Asheville 5x5
A Five-Year Plan for Job Creation

Economic Impact Analysis
2010-2015 FY

ECONOMIC DEVELOPMENT COALITION
Asheville-Buncombe County

Building Community Through Business
36 Montford Avenue, Asheville, NC 28801
Phone: 828.258.6130 • Fax: 828.251.0926
Thank You!

Adding 6,202 jobs and nearly $1 billion in investment to our community, the AVL 5x5 campaign has been an overwhelming success! Your generous support and investment is creating better paying jobs here. It took the collective support of more than 70 investors, community partners and a determined focus by the EDC team to achieve these results.

Five years ago, our business leaders saw the need to attract and retain jobs to improve career opportunities, expand our key industries and boost our economy. You each believed in and invested in a new strategy to accomplish something big and bold—and together we made it a reality.

As we build on this strategy over the next five years, our community relies on your continued support and leadership to keep the momentum alive. Join us again in making Buncombe County a better place to work, grow a business and raise a family.

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Launched in 2010, the Asheville 5x5 Campaign is a 5-year initiative designed to create 5,000 new jobs and $500 million in capital investment within five target clusters in Asheville and Buncombe County.

It is a proven and successful initiative and a public-private partnership that includes the Asheville Area Chamber of Commerce, Buncombe County, City of Asheville, Town of Weaverville, and 70+ local organizations and investors.

Formerly known as Advantage Asheville, AVL 5x5 elevated economic development goals and took the community to the next level. The Plan’s development efforts have generated considerable impact in the local economy and have led to the creation of thousands of new jobs that pay higher than average earnings.

To date, for every dollar invested in the AVL 5x5 Strategic Plan $120.32 was returned.

Since July 1, 2010 thirty-five companies announced nearly $1 Billion in capital investment as they selected Buncombe County for a new business location or expanded their business here. Capital investments have increased considerably since the new strategy began, averaging $200 Million per year, compared to $37 Million per year prior to the plan. AVL 5x5 Strategy investors have realized a high return on investment and have created jobs and capital investments in Buncombe County.

Overview & Target Clusters

- Healthcare
- Advanced Manufacturing
- Science & Technology
- Arts & Culture
- Knowledge-based Entrepreneurs

Increased Average Annual Investment

Prior to Asheville 5x5
1994 - 2010
$37 Million
Average Annual Investment

Asheville 5x5
2010 - 2014
$200 Million
Average Annual Investment

Economic Impact Analysis: 2010-2015 FY
Executive Summary

Investment & Vision Supported a Successful Plan that:

- United business leaders, government, and community around a common goal and a focused strategy to create and retain existing jobs within targeted industry clusters paying higher than the area's average wage.
- Works with community partners to connect Arts and the economy.
- Attracted and retained world-class companies that establish the Asheville area as a leader in advanced manufacturing.
- Launched Venture Asheville in support of high growth entrepreneurs and created an Asheville Angels investor network.

Goals Exceeded

6,202 new jobs  
Total of direct, indirect and induced jobs

$989.9 Million
Capital Investment (FY) = Nearly 2X Goal

In Buncombe County:

- 35 companies announced 2,770 direct jobs.
- Labor income associated with new jobs creates a ripple effect adding an additional 2,041 indirect jobs and 1,391 induced jobs for a total of 6,202 new jobs.
- For every 1 job created an additional 1.24 jobs are supported.
- $278 Million additional Labor Income is generated.
- For every $1 of Labor Income earned, an additional $1.05 is generated.

- **Overall average earnings per job:** $44,849.
- $185 Million State & Local and Federal Tax Revenues are generated.
- Value Added (Gross Regional Product) totals $648 Million.
- Total Economic Output: **$1.9 Billion.**

