

Potomac Highlands Region of West Virginia

AN ACTION PLAN FOR ECONOMIC PROSPERITY

 West Virginia University
JOHN CHAMBERS COLLEGE OF
BUSINESS AND ECONOMICS
Bureau of Business and
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Executive Summary

In 2015, Pendleton County, WV, and the broader Potomac Highlands region (including Hardy, Hampshire, Grant, Mineral, and Pendleton counties) experienced a significant economic loss when the Sugar Grove Naval Station in Pendleton County shut down its operations. The base provided a stable source of income for its employees and in turn local businesses that relied on the patronage of the workers at the base for their livelihoods.

As a result of the closure of the Sugar Grove base, the Pendleton County Commission, in coordination with the Region 8 Planning and Development Council, engaged researchers at West Virginia University to develop a Strategic Action Plan to promote the economic development in the Potomac Highlands Region in order to account for the loss of the economic contributions of the Naval Base. The development of the Strategic Action Plan was completed through a three-pronged approach with the completion of (1) an economic impact analysis of the Sugar Grove Naval Base closure and economic profile of the region; (2) a cluster analysis that made recommendations for industrial targeting based on an assessment of existing economic conditions; and 3) a workforce and educational assessment of the Potomac Highlands counties.

In this final report, we summarize our findings and provide a Strategic Action Plan for the Potomac Highlands region. First, we assess the previous strategic plans covering the region, followed by an analysis of interviews the project team conducted with dozens of employers and other leaders in the community. Lastly, we make our recommendations to enhance the Potomac Highlands region's economic prosperity.

Comprehensive Plan Review

- The recommendations across all of the plans we studied were fairly consistent.
- Common themes include business development, housing development, the need for broadband and connectivity, regional cooperation, tourism development potential, transportation and other infrastructure issues, and protection of the rural character and environment of the region.
- Lack of resources—particularly financial and human—was a significant barrier to achieving the goals detailed in all of the plans we reviewed.

Interview Analysis

- Workforce issues were among the most prominent concerns among employers in the Potomac Highlands region. While the large majority of employers we interviewed said they planned to grow their organizations, many said they faced significant barriers to that expansion.
- Most of the skills that employers were looking for were those that are considered “soft skills”—communication, working in teams, ability to get along with other people, and reliability.
- Employers said they valued the quality of life they find in the area, particularly its rural character and outdoor recreation opportunities. However, the regional lifestyle has its downsides for some, who said the area was too remote and had few amenities they were looking for in a place to live.

Recommendations

The goal of the project team was to utilize the economic data analysis, workforce and education information, and the local stakeholder and regional business interviews to inform strategies that are geographically appropriate, and reflect the region's proximity to capital, labor, and markets. We recommend six strategic actions with associated activities to assist in implementation of the suggested action:

- 1) **EMBRACE POTOMAC HIGHLANDS REGIONAL IDENTITY:** Embracing the five-county region as the Potomac Highlands in economic development efforts, county level decision making, state and federal level resource requests, and tourism related branding would provide a united front, thus increasing the area's visibility in business, visitor, and resident attraction efforts.
- 2) **ASSIST IN RECRUITING AND TRAINING WORKFORCE:** With the significant changes in the workforce over the last five years, including major layoffs and hiring activities in different sectors across the region, maintaining a worker training and recruitment infrastructure is essential to support business retention and local citizen needs.
- 3) **IMPROVE DIGITAL COMMUNICATION OF ECONOMIC DEVELOPMENT OPPORTUNITIES:** The digital information available on the area needs to be refined and improved to maximize the region's digital presence for both businesses and visitors.
- 4) **COLLABORATE REGIONALLY ON FEDERAL FUNDING OPPORTUNITIES:** In many cases a regional application may be more competitive for federal funding opportunities based on preferential grant application scoring for larger "impact" based on population demographics. Regional or multi-county applications also shows cooperation and grant management capacity.
- 5) **DEVELOP LAND USE POLICIES THAT INCENTIVIZE HOUSING AND LODGING GROWTH:** There was a strong demand by local stakeholders for additional hotels in the region, and a recognition of the need for new housing stock. To attract appropriate residential and commercial lodging, the region should work collectively across the counties to implement land use policies that incentivize residential housing and commercial lodging opportunities while preserving the natural assets of the region. Regional proactive planning is necessary to provide community stakeholder's address viewshed concerns, water resource impacts, and other unintended consequences of growth.
- 6) **TARGET PRIMARY AND EMERGING CLUSTERS FOR RECRUITMENT:** We recommend focusing economic development efforts on the industries that were identified as part of Primary and Emerging clusters in our cluster analysis. These include: Advanced Materials, Forest and Wood Products, Business and Financial Services, Information Technology and Telecommunications, Machinery Manufacturing, and Transportation Equipment Manufacturing.

1 Introduction

In 2015, Pendleton County, WV, and the broader Potomac Highlands region (including Hardy, Hampshire, Grant, Mineral, and Pendleton counties) experienced a significant economic loss when the Sugar Grove Naval Station in Pendleton County shut down its operations. The base provided a stable source of income for its employees and in turn local businesses that relied on the patronage of the workers at the base for their livelihoods.

As a result of the closure of the Sugar Grove base, the Pendleton County Commission, in coordination with the Region 8 Planning and Development Council, engaged researchers at West Virginia University¹ to develop a Strategic Action Plan to promote the economic development in the Potomac Highlands Region in order to account for the loss of the economic contributions of the Naval Base. The development of the Strategic Action Plan was completed through a three-prong approach with the completion of (1) an economic impact analysis of the Sugar Grove Naval Base closure and economic profile of the region; (2) a cluster analysis that made recommendations for industrial targeting based on an assessment of existing economic conditions; and 3) a workforce and educational assessment of the Potomac Highlands counties.

In this final report, we summarize our findings and provide our recommendations for a Strategic Action Plan to enhance the Potomac Highlands region's economic prosperity. We begin in Section 2 with a review of the previous comprehensive plans that have been conducted in the Potomac Highlands region. In Section 3, we discuss the results of 38 interviews with local business, community, and governmental leaders in the region. In Section 4, we discuss the findings from previous studies in this series and provide analysis of these results. Lastly, in Section 5, we make our recommendations for specific actionable steps the region can take to enhance its economic development efforts.

¹ Includes researchers from the WVU Bureau of Business and Economic Research, the WVU Regional Research Institute, and the Northern West Virginia Brownfields Assistance Center.

2 Comprehensive Plan Review

The five counties that make up the Potomac Highlands have been the subject of 10 different strategic plans over the last decade. These include comprehensive plans for four of the individual counties, the Regional Development Plan by the Region 8 Planning and Development Council, as well as five plans covering specific subject areas or other regions. In Table 1, we describe the plans considered in this report in order of their publication year.

Table 1: Comprehensive Plans Reviewed²

Plan Title	Publisher	Year Published	Counties Covered
Hampshire County Comprehensive Plan	Hampshire County Commission	2009 (2018 update delayed)	Hampshire
Mineral County Comprehensive Plan	Mineral County Commission	2011	Mineral
Grant County Plan	Grant County Commission	2013 revision	Grant
Regional Broadband Strategic Plan	Region 8 Planning and Development Council	2013	Grant, Hampshire, Hardy, Mineral, Pendleton
An Implementation Playbook For Fostering Entrepreneurship and Economic Diversification in the Potomac Highlands of West Virginia	Eastern West Virginia Community & Technical College	2016	Grant, Hampshire, Hardy, Mineral, Pendleton, Tucker
Hardy County Comprehensive Plan Update	Hardy County Commission	2016 revision	Hardy
Long Range Plan for Natural Resource Management in the Potomac Valley Conservation District, WV	Potomac Valley Conservation District	2016	Grant, Hampshire, Hardy, Mineral, Pendleton
Cluster Target Industry Study	I-68 Regional Economic Partnership	2018	MD: Allegheny, Garrett WV: Mineral, Monongalia, Preston
FY 2019 Regional Development Plan Update: Comprehensive Economic Development Strategy (CEDS)	Region 8 Planning and Development Council	2018	Grant, Hampshire, Hardy, Mineral, Pendleton
Multi-Jurisdictional Hazard Mitigation Plan Update 2018	Region 8 Planning and Development Council	2018	Grant, Hampshire, Hardy, Mineral, Pendleton

² See References section for plan citations and internet links.

2.1 Findings of Previous Plans

In this subsection, we provide a brief summary of the findings and recommendations from the plans we reviewed. For each plan, we have listed the recommendations or goals for that particular plan. Many of these plans have similar themes, from maintaining the region's agricultural industries and rural character to improving infrastructure and connectivity.

2.1.1 Hampshire County Comprehensive Plan

- **LAND USE AND HOUSING GOALS STATEMENT:** Retain the rural character of the county by preserving natural, scenic, and open space resources; enhance the tax base in appropriate locations; and assure the continued desirability of the county as a place to live, work and play.
- **TRANSPORTATION GOALS STATEMENT:** Plan for a circulation system comprised of road, transit, and pedestrian facilities, which will allow safe and efficient vehicular and pedestrian travel throughout Hampshire County.
- **ECONOMIC DEVELOPMENT GOALS STATEMENT:** Sustain and enhance the economic vitality of the county, while maintaining the rural character.
- **COMMUNITY FACILITIES GOALS STATEMENT:** Encourage essential facilities and services to meet the existing and future needs of residents consistent with the financial capabilities of the county.
- **INFRASTRUCTURE GOALS STATEMENT:** Allow Hampshire County access to safe drinking water, adequate sanitation, safe transportation, and quality low cost telecommunications and other needed infrastructure.
- **NATURAL AND HISTORIC RESOURCES GOALS STATEMENT:** Protect, preserve and enhance the natural and scenic resources of Hampshire County for current and future generations, and provide county residents with physical access to recreational and educational facilities. Identify, preserve, and enhance the historic, architectural, and cultural resources of the county.
- **HISTORIC PRESERVATION GOALS STATEMENT:** Recognize, protect, and preserve the historic buildings, structures, sites, objects, and districts in Hampshire County.
- **RECREATION GOALS STATEMENT:** Provide leisure opportunities to the residents of Hampshire County in an unobtrusive and cost effective manner.

