January 2003

Dear Friends of the Western Governors’ Association:

One of my goals as WGA Chair has been to develop new and innovative strategies to assist our rural communities. In October 2001, the Western Governors’ Association was awarded a grant from the Economic Development Administration that allowed us to support a coalition of regional partners working together to develop a model for rural economic development. It is a project that will not only help the five-state prairie region diversify and thrive, but also serve as a model for other rural areas.

The year-long study clearly supports the need for a region-wide plan built around community development, leadership and rural entrepreneurial expansion. This report focuses on the new opportunities that have been identified through community meetings, task forces and surveys. It tells the story of the demand for the Prairie States Regional Center for Rural Entrepreneurial Leadership. The center will serve as a model for building sustainable communities through economic development, rebuilding and developing community infrastructure and preserving the region’s resources while diversifying traditional income opportunities.

I am pleased to provide this example of what can be achieved when neighbors work together to strengthen their communities, and share it with other rural areas nationwide.

Sincerely,

[Signature]

Governor Judy Martz, Montana
Chair
Western Governors’ Association

Prairie States Center for Entrepreneurial Leadership:
A National Model for Rural Economic Recovery

Published By:
Comanche Pool Prairie Resource Foundation
High Plains RC & D, Inc. of Oklahoma
Oklahoma Economic Development Authority
Texas Prairie Rivers Region, Inc.
Western Governors’ Association

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Economic Development Administration

January 2003
ACKNOWLEDGEMENTS

Literally hundreds of people helped make this study possible, and we offer our sincere thanks to everyone who took time to attend a meeting, fill out a questionnaire or share their experiences and knowledge with us. Without them, this project would not have been possible.

A special thanks goes to the U.S. Department of Commerce's Economic Development Administration for its financial support, to legislators and members of Congress in the involved states for their assistance, and to all the individuals who helped develop the recommendations by participating on the eight Task Forces listed on page 7.

We would also like to recognize the following organizations, governmental agencies and individuals who contributed their time, staff, technical expertise or financial assistance to conduct the study and develop this report.

Prairie States Center for Entrepreneurial Leadership: A National Model for Rural Economic Recovery

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REVITALIZING OUR RURAL REGION: A REVIEW

Dear friends,

Those of us who live in the Prairie States region know that our communities and way of life are facing what could be viewed as insurmountable economic and social problems. We have seen our schools shut down and our children go off to the cities and not return. We have seen our auto dealerships, hardware stores, filling stations, our five-and-dimes, and even our grocery stores close their doors.

The choice for many of our communities is very clear. Either find a way to reinvigorate and, if necessary, reinvent the regional economy, or be prepared to put up a sign saying, “Last one out, put out the lights.” For most of us, the latter is simply not an option.

Generally, when we get a fix on our problems, we can solve them. We work hard. We are optimists. We have faith. Those are qualities that have allowed us to live for generations in the harsh prairie environment, and they will help us get through this latest crisis. But if we are to increase business opportunities, improve health care and housing and encourage young families to stay or move to our towns, it will take new ideas, fresh approaches and financial assistance from the private and public sector.

Getting a fix on our problems and developing recommendations for turning our economy around is what this report is about. Experts have told us we have no more than a 10-year window to implement an economic plan that is meaningful and effective. The Prairie States Coalition was formed in September, 2001 to begin that process.

With assistance from the U.S. Department of Commerce’s Economic Development Administration, our diverse partnership began by asking those who call the Prairie States home what they see as the region’s greatest needs and challenges and what they would recommend to address specific problems. The coalition has used that information to identify key areas of concern and to develop strategies to address them. During the second phase of our work, we will seek the necessary public and private financing to implement the strategies described in this report.

Working together we have strengthened our partnerships and found a deep commitment to these rural communities. As this report shows, the people who live here are willing to do whatever it takes to ensure they are not the last generation, and that the lights will stay on for a very long time.

Sincerely,

Texas Prairie Rivers Region, Inc.
High Plains RC & D, Inc. of Oklahoma
Comanche Pool Prairie Resource Foundation
Oklahoma Economic Development Authority

THE PRAIRIE STATES CHALLENGE

The Prairie States region is a place defined by its common geography, natural resources, history, culture, and traditions rather than political boundaries. Life here revolves around the land and the richness it represents: the history, a love of the prairie – its sounds, plants and animals – and even the struggle to survive.

