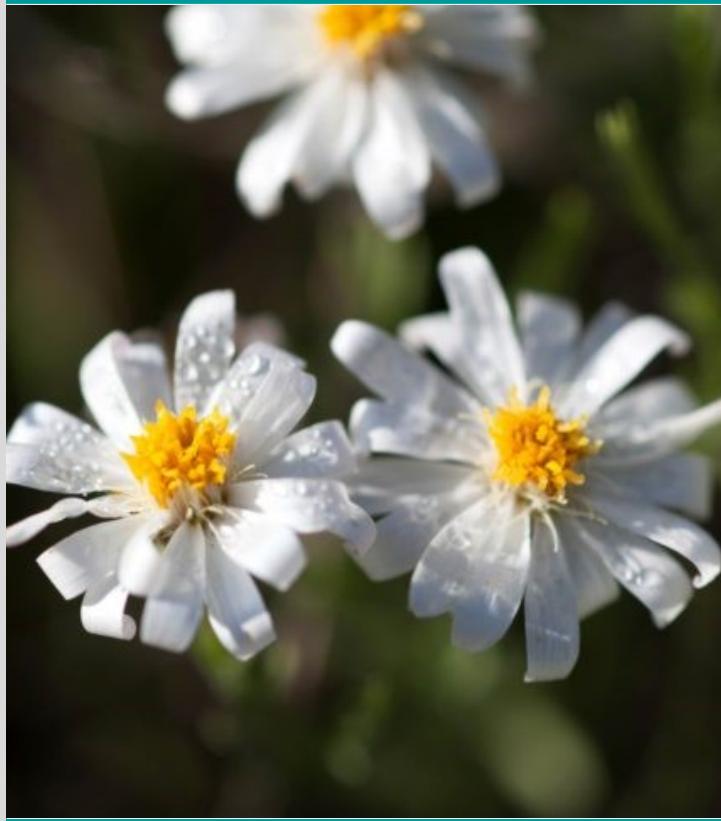


Rose Heath



ED

Economic Development

Economic Development

The Economic Development Department leads and focuses the long term economic vitality efforts of our community. Responsibilities include engaging in business attraction, expansion and retention, downtown redevelopment, retail retention and recruitment, entrepreneurship and business creation, as well as visitor attraction and destination marketing.

The two primary functions of the Economic Development Office are:

1. Promote adequate employment opportunities in an effort to sustain a healthy economy; and
2. Implement a comprehensive tourism strategy

These functions are accomplished by:

- Supporting a variety of small business development, entrepreneurship and incubation programs
- Supporting redevelopment and development efforts throughout the City
- Implementing a comprehensive business outreach effort for retail and primary businesses; and by implementing a comprehensive business retention program
- Promoting the City and other regional attractions to increase visitor spending
- Hosting familiarization tours and press trips
- Producing and distributing the Loveland Visitors Guide
- Maintaining and updating the Visit Loveland website and utilizing social media
- Operating the Loveland Visitors Center

One citizen advisory board, the Community Marketing Commission, assists the Department.

Outcome	Performance Measure	2015 Actual	2016 Revised	2017 Projected
Promote the adequate provision of employment opportunities in an effort to sustain the economic health of Loveland and the Northern Colorado region. (GP 13)				
Development & Redevelopment Projects	Projects led or worked on by Economic Development Staff (i.e. Catalyst, Pulliam, RMCIT)	6	7	6
Small Business Support	Number of Agencies supported that assist small businesses	8	8	8
Business Retention	Percent of businesses directly affected by EDO staff	NA	20%	50%
Business Outreach	Number of Business Assistance Agreements Approved	4	4	6
Formulate and implement a comprehensive tourism strategy (GP 13.7)				
Promotion of Loveland as a Visitor Destination	Distribution of Annual Visitors Guide	85,000	85,000	85,000
	Familiarization Tours and Press Trips	12	14	16
Visitors Center	Number of Visitors	19,258	19,350	19,400
	Visitor Center Sales	\$80,244	\$85,000	\$90,000

