The President of the Senate
Speaker of the House of Representatives

Dear Mr. President and Mr. Speaker:


EDA’s focus on innovation, regional collaboration and job creation is vital to the Department of Commerce’s effort to increase America’s global competitiveness in the 21st century.

Sincerely,

Gary Locke
Secretary of Commerce
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I am pleased to report to Congress the accomplishments of the U.S. Economic Development Administration (EDA), U.S. Department of Commerce, for Fiscal Year 2010.

As the only government agency with economic development as its sole mission, EDA plays an important role in the national effort to out-innovate, out-build and out-educate the rest of the world and enhance America’s long-term competitiveness.

Over the past year, EDA has demonstrated its effectiveness through its work to spur innovation, help create jobs, mitigate the effects of natural and man-made disasters, and lead multi-agency economic development initiatives.

A model of smart, lean government, EDA does more while spending less—every dollar the agency invests leverages another $6.90 in private/public investment. Its work is generating real returns. In FY 2010, EDA awarded investments that totaled approximately $285 million, excluding supplemental funds. Of this amount, approximately $191.5 million funded construction projects that are expected to help create or retain about 48,500 jobs and generate nearly $6 billion in private investment, according to grantee estimates at the time of the award.

During FY 2010, EDA helped America’s regions plan for long-term stability and create the conditions for the private sector to succeed. EDA’s approach prevents a “race to the bottom” in which cities, counties, and states, undercut each other in order to attract short-term growth.
By bringing together business leaders, government officials, universities, and nonprofits, EDA helps regions capitalize on shared strengths, multiplying their economic power and creating jobs. To drive global competitiveness, EDA is developing regional innovation clusters, like the energy efficiency buildings cluster found in Philadelphia, which EDA joined with the Department of Energy and other federal agencies to award $129 million to further develop.

Last year, EDA underwent a comprehensive reorganization to remove barriers to success and implemented several important changes to its grant application and review process to be more efficient and transparent, ensure applicants receive more timely responses and significantly reduce the time it takes to evaluate applications while maintaining exemplary levels of customer service. An important part of the reorganization was to bring the Office of Innovation and Entrepreneurship (OIE) to EDA as the agency promotes innovation and regional collaboration. Through the work of OIE, EDA led the first i6 Challenge competition to reward American innovation and accelerate technology commercialization.

FY 2010 was a pivotal year for EDA. We launched the Jobs and Innovation Partnership to bolster cluster development; helped to lead the strategy to revitalize Florida’s Space Coast through the Task Force on Space Industry Workforce and Economic Development; and promoted U.S. exports by hosting the joint EDA and U.S. International Trade Administration Clean Tech Trade and Investment Mission to Lyon, France, and Brussels, Belgium, that for the first time included U.S. community delegates as well as businesses. And in response to the Deepwater Horizon oil spill in the Gulf Coast, EDA led the White House National Incident Command’s Economic Solutions Team, which deployed 21 economic development and assessment teams to Florida, Louisiana, Alabama, Mississippi, and Texas to conduct 3-day assessments and help develop regional recovery plans.

The FY 2010 annual report provides an important picture of EDA’s accomplishments as the agency continues to collaborate to accelerate long-term economic and job growth.

Sincerely,

John R. Fernandez
U.S. Assistant Secretary of Commerce for Economic Development
Statement of Appropriations for Fiscal Year 2010
(in thousands of dollars)

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* Appropriations reflect transfer of $1,882,000 from Trade Adjustment Assistance to Salaries and Expenses (S&E).
Economic Development Administration Overview

Established under the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. § 3121 et seq.) (PWEDA), the Economic Development Administration (EDA) has helped communities generate jobs, retain existing jobs, and stimulate industrial and commercial growth for 45 years. As the only federal agency with economic development as its exclusive mission, EDA promotes the economic ecosystems in which jobs are created, through a wide range of technical, planning, and public works and infrastructure investments. With a proven track record, and a return on investment of $6.90 for every federal dollar invested, EDA strives to advance global competitiveness, create high-paying jobs, and effectively leverage public and private resources. EDA’s investments establish a foundation for sustainable job growth and the building of durable regional economies throughout the United States. This foundation builds upon two key economic drivers—innovation and regional collaboration.

Innovation is the key to global competitiveness, new and better jobs, a resilient economy, and the attainment of national economic goals. The new global economy is built on centers of competition, and those regions that work together to leverage resources and use strengths to overcome weaknesses will fare better than those that do not. Guided by the basic principle that communities must be empowered to develop and implement their own economic development and revitalization strategies, EDA works directly with local economic development officials through a bottom-up approach that both supports and relies upon a well-established network of local and regional economic development professionals. This collaborative approach results in grant investments that are well defined, timely, and linked to a long term sustainable economic development strategy. Linking EDA’s investments to a community’s strategic economic development plan enables the Federal Government to better leverage public and private sector investments.

EDA’s flexible programs and structure enable nimble operations and allow for innovation and responsiveness to changing economic needs and conditions faced by our local and state government partners. EDA’s economic footprint is wide and its tool-box is extensive, and includes technical assistance, post-disaster recovery assistance, trade adjustment support, strategic planning and research and evaluation capacity, thereby allowing the bureau to offer the most effective investment to help communities succeed in our global economy.

“The only way to fully restore America’s economic strength is to make the long term investments that will lead to new jobs, new industries, and a renewed ability to compete with the rest of the world.” -President Barack Obama
EDA’s Investment Programs

**PUBLIC WORKS AND ECONOMIC DEVELOPMENT:** Supports the construction, expansion, or upgrade of essential public infrastructure and facilities

**ECONOMIC ADJUSTMENT ASSISTANCE:** Provides a wide range of technical, planning, and public works and infrastructure assistance in regions experiencing adverse economic changes that may occur suddenly or over time (e.g., strategy development, infrastructure construction, revolving loan fund capitalization)

**PLANNING ASSISTANCE:** Assists local and regional organizations (District Organizations, Indian Tribes, and other eligible entities) with their short- and long-term planning efforts

**TECHNICAL ASSISTANCE:** Provides focused assistance (e.g., project planning, economic impact analyses, feasibility studies) to public and nonprofit leaders to help in economic development decision-making; also includes the University Center Economic Development Program, which makes the resources of universities available to the economic development community

**RESEARCH AND EVALUATION:** Supports research of cutting-edge economic development practices, as well as information dissemination efforts to national audiences

**TRADE ADJUSTMENT ASSISTANCE FOR FIRMS:** Supports a national network of 11 Trade Adjustment Assistance Centers that assists U.S. small and medium-sized businesses impacted by increased imports with the development and implementation of business recovery and global competitiveness strategies to retain and create jobs

**COMMUNITY TRADE ADJUSTMENT ASSISTANCE:** Provides planning and/or implementation project grants to communities that have experienced or are threatened by job loss resulting from international trade impacts

**GLOBAL CLIMATE CHANGE MITIGATION INCENTIVE FUND:** From amounts otherwise made available for the economic development assistance programs authorized under PWEDA, promotes EDA’s policies and strategies which contribute to environmentally sustainable development
EDA Highlights for Fiscal Year 2010

EDA’s Jobs and Innovation Partnership is the agency’s overarching framework for approaching economic development. The Partnership is built upon two key pillars: innovation and regional collaboration. Innovation—or the implementation of new ideas or recombination of old concepts in new ways—is the key to new and better jobs, a resilient economy, and global competitiveness. Regional collaboration is also essential. Regions that work together to leverage resources and build upon their unique comparative assets are better poised for economic success.

