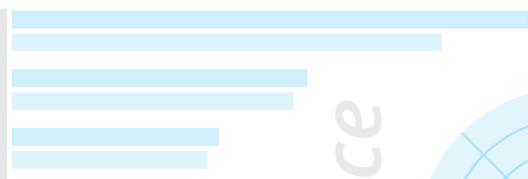


# R&D

MANUFACTURING

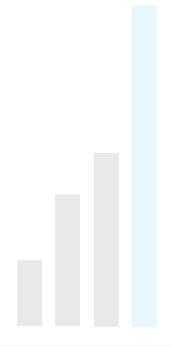
2013  
2012  
2011



Transportation Distribution



GLOBAL



62%

Aerospace



Defense



ENERGY

**BUSINESSES**

**CONNECTING**

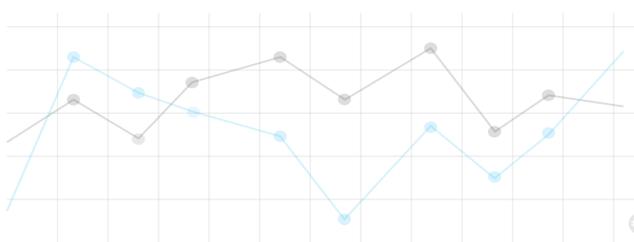
**COMMUNITIES**

**INDIVIDUALS**

**OKLAHOMA**  
DEPARTMENT OF COMMERCE  
*2013 Annual Report*



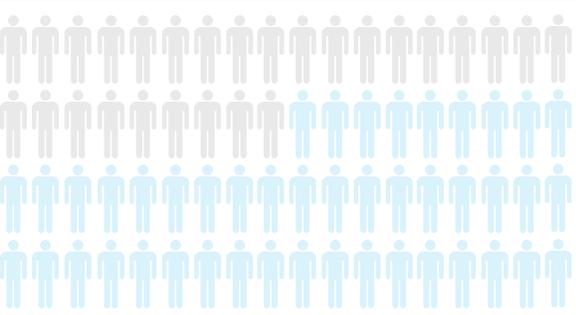
*Growth*



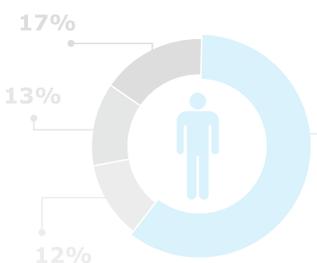
*Financial Services*



**Bioscience**



COMMUNITY



*Workforce*



AGRICULTURE  
INFORMATION

## 2013 Annual Report



### Connecting with Businesses

Attracting, retaining and expanding businesses



### Connecting with Communities

Developing strong communities and programs to support local development



### Connecting with Individuals

Bringing together industry, education and individuals to support industry growth and develop a knowledge-based, qualified workforce

## State Economic Snapshot:



### Employment Growth

Jobs Added	30,100
State Job Growth Rate	1.9%

### Increased Wealth

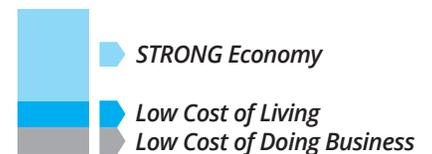
Per Capita Personal Income	\$40,620
Disposable PCPI (after taxes)	\$36,845
Gain in OK PCPI over the Past Five Years (U.S.)	^ 4.6% (3.4%)

### Business Growth

More Private Businesses Created than were Closed (%)	^ 1.78%
Total Private Establishments	98,780 in 2012
# of New Private Establishments	^ 1,727
Increase in Value of Exports (%)	^ \$3.59 billion or 5.8%

### Qualified Labor

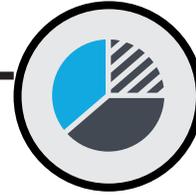
High School Graduation Rate	85.9% in 2012
OK Unemployment Rate (compared to national rate)	5.1% in 2012 (7.8%)



### Reasons Businesses are Migrating to Oklahoma

(Primary migration from TX and CA)

# 2013



## Performance Results:

**7,473** new jobs created by customers served with  
an average annual wage of **\$68,241**. This wage is  
**75.5%** higher than the state average annual wage (\$38,882),  
resulting in **\$510 million** in new payroll.



