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Improving Access to Early-Stage & Seed Capital in Southern West Virginia

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Honor Pledge

On my honor as a student, I have neither given nor received unauthorized aid on this assignment.



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Executive Summary

Southern West Virginia, a region rich in history and natural beauty, faces significant economic challenges due to its historical reliance on the coal industry. This dependence has left the region unprepared for the economic shifts brought about by the energy transition, resulting in high unemployment, poverty, and population decline. The New River Gorge Regional Development Authority and WV Hive Network, based in Beckley, are key organizations working to address these challenges by providing resources and technical assistance to small business owners and entrepreneurs.

Despite their efforts, a critical barrier to economic growth remains: **too few small business owners and entrepreneurs in southern West Virginia are accessing necessary seed capital and early start-up funding** (U.S. Small Business Administration Office of Advocacy, 2023a). This funding is essential for the success and growth of small businesses and entrepreneurial ventures, which are necessary for regional economic revitalization. This report explores four policy alternatives aimed at improving access to early-stage and seed capital in southern West Virginia:

1. Establish a regional matching fund;
2. Expand business incubator programs;
3. Build a partnership with a local higher education institution; and,
4. Work with state leaders to establish a regional angel investor tax incentive.

Each alternative was evaluated based on cost, administrative feasibility, equity, and sustainability. The analysis revealed that **the most viable option is working with state leaders to establish a regional angel investor tax incentive**. This alternative addresses the critical need for private investment and ensures equitable support for an underserved region, aligning with the NRGRDA and Hive's mission. The proposed tax incentive would significantly increase private investment in southern West Virginia, providing the necessary capital for small businesses to thrive and contribute to the region's long-term sustainability.

Implementing this policy will require a strategic advocacy campaign, leveraging the NRGRDA and Hive's extensive network and resources. By engaging local stakeholders, small business owners, entrepreneurs, and state-level elected officials, the campaign can build a robust coalition to support the legislative process. The success of this initiative will enhance the economic landscape of southern West Virginia, fostering sustainable growth and prosperity for small businesses and entrepreneurs.

The NRGRDA and Hive's commitment to innovative and equitable economic development strategies is crucial for addressing the unique challenges southern West Virginia faces. The proposed angel investor tax incentive represents a strategic and impactful approach to fostering growth, attracting investment, and ensuring the long term success of small businesses and entrepreneurs in the region.

Acronyms & Key Terms

ARC: Appalachian Regional Commission

ASCE: American Society of Civil Engineers

BRIC: Federal Emergency Management Agency's Building Resilient Infrastructure and Communities Grant Program

CRA: Community Reinvestment Act of 1977

CRAN: Country Roads Angel Network

CRS: Congressional Research Service

EDA: United States Economic Development Administration (also an abbreviated form of the more general term “economic development authority”)

FEMA: Federal Emergency Management Agency

GAO: U.S. Government Accountability Office

Hive: WV Hive Network

Hub: West Virginia Community Development Hub

ITA: U.S. International Trade Administration

MBE: Minority business enterprise

MVP: Minimum viable product

NACIE: National Advisory Council on Innovation and Entrepreneurship

NRGRDA: New River Gorge Regional Development Authority

NRGRF: New River Gorge Regional Fund

RPN: Rural Partners Network

SBA: United States Small Business Administration

SBIR: Small Business Innovation Research Program

SSBCI: U.S. Department of Treasury’s State Small Business Credit Initiative

STTR: Small Business Technology Transfer Program

TIRF: Texas Infrastructure Resiliency Fund

UC Program: U.S. Economic Development Administration’s Local Technical Assistance and University Center Programs

USDA: United States Department of Agriculture

VDOT: Virginia Department of Taxation

WVCAP: West Virginia Capital Access Program

WVEDA: West Virginia Economic Development Authority

WVJIT: West Virginia Jobs Investment Trust

WVOED: West Virginia Office of Economic Development (formerly the West Virginia Department of Economic Development)

WV SBDC: West Virginia Small Business Development Center

WVTD: West Virginia Tax Division

WVU: West Virginia University

WVU Tech: West Virginia University Institute of Technology

Introduction

West Virginia is home to a rich history, an epicenter of Appalachian culture, and some of the most beautiful natural landmarks in the nation. However, the 13 counties comprising the state's southern region are struggling. Strict reliance on the coal industry left the region unprepared for economic growth following the energy transition, leading many localities to face a decreasing population and high levels of unemployment and poverty (Christiadi & Deskins, 2018).

The New River Gorge Regional Development Authority and WV Hive Network, partner organizations based in Beckley, are notable drivers of economic growth and development in southern West Virginia. They provide key resources and tailored technical assistance to support small business owners and entrepreneurs, uplifting local and regional economies (New River Gorge Regional Development Authority, 2024; WV Hive Network, 2024). Despite their significant impact, a critical challenge remains: the lack of access to early-stage and seed capital funding, essential for the success and growth of small businesses and entrepreneurial ventures in the region.

Addressing this funding gap is crucial for fostering sustainable economic development. The NRGDA and Hive are exploring how they can leverage their resources and extensive network to implement a feasible policy solution that systematically improves access to early-stage and seed capital. This report outlines the context of this economic development challenge, provides relevant background information, and identifies potential literature-supported policy alternatives that the NRGDA and WV Hive Network could implement to enhance economic development outcomes in southern West Virginia.

Client Overview

The New River Gorge Regional Development Authority (NRGDA) is the largest regional economic development authority in West Virginia (New River Gorge Regional Development Authority, 2025a). Headquartered in Beckley, the NRGDA initiates, facilitates, and supports the economic and community development efforts in the four counties surrounding the New River Gorge National Park and Preserve— Fayette, Nicholas, Raleigh, and Summers (New River Gorge Regional Development Authority, 2025a). It provides resources and highly-tailored business coaching to small business owners and entrepreneurs to attract new businesses, ensure the long-term retention of businesses, uplift innovative entrepreneurship, and stimulate the local economy (New River Gorge Regional Development Authority, 2025a). Business coaches assist clients in various areas, including labor and employee management, capital access, zoning, land and real estate acquisition, and succession planning (New River Gorge Regional Development Authority, 2025a, 2025b). Additionally, the NRGDA serves as a critical stakeholder in more significant regional economic development initiatives and liaises with local, state, and federal elected officials to ensure that the needs and priorities of small business owners and entrepreneurs are appropriately considered in legislative and regulatory decision-making.

The WV Hive Network, colloquially referred to as “the Hive,” is a program and partner organization of the NRGDA that serves the greater southern West Virginia region, providing tailored entrepreneurial and technical assistance to 13 counties and promoting rural economic development initiatives from a broader, regional perspective (WV Hive Network, 2025a). The Hive owns coworking and business incubation spaces in the four New River Gorge counties, which they rent out to start-ups and early-stage entrepreneurs at subsidized rates (WV Hive Network, 2025a). Under the Biden-Harris administration, the Hive was named a member of the White House and USDA RPN in the summer of 2024; through this partnership, the Hive received a \$750,000 federal grant to develop a food business incubation hub to uplift innovative food production, service, and catering businesses in southern West Virginia (WV Hive Network, 2024a). According to an internal report, the Hive has served over 600 businesses, created 360 jobs, and leveraged nearly \$7,000,000 from its creation in 2015 to July 31, 2024.

Although the NRGRDA and WV Hive do not directly enact policies or regulations, their work is primarily shaped by local, state, and federal policymaking decisions, which impact the resources, programs, and capital available to uplift small business owners and entrepreneurs. Thus, both organizations must identify the deficiencies of existing government programs and resources, especially regarding how they ineffectively and disproportionately serve rural communities and strategically orient their services to best address specific community needs.

Problem Statement

Although small businesses comprise nearly 99 percent of all firms in West Virginia, **too few small business owners and entrepreneurs in the state's southern region are accessing necessary seed capital and early start-up funding** (U.S. Small Business Administration Office of Advocacy, 2023b). Several contributing factors, including barriers to accessing state and federal capital resources, limited private investment, and an under-participatory and highly volatile workforce, impede economic growth and development and fail to provide the resources that small business owners and entrepreneurs need to succeed (Beverly et al., 2024). Failure to address the specific needs of southern West Virginia's economic landscape will exacerbate existing economic, educational, and health disparities (Deskins, 2023).

Problem Background

West Virginia Small Business Landscape

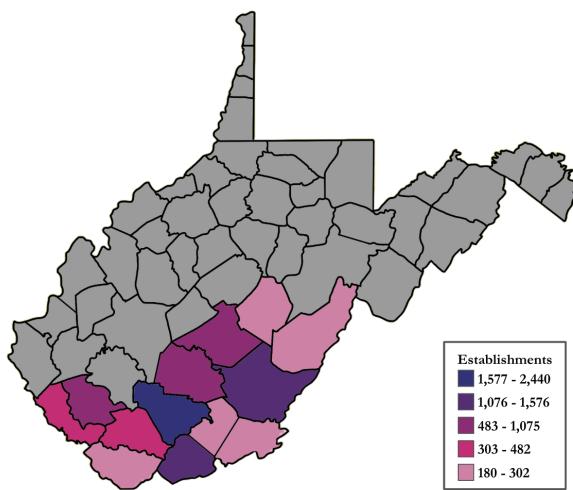
The SBA defines a small business as an independent business with less than 500 employees, though there are exceptions for specific industries (U.S. Small Business Administration Office of Advocacy, 2023b). According to the SBA's 2023 Small Business Profile, there are 109,300 small businesses and 263,036 small business employees in West Virginia, comprising 98.8 percent of total businesses and 48.5 percent of total employment in the state (U.S. Small Business Administration Office of Advocacy, 2023b). **Appendix A** thoroughly summarizes West Virginia's small businesses by size and industry. Between March 2021 and March 2022, 5,230 small businesses opened and 3,728 closed, for a net increase of 1,502 establishments and an approximately 1.393 percent increase in the total number of small businesses (U.S. Small Business Administration Office of Advocacy, 2023b). Small businesses additionally saw a net gain of 18,454 jobs during that same period, indicating a ~7.545 percent increase in total small business employment in the state (U.S. Small Business Administration Office of Advocacy, 2023). Key demographic information about West Virginia's small business ownership and employment is summarized in **Appendix B, Table B1**.

In 2021, banks issued \$396 million in loans to West Virginia businesses with total revenues of \$1 million or less (U.S. Small Business Administration Office of Advocacy, 2023b). However, this figure only includes loans issued by large banks that are required to report small business loans under the CRA; according to the Federal Reserve, 37 banks in West Virginia are governed by CRA guidelines, and 16 of those banks are located in and/or serve one of the 13 counties supported by the NRGRDA and Hive (Board of Governors of the Federal Reserve System, 2025). Thus, although the SBA's reported \$396 million may not include all small business loans in West Virginia, such as those provided by non-large banks and other financial institutions, this figure still illustrates a significant portion of small business lending in the state (U.S. Small Business Administration Office of Advocacy, 2023b).