At its core, the Jobs and Innovation Partnership puts a premium on Regional Innovation Clusters (RICs)—geographic concentrations of firms and industries that do business with each other and have common needs for talent, technology, and infrastructure. RICs serve as the platform for linking, aligning and organizing multiple initiatives across the Administration and across the nation’s economically integrated metropolitan and rural areas. The Partnership is designed to increase the efficiency and effectiveness of EDA’s investments by cultivating public/private partnerships centered around identifying mechanisms to capitalize on regional assets and collaboration to create jobs and encourage business expansion. This integrated strategy is particularly important given the current fiscal crisis facing local, state, and federal governments, and the national jobs and growth outlook.

By focusing on regional assets, EDA made investments in 2010 that maximized available resources, amplified regional capabilities, and leveraged entrepreneurial knowhow. A strong example of this approach in action is EDA’s recent work in Oklahoma. In FY 2010, EDA invested $1 million to establish the OKC Technology Business Launch Program at i2E, Inc., a nonprofit focused on growing technology-based companies in Oklahoma. i2E assists advanced technology businesses in their earliest stages of development, working with over 1,300 Oklahoma entrepreneurs since its creation in 1997. EDA’s investment builds on this success and the city’s strong network of entrepreneurs by helping i2E expand its assistance to new companies, providing essential business development services such as an Executives-In-Residence program, Chief Financial Officer assistance, commercialization advisory services, and angel investor match-making. Located in the Presbyterian Health Foundation Research Park, a state-of-the-art research facility that supports biomedical research companies commercialize newly developed machines and technology, EDA’s $1 million in the OKC Technology Business Launch Program is expected to assist the growth of approximately 25 companies per year.

The Jobs and Innovation Partnership also affirmed EDA’s commitment to bolstering the nation’s
R&D commercialization efforts. The link between commercialization and economic development is inextricable: new products create new industries which, in turn, create new jobs. In this vein, in 2010, EDA created the i6 Challenge, a national competition to target investments in America’s innovation and commercialization infrastructure. From a field of over eighty applications, EDA awarded $1 million each to six teams that presented the most innovative ideas to drive improvements in the pace, scope, and scale of technology commercialization. The i6 Challenge resulted in several new efforts to bring experts in science and academia together with public and private sector businesses and entrepreneurs, primarily in the medical and bioscience industries.

In reframing the federal economic development agenda, EDA also recognized a critical need to effectively leverage its expertise in economic development to assist communities in need across the country. Following the Deepwater Horizon oil spill, EDA’s Deputy Assistant Secretary Brian McGowan led the White House National Incident Command (NIC) Economic Solutions Team to assist Gulf Coast communities recover from the economic effects of the spill. During the summer of 2010, the Economic Solutions Team worked extensively with Federal interagency partners and affected Gulf Coast communities in considering
EDA Highlights for Fiscal Year 2010

Over 20 teams, consisting of 125 federal officials and 105 economic development experts, were deployed to the Gulf Coast region (Florida, Louisiana, Alabama, Mississippi and Texas) in August 2010 to conduct economic assessments in 19 counties affected by the BP/Deepwater Horizon oil spill. A total of 672 meetings were held with approximately 1,281 people representing 854 entities. The findings informed the development of a comprehensive framework for Gulf Coast recovery provided in Secretary of the Navy Mabus’ report, America’s Gulf Coast: A Long Term Recovery Plan After the Deepwater Horizon oil spill.
the economic recovery needs of the region. Under EDA’s leadership, multiple teams comprised of federal agency representatives and economic development organizations and experts deployed to the Gulf Coast region to conduct a series of economic development needs assessments in 19 counties affected by the oil spill. These qualitative assessments provided multi-disciplinary, customized, and capacity-building technical assistance for impacted communities and enabled each community to develop its own strategies for economic recovery.

Furthering EDA’s best practices leadership, Department of Commerce Secretary Gary Locke created the National Advisory Council for Innovation and Entrepreneurship (NACIE) in FY 2010 to ensure that the best ideas from entrepreneurs, university, and nonprofit leaders from around the country are captured in effective federal policy-making. Led by EDA’s Office of Innovation and Entrepreneurship, NACIE offers policy recommendations that will facilitate economic growth through entrepreneurial activity, the commercialization of new ideas and technologies into high-growth, innovation-based businesses, access to capital, and ultimately job creation. The Council also serves as a vehicle for ongoing engagement with the entrepreneurship community and other stakeholders.

CHANGING THE WAY WE DO BUSINESS

To create significant and lasting change in the domestic economic development agenda, EDA not only needed to rethink its approach to economic development, but also to look inward and evaluate the agency’s effectiveness. One thing was very clear: in order to meet the needs of its stakeholders in the 21st century, EDA needed to move at the pace of business.

With this in mind, the agency embarked on a comprehensive internal study of its grant making process in FY 2010. EDA leadership engaged stakeholders in a collaborative process to create a new grant application system that would significantly reduce the time it takes to respond to each application while maintaining exemplary levels of customer service. This evaluation process culminated in an overhaul of the agency’s grant-making process. The new process, which was launched at the beginning of FY 2011, will increase EDA’s efficiency, accountability, competitiveness, and transparency.

To further improve the agency’s function, EDA performed an agency-wide reorganization in 2010.
For the first time, U.S. community delegates joined U.S. companies at the joint EDA and U.S. International Trade Administration Clean Tech Trade and Investment Mission to Lyon, France, and Brussels, Belgium, in 2010.
This reorganization clarified reporting relationships and strengthened communications and coordination between EDA’s Regional Offices and Headquarters. The reorganization also formally established the Office of Innovation and Entrepreneurship (OIE) at EDA. Originally created by Secretary Locke, OIE works closely with the White House, other Commerce Department agencies and a range of public and private stakeholders to support high-growth, innovation-based entrepreneurship and to accelerate commercialization of research at federally funded labs.

In order to amplify its reach, EDA also changed the way it interacted with other Federal partners, working hand-in-hand with other federal agencies to promote and advance regional collaboration. In 2010, the White House Interagency Taskforce for the Advancement of Regional Innovation Clusters (TARIC) was launched. TARIC’s primary objectives include monitoring trends in regional innovation clusters, coordinating with federal staff in regional offices, and facilitating a unified federal response to requests for assistance from regions related to economic development, education, workforce development, and entrepreneurship. Through TARIC, EDA took a leadership role in this initiative, coordinating the first-ever joint Federal Funding Opportunity (FFO) involving six other federal agencies: the Department of Energy (DOE), DOC’s National Institute of Standards and Technology/Manufacturing Extension Partnership, the Department of Labor, the Department of Education, the Small Business Administration, and the National Science Foundation. The result was a multiagency Energy Regional Innovation Cluster (E-RIC) Initiative, an interagency program designed to promote and accelerate commercialization of energy efficient building system technology in order to enhance U.S. economic, technological, and commercial competitiveness in the field. The E-RIC project awarded $129 million and programmatic support, including $3 million in EDA Public Works assistance, to the Greater Philadelphia Innovation Cluster for Energy Efficiency Buildings (GPIC). Through a consortium of 11 academic institutions, two DOE laboratories, and five industry partners, GPIC will construct the Energy-Efficient Buildings System Design Hub in the Philadelphia Navy Yard Clean Energy campus.

