EDNow
Economic Development Now
April 6, 2009 / Volume 9 / Issue 7

INTERNATIONAL ECONOMIC DEVELOPMENT COUNCIL

Regional Knowledge Ecosystems: Laying the Groundwork for Future Technology-Based Economic Development

By Anthony Townsend, Research Director, Institute for the Future

America has long relied upon technological innovation to drive its economy. Today, basic investment in science and technology is once again taking center stage as a cure for both our economic and environmental ills.

The signs of this shift are everywhere. For the first time ever, a professional scientist will craft our energy policy, as Secretary Steven Chu expands investment in clean, affordable, renewable energy. An eight-year ban on the use of federal funds in embyronic stem cell research has been lifted. The economic stimulus package injected money into basic R&D, biomedical research facilities and essential broadband infrastructure.

Turning science into growth: Existing tools and challenges

As the federal government injects billions of dollars into federal labs and research universities, the challenge for economic developers is to capture these investments in ways that promote sustainable clusters that can innovate and create value and jobs over the long term.

For the last 50 years, the main strategies for turning science and technology into local economic growth have been research parks and incubators. Today, however, tectonic shifts in the way scientific research and technological innovation happen require pioneering new models of collaboration in which we rethink how we create places for these activities. The next generation of technology-based economic development strategies will need to address a dramatically different world from the one in which research parks and incubators were born and thrived.

At the IEDC Leadership Summit held this past January in Tempe, Arizona, I shared preliminary results of a 50-year forecast on the future of technology-based economic development that the Institute for the Future is conducting for the Research Triangle Foundation of North Carolina. As one of the early pioneers of the research park model, Research Triangle Park is now confronting the need to reinvent itself for the next 50 years, and is supporting this study as a way to provoke a strategic discussion with peers around the world about the role of place in tomorrow's networks of innovation.

Based on interviews with experts in innovation and entrepreneurship, scientific collaboration, university research management and urban design and development, we have identified external trends that will challenge our existing models for technology-based economic development in coming years:

- **The biological world**. If the 20th century was defined by physics, the 21st century will be defined by biology. Biomedical clusters will grow according to a very different set of rules than IT industries did.
- **Global, networked science.** Science is becoming globalized, which means that local clusters cannot exist in isolation. To succeed, they need to be connected to other innovation hubs.
- **The new scientist.** The lone genius is rapidly becoming a thing of the past, as young scientists pioneer massively collaborative work styles. Science 2.0 will shake the institutional foundations of science, from journals to patents to university departments.
- **Big science, lightweight innovation.** As the federal government pours money into basic research, companies are stripping their R&D organizations to the bone, instead favoring lightweight and open innovation strategies. The inevitable disconnect means a need for new systems that can take raw breakthroughs and prepare them for commercialization.
- **New public agenda.** Turning federal dollars into jobs fast is the order of the day; speed has not been a strength of the research park and incubator approaches.
- **The persistence of place.** While science is taking full advantage of the web, place is more important than ever for the creative collaborative work that can't be virtualized – but the way young innovators use space will be more dynamic, ad hoc and flexible.
- **Universities transformed.** Today's leading research universities treat intellectual property like corporations of yesterday, while the most innovative companies are opening up and becoming more like yesterday's universities. As universities shift roles from ivory tower to economic engine, fundamental flaws in technology transfer mechanisms will become all too clear.

Toward a new model: Building regional knowledge ecosystems

The trends described in the preceding section are global, which means there is little that economic developers in any one community can do to shape the speed or scope of how they play out. But one additional important trend that economic developers can help shape is the growth of regional approaches to technology-based economic development.

We are just beginning to see the outlines of this approach, which involves many partners – research parks, large research-driven companies, startups, universities, investors and professionals – working together to develop *regional knowledge ecosystems*. These networks consist of a number of elements, some formal and other informal:

- Research partnerships between universities and companies
- Social networks of entrepreneurs, professionals and amateurs
- Investor cliques and clubs
- Virtual networks and their members both inside and outside the region

Regional knowledge ecosystems are different from clusters because they aren't limited to a single industry, and companies aren't necessarily the most important pieces. In a sense, for regional knowledge ecosystems, firms are the way that the network expresses its ideas about what technologies ought to be commercially developed. For instance, when enough people in Silicon Valley begin experimenting with a new technology, inevitably a whole array of firms launch to develop it further. The firms emerge from the ecosystem, not the other way around.