Southern West Virginia Region Demographics

The NRGDRA and Hive collectively serve 13 counties that constitute the southern West Virginia region: Fayette, Greenbrier, Logan, McDowell, Mercer, Mingo, Monroe, Nicholas, Pocahontas, Raleigh, Summers, Webster, and Wyoming counties (New River Gorge Regional Development Authority, 2025a; WV Hive Network, 2025c). Across the region, there are 6,958 employer establishments; as **Figure A** indicates, these establishments are most densely populated in Raleigh, Greenbrier, and Mercer counties (U.S. Census Bureau, 2025a). Of these establishments, 6,930, or approximately 99.598 percent, have 1-499 employees, meeting the SBA's definition of a small business (U.S. Census Bureau, 2025a; U.S. Small Business Administration Office of Advocacy, 2023b).

Figure A: Density of Establishments in Southern West Virginia, by County
(U.S. Census Bureau, 2025a)



The total population across these 13 counties is 364,357, constituting approximately 20.585 percent of the statewide population (U.S. Census Bureau, 2025a, 2025c). The average income in the region is \$65,528, and 20.1 percent of the population lives below the federal poverty threshold, over three percentage points higher than the state poverty rate of 16.7 percent (U.S. Census Bureau, 2025a; U.S. Census Bureau, 2025c). **Appendix B, Table B2** summarizes key identity demographics in the region, using data collected from the American Community Survey 5-Year Estimates (U.S. Census Bureau, 2025a).

The Coal Industry & West Virginia's Shifting Economy

For nearly two centuries, West Virginia's economy was driven by the coal industry— more broadly, by extracting and producing underground resources, including coal, cement salt, and natural gas stone (Herath et al., 2010). However, in the wake of the growing international focus on climate conservation and emissions reduction in the 1990s and 2000s, the energy transition began to manifest globally, leading to a decline in the coal industry and quickly reshaping the economic landscape in West Virginia (Andreica, 2023; West Virginia Office of Miners' Health Safety & Training, 2024). A 2018 report by the WVU Bureau of Business & Economic Research estimates that coal production in West Virginia declined by nearly 60 percent between 2008 and 2015; employment in the coal industry additionally reduced by almost 50 percent between 2011 and 2022.

(Christiadi & Deskins, 2018; U.S. Energy Information Administration, 2024). Both manufacturing and agriculture, two other historically dominant industries in West Virginia, have similarly experienced employment losses as early as the 1990s, though not at the same scale (De Sousa-Brown, 2008). As historically ingrained industries have declined, several sectors have emerged as significant drivers of economic growth in the state:

1. **Service Sector:** This sector includes a range of industries, including health, engineering, management, hotels, and personal and professional services. The labor-intensive service sector has contributed notably to employment gains in West Virginia, creating 17.25 million new jobs between 1970 and 2007 (Herath et al., 2010).
2. **Finance, Insurance, and Real Estate (FIRE):** This sector includes banking, credit agencies, insurance carriers, and real estate, among other related services. Between 1970 and 2007, 11.22 million new jobs were created in the FIRE sector to support the West Virginia economy (Herath et al., 2010).
3. **Trade:** Wholesale and retail trade have consistently contributed to economic growth in West Virginia, creating 2.47 million jobs between 1970 and 2007 (Herath et al., 2010).

West Virginia's Struggling Workforce

The effects of West Virginia's dependence on the coal industry cannot be understated. With coal companies employing a significant portion of the population, many individuals chose to follow their parents and families into the industry rather than pursuing higher education, establishing a culture that did not view a college degree as necessary for economic stability (Appalachian Regional Commission, 2023). According to the ARC, educational attainment rates are lower in Appalachia compared to the rest of the United States, especially in the Central and North-Central regions that encompass a significant portion of West Virginia, including the 13 counties served by the NGRDA and Hive (Appalachian Regional Commission, 2023). A 2024 report indicates that West Virginia's public school system is ranked 45th nationwide, and less than a quarter of the state's population have received a Bachelor's degree or higher, compared to the national average of approximately 40 percent (National Education Association, 2024; U.S. Census Bureau, 2023a). These factors have exposed a significant educational gap, making it harder for those affected by the decline of the coal industry to find employment that aligns with their educational qualifications (Appalachian Regional Commission, 2023). Additionally, West Virginia's dependence on coal made it a prime candidate for the targeted distribution of opioids, which has had long-lasting effects on drug addiction, disability, and other health outcomes across the state, further reducing workforce entrance and retention (Ondocsin et al., 2020). As of 2022, West Virginia has the highest drug overdose mortality rate in the nation (Center for Disease Control, 2022).

The presence of educational, economic, and health disparities have significantly impacted West Virginia's workforce. As of February 2025, West Virginia's labor force participation, 53.7 percent, ranks the lowest in the nation; economist Heather Stephens suggests that about 100,000 West Virginians would need to join the workforce full-time to reach the national average of 62.4 percent (Douglas, 2022; Federal Reserve Bank of St. Louis, 2025). Additionally, West Virginia has weak labor market integration, suggesting that labor market dynamics and volatility vary across the state and that localities will facilitate heterogeneous responses to economic shocks and trends (Beverly et al., 2024). Research has indicated that several key factors affecting southern West Virginia, such as a high proportion of personal income increases from non-wage sources—such as government transfer

payments— and homogeneity in industry composition, are associated with high labor market volatility and less opportunities for long-term job security (Beverly et al., 2024).

Eco-Tourism and the New River Gorge

The tourism industry has a significant economic impact on West Virginia, primarily motivated by the wide availability of eco-tourism opportunities, such as hiking, fishing, hunting, whitewater rafting, and other outdoor recreation activities. Former Governor Jim Justice, whose gubernatorial administration lasted from 2017 until he ascended to a U.S. Senate seat in 2025, championed significant investments and initiatives into the tourism industry (National Governors Association, 2024). Most notably, his Tourism Works campaign aimed to bolster employment and economic impact in the tourism, leisure, and hospitality sectors (National Governors Association, 2024; Office of the Governor of West Virginia, 2024; West Virginia Department of Tourism, 2025). In 2023, the total economic impact of tourism was approximately \$9 billion; 75 million people visited West Virginia and spent a total of \$6.3 billion, a 23 percent increase from 2019 visitor spending levels (West Virginia Department of Tourism, 2023).

Eco-tourism is an especially relevant industry to the NRGDA and Hive, as the New River Gorge received its National Park and Preserve designation in January 2021, following an effort by members of the West Virginia Congressional delegation (National Park Service, 2021). In 2023, the New River Gorge National Park and Preserve saw a record-breaking 1.7 million visitors, with more than 200,000 visitors monthly during June, July, and August (WV Public Broadcasting, 2024). The NRGDA established the NRG Working Group in 2023 to connect key stakeholders, such as local governments, regional planning councils, and ecological conservation NGOs, to provide technical assistance to infrastructure projects and strategize development practices that support eco-tourism in the New River Gorge region (New River Gorge Regional Development Authority, 2025b).

Infrastructure, Developable Land, and Brownfields

Infrastructure and availability of developable land are key factors inhibiting economic growth in southern West Virginia. Former Governor Justice characterized the lack of adequate water, sewer, and broadband infrastructure as primary barriers to economic development in his 2023 Strategy Statement to the ARC (West Virginia Department of Economic Development, 2023). West Virginia earned a D on the 2021 ASCE Infrastructure Report Card, indicating that lagging construction and rehabilitation efforts insufficiently meet community needs (American Society of Civil Engineers, 2021). West Virginia additionally faces a large number of dilapidated and abandoned structures across the state; although a \$30 million program was recently piloted to support demolition and rehabilitation efforts, it is estimated that an additional \$150 million is necessary to address statewide needs (Pagán, 2024). Both on-site and incidental off-site infrastructure are necessary to facilitate the development of industrial, commercial, and residential projects.

The availability of developable land is primarily affected by topographical constraints—the mountainous terrain makes it challenging to facilitate some economic development projects, such as large-scale industrial farming (Beyer, 2019). Many rural localities do not have the extensive capital resources necessary to acquire land and flatten mountainous terrain in addition to other relevant development project expenses (Whitman Land Group, 2024). Further, environmental factors, such as soil quality and water availability, can notably affect the feasibility of a project and often require onerous environmental impact assessments that impede project implementation (Whitman Land Group, 2024). The lack of developable land supply directly impacts the degree to which

development projects are facilitated. West Virginia faces these topography challenges more ubiquitously than neighboring Appalachian states, which may incline investors to pursue large-scale economic development projects elsewhere.

The lack of developable land is further exacerbated by the prevalence of brownfields in southern West Virginia; many sites that were previously used for coal extraction are now mine-scarred, leaving them overly polluted and contaminated, impeding development efforts and requiring additional bureaucratic oversight when pursuing site remediation (West Virginia Brownfields, 2024). Since 1997, over \$37 million has been awarded to West Virginia localities through the EPA's Brownfields Program, assessing approximately 325 sites and rehabilitating 1,285 acres across 79 sites for reuse (Douglas, 2021; U.S. Environmental Protection Agency, 2025). Without large-scale investments into crucial infrastructure and land development projects across southern West Virginia, regional stakeholders will continue to struggle to attract investors from the private and public sectors, resulting in fewer small businesses and entrepreneurs accessing the capital they need to survive in the market.

Barriers to Accessing Capital Resources

At both the federal and state levels, many grant programs that would otherwise align well with the needs of small business owners, entrepreneurs, and localities are unattainable due to various factors. A 2024 report by the Hub surveyed nearly 60 local government agencies, NGOs, and other economic development-related organizations, including the NRGDRA, to highlight the obstacles impeding West Virginians from accessing federal funding to support development projects.

