



DENVER
THE MILE HIGH CITY

OFFICE OF ECONOMIC DEVELOPMENT
PEAK PERFORMANCE 2.0 REVIEW
MAY 29, 2014

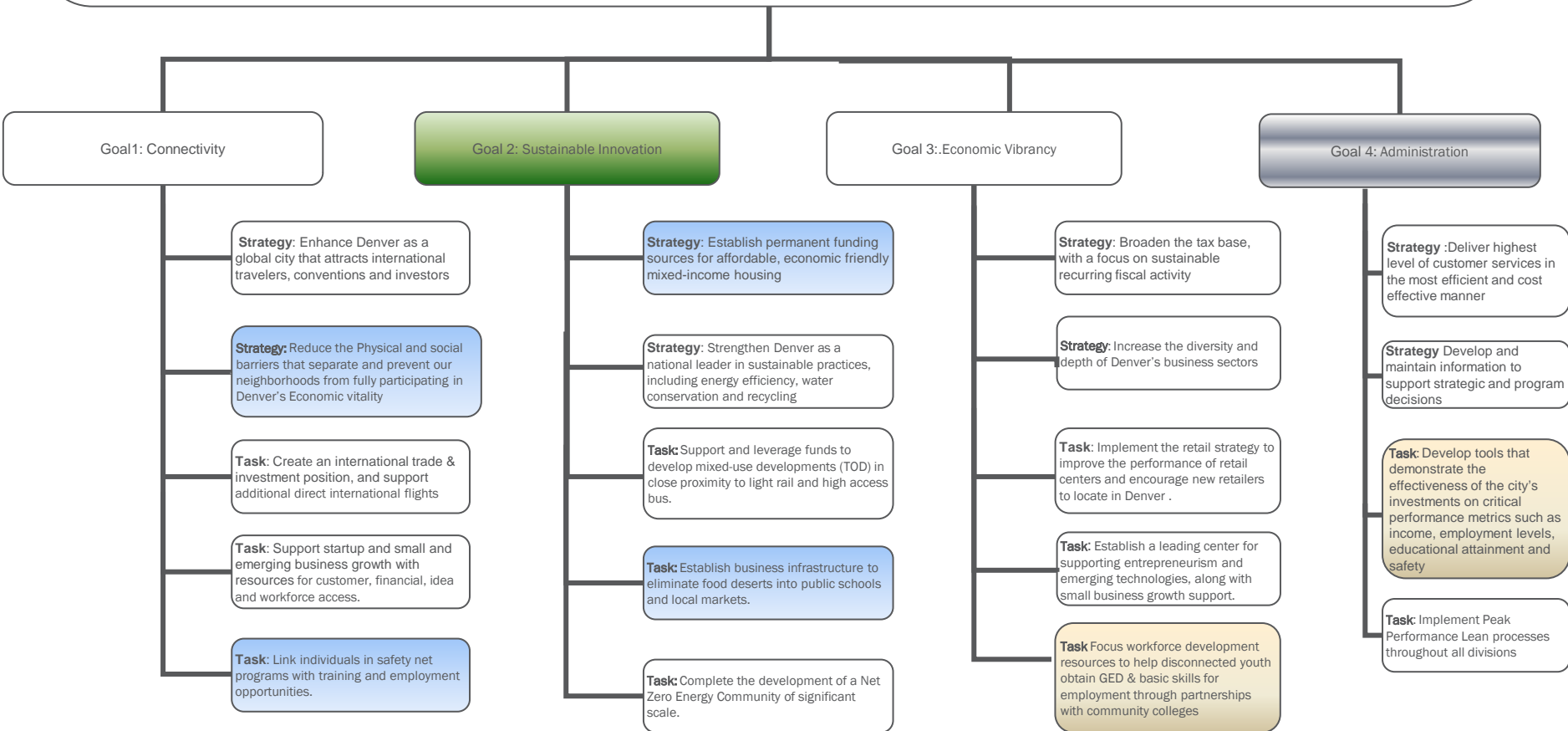
2013 PERFORMANCE REVIEW

2014 INNOVATION PLANNING

- Team Introductions
- Strategic Plan and Performance
- Opportunities and Challenges
- Customer Experiences
- Employee/Resources
- City-Initiative Updates
- Accomplishments & Next Steps
- Discussion

Strategic Plan Overview

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



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.



