

# WEST VIRGINIA LEGISLATURE

## JOINT COMMISSION ON ECONOMIC DEVELOPMENT



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Delegate Poling, M.  
Delegate Sponaugle  
Delegate Walters  
Delegate White (Non-voting)

### **Committee's Final Report for Interim Meetings, 2014-2015**

The West Virginia Legislative Joint Commission on Economic Development met each month, except July 2014, during the interim period beginning in May 2014 and ending in January 2015, to discuss and study topics relating to issues and ideas involving economic development within West Virginia. The topics assigned to the committee by the Joint Committee on Government and Finance were as follows:

- SCR81 - Requesting Joint Committee on Government and Finance study craft beer business; and
- SCR84 - Requesting Joint Committee on Government and Finance study implementation of advertising program to promote tourism.

### **Promotion of the Craft Beer Brewery Industry in West Virginia**

The Commission began its study of the craft beer business in West Virginia with presentations from two members of the West Virginia Craft Brewers' Guild: Lincoln Wilkins, proprietor of Blackwater Brewing Company in Davis, West Virginia, and Brian Arnett, President of the Guild and co-founder of Mountain State Brewing Company in Thomas, West Virginia. These gentlemen explained the procedural and financial barriers to starting a craft brewing business and,



on behalf of the guild, presented a list of five areas in which they believed that changes could be made to foster the growth of such businesses in this state.

The Commission also received comments from, and presented questions to, Anoop Bhasin, general counsel to the Alcohol Beverage Control Authority, and Phil Reale, representative of the West Virginia Beer and Wine Wholesalers' Association in response to the presentations from the Craft Brewers' Guild.

At subsequent meetings of the Commission, counsel for the Commission presented a draft bill for discussion written to implement the following measures requested by the Craft Brewers' Guild:

- Restructuring brewery licensing fees based upon the estimated volume of production from the brewery;
- Permitting brewers to offer complimentary samples for tasting at their production facilities;
- Providing a single point of contact to streamline the license, brand and label application process; and
- Permitting brewers and brewpubs to sell growlers (refillable, larger-volume bottles or cans) for off-premises consumption.

The bill draft did not address another issue identified by the Guild - the requirement for, and cost of, bonds to secure the licensees' tax liability - because this requirement involves a broader issue of tax policy across many industries and professions.

Due to changes in the legislative membership at the end of the interim period, the Commission was not able to vote upon the draft bill as a formal recommendation of the Commission, but the draft will be made available to the Commission members to sponsor individually.

### **Advertising Research and Initiatives to Promote Tourism**

The Commission received a two-part presentation from Amy Shuler Goodwin, Deputy Secretary of the Department of Commerce and Commissioner of the Division of Tourism, who explained the results of a survey of visitors to the state, including a statistical analysis of areas visited, duration of visit, and amounts of money spent, as well as a discussion of the impressions of the visitors and the types of activities they pursued. Ms. Goodwin also outlined the objectives of a more directed study that was prepared by her division and was scheduled for deployment in the 2015 calendar year.

In a related presentation, Ms. Goodwin discussed the impact of social media on tourism in general and with particular respect to West Virginia. She explained how population changes and how activity preferences are evolving and the way that these changes are occurring through the use of social media. Ms. Goodwin then explained the many improvements her division has made in the presence of West Virginia in social media and the upcoming campaign to promote West Virginia as a tourism destination.



In a joint meeting with the Parks, Recreation and Natural Resources Subcommittee, the Joint Commission on Economic Development also heard from Dave Arnold and Rick Johnson, operators of two of the state's largest whitewater and adventure tourism companies. These gentlemen discussed the decline of this business within the state in the last decade and illustrated their comments with comparisons to promotional efforts made by tourism agencies in other states. They urged the Commission and the Division of Tourism to invest more money in direct advertising promoting the whitewater rafting and adventure tourism opportunities in West Virginia.

### **Additional Study and Consideration**

In the August field programs, the Commission visited the MarkWest Energy natural gas processing facility at Sherwood, West Virginia. There the members of the Commission, along with members of the Joint Committee on Labor and Worker Safety Issues, toured the processing facilities and received information concerning the process of cleaning the raw natural gas produced in the area, the substantial economic investment being made by the company, the challenges of pipeline construction and bringing the natural gas to market, and the amount of training required and the benefits for the workforce in this field.

The Commission also toured the Charles Pointe and White Oak regions in the Bridgeport area to see the degree of development and to learn the practical benefits of Tax Increment Finance districts in this state.

The Commission also heard from Carl Hadsell, Managing Director of the Center for Entrepreneurial Studies and Development, Inc., who reported on the Small Business, Entrepreneurship and Economic Development Listening Tour, program in which members of the House of Delegates attended public meetings around the state to take comments and hear ideas from the proprietors of West Virginia businesses. Mr. Hadsell summarized the extent of the program and some of the notable input this program has received about promotion of business in the state.

James L. Skidmore, Chancellor of the WV Council for Community and Technical College Education, and Charlie Burd, Executive Director of the Independent Oil and Gas Association of West Virginia, addressed the Commission to describe the specialized training that is being offered within the community and technical system to provide a skilled and knowledgeable workforce for oil and gas production in West Virginia.

## **Recommendations**

Your Joint Commission on Economic Development recommends that the Legislature continue to monitor these study topics throughout the 2015 Regular Session, and consider any introduced legislation addressing the issues discussed during these Interims.

Respectfully Submitted,



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Senator Bob Williams  
Senate Chair