Final Report

City of Dublin Economic Development Strategy

The Economics of Land Use

Prepared for:

City of Dublin

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Table of Contents

List of Figures

List of Figures (Technical Appendix)

List of Figures (Technical Appendix) [continued]

1. INTRODUCTION

Unlike most cities in the Tri-Valley, Dublin has room to grow, with a variety of opportunities for economic development and urban enhancement throughout the City. This nearly 47,000-person municipality with over 19,000 jobs still has significant undeveloped land capacity and large infill sites. For residents and businesses, Dublin is a strategic, central location in the still-burgeoning Tri-Valley region of the San Francisco East Bay. With about 35 percent of Alameda County population growth occurring in the Tri-Valley over the last 10 years, the region is evolving rapidly. While reputable forecasts indicate wide-ranging economic futures for the Bay Area, there is agreement that the regional economy has stabilized and is poised for growth. A review of well-accepted regional economic projections reveals that the East Bay (Alameda and Contra Costa Counties) will add 175,000 or more jobs over the next 20 years. This Economic Development Strategy offers realistic, implementable recommendations for the City of Dublin to improve its relative position in the region, to attract new jobs, and grow its economic base.

In addition to presenting proposed strategic activities for the City, this report presents analytical findings and rationale for the recommendations. Dublin's Economic Development Strategy commenced in spring 2012. The process included:

- *Stakeholder interviews*
- *Economic research and analysis*
- *Real estate research and analysis*
- *Public workshops*
- *Strategy development*
- *City Council and Committee workshops*
- *Strategy documentation*

It is anticipated that the Economic Development Strategy will provide City staff with a framework for future economic development activities over the next several years. Currently, the City maintains an Office of Economic Development within the City Manager's Office to implement economic development programs in Dublin. Through a diverse suite of targeted initiatives, the City's overarching activities for economic development include:

- *Business attraction and recruitment*
- *Business retention and expansion assistance*
- *Business development support*

These activities support the City's overall goals for economic development - **To enhance the competitiveness of the City and to maintain a strong and diverse economic base.** The Economic Development Strategy strives to achieve these goals in three primary areas:

- *Continuation of existing economic development programs*
- *Enhancement and expansion of current economic development programs*
- *Evaluation and implementation of new economic development programs*

Through the Economic Development Strategy process, the City has identified that residents and businesses hope to sustain the "quality of life" and improve the "quality of place" in Dublin. For this reason, a key feature of the Economic Development Strategy is its emphasis on land use- and real estate-based strategies for urban enhancement.

2. BACKGROUND

Socioeconomics

With buildable land, desirable communities, and strong transportation connections to the rest of the Bay Area, the Tri-Valley has grown rapidly in recent years. Population in the Tri-Valley increased by over 20 percent between 2001 and 2011, accounting for more than one-third of growth in the East Bay. Dublin grew by 44 percent during this period, adding about 14,000 residents. Approximately 30 percent of Dublin's current population is attributable to growth over the past 10 years. Within the Tri-Valley, San Ramon was the only city that added more residents during this timeframe and it is now largely built out.

With growth, Dublin has become more cosmopolitan. The City's residents are increasingly diverse, well-educated, and affluent. Asian and multi-race persons have become a significantly greater share of the population, with Asian residents now accounting for over a quarter of the City's population.[1] The educational attainment of residents has increased notably; over half of Dublin's residents now hold a college degree (up 10 percentage points since 2000).[2] Accordingly, the median household income in Dublin has reached $109,000 per year, in line with the Tri-Valley overall.

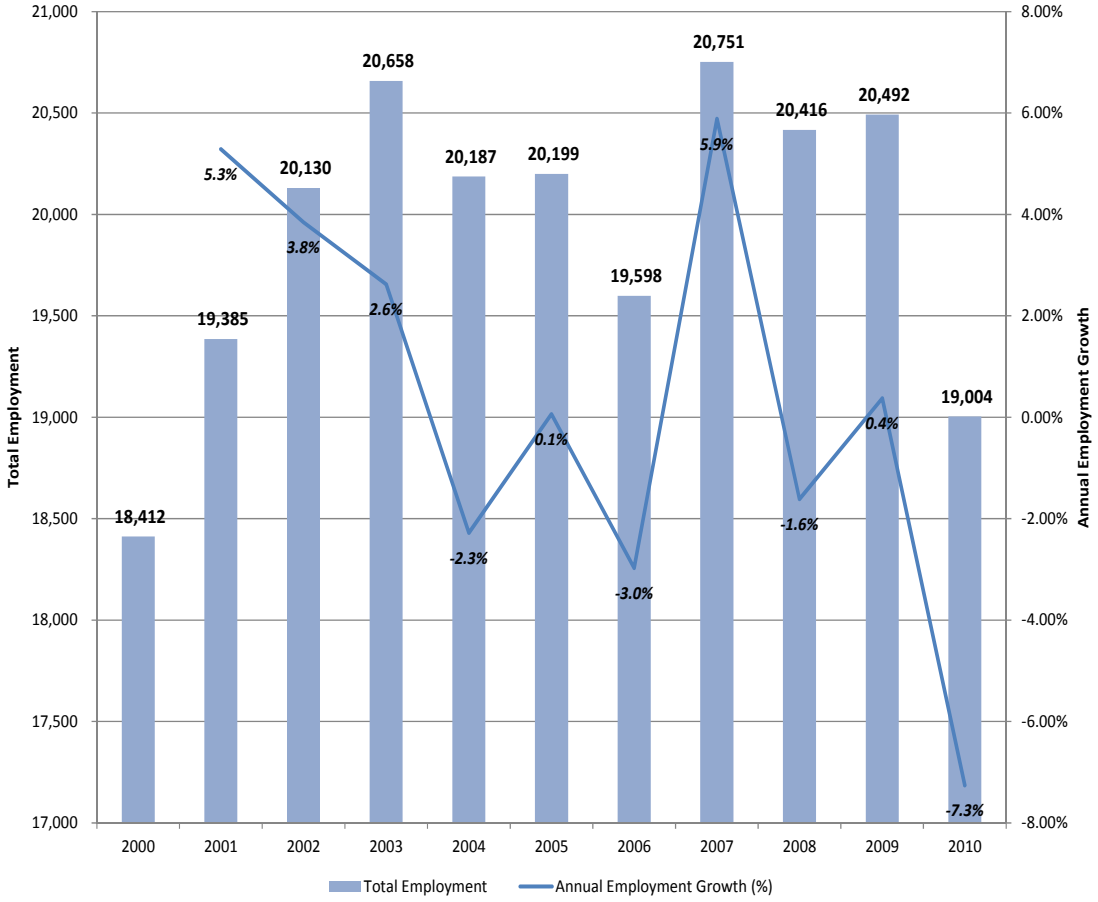
Economy

While employment levels in Dublin fluctuated dramatically during the 2000s, recent data indicate that total employment in the City is up. Dublin had over 19,000 jobs in 2010, despite two recessions (the technology bust in 2001 and the great recession of 2008-09). The jobs-housing balance in Dublin remains healthy at 1.4 jobs per household. However, most Dublin residents commute out of the City for work, with significant numbers going to other Tri-Valley cities, San Jose, Oakland, and San Francisco.

[1] Asian is defined by the US Census Bureau as a person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent.

[2] College degree attainment includes AA/AS degree or greater.

Figure 1: City of Dublin Employment Trend



Sources: National Establishment Time Series (NETS); Reference USA; CSER; and EPS

Economic Outlook

Regionally, the economic outlook is positive. Employment growth forecasts indicate potential for robust growth over coming decades, primarily in knowledge-intensive sectors that include professional services, health care, and education. While projections indicate that the manufacturing industry will continue to shed jobs, there are growth opportunities in specialized high-technology manufacturing sectors (e.g., medical technologies, electronic instruments, aerospace). A recent study conducted by the East Bay Economic Development Alliance (EBEDA) makes the case that:

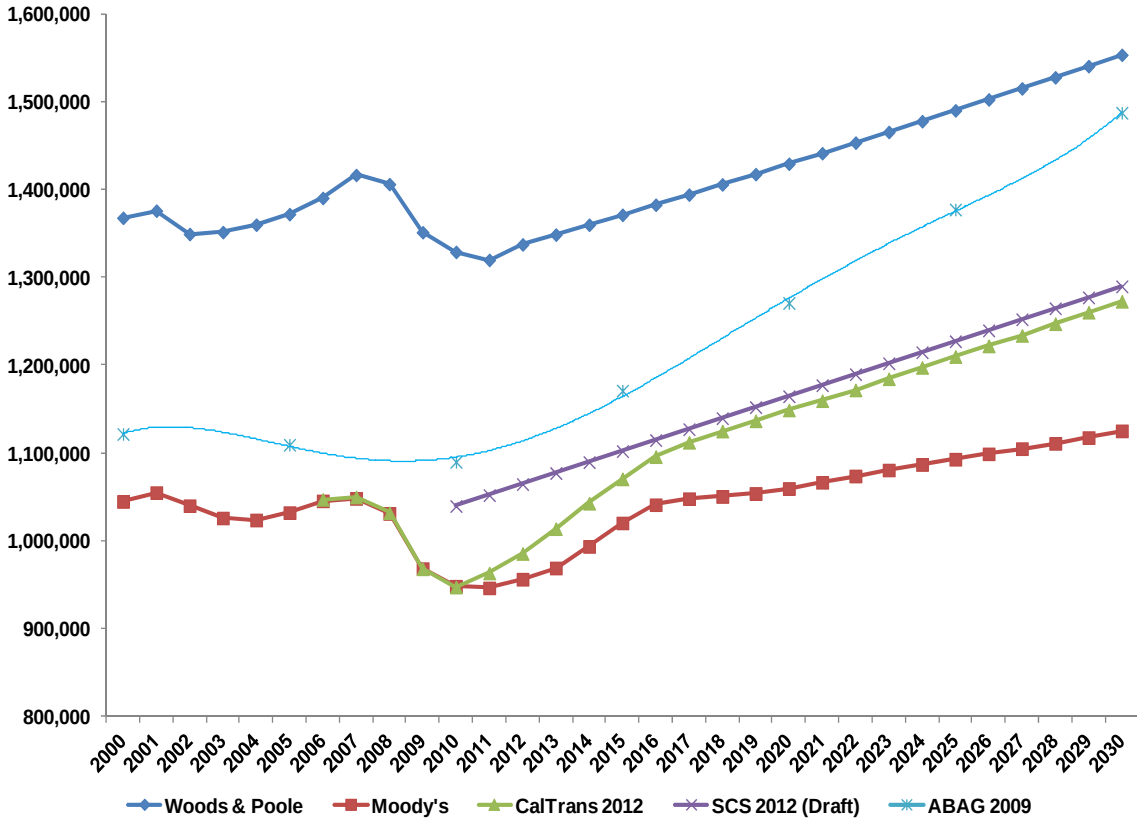
- *Professional, scientific, and technical services (PSTS) industries are strong and growing;*
- *Manufacturing – especially advanced manufacturing – still matters; and*
- *Advanced manufacturing success is linked to strength in innovative PSTS industries.*[3]

[3] Building on our Assets, Economic Development & Job Creation in the East Bay, East Bay EDA (2011)

The Tri-Valley has been and will continue to be a hotspot for "knowledge workers" in the East Bay. The EBEDA report highlights the fact that "companies like Oracle, WorkDay, Taleo, and Sybase (now SAP) are located in the Tri-Valley region which is now home to a significant software cluster." The report also documents that the Tri-Valley offers a "large base of skilled workers" and has "more affordable housing than San Francisco or the Peninsula."[4]

While regional economic forecasts vary in their quantitative estimates of job growth, they confirm the potential for economic expansion in the East Bay. This analysis evaluates five recently published and well-regarded forecasts, including Woods & Poole Economics (WPE), Moody's Analytics, CalTrans, Association of Bay Area Governments (ABAG) projections from 2009, and the more-recent ABAG Sustainable Communities Strategy forecast from 2011. From 2010 through 2030, the forecasts indicate that the East Bay will add between 177,000 and 398,000 jobs (17 percent to 37 percent growth). **Figure 2** presents the five employment growth forecasts for the East Bay.[5]

Figure 2: East Bay Employment Trends and Projections



Sources: Woods & Poole Economics; Moody's Analytics; California Department of Transportation; ABAG; EPS

[4] Ibid.

[5] Note that because of inclusion/exclusion of various employment types and differences between underlying data sources, base employment estimates vary considerably across the forecasts.

Venture Capital Trends

The recent trends in venture capital (VC) funding for East Bay firms support the notion of healthy employment growth in the future. Research finds that VC funding is correlated with measurably faster growth.[6] Total reported VC funding for East Bay companies increased to $1.46 billion in 2011, up 35 percent from 2010. Tri-Valley firms received nearly 40 percent of these funds, over $550 million, with more than $26 million going to Dublin-based Tria Beauty.

The top five VC recipients in the Tri-Valley represent the breadth of emerging high-value economic activities occurring here, including energy development, high-technology manufacturing, and professional, scientific, and technical services:

- *Fulcrum BioEnergy Inc. (Pleasanton)* - $175 million in early-stage/expansion funding for this developer of alternative energy facilities
- *BridgeLux Inc. (Livermore)* - $102 million in late-stage funding for this manufacturer of LED lighting technologies
- *Workday Inc. (Pleasanton)* - $85 million in expansion funding for this developer of software solutions for human resource managers
- *IntegenX Inc. (Pleasanton)* - $40 million in late-stage funding for this manufacturer of complex analytical instrumentation
- *Tria Beauty (Dublin)* - $26 million in late-stage funding for this developer of over-the-counter cosmetic medical products

Significant new employment can be expected to accompany the growth of these and other successful up-and-coming innovation firms. Accommodating this job growth locally should be a priority for Dublin and other Tri-Valley cities.

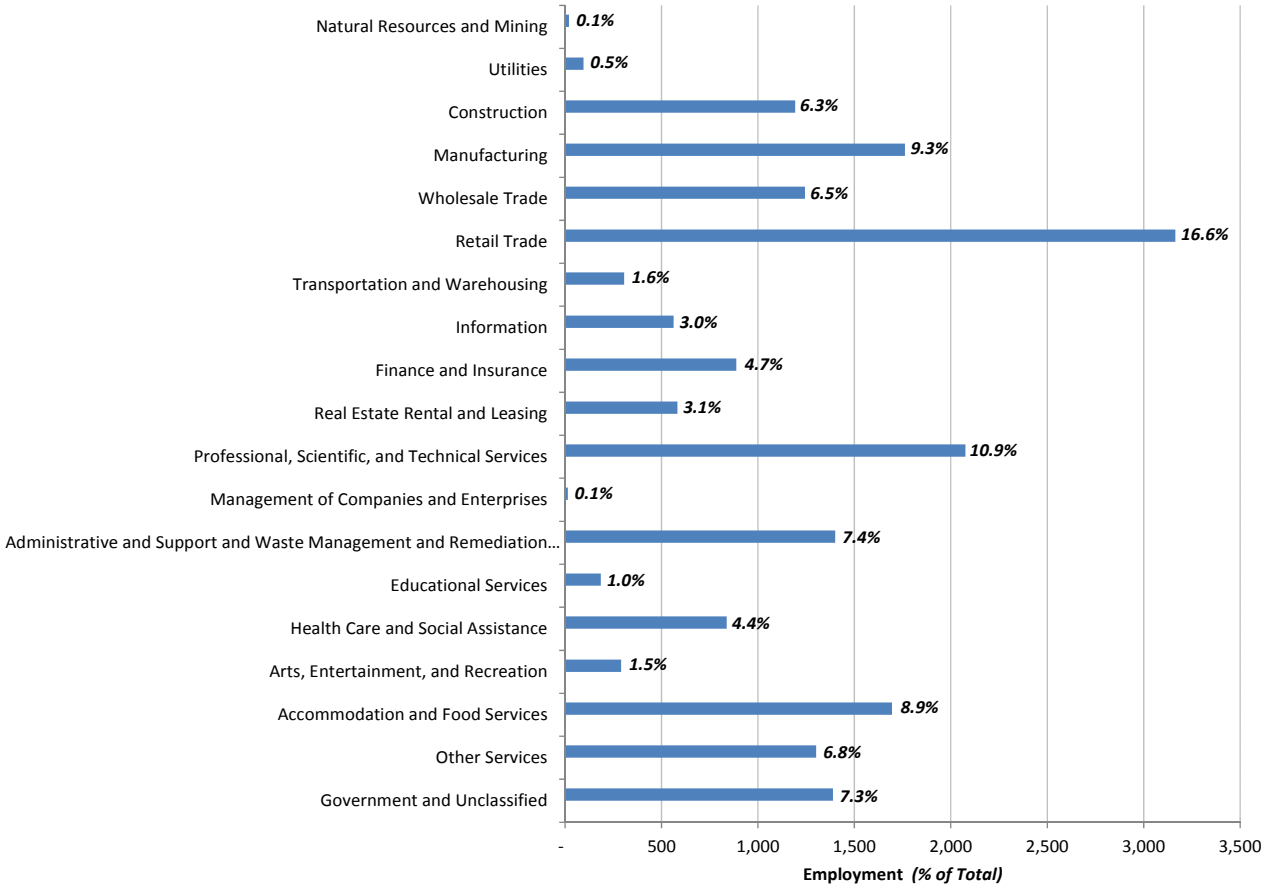
Dublin's Economic Composition

Currently, five industry sectors account for the majority of employment in Dublin, including:

- *Retail Trade* – 16.6 percent of jobs;
- *Professional, Scientific, and Technical Services* – 10.9 percent of jobs*;*
- *Manufacturing* – 9.3 percent of jobs*;*
- *Accommodation and Food Services* – 8.9 percent of jobs; and
- *Administration and Waste Services* – 7.4 percent of jobs.

[6] Building on our Assets, Economic Development & Job Creation in the East Bay, East Bay EDA (2011)

Figure 3: Dublin Employment by Industry



Sources: National Establishment Time Series (NETS); Reference USA; CSER; and EPS

Retail

In addition to supporting more Dublin jobs than any other sector, retail establishments are an important amenity for Dublin businesses and residents. The City supports a diversity of retail offerings, including convenience and comparison goods. Retail establishments are found throughout the City, particularly along the Dublin Boulevard corridor. In total, there are approximately 3.8 million square feet of retail space in Dublin. While there is retail vacancy of about 8.4 percent citywide, including some outmoded spaces, most centers remain well-occupied and financially viable. Dublin's retail sector produces greater taxable sales per capita than any other Tri-Valley city.

Professional Services and Information Technology

The well-established Professional, Scientific, and Technical Services (PSTS) and Information industries in Dublin offer skilled workers relatively high-paying employment opportunities. These sectors serve international markets and bring new wealth into the local economy. In Dublin, the PSTS industry makes up a larger share of total employment than in any other Tri-Valley City, nearly 11 percent of jobs. While Dublin employment in PSTS contracted during the early 2000s, more recent trends indicate a return to growth in the sector.

In the early 2000s, City leaders coined the term "Digital Dublin," as major technology companies chose to locate in the City, attracted to new (built to suit) office buildings near the core of a growing cluster of software and information technology businesses in the Tri-Valley. On the heels of office development at Dublin Corporate Center (430,000 square feet in three buildings) and Emerald Point (415,000 square feet in three buildings), Sybase/SAP (previously of Emeryville) leased a 400,000-square foot, built-to-suit headquarters campus in Dublin.

While it has been over a decade since office development has occurred, this analysis anticipates new office projects in Dublin are on the horizon. Regional employment growth and space demand from high-value professional services and information sectors, coupled with a paucity of available high-quality office space, likely will push lease rates to a level that will support new construction. Local real estate experts have indicated that $3 rents (full service, per square foot per month) are necessary to spur new projects in Dublin. If the economy picks up as the regional growth forecasts suggest, Dublin could see demand for as much as 200,000 square feet of office space annually, after vacancies in the regional market are filled.

Manufacturing

Manufacturing continues to play an important role in the Dublin economy, in terms of employment and output, and by contributing to overall economic diversity and stability. Though the share of total employment in manufacturing has been falling, manufacturing still accounts for almost one in ten jobs within the City. Many of these are good quality, well-paid jobs. Manufacturing is Dublin's most significant industry from a gross sales perspective, generating nearly $570 million a year in economic output. Though manufacturing jobs in Dublin make up a lesser share of total employment compared with other Tri-Valley cities, such as Pleasanton where nearly one in five jobs is in manufacturing, the regional and national shift away from manufacturing suggests that Dublin should focus primarily on retention (rather than attraction) of these jobs.

Industry Subsectors and Economic Clusters

Looking forward, the economic data reveal specialized industry subsectors with potential for growth, including select Professional, Scientific, and Technical Services jobs (e.g., scientific research, engineering, legal services, and advertising) and Information jobs (e.g., software, data processing, and telecommunications). These subsectors have exhibited relatively rapid local employment expansion in recent years. Also, notable economic clusters (i.e., concentrations of interrelated businesses/industries) have evolved in Dublin and the Tri-Valley, including:

- Information and Communications Technology
- Health Care and Biomedical
- Business and Financial Services

Fast-growing industry subsectors and economic clusters are potential strategic targets for the City's economic development work. These growth industries and clusters are well-aligned with the City's General Plan, which provides zoning for new office spaces in desirable areas with significant land capacity, an advantage in attracting these types of jobs to the City.

Business Establishments

Dublin is home to a number of large corporations. Top employers in the City include:

- *Carl Zeiss* – an international optics and opto-electronics firm;
- *SAP (formerly Sybase)* - enterprise and mobile software firm with global customer base; and
- *MicroDental Laboratories* – a fabricator of high-quality dental restorations, part of a North American network of labs (DTI)

Small firms also play an important role in the Dublin economy. More than nine out of ten businesses in Dublin employ fewer than 20 jobs. Both large and small businesses in Dublin offer great potential for employment growth in the future.

Tri-Valley Labor Force

Much of the recent economic success in the Tri-Valley can be attributed to the skilled labor force. Even within the well-educated East Bay, the Tri-Valley is notably well-positioned with highly-skilled workers, particularly in computer-related fields. Census data for the Tri-Valley indicate that a greater share of residents is employed in computer and mathematical occupations than the East Bay overall (6.4 percent versus 4.7 percent).[7] When Fortune 500 firm General Electric decided to open a global innovation center for software research in the Tri-Valley, a spokesperson for the company noted that "proximity to talent" and "community" were important aspects of the decision.[8] Anecdotal information from local business representatives reveals that the Tri-Valley is an ideal location for knowledge workers and their families, with excellent public schools, reasonably-priced housing, and community stability and safety.

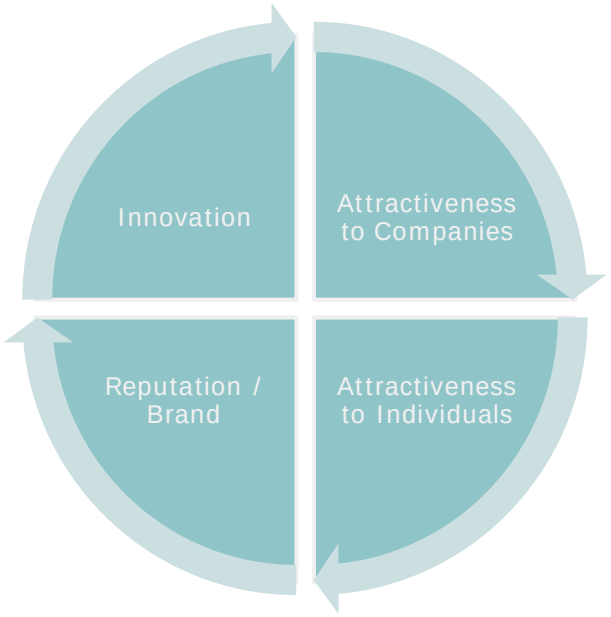
[7] American Community Survey, US Census Bureau (2005-9)

[8] General Electric to take 125,000 square feet in Bishop Ranch, San Francisco Business Times, (November 17, 2011)

3. *Economic Development Strategy Framework*

This Economic Development Strategy focuses on potential actions that could be taken by the City of Dublin to improve its competitive position relative to other California cities. The Strategy views competitiveness as the City's overall "value proposition" for businesses and residents, considering factors that influence the attractiveness of the City for commerce and living, relative to the cost of the location. Competitiveness reflects a multitude of subjective measures. In general, elements of competitiveness include (1) a city's attractiveness to companies, (2) attractiveness to individuals, (3) reputation/brand, and (4) innovation environment (i.e., potential for home-grown economic development).

