

CRPC 2014

Comprehensive

Economic

Development

Strategy

CEDS



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EXECUTIVE SUMMARY

Organization and Management

The Capital Region Planning Commission (CRPC), located in Baton Rouge, Louisiana, is a non-profit public agency formed in 1967 to provide comprehensive regional planning and review, technical assistance to local member governments and serves as the region's Metropolitan Planning Organization. CRPC is one of eight (8) sub-state regional planning and economic development districts within the State of Louisiana as authorized by Executive Order No. 27, signed February 16, 1973. Because CRPC is not a quasi-state or federal agency, it is owned and supported by its member governments.

CRPC was designated as the region's Economic Development District by the U.S. Economic Development Administration (EDA) effective August 1989. Parishes and municipalities that are members of CRPC may be eligible for EDA planning investment assistance. Every five years CRPC is required by EDA to update the Comprehensive Economic Development Strategy (CEDS), ideally with annual updates each June. The CEDS provides the framework by which economic development projects in the region qualify for grant funding from EDA. However, since CRPC is located in a large metropolitan region, the CEDS also serves as one of several plans that addresses and identifies the Capital Region's economic goals and objectives based on economic conditions, natural resources, and development potential. The goals and objectives target sustainable development and capacity building; local, state, and federal partnerships to create regional solutions; small business and entrepreneurial development; improving technology; and improving infrastructure, while maintaining and improving the environment.

Brief Description of the Planning Process

The CEDS was developed by a Strategy Committee that included representatives from government, higher education, workforce development, economic development, chambers of commerce, and the private sector. These members meet with the staff of CRPC on a regular basis to review and update the plan, goals, and objectives, and to determine action plans. The Strategy Committee is also involved in changes that occur in the work plan and yearly updates include progress in advancing goals and objectives at both the regional and local levels. Their recommendations are then presented to the full Commission for final action.

The CEDS serves as an action plan to improve the economy of the region, but coordinated efforts are executed locally through the parish and municipal levels. The 2014 CEDS update allowed for a collaboration of state, regional and local economic development perspectives to create obtainable goals with a plan of action.

Local Contact for the CRPC CEDS

For more information on the CEDS process or specific economic development programs, contact:

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CRPC Parishes and Municipalities

The Capital Region Planning Commission is comprised of eleven parishes and 40 municipalities. The 11 parishes include the following: Ascension, East Baton Rouge, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, Tangipahoa, Washington, West Baton Rouge, and West Feliciana.

Ascension, East Baton Rouge, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, West Baton Rouge, and West Feliciana Parishes make up the Baton Rouge Metropolitan Statistical Area (MSA). Tangipahoa and Washington Parishes are not part of the Baton Rouge MSA and are considered to have economic ties to the New Orleans area, but are not included in the statistics for New Orleans. The Baton Rouge MSA covers an area of 4,196 miles. It is relatively flat, with little topographical relief. Elevation within the area ranges from sea level to 150 feet, except for the northern part of the parishes bordering Mississippi where elevations rise to a range of 150 to 300 feet. Land uses within the region are primarily forest/wild land, agriculture (primarily soy, cane and corn), pasture and urban areas. The area has a humid subtropical climate with mild winters, hot and humid summers, and frequent moderate to heavy rainfall.

Board Members and Planning Committee

The Executive Committee is comprised of eight members selected from the Commission, which can be found on page 29. CRPC hosts four regularly scheduled quarterly meetings, additional meetings may be scheduled and interactions documented through agency activity that serve to inform the planning effort. A list of all CRPC Commissioners is available upon request, with reference to race and gender.

Implementation Plan

In order for the district and individual parishes to realize development and growth, economic development efforts must be a coordinated and cooperative effort of governments, economic development organizations and service clubs. Some of these entities may work on only one project, while others may work on numerous projects.

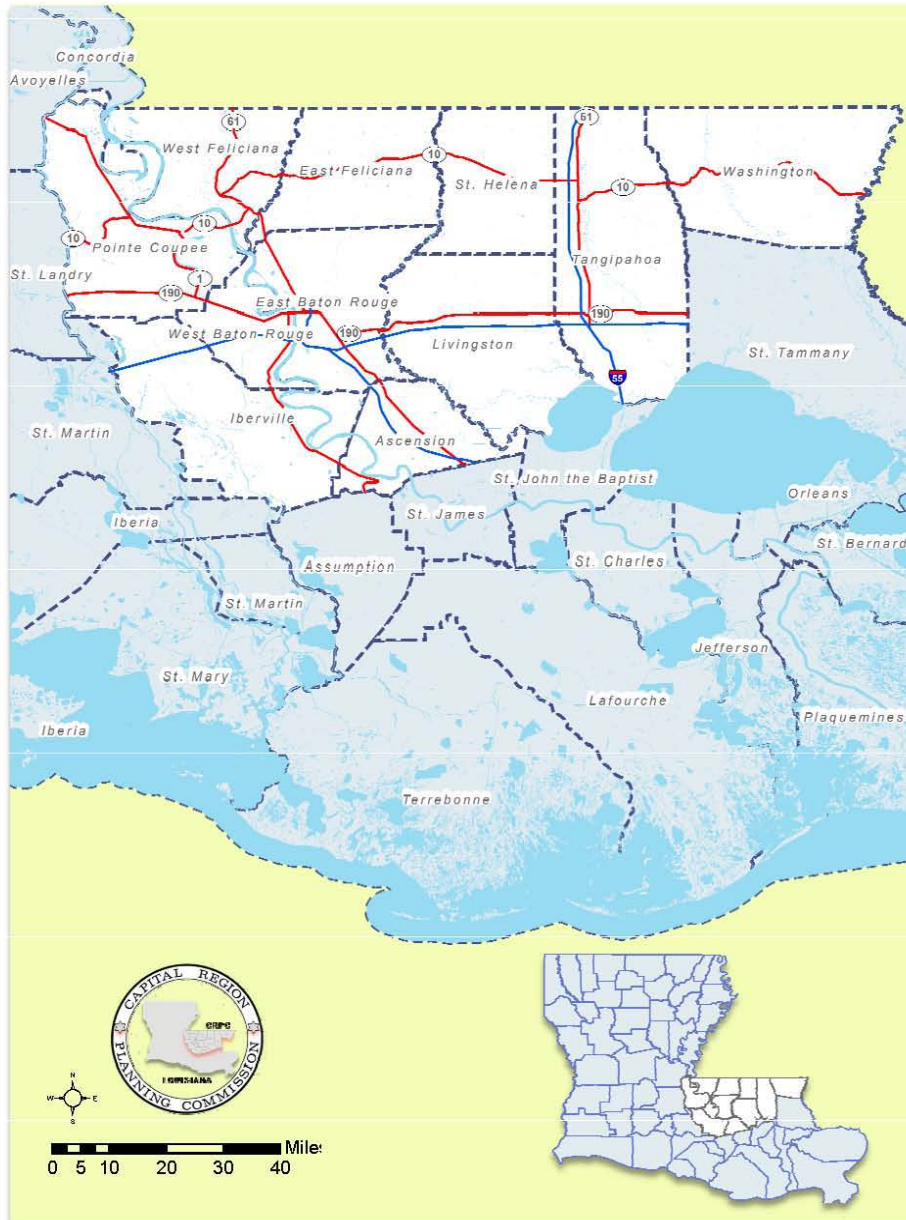
For most projects, CRPC staff will be the main contact for any activity. In many instances, the staff shall contact and coordinate projects with the economic development staffs; local, state, and federal agencies; universities and technical centers; training facilities; and other economic developers throughout the state. Several of the projects and activities will be accomplished by the CEDS Strategy Committee members and/or the appropriate committee, group or organization.