EDA extended its reach internationally as well. For the first time, U.S. community delegates joined U.S. companies at the joint EDA and U.S. International Trade Administration Clean Tech Trade and Investment Mission to Lyon, France, and Brussels, Belgium, in 2010. The U.S. delegation, co-led by EDA’s Deputy Assistant Secretary McGowan, consisted of 20 community delegates from across the U.S. seeking foreign direct investment and several companies looking to find new trading partners in support of President Obama’s National Export Initiative (NEI).
As the only government agency with economic development as its sole mission, EDA helps coordinate and advise Federal partners looking to implement economic development initiatives, but who lack the agency’s institutional knowledge and experience.
Performance Goals and Results: Government Performance and Results Act

The Government Performance and Results Act of 1993 (GPRA) requires Federal agencies to develop strategic plans, performance goals, and measures to report on their programs’ performance. The Department of Commerce’s overarching strategic goals and outcome-oriented objectives focus on the performance of its bureaus. EDA uses the GPRA review process to improve performance, enhance its programs and refine its measures.

It is crucial that the activities undertaken by EDA with public dollars demonstrate a return on investment through measurable, quantifiable performance outcomes. EDA primarily measures its performance against two goals, the bureau’s ability to: 1) promote private enterprise and job creation in economically distressed communities; and 2) improve community capacity to achieve and sustain economic growth. Beginning in FY 2010, EDA added a new, High Priority Performance Goal: Raise the percentage to 12 percent of construction projects involving buildings or structures funded under EDA’s Economic Development Assistance Programs that are certified by the U.S. Green Building Council under the Leadership in Energy and Environmental Design (LEED) certification system or a comparable third-party certification program. This goal contributes to the Department of Commerce’s Priority Goal focused on sustainable manufacturing and building practices.

Each goal has a series of quantifiable performance measures that are linked to the agency’s strategic goals, its Balanced Scorecard, and the performance plans of senior executives. EDA’s performance measures are also tied to its annual budget request and appropriations.

The results of EDA’s economic development investments are often realized years later as they are transformed into jobs and private-sector investments, thereby fueling economic growth that raises living standards and improves the quality of life. EDA recipients provide data for each grant investment at three-, six-, and nine-year intervals from the date of the grant award. EDA aggregates these data to report the actual results of investments using a formula-driven calculation to project investment targets for these measures. These formulas are dependent on the amount of funding appropriated to EDA within a defined fiscal year.

In FY 2010, EDA met or nearly met all of its targets. Only three of EDA’s targets were not met: (a) jobs created/retained after nine years (for FY 2001 investments); (b) percentage of Trade Adjustment Assistance Center (TAAC) clients taking action as a result of the assistance facilitated by the TAACs; and (c) percentage of District Organizations and Indian Tribes implementing economic development projects from the Comprehensive Economic Development Strategy (CEDS) process that leads to private investment and jobs.
Investments in the green economy are essential to improving our nation’s competitiveness. We must use them to build vibrant, regional innovation ecosystems that support job creation and economic growth. To support that concept, EDA has developed a two-pronged approach to foster environmentally sustainable economic development and sustainable building practices in FY 2011. First, EDA has adopted a set of investment priorities which direct agency funding toward projects that encourage environmentally-sustainable economic development, support emerging industrial clusters related to energy, foster cutting-edge environmental technologies, and support sustainable manufacturing practices. Second, EDA, as directed by Congress, has implemented the Global Climate Change Mitigation Incentive Fund (GCCMIF) to invest in projects that foster job creation while limiting the nation’s dependence on fossil fuels, enhance energy efficiency, curb greenhouse gas emissions, and promote green building practices. It is through this two-pronged approach that EDA has, in the past, successfully contributed to the Department of Commerce’s Priority Goal focused on sustainable manufacturing and building practices (in FY 2010, EDA met its Priority Goal target of 12 percent of its total infrastructure construction projects being LEED-certified or certified under an equivalent certification system).
EDA invested $1 million in the BioGenerator, the Donald Danforth Plant Science Center, the Economic Council of St. Louis County, the St. Louis Development Corporation, St. Louis University, the University of Missouri, and Washington University-St. Louis, Missouri, to advance bioscience technology commercialization in the St. Louis region by building an entrepreneurial infrastructure that is market-based around the needs of existing bioscience firms and investors. This project will strengthen the biosciences as a key regional economic engine for the future, growing new companies and fostering innovation and job creation. This investment, funded through the i6 Challenge, in partnership with the National Institutes of Health and the National Science Foundation, is part of a $2 million project.
PERFORMANCE GOAL ONE:

INCREASE PRIVATE ENTERPRISE AND JOB CREATION IN ECONOMICALLY DISTRESSED COMMUNITIES.

Goal One includes Public Works and Economic Development Assistance, Economic Adjustment Assistance, and the Revolving Loan Fund program. These critical investments enable communities to attract new businesses or to support existing businesses that will generate new higher-skill, higher-wage jobs for unemployed and underemployed residents.

EDA GAUGES ITS PERFORMANCE UNDER GOAL ONE USING TWO RELATED MEASUREMENTS:

MEASUREMENT 1: Private-sector dollars invested in distressed communities as a result of EDA investments.

MEASUREMENT 2: Jobs created or retained in distressed communities as a result of EDA investments.
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PERFORMANCE GOAL TWO:

IMPROVE COMMUNITY CAPACITY TO ACHIEVE AND SUSTAIN ECONOMIC GROWTH.

Goal Two includes investments under the Planning Assistance; Economic Adjustment Assistance (planning and technical assistance components); Local Technical Assistance, the University Center, Research and National Technical Assistance, and Trade Adjustment Assistance for Firms programs.

EDA investments in the economic growth of distressed communities help lay the foundation for job creation and fuel economic growth, thus raising living standards and improving the quality of life. EDA’s optimal use of limited public funds relies on the economic leverage achieved from its strategic and focused investments in distressed communities.
<table>
<thead>
<tr>
<th>Measure</th>
<th>Target</th>
<th>FY 2005 Actual</th>
<th>FY 2006 Actual</th>
<th>FY 2007 Actual</th>
<th>FY 2008 Actual</th>
<th>FY 2009 Actual</th>
<th>FY 2010 Actual</th>
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<tr>
<td>Percentage of Economic Development Districts and Indian Tribes implementing economic development projects from the Comprehensive Economic Development Strategy process that lead to private investment and jobs.</td>
<td>95.0%</td>
<td>97.0%</td>
<td>96.5%</td>
<td>95.0%</td>
<td>92.1%</td>
<td>92.9%</td>
<td>89.1%</td>
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<tr>
<td>Percentage of sub-state jurisdiction members actively participating in the Economic Development District program.</td>
<td>89.0%</td>
<td>91.0%</td>
<td>89.5%</td>
<td>92.0%</td>
<td>89.5%</td>
<td>92.2%</td>
<td>87.1%</td>
</tr>
<tr>
<td>Percentage of University Center clients taking action as a result of the assistance facilitated by the University Center.</td>
<td>75.0%</td>
<td>79.0%</td>
<td>76.0%</td>
<td>84.0%</td>
<td>80.2%</td>
<td>69.7%</td>
<td>75.9%</td>
</tr>
<tr>
<td>Percentage of those actions taken by University Center clients that achieved the expected results.</td>
<td>80.0%</td>
<td>87.0%</td>
<td>82.3%</td>
<td>89.0%</td>
<td>83.7%</td>
<td>92.2%</td>
<td>89.8%</td>
</tr>
<tr>
<td>Percentage of Trade Adjustment Assistance Center (TAAC) clients taking action as a result of the assistance facilitated by the TAAC.</td>
<td>90.0%</td>
<td>99.0%</td>
<td>90.0%</td>
<td>94.8%</td>
<td>91.9%</td>
<td>87.6%</td>
<td>82.2%</td>
</tr>
<tr>
<td>Percentage of those actions taken by TAAC clients that achieved the expected results.</td>
<td>95.0%</td>
<td>97.0%</td>
<td>97.0%</td>
<td>99.0%</td>
<td>95.2%</td>
<td>93.4%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
ECONOMIC DEVELOPMENT ADMINISTRATION IN RETROSPECT

