

Economic Development Update

FY19 Year-in-Review

8/20/2019



BUNCOMBE COUNTY



Agenda

- Partnership
- EDC Activities
- Status of Active Projects
- Return on Investment
- Moving Forward

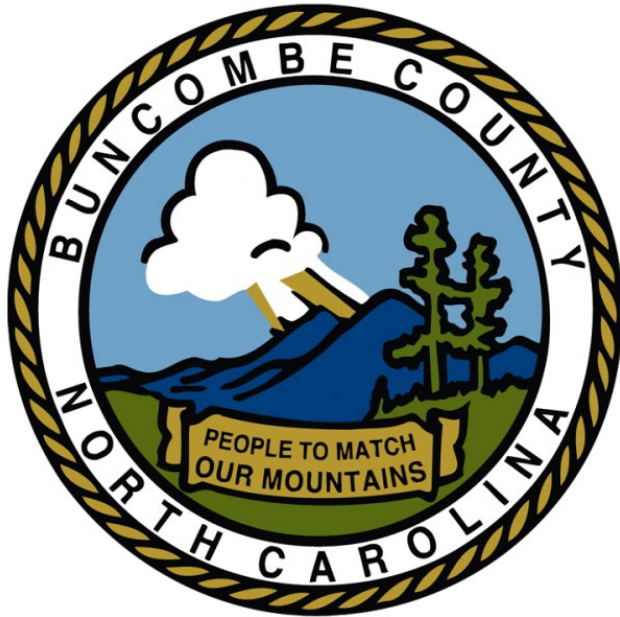


Economic Development in Buncombe County

- **Partners:**
 - **Economic Development Coalition**
 - **Local Government:** City of Asheville, Town of Black Mountain, Town of Weaverville
 - **State of North Carolina:** NC Commerce Department, EDPNC, DOT
 - **Federal Government:** ARC
 - **Regional Partners:** Land of Sky, Workforce Development Board
 - **Schools:** AB-Tech, City & County School Systems, Regional Universities
- **Related Organizations:**
 - **Small Business Development:** Asheville Chamber, Carolina Small Business, Blue Ridge Food Ventures, SBTDC, ABTECH Incubator and Small Business Center
 - **Sports and Recreational Tourism:** Sports Commission
 - **Tourism:** Tourism Development Authority (TDA)



25 Years of Partnership



July 1994, Resolution #20465 created the Buncombe County Economic Development Commission 'intended to stimulate private sector investment, economic growth and job creation within Buncombe County'



EDC Board & Governance



- Board Chair: Michael Meguiar, SVP, Thermo Fisher Scientific US
- Board: 20 Members
- 9 Appointed Members
- 11 Ex-Officio Members: County Manager, City Manager, BCS Superintendent, ACS Superintendent, ABTECH President, Airport Director, Chamber President, Chamber Vice Chair for Economic Development, Duke Energy, PSNC/Dominion, Manufacturing Executives Association



Mission: Community Prosperity



- Economic Diversification
- Quality Jobs & Economic Mobility
- Increasing Average Wages for Buncombe County Residents
- Sustainable Growth in Tax Base



The Buncombe County Strategy

Industry Expansion & Workforce Development

- Workforce Development
- Manufacturing Sustainability
- HQ Support Services

Community Marketing & Recruitment

- Recruitment Strategy
- Target Industry Marketing
- Site Selector Influence

Venture Asheville

- Connecting
- Mentoring
- Funding The Next Generation Locally Headquartered Businesses

Riverbird Research

- Encouraging Data Driven Decision Making For Private Sector Growth & Public Sector Governance



FY2019: Local Industry Expansion

Reich LLC

 **New Jobs: 15**

 **Capital Investment: \$10.9M**

 **Industry: Automotive Parts Mfg**

 **County Incentive: \$0**



"We continue to build on a great workforce, culture, and community that support advanced manufacturing jobs in WNC."