Procedures for selecting projects and programs, as well as setting priorities, will depend on the availability of the resources and the stage of the project. As economic and/or other conditions change, the Strategy Committee will review and change priorities if needed; this will hold true for new projects. Projects recommended will have been reviewed, be eligible to receive EDA funds, and be submitted by an active participant. CRPC staff also coordinates these projects with other local, regional, state and federal agencies to expedite the accomplishment of the CEDS goals and objectives. Performance measures will be based on the following EDA guidelines: number of jobs created after implementation of the CEDS; number and types of investments undertaken in the region; number of jobs retained in the region; amount of private sector investment in the region after implementation of the CEDS; and changes in the economic environment of the region.

In addition to providing a cooperative framework for economic development coordination and planning, the CEDS also provides:

- An analysis of economic and community development problems and opportunities that incorporate relevant material from other government sponsored or supported plans;
- A background and history of the economic development situation of the region, with a discussion of the economy, including geography, population, labor force, resources and the environment;
- A section setting forth goals and objectives for taking advantage of the opportunities and solving the economic development problems of the area services;
- A plan of action, including suggested projects to implement objectives and goals set forth in the strategy; and

Capital Region Planning Commission



Economic History: Background of the Area and Its Economy

The Capital Region (District 2) is comprised of 11 parishes and is located in the southeastern portion of Louisiana, consisting of 5,541 square miles or 12.4% of the 44,521 square miles in the state. The regional landscape provides a gateway for industrial expansion, international trade, and an abundance of natural resources. The Capital Region is emerging as one of the United States most strategic areas for commerce, petrochemical manufacturing, and new industry.

The District is bounded on the north and east by the state of Mississippi, to the south by Lake Ponchartrain and the southern half of “the chemical corridor,” and to the west by the Atchafalaya Basin and the Acadiana region. The northern half of “the chemical corridor” is in the northwestern portion of the District.

Louisiana’s State capitol, Baton Rouge, located in District 2 in East Baton Rouge Parish is the second largest city in the state and largest city in the District. Three Interstate highways and many U.S. and main artery Louisiana highways are contained within the region. The capital city is located on the Mississippi River and the east-west artery of Interstate 10 and between the north-south arteries of Interstates 40 and 55.

Transportation across the Mississippi River is provided by the Interstate 10 bridge (Horace Wilkinson Bridge) and the U.S. Highway 190 bridge (Huey P. Long Bridge) at Baton Rouge and the Sunshine Bridge in Ascension Parish. The completion of the John James Audubon Bridge in 2011 between Pointe Coupee Parish and West Feliciana Parish provides another transportation outlet across the muddy river.

The Baton Rouge Metropolitan Airport, located 10 minutes north of downtown Baton Rouge, is the major airport in the region and connects with four major airline hubs serving the southern U.S. Nonstop service is available to Atlanta, Dallas-Ft. Worth, Houston, Memphis, and Charlotte. There are also four public general aviation airports located in Franklinton, Gonzales, Hammond, and New Roads. Quality rail facilities are necessary for the region. Four major rail lines provide railroad freight service within the Baton Rouge area to transport materials to and from local industries. The Canadian National-Illinois Central Railroad has north-south routes that follow the Mississippi River and Interstate 55 and an east-west route along U.S. 190 that connects them. Kansas City Southern has a route that follows U.S. Highway 61. Passenger service is available from Hammond on the CN-ICRR along Interstate 55. The U.S. Highway 190 Bridge (Huey P. Long Bridge), which crosses the Mississippi River at Baton Rouge, has the only railroad bridge between Vicksburg, Mississippi, and New Orleans, Louisiana.

The parishes along the Mississippi River remain predominantly petrochemical and petroleum processing industries, while the parishes along the Louisiana-Mississippi state line rely on timber and the paper processing industries. The remaining areas rely on agriculture.



Louisiana State Capitol, Baton Rouge, Louisiana

During the late 1970's and early 1980's, the state and parishes experienced growth due to the high prices of oil and gas, and the severance taxes collected. In the latter half of the 1970's, oil and gas were discovered in the Tuscaloosa Trend across the northern section of the district. New wealth emerged in these parishes from drilling activities until oil prices began to decline and drilling was discontinued. As oil prices fell, the state and district experienced a downward spiral in both economics and population out-migration. Still, the loss of its workforce in the Baton Rouge region was not nearly as damaging as compared to the rest of the state. From 1982-87, Baton Rouge lost 4,800 jobs or 2.2 percent of its workforce as compared to the state's 9 percent decline, as a whole.

Employment in the region did not begin to level off until the early 1990's. In 1988, the Baton Rouge MSA gained an astonishing 10,300 new jobs and continued upward through 2000 with a yearly average of 7,500 jobs. When the national recession hit in 2001, the Baton Rouge MSA suffered a direct hit, losing 3,900 jobs or 1.1 percent of its workforce. The chemical sector was significantly impacted due to weakened prices of chemical products and high natural gas prices, causing operation costs for industry to swell. Several firms in the Baton Rouge MSA announced layoffs or closed either temporarily, partially, or completely.



Dow Chemical

In 2005, Louisiana and much of the Gulf Coast were rocked by the costliest natural disaster in United States history, known as Hurricane Katrina. The monster storm's wrath swallowed the New Orleans MSA, forcing a substantial number of evacuees to the Baton Rouge region. According to a report by economist Loren Scott, an estimated 248,386 evacuees relocated to the Baton Rouge MSA, catapulting the region's population by over 34 percent. The influx of evacuees created a burden on the region's infrastructure, and jobs were scarce. However, employment was boosted between 2005-2006. The Baton Rouge MSA employment added 18,500 jobs or 5.4

percent and continued to add 9,000 to 10,000 jobs a year. Much of this job growth can be attributed to the Go Zone legislation, which encouraged rapid reconstruction to hurricane impacted areas.

When the Great Recession of 2008 first occurred in January 2008, the Baton Rouge MSA did not record its first job loss until September 2008. However, as time passed, serious job losses did occur in the region. Dow Chemical in Iberville Parish closed one facility, resulting in a loss of 160 jobs and laid off 400 contract workers. Trinity Marine in Port Allen closed its barge manufacturing facility and 190 employees were left without work. Other significant job losses and lay-offs occurred during this time, including budgetary shortfalls in state government, particularly in Baton Rouge, as government employment dropped by 3,400 workers.

Current Economic Situation and Future Prospects

Despite the difficulties of the Great Recession of 2008, job growth in the region continued to steadily climb. From 2011-2012, the MSA recovered 7,500 of the 10,800 jobs lost during the recession. To date, the region's petrochemical and industrial construction sector has continued to thrive. Through the economic turmoil, the Capital Region focused its attention on diversifying its economy and has emerged in the national spotlight in a normally heavily populated petrochemical landscape.

Louisiana Economic Development's 2013 year in review noted Baton Rouge was named the top-ranked metro for Economic Growth Potential in *Business Facilities* annual rankings report. In addition, Baton Rouge also earned top honors from *Southern Business & Development*, being named its Major Market of the Year. Other accolades mentioned by the publication highlighting the Capital Region included Ascension Parish with its Special Recognition Award as the parish or county within a metro area that generated the most impressive job-creation results across the South.

In Ascension Parish, the Canada-based Methanex Corp, relocated the second of two methanol plants from Chile to Geismer, LA. This will create a combined capital investment of \$1.1 billion that will result in more than 1,300 new direct and indirect jobs and produce an estimated 2,500 construction jobs. The project ushers in a new wave of U.S. methanol production in response to more plentiful shale-sourced natural gas. Additionally, BASF, located in Ascension Parish, currently employs 900 individuals and 1,500 contract employees. BASF is spending \$300 million to build a formic acid plant, to be completed in 2014, and a surfactant plant. A \$300 million upgrade will be completed this year at Georgia Pacific, along with a \$78 million investment by Honeywell at its two Baton Rouge sites and \$4 million at its facility in Geismar. Huntsman Corporation, also located in Geismar, will add a \$78 million expansion to its facility there. In other economic development news for Ascension Parish, CF Industries will spend \$2.1 billion to build what is expected to be the largest nitrogen plant in the nation, to be located near Donaldsonville, and will produce 93 new jobs.

