

Listening Session
Interagency Task Force to Support Economic Development in SWVA
Wednesday, December 7, 2022
2:00 - 4:00 PM
Pennington Gap Community Center

Summary:

12 members of the community attended the 2-hour session hosted by the Town of Pennington Gap. After a welcome by Town Manager Keith Harless, DHCD's Matt Weaver gave a brief overview of the project. The introductions included a collective listing of specific barriers to economic development in Lee County. The introductions took about 30 minutes, but resulted in a pretty comprehensive litany of specific examples in the four focus areas. "They are right on," one participant said of the focus areas.

Many of the questions listed in the process were already touched on by the time the group got to the deeper dive. There were points where it may have felt a little repetitive and the energy dropped accordingly.

Major Themes:

Sewer was immediately identified as a limiting factor for housing development and site readiness.

Specifically, much attention was placed on the western side of the county as an opportunity area to relieve student housing pressures, maximize the tourism potential of the state and national park, and attract original equipment manufacturers in the supply chain of the automotive industry in Tennessee and Kentucky. There are no significant housing projects underway in the county.

Industry attraction limiters include lack of site readiness, quality of K12 facilities and limited K12 programs in relation to surrounding states. Meanwhile small business development in a rural setting suffers from both the requirements of infrastructure standards developed for denser environments and limited grant and incentive opportunities. VECEDA's Seed Grant Funding is a bright spot.

Workforce limiters include a lack of full-person support for those in recovery, although a bright spot project under development in Dickenson County based on a Kentucky project was identified. Additionally trades and technical programs offered at the community college suffer from the non-technical requirements of certification, even if a student gets a placement earned through their studies. Shortages of trades and construction talent threaten advancements in housing and business readiness.

Organizations Attending:

Appalachian Voices, Keokee residents, Ewing residents, Whistlepig Country Store, Friends of SWVA, Pennington Partners, Pennington Gap residents, Clinch Coalition, VECEDA, Town of Pennington Gap, Lee County.

Public Comment

1. Introduction

What a barrier to economic development looks like here. Give one example in any of the factor areas (workforce, housing, infrastructure, sites/business readiness). You can be as specific or as general as you want. We're looking for high-level here - sum it up in a sentence. Extra credit question...Current strategy if you're working one.

- Water infrastructure is more plentiful than sewer. It is hard to get the funding for sewer. Starting a commercial development without public sewer is a major challenge
- Quality and affordable housing is a need
- The veterinary school has driven up housing costs in western portion of Lee County, primarily rental units - adding 100 additional students in 2023.
- Housing cost has more than doubled in recent years.
- Infrastructure and housing go hand in hand.
- There is a need for housing opportunities for middle-wage workers also. There needs to be reinvestment in the existing housing stock.
- Private landfills detract from tourism and environmental assets, it is an obstacle to housing and infrastructure development. Government policies create this problem.
- The region has opportunities for additional tourism marketing and attraction.
- Limited buildings and sites in the VCEDA region hurts business attraction efforts.
- There are opportunities for Lee County to capitalize on proximity to automotive industries in neighboring states.
- VEDP's is working to market large sites and there is a need to also market smaller sites in SWVA. The region has opportunities in original equipment manufacturing (OEM).
- The region needs housing to attract larger economic development projects.
- There are great roads within the region.
- Younger people are leaving and this reduces the workforce.
- Opioid settlement funding should provide concrete actions and services for people to participate in the recovery services.
- This process needs transparency. We needs to include the community members and those directly impacted by potential reports.
- Starter homes are a need.
- Childcare is lacking. This is a deterrent for those potentially moving into the county as well as parents trying to remain in the workforce.
- We should identify resources to connect community members and build staying power.
- There are infrastructure rules that are not effective for rural areas without sewer. I can be a challenge working with the multiple agencies required to develop the infrastructure project.
- The state's requirement for contractors limits project readiness. This problem would be solved with reduced classification requirements.
- A barrier to economic development is aging infrastructure. We face challenges updating and maintaining these properties for potential future commercial growth.
- Cellular infrastructure and the limited coverage area is an obstacle.
- Student housing prices are out-pricing local residents. The growth of the veterinary school will increase the demand for housing units.

- Boones Ridge housing development in KY on abandoned strip mine is an example of the development we needs.
- Would like to see local partners invest in the community rather than corporate investors.
- Actions needs to attract housing developers. We need to provide potential project opportunities.
- Need for more community involvement in these processes.
- Downtown revitalization in Jonesville is needed.

