

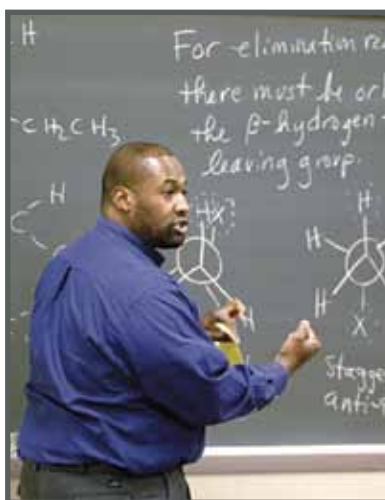
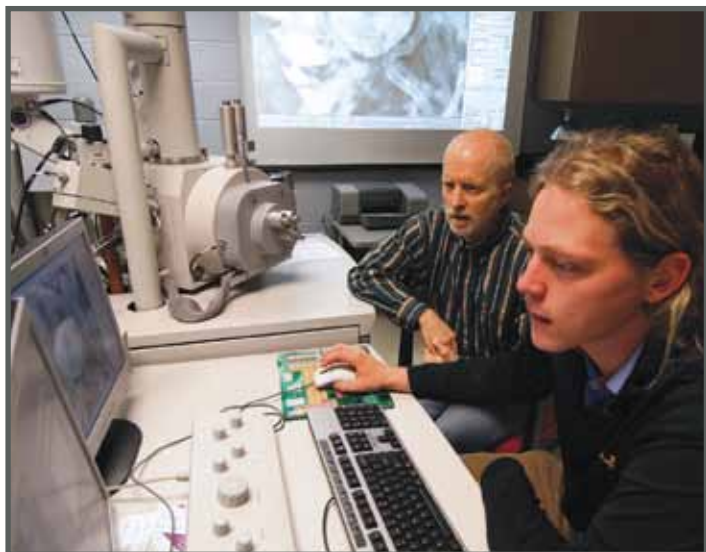
Asheville 5x5

A Five-Year Plan for Job Creation



*The best time to plant a tree was
twenty years ago. The second best
time is now.*

— a traditional proverb



Message from the Chamber President



Dear Community Leader,

Asheville 5x5 is a five-year strategic plan for the creation of 5,000 jobs for our community. It is focused on five industry clusters that we feel take advantage of Asheville's natural assets and hold promise for the creation of new jobs.

But the plan isn't only about the attraction of new jobs. It is also about the retention and expansion of existing businesses and creating a fertile environment for business growth in all sectors.

This is a fresh, new approach that emphasizes the utilization of partnerships to reduce duplication of services. Our strategy and tactics have been honed through meetings and consultation with over 150 local business and industry representatives.

Our goal is to raise a total of \$3 million for the five-year period. These dollars are not in addition to operating funds—they ARE the operating funds for economic and talent development in our community.

In this economy, Asheville-Buncombe must strategically work to create new jobs and help existing businesses grow. The Asheville 5x5 plan is a significant step in making that happen. We welcome and need your involvement and support.

With warm regards,



“At Mission, we understand well the need to not only take care of our residents, but also support strong, sustainable economic growth in our region. Our support of the Chamber and its 5x5 campaign is just one example of that commitment.”

— Dr. Ron Paulus, CEO, Mission Health System

Campaign Co-Chairs



Jack Cecil
Biltmore Farms
President



Suzanne DeFerie
Asheville Savings Bank
President & CEO



Oscar Wong
Highland Brewing Company
President

Our Mission

Asheville 5x5 is a five-year program in which public and private sector businesses invest in local economic development efforts to help create approximately 5,000 new jobs in the Asheville area.

Asheville 5x5

A Five-Year Plan for Job Creation

The foundation of this initiative grew out of a comprehensive analysis of the local economy by the Economic Development Coalition of Asheville-Buncombe County (EDC) and the Asheville Area Chamber of Commerce, as well as a series of community meetings with a cross-section of our area's leaders and citizens. Findings concluded that a revised economic vision is necessary to ensure our region's future remains competitive. From this strategic planning process came "Asheville 5X5: A Five-Year Plan for Job Creation."