2.1.2 Mineral County Comprehensive Plan

Land Use

- Support agricultural activities
- Work to prudently ensure harvesting of wood and wood products manufacturing
- Seek local control over natural resource activities
- Use conservation easements to protect sensitive areas
- Consider watershed impacts when making land use decisions
- Encourage clustered housing developments
- Encourage infill development
- Focus development around built-up areas and corridors

Community Design

- Work to support and accommodate existing development

- Guide future development into areas of existing development
- Sponsor a general clean-up and beautification effort
- Assist with rehabilitation or removal of run-down buildings
- Encourage buildings to be build or renovated appropriately
- Create gateways into county
- Work with municipalities to promote consistency and improvement
- Take appropriate steps to preserve the county's natural beauty
- Act to protect existing historic places and sites
- Promote the county's history and historic resources
- Inform owners of options and benefits related to historic properties

Infrastructure

- Extend water and sewage services using appropriate means
- Maximize use of public water and sewer systems
- Approve private systems prudently
- Work to ensure the structural integrity of the flood control dams
- Work to expand waste disposal options
- Take the present into consideration while planning for the future
- Support new highways in the region especially the new US Route 220
- Request repairs and upgrades to current roadways
- Seek to create an access management plan for highways and roads
- Work toward expanding intercity transportation options
- Work to have a true community center
- Work for improved technology access and services
- Work to ensure smooth landline transition

Development

- Work to protect, expand, and diversify manufacturing base
- Move to the "new economy" by building upon the information sector
- Utilize position as agricultural producing county
- Utilize the potential for growth from the new hospital
- Take advantage of location and beauty for tourism marketing
- Take advantage of having a higher education institution in the county
- Maintain a climate that is "open to business"
- Work regionally on development issues when appropriate
- Encourage and work with municipalities to clean up areas
- Work to clean up less than desirable areas
- Work to find problem places and bad buildings
- Work to ensure that environmentally sensitive places are preserved
- Stress the need to grow the existing municipalities
- Promote growth in appropriate locations
- Promote infill development between existing built-up areas
- Work to fill the industrial parks and other key industrial sites

Public Services

- Support strongly the activities of the Board of Education
- Work with the Board of Education regarding school placement needs
- Use the presence of higher education advantageously
- Maximize use of facilities for educational and other purposes
- Seek to improve the county's main library facility
- Work to maintain and enhance cultural offerings available to residents
- Utilize more fully the potential of Jennings Randolph Lake
- Expand outdoor recreation and tourism options
- Package different activities and attractions for tourism marketing
- Have better recreation options coordination
- Ensure police departments coordinate and are sufficiently staffed
- Work to have adequate water available for fire suppression
- Seek to expand residential options for seniors
- Strive to maintain a high level of disaster readiness
- Use all means at its disposal to limit undesirable legal activities

2.1.3 Grant County Plan

- **LAND USE GOALS STATEMENT:** Preserve a community where high quality of life in agrarian society prevails. Support agriculture and tourism while harnessing natural energy to support and strengthen county's economy for current and future residents while being open for future betterment to keep the county an exciting place to visit, live, work and play.
- **HOUSING GOALS STATEMENT:** Create clean, safe and attractive neighborhoods. Eliminate residential blight and update substandard housing and abandoned houses and businesses. Keep public spaces clean, and keep air and noise pollution to minimum.
- **TRANSPORTATION GOALS STATEMENT:** Increase accessibility to amenities with transportation and road maintenance. Maintain existing county roads and aviation accessibility.
- **INFRASTRUCTURE GOALS STATEMENT:** Allow access to and availability of safe drinking water and sanitation through system improvements for all county residents. Establish accessibility to high speed internet to all residents of the county. Increase access to cell phone coverage outside the City of Petersburg.
- **PUBLIC SERVICE GOALS STATEMENT:** Effectively provide emergency services, healthcare accessibility, educational opportunities, and information to county residents.
- **AGRICULTURE AND RURAL DEVELOPMENT GOALS STATEMENT:** Protect the integrity of agriculture within the county to maintain its status as a valuable land use.
- **RECREATION AND TOURISM GOALS STATEMENT:** Provide residents and visitors of Grant County with options of recreational and leisure activities for their benefits and enjoyment.
- **ECONOMIC DEVELOPMENT GOALS STATEMENT:** Uphold and enhance the economic vitality of the county, while preserving the unique charm and character of the county.
- **COMMUNITY DESIGN GOALS STATEMENT:** The community has to be designed to be functional and provide a sense of similarity in all new developments of towns and cities. Old and abandoned housing and business have to be eliminated or renovated using the county design to protect from crime and increase the sense of a community. Provide public transportation and create roadways or pathways to better get around public facilities and shopping and other business areas.

- **PREFERRED DEVELOPMENT AREAS GOALS STATEMENT:** Manage and update existing tourism and energy industry and develop new plans to include high tech industry and support small businesses to create more jobs and keep young generation in the county. Provide affordable residential areas near Corridor H, build new development sites and redevelop old and abandoned sites.
- **RENEWAL AND DEVELOPMENT GOALS STATEMENT:** Attract and retain new business and industry, while providing support for existing businesses and improving the overall aesthetic.
- **HISTORIC PRESERVATION GOALS STATEMENT:** Protect, preserve, and recognize the historic and cultural fortunes of Grant County for current and future generations.

2.1.4 Regional Broadband Strategic Plan

- Educate the region about the benefits and opportunities that broadband offers
- Advocate and support changes to legislation that affect broadband availability and development through outreach to local officials
- Support/advocate broadband services to unserved areas in the region
- Identify and market growth areas to support economic development and broadband expansion
- Support implementation of Wi-Fi technology throughout growth centers and urban areas
- Encourage broadband providers' involvement early in the planning and development process
- Advance the recommendation of increasing the state's minimum speed standards to 20 mbps down/5 mbps up by 2015
- Identify technologies that support broadband deployment in the "quiet zone"
- Identify and monitor funding and financing sources to support implementation of broadband strategy

2.1.5 An Implementation Playbook for Fostering Entrepreneurship and Economic Diversification in the Potomac Highlands of West Virginia

- Agriculture Action Council to provide strategic development and marketing support
- Build on assets of Agriculture Research Farms and WVU and Potomac State, and agriculture enterprise program
- Promote best practice business skills and training
- Promote diversification to new market opportunities
- Promote value added processing, including biochar
- Promote direct sales by farmers
- Build on food networks in West Virginia and other states
- Showcase success stories in agricultural innovation: a six-county marketing initiative
- Create a Tourism Action Council to provide development and marketing support
- Inventory tourism related businesses
- Create a Launch Pad for Tourism program module
- Promote quality of life and place
- Showcase success stories in tourism development across the region
- Create an Arts Action Council to provide strategic development and marketing support
- Engage County EDO's or CVB's to inventory arts related businesses to identify gaps or opportunities for entrepreneurs
- Identify and share best practices
- Create a Launch Pad for the Arts program module

- Create Maker Spaces
- Identify and prioritize opportunities for place making leveraging arts
- Share local success stories and approaches across the region and beyond

2.1.6 Hardy County Comprehensive Plan Update

- **LAND USE:** Promote logical, efficient, and well-organized sustainable land use patterns that protect natural and historic resources along with the current agricultural based lifestyle while supporting economic growth and improving the quality of life for our community as stated in the goals listed in the plan.
- **HOUSING:** Strengthen the existing housing stock and identify areas well suited for a variety of different types of future housing developments, all while ensuring attractive and sound design and construction that meets the needs of the Hardy County population.
- **TRANSPORTATION:** Identify transportation issues, considering all modes of transportation, and address those issues by cooperating with other local and state entities to support, plan, and implement programs that ensure a safe and efficient transportation and circulation system that supports our development goals.
- **INFRASTRUCTURE:** Support and implement programs that ensure high quality facilities and services will be placed in areas that meet the present and future needs of the county, are maintained properly and do not promote development patterns contrary to the land use or public safety goals of Hardy County.
- **PUBLIC SERVICES:** Facilitate open communication between public and private entities to identify civic/public service needs and support policies that ensure effective and efficient delivery of services to meet those needs, regardless of age, ability, or affiliation.
- **RURAL/AGRICULTURE:** Identify key issues and support policies that ensure that a balance of productive agricultural and rural land in Hardy County is maintained and protected in all current and future development decisions; this for both the economic and cultural good of the county.
- **RECREATION:** Promote the importance of open public space for recreational and leisure activities, protect existing facilities, and support enhancement of recreational opportunities to increase economic, social and environmental viability; encourage tourism as an economic development strategy.
- **ECONOMIC DEVELOPMENT:** Support policies that create an environment conducive to a strong and diverse regional economy, while acting as stewards of our existing resources.
- **COMMUNITY DESIGN:** To identify and implement guidelines for construction, infrastructure, and landscape design that improves and enhances the rural look, feel, and historical context of the county's existing character.
- **PREFERRED DEVELOPMENT:** Provide a rational pattern for future land development that encourages efficient and coordinated growth, provides guidance identifying suitable areas for development, and encourages economical infrastructure improvements in coordination with development opportunities.
- **HISTORIC PRESERVATION:** Support the implementation of recreational and historic preservation goals that promote enhancement of facilities and programs that will increase travel and tourism through the region so that the economic benefit from tourism will enhance the local commercial vitality.
- **TOURISM:** Support the development of the tourism industry as a viable component of the County's economic sustainability and as an asset to the wellbeing of its residents.

- **RENEWAL AND REDEVELOPMENT:** Sustain existing favorable conditions and encourage renewal of vacant areas by encouraging various type of innovative/creative re-development in and around existing facilities and population centers.