West Baton Rouge Parish and neighboring Iberville Parish, will see an additional \$500 million capital investment to boost Shintech Inc. chlor-alkali, vinyl chloride monomer (VSM) and polyvinyl chloride (PVC) capacity. The project is expected to be completed by mid-2015 and will result in 54 new direct and indirect jobs, while retaining 270 existing employees. Also in Iberville Parish, the Dow Chemical Company announced more than \$1 billion capital investment to build a pair of polyolefin plants- one for producing next-generation synthetic rubber and one for producing high-performance polyethylene. The company will also upgrade its ethylene capacity at the company's Plaquemine site. Over 1,300 jobs will be retained and more than 540 new jobs will be created.

District 2 is also home to Tangipahoa Parish, in which the City of Hammond is located. Crest Industries, a Pineville-based company, is building a \$15 million galvanizing facility near Hammond to serve electrical utility and petrochemical customers, which will retain 559 existing employees in Louisiana and 165 new jobs.

CB&I, an energy infrastructure focused company, acquired The Shaw Group in Baton Rouge in early 2013. This allowed for a 400-job expansion. CB&I will consolidate the 400 professional jobs from out-of-state locations to its headquarters in Baton Rouge, resulting in more than 800 new direct and indirect jobs for the Capital Region. Jogler LLC, a Houston-based manufacturer of precision instruments for process industries, relocated its headquarters and manufacturing operations from Texas to Baton Rouge to a 17,000-square-foot facility, which resulted in more than 135 new direct and indirect jobs.



Port of Greater Baton Rouge; Photo courtesy of Port of Greater Baton Rouge

Rivers and waterways are a significant feature of the region and play a prominent role when it comes to economic development. The Mississippi River transects the District, forming boundaries between four of the parishes and bisecting two others. Sitting across from Downtown Baton Rouge on the Mississippi River in West Baton Rouge Parish is the Port of Greater Baton Rouge, which ranks ninth among ports nationally and 32nd worldwide in handling over 59,992,818 short tons of cargo annually. Situated 230 miles from the Gulf of Mexico, the Port of GBR is the farthest inland deepwater port on the Mississippi River conjoined with the Gulf Intracoastal Waterway, linking neighboring states from Florida to South Texas, 31 US states and two Canadian provinces. The Port of GBR includes 85 miles of the Mississippi River encompassing Ascension and Iberville Parishes in its port jurisdiction. Forest products, agricultural products, steel and pipe, ores and coals, petroleum products, and bulk and liquid bulk chemicals top the list of cargoes shipped through the port facilities bound for markets all over the world.

The Port of Greater Baton Rouge experienced its greatest capital improvement activity in 2012 with over \$200 million in construction and expansion announced by companies located at the port. This activity, which includes over \$200 million in private investment, has resulted in upgrading and expanding the public port facilities. The port places strong emphasis on its mission to foster economic development, job creation and international trade within the port's jurisdiction.

In 2011, Louis Dreyfus Commodities, LLC (LDC) became the new operator of the Port of Greater Baton Rouge's public grain elevator. LDC wasted no time with an extensive rehabilitation and expansion project of the facility. The project created 150 construction jobs and up to 30 new permanent jobs. Construction was completed in October 2013, allowing for more than 5 million metric tons of grain to move through its facilities annually. The LDC endeavor will play an important role in the success of Louisiana farmers moving their products to markets around the world. In addition, rail lines are being upgraded at the Inland Rivers Marine Terminal, located within the port, as part of infrastructure improvements. Approximately \$3 million is being invested in rail improvements, including a \$1 million grant from the U.S. Economic Development Administration to assist in this upgrade. Waller Marine will also construct a small \$200 million liquefaction plant at the Port of Greater Baton Rouge, which should be operational mid-to-late 2014.

The Pointe Coupee Parish Port is a prime industrial site on 32 acres of land located five miles north of Louisiana Highway 1, a major two-lane highway stretching 35 miles to Interstate 49 in the City of Opelousas and 55 miles to Interstate 10 in Baton Rouge. The port is located between the Old River Locks on the Mississippi River and approximately two miles from the confluence of the Red River,

Atchafalaya River, and Lower Old River. Currently, the port's typical export commodities include corn, wheat, grain sorghum, soybeans and cottonseed. Import products include coal, liquid fertilizer, agricultural limestone fertilizer, limestone gravel and crushed rock. Potential exists for handling timber, quarry stone, petroleum products and additional agricultural items. The Pointe Coupee Port also includes a 100 acre industrial park with all utilities.

The Florida-based BioNitrogen Corp. is building five fertilizer plants near the Pointe Coupee Parish Port in Lettsworth on 250 acres of land. The plants, which convert agricultural waste from scrap trees and wastes from saw mills into fertilizer, will create 260 jobs. When all five plants are operational in 2015, the port's tonnage is expected to increase to more than 700,000.

Other ports within the region include a Mississippi River port, The Port of Burnside, in Ascension Parish. The Port of South Tangipahoa at Manchac, a smaller port in Tangipahoa Parish, primarily handles barge traffic. The Amite, Comite and Tickfaw Rivers and Thompson's Creek are important to the District because of the large amounts of sand and gravel mined from them. The Tchefuncte River is in the eastern section of the region and is primarily used for recreational purposes. Water areas and wetlands are common in all parishes in the region.

The Tuscaloosa Marine Shale (TMS) will have significant impact on the northern parishes and southeastern parishes north of Lake Pontchartrain and southwest Mississippi. The TMS is a sedimentary rock formation that consists of organic-rich fine-grained materials deposited in a marine environment that existed across the Gulf Coast region 90 million years ago and stretches from Texas across the middle of Louisiana and Mississippi. Experts estimate a potential reserve holds as much as 2.7 billion barrels of oil and gas. The parishes in this region impacted by the TMS are East Feliciana, St. Helena, Tangipahoa, Pointe Coupee, and West Feliciana Parishes.

Outside of the chemical industry, Louisiana has seen a significant growth in software, digital media, and the film industry, particularly in the Capital Region. When Louisiana started offering tax incentives for the film industry in 2002, the same offered to the video game industry, Hollywood flocked to the state. Louisiana is one of the top five Hollywood production destinations in the world with 30 Louisiana-shot feature films released in 2013 and a record \$810 million spent from production companies. Louisiana, the top movie production location in the U.S., outside of Los Angeles and New York, has seen an annual employment growth rate of 23 percent each year- the highest in the nation.



Celtic Media Center, Baton Rouge, LA; Photo courtesy of www.wbrz.com

Celtic Media Center, the largest studio facility in Louisiana, is located in the Capital Region. The studio is located on 30 acres in the heart of Baton Rouge with nearly 150,000 square feet of design-built studio space and 90,000 square feet of gated office space.

Since 2010, total entertainment spending in Louisiana has steadily risen from almost \$446.6 million to nearly \$773.2 million in 2012. This is a 73% increase.

The region is also attractive to companies looking for corporate office expansions. IBM has chosen downtown Baton Rouge as its home for an 800-job technology center that will provide quantitative-intensive business solutions to the company's domestic customers. The location of IBM will heavily impact downtown Baton Rouge's landscape. The company is in the process of constructing a \$55 million urban development complex downtown. The announcement of IBM headquarters locating to Baton Rouge created a surge in the number of incoming freshman at Louisiana State University's (LSU) College of Engineering. Computer Science enrollment climbed 60 percent for the fall 2013 semester with anticipation of future IBM employment opportunities.



Southern University; Photo courtesy of Visit Baton Rouge

District 2 is also dotted with institutions of higher learning and technical college programs. The Capital Region is home to the state's flagship university, Louisiana State University (LSU), and historical black college, Southern University. Both are located in Baton Rouge. LSU's law school and veterinary school are located within the region. Southern University was designated a University Center for economic development by the Economic Development Administration in 2013 and also has a small business development

center on its campus. Its law school is also in the Capital Region. In addition, Southeastern Louisiana University (SLU), in Hammond, is located within the district and houses a small business center. SLU has numerous graduate programs, including a School of Nursing. Our Lady of the Lake College, a private college in the heart of Baton Rouge, offers baccalaureate degrees in the health care field and liberal arts, as well as graduate programs in the health care field. The Capital Region also boasts three major community colleges: Baton Rouge Community College, which has satellite campuses throughout the region, River Parishes Community College in Ascension Parish, and Northshore Technical Community College in Bogalusa (Washington Parish).

