

## Why do business in OKLAHOMA?



By Heide Brandes

In the past year, Oklahoma has attracted major business growth with investments in the billions, but for economic leaders in the state, this comes as no surprise.

Sofidel Group, an Italian manufacturer of tissue paper, broke ground on a \$360 million investment in Inola. Google announced that it will invest an additional \$600 million at its data center near Pryor, bringing the company's total investment in Oklahoma to more than \$2.5 billion. Kratos Defense & Security Solutions Inc. announced it would open offices and produce jet-powered drones in Oklahoma City.

These announcements, along with others, represent various industries in the state.

"Oklahoma is diversifying, and we are bringing quality companies and quality jobs to our state," said Oklahoma Secretary of Commerce and Tourism Deby Snodgrass.

A business-friendly and low-cost economic environment leads the reasons many corporations are choosing to do business in Oklahoma, but the state also offers unique incentives, quality of life and natural resources that many other states cannot claim.

With two major interstates running straight through the heart of Oklahoma, plus access to waterway ports and airports, doing business in Oklahoma is easy, Snodgrass said.

Oklahoma also offers distinct advantages to businesses seeking to relocate or expand, including a low cost of living, a state government determined to support business, a regulatory climate that is both responsible and reasonable, and an educated, flexible and committed workforce, she said.

"In terms of quality of life, Oklahoma's value is phenomenal," Snodgrass said. "Not only is our cost of living one of the lowest in the nation, but the actual quality of the life here is beyond what many expect. We like to say that while Oklahoma may be a Great Plains state, we're more great than plain. And we've heard time and time again from employees that have relocated to the state how much they enjoy their life here and the opportunities it affords them."

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For instance, to draw skilled engineers to Oklahoma aerospace companies, the state offers the Aerospace Industry

Engineer Workforce Tax Credit. (See Page 21 for details on this particular credit)

"This credit has been a major factor in Oklahoma's success in recruiting engineers," Snodgrass said.

"The State of Oklahoma Incentive Evaluation Commission reviewed the Aerospace Engineer Tax Credit and found that from 2009 to 2016, aerospace engineering jobs increased by about 16.7 percent – the strongest growth of any of the engineering categories in related occupations," she said.

The state recently expanded a similar type of credit, which will be effective Nov. 1, to the automotive industry.

"Automakers cannot build advanced technology vehicles without highly educated and specialized engineers who

