

To: Members of Dublin City Council
From: Dana McDaniel, City Manager
Date: April 12, 2022
Initiated By: Megan O'Callaghan, Deputy City Manager/Chief Financial and Development Officer
Jenna Goehring, Economic Development Administrator
Sara O'Malley, Economic Development Administrator
Kendel Blake, Management Analyst
Re: Economic Development Strategy - Update

Summary

The Economic Development team has worked with TEconomy Partners LLC for a number of years to develop and update the City's Economic Development Strategic Plan. In looking to the future, it is important to understand how the City's economy has evolved and changed, and as a result, what gaps and barriers need to be overcome in order to enhance the City's economic drivers and ultimately lead to the realization of continued economic opportunities. TEconomy has completed their annual update of the economic, workforce, innovation, and socioeconomic and quality of place indicators. A summary of their data analysis update is attached for Council's reference. TEconomy's findings also served to inform this memorandum.

Background

Two years into the pandemic and as we emerge business operations are starting to recover; starting to return to a more normal framework of operations seen in the City prior to 2020. What we know for certain is Dublin's industry base is diverse, resilient, and agile, recording more than 101 million in income tax revenues in 2021, an increase of 9.6 percent YOY and a City record.

A Q4 2021 real estate update from Colliers shows that Dublin gained 34 new companies encompassing 176,000 SF of office space: more than any other submarket in the region for the year. While our vacancy rate increased to over 17%, up 4% over Q4 2020, Council's vision and execution of the Bridge Street District continues to make Dublin competitive for companies in the office market. According to a March 7, 2022 article in Columbus Business First "Dublin, downtown were most popular places for office tenants to move". The article stated "Dublin is popular with office tenants because it is in a mixed-use environment and close to amenities, such as Bridge Park. Tenants want to be within walking distance to restaurants and bars and have convenient parking or access to bus lines." Read the full story at:

https://www.bizjournals.com/columbus/news/2022/03/07/colliers-report.html?cx_testId=40&cx_testVariant=cx_10&cx_artPos=1#cxrecs_s

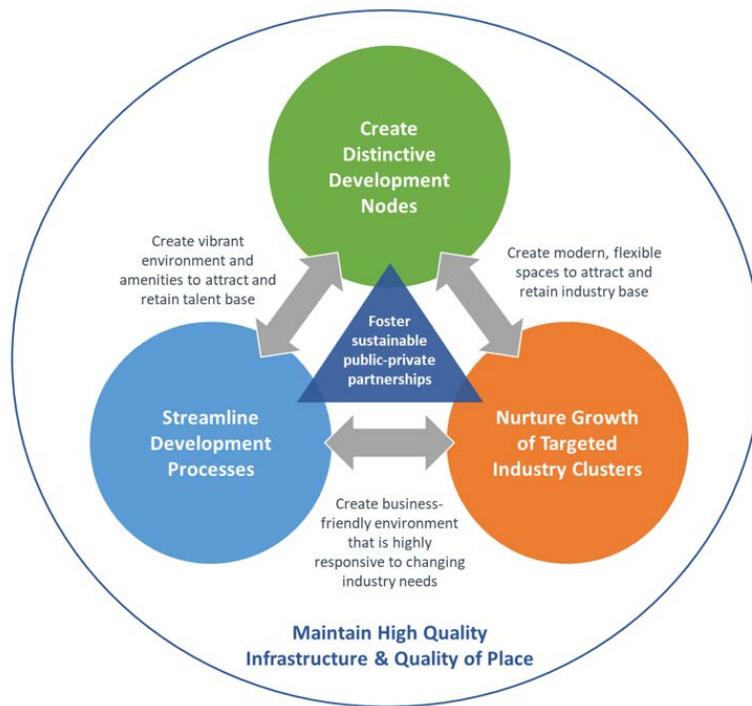
We remain committed to serving our existing industry clusters in the areas of Corporate Headquarters and Managing Offices, Business Services, Information Technology, Medical, Biosciences and Healthcare, as well as R&D, Logistics and Automotive. Post pandemic, one industry is emerging ahead of the others; encompassing most of the economic development projects in the current pipeline; Medical and Life Sciences. With companies like Nurx, Andelyn Biosciences, One Medical and Mount Carmel announcing commitments to Dublin, our focus on this

industry will continue through 2022 and beyond; as the majority of these types of jobs are required to report to the office for work.

The pandemic in combination with changing workforce dynamics have exposed potential risks of disruptive change. This memorandum is intended to provide high-level economic development information to allow for a better understanding and discussion regarding the City's Economic Development Strategic Plan and the trends and implications post-pandemic as well as the announcement of the Ohio Intel Project for the east side of Columbus.

Economic Development Strategy

In order to ensure long-term economic sustainability, the City of Dublin must focus its economic development efforts on ensuring that not only can its existing economic drivers raise their level of competitiveness, but that it can also identify new drivers of development to improve the City's economic prospects. This strategy is designed to address the most pressing needs of the City's economic development landscape and identify the elements and ingredients to successfully position Dublin to build on its strengths, seize its opportunities, and catalyze economic prosperity.



Strategy 1

Create distinctive development nodes to meet 21st Century industrial demand for vibrant physical space while maintaining Dublin's high quality of place standards. This in turn will create the modern, flexible spaces that will attract and retain not only a vibrant industrial base, but also the talent pool industry requires. The City continues to implement the action items in furtherance of this strategy including:

1. Building on the momentum of **Bridge Park/Bridge Street District**.
2. Moving the **West Innovation District** forward by setting the conditions for development attractive to the targeted industry clusters. Examples of tactics include the new University

Boulevard which opened up developable land and will improve mobility in the district and the execution of the First Amendment to the Economic Development Agreement with Ohio University with respect to Subarea Three to better reflect the current economy and the density of the approved Master Plan. Purchasing strategic tracts of land is also a tactic that allows the City to actively respond to development leads from One Columbus and other site selectors in a time sensitive fashion. This further advances the City's expansion and attraction efforts. The purchase of over 90 acres adjacent to Darree Fields Park was a valuable step towards this goal.

3. Focusing efforts to redevelop the **Dublin Corporate Area/legacy office parks** and provide additional points of connection to alternative living/retail space. City Council's adoption of the MUR4 Code Revisions and the recent work of the Metro Center Visioning Committee culminating in City Council's adoption of the amendment of a portion of the Dublin Corporate Area Plan regarding the Metro Center Area are examples of tactics being used to accomplish this action item.
4. **Connecting development nodes** through deployment of mobility technologies and serving as a suburban test bed. The Dublin Connector is a tactic currently being used in furtherance of this action item and staff is coordinating with COTA/Columbus on LinkUS and bringing COTA Plus services to Dublin in the future.

Strategy 2

Streamline and make more predictable development processes thereby reducing uncertainty. This in turn will create a business-friendly environment that is highly responsive to changing industrial needs. The City continues to implement the action items in furtherance of this strategy including:

5. **Fostering understanding and predictability** regarding the type of development being sought and adhere to the stated vision/plan for development. The Dublin 2035 initiative, Community Plan update in 2022, Dublin Area Housing Study, and Historic District Area Plan update are examples of efforts that will serve to validate the community's commitment to these plans. Additionally, the Council Liaison role will assist staff with articulating Council's vision to the Boards and Commissions Members to ensure that development plans are adhered to and policies are followed routinely.
6. **Reducing uncertainty** in the decision-making process. Accela and ClearPoint are tools that are helping us to track and report on key-performance indicators and defined performance standards of different development processes.

