

2010 RANKINGS REPORT

Now that the Great Recession is behind us, locations are staking their claims in the emerging growth sectors of the 21st century. Our annual look at who's on top and who's not charts some dramatic shifts in the economic landscape. Call it our "Recovery Report."

Every year, we strive to improve and expand our annual Rankings Report. Last year, we introduced our revamped Metro Rankings, which were published one month after we unveiled our traditional State Rankings. This year, we are introducing a rankings mega-package: our new and improved State, Metro and International (Global) Rankings, for the first time presented as a double-issue of *Business Facilities*.

Although we are confident our yearly assessment of the pecking order of states, metros and countries is an accurate measure of economic development advances (or, in some cases, retreats), we constantly are refining our rankings categories and criteria to make sure the results bring into focus emerging growth sectors and accurately credit locations that are moving aggressively to maximize their resources and seize the moment.

The key metric for our 2010

Rankings Report is growth. In almost every category, we have given special emphasis to the growth potential of each location's economic development strategy. We even created a new category—Economic Growth Potential—that rewards the most effective overall strategy and its successful execution.

ALTERNATIVE ENERGY ARRIVES

We reconfigured our green rankings this year, creating a bevy of alternative energy leadership categories, reflecting the fact that "going green" means a lot more today than simply sustainable building.

Our new green categories address the emergence of a burgeoning alternative energy manufacturing sector, turbocharged with federal stimulus dollars, and the beginning of a renewable energy power grid. We identify the locations that have staked a claim to leadership in wind, solar, geothermal and bioenergy manufacturing and power generation.

Because national metrics/data for alternative energy initiatives are still in the formative stages, our "growth factor" heavily influenced our choices in all of our new alternative energy-related categories. Renewable power projects rapidly are moving off the drawing board and directly into commercial operation. Our rankings acknowledge that many of these projects are happening in real-time; the total impact may continue to build throughout the year. Therefore, you can assume that all of the top-ranked alternative energy locations come with an "up arrow"—we expect to see robust growth from them, and soon.

The 2010 Rankings Report is a barometer of the economic outlook. Last year, we tipped our hat to locations that defied the downturn. This year, we identify those who not only have survived but are poised to dominate the emerging New Economy. So what follows on these pages is not just a list of winners: you can call it our "Recovery Report." 





STATE RANKINGS

Not surprisingly, the top-ranked states in our new Economic Growth Potential category track closely with our annual State of the Year and Economic Development Deal of the Year winners, which were announced in the January issue of *Business Facilities*.

South Carolina, our Gold Deal of the Year honoree, sent a seismic shift through the aerospace manufacturing sector when Boeing decided to locate its second 787 assembly facility in the Palmetto State instead of its traditional manufacturing base in Washington. We believe the selection of N. Charleston as the manufactur-

ing site for Boeing's best-selling commercial jet cements South Carolina's status as a top-tier aerospace player, providing the basis for tremendous growth potential in coming years.

South Carolina already is home to more than 100 aerospace-related companies operating in 23 counties and employing more than 16,000 people. The Boeing project is expected to bring in nearly \$7 billion worth of economic activity to the state and local economy and create more than 12,000 direct and indirect jobs in the next 10 to 15 years.

State officials said the deal represents the largest single economic development announcement in South Carolina's history. In addition to snaring our top ranking for Economic Growth Potential, the state jumped to fourth place in our flagship ranking for Best Business Climate. According to Gov. Mark Sanford, an improved business-friendly reputation was validated by Boeing's choice.

"Boeing's decision to expand their presence in our state with an infusion of jobs and capital investment represents not only enormously good news for our state's economy, but also a telling dividend from our state's continued efforts to better our business climate," Gov. Sanford said.

