

Economic Development Incentive Program

Public Hearing

Nypro Inc., a Jabil Corporation

February 18, 2020



Background and Request

Background:

- **Announced January 31st**, Nypro has chosen Buncombe County for its expansion.
- **Existing employer with 325 employees** and two prior expansions in Buncombe County (2010, 2011)
- **Manufacturer of medical devices** (e.g., casings for medicines) using injection molding with plastics

Request:

- Board of Commissioners approval for:
 - Economic Development Incentives for Nypro; and
 - Economic Development Agreement between Nypro and Buncombe County.



Investment and Job Schedule

- As part of its facility expansion project, Nypro will:
 - Create **68 new jobs**;
 - Invest **\$18.4 million** in real and business personal property (add 16K sqft); and
 - Provide an **average wage of \$21.94 hour** including at least half of employee health insurance costs.
 - Meet performance commitments within 3 years.

Year	Real	Personal	Jobs (New)
2020	\$5,603,200.00	\$6,377,500.00	34
2021	\$0.00	\$5,538,500.00	34
2022	\$0.00	\$910,000.00	0
2023	\$0.00	\$0.00	0
2024	\$0.00	\$0.00	0



Proposed Incentive

- **Joint economic development effort** between the Department of Commerce, A-B Tech, Economic Development Coalition (EDC), and Buncombe County.
- Per Buncombe County's Economic Development Incentive Policy, and pending Commissioner approval, Buncombe County commits to a **total incentive of \$170,000.**

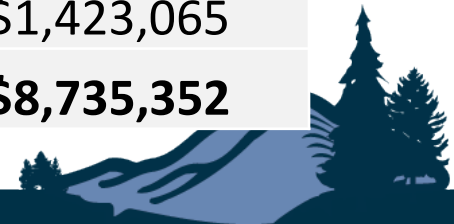
Fiscal Year	Incentive
2020	\$0.00
2021	\$0.00
2022	\$170,000.00



Economic Development Impact

- Creation of **68 jobs** and **\$18.4M** in investment.
- Generation of approximately \$680K in ad valorem tax revenue over 10 years (**net positive revenue impact of approximately \$500K**).
- **Labor impact of ~\$8.7M** (see EDC Economic Impact Analysis below).

Impact Type	Description	Employment	Labor Income
Direct Effect	Direct employer jobs	68	\$3,103,194
Indirect Effect	Income for local suppliers (i.e., business-to-business transactions)	86	\$4,209,093
Induced Effect	Labor income or paychecks being spent in the region (i.e., household spending)	33	\$1,423,065
Total		187	\$8,735,352



Job Incentive and Average Wage

- Based on Nypro's job creation plans, **35 out of the 68 proposed jobs qualify for the jobs incentive** in the Buncombe County Economic Development Incentive Policy (greater than \$20.90 per hour, or \$43,472 per year).
- **All 68 jobs exceed the 2019 "living wage"** published by Just Economics (greater than \$13.65 per hour, or \$28,392 per year) for a full-time living-wage employee without health insurance.
- Additionally, **all 68 jobs will receive at least 50% subsidy of employee benefits.**



Wage Schedule

Position	Number	Hourly Wage	Annual Wage	Living Wage? (\$13.65)	Incentive Eligible? (\$20.90)	Exceeds Median HHI? (\$50,668)	Exceeds Per Capita Income? (\$31,439)
Inspector Packer	12	\$14.00	\$29,120.00	Y	N	N	N
Quality Inspector	12	\$15.00	\$31,200.00	Y	N	N	N
Document Control	1	\$18.00	\$37,440.00	Y	N	N	Y
Group Leader	8	\$20.00	\$41,600.00	Y	N	N	Y
Technician	29	\$25.00	\$52,000.00	Y	Y	Y	Y
Toolmaker	1	\$26.00	\$54,080.00	Y	Y	Y	Y
Engineer	4	\$41.00	\$85,280.00	Y	Y	Y	Y
Manager	1	\$51.00	\$106,080.00	Y	Y	Y	Y

Notes:

Household income includes the income of the householder and all other individuals 15 years old and over in the household, whether they are related to the householder or not. Because many households consist of only one person, average household income is usually less than average family income. Source is the Census American Community Survey.

Per capita income is the mean income computed for every man, woman, and child in a particular group including those living in group quarters. It is derived by dividing the aggregate income of a particular group by the total population in that group. Source is the Census American Community Survey.



Appendix

