

Economic and Community Development has its own language and terminology. Terms such as capacity building, empowerment, indigenous development and social capital are common and are used by a variety of actors in the economic development fields. However, many of the terms surrounding economic development require *a considerable amount of interpretation, comprehension and negotiation when applied 'on the ground' in different institutional settings.* In recognizing that some of these terms are not universally understood, the following provides an understanding to this terminology by describing the more commonly used words and acronyms.

Economic & Community Development Glossary

Additionality: The principle that funding from a particular source is additional to that provided by national and local authorities. The additionality principle requires that funds awarded for a project should not be used merely to substitute or replace existing funds, but for additional projects and activities.

Angel Investor... an investor who provides equity investment to start-up businesses.

Assessed Valuation... the monetary worth of a property for the purposes of taxation. Total assessed valuation denotes the sum of the monetary worth of all taxable properties within a jurisdiction.

Backward and forward linkages... economic connections among companies; backward linkages involve the purchase of inputs by a given firm from another, and forward linkages involve the sale of the given firm's outputs to another company.

Base Industry... also known as "export" or "primary" industries, base industries sell or export their products and services outside the community and bring new dollars into the community, increasing the total dollars that circulate within the community and that are spent on non-base industries.

Benchmarking... quantifiable measures of economic competitiveness and quality of life that can be collected on a regular basis. They are used to measure a region's economic status and progress against comparable regions.

Bond... a certificate of debt issued by a government or corporation guaranteeing payment of the original investment plus interest by a specified future date.

Brownfields... commercial or industrial sites that are abandoned or under-utilized and have real or perceived environmental contamination. Sustainable economic development strategies encourage the beneficial reuse of these sites, even though this may be more expensive than building or developing (new, to date undeveloped) Greenfield sites.

Business Assistance Center... a one-stop center for streamlining local permitting, licensing, and fee payment processes and facilitating the decision-making processes.

Business Attraction... efforts by local economic development organizations to encourage firms from outside their communities to locate headquarters or other operations within their jurisdictions.

Business Climate... environment of a given community that is relevant to the operation of a business; usually includes tax rates, attitudes of government toward business, and availability.

Business Creation... economic development strategy that focuses on encouraging the formation of new companies that are locally based and will remain in the community and grow.

Business Incubator... A business incubator is a public or private organization that is designed to nurture the growth of entrepreneurs and their small businesses. An incubator takes advantage of economies of scale by housing a number of small ventures under one roof and offering administrative support and business assistance needed by these to enlarge their businesses. In exchange for paying monthly rent, incubator tenants receive critical support services (including, sometimes access to expensive machinery and equipment), at rates that they cannot otherwise afford. After a period of residency in the incubator, successful businesses have expanded and accumulated enough capital to support their capital and service needs. For more information, see: The National Business Incubator Association: <http://www.nbia.org/>; The USDA: <http://www.nal.usda.gov/ttic/incubator/businc.htm>

Business Improvement Districts (BIDS)... legally defined entities formed by property and business owners, where an assessment or a tax is levied for capital or operating improvements, as a means of supplementing city funding. The district is created by the public law or ordinance but is administered by an entity responsible to the district's members or to the local governing body. Some states authorize non-governmental, non-profit corporations. Recent BID programs include economic and social development, transportation, parking management, and conversion of redeveloped commercial buildings for residential use.

Business Recruitment and Attraction... traditional approach to economic development to entice companies to relocate or to set up a new branch plant or operation in a state or locality; often referred to as "smokestack chasing."

Business Retention Strategies (BRS)... are systematic efforts designed to keep local companies content at their present locations within the city area. Strategies include helping companies cope with changing economic conditions, addressing new markets and even assisting with internal company problems. Business Start-up Support: Business support includes the full range of services available to people starting in business for the first time. Initiatives include: training, business advisory support, business networking and mentoring and financial assistance (grants, loans, interest rate subsidies are traditional methods; a more innovative approach to financial support is to try and attract as much private sector investment as possible, rather than public sector)

CBD... the central business district of a locality. Usually this is an area with the highest concentration of businesses, including financial institutions, shops, offices, theaters, and restaurants.

CDBG (Community Development Block Grants)... a system of unified block grants under which communities with more than 50,00 people are entitled to receive funding while other communities may apply for discretionary funding. Its purpose is to encourage more broadly conceived community development projects and expand housing opportunities for low- and moderate-income persons. The three primary goals of CDBG are to serve low- and moderate-income people, to eliminate slums and blight, and to address other community development needs that pose a serious and immediate threat to the health and welfare of the community. This program has provided significant support for economic development projects.

CDC (Community Development Corporation)... organizations, typically non-profit 501 (c) (3)s, which can obtain federal and private support. They are governed by local residents, businesses, and community leaders through a board of directors that is in most cases elected from the CDC membership or the community. Some CDCs perform only economic development services, but most work only on housing issues. Those active in economic development provide technical assistance and financing and are committed to serving the impoverished people of America.

