

Building Opportunities Beyond Coal Accelerating Transition (BOBCAT) Network

Executive Summary

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Executive Summary

In October 2018, the U.S. Economic Development Administration (EDA) funded the Building Opportunities Beyond Coal Accelerating Transition (BOBCAT) Network under the Assistance to Coal Communities (ACC) program. The BOBCAT Network is a joint project of Ohio University's George V. Voinovich School of Leadership and Public Service (GVS) and the Ohio Valley Regional Development Commission (OVRDC). The project was designed to assist the region with economic diversification and transition with decline in the coal economy. Over a three-year period the BOBCAT Network has catalyzed regional collaborations to accelerate the region's transition out of the coal economy through a potent portfolio of economic development implementation and actionable applied scholarship in entrepreneurial growth, workforce development, industry cluster expansion, opportunity zone enhancement, and infrastructure investment.

The majority of this work took place during the 2020-2021 COVID pandemic, with all the complications which that imposed. These circumstances created challenges that sometimes slowed but never deterred the execution of the BOBCAT Network agenda. More importantly, the collective commitment required to work through such impediments elicited perseverance and innovativeness that refined and strengthened the original BOBCAT Network concept. That process is reflected throughout the results detailed in this report and summarized in this preface. Our goal herein is to not only to describe the tangible and significant accomplishments of the BOBCAT Network, but also to highlight how navigating the COVID pandemic environment enabled the Voinovich School and its partners to enhance the original BOBCAT Network strategy in ways that revealed unanticipated new opportunities for the region and strengthened this regional collaboration to meet its future challenges.



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BOBCAT Network Genesis and Scope

The impetus for the BOBCAT Network was the decommissioning of two Dayton Power & Light (DP&L) (*major electrical generating facilities*) facilities and a training facility in Adams County (*the OVRDC region*). An Ohio University EDA-funded analysis previously documented these closures would have significant detrimental economic, fiscal, and workforce impacts on Adams and surrounding counties (the regional economy). These detrimental impacts demonstrated not only the need for immediate economic development responses to offset these losses, but also the necessity of actions reinforcing the region's long-term economic vitality by strengthening its economic development capacity and identifying opportunities for future, diverse growth.

The BOBCAT Network was designed to address these goals through a three-pronged strategy of collaborative actions. One focus was a set of initiatives focused on Adams County, which, as the site of the closing power facilities, would bear a disproportionate share of forecasted direct economic losses. A second strategic focus was on adjacent Lawrence and Scioto Counties, which were expected to experience powerful erosion of their electrical power generation workforce and supply-chain industries. The third focus of the BOBCAT Network was on elements reinforcing the economic robustness of the entire OVRDC region through initiatives focused on opportunities in workforce development, industry cluster enhancement, entrepreneurial economy growth, and opportunity zone readiness.

The BOBCAT Network project was designed to directly assist these impacted communities in a variety of ways, as outlined in the full report. Several key elements are noted here. First, Ohio University directly embedded two employees in the region

to assist with the project and its implementation. One employee was placed in the Adams County Economic and Community Development Office. Another employee was placed in the Lawrence County Chamber of Commerce offices, where he also spent some time working in Scioto County. Second, two recovery coordinators were contracted to directly assist these communities with implementation of project recommendations in real time. One recovery coordinator worked in Adams County around recovery related to the coal-fired power plant closures, and the other recovery coordinator worked in Lawrence and Scioto Counties on brownfields redevelopment. Lastly, Ohio University and OVRDC worked across the entire OVRDC region on a variety of efforts related to opportunity zones, industry cluster expansion, workforce development/remote work, and a host of other economic diversification efforts.

Findings

The BOBCAT Network strategy yielded immediate economic development results, identified economic opportunities, and strengthened regional collaboration. It also demonstrated how applied scholarship and research leads to direct actionable economic development. Following are a few key results of the project in the areas of Economic Development Outcomes, Economic Development Opportunities, and Regional Capacity and Collaboration.

Economic Development Outcomes

Winchester Industrial Park

The BOBCAT Network's work in Adams County led to the securing of major grant support for a new industrial park in the county. That achievement began with the Voinovich School's performance of a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis which found a major

economic development weakness in Adams County was the absence of “shovel ready” industrial sites. Further engagement by Ohio University, OVRDC, and Scurti Consulting (e.g., the recovery coordinator) with numerous public and private sector leaders identified further priorities in natural gas and broadband availability to be addressed in a prospective industrial park.

These discussions culminated in an Industrial Park Demand and Financial Analysis feasibility study that both validated the concept and coalesced community support for the plan, leading to a \$4.2M grant from JobsOhio to support the Winchester Industrial Park. Located near the Village of Winchester, this site is located along SR 32 and Graces Run Rd. It is near the rail line that passes through northern Adams County, and it also located in the County’s Opportunity Zone.

