Utah’s Coal Counties

Part III: Coal Communities

The mission of Utah Foundation is to promote a thriving economy, a well-prepared workforce, and a high quality of life for Utahns by performing thorough, well-supported research that helps policymakers, business and community leaders, and citizens better understand complex issues and providing practical, well-reasoned recommendations for policy change.
Utah’s Coal Counties

Part III: Coal Communities

Governor Gary Herbert is looking to create 25,000 new jobs in Utah’s 25 non-Wasatch Front counties by 2020. There is certainly a broad and deep effort toward this end. The Utah Legislature has passed bills to bolster economic development, and there are numerous state agencies involved in the effort. Several public-private partnerships are working on rural job creation, as are non-profit and for-profit entities. The federal government is also involved. Utah’s more-rural counties themselves are leading this effort. One of the reasons for the need to think about job creation in rural areas is coal.

The nature of electricity generation and coal-mining has changed over the past several decades, and continues to change. Mining has become more efficient, which has required fewer employees. In addition, the shift toward electricity generation that requires less employment has affected communities across the nation. As a result, many communities are shrinking. That is not necessarily the case in Utah coal communities, but they are not seeing the growth that other areas are experiencing. Since 1980, Utah’s coal communities have averaged about half the percentage of the state’s growth. While Kane, Sanpete, Sevier, and Uintah counties have grown robustly in the past 25 years, the populations in Carbon, Emery and Millard counties have remained stagnant.

With an uncertain future for coal-fueled electricity generation and coal mining in Utah, some communities are looking toward economic development options. The key to this development is diversification:

- Diversification of the uses of coal, such as making carbon fiber and producing a liquid-coal alternative to oil.
- Diversification of electricity generation, which includes the sequestration of greenhouse gas emissions from coal-fueled operations to comply with current and future regulations, as well as the shift toward non-coal electricity generation sources.
- Diversification of local economies in ways that are fitting to each of the individual communities, such as agriculture, tech jobs, manufacturing, and tourism.

In light of this diversification, communities will need to utilize their strengths, and turn some of their weaknesses to their advantage, such as marketing their higher unemployment rates as a potential for job creation.

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<thead>
<tr>
<th>County</th>
<th>Unemployment Rate</th>
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<tr>
<td>Carbon</td>
<td>5.2%</td>
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<tr>
<td>Emery</td>
<td>5.4%</td>
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<tr>
<td>Kane</td>
<td>3.2%</td>
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<tr>
<td>Millard</td>
<td>3.3%</td>
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<td>Sanpete</td>
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<td>Sevier</td>
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<td>Uintah</td>
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<td>4.5%</td>
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<td>State of Utah</td>
<td>3.1%</td>
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This report was written by Utah Foundation Research Director Shawn Teigen with assistance from Research Intern Thulasi Seshan. Shawn can be reached for comment at 801-355-1400, extension 3, or by email at shawn@utahfoundation.org. Thanks to those who provided insight and reviewed Part III of this report, including those listed at the end of this report. Special thanks to Intermountain Power Agency for providing financial support to this project.
Coal mining and coal-fueled electricity generation is a major source of job creation and tax revenue for many rural Utah counties. Utah Foundation released a project in three parts to address Utah’s coal economy. Part I looked at coal-mine production and the changing nature of electricity generation. Part II examined the outlook for coal-related employment in the coming years. This third part of the Utah Foundation coal project takes a closer look at coal communities. It details the economic advantages and disadvantages coal brings to these communities in an era where reliance on coal is potentially decreasing. It also examines existing and potential resources these communities could use to survive and even thrive.

**UTAH’S COAL COUNTIES**

Part III of the Utah Foundation coal project focuses on the seven communities that are most dependent on coal. Coal mining currently takes place in four Utah counties: Carbon, Emery, Kane, and Sevier. Two mines account for 72% of Utah’s production. The highest producing mine is Sufco in Sevier County, which provides considerable direct and indirect employment in Sevier and neighboring Sanpete County. The Skyline mine, bordering Emery and Carbon counties, is the second-most productive in Utah. Carbon, Emery and Kane counties house the remaining active mines.

There are five coal-fueled power plants in Utah. The largest plant, Intermountain Power Project in Millard County, sells most of its power to six municipalities in southern California. The next largest plants are the Hunter plant and the Huntington plant in Emery County, owned by PacifiCorp, which is the parent company of Utah’s largest electricity provider – Rocky Mountain Power. The Bonanza plant is in Uintah County. The small Sunnyside waste coal electric power plant is in Carbon County.

**RURAL COMMUNITIES**

Rural is often defined by what it is not – it is not metropolitan or urban. In the expanding West during the 1800s, most communities were rural. Many of these communities were geographically isolated, and out of necessity were somewhat self-sufficient. Small communities aggregated over time and became large cities, resulting in most of the West’s growth. Rural counties were integral to the development of these cities, providing agricultural goods and natural resources. However, the nature of...
agriculture and natural-resource extraction has changed, and the population of many rural communities has decreased. Agriculture and natural-resource extraction are still important to rural communities, but the future of many coal-related jobs is in peril.

The nation’s rural, non-metro communities shrunk for the first time in history in 2011, and this trend has continued. In three states – Kansas, Nebraska, and North Dakota – more than 45% of each state’s counties have lost more than 10% of their population in the past 20 years. “Some of the biggest rural losses are in coal country,” with McDowell County, West Virginia seeing the largest decline – over 40% in the past 20 years.

This is not the case in Utah. In the last 20 years, no Utah county has lost more than 10% of its population – a claim only 14 other states can make. In fact, Utah’s rural population has increased by nearly 50% in that time period. This growth is uneven, however, with some counties losing population or remaining the same.

**Coal County Population**

For years prior to 1970, the population of all of Utah’s coal counties were in decline except for Uintah. The 1970s saw tremendous growth in Utah’s coal counties – 51% compared to 38% statewide. This growth was due in part to the opening of two coal-fueled power plants in Emery County. Since then, however, growth in Utah’s coal communities has averaged about half of the state’s growth. While Kane, Sanpete, Sevier, and Uintah counties have grown robustly in the past 25 years, the populations in Carbon, Emery and Millard counties have remained stagnant.

**Figure 3: Population in Utah’s Coal Counties**

![Figure 3: Population in Utah’s Coal Counties](source: U.S. Census Bureau, America Community Survey and “Population of States and Counties of the United States: 1790 – 1990,”)
UNCERTAIN FUTURE OF COAL-RELATED OPERATIONS

In 2015, the Carbon coal-fueled electricity plant near Helper, Utah closed its doors. This small plant had 75 employees, though its owner, Rocky Mountain Power, estimates that there were at least three jobs in the community for every one job at the plant that supported plant operations. Carbon County Commissioner Jae Potter says that “a lot of people are leaving, and real estate prices are affected by mine closures in Emery County and plant closure here.” Even with this hit to the economy, the Carbon County’s Economic Development Director Tami Ursenbach notes that “many of the job losses at the Carbon Plant were absorbed by other power plants, attrition, and early retirement.”

