



# ASHEVILLE 5x5

*Metrics and Economic Impact Analysis (FY 2015-2020)*



Avadim Health Announcement, September 2016  
Black Mountain Commerce Park



# THANK YOU

ALL MAJOR SECTORS ACROSS THE ECONOMY ARE BOOSTED BY THE EDC AND PARTNERS' STRATEGIC JOB CREATION EFFORTS.

Since the launch of the first AVL 5x5 strategic plan in 2010, the Economic Development Coalition for Asheville-Buncombe County (EDC) has announced 3,912 new jobs and \$1.2 billion in new capital investment. Through the challenges of recessionary years to the momentum of economic recovery that followed, your investment in the work of the EDC has strengthened the economic confidence of the region and expanded economic opportunity for residents and families. It took the collective support of our City and County leadership, more than 85 private sector investors and numerous community partners, as well as the determined focus of the EDC staff and board, to achieve these results.

In 2015, local leadership doubled down on the strategies of the initial AVL 5x5 with the Vision 2020 Plan by expanding our key industries, recruiting high potential new employers, and catalyzing strategic growth in our entrepreneurial sector through the innovative programs of Venture Asheville. As of 2018, we saw the Asheville Metro surpass \$20 billion GDP (current dollars), growth of 30 percent since 2013. Your meaningful investment of time and financial resources demonstrated to our region and to our state that effective public and private sector partnership could move us forward in Western North Carolina.

As we build on this strategy over the next five years, our community faces unprecedented economic challenges related to the COVID-19 pandemic. More than ever, we ask your continued support and leadership to keep the momentum alive. With changing times come exciting new opportunities as well as serious challenges to our capacity to build the future we want for our current residents and our next generation. We invite you to join us again in investing in the shared vision of the AVL 5x5 2025 Plan, and a more prosperous future for all families and neighborhoods of Buncombe County.



**KIT CRAMER**  
*President & CEO of Asheville Area Chamber of Commerce*



**CLARK DUNCAN**  
*Senior Vice President of Economic Development*



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Healthcare



Advanced  
Manufacturing



Science &  
Technology



Talent  
Development



Entrepreneurship  
& Innovation

## AVL 5x5 Overview:

In its **second five-year iteration**, the AVL 5x5 Strategic plan for economic development continued to move the community forward with goals to diversify the economy and add jobs that pay more than the county's average wage. Goals advanced five strategic areas: Healthcare, Advanced Manufacturing, Science & Technology, Talent Development, and Entrepreneurship & Innovation. The plan recognized at the time that "the largest risk to the region is not a decline in jobs or economic activity but a failure to capitalize on new opportunities for economic development."

## In Buncombe County:

The **EDC and partners** provided significant assistance in the attraction of three new companies and eight expansions announcing **1,180** direct jobs. These new jobs will increase opportunity for both residents and the economy, going far beyond the companies and industries that create them. Industries that supply goods and services in the supply chain will be impacted, as will income generation for households and associated local spending. All major sectors in the local economy are boosted by the EDC and partners' strategic job creation efforts. Over the past five years:

- Wages for new jobs announced spanned a broad spectrum with an overall average of **\$48,100**, ten percent above the average wage (2019 private) in Buncombe County and **35 percent** of these pay more than **\$50,000** per year.
- New business and expansions announced **just under \$200 million** in capital expenditures, including strategic investments in property, machinery and equipment.

Once all jobs are in place, Total Output (direct, indirect, and induced effects) are estimated at **\$1.1 billion** in Buncombe County and is considered annually recurring.

## Return on Investment:

EDC seeks a positive return on investment (ROI) for both private and public dollars. AVL 5x5's strategic efforts have generated prominent local economic activity and investors have realized a positive ROI.