## Business Announcements:

**26** Companies recruited to invest in Oklahoma  
**44** Business expansions in Oklahoma



## New Investment:

→  ← **\$3.3 billion** Business investment

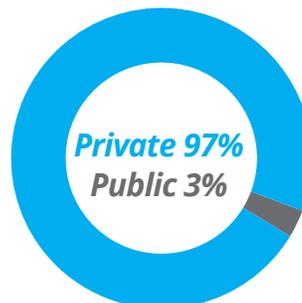
→  ← **\$195 million\*** Community investment

→  ← **\$41 million\*** Investment supporting services and initiatives for individuals

\* Includes federal appropriations

**Total Investment: \$3.5 billion**

**Share of Total Investment:**





# Oklahoma's Wealth-Generating Industries:



## Aerospace & Defense



Largest commercial MRO facility in the world



Largest defense air depot in the U.S.



Globally recognized training, research education



Central support & training facility for the FAA and U.S. Dept. of Transportation

(The FAA Mike Monroney Aeronautical Center has 5,500 private/federal workers and trains more than 20,000 students per year)



Unmatched UAS/UAV research, testing and infrastructure

(The first state to offer UAS-focused Master's and Ph.D. degrees)



## Energy

**#1**  
Best Place in the world to do business in oil & gas. (Last 2 years)  
Fraser Institute — Global Petroleum Survey 2013



**Crude**

5th-largest producer of crude oil in the U.S.



**CNG**



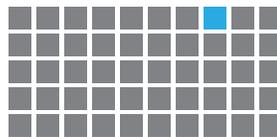
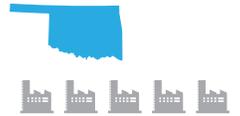
4th-largest producer of natural gas in the U.S.

Largest number of public CNG filling stations



**Refined**

5 refineries produce 3% of the total U.S. refined oil capacity



8th in the U.S. in terms of total energy production



Largest oil storage facility in the world (Cushing, OK)



Governor Mary Fallin is leading the nation to convert state fleets to CNG



### U.S. Rankings for Wind Energy

5th for total new capacity

8th for existing capacity

7th in net electricity generation from wind



## Agriculture & Biosciences



Oklahoma is internationally recognized for its research institutions' strengths in the areas of human, plant and animal sciences



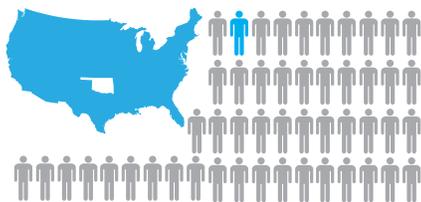
### U.S. Rankings for Production

 2nd in Canola

 5th in Wheat

 5th in Cattle

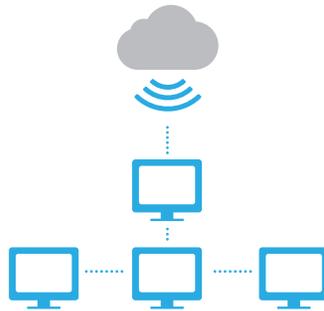
 Top 10 in Pecans, Peanuts and Peaches



Oklahoma's nitrogen fertilizer industry has the 2nd highest employment rate in the U.S.



## Information & Financial Services



Oklahoma is the ideal location for data centers



Power costs are 20-30% below national average



Statewide high-speed broadband infrastructure



### U.S. Rankings for Investments

5th in attracting private equity investments in 2011



In 2012, Oklahoma had the 2nd-highest median return on assets in the nation (FDIC)

■ Utah  
■ Oklahoma



## Transportation & Distribution

### Integrated Transportation System

Equidistant from New York, Los Angeles, Mexico City and Canada, Oklahoma serves all U.S., NAFTA and world markets



137 public-use airports, 43 of them jet capable



3 inland ports supply 20 states by water



3,850 miles of rail ship 226 million tons per year



12,000 miles of highway move 500 million tons per year

## Major Announcements:



### Lufthansa Technik

More mobility for the world



#### Lufthansa Technik Expands in Tulsa

Lufthansa Technik announced in FY 2013 the consolidation of its North American component capabilities, which included transferring its operations of Hawker Pacific Aerospace in Sun Valley, California, to Lufthansa Technik Component Services in Tulsa. The company is planning a \$20 million expansion projected to add 51 jobs, with an average salary of \$70,000. The company currently employs 65.