**#1** State Business Tax Climate:  
Unemployment Insurance Tax Rank  
*Tax Foundation, 2018*

**#5** Top Ten State Business Climates:  
New Firm Tax Index Rank  
*Site Selection*

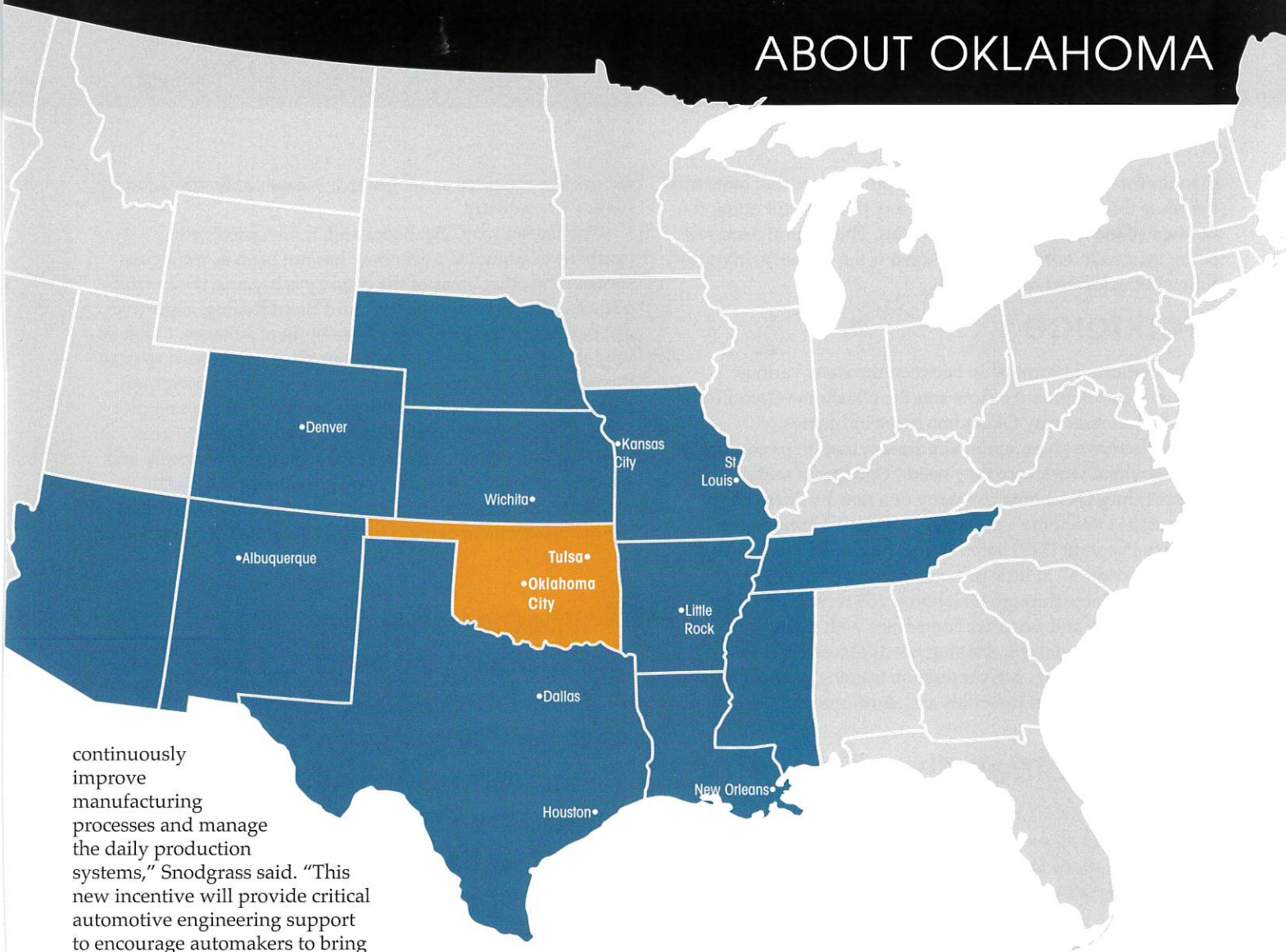
America's Top States for Business:  
Cost of Living  
*CNBC, 2017*

Best States for Business:  
Business Costs  
*Forbes*

**#7** Kauffman Index of Growth  
Entrepreneurship: 25 smaller states  
*Site Selection*

**#10** Top States for Doing Business  
(Cooperative & Responsive Govt.)  
*Area Development*





continuously improve manufacturing processes and manage the daily production systems,” Snodgrass said. “This new incentive will provide critical automotive engineering support to encourage automakers to bring advanced technology vehicle production to Oklahoma.”

## Natural resources

Sometimes a decision comes down to the resources available, and Oklahoma has a diverse selection of natural resources. From water to natural gas to minerals, the state offers coal, petroleum, petroleum products, agriculture, wind energy and more.

Water was a major reason for Sofidel’s decision to build the paper company’s sixth plant in Oklahoma.

“Sofidel will use 3 million gallons of raw water a day, and they will pull that from the Verdigris River,” said Inola Mayor Larry Grigg. “Seventy-five percent of that raw water will be returned to the river in better condition than when it came out. We have plenty of water here, and that was a big part of their decision.”

Iodine is a plentiful resource, which has attracted iodine processing plants in northwestern Oklahoma. Iofina announced a new processing plant in Alva, and Iochem operates a plant in Vici. Woodward Iodine Corp. has a plant in Woodward.