CDC (Bank CDC)... bank-sponsored community development corporations are a way for banks to contribute to economic revitalization by investing in local businesses and real estate investment projects that benefit low- and

moderate-income groups. A community can establish a bank CDC by working with one or more local banks, the Federal Reserve, the Comptroller, and its respective state financial institutions' regulators. In the case of consortium bank CDCs, where several banks join together, the investors do not have to be just local banks. Bank CDCs can purchase, construct, or rehabilitate property.

CDC (Certified Development Company)... the originating and administrating body for the SBA 504 loans. The program provides long-term, fixed-rate financing to small businesses to acquire real estate, machinery, and equipment for the expansion of business or modernization of facilities.

CDFI (Community Development Financial Institution)... a specialized financial institution which works in market niches that have not been adequately served by traditional financial institutions. CDFIs provide a wide range of financial products and services, including mortgage financing, commercial loans, financing for community facilities, and financial services needed by low-income households. Some CDFIs also provide technical assistance. To be certified as a CDFI by the CDFI Fund of the Department of the Treasury, an institution must engage in community development, serve a targeted population, provide financing, have community representatives on its board, and be a non-governmental organization.

Capacity Building... developing the ability of a community-based neighborhood organization to effectively design economic development strategies through technical assistance, networks, conferences, and workshops.

Certified and Preferred Lenders Program...U.S. Small Business Administration program that encourages highly active and expert lenders to provide funds to borrowers.

Central place theory... An element of Location Theory (see [below](#)) addressing the concentration, distribution, and size of central settlements within a greater geographic system. The theory addresses how these central places relate to one another, as well as to their surrounding markets and hinterlands, physically, spatially, and economically.

Claw backs...many localities enter into contracts requiring local commitments with firms to which they offer incentives. Claw backs describe the punitive steps taken against firms that break these contracts. For example, a firm may be required to pay fines or assist in finding a new tenant for its property if it chooses to leave a community.

Clusters...An industry cluster is a grouping of related industries and institutions in an area or region. The industries are inter-linked and connected in many different ways. Some industries in the cluster will be suppliers to others; some will be buyers from others; some will share labor or resources. The important thing about a cluster is that the industries within the cluster are economically linked, they both collaborate and compete and are, to some degree, dependent upon each other; and ideally, they take advantage of synergies.

Community Development Venture Capital... capital made available through funds created by local communities for the purpose of making venture capital accessible to entrepreneurs in low-income areas.

Community Development

Involves all aspects of improving community organizational capacity, business development, workforce development, development of markets, and investments in infrastructure, downtown areas, gateways, business parks, speculative buildings and/or public/private partnership opportunities. These provide the underpinnings for a strong and vibrant social and economic interaction.

Community Development Block Grants

Lane County is the eligible applicant on behalf of lower-income communities and residents to receive funding from

Oregon Economic & Community Development Department to improve public water systems and provide loans for housing rehabilitation.

Comparative Advantage...term used when comparing economies of regions. It is the economic advantage gained by one area over another due to the fact that it can produce a particular product more efficiently. More efficient production of one good means there is a higher opportunity cost to produce another. This is the concept that drives trade between economies. Inter-regional and international trade exploits the comparative advantages of economies. (See Absolute Advantage)

Consolidated Plan...the Consolidated Plan, or ConPlan, combines all of the planning, application, and performance requirements previously required separately for Community Development Block Grants (CDBG), HOME, Emergency Shelter Grants (ESG), Housing Opportunities for People with AIDS (HOPWA), and programs, such as HOME, that require a Comprehensive Housing Affordability Strategy (CHAS).

Corporate Welfare...government subsidies targeted to large corporations.

Cost-Benefit Analysis...is a systematic method for estimating the economic effects of policy or programs. This method reduces all effects of proposed alternatives to the same unit of measure, usually dollars. This is one of the primary methods for policy or program evaluation/analysis when efficiency is the goal. In this method, the most effective policy or program is the one that generates the largest aggregate net benefits (in dollars). More information:

<http://www.econlib.org/library/Enc/BenefitCostAnalysis.html> - <http://www.lewrockwell.com/machan/machan24.html>

Cost Effective Analysis...compares alternative projects or plans to determine the least costly way to achieve desired goals. Usually, some index or point system is developed to measure the effectiveness of the proposal in meeting the goals and objectives.

Counterfactual... The alternative present or future condition that exists for a location had intervention not taken place for economic development purposes.

Cumulative causation...A development theory that counters equilibrium theory of place economics. This theory suggests that inequality between locations cumulates instead of balancing out over time. Since decaying communities lack financial, political, and other resources, they are more likely to experience decline. Conversely, wealthy communities are more able to attract and retain resources. Hence, inequality delivers further inequality.

Customized Training...learning designed to meet the needs of a given employer; used by local governments to attract or retain major employers.

Demand-side Theory of Development...explanation of economic development that focuses on discovering, expanding, and creating new markets; forming new businesses; nurturing indigenous re-sources; and involving government in the economy.

