

# Appalachia



Ken Murray © 2004

*Turning Assets Into Opportunities*





# Section

# I:

## Defining Asset-Based Economic Development

Asset-Based Economic Development can be defined as a *strategy that builds on existing resources – natural, cultural and structural – to create valued products and services that can be sustained for local benefit.*

This economic development strategy is gaining prominence nationally because of a desire to minimize impact, maximize return and compete globally. Like other strategies, asset-based economic development focuses on the positive attributes of an area or business. What makes an asset-based strategy different is a broad and creative definition of “positive”. Turning liabilities into revenue generators or developing untapped natural and cultural resources into desired products and services are two major thrusts of the asset-based economic development process.

Asset-based economic development practices have been implemented in communities throughout Appalachia since the 1960s. Biddle and Biddle conducted one of the first studies of community-based capacity and asset development in 1965. Since then, individuals have demonstrated the long-term benefit of asset-based growth. Findings from the July 2004 *Evaluation of The Appalachian Regional Commission’s Community Capacity Building Projects* study, conducted by Westat, demonstrate some of the best practices and measurable results of asset-based development in the region. The following examples will hopefully educate and inspire others on how the development strategy can work for Appalachia.

# Asset:

useful and desirable thing or quality; a single item of ownership having exchange value

--Webster’s Dictionary



WV Tourism



www.kentuckytourism.com



David Fattalen / WV Tourism

# Important Considerations and Benefits

The key to asset-based economic development is focusing on what already exists, rather than inventing or building something new. The process requires innovation and leadership, as well as a vision for the future built by people with an understanding of their past and present. Taking *what is* and turning it into *what can be* is the foundation for this strategy.

Asset-based Economic Development is about taking what you already have and maximizing its potential.

-- Anne B. Pope, Federal Co-Chair, Appalachian Regional Commission



Kane Hardwoods © 2004

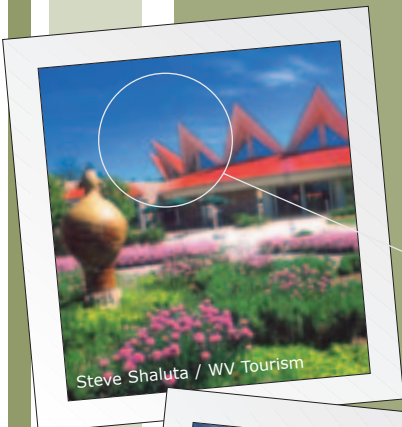
Optimally, asset-based economic development results in a high impact

for users and a low impact on assets. Designed as a holistic approach to growth, asset-based economic development balances preservation and promotion for enduring prosperity. To paraphrase, the goal is to *keep the goose that lays the golden egg healthy and productive*. Success in asset-based economic development depends on long-term investment and a building-block process rather than a “quick fix” approach.

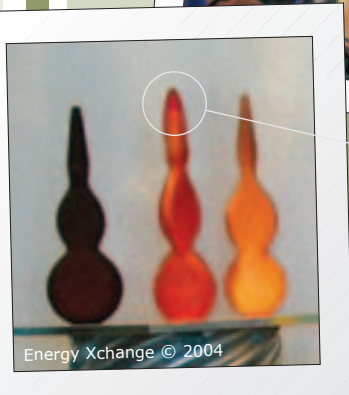
To develop an economic strategy using local assets, several components must be in place. Quality and sustainable asset-based economic development requires innovation, leadership and financing. It also relies on the appropriate infrastructure and critical mass to attract and meet market demand. Finally, asset-based economic development must produce a local return on investment resulting in residents’ enhanced quality of life.

As the nation shifts from manufacturing to a more service-based economy, communities and businesses must offer value-added benefits for customers while guarding against overuse of assets and outside ownership. Keeping the tangible and intangible benefits *local* is important. Asset-based economic development is measured in the traditional ways: job creation, job retention, per capita income and tax revenues. There are also many indirect benefits of asset-based economic development: increased community pride, spruced up downtowns, traditions continued, former residents returning to the region, and new activities or public services for citizens.

The region’s natural, cultural and structural assets are its unique calling cards. No other region has the landscapes, the mountain music, craft traditions and industrial heritage of Appalachia. The hospitality, work ethic and can-do attitude of its residents represent a positive force for the region. These assets lure people from around the world to visit, and often stay, in the region. Now residents can use these distinctive assets to continue building and expanding their economic future. Read on to understand more about the rich tapestry of natural, cultural and structural assets of Appalachia and how they can become beacons for economic growth.



Steve Shaluta / WV Tourism



Energy Xchange © 2004

# Section

# III:

## Asset-Rich Appalachia: Cultivating Opportunities

Appalachia is home to many inventions, traditions and landmarks. The region's scenic beauty is rivaled only by the pride of its people. Carved by majestic mountains, Appalachia boasts an abundance of assets that can be utilized for future growth. Three categories of assets provide the greatest opportunity for Appalachia to enhance its prosperity:

- **Natural**
- **Cultural**
- **Structural**

Natural and cultural resources represent what is best – and often most unique – about the region. Its recreation, old growth forests, music, history, scenic landscapes, artisans and skilled workers provide an authentic foundation from which to build. Structural resources are often overlooked by communities or perceived as liabilities. Finding new uses for old structures is a proven path to economic success. Throughout the region, communities and businesses are integrating development and management practices to leverage what they have – historic buildings, abandoned railroads, and old mines – to build or expand economic vitality.

### **Three Reasons why Asset-based Economic Development is Timely and Appropriate.**

#### **1. Attract more visitors – and their spending – to Appalachia.**

Many of Appalachia's assets are familiar national treasures that attract

visitors to the region each year. The Appalachian Trail, Birthplace of Country Music, Blue Ridge Parkway, Corning Glass and New River are a few of Appalachia's assets. Yet many other assets have been overlooked, untapped or under-developed. Helping residents understand how to identify, appropriately develop, market and manage these assets can increase visitor spending in the region. Appalachia can also benefit from its continuing association with quality films, books and events that showcase the region's distinctive cultural, heritage and natural resources.