JumpStart 2
2013 Strategic Plan | Denver Office of Economic Development

STRATEGIC PLAN: THREE-YEAR STRATEGY

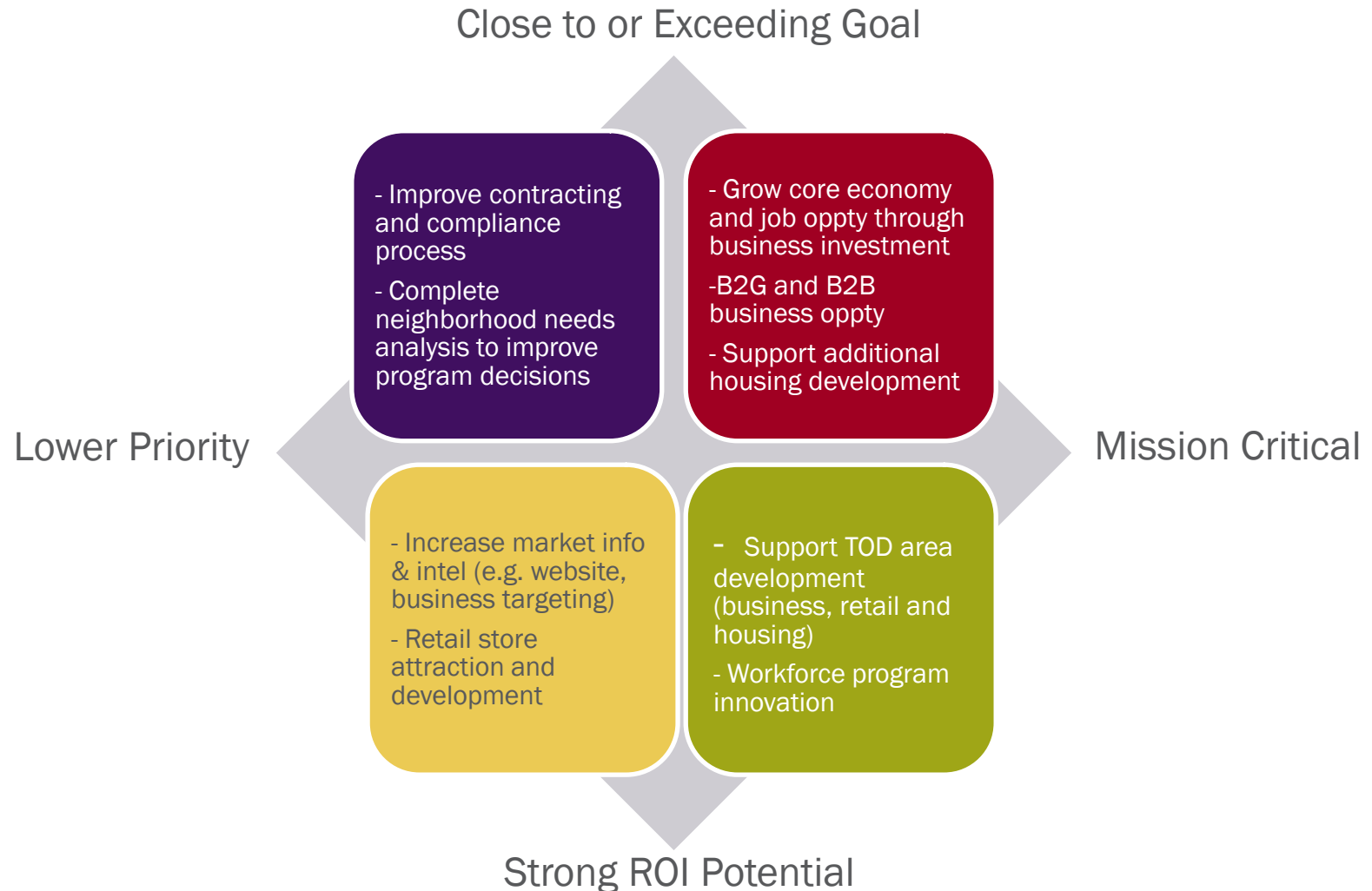
Guiding Principles	Strategic Priorities and Objectives	Tasks
<p>STRONG ECONOMY Economic opportunity for all citizens</p>	<p>CONNECTIVITY</p> <p>1.1 Reduce the physical and social barriers that separate and prevent our neighborhoods from fully participating in Denver's economic vitality</p> <p>1.2 Enhance Denver as a global city that attracts international travelers, conventions and investors</p> <p>1.3 Facilitate access to classroom, labor force, ideas and capital for Denver-based businesses</p>	<p>CONNECTIVITY</p> <p>1.1.1 Collaborate with stakeholders to improve I-70 and begin the redevelopment of the Denver Airport neighborhood in a sustainable manner that considers the community's best interests and vision, including better connections to nearby business zones</p> <p>1.1.2 Encourage the catalytic redevelopment of a successful commercial and business district</p> <p>1.2.1 Develop an international economic zone in USA (Aurora) City with shared research and design facilities, precision manufacturing, public and entertainment/entertainment facilities located in foreign trade zones</p> <p>1.2.2 Develop specific strategies to increase FDI in order to support current direct investment from Asia and Mexico and support trade efforts (International Trade and Investment)</p> <p>1.3.1 Develop focused business recruitment strategies both domestically and internationally in key industry sectors (manufacturing, business, professional services, energy, food, biopharmaceuticals and entrepreneurship, and information technology)</p> <p>1.3.2 Identify or assist in the development of the city to support existing and start-up emerging clusters, the identification of resources and to develop a skilled workforce, training and develop accessible strategic business plans</p>
<p>SUSTAINABILITY Environmentally sound and facilitating the growth of diverse industry sectors</p> <p>Environmentally sound and facilitating the growth of diverse industry sectors</p> <p>Environmentally sound and facilitating the growth of diverse industry sectors</p>	<p>SUSTAINABLE INNOVATION</p> <p>2.1 Strengthen Denver as a national leader in sustainable practices, including energy efficiency, water conservation and recycling</p> <p>2.2 Establish permanent funding sources for affordable, eco-friendly mixed-income housing</p> <p>2.3 Reduce Denver's greenhouse gas emissions and improve air quality and business innovation</p>	<p>SUSTAINABLE INNOVATION</p> <p>2.1.1 Complete the development of a New Aurora business community of significant scale</p> <p>2.1.2 Establish permanent funding sources for affordable, mixed-income housing, and permanent housing for the homeless</p> <p>2.1.3 Encourage new developments and buildings to be sustainable and inspiring</p> <p>2.2.1 Provide technical and financial resources to lever into a sustainable, reliable, and across the surrounding areas can be developed economic and leisure potential</p> <p>2.2.2 Identify capital resources for the completion and expansion of the development of mixed-use public-private partnerships</p> <p>2.2.3 Support the implementation of additional public-private partnerships and business centers to start and grow business and job opportunities</p>
