

**Just Transition Fund Federal Access Center
Early Stage Coal Communities Get Ready! Challenge
Proposal Narrative for Routt County
Fiscal Agent for Northwest Colorado Development Council (NWCDC)**

1. Organizational Background. What is your organization’s mission? What is your experience supporting coal community transition? Tell us about your relationship to the community.

The mission of Routt County is, “To efficiently deliver a balance of public services and infrastructure to provide a safe and healthy place to live for present and future generations.” Routt County is submitting this application as the fiscal agent on behalf of the Northwest Colorado Development Council (NWCDC).

The NWCDC is an intergovernmental agreement with ten voting members, including three counties (Routt, Rio Blanco and Moffat) and seven communities (Cities of Craig and Steamboat; Towns of Hayden, Meeker, Oak Creek, Rangely, and Yampa). Routt County Commissioner Tim Redmond serves as the NWCDC Chair, and Routt County has served as the fiscal agent on a number of regional NWCDC grants. These communities, located in the farthest northwest region of Colorado, represent one of the state’s most heavily impacted coal transition areas.

Established in 2022, the NWCDC grew from the previous Yampa Valley Economic Development Council which was formed in 1991. This evolution was in direct response to the Colorado Public Utilities Commission’s approval of plans to phase out coal by 2031, along with the state’s efforts to support regional economic recovery after the COVID-19 pandemic. Recognizing the critical importance of identifying new economic opportunities for this region of the state, the NWCDC developed a Regional Resiliency and Recovery Roadmap through the Colorado Resiliency Office at the Department of Local Affairs (DOLA). The NWCDC received a Rural Economic Development Initiative (REDI) grant from DOLA to hire a project manager (Christine Rambo—a Certified Economic Developer—with Upsize Marketing Strategies) to lead the development and implementation of this strategic plan.

With support from the REDI grant, and under Routt County’s leadership, the NWCDC has developed a robust project pipeline that supports the region’s coal transition communities. The pipeline now includes 14 business and community development projects. These are expected to generate an estimated 482 direct jobs and \$1.84 billion in capital investment. Many of these projects are eligible for federal funding and our region needs expanded capacity to be able to effectively research, pursue and manage these funds.

2. Community Conditions. Please describe the conditions in your community and the economic challenges it faces as a result of coal plant and/or mine closures. Which segments of the population are most affected (e.g., former coal workers, tribal communities, young people) and what are their key demographics (race, gender, poverty rates, education levels)? What specific problem are you trying to solve, and why are you uniquely situated to tackle it?

Mining and power generation are substantial drivers of the economy in all three counties. There are four coal mines in the region with each county having at least one mine. There are two coal-fueled power plants in the region: the Hayden Station in Routt County and the Craig Station in Moffat County. Xcel Energy is the majority owner and operator of the Hayden Station, while Tri-State Energy is the majority owner and operator of the Craig Station (Xcel is a minority owner). The total economic contribution of the coal industry including both coal mining and coal power in Northwest Colorado is 2,862 jobs, with \$228,392,532 in labor income, and \$621,433,561 in regional GDP. For scale purposes this is 21.7% of the three-county regional GDP, and 8.2% of the three county region jobs. The effects are stronger in Moffat County, where coal contributes 47% of regional GDP and 19.8% of jobs.¹ While the employment impacts resulting in the closure of these plants—and the impact on mining jobs in particular—will be substantial, there are opportunities for reassignment and/or transition of these workers. A major pressing issue is the loss of property tax revenue to the counties of these operations.

According to a Just Transition Action Plan regional Coal Worker Survey administered by Colorado Northwestern Community College (CNCC) and DOLA in January 2023, the predominant demographics of the coal miners in Northwest Colorado are male, aged 35-54, and with the majority having children. More than half of the respondents had worked in the coal industry for eleven years or more, and these are high-paying jobs with the majority earning \$75,000-\$150,000 annually.

The NWCDC is actively using the DOLA Roadmap to guide the region through a comprehensive economic development strategy to support the transition away from coal. The Roadmap has identified six target industries, including clean energy generation, light manufacturing, agriculture/value-added agriculture, outdoor recreation/cultural heritage tourism, technology and business services and health care. The NWCDC is uniquely situated to support this transition, as it includes leaders from throughout the region representing a cross-section of critical partners and stakeholders.

3. Big Idea, Vision, and Goals.

a. Big Idea. Please describe your big idea—the economic diversification and/or the workforce development project for which you would ultimately like to seek federal funding.

Our region doesn't have just one big idea, but rather a growing project pipeline that now includes 14 promising economic development projects. These are expected to generate an estimated 482 direct jobs and \$1.84 billion in capital investment. Many of these projects hold tremendous promise for federal funding and JTF's capacity support would propel these projects toward federal grant funding. Some examples of specific "Big Idea" projects currently underway that will create jobs and that will attract both public and private investment include: plans for a new USDA-certified meat processing plant; expansion of two health care facilities; creation of a

¹ *Economic Transition in Northwest Colorado: the Economic Contribution of Coal Power and Coal Mining, and the Economic Impact of Solar Power and Natural Gas Power.* Nathan Perry, Colorado Mesa University.

geothermal manufacturing site; development of a new closed loop hydroelectric storage facility; and development of two new business parks.

b. Vision. How will this effort contribute to the revitalization of your local economy? In other words, what is your long-term, big picture vision of success?

