



Prestonsburg Recreational Complex, located on a reclaimed strip mine in Kentucky (Big Sandy ADD)

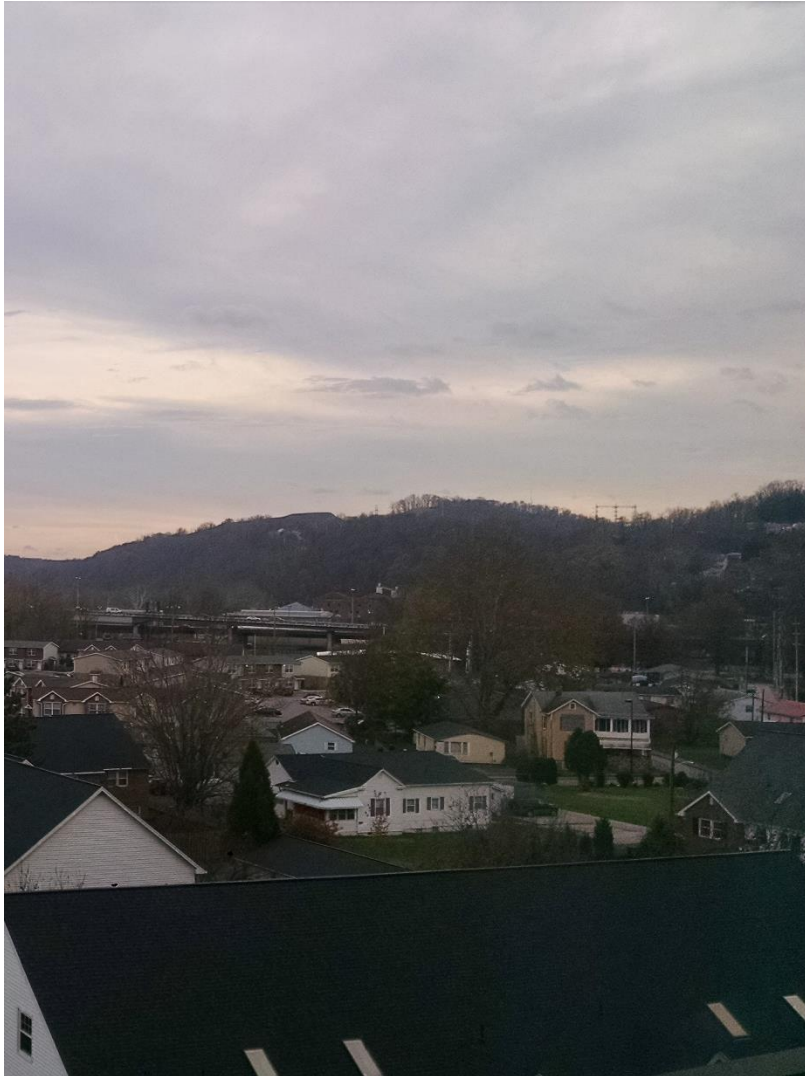
# Emerging Opportunities for Economic Diversification in Coal-Reliant Regions



March 22, 2016



# Webinar Agenda



- Welcome
- Webinar Logistics / Background
- Setting the Frame
- Economic Diversification Strategies
  - East Kentucky
  - Northwest New Mexico
- Questions and Answers



# Webinar Logistics

Please type any questions you have for the speakers in the question box on the side panel throughout the presentation

The webinar is being recorded and will be posted within a day along with the Power Point slides on the NADO website at [www.nado.org](http://www.nado.org)

Please contact Brett Schwartz at [bschwartz@nado.org](mailto:bschwartz@nado.org) if you have any questions after the presentation



# Today's Presenters



**Brett Schwartz**

**Program Manager**

**NADO Research Foundation (Washington, DC)**



**Denise Thomas**

**Community & Economic Development Associate**

**Big Sandy Area Development District (Prestonsburg, KY)**



**David Hinkle**

**Program Manager**

**Northwest New Mexico Council of Governments (Gallup, NM)**

# NADO's mission:

To strengthen local governments, communities, and economies through the regional strategies, partnerships, and solutions of the nation's regional development organizations



National membership organization for the network of over 520 **regional development organizations** (RDOs) throughout the U.S.