At the centerpiece of the state's political arena, state, regional, and local leaders understand the need for collaboration in attracting exciting endeavors. Construction of a new "Water Campus," a combined effort of the state, the Baton Rouge Area Foundation, The Water Institute of the Gulf, the city-parish, and Louisiana universities, is expected to begin this summer. The "Water Campus" will focus its efforts on coastal and wetlands issues. The center will focus on coastal education and research with the "Water Campus" to be built at the old municipal docks just south of the Mississippi River Bridge (Horace Wilkinson Bridge). The new campus will enable researchers to test restoration measures such as river diversions. The Water Institute of the Gulf and the Coastal Protection and Restoration Authority will be at the heart of this new campus, and the site will be home for federal agency representatives, private engineering companies and nonprofit coastal organizations. About \$45 million will be used to build three projects at the 30-acre site. The Water Campus will thrust the region and state as an international leader in coastal engineering and science developed over the years to find answers to the problem of Louisiana's coastal



LSU campus; Photo courtesy of www.ktbs.com

land loss. Continued expertise is expected to grow and result into significant economic development and job creation for the state, with the water management industry providing an additional 20,000 to 45,000 new jobs in Louisiana through 2030.

Other economic wins for the Capital Region since 2012 include:

- **West Sanitation Services**- headquarters and manufacturing facilities in Baton Rouge; odor control products for commercial and industrial restrooms; additional 30 jobs
- **Union Pacific**- railroad; spent \$200 million on its south Louisiana operations in 2012; created 225 new jobs and 1,500 construction jobs
- **DMC Carter Chambers**- supplies valves, safety systems, transmitters, gauges and control systems; headquartered in Baton Rouge; \$10 million expansion with an expected 80 additional jobs over the next nine years
- **Ameritas Technologies**- information technology in downtown Baton Rouge; 150 employees by end of 2014; 300 workers by 2016
- **PreSonus Audio Electronics**- new research and headquarters in Baton Rouge; \$8 million improvement to replace existing location; expected to hire an additional 65 people over three years
- **Emerson Process Management**- regional headquarters in Gonzales; industrial customers automate and processing for chemical, oil and gas, refining, paper, water and wastewater treatment plants; expansion to add 129 jobs in Ascension Parish; other operations in Louisiana will create an additional 89 jobs
- **Nachurs Alpine Solutions**- located in St. Gabriel (Iberville Parish); \$13.9 million renovation for fertilizer manufacturing and distribution; 16 additional jobs
- **LocalMed**- relocated to new Baton Rouge location from LSU Student Incubator at Louisiana Business & Technology Center; software development for medical patients to schedule appointments through computer, Smartphone or tablet; plans to hire 52 employees by 2016

Vision

The Capital Region envisions a vibrant and diverse economy with sustainable development and capacity building; local partnerships that create regional solutions; small business and entrepreneurial development, while improving technology and infrastructure.

Goals and Objectives**GOAL 1**

Improve community infrastructure to sustain a viable economy and environment.

OBJECTIVE

- Work with local elected officials to set priorities for improvements.
- Expand capacity of region's parishes and communities to support development, including broadband initiatives and Geographic Information System.
- Capture and maintain inventory of assets, resources, incentives, and socioeconomic data in profile of the region.
- Promote, expand, and improve tourism and recreational activities.
- Use state and federal funding sources to enhance local funding for additional improvements.
- Work with and support Louisiana Economic Development (LED) in implementing the Competitive Communities Initiative (CCI) to improve economic development capacity of parishes to compete in a global marketplace.
- Encourage use of smart growth concepts to increase attractiveness of the region.
- Work with LADOTD/USDOT to systematically improve transportation infrastructure.
- Meet with officials to establish multi-modal needs and priorities, which priorities are to be placed within the DOTD/MPO framework.
- Improve the efficiency of the transportation network through capacity building, ITS, and other innovative strategies.
- Continue to support the development of passenger rail between Baton Rouge and New Orleans.
- Promote/improve alternate modes of transportation and fuels.

GOAL 2

Enhance regional collaboration to promote economic development opportunities.

OBJECTIVE

- Identify and improve regional knowledge of potential funding sources that will promote and enhance business development for all sized businesses.
- Coordinate with state agencies to achieve the goals of Blue Ocean.
- Coordinate the planning district's efforts with area chambers' strategic plans.
- Coordinate with SBDC's, business incubators, parishes and municipalities, local development organizations, and other technical service providers to produce a comprehensive list of currently available financing to small businesses in the Capital Region.
- Identify new and emerging industry sectors.
- Establish greater opportunities for entrepreneurship and business development with the region's universities, community colleges, and vocational schools.

GOAL 3

Work to improve education and workforce development skills to foster a more diverse economy to meet the needs of both existing and emerging industries and technologies.

OBJECTIVE

- Work with existing industry to identify workforce development needs and deficiencies.
- Establish education programs to instill occupational, technical, and vocational skills to ensure a trained and prepared workforce for higher skills and technology based jobs.
- Develop and promote film and digital media competitiveness.
- Expand software/business application and commercialization.

GOAL 4

Develop and expand industrial parks, distribution and transportation centers, airports, ports, research parks and their corresponding marketing plans.

OBJECTIVE

- Determine infrastructure needs of industrial parks, research parks, airports and ports and establish priorities.
- Support Louisiana Economic Development's site certification program for 'shovel ready' sites.
- Determine funding sources for necessary improvements at the federal, state, and local levels of government. Establish combinations of funding sources.
- Continue to support infrastructure improvements at area ports and airports, and support grants and initiatives that consider the regional intermodal transportation network (trucks, passenger cars, rail, pipelines) for the movement of freight and passenger vehicles when planning new transportation projects.
- Improve flood protection and drainage.

GOAL 5

Work to improve and participate in regional hazard mitigation and emergency preparedness plans and coordinating functions for local and regional economic recovery support.

OBJECTIVE

- Promote state and regional interoperable capabilities.
- Build regional and local capacity to respond to natural disasters, strengthen land use and transportation planning.
- Ensure local/regional disaster preparation and response plans are complete and up-to-date.
- Coordinate educational efforts and training with local development districts and other partners in resiliency.

2014-2019 Priority Projects:

- *Coordinate business incubators in Capital Region toward cooperative goals and services and increased capacity to grow businesses*
- *Promote business acceleration services*
- *Promote the use of technology in economic development*
- *Need infrastructure to support educational institutions providing workforce development and job training*
- *Foster transportation access and improvements within region*
- *Passenger rail connecting Baton Rouge and New Orleans*
- *Promote the development of the LSU Innovation Park as a university research park and EDA University Center at Southern University*
- *Launch immersive website for prospective, new, and existing talent*
- *Identify and improve regional knowledge of potential funding sources that will promote and enhance business development for all sized businesses.*

