



BROOKE-HANCOCK REGIONAL COUNCIL

Region 11
PO Box 82
Weirton, WV 26062-0082

Phone: 304-797-9666
Fax: 740-282-1821
Email: bhjmpc@bhjmpc.org

April 26, 2010

Mr. Jerome E. Wallace, MCP, CWD
Community Planner
U.S. Dept of Commerce - EDA
601 Walnut Street
Philadelphia, PA 19106

RE: Quarterly Progress Report. January 2010 through March 2010.
US EDA Grant Award Number: 01-83-08491 Amendment 1
Brooke-Hancock Regional Planning and Development Council

Dear Mr. Wallace:

On behalf of the Brooke-Hancock Regional Planning and Development Council (BH), I submit our Quarterly Progress Report for the January through 2010 period.

Through the leadership and participation of the US Economic Development Administration, BH has opened options for a new regional economy.

Sincerely,



John C. Brown, AICP
Executive Director

ENCLOSURE

SCANNED E-MAIL COPIES:

Debra S. Beavin
Economic Development Specialist
U.S. Department of Commerce/ Economic Development Administration

Anne Cavalier
Economic Development Representative for MD and WV
U.S. Department of Commerce/ Economic Development Administration

Tonia R. Williams
South District Director
U.S. Department of Commerce/ Economic Development Administration

Brooke-Hancock Regional Planning and Development Council
West Virginia Economic Development District 11

QUARTERLY PROGRESS REPORT:
January 1, 2010, through March 31, 2010

U.S. Economic Development Administration Grant
Award Number: 01-83-08491.01

Item	Page (s)
Table of Contents	1
A. Introduction	2
B. Regional Population and Economic Profile	3-4
C. Prominent Regional Economic Changes	4-8
D. Entrepreneurship	8-9
E. Brownfields Redevelopment	9-10
F. Strategic Action Plan	10-12
G. Port Development	13-15
H. Implement the Comprehensive Economic Development Strategy	15-16
I. Conduct EDD Activities	16-17

New SF-425 Financial Reporting Form

A. Introduction

The following Quarterly Progress Report for the Brooke-Hancock Regional Planning and Development Council (B-H) is submitted for EDA's grant award number 01-83-08491.01 The CFDA Number and Project Title is 11.302/Economic Development. The reporting period covers the January 1, 2010, through March 31, 2010 period.

As noted in the U.S. Department of Commerce's "Amendment to Financial Assistance Award" letter (June 27, 2008), the "Brooke-Hancock Regional Planning and Development Council (B-H), WV, will partner with the nonprofit Business Development Corporation of the Northern Panhandle (BDC), WV, to implement its EDA Comprehensive Economic Development Strategy (CEDS) Partnership Planning Investment.

Collaborative Projects

Brooke-Hancock Regional. April 2010.

Project	\$/Description
A. 3-2-1 Jobs Initiative	\$10,000 in-kind/cash contribution from BDC/ Progress Alliance. A three-county targeted growth strategies study.
B. Brownfields	\$400,000 no local match petroleum/hazardous assessment growth over three years. Projected Mid-year 2012 completion
C. Economic Adjustment	A \$200,000 federal/\$50,000 local assistance award. Project goal is to create/implement an action plan through 3 to 4 strategic projects. Projected August 2010 completion.
D. Intermodal Study	A \$60,000 federal/\$15,000 local intermodal grant. Three county evaluation to document region as a competitive intermodal site for river, rail and road transfer. Projected June 2011 completion.
E. US EDA Planning	A \$52,000 Federal/ \$52,000 local grant. Entrepreneurial, brownfield, action plan, port development, CEDS and EDD planning grant. Projected June 2010 completion.
F. Valley Venture	A \$100,000 Benedum Foundation/Local In-kind Project. A two-year grant to encourage small business development and incubator space. Projected 2012 renewal. http://www.valleyventures.org/
G. Weirton North End	A \$5,000 Assistance Ctr/No local grant to outline infrastructure needs in Weirton's North End Projected June 2010 completion.
H. Weirton Rail Yard	A \$12,000 grant to provide local match for intermodal study. Projected June 2010 completion.

B. Regional Population and Economic Profiles

Due to the devastation of international steel competition, since 1995, our two-county region has lost 12,000 steel worker jobs. Our two domestic steel companies are now international conglomerates. In 1995, Weirton Steel, the regional lynchpin industry in our region, was the top private sector employer in West Virginia. Today, West Virginia's top employer is Wal-Mart. As recently as Thursday (January 28th), the loss of another 180 steel related steel jobs was announced.

