



# Regional Coal Transition Strategy

*Northern Arizona Counties of Apache, Navajo, & Coconino*



# About Arizona Coal Country

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3 Counties with 39,859 sq miles of land (larger than VA)

- 57% tribal reservation land
- 28% public land (forest, BLM, etc)
- 15% privately-owned land

318,822 residents

Ecologically diverse - Home to 28 ecological sub-regions



# Our Coal Transition Status

## 3 Closing Power Plants

- Cholla Plant, 2025
- Coronado Station, 2032
- Springerville Station, 2035

## 1 Plant Already Closed

- Navajo Generating Station, 2018

Black Mesa, Kayenta Mines closed



Note: "BRECC Team" denotes efforts carried forward by all or most BRECC member entities

## The BRECC Team

Founding team members that came together to develop this Strategy:

- Coconino, Navajo, and Apache County Development Directors; Local First Arizona; and APS

Recently added team members:

- SRP and TEP

Supporting members:

- ECoNA, NACOG, NAU Economic Policy Institute, and REAL AZ

Additional active partners welcome!

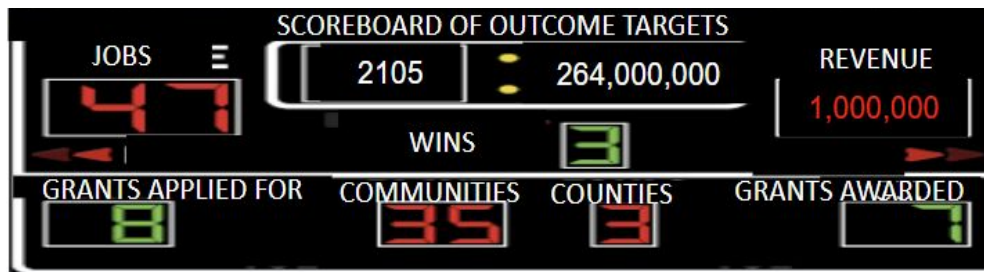


# The Game Plan = a new framework to rebuild our economic base

## “Get on Base” Strategy

Moneyball (2011) analogy:

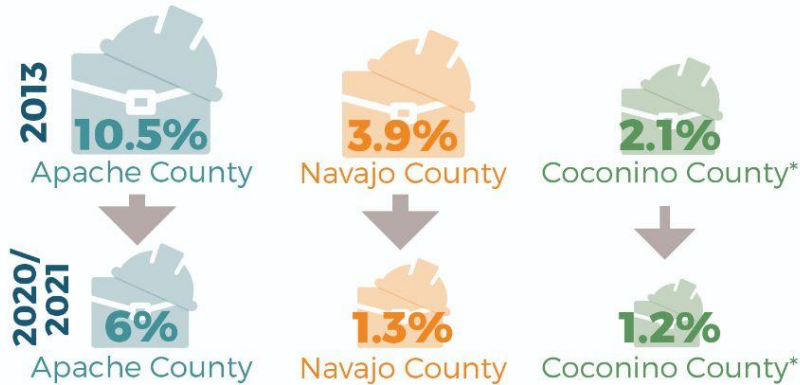
- We can't replace our power house players (coal plants)
- But we can recreate them in aggregate, or “get on base”
- Create new jobs and revenue to replace the 2,105 jobs and \$265 million in annual revenue lost



# The Case for Assistance

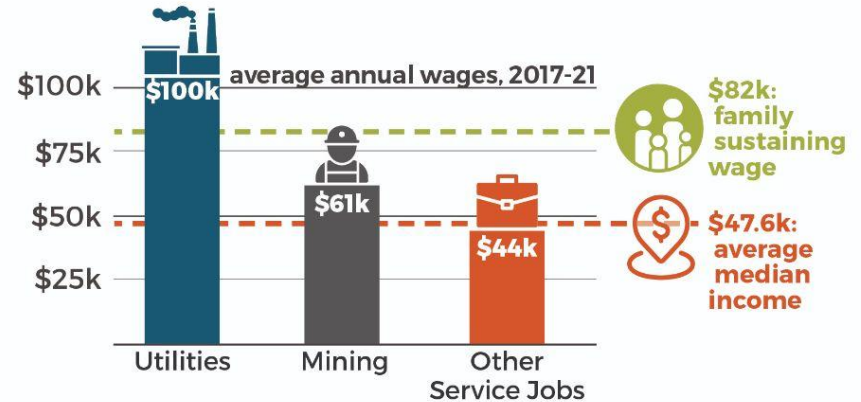
**Coal jobs are a major source of employment, and have paid the highest wages in the region.**