Figure 4: General Categories of Competitiveness



In addition to traditional economic development tools that focus primarily on cost-based incentives for business, a holistic view of economic competitiveness also emphasizes the importance of "quality of place" and "quality of life" factors in attracting companies and individuals, establishing a good reputation, and fostering innovation. Throughout California, the United States, and globally, City-regions compete with one another to attract skilled labor, new investment, and quality jobs. Increasingly, economic growth is driven by knowledge, skills, innovation, and entrepreneurship. Attracting talented people is an imperative. In competing for talent, cities are distinguishing themselves by investing in urban development, improving quality of place and quality of life factors for residents and workers.

In a recent report prepared for the US Department of Commerce, Economic Development Administration, the Council on Competitiveness states that:

> *Perceptions about quality of life in a region can heavily impact attraction and retention efforts of companies, skilled workers, and entrepreneurs. Talent is mobile, and quality of life has assumed greater importance in economic development practices as many regions have developed strategies to nurture the "creative class."* [9]

Cities around the world are embracing economic development programs aimed at bolstering quality of place and quality of life factors. In Toronto, the City's economic development strategy acknowledges that "quality of place provides a competitive advantage." Toronto's strategy recognizes that:

> *Producing, attracting and retaining knowledge economy workers is probably the most critical element for success in the contemporary economy. Entrepreneurs and skilled labor are increasingly mobile assets. Qualified knowledge economy business people and workers can choose which cities they will live and work in. The quality of place a city provides, which is often indicative of the quality of life offered, can be an important factor in their location decision…*
>
> *…a city's arts and cultural amenities, including not just formal events and places like symphony halls or museums, but the vitality of its more informal amenities, like restaurants, street cafés, bookstores and outdoor festivals, become tangible assets that play a role in fostering creativity and innovation.*[10]

An increasing body of research supports the notion that quality of place can be a significant factor in site selection decisions and that the emotional connection to a community can be as important quantitative determinants.

- A 2003 study from the Center for Urban and Regional Studies at the University of North Carolina concludes that quality of place is increasingly important in site selection and investment decisions, particularly for technology companies that rely on highly-skilled knowledge workers and are less sensitive to location-based factors such as proximity to markets, raw materials, and inexpensive labor.[11]

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[9] Measuring Regional Innovation, The Council on Competitiveness (2005).

[10] Toronto Economic Development Strategy, City of Toronto (2000)

[11] The Importance of Quality of Life in the Location Decisions of New Economy Firms, Center for Urban and Regional Studies at the University of North Carolina (2003)

- A 2011 study from the Silicon Valley Workforce Investment Boards considered the high-technology economy in the South Bay and found that the "Valley's high quality of life – including beautiful weather, good schools, and the ability to live and work in the suburbs— was a major advantage, making CEOs want to locate their companies there and attracting talented workers and their families." [12]

Land use decisions are central to the City of Dublin's capacity to compete for jobs and economic growth. The community's ability to develop real estate and public space at new and reused sites, locate interrelated companies near each other, encourage growth at key business nodes, and build vibrant, engaging, and contemporary places is central to its competitiveness. Promoting real estate investment and achieving desirable land use outcomes is critical to positioning Dublin for economic growth and long-term economic sustainability.

It is important that the City government actively participate in city building. According to a recent Urban Land Institute paper, "Investors and entrepreneurs want to see a community and its leadership moving to the future before allocating their time and capital. A city hoping to have a thriving and sustainable economy needs to be a place that demonstrates a track record of effective partnerships for this type of ongoing innovation to occur." [13] The City has taken steps to establish a distinctive Downtown center, including adoption of a Downtown Dublin Specific Plan that seeks to create a vibrant, walkable mixed-use district. While there has been progress toward the vision, with new projects under construction and in planning, the City may wish to consider additional ways to move Downtown investment forward.

[12] Silicon Valley in Transition: Economic and Workforce Implications in the Age of iPads, Android Apps, and the Social Web (July 2011)

[13] Building on Innovation: The Significance of Anchor Institutions in a New Era of City Building, Urban Land Institute (2011)

4. REAL ESTATE DEVELOPMENT OPPORTUNITIES

With Dublin's Class A Office vacancy rate now at only 5 percent, new office development will be essential to support job creation within the City. Dublin's General Plan and more detailed Specific Plans (e.g., Downtown Specific Plan) envision additional commercial development in the City. The City has sites, both in the East and West, proximate to BART and the highways, which are ideal for new office space.

In step with countywide trends, Dublin enjoyed a commercial office building boom in the late 1990s and early 2000s, with delivery of roughly a million square feet of new Class A office space occurring in the City. Between 1999 and 2002, Class A office development in Dublin accounted for almost a third of Alameda County's new supply. With a return to economic growth and regional job creation, Dublin is still well-positioned to enjoy further commercial development.

Figure 5: Dublin Capture of Class A Office Space Deliveries (Square Feet)

Year	Dublin	Alameda County	Capture
1999	195,000	460,000	42%
2000	288,241	621,584	46%
2001	248,285	1,391,895	18%
2002	230,000	715,039	32%
Total	**961,526**	**3,188,518**	**30%**

Sources: CoStar Group and EPS

The Dublin City staff is poised to provide support services to facilitate commercial real estate development. Dublin never established a Redevelopment Agency and today, while many California cities grapple with legislative changes associated with the dissolution of California's Redevelopment Agencies, Dublin's development services continue uninterrupted. In fact, the City staff has continually improved services based on feedback from local business stakeholders.

There are two areas within Dublin that the Economic Development Strategy envisions increased, focused City efforts to develop workplace communities for the 21st Century:

- *East Dublin* - In East Dublin, at the Eastern Dublin Transit Center, Alameda County controls un-built sites that can accommodate up to 2.2 million square feet of commercial office space. The County accepts purchase offers through a competitive bidding process. The Alameda County Surplus Property Authority oversees the land disposition process, seeking to maximize revenue to the County's Surplus Property Development Trust Fund (i.e., the

"Emerald Fund"). In recent news, publicly-traded retail REIT Regency Centers is negotiating to acquire a 14-acre site to be developed with a specialty grocery-anchored retail center. Nearby corporate centers include a number of notable software and professional services firms.

- *West Dublin* - On the west side of Dublin, in the Downtown Specific Plan Area, a number of large underdeveloped or underdeveloped parcels offer opportunities for development proximate to BART. The Downtown Transit District is where the Essex Property Trust real estate company is developing a new urban infill housing project, with 309-units provided in a mid-rise format. Other Downtown development projects are moving forward with project planning and the City is implementing a streetscape improvement and beautification project on Golden Gate Drive, the gateway to the Downtown Transit District and West Dublin BART Station.

In considering the potential for future commercial development in these strategic areas, it is essential to consider the competitive landscape of the real estate market. Currently the primary competition for major commercial tenants comes from two large-scale business parks in the Tri-Valley, Bishop Ranch in San Ramon and Hacienda Business Park in Pleasanton.

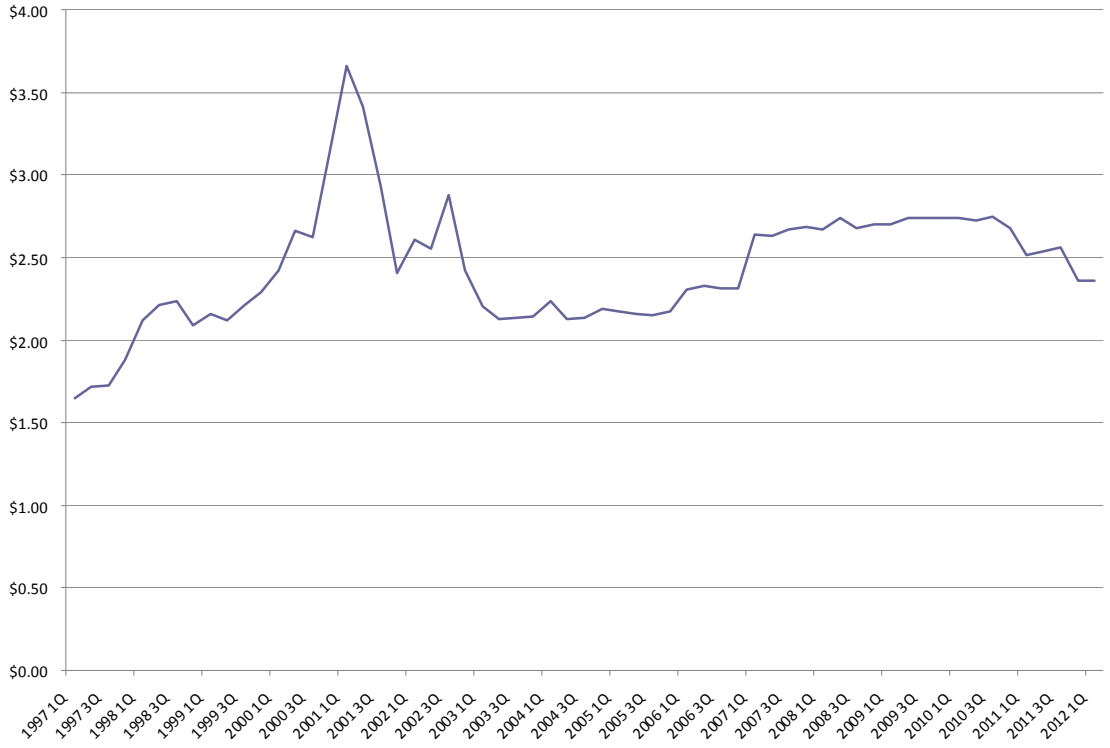
- *Bishop Ranch* – Home to the global headquarters of Chevron and major tenants that include AT&T and Toshiba, Bishop Ranch is a well-known and highly-desirable office cluster. The marketing material for the business park indicates that "Bishop Ranch is home to 550 thriving companies in more than 30 industries, from Fortune 500 companies…to exciting small businesses in growing areas like social software and clean tech." In recent months a number of noteworthy leasing deals with firms expanding in the region (e.g., General Electric Global Software Center, Five9, and Tiburon) have reduced the quantity of vacant space at Bishop Ranch to less than 5 percent, signaling that new development may not be far off.

- *Hacienda Business Park* – The 875-acre Hacienda Business Park includes over 10 million square feet of mixed-use space occupied by roughly 475 companies employing approximately 18,000 people. Similar to Bishop Ranch, Hacienda is home to a number of Fortune 500 companies as well as lesser-known, small- and medium-sized firms. Currently about 17 percent vacant, Hacienda has struggled to lease large spaces in recent years, particularly in the California Corporate Center campus operated by RREEF. With many buildings built during the 1980s, building formats are dated and, in some cases, offer indivisible blocks of space. While there has been recent leasing activity from small-space users, Hacienda's building stock appears to be somewhat out of step with the current market. However, some large firms are in the market for space to meet expansion and relocation needs, and office availability at Hacienda could be viewed as "healthy vacancy" available to meet future large-scale tenant demand.

With Bishop Ranch near full occupancy and available office space Hacienda slightly misaligned with current market demand, the commercial real estate market may be nearing a phase of new product development in the Tri-Valley. However, there are challenges associated with new development that must be considered, primarily related to the financial feasibility of new construction.

- *Real Estate Development Economics* – In the current market, office lease rates do not justify the cost of new office development. During the last major construction cycle, in the late 1990s and early 2000s, Alameda County Class A full-service office rents topped $3.50 per square foot per month. Today, rents are less than $2.50. Local commercial real estate experts indicate that $3.00 rents are needed to support new office development. As the availability of competitive office space declines, rents are likely to rise to levels necessary to support new projects.

Figure 6: Alameda Class A Office Lease Rate Trend



Sources: CoStar Group and EPS

- *Infill Development Cost Premiums* – Dublin envisions commercial development Downtown, an area previously developed with automotive, industrial, warehouse, and other low-density uses. Redevelopment of Downtown parcels may involve demolition, environmental remediation, unique site constraints (e.g., configuration), parcel assembly, and other development challenges that create a cost premium over greenfield development and hinder development feasibility.

- *Land Costs* – In some cases local land owners are unwilling to sell land at prices supported by the current market, commonly waiting for market conditions to improve before seeking to dispose of their assets. Land value expectations must fall in line with current real estate values in order for developers to purchase land and pursue new projects.

5. STAKEHOLDER CONSIDERATIONS

Interviews with stakeholders in Dublin offer valuable insight into the strengths, weaknesses, opportunities, and threats facing the City today and in the future. Through one-on-one interviews, focus groups, and public meetings, this study collected thoughts and opinions from engaged citizens and business representatives. Major considerations for economic development cited during the interviews include those listed below:

Economic Development Strengths in Dublin

- *Location at 580/680* – Well-connected by freeways to the rest of the region, including the South Bay
- *BART access* – Well-connected by public transportation to Oakland, San Francisco, and other Bay Area regional centers
- *City's strong fiscal condition* – Experienced leadership team, recent budget surplus, and no RDA dissolution process to burden the City
- *Housing value* – High-quality new housing, competitively priced relative to most Bay Area markets
- *Retail offerings* – Diverse suite of local and national retailers, well-distributed throughout the City
- *High-caliber public school system* – Well-regarded Dublin Unified School District offers new facilities and a growing number of Advanced Placement classes
- *Open space and recreation* – High-quality local and regional parks, including Fallon Sports Park, the City's newest park and a premier sports facility
- *Public safety* – Stable, low-crime community supported by ample police and fire emergency services
- *Small-town feel* – Long-time local businesses, farmers market, and City events (e.g., St. Patrick's Day Parade and Festival) foster community character and vibrancy

Economic Development Weaknesses in Dublin

- *High development fees* – Relatively high cost associated with new real estate development projects
- *City permitting process and cost* – Lengthy, uncertain permitting process, particularly challenging for small businesses pursuing tenant improvement projects
- *Limited City experience with infill* – City planning and development services have primarily addressed new projects in undeveloped greenfield areas
- *Uncertain market depth for attached housing* – Local housing developers indicate that current market forces are pushing developers to pursue traditional single-family housing

- *Limited available office space* – There is minimal office vacancy, making it difficult to grow existing companies and attract new firms to Dublin
- *Challenging economics for new office development* – Despite low vacancy, rents have not appreciated to the point where developers are pursuing new office projects
- *Difficult environment for new small businesses* – Small businesses struggle to navigate City permitting processes

Economic Development Opportunities in Dublin

- *Significant vacant land at Dublin/Pleasanton BART* – Undeveloped land at the Eastern Transit Center is well-suited for significant new office developments
- *Large redevelopment sites at West Dublin/Pleasanton BART* – Reuse sites near the West Dublin station offer potential for infill within the City's up-and-coming Downtown
- *Business and leisure hospitality needs* – The Tri-Valley currently lacks a high-end hotel and regional conference center, potential future opportunities for centrally-located Dublin
- *Paragon outlet visitors* – With eight million visits per year projected (40 percent originating outside the Tri-Valley), the new Livermore retail center is a potential driver of "spinoff" economic activity in Dublin and the Tri-Valley overall
- *Kaiser Permanente* – The healthcare giant has "banked" land in East Dublin for a medical facility that could create spinoff economic activity, possibly including medical services and retail amenities
- *Camp Parks and the County courthouse* – New public facilities (DoD and County) in central Dublin could create new opportunities for economic development
- *Surplus land* – The City's surplus land holdings may be appropriate for development that generates public benefits

Economic Development Threats in Dublin

- *Lack of identity within the Tri-Valley* – A relatively young city, Dublin has struggled to establish a clear defining character, distinct from other nearby municipalities
- *Competition with neighboring cities* – Other cities in the Tri-Valley are also well-positioned for economic development
- *Over-regulation* – Policies such as the recently-proposed tobacco sales ordinance could affect the business climate in Dublin
- *Air quality-related development restrictions* – Bay Area Air Quality Management District regulations related to development near freeways could affect development potential
- *Technological infrastructure* – City preparedness to meet demand for power and communications infrastructure from high-technology companies is a concern

- *Safety and congestion issues* – Along with economic development, programs to manage traffic and promote public safety should be considered

6. STRATEGY RECOMMENDATIONS

This Economic Development Strategy seeks to improve the City of Dublin's competitive position and maximize the overall potential for employment growth in the City. The Strategy embraces the current practices of the City and proposes areas where City service enhancements, strategic partnerships, and new programs may be effective. The top priorities for economic development activities in the City include:

- *Economic Vibrancy*
- *Small Businesses Support and Growth*
- *Development of the Eastern Dublin Transit Center*
- *Development in Downtown Dublin (particularly in the Downtown Transit District)*

The strategy offers measures specifically intended to generate benefits related to these City priorities, as well as to suggest tools that could be used to promote economic development citywide. The strategy endeavors to address specific challenges in Dublin, particularly issues affecting the City priorities (e.g., development of strategic areas). **Figure 7** summarizes the priority strategy considerations, specific goals for economic development, and recommended strategy concepts.

Figure 7: Priorities, Goals, and Strategy

Priority	Goal	Strategy Actions
Economic Vibrancy	Continued development and job growth	Maintain and enhance ED activities, including marketing and branding
Small Business	Facilitate business expansion projects	Enhance development services, with streamlined permitting for routine growth-supporting real estate improvement projects
Eastern Transit Center	Encourage new development, particularly commercial office and retail spaces	Increase partnerships with real estate developers and landowners to entitle and market sites
Downtown	Expedite progress toward the Downtown vision	Explore options to facilitate development, including financing mechanisms, funding sources, and revitalization tools

Strategy 1: Continue Efforts to Enhance the Competitiveness of the City and Maintain a Strong and Diverse Economic Base

The City of Dublin has a well-established practice of economic development work, including a variety of programs that support business attraction and retention. The City offers incentive programs, business training, outreach, and support services. Strategy 1 seeks to maintain the current economic development program and enhance services, including through more robust marketing and branding, highly-targeted outreach, and increased regional coordination.

Action 1: Codify Existing Economic Development Practices

The City of Dublin has a significant number of economic development programs in place. With no additional cost (or risk) to the City, Dublin could commit to administering these programs, codifying overarching policies in an Economic Development Element of the General Plan. Particular economic development programs to consider for inclusion in the General Plan are the following:

- *Business Incentive Programs* – The City offers a number of incentives that respond to current economic conditions and serve to attract and retain business activity in Dublin. While programs should evolve over time to adapt to changing economic challenges, examples of Dublin's current programs include:
  - *Sales Tax Reimbursement Program* - For businesses that generate more than $10 million in taxable sales, the City offers a program to help offset site or building improvement costs.
  - *Fee Deferral Program* - The City offers a program for non-residential development that allows developers to pay the Traffic Impact Fee before occupancy.
  - *Sewer Capacity Assistance Program* - The City offers financial assistance to businesses that require new or additional sewer capacity, up to 25 percent of capacity fees.
  - *Commercial Façade Improvement Grant Program* - For commercial businesses located in the Downtown, the City offers a grant program to offset costs associated with exterior aesthetic improvements.
- *Business Seminars* - In partnership with the Dublin Chamber of Commerce and the Alameda County Small Business Development Center, the City offers business seminars to support business owners.
- *Roundtable Programs* – The City hosts roundtable meetings with local business groups, including the real estate community and small business owners.
- *Coordination with Regional Entities* – The City is an active participant in regional economic development activities, including i-GATE, Innovation Tri-Valley, the Tri-Valley Convention and Visitors Bureau, and the East Bay Economic Development Alliance.
- *Business Recognition Program* – The City formally recognizes local businesses for significant anniversaries and notable contributions to the community.

- *Business Visitation Program* – The City meets one-on-one with businesses to assist with retention and expansion and to market other City services.
- *Ombudsman Services* – The City facilitates permitting and other interactions between the business community and local government.

Continuation and enhancement of these current programs is critical to the City's economic development.

Action 2: Create a Comprehensive Marketing and Branding Plan for the City

While the City has produced a brochure (Dublin – A Great Place to Grow) and City representatives frequently attend conferences and other events to promote the City as a place for business, a comprehensive marketing and branding plan and budget should be established. Dublin's marketing and branding should be continually updated to refresh the City's outward identity, publicizing the evolution of Dublin's Downtown, Eastern Transit Center, and new business community members. The marketing and branding plan would establish a distinct identity for the City and specify appropriate Bay Area media outlets for promotional activities. Relative to current efforts, more focused marketing is likely to be cost effective. The Strategy analysis presents a number of industries and economic clusters that may be appropriate targets for focused marketing efforts.

Action 3: Focus Business Visitation Program on High-Growth Companies

The City should build on the existing Business Visitation program by strategically targeting high-growth companies (e.g., "Gazelle" companies[14]). Retaining high-growth companies is a priority, given the potential they hold for job creation within the City. The visitation program offers a method for the City to detect local challenges to business growth, an essential first step in identifying economic development issues, problem solving, and establishing greater economic stability and expansion.

Action 4: Advance Participation in Regional Efforts

In addition to the specific programs above, Dublin should also maintain current efforts to leverage City and regional strengths, amenities, and demand drivers. For example, the City should continue to explore connections to the Livermore Valley Wine Region, enhance local open space and recreation areas, and coordinate with Camp Parks. In particular, the City should consider increasing participation with i-GATE (Innovation for Green Advanced Transportation Excellence, a regional public-private partnership), including exploring the potential to host i-GATE-affiliated programs in Dublin.

[14] Gazelle companies are those with $500,000+ in sales revenue and more than 20 percent sales growth over the past five years. There are 57 Gazelle companies in Dublin.

Strategy 2: Improve Conditions for Small Businesses

While the City has made considerable strides to enhance its working relationship with businesses through a number of economic development practices, feedback from the stakeholder interviews has identified areas for improvement that still remain.

Action 1: Enhance Current Development Services Practices

Interviews with local businesses point to perceived shortcomings in City processes related to project permitting, particularly tenant improvement projects. For minimal additional cost (or risk), the City could assess and refine current development service practices to ensure that the City provides a full continuum of service (from inquiry to occupancy).

The primary purpose of enhanced Development Services is to provide all permit applicants a clear roadmap and timeline for interactions with the City. By promoting a streamlined and transparent process, project applicants will benefit from increased certainty and reduced risk. The enhanced development services program would endeavor to minimize unnecessary permit costs for entities doing business in the City of Dublin.

This Action is likely to generate notable benefits for small businesses seeking to update existing buildings and workspaces in Dublin. In particular, the action could assist project proponents with the renovation Class B and Class C retail and office spaces, as well as outmoded industrial/flex spaces. Creating a regulatory environment that supports and facilitates building upgrades, allowing areas such as Sierra Court to evolve over time, will promote business retention in a wide variety of sectors, ranging from retail to manufacturing.

Enhanced development services could potentially offer:

- Improved application and permitting process, potentially including an information technology system (e.g., software to track permit process status) and procedural refinements and improvements.[15]
- Streamlined process that assigns an applicant to work with one team, whose members are involved in the project from beginning to end.
- Front-loaded project review to resolve planning and code-related deficiencies without impacting the delivery of the project

This program update would require more detailed planning and moderate start-up funding resources.

[15] EPS understands that the City is currently in the process of converting to online permitting and review.

Strategy 3: Position Development Sites to Meet Current and Future Market Demand and Provide Necessary Marketing Support

Despite available development sites, Dublin has not enjoyed new office development in about a decade. While this is generally consistent with countywide trends, it is essential that Dublin be competitively positioned when office development in the East Bay resumes. To this end, project planning and entitlements may benefit from updating in some cases and strategic marketing of specific real estate development opportunities in Dublin should be increased. There is an opportunity for the City to partner with real estate developers and landowners to assist with these efforts and to prepare sites for expedited land development to decrease the lead time for new projects.

City partnerships with developers and landowners could benefit economic development through:

- Increased or earlier capture of real estate development demand;
- Improved partnership with Alameda County Surplus Property Authority to maximize development potential and expedite employment-supporting real estate development; and
- Repositioning of sites based on upfront real estate feasibility, planning, and design work to address current market opportunities and improve developer/tenant interest in new development.

A partnership program of this nature would be new in Dublin and would require staff and consultant effort, with an appropriate budget for the program to be determined.

