

## **I. INTRODUCTION AND PURPOSE**

### **INTRODUCTION**

The Region 8 Comprehensive Economic Development Strategy is an essential tool for promoting development in the region. The plan describes the resources of the region, identifies areas of need and sets forth goals and strategies to develop the region in an efficient and desirable manner. Without such a tool, development would be haphazard and may not meet the needs and goals of the citizens of the region.

The Region 8 Planning and Development Council has maintained its planning process for over thirty years. During that period, the Council has strived to improve the process. The current process reflects the Council's desire to have a plan that derives from significant input from a broad range of sectors. As always, the Council has attempted to maximize citizen input.

The resulting document should be viewed as a flexible living document and is best viewed as an ongoing process as opposed to a collection of data. The Council expects that the plan will continue to evolve as it moves forward in its effort to foster economic and community progress.

### **PURPOSE**

The Comprehensive Economic Development Strategy/Regional Development Plan/2003 Annual Report is issued to Governor Wise and the United States Economic Development Administration to comply with the Economic Development Administration Act of 1965, as amended, and the West Virginia Regional Planning and Development Act.

## II. THE COUNCIL ORGANIZATION

### A. MISSION, STRUCTURE, AND PROGRAMS

#### 1. MISSION STATEMENT

It is the mission of the Region 8 Planning and Development Council to obtain the maximum level of economic and community development in the Potomac Highlands of West Virginia through development, planning and by assisting local governments and businesses to implement projects and programs.

#### 2. STRUCTURE

The West Virginia Planning and Development Act of 1972 mandates that the State be divided into planning and development regions. The Act also mandates that Regional Councils be formed in each area and that at least fifty-one percent of the Council's membership must be elected officials, i.e., county commissioners or mayors. Additionally, these members may select other persons to serve on the Council, thus permitting input from major sectors of the regional community.

The Region 8 Planning and Development District was formally designated on May 3, 1972, as consisting of the counties of Grant, Hampshire, Hardy, Mineral and Pendleton. The Region 8 Planning and Development Council, which serves as the Region's board of directors, is composed of representatives from the District's five county commissions, twelve municipal governments, and 12 members representing various elements of the private sector. A listing of Council members is provided in Section VII: Documentation.

The Economic Development Administration has designated all Region 8 counties as redevelopment areas. Dates of designation are as follows:

|                  |                   |
|------------------|-------------------|
| Grant County     | May 29, 1967      |
| Hampshire County | January 28, 1966  |
| Hardy County     | December 15, 1969 |
| Mineral County   | November 29, 1967 |
| Pendleton County | February 8, 1966  |

Letters from counties concurring with the CEDS Update are provided in Section VII: Documentation.

During FY 2003 the following changes occurred in the membership of the Regional Council:

- As a result of elections for county commissioner Charles Goldizen replaced Jane Kite Keeling as the Grant County Commission's representative. However, Jane Kite Keeling remained on the Council as a representative for citizen's issues.

Additionally, J. R. Keplinger, has replaced Roger Champ as the Hardy County Commission's representative and Janice LaRue has replaced Jack Bowers as the Mineral County Commission's representative.

- As a result of mayoral elections William Hicks replaced Hoy Shingleton (Romney), Robert Swink replaced Jim Pennington (Elk Garden), and Genevieve Glover replaced Alice Hartman (Franklin). Dwight Lambert replaced the late Doris Marks (Carpendale). Further, Carlton Hillard, Town of Moorefield Councilman has replaced Mayor Larry Snyder. Mrs. Alice Hartman remains on the Council as a representative of Small Business and Economic Development.
- Other changes include the removal of B. F. Mitchell as he no longer resides in the region, removal of Gary Buckbee as he is no longer involved in local government, and the removal of Henderson Wheeler and Kimberly Rolls as minority representatives for lack of attendance. Selena Redman has been appointed as minority representative on the Council.

During FY 2003 the only staff change was the employment of Elizabeth Ruddle as Workforce Investment Board Youth Coordinator after the resignation of Jane Ours. Mrs. Ruddle was employed after the Council conducted a search as required by the Council's personnel policy and affirmative action program.

Table 1 on page 6 provides a listing of the Council's officers and staff.

No significant policy changes occurred during FY 2003.

### 3. PROGRAMS

The Regional Council operates through two divisions - the Region 8 Planning and Development Division and the Potomac Highlands Support Services. The Executive Director manages both divisions. The Potomac Highlands Support Services is responsible for providing human service programs, primarily to senior citizens, in about 20 counties in eastern West Virginia. Programs include an Area Agency on Aging, Senior Community Service Employment Program, Medicaid Waiver Case Management, and the Foster Grandparent Program. The Planning and Development Division serves Grant, Hampshire, Hardy, Mineral and Pendleton Counties and is responsible for promoting economic and community growth. Council programs include economic and community development assistance and planning. However, the Region VII Workforce Investment Board, which serves the nine counties of the eastern panhandle of West Virginia, is administered through the Planning and Development Council Division.

## B. REGIONAL PLANNING PROCESS

The Regional Council has a long history of economic development planning activity and it fully supports the Economic Development Administration's and the West Virginia Development Office's desire to see a more strategic approach to development planning. The Council has recognized the need for a broadly based planning effort; at the same time, the Council has seen difficulties in using large groups for development planning.

The Council felt that the identification of its Executive Committee as its planning committee offered the best means of providing broad input while having a manageable planning group. The Regional Council's Executive Committee has 18 members and approximately 2/3 of the full Council serves on the Committee. Executive Committee members have experience and interest in local government, agriculture, business, health care, the needs of retired persons, the needs of minorities, the needs of disadvantaged persons, banking and law.

The Council held local meetings to broaden planning input. Meetings began in September and ran through October. Planning committee meetings focused on key components of the development plan. The meeting format generally consisted of a review of the past meeting, a review of objective of the current meeting, a brief exercise to identify issues, and a general discussion of issues. Minutes were kept to serve as a base for the planning document. Meetings were held as follows.

Between September 2 and September 9, 2003 meetings were held in Keyser, Romney, and Petersburg to obtain local input into local strengths, weaknesses, opportunities, and threats. The Council invited representatives of local governments, development authorities, water and sewer utilities, housing authorities, planning commissions, chambers of commerce, and agencies serving disadvantage persons to attend. A total of thirty-five persons participated in the meetings. The meeting format was designed to encourage individual participation in identifying and prioritizing issues.

On September 18, 2003 the Region 8 CEDS committee met to review information collected during the first meetings. The committee was presented with summaries of the earlier meetings. The committee then participated in an exercise designed to allow for direct participation in development of planning issues.

Between October 7 and October 9 local meetings were again held in Keyser and Moorefield and again a broad range of individuals were invited to participate. These meetings attempted to identify goals and objectives for the region. Again, attendees were asked to participate in a planning exercise to allow for direct participation in plan development.

On October 23, 2003 the CEDS committee met to review information collected during the second round of meetings. The committee was provided with a summary of information from previous meetings. Additionally, the committee was asked to participate in a planning exercise to allow direct participation in plan development.

In December 2003, the draft development strategy was provided for review by the planning committee.

Minutes of the committee meetings can be found in Section VII: Documentation of the document submitted to EDA and the West Virginia Development Office. Other persons interested in the minutes should contact the Regional Council for copies.

The concepts, analysis, and comments from the committee meetings served as the base for the text written by the Council's Planner, Melissa Earle. Thus, the committee identified the region's opportunities and constraints, proposed its goals and objectives, identified growth centers, and structured the Council's approach to fostering growth. The Planner was assisted by Stacey Heavner, Administrative Assistant, who was responsible for organizing committee meetings and maintaining minutes of the committee meetings. Kenneth Dyche, Executive Director, served as the main facilitator for development meetings.

The draft plan was made available for review by council members, local governments, and development authorities. A special effort was made to obtain comments from the public. A copy of the plan was sent to all libraries with comment forms. Public meetings were held in Petersburg and Keyser to seek comments. All local newspapers carried notices of the plan's availability and of the public meetings. The effort included publishing a form which allowed citizens to note community opportunities, needs and projects. Comments from federal, state and local agencies and the public were used to revise the plan. The revised plan was presented to the Regional Council on January 15, 2004, at which time it was adopted. To meet EDA requirements, County Commissions were given an opportunity to adopt the CEDS as their plan of record.

Simultaneously with the review of the plan, the Regional Council sought projects from agencies and interested persons. All local governments were provided with forms that could be used to identify and update projects. Identified projects were rated by the Council's staff using the rating system approved by the Planning Committee. A draft project list was presented to the Council with scoring information on all projects. The Council reviewed the list and revised it to correct deficiencies and to take into account intangible issues. The approved project list was inserted into the adopted plan. The finalized plan was broadly distributed as a means of establishing a base for the next planning effort.

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REGION 8 PDC OFFICERS

|                               |                   |
|-------------------------------|-------------------|
| Chairman                      | Alice Hartman     |
| 1 <sup>st</sup> Vice Chairman | Harold Hiser      |
| 2 <sup>nd</sup> Vice Chairman | O'Grady Bradfield |
| Treasurer                     | William Bean      |
| Secretary                     | Kelly Hartman     |

REGION 8 PDC STAFF

|                           |                  |
|---------------------------|------------------|
| Executive Director        | Kenneth Dyche    |
| Assistant Director        | Terry Lively     |
| Project Planner           | Melissa Earle    |
| Project Specialist        | Patti Bennett    |
| Project Assistant         | Gloria Pyle      |
| Project Assistant         | Angie Curl       |
| Executive Assistant       | Stacey Heavner   |
| WIB Director              | Don Thorne       |
| WIB Training Specialist   | Robin Shaffer    |
| WIB Youth Coordinator     | Elizabeth Ruddle |
| WIB Fiscal Specialist     | Tammy Judy       |
| WIB Secretary             | Stacy Vance      |
| Wheels Program Director   | Pam Pell         |
| SCSEP Director            | Brenda Humphreys |
| Title 19 Program Director | Karen Howell     |
| FGP Director              | Myra Vance       |
| UPAAA Director            | Scott Gossard    |
| Chief Fiscal Officer      | Martha Landis    |

### III. SITUATION ASSESSMENT - THE AREA AND ITS ECONOMY

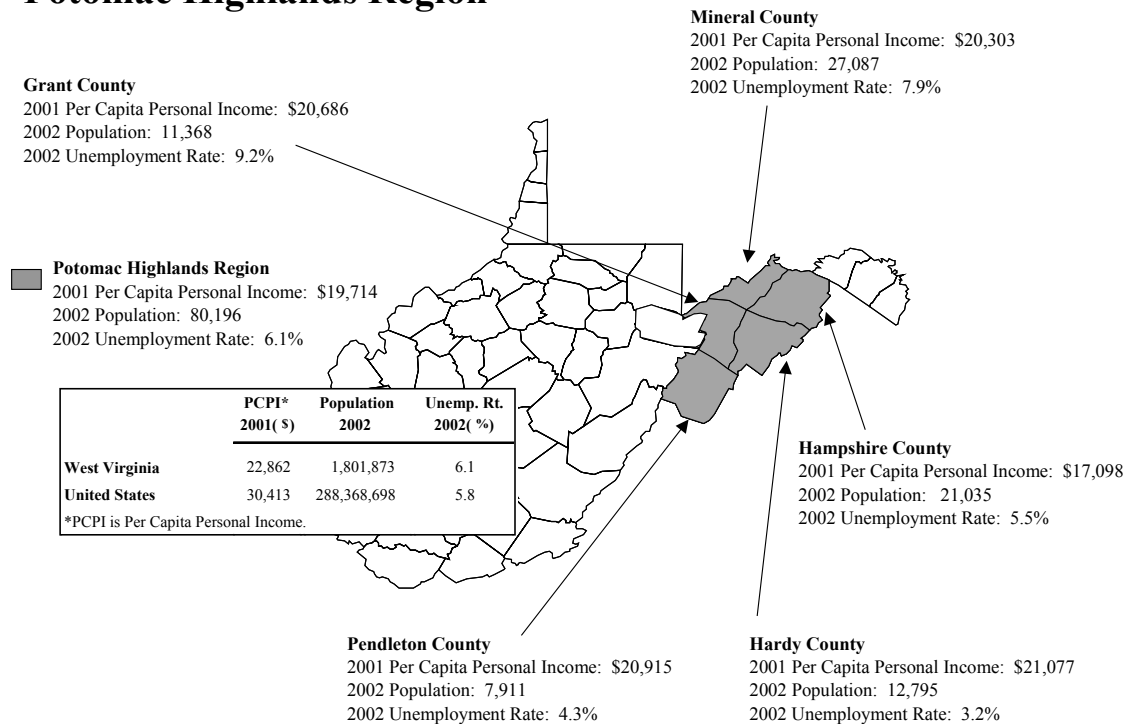
#### A. AREA DEVELOPMENT CHARACTERISTICS AND TRENDS

#### Potomac Highlands Region Outlook<sup>1</sup>

##### Executive Summary

The Potomac Highlands Region largely escaped the impact of the national recession of 2001. The region added 840 jobs in 2001, in contrast to the job losses posted by the state and the nation, and likely followed that up with continued (although slower) growth in 2002. Job gains in the region were distributed across the Potomac Highlands counties (Grant, Hampshire, Hardy, Mineral, and Pendleton). Job gains look to have softened in 2002, as a surge in construction employment in Grant County in 2001 dissipated, and as large manufacturing layoffs hit the region's goods-producing sector. Sustaining job growth in 2002 were continued advances in the service-producing sector, especially services, trade, and government. Slower job gains in 2002 were reflected in an increase in the region's unemployment rate, from 4.6 percent in 2001 to 6.1 percent in 2002.

**Figure 1**  
**Potomac Highlands Region**



<sup>1</sup> The Potomac Highlands region Outlook pages 7 - \_\_ was prepared by the Bureau of Business and Economic Research, College of Business and Economics, West Virginia University as the Potomac Highlands Region Outlook Forecast: 2002-2007, August 2003. Primary funding for the Economic Forecast was provided by the Region 7 Workforce Investment Board additional funding was provided by the Region 8 Planning and Development Council.

The forecast for the Potomac Highlands Region calls for slightly negative job growth early on, with positive job growth resuming after the first year of the forecast. Overall regional job growth is expected to trail the state's rate of job growth. However, the region is forecast to post higher growth than both the U.S. and West Virginia in trade and services. Regional job growth also exceeds state growth in government and transportation, communication, and public utilities. Placing a damper on overall job growth are job losses in the goods producing sectors of mining, manufacturing, and construction. Since most of these job losses take place before 2004, overall job growth picks up during the remaining forecast period.

The region's population is forecast to experience continued growth. Inflation-adjusted per capita personal income growth continues, after a slight downturn early in the forecast period. Overall regional population and income growth is expected to exceed state growth. These results assume the national economy avoids a severe downturn. The forecast figures fall far short of both those projected for the nation and those posted by the Potomac Highlands during the last half of the 1990s.

Risks to the baseline outlook revolve around a sluggish rebound from the uncertainty created by the war with Iraq. The baseline national forecast assumes that consumer and business spending recovers significantly during the last half of 2003, boosting overall growth. With strong increases in federal spending (and tax cuts) and with the Federal Reserve supporting economic growth by keeping short-term interest rates low, the U.S. economy is expected to avoid a double-dip recession in 2003. However, if consumers and businesses do not ramp up spending significantly in late 2003 and into 2004, then U.S. growth will be significantly slower and we could even experience another recession. This scenario would produce slower growth in the region and, if the national downturn is severe enough, could produce a regional recession.

#### The Potomac Highlands Region in Perspective

The Potomac Highlands comprises 2,732 square miles, or 11.3 percent of West Virginia's total land area of 24,228 square miles. Of West Virginia's 1,801,873 residents, 80,196 (4.5 percent) live in the Potomac Highlands. Even though the Potomac Highlands population density was only 29.4, the densities differed between counties. For example, Grant, Hardy, and Pendleton counties have densities below 24 persons per mile. Hampshire and Mineral counties have 32.9 and 83.8 persons per square mile, respectively. West Virginia's 2002 population density was 75 persons per square mile.

The 2000 Census asked residents whether they had lived in the same county and state back in 1995. Only 6.2 percent of Grant County residents had moved to the county from another state. This was below both the national (8.4 percent) and state (8.1) rates of in-migration from other states. However, the remaining counties in the Potomac Highlands exhibited rates of in-migration between 9.6 percent and 12.4 percent. It is likely that the region's proximity to Pennsylvania, Maryland, and Virginia could explain the high levels of in-migration from other states.

Among West Virginia residents in 2000, 25.8 percent claimed to have been born in another state. The counties of the Potomac Highlands were much more likely to have residents that were not born in West Virginia. This figure ranges from 33.1 percent in Grant County to 62.1 percent in Hampshire County. For the U.S. population, 40.0 percent claim they were born outside their current state of residence – with over 12 percent being foreign-born. However, neither the state nor the region has any sizable foreign-born population.

The Potomac Highlands workers tend to have long commutes to work. Among the Potomac Highlands counties, the mean commuting times all exceeded the national mean commuting time of 25.5 minutes. The average commute for residents of Pendleton and Hampshire counties exceeded 35 minutes. Hardy County, with a mean commute time of 26 minutes, was the only county in the Potomac Highlands to have a shorter average commute than the West Virginia average of 26.2 minutes.

About 64 percent of Potomac Highlands employed residents work within their own region. Most of the remaining working residents commute to either Virginia (17 percent) or Maryland (16 percent). Grant County, at 89 percent, has the largest proportion of its employed residents working in the region. Hampshire and Mineral county residents are the most likely to travel outside of the region for work with 49 percent and 47 percent, respectively, commuting elsewhere. While 40 percent of Hampshire County's employed residents work in Virginia, 41 percent of Mineral County's working population travels to jobs in Maryland. Grant, Hardy, and Pendleton County residents are most likely to stay within their own counties to work, with at least 60 percent of each county's employed population working where they live.

Interestingly, only 11 percent of the workers in the Potomac Highlands come from outside the region. So, 89 percent of all the Potomac Highlands jobs belong to the region's residents. Most of the remaining jobs are filled by residents of Maryland, Virginia, and other counties in West Virginia. Mineral County is unique in that only 78 percent of its jobs are filled by residents of the Potomac Highlands. The remaining counties all have at least 90 percent of their respective jobs filled by people from the region. However, there are varying levels of intra-region commuting among counties. For example, Pendleton and Mineral counties both have fewer than 6 percent of their jobs filled both non-county region residents. So, even though 92 percent of Pendleton County's jobs are filled by residents of the Potomac Highlands, 89 percent of those jobs are filled by Pendleton County residents. On the other hand, Hardy County fills 31 percent of its jobs using residents of the other 4 counties in the region.

Public transit is not an important part of the Potomac Highlands transportation infrastructure. Despite 4.7 percent of U.S. residents and 0.8 percent of West Virginians claiming to use some form of public transit to get to work, all five Potomac Highlands counties had public transit usage levels of 0.5 percent or lower. Perhaps to make up for the lack of public transit, commuters in the Potomac Highlands rely more on carpooling as a means to travel to work. In fact, every county in the region had higher rates of carpooling than either the state (12.7 percent) or the nation (12.2 percent). Carpooling rates range from 15.2 percent in Mineral County to 22.9 percent in Hampshire County.

At 75.2 percent, West Virginia has a very high rate of housing that is owner-occupied. In other words, apartment dwelling is far less popular in West Virginia than in other states. In contrast, the national rate of owner-occupied housing is only 66.2 percent. All counties in the Potomac Highlands have owner-occupied housing rates exceeding the state average. Hardy, Grant, and Hampshire counties all have rates above 80 percent. Perhaps one reason for such high rates of owner occupation is the relatively low housing prices both in the Potomac Highlands and in West Virginia in general.

The 2000 Census provides a means of comparing home value figures between counties, states and metropolitan areas. Although Census median home values in all the Potomac Highlands counties exceed the state median home value of \$72,800, no Potomac Highlands county has a median home value that is above \$79,000. These values fall far short of the U.S. median value of \$119,600.

Mobile homes are far more prevalent as a means of shelter in the Potomac Highlands than in the U.S. This could partially explain the region's lower relative housing prices. With rates exceeding West Virginia's 16.9 percent, Hampshire, Hardy, Grant, and Pendleton counties have between 18.6 percent and 22.4 percent of their respective housing as mobile homes.

In addition to home ownership, renting an apartment is also fairly economical in the Potomac Highlands. For example, no county in the Potomac Highlands has a median gross monthly rent that exceeds the state figure of \$401.

Median ages are presented in Table 1. Grant, Mineral, and Pendleton counties all had median ages exceeding the state median age of 38.9 years. Hampshire County was the lone county to have a lower median age than West Virginia.

As Table 1 indicates, four counties had very similar per capita personal income levels, all hovering in the \$20,000 to \$22,000 range, while Hampshire County lingered far behind at \$17,098. Personal income is a broad measure of income flowing to residents within a region. It consists of earnings from work (wages and fringe benefits), asset income (dividends, interest, and rent), and transfer income (Social Security, Medicare, Medicaid, and welfare payments). Per capita personal income is computed by dividing the total personal income of a region by its population.

The Potomac Highlands surpassed West Virginia with respect to per capita personal income growth between 1996 and 2001. With annual per capita personal income growth of 4.3 percent, however, the region's per capita income growth still trailed the income growth posted by Maryland, Virginia, and the nation. Table 1 exhibits nominal personal income, meaning that it is not adjusted for inflation. Since we use the growth rates of nominal per capita income for all states and regions for our comparisons, the inflation adjustment is not necessary.

**Table 1**  
**Potomac Highlands Region Selected Economic Indicators by County**

|                     | Population  |              |            | Per Capita Personal Income |              | Covered Job Growth | Unempl. Rate | Median Household Income | Bachelor's Degree or Higher (Age 25 and up) |
|---------------------|-------------|--------------|------------|----------------------------|--------------|--------------------|--------------|-------------------------|---|
|                     | Census      | Av. An. G.R. | Median Age | Av. An. G.R.               | Av. An. G.R. |                    |              |                         |   |
|                     | 2000        | 1990-2000(%) | 2000       | 2001(\$)                   | 1996-2001(%) | 1996-2001(%)       | 2002(%)      | 2000(\$)                | 2000(%)                                     |
| Grant, W. Va.       | 11,299      | 0.8          | 39.3       | 20,686                     | 4.5          | 0.3                | 9.2          | 28,916                  | 11.4  |
| Hampshire, W.Va.    | 20,203      | 2.0          | 38.5       | 17,098                     | 3.6          | 0.2                | 5.5          | 31,666                  | 11.3  |
| Hardy, W. Va.       | 12,669      | 1.4          | 38.9       | 21,077                     | 4.8          | 2.9                | 3.2          | 31,846                  | 9.4   |
| Mineral, W. Va.     | 27,078      | 0.1          | 39.1       | 20,303                     | 4.6          | 3.7                | 7.9          | 31,149                  | 11.7  |
| Pendleton, W. Va.   | 8,196       | 0.2          | 41.1       | 20,915                     | 4.8          | -4.6               | 4.3          | 30,429                  | 10.8  |
| Potom. High. Region | 79,445      | 0.9          | n/a        | 19,714                     | 4.4          | 1.5                | 6.1          | n/a                     | 11.1  |
| Wash., DC PMSA      | 4,923,153   | 1.5          | 34.9       | 41,754                     | 5.2          | 2.9                | 3.7          | 62,216                  | 41.8  |
| Maryland            | 5,296,486   | 1.0          | 36.0       | 35,279                     | 5.1          | 2.2                | 4.4          | 52,868                  | 31.4  |
| Virginia            | 7,078,515   | 1.4          | 35.7       | 32,338                     | 5.1          | 2.7                | 4.1          | 46,677                  | 29.5  |
| West Virginia       | 1,808,344   | 0.1          | 38.9       | 22,862                     | 4.3          | 0.7                | 6.1          | 29,696                  | 14.8  |
| U.S.                | 281,421,906 | 1.2          | 35.3       | 30,413                     | 4.6          | 2.0                | 5.8          | 41,994                  | 24.4  |

Population data are from the March 2000 Census Release.

Washington D.C. and U.S. resident employment data are from the BLS - labor force data.

Per capita personal income data are from the U.S. Bureau of Economic Analysis.

Median household income and poverty rates are from the U.S. Census Bureau.

Covered Employment data is from Maryland, West Virginia and Virginia LMI, and DC DOES.

Unemployment Rate data are from WVBEF and BLS.

Table 1 also exhibits median household incomes for each county in the Potomac Highlands. Except for Grant County, the remaining counties in the region have median household incomes exceeding that of West Virginia (\$29,696). However, all counties fall far behind the figure of \$41,994 posted by the nation. Median household income differs from per capita personal income by concentrating on income that is available to households, not individuals. Also, household income excludes in-kind payments, like Medicare and Medicaid.

At 6.1 percent, the Potomac Highlands 2002 unemployment rate tied that of West Virginia, but exceeded the national rate of 5.8 percent. Unemployment rates differed markedly within the region. For example, Grant and Mineral counties posted fairly high unemployment rates of 9.2 percent and 7.9 percent, respectively. Impressively, Hardy and Pendleton counties each displayed rates of unemployment of 4.3 percent or below. It is important to note, however, that from 1999 to 2002 Pendleton County's labor force declined. So, the low unemployment rate may not actually signal economic prosperity. It may indicate, instead, that the county's unemployed residents either migrated to another location for work or dropped out of the labor force altogether.

According to Table 1, the Potomac Highlands added jobs at a faster annual rate (1.5 percent) than West Virginia (0.7 percent) between 1996 and 2001. However, the region still trailed the nation's annual job growth rate of 2.0 percent. This fast growth was largely driven by Hardy and Mineral counties, with rates of 2.9 percent and 3.7 percent, respectively. In fact, Mineral County experienced faster job growth than any of the surrounding states. Pendleton County's rapid loss of jobs can be largely attributed to the exit of the Hanover Shoe manufacturing plant and is not a trend across all of its other industries. Annual job growth is discussed in more detail below.

Educational attainment is one area where the Potomac Highlands does not fair very well. As is well known, West Virginia ranks among the bottom of the 50 states and Washington, DC with respect to the percentage of its population that has earned a bachelor's degree or higher. This is important because educational attainment is a major determinant of a worker's potential wages. The Potomac Highlands rate of college educational attainment (11.1 percent) even falls short of the state's level of 14.8 percent. The component counties fall far short, with no county exceeding 12 percent. As the wage gap between college- and high school-educated workers widens, the relative importance of a college degree continues to increase.

High school educational attainment in the Potomac Highlands also falls behind figures posted by other areas. For example, Pendleton, Hampshire, Grant, and Hardy counties each posted high school educational attainment figures of 72.0 percent or below. Mineral County, on the other hand, with 80.3 percent of its residents earning at least a high school diploma, nearly matched the national rate of 80.4 percent.

West Virginia's poverty rate was 17.9 percent in 2000, one of the highest figures in the nation. Although the Potomac Highlands, at 14.5 percent, had a higher poverty rate than the nation (12.4 percent), each respective Highlands county was at least 1.5 percentage points below the state poverty rate. Pendleton County, with an 11.4 percent rate of poverty, was the lone county to dip below the national rate.

### The Industrial Mix in The Potomac Highlands

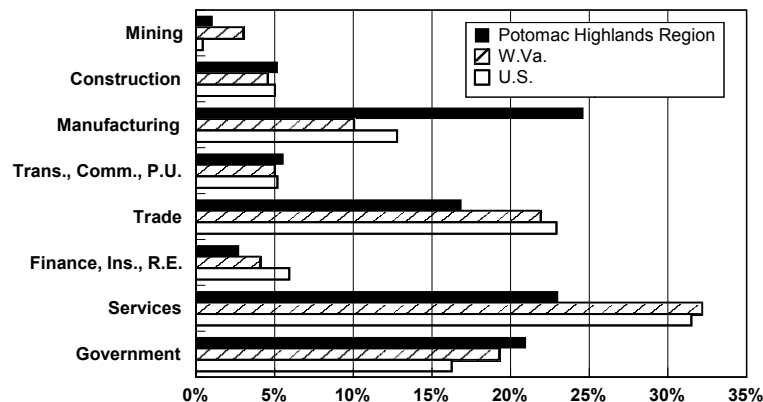
Figure 2 illustrates the share of total employment dedicated to certain industries for the Potomac Highlands, U.S., and West Virginia. With 24.6 percent of its employed residents working in manufacturing in 2002, this sector is the Potomac Highlands most important source of employment. Interestingly, the nation and the state have fewer than 13 percent of their respective working populations employed in manufacturing. While manufacturing composes over 55 percent of Hardy County's employment, no other counties' employment consists of more than 18 percent manufacturing jobs. In fact, of the Potomac Highland's 6,010 residents employed in the manufacturing sector in 2002, 3,500 were from Hardy County. The county's manufacturing employment is heavily concentrated in poultry processing and wood products manufacturing. These two sectors contain the county's 1<sup>st</sup> and 3<sup>rd</sup> largest, and 2<sup>nd</sup> and 6<sup>th</sup> largest employers, respectively.

At 23.0 percent of total employment, the services sector is the second most significant employer of Potomac Highlands residents. This sector includes education, health care, computer programming, call centers, tourism, and legal services, to name a few. However, the importance of this sector is far higher for both the state (32.2 percent) and the nation (31.5 percent). There was a wide degree of variance in the services employment shares across counties. For example, Pendleton County, at 37.0 percent, had a larger share of its employment in this sector than did the U.S. or West Virginia. Grant and Hardy counties, however, each had fewer than 20 percent of their respective residents employed in this industry.

Government is the third most important employer in the Potomac Highlands. Like manufacturing, this sector (with its 21.0 percent share of total employment) is more important to this region than it is for either the state (19.3 percent) or the nation (16.3 percent). Hampshire County employs a far higher proportion of its labor force in government, at 32.7 percent. In contrast, Hardy County only has 10.7 percent employed in this sector. The remaining counties are between 21 percent and 28 percent.

At 22.9 percent, the U.S. employs a larger share of its population in wholesale and retail trade than both West Virginia (21.9 percent) and the Potomac Highlands (16.9 percent). The Potomac Highlands counties, with the exception of Mineral County (a neighbor of the Cumberland MSA), employ far fewer than 20 percent in this sector. This is the Potomac Highlands third most important employer.

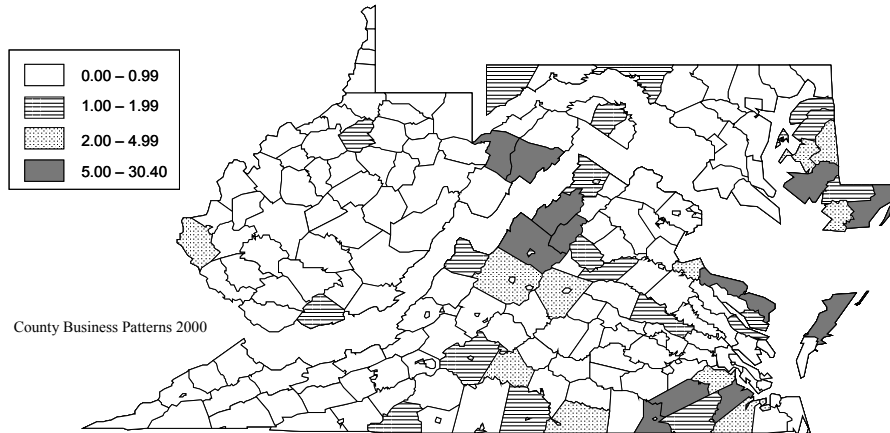
**Figure 2**  
**Potomac Highlands Region**  
**Employment Shares Compared to the State**  
**And Nation for 2002**



As Figure 3 indicates, food-processing jobs, especially poultry processing jobs, are heavily concentrated in Hardy and Grant counties, along with Shenandoah, Rockingham, and Page counties in northern Virginia. While Grant County’s concentration of food processing jobs is almost 18 times that of the U.S., Hardy County’s share is over 26 times the national rate. Hardy County’s largest and third-largest employers in 2002 were both poultry processing firms, Pilgrim’s Pride Corporation and Conagra Poultry, respectively. Grant County’s largest employer in 2002 was Perdue Products, Inc., another poultry processor. However, in October 2002, Perdue closed its Grant County plant resulting in the loss of several hundred jobs. With the release of annual employment estimates for 2003, the plant’s closing will significantly affect Grant County and the Potomac Highlands. The remaining Potomac Highlands counties do not have significant employment in this sector.