#### **2. Encourage new people – and new businesses – to locate to the region.**

To foster growth, Appalachia can leverage its history of investment in infrastructure. Over the past 40 years, ARC and other organizations have helped pave the roads, build the sewer systems and install the broadband cable lines to accommodate new business and residential services. Towns have applied proven methods of asset-based development to revive main streets and convert old structures into new uses, such as affordable housing. With these foundations in place, communities can attract new growth industries – such as creative and high technology businesses – that provide new jobs, increase local tax revenues, and cultivate civic entrepreneurship.

#### **3. Keep current residents – and employers – in the region.**

Past development practices have too often displaced or cannibalized locally owned businesses. By shifting to asset-based economic development, Appalachia can create new local wealth, complement existing jobs and keep revenues in the community. Building on its tradition of infrastructure investment and a strong commitment to developing Appalachia's entrepreneurial spirit, ARC will continue to support existing businesses and foster their growth. One of the organization's priorities is to create, enhance and sustain economic development opportunities – for individuals, companies and communities – in the region.

Several entities are already utilizing local assets to grow businesses, compete globally and infuse new monies into the region. Here are some examples of how asset-based economic development uses natural, cultural and structural assets to net positive results.

"Awareness is the key. Residents who benefit from tourism tend to value and conserve what tourists are coming to see. Visitors reinforce that line when they support businesses that sustain the destination."

-- Jonathan B. Tourtellot,  
Director of Sustainable  
Tourism, National  
Geographic Society



## Asset-based Opportunity: Natural Resources

The lush landscape, pristine valleys and regal mountains define this region and make it unique. For years, the region has seen these formations as barriers to progress. With asset-based economic development, these natural features can become a source of opportunity – through harvesting, recreation, new agricultural products and other market-driven uses.

The popularity of nature-based activities is growing. In the last 20 years, the number of Americans 12 and older participating in some form

of outdoor recreation has grown from 188 million to 229 million, an 18% increase per year.<sup>1</sup> As more visitors seek out whitewater rafting excursions, mountain biking and nature trails, bird watching sites, leaf peeping routes, scenic drives and cross-country skiing, Appalachia can provide a range of experiences from leisurely excursions to hard-core adventure.

For example, hiking is one of the nation's most popular recreational activities. In 2002, over 73 million Americans hiked. The region is fortunate to have the Appalachian Trail winding along its spine and providing an international platform for nature-based economic development. According to the American Hiking Society, well-managed trails running through communities can foster substantial, economic opportunity through business development and tourism:

\$14 million a year. One study recorded more than 350,000 visitor trips on the trail each year with users spending \$12.01 to \$15.33 per person, per trip.<sup>2</sup>

Recreation is just one economic development strategy for natural assets. Growing niche agricultural crops, refining timber production and revitalizing waterways are a few of the ways entrepreneurs and communities are expanding economic opportunities with natural resources in Appalachia.



"Forests are like natural capital that pay daily dividends in clean water, flood protection, opportunities for outdoor recreation and more. The Forest Service has a role in promoting the sustainable management of all forests in the US, both public and private."

-- Sally Collins, US Forest Service Associate Chief, presentation to Outdoor Writers Association of America, June 2004



David Fattaleh / WV Tourism

- Damascus, Virginia has over 30 businesses in operation, and local leaders credit the Virginia Creeper Trail going through the town with the economic overhaul.
- The Great Allegheny Passage is the longest multi-purpose trail in the east with 100 continuous miles of trail open between McKeesport and Meyersdale Pennsylvania and 20 miles scattered throughout the Pittsburgh area. The trail's direct economic impact exceeds



Tennessee Overhill Heritage Association © 2004

1. US Forest Service, 2004

2. American Association of State Highway Transportation Officials, 1998

## “Selling” the Farm

Farmers and bankers don't always agree. Yet both contribute to the livelihood – and connectivity – of a community. Local farmers in Broome County, New York want to keep their agricultural heritage healthy and productive. Bankers and businesses in Binghamton want cash registers to ring. And with its abundance of livestock and vegetable farms and orchards, the county is attracting a lot of outside interest in the form of professionals who chose to trade in urban dwellings and telecommute, change careers entirely or explore the countryside. The area's conundrum is to provide a win-win solution for all.

Leaders decided to focus on ways to increase farm sales. In February 2004, the county launched the **Agritourism Marketing and Education Initiative**.

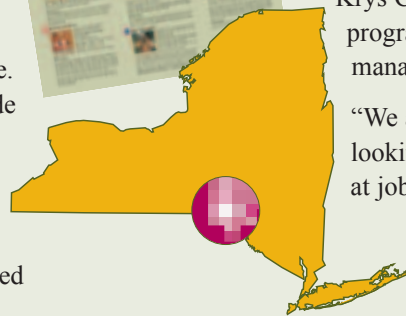
A major objective of the Initiative is to educate and build a bridge

“We provide the local media with good news about agriculture. When people read positive articles, it has a big impact. Residents who didn't even

know these places existed – and were driving two hours to Pennsylvania or the Finger Lakes region for similar sites – now learn about the same experiences offered in their own backyard,” said

Krys Cail, program manager.

“We are looking at job



Components of the Agritourism Marketing & Education Initiative include:

- Six educational workshops covering all aspects of business and marketing.
- Technical assistance to develop business plans, make good decisions about land use and provide individual advice related to specific needs or ideas.
- Hospitality training and signage evaluations.
- Increased marketing for new and established businesses.
- Regional *Agritourism Brochure* designed to get people off the major highways (I-81, I-86 and I-88) and onto scenic routes, following different itineraries that include agricultural destinations and wind through rural farm country.
- A series of specific guides focusing on *Farmers Markets*, *Meat Direct Farms*, and *Forest Products* (in production.)

Getting people excited about the county's crops will hopefully realize the goal of increased sales, at farms and other local businesses including restaurants, hotels and retail shops. In the past three months, almost 20,000 copies of the regional brochure have been distributed. The response has been very positive and local officials indicate that visitation has increased, even during the wettest summer in memory.

*For additional information about the Agritourism Initiative call Cornell Cooperative Extension of Broome County at 607-772-8953*

between the Chamber of Commerce and the agricultural community. Bringing traditional businesses, new landowners and the agricultural community together is often a challenge. Local communication is vital to form alliances and encourage support for farming. New marketing materials are one vehicle for fostering communication.

creation, and working hard at developing accurate ways of counting the impact. Our economic development success, though, doesn't depend on getting one 200-job employer. By allowing and encouraging this level of micro enterprise, we are supporting several small companies that could grow that large,” said Cail.