Including both private and public investment, the EDC estimates an overall return of **\$31** for every \$1 invested over the course of the plan.\*

FOR EVERY DOLLAR INVESTED  
BY PRIVATE INDUSTRIES,  
EDC ESTIMATES A RETURN OF

**\$60**  
PRIVATE  
ROI

FOR EVERY DOLLAR INVESTED  
BY THE CITY OF ASHEVILLE  
AND BUNCOMBE COUNTY,  
EDC ESTIMATES A RETURN OF

**\$63**  
PUBLIC  
ROI

\*Does not include construction impacts.



# EDC ANNOUNCEMENTS: JULY 1, 2015 - JUNE 30, 2020

January 6, 2016

17 Jobs

\$1.8M Investment

September 21, 2016

551 Jobs

\$25.4M Investment

October 24, 2017

47 Jobs



May 20, 2016

41 Jobs

\$4.2M Investment

May 22, 2017

15 Jobs

\$9.5M Investment

March

131

\$105M Investment

ALL EDC ANNOUNCEMENTS

1,180 JOBS

\$198.9 MILLION INVESTMENT



September 12, 2018

15 Jobs  
\$10.9M Investment

November 19, 2018

75 Jobs  
\$2.5M Investment

June 24, 2020

60 Jobs  
\$1.5M Investment



EAST FORK

Charles Edward Industries



Aviation



1, 2018

Jobs  
Investment

September 21, 2018

160 Jobs  
\$19.6M Investment

January 31, 2020

68 Jobs  
\$18.5M Investment

CITY-LIMIT ANNOUNCEMENTS

298 JOBS (25% OF TOTAL)

\$120.3 MILLION INVESTMENT  
(61% OF TOTAL)



## Economic Impact Summary

	Direct Impact	Indirect Impact	Induced Impact	Total Impact
<b>Jobs</b>	<b>1,180</b>	889	476	<b>2,545</b>
<b>Labor Income</b>	\$56,747,501	\$49,409,858	\$20,353,247	<b>\$126,510,606</b>
<b>Value Added</b>	\$336,227,770	\$83,032,060	\$35,438,357	<b>\$454,698,187</b>
<b>Output</b>	\$832,734,508	\$172,445,301	\$62,786,860	<b>\$1,067,966,669</b>



## 2,545 New Jobs

Total of direct, indirect, and induced jobs

Tax Revenues Generated	
Federal Tax Revenues	\$31,261,010
State Tax Revenues	\$17,322,472
County Tax Revenues	\$8,822,358
City Tax Revenues	\$2,903,713
<b>Total</b>	<b>\$60,309,553</b>

In summary, EDC business development projects are estimated to support over 2,500 jobs that pay \$127M labor income as part of new business' \$455M economic impact on Buncombe County GDP. Total Output, representing total economic impact, is approximately \$1B, including \$60M in tax revenues.



## Additional Economic Activity: Construction

Not including labor impacts, new construction activity planned by Avadim Technologies, Haakon Industries, and Jabil Healthcare was projected to be approximately **\$21.8 million** combined. New construction includes site preparation, building construction, and interior installation such as machinery and equipment. Of note:

- Construction activity is estimated to support an additional **240 jobs** and **\$12.3 million** labor income.
- Construction impacts are one-time impacts (for the life of the construction project).



For every 1 job created,  
an additional 1.2 jobs  
are supported in  
Buncombe County.

For every \$1 of Labor  
Income earned, an  
additional \$1.22 is  
generated.



**\$127M new Labor Income estimated**

## New Labor Income is Projected to Generate:

**Disposable Personal Income**

**\$112,467,928**

**Deposit Potential for Area Financial Institutions**

**\$14,801,741**

AVL 5x5 estimates **\$14.8 million** 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.