From the perspective of the U.S. Economic Development Administration (EDA) and its mission, we are ground zero. For our region, the need to have an active and engaged EDA could be no greater than today.

The following officials have recognized these circumstances.

U.S. Congressman Alan B. Mollohan. West Virginia Congressional District 1. Chairman. Subcommittee on Commerce, Justice, Science and Related Agencies. Committee on Appropriations. Congressional Hearings with the U.S. Economic Development Administration. March 5, 2008.

"Weirton, West Virginia is a great steel making city. Weirton Steel, when I first took office 26 years ago now, had 12,000 employees at the plant. It went through an ESOP when National Steel left. Its last purchaser was Mittal.

They're closing everything down and they are willing to sell the property, which is extensive, and they've actually even tearing down some of the - dismantling some of the plant. And then they're - I don't know how much Brownfield issues involved. But it is a makeover situation.

If you drive through Weirton, the steel mill is the center of town, really, and the town has grown up around it. But there will be next to, certainly relatively speaking, no steel making in Weirton Steel in the foreseeable future, if ever. And there's a lot of folks looking at this in very serious ways.

So, when you talk about regional collaborations, that resonates with me. When you talk about the futility of competing for smokestack industries, that resonates with me - not that you can't be successful, but as an economic strategy, it doesn't incorporate any diversification. And if you're not doing that, then you're not doing economic development. So, I really understand all that and I understand some of the notions that you talk about."

U.S. Senator Jay Rockefeller. State of West Virginia. Community Roundtable on Weirton's Economic Future. April 21, 2008.

"Today, we're at a crucial crossroads," Rockefeller said. "We've got an idea of some of the land available, but now we need to talk about how to leverage that property to truly grow Weirton's economy. We need fresh ideas, and we need real answers on how to find new industries that match up with all the great things Weirton has to offer, especially its geography and workforce. That's why we're here today - for the future of Weirton, and the futures of the families who live and work here."

Economic decline and job lost is best illustrated by the following unemployment comparison. With few exceptions, from 2002 to through early 2010, both Brooke and Hancock County's unemployment rate has exceeded the State of West Virginia and U.S. unemployment rate. More importantly, the unemployment figures illustrate while the US observed a sudden recessionary

trend in 2009, it appears the national figures have leveled off. This is not the case in the Brooke-Hancock region. The regional unemployment figures have soared and the discrepancies continue to widen dramatically.

Unemployment Rate

Brooke County, Hancock County, Jefferson County, Ohio, WV and US.

	2003	2004	2005	2006	2007	2008	2009	Jan 2010	Feb 2010
Brooke Co. WV	6.2	7.3	7.1	7.4	6.3	6.3	11.4	15.6	16.0
Hancock Co. WV	5.9	7.6	7.3	7.7	5.9	6.6	11.5	15.4	15.5
State of WV	5.6	5.0	4.8	4.6	4.4	4.2	7.9	10.4	11.0
U.S.	5.8	5.7	5.2	4.4	5.0	6.7	9.3	9.7	9.7

Source: U.S. Department of Labor. Bureau of Labor Statistics

C. Prominent Regional Economic Changes: February 07 through March 10

February 21, 2007. *Herald Star* in article “*Weirton future up in air*” states “A decision by the Justice Department to force Arcelor-Mittal to sell its Sparrows Point, Md., mill has put the future of the Weirton steel plant in confusion. Mittal owned two major tin assets, Weirton and Sparrows Point, when it merged with Arcelor, which also owned tin capacity in Hamilton, Ontario, at its Dofasco mill.

Weirton had been a fully integrated steel mill for a century prior to Mittal’s obtaining the plants in its purchase of ISG in 2005. One of its first moves was to shut down the plant’s iron making blast furnace and the steelmaking Basic Oxygen Plant and its continuous steel slab caster.

Mittal officials had declared in mid-2006 that Weirton was for sale, and Independent Steelworkers Union (ISU) officials said the Sparrows Point plant, with its deep-water port capabilities fit better with Mittal’s overall business strategy.

March 3, 2007. *Herald Star* in article “*Tracks pushing for June votes*” states “Two northern West Virginia counties with sluggish economies and strong cross-border competition for gamblers could vote early this summer on whether to allow poker, blackjack and other table games at racetrack casinos.

“Table games could add 500 jobs in Chester and jump-start plans for indoor parking, a shopping mall, a golf course and housing,” according to Ted Arneault, president of Mountaineer Race Track and Gaming Resort.”

