



To: All Candidates

From: Sara Ott, Sr. Project Manager

Date: September 13, 2013

RE: Economic Development Activities Report and Economic Development Agreements

In response to requests received recently from candidates about economic development activity, two reports are attached. The first report is a yearend review of economic development staff's activities in 2012. The second report summarizes economic development agreement terms with various companies in the past four years.

Please feel free to contact Colleen Gilger at cgilger@dublin.oh.us or Sara Ott at sott@dublin.oh.us if you have any additional questions.





To: Members of Dublin City Council
From: Marsha I. Grigsby, City Manager
Date: January 25, 2013
Initiated By: Dana McDaniel, Deputy City Manager/Director of economic Development
Colleen Gilger, Economic Development Manager
Re: 2012 Economic Development Report

Background

In 2012, Economic Development staff continued to place emphasis on the key components of the City's economic development program: business retention and expansion; business attraction; business creation; workforce development; marketing and advocacy; and managing the City's broadband infrastructure. The following is a year-in-review snapshot of our accomplishments and statistics.

Retention & Expansion of Existing Companies

Vacancy rates: Stabilization of office vacancy is considered 12.5%. Dipping below 10% indicates the need for more office product/new development, and rental rates typically begin to rise and get increasingly competitive. Getting above 13% indicates it's a renter's market, and rates are typically low and very competitive. Anything consistently about 17% requires deeper analysis to understand if there is a great overall issue driving the high rate (a recent spike in new buildings added to inventory, aging buildings going empty, crime, unrealistic pricing, surrounding infrastructure problems, recent change in building values and/or taxes, recent and proximate new inventory competition, etc).

	Office	Medical	Industrial	Retail
Total SF:	7.5 M	1.0 M	1.5 M	1.7 M
Q4 '11:	15.0%	17.5%	4.4%	17.0%
Q1 '12:	14.9%	16.0%	5.9%	20.7%
Q2 '12:	14.5%	11.0%	8.0%	18.4%
Q3 '12:	13.9%	12.3%	4.3%	18.6%

Dublin's strong absorption in Medical space over the last four quarters take into account a recent interest in Medical space needs since the opening of Dublin Methodist Hospital, including Nationwide Children's Hospital Sports Medicine and Orthopedic Center and Dublin Springs Hospital. The majority of medical space construction is clustered near the hospital.

The Office vacancy rate takes into account several large blocks of space available in the market, like the 5515 Parkcenter facility, where 116,000 SF is currently available since Nationwide moved

out in late 2011. Positive leasing in 2012 came from Metro Data Center (30,000 SF), 3M Cogent (14,000 SF), Century Link (22,000 SF), University of Dayton (15,000 SF), Wendy's (28,000 SF), Paychex (15,730 SF), FEMA (15,000 SF), and Gallagher Bassett Services (12,150 SF).

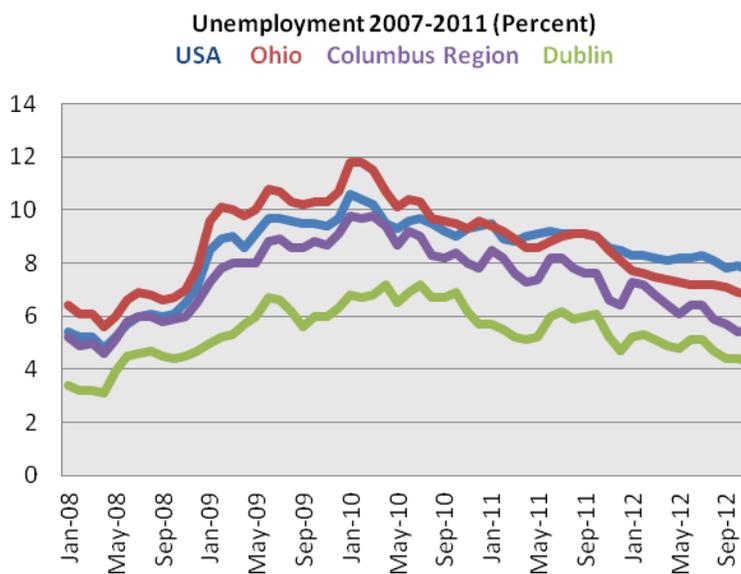
Retail vacancy rates remain very high due in part to the large-scale vacancies at Dublin Village Center (including the former BJ's big box), Shoppes at River Ridge and Bridgepoint. The overall vacancy rate in the region averages 10.2%.