The strength of regional knowledge ecosystems is that they can adapt faster than national systems, which are dictated by federal politics, and they can scale up successful enterprises much more effectively than individual research parks or municipalities. This is one reason why major policy think tanks in Washington – the Brookings Institution, the Center for American Progress, and the Information Technology and Innovation Foundation – are all advocating that federal research grants be targeted to regional partnerships of federal labs, universities, companies and entrepreneurs.

What can economic developers do?

The challenge of building regional knowledge ecosystems is enormous, and will not be accomplished without significant, sustained and coordinated investment and effort by every level of government over the next decade. But individual agencies and organizations can lay the foundations for future growth by taking these steps:

Get foresight. Start a conversation in your community, and connect it to others in the region, about the long-term opportunities and threats to technology-based development. Thinking systematically about the future will prepare you to make decisions today.

Recognize dilemmas. In all professions, but especially economic development, challenges rarely appear as well-defined problems with simple solutions. Successful managers recognize dilemmas as challenges that need sustained attention.

Map your networks. The most interesting things going on in your region happen between institutions, but you probably haven't measured them. Map the pipelines of people, ideas and money moving through. When you talk about these networks, you can be specific about what they are and what they do.

Sell community, not place. The attractiveness of successful regional knowledge ecosystems like Silicon Valley is not the place, but the community and social and business networks there. Find the success stories (including the bold failures!) and connect them to your local strengths and assets.

Build for flexibility. If anything defines success in today's economic climate, it's flexibility, resilience and agility. Regional partnerships provide more choices in designing programs and creating buffers to rapid economic shifts. Instead of new buildings, think about how to make technology spaces mobile, temporary, open and accessible. Why should incubators only be for startups and not students? Be flexible, even if that means not being permanent.

Learn more about trends affecting technology-based economic development, the future of science parks and how to build knowledge ecosystems in your community at the IASP World Conference on Science and Technology Parks/IEDC 2009 Technology-Led Economic Development Conference in Raleigh, N.C., June 1-4. Register today!

Dr. Anthony Townsend is Research Director of the Institute for the Future, an independent research organization based in Palo Alto, California.

Ten Smart Practices for Implementing Job Retention Incentives

By Karin Richmond, Principal, Intelligent. Incentives., and Anne Berlin, IEDC

The American Recovery and Reinvestment Act of 2009 proclaims that job creation and job preservation are twin tantamount goals of the stimulus program. Savvy economic developers have known for years that investment in retaining existing jobs is much more efficient than attracting new ones.

More and more communities are applying incentives to existing businesses in recognition of their importance to the economy, and the recession may be amplifying the trend: Over the last six months, Texas has seen more job retention applications than ever before.

Dollars for job retention are rarely offered as a stand-alone instrument. Instead, they typically are combined with job creation incentives, with the job figures to qualify for retention dollars often much higher than the thresholds to receive support for job creation.

Retention incentives also frequently are attached to other standards, which vary by state. These may require the inclusion of a fixed percentage of economically disadvantaged workers – especially if the company is located in an Enterprise Zone – or may come in the form of "but for" clauses which oblige companies to demonstrate that the jobs in question would otherwise be lost or transferred. Retention incentive deals also typically are tied to requirements for capital investment, employee training or both.

Smart practices for job retention incentives

The current recession compels economic developers to pay greater attention to existing jobs and businesses, and job retention incentives can be a key tool for supporting these businesses through tough economic times. To implement an effective, accountable incentive program for business retention, communities should:

- Take a multilateral approach to financing the incentives, leveraging state funds and local programs to maximize impact.

- Make retention incentives contingent on retaining jobs for a fixed time period – for example, three to five years.

- Establish a baseline number of existing employees 30, 60 or 90 days prior to the submittal of an application to a taxing authority.

- Combine retention incentives with clawback clauses and enforcement, for maximum effectiveness and public trust. Clawback provisions should be a percentage penalty rather than a total refund.

- Consider using grants or tax refunds rather than property tax abatements, as business retention needs often are immediate. In addition, tax credits may not be of value to businesses that are operating at a loss in tough times.

- Attach retention incentives to a requirement for significant capital investment, which will increase the value of the tax rolls in future years and keep plants or facilities technologically relevant.

- Attach retention incentives to production efficiency metrics, i.e., an increase in production capacity or a decrease in cost of per unit production.

- Select geographic areas with the use of standardized areas that professionals can easily access on the web, such as census tracts and block groups.

