



Nitro

A Plan for Moving the City Forward

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Prepared for Nitro Ad Hoc Strategic Planning Group
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Prepared for

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Nitro – A Plan for Moving the City Forward

Nitro has undergone many changes since it originated as the result of the Deficiency Appropriations Act in 1917. The city was named for Nitro-Cellulose, the type of gunpowder produced at the facilities. It was eventually incorporated in 1932.

Throughout much of its history, the economy of the city has focused on industrial activity. However, in recent years, manufacturing has decreased, making it necessary for the city to reinvigorate and refocus its economic development efforts.

Since 2011, an *ad hoc* group began meeting to discuss alternatives for development activities for the city. The participants ranged from city council members to board members from the development agencies to interested business owners to concerned citizens.

The group met several times during the summer and fall of 2011. A presentation of its findings was shared during a “Business After Hours” for the Nitro Chamber of Commerce in November 2011.

The group reconvened in July 2012 to evaluate its progress and determine what work was still needed. In the interim, the council member who had initiated the process had been elected mayor. This information was reviewed and an economic profile provided in a December 2012 meeting.

This report summarizes the discussions that came out of the sessions of the *ad hoc* group, provides updates to the economic profile, and makes recommendations for action by the city. It is hoped that the information contained herein will be useful to city officials and the reinvigorated Nitro Development Authority.

Situation Statement

Nitro is a Class III city in West Virginia. Its population was 7,178 in 2010. This was down from the peak population of 8,074 in 1980. But it represented a slight increase from the decade before, in part because the city annexed some territory in late 2000 which brought its size to 4.27 square miles.

The city is split between Kanawha and Putnam counties. Nearly 85 percent of its population (6,022) and over 78 percent of its land area (3.35 square miles) is in Kanawha County.

The largest major sectors of the local economy for Nitro and vicinity (Zip Code 25143) in 2010 were Retail Trade (NAICS 44-45), Construction (NAICS 23) and Wholesale Trade (NAICS 42). Each had approximately 10 percent of the area’s workforce. Meanwhile, several major sectors had location quotients greater than 2.0 – meaning they provided twice as many jobs in the local economy as would be expected based upon the size of that sector in the state economy. These included Wholesale Trade (NAICS 42), Transportation and Warehousing (NAICS 48-49), Real Estate and Rental and Leasing (NAICS 53), Management of Companies and Enterprises (NAICS 55), Educational Services (NAICS 61), and Other Services (NAICS 81).

Interestingly, Manufacturing (NAICS 31-33) was neither a large nor meaningful component of the local economy. It ranked sixth among major sectors in employment and it had a location quotient of less than 1. Some subsectors within Manufacturing were important. Most noteworthy was Chemical Manufacturing (NACIS 325). It had 3 percent of the local employment and a location quotient of just under 2.

(For more detailed information on the local demographics and economic situation, see the report “Nitro, West Virginia’s Economic Structure” by Daniel Eades of the WVU Extension Service, distributed in December 2012.)

Thus, today, Nitro faces challenges that are the result of its history and the economic history of the region and the nation. The city was originally established as an ordinance manufacturing facility for World War I. It fulfilled a similar role during World War II. It then transformed into a center for chemical manufacturing, as did much of the Kanawha Valley during the 1950s, 1960s, and 1970s.

Even though the city was located (mostly) in the same county as the state’s largest city and capital, it had a vibrant local economy during that time. There were residential neighborhoods with owner-occupied houses throughout the city. The downtown was filled with small business and stores which served the residents. There were several public schools, in the Kanawha County part of the city, serving city children as well as those from nearby areas. There was an active industrial support of community activities.

However, increased environmental regulations and global opportunities led to the decreased dominance of the domestic chemical industry in the 1970s. At the same time, the completion of Interstate 64 in the Charleston area changed transportation patterns. These disruptions led to changes for Nitro – many of which were negative.

The population of the city began to decrease and became older. As a result, schools were closed and property upkeep became problematic in some places. The new highways enabled people to shop elsewhere, eventually leading to the decline in local businesses and to increased sprawl. The new interstate highway provided multiple points of entry to the city, but only one (the western-most exit and the only exit in Putnam County) was marked as serving Nitro. They also helped to divide the city into three different parts, separated by “walls” which can make getting from one part of the city to another without leaving the city difficult if not impossible. Finally, the chemical and related plants that closed sometimes left behind scarred and charred facilities containing hazardous wastes.

Of course, these challenges have also presented Nitro with opportunities. The city has a rich and interesting history because of the purpose for its creation. It offers recreation options with the City Park adjacent to the Kanawha River, Ridenour Lake, and Mardi Gras Casino. These also make the city an attractive spot for visitors. The city is accessible, not only by Interstate 64 but by State Route 25 which traditionally was the main connection from Charleston to South Charleston, Dunbar, Institute, and Nitro. These connections led to the placement of the Nitro Marketplace – a regional shopping center with room for expansion.

Nitro has other assets as well. Property is affordable, especially given its locational accessibility. It is relatively safe with a low crime rate. It will benefit from replacement of the St. Albans-Nitro Bridge (which crosses the Kanawha River and connects WV 25 and US Route 60). It has interested citizens involved in civic, church, and other organizations. Related to this, Nitro has in place governmental structures to help with development activities – such as the ad hoc group that initiated the consideration of these matters, a locally-focused convention and visitors’ bureau, a revitalized city development authority, and an increasingly interested city council.

Already, the city has begun efforts to make it more attractive for development. It has started to focus on ideas and concepts to improve and enhance Nitro’s image, both internally and externally. A streetscape improvement program has begun downtown. The visitors’ bureau and development authority hired a shared director. And the city has continued its strategic annexation efforts, most recently creating a buffer zone around a large employer serving the city (but located in an unincorporated area) in an unorthodox move to prevent other jurisdictions from attempting to “take in” the industrial site.

These efforts seek to overcome the challenges faced by the city as it seeks to change its course of development. The incorporation of a city over two counties adds a layer of complexity – and potential jurisdictional confusion. Highway construction and annexations have created a disjointed city layout. Most critically, industrial decline and municipal disagreements have created an inertia of inactivity and a culture of negativity within Nitro that must continue to be addressed directly.

Recommendations for Action

With all of this background information known, the question then becomes what should the City of Nitro do to improve itself and its development potential. To that end, the following recommendations are made.

- Transform Conflict into Consensus
- Focus on Community Aesthetics
- Improve Infrastructure
- Undertake Planning for Tomorrow
- Focus Development Efforts

More detailed discussion on each of these recommendations and how to implement them follows.

Transform Conflict into Consensus

It should be readily apparent from the discussion herein that Nitro has a lot of untapped potential. Unfortunately, there is not a general consensus in the city on what is the desired route to reach that potential. Until there is a shared vision on the future for the city, it will be difficult for Nitro to truly move forward.

First and foremost, the city must discern to what degree those who seemingly oppose almost every action of the city are doing so in the name of the public interest and to what degree they are doing so in the name of personal interest. It is appropriate to suggest different courses of action that that could benefit the city as a whole. Conversely, it is not appropriate to suggest different courses of action because of personal disputes and disagreements.

The city needs to control the discussion about itself and its future. Residents should be invited – and encouraged – to participate in the dialogue. The process to gather public input will take many forms. But regardless of how comments are made or received, they should not be ignored. Instead, the city must have a transparent process in place to deal with them. Those concepts and ideas which have merit should be pursued. Meanwhile, baseless statements which have no purpose but to discredit the city need to be refuted. By keeping the focus on the city and how to make it a better place, commenters who provide constructive feedback will be seen as moving the process forward while those who only make unreasonably negative comments will eventually be exposed as obstructionists.

This is not to say that work is not being done in trying to pull everything together. In the past two years, advisory panels have been created to hear citizen and stakeholder voices, committees formed to market the city, and boards strengthened to provide feedback and ideas.

Nevertheless, the effort to overcome potential problems needs to start immediately and it will need to be done continuously. The negative perceptions of the city and negative feelings are not new. They will not be fully overcome without a substantial effort. But it is a necessary step to create an environment to reach a community consensus.

Once some common ground has been found and cohesion achieved, Nitro can begin the process of creating a vision. Again, various means of public input will need to be used. As part of this, there will need to be informal workshops and informational meetings. The goal will be to create parameters to guide future city efforts. It is thought that the city may be ready for these within one year of the beginning of its concerted effort to “turn around” negativity.

Focus on Community Aesthetics

Nitro needs to update and upgrade its visual appeal. The downtown streetscape project is a significant first step to reshaping the appearance and the image of Nitro. It has begun the transformation of the main shopping and service center of the city. This is a great start – and other work is already happening. Funding is being sought to expand the streetscape project. The adopt-a-block program and citizens on

patrol efforts are making the city a nicer and safer place. Also, the city continues to maintain the state highway and railroad rights-of-way so they do not become problem areas.

Still, work remains to be done in Nitro on appearance issues. Some residential neighborhoods are not as attractive as they once were during the city's boom years. Likewise, business relocation and closures have led to deterioration of some commercial properties. Many older industrial properties, especially those associated with the manufacturing and chemical industries, are in need of being repurposed and in some cases, mitigated from what remains of the past use of the properties. Finally, signage telling people what exists and how to find it is still lacking in some parts of the city. Such signs need to be functional and can provide a cohesive theme to unify the community.