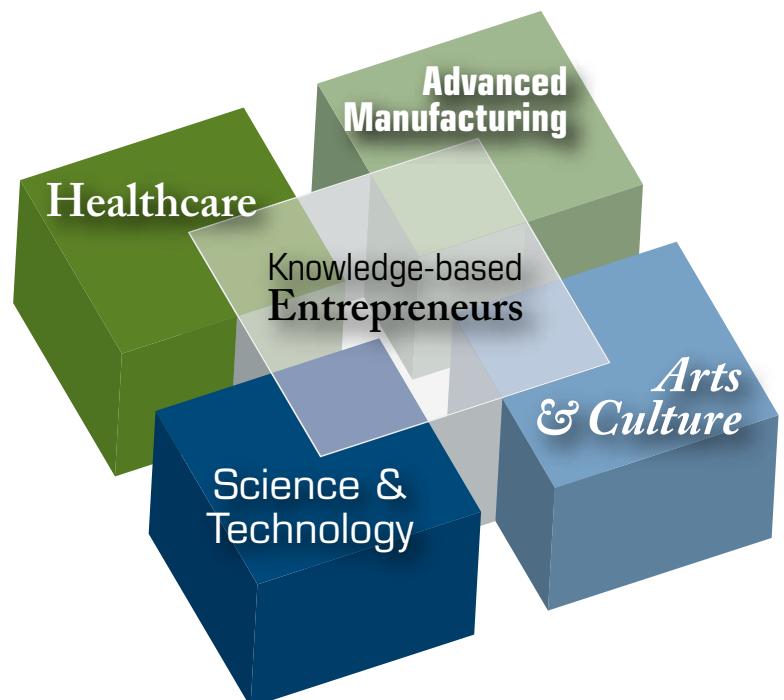
The initiative calls for the EDC to pursue the following core strategies:

- Promote the growth of five industry clusters in which Asheville has a competitive advantage.
- Use a balanced approach of targeted recruitment, global branding, business creation, and existing business retention and expansion.
- Further integrate education into talent development efforts.
- Create agile leadership networks to respond to market challenges, changes and opportunities.

Grow Five Industry Clusters

Five industry clusters were identified that have potential for growth. Each cluster was chosen for its competitive advantages as well as the potential to create significant job growth in both rural and urban areas of Western North Carolina.

- **Healthcare**
 - Commercialization
 - Support Services
- **Advanced Manufacturing**
 - Precision Metalwork
 - Outdoor Products
- **Science & Technology**
 - Climate
 - Sustainability
- **Arts & Culture**
- **Knowledge-based Entrepreneurs**



A Proven Approach

The public-private regional economic development initiatives led by the Chamber and EDC (formerly Advantage Asheville) have proven to be a powerful force for community progress and increased opportunity. Highlights of direct and indirect contributions to regional economic growth as a result of these initiatives include:

- **The attraction of 40 new firms.**
- **The creation of over 3,739 new jobs.**
- **Approximately \$410 million in capital investment.**
- **An overall economic output of over \$853 million.**

EDC Assisted Announcements: July 2010 through June 2011			
Date Announced	Company Name	Announced Jobs	Announced Investment
30-Jun-11	Linamar Corporation	400	\$125,000,000
15-Jun-11	Locus Technologies	3	\$0
02-Jun-11	Advanced Manufacturing Solutions	36	\$1,100,000
12-May-11	W.P. Hickman Company	20	\$3,000,000
09-Mar-11	Auralites	5	\$1,500,000
21-Dec-10	Mills Manufacturing Corporation	30	\$0
20-Dec-10	Arvato Digital Services	408	\$1,800,000
07-Dec-10	Ingles Markets	160	\$99,700,000
29-Oct-10	Old Wood Company	5	\$450,000
19-Oct-10	Reich GmbH	56	\$28,000,000
04-Oct-10	Nypro Inc	156	\$83,000,000
26-Aug-10	Curious Sense	8	\$0
Total		1,287	\$343,550,000

“We chose Asheville over other locations for several reasons, including its central location to our East Coast customer base as well as this incredible biotech facility at the A-B Tech Enka Campus.”

