

**Performance Audit:  
Review of the New Century  
Economic Development Plan**

**December 2007**

**City Auditor's Office  
City of Atlanta**





## CITY OF ATLANTA

City Auditor's Office  
Leslie Ward, City Auditor  
404.330.6452

December 2007

# ***Performance Audit:***

## **Review of the New Century Economic Development Plan**

### ***What We Found***

The city is making progress in implementing its New Century Economic Development Plan. The plan uses data and analysis to set goals and priorities in three primary components of Atlanta's economy. The 7 goals to be achieved by 2009 are aggressive but specific and measurable. Action items intended to achieve the goals are relevant and assigned to appropriate agencies. We reviewed the status of 12 action items assigned to city departments with expected completion dates in 2005 and 2006. Half of the action items were completed, and the others were notably progressing.

While the Atlanta Development Authority has reported overall progress in meeting the goals, it could improve its data collection and external reporting processes. The agency now reports economic development activities through media such as its official website, a monthly newsletter, and an annual highlights report. The reports provide information on some initiatives within the plan and other development activities throughout the city, as well as the status of overall goals. However, the reports haven't addressed progress in the specific areas identified in the plan such as underserved, and some external data ADA is using to assess progress may be unreliable. Because the underserved areas are a primary focus of the plan, which, in our view, is one of the plan's strengths, we recommend that ADA develop measures to track the progress being made in underserved areas, and that this information be provided to city and community leaders.

We also recommend the ADA strengthen its processes for ensuring the data it reports are reliable. Much of the data ADA compiles and reports come from outside sources. When possible, ADA uses data collected and maintained by federal, state and local government agencies. ADA believes the responsibility for verifying such data lies with the provider. We agree that the owner of the data is ultimately responsible for its quality, but because ADA is reporting and relying on the data, it too has a responsibility to understand how the data are collected, what actually is being measured, whether this has changed over time, and the level of uncertainty. Otherwise, results can be misleading.

### ***Why We Did This Audit***

City Council requested assistance from the city auditor in conducting a comprehensive review of the city's Economic Development Plan. They asked whether the plan was realistic and if it provided for an equitable distribution of jobs and development.

Our audit assessed whether systems and processes were in place to effectively track and report progress in implementing the economic development plan, and whether the data and reports ADA uses are reliable.

### ***What We Recommended***

Our recommendations are intended to provide more systematic tracking and public reporting of the city's progress in meeting the goals established in the New Century Economic Development Plan.

We recommend that ADA:

- Develop clear criteria for the performance measures it uses to track goals and ensure that the data are consistent from one reporting cycle to the next, or identify and explain changes in the performance measures.
- Understand how the data are collected, what is actually being measured, and report significant uncertainties regarding data.
- Develop measures to track and report progress within the priority areas.

For more information regarding this report, please contact Amanda Noble at 404.330.6750 or [anoble@atlantaga.gov](mailto:anoble@atlantaga.gov).

## Summary of Management Responses to Audit Recommendations Atlanta Development Authority

**Recommendation:** 1. ADA should develop clear criteria for the performance measures it uses to track goals and ensure that the data are consistent from one reporting cycle to the next or identify and explain changes in the performance measures. At a minimum, ADA should understand how the data are collected, what actually is being measured and whether this has changed over time, and report significant uncertainties regarding the data.

**Response:**  
**Proposed Action:**

In October 2007, ADA hired a business analyst to strengthen internal capabilities for data collection and analysis. The business analyst is preparing a whitepaper on the performance measures and data sources currently used to track EDP progress. It will document the data sources ADA uses; the collection methods, periodic adjustments and changes in methodology that occur for each data source; and the reporting cycles of the data sources. ADA will disclose any material changes to the methodology of data collection or adjustments at the time of reporting and attempt to quantify the impact of the change where possible.

**Agree**

**Timeframe:**

ADA expects to complete the whitepaper by the end of Q4, 2007, and will use it in the measurement of progress on EDP goals for 2007.

(Additional comments on this recommendation are included in ADA's full response, which is included as an appendix to this report.)