Improve Infrastructure

Likewise, the systems underpinning the city need work. That means infrastructure and much of that is roads – particularly Interstate 64 and WV Route 26 in Nitro.

The different ramps of the Nitro interchange on Interstate 64 (Exit 45) had an average daily traffic (ADT) count between 4,700 and 5,700 in 2011. An average of 54,000 vehicles daily traveled between the St. Albans interchange (Exit 44) and the Nitro interchange. Similarly, an average of 55,000 vehicles daily traveled between the Nitro interchange and the Cross Lanes interchange (Exit 47). Traffic between Cross Lanes and the Institute interchange (Exit 50) averaged 61,000 vehicles per day. Traffic on the exit ramps ranged from just under 2,000 ADT to over 8,000 ADT, with the higher traffic volumes in the direction which would take drivers toward Nitro. Meanwhile, traffic on WV Route 26 – First Avenue – the main surface street through the city, averaged slightly more than 14,000 vehicles per day in both the southern part of the city (Kanawha County) and 14,800 in the northern part of the city (Putnam County) in 2010.

While the system to get traffic into and around Nitro performs well, the system to move people through the city has issues. The description of the city as different parts separated by “walls” is all too appropriate as it is sometimes necessary to leave the surface streets (and even the city limits) to get from one part of the community to another. The lack of internal directional signage – as well as signs indicating entrances into the city from the Cross Lanes and Nitro interchanges – make navigation difficult. This could be ameliorated with assistance from the WV Department of Transportation (Division of Highways).

Overall, the quality of the roadways is generally high, with the state continually working on the highways and making capital improvements such as the replacement of the St. Albans-Nitro Bridge and repaving of state routes. Meanwhile, the city undertakes a regular paving schedule for its own street system.

Other parts of the infrastructure are provided by a variety of commercial and municipal entities. Appalachian Power provides electricity, Columbia Gas provides natural gas, West Virginia-American Water Company provides water, Frontier provides telephone service, and Suddenlink provides cable television. The latter two also offer high speed Internet service. The city operates the sewer system,

provides municipal solid waste disposal, and has worked to provide “WiFi” Internet access in the central business district and at Riddenhour Lake. The city also maintains public facilities, buildings, and parks.

The most immediate needs are for the city to maintain current beautification and infrastructure service levels. This will entail working with local groups on clean-up and state officials on roads. This will mean making sure all of the utility providers remain able to provide needed services. This also requires the city to find sufficient funding sources to further these activities.

Once this is accomplished, the most pressing need is for the directional signage in and around Nitro to be upgraded. This means in the short run creating “way finder” signs within the city, in the short-to-medium term working with the Division of Highways to get better signage on the Interstate highway, and in the long-term trying to create better intra-city through routes to connect the different parts of Nitro with one another.

Undertake Planning for Tomorrow

Many of the issues that Nitro is currently facing can be traced back to one issue – a lack of foresight on the part of the city. The city enjoys touting its status as a “Living Memorial to World War I.” It is good to have a historic and heroic past. However, since what eventually became the city was laid out to support a war effort almost a century ago, the focus has too often been on the past rather than the future.

This is not to say that there has not been some foresight in actions by Nitro. There has been the streetscape project which involved both preparatory planning and finding financing. There has been an expansion in the number of festivals. There has been the creation of new boards and advisory committees. There has been the creation of slogans and mottos to promote the city. And of course there has been this effort at economic development strategic planning.

All of these efforts though have been somewhat disconnected. There does not appear to be an all-encompassing, city-wide effort, nor are project or organizational plans linked to the larger city, county, or regional plans. These issues need to be corrected. The first step would be for the city to undertake a comprehensive planning process. This is critical since the comprehensive plan provides the legal foundation for the city’s zoning ordinance. Thus it should be done as soon as possible, if not immediately.

Once the comprehensive planning process is complete, other planning activities should be undertaken as needed or as resources permit. The planning should also consider and reference other plans that exist. Thus, project plans should consider the comprehensive plan. Development plans should consider the strategic plans of the Kanawha County Regional Development Authority and the Putnam County Development Authority. Recreation and tourism focused plans should consider what other agencies and regional convention and visitors’ bureaus are doing. And all plans should consider the activities of the Regional Intergovernmental Council.

Focus Development Efforts

Development in Nitro must focus on what is appropriate for the city now and in the future. To do this, the city cannot be tied to history but rather it must make decisions based on current data and assets.

As discussed in the introduction, there are six main industrial sectors in the Nitro area (Zip Code 25143) where the location quotient (LQ) based upon state employment data is greater than 2.0 – meaning the city has twice as much employment in those sectors than would be expected. Three of those sectors also have a relatively high proportion of the employment in the city and its vicinity. They are Wholesale Trade (NAICS 42) with 10% of employment and an LQ of 2.33; Other Services (NAICS 81) with 9% of employment and an LQ of 2.50; and Transportation and Warehousing (NAICS 48-49) with 8% of employment and an LQ of 2.66. It is these three sectors where the city should focus development activities.

The location of the city along Interstate 64 (and close to Interstates 77 and 79) works to the benefit of two of these industrial sectors as well. Both Wholesale Trade and Transportation and Warehousing benefit from the highway access. Meanwhile, Other Services includes a lot of repair and personal services that would benefit city residents, demonstrating there is a strong local market for such activities, even given the city's proximity to other places and larger places. Many of these firms would be good fits for the downtown area as the streetscape projects remakes that area.

It should be noted that the city has a large retail trade sector. However, even though more people are employed in Retail Trade (NAICS 44-45) than any other sector in the city area, the sector of the economy is smaller than expected. Given the presence of two regional shopping malls less than half an hour from the city as well as the presence of other, larger retail locations throughout the region, focusing on this sector would not be beneficial.

An exception to this would be niche retail activities associated with the presence of multiple antique dealers in the downtown area. This presence of so many similar stores is something which could be built upon and supported by ancillary development and enterprises. Furthermore, the combination of all these related businesses in a relatively small mall area could become an attractor to bring people to Nitro.

Additionally, Nitro needs to better use its existing assets –its history, its museums, its festivals, its parks, and its river access (the Kanawha River) as attractors. To that end, specialized development activities should be undertaken.

Overall, the city should focus use its recruitment and business creation programs to create an economic development strategy around these sectors and assets. Planning for such should begin as soon as possible.

Closing Comments

Nitro has a lot of positive aspects. Historically, however, those assets have been underutilized and those opportunities under-explored. Disagreements and discord have been the rule, causing problems and destroying potential.

It is now a different time, however. The city is in position to put all that behind it and move forward. It can do so by following the five basic recommendations contained herein: (1) Work together; (2) Beautify the city; (3) Upgrade systems; (4) Plan for tomorrow; and (5) Focus development. If the city does these things, Nitro should be a better place – now and in the future.

(A more detailed examination of the city's economic structure appears in the appendix to this report.)

Appendix 1: Nitro’s Economic Structure

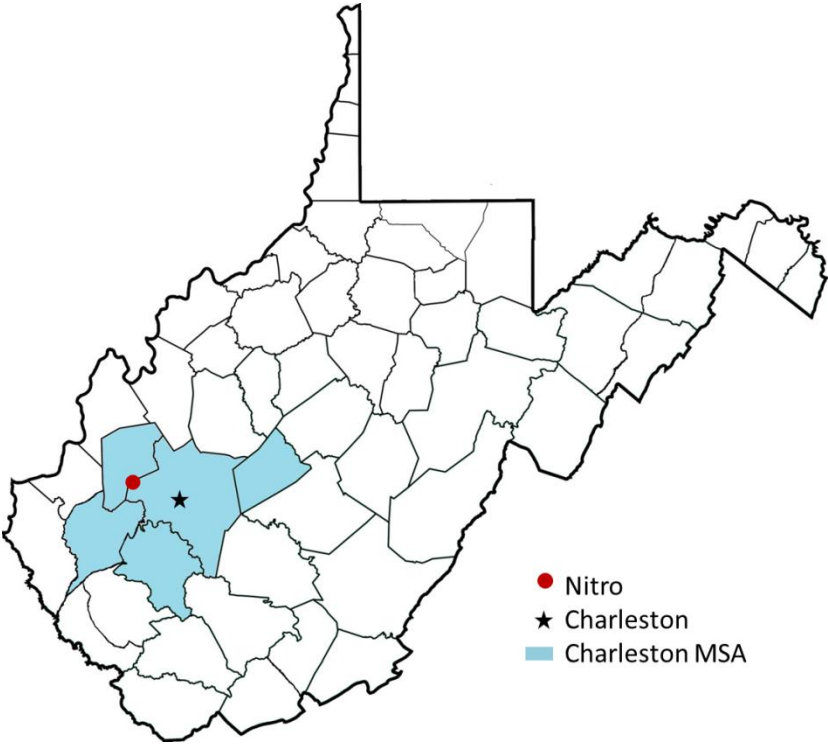
Daniel Eades, Extension Specialist, WVU Extension Service

Introduction

This report profiles the demographic and economic trends in Nitro, WV and the surrounding region, describes and estimates the city’s export base, and indicates industry sectors that Nitro might consider for retention and expansion as it works to strengthen its economy.

Nitro, WV is an incorporated city in the Charleston Metropolitan Statistical Area and part of greater Metro Valley region (Map 1). The city straddles Kanawha and Putnam Counties and has strong economic ties to the city of Charleston. Located along the I-64 corridor, the community can be accessed from several exits, making it a desirable location for business and industry, and families who work in Charleston and the surrounding communities.