Previously Funded EDA Projects in the Capital Region

Fiscal Year	EDA Program	Applicant	Project Location	EDA \$	Total Project
2005	Economic Adjustment	Southern University	Baton Rouge	200,000	360,000
2005	Economic Adjustment	LA Hurricane Recovery	Baton Rouge	4,000,000	4,000,000
2006	Economic Adjustment	LA Hurricane Recovery	Baton Rouge	500,000	500,000
2006	Planning	Capital Region Planning Commission	Baton Rouge	50,000	50,000
2007	Economic Adjustment	Ports Assoc. of LA	Baton Rouge	432,785	632,785
2007	Economic Adjustment	LA Comm for Econ Dev	Baton Rouge	400,000	800,000
2007	Planning	Capital Region Planning Commission	Baton Rouge	150,000	214,286
2008	Economic Adjustment	LA Hurricane Recovery	Baton Rouge	2,500,000	2,500,000
2009	Planning	Capital Region Planning Commission	Baton Rouge	10,189	14,556
2009	Disaster Supp	Baton RG Cty EBR Parish	Baton Rouge	1,000,000	1,479,000
2010	Planning	Capital Region Planning Commission	Baton Rouge	180,000	257,143
2010	Disaster Supp	LSU Digital Media	Baton Rouge	3,000,000	17,000,000
2011	Technical Assistance	Baton Rouge Area Chamber	Baton Rouge	429,000	858,000
2011	Gulf Oil Spill	LSU	Baton Rouge	200,000	250,000
2012	Economic Adjustment	Southern University	Baton Rouge	1,000,000	1,250,000
2012	Economic Adjustment	Greater Baton Rouge Port	Port Allen	1,000,000	2,541,000
2013	Technical Assistance	Greater BR Econ Partner	Baton Rouge	150,000	251,106
2013	Technical Assistance	Southern University	Baton Rouge	102,590	225,957
2013	Economic Adjustment	Louisiana Economic Development	Baton Rouge	1,000,000	3,241,000
2013	Planning	Capital Region Planning Commission	Baton Rouge	180,000	257,143

SWOT Analysis

<p>STRENGTHS</p> <p><i>Regional Entrepreneurial Spirit (Entrepreneurism/Innovation)</i></p> <ul style="list-style-type: none"> • <i>Established Educational Infrastructure</i> • <i>At confluence of deep-water port, metropolitan airport, interstate, and three Class-1 rail lines</i> • <i>Quality Health Care System</i> • <i>Access to recreation and tourism attractions</i> • <i>Improvement in Bicycle and Pedestrian safety through education</i> • <i>Regional cooperation among local governments, non-profits, and private organizations</i> • <i>Abundant Natural Resources</i> • <i>Productive, Available Workforce</i> • <i>Located in the capital city of the state</i> • <i>Numerous Louisiana Economic Development certified sites</i> • <i>State business incentives programs (Quality Jobs, the Enterprise Zone, Research and Development Tax Credit, Retention and Modernization Program, Digital Interactive Media Incentive, Angel Investor Tax Credit, etc)</i> • <i>Strong small business infrastructure support</i> 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • <i>Existing transportation infrastructure efficiency needs improvement and expansion</i> • <i>Limited public transportation options in MPO region and disjointed</i> • <i>Lack of funding for maintenance, operations, and improvements</i> • <i>Air quality (designated “non-attainment”)</i> • <i>Need to improve workforce skills to meet workforce demands</i> • <i>Crime is prevalent in areas of the region- effects perceptions of the region</i> • <i>Endemic poverty</i> • <i>Affordable housing not convenient to job opportunities</i> • <i>Access to funding small businesses</i> • <i>Low workforce participation due to high illiteracy and incarceration rates</i>
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • <i>Increased regional collaboration</i> • <i>Expansion of workforce solutions/programs for companies in the region by collaborating with four year universities, Louisiana Community and Technical College System (LCTS), high schools, and Louisiana Workforce Commission</i> • <i>Work with region’s employers where transportation may be an issue (rideshare)</i> • <i>Attraction of large companies</i> • <i>Create Business Resource Guide/Workforce Information System</i> • <i>Promote development of LSU Innovation Park, Southern University EDA University Center, and the region’s small business development centers (SBDC)</i> • <i>Energy Boom will lead to expansion and construction of new industrial facilities and job growth</i> • <i>Alignment between the Board of Regents and Louisiana Economic Development on emerging industry to create new public/private partnerships and collaborate with universities</i> 	<p>THREATS</p> <ul style="list-style-type: none"> • <i>Shift in economy due to lack of specialized workforce skills for emerging industry</i> • <i>Risk of natural disasters (flooding, hurricanes)</i> • <i>Reduced Federal and State funding</i> • <i>Growing population places strain on region’s infrastructure</i> • <i>Rising cost of flood insurance due to Biggert-Waters Act</i> • <i>No localized plan for water sustainability- salt water intrusion/fracking</i> • <i>Over concentration of industrial base could impact EPA threats</i>

Demographics

The Capital Region MSA grew at a rate of 14% from 2000-2010, and since 2010 has continually climbed in population. The latest population estimates (2013) from the Census Bureau for all 11 parishes in District 2 show a population of 991,990. This represents a 21,238 population increase since 2010.

Much of the growth has been in Ascension, West Baton Rouge and Livingston parishes, which from 2010 to 2013 saw a 2.02 percent, 2 percent and 1.66 percent population increases. While East Baton Rouge Parish lost 1,463 residents from 2007-2012, the parish did see a 0.21 increase or about 1,000 new residents. Tangipahoa Parish also saw an increase in population from 123,662 in 2012 to 125,412 in 2013. Parishes that experienced a drop in population are in the rural part of the region, and include East Feliciana (-2.6%), Pointe Coupee (-1.3%), St. Helena (-2.9%), and Washington (-1.6%).

Overall, the state of Louisiana population is up from an estimated 4,602,134 in 2012 to 4,625,470 in 2013.

Population

Parish	2010	2012 estimate	2013 estimate	% change 2010-2013)
Ascension	107,215	112,126	114,393	6.70%
East Baton Rouge	440,171	444,275	445,227	1.10%
East Feliciana	20,267	19,998	19,728	-2.60%
Iberville	33,387	33,303	33,367	-0.10%
Livingston	128,026	131,865	134,053	4.70%
Pointe Coupee	22,802	22,737	22,499	-1.30%
St. Helena	11,203	11,063	10,875	-2.90%
Tangipahoa	121,097	123,662	125,412	3.60%
Washington	47,168	46,690	46,419	-1.60%
West Baton Rouge	23,788	24,092	24,573	3.30%
West Feliciana	15,625	15,437	15,444	-1.20%
District Total:	970,749	985,248	991,990	9.70%

Source: U.S. Department of Commerce, Bureau of the Census

Housing

Residential sales in the region spiked by 18% for 2013 compared to 2012. The average cost of a home in the Baton Rouge MSA in 2013 increased by 3.7% from the 2012 average. With the wealth of new jobs in the region, the 2014 housing market remains robust. In East Baton Rouge, Ascension and Livingston Parishes, the number of new homes sold in the \$225,000 to \$300,000 range is up 33 percent, and sales in the \$300,000 to \$400,000 range were up by 37 percent and sales in the \$400,000 and above were up by 55 percent. While residential permitting was up 16% in 2013, commercial permitting saw a 10% increase as well.

Population by Race and Sex (2012)

<u>Parish</u>	<u>White Male</u>	<u>White Female</u>	<u>Minority Male</u>	<u>Minority Female</u>	<u>Black Male</u>	<u>Black Female</u>
ASCENSION	40,951	41,337	14,500	15,498	11,824	13,150
E. BATON ROUGE	106,610	110,443	106,970	120,503	93,181	108,298
E. FELICIANA	5,599	5,047	5,160	4,202	4,968	4,024
IBERVILLE	8,173	8,030	8,766	8,259	8,409	7,967
LIVINGSTON	60,010	61,188	5,300	5,444	3,230	3,474
POINTE COUPEE	6,926	7,038	4,098	4,664	3,830	4,426
ST. HELENA	2,492	2,482	2,964	3,133	2,865	3,039
TANGIPAHOA	40,070	41,689	19,868	21,814	17,601	19,762
WASHINGTON	15,368	15,782	7,745	7,775	7,172	7,298
W. BATON ROUGE	7,170	7,291	4,684	4,961	4,375	4,717
W. FELICIANA	4,588	3,423	5,519	1,875	5,383	1,778
DIST. TOTAL	297,957	303,750	185,574	198,128	162,838	177,933

Source: U.S. Department of Commerce, Bureau of the Census

Workforce Overview

For the first time since the oil bust in the 1980's, tens of billions of dollars in investments is happening along the 70-mile corridor between New Orleans and Baton Rouge. This industrial boom is creating bounteous construction jobs. The *Baton Rouge Advocate* reported state economic officials estimated about \$75 billion to be spent on industrial projects in Louisiana over the coming decades- the state's biggest expansion in history. New plants and expansions of plants are being driven by cheap natural gas, due to advancements in horizontal drilling and hydraulic fracturing technology. Industry experts credit the region's accessibility of pipelines to transport oil, gas and other chemicals. The proximity to the Mississippi River and Gulf of Mexico cuts down on transportation costs for industry, and natural gas is significantly cheaper than overseas.