Economic Development

A program, a group of policies, and/or activity, which seeks to improve the economic well-being and quality of life for a community. Ideally, it will create and retain jobs and provide a stable tax base. This can include programs to encourage business growth and investments to improve business attraction, retention and expansion, tourism, startup and emerging business to the County.

Economic Diversity

The degree to which an economy's mix of industries, sectors, skill levels and employment levels differ from a larger reference economy.

Eco-Industrial Park...industrial park designed to encourage business interaction in ways that foster the reuse of waste streams, the recycling of inputs, and other mechanisms.

Economic Base...a method of classifying all productive activity into two categories: basic industries which produce and sell goods that bring in new income from outside the area and service industries which produce and sell goods that simply circulate exiting income in the area.

Economic Base Analysis...a comprehensive study of a locality's economy focusing on the importance of exports; it should include an economic history, data on existing industries, trends, and forecasts of growth in wages and employment.

Economic Development Administration (EDA)... created by the Public Works and Economic Act of 1965 as a part of the Commerce Department. The EDA's main goals are to alleviate unemployment and diversify the economy as well as assist urban areas with planning and emergency public works programs.

Economic Gardening...Pioneered in 1989 by the city of Littleton, Colorado, Economic Gardening embraces strategies to grow existing 2nd-stage businesses by providing them with valuable business-intelligence tools such as: A.) Sophisticated databases that identify market trends, potential partners or competitors and unknown resources buried deep inside industry information; B.) Geographic information systems; C.) Search-Engine Optimization (SEO) tools; and D.) Social media monitoring applications that can track websites, blogs and online communities to see what people are saying about specific companies and products. By supporting existing businesses in a community that is poised for growth, economic gardening encourages the development of essential infrastructure that sustains long-term, internally-propelled economic growth. "The Economic Gardening Working Group and dozens of other organizations dedicated to helping Kansas companies grow are very excited about the concept of providing sophisticated assistance to businesses in this stage of development, said NetWork Kansas Director Steve Radley, "This is where jobs will come from."

Econometric Modeling...a qualitative method for analyzing the impact of a proposed action on the economy. A model permits testing the effects of an anticipated or hypothetical change.

Economies of Scale...the phenomenon of production where the average cost of production declines as more of the product is produced.

E-communities... A NetWork Kansas E Community is a partnership that enables local communities to invest in businesses in their own community by establishing a partnership with NetWork Kansas. Becoming a NetWork Kansas E community results in the following: Through a tax credit grant, a fund is established for entrepreneurs and small business owners administered at the local level; The mapping of assets for local, regional, and state assets available to entrepreneurs and small business owners; An assessment of educational and economic needs at the local level; A powerful database tracking system to measure business and economic growth; A long term partnership with more than 470 resources statewide that assist entrepreneurs and small business to provide a positive impact on the Kansas economy

Edge City...a newly emerged city that serves as a work and shopping center, with a large amount of office and retail space.

Eminent Domain...the authority to "take" private property upon paying a fair price for the property and relocating the tenants. The most frequent use of this authority is the act of "condemnation." Eminent Domain is the government's right to take private property for public use without the owner's consent. However, the Fifth and Fourteenth Amendments to the Constitution provide that "private property [may not] be taken for public use without just compensation." This government power is used locally in economic development to reclaim blighted areas and to gain land for basic community redevelopment practices including schools, streets and highways,

parks, airports, dams, reservoirs, public housing, hospitals and public buildings. <http://www.answers.com/topic/eminent-domain>

Empowerment Zones/Enterprise Communities (EZ/EC) Initiative... established in 1994 and administered by the Department of Housing and Urban Development and Department of Agriculture, the federal EZ/EC tools include not only business tax incentives but also transportation to work or school, drug and alcohol rehabilitation, and other local priorities. The program creates incentives for localities to develop their own approaches to alleviate poverty. All federally designated zones are areas of pervasive poverty, unemployment, and general distress. Each designated city receives a mix of grants and tax-exempt bonding, while employers in the EZ/EC receive tax credits for new hires and accelerated depreciation credits. [US Department of Housing and Urban Development](#)

Enterprise Development... assistance to entrepreneurs in support of the creation, growth, and survival of their businesses.

Enterprise Zones... state enterprise zones are designated geographic areas that are eligible for special treatment and incentives to attract private investment. State guidelines define the size of a zone and the minimum level of economic distress to qualify as an enterprise zone. States can also limit the number and type of enterprise zones. These restrictions are generally set out in the state enterprise zone program.

Entitlement Community... an entitlement community is eligible to receive annual CDBG funds that it can use to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low- and moderate-income persons. Eligible grantees include local governments with 50,000 or more residents, other local governments designated as central cities of metropolitan areas, and urban counties with populations of at least 200,000 (excluding the population of entitled cities). The State CDBG Program offers funds to the state, which they then allocate among localities that do not qualify as entitlement communities.