Tennessee, our State of the Year winner, has laid the foundation for robust growth in automotive manufacturing and clearly established itself as one of the players to watch in the alternative energy sector. The Volunteer State, which grabbed our top ranking in Automotive Manufacturing Strength, has continued to attract first-tier suppliers to support Chattanooga's selection as the site of Volkswagen's new vehicle assembly plant. The state also has established itself as

the polysilicon hub of the U.S., cornering the market for the raw material for solar panels and semiconductors with back-to-back announcements that two of the world's largest polycrystalline silicon producers (Hemlock Semiconductor and Wacker Chemie AG) are locating major facilities worth a combined \$3 billion in Tennessee. This was quickly followed by Confluence Solar's decision to put a \$200-million plant to produce mono-crystal silicon ingots for solar panels in Clinton, TN. In Knoxville, meanwhile, a partnership with Oak Ridge National Lab aims to make the Inno-

Economic Growth Potential

1. SOUTH CAROLINA

2. TENNESSEE

3. VIRGINIA

4. NORTH CAROLINA

5. TEXAS

6. ARIZONA

7. UTAH

8. NEW MEXICO

9. KENTUCKY

10. KANSAS

Best Business Climate

1. TEXAS

2. VIRGINIA

3. UTAH

4. SOUTH CAROLINA

5. TENNESSEE

6. NORTH CAROLINA

7. FLORIDA

8. LOUISIANA

9. SOUTH DAKOTA

10. WYOMING



STATE RANKINGS

vation Valley region a test bed for alternative energy-fueled mass transit. All of the above adds up to a well-earned second-place showing in Economic Growth Potential and a respectable fifth place in Best Business Climate for Tennessee.

For the second year in a row, Texas has taken the top prize in our coveted Best Business Climate ranking. There are more than 20 input factors that helped determine the final outcome in our assessment of this flagship category, including our rankings for Cost of Labor, Business Tax Climate, Quality of Life, Transportation Infrastructure, Educated Workforce

and Economic Growth Potential. We also took a close look at per capita GDP, population growth and energy costs/energy efficiency.

The Lone Star State continues to match its surging population with a solid strategy for attracting and expanding new business. The list of recent facilities announcements is far too long to reproduce here [for a sampling, see Texas Business Report on page 44 of this issue]—suffice it to say that Texas is maximizing its return from an unbeatable combination of low taxes, strong incentives, low energy costs, a relatively low cost of labor and solid infrastructure.

Texas continues to rule the roost in state-by-state comparisons of employment rates, GDP growth and personal income growth. A healthy number of the metros ranked in the top 15 for the nation's biggest gains in private-sector employment are deep in the heart of Texas.

Virginia blasted its way into the top 10 in Best Business Climate with a second-place finish that was nailed down with a first-rate focus on “jobs, jobs, jobs.”

Immediately after taking office in January, Gov. Bob McDonnell issued an executive order creating a state Economic Development and Jobs Creation Commission. McDonnell identified an improved business climate as a top priority for the new unit.

“We must be aggressive in putting in place the policies that will improve our business climate and make Virginia a global job magnet,” he said. “This Commission will be identifying new ideas and initiatives to make the Commonwealth even more competitive in the global marketplace.”

Virginia's effort already is bearing fruit, most recently with an announcement from defense giant Northrop Grumman that it is relocating its corporate headquarters from the West Coast to northern Virginia.

NEW BIOTECH POWERHOUSES

Our Biotechnology Strength ranking is labor-intensive, but we think it's worth the effort. This year, we have again used government statistics and the latest State Bioscience Initiatives Report, prepared by the Biotechnology Industry Organization (BIO) and Battelle, as a starting point. We applied 24 key criteria to develop our ranking, including the amount of state R&D funding and venture capi-

Biotechnology Strength

1. CALIFORNIA

2. TEXAS

3. PENNSYLVANIA

4. MASSACHUSETTS

5. KANSAS

6. NEW JERSEY

7. NORTH CAROLINA

8. ILLINOIS

9. MARYLAND

10. OHIO

Biofuels Manufacturing Research Leaders

1. IOWA

2. ILLINOIS

3. FLORIDA

4. TEXAS

5. KENTUCKY

6. NORTH CAROLINA

7. OKLAHOMA

8. NEBRASKA

9. OHIO

10. KANSAS



STATE RANKINGS

tal investments; the level of concentrated occupational employment in biotech; tax exemptions specifically targeted to biotech; the number of biotech facilities; biotech patents generated; university grant funding; and bioscience higher education degrees, among other factors. A point scale was applied, giving credit to states that actually invested in biotech facilities and/or had the highest concentration of employment in more than one biotech subsector. Last, but certainly not least, we weighed the data against the growth potential of each state's initiatives.