The vision of the NWCDC is, “Northwest Colorado will be a thriving economic center with a diverse economy anchored by numerous outdoor recreation activities throughout the year, generation of power to fuel the Western U.S., diverse agricultural and food economic activity, and manufacturing.” We see success as the ability for our region to move away from reliance on coal extraction and coal-fired power plants to create new economic opportunities, good-paying jobs, and regional investment.

c. Goals. What goals do you seek to achieve over the next year through the planning, project development, and/or capacity-building efforts that JTF funding would support? How would JTF support allow you to achieve these goals?

NWCDC’s REDI grant provided critical funding for staff capacity through June 2023. This support included a project manager, a grants manager, administrative support, and marketing support. From July-December, our communities are supporting staff capacity through a local match. The project team has had success identifying projects and potential federal funding to support these projects, but lacks capacity beyond December 2023 to actively pursue these grants. JTF’s support would help us with the following goals:

- To match projects in our pipeline with the most appropriate federal funding
- To make connections with federal offices and align our work with federal priorities
- To support our team in applying for those federal grants, both through direct funding of a grants manager and through technical assistance to review and support the preparation of competitive applications

4. Role of Federal Investment. Why is federal investment needed? How do you expect that your effort will, by leveraging federal investment, ultimately help to strengthen and diversify your local economy? If known, please identify the specific program(s) you plan to pursue.

The complex challenge of moving away from coal is a national priority and no local community can be successful in this transition without substantial federal investment and support. The unprecedented federal funding available now through American Rescue Plan Act (ARPA), the Infrastructure Investment and Jobs Act (IIJA), and the Inflation Reduction Act (IRA) provides a once in a generation opportunity to launch new economic development projects in Northwest Colorado that will have a long term impact on strengthening our local economy. The risk for small rural and frontier communities like ours is that we will be left behind from these federal opportunities due to a lack of staffing capacity to submit strong applications. We have identified promising federal funding opportunities including USDA grants, EDA grants, and DOT grants but we need additional staffing capacity to be able to put together competitive proposals.

5. Stakeholder Engagement & Partners. We look to support organizations working to accelerate an equitable and inclusive transition that meaningfully engages all affected

stakeholders. Please describe your key community partners and plans for community engagement. In addition, who are the key private and public sector partners that you plan to collaborate with, and what are their roles?

The NWCDC has had tremendous success engaging diverse partners. Our monthly public meetings are attended by dozens of representatives from throughout our region and the state, and we have been working together to collaborate on various projects. The NWCDC identified Diversity, Equity and Inclusion as a priority strategy in our DOLA Roadmap and we are actively seeking ways to ensure that we are engaging with diverse communities such as creating a DEI steering committee. Our partners represent a wide cross section of sectors, including transportation, child care, agriculture, higher education, economic development, outdoor recreation, energy, entrepreneurship and more. We are actively working to engage directly with coal miners and energy workers, labor unions, and the five electric companies and the four coal mines in Northwest Colorado.

6. Opportunities & Challenges. What are the community assets that your projects will build on? What opportunities do you see to advance your goals? Conversely, what challenges may make it more difficult to achieve your goals, including key barriers to developing the sector you're working in. How will you address them?

The NWCDC completed an asset map that outlines the many assets available in our region, such as a skilled workforce, ample outdoor recreation opportunities, the availability of federal tax credits, a strong regional transportation infrastructure, broadband infrastructure, and more. The NWCDC itself is also an asset, having achieved early success in tackling economic development from a regional perspective rather than in a fragmented fashion at the local level. We have so many exciting projects in our pipeline and a great deal of momentum, but we are very limited by staff capacity to pursue federal funding and to have the time to fully develop the partnerships that will be needed to successfully implement our project pipeline.

7. Impact. We're looking for projects with measurable economic outcomes that have the potential to scale impact through federal investment. We want to know which outcomes and metrics are most meaningful and best demonstrate the progress your community wants to see. What do you intend to accomplish (outcomes) by the end of the one-year grant period? What are the metrics that you will use to assess progress?

Our DOLA Roadmap outlines in more detail the specific outcomes we aim to achieve across our strategy areas. In the next year, we aim to secure at least 3-5 federal grants that will help our region advance some of the significant projects in the pipeline. We anticipate seeing a minimum of 50 new direct jobs created in year one, and at least \$5 million in federal investment.

8. Peer Learning. What would you hope to get out of being part of a cohort of peers from across the country? What would you hope to learn, and what would you want to share about your work?

We are eager to learn how other communities like ours are developing and funding their project pipelines, what pitfalls we can avoid, and how others are funding sustainable economic development. We would welcome the opportunity to share our successes with national peers as we have done through our participation in the BRECC Challenge.