OFFICE OF ECONOMIC DEVELOPMENT
PEAK PERFORMANCE
May 14, 2015

2014 PERFORMANCE REVIEW
2015 INNOVATION PLANNING
Mission: The Denver Office of Economic Development (OED) will be a driving force that advances economic prosperity for the City of Denver, its businesses, neighborhoods and residents through purposeful and intentional economic development that: (1) broadens the tax base; (2) stimulates balanced economic growth through business assistance, neighborhood revitalization and the development of a skilled workforce; and (3) focuses on innovation, sustainability and education.

Strategy 1: Connectivity
- Tactic: Enhance Denver as a global city that attracts international travelers, conventions and investors.
- Tactic: Reduce the physical and social barriers that separate and prevent our neighborhoods from fully participating in Denver’s economic vitality.
- Tactic: Create an international trade & investment position, and support additional direct international flights.
- Tactic: Support startup and small and emerging business growth with resources for customer, financial, idea and workforce access.
- Tactic: Link individuals in safety net programs with training and employment opportunities.

Strategy 2: Sustainable Innovation
- Tactic: Establish permanent funding sources for affordable, economic friendly mixed-income housing.
- Tactic: Strengthen Denver as a national leader in sustainable practices, including energy efficiency, water conservation and recycling.
- Tactic: Support and leverage funds to develop mixed-use developments (TOD) in close proximity to light rail and high access bus.
- Tactic: Establish business infrastructure to eliminate food deserts into public schools and local markets.
- Tactic: Complete the development of a Net Zero Energy Community of significant scale.

Strategy 3: Economic Vibrancy
- Tactic: Broaden the tax base, with a focus on sustainable recurring fiscal activity.
- Tactic: Increase the diversity and depth of Denver’s business sectors.
- Tactic: Implement the retail strategy to improve the performance of retail centers and encourage new retailers to locate in Denver.
- Tactic: Support and leverage funds to develop mixed-use developments (TOD) in close proximity to light rail and high access bus.

Strategy 4: Administration
- Tactic: Deliver the highest level of customer services in the most efficient and cost effective manner.
- Tactic: Develop and maintain information to support strategic and program decisions.
- Tactic: Develop tools that demonstrate the effectiveness of the city’s investments on critical performance metrics such as income, employment levels, educational attainment and safety.
- Tactic: Implement Peak Performance Lean processes throughout all divisions.

EXAMPLE

- **Sustainability:**
  - Tactic: Develop and maintain information to support strategic and program decisions.
  - Tactic: Develop tools that demonstrate the effectiveness of the city’s investments on critical performance metrics such as income, employment levels, educational attainment and safety.

- **Safety Net:**
  - Tactic: Deliver the highest level of customer services in the most efficient and cost effective manner.

- **Jobs:**
  - Tactic: Implement Peak Performance Lean processes throughout all divisions.

- **Customer Experience:**
  - Tactic: Establish business infrastructure to eliminate food deserts into public schools and local markets.

- **Youth:**
  - Tactic: Focus workforce development resources to help disconnected youth obtain GED & basic skills for employment through partnerships with community colleges.
Telling the Story