Increased growth in industry has pushed demand for more skilled laborers and workforce development is top priority when economic leaders and employers meet. According to the Baton Rouge Area Chamber's (BRAC) 2014 Economic Outlook, the success of southern Louisiana in landing projects has increased demand for skilled workers, with over 20,000 additional workers needed in the Capital Region between 2013-2016 due to both growth and attrition. Statewide that number jumps to 86,328.

Employment in the Capital Region has been rising steadily since January 2010. According to the Bureau of Labor Statistics, the annual unemployment rate for the Capital Region in 2012 was 6.4%, below the national unemployment rate of 8.1%. Overall, the regional economy added 8,100 private sector jobs in 2012, and had a total of 300,300 private sector jobs. Average weekly earnings of all private sector

employees decreased slightly from \$767.07 in 2011 to \$752.30 in 2012. The Louisiana Workforce Commission reported in February 2014 that the Baton Rouge MSA unemployment rate for December 2013 was 4.5%, while the unemployment rate for Louisiana in December was 4.7%. The national unadjusted rate in December 2013 was 6.5%. The region has consistently outperformed the national unemployment rate.

The total number of nonfarm jobs in the Capital Region in 2012 was 375,200.

Unemployment claims, which peaked in early 2010, continued to subside in 2013 by 20%. Seventy-one percent of the Capital Region sectors experienced job growth in 2013: Construction (37%), Professional and Business Services (25%), Information (11%), Education and Health Services (11%), Leisure and Hospitality (8%), Manufacturing (4%), and Trade, Transportation and Utilities (4%).

Vocational technical schools in the region recognize the need for more technically skilled employees, which has spurred a working relationship with industries to establish training programs to fit their needs. Louisiana's Community & Technical Colleges (LCTC) offer industry based certifications. The construction industry in Louisiana has the fastest growing workforce needs in the state. Employers are expected to fill over 80,000 skilled industrial construction jobs through 2016. Studies show there will be over 30,000 new construction career opportunities along Louisiana's Interstate 10, with an emphasis in the Capital Region. To meet this demand, LCTC has added construction training at all 13 college locations across the state.

The Louisiana Workforce Commission has forecasted a job growth rate for the Capital Region by 1.5% in 2014. The Baton Rouge Area Chamber's 2014 Economic Outlook notes that over the past four years, the Baton Rouge MSA has grown at an annual compounded rate of 1.1%.

Per Capita Income

Per Capita Income in most of the region's parishes fall behind Louisiana's average per capita income of \$24,264. The highest per capita income in the District is in Ascension Parish with an average of \$28,160. The lowest per capita income is in Washington Parish with an average of \$17,294. The District has 355,526 households with an average size of 2.41 people, according to the US Census Bureau figures.

The most recent figures (2012) from the US Census Bureau regarding persons living below poverty levels in Louisiana is 18.7%. In District 2, an average of 18.6% persons live below the poverty rate, with the highest being 26.8% in Washington Parish. The lowest rate of 11.2% is in Ascension Parish. (See tables on page 21).

Per Capita Income

<u>Parish</u>	<u>2000</u>	<u>2008</u>	<u>2010</u>	<u>2012</u>
Ascension	\$24,905	25,997	26,804	28,160
East Baton Rouge	25,956	26,042	26,287	27,267
East Feliciana	19,778	18,002	18,293	21,474
Iberville	20,407	20,695	20,109	21,391
Livingston	21,854	22,774	22,412	24,885
Pointe Coupee	20,928	20,199	22,039	22,671
St. Helena	17,944	NA	16,387	17,814
Tangipahoa	18,134	19,323	19,374	20,793
Washington	18,547	17,444	16,649	17,294
West Baton Rouge	23,837	22,336	22,700	24,641
West Feliciana	15,760	NA	18,118	20,475
District	15,771	21,424	20,833	22,442

Source: U.S. Census Bureau

Median Household Income (2012)

<u>Parish</u>	<u>Income</u>	<u>Persons Per Household</u>	<u>Households</u>	<u>Housing Units</u>	<u>Homeownership Rate</u>
Ascension	\$67,688	2.86	37,331	42,372	81.70%
East Baton Rouge	\$48,274	2.56	167,298	189,275	61.80%
East Feliciana	\$43,868	2.61	6,856	8,101	77.70%
Iberville	\$44,037	2.66	10,982	12,811	76.90%
Livingston	\$57,150	2.8	45,518	52,084	79.10%
Pointe Coupee	\$45,196	2.52	8,942	11,214	78.10%
St. Helena	\$32,460	2.62	4,202	5,160	80.50%
Tangipahoa	\$40,491	2.67	44,286	51,331	68%
Washington	\$30,490	2.6	17,420	21,181	73.30%
West Baton Rouge	\$50,788	2.65	8,700	9,669	73.30%
West Feliciana	\$58,212	2.79	3,991	5,159	74.20%
District	\$518,654	2.41	355,526	408,357	74.96%

Source: U.S. Census Bureau

Regional Industry Sectors

There are many sources of information for the regional target industries in the Capital Region. The Baton Rouge Area Chamber identified four of these sectors in its *Regional Assets*, creative media and design, specialty chemicals and petrochemicals, advanced and light manufacturing, and corporate facilities. Since the Capital Region encompasses eleven parishes instead of just the nine-parish MSA, the CEDS committee also identified agriculture and forestry products, entrepreneurship and innovation, trade, and tourism as key industries.

Creative Media and Design

In 2009, state legislation transformed the digital media industry in Louisiana. As a result of this legislation, the Baton Rouge area offers the highest digital media incentives in the country. Refundable tax credits are at a fixed-rate of 25 percent of production costs expended in Louisiana, and 35 percent of labor costs in Louisiana paid to Louisiana residents. Companies that relocate personnel to the state will still receive the full 35% credit because those employees will gain residency. Originally, the Digital Interactive Media tax credit program was enacted in 2005. The focus of the program was expanded in 2009 to include a broad spectrum of digital media and software applications in addition to video games including the following: mobile apps and Internet platforms (SAAS), enterprise software, e-commerce platforms, mobile communication including cell phones and GPS navigation, online learning and training, and interactive devices.

The Capital Region capitalized on the digital media industry and established the Baton Rouge Area Digital Industries Consortium (BRADIC). BRADIC is comprised of community leaders and seeks opportunities to attract companies in animation, gaming, and visual effects. Development studios lured to the region include Crawfish Games, Nerjzied Entertainment, BitRaider MMO, and digital media giant, Electronic Arts, Inc.

The Electronic Arts Digital Media Facility is a \$30 million, 94,000 square foot testing center on the LSU campus. LSU will launch its first graduate program in fall 2014 for video game development through the Digital Media Arts and Engineering Program and will learn all aspects of game development at the new Digital Media Facility. The facility includes not only instructional space for LSU's academic efforts, but also provides space for 400 Electronic Arts employees. The building serves as the North American headquarters for Quality Assurance (QA) testing for EA videogames, and was funded from the state capital outlay budget, Louisiana Economic Development and U.S. Economic Development Administration.

Louisiana Technology Park, a business incubator in Baton Rouge for high-tech start-up companies, launched the Level Up Lab in 2013. The Level Up Lab is geared towards start-up video game companies and helps tenants market their products and services faster and more effectively. Tenants are provided



Delta Regional Authority (DRA) Federal Co-Chairman Chris Masingill (center) at the opening of the Level Up Lab. Also pictured l to r: Baton Rouge Mayor Kip Holden, Louisiana Technology Board Chairman J. Terrell Brown, and Louisiana Technology Park Executive Director Stephen Loy. Photo courtesy of Louisiana Technology Park

a small space to work and equipment needed to develop games. The Level Up Lab was partially funded by the Delta Regional Authority.