2.1.7 Long Range Plan for Natural Resource Management in the Potomac Valley Conservation District, WV

- Streambank stabilization measures, riparian buffer, and habitat improvement
 - Soil health
 - Nutrient management and animal waste systems
- Assistance to beginning farmers and veterans
- Assist forage-based livestock systems with conservation efforts

2.1.8 Cluster Target Industry Study

Marketing and Business Development

- Create a regional identity—regional coalition
- Bolster business development efforts
- Strengthen relationships with employers
- Pursue promising industry leads
- Focus on firms with fewer than 50 workers to accommodate building sizes
- Develop at least two larger 20-25 acre sites
- Conduct business and/or talent recruitment missions

Workforce—promote region’s workforce

- Strengthen existing partnerships: collect input from employers, communicate with higher education, promote job opportunities, utilize education partners to engage youth to stay, and support regional efforts for K-12 achievement
- Promote the integration of soft skills and basic employability skills into regional educational curricula: define skills valued by employers, share soft-skill standards and how to teach these skills, encourage work-based learning, support additional initiatives to teach soft skills, and funding opportunities
- Cultivate an active community alumni network to serve as a larger talent pool beyond the region: partner with high school and college alumni networks to contact former residents and promote the region, for social media campaign come home to I-68, facilitate summer internship programs, tourism as an attraction strategy

Small Business and Entrepreneurship

- Bolster entrepreneurship support resources, create a regional resource guide
- Develop a co-working space
- Encourage higher education to expand focus on entrepreneurship to retain graduates in region
- Encourage grassroots innovation among K-12 students
- Explore establishment of innovation center

2.1.9 FY 2019 Regional Development Plan Update

- Conducting regional strategic economic and community development planning
- Assisting localities develop and implement projects identified during the planning process
- Advocate policies and practices of local, state, and federal entities that will assure sound and sustainable growth
- Coordinating planning and development efforts
- Serving as a forum for discussion of issues related to sound development
- Supporting the management of the information required for decision making related to sound and sustainable growth

2.1.10 Multi-Jurisdictional Hazard Mitigation Plan Update 2018

- Minimize loss of life and property due to natural disasters
- Implement and educate the public on notification and warning measures for natural hazard events. Protect critical infrastructure and assets.
- Develop and sustain partnerships among responders and local officials revolving around education and training.
- Maintain and enforce floodplain management activities.
- Minimize loss of life and property due to human-caused disasters
- Educate the public on measures they can/should take regarding human-caused incidents.
- Protect critical infrastructure and assets focusing on hardening structures and enhancing security measures.
- Develop and sustain partnerships among responders and local officials revolving around education and training.

3 Interview Analysis

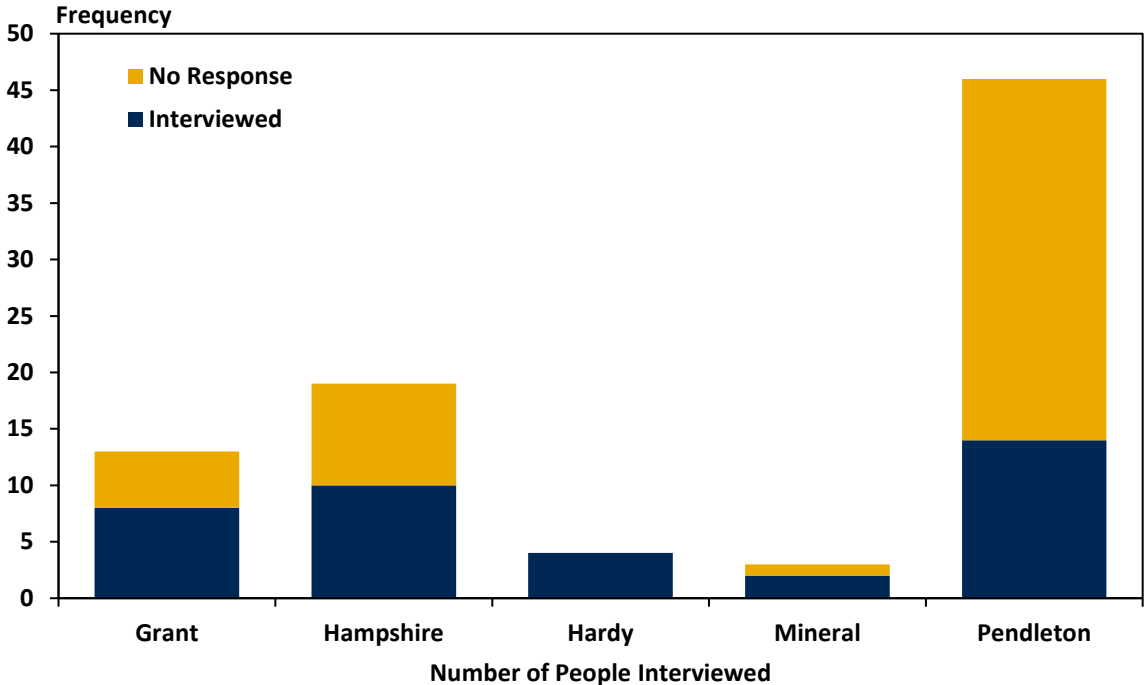
In order to understand the workforce, institutional, and cultural needs of the Potomac Highlands region, we conducted interviews with business owners and other community leaders throughout the last half of 2018 and the beginning of 2019. While the respondents all valued living and working in the region, they outlined a wide range of challenges they face in expanding their businesses or recruiting workers into the area.

In this section, we examine the interview responses in four areas. In Subsection 3.1, we report the characteristics of the companies and organizations interviewed. Starting in Subsection 3.2, we describe the workforce needs in the area, followed by institutional needs in Subsection 3.3. Lastly, in Subsection 3.4, we describe what respondents had to say about cultural factors that can add to the region’s quality of life.

3.1 Company/Organization Characteristics

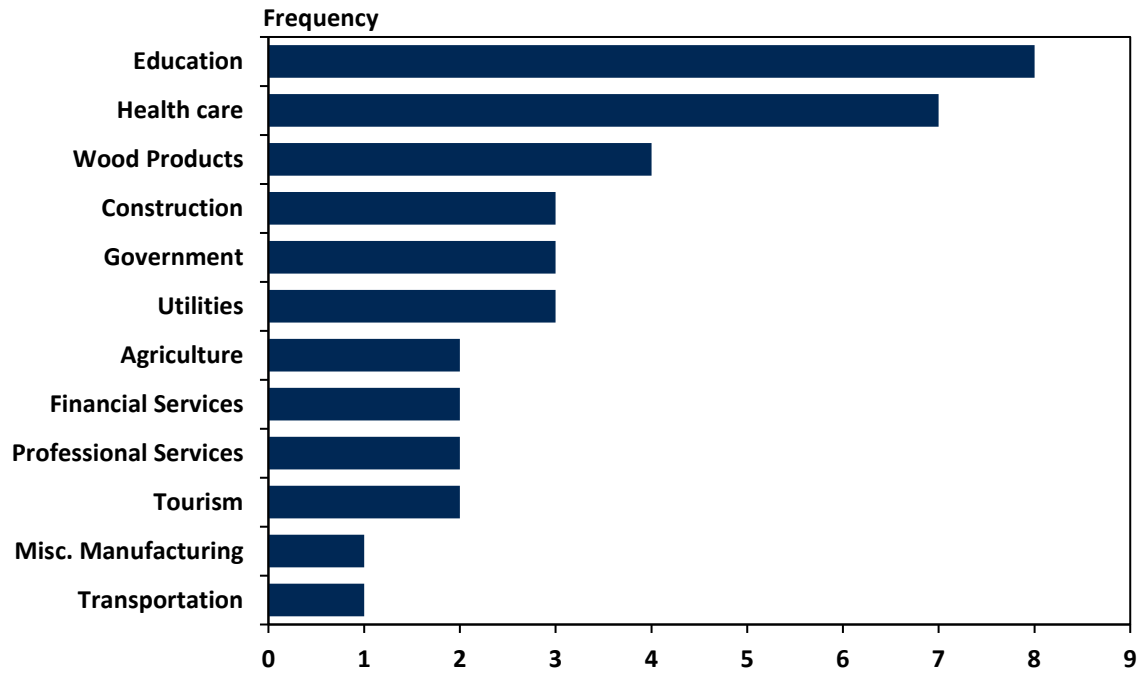
Overall, our project team contacted 85 businesses, governments, or organizations to ask if they would participate in the interview process; of these, we interviewed a total of 38 people. The largest number of respondents came in Pendleton and Hampshire counties, with 14 and 10 respondents respectively (see Figure 1). Hardy and Mineral counties had a lower response rate, with only four and two people responding in each of these counties. Respondents came from a wide variety of industries (Figure 2), ranging from wood products manufacturing and construction, to agriculture and professional services. The largest contingent came from education (eight responses) and health care (seven responses).