It is no longer good enough to do good work. It must align with the vision and goals, succeed through partnership, and be reported to the stakeholders and community.
<table>
<thead>
<tr>
<th>Mission-Level Metrics</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>YTD</th>
<th>2015 Annual Goal</th>
<th>% Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business Incentive Fund (BIF)</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Jobs created/retained in Denver</td>
<td>1,516</td>
<td>1,228</td>
<td>1,997</td>
<td>696</td>
<td>900</td>
<td></td>
</tr>
<tr>
<td>Leverage Ratio <em>(private investment / BIF allocated)</em></td>
<td>110.8</td>
<td>36.7</td>
<td>25.6</td>
<td>16.1</td>
<td>45.0</td>
<td></td>
</tr>
<tr>
<td>BIF Funds per Jobs <em>(BIF allocated / new jobs to Denver)</em></td>
<td>$877</td>
<td>$338</td>
<td>$1,029</td>
<td>$1,019</td>
<td>$1,000</td>
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<tr>
<td><strong>OED Revolving Loan Fund (RLF)</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Jobs Created</td>
<td>98</td>
<td>121</td>
<td>104</td>
<td>0</td>
<td>150</td>
<td></td>
</tr>
<tr>
<td>Leverage Ratio <em>(private investment / RLF allocated)</em></td>
<td>6.7</td>
<td>7.9</td>
<td>6.6</td>
<td>N/A</td>
<td>8.0</td>
<td></td>
</tr>
<tr>
<td>Lending Funds per Job Created <em>(RLF allocated / jobs created)</em></td>
<td>$12,800</td>
<td>$34,620</td>
<td>$27,570</td>
<td>N/A</td>
<td>$35,000</td>
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<tr>
<td><strong>Denver Firms</strong></td>
<td></td>
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<tr>
<td>Firms Employing &gt; 100 Persons</td>
<td>416</td>
<td>423</td>
<td>509</td>
<td>526</td>
<td>525</td>
<td></td>
</tr>
<tr>
<td>Small Business <em>(5 – 100 people), avg. employment size</em></td>
<td>18.1</td>
<td>15.0</td>
<td>13.8</td>
<td>14.8</td>
<td>14.0</td>
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<tr>
<td><strong>Affordable Housing</strong></td>
<td></td>
<td></td>
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<tr>
<td>Mayor’s 3x5 Initiative for affordable/workforce units <em>(July-June)</em></td>
<td>--</td>
<td>--</td>
<td>731</td>
<td>562</td>
<td>600</td>
<td></td>
</tr>
<tr>
<td>Affordable/Workforce Housing Units <em>(OED Committed Funding)</em></td>
<td>503</td>
<td>587</td>
<td>501</td>
<td>42</td>
<td>700</td>
<td></td>
</tr>
<tr>
<td>Leverage Ratio <em>(private investment / housing fund allocated)</em></td>
<td>7.7</td>
<td>17.1</td>
<td>16.8</td>
<td>28.5</td>
<td>13.0</td>
<td></td>
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<tr>
<td>40% AMI Housing Units to be Developed</td>
<td>140</td>
<td>35</td>
<td>61</td>
<td>10</td>
<td>50</td>
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<tr>
<td><strong>Workforce Development</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Job Placement Rate</td>
<td>52.0%</td>
<td>56.0%</td>
<td>54.0%</td>
<td>58.0%</td>
<td>54.0%</td>
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<tr>
<td><strong>Youth Services</strong></td>
<td></td>
<td></td>
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<tr>
<td>Number of Youth Served</td>
<td>2,500</td>
<td>2,190</td>
<td>2,600</td>
<td>1,500</td>
<td>2,700</td>
<td></td>
</tr>
<tr>
<td>Youth Summer Employment</td>
<td>450</td>
<td>420</td>
<td>300</td>
<td>N/A</td>
<td>350</td>
<td></td>
</tr>
</tbody>
</table>
Opportunity Analysis – How did we do?

Close to or Exceeding Goal

- Improve contracting and compliance process
- Complete neighborhood needs analysis to improve program decisions

- Grow core economy and job oppty through business investment
- B2G and B2B business oppty
- Support additional housing development

Lower Priority

- Increase market info & intel (e.g. website, business targeting)
- Retail store attraction and development

Mission Critical

- Support TOD area development (business, retail and housing)
- Workforce program innovation

Strong ROI Potential
**Vital Signs**

### Net Hours Not Worked by Filled Positions, In Terms of Positions

- **Vacancies**
  - 2011: 44.8
  - 2012: 54.0
  - 2013: 32.4
  - 2014: 27.5

### Worker's Compensation Claims

- **Average Cost/Claim** (Right Axis)
  - 2011: $779.4
  - 2012: $2,543
  - 2013: $10,33
  - 2014: $1,165

### Overtime and Comp Time, In Terms of Positions
# Employee Engagement

## OED Employee Engagement Index Scores

<table>
<thead>
<tr>
<th>Year</th>
<th>Net</th>
<th>+Eng</th>
<th>-Eng</th>
</tr>
</thead>
<tbody>
<tr>
<td>DES 2013:</td>
<td>8.5</td>
<td>17.4</td>
<td>-8.9</td>
</tr>
<tr>
<td>DES 2011:</td>
<td>9.4</td>
<td></td>
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</tr>
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</table>

## Driver Areas for Improvement

### Connection to Mayor’s Priorities
- Increase employee familiarity with Mayor’s Priorities and the work being done across the agency.
- Foster Innovation in delivery of services and products
- Actively include Mayor’s Priorities in JumpStart plan

