

Asheville-Buncombe County

2009 - 2010 Annual Report

Dear Stakeholders and Partners in Economic Development,

Our annual report is designed to present our community's economic status and provide insight into significant developments over the past fiscal year 2009-2010. As a facilitator for economic development efforts in our community, the EDC provides a powerful means to improve the quality of life, attract new business, and attain fiscal vitality for Buncombe County citizens. For over sixteen years, the EDC's mission has provided opportunities and increased the economic climate for the people of Buncombe County. Today, more than ever, this mission is vital as the EDC works with economic development partners and stakeholders to continue the pursuit of: creating and retaining high quality jobs, community leadership, and being a resource for better business decisions.

In regards to initiating new investment and attracting jobs to our area, the past year has seen tremendous advancement in the quality and quantity of prospects. In this time of positive change and ongoing progress, our local business leaders should be commended for promoting efficiency, sustained value, creativity, and innovation in their organizations.

During Fiscal Year 2009-2010, the EDC participated in the recruitment and expansion of nine firms, announcing the creation of 549 new jobs. These companies announced collective investments of \$44,400,000.

Based upon announced investment and new jobs created, it is estimated there will be an annual economic return of \$75 for each dollar invested in the EDC.

Looking ahead, the EDC is committed to fostering development that the community and organic economy can sustain. We are enthusiastic about the four workgroups our board members led this year and their strategic guidance and direction, notably in the areas of healthcare, professional and technical business services, advanced manufacturing and technology.

While there are many elements that contribute to economic outcome, we want to thank our public and private investors and partners who enable us to fulfill our mission. Through your individual time, support, involvement, and financial contribution, you have made it feasible for the EDC to assist local business leaders who cultivated development plans in turbulent economic times. We thank you and our local business leaders for your commitment and investment in both good times and bad.

We are proud to be part of this constant economic development process, humbled by urgent challenges that have been overcome and committed to putting our full attention and effort toward creating a better community of which we can all be proud to call home.

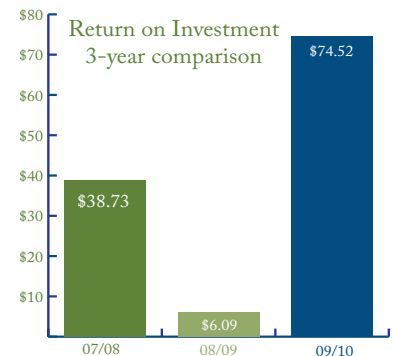
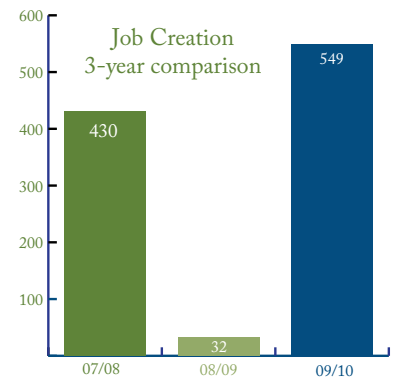
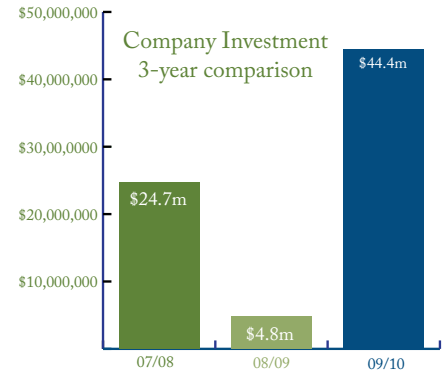
Sincerely,



K. Ray Bailey
Board Chair
Economic Development Coalition
Buncombe County Commission



Bob Roberts
Immediate Past Board Chair
Economic Development Coalition
First Citizens Bank



Business Retention & Expansion

Recognizing that retention and expansion of existing business is essential to successful economic development strategy, the EDC was pleased to assist in the expansion of six local firms. Those announcements are detailed in the following pages.

RETENTION PROGRAMS FOCUS ON SUSTAINABILITY AND OPERATIONAL EXCELLENCE

The EDC's Industry Visitation Program promotes the continued growth and prosperity of Buncombe County by partnering with local employers to meet the challenges and opportunities in today's global marketplace. In the past fiscal year, the EDC met with management and executives of over 130 Buncombe County employers to identify and trouble-shoot problems impeding company sustainability and growth. In response to common concerns, EDC staff mobilized the appropriate internal resources, the services of partner agencies, as well as educational events including the Lean, Green & Clean Seminar (February 2010) and Shingo Plant Tours (October 2009).