- Target core job sectors, especially industrial and distribution capital investments. Retail and most service sector jobs are not good targets for retention incentives as they have higher turnover and lower multiplier effects for taxing authorities and communities at large.

- Offer the same or similar incentives to both new business prospects and existing businesses. Too often a howl of "unlevel playing field" is expressed by some who might feel left out of any new incentive benefits.

Examples of state and local programs

Texas is one of a handful of states that offers incentives for retention which are based on new capital investment at the business and not contingent on new job creation. In Texas, job retention incentives require that at least 25 percent of turnover personnel (in existing positions) be held by economically distressed residents (such as low- to moderate-income hires, individuals who have been unemployed for 90-plus days or transfer payment recipients). The state also requires qualified employers to retain their existing levels of employment for a period of five years.

North Carolina has implemented a job retention program as recently as last year. Passed in 2007, the Job Maintenance and Capital Development Fund allows tax incentives for capital investment and job retention even if the total number of jobs decreases over a set time frame. North Carolina's new incentive policy for its poorest areas (Tier 1 areas are geographically defined) recognizes that there can be economic advantages for substantial capital outlays in new equipment even if some job losses must be endured – for example, perhaps by keeping an existing facility from shuttering altogether.

Some local entities augment state job retention dollars through programs funded by local taxation revenues. In Corpus Christi, Texas, for example, a local economic development fund (generated from a supplemental sales tax) has as one of its dedicated functions the funding of job retention grants. In addition to combining state and local funds to subsidize job retention, Corpus Christi may elect to abate property taxes on the value of the accompanying capital investment for the first several years of operation.

In Tuscaloosa County, Alabama, the Tuscaloosa Industrial Development Authority approved a tax abatement on new capital investments, plus a $150,000 grant for site preparation, for Mercedez-Benz to expand its facilities last month. This decision was made, in part, to prevent further job losses and to keep the facility in the running for a new generation of vehicles. No new jobs were required for the incentive deal even in the light of recent job losses at the plant.

As more and more companies experience declining revenues from drops in sales, supplier bankruptcies or tight credit markets, they are aggressively looking for different types of financial infusions. If job retention incentives are not currently on the books for your community, expect that their introduction will engender a spirited debate preceding a change in public policy which directs tax subsidies to existing businesses. Business retention will need to be embraced as a laudable goal by community leaders and elected officials prior to creating or amending existing incentive policies.

Karin Richmond is principal of Intelligent. Incentives., an Austin, Texas-based consultancy specializing in incentive policy development and large-scale incentive negotiations, and a member of the IEDC Board of Directors. Anne Berlin is an Economic Development Associate at IEDC.

Stimulus News & Resources

Rural Business Enterprise Grants: Prepare Now to Submit Applications

The Rural Business Enterprise Grant (RBEG) program aims to improve the economic conditions of rural areas. This funding opportunity is being announced prior to the actual availability of RBEG funding to allow applicants time to obtain leveraging funds and to prepare applications. Applications will be received and reviewed at the State Office level;

approximately 200 awards will be made of around $100,000 each. A link to the RBEG grant program notice is available at the USDA's Rural Development page (toward the top; it's easy to overlook); watch there for an application date announcement or check www.grants.gov.

Deadline to Submit Applications for Rural Business Opportunity Grants Extended

The original deadline to submit applications for Rural Business Opportunity Grants was March 31, but due to delayed publication in the Federal Register, the deadline for receipt of applications in Rural Development State Offices is extended to April 30. The notice of funding availability is available here (pdf).

Department of Labor's ETA Releases State Allotments for Stimulus Funds

The Employment and Training Administration (ETA) issued state allotments for Recovery Act funding for Workforce Investment (WIA) programs. The specific programs include:

- Adult Program
- Dislocated Worker Program
- Youth Activities Program
- Employment Service (Wagner-Peyser) Program

Funds are being distributed through existing formulas for the 50 states and the District of Columbia. Contacts for further information:

- WIA Youth Activities
    - Evan Rosenberg – (202) 693-3593
    - LaSharn Youngblood – (202) 693-2859
- WIA Adult and Dislocated Worker Activities, ES final allotments, and WOTC allotments
    - Mike Qualter – (202) 693-3014

Recovery Tracking Resource Available

Recovery.org provides data, maps, and graphs detailing the spending activity associated with the American Recovery and Reinvestment Act. It contains links to resources, lists of recovery-funded projects, dollars by category and more.