Figure 1: Interview Requests and Respondents by County



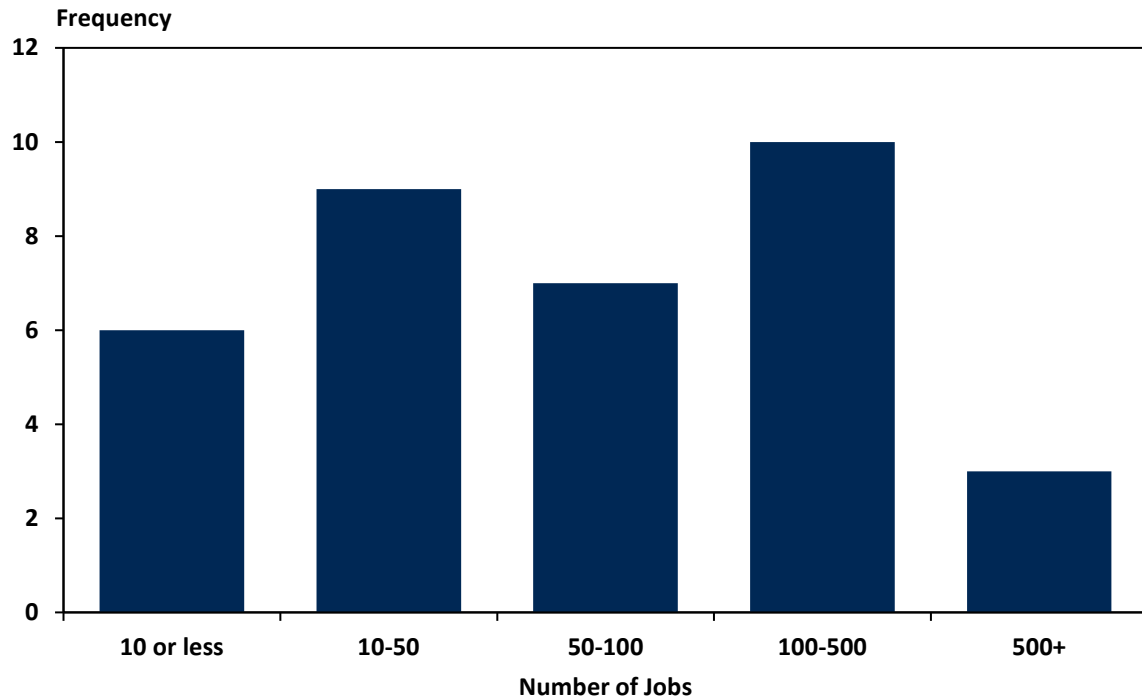
Source: Author interviews

Figure 2: Respondents by Industry



Source: Author interviews

Figure 3: Employment at Respondent's Workplace

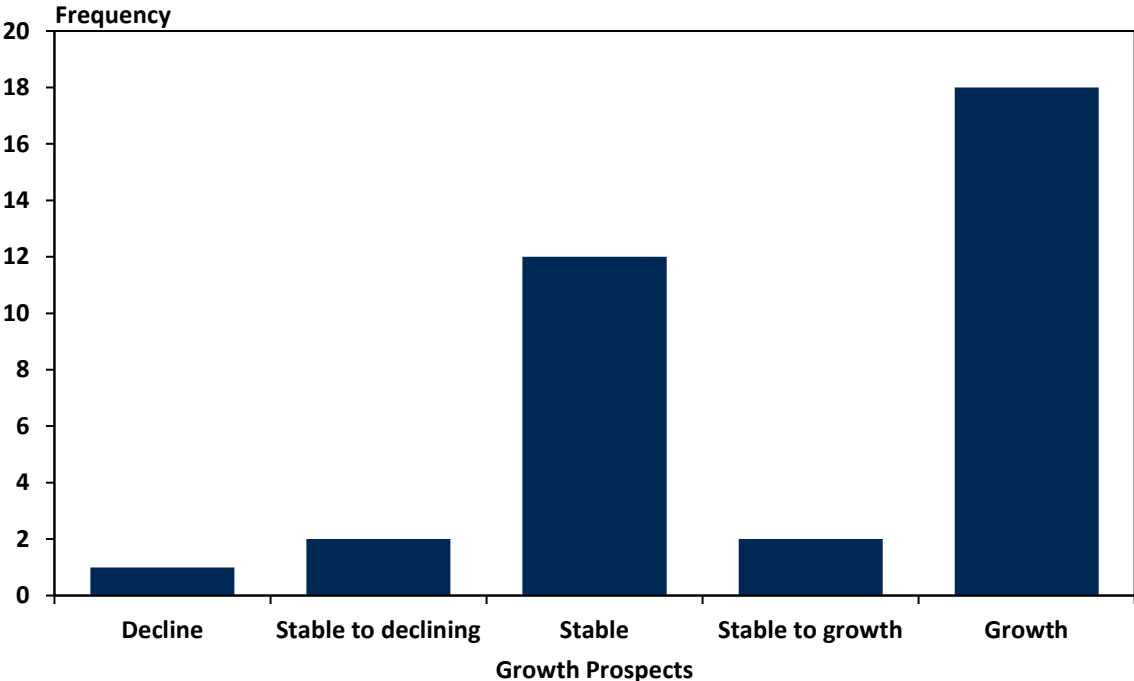


Source: Author interviews

We interviewed respondents in a wide range of firm size, from small businesses with 10 or fewer workers to large organizations with more than 500 employees (see Figure 3). The largest single group comprised 10 firms with between 100 and 500 employees. Another 16 organizations had between 10 and 100 employees.

Reflecting the overall good economy, most of the respondents had plans to expand or remain stable in their employment in the near future (see Figure 4). For example, 20 organizations said they were either planning to grow or were between stable and growth. An additional 12 said they were not growing, but also not declining. Only three of the respondents said their businesses were declining.

Figure 4: Growth Prospects of Survey Respondents

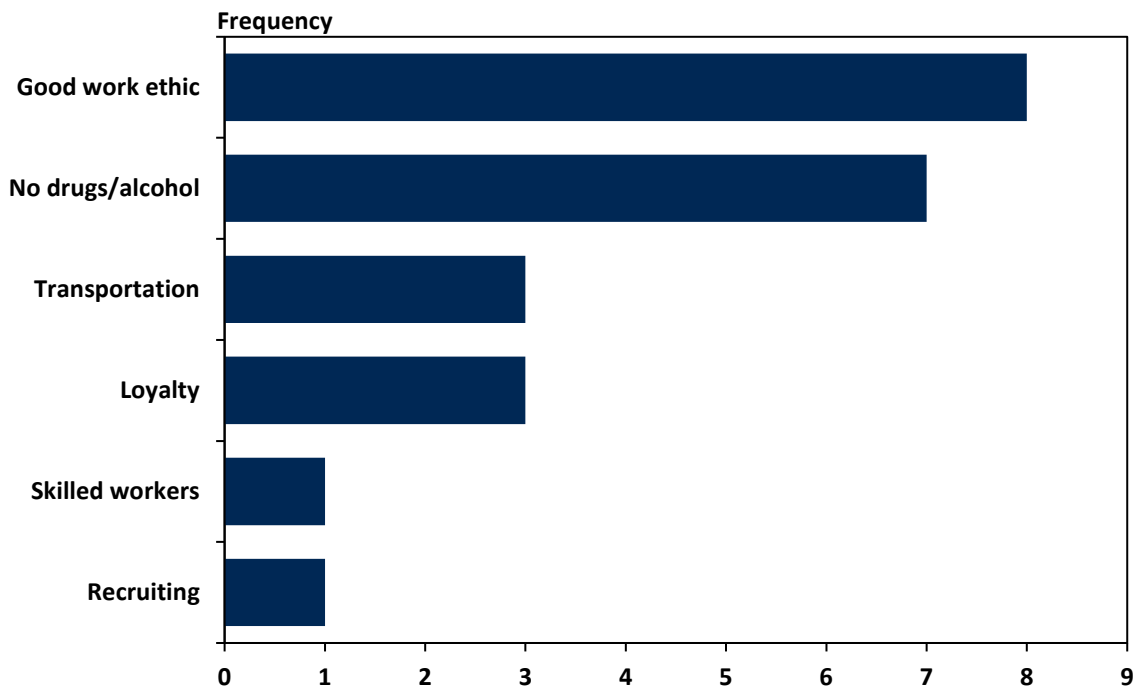


Source: Author interviews

3.2 Workforce needs

Many respondents to the interviews had positive things to say about their employees; however almost all employers said they had a number of challenges when trying to find workers to fill their job openings as they looked to expand. As shown in Figure 5, many respondents said that their current workforce had a strong work ethic. Employers also said that their current workforce had few difficulties with drugs and alcohol, which has plagued many communities across the state. Smaller numbers of respondents also said that their workers were loyal and had the skills to meet their needs.

Figure 5: Positive Aspects of Existing Workforce

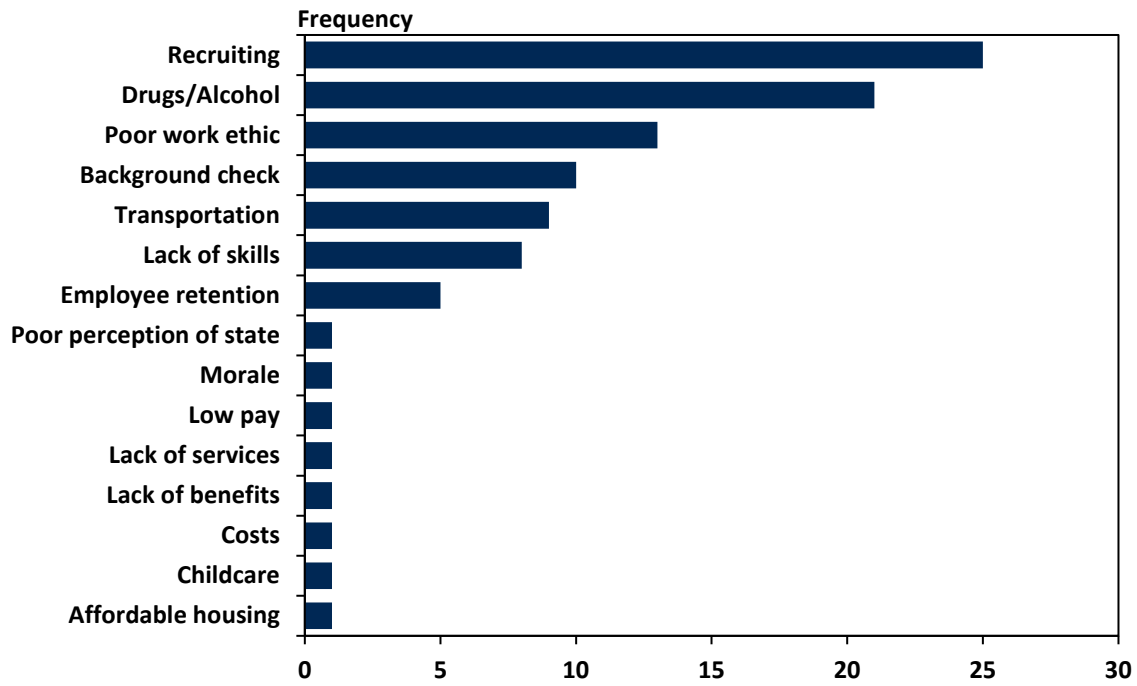


Source: Author interviews

Though many respondents praised their existing workers, almost all of the respondents said they found it difficult to find new, qualified workers to fill openings at their company or organization (see Figure 6). Some 25 out of the 38 respondents said recruiting new workers was very difficult, particularly in skilled positions. Others said that many workers had problems with drugs and/or alcohol, or had criminal backgrounds that they felt disqualified them from their positions. Lastly, employers said that many applicants lacked a strong work ethic or didn't have the necessary skills to meet the requirements for their job openings.

