

# Small town, big business

## New Google and Gatorade plants put Pryor on the map

By JUSTIN JUOZAPAVICIUS  
Associated Press

PRYOR — This is a town that didn't have its own Web page until last year, where it's considered cool if your kids belong to a youth group and the mayor is proud to show off a poster of the Ten Commandments he keeps pinned to his paneled office wall.

This northeastern Oklahoma community of 9,200 has a definite small-town feel, but it has also had some big success in economic development over the past couple years.

Google plans a data center here and the largest Gatorade plant in the nation is on the drawing board. No tax incentives were required.

Sales tax collections are strong, hotels have popped up outside of town and middle-class housing developments are also planned.

Last month, Pryor played host to the inaugural Rocklahoma music festival, rolling out the red carpet for 1980s bands like Twisted Sister, Slaughter and Poison — and nearly 100,000 fans.

"We've got more projects going on than a dog has fleas," jokes third-term mayor Jimmy Tramel. "Pryor was just this little hick town, then Gatorade announced. That was a tipping point."

Last year, PepsiCo Inc. announced plans for a manufacturing and distribution plant that will produce Gatorade Thirst Quencher and Propel Fitness Water.

The \$180 million investment will create nearly 300 jobs. Workers will make about \$15



STEPHEN PINGRY / Tulsa World

Lloyd Taylor, Google's director of global operations, announces on May 2 the company's plans to build a new data center at MidAmerica Industrial Park in Pryor.

an hour there.

And this spring, Internet giant Google Inc. said it would spend \$600 million to build a data center here, creating up to 200 more jobs. Full-time employees will average \$48,000 in salary.

Pryor's rural feel and low-crime rate have made the area attractive, and the MidAmerica Industrial Park has helped with business growth.

The former Army ammunition factory outside of town is the nation's largest rural industrial park, where some 80 businesses share land with swaths of farm fields and beef

cattle.

Companies there churn out everything from commercial dish washers to tissue paper. To drive by, you'd think it nothing spectacular: a group of nondescript warehouses painted eggshell white.

But to the Googles and Gatorades of the world searching for the right spot to locate, it has the advantages of abundant, cheap water; cut-rate electricity; and easy access to railroad, highway or air transportation.

Hubs like Kansas City, Mo., Dallas, Wichita, Kan., and Little Rock, Ark., are each less

than 300 miles away. Tulsa is 45 miles to the west.

"It's one-stop shopping," declares Sanders Mitchell, administrator at MidAmerica for the past 17 years.

Founded in 1960, MidAmerica is operated by a public trust charged with creating jobs and helping attract and grow companies at its 9,000-acre site. The trust accepts no federal or state tax dollars to operate and makes money through land and utility sales and building rent.

And, the kicker: it gets companies to locate here without shelling out money just for the

privilege, nearly unheard in today's business world.

"A lot of towns throw out the cash, but once you start, you can't stop," says Mitchell, who locked in a handshake deal for the Google plant eight months before the deal was officially announced. "We tell companies upfront, if you can't come here and not make money, then don't come here."

The recent payoff also stems from good planning. Instead of hunkering down and waiting out the economic downturn after the Sept. 11, 2001 terror attacks, MidAmer-

ica invested millions in its infrastructure, adding new water lines, sewer upgrades and strengthening its airport runway.

When business bounced back, Pryor was ready for it.

"We're sitting up here in the corner of the state, out of sight, out of mind," Mitchell says. "People don't pay attention to us because we're not Tulsa or Oklahoma City."

Today, people are taking notice: a recent job fair at the industrial park attracted nearly 2,000 applicants.

While the real estate market is squeezing folks out of metropolitan markets or flat out tanking across the country, it's doing steady business here. You can buy a new, four-bedroom house east of town starting at \$135,000.

The chamber of commerce uses the cliché of the overnight success that took 20 years to achieve.

Google and Gatorade have also bought into the Pryor way.

"It would be tough to find better neighbors than the ones in Pryor," says Google spokesman Barry Schnitt.

The town's hot streak shows no signs of slowing.

Officials are cagey, but hint they are in talks with another known company to locate here, and quickly play down the particulars.

Keeping people guessing is what seems to work.

