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A Report from Rural Retreat

Andy Kegley

Just where [the name Rural Retreat] came from is uncertain; however, it was not named in connection with a retreat for soldiers from any war.

--Mary B. Kegley, *Glimpses of Wythe County*

Look at a road map of Virginia. Off to the west, beyond the Blue Ridge, and south, beyond Roanoke, the state "pulls in its belt" until barely 50 miles separate West Virginia from North Carolina. In this area--specifically in Wythe County--the path of Interstate-81 intersects Interstate-77, forming one of only five such intersections in the state.

What does this interstate junction have to do with Rural Retreat and the other communities of Wythe County? One answer is obvious: Commerce and economic development have historically gravitated to centers of transportation, and such a pattern has been seen in the evolution of communities along and around the I-81 and I-77 corridors in southwest Virginia. In fact, as the world of the late 20th century resembles ever more a type of global intersection and marketplace, Wythe is to some extent a microcosm of a rural, service-sector economy and culture.

Beyond this obvious relationship, however, Wythe faces more difficult questions about how its proximity to transportation corridors, its history, and other factors will combine to determine the county's future,

even as many in the community cling to the past way of doing things. The historic Wilderness Road provides an instructive contrast: In Wythe, one sees both the road visibly etched into the landscape from wagon travel two centuries ago, and the road's name in the neon lights of a modern truckstop. These reminders of the Wilderness Road symbolize both Wythe's past and its potential future direction.

In the early days of Wythe's settlement, agriculture was the driving force. For example, the community around Rural Retreat, in the western portion of the county, was once famous for cabbage production, even claiming the title as Cabbage Capital of the World at one point, with over 2000 acres in production in the mid-1920s. Mining for lead, zinc, and lime was also a significant contributor to Wythe's economy. Today, mining in Wythe is almost gone, but agriculture persists, with the county maintaining a high ranking in number of dairy cattle and production in the state.

But travellers and outside income also have been important to the local economy since the county was chartered in 1790, and especially since the dawning of the automobile era. The county has tried to market itself variously as the headquarters of the Great Lakes to Florida Highway Association, the Crossroads of the Southwest, and, now, the Center of Progress. Dozens of pre-interstate relics--places where travelers and emigrants ate, gassed up, or bedded down--still line U.S. Route 52, the precursor to I-77, and U.S. Route 11, which I-81 follows.

Today's local economy and planning is still adjusting for the transition from travellers *having* to

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come down Main Street (Rt. 11), to locals *trying* to lure travelers and their money off the interstate for gas, food, or lodging. This adjustment has been the center of a broad debate over developing of the community from within versus marketing the county as a base for future industrial growth and expansion. Adding tension to the discussion are the nation's economic problems and Wythe's recent lack of population growth (see Table 1 on page 3).

The Role of Local Government

In the debate over Wythe's future, the county government's role has been ebbing and flowing with the latest trends. On one hand, land use-value assessment is encouraged, and, in fact, nearly one-half of the open acreage in the county is signed up (excluding the 20% within the Jefferson National Forest). In 1991, use-value assessment resulted in approximately \$250,000 in lost tax revenues. On the other hand, attempts over the past decade to institute county-wide zoning--the dreaded "z" word--have gone down to flaming defeats, due to a combination of citizens' aversion to government control, a lack of a perceived land-use threat, and poor communication on local government's part. Now, however, growth seems imminent here, and a potential private solid-waste landfill has created the perception, at least, of a land-use threat. In response, support is building for a more flexible county-wide plan, or alternatively, a zoning plan for the area along the interstate corridor.

Besides in its land-use policies, local government makes an impact--and causes considerable debate--by its discretionary spending for items identified as either community development (water, sewer, recreation, and other basic infrastructure needs) or industrial development. Local real and personal property taxes must support not only pre-existing programs--schooling and the like--but also new federal and state mandates (for example, landfill requirements), often without any additional funds. A very real socio-economic drama unfolds every budget time, when a shrinking amount of local discretionary funds must be debated among local office-holders.

In Wythe, such discretionary spending is only a few hundred thousand dollars out of a total budget in 1991-92 of over \$29 million. Locally derived revenue, mostly from general property taxes, provides about one-third of that budget. The county fortunately has adopted both a meals tax and a lodging tax, which together generate \$250,000 annually. Compare that, however, to Wytheville, where most of the restaurants

and motels are located: the town generates over \$1 million from the meals and lodging tax and boasts of not having had to raise the real estate tax rate for over ten years. Needless to say, the difference in town and county budgets and responsibilities is a source of some envy on the part of the county. To the credit of Wythe's three governing bodies, though, a joint, quarterly meeting is held, where mutual problems are aired and resolved. We are told that this cooperative gesture is practically unique in Virginia.