— Greg Schulz, President and CEO, Phenix Research Products

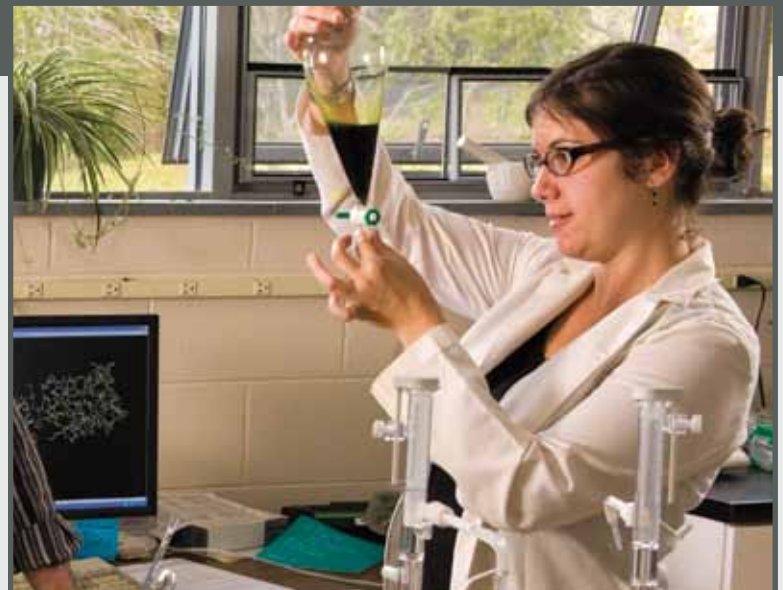
Cluster Overview



Healthcare

As one of our region's fastest growing industries, a concerted effort to retain and grow the healthcare sector is essential to driving a strong economy. Employment

in the healthcare and social assistance sectors currently represents 19.1 percent of all industry employment in the Asheville metro area. Since 2005, employment has grown approximately 8 percent. The average weekly wage in the Asheville metro area is 11.5 percent higher than the state average of \$799 for this sector.

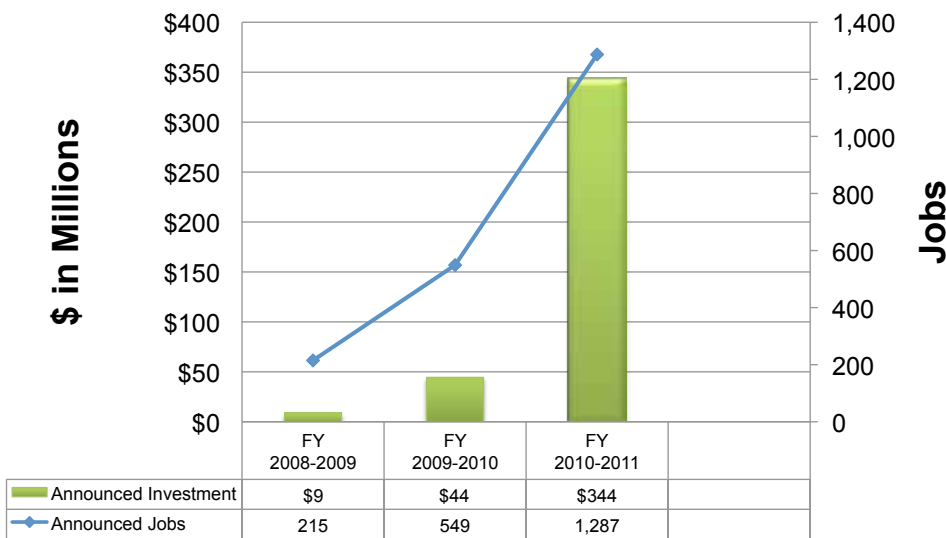




	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Jobs	1,287	797	743	2,827
Earnings	\$85,437,723	\$34,843,901	\$27,411,501	\$147,693,125
Output	\$481,090,792	\$93,022,677	\$77,343,994	\$651,457,463

Workforce development and public policy goals set by the previous five-year strategic plan have been exceeded. Highlights include the implementation of new initiatives that support advanced manufacturing, such as the Regional Workforce Development Summit. Two consortiums resulted from the summit to further develop this sector, the Henderson County/Transylvania County/Blue Ridge Community College Advanced Manufacturing Consortium and the Asheville/Buncombe/Madison Advanced Manufacturing Consortium. In addition, student career preparation gained support through the Asheville/Buncombe/Madison Career Pathways Partnership. The Homecoming Job Fair was also developed and is now an annual event which helps keep talent in our area and connects employers with job seekers.

