



VIEWS & VISIONS

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Public Private Partnerships: Tools for Constructing West Virginia's Economic Future

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In addition to commercial brokerage projects, Henley has been involved in a number of public-private development and consulting projects, including Stonewall Resort, the Alan B. Mollohan Innovation and Incubation Center, United Hospital Center, Morgantown Industrial Park, WVU Research Park and more.

Henley is past Chairman of the West Virginia Chamber of Commerce's Economic Development Committee, and was a co-chair for the economic development transition team for former West Virginia Governor Cecil Underwood. He was a founding board member of the Polymer Alliance Zone, previously served on the board of the Chemical Alliance Zone and presently serves on the board of TechConnect West Virginia.

Henley earned a bachelor's degree in business administration from West Virginia University. His professional designations include Certified Commercial Investment Member (CCIM) in the REALTORS® National Marketing Institute and Specialist in Real Estate Securities in the Real Estate Securities and Syndication Institute.

Public Private Partnerships (P3) represent an economic development tool that has evolved considerably in the last 30 years and, with appropriate cooperation among stakeholders, holds promise for continued contributions to economic advancement and general well-being at micro and macro levels. P3s have progressed to encompass a wide range of cooperative efforts that engage public and private resources with specific desired outcomes. Examples range from relatively simple agreements to complex long-term arrangements. Some examples of relatively simple, linear agreements and cooperation include:

- **Outdoor Adventure Tourism** – A simple agreement by the federal government that allows for controlled releases at the Summersville Dam has helped create an entire industry and identity for West Virginia Tourism.
- **Roads to Prosperity** – Public policy and legislative action have enabled design-build and private finance to be used to accelerate much needed road improvements, providing near-term jobs and long-term impact through infrastructure improvement.
- **I-79 Tech Park** – The Alan Mollohan Innovation Center and other development at the Park have been funded through a combination of public and private finance with a goal of hosting tech-based companies that provide services to the FBI center and other federal agencies.
- **Stonewall Resort** – Enabled by one-of-a-kind legislation sponsored by Senator Byrd, Stonewall Resort represents an ongoing partnership with federal, state and private interests with the result being a tourism attraction that has created jobs and economic activity within the framework of agreements and mutual interest among the stakeholders.

- **Broadband Bill** – In 2017, WV House Bill 3093 provided for the creation of groups of people or communities (co-operatives) to come together to finance and provide fast and dependable internet services to communities and businesses otherwise unserved.

The foregoing examples represent relatively straightforward ways and means for public and private resources to combine efforts for positive commercial and societal outcomes. More complex scenarios for public-private cooperation are in progress or being explored and likely represent the most significant opportunities for long-term impact on the economic future of the state. These scenarios involve higher risks, longer-term commitment and often require a non-linear approach. The framework for this type of public-private cooperation can be traced to federal efforts to stimulate collaborative relationships between academia, private sector business and industry, and federally sponsored research. In particular, two legislative actions set the stage:

- **The Bayh-Dole Act** (1980) gave universities the right to own intellectual property developed from federally funded research and, as a result, benefit economically from the commercialization of the created knowledge.
- **The Federal Technology Transfer Act** (1986) creates Cooperative Research and Development Agreements (CRADAs) that allow a private company and a government agency to work together on a project. (Note: Long time West Virginia resident Dr. Bruce Merrifield was the Assistant Secretary of Commerce for Technology in the Reagan Administration and is widely credited as being a key architect of the CRADA legislation.)

West Virginia has a significant range of resources and skill sets that each, by themselves, represent

opportunities in the global marketplace (biometrics; aerospace; energy production, including traditional fossil fuels and new clean technologies; downstream chemical industry products related to natural gas; cybersecurity; commercialization of research, etc.). There is a wide variety of groups that have formed to support business creation, improve infrastructure, train workers, help move research out of the lab and otherwise identify and act on commercialization opportunities. However, and to some degree, each of these laudable efforts are somewhat limited by their geographic, institutional or industry bias or silo. As such, some opportunities that could benefit from cross fertilization have difficulty finding the support needed to advance their product or idea.

Ideas and opportunities for building new businesses, commercializing research, improving processes or totally disrupting existing business models often need a set of specialized assistance that is outside of the founder's core competency. Skills needed to supplement an opportunity can vary widely and include non-core capabilities such as logistics, instrumentation,

production, supply chain, access to complementary science evaluation, data-driven market potential analysis, identification of competitive threats, intellectual property advice, marketing, etc., etc. In other words, the range of support needed to move forward is often ubiquitous. Most small organizations don't know where to go to find such help and some large organizations are determined not to move outside their own walls.