Strategy 3

Nurture growth of targeted industry clusters through proactive attraction and business retention/expansion activities. This will help ensure that Dublin's economy is positioned for future economic growth by making sure that cutting-edge industries and the talent they require find Dublin to be an attractive, business-friendly environment upon which to anchor their success. The City is focused on the action items in furtherance of this strategy including:

7. **Enhancing existing economic development efforts.** The Economic Development team has returned to in-person gatherings and is engaging talent multiplier groups with

networking and workforce events. In addition, business retention visits are strong, representing 80 percent of the project pipeline of current movement within the City. New projects or attraction efforts round out 20% of their outreach. Plans to execute a new technology to better understand industry hiring practices, analytics, and job densities will help the team better identify best practices in a changing workforce model. The City has also engaged in conversations with Dublin startup Chatstrike, to potentially offer employee office hours to assist companies with deep hiring needs. And lastly, the team remains proactive and engaged with current top employers, executing a modified Business Appreciation campaign centered around the changing remote work model, highlighting, "Out of the Office Doesn't Mean End of Your Workday" with the team passing out laptop bags and travel blankets encouraging the Dublin workforce that is working remotely, to access free wifi in Riverside Crossing Park and Coffman Park.

8. **Focusing** the Economic Development team's efforts **on key industry clusters**. As discussed later in this memorandum, staff is focusing economic development efforts on the IT and Computer Services, Medical and Biosciences and Healthcare Services, and R&D industry clusters, among others.
9. **Capturing a** larger portion of the Greater Columbus Region's scaling/**high-growth companies**. For example, staff continues to promote the start-up community in Dublin by partnering with Rev1 Ventures and the Dublin Entrepreneurial Center (DEC) and also by leveraging Dublin's IT infrastructure capabilities in Dublin.

Strategy 4

Foster sustainable public/private partnerships to catalyze value-added collaborations.

The entire economic development strategy is predicated on the City's ability to foster value-added collaborations among industry, academia, and the government and non-profit sectors. The City is focused on the action items in furtherance of this strategy including:

10. **Connect** industrial leadership with City leadership on a regular basis. Examples include numerous connections throughout the year through focused business retention and expansion visits, the Dublin City Schools' Business Advisory Council, Chamber of Commerce Board, Mayor and Vice Mayor introductory meetings, State of the City event, Business Appreciation campaign, among others.
11. **Establish more effective industry networks** to better connect local companies to each other and to the broader community. The Economic Development team is actively engaged with various resource partner groups including the local Chamber of Commerce, Convention and Visitor's Bureau, and Dublin City Schools. This also includes workforce resource partners like Tolles Career and Technical Center, Small Business Development Center, and the Workforce Development Board of Central Ohio, to name a few. We have also collaborated with talent multiplier groups like TechLife and TechStrategy to engage CEO's and the IT workforce.

Trends and Implications of Post-Pandemic

In line with the country, the industry base of Greater Columbus was negatively affected by the pandemic, declining by 4.7% in employment size in 2020 alone. Dublin has been fortunate with a relatively high growth rate since 2017, which was similarly impacted by the pandemic, declining in employment by 6.5% in 2020 alone.

TEconomy's 2021 Update of Dublin's Cluster-Based Economic Development Analysis points out how the COVID-19 Pandemic has led to both short-term and long-term trends and indicators. Short term, or leading indicators, include short term employment, business dynamics, and workplace destination (commuting, remote work) changes since 2019 which give a sense for how the pandemic has shifted the existing trajectory that Dublin was on since 2017.

More long term, or lagging indicators, include changes to industry and workforce composition, productivity, demand for commercial real estate, and quality of place indicators that may still take years to fully manifest. First, Dublin's cohort of large headquarters companies and concentrations in information and business services industries mean that the City will feel a disproportionate impact of any long-term shifts to decentralized operations or remote work. Also, additional losses in non-traded service industries were the primary driver of overall declines in the City's employment base. Others include the City's service and hospitality industries were especially hit hard and drove these declines, with the Tourism, Entertainment, and Arts cluster losing a third of its employment. Conversely, Dublin's high quality of place due to high quality schools, significant investments in public infrastructure, quality public services, and a high-value housing stock makes it an attractive residential destination for workers in these sectors who plan to move to remote or hybrid work models.

The pandemic has particularly impacted Strategy 3 and the Economic Development team has pivoted focus on which key industry clusters to target in economic development efforts. Looking at focused business retention and expansion visits, real estate stock, and working with the Planning team to plan for more diversification into other business sectors that have not been as affected by remote work trends. These sectors include: light manufacturing (focused on technical applications such as electronics and advanced materials), Bioscience lab space (leveraging the buildout of new medical facilities complexes and building on the momentum created by the recent locations in Dublin of Serepta Labs, Andelyn Bioscience, Ossur, Nanofiber Solutions, Monitored Therapeutics, and Nurx), and R&D services (which is prime for continued growth with the US 33 Smart Mobility Corridor/Beta District).

The team is also promoting and continuing to expand highly digital/connected "third places" (co-working spaces – CoHatch, Brick House Blue and other coworking spaces, innovation hubs, and other community infrastructure) which are attractive to companies in decentralized operations models and are in demand by workers as local hybrid work options. Despite the effects of the pandemic, Dublin continues to remain a regional leader in traded industry jobs and overall base of employment relative to other benchmark communities in Greater Columbus. Quality of place indicators remain high and the region is still anchored by several highly specialized industries with major employment footprints.

Trends and Implications of the Ohio Intel Project

The announcement of Intel's investment in the region with a \$20 billion chip fabrication facility (and eventual expansion to potentially up to a \$100 billion buildout over the next decade) in the City of New Albany creates new economic development opportunities that Dublin must be prepared to meet.

The Economic Development team is currently participating in early conversations with a number of firms with knowledge of semiconductor manufacturing supply chains and regional economics in an effort to identify a consultant to aid the City in developing its next iteration of economic development strategy. The Economic Development team is also considering what statistical tools are appropriate to study the economic trends of other regions with similar semiconductor

fabrication plants, including location quotient analyses. Location quotient analyses use regional economic data to evaluate a region's industrial composition compared to that of other regions and the nation at large in an effort to identify specializations, areas of opportunity, and workforce trends.

The Economic Development team plans to engage in scenario planning to attract eco-system partners that serve Intel to better understand the semi-conductor industry. Questions like, does the City have the proper zoning in place to attract new industry? What segments of the semiconductor industry will move to the Columbus region? These need to be answered to understand and potentially benefit from the future economic growth in the Columbus region. Dublin has found remarkable success in attracting eco-system partners that serve Honda Manufacturing in Marysville, with a large cluster of automotive and Japanese owned companies within our City limits. To that end, there is a need to understand the uphill and downhill work streams of this emerging economic development strategy.

Workforce and Housing

Business retention and expansion visits have uncovered the primary concern for businesses is finding workforce. Several workforce trends may be emerging that could impact the trajectory of recovery from the pandemic.

TEconomy's 2021 Update of Dublin's Cluster-Based Economic Development Analysis points out Computing and IT workers, a key occupational employment segment for several of the City's largest industries, declined at a higher rate than the Greater Columbus region, the state, and the nation over the 2017-2020 period. Given the uncertainty about the future of work (remote/hybrid work models) and a highly competitive national labor market, it is critical that Dublin continues to work to aggressively attract and retain this talent in the coming years. Through business retention and expansion visits, our insight is that these companies are wanting and looking for communities where they know their employees will be able to live.

Major declines in Dublin's occupational employment mix during the pandemic were concentrated in low-skilled jobs in service industries, particularly sales and food services. Rebuilding these labor bases may prove challenging since much of this workforce relies on non-resident commuters whose preferences and opportunities have shifted as a result of the pandemic. Rising housing prices in Dublin continue to make it even more difficult for these workers to live near where they work.