The Navajo Generating Station on the Navajo Indian Reservation is near Lake Powell on the Arizona side of the Utah-Arizona border. It is the largest plant west of the Missouri River. It is expected to end its operations in 2019 due to a lack of demand for its electricity, which is higher-priced than other alternatives. This will eliminate approximately 800 jobs at both the plant and the Peabody coal mine where it procures its coal. The closure will have a large negative impact on tax revenues and coal royalties for the reservation, which crosses the border into San Juan County, Utah. A May 1, 2017, story in the Deseret News looked at the impact the closure will have on the remote Utah town Navajo Mountain. While it is a two-hour drive from the power plant, there are some residents who make the commute. Tourism is one economic-development option for the residents of Navajo Mountain, but the article notes that options outside of that are few other than livestock and crafts. There are many national parks and monuments inside San Juan County, including Glen Canyon National Recreation Area, Natural Bridges National Monument, Rainbow Bridge National Monument, and Hovenweep National Monument. While these parks receive millions of visitors each year, they are not close to those Utah communities affected by the plant closure.

In 2025, Intermountain Power Project’s coal-fueled Intermountain Generating Station near the town of Delta in Millard County may be discontinued or scaled back. It would be replaced by combined-cycle natural gas electricity generating units at the site. The station’s 430-person workforce will likely be reduced by more than half, though much of this attrition will be accomplished through retirements. As needed, IPP is hiring people on contract. It is also supporting its workforce through the natural gas transition, training employees in natural gas-related operations so they can stay at IPP when the natural gas turbines come online and one or both of the coal-fueled turbines are retired.

As the state’s largest consumer of coal, the discontinuation of coal production at the IPP plant could affect statewide coal demand. Much of IPP’s coal comes from the Sufco mine in Sevier County. While Sufco has reserves that would last beyond 2025, the decrease in demand could reduce employment at the mine for people in Sevier and neighboring Sanpete County. It could also reduce the need for trucking and other indirect jobs in those communities.

Further into the future, the Bonanza plant on Uintah and Ouray Reservation land in the Uintah Basin will close in 2030 unless it installs top-shelf technology known as selective catalytic reduction to control nitrogen oxide emissions. The closure would result not only in the loss of jobs at the plant, but could also result in job losses at the Desperado mine over the border in Colorado. Although there are no current plans affecting the future of the state’s other coal-fueled power plants, economic or regulatory pressures might encourage their closure in the coming decades, affecting demand for Utah coal.
COUNTY RESPONSES TO THE UNCERTAIN FUTURE

For this project, Utah Foundation spoke with county officials to understand the situation in Utah’s coal communities that are most depended upon coal – those in Carbon, Emery, Millard, Sanpete, and Sevier counties. The main themes from these conversations centered on the importance and resilience of the coal industry. The county officials also spoke about diversification of the uses of coal itself, of electricity generation, and of the broader county economies.

Importance of Coal

Carbon County Commissioner Jae Potter says that coal mining and coal-fueled electricity generation “trickles down to retail – lodging and restaurants.” He adds that “most hotel business is Monday through Thursday – commercial business related to coal.” He said that mining and power accounts for 70% to 80% of the county’s economy.

Across the border in Emery County, Economic Development Director Jordan Leonard notes that while much of these communities were built on agriculture, “they really expanded upon coal.” However, he has a positive attitude about the future. With the reduction of coal mining, “we are at rock bottom now, and we are okay; we lost 300-400 coal jobs, but are fighting back.”

In Millard County, IPP provided $11 million in property taxes in 2016 – 40% of the county’s property taxes. It remains the largest single construction project in the history of the state. With these property taxes, Millard has developed great recreation facilities, including a 6,000-seat high school gym. The IPP decision to move to natural gas has negatively affected the property tax base for Millard County. In 2014, the company accelerated its depreciation of the coal-fueled asset. This financially benefited the company, but resulted in less property tax income for the county. However, the future construction of the $1-$1.5 billion natural gas units in 2021 will again see a boost in tax revenue. Further, IPP transmission line upgrades will also benefit Millard County.

However, Economic Development Director Scott Barney is concerned that “people are still building $300,000 houses, but these assets won’t appreciate.” Even with the property tax revenues from the natural gas operations, there will still be a downward pressure on real-estate values in the county.

Sevier County Commissioner Gordon Topham still has hopes for a coal port. He notes that they are looking for a plan to diversify in the face of possible losses of coal-related jobs in the future, but he and his constituents ultimately “just hope it never goes away.”

While there are currently no mines in Sanpete County, the Sufco mine is across the border in Sevier County. The county’s Economic Development Director Kevin Christensen notes that:

Coal is really important to the Sanpete County economy. The median wage for the county is significantly lower than the state median. Without coal mining jobs this gap would likely widen.
The loss of coal jobs would be a major economic loss for our area. Coal has been an economic driver for decades. Trying to replace these jobs with equivalent wage jobs would be very difficult to do since our county is not located on an Interstate, it doesn't have rail, nor an international airport.\textsuperscript{17}

**Resilience of Coal**

David Bird, a lawyer, lobbyist, and board member of the Utah Mining Association and of Utah Foundation, notes that “you cannot get rid of [coal] anytime soon.”\textsuperscript{18} He says that “solar and wind won’t replace [it], and gas has its problems with fracking and with leaks.” Further, he expresses that the industry is “still working on clean coal technologies, and in the meantime coal operators will change, but coal will be an indispensable element of the energy mix for a long time to come.”

Sevier County Commissioner Tooter Ogden suggests that coal has some financial advantages over natural gas. Natural gas is traded in financial markets monthly, but coal is traded further in the future, which results in more stable prices. The largest coal-fueled electricity plants in the state after IPP are Hunter and Huntington, and they will likely supply the Wasatch Front with most of its electricity for another 25 or 30 years.

Carbon County Commissioner Jae Potter tells his constituents, “Put on your smiley face. Coal is not going away.”\textsuperscript{19} The county’s Economic Development Director Tami Ursenbach agrees, suggesting that while coal is “going through some growing pains” it is “not going away,” due in part to the diversification of the uses of coal and the research being performed around coal-fueled electricity generation.\textsuperscript{20}

**STEP TOWARD DIVERSIFICATION**

**Coal Diversification**

A part of the future of coal may include a process known as “coal to liquids.” Coal to liquids refers to the liquefaction of coal as an alternative to oil. The International Energy Agency reports the coal to liquid process can produce fuel at a cost that is competitive with gasoline and other fuels, though natural gas remains cheaper.\textsuperscript{21}

The prospect of coal-to-liquids operations is something that Carbon County’s Economic Development Director Tami Ursenbach is excited about in her county. Revolution Fuels, a coal-to-liquid company, will know by June 2017 if they receive a permit from Utah Division of Air Quality to operate in the county. However, the Sierra Club is working to block the permit. Commissioner Jae Potter suggests that the coal to liquid company would bring about 60 jobs to Carbon County. The community seems to be in support of Revolution Fuels; Commissioner Potter notes that 800 people attended a public hearing in January 2016 on allowing Revolution Fuels to operate in the county – most of them in support of the company. Emery County’s Economic Development Director also suggests that coal to liquid will probably be big in several rural Utah communities.