In August 2010, EDA commemorated 45 years of public service
1965

The Economic Development Administration (EDA) was established under the Public Works and Economic Development Act of 1965 (42 U.S.C. § 2921). It was intended to generate jobs, help regions suffering, and stimulate industrial and commercial growth in economically distressed areas of the United States. EDA assistance is available to rural and urban areas of the Nation experiencing high unemployment, low income, or other severe economic distress.

EDA invested $132 million in Park City, Utah, to convert an idled area into the easternmost end of ski area.

1966

EDA provided a $9 million investment in Roche, Georgia, to construct a paper mill with waste treatment facilities to control pollution.

1969

“Economic Development requires careful examination of an area’s problems not only in terms of basic physical needs, but beyond this is the social and human factors vital to growth.” EDA’s economic development district programs are a novel concept in Federal assistance programs. Many times one county, by itself, lacks the varied resources required to plan and implement economic and social growth. However, when neighboring counties join efforts, they have more leverage; they can put their resources to better use; they discover that close cooperation and coordination benefit all of them.

EDA made several investments between 1966 and 1972 in Alexandria, Louisiana for an industrial water system.

1972

EDA “provided assistance to industries harmed by increased import, funded projects in inner city areas, assisted in the modernization of outdated industrial buildings, and helped cities apply advanced technology to municipal services.”

EDA invested in 1973 and 1974 in the Raleigh County Industrial Park in Beckley, WV, which has attracted coal-related business such as this pump factory.

1975

The Special Economic Development and Adjustment Assistance Program — authorized by the new Title IX of the Act (FYEDA) authorized EDA to move into any area having or facing major structural changes in its economy. The goal is to solve problems before they become deep-rooted and more costly to the community in terms of lost jobs and revenues.
1976

In 1976 in Huntsville, Alabama, EDA invested in the commercialization of biomedical products developed by NASA for use in space.

EDA invested $1.5 million in the City of Detroit between 1975 and 1980 to improve businesses in the city.

1980

In 1980 EDA funded several grants in Berlin, New Hampshire in response to the closure of a local shoe factory. One of the grants was for a Recreation Area which provided the funding for the employees of the factory to purchase the property and keep it open, saving their jobs and the community.

EDA awarded $3.2 million to the Assiniboine and Sioux Tribe of the St. Paul Reservation in northern Minnesota to build an industrial park.

1984

Under its national program, technical assistance funded 27 projects for approximately $1.5 million. This included $201,000 transferred from the Department of Housing and Urban Development to provide assistance to improve urban areas and counties to enhance private sector development.

Workers posing with the familiar EDA sign erected at construction sites where EDA has provided funding.

In 1984, a company in a dry dock in the Seattle Navy Yard, site of EDA's many BRAC projects, refitted former military installations for private use.

Former shipyard rights were converted to a solid economic base for Oakland, California. EDA provided $34 million to construct the Seventh Street Terminal at the port which provides 8,700 direct jobs and an estimated 11,000 port-related jobs. This terminal was among the first containerized cargo handling facilities on the Pacific Coast.

1978

EDA launches a Comprehensive Economic Development Strategy (CEDS), a program in cooperation with 33 areas across the Nation. CEDS is a way of linking planning and investments, and learning how to package resources for the maximum benefit of areas in need of jobs and income.
Since 2005, EDA has awarded more than $1.2 billion in grants to hundreds of communities nationwide – investments that are expected to create more than 314,000 jobs.
Economic Development Assistance Programs

PUBLIC WORKS AND ECONOMIC DEVELOPMENT ASSISTANCE

EDA’s Public Works and Economic Development investments help distressed communities revitalize, expand, and upgrade their physical infrastructure. This program enables communities to attract new industry; encourage business expansion; diversify local economies; and generate or retain long-term, private sector jobs and investment through the acquisition or development of land and infrastructure improvements needed for the successful establishment or expansion of industrial or commercial enterprises.

Public Works investments help facilitate the transition of communities from being distressed to becoming competitive in the worldwide economy by developing key public infrastructure, such as technology-based facilities that utilize distance learning networks, smart rooms, and smart buildings; multitenant manufacturing and other facilities; business and industrial parks with fiber optic cable; and telecommunications and development facilities. EDA continues to invest in its traditional Public Works projects, including water and sewer systems improvements, industrial parks, business incubator facilities, expansion of port and harbor facilities, skill-training facilities, and brownfields redevelopment.

The U.S. Economic Development Administration awarded Tulane University a $3 million grant to help build RiverSphere, a research center, education facility, exhibition space and a business incubator focused on water sustainability and renewable energy. This project is a catalyst for the creation and support of “green” energy jobs and will help make New Orleans an exporter of sustainable energy technologies and intellectual capital throughout the country.

Photo by EDA
Economic Development Assistance Programs

ECONOMIC ADJUSTMENT ASSISTANCE

The Economic Adjustment Assistance (EAA) program uses a flexible set of tools to respond to the wide range of economic development challenges in communities and regions across the nation, including globalization, natural resource depletion, corporate restructuring, and natural disasters.

EAA is the most effective single program in EDA’s arsenal to address areas impacted by globalization, especially manufacturing dependent communities that need to develop and implement regional strategies that will transform and diversify their economies and position them competitively in the global marketplace. EAA funds can be used to design the transition strategy, construct or upgrade public infrastructure, and capitalize locally or regionally administered Revolving Loan Funds that directly assist innovative entrepreneurs in growing 21st century businesses.

Additionally, the EAA program, with its forward-looking ‘imminent threat’ authority, allows EDA to initiate interventions before a community’s economy bottoms out, when economic trends may clearly indicate the need for intervention but the trailing economic eligibility indicators employed in other programs may not provide adequate access to other assistance.

ECONOMIC DISTRESS CRITERIA for Public Works and Economic Adjustment Assistance Investments

EDA’s Public Works and Economic Adjustments Assistance investments may be awarded if the region meets any one of the following economic distress factors:

- Low per capita income; or
- High unemployment; or
- A special need circumstance, including:
  - closure or restructuring of an industrial firm or loss of a major employer;
  - substantial out-migration or population loss;
  - underemployment;
  - military base closures or realignments, defense contractor reductions-in-force;
  - natural or other major disasters or emergencies;
  - extraordinary depletion of natural resources;
  - negative effects of changing trade patterns;
  - other special or extraordinary need, as determined by the Assistant Secretary of Commerce for Economic Development.
EDA’s Public Works Program: *Building More than Infrastructure*

The **Ohio-Pennsylvania Interstate region** has lost over 2,500 jobs in the past few years and thousands more since the collapse of the western Pennsylvania steel industry. The region, under the leadership of the Governors of Pennsylvania and Ohio, has developed a comprehensive strategy to respond to the loss of steel manufacturing through economic diversification with an emphasis on technology innovation.