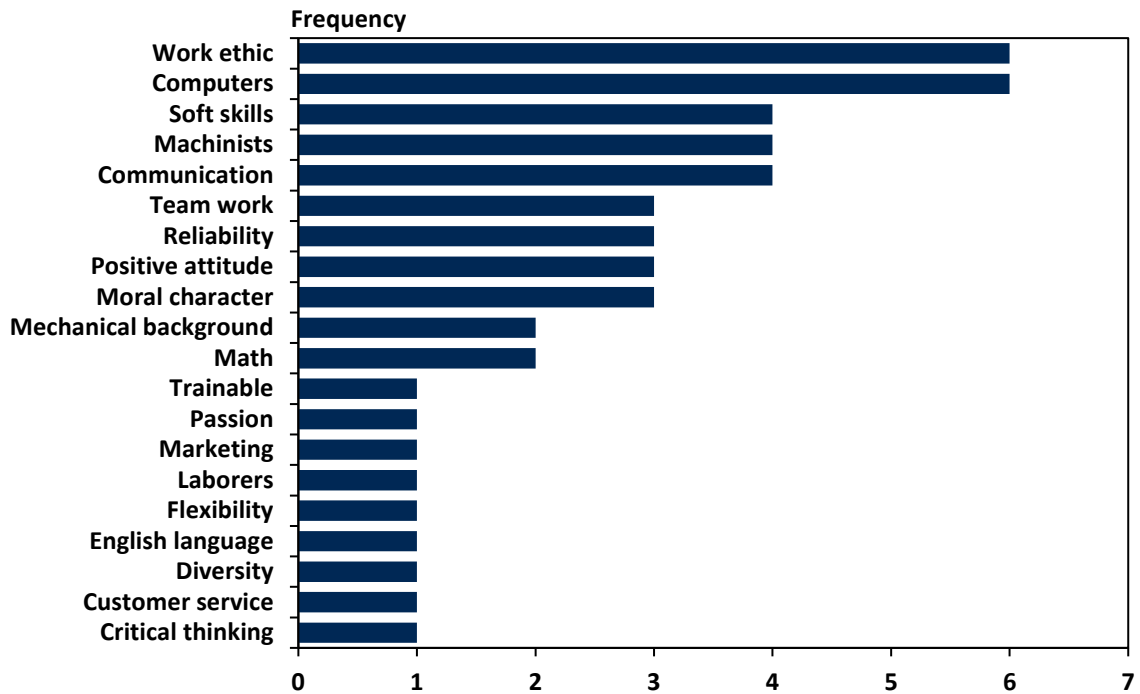
Work ethic and other soft skills also topped the list of required skills for employers in the Potomac Highlands region, as shown in Figure 7. Many employers said they were looking for people who were reliable, could communicate well, and work well with others in teams. Others looked for people with a high moral character, or a positive attitude and passion for their work. As for technical skills, many companies were looking for employees with computer or other technology skills. Machinists and other mechanically inclined workers also were in high demand.

Figure 6: Workforce Challenges



Source: Author interviews

Figure 7: Required Skills

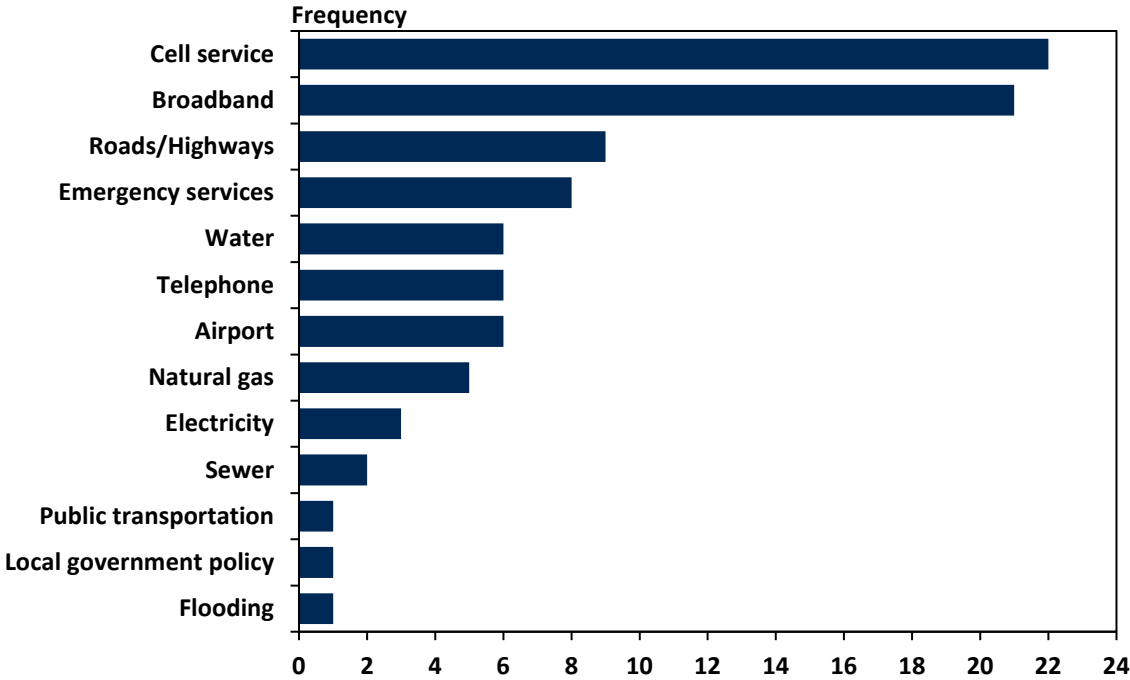


Source: Author interviews

3.3 Infrastructure needs

In addition to workforce requirements, we asked respondents to describe positive and negative aspects of the region’s infrastructure. As shown in Figure 8, respondents overwhelmingly said the region had poor cell phone and broadband internet service. Many companies and organizations said poor service in these areas were major barriers to expanding their businesses and recruiting top workers to the region. Several respondents also said that the lack of an airport and natural gas service were a problem.

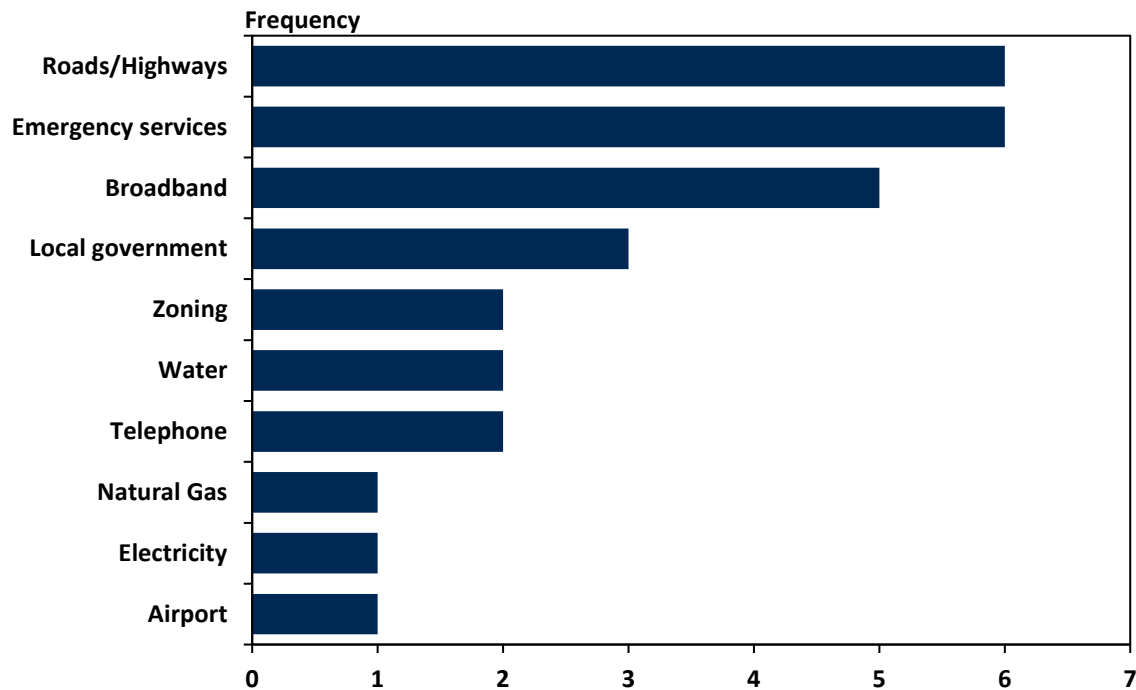
Figure 8: Infrastructure Gaps



Source: Author interviews

Opinions were mixed about the region’s highway infrastructure and emergency services. Nine respondents said that the region lacked sufficient road and highway capacity, and eight said that emergency services were substandard (Figure 8). However, as indicated in Figure 9 approximately the same number of respondents—six in each case—had positive opinions of these services. Water and telephone services were also mentioned as both positive and negative aspects of the region.