Another option for coal diversification is to create carbon fiber from coal. Economic Development Director Ursenbach suggests that this and other developing coal processes could be a boon for the coal industry.
Electricity Diversification

Numerous higher education institutions are working on new coal-fired electricity processes, including the Clean and Secure Energy from Coal project at the University of Utah, and the work of Andrew Frye and others at Brigham Young University. These include greenhouse gas sequestration measures for existing coal-fueled electricity generating plants.

Beyond coal, however, is an opportunity for a continuing diversification of electricity generation in the Western states. This opportunity is bolstered by existing electricity transmission capacity. The closure of Arizona’s Navajo Generation Station will mean a 2,250 megawatt (MW) deficit in capacity. The National Renewable Energy Laboratory reports that the region has a good evening wind resource and a robust solar resource.

Apex Clean Energy aims to exploit this resource with the Salt River project, a proposed 250 MW solar plant. This project would create 750 jobs during its 20-month construction period and 45 jobs during operation. Apex is also considering adding a lithium ion battery storage component to the project. The Salt River project will also use Navajo Generation Station transmission capacity with 20MW solar and 10MW storage. Another example is a 200MW photovoltaic project at the site of a closed plant near Las Vegas.

Millard County is already diversifying through energy storage and solar, wind, and geothermal energy production. In fact, the Enel geothermal plant started operations on the world’s first commercial-scale geothermal-hydro power plant – the Cove Fort power site. The Enel plant was already producing geothermal energy at the site, but it added an underground hydro power element to increase efficiencies. In addition, the county’s salt domes have potential for natural gas storage, carbon sequestration, and act as large batteries by storing pressurized air. Many of these electricity projects provide a great tax base (like the solar energy development between Delta and Holden). While the new natural gas plant will also provide a great tax base, none of these operations will create as many jobs, both direct and indirect, as coal-fueled electricity generation.

Economic Diversification

Carbon County

The economic development director in Carbon County is looking to diversify county employment with transportation, food processing, manufacturing, and office work. She noted that Virginia took miners and trained them with stackable credentials in coding. “We have got to be innovative to continue to grow.”

Emery County

The economic development director in Emery County notes that “we are diversified, but we have to look to other industries and technologies to improve our communities.” The coal industry has struggled, but the workforce and industry mix has diversified to use skills in different markets. These include a number of good fabrication companies, as well as a firm called Conductive Composites that coats products with nickel. Summa Robotics has begun robotics operations in Emery County performing CNC machining. In addition, Emery County has fertilizer companies, remote workers, and cattle ranchers. “A lot of people have day jobs and then tend to cattle at night.”

Millard County

In addition to electricity generation, Millard County relies on the dairy industry. There are about 20,000 dairy cows in the county, and Great Lakes Cheese is the county’s second largest employer (250 people).
Agriculture is also important to the community. In the Delta area, the Intermountain Power Project’s natural gas turbines, which will come online in 2025, will use less water than its coal-fueled operations. Per megawatt, natural gas electricity generation only uses two-thirds of the water of coal. This could provide more opportunities for farming. Also, other energy projects could this water. Compressed air energy storage needs water to heat the air to turn turbines, which creates electricity.

Scott Barney, Millard County’s Economic Development Director, notes that Crystal Peak Minerals aims to mine potash on the Sevier Dry Lake. They could hire up to 120 people if they get the project going.

Sanpete County

Sanpete County’s population is growing, partly due to the opening of the Central Utah Correctional facility in 1990. Further, as the Wasatch Front expands, Sanpete is becoming a bedroom community for Utah County and beyond, exemplified by the Utah Lieutenant Governor commuting all the way to the Capitol each day.

Sanpete also has Snow College in Ephraim, its largest city. Snow College is a great asset to the community because it provides jobs and an educated workforce. The county’s economic director is working to align some of Snow’s educational offerings not only with the current industries, but with those industries Sanpete County wants to foster and attract. Snow is Utah’s smallest institution of higher education, with 3,662 full-time equivalent students on the main campus and 68 at the campus in Richfield. Due in part to the employment at Snow, approximately 41% of Sanpete County jobs are government jobs.

Agriculture is a perennial strength, and there is extensive turkey farming in Moroni. Additionally, the small businesses and manufacturers in Sanpete include companies in the aerospace, firearms, and prosthetics industry. Despite these established businesses, the county’s economic director stressed that growth is difficult to foster because the county has no railroad or highway.

Sevier County

Sevier, alternatively, contains both I-15 and I-70 and is a trucking hub. County Commissioner Gordon Topham notes that Sevier County has natural resources in the form of timber and minerals on public lands. They are also exploring the culling of biomass for burning by Rocky Mountain Power.

TRANSFORMATION THROUGH TOURISM

What have Utah’s communities done in the face of economic decline? Three commonly-cited examples relied heavily on tourism.

During its industrial change, Cedar City focused on tourism and education. Railroad expansion to Cedar city in 1923 allowed the city to become the “gateway to the parks,” boosting the area’s tourism industry.
with its access to National Parks. However, Sevier County Commissioner Gordon Topham suggests that “college saved that town.” Southern Utah University began as an agricultural college and became a four-year institution in 1968. It is now considered the center of the city, with 7,000 students and annual, world-renowned Shakespearean Festival – a big tourism draw.

Park City’s transformation is more obvious. Once a booming silver mining town, it lost much of its population through the early 1970s, only to regain residents by becoming a tourist mecca.

Moab used to be a uranium mining hub. It transformed its economy and is now a thriving recreation center today. A member of Utah’s economic development community noted that many residents of rural Utah do not want the type of change the tourism brings with it, exemplified by the transformation of Moab. Some of these residents recognize that their communities are not growing, and are accordingly worried that their children will not have career opportunities and be forced to leave. At the same time, residents do not want their communities to change.

While a focus on tourism may not be ideal for some communities, there are opportunities that come with a diversification that focuses on recreation and area amenities. Citing a 2012 report by Southwick Associates, the State of Utah Outdoor Recreation Vision notes the following:

> By managing lands for both recreation and commodity production (e.g. mining, grazing, and logging), the best-performing communities were able to weather the economic cycles associated with extractive industries by sustaining a tourist economy and attracting new residents. In high-amenity rural areas, jobs follow people as new residents bring a variety of skills, investment capital, creativity, and entrepreneurial energy that is the foundation of a thriving economy. Of course, tourists and residents in all communities need the energy and raw materials provided by the commodities sector, which cannot be ignored. The message from the study is that a careful balance of public land uses tends to promote more enduring rural communities.

Vicki Varela, Utah’s Managing Director of Tourism, Film and Global Branding says that “it always works better to show people than to tell people.” She went on to say that the state and successful communities need to show struggling rural communities that investments in the tourism economy such as beautifying main streets and creating wayfinding signage creates a halo effect, making a place more attractive for tech jobs, company relocations, and expansions.

