

THE APPALACHIAN REGIONAL COMMISSION'S USE OF TOURISM AS AN  
ECONOMIC DEVELOPMENT TOOL IN EASTERN KENTUCKY: 1965 - PRESENT

by

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## ABSTRACT

TAYLOR MARIN MATTHEWS. The Appalachian Regional Commission's Use of Tourism as an Economic Development Tool in Eastern Kentucky: 1965 – Present. (Under the direction of DR. AARON SHAPIRO)

A federal agency that was established during the War on Poverty, the Appalachian Regional Commission was created to help develop the Appalachian region through economic development initiatives and improve residents' quality of life. Critics have called the agency a boondoggle that ignores certain parts of the region, especially the poorer areas. An analysis of the Appalachian Regional Commission's tourism development initiatives in Eastern Kentucky, an especially impoverished area in the agency's purview, revealed that earlier criticisms are not quite correct. While Eastern Kentucky's tourism industry is not as robust as its neighboring states, it still benefits the area not only economically, but also serves to preserve cultural and artistic traditions and strengthen leadership within communities. The analysis also revealed that the Appalachian Regional Commission's tourism development methods do not prioritize certain regions over others and help prevent outside control of any tourism projects that are developed.

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## LIST OF ABBREVIATIONS

Appalachian Development Highway System	ADHS
Appalachian Redevelopment Act	ARA
Appalachian Regional Commission	ARC
Appalachian Tourism Research and Development Center	ATRDC
Area Development District	ADD
Area Redevelopment Administration	ARA
Kentucky Area Heritage Trails	KAHT
Mountain Association for Community Economic Development	MACED
Outdoor Recreation Resources Review Commission	ORRRC
Partnerships for Opportunity and Workforce and Economic Revitalization	POWER
President's Appalachian Regional Commission	PARC
Serving Our Appalachian Region	SOAR

## **Chapter 1: Introduction**

*Coal has always cursed the land in which it lies. When men begin to wrest it from the earth it leaves a legacy of foul streams, hideous slag heaps, and polluted air. It peoples this transformed land with blind and crippled men and with widows and orphans. It is an extractive industry which takes all away and restores nothing It mars but never beautifies. It corrupts but never purifies.<sup>1</sup>*

Decades of coal mining in Central Appalachia had chipped away at the well-being of the landscape and its inhabitants by the time John F. Kennedy visited West Virginia in 1960. At the time of his visit during the Democratic presidential primary, Appalachia was recovering from two years of harsh winters and a devastating flood three years earlier. The governor of Kentucky, Happy Chandler, had declared a state of emergency in Eastern Kentucky. Affected by the poverty he saw, especially in the coal mining camps of Welch and Williamson in West Virginia, Kennedy proclaimed before the primary that “If I’m nominated and elected president, within sixty days of the start of my administration, I will introduce a program to the Congress for aid to West Virginia.”<sup>2</sup>

Five years after Kennedy’s visit to West Virginia, Congress signed the Appalachian Redevelopment Act and created the Appalachian Regional Commission (ARC). The federal agency’s purpose was to combat the poverty and hardships that

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<sup>1</sup> Henry M. Caudill, *Night Comes to the Cumberlands: A Biography of A Depressed Area* (Boston: Little, Brown and Company, 1963), x.

<sup>2</sup> Ronald D. Eller, *Uneven Ground: Appalachia Since 1945* (Lexington: The University Press of Kentucky, 2008), 54.

Kennedy saw in West Virginia but also applied to the rest of the Appalachian region. Since its inception, the ARC has worked to develop the economy of Appalachia to bring poverty relief and prosperity to the region's inhabitants. However, areas of the region still struggle and suffer from many of the same issues that plagued West Virginia in the 1960s. Kennedy kept his promise of creating a program to bring aid to West Virginia and other Appalachian states, so why do these issues continue to persist? Some believe that the ARC has been a complete disaster, ignores the needs of certain regions of Appalachia to focus on the agency's personal interests, and from the very start put some areas of Appalachia at a disadvantage due to its development methods. Others argue that the ARC has done good but its impact is weakened by historical, political, and economic issues. This thesis explores the ARC's development impact through one specific part of its economic development plan – tourism – and will focus on Eastern Kentucky, which is home to the largest number of distressed counties in the region due to its isolation and reliance on the coal industry. Tourism development will serve as a lens to examine the positive and negative aspects of the ARC's tourism development initiatives as they have developed over the agency's existence. Although the ARC has many more initiatives in the area those programs have been discussed in other scholarly works while its tourism development initiatives have gone relatively unnoticed. The neighboring areas of East Tennessee, Southwestern Virginia, and West Virginia will be compared to Eastern Kentucky to assess the different approaches in public and private tourism development efforts in other areas in the Appalachian region as well as to demonstrate how earlier tourism investments in the region, such as the Great Smoky Mountains National Park, make tourism development more successful and easier. Whether operated solely by the

ARC or through its many public-private partnerships in the region, analyzing tourism development initiatives in Eastern Kentucky will demonstrate the changing attitudes and approaches to tourism and evaluate the industry's effectiveness as a sustainable economic development tool.

### *The Historical Context of the Appalachian Region*

Stretching from Canada into Alabama, the Appalachian Mountains were once considered the border between civilization and the wild frontier. When most speak of the Appalachian region, however, they mean the distinctive cultural region that came into being in the late 19<sup>th</sup> century, shaped into an “invented Appalachia” defined not by its borders but by the stereotypes of the people who lived in the mountains.<sup>3</sup> This idea of Appalachia that exists in American minds typically applies to West Virginia, East Tennessee, Eastern Kentucky, and Western North Carolina. Even in the nineteenth century, there was a struggle to define the region and its inhabitants – some portrayed it as a backwards, lawless place with violent people who had loose morals while others saw it as the last vestige of a by-gone time. An antithesis to the rest of America, Appalachia became a symbol of the past, a place untouched by progress and the modern world.

Rich in natural resources, the Appalachian region was attractive to outside industries looking to fuel the nation's need for lumber and coal during the nineteenth and early twentieth centuries. The construction of railroads into the isolated region during the middle and late nineteenth century increased the expansion of coal mining in Appalachia, especially in West Virginia, Pennsylvania, Kentucky, and parts of East Tennessee.

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<sup>3</sup> Richard Drake, *A History of Appalachia* (Lexington: The University Press of Kentucky, 2001), 127.

Central Appalachia, specifically Eastern Kentucky and West Virginia, continue to be synonymous with coal mining in American culture despite the industry's steady decline. Despite the booming lumber and coal industries in Appalachia around the turn of the twentieth century, money flowed out of the region and into outside companies, leaving the area seriously destitute and its natural landscape ruined. The industrial companies were the sole source of economic growth and did not encourage a diversification of the economy, leaving the region dependent on these companies. A renewed need for the natural materials of the region occurred during World War II, but unlike the rest of the country that experienced the post-war economic boom, Appalachians found themselves without jobs and few places to turn for economic improvement. To find work of some kind, over 3 million Appalachians left the region between 1940 and 1970 to seek employment in Midwestern cities.<sup>4</sup>

Compared to the rest of the nation, Appalachia continues to have higher death rates, low educational attainment, and struggling economies despite the efforts of the ARC and the War on Poverty. There is also a growing distance between the urban and rural areas of Appalachia in terms of social and economic issues. The ARC has been criticized for ignoring the poorer counties of the region and in 1983, established the distressed counties program to identify struggling counties.<sup>5</sup> To measure a county's economic status, the ARC uses three indicators of economic health: three-year average unemployment rates, per capita market income, and poverty rates. Those that rank as distressed, which are the poorest and most economically stressed, rank in the worst ten

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<sup>4</sup> Eller, *Uneven Ground*, 20.

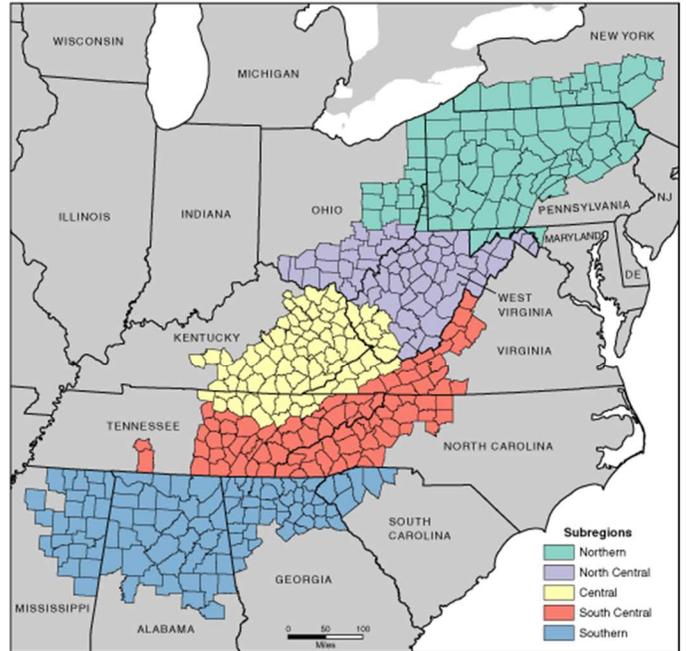
<sup>5</sup> Eller, *Uneven Ground*, 192, notes that in 1975 a meager 23% of funds were given to Central Appalachia while Southern Appalachia received 40% and Northern Appalachian received 37%.

percent of the nation’s counties.<sup>6</sup> Most distressed counties were, and continue to be, located in Eastern Kentucky and southern West Virginia. During the economic downturn in the 1980s, Central Appalachia was hit harder than the rest of the region – some counties of Eastern Kentucky and southern West Virginia had poverty rates that were three times the national average.<sup>7</sup>

The ARC and Other Federal Agencies in Appalachia

After Kennedy won the presidential election of 1960, he met with the Council of Appalachian Governors who sought help from the United States government to modernize the Appalachian regions of their states. The President’s Appalachian Regional Commission (PARC) was established in

1963 to help bring money to the region and after Kennedy’s death later that year, President Lyndon B. Johnson continued to campaign for funds to aid Appalachia. During a speech to Congress calling for a nationwide war on poverty in 1964, Johnson made it clear that there were “programs to help badly distressed areas such as the Area Redevelopment Act, and the legislation now being prepared to help Appalachia.”<sup>8</sup> The



Map by: Appalachian Regional Commission, November 2009.  
Figure 1: A map of the subregions as defined by the Appalachian Regional Commission. This map shows the more specialized classifications that the ARC created in 2009. Source: [https://www.arc.gov/research/mapsofappalachia.asp?MAP\\_ID=31](https://www.arc.gov/research/mapsofappalachia.asp?MAP_ID=31).

<sup>6</sup> Appalachian Regional Commission, “Distressed Counties Program,” *Appalachian Regional Commission*, accessed May 15, 2018, <https://www.arc.gov/distressedcounties>.

<sup>7</sup> Ellers, *Uneven Ground*, 212.

<sup>8</sup> Lyndon B. Johnson, “Special Message to the Congress Proposing a Nationwide War on the Sources of Poverty, March 16, 1964,” in *Public Papers of the Presidents of the United States: Lyndon B. Johnson*,

following year, President Johnson signed the Appalachian Redevelopment Act, thus creating the ARC.

As part of Johnson's nation-wide War on Poverty, the ARC became a cooperative venture between the federal government and the governors of the thirteen Appalachian states within the region including the entirety of West Virginia and portions of Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and Virginia. The ARC's geographic area was loosely defined to cover as many areas as possible, so states that were not a part of the Appalachian region were included because they were rural and suffer from the same economic issues. States were then divided into subregions so services could be directed to meet specific needs in an area.

Prior to the creation of the ARC, other federal agencies had been established to help alleviate poverty throughout the United States, including in Appalachia. Several of these agencies were enacted in response to the Great Depression during the 1930s and include the Works Progress Administration, which operated nationwide, and the Tennessee Valley Authority which operates in Tennessee, Alabama, Mississippi, Kentucky, Georgia, North Carolina, and Virginia. While the Works Progress Administration was dissolved in 1943, the Tennessee Valley Authority continues to operate today. Another federal agency, the Area Redevelopment Administration, was established in 1961 to aid depressed areas. This agency was the closest precursor to the

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*1963-64, Book II July 1 to December 31, 1964* (Washington D.C.: United States Government Printing Office, 1970), 378.

ARC and provided funding for training, industrial loans, public facilities, and technical assistance,<sup>9</sup> but was eventually phased out after Kennedy created the PARC.

The structure of the ARC promotes a partnership between the federal, state, and local levels of government and has no governing powers within Appalachia. It is



Figure 2: A 1919 map of the Dixie Highway.

Source:

<https://georgiainfo.galileo.usg.edu/images/uploads/gallery/DixieHwyMap1919.jpg>

composed of the thirteen governors of states included with the Appalachian region and a Federal Co-Chair who is appointed by the president. One of the thirteen governors is appointed as the States' Co-Chair. There are seventy-three local development districts, which are made up of multiple counties with boards that consist of local community members that represent residents and the interests of communities. The ARC adopted goals that had not been previously dealt with by previous federal agencies in the region, such as transportation. It aimed at combating poverty in the region by working on issues the PARC had determined as important in its publication

*Appalachia: A Report by the President's*

*Appalachian Regional Commission, 1964. The*

<sup>9</sup> David E. Whisnant, *Modernizing the Mountaineer: People, Power, and Planning in Appalachia* (Knoxville: The University of Tennessee Press, 1980), 72.

PARC stated in the report that Appalachia's "cities and towns, its areas of natural wealth and its areas of recreation and industrial potential must be penetrated by a transportation network which provides access to and from the rest of the nation and within the region itself."<sup>10</sup> The issue of isolation was addressed by Congress through the creation of the Appalachian Development Highway System as part of the Appalachian Regional Development Act of 1965 to build roads that would help connect the region and improve economic development. The report oddly enough does not mention the Dixie Highway, which was established in 1915 and connected the Midwest to the Southern United States. It passed through areas that would later become part of the ARC's purview including Eastern Kentucky, East Tennessee, and Northwest Georgia. The Commission's other projects included natural resource management, such as timber, and development of water resources in the region.

The ARC would achieve these goals by identifying "growth centers" in the region where it would focus most of its time and resources on development. The growth center strategy was the ARC's prevailing economic philosophy at the time and claimed that by focusing on identified growth centers, economic development would eventually trickle out to the surrounding rural areas. At the time, the ARC's development was aimed towards modernizing the Appalachian region by raising it to the same economic level as the rest of the nation. It would assist residents of the region who would benefit from the federal money flowing into the region to fund development projects. Architects of the Appalachian Regional Development Act reasoned that the Commission would have a

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<sup>10</sup> President's Appalachian Regional Commission, *Appalachia: A Report by the President's Appalachian Regional Commission, 1964* (Washington, D.C.: U.S. Government Printing Office, 1964), 32.

very limited amount of money and therefore could not afford to give funding to every struggling city or town. In an interview with *U.S. News and World Report* after the passage of the ARDA, John L. Sweeney commented on the ARC's use of the growth center strategy would be to "concentrate all of the [ARC] spending for economic development in places where the growth potential is greatest... Ignore the pockets of poverty and unemployment scattered in in accessible hollows all over the area... and build a network of roads so that the poor and unemployed can get out of their inaccessible hollows and commute to new jobs in or near the cities."<sup>11</sup> These growth centers were primarily located in the northern and southern regions of Appalachia, leaving the inhabitants of the poorest area - Central Appalachia – to either move away or stay and watch as their communities slowly die due its isolation and lack of worthwhile centers of development.

### Historiography

The idea of Appalachia as a backward, rural, and deeply impoverished region has served as "a counterpoint to emerging definitions of progress at the turn of the twentieth century."<sup>12</sup> The desolation of Eastern Kentucky was brought to America's attention by Harry Caudill's 1963 work *Night Comes to the Cumberlands: A Biography of a Depressed Area* which traced the economic history of the area from the first settlements to the 1960s and recommended the creation of a "Southern Mountain Authority." Homer Bigart's pieces in the *New York Times* also helped bring Appalachia into focus for Johnson's War on Poverty. Works exploring the economic status of the region were

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<sup>11</sup> Ellers, *Uneven Ground*, 181.

<sup>12</sup> *Ibid.*, 1.

published often in the decades following the establishment of the ARC covering the issues of outside landownership and its impact, the reasons for Appalachia's dependency on outside industries, and the coal industry that dominated Central Appalachia.<sup>13</sup> There have been relatively few works since the 2000s, aside from Ronald Eller's *Uneven Ground*, that have continued to explore the region's continued economic difficulties.

Since the War on Poverty, government agencies and private entrepreneurs have attempted to lift the region out of the depths of poverty and backwardness but some scholars who specialize in Appalachian Studies have not approved of agencies' actions in the region. These authors claim that the policies of numerous federal agencies, especially the ARC, have been focused on the wrong places on the wrong things and have ignored the more pressing issues that plague Appalachia. David E. Whisnant calls the ARC "a nearly unmitigated disaster in every respect. . . convention, business-oriented, status quo, pork barrel politics masquerading as 'creative federalism'."<sup>14</sup> Federal agencies heavily pushed tourism development, especially the Area Redevelopment Association (ARA), a precursor to the ARC. The ARA reported that by 1965 nearly \$70 million of its budget had gone to projects related to tourism and that they continued to push it as a strategy despite the limited success of funded projects.<sup>15</sup>

The ARC continued to push tourism development after the Area Redevelopment Association had been phased out, despite proof that jobs in the industry were not substantial enough to make a difference in the struggling region. Whisnant rarely

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<sup>13</sup> Examples of such publications include: *Who Owns Appalachia? Landownership and Its Impact, An Economic Analysis of the Appalachian Coal Industry Ecosystem*, and *Economic Diversity in Appalachia*.

