



EXPLORING APPALACHIA:

Burgeoning Region Uses Eco-Heritage Tourism as a Tool for Economic Development

Photo courtesy of Foothills School of American Crafts

SUMMER | 2002 | PUBLISHED BY THE FEDERAL RESERVE BANK OF CLEVELAND

Travel and tourism is big business globally, in the United States, and in Ohio. According to the Travel Industry Association of America, tourism is America's largest services export, one of the largest U.S. employers, and the nation's third-largest retail sales industry.¹ In 2000, tourism employed more than 900,000 Ohioans, generated \$25.7 billion in direct sales to tourists, and raised \$2.1 billion and \$1.9 billion, respectively, in state and local taxes.

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EDITOR'S NOTE

The Federal Reserve Bank of Cleveland has had the pleasure of investigating first-hand the use of eco-heritage tourism as a tool for community economic development in southeast Ohio. This spring, our staff toured a number of sites in the area and interviewed approximately 25 individuals who are working to develop this region and the eco-heritage tourism industry. We would like to thank those who participated in our study for the wealth of information, insights, and time they graciously contributed to the effort.

This issue of *CR Forum* explores the principles of eco-heritage tourism and applies them to an area of the Fourth Federal Reserve District—Ohio's Appalachian region—that is full of potential and in need of indigenous economic development. In addition to elaborating on the industry's best practices, we discuss some of the challenges and limitations that lie ahead for southeast Ohio.

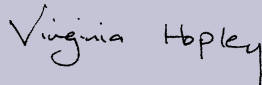
The Community Affairs Office at the Federal Reserve Bank of Cleveland hopes that southeast Ohio and all communities investigating the development of eco-heritage tourism will benefit from our experiences, observations, and the generous expertise of the individuals and organizations we consulted. Please refer to the Resources list on page 9 for their contact information.

The views expressed in these articles represent those of the authors and not necessarily those of the Federal Reserve Bank of Cleveland or the Board of Governors of the Federal Reserve System.

We welcome your comments regarding this edition of *CR Forum*; please e-mail them to virginia.l.hopley@clev.frb.org



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*The renovated Stockport Mill,
Stockport, Ohio.*

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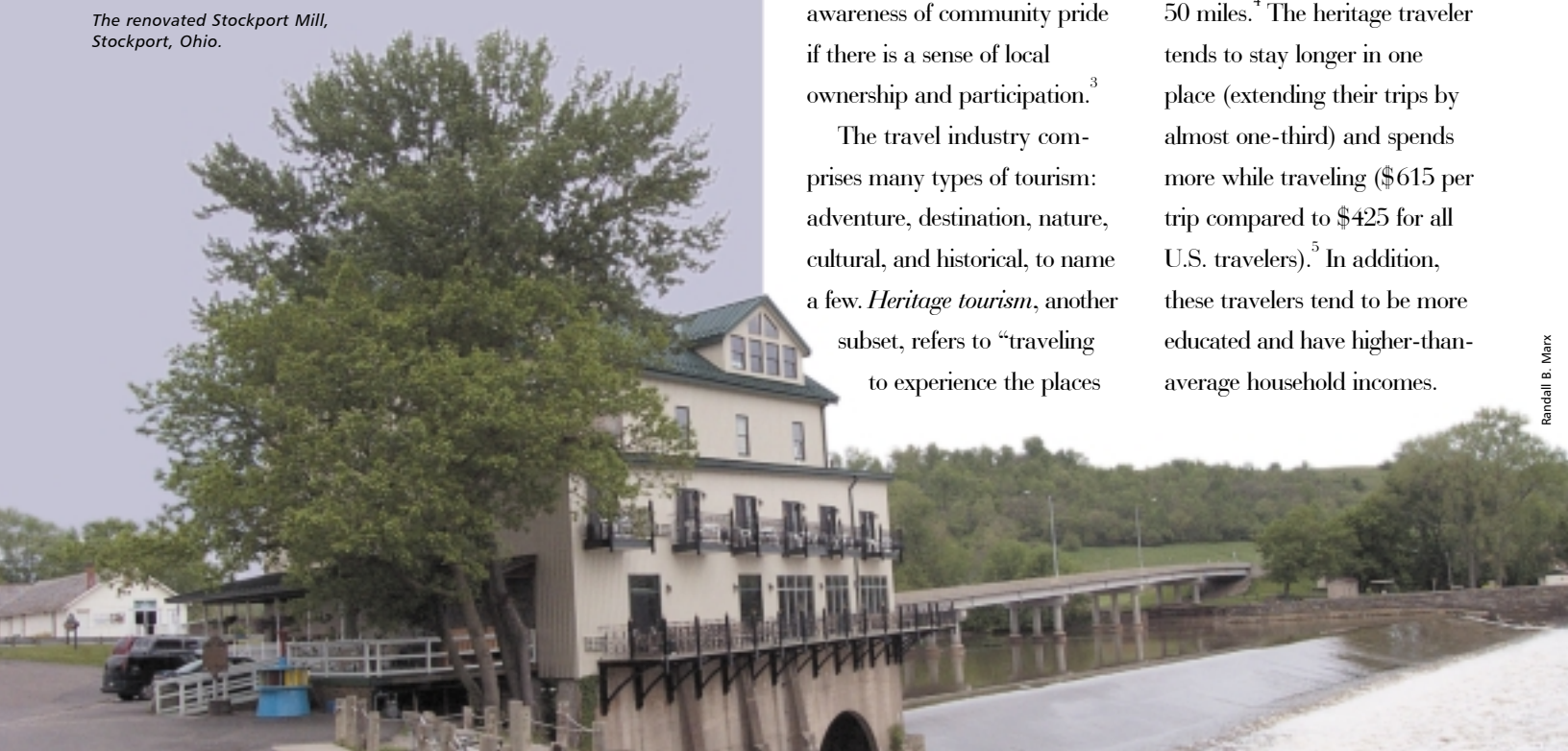
Although the onset of the economic slowdown sparked a slight decline in tourism in Ohio during 1999–2000, the industry's growth potential in the state and nationwide remains substantial.²

As an industry, travel and tourism is unique: It is a “clean” industry, devoid of smokestacks and harmful environmental effects; it is people- and service-oriented; if authentic, its attractions are unique to each site and not easily replicable; and its product—the travel experience—is largely intangible and different for each consumer. Tourism cannot be overlooked as a tool for business and community economic development: It creates new jobs, businesses, and entrepreneurial opportunities; it can improve the quality of life in a locale; and it creates an awareness of community pride if there is a sense of local ownership and participation.³

The travel industry comprises many types of tourism: adventure, destination, nature, cultural, and historical, to name a few. *Heritage tourism*, another subset, refers to “traveling to experience the places

and activities that authentically represent the people and stories of the past,” according to the National Heritage Tourism Research Forum. The relatively new concept of *eco-heritage tourism* takes this idea one step further, “to experience the nature, ecology, and scenic beauty indigenous to a place,” and it relies on the attraction of historical, cultural, and natural resources. The eco-heritage tourist may visit, for instance, museums, architecturally significant buildings, historic communities, artisans, and national and state parks.