This represents the third business unit Lufthansa Technik has brought to the state of Oklahoma. Governor Mary Fallin had the opportunity to meet with Lufthansa Technik's executives when she visited their headquarters in Germany. Lufthansa, recognizing return from its investments in Oklahoma, is likely to continue growing its presence in the state due to geography, lower costs and strong support of the aerospace industry.



#### GE to Build a World-Class Oil & Gas Global Research Center in Oklahoma City Area

General Electric announced in 2013 it will build a \$110 million Global Research Center in Oklahoma. The center will be dedicated to driving innovation and technological advancements in the oil and gas sector and bringing products to market faster. The new facility will employ at least 125 people in high-tech engineering jobs, in disciplines ranging from mechanical and electrical to systems and software engineering. It is predicted to serve as a catalyst in attracting other companies and interests creating new job opportunities in the state.

*"Collaboration is key to leading the unconventional resource revolution," said Jeff Immelt, GE chairman and CEO. "In Governor Fallin and the people of Oklahoma, we've found excellent partners."*





### **Koch Nitrogen to Build a New Urea Plant in Enid**

Koch Nitrogen Company LLC is moving forward with plans to build a new urea plant in Oklahoma. In addition, the company is revamping existing production processes at the facility. Combined, the investments are estimated at \$1 billion and are expected to increase fertilizer production at the facility by more than 1 million tons per year.



The positive economic impact to the state and Enid area in the next three years will be substantial. During the 18-24 months of construction, 500-800 new construction jobs are expected to be created. In addition, a total of 20-30 permanent employees will ultimately be added to support the new plant. The plant is projected to be operational in 2016.



### **Verizon selects Tulsa for 500-job Financial Services Center**

Verizon Financial Services continues progress on locating a financial services hub operation in its current existing customer services facility in Tulsa, Oklahoma. This operation will add 500 financial service jobs to the company's current 900 customer service jobs. The existing facility will be able to accommodate the new jobs, but will require a significant information technology infrastructure investment. The company will begin hiring in the third quarter of 2013 and will ramp up through 2015.



*"Verizon doesn't choose places randomly. We chose Tulsa for a number of very sound business reasons, including the fact that it's a fantastic place to live, work and generally do business," said Michelle Robinson, vice president of Verizon.*



### **Dollar Tree Expands In Marietta**

Dollar Tree Distribution Inc. established its 600,000-square-foot distribution warehouse in Marietta in 2002 to serve the growth of company stores in the southwest U.S. The company entered the Quality Jobs Program in July 2002 and successfully completed 10 years in the program in 2013, adding more than 200 jobs to the Oklahoma economy.



The company continues to expand its retail stores at a rapid rate, adding more than 300 new stores in 2013. This explosive growth has created the need to expand the Oklahoma distribution warehouse with a 400,000-square-foot expansion at an investment of \$24 million. The expansion will add 173 new jobs over the next four years at a pay rate well above the county average.



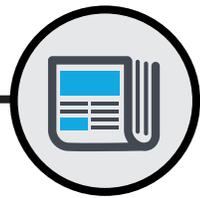
## Showcasing Oklahoma:

*In FY 2013, ODOC had the opportunity to represent the state of Oklahoma at 28 domestic and five international trade shows and events.*

A total of 28 communities and 28 companies partnered with ODOC to attend and share the cost of the events.



-  Aerospace & Defense
-  Energy
-  Agriculture & Biosciences
-  Information & Financial Services
-  Transportation & Distribution
-  Business Outreach



Oklahoma in the News:

**FAST COMPANY**

*"Oklahoma is already one of America's aeronautics capitals."*

**Forbes**

*"Oklahoma has been booming thanks in part to a strong energy sector."*

**CNN**

*"I was struck by the state's recent revival of fortunes, one that gave me a lot of hope about America."  
Fareed Zakaria, CNN*

THE WALL STREET JOURNAL.