Entrepreneurship... This describes the act of an individual taking on the risk of a business. An entrepreneur can be a farmer or someone who owns a software design firm. It is their vision, risk, and often money that create a business. Entrepreneurship is central to local economic development. see also: <http://www.cbt.eku.edu/cedet/entre/entre.htm>

Entrepreneurial Training... programs that provide guidance and instruction on business basics such as accounting and financing to ensure that new businesses improve their chance of success. The most common training methods include classroom training, workshops, speakers, peer groups and one-on-one counseling, lectures, internships, as well as self-study and home-study.

Equity financing... investments are typically secured in this type of financial support in return for partial ownership of an enterprise; three mechanisms can be used for receiving an equity position in a firm: common stock, preferred stock, and convertible debt.

Export base... In export base theory, industries are divided into two categories—*basic* and *non-basic*. Non-basic industries serve the local economy while basic industries export their products to another area. Export base specifically refers to the products of the basic industries (for example, the automobile in Detroit) and have been traditionally thought of as the primary driver for the economic growth and vitality of a region.

Export Development Services: Export assistance programs can help businesses to diversify their customer base, expand operations and become more profitable. Export services include: assessing company capacity for exporting; market research; information services (on exporting, trade regulations, transportation, etc.); international lead generation and trade shows/exhibitions or promotional marketing trips.

Externalities...An *externality* is any valued effect (positive or negative) from actions related to production or consumption that affects a person or persons who did not fully consent to it voluntarily. Links: ...
<http://en.wikipedia.org/wiki/Externality> -- <http://www.econlib.org/library/Enc/PublicGoodsandExternalities.html>

First Wave...Strategic paradigm of economic development which focuses on business attracting tactics.

Fiscal Impacts...the direct and indirect costs incurred and revenues received by local governments resulting from land use and other types of decision.

501(c)(3)...approval given by the Internal Revenue Service granting exemption from federal income tax to a nonprofit organization, under Section 501(c)(3) of the Internal Revenue Code. Donations to such organizations are tax deductible. The organizations described in 501(c)(3) are commonly referred to under the general heading "charitable organizations."

501(c)(6)...approval given by the Internal Revenue Service granting exemption from federal income tax to a business league, under Section 501(c)(6) of the Internal Revenue Code. Trade Associations and professional associations are considered to be business leagues. The business league must be devoted to the improvement of business conditions of one or more lines of business as distinguished from the performance of particular services for individual persons. No part of its net earnings may inure to the benefit of any private shareholder or individual and it may not be organized for profit or organized to engage in an activity ordinarily carried on for profit.

Foreign Direct Investment (FDI): FDI is investment that is attracted from abroad. It can mean either Greenfield investment (i.e. investment in building new facilities on hitherto undeveloped sites) or portfolio investment (i.e. buying into an established business). Inward investment can take similar forms (either Greenfield or portfolio). However it could include investment from within your country as well as from abroad.

Forward and backward linkages... Linkages are relationships between different sectors along a product chain. A backward linkage from a given sector refers to the relationship it has with another sector from which it purchases inputs. A forward linkage from a given sector refers to the relationship it has with a sector to which it sells its output.

Forward Strategy: Is an arrangement to continue the life of projects after initial project funding stops. Sometimes described as an exit or succession strategy. This should be established at the outset of all projects that are likely to need ongoing capital or revenue resources after the initial period of establishing the project.

Frostbelt/Sunbelt...The frostbelt refers to the north-central and northeast US while the Sunbelt is the area of the southern and southwest US. The frostbelt is an area of post-industrial cities that is losing population and industry to the warmer Sunbelt, an area of great economic growth. The Sunbelt has grown with retirees and new manufacturing development in the last several decades and is highly politically conservative.
<http://www.answers.com/sunbelt>

Greenfields: Refers to factories and offices being built on land that has hitherto not been developed. Greenfield investments also imply that facilities are designed and built for investors, rather than the investor buying a facility already built.

Growth Node: A physical location where industry and/or commercial development is deliberately directed; done either to reduce growth pressures elsewhere in the city or to redistribute growth within a city.

Gap financing...a loan required by a developer to bridge the gap, i.e. to make up a deficiency between the amounts of mortgage loan due upon project completion and the expenses incurred during construction (financing that covers the difference between what projects can support and the cost of development or purchase).

General Obligation (G.O.) Bonds...traditional form of borrowing for state and local government; secured by full faith and credit of jurisdiction

General Allocation Projects: Economic development programs in county government.

Hard Infrastructure: Hard infrastructure includes all the tangible physical assets that contribute to the economy of a city. For example, transport infrastructure (roads, railways, ports, airports), industrial and commercial buildings, water, waste disposal, energy, telecommunications etc. See also soft infrastructure below.

High Road Techniques: High road techniques stress the need to make more efficient use of resources and invest in processes, technological innovation and employee skills. It views labor as an important commodity and skill enhancement as a crucial, targeted investment. It entails the mobilization and upgrading of local resources and the maximization of local strengths and advantages to balance relatively higher wage rates.