**Recommendation:** 2. ADA should develop measures to track and report economic progress within the priority areas.

**Response:**  
**Proposed Action:**

ADA hired a business analyst in October 2007. His responsibilities include developing metrics and vetting data sources for tracking progress within the priority areas, working closely with the respective City departments. Additionally, ADA is working closely with the City's DIT and Bureau of Planning to access the GIS system and the underlying data, which will allow us to measure performance by the geography of the priority areas and recognize trends. GIS linked to other data sources will provide a clear picture of the both macro and micro trends by priority area, census tract, and NPU. ADA will report the economic progress of the priority areas on its new micro-website, [atlantaEmergingmarkets.com](http://atlantaEmergingmarkets.com).

**Agree**

**Timeframe:**

In progress– estimated rollout 2<sup>nd</sup> Quarter 2008.

(Additional comments on this recommendation are included in ADA's full response, which is included as an appendix to this report.)



# CITY OF ATLANTA

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Council President Lisa Borders

December 31, 2007

Honorable Mayor and Members of the City Council:

We conducted this audit because the City Council asked for our assistance. Council Resolution 05-R-0089 requested a review of the city's New Century Economic Development Plan to obtain an independent assessment of whether the plan is realistic and provides for an equitable distribution of jobs and development.

We focused on systems and processes used by the Atlanta Development Authority to track and report progress in implementing the plan and achieving its goals. We concluded that the plan is balanced and comprehensive and that implementation is progressing.

The ADA has reported overall progress on meeting the plan's goals to external stakeholders through several media, but the reports haven't included progress in the underserved areas which were a primary focus of the plan. We recommend that the ADA track and report measures of progress in these priority areas. We also suggest improvements in data collection and reporting processes to understand what is being measured, assess data reliability, and report consistently over time. Management agreed with our recommendations and has begun taking actions which are responsive to our concerns and should result in the needed improvements.

The Audit Committee has reviewed this report and is releasing it in accordance with Article 2, Chapter 6 of the City Charter. We appreciate the courtesy and cooperation of ADA and city staff throughout the audit. The team for this project was Melissa Davis, Richard Edwards and Amanda Noble.

Leslie Ward  
City Auditor

Fred Williams  
Audit Committee Chair



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# Review of the New Century Economic Development Plan

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# Introduction

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We conducted this performance audit of the New Century Economic Development Plan pursuant to Chapter 6 of the Atlanta City Charter, which establishes the City of Atlanta Audit Committee and the City Auditor's Office and outlines the City Auditor's primary duties. The Audit Committee reviewed our audit scope in June 2006.

A performance audit is an objective, systematic examination of evidence to assess independently the performance of an organization, program, activity, or function. The purpose of a performance audit is to provide information to improve public accountability and facilitate decision-making. Performance audits encompass a wide variety of objectives, including those related to assessing program effectiveness and results; economy and efficiency; internal control; compliance with legal or other requirements; and objectives related to providing prospective analyses, guidance, or summary information.<sup>1</sup>

Council Resolution 05-R-0089 requested a review of the city's New Century Economic Development Plan to obtain an independent assessment of whether the plan is realistic and provides for an equitable distribution of jobs and development.

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## Background

The mayor and staff developed the city's New Century Economic Development Plan (EDP) in 2003 and 2004 with pro bono assistance from Bain and Company. According to the plan, it is intended to provide a framework to address the three primary components of the Atlanta economy: healthy neighborhoods/quality of life, economic opportunity, and supporting physical infrastructure. A primary objective is to identify obstacles limiting Atlanta's success and establish goals and action plans to overcome them in order to achieve the city's economic vision. The Atlanta Development Authority Board adopted the plan in 2004. Staff most recently updated the plan in 2006.

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<sup>1</sup> Comptroller General of the United States, *Government Auditing Standards*, Washington, DC: U.S. Government Accountability Office, 2003, p. 21.

The Atlanta Development Authority (ADA) is responsible for coordinating the plan's implementation with cooperation of staff from several city departments and other public and private entities.

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## **Audit Objectives**

This audit assesses whether systems and processes are in place to effectively track and report progress in implementing the economic development plan. We specifically assessed:

- What are the systems used to gather and track status information?
- Are the reports reliable?
- Are the data useful?

