



METRO RANKINGS

(Continued from page 31)

This year, we've focused our Metro growth potential evaluation on some regional hubs developing around several mid-sized locations that are brimming with job-creating activities built around sure-growth industries. Topping the list of Metro leaders in our Economic Growth Potential ranking is Austin, TX.

The cosmopolitan capital of the Lone Star State may be known outside of Texas for its hip music scene, which can be enjoyed nationally on public TV's Austin City Limits, but there seems to be no limit to the growth sectors that

have been persuaded to put down roots in Austin.

Austin has established itself as one of the leading semiconductor hubs in the U.S., built around Samsung Austin Semiconductor's (SAS) huge chip fab facility. The Texas capital has made it clear in recent months that it intends to defend its turf in the chip-making wars against up-and-comers.

The \$3.6-billion expansion of SAS in Texas was selected as our 2010 Economic Development Deal of the Year Gold Award winner. The semiconductor fabrication plant project was submitted by Greater

Austin Chamber of Commerce, which also credited the Governor's Office of Economic Development and Tourism and the City of Austin for their help in sealing the deal.

The expansion of SAS' 12-inch semiconductor fabrication plant in Austin is expected to create up to 7,600 direct and indirect jobs for the Austin Metro Area. The added investment in the Austin fab builds on \$5.6 billion the Korean tech giant has previously committed to the SAS facility over the past 14 years, bringing the total investment to approximately \$9.2 billion.

The company is in the midst of

Job Growth Leaders

(Average Employment More Than 750,000)

1. DALLAS/FT. WORTH, TX
2. MILWAUKEE, WI
3. HOUSTON, TX
4. AUSTIN/SAN MARCOS, TX
5. ORLANDO, FL
6. SAN JOSE, CA
7. SEATTLE, WA
8. PITTSBURGH, PA
9. SAN DIEGO, CA
10. COLUMBUS, OH

Job Growth Leaders

(Average Employment Between 250k and 750k)

1. ROCHESTER, NY
2. RALEIGH, NC
3. AKRON, OH
4. EL PASO, TX
5. HONOLULU, HI
6. OKLAHOMA CITY, OK
7. BRIDGEPORT/STAMFORD/
NORWALK, CT
8. LITTLE ROCK, AR
9. TOLEDO, OH
10. CHARLESTON/
N CHARLESTON/
SUMMERVILLE, SC

Job Growth Leaders

(Average Employment Below 250k)

1. SANDUSKY, OH
2. ELIZABETHTOWN, KY
3. ANDERSON, SC
4. KOKOMO, IN
5. SPRINGFIELD, OH
6. HOT SPRINGS, AR
7. CUMBERLAND, MD
8. MYRTLE BEACH/
N MYRTLE BEACH/
CONWAY, SC
9. PEORIA, IL
10. SHREVEPORT/
BOSSIER CITY, LA



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increasing employment at the plant from 1,000 to 1,600 this year, with annual payroll rising from \$70 million to \$112 million. Annual operations at SAS currently inject more than \$800 million into the area economy annually; when ripple effects are included, SAS is responsible for more than \$1.4 billion each year in local economic activity and \$296 million in total worker earnings. Employment at SAS represents more than 13 percent of the Austin, TX area's technology production base. Almost 3,000 construction workers are being employed in the \$633-million

build-out of the fab expansion.

The expanded semiconductor fab will produce 45-nanometer and below microchips for Samsung's System LSI business. The plant currently produces a variety of NAND Flash memory chips.

As detailed in this month's Texas Business Report [see page 32], Austin recently has unveiled some mega-deals involving Internet giants. The largest of the deals was the announcement by eBay/PayPal that it would invest \$5.1 million to expand its Austin office, creating more than 1,000 jobs, after the Texas Enterprise Fund (TEF) program allocated \$2.8 million for the project. eBay/PayPal is also receiving a \$1.2 million incentive from the City of Austin.

"The economic development grants from the Texas Enterprise Fund (TEF) and the City of Austin were instrumental in our decision to choose Austin as a location for growth," said eBay Inc. Senior Vice President and Chief Technology Officer Mark Carges.

eBay was also attracted to Austin's budding high-tech economy and skilled workforce. "Our facility there has room for expansion and the support we have received from the [state and city] reinforces our commitment to attracting top talent in regions where we operate," Carges said.

