



## Background

Northwest Colorado Development Council (NWCDC) is an intergovernmental agreement between Moffat, Rio Blanco, and Routt Counties and their seven communities to collaborate on regional development to meet the challenges of the coal closure. In the next 4-6 years, five coal mines and two coal-fired power plants in the three counties will transition, eliminating 2,800 jobs and millions in tax revenue to schools, hospital districts, recreational districts, and municipal governments. The economies of these rural northwestern communities rely heavily on coal, oil, and gas extraction. According to an AGNC-funded Economic Report conducted by economist Nathan Perry of Colorado Mesa University, nearly 22% of the regional Gross Domestic Product (GDP) will be lost. For Moffat County, 47% of its GDP will be lost with the sunset of coal. NWCDC is a collaborative entity supporting economic mobility for industry, businesses, and residents across the region.

The 3-county, coal-transition region of Northwest Colorado supports a population of 44,687. The poverty rate of 14.8% in Moffat County is 1.5 times higher than the state average of 9.6% and 20% higher than the US average. In Rio Blanco, the poverty rate is 12.9% which is 1.4 times higher than the state average.

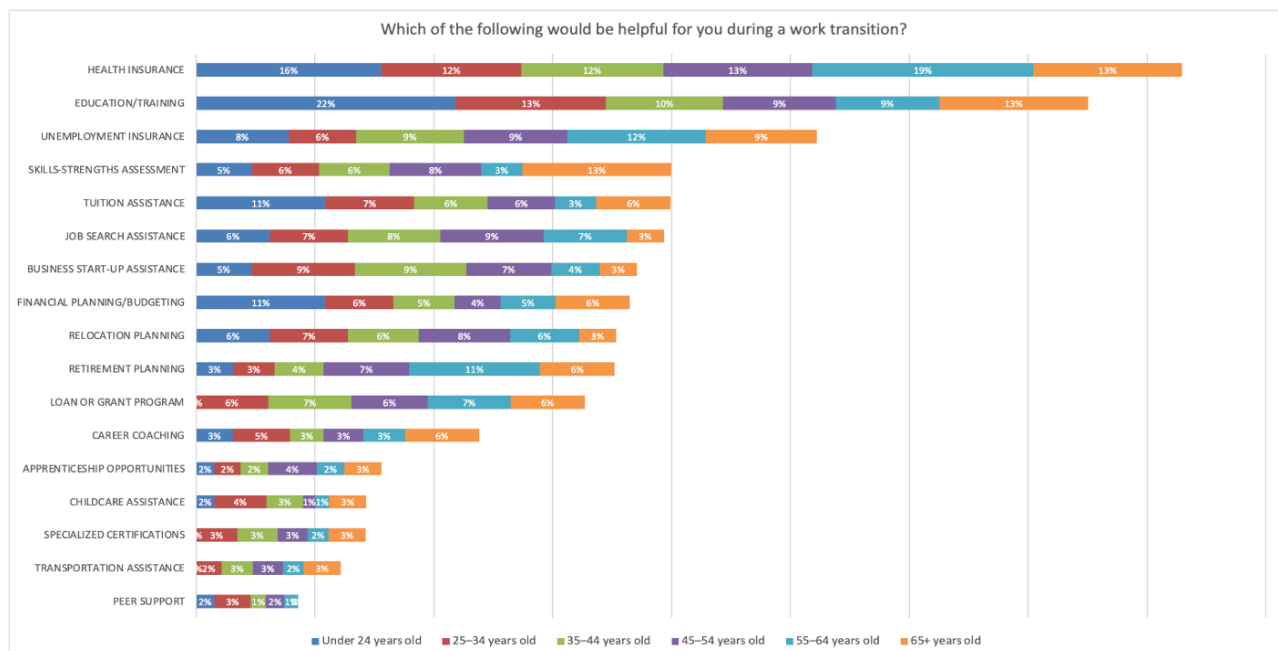
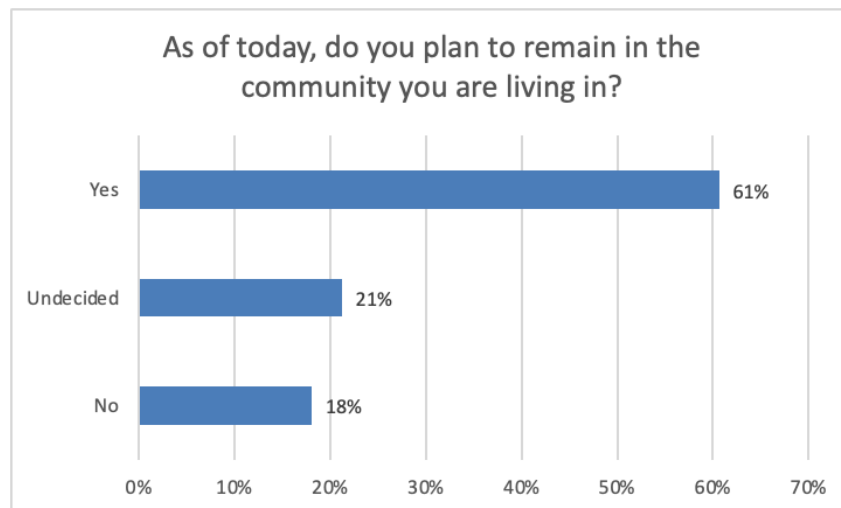
Counties	Population	Races						Poverty Rate
		White	Hispanic	Native American	African American	Other	Two +	
Moffat	13,232	78%	17%*	1%	0	1%	3%	14.8%
Rio Blanco	6,511	82%	11%*	1%	0	0	5%	12.9%
Routt	24,944	84%	7%*	1%	0	1%	7%	8%