Some coal communities are embracing this approach, like Helper and Price in Carbon County, and Castle Dale in Emery County. The official website for Castle Dale focuses exclusively on tourism. Its social media outreach is also tourism focused. While Castle Dale relies heavily on property tax revenue and incomes from the nearby Hunter Power Plant, as well as the Huntington Power Plant, the community is certainly recognizing the importance of economic diversification.

COMMUNITY STRENGTHS AND WEAKNESSES

Utah’s coal communities have numerous strengths that can help draw economic diversification and encourage population growth. A community’s quality of life can reveal these attributes.
Quality of Life

In its 2015 Quality of Life Index report, Utah Foundation compared Utahns in urban locations along the Wasatch Front (Weber, Davis, Salt Lake, and Utah counties) to their more rural counterparts. Utahns in rural counties reported a Quality of Life Index that was on average 2.5 percentage points higher than their urban peers. Utahns in these rural counties averaged a higher quality of life than their Wasatch Front peers in six of the 20 aspects, and were lower in only three of the 20 aspects.

Comparing just the seven coal counties to the Wasatch Front counties, coal counties had higher scores in 2015 in the following categories:

- The quality of the environment such as air and water quality
- The quality of the public schools
- Traffic conditions on the roads and highways

However, Utah Foundation did not find a higher overall quality of life for coal county residents because their scores were lower in the following aspects:

- Opportunities for good jobs
- The availability of quality public transportation such as buses or trains
- Availability of good stores or other places to get the food and other things people want and need

One of these – the lack of “opportunities for good jobs” – can translate into higher levels of unemployment. While this is typically seen in a negative light, it could have positive attributes in terms of attracting business.

Unemployment (and Potential Job Growth)

The Economic Development Corporation of Utah (EDCUtah) notes that while the Wasatch Front has reached employment capacity in 2017, unemployment rates are still higher in rural Utah; this equates to opportunities for job growth in rural communities. In fact, the unemployment rate in Utah’s coal counties is nearly 50% higher than for Utah as a whole, and Wasatch Front counties tend to have even lower rates of unemployment than the state.

Educational Attainment

Researcher and author Don E. Albrecht suggests that having an available workforce is not sufficient in the global age for a community to grow. There are other factors that gauge whether a community can succeed. These factors relate to the strength of the community itself – or their economic advantage – and ties directly to median incomes, poverty status, housing values, and educational attainment.

Educational attainment is an obvious representation of a community’s strength when considering its potential to expand its economy. Millard County Economic Director Scott Barney suggests that coal counties are an importance source of the state’s future workforce. However, the coal counties are behind the
state’s attainment levels. Approximately 13% of Emery County residents have a bachelor’s degree or higher as compared to the state’s 31%. This is likely due in part to the dearth of jobs in the communities and the resultant brain drain after college to the Wasatch Front and large cities outside of the state.

Educational attainment is also of importance to communities during times of economic difficulty. Since most employment losses during recessions tend to be in lower-skilled jobs, rural communities often experience a greater impact than their urban counterparts. In addition to education, “the stabilizing effect of government employment… and the dangers of over-reliance on single sectors, in particular those that fluctuate with commodity markets,” can help communities during recessions.40

**AMENITIES AND ATTRACTIONS**

Economic diversification in rural communities will require more than just a focus on the people who live there. Certain amenities and attractions help lure businesses and people to the communities for the first time, help lure them back, or even get them to settle there for retirement.

**Post-Secondary Opportunities**

There are opportunities for post-secondary education across the state. These opportunities are expanding with the expansion of online and distance learning.

Utah State University has educational opportunities in all seven coal counties. It has a residential campus in Price, its Uintah Basin regional campus in Verna, and other USU centers in Kanab, Delta, Ephraim,
Richfield, and Castle Dale. As noted, Snow College’s main campus is located in Ephraim, with another small campus in Richfield. Utah College of Applied Technology (Utah System of Technical Colleges) has a location in Roosevelt.

**Internet**

Having a robust internet infrastructure can have a domino effect for the economy – attracting business, improving productivity, increasing quality of life, improving education, and creating jobs in industries that pay higher than median wages.41

Statewide, 96% of Utah residents have access to high-speed, broadband-level download speeds, and 99% percent have broadband-level upload speeds.42 This broadband standard for download and upload speeds was modernized in 2015. These speeds are sufficient for most internet-related activities.

**Lands**

In terms of natural resources, Uintah County has limited forestry-related jobs (under 100 at any point since 1969), though the other coal counties have numbers too low to report.43 Coal-county lands also provide opportunities in terms of county amenities to attract tourists as well as new residents.

The federal government owns nearly two-thirds of Utah’s land. State ownership is approximately 10%, tribal approximately 5%, and private ownership is over 20%. Similar to the state as a whole, six of the seven coal counties are more than half federal land (see Figure 7).44 Carbon County is just under half at 47%.

Federal lands include National Parks and National Monuments. Kane County has a small part of Zion National Park and Bryce Canyon National Park within its borders, as well as sizable a portion of the Glen Canyon National Recreation Area. Capital Reef National Park edges into remote corners of Sevier and Emery county. More than half of the Grand Staircase-Escalante National Monument is within Kane County’s borders, and Dinosaur National Monument is in Uintah County. Uintah County also has the Ouray National Wildlife Refuge.

All seven of the coal counties contain National Forests. The Fishlake National Forest is in Millard and Sevier county. The Manti-La Sal National Forest is in Carbon, Emery, and Sanpete county. The Ashley National Forest is in Uintah County and the Dixie National Forest is in Kane County.

Many of Utah’s state parks fall within these counties as well. Cedar Mountain Recreation Area and Goblin Valley are located in Emery County. In fact, Emery
County’s Green River is at the heart of the Super 6 – which includes popular tourist destinations such as Goblin Valley, San Rafael Swell, and Swasey’s Beach – within two hours of each other, most within an hour.\textsuperscript{45} Price Canyon Recreation Area is in Carbon County and a majority of Yuba State Park is in Sanpete County.

The extent of federal lands and the numerous park areas could have a mixed impact on the economic development of rural areas. Federal land can delay and restrict the extraction of natural resources. However, these parks are important in terms of community amenities. Headwaters Economics assert that public lands in the West are beneficial to rural economies. They note that “entrepreneurs and talented workers are choosing to work where they can enjoy outdoor recreation and natural landscapes” and that “high-wage services industries also are using the West’s national parks, monuments, wilderness areas and other public lands as a tool to recruit and retain innovative, high-performing talent.”\textsuperscript{46}

**UTAH SUPPORT**

Robert Spendlove, Economic and Public Policy Officer for Zions Bank, and a member of the Utah House of Representatives, notes that “we cannot bring the old economy back, so how do we get rural areas to embrace the new economy?”\textsuperscript{47} Rural diversification can be spurred on by state agencies and partnerships.

However, a contact inside Utah’s economic development community wonders whether outside economic development has any effect on rural communities, or whether growth would happen without it. This same person points out that economic development activities are in place to make sure that whatever growth does happen is a positive experience. This is done by providing research, strategy, and marketing for communities. Utah Department of Workforce Services Senior Economist Mark Knold notes that research, strategy, and marketing may not result in induced rural economic growth without the natural desire by businesses to want to retain, grow, or expand into rural Utah communities. Nonetheless, there are state government efforts underway to spur growth, and he implies they are worth the effort.