The TEF was also instrumental in attracting social networking giant Facebook, which opened an Austin office in March. Facebook received \$1.4 million through the TEF and an economic incentive package from the City of Austin that will provide Facebook with \$1,000 for every new job it creates, with a maximum amount of \$200,000 for creating 200 jobs by the end of 2013, for an anticipated capital investment of more than \$3.1 million.

One of the emerging high-tech hubs that is challenging Austin's hegemony in the semiconductor world also made our top 10 Metro list for Economic Growth Potential.

In the late 1990s, New York State identified seven industry sectors that

Top Logistics/ Distribution/ Shipping Hubs

1. MEMPHIS, TN

2. CHICAGO, IL

3. HOUSTON, TX

4. LOS ANGELES, CA

5. NEW ORLEANS, LA

6. PORT AUTHORITY
OF NY/NJ

7. PHILADELPHIA, PA

8. MOBILE, AL

9. CHARLESTON, SC

10. SAVANNAH, GA

Emerging Logistics/Distribution Growth Centers

1. GREENVILLE/
SPARTANBURG, SC

6. FINDLAY, OH

2. HESPERIA, CA

7. CALEDON, ONTARIO

3. DECATUR, IL

8. SIOUX CITY, IA

4. ARDMORE, OK

9. FT. WAYNE, IN

5. VALDOSTA/
LOWNDES, GA

10. JEFFERSON CITY, MO

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the state intended to target as central to its growth strategy, including semiconductor manufacturing. In 2000, as the University of Albany began to establish its leadership position in the emerging science of nanotechnology, the Hudson Valley region zeroed in on the semiconductor industry as a major driver of regional growth.

The capital region of Upstate New York now has attracted so many first-class research facilities that Albany, NY is now billing itself as the "Nanotech Capital of the World." At the heart of this burgeoning nanotech empire is the College of Nanoscale Science and Engineering (CNSE), a University of Albany research hub

that is part of the SUNY system.

The \$6.5-billion CNSE complex is a public-private facility unlike anything that can be found elsewhere in the academic world. It's unique 80,000-square-foot cleanroom is a hive of activity for more than 250 leading semiconductor players as well as students honing their high-tech skills. CNSE contracts out the use of its cleanroom to a bevy of semiconductor industry giants, including Intel, Sematech and AMD, who test prototype tooling and chip design at the complex. About 20 GF technicians currently are working at CNSE, validating the equipment that will eventually be deployed at Fab 8.

Unlike other high-tech initiatives,

in which major advances are guarded by individual companies like state secrets until they are commercialized, semiconductor design is a collaborative enterprise in which major players have formed research alliances to move the technology to the next level. This is evidenced not only by the dozens of top industry players working shoulder-to-shoulder in the CNSE cleanroom in Albany, but also by the IBM Technology Alliance that pioneered 28 nanometers (28nm) microchip technology.

The crown jewel of the region's semiconductor hub is the \$4.2-billion Global Foundries (GF) microchip plant in Malta, NY. At the heart of this mega-project stands the emerging shell



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of a 300,000-square-foot cleanroom that soon will begin churning out 300-mm wide semiconductor wafers with microchip circuits as small as 28 nanometers (28nm). Shortly after manufacturing commences in mid-2012 at GF, the microchip plant will take a great leap forward and become the world's first facility to produce 300-mm microchips with components as small as 22 nanometers.

GF has begun this summer installing nearly \$2 billion worth of highly sophisticated tooling at Fab 8; it will take about 12 months to calibrate and qualify the tools. Initial manufacturing runs, utilizing

210,000 square feet of cleanroom space, are slated to begin in the middle of 2012. By late 2012, more than 1,400 people will be employed at Fab 8, a number that could increase significantly if the foundry decides in coming years to ramp up to full capacity—60,000 wafers per month utilizing the entire 300,000 square feet of the shell. After commercial production starts, the GF complex is expected to generate an annual payroll of more than \$88 million; the project also will create an estimated 5,000 indirect jobs in the region, yielding a total annual payroll of nearly \$300 million for all of the jobs associated with Fab 8. More than 2,700 construction jobs have been created during the \$800-million construction phase of Fab 8.