Figure 1. Nitro, West Virginia and Surrounding Region



The city was established during World War I as manufacturing complex for the production of gunpowder. Site selection by War Department engineers was based on the region's favorable climate, access to rail and water transportation, and availability of raw materials; many of these factors continue to influence the region's economy. By the end of the war the "community" not only produced 350 tons of smokeless gunpowder but was home to nearly 24,000 residents, an independent school system, full-time emergency services, and recreational amenities. Following the war's end the community was purchased by the Charleston Industrial Corporation which marketed its unused industrial sites and infrastructure to new industries further solidifying the community's manufacturing base¹.

Today, Nitro is home to approximately 7,000 residents comprising 2,800 households (Table 1). Although the median age for the city is 35, versus 41 for the state, the percentage of residents 65 and older is comparable to the state average, suggesting the community's desirability both for young families and retirees. Nitro's residents are, on average, more educated than the rest of the state. The percentage of the city's population with a bachelor's degree or greater education attainment (19.0%) was greater than the state rate (17.3%), but significantly below the national rate of 28 percent. However, high school attainment rates (87.4%) were greater than either the state or national rates. These trends in education attainment are likely reflective of the community's industrial heritage which required a skilled, but not necessarily "educated" workforce.

The community appears to have fared better during the Great Recession than the rest of the country. Average unemployment (5.4%) was significantly lower than the state (7.1%) or nation (7.9%). Median household income (\$40,000) was slightly higher than the state average (\$38,000), and the poverty rate (13.6%) was below both the state and national averages. Housing costs in the community are mixed depending on whether the household rents or owns. Approximately 70 percent of occupied homes in Nitro are owner occupied. Median monthly home ownership costs (\$805) were significantly lower than the national average (\$1,524) and would be accepted as "affordable²," especially when compared to national prices. In dollar terms, renters in the community paid less for their housing than home owners, but generally devoted a larger percentage of their income (38.5%) to housing costs.

¹ Community history taken from Wintz, William D. *Nitro: The World War I Boom Town, an illustrated history of Nitro, West Virginia and the land on which it stands*. Jalamap Publications, Inc. South Charleston, WV. 1985.

² The definition of "affordability" is ambiguous; however, most public programs recognize "housing-cost burden" as housing-cost expenditures in excess of 30 percent of household income.

Table 1. Selected Socio-Economic Characteristics of United States, West Virginia, and Nitro, WV

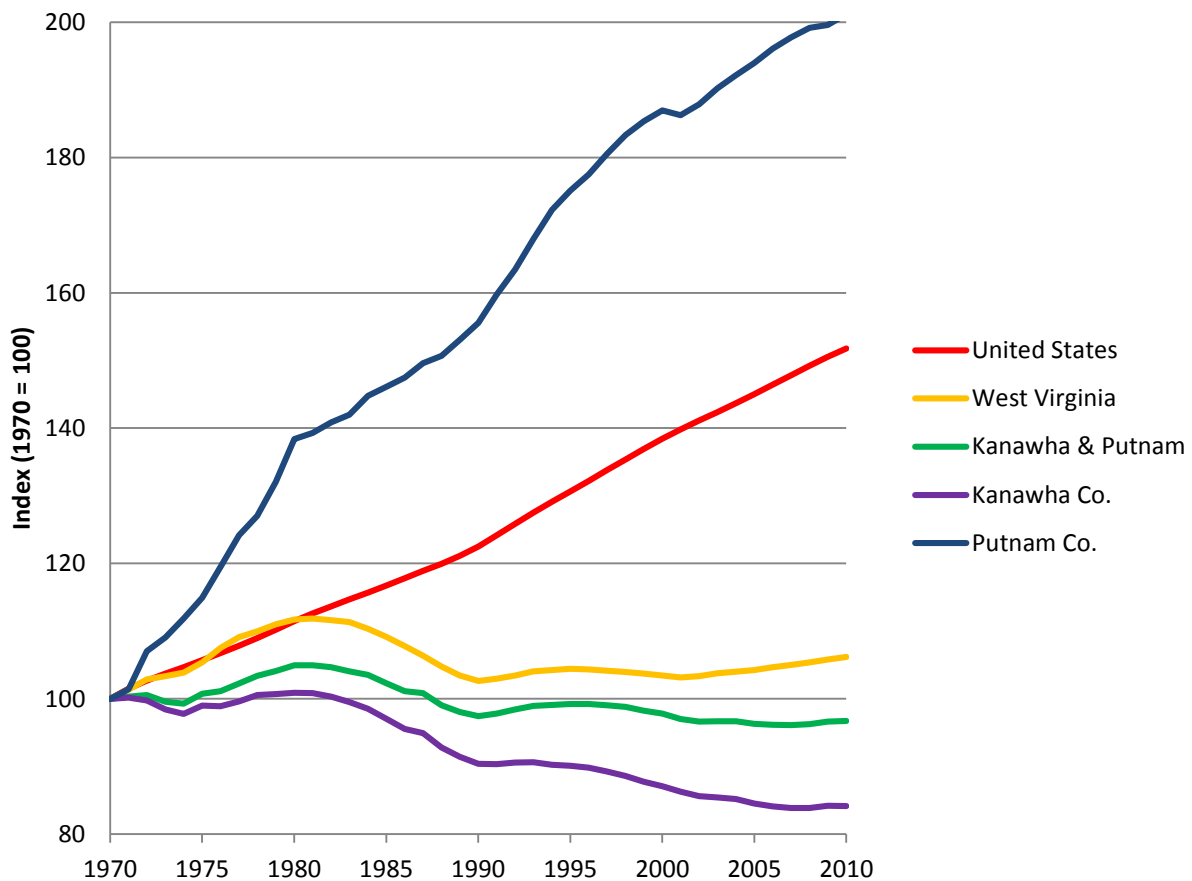
	United States	West Virginia	Nitro
Population (2010)	308,745,538	1,852,994	7,178
Population Growth (2000 - 2010)			
Total Change	27,323,632	44,650	354
Percent Change	9.7%	2.5%	5.2%
Socio-Economic Characteristics			
Total Households	114,235,996	740,874	2,867
Family Households	66.8%	66.1%	65.4%
With Children Under 18	30.6%	25.4%	30.3%
Nonfamily Households	33.2%	33.9%	34.6%
65 Years and Over	9.3%	11.9%	12.3%
Percent of Population 65 years +	12.7%	15.8%	16.2%
Percent of Population Non-White	23.9%	4.3%	5%
Percent of Population Hispanic or Latino	15.7%	1.1%	1.9%
Population 25+ with high school degree or greater	85.0%	81.9%	87.4%
Population 25+ with bachelor's degree or greater	27.9%	17.3%	19.0%
Median Household Income	\$51,914	\$38,380	\$40,322
Poverty Rate (All people)	13.8%	17.4%	13.6%
Occupied Housing Units	66.6%	74.6%	69.2%
Owner Occupied	1,524	914	805
Median Monthly Owner Costs (Units with Mortgage)	\$1,524	\$914	\$805
Ownership Costs as % of Household Income	37.6%	25.0%	17.3%
Renter Occupied	33.4%	25.4%	30.8%
Median Monthly Rental Costs	\$841	\$549	\$634
Rental Costs as % of Household Income	50.8%	47.8%	38.5%
Unemployment Rate (2006-2010 avg.)	7.9%	7.1%	5.4%

Source: U.S. Census Bureau, Decennial Census and ACS 5-Year Estimates. Available online: <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>

Population and Economic Trends

Between 1970 and 2010 the U.S. population increased 52 percent (Figure 2). West Virginia's population over the same period remained relatively stable growing only 6 percent; most of this growth was in the north central counties, especially Monongalia, and the border counties of the Eastern Panhandle. Population change in the Metro Valley was mixed: The combined population of Kanawha and Putnam saw a three percent decline in population; however these declines were overwhelmingly concentrated in Kanawha County which lost more than 36,000 residents (-16%). Putnam County in fact saw population double (+101%) growing by nearly 28,000 residents. Trends for the city of Nitro were most similar to Kanawha County; the U.S. Census recorded a ten percent decrease in population between 1970 and 2010, from 8,019 residents to 7,178 (U.S. Census Bureau).

