chenery added that perhaps we could consider the Virginia Rural Center as another partner in this.

Mr. Moret thought Ms. Chenery's suggestions were good ideas. He would like to come back at our next Board meeting in early August and give the Board a sense of where we think we could go with this.

Post-pandemic Growth Opportunities for Rural Virginia

Mr. Moret shared that he hoped a very large portion of jobs will be restored by as much as 40% - 50% by the end of the calendar year. It could still be two or three years from now that we get fully back to where we were before. There is going to be a gap that we need to close as quickly as we can.

Mr. Moret reported that VEDP envisions four big strategic opportunities for economic restoration:

1. Capture manufacturing reshoring and new supply chain opportunities
2. Accelerate Digital Virginia (cloud computing, software, data centers)
3. Seize telework transition opportunities, with special focus on rural and small metro regions
4. Retool and reskill Virginia's unemployed workforce for post-COVID career opportunities

Mr. Moret mentioned that the population that is likely to have the greatest challenge getting back to work will be the people in the hospitality and retail sectors.

Mr. Clemente asked to speak before the meeting ended. He said that prior to 2016, there wasn't a standing committee for rural Virginia. Mr. Clemente said he was really impressed with how well it has moved forward from 2016 to today. He also mentioned that we are really giving something to rural Virginia that is very important, and it was overlooked for many years.

Adjournment

There being no further business, Chair Harrell adjourned the meeting at 1:03 p.m.

Respectfully submitted,

Christine Bell
Acting Recording Secretary