## Meet me at the Junction

By train, by boat, by foot, by buggy or bike, travelers have journeyed to and through Cumberland, Maryland for more than 200 years. At the hub of several thoroughfares, this town is:

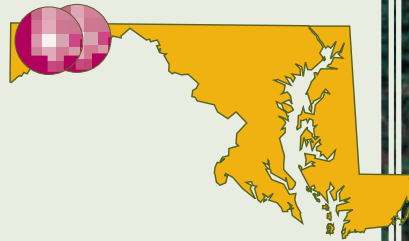
- the western terminus of the Chesapeake & Ohio Canal
- on the Allegheny Highlands Trail, a hiking/biking path
- midway between Pittsburgh, Pennsylvania and Washington, DC.

As transportation needs changed, however, so did downtown. The canal was no longer used for cargo. Retail moved away. Buildings were abandoned and decline set in. Things changed in the 1990s, though. Interstate 68 was completed and the town launched a pedestrian and bike-friendly downtown revitalization program. Cumberland relied on its diverse transportation past to make it hip again, with hiking and cycling paths in harmony with retail and restaurants.

Downtown development from April 1998 to November 2002 includes:

- 32 net new businesses created
- 12 businesses expanded
- \$19,170,000 in public and private investment
- Increase in occupancy rate of almost 50% (prior to Main Street program: 35%; now, 85%)
- More employment in downtown now than in 1950s.

The Canal Place Preservation and Development Authority leveraged strong public-private partnerships among national, state and local agencies – including the Appalachian Regional Commission and the C & O Canal National Historic Park – to renovate the Western Maryland Railway Station, built in 1913.



Last year, Phase I of Canal Place opened adjacent to the depot with nine retail shops. The complex helped spur preservation of more than 100 historic structures and revitalize downtown Cumberland— which includes Canal Place and Town Centre— into a vibrant shopping, dining, recreation and entertainment area for residents and visitors. Future plans include private redevelopment of Footer’s Dye Works Building and rewatering of the western terminus of the C & O Canal.

*For more information on Cumberland’s downtown redevelopment, contact the Canal Place Preservation and Development Authority at 301-724-3655 or [www.canalplace.org](http://www.canalplace.org)*



## Training for Adventure

Recreation is big business in western Maryland and throughout Appalachia. In McHenry, 60 miles west of Cumberland, Garrett College is investing in adventure sports as a job generator through its Adventure Sports Institute (ASI). The program, founded in 1992, “develops professionals in the field of adventure recreation through academics, field studies and practical experiences.” ASI educates and credentials highly skilled competent professionals. It also enhances opportunities for the general public to engage in adventure recreation.

The region first considered the potential for growing adventure recreation when it hosted the 1989 Whitewater World Championships in Allegany and Garrett Counties. Three years later, Garrett College organized the Olympic Team Trials in Whitewater Canoe and Kayak. Local officials recognized that the area’s “distinctive four-season climate and a diverse geology” make it a natural for adventure recreation.

In addition to its educational offerings, ASI also engages in a number of community projects including trail repair, river clean ups, and improving public access to local rivers. A new International Adventure Sports Center is planned in McHenry to accommodate future programs.

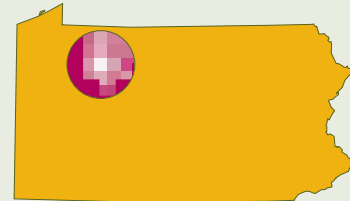
*For more information about the Adventure Sports Institute contact Garrett College at [www.garrettcollege.edu/adventure](http://www.garrettcollege.edu/adventure)*



## Eco-friendly Kane Hardwood: A Certified Success

Look closely at “Tonight Show” host Jay Leno’s desk and you’ll see something special. It’s one of the certified wood products made by Pennsylvania-based Kane Hardwoods,

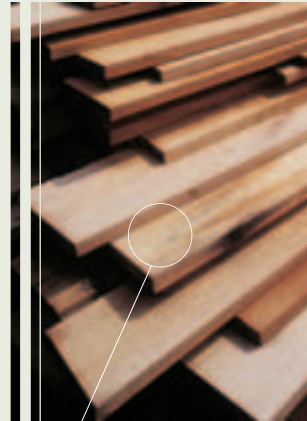
- Through careful planning, the harvests actually increase the quantity and quality of future yields by concentrating on regeneration.
- They balance the business needs with the ecosystem’s health by carefully locating logging roads to protect water quality.
- Enough wood debris is left to enrich the soil of the forest floor.



Kane Hardwoods © 2004



Kane Hardwoods © 2004



Kane Hardwoods © 2004

a division of Collins Pine Company. This family-owned business has been operating for 150 years with the philosophy that good stewardship pays big dividends. Why? According to Connie Grenz, General Manager, “Taking care of what nature produces allows us to provide quality, renewable products for our great, great grandchildren.”

Kane Hardwood manages the 126,000-acre Collins Pennsylvania Forest. The land, which received Forest Stewardship Council (FSC) forest management certification from Scientific Certification Systems in 1994, sits in the center of one of the finest black cherry hardwood forests in the world, the Allegheny Mountains.

Kane Hardwood currently produces about 14 million board feet per year, and includes a pre-dryer, dry kiln, solar kiln, planing mill and dimension plant. The company employs 120 people including nine professional foresters who believe in sustainable practices and environmental sensitivity:

They also purchase timber from other sources – the Allegheny National Forest, Pennsylvania State Game Lands, State Forest Lands and private lands in the area – to accommodate production needs rather than overuse their own lands.

Approximately 93% of their products are sold in the U.S. and the rest is exported. Kane’s customers include a wide range of manufacturers, wholesalers and retailers. 30% of their product is purchased by secondary manufacturers to be made into FSC certified products, such as the panels used to build “The Wall” at the San Francisco International Airport.

As the largest sawmill employer in McKean County and second largest private landowner in Pennsylvania,

Kane Hardwood has been widely recognized and acclaimed for its civic and environmental practices:

- The company has set aside 100 acres of timberland and is working with the Fish and Game Commission to enhance habitat for ducks and other waterfowl.
- They are taking more land out of production to provide undisturbed corridors for songbirds and have set up no-harvest zones along 43.5 miles of streams.
- Kane provides year-round free public access for recreational activities.
- The company manages Project Learning Tree activities with local elementary schools.
- Kane also conducts a state of the art conversion facility to maximize yield from the forest resources.