**25,000 New Jobs in the 25 Counties**

In his 2017 State of the State Address, Utah Governor Gary Herbert encouraged the Utah Legislature and others to “unite behind a goal of creating 25,000 new jobs in the 25 counties off the Wasatch Front over the next four years.”\textsuperscript{48} He noted that “reaching that goal will require unprecedented partnerships to grow and diversify the economy in rural Utah.”

The Utah Legislature responded by voting unanimously to pass the Joint Resolution Regarding Jobs in Rural Utah. The resolution noted, among other things, that “business expansion into rural Utah may ease pollution and traffic congestion along the Wasatch Front, while strengthening rural economies and providing families with opportunities to raise their children in a scenic, rural environment.” The resolution further stated “that rural communities throughout Utah offer hardworking candidates for employment, and businesses should consider hiring remote rural employees.”\textsuperscript{49} The Utah Legislature resolved that the State of Utah should encourage “business expansion and development to be the driving economic forces in rural Utah and [support] “Business expansion into rural Utah may ease pollution and traffic congestion along the Wasatch Front, while strengthening rural economies and providing families with opportunities to raise their children in a scenic, rural environment.”
and [encourage] the creation of 25,000 new jobs over the next four years throughout 25 rural counties” and encourage “state agencies to work in partnership with county and local officials, rural leaders, and businesses, to create strategies for addressing economic barriers and [encourage] business expansion and growth in Utah’s rural communities.”

Much of this growth may naturally occur in the communities neighboring the Wasatch Front and the St. George area. In addition, there are many state efforts underway to provide economic development assistance to rural communities.

**Governor’s Office of Economic Development**

The Governor’s Office of Economic Development (GOED) aims to grow employment and diversify the state’s economy by focusing on industries that have “workforce infrastructure, capital networks, trade associations, above-average salaries, as well as a significant mass of existing businesses in-state.” These clusters are in the aerospace and defense, energy, financial services, life sciences, outdoor products and recreations, and software/IT industries.

Within GOED is the Governor’s Rural Partnership Board. Its mission is to “maintain a rural voice for economic development through collaboration and representations of all interested rural partnerships and [act] in an advisory capacity to the Governor on rural economic and planning issues.” The board has provided guidance to the Utah Legislature around the legislation as well as GOED’s and other entities’ programs that benefit rural Utah.

**Tax Credits**

GOED manages several tax credit programs targeted toward rural areas. In 2015, the Utah Legislature passed SB 216, High Cost Infrastructure Tax Credits (amended the following year with SB 102 High Cost Infrastructure Tax Credit Amendments), to provide tax credits to businesses in rural areas that expand, create, or invest in “new industrial, mining, manufacturing, or agriculture activity in the state.” The bills require new infrastructure construction where the infrastructure is a significant proportion of the project.

Another tax credit program is for the use of Enterprise Zone Tax Credits. All of the coal counties are able to designate Enterprise Zone areas for the use of these credits. Most of Kane, Millard, Sevier, and Uintah county, much of Carbon County, and small portions of Emery and Sanpete county are Enterprise Zones. These allow employers to receive tax credits for hiring full-time employees within the zone, and incentivizes higher wage employment that “adds value to agricultural commodities through manufacturing or processing.” The tax credit is also designed to incentivize healthcare coverage. The credit is between $750 and $2,200 per employee hired.

In addition, the program has a capital investment credit. This includes a tax credit of up to $50,000 for rehabilitating vacant buildings and an annual credit for investment in plants, equipment, and other property.

**Grants**

Rural Fast Track, GOED’s grant program, is targeted toward rural communities. These grants provide post-performance grants to small companies that create high paying jobs in small counties. Qualifying companies must be located in counties with fewer than 31,000 people, or for counties with up to 125,000 if the companies are in towns with a population smaller than 20,000 and a median household income under
$70,000. The business must have been in operation for at least two years and have at least two full-time employees. It must also “demonstrate how the business development project will promote business and economic development in a rural county.”\(^5\) In order to receive the grant of up to $50,000, the business must maintain the new, high-paying jobs for 12 months. The grants are for between $1,000 and $1,500 per new full-time job, with the amount based upon the jobs’ pay over the county’s average pay. Since fiscal year 2015, Sanpete County received 10 grants – the most of any of the coal counties.\(^4\)

The Office of Outdoor Recreation is also within GOED. In part, it is charged with administering an infrastructure grant program passed by the 2016 Utah Legislature. The grant program’s aim is to “(a) build, maintain, and promote recreational infrastructure to provide greater access to low-cost outdoor recreation for the state’s citizens; (b) encourage residents and nonresidents of the state to take advantage of the beauty of Utah’s outdoors; (c) encourage individuals and businesses to relocate to the state; (d) promote outdoor exercise; and (e) provide outdoor recreational opportunities to an underserved or underprivileged community in the state.”\(^5\) The granting funds in 2016 total one-half million dollars, and in the future will be 0.03% of the transient room tax funds. These amounts are “meant to be used for community economic development benefiting visitors, but importantly also supporting residents’ quality of life.”\(^6\)

**Technical Assistance**

There are two Business Resource Centers located in Utah’s coal counties: in Roosevelt (Uintah County) and Price (Carbon County). These centers coordinate business services between federal, state, county, city, academic, and private entities. In doing so, they provide broad support to new and existing businesses in the communities. These centers require matching funds from the communities in which they operate.

GOED also manages the Business Expansion and Retention program, which provides technical assistance to all non-Wasatch Front communities, funding for new businesses, business expansion, job creation and retention, and other business support.\(^7\)

**Office of Energy Development**

The state’s energy policy under Section 63M-4-301 dictates that “Utah will promote the development of… nonrenewable energy resources, including… coal” as well as renewable energy, nuclear power generation, alternative transportation fuels and technologies, and infrastructure for “energy development and diversified modes of transportation.”\(^8\)

In 2011, the Utah Legislature created the Utah Office of Energy Development to implement “state energy policy under Section 63M-4-301 and the governor’s energy goals and objectives” as well as look toward the federal government for funding and program participation.\(^9\)

The Office of Energy Development released a report on coal in May 2017. The report’s “key thoughts” were as follows:

- The coal industry remains viable.
- The effective development and deployment of advanced coal technology can provide numerous opportunities for responsible coal development and coal industry growth.
- Innovative coal technologies can provide for energy and environmental security.
- Specific state and federal policy actions can support the sustainable development of coal.\(^6\)
The key policy recommendations were:

- Participate in the development of effective state and national coal policy that provides a stable regulatory structure for the leasing, transport, and use of coal in the electric power and industrial sectors.
- Promote policies that (1) advance research, development, and deployment of new technologies that improve efficiency and environmental sustainability, (2) advance improved coal combustion systems, and (3) support domestic energy production and manufacturing.
- Meet the state’s future energy demands through a balanced energy portfolio in a market-driven, cost effective, and environmentally-responsible way.
- Ensure Utah’s continued economic development through access to our own high-quality coal resources in the most efficient and responsible manner possible.
- Expand opportunities for Utah to export fuels, electricity, and technologies to regional and global markets through collaboration with private sector companies and other local and federal governments.
- Enhance and further develop partnerships between industry, universities, state government, and local communities — especially those in coal-rich rural communities — to address future energy challenges and opportunities.
- Coordinate with other western regional states to present a unified voice to federal regulatory agencies on energy and public land issues.61

Office of Energy Development also supports a monthly meeting that brings together coal stakeholders. In the form of the Advanced Coal Resource Group, the parties provide outreach and public relations for the coal mining and coal-fueled electricity generation industries.