- Matthias Goetz, Asheville Plant Manager



FY2019: Local Industry Expansion

East Fork Pottery

 New Jobs: 75

 Capital Investment: \$2.5M

 Industry: Clay Product Mfg

 County Incentive: \$0

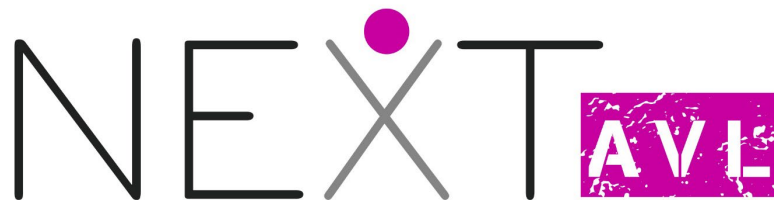


"The Mattisses are on a mission to introduce artisanal ceramics to a new generation of consumers."

- Fast Company Magazine



Program Impact: Mentorship



WHERE YOU WANT TO BE

- Building a pipeline of talented young workforce to launch careers in WNC
- Mentorship Program Partnership with UNCA, WCU & Warren Wilson College
- Matching Buncombe County Professionals with students of color, immigrant communities and first-in-family to attend college
- ABTECH Apprenticeship Consortium
- CAYLA, High School Tours, National Manufacturing Week, Educator in Industry Events



Program Impact: Economic Mobility



- Building workforce partnerships with community allies at Asheville Housing Authority, UpSkill WNC, Green Opportunities, State of Black Asheville.
- Building awareness with Buncombe County Employers about hiring programs that broaden economic opportunity and inclusive prosperity for more families in Buncombe County.

**PARTNERSHIPS
FOR ECONOMIC MOBILITY**



Program Impact: Career Connections



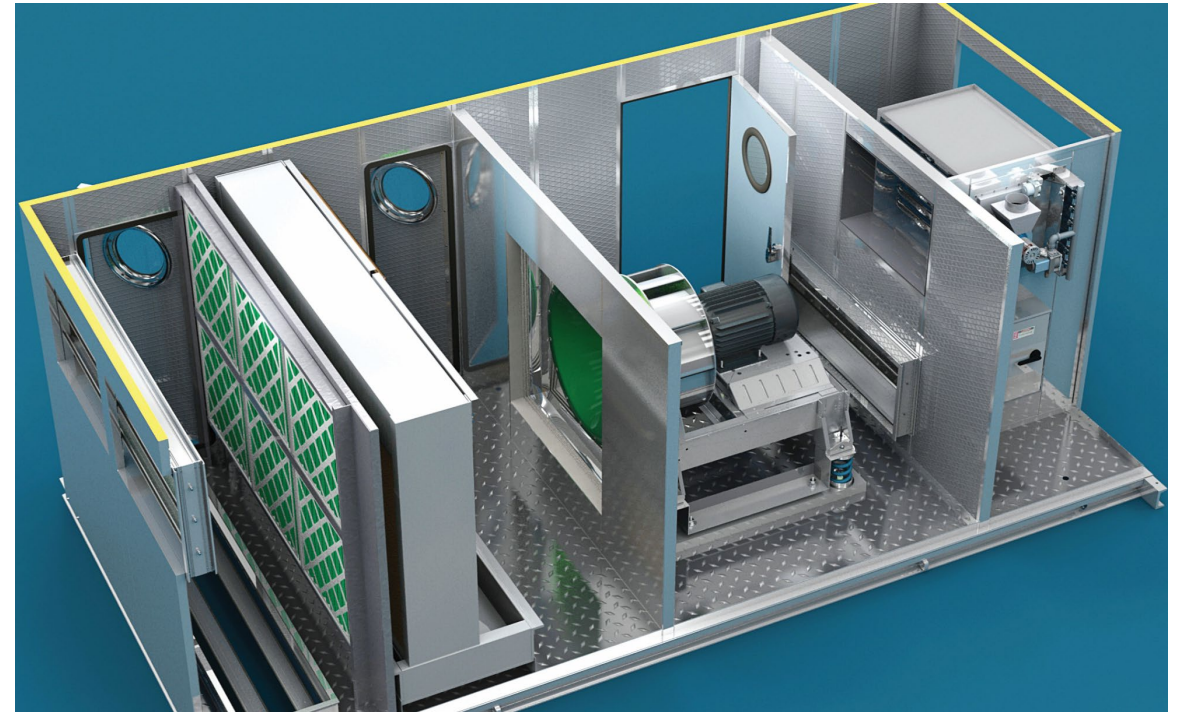
- Hosting largest workforce recruitment events in Western North Carolina.
- Facilitating career exploration and employment for 700+ local high school students at the WNC Career Expo.
- Connecting over 3,000+ local job seekers to employment opportunities.
- Promoting over 150 employers in manufacturing, healthcare, hospitality, construction, & professional services.