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## **Scope and Methodology**

We conducted this audit in accordance with generally accepted government auditing standards. We started fieldwork in February 2006, but delayed completing the work due to other requested audits and staff turnover. Our methods included:

- reviewing the plan to identify its components and interviewing members of ADA's economic development department and a partner from Bain and Company to understand how the plan was developed and its major assumptions;
- reviewing the dashboard worksheet prepared by Bain and Company to understand proposed measures and sources of data;
- creating a matrix using the seven goals outlined in the plan to assess whether goals and action items were linked;
- selecting a random sample of 12 of 83 action items assigned to city departments that were scheduled to be completed in 2005 or 2006;

- interviewing ADA and city staff, including Department of Planning and Community Development, Department of Parks, Recreation and Cultural Affairs, and Atlanta Workforce Development Agency employees to assess the status of sample action items and identify how project status is being reported;
- reviewing data sources for 2005 year-end goal results reported by ADA; and
- examining status reports and source data for usefulness and reliability.



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## Findings and Analysis

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### **The City Is Progressing on the Plan; More Systematic Reporting Would Help Keep Efforts on Track**

The city is making progress in implementing its ambitious New Century Economic Development Plan. The plan, developed with pro bono assistance from Bain and Company and input from a broad array of stakeholders, provides research and analysis to set economic development priorities and goals. The plan identified 188 specific action items intended to achieve the goals. ADA tracks progress in meeting the goals and works closely with the mayor's economic development sub-cabinet to share information and review and revise action items as necessary.

While the ADA has reported overall progress in meeting the goals through several media, it could improve its process for collecting data and reporting results. The reports haven't addressed progress in the underserved areas identified in the plan, which is one of the priority initiatives. ADA also hasn't assessed the reliability of the data it is using to measure and report progress.

We recommend ADA develop measures to track and report economic progress within the priority areas. We also recommend that ADA develop clear criteria for the performance measures it uses to track goals and ensure that the data are consistent from one reporting cycle to the next or identify and explain changes in the performance measures. At a minimum, ADA should report significant uncertainties regarding the data sources, how the data are collected, what actually is being measured, and whether this has changed over time.

#### **Plan Sets Priorities and Goals**

The city's New Century Economic Development Plan is based on comprehensive research and analysis. The plan identifies priorities in three primary components of the economy – healthy neighborhoods and quality of life, economic opportunity, and physical infrastructure – and targets specific underserved areas where the city can make the most impact and specific industries that provide the most opportunities for growth. It outlines 7 goals, 10 initiatives, and 188 action items intended to achieve the goals by 2009. The goals are aggressive by design, but are specific, measurable, and realizable.

The action items are relevant to the goals and are assigned to agencies with related responsibilities.

**Plan based on data and analysis.** Bain and Company provided pro bono assistance including researching facts and data to frame the plan. Bain and Company researched data from several sources including federal, state, county, and the City of Atlanta governments. For example, Bain and Company provided employment data gathered from the Department of Housing and Urban Development, tax information from the Georgia Department of Revenue, and parks data from the City of Atlanta. Bain and Company compiled data and analyzed trends and year-to-year changes and provided the information to ADA in what it called dashboard worksheets. The Mayor, ADA and city staff used Bain's information to craft the plan with input from numerous stakeholders in the community.

**Plan balances aspects of the economy.** The plan broadly addresses three main components of Atlanta's economy – healthy neighborhoods and quality of life, economic opportunity, and physical infrastructure. Within these components, it identifies priority issues critical to economic growth in order to focus resources on areas where the city could have the greatest impact:

- **Workforce Housing.** The plan cited lack of affordable housing compared to the surrounding area as a problem that could lead to loss of competitive advantage in business recruitment and displaced residents.
- **Public Schools.** The plan cited perceptions of poorly performing public schools as a significant reason for businesses and residents to choose not to locate in the city. Further, failure to complete high school is a significant driver of poverty.
- **Public Safety.** The plan cited perceptions of crime as the main reason why people are reluctant to visit or locate downtown.
- **Economic Vitality in Underserved Areas.** The plan recognized that past economic growth had not benefited all areas of the city equally. Areas of concentrated poverty deter development, undermine neighborhoods, and fuel sprawl.
- **Culture, Recreation, and Greenspace.** The plan cited lack of greenspace compared to other large cities. Cultural events

and recreational opportunities can attract visitors and residents and provide jobs to stimulate economic development.