*For more information on Kane Hardwood visit [www.CollinsWood.com](http://www.CollinsWood.com)*

## Asset-based Opportunity: Cultural Resources

America is now recognizing some of the cultural talent that Appalachia has nurtured for centuries. Adding to its list of accolades Asheville was named one of five American “Cities that are Special” by *USA Weekend* in July 2004. Ralph Stanley’s music was recognized with Grammy Awards for the “O Brother Where Art Thou” soundtrack. *U.S. News & World Report* just named Berea College in Kentucky the “Best Comprehensive

Association (CODA) revealed that national craft sales are approximately \$13 billion per year. The study showed that the median household income of full-time craftspeople is \$50,000, 26% above the national median of \$39,657.

Other studies support the strong economic impact of craft in Appalachia:

- A June 2003 Marshall University study on the Craft Industry in West Virginia reports that 2,539 craftspeople in the state generated a direct economic impact of \$54 million, with a total economic impact (including the wholesale sector) of over \$81 million in 2002.

The wine country of Northern California became so (valued) because generations discovered what grew best in the soil and the climate of the community. The same lessons hold true for the arts in Appalachia.

-- Dana Gioia, Chairman,  
National Endowment for the Arts

College for a Bachelor’s Degree in the South for 2005.” The rich cultural heritage of the region is unparalleled in its music, craft, performing arts, historic sites, time-old traditions, cool towns and hot entertainment.

Hand-made objects, such as pottery, glass, metal work, textiles and jewelry, are a major source of income and employment in Appalachia. Artists are part of the **creative economy**, the rapidly growing sector now replacing or supplementing extractive industries and manufacturing. A national economic impact study of 80,000 craftspeople in 2001 by the Craft Organizational Directors

- A University of Kentucky study estimates total annual sales of Kentucky craft producers in 2000 at \$252.4 million, with out of state sales of \$148.7 million.
- HandMade in America’s economic impact study finds that craft contributes \$122 million to Western North Carolina’s economy on an annual basis.
- 170 buildings (47%) in downtown Asheville, North Carolina are occupied by members of the creative economy, according to a May 2004 survey by HandMade in America. In total, the creative economy occupies 1.7 million square feet

of commercial space. Taxable value of the space amounts to \$39.3 million. Total annual real estate value of creative economies in downtown Asheville is \$61.7 million.

Famous authors and entertainers, from classic to contemporary, contribute to the cultural wealth of the region. The Appalachian settings of great literature can also become cultural attractions for visitors.

Steve Shaluta / WV Tourism



## Forging Ahead on a Crooked Road

In August 2004, Governor Warner officially dubbed the winding 200-mile stretch from Galax to Clintwood as Virginia's Heritage Music Trail. Encompassing eight counties, three cities and nine towns, "The Crooked Road" has high hopes for turning its culture into cash. Planners have two basic project objectives:

1. within three years, to be a nationally recognized heritage tourism destination.
2. within four years, to triple the current revenues from tourism.

The road highlights the musical heritage of the region by connecting six major music venues. Plans are underway to erect 20 radio "listening posts" and informative signs along the route, allowing visitors to learn about the region's history and significant landmarks. Already, planners have:

- Established a collaborative framework and plan for government officials, tourism professionals and music venue owner/ operators to promote the trail.
- Opened the Ralph Stanley Museum and Traditional Mountain Music Center in Clintwood in October 2004.
- Created a dedicated travel guide, website and CD for trail visitors.
- Recorded a new audio CD featuring musicians from the area.

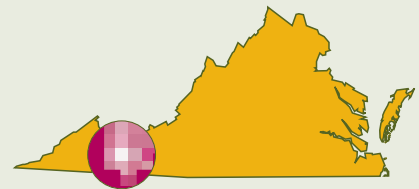
"The Crooked Road" is funded by ARC with additional support from the US Department of Agriculture Rural Development Program, the Virginia Department of Housing and Community Development, the Virginia Tobacco Indemnification and Community Revitalization Commission, the Virginia Coalfield Economic Development Authority and the Virginia Tourism Corporation.

To learn about Virginia's Heritage Music Trail call the Heart of Appalachia Travel Association at 1-866-686-6874 or visit [www.thecrookedroad.org](http://www.thecrookedroad.org)



"This project is an excellent example of 'making do with what we have.' We've taken one of the greatest assets that our region has, our music, and tied it all together to offer tourists a unique product that will provide much needed economic revenue along the trail. Visitors will be surrounded by the songs, the stories and the people that created country and bluegrass music."

-- Geneva O'Quinn, Heart of Appalachia Travel Association



## One Teacher's Vision

Listening to the radio has paid dividends for a small town in Northeast Tennessee. A high school journalism teacher was in his car with a group of students when he heard Grand Ole Opry veteran, Jerry Clower, share a funny tale about raccoon hunting in Mississippi. This experience inspired Jimmy Neil Smith to start the local storytelling

festival in his hometown of historic Jonesborough. Around 60 people showed up the first year. It was 1973.



Three decades later, the **National Storytelling Festival** attracts more than 10,000 visitors every October and has been heralded as one of the *Top 100 Events in North America* by the American Bus Association. The festival is also credited with igniting an international revival in storytelling art. In June 2002, the organization that plans the annual festival and perpetuates the storytelling movement found a new home at the International Storytelling Center and Gift Shop,

billed as “the only facility anywhere in the world devoted exclusively to the power of storytelling and its creative applications.” The Center complex includes a 200-year-old country inn, a new 14,000 square-foot education and interpretation building, and a surrounding three-acre park.

*For more information contact the International Storytelling Center at 423-753-2171 or [www.storytellingcenter.org](http://www.storytellingcenter.org)*



“Through our work, the International Storytelling Center is advancing the performance, preservation, and practice of storytelling to enrich our lives and work—at home, at work, and in our community. Storytelling can be used to produce positive change in education, healthcare, business and industry, public services, and arts, culture, and media.”