Housing Rehabilitation: The Regional Housing Rehabilitation Program (RHRP) is a consortium of Lane County government and the cities of Cottage Grove, Florence, Lowell and Oakridge. This consortium provides Community Development Block Grant funds for low-interest and deferred payment loans to income qualified homeowners. Once St. Vincent de Paul qualifies a homeowner for an RHRP loan, they administer housing rehabilitation contracts, enabling the consortium of governments to help homeowners with necessary repairs, weatherization projects, new roofs, and other health and safety improvements.

Human capital... The skills and abilities that a person or group of people possesses that may be used in employment or other productive labor. Unlike physical capital or physical labor, human capital is self-generating rather than scarce (that is, use of human capital builds experience, which builds more human capital) and is transportable and shareable. Human capital may also be distinguished between specific capital (skills and knowledge useful only to a single employer, such as the ability to work a particular kind of machine) and general capital (skills and knowledge useful across many or all employers, such as literacy).

Impact Fees...fees are required to cover costs of improving and/or building infrastructure needed as a result of the expected impact of development project on those facilities. Often required by localities for approval of the development projects.

Incentives...benefits offered to firms as part of an industrial attraction strategy. A few incentives are tax abatements and credits, low interest loans, infrastructure improvements, job training, and land grants.

Incubator-Without-Walls...form of business incubation that does not take place in a single building, but instead comprises a network of entrepreneurs and entrepreneurship service providers throughout a community or region.

Indicators: Proxy measures to provide operational definitions to the multidimensional components of LED. Indicators are expected to serve the function of defining policy problems and informing policy formulation. They should provide a basis for policy discussion and planning.

Indigenous Businesses: Local businesses, usually those that have developed in the community. Increasingly, the term refers to all businesses in an area whether they are 'locally grown' or not.

Industrial Development Bonds...these bonds are used to finance acquisition, construction, expansion, or renovation of manufacturing facilities and the purchase of machinery and equipment depending upon state law. IDB financing is subject to state and local laws and federal income tax laws and regulations if the interest on the bonds is expected to be exempt from federal income taxation.

Industrial Revenue Bonds...bonds that provide lower-cost financing for real property improvements or the purchase or construction of buildings, facilities, or equipment.

Industry Clusters...geographic concentrations of related businesses B complementary or competing. Regions identify clusters as targeted businesses for future planning and marketing efforts. There are two types: (1) buyer-supplier clusters and (2) shared resources clusters.

Informal Sector: Not within formal or legal sector and therefore not raised and not provided with services. Not able to use assets as collateral for new productive investment.

Infrastructure Banks...public-targeted lending facilities, financed through a combination of bond issues, government funds and external donor support. They mobilize domestic funds, and create an attractive vehicle for donor funding.

Investor Networks...investor networks match up potential investors (either anonymous "angle" investors or know investors) with start-up firms needing capital.

Jobs-Housing Imbalance...spatial mismatch between where people live and where they work.

Labor Market Information: The body of data available on a particular labor market, including employment and unemployment statistics, occupational statistics, and average hours and earnings data.

Local Economic Forum: A coordinating mechanism set up to achieve the streamlining and improvement of local economic service delivery.

Low Road Techniques: Low road techniques promote an area economic position through the lowering of production costs, especially wage rates; this is not a sustainable approach.

Just-in-Time Inventorying...cost-saving approach by a manufacturer that involves maintaining no inventory of product inputs on-site; instead the inputs are delivered from the supplier(s) at the time they are needed in the production process.

Labor-Force Theory of Development...explanation of development that stresses the importance of an educated, skilled, and dependable workforce for attracting and growing businesses; accepts the concept that the public sector has a responsibility to fit human resources to the needs of the business community.

Land Write-Down...providing land to developers a price that is below public sector expenses for improvements.

Loan Pooling...two or more lenders contribute to a fund from which loans are made to applicants; publicly chartered, privately funded corporations can be established to pool resources.

Location Theory of Development...explanation of economic development that emphasizes factors such as transportation, access to raw materials and labor, taxes, business climate, and quality of life as they relate to industrial location.

Long-Wave Theory of Development...explanation of economic development that contends that bursts of innovation lead to economic growth

Laissez-faire...Laissez-faire is a theory of economics developed from the French philosophy of „let things alone, let them pass" (Wikipedia). A Laissez-faire economy requires that government stay clear of economic policy and let

the markets run themselves. Adam Smith promoted this, and used the imagery of the invisible hand to signify that free markets will correct their own inefficiencies (the invisible hand) much faster and better than a government ever could. <http://en.wikipedia.org/wiki/Laissez-faire>

Land Banking...a program that preserves industrial space for a city. A city or local development authority acquires and holds land until a developer steps forward with a proposal for its use as an industrial site.

Limited Tax G.O. Bonds...tax-exempt bonds secured by the revenue from the application of a fixed rate against taxable property. Not all states permit limited tax G.O.s, but in those that do, such bond issuance does not require voter approval.