<p>KIDS & EDUCATION Aligning resources and developing strategies that address gaps and reduce barriers so that all youth can realize their full potential and compete in a global economy</p>	<p>ECONOMIC VIBRANCY</p> <p>3.1 Strengthen the city base, with a focus on sustainability, recruiting fiscal activity</p> <p>3.2 Increase the diversity and depth of Denver's business sectors</p> <p>3.3 Grow the highly skilled workforce with a focus on manufacturing and Denver's main business sectors</p>	<p>ECONOMIC VIBRANCY</p> <p>3.1.1 Develop and implement a comprehensive strategy to increase the retail activity in Denver businesses, to improve the performance of retail centers, and to encourage new retail to locate in Denver</p> <p>3.1.2 Support and grow the two key retail and hotel districts and Chaffee Creek, to ensure vitality and economic growth</p> <p>3.2.1 Implement the Business Investment Program to encourage Denver businesses to reinvest and grow</p> <p>3.2.2 Provide a recognized business incubator and the financial growth and success of Denver's small businesses</p> <p>3.3.1 Focus workforce development performance metrics on increased employment, higher wages and consumer satisfaction</p> <p>3.3.2 Focus workforce development performance metrics on youth through CTE and basic skills for employment with community colleges</p>
<p>MARKET FIT Providing training and job placements for low-skilled and unemployed workers, and supporting our successful partners who are providing services to help Denver's most vulnerable citizens improve their quality of life</p>	<p>ADMINISTRATION</p> <p>4.1 Deliver the highest level of customer service in the state of Colorado and cost-effective manner</p> <p>4.2 Develop and maintain information to support strategic and program decisions</p> <p>4.3 Effectively communicate the economic development opportunities and accomplishments of Denver and the OED</p>	<p>ADMINISTRATION</p> <p>4.1.1 Implement the Peak Performance Lean process throughout all divisions in OED to increase efficiency and reduce costs</p> <p>4.1.2 Increase OED effectiveness through emphasis on goal-focused strategies, performance outcomes, partnerships, collaboration and consistent operational relationships</p> <p>4.1.3 Research and solicit additional funding sources and sponsorships (public and private) that support the work of OED</p> <p>4.2.1 Establish regular economic reports for use by elected and appointed leadership, and share with various community stakeholder groups</p> <p>4.2.2 Develop events that demonstrate the effectiveness of the city's investments on critical performance metrics, such as income, employment levels, educational attainment and safety</p> <p>4.2.3 Update OED's business and public information tools to increase effectiveness and interactive use, including the website, PowerPoints and publications, regular communication tools and social media</p> <p>4.3.1 Complete an annual report highlighting the program's accomplishments of OED in relation to the annual program work and the Three-Year Strategic Plan</p> <p>4.3.2 Provide regular updates and announcements on timely events and accomplishments to demonstrate Denver's and OED's role and activities in economic, business and community development</p> <p>4.3.3 Enhance the communication and cooperation between city departments to better serve business</p>



