

Budget Activity: ITED A035 - Community Economic Revitalization Board programs

Purpose: Make strategic investments in publicly owned economic development infrastructure projects

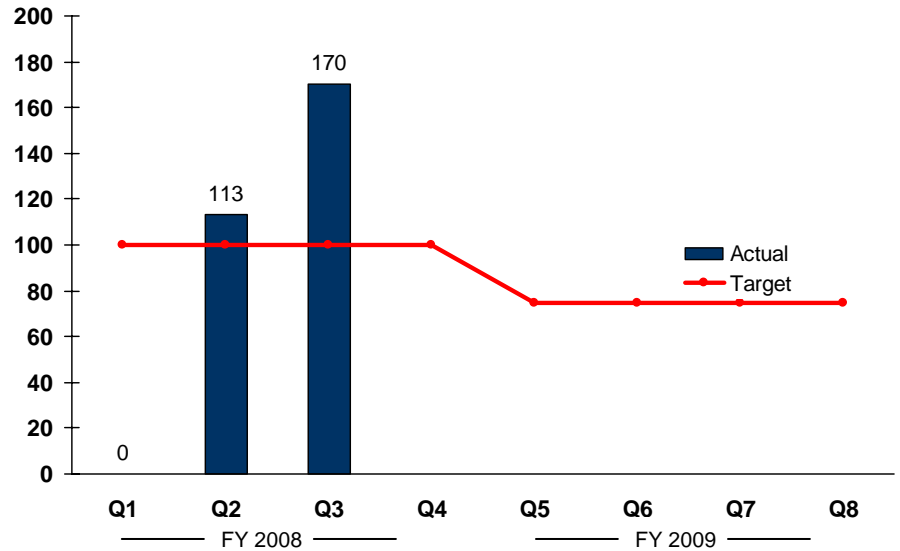
Agency Goal: Build livable, vibrant communities that meet the economic, environmental, and social needs of citizens

Priority of Government: Improve the economic vitality of business and individuals

Analysis:

- These results are a subset for activity A163
- CERB did not have any contracts executed in the first quarter of the fiscal year. Contract execution is the point at which results are calculated.
- With strong second and third quarters we are at 71% of our FY08 target.
- Looking at the project pipeline we are confident our 4th quarter results will allow us to reach out annual goals.
- The second year of the biennium is typically slower as we get the rest of the funds out hence the lower 2nd year targets.

E003 - Estimated number of jobs created and retained as a result of infrastructure investments (outcome)



Action Plan

Who

Timeframe

Monitor monthly results to ensure program is on target

Larry Williams, New Managing Director

Ongoing

Budget Activity: ITED A035 - Community Economic Revitalization Board programs

Purpose: Make strategic investments in publicly owned economic development infrastructure projects

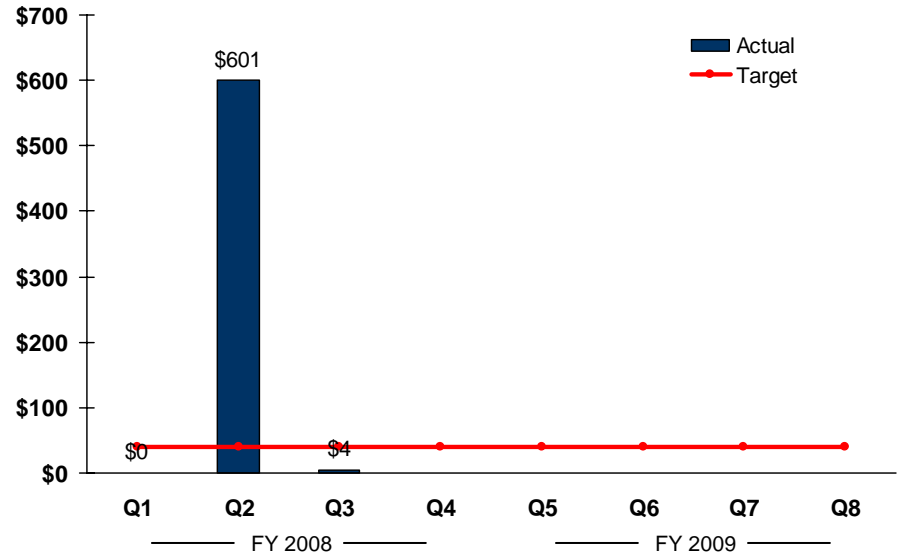
Agency Goal: Build livable, vibrant communities that meet the economic, environmental, and social needs of citizens

Priority of Government: Improve the economic vitality of business and individuals

Analysis:

- These results are a subset for activity A163
- Strong second quarter results were due to a larger expansion of the REC silicon project.
- This is certainly the anomaly we cannot foresee.
- Looking at trend data over the last five years we typically see a 12-15 / 1 return in private investment leveraged by CERB funds.
- Aside from the REC spike we are tracking on a typical year.

E004 - Estimated amount of private capital investment leveraged by CERB funding (outcome)



Action Plan

Who

Timeframe

Monitor monthly results to ensure program is on target

Larry Williams, New Managing Director

Ongoing

How target was set:

Data Source:

Budget Activity: ITED A038 - Film and Video Office

Purpose: Provide technical assistance and serve as informational clearing house to individuals and entities engaged in film, television and commercial production in the state

