



U.S. ECONOMIC DEVELOPMENT ADMINISTRATION

U.S. DEPARTMENT OF COMMERCE

US Department of Commerce

**Federal support for capacity
building through public and
public-private projects**

INNOVATION. REGIONAL COLLABORATION. JOB CREATION.



Defining Economic Development

- Economic Development is the expansion of capacities that contribute to the advancement of society through the realization of individual, firm and community potential.
- Economic Development is a sustained increase in prosperity and quality of life through innovation, lowered transaction costs, and the utilization of capabilities towards the responsible production and diffusion of goods and services.
- Economic development requires effective institutions grounded in norms of openness, tolerance for risk, appreciation for diversity, and confidence in the realization of mutual gain for the public and the private sector.
- Economic development is essential to creating the conditions for economic growth and ensuring our economic future.

Setting the Stage for Long-Term Prosperity



EDA's mission is to lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy.

EDA's strategic investments enhance the competitiveness of America's communities, spur innovation, and create jobs. EDA's flexible programs leverage private-public investments, support "bottom-up" strategies, and build 21st century infrastructure.

Anatomy of an Economic Ecosystem



Successful Venture Capital Framework

Assets: “Hardware”

Capital

Talent

Policy

Culture: “Software”

Network

Trust

Role Models

Motivations

generate
social friction

dissipate
social friction

Supporting Economic Ecosystems Where Private Sector Can Flourish

- Significant empirical evidence shows that regional innovation strategies are the most effective framework to meet the needs of and further advance regional economic ecosystems.
- EDA works directly with local officials and targets its competitive, merit-based investments to:
 - ✓ Support bottom-up, regionally-owned economic development initiatives.
 - ✓ Serve as strategic, catalytic seed investments.
 - ✓ Attract and leverage private capital investment.
 - ✓ Emphasize innovation, entrepreneurship, and regional competitiveness.

EDA initiatives lead directly to job creation and economic growth.

EDA investments Create Jobs



- **EDA provides economic tools and seed investments** to state and local governments, tribal organizations, universities, and non-profits in communities and regions suffering from severe economic distress.
- **EDA targets its investments** to attract private investment and support long-term job creation.
- **EDA investments are focused** on locally-developed, regionally-owned economic development strategies that directly contribute to economic development.
- **EDA is helping communities compete** in the 21st century by making catalytic investments that support regional competitiveness, innovation, and entrepreneurship.

Setting the Stage for Long-Term Prosperity



- Support development of technology-driven economic ecosystems
- Support place-based, locally driven initiatives
- Convene stakeholders
- Make strategic hard and soft infrastructure investments
- Promote a regional development and global competitiveness based on leveraging cluster assets
- Promote knowledge sharing across centers of excellence in economic development

Clusters and Economic Development

- Clusters provide a framework for understanding regional competitiveness and drivers of private investment and job creation—not a top-down formula.
- Clusters can help identify and prioritize opportunities for public investment—not a litmus test for qualifying or strictly characterizing “good” or “bad” projects.
- Clusters enhance knowledge transfer (spillovers)— but, are not a prescription for all public investments.



US Department of Commerce
Economic Development Administration

EDA Regions



EDA Regional Offices/University Centers

Atlanta Austin Chicago Denver Philadelphia Seattle

EDA Investment Programs

PROGRAMS



Economic Adjustment



Planning



Public Works



Local Technical Assistance



University Centers



Trade Adjustment
Assistance for Firms



Research & National Technical Assistance

So, Who Exactly Receives EDA Investments?

- EDA provides competitive, merit-based grants and technical assistance to private-public partnerships, state and local governments, tribal organizations, universities, and non-profits in economically distressed communities.
 - ✓ EDA does not provide investments to for-profit entities nor does it allow pass throughs to companies.
- EDA is investing in long-term investments, such as infrastructure and high-risk innovation that has shown promise but is not yet attractive to private investment.
 - ✓ EDA provides the “patient capital” to bring forward new innovations.
- EDA’s grant investments require a significant match—as much as a 50% match.
- EDA grantees must leverage private-sector investment.

How Is EDA Supporting and Driving Progress on President Obama's Priorities?

By aligning, integrating, and leveraging multi-agency federal collaboration

- ✓ Promote high-growth regional innovation clusters through the ***Jobs and Innovation Accelerator Challenge and Make it in America Challenge***.
- ✓ Serving as one of the leads for the ***Investing in Manufacturing Communities Partnership (IMCP)***
- ✓ Accelerate commercialization of research through the ***i6 Challenge***.
- ✓ Driving key investments in ***manufacturing, exports, and attracting more investment in America***.
- ✓ Providing resources and expertise to ***Select USA***.
- ✓ Advancing ***National Advisory Commission for Innovation and Entrepreneurship*** (NACIE).
- ✓ Promoting resiliency through ***Disaster Recovery and Resiliency*** investments
- ✓ Supporting capacity building and stronger government partnerships in distressed cities through the President's Strong Cities, Strong Communities initiative.