The Level Up Lab has been identified and accepted as an official SONY PlayStation Development space. This will allow Level Up Lab developers direct access to SONY PlayStation development kits, training and mentoring from PlayStation employees, and potential access to publishing titles on the PlayStation Network (PSN).

A study by economist Dr. Loren Scott revealed that \$19.6 million was spent in digital media in Louisiana in 2012. Digital media spending in Louisiana in 2012 created \$25.5 million in sales at Louisiana firms, \$23.6 million in household earnings for state citizens, and 447 total jobs.

Specialty Chemicals and Petrochemicals

Louisiana's petrochemical industry manufactures one-quarter of America's petrochemicals. This includes basic chemicals, plastics, and fertilizers. Louisiana ranks first in crude oil production and second in natural gas production in the U.S., including offshore production. Nearly 100 petrochemical facilities operate in the state, valued at more than \$19.6 billion, with the Capital Region home to 65 of these petrochemical facilities. Most are located along the Mississippi River in East Baton Rouge, Ascension, and Iberville Parishes.

The Capital Region is projected to add 21,700 new jobs over the next two years, according to the 2014-15 Louisiana Economic Outlook. This represents a 5.6% increase to the Capital Region's current total of 381,500 jobs. The report forecasts an additional 12,500 jobs in 2014 and another 9,200 in 2015. The Greater Baton Rouge Industry Alliance announced \$23.7 billion in projects or underway projects. Scott said the job growth will affect rural Louisiana with a growth by about 2 percent a year.

ExxonMobil has a 150-acre plant in Baton Rouge that produces ten billion pounds of petrochemicals annually. It is the second largest oil refinery in the country, and the world's eleventh largest. This includes olefins, aromatics, plasticizers, alcohols, acids, oxygenated fluids, higher olefins, phthalic anhydride, synthetic rubber, and escorez hydrocarbon resins. In addition, ExxonMobil operates a 118-acre plastics plant in Baton Rouge, which produces polyethylene, polyethylene copolymers, and exact plastomers.

Dow Chemical, located in West Baton Rouge and Iberville parishes, is the largest employer in these two parishes with over 3,000 employees. The 1,500 square foot integrated facility has 23 production units and manufactures more than 50 different basic and specialty chemical products. Placid Refinery Company, LLC is also located in Port Allen in West Baton Rouge Parish. Placid is an independently, privately held petroleum company. The refinery is the company's only manufacturing facility, and it produces a full range of transportation fuels, which are distributed across the southeastern United States from Louisiana to Virginia.

In Ascension Parish, The Shell Group has a facility that manufactures alpha olefins, detergent alcohols, alcohol ethoxylates, plasticizer alcohols, ethylene oxide, ethylene glycols, and 1,3 propaneidiol. All these chemicals are used to make personal care products, soaps, shampoos, and household cleaning products.

Additional manufacturers in the region include BASF, Honeywell International, Inc., Albemarle Corporation, to name a few.

Advanced and Light Manufacturing

Light Manufacturing is more environmentally friendly for the Capital Region where the processing, fabricating, assembly or disassembly of items takes place within an enclosed building. Items range from apparel, jewelry, computers and electronic devices. This type of manufacturing is welcoming to the region as it is less capital intensive versus heavy industry, less environmental impact, and more likely to be attuned to zoning issues near residential areas.

An example of such a facility in the Capital Region is Coca-Cola's 781,000 square foot bottling facility near the Baton Rouge Metropolitan Airport. By industry standards, the facility is considered state-of-the-art and is the only LEED certified "green" bottler in the United States. The plant underwent a \$93 million expansion, which added 113 jobs in the last several years.

Additional manufacturers in the region include: Ormet, Kleinpeter Dairy Farms, The Center for Advanced Microstructures and Devices, Lighthouse for the Blind, and Georgia Pacific.

Corporate Facilities

An analysis to target industry opportunities prepared by Newmark Knight Frank for BRAC identified significant advantages of the region's competitiveness, which included: business costs and competitive wages, university presence, pro-business climate (tax structure, low unionization), transportation infrastructure (port, rail, interstate, pipeline), skilled workforce availability, and engineering talent presence. *Site Selection* magazine ranked the Capital Region the 7th most successful city in landing corporate investments along the Mississippi River between July 2012 and the end of 2013.



Agriculture and Forestry Products

Louisiana's wealth of natural resources and warm climate are advantageous for companies in the agribusiness and food processing industries. Louisiana offers the second lowest state/local tax burden in the U.S. for a new business operation, according to a 50-state analysis by the Tax Foundation and KPMG: *Location Matters: A Comparative Analysis of State Costs on Business*.

Biofuels has become a fixture in Louisiana agriculture and could prove to be economically beneficial to the state's agribusiness. In 2011, the LSU AgCenter launched the Sustainable Bioproducts Initiative (SUBI), located in St. Gabriel, to explore production of biomass for cost-effective conversion to bioproducts using Louisiana chemical and sugar industries' existing refining infrastructure. SUBI, funded by a five-year \$17.2 million grant from USDA's National Institute of Food and Agriculture, brings together researchers from Southern University, University of Kentucky, University of Wisconsin-Madison, University of Arkansas at Monticello and Mississippi State University Cooperative Extension Service to delve into a range of avenues of bioproduction, from economics, transportation, to crop yields and environmental impacts. This joint venture between LSU and Southern University benefits each university's respective students with a training program for workers in the bioproduction plants and a teaching tool for chemical engineering students.

Experts acknowledge the forest industry, not only in the state, but in the Capital Region, is expected to rebound. In fact, a 40 percent increase over the next decade in pine pulpwood is predicted. Brian Chandler, area forester with the LSU AgCenter, indicated this resurgence is due to new markets in pulpwood to be used for wood pellets. LSU AgCenter forest professor, Richard Vlosky, said the

emerging markets for wood energy is being catapulted by a demand for wood pellets in the European Union, in which they use wood pellets to generate electricity. Thirty-six percent of wood pellets come from the U.S., with the world's largest pellet production plant to open in Central Louisiana, including a storage-and-shipping facility for wood pellets facility by Drax Biomass at the Port of Greater Baton Rouge in Port Allen. In fact, Baton Rouge Transit is investing \$30 million of private investment on this project and is expecting its facility to be fully operational towards the end of 2014. The storage and loading facilities will be located on 10 acres leased from the port and will have the capacity to store approximately 80,000 metric tons of biomass pellets.

Trade

Louisiana's economy benefits from the international trade market with more than 500,000 jobs generated from both exporting and importing. A report conducted by David Thomas with the Business Roundtable found that Louisiana's trade-related employment grew nearly three times faster than total employment from 2004 to 2011. Top goods exported in 2012 were petroleum and coal products (\$23.4 billion), grain and oilseed products (\$4.4 billion), basic chemicals (\$4 billion), synthetic rubbers and resins (\$3.3 billion), and Ag and construction machinery (\$1.2 billion).

The International Trade Administration (ITA) announced 2012 data indicating that Louisiana merchandise exports increased 15% in 2012 compared to 2011, growing from \$55.0 billion to \$63.2 billion. This was a record high export level for the state. Louisiana rose in the U.S. state export ranks from 7 in 2012 to number 5 in (Q1) 2013 statistics. The top markets for Louisiana goods were China, Mexico, and Singapore.

Entrepreneurship and Innovation

The Capital Region has a wealth of resources to engage entrepreneurship and innovation. Access to higher education and thriving business incubators creates a dynamic environment to support and grow local businesses. On the campus of LSU is the Louisiana Business & Technology Center (LBTC), which is focused on everything from biotechnology to food innovation. LBTC has worked with over 6,400 businesses and entrepreneurs developing over 2,394 business plans, starting 553 businesses and creating more than 9,207 jobs for Louisiana.