Maryland's burgeoning biotech cluster in the area surrounding Frederick, MD continues to expand exponentially, notching fourth place in our Economic Growth Potential ranking. A good example of this trend is MedImmune, now part of AstraZeneca, which is completing its new 337,000-square-foot Frederick Manufacturing Center. The Frederick facility will be one of the biggest bulk biotech manufacturing facilities in the country. The \$600-million facility will employ 250 when it opens and is expected to take five years to ramp up to full production, when the workforce may double. MedImmune also is expanding its headquarters complex in Gaithersburg, investing \$200 million and increasing the lab staff to 600.

KIA RAMPS UP IN GEORGIA

Troup County, GA blazed into the top 10 of our growth potential category (in sixth place) with its official

entry into the top tier of U.S. automotive manufacturing.

Kia Auto Manufacturing, based in Seoul, Korea, has ramped up its first North American auto manufacturing plant, Kia Motors Manufacturing Georgia (KMMG) Inc., in West Point, GA. At full capacity, the \$1 billion state-of-the-art facility will have the ability to produce 300,000 vehicles annually.

"Kia is proud to call West Point, Georgia home and we look forward to many years of growing together," said Group President and CEO of KMMG, Byung-Mo Ahn.

The 2.2 million-square-foot auto-

Best Cost of Living

1. TULSA, OK
2. INDIANAPOLIS, IN
3. HOUSTON, TX
4. OMAHA, NE
5. NASHVILLE, TN
6. GREENVILLE, NC
7. MEMPHIS, TN
8. FT. WORTH, TX
9. OKLAHOMA CITY, OK
10. ST. LOUIS, MO

Economic Growth Potential

1. AUSTIN TX
2. MIDLAND, MI
3. MCKENZIE COUNTY, ND
4. FREDERICK, MD
5. ALBANY, NY
6. TROUP COUNTY, GA
7. MONTGOMERY, AL
8. WINSTON-SALEM, NC
9. PROVO, UT
10. SPARTANBURG, SC

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mobile manufacturing plant sprawls across 2,200 acres of land between Exit 2 and Exit 6 along Interstate 85 in West Point. The site consists of four main shops: stamping, welding, paint and assembly, and includes a transmission shop, module shop and a two-mile test track where every vehicle is tested. The general assembly area is outfitted with more than a half mile of height-adjustable conveyors to achieve the most favorable installation position for each team member and reduce physical fatigue. It is outfitted with wood flooring, which provides a more comfortable and forgiving work environment for team members.

Kia eventually expects to employ up to 3,400 at the plant. The ripple effect from the supplier network being established in the area surrounding the plant will be even greater, creating up to 7,500 additional jobs in the region.

Kia Motors supplier Hanil E-Hwa has put a new manufacturing plant in the LaGrange Industrial Park, expected to employ up to 173.

The Korean-based company invested \$8.45 million in a 178,354-square-foot building formerly occupied by Emerson Network Power-Energy

Systems. Hanil E-Hwa makes automotive interior parts such as door trim, seats, head lining, shelf covering and package trays. The company uses resin