Federal Update

House, Senate Adopt FY2010 Budget Resolutions

The House and Senate each adopted their fiscal year 2010 budget resolutions last Wednesday, setting the stage for conference negotiations once Congress returns from the spring recess on April 20. Every year the House and Senate adopt their own budget resolutions, which are basically agreements on the federal budget for the upcoming fiscal year. Once each Congressional chamber adopts its resolution, a conference is held to work out the differences in the legislation. After completing work on the budget resolution and the federal budget is set, Congress can begin considering appropriations bills.

The budget resolutions adopted by the House and Senate call for less spending than the President's outline, but are similar to the President's plan in emphasizing healthcare, education, and energy. Congressional passage of reforms in these areas may prove more difficult, as currently there is not sufficient support in the Senate to advance the President's goals with respect to healthcare and a cap-and-trade program without significant compromise.

Technology Innovation Program Accepting Proposals for $25 Million in Competitive Funding

The National Institute of Standards and Technology (NIST) is accepting proposals for the 2009 technology R&D competition under the Technology Innovation Program (TIP). The competition offers a total of $25 million in first-year funding covering the areas of civil infrastructure ($10 million) and manufacturing ($15 million). Eligible entities include small and medium-sized businesses, as well universities, laboratories, and non-profits partnering with small and medium-sized businesses. The proposal submission deadline is June 23. The full funding announcement is available on the TIP website. For more information, contact Michael Baum at (301) 975-2763 or michael.baum@nist.gov.

Deadline Approaching for EPA Smart Growth Implementation Assistance Program

The Environmental Protection Agency (EPA) is accepting applications for the Smart Growth Implementation Assistance Program (SGIA) with an April 23 deadline approaching. The SGIA program provides direct technical assistance to communities desiring to adopt smart growth practices in their development plan but lacking the necessary resources to do so. Eligible parties include state, local, regional and tribal governments, as well as non-profits that have partnered with a governmental entity. The request for applications is available on the SGIA website.

Senators Pryor and Snowe Introduce Science Park Legislation

Senator Olympia Snowe (R-ME) and Senator Mark Pryor (D-AR) introduced bi-partisan legislation to promote the construction and expansion of science parks. The Building a Stronger American Act (S. 583) would provide guarantees for up to 80 percent of loans over $10 million for science park construction. The bill also provides competitive grants of up to $750,000 "for the development of feasibility studies and plans for the construction of new or expansion of existing science parks." The grants and loans would be managed by the Department of Commerce. There has been no further activity on the bill since its introduction.

HUD, DOT Announce Partnership for Sustainable Communities

The Department of Housing and Urban Development and the Department of Transportation have announced an interagency "Sustainable Communities" partnership to coordinate federal transportation and housing policy to create more sustainable, "livable" communities. The departments have formed an interagency task force to further the goals of the plan, which includes:

- Integration of regional housing, transportation, and land use planning and investment
- Redefinition of "affordability" for families, examining both housing and transportation costs
- Development of livability measures to assist in planning
- Harmonization of HUD and DOT resources
- Cooperative data collection and outreach

Transportation Secretary Ray LaHood and Housing Secretary Shaun Donovan delivered testimony to Congress last month in favor of the plan. Secretary LaHood also blogged about his Congressional testimony and the interdepartmental coordination effort, and stated that his blog will be a resource for further updates. For more information about the Sustainable Communities partnership, contact Jill Zuckman at (202) 366-4570.

President Obama Nominates Mathy V. Stanislaus for Key EPA Post

President Barack Obama recently nominated Mathy V. Stanislaus as the Assistant Administrator for the Office of Solid Waste and Emergency Response (OSWER) at the Environmental Protection Agency (EPA). The OSWER administers the Brownfields and Superfund programs. Mr. Stanislaus has a decades-long career in environmental work, and has also served at EPA as assistant regional counsel at the New York Region II offices.

FinancialStability.Gov Now Active – Information on Federal Efforts to Stabilize the Economy

Earlier this year, the Treasury Department launched FinancialStability.gov as a resource for staying informed on the various federal efforts under way to stabilize the nation's economy, such as the purchasing of assets from private financial institutions. The site launched as a single web page with few links, but the full site is now active and contains resources including a summary of programs, glossary of terms, and an interactive map illustrating where the Treasury has funded bank transactions.