Southern University's Louisiana Small Business Development Center is emerging as one of the region's leaders in entrepreneurship. The center recently received the 2014 Small Business Development Center Service Excellence and Innovation Center Award by the United States Small Business Administration's Louisiana District's Office. Southern's small business center has counseled 1,136 businesses in three years, helped clients create 337 jobs and secure about \$20 million in financing. In addition, Southern University was recently funded by the EDA as a University Center for Economic Development and funding for a small business incubator.

As mentioned, Louisiana Technology Park, another premier business incubator in the region, has produced \$92.2 million in additional business transactions, \$26.8 million in additional household earnings, and 614 new jobs. The direct and indirect economic impact has returned \$9 for every dollar invested.

The Capital Region's other incubators include Entrepreneur Headquarters and Springboard Baton Rouge.

Tourism

The tourism industry is one of the mainstays of many of the parishes in the District and is a sector of the economy that continues to expand statewide. In 2013, Louisiana set an all-time record for tourism.

According to a report conducted by the University of New Orleans, 27.3 million visitors spent \$10.8 billion and contributed to \$800 million in state tax revenues. The District has many early Louisiana style and antebellum plantation homes, historic courthouses, museums and galleries. Numerous historic site markers are located throughout the region. During the Civil War, skirmishes and battles occurred in almost every parish in the district, including the Battles of Baton Rouge and the Battle of Port Hudson; the latter is a state park. The Capital Region also has many State Commemorative Areas throughout the 11 parishes, and the area is prime location for filming movies and commercials.

On average, every \$97,546 spent by domestic travelers in Louisiana during 2012 generated one job. East Baton Rouge Parish was one of the top five parishes in the state for domestic travel, with \$830.4 million in domestic travel expenditures during 2012, up 3.6 percent from 2011. These expenditures benefitted the parish with \$143.8 million in payroll and 6,700 jobs.

Domestic Travel Impact in the Capital Region Parishes- 2012

Parish	Expenditures (\$ millions)	Payroll (\$millions)	Employment (thousands)	State Tax Receipts (\$ millions)	Local Tax Receipts (\$ millions)
Ascension	94.67	10.47	0.6	4.77	1.55
East Baton Rouge	830.41	143.8	6.69	33.67	14.51
East Feliciana	3.05	0.53	0.03	0.12	0.21
Iberville	21.14	3.02	0.15	1.02	0.94
Livingston	48	4.35	0.22	2.43	1.69
Pointe Coupee	10.02	1.28	0.07	0.45	0.27
St. Helena	2.44	0.47	0.03	0.09	0.17
Tangipahoa	141.91	14.3	0.75	7.26	2.38
Washington	21.22	2.31	0.12	1.05	0.59
West Baton Rouge	49.03	6.24	0.36	2.53	0.91
West Feliciana	<u>18.59</u>	<u>2.98</u>	<u>0.18</u>	<u>0.89</u>	<u>0.76</u>
District totals	1240.48	189.75	9.2	54.28	23.98

Source: U.S. Travel Association

Economic Resources

Louisiana Economic Development's certified sites program qualifies sites based on zoning restrictions, title work, environmental studies, soil analysis and surveys. These sites are 180-day development ready and have due diligence studies performed to receive certification. In the Capital Region alone, there are 20 certified sites: Ascension (2), East Baton Rouge (4), Iberville (3), Pointe Coupee (5), St. Helena (1), Tangipahoa (3), Washington (1), and West Baton Rouge (1).

Additionally, Louisiana Economic Development's FastStart program has a knack for recruiting and sending individuals into the workforce. In fact, it is the top-ranked program of its kind in the nation, and plays an integral role when it comes to Louisiana landing site selection competitions. FastStart works with new and expanding Louisiana-based operations to ensure they have a highly-qualified, trained workforce at no cost to the company. Other programs LED offers to attract industry include Louisiana Quality Jobs, Enterprise Zone, Community Competitiveness Program, and other programs for small business. For more information, visit <http://opportunitylouisiana.com/index/incentives>.

There are federal and state chartered banks, savings and loans, and credit unions in the District. Their commercial lending policies and restrictions are usually similar to national policy. In addition, the municipalities and parishes rely on the Governor's Office of Rural Development, CDBG Economic Development section, US Department of Agriculture, Delta Regional Authority, and the Department of Economic Development programs for some funding of industry and business. The Louisiana Public Facilities Authority (LPFA) is a source of funds through bonds and other avenues. LPFA maintains a list of all financial programs and the requirements.

The region continues to need financing for "small or micro" loans. Many of the smaller businesses need interim loans of \$10,000 or less in order to attract and complete orders. Parishes and municipalities with revolving loan funds are able to more easily meet this need and are providing these loans, but additional revolving loan funds throughout the district is needed.

Air Quality

Through a joint effort, The Baton Rouge Clean Air Coalition, Capital Region Planning Commission, and Louisiana Clean Fuels have focused air quality efforts the past 25 years on the five-parish Baton Rouge Ozone Nonattainment Area (BRNA) comprised of East Baton Rouge, West Baton Rouge, Ascension, Iberville, and Livingston Parishes. However, in their most recent report, the organizations include the entire Baton Rouge MSA area. The report notes the Baton Rouge region has made great strides in air quality improvements. This progress can be attributed to federal and state efforts, and most important, a commitment from local community efforts.

In 1991, the five-parish BRNA was designated nonattainment by EPA and assigned a classification of "serious" following the 1990 Clean Air Act amendments. Over the past two decades, the area has seen significant reductions in ozone levels. Although typically a summertime problem, in the late 1980s, the BRNA could have an ozone exceedance in any month of the year. In fact, the area was described by the EPA at that time as having a 12-month ozone season. Today, the ozone season for the BRNA has narrowed just to the warmer months of April through September.

To access the current and historical monitoring data by pollutant, region, or site through the LDEQ website, visit <http://airquality.deq.louisiana.gov/>.

Resiliency Matters: Mitigation within the Region

The Capital Region is prone to many natural disasters, such as hurricanes, flooding, severe storms (thunderstorms, lightning, high winds, and hail), and tornadoes. Local hazard mitigation goals include mitigation of critical infrastructure and governmental/parish facilities to prepare for, protect against, respond to and recover from natural hazards; minimize the National Flood Insurance Program (NFIP) payouts by reducing repetitive flooding in all areas; promote an all-hazards public awareness campaign that focuses on preparing for and mitigating against natural disasters that may affect our community; and improve the drainage system capacity for all river, creeks, and canals.

Retrofitting techniques of structures is an effective mitigation technique to reduce the flood loss of property. Retrofitting techniques include the elevation of both slab-on-grade and pier-on-beam structures, dry flood proofing, wet flood proofing, and installation of generators and hurricane shutters. Dry flood proofing techniques include the building of floodwalls adjacent to existing walls, the installation of special doors to seal out floodwaters, and special backflow valves for water and sewer lines. Wet flood proofing includes low cost mitigation measures such as raising air conditioners, heat pumps and hot water heaters on platform. Another cost effective retrofitting technique includes the installation of generators. The preservation of power with generators during and after severe storms is critical when providing necessary services to the community.

Improving the drainage capacity around roads and low-lying areas is another way to combat flood damage. Maintenance of drainage canals and laterals is essential to increase efficiency and long term effectiveness. Local and statewide efforts to inform the public exist, but there's still a portion of the population that remains uninformed when it comes to emergency management techniques. Thus, educating the public on life and property saving techniques remains a high priority at the local, state, and federal level. The Community Rating System (CRS) is a program the parishes and municipalities can join. Once a parish has joined, they receive a discount on their flood insurance. As a result, the parish would actively pursue public outreach programs, such as a Repetitive Loss Outreach Program, which focuses on repetitive loss areas.

In addition, improved floodplain management, including land use planning, zoning and enforcement at the local level can reduce flood related damages. The use of the NFIP is critical to the reduction of future flood damage costs to the taxpayer. The Louisiana Department of Transportation and Development (LDOTD) is the primary agency responsible for the administration of the NFIP for the State of Louisiana. Floodplain management and building codes serve to assist the communities with problems experienced from floods, severe storms, tornadoes, and hurricanes.

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