- **Business Climate.** The plan cited a cumbersome permitting process and general lack of customer service orientation among city staff as detriments to competing with other cities to attract and retain businesses.
- **Job Creation.** The plan analyzed Atlanta's job base compared to other cities to identify industries to target for job growth.

**Plan sets economic development goals to be achieved by 2009.** Adopted in December 2004, the plan established seven goals related to the priority areas that are intended to drive economic development. The goals are specific – each states what is to be accomplished; measurable – by how much (quantity, rate, or value); and realizable – each is time-bound and can be determined when it is met. The Mayor took the lead in setting aggressive five-year goals in order to get the city moving in the direction of becoming a leading city by 2009.

#### **Economic Development Goals**

1. Create 60,000 new jobs in the City of Atlanta.
2. Create 24,000 new metro jobs related to airport growth and expansion.
3. Grow property value in the city by \$26 billion by adding households and leased commercial space.
4. Add 10,000 new workforce-housing units by use of city incentives.
5. Decrease the city's crime rate to 5,600 crimes per 100,000 residents.
6. Increase the high school completion rate of Atlanta Public School students to 72%.
7. Add 1,900 acres of dedicated parks and greenspace to the city.

**Plan sets 10 initiatives and 188 action items intended to achieve the goals.** The plan identifies specific initiatives to achieve the goals. According to the plan, the initiatives were chosen because of their impact across the critical city issues. Each of the initiatives affects at least two of the issues that stakeholders identified as priorities and opportunities (see Exhibit 1). Finally, the plan identifies specific action items to implement the initiatives and achieve the goals. The action items listed in the plan are relevant to the goals – each activity can be logically linked to the goal with an explanation of how the activity would help achieve the goal. The action items are

assigned to the city department or agency with related responsibilities. The city is relying on external agencies to complete some of the action items, and other factors outside of the city's control may also influence the ultimate outcomes.

**EXHIBIT 1  
TEN INITIATIVES FOR EDP IMPLEMENTATION**

Economic Development Initiatives	Priority Issues							
	Job Creation	Airport Economic Growth	Business Climate	Affordable Housing	Under-Served Areas	Public Safety	Public Schools	Green-Space
Support growth of target industries	✓	✓	✓		✓			
Create CoA business recruitment, retention, and expansion capabilities	✓	✓	✓		✓			
Champion beltline and downtown to transform Atlanta	✓	✓	✓		✓			✓
Increase economic vitality of underserved areas	✓				✓			
Make it easier to develop Atlanta	✓	✓	✓	✓	✓			
Increase availability of affordable housing	✓			✓	✓			
Increase capital available for development and business growth	✓		✓	✓	✓			
Make Atlanta one of America's safest cities	✓		✓		✓	✓	✓	
Collaborate to improve APS performance	✓		✓				✓	
Grow dedicated parks & greenspace	✓		✓					✓

**Source:** *New Century Economic Development Plan, June 2, 2006, Version One, p. 11*

✓ = Significant impact on issues  
 ✓ = Moderate impact on issues

**The City is Making Progress on Plan Implementation**

The city is making progress in implementing the plan. Half of the action items we reviewed were completed and the others were progressing. ADA's internal processes for managing the implementation are reasonable. ADA works closely with the Mayor's

economic development sub-cabinet to share information, review the status of action items and revise as necessary.

