

News & Views: Economic Development

An Informational Resource

Virginia's Asian Marketing Mission

A Virginian marketing mission to Asia is expected to produce several economic development announcements in the coming weeks. The governor spearheaded the trip that included Japan, China and South Korea. While in China, the governor announced that Virginia would open an economic development office in Shanghai in an effort to enhance trade relations with China.

China is now

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Tennessee to INCITE Development

Tennessee's \$50 million INCITE program aims to stimulate business innovation, commercialization, investment, technology and entrepreneurship across the state. It recognizes that Tennessee needs to tell its story more effectively to leverage its assets and grow new companies to become the top location in the Southeast for high-quality jobs. The Economic and Community Development Department program focuses on four areas:

Innovation Coordination – the state's nine regions will each create a strategic plan for economic development that showcases that region's unique assets. The Tennessee Technology Development Corporation (TTDC) will play a key role in assisting with the development of these plans and will partner with ECD to hold an annual Governor's Conference on Innovation to share best practices.

Commercialization – Implement initiatives that move new products and technologies from the research lab to the marketplace faster. The first step was to fund the Memphis Research Consortium to the tune of \$10 million for enhancing commercialization partnerships.

Entrepreneurship – Business incubators in each of the state's nine economic development regions are being funded to meet critical benchmarks, such as raising specific amounts of private sector capital for their tenant companies. These incubators will then share among themselves best practices and support efforts to raise private capital. And, to reward success, the governor will present an annual Award for Entrepreneurship.

Co-Investment Funds – Tennessee will earmark \$30 million for early stage, seed, and mezzanine capital co-

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Evolving: Urban Development Issues

The high price of gas is making it more cost effective to develop our urban centers because logistics are getting more expensive: moving stuff around costs a lot these days, in terms of money and carbon emissions. Businesses are beginning to see that inner cities offer valuable logistical efficiencies. So, all the outsourcing that has been robbing Americans of jobs in recent years no longer makes as much

economic sense. As a result, American companies are beginning to bring their manufacturing operations back to the U.S., especially for things involving heavy logistics.

This will restore and create new jobs that do not require high levels of formal education: hospital services, food services, building maintenance etc. Community colleges can best train this

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Comprehensive Economic Development Still a Dream in Missouri

While only a few of the six bills that Missouri business leaders wanted to spur job creation passed in the legislature, business leaders are still hopeful.

Anti-worker legislation bills died in disputes between the two heavily Republican chambers; but, the legislature did pass a modified version of a bill that decreased the

number of weeks employers pay for unemployment benefits from 26 to 20.

According to the Chamber of Commerce, the changes that did make it into law saved businesses about \$200 million and are expected to help create new jobs.

One of the proposed economic incentives that did not pass was a package of tax incentives designed to spur a

Chinese airline to create a freight hub in St. Louis. Tax credits were controversial and may be the subject of a special session.

The House proposed trimming \$750 million from state tax credit programs. The Senate wanted about twice that and to place sunsets on certain tax credit programs, but the House refused that request.

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Virginia's second-largest export destination; it sent \$1.17 billion in exports there in 2009. The trade delegation met with 50 different business prospects in just a few days involving agricultural, manufacturing and electrical products.

Virginia's business-friendly climate, recent tax incentives approved by its legislature, and the potential of its ports were all important to China's business executives. And in an interesting, and hopeful twist, Chinese companies expressed an interest in moving their manufacturing to Virginia, because it is getting more costly to ship China-made products to the U.S.

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segment of our evolving workforce if they focus on meeting the job demands of their communities. And since many of these jobs feed off one another, the community college training programs need to provide compatible courses.

But don't look to economic empowerment zones as a primary solution to urban development according to Harvard Business School professor Michael Porter. He says, "There's not much evidence that they make a difference. It's the fundamentals that are important: a decent infrastructure and a good location."

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investment funds. These funds will be self-staining and compliment Tennessee's existing lending programs. The goal is to fund these programs primarily through the State Small Business Credit Initiative.



A Winning Economic Development Website

Looking for an effective website to promote economic development in your community? Take a look at Pennsylvania's Pike County website that was unveiled in May.

www.edapikepa.org is well designed and includes just about everything a business would be interested in knowing

about a prospective home.

In addition to showcasing the county's natural beauty, it highlights business opportunities and information such as available property, business assistance services, entrepreneurial environment, workforce training programs, business climate, site selection services, news center, living conditions and a detailed map.

Three videos also help show that Pike County is a highly desirable place to live and work, just minutes from the metropolitan areas of New York City and Philadelphia.



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