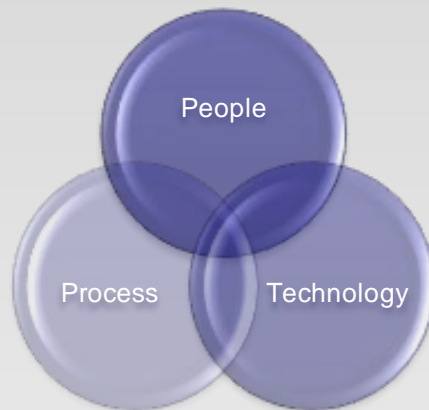


Mission-Level Metrics

	2013	YTD	2014 Annual Goal	% Goal
Business Incentive Fund (BIF)				
Jobs created/retained in Denver	828	832	850	
Leverage Ratio (<i>private investment / BIF allocated</i>)	37.8	32.4	45.0	
BIF Funds per Jobs (<i>BIF allocated / jobs brought to Denver</i>)	\$478	\$499	\$1,000	
OED Revolving Loan Fund (RLF)				
Jobs Created	158	57	105	
Leverage Ratio (<i>private investment / RLF allocated</i>)	9.4	8.3	6.3	
Lending Funds per Job Created (<i>RLF allocated / jobs created</i>)	\$19,600	\$33,900	\$32,000	
Denver Firms				
Firms Employing > 100 Persons	477	483	485	
Small Business (5 – 100 people), avg. employment size	15.0	13.8	15.0	
Affordable Housing				
Leverage Ratio (<i>private investment / housing fund allocated</i>)	--	25.0	12.0	
80% AMI Housing Units to be Developed	378	243	450	
40% AMI Housing Units to be Developed	92	159	150	
Workforce Development				
Job Placement Rate	55.9%	59.5%	55.5%	
Youth Services				
Number of Youth Served	2,190	1,939	2,500	
Youth Summer Employment	420	14	300	



Innovate!



- JDIs – Just Do Its
- RIEs – Rapid Improvement Events
- Projects – Larger scope, usu. Multi-agency
- New/Updated Technology
- Strategic Resource Alignments (SRA's)

Innovation Fund \$

Current Year

- Lean Innovates: 9 Just do Its, 2 RIEs, and 2 VSAs all completed. The VSAs resulted in 41 additional JDIs
- Savings: Total identified savings \$87K, and actualized savings is \$17,400 thus far.

Peak Integration

- Total of 216 OED staff involved in process improvements , or 82% of OED
 - 33 Black Belts
 - 101 Green Belts
 - 82 trained in Green Belt.

