

COMMONLY USED ECONOMIC DEVELOPMENT TERMS & ACRONYMS

Every industry has their own jargon. The economic development world is no exception. It is important to know and understand the most commonly used terms as they will equip you with the knowledge you need to help your community grow and thrive. For easy reference we have compiled a condensed list of terms that you will hear the most often.

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

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. **see document linked below for more details*

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

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

BRE / Business Retention & Expansion – Typically a BRE program is implemented to encourage economic development from within the existing businesses in the community.



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.

Brownfield Site – Abandoned, idled, or underutilized industrial and commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination.

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

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.

CDBG / Community Development Block Grant – A federal grant program administered by HUD (U.S. Department of Housing and Urban Development) generally intended to benefit low and moderate income households through enhancements to housing, infrastructure and other economically beneficial programs.



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.

D&B / Dun & Bradstreet – A company that sells data on individual companies and industries.

DOE – U.S. Department of Energy

DOT – Department of Transportation – State government agency.

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

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

FDI / Foreign Direct Investment – 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.

Floodplain – Typically the “100 year floodplain” as identified by FEMA (Federal Emergency Management Agency). It is the area inundated by water one foot deep on an average of one year out of every one hundred years.

FTZ / Foreign Trade Zone (www.trade.gov/about-ftzs) – Foreign trade zones are designated sites licensed by the Foreign-Trade Zones (FTZ) Board (U.S. 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. **see document linked below for more details*

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.

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

Industrial / Office Park – (aka Business 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:

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

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, Office, Residential, and Retail. **see document linked below for more details*

NAICS / North American Industrial Classification System (www.naics.com) – A classification system of types of businesses in our contemporary economy. NAICS industries are identified by a 6-digit code. **see document linked below for more details*



RFI / Request for Information – A request typically sent by a broker or site-selection consultant, requesting specific information about your community, available real estate, available incentives, etc.

RFP / Request for Proposals – An open request for bids to complete a new project proposed by the company or other organization that issues it.

E.D. Related – Similar to the RFI noted above, but typically requests a definitive proposal including costs, timing, incentives, and much more detail than a RFI.

Service Related – 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.

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.

RFQ / Request for Quote – Typically distributed by a purchasing agent requesting an estimate for a service or product.

SBA / Small Business Administration (www.sba.gov) – A federal organization responsible for financial programs to assist the development of small businesses.

Shovel-Ready Site – A development site that has all its entitlements, utilities are to the site, and the site is ready to have a building permit issued without requesting other governmental approvals.

Spec Building / 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.

Tax Abatement – A reduction in ad valorem property tax, typically at a negotiated rate over a negotiated time period.

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.



WDB / Workforce Development Board – A board of representatives whose purpose it is to support and develop a strong workforce within a jurisdiction.

*For a complete list of terms and acronyms please visit: <https://www.edpbestpractices.com/wp-content/uploads/GL-Uploads/General-ED-Resources/Economic-Development-Terms-Acronyms-Greg-Last.pdf>

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