Shifts in commuting patterns and workforce trends may persist for some time, requiring the City to address demand by attracting workforces in new ways. This includes continuing to aggressively attract a strong base of highly skilled residents, particularly in IT and other technology-driven sectors, which will in turn attract company branch operations and field offices looking to leverage talent density at its source if hybrid work models become the new normal.

Furthermore, exploring options to attract middle- and low-skilled worker populations closer to Dublin to meet demand by local service industries may be necessary to offset shifts in employment catalyzed by the pandemic and its aftermath. The City is engaging in a Housing Study for the Dublin area that expands upon the Regional Housing Strategy that was completed by MORPC in 2020. The first phase of the study is underway and incorporates stakeholder interviews including a holistic group of stakeholder interviews including the building industry, residential community, corporate community, regional partners and advocacy groups to solicit feedback on how housing issues impact them and how they view housing needs in the City of Dublin.

Next Steps

Since the Economic Development Strategy was adopted in 2019, the COVID-19 pandemic and announcement of Intel have created a call to action to strategize how to attract eco-system partners. The need to refresh our strategy and enable a proactive plan of action for what is to come as a result of these two factors is imperative. The COVID-19 pandemic in combination with changing workforce dynamics have exposed potential risks of disruptive change that include:

- An aging stock of commercial office space in conjunction with key anchor tenants reevaluating physical space needs in light of shifts in certain key industries towards hybrid and remote work models due to the ongoing pandemic.
- Changing workforce dynamics and residential preferences in conjunction with a limited supply of accessible housing stock that can continue to attract a highly skilled workforce.
- Rapid growth in the Greater Columbus Region's economy and population that puts pressure on established commuting patterns and employment destinations, particularly with respect to the buildout of peer benchmark communities and corresponding increases in industry attraction efforts that compete with Dublin's profile as a destination community.

As a result, there is an opportunity to reexamine the City's economic development strategy in light of these recent trends. A critical evaluation of the strategy's goals and ongoing implementation is especially timely given new opportunities that continue to develop both in the City as well as throughout the region including the major medical care facility expansions from Ohio State, Mount Carmel, and OhioHealth and Dublin's ongoing proximity to the Transportation Research Center (TRC) and its related connected and autonomous vehicle efforts along the Route 33 Corridor and the Ohio Intel Project.

The Economic Development team is reviewing proposals from four notable outside firms to provide a perspective and comprehensive set of qualitative and quantitative analyses that will offer the basis for refining the strategies outlined in our Economic Development Strategy and Action Plan and ensure the City is positioned for growth in coming years. The examination and refresh to the strategic plan will seek to address the gaps and barriers that will need to be overcome in order to enhance the region's economic drivers and position the City of Dublin to capitalize on additional economic opportunities. The update will also serve to inform the Dublin Area Housing Study and Community Plan Update. The proposals for this project indicate estimated costs ranging from \$80,000 - \$150,000 with a timeline of three – six months. Staff intend to contract for these services to further our efforts and proactively strategize for the future economic climate resulting from the impacts of the pandemic and Intel development.

Recommendation

This information is provided for informational purposes.



To: Colleen Gilger, Economic Development Director, City of Dublin

From: Deborah Cummings, Principal and Senior Director, TEConomy Partners, LLC

cc: Ryan Helwig, Joe Simkins

Date: February 28, 2022

Re: 2021 Update of Dublin's Cluster-Based Economic Development Data Analysis

Recognizing that the pace of increased competition from other communities within Central Ohio as well as around the world means that the City of Dublin cannot be complacent, the leadership of the City of Dublin continues to seek to understand how the City's economy is evolving on an annual basis. TEConomy Partners, LLC (TEConomy) is pleased to submit the attached PPT chart pack that updates the comprehensive set of quantitative data sets that informed the City of Dublin's economic development strategy that was developed in 2019. Key findings of the analysis include:

- Similar to the country as a whole, the Greater Columbus industry base was negatively affected by the pandemic, declining by 4.7% in employment size in 2020 alone.
- The relatively high employment growth rate that Dublin has enjoyed since 2017 was similarly impacted by the pandemic, declining in employment by 6.5% in 2020 alone.
 - The city's service and hospitality industries were especially hard hit and drove these declines, with the Tourism, Entertainment, and Arts cluster (which includes hotels and restaurants) losing nearly a third of its employment.
 - Additional losses in non-traded service industries were the primary driver of overall declines in the city's employment base.
- Despite the effects of the pandemic, Dublin continues to remain a regional leader in traded industry jobs and overall base of employment relative to other benchmark communities in Greater Columbus.
 - Quality of place indicators remain high in Dublin and the city continues to be anchored by several highly specialized industries with major employment footprints.
- However, several workforce trends may be emerging that could impact the trajectory of recovery from the pandemic:
 - IT and Computing workers, a key occupational employment segment for several of the city's largest industries, declined at a higher rate than the Greater Columbus region, the state, and the nation over the 2017-2020 period. Given the uncertainty about the future of work (remote/hybrid work models) and a highly competitive national labor market, it is critical that Dublin continues to work to aggressively attract and retain this talent in the coming years.
 - Major declines in Dublin's occupational employment mix during the pandemic were concentrated in low-skilled jobs in service industries, particularly sales and food services. Rebuilding these labor bases may prove challenging since much of this workforce relies on non-resident commuters whose preferences and opportunities have shifted as a result of

the pandemic. Rising housing prices in Dublin continue to make it even more difficult for these workers to live near where they work.

Trends and implications of potential post-pandemic shifts for Dublin’s growth strategy include:

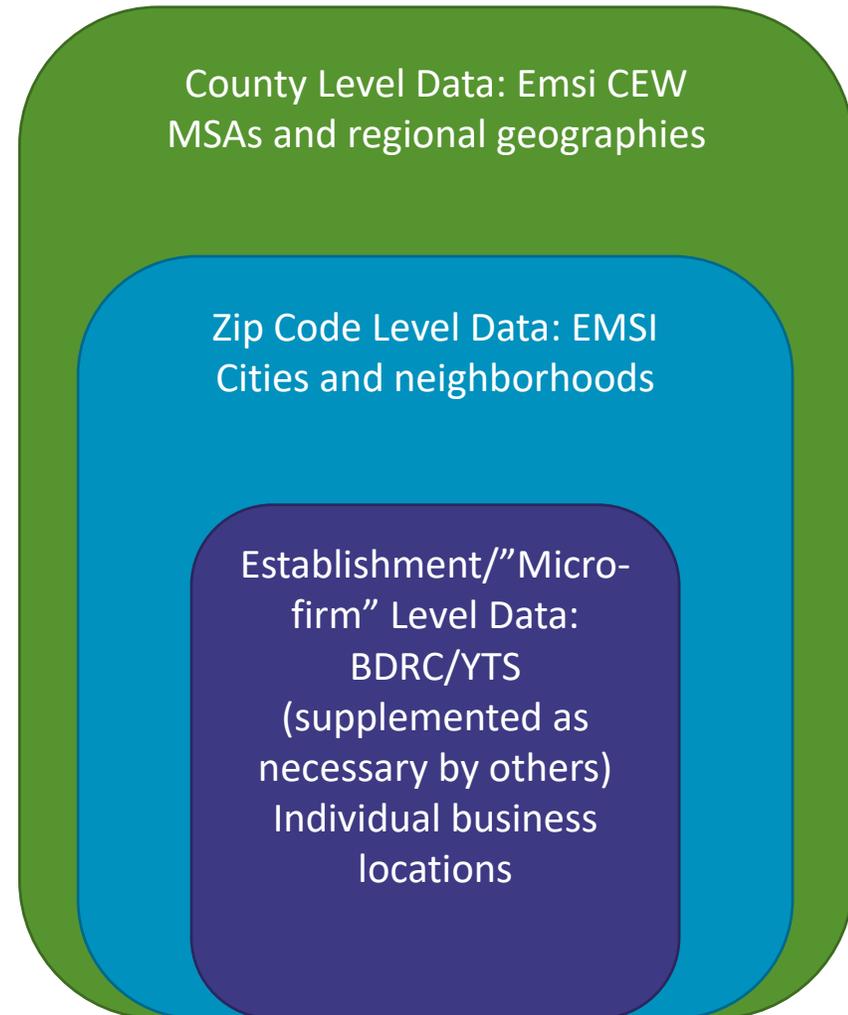
- Dublin’s cohort of large headquarters companies and concentrations in information and business services industries mean that the city will feel a disproportionate impact of any long-term shifts to decentralized operations or remote work.
 - The city can work to mitigate these effects by expanding flexible, modern office real estate stock or diversifying into other commercial real estate areas such as:
 - Light manufacturing (focused on technical applications such as electronics and advanced materials)
 - Bioscience lab space (leveraging the buildout of new medical facilities complexes and building on the momentum created by the recent locations in Dublin of Serepta Labs, Andelyn Bioscience, Ossur, Nanofiber Solutions, Monitored Therapeutics, and Nurx)
 - R&D services (which is prime for continued growth with the US33 Smart Corridor/Beta District)
 - Each of these are sectors that have not been as affected by remote work trends.
 - The city can continue to expand highly digital/connected “third places” (co-working spaces, innovation hubs, and other community infrastructure) which are attractive to companies in decentralized operations models and are in demand by workers as local hybrid work options.
- Shifts in commuting patterns and workforce trends may persist for some time, requiring the city to address demand by attracting workforces in new ways.
 - Continuing to aggressively attract a strong base of highly-skilled residents, particularly in IT and other technology-driven sectors, will in turn attract company branch operations and field offices looking to leverage talent density at its source if hybrid work models become the new normal.
 - Exploring options to attract middle- and low-skilled worker populations closer to Dublin to meet demand by local service industries may be necessary to offset shifts in employment catalyzed by the pandemic and its aftermath.