REGIONAL INNOVATION STRATEGIES: SMART INVESTMENTS TO ACCELERATE JOB AND ECONOMIC GROWTH



Planning Program

Planning Program

Locally-owned strategic planning is critical to facilitating regional economic development efforts. Effective planning creates a road map which practitioners and policymakers can use to help identify and take the actionable steps necessary to realize their desired economic vision.

- EDA's **Partnership Planning** program helps regional planning organizations (Economic Development Districts (EDDs), Indian Tribes, and other eligible areas) with their long-term planning efforts, outreach to communities and development of Comprehensive Economic Development Strategies (CEDS).
- A **Comprehensive Economic Development Strategy (CEDS)** is a strategy-driven plan for regional economic development. A CEDS is the result of a “regionally-owned” planning process designed to build capacity and guide the economic prosperity and resiliency of an area or region. It provides a coordinating mechanism for individuals, organizations, local governments, and private industry to engage about the economic direction of their region.
- EDA supports a national network of over 380 regional economic development organizations known as **Economic Development Districts (EDDs)**. EDDs are multi-jurisdictional entities, commonly composed of multiple counties and in certain cases even cross-state borders, that leverage the involvement of the public, private, and non-profit sectors to establish a CEDS for regional collaboration.

Economic Development District (EDD) Designations

- An applicant seeking designation as an EDD should begin the process by engaging in a dialogue with the appropriate EDA state point-of-contact who can help the applicant prepare the appropriate materials and justifications.
- To request designation as an EDD, an applicant must have an EDA-approved CEDS and at least one geographical area within the designated service boundaries must meet EDA's regional distress criteria (set out in 13 C.F.R. § 301.3(a)).
- The applicant should be able to effectively demonstrate the economic justification for the formation of the EDD (i.e., common/shared economic opportunities and challenges). Need to include commitments from the majority of jurisdictions within proposed EDD boundary and concurrence of State within which the proposed EDD resides. Applicant must also provide various action request/support letters and proposed EDD composition information (e.g., Articles of Incorporation) – see EDA state POC for more details.
- An applicant must demonstrate that the planned EDD's governing body broadly represents the principal economic interests of the region unless otherwise prohibited by applicable state or local law (see 13 C.F.R. § 300.3 (Note: specific membership requirements/percentages will no longer be required as part of the upcoming revision to EDA's regulations)).

EDA Project Examples



Launched in 2010, the i6 Challenge is a cutting edge federal grant program that supports truly innovative initiatives to spur innovation commercialization, entrepreneurship and jobs creation at the local level

The \$6 million annual competition funds Proof of Concept Centers and creates a network of experts to:

- Support innovators and researchers
- Spur sustainable startups, small businesses, and new ventures
- Expand access to capital to fuel growth
- Connect mentors and advisors to entrepreneurs
- Spark job creation
- Over the last three years, \$18 million from EDA to 18 winners across the United States to create their own centers for innovation and entrepreneurship
- These centers have raised another \$1-2 million from the private sector to support their efforts



The Jobs and Innovation Accelerator Challenge, a multi-agency competition, was launched to support the advancement of high-growth, regional industry clusters. Investments and technical assistance from federal agencies promote development in areas such as advanced manufacturing, information technology, aerospace and clean technology, in rural and urban regions in 21 states.



- Brings together universities, government and strategic partners
- Accelerate the formation of new, high-growth businesses to create high-quality, high-paying jobs
- Advance the commercialization of research
- Support the deployment of new processes, technologies, and products
- Enhance the capacity of small businesses, including disadvantaged businesses
- Increase exports and business interaction with international buyers and suppliers
- Develop the skilled workforce needed to support growing clusters
- Ensure diverse workforce participation in clusters through outreach, training and the creation of career pathways

Oklahoma City (OKC) Technology Business Launch Program at i2E, Inc. - Economic Adjustment

- In 2010, EDA invested \$1,000,000 to help create the OKC Technology Business Launch Program at i2E, Inc. which assists local entrepreneurs start businesses including advanced technology companies in the Oklahoma City area
- The program accelerates growth through services such as Executives-In-Residence, Chief Financial Officer assistance, Commercialization Advisory Services, Angel Group investors, and expansion of venture development organizations in Oklahoma City.
- Funding was provided in 2012 to expand the program to Tulsa.

