

HOW TO CHOOSE YOUR NEXT SPOKE CITY: 4 THINGS COMPANIES SHOULD LOOK FOR

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Courtesy of Delaware Prosperity Partnership, Moonloop Photography
The Wilmington skyline

The coronavirus pandemic has highlighted the need for businesses to be flexible about where their employees work. Remote work may not be a feasible long-term option for everyone, and bringing hundreds of employees back to a large headquarters may not be possible for some time. For companies looking for a solution, embracing the hub-and-spoke office model could be the answer.

This model, where a company has a primary headquarters, or “hub,” in one city and a handful of regional offices, or “spokes,” in other cities, has been taking off as companies hope to reach more clients nationwide, give their employees more options for where they can work and find top talent no matter where they are located.

Once a company has decided to open these regional spaces, however, the question becomes: How can it choose the best spoke for its business? The right city should offer a combination of benefits for both the company and its employees, including access to top talent, reliable public transit options and a well-balanced cost of living.

One city where companies can find all these qualities is Wilmington, Delaware. With fast access to Philadelphia, New York City and Washington, D.C., a low cost of living and business-friendly corporate policies, it’s no surprise that more than half of U.S. publicly traded companies are incorporated in Delaware.

Read on to learn more about what makes a great spoke city and why Wilmington should be on any company’s list of the next places to build a new regional office.



Courtesy of Delaware Prosperity Partnership, Moonloop Photography
STEM talent is abundant in the Wilmington, Delaware, area.

Go Where The Talent Is

Each new spoke city should be one filled with talented potential employees who can help a business thrive. Thanks to its central location and educated workforce, Wilmington’s talent pool is deep, particularly when it comes to science and technology.

Nationally, Delaware has the fourth-highest concentration of employed Ph.D.s in health, science and engineering, while the number of STEM-educated college graduates living in the state increased by 32% between 2010 and 2019. In the Philadelphia-Camden-Wilmington metropolitan area — all of which is an easy commute to northern Delaware — there are nearly 5,000 biomedical engineers, biochemists, biophysicists and chemists.

Along with that, Delaware is home to a wide range of finance talent. Delaware has the highest relative concentration of financial services jobs of any state. Wilmington accounts for nearly one-fifth of the 200,000 financial services workers in the wider Philadelphia labor market.

“In 2015, we opened our Delaware Technology Center, and it has become one of our key tech hubs in the world,” said Don Mell, executive director of hub strategy for the Delaware market for JPMorgan Chase, which operates five offices in Delaware and is the state’s second-largest employer. “Our staff there lives in Delaware, New Jersey, Philadelphia and other surrounding cities, but they can all easily make it to the office.”

Financial services firms with at least 250 employees accounted for 91% of statewide financial services employment in 2017, up from 88% in 2007, and financial transaction processing employment in Delaware has grown by 32% in the past five years.

“Early on, we found that we could have access to an incredible workforce in Wilmington,” said Chris Buccini, co-president of The Buccini/Pollin Group, a real estate investment, management and development group with a Wilmington spoke office. “We could draw from talent pools in Philadelphia, New Jersey, Maryland and all of northern Delaware.”



Courtesy of Delaware Prosperity Partnership, Moonloop Photography
An Amtrak train

Keep Things Moving

If employers are looking to tap the widest possible talent pool, they need to choose a city that offers fast access to a number of other talent hot spots. One thing that keeps Wilmington’s talent pipeline flowing is the area’s ample transportation options.

Amtrak has a passenger rail station on the Wilmington waterfront that runs hourly trains to New York, Boston, Washington, D.C., and Richmond, Virginia. The Northeast Regional Route — running from Boston through Wilmington and Newark, Delaware, to Virginia — is Amtrak’s busiest route, with 8.9 million passengers last year. The Philadelphia International Airport is also just a half-hour from downtown Wilmington.

“The accessibility Wilmington offers is just crazy,” Buccini said. “I can wake up in NYC, have a morning meeting in Wilmington, have an afternoon meeting in D.C., and be back in Wilmington in the evening.”

The DelDOT/SEPTA Wilmington–Philadelphia commuter rail service runs more than 40 trains per day between Wilmington and Philadelphia, and Wilmington is located on I-95, the East Coast’s north-south artery.

“It’s two hours door to door from our headquarters in NYC to our Delaware office,” Mell said.

Consider The Cost

One of the most important things for companies to consider when choosing a spoke city is cost. A spoke city should offer employees a lower cost of living and present financial perks for businesses.

More than a million companies are incorporated in Delaware, thanks to its business-friendly corporate law and the fact that it has no sales tax, no inventory tax and no value-added tax.

Delaware’s property taxes rank among the lowest in the country, and as of January 2020, the median home sale price in Delaware was \$238,300 — 32% lower than in New York, 31% lower than in New Jersey and 17% lower than in Maryland.

Along with low property taxes, the state boasts one of the top 10 school systems in America, which could be a particularly big draw for employees with children.

“Delaware offers a cost-friendly atmosphere for our employees. You get more for your dollar here than you [do] in many places throughout the Northeast,” Mell said. “Pair that with being just two hours away from everything from Philadelphia to the Jersey Shore, and it’s hard to beat the benefits of living here.”



Courtesy of Delaware Prosperity Partnership, Moonloop Photography
A concert at The Queen, a music venue in Wilmington

Affordable Living Without Sacrificing Culture

A low cost of living and a top-tier education system may help draw employees to a spoke city, but if companies want them to stay in the new office for the long haul, they need to choose a city that also has a vibrant arts and culture scene.

Delaware features some of the world’s most visited formal gardens and museums, including the Hagley Museum and Library and the Mt. Cuba Center in Hockessin, which was named the top-rated botanical garden in North America by USA Today. The state is also home each year to the Firefly Music Festival, the largest open-air festival in the Northeast, which had more than 80,000 attendees in 2018.

The Delaware Theatre Company in Wilmington offers opportunities to catch the latest play or musical before it hits Broadway, and The Queen is a former historic hotel that has been converted into a popular live music venue.

“We really wanted to be a part of the downtown Wilmington renaissance,” Buccini said. “We’ve been investing significantly in the city, not just in office space but in retail, entertainment and sports arenas as well, and people in our company have been really excited about being a part of helping this community thrive.”

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