Interactions with companies: The goal is to have meaningful interactions with as many Dublin companies as possible annually. This is accomplished through 1-on-1 meetings (either at our request or sought out by a company), tours, conversations to discuss and solve issues, and recognitions.

Because each visit is usually followed by several more interactions, whether to advance a project, gather information requested, solve a problem, advance a request or issue to the appropriate group, etc., we track company "touches" or interactions. In 2012, Economic Development staff recorded 335 initial meetings/visits, totaling 837 interactions.

Additionally, the team conducted three business appreciation programs: Business Appreciation Day (March), Memorial Tournament business day (May), and Small Business Day at the Irish Festival (August). Nearly 160 businesses received interaction on these occasions.

Unemployment rates: A high rate of unemployment indicates limited employment opportunities in a labor market that is in a situation of oversupply. A low rate of unemployment indicates a tight labor market, potential scarcity of skilled labor, and future cost pressures from wage demands from workers. Ideally, 5.5% is an acceptable percentage. Anything above 8% or below 5% is challenging. Dublin is fortunate in that a vast majority of people that seek work are currently employed.



Building Permits: 2012 is the best year on record in the last five years for number of building permits issued, number of contractor permits, construction value in dollars and square-footage, new home starts, and inspections completed. More than 2,033,000 square-feet was permitted, with a construction valuation of \$123,900,000 in 2012.

Job Growth and Company Attraction

EDAs: Five Economic Development Agreements were executed in 2012 resulting in the retention of 711 jobs and the creation of 299 jobs. The most notable EDA on the list in 2012 is the agreement with Ohio University Heritage College of Osteopathic Medicine, which will open in 2014.

An additional EDA was executed with AEP tied to a land transfer for the construction of a new substation on Dublin's western boundary. This increase in available electric capacity will have a direct result in new commercial expansion westward.

Three notable projects completed without the aid of an EDA in 2012 are (1) the expansion of office space and jobs for Humana at Metro Center (210 jobs), (2) the relocation and expansion of the MAG BMW/Mini dealership (260 jobs) and (3) the clubhouse renovation and expansion ongoing at Muirfield Village Golf Club which will provide expanded services for guests and players during the 2013 Memorial Tournament and Presidents Cup.

One significant EDA-related project under construction in 2012 was the Wendy's campus renovation and expansion. This EDA was executed in 2011.

Since 2004, executed EDAs have resulted in the retention and creation of 11,594 jobs in Dublin.

In 2012, economic development staff members traveled several times with the staff from Columbus 2020 to locations such as Detroit, Dallas and Japan. These trips are conducted to familiarize corporate site selection professionals with the assets of the Columbus Region, as well as to meet with headquarters professionals representing companies in our region. Staff also responded to nearly a dozen project leads sent through the project pipeline by Columbus 2020 and JobsOhio. Dublin remains an active site prospect on several of those projects.

The city-owned "Houchard site" received its official Job Ready Site certification from the State of Ohio. It is one of only 10 certified sites in the state, and is actively marketed by JobsOhio for project leads.

Creation of New Companies

The Dublin Entrepreneurial Center (The DEC) remained a priority in 2012. When Ohio University acquired the current DEC facility, staff worked to identify new site locations, choosing 565 Metro Place south as the new home of the DEC. The expanded footprint allowed for the doubling of capacity. The new site is finalizing interior construction and will be officially rededicated February 13, 2013. As of December, more than 80 companies have moved into the new location. A new DEC website is underway, launching in early February.

