

Absorption – ACCRA – Acre – Ad Valorem Tax – Advanced Symposium – AEDC – AEDO – AIA – AICP – AIDC – Allies – Alumni Data Bank – Amortization – Angel Investor – Annexation – APA – Appraisal – ASCE – ASLA – Assessment – Assessment Ratio – At-Risk Companies – Back-Office Facility – Bandwidth – Base Economy – BIDC – Big Box – Big Hit – Blog – BLS – Board of Adjustment – Boardmanship – BOMA – G.O. Bond – Revenue Bond – Brainstorming – Branding – BRE – Contact Programs – Industry Recognition Programs – Business Development Programs – BREI – Broker – Brownfield Site – Build to Suit – Buffer Yard – Capital Budget – Operating Budget – Buildable Area – Business Park – Position – Print Expenditures – CED – CEDS – of Origin – Certification Board – Certified Development Company – CFED – Chamber of Commerce – CID – Capital Improvement Program – Clawbacks – Clear Span – Clustering – Buyer-Supplier Relationships – Code Enforcement – COE – COG – Collateral – Commitment Stages – Communication Systems – Community Coalition – Community Development – Community Life Cycle – Community Profile – Comparable – Comprehensive Plan – Computer Terms – Concept Plan – Condemnation – Contingency Costs – Contour Line – Contract Procurement Center – Convention Bureau – CoreNet Global – Cost-Benefit Analysis – Cost of Living – CPI – Critical Path Method – CRA – Crisis Identification – CUED – CUPR – CVB – Deeds – Dedication – Deed Restriction – Default Positions – Demographics – Density – Developer – Deregulation – Destination Use – Detention Pond – Developer’s Agreement – Development Costs – Development Process – Digital Ortho Photography – Digitizing – Discretionary Income – Distribution Center – Diversified Economy – Double-Tracking – Drainage Map – Due Diligence – Duplex – Dwelling Unit – Earnest Money – Easement – EcD – Economic Assessment – Economic Base Analysis – Economic Development – EDAC – EDC – EDFP – EDI – EDIC – Engineers – Enterprise Zone – Entrepreneurial Control Plan – Escrow – ETJ – European Union – Executive Session – Existing Business Analysis – Exit Strategy – Expansion – Export – FAR – Fair Market Value – Fast Track – Fee-Simple Title – Fees – FEMA – FFE – Fiber Optics – Financial Analysis – Financing Models – Financial Ratios – Financial Statements – Financial Terms – Flex Space – Flexible Manufacturing Systems – Floodplain – Floodway – Floor Area – Fellow Member – FOB – Federal Reserve Bank – Freeport Exemption – Freight Cost Analysis – FTZ – Gantt Chart – Gatekeeper – GATT – Gentrification – GIS – Global Economy – Goal – GPS – Grade Crossing – Grading – Grantsmanship – Gravity Model – Green Building – Greenfield Site – Greyfield Site – Ground Water – Group Dynamics – Group Facilitation – Growth – High Fliers – Highest and Best Use – Historic District – HLM – HOA – Home-Based Business – HUB Zone – HUD – HTML – IAMC – ICSC – IDI – IDRC – IEDC – IMF – Impact Analyses – Impact Fees – Import Substitution – Incentives – Incentives Policy – Incubator – Industrial Park – In-Fill Development – Indirect Power – Infrastructure – Input-Output Model – Insurance – Intermodal Facility – Internet Technologies – Intervention Plan – ISO – ISP – Information Technology – ITE – Job Fair – Knockout Factor – Skilled Labor – Unskilled Labor – Labor Market – Landscape Architect – Land Use Plan – Lead Broker Program – Leakage – Lease – LEED – Level of Service – Lien – Lien Waiver – Linkages – List Serve – Load Bearing Capacity – Loans – Location Factors – Location Quotient – Lone Eagles – Lot Coverage – MAEDC – MAI – Main Street Program – Manufacturer’s Program – Mapping – Marketing Models – Market Segmentation – Match-Market Analysis – MBDA – MBE – MEP – Merchandise Marts – Micro-Loans – Mission Statement – Mobility Indicators – Moratorium – MPO – MSA – MUD – Multiplier Effect – NACORE – NADO – NAFTA – NAICS – NAIOP – NAID – Nanotechnology – NAP – NASDA – NASVF – National Mail – New Business Guide – News F

# **Summary of Economic Development Terms**

**Third Edition  
January 5, 2016**

**Compiled by Greg Last, CED**

Development – Competitive Center – Capital – CDFI – CecD – Certificate of Origin – Chamber of Commerce – CID – Capital Improvement Program – Clustering – Buyer-Supplier Relationships – Code Enforcement – COE – COG – Collateral – Commitment Stages – Communication Systems – Community Coalition – Community Development – Community Life Cycle – Community Profile – Comparable – Comprehensive Plan – Contract Procurement Center – Convention Bureau – CoreNet Global – Cost-Benefit Analysis – Cost of Living – CPI – Critical Path Method – CRA – Crisis Identification – CUED – CUPR – CVB – Deeds – Dedication – Deed Restriction – Default Positions – Demographics – Density – Developer – Deregulation – Destination Use – Detention Pond – Developer’s Agreement – Development Costs – Development Process – Digital Ortho Photography – Digitizing – Discretionary Income – Distribution Center – Diversified Economy – Double-Tracking – Drainage Map – Due Diligence – Duplex – Dwelling Unit – Earnest Money – Easement – EcD – Economic Assessment – Economic Base Analysis – Economic Development – EDA – t Domain – Empowerment Zone – tal Audit – EPA – Equity – Erosion Control Plan – Escrow – ETJ – European Union – Executive Session – Existing Business Analysis – Exit Strategy – Expansion – Export – FAR – Fair Market Value – Fast Track – Fee-Simple Title – Fees – FEMA – FFE – Fiber Optics – Financial Analysis – Financing Models – Financial Ratios – Financial Statements – Financial Terms – Flex Space – Flexible Manufacturing Systems – Floodplain – Floodway – Floor Area – Fellow Member – FOB – Federal Reserve Bank – Freeport Exemption – Freight Cost Analysis – FTZ – Gantt Chart – Gatekeeper – GATT – Gentrification – GIS – Global Economy – Goal – GPS – Grade Crossing – Grading – Grantsmanship – Gravity Model – Green Building – Greenfield Site – Greyfield Site – Ground Water – Group Dynamics – Group Facilitation – Growth – High Fliers – Highest and Best Use – Historic District – HLM – HOA – Home-Based Business – HUB Zone – HUD – HTML – IAMC – ICSC – IDI – IDRC – IEDC – IMF – Impact Analyses – Impact Fees – Import Substitution – Incentives – Incentives Policy – Incubator – Industrial Park – In-Fill Development – Indirect Power – Infrastructure – Input-Output Model – Insurance – Intermodal Facility – Internet Technologies – Intervention Plan – ISO – ISP – Information Technology – ITE – Job Fair – Knockout Factor – Skilled Labor – Unskilled Labor – Labor Market – Landscape Architect – Land Use Plan – Lead Broker Program – Leakage – Lease – LEED – Level of Service – Lien – Lien Waiver – Linkages – List Serve – Load Bearing Capacity – Loans – Location Factors – Location Quotient – Lone Eagles – Lot Coverage – MAEDC – MAI – Main Street Program – Manufacturer’s Program – Mapping – Marketing Models – Market Segmentation – Match-Market Analysis – MBDA – MBE – MEP – Merchandise Marts – Micro-Loans – Mission Statement – Mobility Indicators – Moratorium – MPO – MSA – MUD – Multiplier Effect – NACORE – NADO – NAFTA – NAICS – NAIOP – NAID – Nanotechnology – NAP – NASDA – NASVF – National Mail – NREDA – Objectives – OCC – Occupancy Rate – One Stop Permitting – Omni Building – Option on Land – Ordinance – Organization Models – Orientation – OSHA – Out-Tract – Overlay District – PDF File – PERT Chart – Parking – Perimeter Street Fees – Permits – Personal Property – PID – PIO – Plan Review Fees – Planning and Zoning Commission – Planning – Subdivision Plat – Power Structures – Price – Prioritization – Problem Solving Process – Product – Product Development – Promotion Audiences and Techniques – Property – Pro-Rata Share – Prospect – More...

# ***Introduction***

This ***Summary of Economic Development Terms*** is not intended to be a dictionary, but rather a reference, orientation manual and educational tool for new professionals or economic development board or advisory team members. This summary was originally published in 2004 and has been used for training and reference throughout the U.S.

Following are basic organizational aspects of the summary.

- Terms are listed in alphabetical order with the following exceptions:
  - Terms commonly referred to via acronyms are listed alphabetically with the acronym first and the term second. Where there is some likelihood that the acronym might not be commonly known, the term is also listed alphabetically and referenced to the acronym location.
  - Some terms are grouped by major category rather than individually due to the perceived benefit of comparing similar terms under one major topic.
- This is not just a list of terms, it also includes descriptive processes, typical requirements, recommended procedures and other more detailed and educational insights into the described term and its use in the field of economic development.
- The list is intended to be a national reference and as such, may not include terms of a regional or local nature. These may be included over time and suggestions would be welcomed.

It is anticipated that this summary will evolve over time. Recommended revisions, supplements, or new terms are welcomed and will be considered for inclusion in the summary. Please forward to:



Greg Last, CED, AICP, RLA  
Chief Executive Officer  
EDT Best Practices, LLC  
Colleyville, TX

(817) 992-6156  
[glast@EDTBestPractices.com](mailto:glast@EDTBestPractices.com)  
[www.EDTBestPractices.com](http://www.EDTBestPractices.com)

**NOTE:** Terms are compiled, adapted or generated from sources deemed reliable. Care should be taken with the use of the terms in any contractual or legal documents and appropriate professional guidance should be consulted.

©2016 Greg Last, CED, All rights reserved unless permission in writing is obtained from the copyright owner.  
(Asking just allows me to know who is using it and to add you to the update list.)

## **Contributors**

Many professionals have contributed to the greater body of knowledge supporting the field of economic development through their writings and presentations. Many of these contributions provided a basis for the evolution of this summary of terms. Acknowledgements include:

Ady, Robert	Gibson, Lay James	McEnroe, Kate	Taylor, Henry
Alexander, Donna	Halverson, James	McKee, Daryl	Thomas, Jerold
Anderson, Gary	Handleym, Gene	Miller, Mark	Thompson, Nancy
Ayres, Janet	Harald, Clifton	Mooney, James	Thrasher, Rick
Back, Elise	Heare, Jerry	Neu, Elizabeth	Topping, Patrick
Barbash, Mark	Hutton, Thomas	Nies, Joseph	Vercauteren, Patrick
Baron, Jonathan	James, Mark	Nickel, Anne	Wade, Jerry
Brockett, Michael	Keller, Barbara	Page, Rodney	Wagner, Kenneth
Canada, Eric	Kelso, Dick	Plugge, Patricia	Waiczis, Michael
Chaplain, Donald	Koepke, Robert	Phillips, Phillip	Wansley, J. David
Chase, Timothy	Kolzow, David	Pittman, Robert	Warren, Steven
Collison, Koder	Kuratko, Donald	Preston, Richard	Waterhouse, Mark
Crawford, Patricia	Last, Greg	Renzas, James	Weddle, Rick
Crenshaw, Herbert	Lawhead, Terry	Roybal, Christopher	Weschke, Helga
Culp, Rhonda	Lawin, Gene	Royse, Mark	Whitehead, William
David, J. Craig	Levine, Andrew	Sabatine, Frank	Yarzebinski, Joseph
Davis, Mark	Lowitt, Peter	Schiefelbein, Greg	
Devine, James	Lovorn, John	Shelton, Bill	
Donovan, Dennis	Luke, Miles	Shively, Robert	
DuBrow, Michael	May, John	Stoecker, John	
Forman, Maury	McCain, Michael	Swager, Ron	

Thanks to all those who contribute to the advancement of economic development.

About the Author:



Greg Last is the Chief Executive Officer of EDT Best Practices, LLC, located in the Dallas / Fort Worth region. Greg is a nationally Certified Economic Developer (CED), a member of the American Institute of Certified Planners (AICP) and a Texas registered Landscape Architect (RLA). Greg served as the Texas Economic Development Council (TEDC) 2012 Chairman of the Board of Directors and previously served as the Chairman of the Economic Development Network on the Board of Directors for the Texas Chapter of the American Planning Association.

As a Planner / Landscape Architect for engineering and planning firms early in his career he gained experience in design, development and construction practices for commercial development. As a municipal Community Development Director he managed many municipal functions and more particularly the planning, zoning and permitting processes necessary to complete development projects. Finally, many years as a Director of Economic Development and Tourism for the City of Southlake, a suburban DFW community, utilized the skills and knowledge gained previously to attract, develop and retain businesses necessary to sustain financial health for a community.

Thanks to my wife Stacie for having the patience to allow me the time to compile this reference.

## ***Economic Development Terms***

**Abatement** – See Tax Abatement.

**Absorption** – A measure of how much of a real estate product is absorbed or used within a given year, generally indicated by square feet per year (e.g. class ‘A’ office had an absorption rate of 350,000 sq. ft. / year in this sub-market).

**ACCRA / American Chamber of Commerce Research Association** ([www.accra.org](http://www.accra.org)) – Mission is the promotion of excellence in research for community and economic development. Also performs national surveys to establish the cost of living index.

**Acre** – A parcel of land containing 43,560 square feet. See Measurement Conversions.

**ADA / Americans with Disabilities Act** – Prohibits discrimination against people with disabilities in employment, transportation, public accommodation, communications, and governmental activities.

**Ad Valorem Tax** – See Tax.

**Advanced Symposium** – Advanced study for EDI graduates offered by the AEDC, first session held in 1965. It was integrated into the Year III program in 1989.

**AEDC / American Economic Development Council** – A continuation of AIDC through a renaming to AEDC in 1980. AEDC was the largest and oldest economic development organization prior to its merger with CUED in May 2001 to form IEDC.

**AEDO / Accredited Economic Development Organization** – An AEDC program, adopted in 1994, that is a benchmark process to recognize the professional excellence of economic development entities throughout North America. The program provides economic development organizations with independent feedback on their operations, structure and procedures. The designation certifies that a specific organization has demonstrated ability to effectively run and manage economic activities for that community.

**Agreement in Principle** – A document that outlines the basic “deal points” of an incentive package before it is formalized into legal documents.

**AIA / American Institute of Architects** ([www.aia.org](http://www.aia.org)) – A national organization of architects.

**AICP / American Institute of Certified Planners** – A national planning certification accredited by a board within the American Planning Association.

**AIDC / American Industrial Development Council** – Founded in 1930 at an annual meeting of industrial developers sponsored by the Chamber of Commerce of the United States. The name was changed to AEDC in 1980.

**Allies** – Economic allies for a community typically include the local utility companies, local Chamber of Commerce, Chamber of Commerce for the region, Regional Economic Development Associations, and State Department of Economic Development. Also see Stakeholders.

**Alumni Data Bank** – A database of alumni from a region’s colleges and universities who would like to return to the region as attractive job openings develop. It contains confidential data on the participant’s experience, skills, and financial requirements.

**Amortization** – A process typically outlined in a zoning ordinance which provides for the discontinuance of non-conforming uses or modifications to comply with code requirements over a set period of time.

**Angel Investor** – An investor that is more individual in their interest, likely to be involved in financial support earlier in the process, and are less likely to impose management controls than a venture capital group. There are basically three angel group structures:

**Non-Profit Networks** – Loose affiliations of angels meeting every month or two to see presentations by entrepreneurs seeking capital.

**Pledge Funds** – Groups of self-certifying, accredited investors who combine efforts under one banner. They frequently have a web site and small staff, pay dues, organize an efficient screening and outreach process, and negotiate common terms for pooled capital in subgroups of members.

**LLC's** – Similar benefits and attributes of pledge funds but with more formal organization. These manager-led and member-led limited liability companies aggregate a set amount of capital, like a venture fund or real estate partnership. They tend to vote as a group after screening and meeting the entrepreneur.

**Annexation** – The process by which a municipality expands its jurisdiction to include lands previously outside the municipal boundaries.

**ANSI / American National Standards Institute** ([www.ansi.org](http://www.ansi.org)) – The American National Standards Institute (ANSI) coordinates the development and use of voluntary consensus standards in the United States and represents the needs and views of U.S. stakeholders in standardization forums around the globe. The Institute oversees the creation, promulgation and use of thousands of norms and guidelines that directly impact businesses in nearly every sector: from acoustical devices to construction equipment, from dairy and livestock production to energy distribution, and many more. ANSI is also actively engaged in accrediting programs that assess conformance to standards – including globally-recognized cross-sector programs such as the ISO 9000 (quality) and ISO 14000 (environmental) management systems. Also see ISO.

**APA / American Planning Association** ([www.planning.org](http://www.planning.org)) – APA is a nonprofit public interest and research organization committed to urban, suburban, regional, and rural planning. APA and its professional institute, the American Institute of Certified Planners, advance the art and science of planning to meet the needs of people and society.

**Appraisal** – A formal valuation by a qualified consultant to estimate the value of a property (land and/or building) at a particular point in time. Also see MAI.

**Appraisal District** – Typically a County Government agency that determines the taxable values for real property in the district.

**Appraised Value** – The taxable value of an asset (real or personal property) assigned by the entity charged with appraisals within a jurisdiction. This is the value to be taxed at the jurisdiction's rate in order to generate revenues for the jurisdiction. Also see Property.

**ASCE / American Society of Civil Engineers** ([www.asce.org](http://www.asce.org)) – A national organization of civil engineers (public works, i.e. streets, drainage, water, sanitary sewer). Also see Engineers.

**ASLA / American Society of Landscape Architects** ([www.asla.org](http://www.asla.org)) – A national organization of landscape architects. The mission of the American Society of Landscape Architects is to lead, to educate and to participate in the careful stewardship, wise planning and artful design of our cultural and natural environments.

**Assessment** – Typically a financial encumbrance placed on land benefited by a publicly funded improvement. E.g. a “street assessment” program might construct a new street along the frontage of the property, but then place an “assessment” as a lien on the land to cover their pro-rata share of the cost of those improvements.

**Assessment Ratio** – Percent of a property's full market value subject to property tax.

**At-Risk Companies** – See Trouble Signs.

**At-Will Employment** – Generally allows a company to dismiss employees at any time, in compliance with any applicable state and federal limitations.

**B2B / Business-to-Business** – A marketing term representing a commercial business-to-business relationship.

**Back-Office Facility** – A facility which is operationally significant to an organization but does not need a high-visibility “curb-side” presence for access to / from customers or clients.

**Bandwidth** – A measure of how many “bits-per-second” (bps) of data can be transferred.

**Base Economy** – See Economy.

**Basin** – See Watershed.

**BEA / US Bureau of Economic Analysis** ([www.bea.gov](http://www.bea.gov)) – The Bureau of Economic Analysis (BEA) is an agency of the Department of Commerce and is located at 1441 L Street NW, Washington DC. Along with the Census Bureau and STAT-USA, BEA is part of the Department's Economics and Statistics Administration. BEA seeks to strengthen the understanding of the U.S. economy and its competitive position by providing the most accurate and relevant GDP and economic accounts data in a timely and cost-effective manner. BEA is one of the world's leading statistical agencies. Although it is a relatively small agency, BEA produces some of the most closely watched economic statistics that influence the decisions made by government officials, business people, households, and individuals. BEA's economic statistics, which provide a comprehensive, up-to-date picture of the U.S. economy, are key ingredients in critical decisions affecting monetary policy, tax and budget projections, and business investment plans. The cornerstone of BEA's statistics is the national income and product accounts (NIPA's), which feature the estimates of gross domestic product (GDP) and related measures. The GDP was recently recognized by the Department of Commerce as its greatest achievement of the 20th century and has been ranked as one of the three most influential measures that affect U.S. financial markets. Since the NIPA's were first published, BEA has developed and extended its estimates to cover a wide range of economic activities. Today, BEA prepares national, regional, industry, and international accounts that present essential information on such key issues as economic growth, regional economic development, inter-industry relationships, and the Nation's position in the world economy.

**BEDC / Basic Economic Development Course** – A prerequisite basic course required before acceptance into the EDI program of study. A week long program designed to serve as an introduction to economic development. A renaming from BIDD.

**Benchmarking** – The continuous process of measuring an organization’s products, services, and practices against the toughest competitors and/or recognized industry leaders. Criteria for selecting an organization to benchmark against include:

1. A stable program
2. Success over time
3. Aggressiveness
4. Similar mission
5. Similar customer needs
6. Lead development organization
7. Regional service area

**Best Practices in Economic Development** – Following are characteristics that could represent the best practices in economic development.

1. Long-term Perspective – Requires a long-term commitment to build an organization the right way, consistent goals and objectives, consistent funding, and a long-term commitment towards staff.
2. Focus on Product Development / Successful Communities – Focuses on what industries or prospects are best suited to them, they are prepared for these prospects, know their strengths and weaknesses, and have a plan to create the product needed.
3. Focus on Quality and Service – Focus on closing the deals they already have rather than always searching for more, pay particular attention to active prospects, help provide a risk reduced relocation transition (service, not cash), and have a customer service approach.

**BIDC / Basic Industrial Development Course** – First industrial development course in the U.S., held at Texas A&M University. Name has evolved to BEDC / Basic Economic Development Course.

**Big Box** – See Retail Development.

**Big Hit** – Generally refers to the desire to land one large project meeting a community's needs rather than multiple projects each having a higher likelihood of success.

**Blog** – Writing a personal web diary (log) for all who care to read it. A couple blogs related to E.D. are:

- [www.ed-futures.blogspot.com/](http://www.ed-futures.blogspot.com/)
- [www.edmorrison.com/edproweblog.html](http://www.edmorrison.com/edproweblog.html)
- [www.econdevmarketing.com/blog/index.cfm](http://www.econdevmarketing.com/blog/index.cfm)

**BLS / Bureau of Labor Statistics** ([www.bls.gov](http://www.bls.gov)) – The Bureau of Labor Statistics is the principal fact-finding agency for the Federal Government in the broad field of labor economics and statistics. Their vision statement is “With the strongest commitment to integrity and objectivity, the BLS will be premier among statistical agencies, producing impartial, timely, and accurate data relevant to the needs of our users and to the social and economic conditions of our Nation, its workers, its workplaces, and the workers' families.”

**Board of Adjustment** – See ZBA / Zoning Board of Appeals.

**Board Responsibilities** – As adopted from “Ten Responsibilities of a Non-profit Board” by [www.BoardSource.org](http://www.BoardSource.org), typical board responsibilities may be represented by the following:

1. Determine the organization’s mission and purposes.
2. Select the chief paid executive (not the staff).
3. Support the chief executive and assess performance periodically – usually measured against the strategic plan.
4. Ensure effective organizational planning.
5. Ensure adequate resources (funds, time, volunteers, staff, technology, etc.)
6. Ensure effective resource management
7. Determine, monitor, and strengthen the organization’s programs and services.
8. Promote the organization’s image.
9. Ensure legal and ethical integrity and maintain accountability.
10. Recruit and orient new board members and asses board performance.

**Boardsmanship** – The ability to manage and direct a volunteer board to successfully meet a community's goals while maintaining a positive relationship with and between board members.

**BOMA / Building Owner's and Manager's Association** ([www.boma.org](http://www.boma.org)) – An international organization of building owners and managers.

**Bonded Warehouse** – A building or other secured area in which dutiable goods may be stored, manipulated, or undergo manufacturing operations without payment of duty. It may be managed by the state or by private enterprise.

**Bonds** – Typically a long-range interest-bearing certificate used to provide financing for capital improvement projects.

**General Obligation / G.O. Bond** – A bond whose payment of interest and principle is backed by the full faith and credit of the issuing organization. Generally used for capital expenditures.

**Revenue Bond** – A bond backed by the projected revenue stream of a particular project. Typically the interest rate is higher than for a G.O. bond.

**IRB / Industrial Revenue Bond / Industrial Development Bond** – A tax-exempt bond backed by the revenues of a project, issued by a municipal corporation, for and on behalf of a company, for the purpose of financing an industrial project.

**Brainstorming** – See Group Facilitation Techniques.

**Brand** – A name, term, symbol, design or some combination used to identify a product and differentiate it from competitors.

