

REQUEST FOR PROPOSAL (RFP)

**BUSINESS DEVELOPMENT CORPORATION
OF THE
NORTHERN PANHANDLE**

**ECONOMIC ADJUSTMENT STRATEGY
FOR STABILIZATION AND DIVERSIFICATION OF AREAS AFFECTED
BY STEEL PLANT CLOSURES AND LONG-TERM ECONOMIC
DETERIORATION**

Project Title: Economic Adjustment Assistance Program-
Economic Adjustment Strategy Development

Funding Agency: U.S. Department of Commerce
Economic Development Administration (EDA)

Issuing Agency: Business Development Corporation (BDC) of the Northern
Panhandle

Contact Person: Patrick B. Ford, Executive Director
Business Development Corporation (BDC) of the Northern Panhandle
3174 Pennsylvania Avenue, Suite 1
Weirton, WV 26062
Phone: 304-748-5041
Fax: 304-748-0241
E-Mail: pford@bhbdco.org
Web Site: www.bhbdco.org

Copies of Proposal: Seven (7) copies of proposal must be submitted

USEDA Grant: The total grant funds available for consulting services is \$215,000.

Mandatory Pre-Submittal Meeting: December 16, 2009 @ 2:00 at the BDC offices in Weirton, WV.
A sign-in sheet will document attendance.

RFP Submittal Deadline: January 6, 2010 delivered no later than 4:30 PM.
Mail or deliver to BDC office in Weirton, WV.

Short-listed
Consultants
Notified: January 12, 2010

Consultants
Interview Date: January 20, 2010

Anticipated
Selection Date: January 21, 2010

Project Completion
Date: August 31, 2010

I. PROPOSAL FOR PROFESSIONAL SERVICES

The Business Development Corporation of the Northern Panhandle, in cooperation with the Brooke-Hancock-Jefferson Metropolitan Planning Commission and the U.S. Economic Development Administration, is requesting proposals for professional services from multi-disciplined consulting firms and/or consulting teams to create a strategic action plan and specific projects to implement the action plan. The projects must have specific benchmark achievements outlined in the strategic plan. The expected economic impact of the plan and projects is job growth and economic diversification. During and upon completion of this action plan, the Business Development Corporation of the Northern Panhandle (BDC) and its partners will actively apply the action plan to seek real, market-driven investments in the Northern Panhandle of West Virginia.

Interested firms must submit seven (7) copies of a Proposal for Professional Services. In order to be considered responsive, all submittals must address the following areas.

1. A cover letter of interest.
2. A listing of key personnel to be assigned to the project (organizational chart and resumes).
3. A separate list of sub-consultants and proposed relationship between the respondent and the sub-consultant.
4. Identify three projects completed by the firm that illustrate your most relevant experience to the services requested of the BDC. Include project contacts.
5. Location of office in which the work will be performed.
6. Illustrate the time commitment of each team member.
7. Describe your team approach to complete the designated tasks. Please breakdown your description by each task.

8. Indicate what you perceive as the major challenges to complete this project by the USEDAs mandated deadline and within the budget. Describe how you would manage these challenges.
9. The award from the U.S. Department of Commerce is \$200,000. A local match has been provided of \$50,000. \$215,000.00 is the amount available for contractual consulting services. Include in your proposal how you budget the \$215,000.00 to provide the services and outputs listed in the scope of work. Each of the three tasks must be identified and budgeted for in the price proposal. A price for each of the three tasks and a total project cost for each task must be stated. The priced tasks must total \$215,000. The remaining \$35,000 is for grant administration by the regional MPO (Brooke-Hancock-Jefferson Metropolitan Planning Commission).

Any individual or firm interested in submitting a Proposal for Professional Services is REQUIRED to attend a pre-submittal meeting to assure a more complete understanding of the project. The mandatory pre-submittal meeting will be held on December 16, 2009 at 2:00 p.m. at the Business Development Corporation (BDC) of the Northern Panhandle located at 3174 Pennsylvania Avenue, Weirton, WV 26062. The phone number of the BDC is 304-748-5041.

Submit all Proposals for Professional Services to Patrick B. Ford, Executive Director, Business Development Corporation (BDC) of the Northern Panhandle, 3174 Pennsylvania Avenue, Suite 1, Weirton, WV 26062. Phone number for the BDC is 304-748-5041. Submittals may be made by mail or in person and must be delivered by 4:30 on January 6, 2010. All responses must be clearly marked "Proposal for Professional Services" on the outside of the envelope.

