

# **Iowa Communities of Distinction: An In-depth Study of Bedford, Iowa - A Rural Border Community with Growth \***

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**March 18, 2004**

A Report Prepared for the

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\* This report includes an analysis and summary of factors identified in a series of in-depth community studies completed for a project called Iowa Communities of Distinction sponsored by the Community Vitality Center. The purpose of this project is to examine local perceptions regarding the factors that contributed to community vitality or the lack thereof during the decade of the 1990s in order to provide lessons learned, best practices and innovative ideas for other community leaders in Iowa and other states. Researchers identified eight non-metro communities ranging in population from 1,100 to 11,000. Two communities of similar size were selected from each regional quadrant of the state. One of the two communities from each quadrant exceeded the state average population growth rate for the decade of the 1990s. The other lost population. An interdisciplinary assessment team conducted on-site interviews with a cross-section of local leaders from local government, economic development, education, and healthcare in each community. A total of 75 community leaders from the eight communities were interviewed for this project. Draft reports were developed from field notes and local interviewees were given an opportunity to review the drafts for their community prior to publication.

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## **Bedford, Iowa: A Rural Border Community with Growth**

Bedford was founded in 1853. It is the county seat of Taylor County, which borders Missouri in southwest Iowa. During the 20<sup>th</sup> Century, the county's population peak occurred in 1900 when 18,784 people were counted. The 2000 Census reported 6,958 county residents. In the 2000 Census, Bedford accounted for 24 percent of the county population. Bedford is the largest city with 1,638 residents. During the 1990s, Taylor County declined 156 people or 2.2 percent. However, Bedford's population grew by 104 people, reversing its declining trend of the 1980s. Bedford's population growth of 6.8 percent for the 1990s exceeded the statewide population growth rate.

### **What Changed Bedford in the 1990s?**

Local leaders identified several factors that help explain Bedford's ability to grow during the 1990s. First, community leaders reached a critical point in the 1990s when they decided to work together and not let the "community die." One leader recalled a meeting with 300 people in which citizens were asked to list community positives and negatives. No one was allowed to complain unless they were willing to sign up and do something. Participants came up with a lot more positives than negatives. Several projects were started such as a Community Open House, the Main Street Program, and a new school addition. The community became a more attractive place to live for families. Local leaders said that some people who grew up in the community returned from California and western states and brought new ideas and vitality with them.

Bedford joined the Main Street Iowa Program in 1994. This program is used by 33 Iowa communities and 1,600 communities in over 37 states to revitalize their downtowns. Working with external partners, the local Main Street group sets design standards, assists new and existing retail businesses, and helps to acquire, fix-up, and resell historic buildings to maintain the downtown area. Since joining the program, 32 buildings have been renovated with \$176 thousand in private funds raised for property acquisition and nearly \$1.4 million invested in building rehabilitation. There have been 29 new businesses started and a net gain of 59 jobs since 1994. Five Bedford buildings are placed on the National Register of Historic Places including the stately Taylor County Courthouse, built in 1893, which serves as the historic centerpiece for the community.

Bedford has benefited as a bedroom community for workers who commute to larger communities that have experienced economic growth in the region such as Maryville, Missouri, and Clarinda, Iowa. Local leaders said that some residents who work in Missouri cite better schools and more affordable housing in Bedford as the two main reasons given for why they choose to live in Bedford. One leader suggested that Maryville houses were twice as expensive as those in Bedford. Maryville, Missouri, is a town of 10,500 residents located 25 miles south. Maryville's largest employers are Northwest Missouri State University, Energizer, Kawasaki Motors Manufacturing, St. Francis Hospital, Federal-Mogul, Maryville Treatment Center, and LMP Steel & Wire. Local leaders said a number of residents commute to Clarinda, a town of 6,000 people located 19 miles west. Clarinda is home to Iowa Western Community College, NSK

Corporation, a state correctional facility, Lisle Corporation, Clarinda Boys Academy, a treatment complex, and H & H Trailer.