“For Iofina particularly, our area has a high enough concentration of iodine in the brine water to make it profitable to extract,” said Sonja Williams, economic development

## Cost-of-living comparison\*

Community	Composite
<b>Oklahoma City</b> .....	<b>84.9</b>
<b>Tulsa</b> .....	<b>92.0</b>
<b>Dallas</b> .....	<b>102.1</b>
<b>Houston</b> .....	<b>98.2</b>
<b>Kansas City</b> .....	<b>91.5</b>
<b>Little Rock</b> .....	<b>96.7</b>
<b>Louisville</b> .....	<b>92.3</b>
<b>Shreveport</b> .....	<b>90.9</b>
<b>St. Louis</b> .....	<b>90.6</b>

\* Source: C2ER 2017 Annual Average, January 2018



# ABOUT OKLAHOMA

director for the Alva area. "There are other states that have tried the same thing, but I don't know of any that are still doing this because of the low concentration levels. The natural resource being located in northwest Oklahoma is the primary driver for Iofina being located here."

## Workforce

The dedicated partnership between the state, various economic development offices and the Oklahoma CareerTech system is another way Oklahoma helps industries.

"We also have an exceptional program that helps companies get the trained workforce they need," Snodgrass said. "Whether an expanding Oklahoma company or a new business entity in the state, Oklahoma's nationally acclaimed Training for Industry Program (TIP) helps create the quality workforce a business needs, all at little or no cost to the company."

TIP is available through Oklahoma's 59 technology centers across the state and provides companies with numerous services like job analysis, training needs assessment, pre-employment training, pre-production training, post-production training, instructional materials and development, training supplies and more.

## Business-friendly cities

With a total of 7,411 new businesses opening in Tulsa in 2017 of all sizes from all sectors, Jim Morgan, senior vice president of communications at Tulsa Regional Chamber, said the city is among the most business- and people-friendly communities in the country.

"The Tulsa region is home to a highly educated and motivated workforce and pro-business atmosphere, keeping the cost of doing business among the lowest in the region," he said.

"Tulsa offers low cost of living in combination with big city amenities, so it's a best-of-both-worlds scenario. We offer shorter commute times than our peers."

In addition to the business climate, Morgan said Tulsa also offers a creative and vibrant quality of life. In addition to live music and outdoor spaces, Tulsa also has museums such as Gilcrease and Philbrook, music venues such as Cain's Ballroom and the BOK Center. In addition, a new park, Gathering Place, will be the largest private gift for a public park in U.S. history.

"Our city and state are centrally located within the United States, prompting many to see us as the Crossroads of America," Morgan said. "Tulsa is home to unparalleled examples of Art Deco architecture, and Oklahoma boasts a longer stretch of historic Route 66 than other states. We combine rich history with an entrepreneurial attitude, philanthropic spirit and energetic optimism about the future."

The big cities aren't the only locations that offer businesses an advantage. Northwest Oklahoma has been traditionally strong in the commodity and agriculture industries. In fact, Enid is home to more grain storage than anywhere in the nation outside of port cities. But because that sector is affected by other

factors like the price of oil, the area is eager and motivated to work with industry.

"One reason why Oklahoma and, more specifically, northwest Oklahoma's economy has not been as robust as some of the other areas of the country is because we are still a commodity-based economy," said Brent Kisling, executive director of the Enid Regional Development Alliance. "That is why the price of oil and natural gas affect us so much as does the price of wheat, soybeans, canola, and other agricultural commodities. Enid is a great place for value-added ventures because we recognize our need for them as we try to grow our state. We are willing to partner with ventures financially and we have a business-friendly regulatory environment."

In 2017, the Greater Oklahoma City Chamber helped several companies locate or expand in the Oklahoma City area, which,

**“Whether an expanding Oklahoma company or a new business entity in the state, Oklahoma's nationally acclaimed Training for Industry Program (TIP) helps create the quality workforce a business needs, all at little or no cost to the company.”**

**- Oklahoma Secretary of Commerce and Tourism Deby Snodgrass**

according to senior membership manager Gary Schones, resulted in more than 4,175 jobs with a direct payroll of more than \$204 million. An additional \$237 million was made in capital investments in 2017, he said.

In addition, Economy.com's North American Cost of Doing Business Review listed the Oklahoma City area's cost of doing business among the lowest of 361 metro areas based on cost of labor, energy, taxes and office space, according to the chamber.