Note: above impact estimates are annually recurring once established.
<table>
<thead>
<tr>
<th>Date Announced</th>
<th>Company Name</th>
<th>Announced Jobs</th>
<th>Announced Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>09-Jan-15</td>
<td>White Labs</td>
<td>65</td>
<td>$8,100,000</td>
</tr>
<tr>
<td>12-Dec-14</td>
<td>Hi-Wire Brewing</td>
<td>15</td>
<td>$1,620,000</td>
</tr>
<tr>
<td>31-Oct-14</td>
<td>Linamar Corporation</td>
<td>150</td>
<td>$115,000,000</td>
</tr>
<tr>
<td>26-Sep-14</td>
<td>Highland Brewing Co.</td>
<td>15</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>04-Aug-14</td>
<td>Wicked Weed Brewing</td>
<td>82</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>09-Jun-14</td>
<td>Transportation Safety Apparel (TSA)</td>
<td>25</td>
<td>$0</td>
</tr>
<tr>
<td>07-May-14</td>
<td>BorgWarner Turbo Systems</td>
<td>154</td>
<td>$55,800,000</td>
</tr>
<tr>
<td>04-Mar-14</td>
<td>Kearfott Corporation</td>
<td>75</td>
<td>$11,870,000</td>
</tr>
<tr>
<td>18-Dec-13</td>
<td>f(x) Immune Co.</td>
<td>6</td>
<td>$0</td>
</tr>
<tr>
<td>04-Oct-13</td>
<td>Jacob Holm</td>
<td>66</td>
<td>$45,900,000</td>
</tr>
<tr>
<td>23-Jul-13</td>
<td>Sport Hansa LLC</td>
<td>3</td>
<td>$100,000</td>
</tr>
<tr>
<td>24-Jun-13</td>
<td>Tutco-Farnam</td>
<td>90</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>17-Jun-13</td>
<td>GE Aviation</td>
<td>52</td>
<td>$126,000,000</td>
</tr>
<tr>
<td>23-May-13</td>
<td>STF Precision</td>
<td>25</td>
<td>$4,500,000</td>
</tr>
<tr>
<td>06-May-13</td>
<td>TE Connectivity</td>
<td>40</td>
<td>$1,680,000</td>
</tr>
<tr>
<td>06-Feb-13</td>
<td>NewSong Music Group</td>
<td>3</td>
<td>$0</td>
</tr>
<tr>
<td>21-Jun-12</td>
<td>Linamar Corporation</td>
<td>250</td>
<td>$75,000,000</td>
</tr>
<tr>
<td>17-May-12</td>
<td>Plasticard-Locketech International (PLI)</td>
<td>42</td>
<td>$4,600,000</td>
</tr>
<tr>
<td>05-Apr-12</td>
<td>New Belgium Brewing</td>
<td>154</td>
<td>$175,000,000</td>
</tr>
<tr>
<td>13-Jan-12</td>
<td>American Recycling of Western North Carolina, LLC</td>
<td>30</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>06-Jan-12</td>
<td>Cakuun Website Management Services</td>
<td>5</td>
<td>$0</td>
</tr>
<tr>
<td>21-Nov-11</td>
<td>Nypro</td>
<td>26</td>
<td>$7,200,000</td>
</tr>
<tr>
<td>09-Sep-11</td>
<td>Thermo Fisher Scientific</td>
<td>110</td>
<td>$0</td>
</tr>
<tr>
<td>30-Jun-11</td>
<td>Linamar Corporation</td>
<td>400</td>
<td>$125,000,000</td>
</tr>
<tr>
<td>15-Jun-11</td>
<td>Locus Technologies</td>
<td>3</td>
<td>$0</td>
</tr>
<tr>
<td>02-Jun-11</td>
<td>Advanced Manufacturing Solutions</td>
<td>36</td>
<td>$1,100,000</td>
</tr>
<tr>
<td>12-May-11</td>
<td>W.P. Hickman Company</td>
<td>20</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>09-Mar-11</td>
<td>Auralites</td>
<td>5</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>21-Dec-10</td>
<td>Mills Manufacturing Corporation</td>
<td>30</td>
<td>$0</td>
</tr>
<tr>
<td>20-Dec-10</td>
<td>Arvato Digital Services</td>
<td>408</td>
<td>$1,800,000</td>
</tr>
<tr>
<td>07-Dec-10</td>
<td>Ingles Markets</td>
<td>160</td>
<td>$99,700,000</td>
</tr>
<tr>
<td>29-Oct-10</td>
<td>Old Wood Company</td>
<td>5</td>
<td>$450,000</td>
</tr>
<tr>
<td>19-Oct-10</td>
<td>Reich GmbH</td>
<td>56</td>
<td>$28,000,000</td>
</tr>
<tr>
<td>04-Oct-10</td>
<td>Nypro Inc</td>
<td>156</td>
<td>$83,000,000</td>
</tr>
<tr>
<td>26-Aug-10</td>
<td>Curious Sense</td>
<td>8</td>
<td>$0</td>
</tr>
</tbody>
</table>

| Total         | 35 Companies                                           | 2,770 Jobs     | $989,920,000 Invested     |
Economic Impact of New Jobs