The people who live in the Prairie States region are strong and independent. The blood and sweat of their pioneer ancestors put into building this place provided them with a self-reliant approach to life. People here have always believed that if they worked hard and lived frugally, prosperity would ultimately follow, but for most, it has not. For the past two decades, they have seen a continuing decline in their communities’ population and prosperity.

One need only look at the statistics to know the threat to the region’s survival is significant. The entire region was declared an economic disaster area in 1996, following the loss of more than 30 percent of its population since the 1970s. A continuing decline in per capita income, wages, and deteriorating infrastructure has left citizens here earning an average $10,000 less per year than those living elsewhere in their own states. And each year, they fall further behind. While the general economy of the United States was on the rise in the 1960s and 1970s, these communities lost essential services and businesses. In the plain language of Vernon Cook, a Roberts County Texas judge: “Every year there’s less of us here, and the ones that are left are getting older, poorer, and further away from the doctor, grocery store, and church.”

The challenge for these tough, independent, and determined people is not to become the last generation to live here. Many residents are determined to find a way to pass on their skills, their values, and their love of the prairie to their children and grandchildren. To do that, they have come together as neighbors to examine where they are now, what the options are for improving the region’s economic outlook and how they can work together to make it happen.

The people of this plains-prairie region have a rich tradition of working together as neighbors to build homes and businesses. Historically, cooperation was needed just to survive. And that is just as true today. The difference is that “neighborhood” solutions in the Prairie States involves people living within a few hundred miles of each other, not a few city blocks. Here, political boundaries have always been lines on a map that readily disappear in times of need and, sometimes, just to survive. “Neighboring,” as it is called here, is steeped in tradition. When the Oklahoma Panhandle faced the triple threat in the 1930s of drought, depression, and blizzard.
their neighbors from just across the border brought wagonloads of food and feed. When fire and drought threatened the survival of Texas Panhandle ranches in the 1950s, Kansas neighbors hauled hay in and moved herds onto their own pastures, helping their neighbors hold on until the rains came. Years later, when a native bird species that early settlers counted on for survival was threatened, farmers and ranchers from across the five-state area worked together to preserve a common treasure.

It is only natural that facing the loss of their homes, lands, and communities to an economy barely on life support, these long-time neighbors would come together again to find a plan to bring it back to life.

A NEW PARTNERSHIP IS BORN

Three regional organizations – the Comanche Pool Prairie Resource Foundation in Kansas, the High Plains Resource Conservation and Development District in Oklahoma, and the Texas Prairie Rivers Region, Inc. – have developed a successful track record for bringing together partners from multiple counties and states to solve common problems. It was a natural extension of this informal alliance, bound by similar geographic and cultural traits, to band together as the Prairie States Coalition to address their mutual economic crisis. In all, they represent 35 counties in a five-state region that also includes Colorado and New Mexico.

The Coalition also sought the support of the Western Governors' Association, which, as a matter of policy, has endorsed building sustainable communities through economic development, community infrastructure, and environmental management. Because this economic development project could serve as a model for other rural regions in the West, WGA agreed to provide a coordinator to oversee planning, funding, and implementation. With WGA's support, the Coalition applied for and received a grant from the U.S. Economic Development Administration to help pay for the costs of conducting a year-long study of the region's economy. The goals of the study were to determine the existing resources, needs and expectations of communities by:

- conducting surveys throughout the region;
- holding public meetings to gather input;
- creating task forces to assess the information and formulate regional economic strategies;
- providing information and findings to community leaders, organizations, and governmental entities at the local, state, and federal levels; and
- evaluating whether a proposed Regional Center for Entrepreneurial Leadership could be of value in improving the standard of living in the region.

The Coalition began its work by researching economic, social, and natural resource data from national, state and local sources to learn what the statisticians had to say. A variety of methods were used to inventory the region's assets and to identify economic and social challenges and opportunities. Several governmental entities provided staff support to conduct the inventory, including the U.S. Department of Agriculture, Natural Resource Conservation Service, the U.S. Fish and Wildlife Service, the Texas Department of Agriculture, and the Oklahoma Department of Commerce.