Los Angeles Times



The Miami Herald

The Washington Times



THE HUFFINGTON POST



AP Associated Press

FINANCIAL TIMES

The Statesman

CEO FORTUNE The Seattle Times



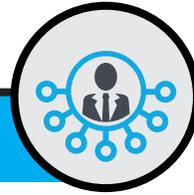
The Gazette montrealgazette.com NBC NEWS



The Boston Globe



San Francisco Chronicle



## Commerce Connects with Businesses:



### FY 2013 Quality Jobs Performance:

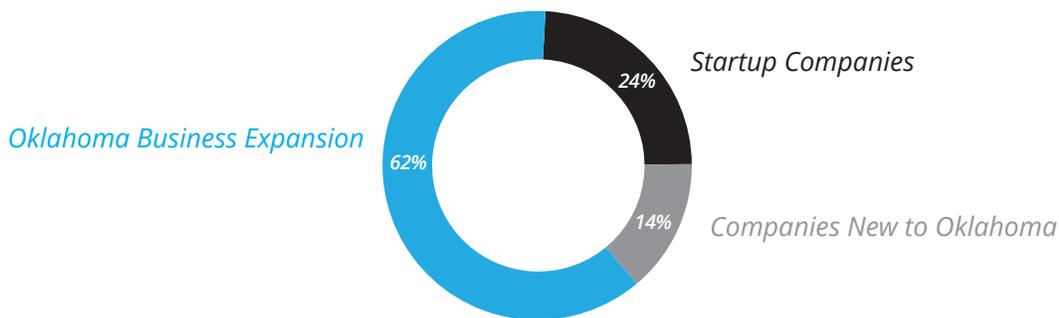
**2** 21st Century Quality Jobs participants

**5** Small Employer Quality Jobs participants

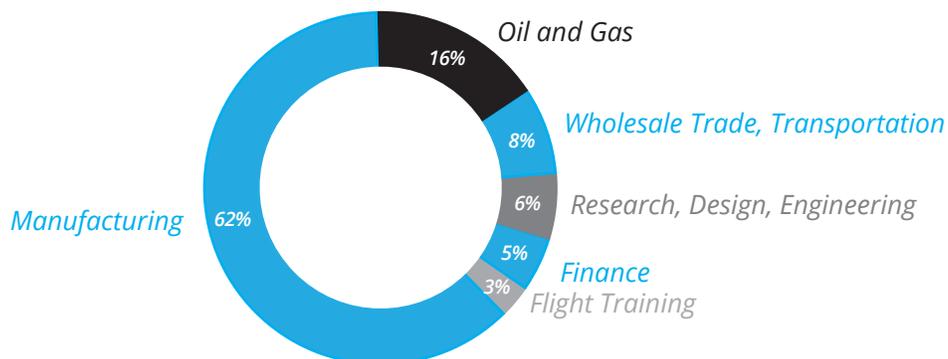
**37** Companies enrolled in Quality Jobs

**\$75,456** Projected average wage

### Quality Jobs Participants (by percent):



### Industry Breakdown of Quality Jobs Participants (by percent):





**Global Reach:**

**\$6.6 billion** Exports

---

**15** International companies announced investment plans in Oklahoma

---

**202** Oklahoma businesses supported through international marketing efforts



**Business Support:**

**799** Businesses provided with licensing and permit assistance

---

**484** Startup inquiries

---

**64** Businesses assisted with minority-owned business certifications

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**44** Business incubators maintained