### Economic Impact Summary

<table>
<thead>
<tr>
<th></th>
<th>Direct Impact</th>
<th>Indirect Impact</th>
<th>Induced Impact</th>
<th>Total Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Jobs</strong></td>
<td>2,770</td>
<td>2,041</td>
<td>1,391</td>
<td>6,202</td>
</tr>
<tr>
<td><strong>Earnings (Labor Income)</strong></td>
<td>$135,801,574</td>
<td>$90,900,051</td>
<td>$51,457,269</td>
<td>$278,158,893</td>
</tr>
<tr>
<td><strong>Output</strong></td>
<td>$1,535,640,100</td>
<td>$283,128,646</td>
<td>$157,455,851</td>
<td>$1,976,224,597</td>
</tr>
</tbody>
</table>

For every 1 job created, an additional 1.24 jobs was supported in Buncombe County.

For every $1 of Labor Income earned, an additional $1.05 is generated.

### Tax Revenues Generated

<table>
<thead>
<tr>
<th>Tax Revenues Generated</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State &amp; Local Tax Revenues</td>
<td>$104,306,526</td>
</tr>
<tr>
<td>Federal Tax Revenues</td>
<td>$80,564,129</td>
</tr>
<tr>
<td>Total</td>
<td>$184,870,655</td>
</tr>
</tbody>
</table>

New Labor Income is projected to stimulate additional banking deposit and other income/expenditure activity in the local economy.

### New Earnings are Projected to Generate:

<table>
<thead>
<tr>
<th>Earnings Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit Potential for Area Financial Institutions</td>
<td>$12,489,334</td>
</tr>
<tr>
<td>Disposable Personal Income</td>
<td>$233,458,759</td>
</tr>
</tbody>
</table>
## Estimated Consumer Deposits in Local Banks

<table>
<thead>
<tr>
<th>Bank Name</th>
<th>Local Offices</th>
<th>Deposits ($000) for June 30, 2014</th>
<th>Market Share</th>
<th>Estimated Impact on Deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asheville Savings Bank</td>
<td>8</td>
<td>$429,173</td>
<td>10.2%</td>
<td>$1,270,081</td>
</tr>
<tr>
<td>Bank of America</td>
<td>9</td>
<td>$350,239</td>
<td>8.3%</td>
<td>$1,036,486</td>
</tr>
<tr>
<td>Bank of North Carolina</td>
<td>1</td>
<td>$19,524</td>
<td>0.5%</td>
<td>$57,779</td>
</tr>
<tr>
<td>Black Mountain Savings Bank, SSBM</td>
<td>1</td>
<td>$31,204</td>
<td>0.7%</td>
<td>$92,344</td>
</tr>
<tr>
<td>Branch Banking and Trust Company</td>
<td>5</td>
<td>$266,697</td>
<td>6.3%</td>
<td>$789,255</td>
</tr>
<tr>
<td>Capital Bank, National Association</td>
<td>4</td>
<td>$119,750</td>
<td>2.8%</td>
<td>$354,384</td>
</tr>
<tr>
<td>Carolina Alliance Bank</td>
<td>1</td>
<td>$92,552</td>
<td>2.2%</td>
<td>$273,895</td>
</tr>
<tr>
<td>Fifth Third Bank</td>
<td>1</td>
<td>$24,884</td>
<td>0.6%</td>
<td>$73,641</td>
</tr>
<tr>
<td>First Bank</td>
<td>4</td>
<td>$61,807</td>
<td>1.9%</td>
<td>$242,097</td>
</tr>
<tr>
<td>First-Citizens Bank &amp; Trust Company</td>
<td>12</td>
<td>$766,153</td>
<td>18.2%</td>
<td>$2,267,329</td>
</tr>
<tr>
<td>HomeTrust Bank</td>
<td>5</td>
<td>$315,413</td>
<td>7.5%</td>
<td>$933,423</td>
</tr>
<tr>
<td>PNC Bank</td>
<td>6</td>
<td>$135,195</td>
<td>3.2%</td>
<td>$400,092</td>
</tr>
<tr>
<td>SunTrust Bank</td>
<td>9</td>
<td>$350,054</td>
<td>8.3%</td>
<td>$1,035,939</td>
</tr>
<tr>
<td>TD Bank</td>
<td>5</td>
<td>$281,150</td>
<td>6.7%</td>
<td>$832,026</td>
</tr>
<tr>
<td>Wells Fargo Bank</td>
<td>12</td>
<td>$953,936</td>
<td>22.6%</td>
<td>$2,823,048</td>
</tr>
<tr>
<td>Woodforest National Bank</td>
<td>2</td>
<td>$2,539</td>
<td>0.1%</td>
<td>$7,514</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>85</strong></td>
<td><strong>$4,220,270</strong></td>
<td><strong>100%</strong></td>
<td><strong>$12,489,334</strong></td>
</tr>
</tbody>
</table>