Top 5 High-Tech Hubs

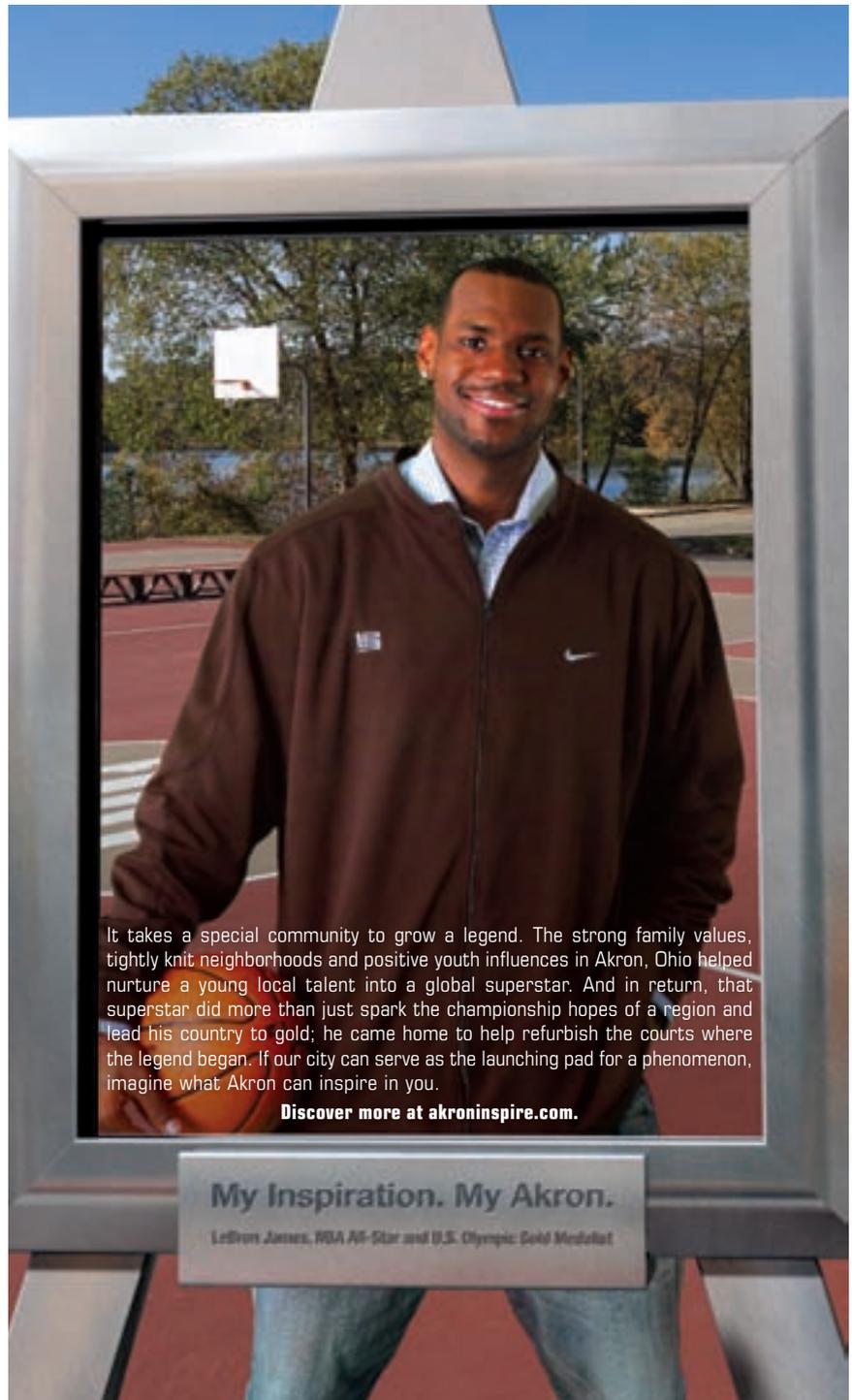
1. ALBANY, NY

2. AUSTIN, TX

3. COLUMBUS, OH

4. KNOXVILLE, TN

5. MANHATTAN, KS



It takes a special community to grow a legend. The strong family values, tightly knit neighborhoods and positive youth influences in Akron, Ohio helped nurture a young local talent into a global superstar. And in return, that superstar did more than just spark the championship hopes of a region and lead his country to gold; he came home to help refurbish the courts where the legend began. If our city can serve as the launching pad for a phenomenon, imagine what Akron can inspire in you.

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pellets and injection molding for the door trim, painted interior door parts and wheel caps.

“We’re real excited to be able to fill a building that would have been empty and provide an opportunity for more people to be employed,” said Jane Fryer, secretary of the LaGrange Development Authority.

“We’re excited to expand our U.S. operations and take advantage of the highly skilled workforce in this region to create meaningful opportunities in this community and better serve our customers,” said Hanil E-Hwa spokesman Yang Suk Ryu.

