

From: Maybank, Burnet R. III <BMaybank@nexsenpruet.com>
To: Maybank, Burnet R. IIIBMaybank@nexsenpruet.com
Date: 8/7/2013 9:40:28 AM
Subject: Business Facilities 2013 Rankings (Part 2)

BOOMTIME IN NORTH DAKOTA: A GUSHER OF NEW JOBS

It was only a matter of time before oil-rich North Dakota surged to the top of our annual Economic Growth Potential ranking. The Peace Garden State also repeats its top-ranked performance in the Employment Leaders category.

As loyal readers of the BF Blog know well, the torrent of black gold being pulled out of the Bakken deposits is generating a gusher of jobs so quickly that North Dakota is experiencing a housing shortage. The new workers are coming into the state so fast many of them literally are sleeping in their cars until they can find a more permanent domicile.

North Dakota was the fastest-growing state by far in 2012, boosting its state GDP by 13.4 percent, which was roughly five times the national average, according to the U.S. Bureau of Economic Analysis. ND's growth rate is three times as fast as the growth runner-up, Texas. This is the third year in a row that North Dakota took the top spot in BEA's state-by-state report on gross domestic product. With billions of barrels of oil still to be extracted from the Bakken Shale formation in the northwestern part of the state, the growth boom shows no signs of ending anytime soon.

Thanks to high oil prices and successful hydraulic fracturing drilling techniques, oil production in North Dakota is now six times higher than it was in 2007. In 2012, North Dakota surpassed Alaska and California to become the second largest oil-producing state in the nation behind Texas, according to the U.S. Energy Information Administration.



While the economic surge in the oil and gas sectors is causing state revenue coffers to bulge, ND isn't resting on its energy laurels. The state is busy attracting major *Fortune* 500 players, including Deere & Co. and Caterpillar. An Amazon service center also is being developed in ND.

The top five states in our coveted Economic Growth Potential category included perennial leaders Louisiana, Texas and Utah, respectively, followed by up-and-comer Georgia, which shot up to 5th place from last year's no. 7 ranking in this



category.

Georgia snared BF's 2012 [Economic Development Deal of the Year](#) Gold Award for Baxter International's decision to make a \$1.3-billion investment in an expansion of its bio/pharmaceutical manufacturing in the Peach State.

The Baxter bio-pharma facility, an integrated campus which will include three main manufacturing components as well as warehousing, utilities and lab support facilities, is expected to directly create 1,800 jobs with an overall economic impact of \$6.2 billion.

Georgia, home to Kia Motors Manufacturing's assembly plant in West Point, GA, also notched a 7th-place ranking in our Best Business Climate category and was no. 2 in Workforce Training Leaders.

Rounding out our top 10 list for Economic Growth Potential were Florida, Ohio, Virginia, Pennsylvania and Alabama. We expect the economic benefits from natural gas fracking operations in the Marcellus Shale formation to start paying dividends in PA and OH in terms of spurring economic development in both states.



CA, TX, NY, VA, NJ ARE ESTABLISHED DATA CENTER HUB

LEADERS

Although the government continues to consolidate its data center assets (moving a significant portion of it to the cloud), the data center needs of e-Commerce giants Amazon, Apple, Google and Microsoft continue to expand, fueling the development of new data hubs across the country.

As we detailed in our March/April issue [[The Story of Storage](#)], data centers are crucial to operations across countless sectors, from retail to information technology, government to biotech, logistics to engineering. Many consumers, however, have little awareness or understanding of just how massive and expensive these facilities are. Large-scale data centers are known to use the amount of electricity equivalent to small towns and, despite many greening initiatives, some centers release a significant amount of air pollution in the form of diesel exhaust. Furthermore, the amount of security necessary to run a successful data center is enormous due to the highly sensitive information and pricey equipment housed in such storage units. So high are these stakes that the Telecommunications Industry Association has even published a document detailing the minimum requirements for the infrastructure of data centers and computer rooms.