Economic Development Summary

REVENUE	'15 Actual	'16 Adopted Budget	'16 Revised Budget as of July 1 st	'17 Budget	'17 Budget / '16 Adopted % Change	'16 FTE	'17 FTE
General Fund							
CONTRIBUTIONS	21,178	14,400	14,400	14,400	0.0%		
INTERGOVERNMENTAL	(39)	-	-	-	-		
OTHER	(3,483)	400	400	-	-100.0%		
GENERAL FUND SUBSIDY	2,732,024	1,631,721	1,257,162	1,206,394	-26.1%		
Total General Fund Revenue	\$ 2,749,680	\$ 1,646,521	\$ 1,271,962	\$ 1,220,794	-25.9%		
Special Revenue Fund							
Lodging Tax Fund							
LODGING TAX	852,365	840,000	817,271	833,617	-0.8%		
INTEREST	10,329	5,527	5,527	5,527	0.0%		
OTHER	83,689	37,680	37,680	55,572	47.5%		
Total Lodging Tax	\$ 946,383	\$ 883,207	\$ 860,478	\$ 894,716	1.3%		
Economic Incentives Fund							
INTEREST	6,160	-	-	-	-		
TRANSFERS	450,000	450,000	450,000	950,000	111.1%		
Total Economic Incentives	\$ 456,160	\$ 450,000	\$ 450,000	\$ 950,000	111.1%		
Total Special Revenue	\$ 1,402,543	\$ 1,333,207	\$ 1,310,478	\$ 1,844,716	38.4%		
Total Revenue	\$ 4,152,223	\$ 2,979,728	\$ 2,582,440	\$ 3,065,510	2.9%		
EXPENSES BY FUND							
General Fund							
BUSINESS DEVELOPMENT	\$ 2,749,680	\$ 1,646,521	\$ 1,271,962	\$ 1,220,794	-25.9%	4.00	4.00
Special Revenue Fund							
LODGING TAX	1,101,491	940,523	1,090,523	1,082,787	15.1%	3.00	4.00
ECONOMIC INCENTIVES	3,048,263	-	-	500,000	-	-	-
Total Special Revenue	\$ 4,149,754	\$ 940,523	\$ 1,090,523	\$ 1,582,787	68.3%	3.00	3.00
Total Expense	\$ 6,899,434	\$ 2,587,044	\$ 2,362,485	\$ 2,803,581	8%	7.00	8.00
EXPENSES BY CATEGORY							
PERSONNEL SERVICES	628,545	678,641	675,641	887,711	30.8%		
SUPPLIES	126,546	102,810	201,969	96,550	-6.1%		
PURCHASED SERVICES	4,420,242	1,539,625	1,168,907	1,542,713	0.2%		
ADMINISTRATIVE OVERHEAD	238,113	240,968	240,968	251,607	4.4%		
TRANSFERS	25,000	25,000	75,000	25,000	0.0%		
CAPITAL	1,460,988	-	-	-	-		
Total Expense	\$ 6,899,434	\$ 2,587,044	\$ 2,362,485	\$ 2,803,581	8.4%		

Economic Development

Economic Development's mission is to grow employment and business opportunities to sustain the economic health of Loveland and the Northern Colorado Region.

DIVISION	DEPARTMENT			
Economic Development	Economic Development			
REVENUE	'15 Actual	'16 Adopted Budget	'16 Revised Budget as of July 1 st	'17 Budget
CONTRIBUTIONS	21,178	14,400	14,400	14,400
INTERGOVERNMENTAL	(39)	-	-	-
OTHER	(3,483)	400	400	-
GENERAL FUND SUBSIDY	2,732,024	1,631,721	1,257,162	1,206,394
Total Revenue	\$ 2,749,680	\$ 1,646,521	\$ 1,271,962	\$ 1,220,794
EXPENSE BY Division/Program				
General Fund				
ECONOMIC DEVELOPMENT				
GENERAL OPERATIONS	215,514	223,078	223,078	230,975
BUSINESS INCENTIVE	2,236,056	573,443	758,884	639,819
PARTNER AGENCY CONTRIBUTIONS	187,250	730,000	230,000	230,000
TECHNOLOGY TRANSFER INITIATIVE	110,860	120,000	60,000	120,000
Total Expense	\$ 2,749,680	\$ 1,646,521	\$ 1,271,962	\$ 1,220,794
EXPENSE BY CATEGORY				
PERSONNEL SERVICES	389,431	387,659	384,659	483,614
SUPPLIES	31,974	39,400	38,559	36,900
PURCHASED SERVICES	651,773	996,384	625,666	469,305
ADMINISTRATIVE OVERHEAD	215,514	223,078	223,078	230,975
CAPITAL	1,460,988	-	-	-
Total Expense	\$ 2,749,680	\$ 1,646,521	\$ 1,271,962	\$ 1,220,794
FTE	4.50	4.00	4.00	4.00

CHANGES COMPARED TO PRIOR YEAR ADOPTED

21,148	Increase in personnel services for Insurance Benefits due to historical enrollment and premium increases.
20,000	Increase in personnel services for current vacant Business Development Coordinator position budgeted at the mid-point of the salary range.
3,631	Increase in administrative overhead for costs allocated by Human Resources based on the allocation methodology.
2,712	Increase in personnel services for Medical Leave Payout based on employee tenure.
(2,500)	Decrease in administrative overhead for costs allocated by Finance based on the allocation methodology.
(28,000)	Decrease in purchased services for a one-time supplement approved in 2016 for Business Attraction Strategy.
(500,000)	Decrease in purchased services for contribution to the Loveland Downtown Partnership moved to non-departmental.
57,282	<u>Core Changes</u>
	52,095 Personnel Services
	921 Purchased Services
	4,266 Administrative Overhead
-	<u>Funded Supplements</u>
	There are no funded supplements in this division.

\$ (425,727) TOTAL CHANGE

OTHER INFORMATION

166,049	<u>Unfunded Supplements</u>
	99,684 1 FTE Business Outreach Manager
	66,365 1 FTE Administrative Specialist
-	<u>Equipment Replacement</u>
	- No equipment is scheduled for replacement in this division.
-	<u>Capital Projects</u>
	- There are no capital projects anticipated for this division.