BLS Hosts First Advisory Committee Meeting

The Bureau of Labor Statistics (BLS) will host its first Data Users Advisory Committee meeting on April 23. The committee provides "advice on technical matters related to the collection, tabulation, and analysis of the Bureau's statistics, on its published reports, and on the broader aspects of its overall mission and function." Open to the public, the meeting begins at 9:00 am and will take place at the Postal Square Building, 2 Massachusetts Avenue, NE., Washington, DC. For more information, contact Tracy A. Jack at (202) 691-5869.

CDFI Fund Announces New COO

The Community Development Financial Institutions (CDFI) Fund recently announced that José Villar will serve as the new Chief Operating Officer (COO) managing the day-to-day operations of the fund. Prior to his current appointment, Villar held a variety of positions within the Treasury Department as well as other posts within the federal government.

Economic Development News

Economy & Stimulus

Which sectors are adding jobs?
USA Today, Mar. 23

Healthcare, government and energy all have added jobs at a healthy rate throughout the recession. And while the unemployment rate has risen in every state, a few states have rates so low that they are near full employment, including Wyoming, Nebraska, Utah, South Dakota and North Dakota.

That's at least a little good news in light of Friday's announcement that the economy shed 663,000 jobs in March, the fourth straight month in which job losses have topped 600,000; the nation's unemployment rate is now 8.5 percent (Washington Post, April 3). Earlier this week, new orders for manufactured goods rose unexpectedly, suggesting the pace of that sector's decline may be slowing.

While some states reject stimulus dollars, others change laws to get as much as possible
The San Francisco Chronicle, Mar. 26

State legislatures across the nation are scrambling to change their laws to meet the demands of the federal government and compete for the billions in stimulus funds. Lawmakers in Wyoming approved emergency rules to make the state eligible for water funds, Virginia legislators did the same for transportation, and this article includes other examples.

Foreign firms hope to cash in on stimulus dollars
The Washington Post, Mar. 23

Foreign nations and companies are stepping up their lobbying efforts, hoping to gain business. Many of them have significant operations in the United States and are selling their expertise in clean energy, high-speed transit and other technologies, expertise that many American companies lack. "Buy American" provisions in the stimulus legislation and elsewhere in U.S. law require that most materials and work be produced domestically, but such statutes are effectively silent on where the parent firm should be based.

Smart growth goals left by the highway in many states
New York Times, Mar. 22

To spend stimulus money quickly, many states are using their shares to build new and wider roads that will spur development away from their most populous centers.

Many stimulus-based construction projects coming in under bid
New York Times, Mar. 26

Construction companies looking for work have slashed their prices to try to win the first round of public works projects being paid for by the stimulus package. State officials say they'll have no problem spending all the money they are receiving from the federal government; if projects continue to cost less than expected, they'll simply tackle more of them.

Analysis & Impacts

How many companies make a cluster – and does it really matter?
Investment and Innovation Forum, Mar. 19

Not really – it can be as few as 11, or even two. There are some valuable insights about clusters, particularly in rural areas, in this brief blog post, and the most important may be: "[N]eeds for critical mass depend in part on willingness of companies to cooperate. The greater the willingness to cooperate, to intentionally pursue economies of scale, the smaller the numbers of firms needed to have 'critical mass.'"

Business Attraction & Marketing

22 immutable laws of place branding
The Burghard Group

That's a lot of laws, but this list is worth reading. Despite much attention, the finer points of branding are often missed in marketing strategies, and this list attempts to apply successful private sector branding principles to public sector place branding. Among the tips: keep a narrow focus; ensure that the experience matches the promise; and don't pursue strategies and alliances that risk your location's good name.

Understanding the recession's impact on corporate site selection
Ohio Business Development Coalition, Mar. 2009

Based on his work with site selection consultants, this writer offers his view of capital investment trends. While the recession has not halted investment activity, the impetus for capital investment and the weight of certain factors are changing to favor consolidations. He also notes that incentives are being evaluated earlier in the process and that cash and up-front grants are generating more interest than ever, and concludes with tips for what economic developers should be focusing on now.

Rather than a broad brush, focusing on a single economic driver
Triad Business Journal, Mar. 20

Winston-Salem, N.C., will aim to create 30,000 new jobs over 10 years in a single industry – which hasn't been publicly announced. The strategy developed from looking at the successes of a handful of similar-sized, high-performing cities; Madison, Wis., in particular is mentioned and its focus on agribusiness, which has spun out related industries. The target industry will be the focus of additional resources and marketing.