Eco-heritage travel and tourism, too, is a large and growing business: According to a Travel Industry Association survey, nearly half of the 199.8 million U.S. adult travelers included a cultural, arts, heritage, or historic activity while on a trip of more than 50 miles.⁴ The heritage traveler tends to stay longer in one place (extending their trips by almost one-third) and spends more while traveling (\$615 per trip compared to \$425 for all U.S. travelers).⁵ In addition, these travelers tend to be more educated and have higher-than-average household incomes.



Perhaps most important, the eco-heritage traveler is looking for an educational, unique, and genuine experience that cannot be obtained just anywhere.

Southeast Ohio: An Excursion into History

“Not just anywhere” is one way of capturing the history, untouched natural beauty, and distinctive culture of southeast Ohio. Known as Ohio’s Hill Country Heritage Area, this area is one of six designated heritage areas in the state and comprises the state’s 29 Appalachian counties (see map below).⁶

The history of Ohio’s Hill Country is exceptional. Topographically, the area was mostly unglaciated, creating

a hilly landscape, sharp ridges, and steep ravines. Rich in natural resources and dense forests but largely unsuitable for agriculture, the region developed an industrial base in the eighteenth and nineteenth centuries that centered on the extractive industries—gas, oil, coal, stone, gravel, iron ore, salt, and clay.

Marietta was home to the first white settlement outside the 13 colonies in 1788, and the region quickly became a destination for European immigrants from western Virginia, Pennsylvania, and New England. African American immigration to southeast Ohio increased during 1860–70, and Ohio’s Hill Country boasts of many important sites on the Underground Railroad.

Several major rivers—the Hocking, Scioto, Muskingum, and Ohio—have been crucial to the area’s development, providing a means of transportation for people and a channel for exporting resources. The Ohio & Erie Canal, built as Ohio’s first major public works project in 1833, created an inland route from New York City to the Mississippi River. With improved access to other markets, this area flourished and Ohio became a national economic power. Extensive railroad development followed in the second half of the nineteenth century, allowing Appalachia’s mineral wealth to be shipped to the northeast, fueling the Industrial Revolution.

Coal was particularly important to southeast Ohio’s culture and economy: The state’s top coal-mining counties were located in this 29-county region, and, between 1880 and 1910, it was the largest coal-producing region in the world. Nelsonville became the commercial, financial, and transportation hub for the coal mining industry in the early twentieth century for parts of Athens, Hocking, and Perry counties. Nicknamed the “Little Cities of Black Diamonds,” today the area covers 50 communities that once were part of the Hocking Valley Coalfield. Company towns supported by the coal industry developed throughout Ohio’s Hill Country and became vital communities for families, merchants, craftspeople, and social activities.⁷

Profile of Ohio’s Appalachian Counties



Appalachian Regional
Commission Counties

- Distressed Counties
- Situationally Distressed Counties

Source: Ohio Department of Development, Office of Strategic Research (January 2002).

Population (2000): **1,455,313**

Unemployment rate (2000): **5.7 percent**

Per capita income (1999): **\$20,516**

High school graduation rate (2000): **84.1 percent**

Distressed counties (2002): **20**

The Ohio Department of Development considers an area distressed if it meets two of three criteria: Unemployment is more than 125 percent of the most recent five-year average U.S. unemployment rate; per capita income is at or below 80 percent of the U.S. per capita income; and poverty is at least 20 percent.

Situationally distressed counties (2002): **1**

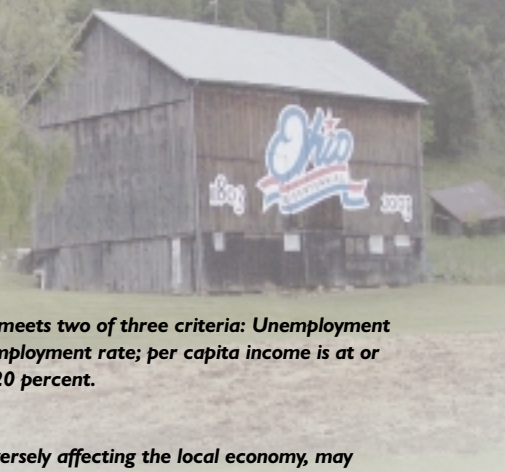
Cities or counties whose major employers close or downsize, thereby adversely affecting the local economy, may petition the director of the Department of Development to be declared a situational distress area for up to 36 months.

Active businesses (2000): **27,064**

Business starts (2000): **3,018**

Business terminations (2000): **2,908**

FDIC-insured financial institutions (2000): **87, \$16.5 billion in assets**



Today, the Little Cities of Black Diamonds resemble reforested ghost towns, with minimal evidence of the economic and social boomtowns they once were. When the economic engine of the extractive industries was exhausted, the communities were left without indigenous economic activity, expertise, and wealth to spawn a recovery. While their resources once had stimulated the growth of industry and supported wealth outside the region, by the 1900s southeast Ohio was left with unstable economies, a dearth of civic and managerial leadership, and natural resources that no longer had value.

Much of Ohio's Hill Country Heritage Area and Appalachia, both predominantly rural areas, suffer from high unemployment and poverty rates, low educational attainment, and population loss associated with the decline of the extractive industries.⁸ However, this region also possesses a culture of resilience

and self-sufficiency that can foster a new form of economic development. There is recent and increasing evidence that tourism has great potential in southeast Ohio: In 1999, the industry supported 71,000 jobs in Appalachian Ohio and generated \$2.8 billion in travel expenditures.⁹ The Ohio Department of Development reports that in 2000, travelers took 13.4 million day trips and 2.7 million overnight trips to southeast Ohio—the only region in the state where travel grew between 1999 and 2000.