Action 1: Partner with the Alameda County Surplus Property Authority on Eastern Dublin Transit Center

The Alameda County Surplus Property Authority (ACSPA) controls land entitled for over two million square feet at the Eastern Dublin Transit Center, a location that is likely to support a significant share of future job growth in the City. The City should strengthen its ongoing working relationship and partner with ACSPA to position the Eastern Dublin Transit Center as a highly-competitive jobs center for the region. The partnership could include a review of existing land uses/zoning to ensure consistency with anticipated office needs and job creation. Additionally, the City and County could evaluate the potential to offer "shovel ready" parcels for expedited development, allowing these sites to compete more effectively with privately owned and managed business parks. The City also should consider collaborating with ACSPA on a marketing action plan for Eastern Dublin Transit Center development opportunities. This plan could be designed to dovetail with the citywide marketing and branding effort recommended as part of the Strategy (Strategy 1, Action 2).

Action 2: Support Downtown Specific Plan Area Property Owners' Business Attraction and Development Efforts

With the adoption of the Downtown Specific Plan, Dublin created a vision for a vibrant mixed-use center, with new opportunities for development of job-supporting uses such as office and retail space. The Downtown Plan strives to create a walkable urban environment that when fully realized could have a dramatic positive effect on quality of place in Dublin. The City should pursue landowner and business outreach efforts and partnerships to promote the continued evolution of Downtown. Outreach efforts would focus on building support for actions that

progress the downtown vision. Partnership activities could include marketing efforts that promote investment opportunities Downtown. In particular, the City could work with property owners to develop and produce brochures, host a website, and offer other collateral materials. In addition, the City might work with existing businesses to advertise the area as a destination through branding, advertising, and other approaches (e.g., a published business directory or retail/dining guide).

Strategy 4: Expedite Development Progress Downtown and Optimize Conditions for Entertainment Uses

Stakeholder interviews conducted as part of the Economic Development Strategy process revealed that local residents and businesses want more progress toward revitalization in the City's Downtown. As discussed, quality of place and quality of life factors are increasingly critical to economic development strategy. The Downtown vision offers an opportunity to improve quality of place and quality of life factors. The Strategy calls for actions to improve citywide marketing and branding, as well as the need to market real estate development sites. These actions will benefit Downtown. In addition, the City should explore potential funds, tools, and programs that empower the City to be more active in development, particularly Downtown. This recommendation builds on a recent Urban Land Institute Technical Assistance Panel review of the Downtown Specific Plan that found "more public improvements and public investment are needed on the front end" and "the City needs to weave together multiple funding sources." [16]

Action 1: Explore Potential Funding Sources and Financing Tools to Advance Real Estate and Economic Development

A primary challenge associated with positioning opportunity areas for new development is obtaining reliable financial resources for place-making investments, potentially including creation of public spaces (e.g., parks, plazas, and public art), streetscape and gateway improvements, infrastructure, public parking, or other strategic investments (e.g., subsidies for catalytic projects). While the City has had success in this area (e.g., federal grant funds for Golden Gate Drive improvements and a Community Benefit program Downtown), the City should continue to seek additional sources of funds and consider available financing mechanisms.

Figure 8 presents a lengthy, inclusive list of financing and funding mechanisms that the City of Dublin might use to advance City investments that support economic development goals. While **Figure 8** strives to be comprehensive, there are likely to be other tools that the City should consider as well. This list should be viewed as a starting point for evaluation of financing and funding mechanisms. The City should continue to build on this work, identifying specific tools that best fit City needs.

[16] Downtown Dublin, CA Technical Assistance Panel, July 2011

Figure 8: Financing and Funding Tool kit for Economic Development

Mechanism	Description	Application
Mello-Roos Community Facilities District (CFD)	Allows cities to create assessment districts and raise funds through special property taxes. Provides financing for public capital investment and operating improvements within the district through tax-exempt bonds sponsored by a public agency.	Requires a 2/3rds approval in a resident (or land owner) vote to allow CFD special taxes to be collected.
Business Improvement District (BID)	Provides a structure for business owners to pay special assessments (and/or other funds) earmarked for public improvements and services within a business district, such as street cleaning, security, and capital improvements.	City adopts a resolution to form a BID and establishes the BID through an ordinance, given property owner support.
General Fund Contributions / Dedications	A dedication of General Fund property or sales tax revenue, low interest loans, one-time contributions, and other discretionary financial contributions.	General Fund contributions are part of City's annual budget appropriations process and must be approved by the City Council (does not require voter approval).
Municipal Lease Financing	An agreement to lease a public facility, with shares in the flow of lease revenue sold as a means of generating upfront revenue for the facility.	Lease payments would come from the City's annual budget and must be approved by the City Council (does not require voter approval).
Voter-approved Tax Measures	Voters can approve property or sales tax increases for a specific purpose or General Obligation.	Requires 2/3rds voter approval for special tax and majority approval for general tax.
Disposition of Public Land / Assets	City may dispose of its property assets (through sale or ground lease)	Requires city asset appropriate for disposition and City Council approval, subject to a number of requirements.
Development Impact Fees	One-time fees charged to new development to cover "fair share" infrastructure cost needed to accommodate growth.	Approved by the City Council vote (does not require property owner approval).
Other Fees & Exactions (including "in-lieu" fees)	There are a number of other mechanisms such as project-specific fees and exactions that could be used as funding mechanisms.	These can be negotiated on a case-by-case basis (e.g., Development Agreement) or approved generally for areas within the City, subject to a number of requirements.

Figure 8 intentionally excludes Infrastructure Financing Districts (IFDs), Landscape and Lighting Districts (LL&Ds), and Maintenance Assessment Districts (MADs), as these tools are largely impractical in their current form. IFDs have been available for years but are rarely used; forming an IFD is burdensome. LL&Ds and MADs have been used more extensively in California over the years but recent legislation has hampered the viability of these tools. In particular, recently passed Proposition 26 requirements for "special benefits" within an assessment district have created a litigious environment for these funding tools.[17] Future legislative efforts may result in refinements that make these tools more valuable to California cities, including potential adjustments to state requirements for IFDs.

[17] The City of Dublin has relied on LL&D and similar tools to fund maintenance costs associated with specific residential projects. The use of LL&Ds in single-owner applications remains feasible but has limited application to economic development work.

Grant funds from regional, state, and federal sources will also aid the City in making investments that benefit economic development. As mentioned, the City is already benefitting from federal funds for a streetscape program Downtown. Specific grant programs come and go, and the specific requirements for any particular grant are highly variable. However, there are a number of regional, state, and federal entities and programs that commonly make grant funds available for municipal projects, including but not limited to:

- Metropolitan Transportation Commission
- California Department of Housing and Community Development
- US Department of Transportation
- US Department of Housing and Urban Development
- US Environmental Protection Agency (brownfield grants)

Lastly, new financing tools may become available in the future. In the wake of the dissolution of Redevelopment, California legislators are pursuing innovative solutions to provide local governments with tools that for financing infrastructure to generate economic investment (e.g., a tax increment financing provision for infill/smart growth projects). It is prudent for the City to remain actively engaged in these legislative discussions and advocate, when needed, to promote positive change at the State level.

Action 2: Explore the Creation of an Economic Development Corporation

To maximize the City's potential to promote and guide private sector development activities toward creating new, unique, and character-rich places in Dublin, the Economic Development Strategy recommends the City explore the benefits and costs associated with formation of a local Economic Development Corporation (EDC). EDCs are used throughout California and they vary in size and scope, ranging from thinly-staffed regional economic development bodies that provide marketing and site selection support to larger corporations capable of assembling, repositioning, developing, and managing real estate projects that support economic development.

At the heart of the proposal that the City of Dublin explore creation of an EDC is the City's desire to expedite Downtown development activities and attract businesses that create a rich urban fabric, support street-level vibrancy, and establish a unique urban character and quality of place. Drawing entertainment uses to Downtown, a community priority, hinges on the repositioning of the area, from low-density commercial uses to a high-density mix of uses.

While an EDC program could be expensive and risky relative to other strategies (and requires further study and evaluation), an EDC could provide the City with a tool for active participation in urban enhancement through real estate development. In addition, EDCs often provide access to a wider range of capital investment funds, ranging from federal grant sources to corporate donations. To be effective, the EDC would require dedicated operating funds and staffing, as well as investment capital. A concern is that EDC real estate development projects could expose the City to investment risk.

Concept evaluation and initial implementation of an EDC program could occur over two years. In the first year, the City could explore the concept, weigh costs versus benefits, and make a go/no-go decision regarding the program. If a go, the medium-term goal (year 2) could be to

establish a business plan and create a new legal entity, with operations potentially beginning in year three.

Summary of Strategy Recommendations

Figure 9 presents a summary of the primary Economic Development Strategy elements. These recommendations offer potential short- to mid-term actions across a spectrum of cost and risk to the City. Some components of the Strategy are already underway, including the codification of current practices in an Economic Development Element of the General Plan. Other components, particularly the recommendation that the City should evaluate the feasibility of an Economic Development Corporation, requires Council adoption and significant additional work.

Figure 9: Summary of Economic Development Strategy

Strategy	Actions	2-Year Goals
Continue Efforts to Enhance the Competitiveness of the City and Maintain a Strong and Diverse Economic Base	1. Codify Existing Economic Development Practices 2. Create a Comprehensive Marketing and Branding Plan for the City 3. Focus Business Visitation Program on High-Growth Companies 4. Advance Participation in Regional Efforts	Completed Economic Development Element; Updated Marketing and Branding; Targeted Visitation Program; and Participation in Regional Initiatives
Improve Conditions for Small Businesses	1. Enhance Current Development Services Practices	Improved program up and running
Position Development Sites to Meet Current and Future Market Demand and Provide Necessary Marketing Support	1. Partner with the Alameda County Surplus Property Authority 2. Support Downtown Specific Plan Area Property Owners	Partnerships, updated entitlements, and improved site marketing
Expedite Development Progress Downtown and Optimize Conditions for Entertainment Uses	1. Explore Potential Funding Sources and Financing Tools to Advance Real Estate and Economic Development 2. Explore the Creation of an Economic Development Corporation	Funding for strategic projects, as needed; EDC Concept exploration, Go/No-go, business plan, and incorporation

TECHNICAL APPENDIX

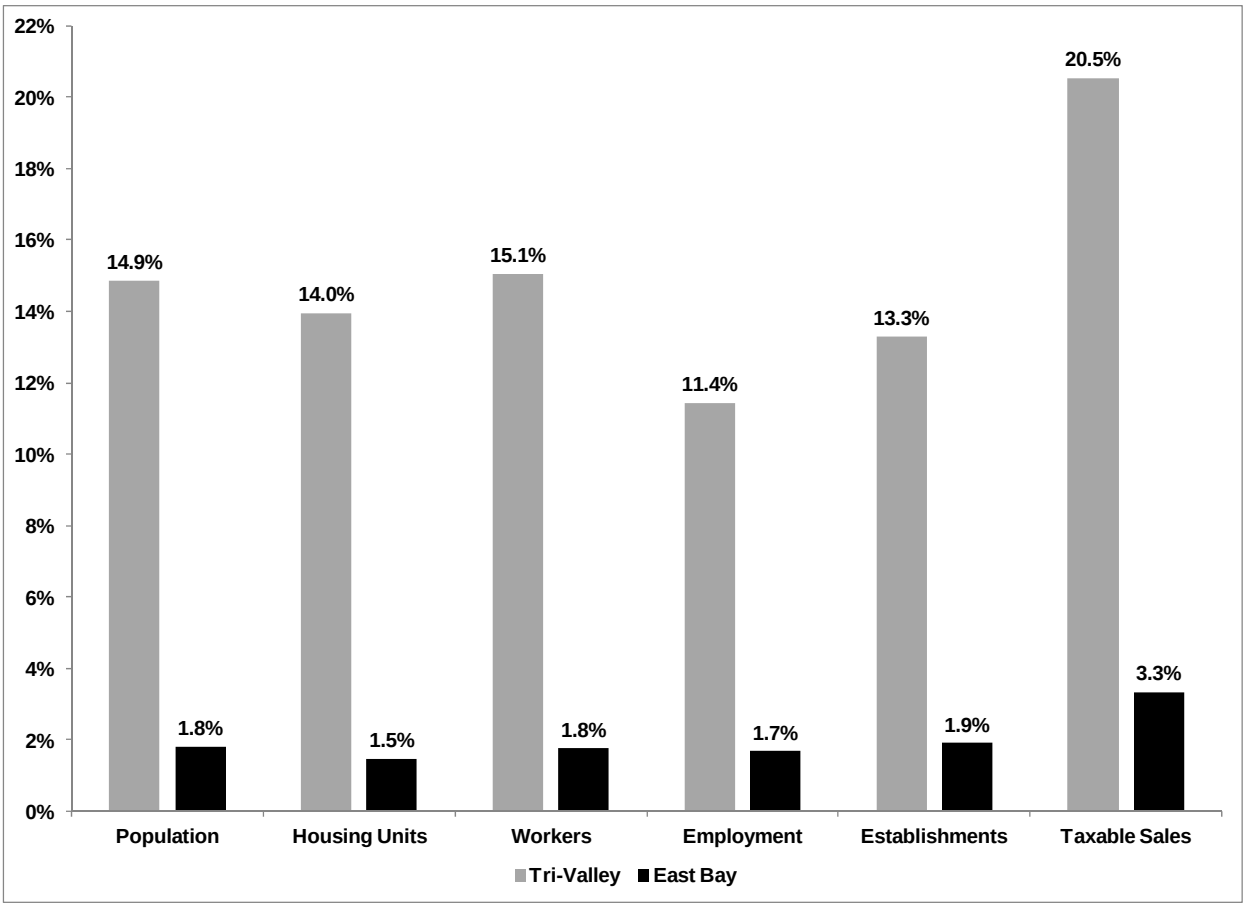
TECHNICAL APPENDIX

This Technical Appendix provides detailed data and supporting information that underlies the City of Dublin Economic Development Strategy.

Socioeconomic Conditions and Trends

Dublin accounts for roughly 15 percent of Tri-Valley's population and working residents, 14 percent of its housing units, 13 percent of business establishments, and 11 percent of employees. The City supports nearly 21 percent of the Tri-Valley's total taxable sales, demonstrating its importance as a shopping destination that draws consumers from throughout surrounding region. Within the East Bay, Dublin's total taxable sales make up over 3 percent of the total in Alameda and Contra Costa Counties combined, far more than any other Tri-Valley city.

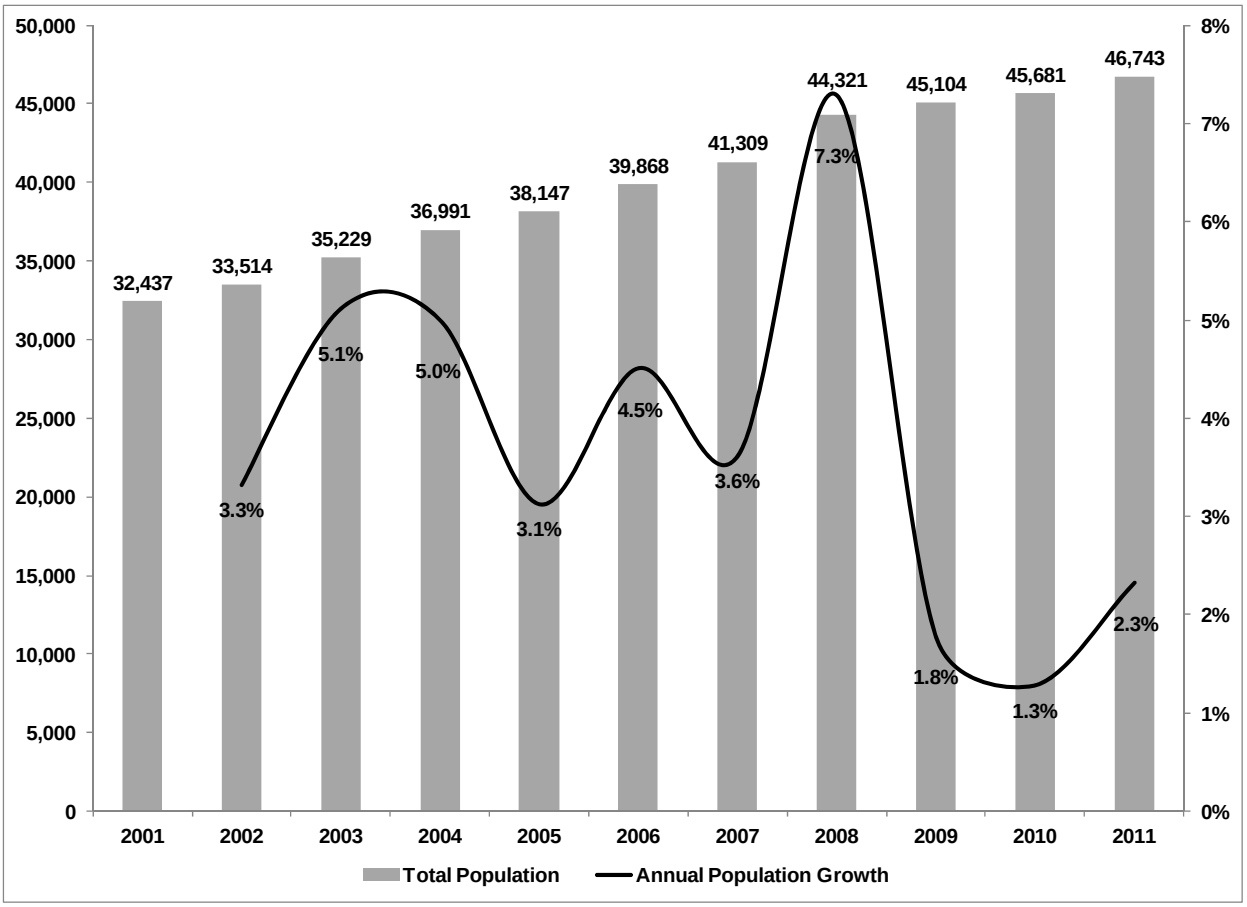
Figure 10: City of Dublin Regional Context



Sources: CA Department of Finance (2011); U.S. Census Bureau, 2005-2009 American Community Survey; ESRI Business Analyst Online (2010); National Employment Time Series (NETS) database; Moody's.com; CA Board of Equalization (2010; and the Center for Strategic Economic Research (May 2012)

In 2011, Dublin had a population of almost 47,000 people, including group quarters which accounted for about 13 percent of the population.[18] Between 2001 and 2011, annual (year-over-year) population growth fluctuated between roughly 1 percent and 7 percent, with the most notable spike in growth occurring between 2007 and 2008. Overall, population growth during the 10-year period totaled approximately 14,300, a 44 percent increase over 2001. Of the Tri-Valley cities, only San Ramon grew more rapidly from 2001 to 2011.

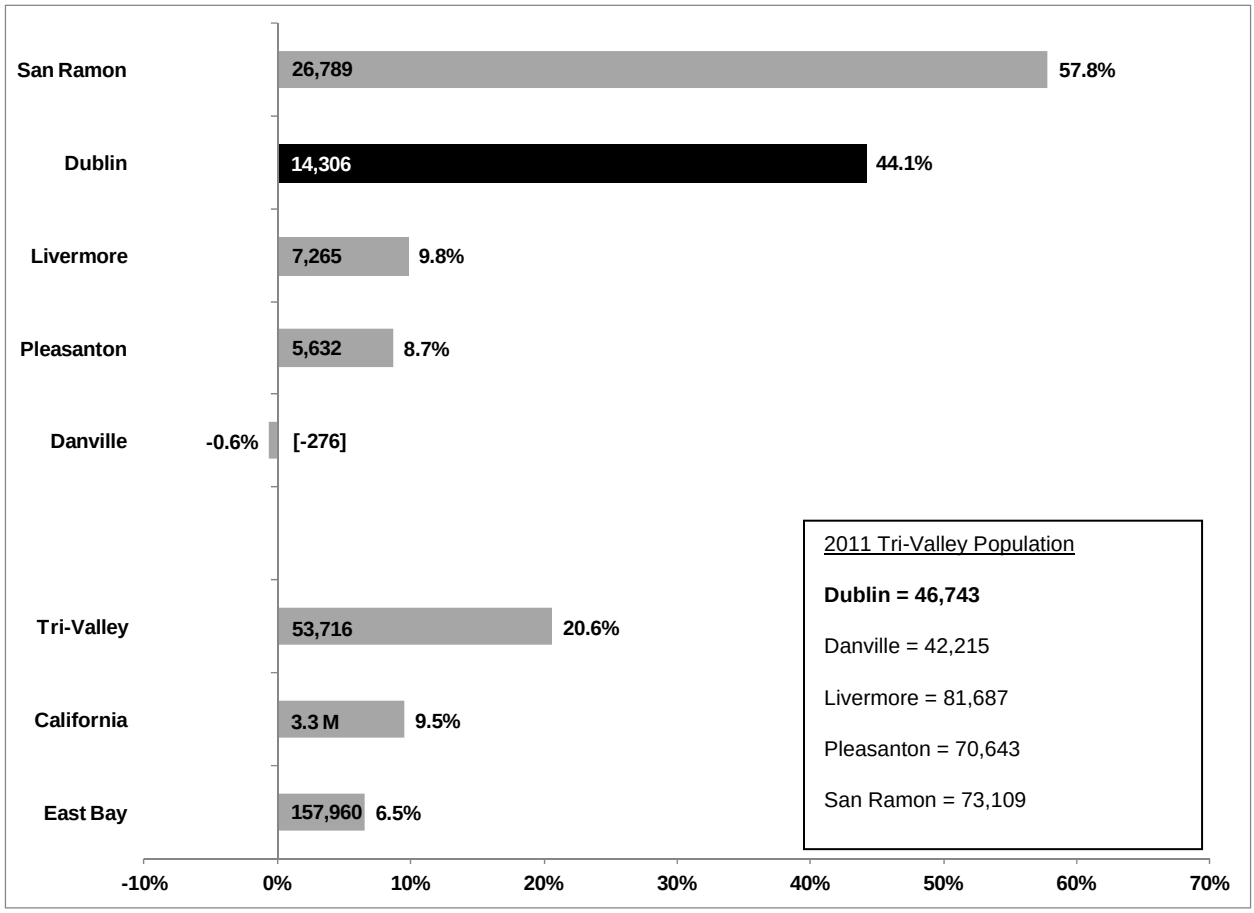
Figure 11: City of Dublin Population



Data Source: CA Department of Finance and the Center for Strategic Economic Research (May 2012)
Note: Chart includes group quarters, which accounts for roughly 13 percent of Dublin's 2011 population.

[18] A group quarters is a place where people live or stay in a group living arrangement, including college residence halls, residential treatment centers, skilled nursing facilities, group homes, military barracks, correctional facilities, and workers' dormitories. In Dublin, the group quarters population is primarily attributable to the Army's Parks Reserve Forces Training Area.