--**Unlimited Tax G.O. Bonds**...tax-exempt bonds secured through taxes that are levied without rate or amount limitations in order to repay the principal and interest of the bond. They are typically used to finance public works infrastructure and land acquisition for blight elimination.

Localization economies / urbanization economies... With regard to agglomeration economies, a localization economy refers to the situation in which firms derive the most benefit by being located near similar type firms belonging to the same industry. (Examples include Silicon Valley, Detroit, and Pittsburgh.) One downside, however, is the over dependency of that economy on the one industry and the potential instability it could create if demand for the product produced by the industry wavered, or if sources of production materials changed such that the one industry experienced a significant decline.

An urbanization economy refers to the situation in which firms derive the most benefits by being located near other firms in a diverse urban environment. Several distinct industries exist and it is the size of the city, rather than the size of a particular industry within an area that most impacts productivity.

Location theory... The theory concerned with the geographic location of economic activity, addressing the spatial location of economic activity as well as why certain activities develop in certain nations, regions, neighborhoods, or other geographic designations.

Low/Moderate Income

A household earning less than 80% of the current state median income.

Market failure...A *market failure* occurs when the pursuit of private interest does not lead to efficient use of society's resources or fair distribution of society's goods. The four most common market failures are externalities, public goods, natural monopoly and information asymmetry.

Links: http://en.wikipedia.org/wiki/Market_failure - http://www.socialstudieshelp.com/Eco_Market_Failures.htm -- <http://www.lewrockwell.com/machan/machan24.html>

Mezzanine Capital...funds or goods used to bridge the gap in resources from one stage of business to another.

Microenterprise...a business that is "smaller-than-small." Operated by a person on a full- or part-time basis, usually out of a home, e.g., carpenters, day-care providers, and caterers. Used as a tool for empowerment, the entire group becomes responsible for each individual's timely repayment while supporting a coordinated enterprise that provides the group some level of self sufficiency. Funding is used by groups for small-scale enterprises such as handmade jewelry, garments, clothing, or specialty food

Microloans...very small, short-term unsecured loans given to people without credit history and/or the collateral necessary to obtain a conventional loan. These are available from either local lenders or the SBA's 7(m) Microloan Program.

Minority Businesses Development Agency (MBDA)...as agency with the U.S. Department of Commerce, MBDA was established in 1969. The MBDA Provides assistance to socially- or economically-disadvantaged individuals, who own or want to start a business. MBDA provides funding for Minority Business Development Centers, Native American Business Development Centers, Business Resource Centers, and Minority Business Opportunity Committees.

Moderate Income...a definition based on family income as a percentage of an area's median income. Different programs may set different percentages. According to HUD's guidelines, households whose incomes are between 81 percent and 95 percent of an area's median income with adjustments for smaller or larger families are considered to be moderate income.

Mobile Manufacturing (or service sector) Investment: Where manufacturing (or service) companies have a wide choice of location choices. Consequently they are in very strong negotiating positions when it comes to choosing where to locate their businesses.

Multiplier...a quantitative estimate of a project's impact (in dollars, jobs created, demand).

Multiplier Effect... the process of dollar and job generation as a result of a new or migrating business or project, or of a local business expanding production (to exports). The multiplier effect accounts for new local income generated by local spending that came from outside a community.

NIMBY ("Not in My Backyard")...term used to describe local opposition to development projects.

Net present value: To understand the value of a project that has financial returns over an extended period of time, the issue of the time value of money must be addressed. A dollar earned today can gain interest, so it is worth more than a dollar earned next year.

North American Development Bank...founded under the auspices of the North American Free Trade Agreement (NAFTA), NADB is a "bilaterally-funded, international organization, in which Mexico and the United States participate as equal partners." Its purpose is to finance environmental infrastructure projects. All financed environmental projects must be certified by the Border Environment Cooperation Commission, be related to potable water supply, wastewater treatment or municipal solid waste management and be located in the border region.

North American Industry Classification System (NAICS)... the industrial classification code system used for categorizing industrial establishments. Beginning in 1997, NAICS replaced the Standard Industrial Classification (SIC) as the system for classifying firms in the United States, Canada, and Mexico.

Oligopoly... An oligopoly exists when a few companies dominate an industry. This concentration often leads to collusion among manufacturers, so that prices are set by agreement rather than by the operation of the supply and demand mechanism. For an oligopoly to exist, the few companies do not need to control all the production or sale of a particular commodity or service. They only need to control a significant share of the total production or sales. As in a monopoly, an oligopoly can persist only if there are significant barriers to entry to new competitors.
www.indiana.edu/~ipe/glossary.html

One-Stop Business Service Centers...One-stop business service centers are facilities where business persons can go to obtain the licenses and permits needed to start-up, operate, and expand their facilities. These centers improve the local business environment while reducing the number of separate agencies and offices a business must apply to for various licenses and permits, saving public and private time and financial resources.