EDC Announcements - By Fiscal Year



Healthcare Focus Areas



Commercialization

Commercialization involves attracting, creating, retaining and expanding medical innovation firms, as well as planting the seeds for long-term growth. High potential lies in medical device commercialization and activities such as clinical trials.



Support Services

Growing the support services sector of the healthcare industry involves the attraction of prospects that can deliver support to our local medical entities, as well as attracting outlying healthcare companies which will generate outside dollars for our local economy. Product support and technology support are two areas of concentration for growth.

Goals & Impact of Asheville 5x5

Widely recognized as a magnet for talent and entrepreneurial activity due to its natural assets and quality of life, our region's organically grown brand makes Asheville attractive for business activity.

Through Asheville 5x5, we will cultivate and leverage the value of the Asheville brand for the benefit of our regional economy. Targeted job creation, specifically 5,000 new jobs from attraction and expansion efforts in five targeted industry clusters, is the primary goal of Asheville 5x5.

Unlike previous years, the Asheville 5x5 initiative does not include any allocation to debt relief for the Chamber's building fund. It is a fresh and new effort to provide working capital for economic/workforce development as well as job growth for the next five years, and is critical to taking the next step in building Western North Carolina's economy.

At the conclusion of the five-year initiative, Asheville 5x5 is projected to create:

Approximately 5,000 Total New Jobs

\$672.2 million in Overall Economic Output

\$191.9 million in Total Payroll

**\$136.9 million in
Consumer Retail Expenditures**

\$62.9 million in Local Bank Deposits

\$5.5 million in Annual Sales Tax Revenues

"Asheville is an engaging and vibrant community where 21st century entrepreneurs want to live. The cumulative impact of growing these five industries will be significant in the years ahead, with more job opportunities to keep and attract talent and more money going back into our local economy."

— Dana Stonestreet, President,
HomeTrust Bank

Cluster Overview



Advanced Manufacturing

Advanced manufacturing follows a long tradition in our region and is still a thriving industry. Hundreds of manufacturing firms exist in the metro region, including many international firms

that have had a presence in the community for decades. Employment projections show that advanced manufacturing will add jobs in Western North Carolina over the next five years, with a demand for more technical skills. In certain skill sets, including automotive and aviation, the Asheville area is nearly ten times more specialized than the rest of the nation.



Economic Impact of New Jobs

The attraction and expansion initiatives undertaken throughout the Asheville 5x5 campaign will generate employment, income and local business activity. The total economic impact – direct, indirect and induced impact – is shown in the table below as measured in terms of jobs, income and output (business activity).

By the end of the five-year initiative, Asheville 5X5 is projected to generate:

Economic Impact of Jobs			
Metrics	Direct Impact ¹	Indirect ² and Induced ³ Impact	Total Impact
Jobs	2,500	2,500	5,000
Earnings (Payroll)	\$107,419,389	\$84,503,679	\$191,923,068
Output ⁴	\$438,858,502	\$233,390,230	\$672,248,732
New payroll is projected to generate:			
Disposable Personal Income ⁵			\$157,376,916
Net Personal Consumption Expenditures ⁶			\$136,917,918
Deposit Potential for Area Financial Institutions ⁷			\$62,950,766

¹ Direct Impact: Impact generated directly from the jobs created with the assistance of the new initiative.

² Indirect Impact: The changes in employment, income, and output (business sales) in various industry sectors of the local economy supplying goods and services to the companies that expanded.

³ Induced Impact: Captures the ripple effect of increased household and/or institutional income.

⁴ Output: Value of goods and services produced and/or sold by new and expanding companies

⁵ Disposable Personal Income: Personal Income less Personal Tax and Non-tax Payments.

⁶ Net Personal Consumption Expenditures: Percentage of Disposable Personal Income less Interest, Personal Transfer Payments, and Personal Savings.