<sup>14</sup> Whisnant, *Modernizing the Mountaineer*, xxi.

<sup>15</sup> *Ibid.*, 87.

mentions the agency's tourism development initiatives, and when he does it is to point out the industry's limited economic power.<sup>16</sup> His overall argument about the effectiveness of the ARC in Central Appalachia is relevant considering the purpose of this thesis in looking at how the Commission has operated within Eastern Kentucky, although his condemnation of the ARC as a disaster is not altogether accurate. The ARC has achieved a lot for the region despite its often misplaced importance on initiatives that failed to come to fruition.

Like Whisnant, Ronald Eller believes that the government's involvement has done little to cure the problems that cause Appalachia's issues in the first place. Tourism development features prominently in Eller's work as a method to develop and diversify the economies of Appalachian counties. But for those that lacked manageable routes into the area or usable land and natural landscapes due to the coal and logging industries, it was not a viable industry. Counties close to metropolitan areas or with readily accessible highways stood a greater chance at being able to use tourism to draw in money and visitors to the area. This is an important point considering that Eastern Kentucky is a very isolated region and only has one city with a population over 20,000.

C. Brenden Martin consistently highlights the dual nature of tourism and echoes many of the same ideas as Hal K. Rothman – that tourism “is barely distinguishable from other forms of colonial economies...founded by resident protoentrepreneurs, the industry expands beyond local control, becomes institutionalized by large-scale forces of capital,

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<sup>16</sup> Whisnant's book was published in 1980 and is therefore of little use when it comes to analyzing what the ARC has done with tourism development in the past 37 years. However, it does offer a perspective that is contrary to the multiple reports published by the Commission since its inception in 1965.

and then grows to mirror not the values of place but those of the traveling public.”<sup>17</sup> An article by Stephen Paul Whitaker agrees with Rothman and argues that the development of the tourism industry is a continuation of the decades of exploitation that the region has suffered at the hands of outside forces. He believes that the state of Kentucky has used negative stereotypes about the Appalachian region of the state to market the area as well as giving tax breaks to outside businesses involved in the industry, thus hurting rather than helping the residents of the state.<sup>18</sup>

Unlike Whitaker and Rothman, Martin does not see the tourism industry as a continuation of the colonial extractive economies that have been a part of Appalachia’s economy. He does acknowledge the negative effects tourism can have on communities, especially if it remains unchecked and becomes the sole basis of the economy. In a diversified local economy, tourism is beneficial to a community but, as Martin points out in the cases of Gatlinburg and Pigeon Forge, it is more a curse than a blessing due to the unregulated expansion of development related to tourism and the effects it has had on the environment and locals through property tax increases and pollution. The tourism industry is a principal force in the construction of the identity of the Mountain South and influenced tourists’ perceptions of the region.<sup>19</sup>

This study addresses the economic and social effects of tourism development but also looks at how residents perceive tourism as an economic development tool for their

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<sup>17</sup> Brenden C. Martin, *Tourism in the Mountain South: A Double-Edged Sword*, (Knoxville: University of Tennessee Press, 2007), 136.

Hal Rothman, *Devil’s Bargains: Tourism in the Twentieth-Century American West* (Lawrence [KS]: University Press of Kansas, 1988), 16.

<sup>18</sup> Stephen Paul Whitaker, “A New Wave of Colonization: The Economics of the Tourism and Travel Industry in Appalachian Kentucky,” *Journal of Appalachian Studies* 6, no. 1/2 (2000): 35.

<sup>19</sup> Martin, *Tourism in the Mountain South*, 136.

communities. In the case of this thesis, the community represents residents and the leadership of that town, city, or region. Existing works on the ARC and its tourism initiatives are few and far between and usually published by the Commission itself. These works are often data-heavy and full of statistics with little historical or cultural context. This thesis offers an interdisciplinary analysis of the ARC's tourism development initiatives through history, culture, economic, and public policy studies focused on the Appalachian region and the Southeastern United States to provide a more complete picture of tourism development within Eastern Kentucky.

While Appalachia is a unique region on its own, tourism development in the region shares similarities with the industry throughout the American South. Karen Cox's *Destination Dixie: Tourism and Southern History* explores how tourism developers in the Deep South have manipulated the region's history to appeal to tourists. This has played a major role in developing the South's identity. Promoters have carefully crafted the narratives presented as historical sites to specifically appeal to white tourists, like Gatlinburg and Pigeon Forge in East Tennessee. In these two towns, tourism attractions play upon the image of Appalachia and its inhabitants in American culture with places like Dollywood and Hillbilly Golf. The curated collection of essays argues that the narratives and images of the South are often created to be consumed by tourists to the region. These manufactured images have had impacts on not only how other Americans and the world view the American South, but also how Southerners view and understand themselves and their history.<sup>20</sup>

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<sup>20</sup> Karen L. Cox, *Destination Dixie: Tourism & Southern History* (Gainesville: University Press of Florida, 2013), 2.

Richard Starnes' collection of essays explores many of the same themes as Cox but focuses more on the economic impact of tourism on the South. Starnes notes that tourism is "one of the most powerful economic forces in the modern South" that is "creating jobs, spawning new businesses, and generating much needed revenue" yet has "wrought pronounced changes on the contours of southern society."<sup>21</sup> Two of the essays in the collection focus on tourism development in Appalachia - Daniel S. Pierce and Anne Mitchell Whisnant explore how the construction of highways has impacted the development of resorts in the region.<sup>22</sup> The ARC has released multiple reports on the economic impact of their Appalachian Highway Development System, including how it affects the tourism industry. These chapters support the ARC's argument that accessibility to areas due to the construction of highways certainly increases tourism in an area.

### Conclusion

*"The people in Washington take a look at Eastern Kentucky and then they go right across the whole business before they see anything that arouses their attention...a place that in their opinion has the capacity for growth..."<sup>23</sup> – John Whisman, Kentucky's Regional Representative for the Appalachian Regional Commission, 1966 - 1976*

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<sup>21</sup> Richard D. Starnes, *Southern Journeys: Tourism, History, and Culture in the Modern South* (Tuscaloosa: University of Alabama Press, 2003), 1.

<sup>22</sup> Daniel S. Pierce, "The Road to Nowhere: Tourism Development Versus Environmentalism in the Great Smoky Mountains," in *Southern Journeys: Tourism, History, and Culture in the Modern South*, (Tuscaloosa: University of Alabama Press, 2003): 196-214. Anne Mitchell Whisnant, "Public and Private Tourism Development in 1930s Appalachia: The Blue Ridge Parkway Meets Little Switzerland," in *Southern Journeys: Tourism, History, and Culture in the Modern South*, (Tuscaloosa: University of Alabama Press, 2003): 88-113.

<sup>23</sup> Eller, 181.

The counties of Eastern Kentucky are some of the poorest in the country.

According to the Economic Research Service, almost all are considered “persistent

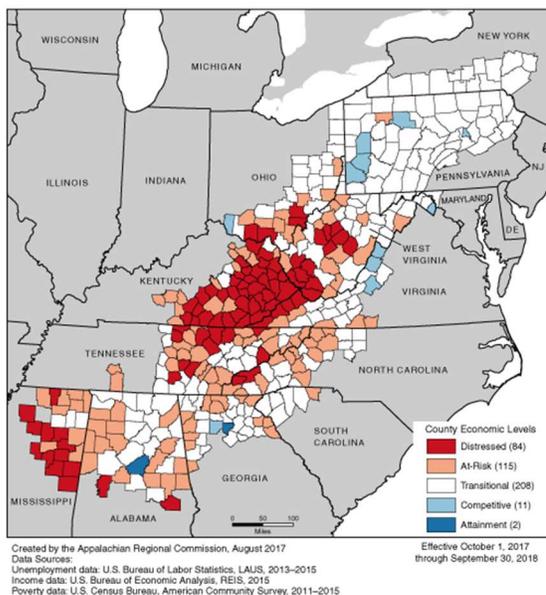


Figure 3: The ARC's 2018 Economic Status Report of the region. Note that the greatest concentration of distressed counties is in E. KY. Source: [https://www.arc.gov/research/MapsofAppalachia.asp?MAP\\_ID=137](https://www.arc.gov/research/MapsofAppalachia.asp?MAP_ID=137).

poverty counties” which means that twenty percent or more of the population in these counties has been living in poverty since 1980.<sup>24</sup> In the ARC’s economic status reports, the Appalachian counties of Kentucky are consistently considered to be at the lowest level of economic attainment. Once dominated by the coal industry, the region has suffered greatly once coal was no longer king.

The tourism industry appears to be a

booming industry for the state— in 2008, tourism in Kentucky generated \$10.1 billion and employed 176,840 people.<sup>25</sup> However, statistics can be deceiving and the numbers used are for the entire state of Kentucky, not just the Appalachian portion. A 1963 report from Resources for the Future, a think tank dedicated to environmental issues, on the resources and people of Eastern Kentucky stated that the area at the time did not have the potential to be a popular area for tourism due to issues caused by the coal mining industry and the ruralness of the region but with work, could eventually draw in tourists with the natural

<sup>24</sup> Economic Research Service, “Geography of Poverty”, *United States Department of Agriculture*, March 1, 2017, <https://www.ers.usda.gov/topics/rural-economy-population/rural-poverty-well-being/geography-of-poverty.aspx>.

<sup>25</sup> Matthew E. Kahn, “Cities, Economic Development, and the Role of Place-Based Policies: Prospects for Appalachia” in *Appalachian Legacy: Economic Opportunity After the War on Poverty*, ed. James P. Ziliak (Washington, D.C.: Brookings Institution Press, 2012), 164.

beauty of the area. Despite having abundant places of natural scenery, much of the landscape had been damaged by the mining industry through mountaintop removal and strip mining. The report recommended that individuals and groups, whether they be official or private, should take steps to “clear away unsightliness, to prevent its appearance in new spots, and to encourage the motorist to get out of his car to explore the hills and stay the night.”<sup>26</sup>

By focusing on one portion of the Commission’s economic development plan for Appalachia – the creation of a tourism industry – this thesis will show that the ARC has followed and continues to work on economic development in Eastern Kentucky through tourism and other initiatives, such as education, public health, and building infrastructure, but has been hindered by the economic history of the area as well as regional, state, and national issues. To do so the region will be compared with other areas of Appalachia that have been more successful with tourism development, such as East Tennessee, West Virginia, and Southwestern Virginia, that have similar economic backgrounds but have benefited from things such as established tourism industries and strong non-profit organizations that Eastern Kentucky lacks. By analyzing how and where the ARC funds projects, it will show that the ARC is dedicated to developing the tourism industry within Eastern Kentucky directly through the ARC and through their multiple non-profit partners. The ARC is aware that tourism is not the ultimate solution to solving Eastern Kentucky’s economic issues, but uses tourism development to foster leadership and pride in the community.

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<sup>26</sup> Mary Jean Bowman and W. Warren Haynes, *Resources and People in East Kentucky: Problems and Potentials of a Lagging Economy* (Baltimore: Johns Hopkins Press, 1963), 274.

This thesis will also address the sustainability of the tourism industry and its use as an economic development tool in Eastern Kentucky and throughout Appalachia. Hal Rothman and other scholars argue that tourism development can easily lead to the commodification of culture and the exploitation of regions. What has the ARC and its partners in the region done to prevent this or is the Commission's promise of sustainable tourism development just another empty promise? Explaining how the ARC has developed tourism in the region and the way tourism attractions they have helped fund is essential. When dealing with a region that has inspired widespread stereotypes, does the Commission do anything to combat them? Or does it play into what the outside tourist wants to see and what they believe that Appalachia is – a backwater area where the inhabitants lead simple lives in a bygone time? Whitaker argues that the state of Kentucky has focused on developing tourism attractions, such as preserving former coal mining towns or promoting the Hatfield and McCoy feud, that do not promote the history of Eastern Kentucky but instead sells the stereotypes of the region to tourists. Even though these examples are all a legitimate part of Eastern Kentucky's history, they “represent a complex commodification of stereotypes that are perpetuated by the state and a way for Kentucky to present itself to the world.”<sup>27</sup> The private industry in Gatlinburg and Pigeon Forge in Tennessee has certainly taken advantage of these stereotypes and commodified them to make money, so who is to say that the ARC has not done the same thing in Eastern Kentucky or elsewhere in Appalachia? Playing into these popular stereotypes not only capitulates to the public's view of what Appalachia is but

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<sup>27</sup> Whitaker, 38.

also affects residents' views about their own history and eventually becomes internalized as an accurate representation of themselves.

The second chapter provides in-depth background on how ARC's tourism initiatives have developed since its inception. Major developments and their relation to broader economic changes in the United States are discussed. Sources used include multiple reports from the ARC on recreation and tourism development and its annual reports, which will also be used in the third chapter. There will be some discussion of projects in Eastern Kentucky, but chapter three focuses specifically on tourism development in the region, explaining how tourist sites are chosen, who chooses them and resident reactions to the use of tourism as an economic development tool. What are residents' perceptions of tourism and who it is for? Many have expressed concerns about using tourism to replace the manufacturing industry and whether tourists will have a negative impact on their community. Newspaper articles from the area are useful in providing this crucial viewpoint. It will also delve into the public-private partnerships that the ARC has with non-profits in the area and how these efforts have affected tourism development within the region. The state of Kentucky's tourism development efforts within Eastern Kentucky will also be addressed through analyzing state laws, reports, and the short-lived Kentucky Appalachian Task Force that was run by the state. The conclusion will explore why Eastern Kentucky continues to lag behind its neighboring states in tourism development and other industries and offer suggestions to changes in public policy for both the ARC and the state of Kentucky that would help Eastern Kentucky's economy and tourism industry.

## **Chapter 2: “Turning Assets Into Opportunities”: The History of the Appalachian Regional Commission’s Tourism Development Programs**

*“New jobs that are being generated in restaurants and hotels, motels and resorts, and recreational centers of the country contribute to the expansion of our national well-being, providing an important contribution, therefore, to our total economy. Tourism is an important industry for many parts of our land and can be a powerful factor in building the economy of such areas as Appalachia.”<sup>28</sup> – President Lyndon B. Johnson, 1964*

In 1966, only in its second year, the ARC funded a recreation impact study to analyze the regional recreation industry. Recreational opportunities often attract tourists to an area to enjoy outdoor activities such as hiking, white water rafting, and rock climbing. The study reported issues typical of the tourism industry – low wages, seasonality, having to rely on outside goods and services to maintain the market, and its “limit...as a vehicle for generating a self-sustaining economy.”<sup>29</sup> Despite the warnings about the negative impacts of the unchecked development happening in Gatlinburg, Tennessee and the marginal impacts of tourism development on the economy, the ARC decided to move forward with its recreation and tourism plan.<sup>30</sup>

In the 1970s, academics and activists began focusing on the negative impacts of economic growth and technology on society and the environment. Appalachian activists

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<sup>28</sup> Lyndon B. Johnson, “The President’s News Conference of August, 15, 1964,” in *Public Papers of the Presidents of the United States: Lyndon B. Johnson, 1963-64, Book II July 1 to December 31, 1964* (Washington D.C.: United States Government Printing Office, 1970), 964.

<sup>29</sup> Appalachian Regional Commission, *1967 Annual Report* (Washington, D.C.: Appalachian Regional Commission, 1967), 78.

<sup>30</sup> David E. Whisnant, *Modernizing the Mountaineer: People, Power, and Planning in Appalachia* (Knoxville: The University of Tennessee Press, 1980), 168.

focused on issues such as strip mining, clear-cutting, and the defense of family farms in the region.<sup>31</sup> During this time, the public demanded recreational outdoor tourism. Single-activity attractions, such as hiking, biking, and fishing were especially popular in rural areas, such as Appalachia. The renewed interest in enjoying the unspoiled outdoors echoed the 1970s environmentalism movement in the search for a balance between economic growth and quality of nature. Tourism and second-home development were welcomed, but the goal was to do so without destroying the landscape or exploiting the people of Appalachia.<sup>32</sup>

Influenced by the public's interest in outdoor recreation, the ARC undertook the *Recreation Potential in the Appalachian Highlands: A Market Analysis* study in 1972, which further analyzed the twenty-three focal points of development that had been pointed out in the 1966 report. The study's purpose was to identify potential recreation and tourism sites and make states, local municipalities, and federal agencies aware of these opportunities. The case studies in the report had the potential to become primary recreation destination areas in what the ARC called the Appalachian Highlands – which includes parts of Georgia, South Carolina, Tennessee, New York, North Carolina, Kentucky, Virginia, West Virginia, Pennsylvania, and Maryland.<sup>33</sup> Many of these destination areas were already popular due to their proximity to the Appalachian and Smoky Mountains and would later become popular sites for second home development.<sup>34</sup>

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<sup>31</sup> Ronald D. Eller, *Uneven Ground: Appalachian Since 1945* (Lexington: The University Press of Kentucky, 2008), 195.