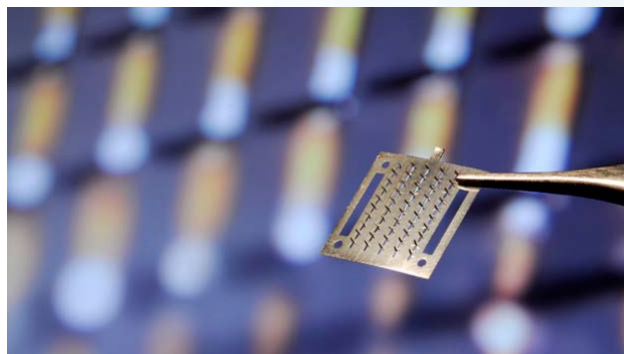


Commonwealth Center for Advanced Manufacturing (CCAM)

- In 2011, EDA invested \$3.97 million in the Commonwealth Center for Advanced Manufacturing (CCAM).
- EDA's investment in CCAM is expected to create 135 jobs and generate \$22 million in private investment, and will serve as a national model for integrating research, workforce development, and corporate investment.
- CCAM's state-of-the-art 62,000 square-foot facility serves as the physical hub for university and corporation collaboration.
- In October 2013, EDA awarded \$280,600 through the Investing in Manufacturing Communities Partnership (IMCP) to help develop an *Advanced Manufacturing Apprentice Academy Center* to be located at CCAM.



Global Center for Medical Innovation– i6 Challenge - 2010



“Micro needles are being developed to painlessly administer drugs and vaccines through the skin are among the medical devices developed at the Global Center for Medical Innovation.”

➤ In 2010, EDA invested \$1,000,000 in i6 money to the Global Center for Medical Innovation to bring together core members of the medical device community, including universities, research centers, clinicians, established device and drug companies, investors, and early-stage companies, with the goal of accelerating the commercialization of innovative medical technology.

➤ The Center provides a range of services to medical device innovators, including:

- ✓ Design, Engineering & Product Development
- ✓ Prototyping, Small-Scale cGMP Manufacturing
- ✓ Intellectual Property & Start-up Services
- ✓ Market Research & Analysis
- ✓ Regulatory & Quality Assurance
- ✓ Preclinical Testing
- ✓ Clinical Trials
- ✓ Funding
- ✓ Innovator Education

Rail Spur Stimulates FDI – Rochelle, IL

- In 2012, EDA invested \$2.4 million in public works money to construct 4 miles of the City of Rochelle Railroad System and water and sewer utilities which will allow future industrial development.
- The City of Rochelle Railroad currently serves eight industries and switches on and off of the main lines of the Union Pacific and Burlington Northern Santa Fe Railroads. The new rail infrastructure will provide rail service to Nippon Sharyo and other regional rail car manufacturers and suppliers.
- This grant helped attract Nippon Sharyo, a Japanese rail car manufacturer. Nippon Sharyo is investing more than \$50 million to create a new 465,000 square foot manufacturing facility which will create 300 jobs to help increase its competitiveness by moving closer to its customers and suppliers.



Clemson University International Center for Automotive Research (CU-ICAR) Campus

- In 2009, EDA invested \$3,000,000 in Public Works funds to construct the Center for Emerging Technologies on the Clemson University International Center for Automotive Research (CU-ICAR) Campus in Greenville, SC.
- Emerging or established companies are able to expand and develop technologies that complement research of Clemson faculty and students. The center is designed to complete the technology chain from laboratory to the consumer end-user.
- Technology tenants include:
 - CADFEM U.S. Inc.
 - L&L Products LLC
 - Cooliemon Technologies Inc.
 - Mallett Technology Inc.
 - InnoVenture LLC
 - Dreamweaver International Inc.
 - Mumford Industries Inc.
 - Toho Tenax



Western Carolina Jobs Accelerator

- In FY 2012, EDA awarded a \$815,000 (\$500,000 - EDA, \$215,000 – USDA, and \$100,000 – ARC) Rural Jobs Accelerator investment (total project is \$1,630,000) to develop plans, feasibility studies, and pilot programs to identify and promote investment in major supply chain opportunities and provide western North Carolina businesses access to new technology from regional universities and other research and development centers by leveraging the area's agricultural assets.
- This projects leverages the Blue Ridge Food Ventures incubator which is an 11,000 sq. ft. shared-use kitchen incubator and natural products manufacturing facility that offers support in product development, guidance through the maze of regulations governing safe production of food products and dietary supplements, advice on packaging and label design, and much more.
- Since it has opened in 2005, the BRFV incubator has helped over 160 small food businesses across the state.