"We're a sleeping giant," says Mayor Tramel. "We're one of the best-kept secrets in the state of Oklahoma."

## CENTER:

Oklahoma has great fiber-optic connectivity.

FROM E-1

his Tulsa visit.

An acre of land in Tulsa that might cost \$100,000 would approach \$1 million in the Northeast, Boyd said.

Oklahoma made headlines in May when Internet giant Google Inc. announced plans to establish a \$600 million data center, or "server farm," on 800 acres that the company purchased at the MidAmerica Industrial Park near Pryor.

Google is a technology giant that provides Web searches, e-mail, maps and other Internet-based applications. Computer users often rely on Google's search engine to find Web sites.

Certainly, Google's plan for a future data center near Pryor helps draw attention to the state, Boyd said.

"Companies don't want to be a pioneer. They don't want to be the first to enter a market. They like it when there is a precedent, so Google is a good endorsement of the Tulsa and Pryor area," Boyd said.

Of course, low operating costs don't hurt, either. Boyd's survey shows that out of 60 cities, Tulsa had the 13th-lowest total annual operating costs to run a data center.

New York City was the most expensive, with a total annual operating cost of \$15.9 million, while Sioux Falls, S.D., was the lowest at \$11.0 million, according to Boyd's findings.

In Tulsa, total operating costs equal \$11.9 million.

A data center is an information warehouse. Today, more companies — including those in the financial, health care and insurance industries — are required to electronically store information to comply with federal guidelines, Boyd explained.

"As the nation's dependence upon computers and networks continues to grow, its vulnerability to cyber attacks from hackers, fraudsters, organized crime, terrorist elements and Mother Nature is on the rise," Boyd's study states.

Today, many corporations are looking for smaller markets that offer lower risk and lower costs, and that already have a telecommunications infrastructure and labor resources in place.

And this makes midcontinent states especially attractive.

Google's announcement — coupled with plans by Plano, Texas-based Electronic Data Systems Inc. to expand its local facility — certainly helps put Tulsa on the map, said Rusty Linker, director of new business development at the Tulsa Metro Chamber.

But even before Google's announcement, a number of companies planning data centers — both big and small — have looked at the Tulsa area. Word of mouth is a great ad-

vertiser, said Linker, who noted that some companies are actively looking at Tulsa.

"We're always out there actively promoting, but the best way you can promote yourself is through these successes and working with these site location firms in a timely manner," Linker said.

Oklahoma's low electricity costs also make it an attractive location for a data center.

Some of the air-conditioned data centers require 40 or 50 times more power than comparably sized office space, industry studies show.

Gov. Brad Henry, who Boyd calls "very pro-business," sent an important message to data centers when he recently signed a law that allows major utility consumers such as Google to keep private the volume of electricity they use.

"Oklahoma's power is some of the most reasonable in the nation. Power costs are paramount on these larger data center facilities," said John Parsons, CEO of Perimeter Technology Center, which has centers in Tulsa and Oklahoma City.

Not only are power costs low, but Oklahoma has great fiber-optic connectivity thanks in large part to the overbuilding of the fiber-optic industry in the 1990s, Parsons said.

"Tulsa, in particular, has a great broad base of technology and telecommunications expertise, and data centers are kind of a 50-50 blend between IT and telecommunications, and Tulsa has depth and experience in that area," he said.

Founded in 2002, Oklahoma



Courtesy

Two employees monitor network patches in EDS' Tulsa Service Management Center. Tulsa ranked 48th in a recent survey which compared the costs of operating a data center in 60 U.S. cities.

City-based Perimeter Technology offers a full range of services to help companies build, optimize, secure and manage their network infrastructures.

Perimeter is ranked No. 488 on the Inc. 500 list of the nation's fastest-growing private companies.

Perimeter has a Tulsa center at 322 E. Archer St. Parsons noted that within the next 30 days, Perimeter plans to announce a substantial expansion in the state.

From a security standpoint, Tulsa's central location is a positive.

"We're less likely to receive acts of terrorism than the coasts are, simply because we're further inside the Unit-

ed States," Parsons said.

Also, being in the middle of the country insulates Tulsa from some natural disasters such as earthquakes and hurricanes, which can shut down operations for weeks. Tulsa also is about a 2½-hour flight from either the East or West coast.