California, the undisputed "birthplace of biotech," has success-

fully defended its crown as the heavy-weight champ of our Biotechnology Strength ranking. The Golden State remains home to more than a third of the nation's leading biotechnology firms and continues to leverage its huge university system, moving forward with the establishment of a network of world-class genomics labs. It remains to be seen whether California's ongoing fiscal crisis eventually will erode its standing as the center of the biotech universe.

Perennial contenders Pennsylvania and Massachusetts maintained their leadership positions in our biotech ranking, finishing third and fourth, respectively. Two emerging biotech powerhouses, Texas and Kansas, flexed their muscles in this year's contest: Texas jumped into second place from last year's mid-level showing of sixth, while Kansas vaulted into fifth place, up from the number nine slot in our 2009 ranking.

Texas has continued to build its biotech industry, notching a 35 percent increase in biotech-related facilities and an 11 percent increase in total bioscience employment, according to the 2010 Battelle/BIO report. Battelle reported that Texas now has nearly 3,000 biotech facilities and about 65,000 bioscience workers. We also noted the amount of R&D funding for biotech in Texas (approx. \$2.5 million) and the number of higher education degrees in bioscience, which exceeded 10,000. Texas not only is building a biotech manufacturing base, it is growing a skilled workforce to support it.

We continue to be impressed with the work of the Kansas Bioscience Authority (KBA), the key driver in the Sunflower State's remarkable progress up the national biotech lad-

der. KBA's stewardship of a \$581-million biotech investment fund is a uniquely focused and highly successful campaign that brings together industry, higher education and government in a coordinated effort that has made Kansas a national center for animal health research, a leader in pharmaceuticals and an emerging player in bioenergy.

Already established as the epicenter of a national Animal Health Corridor, Kansas has been awarded with a trifecta of major government biotech research facilities, including the \$650-million NBAF biodefense lab, the Arthropod-Borne Animal Disease Research Lab and the Center of Excellence for Emerging and Zoonotic Animal Diseases at Kansas State University. The NBAF, which will be the nation's premier biodefense facility, is under construction in Manhattan, KS, which earned our number two spot in this year's ranking of the top 10 metros for Economic Growth Potential.

EMPIRE OF THE SUN

When we began thinking about a new suite of alternative energy rankings, we confronted a basic question: do we prefer our rankings sunny-side up or organically grown? We also were tempted to forget the whole thing and go wind-surfing.

But as we delved deeper into the data, we realized that all of the major alt energy players are not putting their eggs in one basket: they are aggressively moving to stake a leadership position in an entire menu of renewable energy industries. Therefore, we took the plunge and decided to create a ranking category for overall alternative energy industry leadership.

Arizona, the established solar

Alternative Energy Industry Leaders

1. ARIZONA

2. IOWA

3. MICHIGAN

4. FLORIDA

5. NEW MEXICO

6. TENNESSEE

7. KENTUCKY

8. CALIFORNIA

9. SOUTH CAROLINA

10. KANSAS



STATE RANKINGS

energy king, easily took the top ranking. As detailed in our April cover story, Arizona's robust solar panel industry is a global as well as national leader, befitting the sunniest state in the country. As we reported, Arizona's vast desert areas offer the highest solar power potential in the nation, and the state is by far the leading producer of equipment to capture these rays. Tucson, AZ is home to some of the world's largest photovoltaic manufac-

turers, including Schletter, Inc., Global Solar Energy and SOLON.

Iowa snared second place in our Alternative Energy Industry Leaders category with its ongoing success as the primary wind-turbine manufacturing center and its natural position as a major ethanol producer. Iowa is home to six wind-turbine manufacturing companies: Acciona, Siemens, Clipper, Hendricks, TPI and Trinity, representing thousands of green-collar

jobs and an investment of almost \$250 million in the state.