2020 Data Analysis Supplement to the 2019 Economic Development Strategic Plan: Summary Findings

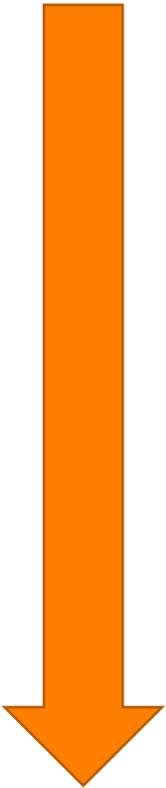
February 28, 2022

Recap of Methodology and Data Sources for Evaluating Dublin's Economic Landscape

- TEconomy utilizes a variety of economic indicator and business establishment databases to build a comprehensive picture of a region's relative performance and strengths
- These databases each have specific strengths, limitations, and reporting contexts – the various narratives of Dublin's economic activity shown across databases informs a broader “consensus” view on insights that can inform strategic planning
 - Relying on a collection of data sources rather than any single source allows for a more robust analysis and helps fill in limitations/gaps in individual datasets
- Economic databases are often defined by the level of detailed geography they produce estimates for – can aggregate up to higher level geographies, but not straightforward to divide down to more detailed geographies



Increasing
level of detail
about local
geographies



Overview of Data Update

- By the 4th Quarter of 2021, national data sets had been updated with 2020 data enabling TEconomy to update the quantitative data that serves as the foundation for the City of Dublin's Economic Development Strategic Plan.
- Supplemental Analysis included:
 - **Updating the Greater Columbus Industry Clusters**
 - **Updating Dublin's Economic Performance and Workforce Data**
 - Industry Clusters and Business Dynamics
 - Regional Benchmarking of Industry Clusters
 - Workforce and Talent Indicators
 - **Updating Dublin's Innovation Activity**
 - **Updating Dublin's Socioeconomic and Quality of Place Indicators**

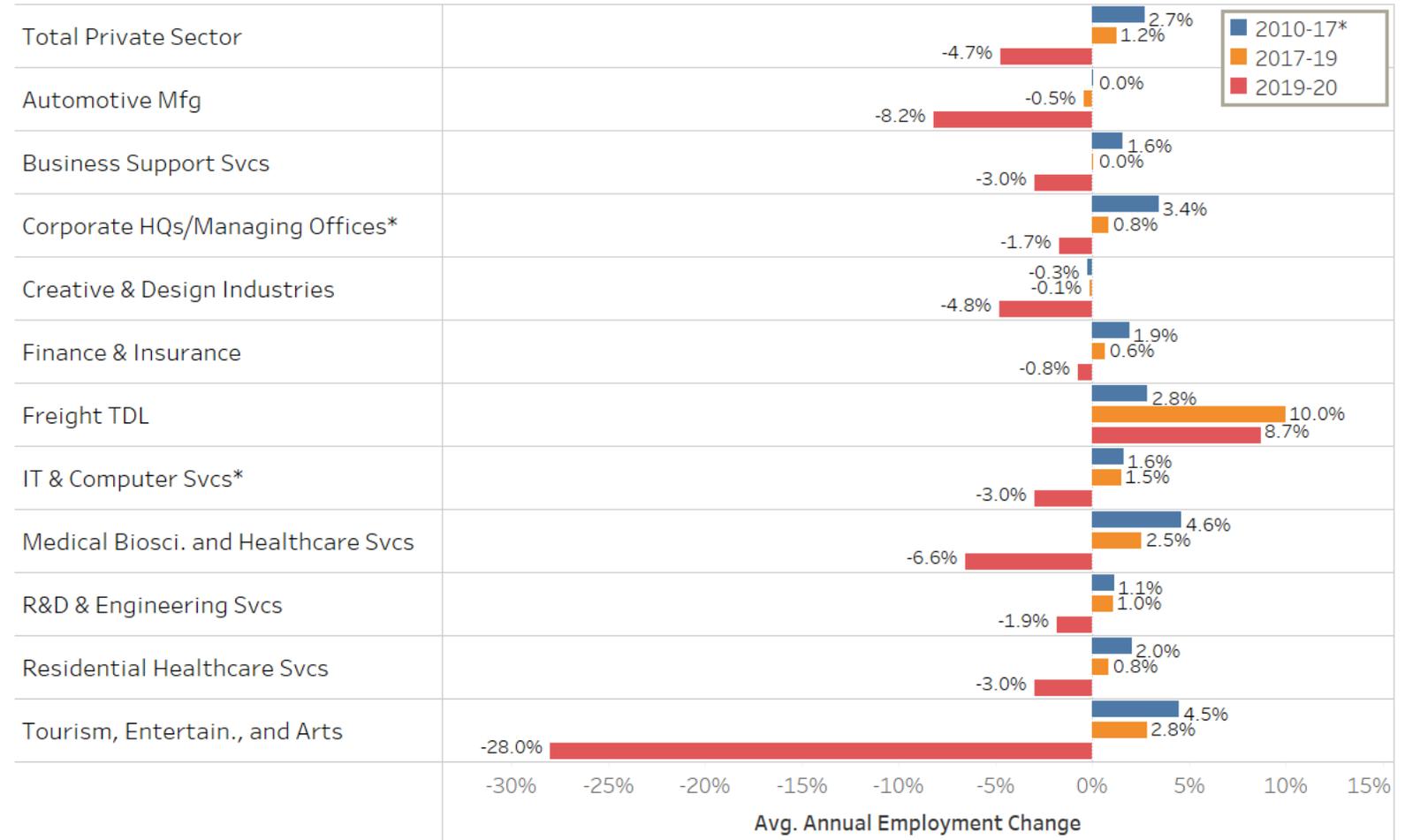
Highlighting Impacts and Implications of the Covid-19 Pandemic on Dublin's Economy