**Figure 3**  
**Concentration of Food Processing Jobs (Naics 311)**

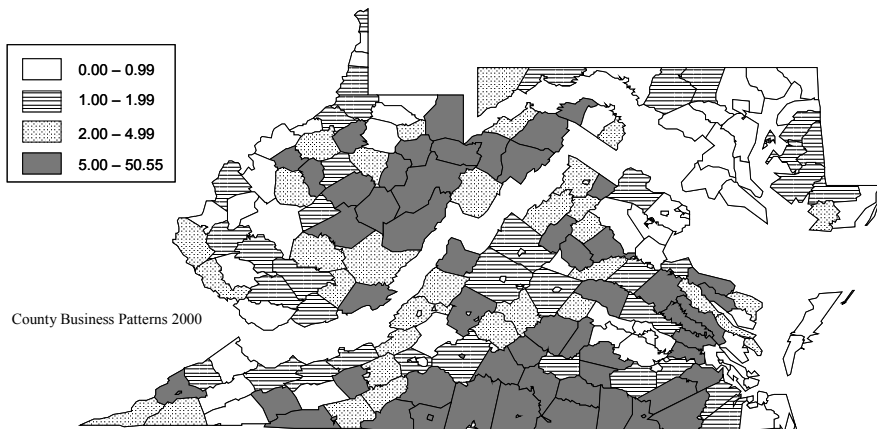
$\frac{\text{Food Processing Share of Jobs Locally}}{\text{Food Processing Share of Jobs Nationally}}$



Another very important manufacturing employment sector in the Potomac Highlands is the wood products industry, which includes forestry and logging operations, sawmills, and manufacturers of such wood products as furniture, veneer, plywood, pallets, flooring, windows, doors, manufactured homes, and mattresses. Figure 4 shows the concentration of wood products jobs based on a comparison with the national concentration in this sector. Again, while Grant County employs almost 11 times the national employment concentration in this sector, Hardy County employs nearly 16 times the national rate. American Woodmark Corporation, Hardy County's second largest employer, and Fertig Cabinet Company, the county's sixth largest employer, are both in this sector.

**Figure 4**  
**Concentration of Wood Products Jobs (Naics 113, 321, & 337)**

$\frac{\text{Wood Products Share of Jobs Locally}}{\text{Wood Products Share of Jobs Nationally}}$



The Potomac Highlands share of employment in finance, insurance, and real estate, at 2.7 percent, is less than one-half that of the nation. It also falls below West Virginia's 4.1 percent employment share in this industry. Hampshire County was the lone county in the region whose sectoral employment share of 4.5 percent exceeded the state's share.

Grant County also has the highest percent of its citizens employed in Transportation, Communications, and Public Utilities, at 10.1 percent, reflecting the presence of the Mount Storm power plant. The remaining counties linger both above and below the Potomac Highlands 5.6 percent employment share in this sector. The state and the nation are around 5 percent.

In 2002, Grant County had 13.8 percent of its residents employed in construction. So, out of 4,350 employed residents, 600 worked in construction. This figure has fluctuated quite radically in the recent past, from 380 in 2000 to 950 in 2001. This likely reflects construction activity at the Mount Storm power plant related to the installation of pollution abatement equipment. The other four counties in the Potomac Highlands employ between one and five percent of their residents in the construction sector. This region, with an employment share of 5.2 percent in this industry, is just slightly lower than both the state and nation.

The share of the Potomac Highlands employment in mining was very small, at only 1.1 percent, similar to the U.S. share of 0.4 percent. However, two counties relied on mining employment to a similar degree as did West Virginia. Grant (3.0 percent) and Pendleton (2.7 percent) counties each hovered near to the state's rate of 3.0 percent. The remaining counties had barely any mining employment.

Finally, although not reflected in the non-farm employment data, agriculture remains an important part of the Potomac Highlands regional economy. Indeed, as a share of total personal income in 2001, farm income accounted for 1.8 percent of the Potomac Highlands region total, compared to 0.03 percent for the state, and 0.5 percent for the nation. Further, according to the 1997 Census of Agriculture, the region accounted for over 52 percent of West Virginia's sales of agricultural products (including both crops and livestock). Poultry sales accounted for most of the agricultural sales in the region and the region was by far the dominant supplier of poultry in the state in 1997.

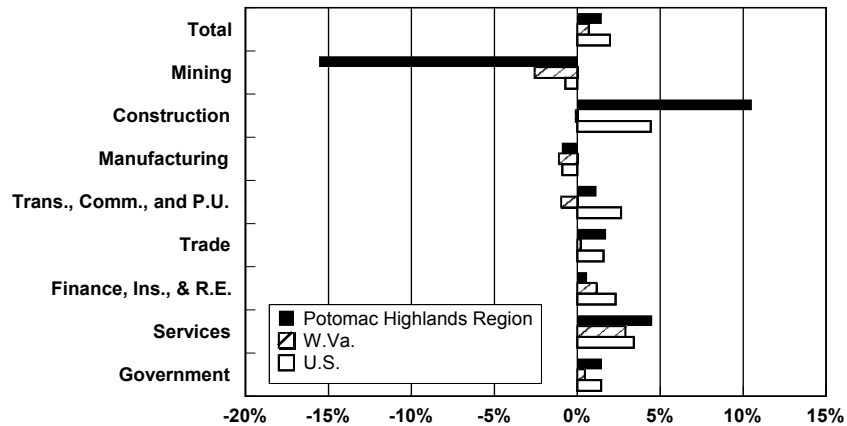
#### Recent Developments

The Potomac Highlands population grew at an average annual rate of 0.9 percent during the 1990s. Despite trailing the U.S. population growth of 1.2 percent annually, the region's population grew far faster than the 0.1 percent annual rate posted by West Virginia. This growth was fueled largely by Hardy and Hampshire counties, who both added population more quickly than did the nation. The three westernmost counties still experienced positive population growth equal to or above that of West Virginia, but slower than the surrounding states and regions.

The Office of Management and Budget recently designated Hampshire County part of the new Winchester Metropolitan Statistical Area (MSA). Other components of this MSA include Winchester City and Frederick County in Virginia. The region also includes part of the Cumberland MSA, which includes Allegany County in Maryland and Mineral County in West Virginia. The MSA designation may be advantageous to the metropolitan area's component counties because it streamlines the process for securing federal infrastructure grants and may increase the area's visibility to firms that are considering relocation or expansion.

Between 1996 and 2001, the Potomac Highlands Region experienced average job growth of 1.5 percent annually. Overall for the U.S., average annual job growth was 2.0 percent. West Virginia lagged behind with 0.7 percent new jobs per year. In fact, the region had higher job growth in construction, trade, government, and services than both the state and the nation. Except for the mining and manufacturing industries, no other sectors experienced negative job growth during that time. Figure 5 shows the level of job growth across various industries for the Potomac Highlands, West Virginia, and the U.S. between 1996 and 2001.

**Figure 5  
Potomac Highlands Region  
Annual Job Growth: 1996-2001**



Each county, with the exception of Pendleton County, experienced positive average annual job growth during this period. Pendleton County lost jobs at an annual rate of 4.4 percent. However, this is mainly due to the closing of the Hanover Shoe manufacturing plant. While Hampshire and Grant counties each had weak growth below 0.6 percent, Mineral and Hardy counties both added jobs far faster than both the state and the nation.

Construction was the Potomac Highlands fastest growing sector between 1996 and 2001, with annual job growth at 10.5 percent, exceeding the sector's national growth of 4.4 percent. This occurred during a time when West Virginia actually lost construction jobs, albeit at a very slow pace. Except for Pendleton County, the remaining four counties in the region all had experienced average annual construction job growth exceeding both the state and nation. Grant County led the way, gaining over 575 construction jobs from 2000 to 2001, with most of those jobs likely driven by the installation of pollution abatement equipment at the Mount Storm power plant.

The second fastest growing industry in the Potomac Highlands between 1996 and 2001 was services, with 4.5 percent annual job growth. The state and nation also experienced high job growth in services, however, they still lagged far behind the Potomac Highlands growth rate. During this five-year period, job gains came from health services, like nursing, personal, and home health care, along with social services, such as job training, child day care, and residential care services. Mineral County saw its services sector increase by 768 jobs between 1996 and 2001. Much of this growth in services jobs can be attributed to the explosion of the county's business services sector, from 71 jobs in 1996 to 629 in 2001. The only the Potomac Highlands county to lose jobs in the services sector was Hampshire County.

The Potomac Highlands saw jobs in its trade sector grow at 1.7 percent annually, compared to national growth of 1.6 percent and state growth of only 0.2 percent. Trade, the region's third fastest growing sector, includes jobs in both wholesale and retail trade. Grant and Hampshire counties each lost trade jobs at 2.4 percent annually. The remaining three counties in the region, however, saw positive trade job growth of at least 3.2 percent annually. Both Mineral and Hardy counties showed impressive growth in retail trade jobs, each gaining over 200 jobs during this period. This growth is largely reflected in the opening of Wal-Mart Supercenters in Moorefield and Keyser.

Except for Grant County, which experienced marginal government job losses, all other counties in the Potomac Highlands added government jobs between 1996 and 2001. This helped the Region achieve an annual growth rate in this sector of 1.5 percent, surpassing both the nation (1.4 percent) and the state (0.5 percent). Hampshire, Hardy, and Pendleton counties each saw government jobs grow by over 2 percent annually. Of the 295 new government jobs in Hampshire, Hardy, and Mineral counties, 200 came in the form of local government jobs. Pendleton County saw an addition of 79 Federal government jobs during this period, nearly doubling its previous number of federal jobs.

Although it trailed the U.S. rate of 2.6 percent, the Potomac Highlands still had annual job growth of 1.2 percent in the transportation, communications, and public utilities sector. West Virginia saw job losses of 1.0 percent annually in this sector. Within the finance, insurance, and real estate sector, the region trailed both the state and nation. Commercial banking was the region's most active area in finance, insurance, and real estate. Grant and Mineral counties lost commercial banking jobs, while Hardy County enjoyed job gains. The gains in the transportation, communications, and public utilities sector occurred mostly in the area of trucking and warehousing. Grant County was the only to post job losses in this sector, mainly in the electric services industry.

Following the trends of both West Virginia and the U.S., the Potomac Highlands mining sector, the region's worst performer, experienced negative job growth from 1996 to 2001. Mining jobs really got hammered during that period, declining at an average annual rate of 15.6 percent. Grant County felt the brunt of this decline, seeing its mining jobs fall from 474 in 1996 to 130 in 2001.

Manufacturing jobs declined at an average rate of 0.9 percent annually in the Potomac Highlands from 1996 to 2001. Despite this decline, the region still tied the nation's performance in this sector. West Virginia lost manufacturing jobs at an annual rate of 1.1 percent. However, counties within the region posted different levels of growth. For instance, Pendleton and Hampshire counties each experienced job losses from 1996 to 2001. Hampshire County lost 50 jobs in this sector. Pendleton County witnessed its number of manufacturing jobs dwindle from 626 in 1996 to 87 in 2001. Again, this is largely due to the closing of the Hanover Shoe manufacturing plant. The remaining counties in the Potomac Highlands saw modest job gains in manufacturing.

#### Forecast: 2002-2007

The outlook for the Potomac Highlands Region depends in part on the performance of the national and international economies. Table 2 summarizes the U.S. forecast that underlies the Potomac Highlands outlook.

The national forecast (produced by Global Insight in May 2003) calls for the national economy to rebound in 2004 from sub-par growth in 2002 and 2003. In particular, real GDP growth is forecast to accelerate from 2.4 percent in 2002, and 2.3 percent in 2003, to 4.6 percent in 2004. Rising growth in the value of output spurs national job gains during the period, with job growth rebounding from losses of -0.9 percent in 2002 and -0.1 percent in 2003, to growth of 1.8 percent in 2004. In turn, job gains drive the U.S. unemployment rate down from 5.9 percent in 2003, to 5.5 percent by 2004.

Underlying the rebounding national growth during the last half of 2003 and into 2004 is driven by the assumption that the quick U.S. military victory achieved in Iraq in the first quarter of 2003 reduces economic uncertainty (and oil prices) enough to spur growth (especially business investment) during the second half of 2003 and into 2004.

**Table 2**  
**U.S. Forecast**  
**Global Insight May 2003**

|  | Years                           |          |        |        |        |        |
|--|---------------------------------|----------|--------|--------|--------|--------|
|  | Actual                          | Forecast |        |        |        |        |
|  | 2002                            | 2003     | 2004   | 2005   | 2006   | 2007   |
|  | Annual Percent Change           |          |        |        |        |        |
| Real GDP   | 2.4                             | 2.3      | 4.2    | 3.3    | 3.2    | 3.1    |
| Industrial Production  | -0.8                            | 0.4      | 6.6    | 6.1    | 3.2    | 2.6    |
| Nonfarm Employment   | -0.9                            | -0.1     | 1.8    | 1.8    | 1.6    | 1.3    |
| Personal Income  | 2.8                             | 3.6      | 4.8    | 4.9    | 5.1    | 5.3    |
| Personal Consumption Deflator                                    | 1.4                             | 1.9      | 1.6    | 1.8    | 1.9    | 2.1    |
|  | Unemployment and Interest Rates |          |        |        |        |        |
| Unemployment Rate  | 5.8                             | 6.0      | 5.9    | 5.7    | 5.6    | 5.5    |
| Federal Funds Rate   | 1.7                             | 1.3      | 1.7    | 2.0    | 2.2    | 2.9    |
| Ten-Year Treasury Note Yield                                     | 4.6                             | 4.1      | 5.0    | 5.5    | 5.6    | 5.7    |
|  | Federal Government              |          |        |        |        |        |
| Federal Budget Surplus<br>(NIPA, FY, \$Bil)                      | -199.9                          | -314.3   | -386.5 | -348.9 | -251.1 | -173.7 |
|  | International Trade             |          |        |        |        |        |
| Real Export Growth (GDP Basis)                                   | -1.6                            | 2.6      | 10.6   | 8.7    | 7.9    | 7.6    |
| Real Import Growth (GDP Basis)                                   | 3.7                             | 3.1      | 8.5    | 5.9    | 5.2    | 4.9    |
| Trd.Wtd. Value of U.S. \$<br>vs Industrial Countries (1996=1.00) | 1.216                           | 1.103    | 1.072  | 1.047  | 1.030  | 1.018  |

Interest rates remain low through the end of 2003, as the Federal Reserve keeps the federal funds rate (the overnight interest rate on reserves traded among banks) below 2.0 percent through the fourth quarter of 2004. As economic growth rebounds in 2004, the Federal Reserve raises overnight rates from 1.7 percent in 2004 to 2.9 percent by 2007. This helps to drive longer-term rates up as well, with the 30-year mortgage rate expected to rise from 6.5 percent in 2002 to the 7.0 percent range for the 2006-2007 period. Rising interest rates take some of the vigor out of the housing market, with housing starts and existing home sales expected to moderate in 2003-2004.

Slower economic growth and tax cuts have already driven the federal budget into deficit, and the cost of war, increased homeland security spending, and likely additional tax cuts are expected to widen the deficit significantly from a surplus of 0.7 percent of GDP in 2001 to a deficit of 2.9 percent of GDP in 2003. While real federal spending on goods and services jumps during the next two years, state and local real purchases virtually come to a halt, as state governments struggle to balance budgets.

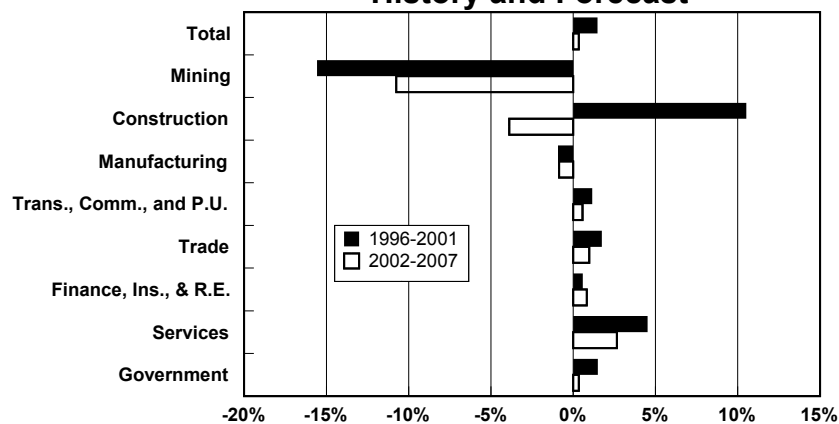
Finally, the dollar is expected to continue its current slide, with its value versus an average of industrial countries currencies falling by 16 percent from 2002 to 2007. The declining dollar and gradually rebounding world income growth help to stabilize the U.S. trade deficit, although it remains at historic highs.

Gradually accelerating national growth during the next five years sets the stage for continued growth in the Potomac Highlands Region. Table 3 summarizes the forecast for the Potomac Highlands Region.

As Figure 6 shows, the outlook calls for job growth in the region to decelerate from 1.5 percent per year during the 1996-2001 period to 0.3 percent per year during the next five years. This job growth deceleration occurs nearly across the board, and reflects slower expected national growth during the period. Remember that the last half of the 1990s were boom years nationally, and that rate of growth is not expected to be maintained during the next five years.

The Potomac Highlands mining job losses continue, while construction jobs decelerate from the massive gains during the last half of the 1990s to sizable annual declines during the next five years. Figure 6 exaggerates overall construction trends, because of a huge rise in construction jobs (nearly 600) in Grant County in 2001. These jobs appear to have been essentially temporary, arriving in 2001 and then disappearing in 2002. It is likely that the 2001 rise in construction jobs in Grant County was driven by activity related to the installation of pollution abatement equipment at the Mount Storm power plant. Construction activity at the plant may temporarily surge again during the forecast period, as Dominion Virginia Power (owner of the Mount Storm plant) agreed in 2003 to expand its pollution abatement efforts at all its plants (likely including Mount Storm).

**Figure 6  
Potomac Highlands Region  
Annual Job Growth:  
History and Forecast**



Manufacturing jobs in the Potomac Highlands stabilize during the later part of the forecast as national economic growth gradually increases demand for regional production. Initially the sector experiences an employment decline in 2003, primarily because the large poultry processing layoffs (Perdue Farms) that occurred in Grant County in late 2002, are not fully reflected in the annual data until 2003.

The forecast calls for manufacturing job growth in the region to rebound in 2004 through the end of the forecast. Wood products job growth rebounds slowly as the sector adjusts to international competition and slower construction activity nationwide.

Most jobs generated in the Potomac Highlands during the next five years are expected to come in the service-producing sectors, particularly services, trade, and government. Services includes health care, social services, and business services. This job growth is connected both to population gains in the region (which spurs gains in locally-oriented services, like health care) and to resurgent national growth, which helps to generate stronger gains in business services.

Steady job gains in the region translate into continued population growth in the Potomac Highlands Region of 385 residents per year. This is greater than the small losses predicted for the state, and somewhat slower than the 0.9 percent per year growth rate for the nation.

The Potomac Highlands unemployment rate is forecast to rise from 6.1 percent in 2002 to 6.7 percent in 2003, as goods producing job declines take their toll. The region's unemployment rate is forecast to gradually trend back down to 5.8 percent by 2007, as rebounding job growth slowly takes up the slack in the local labor market.

Job growth in the region also drives some inflation-adjusted increases in personal income. On a per capita basis, real personal income is forecast to rise at an average annual rate of 1.5 percent per year. This is slightly above the state income growth rate of 1.4 percent, but falls well below the national rate of 2.8 percent per year.

Even though the uncertainty arising from the military conflict with Iraq has subsided, there are still downside risks to the baseline national forecast. These include the possibility of further weakness in consumer confidence (and consumer spending) related to sluggish job growth, combined with reluctance on the part of businesses to ramp up investment spending in the face of persistently low capacity utilization rates. Should consumer spending and business investment growth rates remain uncharacteristically low, the result would be weaker than expected growth in late 2003 and into 2004 (or perhaps a double-dip recession).

For the region, this scenario would reduce, but probably not eliminate, economic growth. Export-oriented sectors, like business services (especially call centers) and manufacturing would be most at risk.

## **Forecast Data Glossary**

Forecast data for West Virginia and the Potomac Highlands Region come from the West Virginia Economic Outlook Project. U.S. forecast data are from Global Insight.

### **Covered Nonagricultural Employment by Industry**

Historical employment data come from the West Virginia Bureau of Employment Programs' publication titled West Virginia Employment and Wages. Data can be found on-line at [www.state.wv.us/bep/lmi/](http://www.state.wv.us/bep/lmi/). Annual data cover employees at firms participating in the West Virginia Unemployment Compensation System. This covers most employees, except railroad workers, the self-employed, student workers, most church workers, and unpaid family workers. Jobs are counted based on where the establishment is located, not on where the worker lives.

### **Civilian Labor Force, Employment, Unemployment, and the Unemployment Rate**

Historical labor force data are available in the West Virginia County Profiles, published by the Bureau of Employment Programs. These data are available on-line at [www.state.wv.us/bep/lmi/](http://www.state.wv.us/bep/lmi/). Labor force data cover West Virginia residents only. They are counted as participating in the labor force if they are employed or, if unemployed, actively seeking work. The unemployment rate is the number of unemployed residents divided by the labor force.

### **Population**

Historical population estimates are from the U.S. Census Bureau and are available on-line at [www.census.gov](http://www.census.gov). Population data reflect the number of persons whose usual place of residence was within the state or county on July 1. Persons in the military or institutionalized are counted where the military base or institution is located, as long as that is within the U.S.

### **Real Personal Income**

Real personal income is nominal personal income adjusted for the effects of inflation, using the U.S. personal consumption deflator. Personal income includes earnings from work (wages, proprietors' income, fringe benefits); dividends, interest and rent; and transfer income (social security, Medicare, Medicaid, welfare). Historical data are compiled by the U.S. Bureau of Economic Analysis and is available on-line at [www.bea.gov](http://www.bea.gov).

**Table 3  
Potomac Highlands Region Employment, Population, and Income Forecasts**

|   | Forecast  |           |           |           |           |           |           |           |           |           | Annual Growth |           |           |           |           |           |           |           |           |           |           |        |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------|
|   | Actual    |           | 2001      |           | 2002      |           | 2003      |           | 2004      |           | 2005          |           | 2006      |           | 2007      |           | U.S. (%)  |           |           |           |           |        |
|   | 1999      | 2000      | 2001      | 2002      | 2003      | 2004      | 2005      | 2006      | 2007      | 2008      | 2009          | 2010      | 2011      | 2012      | 2013      | 2014      | 2015      | 2016      | 2017      |           |           |        |
| <b>Total</b>  | 21,755    | 21,955    | 22,797    | 22,862    | 22,781    | 22,966    | 23,256    | 23,256    | 23,256    | 23,256    | 23,256        | 23,256    | 23,256    | 23,256    | 23,256    | 23,256    | 23,256    | 23,256    | 23,256    | 0.3       | 0.7       | 1.3    |
| Goods Producing   | 7,615     | 7,702     | 7,906     | 7,542     | 6,960     | 6,963     | 6,963     | 6,960     | 6,960     | 6,960     | 6,960         | 6,960     | 6,960     | 6,960     | 6,960     | 6,960     | 6,960     | 6,960     | 6,960     | -1.6      | -0.0      | 0.2    |
| Mining  | 306       | 286       | 260       | 251       | 236       | 217       | 188       | 142       | 142       | 142       | 142           | 142       | 142       | 142       | 142       | 142       | 142       | 142       | 142       | -10.8     | -3.6      | -2.6   |
| Construction  | 922       | 973       | 1,616     | 1,277     | 1,131     | 1,032     | 1,097     | 1,071     | 1,048     | 1,048     | 1,048         | 1,048     | 1,048     | 1,048     | 1,048     | 1,048     | 1,048     | 1,048     | 1,048     | -3.9      | 0.5       | 2.1    |
| Manufacturing   | 6,367     | 6,097     | 6,000     | 6,014     | 5,991     | 5,619     | 5,667     | 5,713     | 5,760     | 5,760     | 5,760         | 5,760     | 5,760     | 5,760     | 5,760     | 5,760     | 5,760     | 5,760     | 5,760     | -5.1      | -0.7      | -0.5   |
| Service Producing   | 14,140    | 14,599    | 14,891    | 15,320    | 15,347    | 15,560    | 16,014    | 16,306    | 16,014    | 16,306    | 16,306        | 16,306    | 16,306    | 16,306    | 16,306    | 16,306    | 16,306    | 16,306    | 16,306    | 1.3       | 1.0       | 1.5    |
| Trans., Comm., P.U.                                       | 1,003     | 1,000     | 1,100     | 1,114     | 1,122     | 1,129     | 1,135     | 1,141     | 1,146     | 1,146     | 1,146         | 1,146     | 1,146     | 1,146     | 1,146     | 1,146     | 1,146     | 1,146     | 1,146     | 0.6       | 0.6       | 1.4    |
| Trade   | 4,094     | 4,036     | 4,055     | 4,113     | 4,065     | 4,159     | 4,237     | 4,318     | 4,318     | 4,318     | 4,318         | 4,318     | 4,318     | 4,318     | 4,318     | 4,318     | 4,318     | 4,318     | 4,318     | 1.0       | 0.2       | 0.5    |
| Finance, Ins., R.E.                                       | 661       | 636       | 624       | 660       | 667       | 673       | 681       | 688       | 688       | 688       | 688           | 688       | 688       | 688       | 688       | 688       | 688       | 688       | 688       | 0.8       | 0.8       | 2.1    |
| Services  | 3,674     | 4,043     | 4,294     | 4,532     | 4,607     | 4,716     | 4,876     | 5,020     | 5,167     | 5,167     | 5,167         | 5,167     | 5,167     | 5,167     | 5,167     | 5,167     | 5,167     | 5,167     | 5,167     | 2.7       | 2.1       | 2.5    |
| Government  | 4,652     | 4,854     | 4,612     | 4,901     | 4,865     | 4,684     | 4,925     | 4,934     | 4,934     | 4,934     | 4,934         | 4,934     | 4,934     | 4,934     | 4,934     | 4,934     | 4,934     | 4,934     | 4,934     | 0.3       | 0.2       | 0.7    |
| <b>Covered Nonagricultural Employment by Industry**</b>   |           |           |           |           |           |           |           |           |           |           |               |           |           |           |           |           |           |           |           |           |           |        |
|   | 1999      | 2000      | 2001      | 2002      | 2003      | 2004      | 2005      | 2006      | 2007      | 2008      | 2009          | 2010      | 2011      | 2012      | 2013      | 2014      | 2015      | 2016      | 2017      | 2018      | 2019      | 2020   |
| Labor Force   | 37,430    | 36,860    | 36,120    | 37,130    | 36,686    | 36,782    | 37,189    | 37,300    | 37,675    | 37,675    | 37,675        | 37,675    | 37,675    | 37,675    | 37,675    | 37,675    | 37,675    | 37,675    | 37,675    | 37,675    | 37,675    | 37,675 |
| Employment  | 36,230    | 34,810    | 36,350    | 34,950    | 34,236    | 34,415    | 34,863    | 35,115    | 35,689    | 35,689    | 35,689        | 35,689    | 35,689    | 35,689    | 35,689    | 35,689    | 35,689    | 35,689    | 35,689    | 35,689    | 35,689    | 35,689 |
| Unemployment Rate   | 5.9       | 5.6       | 4.6       | 5.1       | 6.7       | 6.4       | 6.3       | 5.9       | 5.8       | 5.8       | 5.8           | 5.8       | 5.8       | 5.8       | 5.8       | 5.8       | 5.8       | 5.8       | 5.8       | 5.8       | 5.8       | 5.8    |
| <b>Civilian Labor Force, Employment, and Unemployment</b> |           |           |           |           |           |           |           |           |           |           |               |           |           |           |           |           |           |           |           |           |           |        |
|   | 1999      | 2000      | 2001      | 2002      | 2003      | 2004      | 2005      | 2006      | 2007      | 2008      | 2009          | 2010      | 2011      | 2012      | 2013      | 2014      | 2015      | 2016      | 2017      | 2018      | 2019      | 2020   |
| Total Population  | 79,163    | 79,499    | 79,877    | 80,196    | 80,463    | 80,784    | 81,313    | 81,918    | 82,595    | 82,595    | 82,595        | 82,595    | 82,595    | 82,595    | 82,595    | 82,595    | 82,595    | 82,595    | 82,595    | 82,595    | 82,595    | 82,595 |
| Wage and Salary   | 1,342,690 | 1,369,416 | 1,437,263 | 1,463,775 | 1,483,293 | 1,510,567 | 1,536,869 | 1,567,397 | 1,601,497 | 1,601,497 | 1,601,497     | 1,601,497 | 1,601,497 | 1,601,497 | 1,601,497 | 1,601,497 | 1,601,497 | 1,601,497 | 1,601,497 | 1,601,497 | 1,601,497 |        |
| Other Labor Income  | 491,704   | 507,854   | 561,402   | 563,523   | 545,794   | 548,010   | 555,269   | 568,386   | 584,361   | 584,361   | 584,361       | 584,361   | 584,361   | 584,361   | 584,361   | 584,361   | 584,361   | 584,361   | 584,361   | 584,361   | 584,361   |        |
| Proprietors' Income                                       | 88,775    | 71,702    | 77,594    | 81,591    | 81,508    | 84,049    | 87,005    | 88,183    | 89,807    | 89,807    | 89,807        | 89,807    | 89,807    | 89,807    | 89,807    | 89,807    | 89,807    | 89,807    | 89,807    | 89,807    | 89,807    |        |
| Dividends, Interest, Rent                                 | 105,964   | 109,932   | 112,207   | 119,543   | 122,545   | 131,454   | 137,441   | 140,753   | 142,515   | 142,515   | 142,515       | 142,515   | 142,515   | 142,515   | 142,515   | 142,515   | 142,515   | 142,515   | 142,515   | 142,515   | 142,515   |        |
| Total Real Personal Income                                | 220,854   | 235,837   | 237,068   | 247,249   | 244,457   | 247,625   | 249,752   | 259,358   | 266,346   | 266,346   | 266,346       | 266,346   | 266,346   | 266,346   | 266,346   | 266,346   | 266,346   | 266,346   | 266,346   | 266,346   | 266,346   |        |
| Transfer Income   | 302,224   | 310,973   | 308,254   | 354,936   | 366,679   | 374,465   | 380,549   | 382,902   | 407,936   | 407,936   | 407,936       | 407,936   | 407,936   | 407,936   | 407,936   | 407,936   | 407,936   | 407,936   | 407,936   | 407,936   | 407,936   |        |

The Potomac Highlands Region consists of Grant, Hampshire, Hardy, Mineral, and Pendleton counties in West Virginia.  
 \*This column contains the average yearly change during the 2002-2007 period.  
 \*\*Covered nonagricultural employment by industry includes employment at firms participating in the West Virginia Unemployment Compensation System. These estimates exclude the self-employed, student workers, most church workers, railroad workers, and unpaid family workers.  
 West Virginia forecast is from the West Virginia Economic Outlook, 2003.  
 U.S. forecast is from Global Insight (formerly DRI-WEFA), May 2003.