*\*Undocumented Hispanic population is much higher than the Census Report*

In 2023, NWCDC adopted a community-led, DOLA-funded transition plan based on the principles of self-empowerment and diversity, equity, and inclusion, called the Northwest Colorado Resiliency and Recovery Roadmap. The plan identified two main goals: (1) economic diversification that would allow the creation of new living wage jobs, transition to clean and sustainable economies, and small business development and entrepreneurship; (2) community development that would support access to affordable housing, child care, and regional transportation.

## Coal Transition Research

In 2023, the Colorado Office of Just Transition and Colorado Northwest Community College surveyed 258 respondents from Craig Station Coal-fired Power Plant and Colowyo Coal Trapper Mines. The results show that 61% wish to remain in Northwest Colorado if they can transition to a new career.



Furthermore, the coal miners and power plant workers indicated they need transition services that fall into the following categories (see chart above):

- **Bridge Benefits:** health insurance, unemployment insurance/benefits

- **Workforce Development:** education, training, tuition assistance, apprenticeships, certification programs
- **Career Navigation:** job search assistance, financial planning, career coaching
- **Business Start-up Assistance:** finding capital, loans, and grants (some of the power plant and coal miners have already started businesses or wish to expand their agribusiness to support their families)
- **Social Services:** relocation planning, retirement planning, childcare, transportation, well-being or peer support

The NWCDC member communities also require significant support to transition from a coal-based economy. The Northwest Colorado Resiliency and Recovery Roadmap outlined multi-faceted economic diversification strategies that target the expansion of seven business sectors as well as workforce development:

- Clean Energy
- Value-added Agriculture/Food Processing
- Advanced Manufacturing
- Outdoor Recreation and Cultural Heritage Tourism
- Health Care
- Technology and Business Services
- Small Business Development and Entrepreneurship

However, to accomplish and implement these long-term economic development strategies, a mechanism for sustainable regional economic development must be put in place. The DOLA Roadmap identified long-term funding would be needed to support full-time staff to transform and diversify a regional economy. To develop the funding model for the long-term sustainability of regional economic development, NWCDC created a Sustainability Workgroup to evaluate all funding models.

### **Proposed Transformative Project: Northwest Colorado Innovation Center**

After many meetings with national, state, and local partners, NWCDC approved the concept of a rural Innovation Center to address the multi-dimensional needs of this coal-impact region with community development and economic development. We reviewed various rural economic development models that provide a holistic approach. The Aspen Institute created a Rural Hub model that offers a comprehensive regional approach, focusing on industry-driven economies while building trust, addressing equity, breaking down silos for impactful collaboration, and addressing gaps in the system. This model will create new jobs and stimulate entrepreneurship while providing dislocated workers with the necessary services to transition them to a new economy. The model can be replicated in other coal-transition communities.

Adopting the [Aspen Rural Hub model](#), we propose a Northwest Colorado Innovation Center. We envision this Innovation Center as a separate 501c3 that can serve as a vehicle for long-term regional community and economic development sustainability and provides a one-stop shop for

entrepreneurial support and assistance, workforce development, economic and community development, and broader regional collaboration and communication.

The initial steps undertaken for the project include strategic and pre-development planning, as well as community engagement to lead and drive focus. As a vehicle to sustain NWCDC's programs of work, the Innovation Center will also support community development, including working with our communities to develop more affordable housing, childcare centers in childcare deserts, and regional transportation options.

As its own 501c3, the Innovation Center can aggregate federal grants, state and philanthropic funding, local matches, and corporate sponsorships to support technical assistance, financial and business coaching, business retention and expansion assistance programs, and access to funding, rents from tenants at the Center, and financing through a revolving loan fund.