<sup>32</sup> Ibid.

<sup>33</sup> Appalachian Regional Commission, *1971 Annual Report* (Washington, D.C.: Appalachian Regional Commission, 1971), 90.

<sup>34</sup> Like many of their reports, the Appalachian Regional Commission never really acted directly upon the information found in the 1972 *Recreation Potential* report. It was more information for information's sake

A few years later in 1973, the Economic Development Administration released a study that investigated the long-term economic impacts of specific tourism development projects, including five that were located in Appalachia. The results echoed those of the 1966 report – hardly any of the jobs created were permanent and the annual incomes were low.<sup>35</sup> That same year, the ARC founded its Culture and Tourism Committee despite the evidence that tourism was not as strong of an economic development tool as it believed.

The ARC continued its focus on the possibilities of drawing tourists to the area with recreation sites throughout the 1970s. A 1975 study on tourism policy in the region was “undertaken to provide a thorough review and analysis of tourism promotion, development controls, and public and private investments in the Region.”<sup>36</sup> What the study revealed was that tourism promotion initiatives in the region were simply not up to par and lacked central themes, coordination, and strong advertising campaigns. One interesting conclusion was that tourism development was probably hindered by the public image of the area. The ARC was already questioning the potential of tourism development in Appalachia and what approach would be the most beneficial for the region with studies such as the one published in 1975. This demonstrates the ARC’s commitment to its goals and that it was concerned with not only creating jobs and bringing in money to Appalachia through tourism development, but that it was also

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at the time although it likely influenced later decisions when the ARC began to build up their tourism development initiative in the 1990s and 2000s.

<sup>35</sup> For example, the Carter Caves tourism project in Kentucky: 28% of the thirty-nine jobs created were permanent and the average annual income for all jobs was a meager \$2,206. Whisnant, *Modernizing the Mountaineer*, 169.

<sup>36</sup> Centaur Management Consultants, *Tourism Policy Study for Appalachia*, (Washington, D.C.: The Consultants, 1975), i.

already concerned with the proper way to develop the tourism industry that would be beneficial for residents, tourists, and the region.

The ARC conducted a study on possible markets for recreational properties in the region and discovered that there were 260,000 leisure homes in Appalachia.<sup>37</sup> These homes were owned by urbanites from the Atlantic seaboard and those living in industrial centers who wanted to escape the polluted cities and enjoy the unspoiled scenic landscape of Appalachia.<sup>38</sup> Central Appalachia and other coal mining areas of the region were not particularly appealing, but the mountainous areas of Southern Appalachia were. In Watauga County, North Carolina 21.2% of houses in 1970 were for “seasonal and migratory” occupancy and the rise in recreation development drove land values up, resulting in over a 300 percent increase between 1961 and 1974.<sup>39</sup>

However, second-home development and “residential tourism” has its downfalls as well. Development on a massive scale can be detrimental to the environment and result in issues like flooding, pollution of local waterways, and heavy erosion.<sup>40</sup> The development of second-homes would increase the price of land and strengthen the local economy due to a rise in demand for products, services, and building materials. Residents in areas that were expecting considerable second-home development expressed concerns about these environmental issues. A 1975 ARC report noted that “environmental

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<sup>37</sup> Appalachian Regional Commission, *1974 Annual Report* (Washington, D.C.: Appalachian Regional Commission, 1974), 63.

<sup>38</sup> *Ibid.*, 60.

<sup>39</sup> The Appalachian Land Ownership Task Force, *Who Owns Appalachia? Landownership and Its Impact* (Lexington, KY: University Press of Kentucky, 1983), 98.

<sup>40</sup> An example of the negative effects of overdevelopment is Gatlinburg and Pigeon Forge in East Tennessee. The West Prong of the Little Pigeon River was so polluted by the early 1970s that the state of Tennessee had to issue a moratorium on construction in the two towns for six years. Source: Brenden C. Martin, *Tourism in the Mountain South: A Double-Edged Sword*, (Knoxville: University of Tennessee Press, 2007), 190.

problems related to tourism development are for the most part associated with vacation home developments” and that sewage disposal issues, especially in the mountains or near lakes, is common.<sup>41</sup> Despite concerns, it was suggested that the ARC should address the environment issues that are caused by both residential tourism development and commercial development, not just by tourism.<sup>42</sup> In addition to environmental concerns, second-home development can also lead to inhabitants harboring feelings of ill-will towards out-of-state owners and residential tourists who push lower- and middle-class families out of the market due to rising taxes and land costs. Several years later in 1976, the ARC sponsored a report with other federal agencies on the impact of recreational and second home land development that revealed its negative effects.<sup>43</sup> Other reports on land ownership in Appalachia, such as *Who Owns Appalachia? Landownership and Its Impact*, which was sponsored by the ARC, further demonstrated the issues surrounding housing and land development in the region and eventually the ARC discontinued its interest in the benefits of second home development.

The 1980s were a difficult time for the ARC after the election of Ronald Reagan, who proposed to completely cut funding to the agency. President Reagan’s economic plan, often called “Reaganomics”, entailed cutting government spending, reducing the income and capital gains tax, reducing government regulation, and tightening the money supply to reduce inflation which had been steadily rising during the 1970s. For the eight years of Reagan’s presidency the ARC routinely faced the possibility of budget cuts or

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<sup>41</sup> Centaur Management Consultants, vi.

<sup>42</sup> *Ibid.*, vii.

<sup>43</sup> See: American Society of Planning Officials, “Subdividing Rural America: Impacts of Recreational Lot and Second Home Development,” prepared for the Council on Environmental Quality, Office of Policy Development and Research, Department of Housing and Urban Development and Appalachian Regional Commission (Washington, D.C.: U.S. Government Printing Office, 1976).

having to shut its doors completely. In 1981, a group of Appalachian governors convened to create a “finish-up program” that would maintain the most important roles of the agency in the face of severe budget cuts. The proposal prioritized the Appalachian Development Highway Systems and limited funding for programs not affiliated with the highway system so the ARC would only contribute 50% of total project costs to any approved projects.<sup>44</sup> Reduced funding to the ARC and a nation-wide economic downturn during the 1980s severely affected Appalachia and the region would struggle well into the next decade.

As the decade progressed, the number of supplemental grants given to states for recreation and tourism purposes dwindled to zero. There are no mentions of tourism in the annual reports of the Commission again until 1987. During this year and 1988, the ARC developed classes and workshops that would help expand the tourism industry.<sup>45</sup> These education programs were part of the agency’s and the local development district’s new policies and focused on skills and issues related to the development of small businesses, including those that would be part of the tourism industry such as restaurants and hotels. After Reagan’s administration, the ARC continued to receive funding from Congress and saw renewed support during the Clinton administration. President Clinton asked Congress in 1999 to fund the Appalachian Development Highway System from the federal Highway Trust Fund, which the ARC Federal Co-Chairman said “signals the

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<sup>44</sup> Eller, *Uneven Ground*, 209.

<sup>45</sup> Appalachian Regional Commission, *1988 Annual Report* (Washington, D.C.: Appalachian Regional Commission, 1988), 7.

administration's strong and continuing support for ARC's economic development programs, both highway and nonhighway."<sup>46</sup>

In the 1990s, the United States' manufacturing industry was dying due to automation in factories and the offshoring of jobs, and began to move towards a service-based economy where industries such as finance, insurance, real estate, hotels, and tourism, would replace manufacturing as the biggest source of income for the country.<sup>47</sup> The ARC recognized this change and began a renewed focus on the tourism industry in the region to reflect the nation-wide economic shift. In October 1990, the Appalachian Tourism Research and Development Center, also known by its acronym ATRDC, was established at Concord College in Athens, West Virginia by the ARC in conjunction with Concord College and West Virginia University. The Center was funded by the ARC to support any tourism development efforts within the thirteen states of the Appalachian region by conducting research and creating an extensive database of the data the Center collected. Restaurants, hotels, and attractions were all included in the database and meticulously recorded. The ARC's support of the ATRDC reflects that the agency was aware of tourism's current and possible future role in the economies of Appalachian communities. Tourism offices in each state would receive a copy of the state-level data that would help them demonstrate the economic impact of the tourism industry and identify potential markets for future growth.<sup>48</sup>

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<sup>46</sup> "Inside Information: January – April 1988 Issue", *Appalachia Magazine*, January – April 1988, accessed July 1, 2018, [https://www.arc.gov/magazine/articles.asp?ARTICLE\\_ID=137](https://www.arc.gov/magazine/articles.asp?ARTICLE_ID=137).

<sup>47</sup> Since January 1989, the manufacturing industry had lost almost 1.8 million jobs, which was an average of almost 32,000 jobs per month. Source: U.S. Congress, Joint Economic Committee, *Manufacturing Job Losses and the Future of Manufacturing Employment in the United States* Hearing October 5, 1993 (Washington, D.C.: Government Printing Office, 1993), 1.

<sup>48</sup> Gordon W. McClung and The Appalachian Tourism Research and Development Center, *Database for the Appalachian Region Codebook* (Athens, WV: Concord College Foundation, 1991), iii.

The ARC and the ATRDC had an ally in the US Senate in the form of Senator Robert C. Byrd (D-WV), an alumnus of Concord College. Byrd, along with fellow West Virginia senator Jennings Randolph, had been a proponent of the ARC since its inception and worked to secure funds for the program as a member of the Senate Appropriations Committee. During his time as Chairman of the Senate Appropriations Committee from 1989 to 1995, Byrd defended the use of federal money for tourism development projects from critics who labeled it as pork barrel spending<sup>49</sup> - even going so far as to earmark money for the Center – by saying that they represented “progress” for his home state of West Virginia and the other Appalachian states.<sup>50</sup> Byrd’s continual fight to procure funding for the ARC, especially for the Appalachian Development Highway System program, benefited not only West Virginia but every other state in the ARC’s domain. While Byrd and other supporters may not have had a direct impact on the development of ARC programs and policies, their work garnered praise and influence from the Commission. For example, the Appalachian Development Highway System in West Virginia is named after Senator Byrd.

The Senator firmly believed that the tourism industry was a vital part of economic development in the region. In the first newsletter of the ATRDC, he wrote that tourist attractions could “create a new image and a new perception of our region” and “lay a new economic foundation...bringing new hope and prosperity to West Virginia and all of the Appalachian states.”<sup>51</sup> The creation of tourist attractions would help dispel the

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<sup>49</sup> The watchdog group Citizens Against Government Waste labeled Senator Byrd as the “King of Pork” and called his numerous projects in West Virginia “Byrd Droppings.” Source: <https://www.cagw.org/media/press-releases/cagw-names-sen-robert-byrd-porker-month>.

<sup>50</sup> The Appalachian Tourism Research and Development Center, *The Forum: Quarterly Newsletter of The Appalachian Tourism Research and Development Center* 1, No. 1 (Spring 1991): 1.

<sup>51</sup> The Appalachian Tourism and Research Development Center, *The Forum*, 1.

perceptions of the region and bring in visitors and their money. Before these tourist attractions could be developed, however, the ATRDC needed to find out what brought visitors to the region and why.

In 1992, “The Appalachian Tourist: A Profile and Analysis” report was published and contained data on what brought visitors to the region and their economic impact. Financed by the Concord College Foundation, a non-profit organization dedicated to furthering the work of Concord College, on behalf of the ATRDC, the data collected was based on phone and field interviews from eight Appalachian states and sixteen metropolitan areas outside of the region. Interviews revealed that tourists in the region primarily came to visit friends and family and that 35.9% of them were from the Appalachian region themselves.<sup>52</sup> Visitors to the region spent significantly less per trip than tourists who visited other areas of the United States but still made an annual opportunity cost impact of \$1.1 to \$1.2 billion in the region.<sup>53</sup> The difference in spending per trip can be explained since most tourists to the area were from the Appalachian region themselves. It is considerably cheaper to travel within the Appalachian region and purchase items such as gas, food, hotel rooms, and souvenirs compared to more expensive destinations like New York City or Boston. Since most Appalachian tourists were also visiting people, it is reasonable to assume that they stayed with their friends and family rather than spend money on a hotel, further driving down the cost of their trip.

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<sup>52</sup> Gordon McClung, Rebecca Suter, and The Appalachian Tourism Research and Development Center, *The Appalachian Tourist: A Profile and Analysis* (Athens, WV: The Appalachian Tourism Research and Development Center, 1991), 12.

<sup>53</sup> *Ibid.*, 12. An opportunity cost in economic terms is the price of the next best choice had one not made the first choice. In the example of visitor expenditures to Appalachia, this means that had visitors gone through with the choice to visit somewhere other than Appalachia, they would have spent more money but even with the smaller amount spent per trip in Appalachia, tourists still put in \$1.1 to \$1.2 billion into the economy of the region.

Increasing tourist travel within the Appalachian region is not only dependent on the reasons they visit, but also on how easy it is to drive from place to place. Therefore, tourism in rural areas depends upon the existence of an extensive highway infrastructure system – when completed, the Appalachian Development Highway System (ADHS) will total 3,440 miles of highway.<sup>54</sup> Authorized by Congress in the Appalachian Regional Development Act of 1965, ADHS connects isolated areas of the Appalachian region to the existing national interstate system and promotes access as well as economic development. Improving the infrastructure in Appalachia has always been a critical part of the ARC’s mission to improve the socioeconomic situation in a region that is well known for being geographically isolated from the rest of the United States. A 1998 report on the economic impact of the ADHS briefly highlights the impact highways could have on the region’s tourism industry. The improved accessibility due to the ADHS would allow greater and easier contact with tourist attractions and facilities serviced by these highways, potentially drawing in more visitors who would stay and spend their money at local businesses rather than just pass through the region, and potentially create thousands of new jobs to accommodate and serve the influx of tourists. According to report projections, the economic impact from tourism due to the ADHS would jump from 1,290 jobs in 1995 to a projected 2,920 jobs in 2015.<sup>55</sup> In actuality, the ADHS created more jobs than the 1988 report had estimated – as of 2015, the Highway System helped created over 168,000 jobs and \$11 billion in annual gross regional product growth.<sup>56</sup>

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<sup>54</sup> Wilbur Smith Associates, *Appalachian Development Highways Economic Impact Studies* (Washington, D.C.: Appalachian Regional Commission, 1998), 1.

<sup>55</sup> *Ibid.*, 57.

<sup>56</sup> “Status of the Appalachian Development Highway System as of September 30, 2017,” Appalachian Regional Commission, accessed July 5, 2017, 5, <https://www.arc.gov/images/programs/transp/ADHSStatusReportFY2017.pdf>.

The ARC continued to focus on the importance of developing the tourism industry with the introduction of its asset-based development program in 2004, which adheres to the ideas of “developing untapped natural and cultural resources into desired products and services” to diversify the economies of communities in Appalachia.<sup>57</sup> *Appalachia: Turning Assets Into Opportunities* detailed the Commission’s new plan to develop tourism using these ideas. Assets included things such as landscape, music, crafts and the region’s industrial heritage as well as the people’s hospitality, strong work-ethic, and “can-do” attitude.<sup>58</sup> The description of the Appalachian work force serves to combat common stereotypes of Appalachians as lazy people who depend on government handouts.

Other things that the ARC classifies as “assets” include agricultural development, maximizing sustainable timber harvesting, developing local leadership in communities, and developing underused or abandoned facilities into industrial parks or for educational purposes.<sup>59</sup> Recreational tourism also continues to be a major draw for the region and is included in the asset-based development plan, but the ARC also highlights agritourism and cultural heritage tourism, which came about in the late twentieth century. The sustainable development theory gained prominence in the 1990s and addresses issues, such as how people are affected by economic development and centering it on them as well as tourism’s environmental impact, that were not part of earlier development

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<sup>57</sup> Appalachian Regional Commission, *Appalachia: Turning Assets Into Opportunities* (Washington, D.C.: Appalachian Regional Commission, 2004), 3.

<sup>58</sup> *Ibid.*, 4.

<sup>59</sup> Appalachian Regional Commission, “Program Areas: Asset-Based Development,” *Appalachian Regional Commission*, accessed November 11, 2017, <https://www.arc.gov/abd>.

theories.<sup>60</sup> It is much more sensitive to the issues and interests of local communities since the theory focuses on keeping economic development beneficial to communities instead of creating projects that have a detrimental impact on the economy and natural features of an area. Agritourism brings visitors to farms whether they come to learn about the farm animals or families that visit to pick berries, apples, or pumpkins. Cultural heritage tourism is defined by the National Trust for Historic Preservation as “travelling to experience the places, artifacts, and activities that authentically represent the stories and people of the past and present.”<sup>61</sup> Both agritourism and cultural heritage tourism are examples of sustainable tourism because they depend on already existing attractions.