Lodging Tax Fund

Visitor Services receives its funding from the City's Lodging Tax and is responsible for marketing Loveland as a destination for tourism, conventions, and business development. The Division also manages the Loveland Visitors Center.

FUND 206		DEPARTMENT			
Lodging Tax		Economic Development			
		'15 Actual	'16 Adopted Budget	'16 Revised Budget as of July 1 st	'17 Budget
BEGINNING FUND BALANCE		\$ 993,477	\$ 665,527	\$ 838,369	\$ 608,324
REVENUE					
LODGING TAX		852,365	840,000	817,271	833,617
INTEREST		10,329	5,527	5,527	5,527
OTHER		83,689	37,680	37,680	55,572
Total Revenue		\$ 946,383	\$ 883,207	\$ 860,478	\$ 894,716
Total Resources		\$ 1,939,860	\$ 1,548,734	\$ 1,698,847	\$ 1,503,040
EXPENSE BY Division/Program					
Special Revenue Fund					
VISITOR SERVICES					
GENERAL OPERATIONS		220,279	185,633	185,633	213,365
COMMUNITY MARKETING		633,129	495,000	545,000	520,034
VISITOR/RECEPTION CENTER		222,736	209,890	209,890	295,788
PRODUCT IMPROVEMENT		25,347	50,000	150,000	53,600
Total Expense		\$ 1,101,491	\$ 940,523	\$ 1,090,523	\$ 1,082,787
EXPENSE BY CATEGORY					
PERSONNEL SERVICES		239,114	290,982	290,982	404,097
SUPPLIES		94,572	63,410	163,410	59,650
PURCHASED SERVICES		720,206	543,241	543,241	573,408
ADMINISTRATIVE OVERHEAD		22,599	17,890	17,890	20,632
TRANSFERS		25,000	25,000	75,000	25,000
Total Expense		\$ 1,101,491	\$ 940,523	\$ 1,090,523	\$ 1,082,787
ENDING FUND BALANCE		\$ 838,369	\$ 608,211	\$ 608,324	\$ 420,253
FTE		3.00	3.00	3.00	4.00

CHANGES COMPARED TO PRIOR YEAR ADOPTED

26,198	Increase in personnel services for Insurance Benefits due to historical enrollment and premium increases.
4,325	Increase in purchased services for Colorado-Life visitor guides, website enhancements, and photography/videography.
3,206	Increase in personnel services for Insurance Benefits due to historical
(2,500)	Decrease in supplies for office supplies.
(3,000)	Decrease in supplies for promotional/branded items.

14,335 Core Changes

9,901	Personnel Services
(1,410)	Supplies
3,102	Purchased Services
2,742	Administrative Overhead

99,700 Funded Supplements

20,000	Fire & Ice Event Marketing & Programing Enhancements
79,700	1 FTE Sales Coordinator

\$ 142,264 TOTAL CHANGE**OTHER INFORMATION**

533,614 Unfunded Supplements

73,357	1 FTE Website Coordinator
31,800	Convention & Travel
348,757	Product Improvement

- Equipment Replacement

- No equipment is scheduled for replacement in this division.

- Capital Projects

- There are no capital projects anticipated for this division.

Economic Incentives Fund

The Economic Incentives Fund is used to support business development projects. Fund revenue comes from an annual contribution from the General Fund. Current policy states any economic incentive must be set forth in a written agreement and any needed funds are appropriated by City Council. This Fund was created in 2014 (funding previously was shown in the Economic Development Department budget).

FUND 106		DEPARTMENT				
Economic Incentives		Economic Development				
		'15 Actual	'16 Adopted Budget	'16 Revised Budget as of July 1 st	'17 Budget	
BEGINNING FUND BALANCE	\$	3,062,211	\$ 940,226	\$ 470,108	\$	920,108
REVENUE						
INTEREST		6,160	-	-		-
TRANSFERS		450,000	450,000	450,000		950,000
Total Revenue	\$	456,160	\$ 450,000	\$ 450,000	\$	950,000
Total Resources	\$	3,518,371	\$ 1,390,226	\$ 920,108	\$	1,870,108
EXPENSE BY Division/Program						
Special Revenue Fund						
ECONOMIC INCENTIVES	\$	3,048,263	\$ -	\$ -	\$	500,000
EXPENSE BY CATEGORY						
PURCHASED SERVICES		3,048,263	-	-		500,000
Total Expense	\$	3,048,263	\$ -	\$ -	\$	500,000
ENDING FUND BALANCE	\$	470,108	\$ 1,390,226	\$ 920,108	\$	1,370,108
FTE						
CHANGES COMPARED TO PRIOR YEAR ADOPTED						
500,000		Increase in purchased services for final Edison Welding Institute (EWI)				
\$ 500,000		TOTAL CHANGE				
OTHER INFORMATION						
-		<u>Unfunded Supplements</u>				
		- There are no unfunded supplements in this division.				
-		<u>Equipment Replacement</u>				
		- No equipment is scheduled for replacement in this division.				
-		<u>Capital Projects</u>				
		- There are no capital projects anticipated for this division.				