Entrepreneurship & Small Business Development

Chambers using technology to help small businesses
Wall Street Journal, Feb. 23

Chambers across the country are helping small businesses find technologies that might give them an edge. Initiatives explored from Nashville, Columbus, New York and Salem, Ore., include guidance on how to use social-networking sites to find job candidates, tips on web prospecting, and new websites where firms can solicit work proposals and network with peers.

NYC program aims to turn laid-off investment bankers into entrepreneurs
Red Herring, Mar. 20

Mayor Bloomberg's program to keep finance talent viable involves a five-day "bootcamp" to help bankers adjust to life at startups; after bootcamp, existing startups can take on the former finance professionals in a 10-week internship program. In related efforts, the city also has created business incubators; infused $3 million to seed several angel funds; launched a financial services business plan competition; and created a venture capital portal to provide a clearinghouse for entrepreneurs and startups. NYC certainly has a wealth of finance talent not available elsewhere, but some of these ideas can be scaled down for adoption in other communities.

Organizational, Strategy and Governance Issues

How can your EDO partner effectively with politicians?
Entreworks Insights, Mar. 2009

Tip one: Don't just approach federal and state legislators when you want a grant or a bill passed. Interact with them regularly, invite them to key meetings and to tour local facilities, and keep them updated on your activities via press releases, blogs, and other means. Tip two: Effective partnering requires that your organization provide something of value in return, and economic developers have strengths in two areas of interest to politicians: access to supporters and access to information. This article contains some other good ideas.

Real Estate

Ideas for filling vacant retail boxes
Costar, Mar. 4

With few retailers expanding, non-traditional leasing is on the upswing, requiring brokers and landlords to become more creative and flexible in what types of deals and leases they're willing to maintain. Some examples include smaller, local and regional retailers snagging prime retail space traditionally taken by large national retailers, and government entities, preschools, satellite colleges, and medical and recreational uses opening in malls and strip centers. The article also discusses some traditional tenants who are currently expanding, plus issues in "alternative tenanting."

Stepping back to look at the bigger picture, this commentator notes that the next generation of retail will look very different from the last, and encourages economic developers to consider what opportunities they can seize around urban redevelopment, infill, downtown development, and neighborhood-serving development to define the future of retail for their communities. (Buxton Retail ED Blog, Mar. 6)

Revitalization

Policy packages for revitalizing older industrial cities: TIF for brownfields, and more
Smart Growth America/Restoring Prosperity, Mar. 3

This page contains links to four "policy packages" for state advocates on tax increment financing for brownfields; fix-it-first strategies for water and sewer infrastructure; using Low Income Housing Tax Credits to create and preserve transit-accessible affordable housing; and performance-based transportation measures. Each package includes an overview of the policy, key features of successful legislation, advice on political strategy and communications, sample legislative language, and a fill-in fact sheet for advocates to distribute to state officials.

Sustainability

Texas waits for solar boom
Austin Business Journal, Mar. 20

Eight to 10 solar companies are considering Austin as a location for manufacturing plants because they can use the local worker pool from the semiconductor industry, according to the Austin Chamber of Commerce – but there hasn't been much action yet, and the region and the state face fierce competition from around the country. State legislators are planning to introduce a raft of solar-related bills during the current session, which stakeholders hope will provide enough incentives to seal some deals.

A related article from DOE's State Energy Program reviews the role of state policy in renewable energy development, discussing trends in state renewable energy development, factors that influence renewable energy development, and how state policies correlate with renewable energy market transformation (Conservation Update, Jan-Feb 2009).

Technology & Innovation

Recovery Act bonds may benefit technology companies
Wisconsin Technology Network, April 2

In the stimulus bill, changes to the Internal Revenue Code relating to tax-exempt small issue industrial development revenue bonds now apply to any facility used in the creation or production of "intangible" property. Prior law made such financing available only for the manufacture or production of "tangible" personal property. While IRBs likely aren't on the radar screen of many growing tech companies, this article discusses how they might be a useful tool as the interest cost savings can be significant.

Unable to raise money or find buyers, many biotech firms are hurting
The Washington Post, Mar. 23

Raising money by entering the public markets is increasingly difficult for companies in all areas of the technology industry. In biotech, big pharmaceutical companies, the traditional buyers of firms specializing in drug development and other medical products, are having cash-flow problems, and smaller firms may cope by consolidating. Yet as companies of all sizes cut back on funding for R&D, smaller firms with robust research arms will be attractive to acquirers of all sizes.