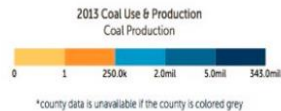
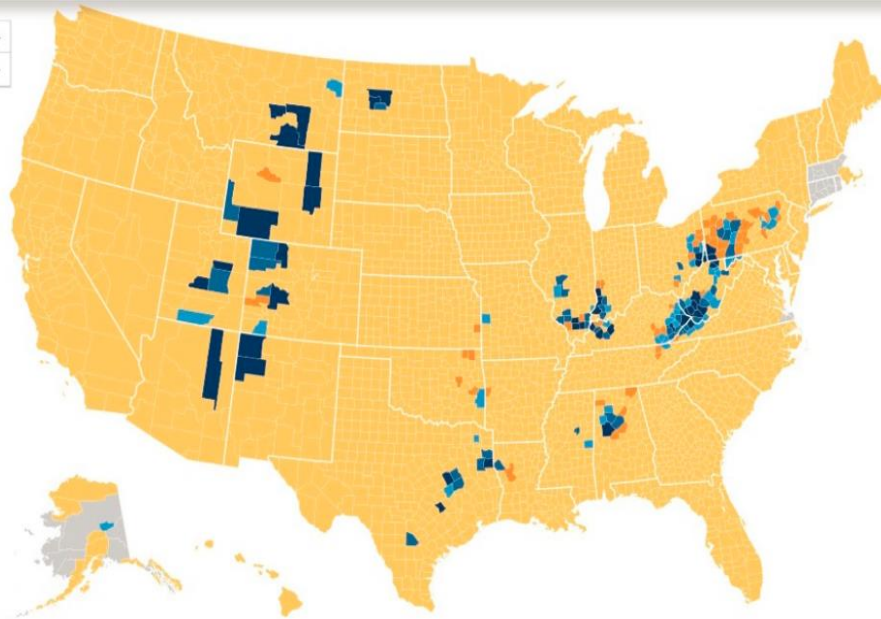
RDOs are **also known as** "Councils of Governments," "Area Development Districts," "Regional Planning Commissions," "Economic Development Districts," and other local names



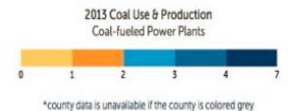
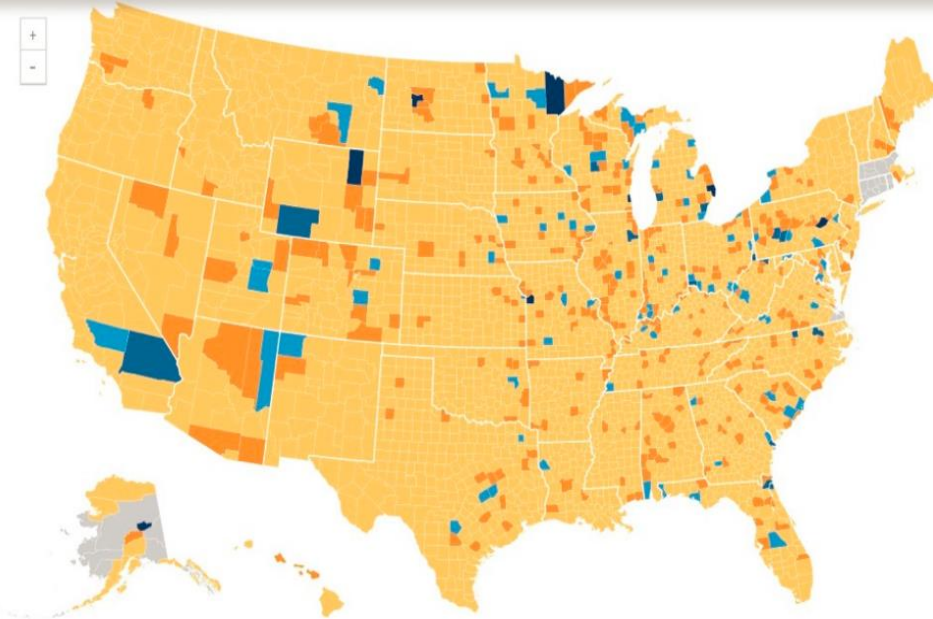




