



Extension as Economic Development –

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Key Economic Development Terminology

Business Climate – A community's attitude towards attracting or creating new business. Generally reflected through ease of regulatory permitting and public comments.

Community Profile – Demographic information important to business relocation or expansion. Includes location, geography, labor force, utilities, tax structure, educational attainment and accessibility, healthcare, housing, transportation, economic base, business climate, and recreation.

Economic Base – Net gain of money flow into a community.

Financing Methods

Traditional – Long or short-term loans from banks

Non-tradition/Alternative – SBA loans, low interest loans, government subsidies, grants, venture capital, local revolving loan funds (RLF), tax increment financing (TIF), micro-loans

Geography – Economic development is focused on geographic regions. Learn more about NC economic development regions by visiting <http://www.ncregions.org/regional-map/>.

Incentives – Used to attract new business to a community. May take various forms, including:

- Land-related: free land, rent, tax write-downs, public infrastructure, land leases
- Financial: tax increment financing, special assessment districts, IRBs, cash grants, loan guarantees, subordinate financing, deferred payment mortgages, interest rate buy-down
- Operational: equipment leasing, utility cost reduction, tax abatements
- Construction: permit acceleration, fee reductions, no-strike guarantees
- Workforce development: pre-employment screening, OTJ training, job training funds, technology transfer programs

- Relocation assistance: spousal employment programs, temporary executive housing, child care, moving cost reimbursement, guaranteed home sales, bank assistance with bridge loans

Industry - The production of an economic good or service within an economy.

Industry Clusters – Categories of business standardized by the North American Industry Classification System (NAICS) and tracked by the Bureau of Labor Statistics. For more information, go to <http://www.census.gov/eos/www/naics/>. There are 17 industry clusters and 6 super subclusters.

1. Advanced Materials
2. Agribusiness, Food Processing and Technology
3. Apparel and Textiles
4. Arts, Entertainment, Recreation and Visitor Industries
5. Biomedical/Biotechnical (Life Sciences)
6. Business and Financial Services
7. Chemicals and Chemical-Based Products
8. Defense and Security
9. Education and Knowledge Creation
10. Energy (Fossil and Renewable)
11. Forest and Wood Products
12. Glass and Ceramics
13. Information Technology and Telecommunications
14. Transportation and Logistics
15. Manufacturing Supercluster
 1. Primary Metals
 2. Fabricated Metal Products
 3. Machinery
 4. Computer and Electronic Products
 5. Electrical Equipment, Appliance and Components
 6. Transportation Equipment
16. Mining
17. Printing and Publishing

Leakage – Loss of business out of a region caused by local companies or consumers buying their supplies outside of the region.

Lone Eagles – Part of the Creative Class, lone eagles are knowledge workers who can work anywhere and contribute to the economic base. High Fliers are lone eagles with more than one employee.

Multiplier Effect - A measure that identifies the total employment created for every basic employee created. E.g. a multiplier of 3.0 represents that for every additional basic employee

generated by a project, a total of three new jobs will be created (the basic job plus two non-basic jobs). Also used to explain the impact to the local economy of wages spent by new employees.

Primary Businesses – Those businesses that contribute to the economic base of a region by selling more goods or services outside of the region than inside.

Redevelopment - The process of taking an existing real estate facility and renovating either by demolition or enhancement and rebuilding to establish a contemporary and economically viable real estate development.

Secondary Businesses – Those businesses that primarily sell goods or services locally.

Site Selection Factors - The factors influencing any type of site selection at any particular location in any industry can vary dramatically. Broad categories containing these factors include:

- Cost Factors – Factors such as market for the products, raw materials sources, labor wage rates and availability, utilities, transportation, taxes, business climate, incentives.
- Non-Cost Factors – Factors such as access to specialized suppliers, training facilities, environmental regulations, quality of life, and community cooperation.
- For Retail Prospects – Important factors include: Projected sales in a defined area, demographics such as population densities and income, area growth trends, highly visible sites, traffic counts, and competitor locations.

Acronyms

- BRE (Business Retention and Expansion)
- BTS (Build to Suit)
- ACCRA (American Chamber of Commerce Research Association)
- CDFI (Community Development Financial Institution)
- CDE (Community Development Entity)
- EDA (Economic Development Administration)
- CDC (Certified Development Corporation)
- CFED (Corporation for Enterprise Development)
- COG (Council of Governments)
- CRA (Community Reinvestment Act)
- EIS (Environmental Impact Statement)

Additional Terminology Resources

- http://www.bbc.co.uk/worldservice/specials/916_dev_speak/page2.shtml
- http://www.eastlanddevelopment.com/pdf/142_terms.pdf