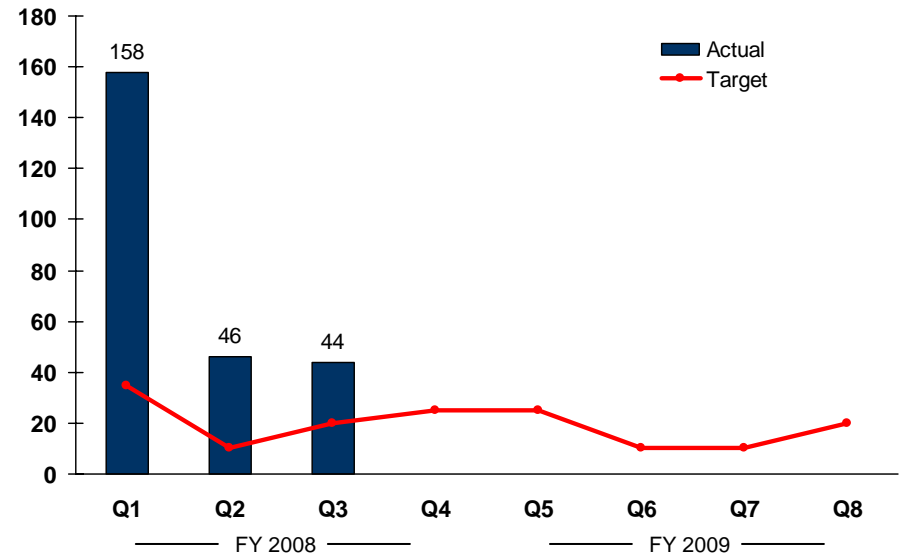
Agency Goal: Build livable, vibrant communities that meet the economic, environmental, and social needs of citizens

Priority of Government: Improve the economic vitality of business and individuals

Analysis:

- Since the development of the goals we have changed the manner in which the film office describes the projects they assist. This was to bring the program more inline with the definitions of the division.
- Projects have a broad definition. Examples: a low budget independent film, a four day commercial, a documentary, etc.
- Film office managing director left in March, reducing our capacity to assist productions.
- One of these projects was Universal Picture's "Travailing" it filmed in Seattle for 5 days in March. The film stars Jennifer Anniston and Aaron Eckhart. The five days of filming resulted in \$1.6 million production spending in the state and they hired 114 local crew plus 200 extras.

E005 - Number of projects filmed in Washington (output)



Action Plan

Who

Timeframe

Re-examine goals at end of 2008 fiscal year

Larry Williams

June 2008

Hire new Film Office managing director

Larry Williams

May 2008

How target was set:

Data Source:

Budget Activity: ITED A038 - Film and Video Office

Purpose: Provide technical assistance and serve as informational clearing house to individuals and entities engaged in film, television and commercial production in the state

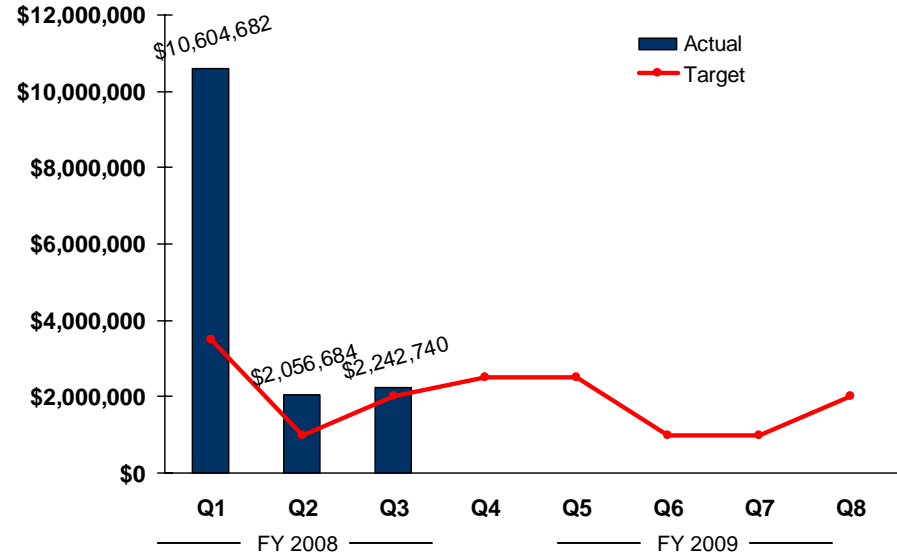
Agency Goal: Build livable, vibrant communities that meet the economic, environmental, and social needs of citizens

Priority of Government: Improve the economic vitality of business and individuals

Analysis:

- Summer and fall of 2007 was a big period for Washington productions.
- Traditional spending averages \$100,000 per production. When a big show comes in it can skew the number to \$140,000. We do not want to base our figures on one larger production.
- Many of the same analysis on the previous slide corresponds to these results.
- When setting goals we were unable to gauge the effect the new film incentive would have on the industry.
- Strike Update: Writer's Guild of America (WGA) strike ended January 17th, 2008 (it began November 5, 2007). There is a possible Screen Actors Guild strike in June 08 which is causing productions to be tentative about confirming their filming dates.

E001 - Film Industry Spending - Dollars spent in Washington by the film industry (outcome)



Action Plan

Who

Timeframe

Re-examine goals at end of 2008 fiscal year

Larry Williams

June 2008

Budget Activity: ITED A044 - Tourism Development

Purpose: Market the state as a travel destination

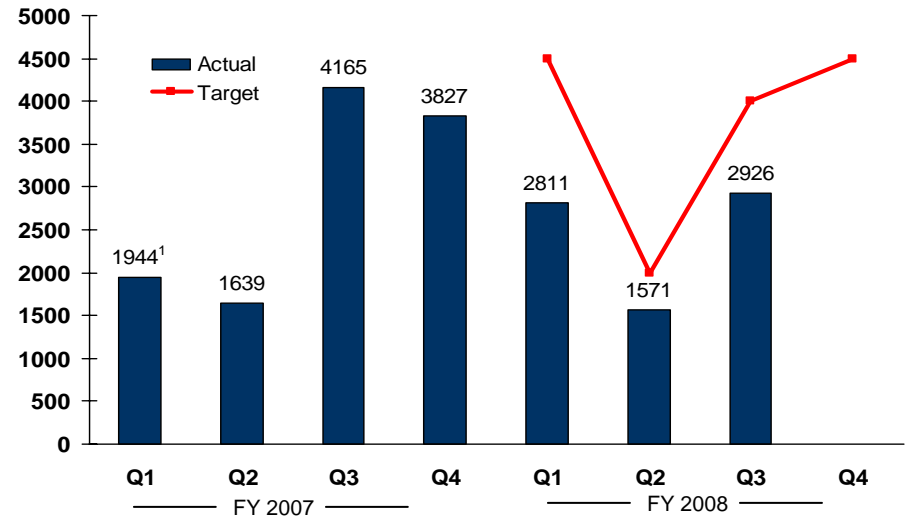
Agency Goal: Build livable, vibrant communities that meet the economic, environmental, and social needs of citizens

Priority of Government: Improve the economic vitality of business and individuals

Analysis:

- Our initial forecast was for call volume to increase slightly over FY2007. This has not been the case.
- This decrease mirrors national trends in declining call center volumes, as more inquiries are handled through on-line channels instead.
- Increasingly, visitors are using the website to plan their vacations and request visitor information.
- New advertising began in March and ramps up April through July.
- Q3 results shows anticipated improvement over Q2, as people begin their 2008 trip planning. However we do see trending below previous years, this will most likely continue in Q4.