Bedford's own local economic base has been more diverse than that of other rural communities. Bedford possesses a combination of home-grown and externally owned companies. When a few employers discontinued local operations—as they did during the 1990s—Bedford was able to replace some jobs with alternative sources of employment. Bedford's industrial park is located at the west edge of town on Highway 2. Bedford Area Economic Development (BAED) constructed a spec building there that is now filled. The group does not plan additional spec buildings unless the economy improves. However, it would consider “building to suit” for a local expansion or prospective company. One of the existing companies located in the industrial park is MG Machining, a homegrown computerized machine tool business that has grown to 30 employees. The industrial park is also home to Gear for Sports, an apparel sporting goods manufacturer headquartered in the Kansas City area. It employs about 80 people and manufactures logo-wear for colleges. In addition, Dollar General and Subway are opening local stores.

Using funds from state housing assistance programs along with city assistance, the Bedford Area Development Corporation facilitated the development of eight lots and construction of two spec homes. When the first spec home did not sell quickly, interest on the debt became a drain on the development group's budget. According to local leaders, a state program cap on realtor fees of \$500 was one rationale for why the spec home was not featured or quickly sold. After the first spec home experience, the development corporation started working with other regional nonprofit housing partners to limit the financial risks.

Agriculture is one of the historical foundations for the Taylor County economy. There are 750 farms that primarily produce corn, soybeans, cattle, hogs, hay and forage. Several cow-calf herds operate on area pastures but the area hog industry has shifted to larger confinements. Historically, Bedford housed a packing plant but has none today. Nor does it have a grain elevator or a farm implement dealer.

## **Healthcare**

Although there is no local hospital, there are three clinics affiliated with hospitals from Corning, Clarinda, and Maryville, MO. Local people have a choice among seven doctors who are with the competing clinics. Bedford has a new fire station and ambulance facility. Emergency services are available 24 hours a day and are provided by trained EMTs. There is no optometrist or dentist in town; however, local leaders are working regionally to attract a dentist to serve the area. Assisted living and residential care are provided for the elderly. Public health, meals and public transportation are also available.

## **Education**

The Bedford School District has a total enrollment of 600 students for 2003. During the past decade, K-12 enrollment increased to 700 and then declined to the current level.

Thus, student enrollment is only about 22 students less than a decade ago. Future projections are for enrollment to remain stable or decline slightly. Teacher salaries are at a level such that attracting new teachers to the area can be a challenge unless they have some connection to the region. Many young people who grew up in the area want to return if they can find jobs with income sufficient to support their families. One leader added there are currently few job opportunities in Bedford to attract and keep people with college degrees except the school.

A school bond passed in 1997 and funded a \$3 million addition for a new middle school with a commons area, kitchen, and wrestling room. The elementary school was built in 1982 and the high school, although built in 1929, has been kept in good repair. Taylor County has passed the one-cent School Infrastructure Local Option (SILO) sales tax. Half of the SILO revenue will be allocated to school bond debt reduction and is estimated to lower the school property tax rate by about \$2 per \$1,000 valuation. About \$75,000 to \$80,000 from SILO will be used to help maintain and improve the school buildings.

The school district has nearly 100 employees and is one of the largest local employers. One cluster of teachers, now in their 50s, will retire in the next decade and there will be a need to attract new teachers. Local leaders say teacher candidates are more likely to come if they grew up in the region or if there is a spouse with employment nearby or who came from the area. Post-secondary education is available in the region with Iowa Western Community College in Clarinda, Southwestern Community College in Creston, and Northwest Missouri State University in Maryville.

In an innovative distance education project using the Iowa Communications Network (ICN), all school districts in the athletic conference agreed to synchronize their class schedules and offer one course over the ICN at no charge to the other districts. During this 3-year pilot project, courses in German, Russian, psychology and others are offered to high school students in all the conference districts with external students enrolling for a fee. Local leaders say the program may likely continue after the grant ends if the districts continue to synchronize class schedules and offer courses for free to the other districts. This innovative program has allowed teachers more time to cover other courses and has expanded the number and type of classes offered. This is particularly important for the smaller high schools that may have trouble meeting the 40 course units required for accreditation.