**BRE / Business Retention & Expansion** – Typically a BRE program is implemented to encourage economic development from within the existing businesses in the community. Various types of programs can be implemented to include the following examples:

**Contact Programs / Business Surveys** – Personal and/or telephone contact with each company at least once a year. Questionnaire forms may aid in the discovery of information and needs of the company. Also see Business Visitation Programs.

**Industry Recognition Programs** – The establishment of an annual appreciation day or week. Components of the event might include:

1. An appreciation dinner
2. Proclamations and certificates of appreciation
3. Sponsoring employee of the year awards for each business
4. Product displays in prominent public spaces
5. Plant tours and open houses

**Individual Recognition Programs** – Recognitions for individuals might include:

1. Small Business Person of the Year
2. Entrepreneur of the Year
3. Small Business Advocate of the Year

**Business Development Programs** – Several initiatives are potentially beneficial in developing additional new business for a company. Examples include:

*Business Manager Associations* – Provides a forum for idea exchange, common problem solving and potential new business relationships.

*Export Promotion* – Assistance in penetrating foreign markets to allow or increase the export sales for a company.

*Incentives* – Dissemination of information on loan programs, employee training and assistance, tax exemptions, grants and other available cost savings opportunities. Also see Incentives.

*Management Seminars* – Training for business owners that might include tax laws, regulatory permitting, bookkeeping, and financial management.

*Market Research* – Assisting in research for potential new markets for a firm's products.

*Match-Market Analysis* – The identification of existing and potential customers and suppliers for local businesses.

*Matchmaker / Vendor Fairs* – Basically like a trade show but businesses identify their purchasing needs. Purchasing agents visit and look for needs.

**Break-Even Analysis** – Usually an incentive analysis that determines the point in time where the project generates revenues equal to the incentives provided for the project.

**BREI / Business Retention & Expansion International** ([www.brei.org](http://www.brei.org)) – Business Retention and Expansion International (BREI) is a nonprofit professional association of economic development professionals who are working for the advancement of business retention and expansion as an economic development strategy for communities. Business Retention and Expansion includes, but is not limited to: industrial, retail, agricultural and tourism-type retention and expansion programming. The objective of the Association is to further the development of systematic knowledge of business retention and expansion (BR&E) and BR&E as a credible economic development strategy. As a professional organization, the Association pursues this objective by facilitating scientific research, instruction, publications, meetings, and other activities designed to advance and disseminate knowledge of BR&E. BREI members represent various private and public organizations, universities, private consulting businesses, utilities, and economic development practitioners from local and state governments.

**Broker** – A person who is skilled in the facilitation of real estate transactions bringing together purchasers or tenants with land or building owners.

**Owner-Rep Broker** – Generally represents land / building owners desiring to sell / lease their property to developers, users, or other investors.

**Tenant-Rep Broker** – Generally represents companies or individuals who desire to acquire land / lease space to develop their business or to lease existing space.

**Brownfield Site** – Abandoned, idled, or under utilized industrial and commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination. See Greenfield Site and Greyfield Site for contrast.

**BTS / Build-to-Suit** – Construction of a new building designed specifically for a company.

**Buffer Yard** – A strip of land, together with a specified amount of landscape plantings thereon, and any structures (e.g. fences, walls, berms) which may be required between land uses to eliminate or minimize conflicts between the users or between the use and a perimeter roadway, in order to provide a more appealing streetscape.

**Budget** – Typically an annual program outlining in detail the revenues and expenses necessary to meet and deliver the products and services desired by constituents of the taxing jurisdiction.

Major categories of budgeting include:

**Capital Budget** – Funding for items having a long life cycle, typically 20 plus years of service. Examples include: Improvements to streets, storm drainage, water distribution, and sanitary sewer collection systems.

**Operating Budget** – Funding for items of an on-going nature necessary to provide adequate services to taxpayers within the jurisdiction. A.k.a. maintenance and operations (M&O).

**Buildable Area** – The portion of the lot remaining after the required yards / setbacks have been provided.

**Building Classifications** – Various grades or classifications of buildings are often used to describe particular locations. Following are definitions utilized by [www.costar.com](http://www.costar.com).

**Class A:** A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

**Class B:** A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including floor plans, condition and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

**Class C:** A classification used to describe buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

**Building Code** – A regulatory code referenced during the building plan review stage of a project. Municipal staff requires changes in building plans necessary to comply with the code prior to issuance of a building permit. Also see UBC.

**Building Permit** – A permit typically issued by the building inspections department allowing construction to begin on a building. Also see Permits.

**Building Official** – Typically the person charged with the responsibility of enforcing the building codes for the jurisdiction.

**Bureau of Economic Analysis** – See BEA.

**Business Climate** – The community's receptivity to business ventures as reflected in attitudes, comments, news articles, rhetoric and elections of the community leaders. Also includes the ease of regulatory permitting and entitlement approvals.

**Business Development** – See BRE / Business Retention & Expansion.

**Business Park** – See Industrial / Office Park.

**Business Plan** – A detailed formal written document which likely has the following purposes:

1. To raise capital for an expansion or start-up project
2. To determine the direction a company is going and how it intends to get there
3. To be used as an internal document to show both short and long term goals of the company

**Business Plan Components** – The following components are typically included in a business plan.

1. Executive Summary – Brief description of product, uniqueness, description of management team, projected financial data, required capital, critical contacts, etc.
2. Purpose Statement – A simple and concise description of the business' purpose and intent, goals and objectives of the business
3. History – When, how, and by who was the firm established?
4. Business Description
  - What business is the company in?
  - What are the products and who are the customers?
  - Is the business a start-up, expansion, take-over or subsidiary of an existing business?
  - The business' legal form, i.e. sole proprietorship, partnership or corporation?
  - Operation characteristics, i.e. days of the week and hours of the day?
  - Seasonal or year round operations?
5. Product – Clear and concise description of the business' product, i.e. physical description, use, appeal, and stage of development.
6. Manufacturing Process – How will the product be produced? Manufacturing costs? Materials sources?
7. Marketing – What is the target market and how will the product be marketed? Also see Marketing and Promotion.
8. Location – Where will the business be located and why? Should be described in terms of wage rates, labor unions, labor availability, proximity to customers and/or suppliers, access and transportation, taxes, utilities, and zoning. Also see Site Selection Factors.
9. Competition – Who is the competition and how do their product lines compare? Company strengths and weaknesses?
10. Pricing – What is the projected pricing of the product and how does this compare to existing products?
11. Distribution & Sales – How will the product be sold and distributed?
12. Management – Strengths and weaknesses of the management staff and how these will be accentuated and supplemented?
13. Organizational Chart – A graphic representation of the organizational structure and management reporting process.
14. Financial Data – Existing and projected financial ratios for the business. See Financial Ratios.

**Business Retention** – See BRE / Business Retention & Expansion.

**Business Screen** – An analytical targeting or market segmentation technique evaluating a portfolio of market opportunities in two dimensions:

1. Market Attractiveness – Example factors include growth rate, profitability, absolute size, market volatility.
2. Competitive Position – Example factors include cost structure, distribution system, image, etc.

**Business Types** – Businesses can be identified by two groups depending on where the majority of their products or services are sold or provided. This terminology is also used in identifying “primary jobs” or “secondary jobs”.

Primary Business – Majority of product / service is exported out of the local jurisdiction

Secondary / Local Business – Majority of product / services are sold or provided within the jurisdiction

**Business Visitation Programs** – Following are primary options and characteristics of business visitation programs.

Staff-Based Visitation – Visitation programs based on execution by members of the economic development staff. Characteristics include:

*Advantages:*

1. Monitoring of businesses can be continuous
2. Programs tend to be more future directed
3. Fewer coordination problems, organization is easier
4. No worries that interviewers will double as salesman
5. Trained staff more likely to respect confidentiality
6. Message business leaders receive is consistent and accurate
7. The need to train volunteers is eliminated

*Disadvantages:*

1. The number of businesses that can be interviewed in any designated time frame is limited
2. More difficult to get media attention
3. Analysis of data may not be statistically correct
4. Paid staff increases the cost of the program

Volunteer-Based Visitation – Visitation programs based on execution by volunteers supporting the economic development organization. Characteristics include:

*Advantages:*

1. Entire business community can be canvassed at one time
2. Work load split among many volunteers
3. More media exposure
4. Data collection more statistically correct
5. Generally lowest cost option

*Disadvantages:*

1. Usually not a continuous process, but rather a one-shot survey
2. Focus more on past than future
3. Rarely able to make substantive changes that may be needed
4. Difficult to coordinate
5. Businesses hesitant to share information with volunteers
6. Volunteer training does not always guard against misinformation
7. Analysis is difficult since data are collected by different people

**Bus Service** – Regionally operated bus service connecting labor to employment centers.

**Call Center** – A business location, generally characterized by many people in a large room for the primary purpose of serving or soliciting customers via the phone.

**In-Bound** – Primary purpose is for customers to call into the center and be serviced by the employees.

**Out-Bound** – Primary purpose is for the employees to call out soliciting new customers.

**Capital Expenditures** – Typically these are expenditures for long term assets and requiring multi-year financing. Municipal examples include street, storm drainage, water, and sanitary sewer projects intended to meet long-term master plan implementation, buildings for public use, and major pieces of equipment or machinery with a 5-year-plus life cycle. Also see CIP / Capital Improvement Plan.

**Cap Rate** – See Financial Terms.

**Career Fair** – An event held with some or all of the following objectives:

1. Work towards long-term betterment of local work force
2. Better inform high school students of career choices and requirements while they still have time to include job-readiness skills in their academic programs
3. Increase communication between area human resource directors and high school guidance counselors
4. Encourage youth to investigate local employment opportunities
5. Improve the skills of entry-level workers for local business
6. Secure for local businesses a steady, well prepared supply of new workers
7. Form a mutually beneficial, lasting partnership between area school districts and local businesses

**Category Killer** – See Retail Development.

**CBD / Central Business District** – Generally seen as the traditional heart and core of a community, characterized by higher density of goods and services necessary to support the community at large.

**CCE / Certified Chamber Executive** ([www.acce.org/profdev/certification](http://www.acce.org/profdev/certification)) – A certification granted by the American Chamber of Commerce Executives. The CCE program is designed to assess the applicant's knowledge of the four core chamber management areas - leadership, planning, development and finance and administration. The designation demonstrates: Commitment to the chamber of commerce profession; Dedication to managerial excellence; and Leadership in state/regional/national chamber professional associations.

**CCIM / Certified Commercial Investment Member** ([www.ccim.com](http://www.ccim.com)) – A certification sponsored by the National Association of Realtors. The CCIM designation was established in 1969 and is recognized as the mark of professionalism and knowledge in commercial investment real estate.

**CCN / Certificate of Convenience and Necessity** – A certificate granting the right to provide potable water service to a designated area (Texas).

**CCR / Certified Community Researcher** – A certification offered by ACCRA. Researchers earn this certification by proving their abilities and skills through a combination of education, career experiences, practical training, and readings from a specialized series of monographs.

**CCR's / Covenants, Conditions and Restrictions** – See Deed Restrictions.

**CDBG / Community Development Block Grant** – Established by the Housing and Community Development Act of 1974, it is a federal grant program administered by HUD generally intended to benefit low and moderate income households through enhancements to housing, infrastructure and other economically beneficial programs.

**CDC / Bank Community Development Corporation** – A program encouraged by the Federal Reserve Bank (FRB) and the Office of Comptroller of Currency (OCC) for lenders to meet their CRA responsibilities. In economically distressed areas, the CDC program permits banks to make direct equity and other investments in community development corporations, business ventures or community development projects which serve predominantly civic, community, or public purposes. A CDC may purchase, own, rehabilitate, construct, manage, or sell real property.

**CDE / Community Development Entity** ([www.cdfifund.gov](http://www.cdfifund.gov)) – A CDE is a domestic corporation or partnership that is an intermediary vehicle for the provision of loans, investments, or financial counseling in Low-Income Communities (LICs). Benefits of being certified as a CDE include being able to apply to the CDFI Fund to receive a New Markets Tax Credit (NMTC) allocation to offer its investors in exchange for equity investments in the CDE and/or its subsidiaries; or to receive loans or investments from other CDEs that have received NMTC allocations.

**CDFI / Community Development Financial Institution** ([www.treas.gov/cdfi](http://www.treas.gov/cdfi)) – Certified by the U.S. Department of Treasury. They are also automatically a Community Development Entity (CDE). CDFIs are specialized financial institutions that work in market niches that have not been adequately served by traditional financial institutions. These CDFIs provide a wide range of financial products and services, including mortgage financing for first-time home-buyers, financing for needed community facilities, commercial loans and investments to start or expand small businesses, loans to rehabilitate rental housing, and financial services needed by low-income households and local businesses. In addition, these institutions provide services that help ensure that credit is used effectively, such as technical assistance to small businesses and credit counseling to consumers. CDFIs include community development banks, credit unions, loan funds, venture capital funds, and micro-enterprise loan funds, among others.

**CDFI Fund / Community Development Financial Institutions Fund** ([www.cdfifund.gov](http://www.cdfifund.gov)) – The CDFI Fund's mission is to increase economic opportunity and promote community development investments for underserved populations and in distressed communities in the United States. The CDFI Fund was created for the purpose of promoting economic revitalization and community development through investment in and assistance to community development financial institutions (CDFIs). The CDFI Fund was established by the Reigle Community Development and Regulatory Improvement Act of 1994, as a bipartisan initiative.

**CEcD / Certified Economic Developer** – The IEDC professional designation for a Certified Economic Developer after merging AEDC and CUED in 2002. The first exam for CEcD was held in September, 2002.

**CED / Certified Economic Developer** – Established by the AEDC Board of Directors in 1970 as “the highest earned professional designation in economic development”. Originated by the AEDC as CID, the first written examination was held in 1971. Name was changed from CID to CED in 1981. The mission of the CED program was to advance and help assure a high overall quality of professional services in the economic development field. Required passing a three-part exam that consisted of an essay situation, multiple-choice questions, and an oral interview. A certified economic developer attained proficiency with the professional competency standards identified and adopted by the AEDC and demonstrated to members of the economic development profession, the business community, the public, and governmental authorities, a commitment and interest in providing only the highest quality professional economic service available. Certification maintenance was required every three years and was achieved through participation in education and other defined activities. Changed to CEcD in 2002 as a result of the creation of IEDC.

**CED Summit** – An annual AEDC educational meeting exclusively for professionals holding the CED designation.

**CEDS / Comprehensive Economic Development Strategies** – A document required to be submitted to the EDA to be eligible to receive EDA funding. The CEDS documents are required to be developed and prepared by a planning process that is diverse, ongoing and participatory. Key elements to be included are:

1. Analyses of the current background social, demographic, economic data and information;
2. Vision, goals and objectives in describing where that region would like to be;
3. Action plan in establishing criteria for what is the prioritized and assigned responsibility to be implemented in describing how do we get there, and
4. Evaluation in documenting how we have done by monitoring, measuring and arriving at an outcome that describes what we were, or unable, to implement.

**Ceiling Height** – The interior height of a building measured from the floor to the beam.

**Census** – An official count taken every ten years by the U.S. Bureau of Census. Comprehensive household data is collected. This data is often the basis for allocation of voting representation and for the qualification of various federal economic programs.

**Census Bureau / Bureau of the Census** ([www.census.gov](http://www.census.gov)) – Maintains considerable statistical data to include: U.S. International Trade in Goods and Services, County Business Patterns, Center for Economic Studies, and Trade Statistics.

**Census Terms** – The Bureau of Census ([www.census.gov](http://www.census.gov)) maintains an excellent glossary of terms related to the Census. Following are selected terms.

**Census Block** – A subdivision of a census tract (or, prior to 2000, a block numbering area), a block is the smallest geographic unit for which the Census Bureau tabulates 100-percent data. Many blocks correspond to individual city blocks bounded by streets, but blocks -- especially in rural areas -- may include many square miles and may have some boundaries that are not streets. The Census Bureau established blocks covering the entire nation for the first time in 1990. Previous censuses back to 1940 had blocks established only for part of the nation. Over 8 million blocks are identified for Census 2000.

**Census Tract** – A small, relatively permanent, homogenous subdivision of metropolitan areas and selected non-metropolitan counties, delineated for the purpose of presenting census data.

**CERCLA / Comprehensive Environmental Response, Compensation, and Liability Act** – Adopted by Congress in 1980, generically known as the "superfund" act and intended to clean up abandoned hazardous waste disposal sites. Liability for cleanup is strict, joint and several, and retroactive. Four types of potentially responsible parties include:

1. Current owners or operators of a facility from which hazardous wastes are being released
2. Owners or operators of a facility at which hazardous wastes were disposed
3. Parties that generated or arranged for the disposal of the hazardous wastes
4. Under certain conditions, parties that transported the hazardous wastes to a facility for disposal

**Certificate of Occupancy** – See C.O. / Certificate of Occupancy.

**Certificate of Origin** – A document certifying that a product was made in a particular jurisdiction. Often required when exporting goods out of the country.

**Certification Board** – A board of the AEDC which was responsible for various aspects of the CED program to include:

1. Ensuring that the administration of the program is uniform and equitable
2. Developing standards of professional conduct for CED's, to which all CED's are required to adhere
3. Serving as examiners at all exams
4. Reviewing the maintenance of certification by CED's

**Certified Development Company** – Local development companies that are certified by the SBA to operate the SBA-504 program in designated geographic areas.

**CFED / Corporation for Enterprise Development** ([www.cfed.org](http://www.cfed.org)) – The Corporation for Enterprise Development (CFED) fosters widely shared and sustainable economic well-being. CFED promotes asset-building and economic opportunity strategies, primarily in low-income and distressed communities, that bring together community practice, public policy, and private markets in new and effective ways.

**Chamber of Commerce** – Generally a private organization funded in large part by community businesses, individuals, and organizations interested in supporting and advocating the business growth and interests in a community.

**Chamber Programs** – Following are member service programs representative of Chamber of Commerce agencies.

**Coupon Books** – The creation of a booklet of coupons from constituent businesses. Coupon books are purchased from the Chamber by customers then used at the participating businesses for reductions in purchase prices or services.

**Gift Certificates** – Gift certificates can be purchased from the Chamber or at any participating business for reductions in purchase prices or services. The businesses then submit the coupons to the Chamber for reimbursement.

**Member-Buy-Member** – A program that allows all participating Chamber members to purchase at a discount from other participating members.

**Member Insurance** – The establishment of a group insurance provider that can provide insurance for all members of the Chamber. Typically most beneficial for small or home-based businesses.

**Shop Here First** – A program that encourages residents to shop at local businesses first before they pursue businesses outside the jurisdiction.

**CID / Certified Industrial Developer** – Established by AIDC, the first exam for CID was held in 1971. The name was changed to CED in 1994.

**CIP / Capital Improvement Plan** – A multi-year financial plan prepared to prioritize the capital expenditures of a jurisdiction over a set period of time. Typically this is a five-year plan with the first year being incorporated into the current fiscal year's budget as the capital improvement program. Also see Capital Expenditures.

**Classification of Buildings** – See Building Classifications.

**Clawbacks** – A slang term for provisions of a tax abatement agreement requiring the return to the jurisdiction any incentives granted, based on the fact that the business did not meet the minimum thresholds to grant or maintain the abatement.

**Clear Span** – Leasable space without support columns.

**Clustering / Industry Clusters** – A group of businesses having geographic proximity that rely on an active set of relationships among themselves for individual efficiency and competitiveness. These relationships generally fall into three categories.

**Buyer-Supplier Relationships** – Business with linkages of goods, services or raw materials critical to a particular industry.

**Competitor and/or Collaborative Relationships** – Businesses that produce the same or similar goods and services at a specific level in the value chain.

**Shared Resource Relationships** – Businesses that rely on the same sources of raw materials, technology, human resources, and information even though they may use these resources to produce goods and services for very different markets.

**C.O. / Certificate of Occupancy** – A certificate typically issued by the building inspections department allowing the physical occupancy of a building by employees.

**Code Enforcement** – A process of diligently monitoring and enforcing the health, safety, and welfare aspects of building and housing codes. Typically needed to ensure the maintenance of land uses to continue their economic viability and to lessen any negative impacts on surrounding properties.

**COE / Corps of Engineers** ([www.usace.army.mil](http://www.usace.army.mil)) – Among many other responsibilities, the COE manages the planning, designing, building and operating of water resources and other civil works projects such as navigation, flood control, and environmental protection.

**COG / Council of Governments** – Typically a regional entity charged with the coordination of multi-jurisdictional planning and transportation issues. Often the COG has formal responsibility regarding recommendations for utilization of federally funded programs.

**Collateral** – See Financial Terms.

**Commitment Stages** – An approximation of the stages of commitment made during the recruitment of a business could be as follows:

**Lead** – A potential business to pursue and initiate information exchange with.

**Contact** – Initial contact has been made, minimal information exchange, need to follow up.

**Prospect** – Contact has been made and interest or receptivity expressed on the part of the business.

**Investor** – Now a member of the community, paying taxes.

**Ally** – Active member of the community, working together with other economic development partners to promote the livelihood of the jurisdiction.

**Communication Systems** – Various components exist for telecommunications and Internet communication.

**Backbone** – The network of broadband fiber optics between switches.

**CLEC / Competitive Local Exchange Carrier** – Resells the ILEC's dial tone.

**CO / Central Office** – A secure building containing switching equipment for voice and data.

**ILEC / Incumbent Local Exchange Carrier** – The local telephone company that owns the switches and land lines and typically has been in business since the break up of Bell.

**POP / Point-of-Presence** – Long distance carriers have networks connected to local networks. Connects to Internet backbone.

**SLC / Subscriber Loop Carrier** – A dedicated circuit providing switched service in a remote location.

**SONET Ring / Synchronous Optical Network** – A large capacity fiber optic line which circles a service area allowing calls to immediately be rerouted in the event of an interruption.

**Telco Hotel** – A building that houses multiple telecom carriers switching equipment.

**Community Center** – See Retail Development.

**Community Coalition** – A group of individuals and organizations who share leadership roles and responsibilities in order to work together to take full advantage of community resources to direct the future of a community.

**Community Database** – See Community Profile.

**Community Development** – The act or process of engaging community members to pro-actively understand and enhance the economic, social, political, environmental, cultural, physical, and educational aspects of a community through the adoption of vision statements, goals, objectives and implementation plans.

**Community Life Cycle** – A concept describing the evolution of a community through various stages of development represented by Startup, Growth, Maturity, and Decline. An understanding of the community's current position is critical to moving forward with an economic development program.

**Community Profile** – An accumulation of comprehensive data on a community important to a prospect during the evaluation of a business relocation or expansion. Examples include: location, geography, labor force, transportation, utilities, taxes, services, regulations, education, housing, recreation, education, health care, cultural opportunities, economic base information, business climate, weather, important contacts, etc.

**Comp / Comparable** – An appraisal term designating sites or buildings having similar characteristics to the subject site or building being appraised. The "Comps" are identified and valued with any dissimilarities from the subject tract being noted.

**Comprehensive Plan** – An overall plan for a jurisdiction which includes many physical development guidelines such as: land use designations, thoroughfares, parks, trails, and utility systems. Also see Planning and Community Development.

**Computer Terms** – Too many terms exist to adequately summarize in this document. Following are major computer terms every economic developer should know.

**Computer Hardware** – The physical wiring and machinery that makes up the computer system to include the central processing unit (CPU), monitors, keyboards, network cards, modems and peripheral equipment such as printers and scanners.

*CPU / Central Processing Unit* – The essential central section of the computer hardware that controls overall system operation.

**Computer Software** – Programs that utilize the computer hardware to provide unique productivity tools for the user.

*Operating System* – The basic software that provides a framework for various application programs to access the hard drive, share memory, output to a printer and co-exist in an organized manner.

*Word Processing* – Software (e.g. Microsoft Word, WordPerfect) that facilitates the generation of predominantly text files, but accommodates the incorporation of clip art, graphics, data and other software programs outputs.

*Spreadsheets* – Software (e.g. Microsoft Excel) that facilitates the manipulation of numeric files, financial data, and any other data that requires mathematical operations or analysis.

*Database Management* – Software (e.g. Microsoft Access) that facilitates the compilation of information about a particular subject, it allows the accumulation of diverse interrelated data entries, the sorting of those entries for analysis, the use of the entries for merging into text documents, etc.

*Desktop Publishing* – Software (e.g. InDesign, Publisher, Pagemaker) that facilitates the design and development of text copy for reports or newsletters, easily accommodates the insertion of graphics.