- The ongoing pandemic has generated a number of socioeconomic impacts that continue to affect companies and workers in the Dublin area
- **Leading indicators include short term employment, business dynamics, and workplace destination (commuting, remote work) changes since 2019** which give a sense for how the pandemic has shifted the existing trajectory that Dublin was on since 2017
 - This update details many of these leading indicators as well as insights into how they have impacted Dublin's economic growth trajectory
- **Lagging indicators will include changes to industry and workforce composition, productivity, demand for commercial real estate, and quality of place indicators that may still take years to fully manifest**
 - Short term impacts for some of these indicators are outlined in this update, but ongoing volatility makes it difficult to predict the future steady state for Dublin in advance of recovery from ongoing pandemic conditions
 - It will still be some time yet before volatility in economic conditions subsides and lagging indicators give a clearer picture of the new "normal"

Nearly All of Columbus' Major Industry Clusters Were Growing Through 2019, but The Impact of the Pandemic Largely Erased the Gains of Recent Years

Columbus MSA Employment Change by Industry Cluster

- Similar to the country as a whole, the industry base of Greater Columbus was negatively affected by the pandemic, declining by 4.7% in employment size in 2020 alone, which led to a cumulative decline of 2.4% in employment over the 2017-2020 time period



*Note: Employment trends for 2 clusters—Corporate HQs and IT & Computer Services—are from 2012-17 due to the reclassification of a large regional employer from 2011-12.

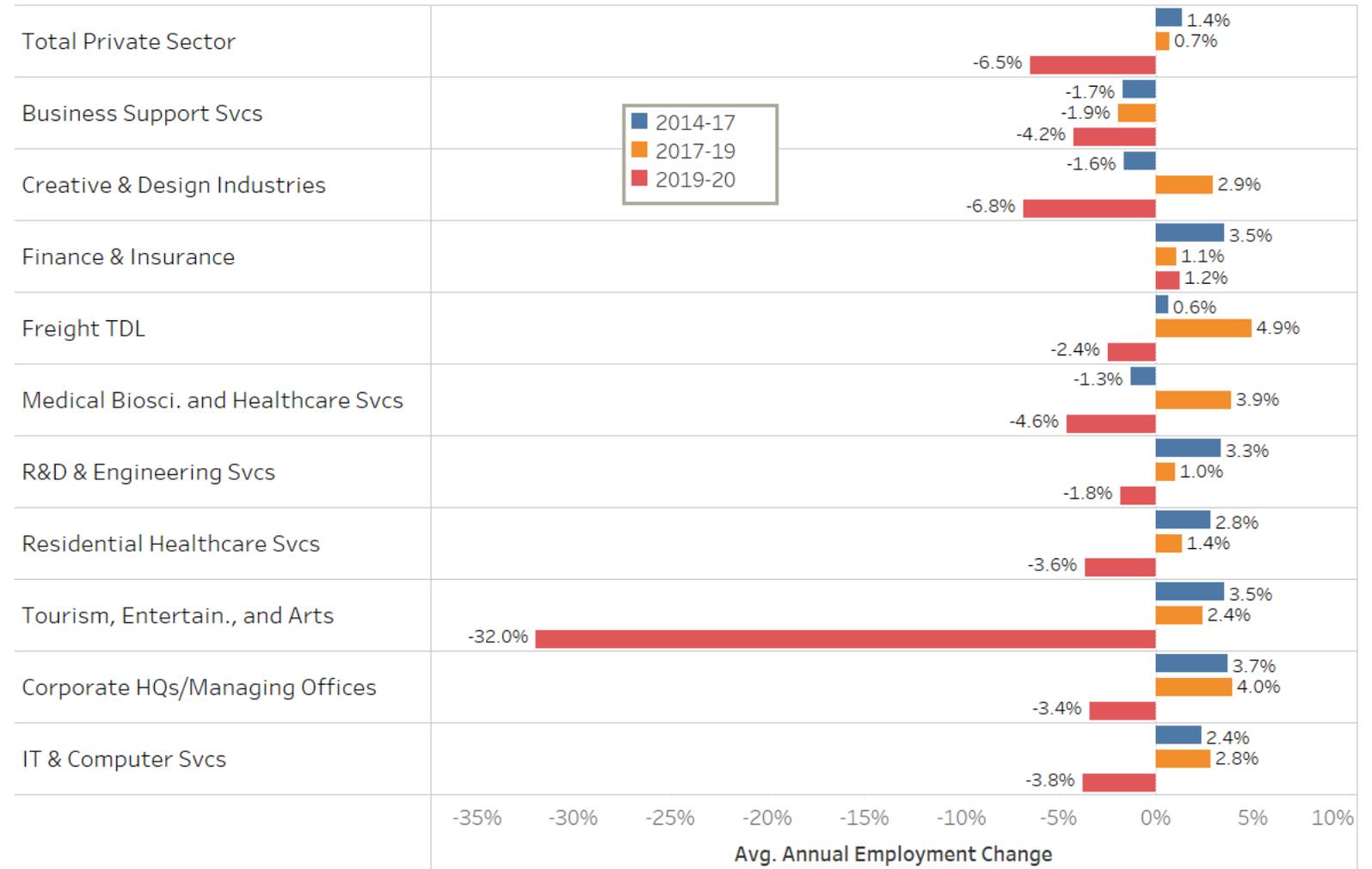
**Smaller manufacturing clusters that were not added to the set of regional clusters in this update experienced similar declines over the period

Source: TEconomy's analysis of U.S. Bureau of Labor Statistics, QCEW data via Emsi data release 2021.3.

Similar to the Greater Columbus Region, the Impact of the Pandemic in 2020 Has Offset Dublin's Growth Since 2017 in Many Clusters

Dublin Employment Change by Industry Cluster

- The relatively high growth rate that Dublin has enjoyed since 2017 was similarly impacted by the pandemic, declining in employment by 6.5% in 2020 alone
 - The city's service and hospitality industries were especially hard hit and drove these declines, with the Tourism, Entertainment, and Arts cluster losing nearly a third of its employment
 - Additional losses in non-traded service industries were the primary driver of overall declines in the city's employment base.
- Unlike the Greater Columbus region, Dublin's Finance and Insurance cluster continued to experience growth throughout the pandemic