Part of the cultural/heritage tourism the ARC focused on in the 2000s and continues to look at today is the “creative economy”, which is the arts and crafts industry. The ARC has a very narrow definition of what constitutes a “creative economy” even though there are many other fields that could fall under this category including technology and research. Appalachia’s cultural foodways could also potentially be considered part of the creative economy since it is a cultural good and service that has traditionally fallen into the category of a creative economy. The Appalachian region has a very rich tradition of arts and crafts such as quilting and woodworking that has brought visitors to the region since the early twentieth century.<sup>62</sup> The Southern Highland

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<sup>60</sup> David Harrison, “Tourism and Development,” in *The Wiley Blackwell Companion to Tourism* ed. By Alan A. Lew, C. Michael Hall, and Allan M. Williams (Hoboken, NJ: John Wiley and Sons, Inc., 2014), 145.

<sup>61</sup> Jamesha Gibson, “[Preservation Glossary] Today’s Word: Heritage Tourism”, *National Trust for Historic Preservation*, June 17, 2015, [https://savingplaces.org/stories/preservation-glossary-todays-word-heritage-tourism#.WgijD\\_mnHIU](https://savingplaces.org/stories/preservation-glossary-todays-word-heritage-tourism#.WgijD_mnHIU).

<sup>62</sup> This was due in part to the Craft Revival movement (1890s – 1940s) and a renewed interest in Appalachia and its people. Tourists bought baskets, quilts, woodworks, and other crafts from Appalachians. For more information on this movement and its effect on the region, see the University of Tennessee at Knoxville’s online exhibit “From Pi Beta Phi to Arrowmont” at <http://www.lib.utk.edu/arrowmont/>.

Handicraft Guild was established in the 1930s by Olive Dame Campbell, founder of the John C. Campbell Folk School<sup>63</sup>, and others to regulate the existing handicraft industry to appeal to the mass tourist market.<sup>64</sup> In the 1970s, the ARC brought attention to the arts and crafts traditions in Appalachia, doing extensive research into the region's existing arts and crafts heritage and its industry potential, later authorizing a program to help build the industry. The creative economy is a highly profitable part of Appalachia's tourism industry but the cultural heritage of the region is much more than just arts and crafts.<sup>65</sup> While proponents of the creative economy, like Richard Florida, have argued that creativity and creators are the lifeblood of burgeoning urban areas, the ARC should consider broadening their definition of cultural heritage beyond the physical products created by residents that can be sold for a profit to tourists.<sup>66</sup> The more intangible aspects of a culture – like traditions and folklore – can be attractive parts of cultural heritage tourism, too.

The ARC's tourism and asset-based development plans focused on sustainable development that would create and retain jobs, lead to the founding of new businesses, and reduce negative impacts on the environment from development. Sustainable tourism requires a knowledge of past experiences and building upon them to rectify any negative

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<sup>63</sup> The John C. Campbell Folk School is like the aforementioned Arrowmont school but was based off of the Danish *folkenhojskole* (folk school) and focused on both traditional crafts and education. For more information about the Campbell Folk School visit <https://folkschool.org/index.php>.

<sup>64</sup> Martin, *Tourism in the Mountain South*, 115.

<sup>65</sup> An example of the impact the creative industry has on Appalachia is evidence by the 2015 Kentucky Creative Industry Report. Per the report, the creative industry in Kentucky employs 108,498 people and accounts for earnings of \$1.9 billion. Source: <http://artscouncil.ky.gov/KAC/Creative/Annuals/2015KACAnnualReport.pdf>.

<sup>66</sup> Richard Florida first presented this argument in *The Rise of The Creative Class: And How It's Transforming Work, Leisure, Community and Everyday Life* (New York, NY: Basic Books, 2002). He has written other books on the subject including *Who's Your City?: How the Creative Economy is Making Where You Live the Most Important Decision of Your Life* (New York, NY: Basic Books, 2008).

aspects. A burgeoning tourism industry can raise land values and taxes, pushing locals out who can no longer afford it. It also provides menial, seasonal, low-wage jobs that seem appealing to the low-wage, low-skill labor pool available in Appalachia but keeps them from obtaining economic prosperity.<sup>67</sup> There are also a myriad of negative effects the tourism industry can have on the local environment due to development which the ARC had become aware of earlier in the 1970s.

The ARC's asset-based development initiative aims to reduce the negative impacts that Rothman and Whitaker address in their works. Tourism development can potentially lead to outside ownership that takes control out of the hands of residents and cheapens the heritage and culture of the region. Asset-based development focuses on keeping the benefits local whether those are the traditional measurements of jobs and increased income or the preservation of traditions, increased community pride, and the creation of activities and public services that not only attract tourists but benefit residents as well.<sup>68</sup> The entire purpose of the initiative is to combat past development practices that have damaged communities and local businesses. It addresses these issues by capitalizing upon natural, cultural, and infrastructure that already exists to maintain sustainability and prevent an overgrowth of new development. The ARC helps promote asset-based development through supporting communities to do mapping, planning, education and training, financing, and marketing of projects that leverage cultural, natural, structural, and community assets.<sup>69</sup> The ARC's structure as a multi-state entity is a benefit because

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<sup>67</sup> Martin, *Tourism in the Mountain South*, 137.

<sup>68</sup> *Appalachia: Turning Assets Into Opportunities*, 4.

<sup>69</sup> "ARC Guidelines for Asset-Based Development Projects," Appalachian Regional Commission, accessed July 5, 2017, [https://www.arc.gov/program\\_areas/ARCARCGuidelinesforAssetBasedDevelopmentProjectsFY2005.asp](https://www.arc.gov/program_areas/ARCARCGuidelinesforAssetBasedDevelopmentProjectsFY2005.asp).

it provides more opportunities for collaboration with other federal agencies and regional organizations that otherwise may have not been possible if these asset-based development projects were operated solely on the local level.

Sustainable development in the tourism industry has become a way for agencies such as the ARC to address these concerns and create tourism sites that would enrich the community throughout the year – not just during the seasons when visitors come to the region. The 2010 program evaluation of 132 ARC projects within the tourism, cultural heritage, and natural asset-based programs revealed that 538 jobs related to the tourism projects were created, 520 of those jobs were retained, and a total of 55 new businesses were created.<sup>70</sup> The projects were meant to help residents of Appalachian build “sustainable economic futures” based on their cultural and natural assets and the entrepreneurial resources of the region.<sup>71</sup>

Examples of projects funded by the ARC include heritage trails in Southeast Tennessee and Northwest Georgia, a heritage craft start-up in Burnsville, North Carolina, and a resort and conference center in Carroll County, Ohio. The Commission funds projects that support its goals in the region and focuses on projects that emphasize the four following assets: cultural, natural, structural, and leadership/community.<sup>72</sup> Project managers that were surveyed felt that their projects would not have been feasible without the Commission’s funding and that the agency was a key partner in securing funding for

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<sup>70</sup> Regional Technology Strategies, Inc., with Mt. Auburn Associates, and Appalachian State University, *Program Evaluation of ARC’s Tourism, Cultural Heritage, and Natural Asset-Related Projects* (Washington, D.C.: Appalachian Regional Commission, 2010), 1.

<sup>71</sup> Regional Technology Strategies Inc., 1.

<sup>72</sup> For more information on the types of projects the ARC supports and what they do not support, see their ARC Guidelines for Asset-Based Development Programs at [https://www.arc.gov/program\\_areas/ARCARCGuidelinesforAssetBasedDevelopmentProjectsFY2005.asp](https://www.arc.gov/program_areas/ARCARCGuidelinesforAssetBasedDevelopmentProjectsFY2005.asp).

the projects and dealing with the local grantees in a respectful way.<sup>73</sup> There are only explicit details about a handful of the projects they funded, but according to the report there were only six projects in Kentucky. This was about the same for all of the Appalachian states, except for Virginia which had twenty-nine.<sup>74</sup>

The biggest problem in developing tourism concerns people's perceptions of tourism as a weak industry and poor economic development tool. A 2003 presentation by the ARC Tourism Council proclaims that "tourism and craft present the *best* direction for the future" due to its flexibility for growth in all levels of employment, its reliance upon unique and indigenous resources and people, and the fact that it is not affected by an industry's move across border or oceans.<sup>75</sup> This directly contradicts earlier reports that the tourism industry does not hold much promise for the region in terms of economic development. So what changed? Besides the nation-wide shift from an economy based on extractive industries to one based on service industries, companies and corporations began to send their factories overseas to capitalize upon a cheaper source of labor and lower taxes. The states that were formerly home to these factories, many of which were in the Southeast, took a heavy blow with the loss of income and employment. Tourism certainly did seem like a panacea of sorts to prevent anything like this from happening again, so long as people had money to spend on vacations and family outings.

In the evaluation of the ARC's programs, Regional Technology Strategies Inc.'s surveys reported that local officials and community members in places where the

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<sup>73</sup> Ibid., xi.

<sup>74</sup> Ibid., 5.

<sup>75</sup> The HTC Group, *Roadmap for Tourism & Craft* (Washington, D.C.: Appalachian Regional Commission, 2003), 5, accessed July 2, 2018, [https://web.archive.org/web/20090827010311/http://www.arc.gov/images/reports/Tourism\\_summary.pdf](https://web.archive.org/web/20090827010311/http://www.arc.gov/images/reports/Tourism_summary.pdf).

economy has traditionally been focused on manufacturing perceived tourism as a “soft” solution and are generally suspicious of tourism as an economic development tool.<sup>76</sup> The economic and social effects of tourism are not as visible as manufacturing or other traditional industries, which makes people reluctant to rely on the tourism industry as a valuable addition to their community’s economy despite the fact that tourism now accounts for 2.7% of the United States’ GDP and employs 7.6 million people either directly or indirectly.<sup>77</sup> It is also a jarring move from the belief that economic development requires the building of factories or businesses rather than relying upon already existing resources. However, when communities did come together and collaborated on tourism projects, they realized that by building part of their economy around the resources unique to their own community, there was no possibility of outsourcing to other states or outside of the nation’s borders like the manufacturing industry on which they had once depended.<sup>78</sup> Even though tourists can still travel outside of the United States and elsewhere within the nation, developing niche tourist attractions that are unique to the region increases interest in the region for tourists looking for a certain kind of experience within the borders of their own county.

The ARC’s use of mixed development strategies is not a universally successful approach for the entire region. Areas that already have existing tourist attractions and a decent number of visitors will have a better chance at creating a successful tourism industry with help from the ARC. For communities and regions that have been

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<sup>76</sup> Ibid., 22.

<sup>77</sup> International Trade Administration National Travel and Tourism Office, “Fast Facts: United States Travel and Tourism Industry,” *National Travel and Tourism Office*, October 2017, [http://tinet.ita.doc.gov/outreachpages/download\\_data\\_table/Fast\\_Facts\\_2016.pdf](http://tinet.ita.doc.gov/outreachpages/download_data_table/Fast_Facts_2016.pdf).

<sup>78</sup> Regional Technology Strategies, Inc., 23.

historically dependent upon one industry for decades or longer, like Eastern Kentucky, the path to a successful tourism industry is much more difficult. This would also explain the hesitancy to rely on tourism as a replacement or supplement to a struggling economy. The low-income, seasonal jobs that tourist attractions typically bring would not seem helpful to residents who are used to high-paying and reliable industry jobs. In Eastern Kentucky, residents could also be uncertain about being able to draw in tourists to an area they routinely see ridiculed in the media. What if tourists only come to the region to gawk at locals they consider to be inbred and backwards? Or what if the tourists do not come at all and the community's efforts were all in vain when they could have been pursuing a more reliable path to economic diversity?

The case studies in the report give further insight into how these tourism projects affected each community. They reflect how members of the community from different backgrounds and industries had to work together to make the project work. In Broome County, New York, the ARC funded an agri-tourism and marketing project to strengthen the agriculture industry in the county. Relationships between farmers and others involved in the local economy were established as they realized they had shared interests and needed to work together so they could address issues and identify marketing opportunities.<sup>79</sup> Another case study that exemplifies how difficult it can be to get community members to cooperate is the Ceramic Guild of Appalachia project in Nelsonville, Ohio. The goal was to bring artists together with ceramic companies in the region to develop more creative works and develop educational programs in artistic courses. At first, the ceramics companies were reluctant to work together due to

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<sup>79</sup> Regional Technology Strategies, Inc.: *Appendix E Case Studies*, E-9.

competitiveness between them and a previous history with stealing ideas from each other. The guild was doing well until the ceramics industry collapsed in the mid-2000s.<sup>80</sup>

While the tourism industry is certainly not a perfect economic development tool and is susceptible to overall economic issues, as evidenced by the example of the Ceramics Guild in Ohio, it has had its successes as well. The ARC has put effort into strengthening the tourism portion of their economic development plan and helped communities build upon their own unique possessions whether cultural, historical, or environmental. Analyzing the path of the ARC's tourism initiatives over time reveals that it has not always had positive outcomes – projects fail, there are negative effects on communities, and sometimes there is pushback from residents. The asset-based development initiative from the ARC is evidence that it has considered the potential negative issues that come with tourism development and that the Commission continues to stay committed to its goal of working with communities on the local level. Despite these effects and the acknowledgement that tourism is not a panacea to the region's problem, it continues to persist as an economic development tool for the other benefits it brings— strengthening leadership in communities, fostering pride in the heritage and history of the region, and encouraging residents to become more involved in development projects.

Its work in Appalachia has resulted in less economically distressed counties in the region, demonstrating that it is not quite the “unmitigated disaster” Whisnant called it,<sup>81</sup> but Eastern Kentucky continues to be an area that struggles to lift itself out of poverty.

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<sup>80</sup> Ibid.

<sup>81</sup> Whisnant, *Modernizing the Mountaineer*, xxi.

Historical and political issues make the ARC's work more difficult but through its partnership with non-profit organizations in Eastern Kentucky and the funding of projects in communities, it is helping to combat these issues. The next chapter will analyze the history of the ARC's tourism initiatives in Eastern Kentucky, the public-private partnership on tourism development, and reflect upon the relationship between the history of the ARC's tourism development programs and its current policies.

### **Chapter 3: The Appalachian Regional Commission in Eastern Kentucky**

The ARC's approach to using tourism as an economic development tool has evolved since its inception in 1965, especially so in recent decades. This chapter explores the implementation of the ARC's tourism and asset-based development policies in the Appalachian region of Kentucky. Opinions of tourism from residents and policy makers, its implementation in the region, the effectiveness of tourism projects in Eastern Kentucky economic development while also combating the pervasive regional stereotypes will be explored through a mix of case studies.

Analyzing the early years of the ARC in Kentucky including the number and location of tourist sites in the state highlights the development of recreational sites within the region. An Executive Order issued by President Lyndon B. Johnson on March 25, 1965, established that the ARC's original goal was to "provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region."<sup>82</sup> This brings into question whether tourism could be seen as an effective tool towards achieving this goal. Examining the public-private partnership between the ARC and the state and local governments of Kentucky, as well as several non-profit organizations dedicated to economic development in Eastern Kentucky, defines the ARC's unique relationship with organizations on all levels.

The chapter situates ARC's tourism development programs within the broader economic, social, and cultural contexts to help explain the benefits and drawbacks of tourism as an economic development tool. Examples include residents' perceptions of

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<sup>82</sup> Lyndon B. Johnson, "Executive Order 11209 of March 25, 1965 - Establishing the Federal Development Committee for Appalachia and Prescribing Other Arrangements for Coordination With the Appalachia Regional Commission," *The American Presidency Project*, accessed April 15, 2018, <http://www.presidency.ucsb.edu/ws/?pid=106238>.

Appalachia versus outsider perceptions, the social construct of Appalachian identity, and the state of Kentucky's involvement in tourism development within Appalachia. The Commission prides itself on being an example of public-private partnership between the federal government, state and local governments, and organizations, but some politicians and scholars have accused it of ignoring what communities want and what would be best for them and instead focusing on the job creation and promoting a manufactured heritage, like something one would see in Gatlinburg or Pigeon Forge, that warps the region's history into something that tourists find attractive despite not being factually correct.

*Determining the Potential for Tourism Development in Eastern Kentucky*

Even before the creation of the ARC in 1965, residents of Eastern Kentucky were already aware of the possibilities of tourism development in the region. *The Mountain Eagle*, a newspaper published in the town of Whitesburg, Kentucky, ran a poll in 1957 for the nearby city of Jenkins to see what residents thought the community needed most. The answer: "industry, tourism, a recreation center for the youth, and a grocery supermarket." An inhabitant was adamant in her response to a reporter from the paper that "with some improvement and backing I feel that Jenkins could become a thriving tourist town."<sup>83</sup>

The Outdoor Recreation Resources Review Commission was established by Congress in the late 1950s to determine what outdoor recreation resources were available to satisfy the needs of Americans then and in the future. The results of the report were that outdoor recreation sites were most needed near metropolitan areas yet prime land for

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<sup>83</sup> "The Way We Were – Thursday, August 8, 1957," *The Mountain Eagle* (Whitesburg, KY) August, 2, 2017, [http://www.themountaineagle.com/news/2017-08-02/Columns/The\\_Way\\_We\\_Were.html](http://www.themountaineagle.com/news/2017-08-02/Columns/The_Way_We_Were.html).

recreational development was mostly where people were not. ORRRC's report also highlighted the economic opportunities for communities that developed outdoor recreation sites. Appalachia is only mentioned several times throughout the report which is odd considering that the region is only a day's drive for over half of America's population. With ample amounts of undeveloped land and natural splendor, the region fits what the ORRRC recommends for outdoor recreation sites that are easily accessible for Americans in urban areas. However, at the time of the ORRRC's report, the ADHS had yet to begin and therefore Appalachia was still a very isolated and rural region that lacked easily accessible roadways. The final ORRRC report in 1962 investigated the socioeconomic background of those who participated in outdoor recreation activities. The report demonstrated that Americans of all backgrounds were increasingly becoming more active in recreation as a tourist activity. After the release of ORRRC's report, several pieces of legislation were passed to help develop recreational sites, such as the Land and Water Conservation Act of 1965.