⁷ Deposit Potential: Personal Savings Rate less Deposit Leakage Estimate with area turnover (Reserve Requirement Ratio)

“There is no better place in the country to put our products to the test than in the mountains that surround us here in Asheville. In a matter of minutes we can be riding our road bikes on the Blue Ridge Parkway or testing our mountain bike products in the Pisgah National Forest.”

— Clint Spiegel, Co-Founder, Industry Nine Componentry

Advanced Manufacturing Focus Areas



Precision Metalwork

Advanced metalworking is used in the manufacturing industry for laboratory products, aviation, automotive and electrical components. Skills in advanced manufacturing also contribute to the green economy through the creation of versatile, high precision products that serve as components of sustainable systems.



Outdoor Products

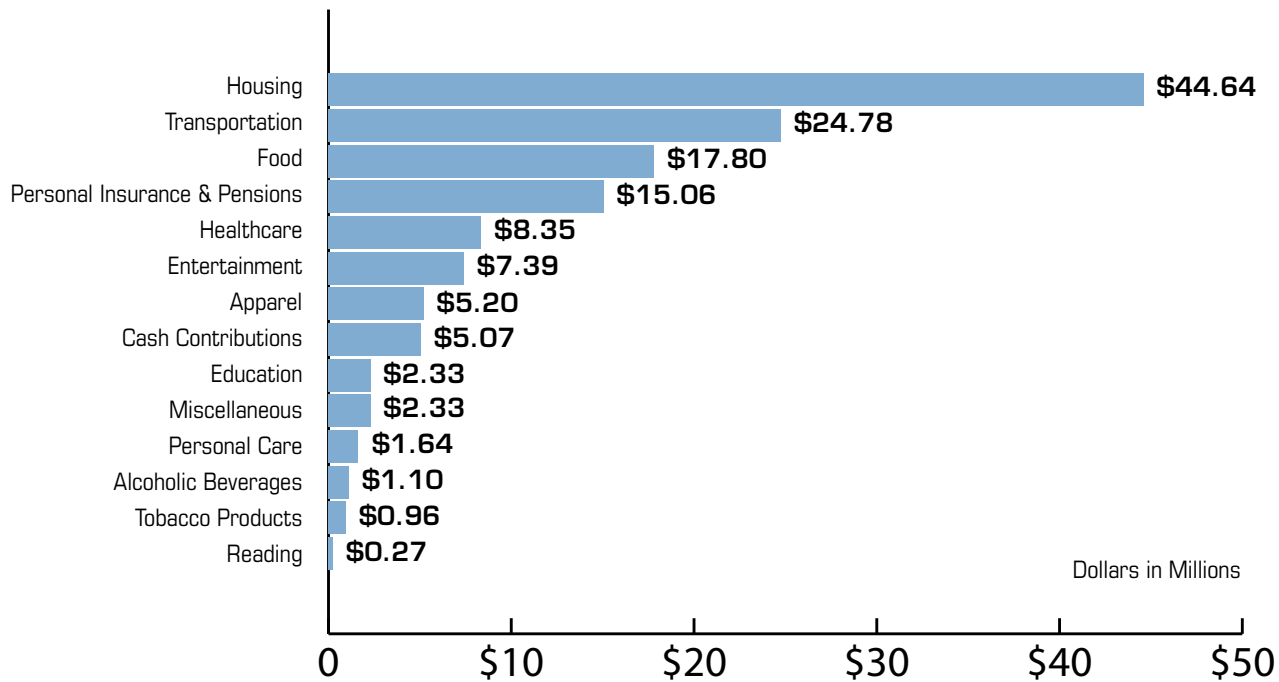
Western North Carolina is a mecca for outdoor activities, drawing residents and businesses looking for a place conducive to an outdoor lifestyle. Due to the natural assets found in our mountains, we are uniquely poised to capture the niche high-end outdoor product market. The region increasingly draws outdoor product manufacturers, and is already home to 12 manufacturers producing everything from tents to bike parts to kayaks.

Earnings & Expenditure

Economic Impact

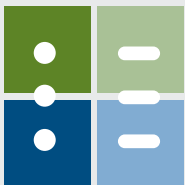
The graph below shows how job creation supported by the Asheville 5x5 initiative will result in consumer expenditures, according to a consumption pattern consistent with our region. This graph does not include non-consumer expenditures, such as utilities of new and expanded businesses, as well as insurance payments from insurance agencies.