### Retention of talent
- Leverage employee differences
- Reduce turnover
- Address technology needs
- Create inclusionary teams to address concerns
- Create employee led autonomy teams to dedicate work time to resolving a business “problem”
- Actively working to integrate ease of use and access for technology
- Equipped teams with new systems to accomplish work

### Increase employee recognition and appreciation
- Communicate information
- OED BUZZ- employee focused action newsletter
- OED People on the Move- Communicating staff movements and developments
- Increased communications to mid level management, e.g. Quarterly Supervisor Meetings and invited attendance at Directors Meetings
<table>
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<tr>
<th>Expansion</th>
<th>Strategy or Tactic</th>
<th>Performance Indicator(s)</th>
<th>Baseline</th>
<th>YTD Results</th>
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</table>
| Investment in Housing Revolving Fund ($3.0M)  | • Increase “near equity” investments to allow 4% LIHTC projects and other market financing to “work” | • Number of housing units development  
• Location and type of housing | • 600 per year | • Strong projects pipeline  
• New partnerships and funds leveraged  
• Fund established; projects underwritten in August-September |
| International Business Development            | • Recruit and hire a International BDR                                           | • Increase export activity  
• Business attraction through outreach and partnerships | • Need to establish local baseline data (# of firms exporting & $)  
• FDI activity andchg | • Position filled  
• Established a International economic strategy w/DIA  
• Increased marketing and outreach for export & FDI |
| Retail Development and Attraction             | • Web and resources development  
• Establish a retail incentive fund                                                | • Creation of retail web site, marketing materials  
• Active retail recruitment  
• Utilization of RIF | • Web site metrics being developed  
• Leveraged new sales tax (5 yr – $10M+)  
• New businesses (5) | • Web site established  
• Several new businesses attracted (1st in area)  
• RIF being utilized for Project B2B and two neighborhood retail projects |
| Expansion of M/WBE compliance activities       | • Recruit and hire 2 M/WBE compliance and certification staff                    | • Increase program responsiveness and outreach                                          | • 90 day response time  
• backlog/waiting list | • Hired both positions  
• Reduced by half response times from application to review to approval  
• Backlog reduced by 2/3rd |
| Switch Division Directors to CSA              | • Recruited & hired both professional DHNDs and Workforce Directors               | • Improve program management                                                            | • Link to department program goals, compliance, and outcome metrics | • Hired both directors, after national searches  
• Divisional repositioning underway (structure and program focuses)* |
## 2015 Budget Expansion Update

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<th>Strategy or Tactic</th>
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<th>Baseline</th>
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| **Investment in Housing Revolving Fund ($3.0M)** | • Increase “near equity” investments to allow 4% LIHTC projects and other market financing to “work” | • Number of housing units development  
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• New partnerships and funds leveraged  
• Fund established; projects underwritten in August-September |
| **Executive Order 101 Staff Support** | • Increase outreach and business follow-up to increase awareness | • Increase outcomes (contracts, $ amount) for program participants | • Contracts (#/$)  
• Participation and satisfaction level  
• “Graduates “ of program | • Hired |
| **Improve Organizational Effectiveness** | • Create a Operating Officer role | • Improve employee satisfaction  
• Decreased program implementation time (streamlining?)  
• Program outcomes  
• “Multi-customer” satisfaction or fewer problems/concerns | • Metric(s) to be developed | • Recruited & Hired (1st Qtr)  
• Served as Acting ExecDev and staff resource for organization review (due June) |
| **Program Staffing Needs** | • Recruit and hire 4 FTEs (2 housing, Food Coordinator, and M/WBE outreach) | • Increase program responsiveness and outreach | • N/A, new program requirements | • Hired 1 housing position and Food Coordinator.  
• 2nd housing position and M/WBE position in recruitment |
OED did not seek nor receive an Innovation Fund project
Develop affordable, transit-accessible housing
– 1,000 new units by 2020 (75% in transit areas)

<table>
<thead>
<tr>
<th>Resource Investment</th>
<th>Projected Contribution to Meeting 2020 Goals</th>
<th>Key Assumptions</th>
<th>Upcoming Benchmarks and Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>• $3.0M in Denver funding for the HRLF&lt;br&gt;• $750,000 (from MJ) for targeted housing opportunity&lt;br&gt;• In cooperation with DEH and Sustainability Office, adding a other tool – PACE program for financing in new rental housing programs with sustainability outcomes</td>
<td>• Current investments and 2015 investments will likely result in a meeting of this outcome by 2017 – and a greater outcome will be achieved by 2020&lt;br&gt;• 75% of Year 1 “3x5” new units in transit-accessible locations (196 units)</td>
<td>• Funds are used to leverage private and other resources for targeted areas,</td>
<td>Counting new units as support is committed and support project. Correlates to Mayor Hancock’s 3x5 Housing Initiative and commitment to TOD development (a Peak Metric)</td>
</tr>
</tbody>
</table>