**EXHIBIT 2**  
**PROGRESS ON PLAN IMPLEMENTATION**

12 Randomly-Selected Action Items	Initial Completion Date	Lead City Department and Anticipated/Actual Completion Date
1. Conduct a study to identify potential alternative funding sources to complement federal funding; include benchmarking and analysis of best practices of similar agencies (Workforce development)	2006	Atlanta Workforce Development Agency To be completed in 2007 (Revised to raise profile of, and funding for, workforce development for the residents of the city)
2. Expand quality of life zoning to create an effective Inclusionary Zoning program (Housing)	2005	Planning & Community Development To be completed in 2007
3. Form a city team to implement, monitor, and report on the program vision (Housing)	2005	Planning & Community Development Completed in 2005
4. Implement 22 process-execution improvements outlined by the plan (Permitting)	2006	Planning & Community Development To be completed in 2007 (Significant progress in 2006)
5. Expand permit tracking process-wide to identify bottlenecks and issues	2006	Planning & Community Development Completed in 2006
6. Establish targets and utilize dashboards to track performance (Permitting)	2006	Planning & Community Development Completed in 2006
7. Make necessary policy changes to streamline city permitting process	2006	Planning & Community Development Completed in 2006
8. Determine innovative approaches including the Land Bank Authority (Parks and greenspace)	2005	Parks, Recreation & Cultural Affairs Ongoing
9. Identify beneficial partnerships for Atlanta's park system	2006	Parks, Recreation & Cultural Affairs Completed in 2006
10. Identify areas of need within the CoA using TPL's Greenprint and Parks' recreational programming assessments	2006	Parks, Recreation & Cultural Affairs To be completed in 2008
11. Inventory city-owned land that is suitable for greenspace	2006	Parks, Recreation & Cultural Affairs To be completed in 2007
12. Increase involvement of independent private groups interested in park improvement	2006	Parks, Recreation & Cultural Affairs Completed in 2006

*Sources: New Century Economic Development Plan (6/2/2006), Interviews with ADA and city staff*

**Action items are being completed.** We reviewed twelve activities that were scheduled for completion in 2005 and 2006. Information we gathered from ADA and the responsible departments showed that six of the activities were completed and six of the activities were progressing towards completion (see Exhibit 2). One of the items had been revised to more clearly reflect the current conditions.

**ADA tracks activities through ongoing management processes.** ADA has established processes to gather information on the status of activities and goals and to update the plan when necessary. For the most part, city departments complete assigned action items as part of their normal functions rather than as separate projects, which helps ensure resources are devoted to accomplishing the plan. ADA coordinates with staff to track efforts, and maintains internal spreadsheets to document revisions, completion dates, and problems associated with the completion of the individual tasks. ADA staff meets regularly with business and city officials to discuss activities and make management decisions regarding project requirements, revisions, or other matters related to the project. ADA works closely with the economic development sub-cabinet to develop strategies and initiatives for the EDP action items.

### **Improved External Reporting Would Strengthen Implementation**

While the ADA reports overall progress in meeting the goals through several media, it could improve its process for collecting data and reporting results to external stakeholders. The reports haven't addressed progress in the specific areas identified in the plan as underserved, and some external data ADA is using to assess progress may be unreliable. Because the underserved areas are a primary focus of the plan, which, in our view, is one of the plan's strengths, we recommend that ADA develop measures to track the progress being made in underserved areas, and that this information be provided to city and community leaders.

**ADA communicates overall progress in meeting goals.** ADA has reported the city's progress in meeting the economic development goals and related activities through several media including its website, its 2005 Highlights report, which addressed achievements for some of the goals, a monthly newsletter that highlights ADA activities for that month, and updates to city leaders. These media provide information about achievements under the plan including status of goals and some of the larger activities such as park spaces and airport job growth. For the most part, ADA does not report progress externally on specific action items or initiatives associated with the goals.

**Reporting strategy has evolved.** Bain and Company proposed a dashboard report to track the plan's progress. ADA decided not to use the proposed dashboard report because of difficulty in obtaining

some data between census years, and because staff had concerns about the nature of the data reported. ADA delayed releasing its overall report on progress in 2005 until December 2006, due to the availability and inconsistencies in job creation data from different sources. ADA is now using the U.S. Census Bureau's Quarterly Workforce Indicator as the source of its employment data. This information was first published for Georgia and Atlanta in 2006.

**ADA doesn't assess the reliability of data.** While ADA compiles and reports data to track progress in meeting economic development goals, it has not developed methods to verify data it reports. Much of the data comes from outside sources, including websites. When possible, ADA uses data collected and maintained by federal, state and local government agencies. ADA believes the responsibility for verifying such data lies with the provider.

We agree that the owner of the data is ultimately responsible for its quality, but because ADA is reporting and relying on the data, it too has a responsibility to understand how the data are collected, what actually is being measured, whether this has changed over time, and the level of uncertainty. Otherwise, results can be misleading. For example, the ADA reported that the high school graduation rate increased to 72% in 2005 (from 54% in 2004) and had, therefore, attained the goal. Such a large change in one year is unexpected and could result from a difference in measurement or changes in enrollment. Georgia is among 45 states that have agreed to adopt a standard measure of high school graduation to facilitate comparisons across states. While the standard measure is more robust, comparisons to prior years after the new method is adopted will not be valid.