AVL 5x5 estimates **$12,489,334** in additional deposit potential as a result of new labor income generated from economic impacts. Deposit potential is allocated in accordance with each bank’s share of total deposits in Buncombe County.

Source: FDIC as of June 30, 2014 Buncombe County bank deposits and market share.
**Impact of Earnings & Expenditures**

### Business to Business Transactions

The Top 20 industries that benefited the most are as follows:

- Wholesale trade: $43,137,682
- Management of companies and enterprises: $27,029,933
- Retail - Motor vehicle and parts dealers: $18,488,461
- Truck transportation: $17,130,923
- Real estate: $11,742,210
- Monetary authorities, depository credit intermediation: $8,000,769
- Maintenance and repair construction of nonresidential structures: $7,705,085
- Petroleum refineries: $6,460,623
- Lessors of nonfinancial intangible assets: $6,403,684
- Management consulting services: $4,855,005
- Architectural, engineering, and related services: $4,736,875
- Advertising, public relations, and related services: $4,614,777
- Employment services: $4,553,150
- Natural gas distribution: $4,494,728
- Warehousing and storage: $4,448,245
- Legal services: $4,286,584
- Waste management and remediation services: $4,197,425
- Rail transportation: $4,014,738
- Postal service: $3,959,112
- Accounting, tax preparation, bookkeeping, and payroll services: $3,619,644

### Household Spending

The Top 20 Industries impacted the most by increased household income are as follows:

- Owner-occupied dwellings: $20,312,376
- Real estate: $13,616,958
- Hospitals: $12,198,124
- Offices of physicians: $5,850,547
- Monetary authorities and depository credit intermediation: $5,118,233
- Limited-service restaurants: $3,768,330
- Full-service restaurants: $3,676,024
- Wholesale trade: $3,573,425
- Petroleum refineries: $2,829,854
- Retail - General merchandise stores: $2,653,593
- Retail - Food and beverage stores: $2,637,195
- All other food and drinking places: $2,542,602
- Wired telecommunications carriers: $2,412,678
- Nursing and community care facilities: $2,397,489
- Legal services: $2,221,424
- Automotive repair and maintenance, except car washes: $2,174,192
- Retail - Motor vehicle and parts dealers: $2,087,884
- Outpatient care centers: $1,990,100
- Offices of dentists: $1,953,342
- Other financial investment activities: $1,871,892

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*Asheville 5x5: A Five-Year Plan for Job Creation*
Additional Economic Impacts

Construction Impact Estimates

Projects included approximately $96,470,000 in construction activity as part of capital investments

- Construction activity supports an additional 1,384 jobs and $52,717,531 labor income
- Construction impacts are one-time impacts (for the life of the construction project)

Job Retention Impact Estimates

Companies retained approximately 1,332 jobs

- Keeping these jobs in Buncombe County sustains the local economy and supports an additional 1,681 jobs annually
- Total payroll estimated with retained jobs is $150,092,140 annually
Target Cluster Summary

The five target clusters were identified as high-growth opportunities and chosen because of the region’s competitive advantages in these industries. Many projects announced cross over into multiple clusters. New Belgium Brewing is in advanced manufacturing and artisan brewing is a part of the region’s craft culture. Nypro is in healthcare and manufactures medical devices. Moog Music represents arts and culture, as well as advanced manufacturing and science & technology. Entrepreneurs building startups may fit one of these or multiple industries.

