Innovation Challenge for Coal Reliant Communities: From Downturn to Transition

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**Playbook Flowchart**

- **B** Backbone
- **A** Assessment
- **T** Tune-Up Strategy

- Workforce and Training
- Manufacturing Supplier Network
- Research and Innovation
- Infrastructure/Site Development
- Trade and International Investment
- Operational Improvement and Capital Access

- Attracting Public and Private Interest in Your Strategy
- IMCP Designation
- IMCP Grants
- Private and/or Other Investment

Ultimate Goal: Implement your sustainable strategy to become a globally competitive community with a rising, thriving middle class.
Strengths, Weaknesses, Opportunities and Threats (SWOT)

SWOT Analysis Considerations

- Which clusters, and which industries and occupations within each cluster, are growing or declining, and why?
- What short- and long-term supply chain challenges exist for the local economy along the region's proposed development path?
- How are firms connected to each other? What role do trade and other associations play? How might customers or suppliers (even outside the region) support suppliers within the region? What examples exist of projects/shared assets across these firms?
- What processes or institutions (industrial parks, foundations, medical or educational institutions, etc.) exist to promote innovation or upgrade supplier capability?
- Are there institutions that convene suppliers and customers to discuss improved ways of working together, plan complementary investments, etc.?

Head Start's website provides assistance for conducting a SWOT analysis: [http://eclkc.ohs.acf.hhs.gov/hslc/tta-system/operations/mang-sys/planning/2SWOTAnalysisS.htm](http://eclkc.ohs.acf.hhs.gov/hslc/tta-system/operations/mang-sys/planning/2SWOTAnalysisS.htm)
Gather data about your cluster

• See the **U.S. Cluster Mapping Tool** for more information on clusters and the assessment of clusters.

• [http://www.clustermapping.us/](http://www.clustermapping.us/)
MANUFACTURING EXTENSION PARTNERSHIP
Pike County, KY

Cluster Portfolio
The Cluster Portfolio page illustrates the strongest traded clusters in this region, as well as its top performing traded and local clusters. Click the link below to view the full set of charts.

- **7 Traded Clusters**
  - Coal Mining
  - Construction
  - Oil & Gas
  - Nonmetal Mining
  - Performing Arts
  - Lighting and Electrical Equipment

- **Top Clusters by Employment**

**Traded vs. Local Clusters**

DIVE INTO THIS REGION’S CLUSTERS
Panelists

• Peter Hille, President, Mountain Association for Community Economic Development, Berea, KY.
• Hon. Matt Wender, Commissioner, Fayette County, WV.
• Glenn Cox, Executive Director, Handmade in America, Asheville, N.C.
Strategies for Appalachian Transition

Peter Hille, President
MACED
The decline of coal

“There should be no doubt in anyone’s mind that [coal’s] role as an employer is reducing...To ignore that is to blindfold ourselves and stick our heads in the sand.”

Kentucky Governor Steve Beshear
December 2013 SOAR Summit
Factors impacting Central Appalachian coal

The easy coal has been mined out

Acid rain regulations from decades ago resulted in scrubbers on plants, higher sulfur coal can now be burned and is cheaper

Natural gas has become cheaper than coal

Increasing CO2/climate change awareness poses future challenges to coal
Coal prices as of March 6, 2015
Dollars per short ton

- Central Appalachia $53.06
- Illinois Basin $40.32
- Powder River Basin $11.55
Coal vs Natural Gas 1997-2012

Historical Spot Prices for Coal and Natural Gas (in MMBTU, yearly average)
As much as coal has meant to us, it still has not built for us a self-sustaining economy. We had more high tech jobs than we could ever imagine in the coal industry, and it still didn't solve the chronic problems of the region. So we have to build that basic economic foundation.