## Estimated Consumer Deposits in Local Banks

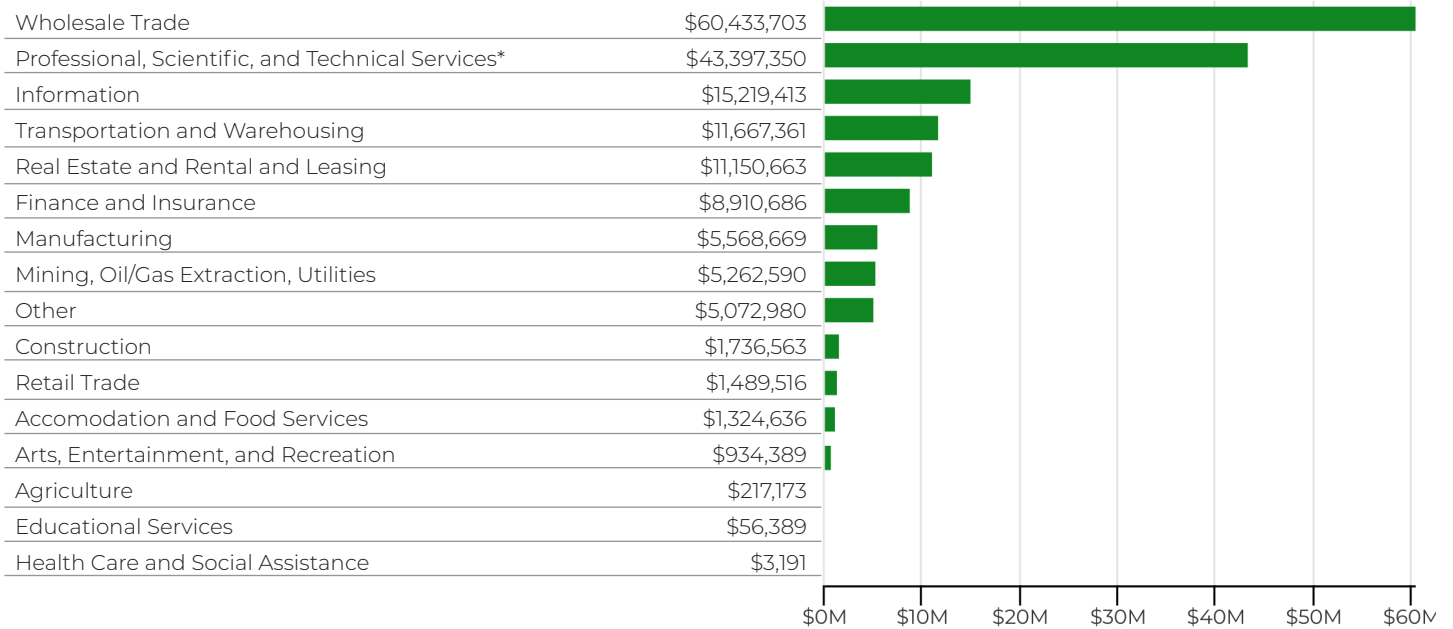
Bank Name	Local Offices	Deposits (\$000) as of June 30, 2019	Market Share	Estimated Impact on Deposits
Wells Fargo Bank	11	\$1,234,280	22.39%	\$3,313,822
First-Citizens Bank & Trust Company	12	\$702,296	12.74%	\$1,885,540
Bank of America	6	\$587,235	10.65%	\$1,576,622
HomeTrust Bank	5	\$563,928	10.23%	\$1,514,046
First Bank	8	\$557,318	10.11%	\$1,496,300
SunTrust Bank	6	\$530,558	9.62%	\$1,424,454
Branch Banking and Trust Company	5	\$400,009	7.26%	\$1,074,195
TD Bank	4	\$354,610	6.43%	\$952,065
First Tennessee Bank	3	\$187,449	3.40%	\$503,267
PNC Bank	5	\$178,033	3.23%	\$477,987
The Park National Bank	1	\$90,615	1.64%	\$243,285
Pinnacle Bank	1	\$40,426	0.73%	\$108,537
Fifth Third Bank	1	\$35,177	0.64%	\$94,444
Black Mountain Savings Bank	1	\$35,055	0.64%	\$94,116
TruPoint Bank	1	\$11,877	0.22%	\$31,888
Woodforest National Bank	2	\$3,635	0.07%	\$9,759
Capital Bank	1	\$527	0.01%	\$1,415
<b>Totals</b>	<b>73</b>	<b>\$5,513,118</b>	<b>100.0%</b>	<b>\$14,801,741</b>

Bank Name per FDIC 2019. Market share and estimated deposits have been rounded.