EDA Tools

EDA Incubator Best Practices Tool

INCUBATING SUCCESS.

INCUBATION BEST PRACTICES THAT LEAD TO SUCCESSFUL NEW VENTURES

Home

Practitioner's Toolkit

Published Materials

Research Team







Benchmark Your Incubator Management Practices and Access Tools for Continuous Improvement

Dedicated incubation professionals are always looking for ways to enhance their program's effectiveness and efficiency. This online tool, based on research funded by the U.S. Department of Commerce Economic Development Administration, will provide incubator managers with the input they need to do just that. Using this tool, incubation practitioners can measure their program's performance compared with the business incubation practices deemed most important to client success, as well as receive feedback on how to improve their program's operations.

Use this tool to:

- Evaluate your incubation program's performance in correlated best practice areas
- Discover your incubation program's areas of excellence
- See where your program can improve
- Learn more about incubation best practices and how to achieve them

How to use this tool

- Click on "Practitioner's Toolkit" below to start.
- Answer each question and then click on "Submit Answer." The box to the right of the question will display information that explains why a particular practice is important and provides links to resources that will help you improve in this area.
- To proceed to the next question, click on "NEXT." You must click on "Submit Answer" before you can go on to the next question. You can go back to previous questions by clicking on "PREVIOUS."
- When you finish the tool, you will be able to create a PDF copy of the report. The toolkit **does not** save your responses, so it's important to create this PDF report for your records and further review.

[Click here to begin using the Practitioner's Toolkit.](#)

www.EDAincubatorortool.org

Regional Innovation Acceleration Network

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Regional Innovation Acceleration Network

ABOUT

CONTACT

VDO BASICS

SUCCESS

IMPACT

PROFILES

NEWS & VIEWS

GETTING STARTED

Building Resilience into America's Regional Economies

RIAN and the community of Venture Development Organizations (VDOs) are transforming regions across the United States through strategic investments in innovation, entrepreneurship, and technology - one company at a time, repeated hundreds of times over. Explore this site to learn more about VDOs, find examples of their client successes, join the discussion for improving regional economic development, and bring new thinking, new practices to your own economy.

Upcoming Events

Conference
Nov 13 - Nov 15
2012 SBIR/STTR National Conference
Portland, OR

[view all upcoming events](#)

The nation's network of Venture Development Organizations (VDOs) turning innovations into companies with jobs to drive America's economy - **SMARTER, FASTER, FORWARD**



VDOs Making an Impact

Investments Attracted
Since 2002, client companies have raised more than \$166 million in follow-on funding.
Idea Foundry
Pittsburgh, PA

Now on @RIAN_online

[More @RIAN_online](#)

Tools & Guides

[Know Your Region](#)

www.regionalinnovation.org

STATS America Innovation Index

Data and analysis tools to support regional competitiveness in a knowledge-based economy. An EDA project.



[home](#)

[tools](#)

[reports](#)

[maps](#)

[about](#)

[sitemap](#)

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Innovation Index

The Index helps you understand your region's innovation performance and potential

- [View Innovation Index](#)
- [Innovation Mapping Tool](#)
- [Learn more »](#)

Cluster Analysis

Explore 15 knowledge-based occupation clusters and 17 industry clusters to uncover regional strengths

- [View Occupation Clusters](#)
- [View Industry Clusters](#)

Investment Analysis

Understand the regional development process and access tools to help guide

Crossing the Next Regional Frontier



Why Regions Matter

How can regions participate in and take advantage of today's knowledge-based innovation economy? This website provides tools to facilitate relevant insights and help answer the fundamental questions underlying regional development in today's changing economy.

The purpose of these tools is to help a **region** guide **strategic discussions** about **where to invest** scarce resources to build **prosperity** for the next generation. More specifically, these tools enable regional leaders to focus on 2 sets of core assets that create prosperity:

Who Is This Site For?

This site makes the latest research on innovation and rural development available to economic developers and other local decision makers in an easy-to-use format. Data may be used in both rural and urban regions.

A Guide for Practitioners

Looking for an overview of the tools and ideas on how to use them in your region? Here's a short PDF to get you started.