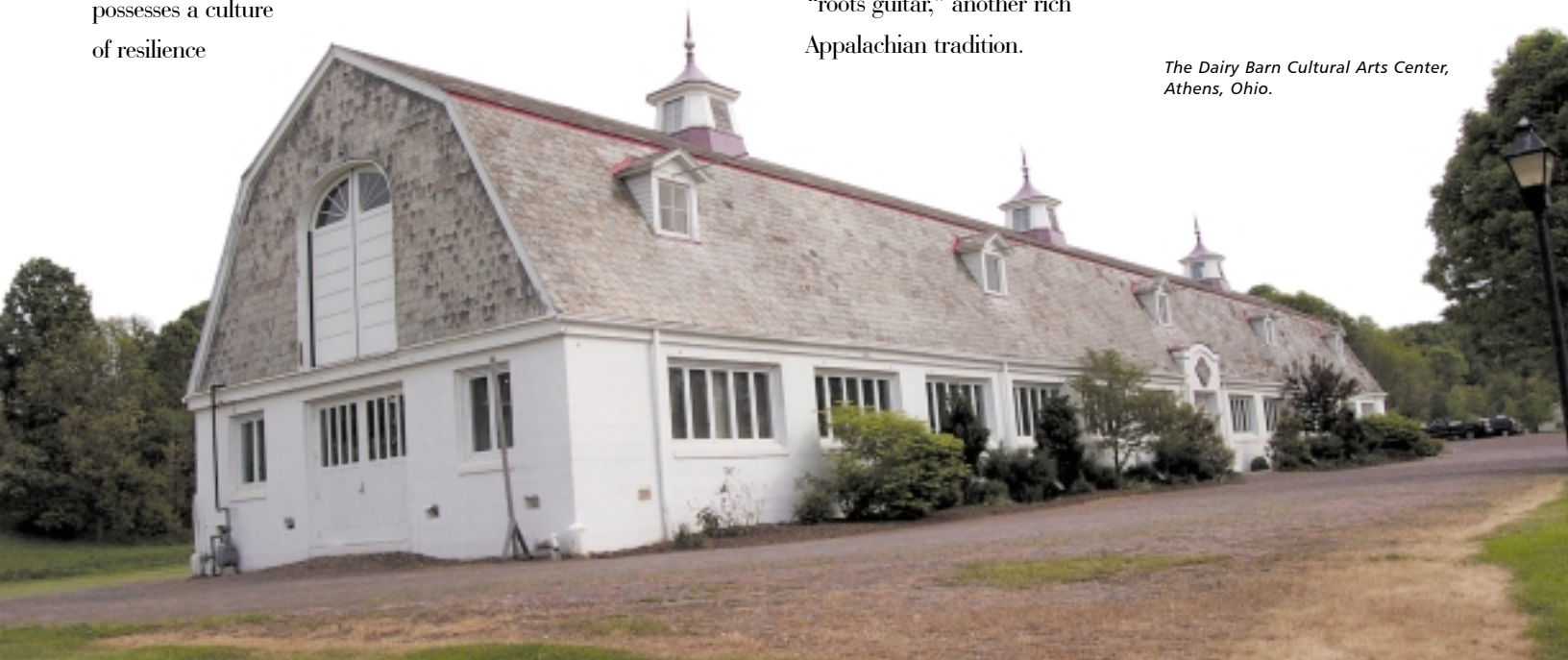
In order to capture the wealth of eco-heritage activities available to travelers, leaders in the area have identified six experiences that the Appalachian region has to offer travelers: handmade and homegrown products, cultural heritage, industrial and labor history, Civil War history, the Underground Railroad, and natural beauty.¹⁰

Marietta and Nelsonville, for example, have become destinations for their historic downtown areas with many significant landmarks. Athens is home to Ohio University, the state's oldest public university, and to Hocking College in Nelsonville, recognized internationally for its tourism and park ranger training programs. Hocking Hills attracts up to two million visitors annually, and Wayne National Forest, which covers 12 counties in this area, draws 700,000 annual visitors. The Eclipse Mine company town is under redevelopment to become an artisan community; artists also flourish in juried exhibits at the Dairy Barn and at the Foothills School of American Crafts, where studios and classes are accessible to novices and experienced artists. For the musician, Fur Peace Ranch guitar camp is recognized internationally for its immersion training in "roots guitar," another rich Appalachian tradition.

Rather than forgetting the past, there is renewed interest in appreciating the region's vast industrial heritage by renovating sites throughout the Little Cities of Black Diamonds and the Hocking Valley Scenic Railway, while also promoting ecology through reforestation, watershed restoration, and wildlife habitat development. Sites along the Underground Railroad and Native American burial mounds depict other important aspects of Ohio history.

This is just a scratch on the surface of the area's opportunities: Southeast Ohio's unusual geography, heritage, and culture make it ripe for eco-heritage tourism to reinvigorate the economy while rekindling pride in its diverse assets. The key to such development lies in linking the attractions to meaningful travel experiences.

The Dairy Barn Cultural Arts Center, Athens, Ohio.





Coal mining town of Shawnee, Ohio.

Randall B. Marx

Forging a Path for Eco-heritage Tourism

Southeast Ohio is at a crossroads in its development of eco-heritage tourism: Many of the elements for takeoff are in place, and a number of organizations are dedicated to fostering its growth and momentum. But without a concerted effort to integrate the region's economic, social, and cultural goals, eco-heritage tourism may not realize its potential. How can organizations dedicated to eco-heritage tourism in southeast Ohio create synergy among the industry's elements and sustain the energy behind it so that it becomes a tool for a robust economy?

First and foremost, any eco-heritage tourism program must benefit the area's residents, giving them a sense of local ownership and civic participation from the outset. Rather than imposing a top-down

approach to tourism that is likely to fail, building civic capacity and local leadership at the grassroots level is the best way to draw in local residents. Engaging stakeholders in a community visioning process is one approach to local participation in developing the initiative (see "Grassroots Efforts for Developing Eco-heritage Tourism" on page 6).

From this community vision, leaders will create an action plan that includes a candid analysis of the area's strengths, weaknesses, opportunities, and assets. Like any industry, eco-heritage tourism leaders need to understand their product, customers, competition, demand for products and services, and suppliers, and they must determine how they will prioritize their actions and capitalize on their competitive advantages. In addition, the plan should address the construction of amenities and facilities, growth management, and the ongoing preservation of the area's assets.

Building from there, leaders must retain expert technical assistance to conduct feasibility and environmental impact studies that will determine the reality and requirements of implementing the plan.

Interorganizational collaboration and regional partnerships will enhance eco-heritage tourism efforts. The organizations, individuals, and businesses involved in promoting the industry must think of themselves as a network rather than as competitors. Coordinating local action plans to develop comprehensive, high-quality tour guides and maps that integrate sites and promote them regionally will produce a critical mass of tourist activities that embrace the broad appeal of the area's assets.