# Coal's National Scope



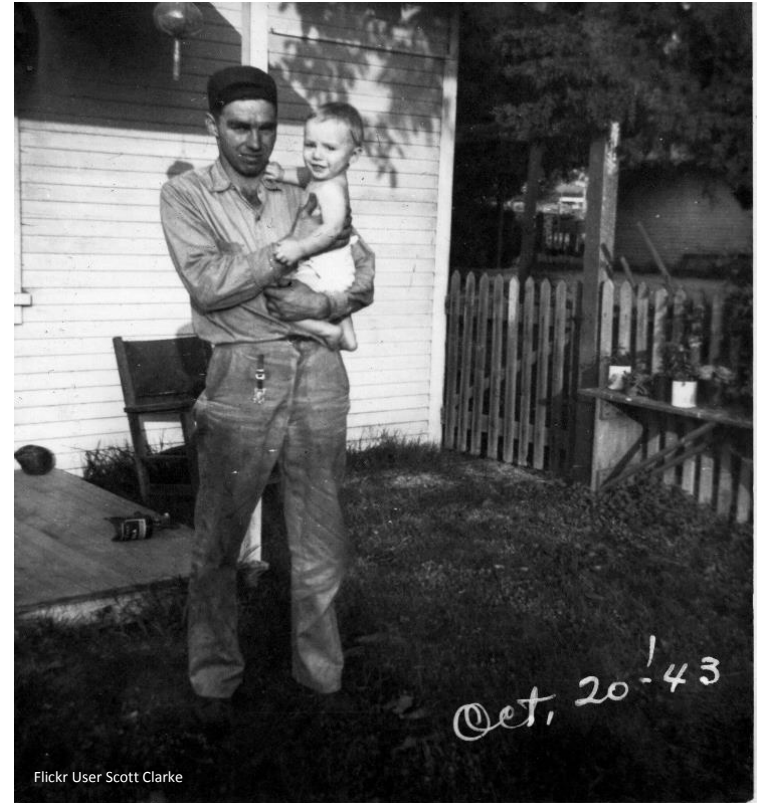
**Coal Producing Counties**



**Coal Power Plant Counties**

# Economic and Social Impacts

- Loss of high-paying jobs
- Loss of indirect jobs
- Declining tax base
- Poverty and health outcomes
- Challenge to identity
- Sense of loss and grief



I can't show 'em what I did.  
And they can't say, "Well, I can do that."