JOBS ARE DEEP IN HEART OF TX

We went out of our way in this year’s Rankings Report to create a special benchmark to indicate which locations are doing the best job of bouncing back from the depths of the Great Recession. So we took a close look at the Bureau of Labor Statistics job growth numbers and we zeroed in on the communities that have registered the largest percentage increase in average employment for a 12 month period (April 2010 to April 2011). We broke this into three Job Growth Leaders categories (small, medium and large, divided by overall average employment) in our

Metro Rankings. We recognize that, in some cases, placement in the top 10 of these categories may reflect the first upward steps out of the employment crater left by the impact of the 2008-2009 downturn, while others on the list may be surging to new heights after a brief dip. As far as we’re concerned, everyone on the list deserves a shout-out for piercing the economic gloom with good news.

It should come as no surprise that three Metro areas in Texas finished in the top tier for large MSAs—Dallas/Ft. Worth in first place, Houston in third place and Austin/San Marcos in fourth place—and another Texas city, El Paso, made the top five in the medium category. That’s because Texas recently became the first large state in the nation to bring its jobs totals back to pre-recession levels, led by a surging oil and gas industry.

The Lone Star State employed 224,200 workers in exploration and production in June, according to the Texas Petro Index—more than the 223,200 at the height of the last energy boom in October 2008 and nearly 15 percent more than in June 2010, according to Karr Ingham, the Midland economist who created and maintains the index.

Oil production also beat out natural gas as the dominant Texas fossil fuel product by value during the first six months of 2011, reversing a trend that started in 1997 when natural gas began to dominate the state’s energy production.

“In the past 12 months, the industry has added more than 28,600 jobs, which is nearly 13 percent of all jobs added to the Texas economy,” Ingham said in announcing the result.

The oil and gas industry only

Top 10 Manufacturing Cities

1. HOUSTON, TX

2. NEW YORK, NY

3. CHICAGO, IL

4. LOS ANGELES, CA

5. ST. LOUIS, MO

6. DALLAS, TX

7. CINCINNATI, OH

8. INDIANAPOLIS, IN

9. PHOENIX, AZ

10. SAN DIEGO, CA

Aerospace/Defense Manufacturing

1. WICHITA, KS

2. CHARLESTON, SC

3. HUNTSVILLE, AL

4. FT. WORTH, TX

5. SEATTLE, WA

6. TUCSON, AZ

7. LOS ANGELES, CA

8. PHOENIX, AZ

9. TAMPA/
ST. PETERSBURG, FL

10. ORLANDO, FL

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accounts for about 2 percent of the state's entire workforce payroll, but it tends to have an oversized impact on the entire state economy because it is so capital-intensive. By some estimates, as much as two-thirds of Texas' job creation in the past year could be tied directly and indirectly to the oil and gas exploration business.

Houston's solid jobs bonafides were amplified by its first place finish in our Top 10 Manufacturing Cities Metro Ranking, topping New York, Chicago, Los Angeles, St. Louis, and Dallas respectively.

The Greater Rochester, NY area, Raleigh, NC and Akron, OH led the way in our mid-sized Job Growth Leaders category, while Sandusky,

OH, Elizabethtown, KY and Anderson, SC topped the leaderboard for the smaller MSAs.

MEMPHIS: TOP SHIPPING HUB

Memphis, TN—a.k.a. America's Aerotropolis™—repeats as our first-place finisher in the Top Logistics/Distribution Shipping Hubs category on the strength of its unsurpassed combination of air, rail, land and water shipping possibilities.

Memphis, TN is generally considered North America's premiere, perhaps its only, aerotropolis. The world headquarters of FedEx, Memphis International Airport has the distinction of being the busiest cargo airport in the world and also a major

Top 5 Food Processing Industry Growth

1. CHICAGO, IL
2. TORONTO, CANADA
3. GENESEE COUNTY, NY
4. SIOUX CITY, IA
5. OMAHA, NE

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passenger airline hub. The airport pumps more than \$28 billion into the region's economy, and airport-related companies are responsible for 220,000 jobs, or one in every three in Memphis, according to a recent University of Memphis study.

While the airport is the heart of the aerotropolis, it is just one part of the robust transportation system that is crucial to Memphis' success. Equally vital to the city's strength as a logistics hub are its superior road and rail networks and its port on the Mississippi River. All play integral roles in the economy of a city that is forecasted to see increased activity in

both freight and passenger traffic in the years ahead.