**Permanent Community Impact Fund**

Also in Utah’s executive branch of government is the Permanent Community Impact Fund Board. Working under the Housing and Community Development Division of the Utah Department of Workforce Services, the Board “provides loans and grants to counties, cities and towns that are impacted by mineral resource development on federal lands. Because local communities cannot collect taxes from federal lands, their ability to provide necessities like roads, municipal buildings, water and sewer service is diminished. To reduce that burden, a portion of the federal lease fees are returned to the Community Impact Board to distribute to the impacted communities.”62

The fund can be used for planning, the construction and maintenance of public facilities, and the provision of public services that are “traditionally provided by local governmental entities.”63 “Eligible applicants include state agencies and subdivisions of the state… which are or may be socially or economically impacted, directly or indirectly, by mineral resource development.”64 Funds are not allowed to be used for economic development, but could be used to ease the pressures on communities which have a diminished employment and tax revenues.

Of the $554 million provided to communities between 2012 and 2016, Uintah County received the most – over one-fifth of the total. Carbon County received over one-tenth, and the remaining coal counties also received a portion. For instance, in 2012, the Utah Permanent Community Impact Fund provided funding to the Quitchupah Creek road for Sufox mine in Sevier County. This road shortened the travel distance to transport coal. Most projects received much smaller amounts for activities such as water treatment, flood mitigation, fire stations, sewers, and park improvements.
In addition, the Utah Permanent Community Impact Fund worked with Carbon, Emery, Sevier, and Sanpete counties in an attempt to develop the Oakland coal port. The Utah Legislature voted to authorize swapping $53 million in state-tax revenue with the board’s mineral royalties to fund the export coal terminal. However, Oakland city council members disallowed the coal terminal, as did the California Legislature.65

While Sevier County Commissioner Gordon Topham still has hopes for a coal port, others feel that “the question is not about Oakland, but about the final destination for coal.” Utah Rural Planning Group says that the Oakland terminal would have given Utah mines “a distinct geographic advantage in the global coal market,” though other options may provide the same advantage.66

Rural Planning Group

In 2013, the Utah Permanent Community Impact Fund board established the Rural Planning Group as an additional resource for rural Utah. Utah Rural Planning Group builds tools for rural economic development and provides rural technical assistance for “assessments, analysis, socio-economic data, training, leadership support, and planning, and other technical assistance to Utah’s rural communities.”67

For instance, Sanpete County requested information on airport planning requirements and best practices to assist the County in land-use planning surrounding the airport. Further, the Group wrote a brief for Sevier County, finding that the county needs to improve its labor force by working “with USU-Extension, Richfield Campus of Snow College, and Talent Ready Utah to increase educational opportunities for non-traditional and traditional students.” They found that “it is critical that workforce education improve in Sevier County to provide employees for current and potential employers.”68

Other

There are numerous other state entities that have a role to play in the diversification of rural Utah economies. Some are only tangentially related to rural areas, while others are tightly knit to rural communities including the coal counties. One example of the latter is Utah’s Own. This is a program sponsored by the Utah Department of Agriculture and Food that helps market rural goods.

PARTNERING ENTITIES

In addition to the state entities and programs listed above, there are numerous other entities that are partnering with state and local groups for economic development. These include the Economic Development Corporation of Utah (EDCUtah), the World Trade Center, and Utah’s Advanced Materials and Manufacturing Initiative.

EDCUtah started in the Salt Lake Chamber in 1984. It is a public/private partnership that works to create jobs across the state. In the past five years, EDCUtah has had “wins” in bringing 181 companies to Utah. However, only four of these are in rural, non-metropolitan or micropolitan statistical areas. Each of these four rural companies are in Utah’s coal counties (see Figure 8).

EDCUtah is also currently working on three projects directed at local Utah communities.

• Vernal (Uintah County) is on the shortlist of a company looking to build proprietary shipping containers, which would result in 200 new jobs
Richfield (Sevier County) is shortlisted by a tech support company, which would result in 130 jobs – the company likes Richfield’s college campus, young population, and fiber connectivity.

A third-party customer service and tech support company is interested in several rural locations, which would result in 40 new jobs; the company is based in a state that has increased its minimum wage. It is looking at states that follow the federal wage laws.

Matt Hilburn, VP, Research & Marketing at EDCUtah, suggests that it is important to look at the differences between rural and urban communities when considering economic development. “In some ways there are additional challenges, such as a smaller workforce and possibly a less economically diversified environment, but in some cases it presents an advantage in the form of more reasonable costs and accessible land.” He goes on to suggest that economic development is not for all communities. “There are also some rural communities who identify as an established small town and are not looking to grow, so outside economic development holds no value to them.”

Unlike EDCUtah, World Trade Center Utah is not looking to bring companies to the state but to create global markets for local products. It is a non-profit that has been operating in the state since 2006. An inland port could help get coal to other areas, but only if demand exists at the necessary price point. This type of “dry port” is used as a hub for storing and transferring shipping containers as they make their way across the country to ocean ports. A report from the Kem C. Gardner Policy Institute noted that:

Rural Utah depends on transportation connections for the agriculture, mining, and manufactured products grown, mined, or assembled there. Rural Utah is also a natural location to relieve some of the growth pressures in urban Utah. An inland port facility could be an important rural Utah economic development asset.

Utah’s Advanced Materials and Manufacturing Initiative (UAMMI) is another public/private partnership. In October 2016, UAMMI played an important role in a grant of $1.6M from the U.S. Economic Development Administration to determine the feasibility of using Utah coal to produce low cost carbon fiber. This was one of 14 research grants that they administered totaling $7.7 million. If successful, this program could create new jobs in rural communities in Utah that have been hard hit by the decline of the coal industry and provide a low-cost material to help open new markets for Utah composite manufacturers.69

UAMMI, through the University of Utah, also received a grant from the Department of Defense - Office of Economic Adjustment to “map Utah’s carbon composites supply chain,” which includes an assessment of workforce development and job training. Logistic Specialties, Inc. (LSI), a Utah-based company, suggests that this exploration into lightweight body armor could produce 20,000 new jobs over 5 years, including in rural communities.
REGIONAL AND COMMUNITY SUPPORT

In addition to the State of Utah, regional groups are working toward economic development and diversity in rural areas. For instance, the Seven County Infrastructure Coalition aims to promote “regional planning, increase economic opportunities and implement sustainable infrastructure projects.” It seeks to coordinate regional inter-county infrastructure projects that facilitate economic development. The coalition includes Carbon, Emery, Sevier, and Uintah counties. Additional efforts are underway, which include members of this coalition.