In 2013, the percent of total employment in the mining and utilities sectors for each county was:



Jobs in mining and utilities have already significantly declined. Ongoing closures will continue this trend.

\*Employment numbers for Coconino County exclude Flagstaff



Coal industry jobs provide high wages, with annual salaries averaging \$61k in mining, and \$100k in utilities. The average salary for service providing jobs in the region is only \$44k.

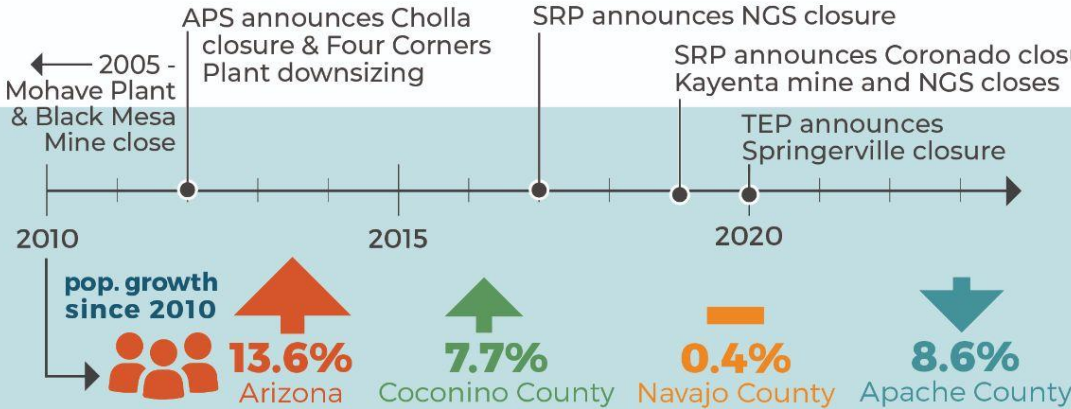
**Plant and mine closures will extinguish many or most of these high paying job opportunities.**

## The coal industry makes up an outsized share of the economy and accounts for a large share of the tax base.

A location quotient (LQ) illustrates how prevalent an industry is relative to the rest of the country. In 2016, the LQ for the utilities sector in Apache County was 9 times the US average, while the LQ for mining in Navajo County was twice the US average, demonstrating a **major contribution to the regional economy.**



In 2018, **tax payments** from power plants and mines in Northern Arizona were estimated at \$69 million annually, including **\$9.4 million in Navajo County**, **\$19 million in Apache**, and **\$611,000 in Coconino.**



## Coal industry and population declines present significant economic hurdles for the region.

In addition to economic losses from power plant and mines closures, the rate of population growth in the region has also seen significant decline. Since 2010, population in Navajo County has increased only 0.4%, and Apache County has decreased 8.6%. In the same period, Arizona grew 13.6%.

# A Regional Commitment

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"Plan for economic development to **improve the business environment** in the County and **encourage young residents to remain in the County** as they mature and enter the workforce."

-Apache County Comp Plan

"Economic expansion will be a **critical component of growth** in the County and will also **provide better opportunities for the County's youth** to remain in, or return to, the area."