Appendix D provides additional information on the survey participants included in the report. Key barriers identified include:

1. **Spending Restrictions:** Many federal grants restrict the use of awards for certain types of expenditures and often require that a certain percentage of the awarded amount be used for specific costs, such as operating, marketing, or local, state, and federal compliance-related expenses (West Virginia Community Development Hub, 2024). If “unallowable” expenditures are necessary for the successful facilitation of an economic development project, applicants must undergo tedious administrative procedures to ensure that their use of awarded funds complies with the guidelines put forth by the agency administering the grant (West Virginia Community Development Hub, 2024). 23 percent of survey respondents indicated that spending restrictions posed a significant barrier to the success of their project (West Virginia Community Development Hub, 2024).
2. **Shifting Application Windows:** There is little standardization in the application windows for many federal grants, meaning a given grant may not accept applications at the same time or for the same length of time between years, making it difficult for applicants to respond to time-sensitive project needs (West Virginia Community Development Hub, 2024). Additionally, many survey participants indicated that several key agencies administering grants highly relevant to rural regions, such as the USDA and EDA, fail to provide sufficient notices of funding, making it difficult for applicants to know when federal funding is available (West Virginia Community Development Hub, 2024).
3. **Match Requirements:** Many federal grants impose strict match requirements, which require applicants to match awarded funds at a certain threshold, commonly 50 to 100 percent of the total award. Though these requirements are designed to demonstrate a vested interest in the project, or “skin in the game,” many resource-constrained candidates do not

have the capital on hand to appear competitive for these awards (West Virginia Community Development Hub, 2024). 52 percent of survey respondents indicated that match requirements are the primary barrier to accessing the federal capital necessary to facilitate projects effectively (West Virginia Community Development Hub, 2024). The report additionally notes that of all of the federal resilience funding made available through the Biden-Harris administration's Bipartisan Infrastructure Act, over 60 percent requires a local match (West Virginia Community Development Hub, 2024). A 2023 report reinforces these findings, noting that local match requirements hinder some localities from investing in climate risk mitigation, which can have significant consequences for business owners and community members in the wake of natural disasters (Smith et al., 2023). Some programs, like FEMA's flagship BRIC grant program, score applicants higher if they can provide more than the minimum required local match, further exacerbating inequities and disadvantaging rural communities (Smith et al., 2023).

Though the Hub's report surveyed primarily economic development and local government stakeholders, these findings are shared by small business owners and entrepreneurs across West Virginia. Many stakeholders interviewed in the construction of this project indicated that, in particular, match requirements pose a significant burden on small businesses and entrepreneurial ventures seeking funding, with many choosing not to pursue a grant if there is an associated match requirement (J. Belcher, personal communication, 2024; J. Moore, personal communication, 2024). Similar sentiments are also expressed at the state level, where there are fewer grant opportunities. Many state-funded programs that support economic development through technical assistance for small businesses and entrepreneurs, such as those administered by the WV SBDC, WVEDA, and WV OED, do not directly provide financial support. This issue is further exacerbated by a lack of private investment in the region, with only a limited number of venture capital funds and angel investors currently operating in southern West Virginia (Country Roads Angel Network, 2025; J. Belcher, personal communication, 2024). Because West Virginia cannot access private and public wealth as readily as metropolitan areas, it is challenging to acquire the external funding necessary to leverage a state or federal grant (West Virginia Community Development Hub, 2024).

Evidence on Existing Interventions

Business Incubators and Accelerators

Business incubators are designed to facilitate the successful development of early-stage small businesses and entrepreneurial ventures by providing various business support resources, including mentorship and technical assistance, access to capital networks, and office/meeting space (BDP, 2024). Incubators aim to help companies achieve an MVP and move beyond their embryonic phase (BDP, 2024). While providing similar resources, business accelerators are focused on boosting the growth of more developed start-ups and often provide seed investment in exchange for equity (Levin, 2024). A CRS report suggests that there are mixed findings on the effect of business incubators and accelerators on start-up firm survival rates, job creation, and funding acquisition; still, it notes that these programs generally have positive impacts, especially in rural areas and areas with highly diversified economic landscapes (Levin, 2024). Further, a 2017 report found that participation in these programs is correlated with increases in revenue, venture funding, and network expansion (Ayatse et al., 2017). Though these programs can notably contribute to economic growth in rural communities, 40 percent of all business incubators and accelerators are located in three metropolitan areas—Baltimore, Denver, and San Francisco—indicating that access to such services is disproportionately focused on urban economic development (Levin, 2024). The CRS report

highlights a recommendation presented to Congress by the NACIE to address this disproportionate concentration in specific locations and increase the availability of such services across the country by establishing a national support network for business incubators and accelerators (Levin, 2024).

Several incubator and accelerator programs operate in West Virginia, including at least seven in the 13 southern counties (TechConnect West Virginia, 2017). The WV Hive operates the WV Business Hub in Beckley, which includes short-term rentable coworking and meeting spaces, as well as long-term incubation office spaces with affordable leasing options to accommodate the needs of early-stage small business owners and entrepreneurs; the Business Hub additionally hosts a maker space that offers resources like design software and 3D printers to assist with MVP prototyping (WV Hive Network, 2024). The Bluefield Commercialization Station in Mercer County is a 60,000-square-foot incubator space that similarly offers subsidized offices and workspaces with a specific emphasis on manufacturing (Bluefield WV Economic Development Authority, 2024). With strong business incubator programs facilitating new business growth and attraction to southern West Virginia, additional investment into such programs may positively impact the growth and retention of existing businesses in the region. The ITA suggests that business accelerator programs are growing nationwide, with accelerator-related investment increasing from less than \$5 billion in 2014 to \$50 billion in 2018 (Levin, 2014). Further, research indicates that businesses that participate in incubator and accelerator programs are more likely to receive follow-up funding from existing investors and achieve higher valuations than those that do not participate (Lange & Johnston, 2020).

Main Street and Downtown Revitalization

The COVID-19 pandemic had sweeping effects on the national economy and particularly devastated the small businesses and employment landscape of rural America; unemployment rose to over 10 percent during the pandemic in rural counties with high rates of poverty and income disparity (Love & Powe, 2020). One response taken by many rural localities to facilitate post-pandemic economic recovery involved investing in Main Streets and downtown commercial corridors, which are often associated with high levels of employment and economic activity, especially among small businesses (Love & Powe, 2020). Main Street revitalization programs have been equipped nationwide to ignite economic growth, supporting nearly \$85 billion in new investment nationwide since their inception (Love & Powe, 2020). A report published by the NADO Research Foundation indicates that Main Street programs have created and retained approximately 700,000 jobs nationwide, with every \$100,000 invested into a downtown revitalization project resulting in the creation of 5.5 jobs (NADO Research Foundation, 2024). Further, properties in revitalized downtown commercial corridors have seen an average increase in value of 10 to 15 percent. Main Street and downtown revitalization programs have significantly impacted communities across West Virginia. In Wheeling, an NGO-driven Main Street revitalization program increased new business openings by 30 percent, leading to increases in population, local spending, and growth and investment in the nearby housing market (Love & Powe, 2020). The Elkins Main Street program has leveraged over \$2.5 million in public and private capital, opening 30 new businesses in the downtown area; in Fairmont, a \$1.8 million investment into its Main Street has led to a 20 percent increase in foot traffic, boosting local business and promoting tourism to the area (City of Elkins, 2024; Fairmont Main Street, 2024). Though they have notable impacts on business development and growth, Main Street programs have not received significant investments in southern West Virginia and must be uplifted to improve regional economic outcomes; this is especially relevant, as leaders at the NRGDA and NRG Working Group have indicated that funding for existing state-level downtown revitalization programs is declining, as former Governor Justice reappropriated such funding toward tourism and

marketing efforts (J. Belcher, personal communication, 2024; A. David, personal communication, 2024).

Matching Funds

There is significant evidence suggesting that access to early-stage seed capital affects firm growth, both in terms of size and speed; a 2022 report found that rurally-located small businesses and entrepreneurial firms that received federal capital awards, such as those awarded through the SBA's SBIR and STTR programs, experienced an average employment growth rate of 15 percent and a revenue growth rate of 20 percent over two years, compared to non-funded firms (Kerlin et al., 2022). Additionally, a growing body of internationally focused research indicates that cash grants, which do not typically carry match requirements for applicants, are more effective at achieving improved economic development outcomes than matching grants (Grimm et al., 2024). A 2024 study found that firms that received cash grants increased their investment by 7.7 percent, nearly doubled their capital stock, and had higher survival rates than firms that received matching grants (Grimm et al., 2024). With this knowledge, establishing a state or regional matching fund in southern West Virginia could effectively address current financial challenges that limit investment into development projects, small businesses, and entrepreneurial ventures. In 2019, Texas established the TIRF, leveraging both private and public capital into a \$10 billion fund that localities could use to circumnavigate match requirements for flood mitigation, climate resiliency, and other infrastructure and planning-related grants (Smith et al., 2023; Texas Department of Transportation, 2025). The TIRF had notable effects on economic development resiliency, supporting the creation of over 10,000 jobs through infrastructure projects, saving approximately \$500 million in potential flood damages, and reducing power outages by 30 percent (Smith et al., 2023). Though the TIRF is focused more on infrastructure and climate resiliency, its model could be appropriately adjusted to meet the needs and priorities of localities, small business owners, and entrepreneurs in southern West Virginia to improve access to early-stage capital and positively impact job creation, business attraction and retention, and overall economic growth.

Alternatives

Through an extensive assessment of existing literature and interviews with key stakeholders, four evidence-based policy alternatives were identified, showing high potential to have a tangible effect on access to early-stage and seed capital in the region. The four alternatives are listed below:

5. Establish a regional matching fund;
6. Expand business incubator programs;
7. Build a partnership with a local higher education institution; and,
8. Work with state leaders to establish a regional angel investor tax incentive.

Alternative 1: Establish a regional matching fund

This alternative involves leveraging private and public capital resources to create a New River Gorge Regional Fund (NRGRF) that clients can use to circumnavigate state and federal grants with match requirements. The matching fund is to be modeled after similar mechanisms implemented in other parts of the country, including the TIRF and Fund Tennessee, a program administered by the Tennessee Department of Economic and Community Development. It provides capital investments to small businesses and entrepreneurial ventures; Fund Tennessee's InvestTN Regional Seed Fund provides initial investments of \$25,000 to \$250,000 to pre-seed and seed-stage ventures (Smith et al., 2023; Texas Department of Transportation, 2025; State of Tennessee, 2025).

In its infancy, the NRGRF will ideally comprise at least \$500,000. Approximately \$200,000 could be reallocated from existing NRGRDA and Hive assets and revenue sources, including the Coal Bed Methane Severance Tax and CRAN, a key private investor in southern West Virginia that was initially incubated by the Hive. The remaining \$300,000 could be accessed by applying for additional public funding made available through the SSBCI Program, which WVJIT administers via WVCAP (U.S. Department of Treasury Office of Public Affairs, 2022). SSBCI aims to provide federal funding to small business owners and entrepreneurs to aid in the creation, expansion, and retention of jobs; West Virginia has been heavily targeted in the deployment of SSBCI funds, accessing nearly \$72 million in 2022 (U.S. Department of Treasury Office of Public Affairs, 2022). The NRGRF is highly relevant to the mission of SSBCI, indicating a strong likelihood that the NRGRDA and Hive would be able to access additional funding through coordination with WVCAP.