-- Jimmy Neil Smith, Founder



## Crafting Experiences

Berea has a long-established reputation as the Folk Arts & Crafts Capital of Kentucky. Its tradition in crafts began in the late 19th century when Berea College started a crafts production program to help students pay for their education. The skills learned during work-study have led to generations of quality crafts-people, many staying in the area. As Berea became known as a haven for craftspeople, other artists located here

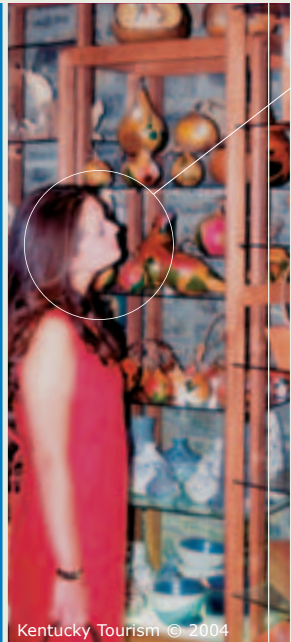
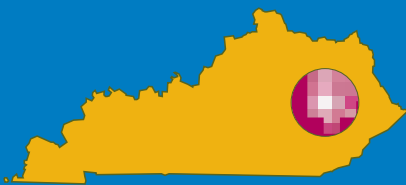
and built a diverse craft community. Today, visitors to Berea find a wealth of craft experiences including studios and galleries where artists demonstrate — and sell — their work. Churchill Weavers has produced quality hand-woven items for over 80 years and now welcomes visitors to its facility. It's one reason why *Southern Living* calls Berea one of its “favorite small towns in America.”

Last year, the Kentucky Artisan Center (KAC) opened to encourage visitors to learn more about the

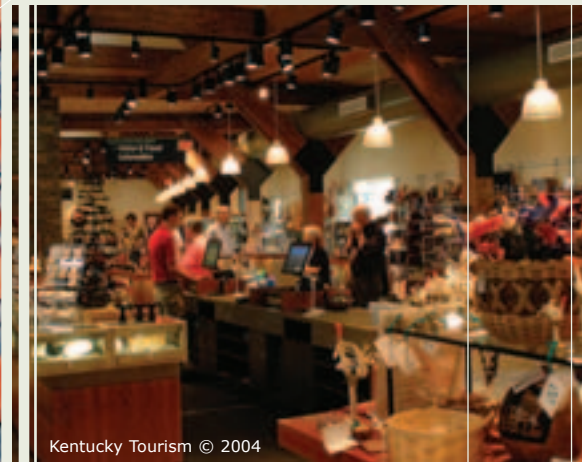
Commonwealth's crafts. Like Tamarack in West Virginia, the KAC features local artists through retail displays of their work. Music, books, specialty food products, visual arts and crafts and other hand-made objects by Kentucky artists are the foundation of the KAC. Another major objective of the center is to provide visitors with information on Berea and area craft excursions. The Kentucky Artisan Heritage Trail ([www.kaht.com](http://www.kaht.com)) weaves through the town and surrounding areas, reconnecting with I-75 at the southern end of Berea. Since opening in July 2003, the KAC has hosted 97,000 visitors.

“The Kentucky Artisan Center at Berea provides a stable, high volume sales venue for Kentucky-made products. When the craft marketing function is combined with the Center's mission to serve as a gateway to Kentucky through tourist information services and a product marketing approach that links maker/place/object, the KAC becomes a generator of local, regional and statewide economic opportunity. Economic benefits are generated in at least two sectors: the artisan industry and the tourism industry.”

-- Cheryl Moorhead Stone,  
Center for Economic  
Development, Entrepreneurship  
& Technology, Eastern  
Kentucky University



Kentucky Tourism © 2004



Kentucky Tourism © 2004

The KAC complements the award-winning “Kentucky Crafted: The Market” program by offering a year-round in-state location to purchase Commonwealth-made crafts. “Kentucky Crafted: The Market” was the nation's first wholesale/retail handcrafted gift market, and has become the model for Montana and other states interested in showcasing — and selling — their own distinctive craft.

For more information on the  
Kentucky Artisan Center, visit  
[www.kentuckyartisancenter.ky.gov](http://www.kentuckyartisancenter.ky.gov)

Kentucky Tourism © 2004

## Asset-based Opportunity: Retooling Old Structures into New Uses

Turning lemons into lemonade is a favorite phrase from childhood. Now, as raw resources become scarce or abandoned buildings blight the countryside, community leaders understand and seek the power of adaptive reuse. Converting old buildings, recycling products and conducting massive environmental cleanups have stimulated new life into tired communities.

Highways initially designed to move people rapidly through the region now foster a meandering mentality in motorists as these roads receive recognition for their vistas. Many sections of the Appalachian Development Highway System (ADHS) have become attractions in their own right. For instance, ADHS Corridor L – part of U.S. Highway 19 in West Virginia – helps bring

whitewater rafting enthusiasts to the area. It also lures visitors along its route to experience the seasonal



Tennessee Overhill Heritage Association © 2004



David Fattaleh / WV Tourism



“If smart growth in the form of environmental protection and community development is the destination, then economic development is the vehicle for getting there...Development of our local brownfields has occurred in a variety of ways. Environmental factors alone did not necessarily control the brownfields redevelopment process...In most cases economic factors were the prime determinants of each project. Our local brownfields reclamation projects offered the best opportunity to not only recycle land, but also to better utilize existing infrastructure, e.g. roads, sewers and utilities.”

-- James R. Williams, Brownfields Program Manager for the Chattanooga-Hamilton County (Tennessee) Air Pollution Control Bureau, testimony to the U.S. House of Representatives' Transportation and Infrastructure Subcommittee on Water Resources and the Environment, March 2001

landscapes and New River Gorge Bridge, one of the state's most photographed structures. Twenty highways throughout Appalachia have been designated National Scenic Byways or All-American Roads by the Federal Highway Administration.

Flat surfaces, such as landfills, provide a perfect tableau for redevelopment. Old coal mines are now being converted for new uses. The region can compete globally by designing market-driven solutions from perceived problems or liabilities.

## Gone Fishing

“We’ve been totally dependent on coal,” says Mike Whitt, executive director of the Mingo County (West Virginia) Redevelopment Authority, “and we’ve got to find new jobs and a new tax base if we’re going to continue to live here.”

So, local officials decided to take another look at what coal mines produce. The answer was clear: **water**, lots of it. And in Southern West Virginia, the water runs abundantly clear and cold. These two ingredients are essential to fish farming, especially high quality breeds such as the salmon-like Yukon Gold™ Arctic Char.