The President's Appalachian Regional Commission (PARC) report from 1964 echoed the ORRRC's survey, noting that the region's landscape could be "developed to serve the country's greatest urban concentration on the Atlantic seaboard and in the industrial centers of the Midwest and South."<sup>84</sup> But to fully capitalize upon the recreational potential of the Appalachian region, the natural resources needed to be protected and maintained. The PARC recommended several methods to accomplish this goal including the construction of parkways and scenic roads to provide tourist access to the region, controlling pollution and erosion of streams, and developing public parks,

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<sup>84</sup> President's Appalachian Regional Commission, *Appalachia: A Report by the President's Appalachian Regional Commission, 1964* (Washington, D.C.: U.S. Government Printing Office, 1964), 45.

recreation areas, and forests.<sup>85</sup> To assist the state and local governments of Appalachia in developing recreational sites, the PARC recommended enactment of the Land and Water Conservation Fund, which was established by Congress in 1964. On the state level, the Land and Water Conservation Fund gives matching grants to states and local governments to acquire and develop outdoor recreation areas that are open to the public.<sup>86</sup> The Land and Water Conservation Fund gets most of its money from companies that drill for oil and gas offshore and pay funds to the government which are then used to fund and give matching grants to governments on all levels to buy land and water and easements. Through these methods, the region could establish a base upon which “the capitalization of the more sophisticated aspects of recreational touristic development can be undertaken” and private initiatives could step in and establish lake resorts, regional arts and crafts centers, tourist accommodations, and other recreation areas.<sup>87</sup>

After the creation of the ARC, various reports on Appalachia’s potential for economic development, including the tourism industry, were released. The 1966 *Recreation as an Industry in Appalachia* field study evaluated the economic impact recreation would have on the Appalachian region by looking at case studies of recreational sites both within and outside the region. It also detailed the positive and negative aspects of recreation as an industry and the impacts it could have if used as an economic development tool. The report makes several crucial points— especially that the recreation industry is particularly susceptible to economic changes on the local, state, and national levels as well as public policy changes. Since the recreational industry depends

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<sup>85</sup> Ibid., 46.

<sup>86</sup> “Land and Water Conservation Fund – State and Local Grant Funding,” National Park Service, accessed June 22, 2018, <https://www.nps.gov/subjects/lwcf/stateside.htm>.

<sup>87</sup> Ibid., 47.

greatly upon the state of the economy and the amount of expendable income tourists have, it can deter funding possibilities from both private and public sources.<sup>88</sup> Eastern Kentucky's struggling economy and the instability of the tourism industry are certainly reasons why private and public sources were deterred from investing in the region, but they may have been influenced by opinions that the ARC was underfunding and ignoring the region and decided that if a federal agency did not see Eastern Kentucky as worthwhile, then it was not worth an investment.

Per a 1967 report on development data for the Appalachian region of Kentucky, there were over 45,000 acres of land dedicated to tourism including parks, hotels, camping sites, museums, and recreation areas.<sup>89</sup> However, compared to the other sub-regions of Appalachia, the Central area spent far less on tourism promotion and had fewer hotel or motel rooms.<sup>90</sup> Kentucky decided to emphasize day-use recreation area programs that were aimed at state residents rather than appealing to out-of-state visitors.<sup>91</sup> This would not require many hotels and motels to be built if most visitors were going to be within half a day's drive of tourist sites in Eastern Kentucky. However, the lack of motels and hotels may have been due to the State Comprehensive Outdoor Recreation Plans prepared for the Bureau of Outdoor Recreation. These plans often proposed placing recreation projects away from rural areas and near urban ones where the need was greater. This certainly echoes the ORRRC's earlier reports on the need for urban populations to have easier access to outdoor recreation areas.

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<sup>88</sup> Robert R. Nathan Associates, *Recreation as an Industry in Appalachia: Field Summary Reports Prepared for the Appalachian Regional Commission* (Washington, D.C.: The Associates, 1966), 15.

<sup>89</sup> Area Development Office, Commonwealth of Kentucky, *Development Data for The Appalachian Kentucky Region, 1967* (The Office, 1967), 99.

<sup>90</sup> Centaur Management Consultants, 19.

<sup>91</sup> *Ibid.*, 57.

Kentucky struggled to get major tourism projects off the ground due to lack of public and private funding. During the latter half of the 1970s, several tourism development projects went unfunded by the state. There was also a distinct lack of funding from private developers due to either being unable or unwilling to assume the risk that would come with building a tourism site within the Kentucky coalfields.<sup>92</sup> Putting up funds for tourism projects is a risky business anyway, especially in an economically turbulent decade like the 1970s, but it seems that other states within the ARC region secured private developer funds to work on public projects or developed their own. Perhaps compared to the steadily growing Southern and Northern regions of Appalachia, the Central Appalachian region was not attractive enough nor promising enough for tourism projects. Eastern Kentucky is very isolated – Interstate 75, which was built in the early 1960s passes through the western border of the Appalachian region near the towns of Berea, Corbin, and Richmond but completely misses the coalfields farther east. The largest city closest to Eastern Kentucky is Lexington but even that is a two hour drive from some of the inner counties like Harlan.

### *The Public-Private Partnership in Eastern Kentucky*

As an agency that is a federal-state partnership, the ARC works closely with not only state organizations but regional and local ones as well. This includes the nine Area Development Districts (ADD) that contain counties included within the ARC's boundaries and organizations such as the Mountain Association for Community

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<sup>92</sup> Ibid., 65.

Economic Development (MACED) and Serving Our Appalachian Region (SOAR). Many other organizations that work towards the same goals as the ARC within Eastern Kentucky often receive funding from the Commission, but MACED and SOAR are some of the biggest and most well-known organizations operating within the area. Other groups work even closer with the ARC, such as the Brushy Fork Institute at Berea College and The Center for Rural Development which administer the Commission's Flex-E-Grants. While these groups focus on broader issues facing Appalachian Kentucky, they do address tourism development within the region through some initiatives.

Area Development Districts, also often called Local Development Districts, are made up of multiple counties that handle community planning and development in Appalachia. The ARC supports ADDs through yearly grants to fund the development of plans for economic development and identify the most important needs of the communities within the ADDs purview. In Appalachia, there are 73 ADDs that cover every county in the region and ensure that funds for projects are effective as possible while promoting local participation in the ARC's operations.<sup>93</sup> Eastern Kentucky has nine different ADDs including some that cover counties not within the ARC's boundaries. The nine ADDs are – Buffalo Trace, FIVCO, Bluegrass, Gateway, Big Sandy, Lake Cumberland, Cumberland Valley, Kentucky River, and Barren River.

The Mountain Association for Community Economic Development was established in 1976 by eight community organizations in Eastern Kentucky and Southwestern Virginia to “generate local economic development” in Central Appalachia

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<sup>93</sup> “Local Development Districts,” Appalachian Regional Commission, accessed August 1, 2018, <https://www.arc.gov/about/LocalDevelopmentDistricts.asp>.

through community investment, demonstration initiatives, and research and communication for policy changes.<sup>94</sup> Like the ARC, it offers loans and funding to aid economic development in Eastern Kentucky but also focuses on job training, renewable energy, and sustainable forestry. It is also very influential in public policy research through its Kentucky Center for Economic Policy. Until recent years, MACED did its work very quietly in Eastern Kentucky whether through small business loans like one to B&H Tool Works in Madison County to help keep them afloat or leading a fund drive to buy the Anglin Falls hiking trail area near Berea.<sup>95</sup> In 2016, MACED was awarded a \$2 million grant from the ARC to support its Economic Transition for Eastern Kentucky Initiative which provides technical assistance, training, and investment to new business start-ups and existing businesses. These businesses are in multiple sectors including energy, healthcare, tourism, and the creative economy.<sup>96</sup> MACED also has a Cultural Assets Lending program which offers loans for businesses that are involved in the arts, music, and heritage tourism.

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<sup>94</sup> “About Us,” Mountain Association for Community Economic Development, accessed May 28, 2018, <http://maced.org/overview.htm>.

<sup>95</sup> Andy Mead, “Berea Group That Helps Entrepreneurs Marks 20 Years,” *Lexington Herald-Leader* (Lexington, KY), December 7, 1996, [https://infoweb-newsbank-com.librarylink.uncc.edu/apps/news/openurl?ctx\\_ver=z39.88-2004&rft\\_id=info%3Asid/infoweb.newsbank.com&svc\\_dat=WORLDNEWS&req\\_dat=0FA5ADE2800A15A8&rft\\_val\\_format=info%3Aofi/fmt%3Akev%3Amtx%3Actx&rft\\_dat=document\\_id%3Anews%252F0EB740C0EA34C01D](https://infoweb-newsbank-com.librarylink.uncc.edu/apps/news/openurl?ctx_ver=z39.88-2004&rft_id=info%3Asid/infoweb.newsbank.com&svc_dat=WORLDNEWS&req_dat=0FA5ADE2800A15A8&rft_val_format=info%3Aofi/fmt%3Akev%3Amtx%3Actx&rft_dat=document_id%3Anews%252F0EB740C0EA34C01D).

<sup>96</sup> “MACED Received \$2 Million from the Appalachian Regional Commission to Support Economic Transition in Eastern Kentucky,” Mountain Association for Community Economic Development, August 24, 2016, <http://www.maced.org/ETEK-announcement.htm>.

Like MACED, Serving Our Appalachian Region (SOAR) is dedicated to encouraging regional development and diversifying the economy of Eastern Kentucky.

SOAR is unique in that it was established in 2013 by Kentucky

Governor Steve Beshear and

Kentucky's 5<sup>th</sup> District

Congressman Hal Rogers

specifically to provide a venue in

which the multiple groups involved

in the region, including businesses and citizens, could collaborate on shared issues. In the

2016 Performance and Accountability Report, the ARC stated that it “remains committed

to the initiative's goals of fostering community engagement and supporting innovative

collaborative approaches to identifying and creating opportunities that will help Eastern

Kentucky make a positive economic transition.”<sup>97</sup> SOAR's blueprint for the region

includes supporting programs in broadband infrastructure expansion, creating healthy

communities, and growing regional food systems.<sup>98</sup> Among SOAR's main goals for the

region is to establish Appalachian Kentucky as a tourism destination through heritage and

recreational tourism. This includes developing theme parks, resorts, ATV Trails, and

revitalizing downtown spaces that will both bring in tourists but also improve the quality

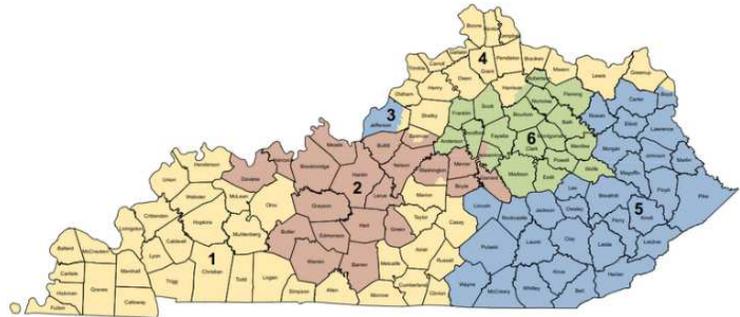


Figure 4: A map of Kentucky's Congressional Districts. Note that the 5th Congressional District covers most of Eastern Kentucky. Source: <http://kftc.org/blog/what-congressional-district-am-i-anyway>.

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<sup>97</sup> Appalachian Regional Commission, *Performance and Accountability Report: Appalachian Regional Commission Fiscal Year 2016* (Washington, D.C.: Appalachian Regional Commission, 2016), 6, accessed June 28, 2018, <https://www.arc.gov/images/newsroom/publications/fy2016par/FY2016PerformanceandAccountabilityReport.pdf>.

<sup>98</sup> “SOAR Regional Blueprint Goals,” Serving Our Appalachian Region (SOAR), accessed July 8, 2018, <http://www.soar-ky.org/blueprint>.

of life in these areas.<sup>99</sup> The Abandoned Mine Lands Pilot Program, which is a joint effort by several Kentucky state cabinets, SOAR, and the Department for Local Government, issued three \$1.95 million grants in 2017 to initiatives that involved tourism development. These initiatives included the development of the South Fork Elk View water line and campground in Breathitt County, the development of the Rails to Trails project which will build a trail from Prestonsburg to David, and the development of a campsite and recreational area near the Dawkins Line Rail Trail and Licking River near Paintsville.<sup>100</sup>

The ARC's Flex-E-Grants, which are only available to distressed counties, are meant to help communities "plan and implement projects that build community capacity."<sup>101</sup> In order to qualify for the grants, the county must be considered economically distressed from 2013 to 2015, requires a maximum grant requires of \$10,000 and a twenty percent match contribution of total project costs, and the project must be completed within six months.<sup>102</sup> There are many different funded projects including several major tourism development initiatives. Manchester in Clay County received a grant to produce a historical outdoor drama that connects regional arts and heritage tourism initiatives. The city also received a previous Flex-E-Grant that helped

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<sup>99</sup> "Regional Tourism Development," Serving Our Appalachian Region (SOAR), accessed May 30, 2018, <https://www.soar-ky.org/blueprint/tourism>.

<sup>100</sup> Serving Our Appalachian Region, "Impact Report 2017," 12, accessed May 28, 2017, <http://www.soar-ky.org/sites/default/files/Documentation/READY%20SOAR%202017%20Impact%20Report%20Web%20%282%29.pdf>.

<sup>101</sup> "Kentucky Appalachian Regional Commission Flex-E-Grant Program," Brushy Fork Institute, accessed May 27, 2018, <https://www.berea.edu/brushy-fork-institute/arc-flex-e-grants-for-kentuckys-distressed-counties/>.

<sup>102</sup> "2017 Kentucky ARC Flex-E-Grant Program: Guidelines for Flex-E-Grant Application," Brushy Fork Institute, accessed June 14, 2018, <https://www.berea.edu/brushy-fork-institute/wp-content/uploads/sites/38/2012/06/2017-FEG-Guidelines-and-Overview.pdf>.

established the yearly Saltworks Appalachian Homecoming Festival, which celebrates Manchester's background as a salt mining town.

Another tourism initiative that received a grant is the Route 23 Cultural Heritage Network in Johnson County for the "Creating the Authentic Appalachian Experience" project. Local participants from Johnson and Magoffin Counties would be trained to use clay, wood, textiles, paint, glass, or local foods to develop new products to be marketed as part of a tourism experience. Those who purchased the tourism package would get travel to a local tourism destination with overnight accommodations, a Kentucky Proud meal, and an opportunity to purchase handmade gifts and other locally made products. The project will sustain itself through the sale of products and training of additional artisans and capitalizes upon the area's growing tourism and food industries while teaching residents new skills that involves them in the local tourism industry.<sup>103</sup> While the project was not described as a retraining program for residents in Johnson and Magoffin Counties, it does promote economic diversity, re-employment opportunities, and entrepreneurship, which is similar to job retraining programs that have received funding from the ARC.

While the ARC works closely with the state and other organizations, Kentucky has also turned a critical eye towards the ARC's actions in the state when Governor Brereton Jones created the Kentucky Appalachian Task Force in December 1993 which was "to recommend strategies for maximizing funding for Kentucky through the ARC, review the potential for an expanded Appalachian Development Program, and provide an

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<sup>103</sup> "Flex-E-Grant Recipients and Projects April – September 2017," Brushy Fork Institute, May 11, 2017, <https://www.berea.edu/brushy-fork-institute/flex-e-grant-recipients-and-projects-april-september-2017/>.

assessment of the development programs that serve the Appalachian Region with a focus on the success and viability of such programs.”<sup>104</sup> The task force was comprised of over 200 members from a variety of different backgrounds and addressed twelve different concerns including education, economic development, culture, and natural resources.

A 1995 Kentucky Appalachian Task Force report, *Communities of Hope*, included a vision for the future of Eastern Kentucky and the effectiveness of existing programs in the area. Two of the committee reports, Culture and Natural Resources, addressed tourism in the area. Culture Committee members felt that “power brokers only pay ‘lip service’ to the importance of the cultural resources” in Appalachian Kentucky because they do not understand culture’s potential for economic development.<sup>105</sup> They also acknowledged the dangers of tourism and the purpose of promoting the culture of the area – is tourism development done because it promises jobs or is it to promote and preserve the region’s heritage? Job creation and the preservation of heritage and culture are not always mutually exclusive but it seems that the Task Force was concerned that jobs were the primary driving force of tourism development and promoting Eastern Kentucky’s heritage was just a way to accomplish that.