**In 2010, EDA awarded a $4,208,000 investment to the city of Hermitage**, a western Pennsylvania city located midway between Pittsburgh and Erie, to construct the Technology Innovation & Development Center (Tech Center) in the LindenPointe Innovative Business Campus. The LEED-certified facility will provide training opportunities to bolster the emerging semiconductor and electronics clusters, as well as, the existing biomedical and biotechnical clusters. The Tech Center programs address a need to improve the skills of the workforce to meet the requirements of high-tech clusters. The EDA investment is expected to create 100 jobs and generate $10 million in private investment.

**Hermitage, Pa. (April 28, 2010)**

*Groundbreaking ceremony for the Technology Center of Excellence at the LindenPointe Innovative Business Campus in Hermitage, Pennsylvania.*

*Photo by EDA*
EDA’s Economic Adjustment Assistance Program: Sparking Change

The Atlanta Metropolitan Area was greatly impacted by the collapse of the real estate market and an overall decline in commerce. The result was a metropolitan area unemployment rate that greatly exceeded the national average, jumping from a high, but manageable 6.2% in 2008 to 10.2% in 2010. In an effort to diversify its economy and capitalize on its educational and medical research institutions, a public/private partnership consisting of Georgia Tech, Saint Joseph’s Translational Research Institute, Piedmont Healthcare and the Georgia Research Alliance established the Global Center for Medical Innovation, Inc. (GCMI). With the help of a $1.3 million Economic Adjustment grant from EDA, GCMI will accelerate the development and commercialization of next-generation medical devices and medical technology.

Located near the Georgia Tech campus, GCMI will allow researchers, entrepreneurs and small medical device firms develop, test and manufacturer innovative and life-saving medical devices according to “Good Manufacturing Practices” published by the U.S. Food and Drug Administration. The immediate and direct impact will be the creation and retention of 161 jobs and private capital investment of $72.2 million; however, the long-term impact could be much greater as a similar facility does not exist in the Southeast.

In central Oregon, the data center industry is one of the fastest growing segments in the regional economy. Building on this growth, EDA made $2.75 million investment in the Cow Creek Band of Umpqua Tribe of Indians of Roseburg, Oregon, to help renovate an existing building for use as the Roseburg Incubator and Data Center. The facility will provide work space and technical assistance local entrepreneurs seeking to develop of business ventures and will provide secure data servers that will help local businesses meet their data storage needs. The business incubator and data storage facility will work to strengthen the entrepreneurial sector, create higher-skill, higher-wage job opportunities in Douglas County, and provide greater opportunity for Native American tribal communities in central Oregon.

Atlanta, Ga. (October 25, 2010)
Global Center for Medical Innovation (GCMI), recognized as winner of the Atlanta region i6 Challenge at the Southeast Workforce and Economic Development Conference hosted by EDA and the U.S.
Economic Development Assistance Programs

REVOLVING LOAN FUND PROGRAM

As part of the Economic Adjustment Assistance Program, EDA’s regional offices award competitive grants to establish Revolving Loan Funds (RLFs). EDA’s RLF recipient, in turn, disburses money from the RLF to make loans at interest rates that are at or below market rate to small businesses or to businesses that cannot otherwise borrow capital. As the loans are repaid, the grantee uses a portion of interest earned to pay administrative expenses and adds principal and interest repayments to the RLF’s capital base to make new loans. A well-managed RLF award actively makes loans to eligible businesses, continues to revolve loaned funds (interest and principal), and does not have a termination date.

As of April 2011, the RLF program encompassed 575 RLFs, with a combined capital base of $862 million, which represents a 4% increase in the capital base over September 2010 (see RLF table below). The majority of these RLFs reported concentrating on making loans in the range of $25,000 to $175,000, although a number of RLF operators made much smaller (as little as $1,000) or much larger ($1 million+) loans.

<table>
<thead>
<tr>
<th>Region</th>
<th># of Reporting Units</th>
<th>Capital Base Current Period</th>
<th>Capital Base Previous Period</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta</td>
<td>76</td>
<td>$126,752,587.29</td>
<td>$121,337,139.94</td>
<td>4.46%</td>
</tr>
<tr>
<td>Austin</td>
<td>37</td>
<td>$54,005,192.52</td>
<td>$44,256,196.12</td>
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<tr>
<td>Chicago</td>
<td>107</td>
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<td>$129,112,998.85</td>
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<tr>
<td>Denver</td>
<td>104</td>
<td>$87,176,459.31</td>
<td>$85,875,452.46</td>
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<td>Philadelphia</td>
<td>156</td>
<td>$323,879,051.46</td>
<td>$307,507,386.41</td>
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<tr>
<td>Seattle</td>
<td>95</td>
<td>$141,251,303.08</td>
<td>$140,929,318.51</td>
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<tr>
<td>EDA Totals</td>
<td>575</td>
<td>$862,605,481.23</td>
<td>$829,018,492.29</td>
<td>4.05%</td>
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</tbody>
</table>
EDA’s Revolving Loan Funds: Providing Critical Capital

Northeast Minnesota has several of the most distressed counties in the State. For generations, the area’s economy has relied on mining, wood products, and tourism; however, in recent years, these sectors demonstrated erratic economic behavior which led to dramatic population declines over the last decade. The region recognized an opportunity to diversify and build a new manufacturing/innovation cluster in the field of general aviation aircraft development. The EDA was an instrumental partner in supporting their transformation. For example, the Arrowhead Regional Development Commission (ARDC), which serves the seven county area of Northeast Minnesota, uses its EDA-funded RLF to support new and expanding aeronautics-related manufacturers. Leveraging its EDA-funded RLF, Arrowhead Regional Development Commission, has created 893 jobs and over $80,000,000 in total project financing.
EDA’s Economic Development Planning: *Preparing for the Future*

To promote business opportunities in northern Michigan, EDA awarded $50,000 in short-term planning for the Northern Lakes Economic Alliance business incubator in March 2010. With this EDA investment, the Alliance strengthened and expanded its extant business incubator serving Antrim, Charlevoix, Cheboygan and Emmet counties. The Alliance, with EDA support, provided incubator essential business services including entrepreneurial training through the Business Resource Centers, but also expanded its reach to local businesses through interactive website resource and marketing. This project has resulted in the creation of a three-county Northern Lakes Economic Alliance Regional Center for Entrepreneurial Activity. The incalculable benefits of Alliance services and networks are expected to grow in this region and further spur high-skilled jobs and private investment.
Economic Development Assistance Programs

TECHNICAL ASSISTANCE

Under section 207 of PWEDA (42 U.S.C. § 3147), EDA administers the University Center Economic Development, Local Technical Assistance Program, and National Technical Assistance Program. These programs help promote economic development and alleviate unemployment, underemployment and out-migration in distressed regions by:

- Investing in institutions of higher education and consortia of institutions of higher education to establish and operate University Centers specifically focused on leveraging university assets to build regional economic ecosystems that support high-growth entrepreneurship;
- Supporting regional economic strategies through accelerated research and technology commercialization which target industry sectors that have the potential to generate high-skilled jobs;
- Disseminating information and collaborate with other EDA partners by providing resources to implement regional strategies that support job creation, the development of high-skilled regional talent pools, and business expansion in the region’s innovation clusters; and
- Financing local feasibility studies, market research, economic impact analyses, and other projects leading to local economic development.