Long-term

- Continually refine and track Peak Innovate! processes to demonstrate actualized savings through improvement efforts
- Form stronger partnerships with other agencies to broaden OED'S process improvement efforts
- Increase follow-up with staff throughout OED to support and encourage process improvement efforts

Financial

Hard \$ Savings
(*budget impact*)

Soft \$ Savings

Service Level Improvements

Human Development

Financial

- \$7,000 saved in reductions of contract process time
- \$28,000 saved in reductions of training subsidy reimbursement
- \$21,000 saved by streamlining and eliminating unnecessary or duplicative information in TANF programs

Service Level Improvements

- Reduction of 186 days in Public Facilities and Infrastructure processing time (246 to 60 calendar days)
- Estimated 761 hours saved per year in training reimbursement process time (1/3 FTE)
- Denver's TANF file process revised to emphasize customer benefit instead of county procedures

Human Development

- Creation of a TANF Innovation Team to create sustainable foundation for Colorado Works continuous improvements
- Feature and celebrate Peak Performance and Lean accomplishments at each quarterly, all-staff meeting to bring PEAK ethos into OED staff thinking
- 13% of workforce achieved Lean Black Belt award level; 38% as Green Belts – and another 31% trained in Green Belt

Resource	Action for Meeting Goals	Investment	Benchmarks
HOUSING: Develop 1,000 units of 80% AMI (or below) housing, with 75% near high access transit	Work with developers to encourage TOD related affordable/workforce housing	Prioritize these projects for OED, and partner, housing support (financial and technical).	Counting new units as support is committed and support project. Correlates to Mayor Hancock’s 3x5 Housing Initiative and commitment to TOD development
HOUSING: Ensure that 80% of Denver neighborhoods are affordable using the H&T Index	Strive to match housing development to anticipated employment growth and neighborhood needs. Emphasize mixed use, mixed income development	Undertaking a needs analysis for high opportunity NE neighborhoods	Completing the analysis to monitor this metric, for selected Denver neighborhoods, then all neighborhoods, and the City
LAND USE: Promote siting 50% of all new housing and 75% of new jobs in MV Urban Centers (with CPD)	Promote location priorities, and provide technical assistance and info to new and relocating businesses on transit benefits	Targeted lending program and encourage innovative commercial development on TOD/UC areas.	Completed analysis on current housing and jobs metrics, monitor development conditions, and update metrics
LAND USE: Direct population (households) and employment growth in Areas of Change (with CPD)	Identify key opportunities areas for development in Areas of Change, and target resources to new opportunities areas to “lead” private interest and investment	Undertaking a needs analysis for high opportunity NE neighborhoods	Completed analysis of current levels, and identify new areas of OED focus. Aligns with Mayor Hancock’s Smart Jobs, Development Vision

Resource	Action for Meeting Goals	Investment	Benchmarks
<p>WORKFORCE: Provide training and mobility improvements to allow City government to fill at least 95% of job openings with workers within a 90-minute public transit commute shed (with DHR)</p>	<p>Identify occupation and labor gaps for Denver jobs, including anticipated work changes and succession needs.</p>	<p>Develop core competency and skills training for current employee career growth.</p>	<p>Measure job hires by local metrics (Denver and 90-minute commute shed) over the past year and 3 years.</p>
<p>WORKFORCE: Provide training and mobility improvements to allow Denver employers to fill at least 90% of job openings with workers within a 90-minute public transit commute shed</p>	<p>Increase Industry-Focused Training Programs; matching skills training, life-long learning/training (“stackable certificates”), and job matching programs targeted all job replacement and growth opportunities for local and area residents</p>	<p>Link and leverage job training and workforce programs to local industry needs.</p> <p>Expose DPS (career and technical) students to high-growth occupations</p>	<p>Complete current program performance analysis. Continue program refinements and focus on business opportunities and growth (such as 70% of ITAs and OJT in targeted sectors).</p>