E006 - Number of calls received from travelers inquiring about Washington (at our call center) (input)



¹No call center in July of FY2007

Action Plan

Who

Timeframe

New advertising provides both 1-800 number and website as call-to-action reference. Continue to monitor response.

Marsha Massey

July 2008

Continue to focus efforts on driving consumer to website over call center, as web is more cost-effective delivery channel.

Marsha Massey

July 2008

How target was set:

Data Source:

Budget Activity: ITED A044 - Tourism Development

Purpose: Market the state as a travel destination

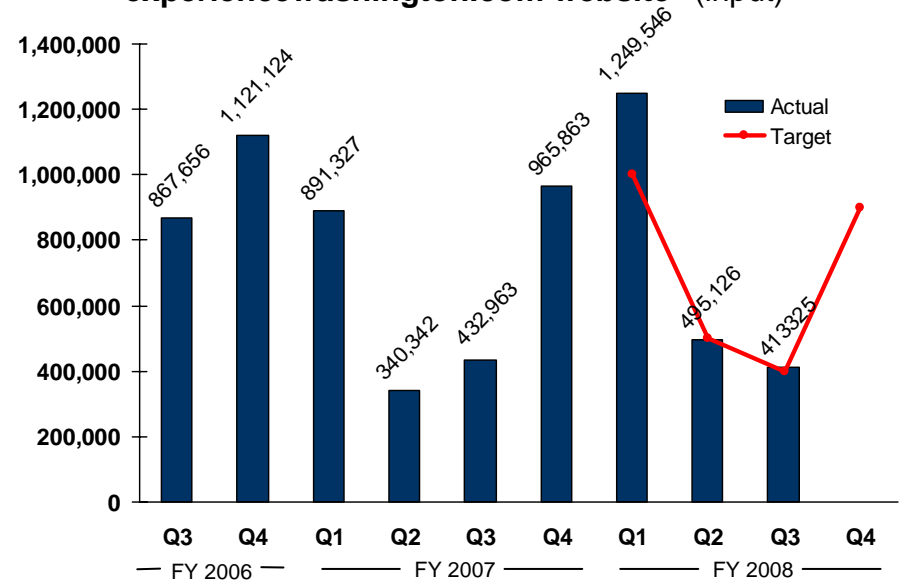
Agency Goal: Build livable, vibrant communities that meet the economic, environmental, and social needs of citizens

Priority of Government: Improve the economic vitality of business and individuals

Analysis:

- Fiscal Year Q1 (July, August, September) and Q4 (April, May, June) are peak months for both planning and traveling. This corresponds with the highest website use.
- This also aligns with the run dates for our spring / summer advertising campaign (March – July 2008).
- Beginning February 1, 2008 web analytics for www.experiencewa.com are being tracked using WebTrends On Demand. As web analytics evolve, we are focusing on optimizing reporting.
- WebTrends On Demand provides real-time metrics, and greater ability to scrub the reported Dashboards of extraneous, inflated or misleading data feeds allowing us to provide more accurate analytics.
- Knowing that more accurate data will result in lower totals we will adjust goals accordingly.

E007 - Number of visits to experiencewashington.com website (input)



Action Plan	Who	Timeframe
Roll out phase 1 of enhanced website with improved navigation	Marsha Massey / Alexander Harper	July 2008
Implement new WebTrends tracking report	Marsha Massey / Alexander Harper	May 2008
How target was set:		
Data Source:		

Budget Activity: ITED A084 - Overseas Office Contract Activities

Purpose: Provide information on WA to foreign clients provide marketing information on foreign markets to WA businesses, facilitate economic development relationships between regions

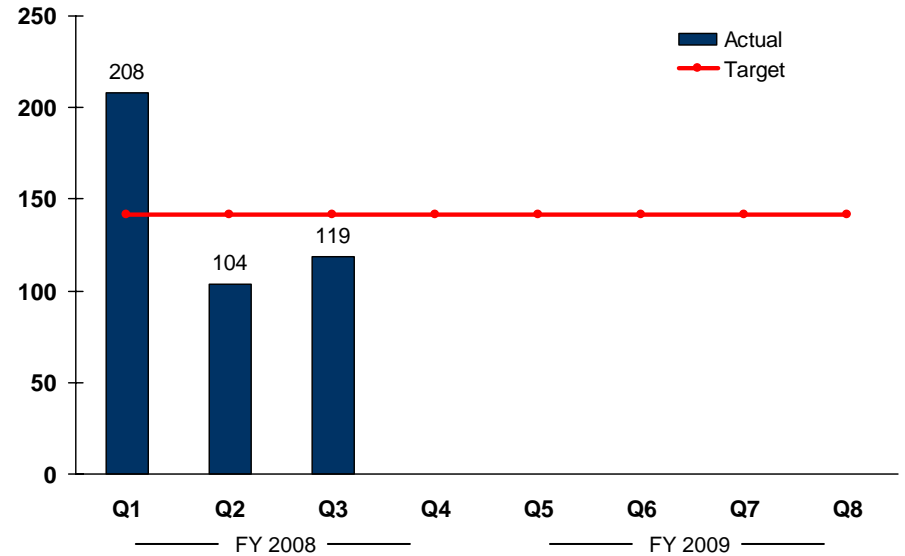
Agency Goal: Prepare the state to compete in a global marketplace

Priority of Government: Improve the economic vitality of business and individuals

Analysis:

- Slides 8 and 9 are important to evaluate together.
- These results are a subset for activity A171
- Cases numbers typically fluctuate quarter to quarter.
- Total cases for FY to date are 431. We are on track to achieve our annual target of 570.
- There is a time lag between starting a new case and when sales take place.
- A continued weak US dollar and strong economies in our target markets could contribute to strong outcomes in future quarters.