UNIVERSITY CENTER ECONOMIC DEVELOPMENT PROGRAM

Institutions of higher education have extensive resources, including specialized research, outreach and technology transfer and commercialization capabilities, as well as recognized faculty expertise and sophisticated laboratories. The EDA-supported University Center (UC) program is specifically designed to marshal the resources located within colleges and universities to support regional economic development strategies in regions of chronic and acute economic distress. The UCs, which EDA considers long-term partners in economic development, are required to devote the majority of their funding to respond to technical assistance requests originating from organizations located in the economically distressed portions of their service regions.

The UCs have a long history of promoting and facilitating economic development in their service regions. They have been among the first to recognize emerging technical assistance needs. As early as FY 1980, EDA-funded UCs were among the first to recognize and respond to the needs of small- and medium-sized manufacturers and processors for technology transfer and commercialization assistance.

Most UCs focus their efforts on assisting units of local governments and nonprofit organizations in planning and implementing regional economic development strategies and projects. Typical activities provided by the UCs include targeted commercialization of research, workforce development, and business counseling services. Other UCs may focus their efforts on helping local organizations with conducting preliminary feasibility studies, analyzing data, and convening customized seminars and workshops on topics such as regional strategic planning and capital budgeting.

EDA began administering the University Center Economic Development Program on a competitive, multi-year basis in FY 2004, holding competitions each fiscal year in two of

[continued]
EDA’s University Center Program: *Bringing Research to Work*

**Chosen as an EDA University Center recipient in 2010,** the Advanced Manufacturing Institute at Kansas State University provides services to businesses of all sizes—entrepreneurs to Fortune 500 companies—and offer a wide range of resources to integrate businesses with onsite KSU field experts for engineering, product design, and manufacturing research.

**The UC’s client companies have unique access to the resources of partner organizations,** including the Kansas Opportunity Innovation Network (KOIN), the Kansas Technology Enterprise Corporation, and the Kansas Department of Commerce (KDOC), intended to forge new domestic and global partnerships to exploit market opportunities. Through these partnerships, the UC also provides resources and support for State-wide economic development planning efforts. For example, the UC has collaborated with KDOC to develop a plan to support the State’s emerging wind industry manufacturing supply chain.

*Photo by Advanced Manufacturing Institute at Kansas State University*
EDA’s National Technical Assistance: Bringing New Tools to Development

In FY 2010, EDA awarded $480,000 to the State Science and Technology Institute (SSTI), located in Westerville, Ohio, to create the Regional Innovation Accelerator Network (RIAN). Through this project, RIAN is connecting the existing but disparate venture development organizations around the country into a virtual community through a new interactive website, a regular series of webinars and information exchanges, and committee work that is developing commonly accepted principles and standards for performance metrics. The result, in addition to community building, is the identification of best practices and lessons learned that are being shared among peers and with other regions as they consider the development and exploitation of the VDO model appropriately modified to their regional assets, existing strengths and entrepreneurial needs.

RIAN is helping to advance EDA’s goals of rethinking the nation’s approaches to regional economic development by focusing on making innovation based initiatives more capital efficient, impact oriented and structured on the fundamental characteristics of exciting new and successful concepts of forming and supporting venture development organizations.
EDA’s Research and Evaluation Program: Encouraging Thought Leadership

Regional Innovation Cluster Mapping Project

In FY 2010, EDA provided a strategic investment through the Research and Evaluation Program to Harvard University to support the development and dissemination of the regional innovation cluster mapping initiative. EDA’s focus on regional innovation clusters as the central strategy for fostering job growth and economic prosperity is an evolution of the Agency’s extensive work to promote place-based strategies that are capable of helping communities across the nation—both urban and rural—grow and prosper. This investment is designed to help provide data and resources that will help policymakers and practitioners across the country better understand what RICs are and where they are geographically located, effectively utilize best practices to cultivate cluster development and expansion, and employ proven metrics to evaluate the performance of their regional cluster efforts.
EDA’s six regional offices. In FY 2010, EDA’s regional offices in Austin and Denver held their third round of competitions. During this year, EDA invested $7.33 million in 54 UCs, including second and third year funding awarded to University Centers selected in prior years.

LOCAL TECHNICAL ASSISTANCE
The Local Technical Assistance program, one of EDA’s smallest programs in terms of funding, is nevertheless an extremely flexible and useful economic development tool. Projects analyze the feasibility of potential economic development projects, such as an industrial park or a high-technology business incubator. Feasibility studies are an effective tool for determining whether the market will support a particular activity or site.

While Local Technical Assistance investments are typically small in size and scope, they can prevent costly mistakes and misguided investments, such as costly infrastructure improvements to support obsolete industries. Targeted market feasibility studies can help communities overcome these hurdles and identify tomorrow’s higher-wage employers. Because of these feasibility studies, many communities have received funding under EDA’s Public Works or Economic Development Assistance program and other Federal- or state-funded programs to implement those projects.

NATIONAL TECHNICAL ASSISTANCE
The National Technical Assistance program assists in formulating and implementing new economic development tools. These tools support local governments’ efforts to partner with private industry and attract private investment to revitalize regions and local communities. Providing timely information on best practices in economic development is critical to practitioners’ efforts to alleviate economic distress and promote economic development. This program identifies and funds the collection and dissemination of new knowledge, analysis and technical information, which helps communities assess their economic development opportunities and supports the overall EDA strategy of enhancing regional cooperation, fostering innovation, increasing productivity and developing industry clusters.

RESEARCH AND EVALUATION
Through the Research and Evaluation program, EDA builds the knowledge base for sound market-driven regional and local economic development. This work is critical to ensure that EDA’s initiatives and investments are consistent with current best practices in economic development. Program evaluations ascertain EDA’s impact on measures such as return on taxpayer investment, private capital investment leveraged and the creation of higher-skill, higher-wage jobs. Projects under the Research and Evaluation program may be carried out through grants or cooperative agreements, as well as through studies conducted in-house, to maximize the impact of this modestly funded program.
Trade Adjustment Assistance for Firms (TAAF) Program

The Trade and Globalization Adjustment Assistance Act of 2009 (TGAAA), which was included within the American Recovery and Reinvestment Act of 2009, made some amendments to the Trade Act of 1974, as amended (19 U.S.C. § 2341 et seq.), including authorizing the establishment of the Community Trade Adjustment Assistance (Community TAA) program. EDA administers the Community TAA program.

TRADE ADJUSTMENT ASSISTANCE FOR FIRMS PROGRAM CHANGES

Chapter 3 of title II of the Trade Act authorizes the TAAF program, under which technical assistance is provided to firms that have lost domestic sales and employment due to increased imports of similar or competitive goods. EDA administers the TAAF program through a national network of 11 non-profit Trade Adjustment Assistance Centers (TAACs) funded by EDA. The TAACs are sponsored by universities or non-profit organizations and serve as the primary point-of-contact for firms as they proceed through the certification and adjustment proposal processes.

Under the Trade Act of 1974, only manufacturing firms had been eligible for the TAAF program, and petitioning firms were required to present data from the most recent 12 months, compared with data from the immediately preceding 12 months, to show the requisite decline in sales.