Getting Started: How to Succeed in Heritage Tourism

The National Trust for Historic Preservation identifies five principles and four key steps for making the most of heritage tourism opportunities.¹¹

1. Focus on authenticity and quality—what makes this area unique and what is appealing to the tourist.
2. Preserve and protect resources—safeguard the future by protecting the buildings or special places and qualities that attract visitors.
3. Make sites come alive—interpreting sites is important, and so is making the message creative and exciting.
4. Find the fit between your community and tourism—programs that succeed have widespread local acceptance and meet recognized needs.



Photo courtesy of Rivers of Steel Archives

5. Collaborate—building partnerships is essential, not just because they foster local support, but also because tourism demands resources that no single organization can supply.

Groups that succeed in heritage tourism pay close attention to each part of an integrated process. These organizations take four key steps:

1. Assess the potential.
2. Plan and organize.
3. Prepare, protect and manage.
4. Market for success.

GRASSROOTS EFFORTS FOR DEVELOPING ECO-HERITAGE TOURISM

Successful eco-heritage tourism programs involve the communities they target, giving residents a sense of ownership and pride in their region. Two groups in southeast Ohio are committed to doing just that.

Project Good START

Project Good START has been a major component in the community revitalization of Ohio's rural areas. The project's overall goal is to introduce a survey and planning tool to communities with populations under 5,000 that have few local resources. The process helps them to identify, assess, and focus on their economic and community development priorities.

Project Good START begins by forming a stakeholder committee that works with outside facilitators to serve their community's needs; in southeast Ohio, facilitation is provided by the Corporation for Ohio Appalachian Development (COAD). Citizen attitude surveys give residents the opportunity to comment on local businesses, community services, downtown development, development goals, and their perceptions of strengths, weaknesses, and desires for the future. Business and community leaders are also interviewed, as one of the project's aims is to make communities more competitive as business locations.

Finally, the survey information is reviewed during a community forum, when participants prioritize their issues and visions. Citizens form single-issue action planning groups that lead the projects toward implementation. Many southeast Ohio communities have targeted eco-heritage tourism development as their goal, and COAD has worked with them to identify their opportunities and resources to do so successfully.

Thirty-one communities in southern Ohio have completed the Good START process. In most cases, the historical and natural assets of the area emerge during the community discussions, and eco-heritage tourism is viewed as an economic tool for capitalizing on that strength. The greatest obstacle has been finding the resources and funds to organize and promote that heritage—through museums, festivals, and tours—in a meaningful way for tourists and residents.

Little Cities of Black Diamonds

Sunday Creek Associates is a small, not-for-profit community development corporation that has served the four southernmost townships of Perry County since 1990—a region of rugged hills commonly referred to as Ohio's Little Cities of Black Diamonds. The organization provides a rich example of grassroots organizing, helping citizen groups to address their local needs rather than acting as a bureaucracy. Through this work, Sunday Creek has identified priorities for this microregion, which is one of the poorest in the state:

- ◆ Understanding and sharing local history and culture in order to educate residents and develop a low-impact tourism industry
- ◆ Creating community recreation and arts opportunities for youth
- ◆ Supporting existing and emerging citizen groups
- ◆ Saving and rehabilitating commercial and residential properties
- ◆ Gaining access to the technology that is available in more affluent areas.

Sunday Creek Associates believes these needs are important to set the stage for rebuilding the local economy. Currently, it is supporting the formation of the Southern Perry Incubation Center for Entrepreneurs, a community business incubator in the village of Corning. After more than 10 years of addressing community needs, citizens are now taking action to rebuild their economy, which was devastated by the collapse of the coal, oil, clay, and iron industries that utilized the area's rich natural resources.

The Little Cities of Black Diamonds Council, organized by Sunday Creek Associates, promotes the region's heritage, cultural, and environmental resources through cultural events, guided tours, and the recording and sharing of the area's rich history.

Railway Station, Hocking Valley Scenic Railway



Financing for eco-heritage tourism must be creative and attractive to investors and lenders. Most eco-heritage tourism sites are developed privately and often are seen as risky investments. Traditionally, government agencies do not allocate funds to support



Canals in southeast Ohio

Russ Tippett

heritage tourism as an economic development initiative, and financial institutions may be skeptical of investing in such ventures. Foundation support, in particular, has been lacking in southeast Ohio, partly because there is a dearth of major corporations and foundations in the region: Although these 29 counties contain 13 percent of Ohio's population and 16 percent of its poverty, they represent only 2 percent of the assets of the state's grant-making foundations.¹² Most foundation support targets urban areas or programs that demonstrate a national impact.¹³

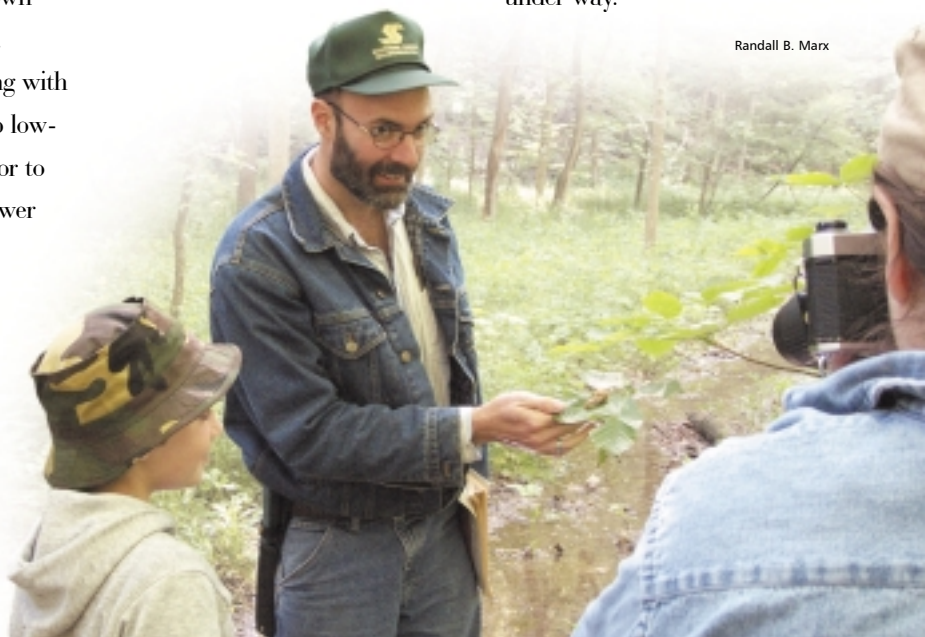
The key to financing eco-heritage tourism lies in piecing together many sources of funding. The Federal Historic Preservation Tax Incentives program, for instance, offers a 20 percent tax credit to building owners for the rehabilitation of certified historic structures

and a 10 percent credit for rehabbing nonhistoric, non-residential buildings constructed before 1936.¹⁴ This credit may be combined with low-interest loans funded by Community Development Block Grant programs that are a part of Entitlement Communities or the Ohio Department of Development's Downtown Revitalization Program. Some banks are working with communities to develop low-interest loan programs or to form loan pools with lower interest rates.