Figure 9: Infrastructure Assets



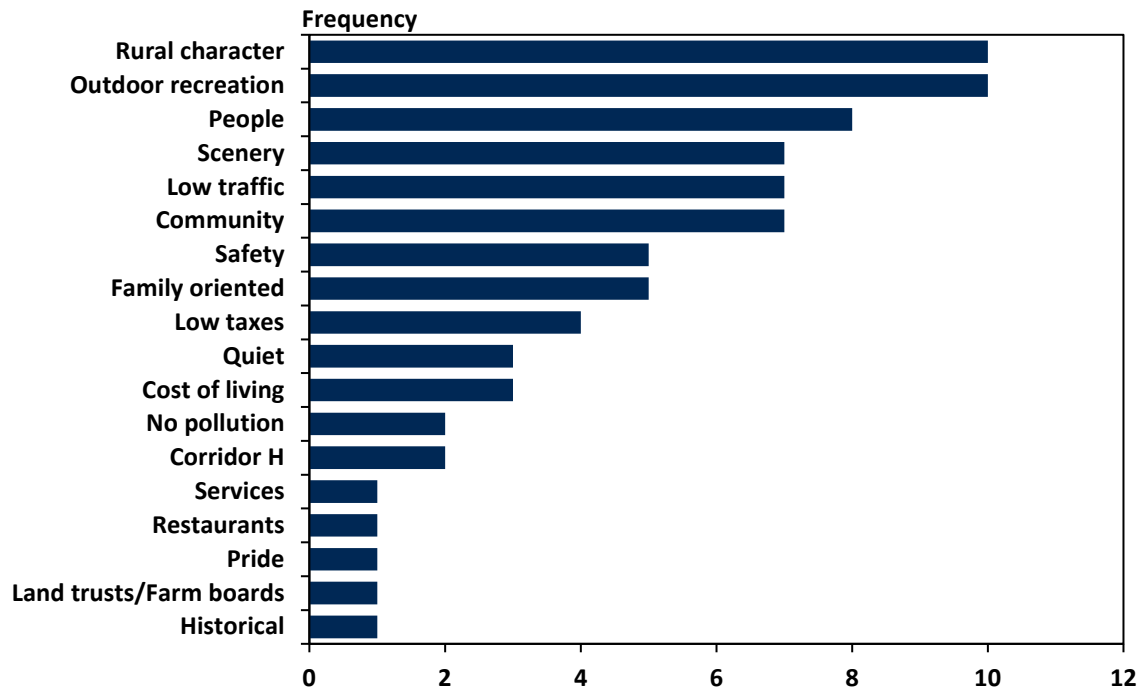
Source: Author interviews

3.4 Cultural factors

Businesses owners and other community leaders value the quality of life found in the Potomac Highlands, our interviews found. As shown in Figure 10, respondents said they valued the rural character of the region, and outdoor activities and beautiful scenery that is a hallmark of the area. Along with the rural feel, interviewees said they liked the sense of safety with low traffic and pollution they found in the region. Lastly, respondents said that the people in the area were welcoming with a strong sense of community pride and family orientation.

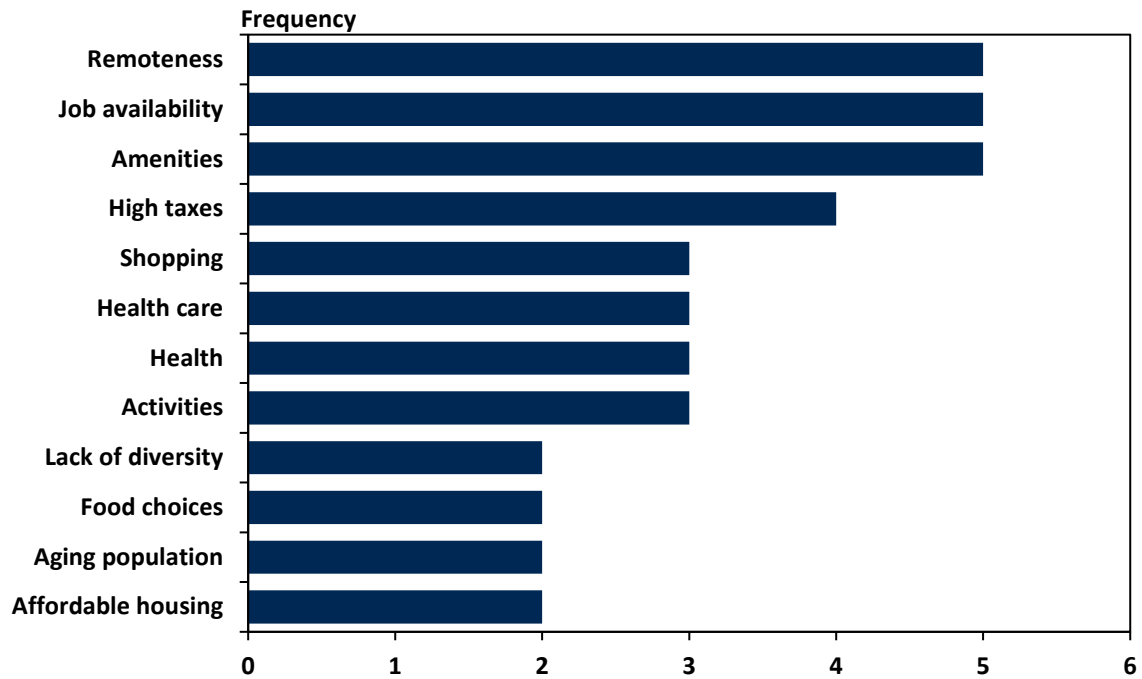
However, living in the region does have its drawbacks. Several respondents said the region’s remoteness makes it difficult to live there, and that the region lacked many of the modern amenities found in more urban areas. Several respondents said it can be difficult to find a job in the region, and that the area lacks adequate shopping and health care options. Equal numbers of people said that tax rates were a problem (too high) and a benefit (low) of living in the region.

Figure 10: Quality of Life Assets



Source: Author interviews

Figure 11: Quality of Life Gaps



Source: Author interviews

4 Conclusions

The closure of the Sugar Grove Naval Base had a measurable economic impact on the Potomac Highlands Region. Even with the base closure, the goals of the communities in the Region 8 Planning and Development Council service area have stayed relatively consistent over the past five years: improve infrastructure (transportation and broadband), retain existing businesses, and maintain the quality of life and natural assets in the region. A number of significant regional announcements have also recently been made including large scale business employment hiring and layoffs, impacting of over 1,000 workers, as well as investment commitments exceeding \$275 million to complete Corridor H, and make county level broadband improvements.

Recognizing the new investments and the broad acknowledgement and efforts to address the regional infrastructure needs, the strategic actions detailed below focus primarily on other activities that would improve regional economic outcomes.

4.1 Economic Impact of the Sugar Grove Naval Station Closure

Our study on the economic impact the closure of Sugar Grove Naval Station showed that the closure eliminated 158 jobs at the naval station, with an additional 58 jobs in secondary industries—such as restaurants, grocery stores, retail stores, etc. Total economic losses were approximately \$22 million, with about \$16 million coming from income losses at Sugar Grove. And approximately \$561 thousand in state and local tax revenue was lost due to the Naval Station’s closure.

While these impacts were certainly significant, particularly for smaller businesses in Pendleton County that relied on business from workers at the base, they represent a relatively small proportion of the total employment in the region as a whole. The physical infrastructure that remains at the former Sugar Grove Naval Station is valuable both for economic redevelopment and the community. Active steps should be taken to form county or regional agreements to gain or preserve access to those facilities.

4.2 Cluster Analysis of the Potomac Highlands Region

Our cluster analysis performed as part of this strategic planning process identified three primary industrial sectors for potential growth in the region over the next 5 years:

- 1) Advanced Materials
- 2) Forest and Wood Products
- 3) Printing and Publishing

Given the recent announcement of the closure of the Verso Corp. paper mill in Luke, MD, we do not consider the Printing and Publishing sector to be a strong target for development efforts going forward. However, Advanced Materials and Forest and Wood Products continue to be key sectors for the Potomac Highland region’s industrial development.

Secondarily, our cluster analysis identified four additional sectors that can be seen as emerging sectors in the region. These sectors are not currently highly clustered in the region, but are growing in specialization and are thus increasingly important to the economy of the region. In addition to the primary clusters, these emerging clusters are attractive areas for targeted development efforts:

- 1) Business and Financial Services
- 2) Information Technology and Telecommunications
- 3) Machinery Manufacturing
- 4) Transportation Equipment Manufacturing

In addition to these sectors, the cluster analysis found Agribusiness, Food Processing, and Technology to be a highly significant cluster for the region. Employment in agriculture represents about 10 percent of total employment in the Potomac Highlands, which is approximately three times the share of employment in this industry statewide. While agriculture remains an important cluster in the region, we classify agriculture as a “holding” cluster in our analysis, rather than a growth sector. This indicates that development efforts should be spent to maintain this sector in the local economy, but it does not have the same potential for growth as the other clusters identified in the analysis.

The cluster analysis also highlighted the region’s role in the larger metropolitan areas in surrounding states. Hampshire and Mineral counties are officially part of the Winchester, VA, and Cumberland, MD, metropolitan areas, respectively. The region also has significant commuting ties to Harrisonburg, VA. The fact that many Potomac Highlands residents work outside the region but choose to live in the area indicates that they value the lifestyle they find in the Potomac Highlands. They also import income into the region from their jobs in the larger labor market areas of the nearby cities.

4.3 Workforce and Educational Assessment

Our workforce and educational assessment found that that the Potomac Highlands region is likely to have an oversupply of lower-skilled workers entering the labor market each year, and an undersupply of workers with higher skills. The region’s labor challenge over the next five years is thus twofold: providing enough jobs for lower-skilled workers while at the same time attracting workers with the necessary education to fill higher-skilled job openings.

The rural nature of the region is both a blessing and curse. Limited infrastructure—such as broadband and cellular service—may make attracting new residents a difficult task. However, workers may also be drawn the rural lifestyle and outdoor recreation opportunities in the area. These benefits should be emphasized in recruiting efforts.