## Commerce Connects with Communities:



### Community Infrastructure:

**\$28 million\*** Awarded for various infrastructure improvements

**160** Jobs created through the CDBG-EDIF\*\* program

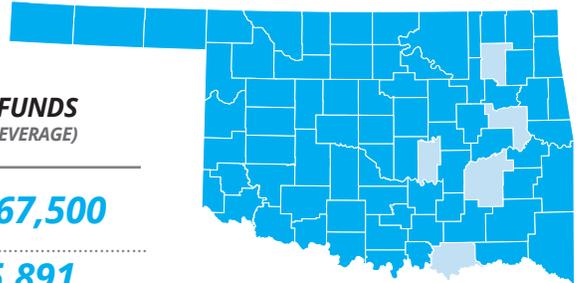
**\$17 million** Leveraged with CDBG

**260** Communities served

\* Includes federal appropriations \*\* Community Development Block Grant — Economic Development Infrastructure Financing

### Projects:

LOCATION	TOTAL CDBG	TOTAL FUNDS (CDBG & LEVERAGE)
Rogers County	<b>\$250,000</b>	<b>\$1,167,500</b>
City of McAlester	<b>\$140,000</b>	<b>\$975,891</b>
City of Wewoka	<b>\$2,000,000</b>	<b>\$4,150,587</b>
City of Durant	<b>\$500,000</b>	<b>\$2,281,062</b>
City of Muskogee	<b>\$445,014</b>	<b>\$12,272,514</b>



### Regional Development Assistance:

**401** Businesses assisted in rural Oklahoma

**160** Community and economic development projects assisted

**14** Regional partnerships served



### **Certified Work Ready Communities:**

*Giving counties an advantage when competing to retain, grow and attract jobs and talent.*

**28** Counties certified

**38** Counties working toward certification



### **Main Street:**

*In FY 2013, the Main Street Program reached \$1 billion total reinvestment.*

**772** Net gain in jobs

**\$116 million** Private reinvestment

**\$43 million** Public reinvestment

**38** Communities participating

*"The Main Street program has completely transformed our downtown business district. We went from having 65% building occupancy to over 90% occupancy, and investment has been pouring in from both inside and outside of the community. We now have a very busy, active Main Street — even after hours — with a newly refurbished theater, restaurants and boutiques. The Main Street program has greatly enhanced Collinsville's quality of life, and it is an integral part of our community."*

*Stan Sallee, Economic Development Director,  
City of Collinsville*



## State Energy Office

In FY 2013, the Oklahoma State Energy Office (SEO) selected the City of Moore in a competitive round of funding for Energy Smart Communities. Grant funds were provided to the City of Moore for the incremental cost on the purchase of two CNG sanitation trucks to replace two diesel sanitation trucks.

This initiative aligns with Governor Fallin's overall efforts to lead the nation in the adoption of natural gas vehicles.

Beyond the immediate environmental, health and quality-of-life benefits they provide, compressed natural gas trucks also help reduce our dependence on foreign oil.