The Ohio legislature funded the Heritage Area Grant program through the Ohio Department of Development as recently as 2001, helping communities exploring tourism development to fund feasibility studies and obtain technical assistance. While this type of expertise is much needed to understand the tools and incentives necessary for eco-heritage tourism, the grant program is no longer funded. Other state government agencies, however, continue to offer funding related to eco-heritage tourism: The Ohio Department of Natural Resources and the Ohio Department of Transportation, for instance, both offer funds for trail building. These public sources of funding may help communities to leverage private funding. Combining many funding sources and creating public-private partnerships are critical to financing eco-heritage tourism.¹⁵

A number of community development corporations, grassroots agencies, and micro-enterprise development organizations in southeast Ohio are actively supporting eco-heritage tourism programs. Investment in microenterprises and small businesses is available through ACEnet Ventures, Enterprise Development Corporation, the Ohio Valley Regional Development Commission, and the Buckeye Hills-Hocking Valley Regional Development District, to name a few of the regional venture funds and revolving loan funds. However, because some loan funds cannot fund tourism-related business (because of their speculative nature), there is a funding gap that could be filled by greater participation from financial institutions. Bank products and services (many of which would qualify for CRA credit) could make a significant impact on community economic development efforts that are already under way.

Randall B. Marx



Wayne National Forest



Hocking Valley
Scenic Railway

Russ Tippett

Provisions for the Trail Ahead

Eco-heritage tourism, in and of itself, is not a panacea for economic development. In the case of southeast Ohio and Appalachia, one industry cannot single-handedly reverse the intense poverty and severe economic and educational disparities that exist. Rather, eco-heritage tourism is one component of an integrated economic development strategy that also fosters entrepreneurship, industrial recruitment, workforce development, and basic infrastructure.

Some criticize that tourism creates jobs that are primarily part-time, seasonal, or entry-level and offer low wages and no benefits. While this cannot be disputed, it is also true that in a region with many low- and moderate-income residents,

such jobs may represent a new employment opportunity, a starting point for a better future, or a supplementary household income. That could give residents an entree into the formal workforce, access to a higher-quality job, valuable skills training, or a stepping stone toward starting a business. Additionally, lower unemployment rates translate into a higher tax base for a region that needs more revenue and services.

Political leaders, financial leaders, and investors must be convinced of eco-heritage tourism's potential. Traditionally, industrial recruitment of manufacturers and branch plants was considered the best—and perhaps only—tool for economic development in rural and economically depressed areas. But in our shifting

economy, we have learned this is not always a promising reality. Political support for eco-heritage tourism is required to get critical seed monies to fund local feasibility studies and to acquire technical assistance. Financial institutions and foundations, too, must realize that eco-heritage tourism is not about nostalgia—it is a legitimate industry that can create jobs and encourage entrepreneurial activity.

Microbusinesses and entrepreneurs must be prepared to participate in eco-heritage tourism. Although the industry offers a wealth of opportunities to develop distinctive, locally owned businesses that support tourist sites—restaurants, bed and breakfasts, amenities, gift shops, transportation, tour guides—the caliber of those products and services must be

able to meet tourists' standards in order to operate as profitable enterprises.¹⁶ By creating an entrepreneurial climate, “new pioneers” from outside the region—entrepreneurs, artists, and telecommuters—will want to locate and work here. The fact that population is growing in southeast Ohio demonstrates this is already occurring.

Many players must be involved in eco-heritage tourism efforts—government agencies, financial institutions, community development and grassroots organizations, businesses, foundations, educational institutions, convention and visitors bureaus, and citizens. Overcoming turf conflicts, fostering partnership efforts, and thinking regionally to devise a cooperative marketing strategy is a surefire way to draw a critical mass of tourists.

NOTES

1. Travel Industry Association of America, *Tourism Works for America 2000*, January 2000.
2. Rovelstad and Associates and Longwoods International for the Ohio Division of Travel and Tourism, *The Economic Impact, Performance and Profile of the Ohio Travel and Tourism Industry, 1999–2000*, August 2001.
3. Ohio Conference of Community Development, “Heritage Tourism: An Economic Development Tool,” April 24, 2002.
4. Travel Industry Association of America, *National Travel Survey*, 1998.
5. Travel Industry Association of America, *Tourism Works for America 2000*, January 2000.
6. Other designated Heritage Areas in Ohio are the Ohio & Erie Canal, Maumee Valley, Miami & Erie Canal Corridor, Ohio's Historic West, and Lake Erie Heritage Area.
According to the National Coalition of Heritage Areas, *heritage areas* are regions with a distinctive sense of place, usually involving more than one jurisdiction. They are guided by regional management, combine public- and private-sector leadership, and provide economic, social, and environmental benefits to the region. Typically, regional heritage areas foster a balanced commitment to protect environmental and cultural resources while encouraging tourism and other economic opportunities. Heritage development begins by informing residents and visitors about community history, traditions, and environment, while providing infrastructure-development opportunities for outdoor recreation, tourism, and the expansion and promotion of cultural resources.
7. See Ohio's Hill Country Heritage Area Strategic Plan (1998) and Little Cities of Black Diamonds Heritage Tourism Plan (draft), both prepared by Benjamin D. Rickey & Co.
8. Between 1990 and 2000, 24 of Ohio's 29 Appalachian counties grew in population, reversing this trend; aggregate growth in the region was 6 percent during the same period.
9. Rovelstad and Associates and Longwoods International for the Appalachian Region and the Ohio Division of Travel and Tourism, *The Economic Impact, Performance and Profile of the Appalachian Region Travel and Tourism Industry*, 1999, October 2000.
10. Provided by John Winnenberg, Sunday Creek Associates.
11. Excerpted from the National Trust for Historic Preservation, *Getting Started: How to Succeed in Heritage Tourism*, 1999. Used with permission.
12. Information provided by The Foundation for Appalachian Ohio.
13. To help close the philanthropic gap, the Governor's Office of Appalachia has contributed to the creation of The Foundation for Appalachian Ohio, a regional community foundation with the purpose of building permanent assets for the region. The foundation made its first round of grants in 2001, with some funding targeted to promoting heritage tourism in Appalachian Ohio.
14. See U.S. Department of the Interior, “Preservation Tax Incentives for Historic Buildings,” or call 202/343-9578 for a referral to your state's Historic Preservation Office.
15. Financing information graciously provided by Nancy Recchie, Benjamin D. Rickey & Co., Historic Preservation Specialists.
16. A number of organizations are supporting the growth and success of businesses in southeast Ohio, including the Appalachian Regional Entrepreneurship Initiative at Ohio University, ACEnet, Adena Ventures, Buckeye Hills—Hocking Valley Regional Development District, Ohio Valley Regional Development Commission, and the Ohio Small Business Development Center at Ohio University.