West Virginia is small enough that, through a conscious effort, its resources can be identified and connected in a fashion that enables timely access to identify obstacles and access support for the wide range of challenges faced by a start-up business or efforts to advance a disruptive improvement. As such, creating a nimble set of commercialization and innovation support structures could turn 'small' into 'connected' and 'very competitive.'

One example that could serve to inform a conscious effort was the formation and operation of Technology Ventures Corporation (TVC) in New Mexico. Founded in 1993 and funded by Lockheed

Martin, its mission was to support the formation and expansion of businesses based on technologies invented at publicly supported, science-based research and development institutions. At the time, Lockheed was managing the Sandia National Lab in Albuquerque, and TVC focused on identifying technologies with commercial potential, developing the business case and helping to seek the resources, including the capital necessary for commercialization. Over time, TVC evolved into a due diligence organization and its efforts resulted in the creation of 13,000 jobs and attracted \$1.2 billion in capital to New Mexico start-ups.

The collaboration of West Virginia University, Marshall University, the West Virginia Department of Commerce and others for the West Virginia Forward (WVF) initiative espouses some of the goals for connectivity of resources and support for commercialization that TVC embodied. The experience gained and outcomes achieved by the TVC model could serve as an example for certain goals expressed by the WVF sponsors.

Continued on Page 52





Regional Development in the City of Wheeling and Upper Ohio Valley

Victor R. Greco

(continued from p. 41)

permanent jobs and thousands of construction jobs have been created.

Public Private Partnerships

Through tremendous cooperation from the West Virginia Economic Development Authority, Regional Economic Development Partnership, Brooke-Hancock-Jefferson Metropolitan Planning Commission, Business Development Corporation of the Northern Panhandle and various towns along both sides of the river, many large-scale projects and future development opportunities abound. For instance, Orrick is one of the first Global Operations Centers that opened in Wheeling in 2002. It was the first global insourcing center within a major U.S. law firm. C-Foam, a carbon foam product company, is designed to meet growing demand for ultra-high-performance engineering materials in the military, industrial, aerospace and commercial product markets. Abandoned brownfields sites are now the center of attention for new development.

Higher Education

Though funding has been an enormous challenge, local colleges and universities remain a vital component to garner a path to advanced degrees. West Liberty University, West Virginia Northern Community College, Wheeling Jesuit University and Bethany College all offer valuable opportunities at affordable costs.

My wife and I returned to the Upper Ohio Valley 29 years ago to raise our children and to start a new business. We both grew up in Weirton, went off to school and eventually settled in Baltimore. At the time of our return, the city was marketing a renaissance designed to exploit the history, culture and industrial heritage of this place. Though it has taken time, diligent leadership and a spirited citizenry have brought this concept to fruition. The quality of the neighborhoods, schools, parks and culture built during the good times remain strong. Thus, pride has been restored and a good quality of life has been revived. ♡



Building a Future in West Virginia's Eastern Panhandle

James W. Dailey, II

(continued from p. 33)

In all cases, it is the planning process that affords all parties the time to consider the financial requirements, the growth and expansion potential, phasing stages, infrastructure modifications and every other aspect of a major construction project. As the saying goes, failing to plan is planning to fail.

The Eastern Panhandle, with its expansive topography and abundance of utilities, transportation services, employment opportunities, schools and government services, continues to be the shining example of growth and development for families and businesses in our state. ♡



Redirecting Energy Dollars to Upgrade School Facilities

Jeremy Smith

(continued from p. 45)

four buildings, this equates to an average of \$168,000 per year, per building, in wasted energy. Unfortunately, this is a common problem with new construction, because although energy-efficient design is code-regulated, there is very little incentive to follow the performance of the building after it is constructed and benchmark the energy usage unless a building owner chooses to do that themselves. Although some buildings in the state of West Virginia are performing well, the majority are not benchmarked and not actively managed to meet an energy benchmark metric.

Wrapping It All Up

The space on these pages is not enough to fully explain and discuss this large subject, but I hope I have clearly illustrated how Guaranteed Energy Savings Contracts are beneficial to building owners. When executed properly, it is truly a win-win for all involved by redirecting dollars being sent to the utility company back into the classroom. Furthermore, the mission of helping underfunded school districts and universities is truly rewarding work that my company finds great purpose and pride in executing. ♡



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(continued from p. 39)

Connecting the efforts and capabilities of the full range of active participants, and making sure that silos don't inhibit opportunity, will be a good start. Such efforts are, by nature, long term. As the famed NFL coach Vince Lombardi said, "It's not the will to win, it's the will to prepare to win." ♡