*Presentation Programs* – Software (e.g. PowerPoint) that facilitates the development of coordinated graphic presentations. It allows the insertion of text, graphs, charts, pictures or other aids into a consistently formatted presentation.

Memory Systems – Following are examples of memory systems.

*Hard Drive Storage* – Also called a fixed disk, it is built into the computer, stores much more information and can be accessed much faster than a floppy disk.

*RAM / Random Access Memory* – The memory that can be used to store and retrieve, write and read, data or instructions.

*ROM / Read Only Memory* – A type of memory whose contents will not change when the power goes off. Generally set at the factory and cannot be altered or erased by computer programs.

File Formats – See File Formats.

**Concept Plan** – A technical exhibit showing in plan view the general layout intended for development of a site including the building shape, sidewalks, parking areas, landscape areas, and driveway connections to public streets. See Site Plan for contrast.

**Condemnation** – The power of a governmental entity to take property for a greater public purpose. Generally the government entity must pay a "fair market value" for the property.

**Contingency Costs** – Typically a cost estimate for a project will include a "contingency" amount which is generally reflected as a percentage of the construction costs. The purpose is to have funding set aside for unforeseen costs that arise during the construction of a project.

**Contour Line** – A line shown on a topography map that represents a constant elevation of land above mean sea level. Used to graphically represent the slope of the land.

**Contract Procurement Center** – An organization that facilitates the collection and disbursement of Requests for Proposals / Qualifications, and bid requests for products and services.

**Convention Bureau** – See CVB / Convention & Visitors Bureau.

**CoreNet Global** ([www.corenetglobal.org](http://www.corenetglobal.org)) – CoreNet Global is the world's premier association for corporate real estate and related professionals. As a global learning organization, it is the industry thought and opinion leader. A dynamic, fully developed, global network of corporate real estate and related professionals who create strategic value for their enterprises. CoreNet Global's membership base totals almost 7,000 corporate real estate executives, service providers and economic developers, all within a single category of membership to reflect the industry's focus on integrating the management of corporate assets, the workplace and infrastructure. Membership is held individually.

**Corps of Engineers** – See COE / Corps of Engineers.

**Cost-Benefit Analysis** – See Impact Analyses.

**Cost of Living** – The overall cost to reside in an area. Often indexed against the U.S. average (=100). Includes housing, taxes, utilities, transportation, food, goods and services and miscellaneous. The ACCRA organization annually researches these costs across the nation.

**COLA / Cost of Living Adjustment** – Typically an annual adjustment based on increases in the cost of living necessary to keep the employee at the same level of purchasing power as the year before.

**Covenant / Deed Restriction** – See Deed Restriction.

**CPI / Consumer Price Index** – Initiated during world war one, it is a statistical measure of changes in prices of goods and services bought by urban wage earners. Aka cost of living index.

**CPM / Critical Path Method** – A project management tool used to graphically identify the integral relationships and sequencing of events required to implement a project under desired time frames. Also see PERT Chart and Gantt Chart.

**CRA / Community Reinvestment Act** – Legislation passed by Congress in 1977 that governs bank service to a community and emphasizes that banks should meet the credit needs of their community. Generally the criteria to meet are a "Qualified Investment" that has "Community Development" as its primary purpose to include:

1. Affordable housing for low and moderate income individuals.
2. Community services targeted to low and moderate income families.
3. Activities that promote economic development by financing businesses or farms with gross annual revenues of \$1M or less.
4. Activities that revitalize or stabilize low and moderate income areas.

**CRM – Customer Relationship Management** – A system for managing relationships with customers, prospects, vendors, etc. Depending on the complexity it can manage dates, scheduling, correspondence, documents, marketing efforts, etc.

**Crime Rate** – The incidence of crime as collected and reported by the FBI.

**Crisis Identification** – See Trouble Signs.

**Crisis Intervention Plan** – See Intervention Plan.

**CTSM / Certified Trade Show Marketer** ([www.exhibitoronline.com](http://www.exhibitoronline.com)) – CTSM is the only university-affiliated professional certification program in the exhibit marketing industry. First and foremost the CTSM program trains candidates in trade show and event marketing. Candidates are required to complete a curriculum of 28 seminars which equals 42 hours of classroom study. Upon completion, candidates earn 4 CEUs through our university affiliate Northern Illinois University Outreach. Candidates also complete a three-hour comprehensive exam which tests them on the basic knowledge skills required of trade show marketers.

**CUED / Council for Urban Economic Development** – The Council of Urban Economic Development originated with the 1966 founding of the Helping Urban Businesses (HUB) Club, a loosely-federated group of city development chiefs concerned about the flight of businesses from their cities. In 1971, as more cities and urbanized counties began to join, HUB Council changed its name to the Council for Urban Economic Development (CUED). In the early years of its existence, CUED made an important impact in helping cities to initiate public, private and nonprofit programs to help themselves. Since then, it has developed a wider range of services to build the economic development profession with the tools and techniques it will need to deal with the issues of the 21st century. In 2001 CUED merged with the American Economic Development Council (AEDC) to become IEDC.

**Cul-de-sac** – See Street Classifications.

**CUPR / Center for Urban Policy Research** ([www.policy.rutgers.edu/cupr](http://www.policy.rutgers.edu/cupr)) – A program sponsored by Rutgers University that is nationally and internationally recognized for its analyses of urban poverty and community development, housing, land use, economic development and forecasting, environmental policy, the arts and cultural policy, policy evaluation and modeling survey research, and studies of special-needs populations. CUPR conducts basic, fundamental research on urban growth and development and brings its wide-ranging expertise to bear on the practical applications of its analyses to policy design and implementation.

**CVB / Convention & Visitor's Bureau** – An organization whose general purpose is to market a jurisdiction as a convention or business meeting destination as well as support and encouragement for general tourist or visitor inquiries and visits.

**DC / Distribution Center** – A facility that is a hub for receiving goods from suppliers and distributing goods to retailers of their product.

**Deeds** – An instrument in writing by which the owner of land (grantor) transfers to another (grantee) some right, title or interest in or to real estate. Following are two of the most common types of deeds.

**Quit Claim Deed** – A deed which does not purport to convey title nor does it contain any warranties of quality whatsoever. It simply transfers such right, title, and interest as the grantor has in the real estate, if any.

**Special Warranty Deed** – Same warranties as a warranty deed but only applies to claims or defects during the time of the grantor's ownership.

**Warranty Deed** – A warranty deed purports to convey title or ownership to real estate and also makes warranties or guarantees as to the quality of title and extent of ownership being conveyed:

1. The grantor warrants that he has title to the real estate being conveyed.
2. That the title being transferred to the grantee is good as against third persons; that is, no one else has any interest in the property.
3. There are no liens or encumbrances against the property.
4. That, upon failure of the title either in whole or in the part, the grantor will compensate the grantee in money for any loss sustained.

**Dedication** – Generally referred to in relation to subdivision requirements. The "dedication" of right-of-way for streets as described on a plat will transfer the ownership of the right-of-way from the current land owner to the City or County in which the plat is filed of record.

**Deed Restriction / Covenants** – Use restrictions placed on land via the inclusion of said restrictions on the deed of ownership for the property.

**Default Positions** – A lender's position upon default of a loan.

**First Position** – Typically a mortgage lender will require a first position on a loan which means the lender has first rights to the assets in the event of a foreclosure on the development.

**Subordinate Position** – Secondary lenders, contractors, etc. will be subordinates to the first position holders in the event of a foreclosure on development assets.

**Demographics** – Data characteristics of a jurisdiction's population typically including education, age, sex, income, family make-up and other significant characteristics.

**Density** – A measure designating the number of dwelling units per acre of land (e.g. 14 du/acre).

**Developer** – A person skilled in the transformation of raw land or buildings into more financially productive and economically viable enterprises.

**Deregulation of Electric Service** – In short, the unbundling of electric services into basically three distinct functions: the producer, transporter and distributor. Also see Electric Utility Systems.

**Destination Use** – A term used to describe a land use that is the final destination of a particular trip rather than just a use that might be frequented as you pass by.

**Detention Pond** – A depression in the land that detains water temporarily during an inundation period, generally discharged at a metered rate for flood or drainage control purposes. Also see Retention Pond for contrast.

**Developer's Agreement** – An agreement generally between a developer and the jurisdiction in which they are developing. Focus is generally on the public infrastructure components of the development and any financial sharing or obligations by either party.

**Development Costs** – Major categories of cost to develop property are represented by the following.

**Site Acquisition Costs** – The actual cost of the land plus appraisals, legal and closing fees, surveys, title insurance, environmental assessments and broker's commissions.

**Planning and Design Costs** – The fees of landscape architects, engineers, attorneys, environmental specialists, traffic engineers and any other costs necessary to obtain approved plans and permits for construction.

**Soft Costs** – Project administration, marketing, insurance, selling and leasing commissions, legal and accounting fees, property management, annual permit fees, etc.

**Financing Costs** – Costs of establishing financing, interest costs, etc.

**Development Process** – The process of developing real property into financially viable enterprises generally including the following steps:

1. Establishment of the project goals based on development philosophies.
2. Performing a market analysis.
3. Planning and engineering analysis.
4. Financial analysis.
5. Implementation.

**Digital Ortho Photography** – An aerial photo that has been digitized and projected to coordinate with single-plane representations.

**Digitizing** – The process of creating a digital file of a graphic or map by inputting coordinates representing various aspects of the map.

**Discretionary Income** – Take home earnings after the basics are subtracted. Basics include food, housing, taxes and medical services. Often used to depict true area differences for relocating employees.

**Distribution Center** – See DC / Distribution Center.

**Diversified Economy** – An economy composed of many tax generating and supportive components. Examples include industry, manufacturing, various scales of retail, office, and types or service providers, to include non-market services. Also see Services.

**Double-Tracking** – A concept advocating the pursuit of short-term and long-term goals concurrently. If you concentrate on short-term goals only, you likely do little to solve major problems. If you work solely on long-term problems, your support may stagnate or disappear due to lack of apparent successes.

**Drainage Map** – See Mapping.

**Due Diligence** – Refers to the period of time between when a person puts a property under contract and when they close on the property. Generally this “due diligence” period is for purposes such as evaluating environmental aspects of the site, confirming investment expectations, and more closely scrutinizing the various aspects of purchasing the property.

**Duplex** – A residential unit having two attached single family living units.

**Dwelling unit** – A habitable unit intended for occupancy by an individual or individuals defined as a family of first generation related individuals.

**Earnest Money** – Money put down or in escrow towards the purchase of a property which would be given to the landowner should the purchaser fail to pursue the purchase of the property in good faith.

**Easement** – Authorization by a property owner for use by another, and for specified purpose on the designated part of the property.

**Utility Easement / U.E.** – Typically intended for the installation of water, sanitary sewer, electric, phone, and cable utilities.

**Drainage Easement / D.E.** – Typically intended for drainage facilities or improvements, either above or below ground.

**Common Access Easement / C.A.E.** – Generally shared by adjacent property owners for vehicular access to public streets via common driveways.

**Ec.D / Certified Economic Developer** – A professional certification designation granted by CUED. Prior to merging, AEDC and CUED offered independent certification programs, the Certified Economic Developer (CED) and the Ec.D. respectively. With the merger, all existing Ec.D and CED are recognized as equal and endorsed by IEDC. The Certification denotes a mastery of principal skills in economic development, professional attainment, and commitment to professional and personal growth.

**Economic Assessment** – A component of the strategic planning process, an economic assessment includes both external and internal assessments.

**External Assessment** – (a.k.a. situational analysis or environmental scan) An assessment of economic trends and expectations outside of the local economy at regional, national, international, and global perspectives. Another input might include observations made by credible “futurists” particularly regarding socioeconomic trends.

**Internal Assessment** – An assessment of the strengths and weaknesses of a community and their ability to adequately anticipate opportunities and impacts identified via the external assessment. Also see SWOT Analysis.

**Economic Base Analysis** – An analysis comparing the basic and non-basic aspects of a jurisdiction’s economy. Also see Economy.

**Economic Development** – The adopted AEDC definition was “the process of creating wealth through the mobilization of human, financial, capital, physical, and natural resources to generate marketable goods and services.” Other definitions include:

- The purposeful intervention into an economy to improve economic well-being.
- The process that influences growth and restructuring of an economy to enhance the economic well being of a community.
- The creation of jobs and wealth, and the improvement of quality of life.

**Economic Development Pyramid** – The central premise is that targeted industry marketing is integrally related to a hierarchy of other development activities. Marketing and promotional activities are only successful if the research and planning base is solid.

**Economic Development Review** – A publication of AEDC first published in 1966 as the *AIDC Journal*, changed to *AEDC Journal* and now the *Economic Development Review*.

**Economic Gardening** – A focus on growing local businesses by providing an enriched environment for entrepreneurs.

**Economic Restructuring** – See Main Street Program / Fundamental Precepts.

**Economy** – The ebb and flow of goods and services into, out of, and within a particular jurisdiction.

**Basic Economy** – Economic activity within a community with a predominant market that lies outside the local economy.

**Non-Basic Economy** – Elements of the economy whose predominant economic impacts are within the designated jurisdiction.

**EDA / Economic Development Administration** ([www.doc.gov/eda](http://www.doc.gov/eda)) – Mission is to "Enhance community success in attracting private capital investment and higher-skill, higher-wage job opportunities." The Economic Development Administration (EDA) was established under the Public Works and Economic Development Act of 1965 (42 U.S.C. 3121), as amended, to generate jobs, help retain existing jobs, and stimulate industrial and commercial growth in economically-distressed areas of the United States. EDA assistance is available to rural and urban areas of the Nation experiencing high unemployment, low income, or other severe economic distress.

**EDAC / Economic Development Association of Canada** ([www.edac.ca](http://www.edac.ca)) – The Economic Developers Association of Canada (EDAC) is Canada's national organization of Economic Developers pursuing excellence in the field since 1968. The Association's mission is to enhance the professional competence of Economic Development Officers and ensure placement of qualified people in the field of Economic Development; to advance Economic Development as a distinct, recognized, and self-governing profession; and to contribute to Canada's economic well-being.

**EDC / Economic Development Corporation** – An organizational format generally funded by an independent taxing source or private funds. Often also used as a generic term to describe an economic development organization, even though sometimes it may not be a true corporation. Also see Organizational Models.

**EDFP / Economic Development Financial Professional** – Certification program by the National Development Council. ([www.nationaldevelopmentcouncil.org/training/edfpcp](http://www.nationaldevelopmentcouncil.org/training/edfpcp)) Acts as a catalyst and financing specialist who creates new programs to meet the needs of existing and emerging companies.

**EDI / Economic Development Institute** – An educational program conceived by the SIDC and jointly developed by SIDC and the University of Oklahoma with AEDC as the accrediting agency. Began in 1962 as IDI and changed to EDI in 1980. Historically a one week per year, three year curriculum, with changes in 2000 to allow fast-tracking of the program due to multiple times and training locations.

**EDIC / Economic Development Information Coalition** – To provide information about economic development practices and programs, the Economic Development Administration (EDA) has put together the Economic Development Information Coalition (EDIC). EDIC is made up of the International Economic Development Council (IEDC), the National Association of Regional Councils (NARC), and the National Association of Development Organizations (NADO). They have joined EDA to disseminate information to economic development practitioners serving distressed communities through a monthly e-mail newsletter; quarterly telecasts; 20 community forums held throughout the country; and a quarterly magazine.

**EDO / Economic Development Organization** – A generic reference to various types of economic development organizations.

**Effluent** – Also known as Sanitary Sewer or wastewater.

**EIS / Environmental Impact Statement** – See Impact Analyses.

**Electric Power Terms** – Following are basic electric power terms.

**Demand** – The greatest amount of power required at any single point in time, stated in peak KW demand.

**Dual Feed** – Electric power service from separate circuits within one substation or from separate substations and/or utility service providers. (aka redundant service)

**KW / Kilowatt** – Maximum demand from an electric company expressed in kilowatts. A KW is equal to 1,000 watts. Electric utilities often levy a demand charge. This will be based on a company's KW demand.

**kWh / Kilowatts per hour** – A measure of consumption usually expressed on a monthly basis. kWh is a unit of energy or work equal to that done by one kilowatt acting for one hour. Utilities often bill customers a use charge based on kWh (in addition to the demand charge).

**Reliability Measures** – Stability of electric power service measured by outages plus dips/surges/spikes in power supplied. System-wide reliability indices are often provided by electric power utilities. Examples include:

*ASAI / Average Service Availability Index* – Number of customer hours available divided by number of customer hour's service. Most often 99.8 and above.

*SAIDI / System Average Interruption Duration Index* – Number of customer hours out divided by number of customers served. Can vary widely year to year. Indices often range from 15 to 150.

*CAIDI / Customer Average Interruption Duration Index* – Number of customer hours out divided by number of customers out. Common indices are 50-100.

*SAIFI* – Total number of customers interruptions divided by total number of customers. Common indices are 93-99.

### **Service Types**

*Looped Service* – Service provided from multiple locations.

*Radial Service* – Service provided from a single location.

*Redundant Service* – Service provided from two or more substations.

**Substation** – Facility where the voltage of transmission circuits is reduced through transformers and distributed to customers through numerous circuits.

**Electric Utility Systems** – A linked system of generating and providing electric services to customers characterized by the following phases of service delivery.

**Generation** – The origination of electric power via coal burning, hydro-electric, wind, or nuclear processes.

**Transmission** – The arteries of distribution for the system, typically carrying the highest voltages via larger tower configurations to sub-stations for local distribution.

**Distribution** – The system that delivers power from the sub-stations to the consumers.

**Retail Providers** – The company who ultimately provides the electricity to the consumer and administers the billing and collection for the services provided.

**Eminent Domain** – The power granted to a public entity to “take” property for a greater public purpose. Typically the public entity is required to pay “fair market value” for the property acquired. Also see Condemnation.

**Empowerment Zone** ([www.hud.gov/offices/cpd/ezec](http://www.hud.gov/offices/cpd/ezec)) – Empowerment zone designation is a program of HUD which takes an innovative approach to revitalization. It brings communities together through public and private partnerships to attract the investment necessary for sustainable economic and community development. The Initiative recognizes that local communities, working together, can best identify and develop local solutions to the problems they face. By providing tax incentives, grants, loans, and technical assistance, the initiative has helped spur private investment in communities that have experienced severe economic decline. The program provides performance-oriented, flexible Federal grant funding so communities can design local solutions that empower residents to participate in the revitalization of their neighborhoods. ([www.hud.gov/offices/cpd/ezec](http://www.hud.gov/offices/cpd/ezec))

**Engineers / P.E. / Professional Engineer** – Professionals registered nationally or by the state to perform technical duties outlined by their professional code of ethics.

**Civil** – Engineers responsible for the infrastructure improvements to land to accommodate development. Typically this includes improvements to streets, water, sanitary sewer and storm drainage systems.

Geotechnical – Engineers responsible for the analysis of soil and substructure to form a recommendation of structural systems necessary to establish the building safely on the subject site.

Mechanical – Engineers responsible for improvements including the heating, ventilation, air conditioning and plumbing systems of a building.

Structural – Engineers responsible for the design of systems to structurally support the building.

**Enterprise Zone** ([www.hud.gov/offices/cpd/ezec](http://www.hud.gov/offices/cpd/ezec)) – Enterprise zone designation is a program of HUD which takes an innovative approach to revitalization. It brings communities together through public and private partnerships to attract the investment necessary for sustainable economic and community development. The Initiative recognizes that local communities, working together, can best identify and develop local solutions to the problems they face. By providing tax incentives, grants, loans, and technical assistance, the initiative has helped spur private investment in communities that have experienced severe economic decline. The program provides performance-oriented, flexible Federal grant funding so communities can design local solutions that empower residents to participate in the revitalization of their neighborhoods.

**Entrepreneur** – A person skilled at increasing the productivity of economic resources by searching for change, responding to it and exploiting it as an opportunity. Tends to develop new technologies through innovation. Typical traits of the entrepreneur include:

1. An unusually well-developed ego.
2. Detail oriented and likely to be a perfectionist.
3. Inexhaustible energy, high personal fitness, alertness, ability to endure stress.
4. Nothing is done soon enough and everything is a crisis.
5. Contingency thinkers, looking six months or longer into the future and always maintaining options.
6. Unwilling to surrender the need for complete control, unable to delegate.
7. Above average intelligence, analytical ability.
8. Tend to look at the big picture.
9. Able to conceptualize a problem quickly and arrive at a solution well in advance of others.
10. They are pragmatists.
11. Calculated risk takers, not gamblers. Only takes risks that have a high probability of achieving goals.
12. Strong desire to succeed, great enthusiasm about the product and business, perseverance, creativity and competitiveness.
13. History of personal hardship, experience in leadership.
14. Proto-typical entrepreneur is a first born child, male, and well educated.

**Environment** – The total environment in which economic developers and community developers operate can be divided into the following:

Economic – Refers to human resources, markets, transportation, utilities, and commerce.

Political – Refers to the governmental structure of a community affecting other segments of the environment through the adoption and implementation of regulations and/or laws.

Natural / Physical – The air, land, water, eco-systems and aesthetics, etc.

Social – Refers to housing, health, education, welfare, employment, amenities, recreation, and a crime prevention elements of a community.

**Environmental Audit** – Evaluation of a site done to determine potential environmental liabilities or issues related to a particular site. Generally these are done prior to acquisition of a site and might include any or all of the following stages:

1. **Existing Data Analysis** – Along with a site visit, information is gathered from ownership records, personal interview, aerial photos, state and federal records of past environmental violations or analyses.
2. **Primary Site Analysis** – Generally conducted when Stage 1 indicates possible contamination. Geologists and hydrologists gather and analyze air, water and soil samples.
3. **Remediation and Clean-up** – When conclusive evidence of contamination is found, solutions are developed and implemented to mitigate or remove the contamination. Results of this stage may range from no action (in minor cases where contamination is contained) to designation as a Superfund site with considerable mitigation costs.

**EPA / Environmental Protection Agency** ([www.epa.gov](http://www.epa.gov)) – EPA's mission is to protect human health and to safeguard the natural environment — air, water, and land — upon which life depends. EPA provides leadership in the nation's environmental science, research, education and assessment efforts. EPA works closely with other federal agencies, state and local governments, and Indian tribes to develop and enforce regulations under existing environmental laws. EPA is responsible for researching and setting national standards for a variety of environmental programs and delegates to states and tribes responsibility for issuing permits, and monitoring and enforcing compliance. Where national standards are not met, EPA can issue sanctions and take other steps to assist the states and tribes in reaching the desired levels of environmental quality. The Agency also works with industries and all levels of government in a wide variety of voluntary pollution prevention programs and energy conservation efforts.

**Equity** – The value of an asset net of any amounts owed for mortgages, liens, or other financial obligations.

**Erosion Control Plan** – A plan generally submitted prior to beginning of construction, which requires the delineation of undisturbed areas of the land, as well as erosion mitigation measures such as silt fencing, and sedimentation ponds.

**Escrow** – Funds held in escrow by a third party as evidence of earnest intent to fulfill all obligations agree to by the grantors and grantees.

**ETJ / Extra-Territorial Jurisdiction** – An area outside the annexed municipal limits of a city, over which a city has the right to annex at some point in time based on certain provisions. The extent of the ETJ can vary by population of the city.

**EU / European Union** ([www.eurunion.org](http://www.eurunion.org)) – Created in 1993, it is the largest single economic development player in the world. It is an organization of 15 European countries dedicated to increasing economic integration and strengthening cooperation among its members. The European Union headquarters is in Brussels, Belgium.

**Executive Session** – Typically a closed-door meeting of a municipal / public governing body to discuss items such as land acquisition or personnel actions.

**Exempt Employee** – Employees that are not eligible for overtime pay.

**Existing Business Analysis** – The process of identifying, analyzing and understanding existing businesses within a jurisdiction. Also see BRE / Business Retention & Expansion. Typically this includes:

1. An examination of the concentration of industries in the jurisdiction compared to their concentration elsewhere. See Location Quotient analysis.
2. Identification of suppliers and buyers that serve the existing businesses. See Linkages.

3. Determination of the level of satisfaction that existing businesses have with the jurisdiction. See Surveys.

**Exit Strategy** – In terms of a site or building purchaser, an exit strategy is an evaluation of the potential for selling or leasing the asset should this be required or desired in the future.