Oklahoma hasn't seen a population explosion like those coasts, which have experienced rolling blackouts or massive outages, Parsons noted.

Wally Schortmann, EDS vice president with Enterprise Service Management, likewise listed many positive Tulsa traits, including its highly skilled work force provided by

the nearby universities.

"I can't say enough about the skills, resources and the quality of life," he said.

EDS said in July that it will more than double the size of its Service Management Center at Cherokee Industrial Park in north Tulsa County, bringing its total size to 440,000 square feet.

EDS employs more than 1,500 in the Tulsa area, with many at Cherokee as well as a facility at Tulsa International Airport.

The expansion came after the company determined that it would need more data capacity in the future.

Laurie Winslow 581-8466  
laurie.winslow@tulsaworld.com

## JetBlue's investors haven't forgotten mistakes

► But travelers are returning to the airline.

By JOHN WILEN  
Associated Press

NEW YORK — Memories of the Valentine's Day ice storm that grounded more than a thousand JetBlue flights and tens of thousands of passengers didn't stop Suzanne Dohm from flying the New York airline.

"One incident like that is not going to turn me off. Those were extraordinary circumstances," said Dohm, of New York, while waiting on a recent day for a JetBlue flight at John F. Kennedy International Airport. "I know what it was like that day. It was horrible."

Customers may be willing to forgive the airline that offers free snacks and DirecTV at every seat, but investors have not: Shares of JetBlue Airways Corp. have been on a long slide in recent months and now trade for little more than half their January peak.

One big concern is that JetBlue has been forced to scale back its growth plans as it faces new competition from start-up Virgin America and other carriers. Wall Street analysts say the seven-year-old carrier's high debt load, along with its chronically congested JFK hub and reliance on cutthroat domestic routes, are crimping profits and leave it vulnerable to takeover.

Indeed, JetBlue's revenues per available seat mile have

grown only 9.4 percent over the last five years, compared to growth rates of 23.5 percent at Southwest Airlines Co. and 28.6 percent at AMR Corp., which operates American Airlines. Per-seat costs, meanwhile, have jumped 29.4 percent at JetBlue, compared to a 20.7-percent increase at Southwest and a 3.3-percent increase at AMR. Fuel expenses, which make up nearly a quarter of airline costs, have risen sharply in recent years. Labor expenses have also increased, though more slowly.

JetBlue's new management team knows that boosting the airline's financial performance is imperative. But they also have no choice but to keep their focus on operational issues. Another systemwide misstep could be fatal.

JetBlue made headlines in February when an ice storm that socked the Northeast collided head on with the carrier's policy of not canceling flights ahead of bad weather. JFK was particularly hard-hit as planes continued to arrive and none were allowed to leave. Thousands of people were trapped on planes for hours or stranded in terminals for days.

"We gridlocked ourselves," said Dave Barger — named chief executive in May when JetBlue's board asked founder David Neeleman to step down.

Neeleman, who remains chairman, was criticized for spending more time apologizing than fixing problems. JetBlue didn't fly a full schedule for days.

Over the next month, Jet-

Blue implemented a pre-cancellation policy and a "remote exit" procedure to get passengers off planes when terminal gates are full. It hired operational experts, including chief operating officer Russell Chew, who has an airline and Federal Aviation Administration background.

Most visibly, JetBlue drafted a "customer bill of rights," promising vouchers in some cases when passengers are stranded or delayed. Vouchers cost the company \$24 million in the first quarter, which included the storm. JetBlue hasn't disclosed its voucher costs since.

While the changes didn't save Neeleman, they helped JetBlue avoid a second meltdown when another ice storm struck on March 16. "We pre-

canceled the airline and the next day we were at (a) 94 percent completion factor," Barger said. "That was a textbook event."

Customers continue to be loyal. JetBlue topped consumer surveys by J.D. Power and Associates and Consumer Reports conducted since the February storm.

"They don't treat you like you're an idiot or just a piece of cattle," Dohm said.

JetBlue helped itself by taking immediate responsibility and changing quickly, said Tom O'Guinn, a marketing professor at the University of Wisconsin and executive director of the Center for Brand and Product Management. "They were very contrite. I think that helped a lot," he said.