FY2019: New Recruited Industry

Haakon Industries

- **New Jobs: 160**
- **Capital Investment: \$19.6M**
- **Industry: HVAC Mfg**
- **County Incentive: \$192K Total**



"Haakon is excited to join the Asheville community...we look forward to many years here in WNC."

- Ryan Leahy, Plant Manager



FY2019: New Recruited Industry

Fox Factory (Grand Opening)

 New Jobs: 65

 Capital Investment: \$1M

 Industry: Engineering, R&D

 County Incentive: \$0

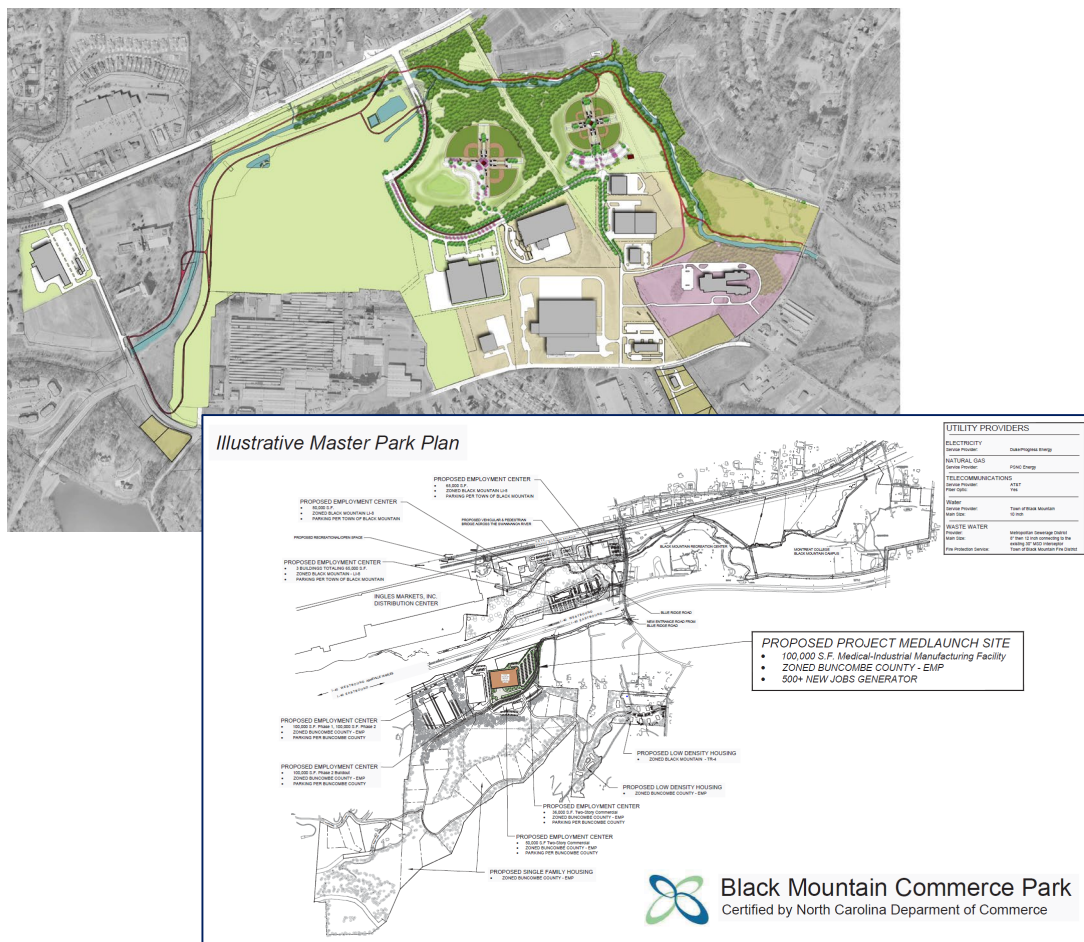


"Along with a very passionate mountain biking culture, we believe Asheville offers us the ability to tap into a top-notch talent pool."