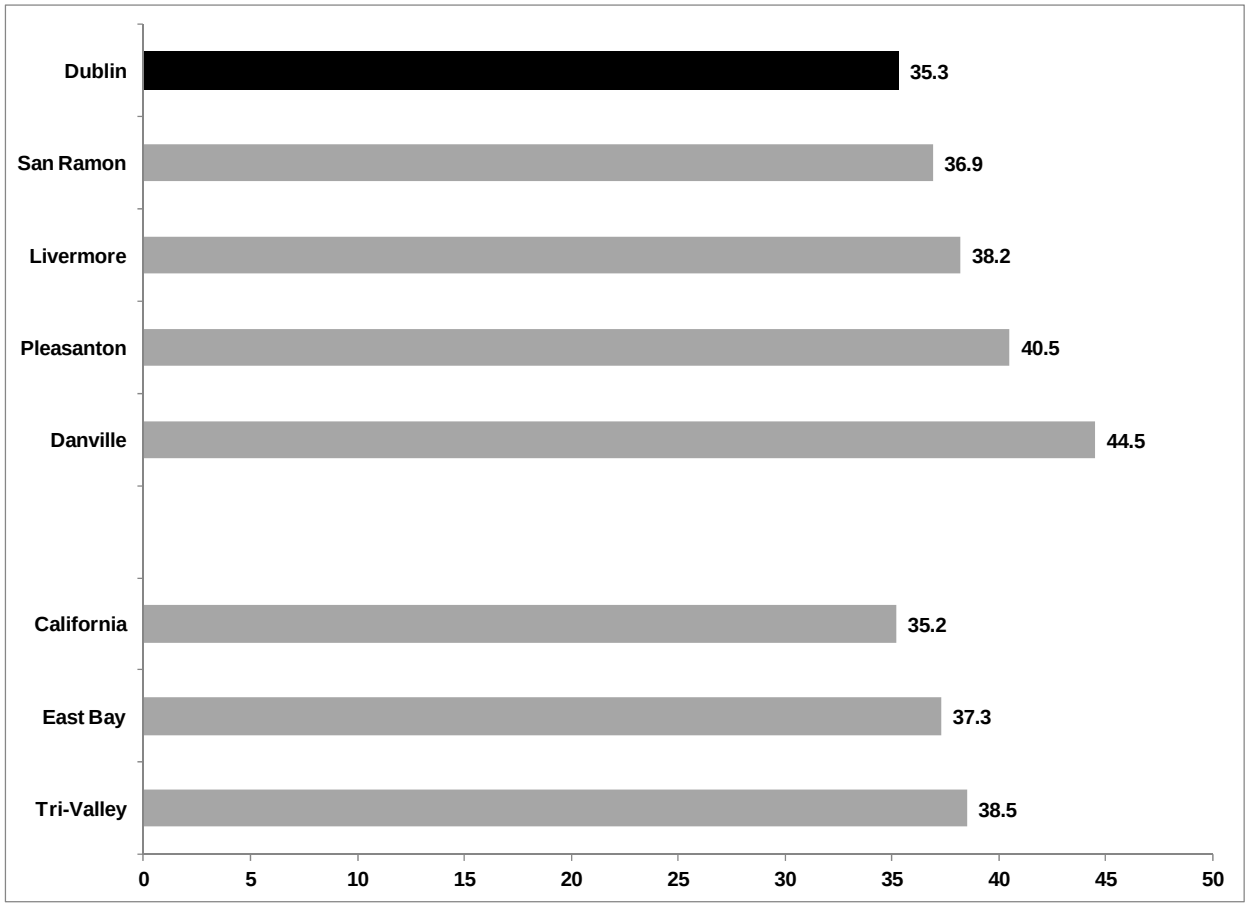
Figure 12: Population Growth Comparison (2001-2011)



Sources: CA Department of Finance and the Center for Strategic Economic Research (May2012)

Dublin is the most youthful city in the Tri-Valley. The median age of residents in the City is about 35 years old, consistent with California overall, but much lower than other Tri-Valley cities, where median age ranges from about 37 to 45 years old. Dublin's younger demographic is reflective of the City's attractiveness to family households, with high-quality schools, public parks, housing affordability, and a variety of other quality of life factors contributing to this effect.

Figure 13: Median Age Comparison



Data Source: U.S. Census Bureau (2010 Census) and the Center for Strategic Economic Research (May 2012)

From 2000 to 2010, Dublin saw significant shifts in its racial makeup, particularly in its White and Asian populations.[19] Just over half of Dublin's 2010 population is classified as White, a decrease from nearly 70 percent in 2000. This demographic shift is primarily attributable to an increase in the Asian population, which grew as a share of total population by about 16 percentage points over the 10-year time period. With the exception of San Ramon, no other Tri-Valley city saw such a significant demographic shift.

Figure 14: Population by Race Comparison

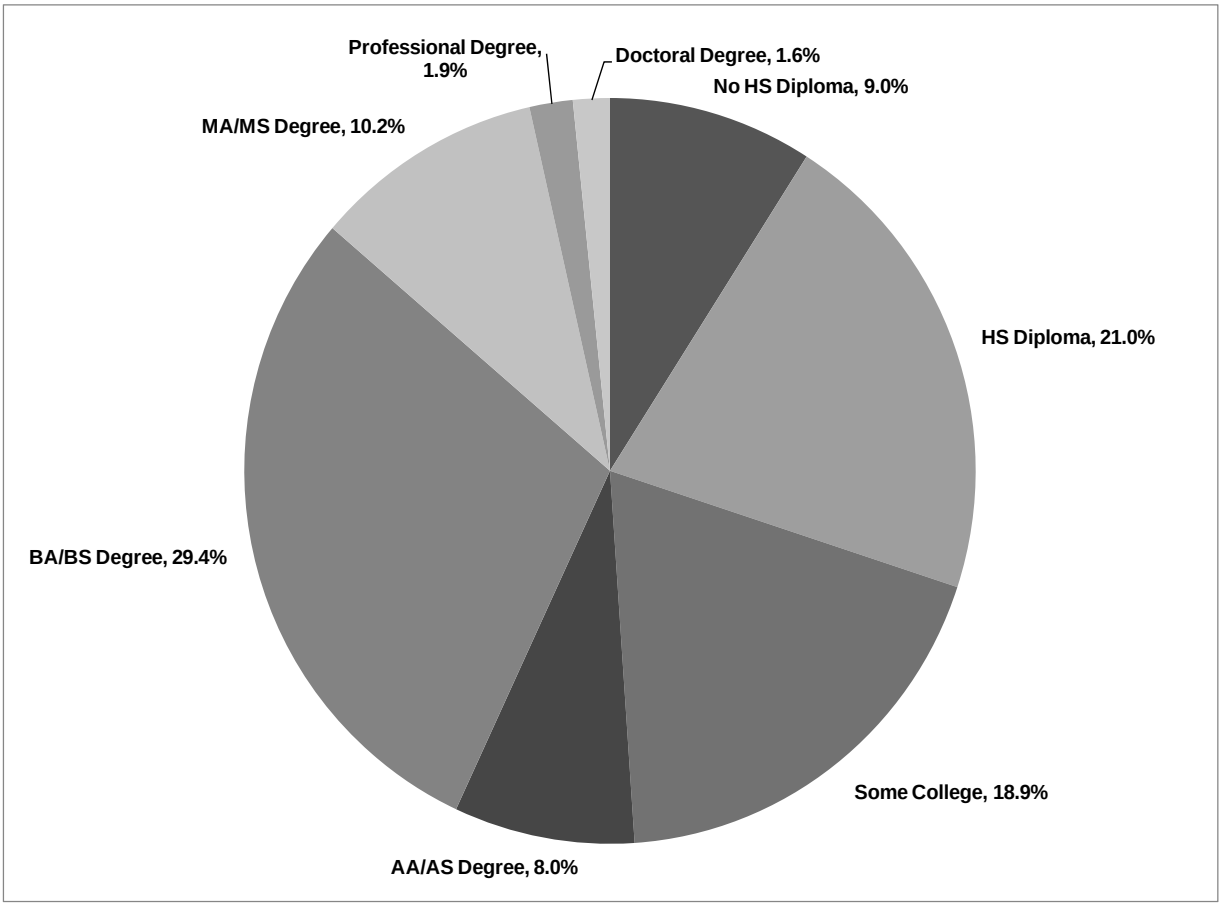
Race Category	***Dublin***	*Danville*	*Livermore*	*Pleasanton*	*San Ramon*	*Tri-Valley*	*East Bay*	*California*
2010								
Population Reporting One Race	**94.0%**	96.0%	94.6%	95.2%	94.7%	94.9%	94.0%	95.1%
White	**51.3%**	83.1%	74.6%	67.0%	53.6%	65.7%	49.4%	57.6%
Black or African American	**9.4%**	0.9%	2.1%	1.7%	2.8%	3.1%	11.2%	6.2%
American Indian or Alaska Native	**0.5%**	0.2%	0.6%	0.3%	0.3%	0.4%	0.6%	1.0%
Asian	**26.8%**	10.5%	8.4%	23.2%	35.6%	21.1%	21.3%	13.0%
Native Hawaiian or Other Pacific Islander	**0.6%**	0.2%	0.3%	0.2%	0.2%	0.3%	0.7%	0.4%
Some Other Race	**5.3%**	1.2%	8.6%	2.8%	2.1%	4.3%	10.8%	17.0%
Population Reporting Two or More Races	**6.0%**	4.0%	5.4%	4.8%	5.3%	5.1%	6.0%	4.9%
Total Hispanic Population	**14.5%**	6.8%	20.9%	10.3%	8.7%	12.8%	23.3%	37.6%
2000								
Population Reporting One Race	**96.1%**	97.5%	95.5%	96.3%	96.4%	96.3%	94.6%	95.3%
White	**69.4%**	86.3%	81.9%	80.4%	76.8%	79.9%	55.4%	59.5%
Black or African American	**10.1%**	0.9%	1.6%	1.4%	1.9%	2.5%	12.7%	6.7%
American Indian or Alaska Native	**0.7%**	0.2%	0.6%	0.3%	0.4%	0.4%	0.6%	1.0%
Asian	**10.3%**	9.0%	5.8%	11.7%	14.9%	10.0%	16.7%	10.9%
Native Hawaiian or Other Pacific Islander	**0.3%**	0.1%	0.3%	0.1%	0.2%	0.2%	0.5%	0.3%
Some Other Race	**5.3%**	0.9%	5.3%	2.3%	2.2%	3.3%	8.6%	16.8%
Population Reporting Two or More Races	**3.9%**	2.5%	4.5%	3.7%	3.6%	3.7%	5.4%	4.7%
Total Hispanic Population	**13.5%**	4.7%	14.4%	7.9%	7.2%	9.8%	18.5%	32.4%
2000-2010 Shift								
Population Reporting One Race	**-2.1%**	-1.4%	-0.8%	-1.1%	-1.8%	-1.4%	-0.6%	-0.1%
White	**-18.0%**	-3.2%	-7.3%	-13.5%	-23.3%	-14.2%	-6.0%	-2.0%
Black or African American	**-0.6%**	0.0%	0.5%	0.3%	0.9%	0.6%	-1.5%	-0.5%
American Indian or Alaska Native	**-0.2%**	0.0%	0.0%	0.0%	-0.1%	-0.1%	0.0%	0.0%
Asian	**16.4%**	1.5%	2.6%	11.5%	20.7%	11.1%	4.6%	2.1%
Native Hawaiian or Other Pacific Islander	**0.3%**	0.0%	0.1%	0.1%	0.0%	0.1%	0.2%	0.0%
Some Other Race	**0.1%**	0.3%	3.3%	0.5%	0.0%	1.0%	2.2%	0.2%
Population Reporting Two or More Races	**2.1%**	1.4%	0.8%	1.1%	1.8%	1.4%	0.6%	0.1%
Total Hispanic Population	**0.9%**	2.2%	6.5%	2.5%	1.4%	3.1%	4.8%	5.2%

Data Source: U.S. Census Bureau (2000 and 2010 Census) and the Center for Strategic Economic Research (May 2012)

[19] Asian is defined by the US Census Bureau as a person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent.

The highly-educated workforce is a major factor in attracting and retaining businesses in the Tri-Valley. In fact, when General Electric selected the Tri-Valley for the location of its new innovation center, the company cited the well-trained workforce as a primary factor in the decision. A little over half of Dublin's residents have a college degree (associate's degree or above), a significant increase from 2000 when about 41 percent of Dublin residents had a college degree. More than one in ten Dublin residents holds an advance degree (MA/MS, Professional, and/or Doctoral degrees).

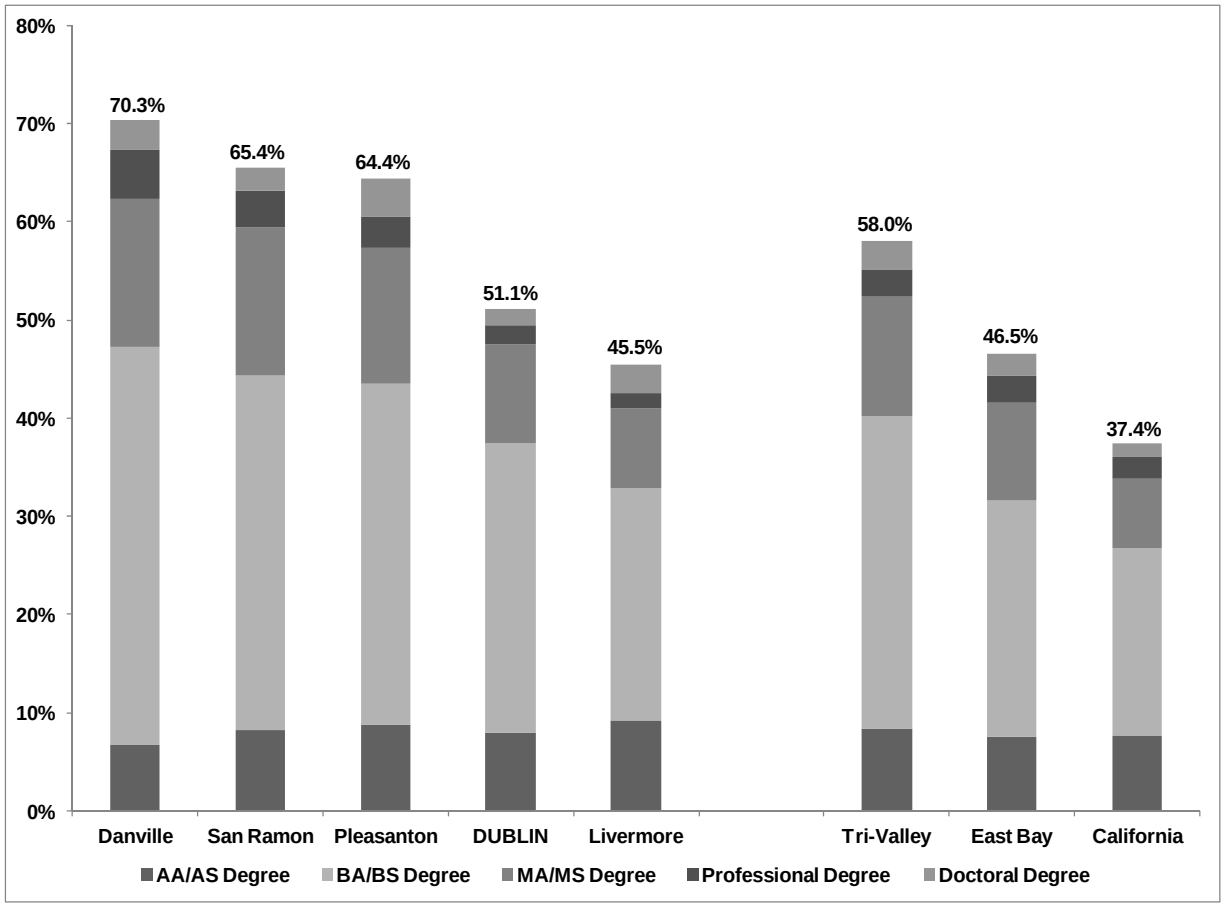
Figure 15: City of Dublin Educational Attainment



Data Source: U.S. Census Bureau, 2005-2009 American Community Survey and the Center for Strategic Economic Research (May 2012)

Educational attainment in Dublin is stronger than in the East Bay and California overall. Within the Tri-Valley, Dublin residents' attainment of a college education is greater than in Livermore, but lower than the other neighboring cities and the Tri-Valley overall. However, with population growth over the last decade, educational attainment in Dublin has increased dramatically and this trend is likely to continue as the City's population expands in the future.

Figure 16: College Degree Educational Attainment Comparison



Data Source: U.S. Census Bureau, 2005-2009 American Community Survey and the Center for Strategic Economic Research (May 2012)

Dublin residents commonly report a BA/BS Degree as their highest level of educational attainment (about 29 percent), which is higher than the East Bay and California overall but slightly below the Tri-Valley overall. Over the past several years, Dublin has seen large shifts in BA/BS Degree and MA/MS-Professional-Doctorate Degree attainment (about 6 and 5 percentage points, respectively), as well as in the proportion of population with an college degree (AA/AS Degree or greater) which increased about 10 percentage points—a much larger shifts toward higher education than in other Tri-Valley cities.

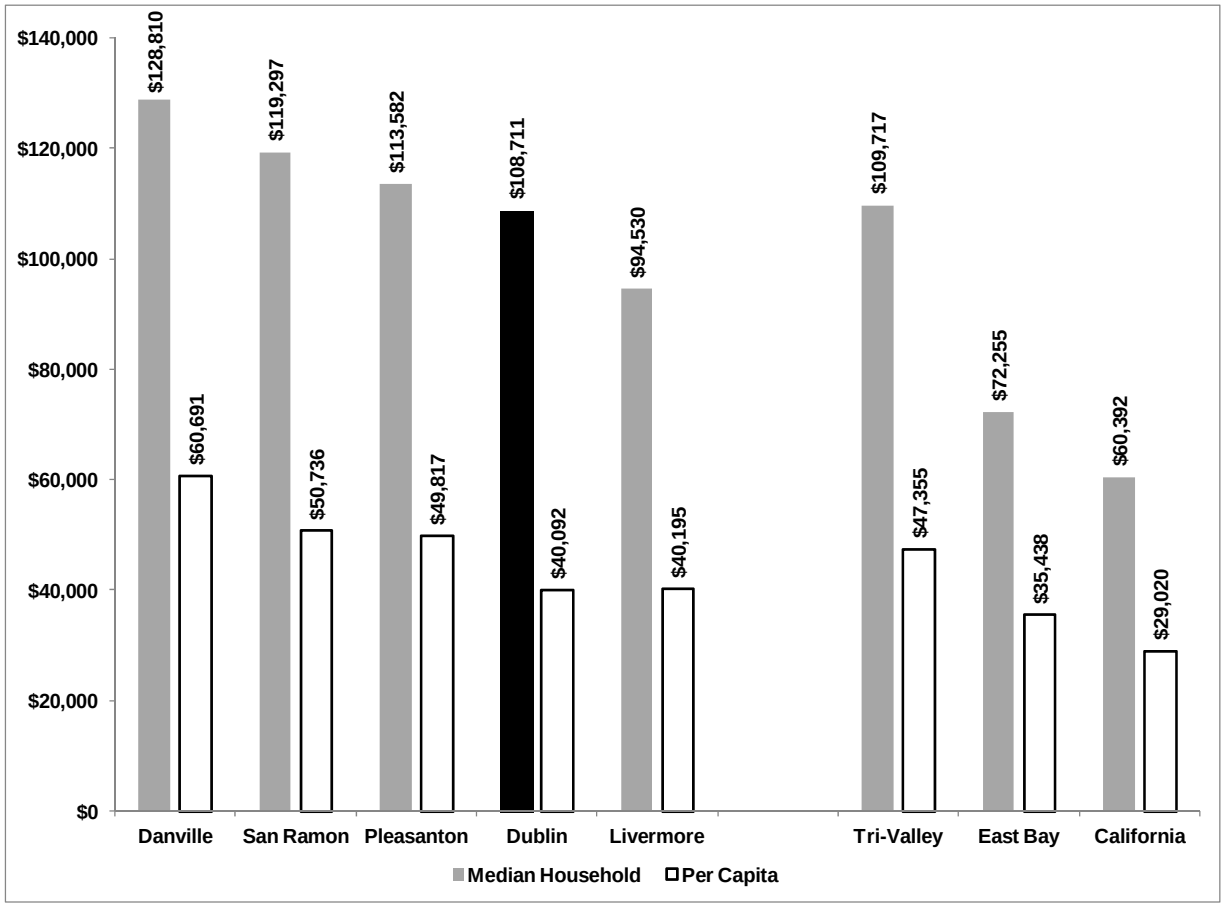
Figure 17: Educational Attainment Trend Comparison

Educational Attainment Level	***Dublin***	*Danville*	*Livermore*	*Pleasanton*	*San Ramon*	*Tri-Valley*	*East Bay*	*California*
2005-2009 Average								
No HS Diploma	**9.0%**	1.7%	8.7%	4.3%	3.1%	5.7%	13.4%	19.5%
HS Diploma	**21.0%**	8.8%	20.9%	14.3%	12.2%	16.0%	20.4%	21.9%
Some College	**18.9%**	19.2%	25.0%	16.9%	19.2%	20.3%	19.7%	21.2%
AA/AS Degree	**8.0%**	6.7%	9.3%	8.8%	8.2%	8.4%	7.5%	7.6%
BA/BS Degree	**29.4%**	40.6%	23.5%	34.7%	36.1%	31.8%	24.0%	19.1%
MA/MS-Prof.-Doct. Degree	**13.7%**	23.0%	12.7%	21.0%	21.1%	17.8%	14.9%	10.7%
College Degree	**51.1%**	70.3%	45.5%	64.4%	65.4%	58.0%	46.5%	37.4%
2000								
No HS Diploma	**13.7%**	3.4%	10.4%	5.8%	3.5%	7.2%	15.8%	23.2%
HS Diploma	**20.7%**	11.2%	20.0%	14.7%	11.8%	15.8%	19.4%	20.1%
Some College	**25.0%**	19.0%	29.1%	23.5%	23.8%	24.6%	22.7%	22.9%
AA/AS Degree	**7.7%**	7.0%	8.9%	8.7%	8.2%	8.3%	7.1%	7.1%
BA/BS Degree	**23.8%**	38.4%	20.1%	31.5%	35.9%	29.3%	21.9%	17.1%
MA/MS-Prof.-Doct. Degree	**9.1%**	21.1%	11.5%	15.8%	16.8%	14.8%	13.1%	9.5%
College Degree	**40.6%**	66.4%	40.5%	56.0%	60.9%	52.4%	42.1%	33.8%
Shift								
No HS Diploma	**-4.7%**	-1.7%	-1.8%	-1.4%	-0.4%	-1.6%	-2.5%	-3.7%
HS Diploma	**0.4%**	-2.4%	0.9%	-0.4%	0.4%	0.2%	1.1%	1.7%
Some College	**-6.1%**	0.2%	-4.1%	-6.6%	-4.5%	-4.3%	-3.0%	-1.7%
AA/AS Degree	**0.2%**	-0.2%	0.3%	0.0%	0.0%	0.1%	0.4%	0.5%
BA/BS Degree	**5.6%**	2.2%	3.5%	3.2%	0.2%	2.5%	2.2%	2.0%
MA/MS-Prof.-Doct. Degree	**4.6%**	1.9%	1.2%	5.2%	4.3%	3.0%	1.9%	1.1%
College Degree	**10.4%**	3.9%	5.0%	8.4%	4.5%	5.6%	4.4%	3.6%

Data Source: U.S. Census Bureau, 2005-2009 American Community Survey and 2000 Census and the Center for Strategic Economic Research (May 2012)

Dublin residents' median household and per-capita income levels are considerably higher than in the East Bay and California overall. Median household income in Dublin is similar to the Tri-Valley as a whole, but per capital income is lower, likely due to larger household sizes.

Figure 18: Income Level Comparison



Data Source: U.S. Census Bureau, 2005-2009 American Community Survey and the Center for Strategic Economic Research (May 2012)

Dublin has exhibited strong growth in the median household income relative to other Tri-Valley cities, with the strongest growth (nearly 42 percent) in the Tri-Valley over the past several years. Increasing household incomes are largely attributable to the household growth resulting from new residential real estate development in the City.

Overall, the Tri-Valley is extremely affluent. Around half of the households in the Tri-Valley are in the $100,000+ income category. By comparison, in the East Bay and California only about 35 percent and 27 percent of households, respectively, earn this level of income. While some cities in the Tri-Valley have a notable concentration of very wealthy households (e.g., Danville, where nearly 27 percent of households have income in excess of $200,000 per year), Dublin households are most concentrated in the $100,000 to $150,000 income bracket.