Three to five candidates, judged most qualified by a selection committee, will be contacted on January 12, 2010 and will be asked to prepare for, and attend, a formal interview at the BDC on January 20, 2010.

II. SCOPE GOAL (for those firms selected to submit a proposal)

The proposed action strategy and related market analysis will identify detailed actions and annual benchmarks for a five-year period. The strategy must prioritize the following objectives:

- A. To create a broader and more diverse economic base;
- B. To market the area's attributes to the external world and create a regional messaging strategy;
- C. To complete projects that visibly and substantively advance our regional capacity to promote, nurture, and sustain a diverse economy;

- D. To encourage a common focus for multiple, collaborative, parallel, but not duplicative economic development efforts in West Virginia's Northern Panhandle; and
- E. To target site specific projects based upon market drivers such as demographics, ownership, the built and natural environment, and existing or planned infrastructure.

III. SCOPE OF WORK: APPROACH AND COORDINATION

The BDC requires the following three step (task) approach. To maximize the gains of the investment award from the U.S. Department of Commerce, the BDC requires a team of consultants to provide the following services:

Step 1: Preparation

- The consultant will meet with the BDC Executive Director, the BDC Executive Committee, and ex-officio BDC Board Members identified by the Executive Committee. This will constitute the project steering committee.
- The consultant will work with the steering committee to organize the process, lay out the elements of the study, build a study work plan, and finalize a deliverables schedule. Mutual expectations will also be confirmed prior to proceeding.
- The consultant will meet with the steering committee on a regularly scheduled basis to review work progress, discuss assumptions and project emphasis, and necessary project changes.
- The BDC shall coordinate and provide access to any ongoing pertinent studies. These studies include an Ohio University grant through the U.S. Economic Development Administration for 28 counties in eastern Ohio and Brooke and Hancock Counties in West Virginia titled "Ohio Appalachian Community and Business Economic Adjustment Assistance Grant."
- The BDC will also coordinate access to the environmental consultant recently hired to complete a Hazardous Substances and Petroleum Brownfields Assessment Program in Brooke and Hancock in West Virginia. The Brooke-Hancock Regional Planning and Development Council (BH), through a grant of the U.S. Environmental Protection Agency, hired an environmental engineering firm to identify, assess, and prioritize hazardous waste and petroleum sites. Work will include Phase I environmental assessments and Phase II assessments. Community and private property owner outreach is an essential work component.
- The BDC shall make available to the selected consultant all prior economic development related plans, past strategic plans, and any other studies and/or mapping products. With few exceptions, these documents are general, and create a base for further project consideration. These documents include the following publications.

Brooke County Planning Commission. Brooke County Comprehensive Plan. September 2007.

Brooke-Hancock Regional Planning and Development Council. Fiscal Year 2009-2013 Comprehensive Economic Development Strategy: Five Year Plan. December 2008.

Ghosh Engineers, Inc. Countywide Facilities Plan: Water & Wastewater System Upgrades. Brooke and Hancock County, West Virginia. April 2000.

The Saratoga Associates. City of Weirton 2000 Comprehensive Plan: Strategic Plan for Economic Transition. June 2000.

The Saratoga Associates. Industry Targeting Analysis: Three Springs Business & Industrial Park. March 2000.

Urban Design Ventures, LLC. Basic Conditions for the Certification of a Portion of the City of Weirton, Hancock County, West Virginia, as an Area in Need of Redevelopment. March 2007.

Urban Design Ventures, LLC. Redevelopment Plan for the Southern Redevelopment District: Weirton, West Virginia. March 2007.

West Virginia University. Bureau of Business and Economic Research. Brooke-Hancock Region Labor Market Study. June 2001.

West Virginia University. Bureau of Business and Economic Research. Brooke-Hancock Region Target Industry Study. October 2001.

West Virginia University Institute of Technology EDA University Center. A Preliminary Feasibility Study of Establishing a Personal Assistance Services Incubator in the Brooke-Hancock County Region of West Virginia. November 2004.