ADA also reported that the airport added 13,340 jobs in 2005 – about 56% of the five-year goal. This figure is derived from the difference of estimates prepared by two different consultants for the airport in 2002 and 2005. The consultants used different economic models to estimate direct, indirect, and induced jobs generated by the airport. While the models can be useful to project economic impact, they cannot provide an actual job count and are not comparable to other employment indicators ADA is using.

**Reports haven't tracked progress in underserved areas.** ADA has not reported on the status of specific projects in the underserved areas identified in the plan as priorities. The plan calls for focusing resources and promoting development in six priority areas:

Campbellton Road, Donald Lee Hollowell Parkway, Jonesboro Road, Memorial Drive Corridor, Simpson Road, and the Stadium Neighborhoods. These areas were identified as having median household incomes 15% below the citywide figure, but with the potential to attract and support residential and commercial development. Exhibit 3 shows the criteria used to designate the priority areas.

**EXHIBIT 3**  
**CRITERIA FOR PRIORITY AREAS**

1. Near-term ability for job creation & residential and commercial development	5. Potential to enhance the use of the transit infrastructure
2. Significant area available for development	6. Alignment with employment centers
3. Ability to support affordable housing goals and mixed-use communities	7. Areas available for greenspace
4. Ability to attract businesses providing goods and services	8. Ability for action plans to be implemented with incentives

*Source: New Century Economic Development Plan, June 2, 2006*

The dashboard report that Bain and Company proposed for tracking the plan’s progress included a measure of median income in these areas. ADA and the city have worked to develop revitalization plans for the areas but have yet to determine a process to track and report measures of progress specific to these areas. Staff expressed concern that reporting income data could violate the privacy of area residents, and that reporting social indicators such as crime or property values in distressed areas could discourage the reinvestment the city’s efforts are intended to promote. Staff said that they can track efforts in priority areas by monitoring use of development incentives, such as Tax Allocation Districts (TADs) and Urban Enterprise Zones (UEZs). ADA and the Department of Planning and Community Development, respectively, report on activities in these designated areas.

While it is true that most of the priority areas fall at least partially within an existing or proposed TAD, the Jonesboro Road Corridor does not. And many of the TADs fall outside of the priority areas. Exhibit 5 on page 14 maps the city’s six established TADs, four proposed TADs, and the priority areas for development.

In our view, one of the plan's strengths is its recognition that some areas of the city have lagged, and that it targets specific underserved areas for redevelopment. Not tracking and reporting specific progress in these areas weakens the usefulness of the plan and the city's ability to ensure the plan is implemented as intended.

**Best practices in performance reporting.** The Government Accounting and Standards Board (GASB) has developed guidance for external reports on performance data summarized in Exhibit 4 below. Many of ADA's practices are consistent with the criteria – the plan states major goals and objectives, many stakeholders were involved in developing the plan, ADA provides multiple levels of reporting, focuses on key measures, and the measures are relevant to results.