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Potomac Highlands Region Outlook

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The Potomac Highlands Regional Outlook provides an excellent overview of the Region's population, labor force, income and wages, the economy and an overall description of the area. Some additional information on the region is provided in the remainder of this section.

## 2. NATURAL RESOURCES AND ENVIRONMENTAL ISSUES

### Land Use

As with most rural areas, agricultural and forest land compose much of the region's acreage. Remaining uses, including urban land, barren land, and water, account for less than 2% of all acreage. Industrial, commercial and housing development primarily occurs in and near the region's municipalities. Industrial growth is centered around the region's industrial parks. An increasing number of vacation homes and summer cottages are being constructed in forest and agricultural areas.

It has been estimated that less than 4.0% of the region's land is suitable for future development. Taking the region's growth rate into consideration, sufficient land exists for development for the foreseeable future. However, proper land use management must take place if the land is to be used to its fullest potential and if conflict is to be minimized.

### Physiographic and Topographic Features

The five counties in Region 8 are all contained within the headwaters of the Potomac River Basin. The eastern part of the region is underlain by folded and faulted strata of the Valley and Ridge physiographic provinces, and the western part is underlain by relatively flat-lying strata of the strongly dissected Appalachian Plateaus physiographic province. In the Valley and Ridge province, the eroded edges of the folded strata crop out in thin, lineal, parallel belts that range in age from Cambrian to Devonian. The Appalachian Plateaus are characterized by gently dipping sandstones, shales, and limestones ranging in age of Devonian to Pennsylvanian.

The topography of the region is relatively rugged. The major mountain ranges have a north-south alignment, and the major streams flow from south to north or northeast.

### Soils

The region can be divided into two major soil areas. They are the Ridge and Valley area in the central and eastern portion of the region, and the Allegheny Plateau in the extreme western part of the region.

The gently sloping to very steep soils of the Ridge and Valley areas are moderately coarse to moderately fine textured. Some areas are rocky or stony. These soils are formed in materials weathered primarily from shale, siltstone, sandstone and some limestone. There is some farming in the valleys and on the low ridges, but most of the soils are better suited to woodland uses.

The gently sloping to moderately steep soils of the Allegheny Plateau are moderately deep, well drained, and medium or moderately coarse textured. These soils formed in materials weathered primarily from acid shale, siltstone, and sandstone. Some farming is done on the more gentle slopes, but most of the soils are better suited to woodland uses.

Small areas of nearly level and gently sloping soils occur throughout the basin on the floodplains and river terraces. These soils are deep, well, moderately well, or poorly drained; and medium or moderately coarse textured. They formed in acid or lime-influenced material washed from soils of the uplands. These soils constitute a small portion of the basin but are significant for agricultural and urban uses. Approximately 60,000 acres of this area are considered prime agricultural land. The importance of these soils makes their protection vital. Actively used prime agricultural land often provides a buffer to many key environmental assets, especially the region's streams and rivers. It also adds to the scenic value of the region, making it more attractive to tourists. Unfortunately, the region has experienced increasing rates of conversion to other uses.

### Water

A large portion of the developable land in Region 8 is located along the North and South Branches of the Potomac River. Over 100,000 acres of this area is designated as being in the 100-year floodplain. Major tributaries in the Potomac River Basin include the Lost/Cacapon River, North River, Patterson Creek and Stoney River. The region contains what is claimed to be West Virginia's only natural lake, Trout Pond, and the 1,200 acre Mount Storm Lake. The region shares the 952 acre Jennings Randolph Lake with Garrett County, Maryland. There are more than 60 Soil Conservation Service impoundment's in the region. While the quality of streams and rivers is not ideal, except for the North Branch of the Potomac River and waters in the Mountain Top area, water quality is generally good. Increasing concern has been expressed over agricultural waste entering the region's streams and rivers. Surface streams serve as water sources for the communities of Petersburg, Moorefield, Romney, Fort Ashby, Keyser, and Upper Tract. Additionally, the region's rivers support many recreational opportunities including valuable fisheries. Jennings Randolph Lake was constructed in part to provide recreational opportunities. The Mountain Top area and the North Branch of the Potomac River suffer from the adverse impacts of coal mining. Additionally, Mount Storm Lake suffers from thermal pollution.

Obviously, water quality demands close scrutiny and an effort by all individuals to reserve a high standard.

Segments of the South Branch of the Potomac, the North Fork of the South Branch of the Potomac, and Seneca Creek have been evaluated as potential "Wild and Scenic Rivers." Ten miles of the South Branch (Jake Hill Bridge to Big Bend Campground) have been classified as recreational; nine miles (Big Bend Recreation Area to the Canyon Exit) have been identified as scenic; and additional three miles (downstream from the canyon) have also been identified as recreational. Slightly more than three miles of the North Fork of the South Branch of the Potomac (High Ridge Run to the outskirts of Hopeville) have been identified as scenic. Eight miles of Seneca Creek (Trussel Run to the Falls) have been identified as wild; and five miles (Falls to the National Recreation Boundary) have been identified as recreational. In general, these segments have been determined to be free-flowing and possessing at least one outstandingly remarkable scenic, recreational, geologic, fish and wildlife, historic, cultural, or other feature. It should be noted that significant local concern exists as to the impact of designating these stream segments as wild and scenic. Concern is particularly high over the region's ability to fully capitalize on the streams ability to attract tourists. Additional concerns are related to increased federal control of a local natural feature. It should be noted that similar concerns resulted in a determination that the Cacapon/Lost River was not suitable for inclusion as a scenic river.

Subsurface water is generally available over the entire district; however, in some areas, water can only be found at extreme depths. About half of the region's subsurface water is useable for domestic purposes. Undesirable characteristics in the other half include low pH, high iron, hardness, nitrate, chloride, or sulfate content. Subsurface sources support many of the region's smaller water systems and virtually all of the individual systems. Recent droughts have lowered both the quantity and quality of subsurface water. More alarming are instances of pollution that have included both pesticides and oil entering wells used for drinking water.

Region 8 has a small amount of natural wetlands. The majority of these are being utilized in some type of agricultural activity.

#### Natural, Scenic and Forested Areas

Region 8 has many natural and scenic areas. A large portion of Grant, Hardy and Pendleton Counties is contained in the George Washington and Monongahela National Forests; included in the National Forests are several national recreation areas. Other areas of importance are Nathaniel Mountain, Short Mountain, and Springfield Wildlife Management Areas, and Lost River State Park.

Forested areas cover over three-fourths of the region. Approximately 88% of the commercial forest land is held by private ownership including, railroads, and mining companies. Seven percent of this ownership is in the National Forests. The main forest type in the region is Oak-Hickory (70%) and Oak-Pine (80%). Pendleton County is the largest forested county with 78% of its area in forest. About 60% of the forest land is saw-timber size class. Saw logs are of average quality. Pole timber accounts for about 30% of forest land. Most low grade oak goes into pallet stock or dunnage. Both hard and soft wood pulp wood are in demand over most of the area. The region's forests have been threatened by oak decline or die back and the gypsy moth. Considerable effort has gone into addressing the gypsy moth threat. It should be noted that woodland improvement is a long range process with the rotation age for hard wood saw timber being between 100 and 150 years.

The region's forests, including their environmentally sensitive areas, provide the base for the region's tourist industry. As the region develops more and more encroachments in these areas are occurring. Thus, it is of prime importance that these areas be identified and where they are unique protected. However, this protection should take the region's long run development needs into account and should not prevent development in order to protect areas which are merely interesting as opposed to being truly unique.

#### Wildlife and Fisheries

One of the region's most important natural resource is its wildlife and fish. Many game species provide not only local sportsman with leisure diversion but also attract large numbers of people from surrounding urban areas. There is a wide assortment of both game and non game species of birds, mammals, reptiles, and fish to be studied by non-consumptive outdoor enthusiasts.

The area has led the state in deer and turkey harvesting, attracting hunters from areas two days or more driving distance away. Other important game species are squirrels, rabbits, grouse, quail, dove, woodcock and raccoon. Bear are also hunted. Water fowl are not plentiful, but are found in numbers sufficient to attract hunters. Some fur bearing mammals are found and trapped. The region's low population density contributes to the relatively high wildlife population.

The region's streams are popular fishing areas supporting both cold and warm water fishing. Warm water species include small mouth bass, large mouth bass, rock bass, bluegills, sunfish, and catfish. Although a few cold water streams support native trout populations, most trout fishing occurs in streams stocked by the Division of Natural Resources. This stocking of cold water streams greatly adds to the region's attractiveness to anglers.

## Environmentally Sensitive Areas, Endangered Species and Historic Sites

There are about eight (8) areas in the region designated as environmentally sensitive. This includes breeding grounds for native wildlife, wilderness areas, recreational areas and underground cavern sites.

The region contains eight (8) plants and thirteen (13) animals that are identified by the federal government as rare species. Table 2 on Pages 29 and 30 provides a listing of rare species by county. Map 1 on page 32 further locates these species. Federally listed plants include Shale Barren Rockcress and Canby's Mountain Lover. Rare plants as identified by the state include those associated with plants of rock cliffs including the Silvery Nailwort in Grant, Hardy and Pendleton Counties, the Virginia Nailwort found along the South Branch of the Potomac River, Fameflower found in Hampshire County, Michaux's Saxifrage found in Pendleton County, Crested Coralroot found at Smoke Hole in Pendleton County, and Tall Larkspur found in Hampshire County. Plants related to shale barrens such as the Shale Pussytoes are found at Hanging Rock in Hampshire County.

Endangered or threatened wildlife include nests of Bald Eagles in Smoke Hole Gorge, the Trough and Millesons Mill. Several species of bats in Grant, Hardy and Pendleton Counties are identified as endangered, as are Peregrine Falcons in Grant and Pendleton Counties. Other endangered species include New England Cottontails in Hardy County and Northern Flying Squirrels in Pendleton County. Only Mineral County contains no endangered animal species.

Approximately forty-seven historic sites are located in Region 8. Many of these are old homesteads and forts dating back to Colonial times. There are also several antebellum plantations and Civil War sites in the region. A number of the counties have their courthouses or other government buildings on the National Register. The Towns of Moorefield and Franklin both contain federally designated historic districts that date to Colonial Virginia. Burlington in Mineral County and Old Fields in Hardy County have also been designated as federal historic districts. The rural communities of Old Fields (Hardy County) and Burlington (Mineral County) are designated historic districts. These districts serve to preserve a concentration of assets that have attracted numerous tourists to the area. In addition to historic sites, archaeological investigation have found numerous pre-Columbian Native American sites. Among these is an Indian burial mound near the City of Romney.

## RARE SPECIES – FEDERAL LIST

### GRANT COUNTY

|      |                           | <u>General Location</u> |   |
|------|---------------------------|-------------------------|---|
| C2   | Cooper Milkvetch          | Plant                   | Cave Mountain                               |
| LE   | Peregrine Falcon          | Animal                  | Petersburg                                  |
| LELT | Bald Eagle                | Animal                  | Smoke Hole Gorge                            |
| C2   | Migrant Loggerhead Shrike | Animal                  | Knobley Mountain, NE/NW of Petersburg       |
| C2   | Smoke Hole Bergamot       | Plant                   | Cave Mountain                               |
| C2   | Eastern Small-Footed Bat  | Animal                  | Kline Gap                                   |
| C2   | Canby's Mountain-Lover    | Plant                   | Cave Mountain                               |
| C2   | Virginia Nail-Wort        | Plant                   | Cave Mountain                               |
| LE   | Virginia Big-Eared Bat    | Animal                  | Cabins, Cave Mountain, Kline Gap, Rough Run |
| LT   | Cheat Mountain Salamander | Animal                  | Rohrbaugh Plains                            |

### HAMPSHIRE COUNTY

|      |                           |        |                            |
|------|---------------------------|--------|----------------------------|
| C2   | Tall Larkspur             | Plant  | Forks of Cacapon           |
| LELT | Bald Eagle                | Animal | The Trough, Millesons Mill |
| C2   | Migrant Loggerhead Shrike | Animal | East of Trough             |
| C2   | Canby's Mountain-Lover    | Plant  | Yellow Spring              |
| C2   | Virginia Nail-Wort        | Plant  | Millesons Mill             |

### HARDY COUNTY

|    |                          |        |   |
|----|--------------------------|--------|---|
| LE | Shale Barren Rockcress   | Plant  | Rohrbaugh Plains  |
| C2 | Tall Larkspur            | Plant  | Getz Mountain   |
| C2 | Eastern Small-Footed Bat | Animal | Cove Valley   |
| LE | Indiana or Social Myotis | Animal | Cove Valley   |
| C2 | Virginia Nail-Wort       | Plant  | Stump Knob  |
| LE | Virginia Big-Eared Bat   | Animal | Cave Valley, North of Brake, Baker, North of Peru,<br>Shenandoah Mountain |
| C2 | White-Spotted Salamander | Animal | Great North Mountain  |
| C2 | New England Cottontail   | Animal | Great North Mountain  |
| C2 | Bewick's Wren            | Animal | Mathais   |

LE = Listed as Endangered.

LT = Listed as Threatened.

C2 = candidate for listing, but lacking substantial data.

TABLE 2

## RARE SPECIES – FEDERAL LIST CONTINUED

### MINERAL COUNTY

|    |                        | <u>General Location</u> |                                   |
|----|------------------------|-------------------------|-----------------------------------|
| C2 | Tall Larkspur          | Plant                   | Knobly Mountain, Keyser Reservoir |
| C2 | Canby's Mountain Lover | Plant                   | New Creek Mountain                |

### PENDLETON COUNTY

|      |                           |        |  |
|------|---------------------------|--------|--|
| LE   | Shale Barren Rockcress    | Plant  | Stony Run, Brandywine, Sugar Grove   |
| C2   | Cooper Milkvetch          | Plant  | Cave Mountain  |
| C2   | Variable Sedge            | Plant  | North Fork Mountain near Harper & Brush Mountain   |
| C2   | Tall Larkspur             | Plant  | Friends Run and Smoke Hole Gorge   |
| LE   | Peregrine Falcon          | Animal | Riverton   |
| I.F. | Northern Flying Squirrel  | Animal | Spruce Knob  |
| C2   | One-Flowered Rush         | Plant  | North Fork Mountain  |
| C2   | Southern Rock Vole        | Animal | Spruce Knob  |
| C2   | Smoke Hole Bergamot       | Plant  | Cave Mountain  |
| LE   | Grey Bat                  | Animal | Germany Valley   |
| C2   | Eastern Small-Footed Bat  | Animal | Cave Mountain, Germany Valley, Cave Knob, Thorn Mountain/Creek   |
| LE   | Indiana or Social Myotis  | Animal | Germany Valley, Cave Mountain, Cave Knob, Neds Mountain  |
| C2   | Canby's Mountain-Lover    | Plant  | Circleville, Smoke Hole  |
| C2   | Virginia Nail-Wort        | Plant  | Cave Mountain  |
| LE   | Virginia Big-Eared Bat    | Animal | Germany Valley, Cave Mountain, Thorn Creek, Brushy Run, Kline, Thorn Mountain, Teteron, Friends Run, Riverton, Neds Mountain, Smoke Hole Gorge |
| LT   | Cheat Mountain Salamander | Animal | Spruce Knob  |
| C2   | White-Spotted Salamander  | Animal | Cow Knob, High Knob, Bother Knob, Briery Branch Gap  |

LE = Listed as Endangered.

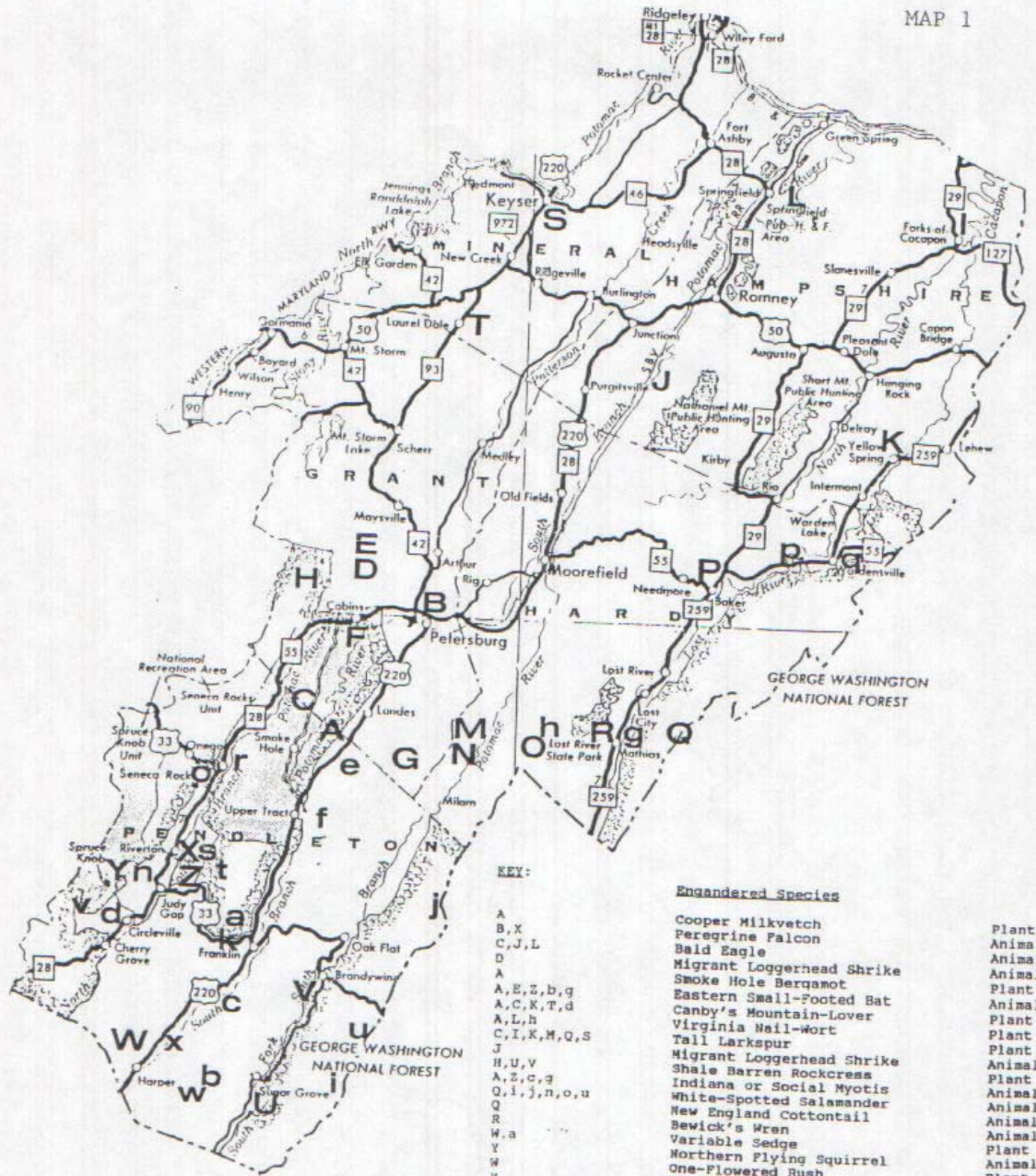
LT = Listed as Threatened.

C2 = candidate for listing, but lacking substantial data.

TABLE 2

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KEY:

- A
- B, X
- C, J, L
- D
- E
- A, E, Z, b, g
- A, C, K, T, d
- A, L, h
- C, I, K, M, Q, S
- J
- H, U, V
- A, Z, c, e
- Q, i, j, n, o, u
- Q
- R
- W, a
- Y
- W
- Y
- Z
- A, C, E, F, G, K, N, O, P,
- X, Z, b, c, e, f

Endangered Species

- Cooper Milkvetch
- Peregrine Falcon
- Bald Eagle
- Migrant Loggerhead Shrike
- Smoke Hole Bergamot
- Eastern Small-Footed Bat
- Canby's Mountain-Lover
- Virginia Nail-Wort
- Tall Larkspur
- Migrant Loggerhead Shrike
- Shale Barren Rockcross
- Indiana or Social Myotis
- White-Spotted Salamander
- New England Cottontail
- Bewick's Wren
- Variable Sedge
- Northern Flying Squirrel
- One-Flowered Rush
- Southern Rock Vole
- Grey Bat
- Virginia Big-Eared Bat

- Plant
- Animal
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Sensitive Areas

- Lost River Sinks
- Trout Pond
- Seneca Rocks
- Germany Valley
- Princess Snow
- Shale Bindweed
- Sinnit Thorn Mountain Cave
- Trout Cave Foundations

- p
- q
- r
- s
- t
- v
- w
- x

## Mineral Resources

Since 1883 coal has been produced along the western edge of Grant and Mineral Counties in the Allegheny Plateau. Both deep and surface mining extraction methods are used. The estimated remaining recoverable reserve of coal in 1990 was 874,321,095 tons. Production in 1990 was 4,444,587 tons. These figures represent approximately 1.6% of the total reserve and 2.6% annual state production. Coal has an average content of sulphur (1.92%) and ash (9.9%).

High quality limestones are found throughout the region. There are quarries in operation in all counties. Pendleton County producing rock aggregate, cement, rock dust, and agricultural lime. Little expansion of this industry is expected since present production meets market demands.

Some gas reserves are available with Region 8. However, the quantity of gas being extracted from these reserves has only minor impact upon development.

Other mineral deposits found in the region are sandstone, sand, clay and iron ore. These materials are not being extensively mined.

## Location

In a dynamic economy a location central to market areas can be a major asset. Other factors such as labor, transportation facilities, and industrial sites must be available, but the factor of location can be so important as to create economic potentials. Labor, materials, and financing can be drawn into an area and sites, service and improvements made available, if new enterprises can be attracted to the region on the strength of its excellent location.

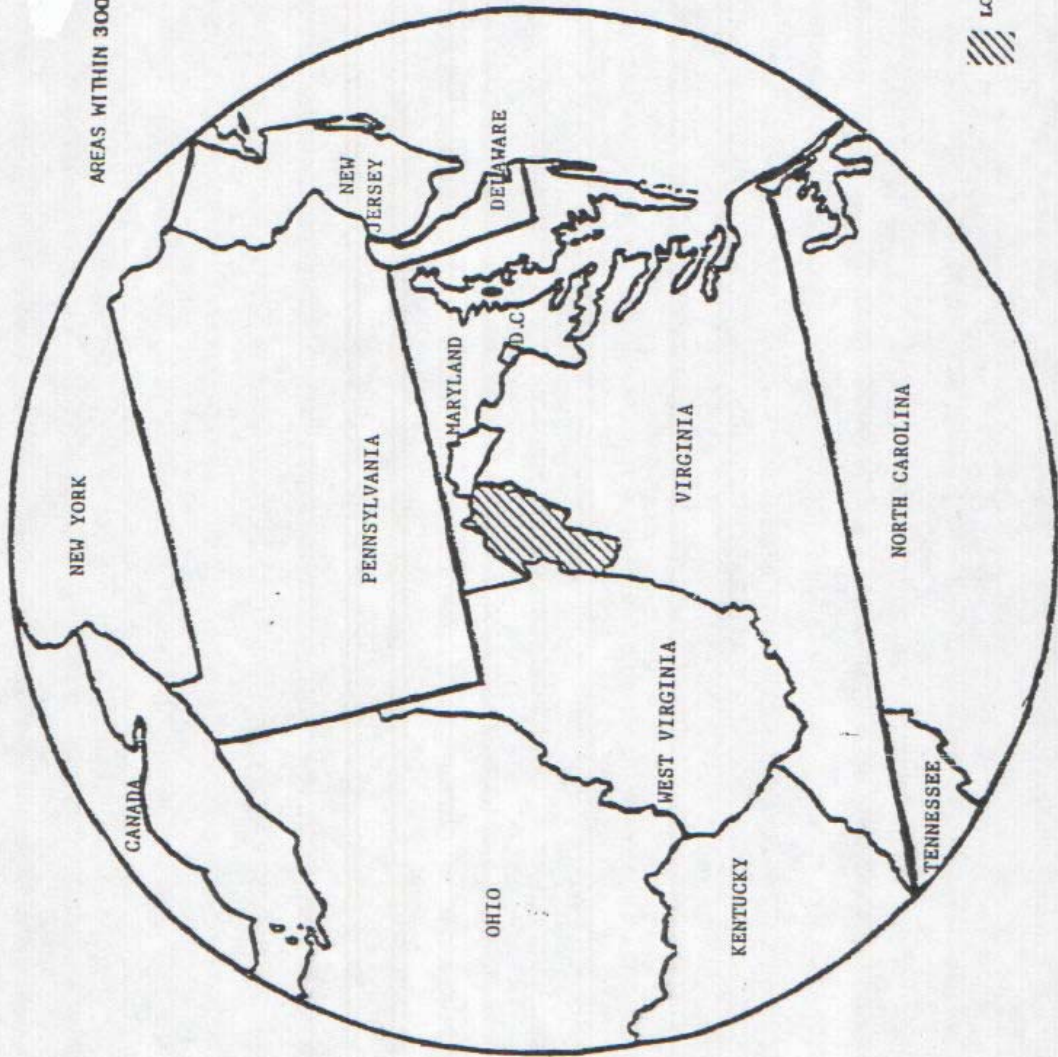
Industries are becoming increasingly market oriented and accessibility to markets is becoming more important as the cost of the transportation rises. While some industries are heavily resource oriented, an examination of the location of concentrations of industry will show an increasing cluster of plants around areas of demand.

Even a cursory examination of Map 2 on page 34 makes the advantage of Region 8 very apparent. The communities of the region are within a day's driving time of most major metropolitan areas of the east. This locational aspect is important to Region 8; however, if the communities of the region are to benefit from their location, marketing of this aspect must take place. Transportation improvements are also vital if the region's location is to be exploited for industrial purposes. However, it should be noted that the region's poor transportation network and lack of linkages to nearby metropolitan areas, has promoted features of great interest to tourists. Thus, the region's location should be seen as a major asset to travel and tourism industry without transportation restrictions.



AREAS WITHIN 300 MILES OF REGION VIII

LOCATION OF REGION VIII



### Waste Disposal Sites

The region has no active landfills. The Region 8 Solid Waste Authority closed landfills near Petersburg, Romney, Franklin and Rig in Hardy County. The authority operates solid waste transfer stations at Petersburg and Romney. The authority hauls wastes from the stations to the Tucker County landfill. Several solid waste collectors haul directly to the Tucker County site or to a landfill located near Frostburg, Maryland. The Hardy County Commission has expressed strong interest in constructing a landfill to serve Hardy County's growing population and industry.

Fourteen wastewater treatment plants are operated by public bodies within the region. These plants have capacities from 21,500 to 2,100,000 gallons per day. These systems discharge approximately 3,000,000 per day. It should be noted that all systems provide secondary treatment. The following streams receive sewage effluent: Lunice Creek, Cacapon River, Shawn Run, Big Run, Dumpling Run, South Fork of the Potomac River, South Branch of the Potomac, Patterson Creek, and the North Branch of the Potomac.

Only the Allegany Ballistics Laboratory at Short Gap in Mineral County was identified on the most recent Environmental Protection Agency CERCLIS Site List. In 1991 the list identified ten sites in the region.

### 3. INFRASTRUCTURE AND SERVICES

#### Industrial Parks, Sites and Buildings

Region 8 has ten industrial parks; these industrial parks contain over 600 acres with 316 of these acres still unoccupied and available for development. The region's industrial parks contain 25 firms that employ about 1400 persons. Grant and Hampshire Counties are developing industrial parks that will add about 100 acres to the regional council's industrial park inventory. Hardy County has indicated that it will undertake development of a fourth industrial park in the very near future. The success of local development authorities in marketing existing industrial parks has made these parks an essential element in achieving growth. Table 3 on page 37 provides detail on the region's industrial parks.

Although the region, at first glance, would appear to contain much developable land, many restrictions prohibit development. While water service is widely available, sewer service is relatively limited. Further, floodplains remove much land for consideration as industrial sites. Finally, the suitable land that exists has not been identified and most likely, is not on the market. Currently known industrial sites include the Shobe Farm, a 60 acre tract with all utilities in Petersburg; the North Branch Power Plant site, a 100 acre tract previously considered for development as an industrial park near Bayard; Seymour Bottom, a near 1,000 acre site in Mineral County that would require substantial investment

in utilities; and the Keyser B&O Railyard, an approximate 40 acre site with utilities and rail service. It should be noted that although these tracts are developable, some limitations exist. A part of Seymour Bottom lies in a 100 year floodplain; and development of the site requires construction of a major bridge; the North Branch sites requires development of sewage service.

The region contains several buildings suitable for industrial use. Local governments used EDA funds to construct multi-tenant buildings in Grant, Hampshire, Mineral, and Pendleton Counties. These buildings range from 12,000 square feet to 20,000 square feet. The closure of Petersburg Garment, Anchor Glass, Penn Ventilator, and Keyser Garment provides additional floor space. As older school buildings become surplus, an opportunity may exist to convert some to an industrial/commercial usage. Beyond these buildings, there are few other industrial/commercial buildings in the region. Those that exist are often too old, too small, and poorly located. The lack of readily available floor space has resulted in the loss of industrial prospects. It should be noted that an opportunity to further downtown revitalization exists by the location of telecommunications and computer based firms in unused commercial buildings and the second floors of currently occupied buildings.

### Transportation

Overall transportation in the Region is poor because of the area's rugged mountain terrain. Cost of transporting goods east/west throughout most of the Region is higher because of the length of time involved crossing mountains, especially in winter. Transportation of goods north/south is easier as roads lie in broad river valleys; however, congestion in towns in these valleys acts to impede traffic flow. The Town of Keyser and northern Mineral County's economic activity are assisted by their proximity to Interstate 68 and the CSX railroad. The remainder of the Region has suffered because of lack of transportation facilities.

#### Highways

The Region contains 251 miles of expressways and trunk highways and 2,172 miles of feeder and local roads. U.S. Routes 33 and 50 and WV Route 55, which cross the Region from east to west, and U.S. Route 220, and WV Routes 28, 29 and 259, which cross the Region from north to south, are the Region's major traffic arteries.

However, construction of Corridor H has begun in the Region 8 area. The corridor is a four-lane highway which will connect Elkins, WV to Virginia near interstate 81. A 14 mile section of the corridor is now open, connecting Moorefield and Baker, WV. For up-to-date information on Corridor H construction, visit [www.wvcorridorh.com](http://www.wvcorridorh.com).

### INDUSTRIAL PARKS

| COUNTY    | PARK                | ACERAGE |            | INDUSTRIES | APPROXIMATE<br>EMPLOYEES |
|-----------|---------------------|---------|------------|------------|--------------------------|
|           |                     | TOTAL   | UNOCCUPIED |            |                          |
| Grant     | Petersburg          | 60      | 3          | 5          | 145                      |
|           | Mount Storm         | 50      | 50         | 0          | 0                        |
|           | Total               | 110     | 53         | 5          | 145                      |
| Hampshire | Hampshire<br>County | 74      | 35         | 4          | 170                      |
|           | Capon Bridge        | 0       |            |            |                          |
|           | Total               | 74      | 35         | 4          | 170                      |
| Hardy     | Moorefield          | 57      | 0          | 5          | 850                      |
|           | Wardensville        | 29      | 23         | 1          | 50                       |
|           | Robert C. Byrd      | 70      | 68         | 1          | 10                       |
|           | Total               | 156     | 91         | 7          | 910                      |
| Mineral   | Mineral County      | 157     | 47         | 8          | 300                      |
|           | Fort Ashby          | 68      | 68         | 0          | 0                        |
|           | Total               | 225     | 115        | 8          | 300                      |
| Pendleton | Pendleton<br>County | 33      | 0          | 1          | 0                        |
|           | Upper Tract         | 25      | 22         | 0          | 0                        |
|           | Total               | 58      | 22         | 1          | 0                        |
| Total     | Total               | 623     | 316        | 25         | 1525                     |

TABLE 3

Most major roads within the Region are two-lane highways and are generally 24 feet in width. These highways are in good condition, but are obsolete for economic development purposes. East-west travel is adversely impacted by mountainous terrain and prolonged grades of 9.0% are not uncommon. There are no by-passes around the Region's municipalities and all major highways flow through congested towns. Highway inadequacies are compounded by obsolete bridges; the need to replace bridges at Keyser and Upper Tract on US 220 and at the South Branch and Stony Rivers on US 50 greatly impairs the ability of these roads to support economic development.