Coal-Reliant Communities Innovation Challenge

In September 2015, several county commissioners, economic development personnel, and others from the Six-County Association of Governments area attended the three-day National Association of County’s Coal-Reliant Communities Innovation Challenge in Grand Junction, Colorado. The challenge was sponsored by a grant from the U.S. Economic Development Administration. Key findings from the challenge are that counties should be:

- planning for recovery during economic “transition”
- recognizing the value of public-private-nonprofit partnerships
- recognizing the need for broadband expansion, and
- understanding how to use data effectively

Key questions that communities should be asking are:

- innovating what?
- diversifying how?
- transitioning where?

At the challenge, the “Central Utah Team” sought to find ways to diversify their economies, while supporting their coal-related industries. Russ Cowley, Executive Director of the Six-County Association of Governments, suggests that “apathy in supporting new industries is the biggest challenge” to expanding local economies with new businesses, and that there is “a lot of concern and confusion” around new businesses. This led to an interest in a deeper understand of their communities and the Area Sector Analysis Process project (ASAP), beginning with Wayne County.

Area Sector Analysis Process

The ASAP is a project that looks to match communities with business opportunities. ASAP sets up a steering committee in the communities in which they work. It then performs a “Survey of Community Priorities for Quality of Life” that gains feedback about economic, environmental, and social interests of the community in relation to economic development. For example, it seeks to see how important it is that “businesses hire locally,” whether they “do not pollute the water,” and if they “support community activities.” ASAP also assesses the quality and quantity of local assets. The process then looks to align community feedback and assets with business and industry sectors. ASAP presents the results back to the community. The list of best matches for business and industries is then winnowed down with the steering committee to determine the best few business and industry types. In addition, ASAP has over 2,200 firms in their database to match with communities.
This process has been implemented in communities in Nevada, Arizona, Montana, California, and Minnesota. One of these ASAP activities is in Laughlin, Nevada. When the large Mohave Power Station outside of Laughlin closed, the community was heavily impacted. The station was similar in size to the Intermountain Power Plant. ASAP determined that one of the area’s biggest assets was the station’s transmission lines. The community is now expanding its electricity generation profile. Butte, Montana was the first ASAP project. A copper mine closed and the area looked to the program for development opportunities. Butte is now focused heavily on the transportation industry.

ASAP recently finished work in Utah’s Wayne County and found that the best industry types for the county of under 3,000 in central Utah are internet-based industries, tourism, and outdoor recreation, and niche agriculture, such as grass-fed beef and high-quality cheese, honey and apple juice.

Wayne County is part of the Six-County Association of Governments, which includes Millard and Sevier counties. Those two coal-counties, and the remaining three counties in the association, are involved in the ASAP in 2017. Early Millard County results are strong for the number of industries and businesses that are compatible with the community – most industries are very compatible. However, in terms of desirability, some are more in the middle of the scale. While “semiconductor and other electronic component manufacturing was far and away the highest in terms of desirability, it was below the main grouping in terms of compatibility.”

Russ Cowley suggests that while the counties already are aware of the clusters of businesses and industries that are going to make sense to their communities, there are a “few surprises and you get a good broad perspective of businesses.”

**FEDERAL SUPPORT**

The federal government has long had an interest in rural areas. They have also been a strong partner in coal-mining communities, particularly with the demise of mining in small Appalachian areas.

**United States Department of Agriculture**

One of the Department of Agriculture’s key programs for rural communities is Rural Development. It provides “financial programs to support essential public facilities and services as water and sewer systems, housing, health clinics, emergency service facilities and electric and telephone service.” Further, Rural Development “promotes economic development by providing loans to businesses through banks and community-managed lending pools, while also assisting communities to participate in community empowerment programs.”

The Department also runs the Community Facility Program. It sees that “essential community infrastructure is key in ensuring that rural areas enjoy the same basic quality of life and services enjoyed by those in urban areas.” To this end, the program provides grants, loans, and loan guarantees for community infrastructure projects, including “fire and rescue stations, village and town halls, health care clinics, hospitals, adult and child care centers, assisted living facilities, rehabilitation centers, public buildings, schools, libraries, and many other community based initiatives.” Priority is given to those communities of less than 5,500 residents with a median household income below 80% of the state non-metropolitan median household income.

**Trade Adjustment Assistance Program**

America’s largest program for helping displaced workers is the Trade Adjustment Assistance Program (“TAA”). This program provides support for workers who have lost their jobs due to foreign competition. The TAA
provides these workers with a variety of benefits, from relocation allowance to job search allowance to retraining programs, in order to help them find new, fruitful employment equivalent to what they lost. A similar program could be implemented to help coal miners who lost jobs due to the decline in the coal market or coal reduction policies. Rep. Peter Welch (D-VT) and Rep. David McKinley (R-WV) sponsored a bill in 2014 and 2015 to create such a program. The problem is, the TAA does not have high success rates. Most workers on TAA end up more dependent on Social Security and disability benefits. A similar program aimed at helping coal workers, well-intentioned though it may be, would be better off not being modeled after the TAA's structure.  

Historically Underutilized Business Zones

A federal benefit to rural areas is the Historically Underutilized Business Zones (HUBZones) program, administered by the U.S. Small Business Administration. Enacted into law in 1997, the program requires the federal government to set aside for businesses located in HUBZones 3% of all prime contracting dollars – more than $10 billion annually. The median value of these awards is over $350,000. Carbon, Emery, and Uintah counties are HUBZones.

POWER + Plan

POWER + Plan was a $10 billion Obama Administration initiative developed to help coal-industry communities diversify their economies, provide worker training, healthcare support, and retirement. Its goal is also to reclaim and redevelop abandoned mine areas and deploy carbon capture and sequestration technology. Three big parts of this initiative are the RECLAIM Act, the Miners Protection Act, and the POWER Initiative.

The RECLAIM Act (H.R. 4456) is a bipartisan bill to make $1 billion in Abandoned Mine Land Reclamation funds available to states and American Indian tribes, “promoting economic revitalization, diversification, and development in economically distressed communities.” This could include measures to compensate Western states, but most of the funding would flow toward Appalachia to restore surface mining areas with operations before the late 1970s. Versions of this bill are still being discussed in Congress.

The Miners Protection Act (S. 1714) and its House companion, the Coal Healthcare and Pensions Protection Act (H.R. 2403) would have paid into the largest multi-employer pension plan for retired coal miners and their families and extended healthcare coverage other miners. “Senate Democrats are threatening to force a brief government shutdown this weekend to pressure Republicans to support policies they say match promises President-elect Donald Trump made on the campaign trail to help coal country.” A budget bill that passed in April 30, 2017 permanently extended health benefits to 22,000 retired Appalachian coal miners and their families. Special benefits were also extended for disabled mine workers.

