



“The combination is awesome.”



**Mario Hernandez**  
President  
San Antonio Economic  
Development Foundation

## Infrastructure, Low Costs, Work Force Make Texas an Ideal Business Location

When Microsoft needed a site to build a \$550 million data center, its power needs were crucial. Texas' power infrastructure and San Antonio's competitive utility rates—among the lowest in the nation—helped the city win the center in 2007, says Mario Hernandez, president of the San Antonio Economic Development Foundation.

“One of their big advantages in locating here was power,” says Hernandez. “They're going to use about 40 megawatts, and they're going to get rates here of under 4 cents per kilowatt hour.”

That's a lower cost than you could find almost anywhere in the U.S., Hernandez says. And San Antonio's city-owned utility has a 20 percent reserve capacity that's attractive to power-intensive data centers and other users.

“Many IT operations now run 24/7 and use a lot of computers,” Hernandez says. “[Power] is important not just to a data center but also to manufacturers and even office operators.”

Texas' power infrastructure gives it a competitive advantage in wooing companies.

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## Texas: The Business Advantage

Texas has established a worldwide reputation for its open, positive attitude toward the business community. With a low tax burden, low living costs, a Texas-friendly lifestyle and government programs designed to help rather than hinder business, the Lone Star State is the perfect location to build your company.

- The Tax Foundation ranked Texas 43rd among states for its combined 2008 state and local tax burden. That's a contest in which first place is no prize!
- According to the Missouri Economic Research and Information Center, Texas had the eighth-lowest cost of living among all U.S. states in the fourth quarter of 2009, and the lowest cost of living among the 10 largest states.
- The Texas Enterprise Fund, created in 2003, gives Texas leaders unique leverage in using incentives to attract jobs and business to the state. To date, the fund has invested more than \$391.8 million and brought more than 52,600 new jobs and \$14.3 billion in capital investments to Texas.
- Since 2005, Texas' Emerging Technology Fund has been helping early-stage technology companies bring innovative products and services to market. To date, the program has allocated more than \$130 million to 103 companies and \$153 million to Texas universities. The ETF received \$203.5 million in funding for fiscal 2010 and 2011.
- Texas has made a substantial and ongoing commitment to upgrading the skills of its workers. The Texas Skills Development Fund, which provides state funding for employee training, awarded \$23.6 million in grants in fiscal 2009 that supported the creation of 3,567 new jobs and provided training to 15,949 workers in existing jobs.
- In *Chief Executive* magazine's annual nationwide poll of chief executive officers, Texas has been chosen as the best state in which to do business for five consecutive years (2005-2009).
- In *Fortune* magazine's 2010 ranking of the nation's 100 fastest-growing companies, Texas ranked first with 25, well ahead of second-ranked California's 18.



*San Antonio has become a major national site for data center operations.*

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“Power has become very important in the site-selection process,” Hernandez says. “Texas has an advantage in that we are our own grid. We don’t rely on the national grids.”

And Texas’ work force and low cost of living give it the competitive advantage for business, Hernandez says.

“The combination is awesome when you see the growth of Texas, the prepared infrastructure that we have and the demographics in our work force,” Hernandez says. “Those are big reasons why San Antonio and Texas are doing so well.”



*Find more economic development resources for your Texas enterprise at [www.TexasAhead.org](http://www.TexasAhead.org) or [www.TexasEdge.org](http://www.TexasEdge.org) for detailed economic data.*

- In November 2009, *Site Selection* magazine reported that its annual survey of corporate executives ranked Texas’ business climate first among states, for the third year in a row.
- In the Small Business & Entrepreneurship Council’s 2009 Small Business Survival Index, Texas ranked third among states in the friendliness of its policies toward entrepreneurship, and first among the 10 largest states.

## Taxes: A Smaller Bite

Texas lets you keep more of what you’ve earned. Texas ranked 43rd among states in its fiscal 2008 combined state and local tax burden.

### 2008 Combined State/Local Tax Burdens, 10 Largest States (By Percentage of Total Income)

State	State/Local Tax Burden	50-State Rank
New Jersey	11.8%	1
New York	11.7%	2
California	10.5%	6
Ohio	10.4%	7
Pennsylvania	10.2%	11
North Carolina	9.8%	20
<b>U.S. Average</b>	<b>9.7%</b>	
Michigan	9.4%	27
Illinois	9.3%	30
<b>Texas</b>	<b>8.4%</b>	<b>43</b>
Florida	7.4%	47

Source: The Tax Foundation.

## Low-Cost Lifestyles

Your money goes farther in Texas. Its cost of living is among the nation’s lowest.

### Fourth-Quarter 2009 Cost of Living Indices, 10 Largest States (U.S. Average = 100.0)

State	Index	50-State Rank
California	133.6	2
New York	125.5	7
Florida	101.7	21
Pennsylvania	100.5	22
Michigan	96.9	28
North Carolina	96.7	29
Illinois	96.6	31
Ohio	93.2	36
Georgia	91.3	41
<b>Texas</b>	<b>91.0</b>	<b>43</b>

Source: Missouri Economic Research and Information Center.