**Expansion** – The increase of building size, employment, or production of an existing business.

**Export** – Sales outside the local economy. Also see Economy.

**FAR / Floor Area Ratio** – A regulatory measure of the allowed floor area of a building in relation to the lot size. A FAR of 1.0 would allow a two story building of 20,000 square feet on each floor (40,000 square feet total) on a lot having 40,000 square feet of land area.

**Fair Market Value** – The most probably price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeable, and assuming the prices is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and each acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. Dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

**Fast Track** – Typically refers to a shortened time for public processing and approval of required zoning and/or development plans and/or building permits in order to accelerate the development of a desired project.

**FDI / Foreign Direct Investment** ([www.bea.gov](http://www.bea.gov)) – Ownership or control, directly or indirectly, by one foreign person, or entity, of 10 percent or more of the voting securities of an incorporated U.S. business enterprise or an equivalent interest in an unincorporated U.S. business enterprise.

**Fee-Simple Title** – Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

**Fees** – Many fees are charged to offset the costs of administering the review and approval of development projects. Examples include:

**Building Inspection Fees** – Charged to review building construction plans.

**Impact Fees** – Charged to offset specific impacts of a development on the capital public infrastructure. Typically separate fees include water, sanitary sewer, and street improvements.

**Park Dedication Fees** – Charged to offset impacts to the park system of a jurisdiction.

**Perimeter Street Fees** – Charged to develop streets adjacent to the perimeter of a project. Typically these are proportioned between landowners on both sides of a roadway and the City.

**Plan Review Fees** – Charged for the review of public works construction plans such as water distribution, sanitary sewer collection, and roadways.

**FEMA / Federal Emergency Management Association** ([www.fema.gov](http://www.fema.gov)) – A federal agency charged with the management of emergency situations throughout the U.S. As it pertains to real estate development, a primary responsibility is the administration of impacts to drainage systems including the identification of the flood plain and floodway.

**FFE / Furniture, Fixtures & Equipment** – See Property / Personal Property.

**Fiber Optics** – Glass fibers that use light to provide high speed data transmission. Provides almost unlimited band width capabilities. Enables redundant networks.

**File Formats** – Various software programs utilize different file types for different purposes. Following are some of the most commonly used file types.

**.ai / Adobe Illustrator File** – A Vector file format created by Adobe Illustrator. You must have Adobe Illustrator to open an .ai file.

**.eps / Encapsulate Postscript File** – EPS files are Vector files that can be opened with Adobe Illustrator or any other Vector editing software. EPS files can be sized up or down without loss of quality. They are great for printing business cards and logos. They do not allow manipulation of the original artwork.

**.gif / Graphic Interchange Format** – A platform-independent file format developed by CompuServe typically used for graphic files.

**.jpg / Joint Photographic Experts Group** – JPEG's is the most common file type for photographs created by digital cameras and used on the Internet. JPEG's are Raster formats good for printing photographs, but are not good for logos, images with text, or large blocks of color or simple shapes. JPEG's cannot be used with transparencies and degrade if they are repeatedly edited and saved.

**.mpg / Motion Picture Experts Group** – A compression format for video files.

**.pdf / Portable Document Format** – An Adobe file format that is now considered the best universal file format. PDF's are excellent for printing. PDF files combine Vector graphics, Raster graphics, and text into one file. Fonts, images, layouts and graphics are all embedded within one PDF file no matter which specific application was used to create the document. Files are easily read with a free download of its viewer, Adobe Acrobat Reader.

**.psd / Photoshop Document** – A Raster file format created by Adobe Photoshop. You must have Adobe Photoshop to open a PSD file. A PSD file contains all the original file information including the various text and image layers.

**Raster** – Raster files are made up of pixels which are small squares of information. They allow for complex images with layers, shading, gradients as well as other variations. Raster files do not resize well without a loss in the quality of the image. Raster files also do not print small fonts well so they are not the preferred format for business cards.

**Vector** – Vector files are made up of a series of small points that combine together to make lines and images. Vector files are much better for printing logo designs because Vector files can be scaled up and down with no loss of quality to the image. Vector files are also better for business cards because small text prints more clearly from this format.

**Financial Analysis** – The critical analysis of financial information on a company to evaluate its economic health. Also see Financial Ratios and Financial Statements. Steps include:

1. Obtain copies of financial statements from the company, preferably over the past 3-5 years.
2. Evaluate the quality of the statements provided, preferably being audited statements by a reputable accounting firm.

3. Examine and analyze at least the two primary statements, the balance sheet and the income statement.
4. Calculate and review all basic financial ratios.

**Financing Methods** – Examples include:

Traditional Financing Methods – Generally the use of long or short term loans from full service banks.

Non-Traditional Financing Methods – The use of SBA loans, low interest loans, government subsidies, grants, and venture capital.

RLF / Revolving Loan Funds – Loans in which seed money is established, then loans are made out of and paid back into the same fund usually for a specified purpose.

TIF / Tax Increment Financing – The incremental difference in tax revenue generated between two points in time, typically a base reference and a targeted or subject point in time. This is used to measure the increased tax benefit of development on a particular parcel of land over a particular period of time. A form of financing improvements within a designated zone backed by the tax increment generated by the development. The tax increment is the difference between the ad valorem tax generated prior to development and after development.

Lease Purchase – A financial arrangement where the user pays a lease amount to the owner, some portion of which is dedicated towards an actual purchase of the asset at the end of the lease agreement.

Micro-Loans – Project specific investment such as loans or grants directly to a business.

**Financial Ratios** – Many financial ratios exist to evaluate the merits of a particular financial investment or the financial standing of a company. Financial ratio calculations serve at least three important purposes:

1. As a double check to ensure review of important items in the financial statements.
2. For comparison against similar company or industry standards.
3. As an indication of satisfactory or unsatisfactory financial condition.

Examples include:

Liquidity Ratios – Provides analytical information pertaining to the convertibility of the company assets into cash.

*Current Ratio* – The current assets divided by the current liabilities. A measure of financial strength, it indicates the relationship of current debt and the ability of the firm to meet it. A good standing ratio is approximately 2:1.

*Quick Ratio / Acid Test Ratio / Liquidity Ratio* – The quick assets (cash and accounts receivable) divided by the current liabilities. It is a good indicator of liquidity because it does not include inventories as a “quick” asset. A minimum quick ratio of 1:1 is recommended.

*Receivables Turnover* – The annual net sales divided by average receivables. A ratio of four indicates that accounts receivable were paid or turned over four times during the year.

*Inventory Turnover* – Cost of goods sold divided by average inventory.

*Day's Receivable* – Accounts receivable divided by (net sales times 360).

*Day's Payable* – Accounts payable divided by (purchases times 360).

Solvency Ratios – Shows whether a company can pay all of its debts as they become due.

*Debt to Net Worth Ratio / Debt to Equity Ratio* – The total liabilities divided by net worth (assets minus liabilities). The most important test for solvency, it is used to measure the extent to which company's operations are financed by borrowed funds, a measure of riskiness. Generally a satisfactory ratio is 2:3.

Profitability Ratios – Shows whether or not the amount of income is adequate.

*Return on Sales* – The net profit after taxes divided by net sales. It indicates the number of cents of profit the company made for each dollar of sales.

*Return on Total Assets* – Earnings before interest and taxes divided by average total assets.

*Return on Investment / ROI / Net Profit to Net Worth Ratio* – The net profit after taxes divided by the net worth. Represents the profit generated by the owners investment in the company showing cents of profit per dollar of investment.

**Financial Statements / Summaries** – Reports or summaries that are common to financial analysis professionals. Examples include:

Annual Report – A report generated once a year by a company that serves many purposes, primarily for the purposes of informing stockholders and analysts of the activities of the company over the past year, its current financial position, and intentions for the future.

Audited Statements – Statements which have been reviewed by an independent accounting firm and certified to meet industry requirements, with exceptions noted.

Balance Sheet – A summary showing what the company owns and what they owe at a particular point in time. A reflection of how strong their finances are.

Cash Flow Statement – Describes the ebb and flow of cash over 3-5 years to include:

1. How much cash will be needed.
2. When it will be needed.
3. Whether or not the business should look for equity, debt, operating profits, or sale of fixed assets.
4. Where the cash will come from.

Pro-forma Budget – A document showing projected revenues and expenses over 1-5 years in order to evaluate the potential success of a business.

Income Statement – A moving picture of the income and expenses during the accounting period. Also called "Profit and Loss Statement" or "Statement of Earnings".

**Financial Terms** – Following are basic financial terms.

Assets – Equal to liabilities plus equity.

Breakeven Analysis – The sales volume level where profits are zero as represented by  $S = FC + VC$ , where

S = Breakeven level of sales in dollars.

FC = Fixed cost in dollars.

VC = Variable cost/unit times units sold.

Cap Rate / Capitalization Rate – The ratio of the current operating income to the value of the property.

Collateral – Assets pledged against default on a loan, e.g. land, building, equipment.

Costs – Following are major categories of costs.

*Fixed Costs* – Costs are basically unrelated to the units produced.

*Variable Costs* – Costs are related to the number of units produced.

Current – Reflects a period of time within the next 12 months (e.g. Current Assets).

Equity – Assets minus liabilities.

Long-Term – Reflects a period of time greater than 12 months.

Net Present Value – The current value of a future certain amount of money or income stream discounted at an anticipated rate of return over the life of the investment.

NOI / Net Operating Income – The income from all business operations after all operating costs have been paid but before any debt service payments.

Net Worth – Total assets minus total liabilities.

Quick Assets – The sum of cash and accounts receivable.

Working Capital – The difference between total current assets and total current liabilities. It indicates if adequate funds are available to run the business and its size represents the amount of cushion for current creditors in the event of unforeseen problems.

**FIRE** – Common acronym for the Finance / Insurance / Real Estate industry.

**Flex Space** – Generally a value oriented lease space with an attractive front façade for front office space and distribution or assembly space behind the offices.

**Flexible Manufacturing Systems** – A situation where one factory produces several different products.

**Floodplain** – Typically the “100 year floodplain” as identified by FEMA. It is the area inundated by water one foot deep on an average of one year out of every one hundred years. See FEMA.

**Floodway** – An area designated by FEMA which can carry floodwater along a confluence determined by the extent that the surface of the water does not raise more than one foot due to encroachment or fill in the floodplain. The Floodway has more restrictions for use than Floodplain. See FEMA.

**Floor Area** – The determination of floor areas can vary by jurisdiction and/or by leasing document.

Gross Floor Area – The area of a floor to the outside exterior walls to include all internal wall space, corridors, closets, utility and HVAC areas.

Gross Leasable Floor Area – Generally the area intended for occupancy and used by the tenant including office space, corridors, restrooms, etc., but not including HVAC or building maintenance functional areas.

**Floor Area Measurement (Office Buildings)** – The standard for measuring floor areas in commercial office buildings is established by BOMA.

**Foreign Trade Zone** – See FTZ.

**FM / Fellow Member** – An honorary designation for a long-time member of the AEDC.

**FOB / Free on Board** – Buyer pays shipping charges.

**Franchise Tax** – See Tax.

**FRB / Federal Reserve Bank** ([www.federalreserve.gov](http://www.federalreserve.gov)) – The Federal Reserve, the central bank of the United States, was founded by Congress in 1913 to provide the nation with a safer, more flexible, and more stable monetary and financial system. Today the Federal Reserve's duties fall into four general areas:

1. Conducting the nation's monetary policy.
2. Supervising and regulating banking institutions and protecting the credit rights of consumers.

3. Maintaining the stability of the financial system.
4. Providing certain financial services to the U.S. government, the public, financial institutions, and foreign official institutions.

**Freeport Exemption** – A tax exemption on business inventories of goods shipped out of the state within 175 days (e.g. Texas) after being brought into or purchased in the state.

**Triple-Freeport Exemption** – The granting of the exemption by the City, County, and School District.

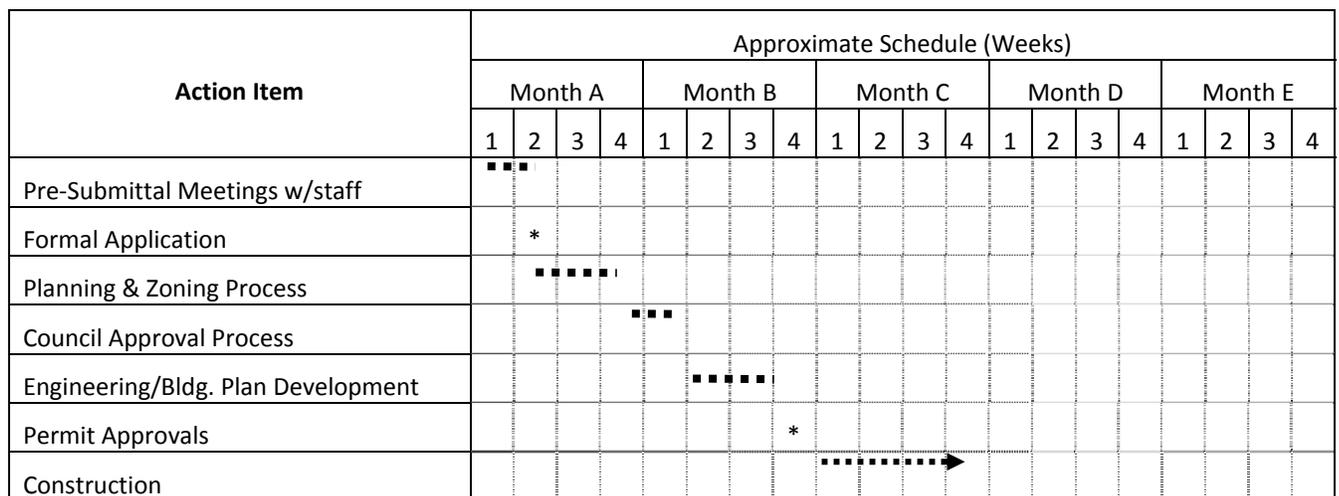
**Freight Cost Analysis** – An analysis of the inbound cost of raw materials and outbound shipping costs to customers to determine the lowest total freight cost for a location.

**FTE / Full-Time Equivalent** – A workforce term that represents full-time employees, even if this is derived from several part-time employees.

**FTP Site / File Transfer Protocol** – A web-based site that allows for uploading and downloading of computer files.

**FTZ / Foreign Trade Zone** ([www.ia.ita.doc.gov/ftzpage](http://www.ia.ita.doc.gov/ftzpage)) – Foreign-trade zones are designated sites licensed by the Foreign-Trade Zones (FTZ) Board (US Dept. of Commerce Secretary is Chairperson) at which special Customs procedures may be used. These procedures allow domestic activity involving foreign items to take place prior to formal Customs entry. Duty-free treatment is accorded items that are re-exported and duty payment is deferred on items sold in the U.S. market, thus offsetting Customs advantages available to overseas producers who compete with producers located in the United States. Subzones are special-purpose zones, usually at manufacturing plants. A site which has been granted zone status may not be used for zone activity until the site or a section thereof has been separately approved for FTZ activation by local U.S. Customs officials, and the zone activity remains under the supervision of Customs. FTZ sites and facilities remain within the jurisdiction of local, state or federal governments or agencies.

**Gantt Chart** – A graphic exhibit with time on the horizontal axis that depicts the time and sequencing involved for each task required to complete a project. Example follows.



**Gatekeeper** – A person who stands between you and the decision maker you desire to influence. Often this is the secretary for the executive.

**GATT / General Agreement on Trades and Tariffs** ([www.gatt.org](http://www.gatt.org)) – Responsible for overseeing the world liberalization of trade. Also see Global Economy.

**Gentrification** – An evolutionary change in the use of residential land that relocates lower income housing due to redevelopment of higher income housing. Typically has three conditions;

1. Displacement of original residents
2. Physical upgrading of the neighborhood, and
3. Change in neighborhood character

**GIS / Geographic Information Systems** – A computerized system of mapping various aspects of a jurisdiction through the use of multiple layers of coded information. Significant information is maintained in a database tied to a physical location. Examples of information that may be mapped include: parcel / property lines, street ROW, water lines, fire hydrant locations, sanitary sewer lines, building locations, topography, vegetation, zoning, land use plan designations, school district boundaries, drainage systems, and aerial photography.

**Raster Images** – Representations by pixels.

**Vector Images** – Representations by lines drawn from point to point.

**Global Economy / Globalization** – An economy characterized by services, sales and/or product distribution throughout the world.

**GMP / Good Manufacturing Practice** ([www.fda.gov/cdrh/devadvice/32.html](http://www.fda.gov/cdrh/devadvice/32.html)) – Requirements under section 520 of the Food, Drug and Cosmetic (FD&C) Act. They require that domestic or foreign manufacturers have a quality system for the design, manufacture, packaging, labeling, storage, installation, and servicing of finished medical devices intended for commercial distribution in the United States.

**Goal** – Derived from the mission or vision statement, a goal is a specific statement of what an entity would like to be or what they would like to achieve. Goals should be clear and concise and are reached through the accomplishment of specific objectives. Goals are aspirations, objectives are targets. A single goal can give rise to several objectives.

**Going-home Side of Road** – This term is used to describe the side of the road that has the highest P.M. peak hour traffic volumes. If the majority of people go east to work in the morning and west going home, the west-bound side of the road is the “going-home” side. This would be likely locations for grocery stores because people buy groceries on the way home, not on the way to work.

**GPS / Global Positioning System** – A location system developed by the U.S. Department of Defense that is based on a constellation of many satellites orbiting the Earth at very high altitudes.

**Grade Crossing** – Descriptors for the type of physical crossing of two roadways.

**At-Grade Crossing** – The two roadways cross at the same physical elevation, thus requiring signalization or other control of the traffic through the intersection.

**Grade-Separated Crossing** – The two roadways cross at different elevations, thereby allowing free flow of traffic in both directions. Typically this is used for freeways crossing local streets.

**Grading** – The physical reconfiguration of land to accommodate development, generally focused on the goal of providing good drainage patterns for storm water run-off.

**Grantsmanship** – The ability to prepare, submit, receive approval of and implement grants available to advance the mission of an organization.

**Gravity Model** – A computer model typically used by retailers to analyze multiple locations for highest probability of success. Inputs include population of surrounding cities or sub-markets and distance between cities or sub-markets.

**Green Building** ([www.usgbc.org](http://www.usgbc.org)) – The U.S. Green Building Council is the nation’s foremost coalition of leaders from across the building industry working to promote buildings that are environmentally responsible, profitable and healthy places to live and work.

**Greenfield Site** – A site that currently is undeveloped and has no environmentally sensitive impacts due to current or historic use of the land. See Brownfield Site for contrast.

**Greyfield Site** – Old, obsolete and non-profitable retail and commercial sites. Characteristics include outdated buildings and large expanses of parking.

**Ground Water** – Sub-surface water that exists on a site. Can be an issue with foundation or footing design.

**Group Dynamics** – Sociological and/or behavioral characteristics unique to groups of people.

**Group Facilitation Techniques** – Various methods exist to facilitate group identification and prioritization of ideas and issues related to a particular topic.

**Brainstorming** – A group facilitation approach where multiple ideas are generated by all participants without regard for practicality, appropriateness or implementation limitations.

**Delphi Technique** – An interactive written process not requiring the presence of participants at a called meeting. Advantages include anonymity of participants, greater freedom of expression or dissention, good educational and perspective broadening for participants. Steps include:

1. Facilitator sends participants written questionnaire.
2. Responses are summarized and analyzed and reported back to participants.
3. Repeat rounds of questionnaire and feedback reporting as needed to identify alternatives.
4. Distribute list of alternatives for ranking by participants.
5. Compile, tabulate, and report findings to participants.

**Nominal Group Technique** – A process allowing the independent generation of ideas followed by round-robin procedures leading to adoption of prioritized solutions. Advantages are equal participation by a broader cross-section of people and generation of a large number of ideas. Steps include:

1. Break into small groups of less than 10 people.
2. Each group member lists and ranks 5-7 most important issues for economic growth.
3. Facilitator asks each member sequentially for first priority and lists on a flipchart. If idea is already listed, member offers next priority, continuing until all members have offered all their priorities.
4. Similar issues are combined into issue sets.
5. Each group member ranks the issue sets, results are tabulated and displayed.
6. All groups reconvene and process is duplicated with groups providing their ranked priorities.
7. Similar issues are combined.
8. Each member ranks the idea sets, results are tabulated and displayed.

**Growth** – Reflects change which may or may not be positive and likely is undirected. Contrast with “development” which is positive and directed change.

**Guaranteed Home Sale** – A guarantee by a company that is relocating an employee that they will receive a market-value offer on their existing home.

**High Fliers** – See Lone Eagles.

**Highest and Best Use** – The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

**Possible Use** – The uses to which it is physically possible to put on the subject site.

**Permissible Use (Legal)** – The uses that are permitted by zoning and deed restrictions on the subject site.

**Feasible Use** – The possible and permissible uses that will produce any net return to the property owner.

**Highest and Best Use** – Among the feasible uses, the use that will produce the highest net return on the highest present worth.

**Historic District** ([www.cr.nps.gov](http://www.cr.nps.gov)) – An area within a jurisdiction designated for particular treatment as a historically significant area. This may include requirements for complementary construction methods and materials as approved by an Architectural Review Board. May also include sites meeting criteria of the National Register of Historic Places. ([www.cr.nps.gov](http://www.cr.nps.gov))

**HLM / Honorary Life Member** – The designation for an honorary life member of AEDC.

**HOA / Homeowners Association** – An association representing the residents of a particular subdivision, usually requiring the payment of annual dues for maintenance of common areas. Increasingly more likely to rally around development issues impacting their neighborhood.

**Home-Based Business** – A small business generally operated out of the home of the founder or president. An economic development program intended to assist and promote home based businesses might include the following:

1. **Local Regulation Assistance** – Help in understanding and complying with zoning regulations and residential neighborhood sensitivities.
2. **Home-Based Business Associations** – Provide a forum to network and share ideas.
3. **Benefit Package Assistance** – Help in identifying organizations such as the National Association of the Self Employed ([www.nase.org](http://www.nase.org)) that might group together to provide adequate benefit packages.
4. **Government Procurement Assistance** – Provide information on programs such as Pro-Net from the SBA which facilitates identification of procurement opportunities for small businesses.
5. **Access to capital** – Assistance in identifying alternate sources of capital, generally only requiring small amounts.
6. **Information Partnerships** – Identify partners and allies that share in the support of home based businesses (e.g. SBA, SCORE).
7. **Business Resource Center** – Establish a location base for the distribution of available information and resources to help home-based businesses.

**Hotelling** – A real estate term used to describe when a company has its employees use the available office spaces on a first-come, first-serve basis.

**HUB / Historically Underutilized Business** ([www.tbpc.state.tx.us](http://www.tbpc.state.tx.us)) – See Texas definition at link.

**HUB Zone** – Historically Underutilized Business Zone – companies get 10% price advantage when bidding on Federal projects. MWBE can apply, don't have to have zone. Set by Fed based on employment.

**HUD / Housing and Urban Development Administration** ([www.hud.gov](http://www.hud.gov)) – HUD was born in 1965, but its history extends back to the National Housing Act of 1934. Its mission is: A decent, safe, and sanitary home and suitable living environment for every American which includes:

- Creating opportunities for home ownership
- Providing housing assistance for low-income persons
- Working to create, rehabilitate and maintain the nation's affordable housing

- Enforcing the nation's fair housing laws
- Helping the homeless
- Spurring economic growth in distressed neighborhoods
- Helping local communities meet their development needs

**HTML / Hypertext Markup Language** – Software language used for formatting web pages.

**Hyperlink** – A text that when clicked with a computer mouse links you to another file or an Internet page.

**IAMC / Industrial Asset Management Council** ([www.iamc.org](http://www.iamc.org)) – IAMC is the world's leading association of industrial asset management and corporate real estate executives, their suppliers and service providers, and economic developers.

**ICSC / International Council of Shopping Centers** ([www.icsc.org](http://www.icsc.org)) – The International Council of Shopping Centers (ICSC) is the global trade association of the shopping center industry. Its 39,000 members in the U.S., Canada and more than 75 other countries include shopping center owners, developers, managers, marketing specialists, investors, lenders, retailers and other professionals as well as academics and public officials. As the global industry trade association, ICSC links with more than 20 national and regional shopping center councils throughout the world.