- Larry Enterline CEO



Program Impact: Infrastructure Growth



- Build collaborations with Buncombe County, Land of Sky, NCDOT, ARC, Golden Leaf and the USEDA to secure outside funding for local infrastructure that supports industrial job creation.
- Black Mountain Commerce Park Case Study: \$3.7M in combined funds for extension of access roads, water and sewer.
- Enka Commerce Park Case Study: \$2.8M in combined funds for extension of access roads.



FY2019: 'Venture Asheville'

THE BRIGHT ANGLE

Boomerang
Communications

SPARKSMITH

FERNLEAF
INTERACTIVE

craftpeak

Brightfield.

KITSUMA BAR

DEVIL'S FOOT
BEVERAGE COMPANY

TWISTEK
#justletgo



Burban
atbay

podcraft
Elite HRV



elevate
bluespatial



relaspen



Watch
Pitch

MARCISIST
Sunglasses ♥♥ Enjoy yourself

GINGER'S
REVENGE
TASTING ROOM

POPPY
HAND-CRAFTED POPCORN



- The Elevate Team Mentoring Service has helped launch over 50 Buncombe County start-ups. Leverages the talents of over 54 experienced business mentors.
- Facilitated nearly \$4M in equity funding for Buncombe County start-ups in FY2019.
- Launched and manage the Asheville Angels Investor Network, includes 25+ local investors funding over \$195,000 in local start-ups in FY2019.



BUNCOMBE COUNTY



Program Impact: Thriving Start-Ups



- Venture Asheville awarded 5 'micro-grants' of \$5k each in Spring of 2019.
- Venture Asheville 'Start-Up Road Trip' helped 6 local start-ups attract over \$1M in critical equity funding in Spring 2019.
- Launched the 'Venture 15' Awards recognizing the 15 fastest growing Buncombe County start-ups, winners represented:
 - \$52M in local revenues
 - 11 of 15 were Venture Asheville Alums
 - Half are female founded
 - Half are in Technology Sector



FY2019: EDC Research Outcomes

- Fulfilled over 220 research requests including Buncombe County bond reporting, economic impact analysis, media requests, customized workforce and industry analysis to inform business decision making.
- Public events such as the Metro Economy Outlook (October 18, 2019) or the Metro Growth Breakfast (May 2020) bring authoritative data and economist perspectives to the challenges and opportunities facing Buncombe County.



Program Impact: Data-Driven Decisions



- Conducted first-ever employer survey of the 10-county labor shed to identify strengths, weaknesses, and forecast future workforce demand.
- Partnered with industry leading labor analytics firm, EMSI, to product a Gap Analysis on workforce needs for our most promising economic targets for growth.
- Please join us for EDC Board Meeting of October 25th to hear highlights of the research report.



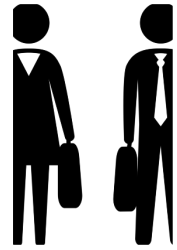
**The State of
Our Workforce**
Western NC