Adams County Workforce Training Center

The BOBCAT Network’s SWOT analysis also identified that another major weakness for Adams County was the lack of a training center and/or community center to prepare current and prospective employees for more diverse job opportunities. The need for such a training center identified as a priority by local leaders and residents during subsequent interviews, surveys, and community meetings. Adams County officials acknowledged this need and identified a Workforce Development/Training Center as its second priority for the county’s Economic Development Vision Plan. Partners are working with the county on plans to renovate a 15,100 s.f. building to provide training in Computer Numeric Control (milling, tooling, lathing, blueprint reading and drafting), Welding, Licensed Practical Nurse (LPNs), and Nursing Assistant programs.

Brownfield Ohio Department of Development Grant Submission

The BOBCAT Network project ended December 31, 2021, just prior to the formal submission of a brownfield remediation grant to the Ohio Department of Development (ODOD). However, the Hamman Consulting Group (e.g., the second recovery coordinator), prepared a draft application for the Brownfield ODOD grant program. The anticipated funding request will be in excess \$10 million, with the final total still to be finalized, for the New Boston Coke property in Scioto County. This application came after extensive work and analyses as outlined in the final report to determine appropriate steps for remediation of this property.

Economic Development Opportunities

Through the BOBCAT Network several collaborations with local leaders and economic development organizations led to the identification and strengthening of economic diversification efforts reducing the region’s dependence on coal.

Adams County Targeted Industry Clusters

Building on the Adams County SWOT analysis, BOBCAT Network teams identified competitive advantages enabling an economic development focus on the aerospace production and testing, logistics (warehouse/distribution), and the wood processing and products industries. Development in these industry would diversify the economy – shifting it from its historic dependence on the energy sector - while supporting re-employment of displaced workers from that sector.

Lawrence/Scioto Counties Coal Supply Chain Evolution

Over the next ten years, it is estimated that Lawrence and Scioto Counties will lose \$7.8 and \$9.3 million, respectively, regarding the impacts of the coal economy on the supply chain businesses if no action is taken by the counties. BOBCAT Network analysis found that there are, however, other existing

economic capabilities and strengths in Ohio that could provide alternative opportunities for coal-driven business activity that could 1) supplant the loss of the coal powered electric plants, 2) create new manufacturing jobs, 3) support the infrastructure initiative funded by new federal funding, and 4) use coal with a net reduction in national and possibly, international CO₂ emissions. This “Shift to Steel Production” strategy would make use of Ohio’s capabilities in coal wholesales, coke production – an essential component required for steel production – and transportation.

OVRDC Region

A BOBCAT Network investigation of the OVRDC regional industry clusters identified several areas of advantageous enhancement opportunities that would strengthen existing industries and support the development/attraction of additional firms to expand the region’s current clusters. Advanced Manufacturing, Aerospace & Aviation, Automotive, Biohealth, Energy, Financial Services, Food Processing, Hardwood Products and Manufacturing, Information Technology and Services, Logistics, and Polymers and Chemicals industry clusters were identified as the most influential clusters within the OVRDC region. Examinations of the status and development trends within those clusters found that as OVRDC economic development should continue its support of its current major employers (automotive, polymers, and energy), the region should shift emphasis to growth sectors such as food processing, logistics, advanced manufacturing, and wood products for which OVRDC offers operational advantages. During the BOBCAT Network project, two major food industry cluster announcements were made. Nestle-Purina is locating a major pet food manufacturing facility and creating 300 jobs in Clermont County, and Herr Foods Incorporated is building/expanding operations to create 150 jobs in potato chip production in Jackson County and

Ross County. Both companies build on the strong heritage of the food manufacturing cluster in the OVRDC region. Both locations offer manufacturing employment within a reasonable driving distance for displaced coal economy workers.

Remote Working

An example of the BOBCAT Network addressing novel developments revealed by the COVID pandemic was its investigation of remote working as a rural economic development opportunity. This research found that the remote working necessitated by the COVID pandemic has accelerated pre-existing trends and revealed market preferences that create opportunities for non-metro communities to both retain and attract remote workers, especially young professionals and working family demographic segments, with preferences for smaller communities previously thwarted by limited local employment opportunities. Remote working is therefore a particularly significant opportunities for primarily rural areas such as the OVRDC region experiencing population and talent loss from reluctant out-migration and thwarted in-migration. Ohio University researchers developed a multi-factor “Rural Remote Work Readiness” assessment matrix that, when applied to the OVRDC region, found that there were numerous significant economic benefits the region could attain through a targeted enhancement program.

