

# CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

## Staff Presentation Worksheet

Presentation Date: 9/27/11 Time: 10:00 a.m. Length: 30 minutes

Presentation Title: Urban Area Key Performance Indicators for Economic Development

Department: BCS/BED

Presenters: Gary Barth, Director BCS

Catherine Comer, Manager Business & Economic Development

### POLICY QUESTION

Does the BCC support the Urban Area Key Performance Indicators (KPI's) recommended by the Business & Economic Development (BED) division of BCS to serve as a comprehensive set of indicators for measuring the economic vitality and output of the County's urban areas?

### ISSUE & BACKGROUND

Clackamas County receives Lottery revenue funding from the State of Oregon for the express purpose of funding economic development efforts in the county. A portion of this is used to fund the staff and activities of the Business & Economic Development Division within BCS. Measuring the success of this investment is an ongoing effort, and a challenging task, due to the fact that the economic environment of our cities, our county, and the region overall is influenced by many factors beyond our span of control such as the:

1. Availability of employment land
2. Transportation systems and constraints
3. Utility infrastructure capacity and constraints
4. Impacts of the state, domestic and international economies
5. Presence of many small, local government institutions with influence over economic development within their jurisdictions

Historically, reporting on *outputs* allowed economic development practitioners to report on activities where they have significant and direct control. However, current best practices in economic development acknowledges that no one group or entity has complete control or influence and that it takes a collaborative effort by many to impact the economic vitality of an area. Measuring *outcomes* rather than just *outputs* provides a more meaningful measure of economic development performance as impacted by many activities and factors, including the work of the county BED staff.

Correspondingly, BED is proposing a revised reporting system to track both outputs and outcomes. Outputs will be tracked in three categories:

1. Programs
2. Projects
3. Situational

Staff will produce monthly reports on their activities in each of these three areas; Programs in development or being administered, Projects they are managing, and Situational activities that include unplanned situations that arise and require staff resources (i.e. SoloPower, OIW, etc.) as well as the daily inbound customer service we provide.

We are also proposing reporting on a set of Key Performance Indicators (KPI's) to track Outcomes. We are recommending two approaches each with a unique set of indicators. First will be an internal set of KPI's that we are proposing to measure economic outcomes in our county, tracked over time for trend analysis. We will establish current benchmarks of performance as well as goals for future outcomes to directionally track our economic performance and future opportunity. Where possible we will also look back at historical data relative to current benchmarks to see trends to-date.

We have identified six key areas of focus:

1. Employment Land
2. Buildings
3. Employment
4. Workforce
5. Economic Output
6. Public Finance

These focus areas are inter-related. Our economic foundation is dependent on the availability, readiness, location and productive use of our employment land, that which is adequately served by a transportation and utility infrastructure and in a state of readiness for productive use.

The type of buildings that exist on that employment land, and the occupancy or vacancy rate of those buildings, correlate to the economic output capabilities of this employment land.

The size and skills of our workforce represents the supply-side of our human capital available for productive use. This is correspondingly measured against the demand for that human capital as reflected in our employment opportunities.

Our overall economic output is dependent on the effective use of our assets – our land and buildings as well as our financial and human capital. Maximizing our economic output requires optimizing the use of our resources. This economic output can be measured over time to determine how our economy is trending. And our economic output can be measured against our assets to determine how effectively the market is utilizing those resources.

One final area of focus is on public finance. Are we trending towards a more self sufficient population, one that is less dependent on public assistance while at the same time increasingly more capable of contributing to our public needs? Our economy's ability to produce higher per

capita economic output and a lower unemployment rate over time would trend us towards that more desirable state.

The attached Table "Economic Indicator Tracking" summarizes these proposed KPI's for long term tracking and analysis, including the directional goal for that KPI and the benefit. We chose KPI's that we believe have the greatest impact on our economy and where the data is readily and consistently available which is important for long term trend analysis.

The proposed Urban KPI's presented today are *applicable to all of our urban areas, including our rural cities within their Urban Growth Boundaries*. We are developing a *separate and distinct set of KPI's for measuring the economic vitality and trends of our rural unincorporated area* of the county for incorporation into our Agriculture Investment Plan efforts.

There is another relevant set of regional indicators that we will also be tracking from the recently launched "Greater Portland Pulse" project, covering the Tri-County area as well as Clark County to define the greater Portland region. Clackamas County staff participated in a year-long, region-wide effort to develop key indicators in each of eight target areas to measure the health of our region in terms of equity, prosperity and sustainability. One of those target areas was Economic Opportunity and BED staff was on the project team to identify the key indicators relevant to this target area. Attached is a summary of Greater Portland Pulse as well as a Economic Opportunities Table that identifies the final nine Key Indicators identified tracking. The County has been in conversation with Portland State University (PSU) Professor Sheila Martin, the lead researcher in the GGP project to discuss the prospect of "drilling down" into the regional data and reporting out Clackamas County data that we can use for comparative regional analysis. Professor Martin was very interested in this idea and we have discussed Clackamas County serving as the Beta test for this effort for the remaining counties to adopt.

#### **QUESTION(S) PRESENTED FOR CONSIDERATION**

Does the BCC approve of the approach BED is recommending in tracking economic development efforts and the corresponding economic outcomes for the Clackamas County economy?

#### **OPTIONS AVAILABLE**

- 1. Approve the Key Performance Indicators proposed by BED staff.**
- 2. Approve the Key Performance Indicators proposed by BED staff, with recommended modification.**
- 3. Defer action and direct BED staff to conduct additional research and development in the area of Key Performance Indicators for future discussion and consideration.**

**RECOMMENDATIONS**

Staff respectfully recommends the BCC approved the proposed KPI's for tracking economic outcomes and further encourages staff to continue efforts with PSU to create a Clackamas County subset of data from the Portland Pulse project.

**SUBMITTED BY:**

Division Director/Head Approval *[Signature]*  
Department Director/Head Approval *[Signature]*  
County Administrator Approval *[Signature]*

For information on this issue or copies of attachments, please contact \_\_\_\_\_ @ 503- \_\_\_\_\_