BUNCOMBE COUNTY



FY2019 EDC Outcomes



250 new jobs



25 start-ups



\$41,678 avg



\$14,000,000



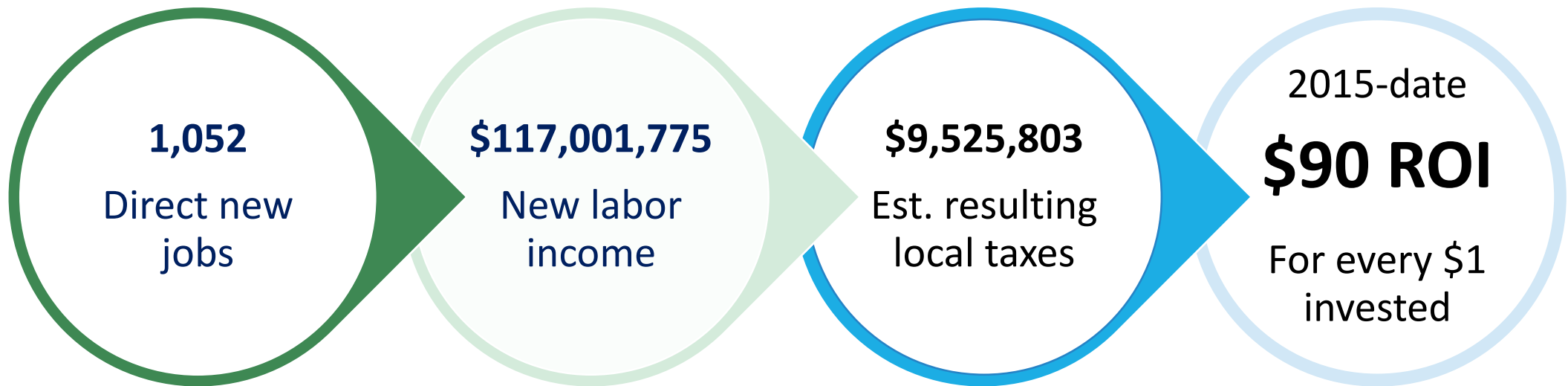
\$33,000,000



108 new jobs



FY2015-19 Return on County Investment



\$196,000,000
New taxable investment in real & personal property



Economic Development Incentive Program



BUNCOMBE COUNTY



Economic Development Investment Policy

- **Purpose:** Broaden and diversify the development of new business and industries. Induce companies to invest or expand in Buncombe County.
- **Primary Incentives:**
 - **Capital Investment:** based on reported capital investment which result in an increase to the tax base.
 - **Jobs:** based on number of jobs that pay at or above the 100% of Buncombe County's average wage rate (\$20.93).



Projects

AvL TECHNOLOGIES
designs for ultimate performance
Communication Technology,
\$3.9M, 75 jobs

 **LINAMAR**
Power to Perform
Automotive,
\$315M, 800 jobs

 **GE Aviation**
Aviation,
\$126.6M, 52 jobs

 **GE Aviation**
Aviation,
\$104.8M, 130 jobs

2010

ingles
Food,
\$85M, 160 jobs


Beverage,
\$175M, 154 jobs

 **Avadim**
TECHNOLOGIES INC
Medical,
\$25.4M, 550 jobs



Active EDAs – Disbursement Summary

Company	Public Hearing	Total EDA	Total Disbursed	Percentage Disbursed
Ingles	12/7/2010	\$2,975,000	\$765,000	25.71%
New Belgium Brewing	8/7/2012	\$8,450,000	\$1,300,000	15.38%
GE - 2013	5/14/2013	\$2,680,000	\$536,000	20.00%
GE - 2018	6/5/2018	\$685,000	\$0.00	0.00%
Jacob Holm	1/7/2014	\$1,120,545	\$1,067,156	95.24%
Linamar (Consolidated 2019)	4/2/2019	\$9,000,000	\$3,000,000	33.33%
Avadim	4/18/2017	\$881,960	\$0.00	0.00%



Active EDAs: FY19 Performance Summary

A

B

C

Company	Completion Date	Job (Goal)	Job (Actual)	Average Wage (Goal)	Average Wage (Actual)	Capital Investment (Goal)	Capital Investment (Actual)
Ingles	7/1/2021	160	160	\$41K	\$55K	\$85M	\$129.6M
New Belgium Brewing	3/31/2028	154	132	\$50K	\$52K	\$175M	\$125M
GE ¹	12/31/2021	183	130	\$45K	\$63K	\$230M	\$43.8M
Jacob Holm	4/30/2019	66	57	\$46K	\$46.5K	\$45.9M	\$79.0M
Linamar ¹	12/31/2024	800	300	\$39K	\$51K	\$315M	\$141M
Burial	4/1/2019	14	20	\$34K	\$44K	\$1.8M	\$2.1M