# ECONOMIC IMPACT

Business-to-business transactions resulting from impacts of new job announcements took place across all major industries as a result of projects EDC assisted. Local supply chains are boosted to support trade.

## Business-to-Business Transactions



\*Includes Management of Companies and Administrative and Remediation Services

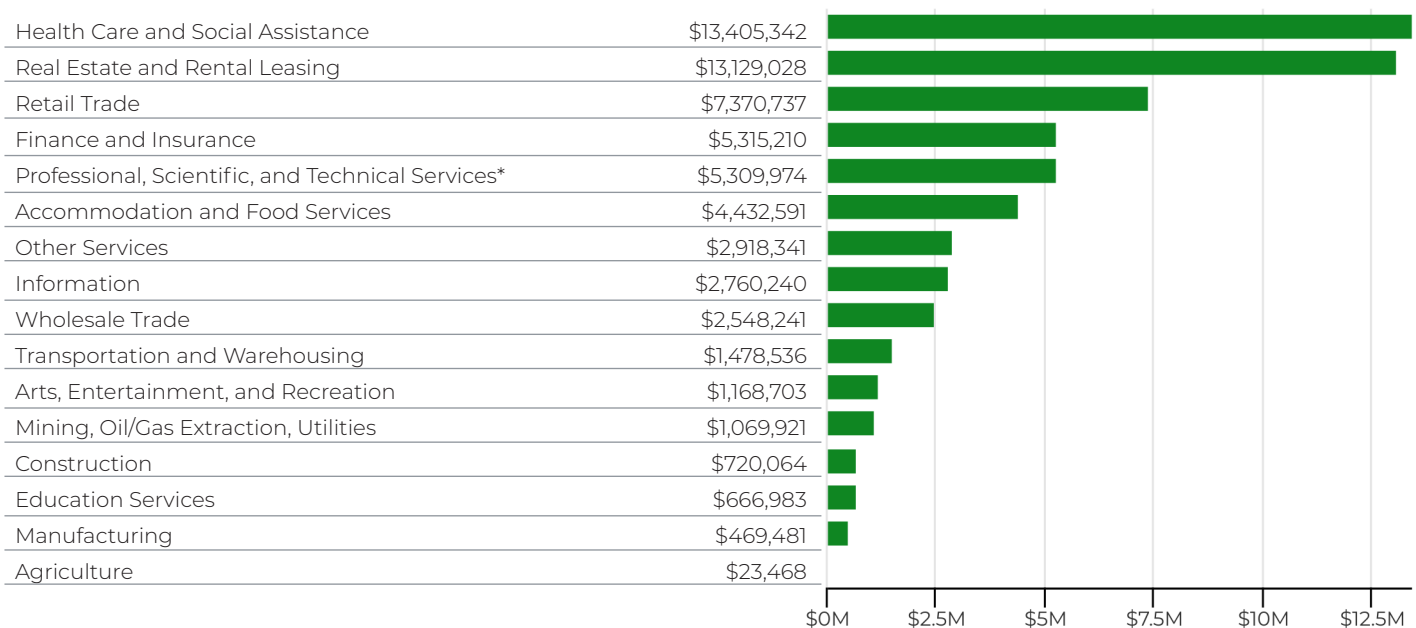






Household spending, as well as business-to-business transactions supported by household spending, spurs demand for medical care, housing, banking, retail, and so on. All major industries are supported by the multiplied effects of new jobs.