Northern Mineral County and to a slightly less degree, the City of Keyser, benefit from close proximity to Interstate 68. Further, portions of Corridor H are now open and others are currently undergoing construction. Completion of the four-lane corridor through the Region will greatly improve the area's access to metropolitan areas.

### Rail

The Region contains over 170 miles of rail line and is served by the CSX rail system and the South Branch Valley Railroad. One of CSX's main east-west lines provides freight service to northern Hampshire and Mineral Counties; the Keyser growth center and Mineral Industrial Park are served by this line. The South Branch Valley Railroad provides service along a freight spur that extends from Green Spring in Hampshire County to Petersburg in Grant County. The SBVRR connects with CSX at Green Spring and serves the Romney and Moorefield/Petersburg growth centers. Four industrial parks lie on or near the rail spur. The CSX line is in at least as good as condition as the bulk of the nation's rail line. The SBVRR rail line was adversely affected by a previous lack of maintenance and modernization. Improvements have been and are being made to the rail spur and its operating capacity is increasing. Given the condition of the Region's highway system, rail is of critical importance to Grant, Hampshire, Hardy and Mineral Counties. Specifically the rail located outside of Springfield in Hampshire County needs improvements. It should be noted that Pendleton County does not have direct rail service.

### Airports

General aviation airports are located at Petersburg and Wiley Ford (Cumberland, Maryland). The Grant County Airport has recently extended its runway length to 5,000 feet and it is 75 feet wide. Additionally, the authority has constructed a new security fence and gate to increase airport security. Grant County has both Jet A fuel and regular fuel available. Further the airport authority is seeking funding to construct a parallel taxiway in 2004. The Cumberland Airport has a runway length of 5,055 feet. Both airports have instrument landing equipment and active modernization programs.

## Passenger Services

Commercial air service to Pittsburgh, Pennsylvania is available from the Cumberland Airport at Wiley Ford. In the near future service will be available to the Baltimore- Washington International Airport. Passenger rail service is available at Cumberland which adjoins northern Mineral County. The Potomac Valley Transit Authority provides local bus service within the Region and interstate service to Cumberland, Maryland and Winchester and Harrisonburg, Virginia. An important feature of the Transit Authority's service is service to local industries.

## Banking

Table 4  
Banking Data

| County    | Banks & Other Financial Institutions |
|-----------|--------------------------------------|
| Grant     | 4                                    |
| Hampshire | 3                                    |
| Hardy     | 4                                    |
| Mineral   | 6                                    |
| Pendleton | 3                                    |

Personal and commercial loans are available from banks within the region. While current loan rates are fairly low, it is expected that rates will continue to increase in the future. The region's banks are less able to accept risk and loan to equity ratios have been declining. While the quality of bank loans has increased, increased equity requirements have hindered some from borrowing. This has increased the need for subordinate gap financing. Banks are also reluctant to lend to small start up businesses. This makes financing for new businesses a critical issue.

The West Virginia code virtually prohibits general obligation bonds by local general-purpose governments. Thus, these bonds are not used as a development tool. However, local governments use a variety of revenue bonds, including small issue tax-exempt industrial revenue bonds for development projects. Virtually all water and sewer projects involve revenue bond financing with most borrowing at least half of the project's cost. Water and sewer projects within the five years have issued millions of dollars in revenue bonds. Recently, local governments have been using revenue bonds for industrial parks and industrial buildings. The ability of local governments to borrow for development projects is largely based on the West Virginia Water Development Authority, the West Virginia Infrastructure Jobs Development Council, State Revolving Funds for water and sewer, and the West Virginia Economic Development Authority. These agencies act to lower interest rates and increase the resource pool.

## Community Facilities

The Region contains more than sixty (60) private and public water systems serving everything from small mobile homes parks to major municipalities. Twenty-five of these systems are public water providers and serve from 40 to 2,635 households. The systems have a daily usage ranging from 6,000 to 2,700,000 gallons of water per day; and capacities from 10,000 to 4,800,000 GPD. Table 5 on page 42 provides information on public water systems.

In recent years, most water projects have consisted of line extension with only modest plant improvement. Further, where plant improvement occurred, the improvement focused on meeting immediate industrial need. This has placed pressure on existing water plants and these facilities must be considered in developing future water projects; recent droughts have underscored this issue. The federal safe drinking water act required improvement of almost every water treatment plant in the region. While upgrades were made to the Romney and Piedmont water treatment plants, several major needs still exist. The Town of Franklin currently has a water upgrade project in underway. Critical is the need to renovate and/or expand the Petersburg, Wardensville, and Keyser water treatment plants. These plants either do not meet the safe drinking water standards or do not have sufficient capacity to meet long-term demand. Failure to renovate these plants will greatly restrict growth in most of the region.

The availability of water service is critical to developing industrial and housing sites. Water service is generally available in Grant County, western Hampshire County, western Hardy County and in western and northern Mineral County. It is generally lacking in most of the rest of Region 8. There is a need to expand water service in eastern Hampshire County and in the more populated but still unserved portions of Hardy, Mineral, and Pendleton Counties as a means of fostering developing of housing sites. Most of the newer existing lines are capable of supporting fire protection; all new systems should be required to have fire-fighting capacity.

At present, there are fifteen public wastewater treatment systems serving both municipalities and public service districts. These systems range in size from a daily capacity of 50,000 to 1,250,000 gallons and have a daily usage of from 12,000 to 1,100,000 gallons. The major systems serve from 200 to 6,000 persons and contain about 1,000 industrial and commercial users. Table 6 on page 43 provides detail on public sewer systems.

As most of the region's wastewater treatment systems were developed in the 1980's improvements are needed at several plants. The Petersburg and Moorefield treatment plants are overloaded and cannot meet permit standards. The Petersburg plant is currently under construction. The Wardensville wastewater treatment plant must be protected from future flooding. There is also a need to develop sewer facilities in the Green Spring, Eastern and Central Hampshire

County, and the Frankfort area of Mineral County. The Green Spring facility has been funded and will start construction in the spring. There is also a need to evaluate the need for systems in several unincorporated areas including: Maysville, Western Hardy County, Burlington, Brandywine, and Circleville.

Electric, telephone, and natural gas service in the region are provided by private utilities. Allegheny Power provides electrical service throughout most of the region. Three-phase electrical service is available in the region's major municipalities; the availability of three phase electric has not generally hindered growth. C&P, Citizens Telecommunications, and the Hardy Telecommunications provide telephone service. Fiber optic lines and digital switching equipment is available in the following communities: Petersburg, Keyser, Romney, Moorefield, Franklin, and Piedmont. The availability of modern state of the art telephone service is a major asset for the region. Natural gas service is available in Carpendale, Ridgeley, Piedmont, Keyser, Moorefield, and Bayard.

The Region 8 District has twenty-one (21) community parks comprising 670 acres. These parks contain seven (7) swimming pools, twenty-four (24) tennis courts and eleven (11) playgrounds. The community parks provide much needed recreation for area residents and also increase the Region's attractiveness. Local governments have interest in undertaking new projects. National recreation areas in U.S. forests expand the region's recreational assets. Cultural facilities are limited to an amphitheater at Larenim Park in Mineral County and the McCoy Grand Theater in Moorefield; both facilities host theatrical events on a regular basis.

Twenty-two emergency medical service units, thirty-three volunteer fire departments, eleven police departments and five county sheriff departments serve the Region 8 District. Funding for volunteer fire departments is extremely limited and most rely on funding drives to raise monies to replace critical equipment. However, while all areas of the Region are served, many areas are remote and long response times are not unusual, especially during the night and on weekends.

### Housing

The 2000 Census indicated that the region contained 41,601 housing units; this represents a 20.0% increase over the 1990 figure of 34,582. Given that the region's population grew by 9.35%, one might assume that significant improvement occurred in the region's housing stock. This assumption does not consider that the number of households grew by 17.0% during the nineties. More importantly, it does not consider the massive growth in seasonal/recreational units. Seasonal units account for 14.0% of the region's 2000 housing stock. Thus, it can be demonstrated that housing availability worsened during the nineties. Table 7 on page 44 provides further information on the region's housing stock.

# Public Water Systems

| County             | System                        | Residential Customers | Estimated Population Served | Maximum Daily Capacity | Average Daily Capacity | Unaccounted for Water | Source       |
|--------------------|-------------------------------|-----------------------|-----------------------------|------------------------|------------------------|-----------------------|--------------|
| Grant              | Petersburg                    | 1267                  | 3033                        | 1.700                  | 1.000                  | 20.20%                | river        |
|                    | Mountain Top PSD              | 879                   | 1835                        | 0.360                  | 0.250                  | 33.00%                | spring       |
|                    | Grant County PSD              | 2262                  | 4149                        | 2.500                  | 0.956                  | 18.50%                | purchase     |
| Hampshire          | Capon Bridge                  | 220                   | 435                         | 0.090                  | 0.040                  | 27.60%                | spring       |
|                    | Romney                        | 926                   | 1995                        | 1.000                  | 0.400                  | 15.90%                | river        |
|                    | Central Hampshire PSD         | 926                   |                             |                        |                        |                       | purchase     |
|                    | Springfield Water Association | 216                   | 503                         | 0.070                  | 0.040                  | 40.80%                | spring       |
|                    | Green Spring PSD              | 215                   | 518                         | 0.080                  | 0.040                  | 53.00%                | spring       |
| Hardy              | Moorefield                    | 1106                  | 2070                        | 4.800                  | 2.700                  | 21.10%                | river        |
|                    | Rig Water Associatin          | 70                    | 125                         | 0.010                  | 0.013                  |                       | spring       |
|                    | Wardensville                  | 304                   | 583                         | 0.070                  | 0.050                  | 28.00%                | spring       |
|                    | Critestown Water Association  | 72                    | 180                         | 0.030                  | 0.015                  |                       | spring       |
|                    | Caledonia Heights             | 80                    | 500                         | 0.020                  | 0.010                  |                       | purchase     |
|                    | Hardy County PSD              | 1055                  |                             |                        |                        |                       | purchase     |
| Mineral            | Fort Ashby PSD                | 742                   | 2220                        | 1.100                  | 0.500                  | 15.50%                | river        |
|                    | Keyser                        | 2723                  | 5483                        | 2.000                  | 1.400                  | 36.00%                | river        |
|                    | New Creek Water Association   | 1010                  | 1890                        | 0.220                  | 0.180                  | 22.70%                | purchase     |
|                    | Piedmont                      | 304                   | 760                         | 0.400                  | 0.330                  | 10.90%                | river        |
|                    | Ridgeley                      | 337                   | 835                         | 0.250                  | 0.210                  | 20.50%                | purchase     |
|                    | Wiley Ford                    | 385                   | 936                         | 1.000                  | 0.600                  |                       | purchase     |
|                    | Frankfort PSD                 | 1235                  | 2695                        | 1.000                  | 0.270                  | 17.80%                | purchase     |
|                    | Fountain PSD                  | 209                   | 448                         | 0.150                  | 0.036                  | 48.00%                | well         |
|                    | Carpendale                    | 401                   | 975                         | 0.800                  | 0.070                  |                       | well         |
|                    | Burlington Children's Home    | 20                    |                             |                        |                        |                       |              |
| Lakewood Utilities | 18                            |                       |                             |                        |                        |                       |              |
| Pendleton          | Franklin                      | 641                   | 1603                        | 0.550                  | 0.400                  | 50.00%                | spring       |
|                    | Pendleton County PSD          | 614                   |                             |                        |                        |                       | river/spring |
|                    | Woods Edge MHP                | 26                    |                             |                        |                        |                       |              |
|                    | Mt. State MHP                 | 28                    |                             |                        |                        |                       |              |
|                    | Sherwood Forest Estates       | 4                     |                             |                        |                        |                       |              |

TABLE 5

## Public Sewer Systems

| County    | System                             | Population Served | Capacity MGD | Flow  | Discharge Point                       |
|-----------|------------------------------------|-------------------|--------------|-------|---------------------------------------|
| Grant     | Mountain Top PSD-                  | 415               | 0.050        | 0.050 | NB Potomac River                      |
|           | Bayard/Gorman<br>Petersburg        | 2600              | 0.600        | 0.800 | Lunice Creek                          |
| Hampshire | Capon Bridge                       | 200               | 0.050        | 0.035 | Cacapon River                         |
|           | Central Hampshire PSD              | 220               |              | 0.020 | Shawan Run                            |
|           | Romney                             | 2250              | 0.500        | 0.500 | Big Run                               |
| Hardy     | Moorefield                         | 2340              | 0.477        | 0.477 | SF Potomac River                      |
|           | Wardensville                       | 600               | 0.110        | 0.120 | Cacapon River                         |
| Mineral   | Carpendale                         | 1100              |              |       | Cumberland WWTP                       |
|           | Fort Ashby PSD                     | 1300              | 0.200        | 0.180 | Patterson Creek                       |
|           | Keyser                             | 5870              | 1.200        | 1.100 | NB Potomac River                      |
|           | New Creek PSD                      | 1750              |              | 0.092 | Keyser WWTP                           |
|           | Ridgeley                           | 780               |              | 0.070 | Cumberland WWTP                       |
|           | Mt. Top PSD-Elk Garden<br>Piedmont | 217               |              |       | North Branch<br>Upper Potomac<br>WWTP |
| Pendleton | Franklin                           | 915               | 0.100        | 0.150 | SB Potomac River                      |

TABLE 6

**HOUSING CHARACTERISTICS**

|   | <u>GRANT</u> | <u>HAMPSHIRE</u> | <u>HARDY</u> | <u>MINERAL</u> | <u>PENDLETON</u> | <u>REGION 8</u> |
|---|--------------|------------------|--------------|----------------|------------------|-----------------|
| Total Housing Units                       |              |                  |              |                |                  |                 |
| 1990                                      | 4746         | 8817             | 5573         | 10930          | 4516             | 34582           |
| 2000                                      | 6105         | 11185            | 7115         | 12094          | 5102             | 41601           |
| % Change                                  | 28.63%       | 26.86%           | 27.67%       | 10.65%         | 12.98%           | 20.30%          |
| Occupied Units                            | 4591         | 7955             | 5204         | 10784          | 3350             | 31884           |
| Owner Occupied                            | 3712         | 6448             | 4190         | 8416           | 2660             | 25426           |
| % Owner Occupied                          | 80.85%       | 81.06%           | 80.51%       | 78.04%         | 79.40%           | 79.75%          |
| Renter Occupied                           | 879          | 1507             | 1014         | 2368           | 690              | 6458            |
| Vacant Units                              | 1514         | 3230             | 1911         | 1310           | 1752             | 9717            |
| Seasonal, Recreational, or Occasional Use | 721          | 2530             | 1314         | 337            | 983              | 5885            |
| Non-seasonal Vacant                       | 793          | 700              | 597          | 973            | 769              | 3832            |
| % Homeowner Vacancy Rate                  | 1.8          | 1.7              | 1.6          | 2.2            | 2.3              | 1.92            |
| % Rental Vacancy Rate                     | 8.5          | 7.1              | 5.3          | 7.4            | 10.5             | 7.76            |
| Units in Structure                        |              |                  |              |                |                  |                 |
| 1-unit, detached                          | 4306         | 7930             | 5159         | 8543           | 3705             | 29643           |
| 1-unit, attached                          | 19           | 78               | 99           | 368            | 47               | 611             |
| 2-4 units                                 | 165          | 151              | 128          | 914            | 92               | 1450            |
| 5-9 units                                 | 140          | 124              | 65           | 183            | 29               | 541             |
| 10+ units                                 | 43           | 121              | 55           | 326            | 15               | 560             |
| Mobile home, trailer, or other            | 1432         | 2781             | 1609         | 1760           | 1214             | 8796            |
| % Mobile Homes vs. Total Housing          | 21.38%       | 22.41%           | 21.60%       | 13.86%         | 19.62%           | 19.29%          |
| Units Built prior to 1940                 |              |                  |              |                |                  |                 |
| Number                                    | 790          | 1352             | 1221         | 2486           | 1159             | 7008            |
| Percent                                   | 12.94%       | 12.09%           | 17.16%       | 20.56%         | 22.72%           | 16.85%          |
| Units built w/o complete plumbing         |              |                  |              |                |                  |                 |
| Number                                    | 65           | 184              | 166          | 51             | 109              | 575             |
| Percent                                   | 1.06%        | 1.65%            | 2.33%        | 0.42%          | 2.14%            | 1.38%           |

TABLE 7

In 2000, Region 8 had only a 1.38% incidence with only 575 houses considered inadequate as a result of the lack of plumbing. The construction of new units has allowed a few of the unfit units to be removed. However, upgrades to sewer facilities and the extension of sewer service is still needed in several communities to assist with the lowering of inadequate housing. The 2000 Census indicates that 16.85% of all units were constructed prior to 1939. Mobile homes comprise over 19.0% of the region's housing units.

The region's inadequate housing stock and the general lack of affordable sound housing limits the region's population and labor force. Additionally, these conditions encourage out-migration of persons entering their prime working years. The impact of housing conditions has implications for future economic development and housing conditions must be improved if the Region is to sustain growth.

### Communities

#### Business Districts

The Region 8 Planning and Development Council contains six municipalities (Keyser, Moorefield, Romney, Petersburg, Piedmont and Franklin) which have significant business districts. These downtown areas differ greatly in make-up and vary from Keyser that provides a wide range of goods and services to over 20,000 people, to Franklin that provides day to day goods and services to a population of less than 7,500. Although there are large variances among these business districts, they all have common problems: among these are inadequate parking, deteriorated sidewalks, inappropriate street lighting, lack of green space and public amenities and pressure from shopping areas in surrounding states and related loss of merchants. It should be noted that many of these districts also suffer from deterioration of commercial structures.

#### Neighborhoods

Most of the communities within Region 8 are extremely small with only the City of Keyser having a population in excess of 5,000 people. These communities are old as evidenced by the age of housing stock. In the best case, the Town of Franklin, 25.3% of all homes were constructed prior to 1939. All communities suffer from a lack of financial resources that has limited their ability to provide public amenities such as paved streets, sidewalks, and street lighting. Further, where communities have been fortunate enough to construct these facilities, they have often lacked the resources to properly maintain them. Six of the eleven municipalities previously surveyed identify their sidewalks as being in poor condition while five have indicated that their streets are in a poor state of maintenance. When these problems are combined with old housing stock that is largely substandard, deficiencies in water and sewer systems, and poor drainage

patterns, the end product is blighted neighborhoods. The limited availability of monies has restricted progress in addressing their neighborhoods.

## Human Resources

### Education

Five county school boards operate the educational system in Region 8. Approximately 682 students are enrolled in the system for the 2003-2004 school year. The average class size ranges from 18.4 (Pendleton County) to 21.6 (Hampshire County) and per pupil expenditure ranges from \$6,653.91 to \$7,297.02. Dropout rates varied from 1.7% (Grant County) to 24.3% (Hampshire County).

The region contains approximately forty schools; their condition varies from brand new to obsolete. Structural problems have particularly plagued the Mineral County Board of Education. Beyond state assistance, it is proven very difficult to develop new facilities; thus, all counties have a need for construction/renovation of county schools.

The region has vocational educational schools associated with Boards of Education at Petersburg, Romney and Keyser. These schools offer vocational training in fields such as Administrative Systems, Electronic Technology, Health Care, Marketing, Auto Mechanics, Business Management, Food Management, Forestry, Information Systems and Welding. These schools provide an important function in preparing individuals to enter the workforce. They also play an important role in providing training to older persons wishing to enhance their skill levels.

Potomac State College, a two-year branch of West Virginia University, is located in Keyser. PSC has a long tradition of successful delivery of undergraduate opportunities to both on and off campus students. The college offers ten associates of arts degrees, and five associates in applied science degrees. Potomac State offers education in business and economics, computer science, engineering, forestry, medical technology, and social work. Shepherd College operates the South Branch Center in Petersburg. The center allows students to obtain an associates degree from Shepherd College. Eastern West Virginia Community and Technical College is a new education facility located in Hardy County which offers classes throughout the region and provides a distant learning facility. Eastern provides a nursing program degree and provides several associates degrees. The colleges are an important resource in meeting the region's workforce preparedness needs.

The upward shift of the median age of the region's population indicates that increasingly the educational system will need to focus on adults, with priority given to worker training and re-training. The region's colleges and vocational

centers will assist in providing the needed training, but will continue to need upgrades to facilities including technological upgrades.

## Health

The Region 8 area, as with most areas having low population densities, has an extreme shortage of health services. The region contains approximately 60 physicians, of which 24 provide primary care; this gives primary care physicians to service area population ratio of one to 3,189. This compares unfavorably to the ratio of one to 2,500 as suggested by the federal government. Further, these physicians are not evenly distributed, thus, the Public Health Service has designated, or partially designated, all counties in Region 8 except Mineral County as experiencing some form of medical manpower shortage.

The region contains three hospitals located at Petersburg, Romney and Keyser, with a combined capacity of 120 acute care beds. Many residents are closer to and seek care from hospitals outside the region. Therefore, the combined service area for regional hospitals is smaller than the region. Additional health care service is provided by clinics located at Mount Storm, Moorefield, Baker, Franklin, Upper Tract and Riverton.

Given the 11.9% increase in persons age 65 and over, the Region's health care system will need to focus its attention on issues concerning the elderly. It should be noted that by focusing on elderly care, the whole system would support increased retirement into the area while enhancing the economic vitality of health care services. With the higher wages normally paid the health care sector, this should have positive impact on the region's economy.

## Human Services

The West Virginia Division of Human Services has traditionally served as the focal point for providing assistance to disadvantaged persons. The division is charged with the responsibility in implementing welfare reform. Unlike much of West Virginia the federal government has not waived welfare reform requirements in the Potomac Highlands. This will place a strong emphasis on moving families from public assistance to employment.

Beyond the State Division of Human Services, several other regional entities are concerned with meeting the needs of the region's disadvantaged population. West Virginia Telamon Corporation is a private non-profit community service organization dedicated to the economic upgrading of the disadvantaged, especially seasonal and migrant farm workers. To this end, Telamon administers a wide range of job training, educational programs, vocational counseling, housing, independent living skills, nutrition, manpower and crisis intervention services.

Eastern West Virginia Community Action Agency, Inc., is a private, not for profit, 501(c)(3) corporation. Its mission is to have a major and measurable impact on the causes and conditions of poverty. EWVCA organizes services that respond to the needs identified in the community. The agency offers housing services from minor repair to major rehabilitation and new construction and weatherization of existing housing. It provides emergency crisis direct assistance. It offers enrollment of youth in Youth Opportunity Camp, free vegetable garden seeds, low-income energy assistance program application assistance and distribution of USDA donated foods. The agency provides VISTA Volunteer services in youth programs, community economic development, housing, emergency services and child support.

Potomac Highlands Support Services (PHSS) is a division of the Region 8 Planning and Development Council. PHSS operates a wide range of programs in over 20 counties to meet the needs of various groups. These programs include the Area Agency on Aging, Senior Community Service Employment Program, Medicaid Waiver Case Management, and the Foster Grandparent Program. Although the programs target aging West Virginians, primarily, there is assistance for the eligible unemployed and for the handicapped, age 45 and older.

#### 4. GOVERNMENT ORGANIZATION, PLANNING AND ECONOMIC DEVELOPMENT

##### General Purpose Governments

Three member county commissions serve as the governing body for the region's five counties (Grant, Hampshire, Hardy, Mineral and Pendleton). These county commissions have only limited authority as they are allowed to carry out only activities specifically authorized by the state. Further, the commissions must work with a number of independently elected county officials including sheriffs, assessors, and clerks. As originally envisioned, county commissions served to levy taxes and oversee a county budget. Given the financial and constitutional limits placed on county commissions, much of their development work is carried out by special purpose authorities including development authorities, public service districts, and planning commissions. The county commission's are limited by the strong degree by a strongly centralized state government.

The region contains twelve municipalities ranging in size of Keyser with a population of 5,303 to Capon Bridge with a population of 200. Three (3) of the region's municipalities are class III cities and nine (9) are towns. Municipalities generally enjoy more power than county commissions but the state code still restricts their activities. Key restrictions include limitations on borrowing and property transfer/disposal. As with county commissions, municipalities have expressed greater need for autonomy, especially with financial matters. Beyond functions related to preserving law and order, towns are major providers of public utilities. All towns except Bayard and Elk Garden operate water systems and

nearly 90% of the region's water production capacity is controlled by municipalities. Similarly, eleven of the region's fourteen sewer systems are operated by towns and they account for almost all of the region's sewage treatment capacity. Towns are also responsible for the development of sound communities and have a strong impact on the provision of streets, sidewalks, lighting and essential public services such as police and fire protection. These issues often impact the region's downtown business districts. As with counties, towns often create special purpose units to expand their ability to function. These units include planning commissions, urban renewal authorities and housing authorities.

### Special Purpose Governments

County Boards of Education are the largest local government entities within the region. Although the Boards are independently elected, their activities are heavily influenced through state financial control. With combined budgets of over \$76,000,000 in 96-97, county Boards of Education account for most local governmental spending. The Boards employ 1,555 persons to provide elementary, secondary and vocational education.

Public Service Districts created by county commissions are responsible for the provision of water and sewer service in rural areas. Operational PSD's include Grant County and Mountain Top in Grant County; Central Hampshire and Green Spring in Hampshire County; Hardy County PSD; New Creek, Fountain, Fort Ashby and Frankfort in Mineral County; and the Pendleton County PSD. These PSD's provide water service to over 6,000 users and sewer service to over 1,500 users. The development of water and sewer systems by these districts has played an important role in achieving growth, especially of new housing.

The cities of Keyser, Piedmont and Romney and the Grant County Commission have created housing authorities to develop and manage housing projects disadvantaged families. These authorities own over 300 units and manage an additional 400 units. Recent programs of the Department of Housing and Urban Development gives these authorities responsibility of promoting economic self-sufficiency among their tenants. This responsibility will greatly increase their interest in economic development activities.

The region also contains three regional special purpose units of government. The Region 8 Solid Waste Authority is responsible for planning to assure long-term solid waste disposal. Currently the authority operates two transfer stations. The Potomac Valley Transit Authority provides local and long distance bus service in the region. Many of the Authority's more successful operations are linked to providing service to places of employment. The Region 8 Planning and Development Council is charged with promoting sound development in the five counties of Region 8. The Council carries out a variety of economic development and planning activities.

## Planning Activities

Municipalities and counties are empowered by the state code to create planning commissions to promote orderly development and to assure that growth is commensurate with the efficient use of public funds. Planning commissions serve in an advisory capacity to the general governing body and the exercise of planning provides certain regulatory power over development. Planning commissions are responsible for the preparation of a community-wide comprehensive plan for physical development. The county commission adopts county comprehensive plans. Once a comprehensive plan has been adopted, the governing body can then adopt a zoning ordinance to regulate land use. Local governments are also empowered to adopt regulations related to sub-division control.

All five counties in Region 8 have created planning commissions. The Hampshire, Hardy, and Mineral County Planning Commissions employ planners. The other authorities rely on volunteer effort. Hampshire, Hardy, Mineral, and Pendleton Counties have prepared comprehensive plans. Hampshire, Hardy, and Mineral County have adopted and are enforcing county sub-division ordinances.

## Economic Development Activities

County commissions are empowered to create county development authorities. These authorities are responsible for the promotion, development, and advancement of county's economic welfare. They are responsible for encouraging development and expansion of business in order to provide full employment opportunities.

All counties within the region have created development authorities that are governed by boards that include representatives from the county commission, municipalities, and the private sector. The development authorities are the entities primarily responsible for marketing the counties growth potential. County development authorities in Region 8 work closely with the West Virginia Development Office to recruit new industry, assist in expanding businesses, and retain existing firms. The authorities work closely with the Region 8 Council to address infrastructure deficiencies that limit growth and to improve the pool of financial resources available to small expanding enterprises.

The Grant County Development Authority employs a full time director. The County has an active marketing effort including printed county profiles. The Development Authority is responsible for managing and marketing the Petersburg and Mountain Top Industrial Parks. The Authority is promoting the development of the Shobe industrial site. The Authority also owns and operates a multi-tenant industrial building in Petersburg. The Authority played an important role in attracting Advantage Foods to Grant County and has assisted in other industrial expansions, including those by Allegheny Wood Products.

The Hampshire County Development Authority employs a full time director. The County has an active marketing effort including a printed county profile. The Authority is responsible for marketing the Hampshire County Industrial Park and a 25,000 square foot Multi-Tenant Building/Business Incubator in the Industrial Park. The Authority has constructed a ninety-acre business and industry near Capon Bridge. The Authority has assisted firms locating and expanding in Hampshire County.

The Hardy County Development Authority employs a full time director. The County has an extremely active marketing effort including a variety of printed materials. The Authority is responsible for marketing and managing the Moorefield, Robert C. Byrd- Hardy County, and Wardensville Industrial Parks. The Authority is working to construct a multi-tenant industrial building in the Robert C. Byrd-Hardy County Industrial Park. The Authority has played a key role in industrial expansions including major expansions by Perdue.

The Mineral County Development Authority employs a full time director. The County has a marketing effort that is supported by printed material including a county profile. The Authority markets the Mineral County Industrial Park and the Mineral County Multi-Tenant Building. The Authority has constructing a 70 acre business and industrial park near Fort Ashby. The Authority is constructing a 27,000 square foot building in the Fort Ashby Park. The Authority is actively working to recruit new firms and has assisted with industrial expansion.

The Pendleton County Development Authority employs a full time director. The Authority has a marketing program and has developed printed material to promote the county's unique assets. The Authority owns both a 25,000 and 40,000 square foot multi-tenant industrial building and a 20-acre industrial park. The authority converted the old Hanover Shoe Building into an effective multi-tenant building.

The region has among the most active development authorities in the state. The Development Office has identified Hampshire, Mineral, and Pendleton Counties as certified business locations as a result of development authority activity. Their level of effort and expertise is evidenced by the region's attraction of investment dollars.

## IV. DEVELOPMENT PLAN VISION

### A. GOALS - OBJECTIVES - STRATEGIES

#### JOB AND WAGES

It is the goal of the Region 8 Planning and Development Council to assure that all persons working or seeking work have access to employment that will use their abilities to the fullest degree at good wages. While seeking job growth in all sectors, the Council has established sub-goals in the areas of travel and tourism, renewable resources, telecommunications, worker training, and business development as a means of focusing its efforts where the greatest growth opportunities exist. These areas have strong potential because of a combination of unique assets - location, environmental quality, readily available workers, low cost of doing business, and access to poultry and timber resources. Constraints on growth in these areas appear manageable.

#### 1. TRAVEL AND TOURISM:

It is the goal of the Region 8 Planning and Development Council to increase travel and tourism sales and employment.

#### Objective:

It is the objective of the Region 8 Planning and Development Council to increase the rate of growth of travel and tourism sales and employment by 10% during the next five years.

#### Strategies:

The Regional Council proposes the preparation of a tourism development plan that will serve as a base for expanding the Region's travel industry.