Entrepreneurial High Growth Companies Development Opportunities

Nationally, independently owned companies that experience high growth rates in their development process, thus becoming among the largest businesses in their industries, account for a disproportionately large share of new jobs. Often called “gazelles”, such high growth companies (HGCs) were found to be similarly important in the OVRDC region. A Voinovich School study found that

555 HGCs that represented only 2.3% the region's businesses accounted for more than 15% - 39,874 - of the region's total employment. Comparing their occurrence to national benchmarks revealed that the Wholesale Trade, Manufacturing and Retail Trade sectors represented the region's most promising sectors for the development of future HGCs. The study estimated that the region's HGCs would require growth capital of \$954 million in more than 50 investments over the next ten years, but that a scarcity of resident private equity firms could lead to capital constraints limiting future growth. These findings suggested that the Ohio economic development policy emphasis on increasing capital access should be expanded beyond venture capital and small business lending to address the availability of private equity growth capital for HGCs as well.

These findings provided the foundation for a collaboration with Clermont County economic developers. An assessment of the county's entrepreneurial economy found that the county's relatively healthy economic growth of the past few decades was providing a fertile ground for new entrepreneurs. But it also revealed that, while the county was home to a disproportionately small share of local high growth companies, its vibrant industry clusters provided a strong basis for attracting such companies. The study identified the county's most promising industry sectors for such a strategy and a database of prospects who's geographic, employment, and infrastructure parameters made them appropriate candidates.

Regional Capacity and Collaboration

The BOBCAT Network strengthened regional collaboration to meet new challenges and promote ongoing collaboration even after the project period ended.

Creating Investment Ready Communities/ Opportunity Zones

Many communities in the OVRDC region lack the fundamental components to successfully attract private investment. The creation of Opportunity Zones provides a new tool for these communities, yet assistance is needed to help communities realize the full potential of this investment draw. Through the BOBCAT Network an OVRDC Opportunity Zone Analysis was performed covering all 12 counties in the OVRDC region.

The Opportunity Zones for each county were marked prominently to highlight their importance. The work on the Opportunity Zone Analysis was completed in the form of 12 county maps and zoomed in maps for each Opportunity Zone within each of the 12 OVRDC counties. The OVRDC assisted communities with GIS and other components to support the analysis, while The Voinovich School leveraged its expertise in venture capital, angel investment, and entrepreneurship support to help communities become investment ready. A total of 8 of the 37 sites located in Opportunities Zones in OVRDC counties were identified as most investable. Portfolios were created for the identified sites that can be used for marketing of those sites to potential investors. A prominent example identified is the Winchester Industrial Park which is located in an Opportunity Zone in Adams County.

Actionable Partnerships Post Project

Three years of sustained engagement in the OVRDC region has strengthened partnerships between local and regional economic development organizations and Ohio University. While these relationships existed prior to the project, the BOBCAT Network identified ongoing areas for collaboration to support future regional growth, including the identification of new projects (e.g., Ohio River development asset mapping, workforce shortage analysis, etc.) that will take place in the near future.

Conclusions

The BOBCAT Network was designed to assist the OVRDC region with economic diversification and transition with decline in the coal economy.

The impetus for the BOBCAT Network was the decommissioning of two Dayton Power & Light (DP&L) (*major electrical generating facilities*) facilities and a training facility in Adams County (*the OVRDC region*). An Ohio University EDA/Ohio ANEP-funded analysis previously documented these closures would have significant detrimental economic, fiscal, and workforce impacts on Adams and surrounding counties (*the regional economy*). These detrimental impacts demonstrated not only the need for immediate economic development responses to offset these losses, but also the necessity of actions reinforcing the region's long-term economic vitality by strengthening its economic development capacity and identifying opportunities for future, diverse growth.

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regional collaboration. It also demonstrated how applied scholarship and research leads to direct actionable economic development.

Over a three-year period the BOBCAT Network catalyzed regional collaborations to accelerate the region's transition out of the coal economy through a potent portfolio of economic development implementation and actionable applied scholarship in entrepreneurial growth, workforce development, industry cluster expansion, opportunity zone enhancement, and infrastructure investment.

The majority of this work took place during the 2020-2021 COVID pandemic, with all the complications which that imposed. These circumstances created challenges that sometimes slowed but never deterred the execution of the BOBCAT Network agenda. More importantly, the collective commitment required to work through such impediments elicited perseverance and innovativeness that refined and strengthened the original BOBCAT Network concept. Ultimately, the success of the BOBCAT Network is to be found in both the tangible and significant accomplishments detailed in this report, and in how navigating the COVID pandemic environment enabled the Voinovich School and its partners revealed unanticipated new opportunities for the region and strengthened this regional collaboration to meet its future challenges.

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