-Navajo County Comp Plan

"The County acknowledges **the need to diversify its economic base...** Promoting industries that are compatible with our local environment and recognizing **the economic value of natural systems and human capital** creates a stable economic future." -Coconino Comp Plan

"The struggle is real for Northern Arizona, and we need assistance. It's time for focused discussion that leads to action from stakeholders and partners... **Collaborations must happen between the federal, state, tribal, counties, public and private stakeholders and outside industries** to encourage business attraction and relocation, to take advantage of existing infrastructure and **innovate new ideas for the resiliency of Northern Arizona.**"

-NACOG Coal Communities Workforce Initiatives

BRECC Action Challenge |



# Regional Economic Diversification Strategies

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**Coal Transition  
Capacity**



**Infrastructure  
& Physical  
Enhancement**



**Target Industry  
Expansion**



**Community  
Quality**



**Workforce,  
Entrepreneur, &  
BRE Support**



### **Coal Transition Capacity**

**Pursue project funding and capacity support.**  
**Enhance collaborations and relationships.**  
Create and distribute coal transition tools.



### **Infrastructure & Physical Enhancement**

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



### **Target Industry Expansion**

**Expand regional meat processing.**  
**Inventory and market available sites.**  
Develop the biomass industry.  
Expand the wood products industry.  
Market outdoor recreation assets.



### **Community Quality**

**Develop workforce housing.**  
**Clean up abandoned properties.**  
**Preserve and promote historic assets.**  
Develop recreation assets.



### **Workforce, Entrepreneur, & BRE Support**

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



# Transition Capacity

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## Strategy Overview

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

- **Assets:** REAL AZ; The Northern Arizona Council of Governments (NACOG); The Economic Collaborative of Northern Arizona (ECoNA); Local First Arizona; The Foundation for Little Colorado Revitalization; Arizona Public Service (APS); Tucson Electric Power (TEP); Salt River Project (SRP)
- **Gaps:** Lack of staffing & funding; limited capacity of local leaders and municipal staff
- **Momentum:** Regional Priorities Framework; utilities' coal transition efforts and engagement; Apache County Community Development Plan; Joseph City Community Visioning



# Transition Capacity

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## Key Initiatives

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



# Transition Capacity

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## Key Initiatives - Readiness Rationale

- **Pursue project funding and capacity support.**
  - Ongoing, needs long-term capacity support; County economic development and BRECC Team lead; partnerships and recent planning efforts will increase success
- **Enhance collaborations and relationships.**
  - Ongoing effort, needs capacity support; BRECC team member entities lead; CEDS alignment, which is time-limited, and partnerships will support funding pursuits
- **Create and distribute coal transition tools.**
  - Ongoing effort, needs capacity support; BRECC team member entities lead; potential capacity resources have been identified; BRECC process deliverables will support ongoing efforts



# Transition Capacity

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## Implementation Guidance - **Capacity**

The BRECC team member entities and REAL AZ will function as a shared regional resource for developing, applying to, administering, and managing coal transition-related funding and assistance opportunities. In addition, REAL AZ will seek solutions to provide long-term staffing capacity to manage project and grant contracts, including ensuring regular coordination and collaboration on all ongoing projects and grants.

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**BRECC Team Role:** Convene regional partners, pursue staffing capacity and organizational funding, apply to and manage coal transition funding and assistance opportunities

**Partners:** County Economic Development Departments; Local First Arizona; ECoNA; institutions of higher education

**Potential:** Increased capacity will lead to more successful grant funding pursuits and, indirectly, revenue and jobs from funded projects



# Transition Capacity

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## Implementation Guidance - Relationships

The BRECC team member entities will act as champions and conveners for regional collaboration around shared coal transition projects, initiatives, funding pursuits, and needs and will work to create relationships between local community project leads and state and federal funding agencies. These relationships should include close coordination with the Northern Arizona Regional Council of Governments during the next CEDS update to ensure that coal transition strategies and funding needs are reflected. In addition, these entities should provide support and assistance to other regional partners who are pursuing projects and programs that align with this Coal Transition Strategy.