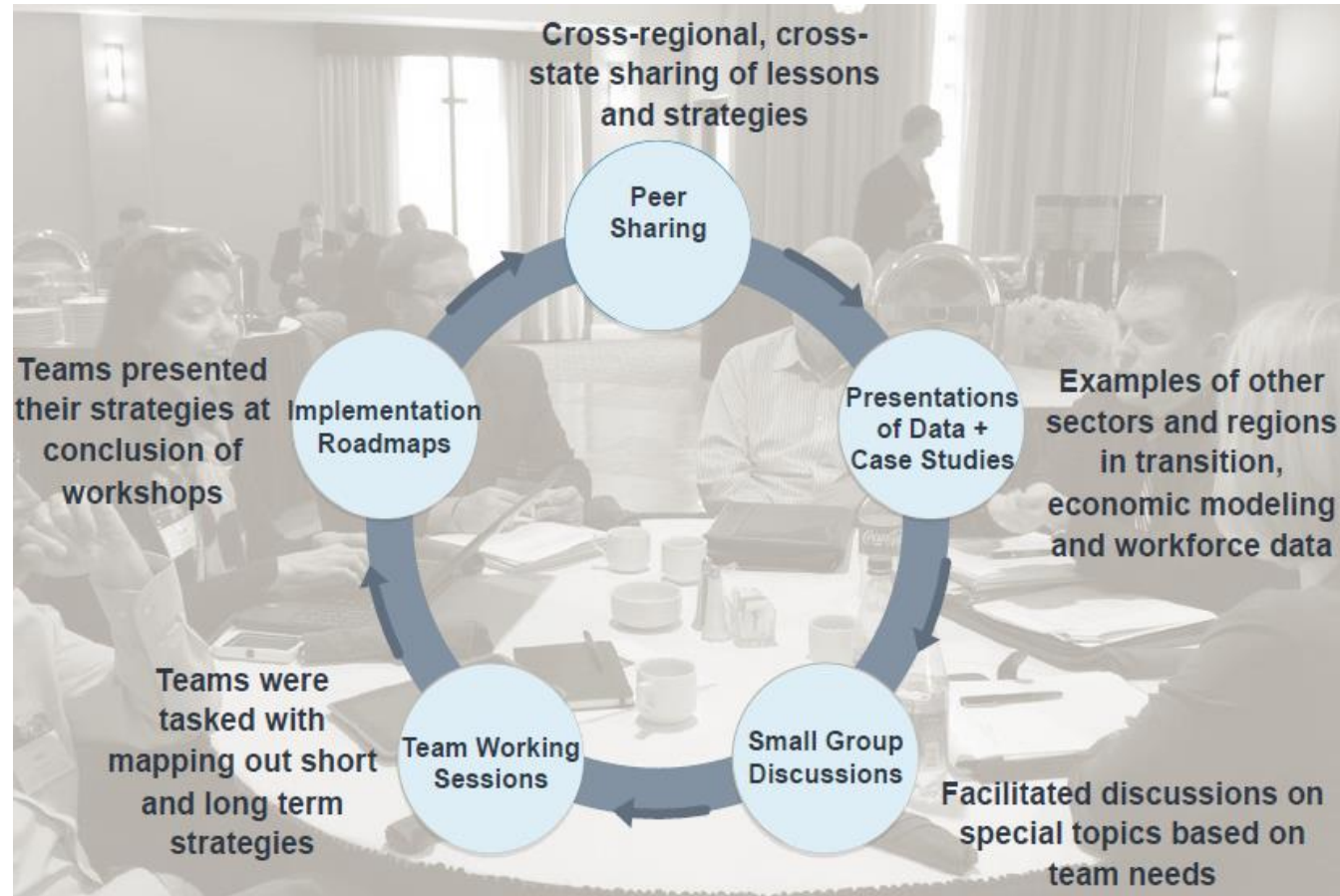


# Coal-Reliant Communities Innovation Challenge

September 2014 – March 2016

## GOAL

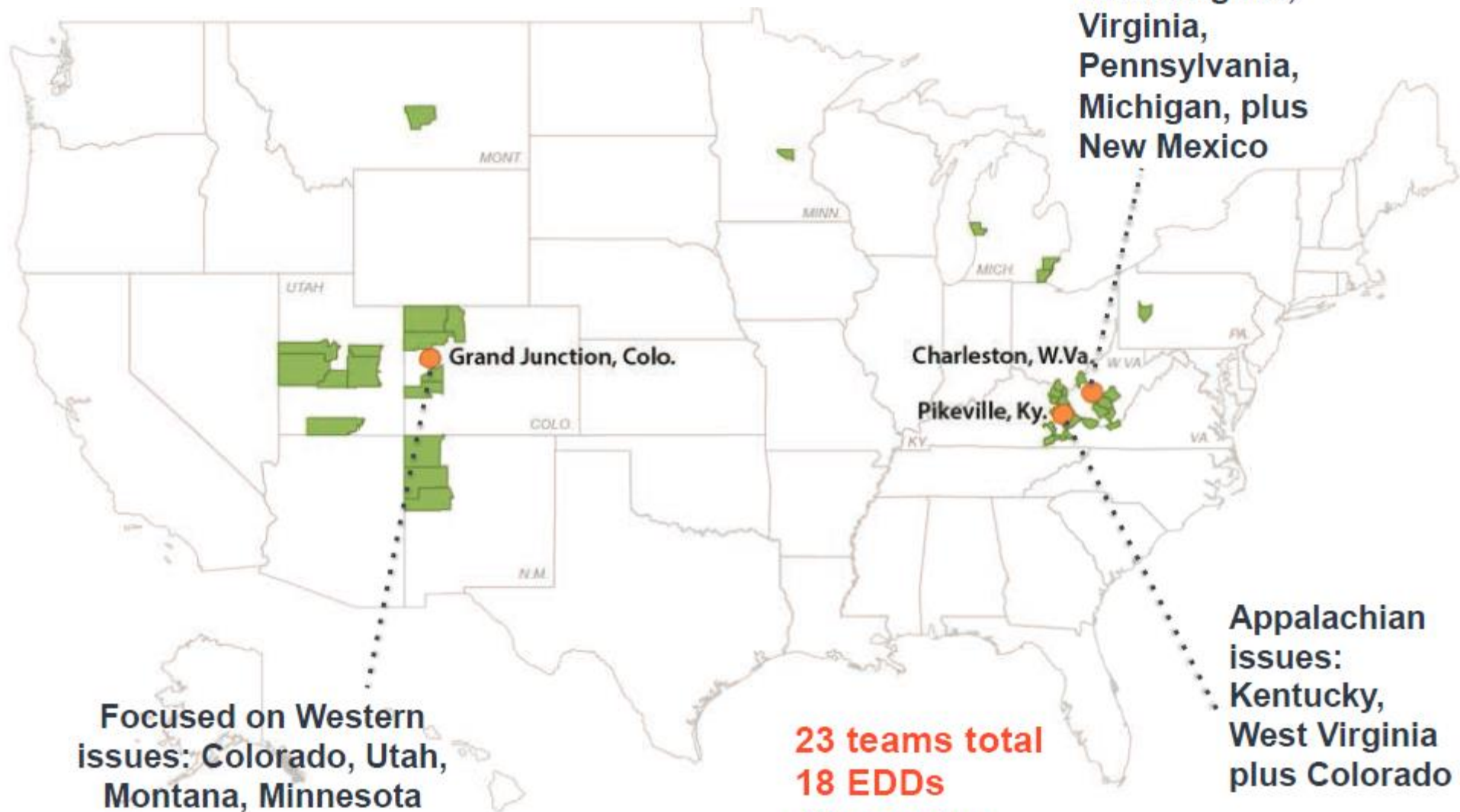
To boost the innovative potential of places dependent on the coal industry that are seeking to grow and diversify their economies, create jobs and explore emerging opportunities