The budget also provided funds under the Workforce Innovation and Opportunity Act, by which “$20,000,000 shall be made available for applications submitted in accordance with section 4170 of the WIOA for training and employment assistance for workers dislocated from coal mines and coal-fired power plants.” These grants will be provided from the Department of Labor. Also $50,000,000 is available for a “transformational coal technologies pilot program” from the Department of Energy.

The POWER Initiative

The POWER Initiative is one part of the POWER + Plan that made it through the 2015 and 2016 budget processes. The POWER Initiative provides grants to struggling coal communities for economic development. To receive funds, communities must demonstrate how changes in the coal economy have resulted in, or are anticipated to, result in employment loses. It provided grants in 2015 and 2016 of over $100 million. These
funds were provided through the U.S. Economic Development Administration. The new budget under the Trump Administration proposed to eliminate the U.S. Economic Development Administration.

A majority of the 2015 grants from the POWER Initiative went to eastern coal states, like Kentucky, West Virginia, and Ohio. They provided funding to diverse programs such as local food development, job training, business incubation services, and substance abuse treatment. Some funds did make their way towards Utah. $327,300 went to funding a study of the future impacts of the coal industry in the San Juan Basin in Arizona, New Mexico, Utah, and Colorado. The goal of the study was to help plan for and recommend future policies. $147,900 also went to helping the Navajo Nation cope with job losses from lost coal power plant and coal mining; a significant portion of the Navajo Nation lies within Utah.

Two more grants were awarded to Utah through the POWER Initiative in 2016. The University of Utah received a grant through the Economic Development Administration to study how coal pitch could be converted into carbon fiber, and how viable the market would be for such a product. The University of Utah received $790,118 for this project. The National Association of Counties and the National Association of Development Organizations also received $400,000 in grants for the Technical Assistance for Coal Communities project, which will support economic development and technical retraining programs in Colorado, Wyoming, Montana, and Utah.

Whatever else the 115th Congress proposes, Senate Majority Leader Mitch McConnell is not going to seek to benefit coal communities with a stimulus plan. “A government spending program is not likely to solve the fundamental problem of growth,” McConnell said. “I support the effort to help these coal counties wherever we can but that isn’t going to replace whatever was there when we had a vibrant coal industry.” Whatever support is given, it will likely target Appalachia not Utah communities.

**FOR PROFIT ORGANIZATION SUPPORT**

For-profit organizations are also working with Utah state and local governments to expand job opportunities in Utah’s rural communities. Accelerant Business Solutions Provider is a Utah company that is focusing its efforts on sourcing employment in rural communities. In partnership with the healthcare savings company HealthEquity, Accelerant established an “Opportunity Hub” pilot in Price, Utah, in late 2016. By February 2017, Accelerant had hired 60 personnel. The company plans to develop more hubs, which are report workspaces for urban companies looking to hire rural staff at Wasatch Front wages but with the benefit of an expected lower turnover.

Logistic Specialties, Inc. (LSI), has locations in 10 countries and 17 states. Among their many activities is assisting rural areas with job creation and “grant funding capture.” In Oklahoma, LSI has helped the state replace lost oil and gas jobs with manufacturing opportunities. They are now doing the same in Virginia for its lost coal mining jobs. This effort, with the Virginia Coalfield Economic Development Authority (VCEDA), seeks “to enhance and diversify the economic base of the seven-county, one-city, coal-producing region in southwestern Virginia.”

**EXAMPLES FROM OTHER STATES**

**Virginia**

The Virginia Coalfield Economic Development Authority uses a portion of Virginia’s coal and natural gas severance taxes to “operate incentive financing programs to help enhance and diversify the economy” and
“create jobs.” Since its creation in 1988, it has approved $188 million in funding, including $10 million in 2016. This has helped create more than 20,000 jobs. LSI is working with Virginia officials to make VCEDA “more aggressive” and use Tobacco Settlement funds to assist in its efforts.

VCEDA is a revolving loan fund for businesses’ fixed asset needs, such as purchasing land, constructing buildings, and buying equipment. Businesses must pay more than one and one-half times the minimum wage to qualify. The program incentivizes projects that create more than 25 jobs that exist for more than a year.

VCEDA also loans funds to local governments’ “industrial development authorities” for the purchase of real estate for economic development, for the development of industrial, business, and technology parts, and for the development of park infrastructure.

Kansas

The Kansas Department of Commerce manages a program passed in 2012 that designates 77 counties as Rural Opportunity Zones. This designation provides for a five-year, 100% state income tax waiver to people that have lived outside of Kansas for the previous five years. The designation also provides a five-year student loan repayment of up to $3,000 per year to graduates of accredited post-secondary institutions.

Colorado

In Colorado, a bill has passed the Colorado House that allows for the refinancing of coal-fueled electricity generating station bonds. The bonds would be purchased by private investors, but would be backed by ratepayers. This helps keep the stations cost effect and frees up funds to develop lower cost electricity options. Twenty states have passed such laws. Colorado’s law also sets aside 15% of the savings on these bonds to “assist local communities and dislocated workers.”

There are concerns that the bonds, established by HB17-1339, would put a potential threat on ratepayers themselves. The bill is not expected to pass through the Colorado Senate.

CONCLUSION

This project is presented in three parts. Part I examined coal-fueled electricity, coal consumption, and production. Part II looked more closely at coal jobs and the economic impacts of coal on the state.

Part III provides insight into the communities that are most affected by changes in coal-related employment. It examines federal, state, local, and community supports in place for Utah’s counties that rely most heavily on coal production and coal-fueled electricity generation.

Utah coal communities do not have to follow the lead of places like Youngstown, Ohio, that in 2005 implemented a plan to embrace a declining economy. Instead, these rural Utahns can look to themselves as to what they want to be. “There are changes happening in rural Utah. The successful communities will be those that prepare for this change.” This preparation can be bolstered by the support of existing local, regional, state, and federal programs, and by borrowing ideas from other states, such as the Virginia Coalfield Economic Development Authority program.
Utah Foundation would like to thank the following people for their generous time in providing insight into coal mining, coal-fueled electricity generation, economic development, and Utah’s coal communities:

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  Jae Porter, Carbon County
Economic development directors
  Scott Barney, Millard County
  Kevin Christensen, Sanpete County
  Jordan Leonard, Emery County
  Tami Ursenbach, Carbon County
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ENDNOTES

37. Interview with Becca Haynie and Max Backlund from EDCUtah on March 15, 2017.
42. Federal Communications Commission, National Broadband Map, https://www.broadbandmap.gov/ (accessed on May 9, 2017). Note: the data included in Figure 6 are as of June 30, 2014; they are no longer being updated since the Federal Communications Commission funding to update the data was cut.
54. Email exchange with James A. Dixon, Rural Economic Development Outreach Specialist at the Governor’s Office of Economic Development.
ENDNOTES

74. Don E. Albrecht and Marion Bentley, Rural Utah County Embraces Area Sector Analysis Process, Rural Connections from the Western Rural Development Center at Utah State University, Fall 2015.
92. Interview with Keith Heaton and Kyle Slaughter from the Utah Rural Planning Group, September 27, 2016.
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