As a collaboration model, the Innovation Center is a one-stop shop model that co-locates with other transition partners such as the Colorado Office of Just Transition (OJT), the Northwest Colorado Small Business Development Center (SBDC), and workforce partners to provide seamless wraparound services for transitioning workers, entrepreneurs, and small businesses to diversify the economy and create new jobs. A one-stop-shop model enhances collaboration and coordination with all resource partners to streamline the delivery of necessary transition services in one location to benefit rural families in accessing capital, entrepreneurial assistance, workforce development, and other services more conveniently and efficiently. Instead of duplicating services already being offered by OJT or the SBDC, an Innovation Center would coordinate services to maximize collaboration, communication, and access to services. Funding partners could include the U.S. Economic Development Administration (EDA), USDA, U.S. Department of Energy, DOLA, OJT, and OEDIT, along with rents from tenants at the Innovation Center and funding from a revolving loan fund.

The Center's focus areas could include entrepreneurial assistance, small business development, a revolving loan fund, workforce development, educational and community development programs, and regional economic development. Historically, regional economic development programs have struggled in Northwest Colorado due to a lack of funding and a limited capacity to pursue grants and capital.

Additionally, the small businesses in our region have had difficulty accessing capital. A needs analysis was conducted through surveys collected in-person and virtually. As seen in this [NCIC Needs Analysis Report](#), those surveyed overwhelmingly prioritized access to funding (69.2%) and capital (61.5%), and 87% of respondents believed there was a need for a hyper-local revolving loan fund. More than 79% of survey participants indicated that access to capital and funding ranked as critical or very important to their business growth and success. Nearly 58% of respondents say a revolving loan fund that offers low-interest loans would fill a demand in this distressed coal-impacted region. We are setting up a revolving loan fund, capitalized by private philanthropic donations (JTF) and federal resources, including EDA, SBA, or USDA.

## **Business Incubation**

The Innovation Center will serve as the hub in a “hub-spoke” model, anchoring a business incubator network with “spokes” in the Towns of Hayden and Meeker and, in the future, the Town of Rangely and South Routt communities.

The Innovation Center will be located in Craig, the epicenter of the coal transition, and incubate manufacturing and industrial businesses. We envision the Center being located at the new Craig Industrial Park, a 23-acre greenfield site in the heart of Craig’s industrial district. The Innovation Center will provide high-bay, clear-span spaces for industrial tenants, who will graduate out of the industrial incubator to occupy parcels in the Craig Industrial Park. The Innovation Center will also offer workforce training.

## **Workforce Training**

For workforce development, the centrally located regional Northwest Colorado Innovation Center intends to partner with the Colorado Office of Just Transition so their Coal Transition Navigator could have a base of operations to meet with dislocated workers to provide services such as job coaching, resume writing, and skills assessment.

As a focal point for collaboration in workforce development, the Innovation Center can partner with the community colleges, Colorado Northwestern College and Colorado Mountain College, along with the Yampa Valley Partnership for Students, Stewardship, and Sustainability (YVPS3), and Colorado workforce centers to provide upskilling and retraining for dislocated workers and to create a pipeline to employers.

Our region lacks industrial and construction skills outside of the mines and power plants. The surveys with workers indicate they would like training and certifications in welding, electrical, construction, heavy equipment/machinery, and CDL truck driving. No such programs exist in our region because of the lack of funding.

NCIC is currently designing training certification programs and apprenticeships for industrial training. The Innovation Center’s role will be to fund and implement workforce training programs for a multigenerational workforce from coal transition workers to high school students. We are evaluating workforce training models that will make the most sense for the region.

## **Funding for the Innovation Center**

Large capital investments and technical assistance are necessary to transition the economy, requiring significant federal funding. The following federal grant programs are potential sources of funding:

- EDA Economic Adjustment Assistance (EAA)
- USDA Intermediary Relending Program
- USDA Rural Innovation Stronger Economy (RISE) Grants

- USDA Value-Added Agricultural Program
- USDA Rural Cooperative Development Grant Program
- USDA Rural Business Development Grants

Also, as a 501c3, NCIC will be fundraising from national and state philanthropic and corporate funders.

**Technical Support and Funding Needed:**

- Finding funds to capitalize on a revolving loan fund
- Professional services to continue standing up the Innovation Center, including project management, attorney and legal fees, architectural and engineering services, grant writing, and continued community engagement and marketing
- Introductions to federal and national public, private, and philanthropic funders
- Facilitate broader regional conversation to inform our communities and prioritize resource allocation