2. **Infrastructure**

What untapped infrastructure do you see as an opportunity for economic development in the region?

- State and National park infrastructure is needed. These areas are limited in what activities and amenities can be offered because they do not have sewer systems.
- Tourism programs and development could be increased to draw state and national park visitors into the communities.
- There is a limited number of restaurants and hotels for visitors. Sewer capacity is often the main barrier.
- There are cultural heritage education opportunities because the area has many Appalachian cultural assets. These opportunities can be targeted specifically to students.

What aligned investments would put that infrastructure to work creating jobs and boosting the economy?

- Most state and federal grant opportunities are for larger development or projects and they are very limited or non-existent for small business development. Small businesses can support as many employees as the large industries and can be more resilient over time.
- More funding for small business developments because they are the backbone of the community. An example is the seed capital program at VCEDA.
- Grant programs are often too involved and onerous to complete for small businesses – businesses need someone that knows the process and speaks the program language
- We can work to identify who within the county is asking for grant money and how to best educate them on funding availability.

How else is infrastructure restricting investments?

- Lack of internet, transportation, wastewater, etc...
- Cellular coverage can be an obstacle – it is a safety issue at some tourism attractions.
- School system educational offerings may not match surrounding states.
- Schools are offering virtual educational classes due to staff shortages.
- Region should increase utilization of vocational and technical education and prepare the school system for potential future growth

3. **Housing**

In what instances has a lack of housing products constrained economic or industrial attraction?

- Building code officials are trained for statewide codes which are not always applicable for rural areas - often local issues are not in-line with state training and enforcement.

What specific populations are in need of additional housing options?

- Students, young families, workforce housing.
- More opportunities for in-home eldercare.
- Affordable housing- Due to lack of affordable options, there are concerns with residents inhabiting homes that do not meet state building code.
- Programs to assist with housing rehabilitation are not plentiful or widely known.
- The region has opportunities for short term rental housing.

What housing success has the area seen recently?

- A request to create a pilot project for a public/private partnership to develop comprehensive housing - Public funds was used to put in the infrastructure to offset the developers' costs for housing development.

4. Sites/Business Readiness

What factors limit the development of available sites?

- Road access into industrial areas can be challenging and a barrier to site development – VDOT's regulatory process limits development of roads.
- The area needs additional power stations and power capacities
- Industry recruitment
- Electrification and energy storage industry requirements
- There are vertical farming opportunities on available sites.

What limits the interest of site selectors and industry in the region?

- Large absentee organizations holding larger percentage of land in SWVA

5. Workforce

How stable is the labor force? – Do you see it growing or shrinking?

- Not stable - utilization of government subsistence funding creates challenges with attracting workforce
- Rural areas have limited workforce inherently compared to urbanized areas, especially with increasing numbers of retirees.
- The proximity to job locations has created/evolved a more mobile workforce.
- Water and sewer operators are challenging to find. Also hard to fill technical trades positions.
- Having targeted industries for technical training programs is critical to grow these jobs and industries.
- Shrinking workforces is apparent from the US Census data showing declining population.
- Community Colleges do a good job with technical trainings but often the trainees leave the programs early for a paying job with industries that need workers.
- There should be incentives for technical skill achievement once hired by company/industry.
- Availability of land in eastern portion of Lee County is limited - land prices are increasing due to increased purchase prices from out-of-state buyers.
- The quiet peaceful beauty of the area is an attraction for out-of-state families

Businesses, where do you recruit from? What specific skills, certifications, or backgrounds are you looking for?

- Teachers are interacting with businesses and learning what is applicable for current trends/needs.
- United Way is an example.
- Remote education limits student knowledge of available careers or jobs.
- Travel time limits the time for programming.
- Looking for skills in solar, welding, IT.
- Look for a workforce that wants management responsibilities.

What level of success do you have?

- Turning opioid recovery programs into workforce possibilities in Dickenson County.
- Attracting out-of-state attention due to beauty and quietness of the area.

If you know anyone struggling to find employment, what barriers do you see preventing their success?

- The county is looking for building trades positions – it is in the beginning phases but the last effort took over 1 year

What potential investments have we not asked about that are critical for a strong economy in SWVA?

- The area needs competitive healthcare.
- The regions needs school infrastructure - physical investments to improve heating sources and conditions.