The TGAAA made three changes to the existing TAAF program that applied to all firms applying for TAAF program assistance in FY 2010:

1] Service sector firms became eligible for assistance under the program;

2] A petitioning firm was allowed longer “look back” time periods in which it may present data for certification eligibility purposes. Firms were allowed to present data from the most recent 12 months compared with average annual financial data from the preceding 12, 24, or 36 months to show the requisite decline in sales; and

3] EDA had to make a determination on a petition within 40 days from the date of acceptance of the petition.

Effective February 13, 2011, the TGAAA amendments expired; accordingly, the TAAF program reverted back to the program in effect prior to enactment of the TGAAA. The TAAF program is now operating under the Trade Act of 1974, as amended by the Omnibus Trade Act of 2010.

TRADE ADJUSTMENT ASSISTANCE FOR FIRMS PROGRAM IN FY 2010

Overall, there was an increase in the demand for assistance under the TAAF program in FY 2010, as demonstrated by the increase in the number of petitions for certification and Adjustment Proposals submitted to EDA for approval. In FY 2010, EDA approved 330 petitions (an additional 114 from FY 2009), a 53 percent increase as compared to FY 2009; and approved 265 Adjustment Proposals (an additional 93 from FY 2009), a 54 percent increase as compared to FY 2009.

EDA improved processing time for petitions and Adjustment Proposals in FY 2010. Although there...
was a spike in petitions and Adjustment Proposals, EDA successfully met the 40-day processing deadline to make a final determination for petitions accepted for filing; and the 60-day processing deadline for approval of Adjustment Proposals as required in the TGAAA. In fact, the average processing time for petitions has started to decline below the 40-day requirement and the average processing time for Adjustment Proposals is below 30 days.

Two years after completing the program, participating firms’ sales decreased by 14 percent, employment decreased by 16 percent, and productivity increased by 3 percent. During the same period, the Bureau of Labor Statistics reported that nationwide employment decreased 12 percent and productivity increased by 9 percent. In other words, U.S. companies as a whole fared better than companies that used the TAAF program.

**ESTABLISHMENT OF THE COMMUNITY TRADE ADJUSTMENT ASSISTANCE PROGRAM**

Chapter 4 of the Trade Act establishes the Community TAA Program, which helps to create and retain jobs by providing project grants to communities (cities, counties, or other political subdivisions of a State or a consortium of political subdivisions of a State) that have experienced, or are threatened by, job loss resulting from international trade impacts.

Assistance under this program can be used to support a wide range of technical, planning, and infrastructure projects to help communities adapt to pressing trade impact issues and diversify their economies, including:

- **Infrastructure improvements such as site acquisition, site preparation, construction, rehabilitation, and equipping of facilities**;
- **Market or industry research and analysis**;
- **Technical assistance, including organizational development such as business networking, restructuring or improving the delivery of business services, or feasibility studies**;
- **Public services**;
- **Training**; and
- **Other activities justified by a strategic plan that satisfies applicable statutory and regulatory requirements**.

To be eligible to apply, communities must be certified under one of the following three Trade Adjustment Assistance programs: Trade Adjustment Assistance for Workers, Trade Adjustment Assistance for Firms, or Trade Adjustment Assistance for Farmers.

**APPLICATIONS RECEIVED FROM ELIGIBLE COMMUNITIES** are competitively evaluated in order to maximize the economic revitalization impact of the program based on the extent to which applications address the following six criteria:

1. **Support small and medium-sized communities**, defined as communities with a population of 100,000 or less.
2. **Assist the most severely impacted communities**, in terms of the number of workers in the community that are receiving assistance from Trade Adjustment Assistance programs.
3. **Deliver a high return on investment** in terms of creating and saving jobs, leveraging public-private partnerships, and utilizing best practices in project management.
4. **Support Regionalism, Innovation, and Entrepreneurship** by strengthening regional cluster strategies and fostering technology commercialization.
5. **Support Global Trade/Competitiveness** by supporting “high growth/high potential companies” and advancing business clusters with significant export potential.
6. **Grow the “green economy”** by promoting renewable energy and energy efficiency, “greening” existing processes or functions, and through “green building” (e.g., a structure certified under the LEED certification system).
Global Climate Change Mitigation Incentive Fund

Investments in environmental sustainability are essential to improving our nation’s competitiveness since green sectors are growing faster than the rest of the economy.\(^1\) We must use them to build vibrant, regional innovation ecosystems that support job creation and economic growth.

EDA’s Global Climate Change Mitigation Incentive Fund (GCCMIF) helps to advance the green economy\(^2\) by strengthening the linkages between economic development and environmental quality. The purpose and mission of the GCCMIF is to finance projects that foster economic development by advancing the green economy in distressed communities. The GCCMIF supports projects that create jobs and increase private capital investment while reducing the nation’s dependence on fossil fuels, enhance energy efficiency, curb greenhouse gas emissions, and protect natural systems.

GCCMIF assistance is available to finance a wide-range of projects, including strategy development and construction. To access the GCCMIF, an applicant must provide appropriate information to allow EDA to verify that the proposed project fulfills the objectives of the fund by both project type AND project output.

**SPECIFICALLY, THE APPLICANT MUST DEMONSTRATE THAT THE PROJECT WILL BE ONE OF THE FOLLOWING PROJECT TYPES:**

**RENEWABLE ENERGY.** The development, production, or use of energy derived from sources that do not deplete finite natural resources, including wind, solar, biomass, and geothermal energy.

**ENERGY EFFICIENCY.** A reduction in the energy produced or the energy consumed for the same level of output with the goal of lowering energy costs.

**REUSE/RECYCLING/RESTORATION.** The reuse of a given product (or products), or production of a new or innovative product from recyclable materials. This might include waste management practices that reduce raw material usage and the amount of waste that ends-up in landfills. This category also includes ecosystem restoration.

**GREEN BUILDING.** New construction or renovation that is certified by the U.S. Green Building Council under its Leadership in Energy and Environmental Design (LEED) or other comparable certification program.

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\(^1\) “Innovating the Green Economy in California Regions” UC-Berkeley’s Institute for Urban & Regional Development (http://communityinnovation.berkeley.edu): The study found that the green economy accounts for just 1% of California jobs but is growing 50% faster than the economy overall.

\(^2\) The green economy, for the purposes of the GCCMIF, is the development and use of products and services that contribute to economic growth and alleviate economic distress by respecting and revitalizing the environment.
U.S. Assistant Secretary Fernandez tours the EDA-funded Salt City Business Park in Hutchinson, Kansas during a visit to discuss clean technology and advanced manufacturing strategies.

Photo by EDA
Global Climate Change Mitigation Incentive Fund

In addition, an applicant must demonstrate that the project will result in one (or more) of the following outputs:

- Development and/or manufacture of a green end-product. Investments that produce an end-product that furthers or contributes to sustainability in general and/or the environmental quality of the associated community or region. The ‘end-product’ can take numerous forms (i.e., activity, item, plan, or program).

- Greening of an existing function or process. Investments that result in green enhancements to the resource, energy, water, and/or waste, etc. efficiency of an existing function or process. The ‘enhancements’ reflect changes to the life-cycle process of an existing function so that the function is performed in a more sustainable manner.

- Creation or renovation of a green building. Investments that result in the construction or renovation of a structure using green building techniques that result in a net positive outcome in terms of energy, materials, and/or water use efficiency. Such buildings or structures must have LEED or other comparable green building certification.