Former Governor Paul Patton

July 12, 2000
We lost the jobs before we lost the mines

Kentucky Coal Mining Production and Employment (1979-2006)

Sources: Kentucky Office of Energy Policy, Kentucky Coal Association, Energy Information Administration
Economically distressed communities—even before we lost the jobs

ARC-Designated Distressed Counties, Fiscal Year 2013

Prepared by the Appalachian Regional Commission

Data Sources:
Income data: U.S. Department of Commerce, Bureau of Economic Analysis, BEA, 2005
Appalachian Transition

- A moment that demands and allows action
- A vision of a renewed region
- Strategies and approaches that create new opportunities
- Grounded in place and people
- Gathering political will for change
Economic opportunities

- Entrepreneurship
- Energy
- Forestry
- Health care
- Tourism
- Local foods
Policy Opportunities

- SOAR: Shaping our Appalachian Region
- President’s POWER+ Plan
- 111(d) Rules
- Divestment/Reinvestment
The Basket
10.8 kW Solar Electric System
Strategies for Appalachian Transition

Peter Hille, President
MACED
Replacing a Regional Manufacturing Economy with Arts, Heritage & Culture

April 22, 2015

Innovation Challenge for Coal Reliant Communities

Past Industry Transitions Panel
What drives us...

Our Mission: To *grow economies through craft & creative placemaking*.

Our Belief: Art, heritage, and culture are key investments for personal, community and economic growth.

Our Focus Areas:

1. Helping rural communities in our region spark economic renewal through asset-based *creative placemaking*.
2. Training artists and women to develop the business skills they need to be successful, economic contributors.
What is Creative Placemaking?

In creative placemaking public, private, not-for-profit, and community sectors partner to strategically shape the physical and social character of a neighborhood, town, tribe, city, or region around arts and cultural activities.

Why?...

To create and recreate vibrant places to live, work and play!
Economic Development:
Small Town Revitalization Program

- 25 Counties – 11,000 square miles
- 14 Small Towns
- Populations of 2,000 or less
Our Small Town Economic Development Model...

- Start Here
  - Motivation & Commitment
  - Community Assessment
  - Plan for renewal
  - Key partnerships
  - Early success fostered by completed projects
  - Increased capacity for leadership, knowledge and skills
  - Mentoring through doing, teaching & reflection
  - new towns and partners
  - catalyst

- Increased civic movement
- HandMade Process for Revitalization
- common focus
- expanded resources
- sister communities
- credibility
- trained leaders
- more complex projects
Learning From One Another and Staying Connected

Town Gatherings:

• Annual Small Towns Summit
  • September 23, 2015
  • Keynote - Ed McMahon

• Two Regional Clusters:
  • Western
  • High Country

• Coffee & Conversations
  • Town-by-Town
Small Town Conversations

Economic Development & Best Practices via Peer-to-Peer Mentoring

- Crafting Studio Tours
- Crafting a Community Parade
- Over the River and Through the Woods—Let’s Build Trails
- Building-Rehabilitation Basics
- Renovating Big Buildings in Small Towns
- Developing a Cultural Heritage Attraction
- Successful Grant Applications
Entrepreneurship Programs

AWE program was created to support all Western North Carolina women interested in creating or growing their small business.

Two-hour classes on business subjects, industry-specific skills, creativity, and access-to-market courses that are tailored to meet the unique needs of our craft artists in today’s economy.
Key Components

- Partnerships are imperative
- Identify your assets and opportunities

Art
Music
Theater
Food/Brewing/Distilling
Recreation
Trails
Gateways
Public Spaces
Dark Sky Designation
Historic/Cultural Sites
Lodging
Restaurants
At HandMade we...

• use an asset-based approach with a focus on natural and cultural resources.

• believe in demand driven, community-based (grassroots) methods with a high expectation for collaborations and partnerships.

• provide technical support and entrepreneurship and leadership training.

• infuse arts/culture within projects and programs wherever & whenever possible.
How does this work for you?

• Are the arts & artisans growing?
• Is entrepreneurism rising?
• How have the needs of your town or community changed over the years?
• Would Creative Placemaking work for your town or community?
• Do you have or are there opportunities for unique lodging?
• Do you have or are there opportunities for locally-sourced, non-franchised restaurants?
3 questions that help define a town’s or community’s willingness and desire to change.

1. What do you hold sacred in your town?
2. What do you want to keep to yourself?
3. What do you want to share with the outside world?
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