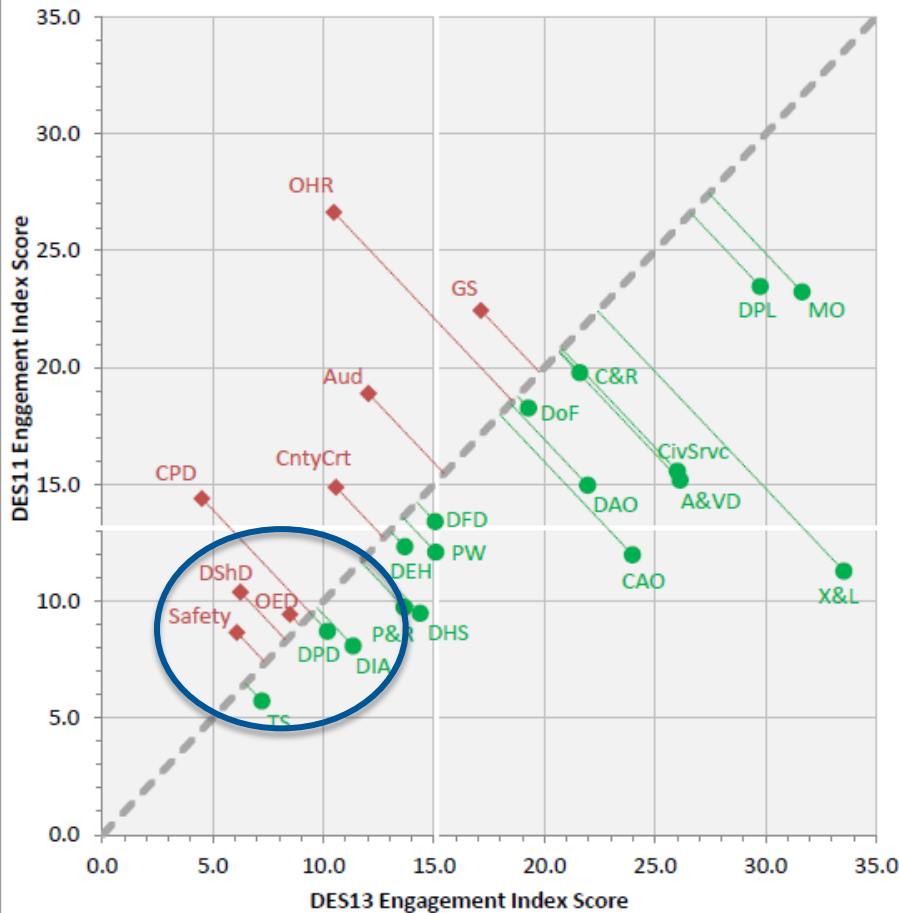
- Denver is the top growing community in Colorado, and 2nd fastest growing large city in the US
- Denver's rating as a top business and employment location continues to rise
 - 2nd best city for doing business. 5th city for employment growth
 - 3rd best American city for startups, 6th nationwide for high tech startup density
 - Top city for small business employees, 4th best city for job seekers
 - Top ten for private equity investments, 13th for growth of women-owned firms
 - 14th ranked city for favorable cost of doing business
 - And the list goes on...

National Citizen Survey

- Place to Work rating up to a 75% rating (from 61% in 2006)
- Employment Opportunity rating up to 54%, from 38%
- Department rankings (Econ Dev Services) is rising up 7 points (to 48%) over the most recent two-year period
 - Above the national city comparison
 - “much above” peer city comparison
- Citizens expressed a predominate concern that the rate of Job Growth was to slow (2012)
 - But only 19% felt the rate of retail growth was too slow in the same year

DES11 engg index v DES13 engg index

gap analysis (via residuals)