The Regional Council will identify financial resources that can be used for expansion of the travel industry and will work to provide a low interest loan pool for firms engaged in travel and tourism.

The Regional Council will refer interested travel and tourism businesses to sources of in-depth assistance with business operation.

The Regional Council will work toward removing infrastructural deficiencies that retard development of the travel and tourism industry.

The Regional Council will work toward obtaining resources that can be used to market regional travel and tourism to the nation.

The Regional Council will work toward establishing a means to promote the “Scenic Highways Program” to assist the travel and tourism industry.

The Regional Council will work to identify a good location for a conference center within the region.

The Regional Council will promote the development of a state park to be located within the eastern panhandle of West Virginia.

The Regional Council will help to identify recreational facilities located within the Potomac Highlands.

## 2. RENEWABLE RESOURCES:

It is the goal of the Region 8 Planning and Development Council to increase employment by industries using renewable resources, especially timber and agricultural products including poultry.

### Objective:

It is the objective of the Region 8 Planning and Development Council to increase employment by industries using renewable resources, especially timber and agricultural products including poultry, by 10% during the next five years.

### Strategies:

The Regional Council will assist local governments in obtaining funding for infrastructural projects that address deficiencies that restrict the development of renewable resources.

The Regional Council will identify resources that can be used for the expansion of industries using renewable resources through the use of its low interest loan pool for such industries.

## 3. DATA PROCESSING/TELECOMMUNICATIONS:

It is the goal of the Region 8 Planning and Development Council to increase the number of data processing/ telecommunications/computer based firms within the Region.

### Objective:

It is the objective of the Region 8 Planning and Development Council to locate or expand five firms that are engaged in data processing/telecommunications/computer based operations during the next five years.

Strategies:

The Regional Council will identify financial resources that can be used by computer based firms and will establish a low interest loan pool for such firms.

The Regional Council will assist local agencies in developing facilities that will support high technology firms.

4. WORKER TRAINING:

It is the goal of the Region 8 Planning and Development Council to assure that worker training/retraining programs are available to all residents in a manner that will establish a base for long term development.

Objective:

It is the objective of the Region 8 Planning and Development Council to increase the availability of worker training programs within the Region during the next five years.

Strategies:

The Regional Council will advocate the need for the development of additional worker training programs.

The Regional Council will assist local agencies in identifying and seeking resources that can be used for the development and expansion of worker training programs.

Recommendations:

The Regional Council recommends that all Boards of Education establish/expand programs to reduce high school drop outs.

The Regional Council urges the expansion of existing programs which are aimed at increasing the skill level of the labor force.

5. BUSINESS DEVELOPMENT

It is the goal of the Region 8 Planning and Development Council to increase the general employment of the region.

Objective:

It is the objective of the Region 8 Planning and Development Council to increase employment of businesses by 10% over the next five years.

Strategies:

The Regional Council will identify resources to promote entrepreneurship within the region.

The Regional Council will hold workshops for entrepreneurs to provide information on financing and training for entrepreneurs.

The Regional Council will make an analysis of those jobs needed in the region and identify types of industry to attract to the region.

The Regional Council will develop a regional marketing tool for all five counties.

INFRASTRUCTURE

It is the goal of the Region 8 Planning and Development Council to eliminate all deficiencies in the Region's infrastructure that restrict economic growth and to assure that all elements of the infrastructure are capable of supporting long term development. Infrastructure includes a diversity of issues and is broad in nature. Thus, the Council feels a need to identify sub-goals to add detail to its infrastructure goal. The sub-goals will concentrate on major issues that pose the greatest impediments to development. The Council will establish measurable objectives and has proposed strategies that are linked to the Council's ability to affect change.

1. INDUSTRIAL PARKS/SITES:

It is the goal of the Region 8 Planning and Development Council to assure that industrial parks/sites and buildings are available in sufficient quantity to provide for long term economic development.

Objectives:

It is the objective of the Region 8 Planning and Development Council to add at least 150 acres to the Region's industrial site inventory during the next five years.

It is the objective of the Region 8 Planning and Development Council to construct a multi-tenant building/business incubator during the next five years.

Strategies:

The Regional Council will identify land suitable and available for industrial use and where appropriate will assist local development authorities in obtaining financing for site acquisition and industrial park development.

The Regional Council will inventory buildings within the Region to identify those that are suitable for multi-tenant industrial operations. The Regional Council will assist local development agencies in obtaining financing to develop multi-tenant buildings/business incubators.

2. HIGHWAYS:

It is the goal of the Region 8 Planning and Development to assure the Region is served by a modern highway network that meets long term growth needs and provides industry/business with access to all sections of the nation.

Objectives:

It is the objective of the Region 8 Planning and Development Council to have the Division of Highways complete construction of a major portion of Corridor H in the Region within the next five years.

It is the objective of the Region 8 Planning and Development Council to have the Division of Highways undertake other significant highway improvements during the next five years.

Strategies:

The Regional Council will advocate the improvement of highways critical to economic development.

The Regional Council will support efforts of the State to construct Corridor H.

The Council will encourage local review of the State Transportation Improvement Program and will provide comments for its improvement.

Recommendations:

Recognizing its and its member governments' limited abilities to implement transportation improvement projects, the Regional Council offers the following recommendations in an effort to influence the development of needed highway projects:

- The Council recommends that the Division of Highways establish a program to improve highways critical to economic development. Such a program

should focus on a highway's impact on long term growth rather than on current vehicle count. Highway segments improved under this program should receive passing lanes on all major grades, elimination of curves not negotiable at 45 mph, widening of shoulders, and improvement of obsolete bridges. The following highways within the region require such treatment: US Routes 33, 50, 220 and WV Routes 28, 29, 42, 46, 55, and 93.

### 3. PUBLIC UTILITIES:

It is the goal of the Region 8 Planning and Development Council to assure that public utilities, are available and of a sufficient quality to meet the needs of business/industry and to provide a base for long term growth.

#### Objectives:

It is the objective of the Region 8 Planning and Development Council to construct four new sewer systems during the next five years.

It is the objective of the Region 8 Planning and Development Council to upgrade all existing treatment plants that do not meet federal standards during the next five years.

It is the objective of the Region 8 Planning and Development Council to upgrade or replace three existing water treatment plants during the next five years.

It is the objective of the Region 8 Planning and Development Council to construct or expand three water systems during the next five years.

#### Strategies:

The Regional Council will assist local governments in implementing water projects by identifying needs, resources available, and preparing requests for funding.

The Regional Council will assist local governments to identify additional sources of water supply.

The Regional Council will assist municipalities and public service districts in developing sewerage systems by identifying needs, resources to meet needs, and preparing requests for grant/loan assistance.

The Council will assist local governments in complying with Chapter 5G of the Code of West Virginia.

Recommendations:

The Regional Council recommends that the PSC certificate of need process be streamlined so as to reduce the time required to obtain a certificate from the commission.

The Region Council recommends the creation of entities such as joint purchasing authorities as a means of increasing the efficiency of water/sewer systems.

4. HOUSING:

It is the goal of the Region 8 Planning and Development Council to assure that sufficient safe and sound housing is available to meet long term growth as well as the immediate needs of its residents.

Objective:

It is the objective of the Region 8 Planning and Development Council to expand the Region's housing stock by 5% over the next five years.

Strategies:

The Regional Council will identify resources available to expand water and sewer service to areas that have the potential to support new housing sites.

The Regional Council will encourage local governments to establish housing authorities.

The Regional Council will assist local governments that are attempting to develop housing management tools such as sub-division ordinances.

The Regional Council will support the activities of the West Virginia Housing Development Fund.

Recommendations:

The Regional Council recommends that all counties and larger municipalities, which have not done so, form housing authorities.

5. HEALTH CARE:

It is the goal of the Region 8 Planning and Development Council to assure that its residents have access to quality health care.

Objective:

The development of health programs is carried with a high degree of centralization and control by state agencies. These agencies allow only modest opportunity for influence by outside entities. Further, they operate in highly complex areas in which the Council's capacity is non-existent. Thus, rather than identify an elaborate series of objectives and work elements, the Council will limit its effort to areas in which it can have an impact.

Strategy

The Regional Council will work for the construction of a new Potomac Valley Hospital in Mineral County.

The Regional Council will work for the upgrade of existing health care facilities.

Recommendation:

The Regional Council recommends that strong consideration be given to locating health related programs and facilities as near as possible to existing hospitals as a means of increasing their economic vitality.

6. SCHOOLS

It is the goal of the Region 8 Planning and Development Council to assure that its residents have access to quality education and school facilities.

Objective

It is the goal of the Region 8 Planning and Development Council to assist with upgrading all school systems within the Potomac Highlands.

It is the goal of the Region 8 Planning and Development Council to ensure that students have the needed technology for expanded learning capabilities.

Strategies

The Regional Council will cooperate with county boards of education to identify deficiencies in their programs and areas in which the Council could assist with obtaining needed funding for upgrades.

The Regional Council will assist education facilities to identify resources for necessary upgrades to technology.

## ENVIRONMENTAL QUALITY

It is the goal of the Region 8 Planning and Development Council to protect the Region's environmental quality for its residents and as a means of assuring that the Region's natural assets can be wisely used to promote long term growth. The region's environmental quality is an important asset. It provides the foundation for travel and tourism and supports the region's ability to attract new enterprise. The region can no longer rely on farming and poor roads to protect the environment by discouraging development. Change is occurring and planning must occur to address this change if this asset is to be preserved.

### Objectives:

It is the objective of the Region 8 PDC to protect prime agricultural land, unique features and environmentally sensitive areas.

It is the objective of the Region 8 Planning and Development Council to have all jurisdictions establish planning commissions.

It is the objective of the Region 8 Planning and Development Council to assure that development occurs in an orderly and timely manner and is commensurate with the characteristics of the land.

It is the objective of the Region 8 Planning and Development Council to assure that necessary planning occurs before the Region's natural resources are exploited.

It is the objective of the Region 8 Planning and Development Council to assist in providing an infrastructure which will allow for development of resources in a wise manner.

### Strategies:

The Regional Council will promote the environmental quality of the region and use this asset as an attraction.

The Regional Council will support improvements of anti-pollution devices used by industries.

The Regional Council will assist local jurisdictions to obtain funding for and implementation of storm water management projects.

There are agencies at all levels of government interested in protecting the quality of the environment. The Region will cooperate with these agencies and expand their ability by:

Advocating the protection of prime agricultural land, unique features and environmentally sensitive areas.

- Reviewing the impact of all development projects and providing substantive comments where the environment and natural resources are adversely impacted.
- Advocating the formation of planning commissions by all jurisdictions.
- Providing technical assistance with comprehensive planning.
- Identifying resources that can be allocated to land use planning.

Recommendations:

The Regional Council recommends that a funding source for comprehensive and land use planning be established in addition to the WVSCBG program.

The Regional Council urges all governments that have not done so to create planning commissions.

The Regional Council urges that local government adopt land use planning and sub-division ordinances to protect environmentally sensitive areas.

OVERALL ECONOMIC DEVELOPMENT

The Regional Council's Planning Committee recognizes that all areas of development are interlinked. Strategies identified to improve infrastructure will essentially affect jobs and wages and inevitably involve environmental quality.

Additionally, the committee has identified a need to create a regional forum to address members of legislature. The committee believes that such a forum will provide a tremendous strength for regional development. Therefore, the Regional Council will assist with the development of a Potomac Highlands Forum to address the legislature.

B. Project Selection

The Regional Council uses several means to identify priority projects. In the past, the council identified potential priority projects through staff members reviewing needs statements, staff members knowledge of projects, through contacts with individual communities, submissions by local governments and their agencies and through suggestions by the public during public meetings or in writing during the planning process.

The Regional Council has taken positive action to assure the maximum opportunity exists to have projects submitted to it from key agencies and the public. Thus, the Regional Council periodically surveys local governments and their agencies as to potential projects. This process allows the Regional Council to update project information and normally gives the local government or agency an opportunity to provide their own project ranking. Beyond this effort, the Regional Council also periodically publishes a form in all local newspapers. This form requests suggestions on needs and projects from members of the public.

Once the council identifies a series of projects it uses a rating system to rank all projects. After the council has evaluated all projects, the council reviews the ranked projects to consider subjective issues. The Council uses the following rating system:

#### Rating System

##### **Is the project market driven?**

The Regional Council will award five points to a project that has an analysis that demonstrates that the project is market based or the Regional Council will award five points to a non-economic development project that can demonstrate that it is feasible through a written study.

##### **Is the project sponsor requesting a proactive investment?**

The Regional Council will award five points to a project that has funding commitments and is seeking the last segment of funding.

The Regional Council will award three points to a project that has at least 50% of the required funding committed to the project.

The Regional Council will award two points to a project that does not require other funds.

##### **Will the project strengthen existing economic clusters, diversify the regional economy or otherwise create the potential for economic growth?**

The Regional Council will award fifteen points to a project that directly supports the creation of jobs and income in food or wood products or travel and tourism or the Regional Council will award fifteen points to a project that directly creates jobs in new industries and services.

The Regional Council will award twelve points to a project that address issues of overriding regional importance, including:

Projects that retain existing or create new employment opportunities

Projects that expand the availability of land suitable for economic development

Projects that result in significant improvement to major highways critical to development

Projects that increase the educational attainment or skill level of the work force

Projects designed to allow communities to manage growth

Projects that directly protect the environment

Projects that substantially increase the number of year round housing units

Projects that increase the capacity of water and waster disposal systems to serve industrial and commercial areas.

Projects that implement comprehensive downtown revitalization programs

Projects that significantly expand the service area of water and waste disposal systems

The Regional Council will be award nine points to projects that result in significant improvements to the quality of life or that support increasing the capacity of communities to achieve economic development. Such projects include:

Projects that improve elements of the transportation system that are likely to be used by industry

Projects that expand the service area of water and waste disposal systems

Projects to develop recreational facilities that have the capacity to attract tourists

Projects that address a single element required in a downtown revitalization program

Projects that allow for comprehensive neighborhood revitalization

Projects that improve the overall quality of education

Projects that increase the availability of health care services in under-served areas

The Regional Council will award six points to projects that support improvement of the quality of life. Such projects include:

Projects that significantly improve local roads

Projects that improve the quality of water or waste disposal system without expanding its capacity or increasing its service

Projects to provide multi-use community buildings/structures

Projects that provide community wide recreational facilities

Projects that provide new or significantly improve existing public services

Projects that address a single element required in a neighborhood revitalization program

Projects that improve existing health services

Projects that address potential threats to health and safety

**Will the project result in the direct investment of private capital?**

The Regional Council will award five points to a project that demonstrates an ability to cause private sector investment in the region.

The Regional Council will award three points to a project that will support private sector investment in the region.

**Does the project have a high probability of success?**

The Regional Council will award five points that can demonstrate a high probability of success. Favorable IJDC comments will serve as such evidence. Other evidence includes:

The provision of a higher than required local match

The existence of a broadly representative project committee

Overwhelming favorable comments during public meetings

**Will the project create higher paying jobs?**

The Regional Council will award five points to a project that can demonstrate an ability to support higher paying jobs.

The Regional Council will award three points to a project that will support higher paying jobs.

**Will the project produce a return on the needed public investment?**

The Regional Council will award five points to a project that will produce a positive return on the public investment. Evidence of this can be found in:

Increases in private sector property values

Increases in worker incomes

Elimination of threats to health

Elimination of threats to the environment

**Does the community have an urgent need for the project?**

The Regional Council will allow each member government to identify on project as of urgent need for the community/county.

**FY 2003 Priority Projects**

The regional council's FY 2003 priority list follows this page.

2003 Priority List



## V. ACTION PLAN

### A. STRATEGIC EVALUATION

#### 1. OPPORTUNITITES AND CONSTRAINTS

##### Development Opportunities

##### Travel and Tourism

Development of the region's travel and tourism industry would act to reduce economic distress within the region. The region's travel and tourism industry is based on immediate access to national forest and recreation areas, rivers and streams of unparalleled quality, abundant wildlife, numerous scenic vistas and an overall environmental quality that cannot be found in surrounding urban areas. Travel and tourism has benefited from traditional agricultural activity which has protected many of the region's assets. Agriculture has promoted environmental quality and is added to the region's scenic value.

Currently, the region's travel industry includes camping, canoeing, hiking, hunting and fishing. The region's rock formations provide among the most challenging rock climbing in the East and the region's spring weather produces significant opportunities for soaring and gliding. Tourist rail service through "The Trough" has drew 6,500 passengers in the first four months of operation.

The primary market for the region's travel and tourism industry is the Washington/Baltimore metropolitan area with secondary markets areas including Pittsburgh, Philadelphia, and Richmond. Residents of these metropolitan areas are excited to find a relatively unspoiled rural environment within a three hour drive. Ironically, the region's poor highway network has fostered the travel and tourism industry by protecting many of its assets. For years, the region's poor roads forced development by the region leaving it underdeveloped and hence attractive to individuals seeking outdoor experiences. Even a modest 10% growth in this industry would create 200 jobs. This growth would be spurred by improvements that would:

- ◆ Decrease the travel time for visitors from metropolitan areas. Such improvements should increase the number of visits per year to the region.
- ◆ Increase travel and tourism facilities, especially lodging. Lodging is near capacity and little growth can occur without the development of additional rooms, cabins, and camp sites.
- ◆ Provide year-round and winter attractions. Currently, development is hindered by the lack of winter attractions in the region. The lack of such attractions makes it difficult to obtain investment in commercial facilities primarily intended for tourist use.

- ◆ Increased marketing of the area. The area's marketing effort is not strongly coordinated and the region lacks a market identity.

The travel and tourism industry can be threatened by development in other areas. This includes:

- ◆ Shifts in agriculture production that has increased the number of poultry houses in the area. Poorly located, these poultry houses could adversely impact scenic views and create undesirable odors.
- ◆ Conversion of agricultural land to other purposes, especially housing subdivisions. This conversion reduces scenic values and decreases protection to rivers and other key environmental assets.
- ◆ Adverse impact of manufacturing growth on the region's roadways. Manufacturing growth is producing congestion in the region's towns and is slowing the flow of traffic on the region's highways. This can frustrate visitors and decrease their willingness to visit the area.
- ◆ Lack of financing for private travel and tourism ventures. Travel and tourism has a higher than average failure rate and thus it is difficult to attract investment in new facilities.
- ◆ Poor understanding of the potential for travel and tourism development by local residents. Local residents are often unaware of the importance of the industry and have not always reacted favorably to increased flow of individuals from the outside.

Successful development of the travel and tourism industry will require:

- ◆ Promoting an understanding of the importance to the region's long term development. This includes working with banks to increase their willingness to accept the travel and tourism risks.
- ◆ An effort to identify and develop winter and year-round attractions as a means of creating a 12-month tourism base. Without this, the industry will never provide adequate employment and income opportunities.
- ◆ Highway improvements within the region and between the region and nearby metropolitan areas. Decreasing travel times and travel frustrations will be a key element in attracting return visits to the region.
- ◆ Land use planning to protect assets from adverse change. The region can no longer depend upon inadequate highways and the agriculture sector to protect

vital assets. These assets can only be protected through well written local land use plans.

- ◆ Additional assistance to travel and tourism entrepreneurs. These individuals are often small business persons with limited resources. An effort must be made to decrease their rate of failure. This would include increasing financial resources available for new ventures.

## Renewable Resources

### Wood Products

Region 8 contains extensive forest with a high percentage of hard woods. These hardwoods, especially oak, present a significant renewable resource for which there is world-wide demand. Much of this resource is contained in national forests located within the region. Currently, timber is harvested for dimensioned lumber and pulp wood. Pulp wood from the region is processed at Westvaco's Luke, Maryland paper plant. While many Region 8 residents are employed by Westvaco, little growth is expected. On the other hand, dimensioned lumber provides significant growth opportunities. Although the timber is dried within the region, little of it is processed into final products in the region. The processing of final products is the key to growth; aggressive efforts could create 500 to 600 jobs processing timber produced in the region.

Further processing of timber will not occur until the region's infrastructural limitations are addressed. Highway improvements are key to bringing wood manufacturers to the region. Highway improvements would decrease transit time and would make the region's location and timber resources irresistible to manufacturing firms. Development would be aided by the provision of additional industrial sites that could meet the horizontal storage requirements of wood processing firms. Additionally, the region should promote its supply of knowledgeable people who are available at reasonable wage rates.

Many of the firms engaged in timber operations are relatively small firms. These firms often have only limited management skills and thus experience difficulties in maintaining financial records, evaluating costs, and obtaining financing. There is a need to provide assistance to these firms, especially those that are encountering difficulties in obtaining sufficient financing to undertaken business expansion. Growth in timber related firms is dependent on continued availability of wood from national forests. Changes in national forest policy could limit growth or completely eliminate the potential for growth. Without stability in policies for national forests, growth will be modest. Additionally, national policies should balance national recreational needs, national environmental concerns, and local development issues in setting timber harvesting plans. It should be noted that development of the travel and tourism industry requires a stringent balancing of timber production and environmental considerations.

## Poultry

The region's location away from migratory bird flyways decreases threats from avian disease. Combining the region's location with an available and knowledgeable work force and interested investors, creates an extremely large potential for growth in the poultry industry. While growth during the next five years will not be as dramatic as past growth, strong potential still exists. This potential includes additional processing plants and the development of industries to support existing firms. Financing of new growers and enterprises would support increased growth in this area.

The recent rapid growth of the poultry industry has caused issues to surface that may retard and even eliminate growth if not addressed. These include:

- ◆ An inability of the region's roads to handle increased poultry related traffic. The region is experiencing congestion around poultry processing plants and driving times are increasing in direct relationship to the number of trucks moving both live poultry and poultry products.
- ◆ The ability of growing houses to co-exist with other land uses. This is especially critical for areas experiencing residential and travel and tourism growth. Conflict could raise anti-poultry growth sentiments as occurred in nearby Virginia counties.
- ◆ Environmental issues such as odors from processing plants and poultry litter disposal problems. These may result in regulations that severely limit the location of processing plants and growing houses.

As with the travel and tourism industry, many of the threats can be addressed by highway improvements and planning activity. Planning is critical in addressing environmental issues. Of key importance is finding uses for poultry litter that would create jobs.

## Telecommunications

The region is located in close proximity to many of the eastern metropolitan areas. While the region's inadequate highway system has hindered the development of real economic links to these areas, recent improvements have eliminated this issue for firms engaged in telecommunications and data processing. The region's major towns are served by digital telephone switches that have access to the nation's fiber optic telephone system. The region's linkage to the nation's fiber optic networks gives it a significant advantage. This potential is supported by reasonable labor and building costs and favorable state taxing policies. Unfortunately, the image of rural areas does not include a modern telecommunications network. Thus, marketing of the region's telecommunications asset is key to development in this area.

While the region enjoys reasonable building costs, there are few readily available buildings that are suitable for telecommunications use. Given the speed of setting up such operations, this is a major liability. The region has lost firms because of a lack of immediately usable space. Addressing this issue will require identification of buildings that are immediately available, financing of new buildings and financing of building conversion.

### Economic Distress and Growth Constraints

#### Economic Distress

The Region 8 district is economically distressed. The following summary of previously presented information, illustrates major issues:

- ◆ The region's 2002 unemployment rate of 6.1% is higher than the national unemployment rate for 2002.
- ◆ The median household income of the region's counties range from \$28,916 to \$31,946. These figures represent from 69 – 76% of the national median household income of \$41,944.
- ◆ The region's personal per capita income of \$19714 is only 65% of the national figure.
- ◆ During 1999, 17.9% of the region's residents live in poverty as compared to 12.4% nationally.
- ◆ The region grew by .9% during the 1990's as compared to a national growth rate of 1.2% during the 1990's.

Beyond these figures, other conditions evidence the distress experienced by many households. Anecdotal observations such as:

- ◆ People using streams and polluted springs for drinking water.
- ◆ Homes that have no market value because raw sewage lies within their property boundaries.

The region's economic distress creates need to:

- ◆ Provide jobs to lower the unemployment rate to an acceptable level.
- ◆ Raise family incomes and per capita incomes to the national average.

- ◆ Reduce the poverty rate to no more than the national average.
- ◆ Improve living conditions by providing residents with access to decent community facilities and services.

Constraints on economic development are the prime factor in the region's high level of distress. Deficiencies in industrial sites, community facilities, and human services must be addressed if growth is to occur.

### Infrastructure

In order to have an opportunity for economic development, counties must have immediately available industrial park acreage. This industrial acreage should be supported by industrial incubators/multi-tenant buildings. Industrial park availability is a key consideration for firms engaged in timber processing, which requires horizontal storage areas, and for firms engaged in poultry processing, where firms fill a need to have compatibility with surrounding land uses. The readily available floor space is key to telecommunications and computer based firms, which have relatively short lead times in establishing operations.

To maximize the potential for industrial growth every county should have at least 150 acres of available industrial park acreage. The acreage should be available in a variety of lot sizes and locations. There is a need to construct industrial park acreage as follows:

|                  |          |
|------------------|----------|
| Grant County     | 45 acres |
| Pendleton County | 85 acres |

Industrial incubator/multi-tenant building floor space should be provided as follows:

|              |                    |
|--------------|--------------------|
| Hardy County | 50,000 square feet |
|--------------|--------------------|

The present low quality of highways in the region and the increased demand placed upon highways as a result of growth, create a need for immediate improvement of existing roads. The region's poor road network and lack of linkages to nearby metropolitan areas, greatly constrains the development of travel and tourism and industrial expansion. The region's timber industry is especially limited by poor road conditions. Furthermore, the potential for regional development is tied to the markets of the east, making improved east/west roads of extreme importance. Over the long run, the development potential can only be exploited by a highway of at least ARC corridor grade, and improvements of existing primary highways. Critical is the construction of Corridor H in Grant and Hardy Counties. Improvement of the following highways is of key importance:

|                |                         |
|----------------|-------------------------|
| U.S. Route 33  | West Virginia Route 28  |
| U.S. Route 50  | West Virginia Route 29  |
| U.S. Route 220 | West Virginia Route 42  |
|                | West Virginia Route 46  |
|                | West Virginia Route 55  |
|                | West Virginia Route 93  |
|                | West Virginia Route 259 |

Required improvements include: passing lanes on significant grades, all curves negotiable at 45 mph and widening of roadways and shoulders.

Highway problems are compounded in the region by the existence of numerous deficient bridges. Some of these bridges are structurally unsound and the remainders carry weight restrictions that are totally inadequate for present traffic. These bridges place an additional constraint on development and therefore, must be replaced. Among the bridges in need of replacement are:

| Route    | Bridge Local Name   | Featured Intersected   |
|----------|---|--|
| U.S. 33  | River Gap   | South Branch Potomac River   |
| U.S. 50  | Romney<br>Stony River<br>J.B. Lewis   | South Branch Potomac River<br>Stony River<br>Three Churches Run                        |
| U.S. 220 | Old Fields Store<br>Blue Jay<br>Keyser-McCoole<br>Water Gauge<br>Propst Run | Anderson Run<br>New Creek<br>Potomac River<br>South Branch Potomac River<br>Propst Run |

The availability of water service is of vital importance to industrial, commercial, and housing development. Without readily available water service, industrial and commercial growth will not occur and housing development will use land resources in an inefficient manner. There is a need to upgrade the Capon Bridge, Moorefield, Petersburg, and Wardensville, water treatment plants, as they currently do not meet federal/state standards. The improvement of these plants is crucial if the region is to grow. There is also a need to expand the service area of at least six water systems and to construct at least two new systems in areas where private systems can no longer meet demand and the population density makes expansion economically feasible. Systems requiring upgrades/extensions are the Grant County PSD, Mountain Top PSD, Green Spring PSD/Springfield, Hardy County PSD, New Creek Water Association, City of Keyser/Limestone Road, Fountain PSD, Frankfort/Fort Ashby, and Pendleton County PSD. Areas needing construction of water systems include: Baker-Lost River-Mathias in Hardy County, Burlington in Mineral County,

and Riverton in Pendleton County. This expansion is particularly important to expanding areas suitable for higher density housing.

The availability of sewer service is critical to firms making location decisions. The lack of sewer service forces additional cost on industrial and businesses and may prohibit location of a facility. Additionally, the availability of sewage is vital to obtaining the highest possible density of housing. There is a need to rehabilitate all wastewater treatment plants that may not be able to meet clean water standards in the near future. Particularly important is increasing the capacity of the Petersburg, Moorefield, Central Hampshire PSD, and Fort Ashby/Frankfort sewer plants. There is a need to establish a wastewater treatment system in the Eastern Hampshire County area where individual systems are no longer effective and in which population and industry have grown to a level that makes service feasible.

Development of affordable housing for existing and new workers is seen as vital to promoting industrial/business growth. The region's low housing vacancy rate (2%) and households growth rate has placed a great strain on the region's housing stock. All housing units in the region must be conserved if increases in the strain are to be prevented. The region's high incidence of housing inadequacy is the major obstacle to conservation of units. Thus, it is necessary to revitalize all homes which are substandard and suitable for rehabilitation.

The rapid growth of households in the region has created a need for new housing, particularly for moderate-income households. Additional units are also required to allow for renewal of units unfit for habitation.

The quality of the region's communities and business districts is of critical importance in achieving development. Increasingly, businesses are concerned about quality of life issues and are reluctant to locate facilities in declining communities. Quality of life issues are extremely important to firms using advanced technologies. The availability of commercial facilities and the appearance of communities and business districts also have an impact on travel and tourism. The region lacks a variety of commercial enterprises; this deficiency is particularly apparent in the region's downtown business districts. The region compares unfavorably with malls, shopping centers, and business districts in more developed areas. Further, many of the region's towns are experiencing increased decline in public facilities/amenities. Street and sidewalk deterioration can be found in virtually every town. These community deficiencies hurt the region's effort to attract new businesses and add an incentive for young workers to move to more urban areas. These conditions must be addressed through community revitalization if the region is to sustain its development efforts.

A well-educated work force, backed by continuous available worker training programs, is essential in light of rapid changes in industrial/business technology. Unfortunately, the level of educational attainment of the region's work force does not compare well with national norms. These conditions must be changed if the region is to meet the needs of existing business and attract new growth.

The quality and availability of health care can influence business location decisions. The region falls short of meeting national standards for health care availability. Obviously this impairs the region's ability to attract new business. The region must increase health care availability to at least standards established by the federal government.

### Planning

Although the region's counties have active planning efforts, no county land use plans are in place. The region can no longer rely on agricultural lands and substandard highways to protect valuable environmental assets. Additionally, industries are becoming increasingly concerned about the status of zoning in making locational decisions. Industries want the security of zoned industrial sites.

The lack of land use planning promotes inefficient resource use and creates conflict in communities. Further, the lack strategic planning for economic development results in communities missing opportunities and expending effort in areas that will bear only modest success. The counties that comprise the region must move toward the adoption of land use and strategic development plans if the region is to maximize its development potential while assuring protection to key resources.

## 2. GROWTH CENTERS

The growth center concept makes the assumption that if development activities are concentrated in and around a growing community, greater project impact and spin-off benefit to adjacent depressed areas can be obtained. Growth centers are communities with proven histories of and potentials for growth. Additionally, these communities are expected to provide substantial employment opportunities, health care services and facilities, educational and cultural activities, extensive transportation network, community facilities and services, concentrations of commerce, social services and an infrastructure capable of supporting development. Interaction between growth centers and surrounding areas enables both to improve.

Region 8 contains four centers, Keyser and Moorefield/Petersburg serve as primary centers while Franklin and Romney are secondary centers. Additionally, the City of Keyser has been designated a Redevelopment - Economic Center by the Economic Development Administration.