The Prairie States communities face challenges that, on the surface, seem similar when compared to those living in urban areas: ensuring necessities such as food, shelter, plumbing, electricity and health care. The differences are in the geography and incomes. Even if the rural residents had the purchasing power for food and health care, they still would have to travel long distances – up to a 100-mile commute – to access goods and services. Their remote location has created an isolation and complexity in administering to these basic needs. The challenge the Coalition faced was to address these needs, assess the value of the existing resources and identify new economic development opportunities. The partner organizations that formed the coalition had already succeeded in making strides with species and land conservation and nature tourism. But to make a real difference in the economy, these initiatives needed to be expanded into regional strategies for improved ecological practices and what is known as the " experiential" tourism industry. For the region to thrive in the 21st century, the Coalition believed it would also take a holistic program and innovative initiatives in such diverse areas as carbon sequestration, biomass conversion and high-tech infrastructure.

THE PEOPLE HAVE THEIR SAY

After the Coalition gathered the hard data on the region's existing economy, it was time to share its information with community leaders and the residents themselves in public meetings. More than 5,400 people attended public meetings at 81 locations. After a presentation on the existing situation, residents were asked how they viewed each of their communities: 1) what their town would look like in 10 years if nothing is done; 2) what they most like and want to survive; and 3) what they would change to make it a better place to live. In many cases, local leaders and citizens met to discuss these questions and answer them as a community. Others chose to express their views in written surveys distributed throughout the five-state region and posted on a Web site.
Those who responded offered many innovative and interesting ideas for addressing the challenges facing their rural communities. Their observations and recommendations included:

- Many counties and communities face basic quality of life deficiencies that must be addressed before tax base or job generation strategies can be successful.
- Regional planning, community development, leadership, and financial assistance for rural entrepreneurial development assistance are needed if the region is to take advantage of sustainable economic opportunities.
- The region’s economy, past and future, is tied to the conservation and utilization of the rich natural resources found there.
- Finding, developing, and marketing new uses for these resources is essential for rural economic recovery.
- Economic recovery and development for these rural areas must include “Mom and Pop,” small retail and service sector businesses, not just traditional industrial development.
- Existing federal programs for economic and community development are underutilized for two reasons: 1) more than half of the communities are strapped just trying to provide basic day-to-day services and do not have the resources – dollars and/or staff time – for development activities; and 2) guidelines and programs in place are not typically designed for small towns or small businesses.
- Many individuals expressed particular frustration in their efforts to participate in federal economic development programs. It is a process that often leaves them feeling like a square peg being hammered into a round hole, and there is little support available to them when they try to implement projects. Respondents told the Coalition that access to programs and hands-on assistance is vital.

Volunteering to Shape the Region’s Future

Expressing their frustrations and describing what they wanted for their communities was the easy part. Residents were then asked what they, personally, would be willing to do to make it happen. Of their responses, perhaps the most important was their willingness to volunteer their time to help develop viable strategies for their communities. This “can-do” attitude led to the formation of seven task forces composed of community volunteers and professionals from the region. Over a three-month period, they researched issues and drafted economic development recommendations in the areas of:

- Arts, Culture and Tourism
- Communications
- Community Support Structures
- Education
- Health Care
- Natural Resources
- Transportation

The task forces determined that even though the current economy is lagging, many of its ingredients could be reformulated and enhanced to help turn it around. Some examples:

- Resources used for traditional agriculture can be developed into new products with new markets. A prime example is the use of biomass as a source for renewable energy that can help reduce the country’s reliance on foreign oil and provide cleaner fuel to preserve the environment.
- New farm policy now supports good stewardship and development of alternative agricultural products, providing opportunities and incentives for landowners to diversify and create additional sources of income.
- Changing values and a desire to return to a simpler life are bringing a whole new generation of Americans to visit or live in “places where Main Street isn’t just a movie set.” This could provide a new base of customers for small town businesses and a new tax base for community infrastructure. These visitors would also offer income opportunities for farmers and ranchers and could potentially become new residents.
- Improving technology could make it possible to enjoy the advantages of living in a rural area without the tradeoffs of poverty and inaccessibility that are now associated with rural life in the region. It also could open new career possibilities and opportunities for recruitment to offset the loss of farm and ranch population.