An Oversight Board will be established to oversee the NRGRF. It will be charged with responsibilities such as facilitating administrative and bureaucratic processes associated with maintaining the fund, identifying additional revenue sources and investors to ensure its long-term viability, and reviewing and awarding funding to NRGRF applicants. Key stakeholders, including representatives from the NRGRDA, WV Hive, CRAN, local government planning commissions/chambers of commerce, and other individuals and organizations related to the maintenance of the NRGRF, will be recruited to serve on the Oversight Board. With the estimated \$500,000, the NRGRF would enable a maximum of 20 grants of \$25,000 to be dispersed annually, though specific award amounts would be determined by a variety of factors, including:

1. The size of the award associated with the grant that the client is seeking;
2. The match requirement associated with the grant that the client is seeking;
3. A holistic review of the local, regional, and statewide benefits of investing in the client's small business/entrepreneurial venture; and,
4. The client's demonstrated participation in NRGRDA/Hive business coaching throughout the grant application creation, revision, and review processes.

This alternative intends to address match requirements, which pose an onerous burden to many candidates seeking state and federal funding opportunities. Despite the projected benefits of this alternative, there are limitations. As previously described, match requirements are often used to demonstrate a vested interest in a given project. By effectively circumventing match requirements through establishing a regional matching fund, the NRGRDA and Hive may provide resources to clients not demonstrably invested in their projects, effectively wasting those dollars. Thus, the NRGRF Oversight Board must implement a holistic review of funding applications to ensure that projected firm viability is high, that there is a demonstrated need for funding by the applicant to ensure such viability, and that the firm's product(s) or service(s) will meet local and regional community needs.

Alternative 2: Expand business incubator programs

This alternative would involve restructuring the existing space usage of the Hive's Business Hub to accommodate additional long-term business incubation units. **Appendix D** outlines the Business Hub's current space availability and pricing; most notably, this indicates three units for long-term business incubation. However, due to HVAC-related issues, only one unit is currently accessible to clients. This alternative involves adjusting the Meeting/Training Room, the Meeting/Networking Room, and the Executive Suite, all presently available exclusively for short-term rental, to

accommodate short- and long-term client needs. By offering such flexibility in the spaces, the NRGDRA and Hive can provide additional support, reduce their clients' financial burdens, and secure additional revenue. In addition to adjusting the space use, this alternative involves conducting an efficacy analysis of the current NRGDRA and Hive business incubator programming to identify deficiencies and opportunities for growth and develop a strategic theory of change; this could be done by analyzing the historical use of the Business Hub and surveying current, former, and prospective clients to understand their needs. The estimated cost of this alternative includes the necessary HVAC repairs to the Business Hub, additional office furniture and supplies, print and digital marketing materials, and the cost of capital associated with conducting the efficacy analysis.

Though this alternative may improve long-term economic outcomes, it may not appropriately address the issue of limited seed/early-stage capital, both at the scale necessary to address the region's need and at a rate fast enough for the regional economy to meaningfully feel its effects.

Alternative 3: Build a partnership with a local higher education institution

This alternative involves formalizing a partnership with a local college or university in southern West Virginia, such as Bluefield State University, Concord University, or WVU Tech. This relationship could be utilized for a variety of projects, including:

1. **Workforce Development:** Develop tailored courses, programs, and job training workshops that directly address the needs of local industries and small businesses. This will provide crucial professional development opportunities to students and build a pipeline of recent graduates into the surrounding workforce. It will additionally support broader statewide efforts to attract and retain young, college-educated people in West Virginia (Deskins, 2023).
2. **Business Support:** Universities can provide or subsidize office and building space, which can be used to expand existing business incubator programs. Additionally, the NRGDRA and Hive can integrate student, staff, and faculty participation into their small business pitch competitions, incentivizing the university partner to contribute capital resources that can increase award amounts.
3. **Research and Innovation:** Universities can collaborate with the NRGDRA and Hive on projects that offer students, staff, and faculty the opportunity to facilitate research on economic development and identify innovative ways to support small business owners and entrepreneurs in the region.

Additionally, this alternative involves progressing existing efforts to establish Hive offices and maker spaces on multiple college and university campuses in the region, regardless of whether a formal partnership exists. The EDA already offers a strong framework for developing such partnerships through its UC Program, prioritizing candidates serving economically disadvantaged areas (U.S. Economic Development Administration, 2025). As such, federal funding will likely be available to support the NRGDRA/Hive's partnership. The EDA has indicated that the next competitive window for the UC Program will be conducted in FY26, limiting applications to those served by the Philadelphia and Chicago regional offices (U.S. Economic Development Administration, 2025). West Virginia is served by the Philadelphia regional office, indicating that the upcoming FY26 funding may be highly relevant to the facilitation of this alternative.

Several economic development leaders and other key stakeholders interviewed during the construction of this report recommended establishing a university partner (M. Fulton, personal

communication, 2024). They cited the potential for increased capital resources and a pipeline between graduating students and the southern West Virginia small business landscape. The NRGDA and Hive have previously participated in pitch competitions and other small business and entrepreneurship-related events at Concord University and WVU Tech, indicating existing relationships between these institutions that could be explored further (New River Gorge Regional Development Authority, 2022, 2024; WV Hive Network, 2024b).

Despite existing relationships with higher education institutions, institutional priorities may pose administrative hurdles to successfully implementing this alternative. In the past couple of years, several higher education programs focused on small businesses, entrepreneurship, and economic development, such as the WVU Tech Morris L. Hayhurst LaunchLab, have seen significant funding and programming cuts (West Virginia University, 2024). This may indicate a reluctance from higher education institutions to formalize a partnership and invest in economic development programs. This reluctance may be further compounded by shifting state-level priorities from new gubernatorial leadership. While former Governor Justice placed a significant emphasis on uplifting eco-tourism initiatives and the West Virginia small business landscape, Governor Patrick Morrisey, who assumed office in January 2025, has presented a “Backyard Brawl” approach to economic development that focuses more on developing and improving statewide energy infrastructure (Coyne, 2025). Governor Morrisey’s shift away from small business-related priorities may pose an additional challenge in the NRGDA and Hive’s efforts to build a higher education partnership.

Alternative 4: Work with state leaders to establish a regional angel investor tax credit
This alternative involves leveraging the NRGDA and Hive’s broad network and advocating for the implementation of an angel investor tax credit program that incentivizes private investors to support small businesses and entrepreneurial projects in southern West Virginia. The proposed incentive would primarily be modeled after the Virginia angel investor tax incentive, also known as the Business Development Credit, which is administered by VDOT and establishes a credit of up to 50 percent of the value of a qualified entity or subordinated debt investment in a business, with a maximum credit of \$50,000 and a pro-rating system so not to exceed the \$5,000,000 statewide credit cap (Virginia Department of Taxation, 2025). The WVTD would administer the proposed incentive and would include an additional provision specifying that eligible businesses must be based in one or more of the 13 counties in the jurisdiction of the NRGDA and Hive. Additional administrative specifications will be modeled after New Jersey’s version of the program (New Jersey Economic Development Authority, 2025). These provisions include:

1. Applicants must submit their application to WVTD no later than six months from the date of investment;
2. The application will be two-fold: a section for the investor and a section for the small business/entrepreneurial venture. An application is only considered complete if both sections are completed and submitted to WVTD in the aforementioned time frame;
3. The small business/entrepreneurial venture receiving the investment must meet the SBA’s size definition of a small business, and 75 percent of its employees must work in West Virginia; and,
4. All applicants must file a West Virginia tax return based on the tax year of the date their application is submitted, not the date of investment or approval. This provision applies to in-state, out-of-state, and overseas investors, even if they have no other tax activity in West

Virginia (New Jersey Economic Development Authority, 2025; U.S. Small Business Administration Office of Advocacy, 2023a).

The evidence surrounding angel investor tax credit programs is relatively mixed, but the potential benefit that could be brought to early-stage small businesses and entrepreneurs in southern West Virginia cannot be understated. A 2013 study of angel investor tax incentives found that 75 percent of states that enacted such credits saw increased entrepreneurial activity, especially among early-stage ventures, within two years of implementation (Bell et al., 2013). These increases were persistent, uplifting state entrepreneurship even during economic declines (Bell et al., 2013; Haggerty et al., 2021). This indicates that angel investor tax incentives may be particularly effective in southern West Virginia, which faces a highly volatile small business market and workforce (Beverly et al., 2024).

Despite positive findings in some studies, others are more critical of angel investor credits. A 2022 study indicated that angel investor tax incentives may be ineffective in improving the outcomes they are designed to target; an analysis of such programs in seven states determined that the investors benefitting from the tax credit program are primarily “younger, more local and less experienced than the average angel investor,” with only 6.2 percent having previous entrepreneurial experience (Denes et al., 2022). This suggests that angel investor tax incentives fail to attract qualified and experienced investors from outside the state, a key population needed to support the small business landscape of southern West Virginia (Denes et al., 2022; Howell & Mezzanotti, 2019). Additionally, a survey of angel investors found that 15 percent believed that applying for the tax incentive posed an onerous administrative burden, indicating that overcomplicated application processes may impede the credit take-up (Brown, 2021).

As the NRGDA and Hive do not have rulemaking authority to directly influence statewide policy decisions, this alternative will primarily involve launching an advocacy campaign to promote the adoption of the angel investor tax incentive. This campaign includes several elements, including:

1. Creating and distributing both print and digital marketing materials explaining the program and urging West Virginia residents to contact their legislators to advocate for its implementation;
2. Hosting regional advocacy events at the Hive’s Business Hub in Beckley to build a coalition of small business owners, entrepreneurs, and community members that will be directly affected by the program; and,
3. Conducting advocacy days at the West Virginia State Capitol in Charleston, meeting with elected officials and their staff members to encourage program implementation.

Evaluative Criteria

Four evaluative criteria were identified and equipped to aid in analyzing the four proposed policy alternatives: cost, administrative feasibility, equity, and sustainability. The cost, administrative feasibility, and equity criteria are all equally weighted (ranked one to four, approximately 26.67 percent weight), while the sustainability criterion has slightly less weight (ranked one to three, 20 percent weight). In this analysis, the maximum score that a given alternative can achieve is 15, and the lowest is 4. Each criterion and its scoring system are summarized below:

Cost

This criterion assesses both the direct and indirect costs associated with a given policy alternative. Based on their total related costs, alternatives are ranked from one to four, with one assigned to the alternative with the highest costs and four to the alternative with the lowest costs.