#### EXHIBIT 4

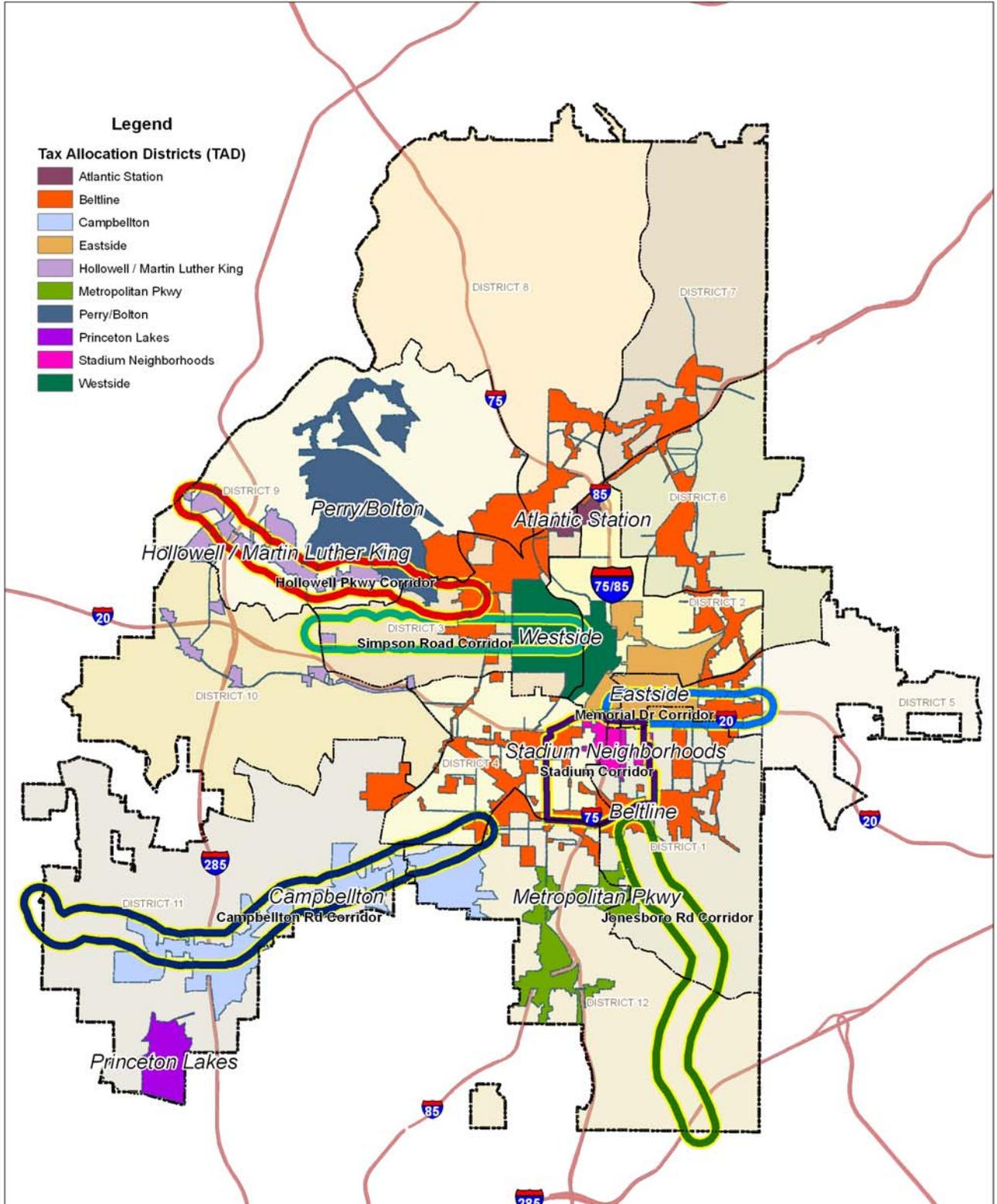
#### GUIDANCE ON REPORTING PERFORMANCE INFORMATION

16 Criteria for Effective Communication in an External Report	
1. Purpose and scope	9. Resources used and efficiency
2. Statement of major goals and objectives	10. Citizen and customer perceptions
3. Involvement in establishing goals and objectives	11. Comparisons for assessing performance
4. Multiple levels of reporting	12. Factors affecting results
5. Analysis of results and challenges	13. Aggregation and disaggregating of information
6. Focus on key measures	14. Consistency
7. Reliable information	15. Easy to find, access, and understand
8. Relevant measures of results	16. Regular and timely reporting

*Source: GASB, Chapter 6*

# EXHIBIT 5

## MAP OF PRIORITY AREAS AND TADs



Source: Department of Planning

ADA could improve its public reporting by establishing methods to ensure that the data they use to track goals are consistent from reporting cycle to reporting cycle. At a minimum, ADA should understand how the data are collected, what actually is being measured and whether this has changed over time, and report significant uncertainties regarding the data. ADA should also develop measures to track and report progress in the priority areas.



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## Recommendations

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Our recommendations are intended to provide more systematic tracking and public reporting on the city's progress in meeting the goals established in the New Century Economic Development Plan.

1. ADA should develop clear criteria for the performance measures it uses to track goals and ensure that the data are consistent from one reporting cycle to the next, or identify and explain changes in the performance measures. At a minimum, ADA should understand how the data are collected, what actually is being measured and whether this has changed over time, and report significant uncertainties regarding the data.
2. ADA should develop measures to track and report economic progress within the priority areas.