### Keyser Primary Growth Center

The City of Keyser is the county seat of Mineral County and is the largest city in Region 8. The City's 2000 population was 5,303 persons; this represents a 10% loss from the 1990 population of 5,870. More than balancing this loss is the rapid growth of the New Creek area, which is immediately south of the City and an

integral part of the Keyser community. Evidence of this growth is found in a doubling of connections to the New Creek water system. Persons age 17 or younger account for 20% of Keyser's population; persons age 65 or older account for 21% of the population. Members of minority groups make up 8.2% of the City's population and 18.9% of the population lived in poverty.

In 1999, the City of Keyser had an internal labor force of 2,158 persons and a labor force participation rate of 51.6%. Median family and per capita incomes for 1999 were \$32,708 and \$13,813 respectively. Per capita income grew by 26% during the 90's. Unemployment was 7.9% according to the 2000 census.

Keyser has an excellent transportation network. It is on the main east/west line (New York to St. Louis) of the CSX Rail System. Commercial air and rail service are available at Cumberland, Maryland. The City is served by Route 46 and Routes 220 and 50. Additionally, Interstate Route 68 is within less than a half hour's driving time.

The Keyser Industrial Park contains 155 acres with approximately 20 acres immediately available for development. There are other industrial sites of various sizes in and around the City. Coal is abundant and commercial quantities of lumber and limestone are available. The City contains three banks, a hospital, and Potomac State College. The municipal wastewater treatment plant has been upgraded. The balance of the City's infrastructure, i.e., water systems, utilities, health care facilities, housing, recreation opportunities, and governmental services are of sufficient quantity and quality to allow development of Keyser's resources.

Keyser is plagued by industrial decline. In recent years three major employers have closed resulting in the loss of about 400 jobs. This decline is reflected in Mineral County's high unemployment rate. The industrial loss and the area's low wages adversely impacts commercial development. This is best seen in downtown Keyser where many buildings sit vacant. Keyser recognizes that it cannot be idle. The City is actively working to address water problems. The county has built a new Keyser High School and there is a strong effort to construct a new hospital. The county's development authority is actively marketing the community and is assisting smaller firms that are expanding.

The City of Keyser has conformed to the growth center concept; the City can encourage substantial growth in surrounding areas and could be attractive to developers. The community has the potential to have significant impact on the region's growth. Community leaders are working to resolve infrastructure deficiencies. Therefore Keyser will continue to be a regional growth/economic development center.

### Moorefield/Petersburg Primary Growth Center

The municipalities of Moorefield and Petersburg, the county seats of Hardy and Grant counties respectively, are nearby communities in the South Branch Valley. The economies of the two towns are closely linked and development in one community supports growth in the other. For these reasons, the communities have been jointly identified as a growth center. With combined population of 4,798, the Moorefield/Petersburg area has enjoyed population growth; the area's population has grown by 36.6% since 1960. Persons age 65 and older comprise 21.5% of the population and those 17 and younger comprise 20.5%. Minorities account for 5.5% of the municipalities population and 18.7% of the residents live in poverty.

The 1999 labor force of the municipalities was 2,260; the labor force participation rate was 58.5%. The median family income for 1999 was \$30,880 and per capita income was \$17,052. Per capita income grew by 45.3% during the 1990's. The 2000 census indicated that the growth center had an unemployment rate of 5.3%.

The Moorefield/Petersburg growth center has only a fair transportation network. The South Branch Valley Railroad provides regular service to the main east/west line of the CSX rail system. US Route 220 and WV Routes 55, 28, and 42, are the center's primary highways. The nearest interstate highway is more than an hour distant. However, construction has begun on Corridor H and 14 miles of the four-lane highway have been opened connecting Moorefield and Baker, WV. The completion of Corridor H will provide a tremendous highway access to the Moorefield/Petersburg growth center. The Grant County Airport, with a lighted runway of 4,000 feet, serves the growth center.

Eight major industries are located in and around the two towns. These industries employ over 4,910 persons. The center has the region's greatest concentration of manufacturing employment and contains all the region's poultry processing facilities. Within 50 miles of the growth center is an abundant supply of coal, limestone, timber and agricultural products.

Both municipalities undertook extensive sewer improvement projects during the late 1980's; and both are seeking to carry out additional sewer improvements. Currently, the City of Petersburg is undergoing construction on its sewer upgrade and expansion project. Moorefield has a sound water system and has developed a project to address deficiencies to its sewer plant. The City of Petersburg's water capacity must be expanded. The City is undertaking studies to address this key community facility. The growth center contains four banks, a 60-bed hospital, and the South Branch Center of Shepherd College. The area's infrastructure is capable of supporting additional growth.

### Romney Secondary Growth Center

The City of Romney is the county seat of Hampshire County and is the third largest community in Region 8. The City's population was relatively stable between 1960 and 1980. Unfortunately, the 2000 census indicates that the City's population declined by 11.9% since 1960 to 1,940 persons. Persons age 65 and older comprised 26.0% of the population in 1990 and persons age 17 and younger accounted for 25.2% of the population. Members of minority groups made up 3.0% of the City's population. Approximately 24.6% of the City's residents live in poverty.

Romney had a 2000 labor force participation rate of 47.4% with a labor force of 705 persons. The median family income for 1999 was \$34,271 and the 1999 per capita income was \$15,765. Per capita income increased by 57.7% during the 90's and the census indicated an unemployment rate of .9%.

Romney has a good transportation network. It is served by the South Branch Valley Railroad, which provides regular service to the main east/west route of the CSX system. Romney is directly served by Route 50 and 28. The City is within 30 minutes driving time of Interstate 68. Air and rail service are available at Cumberland, Maryland.

There are several industrial sites in and around the community, including a 75-acre industrial park adjacent to the City. Within the 75-acre park, there are 21 acres available for development. The County Development Authority owns a 25,000 square foot multi-tenant building and a 67,000 square foot industrial building in the park. Lumber and agricultural products are available in commercial quantities. The City's infrastructure is sound and would allow for development resources. The City contains two banks and a hospital.

### Franklin Secondary Growth Center

The Town of Franklin is the county seat of Pendleton County. The Town's 2000 population was 797 persons; the Town experienced a 20.6% growth rate between 1960 and 1990. Significant growth has occurred in areas immediately adjacent to the Town. Persons aged 65 and over account for 24% of the population while 21.7% of the population are 17 and under. Minorities comprise 2.4% of the Town's population and 11.1% of the population lived in poverty during 2000.

The 2000 labor force population of the Town was 354 persons and the labor participation rate was 58.3%. The median family income in 1999 was \$40,500 and the per capita income was \$15,609. Per capita income grew by 28.5% during the 1990's. The 2000 census indicated the growth center had an unemployment rate of 3.8%.

The Franklin growth center has only a fair transportation network. It is served by US Routes 220 and 33. The nearest highway of interstate grade is more than an hour distant. The center is located approximately 30 miles south of the Grant County Airport. The growth center lacks rail service.

The Town undertook extensive improvement of its sewage treatment plant during the 1980's and has improved its water treatment plant during 1995. Currently the Town is upgrading its water facilities. The water and sewer facilities are generally capable of supporting additional growth. The center contains two banks and a major health clinic. The area's infrastructure is capable of supporting additional growth.

The Town of Franklin has the capacity to serve as a growth center and its residents are undertaking actions to assure that it can support further development. Thus, the Regional Council identifies Franklin as a secondary growth center.

### Rural Service Centers

As defined by the state, Region 8 contains six rural service centers. These are Bayard, Capon Bridge, Elk Garden, Franklin, Piedmont and Wardensville.

The greatest need for the rural service centers is to develop new and renovate existing infrastructural systems. The rural service centers will continue to provide an essential service to a large portion of this citizens of the region.

### Metropolitan Statistical Areas

In addition to identified growth and rural service centers, two sections of the Region 8 District are contained in metropolitan statistical areas. Mineral County is contained with the Cumberland, MD-WV metropolitan area and Hampshire County is contained in the Winchester, VA-WV MSA.

#### 1. Cumberland MD-WV MSA

This area, which had a population of 10,482 persons in 2000 is rapidly growing. Although this growth consists largely of residential and commercial development, it is having a significant impact on northern Mineral County. In many ways, it appears the most economically viable portion of the Cumberland metropolitan area is contained in the Frankfort area of Mineral County. This presents the region with a special opportunity to provide additional employment opportunity as growth accelerates.

Public facilities within the growth area are provided by the Towns of Carpendale and Ridgeley, the City of Keyser, the Wiley Ford Water Company and the Frankfort PSD. While several elements are in good condition, most notably the Carpendale water and sewer systems, several others are deficient or totally

lacking. These must be addressed if the area is to realize its full potential. An industrial and technology park has been completed at Fort Ashby and currently there are 63.5 acres available for development. Further, the Mineral County Development Authority has acquired funding to construct an industrial building in the park. The Town of Ridgeley has a sewer improvement project currently underway to address sewer deficiencies and construction of a sewer system to serve the Wiley Ford area is needed.

## 2. Winchester, VA-WV MSA

The Office of Management and Budget designated Hampshire County as part of the Winchester Metropolitan Area. Hampshire County had a 2000 population of 20,203 persons. Other components of the MSA include The City of Winchester and Frederick County, VA. This area has experienced tremendous growth in recent years. Many persons within Hampshire County commute to the Winchester area for employment. In fact, 8,390 persons employed in Hampshire County commute to work, with an average commute time of 39.7 minutes.

The City of Romney, the Town of Capon Bridge, Central Hampshire PSD, and the Green Spring PSD provide public facilities within Hampshire County. While several are in good condition, upgrades to some facilities are needed. The Green Spring PSD currently has funding for both a water and a sewer improvement project. The Central Hampshire PSD seeks funding for improvements to its sewage plant. The Town of Capon Bridge seeks funding for a water improvement project to upgrade current facilities and provide fire protection. These insufficient facilities must be addressed, to meet the continual growth of the area.

## B. IMPLEMENTATION SCHEDULE

The Council's 2003 project priority list provides an implementation schedule for proposed projects. The list provides the project's name, applicant, county, funding source(s), objective, stage, and projected project year. Finally, the list provides a rating for each project. See the priority project list provided on pages 66 and 67.

## VI. PROGRAM EVALUATION

### Jobs and Wages

The Region 8 Planning and Development Council established a goal of assuring all persons working or seeking work have access to employment that will use their abilities to the fullest degree at good wages. While seeking job growth in all sectors, the Council has established objectives concerning travel and tourism, renewable resources, and telecommunications to focus its efforts where the greatest opportunities exist. These areas have strong potential because of a combination of unique assets - location, environmental quality, readily available workers, low cost of doing business, and access to poultry and timber resources. Constraints on growth in these areas appear manageable. As stated in the Council's FY 1997 development plan its objectives are as follows:

It is the objective of the Region 8 Planning and Development Council to increase the rate of growth of travel and tourism sales and employment by 10% during the next five years.

It is the objective of the Region 8 Planning and Development Council to increase employment by industries using renewable resources, especially timber and agricultural products including poultry, by 10% during the next five years.

It is the objective of the Region 8 Planning and Development Council to locate or expand five firms engaged in data processing/telecommunications/ computer based operations during the next five years.

Work activities proposed to achieve these objectives included preparing a regional tourism development plan, identify financial resources to be used for the expansion of the travel industry, removing infrastructure barriers to development, obtaining resources to be used to market travel and tourism, assisting local governments in obtaining funding for infrastructure projects and establishing a low-interest loan pool for industries using renewable resources.

Hanover Shoe closed its Franklin manufacturing plant at the end of January 2000. At its peak the plant employed about 700 workers. As a result of the Council's past efforts, both EDA and ARC committed grant money to construct a 40,000 square foot multi-tenant building that can support up to 250 jobs. During the past year the Council assisted the Development Authority with project implementation by serving as a liaison point for the project. The Council has assisted the Authority in addressing issues related to the contractor failing to complete the building during the allowed construction period. The Council has also worked with the Authority to upgrade the building's sprinkler system to support a potential tenant. The Council helped the Authority in its negotiations with a potential tenant. The project is nearly complete. This is the Regional Council's highest rated FY 2000 priority project.

During the last year, eighteen individuals seeking to start or expand a business contacted the Regional Council. The Regional Council's staff provided information on development resources and referred to businesses to appropriate sources of technical assistance. The Council's efforts resulted in it receiving five applications for loan assistance. The Council's loan review board approved all five loans. The Council's staff has also assisted the Lightstone Foundation in its operation of a micro loan program. The Council has continued to promote these efforts by visiting local banks and development authorities and by issuing news releases.

The Council has continued to host Shepherd College's Small Business Development Center's Petersburg service. The Council and the Small Business Development Center jointly hosted a workshop entitled "How to Write a Business Plan". Additionally, the Regional Council hosted an entrepreneur's forum for the Potomac Highlands.

The Regional Council co-hosted a workshop on West Virginia's Tax Increment Financing Program. With the passing of the amendment, additional incentive now exists to attract new businesses.

Council staff continued to operate an affiliate census data center. This effort included providing census data to local development authorities and planning commissions. The Council believes that operation of the data center is an important means of supporting local economic development and planning efforts. Additionally, the Council held an open house that featured a presentation on accessing census data on the internet.

Pages 83-88 provide a summary of the Council's accomplishments during the last five years.

### **Infrastructure**

The Region 8 Planning and Development Council established a goal of eliminating all deficiencies in the Region's infrastructure that restrict economic growth and of assuring that all elements of the infrastructure can support long term development. Development of a region's infrastructure includes a diversity of issues and is broad in nature. Thus, the Council feels a need to identify objectives to add detail to its infrastructure goal. The objectives concentrate on major issues that pose the greatest impediments to development. Infrastructure objectives as stated in the Fiscal Year 1997 development plan are as follows:

It is the objective of the Region 8 Planning and Development Council to add at least 150 acres to the Region's industrial site inventory during the next five years.

It is the objective of the Region 8 Planning and Development Council to construct a multi-tenant building/business incubator in Hardy County during the next five years.

## Accomplishments FY 1998 to FY 2003

### Jobs and Wages

Page 1 of 1

#### Objectives

To increase employment by industries using renewable resources, especially timber and agricultural products including poultry, by 10%.

To increase the number of firms engaged in telecommunications, data processing or computer based operations.

To increase the rate of growth of travel and tourism sales and employment by 10%.

#### Accomplishments

Increased funds available to lend to businesses by:

- Obtaining state funds to expanded the council's micro-loan loan pool
- Obtaining Rural Development funds to created a loan program for value added agriculture
- Obtaining commitments totaling \$500,000 from the Infrastructure and Jobs Development Council and Rural Development to establish an intermediary re-lending program.

Made 33 loans to small businesses. These loans created over 100 positions. The PDC made six of these loans to firms using wood or agricultural products.

Expanded acreage and floor space immediately available for industrial development by:

- Helping develop new industrial buildings in Hardy, Hampshire, Mineral and Pendleton Counties.
- Helping develop projects that will improve the Keyser Industrial Park and create the Capon Bridge Technology Park

Aided local governments implement the Workforce Investment Act of 1998.

Assisted the Region 7 Workforce Investment Board with creation of an on-the-job training program for employers and workers.

Helped and ad hoc group develop a tourism centered revitalization effort for South Petersburg. This effort resulted in two new businesses opening in South Petersburg.

Offered a resource room to small businesses in a shared effort with Eastern West Virginia Community and Technical College that provided resource materials and a computer with internet access.

Hosted electronic seminars/workshops on topics such as Y2Y Compliance, Electronic Commerce, and Financing of Value Added Agriculture.

## Accomplishments FY 1998 to FY 2003

### Infrastructure

Page 1 of 2

#### Objectives

To add at least 150 acres to the Region's industrial site inventory.

To construct a multi-tenant industrial building in Hardy County.

To have the Division of Highways undertake construction of a major portion of Corridor H in the Region.

To have the Division of Highways undertake other significant highway improvements.

To construct four new sewer systems.

To upgrade all wastewater treatment plants that do not meet federal and state standards.

#### Accomplishments

Expanded acreage and floor space immediately available for industrial development by:

- Helping develop projects that will improve the Keyser Industrial Park and create the Capon Bridge Technology Park. This added or improved ninety acres of industrial acreage.
- Helping develop new industrial buildings in Hardy, Hampshire, Mineral and Pendleton Counties.

The Division of Highways has opened approximately 13 miles of Corridor H in Hardy County and is moving forward on other sections as a result of a successful campaign to promote construction. The PDC made a major commitment to supporting the campaign.

The Division has undertaken a number of local improvement projects on US Routes 33, 50, and 220 that have removed dangerous alignments and replaced failing bridges. Again the PDC has advocated for these improvements.

The PDC participated in a successful campaign to have Congress provide resources to study the development of a modern north-south highway through the region.

Expanded the availability of sewer service by developing new sewer systems for the Green Spring, Frankfort, and Central Hampshire PSDs.

Helped Keyser, Petersburg, Ridgeley, and Franklin sewer systems make improvements to meet federal and state standards.

Created a Project Development Loan Fund to assist operators of publicly owned water and sewer systems to interim finance project design costs.

Helped Petersburg, Carpendale, and Ridgeley obtain funding for storm sewer projects.

## Accomplishments FY 1998 to FY 2003

### Infrastructure

Page 2 of 2

#### Objectives

#### Accomplishments

To construct or expand three water systems during the next five years.

Expanded the availability of water service by obtaining funds for a new water system at Riverton and expansion of the Grant County PSD, Central Hampshire, and New Creek water systems.

To upgrade or replace three existing water treatment plants during the next five years.

Assisted the Green Springs, Piedmont, Petersburg, Brandywine, and Franklin water system obtain funds to make improvements required to meet standards or provide adequate service.

To expand the Region's housing stock by 5%.

Expanded the availability of home building lots by assisting local governments extend water service.

Increased awareness of programs to assist residents with homeownership by working with the West Virginia Housing Development Fund.

Helped renovate 70 units of Public Housing by assisting the Keyser Housing Authority with implementation of a project.

To increase the availability of worker training programs within the Region.

Helped local governments implement the Workforce Investment Act of 1998 and assisted the Region 7 Workforce Investment Board with creation of an on-the-job training program for employers and workers.

Assisted with the establishment of United Way organization for Grant, Hardy, and Pendleton Counties.

To assure that its residents have access to quality health care.

Aided in the development of other community projects.

- Grant Co. Court Security
- Hampshire Court Security
- Pendleton Court Security
- Keyser FEMA Buyout
- Mineral Flood Mitigation
- Petersburg Sidewalks
- Ridgeley Sidewalks
- Keyser Swimming Pool Restoration
- Welton Park
- Baker Park

Accomplishments FY 1998 to FY 2003

Environmental Quality

Page 1 of 1

Objectives

Accomplishments

To protect prime agricultural land, unique features, and environmentally sensitive areas.

Developed Hazard Mitigation Plans for all county commissions and municipalities in the Region 8.

Prepared a flood mitigation plan for the Upper South Branch of the Potomac River Valley.

To assure that proper planning occurs before natural resources are exploited.

Maintained an affiliate census data center to assure that local development authorities and planning agencies had access to relevant data.

To have all jurisdictions establish planning commissions.

Assisted local governments in evaluating the impact of proposed projects and in performing environmental assessments.

To assure that development is timely and commensurate with the characteristics of the land.

Encouraged the adoption of growth management tools.

To assist in providing an infrastructure which will allow for development of resources in a wise manner.

Operated a project clearinghouse that provides local governments an opportunity to comment of the impact of proposed project.

## Accomplishments FY 1998 to FY 2003

### Economic Development and Planning

Page 1 of 1

#### Objectives

To provide the maximum level of support to local development authorities and planning commissions during the next five years.

#### Accomplishments

Operated a Revolving Loan Fund and a Micro Loan Program for industrial and small business development.

Created a Value Added Loan Program for small businesses that produce a marketable product from something grown within the area.

Continuously updated the Region's Development Plan.

Provided staff support to local development authorities on a request basis.

Maintained an affiliate census data center to assure that local development authorities and planning agencies had access to relevant data.

Served as a liaison between the local development authorities and the work force investment board.

Developed a Hazard Mitigation Plan all counties and municipalities in Region 8.

Prepared a flood mitigation plan for the Upper South Branch of the Potomac River Valley.

Arranged for numerous workshops and seminars related to economic development and planning.

Arranged for the preparation of a Potomac Highlands Labor Market Study.

Supported the annual preparation of an economic forecast for the Region 8 district.

Encouraged the adoption of growth management tools.

Operated a project clearinghouse that provides local governments an opportunity to comment of the impact of proposed project.

It is the objective of the Region 8 Planning and Development Council to have the Division of Highways undertake construction of a major portion Corridor H in the Region within the next five years.

It is the objective of the Region 8 Planning and Development Council to have the Division of Highways undertake other significant highway improvements during the next five years.

It is the objective of the Region 8 Planning and Development Council to construct four new sewer systems during the next five years.

It is the objective of the Region 8 Planning and Development Council to upgrade all existing treatment plants that do not meet federal standards during the next five years.

It is the objective of the Region 8 Planning and Development Council to upgrade or replace three water treatment plants during the next five years.

It is the objective of the Region 8 Planning and Development Council to construct or expand three water systems during the next five years.

It is the objective of the Region 8 Planning and Development Council to expand the Region's housing stock by 5% over the next five years.

It is the objective of the Region 8 Planning and Development Council to increase the availability of worker training programs in the Region during the next five years.

Strategies to meet proposed goals included helping in identifying land for industrial use and obtaining funds to develop industrial sites and buildings, identifying suitable sites and assisting in obtaining financing for multi-tenant buildings, advocating the improvement of highways, supporting State construction of Corridor H, encouraging local review of State Transportation Improvement Program, assisting with implementation of water projects, assist in developing sewage systems, encouraging local governments to establish housing authorities, supporting activities of WV Housing Development Fund, and advocating the development of additional worker training programs.

The Council's staff helped the Hampshire County Development Authority obtain money to construct an industrial park with a multi-tenant industrial building near Capon Bridge. During a previous program year the staff assisted the Development Authority secure an ARC commitment of \$663,100 and state commitment of over \$1,000,000. The project will create approximately 90 acres of industrial property. The Council prepared an application seeking \$1,000,000 in EDA funds to construct a 40,000 square foot building at a total cost of \$1,400,000. The Development Authority submitted the application in April of 2002. During first months of the program year the PDC helped the Development

Authority address issues raised during EDA's review of the application. In September 2002 EDA committed grant funds that will allow the county to develop the facility. The Regional Council has assisted the Authority with project implementation. The Council's staff has reviewed bid documents for compliance with EDA requirements. The Development Authority opened construction bids on June 17, 2003. Unfortunately the lowest bid exceeded available funds. The Regional Council is now assisting the Authority in redesigning the project. The building has the potential to initially create 150 jobs and is an integral part of developing the industrial park. The project is the highest rated project on the Regional Council's FY 2001 priority list.

The Mineral County Commission sold an EDA funded multi tenant industrial building in a previous year. The Commission escrowed the proceeds and assigned the highest priority to the construction of a replacement building in the Fort Ashby Industrial Park. The Regional Council worked with the Mineral County Development Authority to identify a funding package for the proposed project. The PDC's efforts resulted in the state selecting the project for inclusion in the state's ARC investment package. The PDC also prepared an IJDC application that the County submitted in May of 2002. The IJDC application sought state funds for the project. The PDC also prepared an EDA application that would allow EDA to manage the ARC funds. This application was submitted in August 2002. The Regional Council has assisted the Authority in addressing issues raised during the review of the EDA application. EDA has agreed to administer the ARC funds. The Infrastructure Council has committed loan funds to the project. The Regional Council will continue to assist the Authority with this important project. The project will result in the construction of a building that could support up to 150 jobs. The project remains under review and is ranked fifth on the Council's 2002 list of Priority Projects.

Water and Sewer problems continue to plague the region. These deficiencies hinder growth and threaten ongoing industrial expansion. During the last year the Council's staff worked to address these problems. This effort included:

- The staff continued to assist the City of Petersburg with a municipal wastewater treatment plant upgrade project. During a past program year the staff helped the City seek EDA public works funding. As a result of Council activity the Economic Development Administration committed funds to help the city replace its failing sewer treatment plant. The Council revised an IJDC application that the City submitted in May of 2002. During the project period the PDC addressed issues raised during the review of the IJDC application. The PDC also coordinated the effort to obtain Public Service Commission approval of the project and served to facilitate communication between the locality, the project engineer and other professionals, and state officials. The Council assisted the City in its efforts to obtain construction bids. This effort included reviewing project documents for compliance with EDA requirements. The City opened construction bids in mid April. A financial analysis prepared by the Regional Council indicated that the project had a shortfall of \$150,000. The Regional Council worked with the WV Infrastructure and Jobs Development Council to obtain a \$150,000 grant for the project. The City is scheduled to award construction contracts on July 17, 2003. The project will assure

the plant's expansion and will support long term growth in Grant County. The Petersburg sewer project was the Regional Council's second highest rated priority project for FY 2000.

- The Town of Ridgeley's sewer collection system is failing. The West Virginia Division of Environmental Protection has ordered the City to make substantial improvement. During the past program year the Regional Council prepared an SCBG application seeking \$1,500,000. This resulted in the Development Office committing \$1,500,000 to the Town. Shortly after completing design, the project determined that the project was short nearly \$600,000. The PDC staff worked with local officials and the project engineer to obtain additional state funds. The Council is currently helping the Town to implement the sewer project. During past year the PDC helped the Town secure PSC and DEP approval to bid the project. The PDC helped the Town deal with issues that resulted from a non-responsive bid. The Town suffers from high levels of economic distress. The Regional Council prepared a Small Cities Block Grant application that resulted in the State awarding \$250,000 to the Town. This money will allow the Town to construct storm water improvements that will help remove storm water from the Town's sanitary sewer system. The project was ranked twenty sixth on the Regional Council's list of FY 2000 Priority Projects.
- The Regional Council assisted the Town of Franklin in seeking funds to improve its water distribution system. The system is failing and a large portion of the Town's treated water is lost. This retards economic growth and increases cost for all users. The condition of the water system prevents the Town from supporting business development in central Pendleton County. During a previous reporting period the Council prepared an SCBG application that resulted in the State committing \$1,050,000 to the \$2,680,000 project. During the last year the PDC prepared a financial analysis that the PDC is using to secure PSC approval of the project. The Council has assisted the Town as it moves to bidding construction of its water project. The project will support a disadvantaged community and will enhance its economic growth potential. The project is ranked fourth on the Council's list of 2002 Priority Projects.
- The Town of Franklin also suffers from sewage collection and treatment problems. The State has ordered the Town to undertake improvement of the system. Failure to make improvements would force the community to place a moratorium on growth. The Council's assistance helped the Town qualify for a SRF loan of nearly \$2,000,000 from the Division of Environmental Protection. This effort included preparation of a financial analysis for the proposed project. During the past EDA program period the PDC revised the financial analysis to reflect changes in the project's scope and cost. The Town has initiated construction of the project. The project was ranked eighth on the Council's FY2002 Priority Projects list.
- The West Virginia Health Department has determined that the Green Spring PSD's water source is under the influence of surface water. The State ordered that the PSD undertake improvement of the plant to properly treat its water source. The water system services the Koppers Company, one of Hampshire County's major industrial

employers. Failure to improve the plant would threaten public health and would adversely impact Koppers' ability to operate. The PDC prepared a SCBG grant application that the County submitted during May of 2002. The application sought an SCBG grant of about \$1,200,000 to improve the system. During the reporting period the PDC helped the county to revise the project to include an additional community with a failing water system. The PDC also helped the county to address issues raised during the State's review of the application. The PDC's efforts resulted in the state committing a grant to the project. The project will support an existing industry and is rate 19<sup>th</sup> on the PDC list of FY 2002 priority projects.

- The Town of Moorefield is home to the largest concentration of manufacturing jobs in Region 8. These jobs rely on the Moorefield water system. The system is overburdened and lacks sufficient storage capacity. The Town has proposed construction of a million-gallon water storage tank and related line improvements. The Regional Council prepared a project profile that the Town submitted to EDA on April 11, 2003. The Regional Council assisted the Town in its efforts to procure a project engineer.
- The Council prepared a SCBG application for the Grant County Commission seeking \$434,000 to extend water service in rural areas. The County submitted the application in May 2002. Subsequently the Infrastructure and Jobs Development Council offered the PSD sufficient resources to develop the project. The \$2,238,000 would provide service to 126 users that currently depend on unreliable private systems.
- The Council helped the Pendleton County Commission seek \$1,475,000 to improve the Brandywine water treatment plant. The Council prepared an IJDC application that the PSD submitted in early 2002. Subsequently, the PDC prepared a request for SCBG assistance. These efforts resulted in the US Army Corps of Engineers and the IJDC committing the money needed to develop the project. The plant's source is failing and improvements are needed to allow the plant to use another source.
- The Petersburg water system is also greatly overburdened. The water treatment plant cannot meet long-term demand. The Regional Council is working with the City to identify funding sources for a water plant expansion project.
- The Council revised a SCBG application that the City of Keyser submitted in May 2002. The application seeks \$1,200,000 to extend water service in the Hollywood Road area. This is a disadvantaged area that has nearly 80 homes depending on failing contaminated supplies.
- The Council prepared a SCBG application for the Mineral County Commission seeking \$907,000 as part of a \$2,000,000 project to extend water service in the New Creek Valley. The Commission submitted the application in May 2002. The project would serve over 110 users in a disadvantaged area.
- The Council revised a small cities block grant application for the Town of Capon

Bridge. The Town requested \$232,500 to improve the municipality's water system. The improvements would allow the community to use the system to fight fires.

- The Council's staff prepared a Small Cities Block Grant application for the Town of Wardensville. The application requested approximately \$700,000 to improve the community's water and sewer systems. The improvements would allow the systems to meet federal and state standards.
- The Town of Piedmont currently has a combined sanitary – storm sewer system with a number of overflows to the Potomac River. The Town must separate these systems to meet federal requirements and to afford sewage treatment at the Upper Potomac Treatment Plant. The PDC helped the Town comply with Chapter 5G of the state code while selecting an engineering consultant.
- The Council assisted the Town of Moorefield in seeking SCBG funds to improve the municipal wastewater treatment plant. The council staff revised a previous SCBG application and the Town submitted the revised application in May 2002. The project would further the community's ability to support growth.
- The Council prepared a SCBG application for the Grant County Commission seeking \$434,000 to extend water service in rural areas. The County submitted the application in May 2002. Subsequently the Infrastructure and Jobs Development Council offered the PSD sufficient resources to develop the project. The \$2,238,000 would provide service to 126 users that currently depend on unreliable private systems.

The five counties of Region 8 and the three counties of Region 9 form the Region VII Workforce Investment Area. The Region VII Local Elected Officials (LEOs) selected the Region 8 PDC as their fiscal agent for the Workforce Investment Act (WIA). The regional council's staff met with the LEOs on a number of occasions and worked to facilitate an exchange of information. The staff made an effort to keep the regional council and local officials informed of the state's WIA efforts. The Region VII Workforce Investment Board selected the Region 8 PDC as its administrative entity. Since September of 2000 the PDC has provided administrative services to the Region VII Workforce Investment Board. The PDC has provided day-to-day management and fiscal services and has acted to update the regional workforce plan.

The regional council also provided some limited assistance to Eastern West Virginia Community College as it initiated operations. The PDC coordinated the preparation of economic forecasts for the Potomac Highlands and the EWVCC service area.

### **Environmental Quality**

The Region 8 Planning and Development Council has established a goal of protecting the region's environmental quality for its residents and to assure that the region's natural assets can be wisely used to promote long term growth. The region's environmental quality is an important asset. It provides the foundation for travel and tourism and

supports the region's ability to attract new enterprise. Region 8 can no longer rely on farming and poor roads to protect the environment by discouraging development. Change is occurring and planning must occur to address this change if this asset is to be preserved. The Council established the following objectives in fiscal year 1997 to lend detail to its goal:

It is the objective of the Region 8 PDC to protect prime agricultural land, unique features, and environmentally sensitive areas.