Figure 19: Household Income Distribution Comparison

Household Income Level	***Dublin***	*Danville*	*Livermore*	*Pleasanton*	*San Ramon*	*Tri-Valley*	*East Bay*	*California*
2005-2009 Average								
Less than $15,000	**3.8%**	3.2%	5.4%	3.9%	3.6%	4.1%	9.3%	10.5%
$15,000 to $34,999	**7.2%**	7.2%	10.6%	7.3%	5.3%	7.9%	14.9%	18.7%
$35,000 to $49,999	**5.4%**	6.3%	8.2%	6.1%	5.7%	6.6%	10.8%	12.8%
$50,000 to $74,999	**12.7%**	9.5%	14.3%	13.2%	11.7%	12.6%	16.4%	17.8%
$75,000 to $99,999	**14.5%**	9.5%	14.1%	11.9%	12.8%	12.7%	13.2%	12.8%
$100,000 to $149,999	**28.6%**	24.7%	21.8%	24.6%	26.0%	24.6%	18.0%	14.9%
$150,000 to $199,999	**14.4%**	12.7%	14.5%	14.4%	15.4%	14.4%	8.5%	6.2%
$200,000 or more	**13.3%**	26.8%	11.1%	18.6%	19.6%	17.1%	8.9%	6.3%
Median	**$108,711**	$128,810	$94,530	$113,582	$119,297	$109,717	$72,255	$60,392
2000								
Less than $15,000	**2.9%**	2.6%	5.4%	3.9%	2.9%	3.8%	10.9%	14.0%
$15,000 to $34,999	**11.1%**	6.7%	12.2%	8.4%	6.3%	9.1%	17.4%	22.9%
$35,000 to $49,999	**10.7%**	7.1%	10.7%	9.2%	8.9%	9.4%	13.7%	15.2%
$50,000 to $74,999	**23.6%**	11.4%	21.4%	18.0%	16.1%	18.1%	19.9%	19.1%
$75,000 to $99,999	**19.2%**	12.9%	19.9%	16.2%	18.2%	17.4%	14.1%	11.5%
$100,000 to $149,999	**21.6%**	26.3%	19.1%	23.4%	25.6%	22.9%	14.2%	10.4%
$150,000 to $199,999	**7.6%**	14.4%	6.7%	10.2%	12.7%	10.1%	5.1%	3.3%
$200,000 or more	**3.3%**	18.6%	4.6%	10.7%	9.3%	9.2%	4.7%	3.6%
Median	**$76,603**	$114,064	$75,250	$89,481	$95,752	$86,807	$59,415	$47,622
Shift / Growth								
Less than $15,000	**1.0%**	0.6%	0.0%	0.0%	0.7%	0.3%	-1.6%	-3.6%
$15,000 to $34,999	**-3.9%**	0.5%	-1.6%	-1.0%	-1.0%	-1.2%	-2.5%	-4.2%
$35,000 to $49,999	**-5.3%**	-0.7%	-2.5%	-3.1%	-3.2%	-2.8%	-2.8%	-2.4%
$50,000 to $74,999	**-10.9%**	-1.8%	-7.1%	-4.8%	-4.4%	-5.5%	-3.5%	-1.3%
$75,000 to $99,999	**-4.7%**	-3.5%	-5.8%	-4.3%	-5.4%	-4.7%	-0.9%	1.3%
$100,000 to $149,999	**7.1%**	-1.5%	2.7%	1.2%	0.3%	1.8%	3.8%	4.6%
$150,000 to $199,999	**6.8%**	-1.8%	7.8%	4.2%	2.7%	4.3%	3.4%	2.8%
$200,000 or more	**10.0%**	8.2%	6.5%	7.9%	10.3%	7.9%	4.2%	2.7%
Median	**41.9%**	12.9%	25.6%	26.9%	24.6%	26.4%	21.6%	26.8%

Data Source: U.S. Census Bureau, 2005-2009 American Community Survey and 2000 Census and the Center for Strategic Economic Research (May 2012)

Large proportions of Dublin residents are employed within Management; Sales & Related; and Office & Administrative Support occupational categories. These occupations account for nearly 46 percent of total resident employment. These are also top occupations among Tri-Valley residents. It is notable that over half of Dublin's employed residents are employed in occupational categories which require a high degree of training, a greater share than in the East Bay and California.

Figure 20: Resident Employment by Occupation Comparison

Major Occupational Category	***Dublin***	*Danville*	*Livermore*	*Pleasanton*	*San Ramon*	*Tri-Valley*	*East Bay*	*California*	*Training Level*
Management	**17.4%**	24.1%	14.8%	19.1%	19.2%	18.3%	11.7%	10.0%	High
Sales & Related	**15.4%**	18.1%	11.8%	13.2%	13.1%	13.8%	11.3%	11.6%	Low
Office & Administrative Support	**12.9%**	9.1%	12.4%	10.5%	11.3%	11.4%	13.7%	13.9%	Low
Computer & Mathematical	**8.2%**	3.5%	4.4%	7.5%	8.6%	6.4%	4.7%	2.7%	High
Business & Financial Operations	**7.3%**	8.5%	4.9%	8.3%	8.6%	7.2%	5.8%	4.7%	High
Education, Training, & Library	**5.0%**	5.8%	5.8%	5.8%	4.9%	5.5%	5.7%	5.5%	High
Healthcare Practitioners & Technical	**4.4%**	5.5%	3.2%	4.9%	5.0%	4.4%	4.4%	4.3%	High
Architecture & Engineering	**4.0%**	4.3%	4.0%	4.9%	4.8%	4.4%	3.0%	2.3%	High
Construction & Extraction	**3.4%**	1.5%	5.6%	2.7%	2.1%	3.4%	5.5%	5.8%	Medium
Installation, Maintenance, & Repair	**3.0%**	1.3%	3.2%	1.9%	2.3%	2.4%	2.8%	3.1%	Medium
Personal Care & Service	**3.0%**	3.5%	3.4%	3.3%	2.7%	3.2%	3.7%	3.9%	Low
Transportation & Material Moving	**2.7%**	1.4%	3.8%	3.0%	2.4%	2.8%	4.7%	5.6%	Low
Food Preparation & Serving-Related	**2.3%**	2.2%	4.2%	2.8%	2.9%	3.1%	4.1%	5.0%	Low
Production	**2.3%**	1.3%	4.2%	1.8%	2.1%	2.6%	4.3%	5.6%	Low
Life, Physical, & Social Science	**1.9%**	2.6%	3.0%	2.2%	1.6%	2.3%	1.8%	1.1%	High
Arts, Design, Entertainment, Sports, & Media	**1.7%**	1.9%	2.3%	2.5%	2.1%	2.2%	2.4%	2.6%	High
Protective Service	**1.7%**	1.4%	2.3%	1.9%	2.1%	2.0%	1.8%	2.1%	Medium
Building & Grounds Cleaning & Maintenance	**1.1%**	0.2%	3.4%	1.2%	0.4%	1.5%	3.7%	4.3%	Low
Community & Social Services	**0.8%**	1.0%	0.9%	0.7%	1.3%	0.9%	1.5%	1.5%	High
Healthcare Support	**0.8%**	0.3%	1.4%	1.0%	0.7%	0.9%	1.8%	1.8%	Low
Legal	**0.7%**	2.4%	0.9%	0.8%	1.8%	1.2%	1.5%	1.3%	High
Farming, Fishing, & Forestry	**0.0%**	0.0%	0.0%	0.2%	0.0%	0.1%	0.2%	1.4%	Low

Data Source: U.S. Census Bureau (2005-2009 American Community Survey) and the Center for Strategic Economic Research (May 2012)

*Note: High training level = four-year degree or above plus work experience; medium = considerable on-the-job training, vocational education, or a two-year degree; low = some on-the-job training and high school-level education. Based on "O*Net" job zones.*

Tri-Valley Residents are commonly employed in Professional, Scientific, and Technical Services; Manufacturing; and Retail Trade. In Dublin, nearly 15 percent of employed residents work in the Retail Trade sector, a greater proportion than other Tri-Valley cities. In other Tri-Valley cities, the Professional, Scientific, and Technical Services sector accounts for the greatest proportion of resident jobs. Manufacturing is the second-largest sector for Tri-Valley residents; it is the third-largest employer of Dublin residents. In the East Bay and California, Health Care & Social Assistance is a more significant resident employer, with less concentration in Professional, Scientific, and Technical Services and Manufacturing than the Tri-Valley.

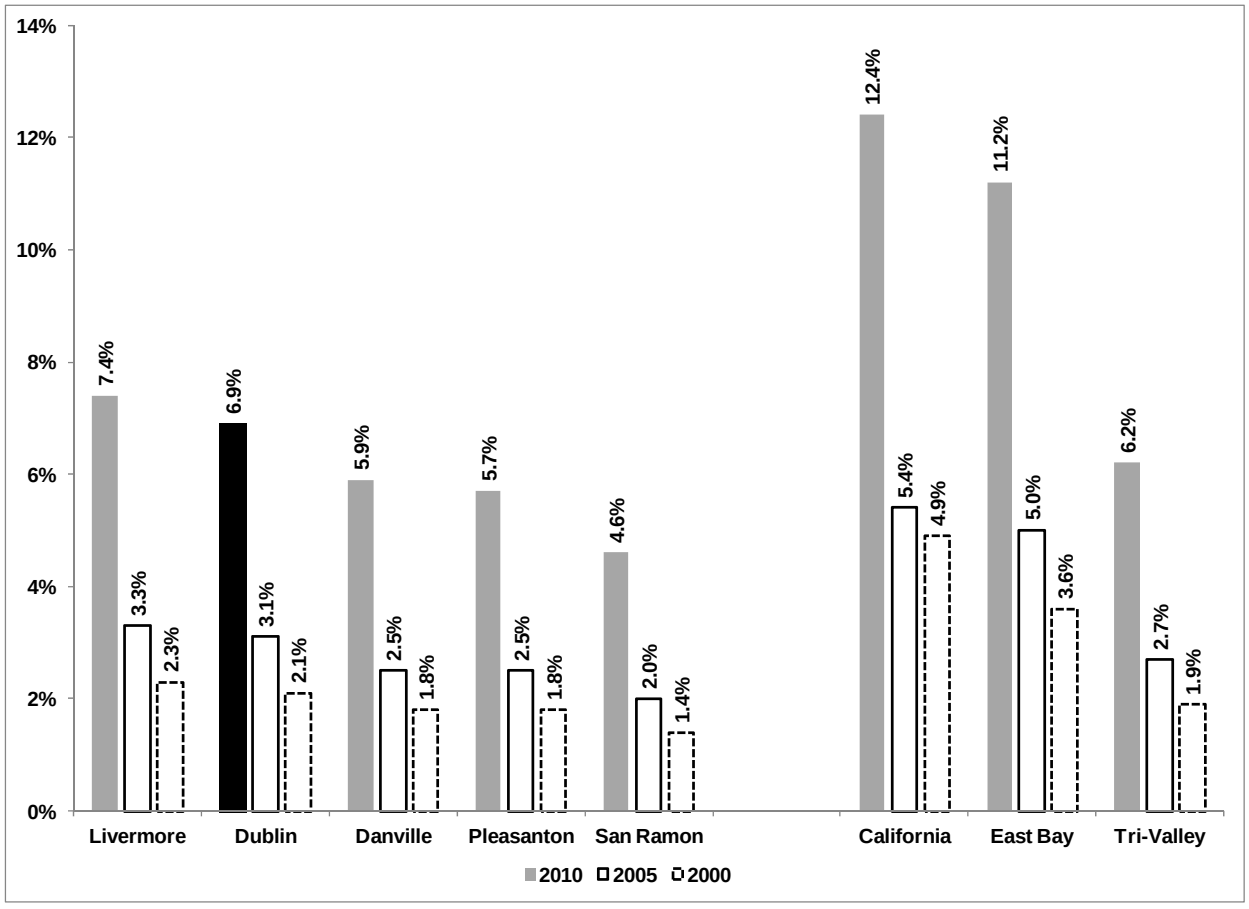
Figure 21: Resident Employment by Industry Comparison

Major Industry Sector	***Dublin***	*Danville*	*Livermore*	*Pleasanton*	*San Ramon*	*Tri-Valley*	*East Bay*	*California*
Retail Trade	**14.6%**	9.0%	11.5%	9.5%	10.0%	10.9%	10.7%	11.0%
Prof., Sci., & Technical Svcs.	**13.0%**	14.3%	12.8%	15.3%	14.4%	13.9%	10.5%	7.4%
Manufacturing	**10.8%**	11.1%	10.2%	14.8%	13.1%	12.0%	9.6%	10.5%
Health Care & Social Assistance	**8.2%**	9.8%	9.0%	10.1%	10.6%	9.5%	12.0%	11.1%
Educational Svcs.	**6.8%**	8.2%	8.1%	8.2%	6.8%	7.7%	8.7%	8.4%
Finance & Insurance	**6.2%**	9.0%	4.7%	5.9%	8.5%	6.5%	5.8%	4.6%
Construction	**5.8%**	6.2%	9.5%	4.9%	5.3%	6.6%	7.3%	7.4%
Information	**5.2%**	4.1%	3.0%	5.0%	5.4%	4.4%	3.2%	3.0%
Other Svcs.	**4.7%**	2.5%	3.9%	2.7%	3.2%	3.4%	4.8%	5.2%
Wholesale Trade	**4.3%**	4.5%	4.1%	4.1%	4.1%	4.2%	3.3%	3.5%
Accom. & Food Svcs.	**3.9%**	3.3%	5.5%	4.0%	3.4%	4.2%	5.4%	6.6%
Admin. & Waste Svcs.	**3.6%**	2.0%	4.0%	3.1%	3.2%	3.3%	4.4%	4.6%
Public Administration	**3.3%**	3.8%	4.4%	2.6%	3.4%	3.5%	3.9%	4.5%
Transportation & Warehousing	**2.9%**	3.2%	3.2%	3.6%	2.7%	3.2%	4.5%	4.0%
Real Estate & Rental & Leasing	**2.6%**	6.0%	2.2%	2.7%	3.1%	3.1%	2.6%	2.6%
Arts, Ent., & Recreation	**2.5%**	1.6%	2.8%	2.3%	1.4%	2.2%	2.1%	2.5%
Utilities	**1.3%**	0.8%	0.7%	0.8%	0.9%	0.9%	0.8%	0.7%
Mgmt. of Companies	**0.2%**	0.3%	0.2%	0.1%	0.2%	0.2%	0.1%	0.1%
Agriculture, Forestry, Fishing, & Hunting	**0.1%**	0.2%	0.1%	0.0%	0.1%	0.1%	0.3%	1.9%
Natural Resources & Mining	**0.1%**	0.1%	0.2%	0.1%	0.3%	0.1%	0.1%	0.2%

Data Source: U.S. Census Bureau (2005-2009 American Community Survey) and the Center for Strategic Economic Research (May 2012)

With an unemployment rate at 6.2 percent in 2010, the Tri-Valley has fared better than the East Bay and California overall during the recent recession and economic recovery. With an unemployment rate of 6.9 percent, Dublin has a relatively high unemployment rate compared with other Tri-Valley Cities, but the figure is still significantly lower than the East Bay and California overall.

Figure 22: Unemployment Rate Comparison



Data Source: CA Employment Development Department and the Center for Strategic Economic Research (May 2012)

Dublin possesses a good balance of jobs and housing, with a jobs-household ratio of 1.4, which is close to the commonly-accepted ideal of 1.5. However, nearly 91 percent of city residents commute to work outside the community. The average commute time for Dublin workers is about 29 minutes, which is greater than California's average of 27 minutes. Many Dublin residents out-commute to other communities in the Bay Area, most notably Pleasanton, San Jose, Oakland, San Francisco, and San Ramon.

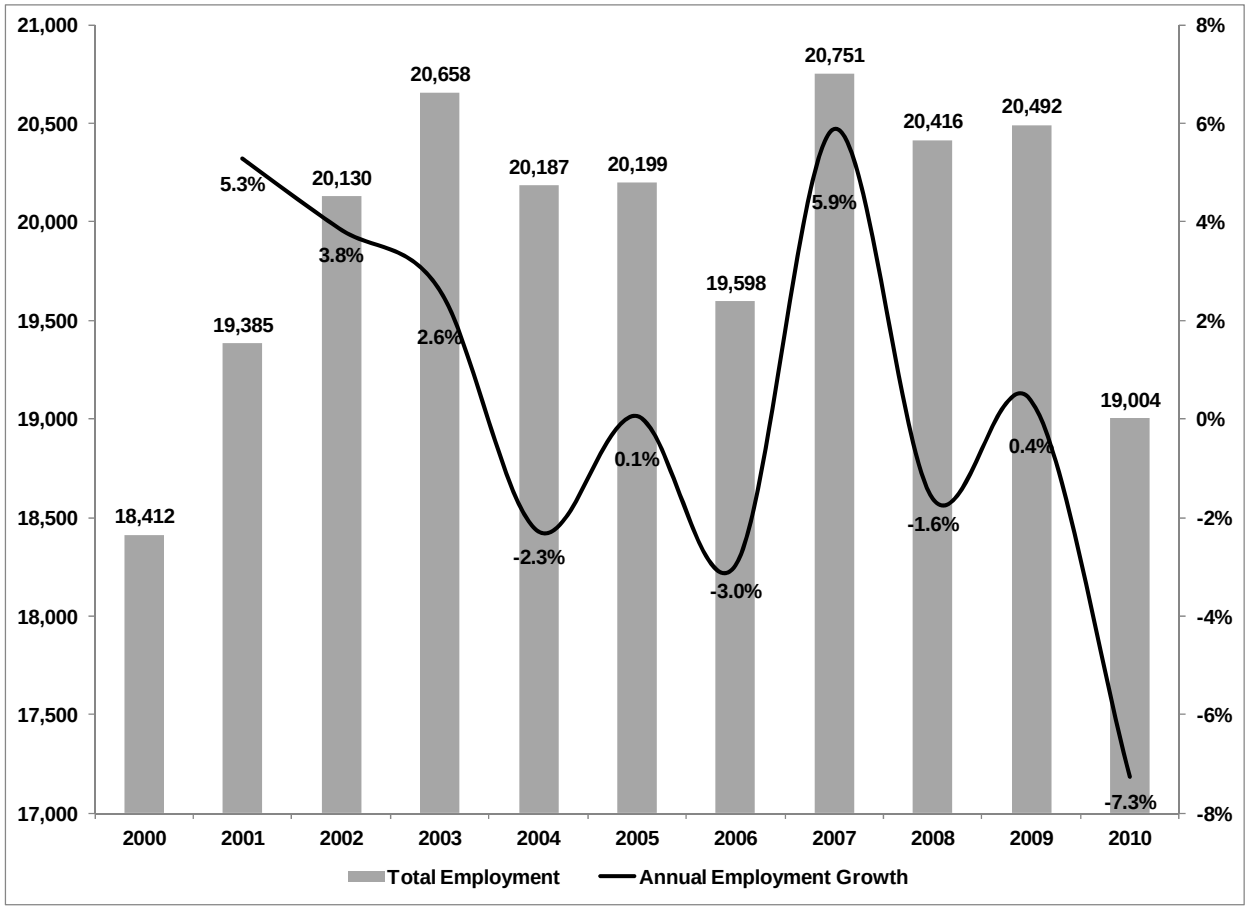
Figure 23: Tri-Valley Commute Patterns

Factor	***Dublin***	*Danville*	*Livermore*	*Pleasanton*	*San Ramon*
Jobs-Household Ratio	**1.4**	0.7	1.1	1.8	2.0
Average Commute Time	**29.0**	29.4	28.5	28.3	30.8
Resident Worker Outflow	**90.9%**	91.0%	80.0%	81.4%	88.1%
Worker Inflow-Outflow Ratio	**105.2%**	58.2%	84.3%	187.8%	150.7%

Data Sources: National Establishment Time Series (NETS) database; ReferenceUSA;, CA Employment Development Department (2010); ESRI Business Analyst Online (2010); U.S. Census Bureau (2006-2010) Local Employment Dynamics; and U.S. Census Bureau (2005-2009) American Community Survey; and the Center for Strategic Economic Research (May 2012)

Despite the deep economic recessions of the 2000s, the number of jobs in Dublin is greater today than in 2000. Dublin's nonfarm establishments employed over 19,000 jobs in 2010, an increase of around 600 jobs over 2000. There have been dramatic fluctuations the number of jobs, similar to many other California communities. Throughout the state, the recession of 2008-09 forced employers to shed jobs. As shown in **Figure 24**, Dublin continued to suffer job losses between 2009 and 2010, though anecdotal evidence suggests the City has returned to job growth since then.

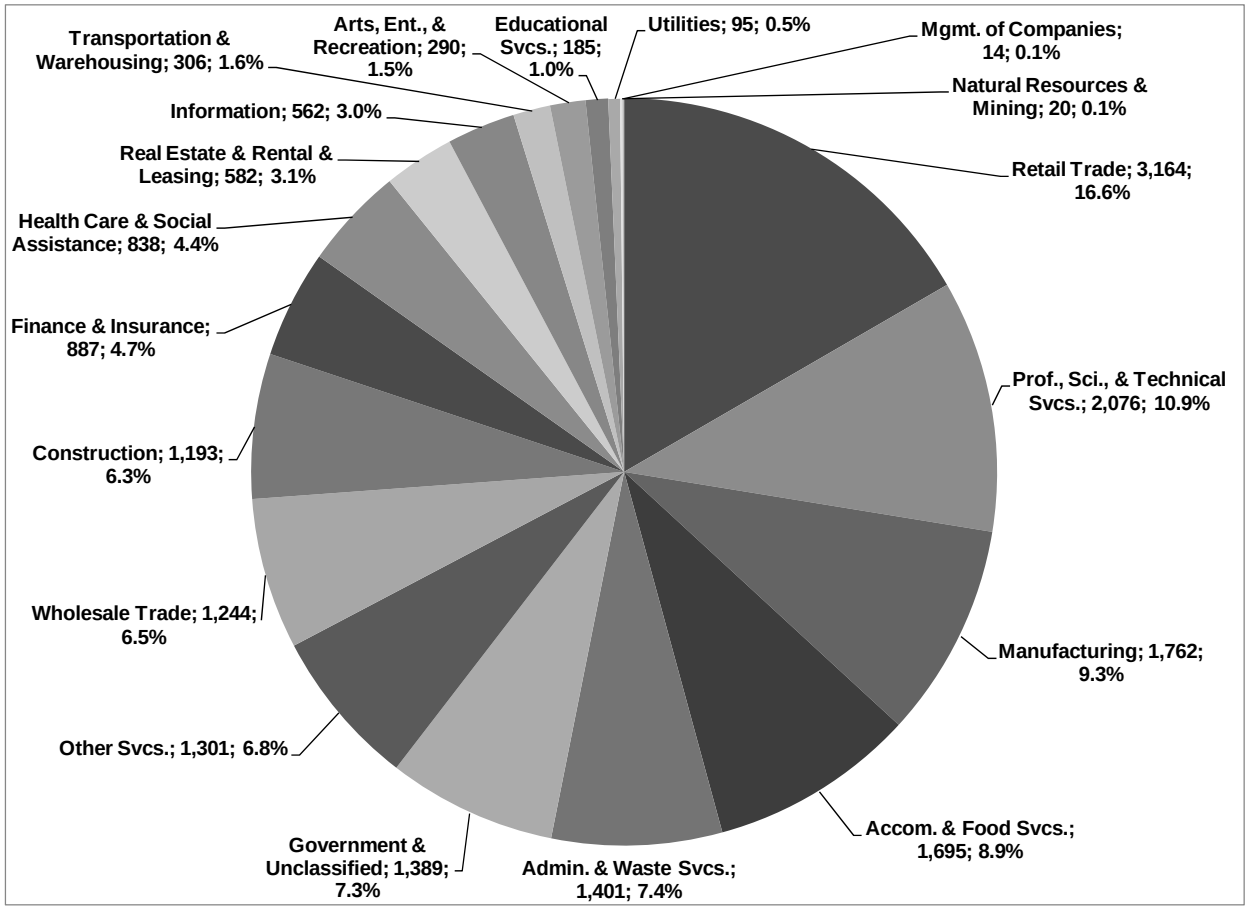
Figure 24: City of Dublin Employment Trend



Data Source: National Establishment Time Series (NETS) database; ReferenceUSA; and the Center for Strategic Economic Research (May 2012)

Five industry sectors account for over half (around 53 percent) of Dublin's total employment: Retail Trade; Professional, Scientific, & Technical Services; Manufacturing; Accommodation & Food Services; and Administrative & Waste Services. Employment in these sectors ranges from about 1,400 to 3,200 jobs. It is notable that the top employment categories found in Dublin are also top sectors which employ Dublin's residents. However, as indicated above, there is still a lot of out-commuting. Nonetheless, with good alignment between jobs and resident employment, residents are well-positioned to seek local jobs that improve quality of life through reductions in commute time.