**COAL-RELIANT COMMUNITIES INNOVATION CHALLENGE**

NAC NADO EDA

# Participants



**23 teams total**  
**18 EDDs**  
**42 counties**  
**200+ people**



# Key Themes

- Economies in Transition
- Changing Nature of Work
- Creating Great Communities
- Investing in Place
- Building Regional Resilience





# Building Regional Resilience





# Key Ingredients

- ✓ Leadership
- ✓ Partnerships
- ✓ Courage
- ✓ Respect



# POWER Funding Opportunities

Last week, the Appalachian Regional Commission (ARC) and U.S. Economic Development Administration (EDA) announced the availability of **\$65.8 million** in fiscal year (FY) 2016 funds through the Partnership for Opportunity and Workforce and Economic Revitalization (POWER) Initiative to develop new strategies for economic growth and worker advancement for communities that have historically relied on the coal economy for economic stability. Key outcome areas include:

- Economic Diversification
  - Job Creation
  - Capital Investment
- Workforce Development and Reemployment Opportunities

Anticipated average grant awards – ARC (\$500,000-\$1.5 million) and EDA (\$250,000-\$1.5 million)

Learn more at: <http://www.arc.gov/funding/POWER.asp> & <https://www.eda.gov/power/>



**"We need to be prepared for the future,  
because we don't know what the future  
holds for the coal industry."**

Rich Fink, former coal miner and retired Armstrong County, PA Commissioner

# For Additional Information

[NADO.org](http://NADO.org)

[DiversifyEconomies.org](http://DiversifyEconomies.org)

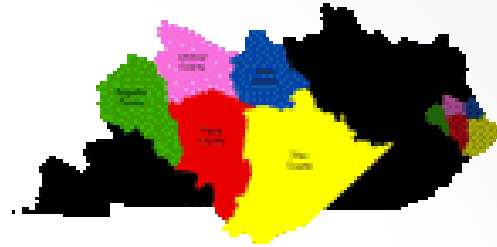
[NACo.org/](http://NACo.org/) InnovationChallenge

[#ReadyToDiversify](#)



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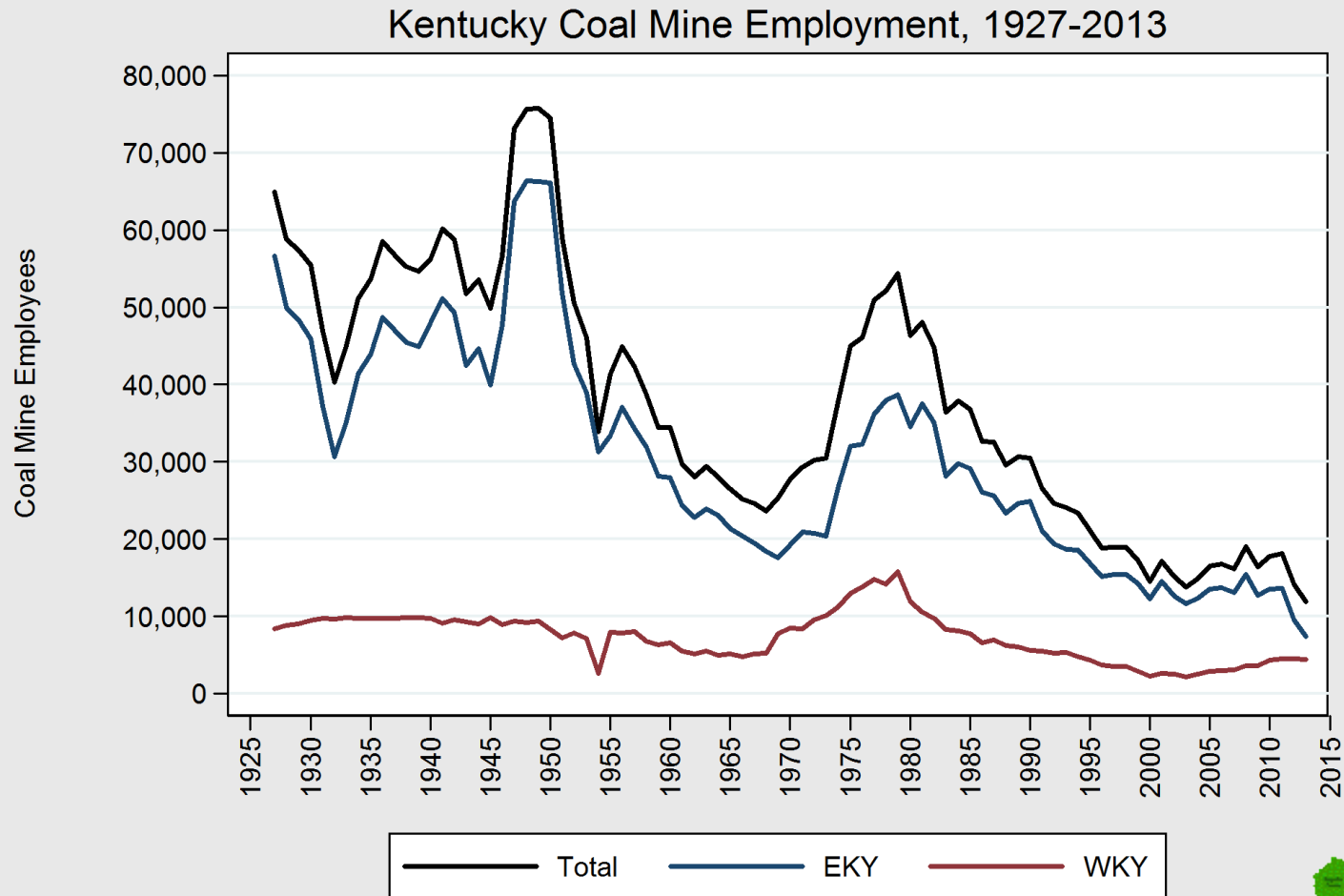