Administrative Feasibility

Administrative feasibility refers to how easily the NRGRDA and Hive could implement a particular policy alternative. This criterion has two components and will be determined by the average of two scores: internal administration and external administration. Internal administration will be scored from one to four, evaluating whether each alternative can be implemented with currently-available resources or if additional human and capital resources need to be obtained to support its implementation; a score of one indicates that an alternative will greatly require additional external resources, while a score of four signifies that an alternative can be successfully implemented using existing resources. External administration will also be scored from one to four based on the following scoring system:

1. A score of 1 indicates an alternative requires coordination at all three levels of government (local, state, and federal).
2. A score of 2 indicates an alternative requires coordination at two levels of government.
3. A score of 3 indicates an alternative requires coordination at one level of government.
4. A score of 4 indicates an alternative does not require governmental coordination and can be implemented internally within the NRGRDA and Hive.

Equity

Equity describes how effectively a given policy alternative addresses marginalized and high-risk communities. Firstly, this criterion will assess whether an alternative explicitly targets marginalized groups in its design. Secondly, it will determine the extent to which the targeted groups are projected to be impacted by the alternative. Alternatives will be ranked from one to four using the following scoring system:

1. A score of 1 indicates an alternative does not explicitly target marginalized groups in its design.
2. A score of 2 indicates an alternative explicitly targets marginalized groups with a low projected impact.
3. A score of 3 indicates an alternative explicitly targets marginalized groups with a medium projected impact.
4. A score of 4 indicates an alternative explicitly targets marginalized groups with a high projected impact.

Sustainability

This criterion describes how well a given policy alternative addresses longevity and long-term sustainability in its design. Sustainability will be assessed by analyzing each alternative in terms of two phases. Phase I characterizes an alternative's planning and initial implementation, and Phase II represents the alternative once it is implemented and fully operational. Sustainability will be ranked from one to three using the following scoring system:

1. A score of 1 indicates an alternative does not embed sustainability in either Phase I or II.

2. A score of 2 indicates an alternative embeds sustainability in either Phase I or II.
3. A score of 3 indicates an alternative embeds sustainability in both Phase I and II.

Evaluative Analysis of Alternative 1

Cost

This alternative has a cost of \$509,366.28 and a ranked score of 1. This includes the \$500,000 placed into the NRGRF in its first year of operation and the costs associated with facilitating quarterly NRGRF Oversight Board meetings. Additionally, it accounts for the opportunity cost of the Oversight Board members participating in the quarterly meetings, which was calculated using the average individual income in the region. The cost estimations for this alternative are summarized in **Appendix E, Table E1.**

Administrative Feasibility

This alternative receives an internal administrative feasibility score of 3. A combination of the NRGRDA and Hive's existing assets and revenues can fund the proposed NRGRF. These sources include:

1. **Coalbed Methane Gas Severance Tax:** WVTD levies a 5 percent tax on the gross receipts from the production of coalbed methane gas and typically applies to businesses in the mineral extraction industry, explicitly applying to projects that involve the extraction of gravel, limestone, sand, and sandstone and the production of oil and natural gas (West Virginia Tax Division, 2023). Revenue from the severance tax is distributed to local governments and economic development authorities, providing additional capital to regional infrastructure and development initiatives (West Virginia Tax Division, 2023). The NRGRDA qualifies as a beneficiary of the severance tax, receiving \$98,968.51 in FY 2023 and \$40,818.92 in FY 2024 (West Virginia State Treasurer's Office, 2023, 2025). A 2023 audit indicates that the NRGRDA and Hive have \$1,169,413 in restricted assets from the coalbed methane gas severance tax, which must be used for projects promoting economic growth, supporting job creation, and attracting and retaining new businesses (BHM CPA Group, 2023; West Virginia Tax Division, 2023). These guidelines are highly relevant to the NRGRF, indicating that the severance tax would be an ideal capital resource to support the fund.
2. **Country Roads Angel Network:** CRAN is the first accredited angel investment network in West Virginia and serves as one of the few key private contributors to the small business landscape in the state's southern region (Country Roads Angel Network, 2025). Initially incubated at the Hive's Business Hub in Beckley, CRAN is a strong ally to the NRGRDA and Hive and has supported a robust portfolio of small businesses and entrepreneurs across the region, ranging from biotechnology to meat processing (Country Roads Angel Network, 2025). The NRGRDA's 2023 audit indicates \$256,202 in restricted assets and \$131,586 in operating revenue. CRAN-sourced capital is highly relevant to the success of the NRGRF; to ensure commitment to the proposed fund, the NRGRDA and Hive could leverage involvement on the oversight board of the fund, ensuring that key CRAN investors can equip their expertise and portfolio vision in the evaluation of NRGRF funding candidates.
3. **State Small Business Credit Initiative:** SSBCI, a program administered by the U.S. Department of the Treasury, aims to provide federal funding to early-stage small business owners and entrepreneurs to aid in the creation, expansion, and retention of jobs (U.S. Department of the Treasury Office of Public Affairs, 2022). In 2022, SSBCI provided nearly \$72 million to small businesses across West Virginia, with awards deployed by WVJIT by way

of WVCAP; according to the NRGRDA's 2023 audit report, SSBCI funding (categorized as capital sourced from WVCAP) amounted to \$191,171 in restricted assets (BHM CPA Group, 2023; U.S. Department of Treasury Office of Public Affairs, 2022). This capital is closely related to the goals of the NRGRF, and the NRGRDA and Hive could likely capture additional SSBCI funding by application to WVCAP. However, this process may be abnormally onerous due to notable changes in federal funding opportunities under the Trump-Vance administration (Council of Development Finance Agencies, 2025)

Establishing the NRGRF would not involve hiring an additional NRGRDA or Hive employee, as current personnel can administer and maintain the fund and work directly with clients seeking funding. However, it would involve creating an Oversight Board where key stakeholders, including NRGRDA and Hive personnel, private investors, and local/regional development leaders, would oversee the fund's capital, identify potential investors who may want to contribute to the NRGRF, and facilitate the review of candidates applying for funding. Positions on the NRGRF Oversight Board will be volunteer-based, meaning the NRGRDA and Hive will not have to use internal funds to provide wages or stipends to their members.

This alternative receives an external administrative feasibility score of 1. Establishing the regional fund will require coordination with players at all three levels of government. Local government officials and agencies, such as county-based EDAs, planning commissions, and chambers of commerce, should be included in both the development of the NRGRF and the awarding of funds to NRGRDA and Hive clients; these leaders can bring crucial insight into the strengths, deficiencies, and goals of their localities, which must be prioritized to ensure that the NRGRF is used to meet a broader, cohesive vision for the region. Should the NRGRDA and Hive use WVCAP/WVJIT-administered SSBCI capital in the NRGRF, coordination with state and federal government entities must also be facilitated. As previously mentioned, President Trump's funding freeze and restructuring of many federal agencies and programs serves as an additional administrative burden, as key information and resources associated with the SSBCI have been removed from the Department of Treasury's website; recent reports have also indicated that the Trump-Vance administration plans to downsize several key small business and entrepreneur-related grant programs, such as the SBA's SBIR and STTR programs, which suggests that there may be significant barriers to accessing federal funding for a project such as the NRGRF (Isidore, 2025). These obstacles at the federal level are compounded by shifting priorities in the new gubernatorial administration in West Virginia, as Governor Patrick Morrisey's economic development plan is built around energy infrastructure, contrasting former Governor Justice's emphasis on tourism and small business development (Coyne, 2025)

Given the internal and external feasibility scores, this alternative receives an overall administrative feasibility score of 2.

Equity

This alternative receives an equity score of 2. Currently, no specific element of the NRGRF is designed to assist marginalized communities. However, regarding equity, the fund's design is less critical than its application. The NRGRDA and Hive have recently started reviewing their existing programs and identifying methods to adjust or rethink initiatives to specifically address the needs of racial and ethnic minorities in the region. This effort relies on a substantial body of research indicating that MBES face higher costs and obtain smaller loans than their white counterparts, and

suggesting that the issue of access to early-stage capital resources might affect racial minorities more significantly than other population groups (Bates & Robb, 2013). As mentioned in the explanation of this alternative, the current proposed model for the NRGDF allocates capital to applicants based on various criteria, such as the size of the award associated with the grant the client is seeking and a review of the local, regional, and statewide benefits related to investing in a client's small business or entrepreneurial venture.

To embed equity in the use of the NRGDF, the Oversight Board, which will facilitate application review, should additionally consider the demographics of the applicant and the demographics of the clientele served by their small business/entrepreneurial venture (the latter of which may already be encompassed in the benefits analysis outlined above). The Oversight Board could additionally dedicate an amount or percentage of capital in the fund to be allocated specifically for MBEs. Without making a deliberate effort to support marginalized communities in reviewing NRGDF applicants, it is unlikely that MBEs will access a large percentage of the capital, an assessment based mainly on the region's demographics (U.S. Census Bureau, 2025a).

Sustainability

This alternative receives a sustainability score of 2. The current funding structure of the NRGDF relies on revenue sources, such as the coalbed methane gas severance tax and SSBCI payments through WVCAP (BHM CPA Group, 2023). Because these sources generate annual revenue for the NRGDA, they can be relied on yearly to contribute to a portion of NRGDF funds. However, a significant amount of additional capital, including current assets, must be allocated to achieve the targeted amount of \$500,000. Without securing more NRGDF donors and sponsors beyond those already identified, this alternative may struggle to address sustainability effectively. Nevertheless, the oversight board functions as a strong sustainability mechanism, as its members will be responsible for identifying additional capital sources and ensuring that the NRGDF is set for long-term viability.

Evaluative Analysis of Alternative 2

Cost

This alternative has a cost of \$6,375.19 and a ranked score of 4. This alternative has the lowest cost of the four proposed, which is primarily attributed to its design, which involves restructuring existing programs made available through the Hive's Business Hub. The estimated costs include marketing materials, additional furniture and office materials, and the estimated cost of an HVAC repair that is currently impeding existing access to the Business Hub incubation space. It additionally considers the cost of labor associated with conducting an efficacy analysis and report. The cost estimations for this alternative are summarized in **Appendix E, Table E2**.

Administrative Feasibility

This alternative receives an internal administrative feasibility score of 4. No significant costs are associated with restructuring the coworking, meeting, and office spaces in Hive's Business Hub, indicating that this alternative can be facilitated using internal capital resources. Additionally, this restructuring does not require the employment of additional personnel, as many of the administrative responsibilities associated with its implementation fall under the responsibility of current NRGDA and Hive employees; these tasks include updating marketing materials and pricing information and preparing/disseminating information about the changes to its network (New River Gorge Regional Development Authority, 2025c). The NRGDA and Hive may opt to outsource

these administrative responsibilities, which would pose an additional cost, but implementation could be successfully facilitated with exclusively internal resources.