**IDI / Industrial Development Institute** – Started at the University of Oklahoma in 1959. The first class of 38 graduated in 1962. Changed to EDI in 1980.

**IDRC / International Development Research Council** ([www.idrc.org](http://www.idrc.org)) – An organization of site selection professionals from firms throughout the country. Changed to CoreNet Global on May 1, 2001 via a merge with NACORE.

**IEDC / International Economic Development Council** ([www.iedconline.org](http://www.iedconline.org)) – Created in May of 2001 by the merger of AEDC and CUED. A non-profit, non-governmental organization dedicated to excellence and leadership in economic development. IEDC is the largest membership association serving economic and community development professionals in the United States.

**Image File Types** – See File Types.

**IMF / International Monetary Fund** ([www.imf.org](http://www.imf.org)) – The IMF is an international organization of 183 member countries, established to promote international monetary cooperation, exchange stability, and orderly exchange arrangements; to foster economic growth and high levels of employment; and to provide temporary financial assistance to countries to help ease balance of payments adjustment.

**Impact Analyses** – Various models exist to analyze positive and negative impacts created by development projects. These include:

**Computer Modeling** – There are many analysis models varying in complexity from locally developed spreadsheets to comprehensive multi-faceted, several level "trickle-down" models.

**Cost-Benefit Analysis** – An analysis of the cost of a project to a jurisdiction (fire, police, infrastructure, schools, etc.) with the benefits (tax revenue, jobs, community support, etc.).

**Direct Analysis** – A financial analysis that is limited to the direct revenues and costs of a project within a community, i.e. no multipliers, second generation, or "trickle-down" impacts are included.

**Economic Impact Analysis** – The projection of the total impact associated with growth to local jurisdiction(s) in which the growth is taking place.

**EIS / Environmental Impact Statement** – An analysis of the impacts of a project on the physical, chemical and biological components of the environment. An environmental impact statement must meet the requirements of NEPA to include:

1. The probable impact of the proposed action.
2. Any adverse environmental effect which can't be avoided should the proposal be implemented.

3. Alternatives to the proposed action.
4. The relationship between local short term uses of man's environment and enhancement of long term productivity.
5. Any irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented.

Fiscal Impact Analysis – An analysis that measures and compares both benefits and costs of a particular project.

TIA / Traffic Impact Analysis – An analysis of a projection of the existing conditions and future demands on the transportation network.

**Impact Fees** – See Fees.

**Import Substitution** – A new locally made manufacturing line that replaces products being imported into the community. Also see Rusty Bucket Economics.

**Incentives** – Any number of inducements that an agency/community/state might offer to a prospect to entice them to remain, expand, or locate within a preferred area. Examples in three major categories include:

Corporate Expenses – Several categories of expenses can be grouped and defined as follows:

*Land Related* – Free land, free rent, land write-downs, land leases, public infrastructure.

*Financial* – Tax increment financing, special assessment districts, IRB's, cash grants, loan guarantees, subordinate financing, deferred payment mortgages, interest rate buy-down.

*Operational* – Equipment leasing, utility cost reduction and tax abatements.

*Construction* – Permit acceleration, fee reductions, non-strike agreements, contractor selection assistance, free office space during construction, dedicated inspection staffing.

Workforce Development Incentives – Pre-employment screening, on-the-job training programs, customized training programs, job training funds, and technology transfer programs. Also see Workforce Development.

Relocation Assistance Incentives – Community presentation visits at company location, spousal employment programs, temporary executive housing, transportation, children acclimation, childcare, discounts on home furnishings, moving cost reimbursement, guaranteed home sales, bank assistance with home mortgage extensions or bridge loans, complimentary hotel rooms during house hunting visits.

**Incentives Policy** – A policy outlining the jurisdiction's position regarding various incentives that might be utilized to attract or retain a business. Elements of a policy might include:

1. Applicability to all types of businesses.
2. Processes for quantifying costs and benefits to the community.
3. Pre-set guidelines for investment and required return.
4. Draws on benchmark research of business requirements and cost profiles.
5. Reflects a true understanding of competitive advantages and disadvantages.
6. Contains procedures for quick responses.
7. Exists before the prospect calls.
8. Allows the community to walk away from bad deals.
9. Contains safeguards to protect the community's investment.

**Incubator** – A type of development, typically a single building, that houses many small businesses in flexible space at below-market rates who share common operation spaces such as meeting rooms, copying facilities, and receptionist duties. Often the purpose of these facilities is to help grow businesses in a community. (a.k.a. Enterprise Center, Business & Technology Center, Innovation Center) A source for information is the National Business Incubation Association ([www.nbia.org](http://www.nbia.org)). A general process for the establishment of an incubator includes:

1. Establish a working group to initiate development.
2. Assess the small business support network.
3. Analyze the level of entrepreneurial activity.
4. Analyze the local market economy.
5. Real estate analysis and potential site identification.
6. Financing for the facility and tenants.
7. Planning for start-up.
8. Marketing the incubator.
9. Evaluate and re-define goals.

**Industrial / Office Park** – The assembly of land, under one continuing control, to provide facilities for business and industry consistent with a master plan and restrictions resulting in the creation of a physical environment achieving the following objectives. (aka Business Park)

- Consistency within community goals
- Efficient business and industrial operations
- Human scale and values
- Compatibility with natural environments
- Achieving and sustaining highest land values

**In-Fill Development** – The development of parcels of land that were not acquired or included in land compilation for earlier more comprehensive developments in the area. Typically the acreages are smaller and may need more flexibility in design standards due to the size of the parcel. Also see Out-Tracts.

**Influence / Indirect Power** – The ability to sway people who are a part of the formal or informal power structure.

**Infrastructure** – Facilities and services needed to sustain industry, residential, commercial, retail, and all other land use activities. This can be divided into two categories of infrastructure:

**Traditional Infrastructure** – Includes such public works items as water supply systems, sanitary sewer collection systems, streets and roads, bridges, dams, railroads, drainage and flood control and other utilities.

**Broader View Infrastructure** – A broader view of infrastructure also includes such items as telecommunications technology, libraries, research institutes, colleges and universities, technical and vocational institutions, housing availability quality and cost, physical and mental health facilities, fire stations and parks.

**Input-Output Model / "I-O" Model** – An analysis of the interaction of commodities and money as it flows between various industries. It identifies the resources utilized by an industry as a proportion of its output. Used to determine the impacts of particular types of developments on various aspects of an economy. It estimates the trickle-down impacts of changes in the local economy.

## **Insurance**

**Builders Risk Insurance** – A form of liability insurance used during the construction phase to protect the development group from any liability which may occur on the project site prior to completion of the project.

**Intermodal Facility** – A transportation linkage that typically provides an interface for different types of transport, i.e., rail, air service, and trucking.

**Intervention Plan / Crisis Plan** – A plan which is implemented to assist a struggling business in a community. It is a pro-active plan to assist local business owners / managers with diverse expertise available from within a community. Aspects of the plan include:

1. The ability to recognize symptoms of a struggling business. See Trouble Signs.
2. Establishing relationships that will allow candid communication between the business and team members.
3. Confidentiality in all aspects.
4. Identifying means of assistance within or outside the community (SBA, SCORE, utility ED programs, etc.).
5. Evaluating liability and limiting assistance to areas of high competence.

**IOM / Institute of Organization Management** ([www.uschamber.com/institute/default](http://www.uschamber.com/institute/default)) – A four-year certification program offered by the U.S. Chamber of Commerce.

**ISO / International Organization for Standardization** ([www.iso.org](http://www.iso.org)) – ISO is a network of the national standards institutes of 148 countries, on the basis of one member per country, with a Central Secretariat in Geneva, Switzerland, that coordinates the system.

**ISO 9000** – ISO 9000 is concerned with "quality management". This means what the organization does to enhance customer satisfaction by meeting customer and applicable regulatory requirements and continually to improve its performance in this regard.

**ISO 14000** – ISO 14000 is primarily concerned with "environmental management". This means what the organization does to minimize harmful effects on the environment caused by its activities, and continually to improve its environmental performance.

**ISP / Internet Service Provider** – The company that provides you access to the Internet.

**IT / Information Technology** – The application of computers and telecommunications to the procession of information.

**ITE / Institute of Transportation Engineers** ([www.ite.org](http://www.ite.org)) – The Institute of Transportation Engineers (ITE), an international individual member educational and scientific association, is one of the largest and fastest-growing multimodal professional transportation organizations in the world. ITE members are traffic engineers, transportation planners and other professionals who are responsible for meeting society's needs for safe and efficient surface transportation through planning, designing, implementing, operating and maintaining surface transportation systems worldwide.

**Job Fair** – See Career Fair.

**Jobs (Primary or Secondary)** – See Business Types.

**Kick-Out Clause / Lease Termination Clause** – A clause in a lease that allows the tenant to pay the Landlord a penalty fee and cancel the lease.

**Knockout Factor** – Any number of criteria established by a company which can eliminate a community from consideration.

**Labor** – The human physical or intellectual contribution to the value addition chain of a product or service. Also see BLS / Bureau of Labor Statistics and Workforce.

**Skilled** – Labor requiring specific education or vocational training, more highly developed technical skills, and typically higher pay requirements. Workers capable of performing specialized work with a minimum of supervision and/or instruction.

**Unskilled** – Labor generally of a physical nature, though it may also include minimum education and skill levels likely to be held by a majority of the population.

**Labor Market** – The supply, cost and quality of labor available within a market typically defined by a prospect. Without specification by the prospect, population between 16 and 65 within a defined geographic area.

**Landscape Architect** – A person skilled in the art and science of analysis, planning, design, management, preservation and rehabilitation of the land. The scope of the profession includes site planning, garden design, environmental restoration, town or urban planning, park and recreation planning, regional planning, and historic preservation. Practitioners share a commitment of achieving a balance between preservation, use and management of the country's resources. Also see ASLA.

**Land Use Plan** – A plan typically adopted by a city that shows the anticipated and desired long-term land use development patterns for all land in the jurisdiction. Typical land use categories include:

**Industrial** – Generally includes light and heavy industrial, distribution, warehousing, and manufacturing districts. Often subdivided into light industrial (I-1) and heavy industrial (I-2) districts.

**Office** – Generally includes all office districts, but can be further categorized as local and corporate office.

**Residential** – Generally low, medium, and high, density residential and can be further subdivided into single family and multi-family residential.

**Retail** – Generally includes various levels of retail development but can be further categorized as regional, community, and neighborhood retail. Also see Retail Development.

**Lead Broker Program** – A program facilitating a prospect's site evaluation process through utilization of a rotating "lead" brokerage firm as the primary contact for the prospects. Brokerage firms financially supporting the EDC are selected on a rotating basis. The managing partner of the firm selects the actual agent. The agent acts on behalf of the prospect (and EDC) by gathering information on and representing all qualified sites to a prospect.

**Leakage** – Leakage from the local economy occurs when local residents purchase goods and services outside the local economy.

**Lease** – A legally binding agreement between a tenant and a landlord of a building typically giving the right of occupancy for a specific period of time and at a specified cost (i.e. rent).

**Full Service Gross Lease** – Landlord covers all base-year expenses.

**Gross Lease** – Landlord covers roof and structure, taxes, insurance and common areas. Tenant covers janitorial, utilities and outside trash removal.

**Modified Gross Lease** – Landlord covers base-year taxes and insurance. Tenant covers roof and structure, utilities, janitorial and common areas.

**Plus "E" Lease** – Landlord covers all base-year expenses except electricity, which is paid by the tenant.

**Net Lease** – Landlord covers roof and structure, taxes and insurance. Tenant covers utilities, janitorial and common areas.

**Triple-Net / NNN Lease** – Tenant pays all expenses.

**Percentage Lease** – The lease of a property in which rental is based upon volume of sales on the leased property.

**Lease Purchase** – See Financing Methods.

**LEED / Leadership in Energy and Environmental Design** ([www.usgbc.org/leed](http://www.usgbc.org/leed)) – Developed by the USGBC membership, the Leadership in Energy and Environmental Design (LEED™) Green Building Rating System is a national consensus-based, market-driven building rating system designed to accelerate the development and implementation of green building practices. In short, it is a leading-edge system for designing, constructing and certifying the world's greenest and best buildings. The full program offers training workshops, professional accreditation, resource support and third-party certification of building performance. LEED for New Construction and Major Renovations (LEED-NC), was launched in March 2000 following review by the entire USGBC membership and a national pilot testing program. LEED-NC is designed for rating new and existing commercial and institutional buildings; however, active member committees are developing criteria addressing other project types.

**Level of Service** – A measure of efficiency in the movement of vehicles through a road system as established by the Institute of Transportation Engineers (ITE) with grades varying from "A" (non-restricted movement) to "F" (frequent stops and inefficient movement) of motor vehicles. Also see Traffic Counts.

**Level A** – A relatively free flow of traffic with few limitations.

**Level B** – Generally a steady flow of traffic with backups clearing within a single cycle at controlled intersections.

**Level C** – A reasonably steady and high flow of traffic with some limitations on movement and speed, particularly at peak hours.

**Level D** – Traffic approaches unstable flow with waits through cycle at controlled intersections.

**Level E** – Traffic movement which is slow with frequent though temporary, stoppage. Particularly congested during peak hours.

**Level F** – Unsatisfactory traffic flow characterized by frequent stoppage and traffic jams, waits through more than one cycle at controlled intersections.

**Lien** – Typically an assessment filed against real property due to tax liabilities or improvements made without payments received. Tends to go with the land and is settled upon sale/purchase of the land.

**Lien Waiver** – A document signed by contractors upon payment for their services and prohibits their filling of a lien on the property for services rendered.

**Lifestyle Center** – See Retail Development.

**Limited Access** – An area may be immediately next to a highway, but when right-of-way was acquired for the roadway, they included a prohibition for access to the highway at that point.

**Linkages** – Refers to the suppliers and customers for a particular business. Ways to determine linkages include:

1. Examination of Input-Output tables.
2. Surveys of business executives. Often evaluated for potential business expansion in a jurisdiction that also helps existing businesses.

**Backward Linkages** – Used to reference the suppliers for a particular business.

**Forward Linkages** – Used to reference the clients, customers or purchasers of a business' products or services.

**List Serve Software** – Software used to distribute emails to many parties simultaneously. The list serve software can handle some administrative functions such as allowing people to subscribe or un-subscribe via the software rather than an administrator.

**Load Bearing Capacity** – A geotechnical soil test determining the ability of the soil and its substructure to carry or support a building. A measure of a floor or site's capacity for accommodating weight. Expressed in pounds per square inch.

**Loans** – General types of loans include the following.

Interim Construction – A loan obtained to finance the construction of a project.

Permanent – Generally a mortgage backed loan requiring long term payments.

**Location Factors** – See Site Selection Factors.

**Location Quotient** – A basic analytical tool, measured on a simple numerical scale to yield a coefficient of how well represented a particular industry is within a local economy. A LQ of less than one indicates that a particular study region has less than its share of a particular industry, while a region study with an LQ greater than one indicates it has more than its share of an industry. It is determined by calculating the percentage of employment in an industry in the jurisdiction to total employment in the jurisdiction as a ratio to the percentage of total employment in that industry nationally to total employment nationally.

Formula = 
$$\frac{\text{Local Industry Employment} / \text{Total Local Employment}}{\text{National Industry Employment} / \text{Total National Employment}}$$

**Lone Eagles** – A term coined to reflect knowledge workers such as consultants, free-lance professionals, independent brokers, financial advisors, writers, analysts, and other sole proprietors in the knowledge industry. They can work and live anywhere with only a computer, Internet access, fax and express mail service. Lone Eagles tend to be a strong base economy business.

High Fliers – Lone Eagles who have more than one employee.

**Lot** – Generally refers to a parcel of land that has been platted of record via the subdivision process. Contrast with a "Tract" of land which generally refers to an unplatted parcel of land.

**Lot Coverage** – A technical measurement of the percentage of a lot covered by buildings proposed by a development.

**MAEDC / Mid-American Economic Development Council** – Formulated as the Great Lakes Industrial Development Council, they are a regional entity representing the industrial heartland of America.

**MAI / Master Appraisers Institute** ([www.appraisalinstitute.org](http://www.appraisalinstitute.org)) – A professional designation granted by The Appraisal Institute, an international membership association of professional real estate appraisers, with more than 18,000 members and 99 chapters throughout the United States, Canada and abroad. Its mission is to support and advance its members as the choice for real estate solutions and uphold professional credentials, standards of professional practice and ethics consistent with the public good. The MAI membership designation is held by appraisers who are experienced in the valuation and evaluation of commercial, industrial, residential and other types of properties, and who advise clients on real estate investment decisions.

**Main Street Program** ([www.mainst.org](http://www.mainst.org)) – Started in 1977 by the National Trust for Historic Preservation, it is a program designed to produce increased levels of reinvestment and jobs while preserving and enhancing the heritage of communities.

Program Objectives – Objectives of the program include:

1. Study the reasons downtowns were dying.
2. Identify the many factors that have an impact on downtown health.

3. Develop a comprehensive revitalization strategy that would encourage economic development within the context of historic preservation.

**Fundamental Program Precepts** – The Main Street approach to downtown revitalization is based on four fundamental precepts as follows:

*Design* – Improving the downtown's image by enhancing its physical appearance. Buildings, street lights, window displays, parking areas, signs, sidewalks, promotional materials and any other elements that convey a visual message about the downtown.

*Organization* – Building a consensus and establishing cooperation between the groups that play roles in the downtown. Also see Stakeholders.

*Promotion* – Marketing the downtown's unique characteristics to shoppers, investors, new business, tourists and others. Methods include retail promotional activity, special events and ongoing programs to build positive perceptions of the district. Also see Promotion.

*Economic Restructuring* – Strengthening the existing economic base of the downtown while diversifying it. Activities include helping existing businesses expand, recruiting new businesses, converting unused space into productive property, and sharpening the competitiveness of downtown merchants.

**Manufacturer's Association** – An association of local manufacturers in a jurisdiction, organized for the mutual benefit of all participants.

**Objectives** – Objectives of the association might include:

1. To create an environment that encourages cooperation among firms and the community.
2. To strengthen the city's industrial base and improve its international competitiveness.
3. Enhance the productivity and performance of the city's industrial base encouraging adoption of innovative technologies, industrial processes, and human resource practices.

**Establishment** – Items to consider when establishing an association include.

1. Presence of a dynamic and growing manufacturing base.
2. Recognition by community that a strong manufacturing sector is essential.
3. Presence of a significant number of manufacturing firms (800+) that are well-off and growing.

**Process** – A typical process for creation of a Manufacturers Association could include.

1. Determining the facilitating organization.
2. Identifying the community leaders.
3. Establish a founding board.
4. Brainstorming session for basic structure, mission, membership, financing, etc.
5. Endorsement by City Council.
6. Development of a promotion strategy.
7. Kick-off dinner meeting.

**Mapping** – Graphic representation of various aspects or improvements within a jurisdiction. Often included as part of comprehensive plans. Examples include the following:

**Base Map** – A base map is the foundation for all other maps. It generally included streets with names, and lotting patterns.

**Drainage Map** – Shows topographic contour lines, watershed or basin delineations, and more detailed plans show the location and size of critical drainage structures.

Land Use Plan – Shows future land uses for all property within a jurisdiction. See Land Use Plan.

Sanitary Sewer Plan – Shows existing and future collection and treatment systems for sanitary sewer.

Soils Map – Developed by the Soil Conservation Service.

Topography Map – A topography map graphically depicts the slope of the land with contours at 1', 2', 5', or 10' contour intervals.

U.S.G.S. Quadrangle Map – A topographic map provided by the USGS and generally at a scale of 1:24,000. Shows general drainageways and transit facilities. Also see USGS.

Water Distribution Plan – Shows the physical source of water, storage facilities, and distribution system throughout a community or jurisdiction.

Zoning Map – Shows detailed property boundaries with colors or labels that identify the zoning district for every property. Also see Zoning.

**Marketing / Recruitment** – The identification of currently unfulfilled needs and wants, defines and measures their magnitude, determines which target markets the organization can best serve and decides on appropriate products, services, and programs to serve these markets. Also see Five P's of Marketing, and Promotion.

**Marketing** – The entire planning and implementation process of communicating the benefits of a product / service (Community) to potential customers (prospects) and delivering those benefits once they buy (select the Community). Understanding the needs of the prospect and fulfilling those needs to the satisfaction of the prospect and the community. Steps include:

1. Specifically defining the community economic development goals and objectives.
2. Completely understanding what the community has and does not have to offer.
3. Understanding what types of prospects are more likely to have interest in the community.
4. Developing a marketing message consistent with the goals/objectives and with what the community has to offer.
5. Communicating that message to the target the prospects and allies. Also see Promotion.
6. Effectively and professionally managing the relationship with each prospect.
7. Delivering once the deal is done.

**Marketing / The 5 P's of Marketing** – The following variables are important in the economic development marketing program, particularly due to the fact that each variable can be changed, adjusted, modified or controlled.

Product – The combination of features, services, and resources available in a community or development. Examples of product improvement include building an industrial park, erecting a shell building, extending a sewer line, upgrading a fire rating, or elimination of regulatory or zoning barriers to development. Also see Product and Product Development.

Promotion – Increasing awareness, educating, identifying, qualifying, and converting a contact into a prospect. See Promotion.

Price – The cost relative to the quality and benefits of the product. The cost of developing and operating a facility is most critical to site selectors. Also see Price.

Place – Where the product is offered - a community in a specific location relative to other locations. Some attributes of the product are controlled more by place rather than choices of the community (e.g. public utility service, transportation routes, higher education institutions).

People – People are the critical factor in the establishment of a successful business relationship. Promises on both sides must be met. Staff and volunteers must be competent in providing customized services to prospects and investor / members.

**Marketing Models** – Three basic marketing models can categorize the marketing approaches most often used by economic development organizations.

Consumer Model – Characteristics include:

1. Product is generally personal use item.
2. The purchase decision is generally made by the user.
3. Mass markets with slight segmentation.
4. Advertising is primary communication medium.
5. Draws majority of funding and best and brightest advertising talent.

Industrial Model – Characteristics include:

1. Products are low profile goods of commerce, institutions and government (e.g. screws, roll steel, plastics).
2. Purchase decision seldom made by actual user.
3. Personal selling is primary means of persuasion.
4. Agents provide high level of customer support service.
5. It is critical to establish effective customer - supplier relationships.
6. Purchasing agents are risk averse.

Service Model – Characteristics include:

1. An intangible product.
2. A high degree of customization to meet individual needs of the user.
3. Close contact between customer and service provider.
4. Selection, training and monitoring of personnel are critical to success.
5. Capacity constrained by labor and resources.
6. Repeat business is more important to financial success than winning new customers.

**Market Segmentation** – See Targeting.

**Match-Market Analysis** – See BRE/ Business Retention & Expansion.

**Measurement Conversions** – Following are some basic measurement conversions.

Lengths:

Foot = 0.3048 meters

Yard = 3 feet / 0.9144 meters

Meter = 39.37 inches / 1.094 yards

Kilometer = 0.621 miles

Mile = 5,280 linear feet / 1.609 kilometers

Areas:

Square Yard = 9 square feet / 0.836 square meters

Square Meter = 10.67 square feet / 1.196 square yards

Acre = 43,560 square feet / 4,840 square yards / .405 hectare / 208.711' x 208.711'

Square Hectare = 2.471 Acres

Square Mile = 640 acres / 1 full section / 258.999 hectares

Section = 640 acres

Township = 36 sections

**MBDA / Minority Business Development Agency** ([www.mbda.gov](http://www.mbda.gov)) – MBDA's mission is to achieve entrepreneurial parity for MBEs by actively promoting their ability to grow and compete in the global economy. MBDA is addressing challenges faced by MBEs by developing programs that provide the "keys to entrepreneurial success": 1. Access to Financing, 2. Access to the Marketplace, 3. Access to Education, 4. Access to Technology. (formerly OMBE / Office of Minority Business Enterprise)

**MBE / Minority Business Enterprise** – As defined by the Minority Business Development Agency (MBDA).

**MEP / Manufacturing Extension Partnership** ([www.mep.nist.gov](http://www.mep.nist.gov)) – MEP is a nationwide network of not-for-profit centers in nearly 350 locations nationwide, whose sole purpose is to provide small and medium sized manufacturers with the services they need to succeed. The centers, serving all 50 States and Puerto Rico, are linked together through the Department of Commerce's National Institute of Standards and Technology. Centers are funded by federal, state, local and private resources to serve manufacturers. That makes it possible for even the smallest firms to tap into the expertise of knowledgeable manufacturing and business specialists all over the United States. These specialists are people who have had experience on manufacturing floors and in plant operations. Each center works directly with area manufacturers to provide expertise and services tailored to their most critical needs, which range from process improvements and worker training to business practices and applications of information technology. Solutions are offered through a combination of direct assistance from center staff and outside consultants. Centers often help small firms overcome barriers in locating and obtaining private-sector resources.