See this week's *ED Now* feature article, Regional Knowledge Ecosystems: Laying the Groundwork for Future Technology-Based Economic Development, for more discussion of the role of smaller firms in R&D innovation.

Workforce Development

Community colleges at the forefront of green jobs training
Sustainable Industries, Mar. 30

Many employers and experts are concerned about a skills gap between potential workers and green jobs, but technical colleges are rallying to fill it. This article discusses initiatives in Los Angeles and Oregon to train workers, including a partnership with Pacific Gas & Electric (utilities face major worker shortages due to impending retirements). Here's an additional article on Wisconsin's technical colleges, which now have six associate degree programs in renewable energy, up from none just a few years ago (Milwaukee Journal-Sentinel, Mar. 26).

High Road or Low Road? Job Quality in the New Green Economy
Good Jobs First, Feb. 2009 (pdf, 46 pp.)

This report expresses concern that in the haste to create a large quantity of new green jobs, too little attention will be paid to their quality, and reviews the challenges and opportunities to achieving good green jobs.

April Fool

Resident Demands 'Everything in My Back Yard'
Closed Wal-Mart Reused for New Wal-Mart
Hardcore New Urbanist Can't Stop Mixing Uses

Member Update

Fran Gladden will be leaving **Louisiana Economic Development** to take the position of Vice President of Governmental & Public Affairs for Cox Communications.

The **Economic Development Group of Eloy** (**Ariz.**) welcomed its new Executive Director, **Gayle Cooper, CEcD,** last week. Cooper comes to Eloy after three years as a Marketing and Business Development Consultant with GMConsulting.

Gary R. McLaren is the new Executive Director of the **Henrico Economic Development Authority** (**Va.**), replacing Fred Agostino, who retired in December. McLaren has been the Deputy Director of the Virginia Economic Development Partnership since 2003.

Thomas Dee, formerly a principal at Cannon Design, is the new President of the **Erie Canal Harbor Development Corp.** in Buffalo, N.Y. The agency, an arm of the **Empire State Development Corp.**, has been without a full-time president since Charles Rosenow resigned last fall.

The **Southeast Fairfax Development Corp.** (**Va.**) has selected **Debi Sandlin** as its new Director. Sandlin comes to Fairfax after eight years as the Economic Development Manager for the City of Manassas.

Mike Langley will step down as CEO of the **Allegheny Conference** (**Pa.**) and will be replaced by Dennis Yablonsky, former secretary of the state Department of Community and Economic Development. Langley has served as the head of the economic development organization since 2003.

RFP

RFP for detailed site & building software for the Greater Wichita region due 4/10/09.

GWEDC has issued a formal RFP for site & building software to use as a component in marketing and attraction efforts that will allow users who come to the gwedc.org website to link to detailed information about available sites and buildings in our region. The software program we desire will enhance our competitiveness by offering detailed information that will:

• Provide users with the ability to search for properties (sites or buildings) based upon their parameters.
• Provide users with the ability to build maps of sites and buildings of interest.
• Provide users with the ability to search for available workers surrounding the identified sites or buildings; based upon their parameters (miles or commuter minutes).

Responses are due no later than 5 p.m. on Friday, April 10, 2009.

For more information about the RFP, please contact David Bossemeyer, GWEDC Managing Director, Business Development, at dbossemeyer@gwedc.org or 316.268.1132. Click here for more information or cut and past the following into your browser - www.gwedc.org/investorsinvestor_profile.php.

Job Center

Got openings? Place your job ad with IEDC and get four weeks of exposure to more than 20,000 economic development professionals across the nation and beyond. Simply fill out our simple online form.

» **Visit the Job Center** for details on each listing.

April 6, 2009
• Director of Housing & Community Development (West Palm Beach, FL)
• Economic Development Director (Parker, CO)
• President (Northern Kentucky)

March 30, 2009
• Executive Director (LaBelle, FL)

March 23, 2009
• Executive Director (Bellingham, WA)
• Economic Development Executive Director (Caldwell County, NC)
• VP, Economic & Business Development (Palm Beach Gardens, FL)
• Economic Development Director (Christiansburg, VA)

March 16, 2009
• Development Services Specialist (Kansas City, MO)
• Economic Development President (Kalispell, MT)
• Executive Director (Manistee, MI)
• President (Fort Wayne, IN)