

## **Executive Order No. 1 (2010)**

### **Establishing the Chief Job Creation Officer and the Governor's Economic Development and Job Creation Commission**

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#### **Importance of the Issue**

Economic opportunity and free enterprise is the bedrock of a stable and prosperous Commonwealth. Virginia is home to abundant resources, fiscal responsibility and boundless human potential, and the entrepreneurial spirit is evident throughout this great Commonwealth. However, in light of the unprecedented economic difficulties facing Virginia families and business, the unacceptable high unemployment rate, and the ever increasing competitiveness of the global economy, bold and innovative ideas are necessary for the Commonwealth to address this significant challenge. The following measures are the first crucial steps to promoting economic recovery and job creation in Virginia.

#### **Governor's Economic Development and Job Creation Commission**

In furtherance of my commitment to economic development and job creation in the Commonwealth, and by virtue of the authority vested in me as Governor under Article V of the Constitution of Virginia and under the laws of the Commonwealth, including but not limited to Section 2.2-134 of the *Code of Virginia*, and subject to my continuing and ultimate authority and responsibility to act in such matters, I hereby establish the Governor's Economic Development and Job Creation Commission ("Commission") and direct it to begin work immediately.

The Lieutenant Governor, as the Chief Job Creation Officer, shall serve as Co-Chairman of the Commission along with a senior level advisor appointed by the Governor. The Commission shall include the Secretaries of Commerce and Trade, Agriculture and Forestry, Natural Resources, Transportation, Technology, Finance, Education and Administration, or their designees. The Commission shall also include up to 50 citizens of Virginia representing a cross segment of industry and business sectors, including small and rural businesses. All agencies, as deemed necessary by the Chief Job Creation Officer, shall participate and provide assistance as requested. In addition, I reserve the authority to designate any other such citizens as I deem appropriate to sit on the Commission.

The Commission shall have the following responsibilities:

1. Identify impediments to and opportunities for job creation;
2. Review how other states and foreign countries are attracting jobs and how Virginia could replicate and improve upon those initiatives;
3. Review the agencies' role in job creation and make recommendations on how those efforts can be better coordinated to ensure unparalleled efficiency and effectiveness;

4. Make recommendations on new investments and changes to the tax and regulatory environment in the Commonwealth to maintain and increase the Commonwealth's standing as the best place to do business in the United State of America; and
5. Evaluate the current programs and investments designed to develop the workforce and attract and retain businesses in Virginia, and make recommendations on their effectiveness and need for improvement.
6. Assist the Cabinet and the Virginia Economic Development Partnership to identify and target industries and businesses to recruit to Virginia.

The Commission shall be organized into the following subcommittees reflecting key economic development priorities for the Commonwealth:

1. Business recruitment and retention
2. **Economically challenged regions and localities [boldface added]**
3. Energy research, exploration and production
4. Small business
5. Tourism and film marketing
6. Real estate and construction

The Commission shall coordinate its efforts with the Office of Education, Virginia's institutions of higher education and relevant Governor's commissions and task forces addressing workforce development and training.

## Virginia First Cities Coalition Response

Concentrations of poverty and unemployment in core cities and adjacent urban areas are often beyond the control of these communities. It exists because cities are where affordable housing is clustered, where public transit permits access to essential goods and services, and where public hospitals provide access to health care. New and higher paying employment opportunities tend to occur outside the core urban areas.

- According to Virginia Employment Commission data, VFC localities unemployment rate is almost two percentage points higher than the statewide average and there are more unemployed in the 14 VFC localities than all 41 southside and southwest Virginia localities combined.

Virginia First Cities	March 2010 VEC Data			
	Civilian Labor Force	Employment	Unemployment	Unemployment Rate (%)
Charlottesville	22,190	20,576	1,614	7.3%
Hampton	69,690	63,647	6,043	8.7%
Harrisonburg	23,820	21,909	1,911	8.0%
Hopewell	10,790	9,603	1,187	11.0%
Lynchburg	35,069	32,026	3,043	8.7%
Martinsville	6,156	4,800	1,356	22.0%
Newport News	90,085	82,176	7,909	8.8%
Norfolk	101,656	92,157	9,499	9.3%
Petersburg	14,618	12,693	1,925	13.2%
Portsmouth	47,038	42,549	4,489	9.5%
Richmond	102,546	91,655	10,891	10.6%
Roanoke	47,382	42,816	4,566	9.6%
Staunton	11,856	10,851	1,005	8.5%
Winchester	<u>13,932</u>	<u>12,869</u>	<u>1,063</u>	<u>7.6%</u>
<b>Total VFC</b>	<b>596,828</b>	<b>540,327</b>	<b>56,501</b>	<b>9.5%</b>
<b>Statewide</b>	<b>4,181,700</b>	<b>3,863,901</b>	<b>317,799</b>	<b>7.6%</b>
<b>VFC % of Statewide</b>	<b>14.3%</b>	<b>14.0%</b>	<b>17.8%</b>	

**The Virginia First Cities coalition promotes a targeted set of state initiatives to strengthen employment opportunities in our core urban areas:**

- 1) Concentrate on increasing high school graduation rates. Improving access to early childhood education, school readiness, enhanced early reading and increased rigor in middle and high school curricula to help urban students perform and graduate at levels comparable to suburban students. *See a nationwide Annie E. Casey study that links third grade reading proficiency to graduation rates, jobs and workforce skills*  
<http://datacenter.kidscount.org/reports/readingmatters.aspx>
- 2) Expand higher education and community college institutions as job creation centers. Focus more funding on workforce training by expanding community college efforts toward low-income and re-entry adult programs.
- 3) Increase state revenue for critical transportation infrastructure improvements. Prioritize urban transportation infrastructure to maximize efficient use of available funding.
- 4) Expand funding for business incubators.
- 5) Fully fund the state's enterprise zone initiative.
- 6) Expand incentives for small business job creation.
- 7) Provide technical and financial assistance with the assessment and redevelopment of brownfield sites. *See 2010 DEQ study on economic benefits of brownfield redevelopment.*
- 8) Prioritize urban economic development in VEDP. Specifically target Governor's Opportunity funds to core urban areas.
- 9) Increase business incentives for clean and renewable energy initiatives.
- 10) Expand state support for significant transit improvements. Transit improvements should provide the impetus for next generation development in Virginia's urban areas. Combining economic development and public transportation toward revitalization would address many urban problems in a coordinated manner more effectively than relying on an ad hoc pattern of new development.
- 11) Strengthen regional cooperation initiatives. Understand that regional cooperation is critical to competing in the world today. Removing barriers to revenue sharing among localities to encourage joint development of infrastructure, sites, and facilities. Provide meaningful incentives to programs that address economic development needs and issues on a regional, rather than local basis. Look for ways to promote regionalism, such as the regional jails model. Some areas have maintained regional economic development agencies but many localities still focus on their own economic development offices which compete against each other rather than promote the region to a global audience.