The assessments developed by these volunteer task forces gave the Coalition a solid foundation for developing a long-term plan to help diversify and stabilize the region’s economy, while preserving its heritage and natural resources. Because the recommendations came from and will be implemented by the residents within the region, the Coalition believes they are more likely to have a genuine impact on the economy. Additional information on the surveys and recommendations can be found on the Coalition Web site at www.premisianscenter.org.
A Virtual Center: Making Things Happen Before Time Runs Out

A review of the facts gathered during the year-long study showed a sense of urgency among residents on the need to begin implementing strategic economic development changes. Economists advised the coalition, and many of those participating in the study believe, that the region has no more than a 10-year window of opportunity for implementing sustainable economic development. Individuals, communities, counties and state-based organizations throughout the region have expressed support for combining the resources of the Prairie States Regional Coalition to create a virtual Prairie States Regional Center for Entrepreneurial Leadership that would serve as an umbrella organization to foster regional cooperation and to further develop and implement strategies suggested by the region's residents during the resource assessment process.

The coalition would focus on making the Center a one-stop entity for regional planning, implementation and funding. It would allow the partners to combine their resources to develop a strategic vision for the region, create new economic opportunities and expand innovative programs already underway. One of the most pressing issues for the region is the need to create a framework local leaders can use to build comprehensive development plans that are sensitive to the region's natural resources, social structure, culture and changing economy. Center staff would help community leaders access the data collected from the study and incorporate it into local or countywide development plans, and then provide assistance in developing the plans.

The Coalition believes that job creation or economic enhancement programs in the absence of the Center will likely be fragmented and too little, too late to have a meaningful impact on rural recovery. The existing economic situation is proof that these small rural communities alone cannot successfully address the serious issues that have confronted them for the past 20 years. Efforts will be undertaken to secure funding for the Center.

The Center would:

- Serve as an advocate for enhancing the standard of living in the region, alerting leaders in government, business, industry and education to the needs and development opportunities in the region.
- Serve as a resource center to help communities access programs and technical support available from private, state, regional and federal agencies that work with the Prairie States Coalition.
- Provide training, research and funding assistance for individual and joint projects through the partnerships developed by the coalition.

Strategically, the Center will focus its efforts on the goals identified by the volunteer task forces, including:

- Developing new markets for agricultural and natural resources.
- Diversifying agricultural operations to access new markets.
- Aggressively promoting tourism and the development of tourism infrastructure.
- Promoting soil health through the conservation and development of native prairie habitats, bird, and wildlife resources.
- Developing high-tech communication capacity to create economic development opportunities and to attract new residents.
- Supporting business, education and health-care initiatives.
- Sustaining and nurturing the plains heritage.
- Identifying and developing capital resources for rural development.
- Identifying and working with small business and entrepreneurial opportunities not normally addressed by traditional economic development.

A chart of specific goals by category can be found in Appendix A. With financial support from the public and private sector, the Prairie States Regional Center is positioned to accomplish these goals by housing professional staff in small rural communities, where they can work with the existing support structure and enhance the assets available locally. The existing regional partnerships provide a contact point and access to communities that are often several hours away from state or federal agency offices. The Center would provide access to specialists to assist communities with specific projects. Finally, a steering committee would be created to govern the activities of the Center and would be composed of local business leaders, landowners, elected officials and community volunteers within the five states. Like the Center staff, the steering committee would be very familiar with the region's needs and be accessible to the people who live there.

With appropriate funding, the Prairie States Regional Center for Entrepreneurial Leadership can begin implementing the goals and specific recommendations developed by involved citizens to revitalize their local economies. Their collective efforts may also serve as a roadmap for other rural communities facing similar challenges.
# Prairie States Center for Entrepreneurial Leadership Identified Goals by Category

<table>
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<tr>
<th>Leadership Development, Entrepreneurial Support &amp; Small Business Support</th>
<th>Research, Development &amp; Marketing</th>
<th>Experiential Tourism</th>
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<tr>
<td>▶ Comprehensive local community development planning</td>
<td>▶ Comprehensive regional community development planning</td>
<td>▶ Identity, develop and market natural, cultural and heritage tourism opportunities</td>
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<tr>
<td>▶ Leadership development and training</td>
<td>▶ Regional marketing plan for business recruitment and entrepreneurial recruitment</td>
<td>▶ Expand regional nature tourism initiatives</td>
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<tr>
<td>▶ Entrepreneurial and small business development and management education</td>
<td>▶ Develop regional plan for local economic development incentives</td>
<td>▶ Develop multi-state wildlife and heritage trail</td>
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<tr>
<td>▶ Business plan development assistance and follow-up</td>
<td>▶ Business development and research focusing on new uses of natural resources</td>
<td>▶ Expand habitat conservation education and outreach programs</td>
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<td>▶ Business incubators</td>
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<td>▶ Identify, develop and market local and regional arts and cultural venues</td>
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<td>▶ Small business funding</td>
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<td>▶ Venture capital</td>
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<td>▶ Secondary market reinvestment</td>
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**Housing**