4.4 Exploratory Lodging Analysis

An exploratory analysis conducted by West Virginia University students in conjunction with this Strategic Action Plan³ found that lodging and housing data in the Potomac Highlands region is poor or unavailable. In particular, the Convention and Visitors Bureaus in the region lack the necessary data to determine occupancy rates of existing hotels and other lodging. The analysis attempted to estimate occupancy rates from hotel occupancy tax revenue, but we feel this data is not of sufficient quality to make any conclusion about the viability of additional lodging at this time. Thus, we cannot determine the level of market demand for additional hotel and lodging in the region. Gathering quality data on lodging prices and occupancy rates of existing hotels and motels would provide a more complete picture of lodging demand in the region.

³ The authors thank Cassidy Baker, Natalia Chambers, Matt Cianelli, Alex Godfrey, Blake Howes, Logan Melvin, Alexander Merchbaker, Zachary Moore, Liam Sullivan, and Johan Zietsman for their excellent assistance with this project.

4.5 Previous Strategic Plans

Despite the large number of strategic plans studying varying aspects of the Potomac Highlands counties, the recommendations across all of the plans we reviewed were fairly consistent. Overall, the plans we reviewed carry common themes: Business development, housing development, the need for broadband and connectivity, regional cooperation, tourism development potential, transportation and other infrastructure issues, and protection of the rural character and environment of the region.

However, while many goals and strategies exist in the plans we evaluated, few are stated in a measurable manner. This lack of specificity has made it difficult to evaluate progress toward the goals identified in previous plans. Also, some of the goals stated in the plans may be in conflict with one another. For example, the goal—stated in several plans—of maintaining the region’s rural character may require implementing land use restrictions that favor low-density development. However, these restrictions may be inconsistent with other goals to promote business and industrial development, and to enhance broadband and cellular infrastructure, which generally require greater density. Lastly, various organizations are at different levels of progress in meeting the goals in existing plans—some plans have been in place for several years while others are new and thus the work is just beginning.

In examining the effectiveness of previous plans, we found that lack of resources—particularly financial and human—was a significant barrier to achieving the goals detailed in all of the plans we reviewed. The region has viable plans in place but limited resources for implementation. Greater pooling of regional resources and regional cooperation could maximize resources. With the large number of plans, it is easy for a rural area to be overwhelmed by the recommendation, suggesting that focusing on a smaller number of measureable and achievable goals would be a more beneficial approach going forward.

4.6 Interviews

Workforce issues were among the most prominent concerns among employers in the Potomac Highlands region. While the large majority of employers we interviewed said they planned to grow their organizations, many said they faced significant barriers to that expansion. Many leaders had trouble finding skilled workers to take their job openings, and pointed to poor work ethic and problems with drugs and alcohol as significant impediments to hiring. Some business owners said specific knowledge-based skills were needed, particularly in the areas of machinists, technology, and math. These types of skills would benefit from greater coordination between employers and educational institutions in the region—most notably Eastern West Virginia Community and Technical College. However, most of the skills that employers were looking for were those that are considered “soft skills”—communication, working in teams, ability to get along with other people, and reliability. These skills may be difficult to teach, but perhaps could be the subject of life skills courses at area high schools or youth organizations.

The infrastructure needs identified in the survey are not surprising. Lack of high-quality cellular phone service and broadband internet were considered significant barriers by nearly all of the respondents to the survey. Also, poor transportation connectivity and limited emergency services are barriers for further economic development. These gaps are not likely to be solved without significant investments of public money to build new infrastructure or incentivize additional private investment in cellular and broadband networks in lower-density rural areas. Recent public announcements have been encouraging on this front. The Corridor H Authority recently announced state and federal investments totaling more than \$275 million for construction of a section between Kerens and Parsons. Also, Grant County recently received \$75,000 grant to study expansion of high-speed internet in the county.

Overall, the business owners, government officials, and other community leaders we interviewed expressed a great deal of commitment and value to locating in the Potomac Highlands region. They said they valued the quality of life they find in the area, particularly its rural character and outdoor recreation opportunities. However, the regional lifestyle has its downsides for some, who said the area was too remote and had few amenities they were looking for in a place to live. The interviews pointed to somewhat of a culture clash between what current residents value about the area—rural character, quiet, lack of traffic—and what types of lifestyle amenities may be required to attract new residents to the area. This contradiction will continue to play a role in the economic vitality of the region.

4.7 General Conclusions

Many of the challenges facing the Potomac Highlands region are not unique to this area, but are common among rural areas across the country. The lifestyle provided in the region may be a draw for existing residents, but low-density development also creates obstacles to attracting businesses and workers from other regions.

In particular, infrastructure development—particularly roads and telecommunications—has been a top priority for local government agencies charged with economic development in the region for many years. However, major highway projects require resources from the state and federal governments, as well as private investment, that are out of reach for small local governments. Similarly, investments in telecommunications infrastructure (broadband and cellular service) are in most cases decided by private companies with a profit motive. Lower density areas will have higher costs on a per-user basis, which deters companies from investing in the region. While the five counties in the Potomac Highlands do have representation in the state and federal governments, these governmental agencies have to weigh the needs of the entire state and country when making allocations of scarce resources. Coordinating as a region will allow the Potomac Highlands counties to be united in advocating for these resources to be provided to the region as a whole and increase efficiencies in local services.

We do not discount the significant infrastructure impediments in the Potomac Highlands region. However, our team has been tasked with finding actionable items that can be made on the local level. Because of this mandate, we have chosen to focus our recommendations in those areas we think can be achieved by local and regional agencies acting together to further the economic development goals of the region.

5 Recommendations

As a part of the analysis of the impact of the closure of the Sugar Grove Naval Station, the scope of this project included providing recommendation for strategic actions to support economic development efforts in the Region 8 Planning and Development Council's service area. The goal of the project team was to utilize the economic data analysis, workforce and education information, and the local stakeholder and regional business interviews to inform strategies that are geographically appropriate, and reflect the region's proximity to capital, labor, and markets.

We recommend six strategic actions with associated activities to assist in implementation of the suggested action:

- 1) Embrace the Potomac Highlands Regional Identity
- 2) Assist in Recruiting and Training Workforce
- 3) Improve Digital Communication of Economic Development Opportunities
- 4) Collaborate Regionally on Federal Funding Opportunities
- 5) Catalogue Existing Housing and Lodging and Coordinate Policy Regionally
- 6) Target Primary and Emerging Industry Clusters for Recruitment

Recommendation 1: Embrace Potomac Highlands Regional Identity

The entire geographic footprint of the Region 8 Planning and Development Council (Grant, Hampshire, Hardy, Mineral, and Pendleton counties) is within an area known as the Potomac Highlands region. The region is connected by the counties' geographic placement in the upper Potomac River watershed.

Embracing the five-county region as the Potomac Highlands in economic development efforts, county level decision making, state and federal level resource requests, and tourism related branding would provide a united front, thus increasing the area's visibility in business, visitor, and resident attraction efforts. Though most local residents identify their sense of place at the county level, efforts to attract investment are more efficiently done at a regional level.

According to a 2016 study on place-based branding, site selectors indicated that branding efforts that create a favorable image of a place impact their location considerations for prospective business and industry.⁴

Actions recommended to implement this strategy include:

- Create a memorandum of understanding among the counties and the Region 8 PDC to illustrate the cooperation of the entities on specific priority issues including transportation, technology infrastructure, and healthcare.
- Review the county-level economic development priorities and identify a small number of specific projects (approximately three) with the potential for regional collaboration. Then identify specific leaders to take charge of these projects and see them through to completion.
- Incorporate Potomac Highlands into the county Economic Development Agencies' branding
- Utilize the Region 8 Planning and Development Council in a leadership role to coordinate across economic development-related agencies, such as county EDAs, CVBs, Chambers of Commerce, and other anchor employers

⁴ Cleave, Evan et al. (2016).

- Dedicate resources to upgrade publicly available digital information on the region and improve data sharing between agencies
- Intentionally coordinate on tourism efforts with a focus on the Potomac Highlands brand
- Engage counties in a discussion of shared services, and areas where cost reduction be beneficial, or effective local programs replicated
- Review 2019 SB 1001 which legislatively prescribes a focus on the economic development of Upper Kanawha Valley based on recent disinvestment in their region as a model for a request in 2020.
- Utilize the regional brand to actively promote industrial business and building sites across the five counties

Recommendation 2: Assist in Business and Workforce Recruiting and Training

With the significant changes in the workforce over the last five years, including major layoffs and hiring activities in different sectors across the region, maintaining a worker training and recruitment infrastructure is essential to support business retention and local citizen needs.

- Develop new employee recruitment and orientation informational packages highlighting educational, lifestyle, and housing opportunities in the region and provide them to the human resources departments of regional employers
- Recruit senior management at major employers, particularly human resources leaders, to serve in positions on boards and other leadership roles at local economic development agencies
- Continue regional job fairs and worker matching efforts
- Educate county leadership on potential relocation incentives to attract workers to live in the region
- Develop relocation incentives with the county housing authorities for critical care providers including nurses and first responders
- Formalize an agreement with the owners of Sugar Grove for use of the facilities
- Consider engaging with local stakeholders for the development of a Potomac Highlands social enterprise. These organizations are generally nonprofit organizations with paid employees who also spend time in worker and life-skills training. An example to follow would be 36-6-3 model being utilized by Coalfield Development Corp.
- Partner with secondary schools to link schools with business opportunities

Recommendation 3: Improve Digital Communication of Economic Development Opportunities

As is easily illustrated through a Google search of the Potomac Highlands, the digital information available on the area needs to be refined and improved to maximize the region’s digital presence for both businesses and visitors. According to a 2016 study,⁴ site selectors were unanimous that a strong digital presence is needed for a region to increase their chance of attracting business: “While there is an element of business-to-business communication in the latter stages of the site selection process, the majority of the process—when an area is most likely to be removed from consideration—is done digitally.” Travel and shopping patterns have also changed, with more decisions being made via smartphone during the trip. Consistent and reliable cell and broadband availability is a critical component of improving the economic strength of the region.