RESOURCES

The economic benefits of a regional approach will be enhanced and shared by all, creating a greater chance for obtaining funding and attracting more tourists.

Balancing preservation with development is one of the greatest challenges of eco-heritage tourism. Basic amenities should be developed to accommodate tourists and residents alike, particularly in very rustic areas. The greatest attractions for eco-heritage tourists are the landscape, small towns, and the heritage, which must be protected and cannot be overcommercialized. Much of the area outside Southeast Ohio's cities has no zoning code, which works to the region's and the industry's long-term disadvantage. Having a vision and a plan that includes protective zoning, historic preservation, and low-impact and environmentally sensitive development will help to ensure that tourism does not ultimately destroy the attractions.

Finally, the development of eco-heritage tourism as a viable industry in southeast Ohio (and elsewhere) will occur incrementally, community by community. Many don't realize the potential of eco-heritage tourism, while others see the immediate need for economic development to replace coal mining and other extinct industries. Different communities will come to that realization at different times. Although it is a challenge, a grassroots approach to eco-heritage tourism will give residents an incentive to think about their community's past and future and how they can participate in and protect it. This involvement can develop local leadership, which is often lacking in small communities where assets have been stripped away for several generations.

Eco-heritage tourism holds promise to be a part of southeast Ohio's proud history of struggle and survival. If such tourism is approached with sound business practices and extensive community involvement, the coal patches of southeast Ohio may soon re-emerge as vital, productive economies.

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in my o p i

Come Visit My Home: Ohio's Appalachian Country



Joy Padgett

Director
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Ohio Department of Development

Joy Padgett is the director of the Ohio Governor's Office of Appalachia, which serves as an advocate for the region's needs to state government by acting as the communication and coordination link among state agencies, local governments, and the Ohio General Assembly. She is also the governor's alternate to the Appalachian Regional Commission, a federal-state partnership that addresses economic and social development needs in the 13 federally designated Appalachian states.

Before assuming her current position in 1999, Ms. Padgett was the state representative for the 95th District, which comprises Holmes, Coshocton, and Muskingum counties.

As a child, it is difficult to appreciate the things around you because you don't have an adequate point of reference by which to judge what's special. As a child reared in southeast Ohio, I considered the region simply as "home."

It wasn't until I became an adult that I had an opportunity to come into contact with people outside the region who

marveled at their Appalachian experiences.

Ohio's Appalachian country reveals a wealth of exciting activities, special events, and attractions that are ideal for family vacations and weekend getaways. The region's hills, lakes, and rivers feature a variety of outdoor adventures.

n i o n

Beautiful state parks and national forests offer swimming, canoeing, fishing, horseback riding, and camping. Nature trails provide the best in hiking and biking for novices and experts alike. Quaint shops and galleries show the works of Appalachia's renowned traditional artisans, while malls and factory outlets provide other shopping pleasures.

From prehistoric Indians to the Industrial Age, history comes alive in the region's cities and villages, fairs and festivals, living history centers, and Amish country. Scenic railways, sternwheeler riverboats, canal boats, and covered bridges provide a glimpse of how early settlers once traveled.

One particularly striking story comes from a city dweller who took his son to a farm in southeast Ohio specifically to introduce the boy to the sounds of a babbling brook, the smell of clean air, and the sight of stars unobstructed by an urban dome of light.

People who have visited my "home" have given me a new perspective. I now notice the unforgettable fall colors of the forested hillsides. I awake to the rolling meadows and misty valleys sculpted by glaciers,

As a first-generation American, I notice the diversity of this region's people. Even though they are generations removed from their immigrant ancestry, they've taken great attention to preserve their

Ohio's Appalachian country is a region where America's historic and cultural heritage flourishes in the midst of spectacular scenic beauty.

Come visit my "home"—Ohio's Appalachian country.

"From prehistoric Indians to the Industrial Age, history comes alive in the region's cities and villages, fairs and festivals, living history centers, and Amish country."

floods, and early settlers. I've come to appreciate the prickly pear cactus that grows wild in Adams County, the opportunity to savor the indigenous pawpaw plant as a local delicacy, and the distinctive styles of pottery sprinkled throughout the region. Few things are more peaceful than to sit anywhere along the 450 miles of Appalachia's Ohio River shoreline and watch the lights of barges float by silently on the majestic river at night.

timeless enchantment and homespun hospitality. I recall stories of the Amish who farm Holmes County, the Irish settlers who cut the Ohio & Erie Canal; life among German and Italian pioneers; the wide-eyed entrepreneurs from the colonies looking to make their fortunes in the western frontier of their day. These early pioneers left as their inheritance generations with a strong work ethic and an evident pride in their communities.

I'm sure that if seen from a fresh perspective, each member of your family will find something to appreciate in southeast Ohio.

To learn more about the region, visit the Ohio Appalachian Country Web site at www.ohioappalachian.com.