- [View Practitioner's Guide](#)

www.statsamerica.org/innovation

The Triple Bottom Line Tool

THE
TRIPLE BOTTOM LINE
TOOL

Not logged in. [Log in or Create an Account](#)

HOME

ABOUT THIS TOOL

CALCULATE YOUR TBL

CASE STUDIES

BETA FEEDBACK



The Triple Bottom Line Tool helps optimize investments for economic, environmental, and social impact – what's referred to as the triple bottom line or TBL. Investors, economic development professionals, and decision-makers can use the TBL Tool to:

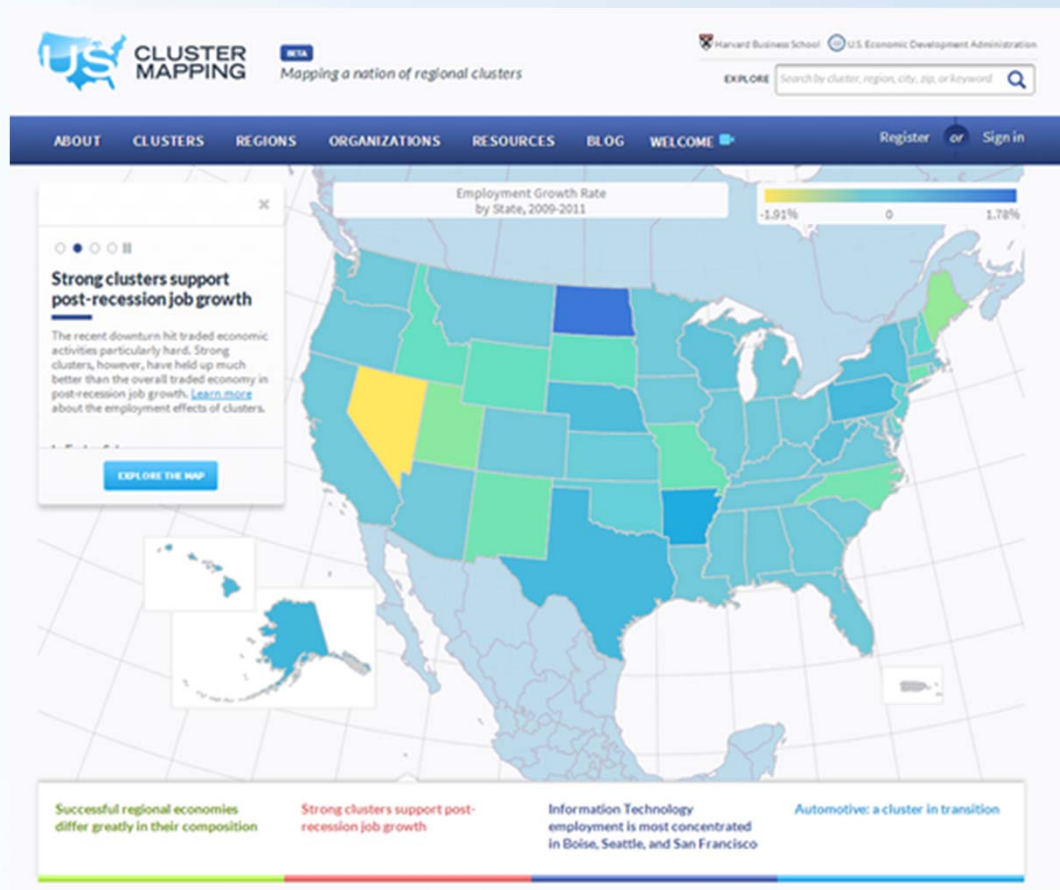
Design economic development investments for maximum returns

Consider an economic development investment's impact on various factors

Compare or **communicate** impacts of investment

www.tblltool.org

CLUSTERMAPPING



www.clustermapping.us

Chicago Regional Office Contacts

Chicago Regional Office
230 South Dearborn Street, Suite 3280
Chicago, IL 60604
312-353-8143

Illinois, Indiana, Ohio
Darrin Fleener
Economic Development Representative
312-789-9760 (Office)
312-405-8521 (Mobile)
dfleener@eda.gov

All Programs and New Projects
(including IL, IN and WI Tri-State Counties)
Dug Salley
Area Director
312-789-9764 (Office)
312-965-2549 (Mobile)
dsalley@eda.gov

Jeannette P. Tamayo, Regional Director
312-789-9760 (Office)
312-485-2281 (Cell)
jtamayo@eda.gov

Michigan, Minnesota, Wisconsin
Lee Shirey
Economic Development Representative
312-789-9751 (Office)
312-720-0076 (Mobile)
lshirey@eda.gov
517-447-4253 (Deerfield, MI) – Based in Michigan

Special Initiatives
(IMCP, JIAC, i6, RIS)
William “Bill” Warren
Economic Development Specialist
312-789-9758 (Office)
312-805-6208 (Mobile)
wwarren@eda.gov



U.S. Economic Development Administration U.S. Department of Commerce

www.eda.gov