The Task Force was also concerned with how tourism developers should promote the culture of Eastern Kentucky. Appalachian stereotypes are so pervasive that it would be easy to simply play into the misconceptions of Appalachian culture. One of the biggest problems in tourism development in the area is the lack of cooperation and

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<sup>104</sup> James B. Goode, “The Kentucky Appalachian Task Force: Re-Democratization of Appalachia,” *Appalachian Heritage* 24, no. 4 (1996): 36.

<sup>105</sup> Kentucky Appalachian Task Force, *Communities of Hope: Preparing For the Future in Appalachian Kentucky, Report of the Kentucky Appalachian Task Force* (Lexington, KY: University of Kentucky Appalachian Center, 1995), 55.

communication between those in power and residents. The Natural Resources committee urged sustainable development and the promotion of ecotourism, especially through the creation of a national park in the Red River Gorge/Natural Bridge area “to increase employment and spread out existing tourist pressures.”<sup>106</sup> Red River Gorge and Natural Bridge has been a state resort park since 1926 and is surrounded by the Daniel Boone National Forest. Residents have expressed some concern about national parks in regards to Appalachia’s history of issues with outside land ownership. The federal government owns large swaths of land in the form of national parks, forests, and dams and lakes operated by the TVA. In Appalachia alone, the federal government owns about 9 percent of the surface area of the region. Gordon McKinney, the director of the Appalachian Center at Berea College, argues that even though the purpose of these federal lands is conservation, some communities in Appalachia “are frustrated by their inability to use local resources on federal land for economic renewal.”<sup>107</sup>

Overall, the Kentucky Appalachian Task Force urged agencies and groups involved in economic development in the area to focus on community-based planning. It also emphasized the need for coordination, collaboration, and cooperation between the multitude of agencies, organizations, and individuals working in the region to maximize the effectiveness of programs. Especially important was the lack of civic participation in the economic development of the area – the Task Force “heard repeatedly that eastern

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<sup>106</sup> Ibid., 61.

<sup>107</sup> Gordon B. McKinney, “National Parks Not Cause of E.KY. Land Woes,” *Lexington Herald-Leader* (Lexington, KY), September 15, 2003, [https://infoweb-newsbank-com.librarylink.uncc.edu/apps/news/document-view?p=WORLDNEWS&t=pubname%3ALHLB%21Lexington%2BHerald-Leader%2B%2528KY%2529&sort=YMD\\_date%3AD&fld-nav-0=YMD\\_date&val-nav-0=2003%20-%202004&fld-base-0=alltext&maxresults=20&val-base-0=kentucky%20appalachian%20task%20force&docref=news/0FDA02D0F9A21558](https://infoweb-newsbank-com.librarylink.uncc.edu/apps/news/document-view?p=WORLDNEWS&t=pubname%3ALHLB%21Lexington%2BHerald-Leader%2B%2528KY%2529&sort=YMD_date%3AD&fld-nav-0=YMD_date&val-nav-0=2003%20-%202004&fld-base-0=alltext&maxresults=20&val-base-0=kentucky%20appalachian%20task%20force&docref=news/0FDA02D0F9A21558).

Kentucky's social infrastructure falls short in its capacity to provide citizens with a feeling of control over the public issues vital to the region's future."<sup>108</sup> Governor Jones took many of the Task Force's recommendations to heart and subsequently formed the Kentucky Appalachian Advisory Council, which was recommended by the task force, and four working teams including one that focused on tourism.

Governor Paul Patton, an Appalachian native who took office after Jones, was further involved in this process and served as the chairman of the Kentucky Appalachian Commission. The Kentucky Appalachian Commission created the Kentucky Appalachian Community Development Initiative in the late 1990s to provide funding for economic development plans in Eastern Kentucky communities. Jenkins in Letcher County and Hindman in Knott County were the first two participants in the initiative. The goal was to "concentrate development resources in these two towns and help local leaders and the people of the areas build 21<sup>st</sup> century communities with sustainable local economies."<sup>109</sup> Ron Eller, who previously headed the task force, lauded the move saying that "we have created a table where conversations about the nature of development in Eastern Kentucky can take place in a rational and strategic atmosphere."<sup>110</sup> The Kentucky Appalachian Task Force and the Kentucky Appalachian Commission were ultimately dissolved and defunded due to budget cuts by Governor Ernie Fletcher in 2004. The decision was made when the Commission's executive director resigned in March of that year.<sup>111</sup>

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<sup>108</sup> Ibid., 12.

<sup>109</sup> "Governor Patton Announces Participants for the Appalachian Community Development Initiative," October 18, 1997, [http://governors.e-archives.ky.gov/\\_govpatton/search/pressreleases/1997/appalcom.htm](http://governors.e-archives.ky.gov/_govpatton/search/pressreleases/1997/appalcom.htm).

<sup>110</sup> James B. Goode, 45.

<sup>111</sup> Roger Alford, "Eastern Kentucky Agency Closing – Commission A Victim of Budget Cuts," *Lexington Herald-Leader* (Lexington, KY), March 6, 2004, <https://infoweb-newsbank-com.librarylink.uncc.edu/apps/news/document->

Two years before the creation of the ARC, a report on the resources of Eastern Kentucky observed that the inhabitants of the area appeared to have no concerns about the state of the surrounding landscape or the possibilities of tourism development. The writers of the report thought that the best bet for creating attractive tourist attractions was with private enterprise, but ultimately the communities of Eastern Kentucky “hold the future of their towns and valleys in their own hands.”<sup>112</sup> With local and regional groups like MACED and SOAR, it is obvious that the people indeed took matters into their own hands and worked towards economic development in the region. While it seems like the ARC is simply a source for funding and policies to help communities on the path to economic development, whether through tourism or other industries, it has influenced the various groups in Eastern Kentucky who address tourism development in the region.

One of the ARC’s most recent tourism development projects in Eastern Kentucky is the Kentucky Artisan Heritage Trails (KAHT) program which is aimed at creating a driving tour for visitors to explore local artisan businesses and other cultural heritage attractions off the I-75 corridor. There are multiple trails into different counties along the interstate, including some that are considered economically depressed by the

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view?p=WORLDNEWS&t=pubname%3ALHLB%21Lexington%2BHerald-Leader%2B%2528KY%2529&sort=YMD\_date%3AD&fld-base-0=alltext&maxresults=20&val-base-0=kentucky%20appalachian%20commission&fld-nav-0=YMD\_date&val-nav-0=2000%20-%202004&docref=news/10135F92E3E77E3E.

<sup>112</sup> Mary Jean Bowman and W. Warren Haynes, *Resources and People in East Kentucky: Problems and Potentials of a Lagging Economy* (Baltimore: Johns Hopkins Press, 1963), 276.



Figure 5: An exhibit in the Kentucky Artisan Center displaying works from local artists. Source: <http://www.kyforward.com/wp-content/uploads/2017/01/artisan-center.png>.

Commission. Developed by the Eastern Kentucky University’s Center for Economic Development, Entrepreneurship, and Technology, the program’s website identifies over 400 cultural destinations that are divided into one-day driving tours.<sup>113</sup> Another similar project in Berea, the Kentucky Artisan Center, also received funding

from the ARC to showcase Kentucky artisans’ works. The Center’s goal “is to exemplify Kentucky’s quality products and experiences” and “brings a lot of tourists in who wouldn’t be here otherwise...together we become a destination, and that benefits us all.”<sup>114</sup>

The POWER (Partnerships for Opportunity and Workforce Economic Revitalization) Initiative was created by President Obama in 2016 to help communities that are traditionally dependent on the coal industry by “cultivating economic diversity, enhancing job training and re-employment opportunities, creating jobs in existing or new industries, and attracting new sources of investment” through grants awarded via various federal agencies including the ARC.<sup>115</sup> The ARC awards POWER investments in four specific areas – building a competitive workforce, improving access to broadband,

<sup>113</sup> Carl Hoffman, “Kentucky’s Creative Marketing Boosts Artisan Business,” *Appalachia Magazine*, July 2005, [https://www.arc.gov/magazine/articles.asp?ARTICLE\\_ID=15](https://www.arc.gov/magazine/articles.asp?ARTICLE_ID=15).

<sup>114</sup> Ibid.

<sup>115</sup> “Partnerships for Opportunity and Workforce and Economic Revitalization (POWER) Initiative,” Appalachian Regional Commission, accessed May 28, 2018, [https://www.arc.gov/funding/POWER.asp\\_](https://www.arc.gov/funding/POWER.asp_)

developing entrepreneurs, and creating industry clusters in Appalachian communities.<sup>116</sup> Local Development Districts, Indian Tribes, institutions of higher education, any political subdivision of a state, and public or private non-profit organizations can apply for the grant but must have a matching fund from a source or sources that is not the ARC.<sup>117</sup> Tourism is just one way to meet these goals and in 2017, the ARC funded four tourism-related projects throughout Eastern Kentucky. The smallest project was the stabilization of the historic Daniel Boone Hotel in Whitesburg, which received \$500,000. The other projects received well over \$1,000,000 each – a downtown revitalization project for eight distressed towns in Eastern Kentucky, the Intergenerational Training Center in Hazard which offers job training in many different fields including eco-tourism and small business development, and infrastructure funds for the Appalachian Wildlife Center.<sup>118</sup> The Appalachian Wildlife Center, while first and foremost a natural habitat reserve, education site and mine reclamation site, has also turned into a tourist attraction. Per an impact study, the Center “will attract 638,000 annual visitors, generate \$214 million in annual spending by its fifth year, and create 2,300 jobs.”<sup>119</sup>

Tourism development projects do not always work out, however. Knott County received \$18 million from the state as part of Kentucky’s Community Development Initiative to create “a sustainable local economy driven by the county’s heritage of arts

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<sup>116</sup> Ibid.

<sup>117</sup> “Partnerships for Opportunity and Workforce and Economic Revitalization (POWER) Initiative: Federal Fiscal Year 2018 – Request for Proposals (RFP) for Project Grants,” Appalachian Regional Commission, February 1, 2018, <https://www.arc.gov/images/grantsandfunding/POWER2018/RFP/POWER-RFP-2018.pdf>.

<sup>118</sup> “ARC POWER Grants in Kentucky, Ohio, and West Virginia,” Ohio Valley Resource, March 24, 2017, <http://ohiovalleyresource.org/2017/03/24/arc-power-grant-projects/>.

<sup>119</sup> Julie Carr Smyth, “Tourism in Coal County: Digging into Culture, Ecotourism,” *Lexington Herald-Leader* (Lexington, KY), December 29, 2017, <http://www.kentucky.com/living/travel/article192175229.html>.

and Appalachian crafts.”<sup>120</sup> The county is home to the Hindman Settlement School which was established in 1902 to provide education to residents as well as preserving traditional Appalachian crafts. Knott County opened the Kentucky School of Craft to offer residential opportunities for people to learn Appalachian crafts and become master craftsmen. The Kentucky Appalachian Artisan Center would serve as a retail outlet for the work of these artists. However, the School of Craft was ultimately unsuccessful in boosting the local economy due to issues with staff turnover, limited demand for long-term programs, and lack of housing opportunities, but did result in demonstrating to locals “the power of collaboration and engagement.”<sup>121</sup>

Locals instead turned to other forms of tourism, namely adventure tourism, and opened the Mine Made Paradise Park in 2007 through a partnership with a regional coal company and the county.<sup>122</sup> The park has trails available for off-road biking and horseback riding and its semi-annual horseback trail rides attracted 10,000 visitors in 2010.<sup>123</sup> Mine Made Paradise Park also has stables, a motorcycle/ATV training center, and campgrounds. In a series of case studies about economic diversity within the region, the ARC noticed that there could be an opportunity to expand adventure and heritage

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<sup>120</sup> Edward Feser, Troy Mix, Mark White, Ken Poole, Deb Markley, and Erik Pages, *Economic Diversity in Appalachia: Case Studies in Economic Diversification*, (February 2014), 21, [https://www.arc.gov/assets/research\\_reports/EconomicDiversityinAppalachia-CaseStudiesinEconomicDiversification1.pdf](https://www.arc.gov/assets/research_reports/EconomicDiversityinAppalachia-CaseStudiesinEconomicDiversification1.pdf).

<sup>121</sup> Ibid.

<sup>122</sup> Recreation/adventure tourism and heritage craft tourism are both extremely successful in Eastern Kentucky. However, the success of these two types of tourism seem to depend on the accessibility of the region. Berea has a very popular heritage arts tourism industry, but it is located directly off I-75. Hindman is over an hour away from Berea in a very rural area of Eastern Kentucky.

<sup>123</sup> Ibid., 22.

tourism throughout Eastern Kentucky and turn it into a destination for these kinds of activities.<sup>124</sup>

In areas devastated by the lasting effects of coal mining on the environment and the economy, towns are once again depending upon the coal industry to fuel new tourism development. Lynch, Kentucky, offers tourists a train ride to see restored buildings left behind by the coal company that once dominated the economy of the town. The ARC gave the town a \$240,000 grant to restore the old firehouse in 2010.<sup>125</sup> In the nearby town of Benham, the Kentucky Coal Mining Museum is housed in a former company store.<sup>126</sup> The Kentucky Appalachian Task Force raised questions about tourism development and how it plays into stereotypes and others have argued that the restoration of coal-mining towns is a “complex commodification of stereotypes that are perpetuated by the state and a way for Kentucky to present itself to the world.”<sup>127</sup> But what if it is the residents’ choice to develop tourism projects around the coal mining industry and they see it as a chance to educate visitors and rectify these stereotypes? With the ARC choosing to fund community projects such as the restoration of the firehouse in Lynch for tourism purposes, it is putting the power to choose how their heritage is portrayed back in the hands of locals instead of tourism developers, even though local themselves can also promote a certain interpretation of their history that fits their view of the community’s

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<sup>124</sup> Ibid.

<sup>125</sup> As with most grants from the ARC, the applicant is expected to have some funds from another source. In the case of the Lynch Firehouse, the project had another \$60,000 from another source. Source: “ARC Projects Approved in Fiscal Year 2010,” Appalachian Regional Commission, accessed June 22, 2018, <https://www.arc.gov/funding/ARCProjectsApprovedinFiscalYear2010.asp>.

<sup>126</sup> Jonathan Drew and Allen G. Breed, “Company Store Turned Bed and Breakfast: Appalachia Mines for Tourists,” *The Christian Science Monitor*, March 29, 2015, [https://www.csmonitor.com/USA/2015/0329/Company-store-turned-bed-and-breakfast-Appalachia-mines-for-tourists\\_](https://www.csmonitor.com/USA/2015/0329/Company-store-turned-bed-and-breakfast-Appalachia-mines-for-tourists_).

<sup>127</sup> Stephen Paul Whitaker, “A New Wave of Colonization: The Economics of the Tourism and Travel Industry in Appalachian Kentucky,” *Journal of Appalachian Studies* 6, no. ½ (2000): 38.

history even though it may not be historically accurate. By maintaining local control of tourism development, communities can avoid the pitfalls of tourism that Whitaker and Rothman described.

While grants from the ARC and other entities have aided in creating tourist development in Eastern Kentucky, the state of Kentucky also has programs in place to achieve the same goal. The Community Development Initiative is once such program but in 1996, the state of Kentucky passed a new tourism development initiative - the Kentucky Tourism Development Act which created a state sales tax incentive program for projects involved with tourism development. Approved projects can recover up to twenty-five percent of its development costs over ten years.<sup>128</sup> All counties in the Eastern Kentucky coalfields are certified as an Enhanced Incentive County, which is based on unemployment rates, and have different qualifications for the tax incentive which makes it easier to qualify for – instead of a \$1 million minimum cost, it is \$500,000.<sup>129</sup>

Even though the Appalachian counties of Kentucky are Enhanced Incentive Counties, it would still be very difficult to meet these lofty requirements on their own without outside help. The list of projects that have benefited from the state's Tourism Development Act only includes one city that is located within the Appalachian region.<sup>130</sup> Stephen Paul Whitaker argues that “the state...is actively fostering and rewarding outside ownership despite the known historical ramifications of such policies” and with disregard

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<sup>128</sup> “Tourism Development Act,” Think Kentucky, accessed June 22, 2018, [www.thinkkentucky.com/kyedc/pdfs/KTDASummary.doc](http://www.thinkkentucky.com/kyedc/pdfs/KTDASummary.doc).

<sup>129</sup> “Kentucky’s Tourism Development Incentive Program,” Kentucky Department of Tourism, accessed June 1, 2018, <https://www.kentuckytourism.com/industry/development-incentives/development-incentive-program/>.

<sup>130</sup> “Kentucky Tourism Development Act Projects,” Kentucky Tourism, Arts, and Heritage Cabinet, accessed June 1, 2018, <https://tah.ky.gov/Open-For-Business/Tourism%20Development%20Act/LRC-KTDA-Projects-2016.pdf>.

for Appalachia's own history of being dominated by outside companies.<sup>131</sup> While that is certainly a possibility, the fact that most of the projects that have benefited from the Tourist Development Act are in Louisville, Lexington, and other cities with established tourism industry points to a conclusion that perhaps Kentucky is not interested in risking money in communities where the economy is struggling.