**Merchandise Marts** – Where retailers go to buy their inventory.

**Metes & Bounds** – A method of describing a parcel of land using measures (metes) and direction (bounds) (e.g. N 23° 00' 23" W, 238.21').

**Micro-Loans** – See Financing Methods.

**Millage** – Typically an all-inclusive ad valorem property tax rate represented in dollars per one-thousand dollars.

**Mission Statement / Vision Statement** – The overall guiding direction for an entity. It is generally the "mission statement" that is the broadest policy statement of an organization. See also "Goals", "Objectives", and "Strategies" which are implementation approaches to meet the mission. The mission statement briefly answers questions such as the following:

1. What "markets" will be served?
2. What are the major outputs or areas of service of the organization?
3. What are the major commitments of the organization?
4. What defines the organizations constraints?
5. What function does the organization perform?
6. For whom does the organization perform these functions?
7. How does the organization go about fulfilling the functions?

**Mobility Indicators** – A measure of industry attractiveness that identifies the likelihood for growth, relocation or expansion. Factors typically include:

1. Historical and projected industry growth rate.
2. Number of establishments.
3. Capacity utilization rate.
4. Change in capacity utilization rate.

**Moment-of-Truth Processes** – See Processes.

**Moratorium** – A temporary cessation of all activities, typically adopted by a community by ordinance, to allow time to address a particular issue. E.g. a six-month residential building permit moratorium to study sewer capacity would not allow the issuance of a residential building permit for a six-month period.

**MPO / Metropolitan Planning Organization** – A planning organization representing the interests of a larger area, typically several counties and predominately for use in issues related to transportation.

**MSA / Metropolitan Statistical Area / Metropolitan Area** – The general concept of a metropolitan area is that of a large population nucleus, together with adjacent communities having a high degree of social and economic integration with that core. Metropolitan areas comprise one or more entire counties, except in New England, where cities and towns are the basic geographic units. The Office of Management and Budget (OMB) defines metropolitan areas for purposes of collecting, tabulating, and publishing federal data. Metropolitan area definitions result from applying published standards to Census Bureau data.

**MUD / Municipal Utility District** – A political jurisdiction established to administer and provide services for residents or property owners in the district. Typically this includes water distribution or similar infrastructure.

**Multiplier Effect** – A measure, typically regarding employment, 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).

**Regional Income Multiplier** – The average number of times each dollar of inflow changes hands within the economy before it “leaks” from the local re-spending process in the form of savings, imports or taxes.

**NACORE / National Association of Corporate Real Estate Executives** ([www.nacore.com](http://www.nacore.com)) – NACORE International is a professional association. It was originally founded in Miami in 1969 as NALAN (National Association of Location Analysts) as a means for corporate executives to share real estate questions and solutions. The organization was incorporated in 1974 in the state of Florida and renamed National Association of Corporate Real Estate Executives (NACORE). In 1988, with members worldwide, it became NACORE International Inc. Changed to CoreNet Global on January 1, 2002 via a merge with IDRC.

**NADO / National Association of Development Organizations** ([www.nado.org](http://www.nado.org)) – The National Association of Development Organizations provides training, information and representation for regional development organizations in small metropolitan and rural America. The association, a public interest group founded in 1967, is the largest and leading advocate for a regional approach to community, economic and rural development and provides a network for its members to share ideas and innovations.

**NAFTA / North American Free Trade Agreement** ([www.usda.gov/info/factsheets/nafta](http://www.usda.gov/info/factsheets/nafta)) – The North American Free Trade Agreement (NAFTA) became effective on 1 January 1994, after formal signing by the heads of state of Canada, Mexico, and the United States and an exchange of letters implementing the agreement. In eliminating trade barriers between these three countries, the NAFTA created an open

market of over 375 million people and over US\$6 trillion in annual output, about the size of the European Union. The NAFTA's major objectives are to eliminate tariffs; to improve market access to goods and services among NAFTA countries; to eliminate barriers to manufacturing, agricultural, and services trade; to remove investment restrictions; and to protect intellectual property rights.

**NAICS / North American Industrial Classification System** ([www.naics.com](http://www.naics.com)) – A classification system adopted by the Office of Management and Budget (OMB) on January 16, 2001 as a replacement for the long-standing SIC due to overall changes in the predominant types of businesses in our contemporary economy. NAICS industries are identified by a 6-digit code, in contrast to the 4-digit SIC code. The longer code accommodates the larger number of sectors and allows more flexibility in designating subsectors. It also provides for additional detail not necessarily appropriate for all three NAICS countries (USA, Canada, Mexico). The international NAICS agreement fixes only the first five digits of the code. The sixth digit, where used, identifies subdivisions of NAICS industries that accommodate user needs in individual countries. Thus, 6-digit U.S. codes may differ from counterparts in Canada or Mexico, but at the 5-digit level they are standardized.

**NAIOP / National Association of Industrial and Office Properties** ([www.naiop.org](http://www.naiop.org)) – A national association with 9,000+ members and an extensive network of 46 chapters that represent the interests of developers and owners of industrial, office and related commercial real estate throughout North America. NAIOP provides communication, networking and business opportunities for all real estate related professionals; provides a forum for continuing education; and promotes effective public policy, through its grassroots network, to create, protect and enhance property values.

**NAID / National Association of Installation Developers** ([www.naid.org](http://www.naid.org)) – Supports America's defense communities by working in partnership with active, closed, and closing military bases – and the private sector firms that serve them – to support local economic development.

**Nanotechnology** – Process of creating and using micro-miniature, or nano-scale-sized, “machines” by manipulating atoms and molecules using powerful electron microscopes. Nanotechnology promises major advances in nearly every field, including electronics, semiconductors, medicine, information technology, agriculture and the environment.

**NAP / Network Access Points** – Officially about 7 NAPS, deals with Internet. Various ISP or Internet backbone providers agree to co-locate for the purposes of connecting clients.

**NASDA / National Association of State Development Agencies** ([www.nasda.com](http://www.nasda.com)) – A membership organization which focuses on state economic development agencies and issues. Its core members are state economic development directors and the key managers in their agencies. NASDA welcomes and can accommodate a wide range of public and private officials involved in economic development and has numerous special publications, workshops and other programs which address issues of concern to these various audiences.

**NASVF / National Association of Seed and Venture Funds** ([www.nasvf.org](http://www.nasvf.org)) – The National Association of Seed and Venture Funds is an organization of private, public and nonprofit organizations committed to building their local economies by investing and facilitating investment in local entrepreneurs.

**National League of Cities** – See NLC / National League of Cities.

**National Main Street Center** ([www.mainst.org](http://www.mainst.org)) – A private, non-profit program administered by the National Trust for Historic Preservation. See Main Street Program.

**Natural Gas Terms** – Following are basic natural gas terms.

**BTU / British Thermal Unit** – Quantity of heat required to raise the temperature of one pound of water one degree Fahrenheit.

**MCF / Million Cubic Feet** – Volume measurement.

**TCF – Thousand cubic feet** – Usage usually reported by month.

**NBER / National Bureau of Economic Research** ([www.nber.org](http://www.nber.org)) – Founded in 1920, the National Bureau of Economic Research is a private, nonprofit, nonpartisan research organization dedicated to promoting a greater understanding of how the economy works. The NBER is committed to undertaking and disseminating unbiased economic research among public policymakers, business professionals, and the academic community. The NBER is the nation's leading nonprofit economic research organization. Twelve of the 31 American Nobel Prize winners in Economics and three of the past Chairmen of the President's Council of Economic Advisers have been researchers at the NBER. The more than 600 professors of economics and business now teaching at universities around the country who are NBER researchers are the leading scholars in their fields. These Bureau associates concentrate on four types of empirical research: developing new statistical measurements, estimating quantitative models of economic behavior, assessing the effects of public policies on the U.S. economy, and projecting the effects of alternative policy proposals.

**NBIA / National Business Incubation Association** ([www.nbia.org](http://www.nbia.org)) – The National Business Incubation Association is the world's leading organization advancing business incubation and entrepreneurship. It provides thousands of professionals with the information, education, advocacy and networking resources to bring excellence to the process of assisting early-stage companies.

**NDC / National Development Council** ([www.nationaldevelopmentcouncil.org](http://www.nationaldevelopmentcouncil.org)) – The National Development Council (NDC) is one of the nation's oldest and most respected 501(c)(3) nonprofit organizations dedicated to affordable housing and economic development finance. For nearly thirty years, NDC has provided technical assistance, training, and development services to local and state governments and nonprofit organizations. NDC works in hundreds of communities in almost all 50 states and Puerto Rico to evaluate and structure local economic development and affordable housing projects, leverage private investment, create local development finance programs, and bridge the gap between public sector and private sector investment. With experience about what makes programs work and what makes projects happen, and by providing "hands on" assistance in communities, NDC helps client communities achieve economic development and affordable housing goals.

**NEDA / Northeastern Economic Developers Association** ([www.nedaonline.org](http://www.nedaonline.org)) – A regional 501-c-3 professional educational organization formed in the 1950's representing eleven northeastern states and the District of Columbia.

**NEPA / National Environmental Policy Act** – Passed by Congress in 1969, it requires that any major federal action or policy that has a significant impact on the environment will require the preparation of an Environmental Impact Statement (EIS). See Impact Analyses.

**Net Operating Income** – See Financial Terms.

**Networking** – The ongoing process of establishing communications and relationships with people of power and influence.

**Cross-Professional Networking** – The ability of the E.D. professional to identify and connect with professionals of diverse fields such as legal, environmental, education and training, permitting, and international communications.

**New Business Guide** – A guide to various processes and permits required to start a business in a community. It often includes comprehensive information to assist in the establishment of a new business. Examples include: sources of assistance for licenses and permits needed; sales, state federal and self-employment taxes; workers and unemployment compensation; minimum wage and other labor laws; insurance; venture capital and other financing resources; and training opportunities in business management.

**New Market Tax Credits** – The New Markets Tax Credit Program (NMTC Program) was established by Congress in 2000 to spur new or increased investments into operating businesses and real estate projects located in low-income communities. The NMTC Program attracts investment capital to low-

income communities by permitting individual and corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs). The credit totals 39 percent of the original investment amount and is claimed over a period of seven years (five percent for each of the first three years, and six percent for each of the remaining four years). The investment in the CDE cannot be redeemed before the end of the seven-year period.

- \$15 billion program enacted as part of the 2000 Community Renewal Tax Relief Act.
- 39% Federal Tax Credits are realizable over 7 years: 5% the first 3 years and 6% the last 4 years.
- Tax credits created through qualified equity investments (QEI) into an intermediary, known as a Community Development Entity (CDE), which, in turn, invest in qualified active low-income community businesses (QALICB).
- A CDE must be accountable to the low-income community (LIC) through an advisory or governing board.

**News Release** – A planned release of a newsworthy event. Typically quotes from VIP’s are provided and names to contact for additional information.

**Phased News Release** – A phased news release accommodates the deadlines and printing requirements of both daily and weekly news publications such that articles on the desired project will all hit the public on the same day. This means you may have to give the information to the weekly business journal on Tuesday and the daily newspapers on Thursday to ensure an equitable release and thorough coverage by all media on the same print day – Friday.

**NIDA / Northeastern Industrial Developers Association** – See NEDA.

**NLC / National League of Cities** ([www.nlc.org](http://www.nlc.org)) – A national organization representing various issues related to municipalities.

**No Problem Syndrome** – The scenario in which the E.D. person, elected officials, or other community representatives answers “No Problem” to questions or issues raised by a prospect without any basis or understanding of the issue.

**Non-Basic Economy** – See Economy.

**Non-Conforming** – Buildings or uses of land lawfully occupied at the time of annexation or the effective date of an adopted zoning even though they do not conform to the use regulations of the district in which it currently exists. These uses may continue and can be sold to a new owner, but can never be expanded, increased, etc. without coming into compliance with the district regulations.

**Non-exempt Employee** – An employee that is paid overtime. See Exempt Employee for contrast.

**NPDES / National Pollutant Discharge Elimination System** – The permitting system where major polluters apply for permission to discharge their waste into a body of water.

**Non-Point Source Pollutants** – Pollutants generated by the overland run-off of rain water which enters a body of water at multiple natural drainage points.

**Point Source Pollutants** – Pollutants coming out of a pipe into a body of water.

**NREDA / National Rural Economic Developers Association** ([www.nreda.org](http://www.nreda.org)) – NREDA is an individual-member, professional organization dedicated exclusively to the advancement of rural development, the development of member proficiency, and achievement of social and human service objectives in rural areas. NREDA's membership base is comprised primarily of, but not limited to, development professionals working for rural utility organizations.

**Objectives** – Statements intended to identify actions necessary to meet the goals of an organization. Typically they are more detailed as to the desired outcome, often including numerically defined outcomes or performance targets. Objectives should be realistic and obtainable and ideally describe:

1. The key result to be achieved.
2. A numerical measure of progress.
3. A target date for achievement.

**OCC / Office of the Comptroller of the Currency** ([www.occ.treas.gov](http://www.occ.treas.gov)) – The Office of the Comptroller of the Currency (OCC) charters, regulates, and supervises national banks to ensure a safe, sound, and competitive banking system that supports the citizens, communities, and economy of the United States.

**Occupancy Rate** – A measure of the percentage of space that is occupied or leased by a tenant (e.g. Class “A” office has a 95% occupancy rate).

**Office Classifications** – See Building Classifications.

**One-Stop Shop / Permitting** – An administrative concept generally related to the issuance of permits by a regulatory agency, wherein all the required personnel and processes are located in the same administrative area, allowing the applicant a facilitated interaction in order to receive the required permits in a timely and efficient manner.

**Omni Building** – A building constructed with windows or visibility around the entirety of the building. Typically these are freestanding buildings, likely on pad sites adjacent to public ROW in front of major developments.

**Option on Land** – Generally a financial payment to a landowner for the privilege of being given the right to purchase the land under certain circumstances at some point in the future.

**Ordinance** – A municipally adopted law or regulation.

**Organizational Models** – According to a poll conducted by the AEDC, three primary models exist for economic development organizations.

**Private Sector Model** – Funding and policy direction is provided solely by private enterprise (e.g. bankers, lawyers, industrialists, small business owners, accountants, brokers). Less than ten percent of organizational respondents to an AEDC survey were private sector models.

*Advantages include:*

1. Activities are not restricted by political boundaries.
2. Allows maintenance of confidentiality.
3. Speaks effectively for the business sector’s interests.

*Disadvantages include:*

1. Lack of control over incentives, infrastructure improvements, etc.
2. General limitations in establishing public relations or building public support for a particular project.

**Government Agency Model** – Funding and policy direction provided solely by the public sector (i.e. Mayor and City council). Less than ten percent of organizational respondents to an AEDC survey were government agency models.

*Advantages include:*

1. It allows access from all sectors of the community via elected officials.
2. It ensures direct access to government programs providing incentive and infrastructure improvements.

*Disadvantages include:*

1. Changes in elected leadership.
2. Lack of meaningful involvement of volunteers.

Public / Private Partnership Model – Funding and policy direction provided by both the public and private sectors. Advantage and disadvantage are moderated due to shared emphasis. An AEDC survey found that 80% of the respondents utilized public/private partnership models.

**Orientation** – A meeting or process for the purpose of introducing new team (board) member(s) to various aspects of an organization. Topics typically include:

1. Organization’s mission, objectives and strategies.
2. Existing and potential programs.
3. Responsibilities as a team member.
4. A financial overview.

**OSHA / Occupational Safety and Health Administration** ([www.osha.gov](http://www.osha.gov)) – OSHA's mission is to ensure safe and healthful workplaces in America. OSHA offers an extensive website with a special section devoted to assisting small business as well as interactive software advisors to help employers and employees better understand how to comply with OSHA standards. Free workplace consultations are available in every state to small businesses that want onsite help in establishing safety and health programs and identifying and correcting workplace hazards.

**Out-Tract** – A parcel of land that was not included in a larger compilation of tracts for the purposes of developing a larger, more comprehensive project. Also see Infill Development.

**Outlet Mall** – See Retail Development.

**Overlay District** – A zoning ordinance district that overlays the underlying zoning district uses. Typically this includes urban design enhancements or other regulatory characteristics unique to the overlay boundary (e.g. Historic Overlay District, Corridor Overlay District).

### **Parking**

Surface Parking – Parking that is entirely on the surface of the land.

Structured Parking – Parking garages or other structures built to accommodate multi-level parking surfaces.

**Participation Rate** – A labor market term describing the percentage of the population 16-64 that is in the civilian labor force.

**PDF File Format** – See File Formats.

**Performance Dashboard** – A concise representation of activities, progress towards goals and objectives, and any other information or performance criteria desired to be monitored.

**PERT Chart / Program Evaluation and Review Technique** – A graphic exhibit with time on the ‘x’ axis that shows the relationships and dependencies of tasks required to complete a project. Used in project management to show the relationship and dependencies between tasks leading up to completion of a project. Also see Gantt Charts and CPM-Critical Path Method.

**P.E. / Professional Engineer** – See Engineers.

**Perimeter Street Fees** – See Fees.

**Permits** – Procedural entitlements required to proceed with various stages of construction activity.

**Building Permit** – The permit issued upon review and compliance of all building construction plans. Allows the beginning of construction on the building.

**Earth Disturbance Permit** – The permit issued which allows grading and the disturbance of the natural turf. Typically includes provisions for erosion control and tree preservation. Also see Erosion Control Plan.

**Foundation Permit** – The permit issued which allows the forming, plumbing and pouring of the foundation of a building.

**Section 404 Permit** – Administered by the Corps of Engineers, Section 404 of the Clean Water Act requires "no net loss" of wetlands through an aggressive program of wetland identification, study and protection.

**Sign Permit** – The permit issued which allows the construction of signs on a project.

**Personal Property** – See Property.

**PID / Public Improvement District** – The approval of a PID allows a city to levy and collect special assessments on property within the city or the city's ETJ. Eligible improvements in a PID include public works infrastructure, mass transit parking, library, parks, landscaping and other aesthetic improvements, public art, creation of pedestrian malls, safety services, advertising, business recruitment and development.

**PIO / Public Information Officer** – Generally the person responsible for dissemination of information from a jurisdiction, to answer questions from the public, and to manage interaction with the media.

**Plan Review Fees** – See Fees.

**Planning and Zoning Commission** – Typically a board appointed by the governing body and delegated responsibility to develop and update master plan components, and provide recommendations to the governing body with regard to the appropriateness of various development applications (i.e. zoning changes, plats, site plans).

**Planning** – Following are major divisions of municipal planning. Also see Community Development.

**Master Planning** – The formulation of community vision and values, and the development of long-range reports and plans necessary to implement the desires of the community. Elements of master planning might include: Land Use Plan, Park Master Plan, Trail System Master Plan, Master Thoroughfare Plan, Affordable Housing Plan, Capital Improvement Plan, etc. Also see Mapping.

**Current Planning** – Implementation of master planning is done through the ongoing efforts of current planners. Included in this effort are such items as zoning administration, regulatory code writing, subdivision plat review, site plan review, etc.

**Neighborhood Planning** – Planning that takes a look at a particular geographic area, typically having uniquely common or shared characteristics. The breadth of the planning effort likely is driven by the constituents in the area and may cover as broad or narrow a perspective as necessary.

**Plat / Subdivision Plat** – A technical drawing showing the boundaries of a tract of land and the lots, easements, and roadways proposed as a part of the subdivision of land. Typically required prior to issuance of a building permit or extension of utilities.

**Preliminary Plat** – Shows all lotting, easements, and roadways, but generally without the calculated dimensional accuracy of a final plat. A preliminary plat is not filed of record and therefore does not consummate the dedication of easements or ROW.

**Final Plat** – Defined by surveyed dimensional accuracy showing all lotting, easements, dedications, and property corner monumentation. Upon approval and filing of this plat, all entitlements granted by easement or dedication are consummated.

**Power** – The ability to make a decision and have others abide by that decision. Also see Influence / Indirect Power.

**Power Center** – See Retail Development.

**Power Structure** – The leaders or decision-makers in an organization or community.

**Clustered Power Structure** – A hybrid structure, generally found in more mature communities, where several independent organizations, ethnic groups, political subsets (with their own leaders) works with and through a central power structure represented by a relatively small group of leaders who are most influential in the affairs of the city.

**Formal Power** – Structure that is readily identifiable to include elected and appointed government officials, and leaders of civic organizations, has easy entry and high turnover.

**Informal Power** – “The Establishment”, or influential persons of long tenure within an organization or community. Generally more difficult to identify than formal leaders. May have greater influence than formal structure, restricted entry (generally by wealth, status, expertise or charisma) and little turnover.

**Segmented Power Structure** – Structure represented by two or more groups with parallel and roughly equal authority, each with its own leaders.

**Unified Power Structure** – A structure represented by a single center of power represented by a company, an individual, or a small group of people who tightly hold power in a community.

**Price** – Traditional product pricing formula: Price = product + services + image + expense + profit.

**Primary Business** – See Business Types.

**Prioritization** – The process of evaluating multiple tasks against the goals and objectives of the organization and ranking the initiatives in order of importance. Methods include:

**Project Advocacy Ranking System (PARS)** – A system where all advocates can describe their project in detail in a common format, thereby allowing equitable comparison and ranking by the governing body. Steps include:

1. Notify all interested parties of the process.
2. Distribute Project Advocacy Forms (PAFS) to all who wish to advocate a project.
3. Advocates fill out the PAF by defining the problem and projected outcomes.
4. Collect PAF's from all parties and input each project into a master matrix allowing the ranking of each project.
5. Distribute master matrix of projects and individual PAF's to policy makers for ranking.
6. Collect matrix rankings and tally results mathematically based on the number of responses received in each priority rank.
7. Distribute results and discuss.

**Problem Solving Process** – A simple process to address and solve a problem. An example:

1. Define the problem clearly.
2. Analyze the problem and identify possible causes.
3. Identify possible solutions.
4. Select the most appropriate solution.

**Processes** – Processes may be differentiated as follows.

**Operations Processes** – A process which produces the same tangible output, time after time, like a factory, warehouse, or insurance claims processing center.

**Moment-of-Truth Processes** – A process which produces the same output over and over, in an interpersonal customer service setting like an airline check-in counter or bank teller station. The product is intangible and the quality of the product is often evaluated on the strength of the response to a question or need for service.

**Product** – In the realm of economic development the product is generally considered to be the jurisdiction you represent, e.g. city, county, region, or state.

**Product Development / Community Building** – Examples of product development include the following:

1. Infrastructure development, both traditional and broader view. See Infrastructure.
2. Improvements in the local education system.
3. Improvements in labor force readiness. Also see Labor.
4. Participation in land use planning to insure availability of quality land for all types of economic activities. Also see Planning, Community Development.
5. Improvements of local quality of life elements such as recreational, cultural, and health facilities. Also see Quality of Life.

**Promotion Audiences** – Promotional efforts are typically directed at three basic audiences.

**Internal Promotion** – The communication with and constant education of your colleagues to include staff members, directors, board members, as well as elected and appointed officials of your jurisdiction.

**Local Promotion** – Communication of the economic development program to the citizens, existing businesses, investors, opinion leaders and critics of the jurisdiction being represented.

**External Promotion** – Communication with the general public, media, professional networks, and strategic allies outside the jurisdiction with particular focus on targeted businesses.

**Promotion Techniques** – The process of getting a message out to the intended target. Methods include:

**Advertising** – Extensively used though expensive and ineffective. Best when combined with other more targeted approaches. Better for general awareness than for prospect generation.

**Direct Sales Call** – Effective but expensive, best used on highly qualified targeted prospects with known plans for expansion or relocation.

**Direct Mail** – Least effective but inexpensive. Can be cost effective if combined with follow-up direct contact by promoter.

**Telemarketing** – Can be effective if performed in a highly targeted and professional manner. Often used as a follow-up to direct mail contacts.