Figure 25: City of Dublin Employment by Industry



Data Source: CSER analysis of National Establishment Time Series (NETS) database; ReferenceUSA; and the Center for Strategic Economic Research (May 2012)

Professional, Scientific, & Technical Services jobs make up a greater share of total jobs in Dublin than in any other Tri-Valley City. The concentration in this growing industry sector could be an advantage for economic development in the City. Pleasanton also has a high share of its jobs in Professional, Scientific, & Technical Services, but many more manufacturing jobs (as a share of total jobs). San Ramon also has a notably greater share of jobs in Manufacturing. While manufacturing jobs are critical to the regional economy, this industry is unlikely to exhibit dramatic growth in the future. Dublin's relatively modest share of employment in Manufacturing is unlikely to be a significant disadvantage for the City, in terms of growth potential.

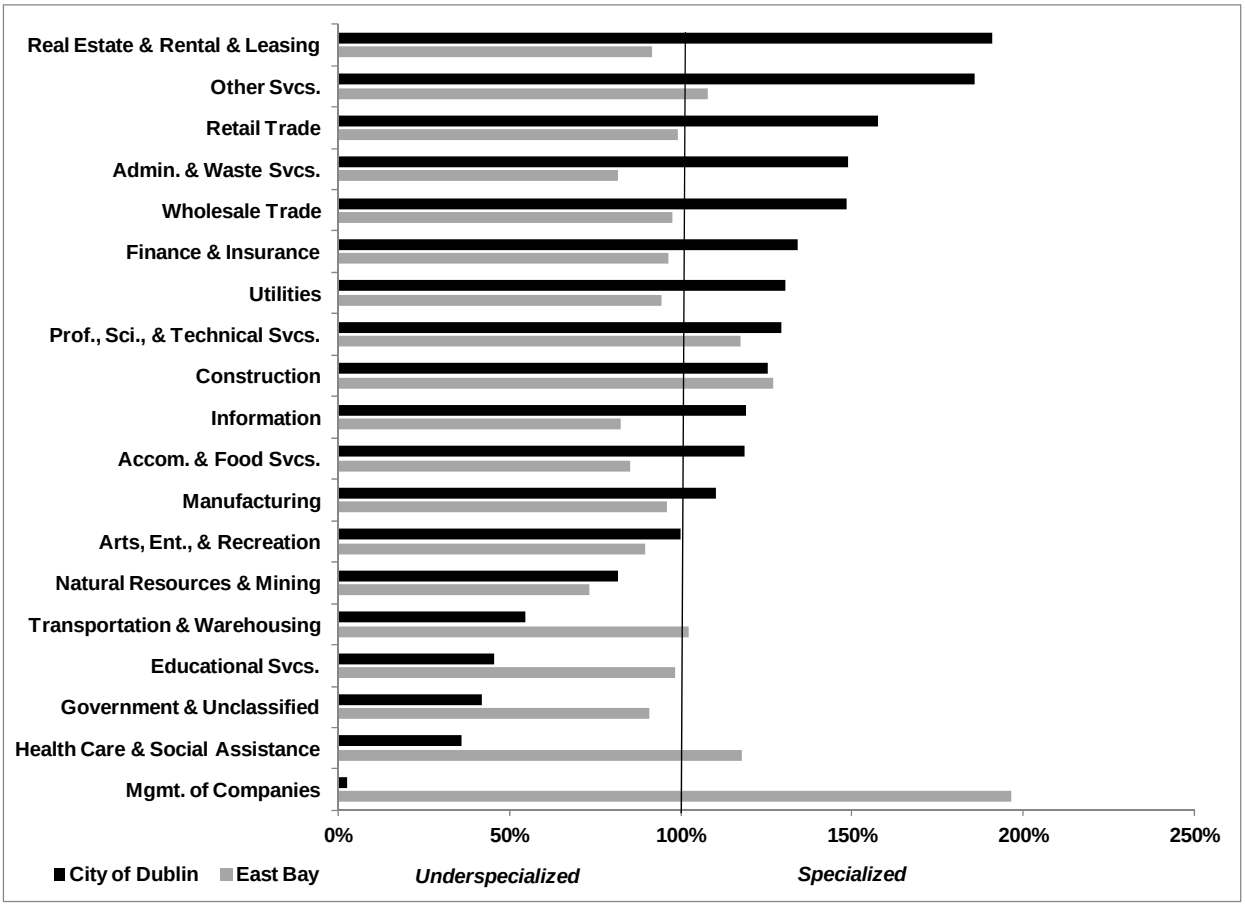
Figure 26: Tri-Valley Employment by Industry Comparison

Major Industry Sector	***Dublin***	*Danville*	*Livermore*	*Pleasanton*	*San Ramon*
Retail Trade	**16.6%**	14.0%	13.7%	19.3%	5.4%
Prof., Sci., & Technical Svcs.	**10.9%**	8.6%	5.8%	9.3%	7.5%
Manufacturing	**9.3%**	1.9%	8.9%	19.4%	16.7%
Accom. & Food Svcs.	**8.9%**	8.8%	6.8%	7.5%	5.6%
Admin. & Waste Svcs.	**7.4%**	3.4%	3.8%	2.9%	3.2%
Government & Unclassified	**7.3%**	15.7%	12.4%	5.3%	5.9%
Other Svcs.	**6.8%**	10.4%	5.0%	4.2%	5.3%
Wholesale Trade	**6.5%**	1.4%	13.2%	3.9%	11.5%
Construction	**6.3%**	4.6%	10.8%	4.7%	3.4%
Finance & Insurance	**4.7%**	4.1%	1.5%	7.8%	8.1%
Health Care & Social Assistance	**4.4%**	7.4%	7.2%	7.9%	6.6%
Real Estate & Rental & Leasing	**3.1%**	12.5%	3.6%	2.7%	2.6%
Information	**3.0%**	0.6%	0.8%	2.3%	14.9%
Transportation & Warehousing	**1.6%**	1.2%	1.8%	1.2%	0.6%
Arts, Ent., & Recreation	**1.5%**	2.3%	3.4%	1.0%	1.7%
Educational Svcs.	**1.0%**	2.4%	1.3%	0.6%	0.6%
Utilities	**0.5%**	0.8%	0.0%	0.0%	0.0%
Natural Resources & Mining	**0.1%**	0.0%	0.0%	0.0%	0.0%
Mgmt. of Companies	**0.1%**	0.0%	0.0%	0.0%	0.2%

Data Sources: CSER analysis of National Establishment Time Series (NETS) database; ReferenceUSA; ESRI Business Analyst Online, 2010; and the Center for Strategic Economic Research (May 2012)

In terms of employment, Dublin exhibits a regional specialization in 13 industry sectors (compared to the East Bay). Specialization in these areas may indicate locational advantages or unique operating conditions. In Dublin, employment data reveal specialization in Real Estate & Rental & Leasing; Other Services; Retail Trade; Administrative & Waste Services; and Wholesale Trade. Specialization in growth sectors, such as Professional, Scientific, and Technical Services, suggests that Dublin will be a competitive location for job growth as the economic recovery continues.

Figure 27: Employment Specialization by Industry Comparison



Data Sources: National Establishment Time Series (NETS) database, ReferenceUSA; CA Employment Development Department data (2010); Moody's Analytics (2010) ; and the Center for Strategic Economic Research (May 2012)

Note: A measure of 100% means that the local area has the same share of total employment in the industry as the larger area.

Despite hard economic times, Dublin employment growth was relatively strong over the last decade. Twelve of Dublin's industry sectors exhibited higher rates of growth than the East Bay between 2000 and 2010. Overall, the City's total nonfarm employment grew by over 3 percent, while employment in the East Bay and California contracted (-9 percent and -4 percent, respectively). While Professional, Scientific, and Technical Services contracted over the ten year period, job growth between 2005 and 2010 was positive. While Manufacturing contracted dramatically over the 2000s in Dublin, this trend is consistent with manufacturing job losses throughout the East Bay and California.

Figure 28: Employment Growth Comparison (Percentage)

	00-05			*05-10*			*00-10*		
Sector	***Dublin***	*East Bay*	*California*	***Dublin***	*East Bay*	*California*	***Dublin***	*East Bay*	*California*
Retail Trade	**18.0%**	-0.2%	6.1%	**-7.6%**	-10.5%	-8.8%	**9.1%**	-10.7%	-3.2%
Prof., Sci., & Technical Svcs.	**-19.6%**	7.9%	4.3%	**1.9%**	10.7%	4.9%	**-18.1%**	19.5%	9.3%
Manufacturing	**-7.4%**	-18.0%	-18.9%	**-32.4%**	-16.6%	-17.4%	**-37.4%**	-31.6%	-33.0%
Accom. & Food Svcs.	**39.1%**	12.7%	10.5%	**-6.0%**	4.2%	1.8%	**30.7%**	17.4%	12.4%
Admin. & Waste Svcs.	**6.0%**	-20.3%	-2.9%	**85.8%**	-15.8%	-11.0%	**97.0%**	-32.9%	-13.6%
Government & Unclassified	**9.0%**	1.9%	4.4%	**-42.1%**	-8.2%	1.2%	**-36.9%**	-6.4%	5.6%
Other Svcs.	**31.4%**	11.7%	3.6%	**4.0%**	-1.7%	-4.1%	**36.7%**	9.8%	-0.6%
Wholesale Trade	**31.5%**	-9.5%	4.6%	**33.5%**	-13.9%	-4.7%	**75.5%**	-22.1%	-0.3%
Construction	**-4.9%**	11.2%	23.4%	**10.4%**	-34.8%	-38.2%	**4.9%**	-27.5%	-23.7%
Finance & Insurance	**7.1%**	58.3%	18.3%	**15.0%**	-30.0%	-19.6%	**23.2%**	10.8%	-4.9%
Health Care & Social Assistance	**75.6%**	3.2%	12.2%	**32.2%**	13.7%	11.9%	**132.1%**	17.4%	25.6%
Real Estate & Rental & Leasing	**49.6%**	6.3%	8.0%	**-6.7%**	-18.5%	-12.4%	**39.6%**	-13.4%	-5.4%
Information	**0.0%**	-21.4%	-17.9%	**1.3%**	-23.0%	-9.7%	**1.3%**	-39.5%	-25.8%
Transportation & Warehousing	**-9.7%**	-15.5%	-6.7%	**-2.9%**	-14.1%	-5.3%	**-12.3%**	-27.4%	-11.6%
Arts, Ent., & Recreation	**42.0%**	11.5%	10.4%	**-50.7%**	-0.7%	1.8%	**-30.0%**	10.7%	12.4%
Educational Svcs.	**23.5%**	28.4%	18.5%	**-38.3%**	6.5%	13.8%	**-23.9%**	36.7%	34.8%
Utilities	**6.5%**	-18.3%	-0.7%	**-4.0%**	31.4%	3.6%	**2.2%**	7.4%	2.9%
Natural Resources & Mining	**300.0%**	-55.1%	-7.0%	**0.0%**	21.2%	17.8%	**300.0%**	-45.5%	9.6%
Mgmt. of Companies	**-**	-32.3%	-24.7%	**133.3%**	10.8%	-12.0%	**-**	-25.0%	-33.7%
Total	**9.7%**	-1.2%	2.2%	**-5.9%**	-8.1%	-5.8%	**3.2%**	-9.2%	-3.8%

Data Source: National Establishment Time Series (NETS) database, ReferenceUSA, & CA Employment Development Department data; and the Center for Strategic Economic Research (April 2012)

Note: Industries sorted by size within Dublin

In absolute terms, Dublin added approximately 600 jobs from 2000 to 2010. While the City gained 1,800 jobs between 2000 and 2005, it lost nearly 1,200 jobs between 2005 and 2010. Of Dublin's three largest sectors, only Retail Trade grew over the entire 10-year time period. However, while Professional, Scientific, & Technical Services lost jobs in the first half of the decade, there was job growth between 2005 and 2010. By far, Manufacturing experienced the more job losses 2000 to 2010 than any other sector, in Dublin, the East Bay, and California.

Figure 29: Employment Growth Comparison (Absolute)

	00-05			*05-10*			*00-10*		
Sector	***Dublin***	*East Bay*	*California*	***Dublin***	*East Bay*	*California*	***Dublin***	*East Bay*	*California*
Retail Trade	**522**	-227	95,900	**-259**	-11,776	-146,000	**263**	-12,003	-50,100
Prof., Sci., & Technical Svcs.	**-496**	5,322	39,600	**38**	7,743	47,200	**-458**	13,065	86,800
Manufacturing	**-208**	-20,919	-350,100	**-843**	-15,907	-261,600	**-1,051**	-36,826	-611,700
Accom. & Food Svcs.	**507**	7,702	117,100	**-109**	2,882	22,000	**398**	10,584	139,100
Admin. & Waste Svcs.	**43**	-14,215	-28,900	**647**	-8,797	-106,800	**690**	-23,012	-135,700
Government & Unclassified	**198**	3,318	102,100	**-1,010**	-14,681	28,200	**-812**	-11,363	130,300
Other Svcs.	**299**	3,730	17,800	**50**	-617	-20,600	**349**	3,113	-2,800
Wholesale Trade	**223**	-5,121	29,600	**312**	-6,726	-31,800	**535**	-11,847	-2,200
Construction	**-56**	7,350	171,900	**112**	-25,327	-345,500	**56**	-17,977	-173,600
Finance & Insurance	**51**	17,335	98,400	**116**	-14,109	-124,700	**167**	3,226	-26,300
Health Care & Social Assistance	**273**	3,159	143,800	**204**	14,030	157,400	**477**	17,189	301,200
Real Estate & Rental & Leasing	**207**	1,105	21,000	**-42**	-3,459	-35,300	**165**	-2,354	-14,300
Information	**0**	-8,321	-103,100	**7**	-7,055	-45,900	**7**	-15,376	-149,000
Transportation & Warehousing	**-34**	-5,944	-30,800	**-9**	-4,549	-22,800	**-43**	-10,493	-53,600
Arts, Ent., & Recreation	**174**	1,502	22,500	**-298**	-103	4,400	**-124**	1,399	26,900
Educational Svcs.	**57**	4,198	42,500	**-115**	1,226	37,500	**-58**	5,424	80,000
Utilities	**6**	-618	-400	**-4**	869	2,000	**2**	251	1,600
Natural Resources & Mining	**15**	-1,236	-1,600	**0**	214	3,800	**15**	-1,022	2,200
Mgmt. of Companies	**6**	-10,780	-72,700	**8**	2,432	-26,700	**14**	-8,348	-99,400
Total	**1,787**	-12,660	313,100	**-1,195**	-83,710	-864,600	**592**	-96,370	-551,500

Data Source: CSER analysis of National Establishment Time Series (NETS) database, ReferenceUSA;, CA Employment Development Department data and the Center for Strategic Economic Research (April 2012)

Note: Industries sorted by size within Dublin

Despite job losses, Manufacturing remains the top industry in terms of economic output (i.e., sales) in Dublin. With sales valued at roughly $568 million annually, Manufacturing accounts for about 16.5 percent of economic output in the City. Interestingly, two of Dublin's smallest industries in terms of employment (Information and Real Estate & Rental) generate significant economic output—a combined total of nearly $770 million dollars annually (more than 20 percent of the City total). Retail Trade, and Professional, Scientific, & Technical Services, Finance & Insurance, also generate a considerable share of the City's output, around 9 percent each.

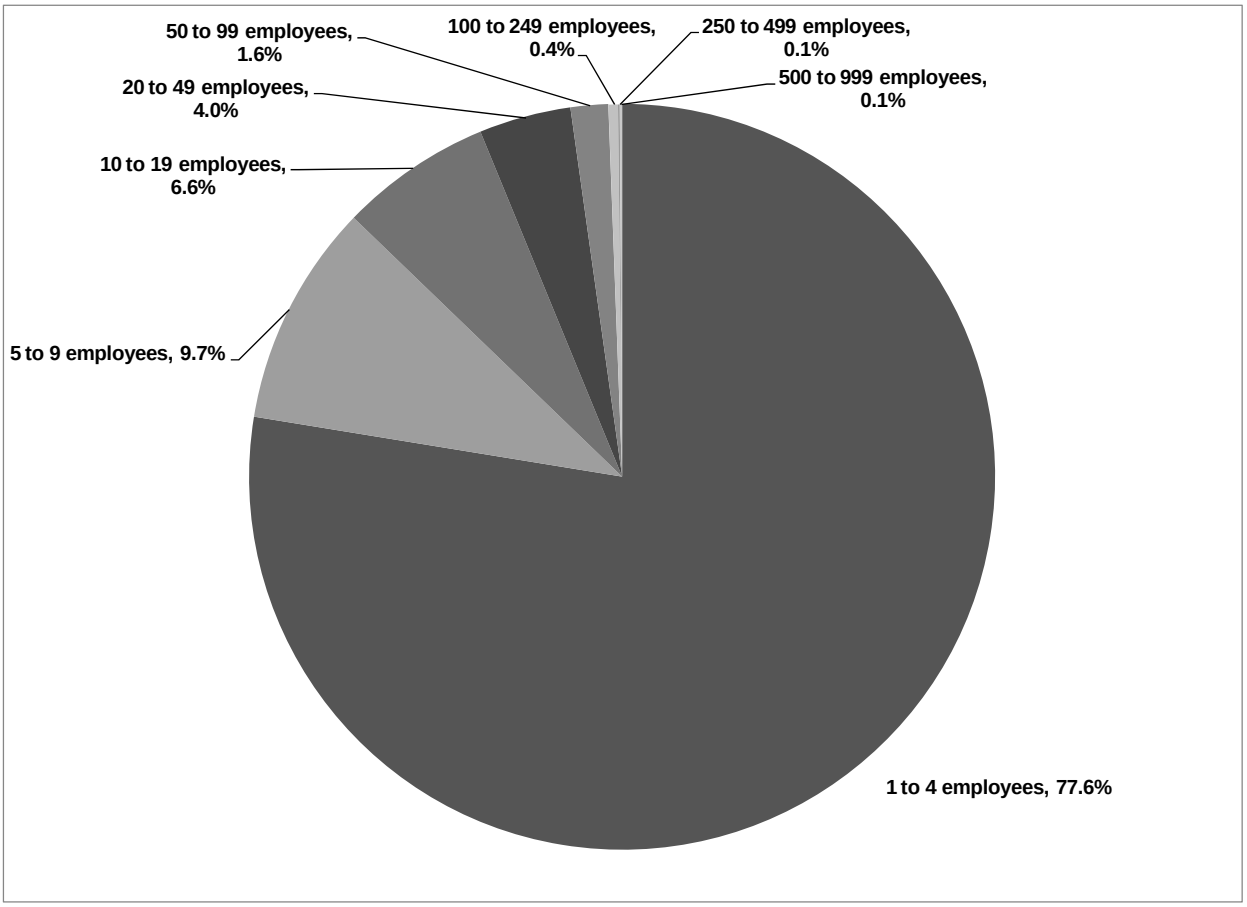
Figure 30: City of Dublin Economic Output by Industry

Sector	*Output*	*% of Total*
Manufacturing	$567,815,552	16.5%
Information	$440,638,784	12.8%
Real Estate & Rental & Leasing	$327,516,288	9.5%
Retail Trade	$315,983,296	9.2%
Finance & Insurance	$302,327,584	8.8%
Prof., Sci., & Technical Svcs.	$297,614,272	8.6%
Government & Unclassified	$273,809,728	8.0%
Construction	$174,316,736	5.1%
Accom. & Food Svcs.	$155,796,816	4.5%
Other Svcs.	$126,814,584	3.7%
Admin. & Waste Svcs.	$107,479,232	3.1%
Mgmt. of Companies	$106,034,336	3.1%
Health Care & Social Assistance	$100,122,072	2.9%
Wholesale Trade	$83,926,216	2.4%
Transportation & Warehousing	$29,430,714	0.9%
Arts, Ent., & Recreation	$18,853,190	0.5%
Educational Svcs.	$9,166,097	0.3%
Agriculture, Forestry, Fishing, & Hunting	$3,143,059	0.1%
Natural Resources & Mining	$707,693	0.0%
Utilities	$402,505	0.0%
Total	*$3,441,898,753*	-

Data Source: IMPLAN (2010) for Dublin and the Center for Strategic Economic Research (May 2012)

Dublin, similar to the economy overall, predominantly consists of smaller-sized companies, with around 91 percent of businesses employing fewer than 20 employees. Less than 1 percent of businesses employ more than 100 people. With so many small businesses, and given the importance of these small businesses to job creation and innovation, it is critical that the City address small business needs as part of economic development activities.

Figure 31: City of Dublin Establishments by Number of Employees



Data Source: CSER analysis of National Establishment Time Series (NETS) database; ReferenceUSA; and the Center for Strategic Economic Research (May 2012)

Economists commonly categorize industries and their subsectors in terms of their ability to bring new wealth into a regional economy. These "base" industries drive economic development, while "local-serving" industries feed off of existing wealth in the regional economy.

Typical characteristics of base activities include the following:

- They face few geographical constraints, allowing them to operate anywhere deemed attractive.
- They produce a significant amount of goods and services for export.
- They bring net new wealth into the local economy.

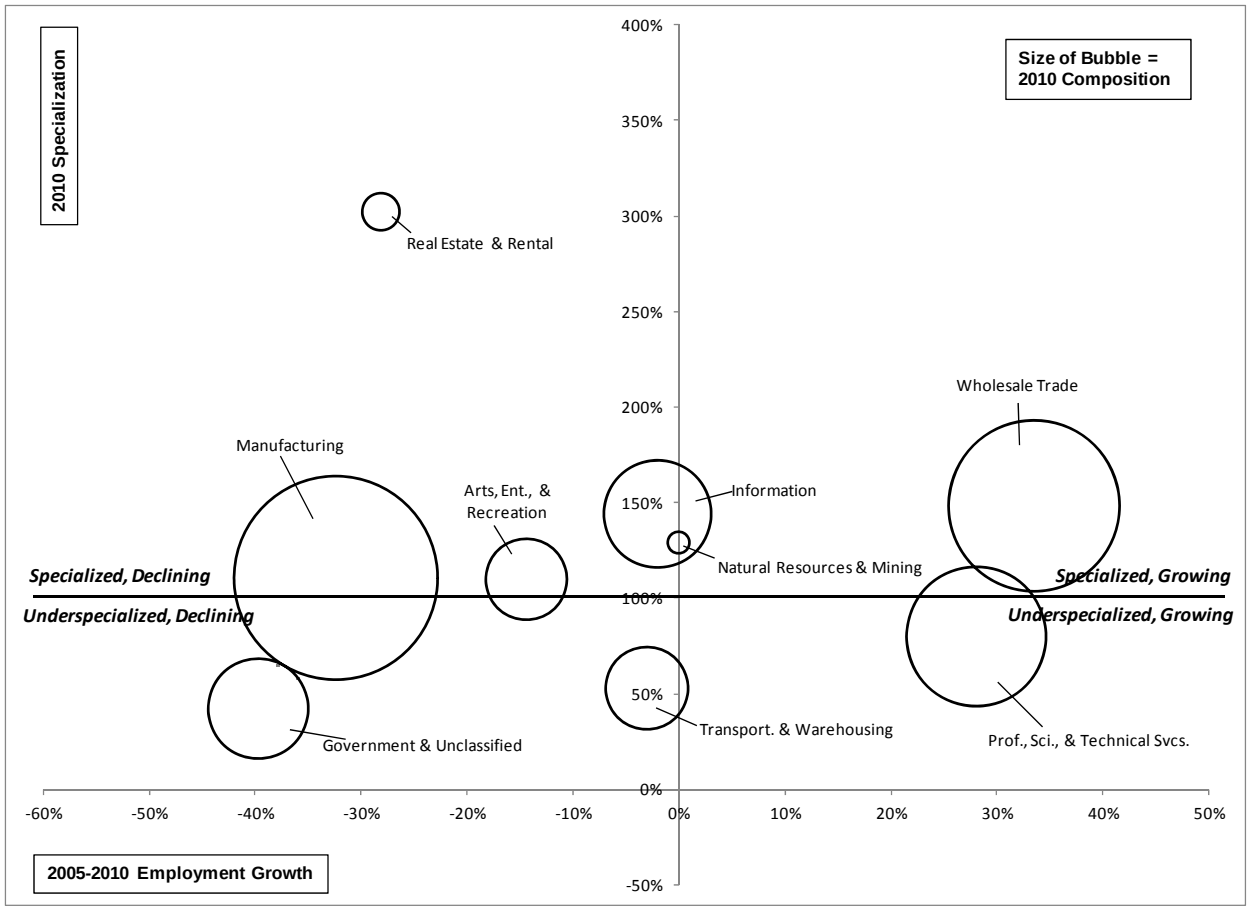
By comparison, local-serving activities produce goods and services for local consumption, which supports the recirculation of wealth does not bring new money in from outside the regional economy.