Figure 2. Population Indices: United States, West Virginia, Kanawha and Putnam Counties, 1970 -2010

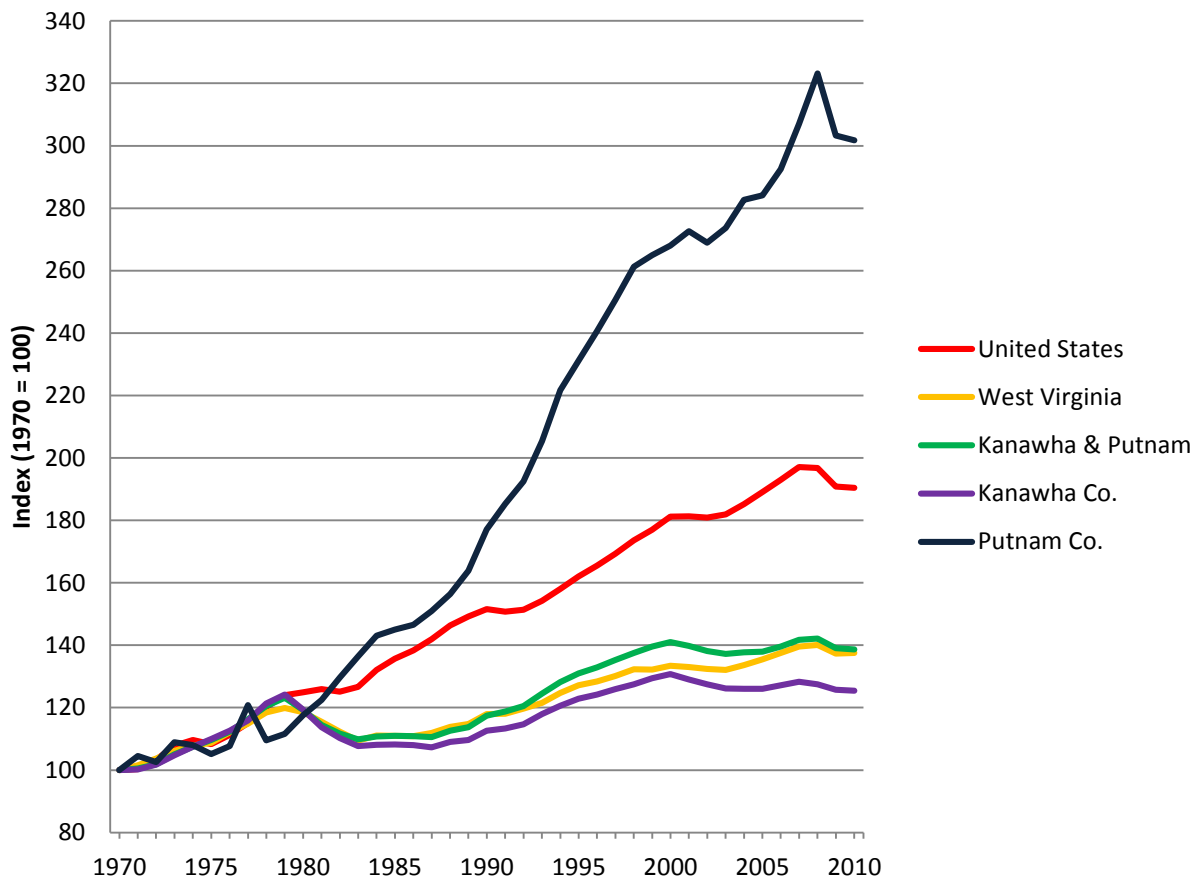


Source: Bureau of Economic Analysis. Local Area Personal Income and Employment. Table CA25N: Total full-time and part-time employment by NAICS industry.

When discussing economic trends and a community’s economic resiliency, the most common indicator is employment (Sorte 2004). Employment data in this report come primarily from the United States Bureau of Economic Analysis (BEA). BEA employment data include both full and part-time jobs by place of employment, not worker residency. Because the data are jobs and not workers, individuals holding more than one job are counted twice.

Employment in all regions followed trends similar to population. Employment in the United States increased 90 percent (Figure 3) between 1970 and 2010. Employment growth in West Virginia and the Metro Valley was significantly lower increasing approximately 38 percent in both regions. As with population, the bulk of the region’s employment gains occurred in Putnam County. Between 1970 and 2010 the number of jobs in the county more than tripled, from approximately 7,000 to more than 25,000.

Figure 3. Full and Part-Time Employment Indices: United States, West Virginia, Kanawha and Putnam Counties, 1970 -2010



Source: Bureau of Economic Analysis. Local Area Personal Income and Employment. Table CA25N: Total full-time and part-time employment by NAICS industry.

Recent changes in industry sector employment for the two-county region and the state are presented in Table 2. Although specific sectors (health care and social assistance; manufacturing) reported large increases and decreases in employment, the economic structure of the economies remained mostly stable.

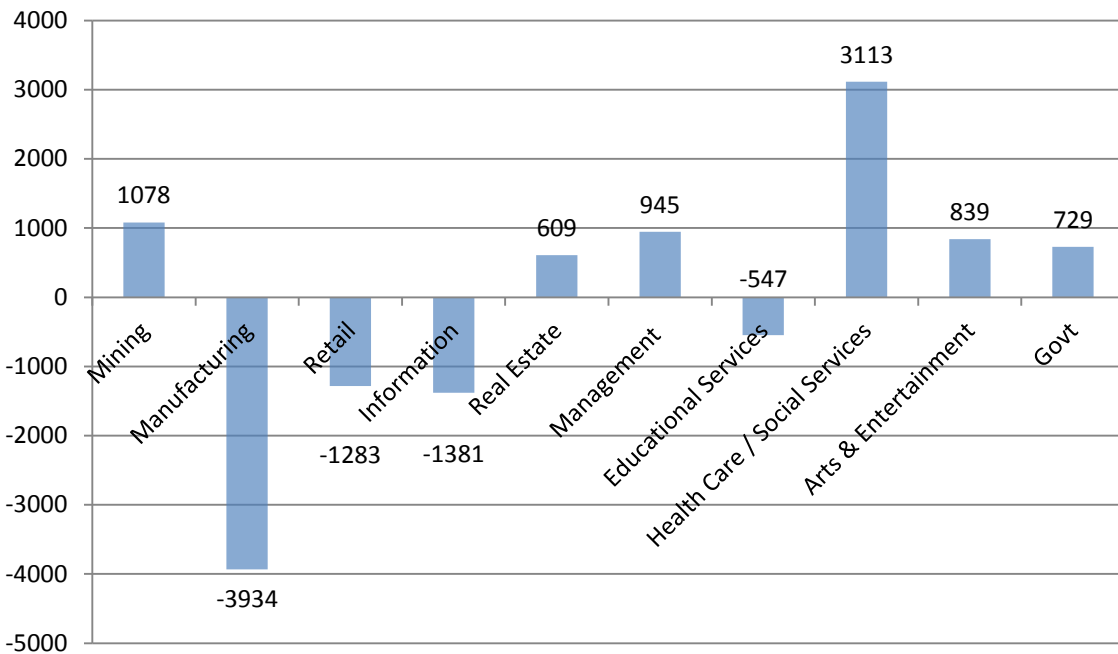
Table 2. Kanawha & Putnam Counties, and West Virginia Employment Changes, 2001 to 2010

Sector	Kanawha & Putnam				West Virginia			
	2001		2010		2001		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total employment	158,953	100%	157,635	100%	877,543	100%	907,301	100%
Wage and salary employment	139,339	88%	135,019	86%	726,694	83%	738,137	81%
Proprietors employment	19,614	12%	22,616	14%	150,849	17%	169,164	19%
Farm proprietors employment	740	0%	787	0%	21,560	2%	20,976	2%
Nonfarm proprietors employment	18,874	12%	21,829	14%	129,289	15%	148,188	16%
Farm employment	830	1%	813	1%	23,499	3%	22,284	2%
Nonfarm employment	158,123	99%	156,822	99%	854,044	97%	885,017	98%
Private nonfarm employment	132,904	84%	130,874	83%	705,442	80%	723,098	80%
Forestry, fishing, and related activities	165	0%	94	0%	3,895	0%	2,864	0%
Mining	3,148	2%	4,226	3%	28,022	3%	39,832	4%
Utilities	1,658	1%	1,363	1%	6,960	1%	5,797	1%
Construction	9,587	6%	9,794	6%	50,781	6%	47,945	5%
Manufacturing	9,475	6%	5,541	4%	74,365	8%	51,810	6%
Wholesale trade	6,860	4%	6,302	4%	26,182	3%	24,909	3%
Retail trade	18,134	11%	16,851	11%	110,168	13%	106,009	12%
Transportation and warehousing	5,218	3%	4,675	3%	25,727	3%	24,766	3%
Information	4,124	3%	2,743	2%	15,191	2%	11,891	1%
Finance and insurance	7,764	5%	7,920	5%	27,566	3%	28,605	3%
Real estate and rental and leasing	4,069	3%	4,678	3%	19,451	2%	24,472	3%
Professional, scientific, and technical services	9,347	6%	9,493	6%	34,555	4%	37,837	4%
Management of companies and enterprises	621	0%	1,566	1%	3,009	0%	6,018	1%
Administrative and waste management services	9,896	6%	9,472	6%	39,771	5%	41,292	5%
Educational services	2,726	2%	2,179	1%	11,773	1%	12,675	1%
Health care and social assistance	19,181	12%	22,294	14%	104,274	12%	120,494	13%
Arts, entertainment, and recreation	2,103	1%	2,942	2%	13,052	1%	15,725	2%
Accommodation and food services	10,231	6%	10,333	7%	58,280	7%	67,165	7%
Other services, except public administration	8,629	5%	8,408	5%	52,420	6%	52,992	6%
Government and government enterprises	25,219	16%	25,948	16%	148,602	17%	161,919	18%
Federal, civilian	2,494	2%	2,319	1%	21,243	2%	24,474	3%
Military	1,424	1%	1,370	1%	10,126	1%	9,997	1%
State and local	21,301	13%	22,259	14%	117,233	13%	127,448	14%
State government	11,437	7%	11,724	7%	45,491	5%	50,541	6%
Local government	9,864	6%	10,535	7%	71,742	8%	76,907	8%

Source: Bureau of Economic Analysis. Local Area Personal Income and Employment. Table CA25N: Total full-time and part-time employment by NAICS industry.