This alternative receives an external administrative feasibility score of 4. Both elements of this alternative—restructuring Business Hub space use and facilitating an efficacy analysis of the business incubator program—constitute internal programming adjustments that would not require coordination with specific government entities at any level of government. As such, significantly fewer formal processes are associated with implementing this alternative relative to the other proposed alternatives.

Given the internal and external feasibility scores, this alternative receives an overall administrative feasibility score of 4.

Equity

This alternative receives an equity score of 1. No elements of this alternative are designed to address the specific needs of marginalized populations. Currently, only three units are designated as business incubation office space, and implementing this alternative would likely only increase that figure to approximately five units. Given the limited supply, it is unrealistic to implement an equity-focused measure, such as designating a specific unit for use by MBE clients, as small businesses owned by POC-owned businesses only constitute 4.5 percent of the statewide population (U.S. Small Business Administration Office of Advocacy, 2023b). Additionally, the Hive already offers financial flexibility to clients renting business incubation space based on their needs and resources; this flexibility suggests that equity-focused mechanisms are already embedded within the business incubator program.

Sustainability

This alternative receives a sustainability score of 2. Though no explicit element addresses sustainability, this alternative involves restructuring an existing program operated by the NRGDA and Hive. As such, there is no specific need to implement long-term viability measures, as the long-term viability of the business incubator program is already a priority within the organizations (New River Gorge Regional Development Authority, 2025a; WV Hive Network, 2025b).

Evaluative Analysis of Alternative 3

Cost

This alternative has a cost of \$17,452.52 and a ranked score of 2. This estimation includes the costs of labor and materials associated with planning and implementing the partnership, including meetings and projects facilitated with the partner institution and government agencies such as the EDA. Additionally, it accounts for the time, labor, and materials associated with facilitating the proposed workshops and pitch competitions on campus once the partnership is formalized. The cost estimations for this alternative are summarized in **Appendix E, Table E3**.

Administrative Feasibility

This alternative receives an internal administrative feasibility score of 3. Administrative feasibility plays a unique role in evaluating this alternative, as access to the higher education institution's capital and personnel resources is a motivating factor for formalizing such a relationship. With this in mind, the need for external resources depends on the resources the partner institution is willing to contribute toward the partnership-associated initiatives. However, the

NRGRDA and Hive will likely have to apply for federal funding via the EDA's UC Program to ensure successful implementation. As previously mentioned in the description of this alternative, the UC Program's FY26 competitive window is limited to EDAs and higher education institutions served by the Philadelphia and Chicago regional offices (U.S. Economic Development Administration, 2025). Because the Philadelphia regional office serves West Virginia, there is significant potential for the NRGRDA and Hive to access funds during the FY26 window.

This alternative receives an external administrative feasibility score of 2. Facilitating this partnership would require collaboration with the higher education institution, as well as additional coordination with the local government institutions of the county/locality where the institution is located, as they will be key players in the facilitation of the proposed pitch competitions, workshops, and community development events. Should the NRGRDA and Hive seek UC Program funding, this alternative will also involve a formal application process to the EDA, posing an additional layer of external coordination (U.S. Economic Development Administration, 2025).

Given the internal and external feasibility scores, this alternative receives an overall administrative feasibility score of 2.5.

Equity

This alternative receives an equity score of 1. There is no equity element deliberately included in the design of this alternative. By its design, projects and programs derived from the partnership may be disproportionately available to the partner institution's students, staff, and faculty relative to the general population. Once the relationship is formalized, the NRGRDA and Hive can work with the partner institution to develop equity-focused programs and initiatives, such as developing workforce training programming that meets the needs of local MBEs or facilitating a pitch competition for women-owned small businesses and entrepreneurial ventures. However, these projects are outside the scope of this alternative, which primarily outlines the process of formalizing the partnership rather than identifying specific initiatives that should be enacted once the partnership is established.

Sustainability

This alternative receives a sustainability score of 1. No deliberate mechanism is embedded in this alternative to ensure the long-term viability of this partnership. Various rapidly-shifting factors on the higher education institution's end would influence its ability to maintain this partnership long-term, such as:

1. The institution's availability of resources and prioritization of economic development-related programs and activities;
2. Engagement and participation in the events facilitated through this partnership by students, staff, faculty, and administration; and,
3. Personnel changes among the institution's administration and the department(s) overseeing the partnership's implementation and operations.

As previously mentioned, previous higher education programs related to economic and small business development have been cut from institutional programming in recent years; this precedent further reduces the likelihood of an EDA-based partnership being a long-term priority (West Virginia University, 2024).

Evaluative Analysis of Alternative 4

Cost

This alternative has a cost of \$15,916.63 and a ranked score of 3. This estimation includes labor and materials associated with preliminary planning and the creation of marketing materials, as well as costs associated with hosting regional advocacy events and advocacy days at the West Virginia State Capitol in Charleston. This proposed model will ensure that the NRGDRA and Hive successfully build coalitions at both the regional and state levels. The cost estimations for this alternative are summarized in **Appendix E, Table E4.**

Administrative Feasibility

This alternative receives an internal administrative feasibility score of 3. Although the NRGDRA and Hive's primary function is providing technical assistance and other resources typically associated with an EDA, they have historically worked with state leaders to advocate for the needs of small businesses and entrepreneurs in southern West Virginia. As such, they have demonstrated that their current capital and personnel resources could sufficiently launch an advocacy campaign. There will be costs associated with facilitating this campaign, such as marketing and travel; however, such expenses are built into their annual operating budget and would likely not be notably burdensome (BHM CPA Group, 2023). The NRGDRA and Hive additionally have an extensive network of lobbyists and public relations experts who will be key players in facilitating advocacy efforts toward members of the state legislature.

This alternative receives an external administrative feasibility score of 2, as it will involve both local and state coordination. At the local level, the NRGDRA and Hive must leverage their network of government institutions, NGOs, small business owners, and entrepreneurs to build an advocacy coalition supporting the angel investor tax credit. Private investors should also be involved in this coalition, both prospective investors and investors already assisting small businesses and entrepreneurs in the region; it is key to emphasize the projected benefits that increased private investment will have on economic growth in the region to effectively garner support for the tax credit's implementation (Bell et al., 2013; Haggerty et al., 2021). At the state level, this alternative would patently involve direct advocacy to elected officials in West Virginia and state agencies whose work would be affected by implementing the tax credit, such as the WVOED, WVEDA, and WV SBDC. The NRGDRA and Hive should work at the regional level to develop a strategic advocacy plan that builds support among state elected officials in the region. Additionally, they should target advocacy efforts toward leadership of relevant committees and subcommittees, including Del. Gary G. Howell [R-Mineral], Chair of the House Subcommittee on Economic Development, Sen. Jason Barrett [R-Berkeley], Chair of the Senate Committee on Finance, and Sen. Glenn D. Jeffries [R-Putnam], Chair of the Senate Committee on Economic Development (West Virginia Legislature, 2025a, 2025b, 2025c). Additionally, although the future of the White House's RPN under the Trump-Vance administration is unclear, the Hive could leverage its connections made through the RPN and connect with rural development leaders from other states who may have insight on implementing and advocating for an angel investor tax incentive, as 31 states currently operate such programs (Xu & Glinska, 2021).

Given the internal and external feasibility scores, this alternative receives an overall administrative feasibility score of 2.5.

Equity

This alternative receives an equity score of 4. Though this alternative does not explicitly address a specific marginalized identity group, including a regional provision to the angel investor tax credit will significantly benefit a portion of the state that the private and public sectors have historically underserved. Many NRGRDA clients and personnel have expressed that state programs, such as WV SBDC and WVEDA, fail to provide services to small business owners and entrepreneurs in southern West Virginia, disproportionately allocating resources to population centers such as Morgantown and Huntington (U.S. Census Bureau, 2025c; West Virginia Small Business Development Center, 2024). Currently, the proposed angel investor tax credit program stipulates that investors can only access the credit if their investments are made into a small business or entrepreneurial venture in one (or more) of the 13 counties served by the NRGRDA and Hive. Should the West Virginia legislature implement the program in its current form, any use indicates a private investment into southern West Virginia. More simply, 100 percent of the outcomes of this alternative serve an underserved population, indicating high equity.

Sustainability

This alternative receives a sustainability score of 3. If the advocacy campaign is successful, the angel investor tax credit will be embedded in the West Virginia Code (West Virginia Code, 2025). Although this alternative does not include specific mechanisms for long-term sustainability, if implemented, WVTID, not the NRGRDA and Hive, will be responsible for assessing and maintaining the program.

Outcomes Matrix

Based on the evaluative analysis conducted above, the individual criterion scores and total scores for each alternative are summarized in **Figure B** below:

Figure B: Outcomes Matrix of Evaluative Analysis of Proposed Alternatives

Policy Alternative	Administrative				Total
	Cost	Feasibility	Equity	Sustainability	
1: Regional matching fund	1	2	2	2	7
2: Business incubator expansion	4	4	1	2	11
3: Higher education partnership	2	2.5	1	1	6.5
4: Angel investor tax credit	3	2.5	4	3	12.5

Recommendation

After evaluating each alternative on cost, administrative feasibility, equity, and sustainability, **working with state leaders to establish a regional angel investor tax incentive is the best option for the NRGRDA and Hive**. If the advocacy campaign succeeds and such an incentive is implemented at the state level, the angel investor tax credit would significantly increase the rate of private investment into southern West Virginia and allow more small business owners and entrepreneurs in the region to access the early-stage and seed capital they need to succeed. Additionally, this alternative ranks the highest in equity, indicating that it will provide the most direct good to a historically underserved portion of the state and closely align with the values of the NRGRDA and Hive (New River Gorge Regional Development Authority, 2025a; WV Hive Network, 2025a).

Implementation

The NRGDRA and Hive are key players in the economic development sector of West Virginia and the broader Appalachian region. Thus, they are well-positioned to utilize their vast network and lead a statewide campaign advocating for implementing an angel investor tax credit. If implemented, this credit would significantly improve the small business landscape of southern West Virginia. This section outlines key considerations for stakeholders and processes to ensure that the advocacy campaign is successfully implemented and positive outcomes are achieved.

Stakeholders

NRGRDA and Hive: The NRGDRA and Hive will serve as the key organizing bodies in the advocacy campaign. This responsibility will include:

1. Producing advocacy materials on the benefits of implementing the angel investor tax credit program should be prepared for print and digital distribution and designed to appeal to a broad audience (community members, small business owners, entrepreneurs, elected officials, advocacy groups, etc.).
2. Facilitating regional advocacy events. These events can highlight local businesses and entrepreneurs, inform the public about the importance of implementing the tax credit, and offer resources to help community members contact their state legislators. Realistically, these events could be held at the Hive's Business Hub to save on event space costs.
3. Traveling to Charleston and conducting in-person advocacy meetings with state legislators, emphasizing the importance of uplifting southern West Virginia's regional economy.