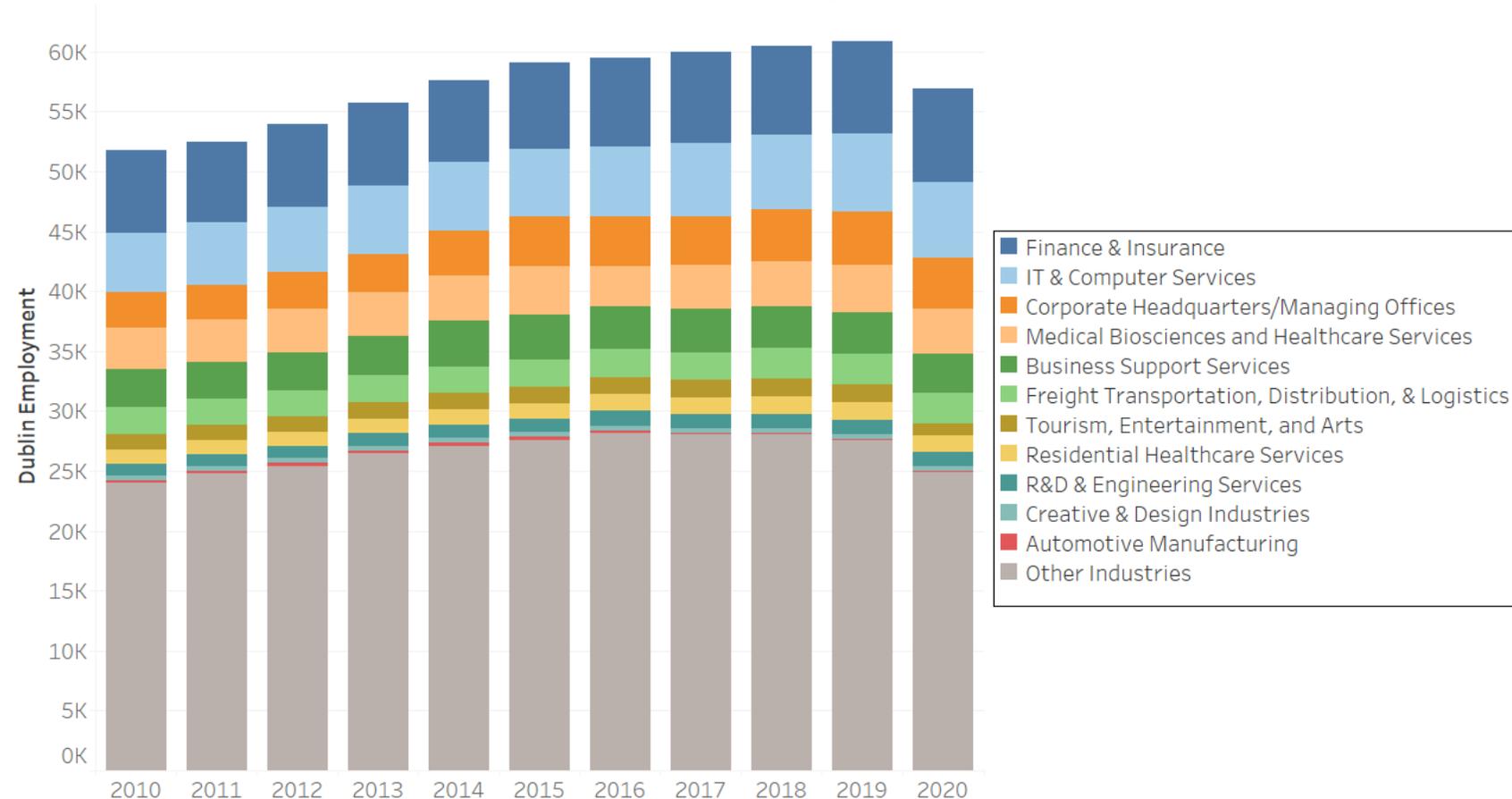


Note: Automotive Mfg is excluded from this graphic due to its small size (5 employees in 2017 up to 20 employees in 2020).
 Source: TEconomy's analysis of U.S. Bureau of Labor Statistics, QCEW data via Emsi data release 2021.3.

Dublin's Regional Industry Clusters Were More Resilient to Declines Experienced During the Pandemic in 2020

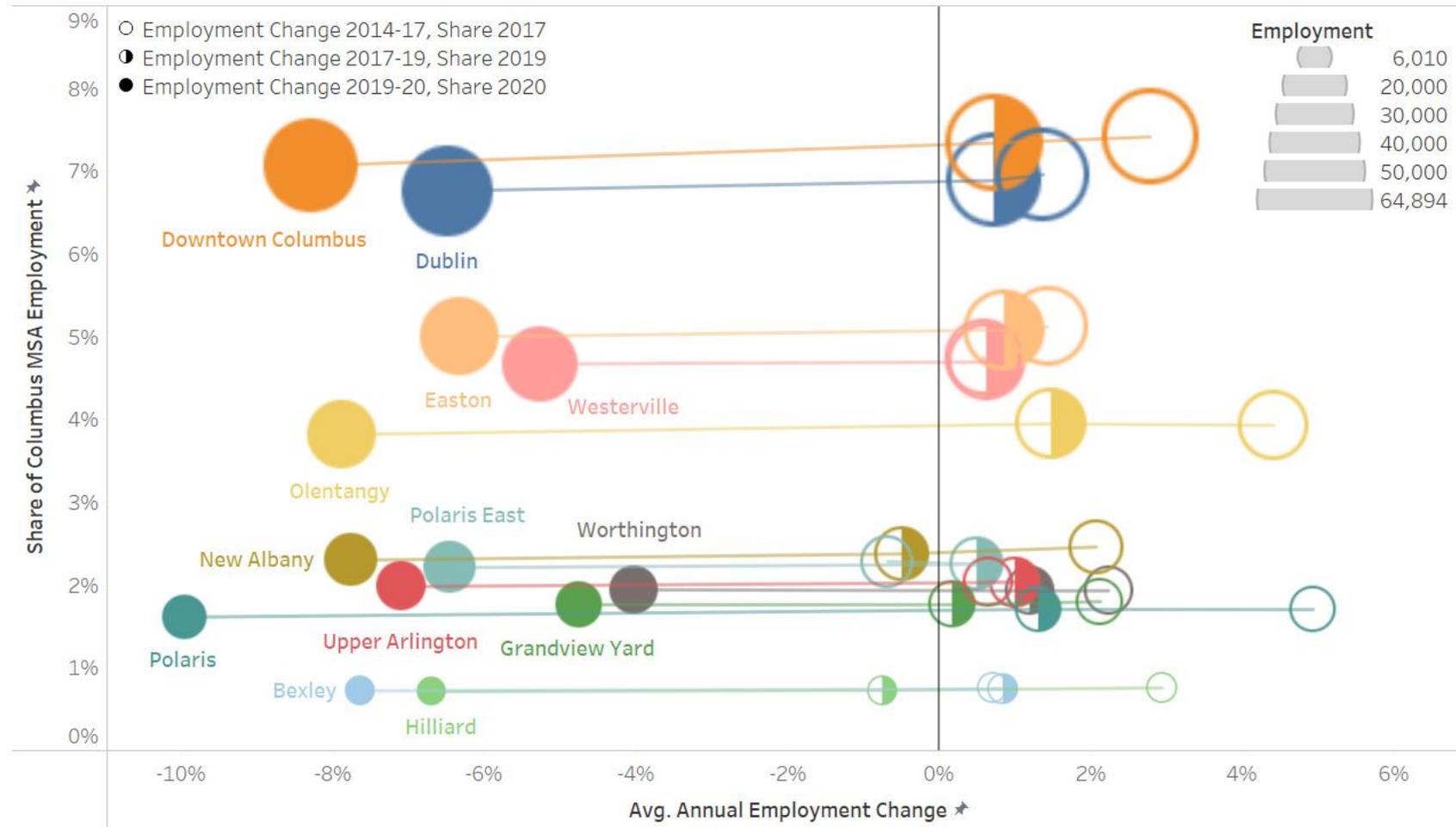
- With stronger employment growth rates between 2019 and 2020, these clusters increased their share of total Dublin employment to 56% in 2020, up from 53% a year earlier
- Key sectors with major declines were concentrated non-traded, non-regional cluster industries such as restaurants, retail sales, and recreation facilities