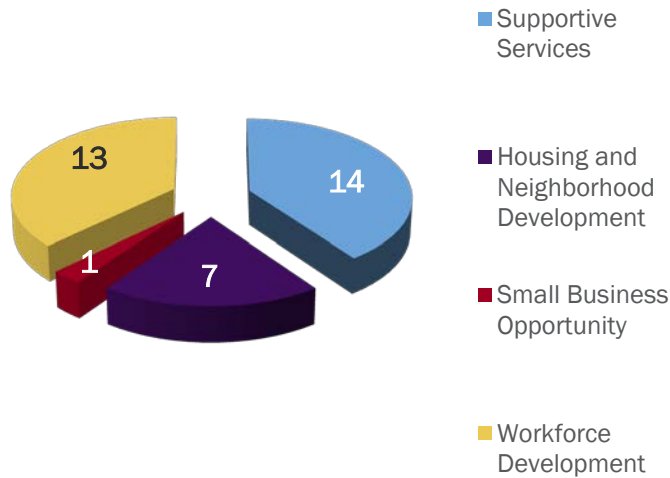
OED Drivers of Employee Engagement

1. Overall, I rarely think about looking for a new job outside the City
2. Overall, differences in gender, race and other backgrounds are leveraged to do the best possible work
3. At work, I feel like I make a difference
4. Overall, my agency has prepared me to do my job well
5. [Appointee] Ensures that the agency goals and priorities are clearly communicated
6. [Immediate Supervisor] Encourages me to further develop my knowledge, skills, and abilities
7. Overall, my agency does a good job of communicating information that affects me
8. [Team] Work well together
9. Overall, I understand how the work I do relates to the Mayor's priorities
10. [Appointee*] Promotes a culture that continuously improves the quality of services and products delivered
11. [Immediate Supervisor] Is accessible when needed
12. In the last 12 months, I have developed and grown at work
13. My agency strives to provide its employees with the latest technology required to do our job
14. My agency promotes a culture/environment of appreciation
15. Overall, I am familiar with Mayor Hancock's Priorities of "Kids, Jobs, Safety/Safety Net, Sustainability, Customer Experience"
16. [Immediate Supervisor] Gives me timely feedback about my job performance.

Opportunities for Innovation and Change

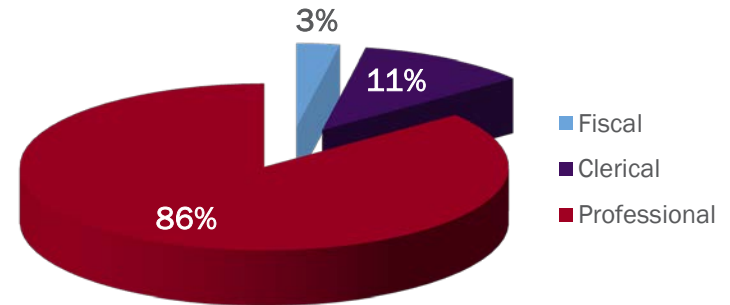
Office of Economic Development

Staff Eligible for Retirement by Division
(by 12/31/2015)



Office of Economic Development

Staff Eligible for Retirement by Classification
(by 12/31/2015)





Progress on Minority and Women Owned Business

- **Passed** the new MWBE ordinance, and working directly with various agencies to increase program awareness and understanding
- Leading efforts to ensure diversity in all new procurement efforts
- Continue to certify MWBE businesses (and increase awareness and connections) to grow the services and goods pool
- Working direct with current and new Denver businesses to increase B2G capacity and opportunities (e.g. technical assistance, financing access)
- Working to diversify Denver business customer base, with B2G and B2B opportunities to grow these businesses



Accomplishments & Challenges

Accomplishment

- 12 of 14 mission-level metrics positive and trending up
- 2 of 14 have work to be accomplished or reflect changes in data source
- Significant Lean training and innovation process accomplished, Peak part of OED culture
- Major improvements in both contracting and reimbursement processing; will create awareness for other process
- Employee engagement increased through participation in RIEs and JDI activities
- Established an Autonomy Team (intra-cross program team) for a major project initiative (and to increase intra-agency work efforts and awareness); resulted in a new JumpStart initiative (AUTOSTART)
- Supporting a growing and nationally recognized business environment; leading to significant “top list and rankings” and strong business growth (number of firms and employment levels - and therefore, new employment career opportunities for residents
- Published the 2013 (2nd) OED Annual Report (as well as the 3rd JUMPSTART plan,) documenting agency and program outcomes (web site, media coverage, and printing copies)
- Ratings on Citizen Surveys (on OED and economic metrics) continue to improve

Challenges

- New Directors (Workforce and Housing and Neighborhood Development) and Managers in Small Business Opportunity and OED Contracting creating innovation program and process opportunities, but also organization change challenges
- Constraints in key programs due to funding uncertainty, impacting staffing levels and program innovation (OED is over 90% federally funded)
- Costs (land, construction) and tight markets are impacting OED’s business, development and housing programs

- Realign resources to address anticipated resource constraints to increase effectiveness and efficiency for program delivery.
- Continue to build intra- and inter-organizational teams to increase wholistic program solutions for Denver's citizen.
- Encourage consolidation of each city agency's procurement procedures to improve small business opportunities and obtain city returns.