- The Region 8 PDC website should serve as the central point for the Potomac Highlands brand and be the cross referenced with links to the websites of the Potomac Highland counties
- Purchase the Potomac Highlands domain (www.potomachighlands.org and other related suffixes) to control the regional reputation and link it to the Region 8 website
- Coordinate digital presence and branding across the Potomac Highlands region
- Engage, hire, or assign the tasks of data collection and digital content development to a firm or individual, and consolidate this role across the five-county area
- Develop a regional social media and content update plan including assigning tasks for implementation
- Engage with local businesses to provide them with regional branding materials for the online presence and to have the businesses share content to help highlight local economic success stories

Recommendation 4: Collaborate Regionally on Federal Funding Opportunities

Investing in implementing the recommended strategic actions takes resources. Identifying, and applying for federal funding opportunities is critical to the economic growth of the area specifically in the areas of infrastructure and workforce training.

We recommend coordination across applications for federal funding to ensure that either the region or a county in the region is applying for grant funds that become available. In many cases a regional application may be more competitive for federal funding opportunities based on preferential grant application scoring for larger “impact” based on population demographics. Regional or multi-county applications also shows cooperation and grant management capacity.

- Take advantage of the recent Appalachian National Forest Heritage Area Designation by participating in the development of the Heritage Area Plan
- Partner with partners to pursue Department of Labor Workforce Training Grant Opportunities
- Apply annually for Appalachian Regional Commission Funding
- Apply for US EPA Brownfields Assessment and Clean-up Grants
- Apply for US Economic Development Administration “Economic Adjustment” Grants based on the base closure, as well as the imminent paper mill closure
- Utilize Region 8 PDC to assist with grant-writing or as a fiduciary for federal applications as appropriate
- Partner with local educational institution such as WV Eastern Technical Community College and Potomac State University and local businesses to provide support for grants that would impact the region
- Partner with HardyNet and other local broadband providers to apply for the USDA ReConnect Program.
- Consider combining or sharing health-care services—including emergency services, public health, and preventative care—for the entire Potomac highlands region, as well as Maryland and Virginia.
- Expand the county level efforts on broadband to collaborate regionally with Virginia and Maryland to get improve access to broadband and fiber optics. Applying for Federal Broadband funding as multi-state region will increase competitiveness and decrease the burden of cost-share.
- Continue to support highway construction along Corridor H (US 48) and US 220

Recommendation 5: Develop Land Use Policies that Incentivize Housing and Lodging Growth

Housing and lodging generate jobs and tax revenue to support local services. As mentioned above, our exploratory lodging analysis did not find sufficient data to determine the market demand for additional lodging and conference space in the region. However, local stakeholders expressed a strong demand for nationally recognized chain or franchise hotels in the region, and a recognition of the need for new housing stock.

As identified in the economic profile completed as a part of this project, the Potomac Highlands had a higher rate of residential single-family housing starts on a per-capita basis than the state as a whole. Hampshire and Hardy counties' had housing starts well above the regional and state average. While the housing starts can be attributed to the population growth in the two counties, the need for new housing stock was identified as a barrier to employee recruitment in the interviews. Recent announcements regarding broadband improvements and further completion of Corridor H may also draw second home market interest to the region.

One of the concerns identified during stakeholder engagement regarding housing development in the region (single family, worker, or luxury) was the potential impact to scenic and agricultural assets and the overall effect on the rural nature of the communities in the region. Working collectively to implement land use policies to preserve the natural assets of the region is a proactive way to address viewshed concerns, water resource impacts, and other unintended consequences of growth.

To address the needs of housing and lodging in the region we make the following recommendations:

- Coordinate with CVBs and the West Virginia Tourism Office to improve lodging-related data collection. CVBs should coordinate to collect market data, or purchase data from private brokers—such as Smith Travel Research—to better assess the state of the lodging market in the region.
- Complete a formal lodging study for hotels in the region. Once data collection is completed, we recommend a complete lodging study to assess the market demand for additional lodging.
- Complete a county-by-county housing study to evaluate the demand for affordable, market rate and luxury (second) homes.
- Designate a regional participant in lodging sector activities and attraction. There are a number of hotel related development opportunities, but relationships need to be built in that sector.
- Work with county commissions and local business associations to develop regional land use policies to protect prioritized regional assets.

Recommendation 6: Target Primary and Emerging Clusters for Recruitment

As mentioned in subsection 4.2, the cluster analysis identified two primary clusters in the region, and four emerging clusters. We recommend focusing economic development efforts on the industries in these clusters, which are areas where the region has a competitive advantage over neighboring regions.

The growth of these target clusters will be driven in part by access to suppliers of the primary industries in the cluster. An effective cluster-based economic development strategy will target both primary industries and supporting firms. As shown in our cluster analysis, many of these supporting industries do not have a significant presence in the region, and thus are attractive targets for economic development.

This lack of current presence should also alleviate concerns of attracting companies that would compete with existing businesses.

To address the needs of industry recruitment in the region we make the following recommendations:

- Orient economic development efforts around supporting existing businesses in primary clusters and recruiting industries in emerging clusters.
- Invest in professional development for the regional/local economic development representatives in the identified target clusters. This will help build knowledge about the workforce needed, support the development of industry relationships, and have the Potomac Highlands Region recognized as a possible site for selection.
- Develop regional policies that provide incentives to attract target clusters to the area.
- Work with development authorities, land owners, and business associations to create an inventory of available sites based on target cluster profiles and needs.
- Collaborate with regional K-12 and higher education facilities on curriculum that would address workforce needs for the target clusters.
- Maintain support to the Agribusiness, Food Processing and Technology cluster, which continues to play an important role in the region. Growth in this sector may include expanding into new agricultural products and agritourism.
- Work to expand businesses that could be attractions in tourism areas, such as Seneca Rocks, Jennings Randolph Lake, Potomac Eagle, Mount Storm, Lost River State Park, etc.

Appendix: State and Local Economic Development Resources

State of West Virginia Incentives

Providing a potential business with an incentive package to locate to the region should include applicable state tax credits and tax incentives. West Virginia has passed a number of tax incentives in recent years that impact the target industry clusters in the Potomac Highlands. Below is a brief summary of credits deemed applicable to target businesses in the region. A full list of incentives can be found online at the West Virginia Development Office's website or at the following link <http://westvirginia.gov/about-wv/11-business-assistance/24-incentives.html#manufacturing-sales-tax-exemption>

Manufacturing Sales Tax Exemption

Purchases of materials and equipment for direct use in manufacturing are exempt from the six percent state sales and use tax, including building materials and process equipment purchased for construction of a manufacturing facility.

Corporate Headquarters Credit

Companies that relocate their corporate headquarters to West Virginia are eligible for tax credits if 15 new jobs (including relocated employees) are created within the first year. The credit can offset up to 100 percent of the tax liability for business and occupation tax, corporate net income tax, and personal income tax on certain pass-through income, for a period of up to 13 years.

Economic Opportunity Credit

For qualified companies that create at least 20 new jobs within specified time limits (10 jobs in the case of qualified small businesses) as a result of their business expansion projects, the State's Economic Opportunity Tax Credit can offset up to 80 percent of the corporate net income tax and personal income tax (on flow through income only) attributable to qualified investment. If a qualified company that creates the requisite number of jobs pays an annual median wage higher than the statewide average non-farm payroll wage, then the qualified company can offset up to 100 percent of the corporate net income tax and personal income tax (on flow through income only) attributable to qualified investment.

For qualified businesses creating less than 20 new jobs within specified time limits, or for a qualified small business creating less than 10 new jobs, a \$3,000 credit is allowed per new full-time job for five years, providing the new job pays at least \$32,000 per year and the employee has employer-provided health insurance benefits. The \$32,000 figure is adjusted annually for cost of living.

Qualified businesses include only those engaged in the activities of manufacturing, information processing, warehousing, non-retail goods distribution, qualified research and development, the relocation of a corporate headquarters, or destination-oriented recreation and tourism.

The Freeport Amendment

The Freeport Amendment exempts property from the West Virginia ad valorem property tax in two ways. First, manufactured products produced in West Virginia and stored in the state for a short time before moving into interstate commerce are exempt from property tax. Second, goods transported into West Virginia from outside of the state, which are held for a short time in a warehouse and then shipped

to a destination outside of West Virginia, are exempt from the property tax. The exemption does not apply to inventories of raw materials or goods in process.

Manufacturing Inventory Credit

Offsets the corporate net income tax in the amount of property tax paid on raw materials, goods in process and finished goods manufacturing inventory.

Existing Economic Development and Entrepreneurship Programs

Economic Development Authorities

Each of the 5 counties in the Region 8 Planning and Development Council have a designated Economic Development Organization to serve as a point of contact for industrial/business recruitment, retention and expansion.

The West Virginia Development Office has an assigned Business Recruitment and Retention Specialist tasked with covering multi-county areas. Four of the of the target counties (Grant, Hardy, Hampshire, Mineral) fall into one territory and Pendleton County is located in an adjacent territory with a different WVDO representative.

Opportunity Zone(s)

The Potomac Highland has one (1) Opportunity Zone designated in Hampshire County for Census Tract 54027968200. As investors look to take advantage of the Opportunity Zone Incentive, this designation may draw an uptick in attention to projects that may occur in the qualified zone.

WV Main Street and OnTRAC Program Designation

Main Street West Virginia and West Virginia ON TRAC are downtown revitalization programs that follow the National Main Street Center's community-based approach to preservation and development. ON TRAC is a West Virginia created program for pre-Main Street communities to learn the basics of the Main Street Approach.

The Potomac Highlands has one municipality, Romney in Hampshire Count, formally designated as an ON TRAC community. There are no municipalities designated as Main Street in the Region 8 Planning and Development Council's service area.

Potomac Highlands Small Business Development Center

The WV Small Business Development Center have a designated representative to the Potomac Highlands to support small business development through one-on-one coaching, training, and facilitating connections to resources.

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