Limits to discretionary money make it difficult for the county to allocate funds for either industrial or community development. With the downturn in the economy affecting Wythe--e.g., layoffs recently announced by the county's largest manufacturer drove the unemployment rate to over 11 percent in March, 1992--any government spending that does not produce immediate results becomes fair game for both taxpayers and elected officials. Such has been the case with industrial recruitment, coordinated in Wythe by the Joint Industrial Development Authority (IDA), with a 1991-92 budget of \$145,000 (five dollars per resident). As with any local-government marketing organization, the promise of our IDA is for a long-term, rather than short-term, payback. We're told we're in a marathon, and that the small dollars invested today will reap huge returns later.

But public patience with industrial recruitment is wearing thin. Nowhere is the frustration greater than with the speculative shell building erected in the Fairview Industrial Park in Wytheville. The 64,000-square-foot, million-dollar-plus building sits empty, as do over 300 similar facilities between Virginia and Georgia. (According to an industrial real estate agent assisting with the sale of the Fairview building, only seven similar buildings were sold throughout the southeast in the past two years, all in 1990.) Taken collectively, these buildings tie up enormous sums of public capital, at the same time that needed investment in other infrastructure and in human services is declining.

To be sure, though, Wythe *has* had some recent successes. Within the Fairview Industrial Park, a major factory opened in 1991, employing over 150, and several existing businesses and small manufacturers also have relocated there. Elsewhere, a major recreational facility has been constructed, and there is talk of a joint public/private child care partnership.

Please see Kegley, cont., page 3

Profile of Wythe County

Kegley, cont.

Wythe County was organized from Montgomery County in 1790. The county, and its county seat Wytheville, were named for George Wythe, a prominent 18th-century jurist and law professor, and a signer of the Declaration of Independence. A medium-sized county with a small population (see Table 1), the county includes two incorporated towns: Wytheville, first established in 1792 and incorporated in 1839; and Rural Retreat, location of a post office since 1833, and incorporated as a town in 1911.

The county is located in the Valley and Ridge physiographic region of Virginia, with an average elevation of 2,350 feet (723 meters). A large area in northwestern Wythe County lies in the Jefferson National Forest, while the southernmost section is part of the scenic Mt. Rogers National Recreation Area. Of some 297,000 acres in the county, approximately 145,000 acres (49 percent, 1986 figures) are forested, and approximately 143,000 (48 percent, 1989 figures) acres are farmland. As of 1987, the county received over \$23 million from agricultural activities, ranking it 16th among Virginia counties.

Approaches to Economic Development

On opposite ends of Wythe County, one finds contrasting approaches to economic development. In Rural Retreat, a \$30-million investment by the Klockner-Pentaplast of America corporation is under development. This German-based manufacturer of the plastic used in credit cards and compact discs found Rural Retreat with the assistance of the state Department of Economic Development. Amid much state and local fanfare, local folks are proud to have attracted Klockner. Indeed, pride in the town has spilled over to other efforts, including a revitalization project involving a donated caboose placed near the abandoned rail depot, and a housing-rehabilitation project, for which a grant application is pending.

Diagonally across the county, the town of Ivanhoe is making a name for itself with its approach to development. After New Jersey Zinc closed its mines in 1981, Ivanhoe languished for several years. In 1986, upon learning that local government officials were set to sell off, rather than attempt to develop, industrial land there, local citizens organized the Ivanhoe Civic League, which began a remarkable challenge to the traditional way of doing things. Scores of local volunteers, as well as college students from all over the country, are at work in Ivanhoe on various projects, including a recreational area along the New River, a statewide student volunteer coordination group, and a local marketing approach for the town's industrial park and shell building.