- Support regional cooperative efforts
- Facilitate access to existing agency programs
- Maximize eligibility criteria discussions with housing program partners
- Identify funding opportunities for local and regional outreach housing initiatives

**Transportation**

- Facilitate communication with transportation planning agencies in the region
- Explore & implement economic development opportunities with existing railroad infrastructure
- Support/lead efforts to improve airport & county road structure through coordination with existing funding programs

**Communication**

- Facilitate regional plan to upgrade communications infrastructure and provide high speed access in all 33 counties
- Identify and seek funding to enhance communications capabilities

**Education**

- Facilitate access to existing education programs
- Utilize existing educational centers to develop e-archaeological curricula
- Initiate efforts to increase availability of distance learning courses offerring business plan development, management training and marketing classes for rural entrepreneurs

**Health Care**

- Support local efforts to increase capabilities utilizing telemedicine technology
- Identify funding opportunities for telemedicine implementation
- Facilitate regional research and planning for long-term solutions for rural health care
- Assist in developing a regional catastrophic emergency plan

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**Western Governors’ Association**

Established in 1984, the Western Governors’ Association is an independent, nonpartisan organization of Governors representing 18 Western states, and three U.S.-occupied Pacific islands. Through their Association, Governors identify and address key policy and governance issues in natural resources, the environment, human services, economic development, international relations and public management. Governors select the issues for further review based on regional interest and impact. WGA helps the Governors develop strategies both for the complete, long-term issues facing the West and for the region’s immediate needs.

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**Texas Prairie Rivers Region, Inc.**

Representing landowners, businesses and rural communities in a 13 county region of the northeastern Texas panhandle, Texas Prairie Rivers Region, Inc. works with over 200 partners, local, state and federal governments, and private foundations to deliver rural community development projects that utilize and conserve the region’s natural resources. The mission of this non-profit corporation is to use nature, cultural and historical tourism to enhance economic development and preserve the traditional rural lifestyle. The goals are:

1. stabilize the local community population, 2. broaden and expand the regional economic base, 3. promote regional cooperation, 4. increase awareness of the value of the region’s cultural and natural resources, 5. develop a financial incentive for resource conservation, 6. develop a local pride of place, and 7. use tourism to maintain traditional livelihoods and enhance the regional quality of life.

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**High Plains Resource Conservation and Development Council**

The High Plains RC & D is a locally led, regional community and resource development organization that serves eight northwestern Oklahoma counties, but often works across state lines and political boundaries to develop regional programs. The High Plains RC & D is a federally authorized RC & D area and is governed by a board representative of the area. The High Plains RC & D is a unique program with its purpose being community development and utilization of natural resources to improve the general level of economic activity and to enhance the standard of living in the RC & D area. The High Plains RC & D leverages limited federal dollars with other funds to accomplish projects with its SO (C) (5) status, which allows them to seek funding for projects from both governmental and non-governmental sources.

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**Comanche Pool Prairie Resource Foundation**

The mission of the Comanche Pool Prairie Resource Foundation is to provide demonstrations, education and consultation to regeneratate the natural resources and promote the economic growth of the rural community. To fulfill this mission, the Foundation has three initiatives: 1) regenerate and protect the natural resource ecology, 2) educate ranchers, citizens and youth about the proper management of the rangeland ecosystem, and 3) enhance the socioeconomic well-being of the rural community. The Comanche Pool Prairie Resource Foundation services a 14 county area in Kansas and Oklahoma through partnerships with the Natural Resource Conservation Service in Kansas and Oklahoma, the U.S. Fish & Wildlife Service, the Kansas Department of Wildlife & Parks, and the National Fish & Wildlife Foundation.

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### APPENDIX
"I am pleased to provide this example of what can be achieved when neighbors work together to strengthen their communities, and share it with other rural areas nationwide."

Governor Judy Martz, Montana
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"The choice for many of our communities is very clear. Either find a way to reinvigorate and, if necessary, reinvent the regional economy, or be prepared to put up a sign saying, 'Last one out, put out the lights.' For most of us, the latter is simply not an option."

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