"Smart organizations know value – value in location, environment, and workforce – drives success and profitability. And that value-producing combination is what Oklahoma City delivers better than any other metro," said Roy Williams, president and CEO, Greater Oklahoma City Chamber. "The Greater Oklahoma City metro offers a qualified, available workforce, straightforward business incentives and world-class job training. We are among the lowest 'cost of doing business' states in the country."



## Business climate

Oklahoma is a major producer of natural gas, oil and agriculture and has a diversified economic base of aerospace, traditional and renewable energy, advanced manufacturing, distribution/warehouse, corporate services and biosciences.

The state's pro-business environment has one of the nation's most progressive economic development and business incentive programs.

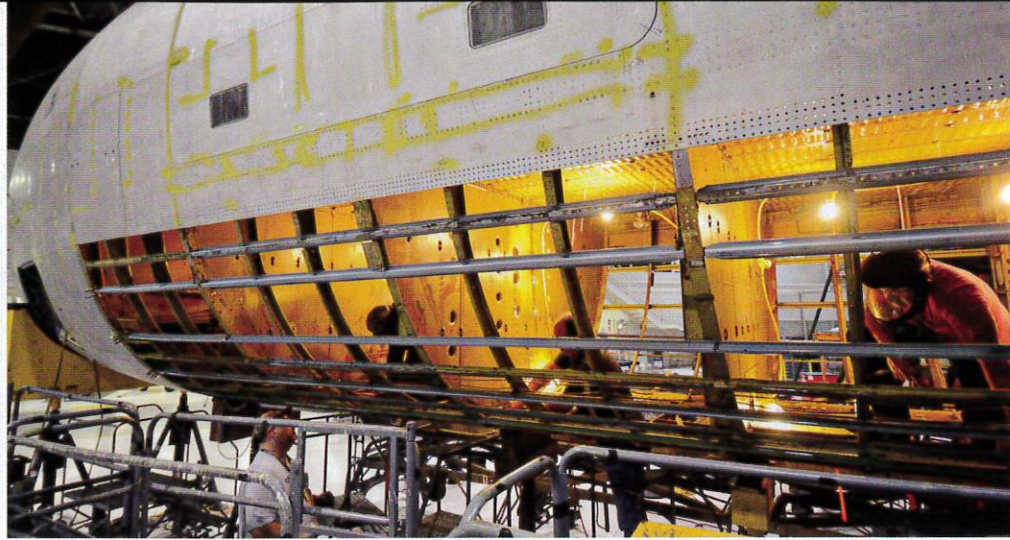
Oklahoma's cost of doing business ranks among the lowest in the nation.

Additionally, the state wants more business and is willing to work for it. Oklahoma has incentive programs that provide payments, tax incentives and rebates for companies choosing to locate here.

From the Oklahoma Quality Jobs Program, which gives cash to companies that create jobs for Oklahomans, to the Small Employer Quality Jobs Program, which provides incentive payments to small businesses, companies are rewarded for locating in Oklahoma.

The state also has a history of innovation and entrepreneurship. Aviation, biotechnology, logistics, aerospace and energy provide Oklahoma with quality jobs, while angel investors and business incubators continue to help fund and support new small businesses.

Pro-business is good business, and Oklahoma offers companies a chance to succeed.



### KEY INDUSTRY:

## Aerospace & Defense

- **Two largest MRO facilities in the world** – The American Airlines Maintenance and Engineering Center, the largest commercial MRO, employs more than 6,000 in Tulsa; the Oklahoma City Air Logistics Complex at Tinker Air Force Base is the largest air depot maintenance facility for the U.S. Department of Defense.
- **120,000+ employees** in Oklahoma's aerospace and defense industries. More than 200,000 jobs are impacted by aerospace operations.
- **500+** aerospace-related companies do business in Oklahoma. The state's aerospace industry has an industrial output of

more than \$12 billion and exports to 170 companies.

- **\$27 billion** in aerospace and defense sales
- Oklahoma's aerospace and defense industry is reinforced by a **comprehensive training infrastructure**, including the Federal Aviation Administration Mike Monroney Aeronautical Center and CareerTech system.

