June 21, 2012
9:00 AM

ATTENDEES
David Edinger: Chief Performance Officer, City and County of Denver
Laurel DelMonico: Budget Analyst, Budget & Management Office
Beth Machaan: City Controller, City and County of Denver
Michele Weingarden: Director of Greenprint Denver

Paul Washington: Executive Director, Office of Economic Development
Chiquita McGowin: CFO, Office of Economic Development
Wendy Towber: Management Analyst, Office of Economic Development
Karla Gomez-Meyer: Manager of Quality Assurance, Office of Economic Development
Lindsay Anderson: Graduate Student Intern, Office of Economic Development
The Office of Economic Development’s vision aligns with the Citywide vision in the following ways: “Where everyone matters”: the OED’s initiatives address the top, middle, and bottom strata of our city.

- **Top**: OED advances economic prosperity through business retention, outreach, and recruitment efforts. The OED works to both bring new business opportunities to the area and to provide resources and support to existing firms.
- **Middle**: OED works diligently to support and advocate for the small business community. Efforts are focused on increasing access to capital, broadening access to markets, and supporting and fostering a culture of innovation.
- **Bottom**: Through housing, workforce, and neighborhood services, OED provides critical resources for the community. Services include efforts to increase the number of affordable housing units, industry focused training programs, and the investment of CDBG (Community Development Block Grant) and NSP (Neighborhood Sustainability Program) funds towards sustainable neighborhood development.

“World-class city”: OED strives to deliver a world-class city through its global outreach and cutting edge initiatives.

- OED works with DIA to bring international flights and carriers to Denver’s airport, expanding business opportunities and avenues and establishing Denver as an international destination.
- OED is exploring the development of a Net Zero Energy (NZE) Community, a sizable mixed-use development producing as much energy as it consumes. If completed, the community would be one of the largest of its kind in the world.
- To increase the capital and capacity of Denver’s Community Development Financing Institutions (CDFIs), OED is working with commercial banks and foundations to establish a $20M Master CDFI. (CDFIs are nonprofit financial institutions that provide credit and financial services unavailable in the conventional market). Creating a Master CDFI broadens Denver CDFI’s access to funding and other resources.
OED’s mission aligns with the Mayor’s priorities:

- **Jobs**: Given the state of the economy, OED has focused intently on providing job opportunities for Denver residents. These opportunities are created through the business incentive program, the business lending program, and through workforce development. Business incentives attract new firms to Denver, bringing new jobs to the City and stimulating the economy. Additionally, OED’s business lending provides existing firms with capital to expand and develop their operations, creating new jobs through growth, expansion, and construction. Finally, Workforce development programs help residents increase their skill sets, qualifications, and workforce potential, and are geared towards connecting job seekers with emerging and growing industry sectors.

- **Kids**: OED supports Denver kids through Youth Development and Employment programs. The OED enhanced its summer Youth Employment programs, and aims to collaborate with “cool” Denver employers with seasonal employment needs and mentorship opportunities.

- **Safety Net**: OED helps provide a safety net for Denver through several initiatives and programs, including affordable housing development, workforce training programs, and neighborhood development through CDBG (Community Development Block Grant) and NSP (Neighborhood Sustainability Program) funding.
• OED, the Mayor’s Office, and the Finance Department are collaborating to create a comprehensive Economic Conditions Report. Indicators included in this report will reflect the current and expected future economic environment. These metrics will be compared both over time and to relevant regional and national competitors.
OED’s Mission-Level Metrics address the efficacy of its business, housing, and workforce efforts.

- **Business Incentive Fund (BIF):** Projects creating a significant number of new jobs in key, targeted industries are considered on a case-by-case basis for OED business development incentives. In exchange for relocating to Denver and creating jobs or expanding existing business in Denver, firms receive incentive payments from OED to compensate for their contribution to Denver’s economy. BIF metrics address recruitment efforts.
  - **Leverage Ratio:** the leverage ratio compares the amount of private investment resulting from BIF contracts to the amount of BIF funding allocated. As a result of BIF contracts, businesses invest substantial capital into constructing, developing, and supplying their business. A higher leverage ratio indicates greater private capital investment per OED BIF $ awarded; OED’s goal is for this value to meet or exceed 40. (Leverage Ratio = private investment / BIF $ allocated)
  - **BIF Funds per Job:** this metric looks at the number of jobs created from business incentive contracts per dollar of OED incentive awarded. A lower BIF Fund per Job value indicates that a greater number of jobs were created per OED dollar expended; OED’s goal is for this value to meet or fall below $2,500. (BIF Funds per Job = BIF $ allocated / # jobs brought to Denver)

- **OED Revolving Loan Fund (RLF):** The Revolving Loan Fund program provides gap financing to new and expanding Denver businesses, lending up to 25% of project costs and inducing banks to provide the bulk of the financing. The RLF helps to stimulate job creation and grow existing firms. RLF metrics address business retention efforts.
  - **Leverage Ratio:** the leverage ratio compares the amount of private investment resulting from the RLF to the value of RLF loans allocated. Firms receiving RLF $ use the money loaned to invest in establishing or expanding their business. A higher leverage ratio indicates greater private capital investment per OED RLF dollar awarded; OED’s goal is for this value to meet or exceed 5.0. (Leverage Ratio = private investment / RLF allocated)
  - **Lending Funds per Job Created:** this metric indicates the number of jobs created from the RLF per dollar of OED RLF allocated. A lower Lending per Job Created value means that a greater number of jobs were created per OED dollar loaned; $35,000 is HUD standard but OED’s goal is for this value to fall well below that (closer to $17K from 2011)