Capital Investment by Target Cluster

<table>
<thead>
<tr>
<th>Industry Cluster</th>
<th>Sum of Announced Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Manufacturing</td>
<td>$781,890,000</td>
</tr>
<tr>
<td>Arts &amp; Culture</td>
<td>$450,000</td>
</tr>
<tr>
<td>Healthcare</td>
<td>$90,200,000</td>
</tr>
<tr>
<td>Other</td>
<td>$99,700,000</td>
</tr>
<tr>
<td>Science &amp; Technology</td>
<td>$17,680,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$989,920,000</strong></td>
</tr>
</tbody>
</table>

Jobs by Target Cluster

<table>
<thead>
<tr>
<th>Industry Cluster</th>
<th>Sum of Announced Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Manufacturing</td>
<td>1,692</td>
</tr>
<tr>
<td>Arts &amp; Culture</td>
<td>8</td>
</tr>
<tr>
<td>Healthcare</td>
<td>298</td>
</tr>
<tr>
<td>Other</td>
<td>160</td>
</tr>
<tr>
<td>Science &amp; Technology</td>
<td>612</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,770</strong></td>
</tr>
</tbody>
</table>
Definitions & Methods

Direct Effects report initial change. In this economic impact summary, the initial change is new jobs. Jobs may include full time, part time, and temporary positions.

Indirect Effects result from stimulated purchases of goods and services that support the initial change or direct effect.

Induced Effects represent the spending of additional household labor income generated by direct and indirect activity.

Labor Income includes employee compensation, or wages and benefits paid to wage and salary employees, as well as proprietor income or profits earned by self-employed individuals.

Value Added is the combination of labor income, other property type income, and indirect business taxes. Value Added represents GRP, or a region’s gross regional product.

Output is the value of production and is equal to value added plus monies spent purchasing goods and services to create an industry’s production.

Return on Investment is calculated as new and retained labor income generated divided by total investment.

Deposit Potential for Area Financial Institutions is calculated by utilizing savings rate and multiplying labor income generated.

Disposable Personal Income is calculated by utilizing a disposable income factor and multiplying labor income generated.

To produce estimated economic impact analyses, the Economic Development Coalition utilizes Implan software and the most current data available specific to Buncombe County. All data reflects known quantities at a specific point in time. Margins of error may apply. This report is as of April 2015.
1900 Inn on Montford
A-B Tech Community College
Asheville Citizen-Times Publishing Co.
Asheville Merchants Corporation
Asheville Savings Bank, SSB
Avista Business Development Co.
AVL Technologies, Inc.
BB&T
Bankers Insurance
Beverly-Hanks & Associates
Biltmore Farms, LLC
Blue Cross Blue Shield of NC
Blue Ridge Bone & Joint
Blue Ridge X-Ray Company
Boys, Arnold & Company
Buncombe County
CarePartners Health Services
Carolina Alliance Bank
Carolina Tractor
Cintas
City of Asheville
Coldwell Banker King McKinney
Constangy, Brooks and Smith, LLP
David Gantt Law Office
Dixon Hughes Goodman, LLP
Duke Energy Progress

ECS Carolinas, LLP
Ferguson
FIRC Group, Inc.
First Bank
First Citizens Bank
FLS Energy
Friday Staffing Services
Greater Asheville Regional Airport Authority
Grove Stone & Sand
Hampton Inns of Asheville
Highland Brewing Company
Hilliard Lyons
HomeTrust Bank
Hotel Indigo
Insurance Service of Asheville, Inc.
Integritive, Inc.
io design & illustration, inc.
Dr. Edward and Jane Isbey, III
Janirve Foundation
Johnson, Price, & Sprinkle, PA
MB Haynes Corp.
McGuire, Wood & Bissette, PA
McKibbon Hotel Management, Inc.
Mission Health System
Moog Music, Inc.
New Belgium Brewing Company
Omni Grove Park Inn
Parsec Financial
Pearsall Operating Company
Pepsi-Cola Bottling Company
Plasticard-Locktech International LLP
PSNC Energy
Republic Services
Roberts & Stevens, PA
Silver-Line Plastics Co.
Skyland Distributing Company
Strategic Workplace Solutions
SunTrust Bank
TD Bank
Tennoca Construction Company
Thermo Fisher Scientific
Tops for Shoes
Town of Weaverville
The Buyer’s Agent
The Van Winkle Law Firm
UNC Asheville
Wells Fargo
Webb Investment Services
Wal-Mart Stores, Inc.
Webb Insurance
Wicked Weed Brewing