City of Dublin Employment by Industry Cluster, 2010-2020



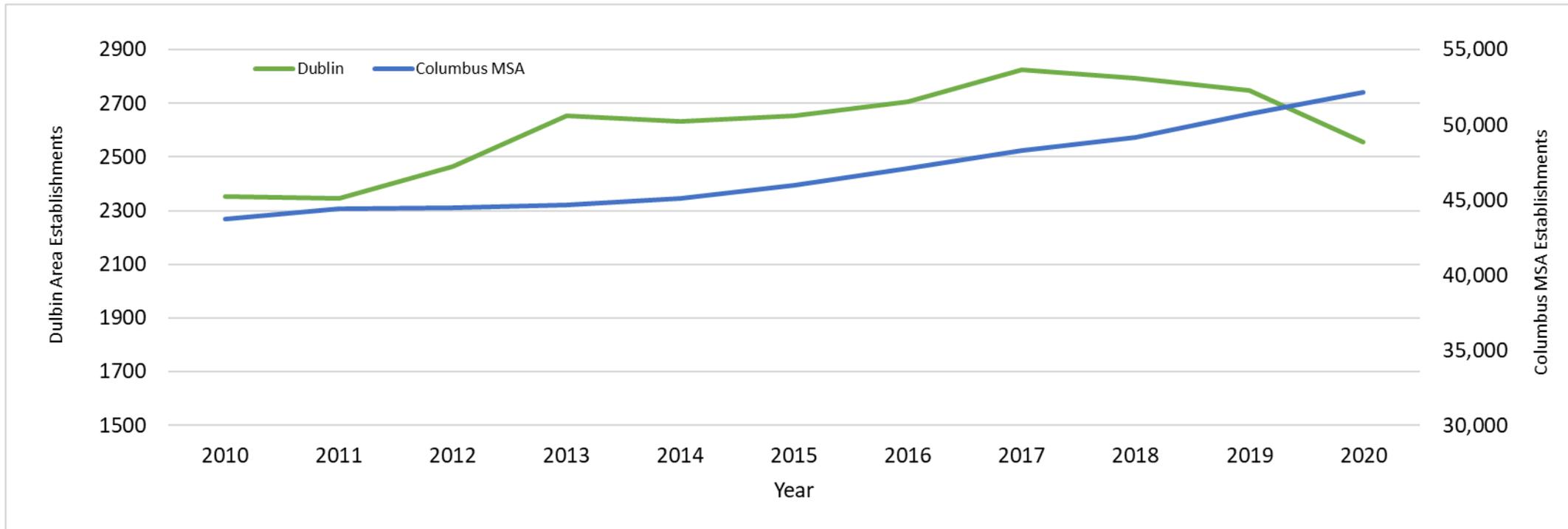
Source: TEconomy analysis of EMSI data 2021.3 for zip codes 43016, 43017

Dublin experienced a smaller decline in overall employment than most of the comparison regions between 2019 and 2020



Trends in Total Dublin Business Establishments Show A Downturn in Total Establishment Volume Since 2017

- Dublin establishment growth has plateaued since 2017 but showed a sharper downturn due to the pandemic in 2020. This trend stands in contrast to the overall Columbus MSA which maintained steady growth over the period.



Source: Business Dynamics Research Consortium database for OH zip codes 43016/43017; QCEW data via Emsi data release 2021.3.

Key Findings from Dublin's Workforce and Talent Indicators Update

- Dublin continues to employ a significantly higher proportion of highly skilled workers (generally requiring Bachelor's and higher degrees) relative to both the Greater Columbus region and national trends (36% of overall employment in 2020)
- High demand occupations in the region over the 2017-2020 period include:
 - Management occupations, business and financial support, healthcare services, and education workers in the high skills segment (with potential niche needs in nursing and cybersecurity)
 - Technicians, administrative support, healthcare, and computer support workers in the middle skills segment
 - Customer service representatives and administrative workers in the low skills segment
- However, several workforce trends within the city may be emerging that could impact the trajectory of recovery from the pandemic:
 - **IT and Computing workers**, a key occupational employment segment for several of the city's largest industries, declined at a higher rate than the Greater Columbus region, the state, and the nation over the 2017-2020 period. **Given the uncertainty about the future of work (remote/hybrid work models) and a highly competitive national labor market, it is critical that Dublin continues to work to aggressively attract and retain this talent in the coming years.**
 - **Major declines in Dublin's occupational employment mix during the pandemic were concentrated in low skills jobs in service industries, particularly sales and food services.** Rebuilding these labor bases may prove challenging since much of this workforce relies on non-resident commuters whose preferences and opportunities have shifted as a result of the pandemic. Rising housing prices in Dublin continues to make it even more difficult for these workers to live near where they work.

Pandemic Conditions are Expected to Accelerate Several Ongoing Trends, While Also Creating A Need to Rethink Industry Needs

- A recent 2020 study by the Brookings Institute notes that four key ongoing trends are impacting commercial real estate and employers, one of which has been dramatically accelerated by the pandemic:
 - Continued clustering of knowledge sector jobs around geographic innovation hubs and districts
 - Office space needs and preferences are radically changing
 - Large numbers of skilled workers are shifting to working remotely
 - The volume of traditional office space is exceeding demand, resulting in rising vacancy rates
- The study also notes that real estate developers and the public sector have largely been slow to react to these changes and rethink ways to mitigate surpluses of legacy office space

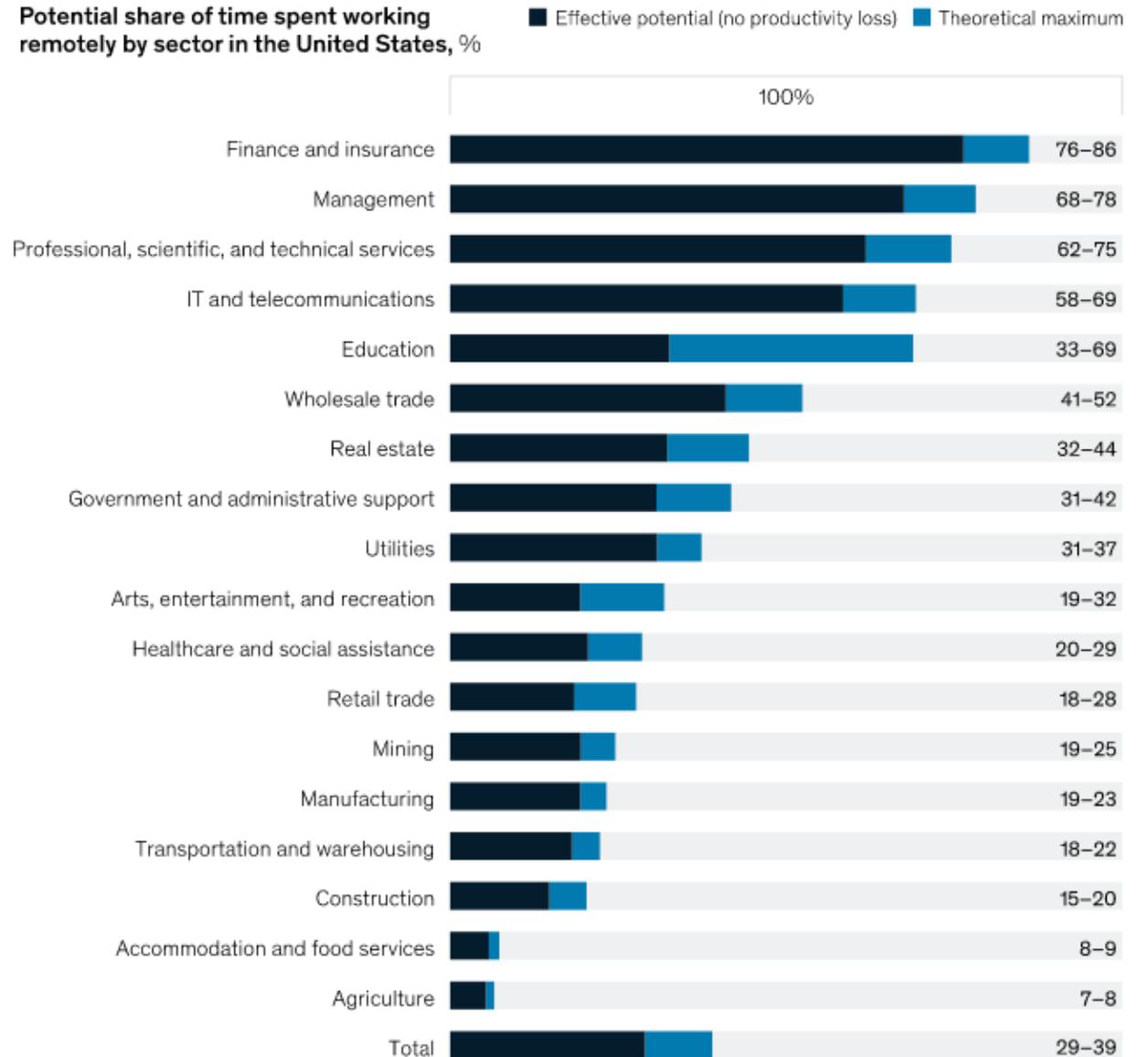
The Pandemic has significantly accelerated the pace of change related to how we work