EDC Staff Visit Thermo Fisher Scientific

WNC TRANSPORTATION ALLIANCE GAINS MOMENTUM

Now entering its fourth year, this association has grown to include 45 Buncombe County employers, representing over 9,500 jobs in the Greater Asheville Area. In partnership with city and state officials, the EDC and WNCTA member companies proudly participated in the planning and recommendations presented to the Governor's Logistics Task Force during its May 17 visit to Asheville. The Alliance also recently celebrated a Milestone Collaboration between Buncombe County employers, Southeastern Container and Ingles Markets, who have partnered to share a common regional route. The partnership benefits both companies and our community by removing empty trailer miles from our highways, reducing transportation costs, fuel consumption, carbon emissions and the environmental impact of product distribution.

WORKFORCE DEVELOPMENT PARTNERSHIP LAUNCHES DURING "INDUSTRY APPRECIATION WEEK"

Noting the tremendous value of manufacturing to the economic vitality, productivity and GDP of our community, the Buncombe County Commission and Asheville City Council recognized the week of October 17th, 2009 as "Industry Appreciation Week." In partnership with the Chamber's Partners in Education Board, ABTECH, Buncombe County, and Asheville City Schools, the EDC marked the occasion by hosting two workforce development events. These events focused on building sustainable connections between the manufacturing community and future workforce including Advanced Manufacturing Partners in Education and Educators in Industry.

FOURTH ANNUAL HOMECOMING JOB FAIR BOOSTS COMMUNITY HIRING DURING RECESSION

The EDC produced the Fourth Annual Homecoming Job Fair on December 29. Despite the challenges of the recession, employer participation was up 30% over the year before, with 70 local employers represented and over 2,500 job seekers.



2009 Homecoming Job Fair

"ADVOCATES FOR INDUSTRY" HIGHLIGHTED BY REGIONAL MANUFACTURING EXTENSION PARTNERSHIP

The EDC was invited to address the July 2010 meeting of the Southeast MEP (Manufacturing Extension Partnership) on a unique collaboration of local agencies called "Advocates for Industry." Community partners, including the EDC, ABTECH, ESC, NC Department of Commerce, NCSU Industrial Extension Service, and Workforce Development Board meet monthly to coordinate services, plan joint calls on area businesses, and provide rapid and coordinated response to critical retention and expansion needs throughout Buncombe County.

Marketing & Recruitment

Fiscal Year 2009-2010 was certainly not without its challenges; however, Asheville and Buncombe County remain a strong regional economic force. With new project leads totaling nearly \$60 million, and new projects that have visited the area totaling more than \$100 million, our local economy appears to be stabilizing. Marketing and recruitment continue to be a major focus of the EDC's program initiatives. During the year, EDC staff hosted 62 new client visits, representing 25 different client projects. Additionally, staff presented 79 comprehensive community proposals in response to corporate and consultant RFIs.

JOB CREATION/ANNOUNCEMENTS:

In our collaborative quest to help create jobs, one example of progress was Buncombe County's establishment of a Recovery Zone Bond Program. Following a focused solicitation of area firms, staff facilitated the application process whereby six firms submitted applications to the County Bond Authority. Allocations were awarded to AvL Technologies and Ingles Markets.

We are pleased to extend a welcome to three new operations in Buncombe County. These new company announcements are highlighted on the next page of this report.

MARKETING MISSIONS/TRADE SHOWS:

In collaboration with AdvantageWest, CarolinaWest, NC Commerce and other allies, several major campaigns were conducted during the year:

- Charlotte: Co-hosted luncheon seminar for consultants, realtors, developers
- Toronto: Canadian Manufacturing Technology Show and AmCham Breakfast Seminar
- Atlanta: Meetings with site consultants, tech center developers and two clients
- Chicago: Met with six site consultants and four industrial brokerage firms
- Greenville: Hosted luncheon workshop for site consultants and brokers
- National Business Aviation Association Conference: The largest aviation/aerospace trade show featuring over 900 exhibitors. Two NBAA member firms have visited Asheville since the October 2009 conference.
- American Meteorological Society Conference and Trade Show: The AMS is the premier climate conference and tradeshow. For the fourth consecutive year, Asheville has been the only community exhibiting at the show. Our booth continued to attract good numbers of company representatives because of NOAA's NCDC presence in our community and close proximity at the trade show.
- AdvantageWest Consultants' Weekend April 2010 attracted seven nationally renowned site consultants to experience the excellent business, leisure, and cultural environment WNC has to offer. The EDC was co-sponsor of this successful weekend-long event.