We continued our partnerships with the Small Business Development Council (SBDC) and TechColumbus this year. Both groups held regular office hours and training programs at the DEC, assisting hundreds of entrepreneurs. For instance, TechColumbus in the last year alone has works with 35 Dublin companies (132 since 2006), providing more than \$35 million to fund start-up initiatives in Dublin.

Economic Development staff supported the Recreation Services staff in the planning of the Teen Apprentice Camp in July. Many of the DEC tenants assisted in the camp by teaching classes, hosting tours and judging competitions.

We continued to participate in TechColumbus' Deal Flow Assessment Committee (DFAC), identifying and voting to supply funding to several new start-up companies in the region.

Marketing and Other Regional interactions

In our efforts to continually strengthen and improve relations with the business, development and real estate community, the staff regularly participated in training, development and networking events from groups like the Ohio Chamber, Columbus 2020, Mid Ohio Development Exchange (MODE), Ohio Economic Development Association, International Economic Development Council, Dublin Chamber, Dublin NextGen, Leadership Dublin, Dublin City Schools Business Advisory Council, Dublin Convention & Visitors Bureau, Dublin Rotary, National Association of Industrial & Office Properties, etc.

Additionally, staff worked to nominate businesses and participate in recognition events like the "Best In Business" event by Columbus CEO Magazine, as well as Columbus Business First's awards like Fast 50 and Best Places to Work.

Attached to this memo is the 2012 yearend report from Columbus2020.

Recommendation

Information only.



To: Marsha Grigsby
From: Colleen Gilger, Economic Development Manager
Date: September 13, 2013
Re: Summary of 2010-2013 Economic Development Agreements (EDAs)

Background

Economic Development staff has been asked to compile summaries for all Economic Development Agreements for the previous four years. Below recaps each of the 31 agreements approved by City Council.

2010:

7 EDAs / 897 Retained Jobs / 239 New Job Commitments

Inventrio – Creation project

New jobs committed: 20

Three-year, 10% performance incentive, capped at \$22,500.

Estimated net to city during term: \$108,000

Quality Supply Chain Co-op – Creation project

New jobs committed: 44

Four-year, 20% performance incentive and \$5000 Location Grant, capped at \$137,500.

Estimated net to city during term: \$457,000

Sertek – Creation Project

New jobs committed: 60

Four-year, 18% performance incentive, capped at \$32,500.

Estimated net to city during term: \$114,800

FlyMuch – Creation project

New jobs committed: 30

Four-year, 18% performance incentive, capped at \$32,500.

Estimated net to city during term: \$120,287

Delta Energy – Attraction project

New jobs committed: 70

City sold land to Delta at a discounted price (as incentive). Delta received \$128,800 in savings on the 2.576 acres sold. City also offered a \$40,000 LEED Grant upon building certification.

Estimated net for the city includes \$126,000+ annually in withholdings.

Perio – Retention & Expansion project

Jobs retained: 27; New jobs committed: 15

Five-year, 12% performance incentive, capped at \$55,000.

Estimated net to city during term: \$260,000

Express Scripts (fka Medco) – Retention project.
Jobs retained: 870
Six-year, 15% performance incentive, capped at \$720,000.
Estimated net to city during term: \$3,275,744

2011

12 EDAs / 638 Retained Jobs / 1,170 New Job Commitments

Wendy's – Retention & Expansion project
Jobs retained: 390; New jobs committed: 250
10-year, 30% performance incentive, capped at \$4,750,000; \$2,250,950 Retention Grant.
Estimated net to city during term: \$6,900,000

Socius – Retention & Expansion project
Jobs retained: 23; New jobs committed: 13
Four-year, 10% performance incentive, capped at \$19,000.
Estimated net to city during term: \$268,000

Equity Resources – Creation Project
New jobs committed: 12
Four-year, 15% performance incentive, capped at \$12,500.
Estimated net to city during term: \$58,650

HealthSpot – Creation Project
New jobs committed: 60
Four-year, 18% performance incentive, capped at \$70,000.
Estimated net to city during term: \$247,277