The flexibility of GCCMIF allows for the funding of a wide-variety of projects focused on job creation and innovation.

**IN FY 2010, SOME OF THE KEY GCCMIF PROJECTS INCLUDED:**

- A revolving loan fund to support the establishment of new industries focused on renewable energy;
- A commercialization center for energy efficient technologies;
- Infrastructure for a wind turbine assembly facility;
- A green technology feasibility/growth study;
- A LEED-certified renewable energy training center;
- Hydrogen and fuel cell cluster strategy;
- Sustainable manufacturing solutions incubator.
EDA’s Global Climate Change Mitigation Incentive Fund: Growing a Green Economy

To offset the serious job and tax losses in Delaware from the shrinking automotive, banking and commodities industries, EDA awarded a $500,000 grant under GCCMIF the State of Delaware to support the establishment of the Clean Technology and Renewable Energy Revolving Loan Fund (RLF) Initiative that will provide lower cost, higher risk capital not readily available from traditional lending sources to expanding private sector green energy component manufacturing firms. The goal of the RLF is to attract private sector investment and entrepreneurial growth in environmentally conscious clean technology and renewable energy products and businesses. This fund will make low interest, longer term loans to private sector companies involved in the development, design, and manufacturing of alternative energy equipment. The fund will be managed by the Delaware Economic Development Office. Eligible alternative energy equipment includes wind, solar, geothermal, fuel cells and biomass. The recipient estimates that the project will create 200 jobs.

To help generate economic opportunity through the commercialization of key technologies, EDA awarded the University of South Florida $1M to support the construction of an incubator for the testing and development of aquaculture wastewater treatment technologies. This investment will support the University of South Florida’s research commercialization objectives by fostering the application of technologies that will dramatically reduce the aquaculture industry’s demand, through recycling and reuse, on the critical supply of fresh water. This recipient estimates that the project will create 149 jobs.
In October 21, 2010 Mitchell Technical Institute was awarded $1.67 million from the U.S. Economic Development Administration (EDA). The grant will allow MTI to own its own operational wind turbine at the Crow Lake site being developed by Basin Electric near White Lake, SD. MTI’s Wind Turbine Technology program, launched in 2009, provides highly-trained technicians to the expanding wind industry. According to MTI president Greg Von Wald, “This project represents a nearly perfect example of public and private, education and industry, business and government working together for the betterment of our state.”
FY 2008 Supplemental Appropriations Update

ASSISTANCE TO AREAS AFFECTED BY NATURAL DISASTERS

In 2010, EDA awarded $308.5 million to fund 116 disaster recovery projects nationwide from its FY 2008 disaster appropriations.

These grants allowed disaster-impacted communities to make critical investments in:

**STRATEGIC PLANNING**
EDA funds comprehensive strategic planning activities to help create a coordinated, long-term recovery strategy following an economic disruption. EDA also offers financial resources and technical assistance to perform pre-disaster planning to increase resiliency and immediate recovery.

**INFRASTRUCTURE DEVELOPMENT**
EDA provides grant funds to build new infrastructure, such as business incubators, technology parks, research facilities, and basic utilities, to retain or attract jobs to the region.

**FINANCING**
Addressing another critical need—access to capital—EDA provides funding through the Economic Adjustment Assistance program to establish RLF. Recipients can use these grant funds to make below market-rate loans to businesses to help provide gap financing to support new business development.
EDA’s Assistance in Recovering from Natural Disasters

During the flood of June 2008, over 500 homes and 100 businesses were damaged and numerous local businesses in the city of Cedar Falls, Iowa were forced to relocate, find temporary space or rebuild. Some have chosen not to reopen. Northern Cedar Falls was devastated; the true impact of the flood has not yet been quantified and the magnitude of its impact on local businesses will not be known for some time.

With several severely damaged businesses forced to relocate from their existing facilities, the city faced enormous need for another industrial park. In order to provide a viable location for Cedar Falls companies to relocate and become operational again, the city sought to develop a recently acquired parcel of land into the new Northern Cedar Falls Industrial Park.

In May 2010, EDA invested $5.5 million to construct critical infrastructure, including utility extension, rail spur construction, and roadway improvements, to serve the planned Park. The new industrial park will not only serve businesses that need to relocate out of flood-prone areas, but will also generate an opportunity for new economic development activity by creating scarce rail accessible lots.

Coe College and St. Luke’s Hospital invited the public to tour their new shared steam facility on Tuesday. The $4.65 million dollar project was funded by the U.S. Department of Commerce’s Economic Development Administration (EDA) as part of the city’s flood restoration effort.
For nearly 50 years, EDA has created jobs & growth in hard-hit communities.
2010 EDA Award Programs

The 2010 Innovation in Economic Development Awards, formerly known as the Excellence Awards, showcased some of the nation’s best practices for promoting economic development through collaborative initiatives and highlighted outstanding examples of regional success in the global marketplace. The Awards encompassed four categories: Innovation in Regional Innovation Clusters (RICs); Innovation in Commercialization; Innovation in Global Export Promotion; and Innovation in Green Technology. The winners were:

**INNOVATION IN REGIONAL INNOVATION CLUSTERS (RICs)**
**CONNECT (La Jolla, Calif.)**
CONNECT is a non-profit organization formed in 1985 with the mission of commercializing technology coming from San Diego’s many federally-funded research institutions and offering on-going education, networking and recognition to start-up companies in emerging technology business clusters. The California Governor’s Office of Economic Development designated San Diego as one of California’s seven Innovation Hubs (iHUB) and CONNECT serves as the leader of San Diego’s local iHUB effort.

**INNOVATION IN COMMERCIALIZATION**
**Bluegrass Business Development Partnership (BBDP) (Lexington, Ky.)**
BBDP is a collaboration among the Lexington-Fayette Urban County Government (LFUCG), Commerce Lexington’s (CLX) economic development divisions, and three University of Kentucky (UK) based organizations—the Von Allmen Center for Entrepreneurship (VAC), the Lexington office of statewide Innovation & Commercialization Centers (ICC), and the Lexington office of statewide Small Business Development Centers (SBDC). BBDP’s goal is to be a one-stop, super-service provider, linking small businesses and entrepreneurs with the information they need to be successful. They offer a full range of business development services.

**INNOVATION IN GLOBAL EXPORT PROMOTION**
**Pennsylvania Center for Trade Development “Envoy Program” (Harrisburg, Pa.)**
The Envoy Program is designed to increase Pennsylvania companies’ global competitiveness by providing them with a Pennsylvania Department of Community and Economic Development-supported low-cost, low-risk, and high-performance method of building a continuous and pro-active bilingual sales and marketing presence in international markets. Envoy services vary depending on the needs of the client, but the key concept is to allow the company to employ a representative who is laser focused on implementing the sales plan, pursuing leads, developing customer, agents, and channels.

**INNOVATION IN GREEN TECHNOLOGY**
**University of Arizona Tech Park’s “Solar Zone” (Tucson, Ariz.)**
The Solar Zone, an innovative strategic partnership between the University of Arizona and Tucson Electric Power is working to create a supportive environment where companies can develop, test and demonstrate the next generation of renewable energy products and technologies. The goals of the Solar Zone are to attract private investment, create sustainable, high-wage jobs, develop a skilled workforce, reduce the region’s reliance on traditional energy sources, and educate the public on the importance of sustainable energy.
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