E008 - Number of new cases managed by CTED's overseas office (completed service delivery) (output)



Action Plan

Who

Timeframe

Monitor for annual goals

Mark Calhoon

Ongoing

Draft a decision package to expand CTED representation in overseas markets.

Larry Williams, Mark Calhoon, Nick Demerice

May – Dec 2008

Budget Activity: ITED A084 - Overseas Office Contract Activities

Purpose: Provide information on WA to foreign clients provide marketing information on foreign markets to WA businesses, facilitate economic development relationships between regions

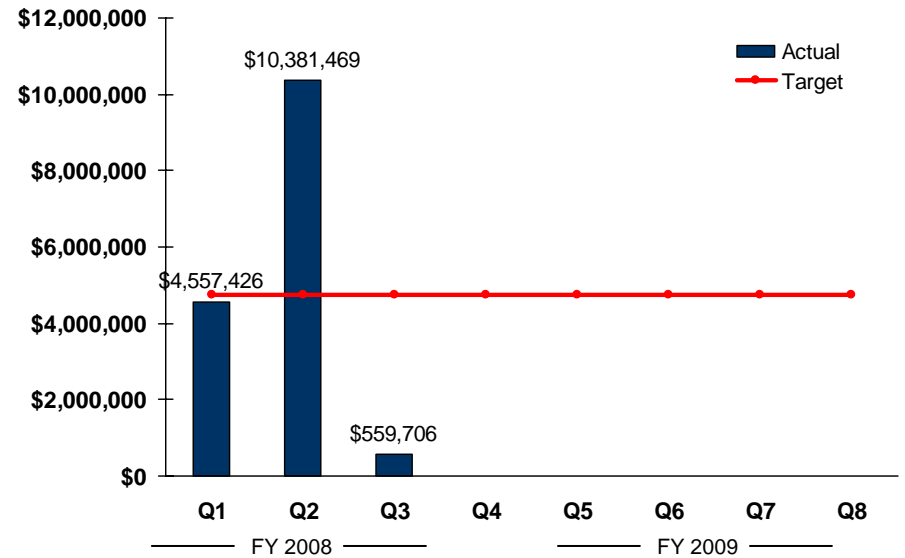
Agency Goal: Prepare the state to compete in a global marketplace

Priority of Government: Improve the economic vitality of business and individuals

Analysis:

- A focus in Q2 on getting back overdue client survey forms from previous quarters resulted in strong results, but took some sales away from Q3.
- Because of strong Q2 results, we have already achieved our FY target of \$15 million.

E009 - Export sales generated by overseas office contract activities reported by clients (outcome)



Action Plan

Who

Timeframe

How target was set:

Data Source:

Budget Activity: ITED A171 - Global Trade and Investment Services

Purpose: Diversify the state's economy by increasing the sales of Washington products in overseas markets

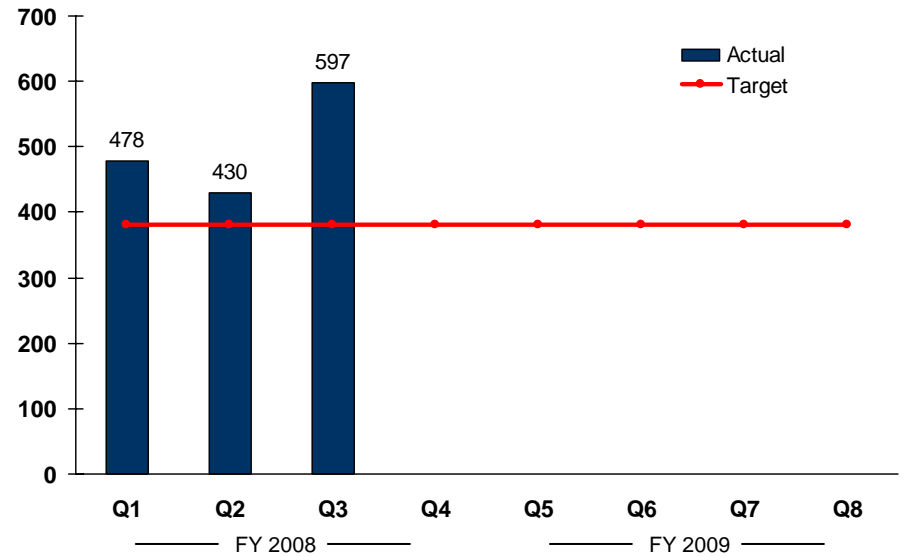
Agency Goal: Prepare the state to compete in a global marketplace

Priority of Government: Improve the economic vitality of business and individuals

Analysis:

- Slides 10 and 11 are important to evaluate together.
- Results include the Export Finance Assistance Center of Washington.
- We expect to exceed our target of 1520 cases for the FY by 10-15%.

E010 - Number of export assistance cases managed by CTED (completed service delivery) (output)



Action Plan

Who

Timeframe

Re-evaluate FY 2008 goals and adjust up for quarters 3 and 4

Mark Calhoun, Larry Williams

Feb 2008

Draft a decision package to expand CTED export assistance capacity for Washington companies

Larry Williams, Mark Calhoun, Nick Demerice

May – Dec 2008

How target was set:

Data Source:

Budget Activity: ITED A171 - Global Trade and Investment Services

Purpose: Diversify the state's economy by increasing the sales of Washington products in overseas markets