Comments:
• While not a organizational metric, the results will be tracked and provided specific to this programmatic goal.
• OED is responsible, directly or indirectly, in 6 Sustainability goals
**Employee Strategy:** increase the communication within and about our work, resulting awareness and tie in of

- Publishing a bi-weekly e-news update (The Buzz), including accomplishments, work in progress, and team and individual recognition
- Refocus the general Quarterly staff meeting (to increase information sharing and enjoyment)
- Increase employee and mid-staff “ownership” of the annual work plan, through:
  - solicitation of ideas and work initiatives and assignment in the program development
  - refocusing initiative and program area assignments to a wider range of staff
  - encourage team approaches, both for work effort and idea generation, in JUMPSTART and program efforts
- Promote cross-training, as well work assignment sharing, to improve customer service and responsiveness – as well job enrichment
- Increase participation, and encourage information roll-through (outward from the meetings and staff/program presentations) of the OED Directors meeting
- **In 2015,** the priority is to build on these efforts to increase organization effectiveness and outcomes.
  - Hiring and ensure the success of a Chief Operating Officer, working as the internal organization leader
  - Take a thorough, independent review of OED structure and approaches to recommend organizational structure, staff and resource adjustments to match city and organizational leaderships goals/priorities

**Voice of the Customer:** As a outward facing agency, one important factor is the response from the National Citizens Survey (taken for Denver since 2002) provide valuable, consistent information on perception and awareness of OED (and the City’s) core program efforts.

- NCS (2014) indicates the Economy and Safety are the two “most important” community characteristics; and the economy has a much higher local rating than the national comparison rating.
  - Factors include: Employment Opportunities, Shopping Opportunities, Place to Work, and vibrant downtown
- Employment Development Governance rating as good or excellent 65% of responses, up from 42% (2011)
- Employment Opportunity is positively rated; up to 60%, from a 42% (2011)
- Citizens expressed a concern of cost of living, housing options, and affordable quality of housing falling in the past year.
State of the City

• Strong, growing economy – 35,500 additional jobs since 2011
  – OED had a direct impact in attracting and retaining over 7,000 jobs last year alone
  – Attracted leading companies to the city, strengthening our diverse and innovative economy
  – Continue our support and partnership to increase collaborative business workspaces – with targeted merging of industries – leading to the next generation economy and businesses
  – Worked in collaboration to address key business concerns, from permitting to taxation strategy, from access to capital for the next stage of growth to increase market opportunities (through export and B2B programs)

• Working to increase access to affordable, safe housing throughout Denver
  – Supported the development of over 550 housing units (varied price and housing type)
  – Kicked off the Housing Revolving Loan Fund, a new public/private housing fund, increasing our focus and ability to increase affordable/workforce housing development.
  – Increased homeownership opportunities through Wells-Fargo Neighborhood Life program and Metro Mortgage Assistance Program
  – Supported a shared regional focus on meeting workforce housing needs, with an expansion of the Denver –now, Mile High TOD Fund

• Resetting expectations and approaches for supporting sustainability and revitalization in Denver’s neighborhoods: targeted area focus with a collective impacts approach.
  – Completed a Community Needs study for five targeted neighborhoods
  – Led investments to catalyze five TOD station areas (61st, 38th, 40th/Colorado, NWSS, and Belleview) – and soon Sun Valley
  – Successfully kick-off this approach with an intensive strategy in Westwood (e.g. housing, neighborhood services, retail and business opportunity)
  – Aligned and priorities OED’s support of Fresh Food access, through data analysis, retail support, urban agri programming, and business information.

• Provided real opportunities for occupational training, for adult and youths in Denver
  – Successfully linked young adults and high schools students to career opportunities, through Super Sophomores and Emerging Professionals programs, as well as a traditional summer job placement program
  – Continued the refocusing of the Workforce Program, from a job-placement (transactional) approach into a lifelong occupational development model
  – Initiative a dual strategy, with an emphasis on five targeted industries (to support sector growth and workforce training) and working directly with companies in these sectors