Whitaker also argues that the ARC's tourism development strategies could eventually lead to tourism becoming "an exploitable community resource that can result in centers of control moving farther and farther away from the host area" which echoes Rothman's argument in *Devil's Bargain*.<sup>132</sup> Based on the tourism development projects and regional programs supported by the ARC, it seems that the Commission is dedicated to sustainable tourism development in communities. Whether it is to help build a center that not only reclaims a former mine site but also provides a refuge for wildlife and brings in tourists or funding a program that trains Eastern Kentuckians in new fields such as eco-tourism, these projects are not the type of tourism that Whitaker discusses. One can simply look across the border at Gatlinburg and Pigeon Forge in Tennessee to see an example of tourism development that plays into popular stereotypes of the region and thus has turned it into an exploitable resource. However, those two sites are much more popular and successful than anything that has been funded and created in Eastern Kentucky so therein lies the question – does the ARC care more about jobs and money than the community itself? Not every community will benefit from tourism development since successful tourism projects often depend on how easily accessible the place is and

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<sup>131</sup> Whitaker, 41.

<sup>132</sup> Ibid., 47.

the previous existence of a tourism industry. While the statistics of how many jobs and how much money a tourism development project will bring in is still brought up in discussions, it does not seem that is the focus of the projects. What the people of Eastern Kentucky want is something that is not a quick and easy fix, but something that will last and help develop the economy in their communities and that is something that the ARC is more than willing to fund.

## **Chapter 4: Epilogue**

Compared to its neighbors – West Virginia, Southwestern Virginia, and Eastern Tennessee – Eastern Kentucky’s tourism initiatives seem inconsequential in not only economic impact but in size and significance. Public policy, historical, and economic issues are among the reasons why Eastern Kentucky remains a troublesome area for the ARC and other groups dedicated to economic development as well as pre-existing tourism developments in other areas, such as the Blue Ridge Parkway that was established in 1936, that make tourism development much easier. Even outside of the ARC region, the state of Kentucky’s “tourism advertising is the lowest funded of all states in the southeast U.S.” and state funds that are dedicated to tourism are often diverted for other purposes at the local and state levels.<sup>133</sup> While the Eastern Kentucky region is home to the highest number of distressed counties, some believe that West Virginia receives more funding from the ARC since the entirety of the state is included as part of the ARC region. Peter Hille, director of MACED, has his own personal “ABC’s” of why West Virginia has succeeded in its economic development initiatives, including tourism development. He argues that West Virginia’s proximity to the East Coast draws in tourists and that in comparison to Kentucky, it has spent much more money on promoting tourism in the state.<sup>134</sup>

While Eastern Kentucky did receive some major POWER grants for several tourism projects, West Virginia also received POWER grants for already successful

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<sup>133</sup> “Kentucky’s Tourism Impact,” Kentucky Travel Industry Association, accessed June 18, 2018, [www.ktia.com/tourism-impact](http://www.ktia.com/tourism-impact).

<sup>134</sup> Ron Daley, “Ron Daley: Eastern Kentucky Must Learn From Past to Prepare for Future, Admit Failures, Celebrate Success,” *Northern Kentucky Tribune* (Mitchell, KY), November 27, 2016, <http://www.nkytribune.com/2016/11/ron-daley-eastern-kentucky-must-learn-from-past-to-prepare-for-future-admit-failures-celebrate-successes/>.

tourism attractions in the region. The Hatfield McCoy Regional Recreation Authority received over \$1 million to develop businesses and jobs related to the tourism industry, expand the Hatfield McCoy trail in southern West Virginia and Kentucky, and launch a marketing effort which the ARC projects will create 225 jobs and fifty new businesses.<sup>135</sup> Another project that received just under \$1 million will create a bike trail to capitalize upon the area's outdoor recreation potential and traverse counties that have suffered job loss due to the failing coal industry. The trails will pass through some popular recreational areas including the Monongahela National Forest and the New River Gorge National River.<sup>136</sup>

Southwest Virginia has had a particularly successful tourism development initiative by focusing on the music heritage of the region and its *Crooked Road*: *Southwest Virginia's Heritage Music Trail* contains multiple projects funded by the ARC. While not all the projects are directly related to the heritage trail, "they served to build a tourism portfolio where the whole was greater than the sum of the parts" such as several arts centers and an expansion to the Tourist Information Center and Southwest VA Farmers Market.<sup>137</sup> A lot of the success of Southwest Virginia's tourism development initiatives is due to the high level of cooperation between institutions within the region. The Regional Competitiveness Act, which was passed by the state of Virginia in 1996, allowed the General Assembly to create a fund that "shall be used to encourage and

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<sup>135</sup> "Appalachian Regional Commission POWER Award Summaries by State As of June 2017," Appalachian Regional Commission, June 2017, <https://www.arc.gov/images/grantsandfunding/POWER2017/ARCPOWERAwardSummariesbyState6-14-2017.pdf>, 17.

<sup>136</sup> *Ibid.*, 18.

<sup>137</sup> Regional Technology Strategies, Inc.: *Appendix E Case Studies*, E-23.

reward regional strategic economic development planning and joint activities.”<sup>138</sup>

Southwest Virginia’s economic development model is very similar to the SOAR initiative in Eastern Kentucky which aims to foster collaboration between political parties on the state and local levels and then between the multitude of public and private organizations in the region that are dedicated to economic development. The ARC’s impact on Appalachia certainly seems more successful in areas where there are well-developed and established non-profit and private groups that can work more closely with communities to apply for ARC grants, develop, and ultimately implement economic development projects that directly benefit the community instead of working solely with a massive multi-state agency like the ARC.

East Tennessee’s tourism industry is well established since the creation of the Great Smoky Mountains National Park in 1934. In 2016, the park had 11.3 million visitors which makes it the highest visited national park in the United States.<sup>139</sup> This does not include the visitors that come to visit the nearby popular tourist attractions of Gatlinburg and Pigeon Forge in Tennessee. The city of Gatlinburg attracts over 11 million visitors a year who either come to visit the nearby national park, which has three entrances in the city, or to enjoy the town as well.<sup>140</sup> Gatlinburg has become a tourist attraction itself with plenty of opportunities for outdoor recreation, a large collection of arts and crafts stores, breweries, and cabins to rent. The nearby town of Pigeon Forge offers many of the same attractions as Gatlinburg but with a much more commercialized

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<sup>138</sup> Regional Competitiveness Act, §15.2 – 1308, Sess. of 1996, (Virginia 1996), <https://vacode.org/15.2-1308/>.

<sup>139</sup> “Great Smoky Mountains National Park Park Statistics,” National Park Service, accessed June 18, 2018, <https://www.nps.gov/grsm/learn/management/statistics.htm>.

<sup>140</sup> “Why Gatlinburg,” Gatlinburg Convention and Visitors Bureau, accessed June 18, 2018, <https://www.gatlinburg.com/explore/why-gatlinburg/>.

atmosphere. Dollywood, an Appalachian-themed amusement park, is located there and the city also offers many other amusement attractions such as miniature golf courses, museums, and dinner theaters.

Beyond successful tourism attractions and laws that help develop the tourism industry, the Appalachian states that border Kentucky have other benefits that give them the edge over Eastern Kentucky. In West Virginia, Senator Robert Byrd worked tirelessly for funds that would help his home state. When Corridor L of the ADHS was expanded into four lanes in the late 1990s, Senator Byrd added funds to a federal appropriations bill that would “help communities along the highway capitalize on existing tourism opportunities and attract new tourism-related businesses and jobs.”<sup>141</sup> West Virginia also has the advantage of being home to several universities that have expertise in the tourism field – Concord College, West Virginia University, and Davis and Elkins College – that often partnered with the ARC and the state of West Virginia for tourism development initiatives throughout the state. Eastern Kentucky, however, does not have a public research university within its boundaries.<sup>142</sup>

The Benedum Foundation, which operates in West Virginia and Southwestern Pennsylvania, is a charitable foundation which seeks “to empower people to develop their own capacity and the capacity of their institutions to succeed.”<sup>143</sup> Education and economic development, community development, and health and human services projects

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<sup>141</sup> James E. Casto, “West Virginia’s Corridor L Opens the Door to Tourists,” *Appalachia Magazine*, August 1, 1996, [https://www.arc.gov/magazine/articles.asp?ARTICLE\\_ID=169](https://www.arc.gov/magazine/articles.asp?ARTICLE_ID=169).

<sup>142</sup> To qualify as a research university per the Carnegie Classification of Institutions of Higher Education, a university must meet the minimum requirement of at least award twenty research-based Doctorate degrees. Eastern Kentucky University, a public university in Richmond, KY, does not meet these requirements.

<sup>143</sup> “About Us,” Claude Worthington Benedum Foundation, accessed June 19, 2018, <http://benedum.org/about-us/>.

are eligible for grants through the Foundation. Several grants have been awarded to tourism-related projects in West Virginia including matching funds for a revolving loan fund to help develop tourism initiatives along the Hatfield-McCoy trail system and a grant to the Tucker Community Foundation to create a plan for tourism development in Tucker County, West Virginia.<sup>144</sup> The Benedum Foundation was established in 1944, well before the creation of the ARC, and has therefore had a long time to help fund tourism and other economic development initiatives in the region. In Eastern Kentucky, The Foundation for Appalachian Kentucky, a non-profit organization that funds similar projects, has only been in existence since 2006.

Eastern Kentucky has been making headway, though, in overcoming the various obstacles that have caused difficulties in economic development. Beyond helping to establish SOAR, Congressman Hal Rogers has had a hand in creating other initiatives and groups such as the Southeast Kentucky Economic Development Corporation and Forward in the Fifth, which are both non-profit organizations aimed at economic development and education, respectively. The number of organizations in existence can cause issues since they are often competing for the same grants and operate in certain regions, hurting the possibilities of collaboration. SOAR is a shift in the right direction towards achieving a working relationship between private and public economic development groups in Eastern Kentucky.

In order to achieve a successful and sustainable tourism industry, the power should be in the hands of groups that operate on the local level and in the communities

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<sup>144</sup> “Existing Grants,” Claude Worthington Benedum Foundation, accessed June 19, 2018, <http://benedum.org/existing-grants/>.

themselves. While the ARC faced scathing criticism from scholars and public policy experts in its early years, its work in recent decades has demonstrated the dedication to working either directly or indirectly with communities to develop tourism attractions that residents want. The thriving arts and crafts tourism industry shows that Appalachians value their heritage and realize that not only is it an opportunity to keep those skills alive, but offer an economic prospect for struggling communities. Multiple opportunities for funding provides Area Development Districts and local government entities freedom in what creating tourism projects.

The ARC has been in danger of having its funding cut from several different Presidents, including President Trump after his election in 2016. When that news came to light, many rushed to the defense of the Commission including Kentucky Senator Mitch McConnell who opposed Trump's cuts in a speech, proclaiming that the ARC "is very important to Eastern Kentucky. It has been for a number of years."<sup>145</sup> With the Appalachian region receiving a lot of attention following the 2016 Presidential election and the release of *Hillbilly Elegy: A Memoir of a Family and Culture in Crisis* by J.D. Vance, the work of the ARC has surprisingly been rarely mentioned. Vance's work was widely applauded for its insight into the people of Appalachia and why many continue to be poor. Others claimed it perfectly explained the rise of Trump's popularity in America, especially in "Trump Country" which included Appalachia.<sup>146</sup> There has been push back on Vance's work from various Appalachian residents including public historian Elizabeth

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<sup>145</sup> WKYT News Staff, "McConnell Opposes Trump Cuts to Appalachian Regional Commission," WKYT, March 19, 2017, <http://www.wkyt.com/content/news/McConnell-opposes-Trump-cuts-to-Appalachian-Regional-Commission-416544833.html>.

<sup>146</sup> Florence Dore, J.D. Connor, and Dan Sinykin, "Rebel Yale: Reading and Feeling 'Hillbilly Elegy'," L.A. Review of Books, January 10, 2018, <https://lareviewofbooks.org/article/rebel-yale-reading-feeling-hillbilly-elegy/#!>.

Catte in her work *What You Are Getting Wrong About Appalachia* in which she argues that Appalachia is not the monolithic region that Vance and other elites have portrayed it as.<sup>147</sup> Perhaps those not familiar with the region are not aware of the ARC and what it has done for Appalachia especially with the influx of pieces and exposés about the region that are deeply enmeshed with the typical negative stereotypes of the region. Scholarly articles on the agency published after the 1980s are few and far between and there are even fewer pieces explicitly about its tourism initiatives.

With tourism a major industry in the United States and around the world, now is an ideal time to promote the tourism opportunities available in Appalachia to those outside of the region. Historically, tourists to the region are either visiting family or live within the non-Appalachian portions of those states. But with the continued popularity of outdoor recreational tourism and the interest in exploring other cultures through heritage tourism, Eastern Kentucky has an opportunity to draw in tourists from across the nation. Unfortunately, the region is still battling the pervasive stereotypes and the new label of the Appalachia as “Trump Country.” Drawing tourists to the area may prove even more difficult now due to increased bad press about the region. The ARC has an opportunity to research and fund tourism advertising campaigns to combat stereotypes about the region while also promoting the work of the agency, groups, and communities who have developed tourist attractions in Eastern Kentucky.

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<sup>147</sup> Elizabeth Catte, *What You Are Getting Wrong About Appalachia* (Cleveland: Belt Publishing, 2018).

# Public History Project: Grant Proposal

## Grant Proposal Outline

The proposed project is to develop signage and tourist attractions along two existing scenic byways that go through East Tennessee and Eastern Kentucky. The East Tennessee Crossing is 83 miles long and begins in Cumberland Gap and ends in the

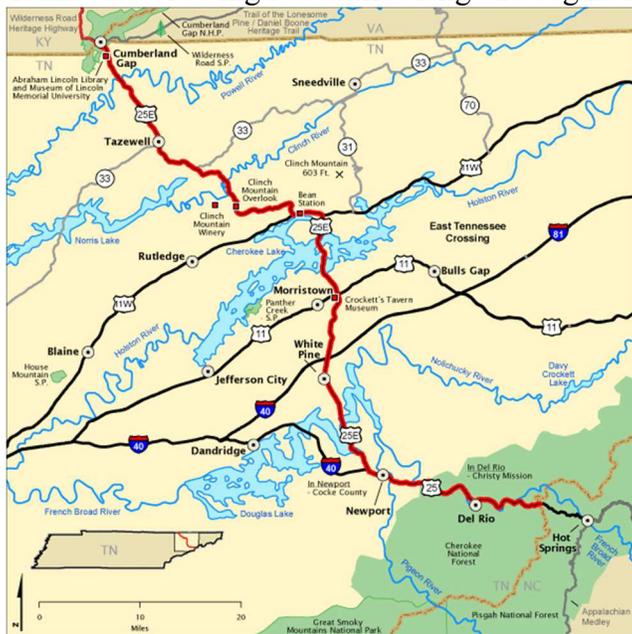


Figure 6: A map of the East Tennessee Crossing Scenic Byway. Source: <https://www.fhwa.dot.gov/byways/byways/76017/maps>



Figure 7: A map of the Wilderness Road Heritage Highway. Source: <https://www.fhwa.dot.gov/byways/byways/2566/maps>.

Cherokee National Forest on the North Carolina – Tennessee border. In Eastern Kentucky, the Wilderness Road Highway begins in Cumberland Gap and ends in Berea. By capitalizing upon these highways that already exist and are federally funded by the Federal Highway Administration, it meets the ARC’s asset-based development objectives and provides an opportunity for communities along these rural highways to bring tourists in to enjoy history and culture.

Inspiration for this proposed grant came from Southwest Virginia’s

Crooked Road Heritage Music Trail. The Crooked Road’s website lists major and affiliated venues as well as wayside exhibits that are located on the side of the road in certain spots. Each

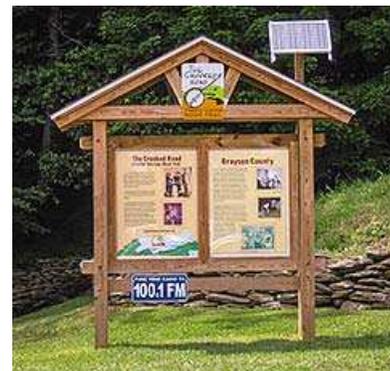


Figure 8: One of 26 Wayside Exhibits along The Crooked Road. Source: <https://www.myswva.org/tcr/venues/waysides>.

Wayside Exhibit has panels and accompanying five-minute audio recordings that are available through a FM radio station. For those interested in listening to the Wayside Recordings

without having to drive The Crooked Road,

they are all available online. It has been extremely successful in drawing in tourists to the region and it the hope is that by developing a similar construct along these two scenic byways, it would create a successful trail for the rural areas of East Tennessee and Eastern Kentucky.

Since all ARC grants require matching funding, the proposed project would receive funding from regional non-profits that are focused on economic development, such as MACED and SOAR. The funding from the ARC would come from money given to the Area Development Districts that are involved in the project and funding that is given to distressed counties. There are five distressed counties included in the project area which means the project is potentially eligible to have up to eighty percent of costs covered instead of just fifty percent. To give an idea of what kind of funding Area Development Districts receive, in 2017 the East Tennessee Development District received \$66,693 from the ARC, the Cumberland Valley Area Develop District received \$58,174, and the Bluegrass Area Development District received \$46,728. Although they are not included in the following grant proposal example, applicants would have to attach two federal forms to the proper ARC application.