Small Business Owners and Entrepreneurs in Southern West Virginia: The region's small business owners and entrepreneurs, both NRGDRA/Hive clients and those not, will be significantly relevant to coalition-building efforts that are key to successful legislative advocacy. These individuals can strengthen the advocacy campaign by sharing their experiences, such as struggles accessing early-stage/seed capital or failing to acquire adequate technical assistance and resources from state-level programs, such as the WV SBDC.

Local Economic Development Authorities & Chambers of Commerce: Local government institutions, such as EDAs, chambers of commerce, planning authorities, and other community and economic development organizations, will also be highly relevant to coalition-building efforts. They can use their position to encourage elected officials and residents to take action on the angel investor tax credit.

Country Roads Angel Network: As one of the primary angel investors facilitating work in the region, CRAN will be a key player in emphasizing the importance of private investment. Its model is a prime example of how angel investors can reap success by investing in a diverse portfolio rooted in southern West Virginia.

State-Level Economic Development Agencies: Despite state agencies, such as WV SBDC and WVEDA, often underserving small business and entrepreneurial clients in the southern region, having buy-in from these organizations on the benefit of implementing the tax credit would provide the NRGDRA and Hive with significant advocacy leverage when proposing the program to elected officials.

State-Level Elected Officials: Undoubtedly, one of the most significant stakeholders in the successful implementation of the tax credit is state-level elected officials, who will directly influence whether or not legislation proposing the program is successful. The NRGDRA and Hive should look to champions of small businesses in the legislature and those sitting on committees that may review the legislation. These elected officials include, but are not limited to:

1. Delegate Gary G. Howell [R-Mineral], Chair of the House Subcommittee on Economic Development;
2. Senator Jason Barrett [R-Berkeley], Chair of the Senate Committee on Finance;
3. Senator Glenn D. Jeffries [R-Putnam], Chair of the Senate Committee on Economic Development; and,
4. Delegate Kayla Young [D-Kanawha], a fervent advocate for small business owners and entrepreneurs across the state (West Virginia Legislature, 2025a, 2025b, 2025c; Legiscan, 2024).

Processes and Timeline

The NRGDRA and Hive should develop a strategic advocacy plan to allocate resources appropriately to various projects and coalitions. To ensure successful implementation, they should recruit assistance from Asher Agency, a marketing and public relations firm they have previously worked with on advocacy and marketing campaigns (Asher Agency, 2025). The costs associated with contracting Asher Agency are reflected in this alternative's cost estimations. Additionally, as the 2025 deadlines for introducing bills in the West Virginia House and Senate are nearing, the NRGDRA and Hive should plan to begin the preliminary planning and campaign development phase in the summer of 2025 (West Virginia Legislature, 2025d). This will allow sufficient time to begin coalition-building efforts and facilitate initial meetings with elected officials to identify potential sponsors and champions of the angel investor tax credit program.

Conclusion

The NRGDRA and Hive are pivotal in fostering economic growth and development in southern West Virginia. Despite the challenges posed by limited access to seed capital, private investment, and a struggling workforce, the proposed policy alternatives offer promising solutions to uplift small businesses and entrepreneurs in the region. Among the four alternatives evaluated—establishing a regional matching fund, expanding business incubator programs, building a partnership with a local higher education institution, and working with state leaders to establish a regional angel investor tax incentive—the angel investor tax incentive emerged as the most viable option. This alternative addresses the critical need for private investment and ensures equitable support for an underserved region, aligning with the NRGDRA and Hive's mission. Implementing the angel investor tax credit will require a strategic advocacy campaign, leveraging the NRGDRA and Hive's extensive network and resources. By engaging local stakeholders, small business owners, entrepreneurs, and state-level elected officials, the campaign can build a robust coalition to support the legislative process. The success of this initiative will significantly enhance the economic landscape of southern West Virginia, providing the necessary capital for small businesses to thrive and contribute to the region's long-term sustainability. The NRGDRA and Hive's commitment to innovative and equitable economic development strategies is crucial for addressing the unique challenges southern West Virginia faces. The proposed angel investor tax incentive represents a strategic and impactful approach to fostering growth, attracting investment, and ensuring the prosperity of small businesses and entrepreneurs in the region.

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Appendix A

Table A: West Virginia Small Business Counts by Size and Industry

Industry	Without employees	1 to 19 employees	20-499 employees	All small businesses
Other Services (except Public Administration)**	11,115	3,679	213	15,007
Retail Trade	10,150	2,445	380	12,975
Construction	9,148	2,706	213	12,067
Professional, Scientific, and Technical Services	9,345	1,976	243	11,564
Real Estate and Rental and Leasing	8,964	1,001	45	10,010
Health Care and Social Assistance	6,488	2,185	568	9,241
Administrative, Support, and Waste Management	7,755	1,007	162	8,924
Transportation and Warehousing	6,605	758	107	7,470
Arts, Entertainment, and Recreation	3,873	508	65	4,446
Accommodation and Food Services	1,506	1,871	566	3,943
Finance and Insurance	1,913	828	117	2,858
Educational Services	2,590	193	55	2,838
Manufacturing	1,127	586	251	1,964
Wholesale Trade	1,132	566	232	1,930
Mining, Quarrying, and Oil and Gas Extraction	1,248	258	79	1,585
Agriculture, Forestry, Fishing and Hunting	1,231	212	3	1,446
Information	828	145	32	1,005
Utilities	73	33	7	113
Management of Companies and Enterprises	*	25	84	109
Industries not classified	*	55	0	55
Total	85,091	20,998	3,211	109,300

(U.S. Small Business Administration Office of Advocacy, 2023b; U.S. Census Bureau, 2020)

* Not reported by the U.S. Census Bureau

** The U.S. Census Bureau utilizes the North American Industry Classification System (NAICS) to classify businesses (U.S. Census Bureau, 2025b). NAICS Sector 81, “Other Services (except Public Administration)” includes a variety of businesses providing services that do not fall under any other sectors in the classification system (U.S. Census Bureau, 2025b). Such services include:

1. Personal care services, such as barbershops, nail salons, and beauty salons;
2. Religious, grantmaking, civic, and professional organizations, such as advocacy groups, churches, and charities;
3. Repair and maintenance services, such as automotive repair and appliance repair;
4. Death care services, such as cemeteries and funeral homes
5. Pet care services (excluding veterinary services), such as pet grooming and boarding;
6. Dry cleaning and laundry services;
7. Private household services, such as housekeeping and nannying; and,
8. Private households that employ workers in activities primarily related to the operation/upkeep of the household (U.S. Census Bureau, 2025b).

Appendix B

Table B1: Percentage of West Virginia Small Business Workforce by Demographic Group

Population Group	Ownership	Employment
Women	42.4	46.8
Veterans	8.7	5.6
Hispanic People	1.5	1.5
Racial Minorities	4.5	6.5

(U.S. Small Business Administration Office of Advocacy, 2023b; U.S. Census Bureau, 2020)

Table B2: Gender, Race, and Ethnicity Demographics of Southern West Virginia Region (Percentage of Total Population)

Population Group	Percentage
Male	49.6
Female	50.4
White	91.98
Black or African American	3.85
American Indian and Alaska Native	0.11
Asian	0.37
Native Hawaiian and Other Pacific Islander	0.02
Other Race	0.32
Mixed Race	3.42
Hispanic	1.22

(U.S. Small Business Administration Office of Advocacy, 2023b; U.S. Census Bureau, 2020)

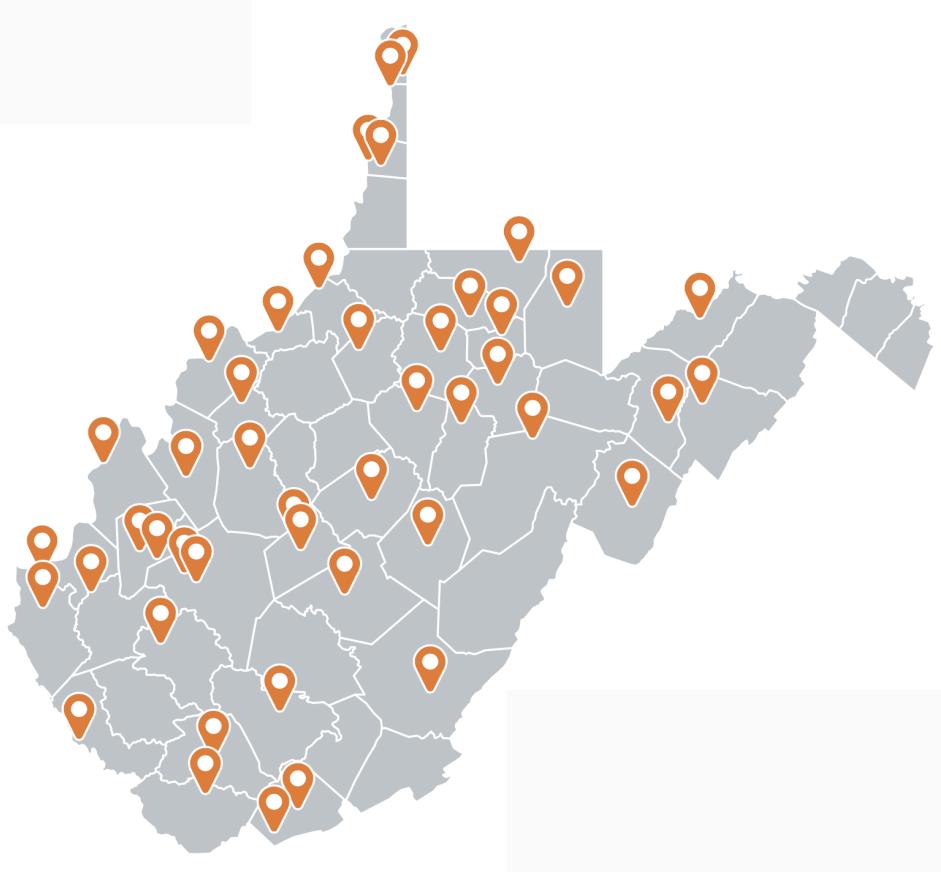
Appendix C

West Virginia Community Development Hub Survey Participants

1. Boone County Development Authority
2. Business Development Corp of Northern Panhandle
3. City of Gary
4. City of New Martinsville
5. City of Oak Hill
6. City of Smithers
7. City of Weirton
8. Claude Worthington Benedum Foundation
9. Coalfield Development
10. Dig Deep Water
11. First Microloan of West Virginia
12. Generation West Virginia
13. Greenbrier Valley Economic Development Corporation
14. Hatfield-McCoy Trails
15. High Rocks
16. King's Daughters Child Care Center
17. Lincoln County Commission
18. Lincoln County Development Authority
19. Logan County Commission
20. Marlinton
21. McDowell County Commission
22. McDowell County Development Authority
23. McDowell County School Board
24. Mineral County Development Authority
25. New Martinsville
26. New River Gorge Regional Development Authority
27. Nitro
28. Page Vauter House
29. Parkersburg
30. Partner Community Capital, Inc.
31. People of Worth, Inc.
32. Philanthropy WV
33. Reconnecting McDowell
34. Region 1 Planning and Development Council
35. Region 2 Planning and Development Council
36. Region 3 Planning and Development Council
37. Region 4 Planning and Development Council
38. Region 5 Planning and Development Council
39. St. Albans
40. Sweet Springs Resort Park Foundation, Inc.
41. Town of Barboursville
42. Town of Chapmanville
43. Town of Cowen
44. Town of Davy
45. Town of Gassoway
46. Town of Hamlin
47. Town of Peterstown
48. Town of Wardensville
49. Truist Bank
50. Unleash Tygart
51. Upshur County Development Authority
52. Village of Beech Bottom
53. Webster County Commission
54. West Virginia Rivers Coalition
55. Wheeling
56. Williamson Housing Authority
57. Williamson Parks and Recreation
58. WVU Extension