Impact of \$136,917,918 per Year in Increased Expenditures



Note: The local spending in each category was derived from the Consumer Expenditure Survey conducted by the Bureau of Labor Statistics and provides information on the buying habits of American consumers and data on their expenditures.

Cluster Overview



Science & Technology

Information industries such as science and technology work to advance

innovation and productivity. Our region is particularly competitive in growing this industry due to the presence of the National Climatic Data Center, which positions the Asheville area as a prime location for attracting other firms in the science and technology sector.



Sales Tax Revenue Analysis

Furthermore, job creation stimulated by the Asheville 5x5 initiative will provide significant tax benefits. With approximately 5,000 new jobs, and based on estimated consumer expenditures of \$136.9 million, the sales tax impact is estimated to be nearly \$5.5 million.

This table shows a detailed breakdown of the estimated tax revenue yielded from the consumer spending generated as result of the new payroll.

Estimated Sales Tax Revenue	
Categories	Amount
Consumer Expenditures	\$136,917,918
Estimated Taxed Consumer Expenditures	\$77,840,507
Estimated State Tax Revenue	\$3,890,409
Estimated Local (County/City) Tax Revenue	\$1,556,810
Total Estimated Tax Revenue	\$5,447,219

Note: Tax rates provided by the North Carolina Department of Revenue

Campaign Cabinet

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Co-Chair & Program Refinement Chair

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Co-Chair

Oscar Wong, Highland Brewing Company,
Co-Chair

K. Ray Bailey, Buncombe County Commissioner &
Chair of the Economic Development Coalition for
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Evaluations Co-Chair

Lou Bisette, McGuire, Wood & Bisette, P.A.,
Evaluations Co-Chair

LaVoy Spooner, AT&T North Carolina,
Advance Division Co-Chair

Paul Szurek, Biltmore Farms,
Advance Division Co-Chair

Alice io Oglesby, io design & illustration,
Public Relations & Marketing Chair

Science & Technology Focus Areas



Climate

The Asheville area could have more climate assets than any other place in the world. Asheville is home to the NOAA's National Climatic Data Center (NCDC) and the Cooperative Institute for Climate and Satellites (CICS), which is a collaborative effort between the University of Maryland, NC State University and the federal government. No other place can say it has nearly 400 employees dealing with climate data full-time, with \$100 million (NCDC and CICS budgets) in sustained funding flowing into the industry each year.



Sustainability

Our region's strong advanced manufacturing industry helps grow the sustainable, green, renewable energy market. The EDC worked directly with 19 companies in 2010 that were producing green products or services, a testament to the growth of the sustainability sector in the Asheville area.

Program Refinement Committees

Healthcare Workgroup

Bill Lee
 *Bruce Thorsen
 *Carolyn Coward
 Christy Cheek
 Dr. Hank Dunn
 Dr. Ron Paulus
 Dr. Wanda Greene
 Graham Fields
 *Janice Brumit
 Jeff Powers
 Joe Freitas
 John Locke
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 *K. Ray Bailey
 Ken O'Connor
 Kevin Almond
 Michelle Rippon
 Miriam Schwarz
 Pam Silvers
 Paul Pearson
 Rick Jackson
 *Stefan Magura
 Steve Casey
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 *Tim Johnston
 *Tracy Buchanan
 Yates Farr

Advanced Manufacturing Workgroup

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 *Andrew Nagle
 Dan Johnson
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 Dr. Hank Dunn
 Dr. Tony Baldwin
 Gwen Rukenbrod
 Jain Hayes
 Jeff Imes
 Jeff Powers
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 Jim Oliver
 John Delaloye
 John Smith
 John Wirtz
 Julie Herren
 Katherine Morosani
 Ken O'Connor
 Pat Higley
 Phil Webb
 *Rick Guthy
 Scott Hamilton
 Stephanie Swepson-Twitty