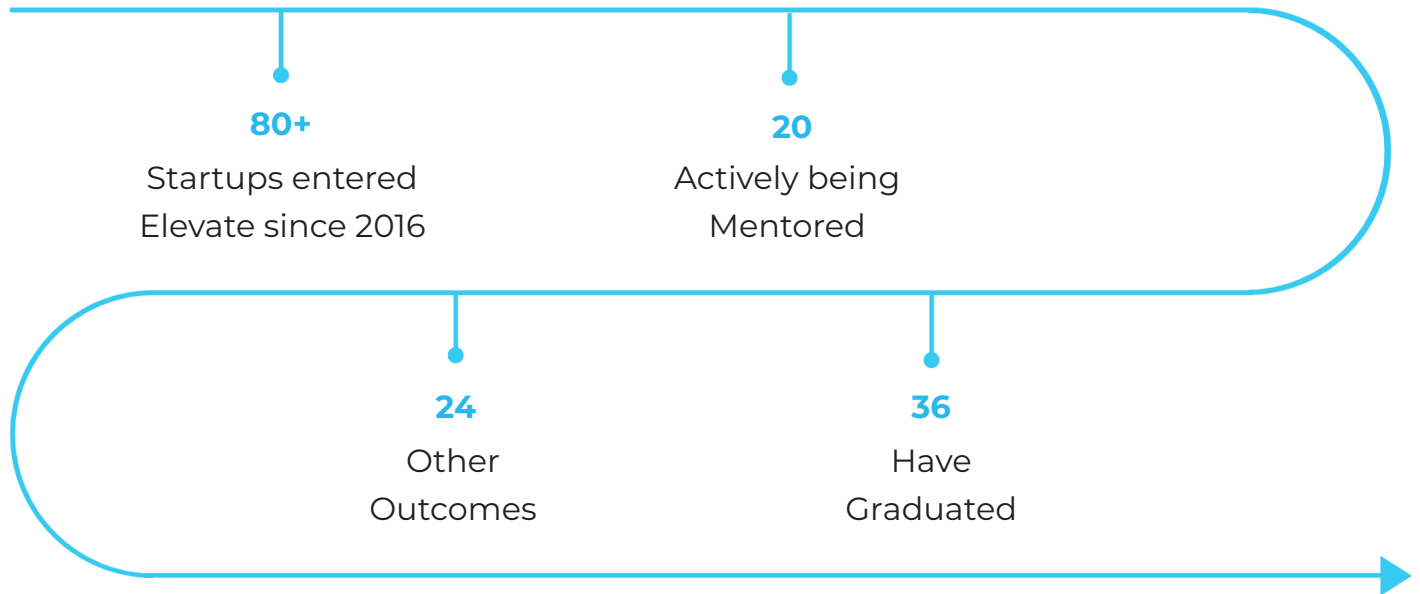
## Household Spending



\*Includes Management of Companies and Administrative and Remediation Services

## Venture Asheville Elevate Companies

Venture Asheville is a core service of the EDC that advances Entrepreneurship and Innovation in the Asheville area. Venture Asheville's program, Elevate, is supported by long-term relationships that founders build with a team of mentors. These experienced mentors guide entrepreneurs through the pivotal points of their startup journey. The program is based on M.I.T.'s Venture Mentoring System.