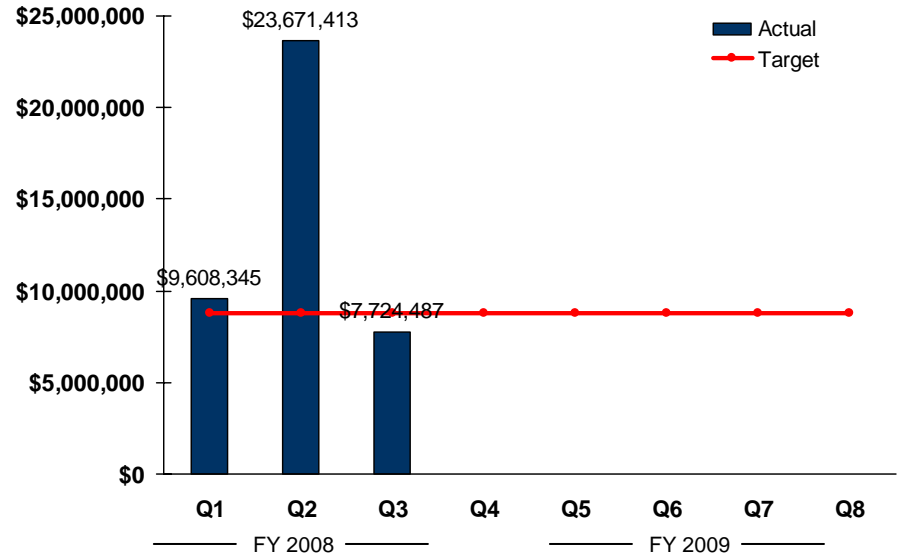
Agency Goal: Prepare the state to compete in a global marketplace

Priority of Government: Improve the economic vitality of business and individuals

Analysis:

- See previous slide.
- Sales for the FY total \$41 million, and have surpassed the FY target of \$35 million.
- We expect a slow down in sales for Q4 because the Export Finance Assistance Center is going through a transition with a new executive director. Also, a strong push in Q2 by CTED and EFACW to get back overdue client survey forms will take some sales away from Q3 and Q4.

T001 - Total Export sales reported by clients (outcome)



Action Plan

Re-evaluate FY 2008 goals and adjust up for quarters 3 and 4

Who

Mark Calhoun, Larry Williams

Timeframe

Feb 2008

Budget Activity: ITED A170 - Regional Services

Purpose: Encourage investment and job creation

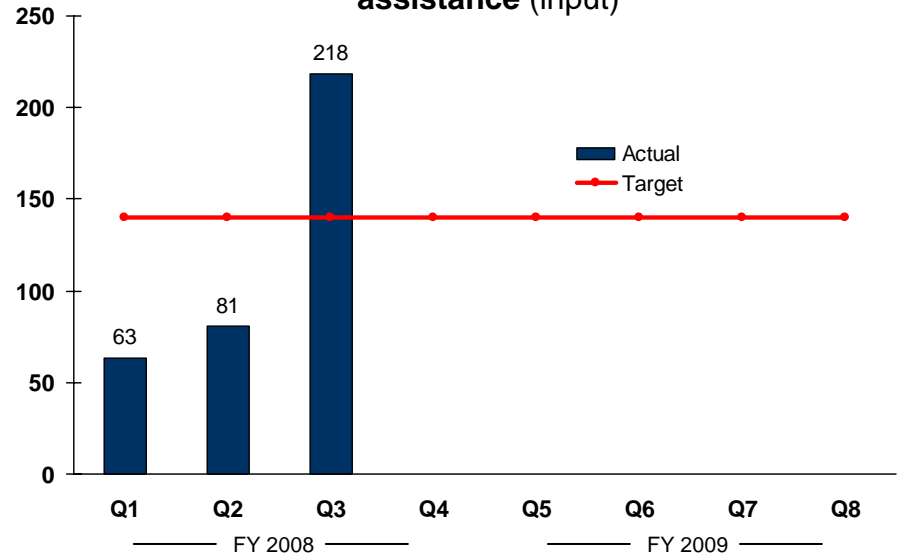
Agency Goal: Build livable, vibrant communities that meet the economic, environmental, and social needs of citizens

Priority of Government: Improve the economic vitality of business and individuals

Analysis:

- Slides 13 and 14 should be evaluated together.
- This is a new business unit in ITED.
- While this measure is down from predictions our overall case load is significantly higher than expected.
- This is in part due to the new regional structure of the program.
- Regional staff are making connections in new areas which is driving up demand for their services

E011 - Number of unique local organizations and companies requesting economic development assistance (input)



Action Plan

Who

Timeframe

Re-evaluate goals and adjust as necessary

Dick Larman, Nick Demerice

Feb 2008

Draft a decision package to expand capacity in regional offices

Larry Williams

May – Dec 2008

Budget Activity: ITED A170 - Regional Services

Purpose: Encourage investment and job creation

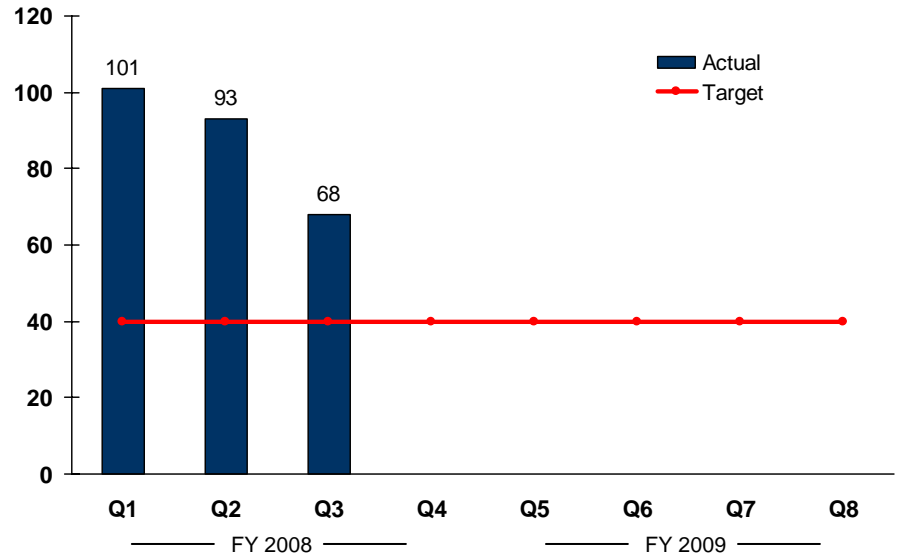
Agency Goal: Build livable, vibrant communities that meet the economic, environmental, and social needs of citizens

Priority of Government: Improve the economic vitality of business and individuals

Analysis:

- With the number of requests increasing we expect to see an up tick in the number cases we are working.
- Number of cases decrease as available funds diminish as the biennium progresses
- With an uncertain economic near future many companies are putting their expansion and location plans on hold.

