

## Community and Economic Development Glossary of Terms

---

### **Basic Employment**

Associated with business activities that provide services primarily outside the area via the sale of goods and services, but whose revenue is directed to the local area in the form of wages and payments to local suppliers.

### **Business Attraction or Recruitment**

Marketing or other activities designed to persuade businesses to choose a community as a location.

### **Business Retention and Expansion (R&E)**

Supporting and assisting local businesses with an expansion or helping them to overcome an obstacle that prevents them from remaining competitive, usually done through company visits and/or surveys.

### **Capital Costs**

The costs a business pays for major physical improvements, such as buildings, equipment, or machinery.

### **Commission**

A group of citizens organized under statute to perform certain tasks or duties in the public interest. An economic development commission is a good example of citizens who have been appointed to the task of developing strategies to improve the local economic base.

### **Community Profile**

Information about a community including taxes, transportation networks, health and recreation facilities, labor rates and skill levels, market proximity, available sites and industrial parks, nearest major cities, companies already doing business in the community, utilities, government organizations, and educational facilities, that is usually presented in or with a brochure to an attraction prospect.

### **Development Authority**

An independent agency of local government that possesses certain powers beyond those of city government. A public housing authority is a good example because it has the ability to issue special bonds for public housing.

### **Economic Base**

The major business activities that create and bring wealth into a community (e.g. manufacturing services, tourism, etc.)

### **Eminent Domain**

The authority of a government to take, or to authorize the taking of, private property for public use, almost always with adequate compensation to the owner.

**Entrepreneurship**

Starting a business, taking a product or service from idea stage to market.

**Guaranteed loan**

A loan that is guaranteed partly or fully for the benefit of protecting a lender against possible losses.

**Industrial park**

A tract of land that is divided and developed according to a plan for the location or expansion of businesses and industries, with the basic infrastructure installed before the sites are sold.

**Infrastructure**

The physical structure that supports and sustains communities and economic development (e.g. roads, waste treatment systems, utility systems, railroads, telecommunications).

**Insured loan**

A loan insured by a governmental agency or a private mortgage insurance company.

**Interest subsidy**

A grant designed to lower the interest costs of borrowing. The subsidy either goes directly to the borrower or is paid on his or her behalf.

**Land-use planning**

Planning for proper use of land, taking into account such factors as transportation and location of business, industry, and housing.

**Leveraging**

A means of multiplying the availability of funds for economic development or community development programs by using one pot of money as a match or lever to access a larger amount of money.

**Option to buy**

An arrangement to permit one to buy or sell something within a specified period of time, usually according to a written agreement.

**Ordinance**

A rule or law established by the local governing body to control actions of citizens and the effects of their activities on others.

**Public works**

Facilities constructed for public use and enjoyment with public funds, such as ramps, highways, sewers, in contrast to maintenance activities, such as street cleaning and painting school buildings.

**Quasi-public agency**

Usually a non-profit corporation with a privately appointed board of directors whose purpose is to assist governmental agencies and the private sector to improve the general

living standards of citizens. The majority of funds for such activities come from public agencies.

**Revolving loan fund**

Pool of local and/or state monies loaned to businesses at low interest rates for expansion and retention. The interest generated from the loans goes back into the pool to create additional funds to be loaned in the future.

**Small business incubator**

A facility that offers low rent and inexpensive shared business services to start up businesses for a designated period of time. Usually associated with an indigenous growth strategy pursued by a community

**Tax abatement**

A reduction in property taxes for a specific property over a certain period of time.(Also called tax phase In.)

**Tax incentives**

Tax reductions, abatements, credits, and programs designed to persuade companies to locate or expand in a state or community.

**Technical assistance**

Providing information, data, and know-how in establishing, implementing, and evaluating economic development initiatives and activities.

**Value added**

Adding market value (monetary) to raw materials or a product by processing, handling, labeling, packaging, transporting, etc.

**Workforce development**

Public and private education and training programs designed to increase skills, education, abilities, and knowledge of members of the workforce.