Toronto mission trip to the Canadian Manufacturing Technology Show

DIRECT MAIL/TELEMARKETING:

Real Estate Promotion - Approximately 80 percent of our business prospects are initially seeking information about available industrial, distribution or office space. Twice during the past year, staff forwarded a broad range of properties to nearly 200 site selection consultants through an eblast newsletter.

Aerospace/Aviation Campaign - A highly-focused letter campaign followed by personal telephone calls was directed to 48 national and international firms that were identified as selected Boeing Dreamliner suppliers.

Promotion of available commercial real estate sites.



2009-2010 Significant Announcements



AvL TECHNOLOGIES

- Announced March 8, 2010 the expansion of company headquarters and satellite antennae manufacturing operations
- Firm will invest \$5.9 million in new facilities, building renovations, and capital equipment
- Addition of 75 highly-skilled technical positions

THERMO FISHER SCIENTIFIC

- Announced December 15, 2009 expansion of laboratory equipment manufacturing plant and installation of new product line
- Over three years, the firm will invest \$5 million in building upfit, new equipment, and machinery
- Addition of 104 highly-skilled technical positions



BUILDER RADIUS

- Announced expansion July 16, 2009 based on their innovative BUILD FAX product
- Investment in Asheville's growing technology sector
- Addition of 60 new employees over two years



UNC ESHELMAN SCHOOL OF PHARMACY

- Announced April 9, 2010 the creation of a satellite pharmacy program at UNC Asheville in partnership with Mission Health Systems
- The self-sustaining program will require initial start-up investment of \$5 million
- The program will graduate up to 45 Doctor of Pharmacy students annually



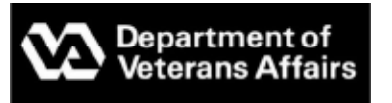
FLS ENERGY

- September 16, 2009 expanded into new facility on Amboy Road
- Investment in Asheville's growing Green Economy
- Addition of 20 new employees over the year



DEPARTMENT OF VETERAN AFFAIRS

- On October 14, 2009, the Department of Veterans Affairs announced the construction of \$22 million Medical Center in Swannanoa
- Creation of 150 highly-skilled healthcare jobs



POLYLINKS

- Announced on June 4, 2010 the expansion of precision plastic components manufacturing facility
- The company will invest \$3 million in new facilities, building upfit and capital equipment
- Addition of 10 highly-skilled technical positions



