This is OED’s third Peak Performance Read Out

ATTENDEES
David Edinger: Chief Performance Officer, City and County of Denver
Sarah Kutz, Director of Strategic Marketing, City and County of Denver
Jerry Tinianow, Chief Sustainability Officer, City and County of Denver
Beth Machaan: City Controller, City and County of Denver
Stephanie Adams: Manager of Performance Initiatives, Budget & Management Office
Laurel DelMonico: Budget Analyst, Budget & Management Office

OED PRESENTERS
Paul Washington: Executive Director, Office of Economic Development
John Lucero: Deputy Director, Office of Economic Development
Ledy Garcia-Eckstein, Acting Director, OED Workforce Development Division
Chiquita McGowin: Fiscal Manager, 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.
UPDATE MISSION BASED ON JS 2013 REVISION

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.
**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.

---

**DENVER OFFICE OF ECONOMIC DEVELOPMENT**

**2012 ANNUAL REPORT**

---

**STRATEGIC PLAN: THREE-YEAR STRATEGY**

<table>
<thead>
<tr>
<th>Year</th>
<th>Strategy 1</th>
<th>Strategy 2</th>
<th>Strategy 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>Objective 1</td>
<td>Objective 2</td>
<td>Objective 3</td>
</tr>
<tr>
<td>2013</td>
<td>Objective 4</td>
<td>Objective 5</td>
<td>Objective 6</td>
</tr>
<tr>
<td>2014</td>
<td>Objective 7</td>
<td>Objective 8</td>
<td>Objective 9</td>
</tr>
</tbody>
</table>

---

**JumpStart 2013**

---

*Peak Performance*
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 4.0. \( \text{Leverage Ratio} = \frac{\text{private investment}}{\text{BIF allocated}} \)
  - **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. \( \text{BIF Funds per Job} = \frac{\text{BIF allocated}}{\text{# jobs brought to Denver}} \)

- **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. 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. \( \text{Leverage Ratio} = \frac{\text{private investment}}{\text{RLF allocated}} \)
  - **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; HUD standard is $35,000 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 capital investment per OED RLF dollar allocated.
  - **80% AMI Housing Units to be Developed:** 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 are 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
2012 Annual Report Highlights

**BUSINESS DEVELOPMENT ACCOMPLISHMENTS**

- Created or retained over 1,638 jobs through eight direct business incentive projects
  - With an associated $162 million in business investment in buildings and equipment
  - Direct fiscal benefit return of $4.70 for every $1.00 invested as a direct business incentive
- U.S. Patent and Trade Office (USPTO) selected Denver for the a satellite office
- Created and used the Lease Expiration Database to focus retention outreach to Denver businesses
- Provided technical and concierge services to assist many other businesses to locate and expand in Denver
  - Examples: Eldon James, Promet, J. Schneider, InterTech Plastic, and Ravenbrick

**SMALL BUSINESS AND START-UP SUPPORT**

- Published Denver’s Capital Matrix and hosted a venture capital roundtable
- JumpStart Biz Plan Awards with more than 160 applicants and Start-Up Denver week
- Active leadership participation by OED personnel in all major chambers of commerce (i.e. Hispanic, Denver Metro EDC, Black, Asian and LGBT), as well as supported 5 business support offices

**BUSINESS LENDING IMPROVEMENTS**

- Strengthened portfolio by reducing the delinquent loan rate from 19.9% to 8.7%
- Reduced loan underwriting and approval from 120 days to 30 days
- Made small business loans totaling $1.3 million. Growing 8 businesses and creating 98 jobs
2012 Annual Report Highlights

Sustainable Housing and Communities

- Made funding commitments to create more than 425 additional affordable housing units
  - 20% of these units will be targeted at the very low income (40% or below AMI)
- Completed the Targeted Neighborhood Investment mapping/tool to inform decision making
- Convened the Mayor’s Housing Task Force to assist the development of a comprehensive housing strategy
- Celebrated several ground breakings and opening of housing and neighborhood projects, including the new Boys and Girls Club at the Holly Area Redevelopment, AriA/Marycrest and Renaissance West End Flats

Key Strategic Projects/Initiatives

- Grew the Business Certification program participation to 1,060 firms to increase contracting opportunities for minority and women-owned firms
- Advocated for business and development opportunities in several targeted neighborhoods, including supporting the Welton Corridor Urban Redevelopment Plan and the Decatur/Federal Station Area Planning
- Established a construction mentorship program to build capacity of small sub-contractors

Workforce Development Successes

- Served nearly 36,000 individuals with job search assistance in the 4 workforce centers
  - Over 50% of individuals successfully gained employment
- Assisted over 730 firms and organizations through job searches and obtain access to potential employees
- Grew the youth training academies and provided youth training and employment opportunities
Setting the Course

- Strong Economy
- Sustainability
- Kids & Education
- Safety Net
- Customer Service
- Connectivity
- Sustainable Innovation
- Economic Vibrancy
- Administration

Goals & Guiding Principles
OED Strategic Priorities
Tasks
JumpStart Strategy
Annual Report

- Business Retention
- Small Business Advocacy
- Business Recruitment
- Sustainable Housing and Communities
- Business Lending
- Key Strategic Projects
- Workforce Development
Three Year Strategy
Strategic Priorities and Objectives

**CONNECTIVITY**

- Reduce the physical and social barriers that separate and prevent our neighborhoods from fully participating in Denver’s economic vitality
- Enhance Denver as a global city that attracts international travelers, conventions, and investors
- Facilitate access to customers, labor force, ideas and capital for Denver-based businesses

**SUSTAINABLE INNOVATION**

- Strengthen Denver as a national leader in sustainable practices, including energy efficiency, water conversation and recycling.
- Establish permanent funding sources for affordable, eco-friendly mixed-income housing
- Enhance Denver’s reputation and culture of individual, civic and business innovation
Three Year Strategy
Strategic Priorities and Objectives

