



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*



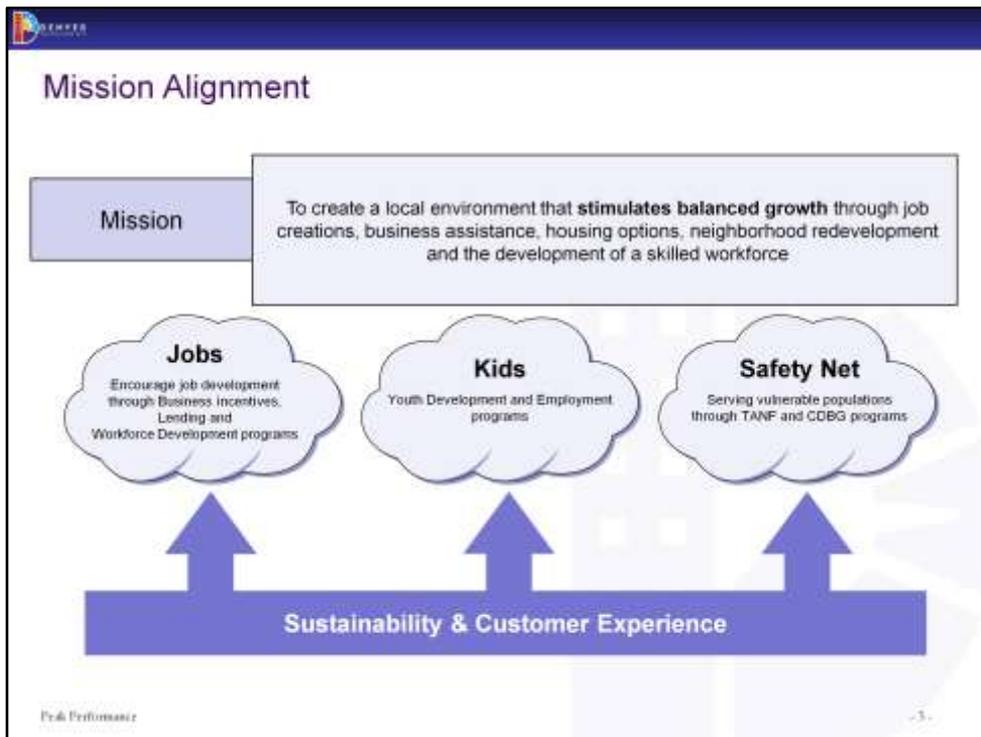
The Office of Economic Development’s vision aligns with the Citywide vision in the following ways:

“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.



City Metrics
Economic Conditions Report

OED, MAYOR'S OFFICE AND FINANCE STAFF WORKING TOGETHER

- Likely three linked summary reports, each focusing on topical goals and objectives (e.g. OED – business, Finance – revenue)
- Indicators will include economic environment, business impact and policy relevant measures
- At least one quarter will be leading indicators
- Roughly one third will be backward looking

EVALUATIVE APPROACH

- Indicators will have a comparative metric (time or peer community)
- OED has established a list of comparative metros and cities
- Most variables will be updated quarterly
- OED's report will include a summary analysis on a key condition of the report period

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- 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.

Mission-Level Metrics				
	2011 Actual	YTD (4/30/2012)	2012 Annual Goal	% Goal **
Business Incentive Fund (BIF)				
Additional Jobs brought to Denver because of BIF	155	400	300	133%
Leverage Ratio (private investment / BIF allocated)	68.5	15.0	40.0	37%
BIF Funds per Jobs (BIF allocated / jobs brought to Denver)	\$3,300	\$1,000	\$2,500	132%
OED Revolving Loan Fund (RLF)				
Jobs Created through RLF Allocation	183	19	75	26%
Leverage Ratio (private investment / RLF allocated)	8.2	6.5	5.0	130%
Lending Funds per Job Created (RLF allocated / jobs created)	\$16,900	\$27,400	\$35,000	63%
Denver Firms				
Firms Employing > 100 Persons	412	TBD	420	98%
Small Business (5 – 100 people), avg. employment size	18.0	TBD	18.5	97%
Affordable Housing				
Leverage Ratio (private investment / housing fund allocated)	4.4	21.0	10.0	44%
80% AMI Housing Units to be Developed	425	48	150	28%
40% AMI Housing Units Built	79	0	60	0%
Workforce Development				
Job Placement Rate	39.9%	40.1%	52%	77%
Youth Services				
Number of Youth Served	949	4,600	2,500	184%
Youth Placements	61	TBD	100	61%