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**BRECC Team Role:** Convene partners; pursue and manage funding, capacity & assistance

**Partners:** ECoNA, NACOG, REAL AZ, White Mountain Economic Development, Foundation for Little Colorado Revitalization, APS, SRP, TEP, municipalities; (tribes are potential partners when economic development opportunities are compatible with these sovereign nations' priorities)

**Potential:** Improve regional collaboration and economic diversification; CEDS alignment will strengthen funding & assistance applications



# Infrastructure Enhancement

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## Strategy Overview

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

- **Assets:** Interstate 40; rail line and spurs; regional airports; APS middle-mile broadband loop; BEAD and Arizona funding for last-mile broadband
- **Gaps:** Poor access to natural gas in Apache County and parts of Navajo County; unknown future an accessibility of rail lines and spurs; a lack of implementation funding; permitting delays; rural nature of the region presents issues with connectivity and a high-cost to serve outlying areas
- **Momentum:** Winslow Levy Project; Camp Navajo Improvements; Navajo County Broadband Middle-Mile Project; Apache County Last Mile Project; Coconino County Starlink internet projects





# Infrastructure Enhancement

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## Key Initiatives

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



# Infrastructure Enhancement

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## Key Initiatives - Readiness Rationale *(Part 1)*

- **Champion regional broadband.**
  - In progress, status varies by County; funding identified through BEAD program; NACOG Broadband Working Group and county coordinators to lead; several timely funding opportunities identified; major potential for increased attraction and quality of life
- **Support conversion of Coronado Generating Station.**
  - In progress; initial feasibility studies completed; SRP lead, BRECC Team and REAL AZ to support; conversion will add significant revenue and jobs
  - Note: As other utilities develop station conversion plans, provide similar support



# Infrastructure Enhancement

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## Key Initiatives - Readiness Rationale *(Part 2)*

- **Develop the Apache County industrial park.**
  - Apache County leading; land identified, acquired, and zoned; needs capacity support, planning, & funding; will provide indirect jobs and revenue through industrial use; BRECC Team to support
- **Explore a regional carbon capture facility.**
  - In progress, initial EDA funding obtained but needs additional study and funding; ASU and Global Futures Laboratory to lead; BRECC Team to support as needed
- **Explore potential energy projects in the region.**
  - In progress; feasibility being determined; leadership and anticipated impact varies by project; BRECC Team to support as needed



# Infrastructure Enhancement

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## Implementation Guidance - **Broadband**

Work with and support the efforts of the Northern Arizona Council of Governments (NACOG) Broadband Working Group, which provides a platform for regional coordination and leadership in region-wide middle and last mile broadband development to enhance business and worker attraction and retention, education access, and resident experience.

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**BRECC Team Role:** Continue pushing for regional coordination, support local governments in funding and capacity pursuits (NACOG Lead)

**Partners:** Counties, Arizona Commerce Authority (ACA), ADOT, APS, Comnet, BEAD Program; County BEAD Task Forces, permitting entities and other last-mile providers

**Potential:** Enhance business attraction and retention, attract remote workers and retirees, enhance quality of life



# Infrastructure Enhancement

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## Implementation Guidance - **Coronado Conversion**

Support SRP's efforts to explore an appropriate and feasible option to convert Coronado Generating Station to a new energy technology or other use that can preserve regional jobs and tax base, continue to support energy affordability and reliability, and avoid a stranded asset. Help to inform the Northern Arizona public about options and opportunities supported by expert studies and assessments. As other utilities develop station conversion plans, provide similar support to those efforts.

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**BRECC Team Role:** Support conversion for its jobs and revenue potential, inform the public, and provide and encourage similar support to other station conversions

**Partners:** REAL AZ, GAIN (Note: Others, including state agencies and regulators, will emerge and be important to collaborate and/or advocate with on behalf of the region.)