The Hawkeye State is one of only two states to make three component parts of a modern windmill—turbine, blades and tower.

While Arizona and Iowa both have established alternative energy industries with enormous potential, we put our "growth factor" calculation into high gear when we made the remaining choices in this new category.

Solar Energy Manufacturing Leaders

1. ARIZONA

2. NEW MEXICO

3. CALIFORNIA

4. NEVADA

5. TENNESSEE

Wind Energy Manufacturing Leaders

1. IOWA

2. SOUTH CAROLINA

3. KANSAS

4. ARKANSAS

5. NEVADA

Top 5 Wind Power Generation Leaders

1. TEXAS

2. IOWA

3. MINNESOTA

4. CALIFORNIA

5. NEW YORK

Top 5 Solar Power Generation Leaders

1. CALIFORNIA

2. NEVADA

3. FLORIDA

4. ARIZONA

5. NEW JERSEY

Top 5 Biomass Power Generation Leaders

1. CALIFORNIA

2. MAINE

3. FLORIDA

4. ALABAMA

5. GEORGIA

Top 5 Geothermal Power Generation Leaders

1. CALIFORNIA

2. NEVADA

3. UTAH

4. HAWAII

5. IDAHO



STATE RANKINGS

Anyone raising their eyebrows at our selection of Michigan as the third-ranked alternative energy industry leader hasn't been paying attention to the torrent of announcements that have been coming out of the glove-shaped state in recent months. Michigan is far too busy reinventing itself as a hub for alternative energy manufacturing to wallow in despair over last year's tough sledding in the auto sector.

Hardly a week goes by without a major piece of "green" news from the Wolverine State, whether it's Dow Chemical's commercialization of solar shingles in Midland, MI or President Obama's recent visit to the groundbreaking for an advanced lithium bat-

tery plant in Holland, MI. Dow's ramp up of its Powerhouse™ shingle plant was accompanied by the news that the chemical goliath, Michigan's biggest corporate investor, has earmarked more than \$1 billion for wind, solar and battery projects, which will create nearly 7,000 jobs.

Florida caught our attention with a bevy of activity that promises to make the Sunshine State a leading center for the production of cellulosic ethanol, which many experts predict will be the biofuel of choice in coming decades. The major oil companies are lining up to ramp up test facilities in Florida to commercial-scale production as soon as possible, converting everything from algae to sawgrass into tomorrow's octane substitute.

New Mexico also has convinced us that it is an up-and-coming contender in alternative energy. In a period of 31 days in January and February, Gov. Bill Richardson announced four new green energy projects that will bring nearly 1,000 new green energy jobs to the state. First, Johnson Plate and Tower said it would build a wind tower manufacturing facility in Santa Teresa, using \$2.4 million in federal Recovery Act Advanced Energy Manufacturing Tax Credits. Soon after, state officials revealed that C/DÇ Enterprises would establish a \$2-million green building product manufacturing plant in McKinley County, outside of Gallup. Spanish renewable energy company GA-Solar plans one of the largest photovoltaic solar projects in the world in Guadalupe County. GA-Solar and its parent company, Corporación Gestamp, plan to invest \$1 billion in the project, which will use 2,500 acres for a large solar array with the potential to reach upwards of 300 megawatts of

installed capacity. In early February, Solar Distinction Inc. came forth with plans to build a photovoltaic manufacturing plant in Albuquerque.

LIFE IS GOOD IN UTAH

When we calculate our annual rankings, we're always on the lookout for states that are making huge strides across a wide range of categories. While we haven't created a ranking for "Most Improved State," Utah's showing in our 2010 report certainly would make it a top candidate for such a designation.