In 1999, the Mingo County Redevelopment Authority built an arctic char hatchery using water from an abandoned section of the Mingo Logan Coal Mine. The mining and land companies (Mingo-Logan Coal and Pocahontas Land Corporation) donated approximately \$150,000 of in-kind contributions, matched by funds from both the West Virginia State Legislators and USDA-Rural Development, to ready the facility. It was stocked with 188,000 eggs in 2000, using the market-proven Arctic Char as its inventory.

Grow-out farms take the char when they mature at five to seven inches. Places such as West Virginia Aqua, a consortium of mining companies and landowners, provide homes for the fish until they are market ready. “Ultimately, we’d like to see grow-out farms in neighboring counties, employing 100 people,” said Mike Whitt. “Our goal is to diversify the industry base and provide a wealth of career opportunities for local residents.”

West Virginia Aqua shipped approximately 300,000 pounds in 2003 and estimate shipment of approximately 400,000 pounds in 2004. “There are presently 10 employees at the hatchery and grow-out facilities. The new processing facility began operation in

early October, creating another two to three jobs initially, and jobs will increase with market growth. Presently, there are 600,000 fingerlings at the hatchery. At the end of October, these are transferred to the grow-out farm. West Virginia Aqua has another 600,000 eggs ordered for the hatchery in late 2004, and plans are nearly complete to construct another grow-out farm somewhere in the southern coal fields, utilizing abandoned mine water.

“This is the largest batch of eggs that’s ever been brought to the hatchery at one time, and the market looks very promising for West Virginia Aqua to expand its production into other nearby counties. We are very optimistic that within the next decade, we can have a

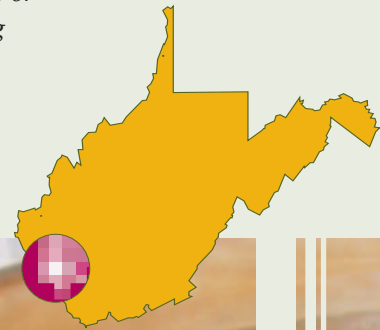


cottage industry developed in the southern coal fields region which will accomplish one of our goals of diversifying our economy by taking our natural resource assets and converting them into job-creating, tax-producing and prosperous industries,” said Whitt.

The Freshwater Institute helped Mingo County and West Virginia Aqua to overcome obstacles associated with fish farming through its research and development programs. The Shepherdstown-based company has also conducted demonstration projects in other parts of Appalachia, and

provided technical assistance to the Fingerlakes Aquaculture’s tilapia farm. The New York fish farm, founded in 1996, has the capacity to provide about one million pounds a year and employs 10 people.

*To learn more about this project, contact Mingo County Redevelopment Authority in Williamson, West Virginia at (304) 235-0042 or [www.mcrda.org](http://www.mcrda.org)*



## From Gas to Greenhouse

Americans throw away an average of 4.5 pounds of trash per person every day. What happens to this waste? Most goes to landfills, where the decomposition process creates methane gas. Methane gas traps 21 times more heat per molecule than carbon dioxide, so it can be dangerous at high concentrations. Many landfills “fill up” due to space limitations or concern about methane build up. What do communities do when their landfills close? Increasingly, communities turn to the EPA’s Landfill Methane Outreach Program (LMPO) to find new uses for old dumps.

When the Mitchell-Yancey County Landfill in Western North Carolina closed in 1994, a non-profit organization formed to demonstrate the responsible use of landfill gas as an energy source for small enterprise in craft and horticulture, and to meet local energy needs. In 1999, **Energy Xchange** converted a portion of the six-acre 350,000-ton site into four greenhouses, three cold frames, two craft studios (one for clay and one for glass), a public gallery and a visitor center.

At the landfill, **Project Branch Out** propagates rare and native flora of Western North Carolina and provides a variety of educational opportunities for students, growers and plant enthusiasts. Staff are re-introducing native rhododendrons and azaleas to landscaping and horticulture companies.

An incubator program was established to support entrepreneurs starting, managing and operating new businesses

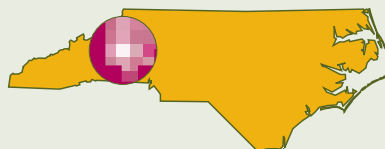
in blown glass and pottery. Craft residencies are available for artists to work in studios at a nominal cost, and include business training from HandMade in America and Mayland Community College. The clay kiln and glass furnaces are fired with landfill gas at no additional cost to the artist residents, with a projected savings over the life of the project estimated at over \$1 million.

Energy Xchange has been a model for other regions, and the University of North Carolina-Asheville has just announced plans to build its new craft school on the Buncombe County Landfill. Neighboring Avery County also plans to convert its landfill to studios, focusing on wood and horticulture.

*For more information about Energy Xchange, contact 828-675-5541 or visit [www.energyxchange.org](http://www.energyxchange.org)*



Energy Xchange © 2004



“This is the first glass shop in history that hasn’t been harmful to the environment.”

-- John Geci,  
Glassblower



Energy Xchange © 2004



## Revitalizing Main Streets

Across Appalachia, towns large and small are restoring old commercial districts into vibrant and varied uses. The restored Elkin Theatre brings people to **Aberdeen, Mississippi** for movies on Friday night. When The Works Pizza Restaurant opened last year in a restored public works building behind City Hall in **Loveland, Ohio**, it helped revive downtown by attracting new businesses and customers. A Smithsonian "Museums on Main Street" exhibit will soon enhance the cultural offerings in restored **Bridgeport, Alabama**.

Several Appalachian communities are winners of the coveted "Great American Main Street Award" designated annually by the National Main Street Center ([www.mainstreet.org](http://www.mainstreet.org)), a division of the National Trust for Historic

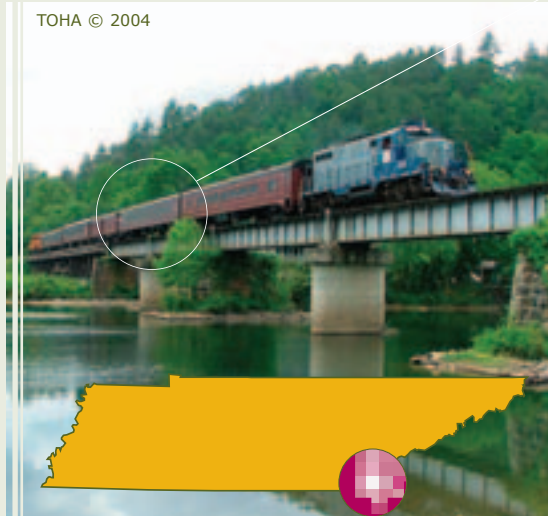


Preservation. **Morgantown, West Virginia** received the accolade in 1998; **Greenville, South Carolina** shared the honor with **Rome, Georgia** in 2003.