March 20, 2007. *Herald Star* in article “*Project Bootstraps*” states “The first Project Bootstraps graduation ceremony and dinner was held Monday at the Jefferson Community College Pugliese Training Centers. Several businesspeople were involved with Bootstraps’ Brighter Ideas - 12 Steps to a Better Business forums and mentoring program, overseen by Kathy Antinone, entrepreneurship coordinator.

March 25, 2007. *Herald Star* in “*Our opinion*” editorial states “Small businesses are the backbone of the economy. Finding the resources and expertise to get one started or to grow an existing one can be difficult, however. Project Bootstraps is a local small business that is made possible through sponsorship of several area businesses and organizations and a grant from the Appalachian Regional Commission.”

March 30, 2007. *The Brooke Review* in article "Rockefeller Pushes to Preserve the Ohio Valley Steel Industry" states At the conclusion of a meeting recently to discuss the future of the Northern Panhandle steel industry, Senator Jay Rockefeller (D-WV) said that he had a "frank and productive conversation with Mittal Steel" CEO, Lois Schorsch.

"Steel has helped to shape and build the communities of the Ohio Valley," said Rockefeller. "Following last month's decision by the Department of Justice it is time to make a real commitment to preserving the livelihood of West Virginia's steel industry and investing in our future. I encourage Mittal to reinvest in Weirton and demonstrate that they believe in our workers and the contribution they can make," said Rockefeller.

April 25, 2007. *The Herald Star* in "Hancock County dependent on Mountaineer for budget" states "Cutbacks in county government could be the result of a failure to pass table gaming June 9 in Hancock County, according to county Commissioner Mike Swartzmiller. " He explained that of Hancock County's \$10 million budget, 48 percent - \$4.8 million - comes from video lottery revenues. Of that, \$1.6 million is uses to balance the county's budget.

May 11, 2007. *The West Virginia State Journal* in "Arcelor: Mittal Sees Big Profit for Quarter" states "Arcelor Mittal posted a \$2.25 billion joint profit for the first quarter 2007, up 40 percent from the same three-month period a year ago.'

July 1, 2007. *The Herald Star* in "Let the table games begin" states "The unofficial totals tallied by the resort, via calls from Mountaineer observers at each of the county's 28 precincts, declared a 1,519-vote victory - 5,022 votes in favor of table games to 3,503 against, or a 59 percent to 41 percent margin of victory."

October 10, 2007. *Steubenville Herald-Star* in "Slag firm to close Weirton location" states "When the blast furnace and Basic oxygen Plant at Weirton Steel closed in 2005, more than 800 employees lost their jobs. Now, 20 more people working at a facility that handled slag from the furnaces are losing their jobs. Holcim Inc. will be closing its slag production and grinding plant December 31, the company announced today."

October 18, 2007. *The Wheeling Intelligencer* in "Hot Mill Closing" states "Global steel giant ArcelorMittal formally informed local government officials as well as union leaders Wednesday the Weirton hot strip mill are closed in mid-December. This closing will result in the loss of about 250 hourly and 15 salaried positions, leaving a workforce of just under 1,000 at ArcelorMittal."

April 1, 2008. *Steubenville Herald Star* in "Weirton mill cuts detailed" states "About 45 workers who didn't accept a severance package with the closure of the ArcelorMittal hot mill are being laid off."

April 23, 2008. *Weirton Daily Times* in "W.Va. Leaders Mull Weirton's Future" states "Weirton's economic future could depend on finding new purposes for land and equipment owned by ArcelorMittal Steel, state and leaders said Monday. These ideas reportedly were among those presented during an economic roundtable discussion hosted by U.S. Sen. Jay Rockefeller, D-W.Va at the Serbian-American Cultural Center in Weirton on Monday. "

May 10, 2008. *The Weirton Daily Times* in "Industrial site seminar set" states "The Brooke-Hancock-Jefferson Metropolitan Planning Commission and the Northern West Virginia Brownfields Assistance Center will hold a conference on the redevelopment of former industrial sites, called brownfields, at West Virginia Northern Community College's Weirton campus."

June 26, 2008. *The Weirton Daily Times* in "Severstal to Buy Esmark" states

“Russia-based OAO Severstal announced Wednesday it plans to buy Esmark Inc for \$1.25 billion. The metals and mining company said it has an agreement to buy Esmark for \$19.25 per share. Esmark has been at the center of a bidding war between Severstal and India’s Essar Steel Holdings.”

July 30, 2008. The *Steubenville Herald Star* in “*Our Opinion: New energy plants promising to area*” states “The promise of jobs and a brighter economic future based on a new energy plant is exactly that for now: a promise. The latest move toward making the Upper Ohio Valley a new energy corridor for the United States came with an announcement Monday by Consol Energy and Synthesis Energy Systems of a new coal-to-liquid fuel plant to be built at Benwood, south of Wheeling.”