# **Diversification in the East Kentucky Coalfields**

**Denise Thomas**

**Big Sandy Area Development District**

# History of Mine Employment



Kentucky Energy Database, EEC-DEDI, 2014





# Regional Context

- Job Losses = 8,500 since 2008
- Few equivalent replacement jobs
- Population declines
- Foreclosures
- Tax base



# Diversification

- Shaping Our Appalachian Region
- Kentucky Wired
- Entrepreneurship
- Sector Strategies





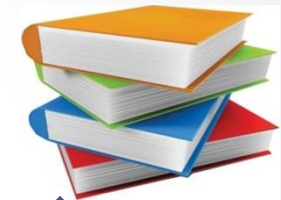


## Positive Trends

- Collaboration
- Economic Development Entity
- Private Investment
- Public Investment
- Philanthropy

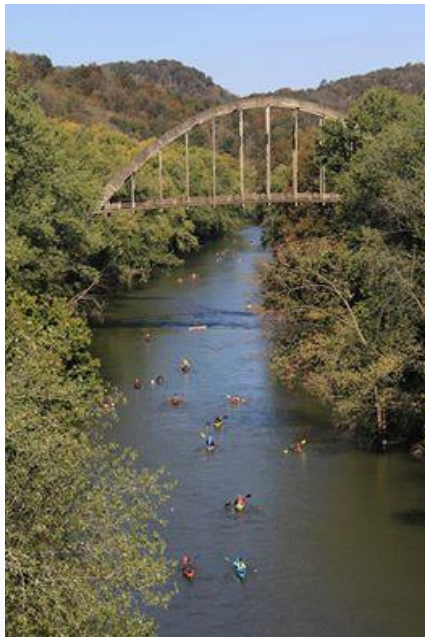
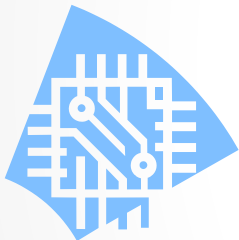