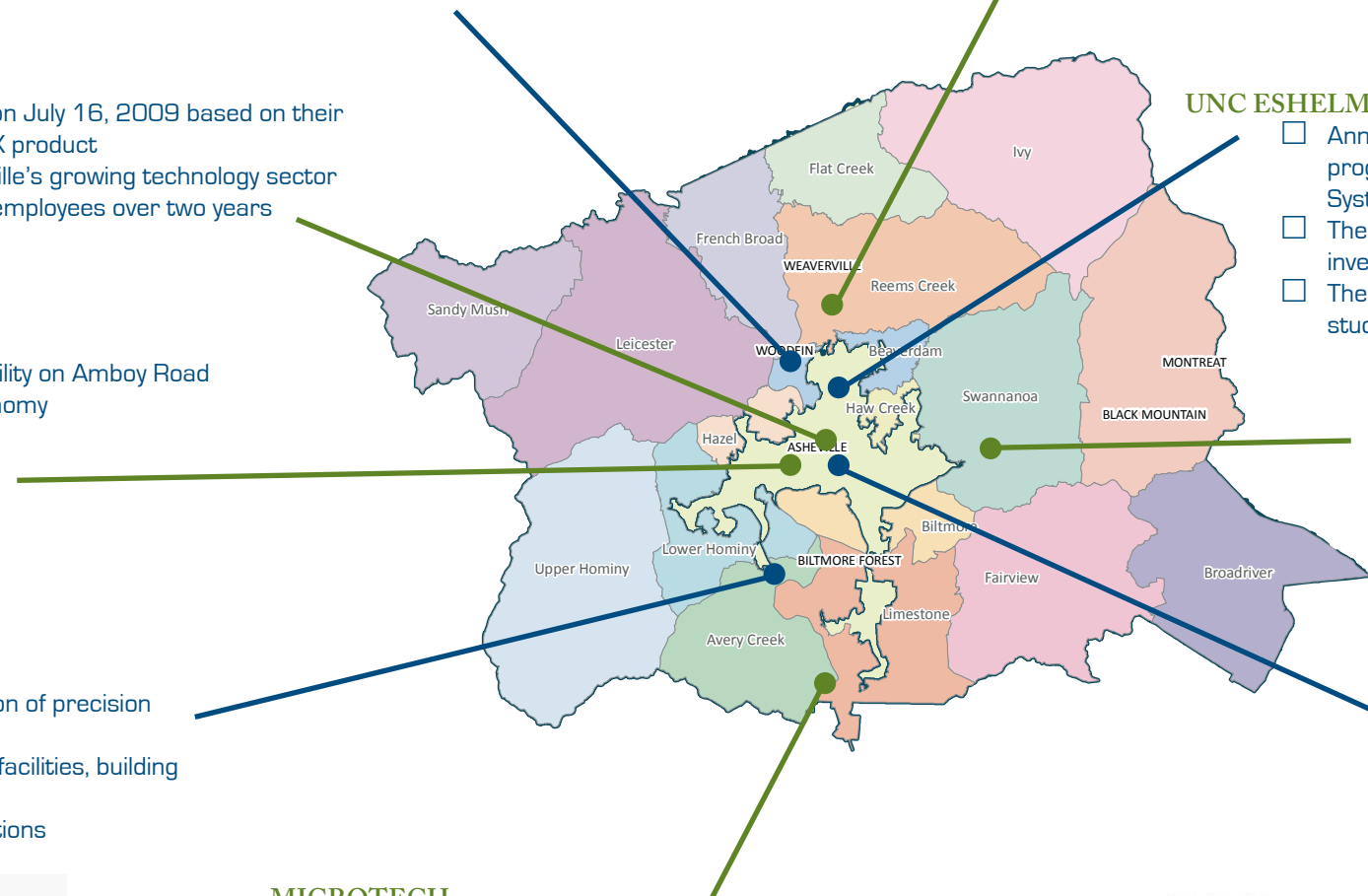
MICROTECH

- November 2009 the firm relocated cutlery division from PA to facilities on Rutledge Road
- The firm projects the creation of approximately 50 skilled metalworking positions during the next two years



MOOG MUSIC

- Announced on May 21, 2010 the acquisition and redevelopment of new corporate headquarters and manufacturing operations in downtown Asheville
- Over the next three years, the company will invest more than \$2.5 million in the expansion
- Addition of 15 highly-skilled technical positions



2009-2010 Board Members

Bob Roberts , Chairman
First Citizens Bank

Hon. Terry Bellamy, Mayor
City of Asheville

Dr. Wanda Greene
Buncombe County

Julie Herren
Precision Products of Asheville, Inc.

Richard J. Lutovsky
Asheville Area Chamber of Commerce

Sam Powers
City of Asheville

Bill Mance, Vice Chair

Lew Bleiweis
Asheville Regional Airport Authority

Richard A. Guthy
CPU 2

Gary Jackson
City of Asheville

Joe McKinney
Land of Sky Regional Council

David Price
McCarroll Construction Co.

Tony Baldwin
Buncombe County Schools

Dr. Hank Dunn
A-B Tech Community College

W. Neal Hanks, Jr.
Beverly Hanks & Associates Realtors

Allen Johnson
Asheville City Schools

Andrew Nagle
A-B Emblem

Paul Szurek
Biltmore Farms, Inc.

Hon. K. Ray Bailey
Buncombe County Commissioner

Hunter Goosmann
ERC Broadband

Foundations of EDC Strategic Planning

The EDC has identified four distinct yet interconnected clusters

WHAT: COMMERCIALIZATION

Mission Hospital / Mission Foundation
Incubator/Tech Commercialization Center at AB Tech
G3 Medical

WHAT: MARKETING

Colleges and universities
Corporate Headquarters: Volvo National Sales HQ
Asheville Regional Airport
Online/Social Media Presence
Small & Medium Size Businesses
Cultural Heritage: Arts & Crafts

WHAT: SUPPORT SERVICES

Professional Support Services
Telemedicine
Medical Billing: Emdeon
Electronic Med Records: MedServe

HEALTHCARE - WHY?

- Large portion of our economy
- Market share protection
- Pharmacy and medical school
- High salary potential
- Integrative Medical Center

PROF BIZ SERVICES - WHY?