Sectors recording the largest gains and losses in employment (more than 500 jobs) in the two-county region are presented in Figure 4. The largest decrease in employment occurred in manufacturing (3,934); however many of these job losses were offset by gains in the health care sector (3,113).

Figure 4. Employment Change in Kanawha & Putnam Counties, 2001-2010



Source: Bureau of Economic Analysis. Local Area Personal Income and Employment. Table CA25N: Total full-time and part-time employment by NAICS industry.

As noted previously, the bulk of employment losses were in Kanawha County. The largest decrease in employment was in manufacturing which declined 51 percent between 2001 and 2010. This loss totaled 3,600 jobs, nearly all of the sector’s loss in the two-county region. Other Kanawha County sectors reporting substantial losses included the information (-40%) and retail trade (-10%) sectors both of which declined by approximately 1,500 jobs. The largest losses in Putnam County were observed in the transportation and warehousing sector, and manufacturing, which lost 453 and 283 jobs, respectively.

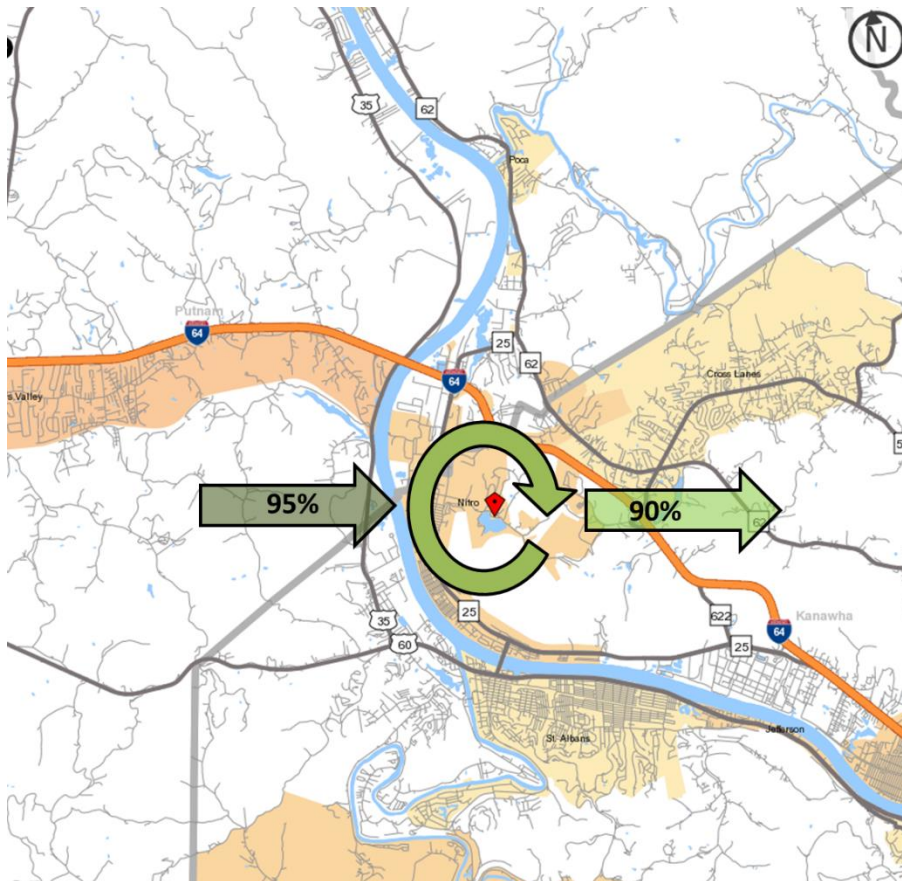
Putnam County saw employment gains in nearly all sectors, the largest in health care (522) and real estate (495). Kanawha County’s largest gains were in health care (2,591), management of companies and enterprises (735), and government, particularly at the state and local levels which increased by 818 jobs. Both counties saw significant job growth in the arts and entertainment sector.

Commuting Trends

The data presented thus far focus on trends in the larger region rather than at the community level. In part this is because accurate and consistent data are often not available at the city level. However, it should also remind policy makers that economies do not operate in isolation. Broad economic trends and the socio-economic profile of workers throughout the region *should* influence local development strategies, and *will* influence development outcomes.

In Nitro, WV most workers and employed residents commute to and from the community for employment: 95 percent of the community’s workforce drives in from outside the city, and 90 percent of Nitro’s residents leave daily for jobs outside the city (U.S. Census Bureau, LEHD, On The Map). The destinations of in and out commuters suggest strong economic ties with Charleston and other smaller communities to the east.

Figure 5. Inflow and Outflow of Nitro, WV Residents and Workers

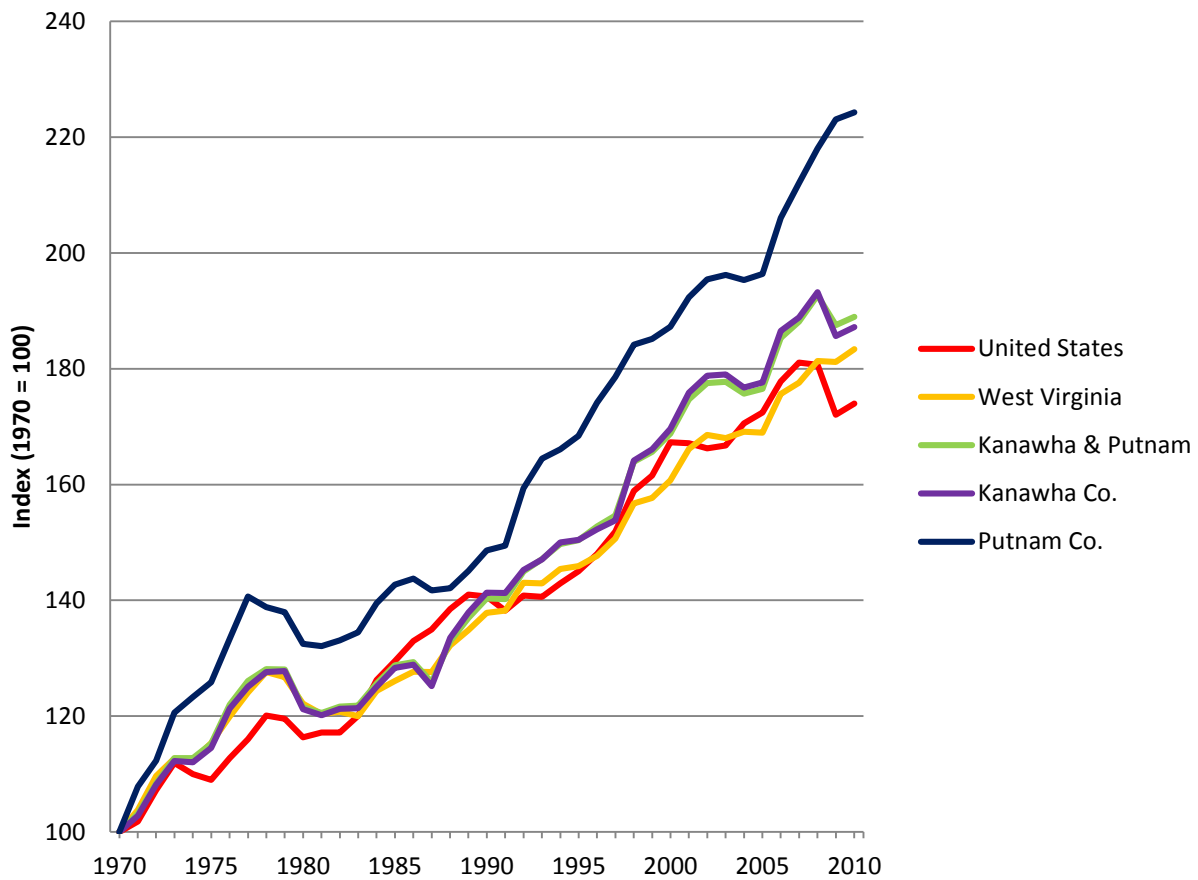


Worker - Destination Commuting)	(Out	Home - Destination Commuting)	(In
Charleston, WV	30%	Charleston, WV	9%
Nitro, WV	10%	Cross Lanes, WV	5%
South Charleston, WV	8%	St. Albans, WV	5%
St. Albans, WV	4%	Teays Valley, WV	5%
Huntington, WV	3%	Nitro, WV	5%
Teays Valley, WV	3%	South Charleston, WV	4%
Cross Lanes, WV	3%	Dunbar, WV	3%
Dunbar, WV	2%	Hurricane, WV	2%
Hurricane, WV	1%	Upper Falls, WV	2%
Eleanor, WV	1%	Huntington, WV	1%
All Other Locations	36%	All Other Locations	60%

Source: U.S. Census Bureau, LEHD, On The Map, 2012. (2010 Data).

Commuters represent dollars leaving Nitro’s local economy (a leakage), but also dollars returning to the community from wages earned outside the city. Trends in commuting data show the movement of workers; the movement of their earnings can be seen in per capita income and earnings data. In real dollars per capita income in Putnam County has risen rapidly, more than doubling over the past 40 years and growing faster than all other comparison areas (Figure 6). Kanawha County too has seen strong growth in per capita income, up nearly 85 percent over the same period.