### Examples of industries that make up this group:

- Parts and Components Manufacturing
- Maintenance, Repair, and Overhaul
- Unmanned Aerial Systems
- Military-Related Research and Development

For more information, visit [okstatestat.ok.gov](http://okstatestat.ok.gov)



# ABOUT OKLAHOMA



## KEY INDUSTRY:

### Agriculture & Biosciences

- **Oklahoma produces** 5.5% of American beef production, 6.1% of American wheat, 4.2% of American pig products and 2.2% of dairy products.
- **610+** companies make up Oklahoma's food manufacturing industry.
- **With 500+ bioscience-related businesses and organizations**, the total economic impact of biosciences is more than **\$6.7 billion**. Oklahoma's diverse bioscience sector is dominated by: research, testing and medical laboratories; medical devices and equipment; drugs and pharmaceuticals; and agriculture feedstock and chemicals.

#### The sector includes:

- Food Manufacturing
- Commodity Production and Distribution
- Fertilizer Manufacturing
- Research and Development

## KEY INDUSTRY:

### Energy

- **Approximately one-quarter** of all jobs in Oklahoma are tied to energy, directly or indirectly.
- Excluding federal offshore areas, Oklahoma was the nation's **fifth-largest crude oil producing** state in 2016.
- Oklahoma is one of the **top natural gas-producing** states in the nation, accounting for 7.6% of U.S. gross production and 8.7% of marketed production in 2016.
- The country's second-largest producer of wind power with 7,495 megawatts of wind capacity at the end of 2017.

#### Examples of industries that make up this group:

- Machinery Manufacturing
- Natural Gas Products
- Distribution
- Engineering Services



# ABOUT OKLAHOMA



## KEY INDUSTRY:

### Information & Financial Services

Thanks to state-sponsored incentives like training, employee recruiting, property tax and sales tax exemptions and more, Oklahoma has a strong information and financial services industry.

Innovation and information technologies are other areas where Oklahoma excels. Thanks to public technology such as the Tulsa Supercomputer, the Fab Lab Tulsa, the Oklahoma Innovation Institute and i2E, Oklahoma innovation helps support continuing development, entrepreneurship, emerging technologies and fabrication.

#### Examples of industries that make up this group:

- Data Centers
- Banking and Investment
- Cybersecurity
- Computer Systems

# 22%

Labor costs are 22% below the national average for information-related occupations.

## KEY INDUSTRY:

### Transportation & Distribution

- Two international airports, 140 public-use airports in 128 cities and seven airports offering commercial services.
- Annually, more than 500 million pounds of all-cargo weight lands at Oklahoma's international airports.
- Oklahoma's waterways can ship to and from 20 states as well as global markets with access to the Gulf of Mexico.
- The Tulsa Port of Catoosa is one of the largest and most inland ice-free ports in the nation.
- Equidistant from New York, Los Angeles, Mexico City and Canada, Oklahoma serves all U.S., NAFTA and world markets

#### This sector includes:

- Air, Rail, Water, and Pipeline
- Equipment Manufacturing
- Warehousing and Storage
- Wholesale Brokers



## Workforce

Oklahoma's comprehensive workforce development system is dedicated to boosting economic development and growing the state's economy.

State leaders from business, government, education and nonprofit sectors work together in a concerted effort to not only provide better jobs for Oklahomans, but also offer better-qualified workers for the state's employers.

The Oklahoma Works program brings all of the state's workforce resources together, connecting employers, employees and job-seekers to information and programs that help build Oklahoma's workforce.

### EDUCATION AND TRAINING

Oklahoma is a national model for the program called Complete College America, the goal of which is to increase the number of college degrees and CareerTech certificates awarded by nearly 70 percent to keep pace with a job market that demands more skilled labor.

Beyond traditional education, Oklahoma's Training for Business Program, a CareerTech initiative, delivers startup training for companies locating or expanding in the state.

In addition, the state's nationally recognized Work Ready Communities boost the skills and training offered to Oklahoma employees and job seekers through the WorkKeys and Career Readiness Certificate program.

### THE AVERAGE WAGE ADVANTAGE

The state's average wage, commensurate with its affordable cost of living, is significantly lower than that of comparable states. Statewide labor surveys also reveal a significant number of underemployed workers willing to explore and capitalize on new opportunities.