Regarding private sector partnerships, local leaders say that some efforts have been made to involve local businesses in working with students and providing training in special skill areas. The Bedford School District provides an active school-to-work program in partnership with local employers. Local businesses participate in job shadowing, business tours, and internship classes to offer various work experience opportunities. Seventy to eighty percent of the Bedford students go on to post secondary education.

Leaders report that the Bedford District is not currently under pressure to consolidate with neighboring school districts. Some smaller districts in the area are sharing classes and/or staff, however. In one case, the New Market School District offers elementary

and middle school but not high school. Even so, New Market loses elementary and middle school students who open enroll to Clarinda and Bedford with about 40 students coming to Bedford. As Iowa's smallest school districts face consolidation pressures, larger neighboring districts will be affected as well.

## **Development Limitations and Concerns**

Bedford's FY04 consolidated property tax levy rate is \$40.56 per \$1,000 valuation. This is the 46<sup>th</sup> highest rate among Iowa's 950 cities. However, Bedford appears to offer affordable housing, quality education, and a competitive quality of life alternative for a commuting region that includes northwest Missouri. Recent passage of the local option sales tax may provide some property tax relief and bring in additional state aid. Local school officials suggest that Bedford will be the 5<sup>th</sup> greatest beneficiary of state funds to assist districts passing local option sales taxes for school infrastructure.

Local leaders suggest Bedford's location presents both challenges and opportunities. Bedford is located at the crossroads of State Highways 2, 148, and 49 and county road N44. While Bedford is not located on an interstate, this location provides some transportation access advantages in that the nearest four-lane highway is just 25 miles away at Maryville, providing easy access to St. Joseph and Kansas City. Although there is an absence of rail service or direct highway routes to metro areas, Bedford sits in the middle of a metro triangle of Kansas City, Omaha/Council Bluffs, and Des Moines with each around 100 or so miles away.

While great strides have been taken to rehabilitate historic buildings and cobbled streets in the downtown area, some may be too expensive to repair. An additional issue is that some buildings were built with locally produced soft bricks, which may not withstand long-term wear and tear. For example, face brick on the historic Opera House recently fell onto the street. One cost estimate was up to \$400,000 for rehabilitating the building and local leaders wonder if business returns would be sufficient to cover such costs. In another case, the Main Street group organized to save a building, but the owners were unwilling to participate; unfortunately, part of that building has since collapsed.

Another issue is that of income and wealth. One leader said the county's per capita income is one of the lowest in Iowa and not many "old money" families are left in town, limiting local private investment dollars. Another said that Bedford's two banks are no longer locally owned and, as more financial decisions are made elsewhere, the banks are less involved locally.

One leader said that Iowa cannot force regionalism onto non-metro areas of Iowa, but that "points for regional cooperation" should be given when communities are rated for funding decisions. Another said that regional groups cannot be put together arbitrarily with an expectation that good things will happen. Collaboration often takes more time and effort to build synergy and even then it doesn't always work. In one example given, the city of Bedford, the county, and the Iowa Department of Transportation (DOT) worked together in building a storage facility. It was successful and was an example of

functional consolidation; however, now the DOT is pulling out and consolidating in another community, leaving the city and county to manage with fewer resources.

Another expressed the view that state officials don't care about rural Iowa and small towns, citing the loss of funding for state economic development programs used by rural communities such as CEBA and targeted assistance. Also mentioned was the loss of the small business development center in southwest Iowa, although that loss may be temporary. One person said, "Now we are lucky if state officials visit once per year and they often do not spend the time to understand what works in Iowa's rural communities." Finally, several local leaders expressed complaints about state budget cuts being issued after local budgets were certified. Some offered the opinion that few benefits from the Iowa Values Fund were likely to trickle down to smaller rural places like Bedford.