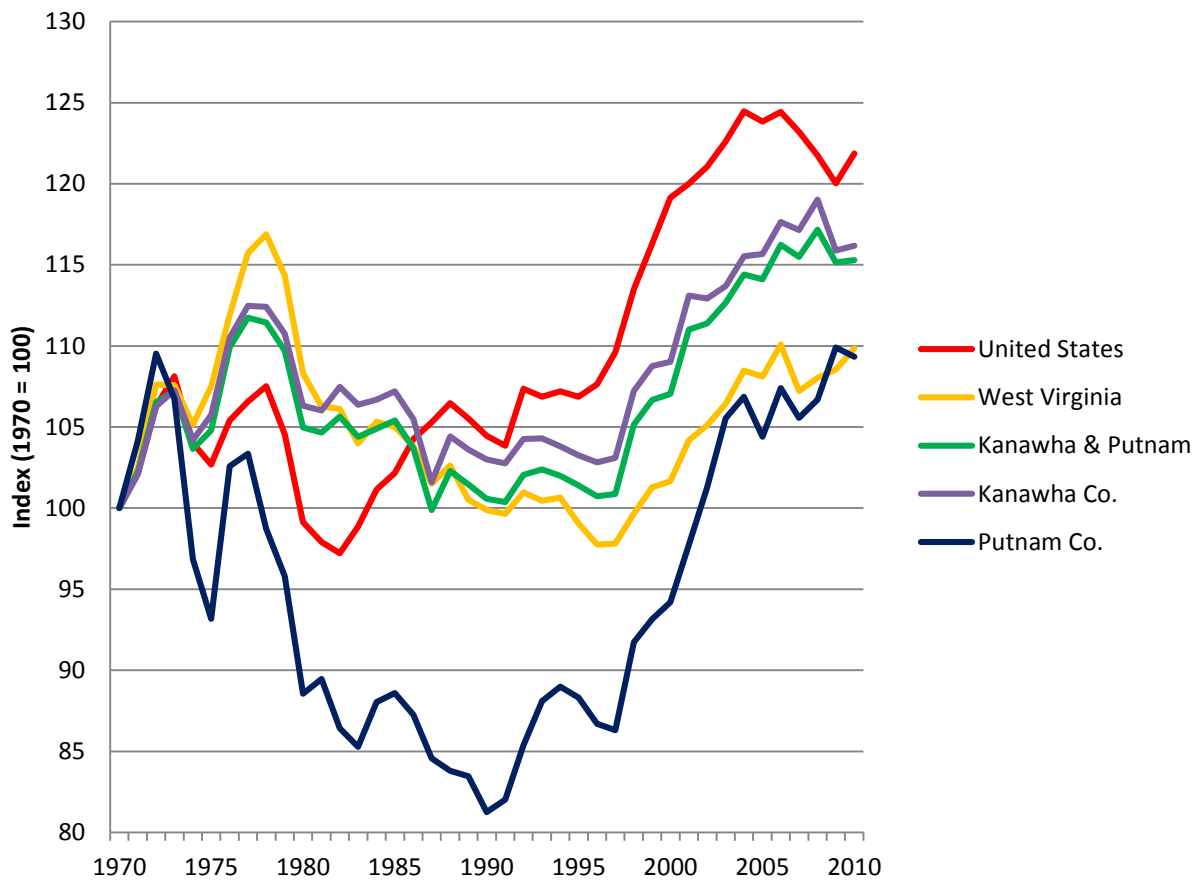
Figure 6. Real Per Capita Income Indices: United States, West Virginia, Kanawha and Putnam Counties, 1970 -2010



Source: Bureau of Economic Analysis. Local Area Personal Income and Employment. Table CA04: Personal Income and Employment Summary.

Despite the increase in per capita incomes, earnings per worker in the region have increased at a much slower rate (Figure 7). Putnam County especially saw earnings increase at a much lower rate, up less than 10 percent between 1970 and 2010. This suggests that a large portion of dollars are coming into the county from outside sources. In many cases these dollars are from jobs worked outside of the community, other sources include transfer payments such as social security and pension payments to retirees.

Figure 7. Real Earnings per Worker Indices: United States, West Virginia, Kanawha and Putnam Counties, 1970 -2010



Source: Bureau of Economic Analysis. Local Area Personal Income and Employment. Table CA04: Personal Income and Employment Summary.

Sectoral Employment and Location Quotients

Comparing employment in industry sectors between the city of Nitro and West Virginia can reveal areas of specialization and competitive advantage. These industries are traditionally the region’s primary exporters and wage generators. Identifying and working closely with business owners in these sectors can help to keep the region’s economy stable and growing.

Location quotients (LQ) are one tool used to make comparisons among Nitro’s industry sectors, and compare the relative strength of those industries to a larger economy, such as the nation, or in this case West Virginia. The LQ assumes that supply and demand for industries’ output in both regions is equal. It also assumes that productivity and output per worker are equal; therefore the percentage of employment represented by each industry sector should also be equal. A larger percentage of industry employment implies that the region is relatively more specialized and an exporter of the good or

service. The LQ is calculated by dividing a sector’s employment share in the region (Nitro) by its employment share in the larger economy. If the percentages of employment in both regions are the same, the LQ will equal 1; if the region is more specialized the LQ will be greater than 1. LQs for Nitro’s economy are provided in Table 3.

Table 3. Nitro, WV (ZIP 25143) Location Quotients. $LQ_i = (\text{Nitro}_i / \text{Nitro}_t) / (\text{WV}_i / \text{WV}_t)$, 2010

Industry	Employment	Percent	Location Quotient
Total Employment	4,590	100%	1.00
11 Ag, Forestry, Fish & Hunting	7	0%	0.48
21 Mining	0	0%	0.00
22 Utilities	9	0%	0.19
23 Construction	463	10%	1.70
31-33 Manufacturing	263	6%	0.64
323 Printing & Related	24	1%	2.44
325 Chemical Manufacturing	154	3%	1.97
42 Wholesale Trade	447	10%	2.33
44-45 Retail trade	470	10%	0.65
441 Motor veh & parts dealers	154	3%	1.70
48-49 Transportation & Warehousing	360	8%	2.66
484 Truck transportation	171	4%	2.59
493 Warehousing & storage	149	3%	11.94
51 Information	28	1%	0.32
52 Finance & insurance	85	2%	0.52
53 Real estate & rental	157	3%	2.71
531 Real estate	107	2%	3.12
54 Professional- scientific & tech svcs	125	3%	0.61
55 Management of companies	128	3%	2.80
56 Administrative & waste services	280	6%	1.10
61 Educational svcs	121	3%	2.61
62 Health & social services	94	2%	0.10
71 Arts- entertainment & recreation	29	1%	0.36
72 Accommodation & food services	246	5%	0.47
81 Other services	432	9%	2.50
811 Repair & maintenance	203	4%	3.40

Source: 2012 Minnesota IMPLAN Group, Inc., and author’s calculations.

The LQs above show an economy built primarily on the production and distribution of goods. Nitro’s export base is dependent on the construction (1.70) and manufacturing sectors, specifically the printing (2.44) and chemical manufacturing (1.97). Transportation (2.66) and wholesale trade (2.33) are of even greater significance and show the importance of Nitro’s proximity to major transportation arteries such as I-64 and the Kanawha River. Services including real estate (3.12), management (2.80), and education (2.50) also employed a larger percentage of the population than would be expected based on state trends. The latter speaks to Nitro’s prominence as a bedroom community for many working families.

Other sectors, especially the arts, entertainment, and recreation (sector 71), are also important to Nitro's economy. The nearby Mardi Gras Casino and Resort is a major employer in the region (approximately 700 employees) and certainly contributes to Nitro's economic base. However, because the casino is located in neighboring Cross Lanes, WV it was excluded in this analysis. If these 700 jobs were allocated to Nitro, sector 71 would have the second largest LQ (7.80).

Input/Output Modeling

While the LQ provides a glimpse into the structure of a region's economy and its primary exports, a more detailed picture can be created using techniques such as input-output (I-O) models. I-O models allow the user to not only describe the employment, sales, and capital payments of an industry, but 1) examine the flows of products between industries in an economy and 2) describe how changes in one industry ripple through the economy.

Although I-O models provide a rich data source for examining a region's economy it is important that policy makers understand their assumptions and limitations. I-O models are static, ignoring changes in technology and input prices, rely on assumed production functions, and make unique assumptions regarding labor (job growth or decline results in workers entering or leaving the region). They do not address feasibility, profitability, or social and environmental impacts that could result from economic growth or decline.

Despite their limitations, I-O models provide a useful tool for estimating economic impacts and showing how they move through the economy from input suppliers (backward linkages) to worker/household purchases (forward linkages) (Sorte 2004). Nitro's I-O model was generated using MIG's IMPLAN (IMpact analysis for PLANning) software and 2009 database.

As a descriptive tool I-O models provide information on the current structure of a regional economy. They are used to analyze industry employment, output and incomes; describe supply-demand relationships between industries; and estimate final demands of goods and services by regional industries, institutions and households. The model of Nitro, WV, describes an economy of more than \$700 million in output (sales) and \$350 million in value added production, a GDP measure that includes employee compensation, taxes, proprietors' income, dividends, etc. (Table 4). Looking at just the output data, three industries are responsible for more than half of the city's total output – manufacturing (35%), construction (9%), and wholesale trade (9%). These sectors also represent 35% of the city's values added production; the largest sectors were government (15%), wholesale trade (14%), and real estate (12%). When employment data are considered, the importance of the city's construction (463 employees), wholesale trade (447 employees), and manufacturing (263 employees) sectors become even more evident.