A study by IHS Global Insight Inc. noted that as the global economy rebounds from the Recession, the U.S. will see an increased demand for imports from South America, Eastern Europe and parts of Asia, the regions expected to bounce back first. Those goods will go to market through container traffic, making Memphis, with its lower-cost water and rail options, an attractive distribution point.

Memphis has been nurturing its assets and preparing for an even brighter future. The airport itself has been modernized and expanded over the past 15 years with nearly \$1 billion in improvements. One recent accomplishment was a land exchange that saw the Tennessee Air National Guard's base moved from a 103-acre airport site that was surrounded by FedEx to another part of the air field where it built a state-of-the-art base. Years in the making, the exchange allowed FedEx to accomplish a critical expansion onto the former base.

Memphis' five Class I railroads have in recent years invested more than \$500 million in new or expanded rail systems, which already bring more than 200 trains through Memphis each day.

The city's port will also get busier as river traffic increases with the planned expansion of the Panama Canal, so more rail connections to the water are in the works. The highway network is also growing. Memphis is located at the intersection of interstates 40 and 55, which both cross the Mississippi River, and the city will be a central location on I-69, nicknamed the NAFTA Superhighway since it will run from Mexico to

Canada. Also, the construction of I-22 from Memphis to Birmingham is nearly complete, providing yet another direct connection to major East Coast markets. Meanwhile, plans call for the city to gain a third bridge across the Mississippi, accommodating road and rail.

Last year, FedEx won the Institute of Transport Management's "Best Global Cargo Hub" award for its Memphis World Hub. The judging panel cited the company's achievement in successfully uniting the disparate capabilities of the city of Memphis—road, rail, river and air—to create a lynchpin of trade within the U.S.

Medical Devices Industry Leaders

1. LOS ANGELES, CA
2. MINNEAPOLIS/
ST. PAUL, MN
3. NEW YORK CITY/
NORTHERN NJ
4. BOSTON, MA
5. CHICAGO, IL
6. SAN JOSE, CA
7. SAN FRANCISCO/
OAKLAND, CA
8. PHILADELPHIA, PA
9. MIAMI/
FT. LAUDERDALE, FL
10. SALT LAKE CITY, UT

Clean Tech Leaders

1. BOSTON, MA
2. AUSTIN, TX
3. SAN JOSE, CA
4. SAN FRANCISCO, CA
5. CHICAGO, IL
6. SEATTLE, WA
7. PHILADELPHIA, PA
8. PORTLAND, OR
9. PASADENA, CA
10. VANCOUVER, CANADA

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WICHITA STILL RULES THE SKY

It seems that Wichita, KS has taken up permanent residence atop the annual Aerospace/Defense Manufacturing category in our Metro Rankings, but the Charleston, SC area (ranked second this year) is revving up its jet engines for a dogfight in years to come, fueled by the growth in aerospace jobs that are expected to follow Boeing's placement of its 787 assembly facility in North Charleston.

Wichita is home to the world's best-known aviation cluster, often referred to as the "Air Capital of the World." For nine decades—almost as long as manned flight has existed—aircraft and aircraft components have been built in the Kansas hub.

The Wichita area hosts four aerospace OEMs (Boeing Integrated Defense Systems, Bombardier Learjet, Cessna Aircraft and Hawker Beechcraft). Wichita also is the site of the Airbus Engineering Design Center, and some of the most specialized equipment in the world for metal and composite material fabrication. The Wichita area boasts a network of more than 200 precision machine shops, tool and die shops, and other aerospace subcontract manufacturers. There are more than 40 Boeing-certified gold and silver suppliers within a 200-mile radius of the city.

South Carolina officials hailed Boeing's decision to place its 787 plant in the Palmetto State instead of

its traditional jet manufacturing hub near Seattle, WA (our 2009 Economic Development Deal of the Year Gold Award winner) as "the largest investment" in the history of the state, comparing it to BMW's decision to site a huge assembly facility in Spartanburg, SC, which established the Palmetto state as a major player in automotive manufacturing. The project is expected to create more than 4,000 jobs.

Our third-place Aerospace Defense Manufacturing leader, Huntsville, AL, is known as the "Rocket City" for its status as the primary hub for the nation's missile defense. Huntsville/Madison County is home to the NASA Marshall Space Flight Center and the U.S. Army's Redstone Arsenal. **BF**



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