(West Virginia Community Development Hub, 2024)

Map of Survey Participants



(West Virginia Community Development Hub, 2024)

Appendix D

WV Hive Business Hub Space Availability and Pricing Information



BUSINESS HUB

205 S. Kanawha Street, Beckley, WV • 304.460.4483 • businesshub@wvhive.com

All packages come with
Wi-Fi access and access
to shared spaces.

+ Coworking Space

Coworking Lounge	\$25 per person/day
<input checked="" type="checkbox"/> Small Meeting Table (seats 4)	*8-hour rental
<input checked="" type="checkbox"/> Coffee	
<input checked="" type="checkbox"/> Lounge Furniture	
<input checked="" type="checkbox"/> Printing/Copying for additional fee	
Monthly Flex Desk Membership	\$100/month
<input checked="" type="checkbox"/> Flex Desk Workspace	*30-day rental
<input checked="" type="checkbox"/> Coffee	
<input checked="" type="checkbox"/> Access to Lockable File Cabinet	
<input checked="" type="checkbox"/> Printing/Copying: 50 pages/month	
Micro Flex Desk Membership	\$50/4 days
<input checked="" type="checkbox"/> Flex Desk Workspace	*Expires in 30 days
<input checked="" type="checkbox"/> Coffee	
<input checked="" type="checkbox"/> Printing: 10 pages (more for additional fee)	
Flex Desk Day Pass	\$20/day
<input checked="" type="checkbox"/> Flex Desk Workspace	*8-hour rental
<input checked="" type="checkbox"/> Coffee	
<input checked="" type="checkbox"/> Printing/Copying for additional fee	

+ Meeting Space

Meeting/Training Room	\$50/2 hours
<input checked="" type="checkbox"/> Seats up to 20	*2 Hours Minimum Rental \$20/additional hour
<input checked="" type="checkbox"/> Movable desks and chairs	
<input checked="" type="checkbox"/> Coffee	
Meeting/Networking Room	\$50/2 hours
<input checked="" type="checkbox"/> Meeting Table (seats 12)	*2 Hours Minimum Rental \$20/additional hour
<input checked="" type="checkbox"/> Private Restroom in Room	
<input checked="" type="checkbox"/> Sofa and chairs (seats 5)	
<input checked="" type="checkbox"/> Coffee	

+ Executive Suite

Executive Suite	\$75/Day or \$325/Week
<input checked="" type="checkbox"/> Executive Desk+ Chair, 2 Arm Chairs	*Not available for monthly rental
<input checked="" type="checkbox"/> In-Room Coffee	
<input checked="" type="checkbox"/> Private Restroom in Room	
<input checked="" type="checkbox"/> Printing/Copying: 50 pages/day	
<input checked="" type="checkbox"/> Meeting Table (accommodates 6 people)	



+ Incubation Space »

Available to WV Hive Clients only.
Application-based with 3 spots open.

Please speak to
your Business
Advisor for
pricing
information.

- Fixed Desk Space, 24/7 Access
- Coffee
- Printing/Copying: 100 pages/month
- 4 Hours of Conference Room Time Per Month
- Access to WV Hive Business Development Services

(WV Hive Network, 2025)

Appendix E

Table E1: Cost Estimations for Alternative 1

NRGRF Oversight Board Meeting Costs		
Oversight board members		20
Oversight board meetings per year		4
Length of meetings (hours)		3
Total meeting length per year (hours)		12
NRGRDA/Hive office space (sq ft)		1000
Estimated electricity cost per 2,000 kWh	\$	330.74
Estimated monthly electricity usage (kWh)		4000
Estimated monthly electricity cost	\$	661.48
Office operating business hours per month		175
Electricity cost per operating business hour	\$	3.78
Total electricity costs for one year of oversight board meetings	\$	45.36
Estimated food and beverage cost per person	\$	20.00
Total food and beverage cost for one year of oversight board meetings	\$	1,600.00
Average cost of printed materials per meeting (200 pages)	\$	40.00
Total cost of printed materials for one year of oversight board meetings	\$	160.00
Total	\$	1,805.36
Indirect Costs (Cost of Time)		
Average income in Southern West Virginia region	\$	65,528.00
Average salary per hour in Southern West Virginia region	\$	31.50
Opportunity cost of time per year per Oversight board member	\$	378.05
Total opportunity cost of time per year for all Oversight board members	\$	7,560.92
Total Costs		
Fund amount	\$	500,000.00
Oversight board meeting costs	\$	1,805.36
Indirect costs	\$	7,560.92
Total	\$	509,366.28

Table E2: Cost Estimations for Alternative 2

Direct Costs		
Estimated cost of HVAC repairs at Hive Business Hub	\$	2,500.00
Estimated cost of additional furniture and office materials	\$	2,000.00
Estimated cost of print marketing materials	\$	150.00
Estimated cost of digital marketing materials	\$	150.00
Indirect Costs		
Estimated hours to conduct efficacy analysis and report		50
Average income in Southern West Virginia region	\$	65,528.00
Average salary per hour in Southern West Virginia region	\$	31.50
Total opportunity cost of conducting efficacy analysis and report	\$	1,575.19
Total	\$	6,375.19

Table E3: Cost Estimations for Alternative 3

Planning and Implementation Phase	
Estimated hours for preliminary planning meetings with higher education institution	50
Estimated hours meeting with government agencies (EDA)	50
Estimated hours to prepare application for EDA University Centers Program	50
Estimated hours for legal-related meetings	20
Average income in Southern West Virginia region	\$ 65,528.00
Average salary per hour in Southern West Virginia region	\$ 31.50
Average hourly rate of lawyer in West Virginia	\$ 162.00
Estimated number of trainings for higher education personnel	5
Length of trainings (hours)	3
Total length of trainings for higher educational personnel	15
Total cost of non-legal related meetings	\$ 4,725.58
Total cost of legal-related meetings	\$ 3,870.08
Total cost of trainings (assumedly held on University property)	\$ 472.56
Total	\$ 9,068.21
Operations Phase	
Estimated cost of office materials for on-campus office space	\$ 2,000.00
Proposed number of workshops/pitch competitions in inaugural year	6
Length of workshops (hours)	2
Total length of workshops in inaugural year	12
Estimated cost for hosting workshops	\$ 378.05
Estimated of materials for workshops and pitch competitions	\$ 1,500.00
Estimated cost of print marketing materials	\$ 150.00
Estimated cost of digital marketing materials	\$ 150.00
Total	\$ 2,178.05
Indirect Costs	
Average income in Southern West Virginia region	\$ 65,528.00
Average salary per hour in Southern West Virginia region	\$ 31.50
Opportunity cost for meetings and administrative tasks associated with both phases	\$ 6,206.26
Total Costs	
Planning and Implementation Phase	\$ 9,068.21
Operations Phase	\$ 2,178.05
Indirect Costs	\$ 6,206.26
Total	\$ 17,452.52

Table E4: Cost Estimations for Alternative 4

Preliminary Planning Phase	
Estimated hours for preliminary planning meetings on advocacy campaign	50
Estimated hours preparing/distributing advocacy materials	50
Average income in Southern West Virginia region	\$ 65,528.00
Average salary per hour in Southern West Virginia region	\$ 31.50
Total cost associated with preliminary planning labor	\$ 3,150.38
Estimated cost associated with contracting public relations firm to assist in lobbying efforts (Asher Agency)	\$ 5,000.00
Estimated cost of print marketing materials	\$ 300.00
Estimated cost of digital marketing materials	\$ 150.00
Total	\$ 8,600.38
Regional Advocacy Events	
Proposed number of regional advocacy events	3
Estimated hours preparing and facilitating regional advocacy event	10
Total number of hours related for regional advocacy events	30
Average income in Southern West Virginia region	\$ 65,528.00
Average salary per hour in Southern West Virginia region	\$ 31.50
Total cost associated with regional advocacy event labor	\$ 945.12
Estimated cost associated with regional advocacy event materials (can be hosted at Hive's Business Hub)	\$ 300.00
Total	\$ 1,245.12
Advocacy at West Virginia Capitol	
Proposed number of advocacy days in Charleston	3
Estimated hours preparing and facilitating advocacy day	10
Total number of hours related to advocacy days	30
Average income in Southern West Virginia region	\$ 65,528.00
Average salary per hour in Southern West Virginia region	\$ 31.50
Total cost associated with advocacy day labor	\$ 945.12
Round-trip distance between Beckley and Charleston (miles)	122
Cost of round-trip from Beckley to Charleston by car (using IRS standard business mileage rate)	\$ 85.40
Total	\$ 1,030.52
Indirect Costs	
Average income in Southern West Virginia region	\$ 65,528.00
Average salary per hour in Southern West Virginia region	\$ 31.50
Total hours of labor associated with alternative	160
Total opportunity cost of time for labor associated with alternative	\$ 5,040.62
Total Costs	
Preliminary Planning Phase	\$ 8,600.38
Regional Advocacy Events	\$ 1,245.12
Advocacy at West Virginia Capitol	\$ 1,030.52
Indirect Costs	\$ 5,040.62
Total	\$ 15,916.63