Find out why Oklahoma is known for its workforce development and what it can mean to your business.

### WORKFORCE DEVELOPMENT PROGRAMS

- **Oklahoma Works**  
<http://oklahomaworks.gov/>
- **The Governor's Council for Workforce & Economic Development**  
<http://oklahomaworks.gov/governors-council/>
- **Work Ready Communities**  
<https://www.workreadycommunities.org/OK>
- **State Workforce Youth Council**  
<http://oklahomaworks.gov/youth-council/>

### WORKFORCE



**Labor Force: 1,848,393**  
**Employed: 1,773,873**  
**Unemployed: 74,520**  
**Unemployment Rate: 4.0%**

State of Oklahoma (March 2018)  
Source: Oklahoma Employment Security Commission

### UNION MEMBERSHIP

Sector	Obs	Employment	Members	Covered	% Mem	% Cov
Total	2,271	1,534,322	84,166	108,489	5.5	7.1
Private	1,844	1,257,098	44,042	53,710	3.5	4.3
Public	427	277,224	40,124	54,779	14.5	19.8
Priv. Construction	125	89,033	6,135	6,135	6.9	6.9
Priv. Manufacturing	198	134,631	8,764	9,233	6.5	6.9

Sources: UnionStats.com, Current Population Survey (CPS) Outgoing Rotation Group (ORG) Earnings Files, 2017.



## Market access, location and infrastructure



### Rail

Oklahoma has 3,850 miles miles of operated railroad track that ship 226 tons of freight annually. Major rail providers include Union Pacific, and Burlington Northern Santa Fe.



### Water

Oklahoma's strategic location is able to supply 20 states by waterway. With three inland ports, Oklahoma has ideal access to North America via the 445-mile, multipurpose McClellan-Kerr Arkansas River Navigation System, which connects the Tulsa Port of Catoosa to the Mississippi River and the Gulf of Mexico and seaports worldwide. The Tulsa Port of Catoosa is one of the largest, most inland ice-free river ports in the nation. The Port of Catoosa and the Port of Muskogee are also Foreign Trade Zones.



### Road

Oklahoma industry is served by over 12,000 miles of highway that move 500 million tons per year. By 2035 the amount is projected to grow to 769.5 tons. The state is a hub for I-35, I-40, I-44, US-69, and other major trade routes.



### Air

Two international airports in Oklahoma City and Tulsa, both designated as Foreign Trade Zones, are served by major airlines and provide access to all domestic and international destinations. Oklahoma is also home to 140 public-use airports, 43 of them jet capable.

### Truck transit time

500-mile ring .....	24 hours
1,000-mile ring .....	48 hours
1,500-mile ring .....	72 hours

### Flight transit time

Dallas .....	55 minutes
NYC (NYC) .....	3 hours and 19 min.
Washington, DC .....	2 hours and 51 min.
Los Angeles, CA (LAX) .....	3 hours



## INFRASTRUCTURE

With some of the most competitive and consistent energy costs in the nation, Oklahoma's major utility companies can easily meet your customized power needs.

Known globally as an oil and gas giant, Oklahoma is rapidly diversifying that power portfolio to become America's clean energy leader. Oklahoma's utilities are aggressively adding wind generation to their portfolios, looking for opportunities to use solar and biomass, building transmission, installing smart-grid technologies, and offering special tariffs to spur clean energy generation and related manufacturing.

## ENERGY & UTILITIES ELECTRICITY

The Oklahoma Corporation Commission regulates three investor-owned electric utilities that provide retail electric service to much of the state – Empire District Electric Co., Oklahoma Gas and Electric Co. and AEP's Public Service Company of Oklahoma. Many Oklahoma municipalities operate their own utilities and more than two dozen rural electric cooperatives operate in the state as well. In addition, electricity is generated from the Grand River Dam Authority, an Oklahoma agency created to control, develop, and maintain the Grand River waterway.

## NATURAL GAS

Oklahoma is one of the top natural gas-producing states in the nation, accounting for 7.6 percent of U.S. gross production and 8.7 percent of marketed production in 2016.