**Trade Shows** – Typically the marketing agency reserves a 10' x 10' booth (or multiple thereof) and mans the booth during a conference of targeted prospects, representing the community and marketing the positive aspects of the community.

**Property** – Generically means the taxable assets of a real estate ownership.

**Real Property** – Means the land and physical improvements on the land (buildings, parking lots, etc.).

**Personal Property** – The temporary assets contained within a real estate investment (e.g. furniture, fixtures, computers,). A.k.a. FFE - Furniture, Fixtures and Equipment.

**Property Manager** – A person whose job it is to maintain a building or development for the benefit of the tenants. This may include landscaping, lighting, security, cleaning, but also cooperative marketing if part of the lease agreement.

**Pro-Rata Share** – Typically used to describe a fair allocation of the cost of an improvement over all parties who benefit.

**Prospect** – A generic description for a potential business evaluating a location in your community. Also see Commitment Stages.

**Ideal Prospect** – As a part of a targeted marketing program, it may be desirable to try to identify the “ideal prospect” for a community. The following questions may help with this identification.

1. What type of business do we want?
2. How many employees would we like the company to employ?
3. What skill level would we want the company to need?
4. Would we prefer a foreign or domestically owned company?
5. Would we like the company to use an existing facility or build a new one?
6. What type infrastructure would be important to the company?
7. What type of incentives would the company expect?

**Prospect Handling** – The art and service of attending to the needs of a prospect from initial contact until years after their establishment in a community. Some principles of professional prospect handling include:

1. Maintaining confidentiality if requested. Inform others only on a need-to-know basis.
2. Responding promptly in all instances.
3. Providing what is requested, not what you have available.
4. Delivering what you promise / don't promise what you can't deliver.
5. Listening to the prospect.
6. Making community contacts available to the prospect and handling all arrangements.
7. Coordinating transportation for prospects visiting the community, even if you are not included during drive time.

**PTAC / Procurement Technical Assistance Center** ([www.wvptac.org](http://www.wvptac.org)) – Funded by the Department of Defense, they assist businesses in contracting with local, state, and federal government agencies.

**PUD / Planned Unit Development** – A development concept which allows flexible development standards in order to achieve a more creative, efficient, and aesthetically desirable design and placement of buildings, open spaces, circulation patterns and to best utilize special site features, such as topography, size and shape.

**Quad Map** – See Mapping / USGS Quadrangle Map.

**Quality of Life** – A generically used term representing variables that make a community enjoyable to live in including: education, housing, crime rates, weather, recreation, culture, health, religion, public safety, and community appearance, etc.

**Rail Terms** – Common rail terms include the following.

**Commuter Rail** – A heavy train for long distance travel, sharing rail with typical heavy rail service.

**Light Rail** – Locally operated electric rail service with lighter duty trains. Does not share rails with heavy rail / commuter rail service.

**Railhead** – A railroad terminus, the farthest point to which rail has been laid.

**Rail Spur** – A short rail segment providing access from a business to a rail system.

**Raster File Format** – See File Formats.

**RCRA / Resource Conservation and Recovery Act** – Adopted in 1976 with the following objectives:

1. To improve solid waste disposal practices while protecting environmental health and quality.
2. To regulate hazardous wastes from their creation to their ultimate disposal.
3. To establish resource conservation as the preferred solid waste management approach.

**REA / Reciprocal Easement Agreement** – An agreement between multiple parties of a comprehensive commercial development that allows vehicular access to, through, and between all individual lots in the development and providing access to the public rights of way.

**Recruitment / Attraction Program** – The efforts extended to entice a non-local business to locate in a community. Also see Promotion, Marketing.

**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.

**Referendum** – A vote by the constituents of a jurisdiction on a particular issue. Referendums can be “binding” or “non-binding”.

**Regional Mall** – See Retail Development.

**REIT / Real Estate Investment Trust** – Authorized as the Real Estate Investment Trust Act by Congress in 1960, it permits the organization of an unincorporated trust or association for the purpose of investing in real estate, real estate mortgages, and other interests in real estate.

**Resource Enhancement** – A Rusty Bucket Economics term meaning the practice of increasing the use of local wealth and talent. Evaluate existing resources to identify those which are either unused or underused, then use them to support an economic activity increase in efficiency. Also see Rusty Bucket Economics.

**Retailing** – The selling of goods to the final consumer.

**Retail Development** – Various types of retail development can be represented by the following.

**Big Box** – A single tenant building typically (though arbitrarily) greater than 40,000 square feet. Often the architecture of the building is devoid of detailing or other aesthetic treatments.

**Category Killer** – A retailer strategically focused on a single product or industry (e.g. electronics, footwear, toys).

**Community Center** – A retail center generally of 150,00-350,000 square feet including 1-2 anchors and several in-line retailers. The customer market is predominantly the community in which it is located.

**Lifestyle Center** – Typically an open-air environment with upscale retail specialty stores, dining and entertainment tenants, parking in close proximity to stores, generally no anchors.

**Neighborhood Center** – A center of 80,000-150,000 s.f. typically with local service type anchor.

**Outlet Center** – A retail development including a collection of multiple small tenants representing name-brand products at off-market prices. Generally located along major highways having good access from a large region.

**Power Center** – A center typically the scale of a community center, but is focused more on Big Box or Category Killer tenants than the smaller in-line retail space.

**Regional Mall** – A retail center that generally has over 500,000 s.f. including 2-3 large anchors greater than 100,000 s.f., several junior anchors, and multiple in-line retailers. Characteristically draws from a large region of customers.

**Specialty** – Generically refers to high-end retailers of specific products (e.g. Gourmet foods, candles, furniture).

**Strip Center** – A development characterized by linear development with multiple in-line tenant spaces. Generally no large anchor tenant.

**Retention / Business** – The process or programs intended to retain businesses currently existing within a community. See BRE / Business Retention and Expansion.

**Retention Pond** – A physical depression in the land used to retain storm water permanently. Contrast with a "detention" pond which detains water temporarily, allowing a metered outflow of water back to an empty state or "retention pond" level. Also see Detention Pond for contrast.

**Retreat** – An all-day or even two-day meeting that allows board members and practitioners to get away from the telephone and other distractions to discuss goals, prioritization of projects, organization strengths and weaknesses, political challenges and other policy issues of the organization.

**Revolving Loan Funds** – See Financing Methods.

**RFP / Request for Proposals** – A written document sent to consultants requesting a proposal of services necessary to meet the objectives of a project. The RFP typically includes the objectives of the project, anticipated public process requirements, and a broad scope of services. Also see RFQ.

**RFQ / Request for Qualifications** – A written document sent to consultants requesting their submittal of information describing their qualifications to perform the required service. Typically used to identify qualified consultants for further evaluation. Also see RFP.

**Right-To-Work** – An employee's right to work without belonging to a union.

**RLUIPA / Religious Land Use and Institutionalized Persons Act** – A federal statute signed into law September 2000 which provides for vigorous protections of religious freedoms.

**ROW / Right of Way** – A delineation of land, typically for the greater public use, to accommodate public streets and utilities.

**Rusty Bucket Economics** – Emphasizes an understanding of the local economy and a building of the local economy from within – building on the capacity that already exists. RBE tactics include Value Addition, Import Substitution, and Resource Enhancement.

**Sanitary Sewer Plan** – See Mapping.

**SBA / Small Business Administration** ([www.sba.gov](http://www.sba.gov)) – A federal organization responsible for financial programs to assist the development of small businesses.

**SBA 504 Program** – A long-term fixed assets financing program.

**SBDC / Small Business Development Center** ([www.sba.gov](http://www.sba.gov)) – A program of the SBA in cooperation with the private sector, the educational community and federal and state governments. SBDC's offer a broad spectrum of business information and guidance, and assistance in preparing loan applications.

**SBIC / Small Business Investment Corporation** ([www.sba.gov](http://www.sba.gov)) – An SBA program that licenses private venture capital firms and small business investment companies, makes equity investments and long-term loans to small businesses.

**SBIR / Small Business Innovation Research Program** – A business development program sponsored by the SBA Office of Innovation, Research and Technology intended to help plant managers. It provides cash awards to small business that develop innovative ideas.

**SCN / Sustainable Communities Network** ([www.sustainable.org](http://www.sustainable.org)) – The SCN website connects citizens with the resources they need to implement innovative processes and programs to restore the economic, environmental, and social health and vitality of their communities. It addresses a wide range of issues related to community sustainability, including creating communities, living sustainably, and governing communities. In addition it gives case studies, resources, links to relevant websites, events calendar, and suggested reading.

**SCORE / Service Corps of Retired Executives** – An SBA counseling and training service composed of volunteer executives who provide free management and technical expertise.

**Search Engines** – Internet programs that search for desired topics or resources. Major search engines include [www.google.com](http://www.google.com), [www.altavista.com](http://www.altavista.com), [www.yahoo.com](http://www.yahoo.com), [www.ask.com](http://www.ask.com).

**SEC / Society of Exchange Counselors** ([www.secounselors.com](http://www.secounselors.com)) – Founded in 1961 on the philosophy that Real Estate is a People Business; the Society of Exchange Counselors is the nation's premier creative real estate marketing organization. Our worldwide members are leaders in creative real estate and experienced commercial and investment real estate brokers, counselors, developers, asset managers, financiers, investors, exchangers, consultants and educators.

**SEDC / Southern Economic Development Council** ([www.sedc.org](http://www.sedc.org)) – Formed by a name change from SIDC. SEDC provides useful information and dynamic leadership to economic development practitioners throughout the American South.

**Senior Housing** – Following are basic breakdowns for various levels of senior housing.

**Independent Living** – Services typically just include providing three meals a day.

**Assisted Living** – Provides some nursing services.

**Nursing Home** – Provides round-the-clock nursing care.

**Services** – Economic enterprises that profit from human resources and expertise rather than the manufacturing, distributing, or selling of a physical product. Types of services differentiated by the Economic Council of Canada include the following:

**Dynamic Services** – Generally considered the high value-added, high growth industries that are involved in globally competitive markets. Examples include: finance, insurance and real estate, business services, transport and storage, communications, utilities, and wholesale trade.

**Traditional Services** – Tend to be lower value-added, less subject to technological changes and less rapidly expanding. Examples include: retail trade, accommodations, food and beverage, amusement and recreation, and personal services.

**Non-Market Services** – Service activities that are primarily generated outside the market place under the control and supervision of the public sector. Examples include: education, health services, social services, and public administration.

**Shadow Space** – Used to describe sub-lease space.

**Shell Building** – A building erected on a speculative basis.

**Finished Shell** – Completed buildings with floors poured, site fully graded with paved parking and landscaped.

**Semi-Finished Shell** – A building that is complete except for flooring and sprinkler systems, often with concrete apron, lights, doors, parking and landscaping.

**Unfinished Shell** – Foundation laid and walls erected. Usually includes a roof, graded site, and no finishing touches.

**Shift-Share Analysis** – An analysis that uses employment data to determine the causes of change for a particular industry within the studied region. It analyzes the reasons for competitive advantages or disadvantages to a region.

**Shopping Center** – See Retail Development.

**Shovel-Ready Site** – A development site that has all its entitlements, utilities are to the site, and basically the site is ready to have a building permit issued without requesting other governmental approvals.

**SHPO / State Historic Preservation Office** (<http://www.cr.nps.gov/nr/shpolist.htm>) – Established under the National Historic Preservation Act of 1966, the national historic preservation program is a partnership between the Federal, State, Tribal and local governments; private organizations; and the public. State Historic Preservation Officers (SHPO) play a critical role carrying out many responsibilities under the Act. Central to this framework is the National Register of Historic Places--the Nation's official list of cultural resources worthy of preservation.

**SIB / Speculative Industrial Building** – A speculative building intended for industrial use. See Speculative Building.

**SIC Code / Standard Industrial Classification Code** – A numerical coding system used to identify and classify all industries. A unified effort is being made to change to the NAICS classification system. Also see NAICS.

**SIDC / Southern Industrial Development Council** – Formed in Fort Worth, Texas in 1957, the SIDC was the first regional economic development organization. Changed to SEDC.

**SIOR / Society of Industrial and Office Realtors** ([www.sior.com](http://www.sior.com)) – A professional affiliate of the National Association of Realtors, the Society certifies its members with the SIOR – Specialist, Industrial and Office Real Estate – designation.

**Site Plan** – A detailed technical drawing showing in plan view the exact layout through dimensional control, the intended development of a site including the final building shape, sidewalks, parking areas, landscape areas, and driveway connections to public streets. See Concept Plan for contrast.

**Site Selection Decision Makers** – Following are the approximate rankings for highest degree of involvement for making site selection decisions. \*In smaller firms the President / CEO had a much greater degree of involvement.

**When Creating a Short List**

1. Corporate real estate executives
2. Vice Presidents
3. Site selection consultants
4. \*Presidents / CEO's
5. CFO's
6. Human resource executives

**When Making the Final Site Selection Decision**

1. Vice Presidents
2. Corporate real estate executives
3. \*Presidents / CEO's
4. CFO's
5. Site selection consultants
6. Human resource executives

**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.

**Site Selection Factor Rankings** – Examples of the evolution of the importance of various site selection factors to manufacturing uses over time can be seen by the following.

**1970's** – Following were approximate rankings.

1. Availability of gas.
2. Prevalence of unionism.
3. Site proximity to interstate transportation systems and to support services.

**1980's** – Following were approximate rankings.

1. Environmental concerns.
2. General living conditions.
3. The availability of service by deregulated carriers.
4. Availability and reliability of electric power service.
5. Shortages of both skilled and unskilled labor.

**2000's** – Following are approximate rankings.

1. Availability of a major airport.
2. Physical environment.
3. Transportation systems in general.
4. Nearby colleges and universities.
5. Education (K-12)
6. Health care.
7. Cost of housing.
8. Recreational amenities.
9. Cultural amenities.
10. Two-career family economic opportunities.
11. Cost of living.
12. Climate.

**Site Selection Process** – Although the site selection process varies considerably depending on the scale of the project and type of industry, a typical process for a manufacturing facility would include:

1. Defining the facility.
2. Analyze the market to be served.
3. Decide to do a site search.

4. Perform a freight cost analysis.
5. Define the site search area.
6. Do initial screening using “knockout” factors.
7. Second round screening of detailed information.
8. Site visits.
9. Ranking of alternatives.
10. Due diligence analysis of engineering, legal, and other technical factors.
11. Formal decision.
12. Start-up of new location or facility.

**Most Helpful Activities** – According to a survey of manufacturing company representatives the following were deemed the most helpful activities performed by the Economic Developer.

1. Information / assistance in obtaining financial tax incentives.
2. Providing general information about location.
3. Contact with local authorities.
4. Education.
5. Assistance with hiring and the labor market.
6. Locating and touring facilities.
7. Overriding item is helping move project forward by providing information and cutting through local red tape.

**Site Selection Types** – Generally there are three main types of site selection required by an organization.

**Expansion** – This could mean either on-site or at a new location.

**Relocation** – The disposal of an existing location and re-establishment of the business at another location.

**Start-Up** – A determination of where the business should be established. This might also include the establishment of formal presence by moving from a home-based business to a business district in the community.

**Skills** – Various skills are deemed important to the successful economic development generalist. Examples include:

**Basic Skills** – Reading, writing, verbal and math.

**Community Organization Skills** – The ability to adopt regional approaches to development, forge partnerships among key players in the public and private sectors, develop cooperation among diverse economic development entities, consummate a consensus among neighborhood, environmental, minority, and other citizen groups.

**Computer Skills** – Use of computers to prepare proposals, perform research, and analyze pro-forma statements, access relevant data bases, targeting studies, economic impact analyses, and GIS opportunities.

**People Skills** – Includes a wide range of communication skills; leadership, coaching, organizing and motivation skills; and negotiation, mediation and conflict resolution skills.

**Slope of Land** – The slope of land is represented as a percentage and determined by the review of contour elevations represented on a topography map. The slope equals the vertical distance in feet divided by the horizontal distance in feet. (a.k.a. rise/run)

(E.g. VD = 1' with HD = 10' = 1/10 = 10% slope)

**Smart Building** – A technologically advanced building from a telecommunications perspective, typically completely fiber optic.

**Smart Growth** – A development philosophy that includes many of the following aspects:

1. Planning compact, pedestrian-friendly development-mixed use, where people have transportation choices.
2. Creative range of housing opportunities and choices
3. Fostering distinctive, attractive places with a strong sense of place.
4. Preserving open space, farmland and critical environmental areas.
5. Strengthen and direct development towards existing communities.
6. Directing new highway transportation dollars to existing communities to improve safety for walkers, bikers and drivers, and to promote public transportation.

**Solvency** – A measure of the ability to meet debt obligations as they occur. See Financial Ratios.

**Specific Use Permit** – See SUP / Specific Use Permit.

**Speculative Building** – A building built prior to confirmation of any tenants. Such buildings are rarely in a completely finished state, usually only the walls and roof are completed so that the building could be finished to the specifications of the tenant. Following is a typical process for development of speculative building:

1. Preliminary Research / Qualifying the Market – Confirm the market supply (what is out there) and demand (what customer is buying), analyze existing inventory, meet with private sector.
2. Location and Building Specifications – Analyze and understand location aspects and building design considerations.
3. Financing – Identify costs, sources of capital, and negotiate mortgage.
4. Construction Phase – Establish project time line, obtain builders risk insurance, monitor work and progress payments.
5. Develop Marketing Plan – Concurrent with building construction, determine target group, type of message and delivery medium.
6. Completion – Perform final reviews, inspections, change orders, payment requests, and insurance changes.
7. Sale or Lease Agreements – Utilize an attorney, check credit worthiness of tenant if leased.

**Stakeholder** – An individual or company with a long-term interest or stake in the economic future of a community, or who may be impacted by changes in the community.

**Start-Up Business** – A new business with no prior history.

**Steering Committee / Resource Team / Advisory Group** – A group of people strategically selected for their skills, knowledge, leadership, power, or influence within a community. Example candidates in three major sectors include:

Civic Groups – Business associations, chambers of commerce, citizen groups, service clubs, tourist bureaus, taxpayer associations, foundations, professional associations, women's organizations, and church groups.

Government – Local, regional, and state elected officials, appointed officials, state agencies, regional planning groups, educational institutions, and publicly owned utilities.

Private Sector – Businesses and individuals with interest in economic development, bankers, realtors, attorneys, developers, retail corporations, industrial corporations, utilities, transportation, service corporations, communication companies, and news media.

**STEM – Science / Technology / Engineering / Math** – A term typically used to discuss education curriculum choices.

**Strategic Planning Process** – The process by which an organization or community envisions its future and develops the necessary procedures and operations to achieve that future. It can provide the means for facilitating the resolution of local economic problems within a consensus-building framework. A strategic plan should present a clear vision for the future activity of an organization, a set of goals to attain that vision, a set of strategies to achieve each goal, and a system for evaluating the results. Phases of the strategic planning process in sequential order include:



**Initiation & Organization** – Generally the motivation to initiate the process is the desire to establish a more effective economic development program. This phase of the SPP includes:

1. Identifying key community leaders to include a “champion” and stakeholders.
2. Gain commitment of leaders via briefings of the strategic planning process.
3. Formulating a steering committee representing all stakeholders.

**Analysis** – (a.k.a. Situation Analysis and Economic Assessment) The analysis phase includes:

1. Conducting an economic assessment. See Economic Assessment.
2. The identification of local issues. Also see Economic Assessment, SWOT Analysis and Group Facilitation Techniques.

**Formulation** – The formulation phase includes:

1. Envisioning. See Mission Statement.
2. Defining goals and objectives. See Goal, Objectives.
3. Developing strategic actions.
4. Finalizing the strategic plan.

**Implementation** – The implementation phase includes:

1. Assigning organizational responsibilities.
2. Formulation of organizational strategic action plans.
3. Allocation of resources.
4. Development of work programs. See Work Program.

**Evaluation** – The evaluation phase includes:

1. Monitoring progress.
2. Reviewing performance
3. Analyzing the impacts.

**Strategies** – Strategies represent action-oriented approaches to the achievement of stated objectives to meet goals driven by the mission. Examples for several major categories include:

**Corporate** – Create national recognition of our jurisdiction as a potential corporate office location via advertising campaigns, regional promotion, and strategic attribute definition.

**Industrial / Manufacturing** – Create a strategic recognition of jurisdictional attributes for industrial and manufacturing uses through the identification of rail access and the availability of raw materials for manufacturing processes.

**Retail** – Create awareness of the retail opportunities and strengths of the jurisdiction through the identification of supporting demographics, traffic counts, and competitive market analysis.

**Retirees** – Create recognition of our jurisdiction as a desired location for retirees through recognition of available affordable housing, identification of diverse entertainment venues and support services.

**Tourism** – Raise awareness of our jurisdiction as a premier travel destination resulting in increased tourism to our jurisdiction as manifested by higher hotel occupancy rates, rental car frequencies, web site queries, and sales tax increases.

**Street Classifications** – Varying levels of street classification typically are shown on a community’s Master Thoroughfare Plan. Examples include:

**Cul-de-Sac Streets** – A street with a single point of access typically serving no more than 25 residential lots.

**Loop Streets** – Streets having a minimum of two access points to collector or arterial streets.

**Collectors** – Streets that provide a collective function connecting to arterial streets.

**Arterials** – Primary streets with VTPD of 20,000-40,000 and having direct access by major commercial developments.

**Major Arterials** – Streets with high volume traffic of 40,000 VTPD or greater, generally with predominant access provided by side streets.

**Freeways** – Streets typically carrying high volumes of traffic (60,000 vehicle trips per day) with grade-separated intersections and complete control of access, typically via frontage road configuration.

**Struggling Business Identification** – See Trouble Signs.

**Subdivision Regulations** – Typically a municipal ordinance that outlines requirements necessary to subdivide parcels of land into lots. Provides for the dedication of easements and street right-of-way.

**SUP / Specific Use Permit** – Typically regulated through a zoning ordinance, an SUP approval grants a use entitlement for the property greater than the underlying zoning but based on the analysis of more stringent criteria outlined in the SUP regulation. The SUP allows an additional use of land or structures not allowed by right in the applicable zoning district. The granting of a SUP does not waive the regulations of the underlying zoning.

**Superfund** – See CERCLA.

**Surveys** – Any number of surveys can be performed to extract information critical to economic development efforts. Examples include:

**Business Climate or Satisfaction Survey** – A survey of existing businesses in a community to determine their attitudes and level of satisfaction with various aspects of operating a business in the jurisdiction.

**Survey Methods** – Following are the three basic surveying methods and their characteristics.

Mail Surveys

*Advantages* – Low cost, good for reaching employers in workplace, more questions can be asked since responder works at own pace, no training, convenient to responder, allows more detailed and thoughtful answers, allows for more complex questions.

*Disadvantages* – Data collection time, uncontrolled environment, generally low response rate, difficulty with extended answer questions or respondents who need assistance.

Telephone Surveys

*Advantages* – Quick data collection, access to most households, less costly than personal interview.

*Disadvantages* – Requires training of the interviewers, access to isolated populations, response quality decreases as survey length increases.

Personal Interviews

*Advantages* – Access to isolated populations, good for lengthy surveys or sensitive topics, body language provides subtle clues.

*Disadvantages* – Costly per survey, higher probability of interviewer bias.

**Survey / Land Survey** – A graphic depiction of the boundary of a parcel of land often showing and tying down dimensionally any improvements on the land. Generally this must be prepared by a Licensed or Registered Surveyor.