Table 4. Nitro, WV Industry Employment, Output, and Value Added, 2010

Industry	Employment	Output	Value Added
Total	4,590	716,285,496	349,750,174
11 Ag, Forestry, Fish & Hunting	7	213,342	30,712
22 Utilities	9	1,965,629	1,589,802
23 Construction	463	66,034,366	33,395,915
31-33 Manufacturing	263	256,434,677	39,290,681
42 Wholesale Trade	447	63,241,325	50,109,765
44-45 Retail trade	470	33,987,638	21,498,554
48-49 Transportation & Warehousing	360	38,024,200	22,761,785
51 Information	28	11,470,800	6,546,813
52 Finance & insurance	85	22,062,285	8,926,476
53 Real estate & rental	157	53,250,611	41,213,129
54 Professional- scientific & tech svcs	125	12,968,451	9,338,660
55 Management of companies	128	19,934,429	11,694,223
56 Administrative & waste services	280	18,604,245	10,267,345
61 Educational svcs	121	5,071,961	2,482,844
62 Health & social services	94	9,050,204	6,436,250
71 Arts- entertainment & recreation	29	2,683,637	1,788,823
72 Accomodation & food services	246	12,268,012	6,470,803
81 Other services	432	32,399,018	23,546,158
92 Government & non NAICs	846	56,620,667	52,361,438

Source: 2012 Minnesota IMPLAN Group, Inc., and author's calculations.

As predictive tools, I-O models allow for the construction of “what-if” scenarios and impact analyses that describe the reaction of a local or regional economy to an economic “shock” such as a new industry entering a region’s economy or the loss of a major employer in the community (Schaffer, Deller, and Marcouiller 2004). The following hypothetical scenario shows the impacts of a loss of 90 jobs in the transportation and warehousing sector. The sector currently employs 360 workers in the city, so this example would represent a reduction of one-quarter of the city’s current sectoral jobs. Table 5 shows how the loss of these 90 jobs would ripple throughout Nitro’s economy.

Figure 8. Nitro Core Development Area

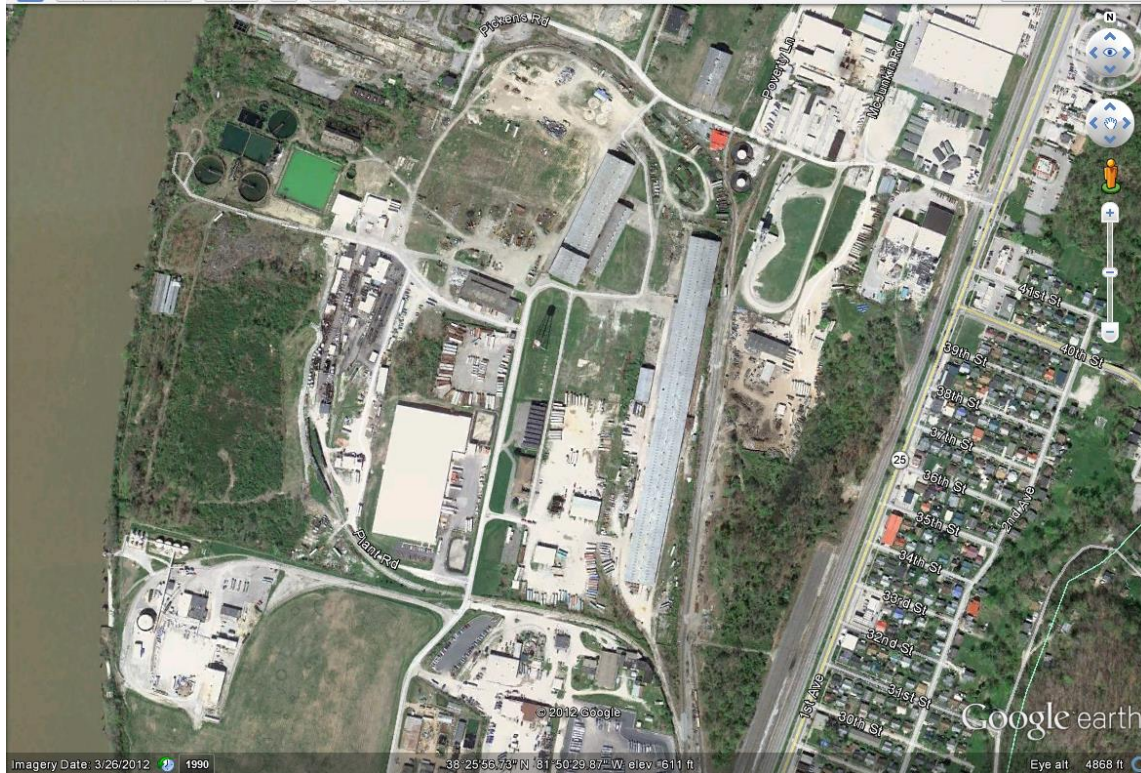


Table 5. Negative Impacts from the Loss of 90 Jobs in Transportation and Warehousing

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	90	\$4,917,885	\$5,921,002	\$10,130,554
Indirect Effect	19	\$958,759	\$1,441,068	\$2,719,401
Induced Effect	20	\$880,682	\$1,670,237	\$2,807,001
Total Effect	129	\$6,757,326	\$9,032,307	\$15,656,956
48-49 Transportation & Warehousing	97	5,303,588	6,385,378	10,925,080
53 Real estate & rental	3	83,874	758,533	942,342
44-45 Retail trade	6	215,134	277,788	428,894
81 Other services	4	205,436	231,063	311,859
92 Government & non NAICs	4	206,900	229,238	255,729
52 Finance & insurance	2	78,582	193,159	473,647
31-33 Manufacturing	1	71,658	161,233	1,039,092
42 Wholesale Trade	1	82,240	137,874	161,885
72 Accommodation & food services	4	76,269	113,669	216,767
56 Administrative & waste services	3	82,078	112,453	207,303

Source: 2012 Minnesota IMPLAN Group, Inc., and author's calculations.

The loss would directly remove nearly \$6 million in wages, taxes, and proprietors' income from the local economy. Additionally, \$1.4 million in inputs purchased by the sector would be lost; this translates to a loss of an additional 19 jobs. The lost wages received by households, both those employed in transportation and warehousing and the input suppliers, results in workers leaving rental properties and reduced spending at local retailers, restaurants, etc. Because of this reduction in spending another 20 jobs are lost and an additional \$1.6 million is removed from Nitro's economy. The total effect is a reduction of 129 jobs from the local economy and more than \$9 million in lost wages, taxes, and capital payments.

Community Economic Planning

The above example shows how the loss of only a small number of jobs (2% of total employment) can translate into significant impacts in a community's economy. In order to prevent such scenarios from occurring and/or reduce the impacts of such events, the city should take an active role in building partnerships with local businesses, government organizations, and educational institutions that mitigate negative impacts, and address economic concerns before they become job losses.

Economic growth occurs when new businesses are recruited, and more often when current businesses are grown and expanded. The city should develop partnerships with important regional employers in manufacturing, wholesale trade, and transportation and warehousing; however, regularly visiting and learning the concerns of a variety of industries will prove fruitful. West Virginia University Extension and the West Virginia Development Office both offer Business Retention and Expansion programs that could begin to establish these relationships.

In addition to current employers the city has a broad array of assets that should be developed. The city has a rich cultural history, available industrial sites, and perhaps most importantly, is easily accessible. City officials should maintain a detailed inventory of available industrial sites and market these properties through the city and local Chambers of Commerce. Cultural sites and the city's "antique district" should be marketed at local and regional tourist sites; partnerships with the State Historic Preservation Office and West Virginia Division of Tourism should be actively pursued. All sites, whether cultural or industrial should have clear signage from the city's multiple interstate exits.

Nitro's accessibility puts it in a favorable position to operate regionally. Commuting and wage data highlight the importance of this regional mindset. As the city works to recruit and grow businesses it should look to industry and economic trends in surrounding counties and even neighboring states for opportunities to leverage its favorable geographic position and access to transportation networks.

Finally, when looking to expand its economic base, city officials should focus on capturing and retaining dollars, not simply exporting goods. The "best" businesses for the community may be those that cater to the needs of retirees and working families rather than traditional goods-producing industries. By building a balanced industry portfolio, Nitro will better weather economic shocks.

References

Sorte, Bruce. Crook County's Economic Structure: An Input-Output Analysis. Oregon State University Extension Service. Special Report 1051. May 2004.