This year, Utah is our top-ranked state for Quality of Life, ranks second in Best Education Climate, third in Best

Quality of Life

1. UTAH
2. OKLAHOMA
3. KANSAS
4. NEBRASKA
5. TENNESSEE
6. MINNESOTA
7. NEW JERSEY
8. MISSOURI
9. WASHINGTON
10. COLORADO

Cost of Labor

1. ARKANSAS
2. MISSISSIPPI
3. SOUTH DAKOTA
4. WEST VIRGINIA
5. OKLAHOMA
6. NEW MEXICO
7. TENNESSEE
8. MONTANA
9. NORTH DAKOTA
10. LOUISIANA



STATE RANKINGS

Business Climate, and seventh in our new Economic Growth Potential ranking, among other top 10 placements.

Residents of Utah enjoy an invigorating four-season climate, a moderate cost of living, high-quality education, excellent health care and outstanding cultural and recreational opportunities. Utah is an excellent

place to visit and an extraordinary place to live. The state captivates visitors and residents alike with its spectacular natural beauty, cultural offerings and year-round recreational opportunities. In some seasons in Utah, it is possible to ski, golf, snowmobile and water-ski on the same day. Utah annually welcomes more

than 20 million visitors to natural wonders like the Arches, Bryce Canyon, Canyonlands, Capital Reef and Zion national parks. The dry, powdery snow found at Utah's 13 alpine ski resorts is widely considered to be "the greatest snow on earth."

In addition to its beautiful scenery, recreation and culture, Utah is safe, clean and affordable, creating an exceptional quality of life for the state's residents. Utah workers have long been considered one of the most productive and well-educated populations in the country. Boasting the youngest workforce average in America at 28 years old and a half-million children in K-12, the state has several decades of powerhouse success ahead of it.

Utah's innovative and business-oriented growth strategy is maximizing the potential of these impressive resources. Gov. Gary Herbert, who took over as chief executive when Gov. Jon Huntsman was named ambassador to China by President Obama, has targeted three areas on which his administration is focused: economic

Automotive Manufacturing Strength

1. TENNESSEE

2. KENTUCKY

3. SOUTH CAROLINA

4. MICHIGAN

5. OHIO

6. GEORGIA

7. INDIANA

8. ALABAMA

9. MISSISSIPPI

10. TEXAS

Employment Leaders

1. NORTH DAKOTA

2. NEBRASKA

3. SOUTH DAKOTA

4. OKLAHOMA

5. KANSAS

6. IOWA

7. UTAH

8. MONTANA

9. VIRGINIA

10. VERMONT

Workforce Training Leaders

1. LOUISIANA

2. GEORGIA

3. NEW MEXICO

4. FLORIDA

5. NORTH CAROLINA



STATE RANKINGS

Best Education Climate

1. VERMONT

6. VIRGINIA

2. UTAH

7. IOWA

3. KANSAS

8. MICHIGAN

4. NEW HAMPSHIRE

9. CONNECTICUT

5. NEBRASKA

10. NEW JERSEY

development, education and energy.

Utah was recognized by The Pew Center on the States as the “Best Managed State in the Nation.” The state was cited for stability and predictability in spending, tax policy and a business friendly climate.

All things considered, Utah is without a doubt living up to its nickname: The Beehive State.

TRAINING TODAY'S WORKERS

Tax credits and similar traditional incentives often are the first tool in the box that is put to use in sealing the deal for a relocation or new facility. However, many states now recognize that providing targeted workforce training potentially is the most

READY, SET, GROW - PAD-READY 40 ACRE SITE

Ready to grow? 40-acre pad-ready site is ready to go—just one of the great options in the dynamic 880-acre Business Park South in Clarksville, Tennessee. A talented workforce, robust manufacturing base, plus thriving retail and a superb quality of life have made us the nation's 9th fastest growing city. Come grow with us; you're ready and so are we.

931-245-4334 | www.clarkville.tn.us

Clarksville
A COMMUNITY OF OPPORTUNITY

GETTING REAL READY

#1907 at www.BusinessFacilities.com

2010 Business Facilities Rankings Report

valuable and productive incentive they can put on the table.

This year, we have chosen five states we believe are the nation's workforce training leaders, a new rankings category that undoubtedly will continue to grow in importance.