Over 28 percent of the City of Dublin's employment in 2010 consisted of base activities—slightly higher than California's 27 percent base employment level, but lower than the East Bay's nearly 30 percent base employment level. Over the past 10 years, base employment in Dublin declined 9 percent (compared to local employment which grew by over 9 percent).

Manufacturing and Wholesale Trade account for nearly 56 percent of Dublin's current base employment. While manufacturing employment has contracted, Wholesale Trade has shown strong job growth over the past five- and 10-year periods. Professional, Scientific, & Technical Services base employment subsectors comprise over 4 percent of Dublin's total base employment and also experienced positive growth from 2000 to 2005 and 2005 to 2010.

Figure 32 presents the concentration and growth of Dublin's base industry subsectors. Those base industry subsectors that are highly concentrated and/or growing may represent good targets for economic development programs. In Dublin, Wholesale trade is distinguished relative to other base sectors in terms of concentration and growth. In addition, while Professional, Scientific, and Technical base subsectors (including consulting, scientific research, architecture and engineering, legal services, and public relations) are somewhat less concentrated, these base subsector have exhibited strong employment growth.

Figure 32: City of Dublin Economic Base Industries



Data Sources: National Establishment Time Series (NETS, ReferenceUSA, & California Regional Economies Project (2004) Bay Area Economic Base Report; and IMPLAN (2010); and the Center for Strategic Economic Research (May 2012)

Figure 33: City of Dublin Economic Base and Local-Serving Industries

	2010 Employment		*00-10 Growth*		*05-10 Growth*	
Sector	*Base*	*Local*	*Base*	*Local*	*Base*	*Local*
Natural Resources & Mining	20	-	300.0%	-	0.0%	-
Utilities	-	95	-	2.2%	-	-4.0%
Construction	-	1,193	-	4.9%	-	10.4%
Manufacturing	1,762	-	-37.4%	-	-32.4%	-
Wholesale Trade	1,244	-	75.5%	-	33.5%	-
Retail Trade	-	3,164	-	9.1%	-	-7.6%
Transport. & Warehousing	289	17	-13.0%	0.0%	-3.0%	0.0%
Information	490	72	70.1%	-73.0%	-2.0%	30.9%
Finance & Insurance	-	887	-	23.2%	-	15.0%
Real Estate & Rental	59	523	-34.4%	59.9%	-28.0%	-3.5%
Prof., Sci., & Technical Svcs.	828	1,248	5.6%	-28.7%	28.2%	-10.3%
Mgmt. of Companies	-	14	-	-	-	133.3%
Admin. & Waste Svcs.	-	1,401	-	97.0%	-	85.8%
Educational Svcs.	-	185	-	-23.9%	-	-38.3%
Health Care & Social Svcs.	-	838	-	132.1%	-	32.2%
Arts, Ent., & Recreation	280	10	9.8%	-93.7%	-14.4%	-96.2%
Accom. & Food Svcs.	-	1,695	-	30.7%	-	-6.0%
Other Services	-	1,301	-	36.7%	-	4.0%
Government & Unclassified	427	962	-37.3%	-36.7%	-39.7%	-43.1%
Total	5,399	13,605	-9.4%	9.2%	-11.8%	-3.4%
Percent Total	28.4%	71.6%				

Data Sources: National Establishment Time Series (NETS) database, ReferenceUSA; California Regional Economies Project 2004 Bay Area Economic Base Report; and IMPLAN (2010 Coefficients) Center for Strategic Economic Research (May 2012)

Gazelle companies are those that generate annual sales of at least $500,000 and have five-year revenue growth of 20 percent or greater. Research has demonstrated that these companies drive considerable job growth in local economies. Dublin has 57 gazelle companies which employ nearly 1,400 workers and generate around $422 billion in annual sales. The vast majority of these firms employ fewer than 50 employees and a significant number of them are in the Professional, Scientific, and Technical Services sector. Programs that focus on addressing retention of gazelle companies are likely to be effective economic development efforts for the City of Dublin.

Figure 34: City of Dublin "Gazelle" Companies

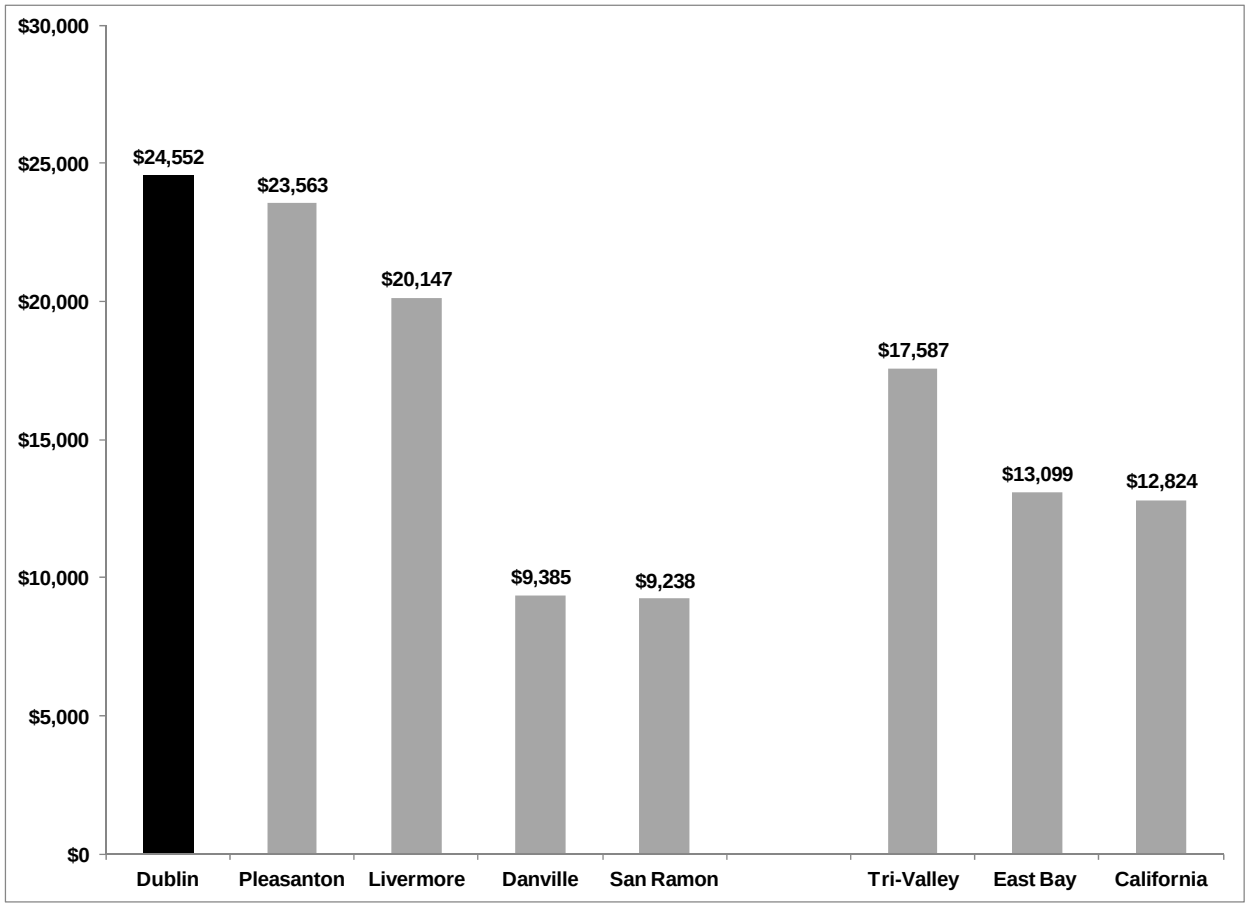
Type	*Establishments*	*Employment*	*Sales*
Total	57	1,361	$421,756,697
Small (Under 50)	48	649	$105,252,791
Medium (50-199)	9	712	$316,503,906
Manufacturing	6	137	$205,000,279
Prof., Sci., & Tech. Svcs.	10	220	$21,595,800
Information	1	4	$3,000,000

Data Source: National Establishment Time Series (NETS) database and ReferenceUSA; and the Center for Strategic Economic Research (May 2012)

Note: Gazelle companies defined as those with $500,000 + in annual sales and 20 percent growth between 2005 and 2010

Dublin is a well-known retail destination, with a wide variety of retail offerings and a concentration of value-oriented shopping. At nearly $25,000 in taxable retail sales per resident, Dublin's per capita taxable sales exceeds all other Tri-Valley cities, the East Bay, and California. In 2010, Dublin establishments generated around $1.1 billion in total taxable sales, which places it third among other Tri-Valley cities, despite its smaller population base.

Figure 35: Taxable Sales Per Capita Comparison



Data Source: CA Board of Equalization (2010) and the Center for Strategic Economic Research (May 2012)

Industries and Clusters for Economic Development

This section considers opportunities for focused business creation, retention, expansion, and attraction efforts.

High-Performing Industries in Dublin

The analysis evaluates economic activity in Dublin across a number of economic indicators. Based on the quantitative evaluation of local data, presented in **Figure 36**, the following major sectors merit some consideration in economic development efforts.

- *Wholesale Trade* is Dublin's eighth-largest sector in terms of employment, possesses a high level of specialization, and has the second-largest proportion of base employment. Dublin's largest employers in this sector span a wide range of business types with focuses in areas such as health care, food, and auto supplies.
- *Real Estate & Rental & Leasing*, despite its small size, has the highest level of specialization among other major sectors in Dublin and grew nearly 40 percent from 2000 to 2010, one of the highest growth rates in the City in this time period. Examples of Dublin businesses in this sector include those involved in property management and vehicle rentals.
- *Administrative & Waste Services* is the City's fifth-largest sector and high performer across the measured indicators. In particular, this industry ranked third-highest in terms of 10-year employment growth (97 percent). Supply chain/ inventory management services and other industrial services establishments are included within this sector.

Figure 36: City of Dublin Employment Summary

Sector	*00-10 Growth*	*2010 Composition*	*2010 Specialization*	*Percent Base*
Natural Resources & Mining	300.0%	0.1%	81.7%	0.1%
Utilities	2.2%	0.5%	130.4%	-
Construction	4.9%	6.3%	125.4%	-
Manufacturing	-37.4%	9.3%	110.3%	9.3%
Wholesale Trade	**75.5%**	**6.5%**	**148.4%**	**6.5%**
Retail Trade	9.1%	16.6%	157.5%	-
Transportation & Warehousing	-12.3%	1.6%	54.9%	1.5%
Information	1.3%	3.0%	118.9%	2.6%
Finance & Insurance	23.2%	4.7%	134.2%	-
Real Estate & Rental & Leasing	**39.6%**	**3.1%**	**191.0%**	**0.3%**
Prof., Sci., & Technical Svcs.	-18.1%	10.9%	129.3%	4.4%
Mgmt. of Companies	-	0.1%	2.8%	-
Admin. & Waste Svcs.	**97.0%**	**7.4%**	**148.9%**	**-**
Educational Svcs.	-23.9%	1.0%	45.7%	-
Health Care & Social Assistance	132.1%	4.4%	36.0%	-
Arts, Ent., & Recreation	-30.0%	1.5%	100.0%	1.5%
Accom. & Food Svcs.	30.7%	8.9%	118.6%	-
Other Svcs.	36.7%	6.8%	185.7%	-
Government & Unclassified	-36.9%	7.3%	41.9%	2.2%

Data Source: National Establishment Time Series (NETS) database, ReferenceUSA, & California Regional Economies Project 2004 Bay Area Economic Base Report; and IMPLAN (2010); and the Center for Strategic Economic Research (May 2012)

Note: Top three sectors bolded for each factor.

Economic Clusters

"Cluster analysis" redefines industries into groups that reflect economic and business relationships. These groupings of interrelated firms, the clusters, provide another perspective on economic development opportunities. This analysis identifies four clusters that likely offer economic development potential in Dublin: Information and Communications Technology, Health Care and Biomedical, Business and Financial Services, and Wholesale Trade and Transportation. **Figure 37** presents an overview of the share of Dublin employment in these clusters that meets specific economic development criteria. The criteria include:

- Regional linkages – component sub-industries supply or consume products from the largest industry sectors in the East Bay
- Employment Multiplier – component sub-industries generate high levels of indirect job creation and economic activity
- Commodity imports – component sub-industries supply commodities that are typically imported
- Occupation match – component sub-industries employ workers in occupations well-represented in the local workforce
- Base - component sub-industries generate net new wealth in the economy

Figure 37: Viable Economic Clusters in Dublin

		Percent of Core Employment				
Cluster	*2010 Employment*	*Regional Linkages*	*Employment Multiplier*	*Commodity Imports*	*Occupation Match*	*Base*
Information & Communications Technology	1,556	7.5%	22.9%	28.7%	66.8%	38.2%
Health Care & Biomedical	1,909	45.3%	50.8%	76.8%	18.4%	57.9%
Business & Financial Services	1,786	51.3%	20.3%	54.8%	59.0%	38.7%
Wholesale Trade & Transportation	1,160	81.8%	0.0%	81.8%	2.3%	100.0%

Data Source: National Employment Time Series (NETS) database, ReferenceUSA, & California Regional Economies Project 2004 Bay Area Economic Base Report; IMPLAN, 2010 Coefficients; U.S. Census Bureau, 2006-2008 American Community Survey; Moody's Economy.com information; and the Center for Strategic Economic Research (May 2012)

Figure 38: City of Dublin Economic Cluster Detail

Health Care & Biomedical (1,909 jobs)	Business & Financial Services (1,786 jobs)
✓ General Medical and Surgical Hospitals—CI, RL, OM ✓ Health and Personal Care Stores ✓ Home Health Care Services—CI, OM ✓ Individual and Family Services ✓ Medical Equipment and Supplies Manufacturing—EM, CI, RL, BA ✓ Navigational, Measuring, Electromedical, and Control Instruments Manufacturing—EM, OM, BA ✓ Offices of Dentists—CI ✓ Offices of Other Health Practitioners—CI ✓ Offices of Physicians—CI, OM ✓ Other Ambulatory Health Care Services—RL ✓ Other Residential Care Facilities—CI ✓ Scientific Research and Development Services—BA ✓ Specialty (except Psychiatric and Substance Abuse) Hospitals—CI	✓ Accounting, Tax Preparation, Bookkeeping, and Payroll Services—CI ✓ Activities Related to Credit Intermediation—EM, CI ✓ Advertising, Public Relations, and Related Services—CI, BA ✓ Agencies, Brokerages, and Other Insurance Related Activities—OM ✓ Architectural, Engineering, and Related Services—RL, OM, BA ✓ Business Support Services ✓ Business, Professional, Labor, Political, and Similar Organizations—CI ✓ Insurance Carriers—EM, CI, OM ✓ Legal Services—CI, OM, BA ✓ Management of Companies and Enterprises—CI, RL, OM ✓ Management, Scientific, and Technical Consulting Services—RL, OM, BA ✓ Nondepository Credit Intermediation—EM, CI, OM ✓ Office Administrative Services ✓ Other Financial Investment Activities—CI, RL ✓ Other Investment Pools and Funds—EM, RL ✓ Securities and Commodity Contracts Intermediation and Brokerage—CI, RL
Information & Communications Technology (1,556 jobs)	**Wholesale Trade & Transportation (1,160 jobs)**
✓ Audio and Video Equipment Manufacturing—CI, RL, BA ✓ Computer and Peripheral Equipment Manufacturing—CI, OM, BA ✓ Computer Systems Design and Related Services—OM ✓ Data Processing, Hosting, and Related Services—BA ✓ Internet Service Providers and Web Search Portals—BA ✓ Manufacturing and Reproducing Magnetic and Optical Media—BA ✓ Other Telecommunications—EM, RL, BA ✓ Software Publishers—EM, CI, BA ✓ Wireless Telecommunications Carriers (except Satellite)—EM, RL, BA	✓ Drugs and Druggists' Sundries Merchant Wholesalers—CI, RL, BA ✓ Farm Product Raw Material Merchant Wholesalers—CI, RL, BA ✓ Freight Transportation Arrangement—BA ✓ Furniture and Home Furnishing Merchant Wholesalers—CI, RL, BA ✓ General Freight Trucking—OM, BA ✓ Hardware, and Plumbing and Heating Equipment and Supplies Merchant Wholesalers—CI, RL, BA ✓ Lumber and Other Construction Materials Merchant Wholesalers—CI, RL, BA ✓ Miscellaneous Durable Goods Merchant Wholesalers—CI, RL, BA ✓ Miscellaneous Nondurable Goods Merchant Wholesalers—CI, RL, BA ✓ Motor Vehicle and Motor Vehicle Parts and Supplies Merchant Wholesalers—CI, RL, BA ✓ Other Support Activities for Transportation—BA ✓ Petroleum and Petroleum Products Merchant Wholesalers—CI, RL, BA ✓ Professional and Commercial Equipment and Supplies Merchant Wholesalers—CI, RL, BA ✓ Support Activities for Road Transportation—BA ✓ Warehousing and Storage—BA
LEGEND: RL = regional linkages; EM = employment multiplier; CI = commodity imports; OM = occupation match ; BA = base	

Data Source: CSER estimates based on National Employment Time Series (NETS) database, ReferenceUSA, & California Regional Economies Project 2004 Bay Area Economic Base Report; IMPLAN, 2010 Coefficients; U.S. Census Bureau, 2006-2008 American Community Survey; and Moody's Economy.com information and the Center for Strategic Economic Research (May 2012)

The Health Care & Biomedical cluster contains over 1,900 jobs in a mix of Health Care industry and Manufacturing industry activities. This cluster offers all of the five additional assessed economic development benefits, including regional linkages, employment multiplier, commodity imports, occupation match, and base activity. The Health Care & Biomedical cluster typically requires office space, specialized health care space, and flex spaces.

With nearly 1,800 jobs, the Business & Financial Services cluster includes activities in professional and administrative services industries and associated upstream supplier industries. This cluster also generates all five of the assessed economic development benefits. Business & Financial Services cluster firms typically require office or retail spaces.

The Information & Communications Technology cluster supports about 1,600 jobs, with activities related to design, manufacturing, and services in computer, internet, and telecommunications technologies. This cluster, which includes all of the assessed benefits, requires office and industrial/flex space.

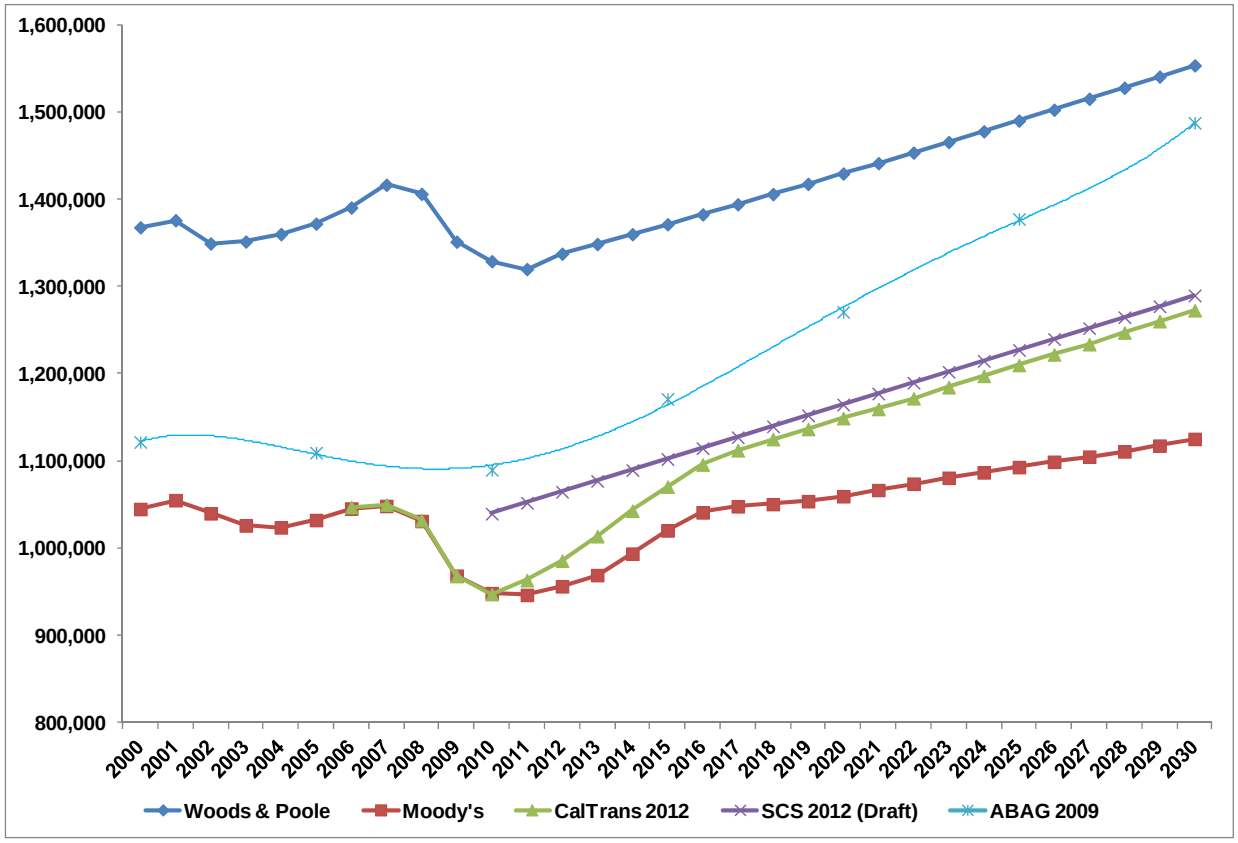
The Wholesale Trade & Transportation cluster supports about 1,200 jobs in a variety of wholesaler, warehousing, and transportation activities. This cluster includes four of the five assessed economic benefits. Activities in this economic cluster typically require industrial/flex space.

While not explicitly analyzed here due to data limitations, Clean Energy and Green Technology is an emerging economic cluster that may also offer economic development potential. Recent regional studies and initiatives have highlighted this economic cluster, including “Many Shades of Green 2012” authored by Next10. According to this study, Bay Area sectors that make up the “green technology” economy account for 28 percent of statewide employment in those sectors. The “Energy Generation” segment accounts for 25 percent of total green jobs in the Bay Area. Another study, prepared for the East Bay Economic Development Alliance, features the clean energy economy in the East Bay. The study finds that Alameda County ranked number two nationwide for investments in this sector. The East Bay overall received $355.5 million of venture capital funding in the industrial energy sector, about one-fifth of the nationwide total.

Economic Outlook

There is a consensus among several forecasts that the East Bay's economy is will grow over the next 20 years. From 2010 through 2030, demographers and economic analysts anticipate that the East Bay will add between around 177,000 and 398,000 jobs (between 17 and 37 percent growth). **Figure 39** shows five employment growth forecasts for the East Bay, including Woods & Poole, Moody's, CalTrans, Association of Bay Area Governments (ABAG), and ABAG Sustainable Communities Strategy.

Figure 39: East Bay Employment Outlook



Data Source: Moody's Analytics, Woods & Poole, CA Department of Transportation, and ABAG data; Center for Strategic Economic Research (June 2012); and EPS

Notes: SCS refers to ABAG Sustainable Communities Strategy. Woods & Poole has a larger employment base due to its inclusion of proprietor employment.

Figure 40 presents detailed industry-level data from the private-sector forecasts (i.e., Moody's and Woods & Poole). In the 20-year period from 2010 to 2030, Moody's forecasts slightly higher total nonfarm employment growth than Woods & Poole. Moody's projects that Administrative & Waste Services and Health Care & Social Assistance sectors will see the strongest growth (about 65 percent and 44 percent, respectively). Alternatively, Woods & Poole forecasts top growth in the region's Educational Services and Professional, Scientific, & Technical Services sectors (around 63 percent and 37 percent, respectively). The Moody's and Woods & Poole forecasts agree that employment in the Manufacturing industry will decline considerably.