- A 2020 Fortune 500 CEO survey notes that over **26% of respondents expect their employees to work from home indefinitely**
 - Many major office employers in the Columbus region have adopted remote work policies, with ongoing shifts to remote and hybrid work expected
- **Skilled workers have expressed a clear preference for flexible work options that do not follow traditional office employment models**
 - A McKinsey study notes that 52% of workers would prefer more flexible remote working models post-pandemic
 - The Great Resignation of 2021 – 47.4 million people voluntarily quit, highlighting acute labor market pressures at play and the need to remain competitive in attraction and retention strategies

Dublin's Concentrations in IT and Business Services Industries and Workforce Means the City Will Be Disproportionately Affected by Any Post-Pandemic Trends

- Industry sectors where Dublin has major employers and workforce strengths have a high potential for change in response to any longer-term shifts in workplace norms
 - Conversely, Dublin's high quality of place makes it an attractive residential destination for workers in these sectors who plan to move to remote or hybrid work models
- Major employers in remote work-aligned industries are considering decentralizing operations and forgoing large office projects to cut costs and improve efficiency

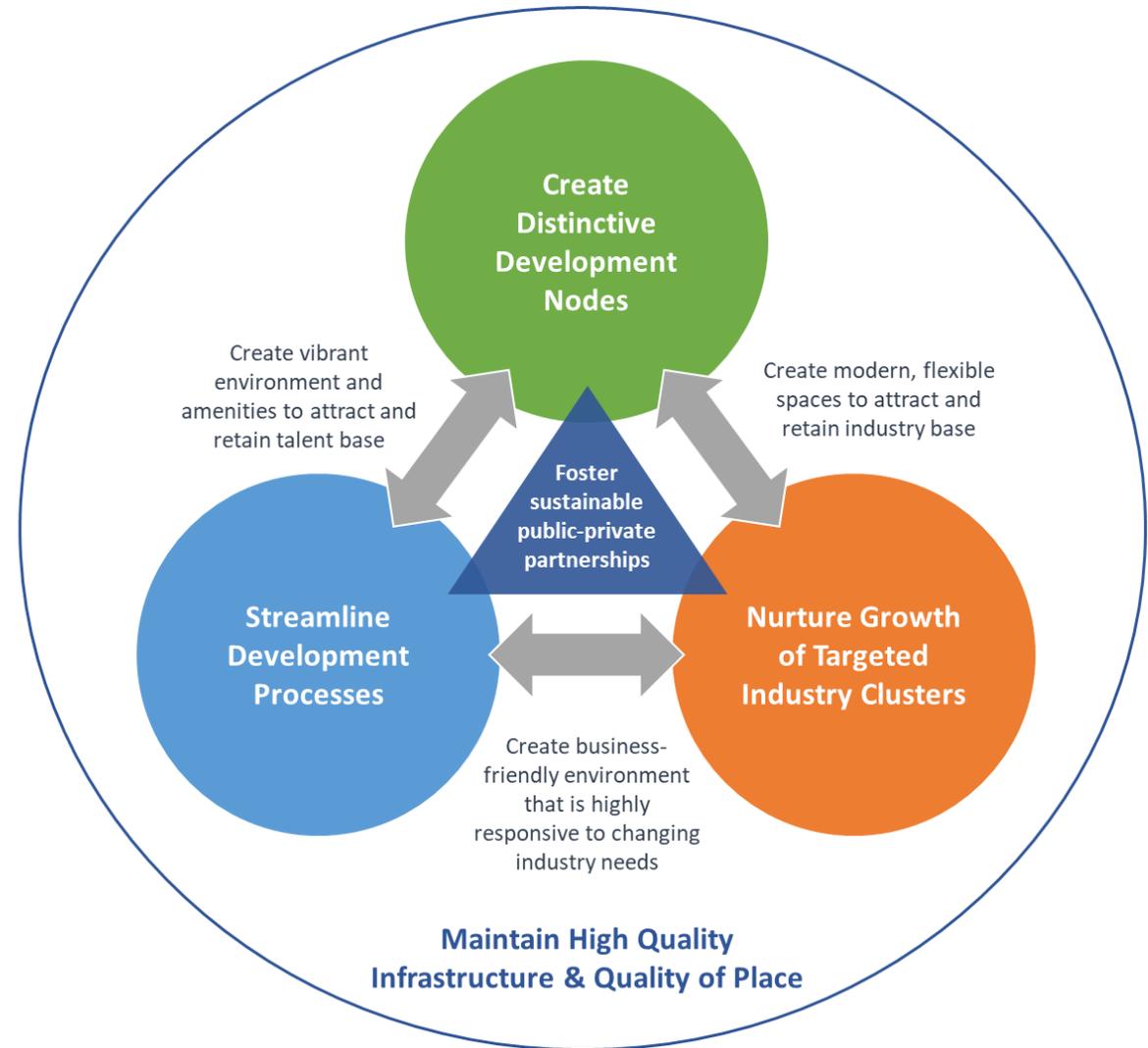
The finance, management, professional services, and information sectors have the highest potential for remote work.



Note: The theoretical maximum includes all activities not requiring physical presence on-site; the effective potential includes only those activities that can be done remotely without losing effectiveness. Model based on more than 2,000 activities across more than 800 occupations.
Source: McKinsey Global Institute analysis

Trends and Implications of Post-Pandemic Shifts for Dublin's Economic Development Strategy

While key facets of Dublin's 2019 Economic Development Strategy remain critical to Dublin's economic prosperity, additional policy efforts may need to be considered.



Potential Economic Development Policy Considerations

- Dublin's cohort of large headquarters companies and concentrations in information and business services industries mean that the city will feel a disproportionate impact of any long-term shifts to decentralized operations or remote work
 - The city can work to mitigate these effects by expanding flexible, modern office real estate stock or diversifying into other commercial real estate areas such as:
 - Light manufacturing
 - Bioscience lab space
 - R&D services
 - The city can continue to expand highly digital/connected "third places" (co-working spaces, innovation hubs, and other community infrastructure) which are attractive to companies in decentralized operations models and are in demand by workers as local hybrid work options
- Shifts in commuting patterns and workforce trends may persist for some time, requiring the city to address demand by attracting workforces in new ways
 - Continuing to aggressively attract a strong base of highly skilled residents, particularly in IT and other technology-driven sectors, will in turn attract company branch operations and field offices looking to leverage talent density at its source if hybrid work models become the new normal
 - Exploring options to attract middle and low-skilled worker populations closer to Dublin to meet demand by local service industries may be necessary to offset shifts in employment catalyzed by the pandemic and its aftermath



Innovating Tomorrow's Economic Landscape

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