Downtown revitalization usually occurs through new design and rehabilitation, beautifying streetscapes, promoting unique retail and dining experiences, erecting wayfinding systems, and providing a distinctive and safe environment for residents and visitors.

## Riding the Rails

In southeast Tennessee a group of local citizens, representing economic development and preservation organizations as well as local governments, collaborated to save an 1890 railroad that cuts through the Hiwassee River Gorge between Etowah and Copperhill.



The Old Line Railroad Coalition formed in 2001 when CSX announced its plan to abandon the line and salvage the materials. Glenn Springs Holding provided a loan in the amount of \$1.6 million that made the acquisition possible. The Tennessee Overhill Heritage Association (TOHA), a cultural tourism organization that helped form the Old Line Railroad Coalition, is the current owner.

The Southeast Tennessee Development District immediately began work to assist with development of passenger and freight service on the line. They worked very hard with the local communities to save this line because, as officials say, "We are in the business of building infrastructure, not tearing it out." When the Tennessee Valley Authority realized that the most cost-effective and least troublesome way to access the Appalachia Powerhouse was the Old Line RR, the federal agency rehabilitated 13 miles of the line to gain access to the plant.

Soon after, Tennessee Valley Railroad became an active partner and, in partnership with the City of Etowah, began to offer travel excursions on the newly upgraded 13-mile section. Last May, 5,040 people rode vintage passenger cars alongside the Hiwassee Scenic River on the Old Line RR. Seven weekends of excursions are scheduled this fall carrying a potential 8,000 passengers.

In addition to the excursions on the old rail line, local leaders are developing industrial uses. Negotiations are currently underway for large amounts of calcine to be shipped from a site at Copperhill to several domestic and international markets, including China.

"Just as we could not predict the vast economic and social changes that the automobile or Internet would bring to the 20th century, we probably can't accurately predict what kinds of economic and social changes might occur in the 21st century. Who knows, we just might need a fine old mountain railroad."

-- Linda Caldwell, executive director of Tennessee Overhill Heritage Association

TOHA values the Old Line RR for a number of reasons. First, it holds great historic value and is currently being surveyed in preparation for nomination to the National Register of Historic Places. Secondly, TOHA is convinced that no one can predict today what changes in transportation might emerge in the coming century.

*For more information about the Old Line Railroad, contact the TOHA at [www.tennesseeoverhill.org](http://www.tennesseeoverhill.org)*

# Section

# III:

## Appalachia: Poised for Potential

ARC has invested the past 40 years in building the region's foundation for growth and prosperity. This infrastructure now provides a platform for residents to link these essential elements with existing natural, cultural and structural assets to build a strong economic future. Many communities have jumpstarted growth through redevelopment, entrepreneur initiatives and diversified industries. Focusing on local natural, cultural and structural assets makes Appalachia competitive and poised for advancement.

Nationally, a paradigm shift is occurring as technology permits numerous professions to be accessible from anywhere. Technology has enabled many opportunities that were closed off to rural areas as recently as a decade ago. People don't have to move to urban areas to have access to the world. Conversely, as urban centers become less safe and more crowded, migration increases to smaller communities and places offering scenic beauty. Moving to a desirable place is a major lifestyle decision for many professionals today. Highly rated schools, diverse cultural activities, retail amenities and medical services are often important factors for companies and individuals exploring relocation options. "Quality of life" indicators become a key for attracting the new "wealth" market, creative economy and entrepreneur.

### Not a Panacea

Asset-based economic development is not a quick fix nor is it a panacea for Appalachia. As with any development strategy, a strong foundation must exist before focusing on asset enhancements. Some places in Appalachia must first build and strengthen their physical, human and financial infrastructure before developing assets. Others may not have enough assets to establish a development strategy independently, yet can partner with neighbors or other regional interests to provide the critical mass (of leaders, funding and infrastructure) required to sustain and grow an economic strategy.

External forces can also work against success or impede growth. Tourism is a prime example of an industry that depends on positive external drivers. People must be willing to explore and seek out new experiences for tourism to grow. Visitation is also impacted by weather, economic prosperity and safety concerns.

The departure of traditional industries has left many Appalachian communities struggling to replace jobs and tax revenues. However, focusing on a short-term fix can ultimately end up perpetuating the cycle of decline rather than alleviating it. Asset-based economic development should be considered as a long-term strategy that provides incremental growth with appropriate, non-invasive management practices. Asset-based economic development is not the complete

answer for all communities, but it can be a part of the solution for sustaining the region's economic vitality.

### Getting Started

As demonstrated by the examples in this booklet, asset-based economic development begins with a resource and an idea. Communities and companies can begin determining their potential for asset-based economic growth by conducting an inventory of human, financial and physical resources. Appalachia has leaders poised to direct asset-based economic development – they just need to be identified and cultivated. Technical assistance and entrepreneurship development programs, available through ARC, community colleges and other educational institutions across the region, can help build the human capacity and skilled workforce necessary to transition into these new economies.

Major universities and national organizations aid in recognizing trends and audience potential by providing

"The key to ... regeneration, then, is to locate all the available local assets, to begin connecting them with one another in ways that multiply their power and effectiveness, and to begin harnessing those local institutions that are not yet available for local development purposes."

-- Kretzmann and McKnight,  
quoted in the Westat  
Study for ARC, 2004.

market research. Venture capital and other private financing are available through regional and national foundations. To help individuals and communities move forward and investigate opportunities in asset-based economic development, a list of resources and recommended reading follows.

## Resources

Several regional, national and federal entities provide fiscal resources and technical assistance for individuals, communities and companies to launch and manage asset-based economic development programs.