4th district profile

Tourism Efforts

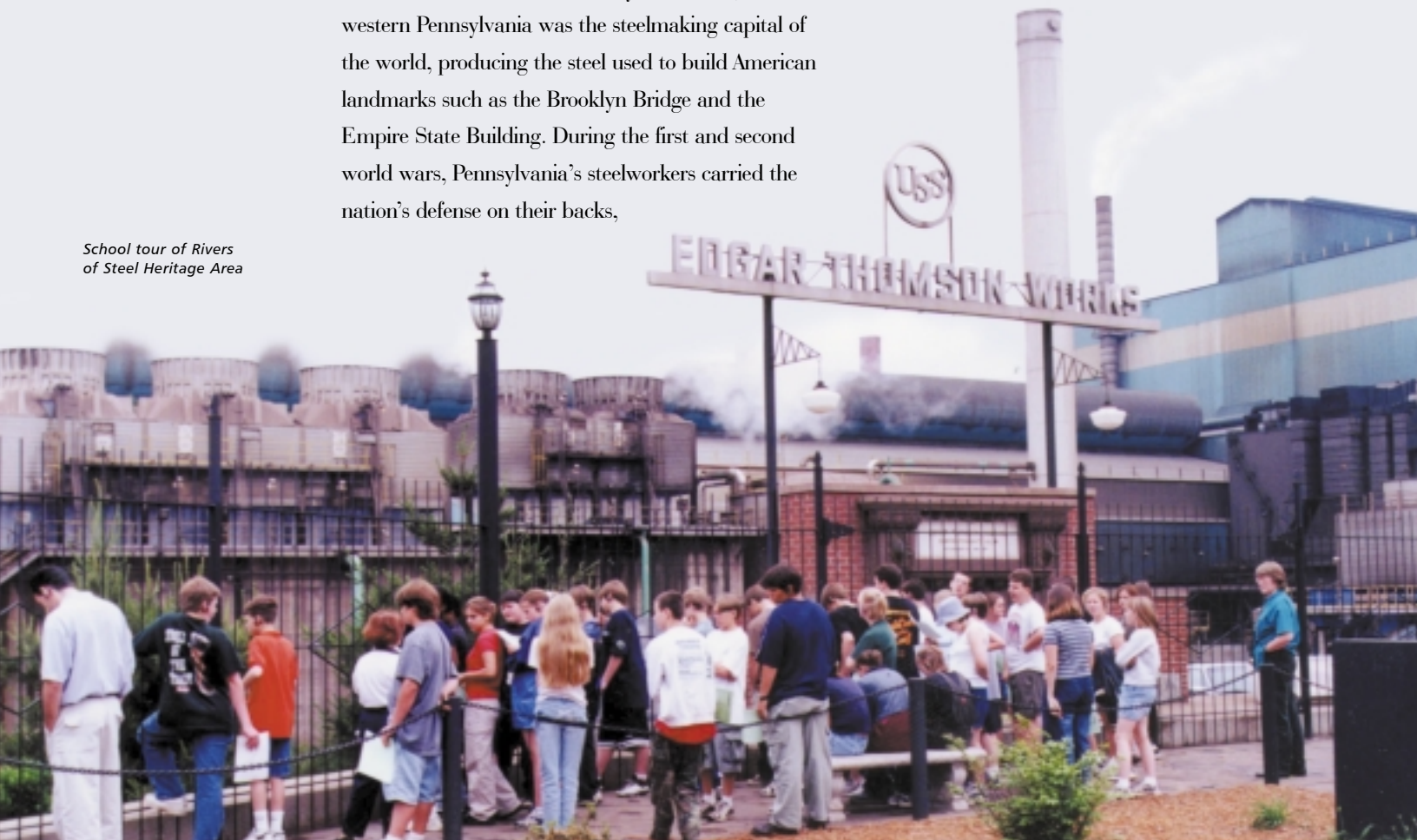
Every destination has its own sense of place, local history, and distinctive regional culture—this is the foundation of any eco-heritage tourism program. There are many examples of heritage tourism that are flourishing in the Fourth Federal Reserve District. Here we profile just a few of them.

Preserving the Legacy of Big Steel¹

From the late-nineteenth century until 1980, southwestern Pennsylvania was the steelmaking capital of the world, producing the steel used to build American landmarks such as the Brooklyn Bridge and the Empire State Building. During the first and second world wars, Pennsylvania's steelworkers carried the nation's defense on their backs,

producing more steel, armor, and armaments in a single year than entire countries. Many of the region's legendary mills are now dismantled, and it has been decades since the mills belched fire and smoke over Pittsburgh's skyline. Nevertheless, the magnitude of the region's steelmaking contributions demand that

School tour of Rivers of Steel Heritage Area



file

Spotlight Heritage of the Fourth District

its history be preserved. In 1996, Congress created the Rivers of Steel National Heritage Area, located in Homestead, Pennsylvania, to preserve, interpret, and manage the historic, cultural, and natural resources



of Big Steel and its related industries. Covering 3,000 square miles across seven counties, Rivers of Steel builds on the area's remarkable transition from heavy industry to high technology and diversified services, and helps to bolster the new regional economy by promoting tourism and economic development.

A multifaceted program, the Heritage Area's mission includes historic preservation, cultural conservation, education, recreation, and resource development. Currently, the Heritage Area has bills in Congress to build the Homestead Works National Park on 38 acres surrounding the Carrie Furnaces, the last of the giant blast furnaces from the Homestead Works, and the Pump House, site of the bloody 1892 Homestead Steel Strike.

The Heritage Area is a strong part of southwestern Pennsylvania's economic development strategy to make this region a leading tourist destination. With the construction of the new park, Rivers of Steel is expected to draw some 840,000 visitors and generate more than \$60 million in revenues annually.

Kentucky Crafts Are Big Business²

The Kentucky Craft Marketing Program is a state agency designed to support craftspeople in the state who want to expand their business to retail shops and galleries in Kentucky, the United States, and abroad. Its mission is to develop the state's craft industry; to support and empower Kentucky artisans and craftspeople; to create an economically viable environment for craft entrepreneurs; to preserve the state's craft traditions; to stimulate and support product development; and to generate public awareness, public support, and public-private partnerships.





Exhibitors at The Market

The program, a collaborative effort of the Kentucky Arts Council, has been heralded for its pioneering efforts in marketing the state's crafts, and Kentucky is one of the few states to support its craft industry in this way. The program's activities and goals are set through the council's planning process, in which citizens provide input at public forums.

The program assists Kentucky's craft professionals by providing economic opportunities and training, access to other outside entities (craft retailers, craft and art organizations, community and government agencies), and exhibits to the general public.

The recent twentieth anniversary of "The Market" was held at the Kentucky Fair and Exposition Center in Louisville and featured more than 270 exhibitors of contemporary and traditional crafts and cultural entertainment. Kentucky is exceptional in sponsoring such a show for its craft businesses, and The Market generates \$2 million—\$3 million in sales annually.³



Kentucky Crafted: The Market 2002

Photos courtesy of the Kentucky Craft Marketing Program

Other statewide initiatives that promote and strengthen Kentucky's artisan heritage include the Kentucky Artisan Center at Berea, the Kentucky Artisans Heritage Trails, the Kentucky Appalachian Artisan Center, and the Kentucky School of Craft.



