



Board Summary Report

File #: 21-275

Agenda Date: 3/29/2021

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To: Board of County Commissioners

Through: Katherine Smith, Director, Community Resources;
Kelly Folks, Division Manager, Arapahoe/Douglas Works!

Prepared By:
Patrick Holwell, Workforce Economist, Arapahoe/Douglas Works!

Presenter: Kelly Folks, Division Manager; Stephanie Mufic, Business Services Supervisor; Patrick Holwell, Workforce Economist, Arapahoe/Douglas Works!

Subject:
10:30 AM *Economic Development in Arapahoe County

Purpose and Request:

The purpose of the session is to inform the Arapahoe County Board of County Commissioners regarding the County's return on investment from economic development in Arapahoe County.

Background and Discussion:

In 2020, the Arapahoe County Board of County Commissioners contributed \$355,000 to various Chambers of Commerce and Economic Development entities in the County. Chambers of Commerce generally serve their members through education and networking opportunities, and Economic Development partners attract new businesses, help existing businesses expand, and retain existing businesses. Since 2011, Arapahoe/Douglas Works! has helped the Arapahoe County Board of County Commissioners assess the return on investment from the economic development partners who receive these aforementioned contributions from the County.

Fiscal Impact:

Historically, the County has contributed funding to external Economic Development organizations. In 2020, recipients were the Aurora Economic Development Council (\$105,000), the Denver South Economic

Development Partnership (\$70,000), and the I-70 Regional Economic Advancement Partnership (REAP) (\$30,000). In addition, several Chambers of Commerce received contributions; these include: Aurora (\$47,000), South Metro (\$88,250), Glendale (\$10,000), and the I-70 Corridor (\$300). Moreover, an additional discretionary contribution was made for \$4,450.

Alternatives:

Return on investment from the \$355,000 in contributions to external economic developers and chambers of commerce is calculated using an input/output analysis model provided by EMSI Developer. This model gauges the economic ‘ripple effect’ of new jobs in the region. The model estimates job creation based on the initial number of new jobs and new worker earnings, and the direct, indirect, and induced jobs and worker earnings created as a result of those new jobs. The number of initial jobs and estimated new worker earnings are reported yearly in ClearPoint by the Arapahoe/Douglas Works! Economist based on information received from our Aurora and Denver South Economic Development partners. Currently, the return on investment is not calculated for chambers receiving contributions.

Alignment with Strategic Plan:

- Be fiscally sustainable
- Provide essential and mandated service
- Be community focused

Staff Recommendation:

Arapahoe/Douglas Works! staff recommend that the Arapahoe County Board of County Commissioners be informed through this session of the purpose of economic development, economic development trends, the practice as it currently stands in Arapahoe County, and the estimated return on investment from external Economic Development entities as shown through the input/output model. Staff further recommend future discussion around how return on investment from contributions made to Chambers of Commerce is assessed.

Concurrence:

The initiative is supported by the Arapahoe County Community Resources and Communication Departments.