## TELECOMMUNICATIONS

Cable, DSL and other high-speed Internet services are available throughout



Oklahoma and are offered by major regional operations for AT&T, Cox Communications and Verizon as well as numerous other telecommunications companies.

Different telephone companies provide a variety of telecommunications services to consumers. Telecommunications services include traditional wire line telephone service, wireless telephone service, Voice over Internet Protocol (VoIP) telephone service, long-distance toll service, internet services, and many other forms of electronic communication.

## RURAL CONNECTION

Thanks to a unique network of high-speed broadband fiber in Oklahoma, rural companies are able to access the internet services vital to running a successful business.

The Oklahoma Community Anchor Network (OCAN) allows for access to high-speed fiber that creates opportunities to expand education, health and public safety services and

create new partnerships among local, state and tribal governments, thus boosting job growth and development. OCAN offers 1,005 miles of high-speed broadband fiber. OCAN was funded through a \$74 million grant from the National Telecommunications and Information Administration under the Broadband Technology Opportunities Program, along with \$19 million in-kind state match.

As part of the Broadband Technology Opportunities Program through the U.S. Department of Commerce, OCAN is also helping to boost economic development in Oklahoma's more rural areas.

OneNet operates the OCAN network and allows for public/private partnership opportunities. Private telecommunications companies have the opportunity to lease fiber to expand their service areas.

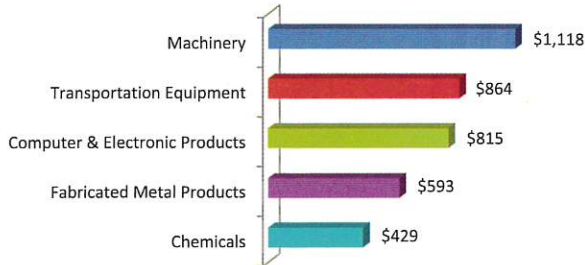
For more information, go to <https://onenet.net/>.



## FDI & Trade

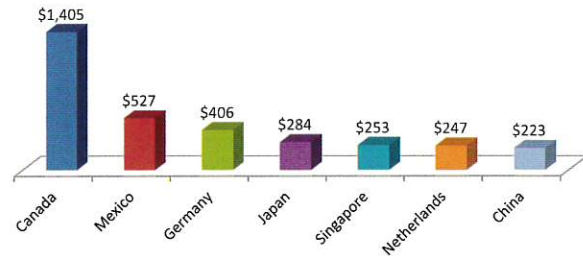
### Oklahoma's Top 5 Export Categories

(millions of U.S. dollars)



### Oklahoma's Top 5 Export Markets

(millions of U.S. dollars)



## \$5.4 billion

In 2017, Oklahoma exports totaled \$5.4 billion

## 50,000

In 2015, foreign-owned companies employed 50,000 Oklahomans

## Foreign direct investment

Oklahoma's diversified economic base of aerospace, traditional and renewable energy, advanced manufacturing, distribution/warehouse, corporate services and biosciences makes the state one of the nation's most attractive centers for global business opportunities.

The state's central location and strategic access to integrated air, land and water transportation systems make it an easily accessible profit center with streamlined connections to more than 80 million people within a 500-mile radius. Equidistant between New York, Los Angeles, Mexico City and Canada, the state is ideally positioned to serve all U.S., NAFTA and world markets. Oklahoma is home to more than 140 foreign direct investment, or FDI, companies including BAE Systems, Centek, Lufthansa, Michelin, Siemens, Sodexo, ThyssenKrupp and Unicare.

## Trade

With more than two-thirds of the world's purchasing power located outside of the United States, international markets offer vast growth opportunities. The Oklahoma Department of Commerce's Global team offers a range of personalized services to Oklahoma companies seeking to expand their business by trading internationally. These include trade assistance, access to partners, and STEP Fund financing for international marketing.

## MAJOR SOURCES OF FOREIGN INVESTMENT IN OKLAHOMA:

France  
United Kingdom  
Germany  
Switzerland  
Canada



### For more information:

Contact the Oklahoma Department of Commerce  
Global Recruitment and Trade Team

Phone: 405-815-5136

Web: [okcommerce.gov/business/trade](http://okcommerce.gov/business/trade)