**Survey Symbols** – Following are common symbols or notations shown on land surveys or site plans.

<b>BL</b> = Building Line	<b>FP</b> = Flood Plain	<b>POC</b> = Point of Commencement
<b>BM</b> = Benchmark	<b>FW</b> = Floodway	<b>PP</b> = Power Pole
<b>-C-</b> = Cable	<b>-G-</b> = Gas	<b>OVHD</b> = Overhead
<b>CAE</b> = Common Access Esmt.	<b>GTD</b> = Grade to Drain	<b>POB</b> = Point of Beginning
<b>CI</b> = Curb Inlet	<b>GW</b> = Guy Wire	<b>RCP</b> = Reinforced concrete pipe
<b>CMP</b> = Corrugated Metal Pipe	<b>HC</b> = Handicap	<b>ROW</b> = Right of Way
<b>DE</b> = Drainage Easement	<b>IPF</b> = Iron Pin Found	<b>SD</b> = Storm Drain
<b>D+UE</b> = Drainage + Utility Esmt.	<b>IPS</b> = Iron Pin Set	<b>SS</b> = Sanitary Sewer
<b>-E-</b> = Electric	<b>LP</b> = Light Pole	<b>-T-</b> = Telephone
<b>FF</b> = Finish Floor Elevation	<b>MFF</b> = Minimum Finish Floor	<b>UDG</b> = Underground
<b>FG</b> = Finish Grade	<b>MH</b> = Manhole	<b>UE</b> = Utility Easement
<b>FH</b> = Fire Hydrant	<b>NG</b> = Natural Ground	<b>WL</b> = Water Line
<b>FL</b> = Flow Line	<b>NTS</b> = Not to Scale	

**Suspect** – See Commitment Stages.

**Sustainable Development** – Development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs.

**SWOT Analysis** – The analysis of **S**trengths, **W**eaknesses, **O**pportunities and **T**hreats for an organization or community. Also see Strategic Planning Process / Analysis.

**Talent Bank** – An identified group of professionals who can help with special technical tasks as well as members of a community who may be willing to help a community with energy driven motivation rather than technical skills. E.g. CPA's for cash flow issues, financial analysts, management specialists, attorneys, nurseries, landscape architects, builders, garden clubs, and Boy Scout Troops.

**Target Industry Assessment Matrix** – Compares industry attractiveness with area's competitive position.

**Targeting / Market Segmentation** – A process which involves identifying attractive prospects (the market segments) with strengths and assets of the economic developer's area (the product).

**Tax** – A source or revenue to governmental or civic entities based on a percentage of the tax base of the jurisdiction.

**Ad Valorem** – A tax on real and personal property (Also see Property) that provides revenue to the taxing jurisdiction. This tax is typically less volatile on an annual basis than sales tax or other use type taxes (e.g. With a tax rate of .422 per \$100 valuation: appraised value of \$36,000,000 divided by \$100 = \$360,000 x .422= \$151,920 in tax revenue per year to the jurisdiction).

**Corporate Franchise Tax** – Generally a “privilege of doing business in the state” tax.

**Corporate Income Tax** – A state income tax for corporations. Generally there is a maximum rate. The three factor formula of sales, payroll and property in that state as a proportion of the US total is generally used. Some states will double weight one of three factors. A few states extend the formula to worldwide (non-U.S.) activities.

**Duty Tax** – A tax levied by a government on imported goods.

**Hotel Occupancy Tax / Bed Tax** – A tax added to the cost of a room rental as a percentage of the room rent (e.g. 7%). Often this tax is intended to be applied towards the marketing and promotion of tourism for the taxing jurisdiction (e.g. room costs \$120/night to rent: \$120 x .07 = \$8.40/night in occupancy tax to the jurisdiction).

**Sales Tax** – A tax charged by state or local entities on every retail purchase made in the jurisdiction. Typically reflected as a percentage of the purchase (e.g. Purchase of \$100 with 8.25% sales tax would cost \$108.25 total; reflecting \$8.25 sales tax to the taxing entities).

**Tax Abatement** – A reduction in ad valorem property tax, typically at a negotiated rate over a negotiated time period.

**Tax Base** – The cumulative total assessed value of taxable improvements which when taxed creates revenue for a community or jurisdiction.

**Tax Exempt Status** – Qualification of the economic development organization under section 501.c.3 or 501.c.6 of the IRS code. (Legal professionals should be consulted regarding information generalized by the following summary.)

**501.c.3 Tax Status** – Generally referred to as charitable organizations.

1. Economic development efforts are applicable.
2. Contributions can be a deduction on personal income tax returns.
3. May not engage in carrying on propaganda or otherwise attempting to influence legislation as a substantial part of its activities.
4. Cannot participate at all in campaign activity for or against political candidates.
5. No part of the net earnings of the organization may enure to the benefit of any private shareholder or individual.

**501.c.6 Tax Status** – Generally for non-profit business league, chamber of commerce, real estate board, or board of trade. An association of persons having some common business interest.

1. Less advantageous than c.3.
2. Chambers qualify.
3. Organization may work for the enactment of laws to advance the common business interests of the organization’s members.
4. Must be primarily supported by membership dues and other income substantially related to its exempt purpose.

5. Deductions are not allowed for dues used for political or legislative activities. Deductions may be allowed for expenses related to appearing before, submitting statements to, or sending communications to members of a local Council or similar governing body with respect to legislation or proposed legislation of direct interest to the member.
6. Contributions to 501.c.6 organizations are not deductible as charitable contributions on the donor's federal income tax return. They may be deductible as trade or business expense if ordinary and necessary in the conduct of the taxpayer's business.

**TIF / Tax Increment Financing** – The establishment of a district (“zone”) that allows for real property taxes above the taxes paid at the time of adoption of the zone, to be used for designated improvements within the zone.

**CAV / Captured Appraised Value** – The total appraised value of taxable real property within the TIRZ, less the tax increment base.

**Finance Plan** – The financing plan for the TIRZ, typically to include a description of the estimated project costs, the kind, number and location of proposed public works and improvements, the amount of debt to be incurred, and a description of the financing methods and expected sources of revenue to pay the project costs.

**Increment** – The amount of property tax collected on the CAV.

**Increment Base** – The amount of property tax collected in the TIRZ for the year the TIRZ was established.

**Project Costs** – The expenditures made or obligations incurred that are listed in the Project Plan.

**Project Plan** – A plan that includes a map showing existing uses for the TIRZ property, and proposed improvements and uses for the property.

**TIRZ / Tax Increment Reinvestment Zone** – An identified geography that represents the boundaries for which tax increments generated will be used to fund project costs.

**TDR / Transferable Development Rights** – A system of allocating entitlements to development that attempts to equalize the rights among property owners. The intent is to allow the private economy to buy/sell rights as needed to efficiently distribute the ability to develop at increased densities, effectively preserving open spaces typically not suitable for development.

**Technology Transfer** – The process of transferring a new technology from the lab to the marketplace by establishing links between the technological research outputs of universities and federal laboratories with applications of manufacturers.

**Tenant Build-Out Allowance** – More commonly referred to as “T.I – Tenant Allowance.” The amount of funds the Landlord provides to the tenant to cover the costs of finishing the interior improvements.

**Telco Hotel** – A building that houses equipment for telecommunications uses including switches, routers, operation centers, and other infrastructure critical to dot-com companies, Internet servers, data firms, fiber-optic cable, and other technology providers. Typical locations are older warehouse buildings or department stores within or near central business districts. Key factors in Telco Hotel locations include:

- Immediate proximity to multiple fiber-optic connections
- Twelve foot (12’) minimum ceiling height
- Fiber-load capacity of at least 125 pounds per square foot
- Access to multiple power grids
- Space for fuel storage and back-up generators
- Space for utility and fiber-optic lines

**Telecommuting** – Employees working at home who send in their work electronically.

**Test Boring** – A geophysical test performed on a site in order to core a sample of soil structure, providing information to the geotechnical engineer for analysis and foundation design.

**TexasOne** ([www.governor.state.tx.us](http://www.governor.state.tx.us)) – The TexasOne Program is a marketing initiative to actively promote the State of Texas as a business location to generate new jobs leads for Texas communities. The mission is to create a public/private partnership to market Texas in a dynamic and competitive manner. The program is funded through private contributions by businesses, organizations and individuals interested in the business climate of the state of Texas, and in making a positive contribution toward the promotion of economic development and job creation in Texas.

**Thoroughfare Plan** – An element of a comprehensive plan that shows the ultimate size of all significant roadways in the community. Typical designations include the future pavement width and right-of-way widths for each roadway. Also see Street Classifications.

**T.I. / Tenant Allowance** – See Tenant Build-Out Allowance.

**TIA / Traffic Impact Analysis** – See Impact Analyses.

**TIC / Tenant-in-Common** – Investment format that allows individuals to buy fractional ownerships in specific properties via a private placement offering.

**TIF / Tax Increment Financing** – See Financing Methods.

**Tilt-Wall Construction** – A cost effective construction method utilizing either pre-cast or cast-in-place concrete panels that are “tilted” up for vertical wall construction of a building.

**TIGER File/Data** – **T**opographically **I**ntegrated **G**eographical **E**ncoding and **R**eferencing, a street network file developed for the 1990 census. A tiger file provides no census data content, but rather geographic information enabling computer mapping, geocoding, cross-referencing, and other critical functions.

**TIRZ / Tax Increment Reinvestment Zone** – The formal designation of a specific area of property for the purposes of establishing special economic or development incentives.

**TOADS / Temporarily Obsolete Abandoned Derelict Sites** – A site that has no current on-going use and may have other attributes hindering the immediate productivity of the site.

**TOD / Transit Oriented Development** – Development, typically having mixed-use characteristics, that is adjacent to or oriented around an inter-modal transit station. Typically this is represented by a light rail stop, bus stop or other collection point of mass transit. Also see Rail Terms.

**Topography Map** – See Mapping.

**Tourism** – See Strategies/Tourism.

**TND / Traditional Neighborhood Development** – Development characterized by a scope and scale typical of a more traditional development pattern offering and encouraging social interaction, integration of diverse uses, pedestrian activity, and minimizing vehicular impacts.

**T-Pole / Temporary Power Pole** – A term used to describe a temporary electric service established on a construction site to provide electric power to the site.

**TQM / Total Quality Management** – A management technique intended to maintain the highest level of product or service. Encourages management to search for better ways to manage limited resources. Major points include:

1. Improve process consistency and reduce errors through an on-going, organization wide effort, led from the top, instilling pride in workmanship at the bottom, using staff teams involved in the process and empowered to make changes.
2. Use measurement tools to track processes and pinpoint problems - compare the best in the industry. Also see Benchmarking.

3. Focus on customer satisfaction.
4. Work with partners.
5. Think long-term and act short-term.

**Tract** – Generally refers to a parcel of land that has not been platted of record via the subdivision process. Contrast with a "Lot" which generally refers to a platted parcel of land.

**Trade Show** – A convention generally of a particular industry or organization during which an economic development organization can set up a booth or network to display and discuss the benefits of their community or jurisdiction.

**Trade Area / Retail** – A geographic area analyzed by retailers based on the product and customer mix. This could be radius based or polygons created by roads, railroad tracks, or competitive location strengths.

**Traffic Count** – Numerical counts representing the number of vehicles crossing a particular segment of roadway over a designated period of time.

**Directional Count** – The number of cars traveling in one direction over a 24 hour period.

**24 Hour Two-Way** – A numerical traffic count on a segment of roadway representing the sum of cars traveling in both directions over a 24 hour period.

**AM Peak Hour** – The highest single direction traffic count during any single hour between midnight and noon (e.g. 1,800 trips east-bound between 7-8 a.m.).

**PM Peak Hour** – The highest single direction traffic count during any single hour between noon and midnight (e.g. 1,800 trips west-bound between 6-7 p.m.).

**Trip Generation Manual** – A publication of ITE used as the industry standard for empirical data referencing to the number and type of vehicular trips generated by various types of development.

**Trouble Signs** – Activities of a business, some more obvious than others, that would lead to suspicion that a business was struggling to stay alive. Examples include:

1. Stretched accounts payable.
2. Excessive borrowing.
3. Late loan payments.
4. Abuse of the float.
5. Pursuit of non-traditional financing.
6. Unexpected attempts to sell the business.
7. High turnover among upper levels or long term employees.
8. Low employee morale.
9. Frequent employee layoffs.
10. Owner / manager's withdrawal from community events.
11. Manifestation of family and personal problems, e.g. divorce.

**Truck Dock** – A building penetration allowing the unloading of trucks directly into the building.

**At-Grade Truck Dock** – A dock that allows the truck to back up to the building at the same grade as the surrounding paving, with the dock's unloading surface level with the truck's bed, but above the surrounding paving.

**Well-Type Truck Dock** – A dock that allows the truck to back up to the building via a depression in the land where the resulting unloading position places the truck's bed at the same level as the building's finish floor.

**UBC / Uniform Building Code** – Generally a nationally adopted code regulating the materials and construction methods for various types of buildings. Different jurisdictions may adopt national codes or codes of a more regional application.

**UDAG / Urban Development Action Grants** – Established by the Housing and Community Development Act of 1977. Intended as an incentive for cities that demonstrate economic and physical distress. Program eliminated in 1988.

**USP / Unique Selling Proposition** – Refers to what it is that specifically differentiates your areas tourism program from 10,000 other travel development organizations.

**Urban Design** – The inter-disciplinary study of architecture, landscape architecture, and planning to advance the design and implementation of built environments sensitive to the human scale and paying particular attention to details creating a “sense of place”.

**ULI / Urban Land Institute** ([www.uli.org](http://www.uli.org)) – Founded in 1936, the mission of the Urban Land Institute is to provide responsible leadership in the use of land in order to enhance the total environment.

**URL / Uniform Resource Locators** – The address configuration used to access a particular website on the Internet. (e.g. [www.ci.southlake.tx.us](http://www.ci.southlake.tx.us))

**USCC / United States Chamber of Commerce** ([www.uschamber.com](http://www.uschamber.com)) – The U.S. Chamber of Commerce is the world's largest not-for-profit business federation representing businesses, business associations, State and Local Chambers, and American Chambers of Commerce abroad.

**USDA / United States Department of Agriculture** ([www.usda.gov](http://www.usda.gov)) – Their Mission is to enhance the quality of life for the American people by supporting production of agriculture. Their vision is a healthy and productive Nation in harmony with the land. USDA administers the Rural Development and Farmers Home Administration Programs.

**USGS / United States Geological Service** ([www.usgs.gov](http://www.usgs.gov)) – Created by an act of Congress in 1879, the USGS stands as the sole science agency for the Department of the Interior. The USGS is the science provider of choice in accessing the information and understanding to help resolve complex natural resource problems across the Nation and around the world.

**Utilities** – Service related infrastructure required to effectively operate a business enterprise in a community.

**Cable** – Service delivery of cable television access.

**Electric** – Distribution system for electric services.

**Fiber-Optic** – A cabling system utilizing small diameter filaments for the transfer of light signals. Allows a higher volume of data transfer than other systems.

**Gas** – Distribution system for gas services.

**Sanitary Sewer** – A system to collect effluent and connect to treatment facilities.

**Storm Drainage / Storm Sewer** – A system of improvements intended to facilitate the management of storm drainage runoff.

**Water** – A system distributing potable water to all customers within a community or jurisdiction.

**Vacancy Rate** – A descriptor designating the percentage of space currently vacant within the subject building.

**Value Addition** – Making things more valuable before they leave the jurisdiction. Also see Rusty Bucket Economics.

**Variance** – A granting of relief from a regulatory requirement (typically a zoning or subdivision ordinance) that waives or reduces that requirement for the applicant in that particular instance due to

circumstances peculiar or unique to the request. Zoning variances are typically the domain of the ZBA while subdivision ordinances may be approved by the planning and Zoning Commission or City Council as established by the ordinance.

**Vector File Format** – See File Formats.

**Venture Capital** – A financial means by which new (generally higher risk) businesses get started and existing businesses expand, retool and stay competitive. Investors usually require a role in the management of the firm and a substantial portion of the future profits. Also see Angel Investor.

**Vested Right** – A term associated with a development requiring a “string of permits” over a long period of time. The “vesting” of a project means that all regulatory codes are frozen in place at a particular point in time for the development. I.e. the development will be allowed to continue to develop or process the “string of permits” based on the regulatory code at a particular point in time.

**Visitation Programs (for existing Businesses)** – See Business Visitation Programs.

**Visitation Teams** – Teams that meet to discuss issues related to potential development or expansion in the community.

**Prospect Team** – The prospect team can be as small as a single person or may include several people. Generally this might include: Real Estate Manager, Project Manager, Finance Director, Human Resources Director and/or Operations Manager. Bigger projects also likely include site selection consultants and real estate brokers.

**Community Team** – The best team is made up of the people requested by the prospect. Without that direction, members typically include: Mayor, City Manager, E.D. Director, representatives from planning, public works, electric & gas providers, and a local business similar to the prospect in industry and scale of business. Characteristics of a good visitation team member include:

1. Flexibility with employer to allow planned or unplanned interruptions during work hours to meet with prospect.
2. Ability to maintain confidentiality.
3. Possesses a “can-do” attitude.
4. Can have a good time while interacting productively with a prospect.
5. A commitment and dedication over time.

**Vision Statement** – See Mission Statement.

**VTPD / Vehicle Trips Per Day** – A traffic count representing the total two-way vehicular trips passing a single point over a 24 hour period. Also see Traffic Counts.

**Wastewater System Terms (aka Sanitary Sewer Systems)** –

**BOD / Biochemical Oxygen Demand** – The amount of oxygen consumed in the oxidation of organic matter expressed milligrams per liter.

**COD / Chemical Oxygen Demand** – The oxygen consuming capacity of inorganic and organic matter in wastewater expressed in milligrams per liter.

**TSS / Total Suspended Solids** – The matter that floats on or is suspended in water.

**TTO / Total Toxic Organics** – A measure of all quantifiable toxic organics.

**Water Distribution Map** – See Mapping.

**Water System Storage** – Basically two systems exist for water storage as follows:

**Elevated Storage** – Generically referred to as water towers. This type of storage provides the pressure system for water distribution. It is more costly per gallon of storage than ground storage.

Ground Storage – Generally large storage tanks located on the ground. These are generally collection points from the water source, then pumped into elevated storage.

### **Water System Terms**

Raw Water – Untreated water from lakes, wells, springs, rivers or other sources.

Potable Water – Raw water that has been treated for human consumption.

Turbidity – A measure of the clarity of potable water.

Pressure / Static – The pressure in the water system available to serve a user. Measured without flows in the system.

Pressure / Residual – The pressure in the water system while it is fully flowing.

PPM / Parts Per Million – A weight-to-volume ratio of matter found in water.

PSI / Pounds Per Square Inch – A measure of the force behind the water distribution system.

### **Waterborne Transit Terms** – Following are terms typical to waterborne transit.

Cargo – Various types of cargo exist as follows.

Bulk Cargo – Includes commodities such as grain, coal, iron ore, etc., typically stored in specialized vessels for conveyance.

Dry Bulk – Commodities such as grain, coal, steel.

Liquid Bulk – Commodities such as oil.

Containerized Cargo – Goods shipped in containers which can be directly offloaded from a ship and put on a rail car or truck.

General Cargo – Shipped loose or in containers, often in consolidated consignments with other goods, requiring special handling. Includes goods like machinery, vehicles, lumber, etc.

Deep Water Port – Designation as a deep draft seaport by the American Association of Port Authorities requires a minimum channel dept of 25 feet for coastal ports and 20 feet for Great Lakes ports.

Port of Entry – A place on the seacoast, or inland, designated as a point at which persons or merchandise may enter or leave a country under the supervision of custom laws.

Wharfage – Fee charged for the use of a wharf for mooring, loading or unloading a ship or for storing goods.

**Watershed / Basin** – A delineated area of land representing the accumulative confluence of storm drainage runoff to a particular point of collection.

**WDB / Workforce Development Board** – A board of representatives whose purpose it is to support and development a strong workforce within a jurisdiction.

**Website Analytics** – Terms as defined by Google Analytics include the following.

Avg. Time on Page – The average amount of time users spent viewing a specified page or screen, or set of pages or screens.

Avg. Session Duration – The average length of a Session.

Bounce Rate – The percentage of single-page visits (i.e. visits in which the person left your site from the entrance page without interacting with the page).

Entrances – Entrances is the number of times visitors entered your site through a specified page or set of pages.

Landing Page – The pages through which visitors entered your site.

**New Users** - The number of first-time users during the selected date range.

**Page Views** – Pageviews is the total number of pages viewed. Repeated views of a single page are counted.

**Pages / Session** – Pages/Session (Average Page Depth) is the average number of pages viewed during a session. Repeated views of a single page are counted.

**Sessions** - Total number of Sessions within the date range. A session is the period time a user is actively engaged with your website, app, etc. All usage data (Screen Views, Events, Ecommerce, etc.) is associated with a session.

**Unique Pageviews** – Unique Pageviews is the number of visits during which the specified page was viewed at least once. A unique pageview is counted for each page URL + page Title combination.

**% Exit** – %Exit is (number of exits) / (number of pageviews) for the page or set of pages. It indicates how often users exit from that page or set of pages when they view the page(s).

**Welfare to Work Partnership** ([www.welfaretowork.org](http://www.welfaretowork.org)) – A program advocating the hiring of welfare recipients in order to more quickly move them into the employment mainstream.

**Wetlands** – A term used by the COE to identify protected areas. A rigorous process is required with any impact of a designated wetlands area. See Permits/Section 404 Permit.

**Work Program** – A summary of the specific tasks that must be undertaken in order to successfully accomplish a strategy, objective, or goal of the organization.

**Work Week Length** – Number of weekly hours upon which full-time employees' pay is based. Often varies by area between 35-40 hours a week.

**Workforce Development** – Efforts to support and enhance the skills, capabilities, and availability of qualified labor in a community. This might include such programs as pre-employment screening, customized training programs, job training funds, and on-the-job training.

**Workforce Evaluation Measures** – Following are indicators to evaluate the quality of a workforce.

**Absenteeism** – Daily rate of unscheduled employee absences.

**Turnover** – Generally expressed as a percentage of a company's full-time headcount. Includes voluntary and involuntary quits, excludes retirements and layoffs.

**Workforce Terms** – An extensive list of workforce terms and acronyms is available at <http://worklink.coe.utk.edu/glossaryb.htm>

**WTO / World Trade Organization** ([www.wto.org](http://www.wto.org)) – The World Trade Organization is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to help producers of goods and services, exporters, and importers conduct their business.

**ZBA / Zoning Board of Appeals** – A municipal board appointed by the governing body which has a quasi-judicial authority to review specified requests identified in a zoning ordinance and to review appeals of the opinion of the zoning administrator. Also called Zoning Board of Adjustment.

**Zoning Administration** – The administrative role responsible for interpreting the requirements of the zoning ordinance. This includes the permitted uses specifically outlined in the ordinance as well as the district classification of uses similar to but not specifically outline in the ordinance. The Zoning Administrator also provides official opinions of the zoning ordinance.

**Zoning** – A municipal police power whose purpose is to promote the health, safety, morals, general welfare of the community and protect and preserve places and areas of historical, cultural, or architectural importance and significance. Zoning decisions are based on review of the following: appropriate use of

land/compatibility with surround properties, traffic circulation / congestion, adequate light and air, overcrowding / density, adequate transportation, water, sewer, schools, parks, and other public requirements, conserve value of property. Municipalities adopt zoning ordinances which may in general regulate the following: the height, size, and number of stories of buildings and structures; the percentage of a lot that may be occupied; the size of yard setbacks, courts, and other open spaces; the locations and use of building, other structures, and land, and population density.

**Zoning Map** – See Mapping / Zoning Map.

### **Slang Terms**

*If you want to sound like a seasoned professional.*

**C-Store** – Convenience store / gas station.

**Dirt** – The real estate under discussion.

**Doc-in-the-Box** – Minor emergency medical clinic.

**Done Deal** – Everybody has their money.

**Expert** – Someone from out of town.

**Flipper** – A person who buys land and quickly sells it to another for profit.

**Friendly Banker** – A bank that will loan you money even if you need it.

**Hard Corner** – The property on the immediate corner adjacent to two roadways.

**McMansion** – A large expensive home that is a part of a subdivision where all the homes have very similar characteristics.

**Still In Play** – Have not been eliminated from the consideration list yet.

**Stop-n-Rob** – Convenience store.

**Tire Kicker** – Someone whom is probably wasting your time but you have to treat like the mayor's brother.

### **Unique Acronyms**

**Banana People** – **B**uild **A**bsolutely **N**othing **A**newhere **N**ear **A**nthing.

**CAVE People** – **C**itizens **A**gainst **V**irtually **E**verything

**DINK** – **D**ual **I**ncome **N**o **K**ids

**LULU** – **L**ocally **U**nwanted **L**and **U**se.

**NIMBY** – **N**ot **i**n **M**y **B**ackyard

**NIMTO's** – **N**ot **i**n **M**y **T**erm of **O**ffice

**SINK** – **S**ingle **I**ncome **N**o **K**ids

**WIIFM Principle** – **W**hat's **I**n **I**t **F**or **M**e?