**Potential:** GAIN study estimates additional 125-550 jobs and \$40-370 million in economic output for advanced nuclear conversion



# Target Industry Expansion

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## Strategy Overview

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

- **Assets:** Abundant natural resources including National Forests, helium, mineral and coal deposits, and a steady water supply from the Coconino aquifer; physical assets associated with coal including generating stations, transmission lines, and substations
- **Gaps:** Inconsistent natural gas access, transportation connectivity, and broadband access; unknown future of coal workforce and future industry training needs
- **Momentum:** Four Forest Restoration Initiative; Winslow Textile Industry; Wind Farm Development; Solar Array Development; Winslow Levy Project; Carbon Sequestration Project; Biomass Credit Rating investment



# Target Industry Expansion

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## Key Initiatives

- **Expand regional meat processing.**
- **Inventory and market available sites.**
- Develop the biomass industry.
- Expand the wood products industry.
- Market outdoor recreation assets.



# Target Industry Expansion

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## Key Initiatives - Readiness Rationale *(part 1)*

- **Expand regional meat processing.**
  - Ongoing initiative, needs additional funding & capacity; some markets/products may need additional study; Little Colorado Meats lead, BRECC Team to support; will create jobs, revenue and support existing agricultural heritage and livelihoods
- **Inventory and market available sites.**
  - Web inventory exists, needs additional marketing and regional participation; REAL AZ lead; reduces barriers to development, demonstrates regional cooperation





# Target Industry Expansion

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## Key Initiatives - Readiness Rationale *(part 2)*

- Develop the biomass industry.
  - Biomass supply studies in progress; needs additional funding; County Economic Development Departments to lead; biomass industry will provide tax revenue, create hundreds of jobs, support related businesses, and improve forest health
- Expand the wood products industry.
  - In progress; needs additional funding, some products may need further study; Foundation for Little Colorado Revitalization lead; will create jobs and tax revenue
- Market outdoor recreation assets.
  - Some marketing in progress but no coordinated regional effort identified; needs funding and leadership; will indirectly create jobs and revenue; a “quick win” given quality of regional outdoor assets



# Target Industry Expansion

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## Implementation Guidance - **Meat processing**

Coordinate, fund, and develop/implement additional meat processing modules and mobile processing units to serve a larger area, increase through-put, support agricultural livelihoods, and create new jobs.

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**BRECC Team Role:** Lead applications for funding resources available to local governments and lend support to regional coordination efforts (Lead: Foundation for Little Colorado Revitalization & Little Colorado Meats)

**Partners:** Apache County, Navajo County, USDA, local ranchers

**Potential:** Support hundreds of agricultural livelihoods and regional heritage, create tens of new jobs, and increase business sales and tax revenue



# Target Industry Expansion

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## Implementation Guidance - **Market sites**

Continue to develop and promote the REAL AZ comprehensive site inventory and website in order to improve its usage and relevance and ultimately contribute to business attraction. Encourage local municipalities to add local properties to the inventory and ensure it is continually updated and promoted to relevant entities.

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**BRECC Team / REAL AZ Role:** Lead - oversee and manage the site inventory process

**Partners:** All REAL AZ Members

**Potential:** Reduces potential barriers to new development, encouraging new businesses that will create jobs and tax revenue; demonstrates regional cooperation



# Community Quality

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## Strategy Overview

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

- **Assets:** High-quality educational institutions including multiple community colleges; extensive and scenic public lands; recreation assets and opportunities; cultural heritage and resources; historic properties; a welcoming, family-friendly environment
- **Gaps:** Limited and aging housing supply; abandoned and deteriorating properties; poor appearance along corridors; inconsistent healthcare access
- **Momentum:** Brownfields Revitalization Grant; Moonshot; Alternative Business Funding Opportunities; Weatherization Grant; ECoNA Housing Attainability assessment for Page and Flagstaff; the Regional Trails Alliance (RTA)



# Community Quality

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## Key Initiatives

- **Develop workforce housing.**
- **Clean up abandoned properties.**
- **Preserve and promote historic assets.**
- **Develop recreation assets.**



# Community Quality

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## Key Initiatives - Readiness Rationale *(part 1)*

- **Develop workforce housing.**
  - Initial coordination and funding pursuits underway; needs additional funding, leadership, and assessment; Counties, REAL AZ, and ECoNA to lead; housing availability is crucial to economic development; will also add property taxes and create construction jobs
- **Clean up abandoned properties.**
  - In progress, some brownfields funding awarded; needs additional funding and assessment; local municipalities to lead; expanded brownfields funding window (time-limited opportunity); will reduce contaminated properties, beautify the area, improve community quality, create new developable properties, and enhance business attraction