It is the objective of the Region 8 Planning and Development Council to have all jurisdictions establish planning commissions.

It is the objective of the Region 8 Planning and Development Council to assure that orderly and timely development occurs and that it is commensurate with the characteristics of the land.

It is the objective of the Region 8 Planning and Development Council to assure that necessary planning occurs before the Region's natural resources are exploited.

It is the objective of the Region 8 Planning and Development Council to assist in providing an infrastructure that will allow for development of resources in a wise manner.

Recognizing that there are agencies at all levels of government interested in protecting the quality of the environment, the Region's strategies focus on expanding the capacity of others; strategies include:

Advocating the protection of prime agricultural land, unique features, and environmentally sensitive areas.

Reviewing the impact of all development projects and providing substantive comments where the environment and natural resources are adversely influenced.

Advocating the formation of planning commissions by all jurisdictions.  
Providing assistance with comprehensive planning.

Identifying resources that can be allocated to land use planning.

The Council's best strategy for meeting proposed environmental goals is to cooperate with agencies at all levels of government with interest in protecting environmental quality.

The Regional Council reviewed requests for federal and state funds. This review included consideration of environmental issues when appropriate. The Council's process also included reviewing mining permit applications and permit modifications. The effort included seeking comments from impacted local governments. A significant effort was

made to assure that local planning commissions had an opportunity to comment on construction projects.

The Council has made efforts to assure that local projects have little impact on environmental quality. During FY-2003 the Council initiated or completed environment assessments for the Petersburg Sewer system, Green Spring Water and Sewer Projects, Capon Bridge Technology Park, Franklin Water Project, Brandywine Water Project, and Grant County PSD Extension Project. This activity included identifying environmental concerns and assisting local governments in developing approaches to mitigating adverse impacts.

Additionally, some Council staff attended the Environmental Training Institute for Small Communities provided by the National Environmental Training Center in Morgantown, WV.

The Regional Council assisted with the development of County Hazard Mitigation Plans for each of the five counties of the region. The plans were developed to comply with the Disaster Mitigation Act of 2000 and as required by FEMA. With approved Hazard Mitigation Plans, local governments will be able to apply for Hazard Mitigation Grant Program funding.

### **Performance Measures**

Annually, the Council submits an update to the Comprehensive Economic Development Strategy. During review of the strategy, with the planning committee, the staff reviews goals and strategies for development. The committee discusses the accomplishments of the past year, as well as the shortfalls within the region. The following criteria are used to evaluate the Region 8 Planning and Development Council's success with activities during annual planning meetings.

1. What goals have been established for regional development?
2. What accomplishments were made within each of these goals?
3. What weaknesses still exists?
4. What improvements/changes can be made?

Additionally, the staff is required to provide annual reports to both ARC and EDA concerning development and projects. Further, the council provides reports or updates during administration of projects to the appropriate funding sources. These updates provide additional sources of evaluation of the Council's progress.

## **VII. DOCUMENTATION**

- A. Meeting Minutes
- B. Council Membership
- C. Letters of Concurrence
- D. Financial Information
- E. Investment Summaries for High Priority Project

**Region 8 Planning and Development Council  
Development Plan Meeting @ Gourmet Central, Romney, WV  
Wednesday, September 3, 2003 ~ 12:00 p.m.**

Ken Dyche opened with an overview of the region's development strategy and the council's role in identifying needs for the five-year plan. Attendees were each given a copy of the Potomac Highlands Region Outlook Forecast 2002-2007. Ken reviewed points of interest contained in the Forecast including annual job growth, unemployment, population growth, and per capita income growth.

A light lunch was served.

Melissa Earle led participants in a planning exercise that required them to think about the strengths, weaknesses, opportunities, and threats on economic development in the region and write those items on index cards. Pink cards indicated strengths (one per card). Green cards indicated weaknesses (one per card). Yellow cards indicated opportunities (one per card). Blue cards indicated threats (one per card). Participants were grouped into groups of two or three. Discussion occurred as these were posted on the display board. Concluding the exercise, each person was given three orange dots to place by items with priority for quality of life and economic growth for the region. The following items were listed:

| Item  | Number of Priority Dots |
|---|-------------------------|
| <b>STRENGTHS</b>  |                         |
| Labor force   | 6                       |
| Beauty of the land  | 3                       |
| Proximity to interstate highway system                                  | 1                       |
| Work ethics   |                         |
| <b>WEAKNESSES</b>   |                         |
| Infrastructure (water, sewer, roads)                                    | 6                       |
| U. S. Route 50  | 5                       |
| Educated and skilled work force   | 3                       |
| Underemployment   | 3                       |
| <b>OPPORTUNITIES</b>  |                         |
| Seniority and influence of state political figures/representatives      | 6                       |
| Corridor H  | 2                       |
| Land, buildings, and housing  | 1                       |
| Tourism – historical heritage   | 1                       |
| Population growth   |                         |
| Inclusion in MSA for Winchester, Virginia                               |                         |
| <b>THREATS</b>  |                         |
| Over-development without control  | 7                       |
| Inadequate education  | 5                       |
| Pollution – poultry by-products, streams, soil                          | 2                       |
| Corridor H – crime, more traffic, real estate values, school population | 1                       |
| Flood control   |                         |
| Water storage   |                         |

**Region 8 Planning and Development Council  
Development Plan Meeting @ The Pines, Keyser, WV  
Thursday, September 4, 2003 ~ 12:00 p.m.**

Ken Dyche opened with an overview of the region's development strategy and the council's role in identifying needs for the five-year plan. Attendees were each given a copy of the Potomac Highlands Region Outlook Forecast 2002-2007. Ken reviewed points of interest contained in the Forecast including annual job growth, unemployment, population growth, and per capita income growth.

A light lunch was served.

Melissa Earle led participants in a planning exercise that required them to think about the strengths, weaknesses, opportunities, and threats on economic development in the region and write those items on index cards. Pink cards indicated strengths (one per card). Green cards indicated weaknesses (one per card). Yellow cards indicated opportunities (one per card). Blue cards indicated threats (one per card). Discussion occurred as these were posted on the display board. Concluding the exercise, each person was given three orange dots to place by items with priority for quality of life and economic growth for the region. The following items were listed:

| Item  | Number of Priority Dots |
|---|-------------------------|
| <b>STRENGTHS</b>                                |                         |
| Nature of the people – friendly and helpful     | 5                       |
| Quality of life                                 | 3                       |
| Great school system                             |                         |
| Work force                                      |                         |
| Natural Resorces                                |                         |
| ATK   |                         |
| <b>WEAKNESSES</b>                               |                         |
| Lack of housing                                 | 3                       |
| Sewer service                                   | 2                       |
| School funding – all levels                     | 2                       |
| Hotels  | 1                       |
| Information transportation – high speed cable   | 1                       |
| Law enforcement                                 | 1                       |
| Transportation network                          |                         |
| Medical facilities                              |                         |
| <b>OPPORTUNITIES</b>                            |                         |
| Tourism   | 4                       |
| Economic development along Corridor H           | 2                       |
| Bike trails                                     |                         |
| Improve natural resources available in the area |                         |
| Land  |                         |
| <b>THREATS</b>                                  |                         |
| Negative thinking                               | 2                       |
| Structure of County Commissions                 | 1                       |
| Water resources                                 |                         |
| Missed opportunities                            |                         |
| Environmental regulations                       |                         |

**Region 8 Planning and Development Council  
Development Plan Meeting @ The Hermitage, Petersburg, WV  
Thursday, September 9, 2003 ~ 12:00 p.m.**

Ken Dyché opened with an overview of the region’s development strategy and the council’s role in identifying needs for the five-year plan. Attendees were each given a copy of the Potomac Highlands Region Outlook Forecast 2002-2007. Ken reviewed points of interest contained in the Forecast including annual job growth, unemployment, population growth, and per capita income growth.

A light lunch was served.

Melissa Earle led participants in a planning exercise that required them to think about the strengths, weaknesses, opportunities, and threats on economic development in the region and write those items on index cards. Pink cards indicated strengths (one per card). Green cards indicated weaknesses (one per card). Yellow cards indicated opportunities (one per card). Blue cards indicated threats (one per card). Discussion occurred as these were posted on the display board. Concluding the exercise, each person was given three orange dots to place by items with priority for quality of life and economic growth for the region. The following items were listed:

| Item  | Number of Priority Dots |
|---|-------------------------|
| <b>STRENGTHS</b>  |                         |
| Geographic location   | 3                       |
| Natural beauty – air and water                                |                         |
| Workforce   |                         |
| <b>WEAKNESSES</b>   |                         |
| Lack of roads and infrastructure                              | 4                       |
| School system (Grant)   | 2                       |
| Lack of education   | 2                       |
| Mindset/Attitude of residents                                 |                         |
| <b>OPPORTUNITIES</b>  |                         |
| Quality of life   | 4                       |
| Promote training workforce to attract businesses              | 3                       |
| Still time to make plans for the future of the county (Grant) | 1                       |
| West Virginian’s want to return to their home state           |                         |
| Natural resources   |                         |
| Tourism   |                         |
| Environment   |                         |
| Mountaineer spirit  |                         |
| <b>THREATS</b>  |                         |
| Environmental regulations                                     | 3                       |
| Lack of planning  | 2                       |

# SUMMARY

## CEDS Meetings Round One

| <u>STRENGTHS</u>                          |      | <u>WEAKNESSES</u>                                    |      | <u>OPPORTUNITIES</u>   |      | <u>THREATS</u>  |      |
|---|------|--|------|--|------|---|------|
| Item                                      | Dots | Item   | Dots | Item   | Dots | Item  | Dots |
| Labor force                               | 6    | Infrastructure (water, sewer, roads)                 | 17   | Seniority and influence of state political figures/representatives | 6    | Over-development without control - Lack of planning                     | 9    |
| Nature of the people-friendly and helpful | 5    | Uneducated or skilled work force - lack of education | 5    | Tourism/Historical Heritage  | 5    | Inadequate education  | 5    |
| Quality of life                           | 3    | School system - School funding - all levels          | 4    | Quality of Life  | 4    | Environmental regulations   | 3    |
| Beauty of the land/water                  | 3    | Underemployment                                      | 3    | Economic development along Corridor H                              | 4    | Pollution - poultry by-products, streams, soil                          | 2    |
| Geographic location                       | 3    | Lack of housing                                      | 3    | Promote training workforce to attract businesses                   | 3    | Negative thinking   | 2    |
| Proximity to interstate highway system    | 1    | Hotels   | 1    | Land, buildings, and housing                                       | 1    | Structure of County Commissions   | 1    |
| Natural resources                         |      | Information transportation - high speed cable        | 1    | Still time to make plans for the future of the county              | 1    | Corridor H - crime, more traffic, real estate values, school population | 1    |
| Great school system                       |      | Law enforcement                                      | 1    | Population growth  |      | Flood control   |      |
| ATK (Robert C. Byrd Center)               |      | Mindset/Attitude of residents                        |      | Inclusion in MSA for Winchester, Virginia                          |      | Water storage   |      |
| Work ethics                               |      | Medical facilities                                   |      | West Virginians returning to their home state                      |      | Water resources   |      |
|   |      |  |      | Natural resources  |      | Missed opportunities  |      |
|   |      |  |      | Environment  |      |   |      |
|   |      |  |      | Mountaineer spirit   |      |   |      |



**Region 8 Planning and Development Council  
 Planning Committee Meeting  
 Thursday, September 18, 2003 ~ 12:30 p.m.**

Ken Dyche opened with an overview of the region’s development strategy and the council’s role in identifying needs for the five-year plan. Attendees were each given a copy of the Potomac Highlands Region Outlook Forecast 2002-2007. Ken reviewed points of interest contained in the Forecast including annual job growth, unemployment, population growth, and per capita income growth.

A light lunch was served.

Minutes and a summary from three planning meetings held throughout the region with community leaders were provided to committee members. Melissa Earle led Council members in a planning exercise that required them to think about the strengths, weaknesses, opportunities, and threats on economic development in the region and write those items on index cards. Pink cards indicated strengths (one per card). Green cards indicated weaknesses (one per card). Yellow cards indicated opportunities (one per card). Blue cards indicated threats (one per card). Discussion occurred as these were posted on the display board. Concluding the exercise, each person was given three orange dots to place by items with priority for quality of life and economic growth for the region. The following items were listed:

| Item   | Number of Priority Dots |
|--|-------------------------|
| <b>STRENGTHS</b>   |                         |
| Reliable Workforce   | 5                       |
| ATK (Robert C. Byrd Institute)                               |                         |
| Region 8 and the way we work together                        |                         |
| Availability of political leaders                            |                         |
| <b>WEAKNESSES</b>  |                         |
| Infrastructure (roads, Rt. 50 water, sewer)                  | 5                       |
| Housing  |                         |
| Lack of education  |                         |
| <b>OPPORTUNITIES</b>   |                         |
| Industrial parks with water, sewage, buildings, rail service | 2                       |
| Growth   | 1                       |
| Clean air, water, and desire to work                         |                         |
| Corridor H   |                         |
| Tourism  |                         |
| <b>THREATS</b>   |                         |
| Ourselves  | 1                       |
| Better planning for the future                               | 1                       |
| Jealousy   |                         |
| Lack of participation by residents                           |                         |

**Region 8 Planning and Development Council  
Development Plan Meeting @ Ponderosa, Moorefield, WV  
Tuesday, October 7, 2003 ~ 12:00 p.m.**

Ken Dyché opened with an overview of the information gathered during the region's first round of CEDS planning meetings. Attendees were each given a copy of the minutes of those three meetings as well as two summary sheets and a copy of goals, objectives, and strategies from the previous development plan. Ken reviewed the similarities in strengths, weaknesses, opportunities, and threats on economic development in the region that were pointed out during the first round of meetings. This round of meetings will consist of two meetings and will focus on identifying objectives and strategies to implement the goals set for the region. Those goals include 1.) jobs and wages 2.) infrastructure and 3.) environmental quality.

A light lunch was served.

Melissa Earle led participants in an exercise that required them to identify objectives and strategies for the goals and write those items on index cards. Yellow cards indicated jobs and wages (one per card). Blue cards indicated infrastructure (one per card). Green cards indicated environmental quality (one per card). Discussion occurred as these were posted on the display board.

The following items were listed:

| Jobs and Wages   | Infrastructure                     | Environmental Quality  |
|--|------------------------------------|--|
| Promote entrepreneurship                               | Upgrade school systems             | Active role in encouraging agriculture growth/protecting natural resources |
| Promote scenic highway program                         | Upgrade health care facilities     | Balance of economic development and protection of resources                |
| Identify types of industry to attract to the region    | Assist with planning efforts       | Promote the region for tourism   |
| Analyze how to attract industry                        | Upgrade existing highways          | Identify recreational facilities   |
| Additional sources of water supply to attract industry | Additional sewer service           | Protect natural resources  |
| Additional sewer service to attract industry           | Additional sources of water supply | Promote the state park for the eastern panhandle                           |
| Make an analysis of needed jobs                        |                                    | Find a location for a conference center                                    |
| Additional child and elderly care                      |                                    |  |

**Region 8 Planning and Development Council  
Development Plan Meeting @ The Pines, Keyser WV  
Thursday, October 9, 2003 ~ 12:00 p.m.**

Ken Dyché opened with an overview of the information gathered during the region's first round of CEDS planning meetings. Attendees were each given a copy of the minutes of those three meetings as well as two summary sheets and a copy of goals, objectives, and strategies from the previous development plan. Ken reviewed the similarities in strengths, weaknesses, opportunities, and threats on economic development in the region that were pointed out during the first round of meetings. This round of meetings will consist of two meetings and will focus on identifying objectives and strategies to implement the goals set for the region. Those goals include 1.) jobs and wages 2.) infrastructure and 3.) environmental quality.

A light lunch was served.

Melissa Earle led participants in an exercise that required them to identify objectives and strategies for the goals and write those items on index cards. Yellow cards indicated jobs and wages (one per card). Blue cards indicated infrastructure (one per card). Green cards indicated environmental quality (one per card). Discussion occurred as these were posted on the display board.

The following items were listed:

| Jobs and Wages   | Infrastructure   | Environmental Quality  |
|--|--|--|
| Worker training -<br>Development of on the job training in critical areas and funding for support during training                                | Include infrastructure as related to new/high technology ie. Fiber optics, high speed service. | Better control of littering  |
| Recruit high tech industry to the area which in turn will provide higher paid jobs and also allow for further development of service based jobs. | Improve major roads by advocating and identifying needs  | Meet current and known standards for environment   |
| Promote the region to the nation   | Upgrade roads  | Support improvement of anti-pollution devices at Mt. Storm and other industries                |
| Attract more industries  | Upgrade water  | Storm water management   |
| Higher educational opportunities   | Upgrade sewer  | Use environmental quality as attraction of tourism, recreation, industry and lifestyle changes |
| Include regional marketing efforts (trade shows, magazines) that cover all 5 counties. Pool resources  |  |  |
| Create Region 8 forum to the Legislature   |  |  |

# SUMMARY

## CEDS Meetings Round Two

| <b>JOB AND WAGES</b>   | <b>INFRASTRUCTURE</b>  | <b>ENVIRONMENTAL QUALITY</b>  |
|--|--|---|
| Promote entrepreneurship   | Upgrade school systems   | Active role in encouraging agriculture growth/protecting natural resources      |
| Promote scenic highway program   | Upgrade health care facilities   | Balance of economic development and protection of resources                     |
| Analyze how and Identify types of industry to attract to the region  | Assist with planning efforts   | Promote the region for tourism  |
| Additional sources of water supply to attract industry   | Additional sewer service   | Identify recreational facilities  |
| Additional sewer service to attract industry   | Additional sources of water supply   | Protect natural resources   |
| Make an analysis of needed jobs  | Include infrastructure as related to new/high technology ie.fiber optics, high speed service | Promote the state park for the eastern panhandle                                |
| Worker training - Development of on the job training in critical areas and funding for support during training.                                  | Upgrade and improve existing highways by advocating and identifying need.                    | Find a location for a conference center   |
| Recruit high tech industry to the area which in turn will provide higher paid jobs and also allow for further development of service based jobs. | Upgrade water  | Better control of littering   |
| Promote the region to the nation   | Upgrade sewer  | Meet current and known standards for environment                                |
| Attract more industries  |  | Support improvement of anti-pollution devices at Mt. Storm and other industries |
| Higher education opportunities   |  | Storm water management  |
| Include regional marketing efforts (trade shows, magazines) that cover all 5 counties. Pool resources.   |  | Use enviromental quality as attraction  |
| Create Region 8 forum to the Legislature   |  |   |

Region 8 Planning and Development Council  
**Planning Committee Meeting**  
**Thursday, October 23, 2003 ~ 12:30 p.m.**

Ken Dyché opened with an overview of the information gathered during the region’s first round of CEDS planning meetings. Attendees were each given a copy of the minutes of those three meetings as well as two summary sheets and a copy of goals, objectives, and strategies from the previous development plan. Ken reviewed the similarities in strengths, weaknesses, opportunities, and threats on economic development in the region that were pointed out during the first round of meetings. This round of meetings will consist of two meetings and will focus on identifying objectives and strategies to implement the goals set for the region. Those goals include 1.) jobs and wages 2.) infrastructure and 3.) environmental quality.

A light lunch was served.

Melissa Earle led participants in an exercise that required them to identify objectives and strategies for the goals and write those items on index cards. Yellow cards indicated jobs and wages (one per card). Blue cards indicated infrastructure (one per card). Green cards indicated environmental quality (one per card). Discussion occurred as these were posted on the display board. The following items were listed:

| Jobs and Wages  | Infrastructure   | Environmental Quality   |
|---|--|---|
| Improve Job training and education opportunities i.e. curriculum development at community colleges specific to an industry attraction or retaining an industry. | Continue work to upgrade water, sewer and roads to allow the acquisition of industries to provide better paying jobs and to keep the workforce in the county or West Virginia. | Promote proper planning and assistance in development of sound management practices.                        |
| Acquire clean high tech industry jobs to the area to provide higher paying jobs requiring higher educational opportunities.                                     | Expansion of design and development assistance for water and sewer systems.  | Continue to balance environmental quality concerns with needs of farmers, tourism and economic development. |
| Additional sewer and water supply to attract companies.   | Increase infrastructure funding – coordinate local/State/Federal grant/loan opportunities.   | Upgrade efficiency of waste disposal systems.   |
| Hold workshops that would educate entrepreneurs about funding.  |  | Identify specific environmental issues and develop strategies to address them.                              |
| Change legislature thinking from the Southern mentality to include all areas of the State.  |  | Lack of housing   |

## Region 8 Planning and Development Council Membership

| County    | Name                    | Address                                    | Race | Sex | Appt Date | Exec. Comm. | Interests                      |
|-----------|-------------------------|--|------|-----|-----------|-------------|--------------------------------|
| Grant     | Harold Hiser            | 5 Highland Avenue Petersburg, WV 26847     | C    | M   | 06/01/82  | Yes         | Economic Development           |
| Grant     | Jane Kite-Keeling       | 2-2 Meadow Ridge, Petersburg, WV 26847     | C    | F   | 01/01/03  |             | Citizens Issues                |
| Grant     | Gary Michael            | P.O. Box 669 Petersburg, WV 26847          | C    | M   | 07/01/01  | Yes         | Local Government               |
| Grant     | Steven Durst            | P. O. Box 274 Bayard, WV 26707             | C    | M   | 06/01/85  |             | Local Government               |
| Grant     | Charles Goldizen        | HC 84 Box 26, Arthur, WV 26847             | C    | M   | 01/01/03  | Yes         | Local Government               |
| Grant     | Selena Redman           | 103 W Central Ave, Petersburg, WV 26847    | B    | F   | 01/16/03  | Yes         | Minority Issues - Education    |
| Hampshire | Fredrick Berkeridge     | P.O. Box 183 Capon Bridge, WV 26711        | C    | M   | 07/01/95  | Yes         | Local Government               |
| Hampshire | William Hicks           | 340 East Main Street Romney, WV 26757      | C    | M   | 07/01/03  | Yes         | Local Government               |
| Hampshire | O Grady Bradfield       | HC 64 Box 400 Yellow Springs, WV 26865     | C    | M   | 01/01/99  | Yes         | Local Government               |
| Hampshire | Alan Brill              | HC 87 Box 11, Yellow Springs, WV 26865     | C    | M   | 07/01/02  | Yes         | Banking                        |
| Hardy     | J. R. Keplinger         | PO Box 337, Moorefield, WV 26836           | C    | M   | 01/01/03  | Yes         | Local Government               |
| Hardy     | Carlton Hilliard        | 218 Jefferson Street, Moorefield, WV 26836 | B    | M   | 07/01/97  | Yes         | Local Government               |
| Hardy     | Mallie Combs            | P.O. 209 Moorefield, WV 26836              | C    | F   | 07/01/84  |             | Economic Development - Public  |
| Hardy     | Tracey S. Miller        | P.O. Box 7 Wardensville WV 26851           | C    | M   | 07/24/01  |             | Local Government               |
| Hardy     | William Bean            | P.O. Drawer 30 Moorefield, WV 26807        | C    | M   | 05/21/92  | Yes         | Law - Health                   |
| Mineral   | Carl Thomas             | Rt. 2 Box 103-F Keyser, WV 26726           | C    | M   | 09/15/94  | Yes         | Law Enforcement - Local Govern |
| Mineral   | Janice LaRue            | 276 W Fairview Street, Piedmont, WV 26750  | C    | F   | 03/14/03  | Yes         | Local Government               |
| Mineral   | Dwight Lambert          | P.O. Box 7 Ridgeley, WV 26753              | C    | M   | 04/17/03  |             | Local Government               |
| Mineral   | Robert Swink            | Town of Elk Garden Elk Garden, WV 26717    | C    | M   | 07/01/03  |             | Local Government               |
| Mineral   | Michael Anthony Francis | Second Street Piedmont, WV 26750           | C    | M   | 06/01/99  |             | Local Government               |
| Mineral   | Michael Bland           | 150 Armstrong Street Keyser, WV 26726      | C    | M   | 06/01/93  | Yes         | Disadvantaged Persons - Local  |
| Mineral   | Mitchell Reeves         | 3 Williams Street Ridgeley, WV 26753       | C    | M   | 07/01/99  | Yes         | Local Government               |
| Mineral   | Roger Newlin            | 111 Davis Street Keyser, WV 26726          | C    | M   | 08/16/99  | Yes         | Local Government               |
| Pendleton | Genevieve Glover        | PO Box 483, Franklin, WV 26807             | C    | F   | 07/01/02  | Yes         | Local Government               |
| Pendleton | Alice Hartman           | P.O. Box 885 Franklin WV 26807             | C    | F   | 07/01/02  | Yes         | Small Business - Economic Dev  |
| Pendleton | Kelly Hartman           | HC 60 Box 33A, Franklin, WV 26807          | C    | M   | 01/01/01  |             | Local Government               |
| Pendleton | Jeff Hott               | Route 1 Box 27 Franklin, WV 26807          | C    | M   | 01/01/95  |             | Agriculture - Small Business   |
| Pendleton | Joan Ashley             | Rt.#5 Box 33D Franklin, WV 26807           | C    | F   | 05/05/92  | Yes         | News Media                     |

## Region 8 Planning and Development Council Planning Committee

| County  | Name             | Address                              | Race | Sex | Appt Date | Exec. Comm. | Interests                  | Office/Occupation          |
|---------|------------------|--------------------------------------|------|-----|-----------|-------------|----------------------------|----------------------------|
| Grant   | Harold Hiser     | 5 Highland Avenue Petersburg, WV     | C    | M   | 06/01/82  | Yes         | Economic Development       | Clerk, Grant County        |
| Grant   | Gary Michael     | P.O. Box 669, Petersburg, WV 26847   | C    | M   | 7/1/2001  | Yes         | Local Government           | Mayor, Petersburg          |
| Grant   | Charles          | HC 84 Box 26, Arthur, WV 26847       | C    | M   | 01/01/03  | Yes         | Local Government           | Grant County Commission    |
| Grant   | Selena Redman    | 103 W Central Ave, Petersburg, WV    | B    | F   | 01/16/03  | Yes         | Minority Issues, Education | Customer Relations         |
|         | Fredrick         | P.O. Box 183 Capon Bridge, WV        | C    | M   | 07/01/95  | Yes         | Local Government           | Mayor, Capon Bridge        |
|         | Hoy G.           | 260 School Street Romney, WV         | C    | M   | 07/01/97  | Yes         | Local Government           | Mayor, Romney,             |
|         | O Grady          | HC 64 Box 400 Yellow Springs, WV     | C    | M   | 01/01/99  | Yes         | Local Government           | Hampshire County           |
|         | Allen Brill      | HC 87 Box 11, Yellow Springs, WV     | C    | M   | 07/01/02  | Yes         | Banking                    | Banker                     |
| Hardy   | J. R. Keplinger  | PO Box 337, Moorefield, WV 26836     | C    | M   | 01/01/03  | Yes         | Local Government           | Hardy County Commission    |
| Hardy   | Carlton Hilliard | 218 Jefferson Street, Moorefield, WV | B    | M   | 07/01/97  | Yes         | Local Government           | Councilman, Town of        |
| Hardy   | William Bean     | P.O. Drawer 30 Moorefield, WV 26807  | C    | M   | 05/21/92  | Yes         | Law, Health                | Attorney                   |
| Mineral | Janice LaRue     | 276 W Fairview Street, Piedmont, WV  | C    | F   | 03/14/03  | Yes         | Local Government           | Mineral County Commission  |
| Mineral | Michael Bland    | 150 Armstrong Street Keyser, WV      | C    | M   | 06/01/93  | Yes         | Disadvantaged Persons -    | Mineral County Coordinator |
| Mineral | Roger Newlin     | 111 Davis Street Keyser, WV 26726    | C    | M   | 8/16/99   | Yes         | Local Government           | Mayor, Keyser,             |
| Mineral | Mitchell Reeves  | 3 Williams Street, Ridgeley, WV      | C    | M   | 07/01/99  | Yes         | Local Government           | Mayor, Ridgeley            |
|         | Genevieve        | PO Box 483, Franklin, WV 26807       | C    | F   | 07/01/02  | Yes         | Local Government           | Mayor, Franklin            |
|         | Alice Hartman    | P.O. Box 885 Franklin WV 26807       | C    | F   | 07/01/91  | Yes         | Small Business – Economic  | Businesswoman              |
|         | Kelly Hartman    | HC 60 Box 33A, Franklin, WV 26807    | C    | M   | 01/01/01  | Yes         | Government, Business       | Pendleton County           |
|         | Joan Ashley      | Rt.#5 Box 33D Franklin, WV 26807     | C    | F   | 05/05/92  | Yes         | Business News Media        | Reporter                   |







**INVESTMENT SUMMARY  
GRANT COUNTY DEVELOPMENT AUTHORITY  
INDUSTRIAL PARK EXPANSION**

|                   |                  |
|-------------------|------------------|
| Projected Funding |                  |
| ARC               | \$250,000        |
| WVIJDC Loan       | <u>\$250,000</u> |
| Total             | \$500,000        |

**FY 2002 INVESTMENT ANALYSIS**

1. Market-Based: The poultry and wood industry has grown significantly in Grant County in the past decade. Over the past ten years the growth of the wood industry has caused the Grant County Industrial Park to fill to capacity. The County's Development Authority proposes expanding its current park to be able to grow economically.
2. Proactive Investments: Even with the expansion of the wood and poultry industries the County's residents incomes have remained low and substantial pockets of economic distress still exist. Without funding for the expansion of the County's industrial park the Authority will not be able to provide the infrastructure necessary for additional industrial growth.
3. Economic Changes and Diversification: Grant County is in a rural area of West Virginia. Its economy is based on manufacturing, particularly in the wood and poultry processing industry. The proposed expansion to the County's existing industrial park will give the County the ability to diversify the area's economy. It is the goal of the Grant County Commission to create an economic base that is centered on better paying jobs and move the area's economy away from the lower paying industries. Without this project the County will not have the necessary infrastructure to allow economic diversification.
4. Private Capital Investment: The private sector investment in this project will come from the wages paid to individuals employed by industries within Grant County. Once the expansion is completed, the County will be able to grow economically. Without the expansion, the County will see no additional private capital investment because there is no capacity for growth.
5. High Probability of Success: The region has an excellent track record with projects. The County has had a high rate of success as can be seen by the fact that their current industrial park is at capacity.
6. Economic and Human Benefits: The expansion of the industrial park is necessary to provide economic growth capacity for the County. The lack of developed industrial land retards growth within the County. Additionally, the ability to be able to create jobs that pay above average wages would be of great benefit economically to the County's residents. Giving the local residents the ability to have employment that will provide not only higher than average wages but also health benefits will lead to a healthier community.
7. Return on Investment: The wood and poultry industry, which is located in Grant County, has experienced tremendous growth in the past decade. Without the expansion of the Grant County Industrial Park, these industries cannot continue to grow nor can any spin-off industries be born. If industries in Grant County have the ability to grow, the overall economy of the County will grow thus a greater tax base.

INVESTMENT SUMMARY  
CITY OF PETERSBURG  
WATER IMPROVEMENT PROJECT

|   |  |
|---|--|
| <b>Applicant:</b> City of Peterburg           | <b>EDA Investment:</b> \$ 500,000                  |
| <b>Project Location:</b> Petersburg, WV 26847 | <b>Total Project Cost:</b> \$ 4,500,000            |
| <b>Control/ Project No.:</b>                  | <b>Projected Private Investment:</b> \$ 15,000,000 |
| <b>County:</b> Grant <b>State:</b> WV         | <b>Jobs:</b> 100                                   |

**Project Description:** The City of Petersburg proposes the construction of a 1,000,000-gallon water storage tank and doubling of the capacity of the City’s water treatment plant. The City’s water system cannot support industrial growth. Deficiencies in the system have prevented an industry from establishing an operation that would employ at least 100 workers and would have resulted in a private investment of \$15,000,000.