Many leaders lamented that several local leaders were in their 50s, 60s, and 70s and there was concern about the lack of 20, 30, and 40 year olds available to step in and replace them. Those who commute to work in other places often have less time to devote to local leadership activities. Finding fire and EMT volunteers was also identified as an increasing challenge. Locally employed residents increasingly make trips to neighboring towns to purchase lumber, hardware, dry cleaning and other goods and services if they are not available locally or not offered at competitive prices.

## **Development Assets and Strategies for the Future**

Bedford's historic courthouse and downtown area was identified as one of the greatest local assets. The Round Barn and the Taylor County Museum are interesting as well. The Main Street Program has helped to rehabilitate Bedford's downtown area and some craft and antique shops have started up. During the past year, Bedford hosted its sesquicentennial, Open House, and RAGBRAI. Some leaders suggested interest in hosting more annual events coupled with artisans, crafts, and antique shows. One suggested a greater critical mass of artisans, antique shops, crafts, venues of tourism, and recreational points of interest could potentially be packaged to attract more people from metro markets. The BAED and Main Street principles could help develop more local artisan talent and identify gaps and opportunities in local business clusters that could add to the appeal of this concept. Some steps might include an artisan, craft, and entrepreneurs club, internet entrepreneurship and marketing, a mentoring program, and more events to show and sell antiques, arts, and crafts. One leader suggested stronger clean-up efforts are needed to make the community more attractive to outsiders.

The BAED, in cooperation with local government leaders, has worked to establish a fairly progressive and comprehensive set of incentives for historic renovation as well as new construction. These are important for retention and expansion of existing businesses as well as marketing for new prospects. A citywide urban revitalization area has been established to encourage rehabilitation of existing commercial/residential structures and new construction. Two tax abatement options are available for eligible projects and owners may choose a 100 percent, 3-year abatement or a graduated abatement over 10 years. Bedford provides Tax Increment Financing (TIF) to pay for public improvements

and for development within Bedford's designated urban renewal area, which includes the industrial park and which currently has space for expansion.

The city of Bedford has made efforts to update the local infrastructure. In addition to the new fire station and ambulance/EMT service, the city has built a new sewage treatment facility and is considering a new drinking water plant. The city owns the gas utility and MidAmerican Energy provides electricity. Leaders plan continuing work on the streets and the sewer system.

Bedford's water board took the lead to make an initial investment in local internet service when local phone providers were unwilling to do it. Since that initial investment, other private companies have entered the local market and Bedford now has multiple providers for high speed internet. One leader suggested placing more emphasis on internet-based entrepreneurship. Such an initiative could be coupled with other business development activities to expand markets for local entrepreneurs.

Local leaders remarked about greater cooperation among leaders since the mid-1990s and identified participation in a number of regional groups. Mentioned were the Southwest Iowa Coalition, which includes 22 counties; and the Grow Iowa Foundation, which provides an intermediary re-lending program for small businesses. In addition, the Resource Conservation and Development District has access to USDA development programs, the Southern Iowa Council of Governments has expertise in grant writing, and the community colleges provide job-training support.

Agriculturally, interest was expressed for attracting dairy operations to the area, given the pasture, hay and forage available along with historic interest in cattle production. If there is regional interest in this concept, perhaps a regional initiative is appropriate. Some large confinement operations moved into the region during the past decade. Several outdoor recreational amenities are available such as a 9-hole golf course, a municipal swimming pool, and the nearby Lake of Three Fires State Park with boating, swimming, hiking, and camping. Hunting and fishing also thrive in the area.

Bedford's Community Foundation was incorporated in 1990 and appears to possess a structure that can enhance local philanthropic initiatives. These could include local health, education, civic improvement, recreation, business and human needs. A number of local leaders indicated that the Foundation has been used to provide a structure for several local funding raising projects. Examples of local philanthropy activity included a local farmer who recently left his entire estate to the school and the local American Legion, which benefits from earnings from a different estate bequest. Leaders expressed an interest in maintaining contact to attract back more people who grew up in the region and to attract potential donors who no longer live in the community but who want to give something back to their hometown.