# Community Quality

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## Key Initiatives - **Readiness Rationale** *(part 2)*

- **Preserve and promote historic assets.**
  - In progress; needs funding (some opportunities identified) and coordinated regional leadership; municipalities to lead; will showcase the region's history and increase visitorship, tax revenue, jobs in the hospitality industry, and civic pride
- **Develop recreation assets.**
  - Individual projects ongoing, would benefit from coordination regional planning and leadership; implementation funding needed; counties and municipalities to lead; outdoor recreation assets can function as a major attractor for new residents and in turn, businesses



# Community Quality

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## Implementation Guidance - **Workforce housing**

Complete a workforce housing assessment for Apache and Navajo County to help determine what is working now and what interests are being sought by local government as they pertain to encouraging more development of workforce housing. Convene and compare results across all three counties and identify shared needs and opportunities for a collaborative approach. Pursue recommended next steps from the assessment to update policies and explore opportunities to catalyze new workforce housing projects.

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**BRECC Team Role:** Facilitate developer and municipal projects; convene & compare needs across all three counties, identify shared opportunities for a collaborative approach

**Partners:** Municipalities, large private employers, community-based organizations, state/government entities, housing developers, school districts & other institutional employers

**Potential:** Housing availability will facilitate economic development, property tax revenues, and construction jobs





# Community Quality

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## Implementation Guidance - **Clean up properties**

Utilize brownfields resources to determine contamination and clean up abandoned and deteriorating properties, and including trailer homes, throughout the region to beautify the area, improve community quality, create new developable properties, and enhance resident, visitor, and business attraction.

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**BRECC Team Role:** Support the creation and enforcement of blighted property ordinances; secure and manage resources for assessment and clean up (Lead: Local Government)

**Partners:** Municipalities, EPA Region 9, Center for Creative Land Recycling; Arizona Department of Environmental Quality (ADEQ) Brownfields Program, Local First Arizona (as the Keep America Beautiful state affiliate)

**Potential:** Reduce contaminated properties, beautify the area, improve community quality, create new developable properties, and enhance resident, visitor, and business attraction



# Community Quality

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## Implementation Guidance - **Historic assets**

Ensure the preservation and restoration of historic assets within the region, such as the historic buildings in the cities of Holbrook and Winslow. Capitalize on the upcoming Route 66 Centennial (2026) as a means of improving community appeal, revitalizing historic assets, increasing visitor stays, and supporting the local hospitality industry. Pursue an inventory of historic assets, fund and design building improvements and marketing, and showcase the area's unique Wild West history to capture and retain additional visitorship in the region.

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**BRECC Team Role:** Support regional collaboration, education, & distribution of funding tools

**Partners:** Local First Arizona, Route 66 Association and Trust, Arizona Office of Tourism, historic property owners, Route 66 municipalities, NACOG tourism committee, National Heritage Trust, municipal historic societies

**Potential:** Improve community appeal, increase visitor stays and spending, support hospitality jobs; showcase the region's history



# Workforce & Entrepreneur Support

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## Strategy Overview

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

- **Assets:** REAL AZ; ECoNA; Coconino Community College; Northland Pioneer College; Northern Arizona University; Local First Arizona AZNavigator and Economic Resource Center; the APS Zoom Prospector; Small Business Development Centers; the Coconino and Northeastern Arizona Local Workforce Development Boards; entrepreneurial support from Moonshot at NACET and Change Labs; and the region's utility companies
- **Gaps:** Lack of start-up capital, organizational capacity, and co-working or innovation centers; loss of coal workforce, which may leave the area as closures occur
- **Momentum:** Grow Arizona Workforce Network; local Workforce Development Boards; Commercial Driver's License (CDL) Programs; municipal economic development efforts and partnerships; BuilditAZ initiative