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 operating 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

DENVER ECONOMY
JUMPSTART 2012

TASKS
ALL SUPPORT STAFF

- BUSINESS RETENTION
- SMALL BUSINESS ADVOCACY
- BUSINESS RECRUITMENT
- SUSTAINABLE NEIGHBORHOOD DEVELOPMENT
- BUSINESS LENDING
- KEY STRATEGIC PROJECTS
- WORKFORCE DEVELOPMENT

DENVER
The World Class City

"Delivering a World Class City Where Everyone Matters"

The mission of the Office of Economic Development is to create a local environment that stimulates balanced growth through job creation, business assistance, housing options, neighborhood redevelopment and the development of a skilled workforce.

GROW DENVER
The Office of Economic Development

Peak Performance

JumpStart 2012: OED's Strategic Plan



7 Pillars of Economic Development

BUSINESS RETENTION & RECRUITMENT

1. *Business Retention:* Focused outreach to Denver companies so that we can learn how to be better partners to the business community
2. *Small Business Advocacy:* Increasing access to capital and broadening access to markets, including meaningful participation in City financed projects
3. *Business Recruitment:* Allocating financial and technical incentives to relocate HQs to Denver

LENDING & INVESTMENT

4. *Sustainable Neighborhood Development:* Strategic investments to develop and maintain eco friendly affordable housing in key neighborhoods adjacent to high transit corridors that were hardest hit by the economic recession
5. *Business Lending:* Gap financing for companies that provide employment opportunities to the broader community
6. *Strategic Projects:* Partnering with key stakeholders and allocating financial and technical resources to projects that have a significant economic impact to the City

WORKFORCE DEVELOPMENT

7. *Workforce Development:* Investments in people and systems to make the Denver workforce the most capable in the country

Peak Performance J.T.

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.

Business Retention
Retain & Strengthen Denver-based companies

OUTREACH CAMPAIGN

- Outreach campaign to top 30 largest employers and top 15 largest business owners
- Special assistance to High Growth Companies ("Denver Gazelles")
- Lease Expiration Database

ENHANCE STRATEGIC RELATIONSHIPS

- OED to identify and partner with key industry trade groups (CCIA, CAMT, CTA, CBA, etc)
- Establish relationships w/Denver's largest landlords & commercial brokers; establish a primary contact w/in OED
- Active leadership participation by OED personnel in all major chambers of commerce (i.e. Hispanic, Denver Metro EDC, Black, Asian and LGBT)

SUPPORTIVE BUSINESS ENVIRONMENT

- Better collaboration with City Planning Dept. on the following redevelopment opportunities so Denver does not lose its manufacturing base: Elyria-Swansea, Globeville, Sun Valley, ASARCO
- Analysis of why Denver was not chosen over its regional neighbors for recent call center locations and software company relocations
- Reorganize the BAC and repurpose BDRs to become industry specialist in key industry sectors

Peak Performance

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.



Small Business Advocacy
Create an environment to help small business thrive through collaboration between public, private and non-profit sectors

ACCESS TO CAPITAL

- Increase capital & capacity of community development financial institutions with a \$20M Master CDFI Initiative
- Identify sources of capital for Denver small businesses; publish a capital matrix to distribute to small businesses
- Host a VC Roundtable at the JP Morgan Commodities Training Center at CU Denver

ACCESS TO CUSTOMERS

- Develop a basics of business lending seminar in collaboration with CBA, large commercial banks and the SBA
- Organize and host quarterly roundtables with supply chain companies and their corporate customers
- Host an inbound trade mission with sovereign funds, the foreign trade affairs office and business executives from Chongqing China to increase market and investment opportunities for Denver based cleantech companies

CULTURE OF INNOVATION

- Citywide business plan competition
- Innovation Centers: Identify real estate adjacent to a TOD that is near an institution of higher education and retrofit for virtual offices, cubicles and conference rooms to create an Innovation Center for entrepreneurs
- Mentor Program: Identify and create a database of successful entrepreneurs to develop mentorship programs
- Develop key strategic relationships : Venture capitalists; Local businesspeople; Denver alumni clubs

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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