Executive Summary for ARC Application

Project Title: East Tennessee and East Kentucky Heritage Trail

Project Grantee: Terry Bobrowski, Executive Director of the East Tennessee Development District

Counties Served: Claiborne County, TN – At-Risk, Grainger County, TN – At-Risk, Hamblen County, TN – Transitional, Jefferson County, TN – Transitional, Cocke County, TN – Distressed, Bell County, KY – Distressed, Knox County, KY – Distressed, Laurel County, KY – At-Risk, Madison County, KY – Transitional, Rockcastle County, KY – Distressed, Whitley County, KY - Distressed

Basic Agency: Administering agency (construction projects only)

Goal/Strategy: Tourism Development (ARC); Tennessee State Objective 3.4; Kentucky State Objective 4.2

Purpose: The purpose of this project is to develop tourism in East Tennessee and Eastern Kentucky.

Funding:

<b>Amount</b>	<b>Percent</b>	<b>Source</b>
ARC \$300,000	50 %	ADDs, Distressed Counties

Federal \$200,000	33.3 %	USDA Rural Community Development Initiative Grants
State \$100,000	16.7%	TN Tourism Marketing Grant/ Tourism Enhancement Grant
Local		
Private		
<b>Total \$600,000</b>	<b>100 %</b>	

Project Description:

The major activities to be completed include designing and building six roadside exhibits, developing a database of historical and cultural sites along the route, and creating a website for the project which will host the database, text of the roadside exhibits, and information about the project. Writing and designing the exhibits will be under the control of local tourism groups, like a Chamber of Commerce, or a committee of local historians in each designated community which includes Middlesboro, Cumberland Gap, Pineville, Bean Station/Clinch Mountain, Morristown, and Newport. These exhibits will be created under collaboration with institutions of higher education in the area that will provide materials and editing. The construction and installation of the exhibits will be done by 1220 Exhibits, Inc., a museum exhibit fabrication company in Nashville, Tennessee. The next step is selecting venues, sites, and festivals that will be promoted in order to draw in tourists and will be listed on the project’s website. This step will also be completed by Chambers of Commerce or other local tourism groups. Finally, the project will be completed by designing a website that will contain maps of the routes, the listed venues, sites, and festivals, and information about what the wayside exhibits cover to inform potential tourists about what the project has to offer. This will be completed by VIEO Design in Knoxville, Tennessee which specializes in website design and digital marketing. In total, the project should be completed within a year and a half.

Strategic Rationale:

Considering how many counties that this project includes, most of the problems this project will face will be maintaining the collaborative partnerships between all counties and local development districts involved. However, the opportunities this project will provide for the involved counties outweighs any potential issues. Five of the counties are designated as distressed and three are designated as at-risk. The economic status of these counties would require funding from the ARC since the local development districts and counties will not be able to provide full funding for the project. This project supports the regional strategies of both Tennessee and Kentucky which includes developing the tourism industry in the Appalachian regions of these states. It also helps to further diversify the

economies of these regions, especially in the counties included, which are primarily very rural.

#### Collaborative Partnerships:

The project will depend on collaborative partnerships between the three local development districts that cover the project area – the East Tennessee Development District, Cumberland Valley Area Development District, and Bluegrass Area Development District. It will also require some collaboration with the Federal Highway Administration, which administers the National Scenic Byways Program. Other partners include the local tourism groups for each county that will have input in developing the wayside exhibits panels and nominating historic and cultural sites or venues to be affiliated with the project as well as any regional tourism groups that cover the target area. Universities in the region would be worthwhile partners as well including Berea College, University of Tennessee – Knoxville, East Tennessee State University, and Eastern Kentucky University for being part of the collaborative process on the wayside exhibits.

#### Project Sustainability & Capacity:

As executive director of the East Tennessee Development District and vice president of the Areawide Development Corporation, Bobrowski has experience both managing grants and federal awards. In regards to experience dealing with tourism projects, the East Tennessee Development District is heavily involved in historic preservation in the region. Preservation staff of the development district work with partners throughout the region to conserve historical and cultural resources and submit National Register nominations for sites within the counties served. Once ARC funding is no longer available, the project will be sustainable through the increase in tourism dollars to the region. Upkeep for the exhibits and the website, which will be minimal, will be funded through grants given to the Local Development Districts involved in the project.

#### Impact Measures:

Quantifiable output and outcome measures include increased tourist visitation to the included historical and cultural sites as well as tourist dollars spent in the counties along the route.

### Project Narrative

#### 1. Goals and Strategies

- a. **List the primary ARC goal and the primary ARC objective the project will address (one each).** – Investing in natural & cultural assets (Goal 4) & supporting strategic investments in natural and cultural heritage resources to advance local economic growth (Objective 3)

- b. **List the primary ARC state strategy the project will address.** – Tennessee State Strategy 3.4.3: Develop tourism sites and opportunities in the Region/ Kentucky State Objective 3.3.3.: Develop tourism sites and opportunities in the region.

## 2. Project Description

- a. **Provide a brief statement that describes the project’s primary purpose, main activities, and expected impacts.** The project’s primary purpose is to develop tourism opportunities in East Tennessee and Eastern Kentucky. Like Southwest Virginia’s The Crooked Road, the project will develop exhibits that will be placed in certain towns along the East Tennessee Crossing and Wilderness Road Heritage Highway Scenic Byways and create a marketing plan that will promote various cultural and historical sites along these routes to tourists. Expected impacts of the project include increased tourist activity in the eleven counties involved in the project which will result in an increase in spending at restaurants, hotels, and other businesses from tourists traveling through the area.
- b. **Provide a detailed work plan, including a description of all major project activities (what will be done, who will complete each activity) and timelines for each activity during the course of the project.**

The first step in the project is writing and developing the wayside exhibits that will be located at various points along the route including Middlesboro, Cumberland Gap, Pineville, Bean Station/Clinch Mountain, Morristown, and Newport. Developing the exhibits includes writing and designing the panels which will be handled by the communities themselves through local tourism groups or a committee made up of local historians. After the exhibit panels are written, they will be edited by historians from universities in the region including Berea College, East Tennessee State University, University of Tennessee – Knoxville, and Eastern Kentucky University to help maintain historical accuracy while also still making sure residents have a say in how their community is presented to tourists. Crowdsourcing content for the exhibits democratizes the process which is part of the concept of shared historical authority where cultural institutions collaborate with communities to promote participation in the development and presentation of local history. This step should ideally take about three months to write the exhibits and another two months to design the panels. Once this step is completed, the exhibits will need to be created and installed by 1220 Exhibits, Inc., which is a museum exhibit fabrication company headquartered in Nashville, Tennessee and should take two to three months. The next step is selecting venues, sites, and festivals that will be promoted in order to draw in tourists and will be listed on the project’s website. This step will be done by local chambers of commerce or other tourism groups and should take two to three months. Promoting participation in the project will be

incentivized through being included in the online database, which increases visibility for local groups and others who choose to be involved in the project. Finally, the project will be completed by designing a website that will contain maps of the routes, the listed venues, sites, and festivals, and information about what the wayside exhibits cover to inform potential tourists about what the project has to offer. This will be completed by VIEO Design in Knoxville, Tennessee and will take four to five months.

- c. **Identify the counties where the proposed project will be based and the counties in the project's entire service area. Attach maps.** – Counties in which the project will be based includes: Claiborne, Grainger, Hamblen, Jefferson, and Cocke counties in Tennessee and Bell, Knox, Laurel, Madison, Rockcastle, and Whitley counties in Kentucky.

### 3. Strategic Rationale

- a. **Describe any problems, opportunities, or local/regional demand that the project will address and how these issues impact the community.**

The project will address the lack of any major tourism attractions in the region and will help to create new opportunities for future tourism development or small business development. East Tennessee's tourism industry is dominated by the Great Smoky Mountains National Park, Pigeon Forge, Gatlinburg, and Chattanooga while many of the smaller communities do not benefit from the massive amounts of tourists that visit those places. The proposed project will introduce tourists to other areas of East Tennessee that have a very rich cultural and historical background but go unnoticed because they are rural. It will draw tourists to these rural counties, several of which are classified as distressed or at-risk, and help to diversify the economies of these counties while preserving and promoting the cultural, natural, and historical facets of the region.

- b. **Explain why the proposed project is the most practical, cost-effective, and beneficial way to achieve the desired results when compared to alternative approaches.**

The proposed project is the most practical and cost-effective method to achieve tourism development in the area because it already takes advantage of existing roadways that are already designated as National Scenic Byways by the U.S. Department of Transportation. Unlike another tourism project which would potentially require more construction, this project only requires the development, construction, and placement of wayside exhibits. Everything else, such as the historical and cultural sites, already exist and have been in operation for a decent amount of time. By capitalizing upon existing cultural and infrastructure assets in East Tennessee and East Kentucky, it reduces the amount of time and money that will be needed to develop this tourism project. The only thing that will be created from the ground up is the website which is a necessary cost

considering how many people rely upon the internet for information when it comes to planning vacations and trips.

**c. Explain how the proposed project represents progress toward addressing a regional strategy, such as a comprehensive economic development strategy or a local visioning process.**

The proposed project represents progress towards addressing regional strategies that have been laid out by both Kentucky and Tennessee. Both states have state objectives that are aimed at developing tourism sites and opportunities in the region, which is the main goal of the proposed project. The state objectives are aimed at creating new jobs in the tourism sector, which is a potential benefit of the project. While at the beginning, this proposed project will capitalize upon already existing infrastructure and tourism sites, the increase in tourists to the region would bring opportunities for new businesses that cater to tourists to open and increase income to the existing tourism sites, which would open the door for new hires.

**d. If the proposed project is a continuation or expansion of an ongoing program (where or not the program received ARC funding), describe the program's outputs and outcomes to date, as well as other project milestones reached.**

While the proposed project is based off the existing Scenic Byways that go through East Tennessee and East Kentucky, it is not an expansion of an ongoing program. However, the proposed project does expand upon the benefits that Scenic Byways bring to the areas they are located in. The intended purpose of Scenic Byways is to “create unique travel experiences and enhance local quality of life through preserving, protecting, interpreting, and promoting the intrinsic qualities of designated byways.”<sup>148</sup> Several studies have been done about the economic impact of Scenic Byways, but measuring the benefits is difficult. The America's Byways Resource Center created a Byways Economic Impact tool that allows for one to measure the impact of byways and related activities in each year through the input of data. Per the economic impact tool, there is a definite economic benefit from these byways. For example, the Journey Through Hallowed Ground National Scenic Byway which covers fifteen counties through Maryland, Pennsylvania, Virginia generated \$1.06 billion in total business sales, sustained more than 6,500 jobs, and created an increase of \$165.1 million in labor earnings.<sup>149</sup>

**e. Describe other project benefits likely to result from the project (e.g., positive impact on future economic development in the area).**

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<sup>148</sup> Gary Jensen, “America's Byways Pay Off in Authentic Experiences, But How About Dollars?,” *Public Roads* 76, no. 4, (January/February 2013), accessed July 18, 2018, <https://www.fhwa.dot.gov/publications/publicroads/13janfeb/05.cfm>.

<sup>149</sup> Ibid.

Other potential benefits from the project besides an increase in tourism in the area include a positive impact on future economic development in the area. If industries and businesses from both inside and outside of the region see that these communities are thriving because tourists come to the area to enjoy what these areas have to offer, it could draw new investors to the area. Another benefit from the project includes an increase in community leadership and positive feelings about the community. When communities start seeing the economic impact from this project, it could give them a renewed sense of pride about the area and its potential for growth, which would result in a push for new opportunities for the community.

#### **4. Collaborative Partnerships**

##### **a. Describe any partnerships or collaborations with other local community, state, regional, and federal partners in the development of the proposal.**

This project will require a lot of collaborations and partnerships with entities on the community, regional, and federal levels. Since the Scenic Byways that form the basis of the project are run by the Federal Highway Administration, the project will require partnership with the agency. On the regional level, the project will partner with the Southern & Eastern KY Tourism Development Association, the Morristown Area Chamber of Commerce, Travel, and Tourism, and the Cocke County Partnership Tourism Development. These partnerships will be key in promoting the project once it is completed. The most important groups the project will collaborate with are those on the local level which will do a lot of hands-on work with the project in order to develop the roadside exhibits and create a list of venues and sites that will be promoted as part of the project. These groups include the East Tennessee Development District, Cumberland Valley Area Development District, and Bluegrass Area Development District, which are local development districts that contain all of the counties the project is based in. Other local groups include the chambers of commerce for each county or town/city that has one as well as any historical society that operates in these counties. Partnerships between these communities with higher education institutions like Berea College, East Tennessee State University, University of Tennessee – Knoxville, and Eastern Kentucky University are an important part of the process in developing the wayside exhibits.

##### **b. Provide letters of engagement from partner organizations that commit to undertake specific activities in support of the project.**

#### **5. Project Sustainability and Capacity**

##### **a. Briefly describe applicant's capacity to undertake the proposed project by describing previous experience with similar activity.**

In regards to experience dealing with tourism projects, the East Tennessee Development District is heavily involved in historic preservation in the region. Preservation staff of the development district work with partners throughout the region to conserve historical and cultural resources and submit National Register nominations for sites within the counties served.

**b. Describe experience in managing grants and federal wards.**

As executive director of the East Tennessee Development District and vice president of the Areawide Development Corporation, Bobrowski has experience both managing grants and federal wards as well as awarding them. The Areawide Development Corporation administers various business loan programs including the Economic Development Administration Revolving Loan Fund to promote economic development in the East Tennessee region. Since the Areawide Development Corporation's creation in 1981, it has provided over \$81 million in financing to businesses.<sup>150</sup>

**c. Describe the qualifications of key individuals who will manage and operate the project. Attach position descriptions or brief resumes of these individuals.**

The key individuals who will manage and operate the project are the executive directors of each local development district involved with the project, including Terry Bobrowski. Whitney Chestnut is with the Cumberland Valley Area Development District and David Duttlinger is the executive director of the Bluegrass Area Development District. Duttlinger has an extensive background in environmental engineering with ten years as a consultant for an engineering firm and as part of the Civil Engineer Corps, United States navy.

**d. Describe the qualifications of all consultants and subcontractors, if any, and describe the competitive procedures that will be used to select them.**

1220 Exhibits, Inc. was chosen due to its impressive portfolio of work with private businesses and public entities. The company has done work for the National World War II Museum, Jack Daniels' Visitor Center, and the National Civil Rights Museums, to name a few projects and handles everything from fabrication to installation. VIEO Design combines the fundamentals of marketing with web design to create web sites that are functional and cleanly designed. Websites designed by VIEO are concentrated on attracting customers and visitors to the website which is important in making sure that visitors are well-informed and interested in visiting the area to drive the route and go to affiliated historical and cultural sites. The subcontractors were chosen due to proximity to the region which helps to keep the benefits within the Appalachian region.

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<sup>150</sup> "Small Business Loans: Areawide Development Corporation," East Tennessee Development District, accessed July 18, 2018, <http://www.etdd.org/services/economic-development/small-business-loans/>.

However, there were no museum exhibit fabricators that were located within the region but 1220 Exhibits, Inc.'s portfolio was impressive enough to garner consideration and ultimately led to the company being chosen.

- e. **Explain how the project will achieve long-term sustainability once ARC support is no longer available. Include a plan and timeline of efforts to secure other source of support for future operations.**

The project will achieve long-term sustainability once ARC funding is no longer available by securing funding from other sources in order to maintain the roadside exhibits, website, and for any future expansions. For the Kentucky portion of the route, Flex-E-Grants are available through the Brushy Fork Institute at Berea College. In Tennessee, the project can apply for ARC grants through the state in case a larger grant is needed for more expensive future operations. Since the roadside exhibits are outside, it is likely that regular upkeep will be needed to keep them in as pristine condition as possible. Once a year, the program will apply for grants either in Kentucky, Tennessee, or for a smaller grant from the ARC for maintenance of the exhibits as well as the website. The project will also seek any private investment or through a non-profit that operates in the region.

## **6. Impact Measures**

- a. **List the expected outputs and outcomes of the project.**

Increased tourist visitation, increased tourist spending in the region, increased tourist traffic along the routes in East Tennessee and East Kentucky

- b. **Provide a credible and established methodology for estimating each impact measure that results from the project.**

While measuring spending and tourist traffic along these routes is difficult since the Scenic Byways are also major routes in the area, there are methods to estimate the economic impact from the proposed project. The Byways Economic Impact tool has been used to estimate spending from tourists along other byways as well as measure jobs created and any increase in labor wages. Measuring tourist traffic along the route would be much more difficult to do even with typical traffic models. If there was increased traffic along the two routes in Tennessee and Kentucky, there would have to be a way of determining if it was due to tourism or for another reason. Increased tourist visitation could be measured by asking visitors to tourist sites affiliated with the proposed project to claim why they are visiting the sites by filling out a visitor sign in sheet.

- c. **If project has “jobs created,” “jobs retained,” or “leveraged private investment” as an impact measure, attach letters documenting job or investment commitments, if available.**

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