Step 2: Evaluate the region's economic strengths and weaknesses

- The consultant will catalog regional assets through an existing conditions analysis that includes, at a minimum, the following critical factors:
 - ✓ Available land
 - ✓ Existing development patterns
 - ✓ Future growth needs of existing businesses
 - ✓ Absorption rates
 - ✓ Available land resources for future development
 - ✓ Existing employee characteristics

- ✓ Historical data including per capita income, employment, and income stream.
- The consultant will rate Brooke and Hancock County against surrounding regions (i.e. Jefferson County, OH; Allegheny County, PA) in the following areas.
 - ✓ Federal-state-local incentives
 - ✓ Tax rates
 - ✓ Labor rates
 - ✓ Utility rates
 - ✓ Workforce skills and size
 - ✓ Shipping times to specific markets
 - ✓ Government cooperation
 - ✓ Availability of existing buildings and infrastructure
 - ✓ Transportation access
 - ✓ Cost of living for average family
 - ✓ Public and private schools
 - ✓ Primary quality of life indicators
- The consultant will create a regional messaging strategy that markets the area's attributes to the external world.
 - ✓ This evaluation will include a review of the BDC's current economic development promotional programs.
 - ✓ The consultant will provide specific recommendations regarding changes to these programs. The recommendations will be aimed at effectively reaching and influencing, and attracting the target industries that have been identified as best suited for Brooke and Hancock County.

Step 3: The consultant will recommend, create and carry out a detailed, step by step, project specific, and regionally consensus built action strategy for stabilization and diversification.

This action strategy will be based on the identified structured economy, and clearly defined regional strengths and weaknesses. The strategy will have annual five-year benchmarks for achievement. This step will be completed at a "building regional advantages" and "master site plan level."

Building Regional Advantages.

- **Regional Investment Plan.** The consultant will prepare a regional investment plan to focus the resources of multiple departments, agencies, and stakeholders. This plan must identify specific projects in geographic locations based on the market,

demographics, ownership, built and natural environment, and infrastructure. The plan will identify and rank specific sites that readily lend themselves to occupancy or development. Each site ranking will include a listing of constraints and assets.

- **Commercial/Industrial Synergies Initiative.** The consultant will define in detail how the BDC can align economic development initiatives at the regional and local levels. Substantiated through existing and evolving targeted industry information, this effort should point out new business development opportunities/synergies optimally suited to locate in Brooke and Hancock County.
- **Economic Development Focus Proposal.** The consultant will prepare a detailed best practices approach to encourage a common focus for multiple, collaborative, parallel, but not duplicative economic development efforts in the Northern Panhandle.
- **Chamber of Commerce Focus Proposal.** The consultant will prepare a detailed best practice approach to align area Chambers of Commerce so they may effectively work together on a regional basis.
- **Tracking Long-Term Regional Success Proposal.** The consultant will prepare a BDC tracking program to objectively evaluate current and future economic development activities using demographic, economic and other metrics.

Master Development Site Plan Level

This economic adjustment strategy includes a strong implementation component. Based upon the regional investment plan and ranking of sites, the consultant will prepare a master development site plan for several highly rated sites. A master development site plan will explain in detail how a site should be developed, existing constraints, and what community facilities should be provided.

A master development site plan will provide clear and consistent advice for potential developers and expedite the BDC's return on investment.

A master development site plan will quantify costs associated with improving any land resources needed to support industrial growth.

The consultant team must include professional engineering services for the layout of the business/industrial parks and preliminary engineering and design (to include new streets, water lines, sanitary sewers, storm sewers, and landscaping).

The consultant team must provide engineering services to the BDC for implementation of the recommendations of the economic adjustment strategy. The engineer must produce one set of documents with preliminary engineering, design, and lot layout for TWO (2) business/industrial parks in the Northern Panhandle. The documents will include plans for demolition and grading in addition to the preliminary engineering and design services. The consultant team will be responsible for all data collection and review, field survey,

coordination with public and private agencies and utilities, and coordination with the BDC team.

Specifically, the scope of work for the required engineering services must include the following elements.