Opportunity Cost...the revenue forgone by choosing one use of money and resources over another. The opportunity cost of investing in the stock market is the interest that the money could have earned while sitting in the bank.

Overall Economic Development Plan (OEDP)... a plan developed at the city, county or EDD level, as required by EDA, to identify the area's problems & opportunities for economic development, to de-fine goals & objectives, and listing infrastructure & other projects needed to achieve those goals.

Outputs/Outcomes

While outputs are quantifiable results of a contract with the county to be completed within the contract period, typically a one-year period, outcomes are economic development benefits such as job creation and trained employees who receive high-paying jobs. A contractor will attempt to produce and maintain these outcomes for at least one year after the completion of the contract with the county.

Revenue Bond...bond backed by anticipated revenue stream from specific project.

Revolving Loan Fund (RLF)...a pool of public and private sector funds in which the money is recycled to make successive loans to businesses. Loans made by an RLF are repaid with interest and the payment are returned to replenish the lending pool so new loans can be made. The funds are thus recycled and the RLF grows as each generation of borrowers adds to the pool.

Request for Proposals (RFPs)

A process of advertising, rating and ranking, and selecting contractors in a uniform and fair way to bid on community and economic development projects.

Seed Capital...equity money supplied to help a company get off the ground. The money is almost always supplied by an entrepreneur and his/her family, friends, and relatives. Used to help attract (leverage) other investment.

Second Wave...strategic paradigm of economic development, which focuses on retaining firms already in the community and on creating new businesses.

Secondary financing...a loan secured by a second mortgage on a property, sometimes used to refer to any financing techniques other than equity and first-mortgage debt.

Shift-Share Analysis...a method used to examine a local area's basic industries in terms of their growth and decline relative to national or regional trends.

Site Location Assistance...local governments provide new, expanding, and relocating businesses with assistance for locating the sites which fit their facility's needs. These services include provide information on sites and organizing visitation programs.

Small Business Administration (SBA)...founded in 1953, SBA's mission is to "aid, counsel, assist and protect, insofar as is possible, the interests of small business concerns." Its charter also mandates that the SBA ensure small businesses a "fair proportion" of government contracts and sales of surplus property. Since its inception, the SBA has delivered more than 13 million loans, loan guarantees, con-tracts, and other form of assistance to small businesses.

Small Business Development Center (SBDC)...facility that provides business development, information, and assistance in one location; administered by the U.S. Small Business Administration.

Small Business Investment Company (SBIC)...privately owned and managed for-profit investment firms that use their own capital, plus funds borrowed at favorable rates with an SBA guarantee, to make venture capital investments in small businesses.

Smart Growth...the efficient use of all available assets. According to the American Planning Association, smart growth involves efficient land use; full use of urban services; mixed use; mass transportation options; and detailed, human-scaled design.

Smokestack Chasing...pursuit of traditional manufacturing businesses by local economic development organizations.

Social Capital...in economic development, linkages between and among business development service providers and the companies they assist; these linkages are both internal, within a given-service provider organization, and external, between an organization (and its clients) and external service providers and businesses.

Spatial mismatch... This is the occurrence, when low-income city dwellers need jobs, and the jobs themselves are located too far away in the suburbs, thus being unattainable to the low-income city dwellers. This can result in increased employment and poverty within central cities.

Special Assessment Districts...areas designated by a taxing authority to be assessed for tax purposes on a scale that differs from the rest of the taxed jurisdiction. Property in these districts may be taxed differently all together. They may be required to pay special taxes more reflective of the greater benefit earned by some public expenditure in the district.

Special Assessment Funds...costs of a project that benefit a specific group of properties may be assessed to those individuals and accounted for in the special assessment fund.

Special Improvement Districts...mechanisms where local businesses and/or residents agree to voluntarily pay an additional tax to support improvements or services so local governments can finance and implement improvements within a specific and limited area. (Similar to Business Improvement Districts)

Start-Up...company in the first stage of the evolution of a business.

Start-Up Capital...funds that help nascent enterprises acquire space, equipment, supplies, and other inputs needed to launch a business.

Strategic Initiatives

A category of Lane county economic development funding that is typically made available for outside contracts.

Supply-Side Theory of Development...explanation of economic development that focuses on reducing costs of production to lure capital to a new location; typical strategies include tax abatements, reductions, and exemptions; guaranteed and direct loans; and reduced regulation.

Sustainable Development... While this term has many different meanings, a well-known definition comes from the Brundtland Commission. The World Commission on Environment and Development, the Brundtland Commission, defined sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." In other words, development is essential to satisfy human needs and improve the quality of human life. At the same time, development must be based on the efficient and environmentally responsible use of all of society's scarce resources - natural, human, and economic.

http://www.sdinfo.gc.ca/what_is_sd/index_e.cfm

SWOT Analysis...a tool used in the economic development planning process to assess a community's Strengths and Weaknesses, factors from within a community that can be changed, as well as its Opportunities and Threats, factors from outside that cannot be changed.