- **Denver Firms:** indicators of business environment and climate
  - Firms >100 employees: it is important to look at the number of firms with over 100 employees because this metric represents the number of Denver’s large employers; OED is looking for the # of large firms to increase to indicate a strong and supportive business environment
  - Small business: (5-100): the OED tracks the average size of small businesses over time; as the average size increases, this is an indicator that small businesses are hiring, growing, and becoming more vibrant.

- **Affordable Housing (federally funded):** OED is committed to the preservation, rehabilitation and development of affordable housing
  - **Leverage Ratio:** similar to BIF & RLF, this metric looks at the amount of private investment compared to OED’s financial contributions; a higher leverage ratio indicates greater private investment per OED dollar allocated.
  - **80% AMI (Area Median Income—measures need level):** this metric indicates OED’s progress in providing housing at the 80% AMI level
  - **40% AMI:** 40% AMI is an underserved housing population; OED tracks this metric to address and track this need

- **Workforce Development:** OED offers a full-service employment and training agency that meets the recruiting and training needs of businesses, job seekers and youth throughout the metro area
  - **Job Placement Rate:** this metric measures the efficacy of workforce development programs in placing trainees in jobs; a higher percentage indicates that a greater portion of trainees are placed in positions as a result of their training
  - **Youth Services:** mission is to activate and facilitate youth services and programs to engage, prepare, and empower youth to meet the growing demands of a global economy
    - **Number of Youth Served:** this metric is important as it indicates the number of youth participating. “Served” includes attending a job fair, 3-4 hour training on job readiness skills, and interview(s) with employers.
    - **Number of Youth Placements:** this metric highlights the number of youths successfully placed in employment positions
JumpStart 2012: OED’s Strategic Plan
JumpStart 2012, OED’s strategic plan, consists of seven pillars of economic development that fall into three categories: business retention and recruitment, lending and investment, and workforce development.
Every pillar in JumpStart 2012 contains three strategic initiatives. To retain and strengthen Denver-based companies under the Business Retention pillar, OED aims to: establish an outreach campaign, enhance strategic relationships, and create a supportive business environment.

The outreach campaign consists of three initiatives. First, OED is identifying the 30 largest employers and 15 largest business owners in Denver and working to establish a relationship with and offer assistance to these firms. Outreach includes a letter of introduction and a request for a sit-down meeting with OED Director/ Mayor. Second, OED is working to identify “Denver Gazelles”: three to five key companies in the three industries with the highest revenue and growth over the last 10 years. The OED will reach out to these companies to discuss ways in which the City can become a better partner. Lastly, OED has developed a commercial lease expiration database, allowing the OED to track upcoming lease expirations and to proactively identify and reach out to these businesses.

To enhance strategic relationships, OED plans to partner with key industry trade groups, establish relationships with landlords and commercial brokers, and become active participants in local chambers of commerce.

To create and foster a supportive business environment, the OED plans to focus on maintaining and advancing a strong manufacturing base, and to conduct an analysis of why Denver was not chosen over regional neighbors for recent IT relocations. OED is also working to reorganize the Business Assistance Center (BAC) and repurpose the BDRs (Business Development Representatives) to better suit the needs of Denver businesses.
The Small Business Advocacy Pillar’s three strategic initiatives are: access to capital, access to customers, and a culture of innovation.

To increase the capital and capacity of Denver’s Community Development Financing Institutions (CDFIs), OED is working with commercial banks and foundations to establish a $20M Master CDFI. (CDFIs are nonprofit financial institutions that provide credit and financial services unavailable in the conventional market). Creating a Master CDFI broadens Denver CDFI’s access to funding and other resources, and in turn provides Denver small businesses with more loan opportunities and availability. In addition, the OED is creating a capital matrix: a resource for small businesses that identifies sources of capital available to Denver companies. This matrix includes venture capital, private equity, and mezzanine firms, in addition to angel networks, commercial banks, and nonprofit institutions. Finally, OED is hosting a venture capital roundtable.

To increase access to capital, OED is hosting small business roundtables, and is also working on creating an inbound trade mission with Chongqing, China, centered on Denver’s Clean Technology.

To foster and support a culture of innovation, OED is organizing a citywide business plan competition, teaming up on the creation of an innovation center, and developing a mentorship program for high-growth companies to learn from seasoned CEOs.
Next Review
End of third quarter

CONTINUE DISCUSSION OF OED STRATEGIC PLAN
3. Business Recruitment
4. Sustainable Neighborhood Development
5. Business Lending
6. Key Strategic Projects
7. Workforce Development

FOCUS ON IMPROVING INTERNAL EFFICIENCIES
• Bring LEAN to OED by training key management leaders in the LEAN process (Available Fall 2012)
• Identify 2 LEAN projects for next quarter