ECONOMIC VIBRANCY
- Broaden the tax base, with a focus on sustainable, recurring fiscal activity
- Increase the diversity and depth of Denver’s business sectors
- Grow the highly skilled workforce with a focus on manufacturing and Denver’s main business sectors

ADMINISTRATION
- Deliver the highest level of customer service in the most efficient and cost-effective manner
- Develop and maintain information to support strategic and program decisions
- Effectively communicate the economic development opportunities and accomplishments of Denver and the OED
JumpStart 2013
Key new initiatives/strategies

- Economic Development Summit
- Business Investment Program
- Angel Capital Fund
- Coordinated Business Services
- Business Assistance Center
- Retail Strategy & Retail Triage
- International Markets and Opportunities
- Affordable Housing Construction & Preservation
- Net Zero Neighborhood
- NOFA Process
- Asset Recovery and Lending Improvements
- Intentional, Catalytic Development
- Industry-Focused Training Programs
- Summer Youth and Youth Initiatives
OED Innovation Plan
Training, Projects and Progress to date

OED PERFORMANCE TRAINING

- OED Black Belts -7 (two just completed this week)
- OED Green Belts -0
- Identified a Peak Fellow (Kathleen Wilson)

PEAK PROJECTS TO IMPROVE PROCESSES AND PROGRAMS

- Value Stream Analysis: Contract Development Completed
  - Three Rapid Improvement Events Planned for 2013
- Value Stream Analysis: Workforce Development Scheduled March 18-19

NEXT STEPS

- Continuing to schedule Black and Green Belt training for key staff
**Contracts and Compliance Innovation Plan**

<table>
<thead>
<tr>
<th>Just Do It (JDIs)</th>
<th>Due/Notes</th>
<th>Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obtain Boiler Plates for Loans – Nicol Blan</td>
<td>High Priority</td>
<td></td>
</tr>
<tr>
<td>Loan Docs prepared at the same time as Loan Agreement; Loan Customer received docs prior to execution – Chiquita McGowin &amp; John Lucero</td>
<td>High Priority</td>
<td></td>
</tr>
<tr>
<td>CPM to communicate monitoring to Programs throughout the year – Yua Her</td>
<td>Medium Priority</td>
<td></td>
</tr>
<tr>
<td>Engage Nicol Blan at Award Stage – Chiquita McGowin &amp; John Lucero</td>
<td>Low Priority</td>
<td></td>
</tr>
<tr>
<td>Verify if vendor is current on loan payments and property taxes – Nicol Blan &amp; Yua Her</td>
<td>Low Priority</td>
<td></td>
</tr>
<tr>
<td>QC by Programs – Yua Her &amp; Curt Pesicka</td>
<td>Low Priority</td>
<td></td>
</tr>
<tr>
<td>Verify vendor ID exists @ Chartfield/Staff assignment stage – JoAnne Greek, Nicol Blan &amp; Nicole Edwards</td>
<td>Low Priority</td>
<td></td>
</tr>
<tr>
<td>Decrease PF&amp;I Loan Closing Time – Nicol Blan &amp; Beth Truby</td>
<td>Low Priority</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Projects</th>
<th>Due/Notes</th>
<th>Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Split NOFA into smaller pieces and split out over the span of the whole process – Chiquita McGowin &amp; Beth Truby</td>
<td>Low Priority</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rapid Improvement Events (RIEs)</th>
<th>Due/Notes</th>
<th>Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charter #1 – Inception of the Contract Development (Phase I)</td>
<td>March 2013</td>
<td></td>
</tr>
<tr>
<td>Charter #2 – Standardize Phase II of OED Contracts</td>
<td>April 2013</td>
<td></td>
</tr>
<tr>
<td>Charter #3 – Insurance Requirements</td>
<td>May 2013</td>
<td></td>
</tr>
<tr>
<td>Charter #4 – Modify Scope Template</td>
<td>Medium Priority</td>
<td></td>
</tr>
</tbody>
</table>

**Innovation Plan Standard Template Slide**

Chiquita- Please add due dates if you have them.

At the next read out we will have a slide just like this for Workforce
Efficiency Savings Dashboard - Standard Template

If you have already implemented some efficiencies, please add them to the “Quality” bucket. For example, this is where you would highlight contract closing time from x days to x days, or the two ideas that Curt had to help DWD.
### Efficiency Savings Detail

<table>
<thead>
<tr>
<th>Metric</th>
<th>Change</th>
<th>Savings</th>
<th>Hard/Soft</th>
<th>Innovations</th>
<th>Notes on Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Once innovations are implemented, this chart will be populated and used to inform the graph on the previous slide.*

---

**Standard Template Slide**

This is in here as a place holder. As innovations are implemented and efficiencies are realized, this slide will be populated.
Metrics, Indicators
OED’s Commitment to providing and improving Economic Reporting

Mayoral Briefing
- Started in February 2013
- Review National and Local Economies
- Focus on indicators impacting the City, and which the City can influence

Quarterly Updates and Indicators
- Economic and Business Indicators for policy & programmatic decisions (March 2013)
- Constant set of data/indicators to demonstrate meaningful changes
- Focused on city data, and to show comparison to peer communities

On Numbers Economic Index
- Metro focused, not city
- 18 components (12 are employment variables, 3 wage earnings, and 3 housing price)
- Internal consistency, composition issues
Next Review
End of 1st Quarter

JumpStart 2013 Review

- Update of initiative and actions
- What’s New and what is on-going (2012 -> 2013 -> beyond)

Report Out on Lean Activities

Quarterly Performance

- 2013 Annual Goals
- 1st Quarterly Outcomes