"Made in Wheeling" Exhibit

City Highlights Commercial, Historical Contributions⁴

Wheeling is a historic city of approximately 34,000 residents, located on the Ohio River in the northern panhandle of West Virginia.



Authorized in 2000 as a National Heritage Area by the National Park Service, the area focuses its development on downtown revitalization and the historical importance of

the waterfront. The region's unique combination of attractions—including Oglebay Park, the Capital Music Hall, and Wheeling Downs—brings in thousands of visitors annually.

The Wheeling National Heritage Area Corporation is responsible for managing the Heritage Area, one of the first in the country to complete a management plan and to receive ongoing technical assistance from the National Park Service.

Like other designated national heritage areas, Wheeling is a place where natural, cultural, historic, and scenic resources combine to form a cohesive, distinctive landscape. By developing and maintaining industries that have been crucial to the nation's expansion—iron and steel, textile manufacturing, boat building, glass manufacturing, and tobacco manufacturing—Wheeling has played an important



Photo courtesy of the Wheeling National Heritage Area Corporation

role in our nation's industrial and commercial heritage. Today, the city's mix of nationally, regionally, and locally significant sites illustrates an important chapter in U.S. history.

The Wheeling National Heritage Area Corporation has successfully completed a number of major projects set out in its action plan:

- Renovation of a historic warehouse into a restaurant/museum/retail area
- Construction of a five-story intermodal transportation center that includes a visitor center with interpretive exhibits
- Design and implementation of the first phase of the Wheeling Heritage Port, a focal point for the city and an attempt to reestablish river traffic in downtown Wheeling
- Renovation and lighting of the Wheeling Suspension bridge, a national historic landmark
- Development of interpretive exhibits in West Virginia Independence Hall, another a national historic landmark
- Organization, with the City of Wheeling and the local arts community, of the first Arts and Heritage Celebration to host visiting international artists.

Wheeling is fortunate to have many of the necessary ingredients to sustain a successful heritage tourism program: local leadership, community support, and ongoing technical assistance. In addition, the funds appropriated by Congress have encouraged private-sector investment and matching funds from the city and the state. In a relatively short period of time, this work—the result of having a national heritage area plan and a commission to implement it—has had a great impact on the city's ability to preserve its cultural and historical resources.

Steel Industry Heritage Corporation

Bost Building
623 East 8th Avenue
Homestead, PA 15120
412/464-4020
www.riversofsteel.com

Kentucky Craft Marketing Program

Old Capitol Annex, 2nd Floor
300 West Broadway
Frankfort, KY 40601
502/564-3757
www.kycraft.org

Wheeling National Heritage Area Corporation

1400 Main Street
Wheeling, WV 26003
304/232-3087

NOTES

1. Excerpted from www.riversofsteel.com/aboutus.asp with permission.
2. Excerpted from www.kycraft.org/program/mission.html with permission.
3. Excerpted from Appalachian Regional Commission, "Building Creative Economies: The Arts, Entrepreneurship, and Sustainable Development in Appalachia," April 2002.
4. Information provided by the Wheeling National Heritage Area Corporation.

of interest

upcoming conferences

**Livable Communities:
Linking Community
Development and
Smart Growth**



November 6–7, 2002
Cincinnati, Ohio

Sponsored by the Federal Reserve Bank of Cleveland, Greater Cincinnati/Northern Kentucky LISC, and National Neighborhood Coalition, with support from the Federal Reserve Banks of St. Louis and Chicago, and regional LISC offices.

Cities, Suburbs & Countryside

National Preservation Conference 2002
October 8–13, 2002
Cleveland, Ohio

Sponsored by the National Trust for Historic Preservation in partnership with the Cleveland Restoration Society
www.nthpconference.org/ConUpdates/index.htm

We're Under Construction!

We're giving our Community Affairs Web site a fresh face. Check out our new look and get the latest information on the Cleveland Fed's Community Affairs conferences, seminars, publications, and initiatives at www.clev.frb.org/CommAffairs/index.htm.

Financial Literacy Survey Results Available This Fall

The results of our financial literacy survey are coming in! To learn more about financial literacy programs for low- and moderate-income communities in the Fourth Federal Reserve District and about best practices in financial literacy, please check our Web site later this fall or contact Laura Kyzour at 216/579-2846.

Appalachia on the Move...

Interested in learning more about Appalachian Ohio and economic and workforce development initiatives there? *Forbes* magazine profiled the region in its July 22, 2002 edition. The issue contains a feature by the Ohio Governor's Office of Appalachia (see "In My Opinion" on page 10).

Get on the List

Would you like to receive *CR Forum* and other Community Affairs mailings regularly? We're updating our database and setting up an electronic list, so if you're not already on our mailing list and would like to be, please contact Laura Kyzour in the Cleveland Office at 216/579-2846 or laura.l.kyzour@clev.frb.org. You will receive notification of Community Affairs conferences, publications and other useful information.

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We welcome your comments and suggestions.

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compliance corner

Effective Date for HMDA Amendments Postponed to 2004

In early May, the Federal Reserve Board approved a final rule postponing the effective date of recent amendments to Regulation C (Home Mortgage Disclosure Act) from January 1, 2003, to January 1, 2004.

In the February 15, 2002, *Federal Register*, the Board published the Regulation C amendments, which were to become effective for data collected after January 1, 2003, and solicited comment on several related issues. In response, financial institutions and their trade associations requested the effective date be pushed back a year, arguing the 2003 deadline does not afford institutions enough time to fully comply with the new rules. Consumer and community organizations generally opposed postponing the effective date.

The Board has weighed the financial institutions' claims and the underlying assumptions against the public policy benefits of collecting the new data as soon as possible. In its estimation, some Home Mortgage Disclosure Act (HMDA) reporters, particularly the largest ones, will not be able to fully implement the new rules by January 1, 2003, without jeopardizing the quality and usefulness of the data and incurring substantial costs that could be avoided by postponing the effective date.

The Board has, however, adopted an interim amendment to Regulation C (effective January 1, 2003) mandating the use of 2000 census data in HMDA reporting. In light of the many changes that have occurred since 1990, using the 2000 census tracts and demographics will produce more accurate and useful data in the HMDA disclosure statements and aggregate reports.

To read the full text of the Board's press release, visit www.federalreserve.gov/boarddocs/press/boardacts/2002/20020502/; for the Board of Governor's notice, see www.federalreserve.gov/boarddocs/press/boardacts/2002/20020502/attachment.pdf.

In addition, banking and consumer regulatory policy updates are posted regularly on the Board of Governor's Web site at www.federalreserve.gov/boarddocs/press/bcreg/2002/.