# Workforce & Entrepreneur Support

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## Key Initiatives

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



# Workforce & Entrepreneur Support

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## Key Initiatives - Readiness Rationale *(part 1)*

- **Implement regional training-to-employment programs.**
  - In progress, status varies by training program; forestry operators, broadband, and CDL drivers are initial focus areas; needs additional coordination and implementation funding; community colleges, BRECC Team, & WIOA board lead
- **Participate in the Northern Arizona Good Jobs Network.**
  - In progress with significant momentum; construction trades ready for implementation; some funding identified, needs ongoing funding and capacity support; opportunities to expand, Local First & BRECC Team members lead



# Workforce & Entrepreneur Support

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## Key Initiatives - Readiness Rationale *(part 2)*

- **Expand the Grow Arizona Workforce Network.**
  - In progress, needs additional support and funding stability; Grow Arizona lead, BRECC Team member entities to support; a statewide effort that Northern Arizona can leverage to prepare local workers for new employment
- **Expand innovation, entrepreneur, and small business support.**
  - In progress; funding and development of St Johns Innovation Center (Apache County lead) and Show Low Incubator (City of Show Low lead) secured, needs additional programming, support, and funding stability; BRECC Team to support and identify opportunities to replicate successes of existing models



# Workforce & Entrepreneur Support

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## Implementation Guidance - Training-to-Employment

Develop partnerships, pursue funding, and coordinate implementation for relevant training programs in the region that support key industries and timely employment opportunities. Initial programs to target include a forestry operators training program, a broadband training curriculum, and additional CDL driver training opportunities. Ensure continued coordination and partnership with the Arizona Commerce Authority, which is charged with implementation of BEAD funds and programs, and local educational institutions that will be crucial for curriculum development.

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**BRECC Team Role:** With county economic development and community colleges, lead efforts to convene partners, educate about project benefits, and support funding pursuits

**Partners:** AZ Commerce Authority, internet service providers, local workforce development boards, NAU, NOVO Biomass Plant, US Forest Service, wood products industry

**Potential:** Supports key industries and prepares local workers for employment



# Workforce & Entrepreneur Support

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## Implementation Guidance - **Good Jobs Network**

Continue to partner with and support the effort to build a Northern Arizona Good Jobs Network (NAGJN) efforts to coordinate with employers, identify target industries, replicate training modules, and provide quality jobs in the region that offer good pay, benefits, and growth opportunities. NAGJN advances training-to-employment models. An initial, regionally-identified focus is on construction trade workers, which are critically lacking for needed local projects. Other identified industries include manufacturing, transportation, retail and hospitality, and healthcare and social assistance. Regional entities should participate in the NAGJN and the BRECC Team should continue to support its efforts.

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**BRECC Team Role:** Support NAGJN participation, construction trades implementation, and coordination and replication for other key industries (Local First AZ lead)

**Partners:** NAGJN participants - five counties, four community colleges, community-based organizations (White Mountain Economic Development and Center for the Future of Arizona)

**Potential:** Train employees, attract employers

BRECC Action Challenge |





# Workforce & Entrepreneur Support

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## Implementation Guidance - **Grow Arizona Network**

Support the expansion of the Holbrook (Navajo County)-based Grow Arizona Workforce Network Solution to facilitate workforce network opportunities, identify careers in the region, and facilitate education and certificates through workshops. In particular this can be an effective strategy for retaining young people in the region by connecting them to area industry businesses for employment, internships, apprenticeships and job shadowing.

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**BRECC Team Role:** Support program participation and expansion, ensure ongoing coordination and collaboration (Grow Arizona lead)

**Partners:** Joseph City School District, Joseph City Chamber of Commerce, Holbrook School District, Holbrook Training Center, APS, WIOA Workforce Board

**Potential:** Encourage young people to stay in the region, increase the attractiveness of the region to potential employers by preparing the workforce to fill new jobs in key industries

# Discussion

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# Thank you!

*Northern Arizona Counties of Apache, Navajo, & Coconino*