E012 - Number of open cases (more than four hours of assistance) (output)



Action Plan

Who

Timeframe

Re-evaluate goals and adjust as necessary

Dick Larman, Nick Demerice

July 2008

Evaluate the types and location of cases to determine if our resources are deployed effectively

Larry Williams, Dick Larman

July 2008

How target was set:

Data Source:

Budget Activity: ITED A168 - Economic Development Capacity Building and Outreach

Purpose: Strengthen skills and expertise of community leaders, economic development professionals and small businesses

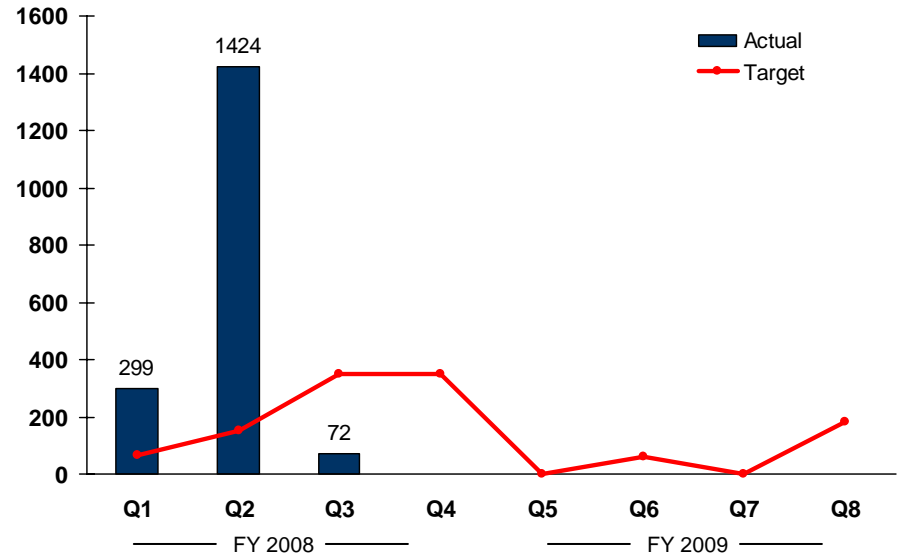
Agency Goal: Build livable, vibrant communities that meet the economic, environmental, and social needs of citizens

Priority of Government: Improve the economic vitality of business and individuals

Analysis:

- We are well ahead of our FY 2008 goals
- This is due to several factors:
 - We set goals based on what was on the calendar at the beginning of the fiscal year. These goals did not account for unexpected conferences such as the Aerospace Summit.
 - We have been doing more state training than local. This yields more participants per training.
 - Re-organization of the division has led to more collaborative training opportunities such as training around FDI (foreign direct investment)

E013 - Number of individuals served through ITED-sponsored training and conferences (output)



Action Plan

Who

Timeframe

Evaluate FY 2008 goals

Maury Foreman

Feb 2008

Budget Activity: ITED A162 - Statewide Programs

Purpose: Provide financial and/or technical assistance to companies and communities to retain, expand and attract businesses

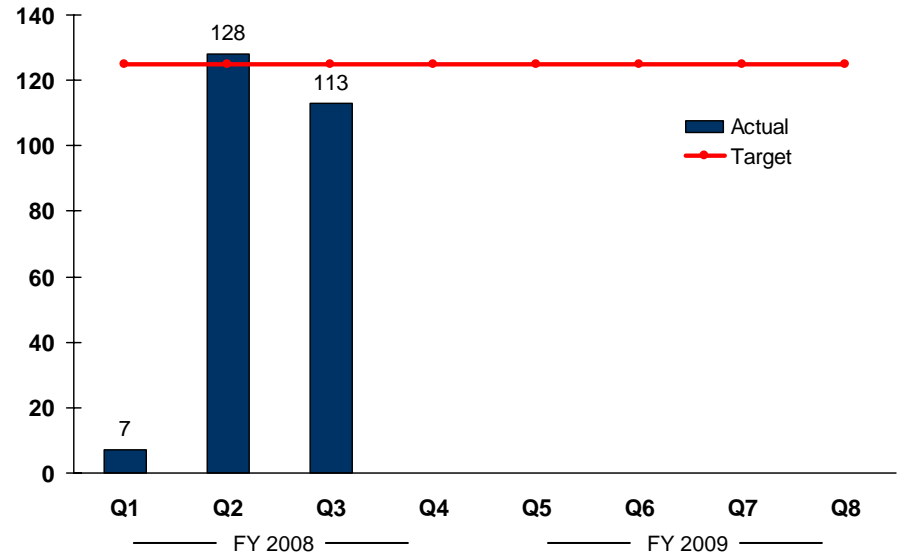
Agency Goal: Build livable, vibrant communities that meet the economic, environmental, and social needs of citizens

Priority of Government: Improve the economic vitality of business and individuals

Analysis:

- This is a new business unit in ITED
- Many programs that had not previously been counting jobs have results as part of this measure.
- When making original projections we had no trend data to base upon.
- Roll up of our recruitment activities, childcare facility fund and the Brownfield's program.
- With CTED's involvement in Brownfield's changing we expect this number to go down.