### Government Agencies

#### **National Endowment for the Arts**

Nancy Hanks Center,  
1100 Pennsylvania Avenue NW  
Washington, DC 20506  
Tel: (202) 682-5400  
Internet: [www.nea.gov](http://www.nea.gov)

Goals are artistic creativity and preservation, learning in the arts, access to the arts and partnership for the arts.

#### **US Forest Service,**

#### **Department of Agriculture**

Sidney R. Yates Federal Building,  
1400 Independence Avenue SW  
Washington, DC 20250-0003  
Tel: (202) 205-8333  
Internet: [www.fs.fed.us](http://www.fs.fed.us)

National programs include ecosystem management; forest management; minerals and geology management; recreation, heritage and wilderness resources; watershed and air management; wildlife, fish and rare plants.

### National Organizations

#### **ABCD Institute**

IPR, Northwestern University  
2040 Sheridan Road  
Evanston, IL 60208-4100  
Tel: (847) 491-8711  
Internet: [www.northwestern.edu/ipr/abcd.html](http://www.northwestern.edu/ipr/abcd.html)

Provides technical assistance and resources materials including mapping tools, networks, faculty training and publications.

#### **American Hiking Society**

1422 Fenwick Lane  
Silver Spring, MD 20910  
Tel: (301) 565-6704

Internet: [www.americanhiking.org](http://www.americanhiking.org)  
National voice for America's hikers provides information on funding sources for trail managers, national trails directory, listing of volunteer vacations and other reference materials.

#### **Americans for the Arts**

1000 Vermont Avenue NW, Sixth Floor  
Washington, DC 20005  
Tel: (202) 371-2830

Internet: [www.americansforthearts.org](http://www.americansforthearts.org)  
Nation's leading non-profit organization for advancing arts in America. Provides research and information, conducts visibility campaigns, leadership development, annual awards and events.

#### **Conservation Fund**

100 North Kent Street, Suite 1120  
Arlington, VA 22209-2156  
Tel: (703) 525-6300

Internet: [www.conservationfund.org](http://www.conservationfund.org)  
Forges partners to preserve our nation's outdoors heritage – America's legacy of wildlife habitat, working landscapes and community open space.

#### **National Geographic Society**

#### **Sustainable Tourism Resource Center**

1145 17th Street NW  
Washington, DC 20036  
Tel: (202) 857-7000

Internet: [www.nationalgeographic.com](http://www.nationalgeographic.com)  
Increases knowledge about sustainable tourism and destination stewardship through World Legacy Awards, resource directory, Geotourism study and other reference materials.

#### **National Trust for Historic Preservation**

1785 Massachusetts Avenue NW  
Washington, DC 20036  
Tel: (202) 588-6000

Internet: [www.nationaltrust.org](http://www.nationaltrust.org)  
National non-profit organization with more than 250,000 members dedicated to the preservation of America's historic treasures.

### Financial Institutions

#### **Mary Reynolds Babcock Foundation**

2920 Reynolda Road  
Winston-Salem, NC 27106  
Tel: (336) 746-9222

Internet: [www.mrbf.org](http://www.mrbf.org)  
Concentrates on assisting people in the Southeast to build just and caring communities. Areas of focus include grassroots leadership development, community problem solving, enterprise and asset development, and organizational development.

#### **Claude Worthington**

#### **Benedum Foundation**

1400 Benedum-Trees Bldg,  
223 Fourth Avenue  
Pittsburgh, PA 15222  
Tel: (412) 288-0360

Internet: <http://fdncenter.org/grantmaker/benedum>  
A regional foundation serving West Virginia and Southwestern Pennsylvania.

### Suggestions for Further Reading

*Appreciative Inquiry: Changing the Spread of Imagination*, by Jane Magueder, Watkins, Bernard J. Mohr

*Balancing Nature and Commerce in Gateway Communities* by Howe, McMahon and Propst, Island Press, Washington DC (1997)

*Building Communities from the Inside Out: A Path Toward Finding and Mobilizing a Community's Assets*, by Northwestern University for Policy Research (1993)

*Creating Successful Communities: A Guidebook to Growth Management Strategies*, by Mantell, Harper, Propst, Island Press, Washington DC (1989)

*Evaluation of The Appalachian Regional Commission's Community Capacity Building Projects* study, conducted by Westat, for ARC (July 2004)

*Economic Value of the Natural World*, by David Pearce, MIT Press (August 1993) Economic rationale for conserving the environment based on results from detailed case studies and analyses.

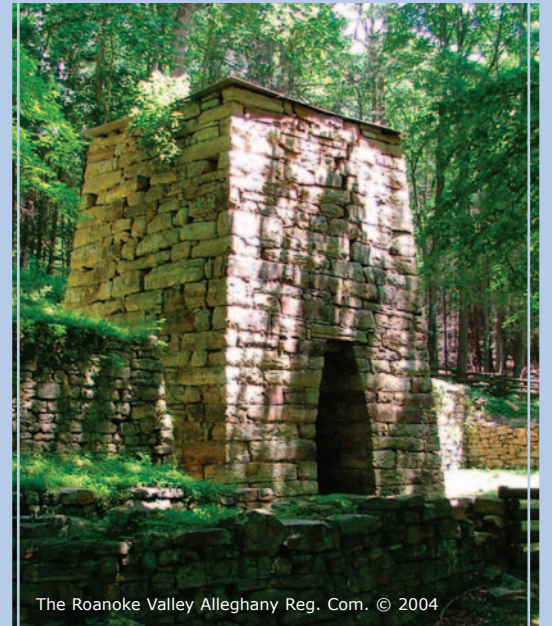
*Rise of the Creative Class and How it's Transforming Work, Leisure, Community and Everyday Life*, by Richard Florida (2002)

*Rural Sustainable Development in America*, by Ivonne Audirac, J. Wiley & Sons (1997)

*Where We Live: A Citizen's Guide to Conducting a Community Environmental Inventory* by Harker and Natter, Island Press, Washington, DC (1995)

*“The greatest thing a man can do in this world is to make the most possible out of the stuff that has been given him. This is success, and there is no other.”*

-- Orison Swett Marden (1850-1924)  
Founder of Success magazine



Produced by **THE HTC GROUP**, Asheville, NC  
for The Appalachian Regional Commission  
1666 Connecticut Avenue NW, Washington, DC 20009  
(202) 884-7700 • [www.arc.gov](http://www.arc.gov)

OCTOBER 2004