Science & Technology Workgroup

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 Bradley Cain
 *Colleen Queeney
 David Urbanski
 Dr. Anne Ponder
 Dr. Sandra Byrd
 Dr. Sandy Pfeiffer
 Glen Hughes
 *Hunter Goosmann
 Jason Ramsey
 Jenny Manner
 Jim Fox
 Jonathan Feldman
 Jonathan Hoppe
 Katherine Morosani
 Kathy Wright
 Lewis Lightner
 Mack Pearsall
 Max Queen
 Pam Silvers
 *Richard Guthy
 Shelly White

Arts & Culture Workgroup

*Alice io Oglesby
 Charlie Flynn-Mclver
 *Constance Williams
 *Dana Stonestreet
 Graham Hackett

Gwynne Rukenbrod
 *Jack Cecil
 James Baudoin
 *Janice Brumit
 Jennifer Lepkowski
 *John Ellis
 Johnathan Frappier
 Karen Ramshaw
 Karen Tessier
 Katherine Morosani
 Kitty Love
 Pam Myers
 Pat Whalen
 Peter Alberice
 Wendy Whitson

Knowledge-based Entrepreneurs Workgroup

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 *Ben Hamrick
 *Bob Roberts
 Brad Galbraith
 Brock Himan
 Carl Ricker
 *Carolyn Coward
 Catherine Franks
 Charlie Flynn Mclver
 *Charles Frederick
 *Chuck Pickering
 *Craig Madison
 *Dana Stonestreet

Dave Brown
 David Phillips
 Dr. Hank Dunn
 Dr. Jim Fox
 Dr. Sandy Pfeiffer
 Dr. Tony Baldwin
 Elizabeth Brazas
 George Briggs
 *Jack Cecil
 John Fleming
 John Mark Stroud
 John Miles
 Jose Ibarra
 Karen Tessier
 Ken Hughes
 Kirk Boone
 *LaVoy Spooner
 Lew Bleiweis
 *Lou Bissette
 Mack Pearsall
 Mark Goldberg
 Michael Andry
 Mike Willett
 *Neal Hanks
 Pam Myers
 Paul Szurek
 Robby Russell
 Shaw Canale
 Steve Casey
 Travis Smuckler
 Troy Tolle
 Wendy Whitson

* Denotes Steering Committee Members

Cluster Overview



Arts & Culture

Employment in our region in the arts and culture sector has grown 8 percent since 2005. In a 2008 study on the economic impact of the craft

industry in Western North Carolina, it was estimated that the total direct economic impact of the craft industry was \$206,533,599. Creative industries are one of the quiet drivers of the Asheville economy and they are growing. Leveraging this sector that leads the way in innovation and creativity will bring more jobs to the Asheville area.



EDC Board of Directors

2011/2012

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Dr. Tony Baldwin, Buncombe County Schools
Dr. Hank Dunn, A-B Tech
Kit Cramer, Asheville Area Chamber of Commerce

Partner for Progress

Job creation is at the heart of any successful economic development plan, and Asheville 5x5 is no different. After gathering input from over 150 investors and local business community leaders, as well as taking stock of current and projected economic realities, the Asheville 5x5 campaign has been designed as a new strategic plan to create 5,000 new jobs from attraction and expansion efforts in five targeted industry clusters.

By creating 5,000 new jobs in the region, this initiative will serve as a catalyst that stimulates existing business growth, improves available talent and spearheads community improvement. You will play an important role in determining if Western North Carolina continues to rank among the top communities to live, work and visit. The commitment of leaders like yourself will help engineer our economy as poised for growth for generations to come.

Thank you for your investment in the Asheville 5x5 campaign.

Cluster Overview

A 2 **1 B** Knowledge-based Entrepreneurs

Knowledge-based entrepreneurs complement all other industry clusters by offering a range of

services -- from finance and insurance to professional and technical services. Rather than pigeonholing this group into one cluster, the specialization of knowledge-based entrepreneurs overlaps the four identified target clusters. Knowledge-based entrepreneurs make up approximately 6.3 percent of all industry employment in the Asheville metro area.



Asheville 5x5

A Five-Year Plan for Job Creation

Asheville 5x5 is a five-year program in which public and private sector businesses invest in local economic development efforts to create approximately 5,000 new jobs in the Asheville area and help existing businesses grow.