Alcatel-Lucent – Attraction project
New jobs committed: 540
10-year, 20% performance incentive, capped at \$2,750,000; \$500,000 Location Grant.
Estimated net to city during term: \$8,041,474

InfoMotion Sports Technologies – Creation project
New jobs committed: 45
Four-year, 18% performance incentive, capped at \$34,000.
Estimated net to city during term: \$139,074

Fast Switch – Retention & Expansion project
Jobs retained: 63; New jobs committed: 25
Three-year, 20% performance incentive, capped at \$22,000.
Estimated net to city during term: \$70,400

Nationwide Children's Hospital – Expansion project.
Jobs retained: 41; New jobs committed: 52
Five-year, 25% performance incentive, capped at \$75,000; \$15,000 Location Grant.
Estimated net to city during term: \$188,638

City Barbecue – Retention & Expansion project

Jobs retained: 17; New jobs committed: 10

Five-year, 20% performance incentive, capped at \$45,000; \$7,500 Location Grant.

Estimated net to city during term: \$161,500

NetSmart Technologies – Retention & Expansion project

Jobs retained: 104; New jobs committed: 99

Four-year, 10% performance incentive, capped at \$100,000.

Estimated net to city during term: \$2,729,000

Paincare Specialists – Attraction project

New jobs committed: 34

Five-year, 20% performance incentive, capped at \$125,000; \$15,000 Location Grant.

Estimated net to city during term: \$525,000

Everris – Attraction project

New jobs committed: 30

Six-year, 15% performance incentive, capped at \$37,000.

Estimated net to city during term: \$374,978

2012

5 EDAs / 741 Jobs Retained / 299 New Job Commitments

Nestle – Retention & Expansion project

Jobs retained: 130; New jobs committed: 50

City helped company access and purchase surrounding land, in order for the company to expand.

Estimated net for the city includes \$180,000+ annually in withholdings.

Sarnova (fka BoundTree Medical) – Expansion project

Jobs retained: 145; New jobs committed 55

Five-year, 25% performance incentive on NEW jobs only, capped at \$50,000

Estimated net to city during term: \$818,534

ASK Chemical – Retention & Expansion project

Jobs retained: 69; New jobs committed: 4

Five-year, 12% performance incentive, capped at \$67,500.

Estimated net to city during term: \$495,406

Ohio University Heritage College of Osteopathic Medicine – Attraction project.

New jobs committed: 140

Conveyance of city-owned land (approx. 71 acres) for medical campus development.

Pacer International – Retention & Expansion project

Jobs retained: 397; New jobs committed: 50

Two-year, 10% performance incentive, capped at \$114,000.

Estimated net to city during term: \$1,676,000

2013

7 EDAs / 885 Retained Jobs / 716 New Job Commitments

CareWorks - Retention & Expansion project

Jobs retained: 820; New jobs committed: 40

Three-year, 15% performance incentive, capped at \$395,000

Estimated net to city during term: \$3,900,000

JPMorgan Chase – Attraction project

New jobs committed: 500

Two consecutive two-year, 15% performance incentive, capped \$425,000; \$40,000 Location Grant

Estimated net to city during term: \$2,635,000

Navidea Biopharmaceuticals - Retention & Expansion project

Jobs retained: 40; New jobs: 20

Five-year, 10% performance incentive, capped at \$92,000

Estimated net to city during term: \$934,000

Persistent Systems – Attraction project

New jobs committed: 30+

Four-year, 15% performance incentive, capped at \$26,000

Estimated net to city during term: \$209,000

Decillion Healthcare – Attraction project

New jobs committed: 22

Seven-year, 12% performance incentive, capped at \$21,000.

Estimated net to city during term: \$130,700

ProspeX - Retention & Expansion project

Jobs retained: 25; New jobs committed: 27

Three-year, 15% performance incentive on NEW withholdings only, capped at \$15,500

Estimated net to city during term: \$150,000

G-TEKT (aka G-NAC) - Attraction project

New jobs committed: 77

Five-year, 12% performance incentive, capped at \$69,000; \$30,000 Location Grant

Estimated net to city during term: \$400,880