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# Appendix

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**APPENDIX**

**AUDIT RESPONSE – ATLANTA DEVELOPMENT AUTHORITY**

<b>Report # 06.02</b>	<b>Report Title: Review of the New Century Economic Development Plan</b>	<b>Date: Nov. 26, 2007</b>
<b>Recommendation Responses</b>		
<b>Rec. # 1</b>	<p>ADA should develop clear criteria for the performance measures it uses to track goals and ensure that the data are consistent from one reporting cycle to the next or identify and explain changes in the performance measures. At a minimum, ADA should understand how the data are collected, what actually is being measured and whether this has changed over time, and report significant uncertainties regarding the data.</p>	<b>Agree</b>
<p><b><u>Proposed Action:</u></b> In October 2007, ADA hired a business analyst to strengthen our internal capabilities for data collection and analysis. The business analyst will prepare a whitepaper on the performance measures and data sources currently used to track EDP progress. The whitepaper will serve several purposes. First, the whitepaper is a primer on the business, economic, and social data sources ADA uses. Second, the whitepaper will describe and document the collection methods, periodic adjustments, and changes in methodology that occur for each data source, including all City of Atlanta data sources. Lastly, whitepaper will provide a calendar for reporting cycles of the data sources.</p> <p><b><u>Implementation Timeframe:</u></b> ADA expects to have this whitepaper completed by the end of Q4, 2007, and will use it in the measurement of the EDP Goals for 2007. ADA will disclose any material changes to the methodology of data collection or adjustments at the time of reporting and attempt to quantify the impact of the change where possible.</p> <p><b><u>Comments:</u></b> ADA has already developed clear criteria for performance measures to track progress towards goals using a variety of external data sources including federal, state, and City of Atlanta government departments. Measured city-wide and reported annually, ADA tracks job growth, property value growth, job growth region-wide related to the airport, new units of workforce housing, crime rate, high school completion rate, and new acres of parks and greenspace. It is the nature of data collection that methodologies change over time and new and better data sources are released from time-to-time. ADA relies on the accuracy of data reported by a variety of external sources, such as the US Census, Georgia Department of Revenue, Governor's Office of Student Achievement, and the FBI Uniform Crime Report. Each of these sources constantly upgrades their technologies and methodologies, and there will likely always be variations from year-to-year. Standardized on a national basis, these are generally accepted data sources and used by many of the nation's top economists.</p> <p><b><u>Responsible Person:</u></b> Peggy McCormick, Sonya Moste and Charles Whatley</p>		

Rec. # 2

ADA should develop measures to track and report economic progress within the priority areas.

Agree

**Proposed Action:** ADA hired a business analyst in October 2007. His responsibilities will include developing metrics and vetting data sources for tracking progress within the priority areas, and working closely with the respective city departments. Additionally, ADA is working closely with the city's DIT and Bureau of Planning to access the GIS system and the underlying data. Expanding ADA's GIS capabilities will allow us to measure performance by the geography of the priority areas and to recognize trends. GIS linked to other data sources will provide a clear picture of both macro and micro trends by priority area, census tract, and NPU. ADA will report the economic progress of the priority areas on its new micro-website, [atlantaEmergingmarkets.com](http://atlantaEmergingmarkets.com).

**Implementation Timeframe:** In progress – estimated rollout 2<sup>nd</sup> Quarter 2008.

**Comments:** As part of the city's "Atlanta Strategic Action Plan," economic indicators are already being measured for each of the city's NPUs. Data measured includes new building permits, building demolitions, population growth, and median household income. This data provides the foundation for being able to measure economic progress in and around the priority areas. ADA believes that the city's Bureau of Planning, with its GIS capabilities, should continue to track these measures, plus add the tracking of jobs and employment by NPU. ADA could then group the data such that it provides a good snapshot of what is occurring in and around each priority area.

In addition, because four of the priority areas have recently been designated as Tax Allocation Districts (TAD), any activity and progress occurring in each TAD will be reported in the regular issue of ADA's TAD Quarterly Report.

**Responsible Person:** Peggy McCormick, Sonya Moste, and Charles Whatley