Figure 40: East Bay Employment Growth Outlook

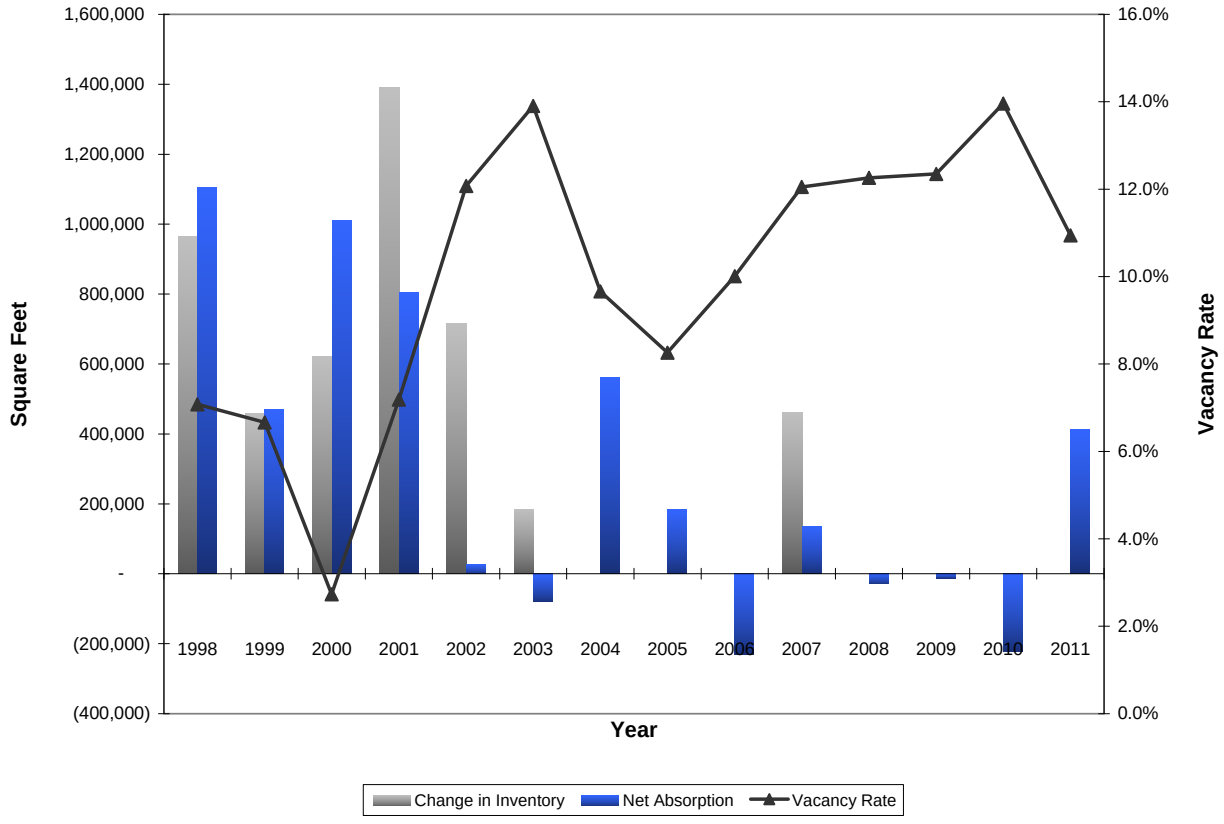
Sector	*2010-2015*	*2010-2020*	*2010-2025*	*2010-2030*
Moody's				
Natural Resources & Mining	-0.6%	-8.0%	-17.5%	-25.4%
Utilities	6.9%	5.6%	5.4%	6.8%
Construction	13.5%	19.8%	23.8%	30.1%
Manufacturing	-0.7%	-4.1%	-7.8%	-11.2%
Wholesale Trade	3.9%	1.9%	1.0%	0.3%
Retail Trade	2.6%	-3.3%	-6.6%	-9.4%
Transportation & Warehousing	7.3%	10.1%	16.9%	20.8%
Information	2.5%	4.0%	4.6%	5.9%
Finance & Insurance	6.4%	12.9%	20.3%	30.4%
Real Estate & Rental & Leasing	1.7%	4.8%	5.3%	6.0%
Prof., Sci., & Technical Svcs.	16.3%	24.0%	30.8%	35.2%
Mgmt. of Companies	11.3%	13.1%	14.8%	15.4%
Admin. & Waste Svcs.	17.3%	33.9%	50.1%	64.6%
Educational Svcs.	8.8%	15.5%	18.7%	21.6%
Health Care & Social Assistance	13.1%	24.2%	34.0%	44.0%
Arts, Ent., & Recreation	5.3%	10.7%	14.3%	17.5%
Accom. & Food Svcs.	12.3%	20.9%	28.2%	35.2%
Other Svcs.	8.8%	9.1%	8.9%	10.0%
Government & Unclassified	1.8%	5.7%	7.3%	8.3%
Total Nonfarm	7.6%	11.7%	15.3%	18.7%
Woods & Poole				
Natural Resources & Mining	1.4%	4.2%	6.2%	7.6%
Utilities	4.3%	7.3%	9.9%	11.9%
Construction	0.2%	4.8%	9.6%	14.6%
Manufacturing	-8.4%	-17.3%	-25.4%	-32.9%
Wholesale Trade	1.2%	0.4%	-0.7%	-2.1%
Retail Trade	-0.4%	1.1%	2.6%	4.1%
Transportation & Warehousing	-3.8%	-4.2%	-4.9%	-5.8%
Information	2.5%	1.9%	0.8%	-0.7%
Finance & Insurance	4.5%	8.9%	13.0%	16.7%
Real Estate & Rental & Leasing	12.3%	19.9%	27.8%	35.9%
Prof., Sci., & Technical Svcs.	10.6%	19.0%	27.9%	37.4%
Mgmt. of Companies	10.1%	13.3%	16.6%	19.8%
Admin. & Waste Svcs.	5.9%	13.9%	22.3%	31.2%
Educational Svcs.	10.7%	26.3%	43.8%	63.4%
Health Care & Social Assistance	4.7%	12.2%	20.0%	27.9%
Arts, Ent., & Recreation	8.6%	17.6%	27.1%	37.2%
Accom. & Food Svcs.	5.6%	14.5%	23.8%	33.5%
Other Svcs.	4.0%	10.9%	18.0%	25.2%
Government & Unclassified	-3.4%	-2.2%	-1.1%	0.0%
Total Nonfarm	3.2%	7.6%	12.2%	17.0%

Data Source: CSER analysis of Moody's Analytics and Woods & Poole data and the Center for Strategic Economic Research (June 2012)

Commercial Real Estate Trends

Commercial real estate trends in Alameda County, the Tri-Valley, and Dublin have generally followed national economic cycles over the past decade. In Alameda County, the technology boom of the late 1990s supported significant office development. Between 1999 and 2002, developers delivered nearly 3.2 million square feet of Class A office space. Demand kept pace with this new commercial real estate supply through 2000, but dropped off quickly with contraction in the technology sector. In 2001, developers delivered roughly 1.4 million square feet but office users only absorbed about 800,000 square feet, and vacancy rates spiked upward. By 2003, in the wake of the 2001 recession, Class A office vacancy peaked at about 14 percent in Alameda County. There has been little Class A office development since, with the exception of some deliveries in 2007. The great recession forced vacancy up to 14 percent again in 2010, but recent data indicate that the market is recovering, with a return to positive net absorption in 2011.

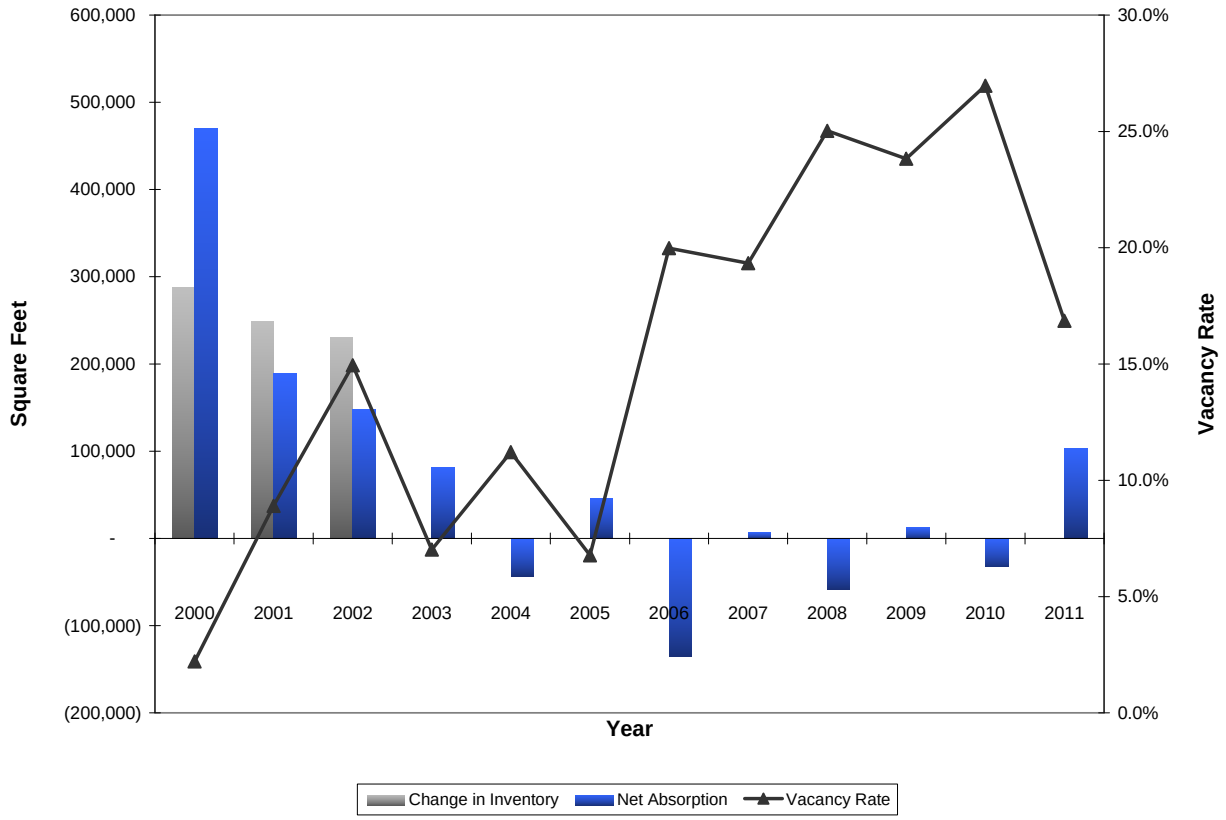
Figure 41: Alameda Class A Office Market Trend



Data Source: CoStar Group; EPS

The trends in the Class A office market in Dublin have been similar to those observed in Alameda County overall. The City enjoyed a Class A office building boom in the early 2000s, but that ended abruptly with the technology sector crash and 2001 recession. Class A Office vacancy hit a cyclical high in 2002 and peaked again in 2010, with the most recent recession forcing Class A vacancy in the City over 25 percent. However, more recent trends have been positive, with recent market data revealing positive net absorption and falling vacancy. The most recent data available, from the second quarter of 2012 (not shown), indicate that Class A office vacancy in Dublin has fallen to about 5 percent.

Figure 42: City of Dublin Class A Office Market Trend



Data Source: CoStar Group; EPS

During the last cycle of commercial office development, Dublin proved to be a highly competitive location for Class A office development. In 2000, nearly 50 percent of Class A office space delivered in Alameda County was in Dublin. Between 1999 and 2002, 30 percent of new Alameda County Class A office space was built in Dublin. **Figure 43** presents Dublin office space deliveries relative to the County overall. These data suggest that when office development picks up again, Dublin is likely to be a highly desirable location for new projects.

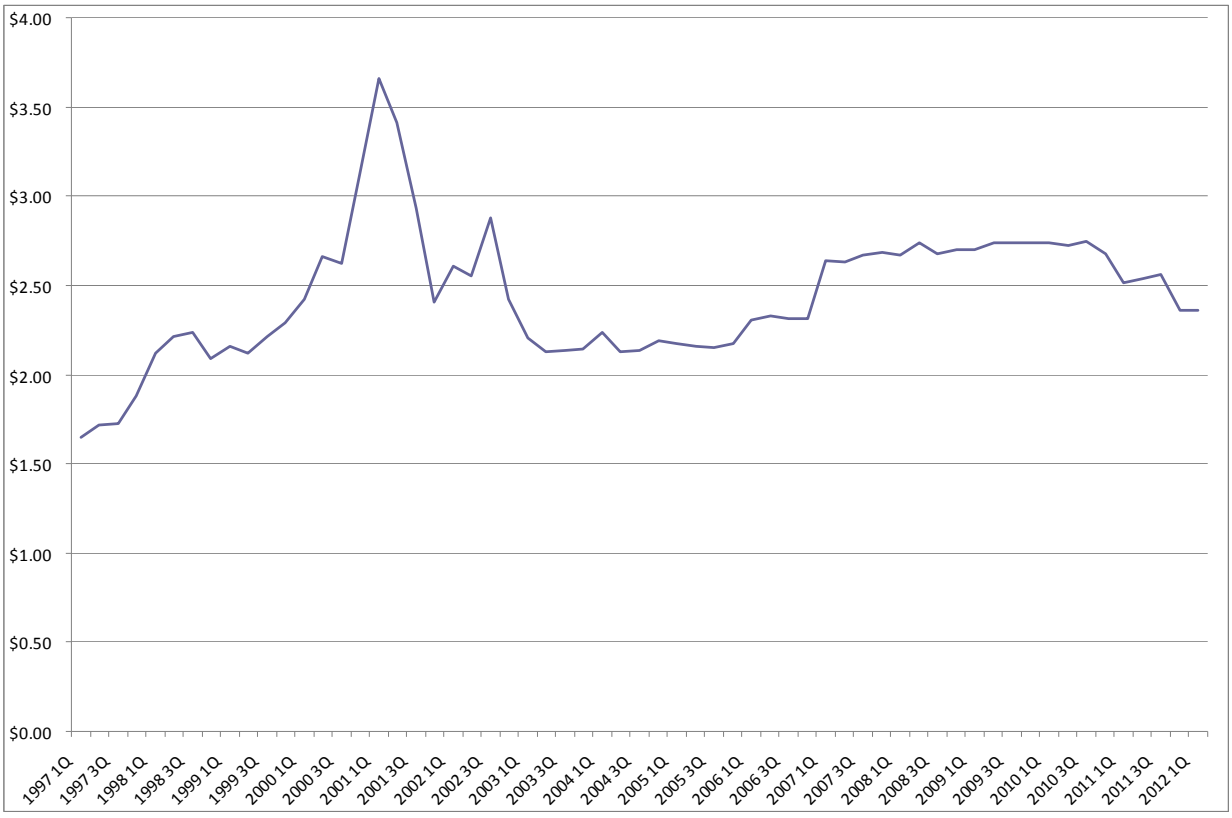
Figure 43: City of Dublin Class A Office Development Capture

Year	Dublin	Alameda County	Capture
1999	195,000	460,000	42%
2000	288,241	621,584	46%
2001	248,285	1,391,895	18%
2002	230,000	715,039	32%
Total	961,526	3,188,518	30%
1999 Q3-2002 Q1	961,526	2,438,479	39%

Data Source: CoStar Group; EPS

Driven upward by the technology sector boom, lease rates for Class A office in Alameda County spiked during the late 1990s and early 2000s, reaching over $3.50 per square foot per month in 2001. These rates were sufficient to justify the high cost of new office development projects. Today, lease rates are closer to $2.50 per square foot per month and there is very little office construction activity occurring. However, with vacancy falling there is increasing upward pressure on lease rates and growing interest in new development projects.

Figure 44: Alameda Class A Lease Rates



Data Source: CoStar Group; EPS

Competitive Landscape

While Dublin will compete with municipalities throughout the Bay Area to attract employment growth, the primary competition for retention and attraction of firms will be other Tri-Valley locations. In particular, the Bishop Ranch Office Park in San Ramon and the Hacienda Business Park in Pleasanton pose formidable competition in the market for high-quality office space.

Bishop Ranch is a 585-acre park with over 500 companies and roughly 30,000 employees. In recent months this park has successfully attracted a number of new tenants, including General Electric (which made news with its selection of Bishop Ranch for a new technology center), Five9, Tiburon, and PG&E. Since 2010, Bishop Ranch has enjoyed net absorption of more than a quarter of million square feet of space. According to data from CoStar, the vacancy rate at Bishop Ranch is now under 5 percent, a clear indication of the increasingly tight market for Class A office space in the Tri-Valley today.

Figure 45: Bishop Ranch

Data Source: Bishop Ranch

Another major competitor for office tenants within the Tri-Valley is the Hacienda Business Park. The 875-acre Hacienda includes over 10 million square feet of mixed-use space occupied by roughly 475 companies that employ approximately 18,000 people. Similar to Bishop Ranch, Hacienda is home to a number of Fortune 500 firms, as well as lesser-known small- and medium-sized firms. Currently about 20 percent vacant, Hacienda has struggled to lease large spaces in recent years. With many buildings built during the 1980s, the space formats are dated and in some cases are indivisible, large blocks of space. While there has been recent leasing activity from small-space users, Hacienda's building stock appears to be somewhat out of step with the current market. However, recent news reports indicate that Gap, Inc., is looking at the Hacienda Business Park as a potential location for hundreds of IT workers. With continued economic recovery, Hacienda may successfully fill spaces that have lingered on the market. The news that large corporate users are currently seeking space in the Tri-Valley is further evidence that vacant Tri-Valley office space may soon to be in very short supply, with new development projects to follow.

Figure 46: Hacienda Business Park

Economic Projections for Dublin

To establish economic development potential in Dublin, CSER prepared two employment forecasts for the City. These projections approximate a range of possible employment growth over the next 20 years. These two forecasts are based on statistical relationships between the City and region and rely to a large extent on the Moody's Analytics and Woods & Poole East Bay

forecasts presented above.[20] Shown in **Figure 47**, the Business As Usual forecast provides a somewhat conservative outlook for the City of Dublin economy and assumes that similar employment trends, internal dynamics, and relationships between the local and regional economies will continue through 2030. Under this forecast, total nonfarm employment reaches roughly 23,000 by the end of the forecast period, with the share of regional employment essentially remaining the same as current levels. The Aggressive Growth forecast builds in moderately larger gains between 2010 and 2030 for most sectors, including notably greater growth in major sectors which demonstrate viable economic development potential or competitive advantages. Retail Trade; Information; Professional, Scientific, and Technical Services; and Health Care and Social Assistance are high-growth sectors in the aggressive forecast. The Aggressive Growth forecast shows total nonfarm employment moving up to approximately 31,000 by 2030, with Dublin capturing a greater portion of the East Bay economy than it has historically (around 0.7 percentage points greater than recent levels). Unlike the Business As Usual forecast, which anticipates a slower recovery from the 2008-09 recession, the Aggressive Growth forecast reflects a strong recovery. Overall, these forecasts present the expected range of employment growth outcomes that might occur, with the Aggressive forecast more likely to occur with increased City economic development activities.[21]

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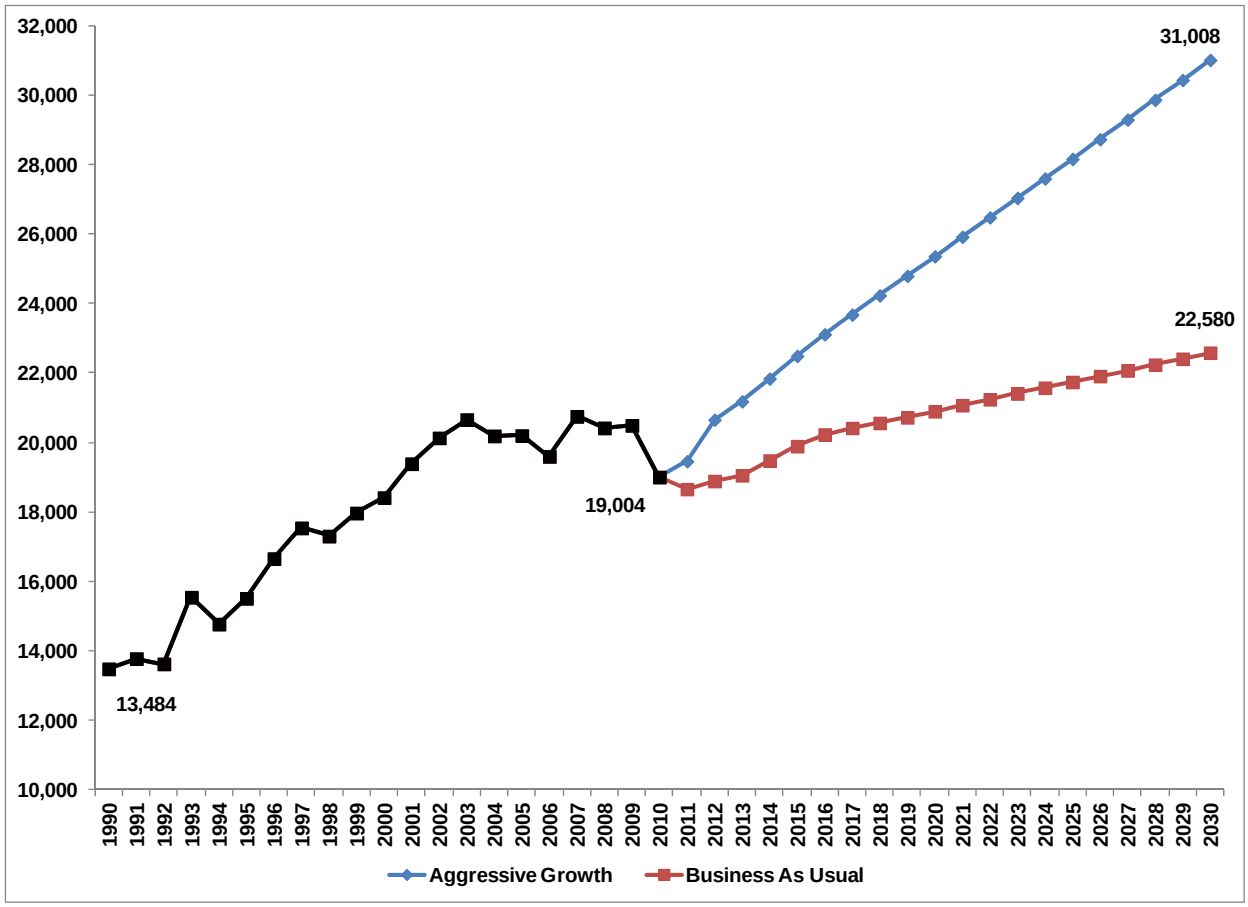
[20] The Business As Usual forecast was developed using linear regression analysis for two factors, total employment and annual absolute change in employment, based on historical City of Dublin and East Bay industry data (1990 to 2010) as well as Moody's and Woods & Poole East Bay forecasts (2011 to 2030). The Aggressive Growth forecast utilized single factor linear regression analysis for most industries based on the data sets which demonstrated the strongest historical relationships. For those industries where quantitative and qualitative analysis suggested that Dublin could a competitive advantage moving forward (Retail Trade; Information; Professional, Scientific, & Technical Services; and Health Care & Social Assistance), the most aggressive forecast outcomes for 2030 were selected. Retail Trade and Professional, Scientific, & Technical Services were based on a capture rate forecast which holds the average proportion of regional employment growth constant over the forecast period. Information and Health Care & Social Assistance utilized the linear regression analysis which produced the largest employment outcome. In both forecasts, major industry sector employment was summed to create Total Nonfarm values. It is important to note that both scenarios reflect mathematical calculations based on the stated assumptions about future conditions. The projections are developed simply to provide varying estimates of future employment levels for economic outcome and real estate demand discussions and are not meant to incorporate judgments about the likelihood of the projection results or embedded assumptions.

[21] It is important to note that the Aggressive Growth forecast could push the buildout limits of the City (capacity testing has not been conducted).

Figure 47: Dublin Nonfarm Employment Outlook



Data Source: CSER analysis of National Establishment Time Series (NETS) database, ReferenceUSA, Moody's Analytics, Woods & Poole; and the Center for Strategic Economic Research (June 2012)