August 3, 2008. The *State Journal* in “*Banner Fiberboard Closes Doors at Wellsburg Location*” states “After 52 years in business, Wellsburg’s Banner Fiberboard Co. has closed its doors. The closing leaves 38 people without jobs.

October 9, 2008. The *Steubenville Herald-Star* in “*SeverStal to lay off 800: Parts of local plant to operate intermittently as world economy slows*” states “About 800 employees at the Steubenville North Plant of SeverStal Wheeling will be laid off in coming days as the global economic crisis takes its toll on the basic steel industry.”

October 18, 2008. The *Wheeling Intelligencer* in “*Hot Mill Closing: More than 250 to lose jobs by mid-December*” states “An ArcelorMittal news release said closure will result in the loss of about 250 hourly and 15 salaried positions, leaving a workforce of just under 1,000 at ArcelorMittal Weirton. Mark Glyptis, president of the United Steel Workers Local 2911 said “The potential shut down of the hot strip mill is very difficult to accept. We started rebuilding the hot mill in 1988 and literally rebuilt the facility with our blood and sweat and we created a world class operation that has been the envy of other steel mills.”

November 22, 2008. The *Steubenville Herald Star* in “*Mountaineer cuts 93 jobs*” states “The cuts represent a 4 percent reduction in the permanent employment force at Mountaineer.” Tamara Pettit, Mountaineer director of public relations said “the cuts are across the board while increased competition from Pennsylvania, increased gasoline prices and the faltering economy all impacted our business.”

December 11, 2008. The *Wheeling Intelligencer* in “*Steel Plant to Lay Off 90*” states “Ninety of about 175 employees at Wheeling-Nisshin Inc. have been laid off in response to what company officials have described as a dramatic downturn spurred by a sluggish economy.” Richard Carter, the firm’s president and chief operating officer stated “We have never had a layoff in our 20-year history, and we do this with great reluctance.”

January 4, 2009. The *Steubenville Herald Star* in “*A Boom-to-Bust Steel Scenario*” states “domestic raw steel production sand 44 percent for the week ending December 13 compared with the same week in 2007, according to the American Iron and Steel Institute. Steel mills operated at slightly less than half their capacity compared with 88 percent a year earlier.”

January 8, 2009. The *Steubenville Herald Star* in “*Weirton Medical Center to Lay Off 36*” states “Weirton Medical Center will lay off 36 full-time equivalent jobs during the next month. The hospital said the job reduction will result in annual savings of \$2 million.”

January 9, 2009. The *Wheeling Intelligencer* in “*Severstal Says Layoffs to Vary Weekly*” states “Severstal North American Inc. officials confirmed Thursday that layoffs will occur at its Wheeling operations, but they declined to comment on how many workers will be affected. In addition, the Russian company announced it will cut jobs at plants in three other states - Dearborn, Mich., Sparrows Point, Md., and Warren, Ohio - as a result of declining steel orders.”

January 17, 2009. The *Steubenville Herald Star* in "Mountaineer Cutting Its Work Force by 175" states "approximately 175 hourly and salary employees lost their jobs Friday at Mountaineer Casino, Racetrack and Resort as the company prepared to deal with a poor economy and increased competition from similar operations in Pennsylvania. Mountaineer's President and General Manager Jack Sours announced Friday 8.6 percent of the Chester-based operations would be reduced."

January 24, 2009. The *Steubenville Herald Star* in "Severstal to Idle Plant for March" states "Local United Steelworkers have been told to expect the shutdown of the Severstal Wheeling plant stretching from Steubenville to Mingo Junction for the entire month of March, affecting about 1,100 union positions and an unavailable number of salaried workers."

March 9, 2009. The *Steubenville Herald Star* in "Steelworkers Take Look at Decision" states "Ken Aspenfeiter, president of the USE Local 1190 said the company (Severstal) said the caster, electric arc furnace an 80-inch strip mill would be idled for an indefinite period by the end of March because of a lack of orders resulting from the global economic downturn."

March 27, 2009. The *Wheeling-Intelligencer* in "Paper Plant to Lay Off 30" states "A Wellsburg paper plant could lay off up to 30 workers early next month in a move a union official blamed on a declining economy. United Steelworkers Local 12314 spokesman Alan Sampson, who represents 140 union employees at the Wellsburg Graphic Packaging Corp., said the figure is an estimate for the layoff, which will follow the closing of a line at the plant involved largely in producing packaging for concrete and other construction materials."