**\$2.4M**

ASHEVILLE ANGELS  
CAPITAL INVESTMENTS  
SINCE 2015

**\$12M**

NEW EQUITY  
INVESTMENT  
SINCE 2015

**\$146M**

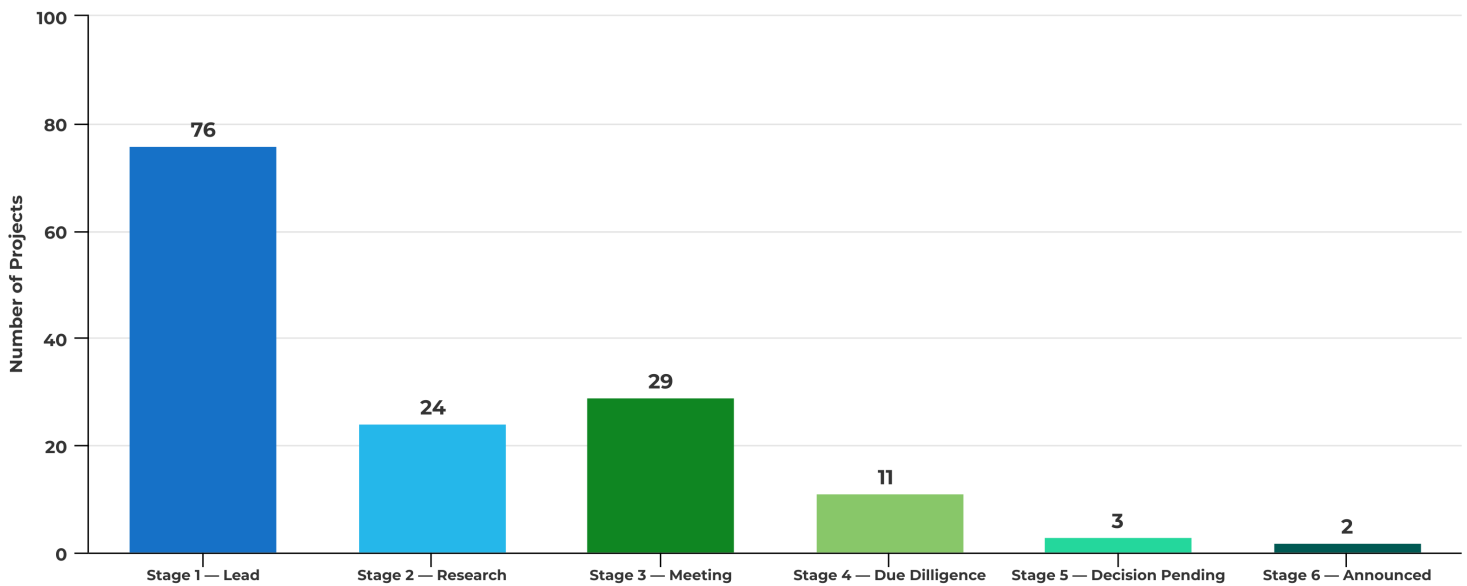
VENTURE 15  
2015-2019 REVENUES

Venture Asheville reports on a calendar year basis





## All Lead and Active Projects



*Investment: All lead and active projects represent a potential capital investment of **\$2.4 billion** and **17,605 jobs** year-to-date as of July 2020. The EDC program of work pursues economic expansion through the strategies of the AVL 5x5 plan. Project life cycles typically vary in duration from 6 months to 3 years to announcement.*

## Definitions and Methods

**Average Wage** represents the overall average of announced jobs, including direct, indirect, and induced effects.

**Deposit Potential for Area Financial Institutions** is calculated by utilizing the savings rate in Buncombe County for 2018 and multiplying labor income generated in the impact results.

**Direct Effects** report initial change. In this economic impact summary, the initial change is new jobs (labor income associated with new jobs). Jobs may include full time, part time, and temporary positions.

**Disposable Personal Income** is money that households have available for spending and saving after taxes. The estimate is calculated by utilizing a disposable income factor and multiplying labor income generated in the impact results.

**Indirect Effects** result from stimulated purchases of goods and services that support the initial change or direct effect. These are impacts of local industries buying goods and services from other local industries.

**Induced Effects** stem from household spending of labor income. The activity represents 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 any proprietor income or profits earned by self-employed individuals.

**Output** is the value of industry production and is equal to Value Added plus monies spent purchasing goods and services to create an industry's production. Total Output may include instances of duplicative counting of goods and services at different points in the production stage, whereas Value Added does not.

**Return on Investment** equals labor income generated divided by total investment. Return on Investment does not include construction impacts.