# Long Term Vision



**Training**

Knowledge  
useful abilities  
backbone of co  
quired for a tr  
today

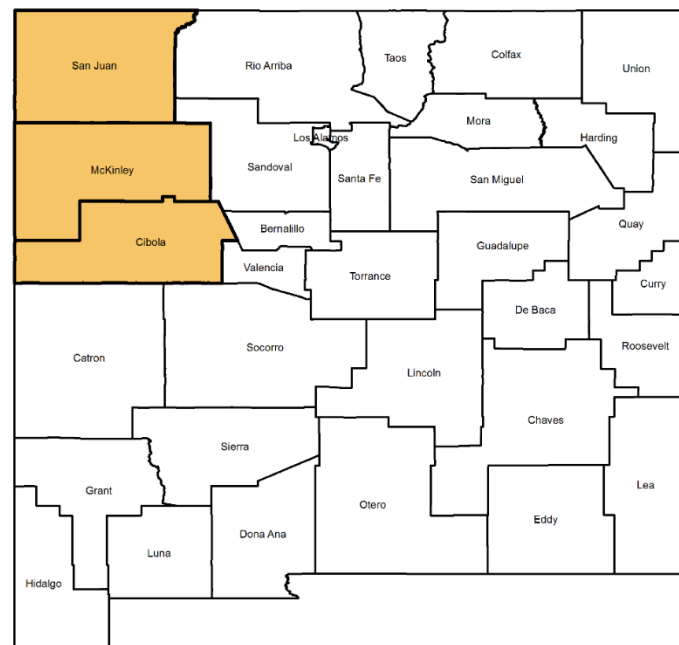






# NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS

P.O.W.E.R Initiative



# NORTHWEST NEW MEXICO

OUR REGION

# Coal in New Mexico



- Beginning in the 1850's, Coal became important to the local, regional, and state economy
- 3<sup>rd</sup> Largest source of revenues from mineral & Energy Production
- San Juan Basin Surface Mines: McKinley, Navajo, and San Juan began operation in the 1960's & 1970's

*View of the tipple at the Navajo coal mine, early 1900s, courtesy of Denver Public Library*



*Allison, New Mexico, located on a coal belt just northwest of Gallup, once flourished as a coal mining camp. 1916*

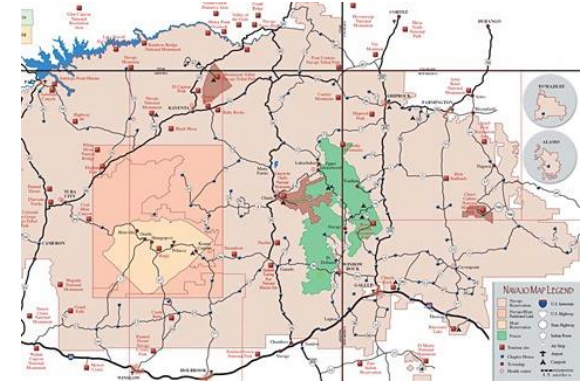




# COAL POWER

- Coal Resources Underlie 12% (14.6 Million Acres) of the state.
- Most coal populated areas are in Northern New Mexico; San Juan and Raton Basins.
- 46% of the state's total energy needs are met through coal power.