E014 - Estimated number of jobs created or retained as a result of ITED assistance (outcome)



Action Plan

Who

Timeframe

RE-evaluate FY 08 goals and amend

Larry Williams

Feb 2008

Budget Activity: ITED A162 - Statewide Programs

Purpose: Provide financial and/or technical assistance to companies and communities to retain, expand and attract businesses

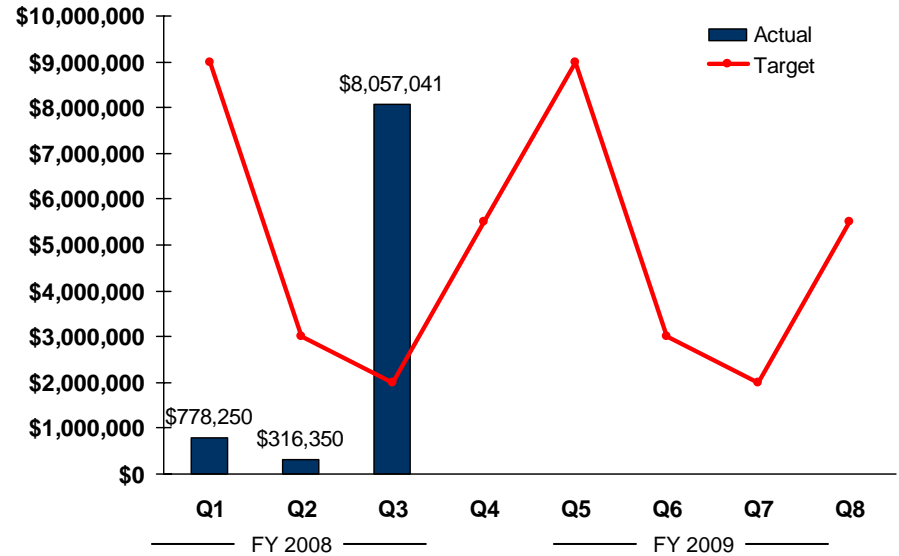
Agency Goal: Build livable, vibrant communities that meet the economic, environmental, and social needs of citizens

Priority of Government: Improve the economic vitality of business and individuals

Analysis:

- This is a new measure to most programs in the unit and it is possible we overestimated the goals.
- If you look at slide 18 you will see we are under projections for companies recruited. This slide is closely tied to that one.
- This is a measure that one good project can exceed your biannual goal.
- Q3 result is due to a larger than expected private investment reported by our Main street program.
- Monthly and quarterly review is not particularly helpful.
- The economy is a great concern for the this effort. Companies are holding off siting decisions and looking to lower cost approaches to expansion like expanding in current facilities instead of opening new.

E015 - Estimated amount of private capital investment leveraged with CTED assistance (outcome)



Action Plan

Who

Timeframe

Review past data to get a feel for the cyclical nature of this effort.

Nick Demerice

May 2008

Review results after 3rd quarter data and re-evaluate approach.

New managing director

May 2008

How target was set:

Data Source:

Budget Activity: ITED A162 - Statewide Programs

Purpose: Provide financial and/or technical assistance to companies and communities to retain, expand and attract businesses

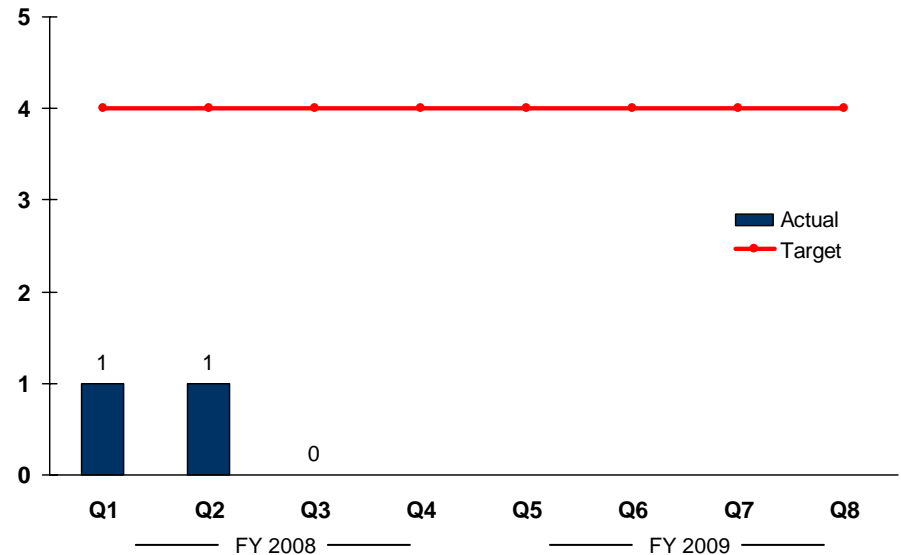
Agency Goal: Build livable, vibrant communities that meet the economic, environmental, and social needs of citizens

Priority of Government: Improve the economic vitality of business and individuals

Analysis:

- With the work we did in connection with the Governor’s economic vitality GMAP it is clear the way we count this measure is not truly reflective of the work ITED does in business recruitment.
- In order to avoid double counts within the ADO network we count very few of our success recruitments. These results are picked up down stream in the pipeline. This will be a consideration when setting goals in the future.

E016 - Number of businesses sited in the state as a result of timely and coordinated responses to prospective business leads and site location inquiries (outcome)



Action Plan

Who

Timeframe

Review past data to get a feel for the cyclical nature of this effort.

Nick Demerice

May 2008

Review results after 3rd quarter data and re-evaluate approach.

New managing director

May 2008

How target was set:

Data Source:

Budget Activity: ITED A163 - Economic Development Financial Assistance

Purpose: Provide contracting, fund management and loan repayment services in ITED

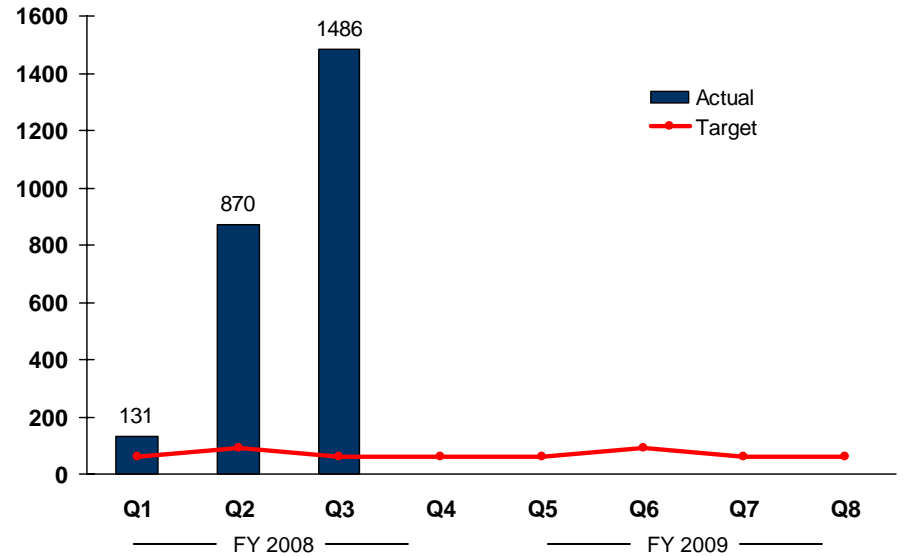
Agency Goal: Build livable, vibrant communities that meet the economic, environmental, and social needs of citizens