May 7, 2009. The *Steubenville Herald Star* in "Future of Severstal in Doubt" states "The future of Severstal Wheeling appears to be in doubt, as published reports indicated OAO Severstal, the local operation's parent company, is working to sell off its North American assets. A source close to the situation also confirmed Wednesday that 88 employees at Severstal's downtown Wheeling headquarters who had been on temporary layoff were permanently terminated at the end of April."

May 8, 2009. The *Wheeling-Intelligencer* in "Steel Suffers Another Setback" states "Local communities are clinging to hope when it comes to the future of Severstal Wheeling. The local operations of Russian-based steelmaker Severstal International are heading toward a complete idling, except for reduced work at the Follansbee coke plant, while the company tries to ride out a global downturn in steel demand."

August 31, 2009. The Philadelphia regional office of the U.S. EDA forwards a letter of grant approval to the Brooke-Hancock Regional and Development Council. The letter states "I am pleased to inform you that the Economic Development Administration (EDA) has approved an Amendment to the Financial Assistance Award in an amount not to exceed \$70,189 in response to your application for Federal assistance under the Section 302 (a) Planning Assistance Program."

October 20, 2009. The *Steubenville Herald Star* in "Message Sent to Severstal: Restart or Sell" states "A letter has been sent by three state legislators to Severstal North American asking the company either to restart its Ohio plants, including those in Mingo Junction, Yorkville and Martins Ferry, or to sell them to a company that will."

December 21, 2009. The *Wheeling Intelligencer* in "More Slots, Less Revenue in Brooke" states "Brooke County has more retailers offering limited video lottery machines per capita than any other in West Virginia - more than three and a half times the state average. It's also the only Northern Panhandle county that hasn't seen an increase in LVL revenue in fiscal 2010."

December 29, 2009. The *Wheeling Intelligencer* in "Weirton Looking Ahead" states "For many in Weirton, the past 10 years was a period they'd just as soon forget. On January 1, 2000, Weirton, West Virginia's seventh-largest city was home to 20,411 people. And while it operated a significantly reduced work force from the more than 14,000 it employed at its peak, Weirton Steel Corp, still counted itself among the state's largest employers with more than 4,000 workers."

January 16, 2010. The *Steubenville Herald Star* in "Restart delayed for Severstal plant" states "A lack of metal coming from Severstal Sparrows Point facility in Maryland is causing the announced restart at Severstal Wheeling's Martins Ferry mill to be delayed."

January 26, 2010. The *Steubenville Herald Star* in "ArcelorMittal, Ormet Facing More Layoffs" states "The Upper Ohio Valley's industrial base suffered another blow Monday, as steelmaker ArcelorMittal and aluminum producer Ormet Corp. confirmed plans to reduce their work force. The companies plan to lay off a total of nearly 200 employees, with 171 jobs cut at ArcelorMittal and 20 at Ormet."

February 1, 2010. The *Steubenville Herald Star* in "Jobless Rate Still Climbs in West Virginia" states "News of industrial workers preparing to go back on the job in Follansbee couldn't have come at a better time, as Brooke County closed 2009 with the fifth highest unemployment rate in West Virginia."

February 25, 2010. The *Wheeling Intelligencer* in "Economy Preventing Sale of Mill Properties" states "... a sluggish economy may be one reason ArcelorMittal has not had success attracting buyers. He said he speaks with James about once a month, and as far as he knows there has been no activity on any of the property."

March 13, 2010. The *Steubenville Herald Star* in "MTR Gaming Posts \$24 M Loss" states "Revenues at Mountaineer (Chester/Hancock County) fell 13 percent in the most recent quarter, from \$63.3 million to \$55 million."

D. Entrepreneurship

Following a visioning and funding start-up program through BH, a privately funded 501 c 3 entrepreneurial organization called Valley Ventures was initiated in December 2007. Funded through a \$200,000 grant from the Benedum Foundation, Valley Venture targets start-up businesses and supports the development of these businesses through a mentoring program.

Their work program and achievements may be accessed through <http://www.valleyventures.org/>

Program Objectives:

1. Serve as a leader for entrepreneurship and work in cooperation with those throughout the Brooke-Hancock Region to foster an environment for small business development.
2. Create an entrepreneurial network to assist small business.
3. Encourage entrepreneurial education throughout the school systems.
4. Develop small business workshops.
5. Continue to create various resources and documents to distribute entrepreneurial and management information.
6. Research/seek funding opportunities for projects pertaining to entrepreneurial development.

Achievements: