



Economic
Development and
Growing the
Economy



Profiles of Best Practices

Economic and Community Development through “Spec” Buildings

Community, County

Boscobel, Grant County

Area of Project Impact

Boscobel, Grant County

Population Affected

3,308

Situation

The city of Boscobel, with a population of 3,308 is adjacent to the Wisconsin River in Southwestern Wisconsin. The region is part of a 15,000 square mile area left untouched by glaciation during the last Ice Age. Boscobel is located on U.S. Hwy. 61, the only continuous highway that stretches from Canada's Thunder Bay to the Gulf of Mexico.

Beginning in the late seventies, the community formally identified a number of economic concerns. Based on extensive household survey data, it was found that more than half the residents were low to moderate income persons. In addition, during the eighties and nineties, farming was decreasing in the area. Overall, the community lacked sufficient local employment opportunities which meant that young people often moved away from Boscobel.

Economic Development Strategies

The community investigated different options in order to address these concerns. First, an economic development study completed in 1978 set out investment guidelines. Second, a master plan prepared on behalf of the Common Council of the city of Boscobel provided direction for future anticipated growth.

Beginning in the late seventies, the community requested and received a number of federal and state grants. These included a number of Community Development Block Grants worth several million dollars. The funds were used for acquisition, demolition, relocation, housing rehabilitation and public works projects. In order to manage these grants, a Community Development Block Grant Committee was established. The mayor appointed respected community leaders to this committee who worked with the city officials including the engineer, clerk, council members and representatives from private financial institutions in the community. In 1978, Boscobel received one of the first Small Cities Urban Development Action Grants (UDAG) administered by the Department of Housing and Urban Development. This grant provided innovative financing in the form of low interest loans to new and existing businesses in the city and continues to operate today. More than seventy loans have been made to businesses that provide matching money and create jobs in the area.

Based on these experiences, Boscobel built organizational capacity in the form of establishing committees and recognized the important benefits of establishing partnerships between different community groups and government representatives. These experiences, building trust through community involvement, gathering funding from national sources and identifying the widespread community benefits gained from supporting specific projects provided a basis for the community to trust the committee to take risks with later projects including an industrial park built on the east side of the city.

Implementation

In the early eighties, the city received a grant from the Economic Development Administration (EDA), U.S. Department of Commerce. The Common Council of the City of Boscobel matched these funds in order to provide utilities for an industrial park.

The committee considered different models for initiating the industrial park ranging from incubators to a speculative or "spec" building. A "spec" building or a shell building has only minimum finishing such as basic electricity and vent fans which allows the investor to specify how the building should be completed on the fully developed site. It is the responsibility of the purchasing company to finish the structure as they see fit at their own expense. Boscobel built the first such shell building in south western Wisconsin in 1991. It was expected that the building could remain empty for up to five years. After just three and a half years, a business investor was found. The "spec" building was sold to Pechiney Plastic Packagin Company (formerly American National Can). Subsequently, the company purchased the second "spec" building that was constructed and have made additions to each of these structures. A third "spec" building was constructed and sold to an operating business soon afterwards.

A key component of this initial success was that everyone worked together to attract the new businesses. For example, the mayor, representatives from the local school district, hospital and nearby Southwest Wisconsin Technical College formed an Economic Development Team. The Economic Development Team met with potential investors to provide a comprehensive picture of the benefits of locating in Boscobel. The Boscobel Developers, Inc, a local group of business and professional people interested in economic development have been instrumental in the development and success of the Boscobel industrial park and "spec" building program.

Partners and Leadership

Local financial institutions, the Boscobel Developers, Inc, Grant County Economic Development Corporation, the City of Boscobel, Southwest Technical college and the Southwest Wisconsin Regional Planning Commission located in Platteville, WI have played a vital part in the success of the "spec" building program.

Outcomes

Today, the industrial park in Boscobel measures 106-acres. In the fall of 2002, the Boscobel Developers erected a 21,600 square foot "spec" building. This fourth "spec" building is awaiting an occupant and plans are underway for construction of a fifth "spec" building. The newest building is located in the southeast corner of the recently purchased 17 acre addition to the industrial park. A second EDA grant was applied for and received to put utilities in the industrial parks new addition.

The shell building initiative has created many indirect economic and community benefits. Specifically, about three hundred jobs were directly created through this industrial park initiative. Wages in the area have increased in the last ten years as existing businesses compete with new businesses. The benefits of the increased economic opportunities have led to a significant number of younger people returning to Boscobel. In response to the growth in population, housing development has taken place since 1995. There are 50 new homes located on the west side of the city and 15 new homes on the east side of Boscobel. Several new homes were also constructed within Boscobel.

Finally, other partners in the area support the "spec" building program. The local Southwest Technical College began offering courses that adopt and apply new knowledge and technology in order to attract local economic development prospects. Other initiatives also took place such as the City of Boscobel purchasing the local airport with the assistance of the State of Wisconsin Bureau of Aeronautics, Boscobel Developers, Inc, and the City of Boscobel Common Council in 1998. This facility continues to expand as the number of industries locating in the area multiply. For instance, the location of the Wisconsin Department of Corrections' "Wisconsin Secure Program Facility (Supermax)" also formed part of the economic development program in Boscobel. This project led to the addition of three hundred well paying jobs to the local economy. Crawford, Richland, Iowa and Grant Counties had meaningful input to the effort that brought this facility to the region. This represents one example of how the experience of the spec building program led to further developments in Boscobel.

Contact

Nick Nice
1403 Wisconsin Avenue
Boscobel, WI 53805
(608) 375-5599