**Value Added** is the combination of labor income, other property type income, and taxes on production and imports less subsidies. Value Added is analogous to GDP (gross domestic product) for the local region. Value Added + Intermediate Expenditures = Output.

Notes: To produce economic impact estimates, the EDC utilizes Implan software and the most current data available specific to Buncombe County. All data reflects available and known quantities at a point in time. Margins of error may apply and adjustments may occur as new data is made available. Outputs and results of the analysis are estimates that provide supplemental information about projects but do not claim to capture every aspect of projects or their costs.

# ASHEVILLE 5x5 INVESTORS



<< Photography: Courtesy of Asheville Airport Authority

Aloft Hotel Asheville Downtown  
Asheville Eye Associates  
Asheville Hotel Group  
Asheville Merchants Fund of the  
Community Foundation of WNC  
Asheville-Buncombe Technical  
Community College  
Assured Partners  
AT&T North Carolina  
Avista Business Development  
Corporation  
AvL Technologies, Inc.  
Bank of America  
Bankers Insurance  
Beverly-Grant, Inc.  
Beverly-Hanks & Associates, REALTORS  
Biltmore  
Biltmore Farms, LLC  
Blue Ridge X-Ray Co., Inc.  
Boys Arnold & Company  
Brick Street Equity Management  
Brumit Restaurant Group  
Bunnell-Lammons Engineering  
Cintas - The Uniform People  
City of Asheville  
Coldwell Banker King  
Colton Groome & Company  
Constangy, Brooks, Smith & Prophete,  
LLP  
David Gantt Law Offices  
DHG  
Diamond Brand Gear  
Dominion Energy  
Duke Energy  
ECS

Element-360  
ERC Broadband  
Fifth Third Bank  
FIRC Group North Carolina Inc.  
First Bank  
First Citizens Bank  
Friday Staffing Services  
GE Aviation  
GFoss Consulting, LLC  
Goldsmith Molis & Gray  
Greater Asheville Regional Airport  
Authority  
Hampton Inn & Suites - Asheville Airport  
Harper General Contractors  
Highland Brewing Company  
HomeTrust Bank  
Hyatt Place Asheville-Downtown  
Insurance Service of Asheville, Inc.  
Jacob Holm Industries (America), Inc.  
Johnson Price Sprinkle PA  
Lenoir-Rhyne University Center for  
Graduate Studies of Asheville  
Lewis Real Estate  
Linamar  
MB Haynes Corporation  
McGill Associates, P.A.  
McGuire, Wood & Bissette, PA  
McKibbon Hospitality  
McMillan Pazdan Smith Architecture  
Mercy Urgent Care  
MHAworks Architecture  
Mills Manufacturing Corp.  
Mission Health  
Moog Music Inc.  
moon io media, inc.

New Belgium Brewing  
Novus Architects  
The Omni Grove Park Inn  
Park National Bank  
Parsec Financial Wealth Management  
Pearsall Operating Company  
Pepsi Cola Bottling Co. of Asheville  
Plasticard-Locktech International (PLI)  
Pulliam Properties, Inc.  
Renaissance Asheville Hotel  
Roberts & Stevens  
Senator Terry Van Duyn  
Silver-Line Plastics Corporation  
Skyland Distributing Company  
South Asheville Hotel Associates  
TD Bank  
Tennoca Construction Company  
Thermo Fisher Scientific  
Tops for Shoes, Inc.  
Troy and Sons Distillers  
Truist Bank  
TSACHoice  
UNC Asheville  
The Van Winkle Law Firm  
Vannoy Construction  
Virtelle Hospitality  
WeaverCooke-Kirkland Construction  
Companies  
Webb Investment Services, Inc.  
Wells Fargo Bank, NA  
Western Carolina University  
WithersRavenel, Inc  
Worley, Woodbury, & Associates, PA



Asheville-Buncombe County



**RIVERBIRDRESEARCH**  
A DIVISION OF THE ASHEVILLE AREA CHAMBER OF COMMERCE



**ASHEVILLE**  
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