- High growth potential
- QOL key attractor
- Supported by diverse economy
- Infrastructure & office space
- Abundance of human capital

WHAT: METAL WORKING

Auto Componentry:
BorgWarner, Smoky Mountain
Mountain Machining
Aerospace Componentry:
Unison GE, Kearfott, Eaton,
Palmer Wahl Instrumentation

ADVANCED MFG - WHY?

- 38% higher average pay
- Specialization in Asheville
- Skilled workers available
- Brings new \$ to local economy

TECHNOLOGY - WHY?

- Good infrastructure to support
- Oak Ridge National Lab
- Crossover to all target sectors
- Federal presence in area

WHAT: SUSTAINABLE

Componentry: Conception to
Commercialization: Genesys
Systems integration and financing
Proximity to ORNL and RTP

WHAT: OUTDOOR

Bikes: Cane Creek Cycling
Gear: Astral Buoyancy
Tents
R&D
Cultural piece: outdoor enthusiasts "authenticity"

WHAT: CLIMATE

Federal investment: NOAA and CICS: STG
National Climate Service
Presence of NCDC
Innovative GIS Mapping

Small Business & Entrepreneurship

The Small Business & Entrepreneurship Department is a one-stop resource that offers counseling services, seminars, training programs, and awards for businesses that are already in operation and for those individuals ready to take the plunge and start their own business.

RECOGNIZING THE IMPACT OF SMALL BUSINESS ON ASHEVILLE AND BUNCOMBE COUNTY

The Small Business Department planned and conducted the Sky High Growth Awards Event, which recognized the area's fastest-growing small businesses on October 29, 2009. Approximately 350 people attended a barbeque dinner at the NC Arboretum to honor 56 small businesses that experienced outstanding growth in sales and/or employment over the last several years. These 56 businesses collectively represented over 2,000 full-time jobs, over 500 part-time jobs, and multi-millions of dollars in gross sales.



2009 Sky High Growth Awards

On February 23, 2010 eight successful businesses were honored at the fourth annual "We're for Business" awards event at the Crowne Plaza. Two businesses were given awards for outstanding performance in each of the following areas: Customer Service, Community Commitment, Green Practices, and Innovative Practices. Over 250 people attended this event which recognized a variety of both large and small manufacturing, service, and hospitality businesses.

PROVIDING EDUCATIONAL OPPORTUNITIES FOR BUSINESS GROWTH

The Small Business Department organized, planned, and facilitated nine "Hot Tips" seminars as educational support to area small businesses and a six-week series of Leadership Development Training Classes was offered during March and April 2010.

FACILITATING THE WORK OF THE BUSINESS HEALTHCARE ROUNDTABLE

Small Business continued working with the Chamber's Business Healthcare Roundtable to explore solutions to the high cost of health insurance in WNC. Milliman Consultants and Actuaries completed an actuarial study comparing proposed Healthcare Roundtable Demonstration Project plans to key participant's existing plans. This study will assist potential participants in making informed decisions about the costs of participation in area Demonstration Projects.

Research

The EDC's research team serves as a central point of information for the latest regional data and resources.

This past year the research team assisted the business community by providing:

- 400 detailed business research requests
- Green economy analysis
- 20 presentations on business, industry, and economy for metro region
- Data updates for 20+ public demographic and economic indicator reports
- 10th Annual Asheville Economy Outlook – audience of 350+
- Business & Industry Directory for 600+ local businesses
- Six economic impact analyses
- ACCRA Cost of Living Index data for metro region

ASHEVILLE METRO ECONOMY SNAPSHOT JUNE 2010 YEAR-OVER-YEAR CHANGE		ACTUALS	
		June 2009	June 2010
▼	Unemployment Rate -1.0%	9.4	8.4
▼	Total Employment -0.4%	166,800	166,200
▲	Number of Homes Sold (Buncombe) 19.8%	217	260
▲	Average Price of Homes Sold (Buncombe) 3.8%	\$253,852	\$263,412
▲	Hotel/Motel Sales (Buncombe) 9.9%	\$14,851,027	\$16,320,132
▲	Airport Passengers 32.8%	56,982	75,669
▲	Number of New Residential Bldg Permits 52.2%	136	207
▲	Value of New Residential Bldg Permits 1.9%	\$30,493,000	\$31,060,000

Coalition Partners



Commercial Investment
Realty Association



meet the geeks



The Economic Development Coalition for Asheville-Buncombe County is a public-private partnership that works to enhance the economic sustainability of the Asheville metro area.