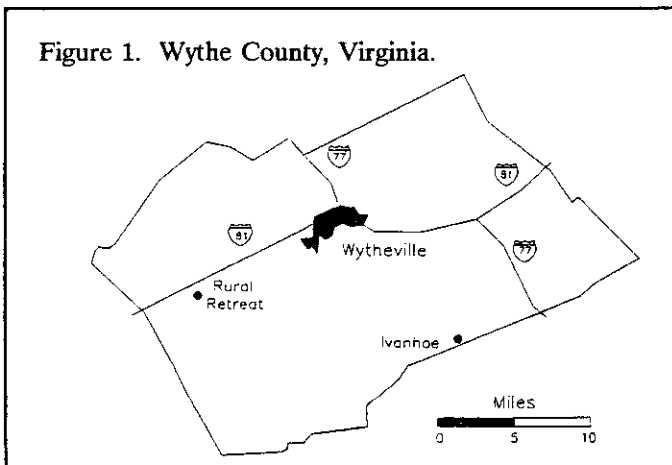
Table 1. U. S. Census Counts for Wythe County, Wytheville, and Rural Retreat, 1960-1990.

Locality	1990	1980	1970	1960
Wythe County	25,466	25,522	22,139	21,975
Wytheville	8,038	7,135	6,069	5,634
Rural Retreat	972	1,083	822	413

According to the 1990 census, Wythe County's population is 96.1 percent white, 3.5 percent black, 0.1 percent American Indian/Eskimo/Aleut, and 0.3 percent Pacific Islander, with 0.2 percent of Hispanic origin (persons of Hispanic origin may be of any race). For comparison, Virginia's overall population make-up is as follows: 77.4 percent white, 18.8 percent black, 0.3 percent American Indian/Eskimo/Aleut, 2.6 percent Pacific Islander, 0.9 percent other races, and 2.6 percent Hispanic origin.

The Ivanhoe Civic League's approach is an example of a "self-development" strategy (see *Horizons*, September/October 1991). Taking an incremental approach to growth, such strategies are relatively inexpensive and typically do not tie up public capital to the extent that industrial marketing can. Existing taxpayers aren't mortgaging their current taxes on debt for projects intended to benefit future residents, nor accepting the promise that future growth will broaden the tax base and more than pay for itself. If capital projects--say, water, sewer, parks, housing rehabilitation, or schools--are necessary, then existing residents stand to enjoy the benefits of their tax dollars producing results.

Figure 1. Wythe County, Virginia.



Here in Wythe, through Community Development Block Grants, other state and federal grants and low-interest loans for economic development, and through general revenue pledges and accumulated public reserves, over \$16 million has been committed for recent capital projects, both community- and industry-oriented. Pending block-grant applications target water-line work for the county, water and sewer work for Wytheville, and the previously mentioned housing-rehabilitation project in Rural Retreat. This type of

investment is providing current benefits for citizens, as well as a base for future growth.

Conclusion

Proponents of the community self-development approach are today's version of the early "rugged individualist," who raise a sensible question--why should one's property be taxed for the benefit of an ideal at some indeterminate point in the future? On the other hand are the civic boosters, the latter day road builders who brought to Wythe their vision of what modern transportation, and now modern industry, can mean for county residents. Somewhere in between are those who must decide how to allocate finite resources with both the short-term and the long-term interests of the county in mind.

If one needs any assurance that the clock can't be turned back to the days of cabbage growing or quaint roadside restaurants, follow the road map to Rural Retreat. The bucolic nature of the community is still well preserved, and the name will always be appropriate, but the former home of the original pharmacist Dr. Pepper--for whom the soft drink was allegedly named--is today welcoming the construction of the firm with German roots, and banking at a branch of one of the nation's largest bank corporations. The first stoplight, though, is but a twinkle in some road planner's eye.

NOTICES

* Two new REAP Reports on education financing have been published: Report #7, *Paying for Schooling in Virginia: A Citizen's Guide to School Finance*, and *Short-Term Alternatives for Distributing School Aid in Virginia*. Both publications are available free from Extension Distribution, Landsdowne Street, Blacksburg, VA 24061-0512; (703) 231-6192. The publication numbers are, respectively, 448-206/REAP R007 and 448-207/REAP R008.

* The second REAP Policy Paper, *Decisions 1992: Facing the Fiscal Crisis*, has been published and sent to all *Horizons* recipients. For additional copies, request publication 448-302/REAP P002 from Extension Distribution at the address or phone listed above.

* The 21st National Rural Families Conference will be held Sept. 23-25 in Manhattan, Kansas. The 1992 conference will bring together human service professionals to address the theme, "Children, Youth, and Families." For more information, call (800) 432-8222, or write: Division of Continuing Education, Kansas State University, Manhattan, KS, 66506.

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