Notes:

1. FY19 confirmation has not been completed at this time.



Active EDAs: Tax Revenue Summary

Company	Public Hearing (Initial)		Cumulative Tax Collections (Buncombe) ¹	Cumulative Tax Collections (Total) ²
Ingles	12/7/2010		\$5,052,554	\$8,247,961
New Belgium Brewing	8/7/2012		\$2,290,478	\$4,382,599
GE	5/14/2013		\$1,179,779	\$2,105,486
Jacob Holm	1/7/2014		\$2,357,931	\$2,728,930
Linamar	3/2/2011		\$2,375,481	\$4,237,669
Burial	2/5/2019		\$24,717	\$45,533
Total			\$13,280,940	\$21,748,178

Active projects will create 1,500+ jobs, \$850M+ in capital investment and estimated \$2.3M+ in annual property tax revenue.

Notes:

1. FY19 confirmation has not been completed at this time.
2. This is the FY18 total (including discovery and/or audit amounts). This is not a cumulative amount.
3. This is the total collected amount including county taxes, municipal taxes, fire taxes, etc.



What's Next?



Moving Forward in FY20

- **Economic Diversification**

- Growth in aero/auto/medical device manufacturing
- Corporate HQs

- **Capacity Development**

- Future industrial sites/corridors
- Workforce development

- **Continued Recruitment**

- Enka Commerce Park
- Black Mountain Commerce Park
- Recreational Tourism

- **Small Business Development**

- Mountain Community Capital Fund
- Venture Asheville



Appendix



Wage Comparisons

All Buncombe County Occupations and Industries

Area Name	Occupation	Industry	Mean - Estimated Hourly wage (BLS)	Median - Estimated Hourly wage (BLS)	Estimated Living Wage (Just Economics)	Incentivized Wage (BC Policy)
Buncombe County	Total All occupations	Total, All Industries	\$20.27 (\$42,161)	\$15.75 (\$32,760)	\$13.65 (\$28,392)	\$20.93 (\$45,534)

Select Manufacturing Occupations

Description	Estimated Employment	Mean Hourly Wage	Median Hourly Wage
Laborers and Freight, Stock, and Material Movers, Hand	3,380	\$13.65	\$12.86
Heavy and Tractor-Trailer Truck Drivers	1,840	\$20.62	\$19.98
Light Truck or Delivery Service Drivers	1,280	\$17.17	\$15.14
Electrical, Electronic, and Electromechanical Assemblers, Except Coil Winders, Tapers, and Finishers	1,030	\$15.97	\$15.68
Packers and Packagers, Hand	840	\$11.01	\$9.79
Industrial Truck and Tractor Operators	690	\$16.48	\$16.51
First-Line Supervisors of Mechanics, Installers, and Repairers	680	\$30.89	\$29.26
Packaging and Filling Machine Operators and Tenders	630	\$13.54	\$12.11
First-line Supervisors of Transportation and Material Moving Workers, Except Aircraft Cargo Handling Supervisors	510	\$25.13	\$23.29
Industrial Machinery Mechanics	480	\$23.92	\$25.24
Sewing Machine Operators	250	\$12.54	\$11.89
Mechanical Engineers	240	\$37.92	\$37.89
Adhesive Bonding Machine Operators and Tenders	70	\$19.94	\$21.24
Mechanical Drafters	60	\$27.56	\$28.32
Mechanical Engineering Technicians	50	\$23.59	\$24.96



Active EDAs: FY19 Disbursement Summary

Company	FY19 Budgeted	FY19 Disbursed	FY20 Budgeted
Ingles	\$170,000	\$170,000	\$170,000
New Belgium Brewing	\$650,000	\$650,000	\$650,000
GE	\$268,000	\$0	\$268,000
GE - 2018	\$228,333	\$0	\$228,333
Jacob Holm	\$224,109	\$208,825	\$39,000
Linamar (2011)	\$0	\$0	\$0
Linamar (2014)	\$1,500,000	\$0	\$1,000,000
Avadim	\$0	\$0	\$0
Burial	\$10,045	\$10,045	\$0