But the business of IT is one that changes quickly and the life span of a data center appears to be measured in dog years. The International Data Corp. claims the average data center is nine years old; research company Gartner's asserts that data centers more than seven years old are obsolete. In May 2011, Uptime Institute reported that 36 percent of large companies would exhaust their IT capacities within the next 18 months. Yet according to a "Green Data Centers" report by Pike Research, the global market for the green data centers segment of the industry is expected to more than double in size in the next four years.

It can be overwhelming to try and keep abreast of these fast-moving, ever-changing, air-conditioned rooms of priceless information, but we're going to do our best. We expect our new Data Center Leaders rankings category to continue to grow in importance.

California, Texas, New York, Virginia and New Jersey top our list of Data Center Leaders, respectively. Rounding out the top 10 are Illinois, Ohio, Florida, Utah and Wyoming.



LOUISIANA FASTSTART: STILL THE STANDARD IN WORKFORCE TRAINING

Louisiana and Georgia repeated for the third straight year as the top-ranked states in our Workforce Training Leaders category. Louisiana's FastStart program continues to be the gold standard for workforce training programs. Businesses relocating to Louisiana can be certain they will have strong support from the state in acquiring and training skilled workers.

Alabama, no. 3 in our workforce training ranking, has made the development of a skilled workforce a top state priority. In our recent interview with Gov. Robert Bentley, Bentley cited Alabama's workforce training programs as a key draw for world-class manufacturers.

"The Alabama Industrial Development Training (AIDT) program is one of the best workforce training programs for companies. They will come in and put a training facility on-site to train the workers," Bentley told BF. "We have a maritime training program that includes a ship-building training site in Mobile and we're building a training facility on-site for Airbus.

We [also] have one at the engine factory in Huntsville and all the automotive plants.”

Earlier in the year, AIDT formalized a \$1.6-million agreement for Shelton State Community College to support Mercedes-Benz U.S. International Inc.’s technical programs. Shelton will use the funds to buy equipment that will be housed on campus to train students in robotics, electrical and other high-tech skills required in manufacturing.

BEST EDUCATION CLIMATE		LOWEST COST OF LABOR		LOWEST INDUSTRIAL ELECTRICITY RATES	
1	MARYLAND	1	MISSISSIPPI	1	WASHINGTON
2	MASSACHUSETTS	2	SOUTH DAKOTA	2	OKLAHOMA
3	NEW YORK	3	ARKANSAS	3	MONTANA
4	NEW JERSEY	4	WEST VIRGINIA	4	IDAHO
5	FLORIDA	5	MONTANA	5	KENTUCKY
6	GEORGIA	6	IDAHO	6	NEVADA
7	TENNESSEE	7	SOUTH CAROLINA	7	IOWA
8	VIRGINIA	8	KENTUCKY	8	UTAH
9	OHIO	9	OKLAHOMA	9	ARKANSAS
10	MINNESOTA	10	LOUISIANA	10	ILLINOIS

Burnet R. Maybank, III

Nexsen Pruet, LLC

1230 Main Street, Suite 700 (29201)

P.O. Drawer 2426

Columbia, SC 29202

T: 803.540.2048, F: 803.253.8277

Cell: 803.960.3024

bmaybank@nexsenpruet.com

www.nexsenpruet.com

NEXSEN | PRUET

Bio

vCard

Home

Practice Areas

Attorneys

Offices

*** CONFIDENTIAL COMMUNICATION *** The information contained in this message may contain legally privileged and confidential information intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or duplication of this transmission is strictly prohibited. If you have received this communication in error, please notify us by telephone or email immediately and return the original message to us or destroy all printed and electronic copies. Nothing in this transmission is intended to be an electronic signature nor to constitute an agreement of any kind under applicable law unless otherwise expressly indicated. Intentional interception or dissemination of electronic mail not belonging to you may violate federal or state law.

*** IRS CIRCULAR 230 NOTICE *** Any federal tax advice contained in this communication (or in any attachment) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending any transaction or matter addressed in this communication.