Louisiana stands atop the list with its FastStart workforce development program, which provides workforce recruitment, screening and training to new and expanding companies—all at no cost. Louisiana's innovative and customized programs are available to companies that meet eligibility requirements and are aligned with the state's economic development targets, including digital media, headquarters and business operations, service indus-

Best Business Tax Climate

1. SOUTH DAKOTA

6. MONTANA

2. WYOMING

7. NEW HAMPSHIRE

3. ALASKA

8. DELAWARE

4. NEVADA

9. WASHINGTON

5. FLORIDA

10. UTAH



Mark_321 Keep Austin Wired! Austin is being considered for a new national broadband project.

8:03 AM from web



@GreenMan77 Alternative energy companies continue to surge in Austin. We've got the power!

8:15 AM from web



Technocrat_76 Now hiring. Analysts predict Austin will add close to 10,000 new jobs in 2010.

8:28 AM from web

The Austin area offers your business the best of all worlds. We're easygoing and entrepreneurial. Pro-business and pro-environment. Get a real-time view of what people are saying about greater Austin right now at www.austintexasnow.com.



Austin
The Human Capital



STATE RANKINGS

Best Transportation Infrastructure

1. CALIFORNIA

2. FLORIDA

3. TEXAS

4. NEW YORK

5. PENNSYLVANIA

6. ILLINOIS

7. GEORGIA

8. UTAH

9. TENNESSEE

10. ALASKA

tries, advanced and traditional manufacturing, warehouse and distribution and research and development.

To qualify, a facility must first commit to creating a net of at least 15 new, permanent manufacturing jobs, or a net of at least 50 new, permanent service-related jobs. Service industries, headquarters and business operations, and warehouse and distribution companies also must have a majority of sales out of state. Each request is evaluated prior to project commencement to ensure all eligibility requirements are met.

Louisiana FastStart's partners include the Louisiana Workforce Commission, the Louisiana Community and Technical College System



**JOPLIN REGIONAL
PARTNERSHIP**

Central. Connected. Capable.

Central: The Joplin region is located in the heart of the U.S. and North American markets

Connected: Efficient, cost-effective highway and rail transportation routes provide easy connections from coast to coast and Canada to Mexico

Capable: A large, hardworking labor force has the capabilities to meet the highest level of customer demands

The great labor force in the Joplin region is enhanced with three key training facilities at:

Crowder College

Missouri Southern State University

Pittsburg State University

Find supplier relationships or great buildings and sites today by contacting:

Kevin Welch, Director

Joplin Regional Partnership

320 East 4th Street, Joplin, MO 64801

kwelch@swmissouri.com • www.swmissouri.com

417.624.4150 (phone) | 417.624.4303 (fax)

#3304 at www.BusinessFacilities.com

2010 Business Facilities Rankings Report

and local colleges and universities—a unique model that enables streamlined, efficient pre-employment training, and access to a network of adult education resources.

Also in the top tier is Florida's Quick Response Training Program (QRT), which provides grant funding for customized training for new or expanding businesses.

Workforce Florida, Inc. administers the program. An employer-driven training program, QRT has provided customized training for well over 100,000 employees for more than 300 businesses throughout the state, jump-starting new ventures and easing the way for numerous expansions. 

Workforce Health and Safety

1. NEW JERSEY

6. NEW YORK

2. MASSACHUSETTS

7. HAWAII

3. CONNECTICUT

8. VIRGINIA

4. VERMONT

9. MINNESOTA

5. MARYLAND

10. NEW HAMPSHIRE



Global market access. Excellent labor force. Centralized transportation routes. Low energy costs. Thousands of businesses have already discovered what makes Nebraska a place of unequalled potential. There's ample opportunity for you, too. Consider this your personal invitation to enjoy everything that makes business in Nebraska great.



The power of
Nebraska
working for you.

G133605

800.282.6773, ext. 5534 | econdev@nppd.com

 Sites.nppd.com
 NEBRASKA PUBLIC POWER DISTRICT

#3503 at www.BusinessFacilities.com