Soft Infrastructure: Soft infrastructure relates to the less tangible aspects of LED such as education and training provision, quality of life infrastructure such as park, leisure and library services, housing, business support, business networking and financing services etc.

SMEs: This is the acronym for 'small and medium-sized enterprises'. There is no definitive delineation between a small and medium sized business. As a general reference, small is often from 5 to 20 employees, medium from 20 up to 200. Businesses with fewer than 5 employees are usually called micro-enterprises. This is a guide only.

Stakeholders: Individuals and groups who have an interest in the issues in hand. They normally represent their own interests as stakeholders.

Supply Chains: The products and processes that are essential to the production of a good or service. For example, to produce frozen fish, the supply chain inputs will extend from fish catching, handling, processing, and freezing to packaging, storing and distribution. These are all elements of a supply chain. Integrated LED strategies will try and capture as much as possible of the higher value end of the value chain in their area. In this case fish processing, packaging, storing and distribution will be adding value and therefore be seen at the higher end of the value chain. An industry cluster is a grouping of related industries and institutions in an area or region. The industries are inter-linked and connected in many different ways. Some industries in the cluster will be suppliers to others; some will be buyers from others; some will share labor or resources. The important thing about a cluster is that the industries within the cluster are economically linked, they both collaborate and compete and are, to some degree, dependant upon each other; and ideally, they take advantage of synergies.

Tax Abatement...exemption, or reduction of local taxes of a project for a specific period of time. Contracts between a government entity and a holder of real estate that stipulate that some share of assessed value will not be taxed for an agreed time period; a typical goal of tax abatement is to encourage economic development.

Tax Credit...money directly subtracted from a tax bill after a tax liability has been incurred.

Tax Deferral...a policy, which permits individuals whose property values have risen dramatically through no fault of their own to pay taxes on the basis of old values.

Tax -Exempt Bond...obligation that does not require recipients of interest payments to pay taxes on the interest revenue; although revenue bonds may be a form of tax-exempt bonds, not all revenue bonds qualify for a tax exemption (e.g., stadium projects, parking facilities, and non-government office buildings lost their tax-exempt status in 1986).

Tax Exemption...a policy, which reduces the base form which property is assessed; and accomplished by subtracting a given amount of money from the assessed market rate. Tax exemptions are often granted to individuals, institutions, or types of property.

Tax Incentives...the use of various tax relief measures such as tax exemptions, tax credits or tax abatements to recruit and attract businesses to a community or help local businesses expand.

Tax Increment Financing (TIF)...tool of economic development in which taxes that can be traced to a specific development are used to repay bonds that were issued to finance that development. When bonds are fully paid, the jurisdiction can begin to receive the additional tax revenue produced by the development.

Tax Stabilization Agreement...agreement to not raise taxes significantly; used to assure potential investors of a stable tax environment.

Technical Assistance...includes aid with preparing grant applications, training staff, applying for loans and marketing the product. It may also include assisting a small business to improve its product or manufacturing process. Technical assistance is generally aimed at providing specific services that a small business typically cannot afford, or general business planning.

Third Wave...strategic paradigm of economic development, which aims to create a local or regional environment supportive of growth and development.

Telecommunications

Systems providing the public with communications services, directly and indirectly, which provide video, voice, and data information by way of cables, wireless, and satellite facilities.

Under-employed...includes all persons whose skills, education or training qualified them for a higher skilled or better paying job than they presently hold. It also includes persons only able to find part-time rather than full-time work in their fields.

Umbrella Bonds...low-cost financing with lower interest rates for projects too small to qualify for normal revenue bond programs. Bond proceeds are used as loans for acquisition of land, building, machinery, and equipment. The umbrella is a pool of small bonds of \$1 million or less packaged into a larger bond and issued by the state or local economic development agency.

Unemployed...as defined by the U.S. Department of Labor, the term includes all civilians who were not employed, but were available and actively seeking work within the past four weeks, were waiting to be called back to a job from which they had been laid off, or were waiting to report to a new job scheduled to begin within 30 days.

Value-Added...Revenue created by the processing of resources; the amount of revenue is greater because those resources have been processed.

Venture Capital...a high risk investment made where there is a possibility of very substantial returns on the investment, as much as 30% to 40%, within a short period. It is usually invested in dynamic, growing, and developing enterprises, not in start-ups. Some states have created publicly-sponsored venture capital funds, sometimes using tax credits to attract capital.

Unincorporated Communities

Areas and communities of a county, which are not inside a city and therefore are represented by a County as their general purpose government.

Workforce Training

Establishing partnerships between business, education and government to build the skills of the local workforce

Workforce Investment Act...Workforce Investment Act of 1998 is the federal government's effort to adapt workforce training system to current economic conditions. The economic development impact of WIA includes: (1) decentralizing decision-making to the local level; (2) allows local businesses to determine skill needs; (3) adapt training to local growth patterns; (4) promotes inclusion of economic development.