**Leading the Nation**



**1st**

For # of public filling stations



Natural gas accounts for more than 80% of the energy produced in Oklahoma

### Compressed Natural Gas Fleets vs. Diesel:



**23%**

Cleaner



**50%**

Quieter



**\$1.50 – \$2.00**

Cheaper per gallon



## Commerce Connects with Individuals:



### **OKJobMatch.com Introduces Oklahoma Businesses to New Employees — Matching the Right People With the Right Jobs**



**85,040** Users with a completed work history

Resumes have been submitted from all **50** states



### **Investments Supporting Services and Initiatives to Individuals:**

**\$24.6 million\*** In workforce investment

**\$16 million\*** Awarded to Oklahoma community service organizations

**70,000** Families served

**14,147** Children served by state-appropriated Head Start funds

**198** Homes weatherized

**2,890** Citizens receiving prescription assistance through RX Oklahoma

**\$5.6 million +** Saved on prescription costs through RX Oklahoma

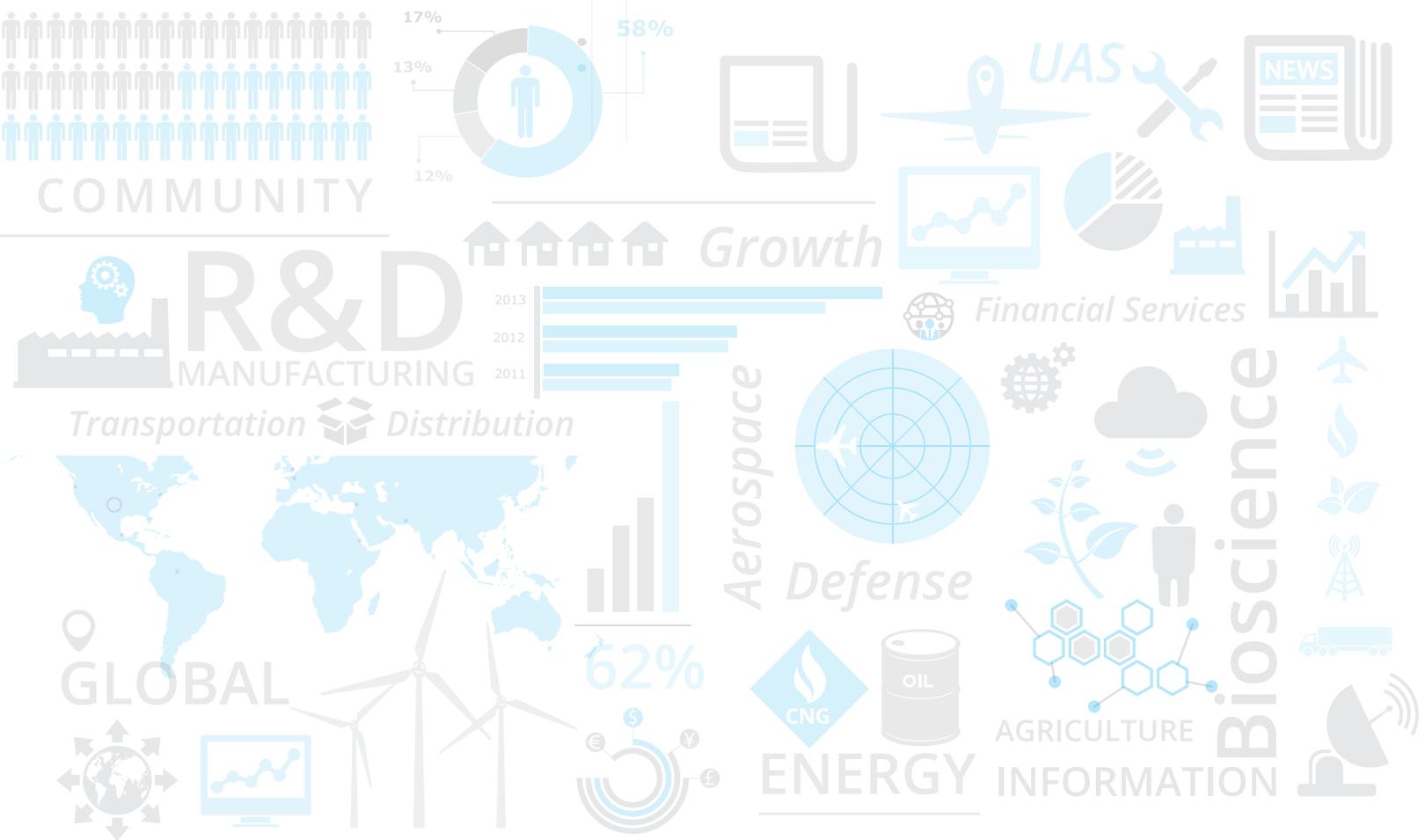
\* Includes federal appropriations



## **for Oklahoma**

*"After I lost my job, I had no medical insurance. I felt helpless and didn't know where to turn for assistance in getting my medicine. After talking to you and telling you my situation, you really gave me a feeling of hope by saying you would do your best in getting my prescriptions. You immediately sent me the forms and instructed me what to do. After I received them, you contacted me several times to check to see if my medications were coming and assured me that the rest would soon follow. You have truly been a blessing — you have done for me what I wasn't able to do for myself."*

Terry Moss, Ardmore, OK  
RX Oklahoma Recipient



**CONNECTING**  
 ↑  
**BUSINESSES**  
 ↑  
**COMMUNITIES**  
 ↑  
**INDIVIDUALS**

**OKLAHOMA**  
 DEPARTMENT OF COMMERCE



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