Priority of Government: Improve the economic vitality of businesses and individuals

Analysis:

- Target goals have been adjusted to reflect new scope of the measure, which now includes both CERB programs and business loans.
- A couple of big projects (including a pair of JDF grants) drove 2nd quarter results up; CERB executed two more large job projects in the third quarter and JDF had one very large job generation (1,316 jobs).
- With the exception of the JDF impact we believe we are on track with historical trends.
- CERB and JDF make up 94% of these job numbers for the year and all of them for the third quarter

E017 - Estimated number of jobs created and retained as a result of ITED assistance (outcome)



Action Plan

Who

Timeframe

Decision package to replace JDF funds with additional funds for CERB

Larry Williams

May to December 2008

Budget Activity: ITED A163 - Economic Development Financial Assistance

Purpose: Provide contracting, fund management and loan repayment services in ITED

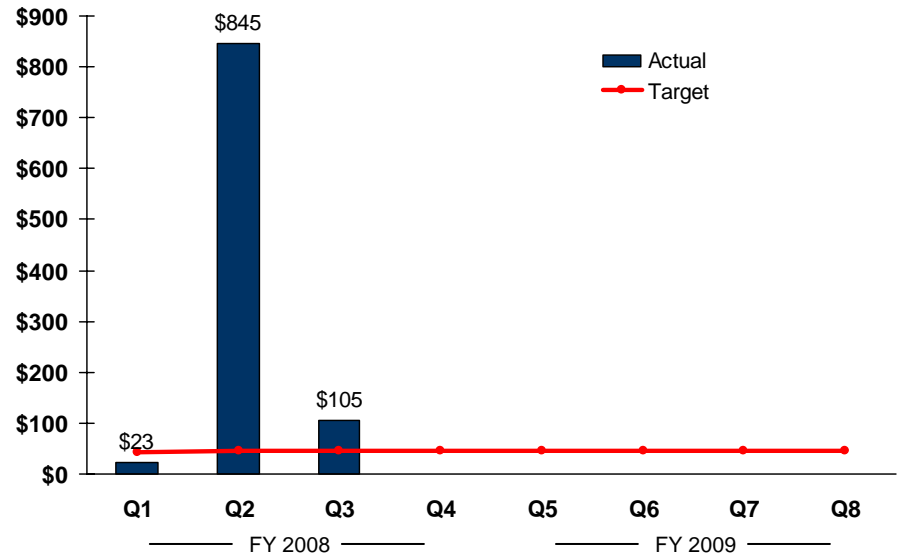
Agency Goal: Build livable, vibrant communities that meet the economic, environmental, and social needs of citizens

Priority of Government: Improve the economic vitality of businesses and individuals

Analysis:

- The vast majority of the second quarter results are the REC silicon investment referenced in slide #2
- Third quarter results are driven by a JDF funded contract
- JDF funding of contracts over the next 6-8 months will continue to push results above the target mark until all contracts are out; results will then probably fall back to the target level.

E018 - Estimated amount of private capital investment leveraged with CTED funding (outcome)



Action Plan

Who

Timeframe

Decision package to replace JDF funds with additional funds for CERB

Larry Williams

May to December 2008

Allotments vs Expenditures (YET) - 3rd Quarter FY 2008

700 – Trade and Economic Development

Subprogram Title	Biennium Dollars Allotted	Allotted Dollars YTD	Expenditures YTD	Variance YTD	Variance %
Education & Outreach	1,984,249	694,367	594,401	99,966	14.40%
Grant and Loan Services	20,391,151	6,949,589	5,394,333	1,555,256	22.38%
International Trade Development	5,028,319	1,848,179	1,696,817	151,362	8.19%
ITED Admin	5,442,207	2,069,667	1,739,549	330,118	15.95%
Program Delivery	3,330,799	1,652,788	1,333,395	319,393	19.32%
Regional Services	2,242,597	815,636	740,854	74,782	9.17%
Tourism Development	13,718,367	3,849,099	2,485,350	1,363,749	35.43%
Division Totals	52,137,689	17,879,325	13,984,699	3,894,626	21.78%

The variance in Education & Outreach resulted from vacancies. All vacancies will be filled by May. Variances in Grant and Loan Services and ITED Admin are due primarily to payments for contract and grant work being allotted quarterly and invoices not being processed until the month following the quarter. All but one of our proviso contracts has been executed and contractors have indicated that they will spend out by June 30th. The Tourism ad campaign just started in March. We are expecting some large invoices in the fourth quarter from the ad campaign and for web work. The variance in Program Delivery has to do with a contract in our Brownfields program; specifically, the contract with MLK Ecumenical Center was to be executed in September 2007, but because of compliance issues didn't get executed until March 2008.

FTE Usage (YTD)

Subprogram Title	Biennium Staff Months Allotted	Allotted Staff Months YTD	Actual Staff Months YTD	Variance YTD	Variance %
Education & Outreach	128.24	35.12	34.69	0.43	1.22%
Grant and Loan Services	257.48	65.02	68.48	-3.46	-5.32%
International Trade Development	290.04	71.64	66.05	5.59	7.80%
ITED Admin	144	36	42.2	-6.2	-17.22%
Program Delivery	301.95	74.25	72.29	1.96	2.64%
Regional Services	264	66	56.45	9.55	14.47%
Tourism Development	197	44	32.69	11.31	25.70%
Division Totals	1582.71	392.03	372.85	19.18	4.89%