Schaffer, R., S. Deller, and D. Marcouiller. Community Economics: *Linking Theory and Practice, Second Edition*. Blackwell Publishing. Ames, IA. 2004

Appendix 2: Nitro Combined Meeting Notes

Compiled by Michael Dougherty, Extension Specialist, WVU Extension Service

General (July 21, 2011)

- Once project starts – entice level of interest – change dynamics
- Working to get public buy-in

Description (July 21, 2011)

- Central location and accessible (+)
- Low rent rate (+)
- No marketing/promotion (-)
- Need central figure (-)
- Antiques big part of economy (+)
- Need to support broad business mix (=)
- No niche stores to complement antique stores (-)
- Downtown overlay district potential (=)
- Zoning issues (-) Comprehensive plan potential (=)
- Room to grow (within and without) (+)
- Identifiable problems (-)
- Consider uptown as well as downtown – tie together (=)
- Trust obstacle (-)
- Formed Chamber, CVB, reinvigorated NDA (+)
- Need to sell customer service ethos (-) Need to overcome citizen mistrust (-)
- Compete against Wal-Mart (-)
- No single point of contact for potential investors or businesses (-)
- Old HS building (-) Third floor of Moose Lodge (+)
- Lack of signage (-) Branding/way finding potential (=)
- Museum work (+)
- Apply for Main Street program (ON TRAC on course for funding) (=)
- New boat ramp being installed

Nitro in the past (Aug. 31, 2011)

- 1950s, 60s, 70s – chemical boom town
- World War I – Nitro plants, armament factories
- Lot of small businesses as well as department store, grocery store (Kroger)
- Owner occupied homes with people working at the plants
- Turned around with the downfall of the chemical industry
- Chemical industry (in and out of the city) supported city activities and infrastructure
- More kids (1970s) with the post-war (WW II) “Baby Boom”
 - High school was 75% city kids (now 25%) [Kanawha County side]
 - Five elementary schools in city (now one) [Kanawha County side]

What Nitro is like today (Aug. 31, 2011)

- Three different parts – separated by “walls”
- Identity issues
- Institute Exit (50) and Cross Lanes Exit (47) do not say “Nitro” but serve city
 - Sign saying “Nitro Next Three Exits” might be helpful
- [Nitro] Market Place and Mardi Gras additions
 - Need to properly identify roads and road name changes
- Chemical industry cleanup
- Downtown vacancies and deterioration – from sprawl
- Excellent travel flow – WV Route 25 has 30,000 to 36,000 ADT (Average Daily Traffic)
 - [Note: WV Department of Transportation (WV DOT) shows 2010 ADT just over about 15,000]
- Town not as attractive/pleasing visually [as in the past] – residential and commercial
- War memorial in place, streetscape happening – Potential turning point (contagious)
- Community pride issues (e.g., residential property upkeep)
- City keeps up state right-of-way, railroad right-of-way
- Older community – need to attract younger people, younger investors
- Potential for recreation – need expansion, promotion, TLC/maintenance
- Other groups working to improve Nitro – opportunity for involvement
- Available free parking – some with, some without time restriction

Future of Nitro (Aug. 31, 2011)

- Living memorial to World War I – tourist attraction
- Quaint shopping area
- Mindset of Nitro as an option [for external audiences looking to locate in Charleston area]
- Wedding capital of WV – Ridenour Lake (largest lake in both counties), Moose Lodge
- Blended business community
- Bigger businesses in former industrial area
- Antique shops – proximity and potential
- Use/utilization of existing World War I structures, register of such buildings (National Historic Register)
- Organized promotion of community
- Link between all parts of the town – Market Place, Mardi Gras, downtown
- Outdoor dining
- Signage and guide for people – World War I Doughboy logo, marketing slogan/unified marketing
- Recognition program for both citizens and businesses
 - Slogan/sticker of “Nitro: Proud to call home” or “Nitro: Place to call home”
- *Need to have a point of contact for business* (mentioned at end of “Steps Taken”)

Steps Taken (Aug. 31, 2011)

- Master plan draft for downtown and Ridenour Lake ready
 - Comprehensive plan to be done [seeking funding]
- Convention and Visitors' Bureau (CVB) and Chamber of Commerce recently established
- Nitro Development Authority (NDA) reinvigorated
- Museum Committee exists, Historical Society process begun
- Grants in “hopper” for “Bricks and Mortar”
- Hired appropriate consultants
- Getting everyone moving in the same direction
- 3Cs: Collaboration, Coordination, Communication
- Reestablishing relations with external groups (e.g., Civic Benefit Association)
- On the verge in several areas
- St. Albans-Nitro Bridge replacement scheduled
- Ordinances put in place to give city authority it needs for enforcement
- Business Enhancement Committee and Chamber bringing businesses “on board”
- Building good relationships with state agencies
 - WV Development Office, State Historic Preservation Office, WV Department of Transportation
 - becoming more visible as a result
- Identifying and indexing vacant properties
- Increased paving (streets)

Nitro plusses (+) (Sept. 28, 2011)

- Accessibility
- Affordability
- High school (Nitro) and elementary school (Rockbridge)
- Available space for business/city has room to grow
- Recreation lake (Ridenour)
- Interested citizens/better citizen participation
- People friendly/friendly close-knit community
- Some commercial growth (Mardi Gras) → adding tax base/fiscal security
- Low crime rate
- CVB, Chamber, NDA
- Good city services
- Riverfront – city owned/maintained
- Active church groups
- Good senior programs
- Nitro museum potential

Nitro minuses (-) (Sept. 28, 2011)

- Disjointed geography
- Aging infrastructure
- Older community
- Split over two counties
- Poor communications between city government and businesses
- Legacy environmental issues/"brownfields"
- Image issues/nothing really that identifies the city
- Appearance – vacant/boarded-up storefronts, gateways
- Parking
- Not organized/set-up for business solicitation

Outside Forces (Sept. 28, 2011)

- Brownfield/Superfund sites – with DEP, EPA regulations difficult to grow in those areas
- Corporate boardroom decisions pull out industries
- Overall economic climate
- Lack of external recognition
- Changes in transportation industry – older network/[facilities]
- Lack/decrease of programmatic funding
- Competition for business regionally and globally
- Conditions in counties/population shifting/demographics
- External ownership/absentee ownership
- Flooded real estate market
- Flood plain designation area increased
- No legislative voice at any level/political system turmoil

Keep Going and Expand (Sept. 28, 2011)

- Successful implementation of first Streetscape program
- Get business people to look at some targets/buy in
- Change focus [of city-business relations] to "helping" (from "stopping")
- Benefit from coming synergy
- Continue with planning/stay the course/put planning in place and execute
- Need central person bring it all together/business development coordinator/streamlining (key for organizations, very good volunteers but no staff)

What's Happened [since 2011] (July 11, 2012)

- Matheny Motors (car/truck dealership)
 - Nitro Development Authority/CVB hired executive director
 - Business related to uptown from Charleston (Casto Tile & Marble)
 - Streetscape Phase 1 complete; Grant submitted for Phase 2
 - Grants received and more submitted for Riddenhour Park (including \$25,000 trails grant);
- Improvements on-going
- WV Division of Highways (DOH) repaving some of 21st Street (scheduled)
 - Working partnership to expand *Spirit of WV* into Nitro (sternwheeler)
 - WiFi in (central) business district, Riddenhour Lake
 - Tourism brochure ready to distribute
 - Business map being prepared
 - Repair and upgrade to swimming pool and “kiddie” park
 - Boat ramp – new and upgrades (through \$10,000 grant)
 - City paving and repairing streets (normal management)
 - New boards – Citizen Advisory Board (prominent groups); Mayoral Advisory Panel (political officials); NDA Board strengthened; new Marketing Committee; Economic Development Committee and Business Enhancement Committee combined into single board (same people)
 - Expanding number of festivals; Single fundraising bash planned
 - Adopt a block (beautification)
 - Citizens on Patrol (crime prevention)
 - NDA met with WV DOH on St. Albans-Nitro Bridge closing (Jan.-Nov. 2013) for bridge replacement; received funds from DOH for mitigation activities (to NDA and Nitro High School)
 - Now have city historian and city photographer (different positions/people)
 - Nitro Museum Board seeking new building
 - Nitro High School – surveying places in town
 - Comprehensive plan development
 - NDA Small Business Loan program
-
- *Becoming a problem that so much is happening – need to keep focus (reminder)*
 - *Came together for one common goal – but sometimes can get steered (of course)*
 - *Communication, coordination, cooperation improved*
 - *Have basic ingredients in place to move city forward*
 - *Opportunity for positive publicity for city*
 - *(Information B&O 5-Year Plans: Step-up for new business and none for areas agreeing to be annexed.)*

What has Changed – External (July 11, 2012)

- Changes in city government
- St. Albans-Nitro Bridge closing (2013)
- Increased traffic flow (WV Rt. 25) [Note: Confirmed by WV DOT data]
- Planned annexation/creation of free enterprise zone
- Bayer layoffs
- Potential “cracker plant” investment
- Financial negotiations on “doughnut hole”
- National elections
- Federal funding cuts
- MS4 (sanitary and storm sewer separation requirements)
- Businesses (in other places) not sticking to promises [received in development negotiations]
- Increased potential/marketing in office space development

What has to be Done (July 11, 2012)

- Eliminate negative press
- MS4 (sanitary and storm sewer separation requirements)
- City Hall/facility improvements
- Investigate changing from B&O (Business and Occupation) tax to 1% sales tax
- NDA empty buildings – not diverse business climate
- Continue to clean up city – make it appealing
- Judicial enforcement of existing ordinances – make city more attractive
- Comprehensive plan development
- Long-term plan for city business (economic development)
- Emergency/contingency plans
- Appropriate manpower (staffing) for city government, for growth
- Use zoning map as guide to development; investigate land adjacent to city boundary
- Improved networking for business communications
- Update information/websites

Focus of Economic Analysis (July 11, 2012)

- Chemical down (Bayer layoffs) and possibly up (possible cracker plant)
- Seek input from Chamber of Commerce
- Hospitality (upgrades recreation areas); History → Tourism; Develop more attractions (locations)
- Mardi Gras Hotel occupancy up; Traffic up
- FedEx at Marketplace (but not in city limits)
- Developable land available
- Specialty shops – use base of antique shops (usually small scale)

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