



FROM: Suzi Pegg, Economic Development Director

DATE: July 22nd, 2019

SUBJECT: Economic Development Update – August 2019

Recommendation

Accept this report.

Trends in Economic Development

Creating Destinations for Talent

Re-Thinking Innovation Spaces: The New Design of work

Many regions across North America are facing a significant workforce shortage. National data, as well as on the ground experiences here in Concord, cite this as one of the top 3 challenges to entrepreneurial and corporate growth. *Area Development Magazine* in their recent 32nd Annual Corporate Survey said 53% of corporate respondents cited availability of skilled labor as having an effect on their new facility or expansion plans with availability of skilled labor in the #3 spot as being considered important” or “very important” to new site selection processes or growth.

(*Area Development Magazine: 32nd Annual Corporate Survey & the 14th Annual Consultants Survey Results Q1 2018*).

The corporate world is reaching out to the public sector to assist. Efforts have included greater collaborations with community colleges, stimulating discussions with public schools on the value of greater job-ready skills and incentives for job development.

Another tool that has been suggested specifically for the city is the creation of a business incubator. In 2017, the City Council commissioned a two phase study to explore a needs assessment of an incubator and development plan for the City of Concord. The Study concluded that there was a compelling argument for the creation of an initiative to not only support entrepreneurial activity but also stimulate it. This would be broadly based to capture the full level of entrepreneurial activity in the region. The term ‘incubator’ is a fairly dated term for these spaces. More regions have been heading towards the creation of an ‘Entrepreneurship Center’ or a ‘Co-working’ space which would serve as a catalyst for the creation of new companies within the city.

These types of co-working spaces offer entrepreneurs the choice of working alongside like-minded people, instead of in isolation, at minimal costs. They help to create a

community which facilitates collaboration and access whatever their separate professions, disciplines or interest. These spaces play a very important role in the local economy and are seen as an asset to attract and retain talent in a region. People in the workforce are looking for a more meaningful way to work, with more job control and a sense of community. That is why spaces such as 'We Work' (who have 3 locations in Boston as well as around the U.S.) offer not only attractive office space but a place where people can be part of a community of like-minded people.

In 2017, there were 4,043 co-working spaces in the U.S., and this is forecasted to increase to 6,219 by 2022. In 2017, there were around 1.18 million people working in co-working spaces worldwide. Jones Lang La Salle, in a recent 2019 report, noted that 5% of all office space in the U.S. is co-working space and they are predicting that this is expected to rise by 30% over the next 11 years. Data estimating the number of jobs created or new office space generated by growth by these spaces is still relatively scant. However, my own experience alone in Pittsburgh, PA with co-working spaces such as at the Beauty Shoppe or the Pittsburgh Life Sciences Greenhouse, saw around 20% of companies over a period of time, spin out and take office space in the city to become part of the tax base. Just as a side note, other famous companies you would have heard of, also spun out of these types of spaces include Uber, Spotify, Indiegogo and Instagram.

Concord would benefit greatly from such a co-working space. It doesn't have to fit any particular mold but the results of the study commissioned by the City Council outlined that the center would need a CEO to run it, space to host it and money to fund it. A team made up of the EDD and the head of the Chamber were asked to explore this further.

At this point, we are pleased to say, there is a private entity that is close to launching this co-working space in Concord to fulfil this initial need. The City Council's incubator report was an integral part of making this happen.

On the local front in economic development...

The Teatotaler Café and Espresso Bar of Somersworth is opening its second location on Warren Street here in Concord this fall. The business had been looking at multiple communities for this new venture. The Economic Development Director (EDD) has worked with this company since 2018 to assist in finding property and potential development partners.

Scenic Rail Trails – opened July 13th on Sewalls Falls Road

This unique facility is already attracting people from across the Northeast. EDD helped connect them with the Chamber to assist with the ribbon cutting and promotion of their kick-off event.

The Zoo fitness club will be opening their newest location in Steeplegate Mall shortly.

The Economic Development Office has hosted an intern since July. Emily Beckett, a local Concord resident and Syracuse University student, has been assisting in lead generation, research and marketing. She will be with the team until August.

Number of Business Visits/Leads generated this month: 6

Total for FY 2020: 6

Social Media and Marketing

Talk Concord Podcast.

July marked the one year anniversary of the City Podcast hosted by the EDD and the PIO and recorded at the facilities of Concord TV. The following is growing and the Podcast hosted by the EDD with guests from Strive Cycle Studio and Revelstoke was one of the most listened to. To date, we have had 687 total listens across all of the episodes

Primary Resource Guide and City Resource Guide.

Taking advantage of New Hampshire's First in the Nation primary, the Economic Development Office, in conjunction with the Public Information Officer (PIO), has developed a primary resource guide that will be circulated to the various Presidential campaigns. The guide is packed with facts on the city as well as information on potential locations to hold public meetings.

The EDD and PIO also have launched a City Resource Guide that will be available to any local company wishing to use this as part of their talent attraction strategy and for business attraction outreach. These guides can be accessed via the city website:

<http://www.concordnh.gov/resourceguides>.