# COAL & THE NAVAJO NATION

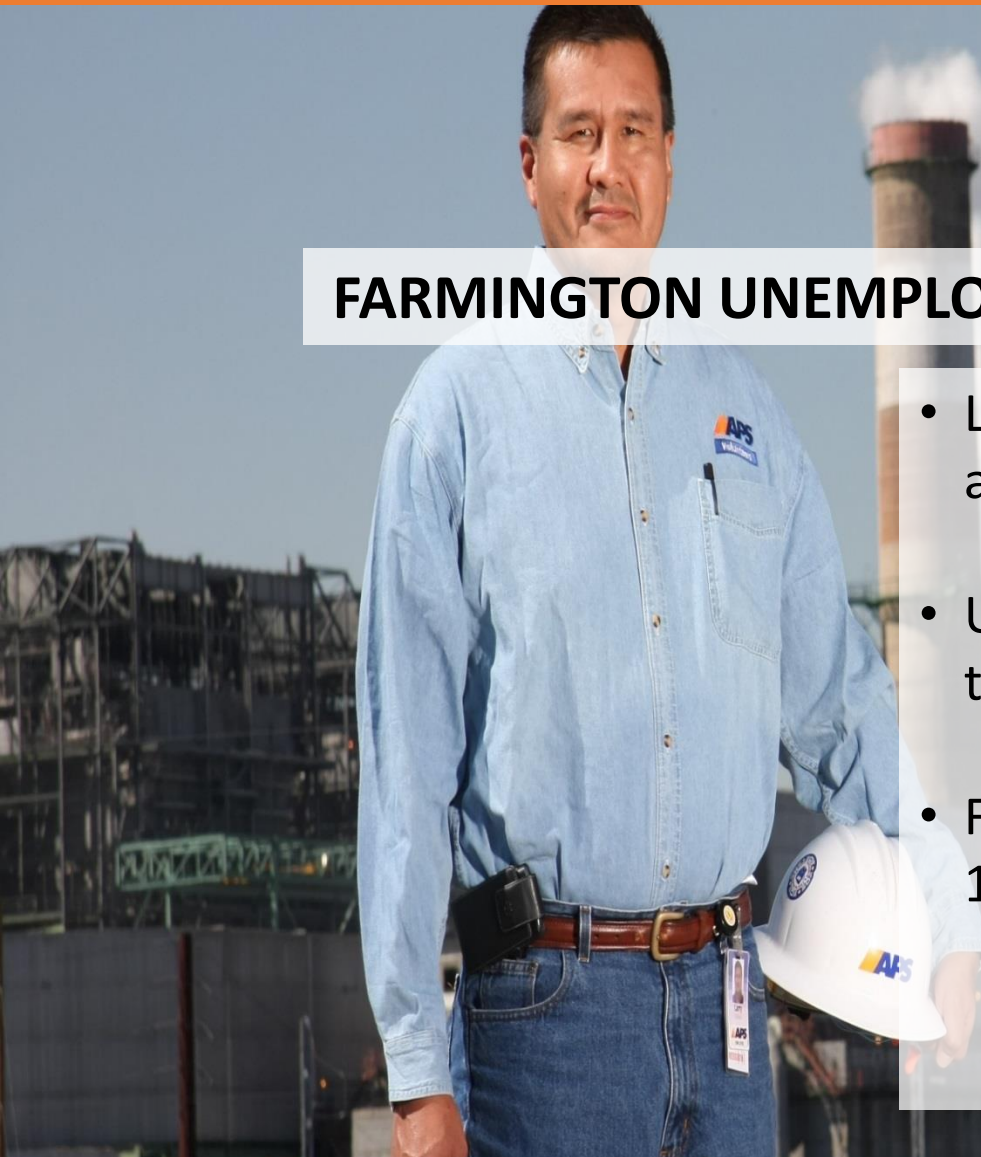


- The Coal industry has brought employment opportunities to a poverty stricken reservation.
- Biggest coal employers are: Navajo Mine & the “4 Corners Power Plant”
- Navajo Nation reported that 51% of the Tribe’s budget was derived from coal mining.

# CONTRACTION IN COMMODITY SECTORS

## FARMINGTON UNEMPLOYMENT INCREASE LARGEST IN U.S.

- Largest rate among 387 metropolitan areas nationwide.
- Unemployment rate rose 2.1% last year, to 7.3%.
- Farmington area lost approximately 1,200 jobs last year.
- Due to the continued drop in natural gas & oil prices





# TACKLING THE CHALLENGES

## JOB FAIRS & “RAPID RESPONSE TEAMS”

- Working with San Juan College to hold Job Fairs
- Developing a Rapid Response Team
- Working with employers and the newly unemployed



SAN JUAN COLLEGE



# TACKLING THE CHALLENGES

continued...

## TOURISM & RECREATION

- Working to refine our message
- Improving the revenue of the Tourism and Recreation Industry
- Branding Studies
- Data Driven Efforts

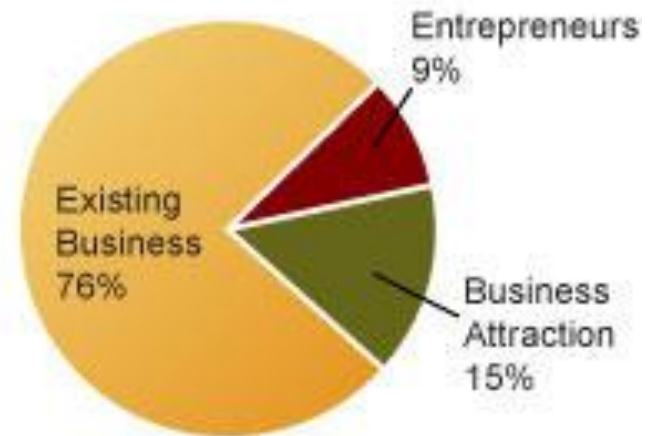
# TACKLING THE CHALLENGES

continued...

## BUSINESS RETENTION & EXPANSION

- Region Wide BR+E Effort
- Shared Software
- “Keeping what we have”
- Removing Barriers
- Better Communication

## New Jobs and Capital Investments



Source: Blane, Canada Ltd.



# ENERGY, LOGISTICS & MANUFACTURING

## ENERGY

- Increase Investment
- Better Transportation
- New Markets
- New Products

## LOGISTICS

- Interstate – 40 & BNSF Rail
- Opportunity = In-Land Port
- Free Trade Zone
- Container/Trucking Hub
- Private Partnerships

## MANUFACTURING

- Native Jewelry
- Value Added Agriculture
- Modern Manufacturing
- Removing Obstacles

# POWER ECONOMETRIC INITIATIVE

Initiate a strategic planning process to address the decline in coal production in the San Juan Basin and the adjacent areas of the 4 Corners region.

## TO ASSESS

- Long-Term Economic Impact
- Identify Opportunities
- Constraints
- Strategies

## GOAL

- Diversify our economy
- Improve Economic Opportunity
- Increase Overall quality of Life
- Reduce the effects of commodity
- Downtowns



# CONTACT INFORMATION

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# Thanks for joining us! Any questions?

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