1. Field Survey, scaled schematic layout of the site and base map with topography
2. Utility Investigations including both on-site and off-site water, sanitary sewer, gas, electric and storm sewers.
3. Preliminary Design
 - a. Perform engineering services
 - b. Provide water, sanitary, and storm sewer plans
 - c. Site grading, erosion control plan, preliminary road profiles, site drainage calculations and storm sewer design.
 - d. Traffic improvement plans
 - e. Landscaping layout plan for planting in the right-of-way
 - f. Preliminary design drawings for site preparation and public improvements
4. Preliminary construction cost estimates

IV. NEED AND BACKGROUND

Located in the northern panhandle of West Virginia, the Brooke-Hancock region (population 53,850) was nationally recognized for steel manufacturing from 1900 to 1981. The nationwide decline in steel manufacturing in the 1980s had a major impact on the region's economy. In 1960, there were nearly 30,000 employees in primary steel jobs. By 2007, there were fewer than 5,000. The median household income in Brooke and Hancock Counties has consistently been more than 20 percent below the national median income. The percentage of elderly residents has increased to 150 percent above the national average. Many brownfield sites in the counties are unsecured. Potential groundwater contamination and public health issues pose serious concerns for area residents.

The need for the project is based upon the following factors.

- A deteriorating steel industry and the extreme lost of jobs
- A 25-year legacy of population loss
- Imbalanced age distribution
- A medium household income significantly below the national level

Declining Steel Industry and Extreme Lost of Jobs

The unemployment and the economic issues of Brooke and Hancock County are best understood by the following chronological newspaper articles.

January 7, 2006. In *Weirton Daily Times*, Mittal Steel USA's Weirton plant, general manager Brian James stated in total, about 850 jobs will be lost once all layoffs are complete"

February 2, 2006. *Herald Star* in article "Weirton sheet mill to close" states "The sheet mill which produces galvanized steel products at Mittal Steel USA-Weirton, will be shut down in the near future, ending the jobs for 75 more plant employees."

June 26, 2006. *Herald Star* in article "Pending deal leaves questions" states "The Independent Steelworkers Union at Mittal Steel USA – Weirton is looking for answers to the future of the Weirton mill with the pending merger of Mittal with No. 2 steelmaker Arcelor SA."

August 2, 2006. *Herald Star* in article "Mittal's hand may be forced. Company could be ordered to sell Weirton facility" states "While Mittal Steel is posting a \$1 billion profit word-wide for the second quarter, the fate of the mill lines in Weirton may be decided by the Justice Department in the near future. At issue are Dofasco tin capacity in Canada as well as Weirton and the tin mill at Sparrows Point, Md. Mittal reported its net profits of \$1 billion today, a day after the Justice Department filed suit in U.S. District Court in Washington to block Mittal's \$33 billion merger with European steel giant Arcelor if Mittal does not divest itself of tin capacity in North America."

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 used 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 Arcelor Mittal 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 Arcelor Mittal."

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 Arcelor Mittal 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 Arcelor Mittal 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 Arcelor Mittal 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 Arcelor Mittal 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.”

The economy of the Brook-Hancock Region has been heavily reliant upon manufacturing for the past 80 years. The U.S. Bureau of Economic Analysis reported that 66% of all wages for the region in 2000 were derived from this sector. Due to the area's heavy dependence upon the manufacturing industry and its relative lack of diversification, there is a critical and growing concern for the region's viability.

Over the past year, regional economic events illustrate the changing undertow of the world economy and its impact upon a vulnerable regional economy. Weirton Steel entered 2004 as an employee owned company. By February, Weirton Steel was bought by ISG, a Cleveland-based company with plants in ten states, including facilities in Cleveland and East Chicago that make flat-rolled steel. In late October, ISG released plans to merge with ISPAT International, a Netherlands-based steel giant, and form Mittal Steel. The merger made Mittal, and its Weirton subsidiary, the largest and most global steel company in the world.

The commitment of the international steel market to the growth and well-being of the region is highly suspect. Illustrative of this economic volatility and its ripple effect is the following headline synopsis of newspaper headlines for the January through June 2005 period.

25-Year Legacy of Population Loss.

The Brooke-Hancock Region registered population losses in each of the last two Census counts with an average rate of decline of 0.8% per year from 1990 to 2000. The Steubenville-Weirton MSA ranks last in population growth among the 331 MSAs throughout the United States.

Imbalanced Age Distribution

The age distribution of the Brooke-Hancock Region's population is weighted toward older age groups with Brooke County ranking seventh highest among West Virginia's 55 counties, and Hancock County ranking fourth highest. The region suffered a large drop in residents under the age of 45 during the 1990s with the number of residents in that age group falling by over 6000 from 1990 to 2000.

Income Below the National Average

The Steubenville-Weirton MSA had the slowest growth rate in local area personal income of the seven MSAs in West Virginia.