**Background:** The City of Petersburg is located in the South Branch Valley of the Potomac Highlands. Evidence of economic distress can be found in unacceptable unemployment rates. The economy the South Branch Valley centers on the processing of poultry and cabinet manufacturing. Constant growth by all sectors has resulted in daily demand for water exceeding the community’s storage and production capacity. The City cannot provide enough water storage to allow for industry growth and to have the required minimum storage for fire protection. Additionally, The City cannot maintain an adequate supply of stored water even with the Town’s treatment plant pumping water 18-21 hours per day during weekday peaks.. The water system hinders expansion by existing employers and greatly prohibits the location of new firms into the county.

**Impact:** The construction activity would allow use of the abandon Perdue Plant; this would create 150 jobs. Secondary growth should create an additional 125 jobs. The project would assure continued job growth in the South Branch Valley. The addition of these wages would act to increase per capita income in the County. The project will reduce the outward migration of workers and improve the Valley's potential for economic growth. These results primarily benefit the long term unemployed and members of low-income families. The poultry processors and the cabinet manufacturing plants are vital to the regional economy and the community must provide them with a sound infrastructure if sustained economic growth is to be achieved.

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**FY 2002 INVESTMENT ANALYSIS**

1. **Market-Based:** During 2001 the State of West Virginia undertook a significant study of the State’s economic regions. The West Virginia Regionalism Project identified the Potomac Highlands as an economic region. The identification was in part based on the Potomac Highlands significant level of manufacturing. An analysis of the data underlying the study clearly indicates the importance of the poultry and wood processing clusters to this identification. The Potomac Highlands economic forecast, prepared by the Bureau of Economic and Business Research for the Region 8 PDC and the Eastern West Virginia Community College, projects continued economic growth. The growth will center on food processing and manufacturing. The Petersburg water system is the water supply for the

majority of Grant County. Manufacturing firms are interested in locating in Petersburg if the City can provide an adequate supply of water. The need for this project is supported by economic studies and known demand from manufacturing customers.

2. Proactive Investments EDA's assistance is the catalyst that will move forward investments by the City and the private sector. The investment of \$500,000 by EDA will result in the City investing \$4,000,000 in the project. Without EDA participation the City cannot assume the risk of financing the project. In the past the City has committed over millions of dollars to improve its sewer system in support of industrial expansion. The City borrowed these funds to support job creation in the Potomac Highlands region. This represents a significant investment risk for a relatively small population. EDA should note that the Mayor and Council have devoted countless hours to developing a water system that will support regional growth. Local elected officials are active in both the County Development Authority and the Region 8 Planning and Development Council. It is virtually impossible to meaningfully quantify this effort. However, the strength of this effort has resulted in the area's strong growth.
3. Economic Changes and Diversification The South Branch Valley that includes Grant County and the City of Petersburg is a rural area of West Virginia. For many years the local economy was agriculturally based. In recent years the area has created a significant number of manufacturing jobs and while agriculture remains a significant sector, manufacturing is the area's most important economic sector. An economic forecast for the Potomac Highlands found that manufacturing accounted for 23.4% of all employment as contrasted for 13.4% for the nation. The ability to diversify the economy from the low wage paying agricultural sector has been based on the area's strong potentials for food and wood processing. This project will support the creation of 100 jobs in Petersburg, these jobs will further the diversification from an economy that was centered on agriculture. The project will also support the area's ability to create commercial and service sector employment. It is the goal of the community to create an economic base that is centered on better paying jobs in the manufacturing and commercial sectors. Without this project the county will lack sufficient manufacturing jobs.
4. Private Capital Investment The private sector investment in this project will come from the wages paid to individuals employed within manufacturing plants on Petersburg water system. The City expects the project to directly support the creation of 100 jobs in these plants. These jobs would have an annual payroll of approximately \$2,000,000. Over a 20-year period firms would invest \$42,000,000 in payroll in Grant County.

Experience with a past Moorefield water project indicates that the private sector will invest \$12.00 to \$15.00 for each dollar that the City invests in a water project required by industrial expansion. The City expects that EDA's investment in the water system would result in private investment of between \$19,800,000 and \$24,750,000.

5. High probability of success The City of Petersburg has an excellent track record with projects involving the Economic Development Administration and other Federal and State agencies. Recently the City of Petersburg used EDA funds to partial fund a sewer improvement project

required for industrial expansion. The City successfully dealt with multiple funding requirements to implement the project. The City has also used federal and state funds for a variety of other projects including improvement of the municipal water system.

The City will invest \$4,000,000 in local funds in the water project and has strong support of the local elected officials. The City has demonstrated by its handling of past EDA projects and its current public utilities that it has the resources and talent to properly shepherd EDAs proposed investment in this project.

6. Economic and human benefits The proposed water improvements will directly support 100 new jobs. These jobs will be of a manufacturing nature and all positions are expected to produce an average pay rate of \$10.00 per hour. The additional direct payroll into the area's economy would be approximately \$2,000,000 per year. This estimate does not include the impact of fringe benefits that should equal at least 20% of wages or \$ 400,000 annually. It should be noted that this does not include payroll taxes and that all estimates are conservative. These jobs will reduce unemployment. Increases in jobs and wages will reduce the incidence of poverty and allow numerous persons to become self-sufficient. The project will result in a better standard of living in the county and will increase family and per capita incomes.
7. Return on investment The project at capacity would support 100 new jobs. The return on the investment of \$500,000 by EDA would include the impact of direct annual payrolls totaling \$2,000,000. Over a 20-year period firms would invest \$42,000,000 in payroll in Hardy County. Employees of the firms would pay nearly \$1,500,000 in WV income taxes during that period. The firms and the employees would each pay \$3,200,000 in FICA taxes during the 20-year period. Annually the project would generate over \$150,000 in federal income taxes. During a 20-year period the project would return \$3,000,000 to the federal government in income taxes. While returning these tax dollars the project will reduce demand for federally supported individual assistance.

Over a 20-year period the project will facilitate three firms expanding in Hardy County. The injection of the resulting wages would significantly increase per capita and household incomes. These events would lessen demand for government funded social services.

INVESTMENT SUMMARY  
HARDY COUNTY INDUSTRIAL BUILDING

|   |   |
|---|---|
| <b>Applicant:</b><br>Hardy County Rural Development Authority | <b>EDA Investment:</b> undetermined               |
| <b>Project Location:</b> Baker Industrial Park                | <b>Total Project Cost:</b> \$ 850,000             |
| <b>Control/ Project No.:</b>                                  | <b>Projected Private Investment:</b> \$18,000,000 |
| <b>County:</b> Hardy <b>State:</b> WV                         | <b>Jobs:</b> 150                                  |

FY 2002 INVESTMENT ANALYSIS

1. Market-Based The Baker Industrial Park will soon be serviced by Corridor H, a four-lane highway that is currently under construction. It is in the best interest of the region to construct a multi-tenant building in the park to provide leveraging power for businesses locating in the County. The park currently houses a building for Perdue, which is part of the strong poultry industry cluster in the region. The new building would help to strengthen the poultry industry as well as diversify the economy by providing industrial space for other industries.
  
2. Proactive Investments The Development Authority will review the cost of the project and determined projected funding sources. The Authority will examine the probability of assistance from ARC, EDA, and other possible sources. The Authority will apply for funding from sources that would make the best proactive investment for the multi-tenant building.
  
3. Economic Changes and Diversification Hardy County is a rural area of West Virginia. Its economy has been based on manufacturing, particularly in the poultry processing industry. The proposed multi tenant building would give the county the ability to diversify the area's economy. It is the goal of the Authority to create an economic base that is centered on better paying jobs and move the area's economy away from the lower paying industries. Without this project the county will continue to provide relatively low-paying jobs for its residents.
  
4. Private Capital Investment The private sector investment in this project will come from the wages paid to individuals employed within the multi tenant building, investment in equipment by firms in the building, and from firms that graduate from the building. The Authority expects the project to directly create 150 jobs thus producing an annual payroll of approximately \$3,000,000. Over a 20-year period firms would invest \$60,000,000 in payroll in Hardy County.

Experience with a similar project within the Region 8 Planning and Development District indicates that when a firm achieves a space usage of 10,000 square feet they will have invested \$250,000. The Authority would expect that at least 10 firms would achieve this level of usage and investment during a 20-year period. Firms locating in the building should generate at least \$2,500,000 in private sector investment and equipment.

5. High probability of success The region has an excellent track record with projects involving the Economic Development Administration and other Federal and State agencies. One example of this is the Romney multi-tenant building located in adjacent Hampshire County. In 1990, the EDA invested \$600,000 in a \$900,000 multi-tenant-building project in the Romney Industrial Park. The Hampshire County Development Authority has successfully marketed, maintained, and filled this building with five firms over the past ten years.
6. Economic and human benefits The proposed 20,000-40,000 square foot multi tenant building will directly create 150 jobs. These jobs could pay \$10 an hour. The additional direct payroll into the area's economy would be approximately \$3,000,000 per year. This estimate does not include the impact of fringe benefits that should equal at least 20% of wages or \$600,000 annually. It should be noted that this does not include fringe benefits or payroll taxes and that these estimates are conservative. These jobs will reduce unemployment. Increases in jobs and wages will reduce the incidence of poverty and allow numerous persons to become self-sufficient. The project will result in a better standard of living in the county.
7. Return on investment The building at capacity would support 150 jobs. The return on the investment would include the impact of direct annual payrolls totaling \$3,000,000. Over a 20-year period firms would invest \$60,000,000 in payroll in Hardy County. Employees of the firms would pay nearly \$2,000,000 in WV income taxes during that period. The firms and the employees would each pay \$4,590,000 in FICA taxes during the 20-year period. Annually the project would generate over \$200,000 in federal income taxes. During a 20-year period the project would return \$4,000,000 to the federal government in income taxes. While returning these tax dollars the project will reduce demand for federally supported individual assistance.

Over a 20-year period the project will facilitate 12 firms locating and growing in Hardy County. The Region 8 Development Plan indicates that the typical manufacturing firm employees approximately 50 workers. The county would thus expect the 12 firms to have 600 workers. The addition of 600 workers would dramatically lower unemployment and underemployment in the county. The injection of their wages would significantly increase per capita and household incomes. These events would lessen demand for government funded social services. The federal government should expect \$1.8 million in FICA revenue and nearly \$1,000,000 annually in income taxes.

INVESTMENT SUMMARY  
TOWN OF MOOREFIELD  
SEWER IMPROVEMENTS

|                          |                |
|--------------------------|----------------|
| Projected Funding        |                |
| Small Cities Block Grant | \$1,500,000    |
| WV IJDC Grant            | <u>582,000</u> |
| Total                    | \$2,082,000    |

FY 2002 INVESTMENT ANALYSIS

1. Market-Based The poultry industry has grown significantly in the Town of Moorefield in the past decade. However, due to this growth, changes in regulations, and necessary flood protection, the Town must now make necessary improvements to its wastewater treatment facility. If improvements are not made, the Town will not be able to continue to grow economically.
2. Proactive Investments While the Town has been the focal point of industrial growth, incomes remain low and substantial pockets of economic distress still exist. Without funding for improvements the Wastewater Treatment Plant will not receive the necessary improvements to allow additional industrial growth.
3. Economic Changes and Diversification Town of Moorefield is a rural area of West Virginia. Its economy has been based on manufacturing, particularly in the poultry processing industry. The proposed upgrades to the sewer system are necessary to give the Town the ability to diversify the area's economy. It is the goal of the Town of Moorefield to create an economic base that is centered on better paying jobs and move the area's economy away from the lower paying industries. Without this project the Town will not have the necessary infrastructure to allow economic diversification.
4. Private Capital Investment The private sector investment in this project will come from the wages paid to individuals employed by industries within the Town of Moorefield. Once the upgrades are completed, the Town will be able to grow economically. Without the necessary upgrades, the Town will see no additional private capital investment because there is no capacity for growth.
5. High probability of success The region has an excellent track record with projects. The Town made major improvements to its system in the early 1980's and extended service to areas previously relied on individual treatment systems. Further, other municipalities within the region have recently made improvements to their water and sewer systems to provide the necessary infrastructure for economic growth.
6. Economic and human benefits The wastewater treatment plant upgrades are necessary to provide economic growth capacity for the Town. The current facility retards industry growth. Additionally, the plant must be upgraded for the health of the residents of the Town. Flood protection modifications must be made so that service will not be interrupted should the area experience flooding as it did in 1985 and 1996. Further changes in regulations require upgrades to the system.
7. Return on investment The poultry industry which is located in the Town of Moorefield has experienced tremendous growth in the past decade. Without the necessary upgrade to the sewer plant, these industries cannot continue to grow. Therefore the Town will not continue to grow either. Completion of the necessary improvements will boost the economy of the Town. A better wastewater system means a better capacity to serve industries. If industries have the ability to grow, the overall economy of the Town would grow, including a greater tax base.

INVESTMENT SUMMARY  
TOWN OF MOOREFIELD  
WATER IMPROVEMENT PROJECT

|   |  |
|---|--|
| <b>Applicant:</b> Town of Moorefield          | <b>EDA Investment:</b> \$ 1,200,000                |
| <b>Project Location:</b> Moorefield, WV 26836 | <b>Total Project Cost:</b> \$ 1,650,000            |
| <b>Control/ Project No.:</b>                  | <b>Projected Private Investment:</b> \$ 24,750,000 |
| <b>County:</b> Hardy <b>State:</b> WV         | <b>Jobs:</b> 150                                   |

**Project Description:** The Town of Moorefield proposes the construction of a 1,500,000-gallon water storage tank. The Town’s current water storage capacity consists of three tanks that hold 3,750,000 gallons of finished water. The Town’s maximum daily water demand of 4,100,000 gallons exceeds the town’s storage capacity. Existing industrial users account for approximately 80% of the current demand. The proposed water capacity improvement project would be located on land owned by the Town and at an elevation that would allow for a uniform drawdown rate. It will be necessary to construct an equalization pipeline between the existing tanks and the proposed tank to equalize flows and to install a large diameter supply line between the tank and treatment plant. The Town will also construct a large diameter water line to better serve industrial customers. The Town will construct about 11,000 feet of 18-inch water line.

**Background:** The Town of Moorefield is located in Hardy County and the South Branch Valley of the Potomac Highlands. Hardy County has an unemployment rate of 2.8% during the most recent twenty-four months. The 2000 Census found that the County had per capita and median household incomes of \$15,859 and \$31,846 respectively. These figures are substantially below national figures and considerable economic distress exists in Hardy County.

The economy of Hardy County and the South Branch Valley centers on the processing of poultry and cabinet manufacturing. Moorefield contains the Valley’s two largest poultry processing facilities and two plants producing cabinets. These facilities employ approximately 4,200 people. Both industrial groups have shown significant growth since the early 1990s. This expansion created more than 800 jobs. Constant growth by the industrial and commercial sectors has resulted in daily demand for water exceeding the community’s storage capacity. The Town cannot provide enough water storage to allow for industry growth and to have the required minimum storage for fire protection. Additionally, The town cannot maintain an adequate supply of stored water even with the Town’s treatment plant pumping water 18-21 hours per day during weekday peaks. Further, the downtown area that includes three of the manufacturing plants suffers from low water pressure during peak industrial usage. The water system prevents expansion by existing employers and greatly inhibits the location of new firms into the county. The construction of approximately 6500 feet of 18-inch water main between the Town’s two largest water users and employers should eliminate this problem. The construction of a 1,500,000-gallon storage tank would allow the Town to better meet water demand and would provide an ability to fight fires while maintaining manufacturing operations.

**Impact:** The construction of 11,000 feet of 18-inch water line and a 1,500,000 gallons water storage tank would directly secure the current 4200 jobs in the Town’s four manufacturing plants. The construction activity would allow the existing firms to create 150 jobs. Secondary

growth should create an additional 125 jobs. The project would assure continued job growth in the South Branch Valley. The manufacturing jobs would pay annual wages of \$3,150,000. The addition of these wages would act to increase per capita income in the County. The project will reduce the outward migration of workers and improve the Valley's potential for economic growth. These results primarily benefit the long term unemployed and members of low-income families. The poultry processors and the cabinet manufacturing plants are vital to the regional economy and the community must provide them with a sound infrastructure if sustained economic growth is to be achieved.

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#### FY 2002 INVESTMENT ANALYSIS

1. Market-Based: During 2001 the State of West Virginia undertook a significant study of the State's economic regions. The West Virginia Regionalism Project identified the Potomac Highlands as an economic region. The identification was in part based on the Potomac Highlands significant level of manufacturing. An analysis of the data underlying the study clearly indicates the importance of the Moorefield manufacturing cluster to this identification. The Potomac Highlands economic forecast, prepared by the Bureau of Economic and Business Research for the Region 8 PDC and the Eastern West Virginia Community College, projects continued economic growth. The growth will center on food processing and manufacturing. The Moorefield water system is the water supply for almost all of the existing jobs in these manufacturing sectors. Manufacturing firms in Moorefield have proposed expansion provided the Town could provide an adequate supply of water. The need for this project is supported by economic studies and known demand from manufacturing customers.
2. Proactive Investments EDA's assistance is the catalyst that will move forward investments by the Town and the private sector. The investment of \$1,200,000 by EDA will result in the Town investing \$450,000 in the project. Without EDA participation the Town cannot assume the risk of financing the project. In the past the Town has committed over \$3,000,000 to improve its water system in support of industrial expansion. The Town of 2,375 people borrowed these funds to support job creation in the Potomac Highlands region. This represents a significant investment risk for a relatively small population. EDA should note that the Mayor and Council have devoted countless hours to developing a water system that will support regional growth. Local elected officials are active in both the County Development Authority and the Region 8 Planning and Development Council. It is virtually impossible to meaningfully quantify this effort. However, the strength of this effort has resulted in the area's strong growth.
3. Economic Changes and Diversification The South Branch Valley that includes Hardy County and the Town of Moorefield is a rural area of West Virginia. For many years the local economy was agriculturally based. In recent years the area has created a significant number of manufacturing jobs and while agriculture remains a significant sector, manufacturing is the area's most important economic sector. An economic forecast for the Potomac Highlands found that manufacturing accounted for 23.4% of all employment as contrasted for 13.4% for the nation. The ability to diversify the economy from the low wage paying agricultural sector has been based on the area's strong potentials for food and wood processing. This project will support the creation of 150 jobs in Moorefield's manufacturing plants, these jobs

will further the diversification from an economy that was centered on agriculture. The project will also support the area's ability to create commercial and service sector employment. It is the goal of the community to create an economic base that is centered on better paying jobs in the manufacturing and commercial sectors. Without this project the county will lack sufficient manufacturing jobs.

4. Private Capital Investment The private sector investment in this project will come from the wages paid to individuals employed within manufacturing plants on Moorefield water system. The Town expects the project to directly support the creation of 150 jobs in these plants. These jobs would have an annual payroll of approximately \$3,150,000. Over a 20-year period firms would invest \$63,000,000 in payroll in Hardy County.

Experience with a past Moorefield water project indicates that the private sector will invest \$12.00 to \$15.00 for each dollar that the Town invests in a water project required by industrial expansion. The Town expects that an investment of \$1,650,000 in the water system would result in private investment of between \$19,800,000 and \$24,750,000.

5. High probability of success The Town of Moorefield has an excellent track record with projects involving the Economic Development Administration and other Federal and State agencies. In the early 1990's the Town of Moorefield used EDA funds to partial fund a water improvement project required for industrial expansion. The Town also obtained a small cities block grant for the project and borrowed a significant sum. The Town successfully dealt with multiple funding requirements to implement the project on time and within budget. The project exceeded the job creation goal proposed to EDA. The Town has also used federal and state funds for a variety of other projects including improvement of the municipal sewer system.

The Town will invest \$450,000 in local matching funds in the water project and has strong support of the local elected officials. The Town has demonstrated by its handling of past EDA projects and its current public utilities that it has the resources and talent to properly shepherd EDAs proposed investment in this project.

6. Economic and human benefits The proposed water improvements will directly support 150 new jobs. These jobs will be of a manufacturing nature and all positions are expected to produce an average pay rate of \$10.00 per hour. The additional direct payroll into the area's economy would be approximately \$3,150,000 per year. This estimate does not include the impact of fringe benefits that should equal at least 20% of wages or \$ 630,000 annually. It should be noted that this does not include payroll taxes and that all estimates are conservative. These jobs will reduce unemployment. Increases in jobs and wages will reduce the incidence of poverty and allow numerous persons to become self-sufficient. The project will result in a better standard of living in the county and will increase family and per capita incomes.
7. Return on investment The project at capacity would support 150 new jobs. The return on the investment of \$1,200,000 by EDA would include the impact of direct annual payrolls totaling \$3,150,000. Over a 20-year period firms would invest \$63,000,000 in payroll in Hardy

County. Employees of the firms would pay nearly \$2,115,000 in WV income taxes during that period. The firms and the employees would each pay \$4,800,000 in FICA taxes during the 20-year period. Annually the project would generate over \$211,500 in federal income taxes. During a 20-year period the project would return \$4,221,000 to the federal government in income taxes. While returning these tax dollars the project will reduce demand for federally supported individual assistance.

Over a 20-year period the project will facilitate three firms expanding in Hardy County. The injection of the resulting wages would significantly increase per capita and household incomes. These events would lessen demand for government funded social services.

INVESTMENT SUMMARY  
MINERAL COUNTY (FRANKFORT/FORT ASHBY)  
SEWER IMPROVEMENTS

Projected Funding

|                  |                   |
|------------------|-------------------|
| \$20,000,000     | SRF Loan          |
| 1,000,000        | EDA Grant         |
| 1,500,000        | SCBG Grant        |
| <u>2,500,000</u> | <u>IJDC Grant</u> |
| \$25,000,000     | Total             |

FY 2004 INVESTMENT ANALYSIS

1. Market-Based Northern Mineral County has demonstrated a strong ability to support economic growth. This ability is centered on Alliant Tech Systems' Rocket Center facility that builds components for the national defense. The firm and associated industries have indicated that they are in a growth mode and can added significant jobs during the coming years. This growth is threatened by a lack of suitable homes for workers. Sewage treatment problems present the greatest impediment to housing development. The lack of treatment capacity also limits growth by associated industries. The development of a major wastewater treatment plant and installation of new sewer lines would address this issue.
2. Proactive Investments While northern Mineral County is a point for industrial growth, incomes remain low, unemployment is at unacceptable levels, and substantial pockets of economic distress still exist. Without funding for improvements the wastewater treatment project will not develop and the additional industrial growth will not occur.
3. Economic Changes and Diversification Northern Mineral County is part of the Cumberland, Maryland – Mineral County West Virginia metropolitan area. This is a small metropolitan area that has experienced significant job loss in recent years. The proposed sewer system is necessary to give the area the ability to create replacement employment. It is the goal of the Mineral County Commission to create an economic base that is centered on better paying jobs and move the area's economy away from the lower paying industries. Without this project the area will not have the necessary infrastructure to allow economic diversification.
4. Private Capital Investment The private sector investment in this project will come from investment in manufacturing plants and equipment and from the wages paid to individuals employed by industries in northern Mineral County. Once the project is complete, the area will be able to grow economically. Without the necessary upgrades, the area will see no additional private capital investment because there is no capacity for growth.
5. High probability of success The region has an excellent track record with projects. Mineral County has made major infrastructure improvements since the mid-1970s. The County has demonstrated an ability to successfully implement projects. State and regional agencies are available to provide technical assistance. Mineral County has active industries that are attempting to expand.

6. Economic and human benefits The wastewater project is necessary to provide economic growth capacity for Mineral County. Completion of the sewer system will allow existing industries to expand their employment. It will also allow new industries to locate into northern Mineral County. Additionally, construction of the sewer system will protect the health of area residents by replacing failing individual and small package treatment facilities.
7. Return on investment The defense industry located in Northern Mineral County has experienced strong growth in the past five years. The ongoing war on terrorism and unrest in the Middle East will continue this pattern for an extended period. Without the necessary sewer facilities, this industry cannot continue to grow. Growth in Mineral County is closely associated with completion of these necessary sewer improvements. A better wastewater system means a better capacity to serve industries. If industries have the ability to grow, the overall economy of the area would grow, including a greater tax base.

INVESTMENT SUMMARY  
MINERAL COUNTY INDUSTRIAL BUILDING

|   |   |
|---|---|
| <b>Applicant:</b><br>Mineral County Development Authority | <b>EDA Investment:</b> \$ 450,000                 |
| <b>Project Location:</b><br>Fort Ashby Industrial Park    | <b>Total Project Cost:</b> \$ 1,275,000           |
| <b>Control/ Project No.:</b>                              | <b>Projected Private Investment:</b> \$18,000,000 |
| <b>County:</b> Mineral <b>State:</b> WV                   | <b>Jobs:</b> 150                                  |

Projected Funding:

|           |                |
|-----------|----------------|
| ARC Grant | \$ 425,000     |
| IJDC Loan | 400,000        |
| EDA       | <u>450,000</u> |
| Total     | \$1,275,000    |

FY 2002 INVESTMENT ANALYSIS

1. Market-Based The Keyser Industrial Park has nearly reached capacity. The Development Authority has decided that it is in the best interest of the County's economy to sell the current multi-tenant building and use funds to construct a new building in the Fort Ashby Industrial Park. The new building will continue to add leveraging power for businesses locating in the County.
2. Proactive Investments EDA's assistance will account for about 1/3 of the total project investment. The County is also seeking an ARC Grant and a loan from the West Virginia IJDC. Without EDA participation the Authority does not have the ability to finance the project.
3. Economic Changes and Diversification Mineral County is a rural area of West Virginia. Its economy has been based on manufacturing, which has sharply declined in the past five years. The proposed multi tenant building would give the county the ability to diversify the area's economy by attracting firms with better paying jobs. It is the goal of the Authority to create an economic base that is centered on better paying jobs and move the area's economy away from the lower paying service industry. Without this project the county will continue to serve as a bedroom community that provides workers for relatively low pay.
4. Private Capital Investment The private sector investment in this project will come from the wages paid to individuals employed within the multi tenant building, investment in equipment by firms in the building, and from firms that graduate from the building. The Authority expects the project to directly create 150 jobs thus producing an annual payroll of approximately \$3,000,000. Over a 20-year period firms would invest \$60,000,000 in payroll in Mineral County.

Experience with a similar project within the Region 8 Planning and Development District indicates that when a firm achieves a space usage of 10,000 square feet they will have invested \$250,000. The Authority would expect that at least 10 firms would achieve this level of usage and investment during a 20-year period. Firms locating in the building should generate at least \$2,500,000 in private sector investment and equipment.

5. High probability of success The region has an excellent track record with projects involving the Economic Development Administration and other Federal and State agencies. One example of this is the Romney multi-tenant building located in adjacent Hampshire County. In 1990, the EDA invested

\$600,000 in a \$900,000 multi-tenant-building project in the Romney Industrial Park. The Hampshire County Development Authority has successfully marketed, maintained, and filled this building with five firms over the past ten years.

Additionally, the Keyser Industrial Park has nearly reached capacity. The Mineral County Development Authority's previous multi-tenant building was sold to help fund a new multi-tenant building to continue to aid firms with leveraging power. The new building is to be located in the Fort Ashby Industrial Park where space is available for firms to locate once they have graduated from the multi-tenant building. The Authority has demonstrated by its handling of the current park and multi-tenant building that it has the resources and talent to properly shepherd EDA's investment in this project.

6. Economic and human benefits The proposed 30,000 square foot multi tenant building will directly create 150 jobs. These jobs will be related to the industry clusters of the region, which include poultry processing, light manufacturing, and service industries, which could pay up to \$10 an hour. The additional direct payroll into the area's economy would be approximately \$3,000,000 per year. This estimate does not include the impact of fringe benefits that should equal at least 20% of wages or \$600,000 annually. It should be noted that this does not include fringe benefits or payroll taxes and that these estimates are conservative. These jobs will reduce unemployment. Increases in jobs and wages will reduce the incidence of poverty and allow numerous persons to become self-sufficient. The project will result in a better standard of living in the county.
7. Return on investment The building at capacity would support 150 jobs. The return on the investment of \$450,000 by EDA would include the impact of direct annual payrolls totaling \$3,000,000. Over a 20-year period firms would invest \$60,000,000 in payroll in Mineral County. Employees of the firms would pay nearly \$2,000,000 in WV income taxes during that period. The firms and the employees would each pay \$4,590,000 in FICA taxes during the 20-year period. Annually the project would generate over \$200,000 in federal income taxes. During a 20-year period the project would return \$4,000,000 to the federal government in income taxes. While returning these tax dollars the project will reduce demand for federally supported individual assistance.

Over a 20-year period the project will facilitate 12 firms locating and growing in Mineral County. The Region 8 Development Plan indicates that the typical manufacturing firm employees approximately 50 workers. The county would thus expect the 12 firms to have 600 workers. The addition of 600 workers would dramatically lower unemployment and underemployment in the county. The injection of their wages would significantly increase per capita and household incomes. These events would lessen demand for government funded social services. The federal government should expect \$1.8 million in FICA revenue and nearly \$1,000,000 annually in income taxes.

**INVESTMENT SUMMARY  
PENDLETON COUNTY DEVELOPMENT AUTHORITY  
SOUTH FORK INDUSTRIAL PARK**

|                   |                   |
|-------------------|-------------------|
| Projected Funding |                   |
| ARC/EDA           | \$1,250,000       |
| WVIJDC Loan       | <u>\$ 750,000</u> |
| Total             | \$2,000,000       |

**FY 2004 INVESTMENT ANALYSIS**

1. Market-Based: The poultry and wood industries have grown significantly in Region 8 in the past decade. During the last ten years many of the region's industrial parks have filled to capacity. The Development Authority proposes constructing a new industrial park to take advantage of the region's strong growth potential.
2. Proactive Investments: Although the region has grown incomes and employment levels in Pendleton County lag behind national numbers. Substantial pockets of economic distress still exist. Without funding for construction of the County's industrial park the Authority will not be able to provide the infrastructure necessary for additional industrial growth.
3. Economic Changes and Diversification: Pendleton County is in a rural area of West Virginia. Its relies on wood and poultry processing industries in nearby counties to create employment opportunities. The proposed construction of an industrial park will give the County the ability to diversify the area's economy. It is the goal of the Pendleton County Commission to create an economic base that is centered on better paying jobs and move the area's economy away from the lower paying industries. Without this project the County will not have the necessary infrastructure to allow economic diversification.
4. Private Capital Investment: The private sector investment in this project will come from the facilities and equipment that industries loacte in the park and the ages paid to individuals employed by the industries. Without the expansion, the County will see only limited private capital investment because there is no capacity to support growth.
5. High Probability of Success: The region has an excellent track record with projects. The County has had a high rate of success as can be seen by the successful completion of other EDA projects.
6. Economic and Human Benefits: The construction of the industrial park is necessary to provide economic growth capacity for the County. The lack of developed industrial land retards growth within the County. Additionally, the ability to be able to create jobs that pay above average wages would be of great benefit economically to the County's residents. Giving the local residents the ability to have employment that will provide not only higher than average wages but also health benefits will lead to a healthier community.
7. Return on Investment: The wood and poultry industries, located in Region 8, have experienced tremendous growth in the past decade. Without the South Branch Industrial Park, these industries will not develop in Pendleton County. Develop of the Park will create private investment and economic opportunity.