



**Economic
Development and
Growing the
Economy**

**UW
Extension**

Profiles of Best Practices

Stimulating Entrepreneurship—Ashland Area Enterprise Center

Community, County

City of Ashland, Ashland County

Area of Project Impact

Ashland and Bayfield Counties

Population Affected

8,785

Situation

The Ashland area, although growing economically, was in need of a facility to provide business development opportunities for start-up companies.

Economic Development Strategies

The City of Ashland decided to engage in an economic development initiative to support entrepreneurship and link with workforce development.

Implementation

The City of Ashland envisioned creating a facility to support start-up companies that would be a part of the Northwest Wisconsin Multi-use Job Center Network. The City also expects to link its Ashland Area Enterprise Center (AAEC) project with other multi-use job centers in communities in Northern Wisconsin. It is expected that this expanding network will build regional economic development.

Currently, the City of Ashland's AAEC project is underway and involves numerous partnerships with the private and public sector. Partners are working to make the vision a reality. A business incubator feasibility study has already provided critical information on project feasibility and direction. Based on this study, a manufacturing facility, vacated by a company expanding to a new facility in the industrial park, has been identified as a prime site for the incubator. The City of Ashland acquired the facility and donated it to the Ashland Area Development Corporation (AADC). This facility is expected to become the site for AAEC's multi-use job center.

The project's next phase involves the adaptation of this facility for re-use by the AAEC. Right now, the AADC, with the assistance of Northwest Regional Planning Commission, has developed a \$796,000 rehab program for the facility, which involved support from a number of entities—a \$530,000 EDA grant, a \$200,000 loan, a \$50,000 CBED grant, and \$16,000 cash. Project completion is scheduled for November of 2002.

Partners and Leadership

The project required a partnership between the City of Ashland, Xcel Energy, USDA-Rural Development, Wisconsin Department of Commerce, and AADC. The City of Ashland provided the facility and the lead for EDA grant funding. Xcel Energy provided a loan for matching grant funding and AADC provided leadership, ownership, and management. The Northwest Regional Planning Commission provided technical support and acceptance into the Northwest Wisconsin Multi-use Job Center Network.

Outcomes

The current facility has 59,000 square feet of space, of which 30,000 is dedicated to business incubation, 20,000 square feet is dedicated to anchor tenants, and 9,000 square feet is used for circulation, common space and operation. The AAEC facility is 99% completed and currently is 40% occupied. Of the current eleven tenants, eight are incubator (start-up or expanding) tenants, and three are anchor tenants. The Enterprise Center has an in-house loan fund for incubator tenants and provides all the necessary services for business incubation.

Contact

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