



IMPLEMENTATION + RESOURCES

A key purpose of the Economic Diversification Plan is to identify and guide realistic, impactful initiatives and provide the region with communication tools. With limited capacity, the Team will need to pace and prioritize implementation. As such, initiatives are characterized by both potential benefits and readiness factors. The most “ready” have been developed with implementation guidance. While the high-level goals and strategies should remain relatively constant, the initiatives will be reviewed periodically and updated as new opportunities arise.

To support this work, a number of other resources are available to communities. The BRECC Team developed strong relationships with many of these entities throughout the process. Useful partners and resources include:

- » Interagency Working Group on Coal & Power Plant Communities - Offers a [Getting Started Guide](#) for planning and executing projects; a responsive [Navigator](#) team; and a [Funding Clearinghouse](#), a searchable repository of funding opportunities.
- » [Local First Arizona](#) - Offers a variety of support, including the [Economic Resource Center](#) for grant support/consultation, and the [AZ Navigator](#) for small businesses.
- » [Utilities' Grant Program](#) - APS, SRP, and TEP grant funding for communities impacted by the current and planned closure of coal-fired generating stations.
- » [Arizona Prospector](#) - APS and Arizona Commerce Authority tool for [finding properties](#) and interactive [business and demographic data](#).
- » REAL AZ - The Navajo and Apache County non-profit's website includes a [site locator](#), [business startup resources](#), and [information and data](#) about the region.
- » [The Just Transition Fund \(JTF\)](#) - Offers a [Federal Access Center](#) for grant application support and a [Resource Hub](#) that collects case studies, tools, etc.
- » [Grants.gov](#) - An official federal resource center for grants and grant-writing help with extensive [applicant trainings](#) and [grant writing tips](#).

GET INVOLVED

Contact your County Economic Development Director to add a project!

We invite local leaders across the region to identify aligned initiatives that contribute to economic diversification and coal transition. To add an initiative contact your County Economic Development Director and provide a description of the project's readiness, impacts, champions, and supportive partners.

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Building Resilient Economies in Coal Communities

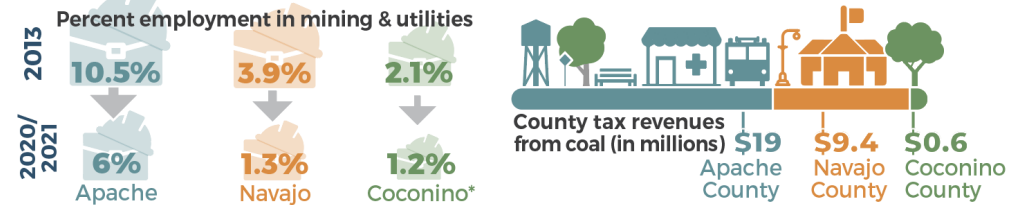
NORTHERN ARIZONA Economic Diversification Plan

EXECUTIVE SUMMARY | JANUARY, 2024

INTRODUCTION + PROCESS

Coal communities across the country are reimagining local industries and developing transformative initiatives to build stronger, more resilient economies. With support from the EDA, the [Building Resilient Economies in Coal Communities \(BRECC\) Action Challenge](#) has provided coaching support and planning expertise to develop community-led diversification strategies.

In 2022, Arizona's Apache, Navajo, and Coconino counties joined together with local partners on a team that applied for and was competitively selected to participate in the BRECC 2023 Action Challenge Cohort. Through the year-long process the team sought to identify strategies that could bring together entities across the region in shared priorities and initiatives. By combining their limited capacity, the counties seek to accrue numerous small victories, or “base hits” and build momentum in diversifying the regional economy. The result was a community-specific report that has been summarized here.



The Case for Assistance

The coal industry makes up a substantial share of the regional economy, tax base, and employment. Economic and industry sector data shows a significant decline, around 50%, in coal related jobs since 2013, and a large portion of regional tax revenue, about \$69 million annually, at risk as plants and mines close.

*Note: Employment numbers for Coconino County exclude Flagstaff

COAL TRANSITION GOALS

During the planning process the BRECC Team identified six high-level goals that act as overarching guides for future economic diversification efforts.



- » Enhance the region's collective capacity to act.
- » "Get on Base" by replacing jobs and revenue lost from coal transition in the aggregate.
- » Prioritize industries, technologies, and projects that provide more, higher-wage jobs.
- » Replace lost revenue in order to maintain high-quality public services, particularly schools.
- » Retrain the workforce into sectors that provide high-quality jobs with livable wages.
- » In the long term, replace power generation to serve the future needs across the state of Arizona.

GET ON BASE STRATEGY

Northern Arizona is losing its economic all-stars: the four closed or closing coal plants. Replacing these economic powerhouses is a long-shot at best. But we can think like the Oakland A's in the classic film "Moneyball." They redefined baseball with limited means by changing the focus from flashy all stars and home runs to humble base hits. Our coal transition strategy follows the same parallels: we cannot replace the coal plants in terms of jobs and revenue creation, but we can recreate them in aggregate.

Note: Initiatives **highlighted in bold** have been identified as most ready to advance and receive additional guidance on roles, action steps, and relevant funding opportunities in the full document.



Coal Transition Capacity

Increase local capacity and funding for coal transition projects and collaborations.

- a) Pursue project funding and capacity support.**
- b) Enhance collaborations and relationships.**
- c) Create and distribute coal transition tools.



Infrastructure & Physical Enhancement

Develop missing components of foundational infrastructure for business and industry expansion.

- a) Champion regional broadband.**
- b) Support conversion of Coronado Generating Station.**
- c) Develop the Apache County industrial park.
- d) Explore a regional carbon capture facility.
- e) Explore potential energy projects in the region.

ECONOMIC STRATEGIES

The goals helped to guide the creation of five strategies, under which the economic diversification initiatives are nested. These strategies shown below represent the five main areas of focus for the region's coal transition efforts.

Initiatives

The initiatives listed below each strategy are specific projects and programs that were identified and vetted by local economic development leaders and partners through the BRECC coaching process. The initiatives are not an exhaustive list of potential steps, and rather were pragmatically selected based on potential impacts and implementation readiness. Future initiatives may be added that will further advance the strategies as new opportunities arise.



Target Industry Expansion

Support business expansion and development in target industries that have been identified as a fit across multiple communities in the region.

- a) Expand regional meat processing.**
- b) Inventory and market available sites.**
- c) Develop the biomass industry.
- d) Expand the wood products industry.
- e) Market outdoor recreation assets.



Community Quality

Improve the appeal and appearance of communities in the region to invite new businesses and retain a stable labor force.

- a) Develop workforce housing.**
- b) Clean up abandoned properties.**
- c) Preserve and promote historic assets.**
- d) Develop recreation assets.



Workforce, Entrepreneur, & BRE Support

Retain existing businesses and workers and retrain the labor force to thrive in new and expanded businesses.

- a) Implement regional training-to-employment programs.**
- b) Participate in the Northern Arizona Good Jobs Network.**
- c) Expand the Grow Arizona Workforce Network.**
- d) Expand innovation, entrepreneur, and small business support.